

Financial Results for the Fiscal Year Ended May 2024

July 3, 2024
ASKUL Corporation



[Disclaimer]

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[Segment]

- ✓ ASKUL is reporting its operating performances by dividing its organization into three segments: E-commerce Business, Logistics Business, and Other. E-commerce Business refers to sales of OA and PC supplies, stationery, living supplies, furniture, foods and drinks, alcoholic beverages, pharmaceuticals, cosmetics, etc. Logistics Business refers to logistics and small-cargo transportation service to companies.
- ✓ The disclosure segment have changed effective from the fiscal year ending May 20, 2025. Please refer to the slide 14 for details.

[Fiscal Year]

Fiscal year runs from May 21 of each year to May 20 of the following year, a month runs from 21st of each month to 20th of the following month.

[Other]

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FY5/2024: Posted record-high on both net sales and profit at each stage

- ✓ Achieved revised plan for both net sales and profit at each stage
- ✓ B-to-B business accomplished the most important goal of “changing the trajectory of profit growth curve”
- ✓ LOHACO to remain profitable for the full year, and sales for Q4 period started positive YoY growth

FY5/2025: Aiming to achieve continuous record-high net sales and operating profit by absorbing the increase in fixed cost

- ✓ The ASKUL business increases the growth rate by improving the accuracy of each measure through data-driven approaches.
- ✓ The migration plan for the new ASKUL website has been revised to prioritize customer support after the transition.
- ✓ The installation of the material handling system for the ASKUL Kanto DC, which will be the pillar of the logistics structural reform, has started (ASKUL Kanto DC is scheduled to start operation at the beginning of the fiscal year ending May 20, 2026).

New Medium-Term Management Plan: Planning to formulate and announce during the fiscal year ending May 20, 2025

- ✓ The goal of "Transformation from Office Supplies Mail-Order Company" remains unchanged.
- ✓ With the aim of becoming an infrastructure company that supports all workplaces and lifestyles, we will promote entry into areas other than product sales.
- ✓ To achieve discontinuous growth, we will secure up to 100 billion yen for growth investment and strengthen M&A activities.

**I Earnings results for the Fiscal Year Ended May 20, 2024
and Earnings Forecast for the Fiscal Year Ending May 20, 2025**

II Medium-Term Management Plan: Evaluation of Progress

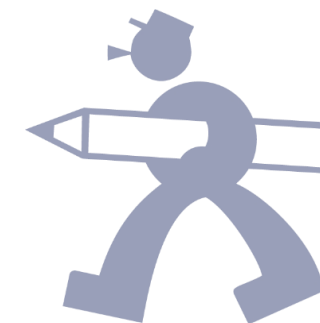
III Shift in Financial Strategy Toward Discontinuous Growth

IV Progress of Business

V Topics (ESG and DX)

VI Action to Implement Management that is Conscious of
Capital Cost and Stock Price

VII Appendix



FY5/2024 Earnings Results

Consolidated



Marked record-highs for both net sales and profit at each stage

| (¥million) | FY5/2023 | | FY5/2024 | | | | |
|--|----------------|---------------------|----------|----------------|----------------|-----------|---------------|
| | Actual | % of net sales % | Plan | Actual | % of net sales | % of plan | YoY change |
| | | | | | % | % | % |
| Net Sales | 446,713 | 100.0 | 470,000 | 471,682 | 100.0 | +0.4 | +5.6 |
| Gross Profit | 107,040 | 24.0 | 119,380 | 117,502 | 24.9 | -1.6 | +9.8 |
| Selling, General and Administrative Expenses | 92,420 | 20.7 | 102,880 | 100,549 | 21.3 | -2.3 | +8.8 |
| Operating Profit | 14,620 | 3.3 | 16,500 | 16,953 | 3.6 | +2.7 | +16.0 |
| Ordinary Profit | 14,448 | 3.2 | 16,200 | 16,677 | 3.5 | +2.9 | +15.4 |
| Profit Attributable to Owners of Parent | 9,787 | 2.2 | 18,000 | 19,139 | 4.1 | +6.3 | +95.6 |

Note: The net profit for the fiscal year ended May 2024 includes extraordinary income from the ALP Metropolitan fire-related lawsuit.

Consolidated Earnings Results and Forecasts

Consolidated

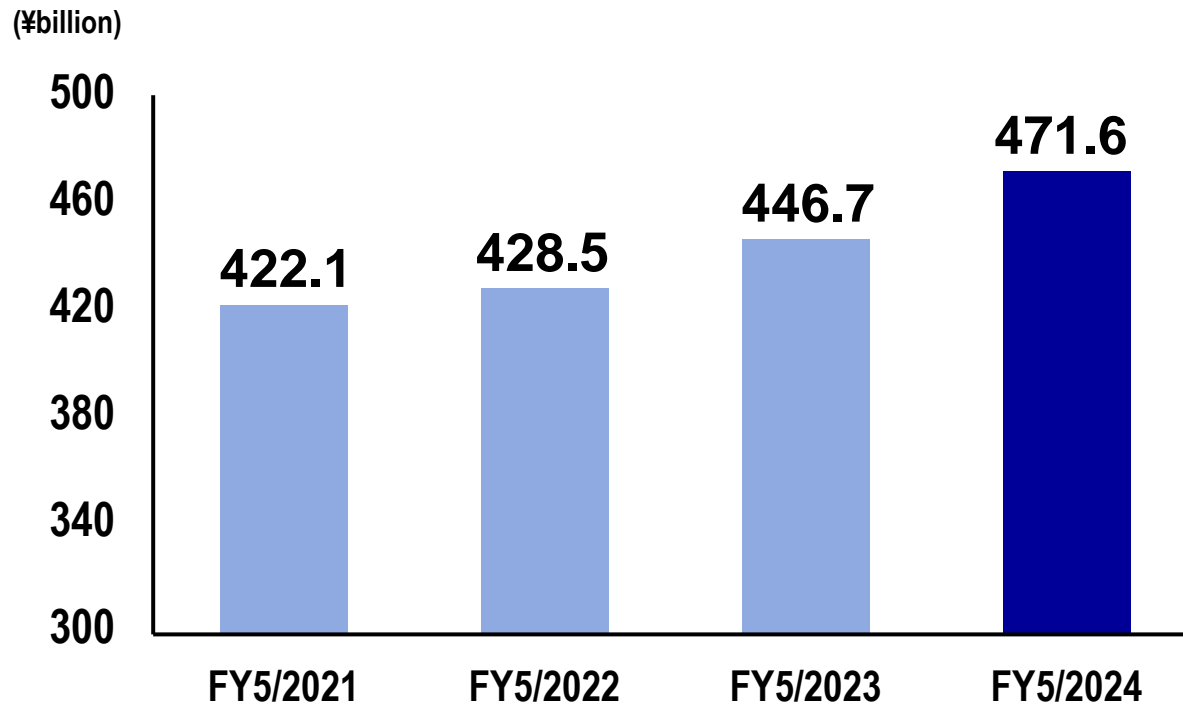


Net Sales

FY5/2024 Result

YoY **105.6%**

Net sales continue to reach record-highs

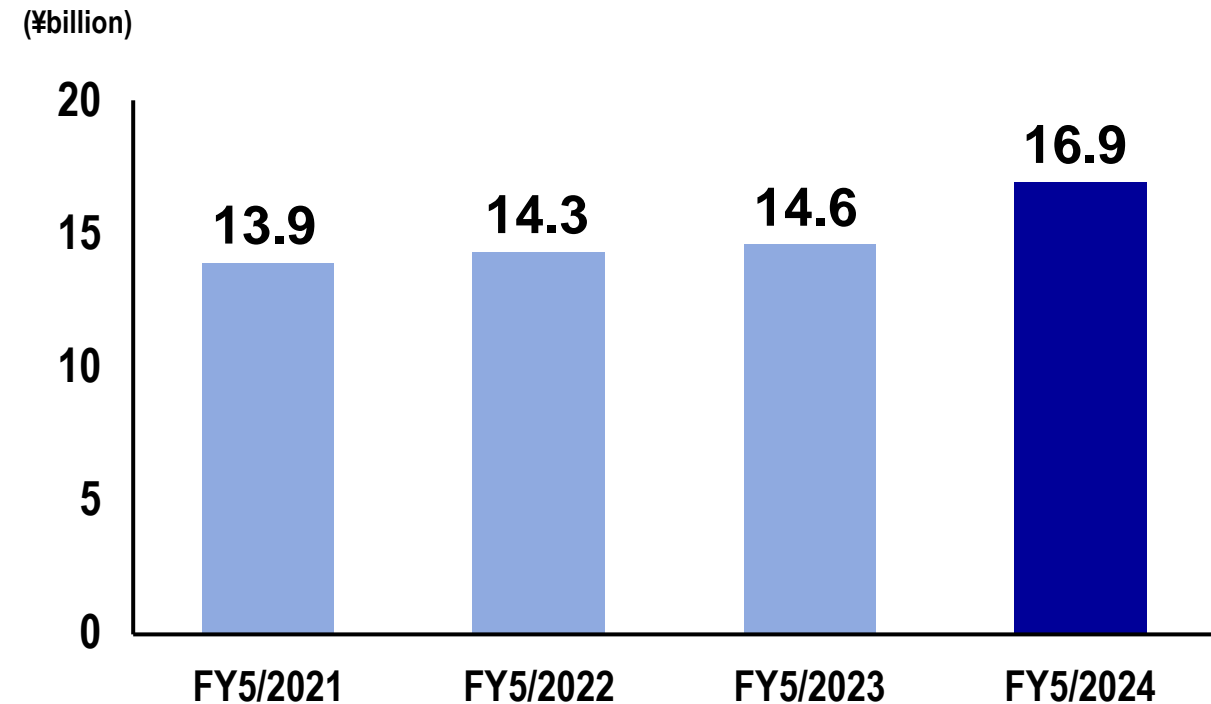


Operating Profit

FY5/2024 Result

YoY **116.0%**

Achieved double-digit profit growth as planned



FY5/2024 Earnings Results [By Business]

Consolidated



| | | FY5/2023 | FY5/2024 | | | | | |
|------------------|--------------------|--|--------------|--------------|--------------|---------------|---------------|---------------|
| | | Actual | Plan | Actual | % of plan % | YoY change | YoY change % | |
| Net Sales | | (¥billion) | | | | | | |
| | | B-to-B Business | 373.8 | 404.9 | 409.1 | +1.0 | 35.2 | +9.4 |
| | | LOHACO | 46.1 | 37.6 | 36.1 | -3.8 | (10.0) | -21.7 |
| | | B-to-C business (including charm) | 63.2 | 55.3 | 53.2 | -3.8 | (10.0) | -15.8 |
| | | E-commerce Business | 437.1 | 460.3 | 462.3 | +0.4 | 25.2 | +5.8 |
| | | Logistics Business and Other | 9.5 | 9.6 | 9.3 | -4.0 | (0.2) | -3.0 |
| | Consolidated Total | 446.7 | 470.0 | 471.6 | +0.4 | 24.9 | +5.6 | |
| Operating Profit | | B-to-B Business | 14.7 | 16.2 | 17.3 | +6.7 | 2.5 | +17.5 |
| | | LOHACO | 0 | 0 | 0.2 | +265.7 | 0.1 | +296.5 |
| | | B-to-C business (including charm) | 0.3 | 0.2 | 0.2 | +23.8 | (0) | -20.5 |
| | | Performance-linked Bonuses (including provision), etc. | (0.1) | 0 | (0.5) | - | (0.3) | - |
| | | E-commerce Business | 14.9 | 16.4 | 17.0 | +3.7 | 2.1 | +14.4 |
| | | Logistics Business and Other | (0.3) | 0 | (0.1) | - | 0.1 | - |
| | Consolidated Total | 14.6 | 16.5 | 16.9 | +2.7 | 2.3 | +16.0 | |

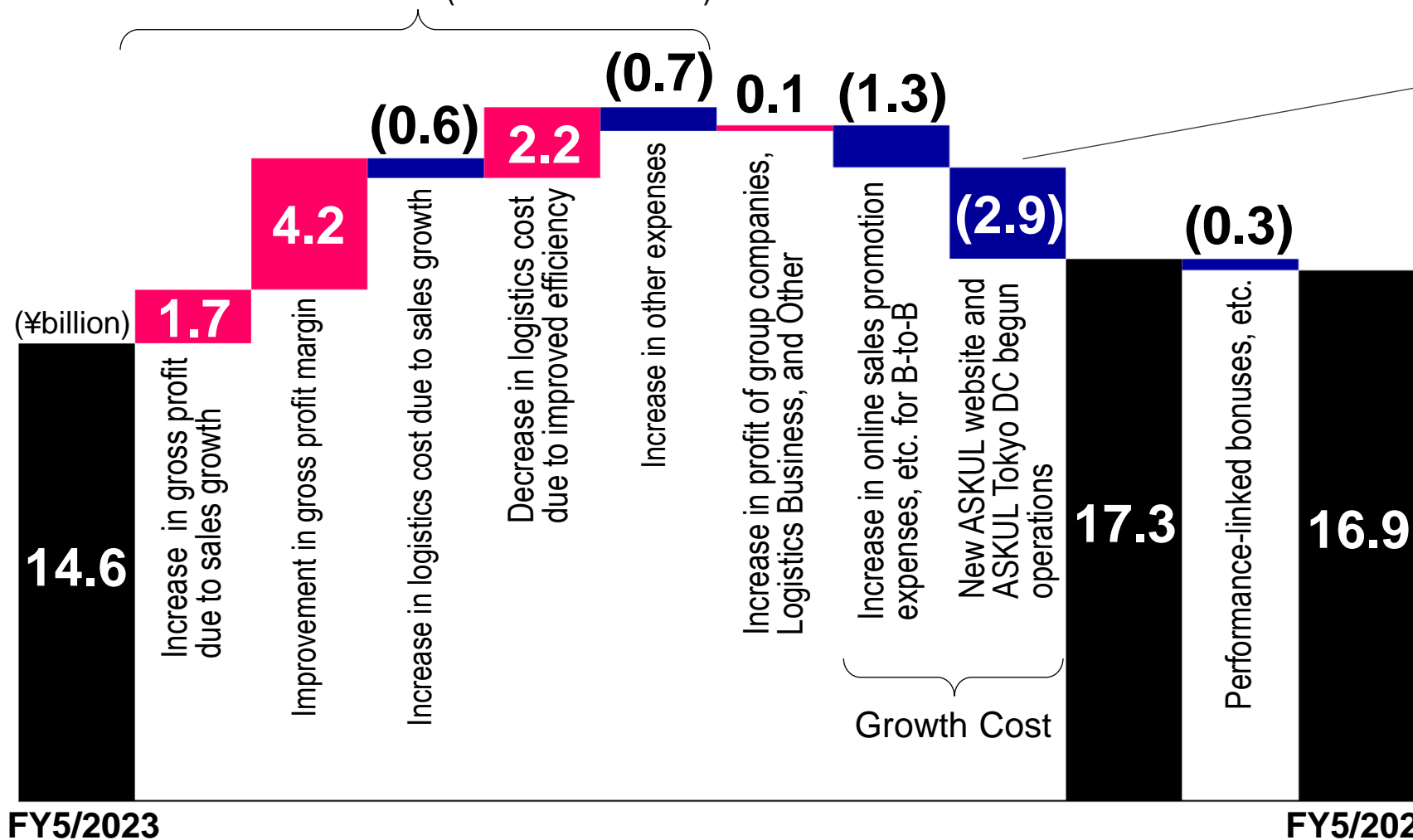
FY5/2024 Factors for Increase / Decrease in Operating Profit

Consolidated



Achieved profit increase by improving gross profit margin and logistics operation efficiency

E-commerce Business (non-consolidated)



| Breakdown of Fixed Cost Increase | |
|----------------------------------|----------------|
| ● New ASKUL Website | -2,320 million |
| <breakdown> | |
| Amortization | -2,170 million |
| Transition expenses | -150 million |
| ● ASKUL Tokyo DC | -590 million |
| <breakdown> | |
| Depreciation | -530 million |
| Cleaning/Security, etc. | -60 million |

B-to-B Business Earnings Results

Consolidated



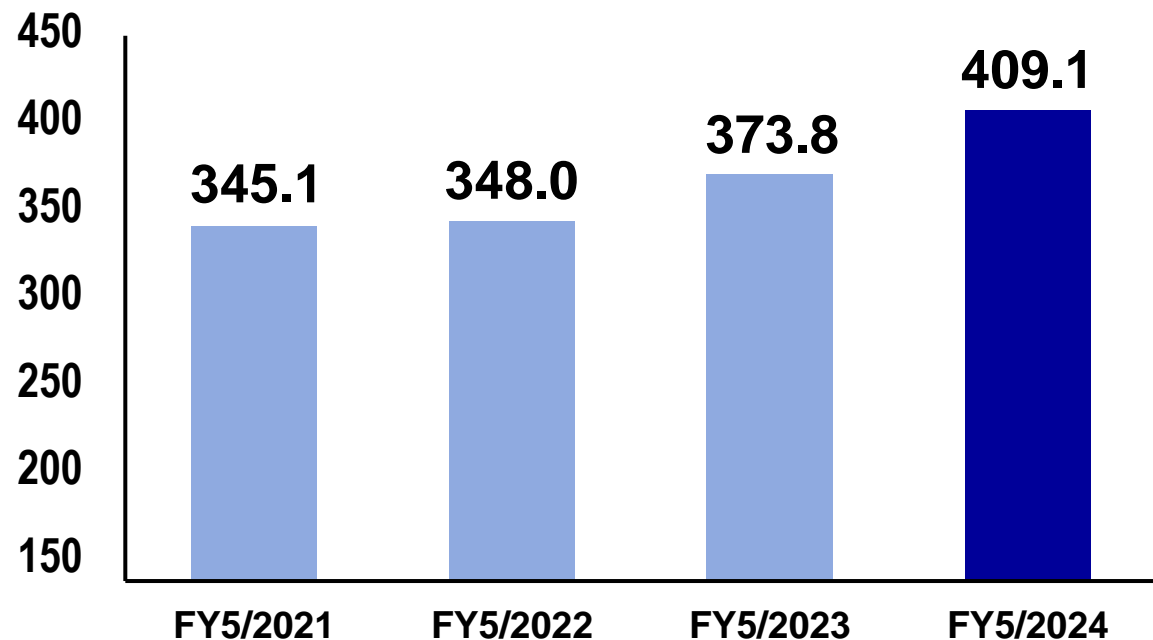
Net Sales

FY5/2024 Result

YoY **109.4%**

Solid sales growth due in part to the consolidation of FEED Corporation

(¥billion)



