

Disclaimer

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February 2, 2022

To whom it may concern:

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

Announcement of Financial Results by Other Affiliated Company

ASKUL Corporation (hereinafter referred to as the "Company") hereby announces that there are some descriptions about the Company in the financial results briefing presentation materials for the third quarter of fiscal year 2021 announced today by Z Holdings Corporation (headquarters: 1-3 Kioicho, Chiyoda-ku, Tokyo; representative: Kentaro Kawabe, President and Representative Director, Co-CEO, hereinafter referred to as "Z Holdings"), a company defined as "other affiliated company" of the Company. Please refer to the appendix for the applicable page of the presentation materials.

The figures described in the attached material do not match the financial results to be announced by the Company due to different consolidated accounting periods between Z Holdings and the Company as shown in the table below. The figures in the material include the Company's BtoB net sales placed via the internet.

Consolidated accounting period	Z Holdings	Company
Third quarter	From October 1, 2021, to December 31, 2021 There are below descriptions in the attached material. · Page 4 & 5 BtoB net sales placed via the internet in every quarter	From November 21, 2021, to February 20, 2022

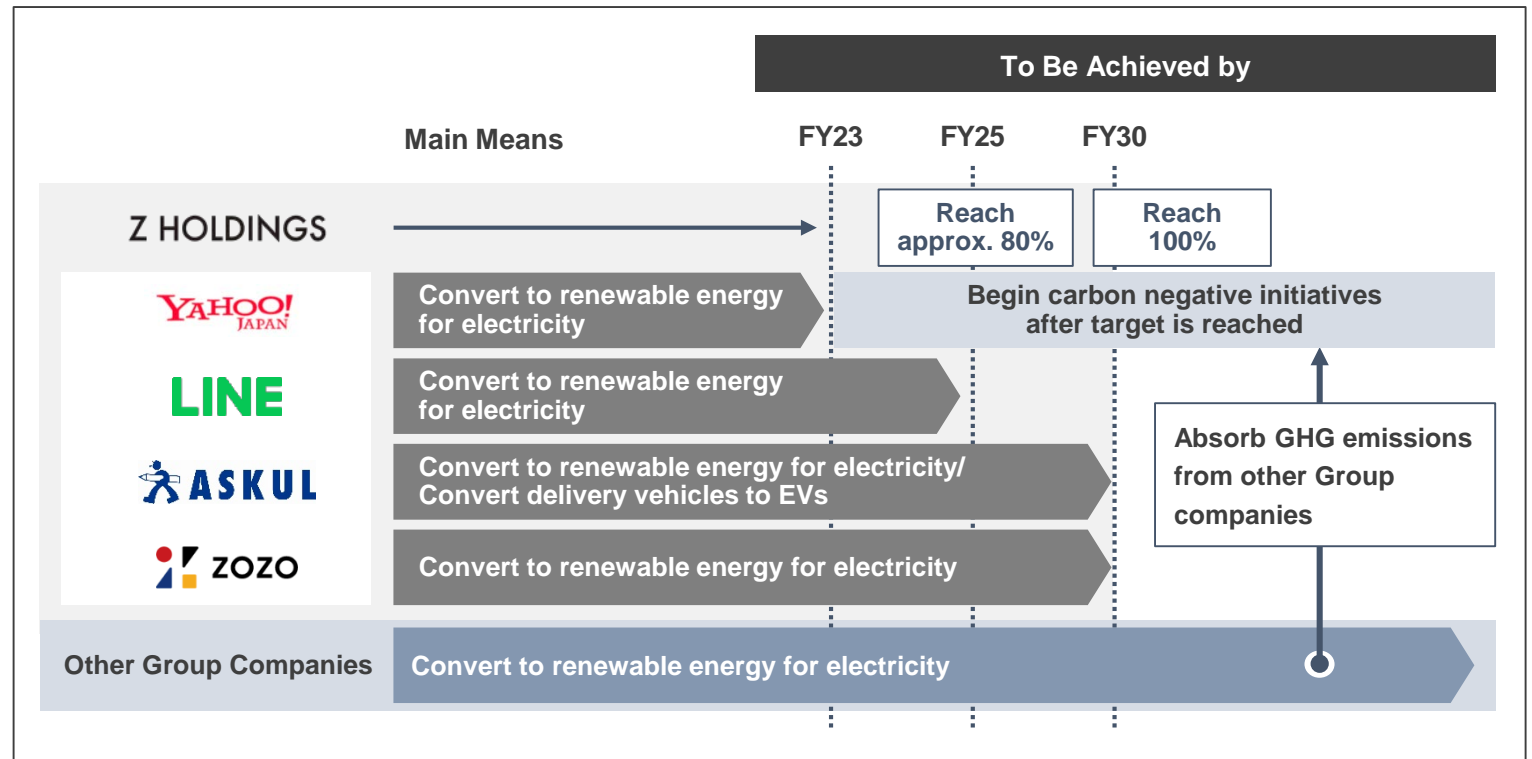
Appendix: Z Holdings Business Results FY2021 Q3 (excerpt)

