

Financial Results for the Second Quarter of the Fiscal Year Ending May 2025

December 13, 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 deals with sales of OA and PC supplies, stationery, office living supplies, office furniture, foods, alcoholic beverages, pharmaceuticals, cosmetics, etc. Logistics Business refers to logistics and small-cargo transportation service to companies.
- ✓ Subject to inclusion in the results of each segment are indicated as follows:

Segment	Subsegment	Main services, major subsidiaries
E-commerce business	ASKUL business	ASKUL, SOLOEL ARENA, SOLOEL, New ASKUL Website
	LOHACO business	LOHACO
	Group companies, etc.	AlphaPurchase Co., Ltd., BUSINESSMART CORPORATION, SOLOEL Corporation, FEED Corporation, ASKUL LOGIST Corporation, charm Co., Ltd *Including consolidation eliminations
Logistics business		ASKUL LOGIST Corporation (sales to customers outside of the Group)
Others		TSUMAGOI MEISUI CORPORATION

[Fiscal Year]

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

[Other]

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Earning Results for the Second Quarter of FY5/2025

- ✓ Sales increased; however, profit decreased primarily due to a decline in the gross profit margin caused by the impact of exchange rates.
- ✓ From the second half onward, we will focus on driving sales growth while recovering exchange positions and improving logistics cost ratio.

Challenge and Countermeasures for Sales Growth (ASKUL Business)

- ✓ The number of customers have declined due to intermittent price adjustments and revision of free shipping threshold amid an inflationary environment.
- ✓ We aim to recover growth by strengthening price competitiveness and increasing advertising and sales promotional expenses.

Progress of Business

- ✓ The transition of SOLOEL ARENA customers to the New ASKUL Website is progressing as planned.
- ✓ ASKUL Kanto DC is progressing smoothly toward the start of operations at the beginning of FY5/26.

**I Earning results for the Second Quarter
of the Fiscal Year Ending May 2025**

II Challenge and Countermeasures for Sales Growth

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FY5/2025 Q2 Cumulative Earnings Results

Consolidated



	FY5/2024 Q2		FY5/2025 Q2		
	Actual	% of net sales %	Actual	% of net sales %	YoY change %
(¥million)					
Net Sales	231,288	100.0	237,932	100.0	+2.9
Gross Profit	57,631	24.9	57,182	24.0	-0.8
Selling, General and Administrative Expenses	50,388	21.8	51,153	21.5	+1.5
Operating Profit	7,242	3.1	6,028	2.5	-16.8
Ordinary Profit	7,104	3.1	5,920	2.5	-16.7
Profit Attributable to Owners of Parent	4,637	2.0	3,739	1.6	-19.4

- ✓ Net sales
YoY +2.9%
Renewed the previous record
- ✓ Gross profit margin
YoY down 0.9 point
- ✓ Operating profit
YoY -16.8%
- ✓ Profit
YoY -19.4%

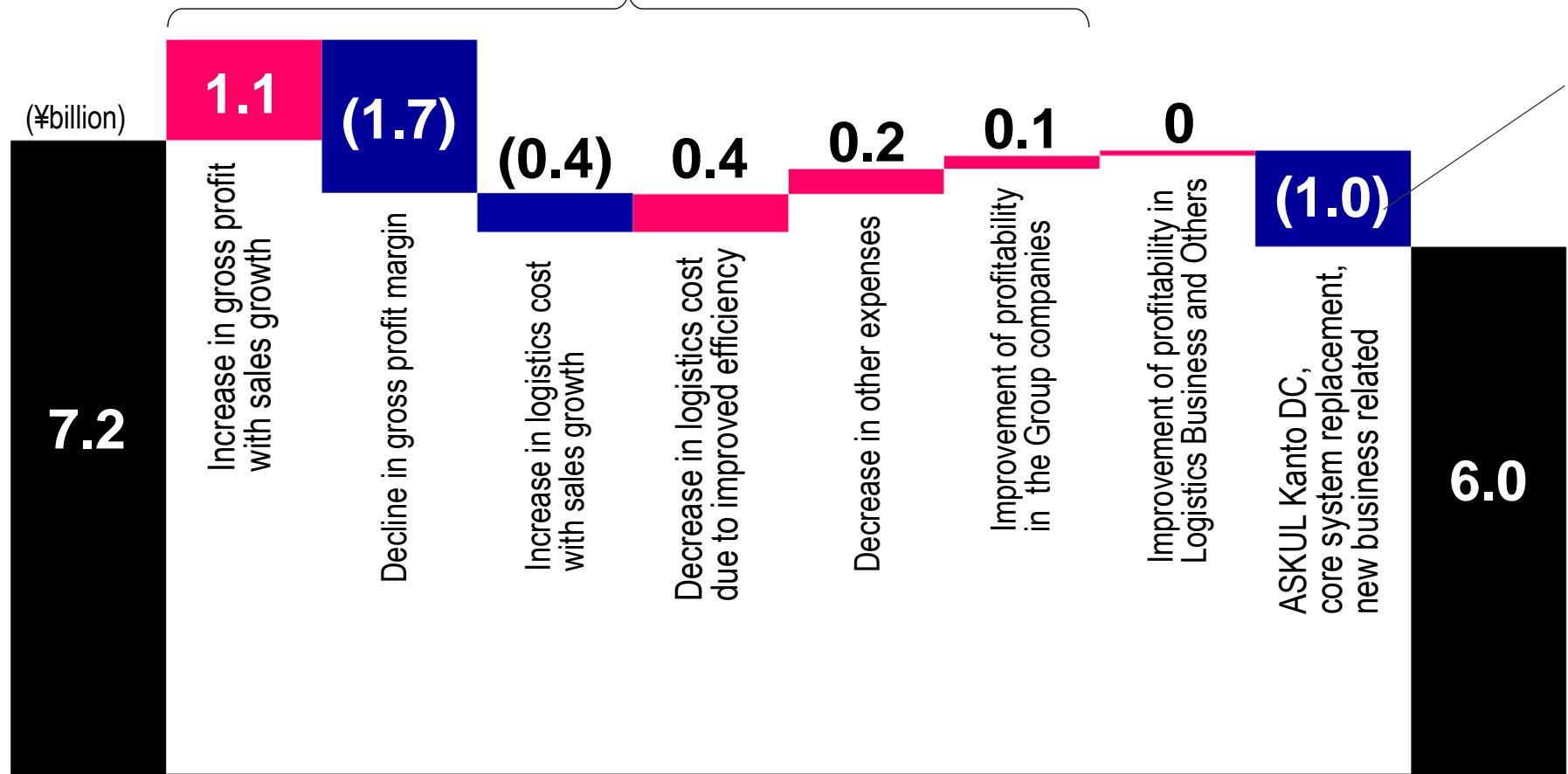
FY5/2025 Q2 Factors for Increase / Decrease in Operating Profit

Consolidated



Decrease in profit primarily due to a decline in the gross profit margin caused by the impact of exchange rates.

E-commerce Business

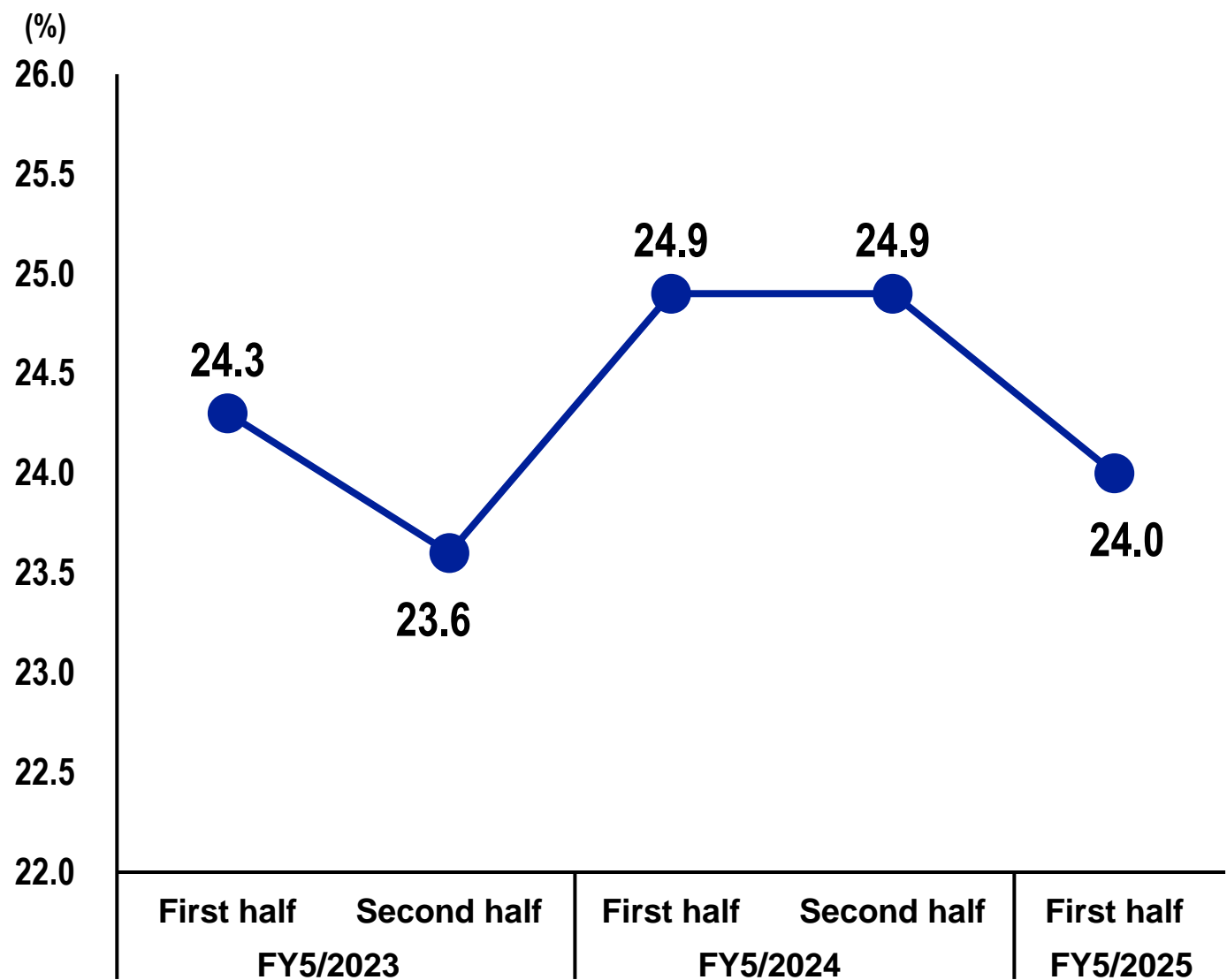


Breakdown of Fixed Cost Increase	
●ASKUL Kanto DC	-710 million
<breakdown>	
Rent	-680 million
Start-up expenses	-30 million
●Core system replacement	-360 million
●New business related	-10 million

FY5/2024 Q2
(cumulative)

FY5/2025 Q2
(cumulative)

