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News Release dated: September 13, 2013

To whom it may concern:

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(Code No.: 2678, Tokyo Stock Exchange First Section)
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FY5/2014 1st Quarter Performance (Part 2)
(Consolidated financial summary for first quarter of fiscal year ending May 2014)

ASKUL Corporation (hereinafter referred to as the "Company") herewith attach the "FY5/2014 1st Quarter Performance" (Consolidated financial summary for first quarter of fiscal year ending May 2014) to provide supplementary information with respect to the "Summary of Consolidated Financial Results for First Quarter of Fiscal Year Ending May 2014."

These supplementary materials include forward-looking statements concerning current plans and the outlook for operating results. These statements are based on plans and forecasts that use currently available information. Forward-looking statements are not promises or guarantees about the future because actual operating results may differ from the Company's outlook for a variety of reasons.

These supplementary materials are unaudited and have not been reviewed by certified public accountants or auditors.

I. First Quarter Results

II. FY5/2014 Outlook (Reminder)

III. Progress of Priority Measures (1)

- Reform of Logistics Base for Ensuring Significant Growth -

IV. Progress of Priority Measures (2)

- Further Profit Expansion of B-to-B Business by Focusing on Growth Areas -

V. Progress of Priority Measures (3)

- Strive for Thorough Expansion of Sales of LOHACO Business -

ASKUL × YAHOO! JAPAN

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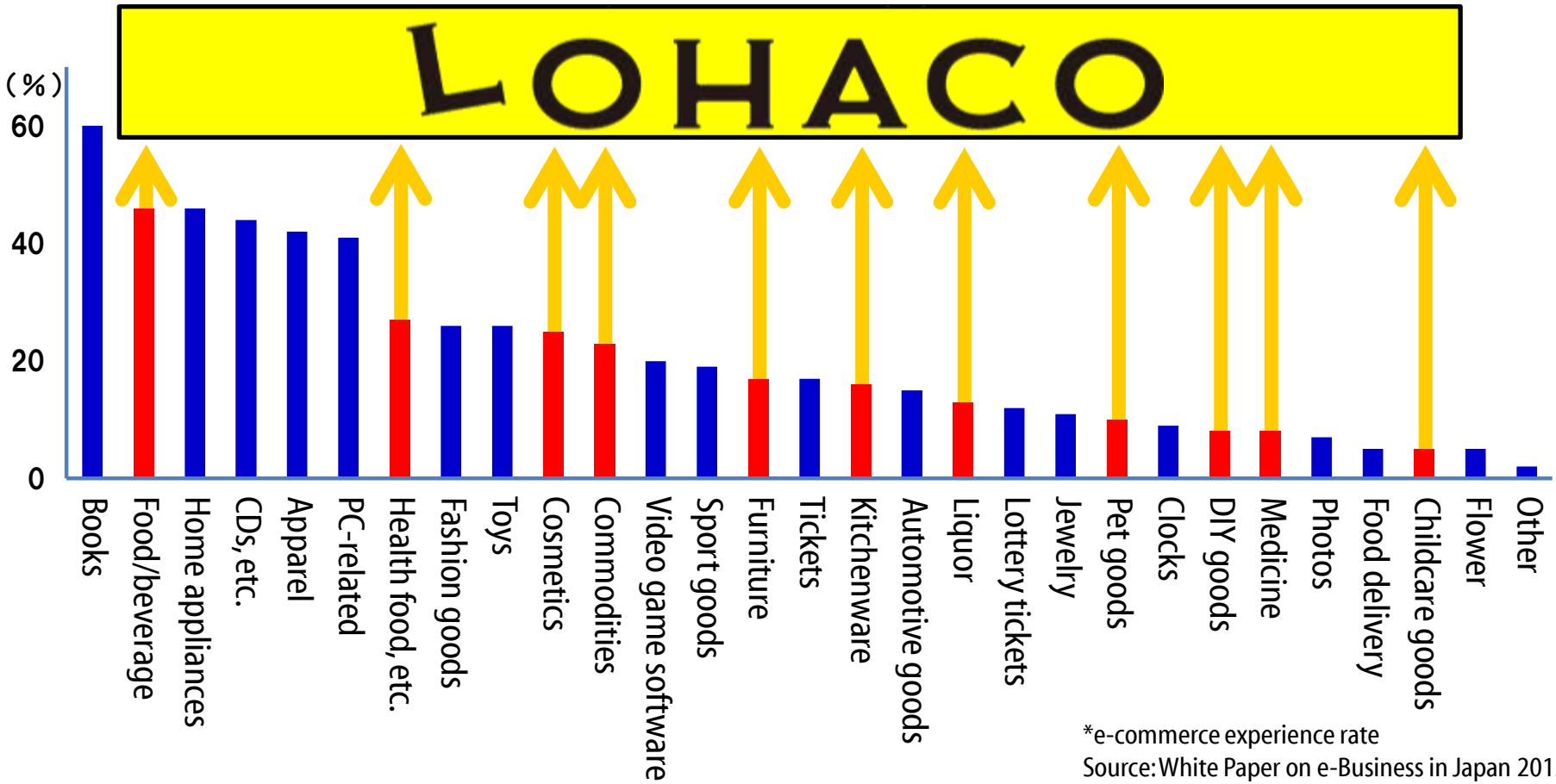
LOHACO

http://lohaco.jp

E-commerce of commodities is yet to gain popularity

Same-day, next-day delivery of household commodities



*e-commerce experience rate

Source: White Paper on e-Business in Japan 2012

E-commerce is entering the second generation

1st generation



Search and purchase single items related to one's hobby or taste

2nd generation

Food products



Beverages
(coffee, tea, etc.)



Tissues and other household paper products



Kitchen goods, supplies



E-commerce entering into the household, and being utilized in daily life

We will become

No. 1 in 2nd generation e-Commerce

Why can we achieve it with LOHACO?

Because it has the winning structure

(1) Logistics capability that can generate profit even with commodity items

⇒ Logistics expertise accumulated in B-to-B over 20 years
(Same-day/next-day delivery, standardized service throughout Japan)

⇒ Decisive efficiency enabled by utilization of the same logistics base as B-to-B

⇒ Besides these, our state-of-the-art logistics center started operation

(2) Low cost through direct transactions with manufacturers and shortest value chains ＝ price competitiveness

⇒ Producer-retailer alliance enabled by opening up ASKUL's distribution process

⇒ Abilities to make proposals to customers and to develop own-brand products are also our strengths

(3) Wide product range of commodities that enables one-stop shopping

⇒ Approx. 70,000 SKUs (by the end of the year) with commodities (regular daily goods) + Brand Shop

⇒ Customer convenience improved after re-launch of website, which has been boosting shopping across the website

