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: July 2, 2015

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

# FY5/2015 Full-Year Performance
## (Consolidated financial summary for fiscal year ended May 2015)

ASKUL Corporation (hereinafter referred to as the "Company") herewith attach the "FY5/2015 Full-Year Performance" (Consolidated financial summary for fiscal year ended May 2015) to provide supplementary information with respect to the "Summary of Consolidated Financial Results for Fiscal Year Ended May 2015(Japanese GAAP)."

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.

FY5/2015 Full-Year Performance

# Large Increase in Sales and Profits as Profit Plan Achieved
# Net Income up 86% Year-on-Year

## B-to-B Business' Returns to Accelerate,
## Aims to Become Absolute No.1 in All Workplaces
## LOHACO to Implement More Active Sales Promotion
## and Take on the Challenge of Earnings Structure Reform

July 2, 2015

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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.
MRO refers to Maintenance, Repair and Operation, and in this material primarily refers to the indirect materials consumed at work sites by companies.

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# I FY5/2015 Summary

# II Response to Changes to Distribution Structure

# III FY5/2016 Outlook

# IV B-to-B Business Strategy

# V LOHACO Business Strategy

# FY5/2015 Consolidated Performance

| | FY5/2014 | | FY5/2015 | | | | |
|---|---|---|---|---|---|---|---|
| | Actual ¥million | % of net sales | Plan ¥million | Actual ¥million | % of net sales | % of plan | YoY change % |
| Net Sales | **253,408** | 100.0 | **277,000** | **276,759** | 100.0 | 99.9 | +9.2 |
| Gross Profit | **55,701** | 22.0 | **61,500** | **60,814** | 22.0 | 98.9 | +9.2 |
| Selling, General and Administrative Expenses | **51,425** | 20.3 | **55,000** | **53,965** | 19.5 | 98.1 | +4.9 |
| Operating Income | **4,276** | 1.7 | **6,500** | **6,849** | 2.5 | 105.4 | +60.2 |
| Ordinary Income | **4,449** | 1.8 | **6,460** | **6,959** | 2.5 | 107.7 | +56.4 |
| Net Income | **2,165** | 0.9 | **3,400** | **4,032** | 1.5 | 118.6 | +86.3 |

- Steady growth in net sales
  Up 9.2% YoY
- SG&A expenses ratio
  Improved 0.8 point YoY
- Large profit increase as profit plan achieved
  Net income
  up 86.3% YoY

# FY5/2015 Consolidated Performance (By Business)

| | | FY5/2015 | | | | | |
|---|---|---|---|---|---|---|---|
| | | 1Q ¥billion | 2Q ¥billion | 3Q ¥billion | 4Q ¥billion | Full-year ¥billion | YOY change % |
| Net sales | B-to-B Business, etc. | 58.9 | 64 | 64.7 | 69 | 256.8 | +6.4 |
| | LOHACO | 4 | 4.8 | 5.2 | 5.8 | 19.9 | +64.7 |
| | Consolidated total | 63 | 68.9 | 69.9 | 74.8 | 276.7 | +9.2 |
| Operating income | B-to-B Business, etc. | 1.2 | 2.3 | 3 | 3.6 | 10.3 | +43.3 |
| | (Operating margin) | 2.2% | 3.7% | 4.7% | 5.3% | 4.0% | |
| | LOHACO | -0.9 | -0.8 | -0.7 | -0.7 | -3.2 | — |
| | Temporary loss at a subsidiary | — | -0.2 | 0 | — | -0.2 | — |
| | Consolidated total | 0.3 | 1.2 | 2.2 | 2.9 | 6.8 | +60.2 |
| | (Operating margin) | 0.6% | 1.8% | 3.3% | 3.9% | 2.5% | |

## ➢ Net sales

B-to-B business, etc. continued growth

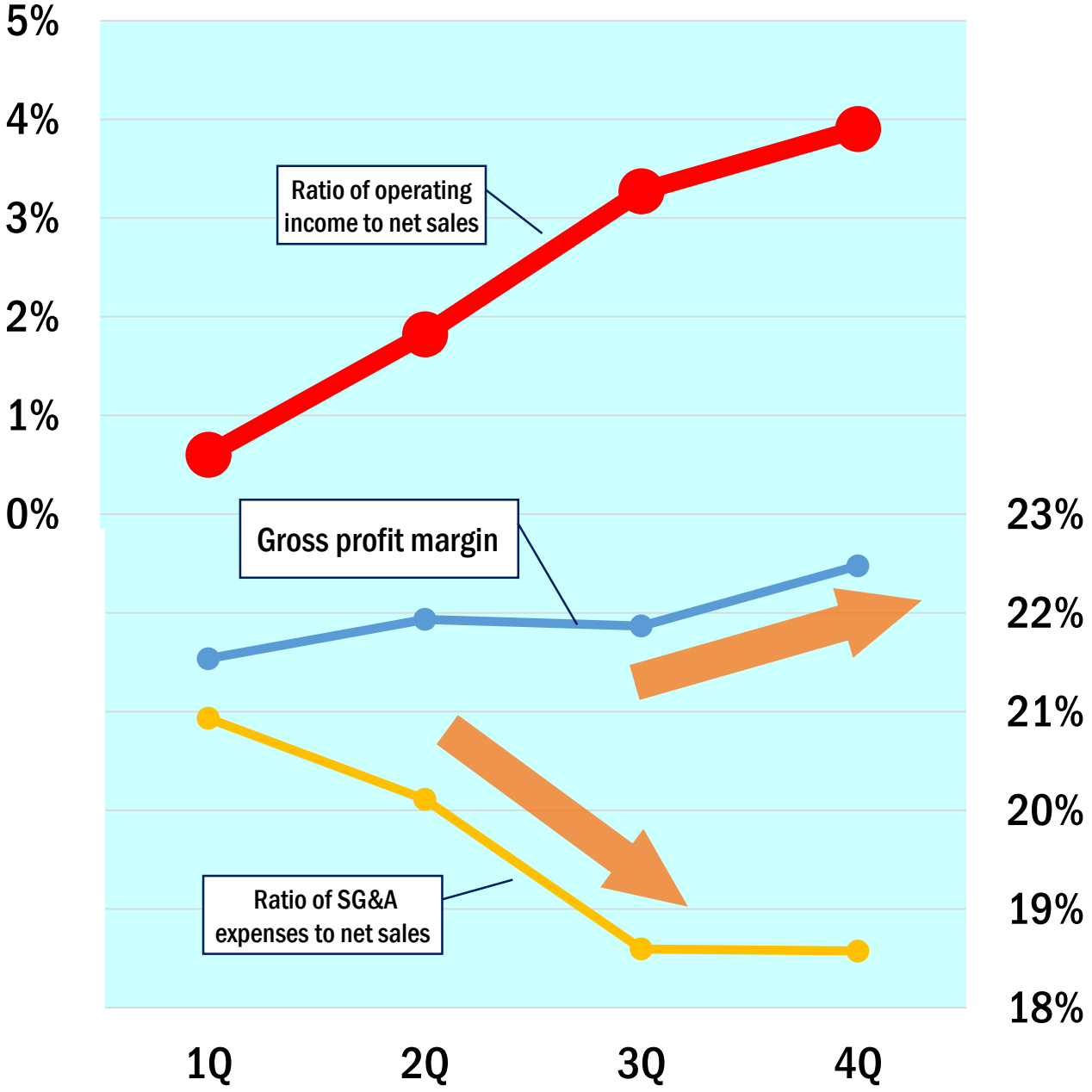
LOHACO up 64.7% YoY

## ➢ Operating income

Returns from B-to-B business, etc. exceeded ¥10 billion for the full year

Steady improvement by LOHACO

# FY5/2015 Consolidated Performance: Quarterly Trend of the Ratio of Operating Income to Net Sales

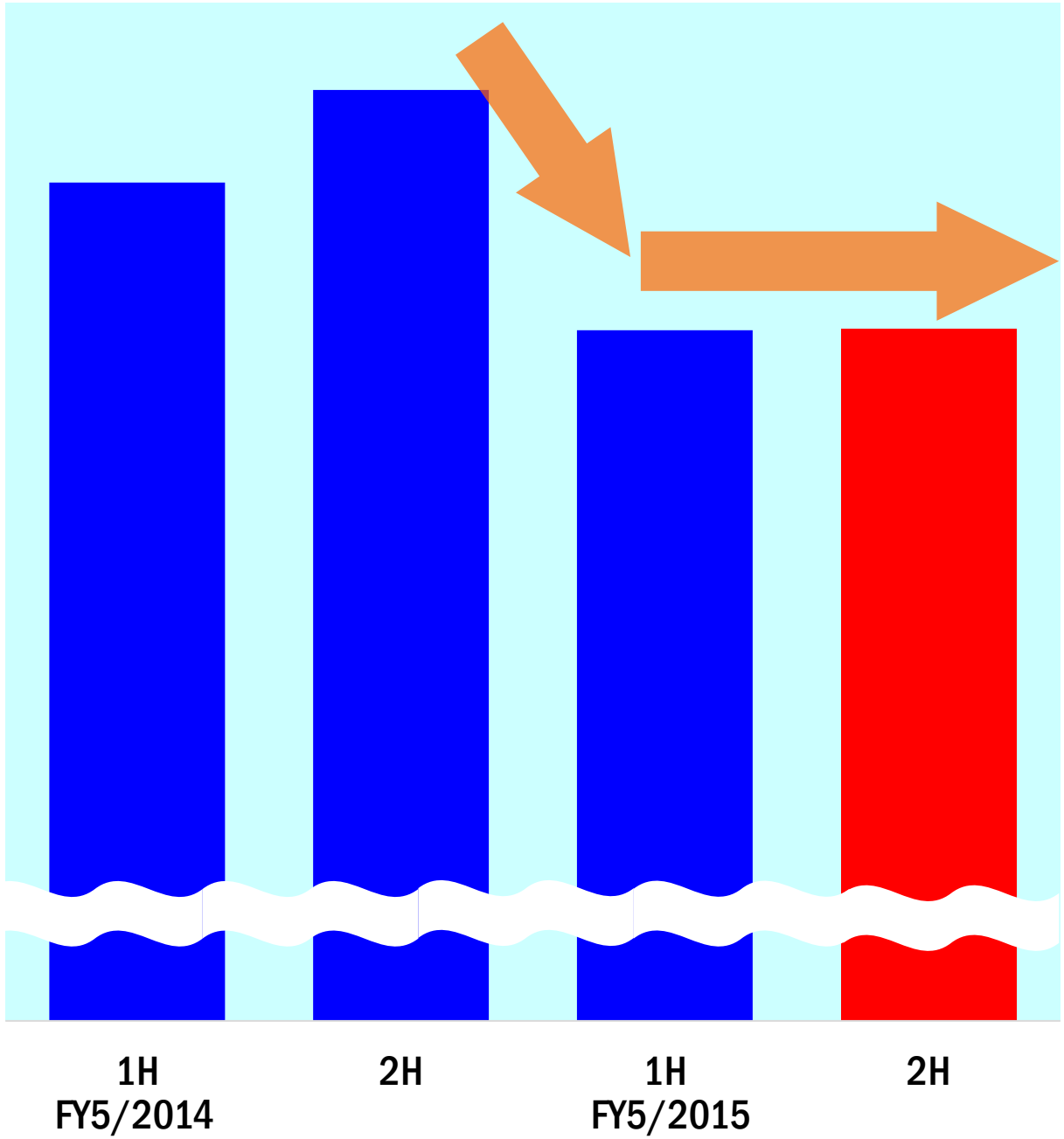



- **Improvement in gross profit margin**
  - Continued cost reduction activities
  - Price revision (maintaining competitive edge)

- **Improvement in ratio of SG&A expenses to net sales**
  - Reduction in fixed costs such as depreciation
  - Impact of net sales increase

**Improvement in ratio of operating income to net sales**

# Warehouse Operation Cost (Average for All Centers)




## Improvement from the local operation perspective

- Optimum arrangement of inventory products
- Leveling of packing and replenishment operations

## Improvement from investment in facilities and system

- Enhanced capacity of existing material handling facilities

**Productivity improved significantly and continues to be stable**

I FY5/2015 Summary

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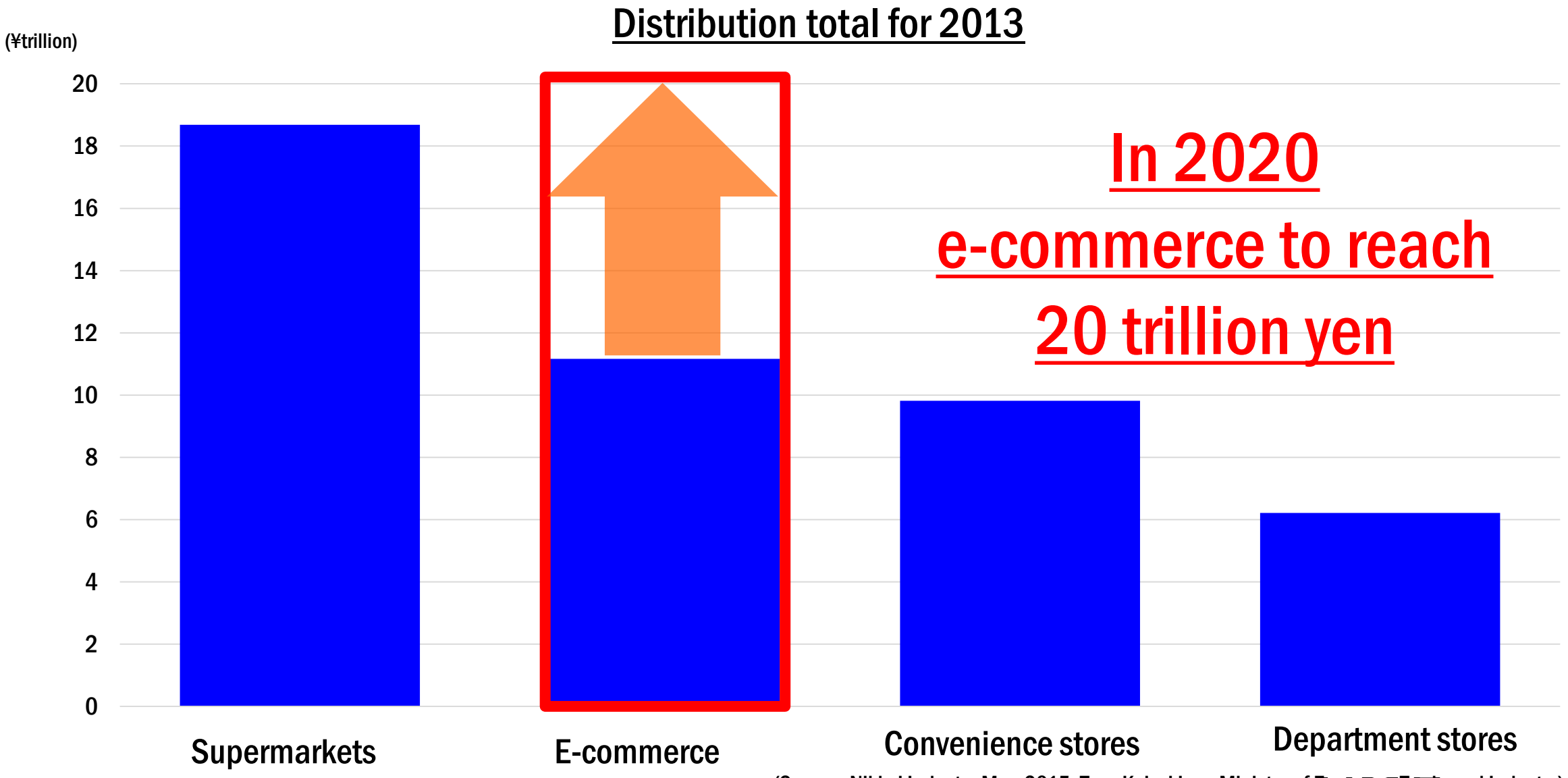
V LOHACO Business Strategy