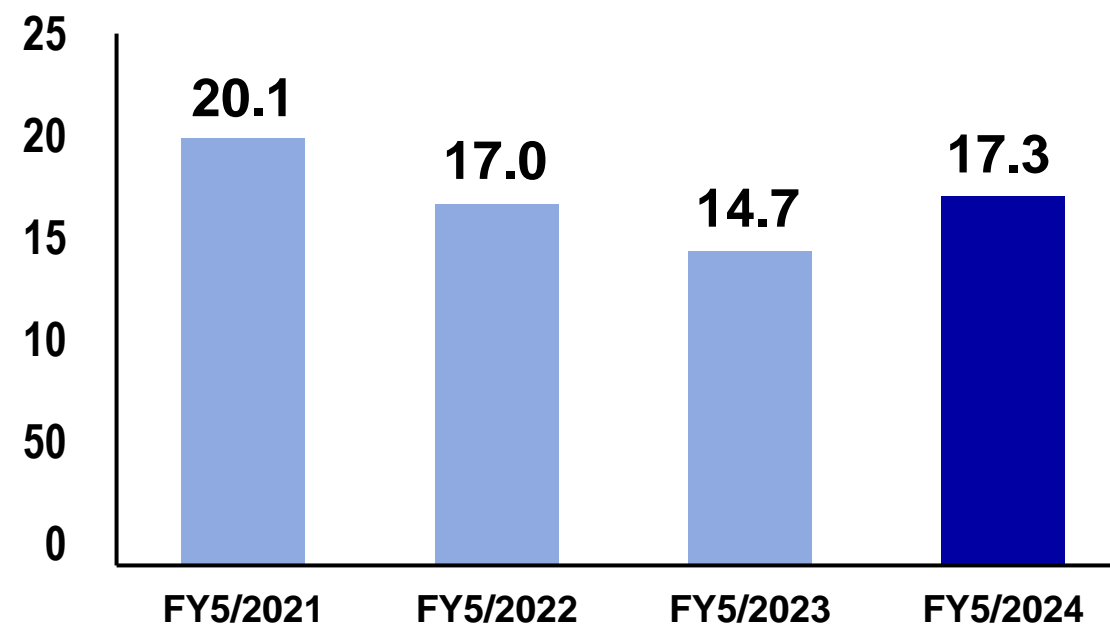
Operating Profit

FY5/2024 Result

YoY **117.5%**

Improved gross profit margin and reduced distribution cost ratio contributed the profit growth

(¥billion)



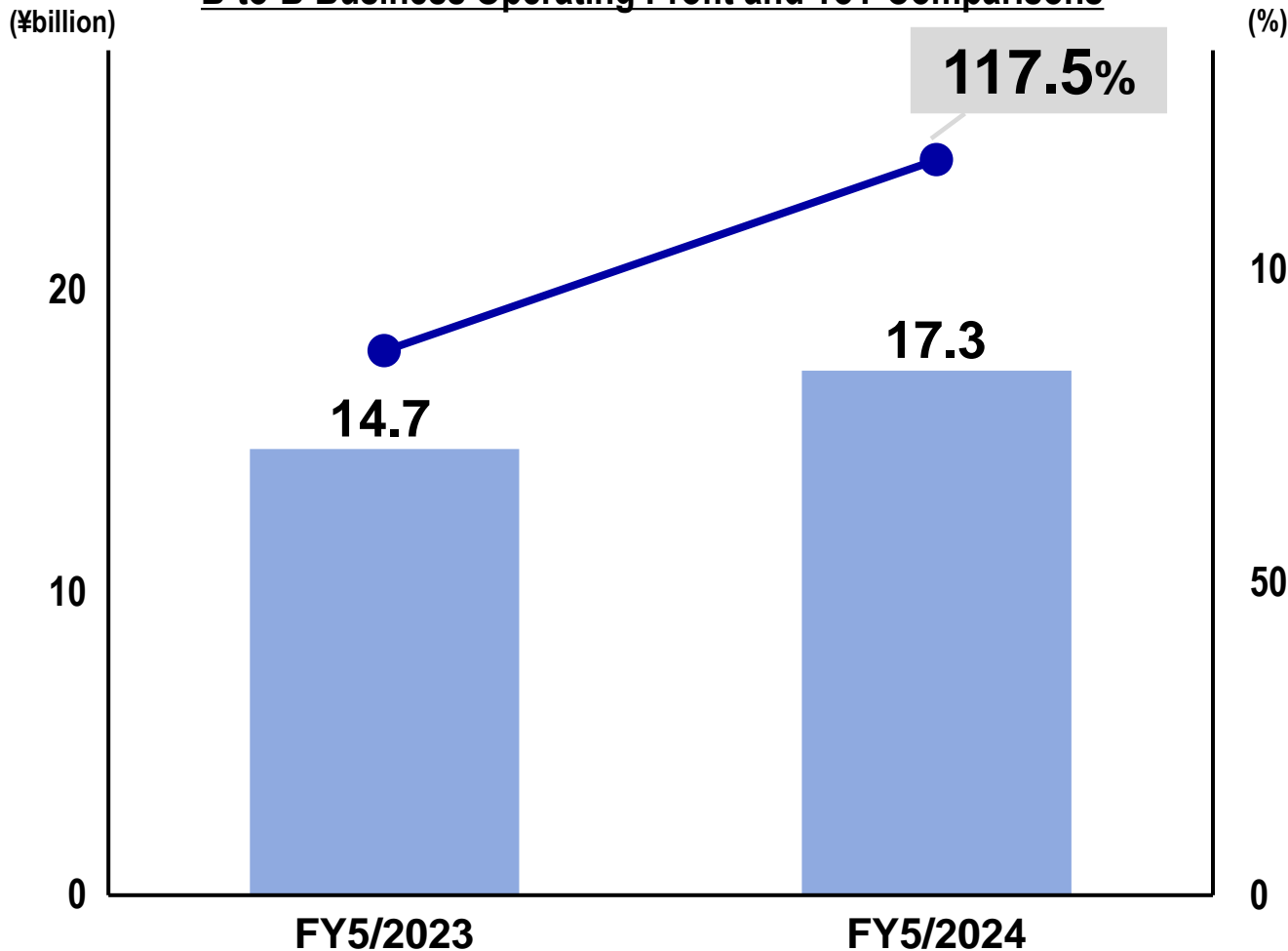
B-to-B Trend of Operating Profit by Quarter

Consolidated



Accomplished “changing the trajectory of profit growth curve,”
the most important goal of FY5/2024

B-to-B Business Operating Profit and YoY Comparisons



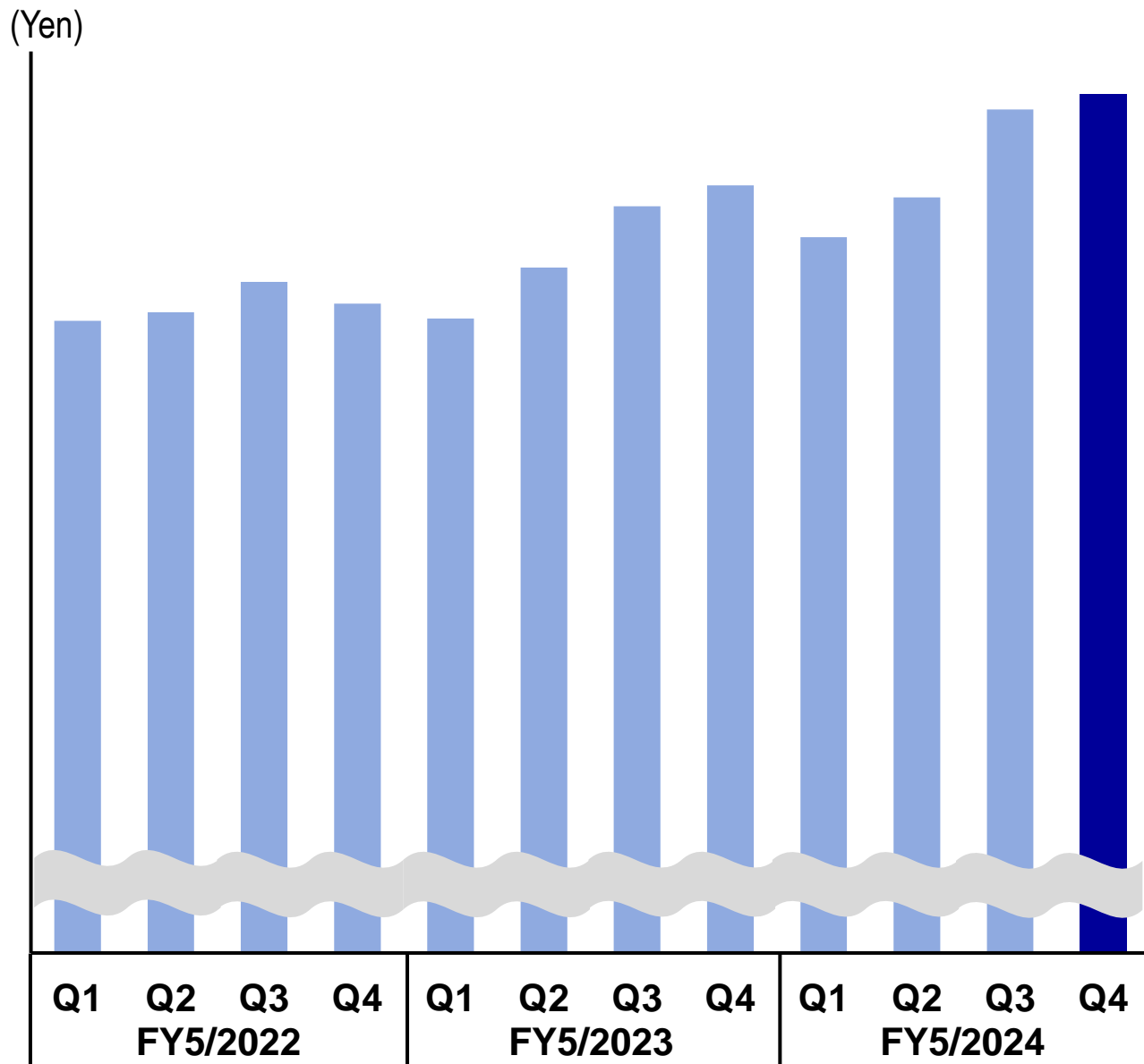
Factors behind the Gross profit margin improvement

- ✓ Flexible price revisions
- ✓ Recovered foreign exchange position of main products
- ✓ Contribution of group companies' earnings

Factors behind the Variable cost ratio improvement

- ✓ Continued increase in unit sales price per box
- ✓ Improved warehouse productivity at ASKUL Tokyo DC
- ✓ Decrease in multiple package deliveries due to optimizing inventory placement

B-to-B Unit Sales Price per Box



FY5/2024 Q4
YoY change: Up 6.9%
500-million-yen worth of delivery cost reduction in Q4 period



**Continued improvement
expected**

B-to-C Business Earnings Results

Consolidated

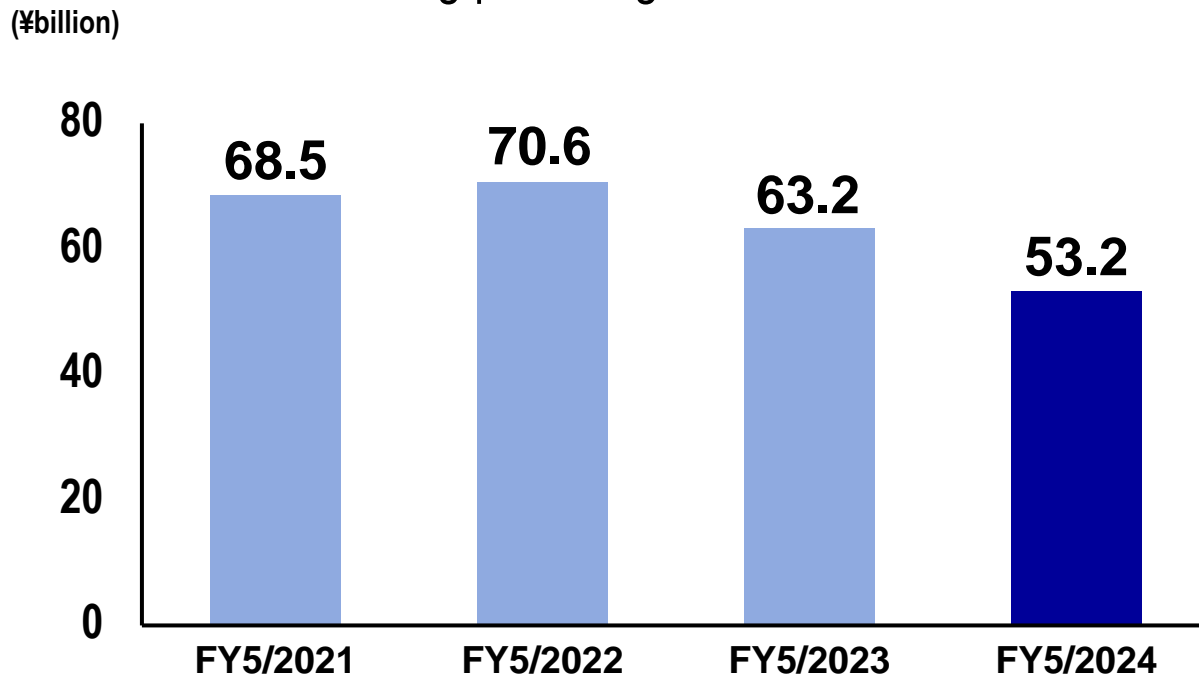


Net Sales

FY5/2024 Result

YoY **84.2%**

Despite a decrease in revenue for the full year, achieving positive growth in the Q4

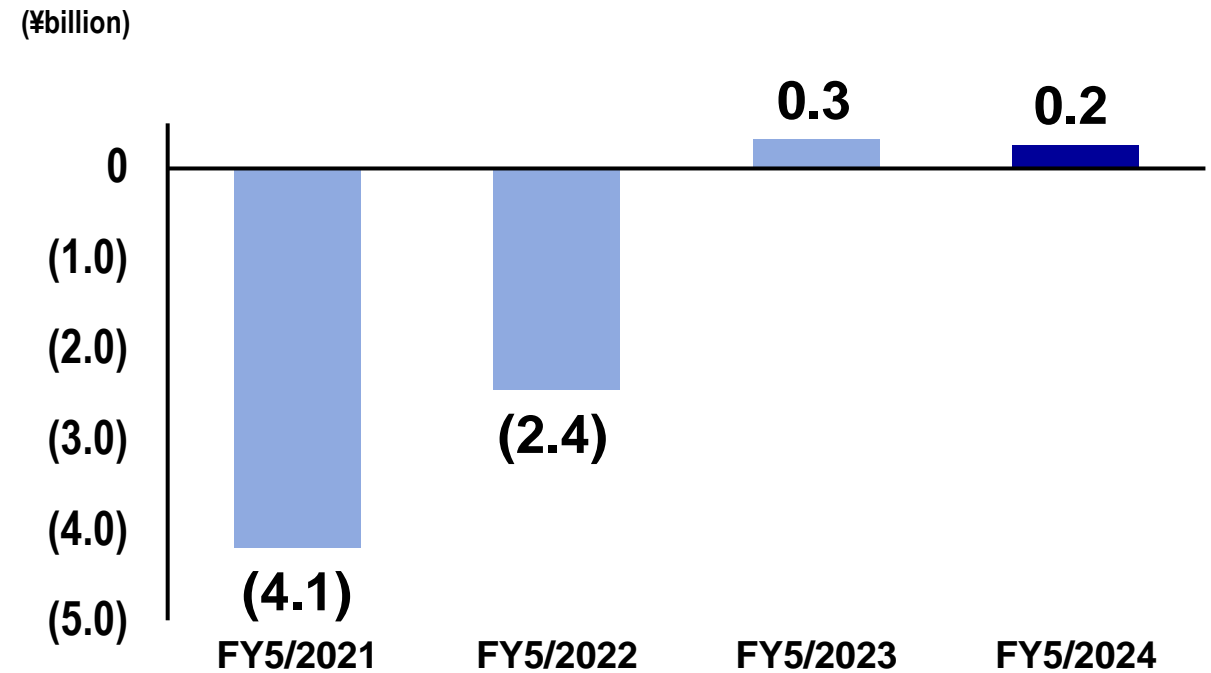


Operating Profit

FY5/2024 Result

YoY **79.5%**

Marginal profit ratio improved, and profitability maintained



Logistics Business and Others Earnings Results and Forecasts

Consolidated



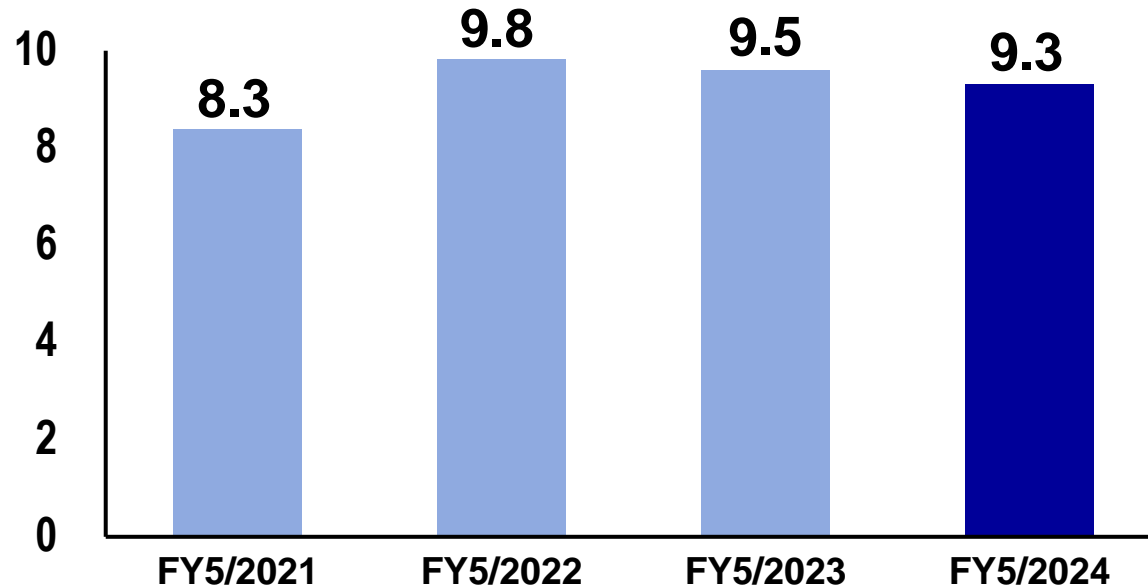
Net Sales

FY5/2024 Result

YoY **97.0%**

Sales continued to be on par
with the same period of the previous year

(¥billion)



