Disclaimer
This is an English translation of the captioned release. This translation is prepared and provided for the purpose of the reader's convenience. All readers are recommended to refer to the original version in Japanese of the release for complete information

News Release dated: September 13, 2013

To whom it may concern:

Company Name: ASKUL Corporation
(Code No.: 2678, Tokyo Stock Exchange First Section)
Representative: Shoichiro Iwata
President and Chief Executive Officer
Contact Person: Tsuguhiro Tamai
Executive Officer, Finance & Corporate Communication Unit
Phone: (03) 4330-5130

FY5/2014 1st Quarter Performance (Part 1)
(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.

FY5/2014 1st Quarter Performance

Better-than-forecast Start in First Quarter on Successful Reform of Logistics Base

——"Offense" Gaining Pace as State-of-the-art Logistics Center "ASKUL Logi PARK Tokyo Metropolitan" Starts Operations, LOHACO Website Is Re-launched and Own-brand Products Reach 5,000 Items ——

September 13, 2013

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This is an English translation of the captioned presentation material. This translation is prepared and provided for the purpose of the convenience of non-Japanese-speaking people. All readers are recommended to refer to the original version in Japanese of the presentation material for complete information.

Notes:
This material contains ASKUL Group's current plans and performance outlook. These plans, forecasts, and other forward-looking statements represent ASKUL's plans and forecasts based on information currently available. Actual performance may differ from these plans and forecasts due to a variety of conditions and factors that could occur in the future. This material does not represent promises or guarantees regarding the achievement of these plans.
This material has not been audited by certified public accountants or auditing firms.

For the purposes of this material, LOHACO refers to the online mail-order business for general consumers, launched in October 2012 in alliance with Yahoo Japan Corporation.

B-to-B refers to business-to-business transactions, while B-to-C refers to business-to-consumer transactions.

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 -

The Biggest Theme for the Fiscal Year Is "Offense"

Strive for Expansion of LOHACO Sales Aiming for Future Profit Maximization

FY5/2014 1Q Consolidated Performance Overview

	FY5/2013 1Q		FY5/2014 1Q		
	Amount (¥million)	% of sales	Amount (¥million)	% of sales	YoY change (%)
Net Sales	53,130	100.0	57,560	100.0	+8.3
Gross Profit	11,863	22.3	12,785	22.2	+7.8
Selling, General and Administrative Expenses	10,082	19.0	12,420	21.6	+23.2
Operating Income	1,780	3.4	364	0.6	-79.5
Ordinary Income	1,739	3.3	396	0.7	-77.2
Net Income	915	1.7	133	0.2	-85.5

LOHACO operating loss	-¥0.57 billion
Temporary/fixed expenses incl. logistics base enhancement	-¥0.66 billion
Initial operating expenses, etc. for the new center launch	-¥0.47 billion

FY5/2014 1Q Consolidated Performance Summary

(¥billion)	LOHACO		B-to-B business, etc.		Logistics base enhancement, etc.*				Total	
					Fixed expenses		Temporary expenses			
	Full-year forecast	1Q actual	Full-year forecast	1Q actual	Full-year forecast	1Q actual	Full-year forecast	1Q actual	Full-year forecast	1Q actual
Net Sales	10.0	1.8	240.0	55.7	—	—	—	—	250.0	57.5
Operating Income	-2.3	-0.5	10.4	1.6	-1.7	-0.2	-0.4	-0.4	6.0	0.3

*Expenses related to logistics base enhancement, etc. are ultimately distributed to each business based on net sales, etc. in ASKUL's managerial accounting.

(1) Net sales marked a record high as LOHACO, B-to-B business, etc. progressed in line with the forecast

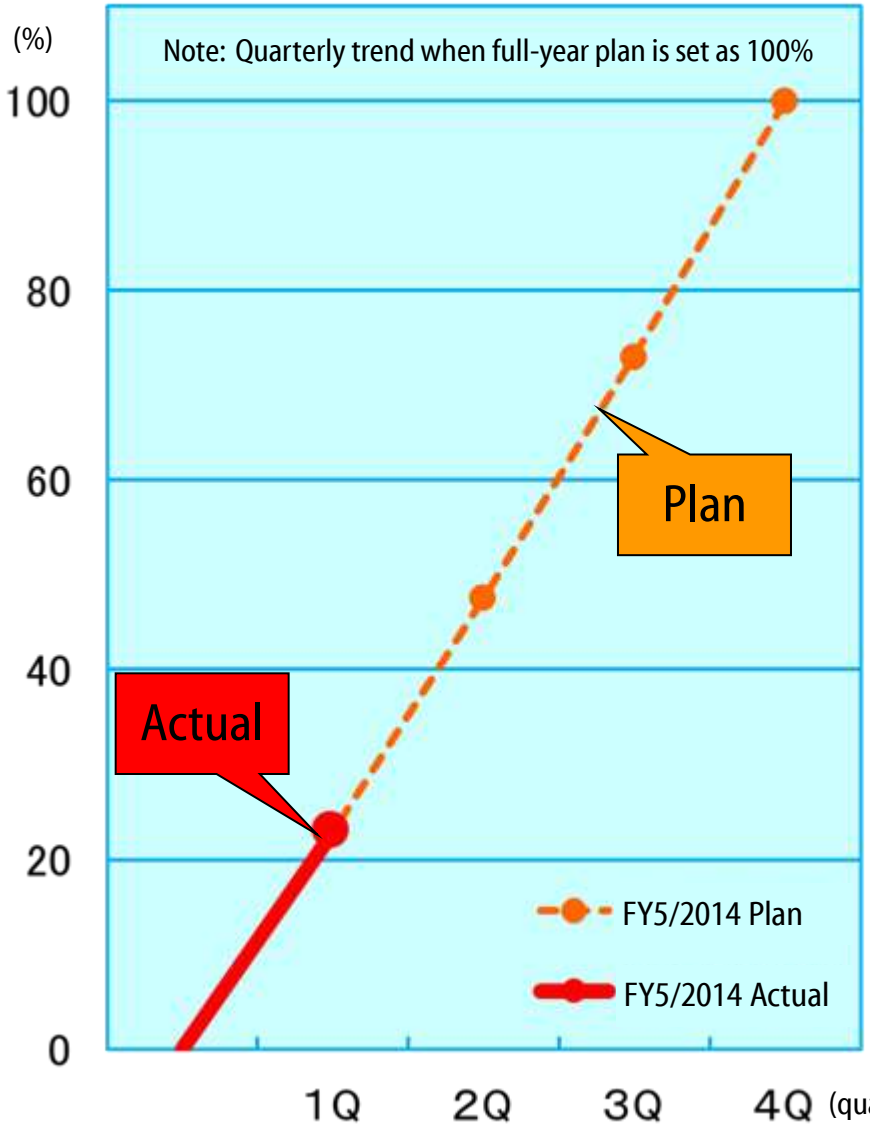
(2) Temporary/fixed expenses for logistics base enhancement, etc. were also in line with the forecast (¥0.66 billion)

(3) SG&A expenses were within the forecast after absorbing the initial operating expenses, etc. for launch of the new center (¥0.47 billion)

