

July 27, 2018

To whom it may concern:

Company Name	ASKUL Corporation
Representative	Shoichiro Iwata President and Chief Executive Officer (Code No.2678, Tokyo Stock Exchange First Section)
Contact Person	Tsuguhiro Tamai Executive Officer and Chief Financial Officer Phone: (03) 4330-5130

Announcement of Financial Results by Other Affiliated Company

ASKUL Corporation (hereinafter referred to as the “Company”) hereby announces that the ASKUL Group’s consolidated net sales and operating income for the three-month period from April 1, 2018 to June 30, 2018 were disclosed in the financial results briefing presentation materials for the first quarter of fiscal year 2018 announced today by Yahoo Japan Corporation, a company defined as “other affiliated company” of the Company (headquarters: 1-3 Kioicho, Chiyoda-ku, Tokyo; representative: Kentaro Kawabe, President and Representative Director). Please refer to the appendix for the applicable page of the presentation materials.

The Company’s operating income is listed as negative 1.2 billion yen in Results by Segments in the attached financial result briefing presentation materials. The primary factors for reporting negative operating income are as follows.

- (i) Strategic costs invested during the target period (the fourth quarter of the Company’s fiscal year ended May 2018); Impact amount: approx. 900 million yen

Profit performance in the Company’s fiscal year ended May 2018 (from May 21, 2017 to May 20, 2018), was above our target for the period; therefore, we invested temporary strategic costs, including additional sales promotion expenses and year-end bonus (incurred only when profit targets are achieved), in the fourth quarter period (from February 21, 2018 to May 20, 2018).

- (ii) Recording of amortization of intangible assets related to the Company; Impact amount: approx. 1.1 billion yen

In Yahoo Japan Corporation’s financial statements, prepared in accordance with IFRS, intangible assets which were recorded at the time of the acquisition of the Company’s shares are amortized, but the amortization of intangible assets is not recorded in the Company’s financial statements.

- (iii) Adjustments due to the difference in accounting period between the Company and Yahoo Japan Corporation; Impact amount: approx. 200 million yen

The Company closes its accounts on the 20th of each month, while Yahoo Japan Corporation closes its accounts at the end of each month. The effects of the difference in accounting period are adjusted for appropriately by Yahoo Japan Corporation at consolidation. Specifically, the financial results of the Company for the period from April 1, 2018 to June 30, 2018, which is the first quarter of Yahoo Japan Corporation, are calculated by subtracting net sales and gross profit of the Company for the period from

March 21 to March 31 and adding net sales and gross profit of the Company for the period from June 21 to June 30 to the Company's monthly operating results for the period from March 21, 2018 to June 20, 2018. The period from March 21 to March 31 is a peak period for the Company, and net sales for this period, which are to be subtracted, are larger than those for the period from June 21 to June 30, which are to be added. Meanwhile, variable costs (logistics costs, etc.) for the difference in net sales are not subtracted. Accordingly, operating income for the period is less than the amount the Company would have earned based on its earnings power (this difference is eliminated in the full-year financial results).

Appendix: Yahoo Japan Corporation FY2018 1Q Business Results Presentation Material (excerpt)

Note: Yahoo Japan Corporation holds 41.67% of the total shares issued by the Company as of May 20, 2018.

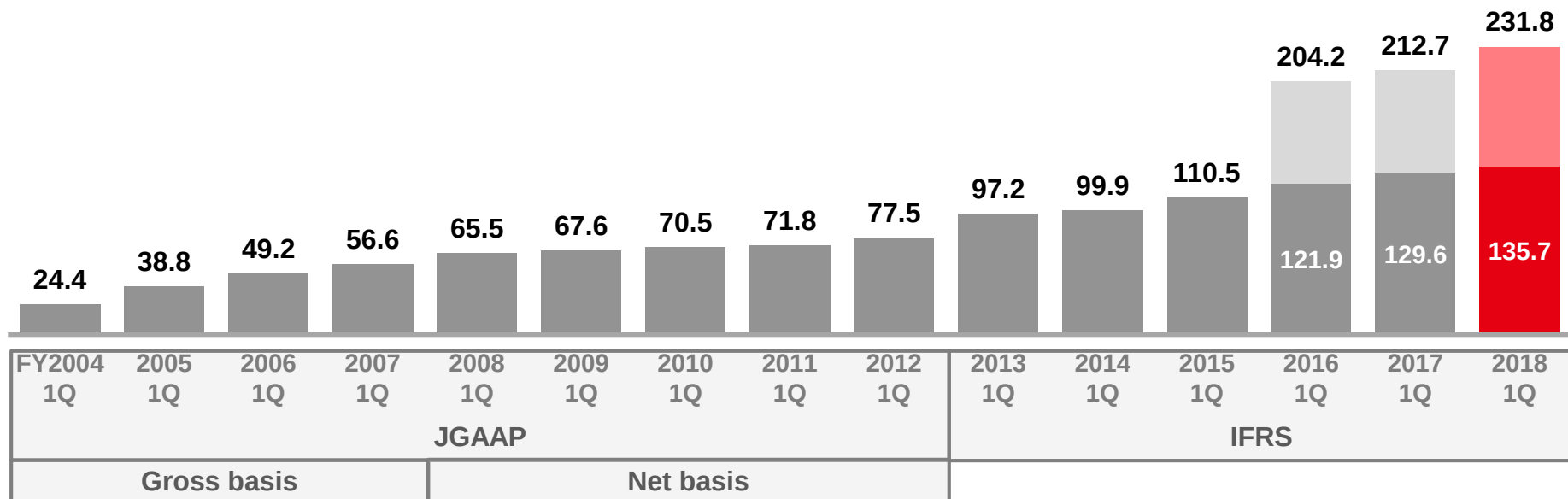
Revenue

(¥Billion)

