
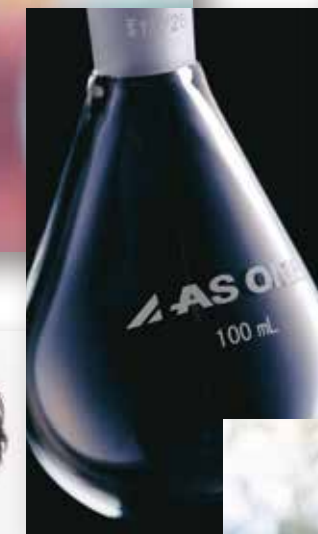




ANNUAL
REPORT 2017

 **Consistent growth as a leading trading company for scientific instruments dedicated to “innovation and creation” to meet scientists’ needs**



 **AS ONE**

[Origin of Our Name]

“AS ONE” is an expression of our business model of operating as a unified team with many partners. To succeed in a constantly changing market, we are working with users, dealers and suppliers for more progress by creating new forms of value.



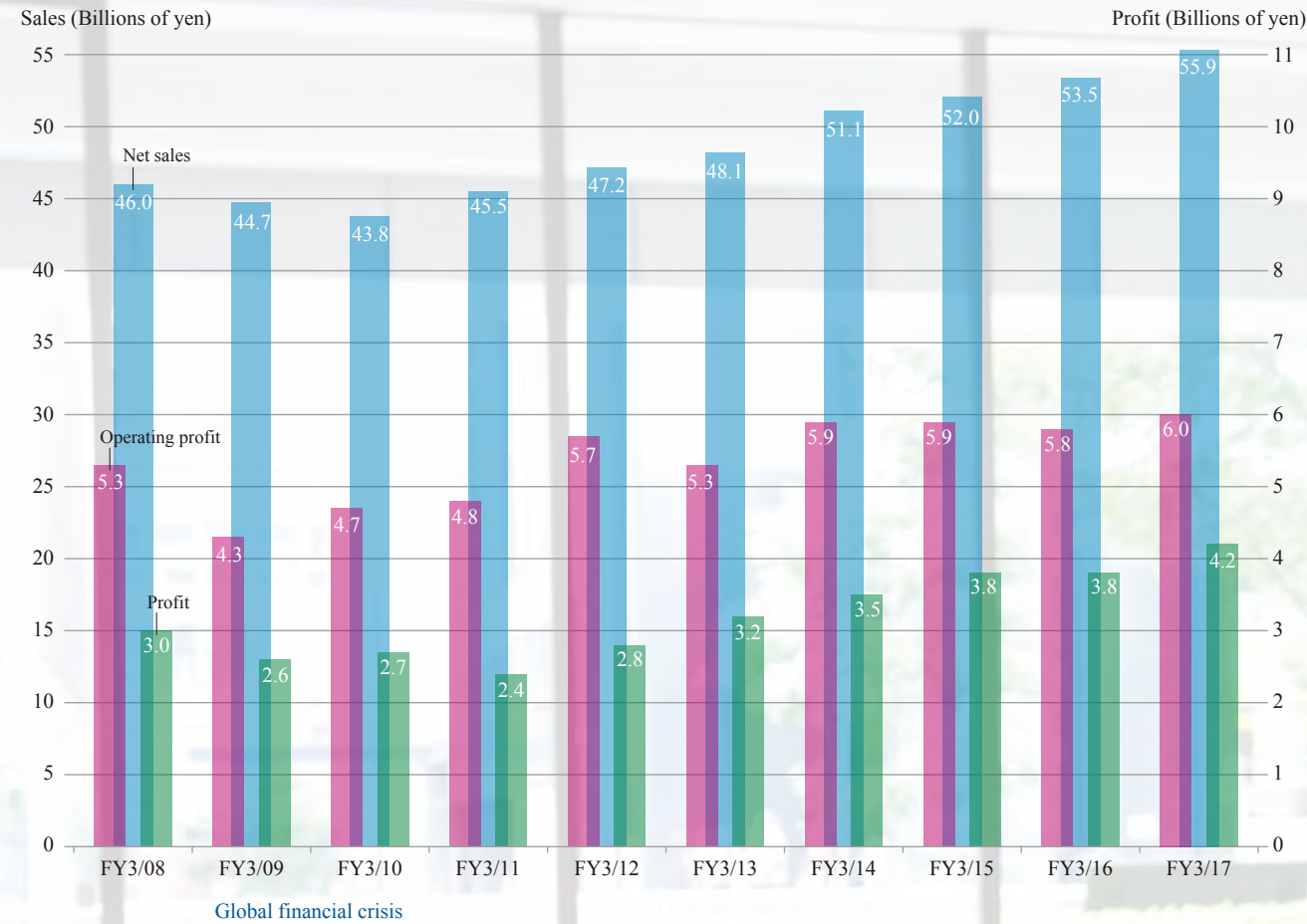
AS ONE CORPORATION
ANNUAL REPORT 2017

Contents

Financial Highlights	03
Business Schemes	05
Overview by Sector	07
Message from the President	09
The Project NANA Task Force	13
NANA-Branches and Leaves	15
Directors and Auditors	23
Environmental Activities	27
Social Contribution Activities	29
Corporate Governance	31
Stock Information	37
Financial Analysis	39
Company Information	49

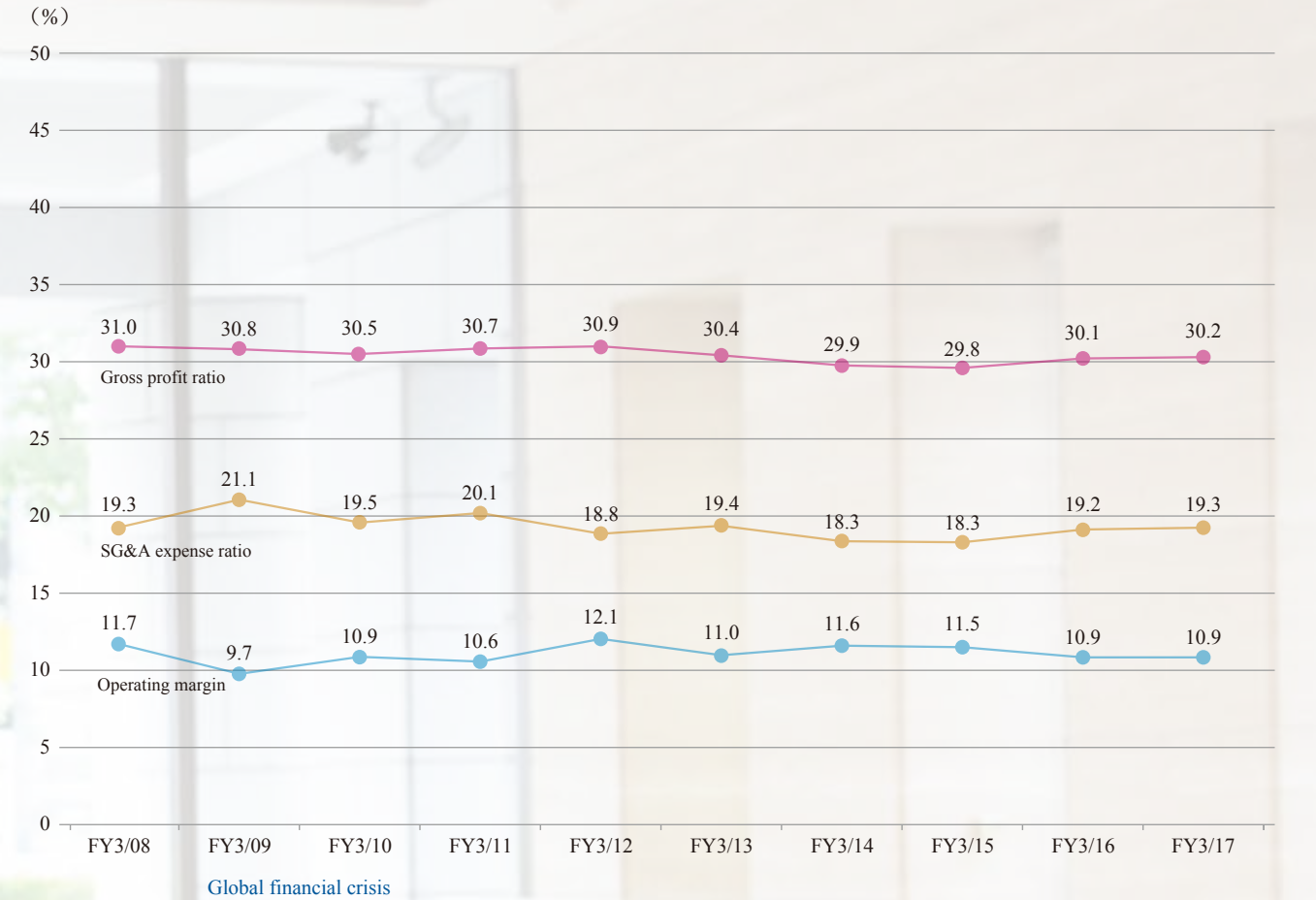
10-year Financial Summary

Consistent profitability and steady growth



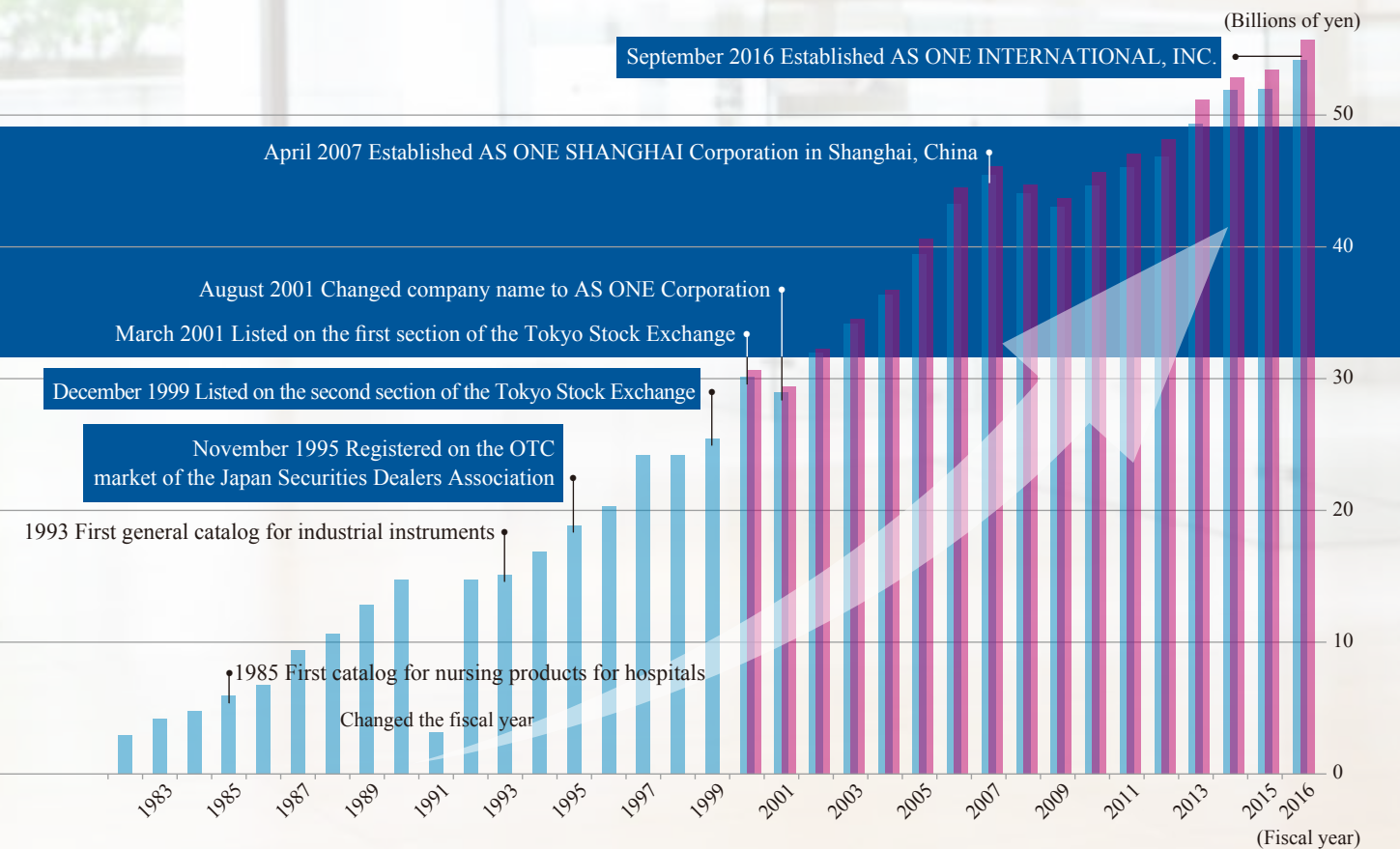
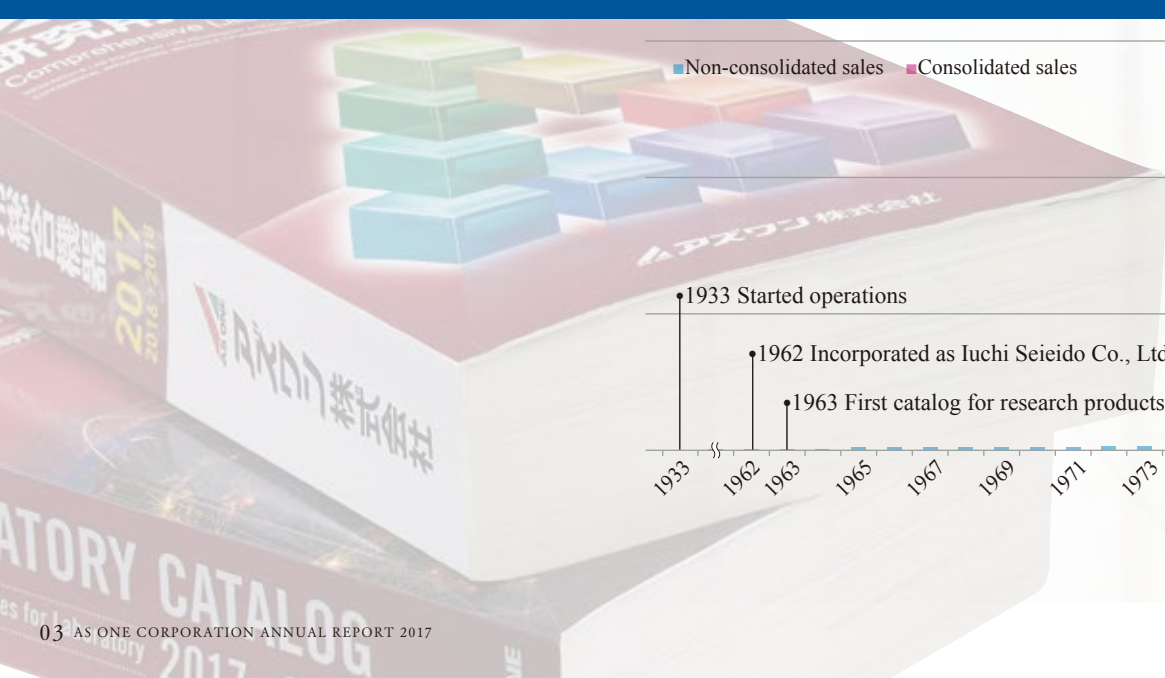
Profitability

