

November 1, 2019

To whom it may concern:

Company Name	ASKUL Corporation
Representative	Akira Yoshioka 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 were disclosed in the financial results briefing presentation materials for the second quarter of fiscal year 2019 announced today by Z Holdings 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.

Appendix: Z Holdings Corporation FY2019 2Q Business Results Presentation Material (excerpt)

Note: Yahoo Japan Corporation changed its trade name to Z Holdings Corporation and transitioned to a holding company structure effective October 1, 2019. Z Holdings Corporation holds 41.67% of the total shares issued by the Company as of May 20, 2019.

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Z Holdings Corporation FY2019-2Q Business Results

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Z Holdings Corporation

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FY2019-2Q Financial Results

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Business Topics

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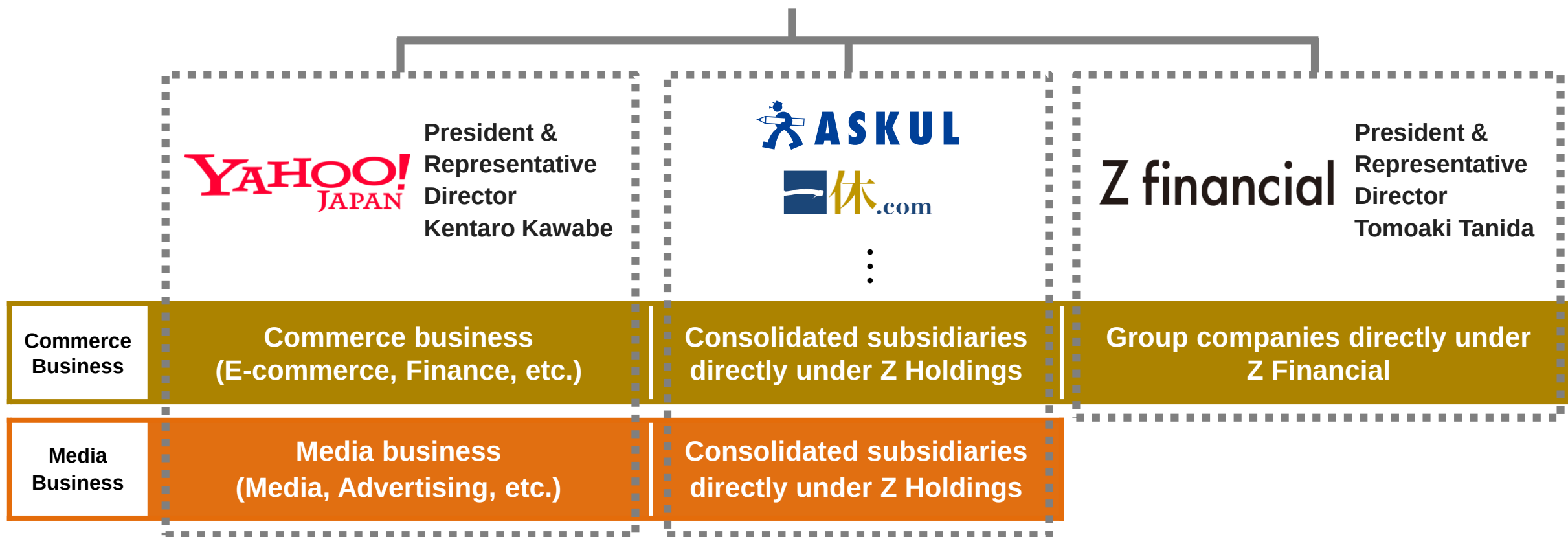
Appendix

Z Holdings Corporation

From Y to Z — Structure that creates a greater future

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President & Representative Director
Kentaro Kawabe



Note: There are no changes in disclosed segments.

FY2019-2Q Factors of Change in Consolidated Operating Income

Despite an increase in fixed costs, etc.; succeeded in increasing operating income by scrutinizing expenses and measures to be implemented

		Amount (¥B)	Major factors of change (¥B)
FY2018-2Q Result		35.5	
YoY difference	Revenue	+12.3	ASKUL +7 (Partly due to last-minute demand before consumption tax hike) Advertising revenue +2.7
	Cost of sales	-4.1	
	SG&A (major items only,)	-4.1	
	Depreciation and amortization	-5.8	• Increase in depreciation expense of right-of-use assets due to application of IFRS 16 (rental expense decreased instead) • Increase in software, servers, etc.
	Sales promotion cost	-1.7	Increase in point reward cost in Commerce Business
	Commissions expenses	-1.0	Increase in commissions in line with business expansion
	Advertising and promotional expenses	-0.8	Increase in media-related promotional expenses
	Personnel expenses	-0.8	Increased due to hiring of new recruits in FY19-1Q (Yahoo Japan Corporation alone: approx. 450 new recruits)
FY2019-2Q Result		39.4	

Note: YoY increase in expense is noted in negative figure.

