



## Excerpt from Consolidated Financial Results for the Six Months Ended November 20, 2019 [Japanese GAAP]

December 17, 2019

Company name: ASKUL Corporation  
Stock exchange listing: Tokyo  
Code number: 2678  
URL: <https://www.askul.co.jp/kaisya/ir/>  
Representative: Akira Yoshioka  
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President and chief executive officer  
Executive officer and chief financial officer

Scheduled date of filing quarterly securities report: December 27, 2019  
Scheduled date of commencing dividend payments: January 20, 2020  
Availability of supplementary briefing material on quarterly financial results: Yes  
Schedule of quarterly financial results briefing session: Yes

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

### 1. Consolidated Financial Results for the Six Months Ended November 20, 2019 (May 21, 2019 to November 20, 2019)

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

|                                    | Net sales   |      | Operating profit |        | Ordinary profit |        | Profit attributable to owners of parent |        |
|------------------------------------|-------------|------|------------------|--------|-----------------|--------|-----------------------------------------|--------|
|                                    | Million yen | %    | Million yen      | %      | Million yen     | %      | Million yen                             | %      |
| Six months ended November 20, 2019 | 199,625     | 4.3  | 3,468            | 236.9  | 3,393           | 254.1  | 2,192                                   | 594.0  |
| November 20, 2018                  | 191,437     | 11.5 | 1,029            | (55.4) | 958             | (54.5) | 315                                     | (90.7) |

(Note) Comprehensive income: Six months ended November 20, 2019: ¥ 2,211 million [ 545.0%]  
Six months ended November 20, 2018: ¥ 342 million [ (89.9) %]

|                                    | Basic earnings per share | Diluted earnings per share |
|------------------------------------|--------------------------|----------------------------|
|                                    | Yen                      | Yen                        |
| Six months ended November 20, 2019 | 42.97                    | 42.72                      |
| November 20, 2018                  | 6.20                     | 6.19                       |

#### (2) Consolidated Financial Position

|                         | Total assets | Net assets  | Capital adequacy ratio |
|-------------------------|--------------|-------------|------------------------|
|                         | Million yen  | Million yen | %                      |
| As of November 20, 2019 | 171,141      | 50,195      | 29.1                   |
| May 20, 2019            | 169,112      | 48,631      | 28.6                   |

(Reference) Equity: As of November 20, 2019: ¥ 49,868 million  
As of May 20, 2019: ¥ 48,392 million

## 2. Dividends

|                                               | Annual dividends   |                    |                    |          |       |
|-----------------------------------------------|--------------------|--------------------|--------------------|----------|-------|
|                                               | 1st<br>quarter-end | 2nd<br>quarter-end | 3rd<br>quarter-end | Year-end | Total |
|                                               | Yen                | Yen                | Yen                | Yen      | Yen   |
| Fiscal year ended May 20, 2019                | -                  | 18.00              | -                  | 18.00    | 36.00 |
| Fiscal year ending May 20, 2020               | -                  | 19.00              |                    |          |       |
| Fiscal year ending May 20, 2020<br>(Forecast) |                    |                    | -                  | 19.00    | 38.00 |

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

(Note) Breakdown of the 2nd quarter dividend for the fiscal year ending May 20, 2020 :

Commemorative dividend - yen  
Special dividend - yen

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending May 20, 2020(May 21, 2019 to May 20, 2020)

(% indicates changes from the previous corresponding period.)

|           | Net sales   |     | Operating profit |      | Ordinary profit |      | Profit attributable to<br>owners of parent |   | Basic earnings<br>per share |
|-----------|-------------|-----|------------------|------|-----------------|------|--------------------------------------------|---|-----------------------------|
|           | Million yen | %   | Million yen      | %    | Million yen     | %    | Million yen                                | % | Yen                         |
| Full year | 404,000     | 4.3 | 8,800            | 94.7 | 8,600           | 94.6 | 5,400                                      | - | 105.83                      |

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

\* Notes:

(1) Changes in significant subsidiaries during the six months ended November 20, 2019

(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):

November 20, 2019: 55,259,400 shares

May 20, 2019: 55,259,400 shares

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

November 20, 2019: 4,233,626 shares

May 20, 2019: 4,235,634 shares

3) Average number of shares during the period:

Six months ended November 20, 2019: 51,024,813 shares

Six months ended November 20, 2018: 50,995,331 shares

Quarterly Consolidated Financial Statements  
Quarterly Consolidated Balance Sheets

(Million yen)

|                                             | As of May 20,2019 | As of November 20,2019 |
|---------------------------------------------|-------------------|------------------------|
| <b>Assets</b>                               |                   |                        |
| Current assets                              |                   |                        |
| Cash and deposits                           | 57,469            | 58,877                 |
| Notes and accounts receivable - trade       | 42,189            | 43,207                 |
| Merchandise and finished goods              | 15,766            | 15,843                 |
| Raw materials and supplies                  | 342               | 336                    |
| Costs on construction contracts in progress | 72                | 59                     |
| Accounts receivable - other                 | 8,733             | 8,449                  |
| Other                                       | 1,230             | 1,429                  |
| Allowance for doubtful accounts             | (12)              | (24)                   |
| Total current assets                        | 125,792           | 128,178                |
| Non-current assets                          |                   |                        |
| Property, plant and equipment               |                   |                        |
| Buildings and structures                    | 7,778             | 8,041                  |
| Accumulated depreciation                    | (2,719)           | (2,916)                |
| Buildings and structures, net               | 5,058             | 5,124                  |
| Land                                        | 136               | 136                    |
| Leased assets                               | 18,714            | 18,734                 |
| Accumulated depreciation                    | (4,591)           | (5,486)                |
| Leased assets, net                          | 14,122            | 13,247                 |
| Other                                       | 9,448             | 9,930                  |
| Accumulated depreciation                    | (6,392)           | (6,686)                |
| Other, net                                  | 3,056             | 3,243                  |
| Construction in progress                    | 50                | 191                    |
| Total property, plant and equipment         | 22,424            | 21,942                 |
| Intangible assets                           |                   |                        |
| Software                                    | 6,722             | 7,485                  |
| Software in progress                        | 1,221             | 773                    |
| Goodwill                                    | 1,889             | 1,706                  |
| Other                                       | 13                | 10                     |
| Total intangible assets                     | 9,847             | 9,975                  |
| Investments and other assets                |                   |                        |
| Investment securities                       | 606               | 688                    |
| Deferred tax assets                         | 3,967             | 3,814                  |
| Other                                       | 6,564             | 6,628                  |
| Allowance for doubtful accounts             | (91)              | (87)                   |
| Total investments and other assets          | 11,047            | 11,043                 |
| Total non-current assets                    | 43,319            | 42,962                 |
| Total assets                                | 169,112           | 171,141                |

|                                                 | As of May 20,2019 | As of November 20,2019 |
|-------------------------------------------------|-------------------|------------------------|
| <b>Liabilities</b>                              |                   |                        |
| Current liabilities                             |                   |                        |
| Notes and accounts payable - trade              | 46,272            | 47,480                 |
| Electronically recorded obligations - operating | 20,088            | 20,341                 |
| Short-term borrowings                           | 380               | 380                    |
| Current portion of long-term borrowings         | 2,184             | 1,697                  |
| Accounts payable - other                        | 9,340             | 10,545                 |
| Income taxes payable                            | 1,100             | 1,033                  |
| Accrued consumption taxes                       | 1,074             | 573                    |
| Provisions                                      | 779               | 760                    |
| Other                                           | 3,368             | 3,243                  |
| Total current liabilities                       | 84,590            | 86,056                 |
| Non-current liabilities                         |                   |                        |
| Long-term borrowings                            | 14,646            | 14,277                 |
| Lease obligations                               | 13,060            | 12,169                 |
| Retirement benefit liability                    | 3,477             | 3,621                  |
| Asset retirement obligations                    | 2,346             | 2,388                  |
| Other                                           | 2,358             | 2,432                  |
| Total non-current liabilities                   | 35,889            | 34,888                 |
| Total liabilities                               | 120,480           | 120,945                |
| <b>Net assets</b>                               |                   |                        |
| Shareholders' equity                            |                   |                        |
| Share capital                                   | 21,189            | 21,189                 |
| Capital surplus                                 | 24,061            | 24,241                 |
| Retained earnings                               | 19,972            | 21,246                 |
| Treasury shares                                 | (16,788)          | (16,777)               |
| Total shareholders' equity                      | 48,435            | 49,900                 |
| Accumulated other comprehensive income          |                   |                        |
| Deferred gains or losses on hedges              | (1)               | (0)                    |
| Foreign currency translation adjustment         | 28                | 26                     |
| Remeasurements of defined benefit plans         | (69)              | (58)                   |
| Total accumulated other comprehensive income    | (42)              | (32)                   |
| Share acquisition rights                        | 18                | (18)                   |
| Non-controlling interests                       | 220               | 345                    |
| Total net assets                                | 48,631            | 50,195                 |
| Total liabilities and net assets                | 169,112           | 171,141                |