Highly profitable operations with minimal variations



Financial Highlights

Growing year after year



[AS ONE Business]

Creating new value as
a powerful hub that
maximizes specialization
in the fields of research,
industry, health care
and nursing care

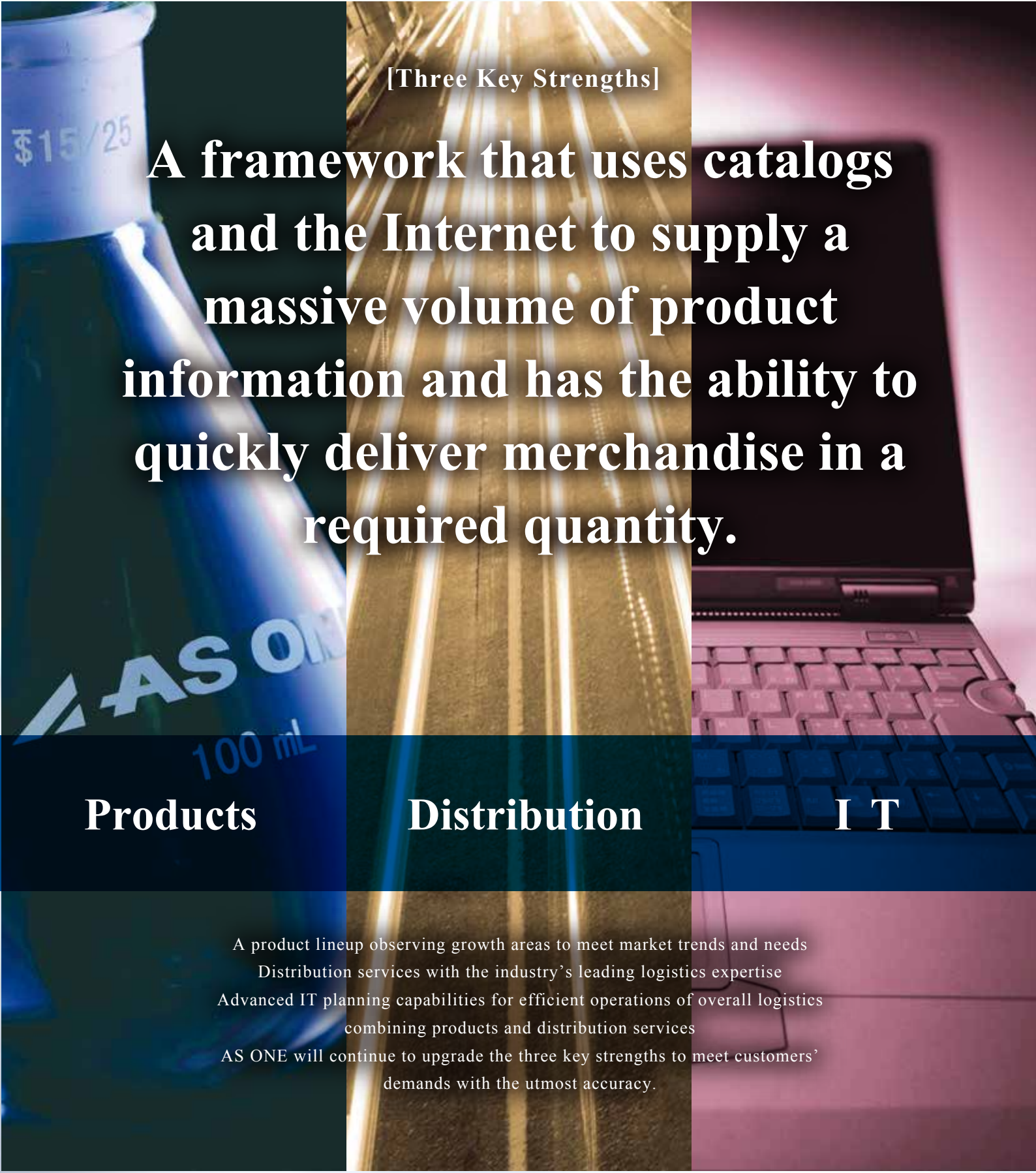


What's AS ONE

AS ONE will continue to use its unique
business model to provide highly reliable
total solutions through a network linking
suppliers, dealers and users.

[Three Key Strengths]

A framework that uses catalogs
and the Internet to supply a
massive volume of product
information and has the ability to
quickly deliver merchandise in a
required quantity.



Products

Distribution

IT

- A product lineup observing growth areas to meet market trends and needs
- Distribution services with the industry's leading logistics expertise
- Advanced IT planning capabilities for efficient operations of overall logistics combining products and distribution services
- AS ONE will continue to upgrade the three key strengths to meet customers' demands with the utmost accuracy.

Overview by Sector

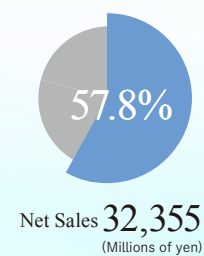
Research and Industrial Instruments Division

Scientific Instrument Sector

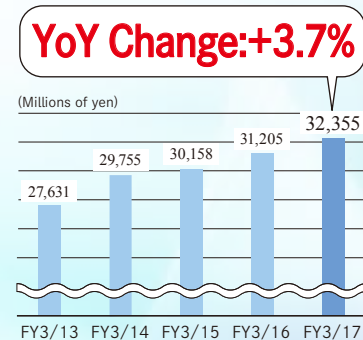
Support for ever-evolving R&D activities as an all-inclusive supplier of research instruments and other products



Share of Sales



Sales Trend

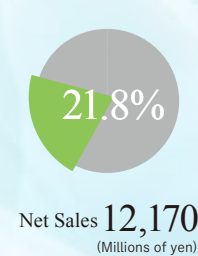


Industrial Instrument Sector

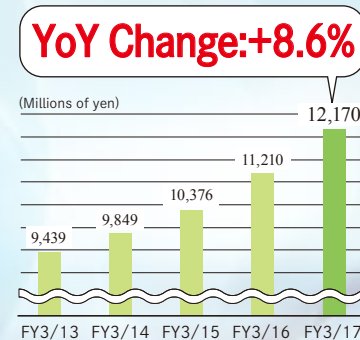
Support for advances in manufacturing technology as a supplier of equipment and supplies with outstanding precision and quality



Share of Sales



Sales Trend



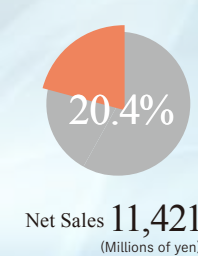
Hospitals and Nursing Care Division

Hospitals and Nursing Care Products

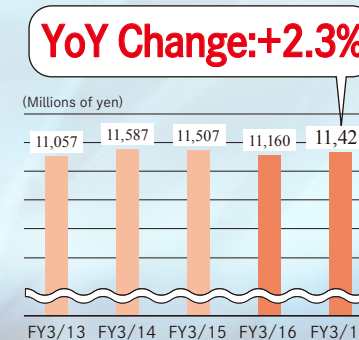
Support for hospitals and senior care facilities as a supplier of “user-friendly products”



Share of Sales



Sales Trend



Catalog × E-commerce

Multichannel Strategy

We provide 70,000 products both large and small in our paper-based catalogs and more than 1.4 million products via e-commerce. We provide goods, information and services to research labs and hospitals using our network with 10,000 sales locations throughout Japan.

Growth of Overseas Operations

Aiming for Growth Mainly in China and the United States

Overseas operations started primarily with procurement, beginning with production activities outsourced to companies in South Korea. We are steadily expanding our overseas operations by adding sales bases with establishments of AS ONE SHANGHAI Corporation in 2007 and AS ONE INTERNATIONAL, INC. in the United States in 2016.

Follow-up Services

A Steadfast Commitment to Customer Satisfaction

Since its establishment, AS ONE has customer-focused conception of delivering required products at the required time in the required quantities. One of our management policies of “Pursuit of customer satisfaction” is a highest priority. This is why we have an extensive follow-up service framework capable of responding with speed and accuracy to requests and other communications from customers.

Sales up 4.4% year-on-year.
Three business fields driving faster growth



General Research Instrument Catalog

First issued in 1963
A general laboratory supplies catalog which contains about 50,000 items



SUNQ-ASST Industrial Research Instrument Catalog

First issued in 1993
Contains about 50,000 items for semiconductor and other high-tech industries



The Navis Nursing and Medical Product General Catalog

First issued in 1985
Contains about 22,000 items with the goal of helping improve medical and nursing care



Laboratory Catalog

An English-language general laboratory supplies catalog for foreign research scientists working in Japan



ASPURE Cleanroom Environment and Anti-static Measure Product Catalog

We created the ASPURE brand for our lineup of high-quality products needed for preventing static electricity and maintaining the required cleanroom environment in a variety of applications



AXEL (Japanese)

An e-commerce site using AS ONE product search system that enables users to quickly locate specific products from among the approximately 1.4 million items



SANIFOODS Catalog

Total support for food safety to enable consumers to enjoy products with even better flavors and safety



AS TOOL Catalog

Contains everything needed by factory workers! A catalog of supplementary products for factories



Nursing Care and Medical Product General Catalog

Contains about 3,000 categories, 10,000 items ranging from daily necessities to industry-use products for nursing care and medical supplies



ASSRE Research Systems Catalog

A large lineup of equipment that enables customers to create the best possible laboratory environment for any requirement



Chinese-language catalog for research and industrial products

The sixth Chinese-language catalog has 1,200 pages, approximately 30% more than in the previous catalog, and about 22,000 items. We distribute this catalog mainly to universities, research institutions and large manufacturers in China



AXEL (English)

AS ONE launched an English-language AXEL search site in April 2017

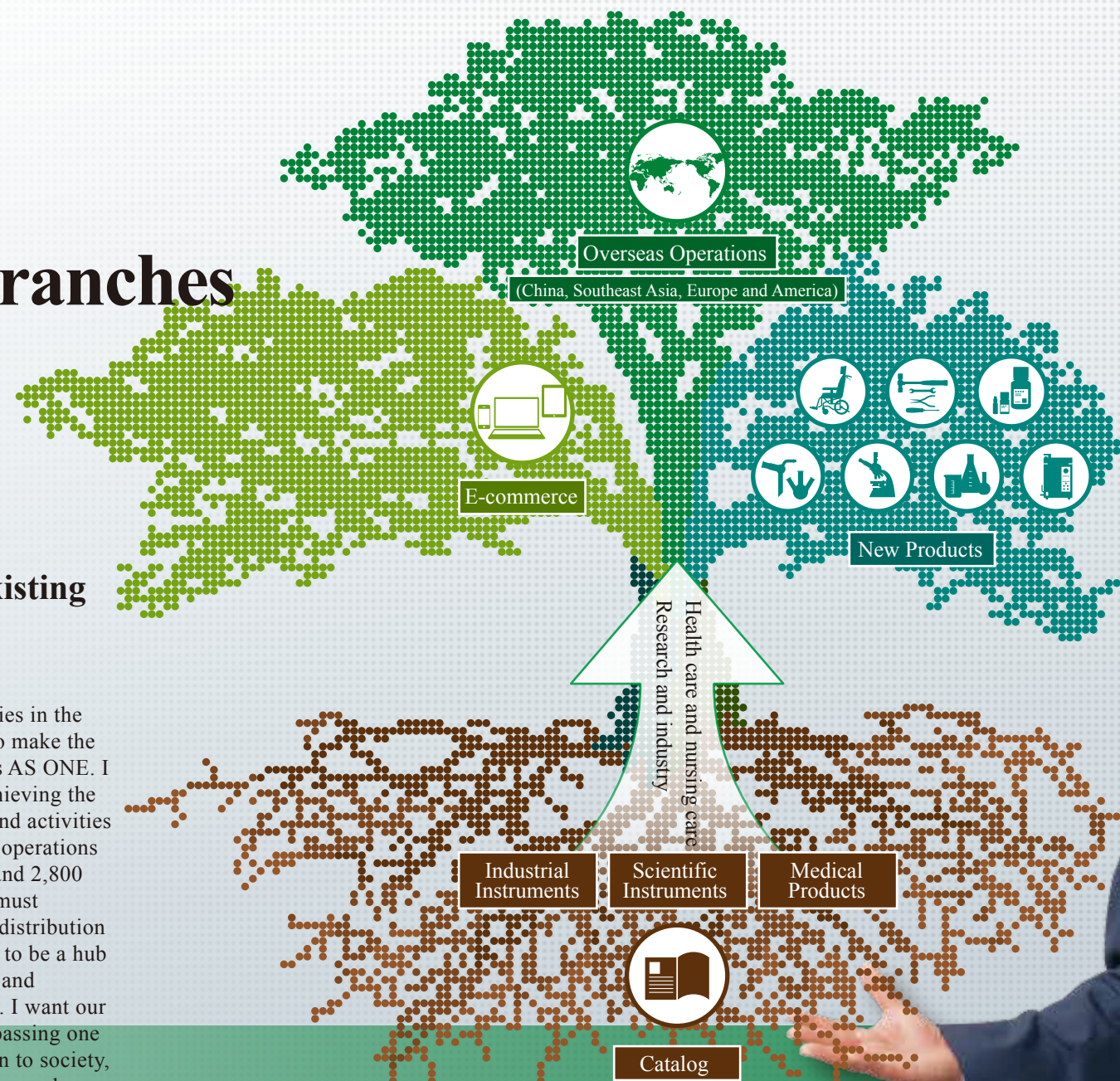
Our growth strategy is expanding steadily like the branches and leaves of a tree

Takuji Iuchi, President

Fostering the spirit of taking on challenges outside our existing boundaries to achieve AS ONE's true potential

AS ONE embarked on a five-year medium-term management plan called Project NANA in 2015. Defined by the central theme of “re-acceleration towards growth,” the plan has the goal of raising sales to ¥70 billion in the fiscal year ending in March 2020. We have been implementing this plan for two years and 2017 is the turning point. At this juncture, we have upgrade the plan to version NANA 2.0. We are making steady progress in the **e-commerce** sector, which is one of our three pillars of growth. Our AXEL product search engine now covers more than 1.5 million items. To provide one-stop convenience, we will continue to upgrade our website with measures that include a focus on products that originate with our customers' needs. For **overseas operations**, I believe we need to enlarge our overseas network as we move even faster to establish worldwide coverage. Our sales have surpassed 100 million yuan in China and our U.S. subsidiary started operations in January 2017. In addition, we are working on bringing new trends to Japan by monitoring the activities of start-up companies at the forefront of IT and other fields. The reagent business is a particularly promising field. In the category of **new products**, we established a Service Sales Division that has the mission of enlarging our lineup of services in 2017. Senior nursing care is another business sector with considerable growth potential as the populations of Japan continue to age. To create another growth vector, I want to expand outward from core businesses into peripheral markets. For example, we plan to start operating in highly specialized categories like medical equipment that require a license to sell.

