Achieved Healthy 1Q Performance and Launched AVC Hidaka/Kansai as Planned; Moving Forward to a V-shaped Recovery in FY5/2019

B-to-B Business Stepped Up Private Brand Products and Extended Product Lines to Maintain Stable Growth

LOHACO Will Completely Restore Its Operations at the End of September to Move Forward to Regrowth

September 14, 2017
ASKUL Corporation

Note:
This material contains the 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 that is 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 indirect materials consumed at work sites by companies.

Since the presentation of the overview of consolidated financial statements for the fiscal year ended May 31, 2016, ASKUL has been reporting its operating performances by dividing its organization into the segments of the E-commerce business, Logistics business, and Other. The E-commerce business deals with sales of OA and PC supplies, stationery, office living supplies, office furniture, foods, alcoholic beverages, pharmaceuticals, cosmetics, etc. The logistics business refers to logistics and package transport services that target corporations.

As abbreviations of ASKUL Logi Park and ASKUL Value Center, the words "ALP" and "AVC" are used, respectively, in this material.

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I 1st Quarter Results

II Status of Logistics and Delivery Measures

III Status of B-to-B Business Strategy

IV Status of B-to-C Business Strategy

V Creating New Business Models

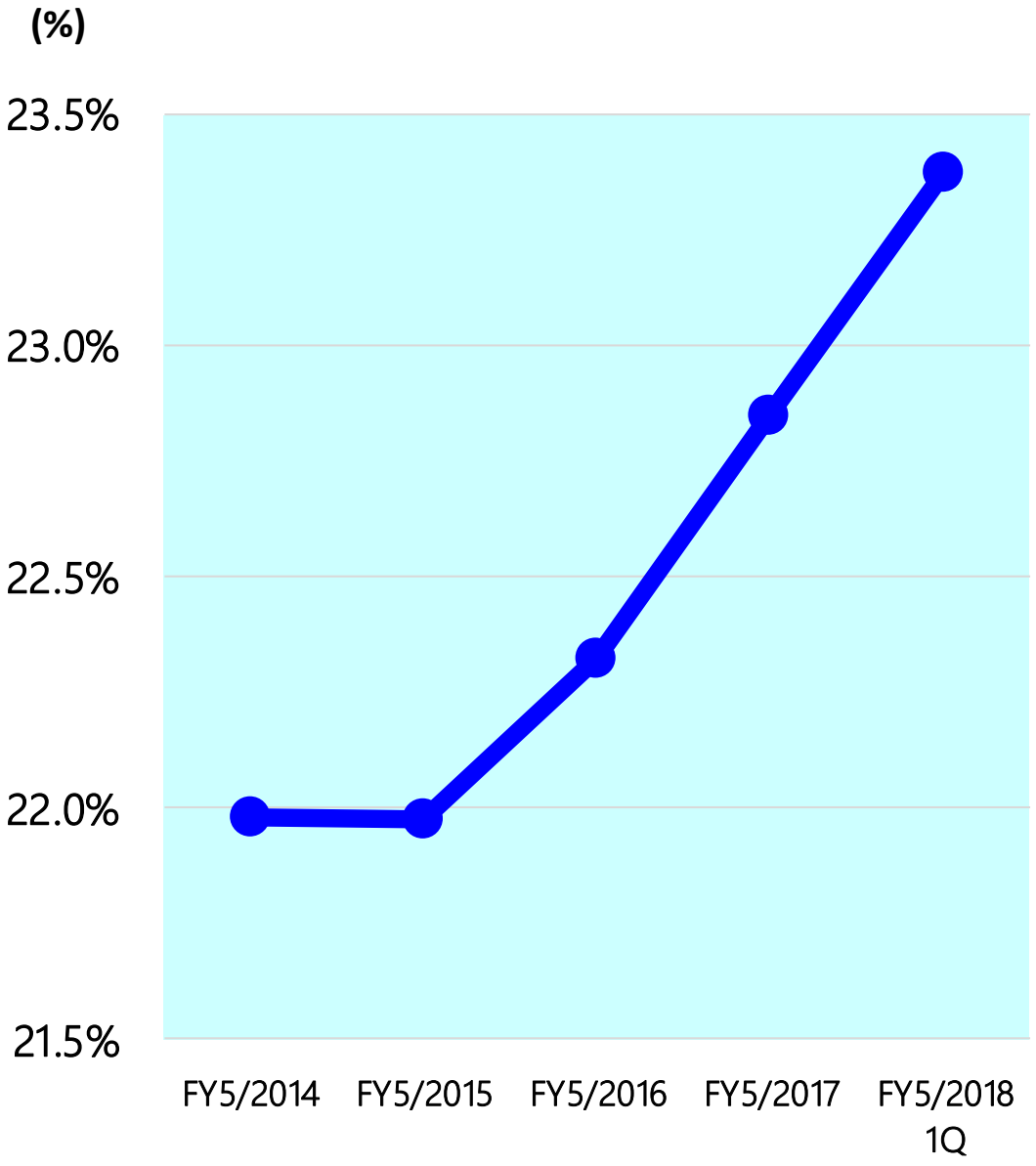
1Q FY5/2018 Consolidated Performance

	1Q FY5/2017		1Q FY5/2018		
	¥million	% of net sales	¥million	% of net sales	YoY change %
Net Sales	80,560	100.0	81,065	100.0	+0.6
Gross Profit	17,943	22.3	18,950	23.4	+5.6
Selling, General and Administrative Expenses	16,727	20.8	17,795	22.0	+6.4
Operating Income	1,216	1.5	1,155	1.4	-5.0
Ordinary Income	1,176	1.5	1,014	1.3	-13.8
Net Income Attributable to Owners of the Parent	645	0.8	554	0.7	-14.1

- **Net sales**
  Assured sales growth while restoration of LOHACO delivery capacity is still underway
- **Gross profit margin**
  Up 1.1 p.p. YoY
  Led to a V-shaped recovery in FY5/2019
- **SG&A Expenses**
  One-time charge for logistics expenses was posted as planned
- **Operating income, ordinary income, and net income**
  have been on a steady course targeting the full-year plan

Trend of Gross Profit Margin

Consolidated



Solid recovery on track

1Q FY5/2018 Consolidated Performance [By Business]

		1Q FY5/2017 Actual ¥ billion	1Q FY5/2018 Actual ¥ billion	1Q FY5/2018 YoY change %
Net sales	B-to-B business	69.5	71.6	+3.0
	LOHACO	9.7	8.0	-17.5
	E-commerce business	79.3	796.0	+0.5
	Logistics business and other	1.2	1.3	+9.2
	Consolidated total	80.5	81.0	+0.6
Operating income	B-to-B business (excluding below)	2.8	3.7	+31.9
	Increase in fixed expenses for the alternative center (including one-time charge)	—	(0.2)	—
	Deterioration of logistics productivity	—	(0.5)	—
	B-to-B business	2.8	2.9	+5.3
	LOHACO (excluding below)	(1.4)	(0.9)	—
	Increase in fixed expenses for the alternative center (including one-time charge)	—	(0.2)	—
	Deterioration of logistics productivity	—	(0.4)	—
	LOHACO	(1.4)	(1.7)	—
	E-commerce business	1.3	1.2	-5.6
	Logistics business and other	(0.1)	(0.1)	—
	Intermediate total	1.2	1.1	-3.7
	Increase in fixed expenses for logistics due to the launch of AVC Kansai (including one-time charge)	—	0.0	—
	Consolidated total	1.2	1.1	-5.0

➢ Net sales

B-to-B business: Steady growth to continue with a 3.0% increase YoY

LOHACO saw solid sales recovery with delivery capacity restored

➢ Operating income

B-to-B business: Up 31.9% YoY to ¥3.7 billion
Increased fixed costs for the alternative center (including one-time charge): -¥200 million

Temporary deterioration of logistics productivity:

-¥500 million

LOHACO: - ¥900 million
Increase in fixed costs on AVC Hidaka (including one-time charge): -¥200 million

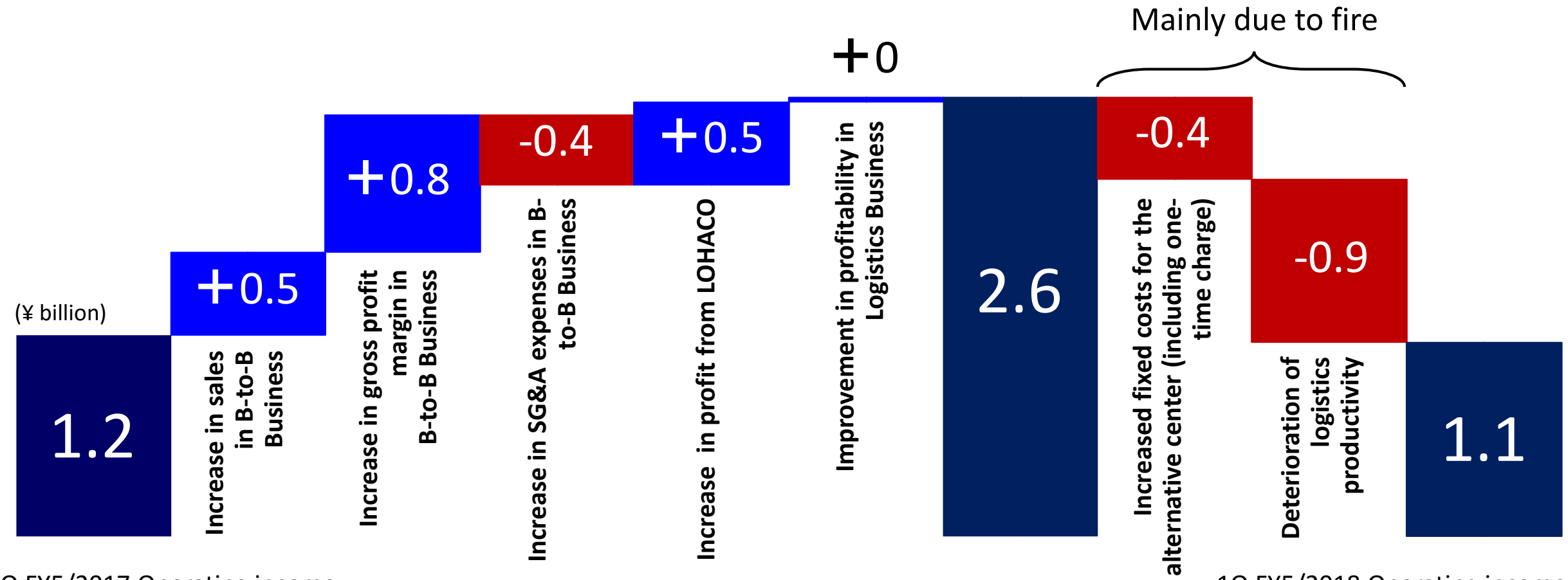
Temporary deterioration of logistics productivity:-¥400 million