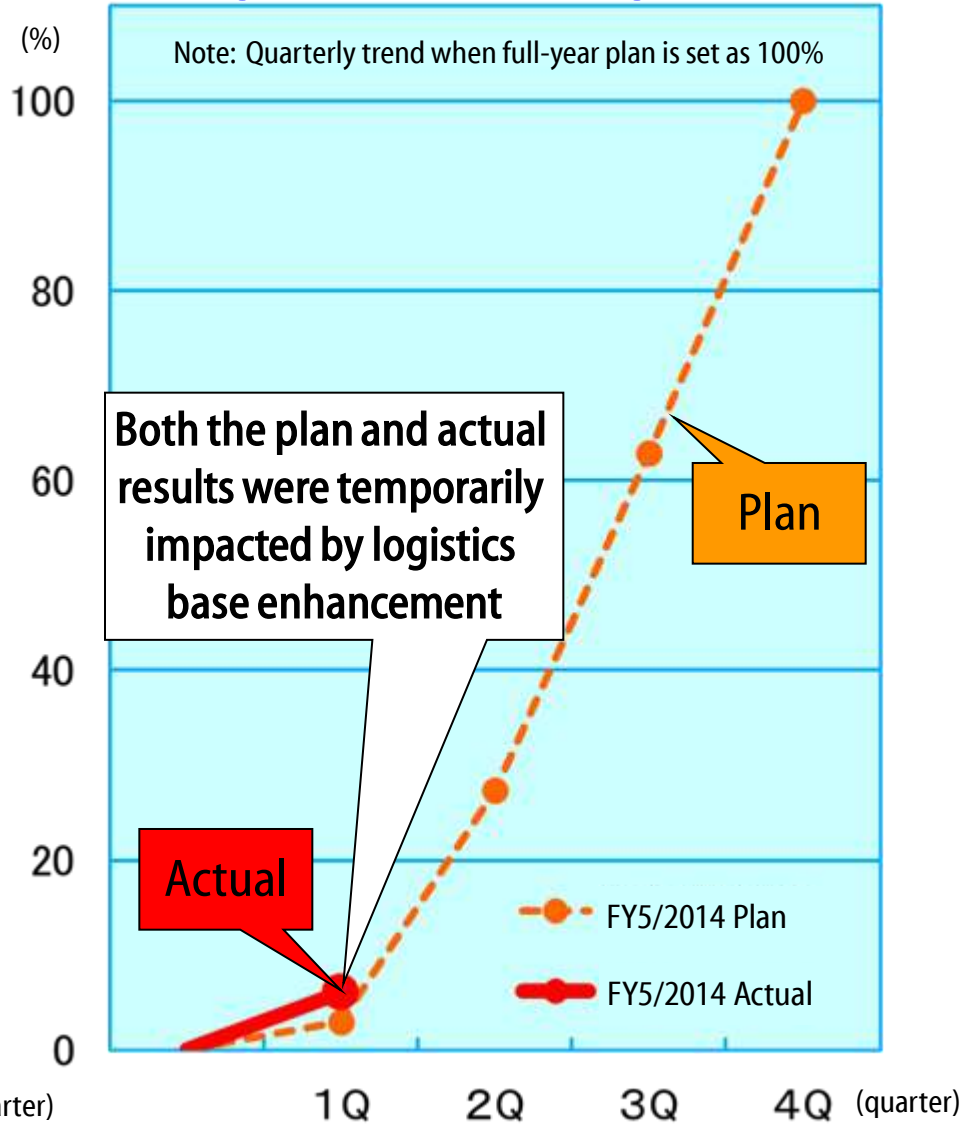
(4) As a result, both LOHACO and B-to-B Business, etc. achieved operating income forecasts

Net Sales and Operating Income Progressing at Pace Exceeding Forecasts

Progress of Net Sales



Progress of Operating Income



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Priority Measures for FY5/2014

Source: Full-year FY5/13 earnings material

ASKUL

(1) Reform of logistics base for ensuring significant growth

- Start operations of a state-of-the-art logistics center in a year
- Double the number of products available for same-day and next-day delivery
- Logistics cost structure reform

(2) Further profit expansion of B-to-B business by focusing on growth areas

- Accelerate growth of the MRO business
- Accelerate growth of the Medical business
- Improve gross profit for ensuring stable profits

(3) Strive for thorough expansion of sales of LOHACO business

- Pricing strategy for main products
- Attract customers with large-scale sales promotions
- Expand product range of new categories

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

Main Factors Affecting FY5/2014 Consolidated Net Sales (Plan)

Source: Full-year FY5/13 earnings material

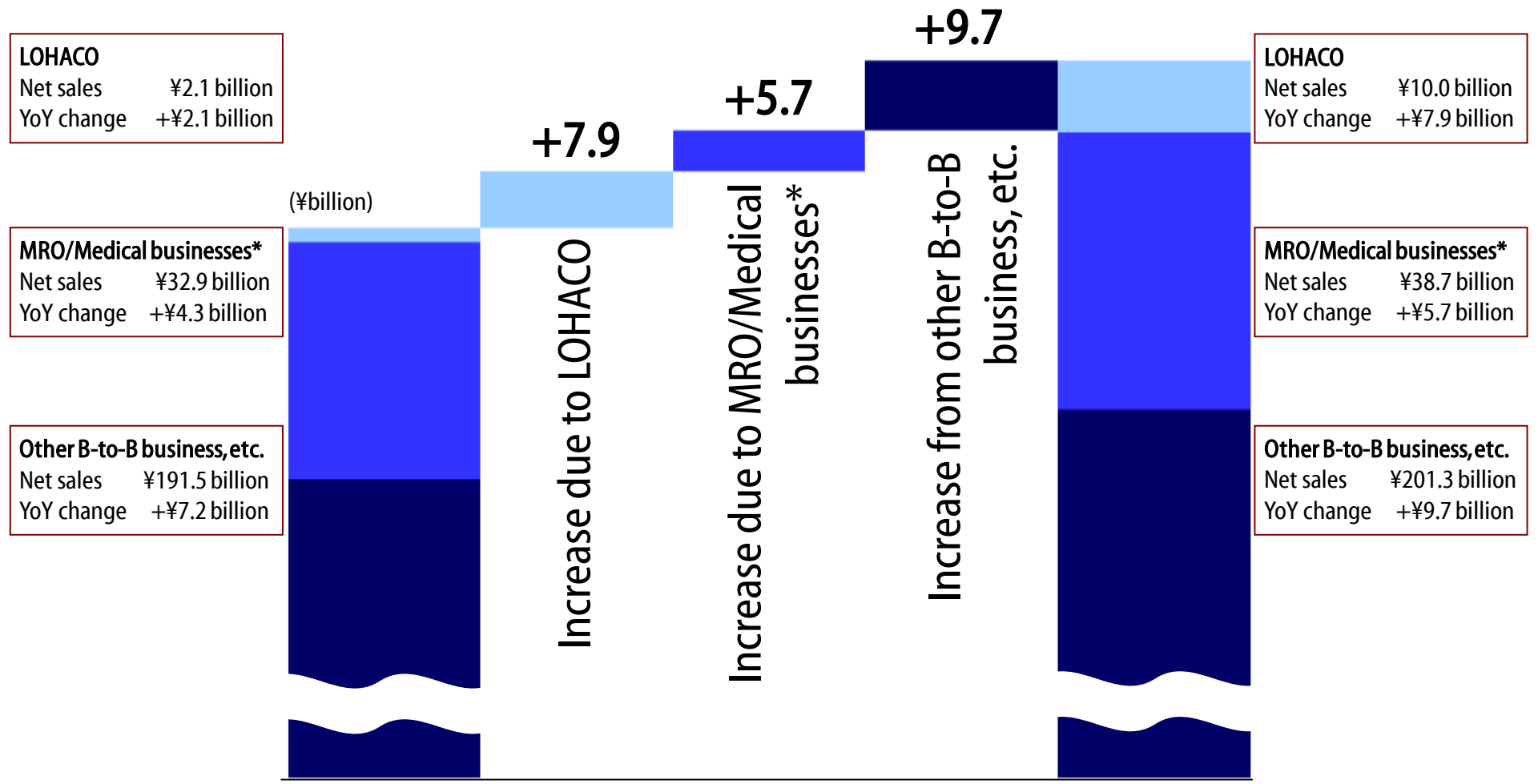
ASKUL

FY5/2013 (actual)

Net sales	¥226.6 billion
YoY change	+¥13.6 billion
YoY growth	+6.4%

FY5/2014 (plan)