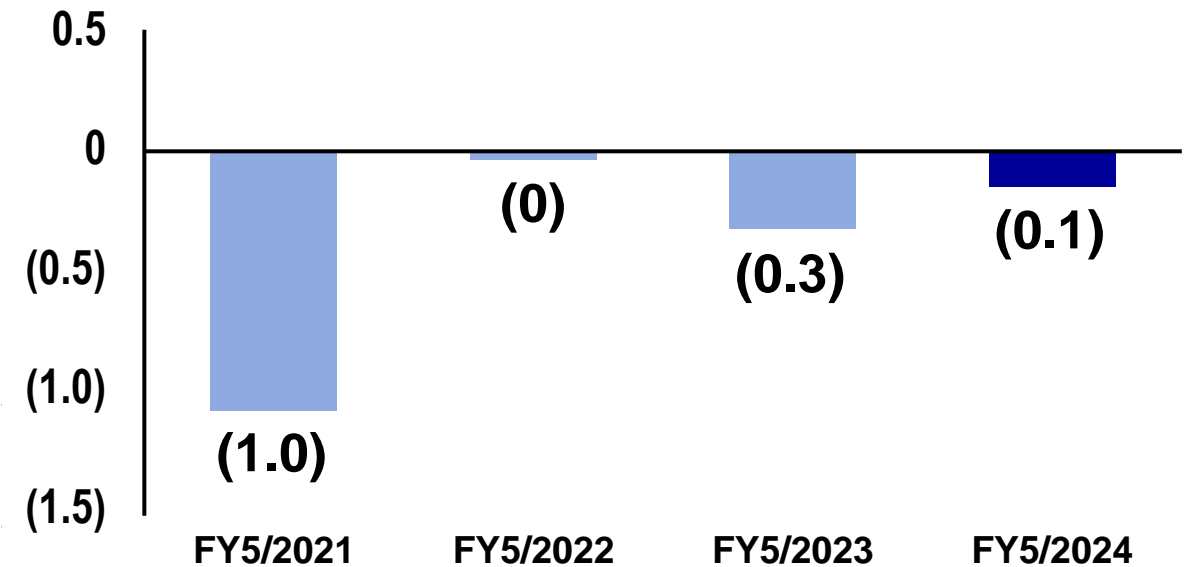
Operating Profit

FY5/2024 Result

+¥170 million

Reduction in deficit
Continue to aim to achieve profitability

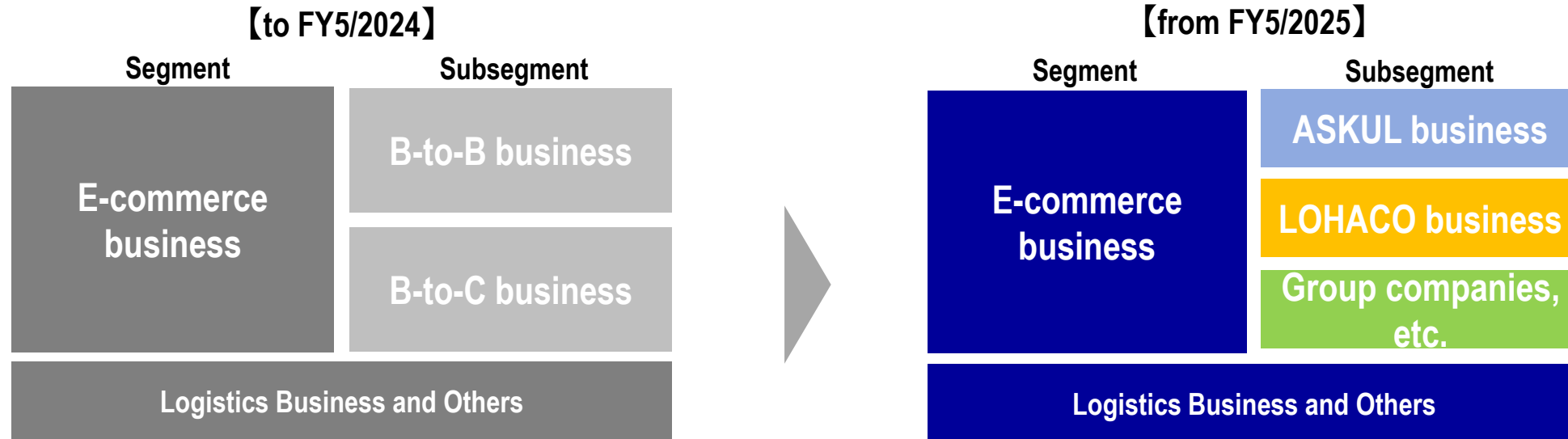
(¥billion)



Revision of Business Segment Disclosures



- ✓ With the acceleration of BC integration of products and logistics and the unification of business structures, segment disclosure will be revised to better reflect the actual management situation
- ✓ Emphasizing overall profit growth, LOHACO aims for healthy growth as a major sales channel in the e-commerce business.



Both net sales and operating income are disclosed down to sub-segments

Net sales are disclosed down to sub-segments
Operating income is disclosed down to segments

Main services/businesses/major subsidiaries and affiliates for new segment

ASKUL business: ASKUL, SOLOEL ARENA, SOLOEL, New ASKUL Website

LOHACO business: LOHACO

Group companies, etc.: AlphaPurchase Co., Ltd., BUSINESSSMART CORPORATION, FEED Corporation, charm Co., Ltd. *including consolidated eliminations

Logistics Business and Others: ASKUL LOGIST Corporation (sales to customers outside of the Group), TSUMAGOI MEISUI CORPORATION



Aiming for record-high net sales and operating profit

| (¥million) | FY5/2024 | | FY5/2025 | | |
|--|----------------|----------------|----------------|----------------|------------|
| | Actual | % of net sales | Plan | % of net sales | YoY change |
| | | % | | % | % |
| Net Sales | 471,682 | 100.0 | 500,000 | 100.0 | +6.0 |
| Gross Profit | 117,502 | 24.9 | 126,700 | 25.3 | +7.8 |
| Selling, General and Administrative Expenses | 100,549 | 21.3 | 108,700 | 21.7 | +8.1 |
| Operating Profit | 16,953 | 3.6 | 18,000 | 3.6 | +6.2 |
| Ordinary Profit | 16,677 | 3.5 | 17,700 | 3.5 | +6.1 |
| Profit Attributable to Owners of Parent | 19,139 | 4.1 | 11,200 | 2.2 | -41.5 |

Note: The net profit for the fiscal year ended May 2024 includes extraordinary income from the ALP Metropolitan fire-related lawsuit.

FY5/2025 Earnings Forecasts (by new segment) [By Business]

Consolidated



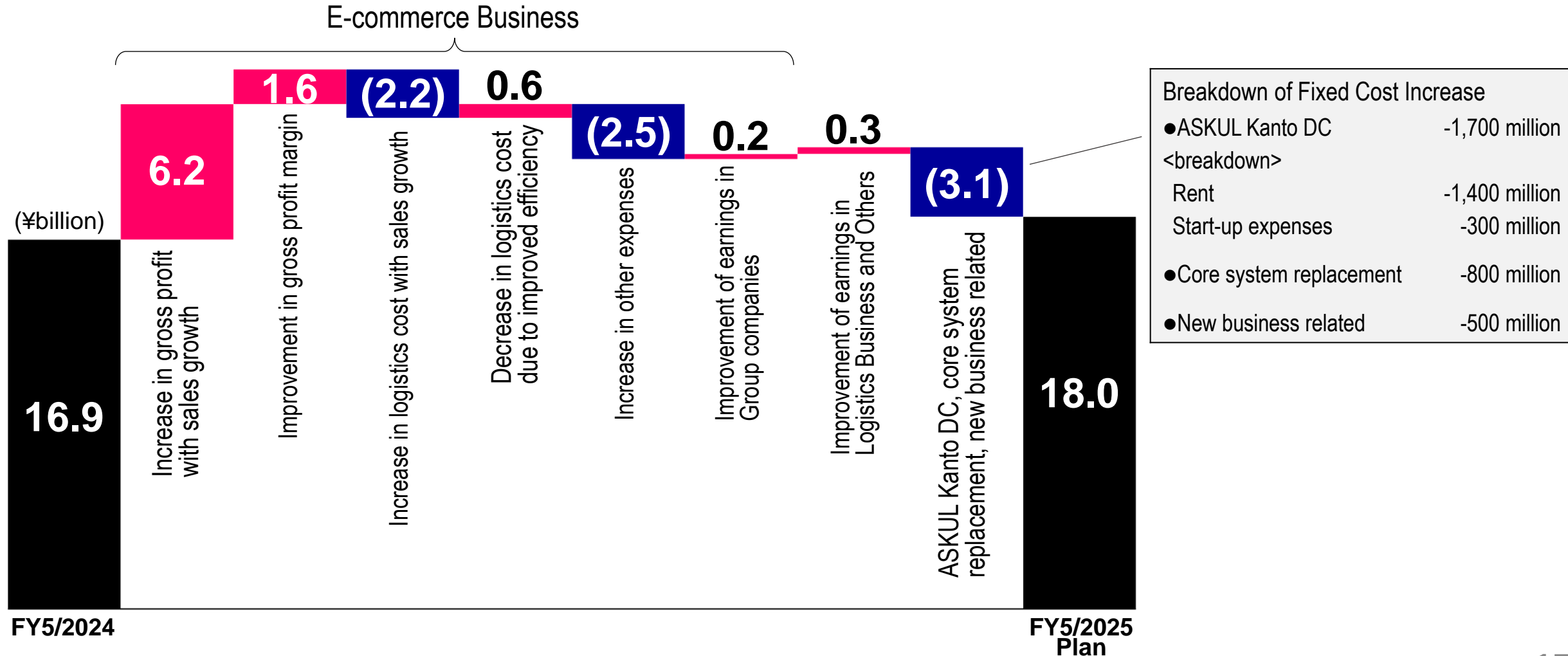
| | | FY5/2024 | FY5/2025 | | |
|------------------|---|----------|----------|------------|--------------|
| | | Actual | Plan | YoY change | YoY change % |
| (¥billion) | | | | | |
| Net Sales | ASKUL Business | 353.3 | 374.9 | 21.5 | +6.1 |
| | LOHACO Business | 36.1 | 37.8 | 1.7 | +4.8 |
| | Group Companies, etc | 72.8 | 77.6 | 4.7 | +6.5 |
| | E-commerce Business | 462.3 | 490.4 | 28.0 | +6.1 |
| | Logistics Business and Other | 9.3 | 9.5 | 0.2 | +2.7 |
| | Consolidated Total | 471.6 | 500.0 | 28.3 | +6.0 |
| Operating Profit | Performance-linked Bonuses (including provision), etc. | (0.5) | - | 0.5 | - |
| | E-commerce Business | 17.0 | 17.8 | 0.7 | +4.3 |
| | Logistics Business and Other | (0.1) | 0.1 | 0.3 | - |
| | Consolidated Total | 16.9 | 18.0 | 1.0 | +6.2 |

FY5/2025 Operating Profit Forecasts

Consolidated

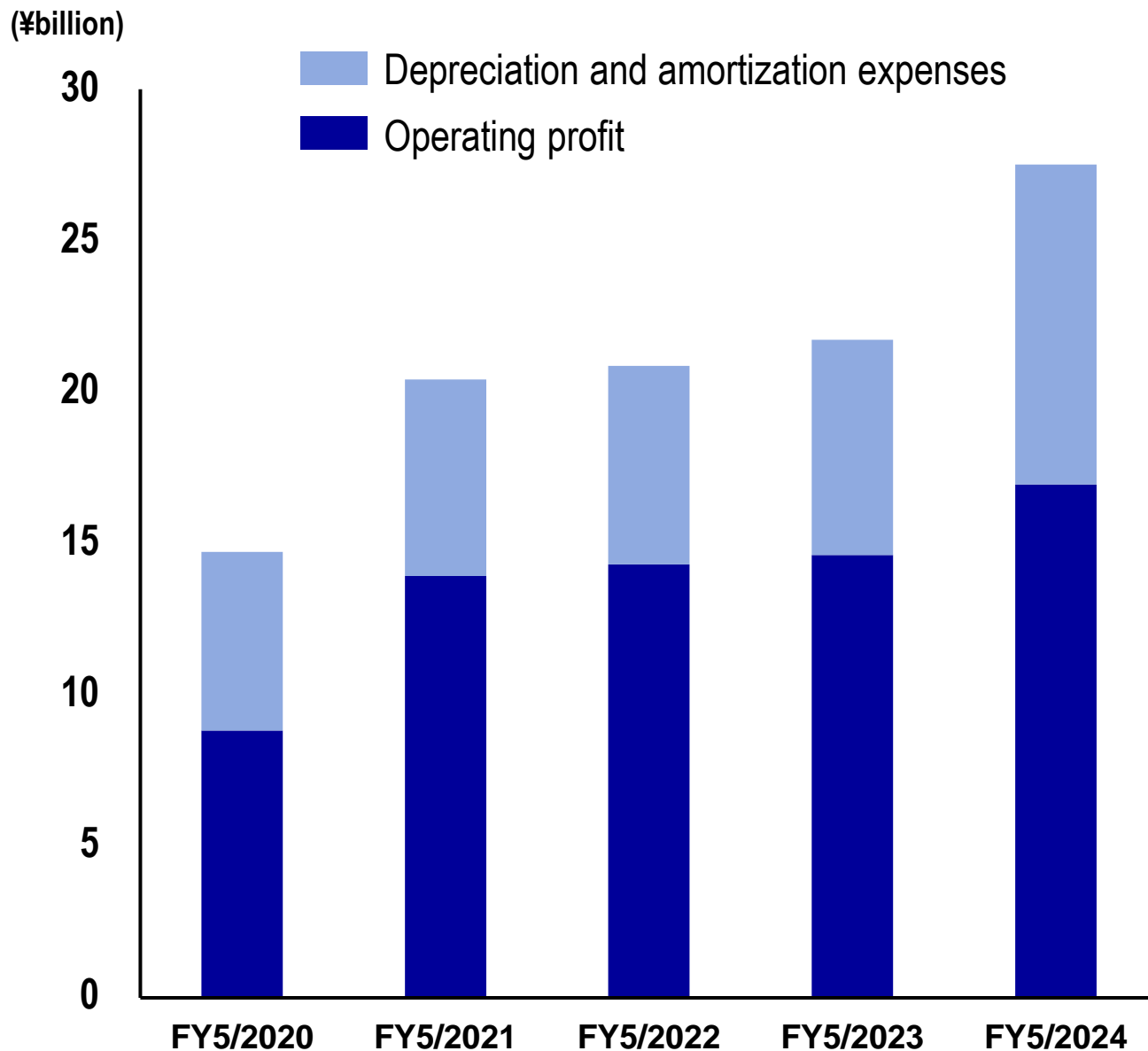


Expect to increase profit by absorbing fixed cost increase through sales growth and improvement in gross profit margin



