



**FY5/2020 net sales exceeded 400 billion yen,
achieving sharp profit growth**

**Seeing environmental change caused by the novel coronavirus as a major
opportunity, ASKUL addresses the challenge of pursuing medium-term
growth and structural reform**

**July 10, 2020
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 purpose 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. B-to-C refers to business-to-consumer 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 20, 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 abbreviation of ASKUL Logi PARK and ASKUL Value Center, the words of "ALP" and "AVC" are used, respectively, in this material.

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- I Consolidated Performance for FY5/2020
- II FY5/2021 Consolidated Financial Forecasts
- III Medium-Term Outlook on Environmental Changes
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- V B-to-B

FY5/2020 Consolidated Performance

	FY5/2019		FY5/2020				
	Actual	% of net sales %	Forecast	Actual	% of net sales %	Vs. forecast %	YoY change %
Net Sales	387,470	100.0	404,000	400,376	100.0	99.1	+3.3
Gross Profit	91,606	23.6	97,600	95,683	23.9	98.0	+4.5
Selling, General and Administrative Expenses	87,085	22.5	88,800	86,862	21.7	97.8	-0.3
Operating Income	4,520	1.2	8,800	8,821	2.2	100.2	+95.1
Ordinary Income	4,418	1.1	8,600	8,656	2.2	100.7	+95.9
Net Income Attributable to Owners of the Parent	434	0.1	5,400	5,652	1.4	104.7	+1,201.3

- Net sales
Exceeded ¥400 billion, up 3.3% YoY
- Gross profit margin
Up 0.3 points YoY
- SG&A expenses ratio
Down 0.8 points YoY
- Achieved a significant increase in operating income, ordinary income, and net income

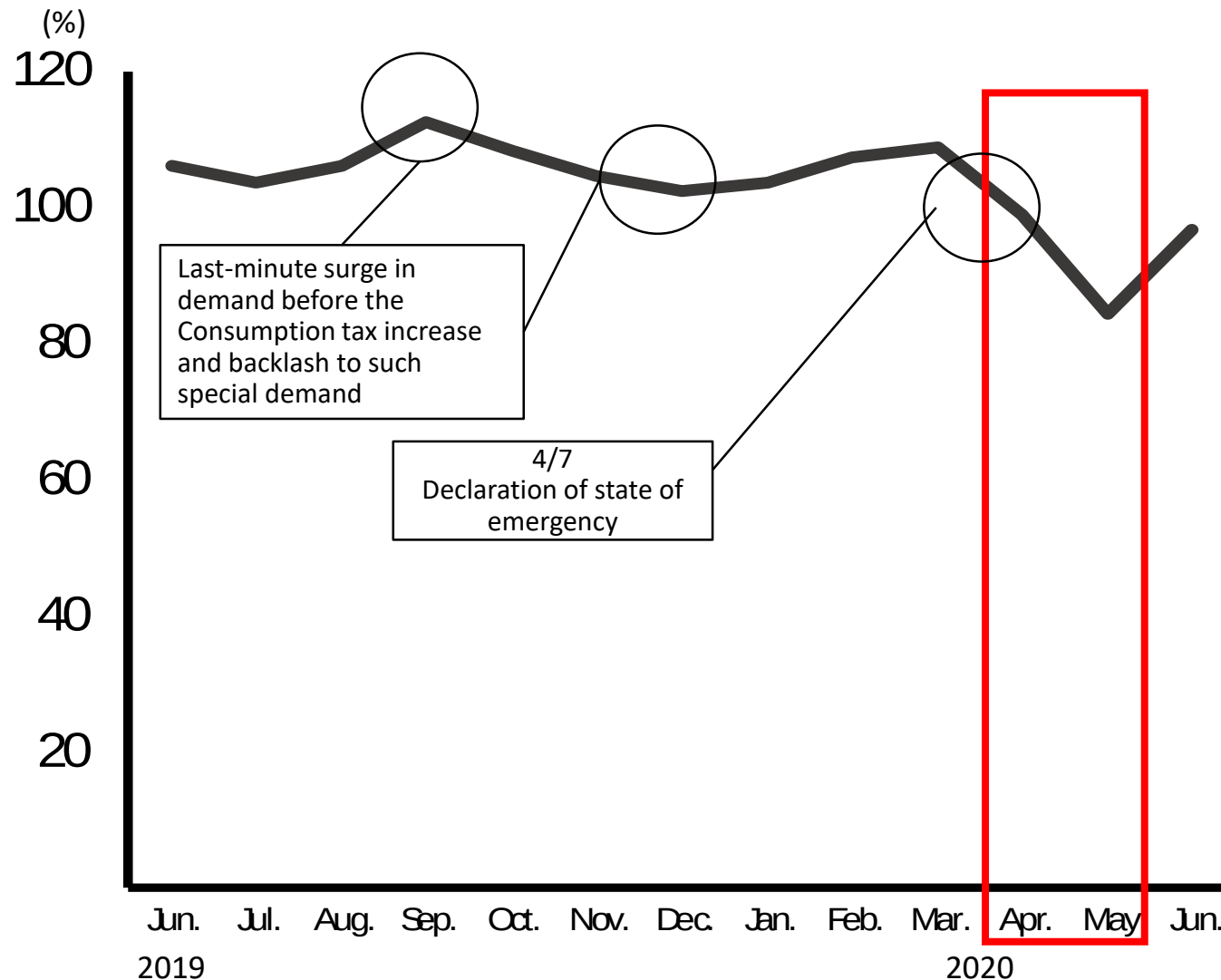
Comparison of Consolidated Performance in 4Q FY5/2020 (By Business)

(¥billion)			FY5/ 2019				FY5/ 2020					
			1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	YoYChange	YoYChange %
Net Sales	B-to-Bbusiness		76.3	79.2	78.8	81.4	79.5	84.4	82.9	82.1	0.7	+0.9
		LOHACO	12.5	13.1	13.1	12.4	12.3	11.7	11.3	13.2	0.7	+6.0
	B-to-Cbusiness(including Charm)		15.9	16.6	16.6	15.9	16.0	15.6	14.9	16.7	0.8	+5.2
	E-commerce business		92.3	95.9	95.5	97.3	95.5	100.1	97.8	98.8	1.5	+1.6
	Logisticsbusinessand other		1.6	1.5	1.5	1.6	2.3	1.5	1.9	2.0	0.4	+27.7
	Consolidated total		93.9	97.4	97.0	98.9	97.8	101.7	99.8	100.9	1.9	+2.0
Operating income	B-to-Bbusiness		2.6	3.6	3.7	4.1	3.0	3.7	4.6	3.9	(0.1)	-4.6
		LOHACO	(2.6)	(2.3)	(2.1)	(1.9)	(1.7)	(1.7)	(1.4)	(1.1)	0.7	—
	B-to-Cbusiness(including Charm)		(2.6)	(2.3)	(2.1)	(1.9)	(1.8)	(1.7)	(1.5)	(1.2)	0.7	—
	E-commerce business		(0.0)	1.2	1.5	2.2	1.2	2.0	3.1	2.7	0.5	+25.2
	Logisticsbusinessand other		(0.0)	(0.1)	(0.1)	(0.1)	0.2	(0.0)	(0.2)	(0.2)	(0.1)	—
	Consolidated total		(0.1)	1.1	1.4	2.0	1.4	1.9	2.8	2.4	0.3	+19.0 ⁴

B-to-B Business YoY Change in Monthly Net Sales (adjusted for the number of operation days)

Non-consolidated

Novel Coronavirus Impact on 4Q Results*



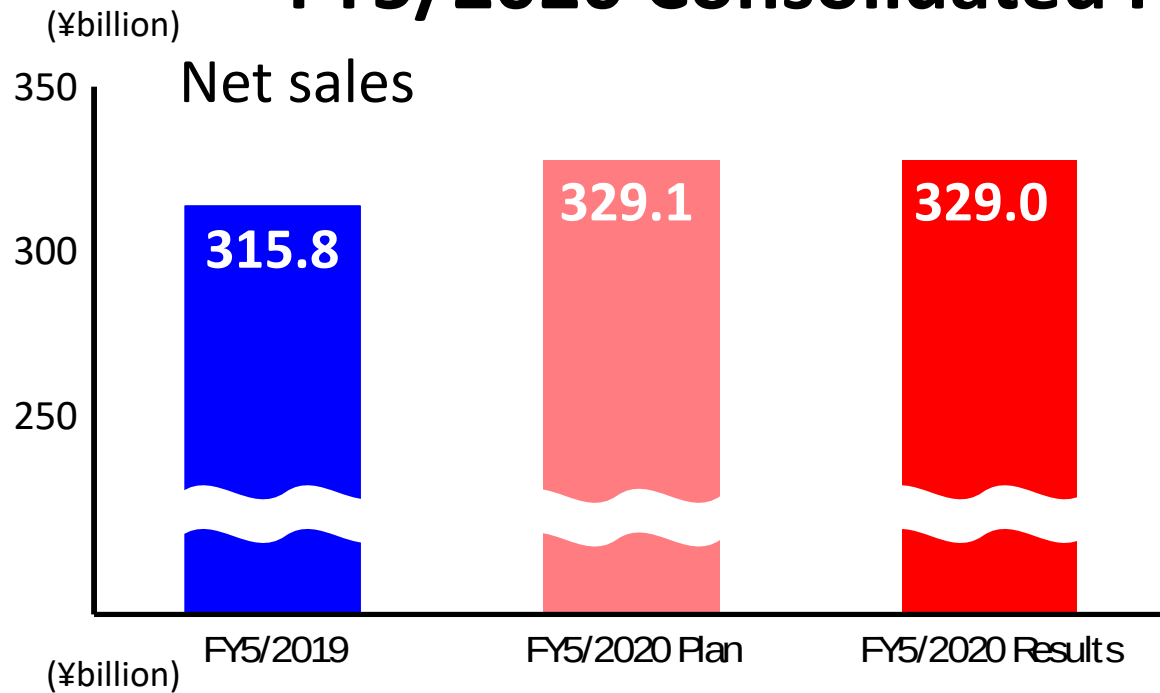
Net sales down about
¥3.5 billion

Operating income down about
¥0.5 billion

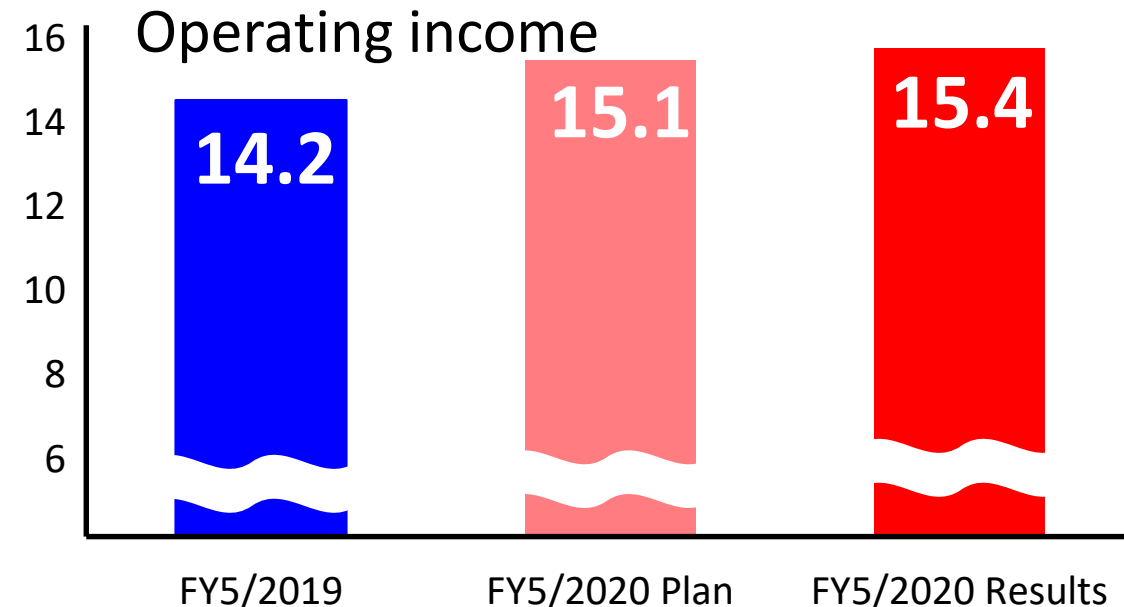
Current situation
on recovery trend

* The impact on the net sales was calculated with the cumulative total growth rate (10 months) up to March 2020 excluding the special demand in the period from February to March, caused by the novel coronavirus, and the difference of the sales growth in the period from April to May. Income was calculated with the impact on net sales multiplied by the 3Q cumulative marginal profit rate.

FY5/2020 Consolidated Performance (B-to-B Business)



➤ **Net sales**
Up 4.2% YoY
Affected by the novel coronavirus, but ended up almost as planned

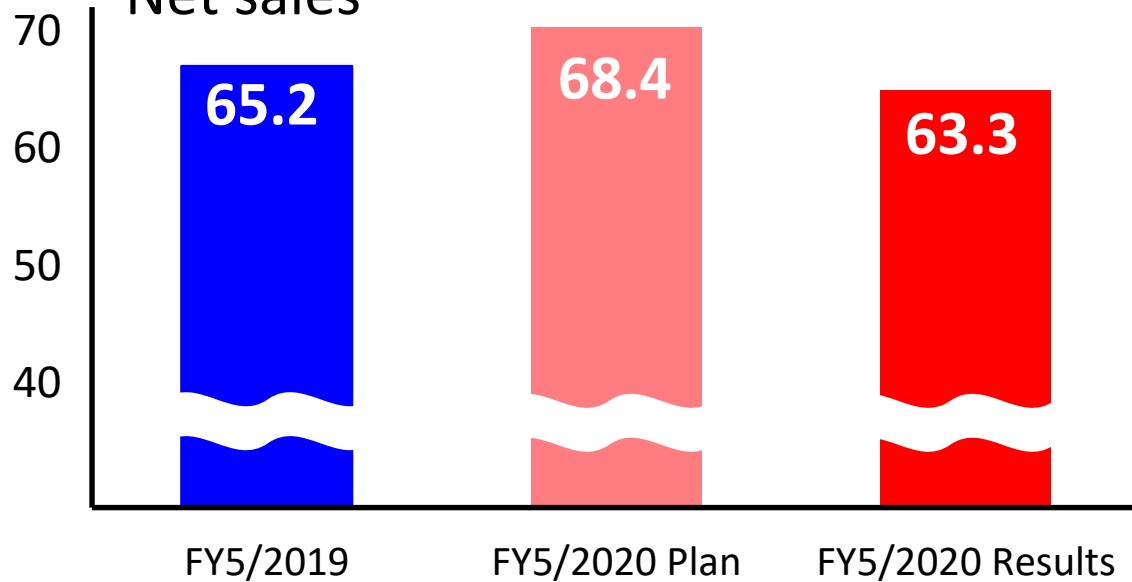


➤ **Operating income**
Up 8.7% YoY
Profit plan achieved

FY5/2020 Consolidated Performance (B-to-C Business)

(¥billion)