The desire to use business activities in the research and health care domains to make the world a better place is what defines AS ONE. I want us to work even harder on achieving the correct balance between business and activities that benefit society. Our wholesale operations in Japan use about 10,000 dealers and 2,800 suppliers. The wholesale business must increase its ability to function as a distribution hub. Furthermore, wholesale needs to be a hub that links people with other people and information with other information. I want our creation of an environment encompassing one million users to make a contribution to society, too. Research organizations rely on people, equipment, capital and networks. However, even for the most impressive research projects, a considerable amount of progress is often missed if just one of these four categories of resources is inadequate. I believe that AS ONE can supply comprehensive support by playing a central role in coordinating these resources to avoid this problem. Our objective is to become a general trading company for scientific instruments that can provide sound support for science and technology. Accomplishing this goal will require assembling a workforce of highly skilled people who can earn the trust of our customers. We will retain an intent focus on three areas of quality: product quality, management quality and employee character. By accumulating a large number of success stories, we can become an organization that is even more worthy of our customers' trust.



Project –NANA– NEW ACTION NEXT ASONE

Three areas of quality

Product quality

Supply products that meet market needs by functioning as a hub that links ideas with other ideas for the creation of many types of new goods to sell.

Management quality

Play a role in the advancement of society through management with the proper balance between offensive and defensive measures for a consistently strong performance backed by a strong commitment to business ethics.

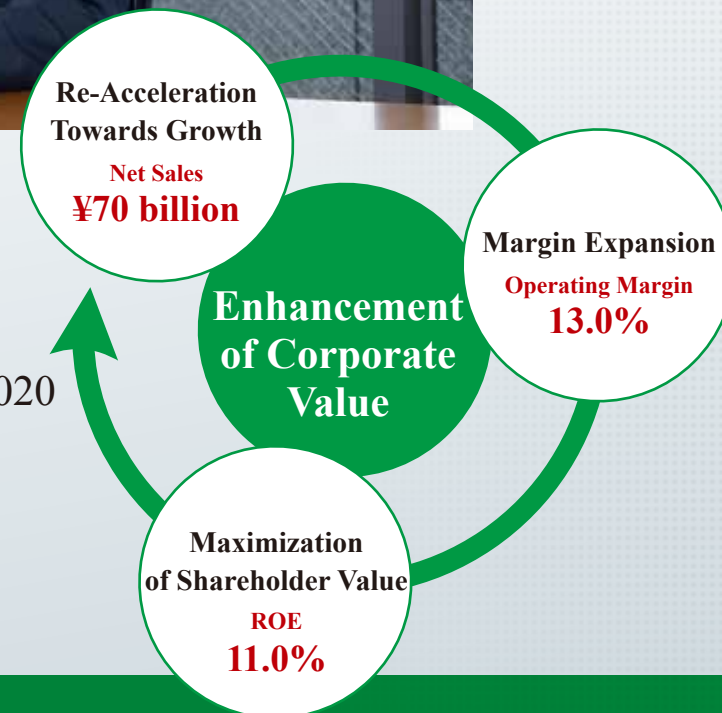
Employee character

Create an open and energetic corporate culture in which employees gain skills and qualities needed for building strong bonds with others and constantly collecting new information.





〈Project -NANA-〉 Targets for the Fiscal Year Ending March 2020

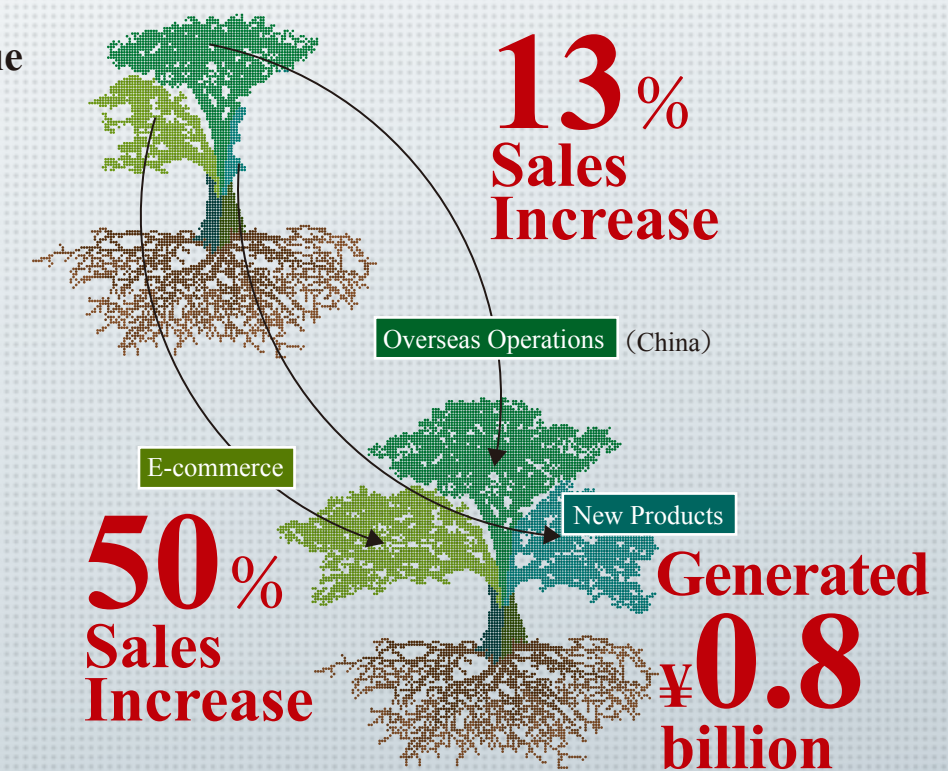


A company able to make everyone happy by increasing corporate value

During the fiscal year ended March 2017, consolidated net sales increased 4.4% to ¥55,947 million and profit attributable to owners of parent was up 8.6% to ¥4,212 million. This was the sixth consecutive increase in consolidated net sales and the fifth consecutive increase in profit as both reached new highs.

There have been many accomplishments during the first two years of Project NANA. The 50% growth of the e-commerce business to sales of ¥6.2 billion is one of the most significant. Raising sales in China by 13%, including a contribution from foreign exchange rates, was another big step. Furthermore, we started building the groundwork for a number of new products. Examples include original AS ONE medical equipment, MRO products for factories and reagents.

Major Accomplishments of the First Two Years



Leading innovation for the upcoming era

Success today calls for business models that can change rapidly. Remarkable advances are occurring in IT, artificial intelligence (AI), the Internet of things, robotics and other fields. For example, AI is on the verge of surpassing the capabilities of the human brain. AS ONE must determine new ways to target opportunities created by the expected growth in R&D activities. Expanding our markets is one goal. We also need to utilize advances in AI and other technologies for our own benefit. Some

people believe AI will take over half of the work done by companies. We need to aim for a 50% cut in ordinary business tasks done by our people so that we can use more resources for launching new businesses and providing customer services. To achieve the greatest possible satisfaction among customers and employees, there will be significant changes in how we operate, including how our people do their jobs. Our aim is the generation of a powerful upward spiral of workplace and working style reforms.

To build on progress made during the past two years, we have restructured Project NANA to create **NANA 2.0**. We plan to expand overseas operations in countries other than China as well and take other actions for reaching our goals for 2020.

As we look beyond Project NANA as well, we are determined to establish a positive business cycle that makes all our stakeholders **happy they have a relationship with AS ONE**. We look forward to your continued support and encouragement.

— NANA2.0 —

	FY3/17	FY3/20 plan
Total	55.9billion yen	70.3billion yen
E-commerce	6.2billion yen	11.0billion yen
Overseas Operations	2.5billion yen	5.3billion yen
New Products	0.8billion yen	4.6billion yen
Current Operations (sale of current products) (using existing channels)	46.5billion yen	49.4billion yen

The Project NANA Task Force

Restructuring of the medium-term management plan by reflecting lessons learned and progress made under Project NANA at this half-way point

Two years after the start of Project NANA, the most significant accomplishment is the change in the mindset of AS ONE's workforce. The project altered our corporate culture, too. More ideas from front-line employees are resulting in actions and improvements. AS ONE now has a different framework for organizing and conducting business activities. Although we are seeing many benefits, more work is needed so that everyone at AS ONE embraces this new mindset. We still need to solve numerous issues, including areas where we have fallen short of our goals. However, these issues are linked to weaknesses of ours that would still be hidden without the implementation of Project NANA. All of these problems can be solved by making the required improvements. By using lessons learned from the first two years of Project NANA, we have restructured the plan to create **NANA 2.0**. The new plan has the same basic themes of the original one while targeting weaknesses that have emerged in order to build an even stronger base for achieving the goals for 2020.

Kazuhito Yamada

Managing Director, General Manager, Marketing Division and Sales Division, Manager, Tokyo Office, and Deputy General Manager, Project NANA Task Force

Mototaka Ono

Managing Director, General Manager, Administration Division, and General Manager, Project NANA Task Force



Examining current operations from new perspectives to build an even stronger business model

NANA 2.0 revises our goals for the three pillars of our growth strategy. For overseas operations, we plan to expand not only in China but also in the ASEAN region Europe, the United States. For e-commerce, which is expanding steadily, we will use many initiatives to aim for more growth. For new products, the third pillar, we will use organizational changes to reinvigorate activities. In addition, we will place even more emphasis on starting new services. Until now, products have accounted for most of our sales. The recent creation of a Service Sales Department within the Sales Division signals the beginning of a new direction that will make services an important part of our operations. We will continue to search for every potential business opportunity in peripheral fields as we seek to supply new forms of added value by solving customers' problems.

Reexamining current business operations is a new component of NANA 2.0. The decision to add this theme demonstrates

our determination to make changes that take us beyond our existing business domains. We are taking another look at everything we do. We want to be certain our products, sales methods, sales network, services and other aspects of operations all match the requirements of today's market environment. Doing this will make it possible to implement even more effective reforms.

To speed up these initiatives, the Project NANA Task Force was created in 2017. Supervised directly by the company president, this task force uses a number of working groups to identify issues and create business opportunities. Offering incentives in order to boost employees' motivation, the first time this has been done at AS ONE, is another role of the task force. By basing activities on the theme of refusing to be limited by AS ONE's conventional thinking, the task force plans to produce an environment for business operations that makes the company even more competitive and powerful.

NANA 2.0 unlocks AS ONE's even stronger potential

Kenichi Fujinaka

Director, General Manager, Merchandising Division and IT Division, and Member of the Project NANA Task Force



Keisuke Nishikawa

General Manager, Marketing Department, Marketing Group Manager, and Member of the Project NANA Task Force



Tetsuji Yoshi

General Manager, Sales Planning Division, and Member of the Project NANA Task Force



Masataka Maruhashi

General Manager, E-commerce Promotion Division, and Member of the Project NANA Task Force



Tatsuhito Imamura

General Manager, Corporate Planning Department, and Member of the Project NANA Task Force



Tsutomu Okaichi

Manager, Corporate Planning Department, and Member of the Project NANA Task Force



Kentaro Takahashi

Manager, International Department, and Member of the Project NANA Task Force



(As of June 29, 2017)

Project NANA Sets the Stage for Growth / Five New Closely Interlinked Business Units for Achieving Our Goals

NANA Branches and Leaves

Entering more business fields based on a sound vision for the future

Activities to energize the entire AS ONE organization for achieving the Project NANA goals produced large number of ideas that were new to AS ONE. The objective is capturing opportunities for rapid growth associated with the dramatic changes taking place worldwide in how companies do business. Quickly identifying opportunities and taking the necessary actions will be vital to success. In every business sector, AS ONE will use the skills of highly trained people and translate ideas into actions. All five of the new core strategic business units are now starting this process. This is the beginning of the challenge to create a new future for AS ONE by remaining at the forefront of progress in each of the five strategic business sectors.

Nursing Care Group

Kotaro Himura

Nursing Care Group Manager, Medical Business

**A hybrid medical care and nursing care business model
for new sources of added value in the nursing care market**

Japan's drive to create a regional comprehensive care system is transforming "nursing care" into "nursing care linked with medical care."

Nursing care is becoming increasingly diversified. AS ONE's experience and expertise involving medical care give the Company an excellent base to play a role in providing outstanding nursing care services. The first step in the nursing care business was the NAVI-SUKE Nursing and Medical Product General Catalog. Distribution of the catalog, which contains about 10,000 items, started in November 2016.

The ability to leverage years of experience serving customers in the medical care sector to produce a nursing care catalog from a medical care standpoint is a key strength of AS ONE.

Operators of nursing care facilities can also use OCEAN, AS ONE's integrated

purchasing system, to reduce the time and expenses needed for procurement procedures. Nursing care facilities can count on AS ONE for many other ideas as well for meeting specific needs.

We will continue to work on establishing NAVI-SUKE as a new category in which nursing care and medical care converge. Our goal is sales of at least one billion yen by the fiscal year ending in March 2020.



NAVI-SUKE Nursing and
Medical Product General Catalog

Service Sales Department

Kenichi Murai

General Manager, Service Sales Department, Sales Division

**A flexible and diversified approach to using offensive services for
deepening customer relationships and attracting new customers**

Repair, maintenance and other services represent a significant new source of growth for AS ONE as a company that has traditionally focused on selling goods. In 2016, we started assembling a service infrastructure with the formation of a field service group. Technicians in this group visit customers to repair products sold using one of AS ONE's brands. The group has already made more than 1,000 service calls.

All of this direct contact with customers demonstrated the strong demand that existed for maintaining the quality of equipment. To target this demand, we formed the Service Sales Department, which moves to the front service operations that had been positioned merely as a support business. This division is now enhancing and expanding our service capabilities.

The Service Promotion Group, which belongs to the Service Sales Department, is responsible for the provision of new services.

Activities of this group cover many fields. Measurement instrument calibration, a sector where demand is growing, equipment rentals, orders for customized products and services provided on an outsourcing basis are just a few of the many potential opportunities.

I believe that not only sales figures but also the growth of our service business will make big contributions to AS ONE's ability to earn the satisfaction and trust of our customers.



Maintenance service

Reagent Business Group

RESEARCH

Shingo Yagyu

Reagent Business Group Manager, Specialized Sales Department

Using cooperation with a U.S. subsidiary to develop life science reagent area along with our core equipment and consumable supplies category

There is a large market for reagents that is divided into two basic categories: general reagents and life science research reagents. Annual sales in Japan in the life science research reagent category are about ¥75 billion.

AS ONE has been selling testing reagents, a type of general reagent, for a number of years. Now we are adding life science research reagents to add depth to our lineup in order to build a broader base for sales.

For this expansion, we started working with the new U.S. subsidiary, which started operating in January 2017, to locate new reagent suppliers and formulate a scheme for procuring the most advanced reagents. Additionally, we have been improving our catalog, website and other information distribution activities.