Note: Z Holdings holds 44.92% of the Company's outstanding shares as of November 20, 2021.

- ZHD Group as a whole, **aims to achieve carbon neutrality where greenhouse gas (GHG) emissions are reduced to net-zero by 2030.**
- **Contribute to the realization of a sustainable society by encouraging carbon neutral initiatives** both in and out of the ZHD Group.

Initiatives for Achieving Carbon Neutrality by 2030

- 1** Yahoo Japan, ahead of the Group, begins carbon negative<sup>1,2</sup> initiatives, to achieve a state in which GHG absorption is greater than emissions
- 2** By around FY2025, 80%+ electricity used by major Group companies to be converted to renewable energy sources
- 3** FY2025 - FY2030: Promote the conversion of remaining electricity use to 100% renewable energy



1. GHG emissions subject to the GHG Protocol Scopes 1 and 2.  
 Scope 1: Direct GHG emissions from company-owned and controlled resources. Scope 2: Indirect GHG emissions from the consumption of purchased electricity, heat, and steam.  
 2. Initiatives to reduce emissions in Scope 3 are also planned.  
 Scope 3: Indirect GHG emissions excluding Scopes 1 and 2 (emissions made by other companies related to the company's business).

- **Aim to become No.1 in domestic e-commerce merchandise transaction value by maximizing transaction value of the whole Group:** bringing together the features and advantages of each service, and drawing out collective strengths to meet diverse user needs.



Shopping

ZOZOTOWN

Mart

LINE GIFT

MySmartStore

PayPay Mall

LOHACO

Form/Type	<ul style="list-style-type: none"> <li>• Mall-type e-commerce</li> </ul>	<ul style="list-style-type: none"> <li>• Direct sales e-commerce</li> </ul>	<ul style="list-style-type: none"> <li>• Immediate delivery service</li> </ul>	<ul style="list-style-type: none"> <li>• Social gifting service</li> </ul>	<ul style="list-style-type: none"> <li>• E-commerce store creation service</li> </ul>
Features/Differentiators	<ul style="list-style-type: none"> <li>• No listing fee<sup>1</sup></li> <li>• Wide selection of products</li> </ul>	<ul style="list-style-type: none"> <li>• Category killer</li> <li>• Excellent UI</li> </ul>	<ul style="list-style-type: none"> <li>• Utilizes Group assets</li> </ul>	<ul style="list-style-type: none"> <li>• Service based on LINE</li> </ul>	<ul style="list-style-type: none"> <li>• Service based on LINE</li> <li>• NAVER's expertise from success in South Korean market</li> </ul>
Focus Areas/Notes	<ul style="list-style-type: none"> <li>• Enhance delivery quality</li> <li>• Improve marketing efficiency</li> <li>• Improve UI for better searchability</li> </ul>	<ul style="list-style-type: none"> <li>• Further reinforce focus areas</li> <li>• Strengthen cross-Group collaboration/customer referral</li> </ul>	<ul style="list-style-type: none"> <li>• Expand number of stores</li> </ul>	<ul style="list-style-type: none"> <li>• Expand product lineup</li> <li>• Expand users</li> </ul>	<ul style="list-style-type: none"> <li>• Expand merchants</li> <li>• Provide dedicated customer service support using LINE Official Accounts</li> </ul>