Net sales



➤ Net sales

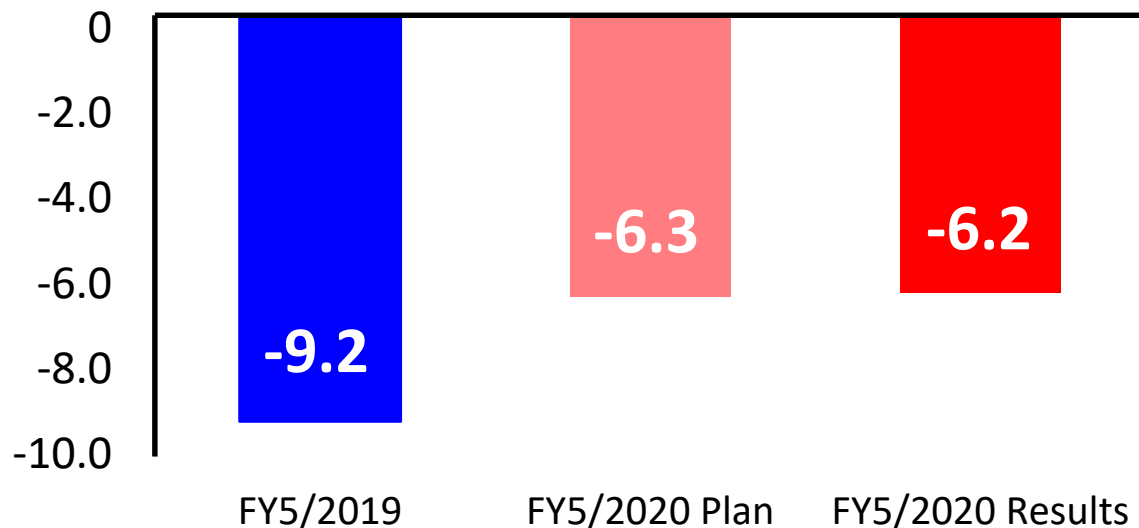
Down 3.0% YoY

Give top priority to structural reform

Current situation turned to be positive growth

(¥billion)

Operating income



➤ Operating income

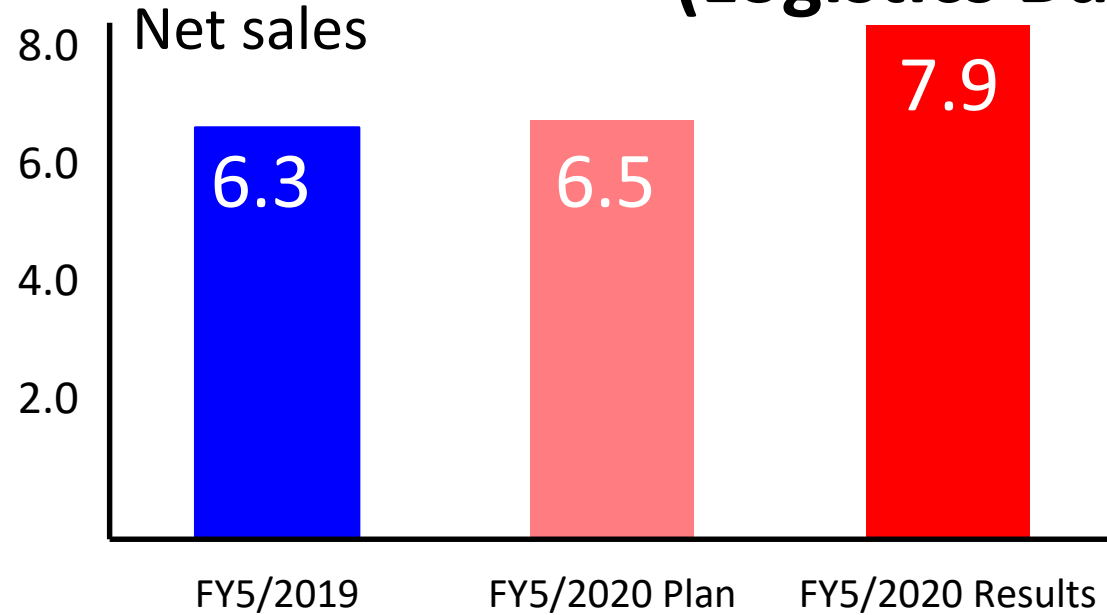
Up ¥2.9 billion YoY

Profit plan achieved

(LOHACO: Gross profit margin improvement of 1.9 points and a variable cost ratio reduction of 2.4 points)

FY5/2020 Consolidated Performance (Logistics Business and Others)

(¥billion)

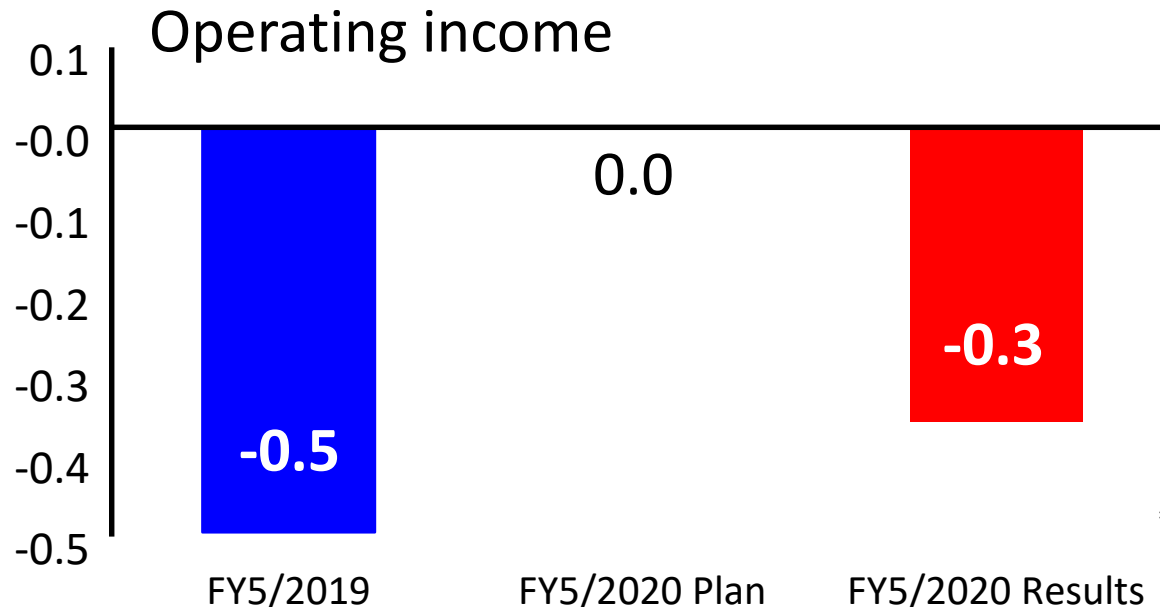


Net sales

Up 25.0% YoY

Expansion of delivery service operations
contracted out by companies outside
the Group

(¥billion)



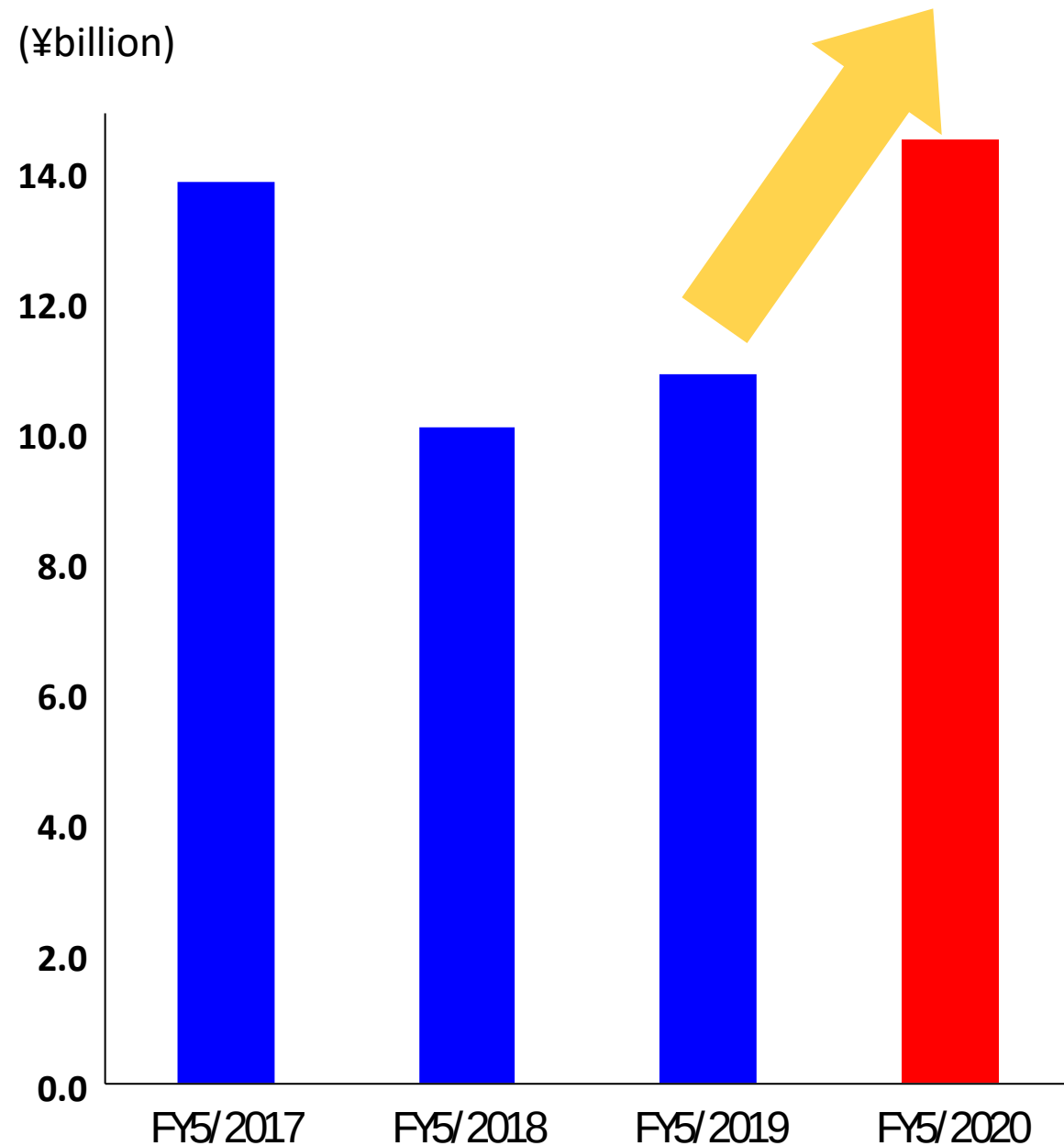
Operating income

Up ¥0.1 billion YoY

Large amount of AM fees*: ¥0.5 billion
Recorded rent for the 3PL business in
Miyoshi Center and AVC Kansai: ¥0.4
billion

* AM fees: Fees received as consideration for the asset management service provided by Eco Properties Corporation, a consolidated subsidiary of the Group

Trend of EBITDA



**Broke the
Previous Record**

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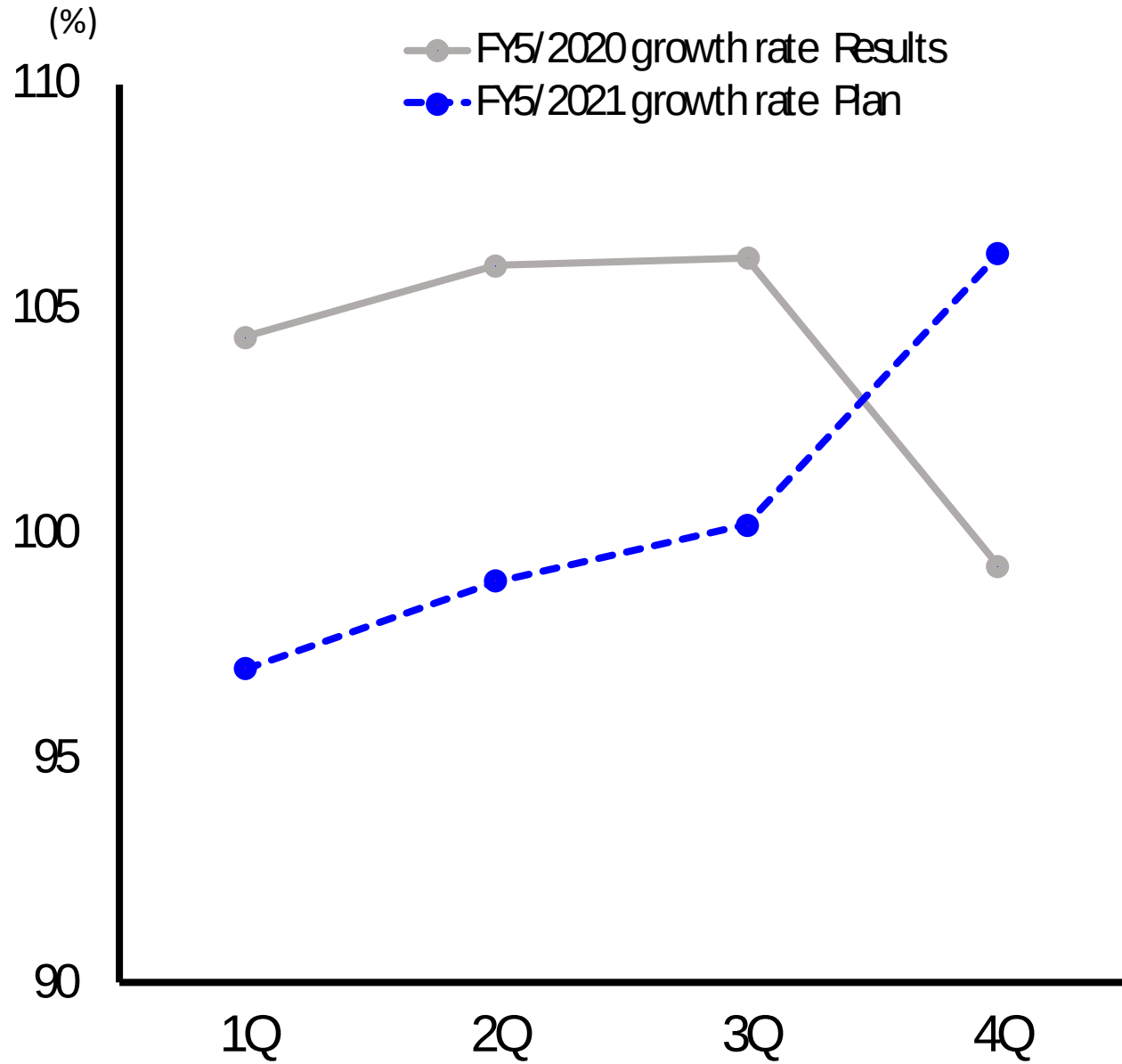
Seeing Environmental Change Caused by the Novel Coronavirus as a Major Opportunity, ASKUL Addresses the Challenge of Pursuing Medium-Term Growth and Structural Reform

In the short run, FY5/2021 forecasts are based on the following assumptions

B-to-B	➤ The sales growth rate will gradually recover from now on, but the annual growth rate will not recover to the level that was before the novel coronavirus ➤ A decline in the gross profit margin due to a deterioration in the macroeconomic environment is factored in ➤ A deterioration in the variable cost ratio due to an increase in warehouse operating costs and delivery costs is incorporated
B-to-C	Structural reform will make steady progress, and the business will turn profitable in FY5/2023 as planned
Logistics Business and Others	Miyoshi Center 3PL business (Rent to be paid between contract start and moving in and other start-up costs will occur in the first half and operations will start in the second half)

B-to-B Business Quarterly Net Sales Trend (before the adjustment for the number of operation days)

Non-consolidated



Positive growth
will start in the
second half

FY5/2021 Consolidated Financial Forecasts [By Business]

(¥billion)