Changes in Gross Profit Margin

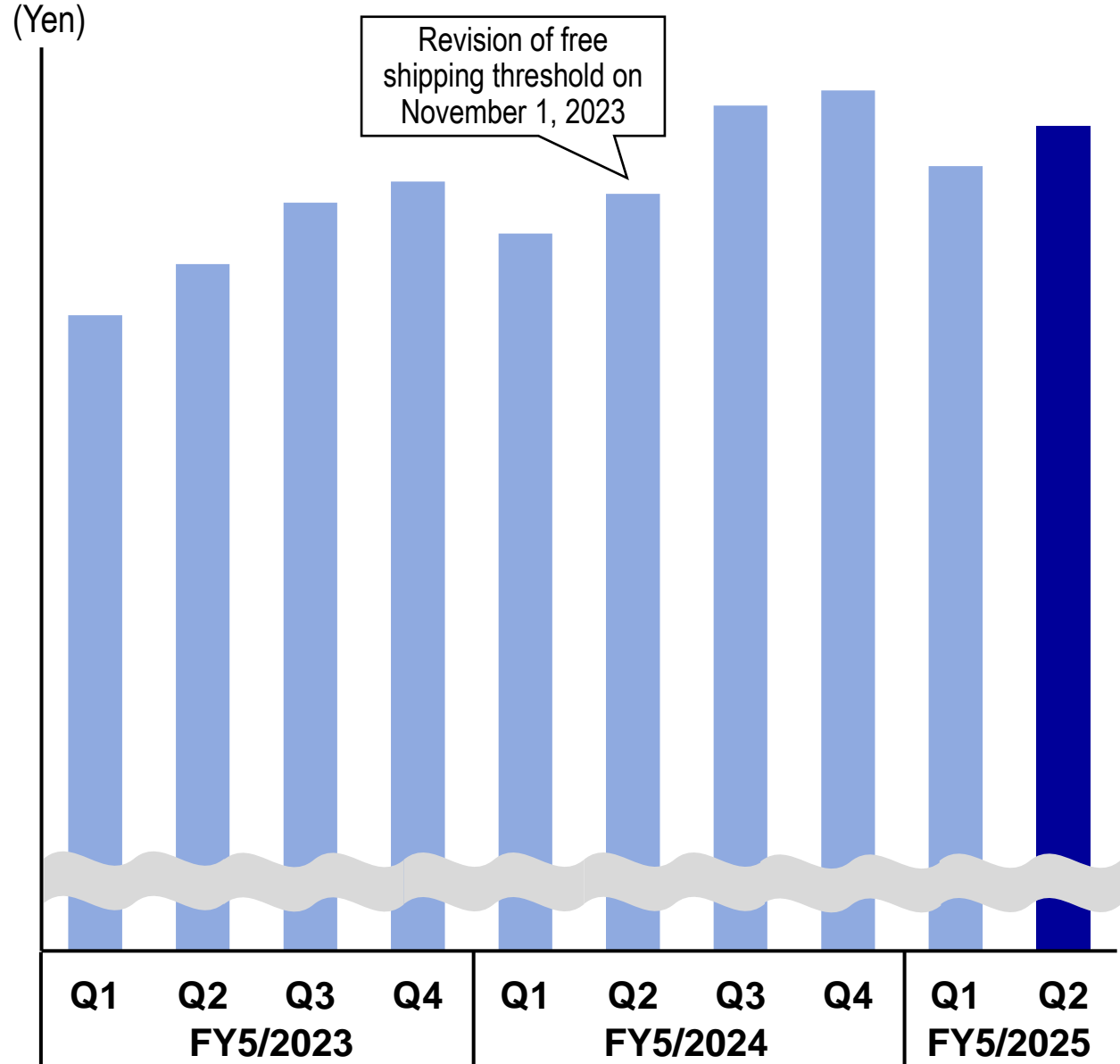


FY5/2025 Q2
YoY change: Down 0.9 points

A decline caused by the deterioration of exchange positions.



Improvement expected in the second half



FY5/2025 Q2
YoY change: +5.2%

400-million-yen worth of delivery cost reduction in Q2 period



Continued improvement expected

FY5/2025 Q2 Earnings Results [Quarterly, By Business]

Consolidated



		FY5/2024					FY5/2025			
		Q1	Q2	Q3	Q4	Full-year	Q1	Q2	YoY change	YoY change %
(¥billion)										
Net Sales	ASKUL Business	84.4	89.8	88.0	90.9	353.3	88.3	89.9	0	+0.1
	LOHACO Business	8.8	8.6	8.8	9.7	36.1	9.5	8.5	(0.1)	-1.6
	Group Companies, etc.	17.5	17.3	19.6	18.4	72.8	18.3	18.8	1.4	+8.6
	E-commerce Business	110.8	115.8	116.5	119.1	462.3	116.2	117.2	1.4	+1.2
	Logistics Business and Other	2.2	2.3	2.2	2.4	9.3	2.1	2.2	(0)	-4.1
	Consolidated Total	113.0	118.2	118.7	121.6	471.6	118.3	119.5	1.3	+1.1
Operating Profit	Performance-linked Bonuses (including provision), etc.	(0.2)	(0.2)	0.1	(0.1)	(0.5)	0.1	0.1	0.3	-
	E-commerce Business	2.8	4.4	5.2	4.4	17.0	2.5	3.4	(0.9)	-21.3
	Logistics Business and Other	(0)	(0)	(0)	(0)	(0.1)	0	(0)	(0)	-
	Consolidated Total	2.8	4.4	5.2	4.4	16.9	2.5	3.4	(0.9)	-21.8

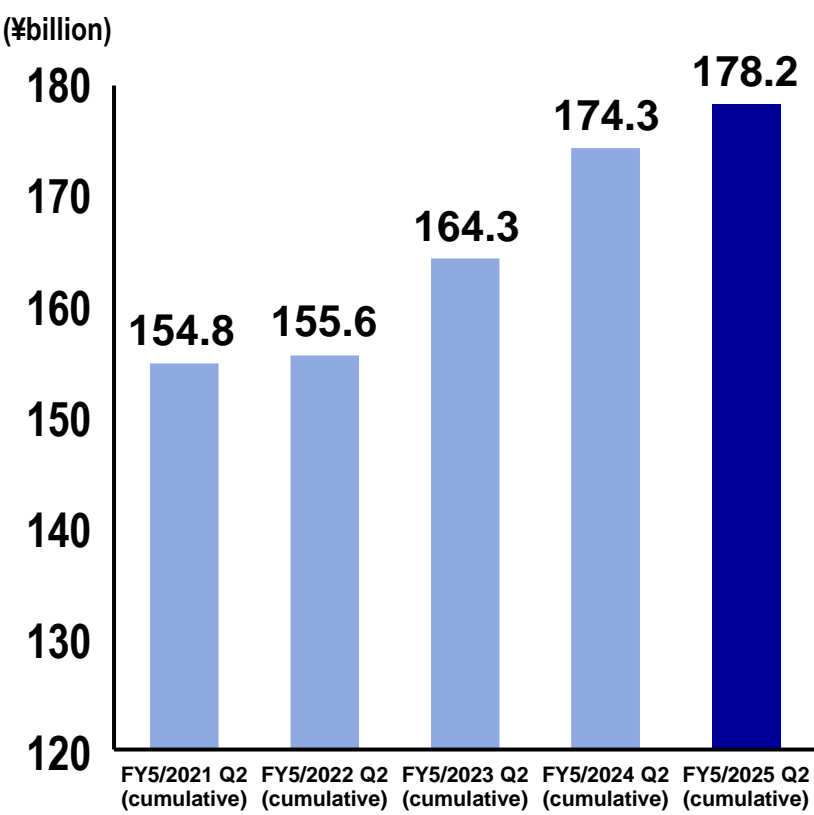
FY5/2025 Q2 Earnings Results: E-commerce Business Net Sales

ASKUL Business

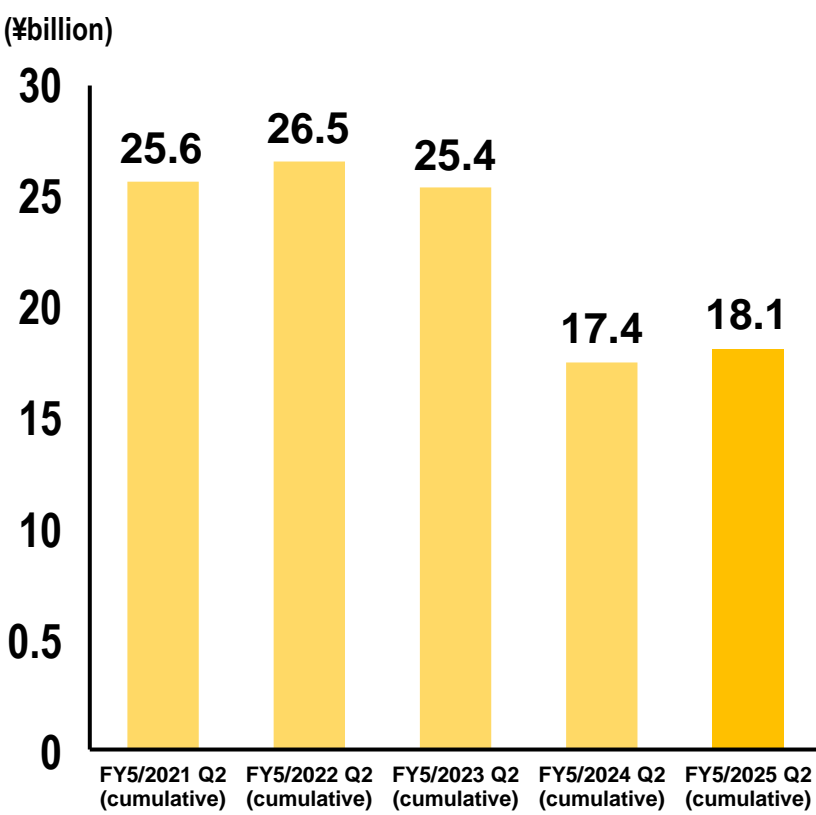
LOHACO Business

Group Companies, etc.