# Issue awareness of 3 years ago

(at the time of signing agreement on business and capital alliance with Yahoo Japan Corporation)

# Rise of e-commerce to change distribution structure drastically

# Rapid growth in e-commerce reflecting customer demand




(Source: Nikkei Industry Map 2015, Toyo Keizai Inc., Ministry of Economy, Trade and Industry)

# Drastic Changes to the Distribution Structure: 3 Points

**Distribution barriers will disappear**
(real vs. Internet, B-to-B vs. B-to-C)

**Those who control logistics control e-commerce**

**E-commerce will change marketing**
(Key will be the utilization of big data)

# Drastic Changes to the Distribution Structure: 3 Points

**Distribution barriers will disappear**

(real vs. Internet, B-to-B vs. B-to-C)

## GMS major

Focuses on
Internet-based
mail order business
Utilizes omni-channel
strategy
(fusion of real and Internet)

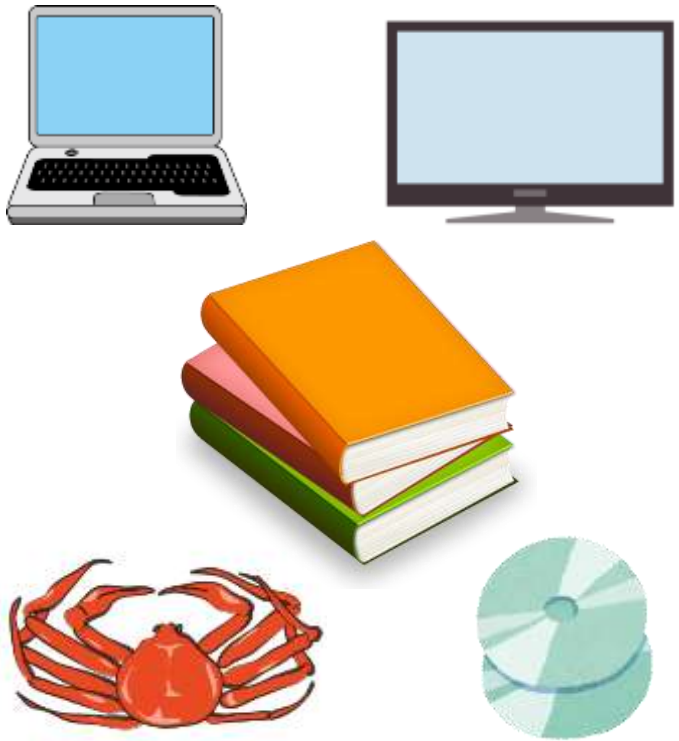
## e-commerce giant

Opens a “store selling products for industries and R&D”
(expanding into B-to-B area)

**Intensifying competition that goes beyond the distribution barriers**

# E-commerce is entering the second-generation

## 1st generation



## 2nd generation

Food products



Beverages
(coffee, tea, etc.)



Tissues and other household paper products

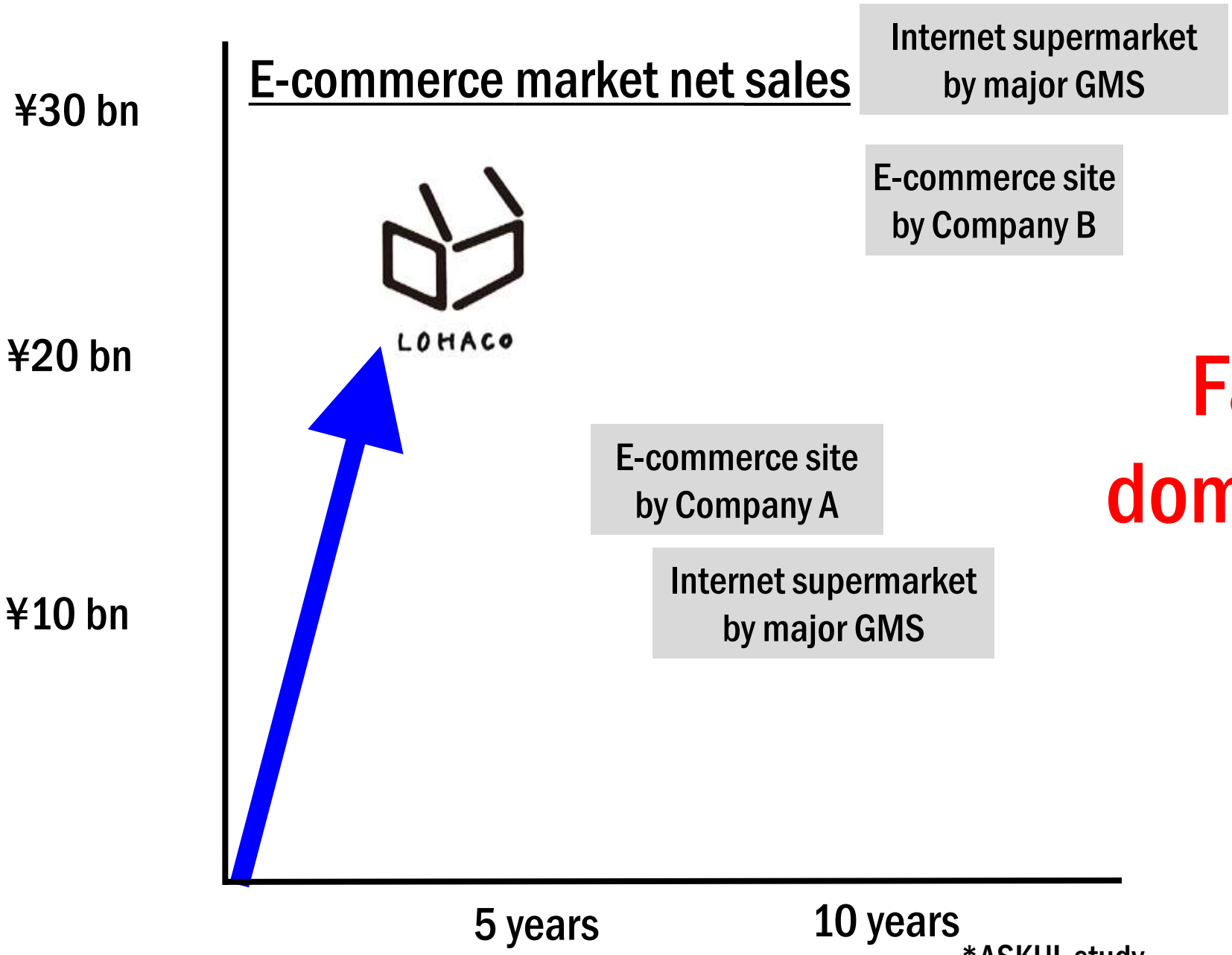



Kitchen goods, supplies




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

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




# Fastest growth of domestic e-commerce

# Drastic Changes to the Distribution Structure: 3 Points

**Those who control logistics**
**control e-commerce**



# Intensified logistics competition among distribution companies for capturing the e-commerce market

★ B-to-B business + LOHACO

● B-to-B business alone





★ ASKUL Logi PARK Tokyo Metropolitan (July 2013)

● Sendai DMC (Aug 2007)

● DCM Center (Apr 2002)

★ Osaka DMC (Renovation May 2013)




● Fukuoka Center (Jan 2016)
Scheduled for replacement operation

● Nagoya Center (Sep 2004)




★ Yokohama Center (May 2016)
Scheduled for replacement operation

# Vertical launch of LOHACO logistics platform with B-to-B business as the base

# Streamlining through further manpower reduction

## – Building own center from scratch using subsidies –

## ASKUL Logi PARK Fukuoka Overview

- Location: Minato Kashii 2-chome, Higashi-ku, Fukuoka-shi
- Size: Site area – about 25,000m$^2$/Floor area – about 53,000m$^2$
- Structure: 4 levels above ground, RC columns, S beams structure
  (ASKUL owns the building, utilizing grant)
- Investment: About 10.0 billion yen (est.)* for land, building and material handling facilities
- Subsidy: About 1.4 billion yen (total of land, building and facility)
- Start of operations: January 2016 (planned)

* not including subsidy




Conceptual image

Area
**Double**
Existing center

Products
Same day/next day delivery of items
**Doubled**

Maximum shipping capacity
**Double**
Existing center

# Shifting the existing center to a new favorable location to handle increased shipping in the Metropolitan area

## ASKUL Logi PARK Yokohama Outline

- Location: Namamugi 2-chome, Tsurumi-ku, Yokohama-shi, Kanagawa Pref.
- Size: Site area: 25,500m$^2$/Floor area: 50,000m$^2$
- Structure: 5 levels above ground; RC columns, S beams structure (the entire building on lease)
- Investment: About 4.3 billion yen (est. ) for material handling facility, etc.
- Start of operations: May 2016 (planned)



Conceptual image

Area
**Double**
Existing center

Products
Same day/next day delivery of items
**Doubled**

Maximum shipping capacity
**Double**
Existing center

# Offer ASKUL's Socially Optimal Logistics Platform to the Manufacturer Direct Sales Model

ネスレ Nestlé Good Food, Good Life + ASKUL




Example of product line-up offered through Nestlé's on-line shop "Nescafe Dolce Gusto"



**Offer efficient logistics/distribution network to Nestlé Japan's Direct Sales Business**

**Product shipment started on June 22**

# Drastic Changes to the Distribution Structure: 3 Points

**E-commerce will change marketing**

(Key will be utilization of big data)



# Towards one-to-one marketing using big data

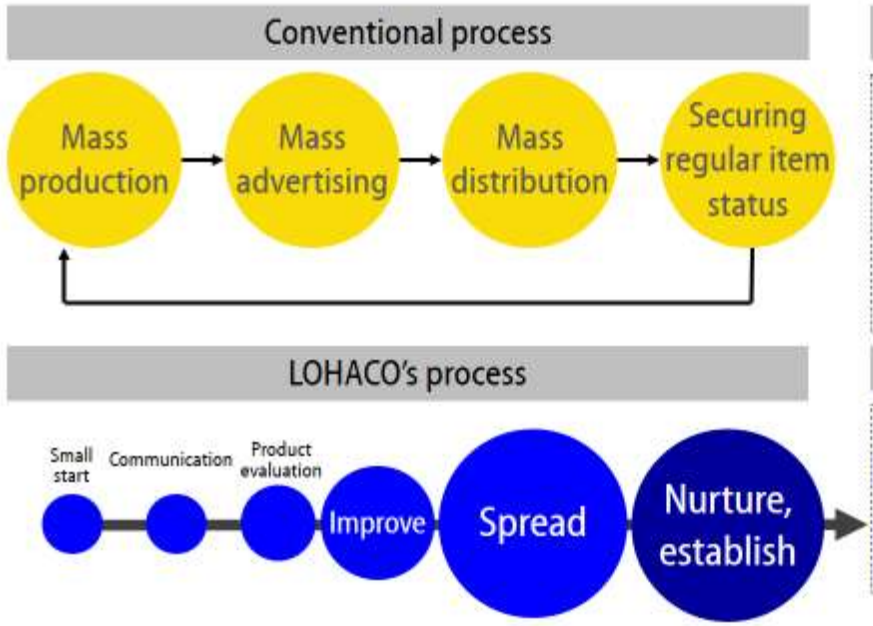
## Integrated Marketing with Manufacturers

[Companies participating in the second term] (Honorifics omitted, in Japanese syllabary order) *As of July 2, 2015

Asahi Soft Drinks Co., Ltd., Asahi Breweries, Ltd., Ajinomoto Co., Inc., AJINOMOTO GENERAL FOODS, INC., ITO EN, LTD., ITOCHU-SHOKUHIN Co., Ltd., Ezaki Glico Co., Ltd., SSP Co., Ltd., ST Trading Corporation, Oji Nepia Co., Ltd., Otsuka Pharmaceutical Co., Ltd., Kao Customer Marketing Co., Ltd., KAGOME CO., LTD., KATAOKA & CO., LTD., KAMEDA SEIKA CO., LTD., CALBEE, Inc., KEY COFFEE INC., Kikkoman Beverage Company, Kikkoman Food Products Company, Kewpie Corporation, Kirin Brewery Company, Limited, Kirin Beverage Company, Limited, Koikeya Co., Ltd., Coca-Cola Customer Marketing Company, Limited, KOBAYASHI PHARMACEUTICAL CO., LTD., Sapporo Breweries Ltd., Suntory Liquors Limited, Suntory Foods Limited, Shiseido Company, Limited, 3M Japan Limited, DAIO PAPER CORPORATION, NISSIN FOOD PRODUCTS CO., LTD., Kellogg Japan G.K., Nippon Paper Crecia Co., Ltd., Nestlé Japan Ltd., HOUSE FOODS CORPORATION, FUJIFILM Corporation, The Procter & Gamble Company of Japan Limited, POKKA SAPPORO Food & Beverage Ltd., Mizkan Co., Ltd., Isetan Mitsukoshi Holdings Ltd., Melodian Co., Ltd., MORINAGA & CO., LTD., UCC UESHIMA COFFEE CO., LTD., Unicharm Corporation, Unilever Japan Customer Marketing K.K., Lion Corporation, Ryohin Keikaku Co., Ltd., ROHTO Pharmaceutical Co., Ltd., Lotte Co., Ltd., Wakodo Co., Ltd.