Increase in fixed costs for logistics due to the launch of AVC Kansai (including one-time charge) was managed as planned

Factors Affecting 1Q FY5/2018 Consolidated Operating Income

1Q FY5/2017 (Actual)	
Net sales YoY change	+10.7%
Gross profit margin	22.3%
SG&A expense ratio to sales	20.8%

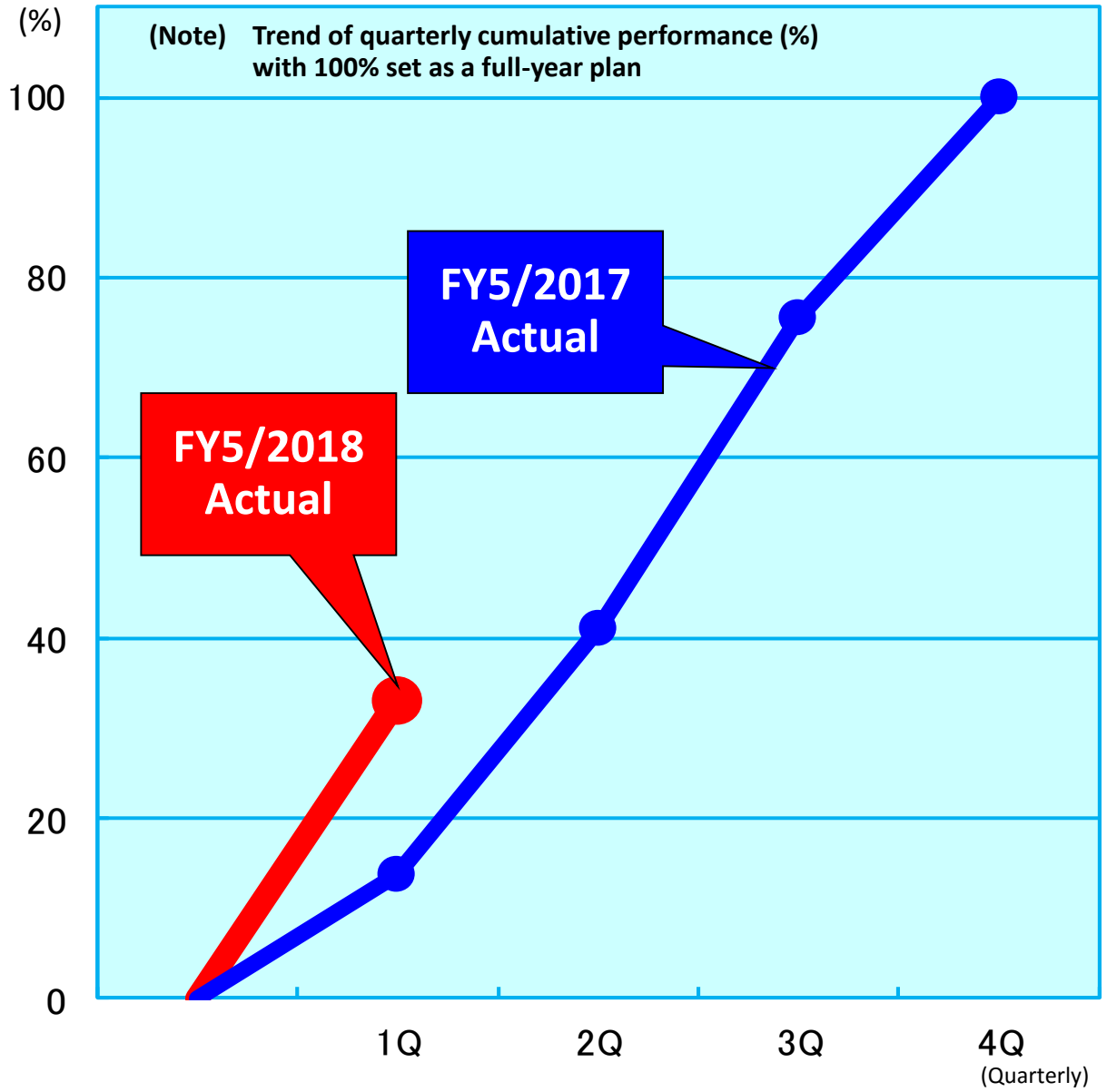
1Q FY5/2018 (Actual)	
Net sales YoY change	+0.6%
Gross profit margin	23.4%
SG&A expense ratio to sales	22.0%



1Q FY5/2017 Operating income (actual) ¥ 1.2 billion

1Q FY5/2018 Operating income (actual) ¥ 1.1 billion

Trend of Operating Income



1Q Steady Performance

Achieved 33% of Full-year Goal

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AVC **Hidaka**

ASKUL's First LOHACO-dedicated Center

Installation of equipment is being carried out as planned.

2017									2018				
4	5	6	7	8	9	10	11	12	1	2	3	4	5

Full recovery by the end of Sept.

★ Start of temporary operation

★ Installation of equipment on 1st floor

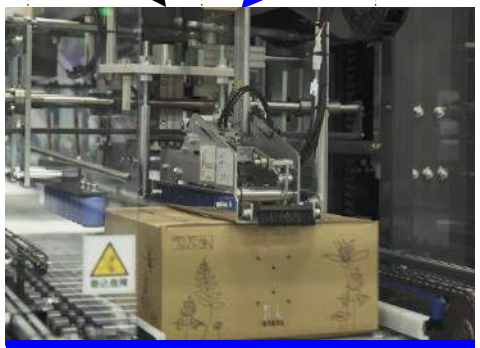
★ Installation of equipment on 2nd and 3rd floors

★ Installation of equipment for extended operation

Complete restoration of logistics productivity at the end of FY5/2018



GAS
(Goods assortment support system)



I-pack
(Automatic packaging system)



(Material handling)

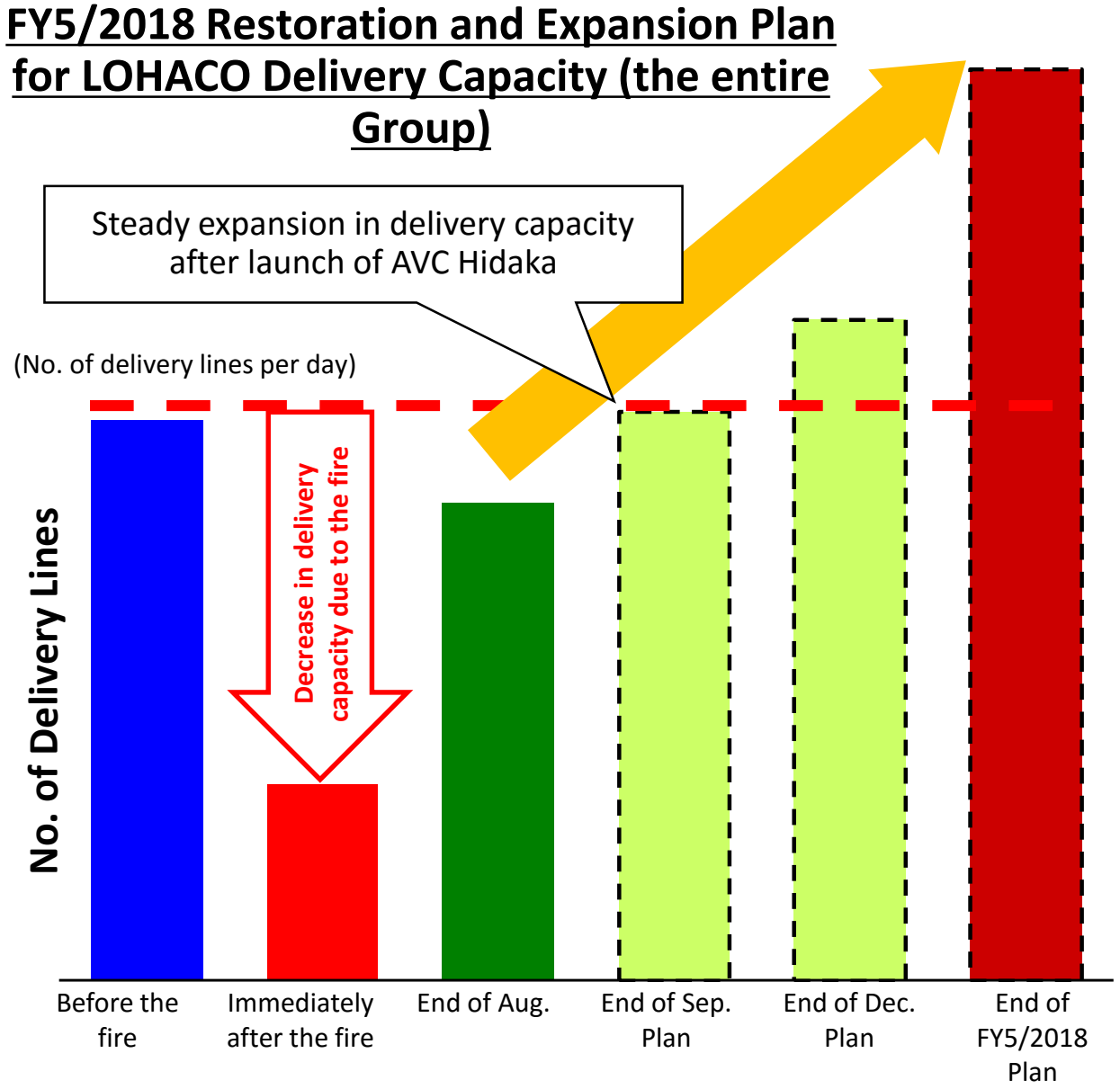


Sorter
(Automatic sorting system)



Shuttle
(Automatic goods combining system)