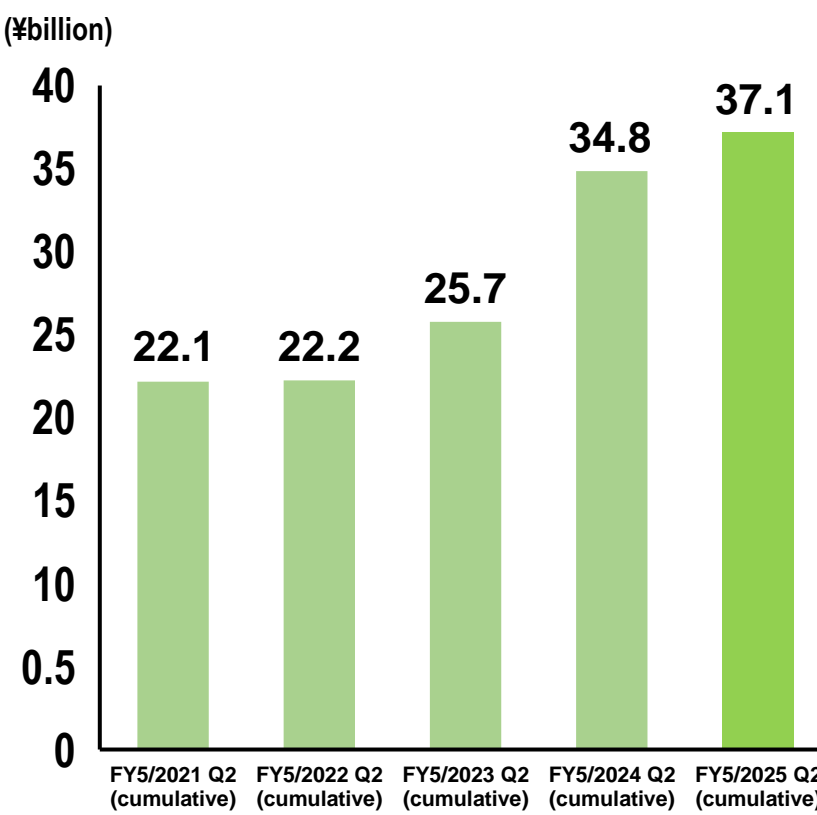
YoY +2.3%



YoY +3.6%



YoY +6.7%

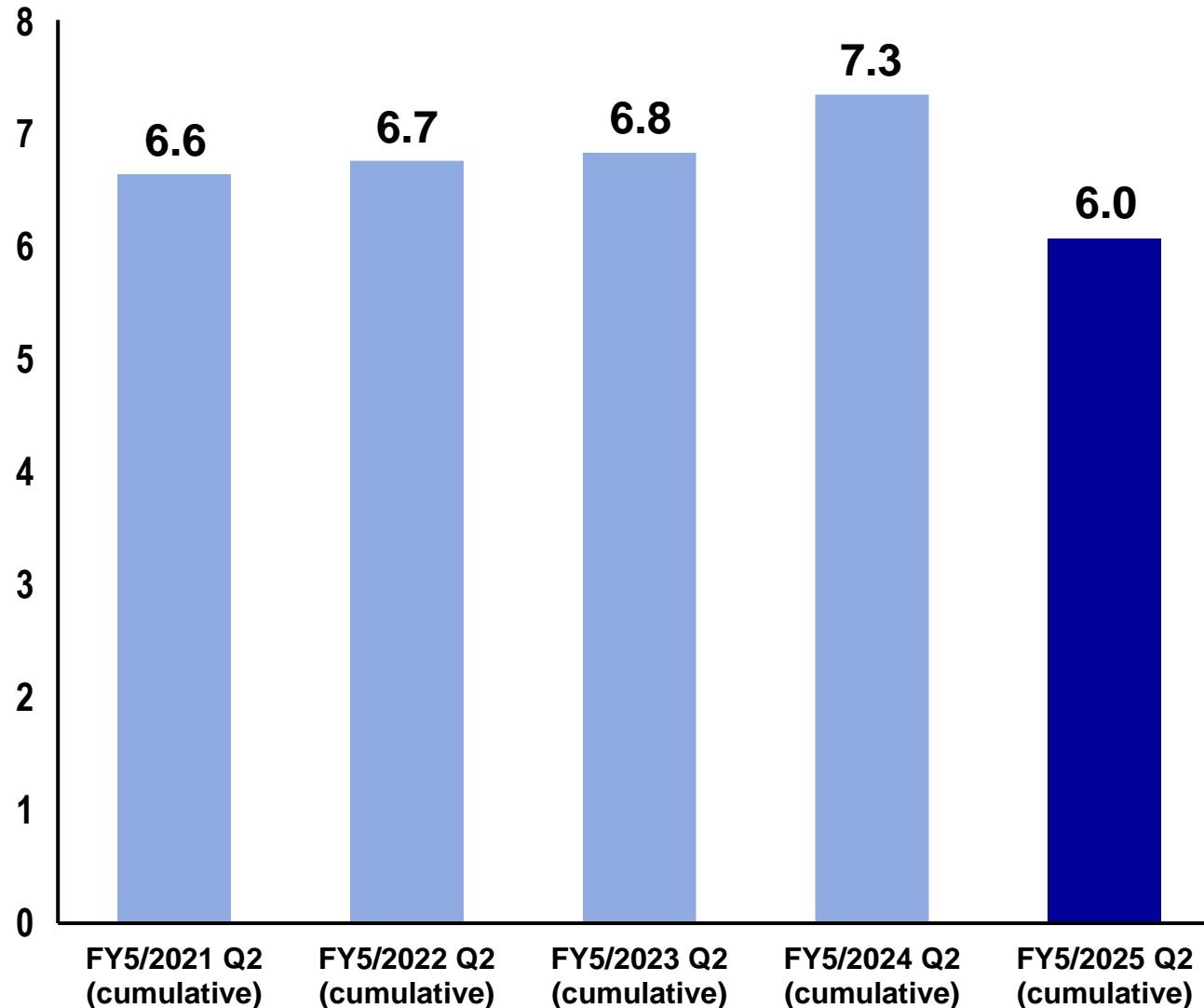


FY5/2025 Q2 Earnings Results: E-commerce Business Operating Profit

Consolidated



(¥billion)



YoY -17.4%

Impact of the deterioration in
exchange positions.



An improvement in the exchange positions
and the unit sales price per box is expected
in the second half.

FY5/2025 Q2 Earnings Results: Logistics Business and Others

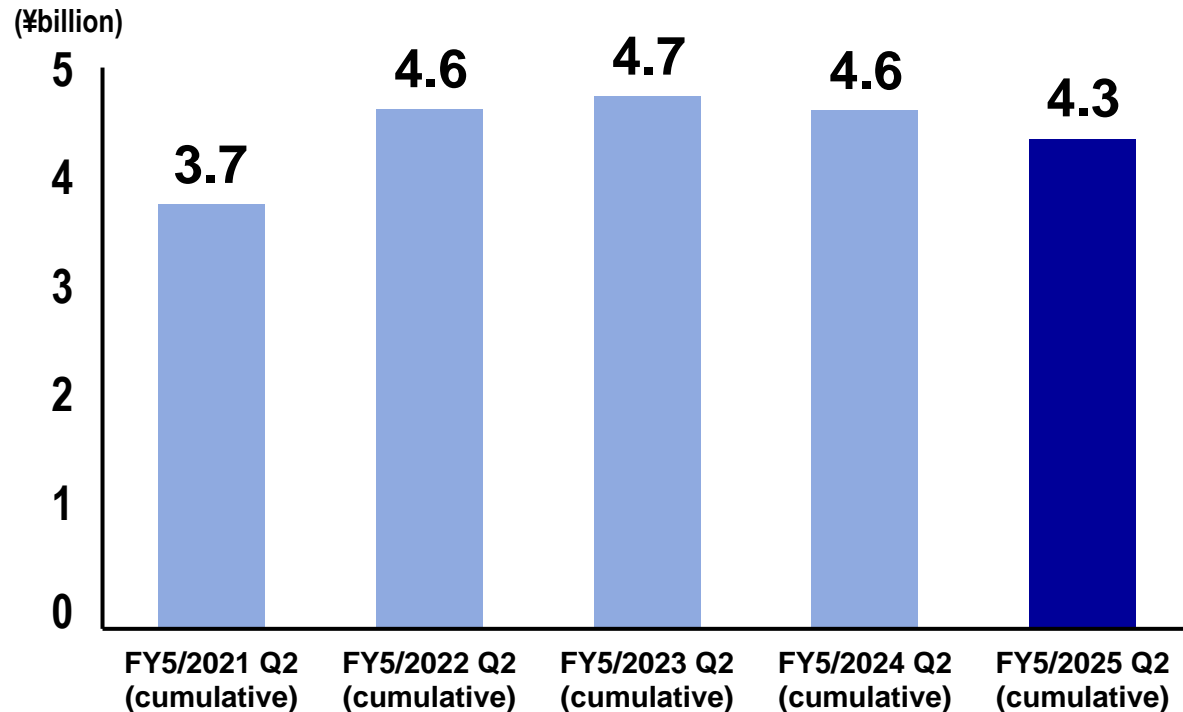
Consolidated



Net Sales

YoY **-5.4%**

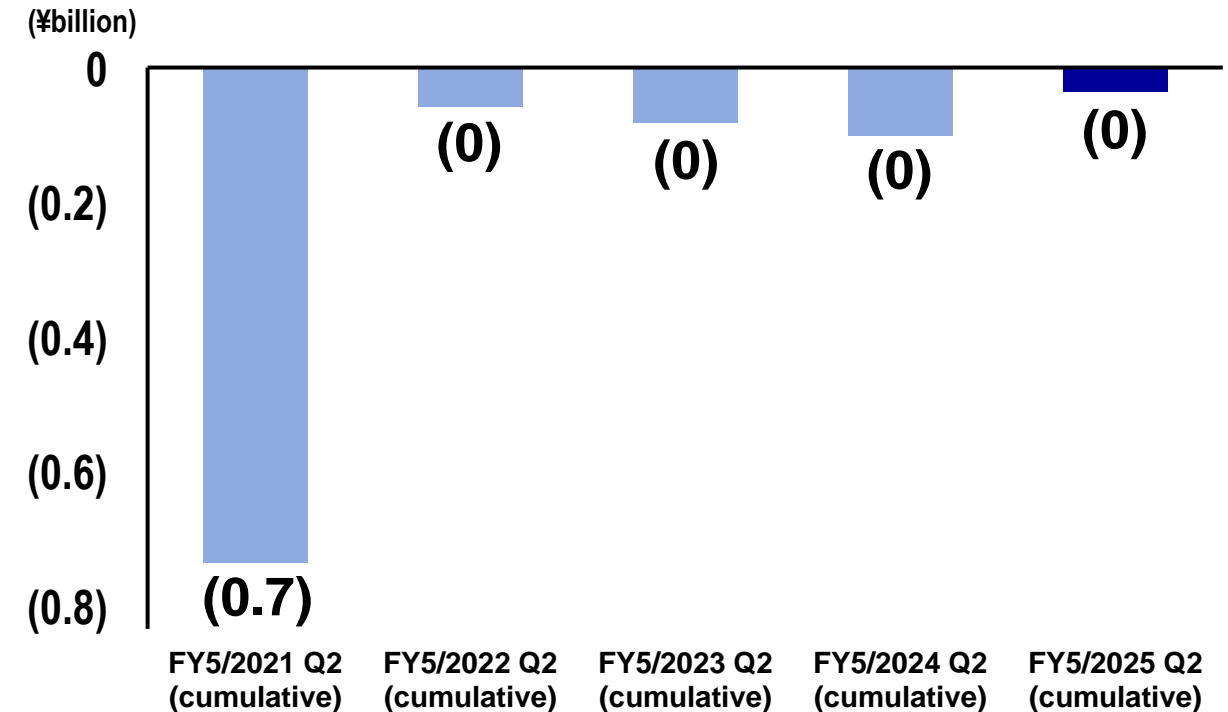
Sales continued to be on par with the same period of the previous year.