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the six months)

(Million yen)

|                                                  | For the six months<br>ended November 20,2018 | For the six months<br>ended November 20,2019 |
|--------------------------------------------------|----------------------------------------------|----------------------------------------------|
| Net sales                                        | 191,437                                      | 199,625                                      |
| Cost of sales                                    | 146,174                                      | 152,503                                      |
| Gross profit                                     | 45,262                                       | 47,121                                       |
| Reversal of provision for sales returns          | 39                                           | 26                                           |
| Provision for sales returns                      | 34                                           | 26                                           |
| Gross profit - net                               | 45,267                                       | 47,121                                       |
| Selling, general and administrative expenses     | 44,238                                       | 43,653                                       |
| Operating profit                                 | 1,029                                        | 3,468                                        |
| Non-operating income                             |                                              |                                              |
| Interest income                                  | 13                                           | 13                                           |
| Rental income                                    | 53                                           | 165                                          |
| Other                                            | 55                                           | 88                                           |
| Total non-operating income                       | 122                                          | 267                                          |
| Non-operating expenses                           |                                              |                                              |
| Interest expenses                                | 128                                          | 127                                          |
| Rental expenses                                  | 48                                           | 174                                          |
| Other                                            | 16                                           | 40                                           |
| Total non-operating expenses                     | 193                                          | 342                                          |
| Ordinary profit                                  | 958                                          | 3,393                                        |
| Extraordinary income                             |                                              |                                              |
| Gain on donation of non-current assets           | 30                                           | -                                            |
| Other                                            | 2                                            | -                                            |
| Total extraordinary income                       | 33                                           | -                                            |
| Extraordinary losses                             |                                              |                                              |
| Loss on retirement of non-current assets         | 60                                           | 50                                           |
| Other                                            | 1                                            | -                                            |
| Total extraordinary losses                       | 61                                           | 50                                           |
| Profit before income taxes                       | 930                                          | 3,342                                        |
| Income taxes - current                           | 517                                          | 979                                          |
| Income taxes - deferred                          | 76                                           | 161                                          |
| Total income taxes                               | 594                                          | 1,140                                        |
| Profit                                           | 335                                          | 2,201                                        |
| Profit attributable to non-controlling interests | 19                                           | 9                                            |
| Profit attributable to owners of parent          | 315                                          | 2,192                                        |

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

(Million yen)

|                                                                | For the six months<br>ended November 20,2018 | For the six months<br>ended November 20,2019 |
|----------------------------------------------------------------|----------------------------------------------|----------------------------------------------|
| Profit                                                         | 335                                          | 2,201                                        |
| Other comprehensive income                                     |                                              |                                              |
| Deferred gains or losses on hedges                             | 0                                            | 0                                            |
| Foreign currency translation adjustment                        | (2)                                          | (2)                                          |
| Remeasurements of defined benefit plans, net of tax            | 9                                            | 11                                           |
| Total other comprehensive income                               | 7                                            | 10                                           |
| Comprehensive income                                           | 342                                          | 2,211                                        |
| Comprehensive income attributable to                           |                                              |                                              |
| Comprehensive income attributable to owners of parent          | 323                                          | 2,202                                        |
| Comprehensive income attributable to non-controlling interests | 19                                           | 9                                            |