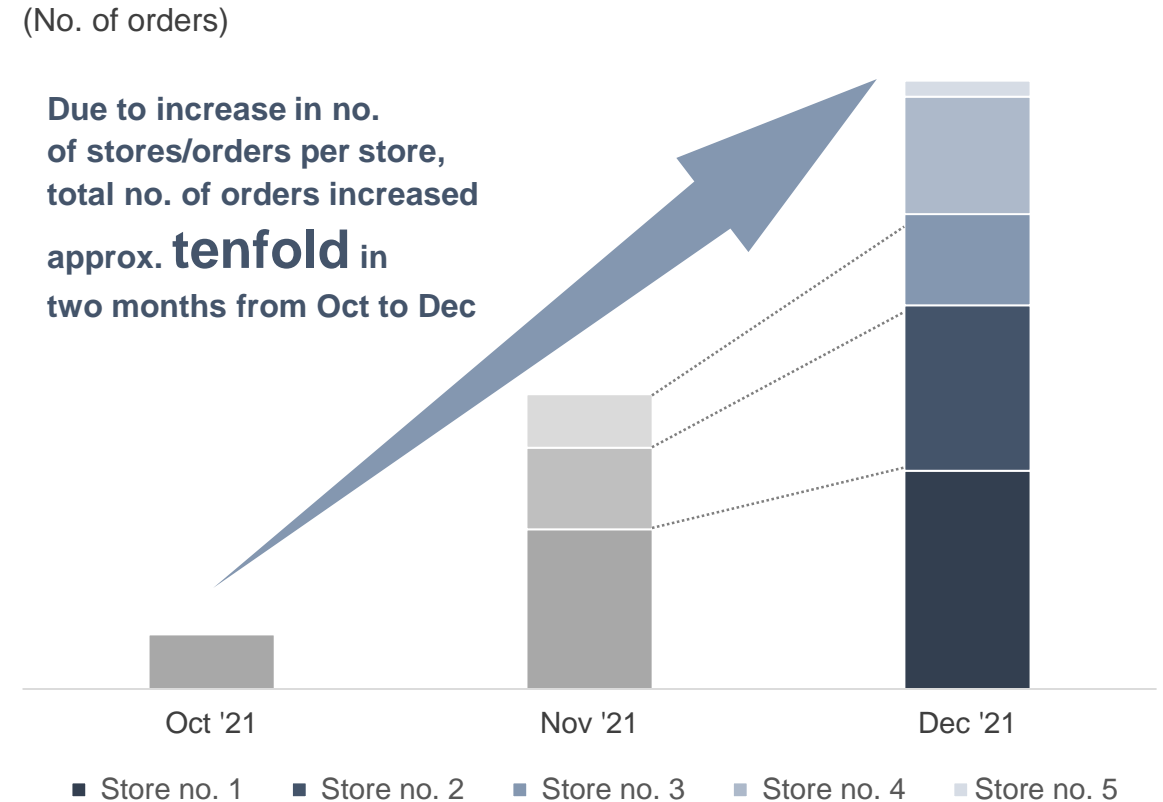
1. PayPay Mall charges a listing fee of 3%.

- Rebranded to “Yahoo! JAPAN Mart by ASKUL” for full launch. **Number of stores increased to nine.**
- **The number of orders is also increasing steadily. Several dozens of stores will open in the next fiscal year in the effort to speedily establish a system that can serve all 23 wards of Tokyo.**

Progress of Demonstration Experiment

Item	Status	Next Steps
Target area (delivery bases)	Expanded to 9	Open several dozens of stores in the next FY and speedily establish a system covering all 23 wards of Tokyo
Users	Main customer segments <ul style="list-style-type: none"> <li>• Male customers in their mid 20s – early 40s</li> <li>• Female customers in their mid 20s - 30s</li> </ul>	Implement measures to increase recognition and user incentives to increase no. of users
No. of products handled	Approx. 1,500 types <ul style="list-style-type: none"> <li>• Started handling fresh fruits/vegetables</li> </ul>	Expand member stores and product lineup utilizing ASKUL’s product procurement capabilities