		FY5/2020	FY5/2021	
		Actual	Plan	YoYchange %
Net Sales	B-to-Bbusiness	329.0	332.2	+1.0
	LOHACO	48.6	49.7	+2.2
	B-to-Cbusiness(including Charm)	63.3	64.3	+1.5
	E-commerce business	392.4	396.5	+1.0
	Logisticsbusinessand other	7.9	6.5	-18.4
	Consolidated total	400.3	403.0	+0.7
Operating income	B-to-Bbusiness	15.4	12.4	-19.8
	LOHACO	(6.1)	(4.4)	—
	B-to-Cbusiness(including Charm)	(6.2)	(4.3)	—
	E-commerce business	9.1	8.1	-11.8
	Logisticsbusinessand other	(0.3)	(0.9)	—
	Consolidated total	8.8	7.2	-18.4

Forecasts based on current conditions

➤ Net sales plan

B-to-B business Up 1.0% YoY

LOHACO Up 2.2% YoY

➤ Operating income plan

B-to-B business ¥12.4 billion, down 19.8% YoY

LOHACO -¥4.4 billion, up ¥1.7 billion YoY

Logistics business and others -¥0.9 billion

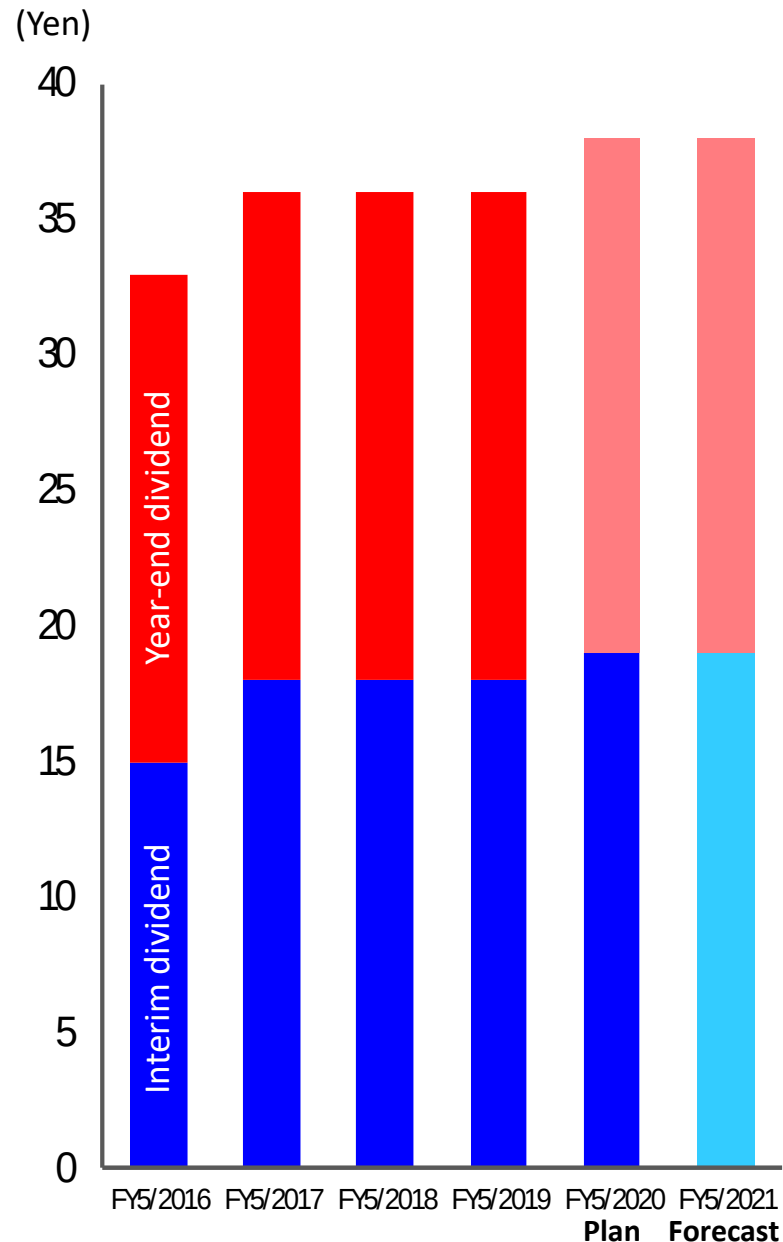
FY5/2021 Consolidated Financial Forecasts

	FY5/2020		FY5/2021		
	Actual	% of net %	Plan	% of net %	YoY change %
(¥billion)					
Net Sales	400.3	100.0	403.0	100.0	+0.7
Gross Profit	95.6	23.9	97.5	24.2	+1.9
Selling, General and Administrative Expenses	86.8	21.7	90.3	22.4	+4.0
Operating Income	8.8	2.2	7.2	1.8	-18.4
Ordinary Income	8.6	2.2	7.0	1.7	-19.1
Net Income Attributable to Owners of the Parent	5.6	1.4	4.5	1.1	-20.4

Forecasts based on
current conditions

- Net sales
Up 0.7% YoY
- Gross profit margin
Up 0.3 pt YoY
- SG&A expense ratio
Up 0.7 pt YoY
- Operating income
¥7.2 billion

Return to Shareholders



FY5/2020 dividend (plan)

⇒ Annual dividend per share: ¥38

(Interim dividend: ¥19, Year-end dividend: ¥19)

An increase of ¥2 in annual dividend as planned at the beginning of the term

FY5/2021 dividend (forecast)

⇒ Annual dividend per share: ¥38

(Interim dividend: ¥19, Year-end dividend: ¥19)

Plan to pay dividends stably

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Novel Coronavirus Infection Prevention Measures

➤ Anti-coronavirus measures at logistics

Continuation of infection prevention measures

- ✓ Wearing of masks (Measures against heat stroke: (1) Wear masks designed for summer months and (2) Review the rules for wearing masks that are suitable to work details)
- ✓ Rigid enforcement of handwashing and disinfection of hands using alcohol-based antiseptics.
- ✓ Stop provision of buffet style meals and strengthen disinfection at the dining area.
- ✓ Conduct body temperature checks before entering the workplace (persons with a fever of 37.5°C or more will not be admitted to logistics centers).
- ✓ Formulate a business continuity plan in the event of the occurrence of coronavirus patients.

➤ Anti-coronavirus measures at offices

Shift to new ways of working in addition to infection prevention measures

- ✓ Continuously and fully utilize teleworking and the flexible work system in order to avoid 3Cs (Close contact, Crowd and Closed space) while commuting and working in the office
- ✓ When coming to work, thorough practice of hand washing, finger sanitizing, measuring body temperatures (not allowed in if a person has a temperature of 37.5°C or more) and wearing a mask
- ✓ When working in the office, sit about two meters away from others in the work space

ASKUL will continue to fulfill its mission as social infrastructure

Prioritize delivery of hand sanitizers, which are difficult to obtain, to medical and nursing care facilities at the request of the Ministry of Economy, Trade and Industry and the Ministry of Health, Labour and Welfare

Total number of deliveries reached **190,000** cases
(as of June 30, 2020)

<Hand sanitizers delivered to logistics centers>

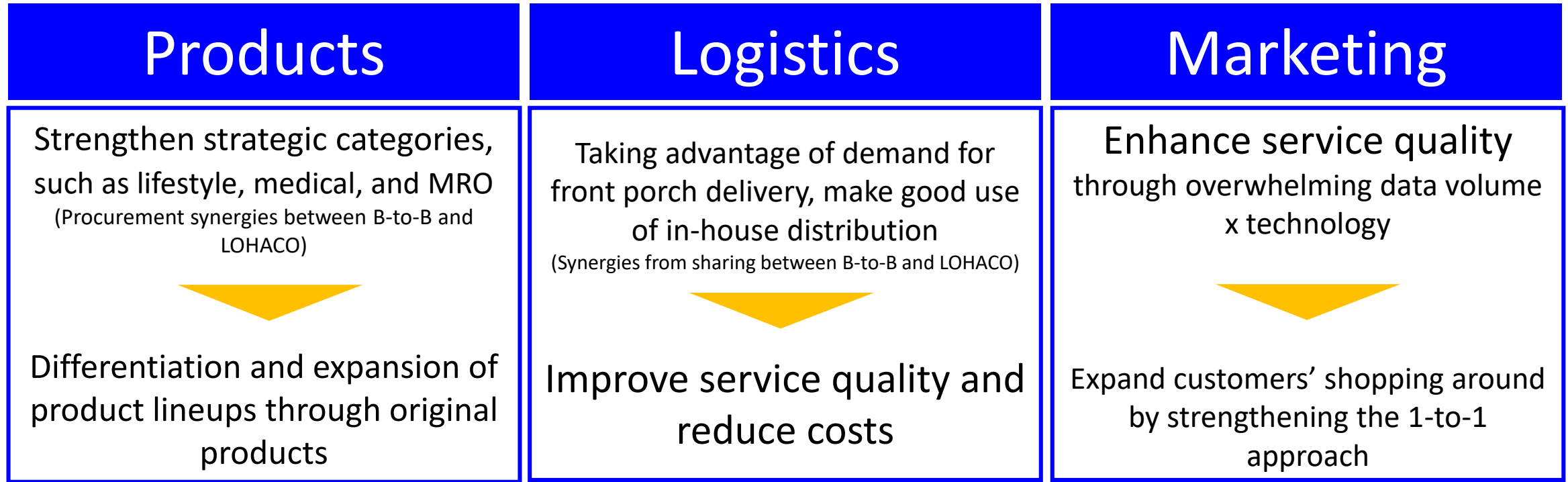


<Background of requests made to ASKUL>

- ASKUL handles daily necessities and has a network that can deliver goods in small lots to every corner of Japan
- ASKUL has good track records in selling and delivering goods to medical institutions and nursing care facilities
- ASKUL hurriedly developed an e-commerce site dedicated to placing orders by medical institutions, etc.
- ASKUL has a good record of responding to requests for disaster relief support

Create Further Growth on the Back of the Expansion of the EC Market

Further beef up ASKUL's strengths strategically



Refine everything from an ethical perspective

ASKUL Set to Shift to “Ethical E-Commerce”

Sustainable services that consider environmental conservation and solving social issues

(1) Responsible procurement

- Formulation of sustainable procurement policy

(2) Response to climate change

- Promotion of adopting renewable energy
- Promotion of using electric vehicles
- Expand and reinforce environmentally friendly products

(3) Promotion of resource recycling

- Forest resource recycling
- Development of recyclable products
- Reinforcement of products waste reduction

Formulate long-term sustainable basic policy through 2030 and announce it this coming December

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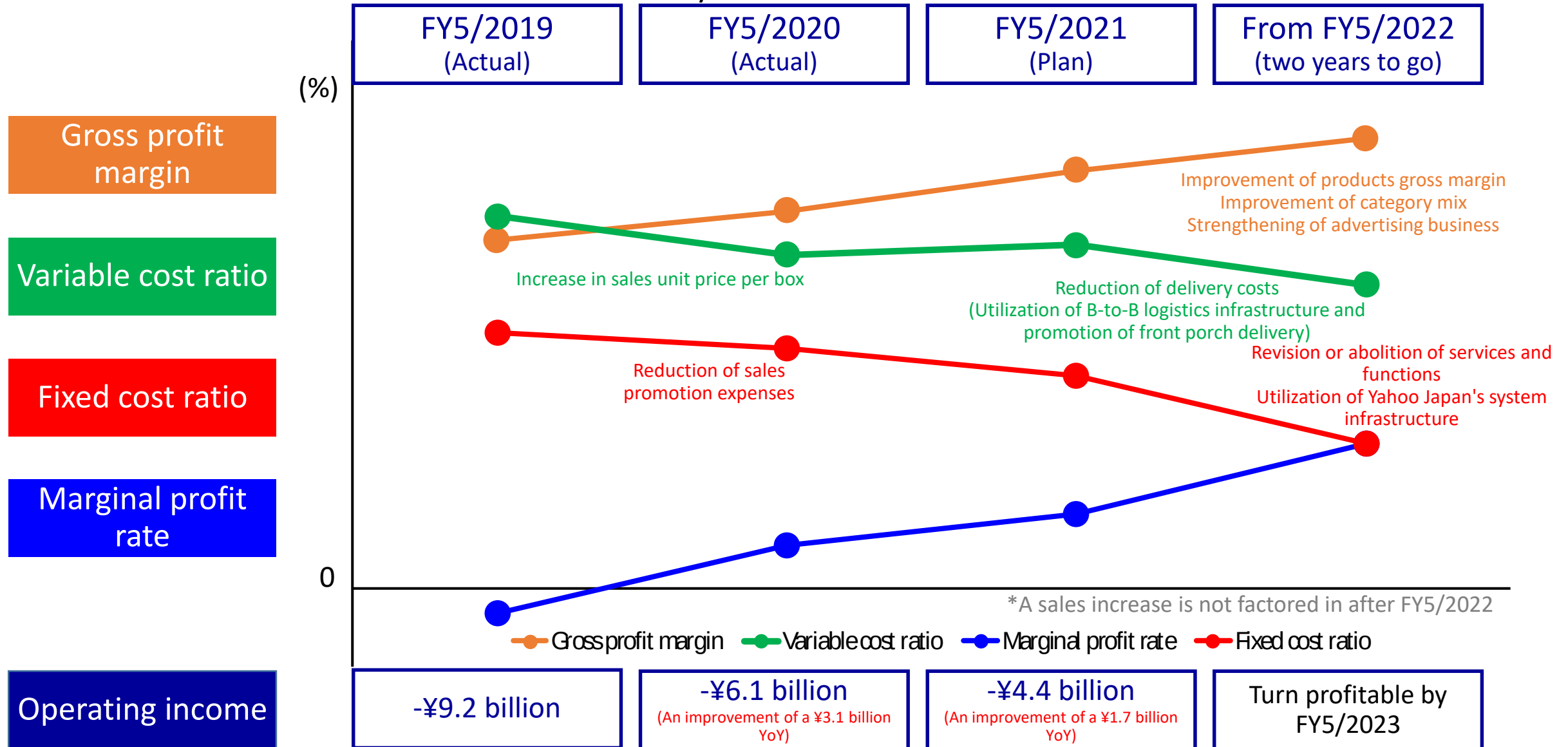
B-to-C

Targeting consumers



LOHACO Roadmap for Turing Profitable by FY5/2023

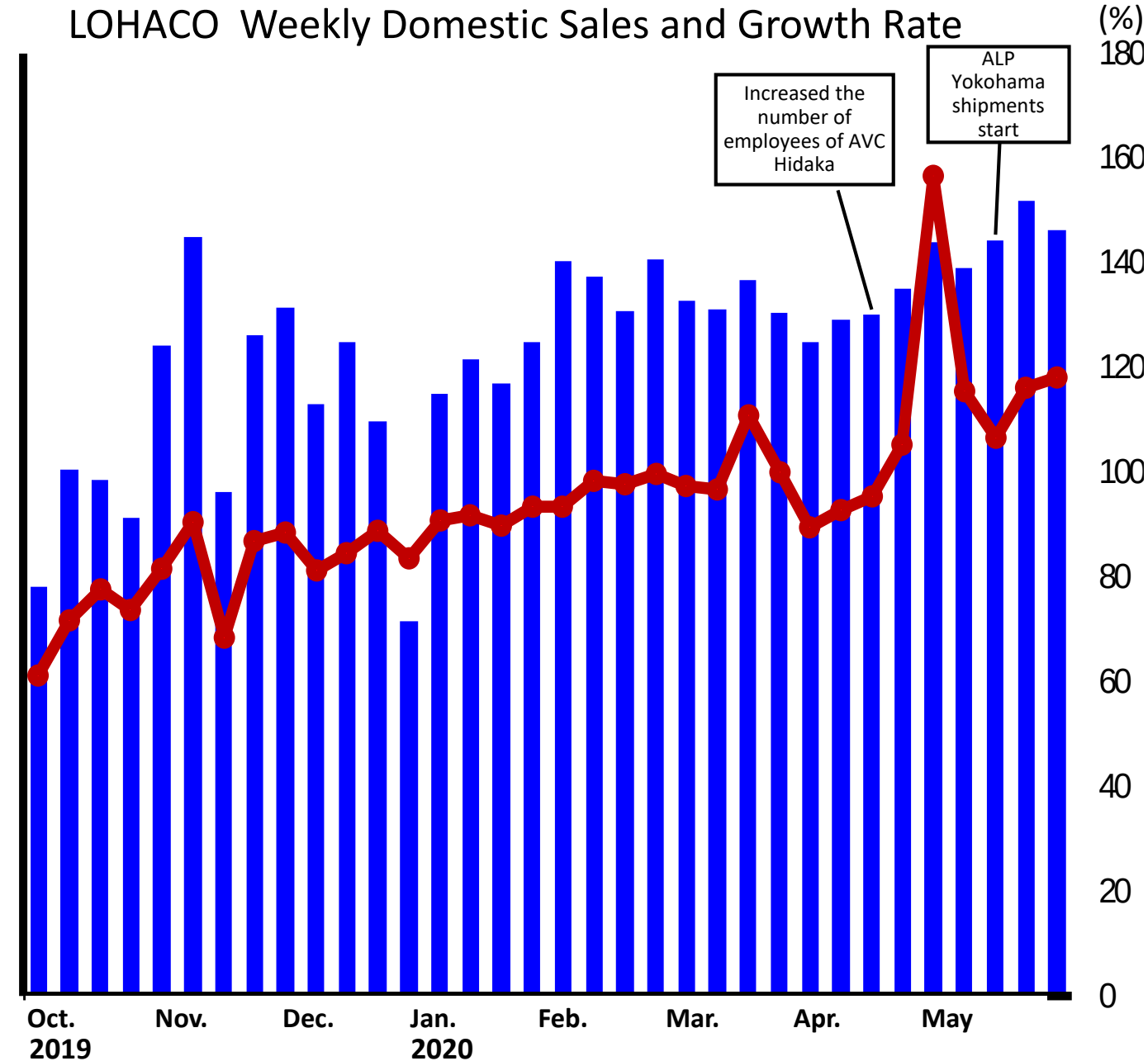
Further improve the marginal profit rate during FY5/2021 and slash costs, mainly fixed costs, from FY5/2022 onward.



