

Summary of Financial Results for 2Q FY5/2022

December 16, 2021
ASKUL Corporation



Note:

This material contains the ASKUL Group's current plans and performance outlook. These plans, forecasts, and other forward-looking statements represent ASKUL's plans and forecasts based on information that is currently available. Actual performance may differ from these plans and forecasts due to a variety of conditions and factors that could occur in the future. This material does not represent promises or guarantees regarding the achievement of these plans.

This material has not been audited by certified public accountants or auditing firms.

For the purpose of this material, LOHACO refers to the online mail-order business for general consumers launched in October 2012 in alliance with Yahoo Japan Corporation.

A "new ASKUL website" refers to constructing a new website that integrates the site for small and medium-sized businesses (SMEs) and the one for medium- and large enterprises.

B-to-B refers to business-to-business transactions. B-to-C refers to business-to-consumer transactions.

MRO refers to Maintenance, Repair and Operation, and in this material primarily refers to indirect materials consumed at work sites by companies.

DX refers to digital transformation.

Since the presentation of the overview of consolidated financial statements for the fiscal year ended May 20, 2016, ASKUL has been reporting its operating performances by dividing its organization into the segments of the E-commerce business, Logistics business, and Other. The E-commerce business deals with sales of OA and PC supplies, stationery/office supplies, living supplies, furniture, beverages/foods, alcoholic beverages, pharmaceuticals, cosmetics, etc. The logistics business refers to logistics and package transport services that target corporations.

This material occasionally uses abbreviations to express ASKUL's distribution centers;

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

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Consolidated Performance for 2Q Finished Almost in Line with Plan Both Net Sales and Profits Marked Record Highs

- B-to-B secured positive growth despite the impact of stagnant demand for office supplies in addition to a reactionary decline in sales of infection-prevention products. Profit grew as planned due to cost control.
- LOHACO regained growth due to the addition of functions to its New Main Store in coordination with Z Holdings.
LOHACO will make efforts to further improve earnings in the second half in order to turn profitable in the next fiscal year.

Ongoing Implementation of Growth Scenario in Medium-term Management Plan

- Expansion of long-tail products will start on a full-scale basis in 3Q to make the number of items reach 11 million within the current fiscal year.
- ASKUL Tokyo DC expects its operation to be delayed due to a supply shortage of semiconductors, but target numbers in the Medium-term Management Plan will not be affected.
- We push forward with reforming the platform to improve the variable distribution cost ratio.

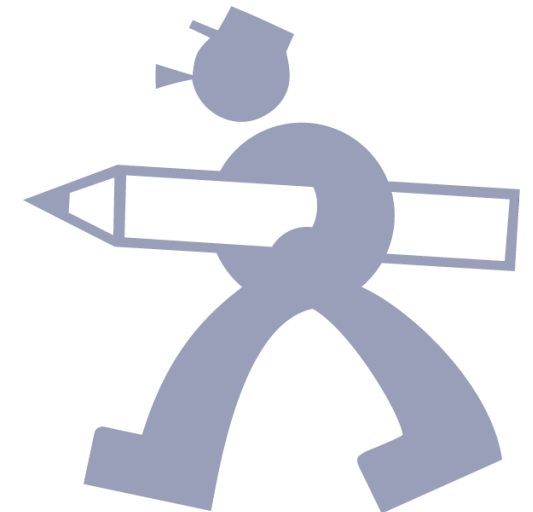
I. Consolidated Performance for 2Q FY5/2022

II. B-to-B

III. B-to-C

IV. ESG / DX

V. Appendix



2Q FY5/2022 Consolidated Performance

Consolidated



	Cumulative results for 2Q FY5/2021			Cumulative results for 2Q FY5/2022			
	Actual	% of net sales %	Reference value*	Actual	% of net sales %	YoY change %	Reference value*
(¥million)							
Net Sales	206,452	100.0	203,887	209,038	100.0	+1.3	+2.5
Gross Profit	51,283	24.8	50,776	50,924	24.4	-0.7	+0.3
Selling, General and Administrative Expenses	45,357	22.0	44,850	44,228	21.2	-2.5	-1.4
Operating Profit	5,926	2.9		6,696	3.2	+13.0	
Ordinary Profit	5,908	2.9		6,716	3.2	+13.7	
Profit Attributable to Owners of Parent	3,453	1.7		4,546	2.2	+31.6	

- Net sales
101.3% YoY
(102.5% in real terms*)
Renewed the previous record
- SG&A expenses ratio
Down 0.8 points YoY
- Operating profit, ordinary profit
and profit
Broke the previous record

Comparison of Consolidated Performance in 2Q FY5/2022 (By Business)

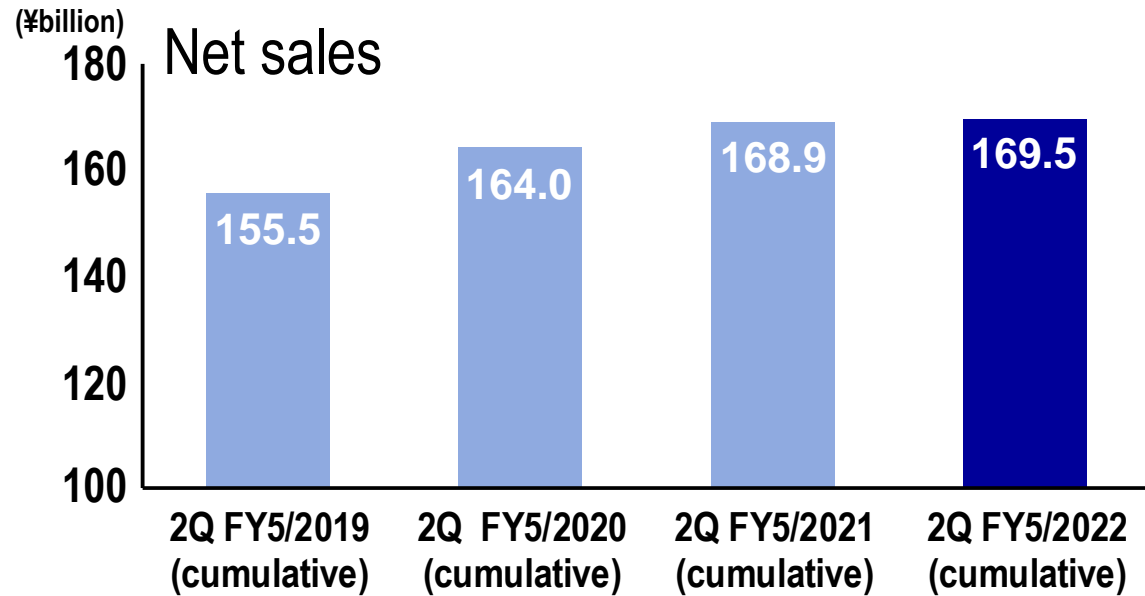
Consolidated



		FY5/2021					FY5/2022					
		1Q	2Q	Reference value*	3Q	4Q	1Q	2Q	YoY change	YoY change %	Reference value*	
(¥billion)												
Net Sales	B-to-B business	81.1	87.7	86.6	87.4	88.8	83.4	86.1	(1.6)	-1.8	-0.5	
	LOHACO	12.9	12.7	12.5	13.1	14.0	12.6	13.9	1.2	+9.7	+11.6	
	B-to-C business (including Charm)	16.8	16.8	16.5	17.1	17.6	16.7	18.0	1.2	+7.2	+9.0	
	E-commerce business	98.0	104.6	103.2	104.5	106.5	100.1	104.2	(0.3)	-0.4	+1.0	
	Logistics business and other	2.1	1.6	1.6	2.0	2.5	2.3	2.3	0.7	+44.6	+44.6	
	Consolidated total	100.1	106.2	104.8	106.5	109.1	102.4	106.5	0.3	+0.3	+1.7	
Operating Profit	B-to-B business	4.7	5.1		5.6	4.5	4.2	4.1	(1.0)	-20.0		
	LOHACO	(1.2)	(1.1)		(0.9)	(0.8)	(0.9)	(0.8)	0.2	-		
	B-to-C business (including Charm)	(1.2)	(1.1)		(0.9)	(0.8)	(0.8)	(0.6)	0.4	-		
	Performance-linked bonuses (including provision)	-	(0.8)		(0.1)	0	(0)	0	0.8	-		
	E-commerce business	3.4	3.1		4.5	3.7	3.3	3.4	0.2	+7.9		
	Logistics business and other	(0.4)	(0.2)		(0.2)	(0.1)	0	0	0.2	-		
	Consolidated total	2.9	2.9		4.3	3.6	3.2	3.4	0.4	+16.6		

2Q FY5/2022 Consolidated Performance (B-to-B Business)

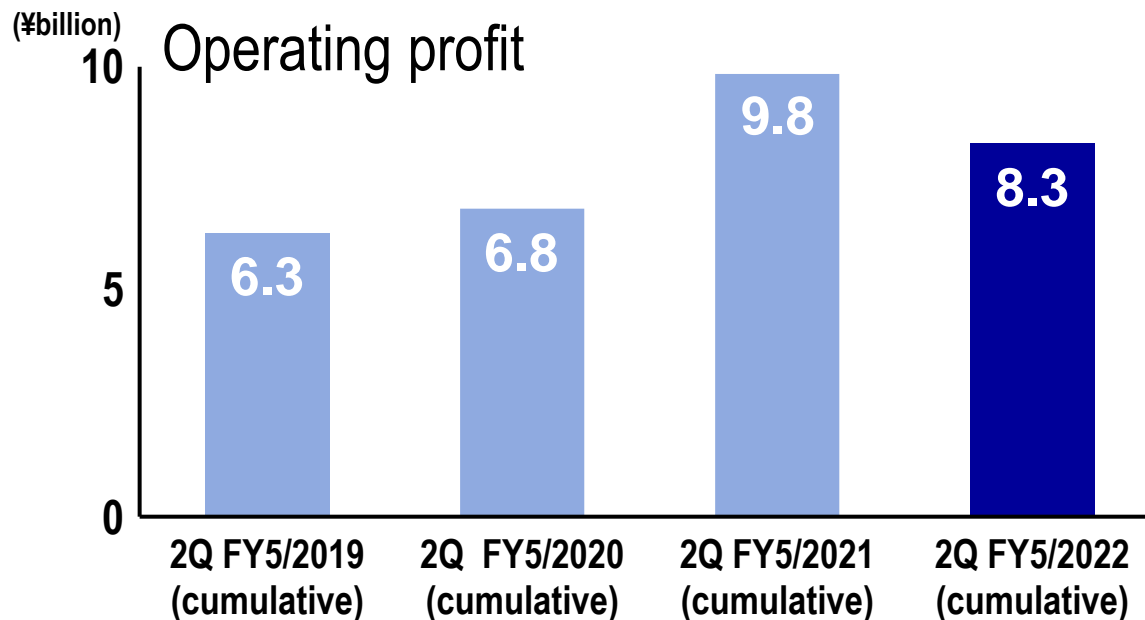
Consolidated



➤ Net sales

100.4% YoY (101.6% in real terms*)

Positive growth was achieved despite stagnant demand for office supplies in addition to a reactionary decline in sales of infection-prevention products.



➤ Operating profit

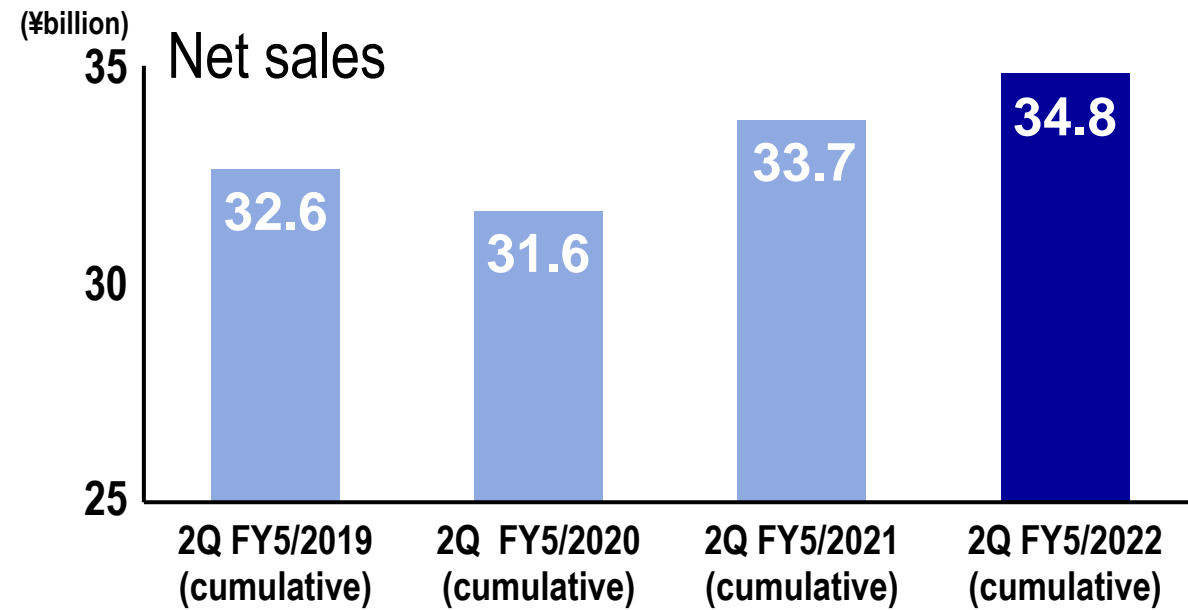
84.4% YoY

The impact of a temporary fall in the growth rate was neutralized by cost control. Progress was made as planned.

* Reference value assuming that the Accounting Standard for Revenue Recognition, etc. have been applied since the previous fiscal year.

