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Excerpt from Consolidated Financial Results for the Year Ended May 20, 2022 [Japanese GAAP]*

July 01, 2022

Company name: ASKUL Corporation

Stock exchange listing: Tokyo

Code number: 2678

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

Representative: Akira Yoshioka

President and chief executive officer

Contact: Tsuguhiro Tamai

Executive officer and chief financial officer

Phone: 03-4330-5130

Scheduled date of Annual General Meeting of Shareholders: August 04, 2022

Scheduled date of commencing dividend payments: August 05, 2022

Scheduled date of filing annual securities report: July 29, 2022

Availability of supplementary briefing material on annual financial results: Yes

Schedule of annual financial results briefing session: Yes

(Amounts of less than one million yen are rounded down)

1. Consolidated Financial Results for the Fiscal Year Ended May 20, 2022 (May 21, 2021 to May 20, 2022)

(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	%
Fiscal year ended May 20, 2022	428,517	1.5	14,309	2.8	14,270	3.0	9,206	18.7
May 20, 2021	422,151	5.4	13,923	57.8	13,850	60.0	7,758	37.2

(Note) Comprehensive income: Fiscal year ended May 20, 2022: ¥ 9,255 million [19.6%]
Fiscal year ended May 20, 2021: ¥ 7,740 million [35.3%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended	Yen	Yen	%	%	%
May 20, 2022	90.83	90.77	15.9	7.5	3.3
May 20, 2021	75.83	75.68	14.0	7.6	3.3

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended May 20, 2022: ¥ - million
Fiscal year ended May 20, 2021: ¥ - million

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
May 20, 2022	188,024	57,271	30.2	582.43
May 20, 2021	190,107	59,203	30.9	573.57

(Reference) Equity: As of May 20, 2022: ¥ 56,755 million
As of May 20, 2021: ¥ 58,777 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
May 20, 2022	17,952	(10,748)	(14,674)	58,789
May 20, 2021	15,998	(9,079)	(3,919)	66,259

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
May 20, 2021	-	19.00	-	30.00	49.00	2,508	32.3	4.5
May 20, 2022	-	15.00	-	16.00	31.00	3,095	34.1	5.4
Fiscal year ending May 20, 2023 (Forecast)	-	16.00	-	16.00	32.00		33.2	

(Note) Breakdown of the year-end dividend for the fiscal year ended May 20, 2022 :

Commemorative dividend	- yen
Special dividend	- yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending May 20, 2023 (May 21, 2022 to May 20, 2023)

(% 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	455,500	6.3	14,500	1.3	14,300	0.2	9,400	2.1	96.46

* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

New	-	(Company name:)
Exclusion:	-	(Company name:)

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

- 1) Changes in accounting policies due to the revision of accounting standards: Yes
- 2) Changes in accounting policies other than 1) above: No
- 3) Changes in accounting estimates: Yes
- 4) Retrospective restatement: No

(3) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

May 20, 2022:	97,518,800 shares
May 20, 2021:	102,518,800 shares

2) Total number of treasury shares at the end of the period:

May 20, 2022:	71,871 shares
May 20, 2021:	41,874 shares

3) Average number of shares during the period:

Fiscal Year ended May 20, 2022:	101,358,926 shares
Fiscal Year ended May 20, 2021:	102,303,044 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended May 20, 2022 (May 21, 2021 to May 20, 2022)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
May 20, 2022	371,659	0.9	11,696	(3.4)	12,047	(2.0)	8,281	1.9
May 20, 2021	368,188	5.5	12,108	68.6	12,299	64.4	8,125	65.2

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
May 20, 2022	81.70	-
May 20, 2021	79.43	79.31

(2) Non-consolidated Financial Position

As of	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
May 20, 2022	168,179	55,950	33.3	574.17
May 20, 2021	173,554	58,855	33.9	574.30

(Reference) Equity: As of May 20, 2022: ¥ 55,950 million
As of May 20, 2021: ¥ 58,852 million

* This excerpt from 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.

Consolidated Financial Statements

Consolidated Balance Sheets

(Million yen)

	As of May 20,2021	As of May 20,2022
Assets		
Current assets		
Cash and deposits	66,259	58,789
Notes and accounts receivable - trade	45,582	-
Trade receivables and contract assets	-	46,160
Merchandise and finished goods	17,925	17,770
Raw materials and supplies	266	484
Costs on construction contracts in progress	35	82
Accounts receivable - other	12,013	11,938
Other	1,242	1,779
Allowance for doubtful accounts	(34)	(41)
Total current assets	143,291	136,964
Non-current assets		
Property, plant and equipment		
Buildings and structures	8,587	8,946
Accumulated depreciation	(3,599)	(4,126)
Buildings and structures, net	4,987	4,819
Machinery, equipment and vehicles	6,698	6,808
Accumulated depreciation	(4,476)	(5,026)
Machinery, equipment and vehicles, net	2,222	1,781
Land	132	119
Leased assets	19,787	21,176
Accumulated depreciation	(7,440)	(9,472)
Leased assets, net	12,346	11,704
Other	3,840	4,175
Accumulated depreciation	(2,954)	(3,290)
Other, net	886	885
Construction in progress	4,391	4,975
Total property, plant and equipment	24,966	24,285
Intangible assets		
Software	5,983	5,672
Software in progress	3,350	8,332
Goodwill	1,614	1,370
Other	88	79
Total intangible assets	11,036	15,455
Investments and other assets		
Investment securities	183	143
Long-term prepaid expenses	119	136
Guarantee deposits	6,335	6,850
Deferred tax assets	4,043	4,049
Other	911	912
Allowance for doubtful accounts	(780)	(772)
Total investments and other assets	10,812	11,319
Total non-current assets	46,815	51,059
Total assets	190,107	188,024

