

Disclaimer

This is an English translation of the captioned release. This translation is prepared and provided for the purpose of the reader's convenience. All readers are recommended to refer to the original version in Japanese of the release for complete information

News Release dated: March 18, 2014

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, Finance & Corporate
Communication Unit
Phone: (03) 4330-5130

FY5/2014 3rd Quarter Performance

(Consolidated financial summary for first nine months of fiscal year ending May 2014)

ASKUL Corporation (hereinafter referred to as the "Company") herewith attach the "FY5/2014 3rd Quarter Performance" (Consolidated financial summary for first nine months of fiscal year ending May 2014) to provide supplementary information with respect to the "Summary of Consolidated Financial Results for First Nine Months of Fiscal Year Ending May 2014 (Japanese GAAP)."

These supplementary materials include forward-looking statements concerning current plans and the outlook for operating results. These statements are based on plans and forecasts that use currently available information. Forward-looking statements are not promises or guarantees about the future because actual operating results may differ from the Company's outlook for a variety of reasons.

These supplementary materials are unaudited and have not been reviewed by certified public accountants or auditors.



Productivity of Eastern and Western Key Logistics Centers Falls Short of Target but Exceeds Existing Centers

LOHACO's 3Q Net Sales Grow 46% Compared to 2Q

Pursue Further Improvement in Productivity of Logistics Centers
While Driving Net Sales Forward

March 18, 2014

Disclaimer

This is an English translation of the captioned presentation material. This translation is prepared and provided for the purpose of the convenience of non-Japanese-speaking people. All readers are recommended to refer to the original version in Japanese of the presentation material for complete information.

Notes:

This material contains 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 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 purposes 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, while B-to-C refers to business-to-consumer transactions.

I. Revision to Full-Year Consolidated Earnings Forecasts

II. Three Key Points in Transition to E-commerce

III. B-to-B Business Topics

Revision to Full-Year Consolidated Earnings Forecasts

(¥billion)	FY5/2014 full-year				Comparison with initial forecast		
	Initial forecast				Revised forecast	Change (amount)	Change (%)
	LOHACO	B-to-B Business, etc.	Logistics Base Enhancement, etc.	Total	Total	Total	Total
Net Sales	10.0	240.0	-	250.0	250.0	-	-
Operating Income	-2.3	10.4	-2.1	6.0	4.0	-2.0	-33.3

The productivity of the eastern and western key logistics centers falling short of the targeted levels in the transition period from catalog to e-commerce is the primary factor for the revision.


The issue and countermeasures are clear, and we are pressing ahead with improvements

I. Revision to Full-Year Consolidated Earnings Forecasts

II. Three Key Points in Transition to E-commerce

III. B-to-B Business Topics

(1) Logistics ECR Process That Lets Us Win with Commodity



**Aim for No.1 in 2nd
generation e-commerce**

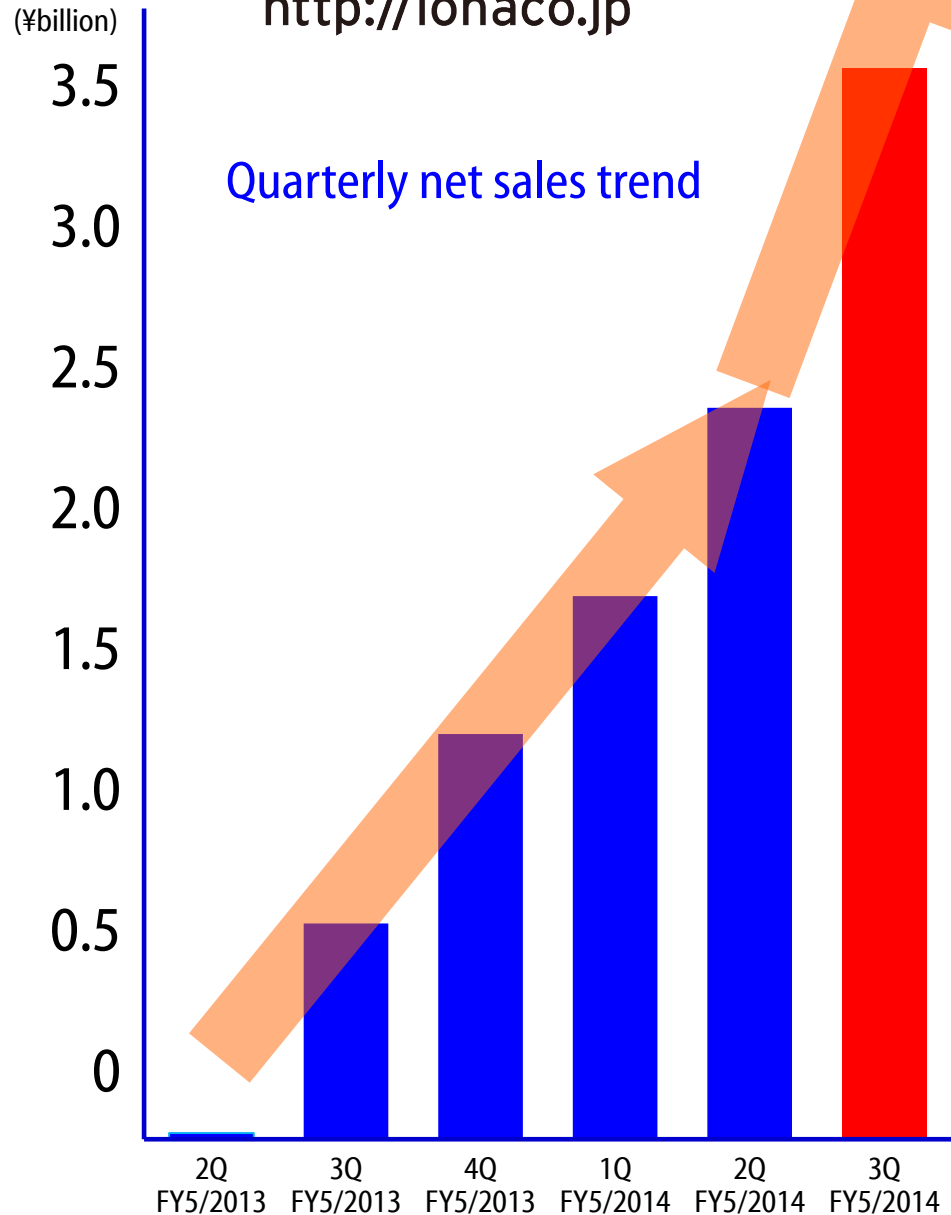
**Those who control logistics
control e-commerce**