2Q FY5/2022 Consolidated Performance (B-to-C Business)

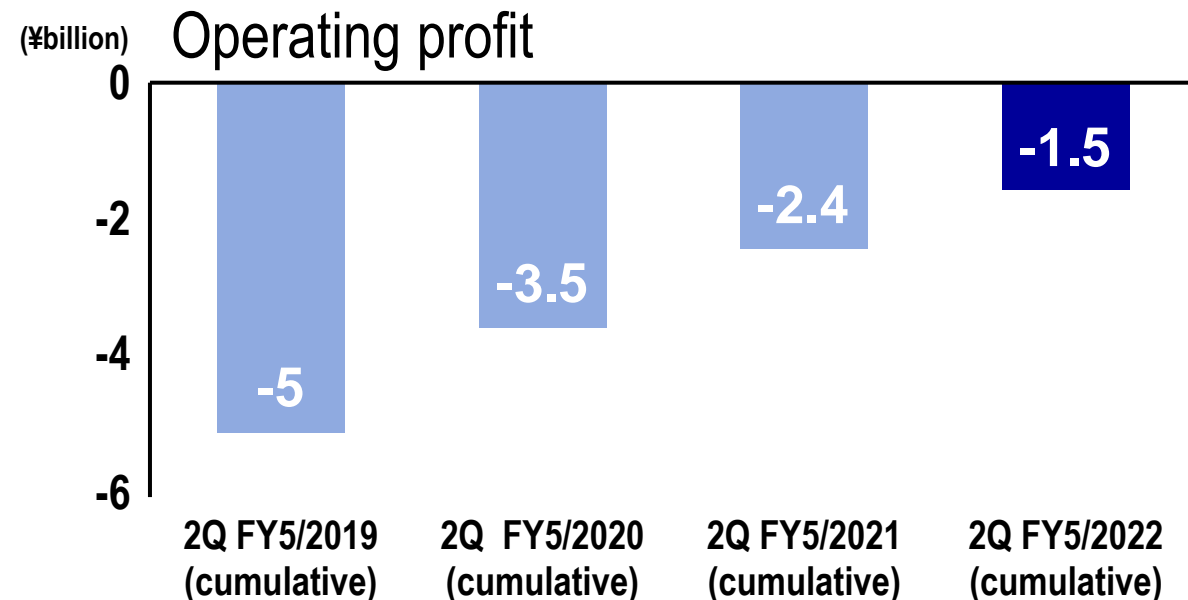
Consolidated



➤ Net sales

103.2% YoY (104.7% in real terms*)

LOHACO posted substantial double-digit growth in 2Q due to the continual addition of functions to its New Main Store in coordination with Z Holdings.



➤ Operating profit

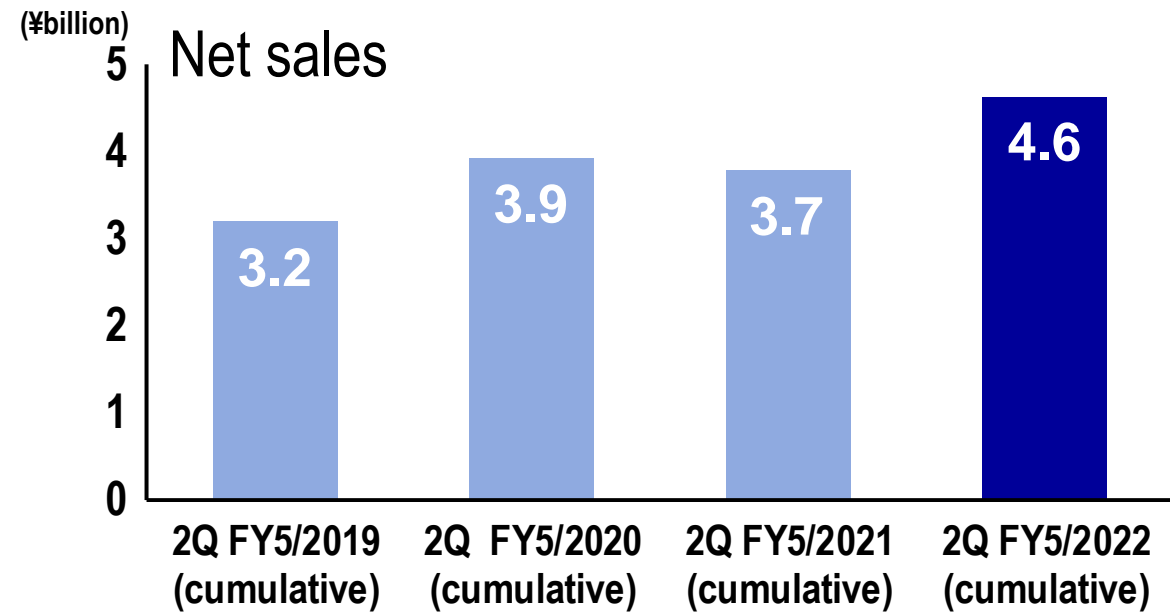
Up ¥0.8 billion YoY

In addition to the improvement in LOHACO, Charm, a Group company, performed well.

* Reference value assuming that the Accounting Standard for Revenue Recognition, etc. have been applied since the previous fiscal year.

2Q FY5/2022 Consolidated Performance (Logistics Business and Others)

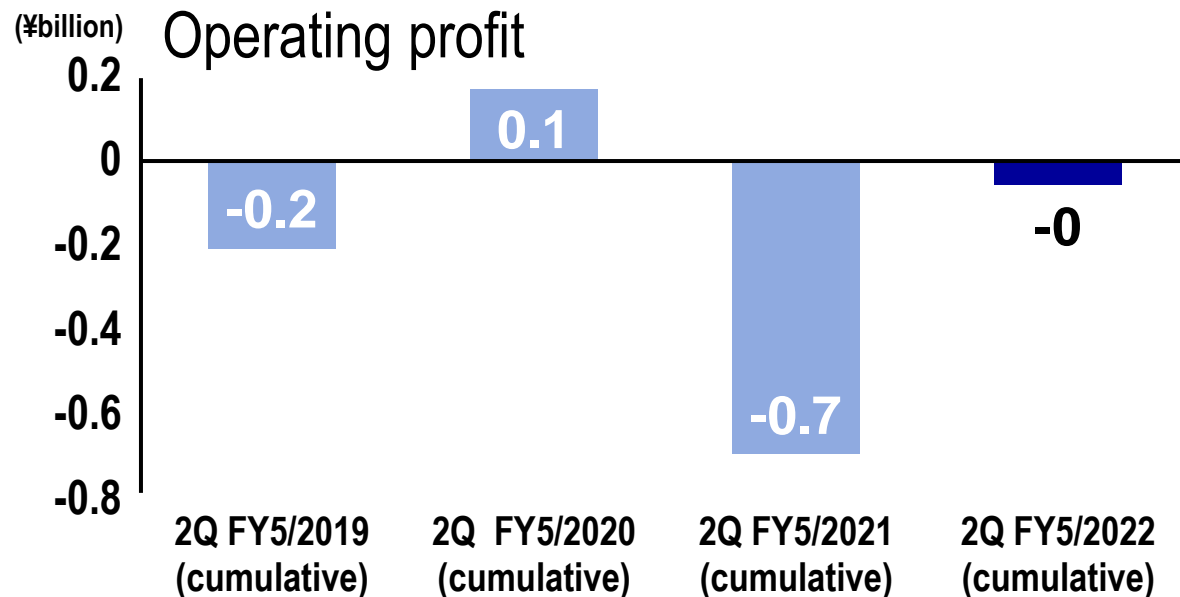
Consolidated



➤ Net sales

122.2% YoY

Net sales increased due to the expansion of the 3PL business.



➤ Operating profit

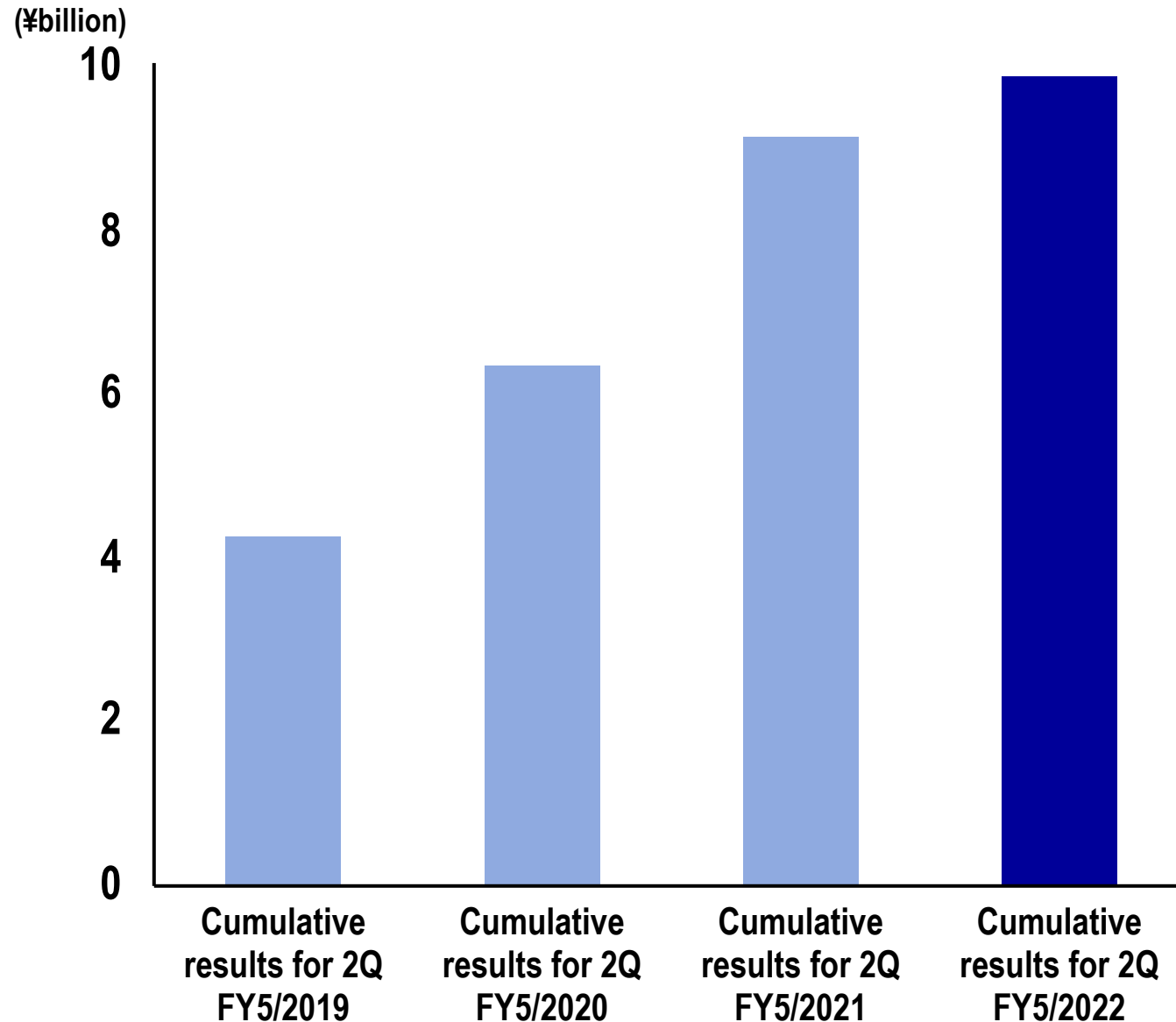
Up ¥0.6 billion YoY

Profit improved as planned.

Profit is expected to turn positive on a full-year basis.