(Million yen)

	As of May 20,2021	As of May 20,2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	51,474	52,700
Electronically recorded obligations - operating	23,497	24,475
Short-term borrowings	380	380
Current portion of long-term borrowings	12,649	2,124
Lease liabilities	2,050	2,178
Accounts payable - other	12,369	12,784
Income taxes payable	2,793	2,631
Accrued consumption taxes	1,006	589
Provision for bonuses	353	261
Provision for sales promotion expenses	543	-
Provision for sales returns	29	-
Other	1,637	2,561
Total current liabilities	108,786	100,686
Non-current liabilities		
Long-term borrowings	2,115	10,131
Lease liabilities	11,211	10,387
Retirement benefit liability	4,127	4,449
Asset retirement obligations	2,714	2,600
Other	1,948	2,498
Total non-current liabilities	22,117	30,066
Total liabilities	130,903	130,753
Net assets		
Shareholders' equity		
Share capital	21,189	21,189
Capital surplus	14,320	14,315
Retained earnings	23,391	21,452
Treasury shares	(81)	(118)
Total shareholders' equity	58,819	56,838
Accumulated other comprehensive income		
Remeasurements of defined benefit plans	(42)	(82)
Total accumulated other comprehensive income	(42)	(82)
Share acquisition rights	(5)	0
Non-controlling interests	431	514
Total net assets	59,203	57,271
Total liabilities and net assets	190,107	188,024

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Million yen)

	For the fiscal year ended May 20,2021	For the fiscal year ended May 20,2022
Net sales	422,151	428,517
Cost of sales	317,769	323,444
Gross profit	104,381	105,072
Reversal of provision for sales returns	26	-
Provision for sales returns	29	-
Gross profit - net	104,378	105,072
Selling, general and administrative expenses	90,455	90,763
Operating profit	13,923	14,309
Non-operating income		
Interest income	42	43
Rental income	178	75
Subsidy income	73	161
Other	54	39
Total non-operating income	348	319
Non-operating expenses		
Interest expenses	230	226
Rental expenses	165	60
Other	25	72
Total non-operating expenses	421	359
Ordinary profit	13,850	14,270
Extraordinary income		
Insurance claim income	-	226
Gain on sale of non-current assets	1	0
Gain on reversal of share acquisition rights	7	3
Total extraordinary income	8	230
Extraordinary losses		
Impairment losses	4	32
Loss on sale of non-current assets	5	6
Loss on retirement of non-current assets	845	144
Loss on valuation of investment securities	299	40
Loss on sale of shares of subsidiaries	24	-
Loss on valuation of shares of subsidiaries	5	-
Provision of allowance for doubtful accounts	700	-
Loss on disaster	688	319
Other	9	86
Total extraordinary losses	2,582	629
Profit before income taxes	11,277	13,871
Income taxes - current	3,720	4,559
Income taxes - deferred	(199)	16
Total income taxes	3,520	4,575
Profit	7,756	9,295
Profit (loss) attributable to non-controlling interests	(1)	89
Profit attributable to owners of parent	7,758	9,206

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended May 20,2021	For the fiscal year ended May 20,2022
Profit	7,756	9,295
Other comprehensive income		
Remeasurements of defined benefit plans, net of tax	(15)	(40)
Total other comprehensive income	(15)	(40)
Comprehensive income	7,740	9,255
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,742	9,166
Comprehensive income attributable to non-controlling interests	(1)	89

Consolidated Statements of Changes in Net Assets

For the fiscal year ended May 20,2021

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	21,189	24,220	23,769	(16,718)	52,461
Changes during period					
Dividends of surplus			(1,941)		(1,941)
Profit attributable to owners of parent			7,758		7,758
Disposal of treasury shares		(247)		829	581
Cancellation of treasury shares		(9,619)	(6,188)	15,808	-
Change in scope of consolidation			(5)		(5)
Change in ownership interest of parent due to transactions with non-controlling interests		(33)			(33)
Net changes in items other than shareholders' equity					
Total changes during period	-	(9,900)	(377)	16,637	6,358
Balance at end of period	21,189	14,320	23,391	(81)	58,819