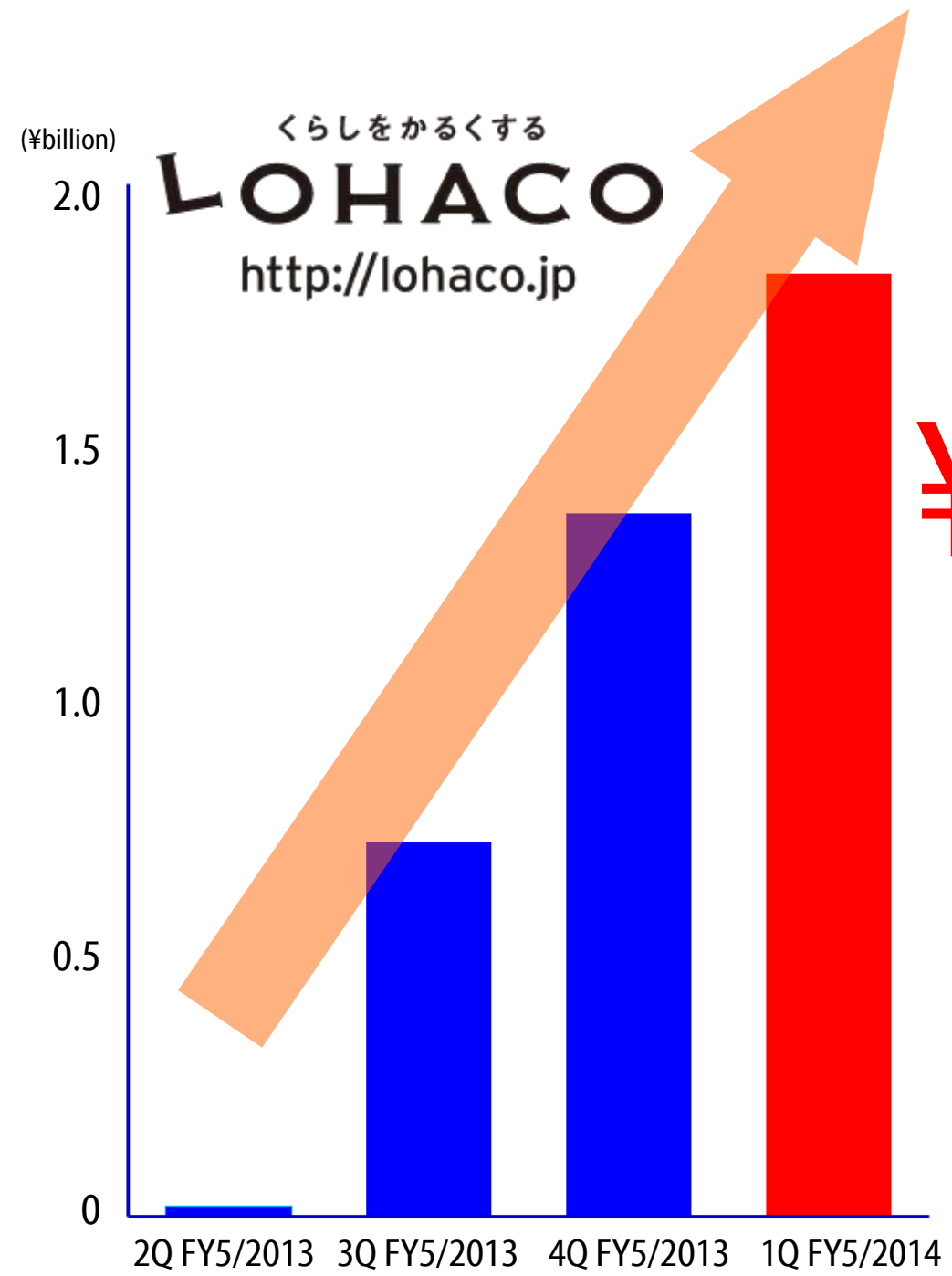
(4) Utilization of big data analysis in cooperation with Yahoo Japan Corporation

⇒ Fully utilize analysis technique on the voluminous information on the Internet

⇒ Improve customer attraction and conversion rate (CVR)



We will thoroughly focus on sales expansion at LOHACO



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LOHACO
http://lohaco.jp

1Q net sales

¥1.8 billion

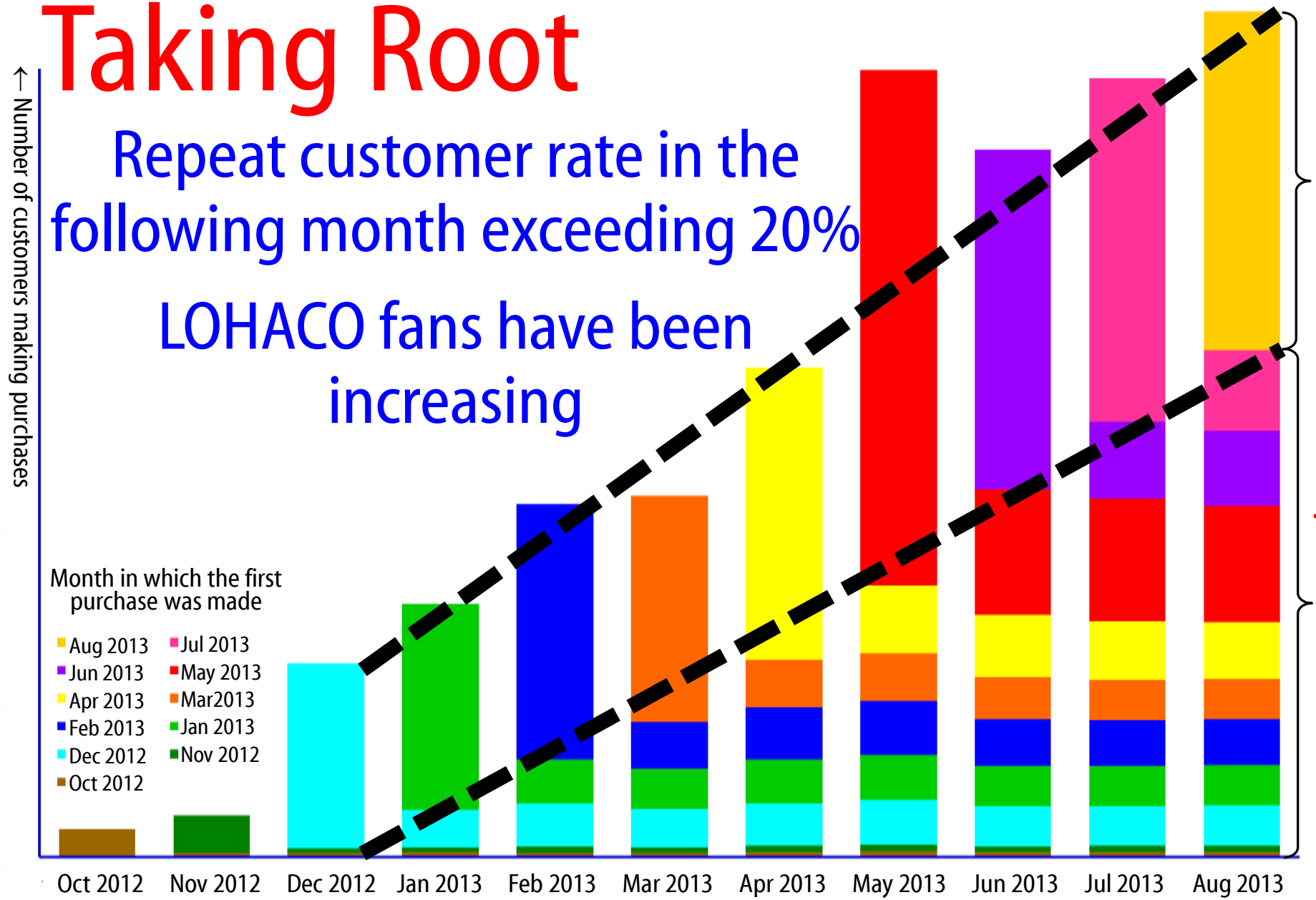
QoQ change

134%

Continued Purchase Taking Root

Repeat customer rate in the following month exceeding 20%

LOHACO fans have been increasing



Reason behind Increase in Repeat Customers (1)

Differentiated Delivery Service



Time-specified same-day/next-day delivery for no extra charge* which even Amazon cannot match

*¥1,900 or more per order

Reason behind Increase in Repeat Customers (2)

Single-item Purchase of Lowest-Priced Products

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キリンビバレッジ　アルカリイオンの水2L　1セット（3本）