Our sales target in the life science category is 600 million yen in the fiscal year ending in March 2020. Selling reagents will not be the only source of sales. We also plan on creating added value. For instance, we may use business alliances for a service that cuts our customers' distribution expenses. I want to use these services to further increase the value of our brand in the reagent market.



The reagent market has excellent growth prospects

Overseas E-commerce Group

E-COMMERCE

Toshiaki Ueda

Overseas E-commerce Group Manager, E-commerce Promotion Division

Strong support centered on the English-language AXEL_GLOBAL for Japanese dealers operating in other countries

AS ONE started a B-to-B e-commerce business about 10 years ago in Japan. Now we are using knowledge gained from this business for e-commerce operations in other countries.

English-language tools and content are essential for overseas sales activities. To give us a sound base for overseas e-commerce, we launched the AXEL_GLOBAL English-language product search site in April 2017. This site is intended chiefly for customers in Southeast Asia and the United States.

AXEL currently covers about 400 thousand items in our core scientific instruments and supplies category. This service generated a strong positive response from our dealers operating overseas because there was previously no comparable English-language website in this market sector. In May 2017, we started distribution of our

second English-language general catalog for research products. As a result, we have a powerful combination of paper and Internet sales promotion tools in English.

Our e-commerce business in Japan has been growing consistently since its launch. For overseas e-commerce, we want to raise sales by more than one billion yen over the next three years. Many activities are under way to reach this target. Success in e-commerce depends above all on having many people use the service with the greatest possible ease.

We will provide e-commerce services with great convenience to overseas customers by closely reflect the business customs and channels in different countries and regions.

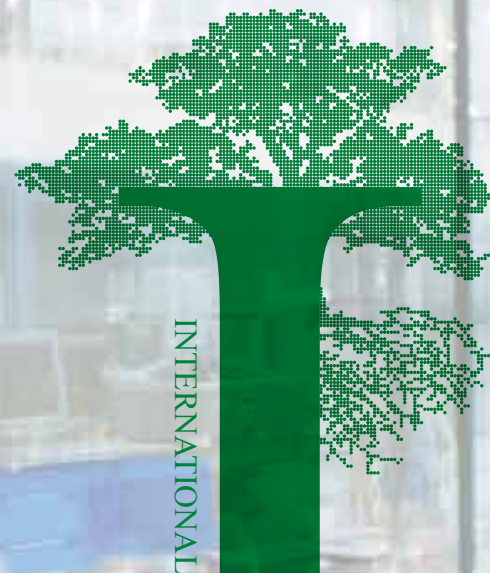


The English-language AXEL product search site

AS ONE INTERNATIONAL, INC.

U.S. subsidiary

AS ONE INTERNATIONAL, INC. ●



Yoshikazu Kimura

CEO, AS ONE INTERNATIONAL, INC.

**A base in Silicon Valley, a global leader in life sciences,
for new suppliers and sales channels**

In 2016, there was enormous growth in the number of items sold by AS ONE in conjunction with the establishment of the AXEL product search system. To continue adding more items to our lineup, AS ONE INTERNATIONAL was established in Santa Clara, California, as a base for procuring products in North America. Operations started in January 2017. The first step to enlarge the product lineup involves life science research reagents, a category AS ONE has been thinking about adding for many years. Life science research is rapidly becoming even more advanced and diverse. Companies are competing on a global scale to achieve breakthroughs. Research activities in California's Silicon Valley are at the forefront of progress in the field of life sciences. Locating this subsidiary in this area will allow us to identify new directions

in research and new products quickly.

Furthermore, we use the local subsidiary to form strong ties with suppliers in North America. We will establish an infrastructure for selling new products in Japan even faster.



The AS ONE INTERNATIONAL office



In-house discussions

We are dedicated to “making the work of research scientists as convenient as possible.” We are working on the establishment of a framework for the direct distribution of information about leading-edge research and technologies. I believe this framework can play a big role in speeding up research projects and further development.

There are many small and midsize companies in North America that want to sell products in Japan but are unable to create sales channels on their own. AS ONE INTERNATIONAL is an excellent opportunity for these companies to reach customers in Japan. I look forward to building a large number of mutually beneficial relationships with these companies.

AS ONE INTERNATIONAL also functions as a distribution base for North America. One key advantage of ours is the ability to purchase items even in small numbers.

In this fiscal year, we expect to have sales of about \$4 million, including sales within the AS ONE organization. Our goal is to achieve double-digit growth every year so that we can help reach the Project NANA targets. From a longer viewpoint, our goal is to become a base for selling Japanese products in the massive North American market. Every activity of ours will reflect the AS ONE commitment to enabling customers to purchase quality products with ease. We want to be a part of progress in the field of life sciences for every step from research to the creation and launch of new products.

Directors and Auditors

Auditor
Makoto Matsuo

Outside Director
Masashi Mizunaga

Director
Kenichi Fujinaka

Director
Yasuyuki Hoshino

Outside Director
Joji Suzuki

Outside Corporate Auditor
Kazutaka Suzuki

Outside Auditor
Hideaki Mihara

Solid leadership allows the progress
of AS ONE

Managing Director
Kazuhiro Yamada

President
Takuji Iuchi

Managing Director
Mototaka Ono

(As of June 29, 2017)

Directors and Auditors



President
Takuji Iuchi

Dedicated to refining the quality of products, management and people to advance to a new stage of growth

Mar. 1994 Joined AS ONE
Apr. 2002 General Manager,
International Department
June 2005 Director
Apr. 2006 General Manager,
Merchandising Division and
International Department
Apr. 2007 Chairman,
AS ONE SHANGHAI Corporation
Apr. 2008 Executive Director
June 2008 General Manager,
Merchandising Division,
IT Strategy Division,
Business Development Division
and Purchasing Department
June 2009 President (to present)

Managing Director, General Manager,
Administration Division
Mototaka Ono

Recruiting and training people to maintain an energetic workforce that can solve problems and achieve further growth

June 2007 Corporate Auditor of
AS ONE
June 2008 General Manager,
West Japan Sales Department
Apr. 2009 General Manager,
Sales Division and West
Japan Sales Department
June 2009 Director
Apr. 2010 General Manager,
Administration Division
Apr. 2013 General Manager,
Corporate Planning
Division (to present)
Apr. 2014 Managing Director
(to present)



Outside Director

Joji Suzuki

Use a sound governance framework for aggressive business activities based on the AS ONE's management philosophy of "innovation and creation"

Apr. 2006 Senior Managing Executive
Officer of Sojitz Corporation
Apr. 2012 Executive Vice President of
Sojitz Corporation
Apr. 2015 Chairman & Representative
Director of Sojitz Infinity Inc.
June 2016 Outside Director of AS ONE
(to present)
June 2017 Chairman & CEO of Sojitz
Infinity Inc. (to present)



Outside Director

Masashi Mizunaga

Drawing on experience as an entrepreneur and manager to make corporate governance even more effective

July 1996 Joined Goldman Sachs
Japan Co., Ltd.
Mar. 2000 Representative Director
of PI Technology Co., Ltd.
(now Ichigo Group Holdings Co., Ltd.)
Feb. 2002 Representative Director
of Star Mica Co., Ltd.
May 2016 Founder Chairman &
Representative Director
of Star Mica Co., Ltd. (to present)
Visiting Professor,
Kyoto University (to present)
June 2016 Outside Director of AS ONE
(to present)



Managing Director, General Manager,
Marketing Division and Sales Division,
and Branch Manager, Tokyo Office
Kazuhito Yamada

Using stronger sales capabilities to deepen ties with customers and capitalize on many opportunities

Mar. 1990 Joined AS ONE
Apr. 2007 General Manager,
West Japan Sales Department
Apr. 2011 General Manager,
Sales Division
June 2012 Director
Apr. 2013 General Manager,
Marketing Division
(to present)
Apr. 2014 Managing Director
(to present)
Apr. 2015 General Manager,
Sales Division (to present)



Outside Corporate Auditor

Kazutaka Suzuki

Playing a role in AS ONE's progress by continuing to expand and upgrade corporate governance

Aug. 2001 Branch Manager,
Fukushima Branch of The
Asahi Bank, Limited
(now Resona Bank, Limited)
July 2003 General Manager,
Investment Department of
Resona Capital Co., Ltd.
Oct. 2007 Branch Manager,
Jyoto Branch of Resona Bank, Limited
July 2009 General Manager,
Human Resources Service
Center of Resona Human
Resource Support K.K.
(now Resona Business Service Co., Ltd.)
June 2013 Corporate Auditor of AS ONE
(to present)



Director, General Manager,
International Business Division and
International Department
Yasuyuki Hoshino

A strong reputation for trust in high-potential overseas markets will be a major driver of growth

Feb. 2006 Joined AS ONE
Apr. 2007 General Manager,
International Department
(to present)
Apr. 2011 General Manager,
International Business
Division (to present)
June 2012 Director (to present)

A broad spectrum of professional skills and experience

A firm commitment to meeting the expectations of all stakeholders



Director, General Manager,
Merchandising Division and IT Division
Kenichi Fujinaka

Differentiate AS ONE by using IT to simplify the sale of an enormous number of products and providing highly distinctive services

Nov. 1981 Joined AS ONE
Apr. 2006 General Manager,
Operation Sales Department
Apr. 2007 General Manager,
Marketing Department
Apr. 2014 General Manager,
IT Department
Apr. 2015 General Manager,
Merchandising Division
and IT Division (to present)
June 2016 Director (to present)



Auditor

Makoto Matsuo

Governance that reflects changes in the business climate is vital to the ability of AS ONE to continue to succeed

Oct. 2003 Corporate Executive
Officer of Resona Bank,
Limited
June 2004 Representative Director,
Managing Executive Officer
of Saitama Resona Bank,
Limited
June 2009 Director and Senior
Managing Executive Officer
of Resona Bank, Limited
June 2013 Corporate Auditor of
Naigai Engineering Inc.
(to present)
Outside Director of AS ONE
June 2016 Auditor (to present)

Outside Auditor

Hideaki Mihara

Support for fair and accurate financial reports from the standpoint of a certified public accountant

Nov. 1987 Joined Showa Ota & Co.
(now: Ernst & Young ShinNihon LLC)
Aug. 1991 Registered as a certified
public accountant
Oct. 1996 Established Mihara
Accounting Firm (to present)
June 2008 External Audit & Supervisory
Board Member of ASICS
Corporation (to present)
June 2016 Outside Auditor of AS ONE
(to present)



Activities that contribute to a sustainable society



Environmental Activities

ISO Certification

An environmental management system that meets global standards

AS ONE has received ISO 14001 certification for its Osaka Headquarters, the Tokyo Office and logistics centers in Osaka and Tokyo. Compliance with this international standard demonstrates that we have an environmental management system capable of minimizing the environmental impact of our

manufacturing, service and other operations. We have established an environmental policy and objectives.

Using these guidelines will enable us to implement global-standard environmental initiatives backed by an infrastructure for constantly lowering our environmental impact.



Environmental Activities

Catalog Recycling

Committed to the responsible use of the Earth's limited resources

Catalog recycling is one significant way in which AS ONE can play a part in protecting the global environment.

When we publish a new catalog, we encourage our customers to return their old catalogs to us for processing at a paper mill and reuse as paper, packaging materials or fuel. Our customers welcome

this opportunity to do something that is good for the environment.

Other environmental programs at AS ONE include the use of environmentally responsible packaging that lowers the volume of waste materials and the use of eco-cars with low CO2 emissions.



Environmental Activities

Science Forest

Protect beautiful green earth for future

We use proceeds from catalog recycling for forest revitalization projects.

With the cooperation of the non-profit Environmental Relations Research Institute, we planted 450 trees in a forest in the city of Osaki in Miyagi prefecture called the "Science Forest" in 2015. The Science Forest sign at this site includes the names of the primary dealers that provided cooperation for the collection of used catalogs.



A wide range of activities demonstrate AS ONE's dedication to corporate citizenship

Social Contribution Activities

The AS ONE Children's Science Laboratory

Using enjoyable experiments to stimulate the intellectual curiosity of children

The AS ONE Children's Science Laboratory, which is held for elementary and junior high school students, originated from our desire to contribute to society in a manner that reflects our distinctive identity. AS ONE employees visit various sites to have experiments with children. The first laboratory was held at the Minamisoma Learning Center

in Minamisoma City of Fukushima prefecture, which receives support from the Hatachi Fund. The next event was at the Smile Factory, which is a free school for truant students in Osaka prefecture. AS ONE hopes that these laboratory events will make more children interested in science and perhaps decide to pursue a career in a field of science.



Social Contribution Activities

The Hatachi Fund

Support for children impacted by natural disasters

we shareholders to make donations to social contribution groups equal to the value of shareholder benefits. Shareholders can either donate directly instead of receiving benefits or donate the value of unused benefits.

Since the fiscal year ended in March 2014, we have been making donations to

the Hatachi Fund. This fund provides support for babies affected by the 2011 Great East Japan Earthquake until they reach the age of 20 ("hatachi" in Japanese). The September 2016 benefits of 468 shareholders were donated, raising cumulative donations to this fund to ¥1,844,000.



Social Contribution Activities

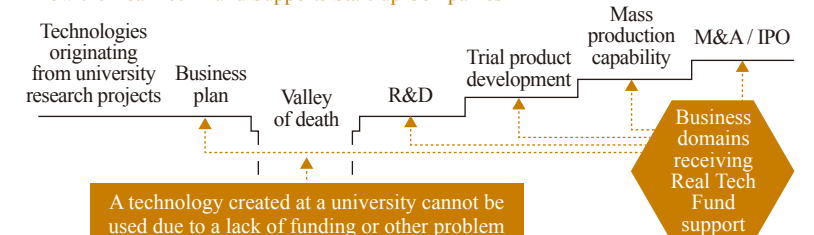
Real Tech Fund

Funding for outstanding start-up companies as a trading company that supports research programs

"Real tech" is revolutionary technologies resulting from R&D activities that help solve problems involving the world and mankind. The Real Tech Fund makes investments to support the growth of start-up companies specializing in business domains associated with these types of problems. Investments are made in the biotechnology, pharmaceutical, medical equipment, environment, energy, artificial intelligence, Internet of things and aerospace fields. In addition to investments, the fund assists companies with technologies, joint research and other activities. This broad-based support gives small companies a powerful base for developing innovative technologies.

As a company that has grown along with technological progress in Japan, AS ONE is a strong supporter of the Real Tech Fund's goals. Investing in the fund helps support start-up companies working on real tech projects, thereby making a contribution to the advancement of research and technology in Japan.

How the Real Tech Fund Supports Start-up Companies



Sports Activities

Black Eagles

Support for amateur sports activities

AS ONE became the official sponsor in 1997 of the AS ONE Black Eagles, an American football team based in Osaka. This sponsorship allows us to play a part in enabling people to enjoy this sport and the thrill of competition.



Other Activities

Cultural Promotion Activities

Making our hometown Osaka more attractive

AS ONE provides support for a number of events in Osaka, where our head office is located. Midosuji Illumination, a winter illumination event in Osaka, and the Osaka Philharmonic Orchestra are two recipients of our support.