Trend of EBITDA

Consolidated

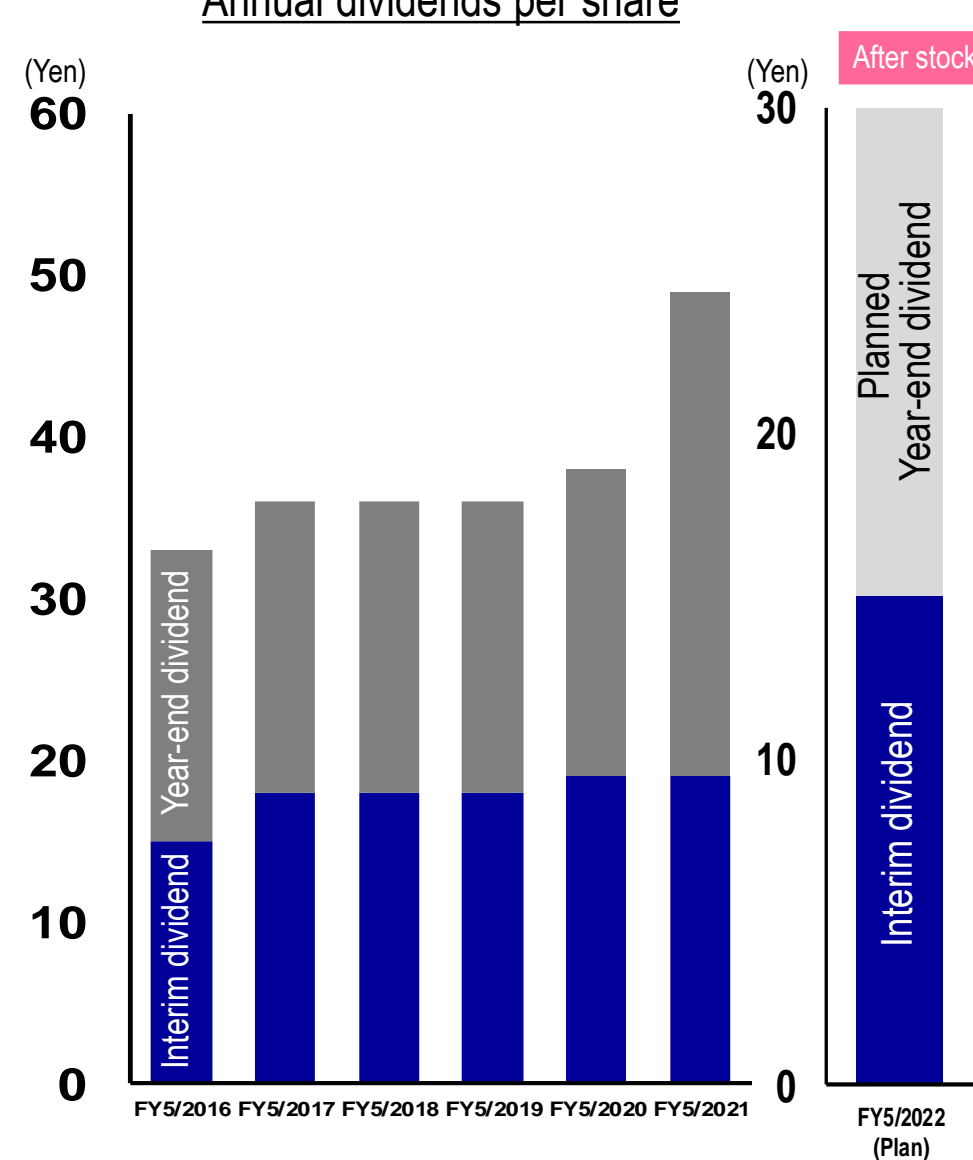


Broke the
Previous
Record

Shareholder Return



Annual dividends per share



Increased interim dividend as planned at the beginning of the fiscal year

FY5/2022 Interim Dividend

⇒ dividend per share: ¥15

Dividend increase of ¥5.5 on a post-split basis*

Dividend will be increased in accordance with profit growth

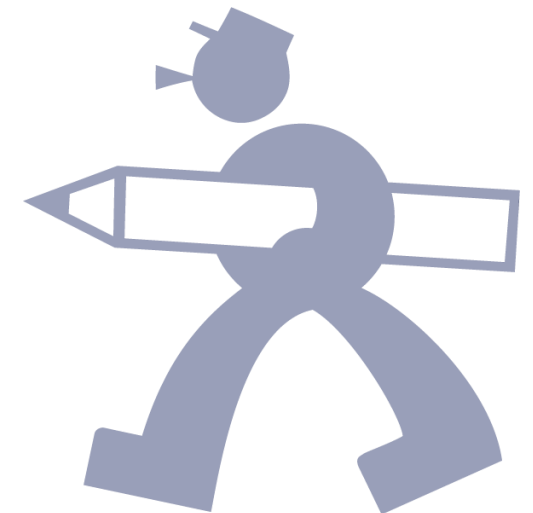
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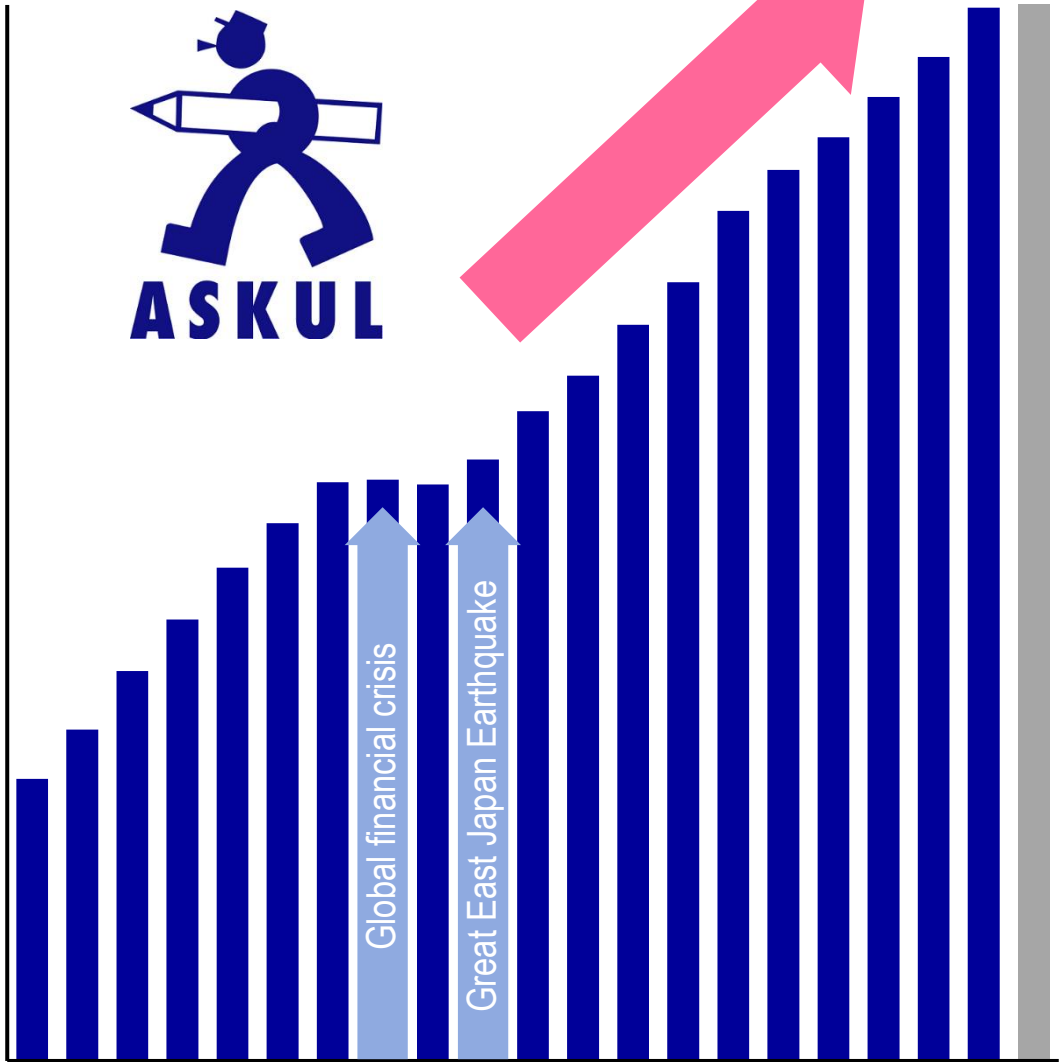
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FY5/2022 Plan

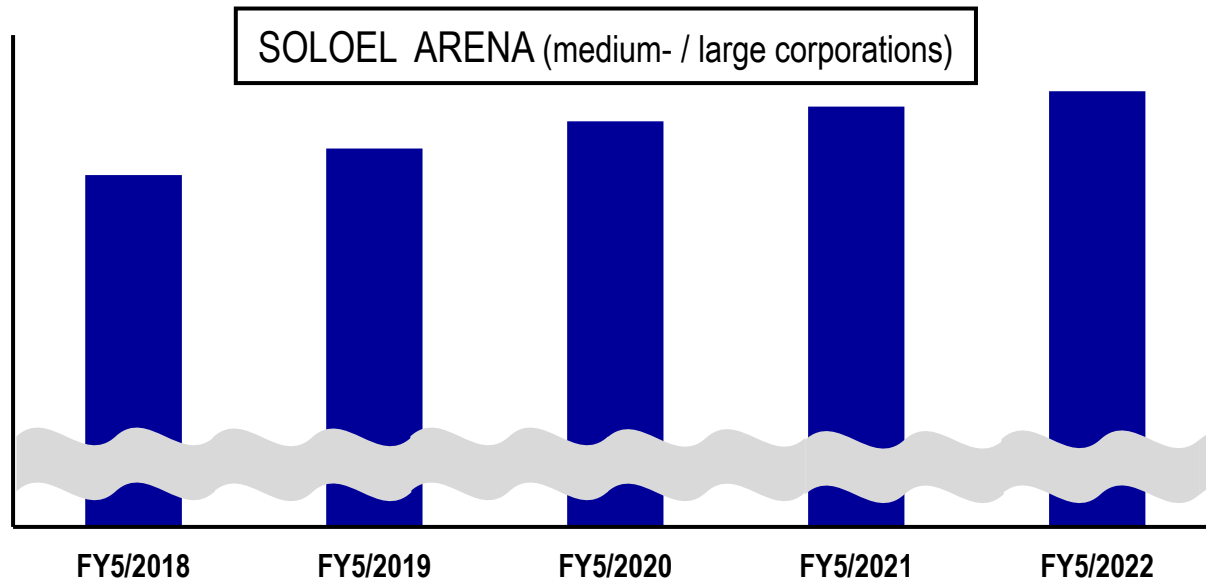
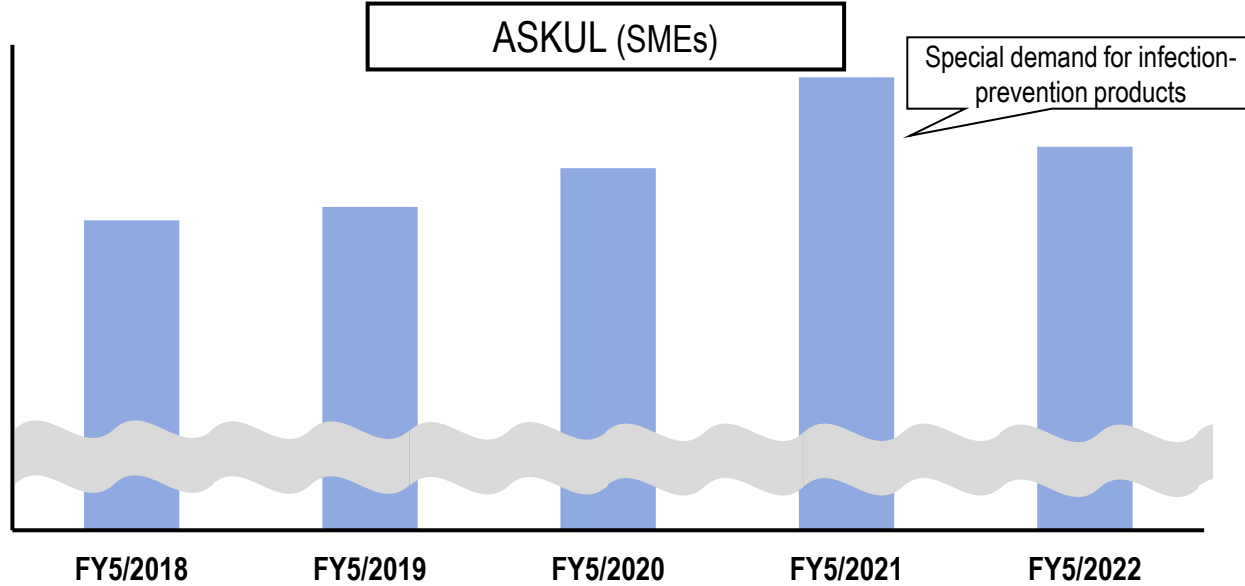
¥351.3 Billion*



Transformation from Office
Mail Order Business
Toward
Further Growth

FY5/2002 FY5/2004 FY5/2006 FY5/2008 FY5/2010 FY5/2012 FY5/2014 FY5/2016 FY5/2018 FY5/2020 FY5/2022

B-to-B The Number of Purchase Customers*



Number of Customers Who Purchased Remains in Growth Trend



Increase Growth Rate by Expanded Product Lineups and Web Strategy

B-to-B Quarterly Net Sales by Item

Non-Consolidated



Medical Regrow after the complete end of the reactionary decline, as a medium- to long-term focus category.

Living Supplies / MRO Accelerate an assortments of products that meet changing needs as a growth area.

Others Aim to increase the market share of top-share product groups in conventional office supplies.

(¥billion)	FY5/2020 2Q		FY5/2021 2Q		FY5/2021 3Q		FY5/2021 4Q		FY5/2022 1Q		FY5/2022 2Q					
		Composition ratio %		Composition ratio %		Composition ratio %		Composition ratio %		Composition ratio %		Composition ratio %	YoY change	YoY change %	vs 2 years ago	vs 2 years ago %
OA & PC	25.3	32.7	23.9	29.8	24.0	30.3	24.2	29.9	22.2	29.1	23.4	29.7	(0.4)	-2.0	(1.8)	-7.5
Stationery	11.1	14.4	10.1	12.7	10.1	12.8	11.5	14.3	9.5	12.5	9.9	12.6	(0.1)	-1.9	(1.1)	-10.6
Living Supplies	20.3	26.2	20.5	25.6	19.4	24.6	19.7	24.4	22.1	28.9	21.7	27.5	1.1	+5.4	1.3	+6.8
Furniture	5.1	6.6	5.1	6.4	5.4	6.9	6.8	8.5	5.0	6.6	5.1	6.5	(0)	-0.8	(0)	-0.5
MRO	8.9	11.5	9.0	11.3	9.0	11.5	9.3	11.5	8.8	11.6	9.4	11.9	0.3	+4.3	0.4	+5.6
Medical	4.6	6.0	9.3	11.7	9.0	11.5	7.4	9.2	7.1	9.3	7.4	9.4	(1.9)	-21.1	2.7	+59.5
Others	2.0	2.6	2.0	2.5	1.9	2.5	1.8	2.3	1.5	2.0	1.9	2.5	(0)	-2.5	(0)	-3.7
Total	77.6	100.0	80.3	100.0	79.2	100.0	81.1	100.0	76.5	100.0	79.0	100.0	(1.2)	-1.5	1.4	+1.9

B-to-B Expansion of Product Assortments (Number of Products, Products in-Stock)

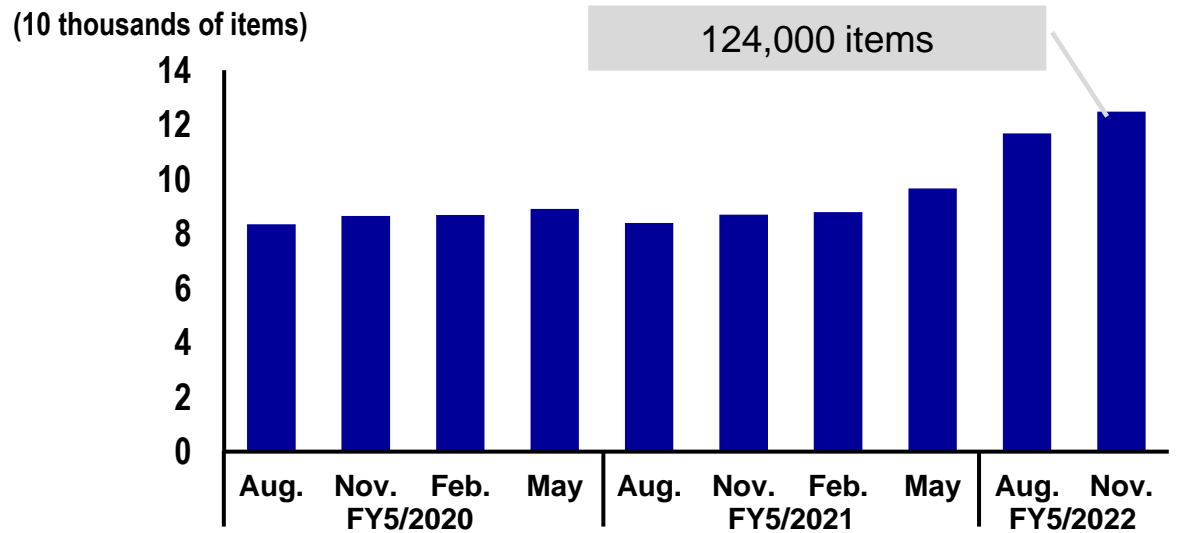
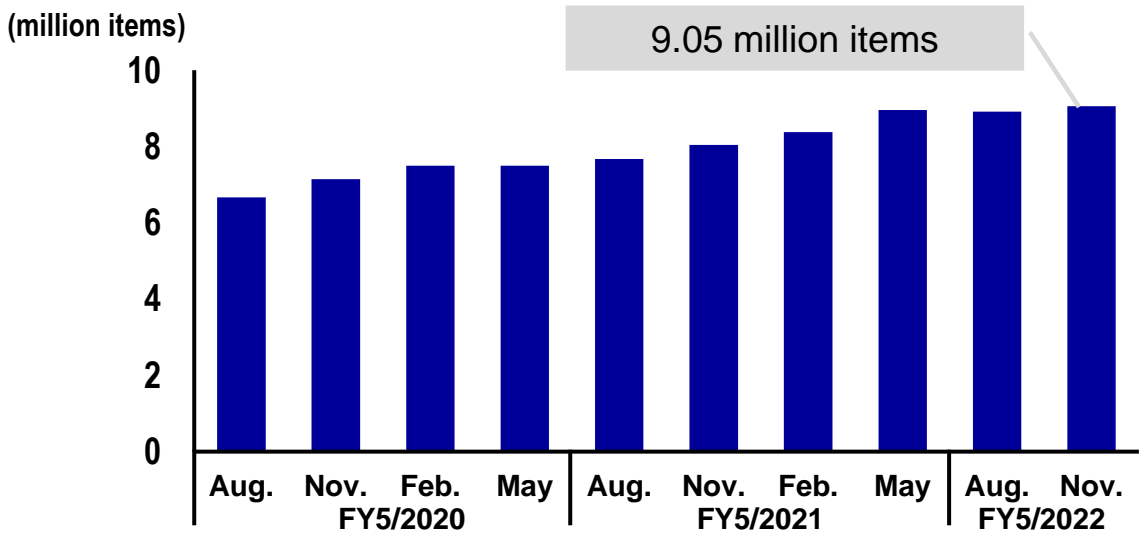
Products Handled
(Medium-term target at 18 million items)

