

Disclaimer

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News Release Dated: February 4, 2019

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
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 revenue (net sales) and operating income were disclosed in the financial result briefing presentation materials for the third quarter of fiscal year 2018 announced today by Yahoo Japan Corporation (headquarters: 1-3 Kioicho, Chiyoda-ku, Tokyo; representative: Kentaro Kawabe, President and Representative Director), a company defined as "other affiliated companies" of the Company. Please refer to the appendix for the concerned page of the presentation materials.

In the attachment, Factors of YoY Change in Operating Income(1Q - 3Q), it describes that the ASKUL Group's operating income declined 10.5 billion yen compared with the same period a year earlier in the nine month period under review of Yahoo Japan Corporation (from April 1, 2018 to December 31, 2018), and the main factors of the decline are the reaction to the temporary gains (4.9 billion yen in insurance income and 3.5 billion yen in gain on sales of property, plant and equipment) in the previous fiscal year and higher distribution expenses resulting from the parcel delivery crisis.

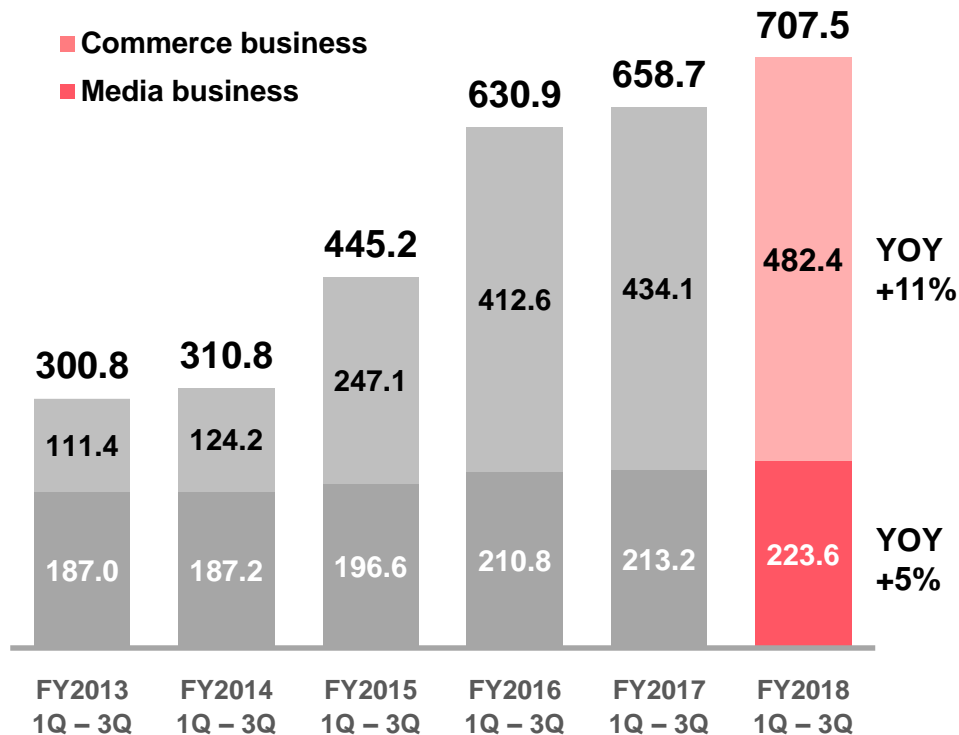
At the same time, consolidated operating income of the Company for the second quarter of the fiscal year ending May 2019 (from August 21 to November 20, 2018) announced on December 14, 2018 was 1.1 billion yen, which is in line with the same period a year earlier and increased 1.2 billion yen compared with the first quarter of the fiscal year (from May 21 to August 20, 2018), indicating steady improvement in the Company's recent profitability.

Appendix: Yahoo Japan Corporation FY2018 3Q 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.

