

Disclaimer

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February 8, 2023

To whom it may concern,

Company Name: ASKUL Corporation
(Code No.: 2678, Tokyo Stock Exchange Prime Market)
Representative: Akira Yoshioka
President and Chief Executive Officer
Contact Person: Tsuguhiro Tamai
Director and Chief Financial Officer
Phone: +81-3-4330-5130

Notice Regarding Acquisition of AP67 Co., Ltd (as a New Subsidiary)

ASKUL Corporation ("ASKUL") hereby announces that its Board of Directors has resolved at a meeting held on February 8, 2023, to acquire 85% of the outstanding shares of AP67 Co., Ltd ("AP67"), which owns FEED Corporation ("FEED"), a core company that operates FEED Dental mail-order service for the dental industry, as well as other affiliated companies. AP67 owns all of the shares of DENTAL Holding Corp. ("DENTAL Holding"), and therefore, DENTAL Holding and its subsidiaries (including FEED, a wholly owned subsidiary of DENTAL Holding) will be consolidated by ASKUL.

1. Reason for the acquisition

With the goal of realizing a total office support service that delivers products and services needed in the office in a timely and reliable manner, we have achieved steady growth while responding to customer feedback and changes in the times based on our DNA, "Advancing Forward for Our Customers," which we have valued since our founding. In addition, as e-commerce is rapidly penetrating the general consumer market, we launched LOHACO, an Internet-based mail order website for general consumers, in October 2012.

The social environment has been significantly changed by the COVID-19 pandemic, and the business environment surrounding the ASKUL Group is undergoing major changes due to the shift to new lifestyles such as the spread of teleworking. In addition, the e-commerce market continues to expand, but competition is intensifying. In July 2021, we formulated Medium-Term Management Plan and adopted the target of transforming from an office supplies mail-order company. In order to evolve from an office supplies mail-order company to an infrastructure company that supports all workplaces and lifestyles, we have positioned customers in the medical institutions/nursing care facilities and manufacturing domains as the two largest strategic sectors and are promoting a strategy to expand and penetrate the purchase of consumables through e-commerce.

FEED, a subsidiary of AP67, operates medical-related mail-order business, such as the operation of FEED Dental, which is widely recognized by dental clinics nationwide. FEED has grown on the strength of its wide range of specialty products, including cost-effective dental materials and supplies, as well as overseas products.

With the addition of the AP67 Group to the Group, we aim to maximize group-wide synergies, such as expanding sales channels by leveraging each company's customer base, and together with FEED, we will work to increase the corporate value of both companies as infrastructure companies that support a wider range of workplaces.

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2. Outline of the subsidiary to be acquired

(1) Name	AP67 Co., Ltd														
(2) Address	Toranomom Towers Office 17F, 4-1-28, Toranomom, Minato-ku, Tokyo														
(3) Name and Title of Representative	Shinichiro Kita, Representative Director														
(4) Business Description	Management consulting business Acquisition, holding, operation, management, and trading of marketable securities														
(5) Capital	100 million yen (as of February 8, 2023)														
(6) Established	June 11, 2020														
(7) Major Shareholders and Shareholding Ratio	<table border="0"> <tr> <td>Advantage Partners VI, ILP</td> <td style="text-align: right;">47.4%</td> </tr> <tr> <td>APCP VI, L.P.</td> <td style="text-align: right;">20.1%</td> </tr> <tr> <td>CJIP (AP) VI, L.P.</td> <td style="text-align: right;">15.9%</td> </tr> <tr> <td>RICOH LEASING COMPANY, LTD</td> <td style="text-align: right;">15.0%</td> </tr> <tr> <td>AP Reiwa F6-B1, ILP</td> <td style="text-align: right;">0.8%</td> </tr> <tr> <td>AP Reiwa F6-A, L.P.</td> <td style="text-align: right;">0.8%</td> </tr> </table>			Advantage Partners VI, ILP	47.4%	APCP VI, L.P.	20.1%	CJIP (AP) VI, L.P.	15.9%	RICOH LEASING COMPANY, LTD	15.0%	AP Reiwa F6-B1, ILP	0.8%	AP Reiwa F6-A, L.P.	0.8%
Advantage Partners VI, ILP	47.4%														
APCP VI, L.P.	20.1%														
CJIP (AP) VI, L.P.	15.9%														
RICOH LEASING COMPANY, LTD	15.0%														
AP Reiwa F6-B1, ILP	0.8%														
AP Reiwa F6-A, L.P.	0.8%														
(8) Relationship between ASKUL and AP67	Capital relationship	None													
	Personnel relationship	None													
	Business relationship	None													
	Related party relationship	None													
(9) Consolidated Business Performance and Financial Condition for the Last Three Years															
Fiscal year end	March 31, 2020	March 31, 2021	March 31, 2022												
Net Assets	2,174 million yen	2,587 million yen	2,134 million yen												
Total Assets	4,601 million yen	7,550 million yen	6,740 million yen												
Net Assets per Share	12,325 yen	862 yen	711 yen												
Net Sales	10,011 million yen	14,099 million yen	12,516 million yen												
Operating Profit	703 million yen	1,597 million yen	104 million yen												
Ordinary Profit	645 million yen	1,525 million yen	(108) million yen												
Profit Attributable to Owners of Parent	402 million yen	123 million yen	(453) million yen												
Basic Earnings per Share	2,279 yen	41 yen	(151) yen												
Dividends per Share	- yen	- yen	- yen												