Operating Profit

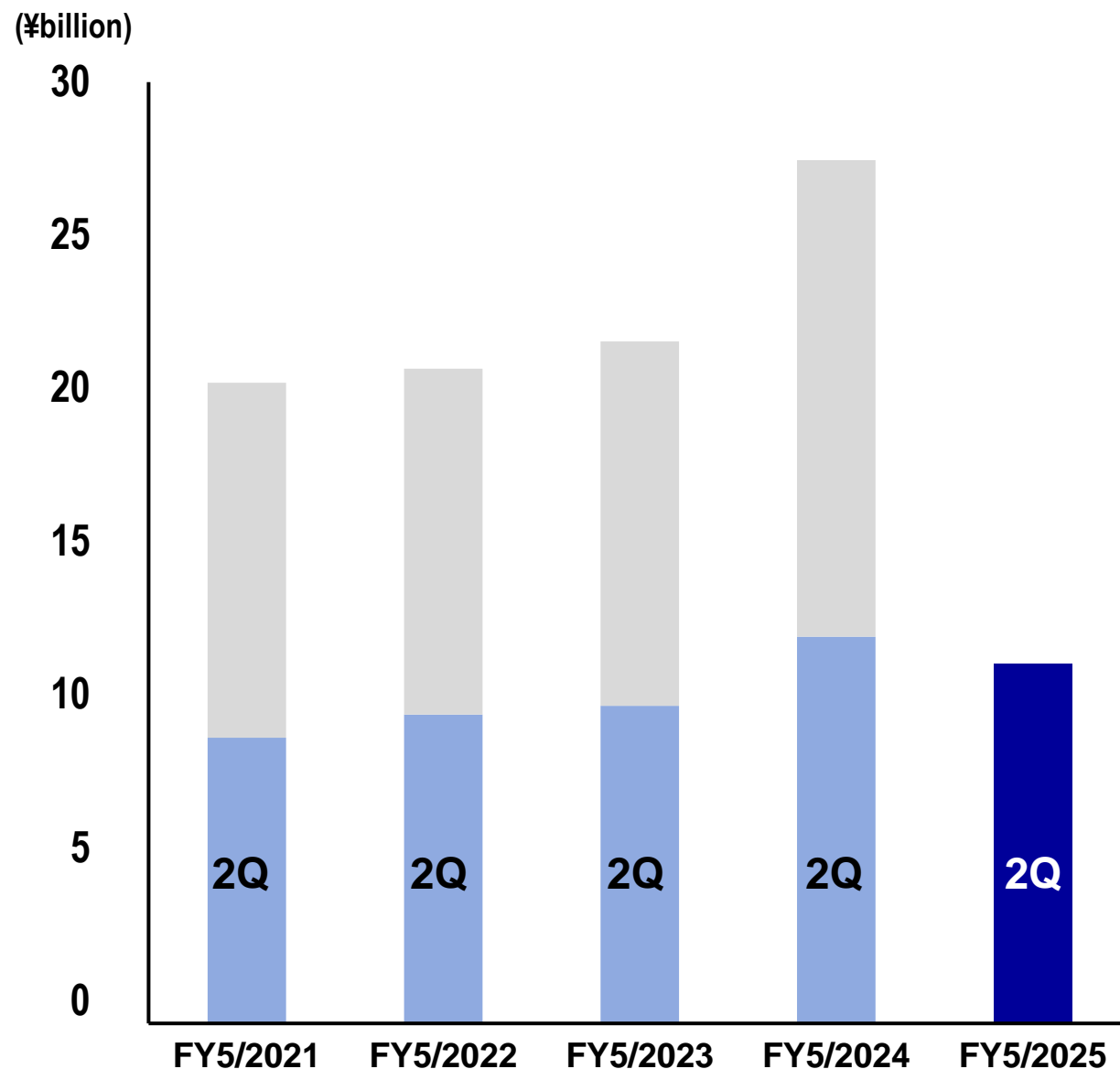
YoY change **+0 billion**

Aiming to achieve profitability for the full year.



Trends in EBITDA

Consolidated

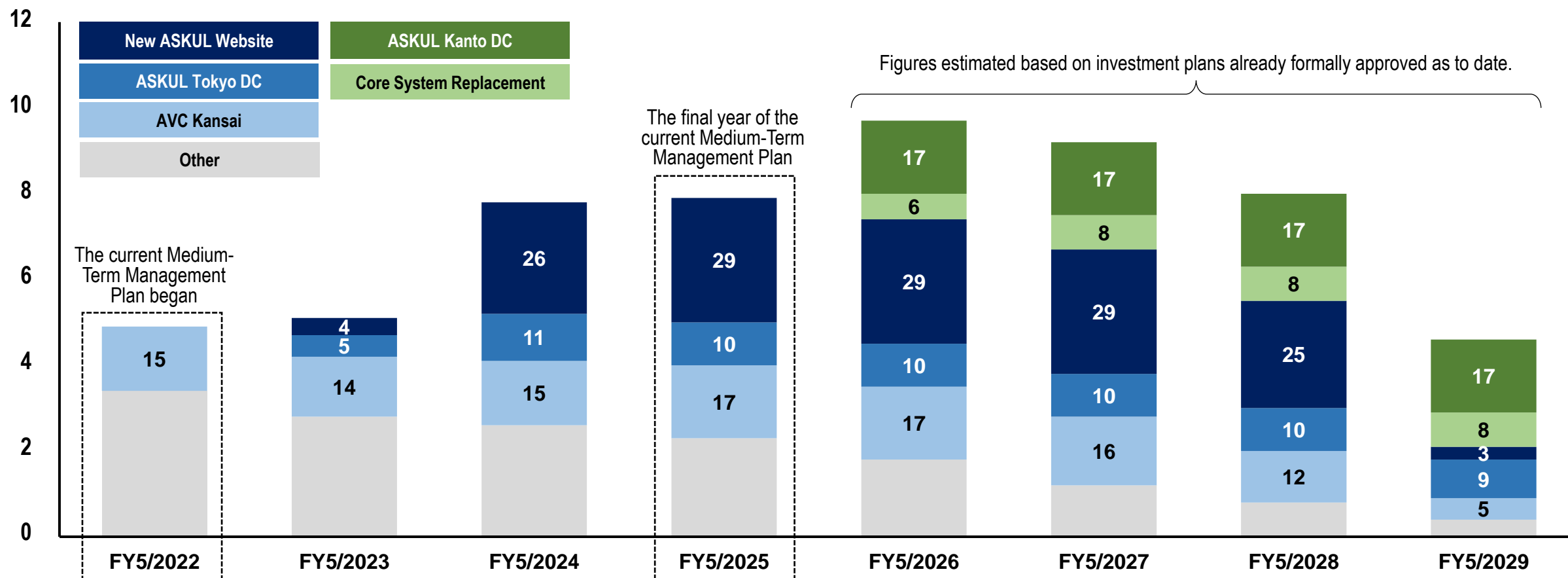


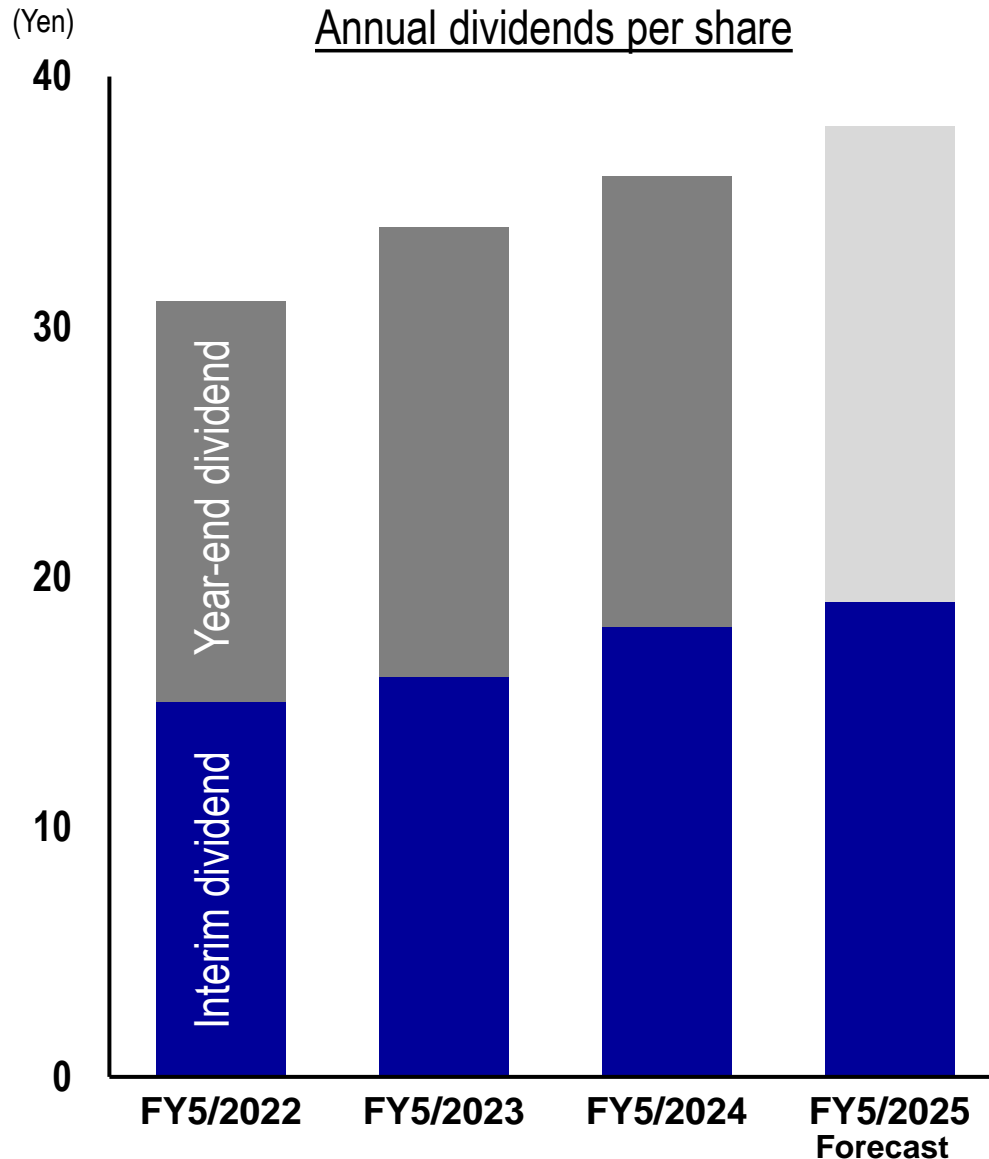
Impact of profit decline
Aiming for improvement in the second half

Trends in Depreciation / Amortization Expenses

- ✓ An increase began in FY5/24 due to the launch of the new ASKUL website and other factors.
- ✓ Depreciation expense is expected to increase further in FY5/26 with the operation of the ASKUL Kanto DC and the core system replacement but is expected to decrease thereafter.
- ✓ By FY5/29, the depreciation of major investments, such as the new ASKUL website and material handling equipment at AVC Kansai, is expected to be completed, resulting in a reduction in depreciation expense.

