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Excerpt from Summary of Consolidated Financial Results for the Six Months Ended November 20, 2020 [Japanese GAAP]*

December 15, 2020

Company name: ASKUL Corporation

Stock exchange listing: Tokyo

Code number: 2678

URL: <https://www.askul.co.jp/kaisya/ir/>

Representative: Akira Yoshioka

President and chief executive officer

Contact: Tsuguhiro Tamai

Director and chief financial officer

Phone: 03-4330-5130

Scheduled date of filing quarterly securities report: December 25, 2020

Scheduled date of commencing dividend payments: January 18, 2021

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, 2020 (May 21, 2020 to November 20, 2020)

(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, 2020	206,452	3.4	5,926	70.9	5,908	74.1	3,453	57.5
November 20, 2019	199,625	4.3	3,468	236.9	3,393	254.1	2,192	594.0

(Note) Comprehensive income: Six months ended November 20, 2020: ¥ 3,413 million [54.3%]
Six months ended November 20, 2019: ¥ 2,211 million [545.0%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended November 20, 2020	67.61	67.32
November 20, 2019	42.97	42.72

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of November 20, 2020	182,336	55,555	30.3
May 20, 2020	174,146	52,825	30.1

(Reference) Equity: As of November 20, 2020: ¥ 55,244 million
As of May 20, 2020: ¥ 52,434 million

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2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended May 20, 2020	-	19.00	-	19.00	38.00
Fiscal year ending May 20, 2021	-	19.00			
Fiscal year ending May 20, 2021 (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, 2021 :

Commemorative dividend - yen
Special dividend - yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending May 20, 2021(May 21, 2020 to May 20, 2021)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	410,000	2.4	10,800	22.4	10,600	22.5	6,000	6.1	117.47

(Note) Revision to the financial results forecast announced most recently: Yes

* Notes:

(1) Changes in significant subsidiaries during the six months ended November 20, 2020

(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: Yes

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, 2020: 55,259,400 shares

May 20, 2020: 55,259,400 shares

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

November 20, 2020: 4,111,605 shares

May 20, 2020: 4,221,622 shares

3) Average number of shares during the period:

Six months ended November 20, 2020: 51,074,853 shares

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

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* This excerpt from the Summary of Consolidated Financial Results is not subject to quarterly review.

* Notes for using forecasted information and others

Earnings forecasts and other forward-looking statements contained in this document are based on the information ASKUL has obtained to date and on certain assumptions it considers reasonable. As such, these forecasts and statements are not intended as a commitment by the Company to achieve them. Note also that actual results and other future events may differ materially from these forecasts and statements due to a variety of factors.

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Quarterly Consolidated Financial Statements

Quarterly Consolidated Balance Sheets

(Million yen)

	As of May 20,2020	As of November 20,2020
Assets		
Current assets		
Cash and deposits	63,260	60,986
Notes and accounts receivable - trade	38,701	47,957
Merchandise and finished goods	16,582	17,271
Raw materials and supplies	257	275
Costs on construction contracts in progress	63	100
Accounts receivable - other	10,340	10,775
Other	1,277	1,373
Allowance for doubtful accounts	(24)	(45)
Total current assets	130,458	138,695
Non-current assets		
Property, plant and equipment		
Buildings and structures	8,329	8,592
Accumulated depreciation	(3,162)	(3,357)
Buildings and structures, net	5,166	5,235
Land	137	137
Leased assets	19,408	19,906
Accumulated depreciation	(6,405)	(7,364)
Leased assets, net	13,003	12,541
Other	10,065	10,023
Accumulated depreciation	(6,961)	(7,131)
Other, net	3,104	2,892
Construction in progress	461	1,148
Total property, plant and equipment	21,873	21,954
Intangible assets		
Software	7,285	7,102
Software in progress	1,116	1,856
Goodwill	2,103	1,743
Other	101	93
Total intangible assets	10,606	10,796
Investments and other assets		
Investment securities	808	433
Deferred tax assets	3,873	3,912
Other	6,647	7,637
Allowance for doubtful accounts	(121)	(1,094)
Total investments and other assets	11,208	10,889
Total non-current assets	43,688	43,640
Total assets	174,146	182,336

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(Million yen)

	As of May 20,2020	As of November 20,2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	45,549	51,391
Electronically recorded obligations - operating	21,733	21,102
Short-term borrowings	430	380
Current portion of long-term borrowings	1,767	3,500
Accounts payable - other	10,281	11,434
Income taxes payable	1,972	1,715
Accrued consumption taxes	1,140	764
Provisions	780	1,486
Other	3,718	3,660
Total current liabilities	87,374	95,437
Non-current liabilities		
Long-term borrowings	13,679	11,426
Lease obligations	11,879	11,407
Retirement benefit liability	3,716	3,911
Asset retirement obligations	2,438	2,446
Other	2,232	2,151
Total non-current liabilities	33,947	31,343
Total liabilities	121,321	126,780
Net assets		
Shareholders' equity		
Share capital	21,189	21,189
Capital surplus	24,220	24,078
Retained earnings	23,769	26,246
Treasury shares	(16,718)	(16,251)
Total shareholders' equity	52,461	55,264
Accumulated other comprehensive income		
Remeasurements of defined benefit plans	(26)	(19)
Total accumulated other comprehensive income	(26)	(19)
Share acquisition rights	7	3
Non-controlling interests	382	307
Total net assets	52,825	55,555
Total liabilities and net assets	174,146	182,336

