

Summary of Financial Results for FY5/2022

July 1, 2022
ASKUL Corporation



Note / Disclaimer:

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 business 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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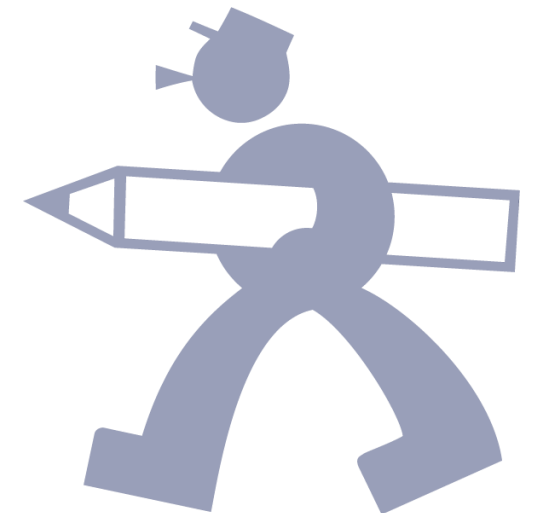
Sales and profits increased in FY5/2022. Both Net Sales and Profits Marked Record Highs

- B-to-B achieved sales growth by offsetting the impact of decline in demand for office supplies with the focus areas
Profits exceeded forecasts due to cost controls such as improving logistics efficiency, etc.
- LOHACO to achieve profitability in FY5/2023, earnings improved almost in line with plan in 2H

Focus on sales growth in FY5/2023 to achieve the Medium-Term Management Plan

- B-to-B will change the sales growth trajectory while maintaining the level of consolidated operating income through expanding product assortment, opening of SOLOEL ARENA to public, and concentrating investment in online sales promotions
- LOHACO aims to achieve profitability and regrowth by strengthening collaboration with Z Holdings
- Aiming for steady operation of new ASKUL website and ASKUL Tokyo DC for further growth from the next fiscal year onward

- I. Consolidated Performance for FY5/2022**
- II. FY5/2023 Consolidated Financial Forecasts
- III. B-to-B
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FY5/2022 Full-year Consolidated Performance

Consolidated



(¥million)	FY5/2021			FY5/2022					
	Actual	% of net sales %	Reference value*	Plan	Actual	% of net sales %	% of Plan	YoY change %	Reference value*
Net Sales	422,151	100.0	417,131	430,000	428,517	100.0	99.7	+1.5	+2.7
Gross Profit	104,378	24.7	103,358	106,200	105,072	24.5	98.9	+0.7	+1.7
Selling, General and Administrative Expenses	90,455	21.4	89,435	92,200	90,763	21.2	98.4	+0.3	+1.5
Operating Profit	13,923	3.3		14,000	14,309	3.3	102.2	+2.8	
Ordinary Profit	13,850	3.3		13,900	14,270	3.3	102.7	+3.0	
Profit Attributable to Owners of Parent	7,758	1.8		9,000	9,206	2.1	102.3	+18.7	

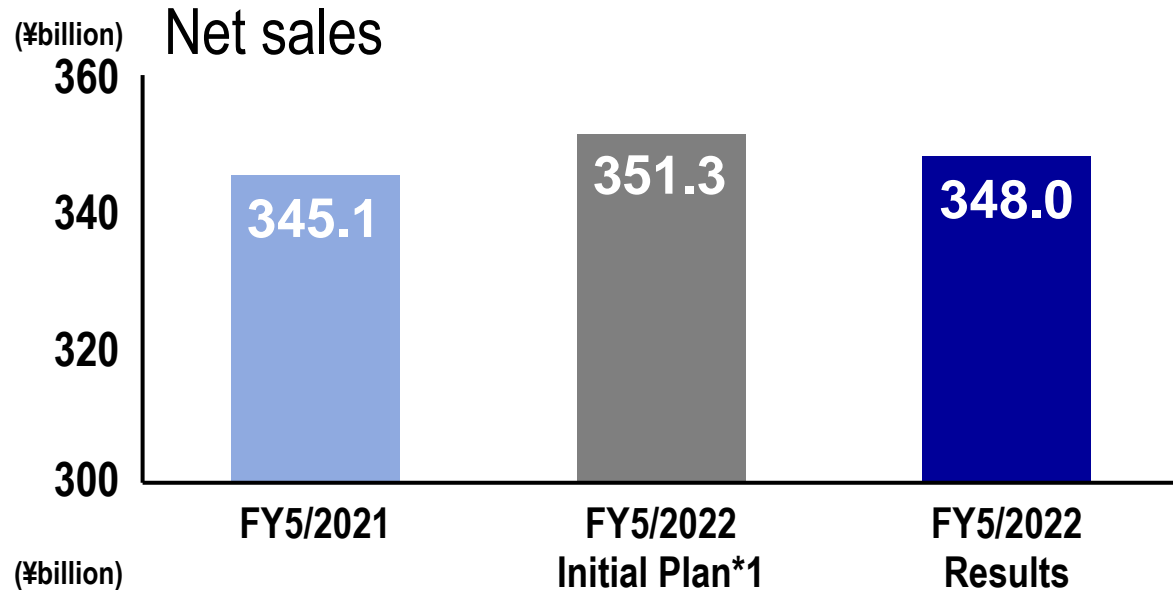
➤ Net sales
101.5% YoY
(102.7% in real terms*)
Renewed the previous record

➤ SG&A expenses ratio
Down 0.2 points YoY

➤ Operating profit, ordinary profit and profit
Broke the previous record

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

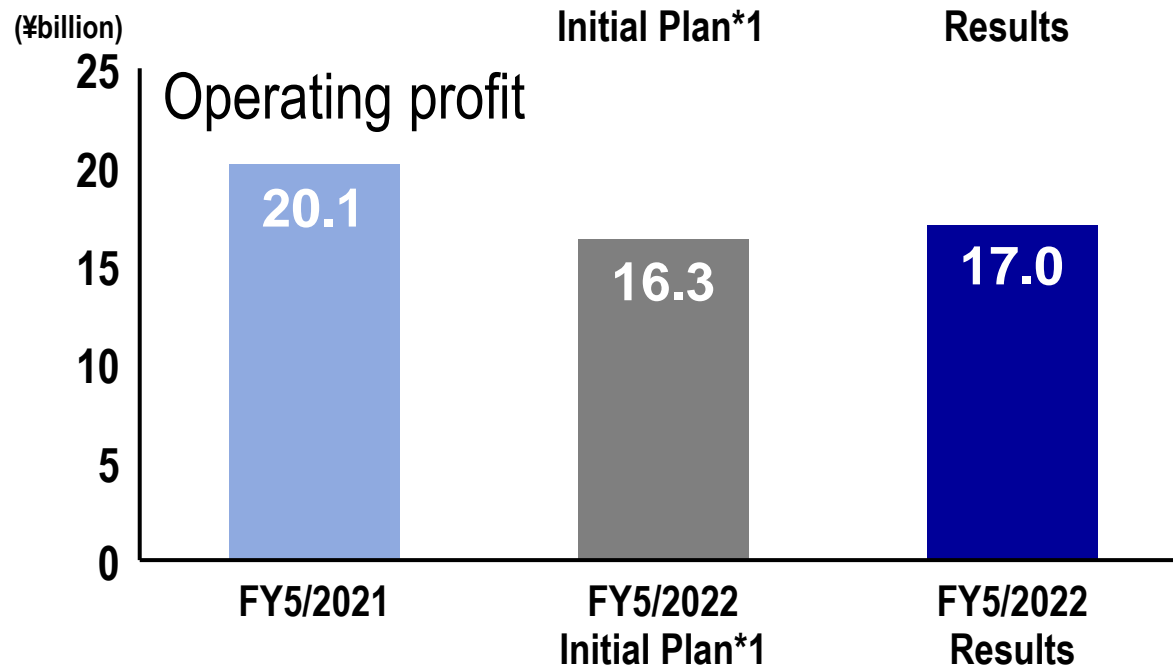
Consolidated



➤ Net sales

100.8% YoY (102.0% in real terms*)

Achieved growth by offsetting the impact of decline in demand for office supplies and other factors with focus areas such as Living Supplies and MRO



➤ Operating profit

84.6% YoY

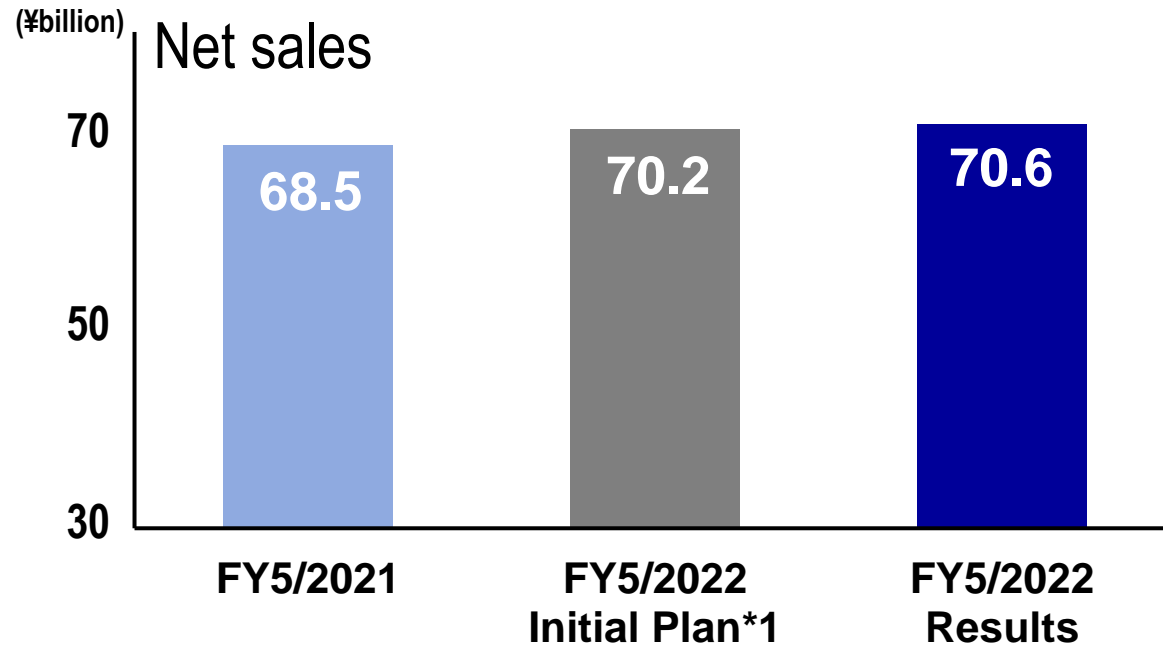
Exceeded initial plan while investing in up-front costs for growth

*1 Initial plan announced on July 2, 2021

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

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

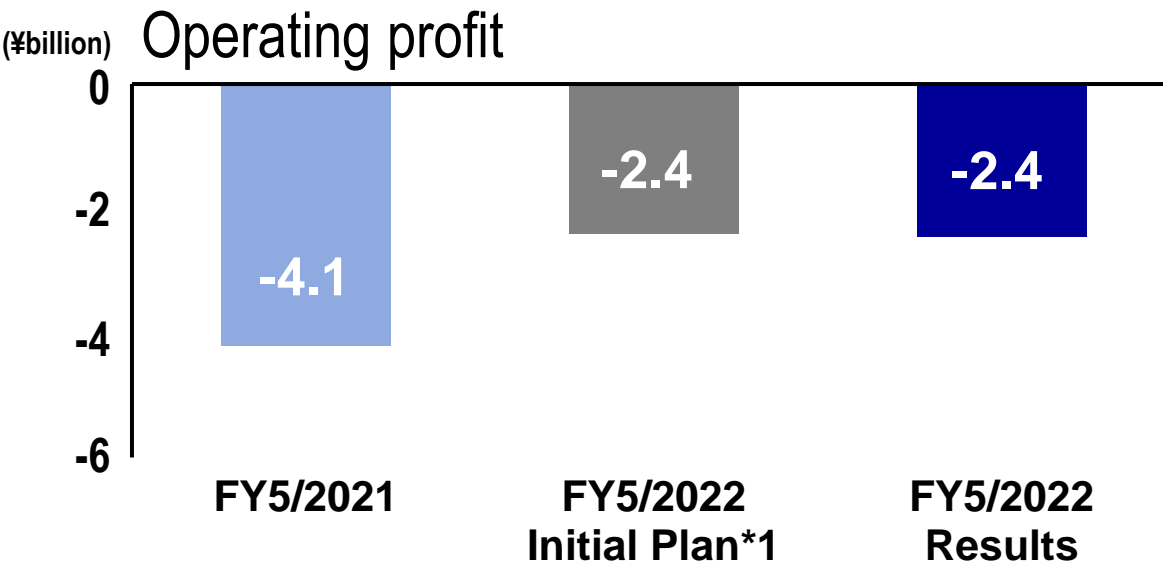
Consolidated



➤ Net sales

103.0% YoY (104.6% in real terms*)

