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News Release Dated: April 5, 2017

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 and Chief Financial Officer
Phone: (03) 4330-5130

Notice on Booking of Extraordinary Losses Due to Fire in ASKUL Logi Park Tokyo Metropolitan (Logistics Center), and Revision of Forecast of Operating Performance and Expected Dividends

ASKUL Corporation hereby announces the booking of extraordinary losses (partial amount reported as estimates) for the period of the first nine months from May 21, 2016 to February 20, 2017 in the fiscal year ending May 20, 2017. The losses were due to the fire at ASKUL Logi PARK Tokyo Metropolitan (Logistics Center; Address: 1163, Kamitome, Miyoshimachi, Iruma-gun, Saitama Prefecture) on February 16, 2017, as previously announced.

In addition, given the recording of the extraordinary losses for the first nine months of the fiscal year ending May 20, 2017, and the trend of the latest operating performance, the Company has revised the forecast of its operating performance and expected dividends which were announced on July 5, 2016. The revision is as follows.

1. Booking of Extraordinary Losses

The Company has posted ¥10,145 million as extraordinary losses for the first nine months of the fiscal year ending May 20, 2017. Please note that the figures represent approximate numbers estimated at present, as the exact amount of losses due to the said fire has not been confirmed yet.

The details are as follows.

(¥ million)

Items	Amount of extraordinary losses recorded
Provision for costs to restore assets to original condition	6,819
Losses on destruction of property, plant and equipment, and inventory assets	3,286
Other related expenses	39
Total	10,145

Notes:

1. The extraordinary losses above indicate approximate figures estimated at present, and are subject to change moving forward.
2. The amount of insurance proceeds to be received has not been settled as of the end of the third quarter of the fiscal year ending May 20, 2017, and estimating the amount is also difficult. Accordingly, the amount of the insurance claims has not been included in the extraordinary income. For reference, the following are insurance types, insured items and maximum amount of insurance payments.

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(¥ million)

Insurance type	Insured item	Maximum amount of insurance payments
Fire insurance	Buildings and structures; set of equipment, furniture, etc.	2,500
Transport insurance	All merchandise and finished goods to be manufactured and sold, etc.	2,111

2. Revision of Forecast of Operating Performance

(1) Details of the revision

Revision of the forecast of the full-year consolidated financial results for the fiscal year ending May 20, 2017
(From May 21, 2016 to May 20, 2017)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Profit per share
Forecast in the previous announcement (A)	¥ million 348,000	¥ million 9,500	¥ million 9,500	¥ million 5,500	¥ 105.98
Forecast in this revision (B) (Note)	335,000	8,000	8,000	—	—
Increase/decrease amount (B-A)	-13,000	-1,500	-1,500	—	—
Percentage of increase/decrease (%)	-3.7%	-15.8%	-15.8%	—	—
(Reference) Results for the previous fiscal year (FY ended May 20, 2016)	315,024	8,517	8,574	5,255	100.50

Note: Profit attributable to owners of parent and profit per share are to be determined due to unsettled insurance claims and uncertain amounts of losses caused by the fire at the present.

(2) Reason for the revision

The Company decided at the Board of Directors' meeting held on April 5, 2017 to revise the forecast of its full-year consolidated financial results for the fiscal year ending May 20, 2017 (from May 21, 2016 to May 20, 2017), which was announced on July 5, 2016. The revision is due to the adverse impacts caused by the fire which occurred at the Company's logistics center, ASKUL Logi Park Tokyo Metropolitan on February 16, 2017. The details are as follows.

The e-Commerce business forecasts its consolidated net sales as follows.
The B-to-C business, LOHACO, estimates a decline in sales of ¥10 billion due to the adverse impact caused by the fire at ASKUL Logi PARK Tokyo Metropolitan, the distribution center in the east Japan area. The B-to-B business forecasts a decline in sales of ¥3 billion

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from the initial forecast mainly due to disruption of distribution after the fire, though the damage caused by the fire itself was limited.

We apologize for causing trouble and inconvenience to our customers due to the fire. To resolve the problem at the earliest stage, we will make efforts for maximizing LOHACO shipments by taking measures. These will include overhauling the target distribution areas of our logistics centers, making maximum use of the existing distribution centers with 24-hour operations, and renting an alternative warehouse to replace ASKUL Logi PARK Tokyo Metropolitan. We will move forward and aim for further growth to ensure our distribution capacity is at the level it was before the fire as early as possible. We forecast consolidated operating income and ordinary income to be ¥8.0 billion, or a decline of ¥1.5 billion from the prior forecast due to the further accrual of expenses to recover productivity to the original level.

Please note that profit attributable to owners of parent and profit per share are to be determined because of the undecided amount of insurance proceeds, etc. and unsettled loss amount at present.

3. Revision of Dividends Forecast

(1) Details of the revision

	Annual dividends		
	End of second quarter	Year-end	Total
Previous forecast (July 5, 2016)		¥18	¥36
Forecast in this revision (April 5, 2017)		To be determined	To be determined
Results for the FY under review (FY ending May 20, 2017)	¥18		
Results for the previous term (FY ended May 20, 2106)	¥15	¥18	¥33

(2) Reason for the revision

ASKUL's policy is to allocate earnings based on the comprehensive assessment of various factors, striking a good balance between two goals—namely, "securing sufficient internal reserves for financing capital expenditures to increase the corporate value over a mid- to long-term period" and "pursuing a dividend policy as a means to deliver appropriate returns to meet the expectations of shareholders"—while ensuring strong cash flows and sound financial position.

Profit attributable to owner of parent and profit per share are to be determined, as stated

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in the above 2. Revision of Forecast of Operating Performance of the consolidated financial results for the fiscal year ending May 20, 2017. Accordingly, the forecast of year-end dividends for the fiscal year ending May 20, 2017 will be left undecided for the time being.

The Company will immediately issue an announcement once it has finalized the forecast of consolidated financial results and determined the estimate of the year-end dividends for the fiscal year ending May 20, 2017.

* Notes for using forecasted information and others

The above forecast figures are based on information available on the date of this announcement and certain assumptions which the Company considers reasonable. Actual operating performance may differ from the forecast of financial results due to various factors in the coming months.