Fair and transparent oversight of management and the use of many skills and viewpoints to raise corporate value are the foundation for sustained growth

The Japan Audit & Supervisory Board Members Association has established Code of Audit and Supervisory Board Member Auditing Standards. One part of these standards requires Audit and Supervisory Board Members (ASBMs) to audit the directors' performance of their duties as an independent organization entrusted by the shareholders. By performing this audit, ASBMs are responsible for ensuring the sound and sustainable growth of a company and establishing a good corporate governance system that can accommodate society's trust. AS ONE has established its own Auditor Auditing Standards, which are consistent with the association's standards. All of corporate auditors of AS ONE have a strong commitment to fulfilling the obligations of this important post.

After finishing my first four-year term as a corporate auditor, I was reelected at this year's shareholders meeting. During my second term, I will continue to focus on corporate governance in order to provide the support needed for AS ONE to continue to grow.

Two key strengths of AS ONE are its powerful catalog sales business model and the consistent growth and earnings that are backed up with this business model. To build on these strengths, AS ONE is currently implementing a five-year medium-term management plan called Project NANA that started in April 2015 and has the central goal of "re-acceleration towards growth." Now we are at the half-way point. To continue identifying and leveraging our resources, we have started a restructured

medium-term management plan called NANA 2.0. This is not simply an extension of the AS ONE catalog business model. Under the new plan, AS ONE will rapidly enact new initiatives and move in new directions.

Faster growth is a central goal of NANA 2.0. In addition, we must be aware that these new initiatives and policies incorporate risk factors that we will have to manage for the first time. During my career, I have had relationships with many companies in many industries. I also have access to information acquired by the corporate auditor from internal and external sources. I will continue to use this experience and knowledge to perform accurate audits that include avoiding risk factors for the purpose of enabling AS ONE to continue to grow.

At the Board of Auditors, I will continue to work with other auditors in order to perform broad-based audits. Mr. Matsuo has experience at bank and is a skilled manager. Mr. Mihara has expertise in finance and accounting as a certified public accountant and tax accountant. I also plan to build even closer ties between the Board of Auditors and the Outside Directors so that we can perform audits with even greater depth.

I am determined to contribute to the sustainable growth of AS ONE and its corporate value by diligently performing my duties as a corporate auditor. I will also help build a sound corporate governance system as one more way to meet the expectations of shareholders.

Outside Corporate Auditor
Kazutaka Suzuki



Corporate Governance System

1. Outline of Corporate Governance System

The Company's basic policy on corporate governance is to pursue management efficiency in the aim of maximizing corporate value, thoroughly ensure corporate ethics and strive to enhance management transparency. In these ways, we aim to increase our level of trust with our stakeholders.

As a company with auditors, we have in place as corporate institutions the general meeting of shareholders, Board of Directors and Board of Auditors.

The Board of Directors comprises seven Directors (of whom two are Outside Directors). This small number is

intended to encourage lively debate and swift decision-making. The Board of Directors makes decisions related to management policy, matters provided by laws and regulations and other important matters related to management. The board also supervises the execution of duties by Directors. The Board of Auditors is composed of three Auditors (of whom two are Outside Auditors). This board audits and supervises the status of the execution of duties by Directors from an objective standpoint and seeks to enhance the management supervisory function.

2. Reason for the Adoption of the Corporate Governance System

The Company has appointed two Outside Directors and two Outside Auditors in the aim of reinforcing the supervisory function with regard to the execution of operations and enhancing the fairness of corporate activities. We have adopted the above-mentioned corporate governance system because we believe it to be appropriate given the scale of the Company and the content of its businesses.

5. Status of Systems in Place to Ensure the Appropriateness of Operations of the Filing Company's Subsidiaries

The Company's Risk Management Committee oversees the risk management operations of its subsidiaries and determines their basic risk management policies, promotion systems and other important matters.

Through reports from subsidiaries' directors, the Company ascertains, analyzes and evaluates the risks inherent to subsidiaries, enacts appropriate countermeasures, and conducts supervision and periodical review of the risk management status.

3. Status of the Company's Internal Control Systems

The Company's internal control system is intended to ensure that the execution of duties by Directors complies with laws and regulations and the Articles of Incorporation, as well as to ensure the appropriateness of other corporate operations. This system is put in place on the basis of resolutions by the Board of Directors.

Executive directors share the duties prescribed by the Board of Directors, overseeing individual operating divisions and concurrently conducting the everyday execution of operations, as well as supervising individual operation supervisory divisions. Internal regulations clarify responsibilities and authorities for everyday operations. The Management Strategy Committee and the General Managers' Meeting, which are composed of general managers and other members at the level of president and below, receive monthly reports from each division and form a deliberative system whose activities include managing progress in the execution of operations.

6. Overview of Content of Limited Liability Contracts

As provided for in Paragraph 1, Article 427 of the Companies Act, the Company has contracts with Outside Directors and Outside Auditors that limit their exposure to the liability in Paragraph 1, Article 423 of the Companies Act. The monetary limit on this liability based on the contracts is the amount prescribed by laws and regulations. This liability limitation is valid only when the Company's Outside Directors and Outside Auditors perform their duties associated with these liabilities in good faith and without serious negligence.

4. Status of the Company's Risk Management System

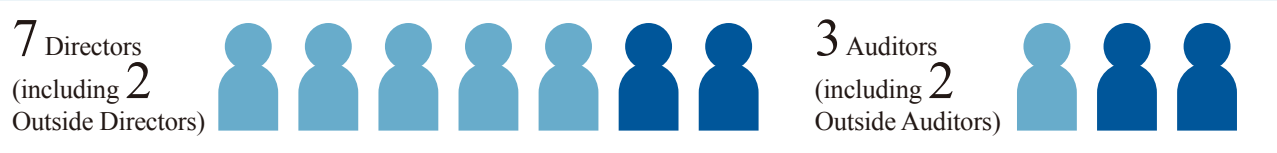
The Risk Management Committee is in place to oversee the overall risk management system. The Information Security Committee is in place to enact various countermeasures on the information security front. With regard to risks related to product quality and other areas, the Company has obtained ISO 9001 certification and created a quality management system. The Company also maintains advisory agreements with a legal office, from which we obtain advice on compliance-related issues if needed.

Internal Audits and Audits by Auditors

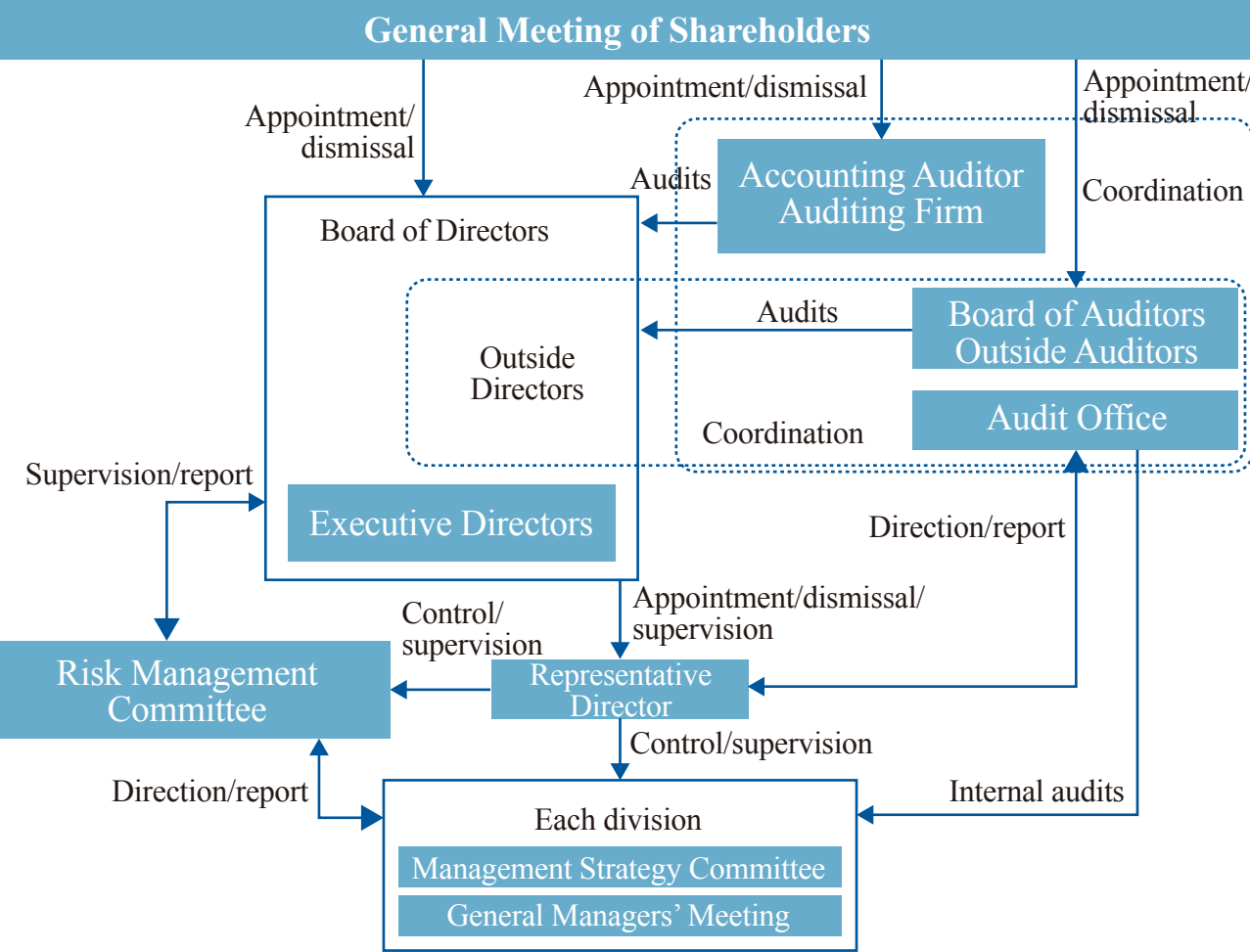
The Audit Office (two members) serves as the locus for promoting internal audits. The office conducts regular audits of each division based on the audit plan, and performs follow-up audits of specified divisions, as necessary. Through this process, the office performs audits to determine the appropriateness of operations, strives to promote operational improvements and liaises with the Corporate Planning Division—which serves as the internal control division—to verify the effectiveness of internal controls.

Audits by Auditors are performed by the three Auditors attending Board of Directors meetings, with the Board of Auditors determining the audit policy and sharing of tasks. In particular, Full-time Auditors conduct audits of individual divisions throughout the year and participate in important meetings, including those of the Management Strategy Committee and the General Managers' Meeting. The Board of Auditors and the Audit Office engage in the appropriate exchange of opinions to ensure mutual coordination and augment audit effectiveness.

Organization Form: Company with Board of Auditors



Corporate Governance Structure



Outside Directors and Auditors

Interest-Based Relationships

The Company has two Outside Directors and two Outside Auditors.

Mr. Joji Suzuki, Outside Director, holds 200 shares of the stock in the Company. Furthermore, there are no business relationship or other special interests between Mr. Suzuki and the Company.

Mr. Masashi Mizunaga, Outside Director, holds no shares in the Company. Furthermore, there are no business relationship or other special interests between Mr. Mizunaga and the Company.

Mr. Kazutaka Suzuki, Outside Auditor, holds 200 shares of stock in the Company. He is a former employee of Resona Bank, Limited, with which the Company conducts business transactions. The Company's business relationship with Resona Bank includes the borrowing of funds. Resona Bank holds 926,425 shares in the Company.

Mr. Hideaki Mihara, Outside Auditor, holds less than 100 shares of the stock in the Company. Furthermore, there are no business relationship or other special interests between Mr. Mihara and the Company.

Functions and Roles from the Standpoint of Corporate Governance

Mr. Joji Suzuki, Outside Director, has a background in global business management as a corporate executive. He utilizes his extensive experience and broad-ranging insight as a manager to provide effective advice on management.

Mr. Masashi Mizunaga, Outside Director, utilizes his extensive experience and broad-ranging insight as a manager, gained through his experience as an entrepreneur and involvement in corporate management, to provide effective advice on management.

Mr. Kazutaka Suzuki, Outside Auditor, utilizes his extensive experience and insight in the financial sector to conduct supervision and provide effective advice on management.

Mr. Hideaki Mihara, Outside Auditor, utilizes his specialized knowledge and extensive experience as a certified public accountant and tax accountant to conduct supervision and provide effective advice on management.

Independence Criteria

To ensure the levels of objectivity and transparency necessary for appropriate governance of the Company, the Company considers it desirable to ensure, to the furthest extent possible, the independence of Outside Directors and Outside Auditors (hereinafter, collectively referred to as "outside officers"). None of the following apply to the Company's outside officers who are called upon to be independent.

1. A person who does not meet prescribed laws and regulations
2. A person whose major business partner includes the Group (whose transactions with the Group in the most recent business year amount to 2% or more of the Group's annual consolidated net sales), or its parent company or important subsidiary or, if the business partner is a company, or an executive director, executive officer, executive employee, manager or other employee of such business partner
3. A major business partner of the Group (excluding 4) (whose transactions with the Group in the most recent business year amount to 2% or more of the Group's annual consolidated net sales), or its parent company or important subsidiary or, if the business partner is a company, an executive director, executive officer, executive employee, manager or other employee of such business partner
4. A director, auditor, accounting advisor, executive officer, executive employee, manager or other employee of a party indispensable to the Group's raising of funds, a financial institution on which the Group's dependence is so high as to preclude alternatives, or other large-scale lender, or of such an entity's parent company or important subsidiary
5. A consultant, certified public accountant or other accounting professional, attorney or other legal professional, or other specialist who has received money or other such assets averaging ¥10 million or more annually over the past three years other than as officer compensation from the Group
6. A person who receives contributions or subsidies totaling ¥10 million or more annually from the Group
7. A major shareholder (a shareholder directly or indirectly holding 10% or more of total voting rights) of the Company, or if such major shareholder is a company, a director, auditor, accounting advisor, executive officer, commissioner, executive employee, manager or other employee of such major shareholder or its parent company or important subsidiary

8. An accounting auditor of the Group or an employee, partner or other person belonging to a tax accountant corporation of the Group

9. A director, auditor, accounting advisor, executive officer or executive employee of a company, or its parent company or subsidiary that accept directors (regardless of whether full-time or part-time) from the Group

10. A family member within two degrees of kinship with a director or auditor of the Group

11. A person to whom any of items 1 through 10 have applied in the most recent five years

12. Any other person who could be construed as having an conflict of interests with any of the Company's general shareholders with regard to matters other than items 2 through 11 above

The Company judges that the four members—Mr. Joji Suzuki, Mr. Masashi Mizunaga, Mr. Kazutaka Suzuki and Mr. Hideaki Mihara—conduct supervision and monitoring objectively and neutrally and have no conflicts of interests with the Company's general shareholders. Accordingly, the Company has designated the independent executives as provided by the Tokyo Stock Exchange and provided notification to this effect.

