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News Release Dated: December 6, 2016

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
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Issuance of Share Options for Subscription with Performance Conditions (Stock Options with Charge)

ASKUL Corporation (hereinafter "the Company") hereby announces that, at the board of directors meeting held on December 6, 2016, it resolved to issue share options for subscription with performance conditions to the directors, auditors, and employees of the Company and its subsidiaries as detailed below, pursuant to the provisions of Articles 236, 238, and 240 of the Companies Act. These share options will be issued to the subscribers thereto with charge at a fair price and, as such, will not be allotted on the conditions particularly favorable to them. Therefore, the issuance will be carried out without obtaining an approval of the general meeting of shareholders.

I. Purpose of and Reason for Issuing Share Options for Subscription with Performance Conditions

In the B-to-C business, it is an important business challenge for the ASKUL Group to quickly expand the distribution total of the overall business by strengthening the marketplace business in addition to the existing stock-type business (the business in which the Company plays a role in commercial distribution), as the Group strives to enhance operating performance and corporate value over the medium to long term. Achieving these goals calls for ensuring that the Group's officers and employees (directors, auditors, and staff) have the same level of awareness regarding profitability as the shareholders and for linking their remuneration to increases in shareholder value, with the aim of helping foster an even stronger sense of unity within the Group, further boost the motivation and willingness of the directors and employees to enhance operating performance, and increase corporate value. To that end, the Company has decided to issue share options with charge.

As the aim of issuing the share options is to improve the corporate value of the Askul Group in the medium- to long-term, the Share Options will become exercisable only when the criteria are met that have been laid down in "II. Summary of Issuance of Share Options, 3. Details of Share

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Options, (6) Conditions for exercising share options" below. One of the conditions for exercising the Share Options is for the Company to achieve its profit target, that is, consolidated EBITDA which is, or is equal to, the highest ever achieved by the Company and growth of net sales in the B-to-C business. Accordingly, the purpose of the issuance is to take the commitment of the Group's officers and employees to an even higher level. To date, the Company has three times issued share options for subscription with performance conditions. While the conditions for exercising those share options have not been satisfied, they have been coming closer to being satisfied each year. That way, those share options have contributed to enhancing the commitment of the Group's officers and employees.

Although the issuance of Share Options may result in a maximum of approximately 1% dilution to the number of issued and outstanding shares as of December 6, 2016, the Company believes that achieving the performance target attached to the Share Options will help the Group increase corporate and shareholder values, thereby benefitting the existing shareholders as well. For that reason, the Company considers the impact on share dilution to be reasonable.

II. Summary of Issuance of Share Options

1. Number of Share Options

The number of Share Options: 5,100

The total number of shares that may be delivered upon exercise of Share Options shall be 510,000 shares of the Company's common stock. If the number of shares underlying one Share Option has been adjusted in accordance with 3.(1) below, said total number shall be obtained by multiplying the adjusted number of shares underlying one Share Option by the number of Share Options above.

2. Payment of Money in Exchange for Share Options

The issue price shall be 500 yen per Share Option. The amount has been determined, by reference to the results of computation made by Plutus Consulting Co., Ltd. (hereinafter "Plutus"), an independent appraisal institution, so as to exceed the valuation Plutus reached (100 yen per Share Option). In the process of computation, Plutus used the Monte Carlo simulation, a widely used model to calculate the value of an option, based on the following factors: the Company stock's closing price of 3,930 yen per share at the Tokyo Stock Exchange, the Company stock's volatility of 42.07% and dividend yield of 0.84%, and the risk-free interest rate of -0.049% as of the business day immediately before December 6, 2016, on which the Company's board of directors resolved to issue the Share Options; and the terms and conditions provided for in the issuing guidelines on the Share Options (the exercise price of 3,930 yen per share, the time to maturity of seven years, and the performance conditions).

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3. Details of Share Options

(1) Class and number of shares underlying share options

The number of shares underlying one Share Option (hereinafter "the Number of Shares Granted") shall be 100 shares of the Company's common stock.

If the Company has, subsequent to the date of allotment of Share Options, effected a stock split (including, hereinafter, gratis allotment of the Company's common stock) or reverse stock split, the Number of Shares Granted shall be adjusted using the formula shown below; provided that such adjustment shall be made only for the number of shares underlying the unexercised Share Options at that point in time, and that any fraction less than one share resulting from the adjustment shall be rounded down to the nearest whole number.

Adjusted Number of Shares Granted

= Number of Shares Granted before adjustment × Split (or reverse split) ratio

If the Company has, subsequent to the date of allotment of Share Options, carried out a merger or company split, reduced its capital stock, or otherwise needed to adjust the Number of Shares Granted in a manner similar to these, the Number of Shares Granted shall be appropriately adjusted to the extent deemed reasonable.