Companies participating in LOHACO E-commerce Marketing Lab to reach 51

## Taking on Challenge to Enable Distribution Process from Customer Perspective




# Aim to become a leading company that links manufacturers with the customers

# LOHACO Net Sales Trend

Business/capital alliance signed with Yahoo Japan Corporation

ASKUL Logi PARK Tokyo Metropolitan starts shipping
Product lineup to reach 70,000 SKUs



LOHACO Drug launched

ロハコ ドラッグ
LOHACO Drug

LOHACO EC
Marketing Lab 1st Term
started with 12 companies

BEER SHOP launched




LOHACO EC
Marketing Lab 2nd Term
started with 50 companies



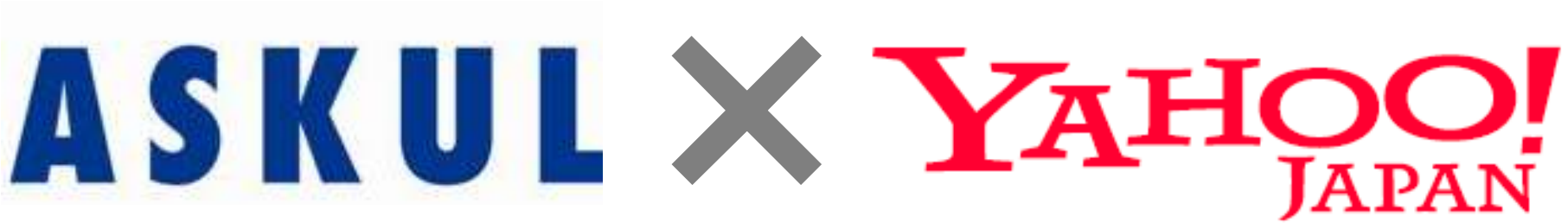
LOHACO BEAUTY launched




June 2015
2,349
million yen
Up 84%
YoY

April - Oct Nov Dec Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec Jan Feb Mar Apr May Jun

2012 2013 2014 2015




# Accelerating Further

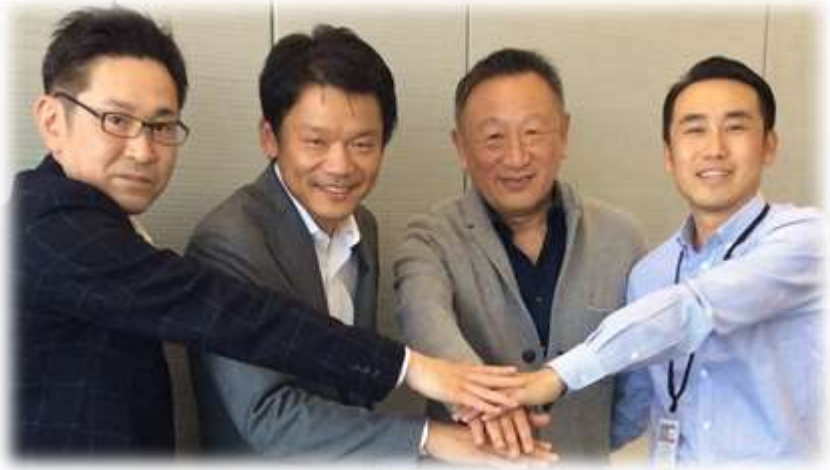
ASKUL × YAHOO! JAPAN

# To take on new challenges as equal partners

May 19, 2015

Renewal of business and capital alliance

Building on the relationship of trust nurtured over the three years, we will strengthen the collaboration for further development and growth of LOHACO



# Renewing the vow to become No. 1 in second generation e-commerce


Start e-commerce revolution
with the manufacturers

I FY5/2015 Summary

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# FY5/2016 Consolidated Performance Outlook

| | FY5/2015 Actual ¥billion | FY5/2015 % of net sales | FY5/2016 Plan ¥billion | FY5/2016 % of net sales | FY5/2016 YoY change % |
|---|---|---|---|---|---|
| Net Sales | 276.7 | 100.0 | 304.5 | 100.0 | +10.0 |
| Gross Profit | 60.8 | 22.0 | 68.2 | 22.4 | +12.2 |
| Selling, General and Administrative Expenses | 53.9 | 19.5 | 60.2 | 19.8 | +11.6 |
| Operating Income (excl. temporary expenses) | 7.1 | 2.6 | 9.0 | 3.0 | +27.3 |
| Temporary Expenses | -0.2 | – | -1.0 | – | – |
| Operating Income | 6.8 | 2.5 | 8.0 | 2.6 | +16.8 |
| Ordinary Income | 6.9 | 2.5 | 8.0 | 2.6 | +15.0 |
| Net Income* attributable to owners of the parent | 4.0 | 1.5 | 4.4 | 1.4 | +9.1 |

➢ **Net sales plan**
Double-digit growth

➢ **Gross profit margin**
Expects YoY improvement

➢ **Temporary expenses**
Factored in ¥1.0 billion in cost for relocating logistics centers
(0.4p.p. impact on SG&A ratio)

➢ **Operating income plan**
¥8.0 billion, up 16.8% YoY
¥9.0 billion when relocation cost is excluded

*The term is used based on the revision to rules regarding Accounting Standard for Business Combinations, terms, format and preparation method of consolidated financial statements. It is Net Income in the FY5/2015 results.

# FY5/2016 Consolidated Performance Outlook [By Business]

| | | FY5/2015 Actual ¥billion | FY5/2016 Plan ¥billion | FY5/2016 YoY change % |
|---|---|---|---|---|
| Net Sales | B-to-B business, etc. | 256.8 | 274.5 | +6.9 |
| | LOHACO | 19.9 | 30.0 | +50.4 |
| | Consolidated total | 276.7 | 304.5 | +10.0 |
| Operating Income | B-to-B business, etc. | 10.3 | 12.4 | +20.0 |
| | LOHACO (excl. active sales promotion) | -3.2 | -2.6 | — |
| | More active sales promotion | — | -0.6 | — |
| | LOHACO | -3.2 | -3.3 | — |
| | Subtotal | 7.1 | 9.0 | +27.3 |
| | Temporary expenses | -0.2 | -1.0 | — |
| | Consolidated total | 6.8 | 8.0 | +16.8 |

## ➢ Net sales plan

B-to-B business, etc. to continue to grow

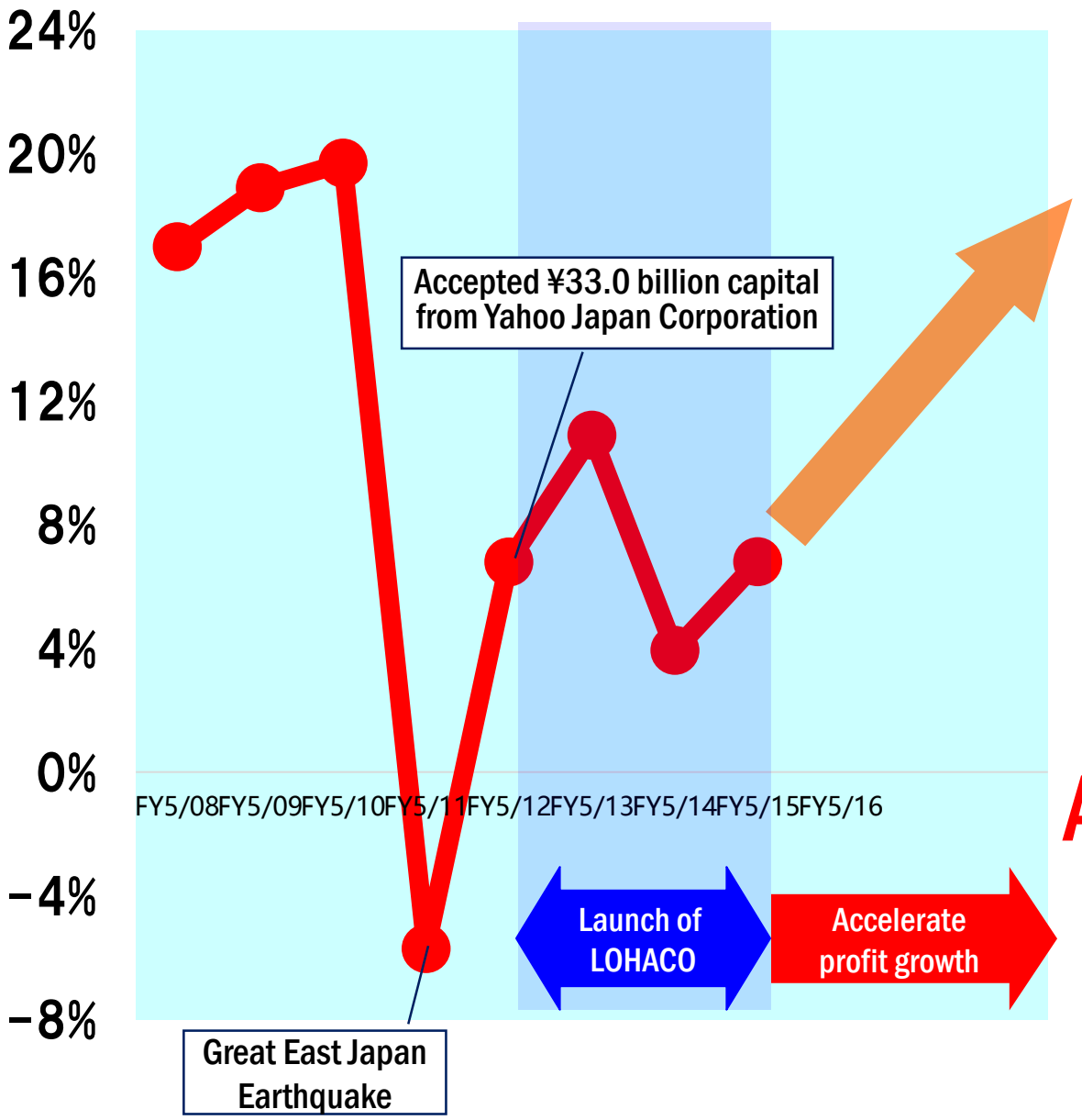
LOHACO to have ¥30.0 billion in net sales, up 50.4% YoY

## ➢ Operating income plan

B-to-B business, etc. to have ¥12.4 billion in operating income, up 20% YoY

LOHACO to improve earnings structure
To add ¥0.6 billion of sales promotion cost to accelerate growth

# ROE Trend




**Improve capital efficiency through acquisition of treasury stock**

(expected to purchase up to 3.4 million shares)

**+**

**Accelerate profit growth**

**Aiming at ROE of 8% in FY5/2016 and further improvement in medium- to long-term**

# FY5/2016 Company-wide Policy

B-to-B business' returns to accelerate
Aims to become absolute No.1 in all workplaces

LOHACO to implement more active sales promotion and take on the challenge of earnings structure reform

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ASKUL

ASKUL INTERNET SHOP

SOLOEL ARENA

Powered by ASKUL

# Targeting B-to-B Business

ASKUL + MEDeTOMO

SOLOEL

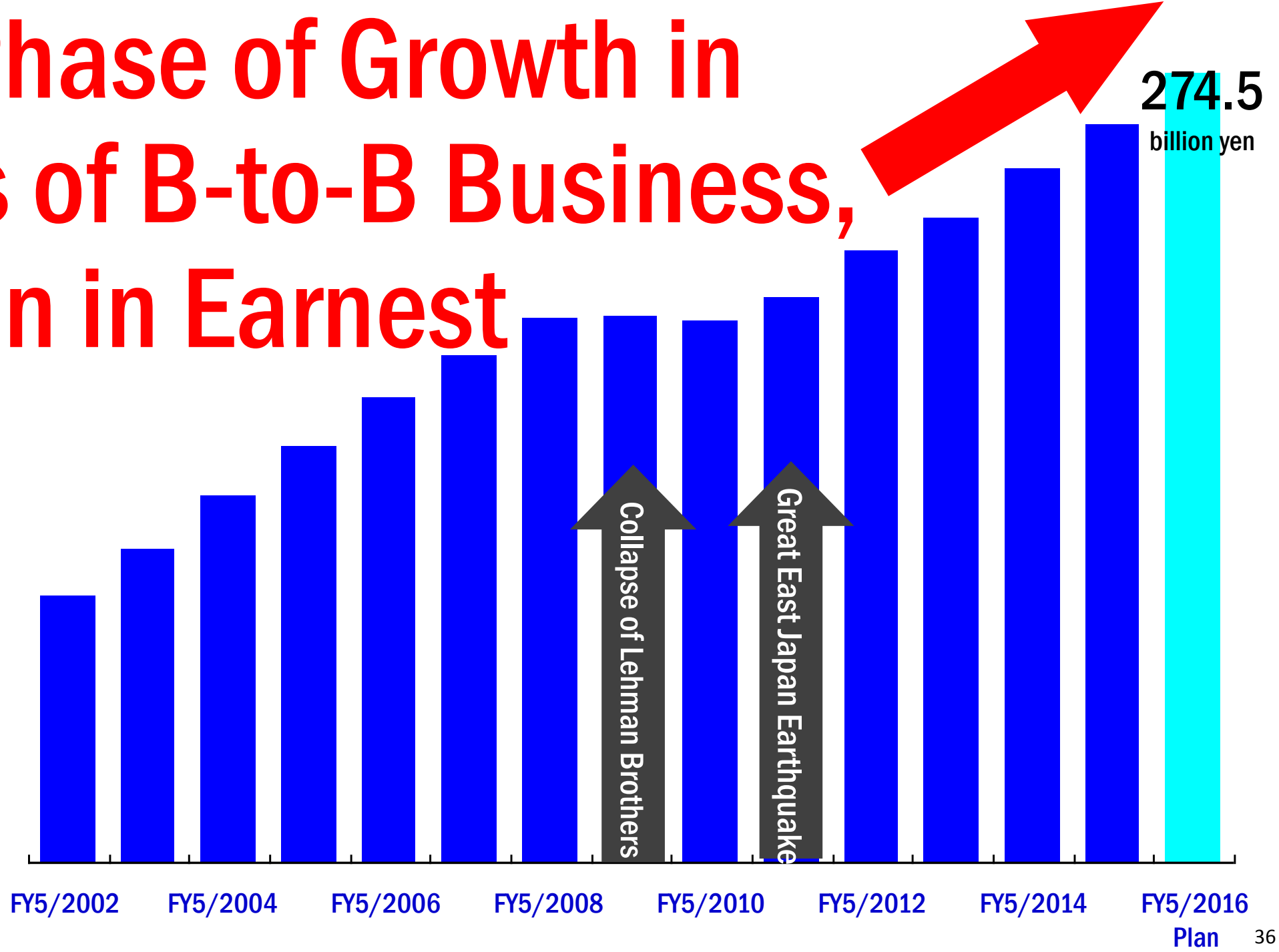
# In the 2015 Japan Office Supply Mail Order Service Customer Satisfaction Study conducted by J.D. Power Asia Pacific