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Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the six months)

(Million yen)

	For the six months ended November 20,2019	For the six months ended November 20,2020
Net sales	199,625	206,452
Cost of sales	152,503	155,163
Gross profit	47,121	51,288
Reversal of provision for sales returns	26	26
Provision for sales returns	26	31
Gross profit - net	47,121	51,283
Selling, general and administrative expenses	43,653	45,357
Operating profit	3,468	5,926
Non-operating income		
Interest income	13	20
Subsidy income	20	59
Rental income	165	94
Other	68	22
Total non-operating income	267	197
Non-operating expenses		
Interest expenses	127	115
Rental expenses	174	88
Other	40	12
Total non-operating expenses	342	216
Ordinary profit	3,393	5,908
Extraordinary income		
Gain on sales of non-current assets	-	1
Total extraordinary income	-	1
Extraordinary losses		
Loss on sales of shares of subsidiaries	-	24
Loss on valuation of investment securities	-	48
Loss on retirement of non-current assets	50	12
Provision of allowance for doubtful accounts	-	1,000
Other	-	0
Total extraordinary losses	50	1,086
Profit before income taxes	3,342	4,823
Income taxes - current	979	1,463
Income taxes - deferred	161	(46)
Total income taxes	1,140	1,417
Profit	2,201	3,406
Profit (loss) attributable to non-controlling interests	9	(47)
Profit attributable to owners of parent	2,192	3,453

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

(Million yen)

	For the six months ended November 20,2019	For the six months ended November 20,2020
Profit	2,201	3,406
Other comprehensive income		
Deferred gains or losses on hedges	0	-
Foreign currency translation adjustment	(2)	-
Remeasurements of defined benefit plans, net of tax	11	7
Total other comprehensive income	10	7
Comprehensive income	2,211	3,413
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,202	3,460
Comprehensive income attributable to non-controlling interests	9	(47)

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Quarterly Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended November 20,2019	For the six months ended November 20,2020
Cash flows from operating activities		
Profit before income taxes	3,342	4,823
Depreciation	1,520	1,638
Amortization of software	1,155	1,353
Amortization of long-term prepaid expenses	64	51
Amortization of goodwill	183	187
Increase (decrease) in allowance for doubtful accounts	7	1,039
Increase (decrease) in provisions	(18)	705
Increase (decrease) in retirement benefit liability	161	205
Interest and dividend income	(13)	(20)
Interest expenses	127	115
Loss (gain) on valuation of investment securities	-	48
Loss on retirement of non-current assets	49	12
Decrease (increase) in trade receivables	(1,117)	(9,837)
Decrease (increase) in inventories	(57)	(756)
Decrease (increase) in accounts receivable - other	284	(436)
Decrease (increase) in consumption taxes refund receivable	66	-
Increase (decrease) in trade payables	1,473	5,379
Increase (decrease) in accounts payable - other	936	632
Increase (decrease) in accrued consumption taxes	(501)	(297)
Other, net	(335)	(268)
Subtotal	7,330	4,576
Interest and dividends received	13	20
Interest paid	(127)	(115)
Income taxes paid	(1,047)	(1,697)
Net cash provided by (used in) operating activities	6,169	2,783
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,426)	(670)
Purchase of software	(785)	(1,855)
Purchase of long-term prepaid expenses	(102)	(5)
Payments of guarantee deposits	(76)	(3)
Proceeds from refund of guarantee deposits	5	3
Loan advances	(30)	(1)
Collection of loans receivable	1	12
Purchase of investment securities	(94)	(0)
Payments for sales of shares of subsidiaries resulting in change in scope of consolidation	-	(396)
Payments for asset retirement obligations	(3)	(5)
Other, net	96	(4)
Net cash provided by (used in) investing activities	(2,416)	(2,929)

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	(Million yen)	
	For the six months ended November 20,2019	For the six months ended November 20,2020
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	-	(50)
Repayments of long-term borrowings	(856)	(520)
Repayments of lease obligations	(840)	(907)
Payments for purchase of treasury subscription right to shares	(36)	(2)
Proceeds from disposal of treasury shares	7	322
Proceeds from share issuance to non-controlling shareholders	300	-
Dividends paid	(918)	(969)
Net cash provided by (used in) financing activities	(2,344)	(2,127)
Effect of exchange rate change on cash and cash equivalents	0	-
Net increase (decrease) in cash and cash equivalents	1,408	(2,273)
Cash and cash equivalents at beginning of period	57,469	63,260
Cash and cash equivalents at end of period	58,877	60,986