(2) Value of property to be contributed upon exercise of share options and the methods of calculation thereof

The value of property to be contributed upon exercise of Share Options shall be determined by multiplying the amount to be paid in per share (hereinafter "the Exercise Price") by the Number of Shares Granted.

The Exercise Price shall be 3,930 yen.

If the Company has, subsequent to the date of allotment of Share Options, effected a stock split or reverse stock split, the Exercise Price shall be adjusted using the following formula, with any fraction less than one yen resulting from the adjustment rounded up to the nearest yen:

$$\text{Adjusted Exercise Price} = \text{Exercise Price before adjustment} \times \frac{1}{\text{Split (or reverse split) ratio}}$$

If the Company has, subsequent to the date of allotment of Share Options, issued new shares, or disposed of treasury shares, of its common stock at a price less than the market price (except when issuing new shares and disposing of treasury shares upon exercise of share options, and transferring treasury shares through share exchange), the Exercise Price shall be adjusted using the following formula, with any fraction less than one yen resulting from the adjustment rounded up to the nearest yen:

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$$\text{Adjusted Exercise Price} = \text{Exercise Price before adjustment} \times \frac{\text{Number of shares outstanding} + \dfrac{\text{Number of new shares issued} \times \text{Amount to be paid in per share}}{\text{Market price per share before the issuance of new shares}}}{\text{Number of shares outstanding} + \text{Number of new shares issued}}$$

In the formula above, the "Number of shares outstanding" shall be the total number of issued and outstanding shares of the Company's common stock, less the number of treasury shares of the Company's common stock; and in the event that treasury shares of the Company's common stock have been disposed of, the "Number of new shares issued" and "Market price per share before the issuance of new shares" shall be read as the "Number of treasury shares disposed of" and "Market price per share before the disposal," respectively.

Additionally if the Company has, subsequent to the date of allotment of Share Options, carried out a merger with another company, effected a company split, or otherwise needed to adjust the Exercise Price in a manner similar to these, the Company may appropriately adjust the Exercise Price to the extent deemed reasonable.

(3) Period during which share options may be exercised

The period during which the Share Options may be exercised (hereinafter "the Exercise Period") shall be from September 3, 2018 to February 14, 2024.

(4) Matters concerning increases in capital stock and legal capital surplus

(a) In the event of shares being issued upon exercise of Share Options, an increase in the amount of capital stock shall be one-half of the maximum amount of increase in stated capital, etc., calculated in accordance with paragraph 1, Article 17 of the Ordinance on Accounting of Companies. Any fraction less than one yen resulting from the calculation shall be rounded up to the nearest yen.

(b) In the event of shares being issued upon exercise of Share Options, an increase in the amount of legal capital surplus shall be equal to the maximum amount of increase in stated capital, etc., referred to in (a) above, less the increase in the amount of capital stock in accordance with (a) above.

(5) Restriction on acquisition of share options through transfer

Acquiring the Share Options through transfer shall require a resolution of the Company's board of directors approving such acquisition.

(6) Conditions for exercising share options

1) If, for any of the four fiscal years from May 20, 2018 to May 20, 2021, the Company achieves both (i) and (ii) below at the same time, a share option holder may exercise the share options during a period commencing on the first business day of the month after the next month following the month of submission of the annual securities report for the fiscal

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year for which the Company meets the said conditions for the first time, and ending on the last day of the Exercise Period.

(i) EBITDA exceeds 14.5 billion yen

(ii) Net sales of the B-to-C business exceeds 100 billion yen.

2) For determining EBITDA in (a) above, the amount obtained by adding depreciation and amortization, amortization of goodwill, and depreciation of software stated on the consolidated statement of cash flows in the Company's annual securities report is based on the operating income stated on the consolidated statement of income in said report; provided that, for a fiscal year for which no consolidated financial statements have been prepared, the "consolidated statement of cash flows" and the "consolidated statement of income" above shall be read as the "non-consolidated statement of cash flows" and the "non-consolidated statement of income," respectively. Further, net sales of the B-to-C business is determined based on the net sales of the B-to-C business that is described in the e-commerce business segment of "Operation Results, Overview of Operation Results, etc., Business Operations" of the Company's securities report. In the event that the concept of any of the indicators to be referred to has undergone material change due to amendments to the applicable accounting standard, changes to the reporting segments and other developments, the Company's board of directors shall adopt an appropriate indicator or figure to be referred to that will replace the indicator undergoing change, to the extent deemed reasonable.