## ASKUL came

# 1st in overall satisfaction for the 3rd consecutive year

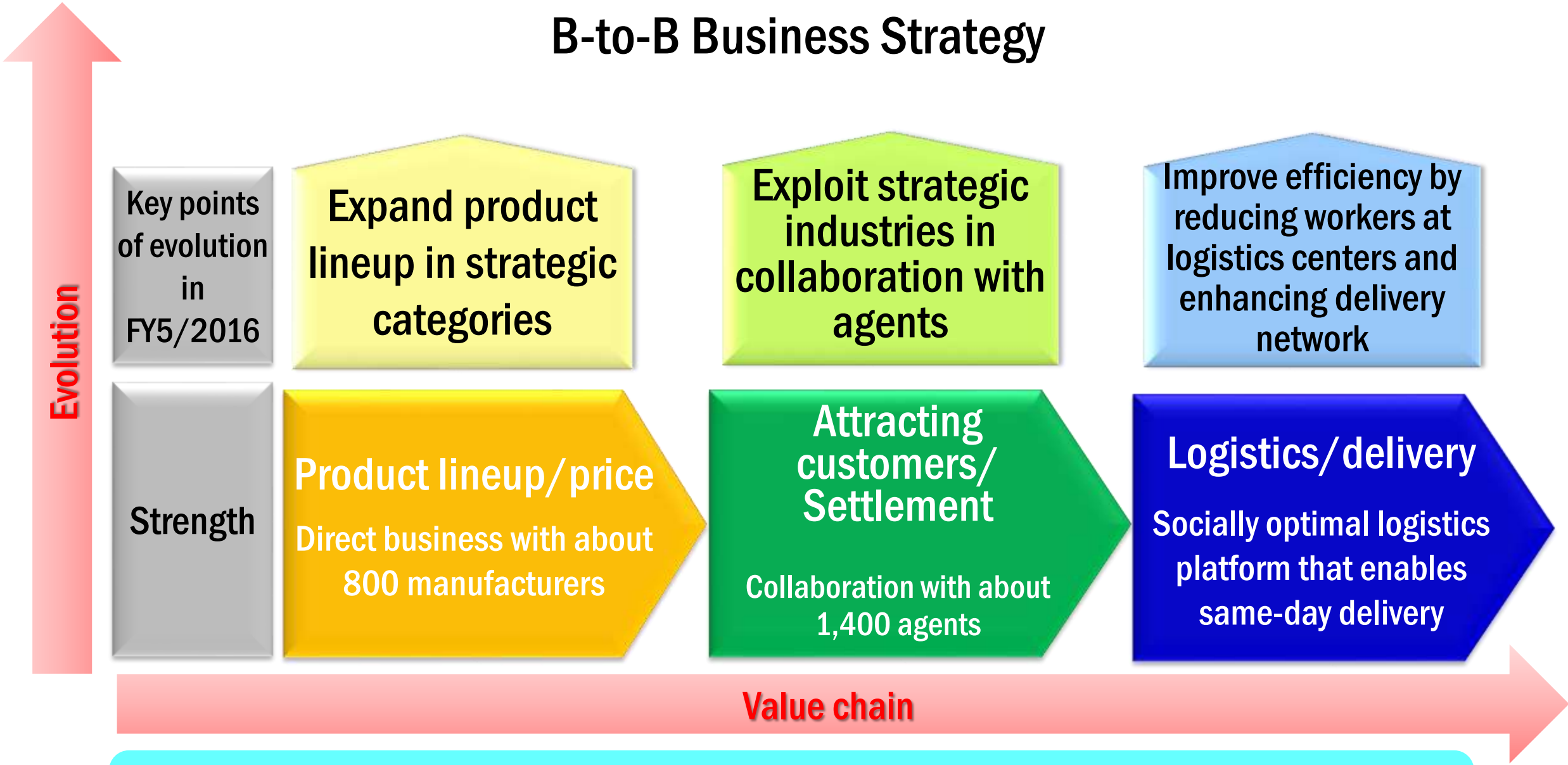
*Result of a survey of 3,500 businesses with 5 employees or more across Japan in the field of office supply mail order service for corporate customers.

# Second Phase of Growth in Net Sales of B-to-B Business, etc. Began in Earnest




ASKUL

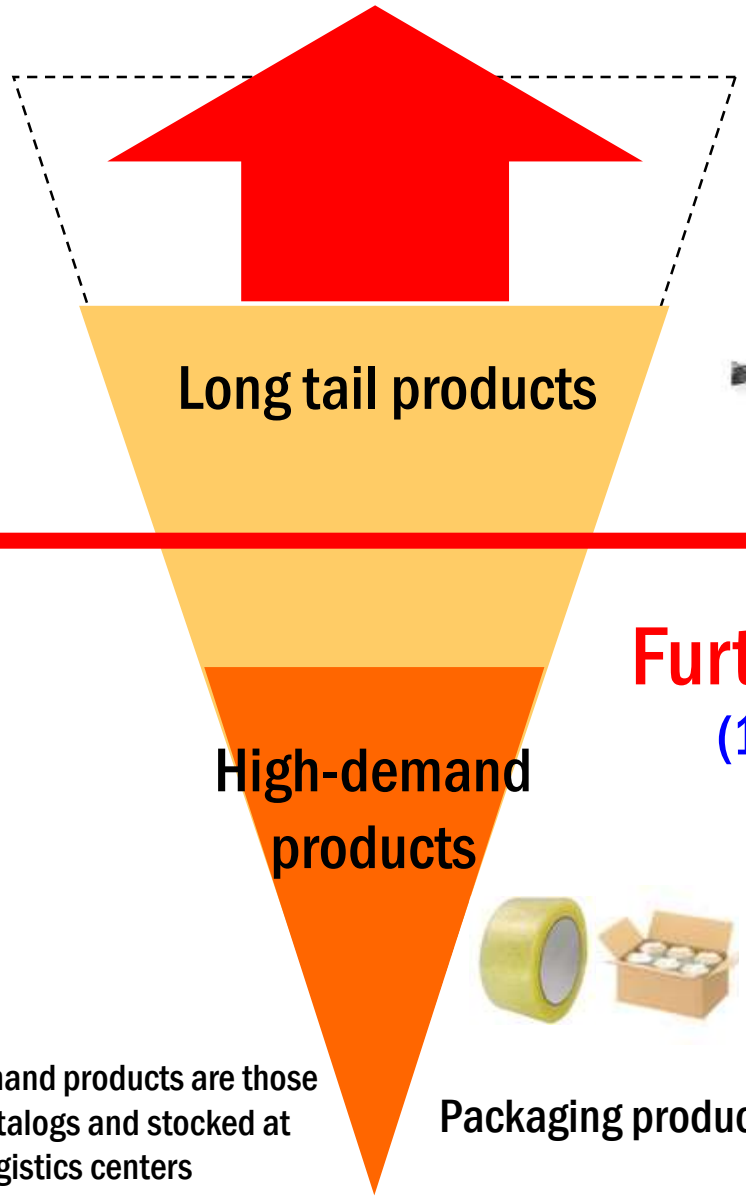
# B-to-B Business Strategy




## IT foundation that supports the above strengths

Renewal of product data base + enhancement of websites

# Expand product lineup in strategic categories




## To significantly expand the number of long tail products through renewal of product database



Cutting tools



Bearing units




Bearings



Chains



Casters

## Further reinforce already strong high-demand products

(1) Price advantage (2) Free delivery with purchase of 1,000 yen or more
(3) Same-day delivery at the earliest



Packaging products



Logistics items



Safety protection




Sanitary supplies



Detergents, living supplies



Disinfecting supplies

*High-demand products are those on the catalogs and stocked at ASKUL logistics centers

# Strengthen catalogs dedicated to each segment



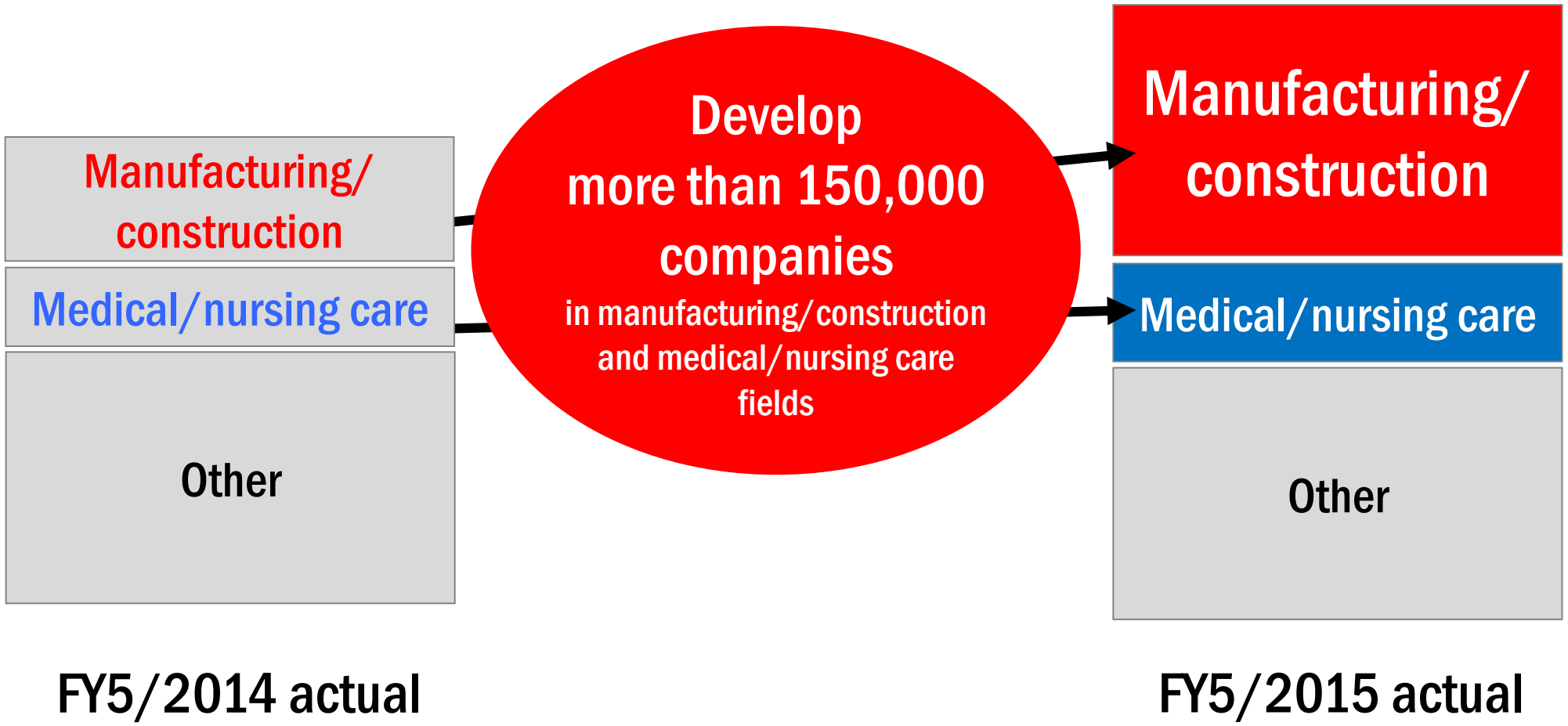

MRO catalog
*Genba-no-ASKUL*
*Spring 2015 Issue*
(released in April 2015)




*Medical & Care*
*Catalog 2015*
*Spring Special Issue*
(released in February 2015)

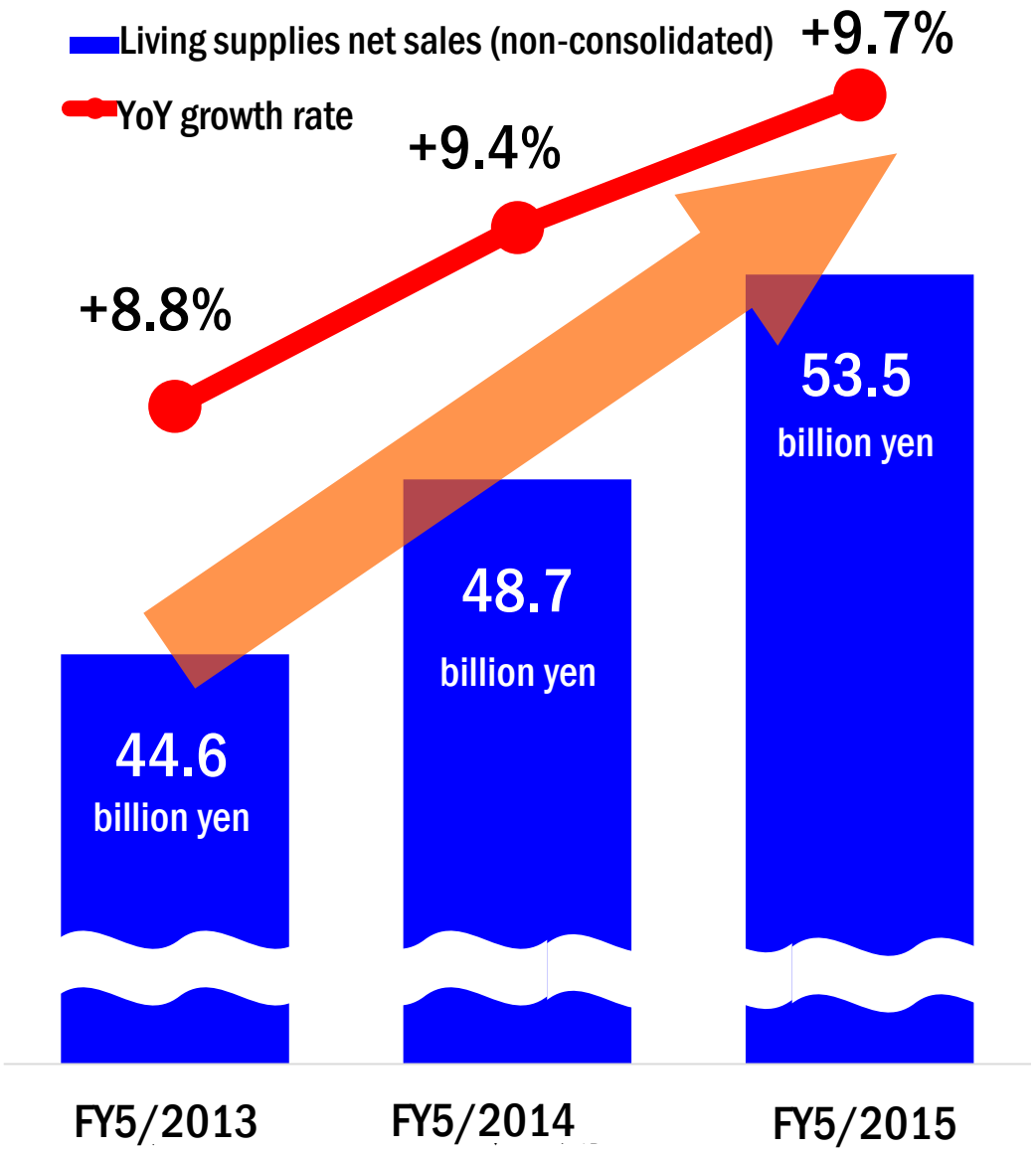
## Promoting growth of the business targeting manufacturing/construction and medical/nursing care through collaboration with about 1,400 agents