- Note 1 For the fiscal year ended March 31, 2020, AP67 was in the fiscal year prior to the acquisition of the shares of DENTAL Holding, which is currently a wholly owned subsidiary of AP67. Since AP67 is an SPC established to acquire the shares of DENTAL Holding, the consolidated business performance and financial position of DENTAL Holding are presented for the fiscal year ended March 31, 2020.
- 2 Consolidated net assets per share and basic earnings per share are calculated using 176,400 shares as the denominator for the fiscal year ended March 31, 2020 and 3 million shares for the fiscal years ended March 31, 2021 and 2022, respectively.
- 3 In the fiscal year ended March 31, 2021, the business performance increased significantly due to the influx of customers who avoided the wholesale channel of face-to-face sales, an increase in demand for hygiene products such as gloves, and special demand from the government for aid subsidies in response to COVID-19. Although some of the special demand has subsided since the fiscal year ended March 31, 2022, both sales and profit in the fiscal year ending March 31, 2023, are expected to be at the same level as in the fiscal year ended March 31, 2022 as customer base is expanding.
- 4 Amortization of goodwill of approximately 800 million yen is included in operating profit in each of the fiscal years ended March 31, 2021 and 2022 but will be fully amortized in the fiscal year ending March 31, 2023.

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(1) Name	DENTAL Holding Corp.	
(2) Address	2-3-3 Minatomirai, Nishi-ku, Yokohama, Kanagawa	
(3) Name and Title of Representative	Michi Yamamoto, Representative Director	
(4) Business Description	Acquisition, ownership, and sale of assets Buying, selling, exchanging, leasing, managing, owning, and using real estate	
(5) Capital	10 million yen (as of February 8, 2023)	
(6) Established	June 2, 2016	
(7) Major Shareholders and Shareholding Ratio	AP67 Co., Ltd	100.0%
(8) Relationship between ASKUL and DENTAL Holding	Capital relationship	None
	Personnel relationship	None
	Business relationship	None
	Related party relationship	None

Note: Consolidated business performance and financial condition are not disclosed at the request of the counterparty.

(1) Name	FEED Corporation	
(2) Address	2-3-3 Minatomirai, Nishi-ku, Yokohama, Kanagawa	
(3) Name and Title of Representative	Michi Yamamoto, Representative Director	
(4) Business Description	Sales of dental materials, medical equipment, pharmaceuticals, quasi-drugs, and other medical related supplies	
(5) Capital	43 million yen (as of February 8, 2023)	
(6) Established	September 30, 1980	
(7) Major Shareholders and Shareholding Ratio	DENTAL Holding Corp.	100.0%
(8) Relationship between ASKUL and FEED	Capital relationship	None
	Personnel relationship	None
	Business relationship	None
	Related party relationship	None

Note: Business performance and financial position are not disclosed at the request of the counterparty.

