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News Release Dated: October 31, 2018

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 and Chief Financial Officer
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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 July 1, 2018 to September 30, 2018 were disclosed in the financial results briefing presentation materials for the second 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 material.

In the consolidated financial statements for the three months ended August 20, 2018 (May 21, 2018 to August 20, 2018) disclosed on September 14, 2018, the Company reported a temporary operating loss due to the following factors.

(i) An increase in logistics expenses, which peaked in the first quarter, due to an increase in rents and depreciation of AVC Kansai and other logistics facilities and the impacts of the "parcel delivery crisis," including increased delivery expenses incurred by leading delivery companies. The Company is endeavoring to make improvements to reduce the ratio of logistics expenses to net sales in the second quarter and beyond.

(ii) The ratio of sales of bottled drinks purchased by the case to total sales increased due to the impacts of intense heat, resulting in an increase in delivery expenses from July to August (delivery expenses have returned to their normal level since September).

The Company's operating income and loss in Results by Segments in the attached financial result briefing presentation materials (July 1, 2018 to September 30, 2018) disclosed today by Yahoo Japan Corporation are also affected by the aforementioned factors.

In addition, the following two factors are also responsible for the Company's operating income and loss listed in Results by Segments in the attached financial result briefing presentation materials.

(i) Recording of amortization of intangible assets related to the Company (approx. 1.1 billion yen)

In Yahoo Japan Corporation's financial statements, prepared in accordance with IFRS, intangible

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assets 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.

(ii) Adjustments due to the difference in accounting period between the Company and Yahoo Japan Corporation

The Company closes its accounts on the 20th day 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 July 1, 2018 to September 30, 2018, which is the second quarter of Yahoo Japan Corporation, are calculated by subtracting net sales and gross profit of the Company for the period from June 21 to June 30 and adding net sales and gross profit of the Company for the period from September 21 to September 30 to the Company's monthly operating results for the period from June 21, 2018 to September 20, 2018.

There were two more business days in the period from June 21, to June 30, for which net sales of the Company are to be subtracted, than in the period from September 21 to September 30, for which net sales of the Company are to be added. As a result, net sales for the period to be subtracted are greater than those for the period to be added. Meanwhile, variable costs (logistics costs, etc.) for the difference in net sales are not subtracted. Accordingly, operating income for the three-month period under review 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 2Q 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.

Results by Segments

(¥ Billion)		FY2017 2Q	FY2018 2Q	YoY	
				Actual result	Main factors of change
Media business	Revenue	71.6	75.1	+4.8%	Increase in paid search advertising revenue
	Operating Income	37.2	35.3	-5.2%	Increase in sales promotion costs
Commerce business*	Revenue	139.9 ASKUL Group 82.0	157.8 92.1	+12.8% +12.3%	• Increase in ASKUL Group's revenue • Consolidation of The Japan Net Bank, Limited • Increase in Shopping-related advertising revenue
	Operating Income	16.9 ASKUL Group -0.2	15.7 -1.4	-7.6% n.a.	• ASKUL Group's increases in: rent and depreciation expense of its new logistics center; and in its proportion of variable cost in logistics cost • Expenditures for new challenges
Other businesses	Revenue	5.4	2.1	-61.3%	Impact from the sale of IDC Frontier Inc. shares
	Operating income	1.0	0.6	-41.1%	

Note: Figures for adjustments are not shown. In cases where major services have been transferred between segments, prior data and comparative figures have been retroactively adjusted to the current segments.

* Figures on the lower row for Commerce business are consolidated revenue and operating income of ASKUL Group, based on the fiscal period of Yahoo Japan Corporation.

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