¥ 231.8 billion

YoY +9.0%

- Revenue of ASKUL Group
- Revenue excluding ASKUL Group



Note: Between FY2008 and FY2012, we indicated revenue on a net rather than gross basis, by eliminating certain items in cost of sales and SG&A.

ASKUL Group includes ASKUL Corporation, AlphaPurchase Co., Ltd., Charm Co., Ltd., and others.

1

Revenue of ASKUL Group has been calculated based on the fiscal period of Yahoo! JAPAN, and consolidation elimination within ASKUL Group has been taken into account.

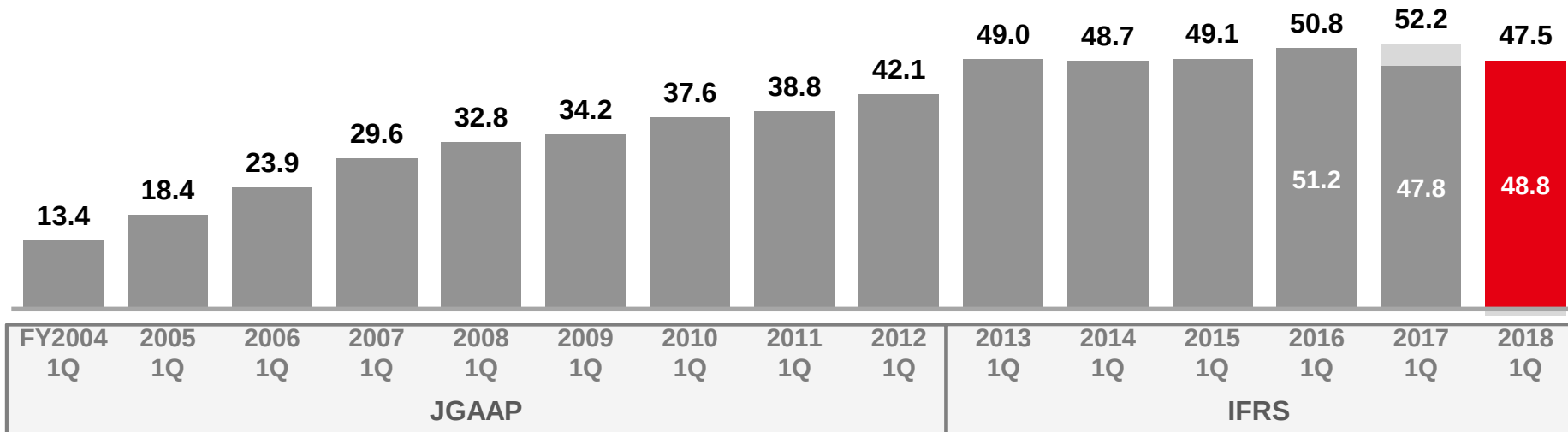
Operating Income

(¥Billion)

¥ 47.5 billion

YoY -8.9%

- Operating income of ASKUL Group
- Operating income excluding ASKUL Group



Note: Includes amortization expenses of identifiable intangible assets recognized as of the date of business combination.

ASKUL Group includes ASKUL Corporation, AlphaPurchase Co., Ltd., Charm Co., Ltd., and others.

Insurance proceeds related to the fire incident at the Logistics Center of ASKUL Corporation of ¥4.9 billion included in FY2017.

Gain on sales of shares of IDC Frontier Inc. of ¥ 7.9 billion included in FY2018.

Results by Segments

(¥ Billion)		FY2017 1Q	FY2018 1Q	YoY	
				Actual result	Main factors of change
Media business	Revenue	68.1	72.1	+6.0%	Increase in paid search advertising revenue
	Operating Income	35.8	36.7	+2.5%	
Commerce business*	Revenue	140.7 ASKUL Group 83.0	158.4 96.1	+12.5% +15.7%	Increase in Shopping-related advertising revenue
	Operating Income	26.1 ASKUL Group 4.3	15.4 -1.2	-41.1% -129.7%	-Absence of insurance proceeds related to the fire incident at the Logistics Center -ASKUL Group's temporary strategy costs (including bonus) -Increase in sales promotion costs including point-reward expenses, etc.
Other Businesses	Revenue	5.9	3.1	-46.6%	Impact of sales of shares of IDC Frontier Inc.
	Operating income	1.0	8.9	+729.4%	Gain on sales of shares of IDC Frontier Inc.