3. Outline of the counterparty to the share acquisition

(1) Name	Advantage Partners VI, ILP
(2) Address	4-1-28, Toranomom, Minato-ku, Tokyo
(3) Grounds for Establishment	Limited partnership under the Limited Partnership Act for Investment
(4) Purpose of Establishment	Invest primarily in equity and equity-related securities issued by companies and other entities in Japan.
(5) Established	March 25, 2020
(6) Total Amount of Investment Commitment	48,783,000,000 Yen
(7) Investors, Shareholding Ratio, and Outline of Investors	AP VI GP Partnerships 1% Other investors consist of banks, insurance companies, pension funds, and business companies, etc. Specific names and shareholding ratios will not be disclosed due to the Fund's policy.

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(8) Outline of Operating Partners	Name	AP VI GP Partnership	
	Address	4-1-28, Toranomom, Minato-ku, Tokyo	
	Name and Title of Representative	AP VI GP Co., Ltd. Its executive partner Taisuke Sasanuma, Representative Director	
	Business Description	Operation and management of investment partnership assets	
	Amount of Investment Commitment	4,878,300,000 Yen	
(9) Outline of the Domestic Agent	Name	-	
	Address	-	
	Name and Title of Representative	-	
	Business Description	-	
	Capital	-	
(10) Relationship between ASKUL and the Fund	Relationship between ASKUL and the Fund	None	
	Relationship between ASKUL and the Operating Partners	None	
	Relationship between ASKUL and the Domestic Agent	None	

(1) Name	APCP VI, L.P.		
(2) Address	c/o Walkers Corporate Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9008, Cayman Islands		
(3) Grounds for Establishment	The Exempted Limited Partnership Act of the Cayman Islands		
(4) Purpose of Establishment	Invest primarily in equity and equity-related securities issued by companies and other entities in Japan.		
(5) Established	January 10, 2020		
(6) Total Amount of Investment Commitment	20,654,500,000 Yen		
(7) Investors, Shareholding Ratio, and Outline of Investors	APCP VI GP, L.P. 1% Other investors consist of funds of funds, insurance companies, etc. Specific names and shareholding ratios will not be disclosed due to the Fund's policy.		
(8) Outline of Operating Partners	Name	APCP VI GP, L.P.	
	Address	c/o Walkers Corporate Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9008, Cayman Islands	
	Name and Title of Representative	General Partner: CCM VI, Inc. Director: Douglas R. Stringer	
	Business Description	Investment and Management of Investment Partnership Assets	
	Amount of Investment Commitment	2,065,450,000 Yen	

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(9) Outline of the Domestic Agent	Name	-
	Address	-
	Representative Title/Name	-
	Business Activities	-
	Share capital	-
(10) Relationship between ASKUL and the Fund	Relationship between ASKUL and the Fund	None
	Relationship between ASKUL and the Operating Partners	None
	Relationship between ASKUL and the Domestic Agent	None

(1) Name	CJIP (AP) VI, L.P.	
(2) Address	c/o Walkers Corporate Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9008, Cayman Islands	
(3) Grounds for Establishment	The Exempted Limited Partnership Act of the Cayman Islands	
(4) Purpose of Establishment	Invest primarily in equity and equity-related securities issued by companies and other entities in Japan.	
(5) Established	April 14, 2020	
(6) Total Amount of Investment Commitment	16,412,500,000 Yen	
(7) Investors, Shareholding Ratio, and Outline of Investors	CJIP (AP) VI GP, L.P. 1% Other investors consist of funds of funds, insurance companies, pension funds, etc. Specific names and shareholding ratios will not be disclosed due to the Fund's policy.	
(8) Outline of Operating Partners	Name	CJIP (AP) VI GP, L.P.
	Address	c/o Walkers Corporate Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9008, Cayman Islands
	Name and Title of Representative	CJIP (AP) VI, Inc., General Partner Darren Stainrod, Director
	Business Description	Investment and Management of Investment Partnership Assets
	Amount of Investment Commitment	1,641,250,000 Yen
(9) Overview of Domestic Agent	Name	-
	Address	-
	Name and Title of Representative	-
	Business Description	-
	Capital	-
(10) Relationship between ASKUL and the Fund	Relationship between ASKUL and the Fund	None

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	Relationship between ASKUL and the Operating Partners	None
	Relationship between ASKUL and the Domestic Agent	None