Trend of EBITDA

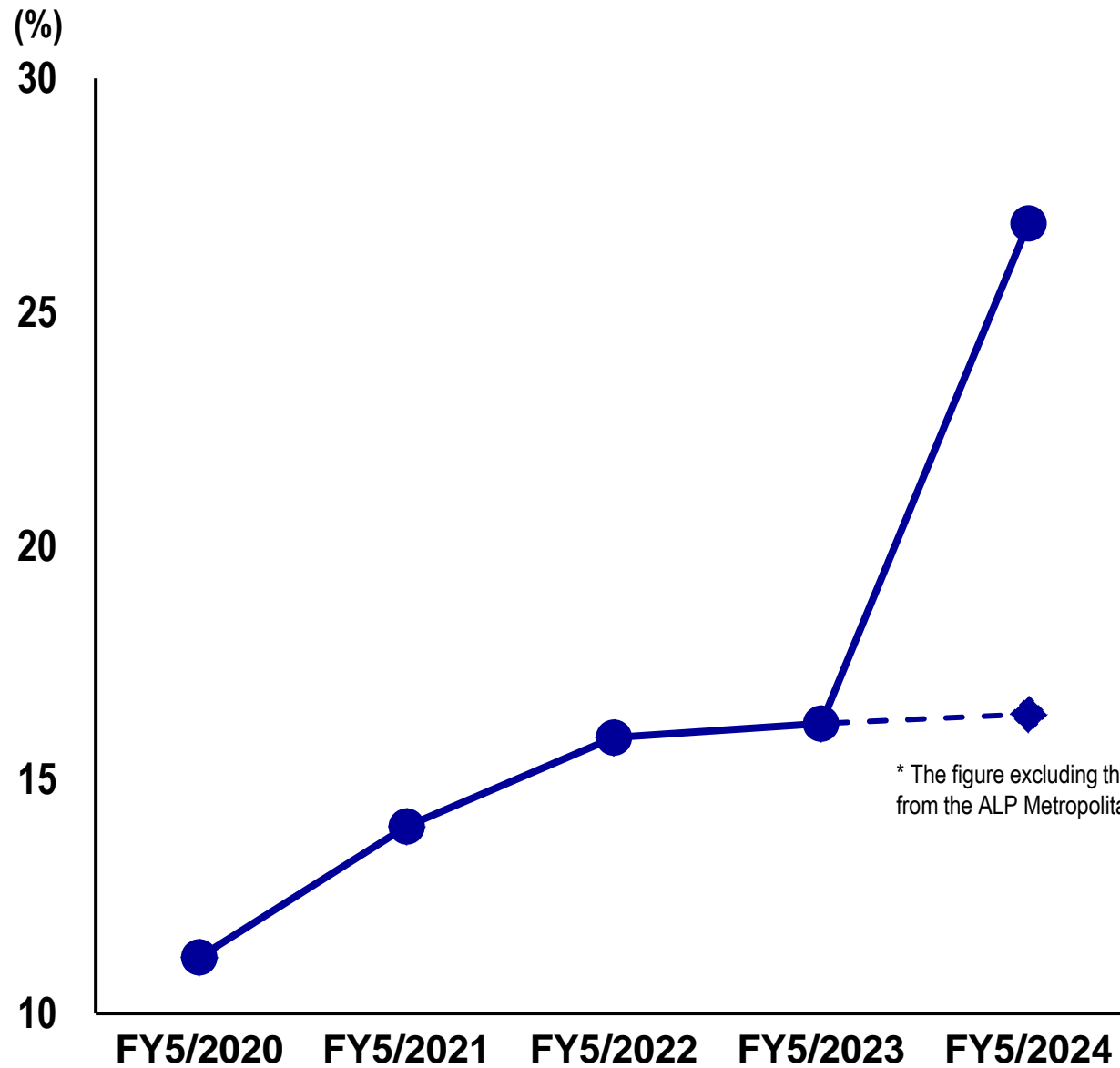
Consolidated



EBITDA to increase significantly ahead of strong earnings growth

Trend of ROE

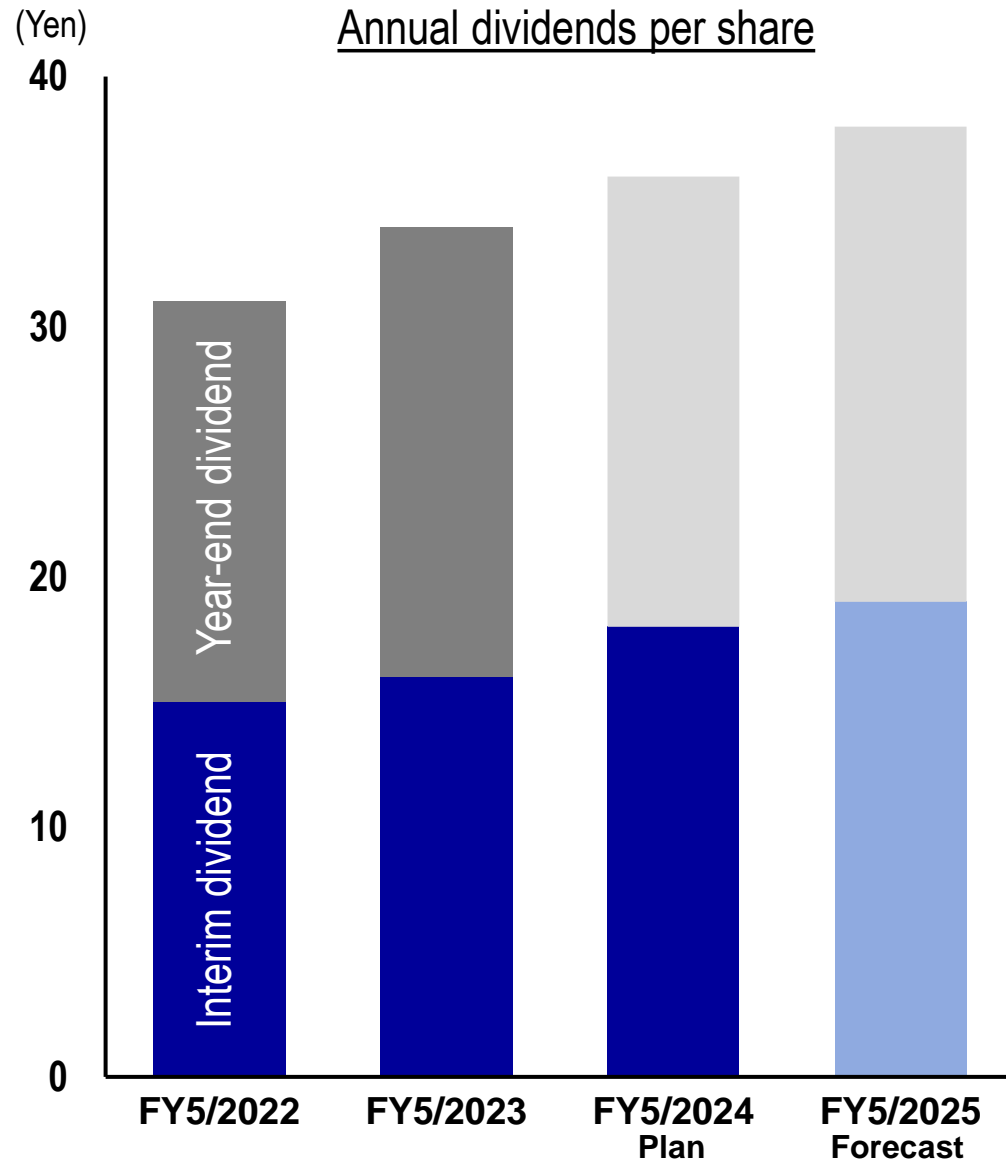
Consolidated



To achieve ROE 20.0%
Aim to improve capital efficiency

* The figure excluding the impact of extraordinary income from the ALP Metropolitan fire-related lawsuit.

Shareholder Return



FY5/24

- ✓ Annual dividend per share: ¥36
(Interim dividend: ¥18 and Year-end dividend: ¥18)
Annual dividend increase of ¥2

- ✓ Share buy back in progress to achieve a total return ratio of 45%

FY5/25

- ✓ Annual dividend per share: ¥38
(Interim dividend: ¥18 and Year-end dividend: ¥18)
Plan to increase dividend by ¥2 for the full year

- ✓ Flexibly consider shareholder returns, including share buybacks, in accordance with the shareholder return policy

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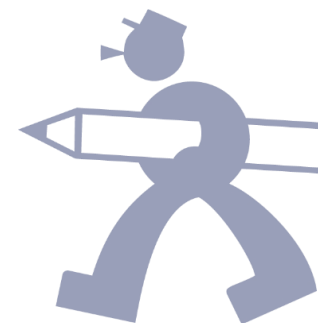
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VII Appendix





Although the numerical targets were not achieved, setting high goals accelerated growth
Both net sales and operating profit reached record highs

| (¥billion) | FY5/2021 results | FY5/2025 forecast | FY5/2021→FY5/2025 outlook | FY5/2025 Medium-Term Management Plan Target |
|------------------------|---------------------|----------------------|------------------------------|---|
| Net sales | 422.1 | 500.0 | +77.9 | 550.0 |
| Operating profit | 13.9 | 18.0 | +4.1 | 27.5 |
| Operating profit ratio | 3.3% | 3.6% | +0.3pt | 5.0% |

Factors for not achieving the targets

- ✓ Increase in amortization expenses due to increased investment for the new ASKUL website and failure to achieve the planned effects of the opening of the SOLOEL ARENA website.
- ✓ Low utilization rates of newly introduced products as a result of overemphasis on product expansion (number of items).
- ✓ Failure to meet LOHACO's sales plan due to prioritizing profitability.
- ✓ Increase in fixed costs due to the launch of the ASKUL Kanto DC.

Medium-Term Management Plan: Evaluation of Progress

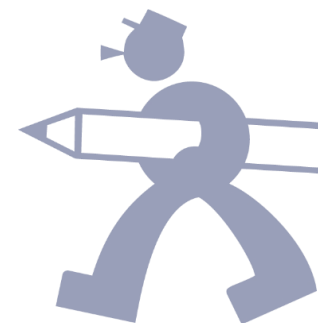
<Key Strategies>

Consolidated



| Key Strategies | Results | Evaluation | Next Action |
|--|---|------------|---|
| Strategic Areas and Expansion of Product Lineups | <ul style="list-style-type: none"> ● Expansion of product lineup as planned ● Increase in sales ratio of original products | △ | <ul style="list-style-type: none"> ■ Improvement in the utilization rate of newly introduced products ■ Digital transformation of merchandising ■ Further differentiation of original products |
| Establishment of the Most Powerful B-to-B EC Website | <ul style="list-style-type: none"> ● The opening of SOLOEL ARENA website ● Start of operation of the new ASKUL website | △ | <ul style="list-style-type: none"> ■ Steady progress in customer transition ■ Promotion of buy-around by transitioned customers |
| Synergies with Z Holdings (now LY Corporation) | <ul style="list-style-type: none"> ● Achieved profitability for LOHACO in FY5/2023 ● Support from technology personnel for the operation of the new ASKUL website | ○ | <ul style="list-style-type: none"> ■ Further collaboration and evolution in the fields of marketing and digital transformation |
| Reform Platforms | <ul style="list-style-type: none"> ● Enhancement of shipping capability and storage capacity through the introduction of the latest equipment ● Improvement of delivery efficiency due to the effects of measures ● Stable operation of ASKUL Tokyo DC | ○ | <ul style="list-style-type: none"> ■ Reliable launch of ASKUL Kanto DC ■ Realization of east-west mother centers |
| Establishment of New Services | <ul style="list-style-type: none"> ● Launch of advertising business in B-to-B business ● Start of the SaaS business 'Bizraku' to support DX for SMEs | ○ | <ul style="list-style-type: none"> ■ Scaling up the advertising business ■ Expansion of Bizraku ■ Further expansion into new business areas |

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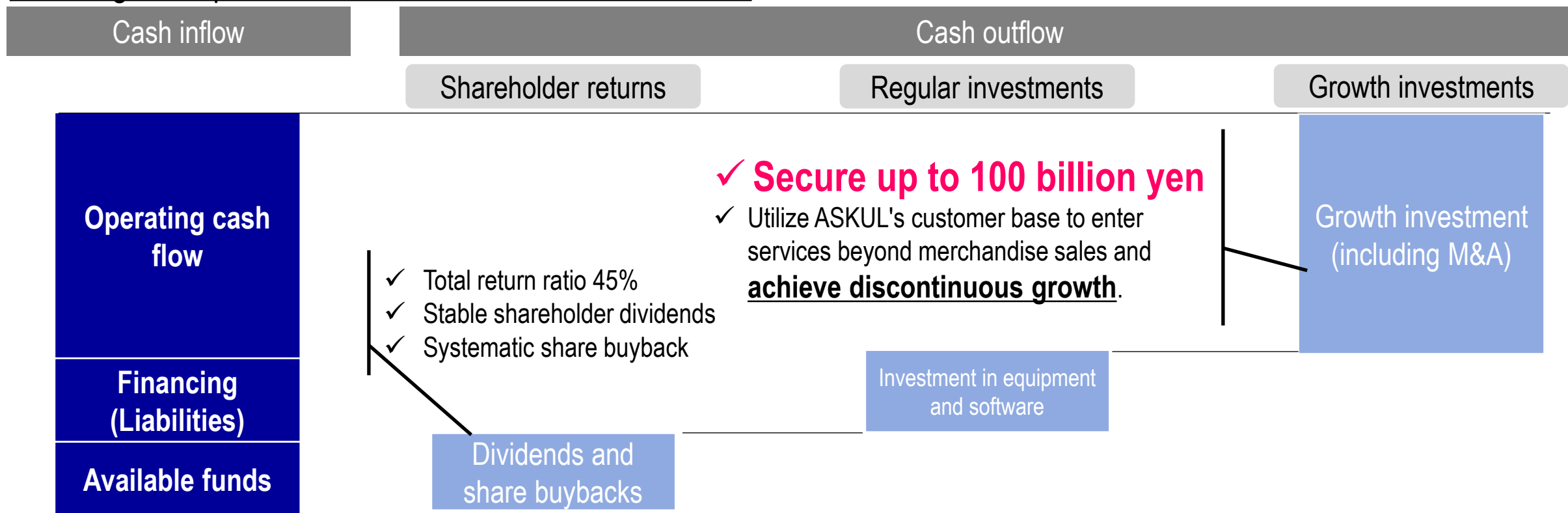
Shift in Financial Strategy Toward Discontinuous Growth



Financial Strategy Policy

The Group will continue to maintain and improve a sound financial structure* to support further growth investments (including discontinuous growth investments such as M&A), while at the same time enhancing shareholder returns and improving capital efficiency.

The image of capital allocation from FY5/2025 to FY5/2028



*Click [here](#) for details of the guidelines for financial discipline that supports maintenance and improvement of a sound financial structure.

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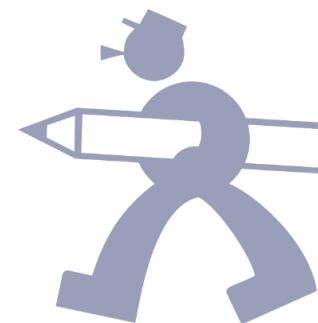
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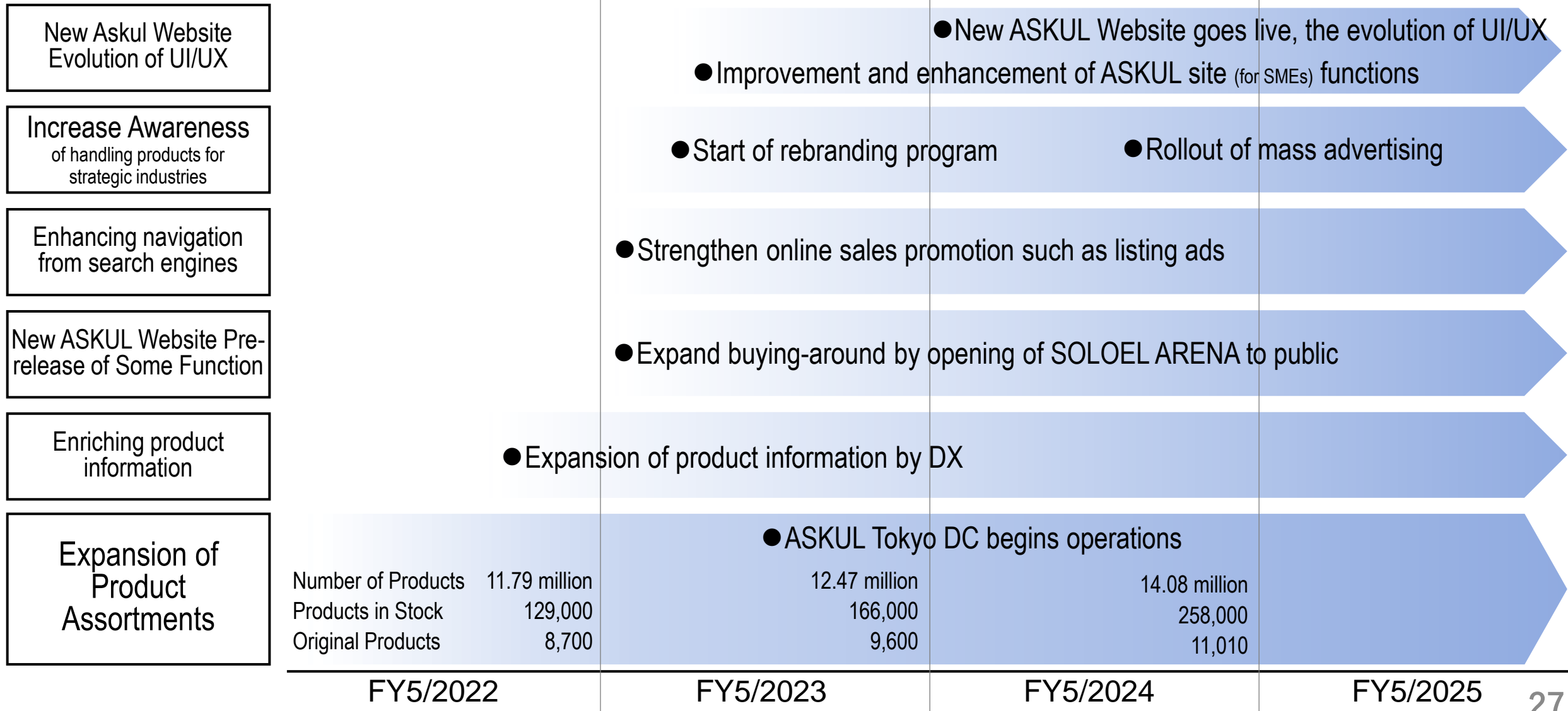
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VII Appendix





Achieve double-digit growth in the final year through synergistic effects of measures



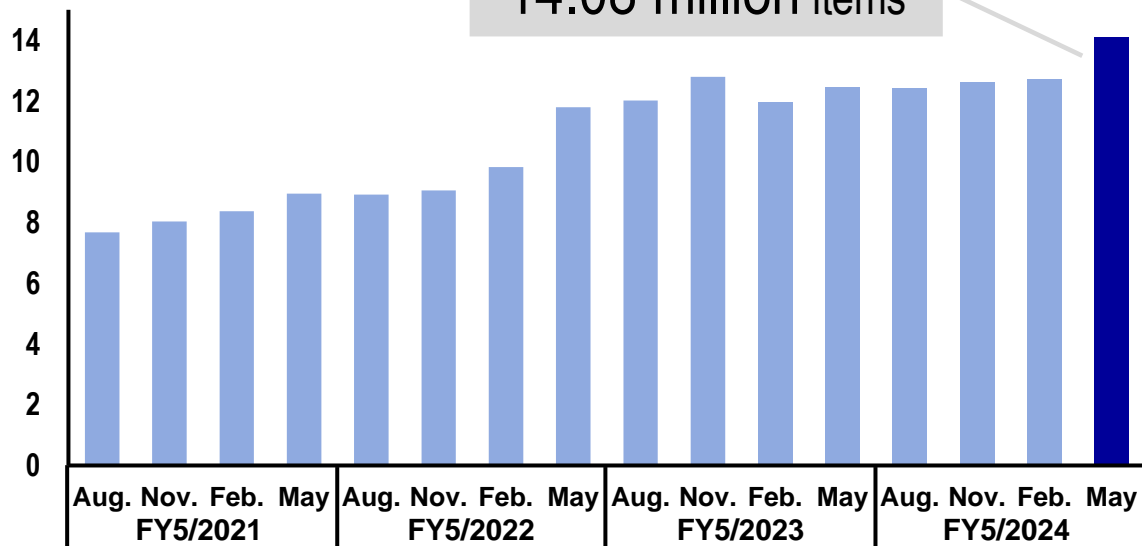


Products Handled

✓ Q4 period: increased 1,349,000 items over 890,000 new items introduced

Resumed sales of products that had been suspended due to supply disruptions, etc.
Going forward, focus on improving utilization rates of newly introduced products

(million items)

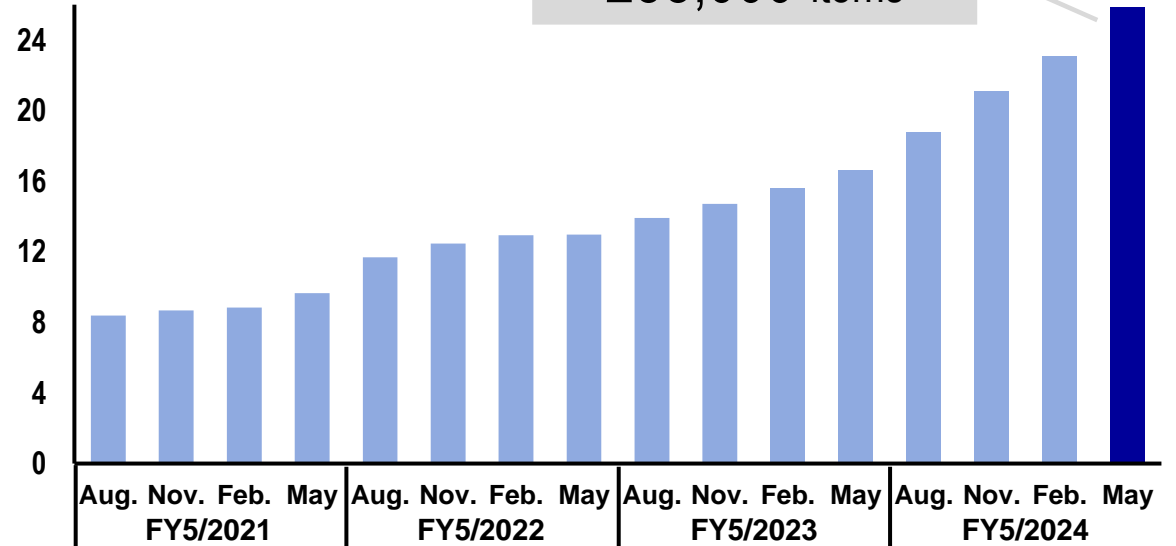


In-Stock Products

✓ Q4 period: increased 27,000 items increased in almost all categories

Achieved full-year target of 240,000 items
Aiming for further expansion of products available for next-day delivery

(10 thousands of items)

