

Disclaimer

This document is a translation of the original Japanese version and provided for reference purposes only. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.



Consolidated Financial Results for the Three Months Ended August 20, 2022 [Japanese GAAP]*

September 15, 2022

Company name: ASKUL Corporation
 Stock exchange listing: Tokyo
 Code number: 2678
 URL: <https://www.askul.co.jp/kaisya/english/ir/>
 Representative: Akira Yoshioka President and chief executive officer
 Contact: Tsuguhiro Tamai Director and chief financial officer
 Phone: +81-3-4330-5130
 Scheduled date of filing quarterly securities report: October 4, 2022
 Scheduled date of commencing dividend payments: -
 Preparation of supplementary materials for quarterly financial results: Yes
 Schedule of quarterly financial results briefing session: Yes (for institutional investors and analysts)

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

1. Consolidated Financial Results for the Three Months Ended August 20, 2022 (May 21, 2022 to August 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	%
Three months ended August 20, 2022	110,087	7.5	2,956	(9.6)	2,947	(9.1)	1,891	(12.1)
August 20, 2021	102,442	2.3	3,272	9.4	3,240	8.5	2,153	43.3

(Note) Comprehensive income: Three months ended August 20, 2022: ¥1,914 million [(12.0%)]
 Three months ended August 20, 2021: ¥2,174 million [50.7%]

	Basic earnings per share	Diluted earnings per share
Three months ended August 20, 2022	Yen 19.41	Yen 19.39
August 20, 2021	21.01	20.99

(Note) The Group has applied "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc., effective the beginning of the first quarter of the previous fiscal year. Accordingly, the above figures for the three months ended August 20, 2021 indicates the amounts after the application of the said accounting standard, etc. When calculating the figures for the three months ended August 20, 2020 in accordance with the same Accounting Standard, change ratio of net sales for the three months ended August 20, 2021 would be 3.4% increase.

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of August 20, 2022	Million yen 193,970	Million yen 57,626	29.4%
May 20, 2022	188,024	57,271	30.2

(Reference) Equity: As of August 20, 2022: ¥57,092 million
 As of May 20, 2022: ¥56,755 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended May 20, 2022	Yen -	Yen 15.00	Yen -	Yen 16.00	Yen 31.00
Fiscal year ending May 20, 2023	-	-	-	-	-
Fiscal year ending May 20, 2023(Forecast)	-	16.00	-	16.00	32.00

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

Disclaimer

This document is a translation of the original Japanese version and provided for reference purposes only. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.

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

(Note) Revision to the financial results forecast announced most recently: No

* Notes:

(1) Changes in significant subsidiaries during the period under review

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

(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: Yes

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: Yes

4) Retrospective restatement: No

(4) Number of outstanding shares (common stocks)

1) Number of outstanding shares at the end of the period (including treasury stocks):

August 20, 2022: 97,518,800 shares

May 20, 2022: 97,518,800 shares

2) Number of treasury stocks at the end of the period:

August 20, 2022: 71,871 shares

May 20, 2022: 71,871 shares

3) Average number of shares during the period:

Three months ended August 20, 2022: 97,446,929 shares

Three months ended August 20, 2021: 102,476,782 shares

* This 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. For the assumptions on which earnings forecasts are based and notes and information on the use of earnings forecasts, see "1. Qualitative Information on Financial Results" on Page 2 and (3) Explanation of Consolidated Forecasts and Other Forward-Looking Information" on Page 3 of Attached Materials.

Disclaimer

This document is a translation of the original Japanese version and provided for reference purposes only. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.

○ Table of Contents for Attached Materials

1. Qualitative Information on Financial Results	2
(1) Explanation of Operating Results	2
(2) Explanation of Financial Position	3
(3) Explanation of Consolidated Forecasts and Other Forward-Looking Information	3
2. Quarterly Consolidated Financial Statements and Notes	4
(1) Quarterly Consolidated Balance Sheets	4
(2) Quarterly Consolidated Statements of Income and Comprehensive Income	6
(3) Notes to Quarterly Consolidated Financial Statements	8
(Notes to Going Concern Assumption)	8
(Notes to Significant Changes in Shareholders' Equity)	8
(Change in Accounting Policies)	8
(Change in Accounting Estimates)	8
(Segment Information, etc.)	9
3. Other	11
Details of Selling, General and Administrative Expenses (Consolidated)	11

1. Qualitative Information on Financial Results

(1) Explanation of Operating Results

The outlook for the Japanese economy during the first quarter of the fiscal year under review (from May 21, 2022 to August 20, 2022) remains uncertain due to soaring raw material and energy prices, a rise in concerns over the trend of foreign exchange rates including the rapid depreciation of the yen and others, in addition to the resurgence of COVID-19 infections.