Achieved plan due to strong sales for overseas demand



➤ Operating profit

Up ¥1.7 billion YoY

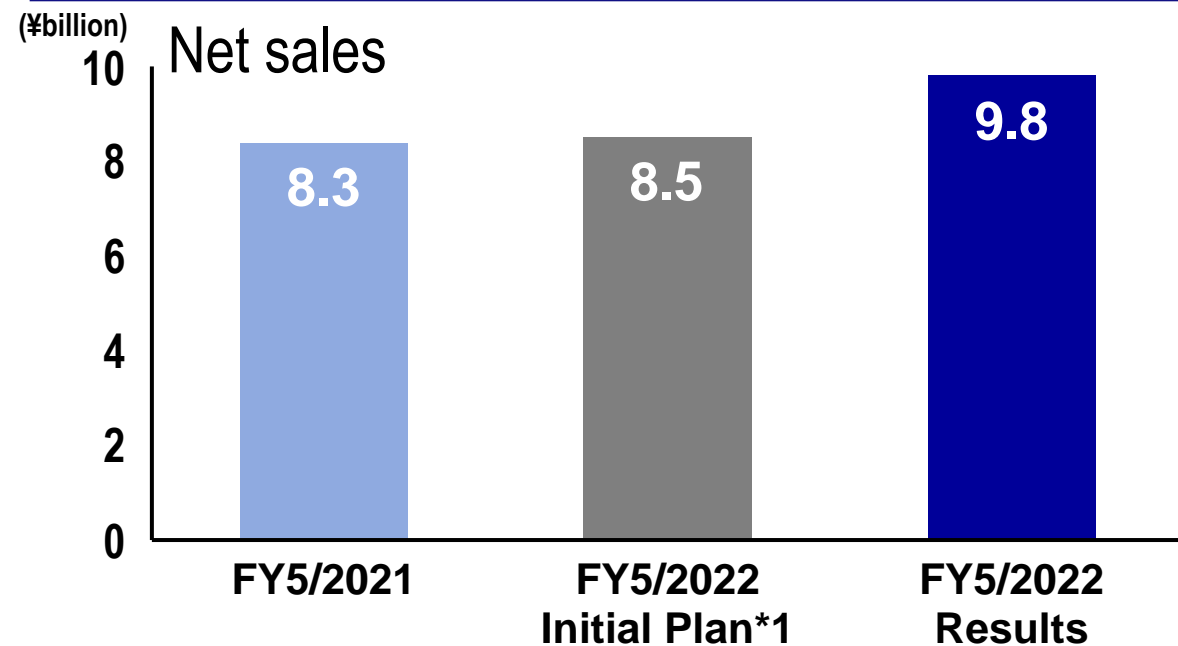
Performance was in line with the plan due to improved profitability of Charm, a Group company

*1 Initial plan announced on July 2, 2021

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

FY5/2022 Consolidated Performance (Logistics Business and Others)

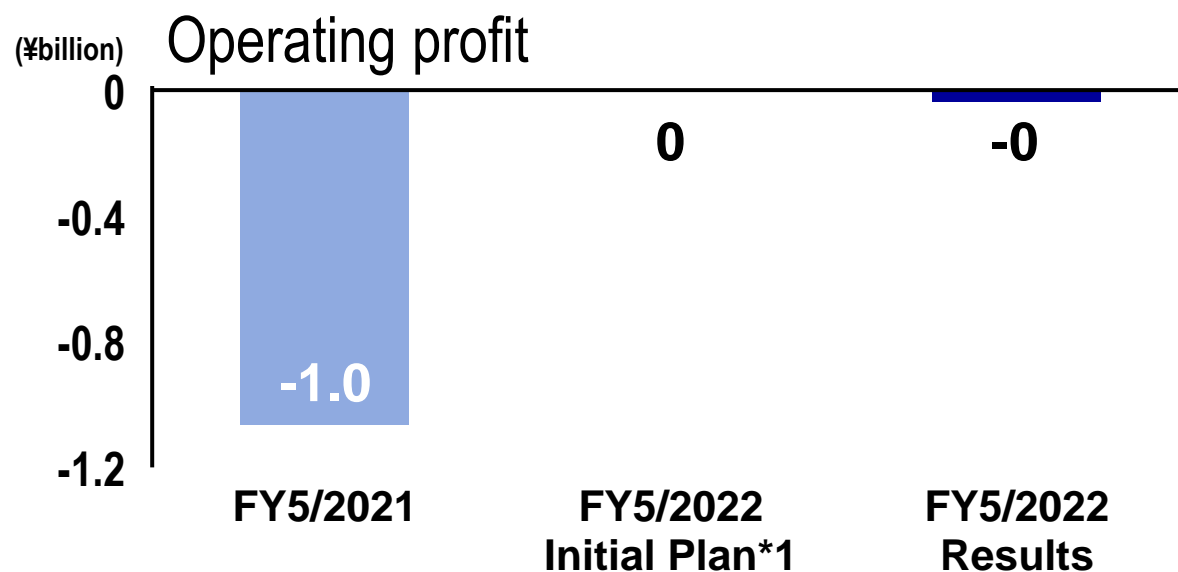
Consolidated



➤ Net sales

117.3% YoY

Increased due to the expansion of the 3PL business



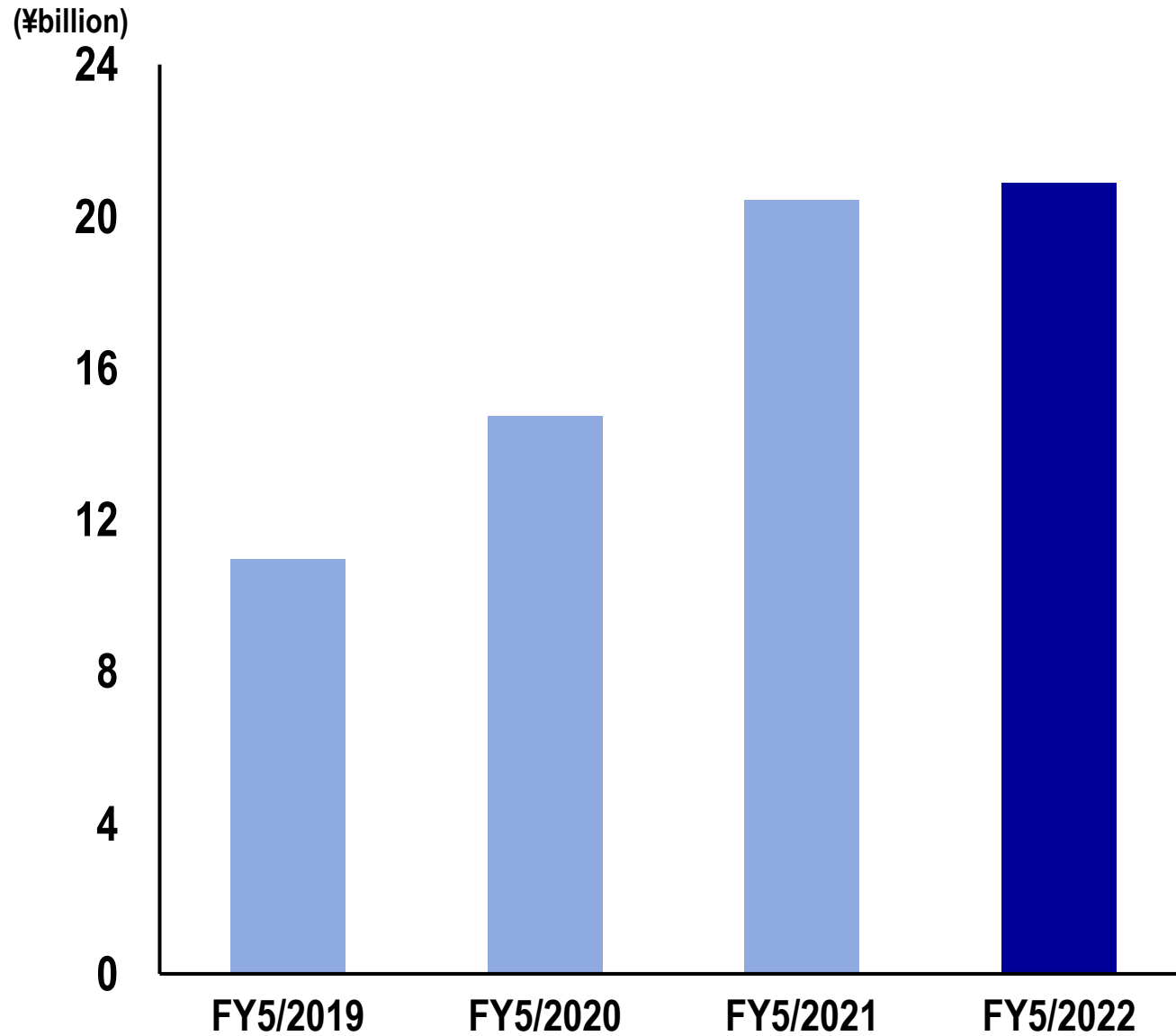
➤ Operating profit

Up ¥1.0 billion YoY

Other business (bottled water manufacturing and sales) slightly fell behind plan, but profit in the logistics business improved as planned

Trend of EBITDA

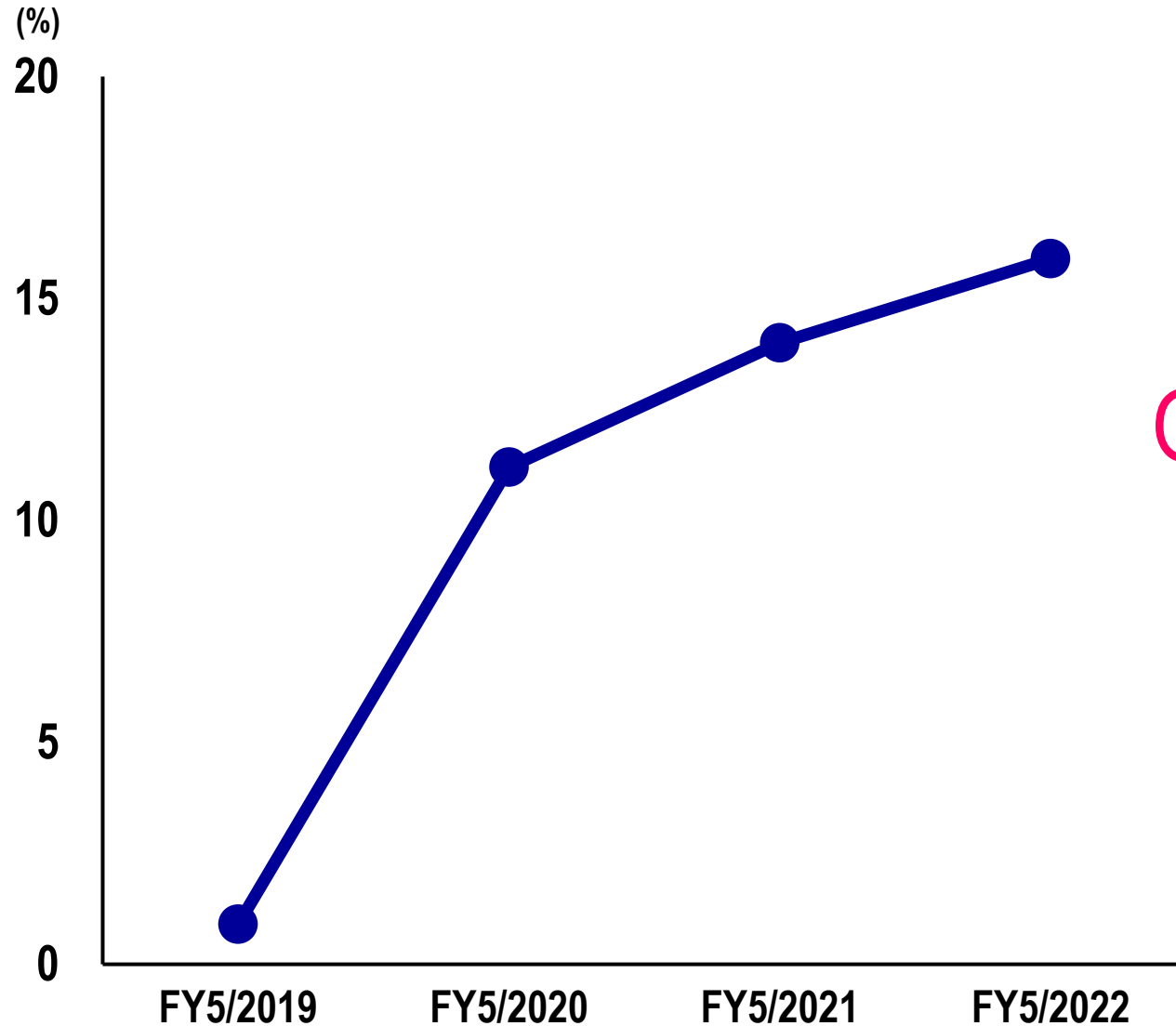
Consolidated



Broke the
Previous
Record

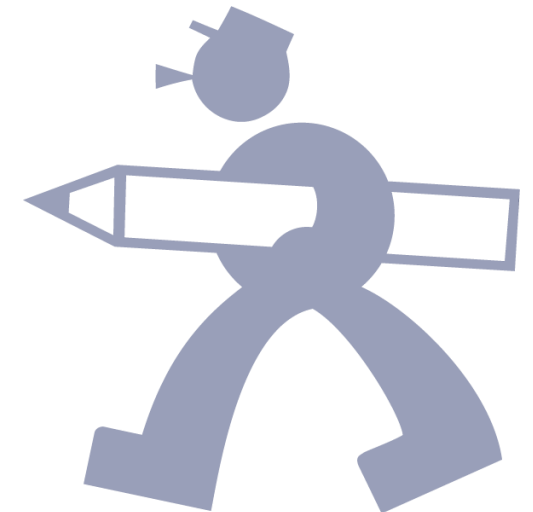
Trend of ROE

Consolidated



With the effect of share buybacks
On track to achieve 20% target
set in the Medium-Term
Management Plan