くらしをかるくする

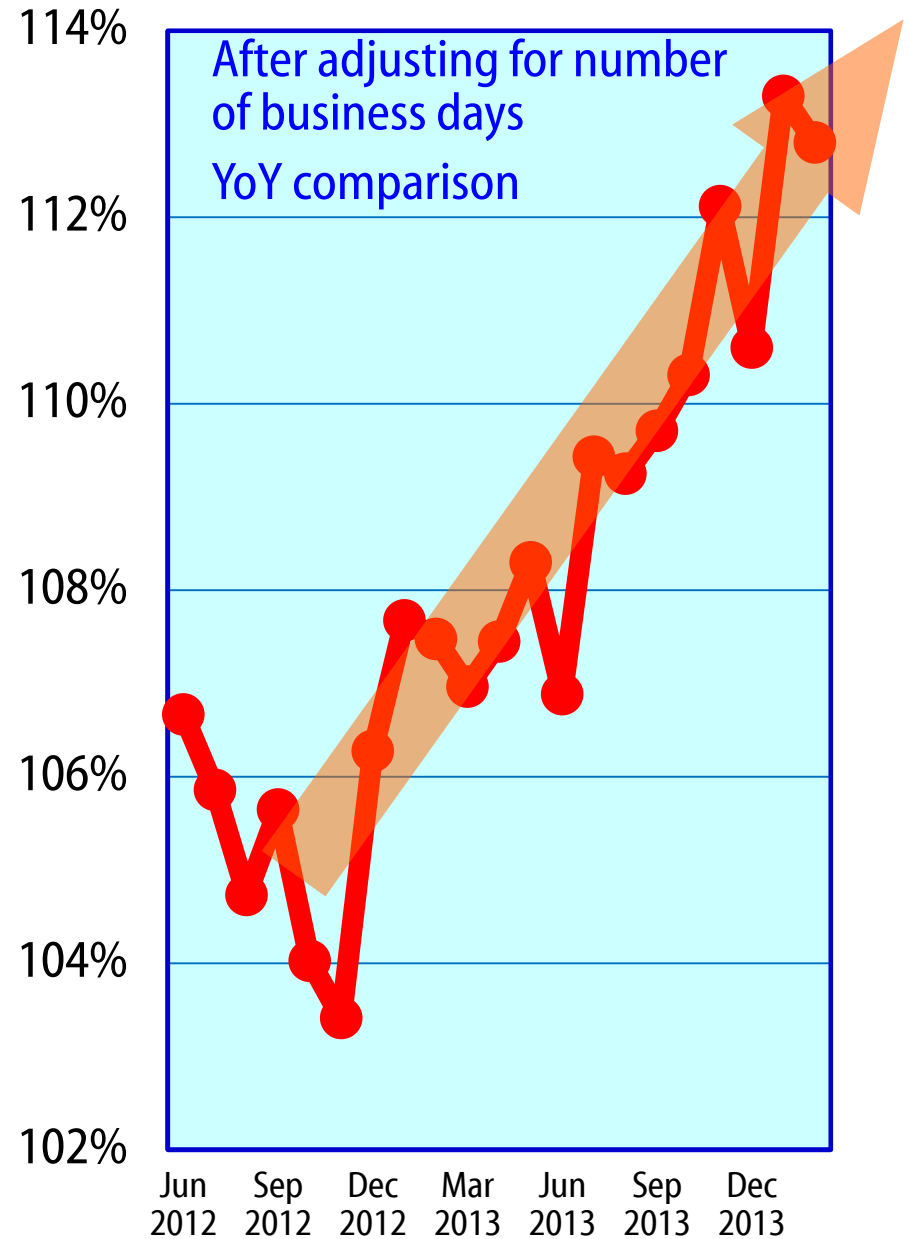
LOHACO

<http://lohaco.jp>

Quarterly net sales trend



Consolidated Net Sales Trend



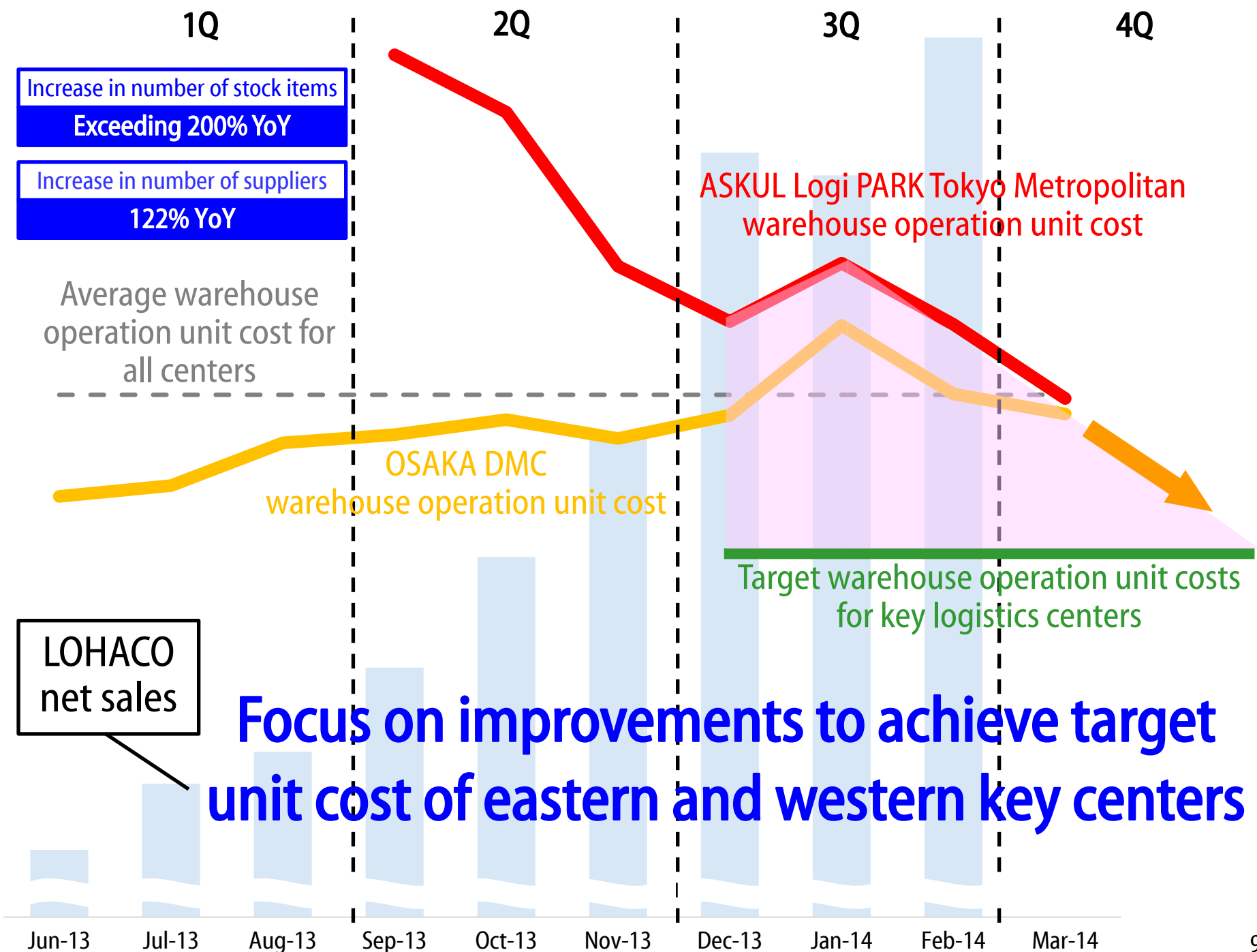
**Increase the number of products in stock
from 30,000 to 70,000 SKUs**

**Consolidated net sales* posted
5 consecutive months of double-digit growth
(LOHACO's 3Q net sales grew 46% compared to 2Q)**

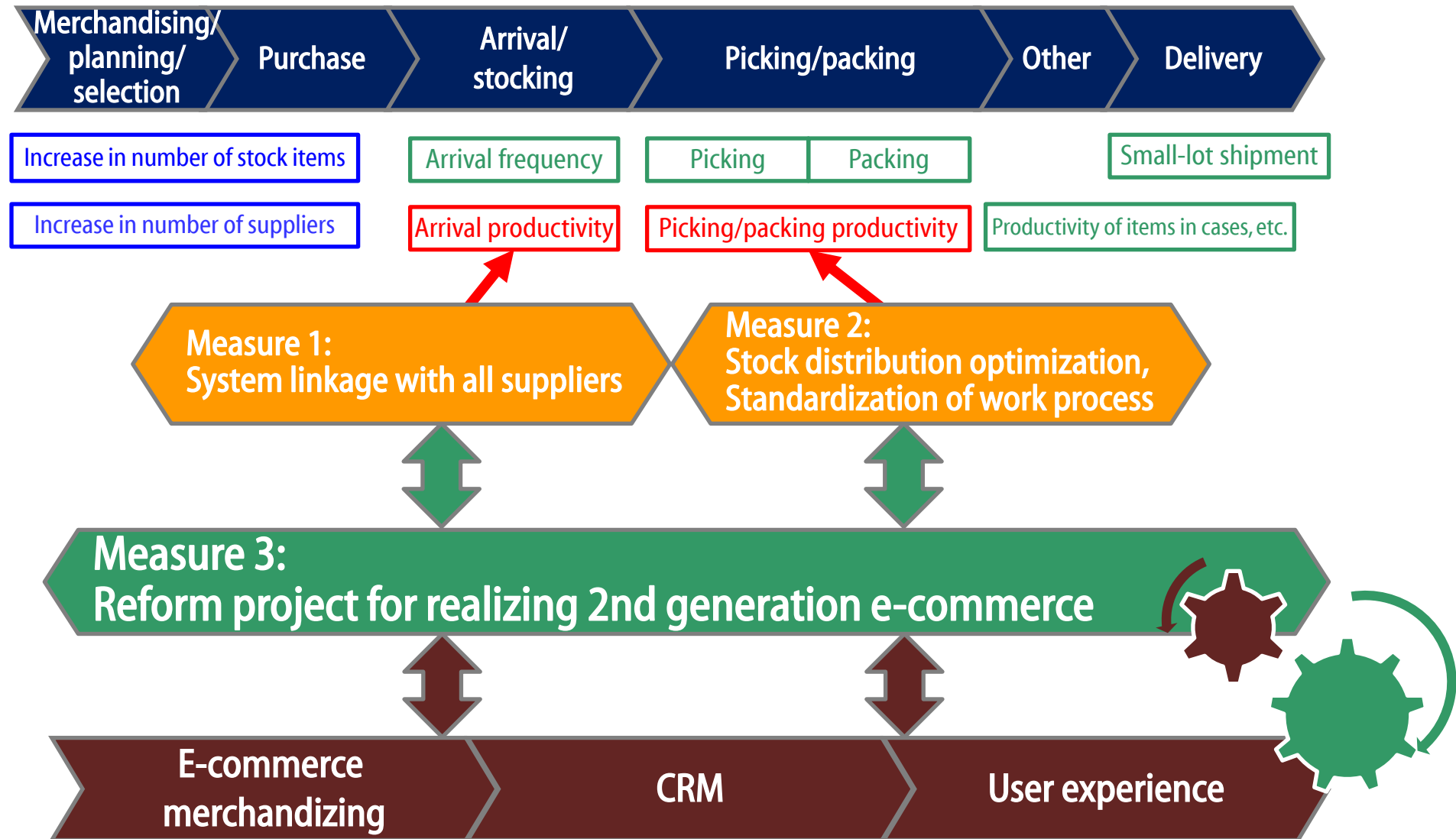
**Priority on future profit maximization and
maintaining the customer service levels**



**Accelerate the speed of transition to e-commerce
operation, which is centered on the improvement of
logistics productivity**



Measures for Addressing Issues





Towards Realizing 2nd Generation e-Commerce

**Accelerate the pace of upgrading
the logistics system and reforming
operations**

(2) Creating new customer LOHACO-san

ASKUL

×

YAHOO!
JAPAN

くらしをかるくする

LOHACO

<http://lohaco.jp>

くらしをかろくする

LOHACO

<http://lohaco.jp>

Quarterly net sales trend

(¥billion)

3.5

3.0

2.5

2.0

1.5

1.0

0.5

0

2Q

3Q

4Q

1Q

2Q

3Q

FY5/2013

FY5/2013

FY5/2013

FY5/2014

FY5/2014

FY5/2014

FY5/2014

3Q net sales

¥3.59 billion

QoQ change

46%

Achievement of the
¥10.0 billion
full-year target is
within range

E-commerce is entering the second generation

1st generation



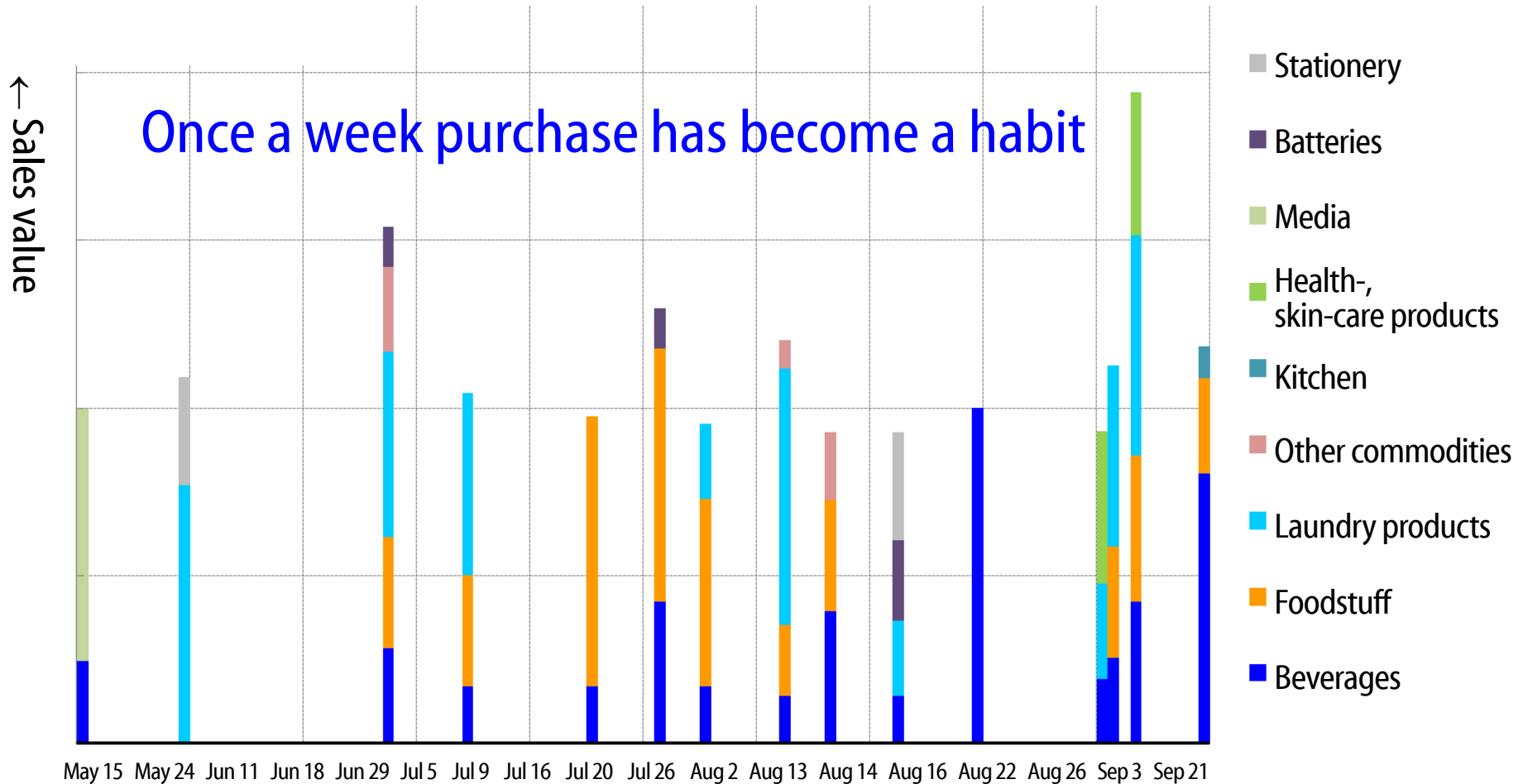
Search and purchase single items related to one's hobby or taste