# Increase the number of customers in strategic industries




**Continue to strengthen cooperation with agents**

# Living Supplies Net Sales at B-to-B Business (Non-consolidated)




**Promoting purchase of living supplies among medical/nursing-care customers**

**+**

**Synergies with LOHACO**

**Living supplies are also driving forward overall growth**

# Evolving into e-commerce website that makes purchase proposals

**New website**

Webpage for customers in the nursing-care industry



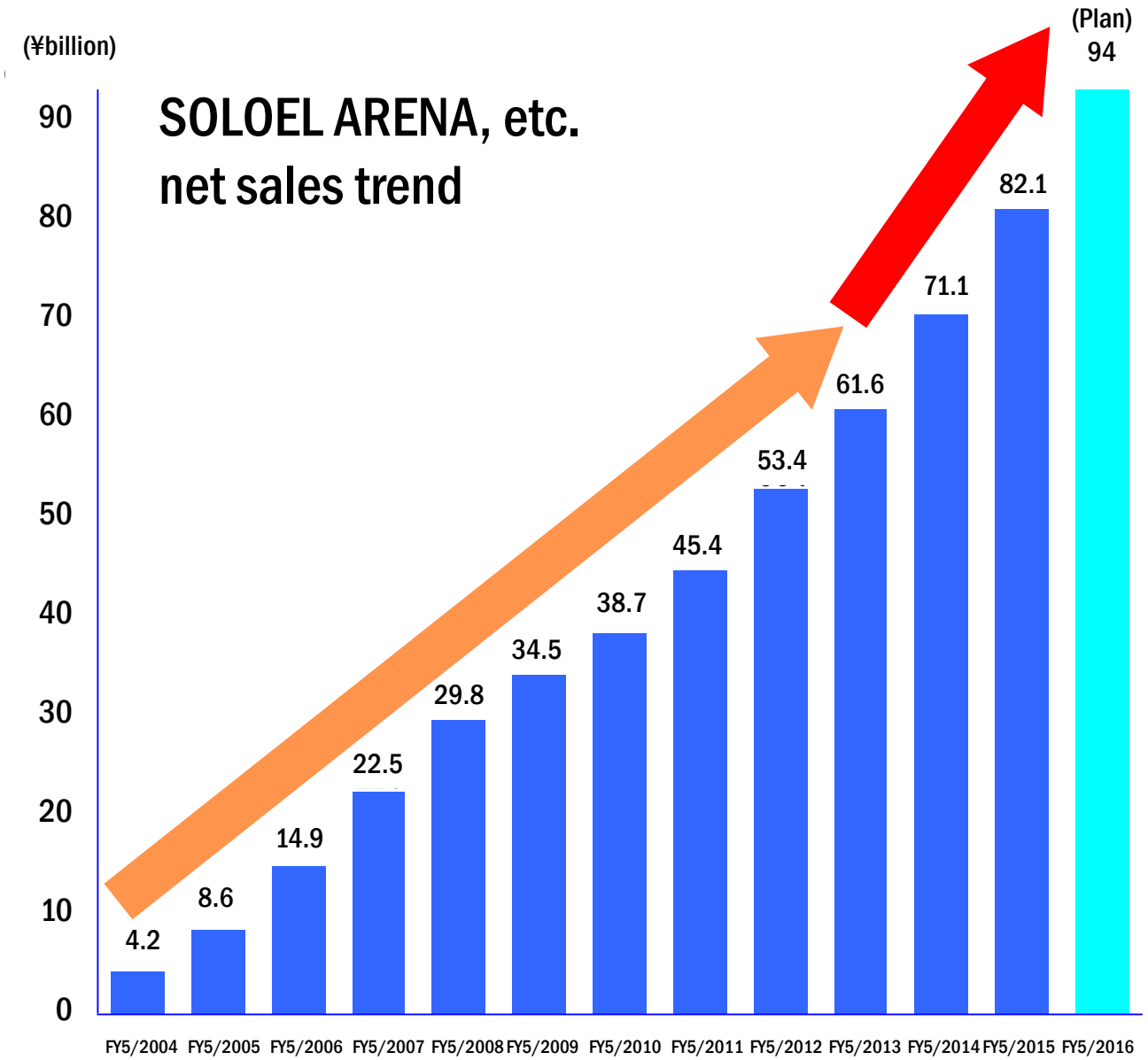

Propose individual products that suit the customers' requirements

- Net sales
- Access count
- Conversion rate
- Order count
- Purchase per order
- Net sales per access

**Improved across the board**

**Rise in purchase amount**

# SOLOEL ARENA Expanding Steadily




**Enhancing purchase management function from the customer perspective**

**Growth to be further accelerated**
**In FY5/2015,**
**up 15.5% on year**


B-to-B business' returns to accelerate
Aims to become absolute No.1 in all workplaces