## Quarterly Consolidated Statements of Cash Flows

(Million yen)

|                                                            | For the six months<br>ended November 20,2018 | For the six months<br>ended November 20,2019 |
|------------------------------------------------------------|----------------------------------------------|----------------------------------------------|
| Cash flows from operating activities                       |                                              |                                              |
| Profit before income taxes                                 | 930                                          | 3,342                                        |
| Depreciation                                               | 1,875                                        | 1,520                                        |
| Amortization of software                                   | 916                                          | 1,155                                        |
| Amortization of long-term prepaid expenses                 | 69                                           | 64                                           |
| Amortization of goodwill                                   | 424                                          | 183                                          |
| Increase (decrease) in allowance for doubtful accounts     | 18                                           | 7                                            |
| Increase (decrease) in provision                           | (39)                                         | (18)                                         |
| Increase (decrease) in retirement benefit liability        | 177                                          | 161                                          |
| Interest and dividend income                               | (13)                                         | (13)                                         |
| Interest expenses                                          | 128                                          | 127                                          |
| Loss on retirement of non-current assets                   | 31                                           | 49                                           |
| Decrease (increase) in trade receivables                   | (3,768)                                      | (1,117)                                      |
| Decrease (increase) in inventories                         | (1,397)                                      | (57)                                         |
| Decrease (increase) in accounts receivable - other         | 165                                          | 284                                          |
| Decrease (increase) in consumption taxes refund receivable | 1,122                                        | 66                                           |
| Increase (decrease) in trade payables                      | (1,216)                                      | 1,473                                        |
| Increase (decrease) in accounts payable - other            | (129)                                        | 936                                          |
| Increase (decrease) in accrued consumption taxes           | 193                                          | (501)                                        |
| Other, net                                                 | (29)                                         | (335)                                        |
| Subtotal                                                   | (538)                                        | 7,330                                        |
| Interest and dividends received                            | 13                                           | 13                                           |
| Interest paid                                              | (129)                                        | (127)                                        |
| Income taxes paid                                          | (144)                                        | (1,047)                                      |
| Income taxes refund                                        | 374                                          | -                                            |
| Net cash provided by (used in) operating activities        | (423)                                        | 6,169                                        |
| Cash flows from investing activities                       |                                              |                                              |
| Purchase of property, plant and equipment                  | (1,200)                                      | (1,426)                                      |
| Purchase of software                                       | (2,371)                                      | (785)                                        |
| Purchase of long-term prepaid expenses                     | (41)                                         | (102)                                        |
| Payments of guarantee deposits                             | (40)                                         | (76)                                         |
| Proceeds from refund of guarantee deposits                 | 0                                            | 5                                            |
| Loan advances                                              | (1)                                          | (30)                                         |
| Collection of loans receivable                             | 36                                           | 1                                            |
| Proceeds from redemption of securities                     | 336                                          | -                                            |
| Purchase of investment securities                          | (50)                                         | (94)                                         |
| Payments for asset retirement obligations                  | -                                            | (3)                                          |
| Other, net                                                 | 10                                           | 96                                           |
| Net cash provided by (used in) investing activities        | (3,322)                                      | (2,416)                                      |

(Million yen)

|                                                                | For the six months<br>ended November 20,2018 | For the six months<br>ended November 20,2019 |
|----------------------------------------------------------------|----------------------------------------------|----------------------------------------------|
| Cash flows from financing activities                           |                                              |                                              |
| Repayments of long-term borrowings                             | (911)                                        | (856)                                        |
| Repayments of lease obligations                                | (816)                                        | (840)                                        |
| Payments for purchase of treasury subscription right to shares | -                                            | (36)                                         |
| Proceeds from disposal of treasury shares                      | 34                                           | 7                                            |
| Proceeds from share issuance to non-controlling shareholders   | 500                                          | 300                                          |
| Dividends paid                                                 | (917)                                        | (918)                                        |
| Net cash provided by (used in) financing activities            | (2,110)                                      | (2,344)                                      |
| Effect of exchange rate change on cash and cash equivalents    | 0                                            | 0                                            |
| Net increase (decrease) in cash and cash equivalents           | (5,856)                                      | 1,408                                        |
| Cash and cash equivalents at beginning of period               | 62,177                                       | 57,469                                       |
| Cash and cash equivalents at end of period                     | 56,320                                       | 58,877                                       |