販売価格(税込)　￥261
1本あたり￥87

¥87 per bottle
in a 3-bottle set

Amazon

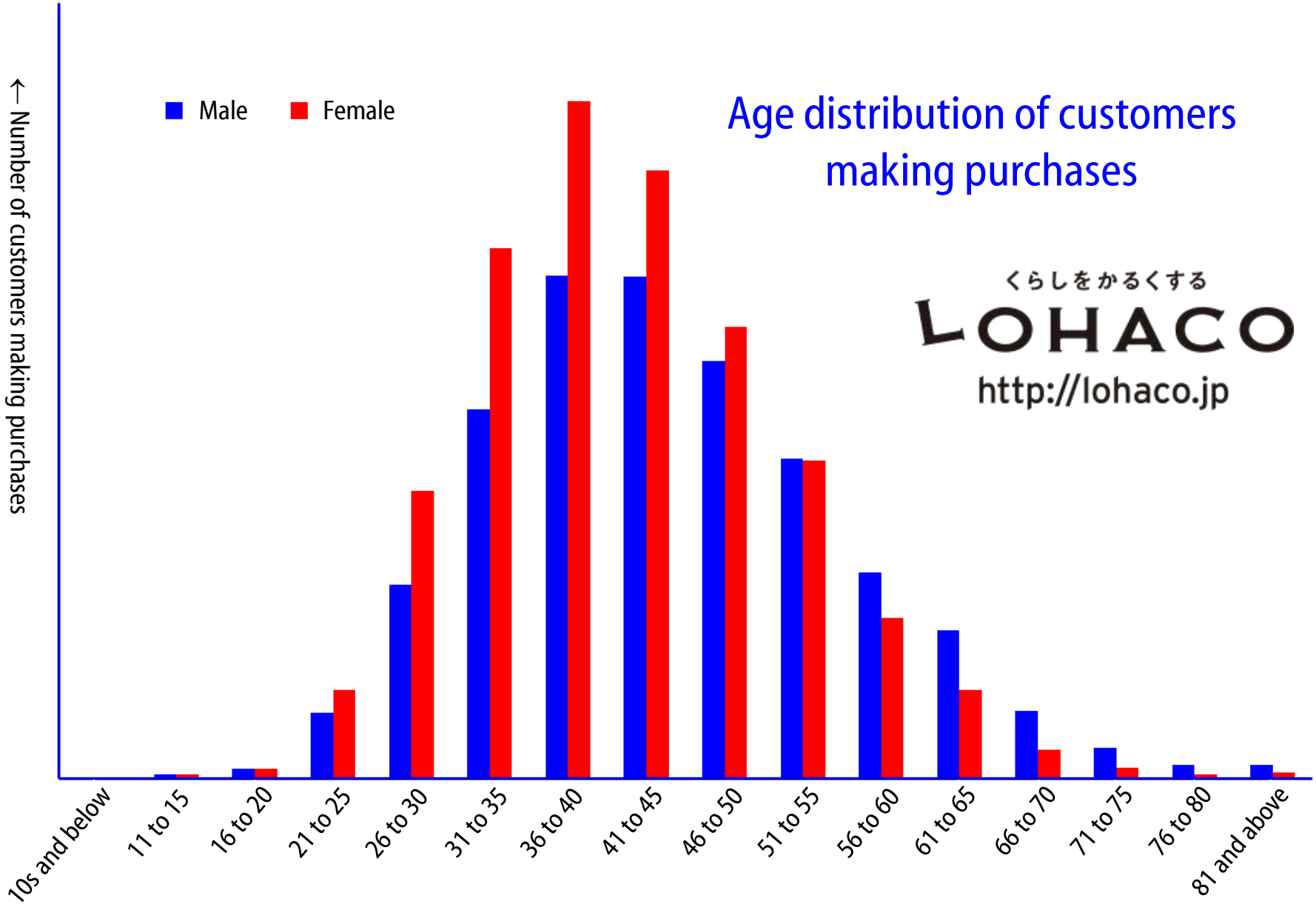


[2CS] キリン アルカリイオンの水 (2L×6本)×2箱
~~￥ 2,898~~ ￥ 1,155 (￥ 96/本)

¥96 per bottle
in a 2-box set (12 bottles)

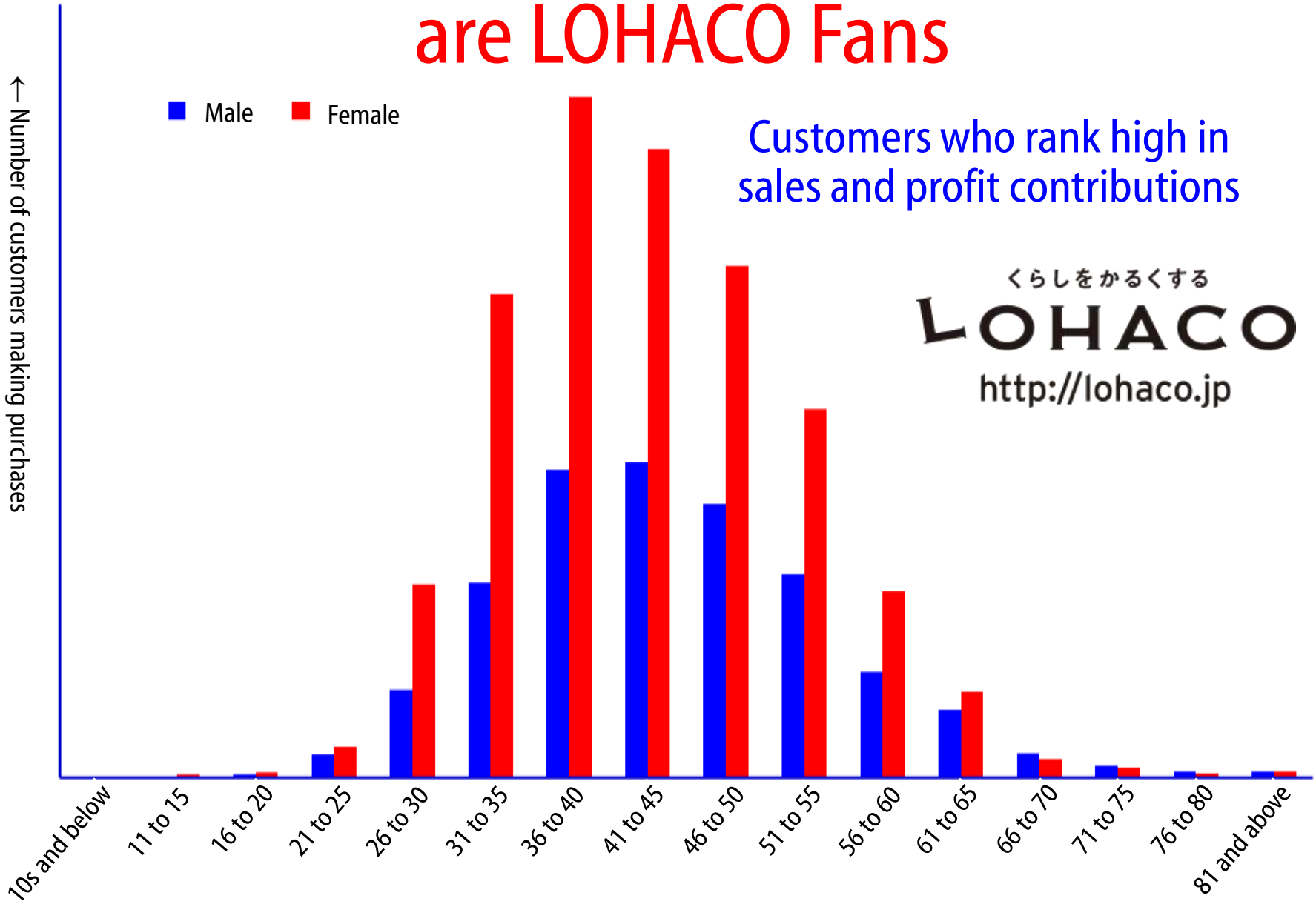
*The prices as of Sep 7, 2013

Enhanced Support from Female Customers



*Period: cumulative total for the period from the launch of LOHACO through August 2, 2013

Female Consumers, in particular, are LOHACO Fans



*Period: cumulative total for the period from the launch of LOHACO through August 2, 2013


Website
re-launched on
August 5!