Status of Cooperation

In addition to gathering necessary information at Board of Directors meetings and asking appropriate questions, the Outside Directors exchange opinions with and maintain relations with Outside Auditors. The Outside Auditors gather information through exchanges of opinion with Audit Office and accounting auditor at the Board of Auditors. In addition, the Outside Auditors frequently exchange opinions with the Corporate Planning Division, centered on Full-time Auditors, and coordinate closely with them.



General Shareholder Meetings and Exercise of Voting Rights

Date when the meeting was held: June 29, 2017

Voting rights
Number of shareholders with voting rights: 6,996
Total number of voting rights: 189,369

Number of voting rights "for," "against" or "abstain" for each proposal; requirements for the approval and results are shown in table on the right.

Proposals	For	Against	Abstention	Requirements for approval	Results and ratio of "for" and "against" votes (%)
No. 1 Appropriation of retained earnings	167,874	67	0	(Note 1)	Approved 97.18
No. 2 Election of one (1) auditor	124,786	43,155	0	(Note 2)	Approved 72.24
No. 3 Election of one (1) substitute auditor	165,477	2,464	0	(Note 2)	Approved 95.79
No. 4 Determination of amount and other details of performance-linked stock compensation for Directors	114,307	45,272	8,362	(Note 1)	Approved 66.17

Notes: 1. Resolutions are approved by a majority vote of the shareholders present.
2. Resolutions require the presence of shareholders holding not less than one-third of the voting rights of all shareholders entitled to vote, and resolutions are approved by a majority vote of the shareholders present.

Shareholders (As of March 31, 2017)

Authorized shares: 44,000,000 shares

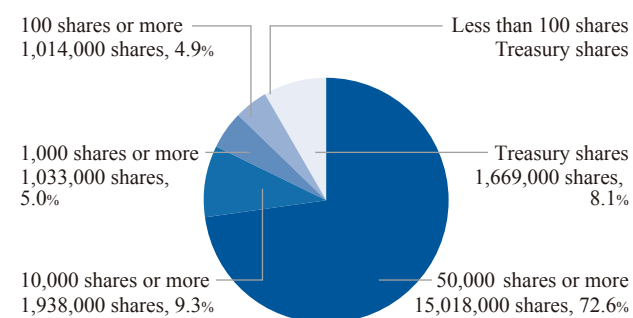
Shares outstanding: 20,688,135 shares

Number of shareholders: 7,549

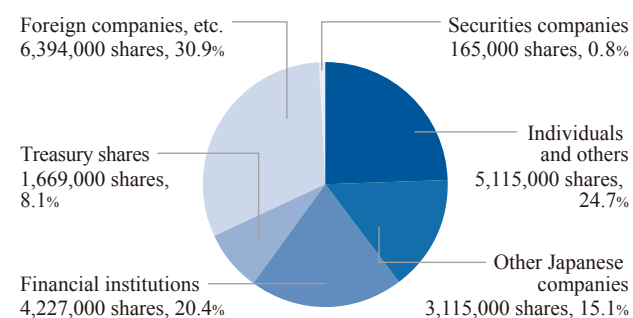
Major Shareholders (excluding treasury shares)

Name	Number of shares (thousands)	Shareholding ratio
Iuchi Seieido Co., Ltd.	2,391	12.6%
State Street Bank and Trust Company	1,881	9.9%
Goldman, Sachs & Co. Reg	1,121	5.9%
Resona Bank, Ltd.	926	4.9%
The Master Trust Bank of Japan, Ltd. (Trust Account)	624	3.3%
Japan Trustee Services Bank, Ltd. (Trust Account)	596	3.1%

Shareholder Composition (As of March 31, 2017)



Ownership by Number of Shares Held



Ownership by Shareholder Type

Communications with Shareholders and Other Investors

In the fiscal year ended March 2017, the AS ONE president and managing directors held quarterly earnings announcement information meetings and other IR events that had a total attendance of about 200 analysts and fund managers.



Second Half of the Fiscal Year Ended March 2017

日程	IR events
October 15	Presentation for individual investors hosted by Pronexus and Radio Nikkei (Sapporo)
December 3	Presentation for individual investors hosted by Nikko IR (Tokyo)
December 10	Presentation for individual investors hosted by IR TV (Suwa)
December 21	Presentation for individual investors hosted by Nihon Securities Journal (Kobe)
January 25	Presentation for individual investors hosted by Ichiyoshi Securities, Kurashiki Branch (Kurashiki)
February 15	Presentation for individual investors hosted by IR TV (Fujieda)
February 18	Presentation for individual investors hosted by Investment Bridge (Tokyo)
March 6	Presentation for individual investors hosted by Nomura IR (Osaka)

Others

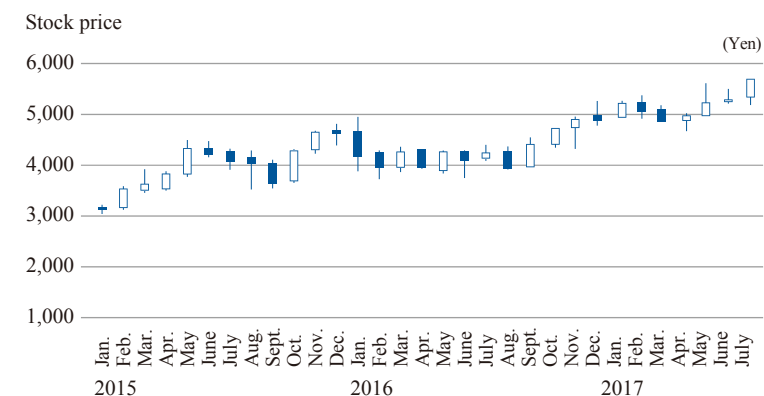
Schedule for the Fiscal Year Ending March 2018

日程	IR events
July 29	Presentation for individual investors hosted by Daiwa IR (Fukuoka)
August 5	IR Forum hosted by Magical Pocket (Tokyo)

Others



Stock Price Data



Stock Price for the Last Five Years

	2012	2013	2014	2015	2016
High	2,220	2,816	3,935	4,950	5,330
Low	1,379	1,842	2,578	3,505	3,760

(Yen)

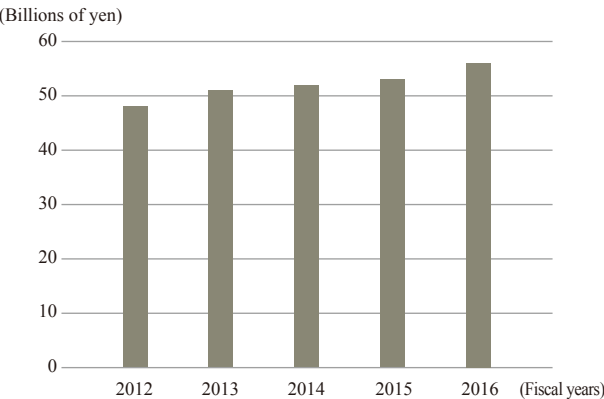
Consolidated Financial Indicators for the Past Ten Years

											*1	
											(Millions of yen)	(Thousands of US dollars)
Fiscal years	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2016
Financial results												
Net sales	44,242	46,087	44,762	43,807	45,531	47,204	48,128	51,192	52,041	53,576	55,947	504,035
Scientific instruments	26,173	27,284	25,960	25,012	26,192	27,385	27,631	29,755	30,158	31,205	32,355	291,494
Industrial instruments	9,137	9,919	9,199	8,404	9,513	9,846	9,439	9,849	10,376	11,210	12,170	109,643
Hospitals/nursing care products	8,538	8,679	9,602	10,391	9,825	9,972	11,057	11,587	11,507	11,160	11,421	102,896
Others	392	204	—	—	—	—	—	—	—	—	—	—
Gross profit	13,945	14,270	13,791	13,320	13,970	14,581	14,620	15,301	15,493	16,151	16,900	152,256
Selling, general and administrative expenses	8,655	8,879	9,431	8,558	9,165	8,879	9,319	9,382	9,509	10,307	10,806	97,360
Operating profit	5,290	5,391	4,359	4,761	4,805	5,701	5,300	5,919	5,984	5,843	6,093	54,896
EBITDA*2	5,804	5,973	4,996	5,365	5,591	6,391	6,147	6,761	6,892	6,673	7,049	63,511
Ordinary profit	5,310	5,477	4,428	4,739	4,729	5,102	5,260	5,928	6,157	5,990	6,306	56,814
Profit before income taxes	5,176	5,427	4,714	4,801	4,325	5,117	5,260	5,911	6,157	6,012	6,149	55,398
Profit attributable to owners of parent	3,001	3,098	2,658	2,738	2,495	2,855	3,209	3,587	3,869	3,878	4,212	37,954
Capital expenditure	439	618	1,626	843	6,295	1,328	354	268	563	653	1,059	9,548
Depreciation	518	586	683	713	926	920	1,043	1,013	1,055	958	1,012	9,118
Financial position as of the end of the fiscal year												
Total assets	44,855	45,897	49,000	51,444	61,723	60,819	61,775	64,460	66,668	69,614	70,986	639,517
Net assets	29,720	31,373	32,024	33,836	34,629	36,880	39,681	42,660	45,850	48,614	50,169	451,976
Net cash*3	10,729	12,402	11,377	14,074	7,507	8,632	11,414	14,921	12,092	12,033	14,078	126,833
Cash flows												
Cash flows from operating activities	2,574	3,943	3,115	4,196	2,231	4,570	3,244	5,268	3,171	5,303	4,731	42,622
Cash flows from investing activities	(8,197)	(3,655)	(3,897)	(3,510)	1,592	(9,605)	1,702	1,141	(5,511)	(2,181)	(1,923)	(17,331)
Cash flows from financing activities	(1,135)	(1,897)	856	(1,218)	6,885	(4,446)	(1,695)	(3,728)	(2,424)	(2,579)	(3,548)	(31,964)
Net increase (decrease) in cash and cash equivalents	(6,758)	(1,606)	29	(522)	10,759	(9,941)	3,287	2,781	(4,737)	530	(756)	(6,819)
Cash and cash equivalents at end of period	4,958	3,352	3,382	2,859	13,619	3,677	6,965	9,746	5,008	5,538	4,781	43,079
Per share information (Yen)											(Yen)	(Dollars)
Profit	162.09	167.52	134.34	140.77	128.54	149.00	167.50	187.18	201.91	202.41	220.89	1.99
Net assets	1,604.78	1,718.67	1,646.10	1,739.28	1,806.97	1,924.44	2,070.65	2,226.15	2,392.65	2,536.98	2,637.91	23.76
Dividend per share	48.00	50.00	45.00	47.00	39.00	45.00	60.00	66.00	71.00	101.00	110.00	0.99
Financial indicators												
Operating margin (%)	12.0%	11.7%	9.7%	10.9%	10.6%	12.1%	11.0%	11.6%	11.5%	10.9%	10.9%	10.9%
ROA (%)*4	6.9%	6.8%	5.6%	5.5%	4.4%	4.7%	5.2%	5.7%	5.9%	5.7%	6.0%	6.0%
ROE (%)*5	10.4%	10.1%	8.4%	8.3%	7.3%	8.0%	8.4%	8.7%	8.8%	8.2%	8.5%	8.5%
Shareholders' equity ratio (%)	66.3%	68.4%	65.4%	65.8%	56.1%	60.6%	64.2%	66.2%	68.8%	69.8%	70.6%	70.6%
Dividend payout ratio (%)	29.6%	29.8%	33.5%	33.4%	30.3%	30.2%	35.8%	35.3%	35.2%	49.9%	49.8%	49.8%
Other indicators												
Number of shares outstanding (Thousands of shares)	18,807	18,807	20,688	20,688	20,688	20,688	20,688	20,688	20,688	20,688	20,688	20,688
Number of treasury shares at the end of the period (Thousands of shares)	287	553	1,233	1,233	1,523	1,524	1,524	1,524	1,525	1,525	1,669	1,669
Foreign shareholding ratio (%)	29.9%	28.5%	26.9%	26.2%	25.9%	25.8%	25.6%	34.1%	34.6%	32.5%	30.9%	30.9%
Number of employees	327	337	351	369	388	419	421	424	449	463	485	485

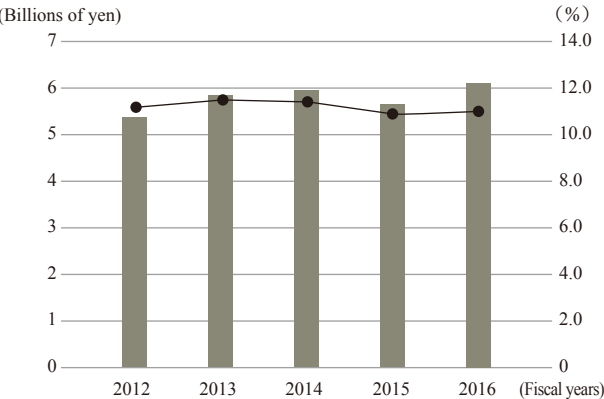
Notes *1. Yen figures have been converted into US dollars at the rate of US\$1=¥111 (as of March 31, 2017) solely for reference.
*2. EBITDA = Operating profit + Depreciation - Depreciation in non-operating expenses + Amortization of goodwill
*3. Net cash = Cash and deposits – Short-term loans payable – Long-term loans payable
*4. ROA = Ordinary profit / Total assets (average at the beginning and the end of fiscal year)
*5. ROE= Profit attributable to owners of parent / Shareholders' equity (average at the beginning and the end of fiscal year)