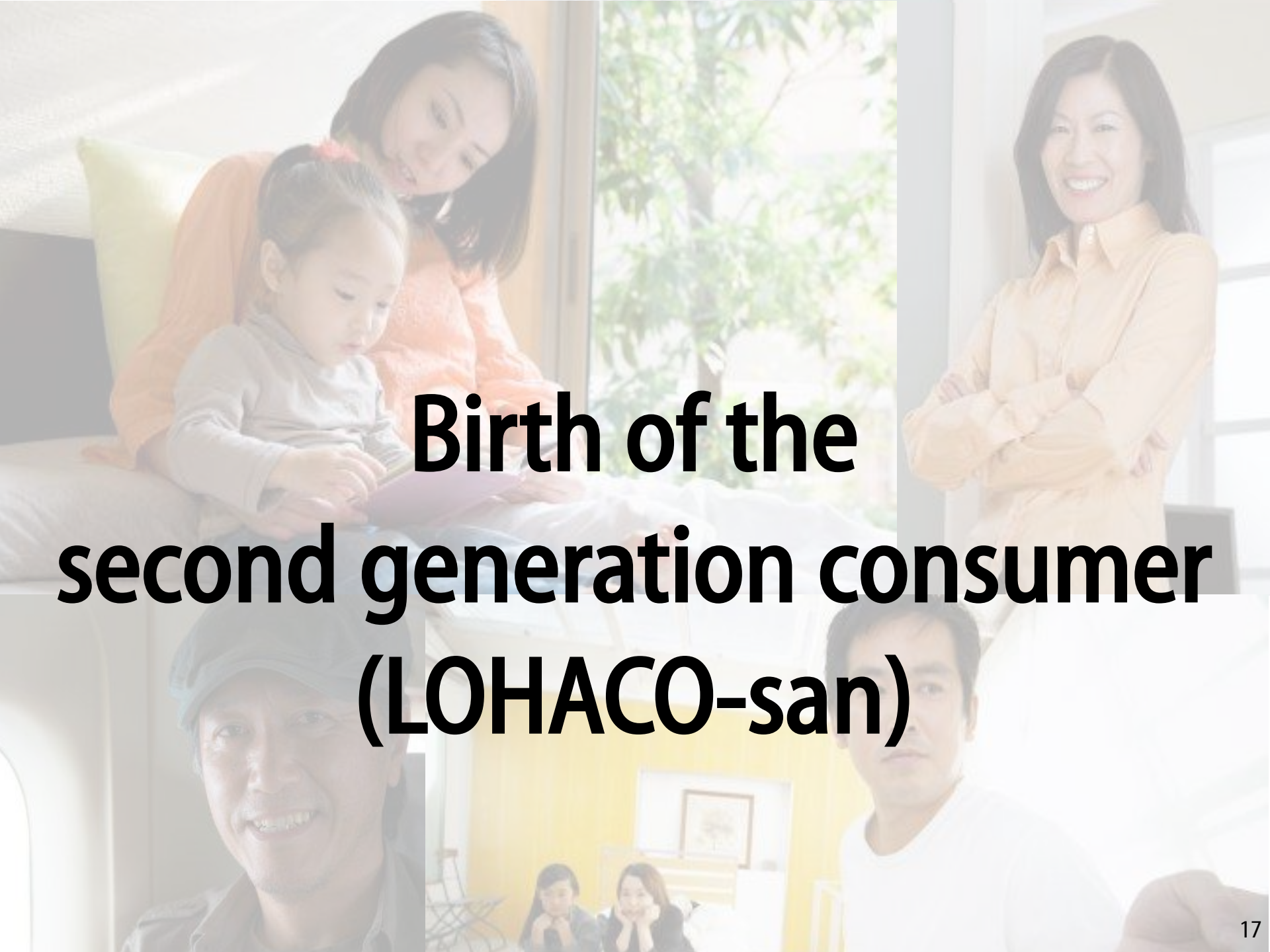
2nd generation



E-commerce entering into the household, and being utilized in daily life

Both amount spent on purchases and number of items purchased of repeat customers have been increasing





**Birth of the
second generation consumer
(LOHACO-san)**



Who is LOHACO-san?

Repeat customers
who have fulfilled a
certain standard

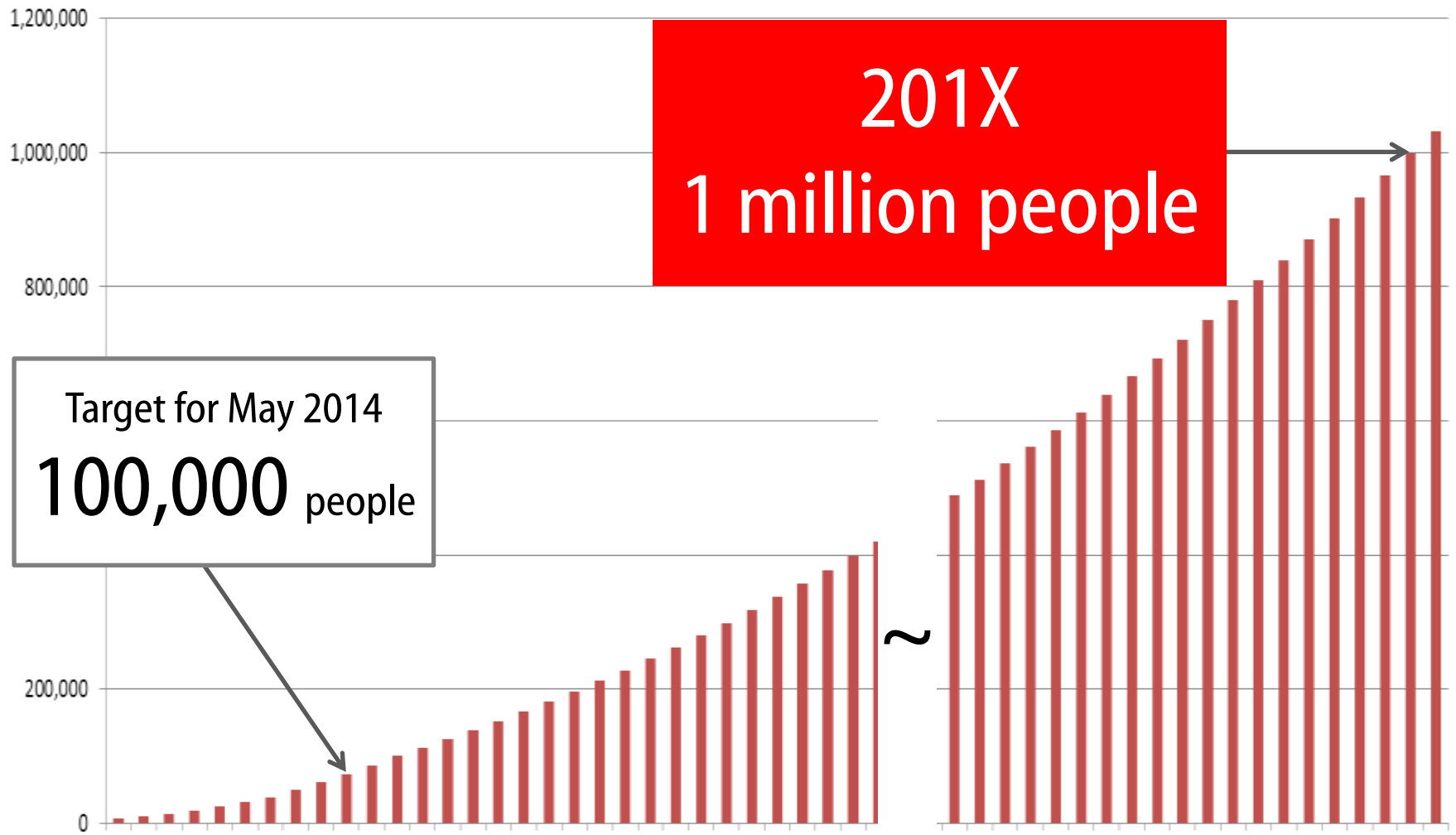
= **Loyal customers**

About 56,000 people as of February 20, 2014



They account for only about 5% of the
total number of customers but make up
more than 30% in terms of sales

Increase the number of LOHACO-san to 1 million people



(3) Marketing platform that is integrated with manufacturers

October 11, 2013

Web Marketing Consortium 2013

About 230 officials from about 120 suppliers participated

January 28, 2014

Web Marketing Consortium (presentation of cases)

About 120 officials from about 60 suppliers participated

Purpose of Web Marketing Consortium

- What we are aiming for -

Purpose 1


Aim for a **Win-Win-Win** solution with consumers and manufacturers through sound development of e-commerce

Purpose 2

Make big data open and practice effective e-commerce marketing activities

Purpose 3

Support the daily life of **female working LOHACO-san (typical LOHACO-san)**, promote diversity and assist the **parental generation** through e-commerce



February 21, 2014
LOHACO E-commerce Marketing Lab

Established

Objective of LOHACO E-commerce Marketing Lab

Create e-commerce business
that is optimized for society
and contribute to public good

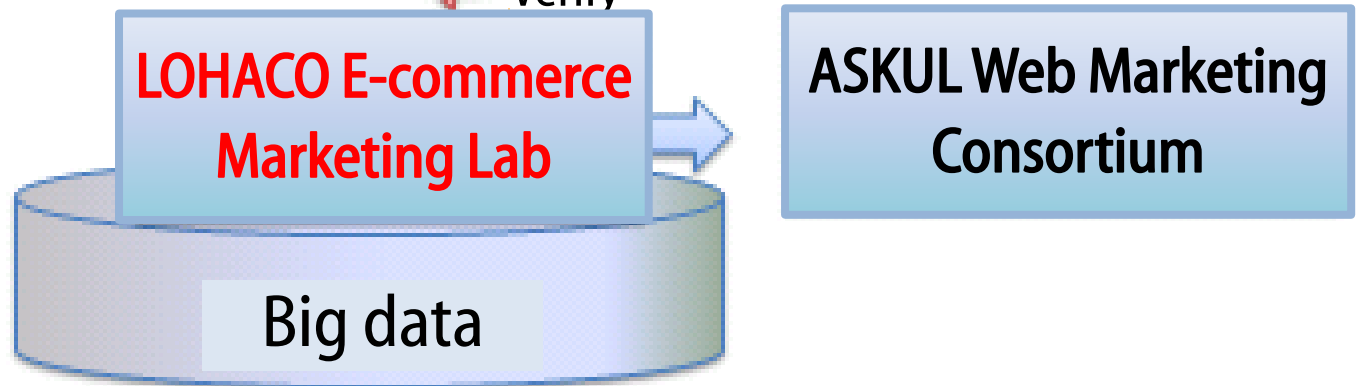
Customer

- Would like to take this chance to try it
- Would like to try out something better
- Inexpensive for a reason

L
O
H
A
C
O

- Increase market share
- Increase added value
- Eliminate stock loss

Manufacturer



To become the ultimate marketing platform

First batch: 26 researchers from 12 companies participated
ASKUL LOHACO employee researchers: 20
Yahoo! JAPAN: 2 University of Tokyo: 2

AJINOMOTO CO., INC.; AJINOMOTO GENERAL FOODS, INC.;
Kao Customer Marketing Co., Ltd.; CALBEE, Inc.;
Coca-Cola Customer Marketing Company, Limited;
Sumitomo 3M Limited; Daio Paper Corporation;
Nissin Food Products Co., Ltd.; Nestle Japan Ltd.;
P&G Japan; Unilever Japan K.K.; Lion Corporation

(honorifics omitted; in Japanese syllabary order)

Number of manufacturers wishing to
participate in the next batch is also increasing

LOHACO jet goes into service on March 15, 2014

バニラエア航空券、Tポイントが当たる!!