Launch of AVC Hidaka, the first logistics center dedicated to LOHACO



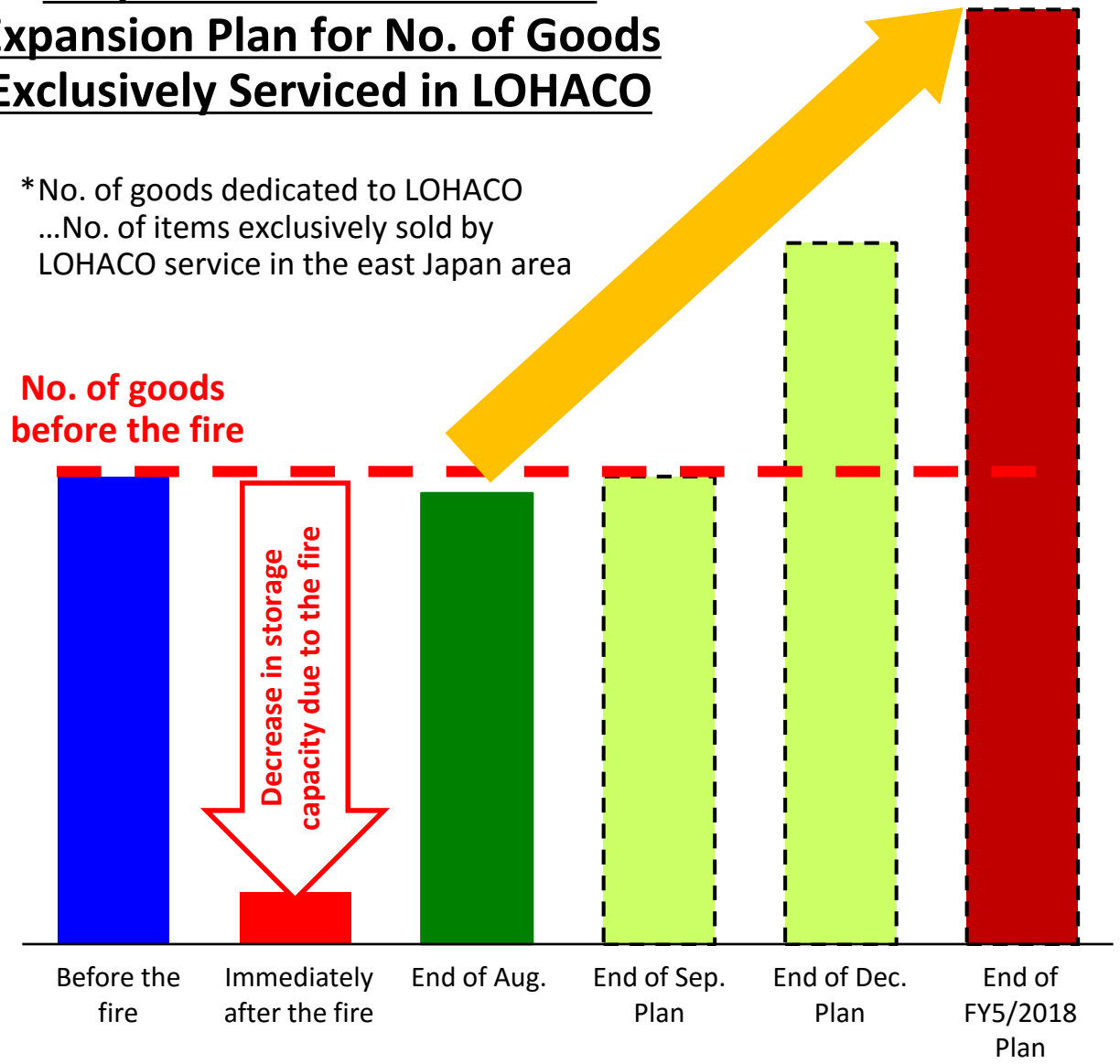
Delivery capacity

to recover by the end of September, and increase by more than 60% from the level before the fire by the end of FY5/2018

Launch of AVC Hidaka, the first logistics center dedicated to LOHACO

FY5/2018 Restoration and Expansion Plan for No. of Goods Exclusively Serviced in LOHACO

*No. of goods dedicated to LOHACO
…No. of items exclusively sold by LOHACO service in the east Japan area



Number of goods

to be restored by the end of September, and double from the level before the fire, by the end of FY5/2018, meeting customers' requests.

AVC Kansai: ASKUL's Largest and Most Advanced Logistics Center



At press conference for completed construction

Sept. 1, 2017: Start of lease contract
Sept. 7, 2017: Completion ceremony
Early Feb., 2018: Launch of full-scale operation

Making progress as planned

Established the most efficient center to boost efficiency in FY5/2019



- Total area: Approx. 165,000 m^2 or 4.5 times as large as Koshien Baseball Stadium
- High-density Stock Keeping Unit (SKU) capable of storing 250,000 units
- Labor-cost saving for managing storage: Improved 19% from past operation

Status of Two Major Tasks

(¥ 100 million)			FY5/2018 1Q (Forecast)	FY5/2018 1Q (Actual)	FY5/2018 2Q (Forecast)	FY5/2018 3Q (Forecast)	FY5/2018 4Q (Forecast)	Total (Forecast)
Kanto area	Major task: Restoration from impact of fire	One-time charge • Deterioration of logistics productivity (24-hour operation, etc.) • Land rent for alternative center, etc.	9.2	9.3	5.6	5.0	3.6	23.6
		Regularly recurring expenses • AVC Hidaka, land rent for Shinsuna, and depreciation	3.2	3.1	4.2	4.7	4.9	17.1
Kansai area	Major task: Strengthening delivery capacity	One-time charge • Deterioration of logistics productivity (24-hour operation, etc.) • Land rent and moving expenses prior to full-scale operation of AVC Kansai (Feb. 2018)	2.5	2.4	13.8	8.6	1.6	26.6
		Regularly recurring expenses • Land rent and depreciation after launch of full-scale operation of AVC Kansai (Feb. 2018)	0.0	0.0	0.5	5.9	8.6	15.1

Logistics expenses maintained as planned

Expansion of the Group's in-house delivery system



Measures to be implemented:

(i) Increasing the number of the Group's own drivers

(ii) Expansion of Happy On Time services (reduction in absence ratio)

(iii) Revolution toward visualized delivery by using Big Data and AI

(iv) Full usage of ecohai

The advantage of the Group's in-house delivery system will be further enhanced.

1Q Measures for ASKUL Group's In-house Deliveries

Implementation of 3rd ASKUL LOGIST Driver Contest







The objective is to improve the quality of the ASKUL Group's in-house deliveries through competition and improving drivers' skills.

Expansion of Group's In-house Deliveries

Innovative Solutions to Shorten Customer Waiting Time

Hourly-based Appointment



Delivery schedule with a 30-minute range



Notice 10 minutes just before delivery



Expansion of the Group's In-house Deliveries
Innovative Solutions to Shorten Customer Waiting Time



Careful response to customers' requests at the time of delivery

Further improvement of absence ratio, a social challenge

General absence ratio

Approx. **20%** * 1

→

Happy On Time

2.2% (as of August)

→ 1% level

* 1 Source: The above percentages are based on 23.5% (Number of re-delivery items per day due to customers' absence divided by the total number of items delivered per day) reported in the Ministry of Environment' survey, "The intensive support model business for building low-carbon communities in FY2014" reported in "The preliminary calculation for social loss due to re-delivery by a delivery company" by the Ministry of Land, Infrastructure, Transport and Tourism dated August 25, 2015.

Measures to Improve LOHACO's Delivery Cost Ratio

(i) Set up special delivery fees

[Goods]
Pet bottles of 900 ml or above

- **Part of case-packed mineral water* and sugar-free tea**

* Excluding LOHACO Water

[Fees]
Special delivery fees: ¥350 (tax included)

[Launch date]
Monday, October 2, 2017

(ii) Enhance one-box delivery for one order

No special delivery fees for delivery of a set of 5 bottles of LOHACO Water





Continue to pursue packaging methods suited for e-commerce transactions

(iii) Promote bulk purchases

Maximum 200 points to be supplied at purchase of ¥5,000 or above
[Launch date] Monday, October 2, 2017



Reduce delivery cost ratio by promoting bulk purchases and boosting purchase amount per customer

Developed creative measures to respond to the issue of increasing delivery costs

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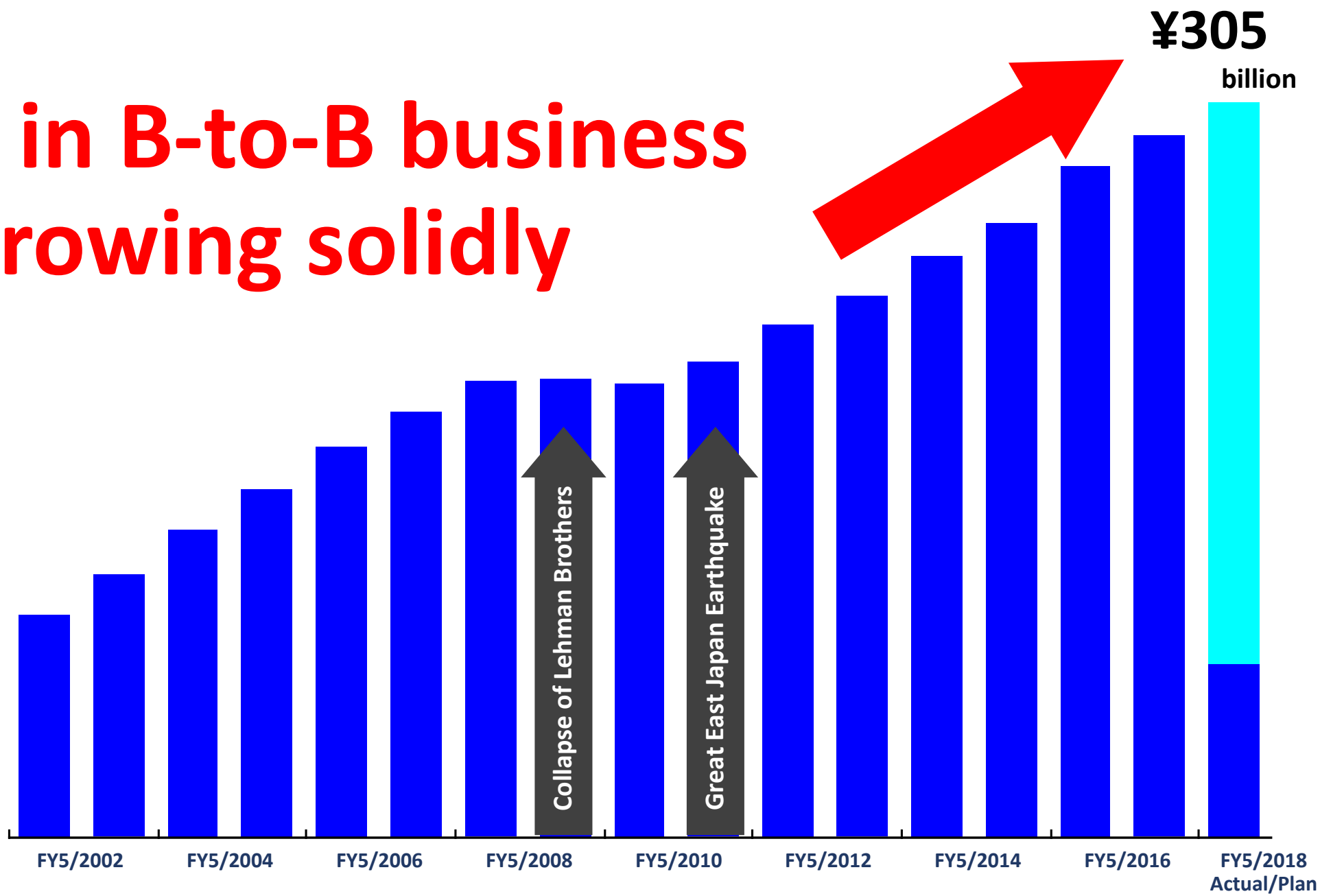
For Offices Operating B-to-B Business