Start Net Sales Growth Again

LOHACO Start Net Sales Growth Again

LOHACO Weekly Domestic Sales and Growth Rate



Surge in received orders due to the spread of the novel coronavirus

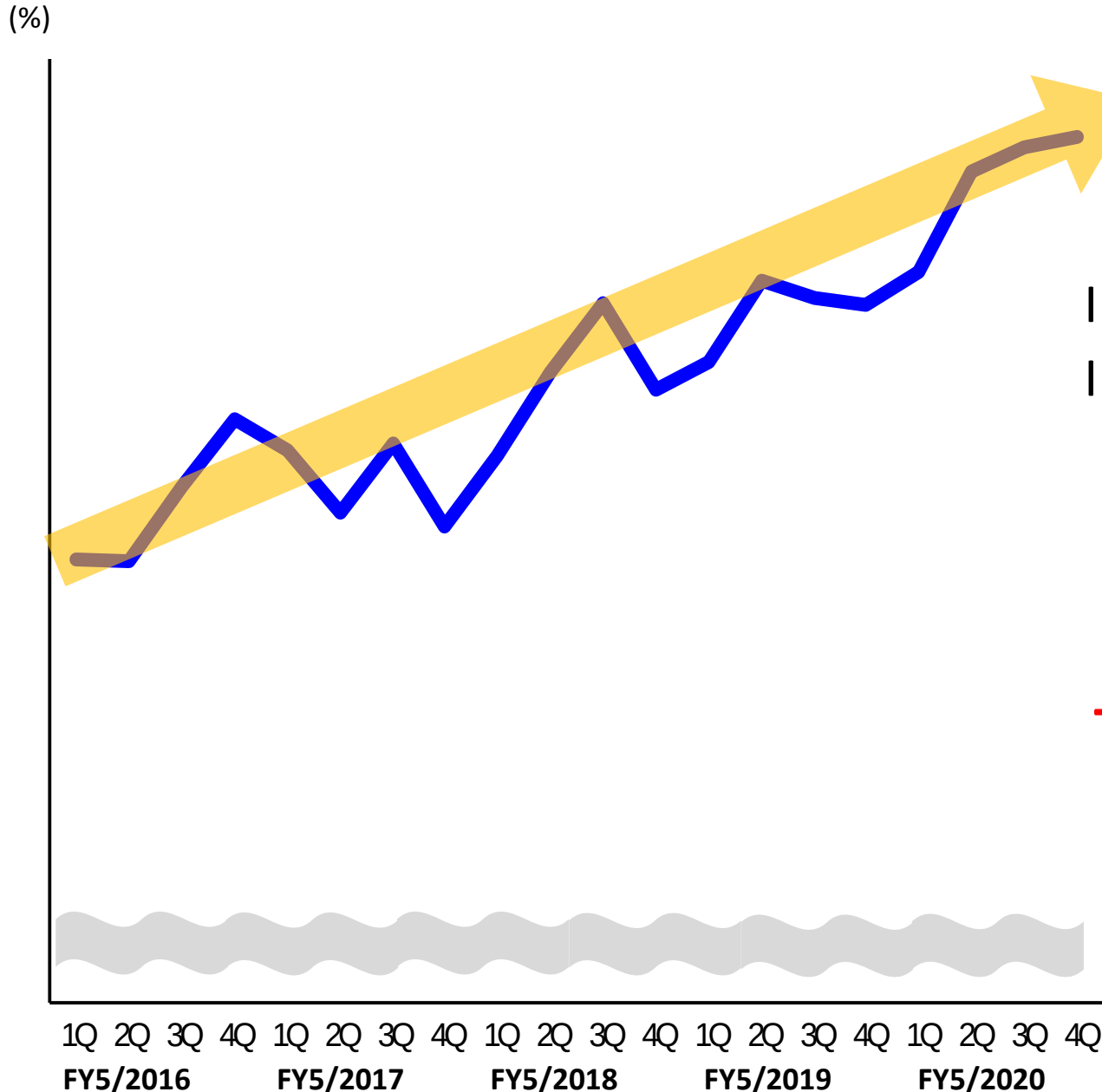


Expanded and strengthened distribution and shipping capacity

Turned to be positive growth

Improvement in Gross Profit Margin

LOHACO's Gross Profit Margin



FY5/2020 Results

Improved 1.9 pt YoY

Improvement in product gross margin +1.2 pt

Improvement in category mix +0.7 pt

FY5/2021 Plan

Toward Further Improvement

Improvement in product gross margin

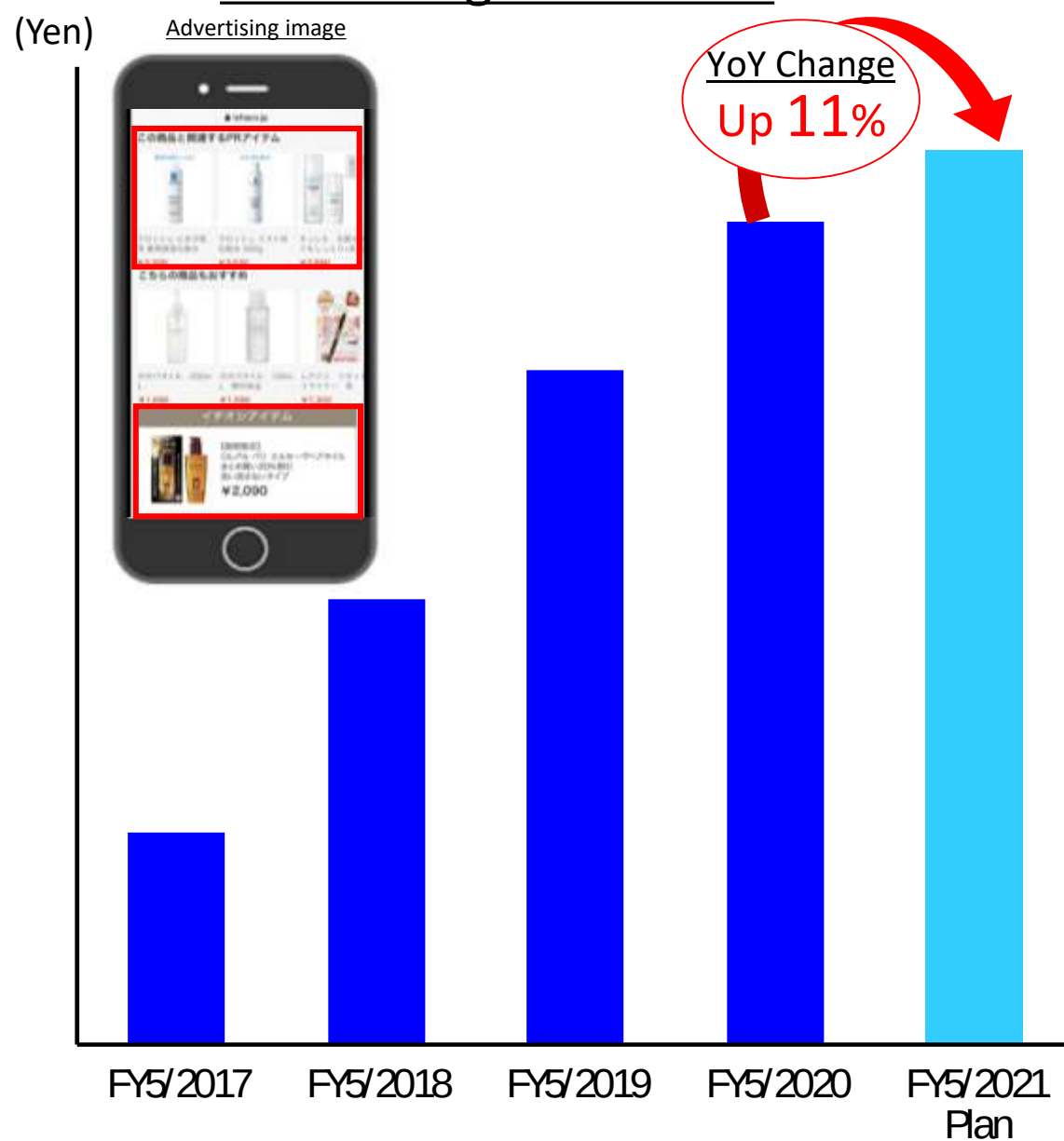
Improvement in category mix

Strengthening of advertising business

Decrease in large-lot transactions

Advertising Fee Income

Advertising fee income



Strengthen strategic categories/products, etc., by using big data

Maintain a win-win relationship with makers

Concept of Products with Unique Values

Development of differentiated products that incorporate both environmental considerations and functionality