(1) Name	AP Reiwa F6-B1, ILP	
(2) Address	4-1-28, Toranomom, Minato-ku, Tokyo	
(3) Grounds for Establishment	Limited Partnership Act for Investment	
(4) Purpose of Establishment	Invest primarily in equity and equity-related securities issued by companies and other entities in Japan.	
(5) Established	August 11, 2020	
(6) Total Amount of Investment Commitment	378,780,000 Yen	
(7) Investors, Shareholding Ratio, and Outline of Investors	The investors consist of Advantage Partners Inc. and its affiliated companies and their officers and employees. Specific names and shareholding ratios will not be disclosed due to the Fund's policy.	
(8) Outline of Operating Partners	Name	Flagship Asset Management, Inc.
	Address	4-1-28, Toranomom, Minato-ku, Tokyo
	Name and Title of Representative	Katsuya Baba, Representative Director
	Business Description	Investment and Management of Investment Partnership Assets
	Capital	10,000,000 Yen
(9) Outline of the Domestic Agent	Name	-
	Address	-
	Name and Title of Representative	-
	Business Description	-
	Capital	-
(10) Relationship between ASKUL and the Fund	Relationship between ASKUL and the Fund	None
	Relationship between ASKUL and the Operating Partners	None
	Relationship between ASKUL and the Domestic Agent	None

(1) Name	AP Reiwa F6-A, L.P.
(2) Address	c/o Walkers Corporate Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9008, Cayman Islands
(3) Grounds for Establishment	The Exempted Limited Partnership Act of the Cayman Islands
(4) Purpose of Establishment	Invest primarily in equity and equity-related securities issued by companies and other entities in Japan.
(5) Established	August 19, 2020
(6) Total Amount of Investment Commitment	1,262,140,000 Yen

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(7) Investors, Shareholding Ratio, and Outline of Investors	The investors consist of Advantage Partners Inc. and its affiliated companies and their officers and employees. Specific names and shareholding ratios will not be disclosed due to the Fund's policy.	
(8) Outline of Operating Partners	Name	FAM, Inc.
	Address	c/o Walkers Corporate Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9008, Cayman Islands
	Name and Title of Representative	Josh Everett Naoki Porter, Director
	Business Description	Investment and Management of Investment Partnership Assets
	Capital	1 USD
(9) Outline of the Domestic Agent	Name	-
	Address	-
	Name and Title of Representative	-
	Business Description	-
	Capital	-
(10) Relationship between ASKUL and the Fund	Relationship between ASKUL and the Fund	None
	Relationship between ASKUL and the Operating Partners	None
	Relationship between ASKUL and the Domestic Agent	None

4. Number of Shares Acquired, Acquisition Price, and Shareholding Before and After the Acquisition

(1) Number of Shares Held Before the Acquisition	0 shares (Number of voting rights: 0) (Percentage of voting rights: 0.0%)
(2) Number of Shares to be Acquired	2,550,000 shares (Number of voting rights: 2,550,000) (Percentage of voting rights: 85.0%)
(3) Acquisition Price	The acquisition price exceeds 15% of the consolidated net assets at the end of the previous fiscal year. However, it is not disclosed at the request of the counterparty. The purchase price was determined through discussions between the parties concerned after reasonably considering the results of stock valuation by outside experts and legal and financial research.
(4) Number of Shares to be Held After the Acquisition	2,550,000 shares (Number of voting rights: 2,550,000) (Percentage of voting rights: 85.0%)

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5. Schedule

(1) Date of resolution by the Board of Directors	February 8, 2023
(2) Date of conclusion of share transfer agreement	February 8, 2023
(3) Date of share transfer	February 28, 2023 (planned)

6. Future Outlook

ASKUL is in the process of carefully evaluating the impact of this share acquisition on its consolidated financial results. We will promptly disclose any matters that may affect our business performance in the future.

(Reference) Forecast of consolidated financial results for the fiscal year under review (announced on December 15, 2022) and consolidated financial results for the previous fiscal year

(Millions of yen)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
Consolidated financial forecast for the fiscal year under review (Year ending May 20, 2023)	455,500	14,500	14,300	9,400
Consolidated results for the previous fiscal year (Year ended May 20, 2022)	428,517	14,309	14,270	9,206