SOLOEL ARENA
Powered by ASKUL

ASKUL

Net sales in B-to-B business to keep growing solidly



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Growing from a No.1 position in the e-commerce sale of office supplies to

a dominant No. 1 position in B-to-B business

Strategic Image of B-to-B Business in FY5/2018

Sales volume

Number of goods

Strengthening of popular items

Further release of private brand (PB) products with competitive prices



Daily-use paper



Detergents

Release of 5 million items by assigning a dedicated group



Coating goods

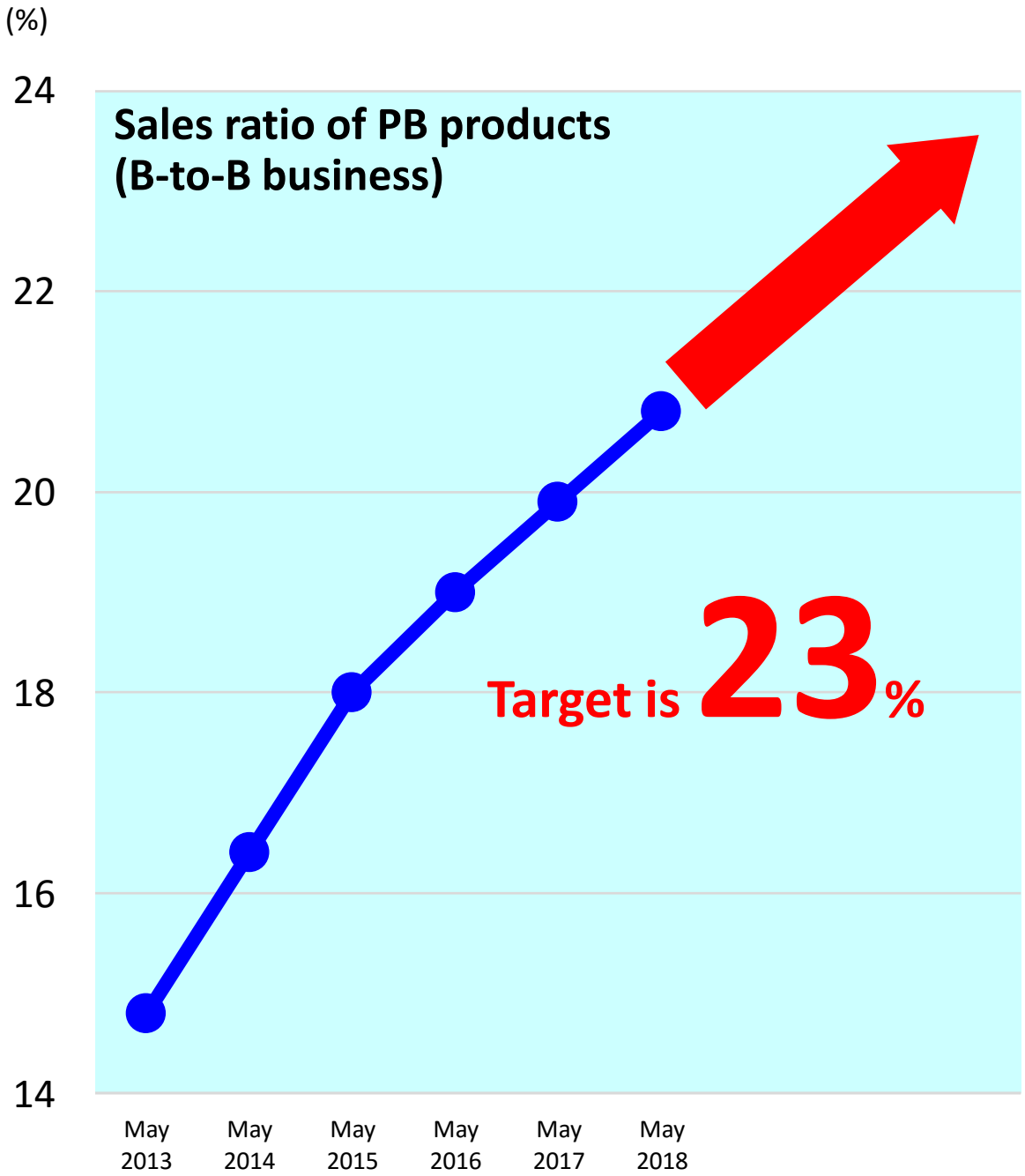


Construction tools

Expansion of products intended for long-tailed distribution

Maximize opportunities for attracting customers and purchases by enhancing both sales volume and number of goods

Private-brand products to be expanded



As of August 20

Approx. 7,700 items

Medium-term Goal

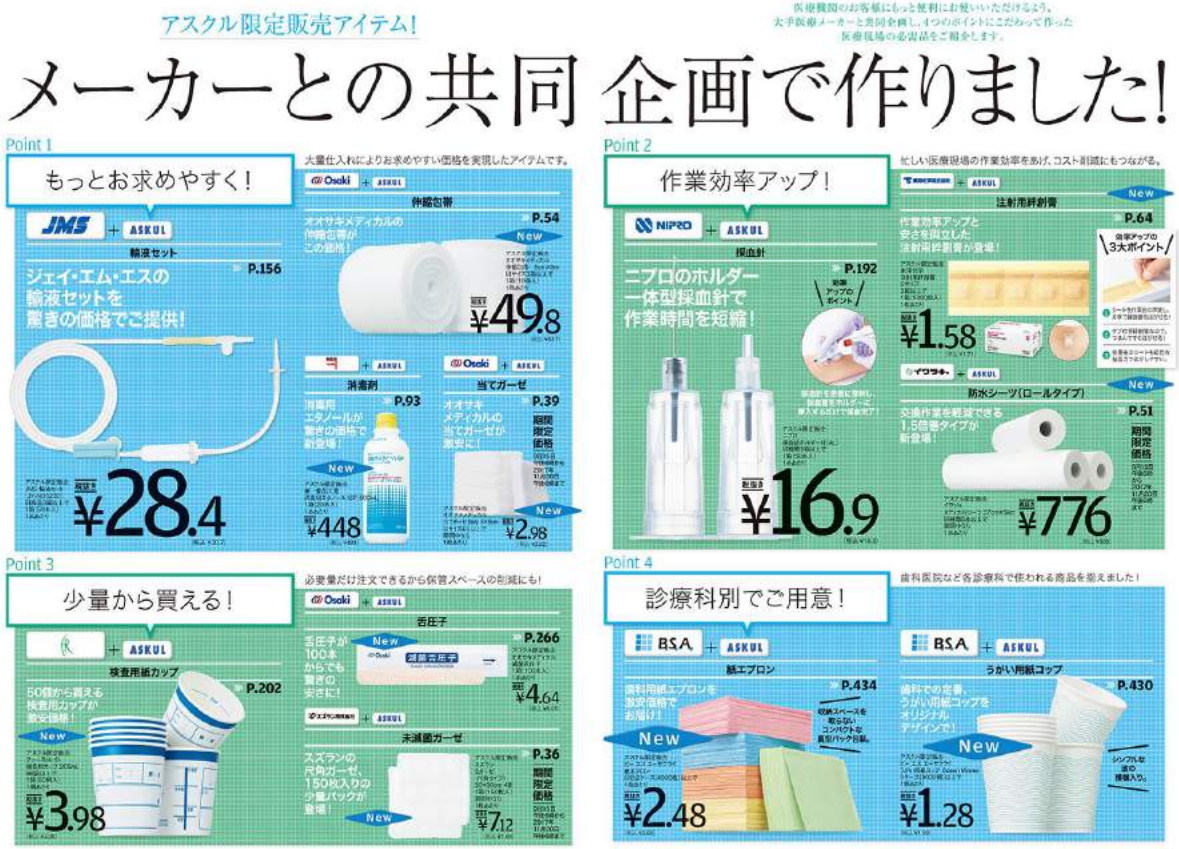
10,000 **Items**

This will enable us to achieve differentiation and stable profitability simultaneously.

* Net sales of original copier papers are not included in net sales of original products (numerators) used for calculating the above shares.

Approx. 230 New Private Brand Products Released in New Catalogue





Bolstered private brand products centered on daily-use items, stationery, and health-care and medical goods

Further Broadening of Range of Goods on E-Commerce Shopping Site

(Ten thousand items)