Problem-solving
Function

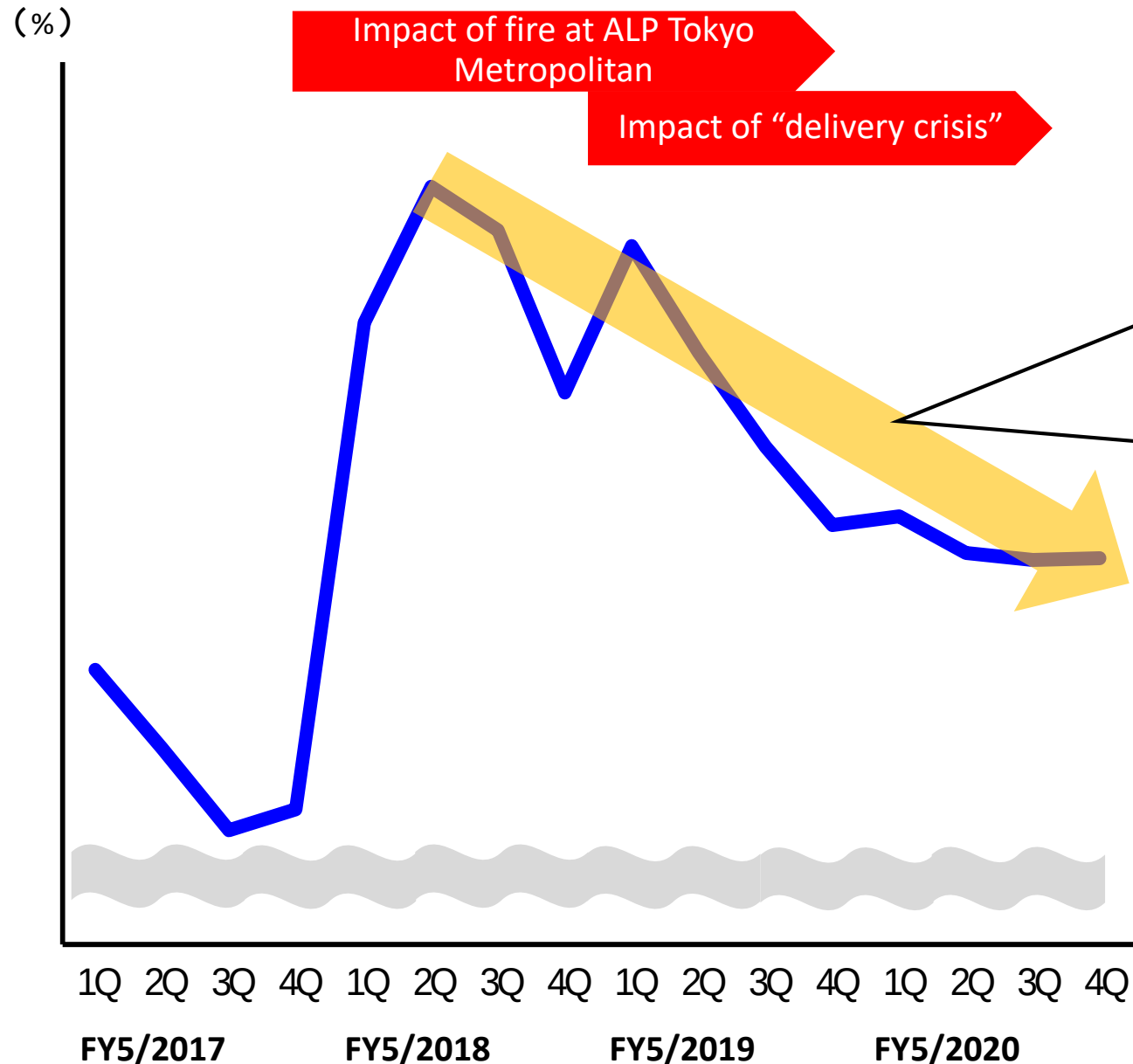
Fitting Our
Lifestyles
Design

Purchasing is
Sustainable



Improvement in Variable Cost Ratio

LOHACO's Variable Cost Ratio



Improving steadily

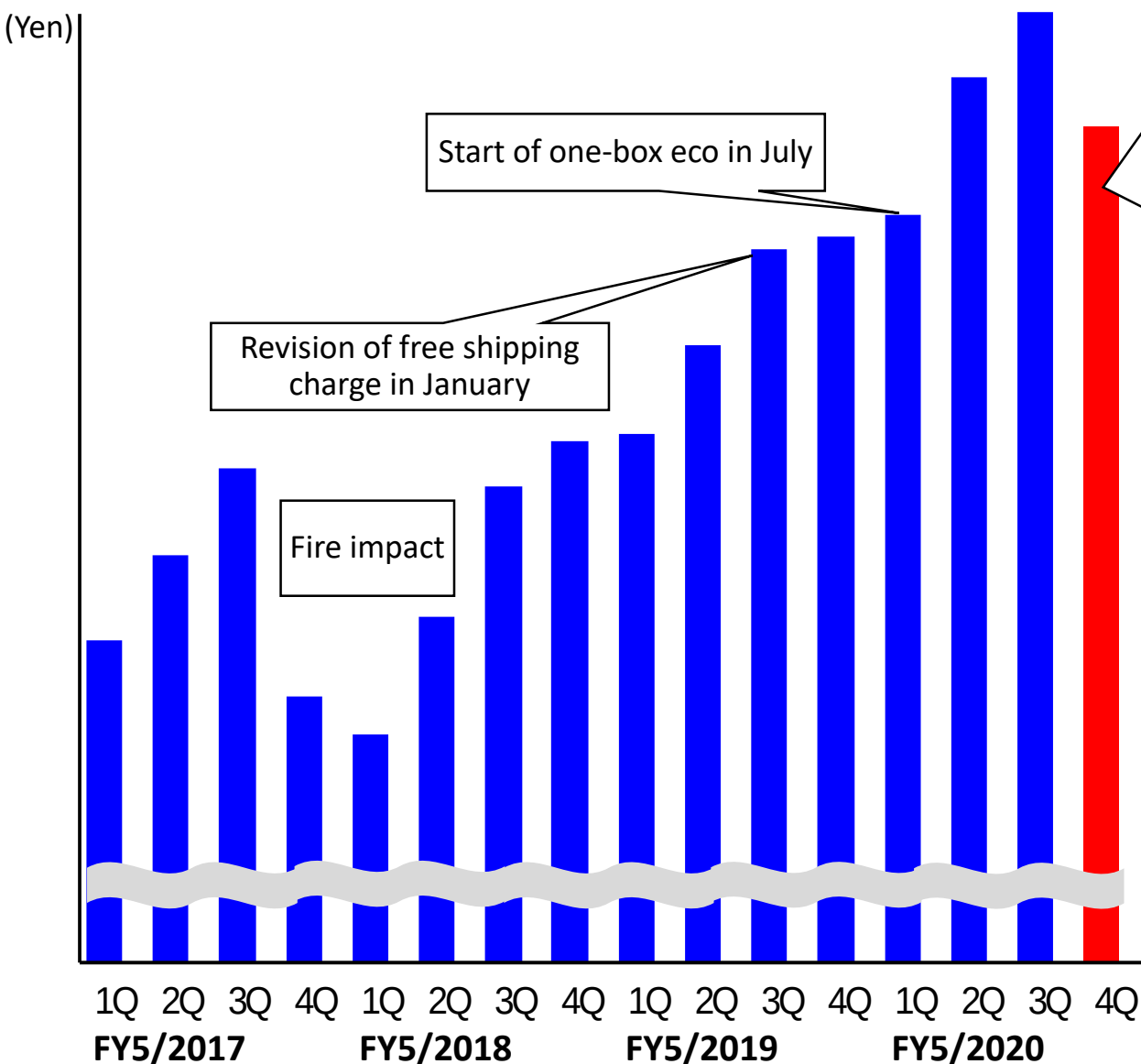
- Reduction in delivery cost
⇒ Increase sales price per unit/per box
- Reduction in warehouse operating costs
⇒ Proper labor control

Aim to make further improvements by mid-term effective use of B-to-B logistics infrastructure

There will be an impact from rising warehouse operating costs in the short run

LOHACO Increase Sales Price Per Unit/Per Box

LOHACO (domestic) sales price per unit/per box



Temporarily decreased due to the effects of the novel coronavirus

- ✓ Surge in purchases by a single item of sanitary products
- ✓ Impacts from putting a limit on the number of products purchased, and others

Promotion of expansion of shopping around

+

Pack products into one box



Increase in sales unit price per box

Reduction in Fixed Costs

Reduction of LOHACO's Fixed Costs

Slash fixed costs drastically through utilization of
Yahoo Japan's system infrastructure

Reduce costs through collaboration with
Yahoo Japan

Strengthen core competence



Roles of LOHACO Main Store and PayPay Mall Store

Clarify the Division of Roles According to Customer Needs

LOHACO Main Store

Improve loyalty

Maintain its current world view
and uniqueness
Deepen engagement with
customers

PayPay Mall Store

Growth potential

Strengthen acquisition of new
customers

**Promote parallel use of LOHACO Main Store and
PayPay Mall Store**

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B-to-B Targeting offices



ASKUL

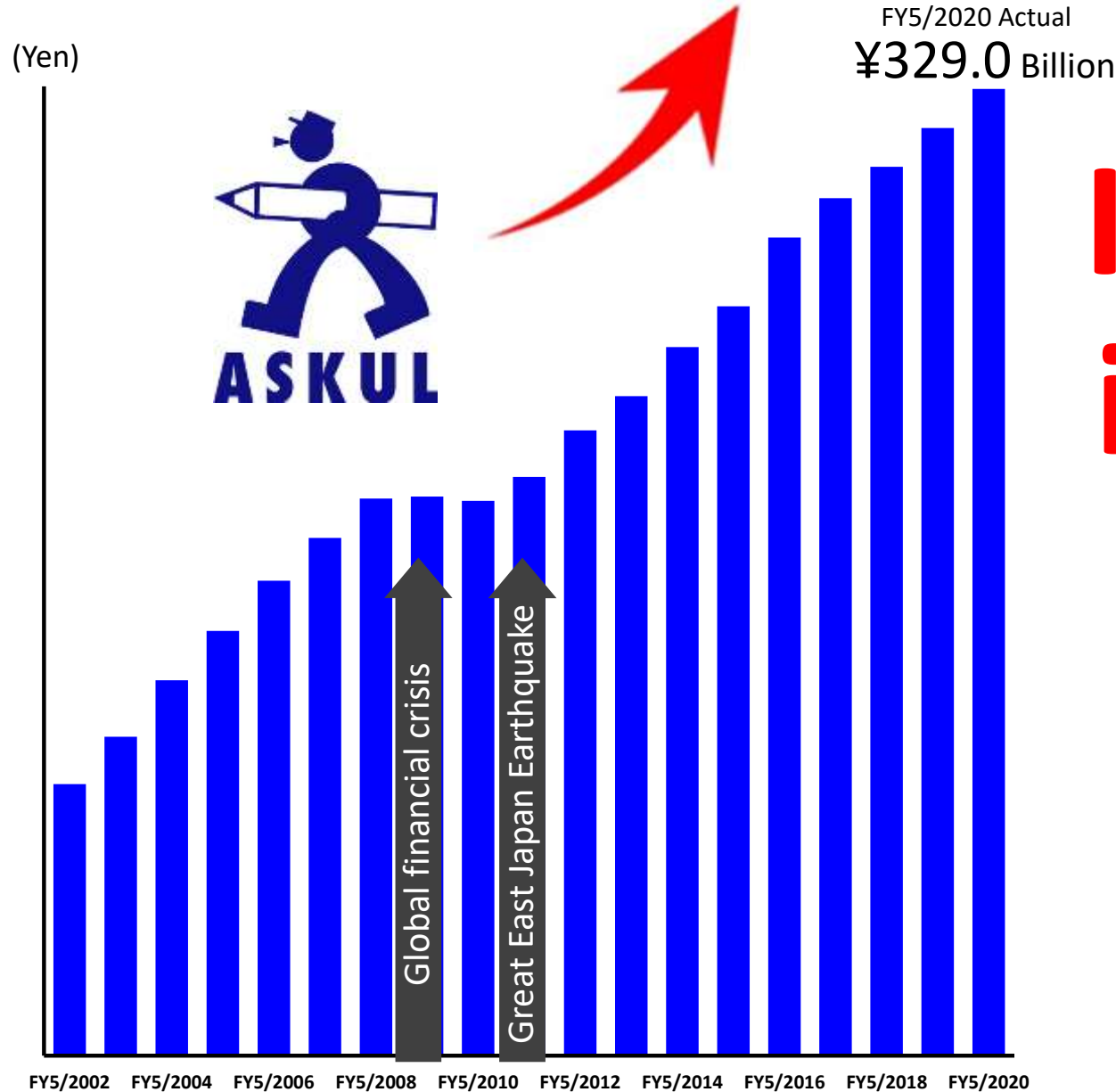
**J.D. Power for 2020
Customer Satisfaction Survey of Mail-Order Service of Office
Supplies**

Overall Satisfaction Level

1st place winner

This survey is based on the results of 3,800 responses collected from business establishments with five or more employees nationwide concerning office supplies mail-order services.

Net Sales in B-to-B



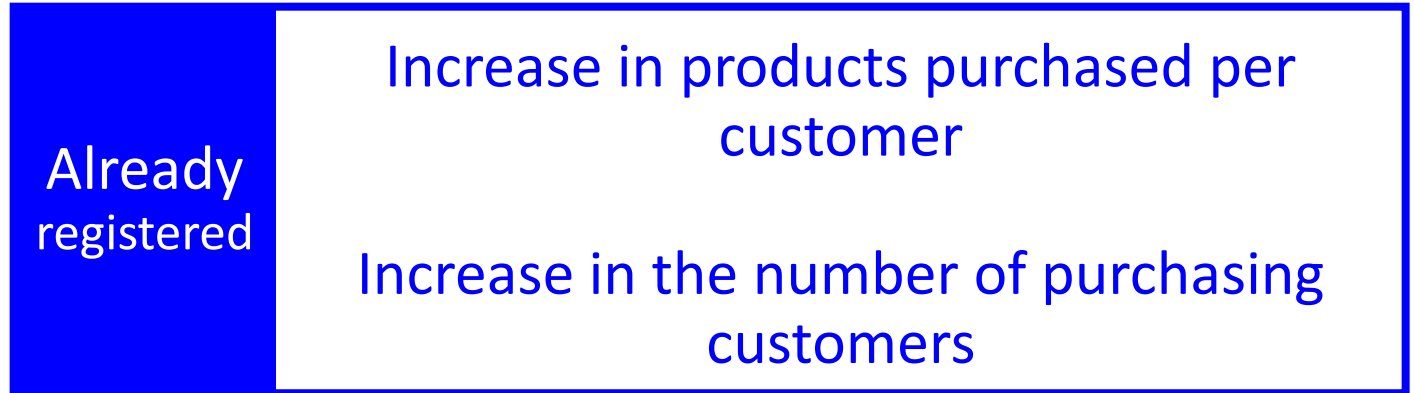
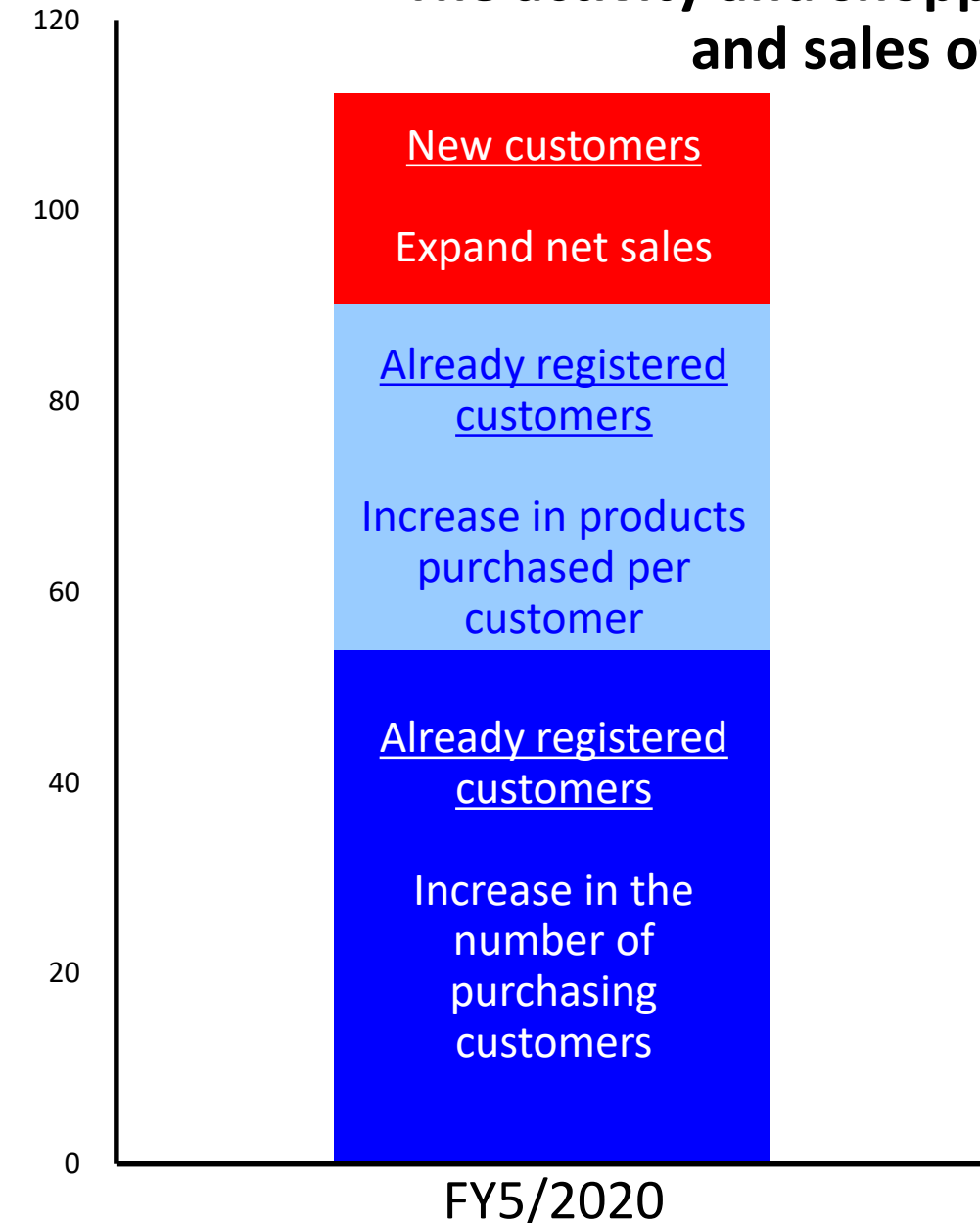
**Invest resources
in B-to-B, which
is the
foundation**

B-to-B Factors for Sales Growth

Non-consolidated

The activity and shopping around of already registered customers and sales of new customers have expanded

(¥100 million)