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ASKUL × YAHOO! JAPAN




LOHACO commitment movie

# Second-generation e-commerce as envisioned by LOHACO

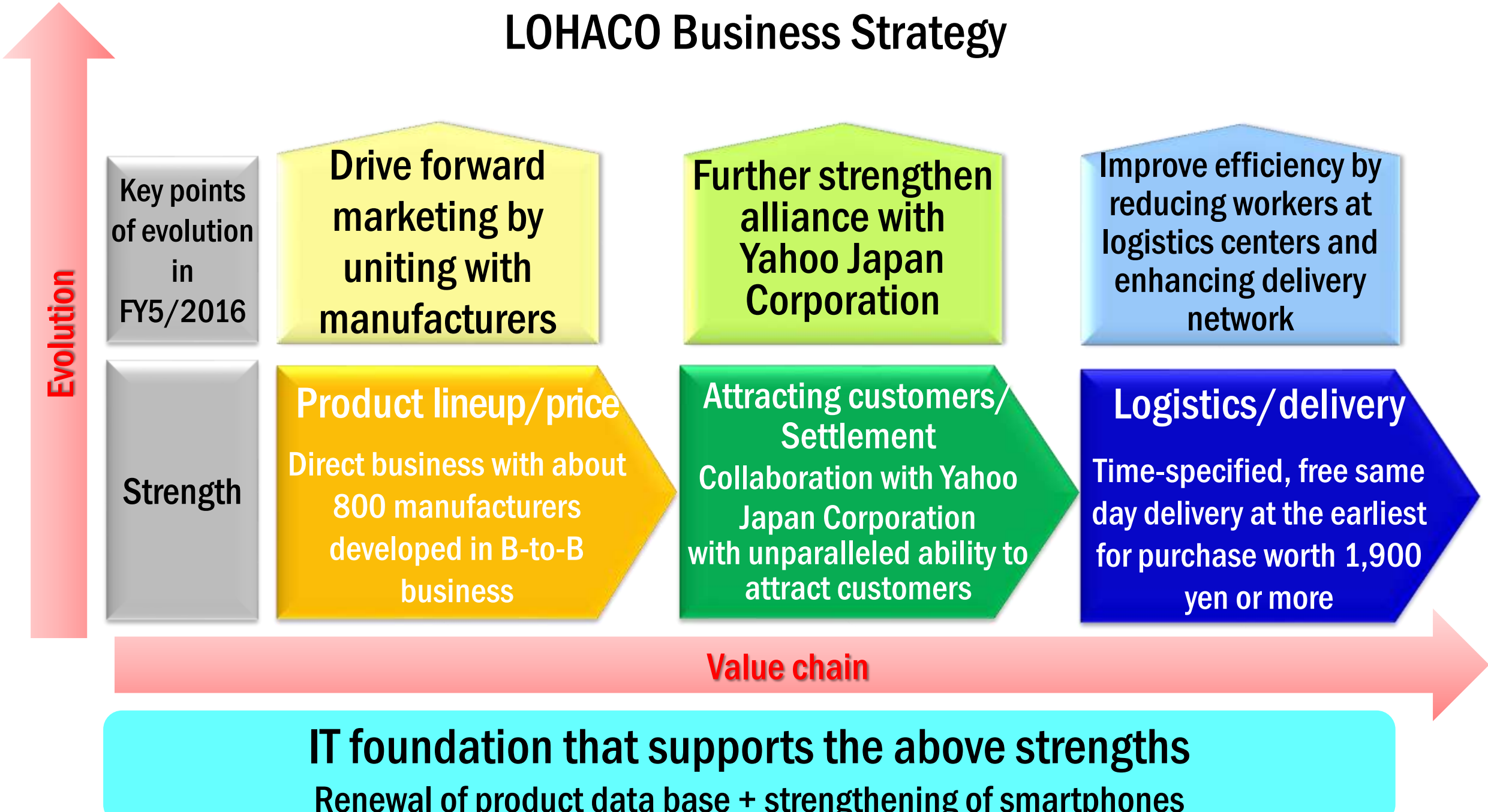



**Daily use**

**Whenever, wherever**

**EC for daily necessities**

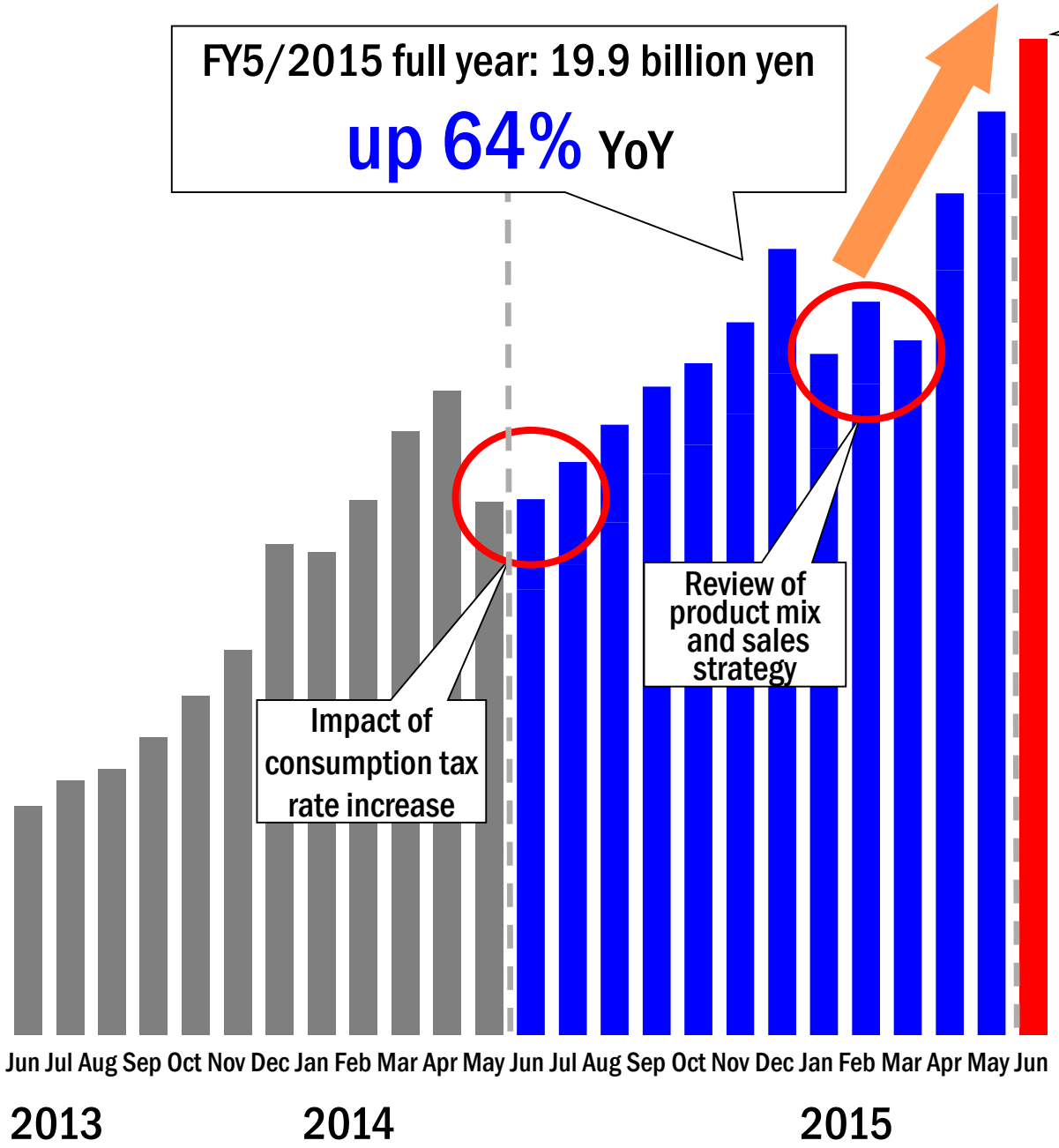
# LOHACO Business Strategy




## IT foundation that supports the above strengths

Renewal of product data base + strengthening of smartphones

# Net Sales Trend of LOHACO Business

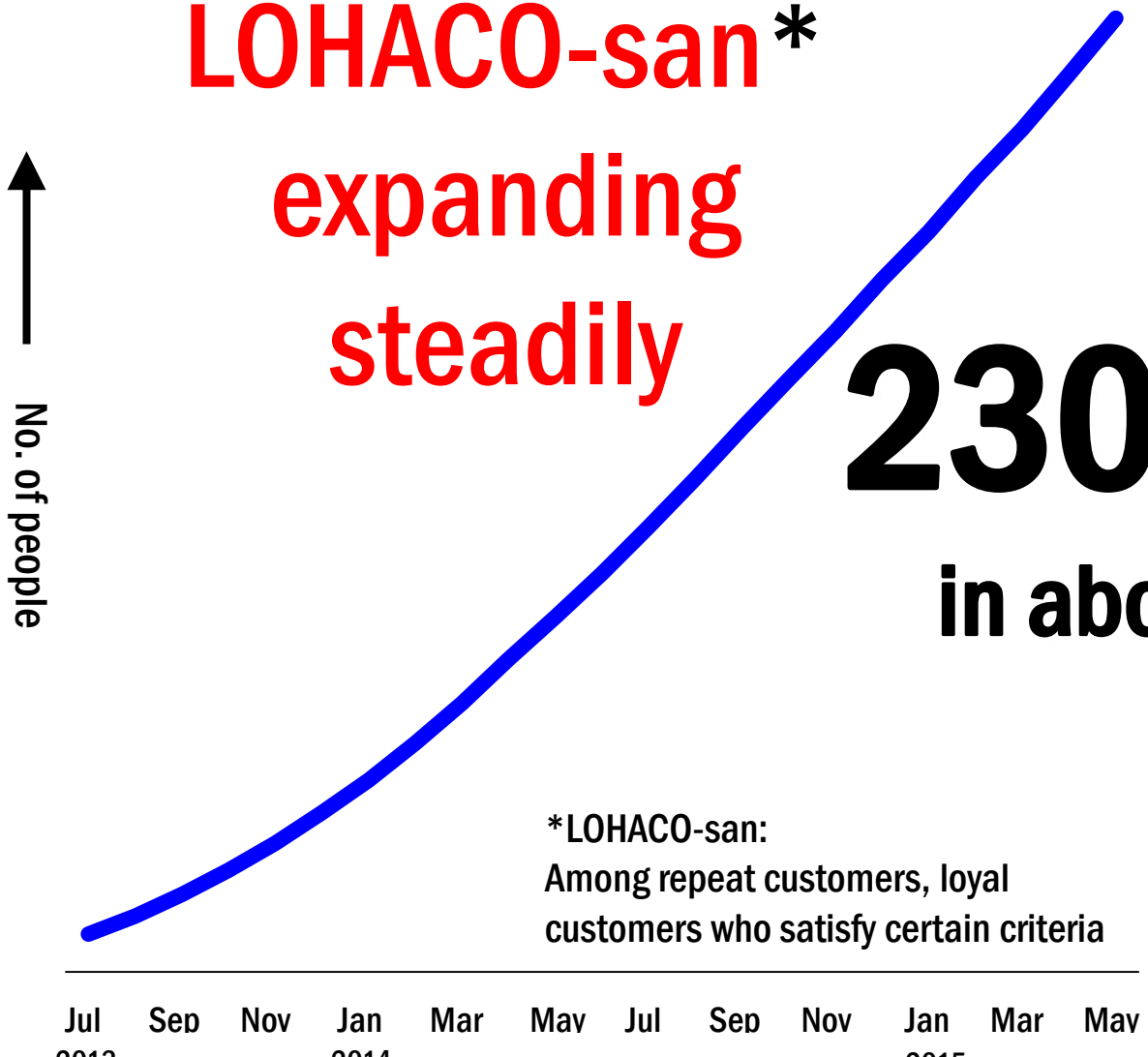



**For becoming No. 1 in second generation e-commerce**

**Accelerate the growth**

# Second-generation E-commerce Steadily Spreading

LOHACO-san* expanding steadily




**230,000 people**

**in about 2.5 years**

The next milestone

**1 million people**

*LOHACO-san:
Among repeat customers, loyal customers who satisfy certain criteria

# Enhancement of Product Lineup and Review of Product Mix



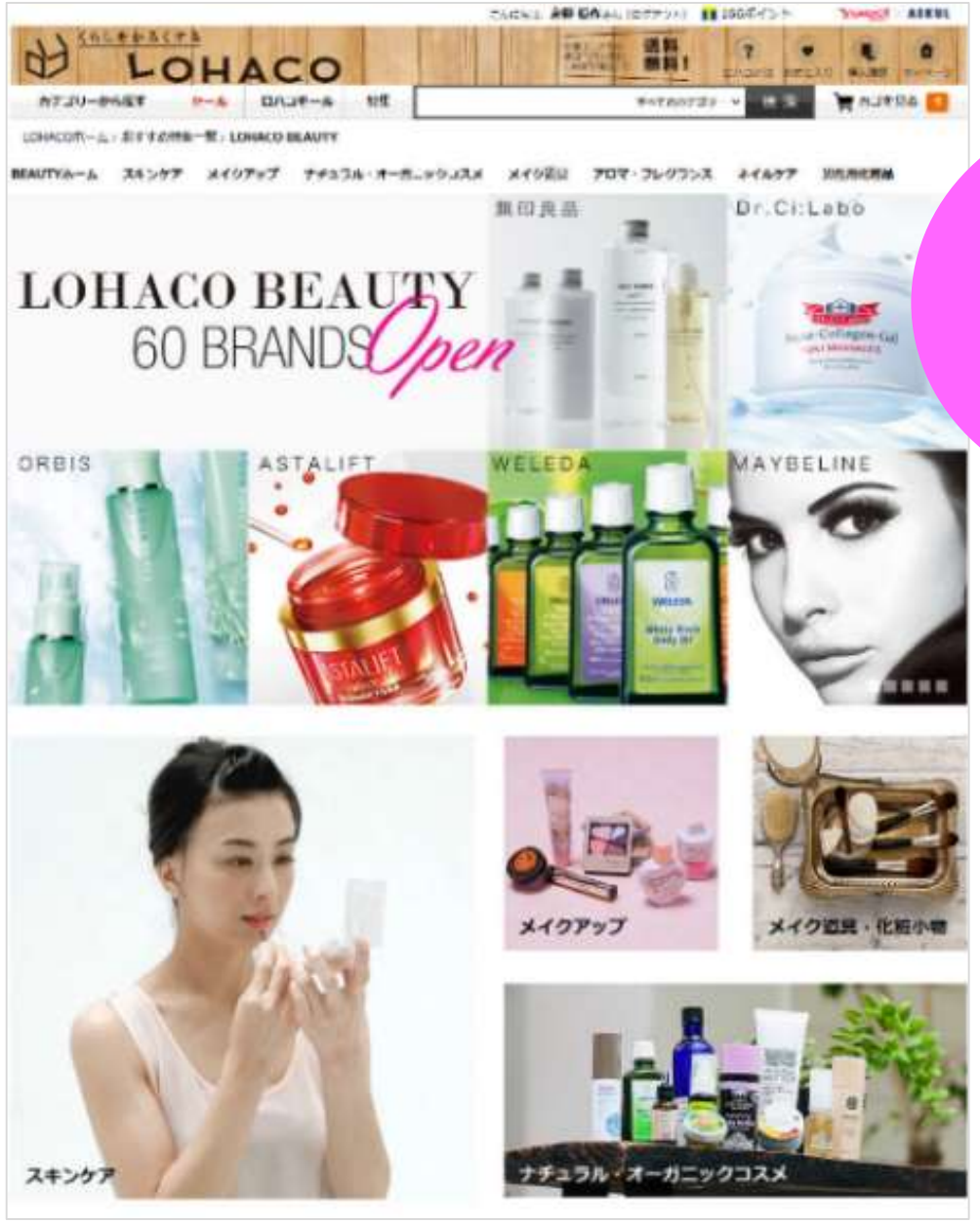

**Enhancing the product lineup of new categories in response to customers' needs**

**Net sales expansion**

**+**

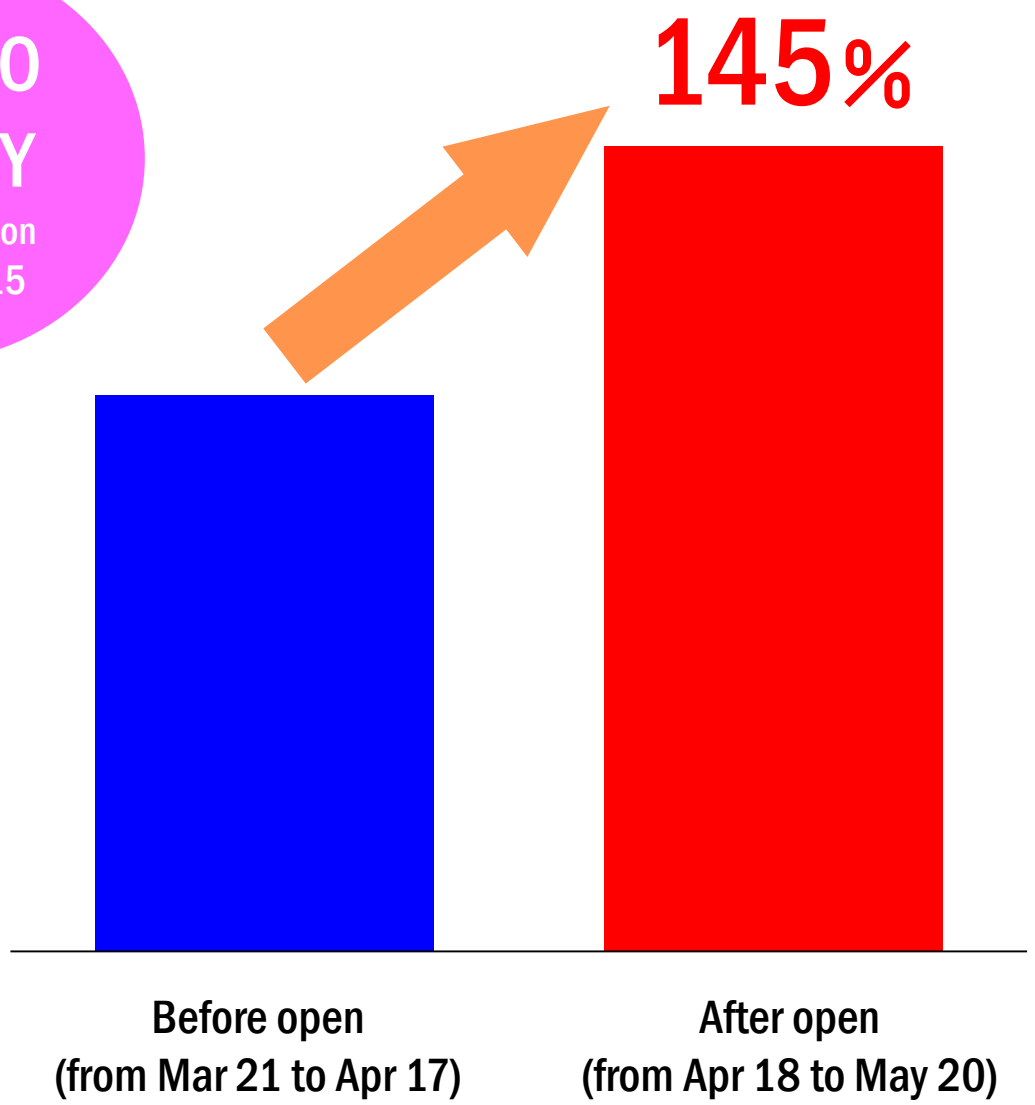
**Improvement in earnings structure**

# Cosmetics of 60 Brands from 42 Companies




**LOHACO BEAUTY**
website open on
April 17, 2015

## Daily orders in the beauty category



# Further Strengthening Alliance with Yahoo Japan Corporation

## Attracting large number of customers by increasing exposure on the Yahoo! Japan main page




*Customer attraction image on the main page is the one with the maximum exposure and it is not ordinary exposure.

## Implementing sales promotion using T-Point




**The access count in May 2015 was 142% of the same month a year earlier**

# Integrated Marketing with Manufacturers

[Companies participating in the second term] (Honorifics omitted, in Japanese syllabary order) *As of July 2, 2015

Asahi Soft Drinks Co., Ltd., Asahi Breweries, Ltd., Ajinomoto Co., Inc., AJINOMOTO GENERAL FOODS, INC., ITO EN, LTD., ITOCHU-SHOKUHIN Co., Ltd., Ezaki Glico Co., Ltd., SSP Co., Ltd., ST Trading Corporation, Oji Nepia Co., Ltd., Otsuka Pharmaceutical Co., Ltd., Kao Customer Marketing Co., Ltd., KAGOME CO., LTD., KATAOKA & CO., LTD., KAMEDA SEIKA CO., LTD., CALBEE, Inc., KEY COFFEE INC., Kikkoman Beverage Company, Kikkoman Food Products Company, Kewpie Corporation, Kirin Brewery Company, Limited, Kirin Beverage Company, Limited, Koikeya Co., Ltd., Coca-Cola Customer Marketing Company, Limited, KOBAYASHI PHARMACEUTICAL CO., LTD., Sapporo Breweries Ltd., Suntory Liquors Limited, Suntory Foods Limited, Shiseido Company, Limited, 3M Japan Limited, DAIO PAPER CORPORATION, NISSIN FOOD PRODUCTS CO., LTD., Kellogg Japan G.K., Nippon Paper Crecia Co., Ltd., Nestlé Japan Ltd., HOUSE FOODS CORPORATION, FUJIFILM Corporation, The Procter & Gamble Company of Japan Limited, POKKA SAPPORO Food & Beverage Ltd., Mizkan Co., Ltd., Isetan Mitsukoshi Holdings Ltd., Melodian Co., Ltd., MORINAGA & CO., LTD., UCC UESHIMA COFFEE CO., LTD., Unicharm Corporation, Unilever Japan Customer Marketing K.K., Lion Corporation, Ryohin Keikaku Co., Ltd., ROHTO Pharmaceutical Co., Ltd., Lotte Co., Ltd., Wakodo Co., Ltd.

**Companies participating in LOHACO E-commerce Marketing Lab to reach 51**

# LOHACO to implement more active sales promotion and take on the challenge of earnings structure reform

# Appendix

# FY5/2015 Business Performance Supplement

## FY5/2015 dividends (plan)

We are currently expanding the LOHACO business to become the No. 1 in second generation e-commerce to maximize earnings in the future, while continuing with stable dividend payment to our shareholders.

As we have reached a certain level in large-scale capital investment such as construction and improvement of logistics centers, we decided on repurchase of treasury stock (announced on May 19, 2015) to improve capital efficiency and return profit to the shareholders, and implemented it.