- ✓ 2Q period : added more than 130,000 items
- New products handled: Over 360,000 items
- Products suspended for sale temporarily: 220,000 items (due to discontinued production and shortage of semiconductors)

✓ Plan to increase 2 million items in second half

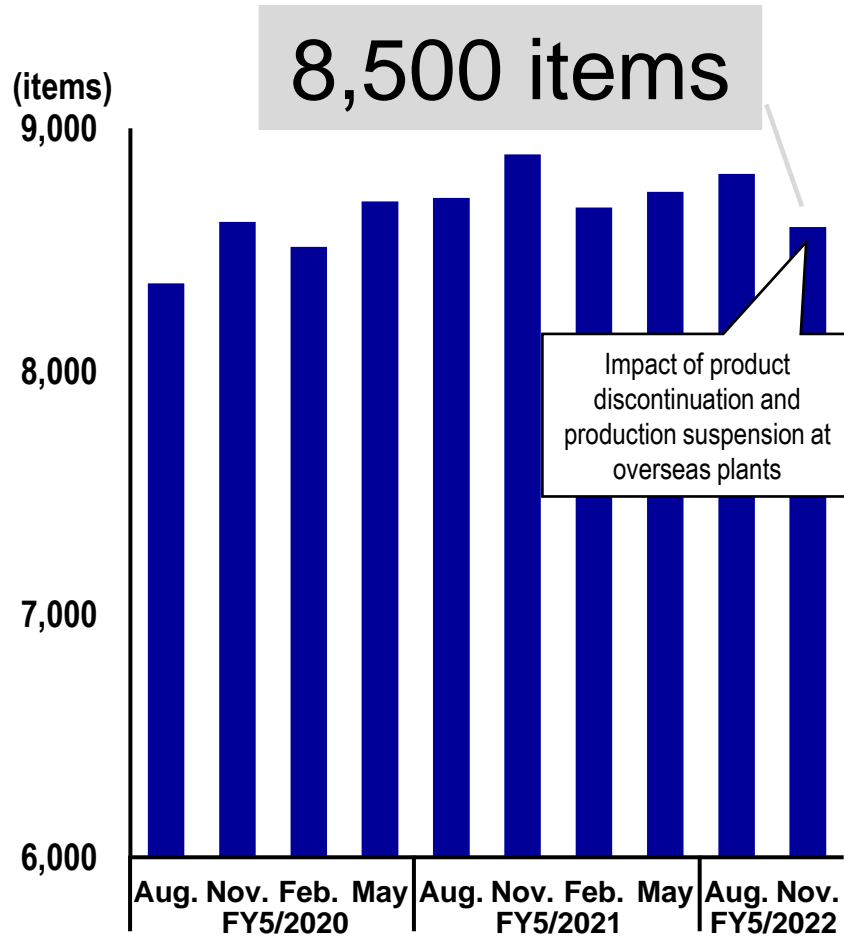
In-Stock Products
(Medium-term target at 330,000 items)

- ✓ 2Q period : added close to 8,000 items
- Start of B-to-B sales of LOHACO exclusive products and carrying out planned stocking of new products
- ✓ Accelerating inventory expansion in AVC Kansai

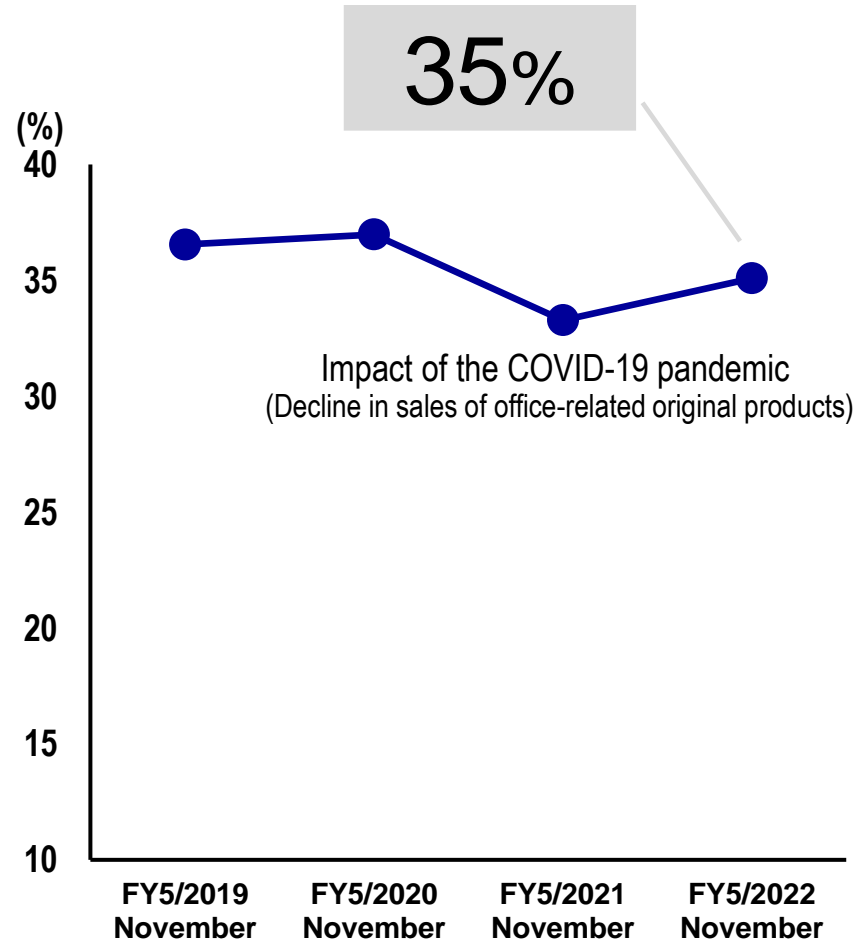


B-to-B Expansion of Product Assortments (ASKUL Original Products*)

Number of Items
(Medium-term targets at 12,000 items)



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



Reinforce development of original products for strategic 2 major industries

Plans to increase 500 items in second half

*1 Original products includes products exclusive to ASKUL

*2 Excluding original products exclusive to LOHACO



The most advanced flagship center in eastern Japan

Progress of material handling installation

- ✓ Start of operation postponed by several months due to shortage of semiconductors
(expected to start operations in 2022)
- ✓ No impact on management indicators of medium-term management plan



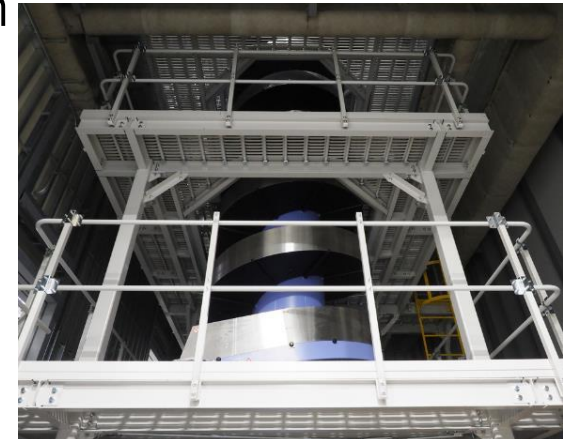
Automatic warehouse for case item
(height 9.9m / 32ft)



Automatic bucket warehouse



Sorting shuttle



Spiral conveyor



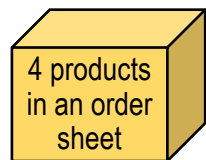
Efforts to reduce delivery cost, which is the largest cost in EC Business

Improve the stock-out rate by optimizing inventories

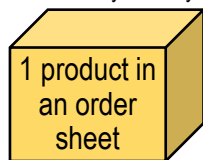
About 30% YoY decrease

- ✓ Utilization of nearby external warehouses
- ✓ Enhanced accuracy of order quantity by utilizing IT
- ✓ Improved communication with suppliers

[When products are out of stock]
Split shipments occur



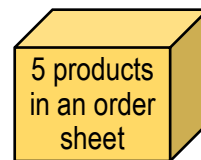
+



Out-of-stock product will be delivered as soon as inventory is ready

Solve out-of-stock situation

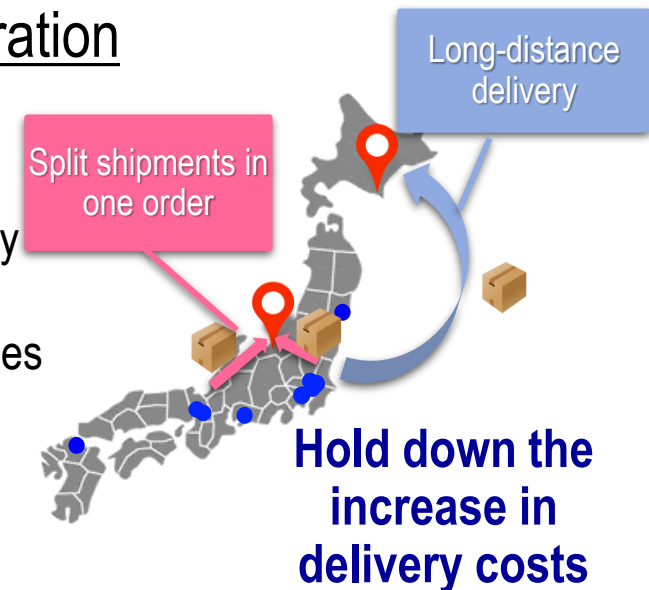
[Normal time]
One order in one box



Start demonstration experiments
Optimize inventory placement by using AI in collaboration with the University of Electro-Communications and TIMEINTERMEDIA, Inc.

Objectives of demonstration experiments

- ✓ Reduce split shipments
- ✓ Slash long-distance delivery costs
- ✓ Hold down inventory volumes
- ✓ Improve delivery efficiency



Related press release (Japanese only):
<https://pdf.irpocket.com/C0032/ZJpV/ozZH/sj5t.pdf>

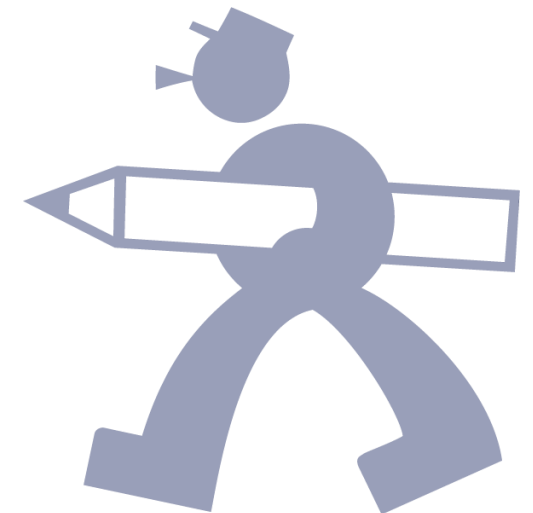
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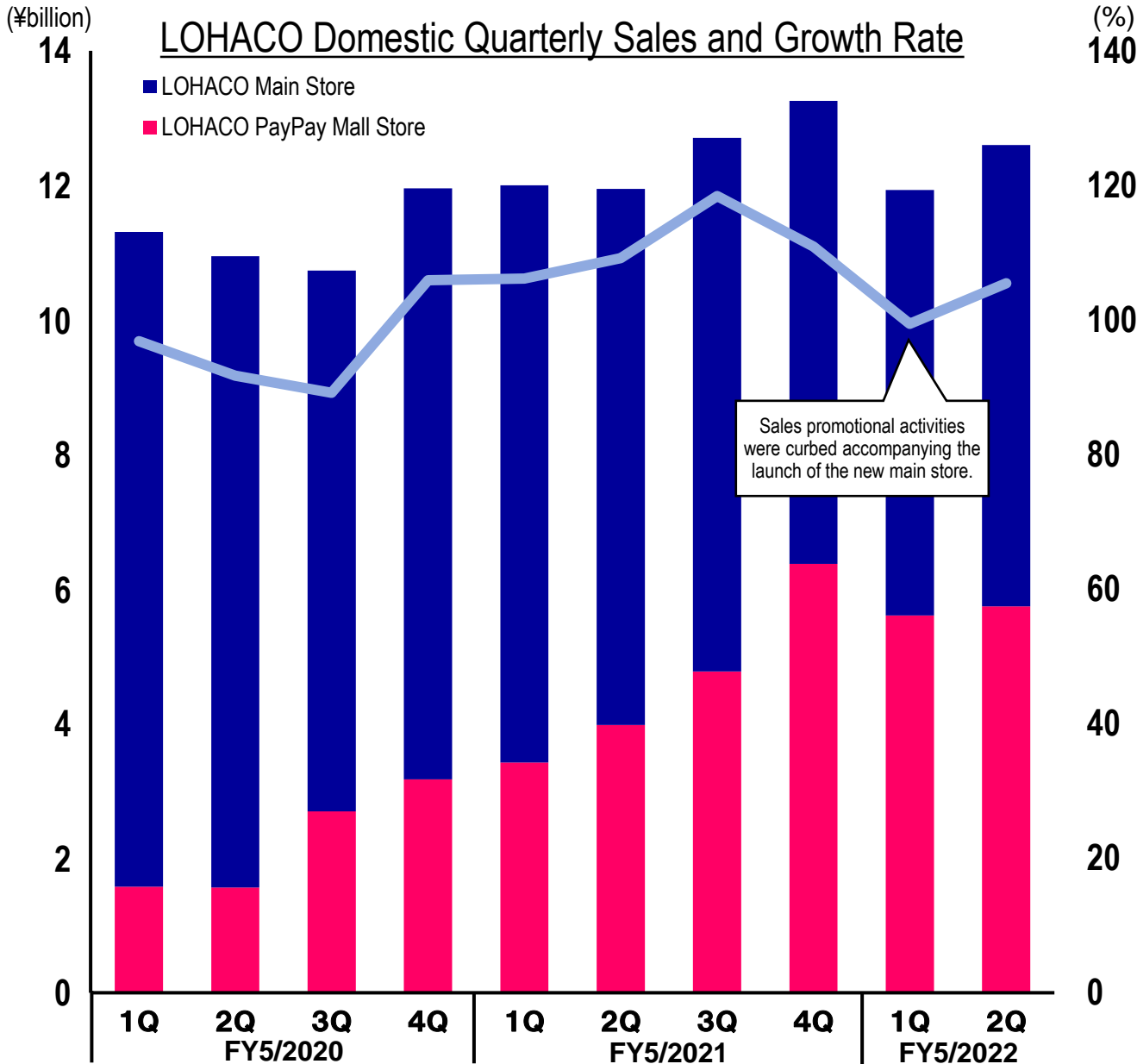
II. B-to-B

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Aim at Further Growth with Group Synergies

Super PayPay Festival
Until 11/28 Sun 11:59pm

日曜は Bonus equivalent to a maximum of **30.5%**!