(¥billion)





FY5/25 Interim Dividend

✓ dividend per share: ¥19

(Initial Plan: Interim dividend ¥19 and Year-end dividend ¥19)

Increased interim dividend by ¥1
as planned at the beginning of the term

✓ Acquiring treasury stock based on the
shareholder return policy

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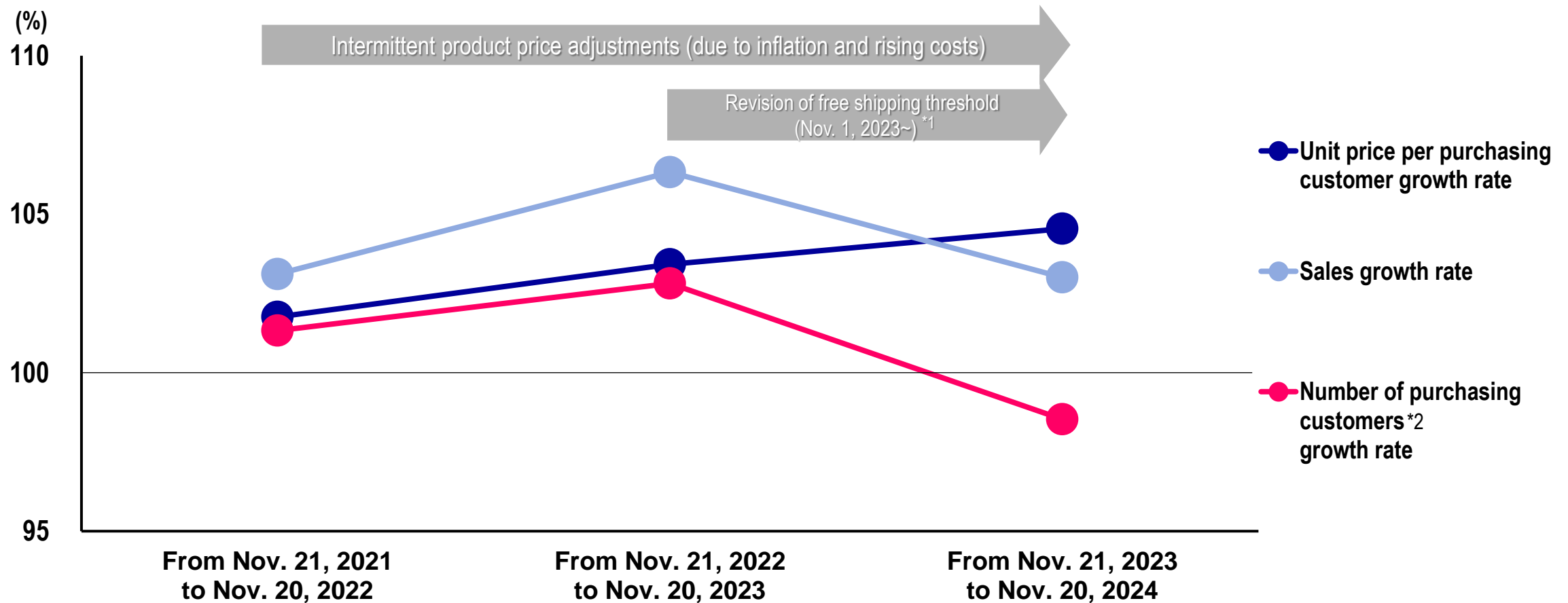
IV ESG

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Due to price increase and revision of free shipping threshold, the number of customers has declined



Notes: 1 The minimum order amount for which the Company bears the basic shipping fee has been changed from 1,000 yen to 2,000 yen (including tax).

2 Number of unique customers who made purchase during the period.



(¥billion)	FY5/2023		FY5/2024								FY5/2025					
	Q2		Q1		Q2		Q3		Q4		Q1		Q2			
		Composition ratio %		Composition ratio %		Composition ratio %		Composition ratio %		Composition ratio %		Composition ratio %		Composition ratio %	YoY change	YoY change %
OA & PC	24.2	29.2	24.1	28.6	26.2	29.3	26.2	29.9	26.4	29.1	24.9	28.2	25.8	28.8	(0.3)	-1.5
Stationery	10.1	12.2	9.8	11.7	10.9	12.2	11.2	12.8	13.1	14.5	10.8	12.3	11.5	12.9	0.5	+5.3
Living Supplies	24.5	29.5	27.6	32.7	27.6	30.8	25.9	29.5	26.0	28.6	29.1	33.0	28.0	31.2	0.3	+1.3
Furniture	4.5	5.5	4.9	5.9	5.1	5.8	5.2	5.9	6.6	7.3	4.7	5.3	4.7	5.3	(0.3)	-7.6
MRO	10.4	12.5	10.3	12.2	11.1	12.4	10.9	12.4	10.9	12.0	10.6	12.0	11.2	12.5	0.1	+1.0
Medical	7.3	8.8	5.6	6.7	6.1	6.8	6.0	6.9	5.6	6.2	6.3	7.1	6.1	6.8	0	+0.6
Others	1.9	2.3	1.8	2.2	2.4	2.7	2.2	2.5	2.0	2.2	1.7	2.0	2.2	2.5	(0.2)	-8.6
Total	83.1	100.0	84.4	100.0	89.8	100.0	88.0	100.0	90.9	100.0	88.3	100.0	89.9	100.0	0	+0.1

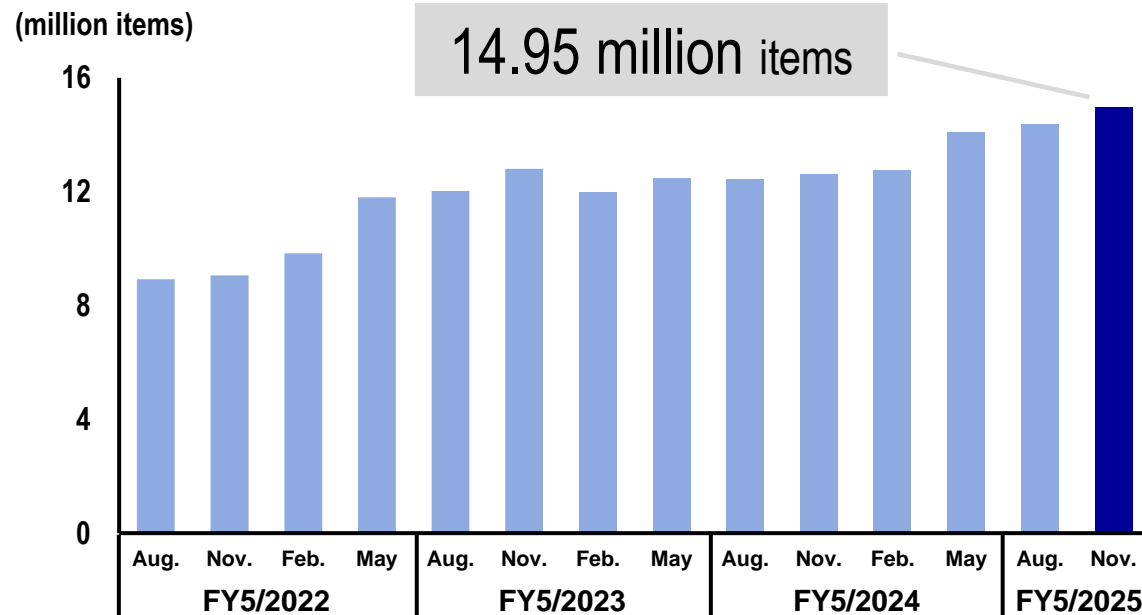
Notes: 1. Some products in the Living Supplies category have been reclassified to the Furniture category from the beginning of the fiscal year ended May 2024.
 2. From February of the fiscal year ended May 2024, due to changes in the agent system, there has been a positive impact on the Stationery and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



Products Handled

- ✓ Q2 period: increased 574,000 items
over 367,000 new items introduced

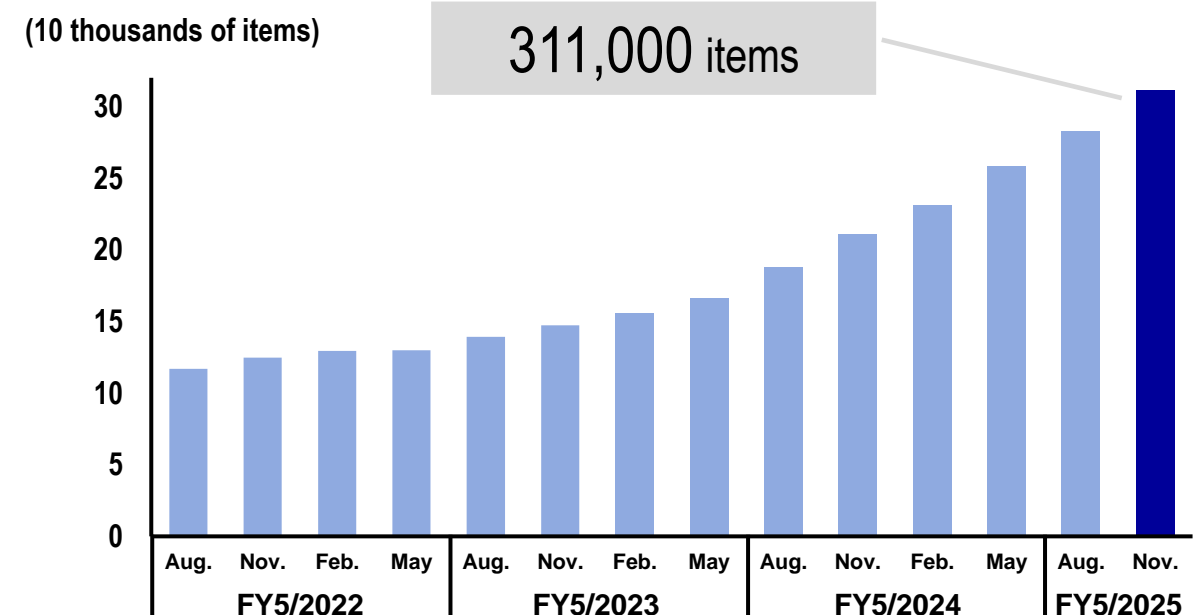
Continue to work on improving utilization rate.