3) In the event that a share option holder has passed away, the heirs may exercise the holder's share options. In that case, promptly after the commencement of the inheritance, all the heirs shall jointly notify the Company, in writing in a format prescribed by the Company, of the successors of the share options (hereinafter "the Successors") and their representative (hereinafter "the Representative of the Successors"). When the Successors wish to exercise the share options, the Representative of the Successors shall, on behalf of the Successors, do so after submitting a certified copy of removal from the family register, an inheritance division agreement, a letter of consent signed by all the heirs, and other documents prescribed by the Company.

4) In the event that the exercise of Share Options would cause the number of issued and outstanding shares of the Company to exceed its total number of authorized shares at that point in time, said Share Options may not be exercised.

5) Share Options constituting less than one unit may not be exercised.

4. Date of Allotment of Share Options

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February 15, 2017

5. Matters concerning Acquisition of Share Options

(1) In the event that the Company's general meeting of shareholders has approved (or, when an approval of the general meeting of shareholders is not required, in the event that the Company's board of directors has resolved to approve) a merger agreement under which the Company will be extinguished, a company split agreement or plan under which the Company will be the splitting company, or a share exchange agreement or share transfer plan under which the Company will become the wholly owned subsidiary company, the Company may, on or after the date specified separately by its board of directors, acquire gratis all the Share Options.

(2) In the event that a share option holder, prior to exercising the Share Options, becomes unable to exercise them due to the provisions stipulated in 3.(6) above, the Company may acquire gratis the share options.

6. Handling of Share Options in the Event of Corporate Reorganization

In the event that the Company has carried out a merger (limited to a case where the Company will be extinguished as a result of the merger), absorption-type company split, incorporation-type company split, share exchange, or share transfer (hereinafter, collectively, "the Corporate Reorganization"), share options of the company that falls under any of sub-items (a) to (e) in Item 8, Paragraph 1, Article 236 of the Companies Act (hereinafter "the Surviving Company") shall be delivered in accordance with the terms and conditions set out below, on the date when the Corporate Reorganization comes into effect; provided that the foregoing shall apply only to cases where the delivery of the Surviving Company's share options according to the terms and conditions set out below has been stipulated in the absorption-type merger agreement, consolidation-type merger agreement, absorption-type company split agreement, incorporation-type company split plan, share exchange agreement, or share transfer plan.

(1) Number of share options of the Surviving Company to be delivered

Said number shall be the same as the number of share options owned by each share option holder.

(2) Class of shares of the Surviving Company underlying share options

Such shares shall be the Surviving Company's common stock.

(3) Number of shares of the Surviving Company underlying share options

The number shall be determined in accordance with 3.(1) above, taking into account the terms and conditions of the Corporate Reorganization.

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(4) Value of property to be contributed upon exercise of share options

The value of property to be contributed upon exercise of each share option to be delivered shall be determined by multiplying the number of shares of the Surviving Company underlying said share options to be calculated according to 6.(3) above by the post-corporate reorganization Exercise Price obtained through the adjustment of Exercise Price in accordance with 3.(2) above, taking into account the terms and conditions of the Corporate Reorganization, etc.

(5) Period during which share options may be exercised

The period shall commence either on the first day of the Exercise Period stipulated in 3.(3) above or on the day on which the Corporate Reorganization comes into effect, whichever comes later, and shall end on the last day of the Exercise Period stipulated in 3.(3) above.

(6) Matters concerning increases in capital stock and legal capital surplus in the event of shares being issued upon exercise of share options

These shall be determined in accordance with 3.(4) above.

(7) Restriction on acquisition of share options through transfer

Restriction on acquisition through transfer shall require a resolution of the board of directors of the Surviving Company approving such restriction.

(8) Other conditions for exercising share options

These shall be determined in accordance with 3.(6) above.

(9) Grounds and conditions for acquisition of share options

These shall be determined in accordance with 5. above.

(10) Other terms and conditions shall be determined in accordance with the terms and conditions applied in the Surviving Company.

7. Arrangement for Fractional Shares Resulting from the Exercise of Share Options

If any fraction less than one share exists in relation to the number of shares to be delivered to a share option holder upon exercise of share options, it shall be rounded down to the nearest whole number.

8. Matters concerning Share Option Certificates for Share Options

The Company will not issue share option certificates for the Share Options.

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9. Date of the Payment of Money in Exchange for Share Options

February 28, 2017

10. Application Period

December 26, 2016 to January 25, 2017

11. Share Option Allotees and the Number Thereof

A total of 5,100 share options will be allotted to 1,798 allottees who are the directors, auditors, or employees of the Company and/or its subsidiaries.

The number of allotees above is based on expectations at the time of publication of this release and is therefore subject to change. Additionally, as the number of share options to be allotted shown above is the maximum number of share options that may be issued, the actual number may be lower depending on the number of applications and other factors.