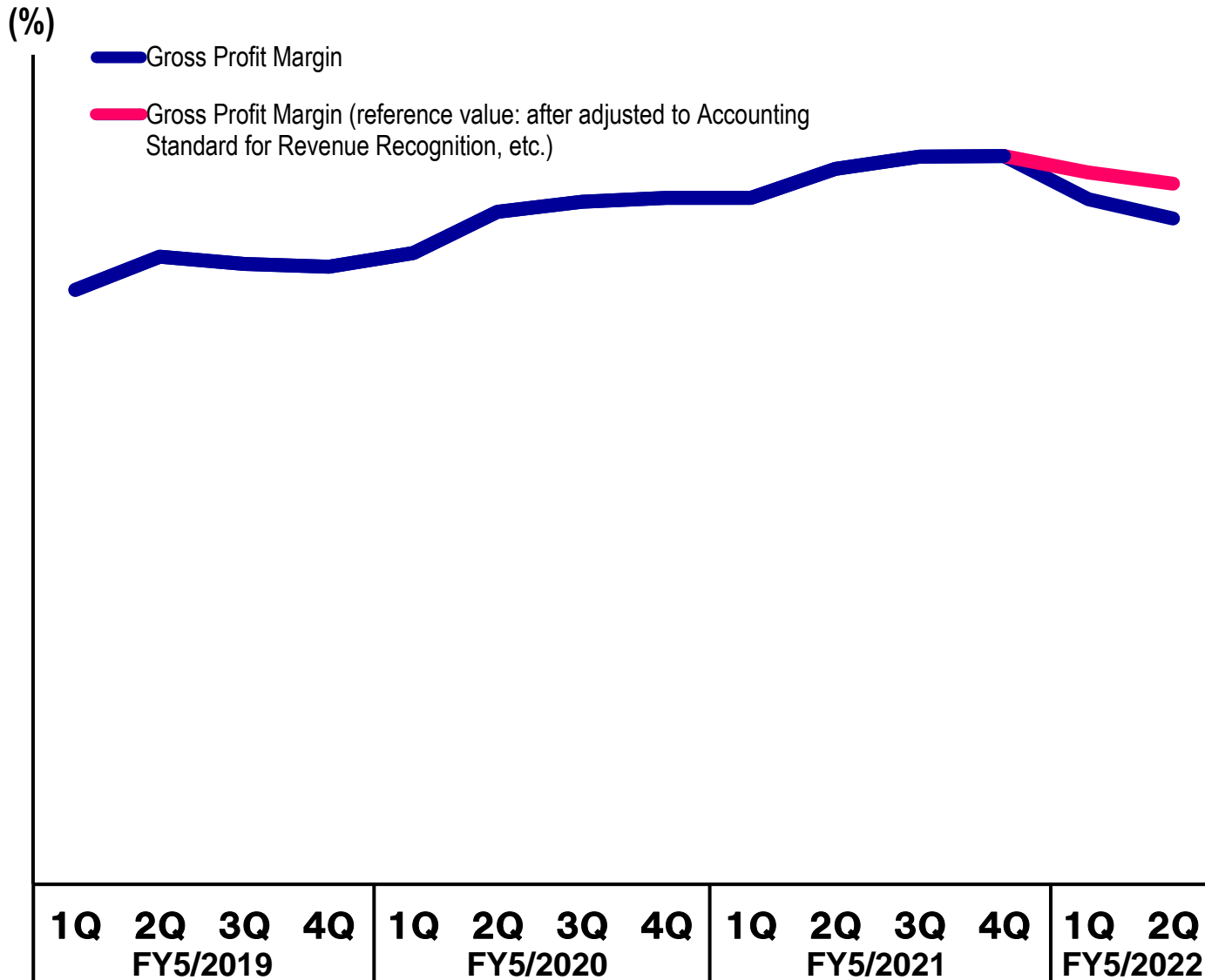
※条件を満たした場合

Super PayPay Festival (October 18 – November 28)



LOHACO WEEK (October 6 - 26, October 28 - November 18)

LOHACO Gross Profit Margin



FY5/2022 2Q results
YoY change: Down 1.8 points



After adjusted to applying Accounting Standard for Revenue Recognition, etc.

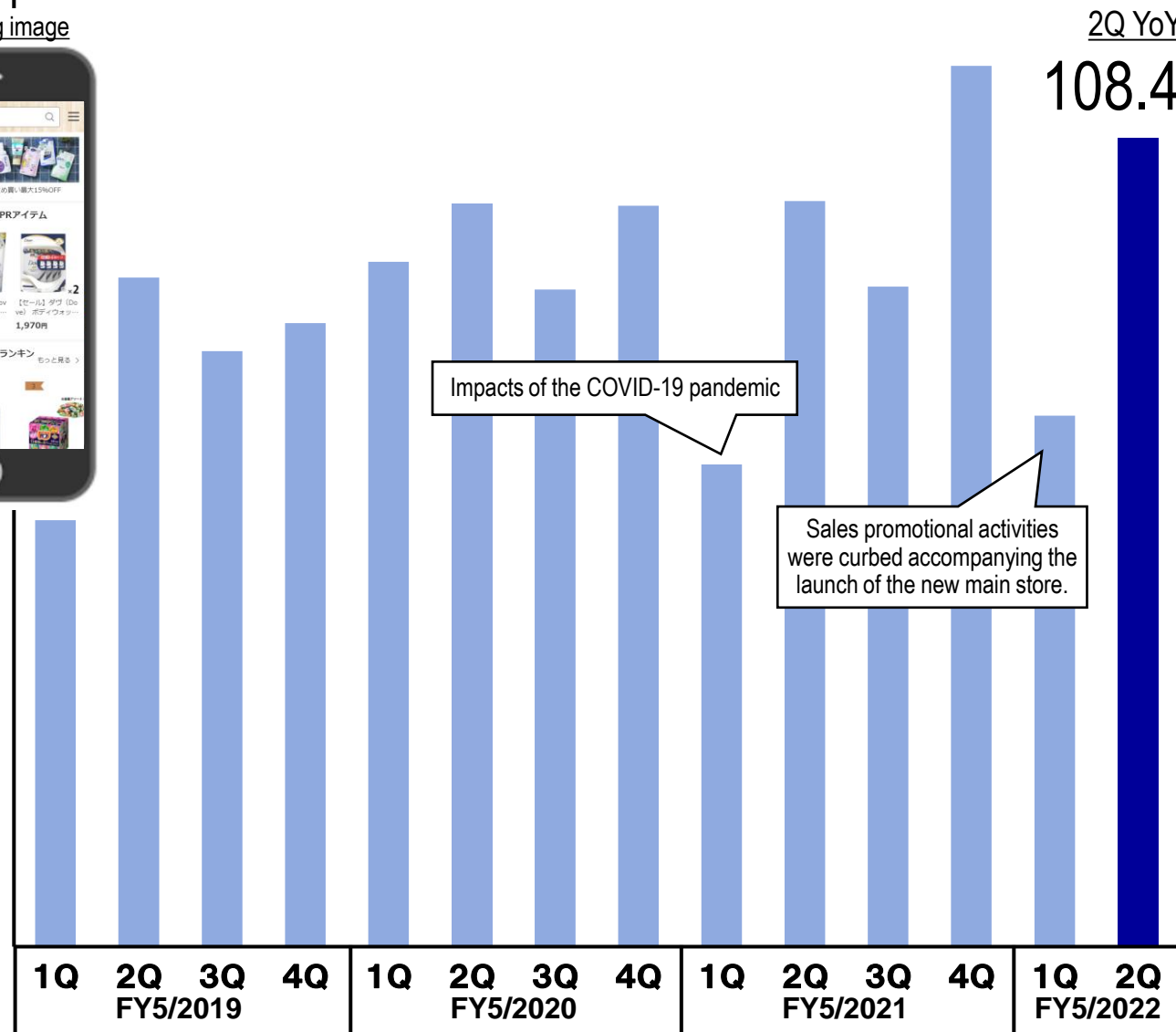
YoY change: **Down 0.5 points**

Increase in overseas composition ratio Down 0.8 points
Improvement in gross profit margin of domestic Up 0.3 points
(Domestic in November improved **Up 1.1 points**)

LOHACO Advertising Fee Income

(Yen)

Advertising image



Improved by resumption of sale promotion at New Main Store



LOHACO Marketing Platform (LMP)

Research/Analysis

Test marketing

Launch of new product

Development of brand

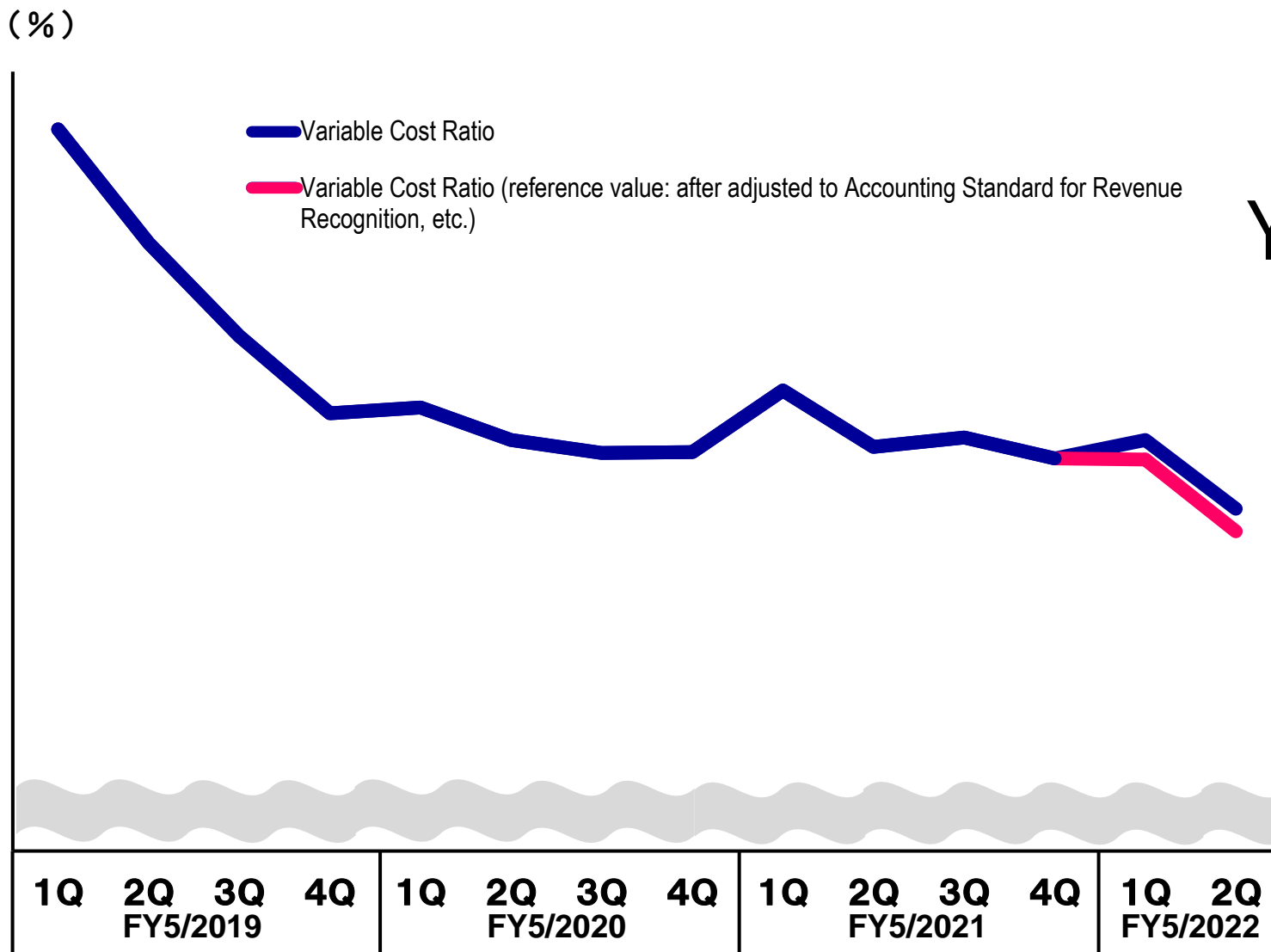
Expansion of advertising business in multiple phases including support in purchase data analysis and provision of effect verification reports

New Product Test Marketing Support Service
“LMP Insight Test” started

**Evolve from Advertising Business
to Solution Business**

by leveraging the strengths of EC directly connected with manufacturers

LOHACO Variable Cost Ratio



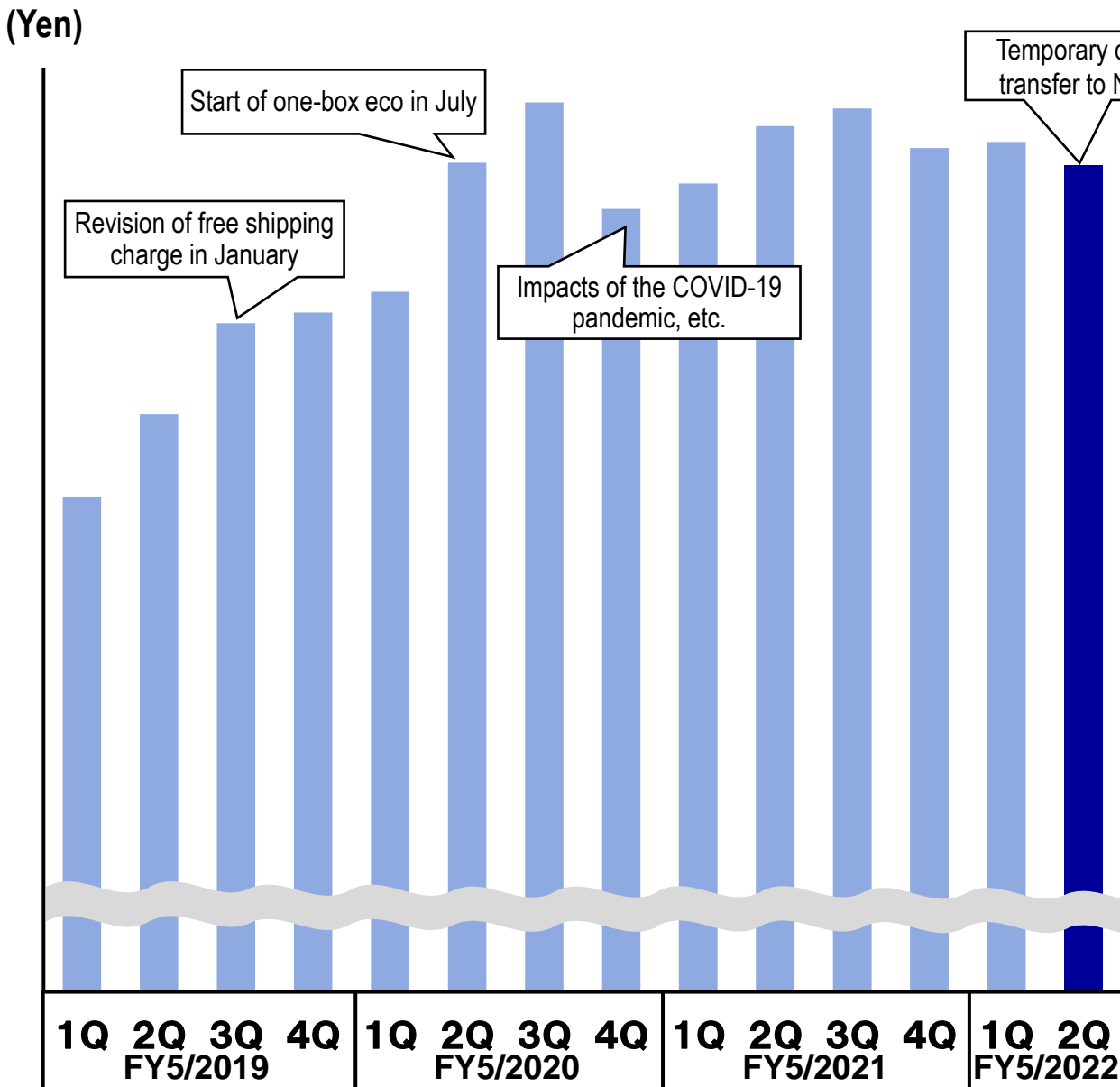
FY5/2022 2Q results
YoY change: Down 0.9 points



After adjusted to applying Accounting Standard for Revenue Recognition, etc.