Revenue by Segments (1Q-3Q)

(¥ Billion)

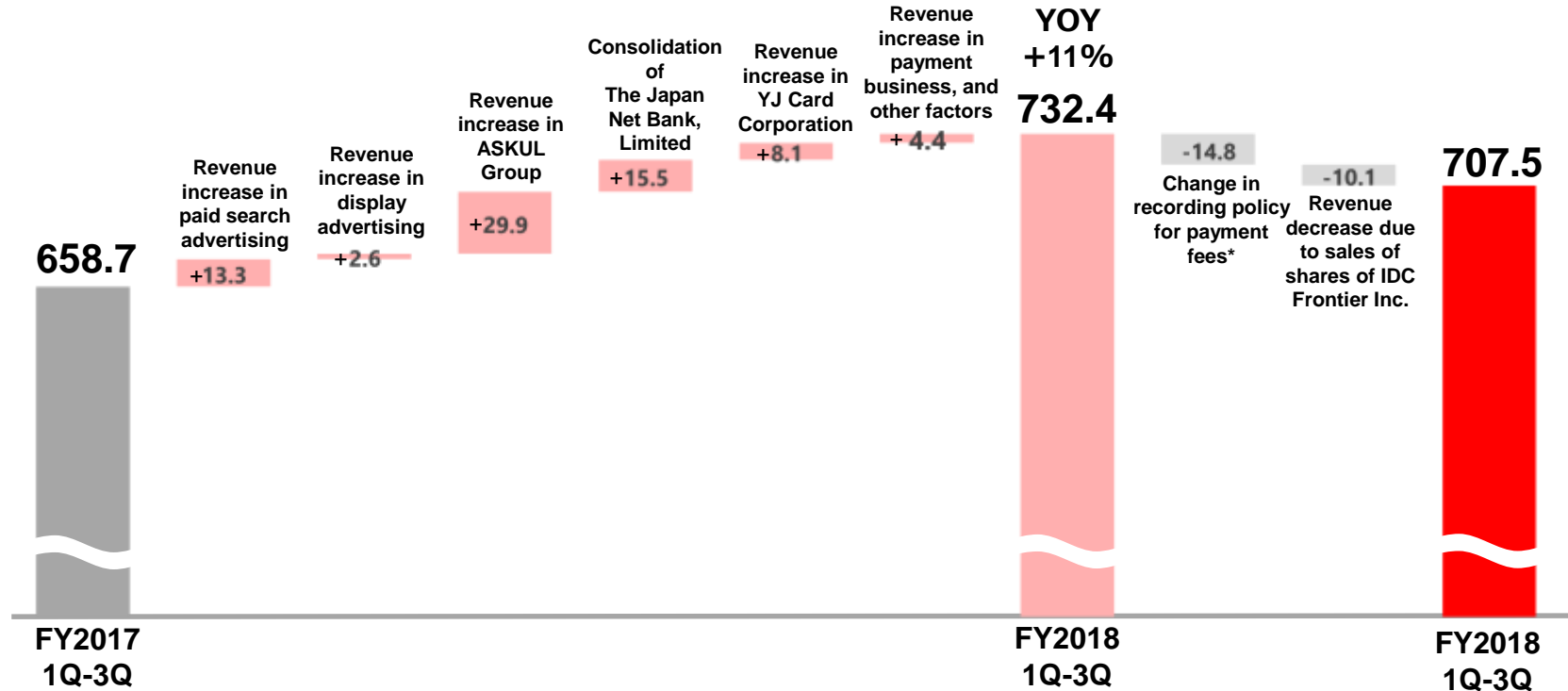


	Major events
FY13	<ul style="list-style-type: none"> Implemented new e-commerce strategy (3Q, Oct.)
FY15	<ul style="list-style-type: none"> Began terminating distribution of paid search advertising to partner sites (smartphone) (1Q) Launched In-feed advertising (1Q, May) Consolidated ASKUL Corporation (2Q, Aug.)
FY16	<ul style="list-style-type: none"> Revenue of paid search advertising regained positive growth (3Q)
FY17	<ul style="list-style-type: none"> Revenue increase in paid search advertising Began collaborative measures with SoftBank subscribers (1Q, June)
FY18	<ul style="list-style-type: none"> Revenue growth rate of paid search advertising exceeded 10% (1Q-3Q) Revenue decrease in YDN, etc. due to countermeasures for ad fraud (1Q-3Q)

1 Note: Excludes other business and adjustments. In cases where major services have been transferred between segments, prior business results and comparative figures have been retroactively adjusted to the current segments for FY2017. Figures for FY2016 and before are estimates based on the current segments.