⇒ Annual dividend of 30 yen per share (an interim dividend of 15 yen and a fiscal year-end dividend of 15 yen)

## FY5/2016 dividends (forecast)

⇒ Annual dividend of 30 yen per share (an interim dividend of 15 yen and a fiscal year-end dividend of 15 yen)

# FY5/2015 Net Sales by Product Category Non-consolidated

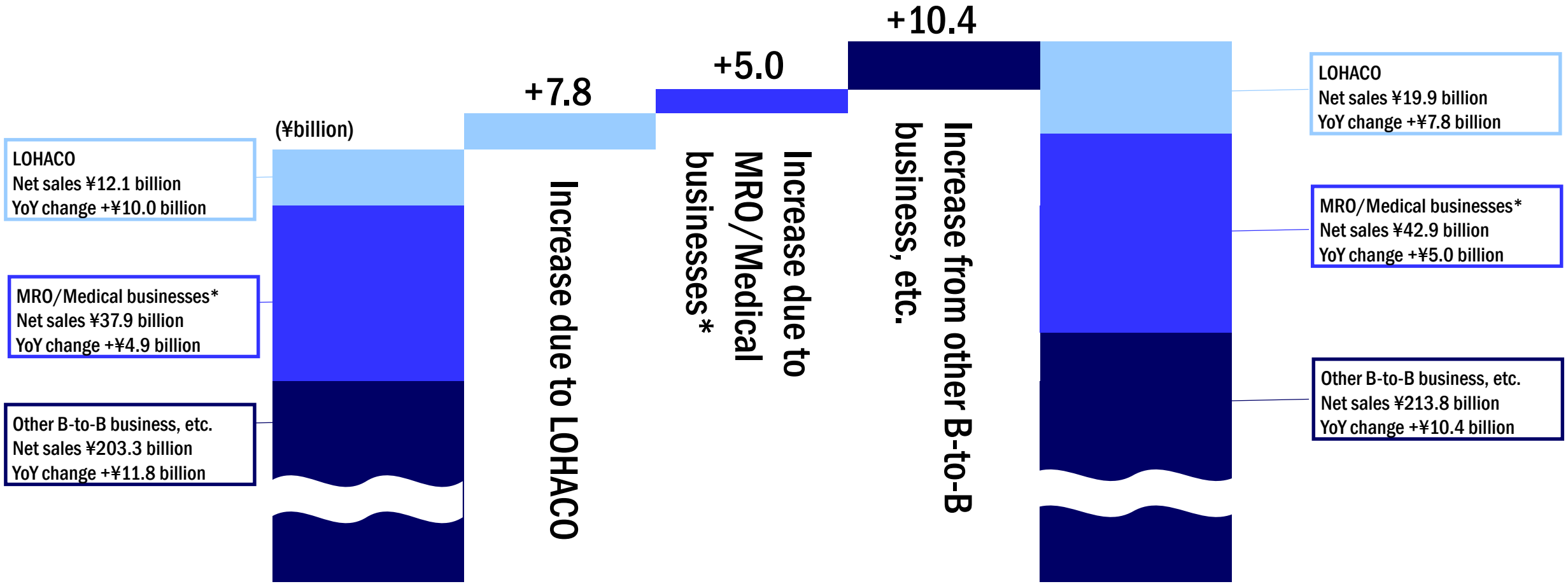
| | FY5/2014 | | FY5/2015 | |
|---|---|---|---|---|
| | ¥billion | YoY change % | ¥billion | YoY change % |
| OA&PC | 87.3 | +7.4 | 88.1 | +0.9 |
| Stationery | 54.3 | +9.4 | 58.1 | +7.1 |
| Living Supplies | 56.7 | +23.4 | 68.5 | +20.8 |
| Furniture | 19.2 | +5.4 | 20.7 | +7.8 |
| Others (Medical, etc.) | 17.5 | +16.3 | 19.2 | +10.0 |
| Total | 235.2 | +11.8 | 254.9 | +8.4 |

**Non-consolidated net sales were also a record**

# Factors Affecting FY5/2015 Consolidated Net Sales

FY5/2014 (actual)
Net sales ¥253.4 billion
YoY change +¥26.7 billion
YoY growth +11.8%

FY5/2015 (actual)
Net sales ¥276.7 billion
YoY change +¥23.5 billion
YoY growth +9.2%

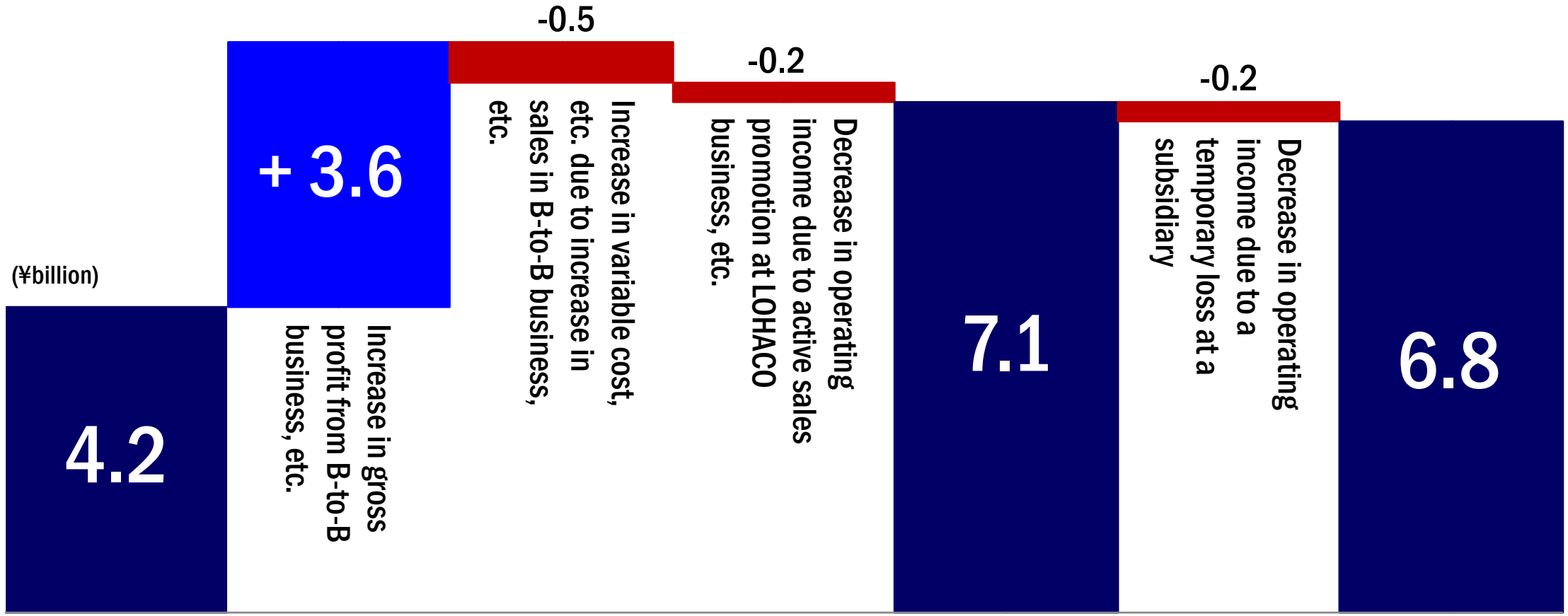



*MRO/Medical businesses do not include LOHACO portion

# Factors Affecting FY5/2015 Consolidated Operating Income

FY5/2014 (actual)
Net sales growth YoY +11.8%
Gross profit margin 22.0%
SG&A expense ratio 20.3%

FY5/2015 (actual)
Net sales growth YoY +9.2%
Gross profit margin 22.0%
SG&A expense ratio 19.5%



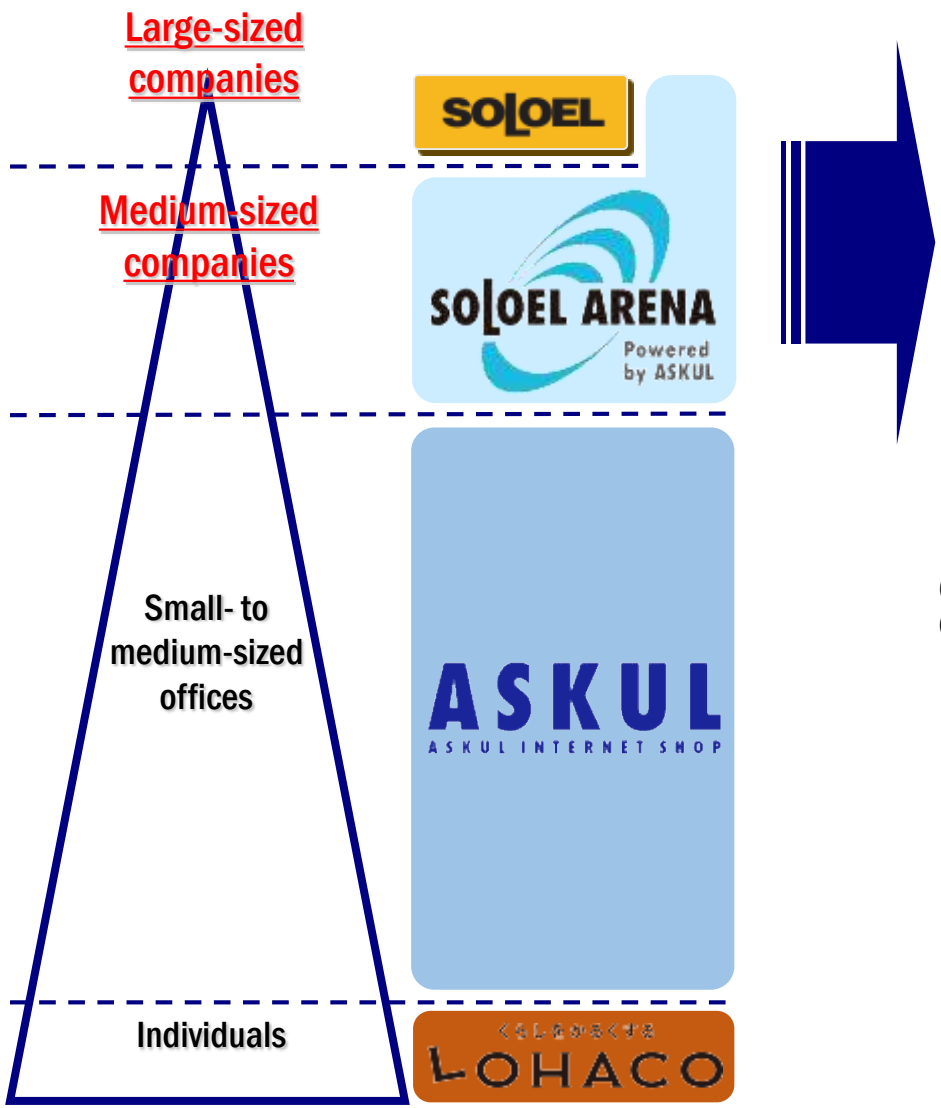

FY5/2014 operating income (actual) ¥4.2 billion

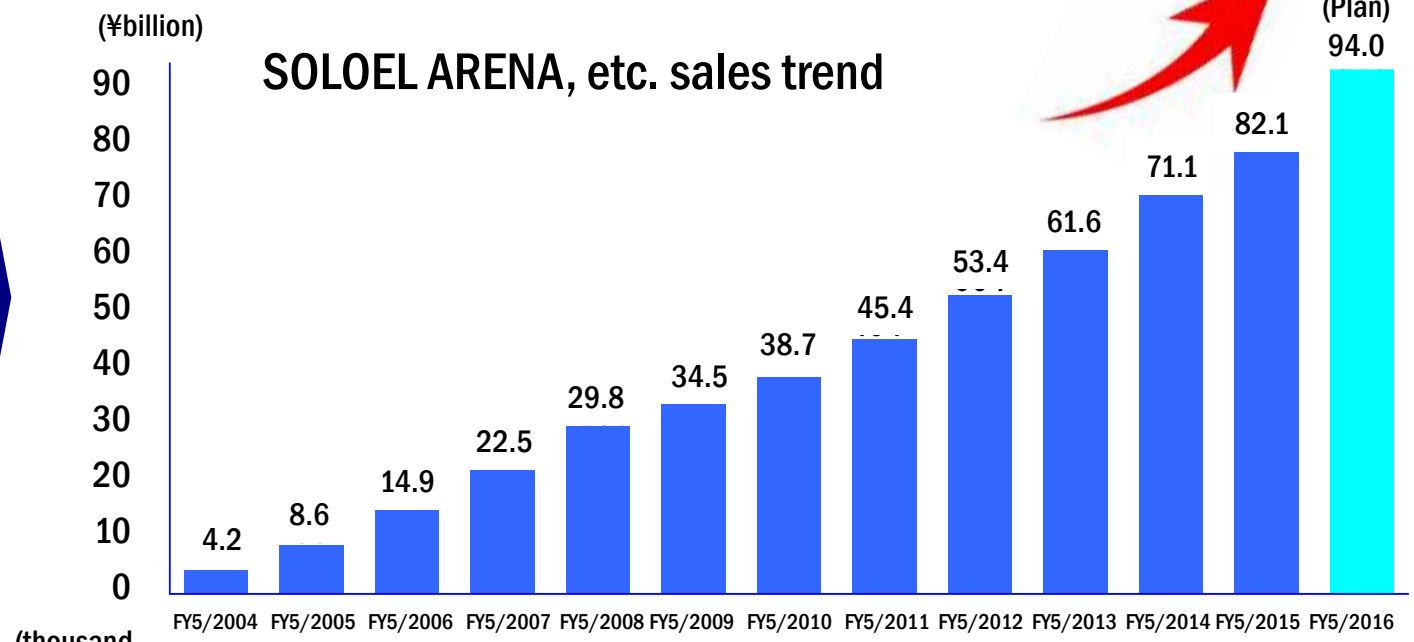
FY5/2015 operating income (actual) ¥6.8 billion