In-Stock Products

- ✓ Q2 period: increased 28,000 items
increased in all categories

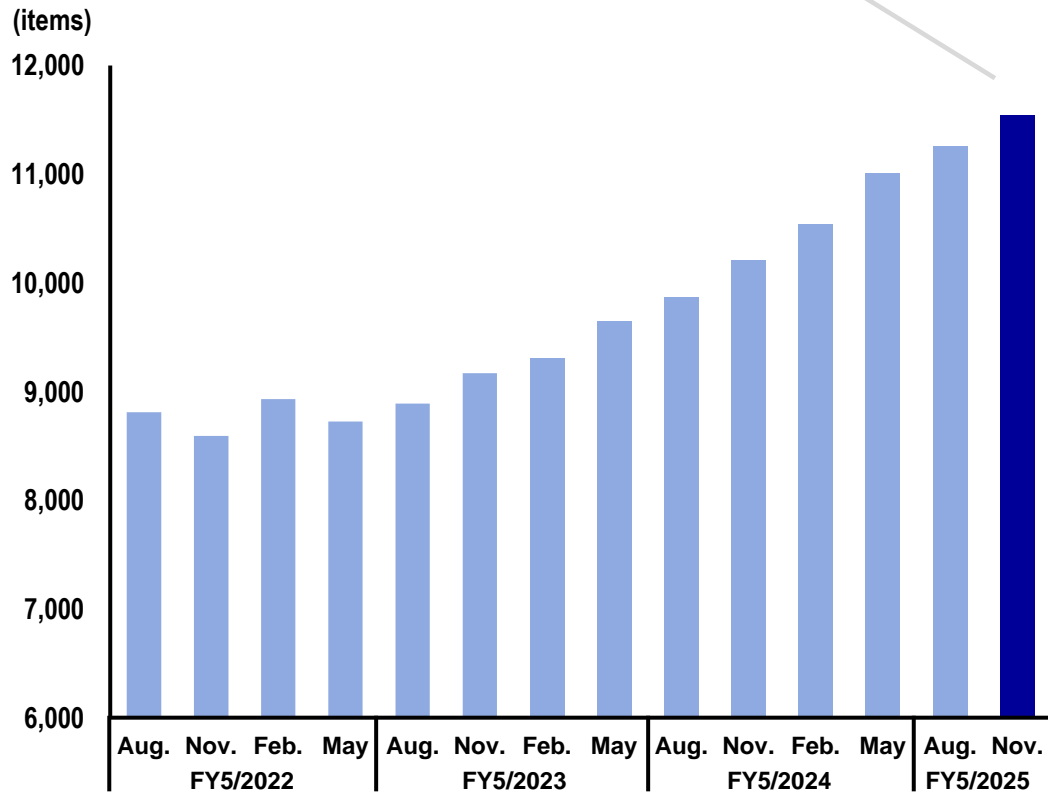
Steadily expanded next-day delivery products.





Number of Items

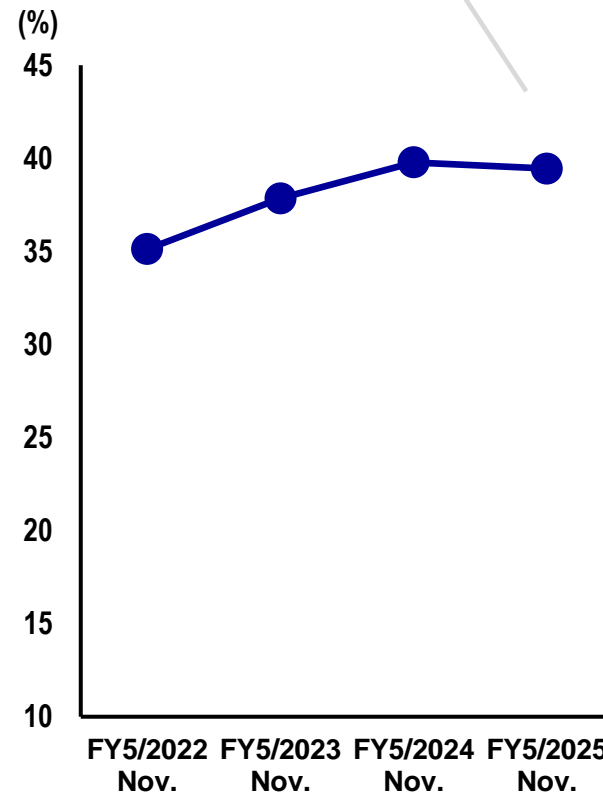
11,539 items



Composition to Net Sales

(Sales of in-stock products)

39.4%



Strengthening profitability through an increased sales composition ratio.

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



Strengthening
Product
Capability

NEW

Strengthening Price Competitiveness

- ✓ After conducting a Proof of Concept (POC) for Merchandising DX, prices are being revised, focusing on products with high purchase frequency among customers.

Enhancing Product Assortment and Original Products

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

Strengthening Attracting Customers,
Enhancing User Interface (UI) and User
Experience (UX)

NEW

Increasing Advertising and Promotional Expenses

- ✓ Recovering customer numbers through increased traffic and enhanced brand awareness.
- ✓ Reallocating and increasing advertising and promotional expenses targeting existing customers.

Reviewing Customer Acquisition Methods and Measures to Improve Retention Rates

- ✓ Strengthening customer acquisition methods targeting customers who are likely to 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.

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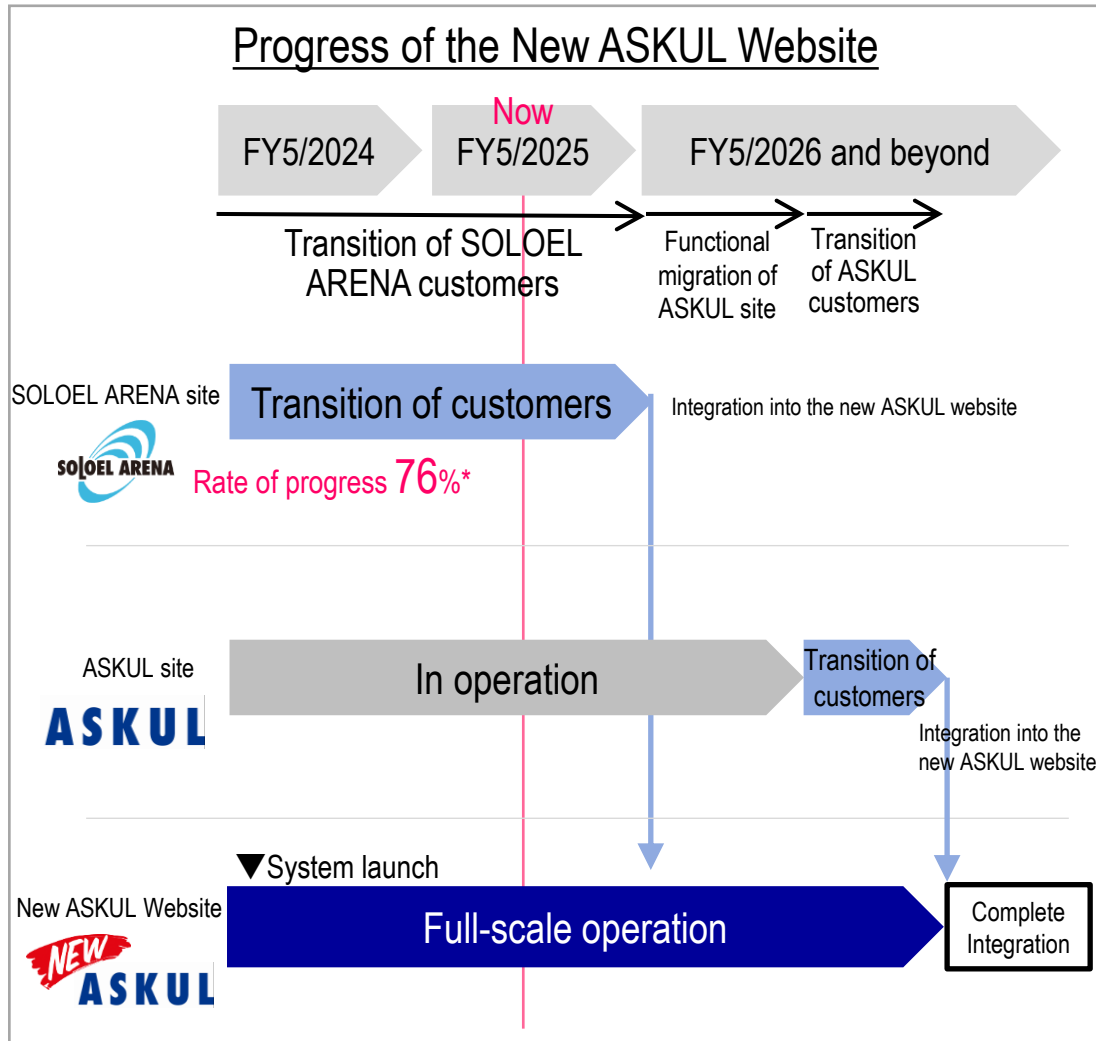
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Continue to prioritize customer support while carefully proceeding with the transition.

Progress of the New ASKUL Website



Status of SOLOEL ARENA Customer Transition

- ✓ According to the revised plan in Q4 of the FY5/2024, the transition is progressing as planned.
- ✓ In Q2 period, about 20% of customers have completed the transition.

<Progress>

FY5/2025 Q1

56%

FY5/2025 Q2

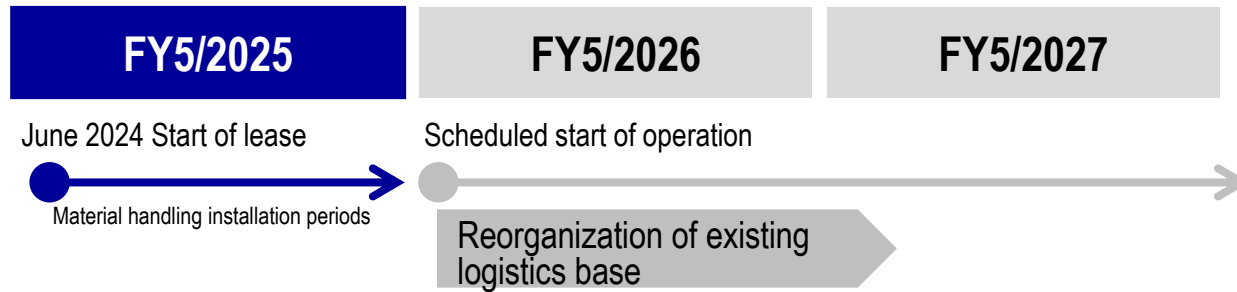
76%



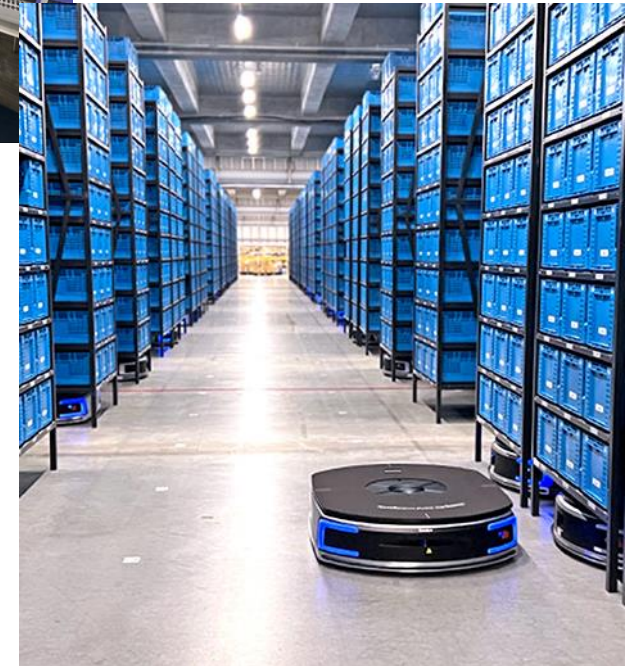
Note: Percentage of companies that have completed the transition to the total number of companies using SOLOEL ARENA.



The installation of the material handling system is progressing as planned toward the start of operation at the beginning of FY5/2026.