Net sales	¥250.0 billion
YoY change	+¥23.3 billion
YoY growth	+10.3%



*MRO/Medical businesses do not include LOHACO portion

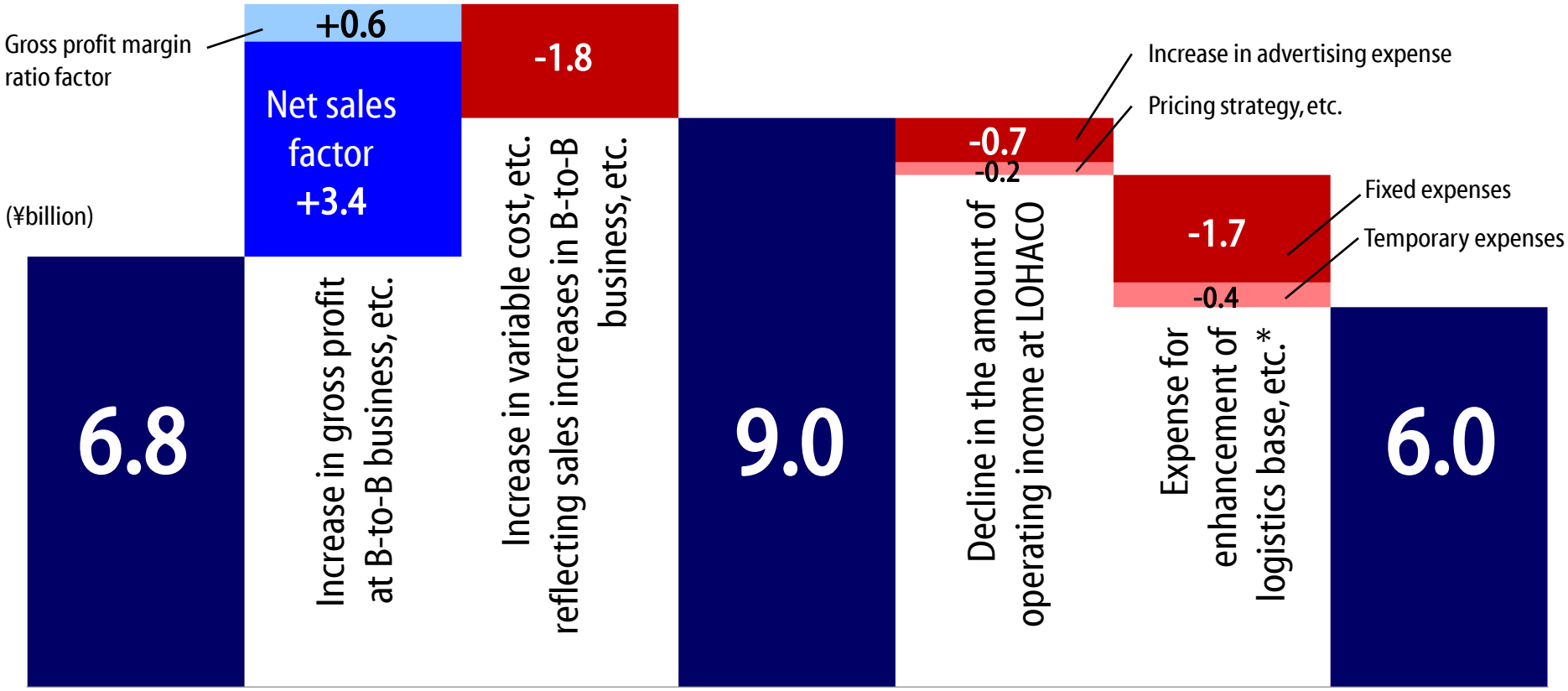
Factors Affecting FY5/2014 Consolidated Operating Income (Plan)

Source: Full-year FY5/13 earnings material

ASKUL

FY5/2013 (actual)
Net sales growth YoY: +6.4%
Gross profit margin: 22.3%
SG&A expense ratio: 19.3%

FY5/2014 (plan)
Net sales growth YoY: +10.3%
Gross profit margin: 22.6%
SG&A expense ratio: 20.2%



FY5/2013 operating income (actual) ¥6.8 billion

FY5/2014 operating income (plan) ¥6.0 billion

*Expenses related to logistics base enhancement, etc. are ultimately distributed to each business based on net sales, etc. in ASKUL's managerial accounting.

FY5/2014 Consolidated Performance Outlook (By Business)

Source: Full-year FY5/13 earnings material

ASKUL

(¥billion)	FY5/2013 full year (actual)			FY5/2014 full year (plan)				
	LOHACO	B-to-B Business, etc.	Total	LOHACO	B-to-B Business, etc.	Logistics Base Enhancement, etc. *		Total
						Fixed Expenses	Temporary Expenses	
Net Sales	2.1	224.5	226.6	10.0	240.0	—	—	250.0
Operating Income	-1.3	8.2	6.8	-2.3	10.4	-1.7	-0.4	6.0

*Expenses related to logistics base enhancement, etc. are ultimately distributed to each business based on net sales, etc. in ASKUL's managerial accounting.

- The most important challenge for FY5/2014 is expanding the sales of LOHACO
  ⇒ Budgeting large-scale advertising expenses (¥1.3 billion), pricing strategy
- B-to-B business to focus on growth areas to further boost profits
  ⇒ Increase sales by ¥15.5 billion and operating income by ¥2.2 billion
- Company-wide net sales to have double-digit growth and aim for ¥250.0 billion

Consolidated Performance Outlook for 1H and 2H FY5/2014

Source: Full-year FY5/13 earnings material

ASKUL

	1H FY5/2014			2H FY5/2014		
	Amount (¥million)	% of net sales	YoY change %	Amount (¥million)	% of net sales	YoY change %
Net Sales	119,000	100.0	+8.4	131,000	100.0	+12.1
Gross Profit	26,700	22.4	+9.3	29,700	22.7	+13.4
Selling, General and Administrative Expenses	25,100	21.1	+20.4	25,300	19.3	+10.5
Operating Income	1,600	1.3	-55.3	4,400	3.4	+33.4
Ordinary Income	1,600	1.3	-55.1	4,400	3.4	+19.6
Net Income	500	0.4	-73.2	2,500	1.9	-36.6

Profitability to improve immediately from the second half, due to the doubling of inventory, improvement in utilization rate of ASKUL Logi PARK Tokyo Metropolitan and the impact of expansion of own-brand products