To Be Mega Outlet with 70,000 Items



Image of Increased Number of Products

Food/kitchen

New

Beverages
Pet bottles
Coffee

Shelf-stable food
Rice, pasta
Retort-packed, instant foods
Snacks, canned food
Seasoning, etc.

Liquor

New

Kitchenware

Household items

Household paper

Detergent

Cleaning

Nursing care

Baby care

Pet

New

Health care & beauty

New

LOHACO Drug

New

Brand shop mall

New

Stationery

Home center (do-it-yourself goods)

New

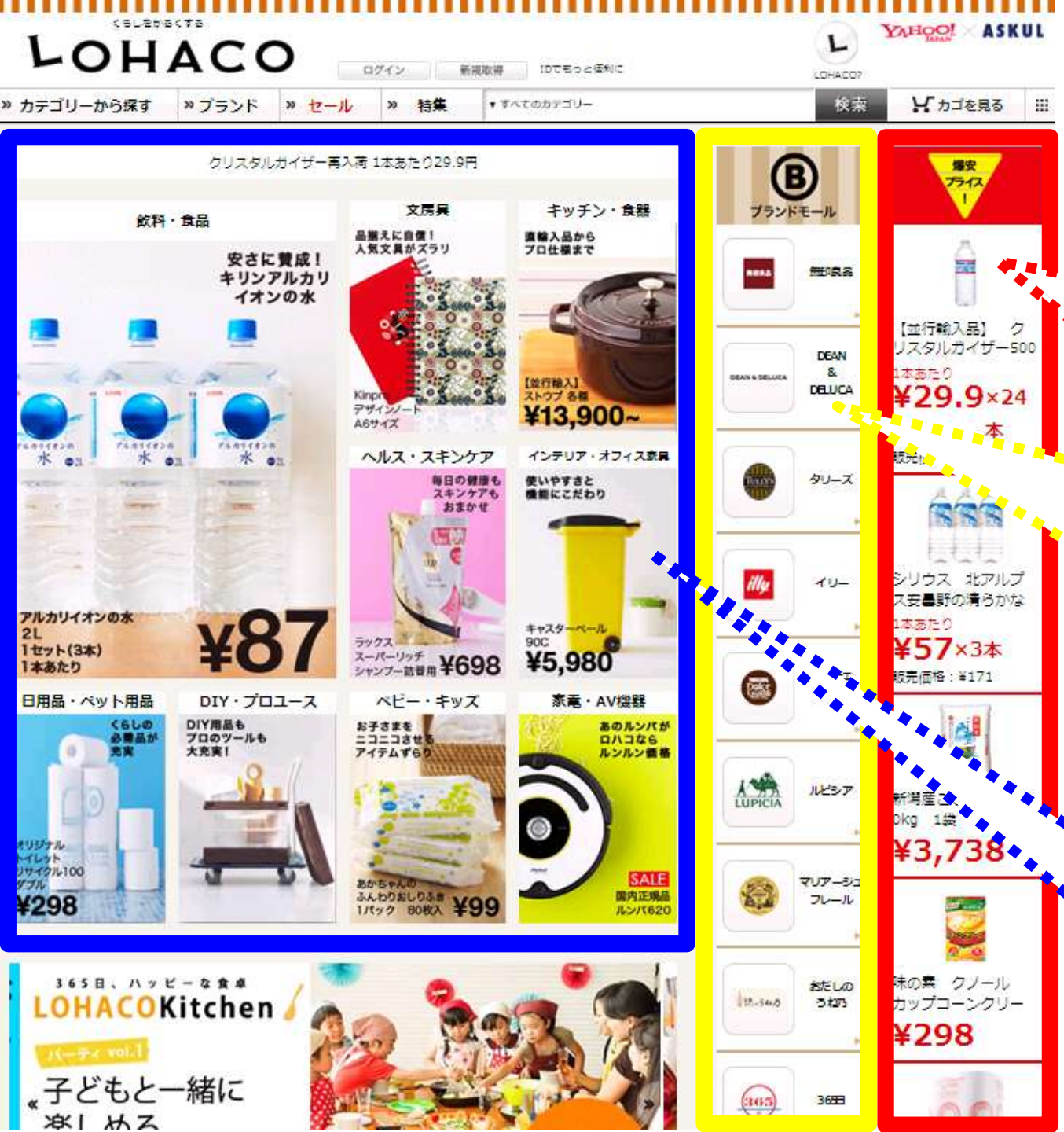
PCs
PC peripherals

Smartphones
Goods

New

High-design appliances
High-performance appliances

Office chairs



Price strategy

Customer-attracting zone

