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Excerpt from Summary of Consolidated Financial Results for the Three Months Ended August 20, 2017 [Japanese GAAP]

September 14, 2017

Company name: ASKUL Corporation
Stock exchange listing: Tokyo
Code number: 2678
URL: http://www.askul.co.jp/kaisya/ir/
Representative: Shoichiro Iwata President and chief executive officer
Contact: Tsuguhiro Tamai Executive officer and chief financial officer
Phone: 03-4330-5130

Scheduled date of filing quarterly securities report: September 29, 2017
Scheduled date of commencing dividend payments: -
Availability of supplementary briefing material on quarterly financial results: Yes
Schedule of quarterly financial results briefing session: No

(Amounts of less than one million yen are rounded down)

1. Consolidated Financial Results for the Three Months Ended August 20, 2017 (May 21, 2017 to August 20, 2017)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
Three months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
August 20, 2017	81,065	0.6	1,155	(5.0)	1,014	(13.8)	554	(14.1)
August 20, 2016	80,560	10.7	1,216	(58.3)	1,176	(59.5)	645	(65.2)

(Note) Comprehensive income: Three months ended August 20, 2017: ¥ 567 million [(12.6) %]
Three months ended August 20, 2016: ¥ 648 million [(66.1) %]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
August 20, 2017	10.89	10.88
August 20, 2016	12.44	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Million yen	Million yen	%
August 20, 2017	154,582	45,949	29.6
May 20, 2017	155,678	46,231	29.6

(Reference) Equity: As of August 20, 2017: ¥ 45,771 million
As of May 20, 2017: ¥ 46,060 million

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2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended May 20, 2017	-	18.00	-	18.00	36.00
Fiscal year ending May 20, 2018	-				
Fiscal year ending May 20, 2018 (Forecast)		18.00	-	18.00	36.00

(Note) Revision to the forecast for dividends announced most recently: No

(Note) Breakdown of the 1st quarter dividend for the fiscal year ending May 20, 2018 :

Commemorative dividend - yen
Special dividend - yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending May 20, 2018(May 21, 2017 to May 20, 2018)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	365,000	8.7	3,500	(60.5)	3,000	(66.2)	1,500	47.8	29.47

(Note) Revision to the financial results forecast announced most recently: No

* Notes:

(1) Changes in significant subsidiaries during the three months ended August 20, 2017 (changes in specified subsidiaries resulting in changes in scope of consolidation): No

New - (Company name:)
Exclusion: - (Company name:)

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No
2) Changes in accounting policies other than 1) above: No
3) Changes in accounting estimates: No
4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

August 20, 2017: 55,259,400 shares
May 20, 2017: 55,259,400 shares

2) Total number of treasury shares at the end of the period:

August 20, 2017: 4,338,559 shares
May 20, 2017: 4,364,559 shares

3) Average number of shares during the period:

Three months ended August 20, 2017: 50,899,598 shares
Three months ended August 20, 2016: 51,894,841 shares

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* This excerpt from the Summary of Consolidated Financial Results is not subject to quarterly review.

* Notes for using forecasted information and others

Earnings forecasts and other forward-looking statements contained in this document are based on the information ASKUL has obtained to date and on certain assumptions it considers reasonable. As such, these forecasts and statements are not intended as a commitment by the Company to achieve them. Note also that actual results and other future events may differ materially from these forecasts and statements due to a variety of factors.

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Quarterly Consolidated Financial Statements

Quarterly Consolidated Balance Sheets

(Million yen)