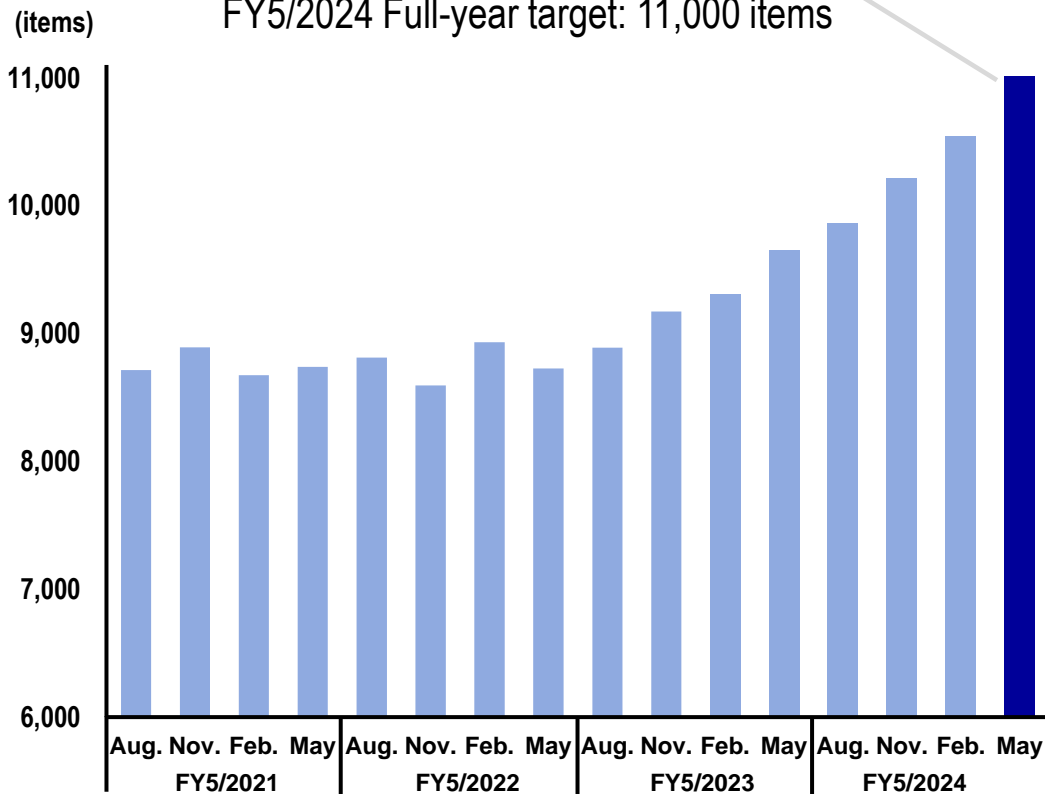




Number of Items

11,010 items

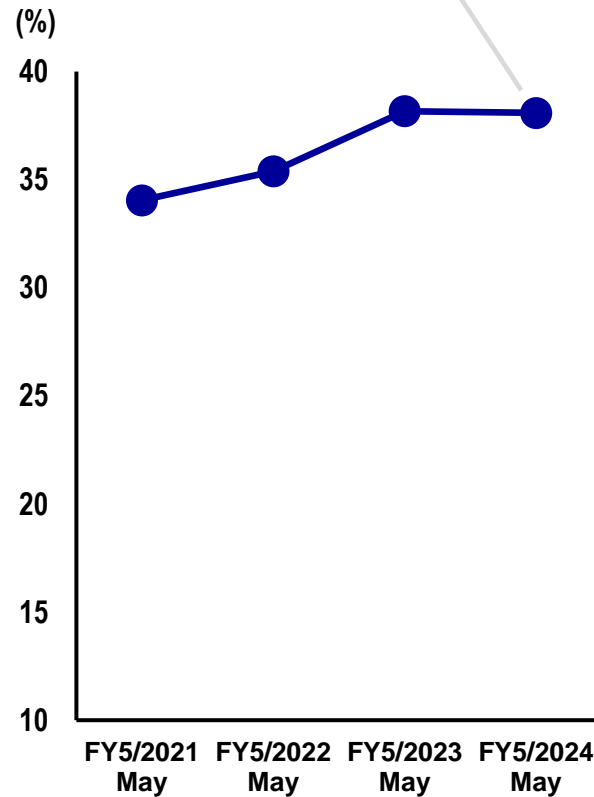
FY5/2024 Full-year target: 11,000 items



Composition to Net Sales

(Sales of B-to-B in-stock products)

38.1%



Aiming to expand sales composition ratio

Note: Original products includes products exclusive to ASKUL
Excluding original products exclusive to LOHACO



The impact of the reactionary decline in the Medical category has mostly run its course by Q4

| (¥billion) | FY5/2021 | | FY5/2022 | | FY5/2023 | | FY5/2024 | | | | | | | | | | | | | |
|-----------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|--------------|--------------|---------------------|--------------|--------------|-------|-------|-------|
| | Full-year | | Full-year | | Full-year | | Q1 | | Q2 | | Q3 | | Q4 | | | Full-year | | | | |
| | Composition ratio % | Composition ratio % | Composition ratio % | Composition ratio % | Composition ratio % | Composition ratio % | Composition ratio % | Composition ratio % | Composition ratio % | Composition ratio % | Composition ratio % | Composition ratio % | YoY change % | YoY change % | Composition ratio % | YoY change % | YoY change % | | | |
| OA & PC | 94.1 | 29.8 | 94.0 | 29.6 | 98.4 | 29.2 | 24.1 | 28.6 | 26.2 | 29.3 | 26.2 | 29.9 | 26.4 | 29.1 | 0.7 | +2.8 | 103.2 | 29.2 | 4.7 | +4.9 |
| Stationery | 41.4 | 13.1 | 40.8 | 12.9 | 42.1 | 12.5 | 9.8 | 11.7 | 10.9 | 12.2 | 11.2 | 12.8 | 13.1 | 14.5 | 1.3 | +11.5 | 45.3 | 12.8 | 3.2 | +7.7 |
| Living Supplies | 80.2 | 25.4 | 86.6 | 27.3 | 99.6 | 29.6 | 27.6 | 32.7 | 27.6 | 30.8 | 25.9 | 29.5 | 26.0 | 28.6 | 1.0 | +4.3 | 107.3 | 30.4 | 7.6 | +7.7 |
| Furniture | 22.0 | 7.0 | 21.6 | 6.8 | 19.9 | 5.9 | 4.9 | 5.9 | 5.1 | 5.8 | 5.2 | 5.9 | 6.6 | 7.3 | 0.4 | +7.7 | 22.0 | 6.2 | 2.0 | +10.5 |
| MRO | 35.8 | 11.4 | 37.4 | 11.8 | 41.1 | 12.2 | 10.3 | 12.2 | 11.1 | 12.4 | 10.9 | 12.4 | 10.9 | 12.0 | 0.6 | +6.5 | 43.3 | 12.3 | 2.1 | +5.3 |
| Medical | 34.2 | 10.9 | 29.5 | 9.3 | 28.3 | 8.4 | 5.6 | 6.7 | 6.1 | 6.8 | 6.0 | 6.9 | 5.6 | 6.2 | (0.1) | -2.2 | 23.5 | 6.7 | (4.7) | -16.9 |
| Others | 7.3 | 2.3 | 7.0 | 2.2 | 7.1 | 2.1 | 1.8 | 2.2 | 2.4 | 2.7 | 2.2 | 2.5 | 2.0 | 2.2 | 0.2 | +11.4 | 8.5 | 2.4 | 1.4 | +19.8 |
| Total | 315.2 | 100.0 | 317.2 | 100.0 | 336.7 | 100.0 | 84.4 | 100.0 | 89.8 | 100.0 | 88.0 | 100.0 | 90.9 | 100.0 | 4.3 | +5.1 | 353.3 | 100.0 | 16.5 | +4.9 |

Notes: 1. Some products in the Living Supplies category have been reclassified to the Furniture category from the beginning of the fiscal year ended May 2024
 2. From February of the fiscal year ended May 2024, due to changes in the agent system, there has been a positive impact on the Stationery and Other categories, but there are also categories with negative impacts. Therefore, the overall impact on B-to-B sales revenue is minimal.



Increases the growth rate by improving the accuracy of each measure through data-driven approaches

Strengthening Product Capability

Enhancing Product Assortment and Original Products

- ✓ Marketing lab has also been launched in the the ASKUL business. Collaborating with suppliers to enhance product assortment through data utilization.
- ✓ Strengthening original products by establishing a dedicated product development department.

Contributing to sales growth from FY5/2026 and beyond

Merchandising DX

- ✓ Improving the speed of product adoption and pricing through data-driven decision-making.
- ✓ Conducting analysis, development, and testing for the implementation of measures in FY5/2025

[*Click here for details about Merchandising DX](#)

Enhancing User Interface (UI) and User Experience (UX)

Reviewing Customer Acquisition Methods and Measures to Improve Retention Rate

- ✓ Strengthening customer acquisition methods targeting customers who are likely become loyal customers through data utilization and implementing measures to retain customers after registration.



Improving Sales Promotion Accuracy

- ✓ Automating site exposure of enhanced product assortments and bargain items and optimizing the recommendation engine to propose desired products to customers.

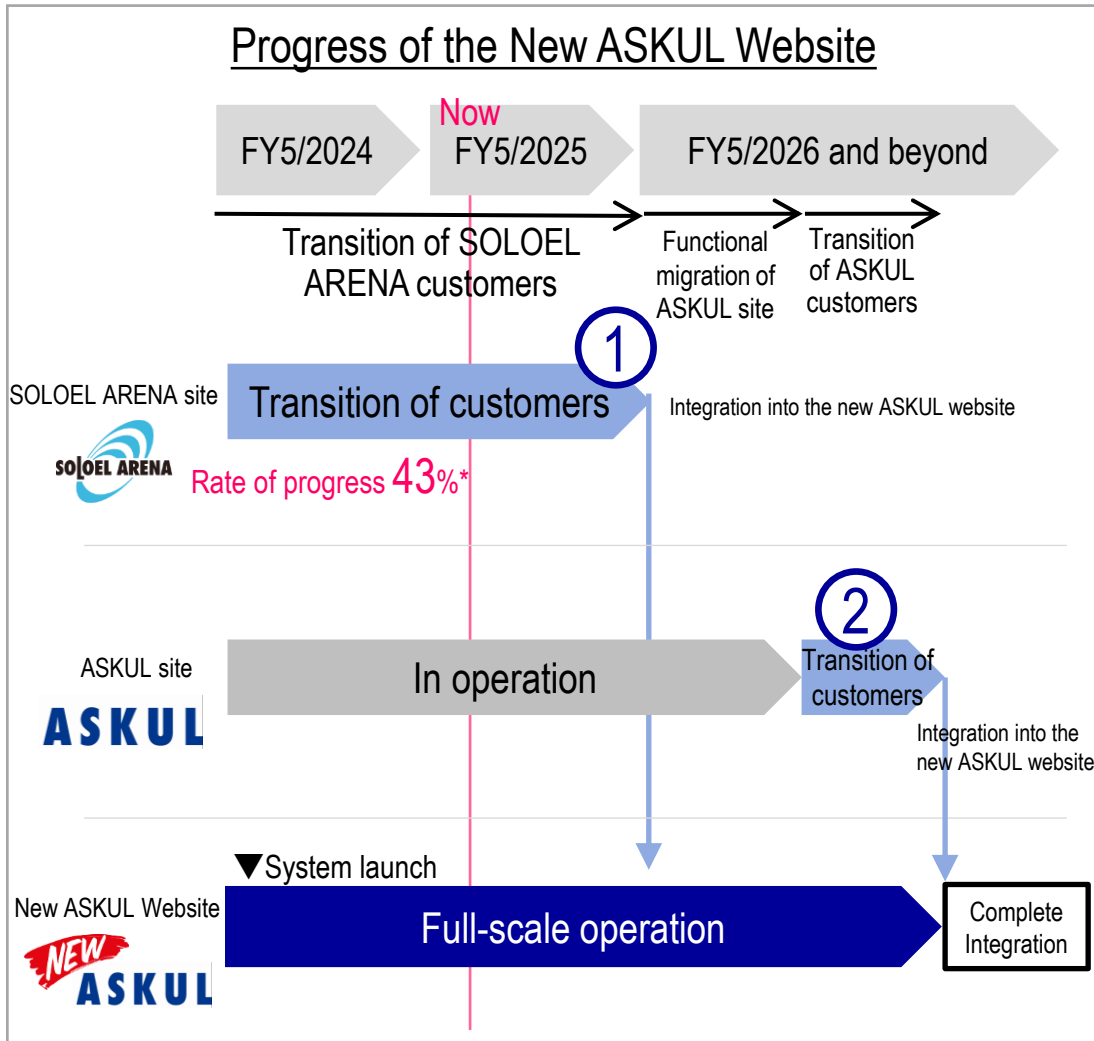


Evolving into an Easy-to-Navigate Site

- ✓ Enhancing the site's ease of use and purchasing experience through search algorithm optimization and functional improvements based on customer feedback.



The migration plan for the new ASKUL website has been revised to prioritize customer support after the transition.



Status of Customer Transition for SOLOEL ARENA (Left Chart ①)

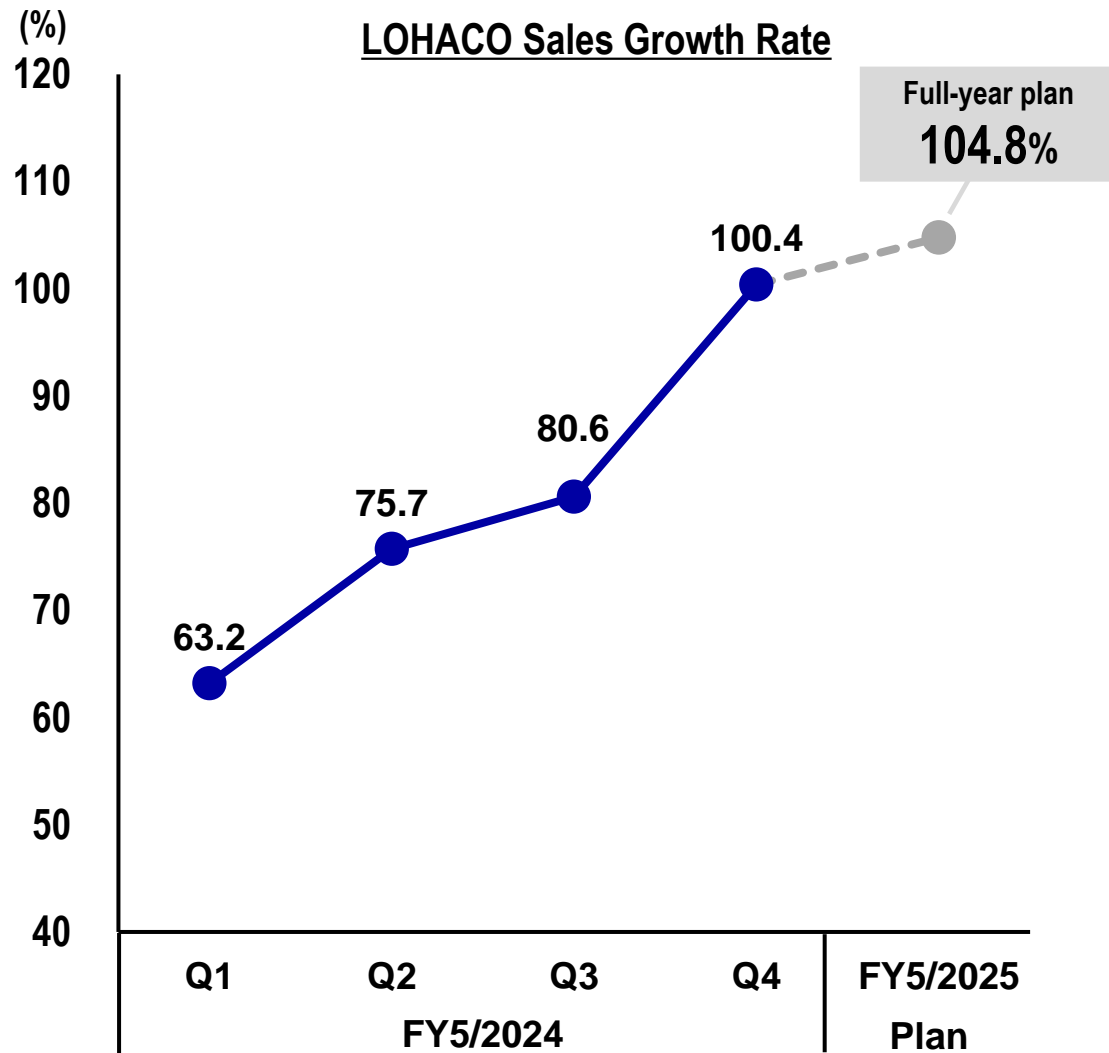
- ✓ Progress as of the end of the FY5/2024: Plan 70% ⇒ Actual 43%*
- ✓ Considering the increase in customer inquiries due to the increase in transition volume, the process is being carried out cautiously.
- ✓ The transition is scheduled to be completed during FY5/2025

Status of ASKUL Customer Transition and Site Integration (Left Chart ②)

- ✓ Will proceed sequentially once the transition of SOLOEL ARENA customers is complete.



Continue LOHACO's regrowth momentum, aiming for approx. 5% growth



Number of customers to be on a growth trend in FY5/2025

1. Enhancement of Product Lineup

- ✓ Expand the product lineup not only for consumables but also for household goods and daily necessities categories and strengthen original products.

2. Improvement and Evolution of UI and UX

- ✓ Enhance personalization, set more affordable prices and purchase units, improve packaging and delivery quality, and improve app performance, etc.

