

Disclaimer

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November 9, 2017

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: Tsuguhiko Tamai
Executive Officer and Chief Financial Officer
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Sale of Non-current Assets, Recording of Extraordinary Profit and Loss and Revision to Earnings Forecast

ASKUL Corporation (the "Company") hereby announces that at a Board of Directors meeting held on November 8, 2017 the Company resolved to sell the below-mentioned non-current assets to two specific purpose companies in which Tokyu Land Corporation (headquarters address: 1-21-2, Dogenzaka, Shibuya-ku, Tokyo, Japan / representative name: Yuji Okuma, President / "Tokyu Land") held equity interest (the "SPCs") held equity interest and that the sale agreement was entered into today by and between the Company and Tokyo Land. Accordingly, the Company will record extraordinary profit and loss for the second quarter of the fiscal year ending May 2018.

1. Sale of non-current assets

(1) Reason for sale

Tokyu Land recently proposed that: 1) it establish the SPCs and arrange for them to purchase from the Company the below-mentioned ASKUL Logi PARK Tokyo Metropolitan (Logistics Center) ("ALP Tokyo Metropolitan") and ASKUL Logi PARK Fukuoka ("ALP Fukuoka") in their current conditions; 2) it dismantle all the buildings of the former property, previously damaged seriously by fire, and rebuild them, and 3) the Company then lease both of these logistics centers.

Following deliberations at its Board of Directors meeting, the Company, being aware of the below-mentioned merits, decided to work closely with Tokyu Land to build and operate a set of logistics centers that are secure and safe and can contribute to local communities.

- 1) If repairing the fire-damaged ALP Tokyo Metropolitan, the Company cannot rule out the risk of a potential defect in the future, but the proposal in question will eliminate such risk.
- 2) Reconstructing ALP Tokyo Metropolitan will help introduce the newest disaster control equipment, allowing the Company to build a logistics center of increased security and safety.

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- 3) The Company will be able to achieve profitability for the logistics business and expand revenue in coming years by: i) restoring its "asset-light business model," prompted by the fire incident; and ii) establishing, as a consolidated subsidiary, eco Properties Corporation that will engage in asset management business for logistics facilities including the above-mentioned two properties (headquartered address: 2-8-12, Nishi-shinbashi, Minato-ku, Tokyo, Japan / Representative: Tadato Kataji, President and Chief Executive Officer / "eco Properties").

(2) Description of assets for sale

Asset name and address	Sale value	Balance sheet value	Effect on profit and loss	Now
Name: ASKUL Logi PARK Tokyo Metropolitan (Logistics Center) Address: 1163, Kamitomi, Miyoshi-machi, Iruma-gun, Saitama, Japan Land: Approx. 55,062 square meters in area Buildings: Approx. 72,126 square meters in total floor space	9.8 billion yen	13.4 billion yen	3.6 billion yen in loss on sale of non-current assets 6.8 billion yen in reversal of provision for loss on fire	In post-fire suspension
Name: ASKUL Logi PARK Fukuoka Address: 2-2-1, Minato-kashii, Higashi-ku, Fukuoka-shi, Fukuoka, Japan Land: Approx. 24,905 square meters in area Buildings: Approx. 54,842 square meters in total floor space	10.6 billion yen	6.1 billion yen	4.4 billion yen in gain on sale of non-current assets	In operation

(3) Buyer profile

Proposed buyer of ASKUL Logi PARK Tokyo Metropolitan (Logistics Center)

Name	Miyoshi-machi Properties Specific Purpose Company	
Address	2-11-8, Nishi-shinbashi, Minato-ku, Tokyo, Japan	
Representative	Kohei Shimura, Director	
Principal business activities	Purchasing of specific assets according to an asset securitization plan pursuant to the Act on Securitization of Assets, coupled with activities for the management and disposal of such assets. All tasks incidental to the securitization of the specific assets	
Paid-in capital	100,000 yen (as of October 6, 2017)	
Date of establishment	October 6, 2017	
Major shareholders and shareholding ratio	Ippan Shadan Hojin Miyoshi-machi Logi	100% * The company is scheduled to obtain a preferred capital contribution from Tokyo Land no later than November 20, 2017.
Relationship with the Company	Capital relationship	None
	Human relationship	None
	Business relationship	None
	Interested party	None

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Proposed buyer of ASKUL Logi PARK Fukuoka

Name	Kashiihama Properties Specific Purpose Company	
Address	2-11-8, Nishi-shinbashi, Minato-ku, Tokyo, Japan	
Representative	Kohei Shimura, Director	
Principal business activities	Purchasing of specific assets according to an asset securitization plan pursuant to the Act on Securitization of Assets, coupled with activities for the management and disposal of such assets. All tasks incidental to the securitization of the specific assets	
Paid-in capital	100,000 yen (as of October 6, 2017)	
Date of establishment	October 6, 2017	
Major shareholders and shareholding ratio	Ippan Shadan Hojin Kashiihama Logi	100% * The company is scheduled to obtain a preferred capital contribution from Tokyo Land no later than November 20, 2017.
Relationship with the Company	Capital relationship	None
	Human relationship	None
	Business relationship	None
	Interested party	None

(4) Schedule for sale

Date of resolution by the Board of Directors	: November 8, 2017 for the Company November 9, 2017 for Tokyo Land
Date of agreement conclusion	: November 9, 2017
Date of property handover (date of settlement)	: November 20, 2017 (planned)

2. Recoding of extraordinary income and loss and future outlook

(1) Recording of extraordinary income and loss

In accordance with the statement above, the Company intends to record, for the second quarter of the fiscal year ending May 2018, i) a total of 11.3 billion yen in extraordinary income consisting of 6.8 billion yen in reversal of provision for loss on fire concerning ALP Tokyo Metropolitan and 4.4 billion yen in gain on sale of non-current assets at ALP Fukuoka as well as ii) 3.6 billion yen in extraordinary loss comprising loss on sale of non-current assets at ALP Tokyo Metropolitan.

(2) Future outlook

- 1) Revision of the consolidated earnings forecast for the fiscal year ending May 2018
(from May 21, 2017 to May 20, 2018)

(Millions of yen)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Per-share profit attributable to owners of parent (Yen)
Previously-released forecast (A)	365,000	3,500	3,000	1,500	29.47
New revised forecast (B)	365,000	3,800	3,500	4,000	78.59

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Change (B-A)	0	300	500	2,500	
Percentage change (%)	0	8.6%	16.7%	166.7%	
Reference: Results for previous full-fiscal year (the fiscal year ended May 2017)	335,914	8,865	8,866	1,014	19.75

2) Main reason for the revision of the earnings forecast

The Company has revised the forecast on operating income and ordinary income as it will establish consolidated subsidiary eco Properties Corporation to earn new revenue as set forth in the section above titled "1. Sale of non-current assets, (1) Reason for sale."

Moreover, the Company has revised the forecast on profit attributable to owners of parent and per-share profit attributable to owners of parent because i) the Company will record 11.3 billion yen in extraordinary gain on sale of non-current assets and 3.6 billion yen in loss on sale of non-current assets, as stated in the section above titled "2. Recording of extraordinary income and loss and future outlook, (1) Recording of extraordinary income and loss," and ii) management conservatively factors in such potential loss on evaluation of some investment securities as could occur within the current fiscal year.

* The Company created the above-mentioned earnings forecast on the basis of information available as of the date of release of this document. The Company's actual earnings figures may potentially differ from the above-mentioned forecast numbers owing to various factors in the future.