GTP*1



Shelf rack transport AGV*2



Notes: 1 GTP = Goods to person. A robot that transports goods directly to the locations where workers are responsible for picking
2 AGV = Automated guided vehicle. Image shown above are from AVC Kansai.



Strengthening collaboration with LYC to accelerate sales growth in the second half.

Directing Customers to Original Products

Implemented pathways on product detail pages to guide customers toward original products.



1 / 2 画像を見る

Facial Tissue 150 sheets (5 boxes)
1 set (2 packs)

¥670 (including tax)



Example)
Proposing original products as alternatives
to national brand tissue paper.

Even more affordable boxed tissue
Original Facial Tissue 150 sheets (5 boxes) 1set (2 packs)
¥590
※最新の価格や割引適用条件は遷移先の商品ページでご確認ください。

Collaboration Coupons with Other Stores

Distributing collaborative coupons with other stores on
Yahoo! Shopping to drive mutual customer referrals.

*Scheduled to be implemented during the FY5/2025

Other Store



1 / 4 画像を見る
シロカ ドリップ式コーヒーメーカー 3-4杯用 SCM
-401
ブランド: shiraka
★★★★★ 4.25 (17件のレビュー)
3,980円 (税込)

Customer
referral
(coupons)

Example)
Recommending ground
coffee to customer
purchasing coffee makers.



1 / 2 画像を見る
イチオシ 【コーヒー粉】オリジナルブレンド コク
深め 1袋 (1kg) オリジナル
ブランド: ASKUL
★★★★★ 4.14 (7件のレビュー)
2,327円 (税込)

Customer
referral
(coupons)



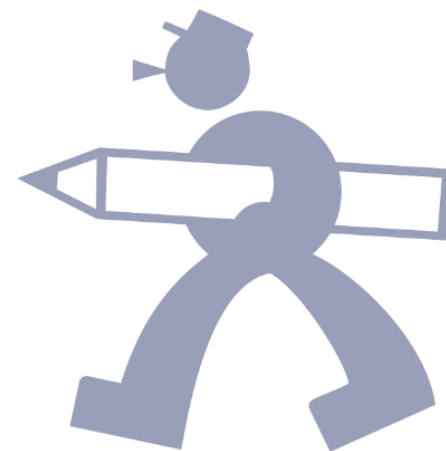
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September 2024

Selected for the Ministry of the Environment's Model Project for Promoting Decarbonization Across the Entire Value Chain

- ✓ ASKUL will support participating suppliers (two companies) to measure CO2 emissions, set reduction targets, and implement reductions activities.
- ✓ Plans to share insights gained from this model projects with 93 companies, which are subjected to engagement.

December 2024

Integrated Report "ASKUL Report 2024" Issued

- ✓ Messages from the CEO, COO, CFO, and CHO, along with a dialogue between the CDXO and external experts (covering topics such as strengthening DX in the value chain and transitioning to data-driven thinking to envision ASKUL's future), a roundtable discussion with independent outside directors, strategies for product development, and messages from various department heads and employees are featured.



December 2024

Four logistics center staff members with disabilities were recognized as Outstanding Workers and received awards across three different categories.

- ✓ Two recipients: Fukuoka Prefecture Governor's Award for Outstanding Workers with Disabilities
- ✓ One recipient: Director's Award for Excellence in Effort, Outstanding Workers with Disabilities from the Japan Organization for Employment of the Elderly, Persons with Disabilities and Job Seekers
- ✓ One recipient and ASKUL LOGIST: Long-Term Service and Cooperation Award for Persons with Disabilities from Shinjuku City, Tokyo
- ✓ Continue employing individuals with disabilities as key contributors and expand employment practices across logistics centers nationwide

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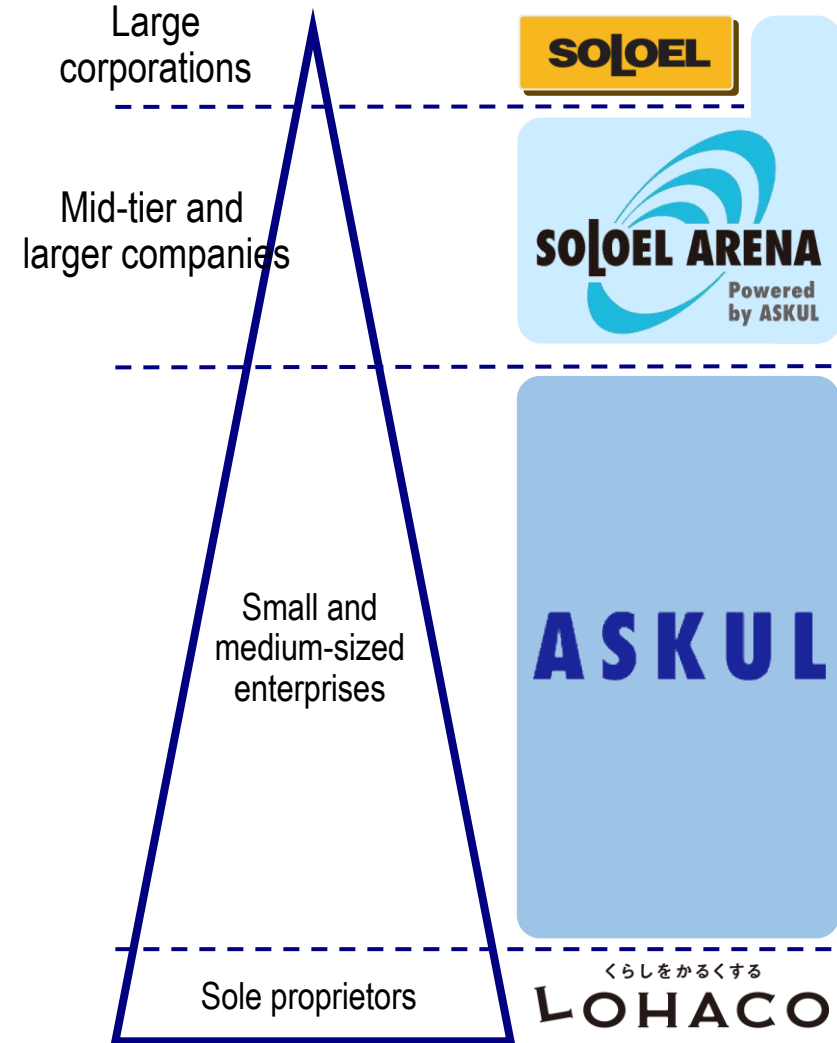
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FY5/2025 Net Sales by Item Category

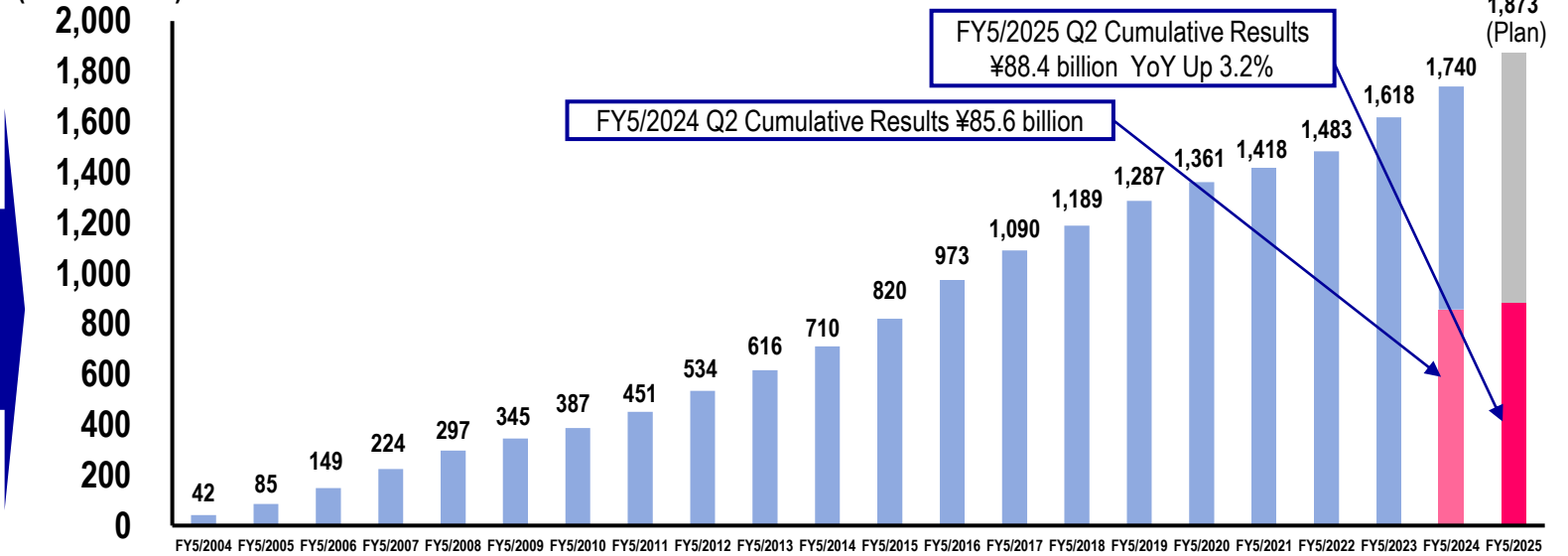


(¥billion)	FY5/2024 Q2 (cumulative)			FY5/2025 Q2 (cumulative)			
		Composition ratio %	YoY change %		Composition ratio %	YoY change	YoY change %
OA & PC	51.1	26.7	+7.0	51.5	26.2	0.3	+0.7
Stationery	21.1	11.0	+5.5	22.7	11.6	1.5	+7.4
Living Supplies	70.3	36.7	-1.9	72.4	36.9	2.1	+3.0
Furniture	10.5	5.5	+13.4	9.9	5.1	(0.6)	-5.9
MRO	21.8	11.4	+5.5	22.2	11.3	0.4	+2.1
Medical	12.3	6.4	-28.2	13.5	6.9	1.1	+9.7
Others	4.4	2.3	+46.5	3.9	2.0	(0.4)	-10.4
Total	191.8	100.0	+1.1	196.4	100.0	4.5	+2.4