LOHACOジェット 就航記念キャンペーン

キャンペーン期間:

3.12(水) - 4.15(火) 18:00まで



メルマガ登録・アプリダウンロードで

50名様 バニラエアで行く
沖縄・札幌 (1名様分の往復航空券)

50名様 Tポイント1,000ポイント

もれなく OUTLET 先行案内配信

バニラエアって
こんな航空会社



Attract more customers by improving awareness



Taking e-commerce to
the blue ocean together
with manufacturers

- I. Revision to Full-Year Consolidated Earnings Forecasts
- II. Three Key Points in Transition to E-commerce
- III. B-to-B Business Topics

Targeting B-to-B Business





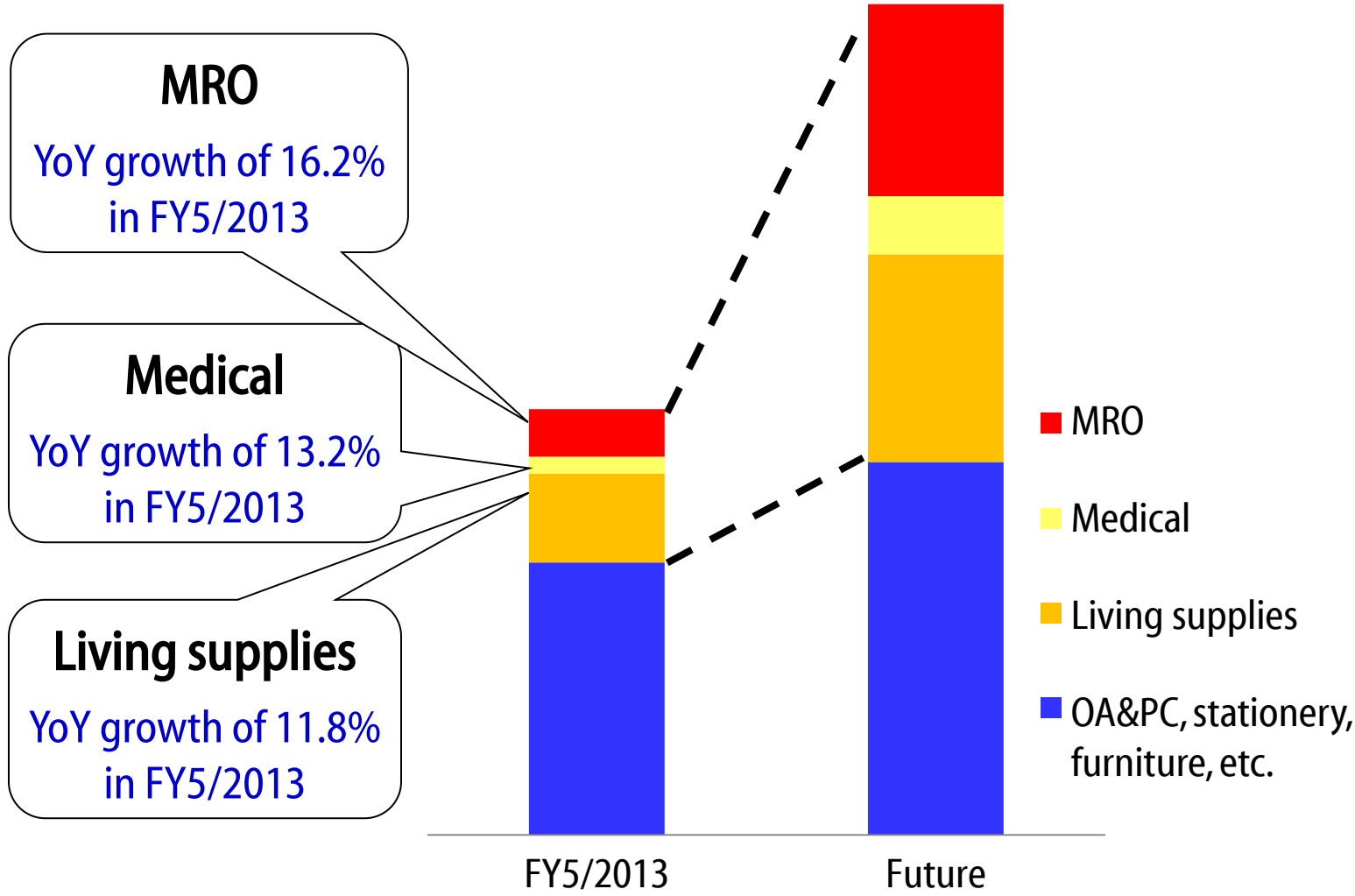
**We aim for No.1
in all work sites**



B-to-B net sales back on growth track, fully overcoming the slowdown



Image of Re-growth with New Categories



*The YoY growth rate for FY5/2013 includes net sales of LOHACO

*MRO: Abbreviation of Maintenance, Repair and Operation. Here, primarily denotes indirect supplies consumed on site by companies

Aim to restore double-digit growth in B-to-B business

B-to-B Growth Strategy

Category

MRO

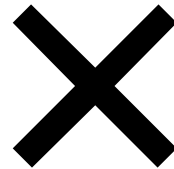
Medical

Industry

Manufacturing/
construction

Medical/
nursing care

Service
(stores/logistics)

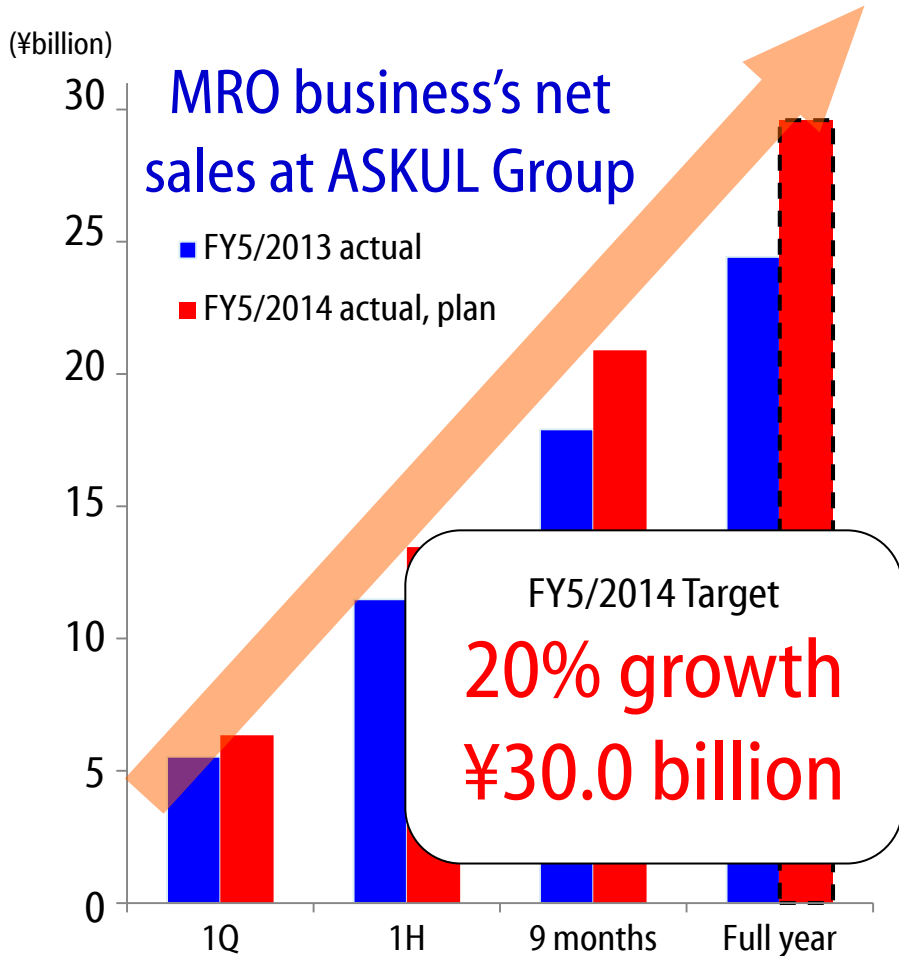


**Business development by
about 1,400 agents**

MRO



Strengthening High-demand Products + Expanding Low-demand Products = Growth



ASKUL Catalog Spring/Summer 2014

Released in February 2014

*The net sales target includes products sold through LOHACO

現場のチカラ

Aug 2012 Introduced 100 SKUs



Feb 2013 Introduced 173 SKUs



Aug 2013 Introduced 300 SKUs



Feb 2014 Introduced 170 SKUs

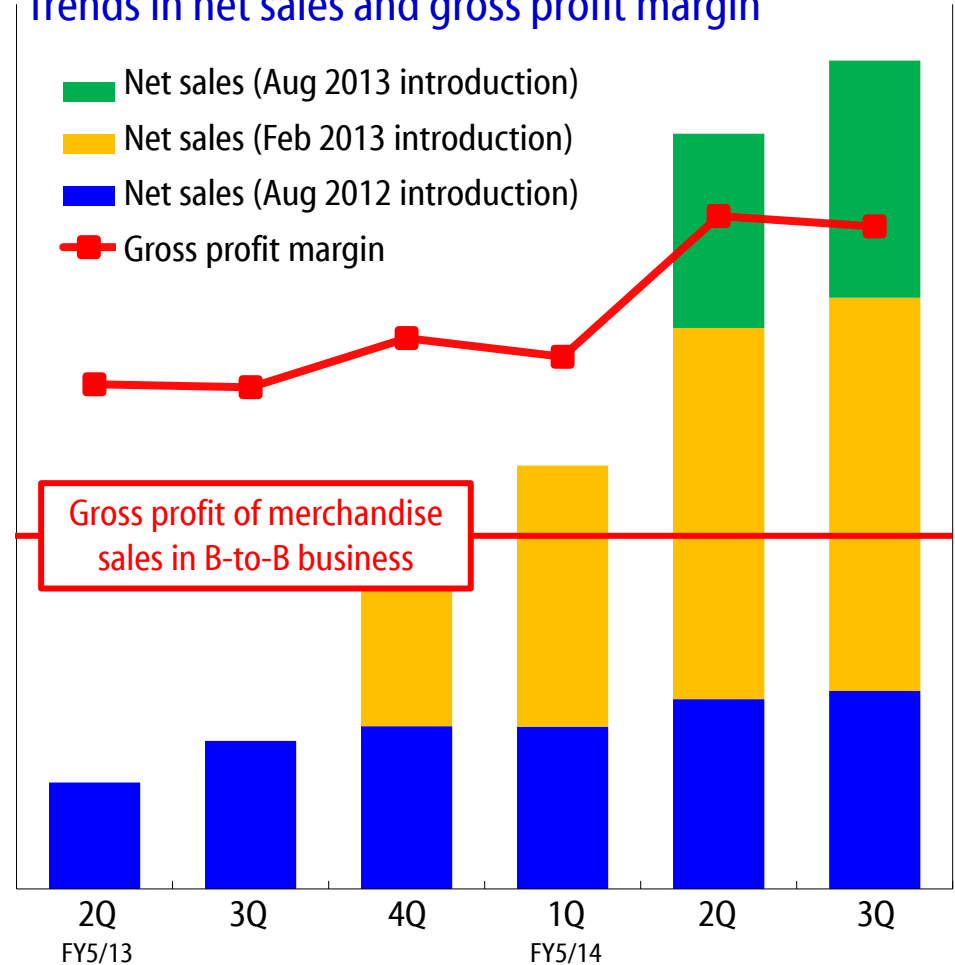


*Genba-no-chikara is ASKUL's original brand for MRO supplies.