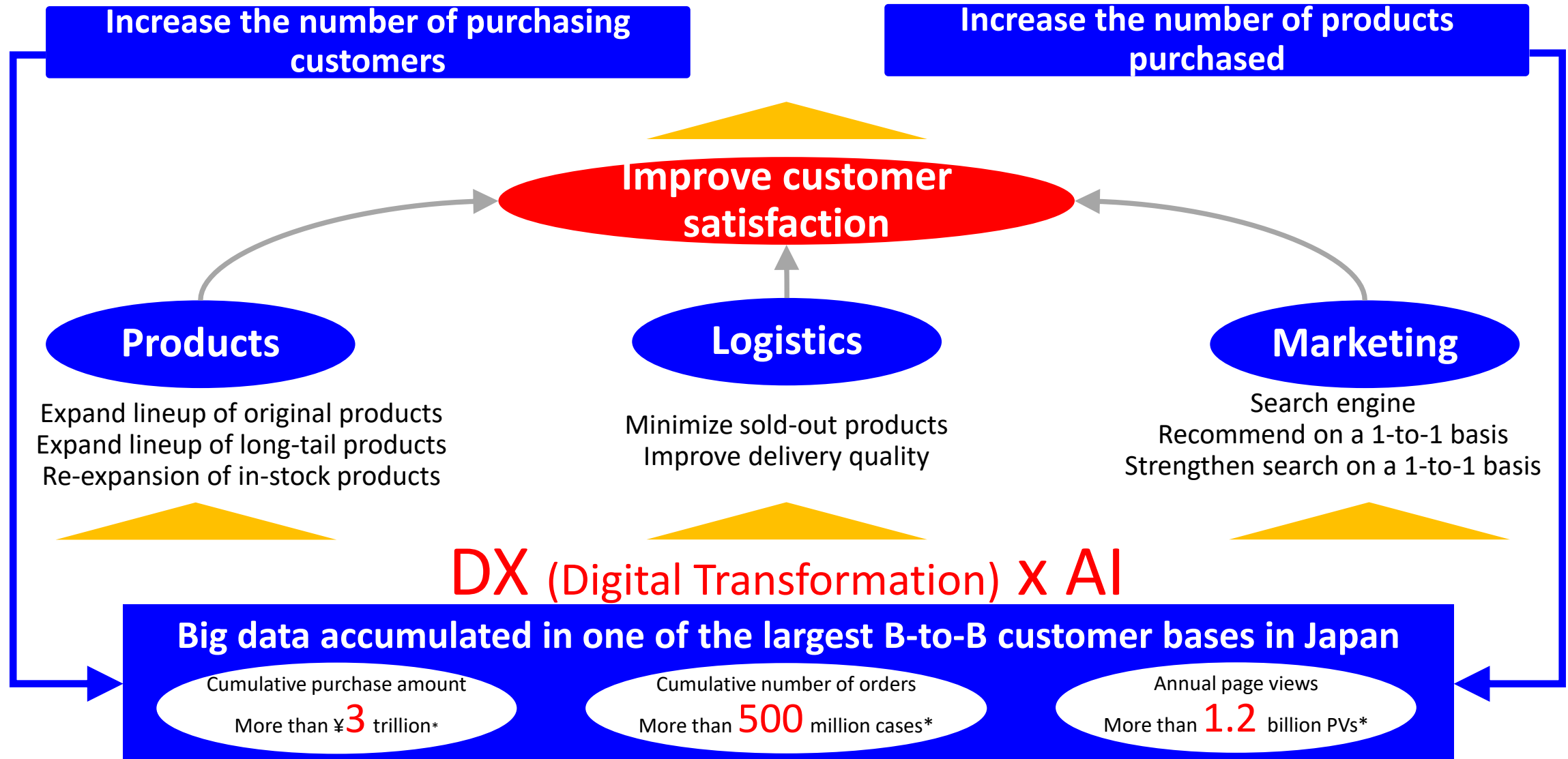
+



Expand net sales

B-to-B Growth Strategy

Create Further Growth on the Back of the Expansion of the EC Market



* Big data on purchases in the B-to-B business, accumulated from May 21, 2006 to May 20, 2020

Conceptual Drawing of B-to-B Strategy

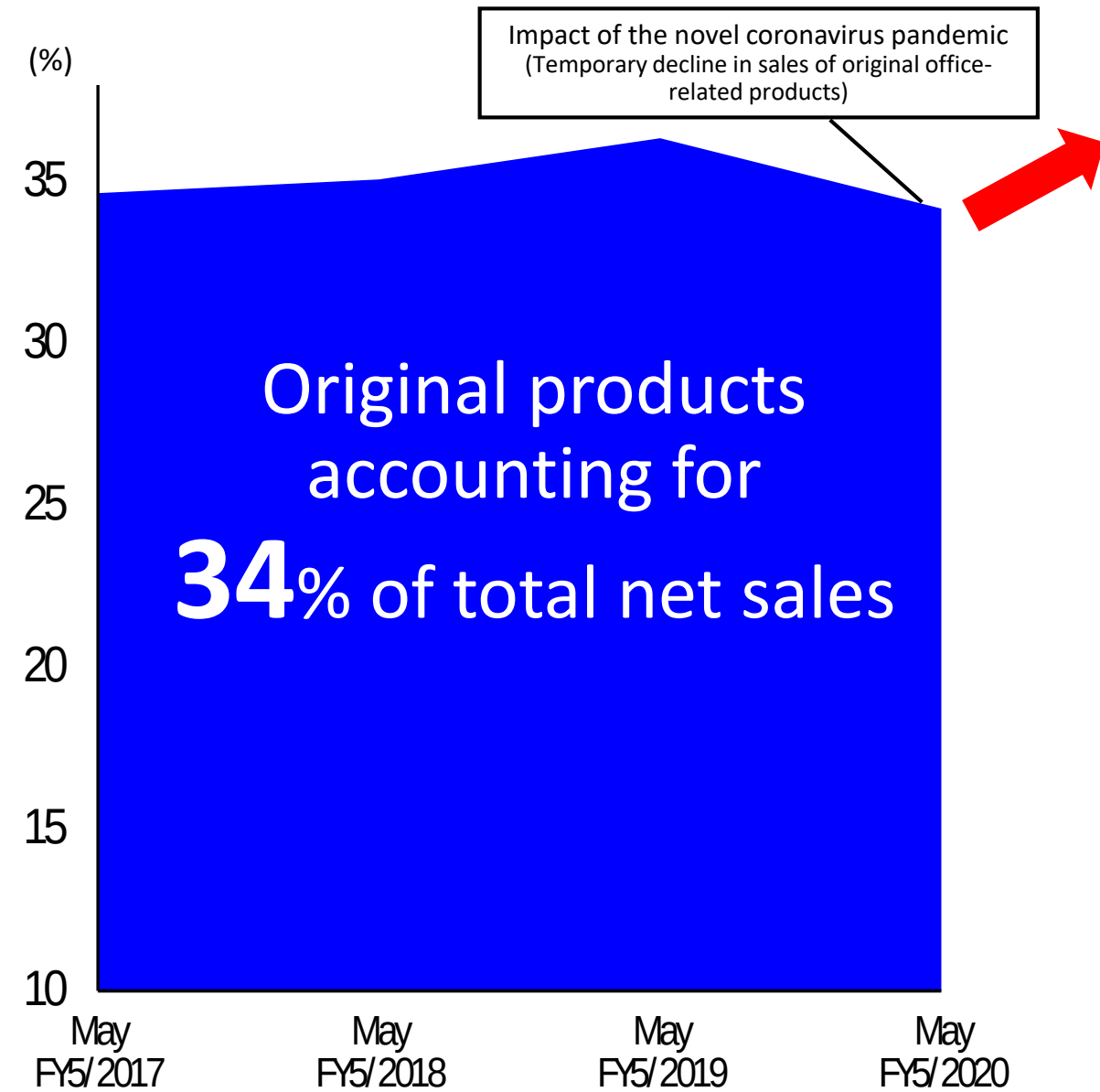


Maximize opportunities on both axes to win customers and ensure purchase

Further Accelerate Expansion of Original Products

Non-consolidated

Ratio of original products*¹ (B-to-B inventory products sales)



Increase the number of original products *²



*¹ Original products includes products exclusive to ASKUL

*² Excluding original products exclusive to LOHACO

Growth through Expanding the Number of Products Available

As of May 20

Around **7.45 million** items

For a diverse customer base,
**strengthen product
lineup**

in categories of everyday products, etc.

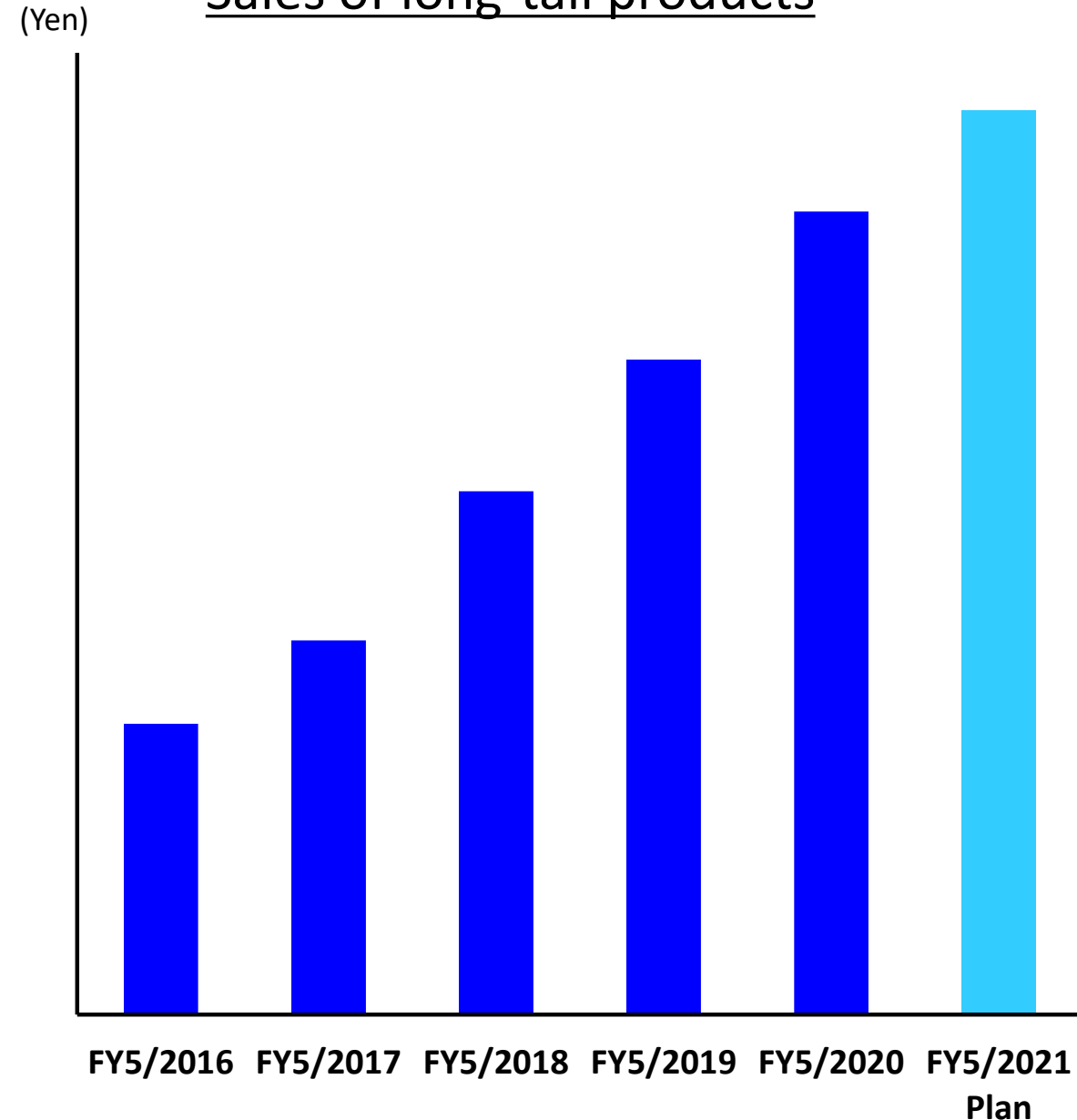
**Growth in
net sales**



Expand Share of Long-tail Products

Non-consolidated

Sales of long-tail products



Long-tail products sales (YoY change)

FY5/2020 Actual

123%



FY5/2021 Plan

113%

B-to-B business sales as a percentage of net sales

FY5/2019

6.1%

(Actual)

FY5/2020

7.2%

(Actual)

FY5/2021

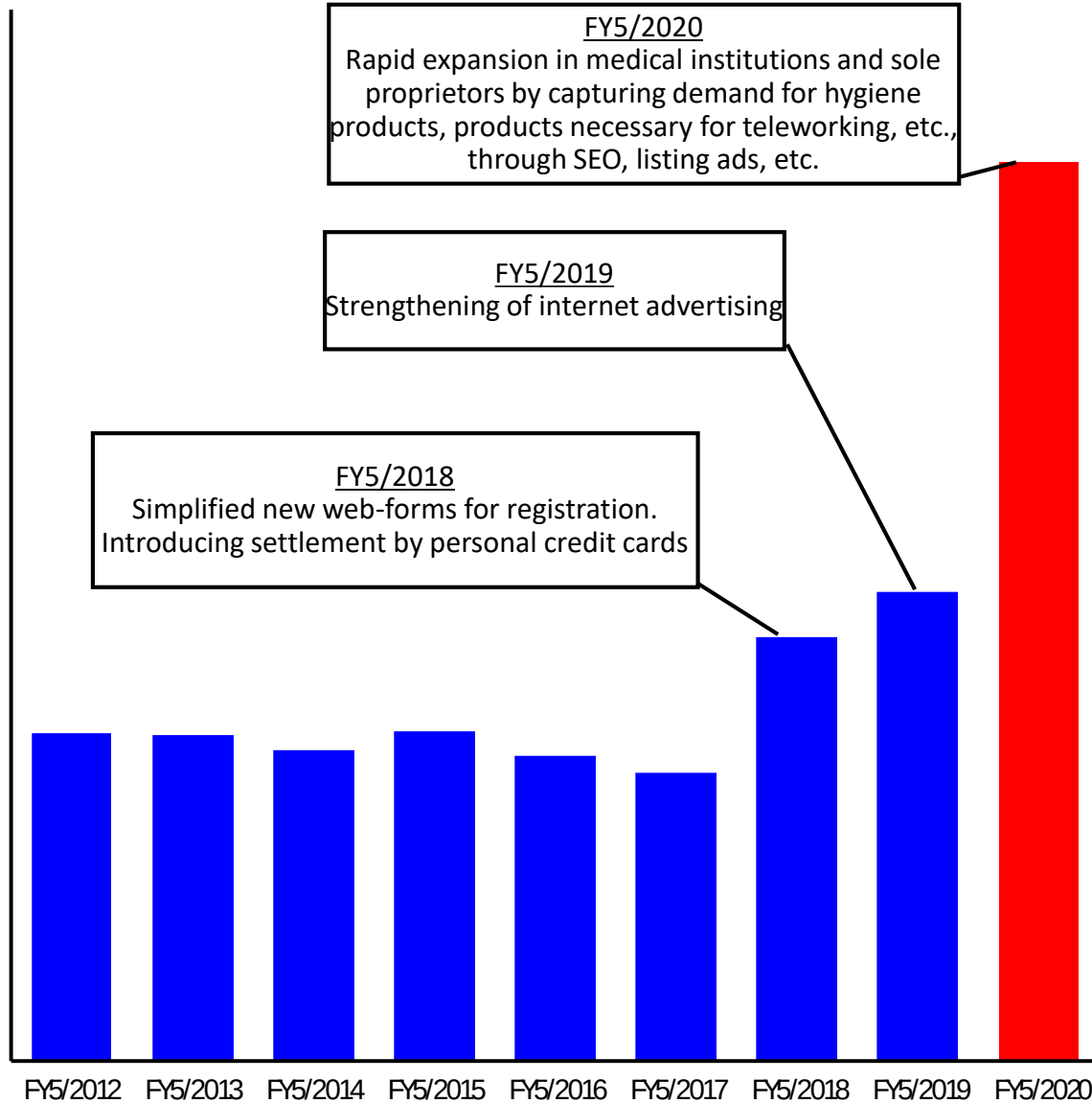
8.1%

(Plan)

Increase the Number of New Customers

Number of new customers
registered on ASKUL website

(Cases)



More big data will
accumulate by expansion
of the customer base



Speed up
1-to-1 based marketing

(Tentative name) ASKUL New Tokyo Center

New B-to-B Logistics Base as the Core of the Tokyo Metropolitan Area



Consider further
advanced automation
in response to the spread of the
novel coronavirus

Consolidate part of inventory from
other centers

Expand the number of
inventory items in the
East Japan area

Location : Rinkai-cho, Edogawa-ku, Tokyo
Planned completion: August 2021
Operation start : July 2022
Rented area (plan) : About 58,000 square meters

A hand is shown holding a small, glowing globe of the Earth. The globe is surrounded by several circular icons connected by lines, forming a network. The icons include a sun, a wind turbine, an oil pumpjack, a leaf with a water drop, a recycling symbol, a flame, a corn cob, and a power plug. The background is a soft-focus green, suggesting foliage.