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Risk of changes in the external environment	Impact	Countermeasures
<p>COVID-19 Infection Situation in Domestic</p>	<p>Resurgence of infection negatively affect demand for office supplies and positively affect demand for infection prevention products</p>	<ul style="list-style-type: none"> ✓ Expansion of product assortment and strengthening online sales promotions, etc. ✓ Focus on expanding sales of long-tail products in strategic industries
<p>Changes in the International Situation</p>	<p>Concerns about the supply of products and materials and delays in lead time due to a slowdown in corporate activities and overseas lockdowns</p>	<ul style="list-style-type: none"> ✓ Switch to alternative products ✓ Reassessment of Supply Chain (Shift to domestic procurement, changes of manufacturing plants, etc.)
<p>Oil Price Trends</p>	<p>Increase in purchasing prices and delivery cost ratio, etc. due to further rise in crude oil prices</p>	<ul style="list-style-type: none"> ✓ Adjusting selling prices with an awareness of price advantages ✓ Reassessment of Supply Chain ✓ Controlling the rise in the delivery cost ratio by improving the unit price of orders and the efficiency of delivery operations
<p>Exchange Rate Trends</p>	<p>If the yen weakens further, the manufacturing costs and purchasing prices of original products will deteriorate.</p>	<ul style="list-style-type: none"> ✓ Adjusting selling prices with an awareness of price advantages ✓ Reassessment of Supply Chain (Shift to domestic procurement, changes of manufacturing plants, etc.) ✓ Introduction of new original products

FY5/2023 Financial Forecasts [By Business]

Consolidated



		FY5/2022	FY5/2023	
		Actual	Plan	YoY Change %
Net Sales	B-to-B business	348.0	367.8	+5.7
	LOHACO	54.3	60.2	+10.9
	B-to-C business (including Charm)	70.6	77.6	+9.9
	E-commerce business	418.6	445.5	+6.4
	Logistics business and other	9.8	10.0	+1.8
	Consolidated total	428.5	455.5	+6.3
Operating Profit	B-to-B business	17.0	14.0	-17.2
	LOHACO	(2.9)	0	—
	B-to-C business (including Charm)	(2.4)	0.3	—
	Performance-linked bonuses (including provision), etc	(0.2)	—	—
	E-commerce business	14.3	14.4	+0.4
	Logistics business and other	(0)	0.1	—
Consolidated total	14.3	14.5	+1.3	

➤ Net sales plan

B-to-B business Changing growth trajectory
105.7% YoY

LOHACO Regrowth and double-digit growth
110.9% YoY (of which domestic business 113.1%)

➤ Operating profit plan

B-to-B business ¥14.0 billion (82.8% YoY)

- ✓ Increase online sales promotion, etc. ¥1.0 billion
- ✓ Increase in fixed cost due to ASKUL Tokyo DC and new ASKUL website ¥3.4 billion (of which one-time cost 1.3 billion)

LOHACO Turn profitability (+¥2.9 billion YoY)

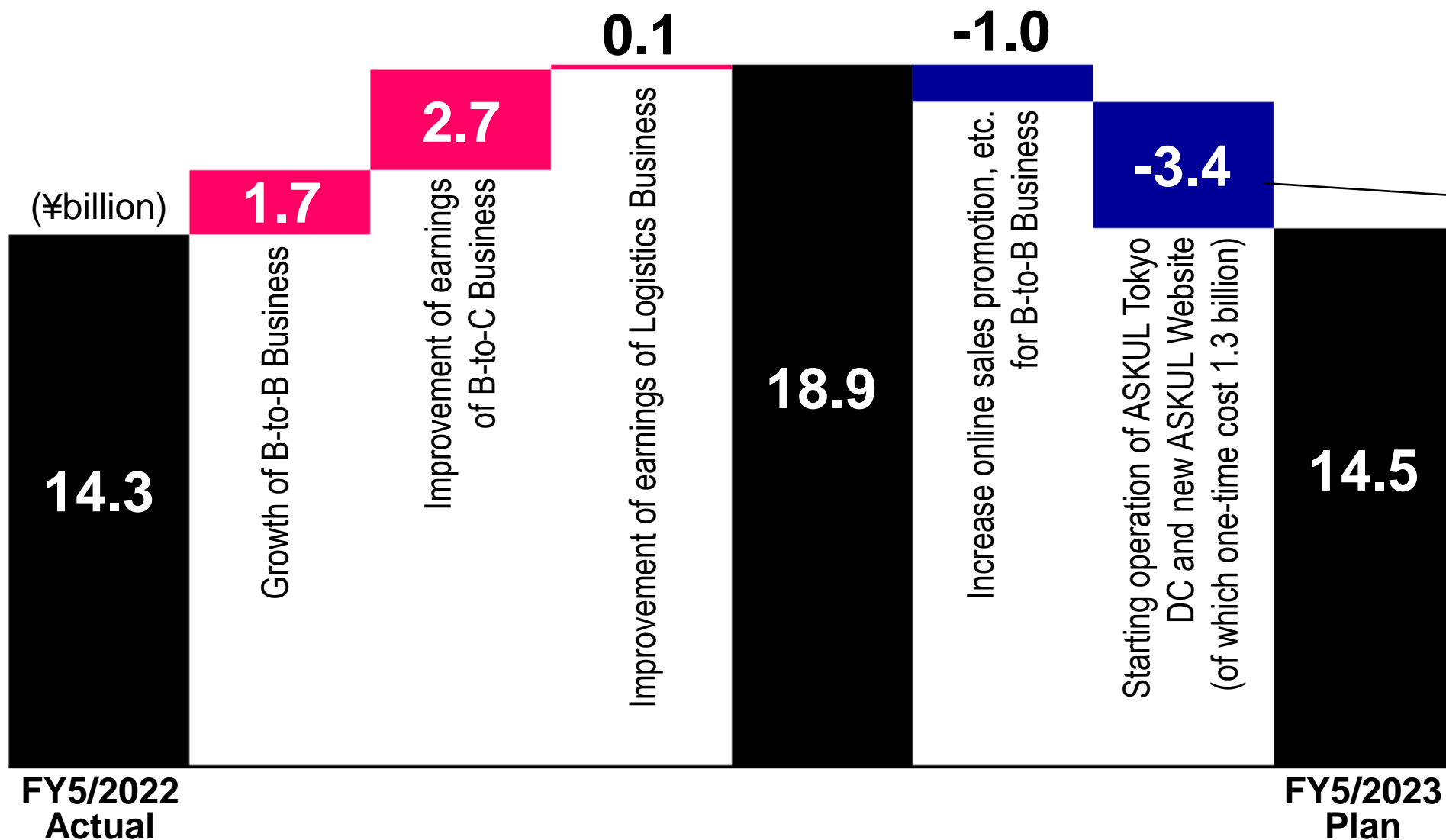
Logistics business and others To profitable business

FY5/2023 Operating Profit Forecast

Consolidated



B-to-C Business to turn profitability, B-to-B Business to aggressively invest costs for growth



Breakdown of Fixed Cost	
● New ASKUL Website amortization expense	-1.0 billion
transition cost*	-0.5 billion
● ASKUL Tokyo DC Depreciation expense	-0.6 billion
Rent	-0.3 billion
Cleaning/Security expense, etc.	-0.2 billion
Startup cost*	-0.8 billion
*one-time cost	

FY5/2022 Actual

FY5/2023 Plan

FY5/2023 Financial Forecasts

Consolidated



	FY5/2022		FY5/2023		
	Actual	% of net sales %	Plan	% of net sales %	YoY change %
(¥billion)					
Net Sales	428.5	100.0	455.5	100.0	+6.3
Gross Profit	105.0	24.5	112.3	24.7	+6.9
Selling, General and Administrative Expenses	90.7	21.2	97.8	21.5	+7.8
Operating Profit	14.3	3.3	14.5	3.2	+1.3
Ordinary Profit	14.2	3.3	14.3	3.1	+0.2
Profit Attributable to Owners of Parent	9.2	2.1	9.4	2.1	+2.1

While maintaining profit level
Changing growth trajectory

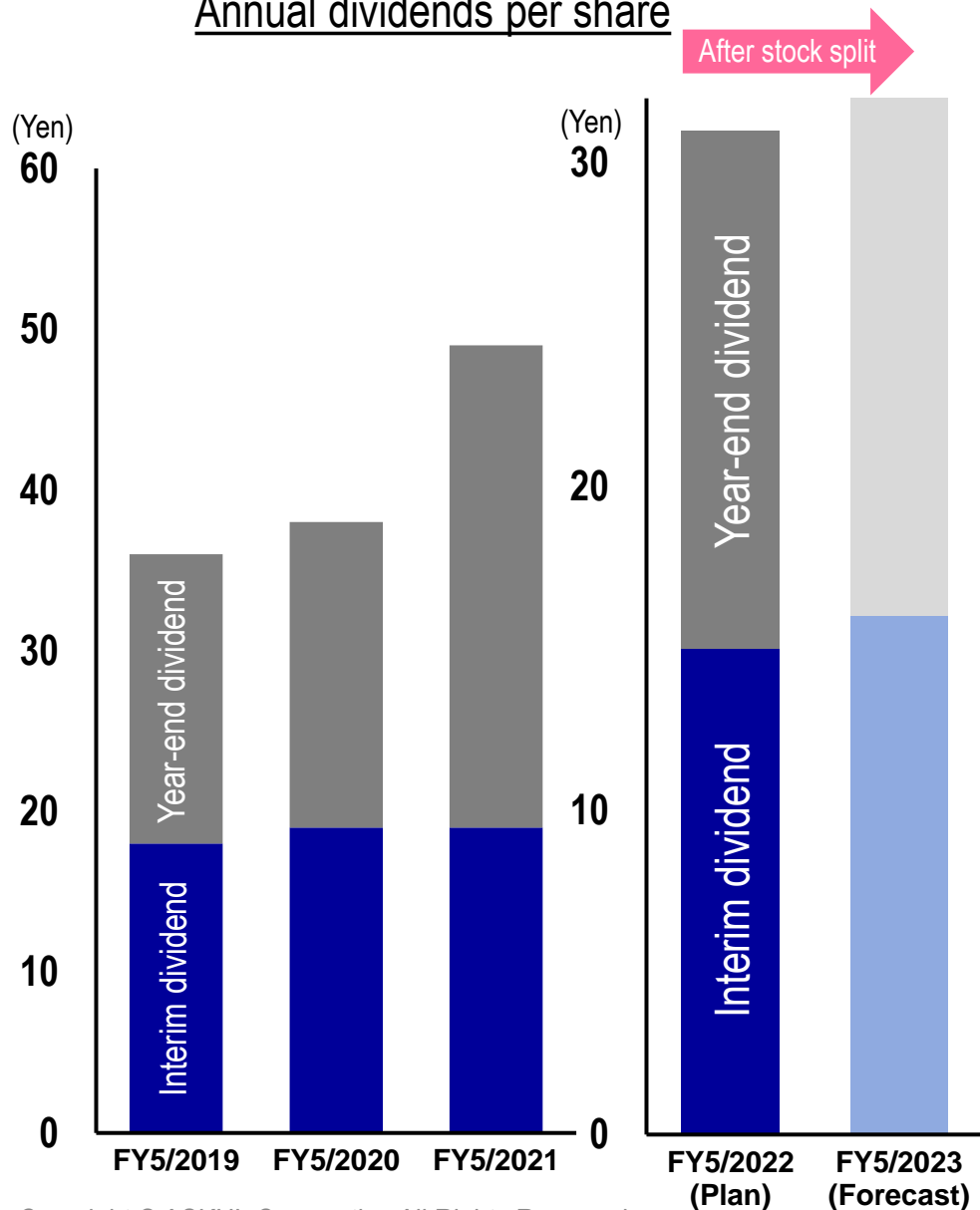


Achieving Medium-Term Management Plan

Shareholder Return



Annual dividends per share



FY5/22 Dividend (planned)

⇒ Annual dividend per share: ¥31 (Interim dividend: ¥15 and Year-end dividend: ¥16)

Dividend increased of ¥1 from the beginning of the term
resulting annual dividend increase of ¥6.5

(Considering a two-for-one stock split conducted on May 21, 2021)

FY5/23 Dividend (forecast)