YoY change:
Down 1.3 points
Progress as planned

LOHACO Sales per Box (domestic)



FY5/2022 2Q results
YoY change: Down 2.8%



Will turn around from 3Q onward by improvement of website functions





Enhance Customers' Shopping Around by Improving Site Functions of New Main Store

Put in the shopping basket from Favorites

Search: 今日は何をお探しですか?

Favorites お気に入りとは

4 件 | 登録の新しい順

 ×2 3 Ply Soft Mask Regular White 1set 856 yen In-stock	 ×4 Toilet Cleaning Sheets Orange scent Refill 1set 509 yen In-stock
---	---

Put in the basket **Put in the basket**

Display variations

Select a variation

Selected item
Toilet Roll Single 6 rolls Single 120m
LOHACO Original 1set (2 packs)
660 yen
Type: Single
Sales unit: 2 packs

いま見ている商品に戻る

Select conditions

Type
Single Double

Sales unit
1 pack 338 yen
2 packs 660 yen
3 packs 960 yen
8 packs 2,550 yen

Apply multiple coupons in one order

カゴ

LOHACO by ASKUL

Change coupons to be used

- 3%-off coupon given to orders of 12,000 yen or more in LOHACO
有効期間: 2021/12/11 12:00
特典内容: 3%OFF
利用回数: 1 回
Can be used together
- 30%-off coupon for trying new products
有効期間: 2021/12/26 23:00
特典内容: 30%OFF
利用回数: 1 回
Can be used together
- 10%-off coupon for Lifestyle Proposal
有効期間: 2021/12/30 12:00
特典内容: 10%OFF
利用回数: 1 回
Can be used together



Repeat Sales Ratio* in New Main Store Increased Over 10 Points (compared to the previous main store) by Strengthening Collaboration

Large-scale sales promotional events
including Super PayPay Festival

今日は何をお探しですか？

Super PayPay Festival

10.18 mon - 11.28 sun

今週月～土に対象ストアで
お買い物すると日曜日は

Bonus equivalent to a
maximum of **30.5%**!

Points awarded at the same level
as PayPay Mall Store

今日は何をお探しですか？

Dates with the number 5 in them
Special offers to be earned by
making an entry
Bonus equivalent to a maximum of
28.5%

※特典を獲得するには、キャンペーンへのエントリーやPayPay残高でのお支払い、Yahoo!プレミアム会員、ソフトバンクスマホユーザーなど各種条件があります。
※キャンペーン毎の詳細条件をご確認ください。
※特典はキャンペーン毎に獲得上限があります。詳細条件をご確認ください。
※付与される特典にはPayPayボーナス、ポイントがあります。
※PayPayボーナスの詳細はこちらをご確認ください。
※PayPayボーナスを利用するためには、Yahoo! JAPAN IDとPayPayの連携が必要です。

Attracting customers with PayPay Step

今日は何をお探しですか？

Conditions

カウント期間：毎月1日 0:00 ～ 同月末日 23:59

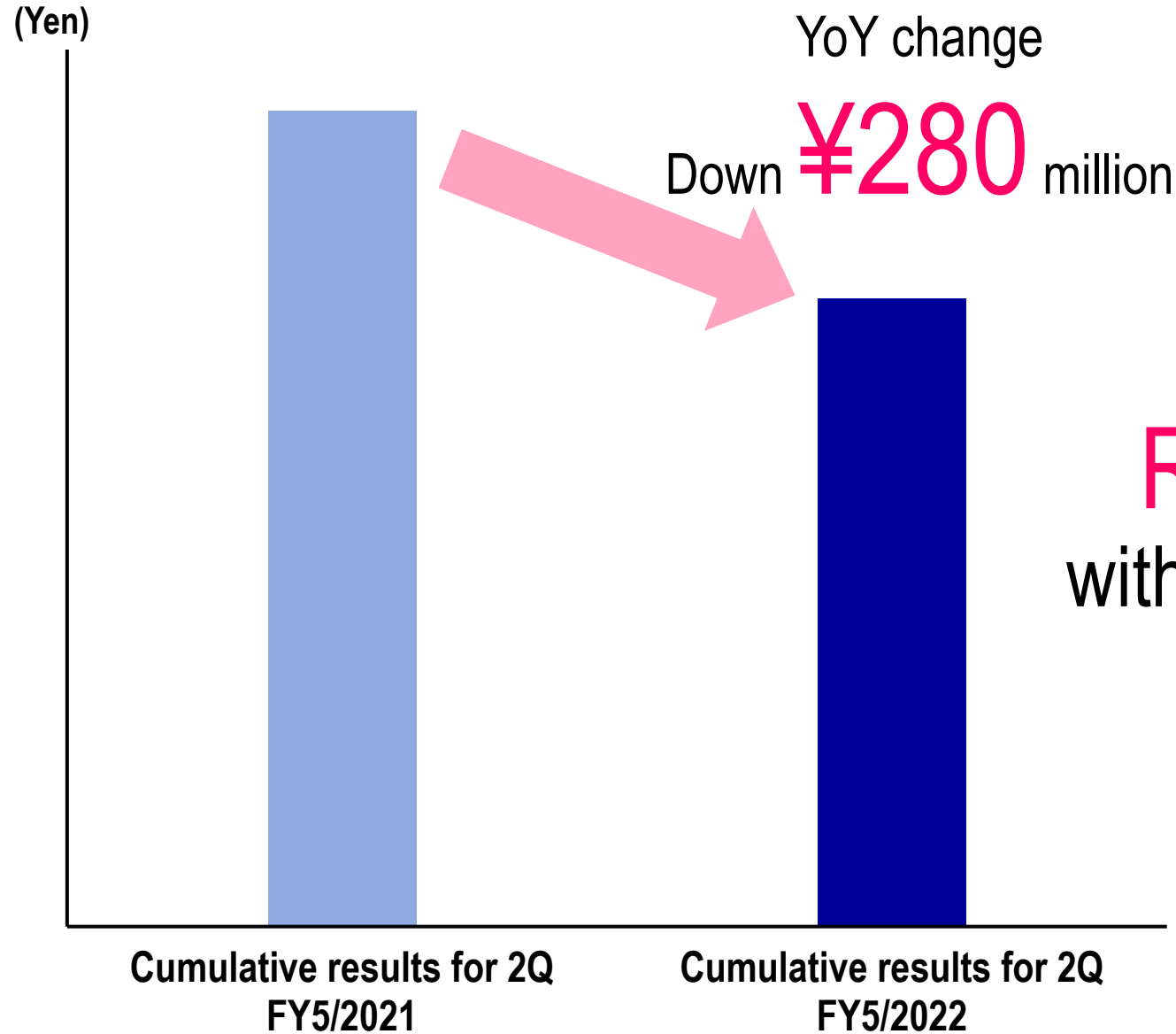
When using three services from (1) to (5) within this month

- (1) PayPay Mall or Yahoo! Shopping
- (2) PayPay Fleamarket or Yahoo! Auction!
- (3) Yahoo! Travel
- (4) ebookjapan
- (5) LOHACO by ASKUL

* The percentage of customers who made their first purchase in LOHACO Main Store and made their second purchase within 90 days after their first.

LOHACO Fixed Costs(amortization of software and personnel expenses)

Non-Consolidated



Reduction of fixed costs
with the launch of the new main store

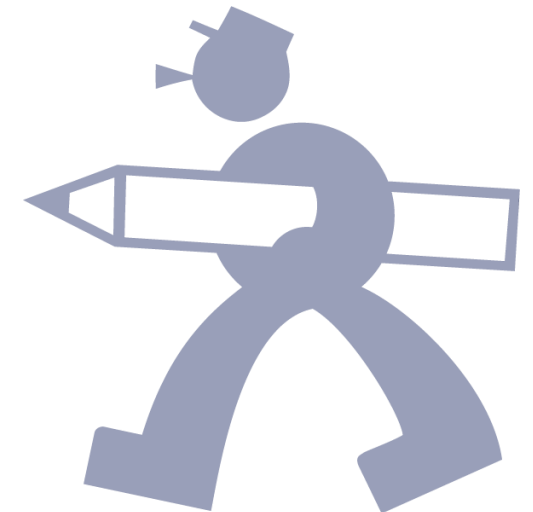
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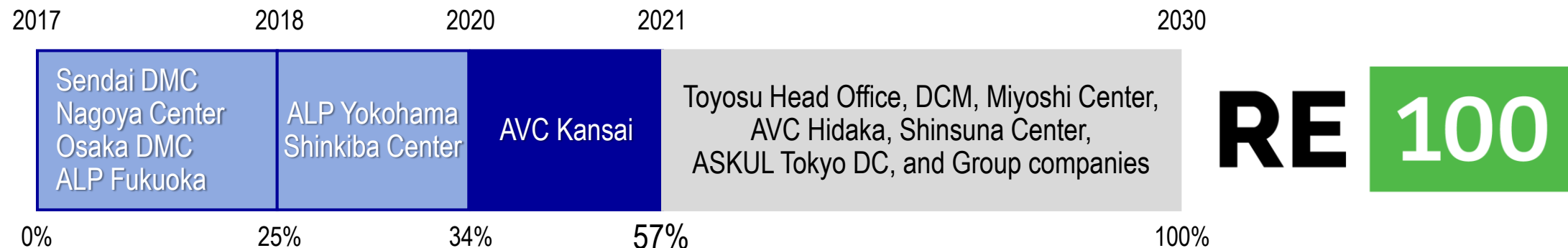


December 2021

Additional Adoption of Renewable Energies

The Ratio of Renewable Energies Reached 57% of the Entire Group's Electricity Consumption

- ✓ The power consumed by AVC Kansai was switched to 100% renewable energy.
- ✓ “2030 CO₂ Zero Challenge,” which ASKUL announced in 2016, and RE100, which ASKUL joined in 2017, have made steady progress toward their targets.





December 2021

Selected “Climate Change A List (highest rating)” by CDP for Three Consecutive Years



- ✓ ASKUL was highly evaluated for its efforts to reduce emissions, mitigate climate risk, build a low-carbon economy, and so on.

* CDP is an international environmental non-profit organization running a global disclosure system of environmental information of companies and local governments.

* Related press release (Japanese only): <https://pdf.irpocket.com/C0032/ZJpV/BMS3/qYME.pdf>



In Information Technology Award for FY2021 (Sponsored by the Japan Institute of Information Technology) Awarded “IT Best Award (in the field of transformation)”

Promotion of digital transformation (DX) activities with the key phrase of “socially optimal open innovation” to realize business management in line with the purpose

Reasons for reward

1. ASKUL pursues effective EC marketing, based on a data ecosystem, for the evolution of customer services.
2. ASKUL built an open innovation platform in collaboration with partner companies and academic institutions.
3. ASKUL created an agile organization that enables data scientists and engineers on the ground to transform business and is striving to foster a good corporate culture.
4. ASKUL ventured into “demarketing” (decrease unnecessary demand) that solves social issues in the pandemic era through data and technology.
5. ASKUL established owned media "ASKUL Transformation with Digital" to continuously disseminate knowledge outside the Company.



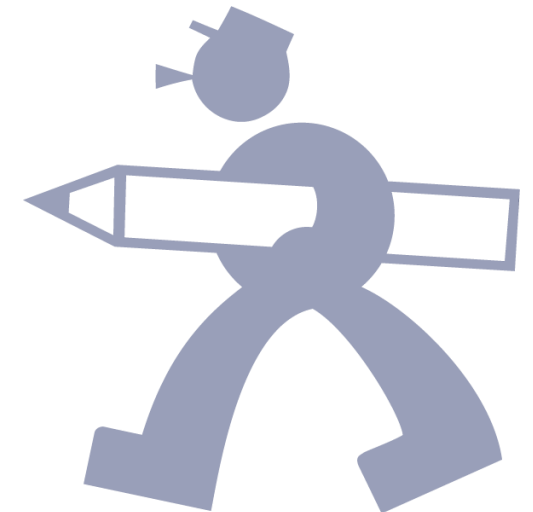
I. Consolidated Performance for 2Q FY5/2022