Major Financial Indicators

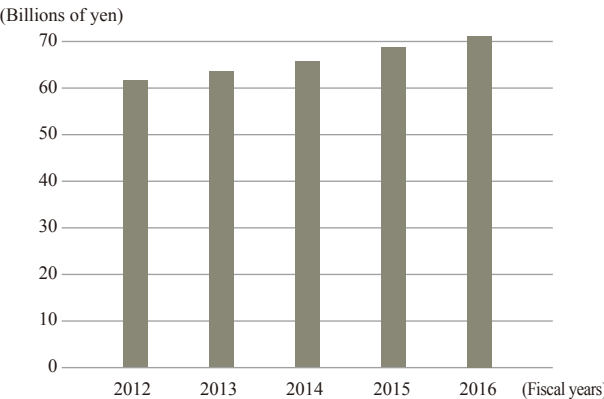
Net sales



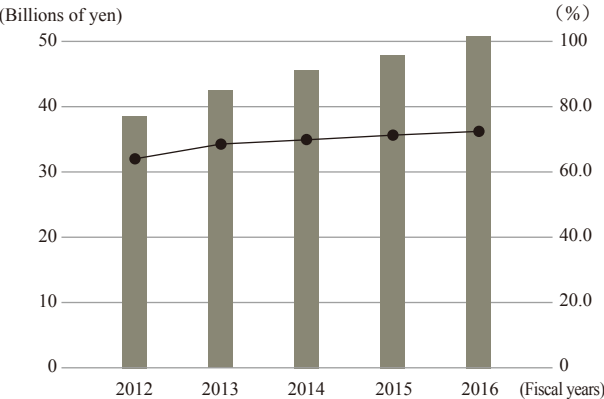
Operating profit / Operating margin



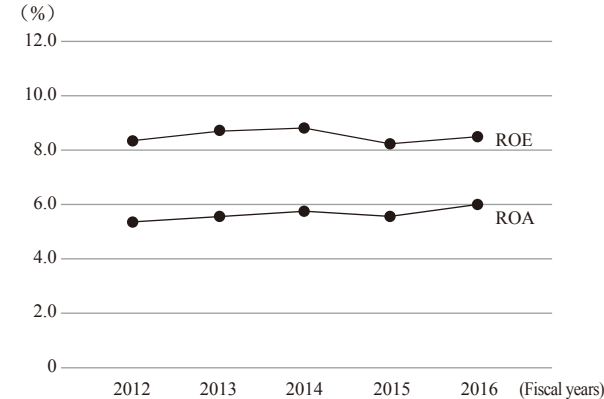
Total assets



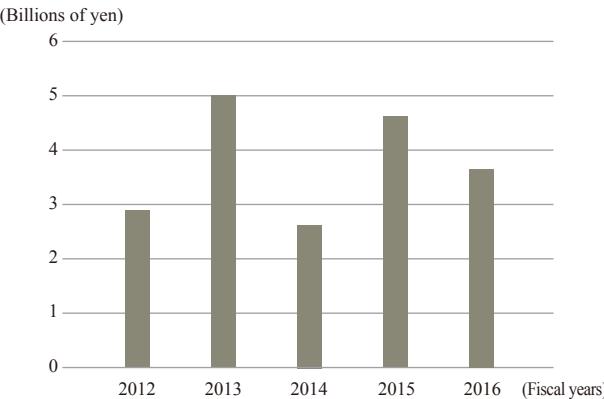
Shareholders' equity / Shareholders' equity ratio



ROE / ROA



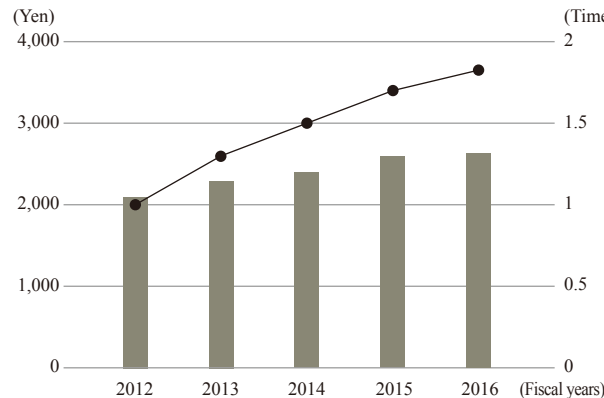
Free cash flows*



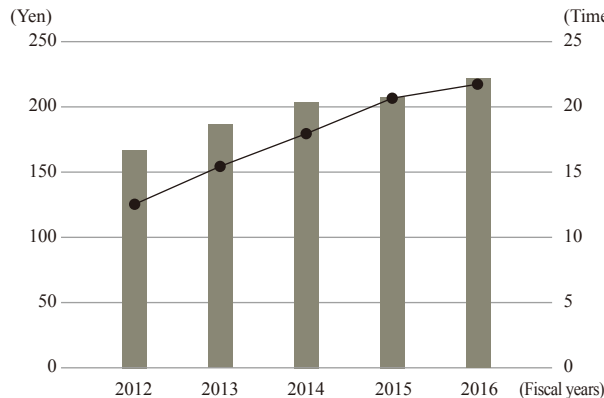
*Cash flows from operating activities - Capital expenditure



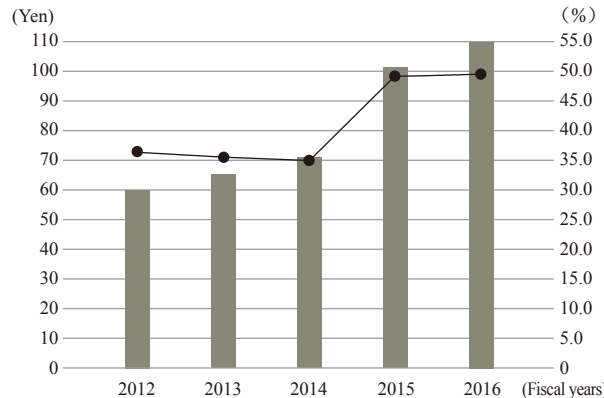
Net assets per share / PBR



Net income per share / PER



Dividend per share / Dividend payout ratio



Consolidated Balance Sheet

As of March 31, 2016 and 2017

	(Millions of yen)		(Thousands of US dollars)
	FY3/16	FY3/17	FY3/17
Assets			
Current assets			
Cash and deposits	16,468	17,573	158,319
Notes and accounts receivable-trade	17,001	16,864	151,934
Electronically recorded monetary claims-operating	2,979	3,888	35,028
Securities	5,800	—	—
Inventories	5,864	6,142	55,341
Deferred tax assets	323	317	2,862
Other	449	313	2,824
Allowance for doubtful accounts	(25)	(17)	(156)
Total current assets	48,862	45,083	406,154
Non-current assets			
Property, plant and equipment			
Buildings and structures	5,075	5,620	50,634
Accumulated depreciation	(3,271)	(3,398)	(30,616)
Buildings and structures, net	1,803	2,221	20,017
Machinery, equipment and vehicles	362	402	3,628
Accumulated depreciation	(305)	(261)	(2,352)
Machinery, equipment and vehicles, net	57	141	1,275
Tools, furniture and fixtures	2,356	2,518	22,687
Accumulated depreciation	(2,005)	(2,057)	(18,538)
Tools, furniture and fixtures, net	351	460	4,149
Land	3,397	2,200	19,823
Leased assets	479	718	6,474
Accumulated depreciation	(387)	(423)	(3,816)
Leased assets, net	92	295	2,658
Construction in progress	58	85	766
Total property, plant and equipment	5,760	5,404	48,691
Intangible assets			
Software	970	730	6,577
Software in progress	58	35	317
Other	6	5	45
Total intangible assets	1,035	770	6,941
Investments and other assets			
Investment securities	9,334	15,077	135,835
Net defined benefit asset	25	87	787
Deferred tax assets	5	7	65
Real estate for investment	5,014	5,015	45,186
Accumulated depreciation	(862)	(959)	(8,642)
Real estate for investment, net	4,152	4,056	36,544
Other	474	528	4,756
Allowance for doubtful accounts	(35)	(28)	(259)
Total investments and other assets	13,956	19,728	177,730
Total non-current assets	20,752	25,903	233,362
Total assets	69,614	70,986	639,517

	(Millions of yen)		(Thousands of US dollars)
	FY3/16	FY3/17	FY3/17
Liabilities			
Current liabilities			
Notes and accounts payable-trade	11,896	12,343	111,203
Short-term loans payable	1,060	1,020	9,189
Income taxes payable	1,273	1,397	12,592
Provision for bonuses	468	526	4,741
Other	1,318	1,483	13,366
Total current liabilities	16,015	16,771	151,092
Non-current liabilities			
Long-term loans payable	3,375	2,475	22,297
Deferred tax liabilities	605	172	1,557
Provision for directors' retirement benefits	6	7	66
Net defined benefit liability	15	20	189
Asset retirement obligations	439	624	5,623
Other	543	745	6,714
Total non-current liabilities	4,983	4,045	36,447
Total liabilities	20,999	20,816	187,540
Net assets			
Shareholders' equity			
Capital stock	5,075	5,075	45,720
Capital surplus	5,469	5,469	49,274
Retained earnings	38,450	40,678	366,468
Treasury shares	(3,217)	(3,804)	(34,272)
Total shareholders' equity	45,776	47,418	427,191
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	2,665	2,604	23,462
Deferred gains or losses on hedges	(36)	(0)	(1)
Foreign currency translation adjustment	188	103	931
Total accumulated other comprehensive income	2,816	2,707	24,391
Subscription rights to shares	21	43	393
Total net assets	48,614	50,169	451,976
Total liabilities and net assets	69,614	70,986	639,517

Assets, Liabilities and Net Assets

Current assets at the end of the fiscal year ended March 2017 decreased ¥3,779 million from the end of the previous fiscal year to ¥45,083 million. This was mainly attributable to a decrease of ¥5,800 million in securities. Non-current assets increased ¥5,151 million to ¥25,903 million, mainly due to an increase of ¥5,743 million in investment securities.

Current liabilities increased ¥755 million to ¥16,771 million. This was mainly attributable to increases of ¥447 million in notes and accounts payable-trade and ¥124 million in income taxes

payable. Non-current liabilities decreased ¥938 million to ¥4,045 million. This was mainly attributable to a decrease of ¥900 million in long-term loans payable. As a result, total liabilities were ¥20,816 million, a decrease of ¥182 million.

Net assets increased ¥1,554 million to ¥50,169 million. This was mainly attributable to an increase of ¥2,227 million in retained earnings, while there was an increase of ¥586 million in treasury shares (decreasing factor of net assets) through stock repurchase.

Consolidated Statement of Income

Fiscal years ended March 31, 2016 and 2017

		(Millions of yen)	(Thousands of US dollars)
	FY3/16	FY3/17	FY3/17
Net sales	53,576	55,947	504,035
Cost of sales	37,425	39,047	351,779
Gross profit	16,151	16,900	152,256
Selling, general and administrative expenses	10,307	10,806	97,360
Operating profit	5,843	6,093	54,896
Non-operating income			
Interest income	73	68	618
Dividend income	24	23	212
Real estate rent	375	371	3,347
Other	34	56	511
Total non-operating income	508	520	4,690
Non-operating expenses			
Interest expenses	63	51	466
Rent cost of real estate	221	208	1,877
Loss on retirement of non-current assets	55	—	—
Other	20	47	428
Total non-operating expenses	361	307	2,772
Ordinary profit	5,990	6,306	56,814
Extraordinary income			
Gain on sales of investment securities	22	1,157	10,426
Total extraordinary income	22	1,157	10,426
Extraordinary losses			
Loss on sales of investment securities	0	—	—
Impairment loss	—	1,314	11,842
Total extraordinary losses	0	1,314	11,842
Profit before income taxes	6,012	6,149	55,398
Income taxes-current	2,203	2,353	21,206
Income taxes-deferred	(69)	(417)	(3,763)
Total income taxes	2,133	1,936	17,443
Profit	3,878	4,212	37,954
Profit attributable to owners of parent	3,878	4,212	37,954

Consolidated Statement of Comprehensive Income

Fiscal years ended March 31, 2016 and 2017

		(Millions of yen)	(Thousands of US dollars)
	FY3/16	FY3/17	FY3/17
Profit	3,878	4,212	37,954
Other comprehensive income			
Valuation difference on available-for-sale securities	629	(61)	(549)
Deferred gains or losses on hedges	(51)	36	330
Foreign currency translation adjustment	(44)	(84)	(765)
Total other comprehensive income	533	(109)	(984)
Comprehensive income	4,412	4,103	36,970
Comprehensive income attributable to			
Owners of parent	4,412	4,103	36,970
Non-controlling interests	—	—	—

Results of Operations in the Fiscal Year Ended March 2017

The Japanese economy recovered slowly during the fiscal year that ended in March 2017 along with growth in corporate earnings and an increase in the number of jobs. However, the outlook remained uncertain in part due to concerns about overseas economies, including the upcoming direction of policies in Europe and the United States.

The AS ONE Group continued to conduct aggressive sales activities during the fiscal year based on Project NANA, a five-year medium-term management plan that started in fiscal year ended March 2016. This plan's strategy for growth is centered mainly on the e-commerce business, overseas operations, and the planning and addition of new products. Group companies released new catalogs in many categories, enlarged and upgraded websites, added a variety of services, and took many more actions to achieve goals of Project NANA.

Sales activities were the focus of numerous initiatives. We issued catalogs in six categories, including a General Research Instrument Catalog. Our catalog for nursing care facilities covers much more than daily necessities and industry-use products for nursing care. Recognizing the need for these facilities to provide medical care too, we leveraged our strength in the medical products sector to create the new NAVI-SUKE

Nursing and Medical Product General Catalog, which combines nursing care and medical products. Our AXEL search system makes it easy for customers to locate highly specialized merchandise quickly on our website and immediately place an order. By adding an enormous number of specialized items that cannot be included in paper catalogs, we increased the number of items covered by AXEL from about one million at the beginning of the fiscal year to about 1.4 million at the end of March 2017.

To expand our global network, we established AS ONE INTERNATIONAL, INC. in the United States in September 2016 and started operations at this subsidiary the following January 2017. In China, the autumn 2016 opening of a logistics center in Beijing allows us to deliver products very quickly to customers in northern China.

In a move to use assets more efficiently, we revised the use of some real estate holdings and made other changes. The result was an extraordinary loss of ¥1,314 million for the impairment of land and buildings. There was extraordinary income of ¥1,157 million for gain on sales of investment securities.

Consolidated net sales increased 4.4% to ¥55,947 million, operating profit increased 4.3% to ¥6,093 million, ordinary profit increased 5.3% to ¥6,306 million, and profit attributable to owners of parent increased 8.6% to ¥4,212 million.