**Provide Reliable Services to All Workplaces
as a Lifeline for People Working There**

Appendix

Environmental Initiatives

ASKUL Environmental Policy

Following our corporate philosophy of “Innovate for Customers,” we will build an eco-platform that is "optimum" and "low-cost" to our customers, society, and the earth environment in order to realize a sustainable society.

Decarbonization

- “2030 CO₂ Zero Challenge”
Reduce CO₂ that is emitted by business sites and distribution down to zero by 2030
- “RE100”
Raise a group-wide renewable energy utilization ratio to 34% by FY5/2021 toward realizing 100% by 2030
- “EV100”
Replace delivery vehicles owned and used by ASKUL LOGIST 100% with electric vehicles by 2030



Resource recycling

- “1 box for 2 trees”
Confirm planting of two eucalyptus, double the amount of raw materials, by purchasing one box of original copy paper
- Reduce disposal of returned products
 - ✓ Reduce returned products that lead to their disposal
 - ✓ Remake returned products into salable products
 - ✓ Sell returned products as “imperfect ones” at a discount
- Collect catalogs, cardboard boxes, and paper bags
- Collect and recycle toner cartridges



Development and procurement of environmentally-friendly products

- Environmental response by original products
Development of original products by paying attention not only to quality and design but also to the environment
- Prepare a lineup of plastic-free products



Environmental communication with stakeholders

- Environmental activity report
- Sustainability handbook



Environmental Initiatives



Companies included in "Climate Change A list" are ones selected as the highest-rated by the international non-profit environmental organization Carbon Disclosure Project, CDP. If companies are taking excellent actions in response to climate change and disclosure of their information, they will be included in the list

2020 Selected as a "Climate Change A list" company



The "Eco-First Company" is a company chosen by the Minister of the Environment as a company that engages in "advanced, unique and industry-leading business activities" in environmental conservation activities, such as global warming countermeasures and waste and recycling measures



2019 Announced support for "TCFD recommendations"

"TCFD recommendations" are international propositions, compiled by the "Task Force on Climate-related Financial Disclosures ("TCFD")", concerning how corporations should voluntarily disclose information for the purpose of identifying and disclosing the financial impacts of risks and opportunities caused by climate change



"SBT: Science Based Targets" are corporate targets to reduce global warming gas. The "Science Based Targets" organization, an international initiative, will approve them as targets that aim at scientifically based levels to achieve the "2°C target (Efforts to keep the temperature well below 2°C and bring it below 1.5°C)" set out in the Paris Climate Accord

2018 Obtained "Eco-First company" and "SBT" Certification



United Nations Global Compact (UNGC) is a voluntary initiative by which companies and organizations act as good members of society and participate in the creation of a global framework that realizes sustainable growth by demonstrating responsible and creative leadership

2016 Signed "United Nations Global Compact"

2016 Announced "2030 CO₂ Zero Challenge" and joined RE100 and EV100



"RE100" is an international business initiative, participated by companies that publicly aim to operate their business with 100% renewable energy



"EV100" is an international business initiative, participated by companies that publicly aim to replace all of their business-purpose vehicles with electric vehicles

2013 Formulated Medium-Term Environmental Targets

2003 Formulated ASKUL Environmental Policy

Initiatives for Society

Together with colleagues

- Diversity-oriented management
"ASKUL's Declaration of Diversity"(2015)
- Utilize diverse human resources
Promote female active participation and enhance the ratio of female managers
- Promote diverse work styles
Work systems of leave and shorter work hours for nursing and caring for family
Teleworking system, flextime system, etc.



- Free lunches offered at ASKUL LOGIST distribution center
It is important that people working at ASKUL are healthy both physically and mentally



- ASKUL LOGIST ALP Fukuoka's efforts to employ persons with disabilities in cooperation with local communities
The ratio of employees with disabilities at 17.2% as opposed to the legal employment ratio of 2.2%



(As of January 30, 2020)

Together with customers

- Improvement activities starting with customer voices
- Share customer voices and responses to them on a real-time basis
- Operation of "Customer Satisfaction Improvement Committee"
PDCA activities based on customer voices, chaired by the CEO

- Activities of ASKUL CS Week
Initiatives to enhance the motivation of concierge service communicators (CSC) engaged in customer relations and to promote their mutual communication
Conduct commendation ceremonies for CSCs who have received words of appreciation from customers on many occasions, and certificate awarding ceremonies for "super communicators" as the role model to aspire and give awards for long service for CSCs

Initiatives with business partners

- Supply Chain CSR Survey
Investigate the status of suppliers' corporate efforts in areas such as "consumer problem," "efforts to the environment," and "labor practices" and actively communicate with suppliers

- Declaration of support and voluntary action for the "White Logistics" promotion campaign
A movement to resolve the shortage of truck drivers and make efforts to realize a more employee-friendly working environment in which productivity in truck transportation is improved, efficiency in logistics is raised and some kinds of drivers, such as women and people over the age of 60, can find it easy to work

Social contribution activities

- Paper cups for social contribution
Part of the sales is used as donations to support activities for assisting disaster victims, support for "Pink Ribbon Activities (Raising Awareness of Breast Cancer Screening)" and support for "Kids Earth Funds"



- Support for education related to reconstruction after the Great East Japan Earthquake
Jointly with manufacturers, ASKUL makes contributions to the reconstruction through donating equipment and supplies for education, worth 1% of the sales of certain original design products, to educational facilities in three Tohoku prefectures



FY5/2020 Net Sales by Item

Non-consolidated

(¥billion)	FY5/ 2019		FY5/ 2020	
		YoY change %		YoY change %
OA & PC	96.8	+1.9	98.2	+1.5
Stationery	44.6	+0.8	43.8	-1.8
Living supplies	117.2	+12.0	119.3	+1.8
Furniture	22.8	+0.2	21.8	-4.4
MRO	32.6	+8.2	35.1	+7.7
Others (Medical, etc.)	26.4	+17.4	30.5	+15.8
Total	340.6	+6.6	349.1	+2.5

**Mainstay
products
driving
growth**

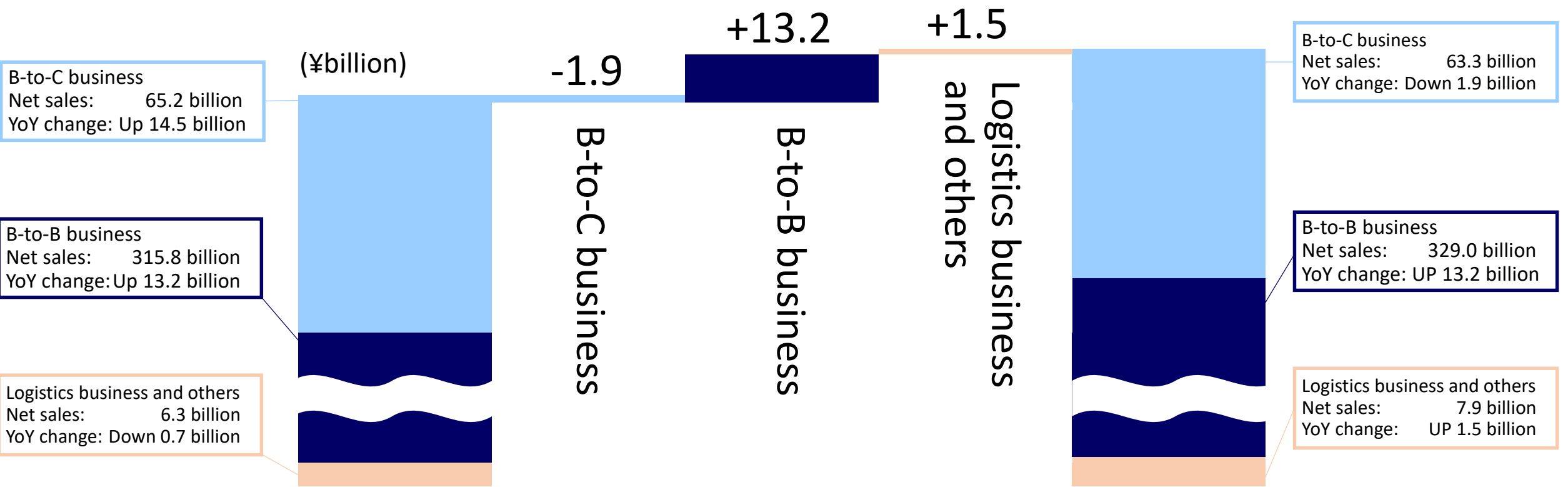
Factors Affecting FY5/2020 Consolidated Net Sales

FY5/2019 (Actual)

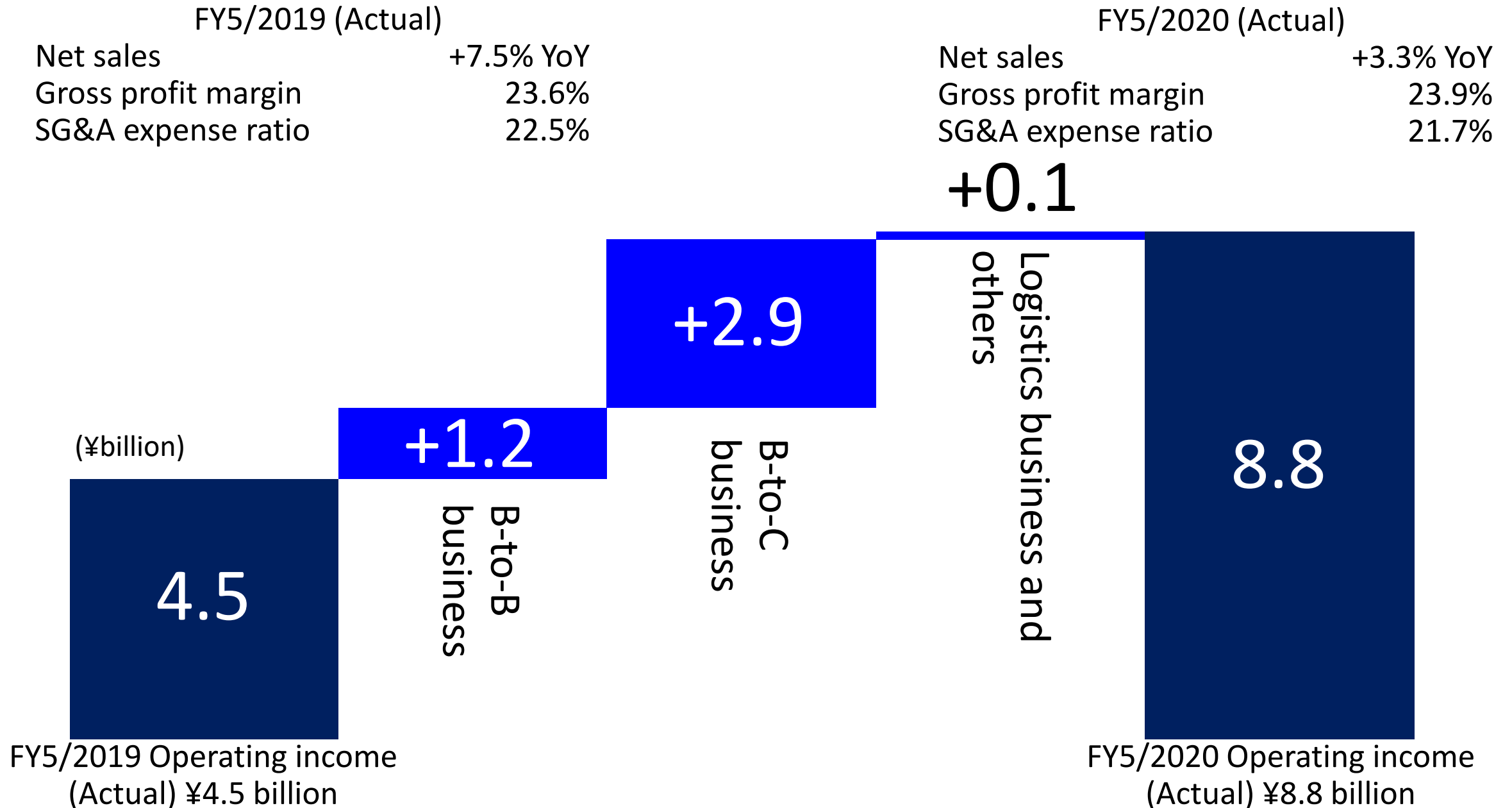
Net sales: ¥387.4 billion
YoY change: Up 27.0 billion
YoY change: Up 7.5%

FY5/2020 (Actual)

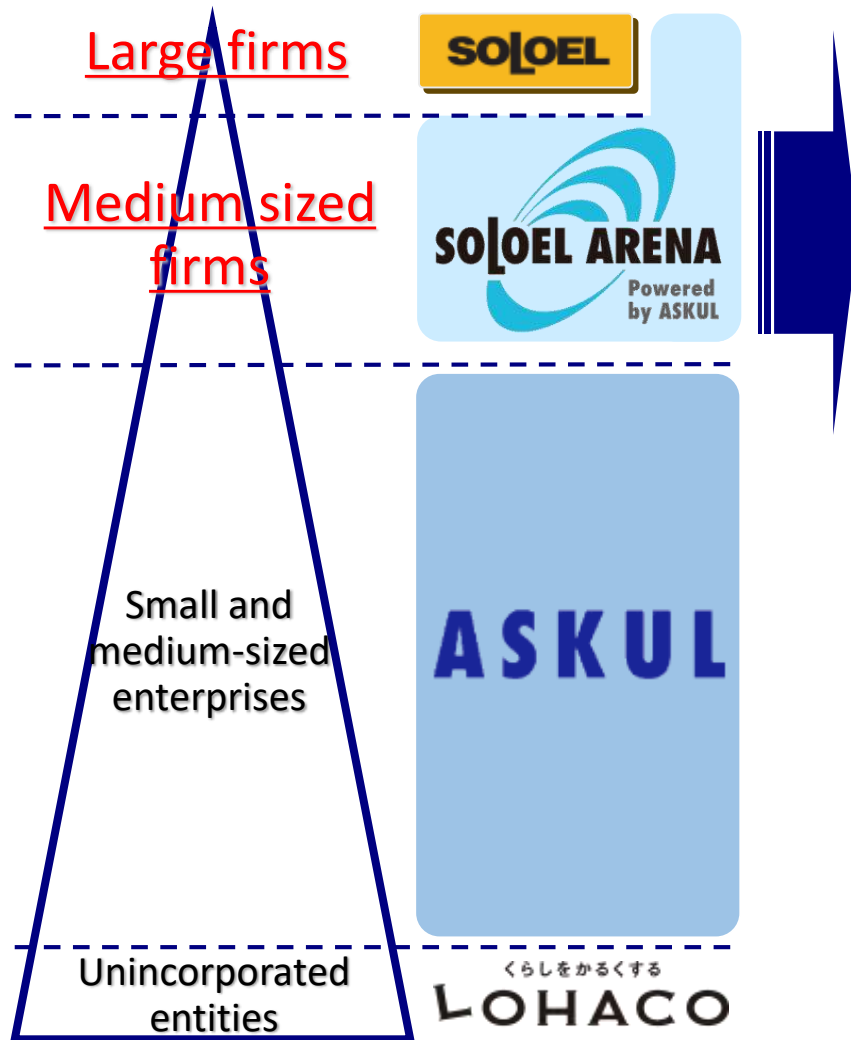
Net sales: ¥400.3 billion
YoY change: Up 12.9 billion
YoY change: Up 3.3%