⇒ Annual dividend per share: ¥32 (Interim dividend: ¥16 and Year-end dividend: ¥16)

Annual dividend increased of ¥1

**Dividend will be increased
in accordance with profit growth**

Toward Achieving the Medium-Term Management Plan

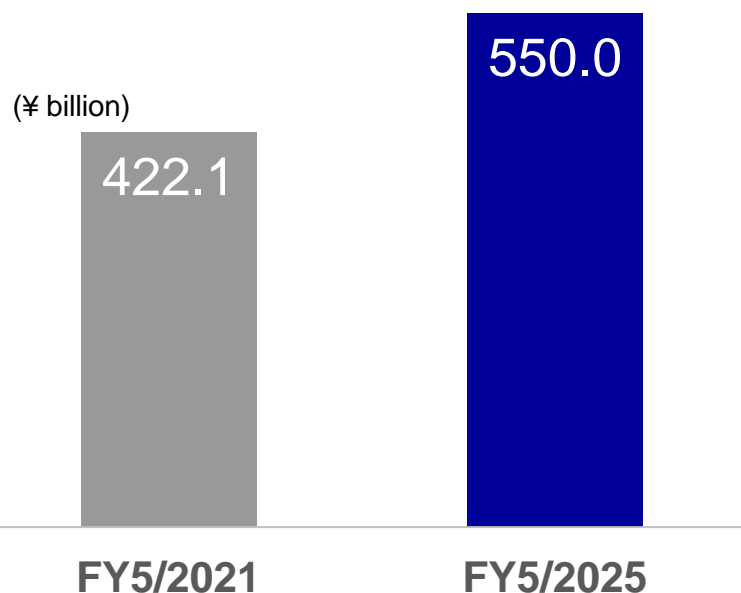


FY5/2025

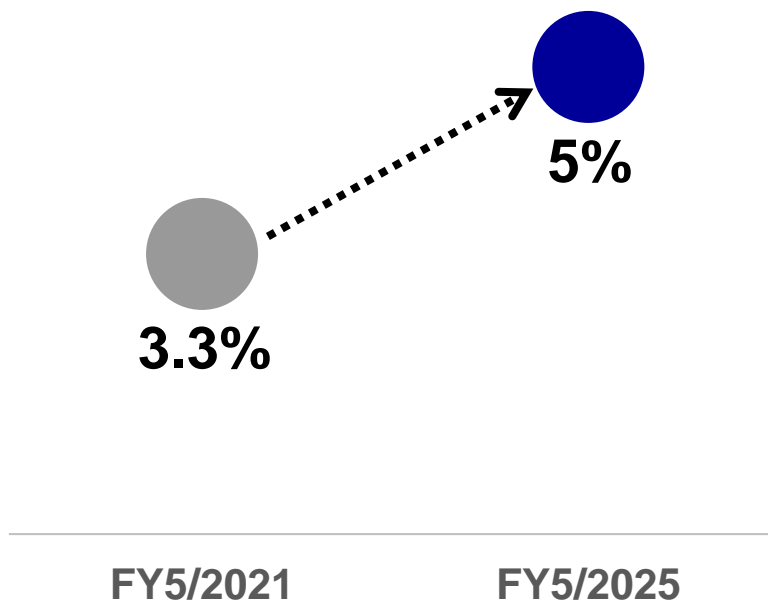
Net Sales **¥550** billion Operating Income Ratio **5%**

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

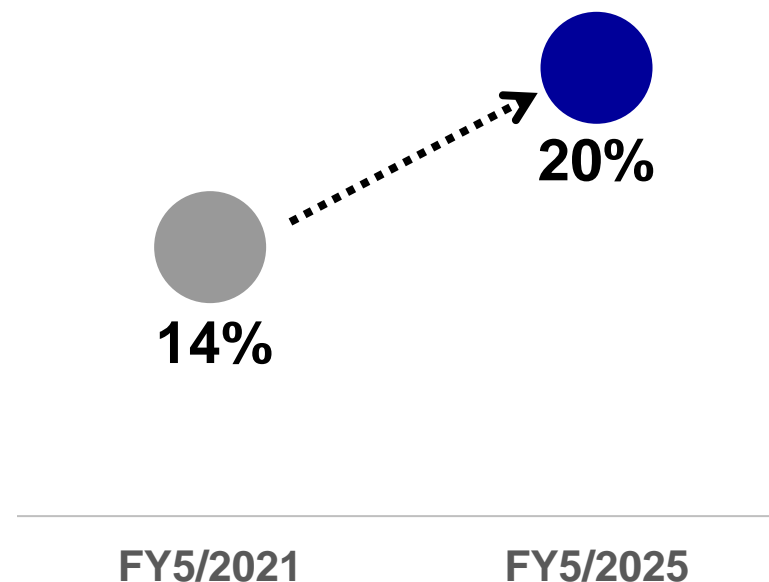
Consolidated net sales
Annual average growth rate:
Over 6%



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



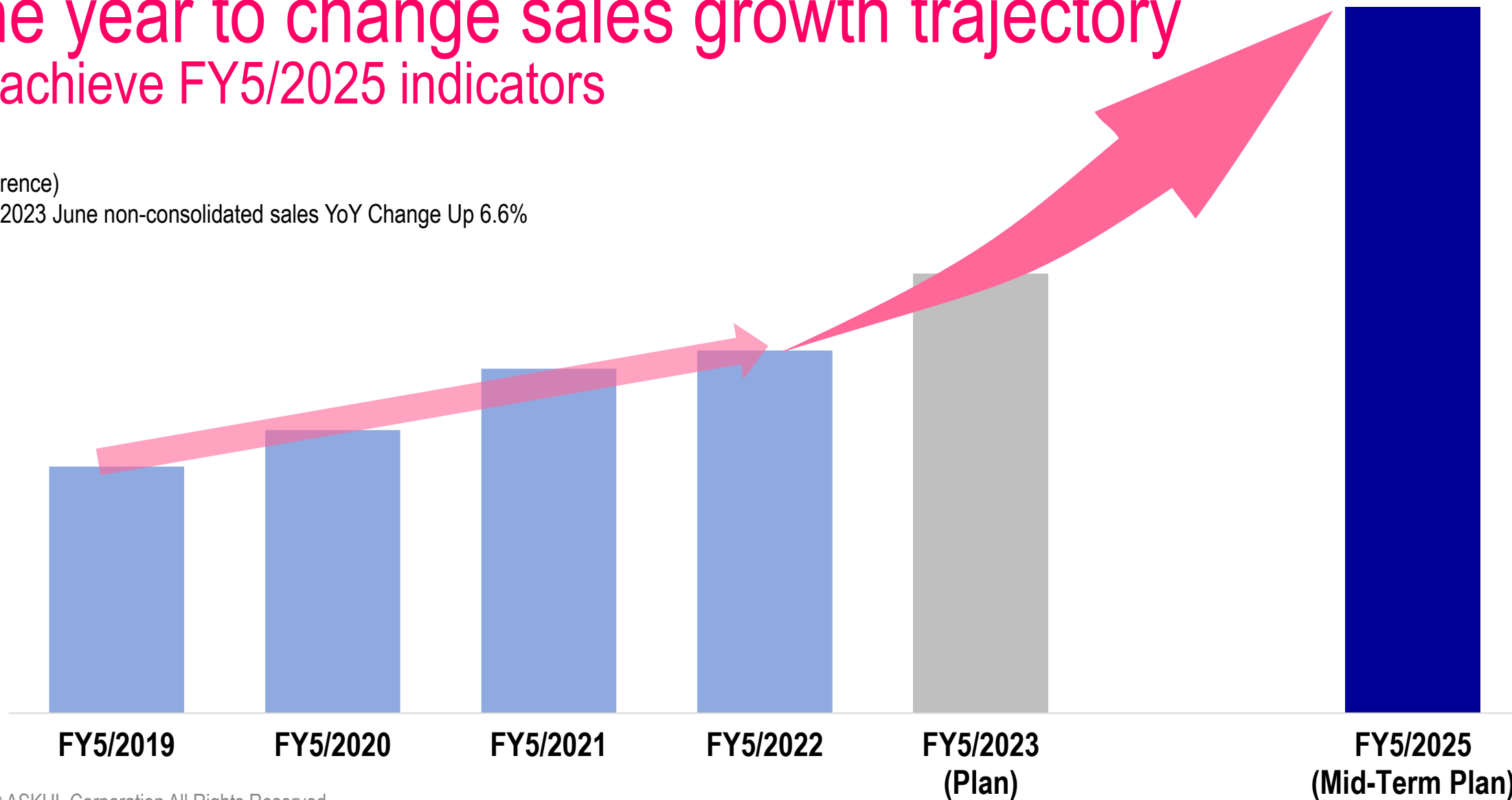
Consolidated return on equity (ROE)





The year to change sales growth trajectory to achieve FY5/2025 indicators

Reference)
FY5/2023 June non-consolidated sales YoY Change Up 6.6%





Solid execution of plan for FY5/2023

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

Launch in FY5/2023 as a foundation for B-to-B growth

Strategic industries and expansion of product assortments

Accelerate sales growth in strategic industries

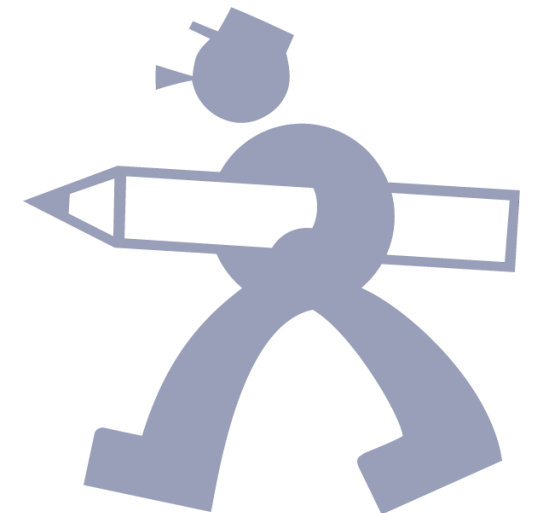
Synergies with Z Holdings Group

LOHACO turns to profitability and moves toward renewed growth

Reform of the platform

Structural reform to realize “Come tomorrow” for long-tail products

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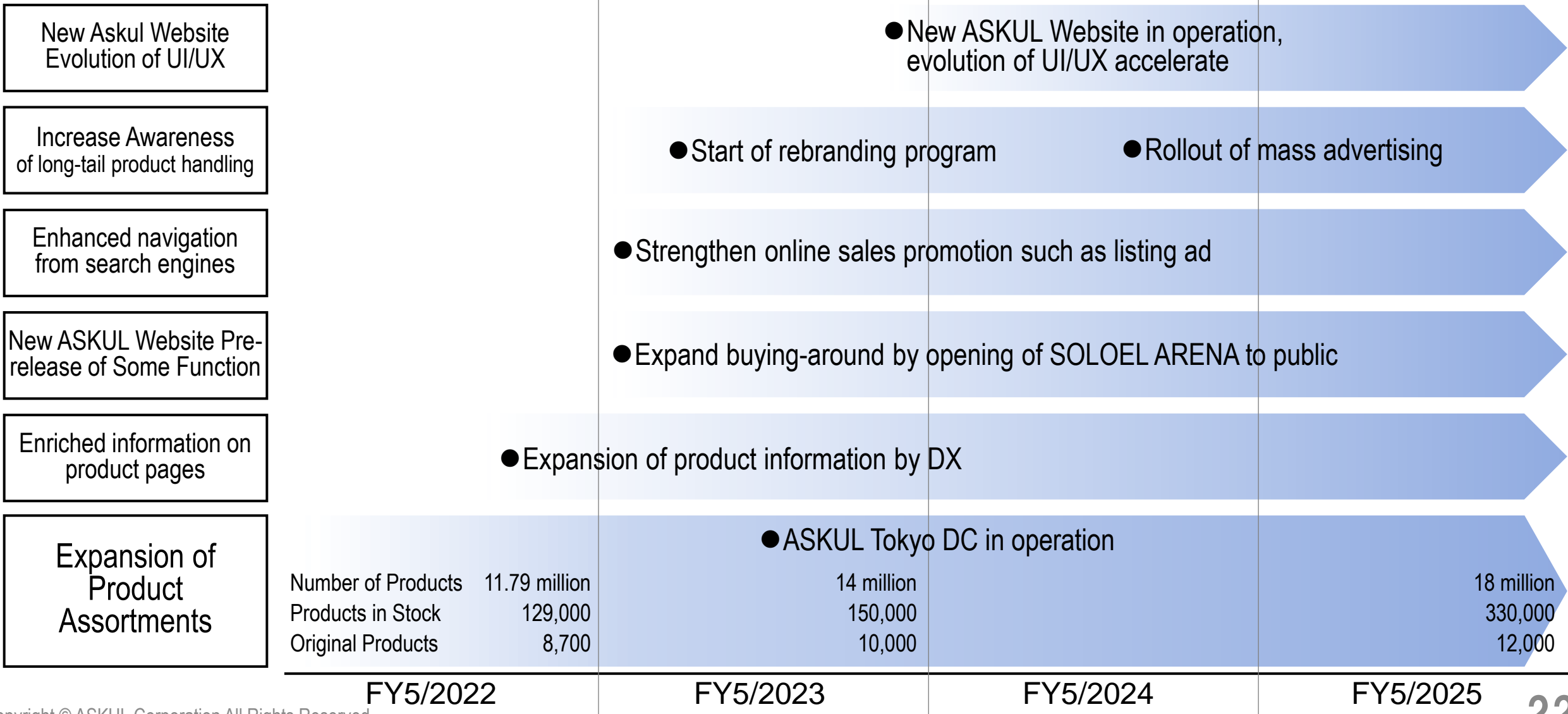


B-to-B Growth Strategies of Medium-Term Management Plan

Non-Consolidated



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



B-to-B Quarterly Net Sales by Item

Aim to achieve FY5/2023 plan by focusing on growth and focus categories

Medical Impact of reactionary decline continues to narrow, expansion of products for the medical and nursing care industries will drive regrowth.