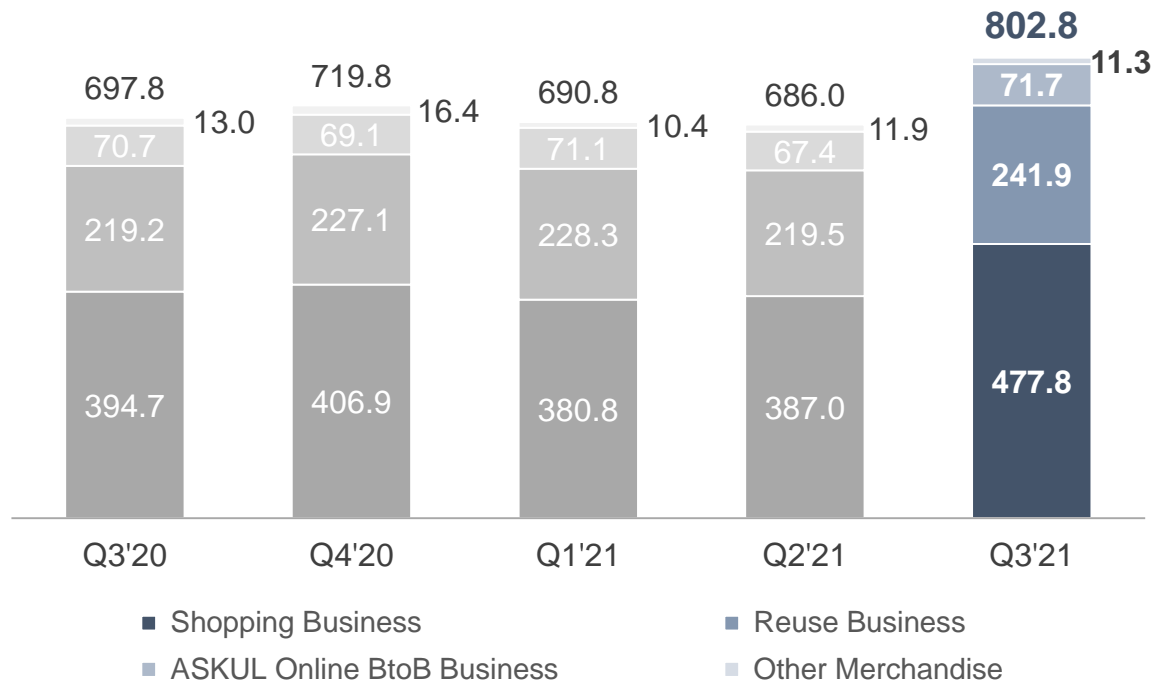
Total Monthly Orders



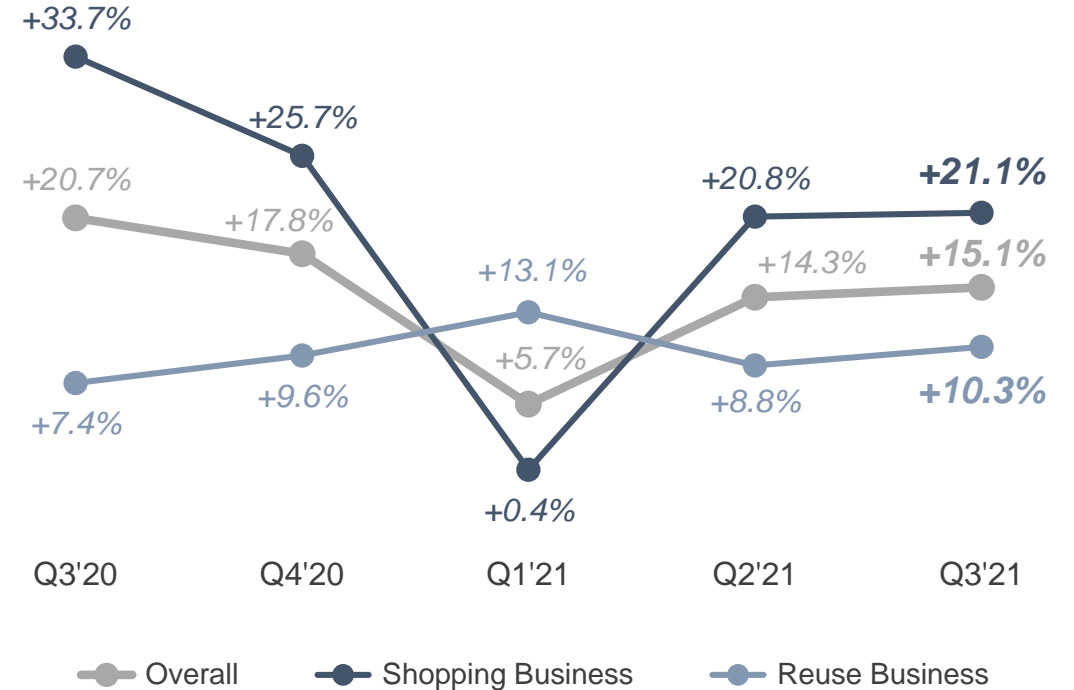
- Shopping business transaction value landed at **JPY477.8 B (YoY +21.1%)** contributed by the “Cho PayPay Matsuri (Super PayPay Festival),” etc.
- Reuse business transaction value **achieved double-digit growth due to higher spend per YAHUOKU! user and expansion of PayPay Flea Market.**