1,000

500

300

200

100

0

Expansion of number of items

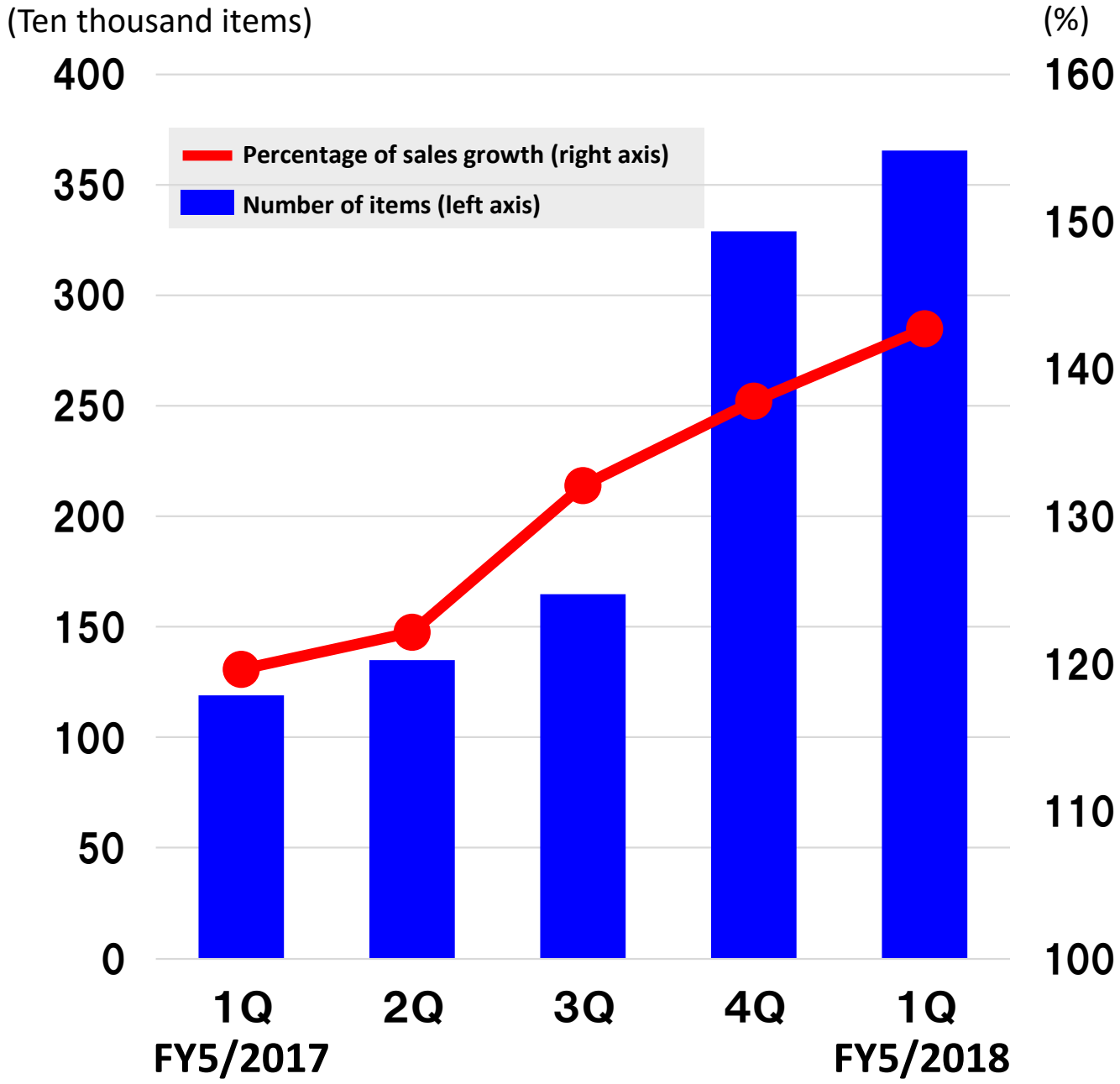
5 million items to be released by the end of FY5/2018

3.73 million items actually available as of August 2017



FY5/1995 FY5/1997 FY5/1999 FY5/2001 FY5/2003 FY5/2005 FY5/2007 FY5/2009 FY5/2011 FY5/2013 FY5/2015 FY5/2017

Sales Growth Accelerated by Boosting Number of Non-stock Items



Sales of non-stock items

1Q FY5/2018 Actual:

Up 43% YoY

Customer Base Expanded by Improving Customer Convenience with E-Commerce Shopping

New further simplified registration

Substantial changes in designs of online registration forms

Future goal

Improve customer convenience further, targeting individual businesses and small office home office (soho) businesses

(Diversification of settlement methods, etc.)

Number of new customers registered on ASKUL Website

As of August 2017:

Up over 40% YoY



B-to-B Business Will Step Up Private Brand Products and Extend Product Lines to Maintain Stable Growth

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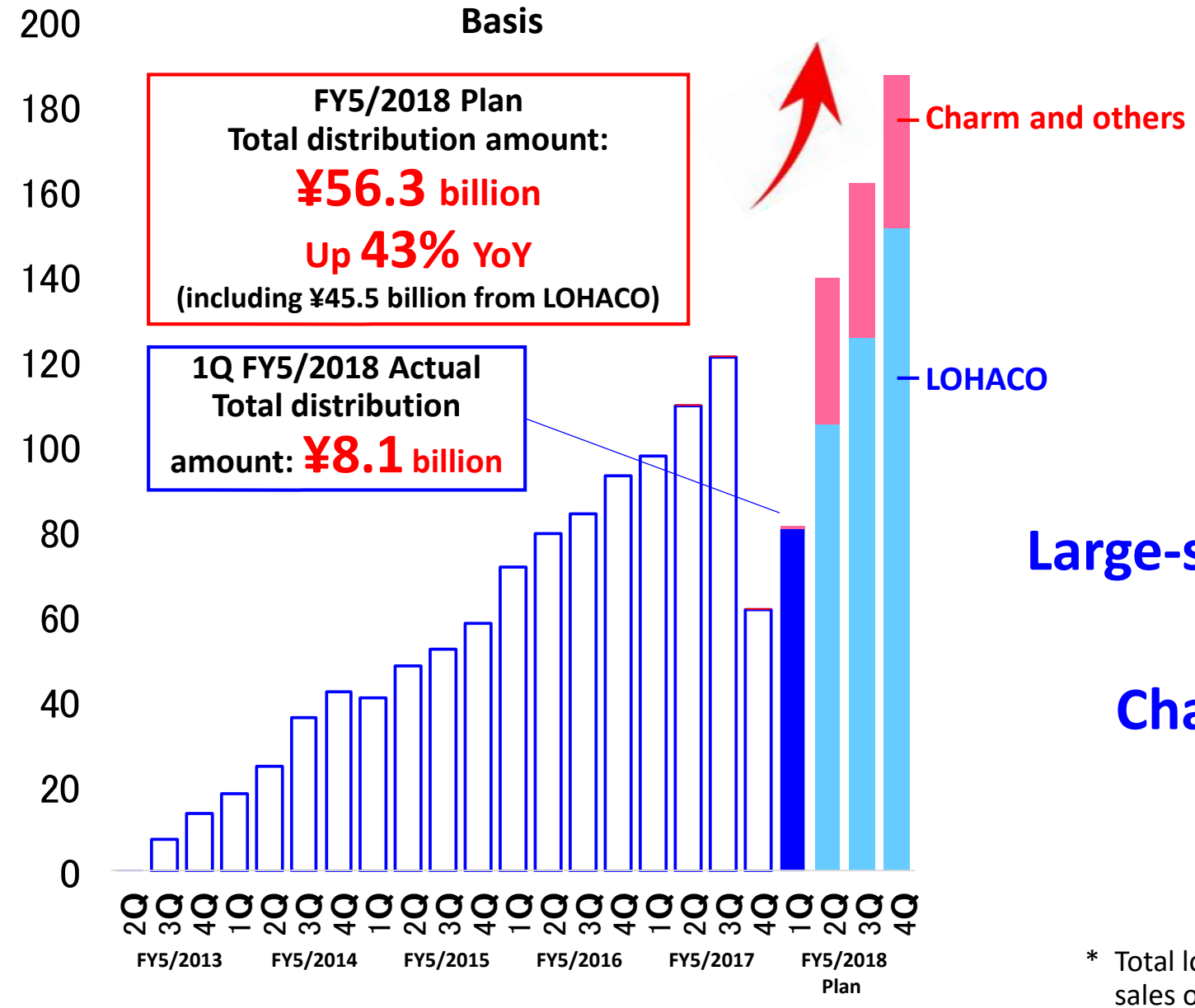
B-to-C
Targeting consumers



Trends of Total Logistics Amount in B-to-C Business* on a Quarterly Basis



Steady recovery achieved in 1Q performance

Large-scale sales promotion activities to start from 2Q

Charm to be incorporated into consolidation

* Total logistics amount in B-to-C business is the sum of LOHACO net sales, sales of products via LOHACO marketplace, and sales at Charm.



Outlet brand stores which were operated only in western Japan

Temporary operation with separate store sites, East Japan and West Japan, will terminate on September 13.

Service level to be normalized

Sales Promotion Activity To Start Upon Complete Restoration of LOHACO at the End of September

Restarting promotion activities for attracting large customers through SoftBank•Yahoo! JAPAN



Launching sales activities by placing attractive top page banners
Resuming Special Day soon on the 5th, 15th, and 25th of every month

Implementing large-scale sales campaign to celebrate LOHACO's fifth anniversary



https://lohaco.jp/event/anniversary/

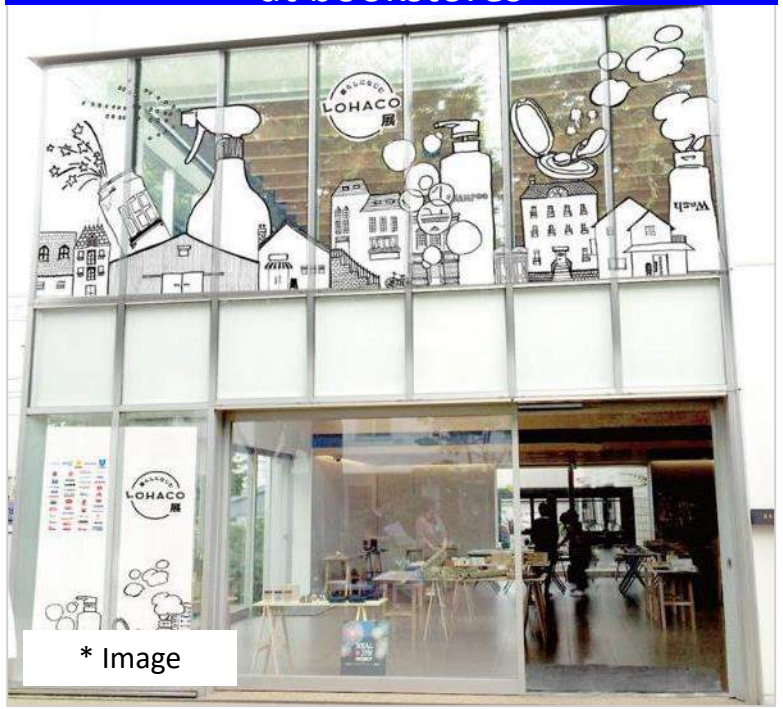
LOHACO “Everyday Items” Exhibition 2017

To be held October 6-October 11 at Daikanyama T-SITE GARDEN GALLERY

Exhibition to display only LOHACO items

(Past exhibits were design exhibitions held jointly with other companies)

Web-based sales promotion targeting T Point users
Distribution of LOHACO Books at bookstores