Inviting brand shops

Improved ability to attract customers/ better earning power

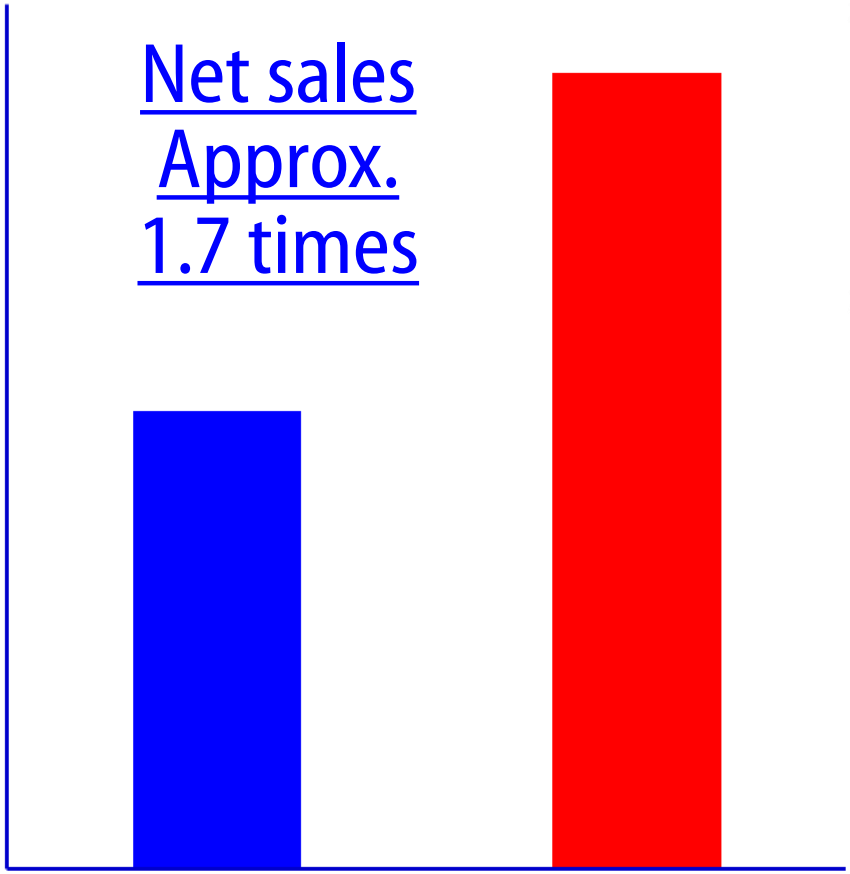
Visualization

Improved category recognition and ease of shopping

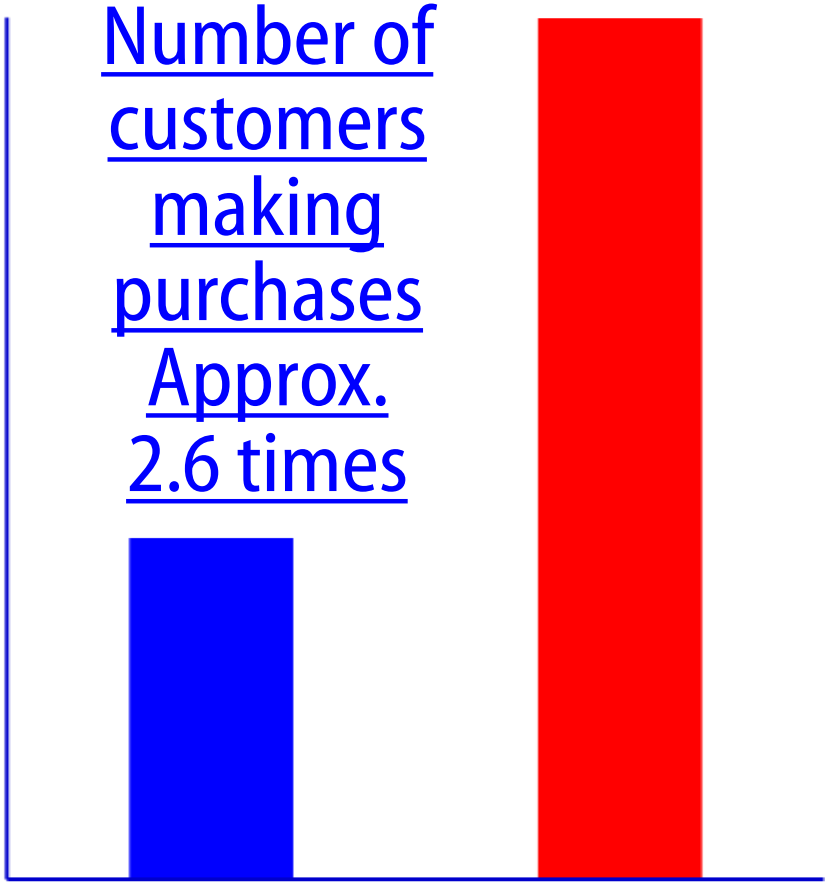
Sales, Number of Customers Making Purchases at Brand Shop Mall Increased



Net sales Approx. 1.7 times



Number of customers making purchases Approx. 2.6 times



* "Before re-launch": from July 29 to August 4, 2013; "After re-launch": from August 26 to September 1, 2013



ENOTECA®

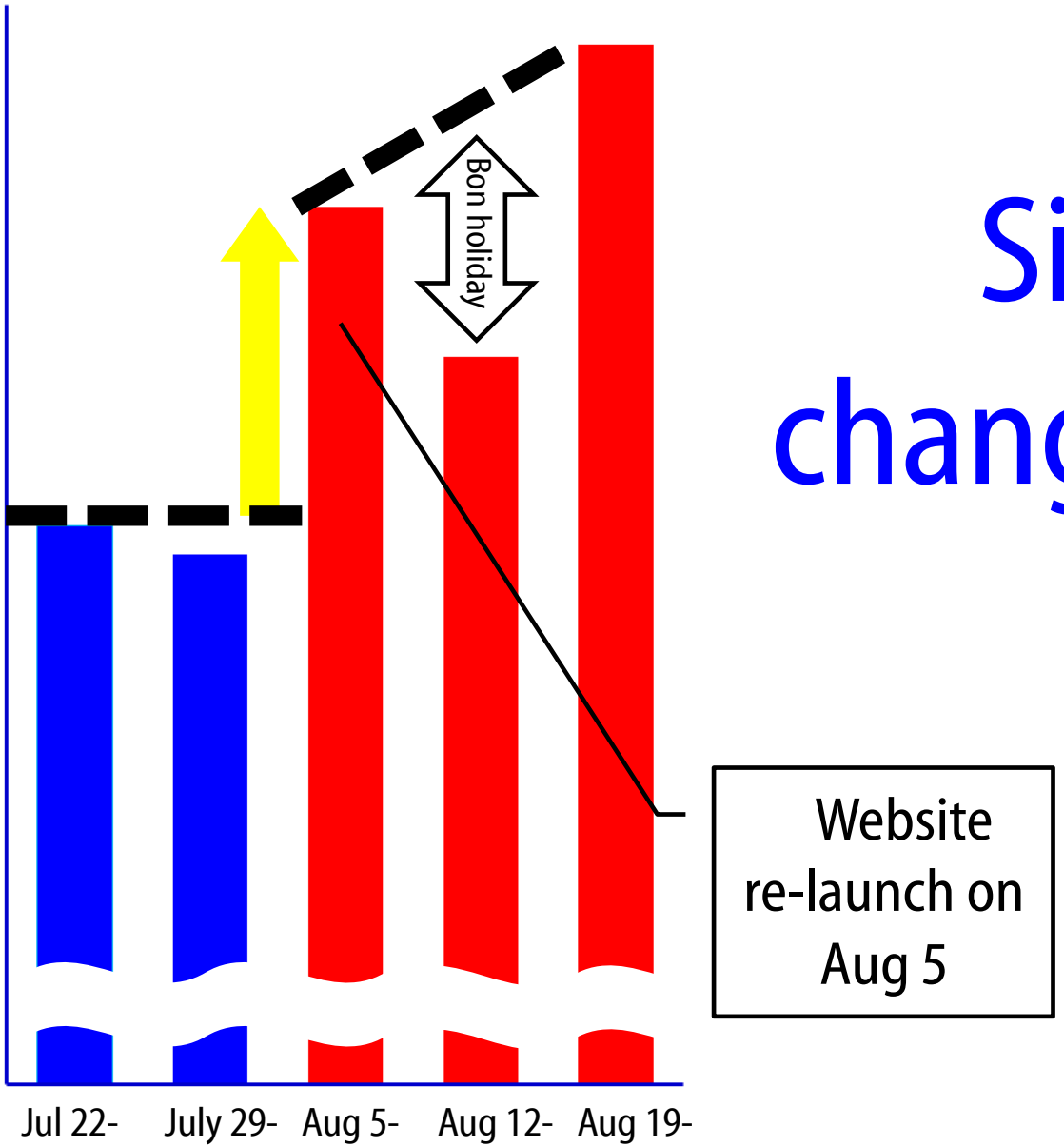
For All Wine Lovers

FAUCHON

PARIS

New Brand Shops Opening One after Another!