Under such circumstances, the Group positions the fiscal year ending May 20, 2023 as its most important mission to “change the growth trajectory of sales.” In order to achieve the performance targets set forth in the Medium-term Management Plan (from the fiscal year ending May 20, 2022 to the fiscal year ending May 20, 2025), in addition to expanding the number of products handled, the Group is making aggressive capital investments in important measures that will lead to the growth of the group, including the construction of distribution facilities for the ASKUL Tokyo DC and the new ASKUL website.

As a result, the financial performance of the Group for the first quarter of the fiscal year under review was net sales of 110,087 million yen, a 7.5% increase year on year, operating profit of 2,956 million yen, a 9.6% decrease year on year, ordinary profit of 2,947 million yen, down 9.1% year on year, and profit attributable to owners of parent of 1,891 million yen, a 12.1% decrease year on year. Both net sales and operating profit progressed generally in line with the plans.

Operating results by segment are outlined below.

<E-commerce business>

In the B-to-B business, the mainstay business of the Group, net sales increased significantly in the first quarter of the fiscal year under review as a result of responding to customer needs by offering a lineup of products such as bottled beverages, living supplies related merchandise for tourism, restaurants, and other industries, and products related to COVID-19 such as antigen test kits under the situation of record-breaking summer heat, recovery of tourism, restaurant, and other industries during the summer vacation period without restrictions on human flow, and the re-expansion of the COVID-19. MRO(Note) products, which the Group is strategically strengthening, also increased, mainly in infection-related products.

The prior release of some functions (opening of SOLOEL ARENA website, a website for medium and large corporations, to the public) related to the construction of the new ASKUL website in July 2022 enabled the Company's website, which had not been displayed when customers searched for products on search engines in the past, to be displayed on the website, and sales through search engines increased.

In addition, the expansion of the customer base through further strengthening of Internet advertising, etc., and the enhancement of the product lineup of specialized products, particularly in the medical and nursing care industries and manufacturing industries, which are being strategically strengthened, have been synergistic effects, and each contributed to the growth in net sales.

As a result, net sales in the B-to-B business grew by 6,026 million yen from a year earlier to 89,432 million yen, a 7.2% increase year on year.

In the B-to-C business, the Group aims to turn LOHACO to profitability in the current fiscal year. Net sales achieved double-digit growth by strengthening collaboration with the Z Holdings Group and others for large-scale sales promotions. Gross profit margin also improved due to sales price revisions and an increase in fee income related to advertising and data business.

As a result, LOHACO sales increased 1,340 million yen from a year earlier to 13,958 million yen, up 10.6% year on year. Consequently, net sales of the B-to-C business in total also grew 1,521 million yen from a year earlier to 18,257 million yen, a 9.1 % increase year on year.

Accordingly, net sales of the E-commerce business, combining the two businesses above, stood at 107,690 million yen, a 7.5% increase year on year. Gross profit-net stood at 26,535 million yen, up 6.8% year on year.

The ratio of selling, general and administrative expenses to net sales increased by 0.3 points year on year mainly due to one-time costs related to capital expenditures for distribution facilities of ASKUL Tokyo DC and construction of new ASKUL website. Consequently, selling, general and administrative expenses were 23,527 million yen, and operating

Disclaimer

This document is a translation of the original Japanese version and provided for reference purposes only. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.

profit was 308 million yen, a 9.1% decrease year on year.

<Logistics business>

Although net sales of the contracted business of logistics that ASKUL LOGIST Corporation received from outside the Group progressed steadily, productivity declined temporarily, resulted in an increase in net sales and a decrease in profits.

As a result, net sales in the first quarter of the fiscal year under review were 2,133 million yen, a 2.2% increase year on year, and operating loss was 73 million yen, as opposed to an operating loss of 59 million yen a year earlier.

<Other>

Net sales increased significantly due to strong sales of its bottled water at Tsumagoimeisui Corporation. Although productivity of a new production line completed in November 2021 is on an improving trend and has reached the planned target at the beginning of the period, it has not reached the original productivity that the new production line has, resulted in an increase in net sales and a decrease in profit.

As a result, net sales for the first quarter of the fiscal year under review were 554 million yen, a 40.6% increase year on year, and operating profit was 33 million yen, down 25.4% year on year.