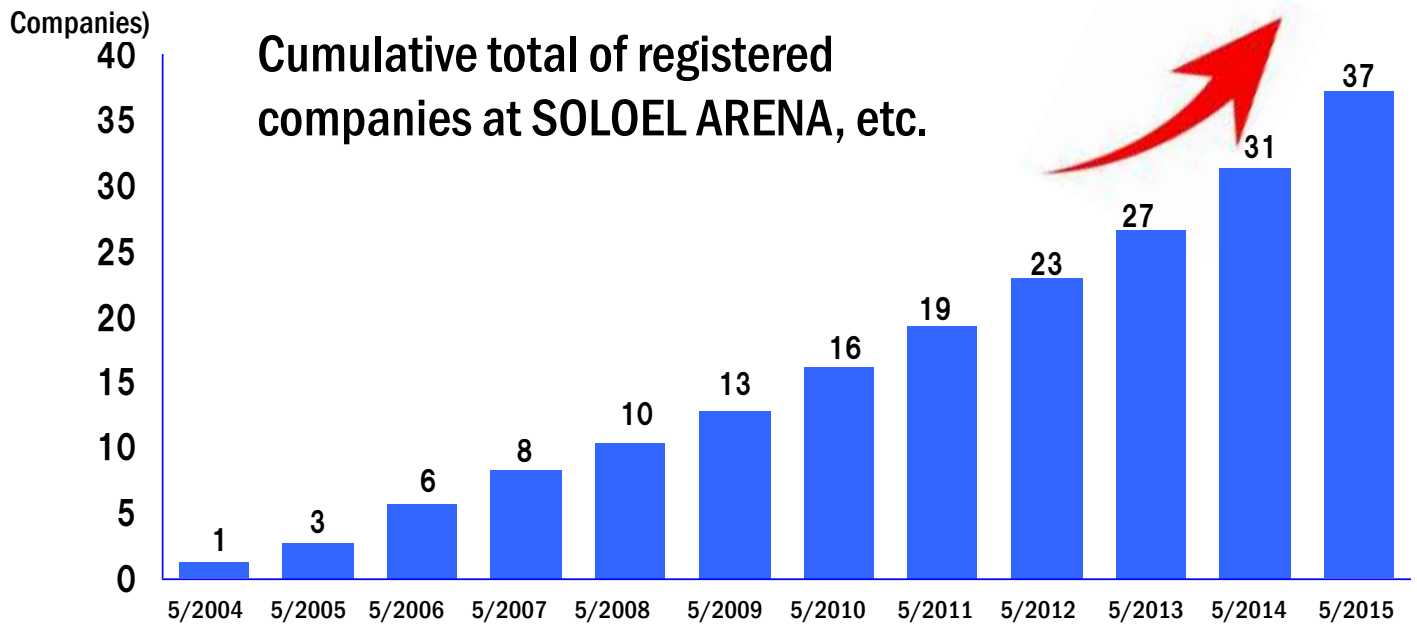
# FY5/2015 Consolidated Performance (By Business)

| | | FY5/2014 actual (¥billion) | FY5/2015 actual (¥billion) | FY5/2015 YoY change (%) |
|---|---|---|---|---|
| Net sales | B-to-B business, etc. | 241.2 | 256.8 | +6.4 |
| | LOHACO | 12.1 | 19.9 | +64.7 |
| | Consolidated total | 253.4 | 276.7 | +9.2 |
| Operating income | B-to-B business, etc. | 7.3 | 10.3 | +43.3 |
| | LOHACO | -3 | -3.2 | — |
| | Subtotal | 4.2 | 7.1 | +66.7 |
| | Temporary loss at a subsidiary | — | -0.2 | — |
| | Consolidated total | 4.2 | 6.8 | +60.2 |

# SOLOEL ARENA Expanding Steadily



# FY5/2015 Consolidated Gross Profit, SG&A Expenses

## Gross profit: ¥60.8 billion YoY change: +¥5.1 billion

Gross profit margin: 22.0% YoY change: -0.0 p.p.

<Quarterly trend of gross profit margin>

1Q: 21.5%　2Q: 21.9%　3Q: 21.9%　4Q: 22.5%

- Steadily improving reflecting price revision, etc.

## SG&A expenses: ¥53.9 billion YoY change: +¥2.5 billion

Ratio of SG&A expenses to net sales: 19.5% YoY change: -0.8 p.p.

<Quarterly trend of the ratio of SG&A expenses to net sales>

1Q: 20.9%　2Q: 20.1%　3Q: 18.6%　4Q: 18.6%

- Improved due to the impact of reduction of fixed costs such as depreciation and net sales increase

<Breakdown of main factors causing fixed cost reduction>

- Subcontract expenses: -¥0.43 billion
- Amortization of software: -¥0.23 billion

# FY5/2015 Consolidated Capital Expenditures

## Capital expenditures: ¥4.5 billion (Annual plan: ¥6.3 billion)

ASKUL Logi PARK Fukuoka logistics base enhancement ¥2.0 billion

(Ref.) Depreciation and amortization of software: ¥3.8 billion (Annual plan: ¥4.1 billion)

## Investment details

(¥million)

| Item | FY5/2014 | FY5/2015 | |
|---|---|---|---|
| | Amount | Amount | YoY change |
| [Capital expenditures] Note 2 | 24,467 | 4,528 | -81.5% |
| Property, plant and equipment Note 2 | 22,669 | 2,975 | -86.9% |
| Intangible assets | 1,797 | 1,553 | -13.6% |
| Construction in progress Note 3,4 | 61 | 2,212 | 3,502.2% |
| Software in progress Note 4 | 159 | 491 | 209.0% |

Notes

1. Capital expenditures are stated on an accrual basis and do not reflect reductions.
2. Expenditures for FY5/2014 are high due to recording of expenses of ASKUL Logi PARK Tokyo Metropolitan.
3. Expenditures for FY5/2015 are high due to recording of expenses of ASKUL Logi PARK Fukuoka.
4. Construction in progress and software in progress partially include consumption and other taxes.

# FY5/2015 Share of orders placed on the Internet in net sales, ASKUL original products

## Share of orders placed on the Internet in net sales

| | FY5/2014 | FY5/2015 | YoY change |
|---|---|---|---|
| Orders via the Internet | 73.8% | 76.7% | +2.9p.p. |
| Other | 26.2% | 23.3% | -2.9p.p. |

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

## ASKUL original products

(items)

| | May 2014 (single month) | May 2015 (single month) | YoY change |
|---|---|---|---|
| Number of original products | 5,774 | 5,793 | +19 |
| Share in non-consolidated net sales | 16.8% | 17.3% | +0.5p.p. |
| (of which B-to-B business) | (17.6%) | (18.9%) | (+1.3p.p.) |

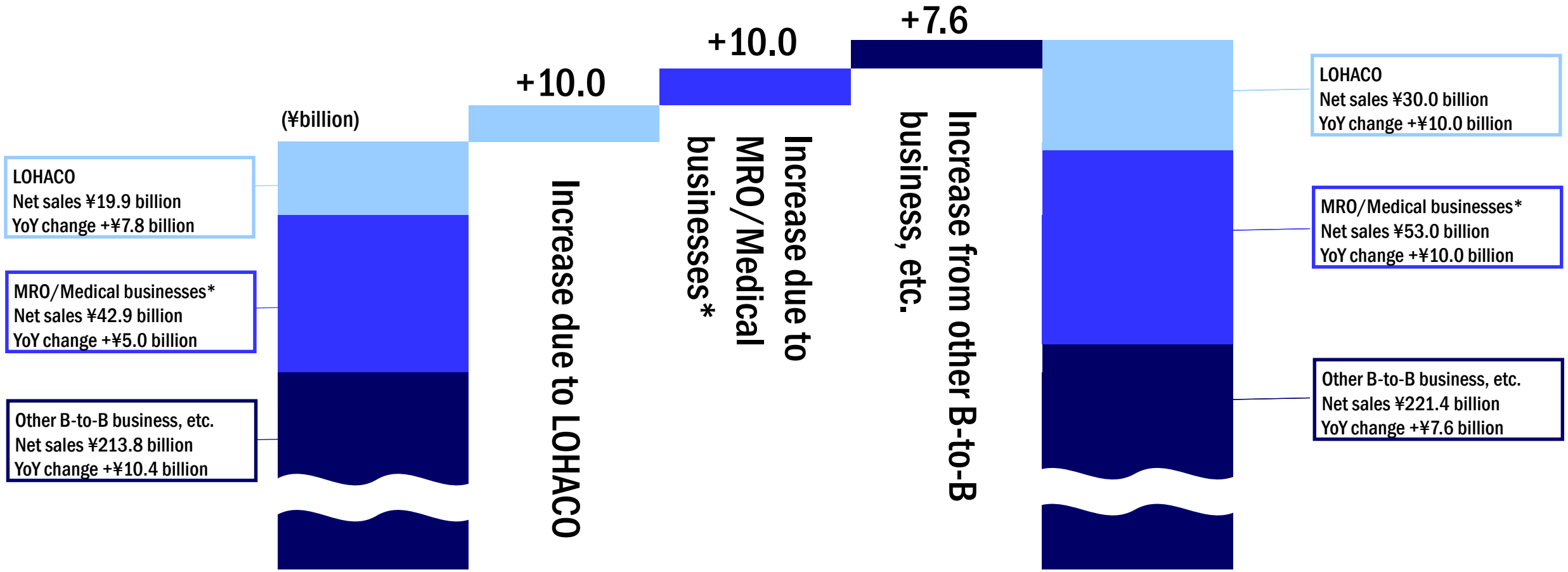
Notes:
1. The figures above are the results for the month of May each year.
2. Net sales of original products used as the numerators in calculating the shares in net sales do not include net sales of original copier paper.
3. Each figure includes the products listed in Medical & Care Catalogs and Medical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

# FY5/2016 Business Performance (Plan) Supplement

# Main Factors Affecting FY5/2016 Consolidated Net Sales (Plan)

FY5/2015 (actual)
Net sales ¥276.7 billion
YoY change +¥23.5 billion
YoY growth +9.2%

FY5/2016 (plan)
Net sales ¥304.5 billion
YoY change +¥27.7 billion
YoY growth +10.0%

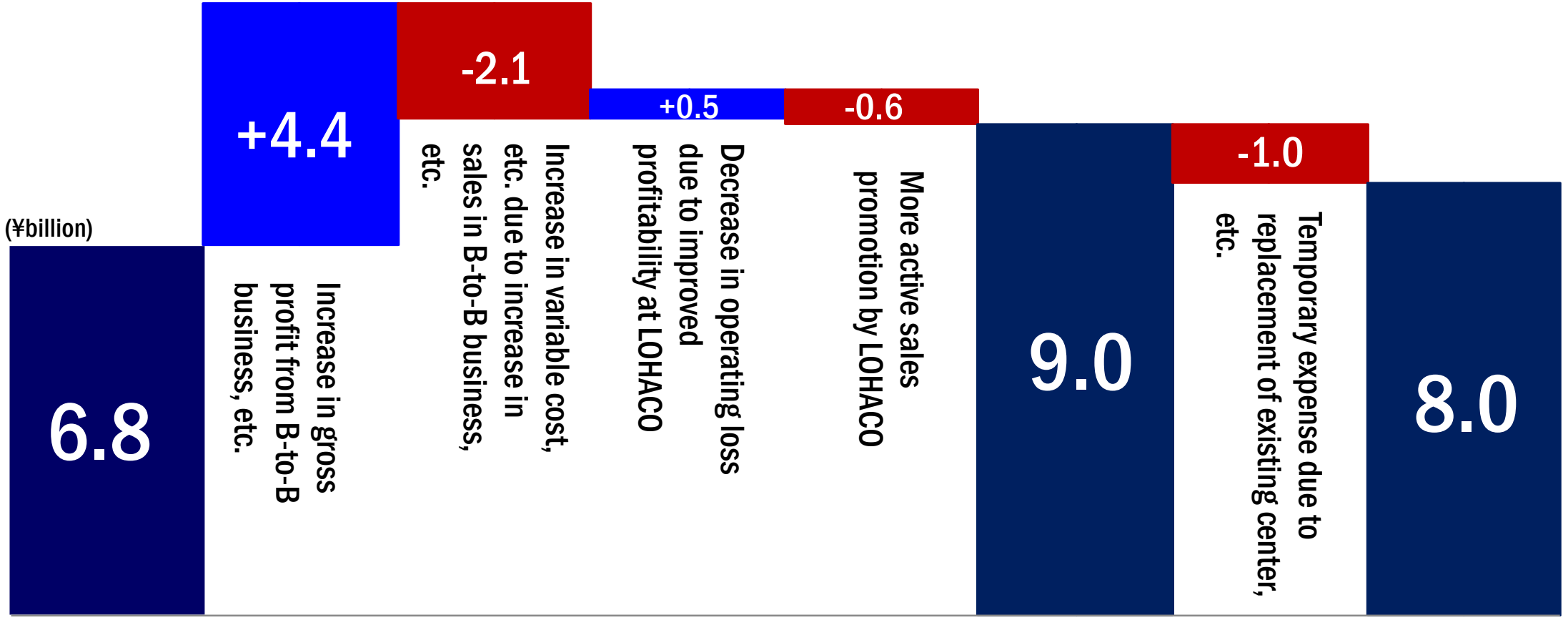



*MRO/Medical businesses do not include LOHACO portion

# Main Factors Affecting FY5/2016 Consolidated Operating Income (Plan)

FY5/2015 (actual)
Net sales growth YoY +9.2%
Gross profit margin 22.0%
SG&A expense ratio 19.5%

FY5/2016 (plan)
Net sales growth YoY +10.0%
Gross profit margin 22.4%
SG&A expense ratio 19.8%




FY5/2015 operating income (actual) ¥6.8 billion

FY5/2016 operating income (plan) ¥8.0 billion

# Consolidated Performance Outlook for 1H and 2H FY5/2016

| | 1H FY5/2016 Plan | | | 2H FY5/2016 Plan | | |
|---|---|---|---|---|---|---|
| | ¥billion | % of net sales | YoY change % | ¥billion | % of net sales | YoY change % |
| Net Sales | **145.3** | 100.0 | +10.1 | **159.2** | 100.0 | +9.9 |
| Gross profit | **32.9** | 22.6 | +14.7 | **35.3** | 22.2 | +9.9 |
| Selling, General and Administrative Expenses | **29.3** | 20.2 | +8.3 | **30.9** | 19.4 | +14.9 |
| Operating Income (excl. temporary expenses) | **3.8** | 2.6 | +132.4 | **5.2** | 3.3 | +1.2 |
| Logistics center relocation cost | **-0.2** | — | — | **-0.8** | — | — |
| Operating Income | **3.6** | 2.5 | +119.8 | **4.4** | 2.8 | -15.6 |
| Ordinary Income | **3.6** | 2.5 | +111.0 | **4.4** | 2.8 | -16.2 |
| Net income* attributable to owners of the parent | **2** | 1.4 | +125.7 | **2.4** | 1.5 | -23.7 |

## ➢Gross profit margin

Reflecting the foreign exchange trends, the risk of a weak yen has been factored in the second half

## ➢Operating income

Second-half operating income is estimated at 4.4 billion yen, which is 84.4% of the same period a year ago.

It would be 5.2 billion yen if the logistics center relocation expense is excluded

*The term is used based on the revision to rules regarding Accounting Standard for Business Combinations, terms, format and preparation method of consolidated financial statements.

# FY5/2016 Consolidated Capital Expenditure (Plan)

## Capital expenditure ¥13.2 billion

[Breakdown]

- ASKUL Logi PARK Fukuoka logistics base enhancement ¥5.4 billion
- ASKUL Logi PARK Yokohama logistics base enhancement ¥4.3 billion

(Ref.) Depreciation and amortization of software: ¥3.8 billion
(YoY change: + ¥0 billion)