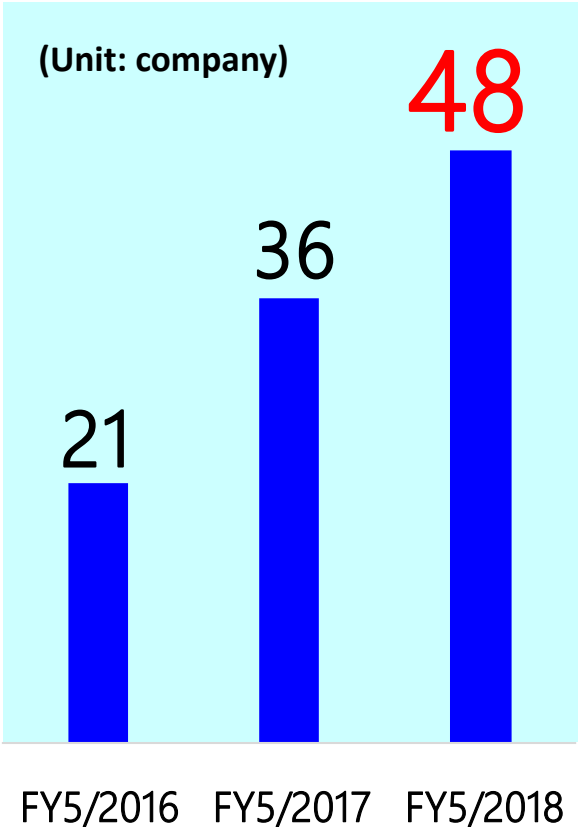
* Image

https://lohaco.jp/event/exhibition/

Design goods focused on daily use
Sixty-one items exhibited by 48 companies



Number of makers participating



LOHACO Will Completely Restore Its Operations at the End of September to Move Forward to Regrowth

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Positioning of New Business Models

SOLOEL ARENA Powered by ASKUL

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B-to-B Business

Stable sales increase

LOHACO

LOHACO

Regrowth + increased profitability

Platforms (logistics, distribution, and marketing)

Open ASKUL's platforms externally to generate new and additional profits

Open Platforms by ASKUL

Logistics and Delivery Marketing

AND

Strengthening collaboration among companies

Build the 3rd profit pillar by offering external parties ASKUL's competitive platforms of logistics and marketing

New Profits to Be Created with Open Platforms by ASKUL (OPA)

(i) Sales promotion activities with realistic advertising

Sales promotion proceeds using big data

(ii) Marketplace

Commissions by boosting distribution amount

(iii) Supply of logistics platform

Logistics fees by offering optimal e-commerce logistics operations

(i) Sales Promotion Activities With Realistic Advertising

Start of Fourth-term Activities of LOHACO E-commerce Marketing Lab

To 126 companies from 102

Companies continuing to participate from the third term (100 companies)
Asahi Soft Drinks Co., Ltd., Asahi Kasei Home Products Corporation, Asahi Healthcare Business Unit of Asahi Group Foods, Ltd., Wakodo Business Unit of Asahi Group Foods, Ltd., Asahi Breweries, Ltd., Ajinomoto Co., Inc., AJINOMOTO GENERAL FOODS, INC., Ishimitsu & Co., Ltd., ITOCHU-SHOKUHIN Co., Ltd., ITO EN, LTD., Ujinotsuyu Seicha Co., Ltd., Ezaki Glico Co., Ltd., SSK Sales Co., Ltd., SSP Co., Ltd., ST Trading Corporation, S&B Foods Inc., NS FaFa Japan Co., Ltd., Oji Nepia Co., Ltd., Otsuka Pharmaceutical Co., Ltd., ORBIS Inc., Kao Group 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, KING JIM CO., LTD., Gekkeikan Sake Co., Ltd., Koikeya Co., Ltd., Coca-Cola Customer Marketing Company, Limited, KOKUYO Co., Ltd., KOBAYASHI PHARMACEUTICAL CO., LTD., THERMOS K.K., Sapporo Breweries Ltd., Sunstar Group Oral Care Company, Suntory Liquors Limited, Suntory Foods Limited, J-Oil Mills, Inc., Shiseido Japan Co., Ltd., Shachihata Inc., JOHNSON COMPANY, LIMITED, Johnson & Johnson K.K. Consumer Company, 3M Japan Limited, ZEBRA CO., LTD., DAIICHI SANKYO HEALTHCARE CO., LTD., DAIO PAPER CORPORATION, Taisho Pharmaceutical Co., Ltd., DAINIHON JOCHUGIKU Co., Ltd., TAIHO PHARMACEUTICAL CO., LTD., TOKIWA Pharmaceutical Co., Ltd., TOMBOW PENCIL CO., LTD., Nagatanien Co., Ltd., NICHIBAN CO., LTD., NISSIN CISCO CO., LTD., NISSIN FOOD PRODUCTS CO., LTD., Kellogg Japan G.K., Nippon Paper Crecia Co., Ltd., Hill's-Colgate (JAPAN) Ltd., Nihon L'Oréal K.K., Nestlé Japan Ltd., Nature Lab. Co., Ltd., HABA Laboratories, Inc., HOUSE WELLNESS FOODS CORPORATION, HOUSE FOODS CORPORATION, Harada Tea Processing Co., Ltd., Hikari Miso Co., Ltd., FANCL CORPORATION, FUJIFILM Corporation, PLUS Corp. Stationery Company, The Procter & Gamble Company of Japan Limited, Pentel Co., Ltd., POKKA SAPPORO Food & Beverage Ltd., Mars Japan Limited, Marukome Co., Ltd., Maruha Nichiro Corporation, Mizkan Co., Ltd., Isetan Mitsukoshi Holdings Ltd., Mitsubishi Pencil Tokyo Hanbai Co., Ltd., Meiji Co., Ltd., Melodian Co., Ltd., MORINAGA & CO., LTD., YAMAZAKI Corporation, UCC UESHIMA COFFEE CO., LTD., Unicharm Corporation, Universal Paper Co., Ltd., Unilever Japan Customer Marketing K.K., Lion Corporation, LION TRADING Co., Ltd., Ryohin Keikaku Co., Ltd., Reckitt Benckiser Japan Ltd., LEC, Inc., ROHTO Pharmaceutical Co., Ltd., Lotte Co., Ltd., Wacoal Corp.
(In Japanese syllabary order)

Newly participating companies (21 companies)
Earth Chemical Co., Ltd., iRobot Japan G.K., Atsugi Co., Ltd., Eisai Co., Ltd., Cow Brand Soap Kyoshinsha Co., Ltd., GlaxoSmithKline Consumer Healthcare Japan Co., Ltd., Kracie Home Products, Ltd., JINS, Inc., Takeda Consumer Healthcare Company Limited, Saraya Co., Ltd., Nisshin Foods Inc., NH Foods Ltd., Hitachi Consumer Marketing, Inc., Fukusuke Corporation, Fumakilla Limited, Maruman Corporation, Mandom Corporation, Yakult Health Foods, Co., Ltd., Yamaki Co., Ltd., Yamato Co., Ltd., LIHIT LAB Co., Ltd.
(In Japanese syllabary order)

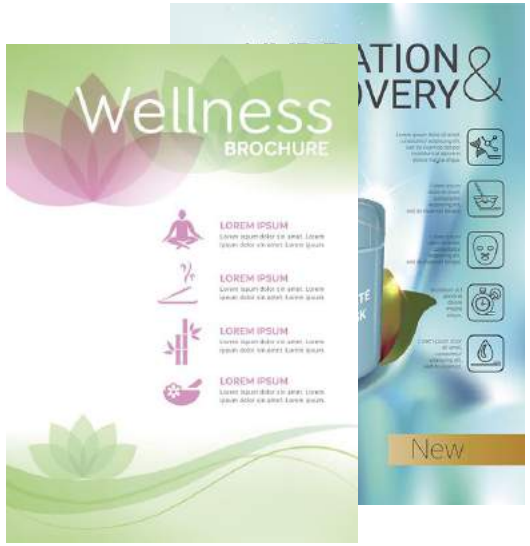
Friendship partners (Five companies)
Adobe Systems Incorporated, Google Japan Inc., Hitachi, Ltd., Facebook Japan Inc., Yahoo Japan Corporation
(In Japanese syllabary order)

(i) Sales Promotion Activities with Realistic Advertising

1. Personalized statements of delivery and fliers



2. Fliers included in a package

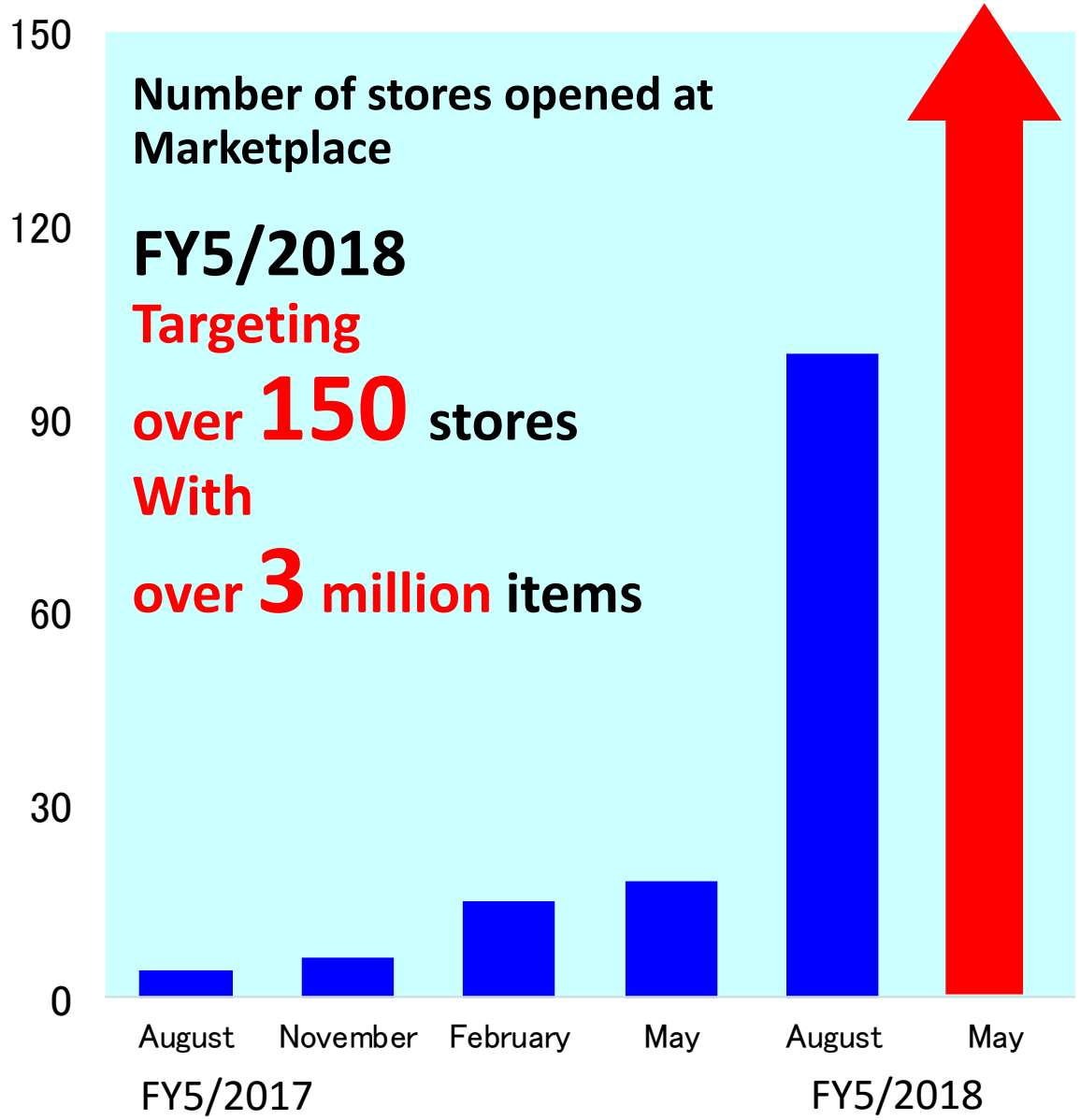


3. Sample goods included in a package



Services oriented for each customer using big data

(ii) Market Place



Addition of new categories such as foods, home electric appliances, etc.