(Note) MRO is an acronym for Maintenance, Repair and Operations, and the term "MRO supplies" denotes indirect materials including consumables and repair supplies for use at factories, construction sites, warehouses, and others.

(2) Explanation of Financial Position

(Assets)

Total assets stood at 193,970 million yen at the end of the first quarter of the fiscal year under review, an increase of 5,945 million yen from the end of the preceding fiscal year. This was mainly due to an increase of 2,995 million yen in construction in progress, 2,473 million yen in software, and 1,628 million yen in notes and accounts receivable-trade and contract assets.

(Liabilities)

Total liabilities stood at 136,344 million yen at the end of the first quarter of the fiscal year under review, an increase of 5,590 million yen from the end of the preceding fiscal year. This was primarily due to an increase of 6,696 million yen in electronically recorded obligations-operating and 1.207 billion yen in notes and accounts payable-trade, as 9,313 million yen in electronically recorded obligations-operating which settlement date was the last day of the first quarter of the fiscal year under review was included in the balance at the end of the quarterly consolidated fiscal year as the end of the first quarter of the fiscal year under review fell on a non-business day for financial institutions.

(Net assets)

Net assets stood at 57,626 million yen at the end of the first quarter of the fiscal year under review, an increase of 354 million yen from the end of the preceding fiscal year. The primary factor behind the rise was an increase of 332 million yen in retained earnings mainly due to recognition of profit attributable to owners of parent of 1,891 million yen as opposed to dividend payments of 1,559 million yen.

Consequently, the capital adequacy ratio was 29.4% (30.2% at the end of the preceding fiscal year).

(3) Explanation of Consolidated Forecasts and Other Forward-Looking Information

The forecast for the year ending May 20, 2023 (full year) announced on July 1, 2022, remains unchanged.

Disclaimer

This document is a translation of the original Japanese version and provided for reference purposes only. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of May 20,2022	As of August 20,2022
Assets		
Current assets		
Cash and deposits	58,789	58,023
Notes and accounts receivable - trade, and contract assets	46,160	47,788
Merchandise and finished goods	17,770	18,260
Raw materials and supplies	484	442
Costs on construction contracts in progress	82	50
Accounts receivable - other	11,938	13,231
Other	1,779	1,712
Allowance for doubtful accounts	(41)	(41)
Total current assets	136,964	139,467
Non-current assets		
Property, plant and equipment		
Buildings and structures	8,946	8,970
Accumulated depreciation	(4,126)	(4,190)
Buildings and structures, net	4,819	4,780
Land	119	119
Leased assets	21,176	21,109
Accumulated depreciation	(9,472)	(9,816)
Leased assets, net	11,704	11,292
Other	10,983	10,990
Accumulated depreciation	(8,316)	(8,231)
Other, net	2,666	2,759
Construction in progress	4,975	7,970
Total property, plant and equipment	24,285	26,922
Intangible assets		
Software	5,672	8,146
Software in progress	8,332	7,304
Goodwill	1,370	1,310
Other	79	76
Total intangible assets	15,455	16,837
Investments and other assets		
Investment securities	143	142
Deferred tax assets	4,049	3,747
Other	7,899	7,627
Allowance for doubtful accounts	(772)	(774)
Total investments and other assets	11,319	10,743
Total non-current assets	51,059	54,502
Total assets	188,024	193,970

Disclaimer

This document is a translation of the original Japanese version and provided for reference purposes only. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.

(Million yen)

	As of May 20,2022	As of August 20,2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	52,700	53,908
Electronically recorded obligations - operating	24,475	31,171
Short-term borrowings	380	380
Current portion of long-term borrowings	2,124	2,038
Accounts payable - other	12,784	12,437
Income taxes payable	2,631	779
Accrued consumption taxes	589	617
Provisions	261	359
Other	4,739	5,006
Total current liabilities	100,686	106,700
Non-current liabilities		
Long-term borrowings	10,131	9,787
Lease liabilities	10,387	9,838
Retirement benefit liability	4,449	4,517
Asset retirement obligations	2,600	2,963
Other	2,498	2,537
Total non-current liabilities	30,066	29,644
Total liabilities	130,753	136,344
Net assets		
Shareholders' equity		
Share capital	21,189	21,189
Capital surplus	14,315	14,315
Retained earnings	21,452	21,784
Treasury shares	(118)	(118)
Total shareholders' equity	56,838	57,171
Accumulated other comprehensive income		
Remeasurements of defined benefit plans	(82)	(78)
Total accumulated other comprehensive income	(82)	(78)
Share acquisition rights	0	0
Non-controlling interests	514	532
Total net assets	57,271	57,626
Total liabilities and net assets	188,024	193,970

Disclaimer

This document is a translation of the original Japanese version and provided for reference purposes only. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.