Living Supplies / MRO Accelerate product assortment to meet changing needs as a continued growth area

	FY5/2020 Full-year		FY5/2021 Full-year		FY5/2022 1Q		FY5/2022 2Q		FY5/2022 3Q		FY5/2022 4Q				FY5/2022 Full-year			
		Composition ratio %		Composition ratio %		Composition ratio %		Composition ratio %		Composition ratio %		Composition ratio %	YoY change %	YoY change %		Composition ratio %	YoY change %	YoY change %
OA & PC	96.0	32.0	94.1	29.8	22.2	29.1	23.4	29.7	24.1	30.3	24.1	29.5	(0.1)	-0.5	94.0	29.6	(0)	-0.1
Stationery	42.8	14.3	41.4	13.1	9.5	12.5	9.9	12.6	10.0	12.6	11.2	13.7	(0.3)	-3.3	40.8	12.9	(0.6)	-1.5
Living Supplies	79.0	26.3	80.2	25.4	22.1	28.9	21.7	27.5	21.0	26.4	21.7	26.6	1.9	+9.9	86.6	27.3	6.4	+8.1
Furniture	21.2	7.1	22.0	7.0	5.0	6.6	5.1	6.5	5.0	6.4	6.4	7.9	(0.4)	-6.5	21.6	6.8	(0.4)	-1.9
MRO	34.2	11.4	35.8	11.4	8.8	11.6	9.4	11.9	9.4	11.9	9.6	11.8	0.3	+3.5	37.4	11.8	1.5	+4.5
Medical	19.6	6.5	34.2	10.9	7.1	9.3	7.4	9.4	8.0	10.1	6.9	8.5	(0.5)	-7.2	29.5	9.3	(4.7)	-13.7
Others	7.4	2.5	7.3	2.3	1.5	2.0	1.9	2.5	1.8	2.3	1.7	2.1	(0.1)	-5.8	7.0	2.2	(0.2)	-3.6
Total	300.4	100.0	315.2	100.0	76.5	100.0	79.0	100.0	79.7	100.0	81.8	100.0	0.6	+0.8	317.2	100.0	1.9	+0.6

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

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

- ✓ 4Q period : added more than 1.97 million items
Exceeded full-year plan of 11 million items

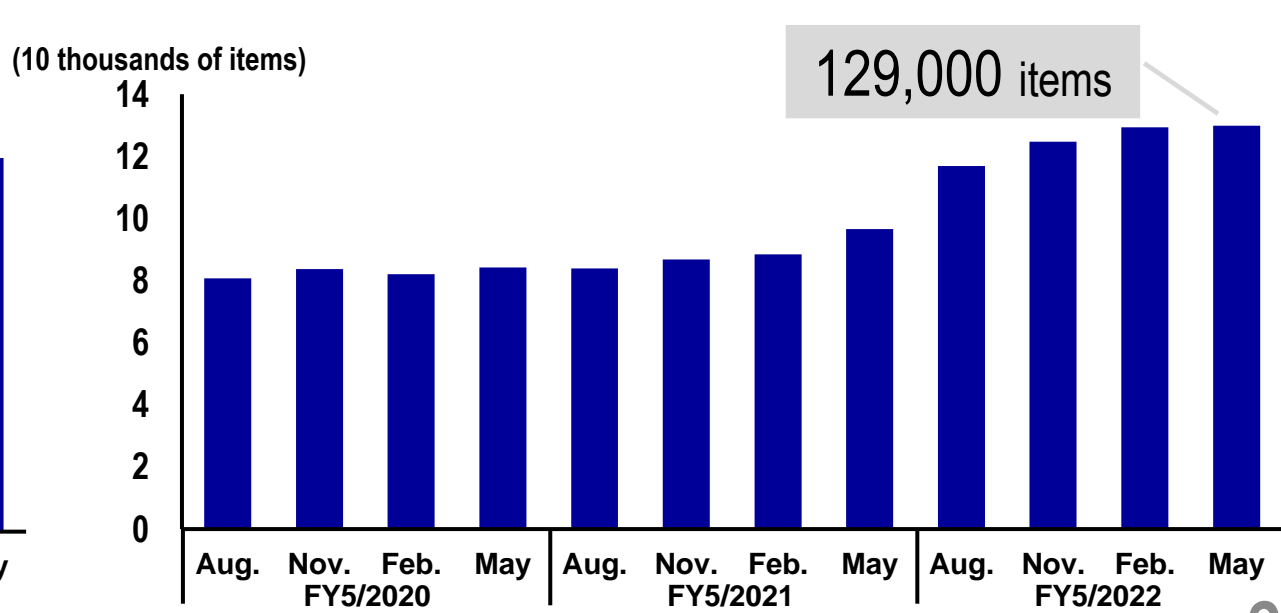
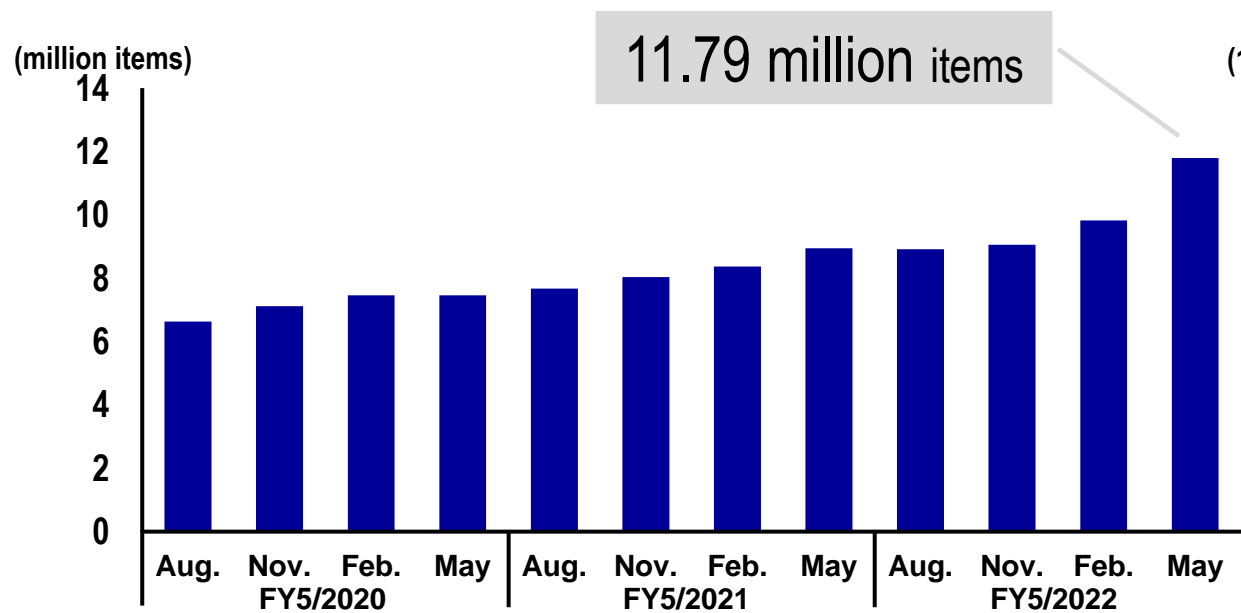
Aiming for 14 million items for FY5/2023

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

- ✓ 4Q period : added close to 500 items
Impact of temporary suspension of sales due to lockdowns, etc.

As of June 20, number of items increased to 133,000 items

Plan to reach over 150,000 items for FY5/2023

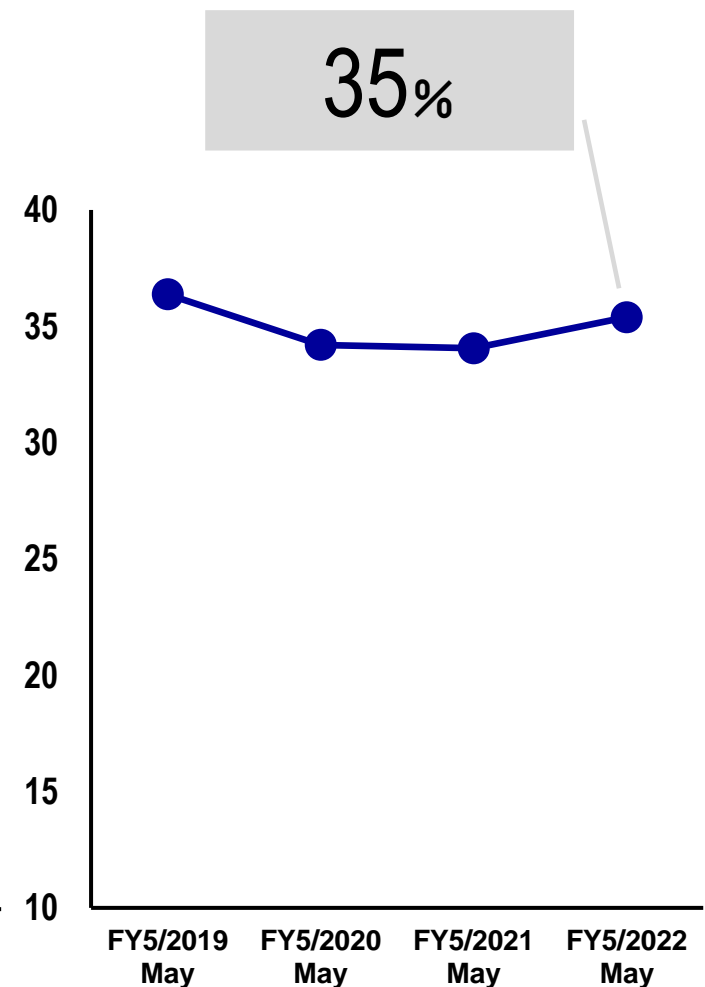
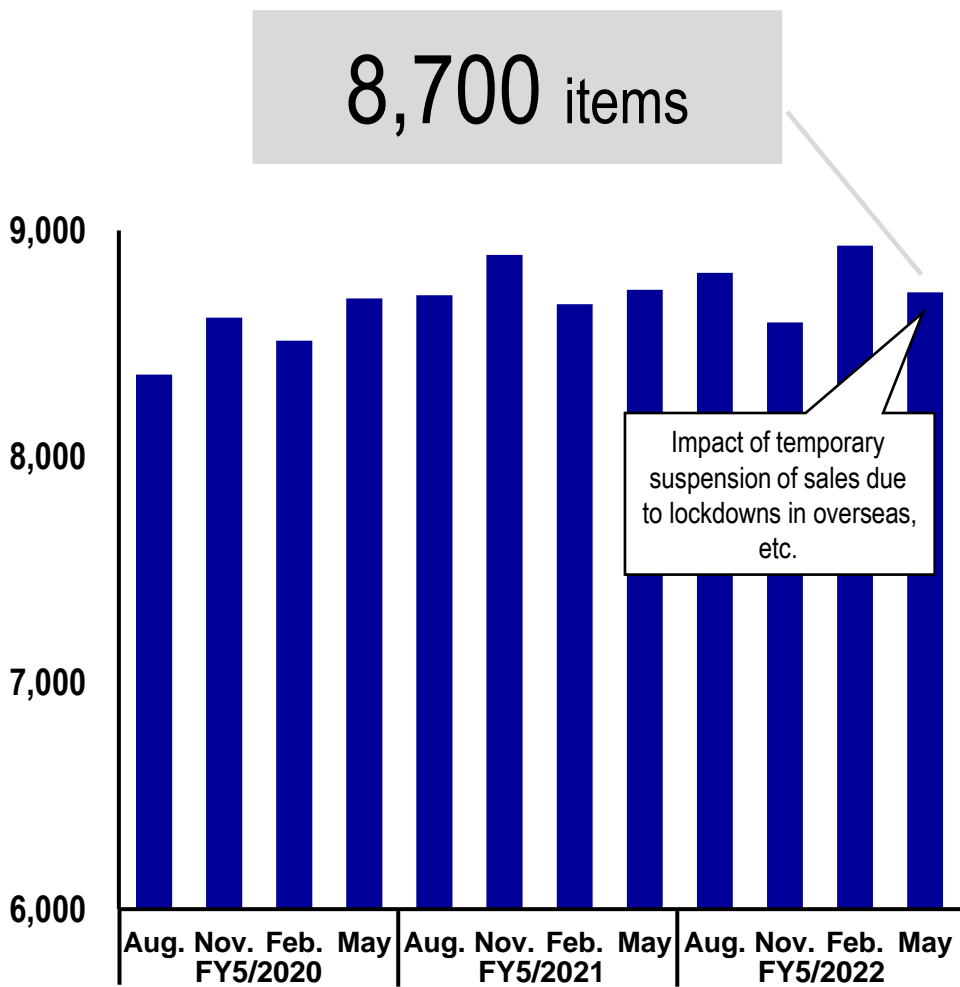