	Accumulated other comprehensive income		Share acquisition rights	Non-controlling interests	Total net assets
	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	(26)	(26)	7	382	52,825
Changes during period					
Dividends of surplus					(1,941)
Profit attributable to owners of parent					7,758
Disposal of treasury shares					581
Cancellation of treasury shares					-
Change in scope of consolidation					(5)
Change in ownership interest of parent due to transactions with non-controlling interests					(33)
Net changes in items other than shareholders' equity	(15)	(15)	(13)	48	19
Total changes during period	(15)	(15)	(13)	48	6,378
Balance at end of period	(42)	(42)	(5)	431	59,203

For the fiscal year ended May 20,2022

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	21,189	14,320	23,391	(81)	58,819
Changes during period					
Dividends of surplus			(3,073)		(3,073)
Profit attributable to owners of parent			9,206		9,206
Purchase of treasury shares				(8,143)	(8,143)
Disposal of treasury shares			(6)	41	34
Cancellation of treasury shares			(8,065)	8,065	-
Change in ownership interest of parent due to transactions with non-controlling interests		(5)			(5)
Net changes in items other than shareholders' equity					
Total changes during period	-	(5)	(1,939)	(37)	(1,981)
Balance at end of period	21,189	14,315	21,452	(118)	56,838

	Accumulated other comprehensive income		Share acquisition rights	Non-controlling interests	Total net assets
	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	(42)	(42)	(5)	431	59,203
Changes during period					
Dividends of surplus					(3,073)
Profit attributable to owners of parent					9,206
Purchase of treasury shares					(8,143)
Disposal of treasury shares					34
Cancellation of treasury shares					-
Change in ownership interest of parent due to transactions with non-controlling interests					(5)
Net changes in items other than shareholders' equity	(40)	(40)	6	82	48
Total changes during period	(40)	(40)	6	82	(1,932)
Balance at end of period	(82)	(82)	0	514	57,271

Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended May 20,2021	For the fiscal year ended May 20,2022
Cash flows from operating activities		
Profit before income taxes	11,277	13,871
Depreciation	3,384	3,705
Amortization of software	2,793	2,610
Amortization of long-term prepaid expenses	107	131
Impairment losses	4	32
Amortization of goodwill	316	243
Gain on reversal of share acquisition rights	(7)	(3)
Increase (decrease) in allowance for doubtful accounts	714	(1)
Increase (decrease) in provision for bonuses	148	(91)
Increase (decrease) in provision for sales promotion expenses	(5)	(543)
Increase (decrease) in provision for sales returns	3	(29)
Increase (decrease) in retirement benefit liability	389	259
Interest income	(42)	(43)
Interest expenses	230	226
Insurance claim income	-	(226)
Loss on retirement of non-current assets	845	144
Loss (gain) on sale of non-current assets	3	6
Loss (gain) on valuation of investment securities	299	40
Loss (gain) on sale of shares of subsidiaries	24	-
Loss on valuation of shares of subsidiaries	5	-
Decrease (increase) in trade receivables	(7,448)	(569)
Decrease (increase) in inventories	(1,336)	(110)
Decrease (increase) in accounts receivable - other	(1,674)	74
Increase (decrease) in trade payables	7,857	2,204
Increase (decrease) in accounts payable - other	1,584	212
Increase (decrease) in accrued consumption taxes	(55)	(315)
Other, net	(377)	808
Subtotal	19,041	22,637
Interest and dividends received	42	43
Interest paid	(230)	(224)
Proceeds from insurance income	-	226
Income taxes paid	(2,854)	(4,730)
Net cash provided by (used in) operating activities	15,998	17,952

(Million yen)

	For the fiscal year ended May 20,2021	For the fiscal year ended May 20,2022
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,886)	(2,894)
Purchase of software	(4,005)	(7,190)
Purchase of long-term prepaid expenses	(53)	(137)
Payments of guarantee deposits	(73)	(684)
Proceeds from refund of guarantee deposits	28	168
Loan advances	(2)	(2)
Proceeds from collection of loans receivable	323	12
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	(396)	-
Purchase of investment securities	(0)	-
Payments for asset retirement obligations	(19)	(9)
Other, net	6	(11)
Net cash provided by (used in) investing activities	(9,079)	(10,748)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(50)	-
Proceeds from long-term borrowings	1,100	10,179
Repayments of long-term borrowings	(1,782)	(12,688)
Repayments of lease liabilities	(1,865)	(1,950)
Proceeds from sale and leaseback transactions	-	1,026
Proceeds from disposal of treasury shares	577	-
Proceeds from share issuance to non-controlling shareholders	53	4
Purchase of treasury shares	-	(8,143)
Dividends paid	(1,941)	(3,073)
Dividends paid to non-controlling interests	(8)	(16)
Payments for purchase of treasury subscription right to shares	(2)	(11)
Net cash provided by (used in) financing activities	(3,919)	(14,674)
Effect of exchange rate change on cash and cash equivalents	-	-
Net increase (decrease) in cash and cash equivalents	2,999	(7,470)
Cash and cash equivalents at beginning of period	63,260	66,259
Cash and cash equivalents at end of period	66,259	58,789