(2) 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 20,2021	For the three months ended August 20,2022
Net sales	102,442	110,087
Cost of sales	77,448	83,425
Gross profit	24,994	26,661
Selling, general and administrative expenses	21,721	23,705
Operating profit	3,272	2,956
Non-operating income		
Interest income	10	9
Rental income	26	1
Subsidy income	11	6
Other	7	55
Total non-operating income	56	72
Non-operating expenses		
Interest expenses	56	58
Rental expenses	22	-
Other	8	23
Total non-operating expenses	87	82
Ordinary profit	3,240	2,947
Extraordinary income		
Gain on sale of investment securities	-	22
Other	-	0
Total extraordinary income	-	22
Extraordinary losses		
Loss on sale of non-current assets	6	-
Loss on retirement of non-current assets	0	15
Loss on valuation of investment securities	40	-
Other	0	1
Total extraordinary losses	47	16
Profit before income taxes	3,193	2,952
Income taxes - current	327	742
Income taxes - deferred	694	300
Total income taxes	1,021	1,042
Profit	2,171	1,909
Profit attributable to non-controlling interests	18	18
Profit attributable to owners of parent	2,153	1,891

Disclaimer

This document is a translation of the original Japanese version and provided for reference purposes only. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.

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

(Million yen)

	For the three months ended August 20,2021	For the three months ended August 20,2022
Profit	2,171	1,909
Other comprehensive income		
Remeasurements of defined benefit plans, net of tax	3	4
Total other comprehensive income	3	4
Comprehensive income	2,174	1,914
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,156	1,895
Comprehensive income attributable to non-controlling interests	18	18

Disclaimer

This document is a translation of the original Japanese version and provided for reference purposes only. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.

(3) Notes to Quarterly Consolidated Financial Statements

(Notes to Going Concern Assumption)

Not applicable.

(Notes to Significant Changes in Shareholders' Equity)

Not applicable.

(Change in Accounting Policies)

(Application of Implementation Guidance on Accounting Standard for Fair Value Measurement)

The Group applied the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (the revised ASBJ Guidance No. 31, June 17, 2021; hereinafter the "Implementation Guidance on Accounting Standards for Fair Value Measurement") at the beginning of the first quarter of the fiscal year under review. Accordingly, the Group will apply the new accounting policies stipulated by Implementation Guidance on Accounting Standards for Fair Measurement prospectively in accordance with the transitional treatment stipulated in Section 27-2 of Implementation Guidance on Accounting Standards for Fair Measurement. There is no impact on the quarterly consolidated financial statements.

(Change in Accounting Estimates)

(Change in Estimates of Asset Retirement Obligations)

During the first quarter of the fiscal year under review, the Group changed its estimate of asset retirement obligations, which had been recorded as a restoration obligation under the lease agreement for a distribution center, in accordance with the availability of new information on restoration costs.

As a result of this change, the balance of asset retirement obligations increased by 359 million yen, and compared with the previous method, operating profit, ordinary profit, and profit before income taxes for the first quarter of the fiscal year under review decreased by 128 million yen respectively.

Disclaimer

This document is a translation of the original Japanese version and provided for reference purposes only. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.

(Segment Information, etc.)

[Segment Information]

I. First Three Months of the Previous Fiscal Year (From May 21, 2021 to August 20, 2021)

1. Information on net sales and profit (loss) by reporting segment

(Million yen)

	Reporting Segment			Others (Note 1)	Total	Adjustments (Note 2)	Amount recorded in quarterly consolidated statements of income (Note 3)
	E-commerce business	Logistics business	Total				
Net sales							
B-to-B business	83,406	—	83,406	—	83,406	—	83,406
B-to-C business	16,736	—	16,736	—	16,736	—	16,736
Logistics business	—	2,088	2,088	—	2,088	—	2,088
Others	—	—	—	212	212	—	212
Revenue from contracts with customers	100,142	2,088	102,230	212	102,442	—	102,442
Sales to external customers	100,142	2,088	102,230	212	102,442	—	102,442
Intra-segment sales or transfer	—	—	—	181	181	(181)	—
Total	100,142	2,088	102,230	394	102,624	(181)	102,442
Segment profit (loss)	3,308	(59)	3,248	44	3,293	(21)	3,272

(Notes) 1. "Other" represents business segments that do not fall under the Reporting Segment and includes the manufacturing business.