Consolidated Statement of Cash Flows

Fiscal years ended March 31, 2016 and 2017

		(Millions of yen)	(Thousands of US dollars)			(Millions of yen)	(Thousands of US dollars)
	FY3/16	FY3/17	FY3/17		FY3/16	FY3/17	FY3/17
Cash flows from operating activities				Cash flows from investing activities			
Profit before income taxes	6,012	6,149	55,398	Payments into time deposits	(1,212)	(4,132)	(37,228)
Foreign exchange losses (gains)	1	0	5	Proceeds from withdrawal of time deposits	2,693	2,231	20,105
Depreciation	958	1,012	9,118	Purchase of investment securities	(4,015)	(7,845)	(70,675)
Impairment loss	0	1,314	11,842	Proceeds from redemption of investment securities	1,000	7,800	70,270
Increase (decrease) in allowance for doubtful accounts	7	(14)	(126)	Proceeds from sales of investment securities	38	1,171	10,551
Increase (decrease) in provision for bonuses	(30)	58	523	Purchase of property, plant and equipment	(246)	(781)	(7,044)
Increase (decrease) in net defined benefit liability	1	5	53	Purchase of intangible assets	(407)	(277)	(2,503)
Decrease (increase) in net defined benefit asset	246	(62)	(560)	Other, net	(31)	(89)	(806)
Share-based compensation expenses	21	22	202	Net cash provided by (used in) investing activities	(2,181)	(1,923)	(17,331)
Loss on retirement of non-current assets	55	4	39	Cash flows from financing activities			
Loss (gain) on sales of investment securities	(22)	(1,157)	(10,426)	Net increase (decrease) in short-term loans payable	(10)	(40)	(360)
Other non fundable items	15	67	608	Repayments of long-term loans payable	(900)	(900)	(8,108)
Interest and dividend income	(97)	(92)	(831)	Purchase of treasury shares	(1)	(586)	(5,283)
Interest expenses	63	51	466	Cash dividends paid	(1,668)	(1,985)	(17,885)
Decrease (increase) in notes and accounts receivable-trade	14	(804)	(7,245)	Repayments of lease obligations	—	(36)	(326)
Decrease (increase) in inventories	(561)	(296)	(2,669)	Net cash provided by (used in) financing activities	(2,579)	(3,548)	(31,964)
Increase (decrease) in notes and accounts payable-trade	589	462	4,163	Effect of exchange rate change on cash and cash equivalents	(10)	(16)	(145)
Increase (decrease) in accrued consumption taxes	(203)	(25)	(232)	Net increase (decrease) in cash and cash equivalents	530	(756)	(6,819)
Other, net	181	277	2,502	Cash and cash equivalents at beginning of period	5,008	5,538	49,898
Subtotal	7,253	6,974	62,832	Cash and cash equivalents at end of period	5,538	4,781	43,079
Interest and dividend income received	95	102	925				
Interest expenses paid	(63)	(51)	(467)				
Income taxes paid	(1,982)	(2,294)	(20,667)				
Net cash provided by (used in) operating activities	5,303	4,731	42,622				

Consolidated Statement of Changes in Equity

Fiscal years ended March 31, 2016 and 2017

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance as of March 31, 2015	5,075	5,469	36,238	(3,216)	43,566
Balance as of March 31, 2015	5,075	5,469	36,238	(3,216)	43,566
Changes of items during period					
Dividends of surplus			(1,667)		(1,667)
Profit attributable to owners of parent			3,878		3,878
Purchase of treasury shares				(1)	(1)
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	2,211	(1)	2,209
Balance as of March 31, 2016	5,075	5,469	38,450	(3,217)	45,776
Balance as of March 31, 2016	5,075	5,469	38,450	(3,217)	45,776
Changes of items during period					
Dividends of surplus			(1,985)		(1,985)
Profit attributable to owners of parent			4,212		4,212
Purchase of treasury shares				(586)	(586)
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	2,227	(586)	1,641
Balance as of March 31, 2017	5,075	5,469	40,678	(3,804)	47,418

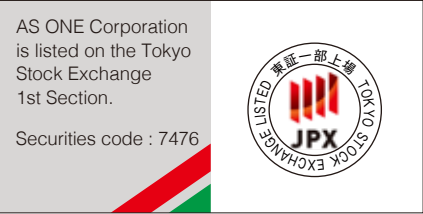
	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance as of March 31, 2016	45,720	49,274	346,398	(28,988)	412,404
Balance as of March 31, 2016	45,720	49,274	346,398	(28,988)	412,404
Changes of items during period					
Dividends of surplus			(17,884)		(17,884)
Profit attributable to owners of parent			37,954		37,954
Purchase of treasury shares				(5,283)	(5,283)
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	20,070	(5,283)	14,787
Balance as of March 31, 2017	45,720	49,274	366,468	(34,272)	427,191

(Millions of yen)					
Valuation difference on available-for-sale securities	Accumulated other comprehensive income			Subscription rights to shares	Total net assets
	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income		
2,035	14	232	2,283	—	45,850
2,035	14	232	2,283	—	45,850
					(1,667)
					3,878
					(1)
629	(51)	(44)	533	21	554
629	(51)	(44)	533	21	2,764
2,665	(36)	188	2,816	21	48,614
2,665	(36)	188	2,816	21	48,614
					(1,985)
					4,212
					(586)
(61)	36	(84)	(109)	22	(86)
(61)	36	(84)	(109)	22	1,554
2,604	0	103	2,707	43	50,169

(Thousands of US dollars)					
Valuation difference on available-for-sale securities	Accumulated other comprehensive income			Subscription rights to shares	Total net assets
	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income		
24,011	(332)	1,696	25,376	191	437,971
24,011	(332)	1,696	25,376	191	437,971
					(17,884)
					37,954
					(5,283)
(549)	330	(765)	(984)	202	(782)
(549)	330	(765)	(984)	202	14,004
23,462	1	931	24,391	393	451,976

Company Overview

Headquarters : 2-1-27 Edobori, Nishi-ku, Osaka 550-8527 Japan
Date of Foundation : June 1, 1962
Capital Stock : \5,075 million (As of March 31, 2017)
President : Takuji Iuchi
Employees (Consolidated) : 485 (As of March 31, 2017)
Net Sales (Consolidated) : \55,947.93 million (Year ended March 31, 2017)
Description of Business : Sale of research instruments and equipment, nursing and caring goods, and other scientific instruments
Affiliates : AS ONE SHANGHAI Corporation (Business operations: sale of scientific instruments for research, etc.)
Nikko Hansen & Co., Ltd. (Business operations: import sales of scientific instruments, etc.)
Iuchi Logistics Co., Ltd. (Business operations: warehouse management and shipping)
AS ONE INTERNATIONAL, INC. [USA] (Business operations: Export business in North America)
Company Website : <https://www.as-1.co.jp>



Main Trading Partners

ASAHI SEISAKUSHO CO., LTD.
AlphaPurchase Co., Ltd.
Alfresa Corporation
Ikeda Scientific Co., Ltd.
Endo Scientific Instrument Co., Ltd.
Ozawa Science Co., Ltd.
Shikoku Yashima Pure Chemicals Co., Ltd.
Sugimoto & Co., Ltd.
SUZUKEN CO., LTD.
SEIKO CO., LTD.
Daiichikikai Co., Ltd.
TAKAYAMA CHEMICAL CO., LTD.
Tohoku Chemical Co. Ltd.
TRUSCO NAKAYAMA CORPORATION
Nakayama Co. Ltd.
HOKKAIDO WAKO JUNYAKU CO., LTD.
Mutou Group
MEDIUS HOLDINGS Co.,Ltd.
MEDICEO CORPORATION
MonotaRO Co.,Ltd.
Yagami Co., Ltd.
YASHIMA PURE CHEMICALS CO.,LTD.
RIKAKEN CO., LTD.
WAKENYAKU CO.,LTD., among others

Main Suppliers

Ulvac Kiko, Inc.
OZU CORPORATION
FUKUDA COLIN Co.,Ltd.
Kikkoman Biochemifa Company
Thermo Fisher Scientific K.K.
Sakase Chemical Co.,Ltd.
SHIGEMATSU WORKS CO., LTD.
SIBATA SCIENTIFIC TECHNOLOGY LTD.
Shimadzu Corporation
3M Japan Limited
TANITA corporation
NIPRO CORPORATION
NIPPON PAPER CRECIA Co., LTD.
Nippon Becton, Dickinson and Company, Ltd.
Bio-Rad Laboratories, Inc.
Panasonic Healthcare Co., Ltd.
PARAMOUNT BED CO., LTD.
Fukushima Industries Corp.
HORIBA, Ltd.
Maruemu Corporation
Merck Ltd.
Yamato Scientific Co.,Ltd., among others

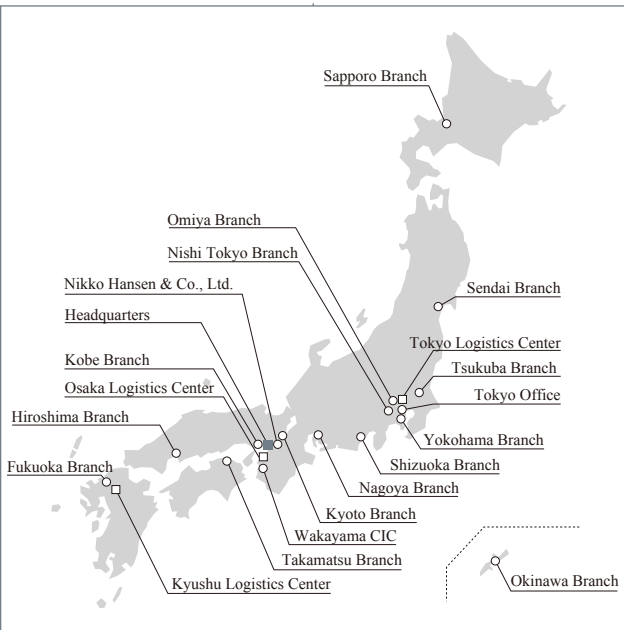
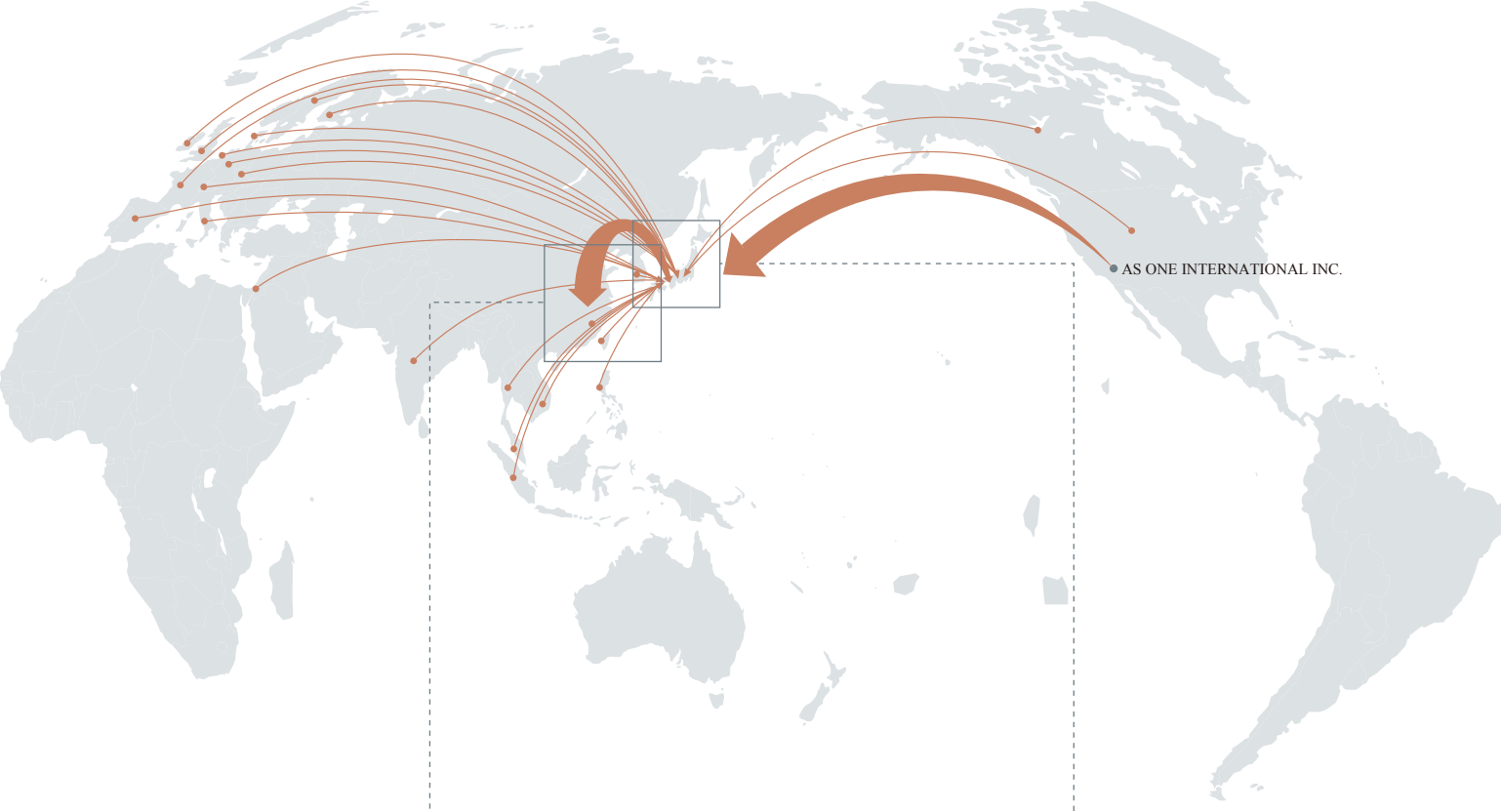
Main Banks

Resona Bank, Limited
The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Sumitomo Mitsui Banking Corporation

History

- 1933 Established as Iuchi Seieido Store.
- 1962 Incorporated as Iuchi Seieido Co., Ltd. in Kita-ku, Osaka for the sale of scientific instruments.
- 1963 Recognizing the importance of catalogs for marketing and the potential of plastic components in the scientific field, started publishing Polyethylene Ware catalog for research products.
- 1970 Accompanying expansion of business in the Tokyo region, established Tokyo Sales Office (now the Tokyo Office).
- 1981 Established Osaka Logistics Center in Tenma, Kita-ku, Osaka.
- 1982 Started sale of clean room gloves; launched full-scale entry into the semiconductor-related product market.
- 1984 Established Tokyo Business Office in Adachi-ku, Tokyo (now the Tokyo Logistics Center).
- 1985 Started publishing catalogs for nursing products for hospitals; launched full-scale entry into the hospital and nursing care fields.
- 1989 Relocated Osaka Logistics Center to Konohana-ku, Osaka in order to develop logistics system.
- 1990 Adopted online systems for the entire company; integrated order submission/acceptance, warehousing/dispatching, and inventory management systems.
- 1991 Established Wakayama CIC in Nokamicho, Kaiso-gun, Wakayama to initiate full-scale entry into the special surface washing field. Started sale of high-quality dust-proof products.
- 1993 Relocated headquarters to Tenma, Kita-ku, Osaka.
- 1995 Relocated Tokyo Logistics Center to Iwatsuki, Saitama. Introduced automated equipment in order to streamline logistics. Registered on the over-the-counter market of the Japan Securities Dealers Association.
- 1997 Launched website; started interactive information communication over the Internet.
- 1998 All sites in Japan acquired the international standard for quality assurance ISO 9002 certification (revised to ISO 9001 in 2003).
- 1999 Listed in second sections of the Tokyo Stock Exchange and the Osaka Securities Exchange.
- 2001 Listed in first sections of the Tokyo Stock Exchange and the Osaka Securities Exchange. Changed company name to AS ONE Corporation. Relocated Tokyo Logistics Center to Kitakatsushika-gun, Saitama.
- 2002 Relocated headquarters to Edobori, Nishi-ku, Osaka.
- 2004 Relocated Osaka Logistics Center to Nishiyodogawa-ku, Osaka.
- 2005 Made Ernst Hansen Co., Ltd. (now Nikko Hansen & Co., Ltd.) a subsidiary (ownership percentage: 90%).
- 2007 Established AS ONE SHANGHAI Corporation in Shanghai, China (100% capital participation).
- 2010 Made Nikko Hansen & Co., Ltd. a wholly owned subsidiary.
- 2011 Established Kyushu Logistics Center in Asakura, Fukuoka.
- 2012 Adopted the ASCA core system.
- 2016 Acquired Privacy Mark certification.
- 2017 Established AS ONE INTERNATIONAL, INC.

Overseas Network





 **AS ONE CORPORATION**