	As of May 20,2017	As of August 20,2017
Assets		
Current assets		
Cash and deposits	47,059	39,953
Notes and accounts receivable - trade	39,173	36,934
Merchandise and finished goods	11,276	12,484
Raw materials and supplies	191	108
Costs on uncompleted construction contracts	96	60
Accounts receivable - other	5,365	5,376
Other	2,195	1,947
Allowance for doubtful accounts	(186)	(169)
Total current assets	105,172	96,694
Non-current assets		
Property, plant and equipment		
Buildings and structures	20,039	20,619
Accumulated depreciation	(4,293)	(4,817)
Buildings and structures, net	15,745	15,802
Land	6,543	6,574
Leased assets	7,101	7,152
Accumulated depreciation	(2,038)	(2,234)
Leased assets, net	5,063	4,918
Other	8,626	9,053
Accumulated depreciation	(5,169)	(5,407)
Other, net	3,457	3,645
Construction in progress	747	5,982
Total property, plant and equipment	31,557	36,923
Intangible assets		
Software	4,430	4,801
Software in progress	901	843
Goodwill	2,812	4,132
Other	11	27
Total intangible assets	8,156	9,804
Investments and other assets		
Investment securities	2,499	2,614
Deferred tax assets	3,790	3,976
Other	4,578	4,645
Allowance for doubtful accounts	(77)	(77)
Total investments and other assets	10,792	11,158
Total non-current assets	50,506	57,887
Total assets	155,678	154,582

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(Million yen)

	As of May 20,2017	As of August 20,2017
Liabilities		
Current liabilities		
Notes and accounts payable - trade	40,330	39,292
Electronically recorded obligations - operating	21,146	21,029
Short-term loans payable	200	1,797
Current portion of long-term loans payable	1,762	2,302
Accounts payable - other	7,193	7,455
Income taxes payable	1,709	208
Accrued consumption taxes	956	398
Provision	1,455	976
Other	1,742	1,955
Total current liabilities	76,497	75,416
Non-current liabilities		
Long-term loans payable	16,201	16,464
Lease obligations	4,591	4,460
Provision for loss on fire	7,162	7,162
Net defined benefit liability	2,832	2,887
Asset retirement obligations	1,470	1,488
Other	690	752
Total non-current liabilities	32,949	33,215
Total liabilities	109,446	108,632
Net assets		
Shareholders' equity		
Capital stock	21,189	21,189
Capital surplus	23,669	23,669
Retained earnings	18,555	18,158
Treasury shares	(17,299)	(17,196)
Total shareholders' equity	46,114	45,820
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	-	0
Deferred gains or losses on hedges	(2)	(4)
Foreign currency translation adjustment	22	23
Remeasurements of defined benefit plans	(74)	(67)
Total accumulated other comprehensive income	(54)	(48)
Subscription rights to shares	17	17
Non-controlling interests	154	160
Total net assets	46,231	45,949
Total liabilities and net assets	155,678	154,582

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Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the three months)

(Million yen)

	For the three months ended August 20,2016	For the three months ended August 20,2017
Net sales	80,560	81,065
Cost of sales	62,617	62,115
Gross profit	17,943	18,950
Selling, general and administrative expenses	16,727	17,795
Operating profit	1,216	1,155
Non-operating income		
Interest income	6	5
Electricity sales income	17	10
Other	8	13
Total non-operating income	33	29
Non-operating expenses		
Interest expenses	31	21
Foreign exchange losses	24	-
Depreciation of inactive non-current assets	-	135
Other	16	13
Total non-operating expenses	72	170
Ordinary profit	1,176	1,014
Extraordinary losses		
Loss on retirement of non-current assets	0	21
Provision for loss on store closing	8	-
Loss on closing of stores	8	-
Total extraordinary losses	17	21
Profit before income taxes	1,159	992
Income taxes - current	57	162
Income taxes - deferred	448	269
Total income taxes	506	432
Profit	653	560
Profit attributable to non-controlling interests	8	6
Profit attributable to owners of parent	645	554

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Quarterly Consolidated Statements of Comprehensive Income (For the three months)

(Million yen)

	For the three months ended August 20,2016	For the three months ended August 20,2017
Profit	653	560
Other comprehensive income		
Valuation difference on available-for-sale securities	(1)	0
Deferred gains or losses on hedges	(4)	(1)
Foreign currency translation adjustment	(6)	1
Remeasurements of defined benefit plans, net of tax	6	6
Total other comprehensive income	(4)	6
Comprehensive income	648	567
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	641	560
Comprehensive income attributable to non-controlling interests	7	6