2. The adjustment of minus 21 million yen to segment profit (loss) represents the elimination of inter-segment transactions of minus 21 million yen.

3. Segment profit (loss) is adjusted with operating profit reported in the quarterly consolidated statements of income.

2. Matters concerning changes to reportable segments, etc.

The Company applied the Accounting Standard for Revenue Recognition, etc. and changed the accounting method for revenue recognition from the beginning of the first quarter of the previous fiscal year. Accordingly, the Company changed the calculation methods for business segment profit (loss) in the same manner.

As a result of this change, net sales in the e-commerce business decreased by 1,204 million yen in the first three months of the previous fiscal year, compared with those processed in the previous method.

Disclaimer

This document is a translation of the original Japanese version and provided for reference purposes only. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.

II. First Three Months of the Current Fiscal Year (From May 21, 2022 to August 20, 2022)

Information on net sales and profit (loss) by reporting segment

(Million yen)

	Reporting Segment			Others (Note 1)	Total	Adjustments (Note 2)	Amount recorded in quarterly consolidated statements of income (Note 3)
	E-commerce business	Logistics business	Total				
Net sales							
B-to-B business	89,432	—	89,432	—	89,432	—	89,432
B-to-C business	18,257	—	18,257	—	18,257	—	18,257
Logistics business	—	2,133	2,133	—	2,133	—	2,133
Others	—	—	—	263	263	—	263
Revenue from contracts with customers	107,690	2,133	109,823	263	110,087	—	110,087
Sales to external customers	107,690	2,133	109,823	263	110,087	—	110,087
Intra-segment sales or transfer	—	—	—	290	290	(290)	—
Total	107,690	2,133	109,823	554	110,378	(290)	110,087
Segment profit (loss)	3,008	(73)	2,934	33	2,968	(11)	2,956

- (Notes)
1. "Other" represents business segments that do not fall under the Reporting Segment and includes the manufacturing business.
 2. The adjustment of minus 11 million yen to segment profit (loss) represents the elimination of inter-segment transactions of minus 11 million yen.
 3. Segment profit (loss) is adjusted with operating profit reported in the quarterly consolidated statements of income.

Disclaimer

This document is a translation of the original Japanese version and provided for reference purposes only. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.

3. Other

Details of Selling, General and Administrative Expenses (Consolidated)

Item	First Three Months of the Previous Fiscal Year (From May 21, 2021 to August 20, 2021)		First Three Months of the Fiscal Year Under Review (From May 21, 2022 to August 20, 2022)			(Reference) Fiscal Year Ended May 2022 (From May 21, 2021 to May 20, 2022)	
	Amount (Million yen)	Ratio to Sales (%)	Amount (Million yen)	Ratio to Sales (%)	Year-on-Year Change (%)	Amount (Million yen)	Ratio to Sales (%)
Personnel expenses	5,260	5.1	5,543	5.0	105.4	21,586	5.0
Shipment expenses	5,976	5.8	6,347	5.8	106.2	24,224	5.7
Subcontract expenses *1	962	0.9	1,179	1.1	122.5	4,091	1.0
Business consignment expenses	2,934	2.9	3,119	2.8	106.3	11,975	2.8
Rents *2	2,490	2.4	2,807	2.6	112.7	10,949	2.6
Provision of allowance for doubtful accounts	(21)	(0.0)	2	0.0	—	37	0.0
Depreciation	782	0.8	831	0.8	106.3	3,292	0.8
Amortization of software	610	0.6	674	0.6	110.6	2,538	0.6
Other expenses *3	2,724	2.7	3,198	2.8	117.4	12,067	2.7
Total	21,721	21.2	23,705	21.5	109.1	90,763	21.2

- *1. Compared with the same period of the previous fiscal year, subcontract expenses for the first quarter of the fiscal year under review increased. This was mainly due to the construction of the new website for the B-to-B business.
- *2. Compared with the same period of the previous fiscal year, rents for the first quarter of the fiscal year under review increased. This was mainly due to the commencement of the lease contract of ASKUL Tokyo DC.
- *3. Compared with the same period of the previous fiscal year, other expenses for the first quarter of the fiscal year under review increased. This was mainly due to the strengthening Internet advertising for the B-to-B business.