Strengthened Both Competitiveness and Profitability

Genba-no-chikara:

Trends in net sales and gross profit margin



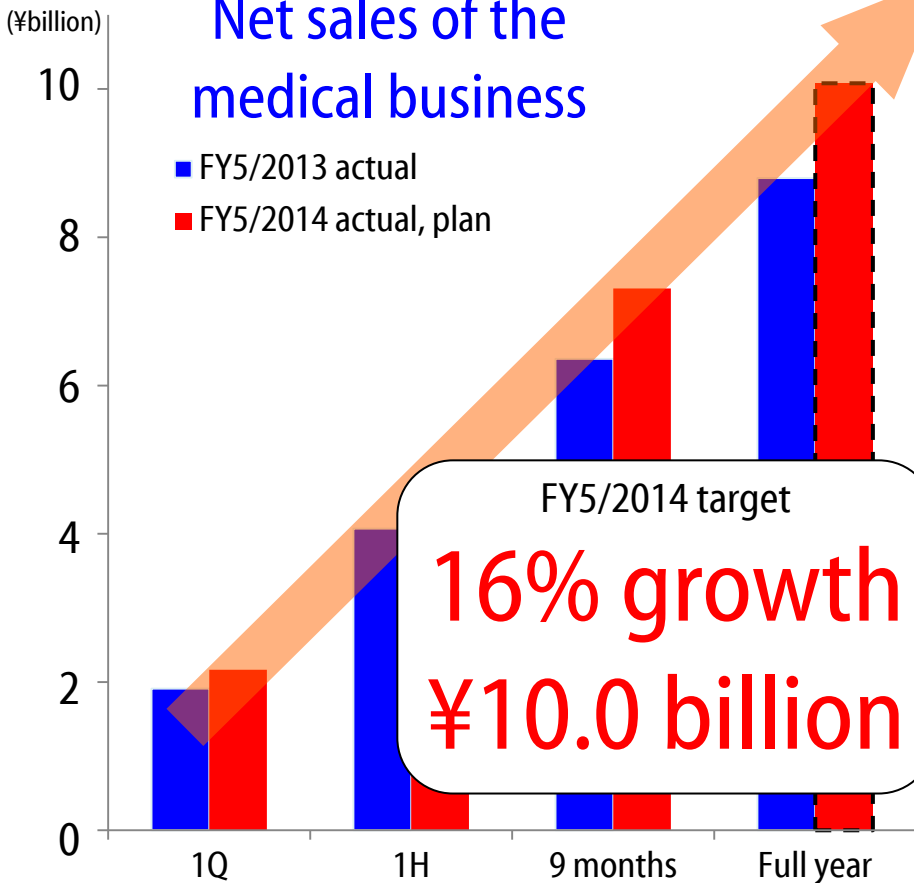
Medical



Increasing Agents + Enhanced Nursing-care Products = Growth

Net sales of the
medical business

■ FY5/2013 actual
■ FY5/2014 actual, plan



*The net sales target includes products sold through LOHACO.



No. 1 in net sales of medical
mail order service

(results for FY5/2013)

*Source: ASKUL

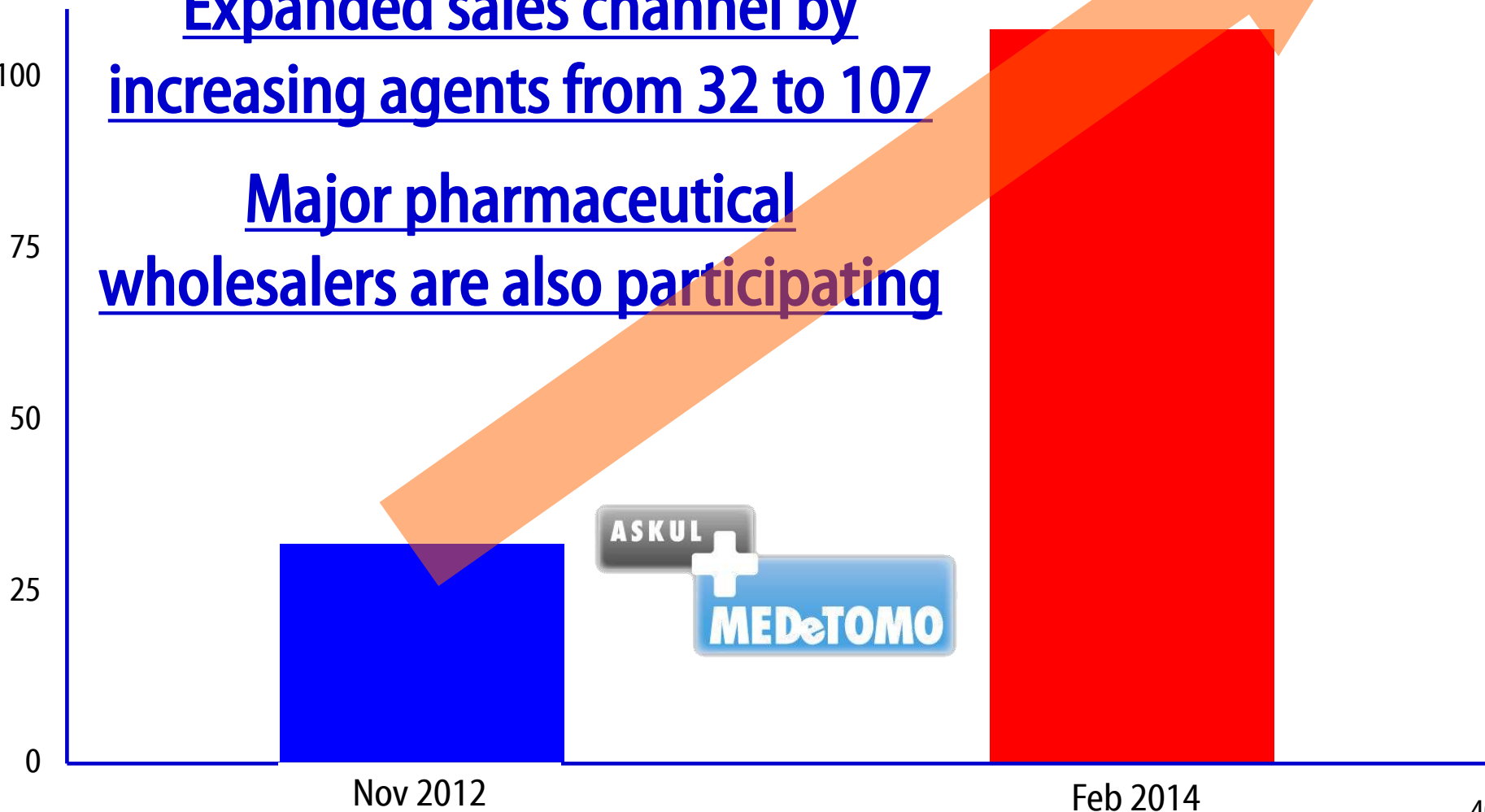


Number of Agents Tripled

(Companies)

Expanded sales channel by increasing agents from 32 to 107

Major pharmaceutical wholesalers are also participating



Medical & Care Catalog Special Spring Issue released



介護の現場を応援!



→ 無料サンプルあります! 詳しくはP.27をご覧ください。
※ ¥1,000以上のご注文から送料無料** | 当日または翌日にお届け** | 商品はすべて税抜き価格で表示しています。***

Enhanced product lineup
targeting nursing-care facilities
offering day-care and other
services

Offered limited-time discount
mainly for products with
seasonal demand

Utilized as a tool for
intensive development
of elderly nursing-care
industry

ASKUL Medical & Care 2014 Special Spring Issue
Released in February 2014

A close-up photograph of a hand with the index finger pointing upwards, set against a bright blue sky with scattered white clouds. The hand is positioned in the upper left quadrant of the frame, and the arm extends towards the bottom right. The lighting is bright, suggesting a sunny day.

**Develop new markets,
as B-to-B forms a base**

Appendix

《Appendix》

Revision to Full-Year Consolidated Earnings Forecasts

(¥billion)	FY5/2014 full-year				Comparison with initial forecast		
	Initial forecast				Revised forecast	Change (amount)	Change (%)
	LOHACO	B-to-B Business, etc.	Logistics Base Enhancement, etc.	Total	Total	Total	Total
Net Sales	10.0	240.0	-	250.0	250.0	-	-
Operating Income	-2.3	10.4	-2.1	6.0	4.0	-2.0	-33.3

Improvement in logistics productivity falling short of target due to transition period

Temporary cost associated with last-minute demand before consumption tax rate increase

Other (cost reduction measures, etc.)

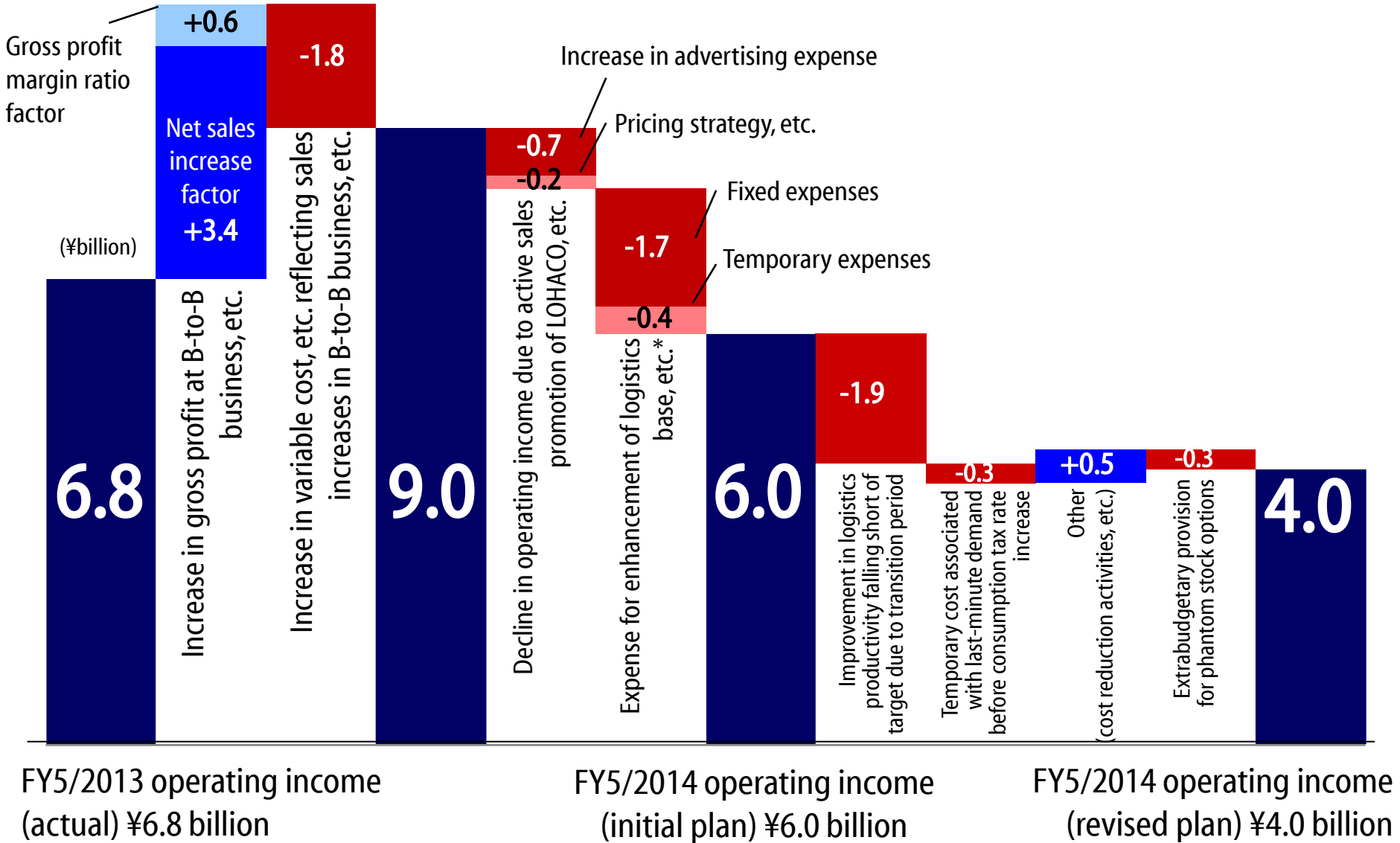
Extrabudgetary provision for phantom stock options

Total

	9 months	4Q
	1.5	0.4
	0	0.3
	-0.5	-
	0.3	-
	1.3	0.7

《Appendix》

Factors Affecting FY5/2014 Consolidated Operating Income (Plan)



*Expenses related to logistics base enhancement, etc. are ultimately distributed to each business based on net sales, etc. in ASKUL's managerial accounting.