B-to-B Expansion of Product Assortments (ASKUL Original Products*1)

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*2

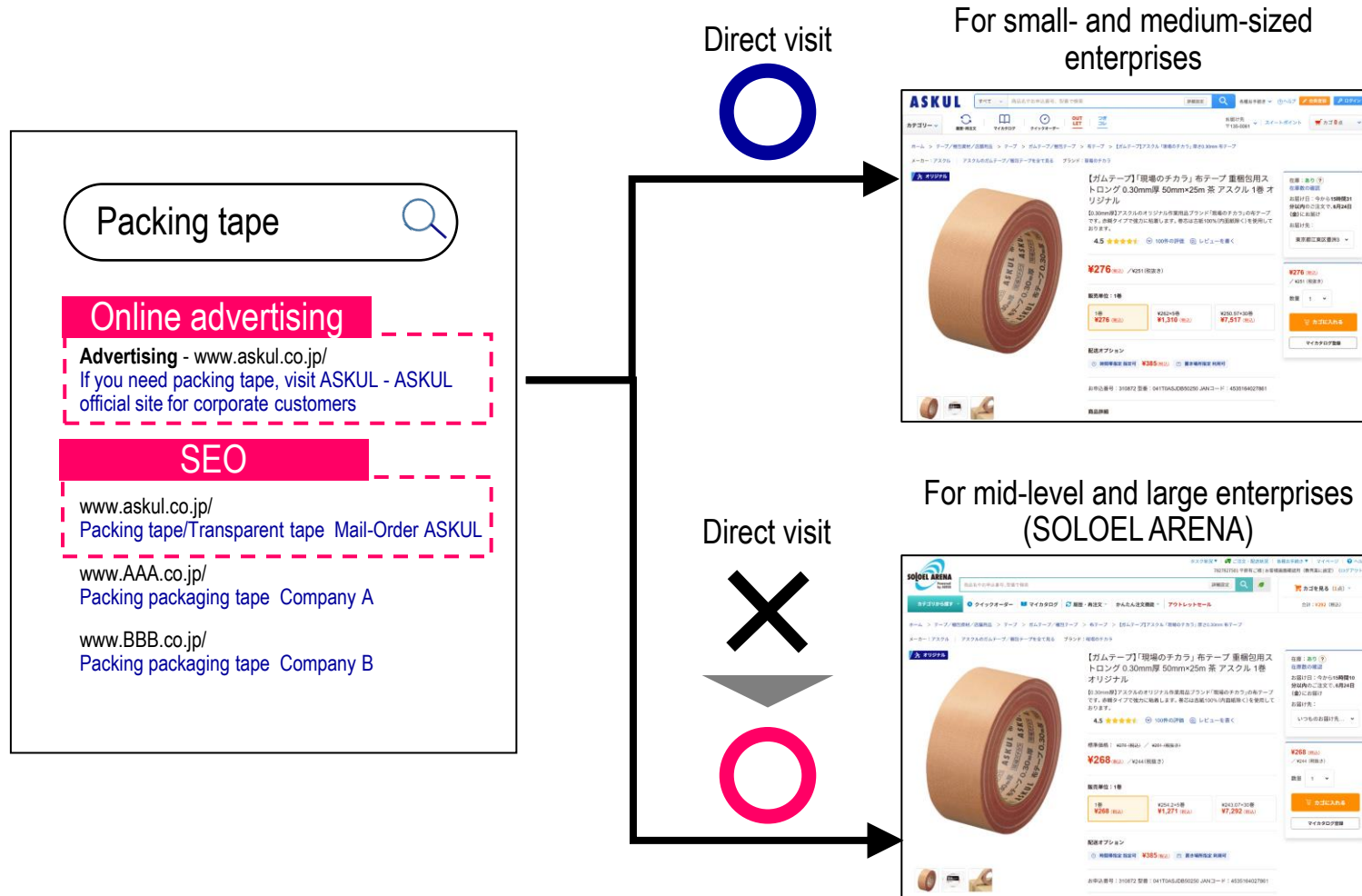


Aiming for 10,000 items for FY5/2023

*1 Original products includes products exclusive to ASKUL Excluding original products exclusive to LOHACO
*2 Industries are Medical and nursing care, Manufacturing



Opening of SOLOEL ARENA site to public to be completed in July



With the opening, allows direct visits to the site from external search engines



To expand Customers' Buying-Around



ASKUL Tokyo DC

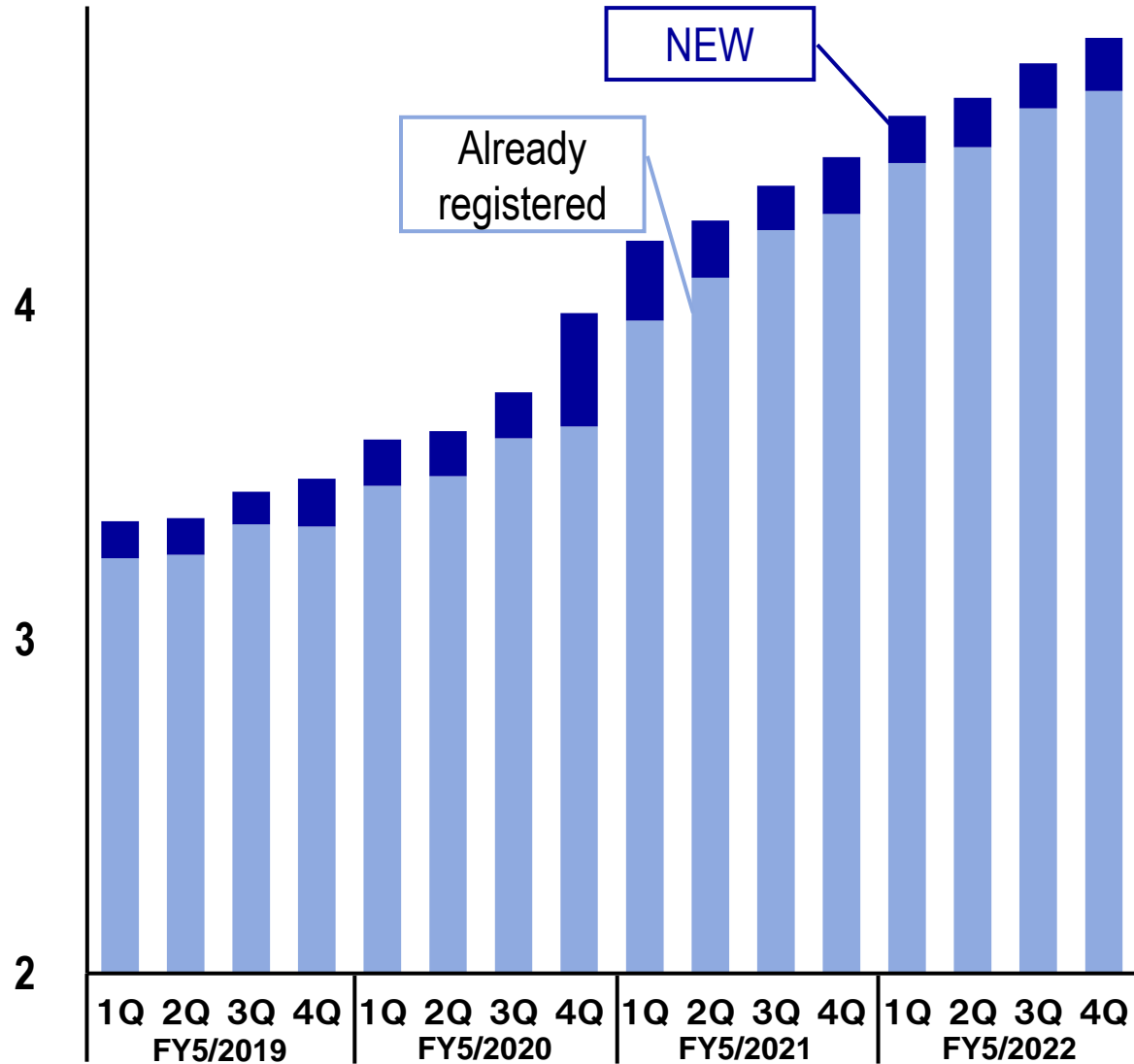
- ✓ Procurement of semiconductor components completed
- ✓ Operation will start in late November 2022



With the operation of Eastern Japan Flagship center,
**Logistics productivity to be
further increased**

B-to-B Number of Registered Customers*

(Millions of cases)



Customer Base Keeps Expanding

* 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.



Started to explore expansion of service
other than product sales

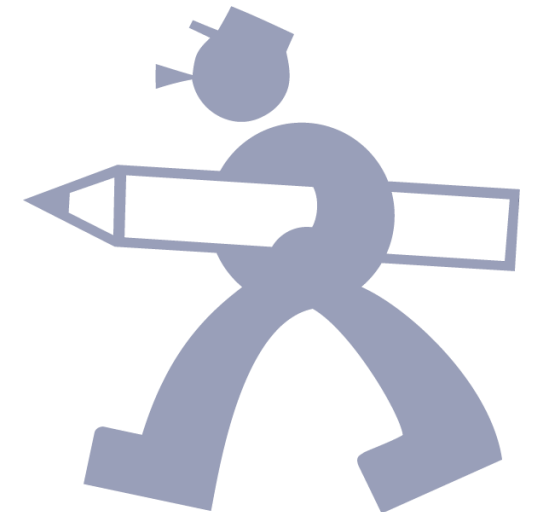


Extensive Customer Base

= SoftBank

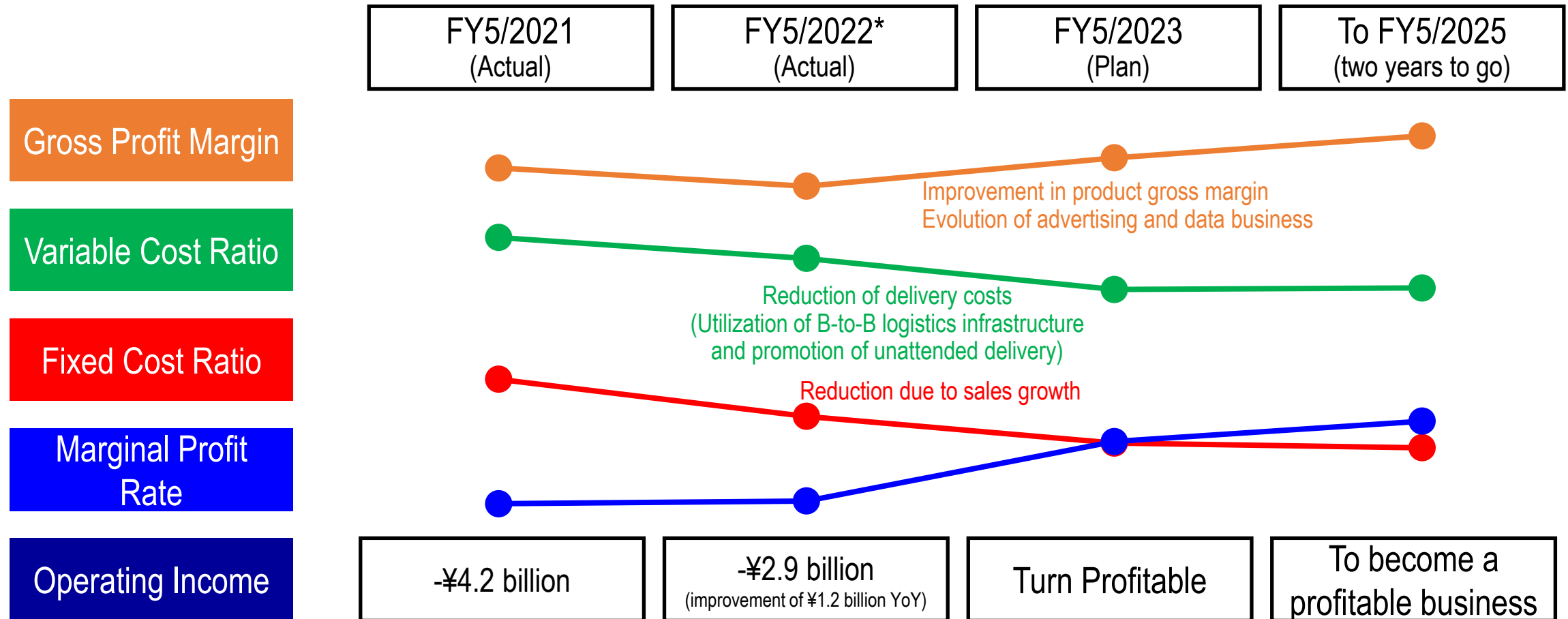
B-to-B products and services of
group companies