Business Topics

Commerce Business



Commerce Business



Undertaking measures jointly to increase corporate value

Reinforce corporate governance

- Decided on policies to operate a provisional nomination/remuneration committee
- Appointment of independent outside director candidates who have the ability to make appropriate managerial judgements to increase ASKUL's corporate value
- Utmost cooperation given to restructure ASKUL's governance

Strengthen synergies



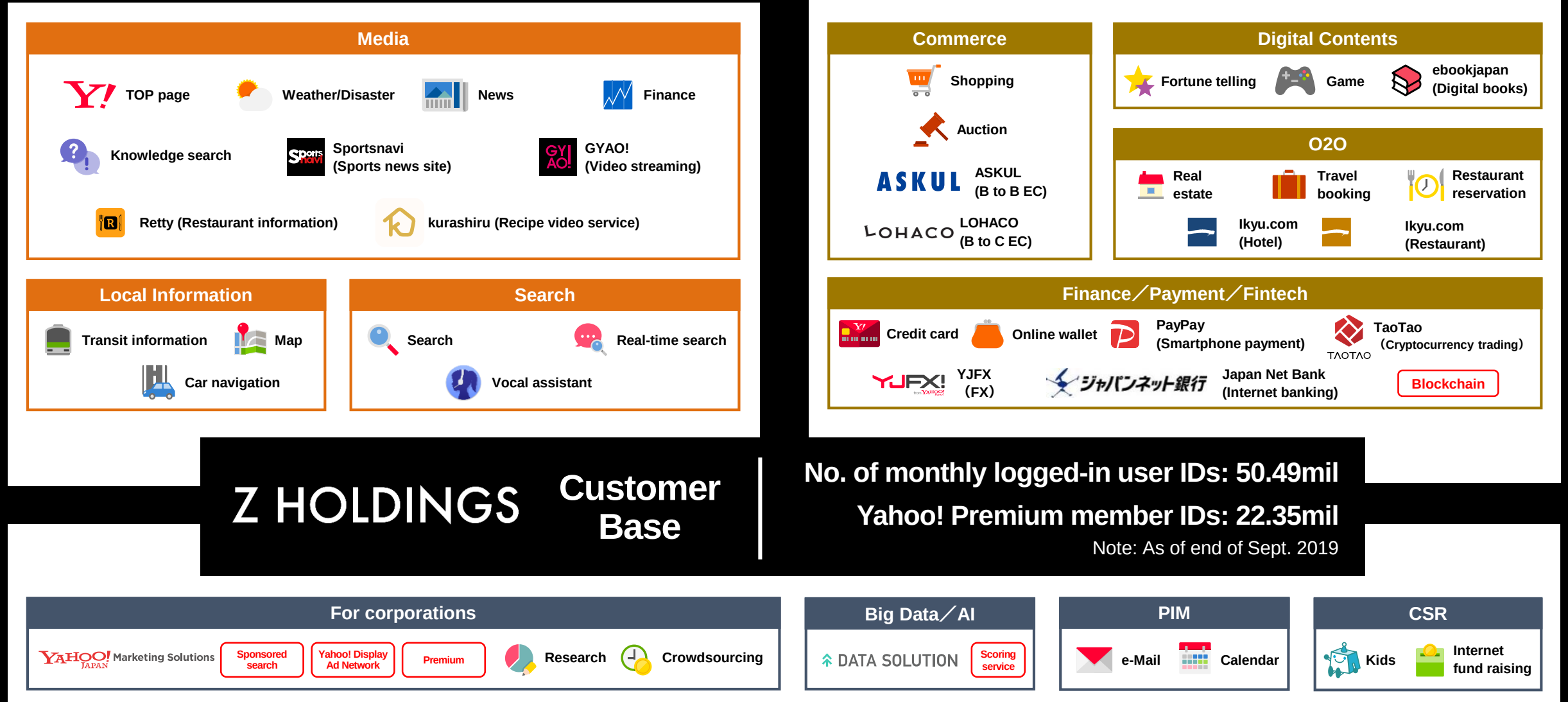
Open store

LOHACO

- New customer acquisition
- Raise awareness and conduct sales promotions of LOHACO's original products
- Increase sales through promotions

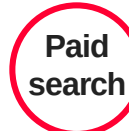
Appendix

Z Holdings – Service Map



Business Portfolio

The size of the circles illustrates revenue size. Red circles: businesses of Yahoo Japan Corporation; blue circles: businesses of consolidated subsidiaries; dotted circles: businesses to be launched from 3Q onwards

Disclosed segments Breakdown	Commerce business				Media business
	EC		Finance	Others	Media
	Sales of goods	Service			
Advertising	 Yahoo! Shopping  PayPay Mall				 Display  Paid search  Integrated marketing
Business services (For corporations)	 YAHUOKU!  ASKUL	 Ikyu	 YJ Card  Japan Net Bank	 Value Commerce	
Personal services (For individuals)	 YAHUOKU!  LOHACO  PayPay Flea Market	 ebook Japan	 YJ Card  YJFX  Japan Net Bank	 Premium members	

Note: Please refer to KPI trend for revenue by segments and revenue breakdown of segments.

The contracts of business services are concluded with corporations; the contracts of personal services are concluded with individual users.