Factors of Change in Revenue (1Q-3Q)

(¥ Billion)



2 * Starting from FY2018, part of payment fees is deducted from revenue to adapt to changes in accounting policy for revenue recognition.

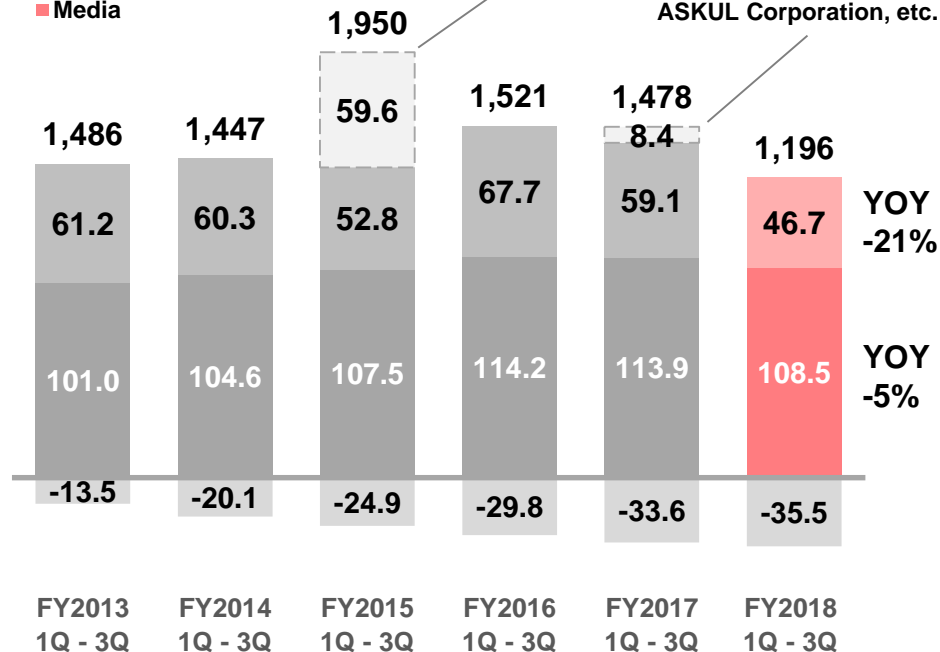
Operating Income by Segments (1Q-3Q)

(¥ Billion)

- Other business and adjustments
- One-time factor
- Commerce
- Media

Gain from remeasurement relating to business combination with ASKUL Corporation

Insurance proceeds for fire in Logistics Center of ASKUL Corporation, etc.



	Major events
FY13	<ul style="list-style-type: none"> Implemented new e-commerce strategy (3Q, Oct.)
FY15	<ul style="list-style-type: none"> Strengthened sales promotional activities Revised personal system-use fees of YAHUOKU! 5%→7% (4Q, Feb.)
FY16	<ul style="list-style-type: none"> Sales promotional activities made more efficient Revised store owner T Point contributions in Yahoo! Shopping (1Q, April) Revised store system-use fees of YAHUOKU! 5%→7% (1Q, April)
FY17	<ul style="list-style-type: none"> Investments to maximize EC transaction value and to become a data-driven company Agreement on paid search advertising with former Yahoo! Inc. terminated (1Q, June) Receipt of insurance proceeds, etc. of ¥4.9 billion related to fire incident in Logistics Center of ASKUL Corporation (1Q) Gain on ASKUL Corporation's sales of property and equipment of ¥3.5 billion (3Q)
FY18	<ul style="list-style-type: none"> Investments for new challenges Recognition of gain in sales of IDC Frontier Inc. of ¥7.9 billion (1Q)

