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News Release Dated: July 4, 2014

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
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Business and Capital Alliance with STAR FESTIVAL INC.

ASKUL Corporation (hereinafter referred to as the "Company") hereby announces that the board of directors, in its meeting held on July 4, 2014, has resolved that the Company enter into a business and capital alliance with STAR FESTIVAL INC. (head office: Minato-ku, Tokyo; Representative Director: Yusuke Kishida; hereinafter referred to as "STAR FESTIVAL"), which operates Gochikuru (http://gochikuru.com) a comprehensive home delivery of lunch boxes and catering service, as described below.

1. Purposes of and reasons for the business and capital alliance

The ASKUL Group, the leader in the office product mail-order business, is working toward transforming itself into the leader in the e-commerce field. For the domestic B-to-B (corporate) business, ASKUL aims to increase net sales by expanding its offerings from office products to items used at workplaces of all kinds, focusing especially on the Web channel. The items it offers include merchandise for restaurants, medical supplies used exclusively at health care facilities, tools for use at construction sites and factories, and scientific supplies for laboratories.

In this era of increasing diversity (various working styles) and rapid aging of population, the Company in October 2012 launched LOHACO, the online mail-order business for general consumers, with the aim of supporting working women and the parental generation, or elderly citizens, in their daily shopping by way of a new electronic commerce (EC) system with new convenient features such as time-specified, same-day delivery at the earliest, and this has received broad support from numerous customers.

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Established in 2009, STAR FESTIVAL, which operates Gochikuru, has been offering functions required for restaurants as well as manufacturing plants engaged in the food service industry to newly enter the home-meal replacement industry, in particular a function to develop products that satisfy customers, the latest sales promotion functions based on the Internet, a meticulous order acceptance function through a customer center and a delivery service function that places priority on security and safety. In the home-meal replacement industry, which is experiencing significant growth, the service has been gaining the support of numerous customers, primarily businesses, as a wider-range of customers enjoy lunch boxes and meals offered by the restaurant industry with expertise in preparing delicious dishes.

The two companies are implementing a business and capital alliance in which the Company takes a stake in STAR FESTIVAL to share each other's customer bases and business expertise and pursue synergies from the tie-up.

2. Contents of the business alliance

The Company and STAR FESTIVAL will share each other's customer bases and business expertise in pursuit of the synergies from the alliance described below:

(1) Adopting STAR FESTIVAL's home-meal replacement service Gochikuru as ASKUL's service

The Company will adopt STAR FESTIVAL's home-meal replacement service Gochikuru as ASKUL's service with the goal of introducing it in November 2014 to quickly expand STAR FESITVAL's customer base and contribute to its business growth. At the same time, it enables the Company to introduce a new service for its customers, which is expected to boost their convenience and satisfaction, generating synergies at both sides.

(2) Cost reduction for both companies through joint delivery and evolution of services

As deliveries from STAR FESTIVAL tend to concentrate during lunch time and evening hours due to the nature of the business, and since the home-meal replacement is still a developing business, it is essential to further boost delivery density and improve efficiency of the service. The companies will soon start tests to improve delivery density and delivery efficiency by delivering STAR FESTIVAL's lunch boxes using the services of Bizex Corporation, a wholly owned subsidiary of the Company, or by using STAR FESTIVAL's delivery cars for ASKUL service in spare time, gradually expand the target areas and hours after assessing the effectiveness, and realize cost reductions at each company. At the same time, the companies will pursue further evolution of services, such as simultaneous delivery of ASKUL supplies and Gochikuru supplies.

Moreover, the companies will study whether alliance synergies can be generated by deploying ASKUL services to companies in the food-service industry that are STAR FESTIVAL's partners.

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3. Contents of the capital alliance (purchase price of the shares of or stake in the counterpart to be newly purchased)

STAR FESTIVAL plans to issue 12,000 shares in its common stock to the Company in a third-party allocation and the Company at the same time plans to purchase 5,000 shares in STAR FESTIVAL's common stock from its existing shareholders. After the implementation of this capital alliance, the Company is expected to have 14.2% of voting rights in STAR FESTIVAL.
Furthermore, STAR FESTIVAL plans to allocate 9,000 corporate bonds stock subscription rights to the Company, and the Company's ratio of voting rights in STAR FESTIVAL would exceed 20% when the above third-party allocation and share purchase are completed and the Company exercises all of the stock subscription rights. At that point, the Company will become another affiliated company of STAR FESTIVAL.