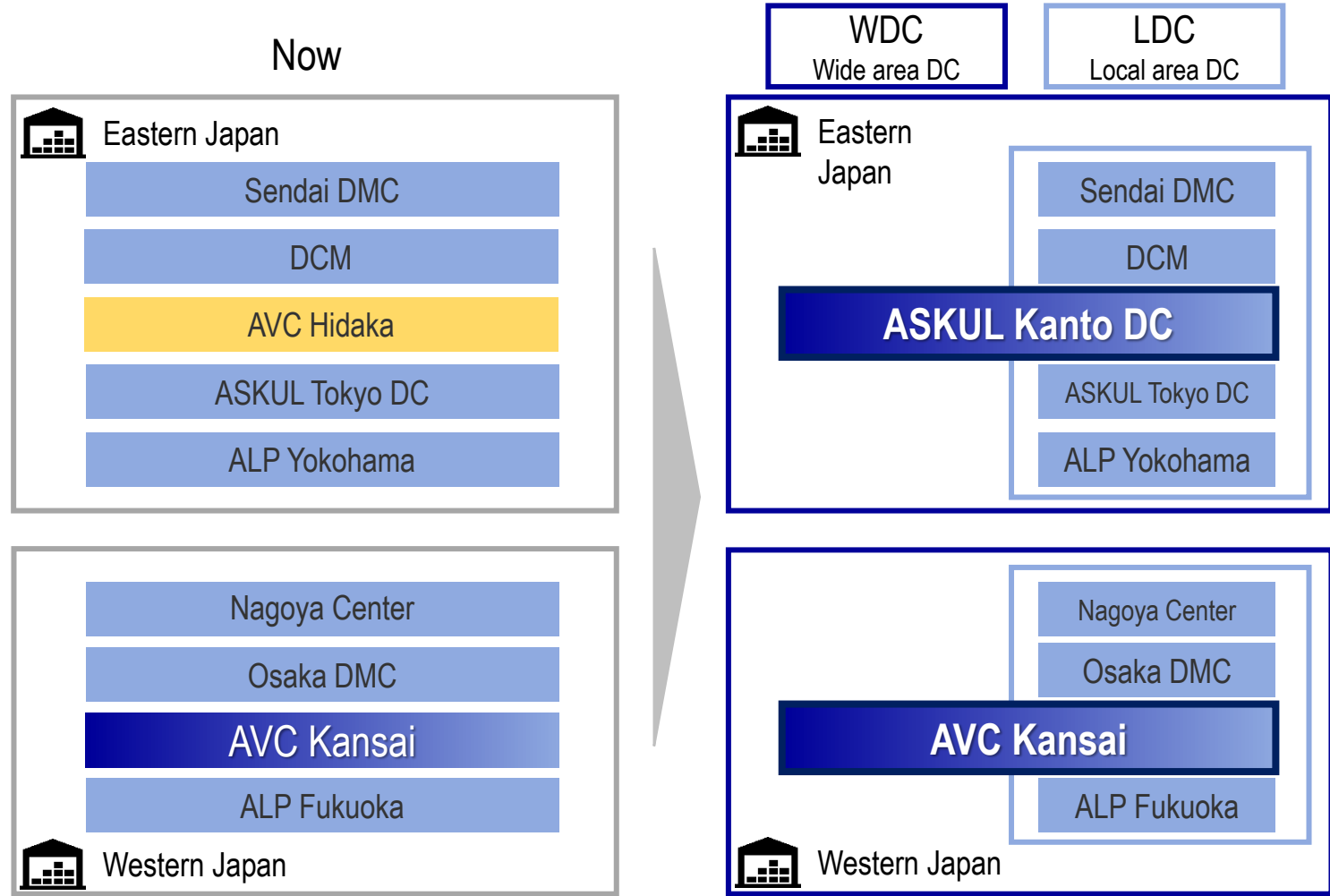
3. Collaboration in Sale Promotion with LYC

- ✓ Strengthen sales promotions for LYP premium members.

Medium-Term Distribution Center Strategy: WDC/LDC Concept



Transitioning to a base strategy that enables same-day delivery for products ordered with high-frequency (LDC) and next-day delivery for long-tail products (WDC).



- ✓ Increase unit sales price per box by delivering products ordered with high-frequency and long-tail products together
- ✓ Improving logistics quality and achieving structural low-cost operations through the integration of BC
- ✓ By establishing two mother centers (WDCs) in the east and west, transportation and delivery distances are shortened, improving delivery efficiency

Only B-to-B Business
 B-to-B and B-to-C business
 Only B-to-C business

WDC: Shipments for ASKUL, including long-tail products, and LOHACO
 LDC: Shipments for ASKUL (also handling same-day delivery)

AVC Kansai Facility Expansion



Completed the implementation of the new GTP^{*1} solution to expand long-tail products at AVC Kansai, a WDC in the western Japan area.
To achieve an increase of approximately 190,000^{*2} stock items



A hybrid logistics center that accommodates both fast-moving head products and long-tail products is now complete.

Notes: 1. GTP = Goods To Person. A robot that transports goods directly to the locations where workers are responsible for picking

2. Planned value according to the design



The installation of the material handling system has been started for the start of operation at the beginning of the fiscal year ending May 2026



FY5/2025

- ✓ Incurrence of ¥1.4 billion in vacant rent and approximately ¥300 million in one-time start-up costs

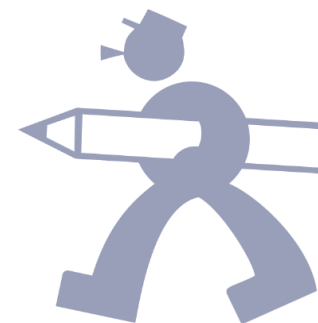
FY5/2026

- ✓ Depreciation of ¥1.7 billion per year begins
- ✓ Variable cost reduction effects due to the reorganization of existing centers and start of ASKUL Kanto DC operations

FY5/2027

- ✓ Maximization of variable cost reduction effects due to a decrease in rent costs from the completion of base reorganization and improved delivery efficiency from base consolidation.

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April 2024

Matakul 8L Wastebasket Made From Used Clear Plastic Folders is Now Available for Sale

- ✓ Matakul is an original series born from the "Resource-Recycling Platform" initiative, which recycles collected resources into new products.
- ✓ After receiving used clear plastic folders from businesses, they are sorted, recycled, and manufactured into new products.



May 2024

Initiating the "Tsumagoi Green Project" for Forest Maintenance in Tsumagoi Village

- ✓ Launched as part of forest conservation activities in Tsumagoi Village based on the "ASKUL, TSUMAGOI MEISUI, Tsumagoi Village Forest Maintenance Partnership Agreement" signed in August 2023.
- ✓ Conducted the first tree planting in the "ASKUL-TSUMAGOI MEISUI Forest" (Tsumagoi Village, Kambara).





April 2024

Launching the "ASKUL EC Marketing Lab" by Opening up B-to-B Big Data

- ✓ Starting in April 2024, in addition to B-to-C, B-to-B big data will also be made available to EC Marketing Lab participating companies.
- ✓ Through the activities of the laboratory, we aim to provide a data utilization platform that will connect customers and suppliers and work together to create sustainable value, with the aim of achieving a "sustainable hub".

May 2024

Selected for DX Stock 2024 for Two Consecutive Years

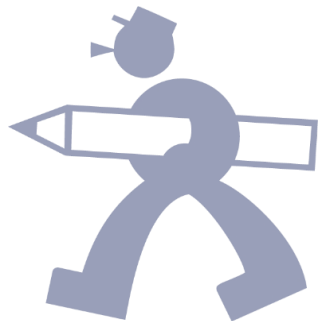
- ✓ Selected for its achievements in promoting the use of AI and robotics for DX across the entire value chain, as well as for its efforts to promote DX not only within its own company but also across the value chain and among partner companies.

*DX Stocks are selected from companies listed on the Tokyo Stock Exchange in each industry category that have established internal mechanisms for promoting DX that led to increased corporate value and have demonstrated outstanding achievements in the use of digital technology.



DX銘柄2024
Digital Transformation

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1. Analysis and Evaluation of The Current Situation

Although Return on Equity (ROE) declined during the initial phase of the LOHACO business due to expanding losses, it has since steadily improved through enhanced management efficiency and has remained around 15% in recent years. Price-to-Book Ratio (P/B Ratio) has remained around 3 times.

2. Future Initiatives

- ✓ In order to continue to maintain and improve a sound financial structure to support further growth investments such as M&A, while at the same time enhancing shareholder returns and improving capital efficiency, guidelines for financial discipline are set.
- ✓ Set a policy for capital allocation and establish a growth investment budget to achieve discontinuous growth
- ✓ Opinions, requests, and concerns obtained through dialogue with shareholders and investors are regularly reported and shared not only to management but also to all employees through internal webinars to further improve corporate value.

Current Recognition of Price-to-Book Ratio



- ✓ The Price-to-Book (P/B) ratio has been stably maintained at a level significantly above 1
- ✓ The ROE is around 15%, and the Price-to-Earnings (P/E) ratio is around 20

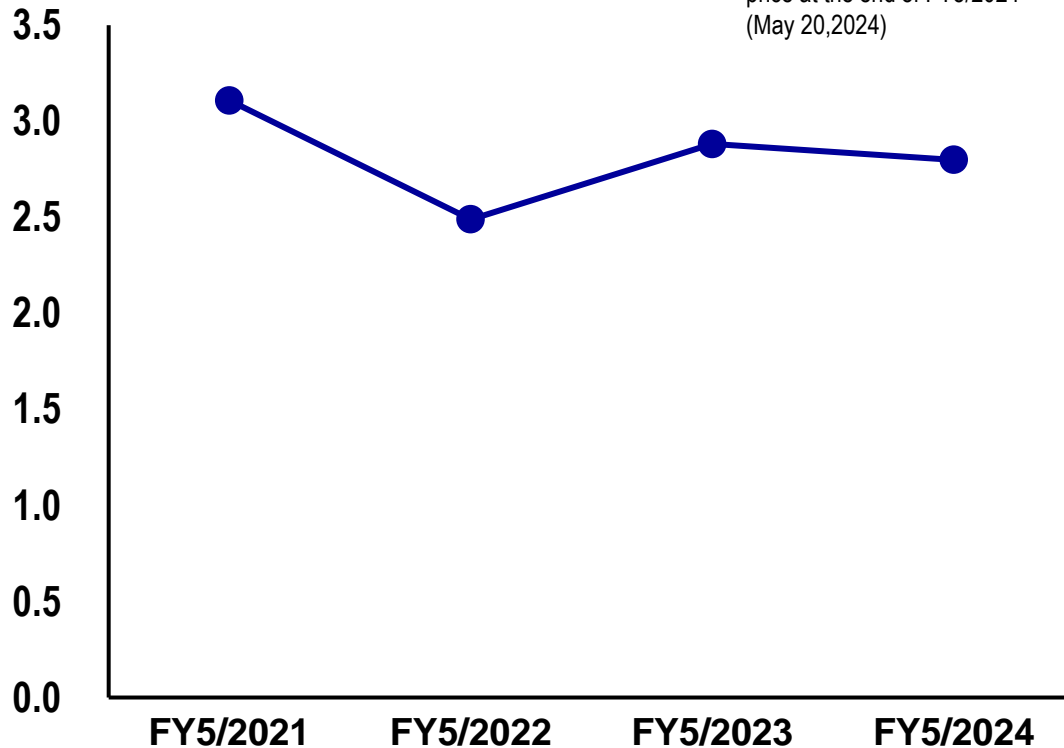
*FY5/2024 affected by one-time extraordinary income

Breakdown of P/B Ratio

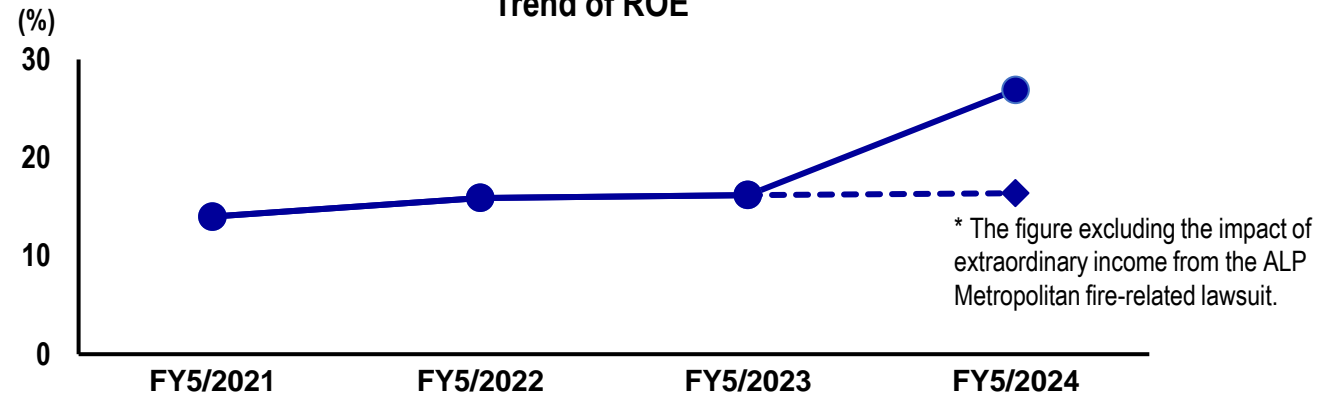
$$P/B \text{ Ratio} = ROE \times P/E \text{ Ratio}$$

Trend of P/B Ratio

*calculated using the share price at the end of FY5/2024 (May 20,2024)



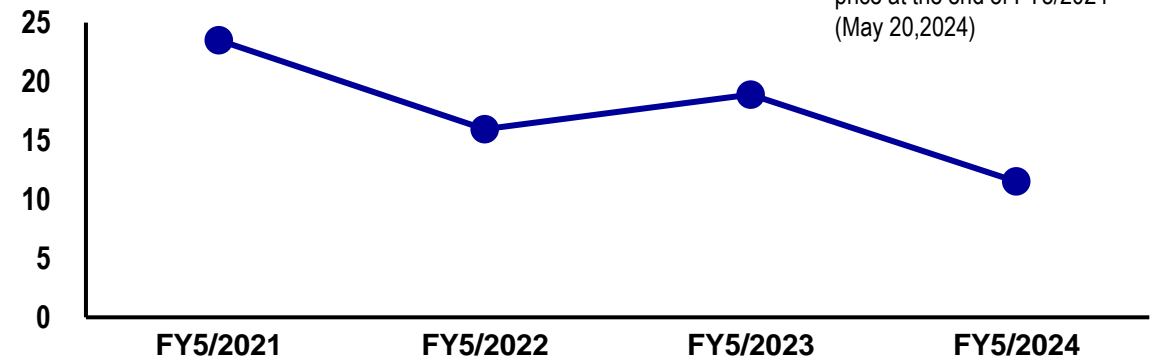
Trend of ROE



* The figure excluding the impact of extraordinary income from the ALP Metropolitan fire-related lawsuit.

Trend of P/E Ratio

*calculated using the share price at the end of FY5/2024 (May 20,2024)



Guidelines for Financial Discipline



Aiming to maximize corporate value, improve capital efficiency, and enhance shareholder returns by balancing growth investments (offensive) and financial discipline (defensive).

| Indicators and Guidelines for Financial Discipline (Premises of Capital Allocation) | | | FY5/2021 | FY5/2022 | FY5/2023 | FY5/2024 | Approach |
|--|----------------------------------|-------|----------|----------|----------|---------------------|---|
| Stability | Financial Leverage ^{*1} | 3.0 | 3.23 | 3.31 | 3.55 | 3.11 | Prioritize Maintaining a Sound Financial Structure |
| | D/E Ratio ^{*2} | 1.0 | 0.48 | 0.44 | 0.64 | 0.46 | Financial discipline during large-scale fundraising |
| Capital Efficiency | ROE ^{*3} | 20.0% | 14.0% | 15.9% | 16.2% | 26.9% ^{*5} | Aiming for the efficient use of shareholder equity <ul style="list-style-type: none"> ✓ Maintain financial leverage levels ✓ Control total assets, including inventory, at appropriate levels ✓ Further improve profitability |
| Shareholder Returns | Total Return Ratio ^{*4} | 45.0% | 32.3% | 122.1% | 33.9% | 27.4% ^{*6} | Ensure stable shareholder dividends and systematically acquire treasury stock |

Calculation Method

^{*1} Financial Leverage: Total Assets divided by Shareholders' Equity

^{*3} ROE: Net Profit divided by Average of equity at the beginning and end of the period

^{*5} Affected by the impact of extraordinary income from the ALP Metropolitan fire-related lawsuit.

^{*6} Calculated using the 1.7 billion yen that was acquired during FY5/2024 out of the acquisition of treasury stock that was resolved in March 2024 (with an upper limit of 4.5 billion).

^{*2} D/E Ratio: Interest-bearing liabilities divided by Shareholders' Equity

^{*4} Total Return Ratio: (Total dividends paid + total acquisition cost of treasury stock up to the end of the fiscal year) divided by net profit

Dialogue with Shareholders and Investors

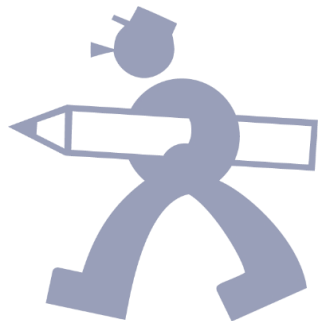
Consolidated



Based on the recognition that dialogue with shareholders and investors is important in aiming for sustainable growth, opinions, requests, and concerns obtained through dialogue with shareholders and investors are regularly reported and shared not only to management but also to all employees through internal webinars, in order to further improve corporate value.

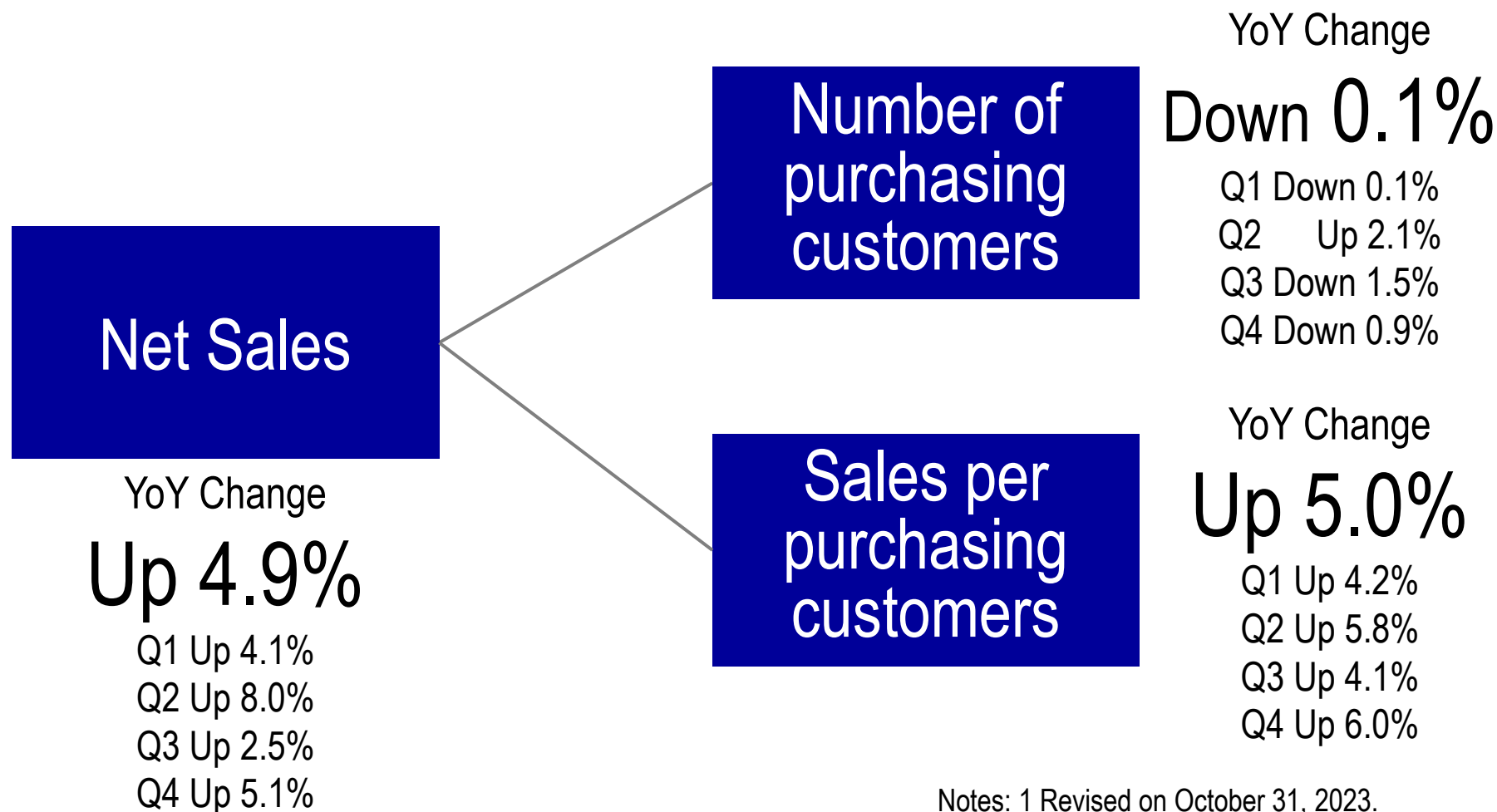
| Activity | FY5/2021 Results | FY5/2022 Results | FY5/2023 Results | FY5/2024 Results |
|--|------------------|------------------|------------------|------------------|
| Financial briefing for analysts and institutional investors | 4 | 4 | 4 | 4 |
| Small meetings for analysts and institutional investors | 12 | 12 | 13 | 12 |
| Individual meeting with analysts and institutional investors | 289 | 290 | 248 | 246 |
| Distribution center tour for analysts and institutional investors (including small-group tour) | 1 | 1 | 1 | 1 |
| Individual meetings with independent directors and analysts/institutional investors | — | — | — | 1 |