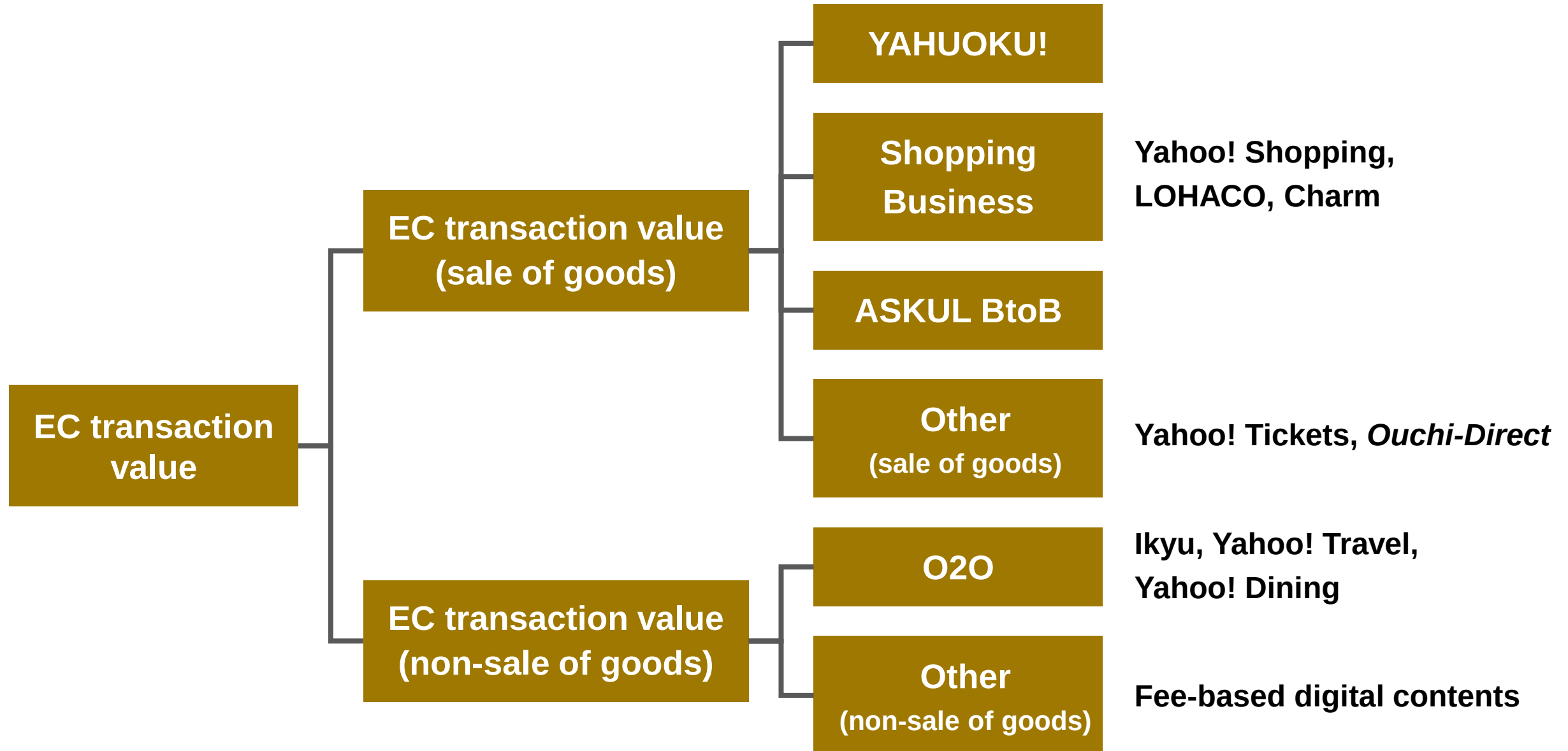
Business Segment Breakdown

Commerce Business	Advertising	Display advertising (“Premium Advertising”)
	Business Services (For corporations)	ASKUL, Affiliate-related services, Reservation-related services, Corporate system-use fees of YAHUOKU!, Payment-related services, Banking-related services, Credit card-related services and others, Real estate-related services
	Personal Services (For individuals)	LOHACO, Yahoo! Premium, Personal system-use fees of YAHUOKU!, Credit card-related services, Pet supplies-related services, Telecommunications carrier-related services, Banking-related services, E-book-related services, FX-related service and others, Payment-related services
	Others	Banking-related services
Media Business	Advertising	Paid search advertising “Sponsored Search”, Display advertising (“Yahoo! Display Ad Network (YDN)”, “Premium Advertising”)
	Business Services (For corporations)	Media-related services, CRM-related services and others
	Personal Services (For individuals)	Video-related services and others
Others	Advertising	
	Business Services (For corporations)	Utilities payment-related service and others
	Personal Services (For individuals)	Yahoo! Mail, Yahoo! Address Book, Utilities payment-related service and others

Note: The contracts of business services are concluded with corporations; the contracts of personal services are concluded with individual users.

The same product may be classified in different segments depending on the contractor.

Definition of EC Transaction Value



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