II. B-to-B

III. B-to-C

IV. ESG / DX

V. Appendix



FY5/2022 Net Sales by Item

Non-Consolidated



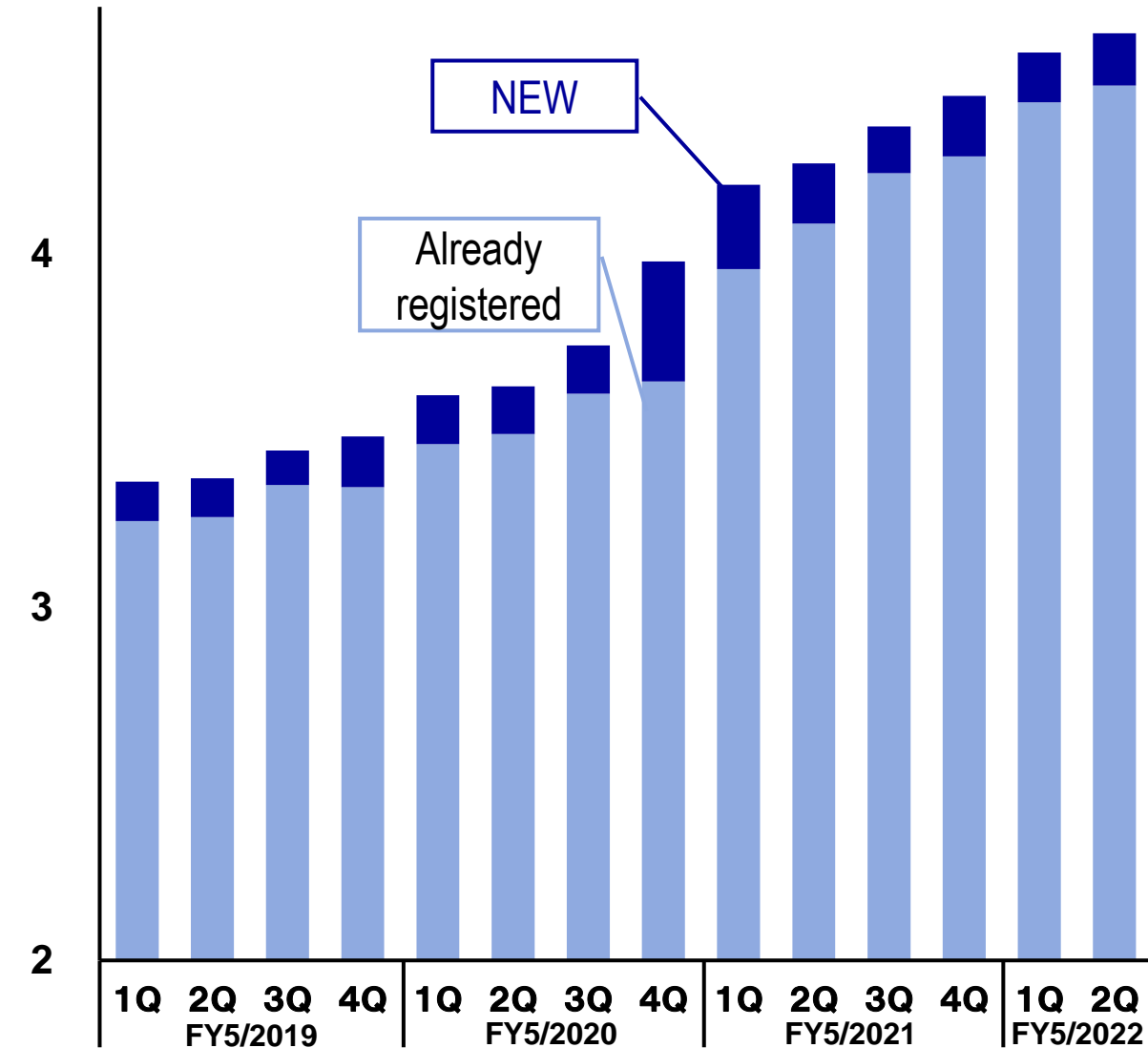
(¥billion)	FY5/2020 2Q Cumulative		FY5/2021 2Q Cumulative			FY5/2022 2Q Cumulative			
		Composition ratio %		Composition ratio %	YoY change %		Composition ratio %	YoY change	YoY change %
OA & PC	49.6	28.4	47.0	26.0	-5.4	46.8	25.7	(0.1)	-0.4
Stationery	21.9	12.5	20.1	11.2	-7.9	19.9	11.0	(0.2)	-1.0
Living Supplies	61.2	35.0	62.0	34.4	+1.3	66.6	36.6	4.5	+7.4
Furniture	10.4	6.0	10.0	5.6	-3.3	10.4	5.7	0.3	+3.8
MRO	17.5	10.0	17.9	10.0	+2.4	18.8	10.3	0.8	+4.9
Medical	10.0	5.8	19.4	10.8	+92.9	16.5	9.1	(2.8)	-14.9
Others	3.9	2.3	3.7	2.1	-4.2	2.9	1.6	(0.8)	-22.3
Total	174.8	100.0	180.5	100.0	+3.2	182.2	100.0	1.7	+0.9

B-to-B Number of Registered Customers*

Non-Consolidated

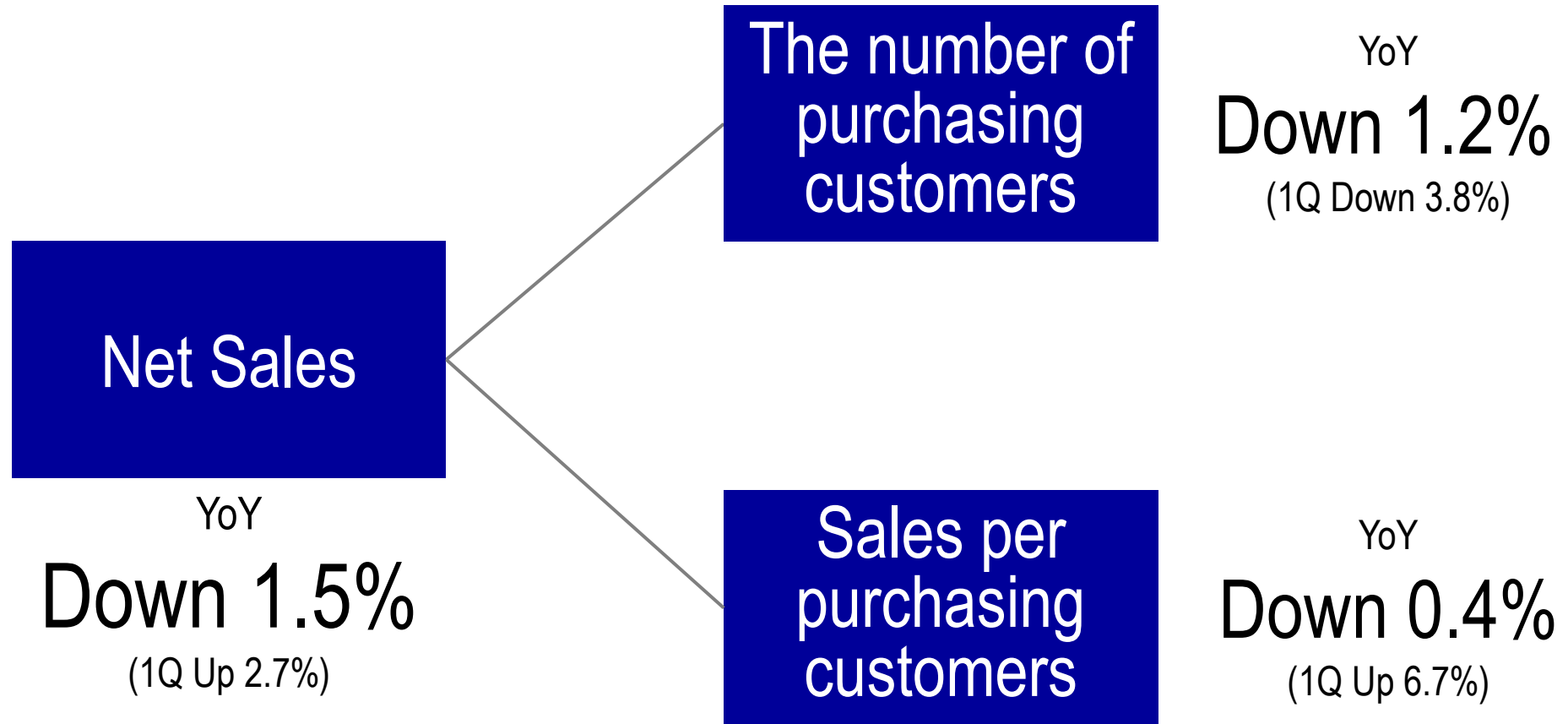


(Millions of cases)

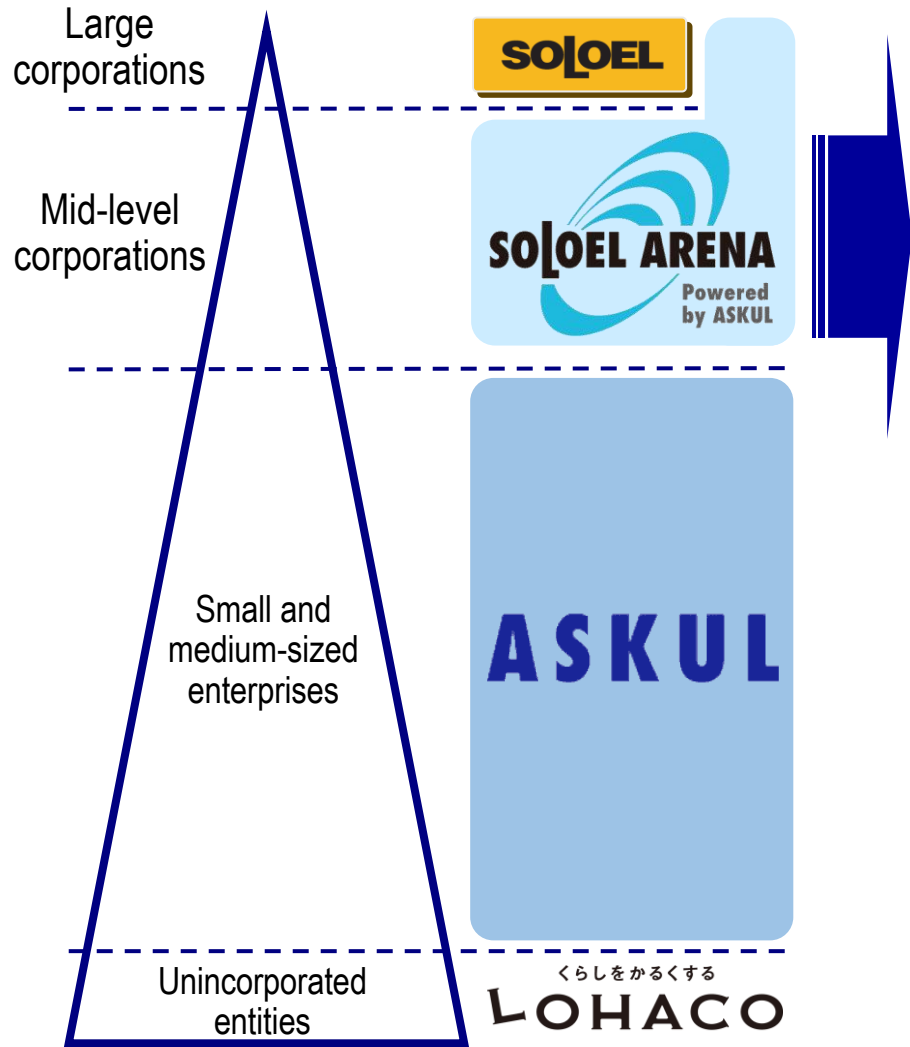


Customer Base Keeps Expanding toward Post-Pandemic Growth

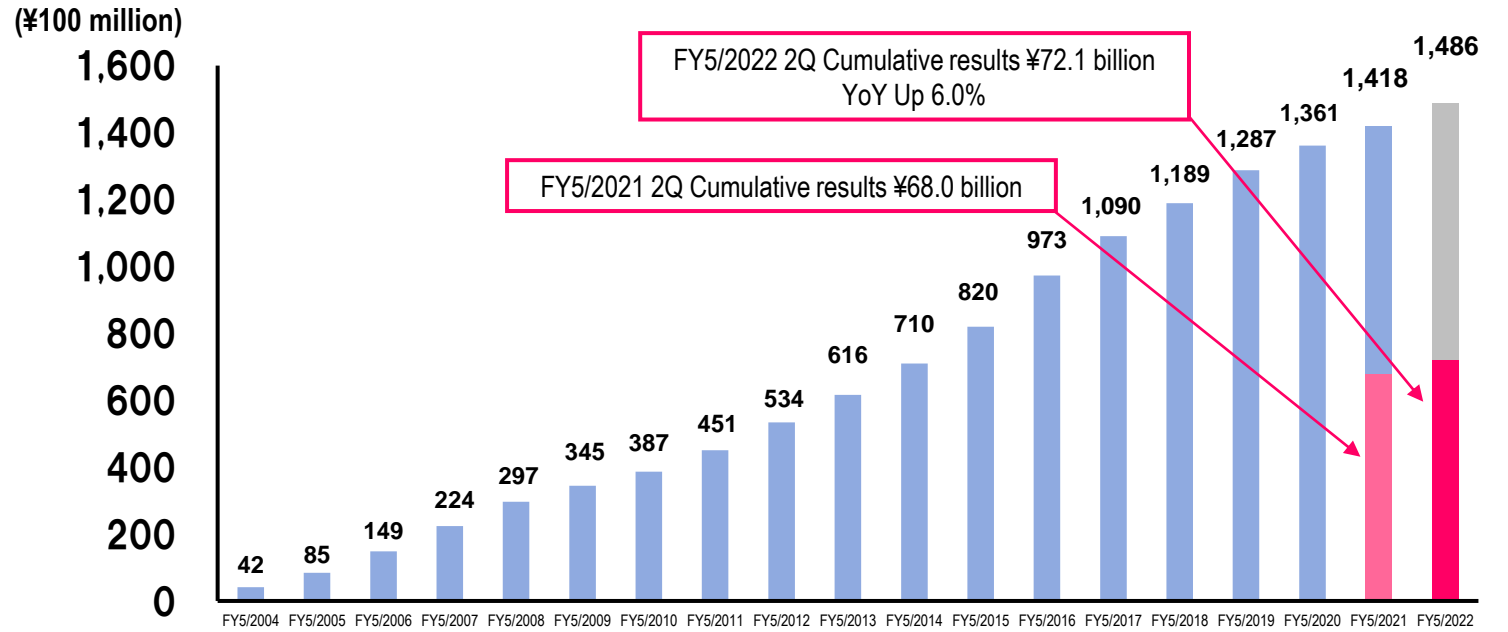
* New means the number of customers who registered in each quarter. Already registered is the number of customers calculated by excluding new customers from the total number of customers from whom ASKUL, SOLOEL ARENA, etc., can receive orders as of the end of each quarter.