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The promotion of bulk purchase in line with the revision of the free shipping threshold*¹ led to an increase in sales per purchasing customers and a decrease in number of purchasing customers (the number of unique customers increased by 1.2% compared to the previous year)



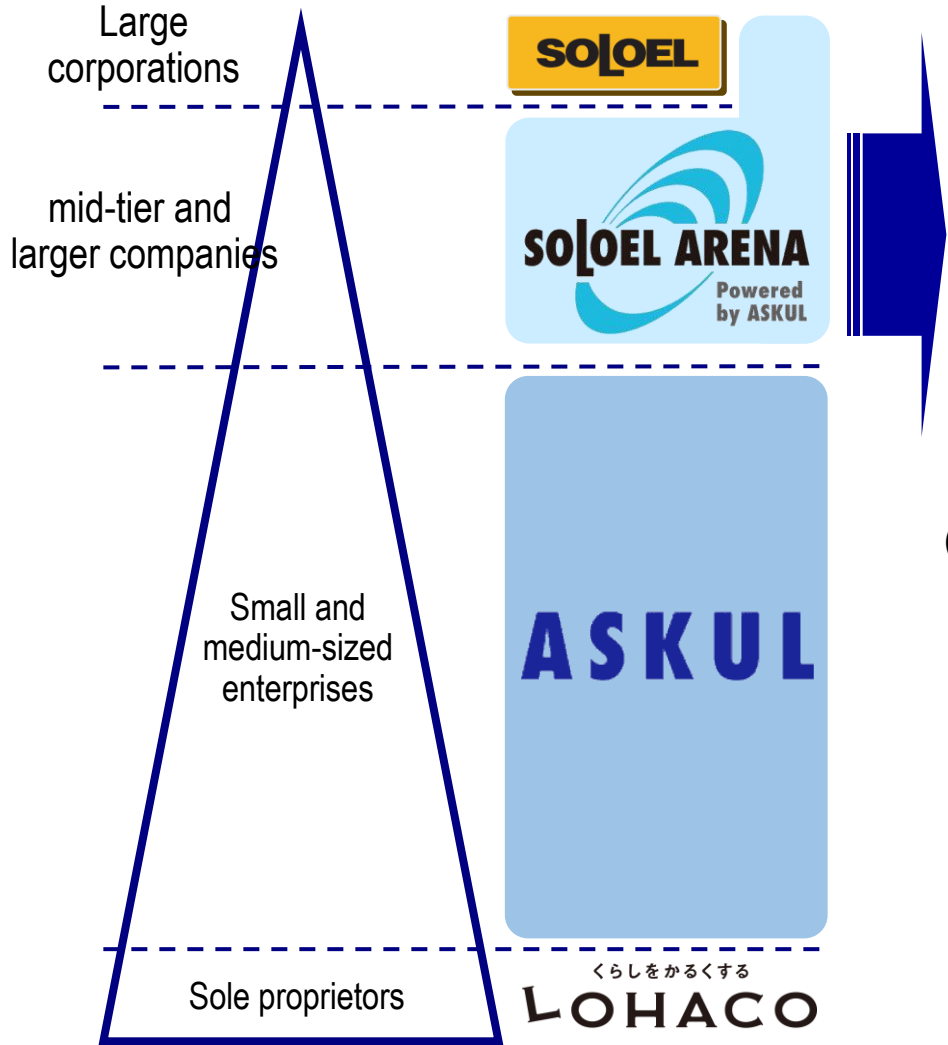
Notes: 1 Revised on October 31, 2023.

2 Above figures are not adjusted to number of business days. 46

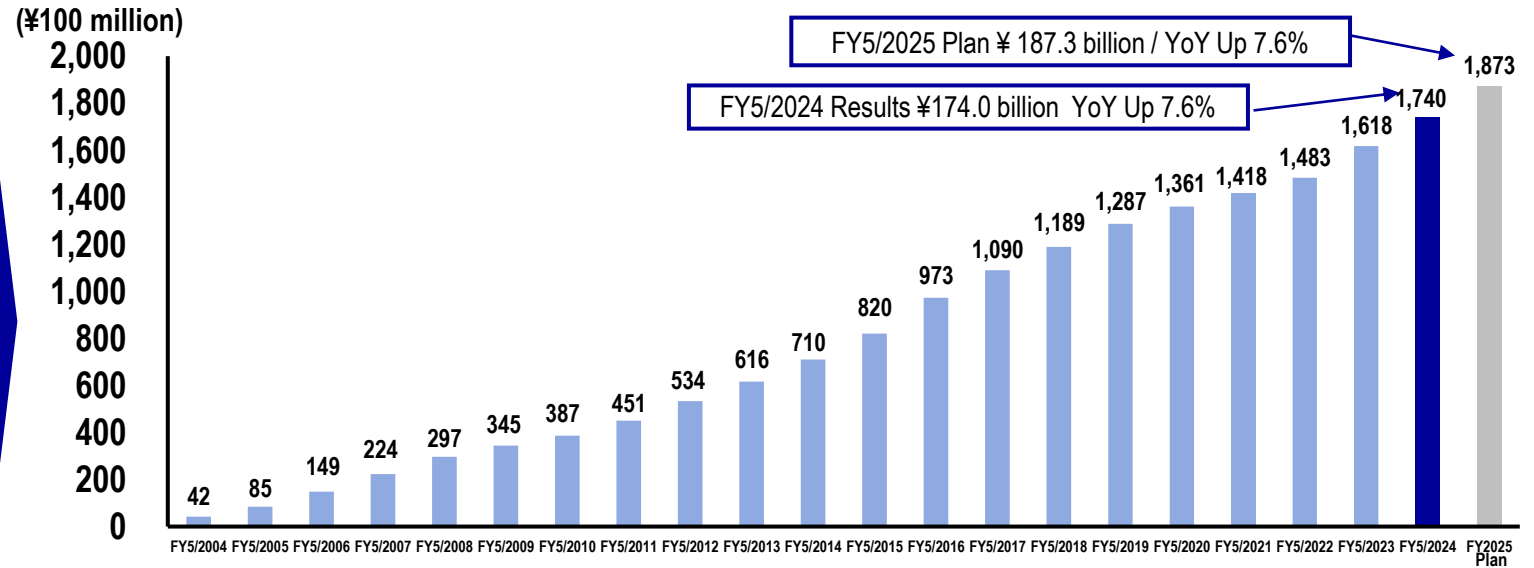
FY5/2024 Net Sales by Item Category



| (¥billion) | FY5/2023 Full-year | | | FY5/2024 Full-year | | | |
|-----------------|--------------------|---------------------|--------------|--------------------|---------------------|--------------|--------------|
| | | Composition ratio % | YoY change % | | Composition ratio % | YoY change | YoY change % |
| OA & PC | 100.1 | 26.1 | +4.2 | 104.8 | 26.9 | 4.7 | +4.7 |
| Stationery | 42.8 | 11.2 | +2.6 | 45.9 | 11.8 | 3.1 | +7.3 |
| Living Supplies | 139.4 | 36.4 | +4.6 | 138.4 | 35.5 | (1.0) | -0.7 |
| Furniture | 20.4 | 5.3 | -8.1 | 22.9 | 5.9 | 2.4 | +12.1 |
| MRO | 42.0 | 11.0 | +9.3 | 44.1 | 11.3 | 2.0 | +4.8 |
| Medical | 32.0 | 8.4 | -4.8 | 24.5 | 6.3 | (7.5) | -23.4 |
| Others | 6.0 | 1.6 | -1.6 | 8.7 | 2.2 | 2.7 | +45.1 |
| Total | 383.0 | 100.0 | +3.1 | 389.6 | 100.0 | 6.5 | +1.7 |

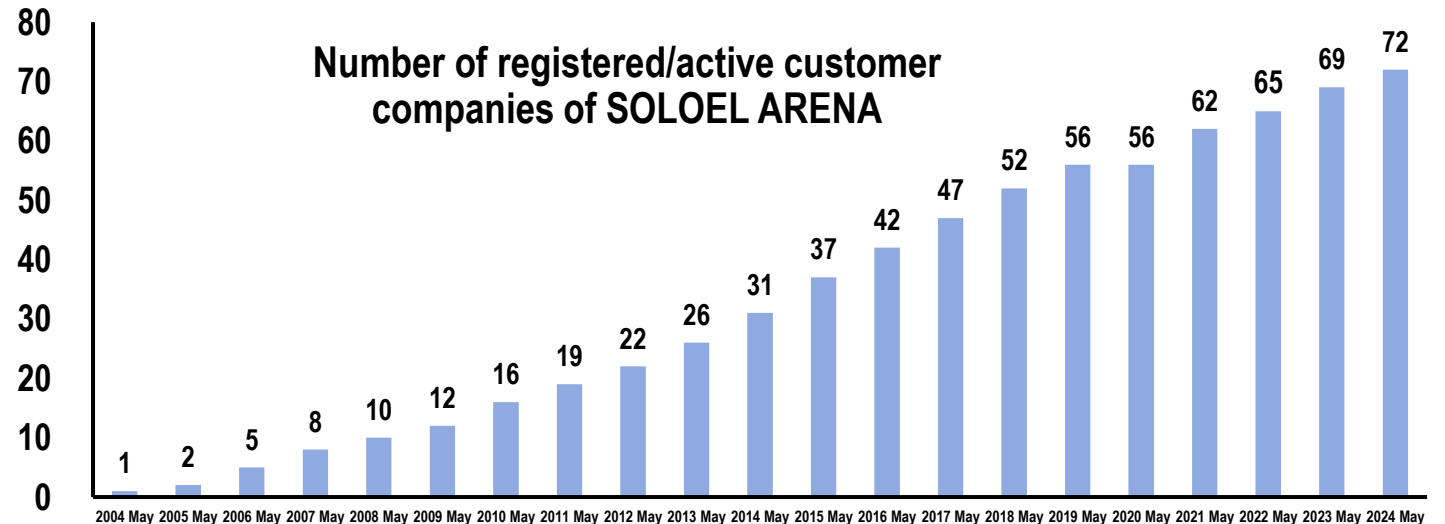


Net sales value for SOLOEL ARENA and others



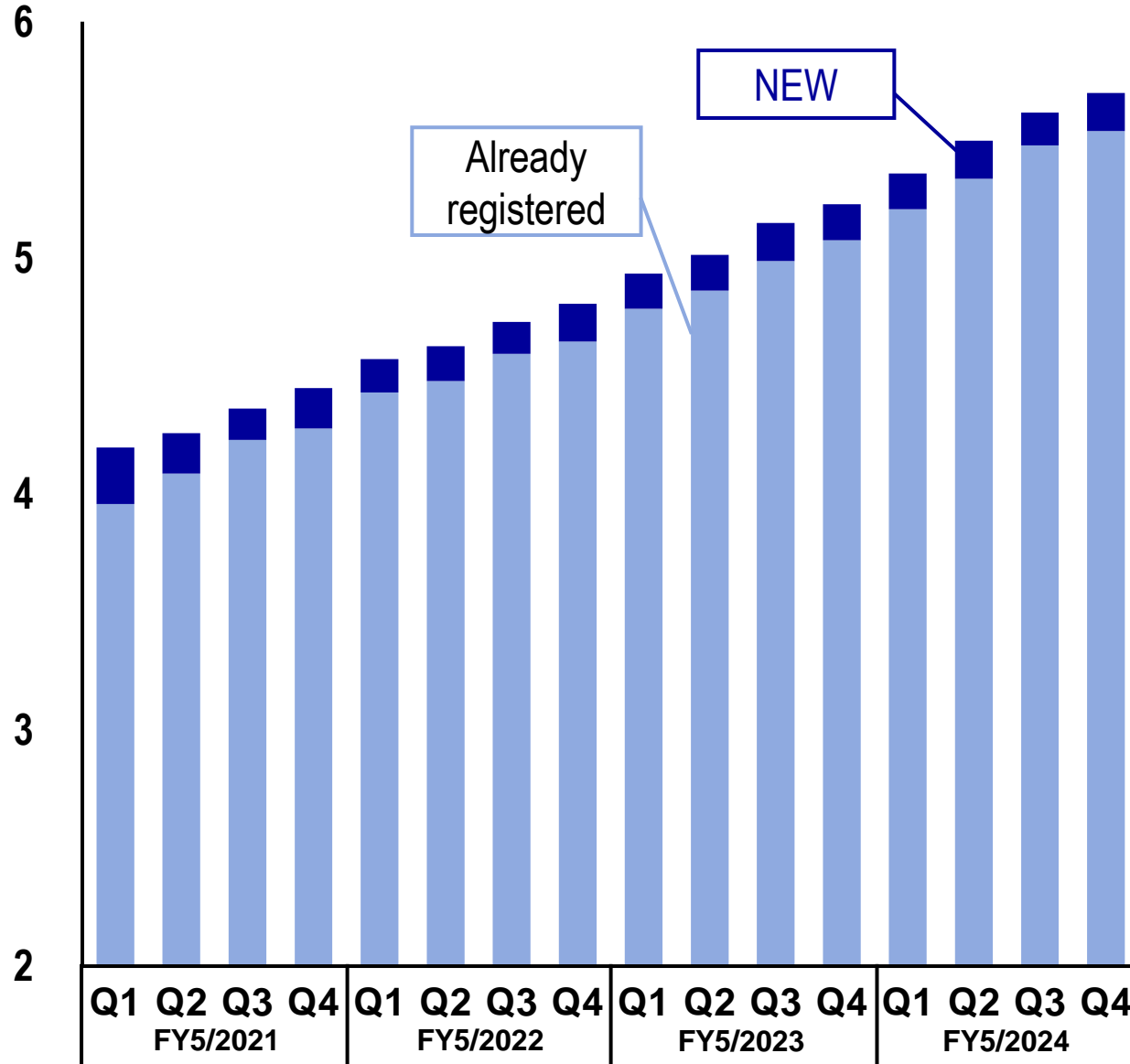
(1,000 companies)

Number of registered/active customer companies of SOLOEL ARENA





(millions)

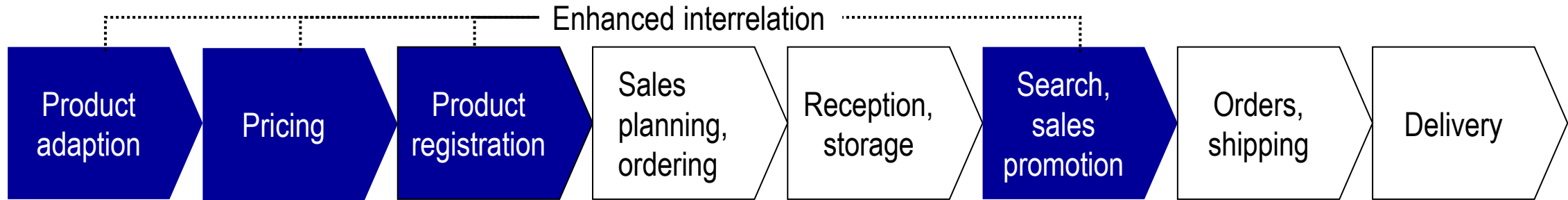


Customer base keeps expanding

Note: "New" means the number of customers who registered in each quarter.
 "Already registered" is the number of customers calculated by excluding new customers from the total number of customers from whom ASKUL, SOLOEL ARENA, etc., can receive orders as of the end of each quarter.



Strongly promote merchandising digital transformation (DX)



Expanding the scope of data and AI applications will enable;

- ✓ prompt adoption of products in line with customers' needs
- ✓ flexible automatic pricing according to market conditions
- ✓ enhance product information that contributes to SEO and conversions
- ✓ optimization of search algorithm

Achieve sales growth by improving utilization ratio of newly introduced products

(Furthermore, focus on strengthening product development capabilities and cost reductions with the resources created by DX)

FY5/2024 Gross Profit and SG&A Expenses

Consolidated



Gross profit: ¥ 117.5 billion YoY change: Up ¥ 10.4 billion

Gross profit margin: 24.9% YoY change: Up 0.9 points

✓ Due to flexible price revisions and recovery of foreign exchange position, etc.

SG&A expenses: ¥ 100.5 billion YoY change: Up ¥ 8.1 billion

Ratio of SG&A expenses to net sales 21.3%: YoY change: Up 0.6 points

Details of Selling, General and Administrative Expense (as shown in Financial Statements)

| Item | FY5/2023 | | FY5/2024 | | YoY Change (%) |
|--|----------------------|--------------------|----------------------|--------------------|----------------|
| | Amount (million yen) | Ratio to Sales (%) | Amount (million yen) | Ratio to Sales (%) | |
| Personnel expenses | 22,712 | 5.1 | 25,381 | 5.4 | 111.7 |
| Shipment expenses | 21,843 | 4.9 | 21,611 | 4.6 | 98.9 |
| Subcontract expenses | 4,748 | 1.1 | 5,065 | 1.1 | 106.7 |
| Business consignment expenses | 11,696 | 2.6 | 11,223 | 2.4 | 96.0 |
| Rents | 10,835 | 2.4 | 11,132 | 2.4 | 102.7 |
| Provision of allowance for doubtful accounts | 16 | 0.0 | (27) | (0.0) | — |
| Depreciation | 3,451 | 0.8 | 3,960 | 0.8 | 114.8 |
| Amortization of software | 2,739 | 0.6 | 4,891 | 1.0 | 178.6 |
| Other expenses | 14,375 | 3.2 | 17,310 | 3.6 | 120.4 |
| Total | 92,420 | 20.7 | 100,549 | 21.3 | 108.8 |



Capital expenditures ¥13.4 billion(Annual plan: ¥11.6 billion)

Related to ASKUL Kanto DC ¥5.6 billion

Related to AVC Kansai Facility Enhancement ¥2.0 billion

(Reference) Depreciation and amortization of software: ¥8.8 billion (Annual plan: ¥9.3 billion)

Investment details

(¥ million)

| Item | FY5/2023 | FY5/2024 | |
|-----------------------------------|----------|----------|------------|
| | Amount | Amount | YoY Change |
| [Capital expenditures] | 14,634 | 13,485 | -7.8% |
| Property, plant and equipment | 7,066 | 8,629 | 22.1% |
| Intangible assets | 7,567 | 4,856 | -35.8% |
| Construction in progress (Note 2) | 825 | 6,965 | 743.6% |
| Software in progress (Note 2) | 11,037 | 2,340 | -78.8% |

Notes: 1. Capital expenditure is stated on an accrual basis.