Weekly Net Sales after Re-launch



Signs of changing trend

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Analysis, Utilization of Big Data

Data collection/integration

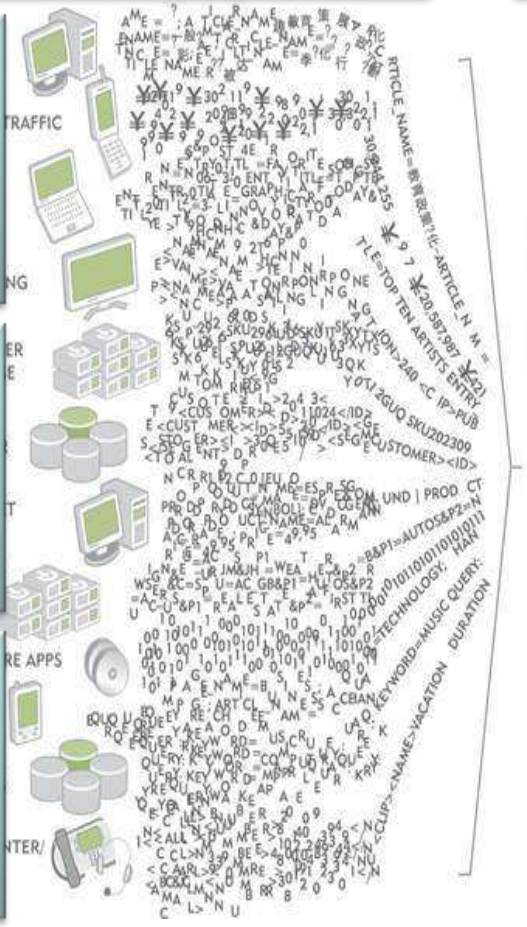
Analysis
Insight, visualization

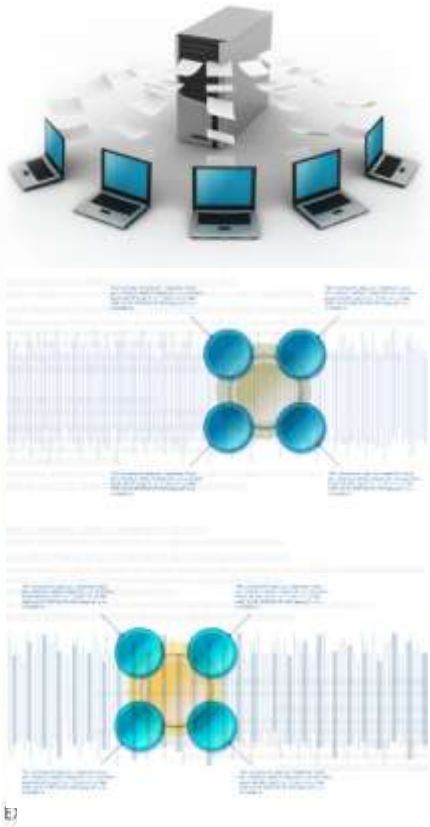
Collaboration
Optimization, automation

Market

Competition

Own company





In-depth collaborations involving measures

- Management
- Products
- Sales
- Sales promotion
- Operations
- Procurement, logistics
- Suppliers

Internet

- Optimization
- Automation
- Improving efficiency
- Sales increase
- Profit increase

Utilized POS, Big Data
Strengthened 1-to-1 Marketing



Marketing That Is Integrated with Manufacturers

Case of "My Granola Style" with Calbee

Step 1 Early Sept

Advance tasting event by Calbee and customers



Step 2 Mid Sept

Fruit Granola, the top product in the food category



Trial offer price targeting Fruit Granola customers

Stir up interest by posting comments and photos

Step 3 To be launched on Sept 24

Launch of limited sale through LOHACO and Calbee online shop websites!







Calbee

LOHACO Attracts Rising Attention in Mass Media, SNS, etc.

May 15

Patena no kamisama,
Mainichi Broadcasting System

Useful mail order website LOHACO for buying household goods,

June 12

news every,
Nippon Television Network

Full clearance for online medicine sales imminent

Major office supply mail order company to enter into the business

August 24

Wake Up! Plus,
Yomiuri Telecasting

Summer Campaign:
online mail order service × logistics

LOHACO

More than 60 times of media exposure since July 2013

June 19

MONOQLO,
Shinyusha

Make full use of emerging online mail order service

LOHACO to become new standard!

August 28

Nikkei Trendy,
Nikkei BP

E-commerce websites are going back to their roots

August 26

AERA,
Asahi Shimbun

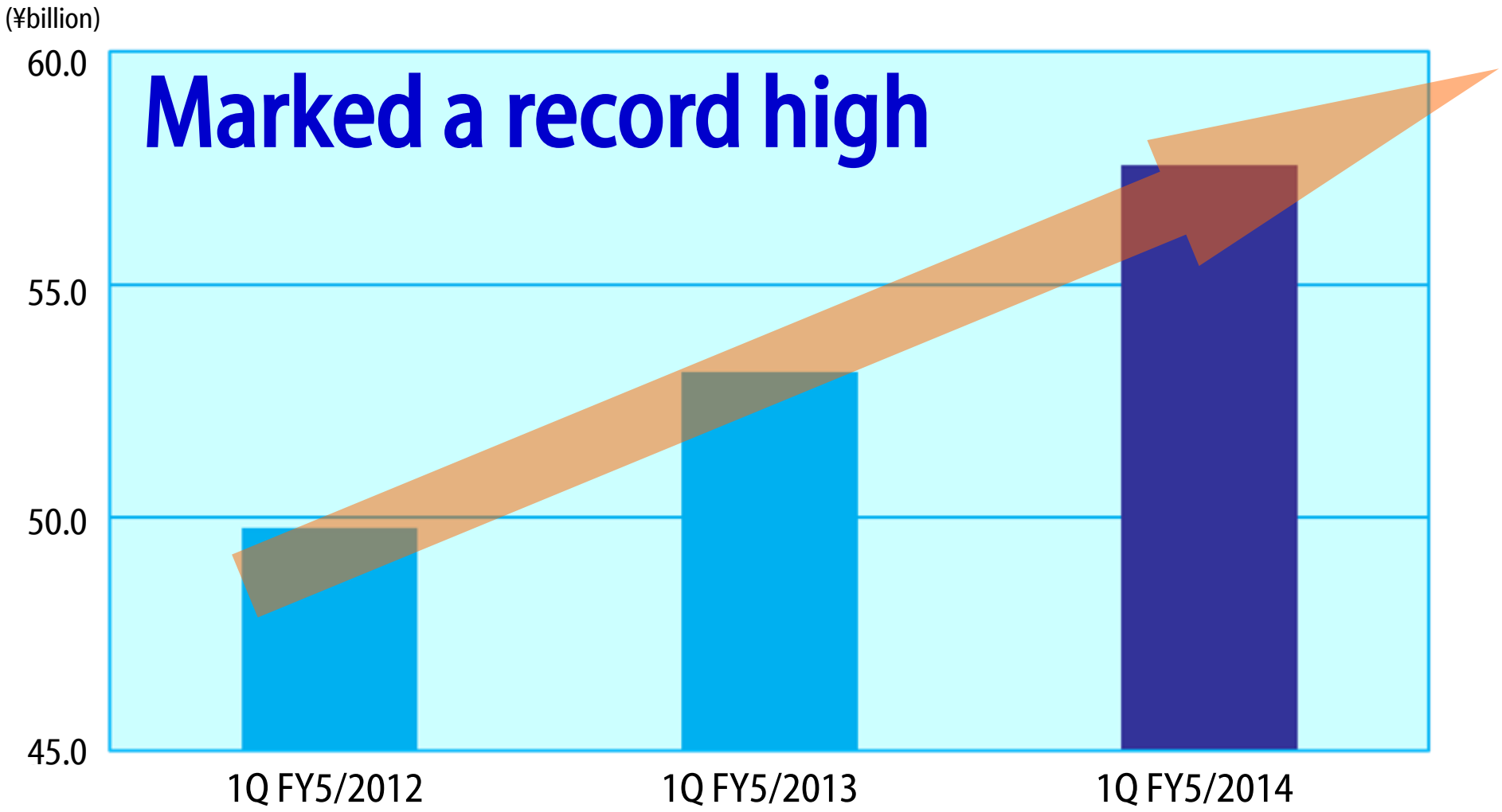
Logistics hegemony in Tokyo Metropolitan area

Tweets on Twitter increased about 1.5 times in the first month after the website re-launch


Successful take-off
We will raise top line
from this point!