B-to-B Results of SOLOEL ARENA and others

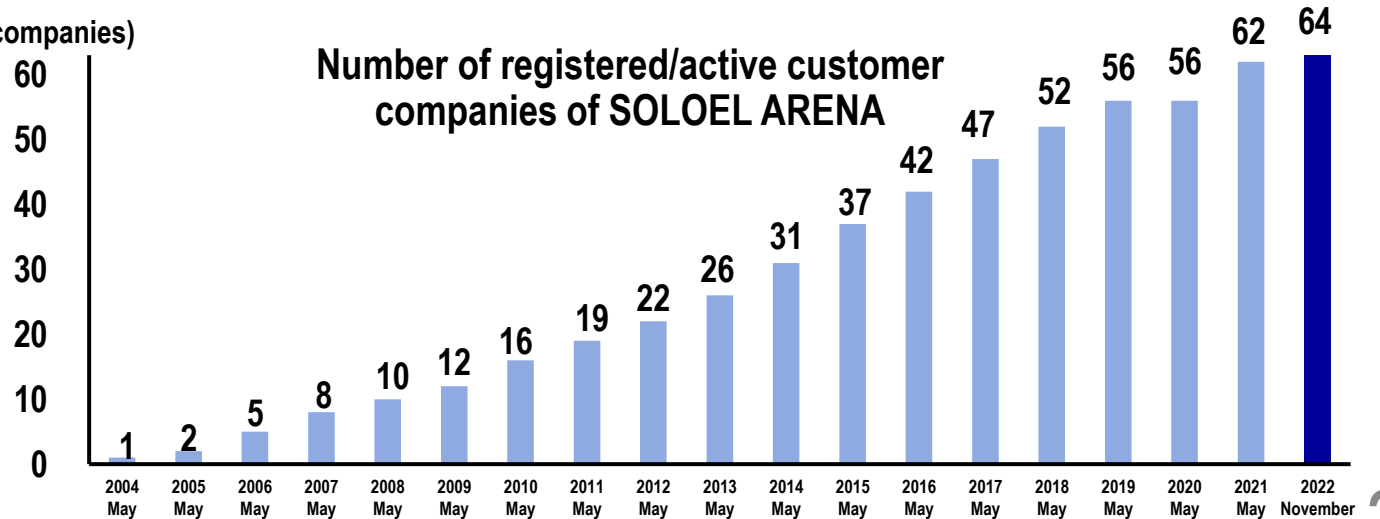


Net sales value for SOLOEL ARENA and others



(1,000 companies)

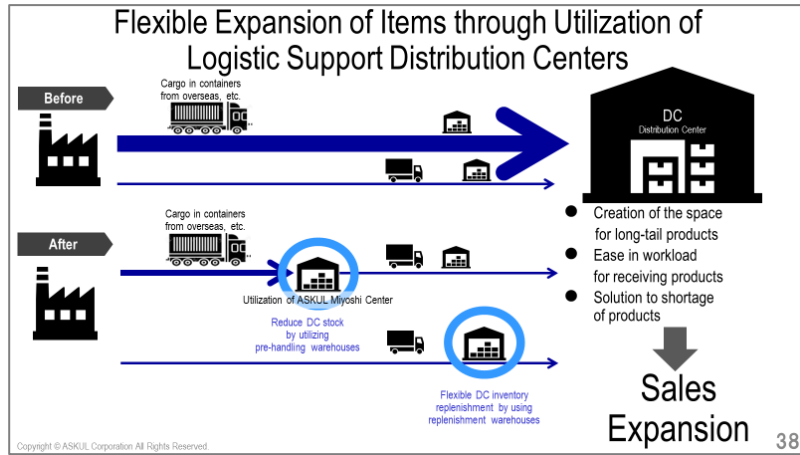
Number of registered/active customer companies of SOLOEL ARENA





Sendai DMC External Warehouse Put into Operation

Medium-Term Management Plan P.38, P74



Watari-cho Warehouse

Leased from November 2021

- ✓ Increase sales by eliminating stock shortages through expanding back-up inventory
- ✓ Reduce delivery costs by optimizing inventory placement through creating a space



(Watari-cho, Watari county, Miyagi Prefecture)

Reform of the Platform DX of Value Chain (1)

Case 3. Storage Optimization of inventory placement to minimize split shipments of an order

A simulator indicates inventory placement that optimizes the delivery cost of a product by setting the stock capacity and shipping capacity of each distribution centers and the stock volume of each product as constraints.

Product registration → Ordering → Arrival of products at distribution centers → Storage → Sale

Case 1. Ordering: Improve the efficiency of both the delivery of products by suppliers and the operation of ASKUL distribution centers.

Case 2. Shipping: Switch to cascade-type ordering to reduce the storage of long tail products.

Case 3. Storage: Optimization of inventory placement to minimize split shipments of an order. A simulator indicates inventory placement that optimizes the delivery cost of a product by setting the stock capacity and shipping capacity of each distribution centers and the stock volume of each product as constraints.

Case 4. Shipping: Assign to nearest distribution center with content of each product.

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Gross profit: ¥50.9 billion YoY change: Down ¥0.3 billion

Gross profit margin: 24.4% YoY change: Down 0.4 points

- Impact of changes in B-to-B business category mix

SG&A expenses : ¥44.2 billion YoY change: Down ¥1.1 billion

Ratio of SG&A expenses to net sales 21.2% YoY change: Down 0.8 points

- Reduction of labor cost ratio and delivery cost ratio
- Effect of applying Accounting Standard for Revenue Recognition, etc.



Capital expenditures ¥5.2 billion (Annual plan: ¥13.4 billion)

Related to new ASKUL website ¥2.1 billion

Related to ASKUL Tokyo DC ¥1.4 billion

(Reference) Depreciation and amortization of software: ¥2.8 billion (Annual plan: ¥6.1 billion)

Investment details

(¥ million)

Item	FY5/2021 2Q Cumulative	FY5/2022 2Q Cumulative	
	Amount	Amount	YoY Change
[Capital expenditures]	<u>3,590</u>	5,245	+46.1%
Property, plant and equipment	<u>1,682</u>	2,210	+31.4%
Intangible assets	1,907	3,034	+59.1%
Construction in progress (Note 2)	1,148	5,853	+409.8%
Software in progress (Note 2)	1,856	5,096	+174.5%

(Note 1) Capital expenditure is stated on an accrual basis.

(Note 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.

(Note 3) Announcement of error: there was some errors in “Capital Expenditures” and “Property, Plant, and Equipment” on page 60 “2Q FY5/2021 Capital Expenditures” in “Summary of Financial Results for 2Q FY5/2021” announced on December 15, 2020. (the underlined portions in the above table show the corrected amounts.

Prior to correction: Capital expenditures ¥3,594 million / Property, plant and equipment ¥1,686 million)

2Q FY5/2022 Share of Orders Placed on the Internet of Net Sales and Original Products

Non-Consolidated



Share of orders placed on the Internet of net sales

	FY5/2021 2Q	FY5/2022 2Q	YoY Change
Orders via the Internet	85.5%	87.3%	+1.8 points
Other	14.5%	12.7%	-1.8 points

Note 1: Percentages are based on orders placed.

ASKUL Original Products

(Unit: Item)

	Nov. of FY5/2021	Nov. of FY5/2022	YoY Change
Number of original products	10,169	10,060	-109
Share of non-consolidated net sales (of which, share of B-to-B business)	26.7% (33.3%)	27.6% (35.1%)	+0.9 points (+1.8 points)

Note 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.

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

Note 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.



ASKUL Environmental Policy

We, the ASKUL Group, is committed to contributing to the global environment that will lead to the future generation through its business activities as a company that supports workplace, life, the planet and tomorrow.

Carbon neutral

- “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 57% as of December 2021
- “EV100”
Replace delivery vehicles owned and used by ASKUL LOGIST 100% with electric vehicles by 2030
In the 4Q of FY5/2021, seven new light EVs were introduced.



Resource recycling

- “1 box for 2 trees”
Confirm planting of two eucalyptus, double the amount of raw materials, by purchasing one box of original copy paper 
- 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
- A recycling value chain of used plastic products
Ministry of the Environment “FY2020 Demonstration Project for Constructing a Recycling System for Plastics and Other Resources to Support a Decarbonized Society”
Create a value chain for recycling plastic resources and reduce CO₂ emissions

Development and procurement of environmentally-friendly products

- Environmental response by original products
Development of original products by paying attention not only to quality and design but also to the environment 
- Recycled paper bags “Come bag”
An FSC® certified* product, comprised of 85% paper pulp and 15% recycled pulp from ASKUL catalogs
* The FSC® certification system certifies “responsible management of the world’s forests”
Using FSC® certified products leads to forest conservation. 
- Lineup of biomass shopping bags 



ASKUL Environmental Policy

We, the ASKUL Group, is committed to contributing to the global environment that will lead to the future generation through its business activities as a company that supports workplace, life, the planet and tomorrow.

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



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 global warming 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 chosen by the Minister of the Environment as a company that engages in “advanced, unique and industry-leading business activities” in environmental conservation activities, 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 of their business-purpose vehicles with electric vehicles

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
 - Promote diverse work styles
Systems for leave and shorter working hours for childcare
Systems for leave and shorter working hours for nursing care
Holding of nursing care seminars
Telework system: Abolished the limit on the number of times per month for teleworking
Flextime system: Eliminated the core time
Office where employees can work with peace of mind (Thorough preventive measures against infection)



- 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 26.0%*
(Legal employment rate of private companies is 2.3%)
* Legal employment ratio calculated in units of business sites as of November 20, 2021)



Together with customers

- Improvement activities starting with customer voices
 - Share customer voices
Distribute internally opinions, requests, and suggestions received from customers by phone, e-mail, on the website, and on Twitter to ensure that all employees grasp the situation.
 - Operation of "Customer Satisfaction Improvement Committee"
Based on feedback from customers, related divisions cooperate in implementing service evolution and quality improvement activities.
- Efforts in contact points for inquiries
 - Hold CS Week
Hold an event once a year to express our gratitude to communicators who attend to customers on the front line every day.
Hold a variety of events every year, such as recognition of long service, lottery competitions, and gift giving.

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 some kinds 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. In order to help realize a sustainable society, fulfill our corporate social responsibilities in cooperation with our business partners with attention paid to the environment, safety and human rights among others
- Supply Chain CSR Survey
Based on Sustainable Procurement Policy, investigate the status of efforts of suppliers as corporations and actively communicate with them concerning the six aspects of the environment; worry-free and safe products; legal compliance and fair trade; human rights; the working environment; and response to risks and changes.

Social contribution activities

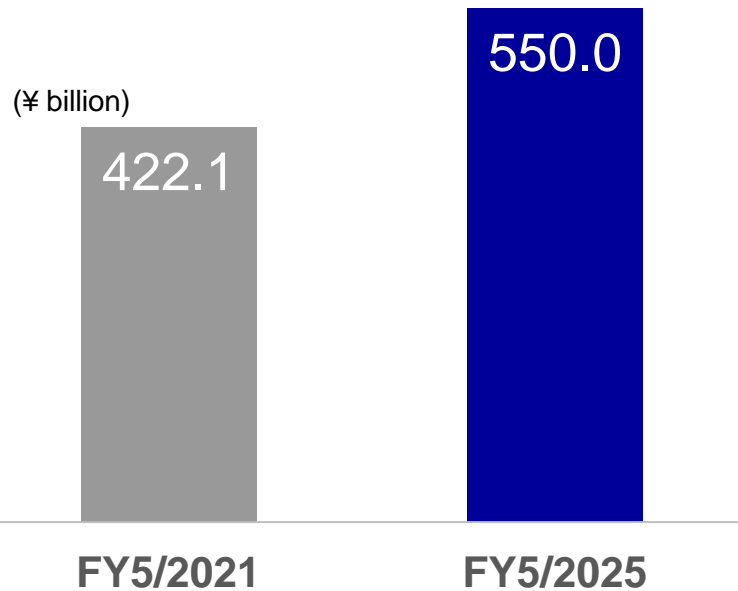
- Supporting East Japan Reconstruction through Impact Investment and Donations
The Group supports projects in three prefectures in the Tohoku region that are intended to solve social problems and revitalize local communities. It does so with the aim of offering cyclical support through donations and impact investing in cooperation with manufacturers. A soil enrichment material manufacturer in Miyagi Prefecture and a confectionery manufacturer in Iwate Prefecture have been decided to be the first recipients of the support.
- 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 for sale by ASKUL, to associations that are engaged in improving air and water environments, thereby supporting their activities. The first case will be donated to approved specified NPO, Water Aid 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.



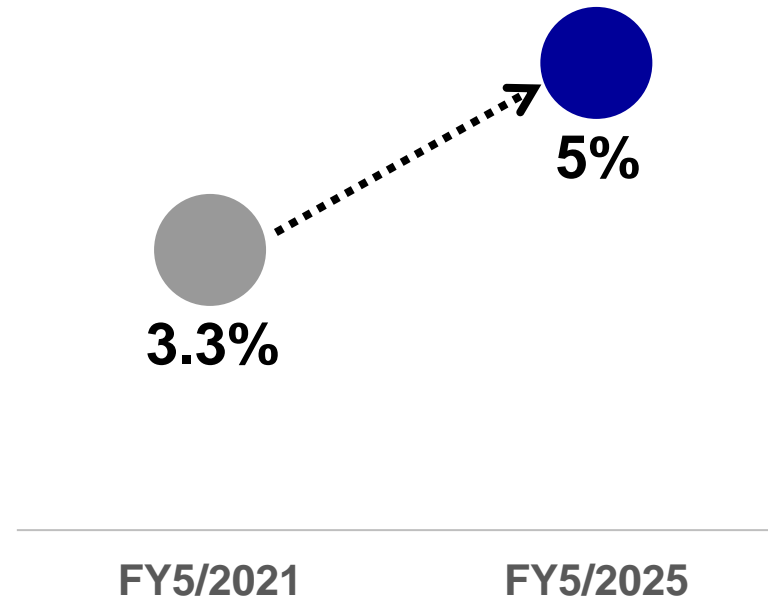
FY5/2025 Net Sales **¥550 billion** Operating Income Ratio **5%**

Cumulative investments from FY5/2022 to FY5/2025: More than ¥30 billion

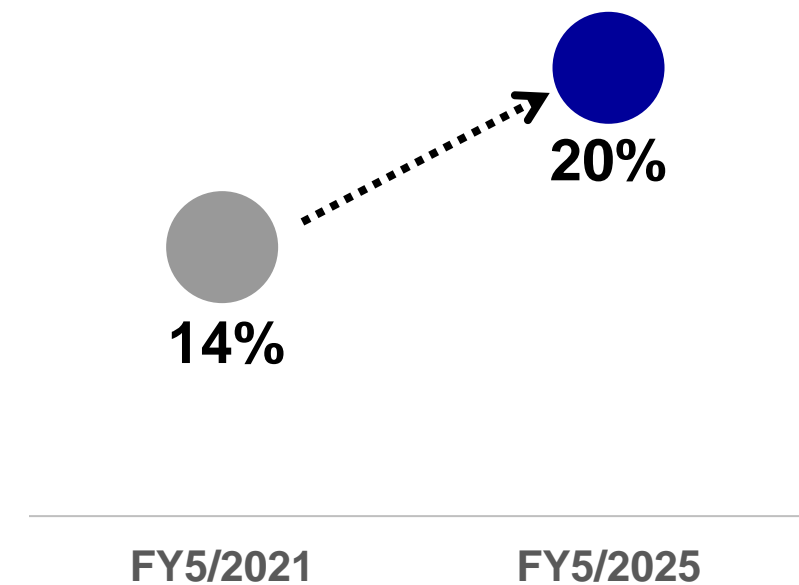
Consolidated net sales
Annual average growth rate:
Over 6%



Consolidated operating income ratio
Annual average growth rate:
Over 18%



Consolidated return on equity (ROE)





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. “PayPay Direct by ASKUL,” a joint fast delivery business with the Z Holdings Group, was launched in July 2021.

4. Reform of the platform

The plan to evolve the high-speed logistics, which is ASKUL's strength, then realize “Come 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 bringing this project into being, is scheduled to start operating in 2022.



Continuously bringing delight to our workplace, life, the planet and tomorrow.