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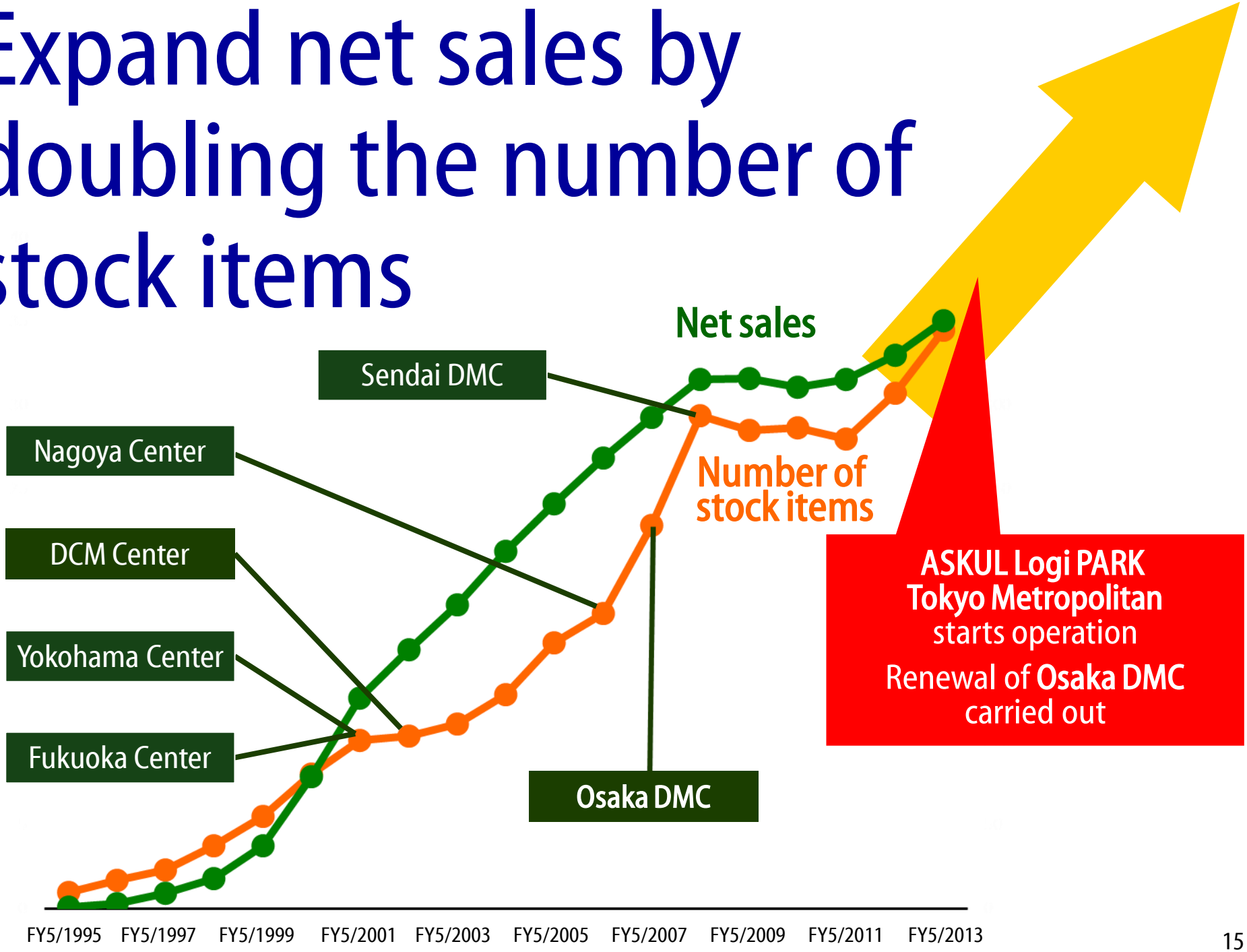
http://www.youtube.com/watch?v=XLjlbNGIIFw

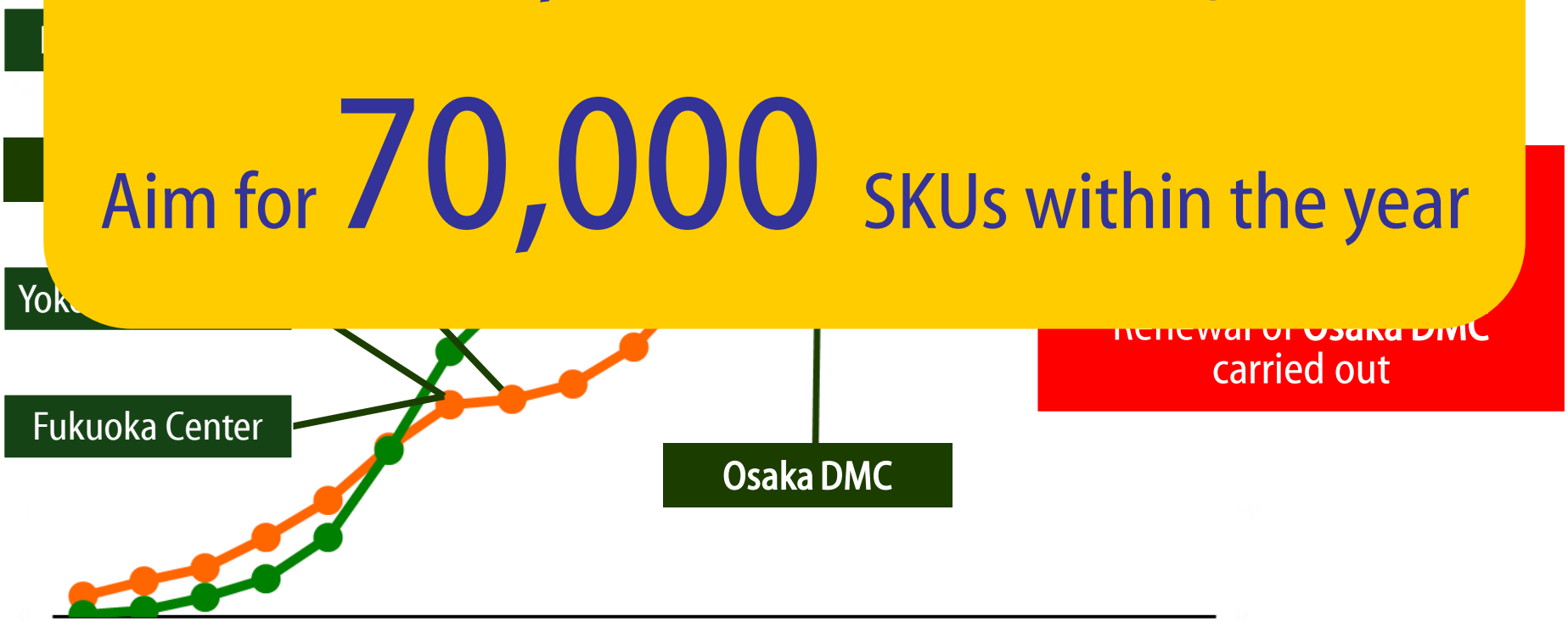
Expand net sales by doubling the number of stock items



Expand net sales by doubling the number of stock items

More than **50,000** SKUs as of August 2013

Aim for **70,000** SKUs within the year



The promise made to our customers "ASKUL stands for next-day delivery"

Revisiting ASKUL's basics

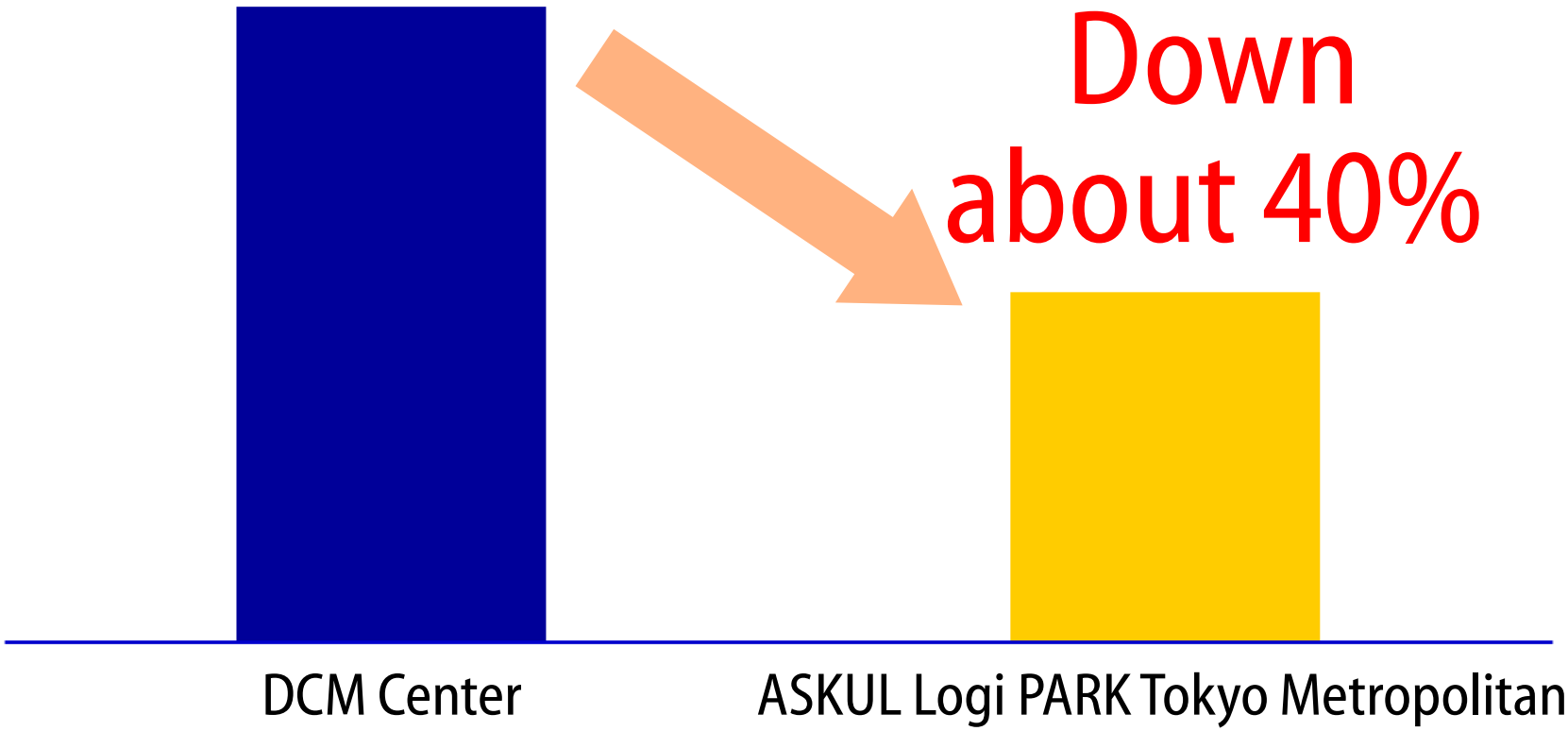
70,000 SKUs:

- Regular daily goods for same-day and next-day delivery throughout the nation
- Free shipping*

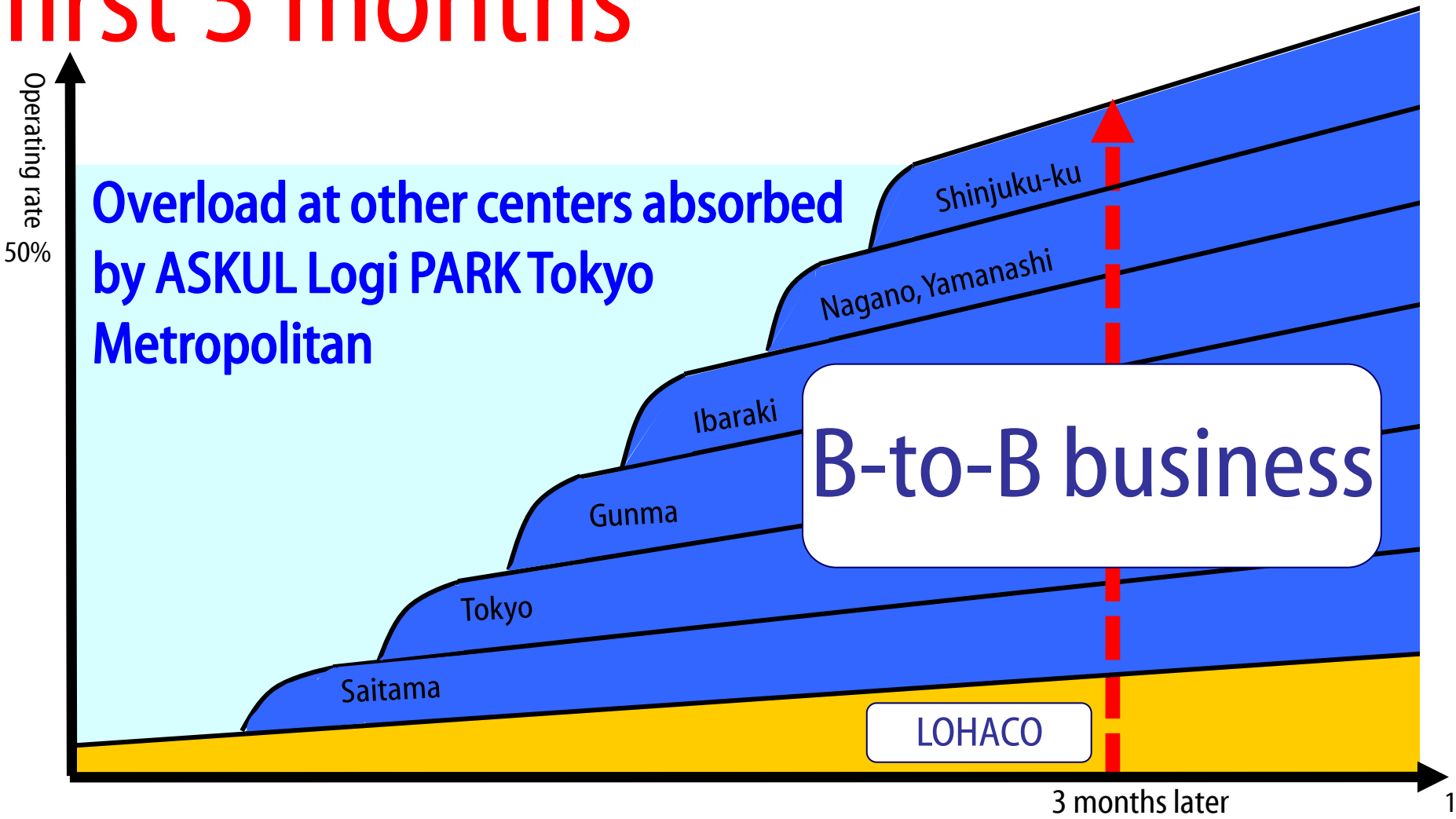
*Purchase worth ¥1,000 or more per order for ASKUL, ¥1,900 or more per order for LOHACO

Efficiency Improvement in Warehouse Operation with Latest Logistics Facilities

Warehouse operation cost per 1 picking



Jump-start with Operating Rate Exceeding 50% in the first 3 months



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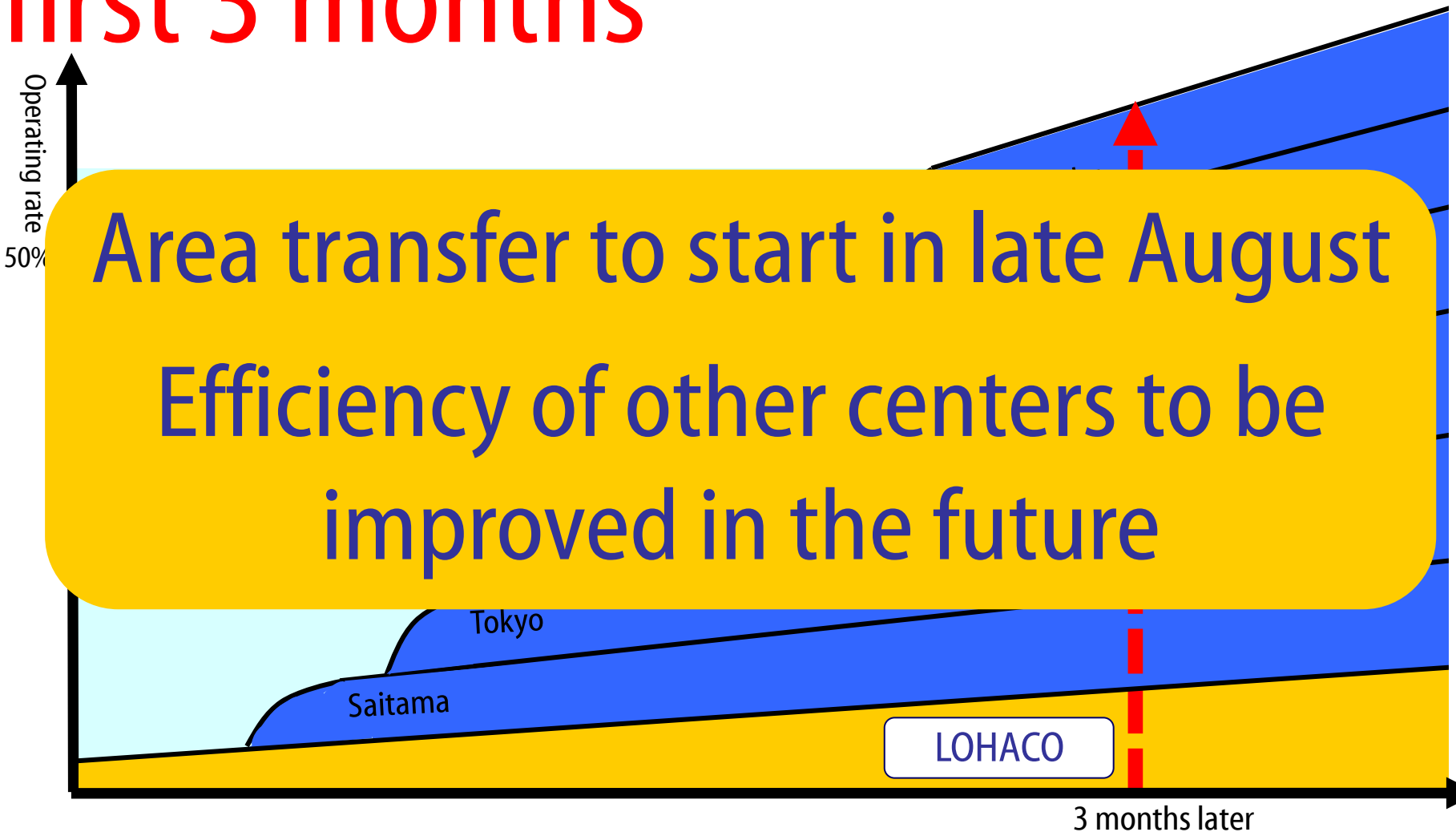