Appendix

《Appendix》Trend in 1Q Consolidated Net Sales



Both LOHACO and B-to-B business have been progressing in line with the forecasts

《Appendix》Net Sales by Product Category

Non-consolidated

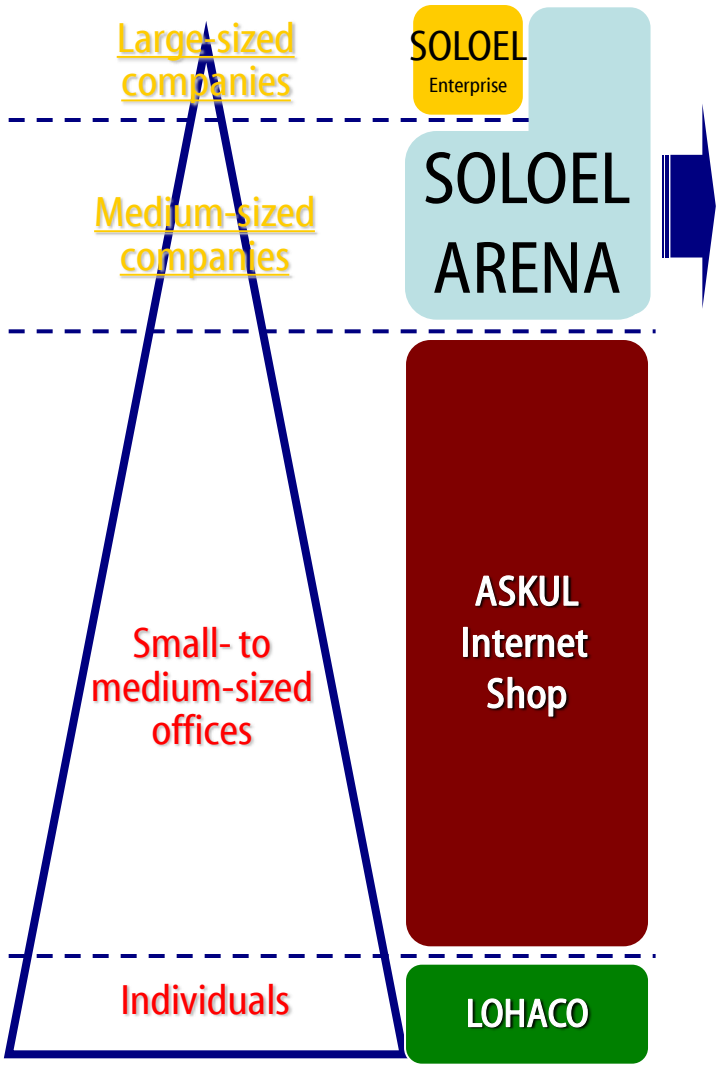
ASKUL

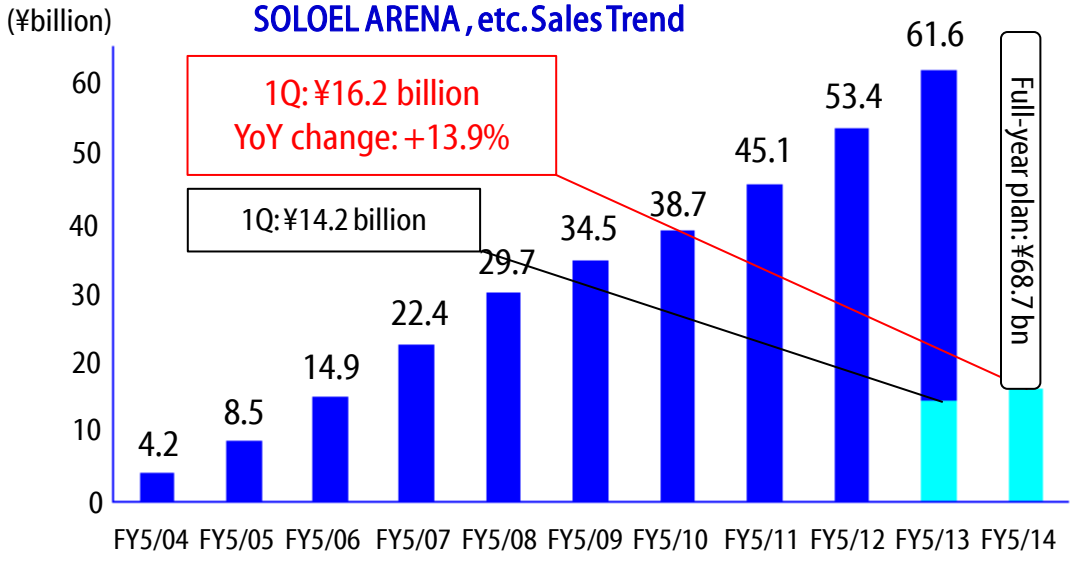
	1Q FY5/2013		1Q FY5/2014	
	Amount (¥million)	YoY change (%)	Amount (¥million)	YoY change (%)
OA&PC	19,247	+2.2	19,941	+3.6
Stationery	11,254	+7.6	12,058	+7.1
Living Supplies	11,222	+9.6	13,466	+20.0
Furniture	4,102	+7.3	4,241	+3.4
Others (Medical, etc.)	3,302	+14.0	3,774	+14.3
Total	49,129	+6.2	53,482	+8.9

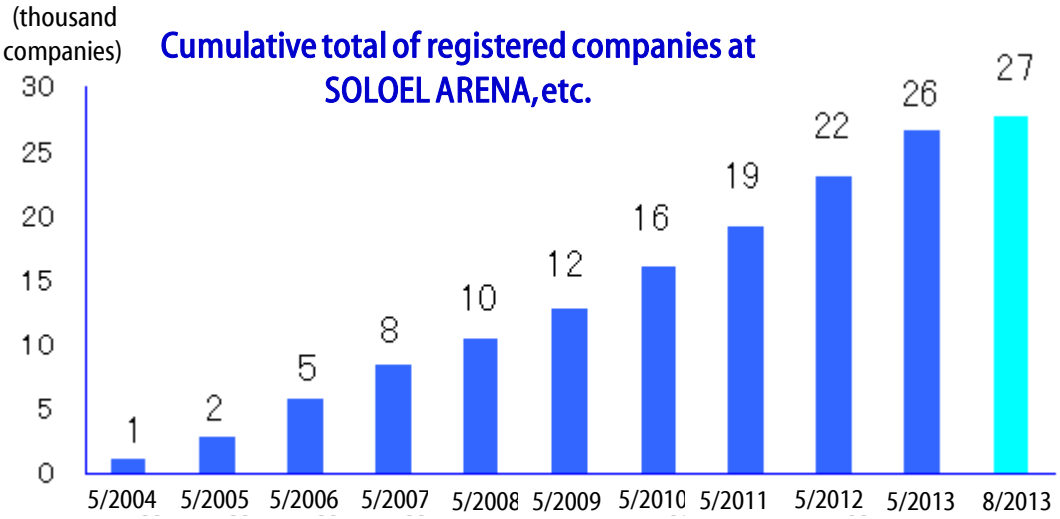
Others, which includes focus fields of MRO and Medical, and Living Supplies, which is LOHACO's mainstay products, drove forward the growth

*MRO: Abbreviation of Maintenance, Repair and Operation. Here, primarily denotes indirect supplies consumed on site by companies