(iii) Supply of Logistics Platform





Logistics platforms are also planned to be placed on Marketplace.

Create optimal logistics platforms suited for society

Business Partnership With Seven & i Holdings Co., Ltd.



At press release on July 6

Details of business partnership

(i) Direct customers to each other (To start at the end of November)

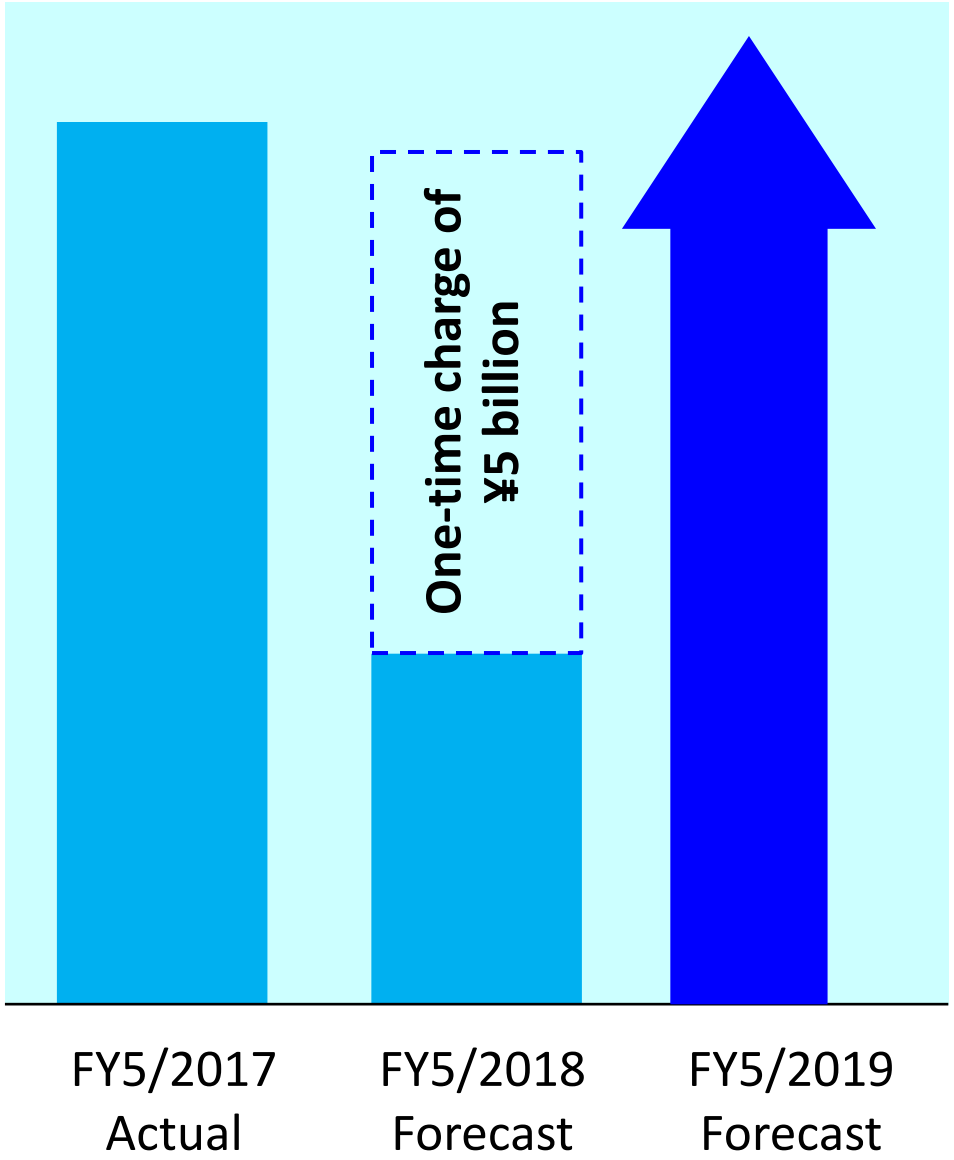
(ii) Launch fresh food E-commerce, “IY Fresh (tentative)” in joint operation (To start at the end of November)

(iii) Start examination of joint development and operation of E-commerce logistics and operation sites

- ✓ Forty one ASKUL employees to join as project members
- ✓ With five subcommittees set up, details of the project are being developed.

Two months from the conclusion of the partnership, the project has been making steady progress.

Trends of consolidated operating income



V-shaped recovery in FY5/2019

ASKUL aims to achieve a profitability level that outperforms a record high in earnings.

Appendix

Forecast of FY5/2018 Consolidated Financial Results

	FY5/2017		FY5/2018		
	Actual ¥ billion	% of net sales	Plan ¥ billion	% of net sales	YoY change %
Net Sales	**335.9**	100.0	**365.0**	100.0	+8.7
Gross Profit	**76.7**	22.8	**86.1**	23.6	+12.2
SG&A Expenses	**67.8**	20.2	**82.6**	22.6	+21.7
Operating Income	**8.8**	2.6	**3.5**	1.0	-60.5
Ordinary Income	**8.8**	2.6	**3.0**	0.8	-66.2
Profit Attributable to Owners of the Parent	**1.0**	0.3	**1.5**	0.4	+47.8

No change from the initial forecast

1Q FY5/2018 Net Sales by Product Category

Non-consolidated

	FY5/2017 1Q		FY5/2018 1Q	
	¥ billion	YoY Change %	¥ billion	YoY Change %
OA&PC	22.3	+1.7	22.0	-1.4
Stationery	9.9	+3.9	10.0	+0.9
Living Supplies	24.7	+16.6	24.5	-0.9
Furniture	4.9	+0.6	5.0	+2.0
MRO	6.6	+15.4	6.9	+4.7
Others (Medical, etc.)	4.5	+9.9	4.8	+8.2
Total	73.2	+8.3	73.5	+0.5

Sales growth achieved even on a non-consolidated basis

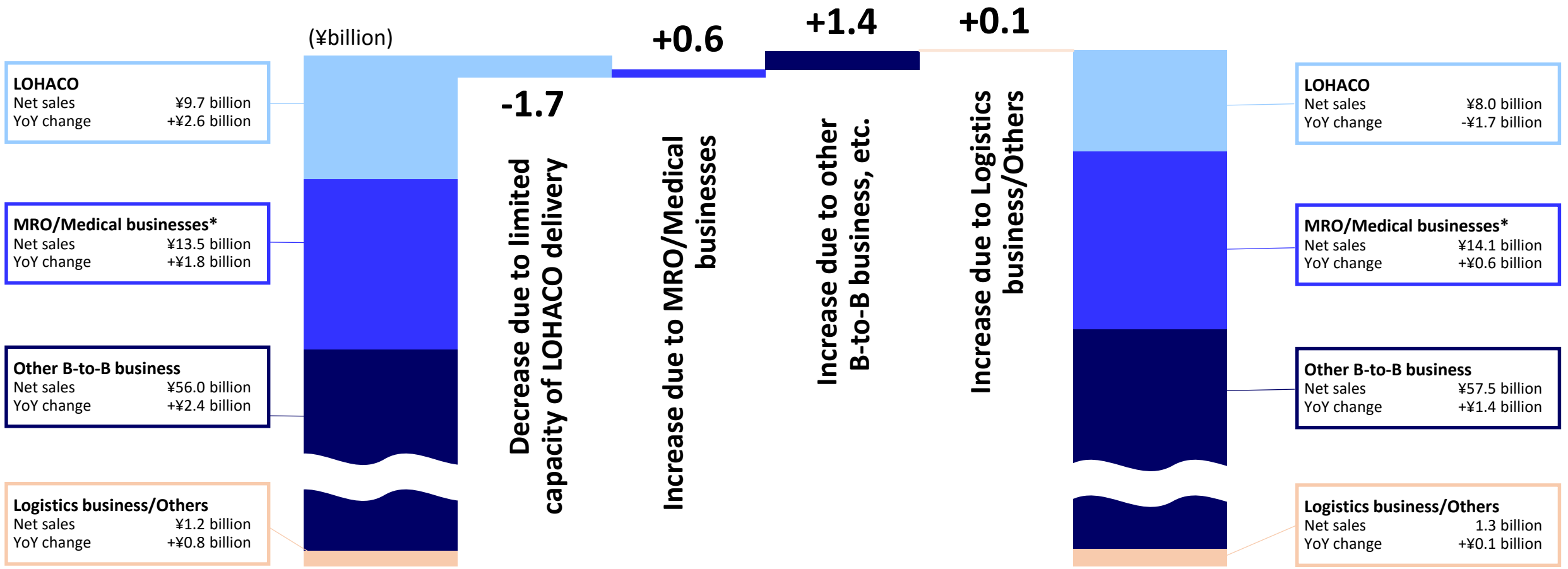
Factors Affecting 1Q FY5/2018 Consolidating Net Sales

1Q FY5/2017 (actual)