Status before and after the share purchase and the allocation

(1) Purchase of shares in the common stock

i) The number of shares held before the change: 0 (ratio of shares held: 0%)
(Number of voting rights: 0)

ii) Number of the shares to be purchased: 17,000 shares (purchase price: 1.581 billion yen)
(Number of voting rights: 17,000)

iii) The number of shares held after the change: 17,000 shares (ratio to the total voting rights: 14.2%)
(Number of voting rights: 17,000)

*The share purchase price has been decided in discussion with the transferor based on the content of the share valuation report prepared by a third-party organization, ensuring its fairness and validity.

(2) Allocation of corporate bonds with stock subscription rights

i) Corporate bonds with stock subscription rights held before the change: 0

ii) Corporate bonds with stock subscription rights to be allocated: 9,000 (purchase price: 1.26 billion yen)
(Number of voting rights after exercising the rights: 9,000)

*The conditions stipulated upon exercising stock subscription rights are as follows:

(a) STAR FESTIVAL's Gochikuru-related transactions through the Company (end-user spending excluding tax)
Transactions from start of the service through May 20, 2015:
300 million yen or more in total
In case the above condition is not satisfied as of May 20, 2015, the transactions from May 21, 2015 to May 20, 2016: 1.2 billion yen or more in total.

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Or,

(b) In case STAR FESTIVAL's board of directors resolve to approve exercise of the stock subscription rights by the Company.

4. Profile of the business and capital alliance partner

(1) Name of company	STAR FESTIVAL INC.	
(2) Location	11-3, Kita-Aoyama 2-chome, Minato-ku, Tokyo	
(3) Name and title of representative	Yusuke Kishida, Representative Director and CEO	
(4) Businesses	Internet service business (home delivery of lunch boxes and catering service)	
(5) Total paid-in capital	513 million yen	
(6) Foundation	July 7, 2009	
(7) Major shareholders and their share ratios	Yusuke Kishida 53.4% Globis Fund III, L.P. 10.7% JAFCO SV4 Investment Limited Partnership 9.9% AT-I Investment Limited Partnership 7.6% Takao Ozawa 7.0% Shinkichi Kishida 7.0% Globis Fund III (B), L.P. 3.0% Suguru Nakano 1.4%	
(8) Relationship between the Company and STAR FESTIVAL	Capital relations	There are no capital relations between the Company and STAR FESTIVAL that require any description. Also, Takao Ozawa, the Company's external director, has invested in STAR FESTIVAL. Other than this there are no capital relations between any individuals or companies related to the Company and any individuals or companies related to STAR FESTIVAL that require any special description.
	Personnel relations	The Company and STAR FESTIVAL, with the aim of realizing the above business alliance in an even faster and more efficient manner, have agreed on appointing a person specified by the Company as a director (part-time) of STAR FESTIVAL, on the condition that the appointment is approved by the general shareholders' meeting of STAR FESTIVAL.
	Business relations	There are no trading relations between the Company and STAR FESTIVAL that require any description. There are no trading relations between any individuals or companies related to the Company and any individuals or companies related to STAR FESTIVAL that require any special description.
	Related parties	STAR FESTIVAL is not a related party to the Company. Any individuals or companies related to STAR FESTIVAL are not related parties to the Company.

The business performance and financial position of STAR FESTIVAL for the most recent three years are not disclosed as requested by the business and capital alliance partner.

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5. Time schedule

Signing of the business and capital alliance agreement: July 4, 2014
Payment date: July 28, 2014

6. Outlook

The impact of this capital and business alliance agreement on the Company's consolidated business performance is expected to be minimal at present, and it is reflected in the Company's consolidated forecast for the year ending May 20, 2015 under the Summary of Consolidated Financial Results for Fiscal Year Ended May 2014 (Japanese GAAP) released today.

The Company expects that the business and capital alliance would lead to increased corporate value at both the Company and STAR FESTIVAL in the future.