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ASKUL

ASKUL INTERNET SHOP

SOLOEL ARENA

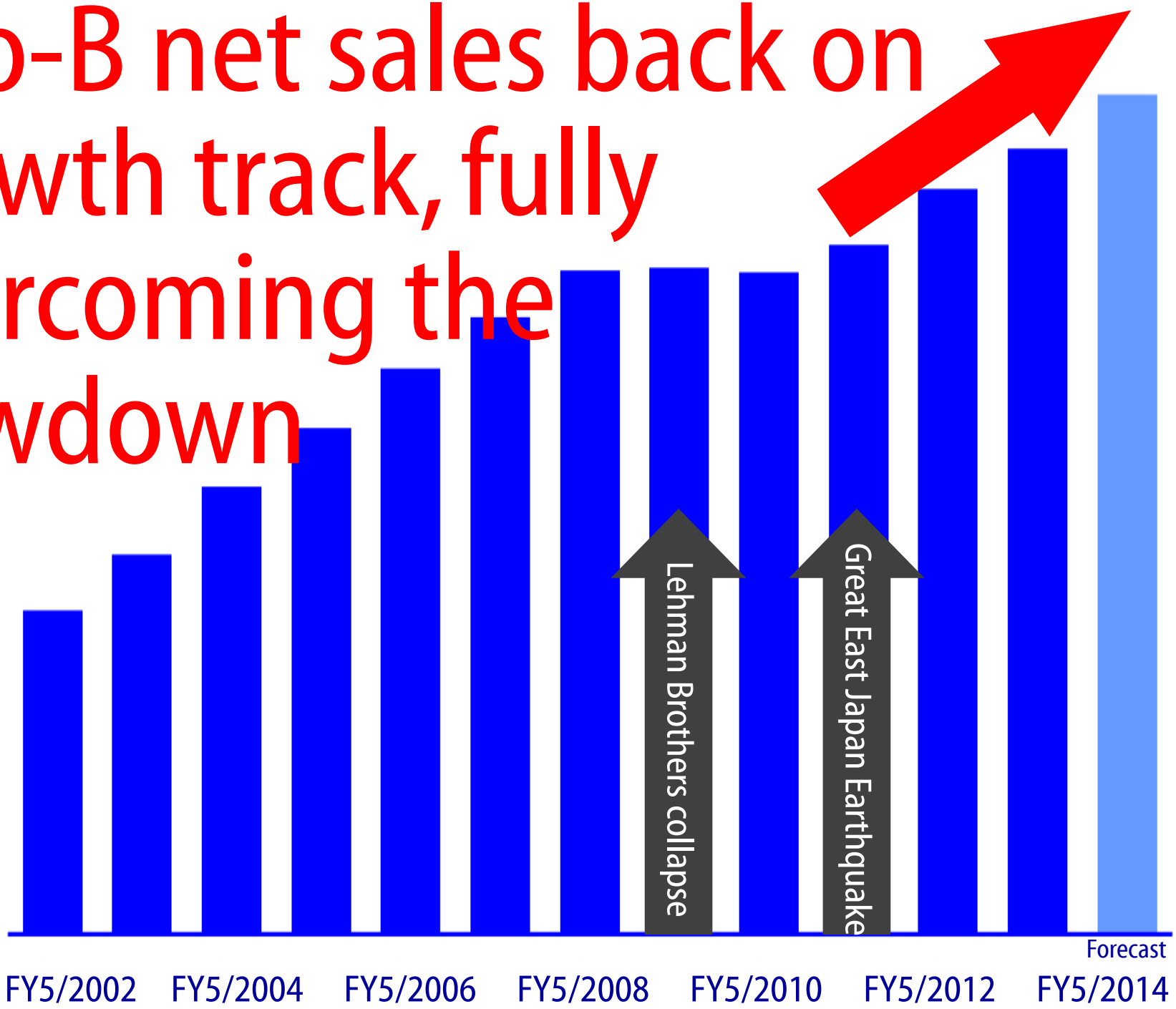
Powered by ASKUL

Targeting B-to-B Business

ASKUL + MEDeTOMO

SOLOEL

B-to-B net sales back on growth track, fully overcoming the slowdown





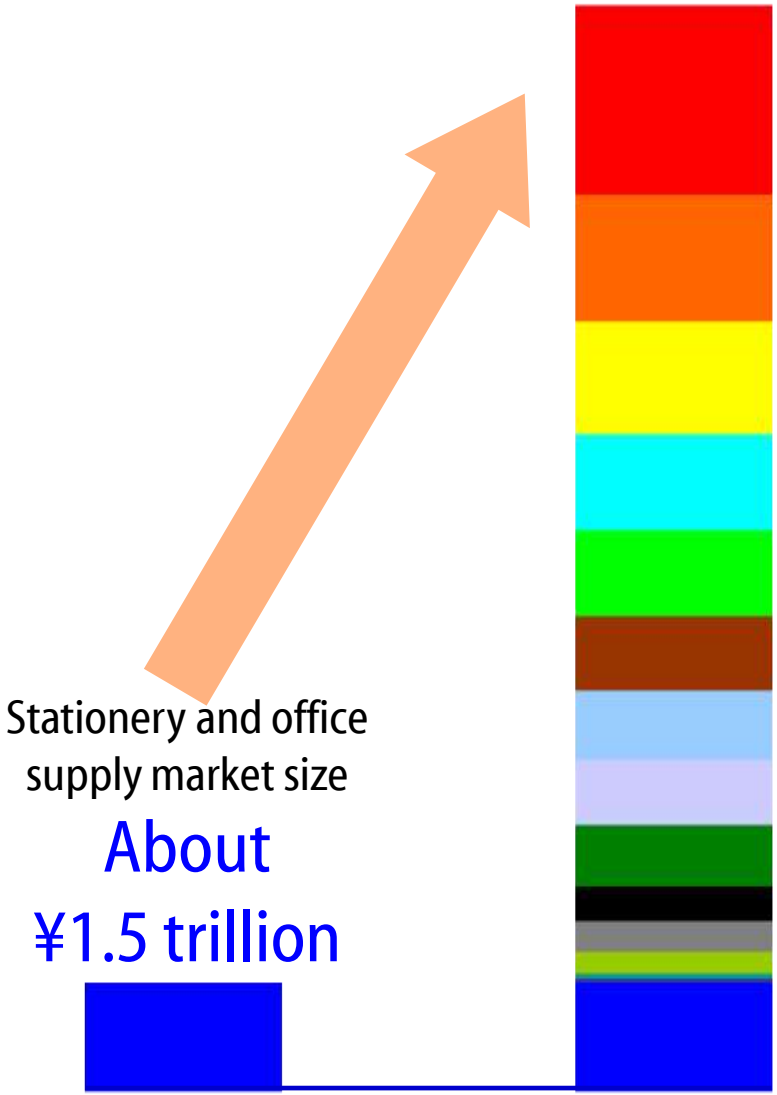


We aim for No.1 in all work sites





Huge MRO Market

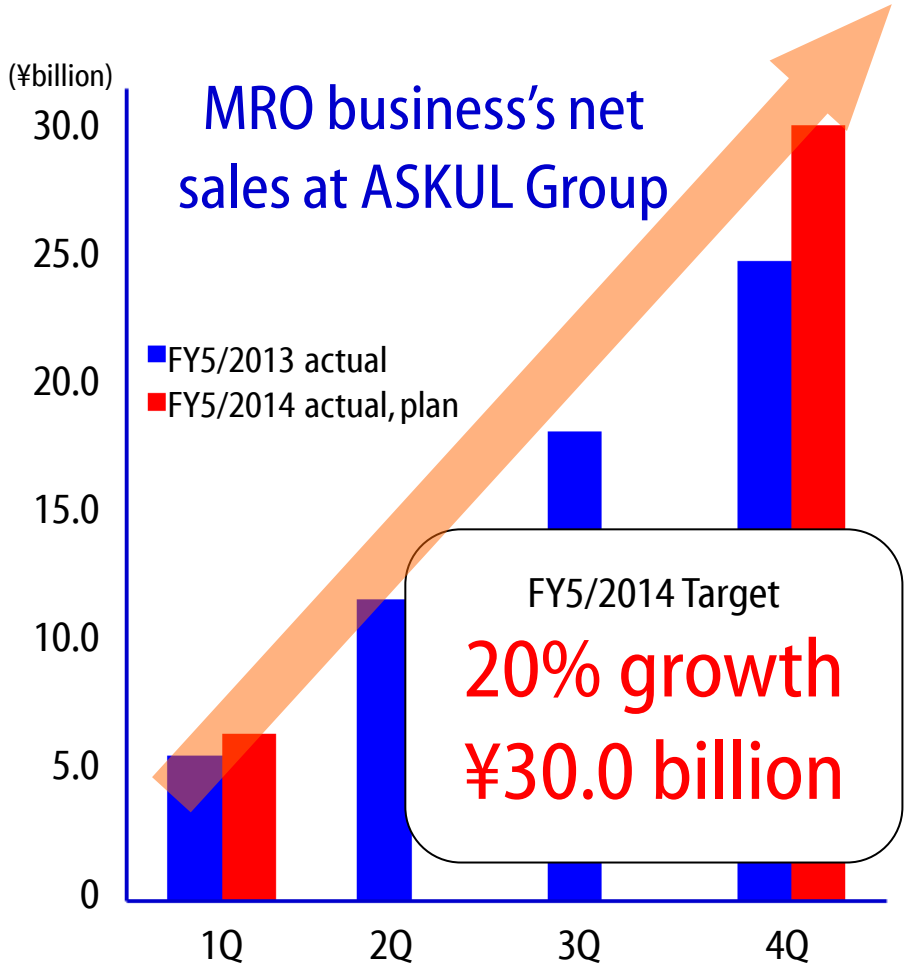


About ¥15 trillion

- Stationery/Office supplies
- Jig
- Soldering/welding
- Power tools parts
- Industrial tools
- Auto supplies for service vehicles
- Measuring instruments
- Others
- Scientific supplies
- Work supplies
- Clean room supplies
- Hardware
- Work-related expendables
- Scientific equipment
- Structural parts

*Market size calculated by ASKUL based on METI data and production/shipping data