Net sales	¥80.5 billion
YoY change	+¥7.7 billion
YoY change	+10.7%

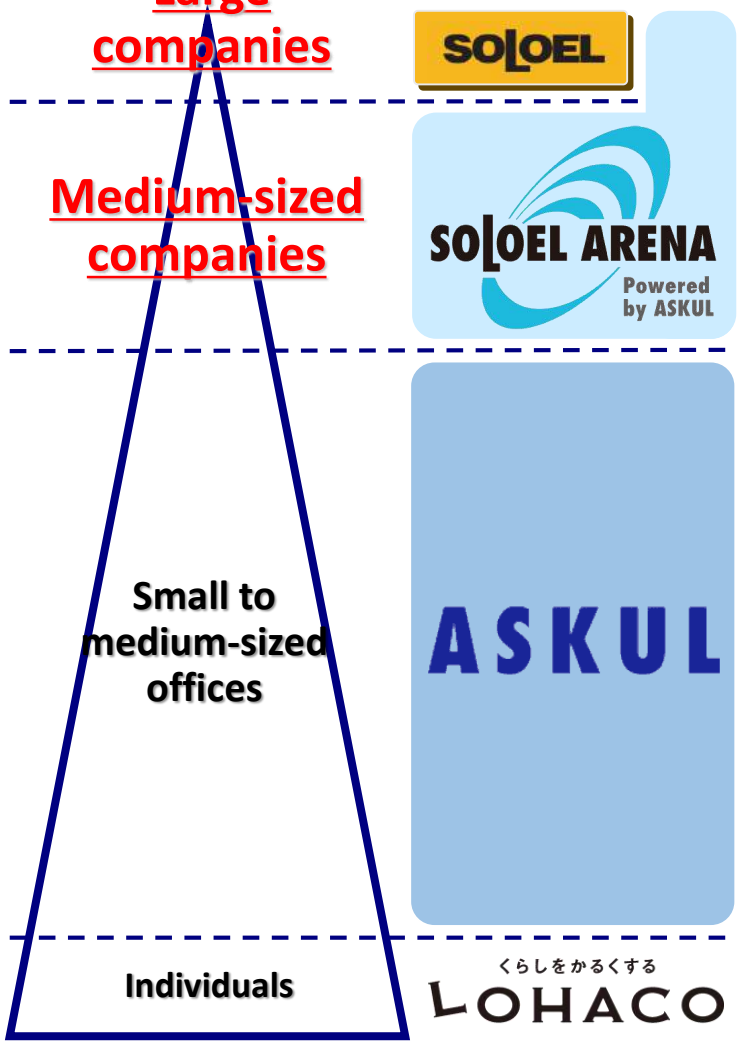
1Q FY5/2018 (actual)

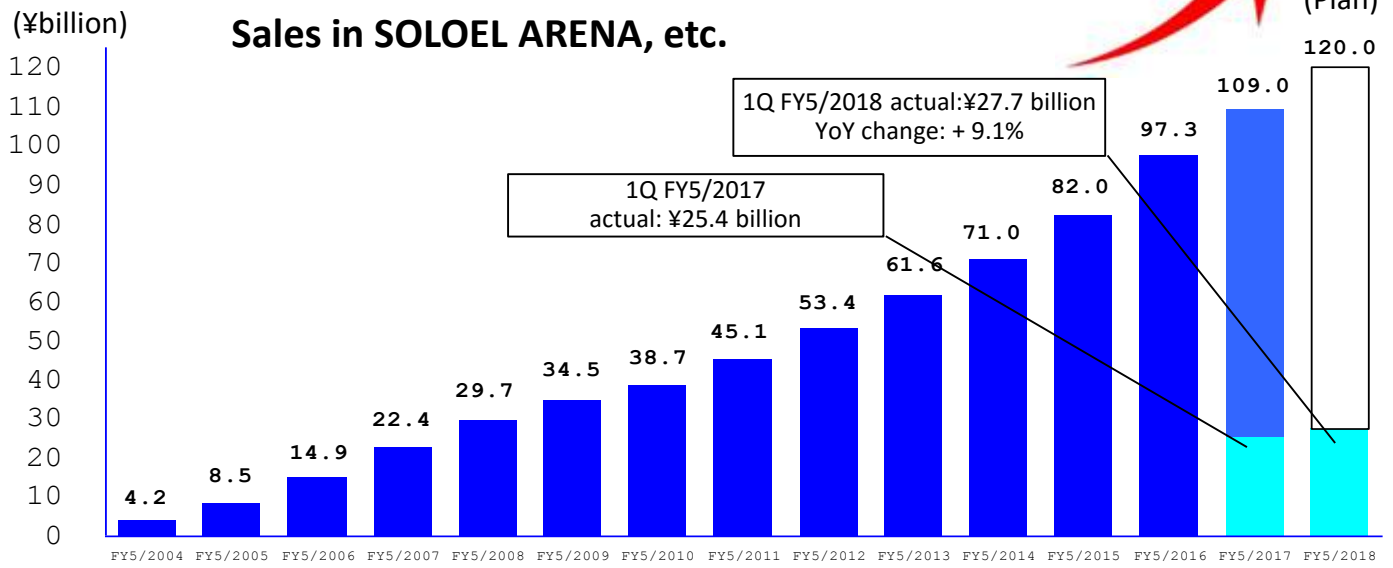
Net sales	¥81.0 billion
YoY change	+¥0.5 billion
YoY change	+0.6%

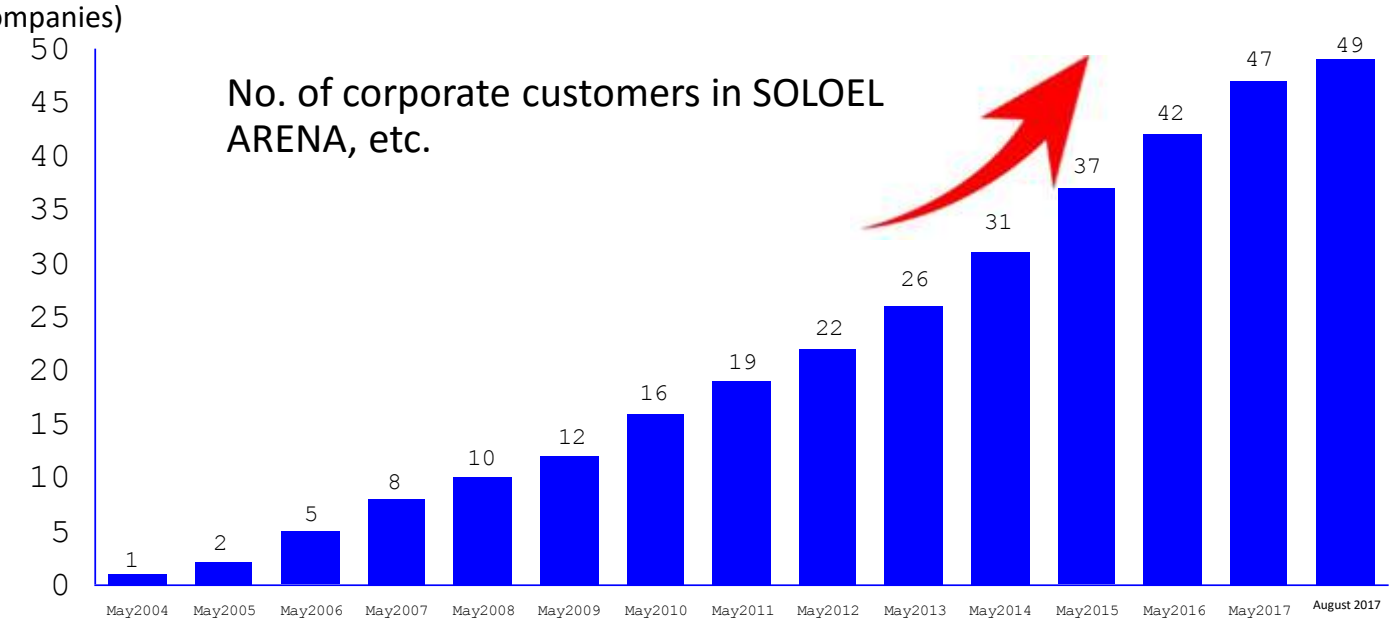


* MRO/Medical Businesses do not include the LOHACO portion.

SOLOEL ARENA is Expanding Steadily







With a 9.1% sales increase YoY, SOLOEL ARENA is a key driver of B-to-B business growth.

1Q FY5/2018 Consolidated Gross Profits, SG&A Expenses

Gross profit: ¥18.9 billion YoY change: +¥1.0 billion

Gross profit margin: 23.4% YoY change: 1.1 p.p.

- Both B-to-B business and LOHACO improved operating performance, mainly due to better foreign currency positioning, favorable impacts of cost reduction initiatives, and extended private brand product lines.

SG&A expenses: 17.7 billion YoY change: +1.0 billion

Ratio of SG&A expense to net sales: 22.0% YoY change: +1.2 p.p.

＜Breakdown of major YoY change factors in SG&A expenses＞

• Temporary deterioration of logistics productivity (24-hour operation mainly due to impacts of the fire, as well as rising personnel costs and outsourcing expenses due to increased manual operation)	+¥0.9 billion
• Increase in non-current expenses at alternative center (Increases in rent and depreciation)	+¥0.4 billion
• Decrease in depreciation due to suspended operation at ALP Tokyo Metropolitan (posting to non-operating expenses)	-¥0.2 billion

1Q FY5/2018 Consolidated Capital Expenditures

Capital expenditure: ¥6.1 billion (Annual plan: ¥24.9 billion)

AVC Kansai logistics equipment, etc. ¥4.5 billion

AVC Hidaka Material Handling Equipment, etc. ¥0.8 billion

(Ref.) Depreciation and amortization of software: ¥0.8 billion (Annual plan: ¥5.0 billion)

Investment details

(¥ million)

Item	1Q FY5/2017	1Q FY5/2018	
	Amount	Amount	YoY change
[Capital expenditure]	1,137	6,146	+440.1%
Property, plant and equipment	571	5,391	+842.9%
Intangible assets	566	754	+33.3%
Construction in progress (Note 2)	20	5,982	+29,694.9%
Software in progress (Note 2)	671	843	+25.7%

(Note 1) Capital expenditure is stated on accrual basis.

(Note 2) Construction in progress and software in progress above present balances at the end of the quarter under review, and partially include consumption and other taxes.

1Q FY5/2018 Share of Orders Placed on the Internet of Net Sales, ASKUL Original Products

Share of orders placed on the Internet of net sales

	1Q FY5/2018	YoY Change	1Q FY5/2017
Orders via the Internet	80.4%	+2.1 p.p.	78.3%
Other	19.6%	-2.1 p.p.	21.7%

(Note 1) Percentages are based on orders placed.

ASKUL original products

(Items)

	August 2017 (single month)	August 2018 (single month)	YoY Change
Number of original products	7,178	7,907	+729
Share of non-consolidated net sales (of which share of B-to-B Business)	17.6% (19.9%)	18.8% (20.8%)	+1.2 p.p. (+0.9 p.p.)

(Note 1) The figures above are the results for the month of August each year.
(Note 2) Net sales of original products used as numerators in calculating shares of net sales do not include net sales of original copier paper.
(Note 3) Each figure includes the products listed in Health & Nursing Care Catalogs and Medical Pro Catalogs
(Note 4) Effective the second quarter of FY5/2017, the number of original products includes items sold via the Internet, as well as those sold via catalogs.