

August 2, 2019

To whom it may concern:

Company Name	ASKUL Corporation
Representative	Akira Yoshioka President and Chief Executive Officer (Code No.2678, Tokyo Stock Exchange First Section)
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 consolidated net sales and operating income were disclosed in the financial results briefing presentation materials for the first quarter of fiscal year 2019 announced today by Yahoo Japan Corporation, a company defined as “other affiliated company” of the Company (headquarters: 1-3 Kioicho, Chiyoda-ku, Tokyo; representative: Kentaro Kawabe, President and Representative Director). Please refer to the appendix for the applicable page of the presentation materials.

According to earnings results of the commerce business of Yahoo Japan Corporation for the first quarter of fiscal 2019 (April 1, 2019~June 30, 2019), shown in an attached document, revenue from LOHACO (including online stores operated by Yahoo! Shopping), which is part of the Yahoo shopping business, decreased 6% from a year before. This negative growth was chiefly attributed to longer-than-usual 2019 “Golden Week” holidays as well as slack sales for overseas demand.

Appendix: Yahoo Japan Corporation FY2019 1Q Business Results Presentation Material (excerpt)

Note: Yahoo Japan Corporation holds 41.67% of the total shares issued by the Company as of May 20, 2019.



Yahoo Japan Corporation

FY2019-1Q

Business Results

August 2, 2019

Security code: 4689

FY2019-1Q Factors of Change in Consolidated Operating Income

Decrease in income for 1Q is as expected due to one-time gain recorded in FY2018-1Q

Item		Amount (¥B)	Major factors (¥B)
FY2018-1Q Result		47.5	
YoY difference	Revenue	+6.7	ASKUL + 2.1; Advertising revenue + 1.8
	Cost of sales	-0.8	
	SG&A (major items only.)	-9.3	
	Depreciation and amortization	-5.6	Increase in depreciation expense of right-of-use assets due to application of IFRS 16 (rental expense decreased instead) Increase in software, servers, etc.
	Sales promotion cost	-2.8	Promotional cost for Yahoo! JAPAN app, point rewards for Commerce Business, point rewards for acquiring credit card membership
	Personnel expenses	-1.0	Hired approx. 450 new recruits (70% engineers)
	Content provider fees	-0.8	
	Business commissions	-0.6	
	Advertising and promotional expenses	-0.5	
Other revenue & expenses	-7.9	One-time gain: Gain in sale of IDC Frontier 7.9 (FY2018-1Q)	
FY2019-1Q Result		36.1	

FY2019-1Q Commerce Business – KPI

Item	Actual result	YoY	Measures / Factors of change
EC transaction value	584.0 (¥B)	+ 8.8 %	
EC transaction value (Sale of goods)	475.6 (¥B)	+ 5.4 %	
Shopping transaction value	204.0 (¥B)	+ 16.5 %	Yahoo! Shopping grew approx. +20% Negative 6% growth in LOHACO (including LOHACO store in Yahoo! Shopping)
YAHUOKU! transaction value	200.4 (¥B)	+ 0.7 %	
EC transaction value (Non-sale of goods)	108.4 (¥B)	+ 27.0 %	Travel (O2O) grew over +30% Dining reservation also grew over +20%
Credit card transaction value	423.5 (¥B)	+ 48.8 %	Grew due to linkage with PayPay, sales promotional activities