《Appendix》 SOLOEL ARENA Expanding Steadily

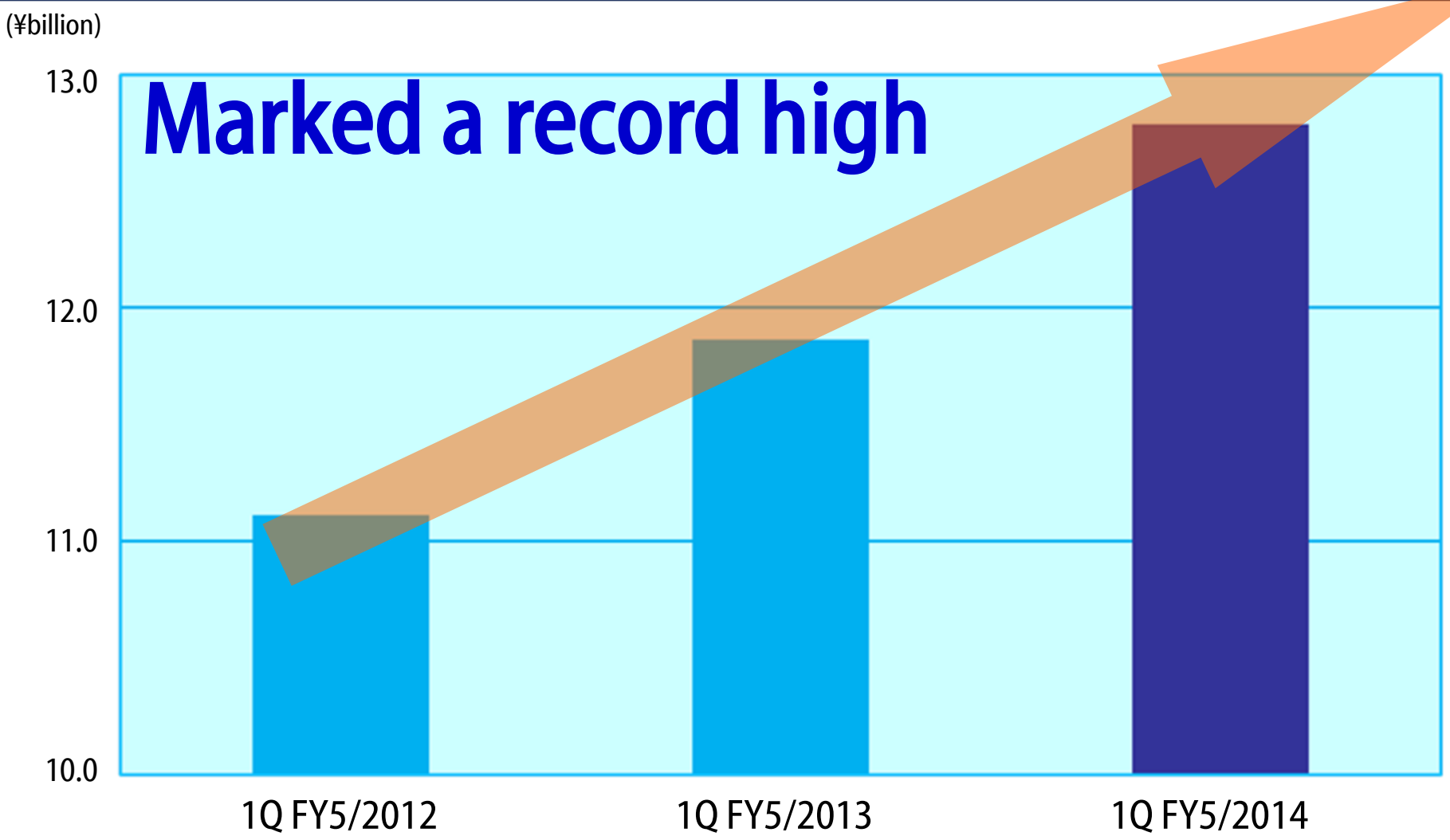






Sales increased 13.9% on year, exceeding full-year plan of 11.6%

《Appendix》Trend in Consolidated Gross Profit



Steadily accumulating profit reflecting sales increase

《Appendix》Gross Profit and SG&A Expenses

Gross profit: ¥12.7 billion

YoY change: +¥0.9 billion

Gross profit margin: 22.2%; YoY change: -0.1p.p.

- While implementing price strategy to expand net sales of LOHACO, gross profit margin remained unchanged from the previous year as a result of cost reduction activities and improvement of gross profit of merchandise sales from increase in own-brand products

SG&A expenses: ¥12.4 billion

YoY change: +¥2.33 billion

Ratio of SG&A expenses to net sales: 21.6%; YoY change: +2.6 p.p.

< Reasons behind SG&A expenses difference from a year earlier >

- Logistics base enhancement (fixed and temporary expenses)	+¥0.66 billion
- Advertising expenses	+¥0.23 billion
- Initial operating expenses for launching the new center	+¥0.47 billion

Capital expenditures: ¥20.0 billion

(Annual plan: ¥22.4 billion)

Logi PARK Tokyo Metropolitan logistics base enhancement	¥18.1 billion
Osaka DMC logistics base enhancement	¥1.2 billion
LOHACO Website development	¥0.2 billion

(Ref.) Depreciation and amortization of software: ¥0.8 billion

(Annual plan: ¥3.8 billion)

《Appendix》FY5/2014 Consolidated Performance Outlook

	FY5/2013 full year (actual)		FY5/2014 full year (plan)		
	Amount (¥million)	% of net sales	Amount (¥million)	% of net sales	YoY change %
Net Sales	226,610	100.0	250,000	100.0	+10.3
Gross Profit	50,613	22.3	56,400	22.6	+11.4
Selling, General and Administrative Expenses	43,733	19.2	50,400	20.2	+15.2
Operating Income	6,880	3.0	6,000	2.4	-12.8
Ordinary Income	7,241	3.2	6,000	2.4	-17.1
Net Income	5,812	2.6	3,000	1.2	-48.4

《Appendix》New Catalog Released



ASKUL Catalog Autumn/Winter 2013
Released in August 2013

Total pages	**1,274 pages**
Listed products	**About 31,300 items**
Newly offered products	**About 2,950 items**
Original products	**About 5,000 items**
Green Products	**About 11,100 items**

<Reference> Overview of ASKUL Catalog Spring/Summer 2013

Total pages: 1,258 pages

Listed products: About 30,000 items

《Appendix》New Catalog Released

ASKUL

Competitive-ness



Added value



Originality



Sociality



(1) Share of orders placed on the Internet in net sales

	1Q FY5/2014	YoY change	1Q FY5/2013
Orders via the Internet	72.9%	+3.3 p.p.	69.6%
Other	27.1%	-3.3 p.p.	30.4%

Note 1: The percentages above are based on orders placed.

(2) ASKUL original products

(items)

	August 2013 (single month)	YoY change	August 2012 (single month)
Number of original products	4,380	+681	3,699
Share in net sales	15.9%	+1.1 p.p.	14.8%

Notes:

1. The figures above are the results for the month of August each year.
2. Net sales of original products used as the numerators in calculating the shares in net sales do not include net sales of original copier paper.
3. The figures for the number of original products do not include the products listed in Medical & Care Catalogs and Medical Pro Catalogs.

(3) Capital expenditures

(¥million)

Item	1Q FY5/2014		1Q FY5/2013
	Amount	YoY change	Amount
[Capital expenditures]	20,036	+5,010.7%	392
Property, plant and equipment	19,231	+16,039.7%	119
Intangible assets	805	+195.2%	272
Construction in progress Note2	5	-19.4%	6
Software in progress Note2	99	-40.3%	167

Notes:

1. Capital expenditures are stated on an accrual basis and do not reflect reductions.
2. Construction in progress and software in progress partially include consumption and other taxes.