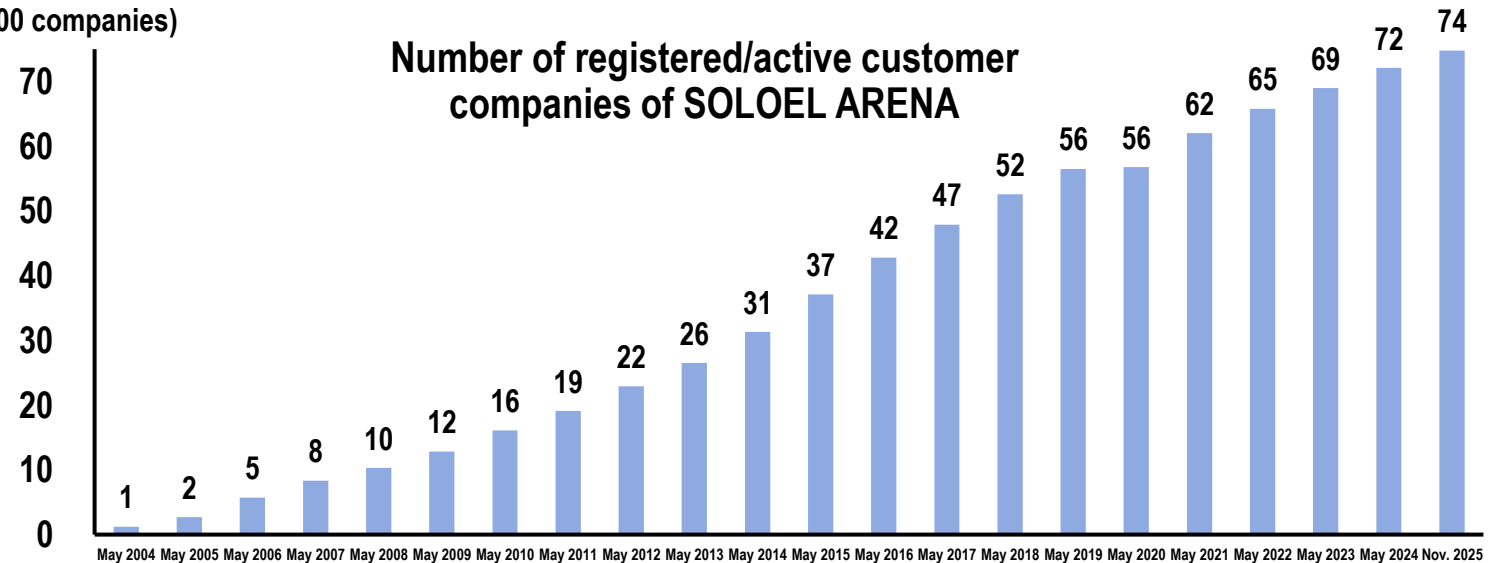
(¥100 million)

Net sales value for SOLOEL ARENA and others



(1,000 companies)

Number of registered/active customer companies of SOLOEL ARENA





Capital expenditures **¥5.2 billion** (Annual plan: ¥18.0 billion)

ASKUL Kanto DC **¥1.5 billion**

Core System Replacement **¥1.1 billion**

(Reference) Depreciation and amortization of software: ¥4.6 billion (Annual plan: ¥9.4 billion)

Investment details

(¥ million)

Item	FY5/2024 Q2	FY5/2025 Q2	
	Amount	Amount	YoY Change
[Capital expenditures]	4,137	5,206	25.8%
Property, plant and equipment	1,565	2,145	37.0%
Intangible assets	2,571	3,060	19.0%
Construction in progress (Note 2)	2,009	7,841	290.2%
Software in progress (Note 2)	1,804	3,916	117.0%

Notes

- Capital expenditure is stated on an accrual basis.
- 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.

(Unit: item)

	Nov. of FY5/2024	Nov. of FY5/2025	YoY Change
Number of original products	15,561	18,046	+2,485
Non-consolidated net sales composition	33.7%	33.8%	+0.1pt
(of which, ASKUL business)	(39.8%)	(39.4%)	(-0.4pt)

- Notes:
- 1. The number of original products includes those with sales limited to ASKUL.
 - 2. The sales composition ratio of original products is calculated, including original copy paper.
 - 3. From Q4 of FY5/2018 onward, the sales composition ratio of original products in the ASKUL business has been calculated using the inventory sales of the ASKUL business as the denominator.

FY5/2025 Q2 Gross Profit and SG&A Expenses

Consolidated



Gross profit: ¥ 57.1 billion YoY change: Down ¥ 0.4 billion

Gross profit margin: 24.0% YoY change: Down 0.9 points

✓ Due to the impact of exchange position

SG&A expenses: ¥ 51.1 billion YoY change: Up ¥ 0.7 billion

Ratio of SG&A expenses to net sales 21.5% YoY change: Down 0.3 points

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

Item	FY5/2024 Q2		FY5/2025 Q2		YoY Change (%)
	Amount (million yen)	Ratio to Sales (%)	Amount (million yen)	Ratio to Sales (%)	
Personnel expenses	12,879	5.6	12,459	5.2	96.7
Shipment expenses	11,214	4.8	10,991	4.6	98.0
Subcontract expenses	2,450	1.1	3,040	1.3	124.1
Business consignment expenses	5,670	2.5	5,781	2.4	102.0
Rents	5,551	2.4	6,227	2.6	112.2
Provision of allowance for doubtful accounts	29	0.0	14	0.0	50.8
Depreciation	1,908	0.8	2,116	0.9	110.9
Amortization of software	2,322	1.0	2,503	1.1	107.8
Other expenses	8,362	3.6	8,016	3.4	95.9
Total	50,388	21.8	51,153	21.5	101.5



	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 64.8% 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.
- **ASKUL Catalog Recycle “Flowerpot”**
Launched an eco-friendly flowerpot made from 20% recycled paper from ASKUL catalogs and 80% recycled cardboard.



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)

ESG



- 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)

ESG



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 **33.1%***

(Legal employment rate of private companies is 2.5%)

*Legal employment ratio calculated in units of business sites as of Nov. 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

■ 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 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. Customer service-related documents and regulations were created and organized, and construction and operation of management system is implemented.

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 seventh recipient of the support has been selected as Hop Japan Co., Ltd. (Tamura City, Fukushima Prefecture), a company that brews craft beer using locally sourced hops.

● 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.

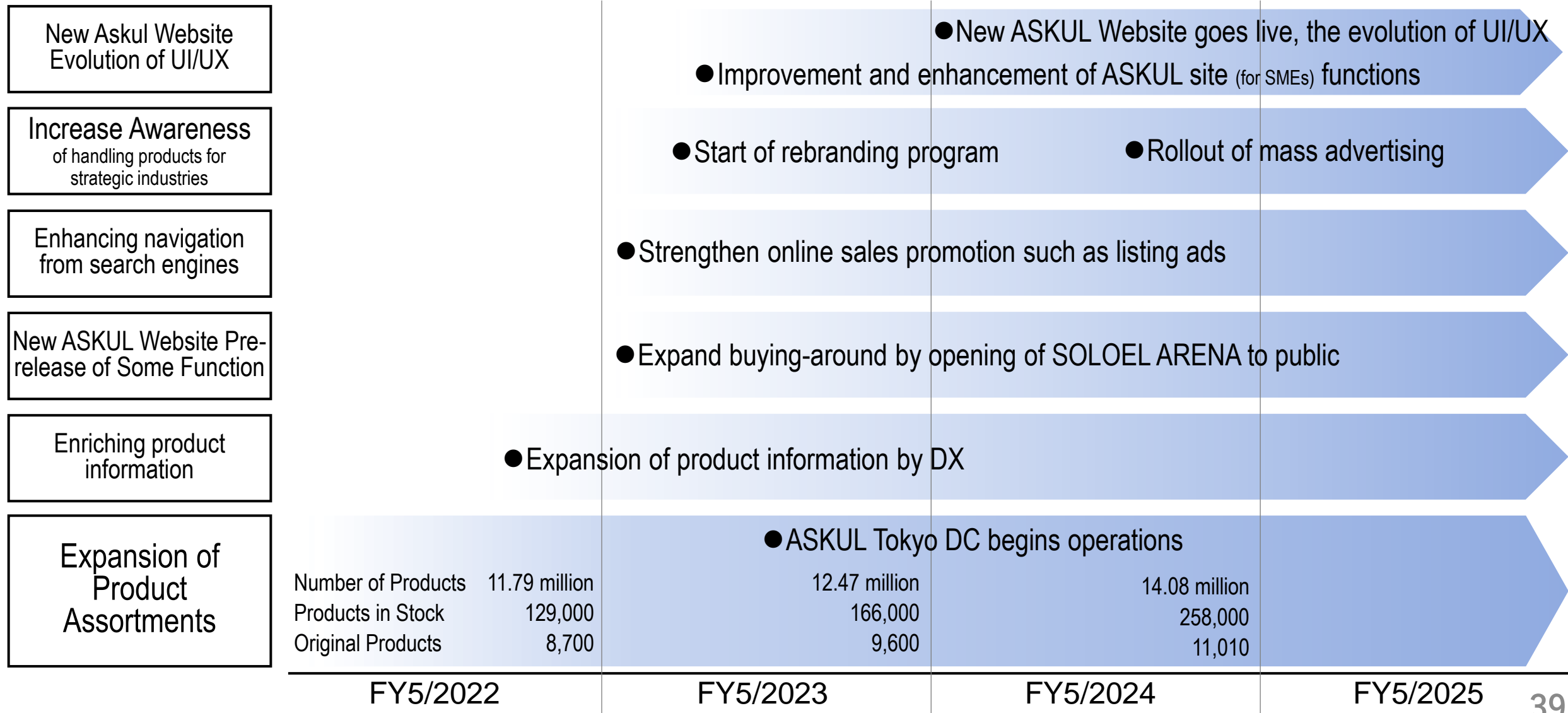
* Z Holdings Corporation reorganized the group on October 1, 2023, merged with Yahoo Japan Corporation, LINE Corporation, and other companies, and changed the corporate name to LY Corporation

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.



The new Medium-Term Management Plan is scheduled to be announced during the current fiscal year.



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

Non-Consolidated

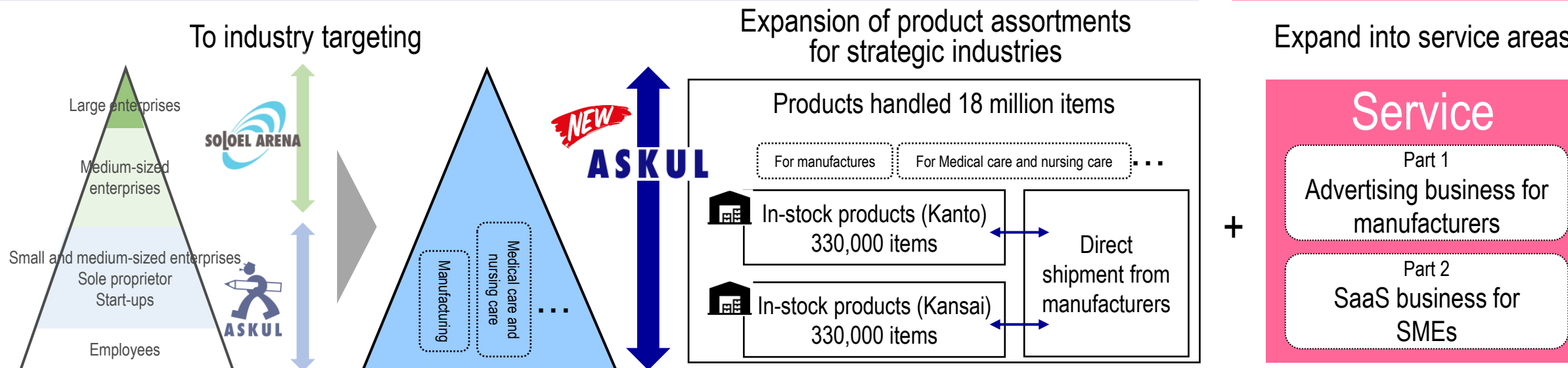


From [Financial Results for the Fiscal Year Ended May 2023] presentation material

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, SOLOEL ARENA 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