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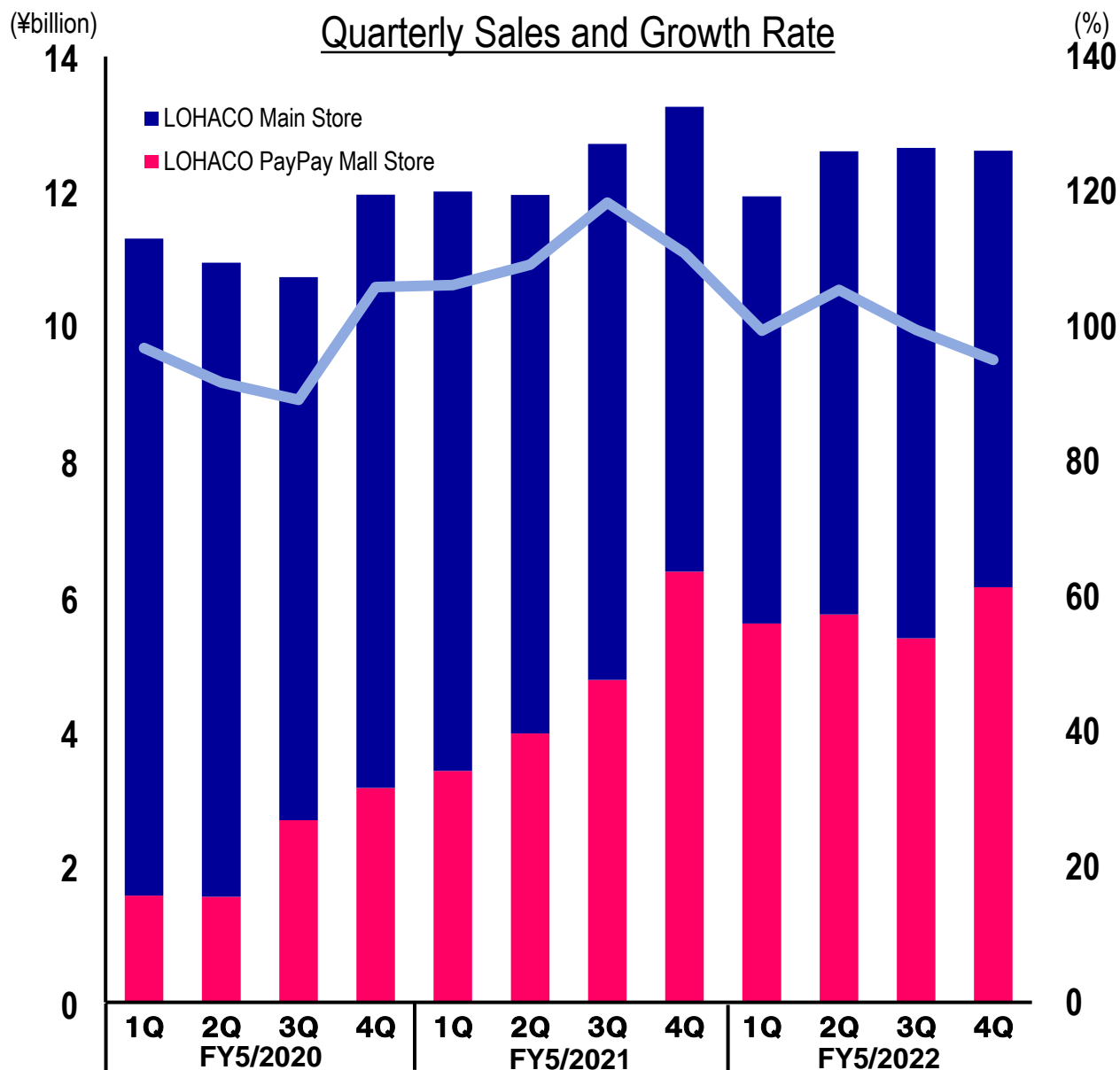


LOHACO Roadmap for Profitability

Achieve profitability through further improvement of each indicator and regrowth



LOHACO Domestic Net Sales



Aim at further growth through group synergies and co-creation with manufacturer

Super PayPay Festival
Until 3/22 Tue 1:59am

For Saturdays, Sundays, Mondays

All LOHACO products are subject to Bonus equivalent to a maximum of **36%**!

※条件を満たした場合

Super PayPay Festival (February 14 – March 22)

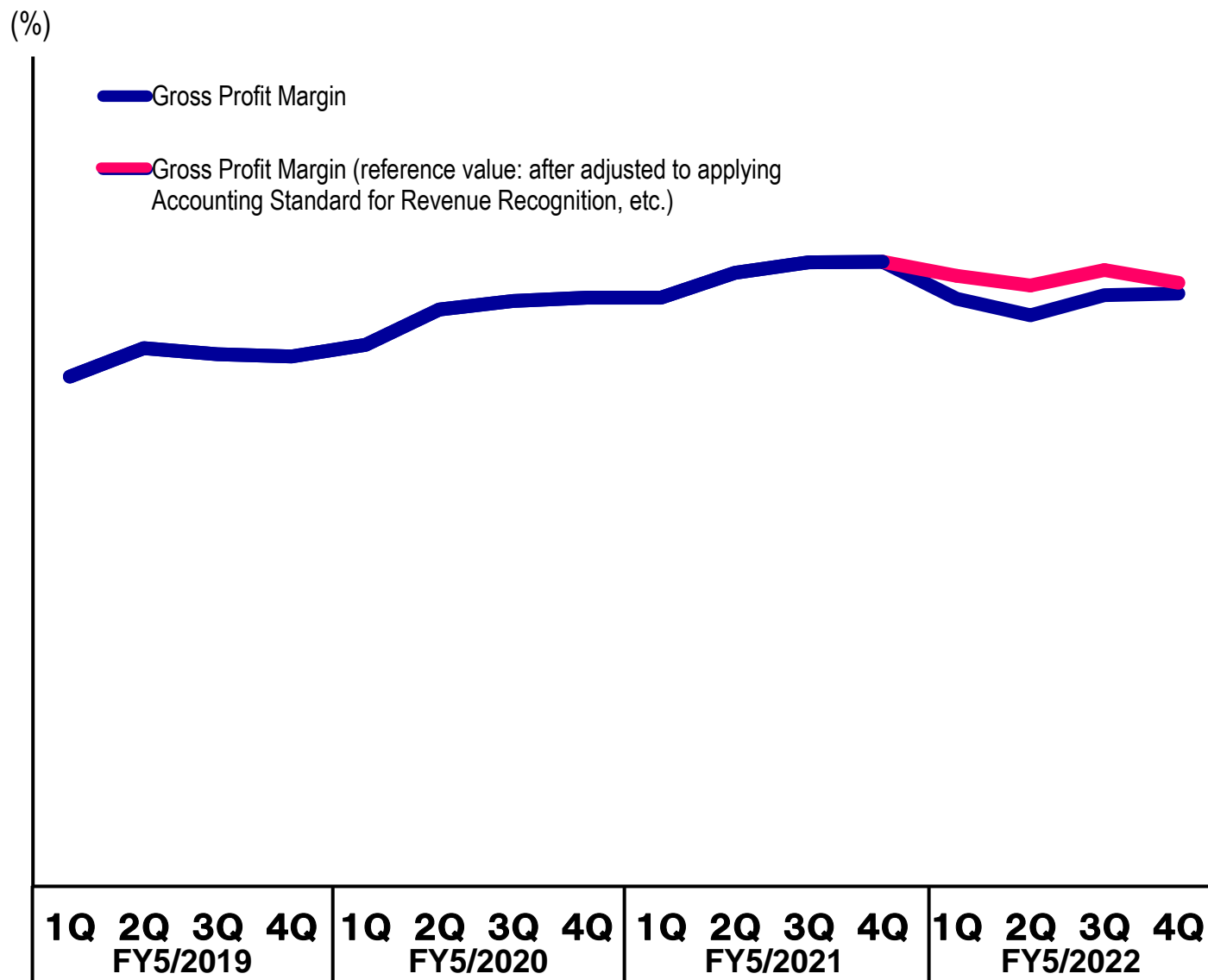
くらしによりそう LOHACO展 vol.9

2022/4/28 (thu) - 5/19 (thu)

PayPayポイント+10%

LOHACO Exhibition Festival (April 28 – May 19)

LOHACO Gross Profit Margin



FY5/2022 Full-year
YoY change: Down 1.2 points

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

YoY change: Down 0.2 points

Domestic: Up 0.5 points

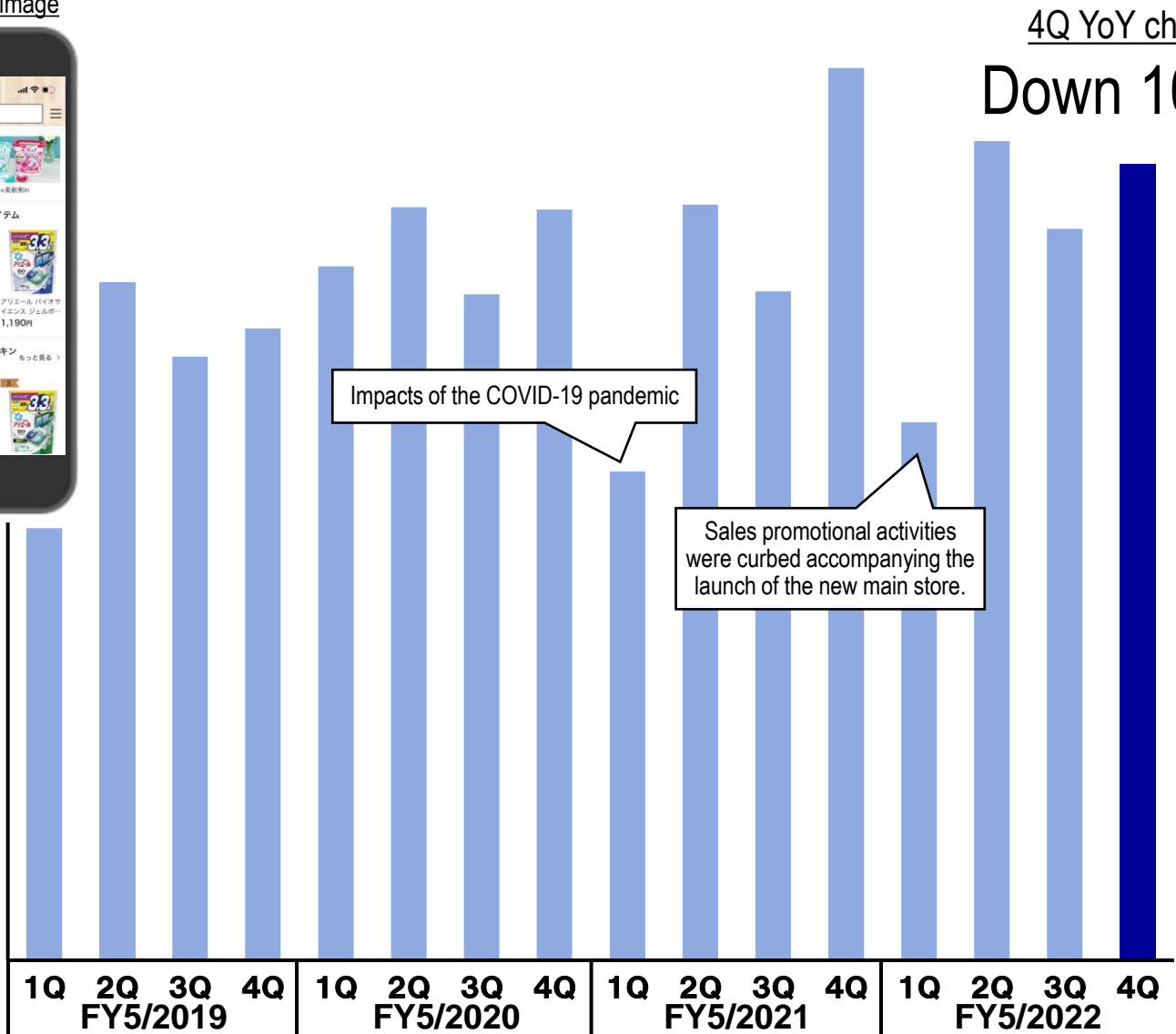


Continuous improvement of product gross margin and strengthen advertising business

LOHACO Advertising Fee Income

(Yen)