《Appendix》

FY5/2014 Nine Month Consolidated Performance Overview

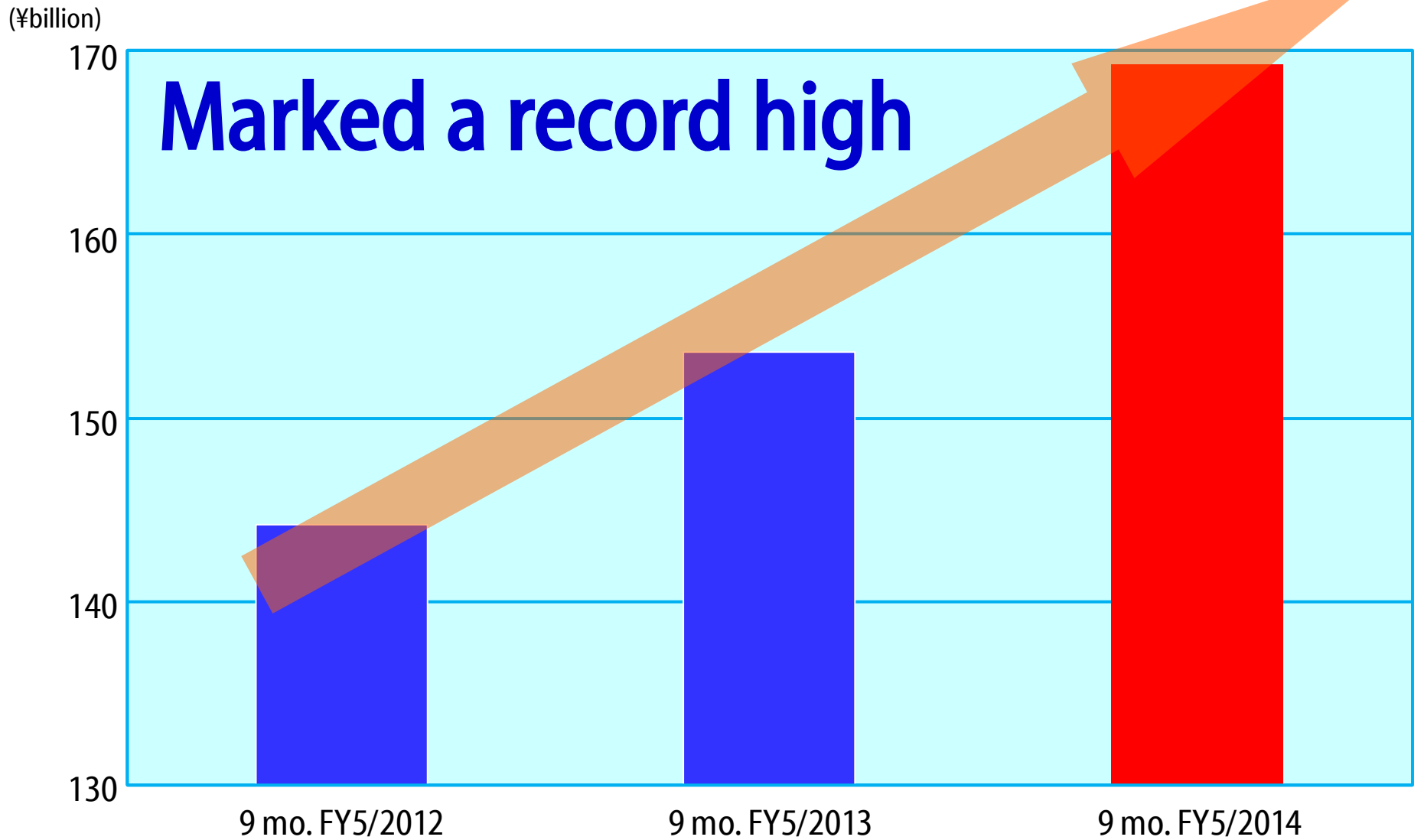
	FY5/2013		FY5/2014			
	Amount (¥million)	% of sales	Amount (¥million)	% of sales	YoY change (%)	YoY change (¥million)
Net Sales	165,614	100.0	182,404	100.0	+10.1	+16,790
Gross Profit	36,894	22.3	40,463	22.2	+9.7	+3,568
Selling, General and Administrative	32,021	19.3	37,959	20.8	+18.5	+5,937
Operating Income	4,872	2.9	2,503	1.4	-48.6	-2,368
Ordinary Income	5,063	3.1	2,555	1.4	-49.5	-2,507
Net Income	4,374	2.6	1,081	0.6	-75.3	-3,292

(¥billion)	LOHACO		B-to-B business, etc.		Logistics base enhancement, etc. (*1)				Total	
	Full-year forecast	9 mo. actual	Full-year forecast	9 mo. actual	Fixed expenses		Temporary expenses (*2)		Full-year forecast	9 mo. actual
					Full-year forecast	9 mo. actual	Full-year forecast	9 mo. actual		
Net Sales	10.0	7.8	240.0	174.5	—	—	—	—	250.0	182.4
Operating Income	-2.7	-2.0	8.8	6.1	-1.7	-1.1	-0.4	-0.4	4.0	2.5

*1 Expenses related to logistics base enhancement, etc. are ultimately distributed to each business based on net sales, etc. in ASKUL's managerial accounting.

*2 Recording of the temporary expenses on logistics base enhancement, etc. has been completed in 1Q.

《Appendix》 Trend in Consolidated Net Sales



《Appendix》 Monthly Consolidated Net Sales Trend

(after Adjusting for Number of Business Days; Y-o-Y Comparison)

5 consecutive months of double-digit growth



《Appendix》 Net Sales by Product Category

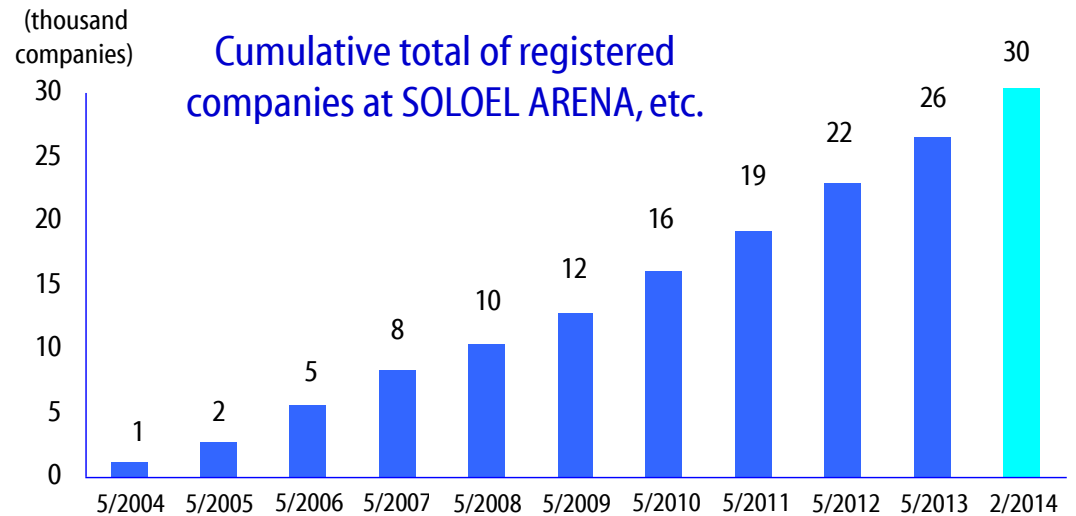
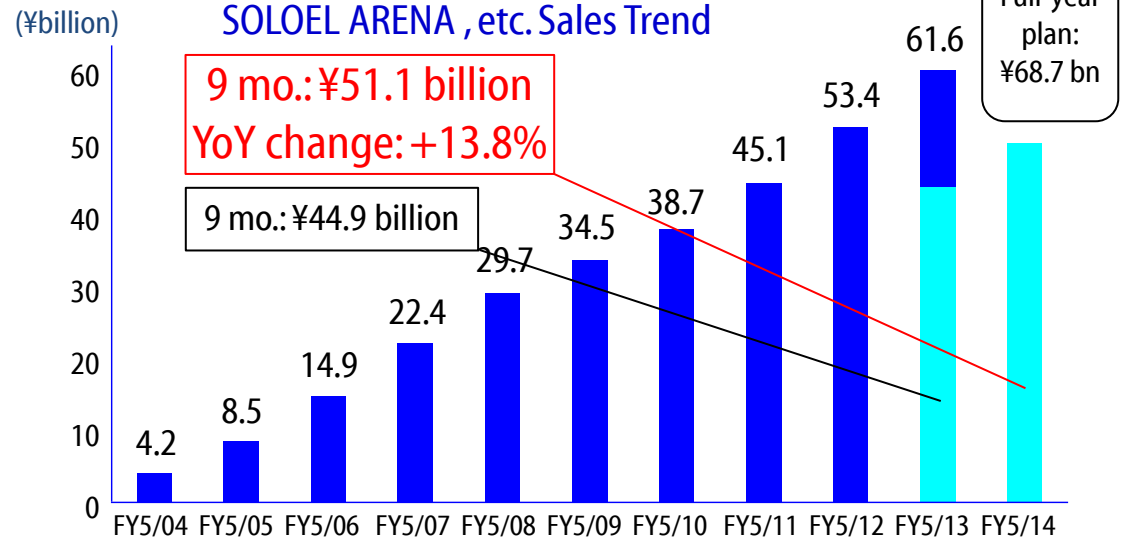
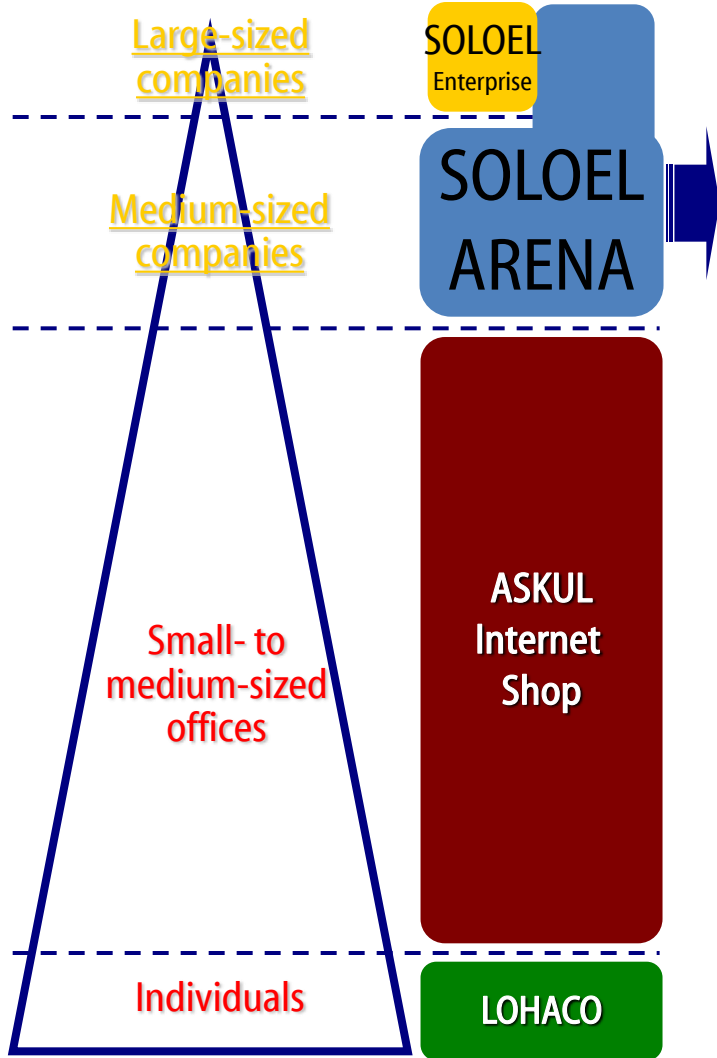
Non-consolidated