Merchandise Transaction Value<sup>1</sup>

(JPY B)







Merchandise Transaction Value<sup>1</sup> – YoY Growth Rate



1. Please refer to P. 58 for definition of transaction value.

(JPY Million)

	FY2020 Q3	FY2021 Q3	YoY
<b>Revenue</b>	<b>202,043</b>	<b>213,661</b>	<b>+5.8%</b>
<b>Merchandise EC</b>	<b>158,369</b>	<b>174,221</b>	<b>+10.0%</b>
Shopping business	72,744	87,335	+20.1%
Reuse business	14,847	15,130	+1.9%
ASKUL online BtoB business	70,777	71,755	+1.4%
<b>Services EC</b>	<b>6,868</b>	<b>5,526</b>	<b>-19.5%</b>
<b>Other</b>	<b>36,805</b>	<b>33,913</b>	<b>-7.9%</b>
<b>Cost of sales</b>	<b>87,157</b>	<b>88,882</b>	<b>+2.0%</b>
<b>Selling, general and administrative expenses</b>	<b>81,593</b>	<b>98,347</b>	<b>+20.5%</b>
Sales promotion cost + Advertising and promotional expenses	22,280	31,036	+39.3%
Other selling, general and administrative expenses	59,312	67,311	+13.5%
<b>Other revenue and expenses</b>	<b>-290</b>	<b>-</b>	<b>N/A</b>
<b>Adjusted EBITDA (Margin)</b>	<b>45,429 (22.5%)</b>	<b>39,533 (18.5%)</b>	<b>-13.0%</b>

	Existing E-commerce					Quick Commerce	Social Commerce	
	 Shopping	 PayPay Mall	<b>ZOZOTOWN</b>	<b>LOHACO</b>	<b>LINE Shopping</b>	 Mart	<b>LINE GIFT</b>	 MySmartStore
Form/Type	Mall-type (Approx. 390 mil. items)	Mall-type (Approx. 1,700 merchants)	Direct sales (Approx. 830,000 items)	Direct sales (No. of items undisclosed)	Affiliate (No. of items undisclosed)	Immediate delivery service (Approx. 1,500 items)	Mall-type (Approx. 50,000 items)	E-commerce store creation (No. of merchants undisclosed)
Feature/Differentiators	<ul style="list-style-type: none"> <li>No listing fee</li> <li>Wide selection of products</li> </ul>	<ul style="list-style-type: none"> <li>Highly selected stores</li> </ul>	<ul style="list-style-type: none"> <li>Category killer</li> <li>Excellent UI</li> </ul>	Original products	Service based on LINE	Utilizes Group assets	Service based on LINE	<ul style="list-style-type: none"> <li>Service based on LINE</li> <li>NAVER's expertise from success in South Korean market</li> </ul>
Focus Areas/Notes	<ul style="list-style-type: none"> <li>Enhance delivery quality</li> <li>Improve marketing efficiency</li> <li>Improve UI</li> </ul>	<ul style="list-style-type: none"> <li>Enhance delivery quality</li> <li>Improve marketing efficiency</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen focus areas</li> <li>Strengthen cross-Group collaboration</li> </ul>	Strengthen cross-Group collaboration	Expand users	Expand number of stores	<ul style="list-style-type: none"> <li>Expand product lineup</li> <li>Expand users</li> <li>Create new gift-giving culture and new markets</li> </ul>	<ul style="list-style-type: none"> <li>Expand merchants</li> <li>Improve visibility in owned EC market in Japan</li> </ul>
Take Rate	Advertising: Approx. mid-5% Payment fee: Approx. 3% / Point resource: 2.5%		Approx. 30% (Consignment)	Undisclosed	Undisclosed	Undisclosed	Undisclosed	Sales commission: 2.5% <sup>1</sup> Payment fee: 3.5%
Market Size	JPY12.2 T <sup>2</sup> (BtoC e-commerce market, merchandise)		JPY7.5 T <sup>3</sup> (Apparel retail market, 2020)	JPY12.2 T <sup>2</sup> (BtoC e-commerce market, merchandise)	JPY325.8 B <sup>4</sup> (Affiliate market, FY2020 forecast)	JPY2.5 T <sup>5</sup> (Food delivery market, FY2021 forecast)	JPY9.9 T <sup>6</sup> (Gift market, 2020)	JPY4 T <sup>7</sup> (Owned EC market)