2. Construction in progress and software in progress above present balances at the end of the quarter under review, and partially include consumption and other taxes.



Capital expenditures ¥ 18.0 billion (YoY change: Up ¥ 4.6 billion)

<Major breakdown>

| | |
|-------------------------|---------------|
| ASKUL Kanto DC | ¥ 9.7 billion |
| Core System Replacement | ¥ 2.6 billion |

(Reference) Depreciation and amortization of software ¥ 9.4 billion (YoY change: Up ¥ 0.5 billion)



Ratio of Internet Orders to Net Sales

| | FY5/2023 | FY5/2024 | YoY Change |
|-------------------------|----------|----------|------------|
| Orders via the Internet | 88.9% | 89.2% | +0.3pt |
| Other | 11.1% | 10.8% | -0.3pt |

Note: Percentages are based on orders placed.

ASKUL Original Products

| | May of FY5/2023 | May of FY5/2024 | YoY Change |
|--|------------------|------------------|--------------------|
| Number of original products | 14,139 items | 17,067 items | +2,928 items |
| Non-consolidated net sales composition (of which, B-to-B business) | 32.3% (38.2%) | 32.3% (38.1%) | -0.0pt (-0.1pt) |

Notes: 1. The number of original products includes those with sales limited to ASKUL.

Also, the calculation includes not only those items sold via catalogs but also items sold only via the Internet.

2: The calculation of original products as a percentage of net sales includes original copy paper.

3. From 4Q FY5/2018 onward, the calculation of B-to-B original products as a percentage of net sales uses B-to-B business inventory sales as the denominator.



| | Q1 | | Q2 | | First half | | Q3 | | Q4 | | Second half | | Full-year | |
|-----------------|----------|-----------|----------|-----------|------------|-----------|----------|-----------|----------|-----------|-------------|-----------|-----------|-----------|
| | Weekdays | Saturdays | Weekdays | Saturdays | Weekdays | Saturdays | Weekdays | Saturdays | Weekdays | Saturdays | Weekdays | Saturdays | Weekdays | Saturdays |
| FY5/2025 | 64 | 13 | 62 | 13 | 126 | 26 | 58 | 15 | 58 | 12 | 116 | 27 | 242 | 53 |
| FY5/2024 | 63 | 13 | 63 | 12 | 126 | 25 | 59 | 15 | 59 | 12 | 118 | 27 | 244 | 52 |
| Difference | +1 | 0 | -1 | +1 | 0 | +1 | -1 | 0 | -1 | 0 | -2 | 0 | -2 | +1 |

ASKUL Environmental Policy

We, the ASKUL Group, are committed to passing on a better global environment to future generations through our business activities as a company that continuously brings delight to our workplace, life, the planet and tomorrow.

Realizing a Carbon-Neutral Society

- **2050 Net Zero**
Achieve net zero CO₂ emissions across the entire supply chain by 2050
- **“2030 CO₂ Zero Challenge”**
Reduce CO₂ that is emitted by business sites and distribution down to zero by 2030
- **“RE100”**
Raise a group-wide renewable energy utilization ratio to 100% by 2030
Realized 68% as of May 2024
- **“EV100”**
Replace delivery vehicles owned and used by ASKUL LOGIST 100% with electric vehicles by 2030
As of May 2024, a total of 20 EVs are in operation.
- **Reducing CO₂ Emissions throughout the Supply Chain**
Started with calculation of ASKUL original products using a tool for visualizing CO₂ emissions in the supply chain
Working towards achieving SBT Supplier Engagement



Building a Resource-Recycling Platform

- **Reduce disposal of returned products**
Reduce returned products that lead to their disposal
Remake returned products into salable products
Sell returned products as “imperfect ones” at a discount
- **ASKUL Resource Recycling Platform**
ASKUL Resource Recycling Platform is established and begins operation after Ministry of the Environment’s demonstration project. Promoting initiatives that do not throw away resources in cooperation with all entities in the value chain.
In April 2024, 2 wastebasket items made from used clear plastic folders were released as Matakul, an original product series.
- **Recycled paper bags “Come bag”**
An FSC® certified* product made with approx. 15% recycled pulp from ASKUL catalogs as the base paper for the paper bag itself



* The FSC® certification system certifies “responsible management of the world’s forests”
Using FSC® certified products leads to forest conservation.

Conserving Biodiversity

- **“1 box for 2 trees”**
Confirm planting of two eucalyptus trees, double the amount of raw materials, by purchasing one box of original copy paper
- **Forest Maintenance Partnership Agreement with Tsumagoi Village**
In August 2023, ASKUL, TSUMAGOI MEISUI, and Tsumagoi Village signed a Forest Maintenance Partnership Agreement for the purpose of jointly implementing activities to conserve Tsumagoi Village’s forest resources.
Started local tree-planting in May 2024



Development and procurement of environment-friendly products

- **ASKUL Product Environmental Standard**
Began to publish on product pages an independent score for the environmental friendliness level of each products.
Promoting development of environmentally friendly products while working together with manufacturers and suppliers to improve scores.

Initiatives for Sustainability (Environment)

- 2024 Participated in “TNFD Forum”
Obtained “Net Zero Certification” from SBT
- 2023 Participated in “GX League”
Selected as a “Climate Change A List” company by CDP
- 2022 Selected as a “Climate Change A- List” company by CDP
- 2021 Selected as a “Climate Change A List” company by CDP
- 2020 Selected as a “Climate Change A List” company by CDP
- 2019 Announced support for “TCFD recommendations”
Selected as a “Climate Change A List” company by CDP
- 2018 Obtained “Eco-First company” and “SBT” Certification
- 2017 Joined RE100 and EV100
- 2016 Signed up for the “United Nations Global Compact”
Announced the “2030 CO₂ Zero Challenge”
- 2013 Formulated Medium-Term Environmental Targets
- 2003 Formulated ASKUL Environmental Policy



TNFD is an international initiative that establishes a framework for companies and financial institutions to appropriately assess and disclose risks and opportunities related to natural capital and biodiversity.



The GX League calls on enterprises to actively work for GX; to strive for GX through cooperation in government, academia, and business; and to serve as a forum for discussing the transformation of the entire economic and social system and creating new markets accordingly.



Companies included in “Climate Change A list” are ones selected as the highest rated by the international non-profit environmental organization Carbon Disclosure Project, CDP. If companies are taking excellent actions in response to climate change and disclosure of their information, they will be included in the list



“TCFD recommendations” are international propositions, compiled by the Task Force on Climate-related Financial Disclosures (“TCFD”), concerning how corporations should voluntarily disclose information for the purpose of identifying and disclosing the financial impacts of risks and opportunities caused by climate change



“SBT: Science Based Targets” are corporate targets to reduce greenhouse gas. The “Science Based Targets” organization, an international initiative, will approve them as targets that aim at scientifically based levels to achieve the “2°C target Efforts to keep the temperature well below 2°C and bring it below 1.5°C)” set out in the Paris Climate Accord



The “Eco-First Company” is a company recognized by the Minister of the Environment as a company that engages in “advanced, unique and industry-leading business activities” for environmental conservation, such as global warming countermeasures and waste and recycling measures



United Nations Global Compact (UNGC) is a voluntary initiative by which companies and organizations act as good members of society and participate in the creation of a global framework that realizes sustainable growth by demonstrating responsible and creative leadership



“RE100” is an international business initiative, participated by companies that publicly aim to operate their business with 100% renewable energy



“EV100” is an international business initiative, participated by companies that publicly aim to replace all their business-purpose vehicles with electric vehicles

Initiatives for Sustainability (Society)

Together with colleagues

- Diversity-oriented management
ASKUL's Declaration of Diversity (2015)
 - Utilize diverse human resources
 - Promote female active participation and enhance the ratio of female managers
 - Declared a target of raising the ratio of female managers to 30% by 2025
 - Participated in 30% Club Japan
 - Participated in Male Leaders Coalition for Empowerment of Women
 - Promote diverse work styles
 - Systems for leave and shorter working hours for childcare
 - Systems for leave and shorter working hours for nursing care
 - Teleworking system: Abolished the limit on the number of times per month for teleworking
 - Flextime system: Eliminated the core time
 - Learning support system to assist proactive learning
 - Secondary work system
 - Club activity system



- ASKUL LOGIST: Provide free lunches
 - Promotion of health-oriented management by providing free lunches to employees working in logistics, delivery, and headquarters so that they can work in good physical and mental health
- ASKUL LOGIST Fukuoka Distribution Center's efforts to employ persons with disabilities in cooperation with local communities
 - Legal employment rate at **32.9%***
(Legal employment rate of private companies is 2.3%)
 - *Legal employment ratio calculated in units of business sites as of May 20, 2024

Together with customers

- Cultivating Corporate Culture and Awareness
 - Share customer feedback
 - Distribute internally opinions, requests, and suggestions received from customers to all employees.
 - VOC (voice of customer) Seminar
 - Regularly hold seminars inviting lecturers from other companies to learn improvement activities based on customer feedback.
 - Meeting to listen to customers' feedback
 - Create opportunities to think and act from the customer's perspective by listening to audio recordings of customer service.
- Improvement Activities Based on Customer Feedback
 - Administration of "Customer Satisfaction Improvement Committee"
 - Based on feedback from customers, related divisions cooperate in implementing service evolution and quality improvement activities.
 - Quality KPI Improvement Activities
 - PDCA cycle is implemented for the purpose of "enhancing customer satisfaction by improving the quality of products and services." Customer feedback is reported to and shared with management, and related department heads, and discussions and improvements are made regarding the evolution of products and services.
- Customer Satisfaction Management Systems
 - Declared Conformity to ISO10002
 - Declared conformity to ISO 10002, the international standard for customer satisfaction management systems.

Initiatives with business partners

- Declaration of support and voluntary action for the "White Logistics" promotion campaign
 - A movement to resolve the shortage of truck drivers and work to realize a more employee friendly working environment in which productivity in truck transportation is improved, efficiency in logistics is raised, and certain groups of drivers, such as women and people over the age of 60, will find it easy to work
- Sustainable Procurement Policy
 - Formulated in April 2021. The policy considers the environment, safety, human rights, and other issues aimed at striking a balance between the fulfillment of social responsibilities and sustainable development throughout the supply chain to ensure the sustainable provision of safe and reliable products to customers.
- Supply Chain CSR Survey / Audits
 - Based on Sustainable Procurement Policy, from July to October 2021, conducted a survey regarding the status of efforts of suppliers concerning the six areas: environment; worry-free and safe products; legal compliance and fair trade; human rights; the working environment; and response to risks and changes. In addition, CSR audits of factories of private brand manufacturer begun in April 2022.

Social contribution activities

- Supporting East Japan Reconstruction through Impact Investment and Donations
 - The Group supports projects in three prefectures in the Tohoku region that are intended to solve social problems and revitalize local communities. It does so with the aim of offering cyclical support through donations and impact investing in cooperation with manufacturers. The fifth recipient of the support is local wine brewery Buen Most Co., Ltd, promoting local community, in Shichigahama, Miyagi Prefecture.
- Project for looking into air and water environments
 - In a joint project with S.T. Corporation, the ASKUL Group donates part of the sales of "S.T. Toilet Deodorant and Deodorant Spray," exclusively sold by ASKUL, to associations that are engaged in improving air and water environments, thereby supporting their activities.
 - The second case will be donated to approved specified NPO, Habitat for Humanity Japan.
- Concluded SDGs Collaboration Agreement with City of Tsushima
 - There are many points in common between Tsushima City's SDGs Future City Plan and ASKUL's approach to and direction of resource circulation. Therefore, the SDGs Collaboration Agreement was concluded in February 2021 to promote joint activities that make effective use of the resources and know-how of both sides to achieve the SDGs targets.

Most Significant Strategies in Medium-term Management Plan from FY5/2022 to FY5/2025



From [Financial Results for the Fiscal Year Ended May 2023] presentation material

Medium-Term Growth Scenario

(From “From FY5/2022 to FY5/2025 Medium-Term Management Plan” announced in July 2021)

Establishment of the most powerful B-to-B EC website

Strategic industries and expansion of product assortments

Synergies with Z Holdings Group

Reform of the platform

FY5/2021

FY5/2022

FY5/2023

FY5/2024

FY5/2025

1. Establishment of the most powerful B-to-B EC website

The two EC websites, ASKUL for small and medium-size businesses and SOLOEL ARENA for mid-level and large corporations, are integrated into one. Aim to become the most powerful B-to-B EC website by not only combining the features of the two sites but also deploying the function to respond to the need from teleworking. In this way, increase the frequency of customers' purchasing and the purchase amount per customer and enhance the customer retention rate by consolidating purchases.

2. Strategic industries and expansion of product assortments

Expand product lineups centered on specialized products for customers in the two major industries of medical and nursing care, and manufacturing. The plan to double the number of items handled (18 million), quadruple in-stock products (330,000) and increase original products by 1.4 times (12,000), compared with those in May 2021. The two measures of the launch of the new ASKUL website and expansion of product assortments will drive double-digit B-to-B growth for FY5/2025.

3. Synergies with Z Holdings Group

The Group will further concentrate its resources on its strengths of products, logistics and CRM by fully utilizing the infrastructure of Z Holdings in terms of attracting customers, site platform and payment systems. Strengthen cooperation with the Z Holdings Group to achieve regrowth after turning profitable. “Yahoo! mart by ASKUL,” a joint fast delivery business with the Z Holdings Group, was launched in January 2022.

* Z Holdings Corporation reorganized the group on October 1, 2023, merged with Yahoo Japan Corporation, LINE Corporation, and other companies, and changed the corporate name to LY Corporation

4. Reform of the platform

The plan to evolve the high-speed logistics, which is ASKUL's strength, then realize “Delivering Tomorrow” for long-tail products through measures, such as structural reform of distribution centers, integration of B-to-B and B-to-C logistics, and application of DX to value chains. “ASKUL Tokyo DC,” the most advanced core center in eastern Japan, which will play an important role in realizing this plan, has begun operating in November 2022.

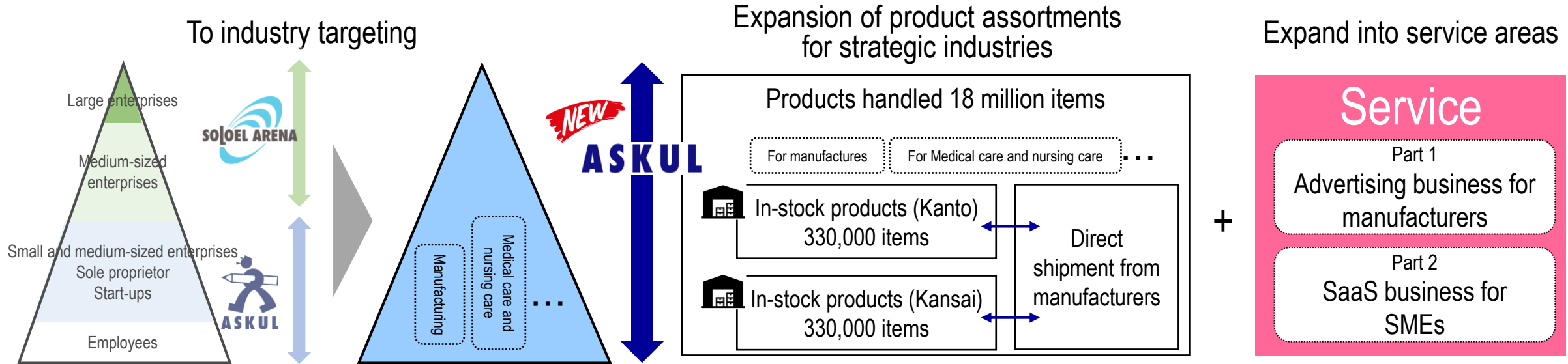
B-to-B Medium-to Long-Term Growth Vision

From [Financial Results for the Fiscal Year Ended May 2023] presentation material

Achievement Medium-Term Management Plan is a milestone and further enhance corporate value

Transformation from Office Supplies Mail Order

Further Enhancement of Corporate Value



Growth scenario

Strategic industries and expansion of product assortments

Establishment of the most powerful B-to-B EC website

Reform of the platform

Value to be realized

Have all the products that all customers need

Fastest and most convenient purchase experience

Deliver products quickly and reliably

Specific Initiatives

- ✓ Expand product assortment to 18 million items
- ✓ Expansion of products for the 2 major strategic industries
- ✓ Create route that customers can purchase smoothly from external search
- ✓ 1-to-1 (personalized) marketing by utilizing Data x AI
- ✓ Significant expansion of in-stock products
- ✓ Improve delivery time accuracy for products shipped directly from manufacturers



| | |
|-----------------------------|---|
| B-to-B | B-to-B stands for business to business and indicates transactions between companies |
| B-to-C | B-to-C represents business to consumer (customer) and refers to transactions between companies and consumers |
| MRO | MRO stands for Maintenance, Repair and Operations, and primarily refers to materials that serve as secondary materials (indirect materials), which used in the frontline operations of factories, construction sites, and other locations |
| ASKUL | Name of the internet mail-order service (accepts orders via facsimile) for small and medium-sized enterprises |
| SOLOEL ARENA | Name of the internet mail-order service for mid-tier and larger companies |
| LOHACO | Name of the internet mail-order service for general consumers launched in October 2012 in partnership with Yahoo Japan Corporation (currently LY Corporation) |
| New ASKUL Website | A new e-commerce site that integrates two sites; ASKUL for small and medium-sized enterprises, SOLOELARENA for mid-tier and larger companies. Full-scale operation started in July 2023, with SOLOEL ARENA customers gradually transitioning to the new ASKUL website over a period of approximately one year |
| Advertising Business | Service for manufacturers to place advertisements on our e-commerce site, etc. |

Distribution center abbreviations

ASKUL Logi PARK as ALP, ASKUL Value Center as AVC, Demand Management Center as DMC, Demand Chain Management as DCM, ASKUL Tokyo Distribution Center as ASKUL Tokyo DC, and ASKUL Kanto Distribution Center as ASKUL Kanto DC



Continuously Bringing Delight to Our Workplace, Life, the Planet and Tomorrow