	9 mo. FY5/2013		9 mo. FY5/2014	
	Amount (¥million)	YoY change (%)	Amount (¥million)	YoY change (%)
OA&PC	60,282	+2.5	63,497	+5.3
Stationery	35,863	+7.4	38,650	+7.8
Living Supplies	33,911	+11.2	41,206	+21.5
Furniture	12,450	+5.8	13,043	+4.8
Others (Medical, etc.)	11,112	+14.2	12,835	+15.5
Total	153,621	+6.5	169,233	+10.2

Others, which includes focus fields of MRO and Medical, and Living Supplies, LOHACO's mainstay products, drove forward the growth

*MRO: Abbreviation of Maintenance, Repair and Operation. Here, primarily denotes indirect supplies consumed on site by companies.

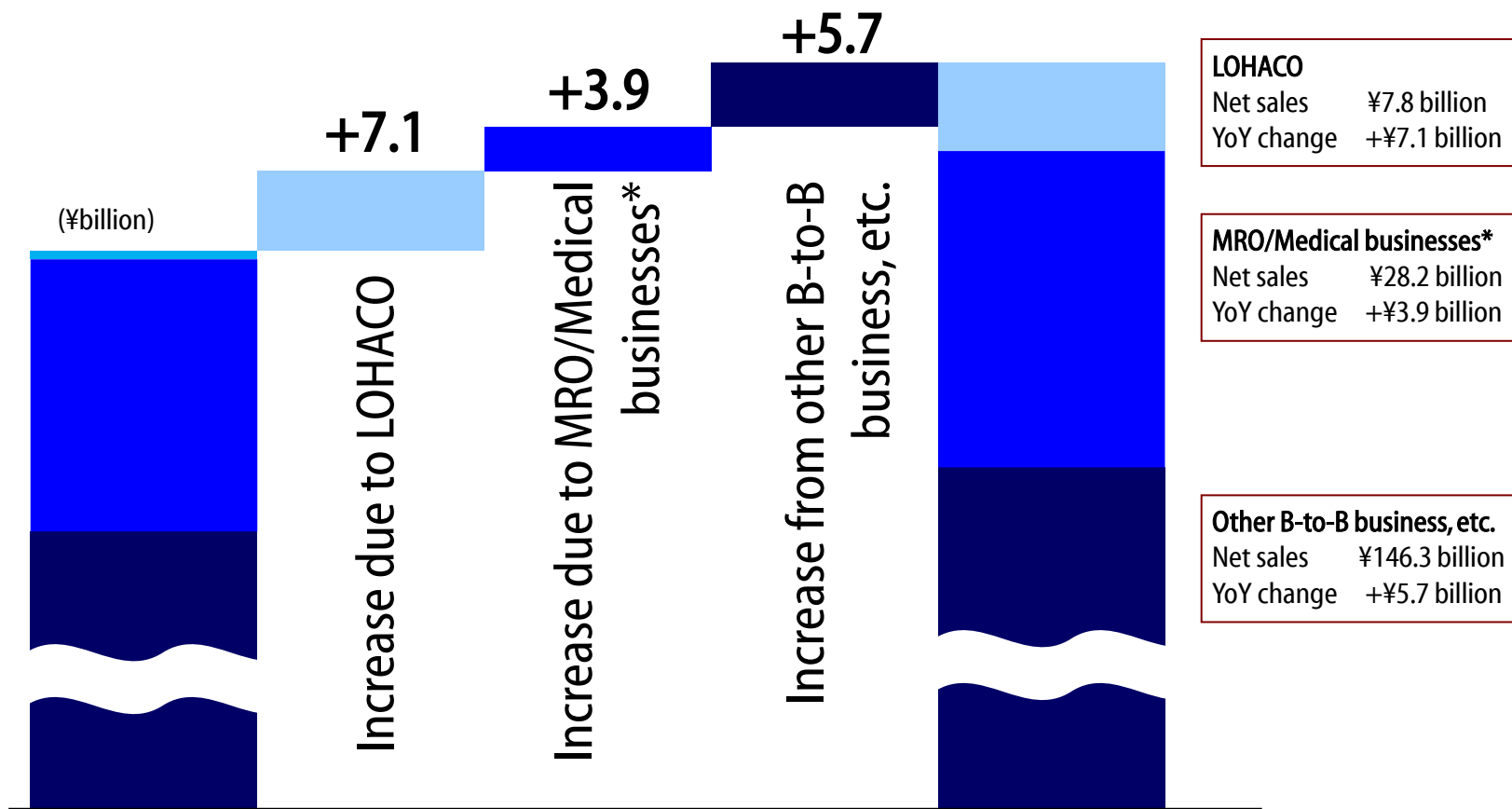
《Appendix》 SOLOEL ARENA Expanding Steadily



Sales increased 13.8% on year, exceeding full-year plan of 11.6%

《Appendix》 Factors Affecting FY5/2014 9 Mo. Consolidated Net Sales

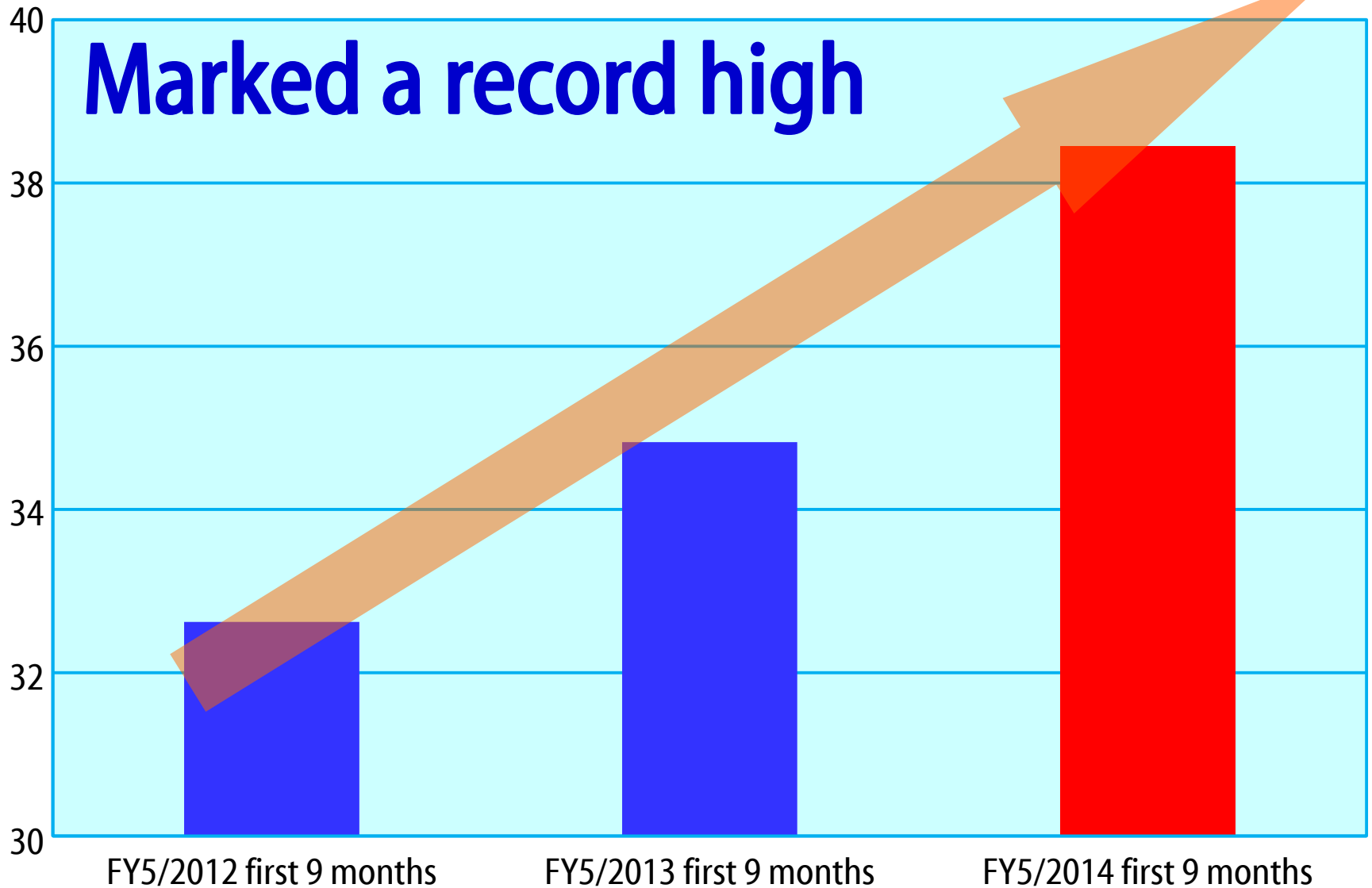
FY5/2013 first 9 months (actual)		FY5/2014 first 9 months (actual)	
Net sales	¥165.6 billion	Net sales	¥182.4 billion
YoY change	+¥10.2 billion	YoY change	+¥16.7 billion
YoY growth	+6.6%	YoY growth	+10.1%