Strengthening High-demand Products + Expanding Low-demand Products = Growth



SOLOEL ARENA Powered by ASKUL

Alpha Purchase APMRO



ASKUL Catalog Fall/Winter 2013
Released in August 2013

*The net sales target includes products sold through LOHACO.

現場のチカラ Supplies Doubled!



*Genba-no-chikara is ASKUL's original brand for MRO supplies.

Regular Worksite Items Inventory of 1,700 SKUs





In addition, reaching worksites with pamphlets listing top pick 800 items

Widening of Product Range

All MRO supplies

Overall office products

Office supplies



Growing beyond the framework of office supply mail order service

Widening of Product Range





Scientific supplies .....

As of August 2013, the number of products offered by MRO business to exceed

430,000 items

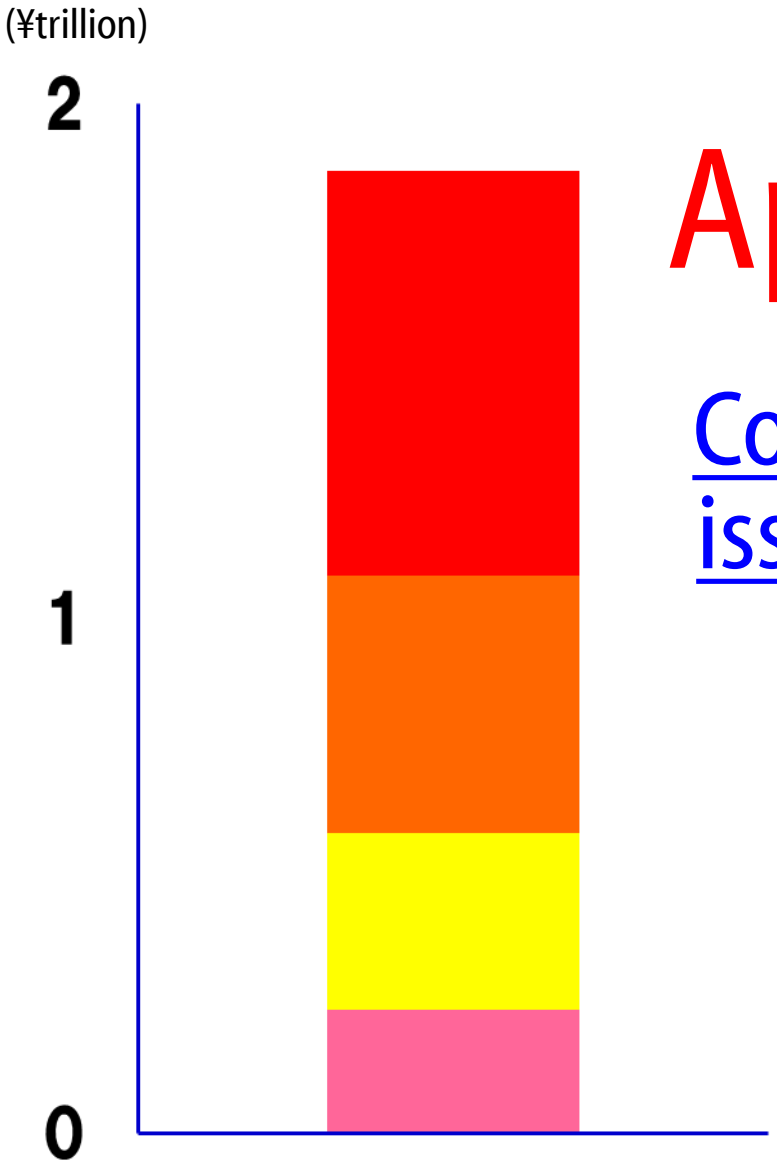
FY5/2014 target:

600,000 items or more

*Number of products offered by ASKUL Internet Shop

Growing beyond the framework of office supply mail order service

Expanding Medical Market



Approx. ¥2 trillion

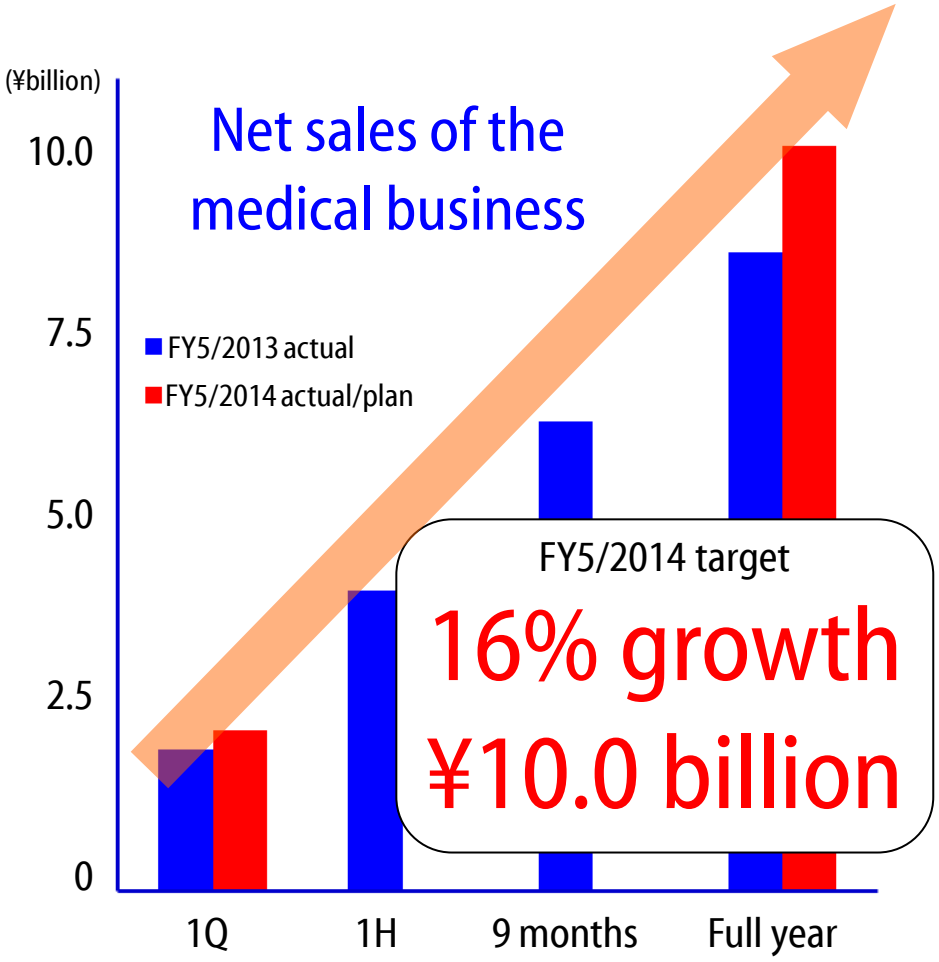
Contributing to solving the issue of rising nursing-care and medical costs

■OTC pharmaceuticals ■Medical devices

■Nursing-care products ■Sanitary products

*1 Source: Yano Research Institute Ltd.
*2 Source: estimate by ASKUL
The medical market does not include ethical pharmaceuticals

Increasing Agents + Enhanced Nursing-care Products = Growth

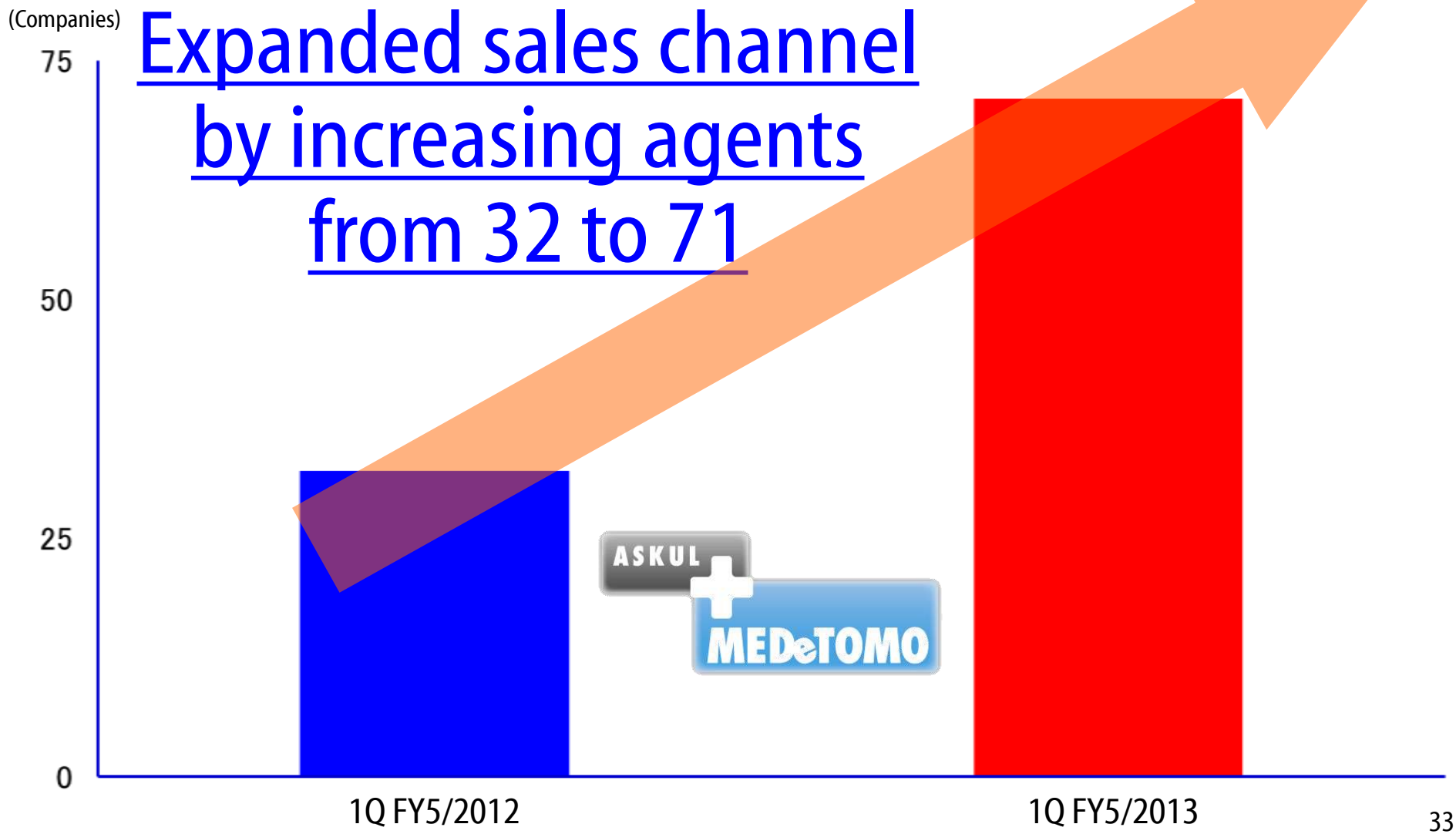


*The net sales target includes products sold through LOHACO.



No. 1 in net sales of medical mail order service (results for FY5/2013) *Source: ASKUL

Number of Agents Doubled!



Enhancing Nursing-care Product Range

Previous issue approx. 7,500 ⇒ approx. 8,500 items



Previous issue approx. 4,500 ⇒ approx. 4,800 items



Internet shop MEDeTOMO to have approx. 17,000 items

Development of Own-brand Products





Reconstruction assistance donation project, Kodomo Art Project















Original design products

End of FY5/2012

Number of own-brand products on a company-wide level

3,602

Sales share of own-brand products on a company-wide level
(excl. original copier paper)

14%

Target for end of FY5/2014

5,000

20%











Enhance profits through expansion of own-brand products

Development of Own-brand Products



Own-brand products to reach

5,000 items

Achieving the target ahead of schedule(August 2013)

Share in net sales has also improved

Enhance profits through expansion of own-brand products

Full-scale Entry into Okinawa Progressing at a Pace Exceeding Target (Annual sales target of ¥0.5 billion)



Full-scale entry into Okinawa's main island on Feb 21, 2013

Started TV commercials and newspaper advertisements in September 2013



We aim to expand market share ahead of competitors


Develop new markets,
as B-to-B forms a base