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Excerpt from Summary of Consolidated Financial Results for the Three Months Ended August 20, 2019 [Japanese GAAP]*

September 12, 2019

Company name: ASKUL Corporation

Stock exchange listing: Tokyo

Code number: 2678

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

Representative: Akira Yoshioka

Contact: Tsuguhiro Tamai

Phone: 03-4330-5130

President and chief executive officer

Executive officer and chief financial officer

Scheduled date of filing quarterly securities report: September 27, 2019

Scheduled date of commencing dividend payments: -

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 Three Months Ended August 20, 2019 (May 21, 2019 to August 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	%
Three months ended August 20, 2019	97,891	4.2	1,479	-	1,456	-	910	-
August 20, 2018	93,972	15.9	(111)	-	(146)	-	(234)	-

(Note) Comprehensive income: Three months ended August 20, 2019: ¥ 945 million [-%]
Three months ended August 20, 2018: ¥ (221) million [-%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended August 20, 2019	17.85	17.85
August 20, 2018	(4.61)	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of August 20, 2019	165,787	48,922	29.3
May 20, 2019	169,112	48,631	28.6

(Reference) Equity: As of August 20, 2019: ¥ 48,588 million
As of May 20, 2019: ¥ 48,392 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, 2019	-	18.00	-	18.00	36.00
Fiscal year ending May 20, 2020	-				
Fiscal year ending May 20, 2020 (Forecast)		19.00	-	19.00	38.00

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

(Note) Breakdown of the 1st 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 owners of parent		Basic earnings 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 three months ended August 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):

August 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:

August 20, 2019: 4,235,653 shares

May 20, 2019: 4,235,634 shares

3) Average number of shares during the period:

Three months ended August 20, 2019: 51,023,762 shares

Three months ended August 20, 2018: 50,975,200 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 20,2019	As of August 20,2019
Assets		
Current assets		
Cash and deposits	57,469	56,446
Notes and accounts receivable - trade	42,189	41,402
Merchandise and finished goods	15,766	15,067
Raw materials and supplies	342	193
Costs on construction contracts in progress	72	53
Accounts receivable - other	8,733	8,504
Other	1,230	1,508
Allowance for doubtful accounts	(12)	(16)
Total current assets	125,792	123,160
Non-current assets		
Property, plant and equipment		
Buildings and structures	7,778	7,862
Accumulated depreciation	(2,719)	(2,837)
Buildings and structures, net	5,058	5,025
Land	136	136
Leased assets	18,714	18,725
Accumulated depreciation	(4,591)	(5,045)
Leased assets, net	14,122	13,679
Other	9,448	9,488
Accumulated depreciation	(6,392)	(6,561)
Other, net	3,056	2,926
Construction in progress	50	117
Total property, plant and equipment	22,424	21,885
Intangible assets		
Software	6,722	6,618
Software in progress	1,221	1,425
Goodwill	1,889	1,794
Other	13	12
Total intangible assets	9,847	9,851
Investments and other assets		
Investment securities	606	688
Deferred tax assets	3,967	3,732
Other	6,564	6,558
Allowance for doubtful accounts	(91)	(89)
Total investments and other assets	11,047	10,889
Total non-current assets	43,319	42,626
Total assets	169,112	165,787

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	(Million yen)	
	As of May 20,2019	As of August 20,2019
Liabilities		
Current liabilities		
Notes and accounts payable - trade	46,272	46,721
Electronically recorded obligations - operating	20,088	17,742
Short-term borrowings	380	380
Current portion of long-term borrowings	2,184	2,053
Accounts payable - other	9,340	9,245
Income taxes payable	1,100	352
Accrued consumption taxes	1,074	660
Provisions	779	705
Other	3,368	3,744
Total current liabilities	84,590	81,605
Non-current liabilities		
Long-term borrowings	14,646	14,356
Lease obligations	13,060	12,610
Retirement benefit liability	3,477	3,513
Asset retirement obligations	2,346	2,395
Other	2,358	2,382
Total non-current liabilities	35,889	35,258
Total liabilities	120,480	116,864
Net assets		
Shareholders' equity		
Share capital	21,189	21,189
Capital surplus	24,061	24,245
Retained earnings	19,972	19,965
Treasury shares	(16,788)	(16,788)
Total shareholders' equity	48,435	48,611
Accumulated other comprehensive income		
Deferred gains or losses on hedges	(1)	(0)
Foreign currency translation adjustment	28	27
Remeasurements of defined benefit plans	(69)	(50)
Total accumulated other comprehensive income	(42)	(23)
Share acquisition rights	18	(18)
Non-controlling interests	220	352
Total net assets	48,631	48,922
Total liabilities and net assets	169,112	165,787

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Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the three months)

(Million yen)

	For the three months ended August 20,2018	For the three months ended August 20,2019
Net sales	93,972	97,891
Cost of sales	72,085	74,792
Gross profit	21,887	23,098
Reversal of provision for sales returns	39	26
Provision for sales returns	34	26
Gross profit - net	21,892	23,098
Selling, general and administrative expenses	22,003	21,619
Operating profit (loss)	(111)	1,479
Non-operating income		
Interest income	7	6
Rental income	26	112
Other	29	60
Total non-operating income	63	179
Non-operating expenses		
Interest expenses	65	64
Rental expenses	24	109
Other	8	28
Total non-operating expenses	97	203
Ordinary profit (loss)	(146)	1,456
Extraordinary income		
Gain on donation of non-current assets	30	-
Total extraordinary income	30	-
Extraordinary losses		
Loss on retirement of non-current assets	26	2
Other	1	-
Total extraordinary losses	27	2
Profit (loss) before income taxes	(143)	1,453
Income taxes - current	114	300
Income taxes - deferred	(33)	225
Total income taxes	80	526
Profit (loss)	(224)	927
Profit attributable to non-controlling interests	10	16
Profit (loss) attributable to owners of parent	(234)	910

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

(Million yen)

	For the three months ended August 20,2018	For the three months ended August 20,2019
Profit (loss)	(224)	927
Other comprehensive income		
Deferred gains or losses on hedges	0	0
Foreign currency translation adjustment	(1)	(1)
Remeasurements of defined benefit plans, net of tax	4	19
Total other comprehensive income	3	18
Comprehensive income	(221)	945
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(231)	929
Comprehensive income attributable to non-controlling interests	10	16