*MRO/Medical businesses do not include LOHACO portion

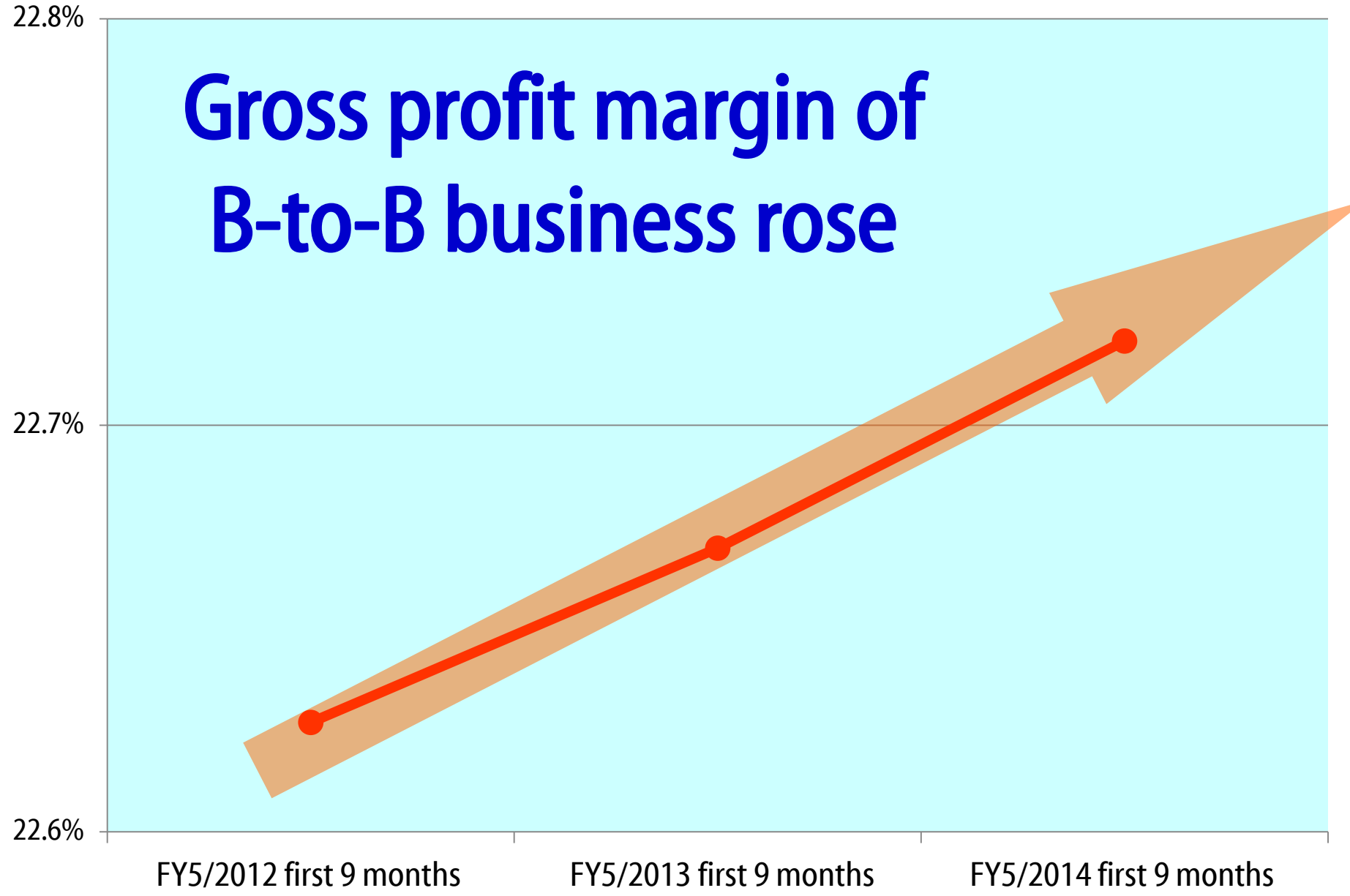
《Appendix》 Trend in Consolidated Gross Profit

(¥billion)



《Appendix》 Trend in Gross Profit Margin

Non-consolidated B-to-B Business



《Appendix》 Consolidated Gross Profit and SG&A Expenses

Gross profit: ¥40.4 billion

YoY change: +¥3.5 billion

Gross profit margin: 22.2%; YoY change: -0.1 p.p.

- While implementing pricing strategy with LOHACO, maintained gross profit margin at a level roughly in line with the previous year

SG&A expenses: ¥37.9 billion

YoY change: +¥5.9 billion

Ratio of SG&A expenses to net sales: 20.8%; YoY change: +1.5 p.p.

< Reasons behind SG&A expenses difference from a year earlier >

- Personal expense due to personnel increase at logistics centers +¥1.8 billion
- Shipment expenses due to net sales increase and initial operating expenses, etc. due to the launch of the new logistics center +¥1.7 billion
- Logistics base enhancement (fixed and temporary expenses) +¥1.5 billion
- Advertising and sales promotion +¥0.5 billion

《Appendix》 Capital Expenditures

Capital expenditures: ¥23.6 billion

(Annual plan: ¥22.4 billion)

ASKUL Logi PARK Tokyo Metropolitan logistics base enhancement ¥18.1 billion

ASKUL Logi PARK Fukuoka land acquisition ¥2.5 billion

Osaka DMC logistics base enhancement ¥1.4 billion

LOHACO website development ¥0.3 billion

(Ref.) Depreciation and amortization of software: ¥2.8 billion

(Annual plan: ¥3.8 billion)

《Appendix》 New Catalog Released



Total pages	1,282 pages
Listed products	About 32,500 items
Newly offered products	About 2,550 items
Original products	About 5,700 items
Green Products	About 11,600 items

<Reference>

Overview of ASKUL Catalog Autumn/Winter 2013

Total pages: 1,274 pages

Listed products: About 31,300 items

ASKUL Catalog Spring/Summer 2014
Released in February 2014

《Appendix》 New Catalog Released: Originality

特集/ビジネスにうるおいを!

Part 1

センスが 決め手! アスクル限定

ひとつ上の価値をご提供するアイテムや、メーカーとのコラボレーションから誕生した商品など、知恵やアイデアが詰まったアスクルオリジナル・限定販売商品。品質と価格へのこだわりはもちろん、センスの良さにも注力したアイテムです!

→P.654

ハイパワーアルカリ乾電池

大電流領域で
トップクラスの
ハイパワーを
実現!

Asklu PRO
アルカリ乾電池

期間限定価格
税抜き ¥40.9

→P.64

フラットファイル

季節りなめらかな
上質紙で、
巻くせにも強い
アスクルオリジナル
はめ紙のカラーファイル
30シート入り
厚さ20mm以上
1冊入り
税抜き ¥18.96

期間限定価格
税抜き ¥18.96

new! →P.645

オリジナルティッシュ

ふんわり、やわらかい
おんなじような風合いの
上質ティッシュ。

Askluオリジナル
ペーパー製のティッシュ
ペーパーは、
この季節
にぴったり
100枚入り
税抜き ¥329

期間限定価格
税抜き ¥284

→P.774

レギュラーコーヒー

ビジネスシーンに
あわせて選べる
3つの味のレギュラーコーヒー。
アスクル限定
オリジナルブレンド
100g(12個入)
税抜き ¥5.51

new! →P.942

手指消毒液

殺菌力の子どもが
使いやすいイラスト入り。
お肌にもやさしい
無香料タイプ。
アスクル限定
オリジナル
200ml(12個入)
税抜き ¥1,899

KIRIN + ASKUL

小容量ミネラルウォーター

new! 期間限定価格
税抜き ¥58

Asklu限定販売
450ml(12個入)
500ml(12個入)
1.5L(6個入)
1.8L(6個入)
1.8L(12個入)

大王製紙 + ASKUL →P.905

トレットロール

リサイクルペーパーが
ハイグレード配合で、
優れながら驚きの価格。
アスクルオリジナル
ロールペーパー
1000枚(200cm×29.7cm)2巻
1パック入り
税抜き ¥284

期間限定価格
税抜き ¥284

伊藤園 + ASKUL →P.804

小容量ボトル緑茶

どなたにも
飲みやすい味を
実現した
季節のためのお茶。

Asklu限定
200ml(12個入)
1.8L(6個入)
税抜き ¥4.64

new! →P.760

フレーバードティー(紅茶)

「ルビニア」に
華やかに仕上がった
フレーバーが特徴。

Asklu限定販売
100g(12個入)
税抜き ¥4.64

new! →P.760

フレーバードティー(紅茶)

Asklu限定販売
100g(12個入)
税抜き ¥4.64

Originality

Further enhanced lineup of own-brand products

《Appendix》 New Catalog Released: Competitiveness

特集 / ビジネスにうるおいを!

3

クリアーホルダー
厚さ0.2mmの
しっかりした作り。
定番クリアーホルダー

期間中なら
この価格!

再生材
使用

税抜き ¥4.39

期間中なら ¥67.5

ハンドソープ
ハンドソープの定番、
キレイキレイの
たっぷり使える業務用4号
お買得価格

期間中なら ¥82.8

プリンター
家庭高品質で
はじりもキレイな
エプソンのプリンター!

new

期間中なら ¥9,990

メッシュチェア
イトー牛革の
ランバーサポート付き
メッシュチェア3色を
どへんとこの価格で!

期間中なら ¥15.2

ゼムクリップ
大量消耗品の
ゼムクリップも
安さにとことん
こだわりました!

期間中なら ¥16.5

フラットファイル
紙厚約0.39mmで
厚さ7色が
大量使用にオススメ!

期間中なら ¥10.5

ペーパータオル
小判サイズのペーパータオル。
きちんと拭けて、
しかも高品質・省コスト

期間中なら ¥10.5

断然安い!

毎日使う消耗品や
仕事場の必需品を、
おトクな超限定価格で
ご提供。
買っ利用すれば
いつもよりもおトクに
購入でき、経費も
削減できます!

期間限定価格
2月2日から
2014年
4月19日
午後6時まで

ふせん
いつもお買得のふせん。
まじお買得!
もつとお買得!

期間中なら ¥1.43

油性マーカー
お得な替替え式
「マッキー」を
圧巻プライスで!
替替えて使えば
さらに経済的!

期間中なら ¥28

ホッチキス針
プラスの
ホッチキス針がこの価格!

期間中なら ¥0.05

スティックのり
安さも満足!
超厚本数2000万本*実働の
スティックのり。

期間中なら ¥17

パイプ式ファイル
信頼のキングジム製造。
自信の作りと高品質の
両面きパイプ式ファイルが
家とめ買いで安い!

期間中なら ¥18.2

税抜き ¥205

Competitiveness

Offered limited-time discounts for a record number of products

《Appendix》

(1) Share of orders placed on the Internet in net sales

	3Q FY5/2014	YoY change	3Q FY5/2013
Orders via the Internet	74.5%	+3.6 p.p.	70.9%
Other	25.5%	-3.6 p.p.	29.1%

Note 1: The percentages above are based on orders placed.

(2) ASKUL original products

(items)

	February 2014 (single month)	YoY change	February 2013 (single month)
Number of original products	5,113	+996	4,117
Share in net sales	16.3%	+1.1 p.p.	15.2%

Notes:

1. The figures above are the results for the month of February each year.
2. Net sales of original products used as the numerators in calculating the shares in net sales do not include net sales of original copier paper.
3. The figures for the number of original products do not include the products listed in Medical & Care Catalogs and Medical Pro Catalogs.

《Appendix》

(3) Capital expenditures

(¥million)

Item	First nine months of FY5/2014		First nine months of FY5/2013
	Amount	YoY change	Amount
[Capital expenditures]	23,687	+761.2%	2,750
Property, plant and equipment	22,205	+1,516.3%	1,373
Intangible assets	1,482	+7.7%	1,376
Construction in progress ^{Note2}	35	-96.3%	953
Software in progress ^{Note2}	184	+60.8%	114

Notes:

1. Capital expenditures are stated on an accrual basis and do not reflect reductions.
2. Construction in progress and software in progress partially include consumption and other taxes.