1. Stores that opened before the end of March 2022 will be exempt from the sales commission for the period up to the end of March 2023.  
 2. Source: Ministry of Economy, Trade and Industry: "FY2020 E-Commerce Market Survey - Scale of the Domestic B-to-C EC Market."  
 3-6. Source: Yano Research Institute Ltd.: 3. Apparel Market in Japan 2021 (released on October 12, 2021); 4. Affiliate Marketing Market in Japan 2020 (released on February 17, 2021). Market size calculated by totaling the reward value, commission rate, and various charges involved (i.e. initial cost, monthly expenses, optional charges, etc.) of affiliate marketing; 5. Food Delivery Service Market in Japan 2021 (released on September 15, 2021). Calculated by totaling the eight major business categories of 1) Home meal delivery services, 2) Deli & food delivery services, 3) Pizza delivery services, 4) Sushi delivery services, 5) Meals from restaurant/fast food chains, 6) Milk delivery services, 7) Co-op delivery services, and 8) Online supermarkets; 6. Gift Market in Japan 2021 (released on January 28, 2022).  
 7. Source: Research by ZHD: Owned e-commerce market size in Japan in 2020.

Item	Breakdown
<b>Merchandise EC</b>	-
<b>Shopping business</b>	Yahoo! JAPAN Shopping, PayPay Mall, ZOZOTOWN, LOHACO, Charm, LINE SHOPPING, LINE FRIENDS, LINE GIFT, MySmartStore
<b>Reuse business</b>	YAHUOKU!, PayPay Flea Market, ZOZOUSED
<b>ASKUL non-consolidated online BtoB business</b>	ASKUL, SOLOEL ARENA, etc.
<b>Services EC</b>	Yahoo! JAPAN Travel, Ikyu Travel, LINE TRAVEL (International), etc.
<b>Others</b>	Premium membership, ASKUL non-online BtoB business, ValueCommerce, etc.



Item	Major Services
<b>EC transaction value</b>	-
<b>Merchandise</b>	-
<b>Shopping business</b>	Yahoo! JAPAN Shopping, PayPay Mall, ZOZOTOWN, LOHACO, Charm, LINE SHOPPING, LINE GIFT, LINE FRIENDS, MySmartStore
<b>Reuse business</b>	YAHUOKU!, PayPay Flea Market, ZOZOUSED
<b>ASKUL non-consolidated online BtoB business</b>	ASKUL, SOLOEL ARENA, etc.
<b>Other (merchandise)</b>	Yahoo! JAPAN Tickets, Ouchi-Direct
<b>Services</b>	Ikyu.com, Yahoo! JAPAN Travel, Yahoo! JAPAN Loco <sup>1</sup> , Demae-can
<b>Digital content<sup>1</sup></b>	ebookjapan, LINE Manga, LINE MUSIC, LINE Stickers, LINE GAME, LINE LIVE, LINE Fortune, other paid digital content

1. Revenue from these services are recorded in the Media Business segment.