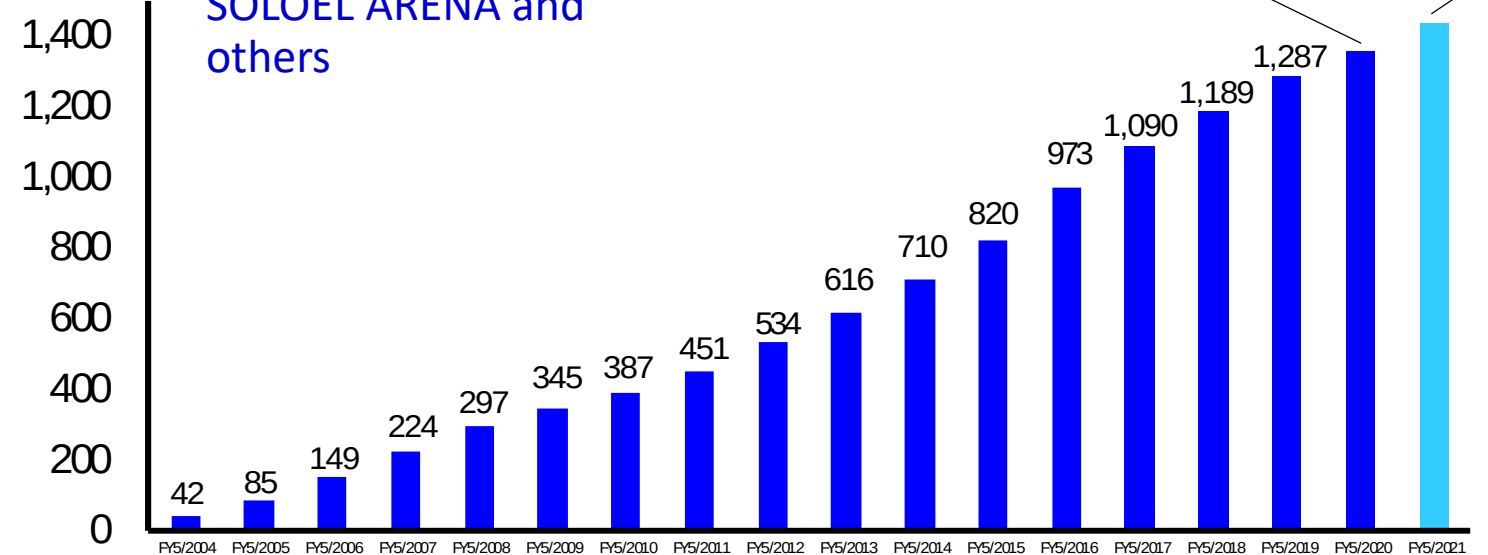
Factors Affecting FY5/2020 Consolidated Operating Income



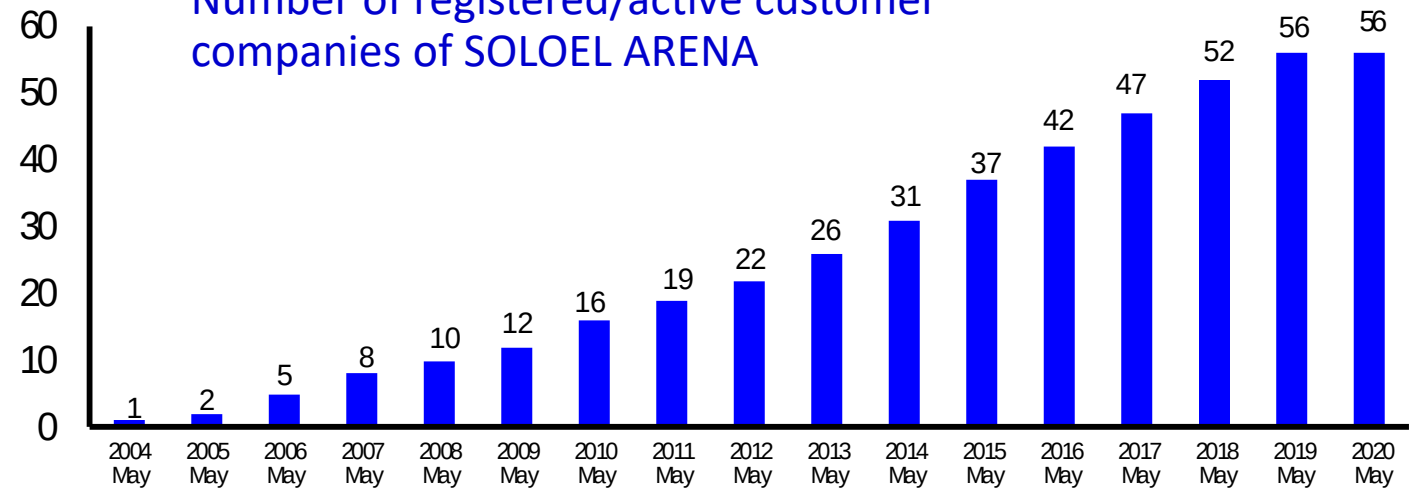
Steady Growth in SOLOEL ARENA



(¥100 million) Net sales value for SOLOEL ARENA and others



(1,000 companies) Number of registered/active customer companies of SOLOEL ARENA



FY5/2020 Consolidated Gross Profit, SG&A Expenses

Gross profit: ¥95.6 billion YoY change: +¥4.0 billion

Gross profit margin: 23.9%, YoY change: +0.3 p.p.

➤ Improved gross profit margin primarily in the LOHACO business

SG&A expenses: ¥86.8 billion YoY change: -¥0.2 billion

Ratio of SG&A expense to net sales: 21.7% YoY change: -0.8 p.p.

➤ Improved the variable cost ratio of the LOHACO business mainly through reduction of delivery costs

Breakdown of major YoY change factors in SG&A expenses

- Delivery costs -¥0.8 billion
- Depreciation -¥0.5 billion
- Personnel costs +¥0.4 billion
- Software amortization +¥0.4 billion

FY5/2020 Consolidated Capital Expenditures

Capital expenditures ¥5.4 billion (Annual plan: ¥7.4 billion)

Facilities expansion (Introduction of robots to AVC Kansai, etc.) ¥1.23 billion

Data base for new products, etc. ¥0.41 billion

Installation of a new production line for Tsumagoi Meisui ¥0.34 billion

(Ref.) Depreciation and amortization of software: ¥5.3 billion (Annual plan: ¥5.6 billion)

Investment details

(¥ million)

Item	FY5/2019	FY5/2020	
	Amount	Amount	YoY Change
[Capital expenditures]	6,042	5,486	-9.2%
Property, plant and equipment	2,759	2,545	-7.8%
Intangible assets	3,282	2,940	-10.4%
Construction in progress (Note 2)	50	461	+814.0%
Software in progress (Note 2)	1,221	1,116	-8.6%

(Note 1) Capital expenditure is stated on an 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.

FY5/2020 Share of Orders Placed on the Internet of Net Sales and Original Products

Non-consolidated

Share of orders placed on the Internet of net sales

	FY5/2019	FY5/2020	YoY Change
Orders via the Internet	83.5%	84.5%	+1.0 p.p.
Other	16.5%	15.5%	-1.0 p.p.

(Note 1) Percentages are based on orders placed.

ASKUL original products

(Items)

	May of FY5/2019	May of FY5/2020	YoY Change
Number of original products	9,157	9,901	+744
Share of non-consolidated net sales (of which, share of B-to-B business)	29.2% (36.4%)	26.2% (34.2%)	-3.0 p.p. (-2.2 p.p.)

Note 1: Each figure includes the products listed in Health & Nursing Care Catalogs and Medical Pro Catalogs.

Note 2: The number of original products includes those with sales limited to ASKUL. Also, the calculation includes not only those items sold via catalogs but also items sold only via the Internet.

Note 3: The calculation of original products as a percentage of net sales includes original copy paper.

Note 4: From 4Q FY5/2018 onward, the calculation of B-to-B original products as a percentage of net sales uses B-to-B business inventory sales as the denominator.

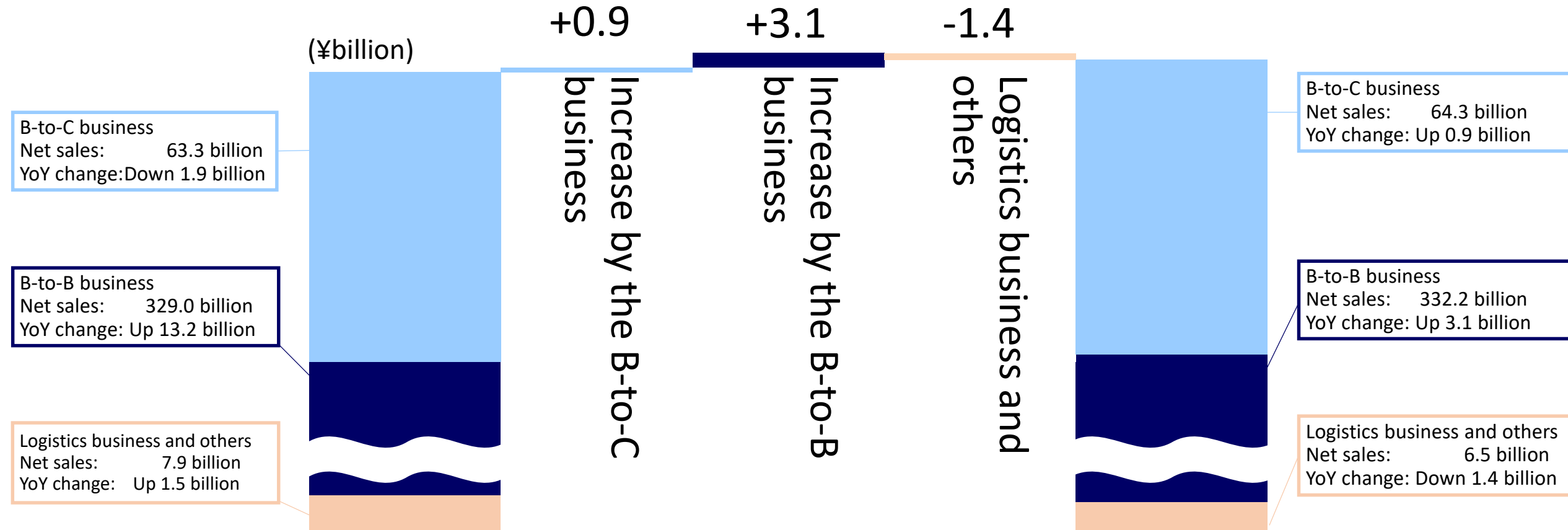
Factors Affecting FY5/2021 Consolidated Net Sales (Plan)

FY5/2020 (Actual)

Net sales: ¥400.3 billion
YoY change: Up 12.9 billion
YoY change: Up 3.3%

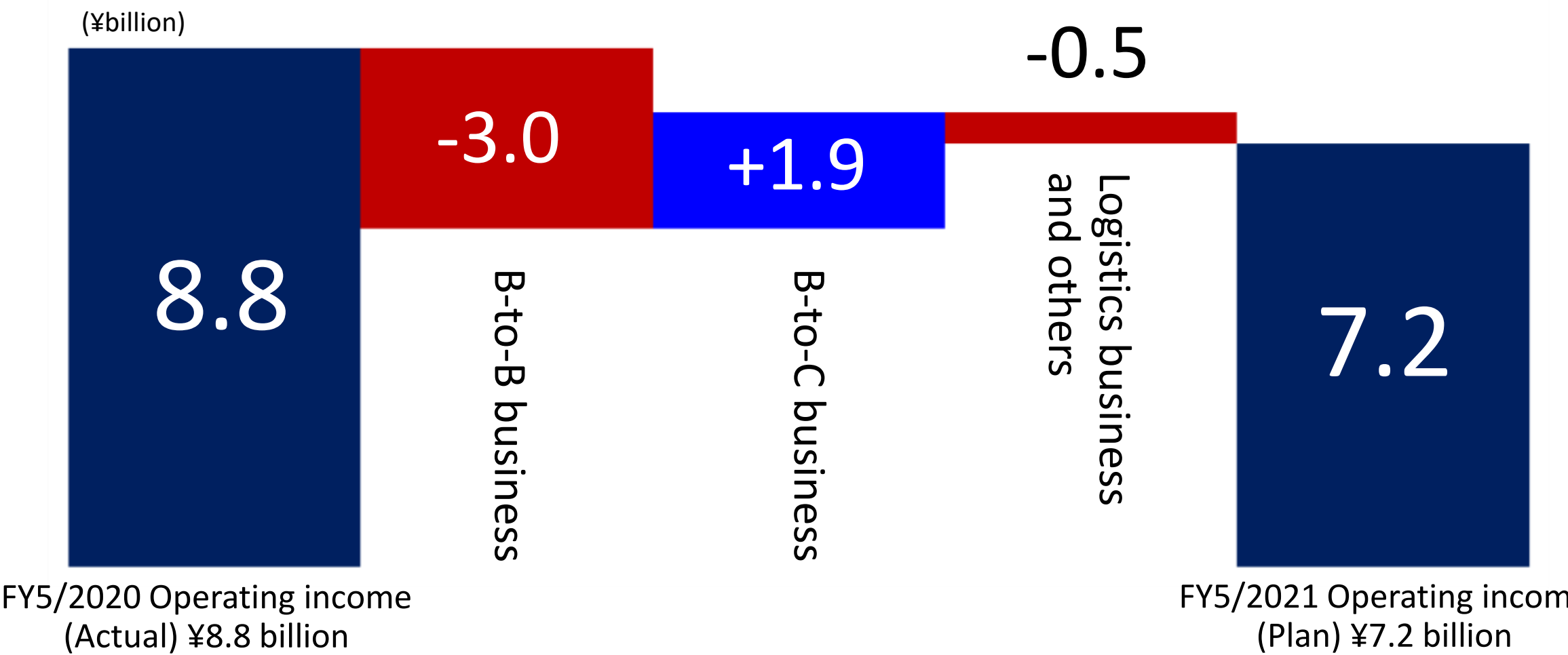
FY 5/2021 (Plan)

Net sales: ¥403.0 billion
YoY change: Up 2.7 billion
YoY change: Up 0.7%



Factors Affecting FY5/2021 Consolidated Operating Income (Plan)

FY5/2020 (Actual)		FY5/2021 (Plan)	
Net sales	+3.3% YoY	Net sales	+0.7% YoY
Gross profit margin	23.9%	Gross profit margin	24.2%
SG&A expense ratio	21.7%	SG&A expense ratio	22.4%



FY5/2021: Consolidated Capital Expenditures (Plan)

Capital expenditures: ¥11.8 billion

[Breakdown of main items]

- (Tentative name) ASKUL New Tokyo Center related ¥3.4 billion
- ASKUL Miyoshi Center related ¥1.5 billion
- Equipment for Tsumagoi Meisui ¥1.4 billion

(Reference) Depreciation/software amortization ¥5.7 billion
(up ¥0.4 billion YoY)

ASKUL Miyoshi Center

Logistics business base in the East Japan area



3PL Business

To perform the logistics of distributors and makers

FY5/2021

First Half: **Rent is incurred** between contract start and moving in

Second half: Operations to start, centered on **Ryohin Keikaku Co., Ltd.**
(to be utilized as the shipping center for the EC of MUJI)

Location: 1163 Kamitome, Miyoshi-machi, Iruma-gun, Saitama

Planned operation start: September 2020

Rented area: About 69,000 square meters