Factors of YoY Change in Operating Income (1Q - 3Q)

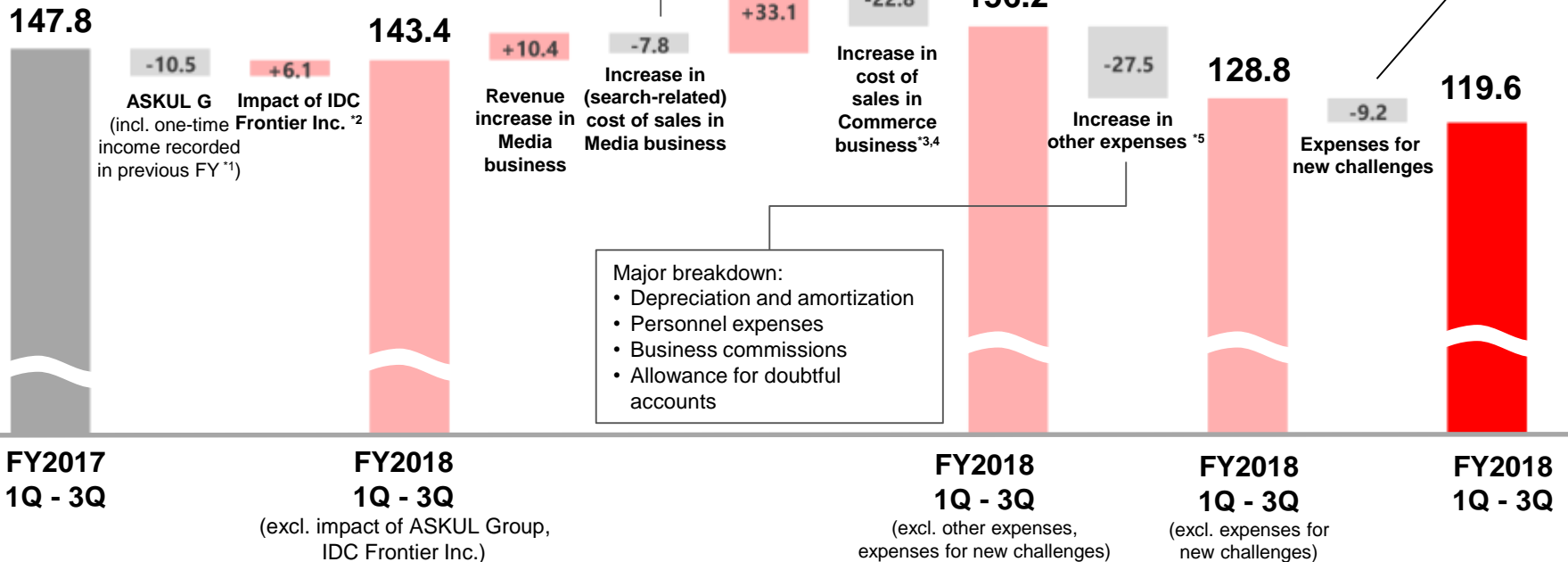
(¥ Billion)

- Agreement with former Yahoo! Inc. terminated (June 2017)
- Change in rate of agreement with Google
- Higher than expected increase in revenue of paid search advertising

Revenue increase in Commerce business³

Gross profit YOY +6%

Media: ¥2.5 B
Commerce, etc.: ¥6.7B



^{*1} Includes insurance proceeds, etc., related to the fire incident at the Logistics Center of ASKUL Corporation of ¥4.9 billion and ASKUL Corporation's gain on sales of property and equipment of ¥3.5 billion

^{*2} Includes gain on sales of shares of IDC Frontier Inc. of ¥7.9 billion

^{*3} Part of payment fees is deducted from revenue to adapt to changes in accounting policy for revenue recognition

^{*4} Sales promotion cost of Commerce business recognized in cost of sales instead of SG&A

^{*5} Excludes expenses related to ASKUL Group and IDC Frontier Inc.