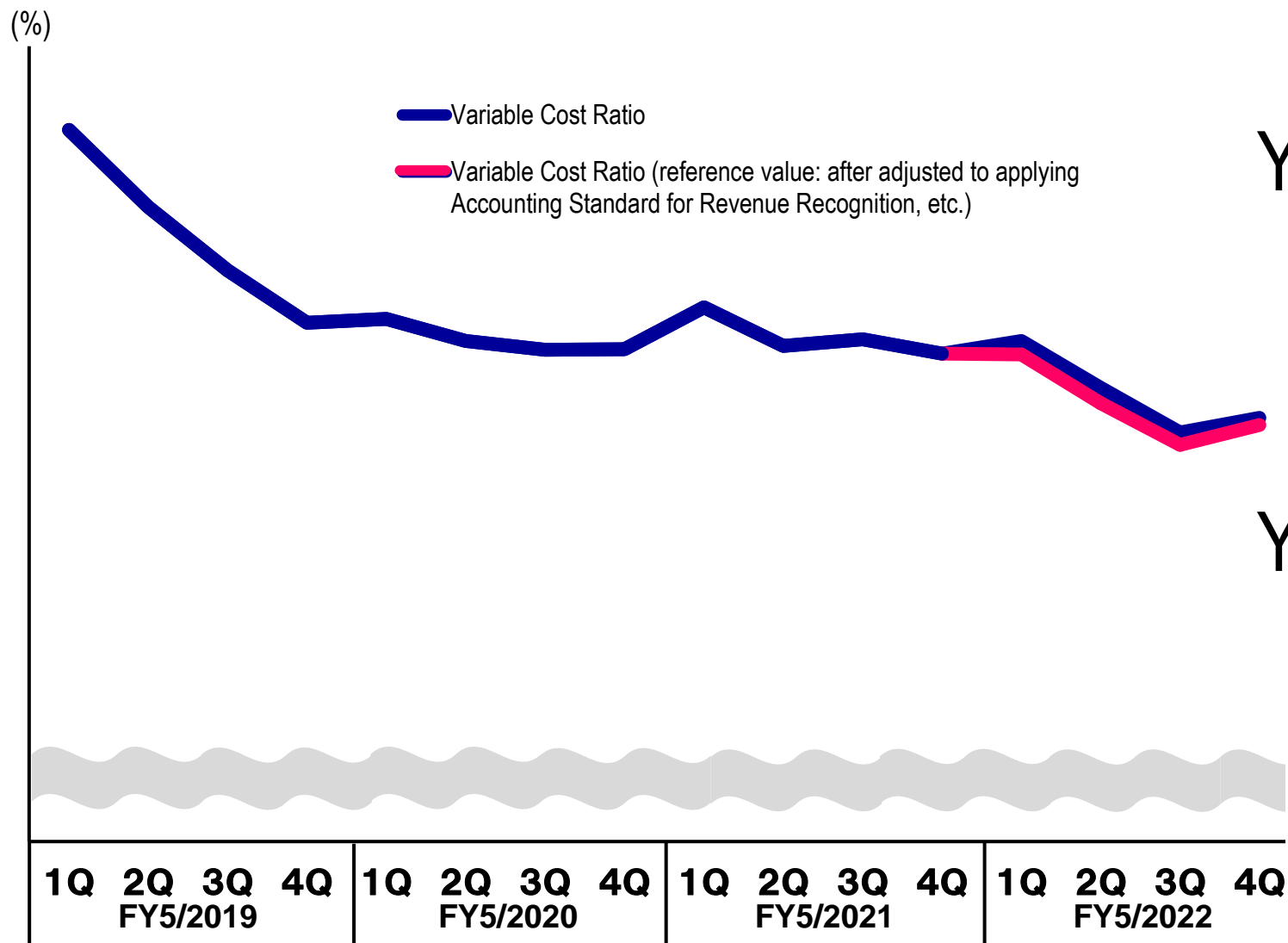
Advertising image



FY5/2022 Full-year
YoY change: Up 2.8%

Aiming for expansion in line with sales growth

LOHACO Variable Cost Ratio



FY5/2022 Full-year
YoY change: Down 1.3 points

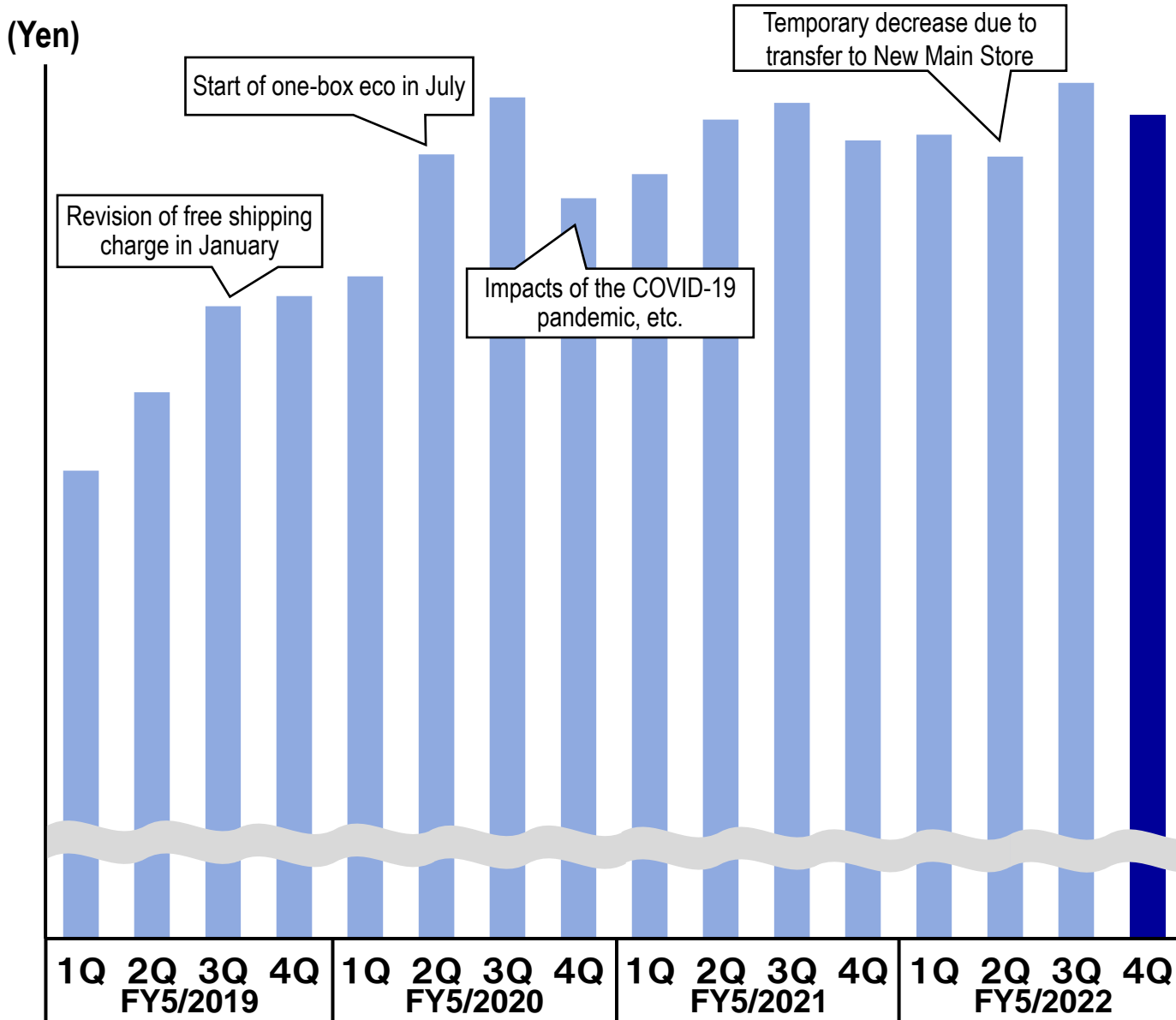


After adjusted to applying Accounting Standard for Revenue Recognition, etc.

YoY change: **Down 1.6 points**

Further improvement through increased delivery efficiency

LOHACO Sales per Box (domestic)



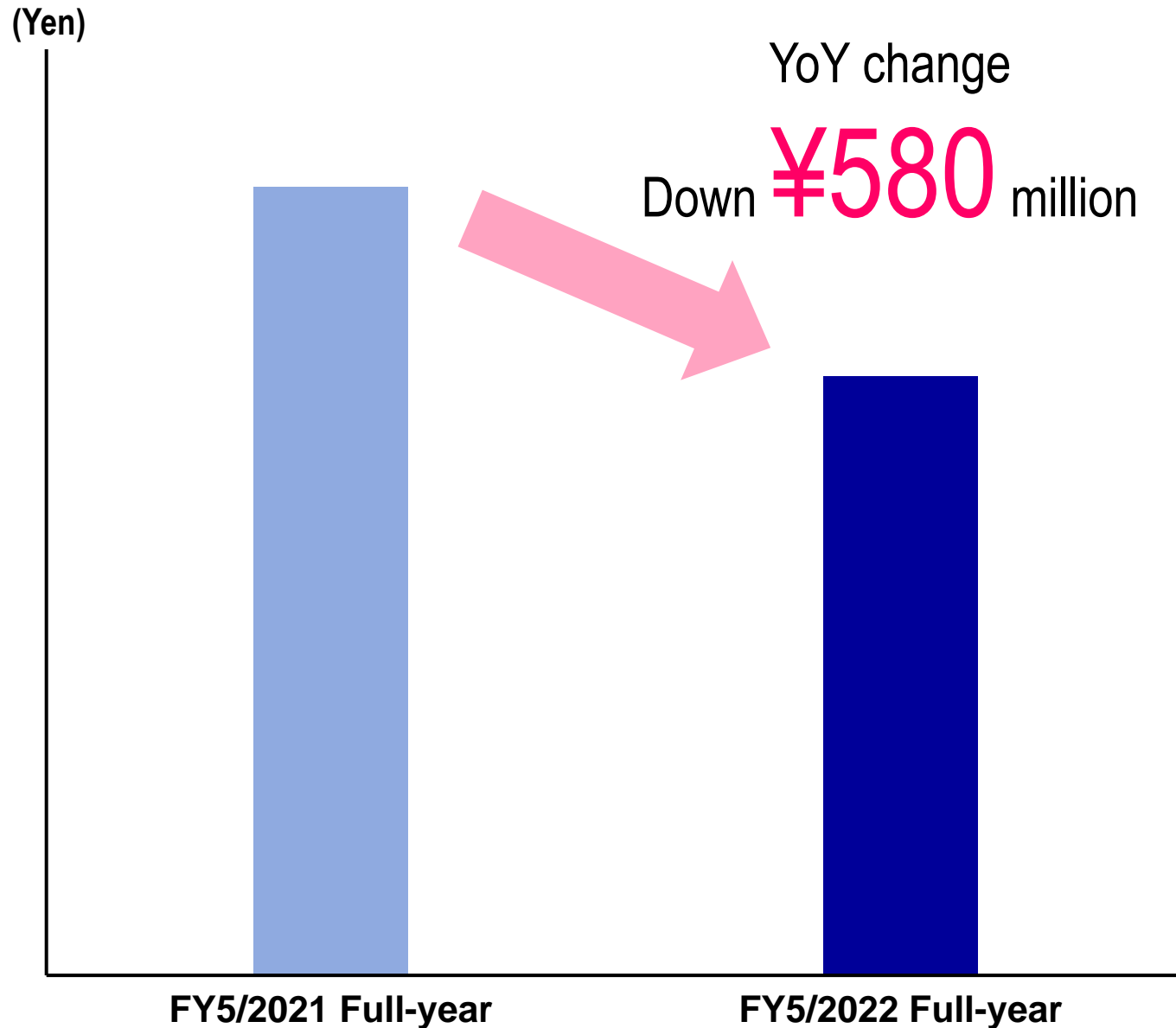
FY5/2022 Full-year
YoY change: Up 0.9%



Aiming for additional progress through improvement of website functions, etc.

LOHACO Fixed Costs(amortization of software and personnel expenses)

Non-Consolidated



Reduced with the launch of the new main store



Improving operational efficiency for further reduction

Improve sales and profitability by strengthening collaboration at PayPay Mall Store

Enhancement of LOHACO-only sales promotion in the full year



Sales to grow **10%**

Reference) FY5/2023 June LOHACO sales YoY Change Up 23.5%

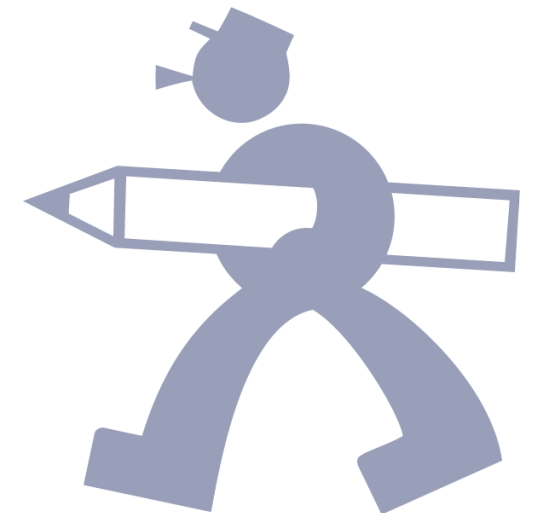
Expanding Main Store's UI/UX optimized for daily necessities EC

Ex. ✓ “Add basket” button will be installed on search result view of PayPay Mall Store



Improve sales, gross profit margin and variable cost ratio

- I. Consolidated Performance for FY5/2022
- II. FY5/2023 Consolidated Financial Forecasts
- III. B-to-B
- IV. B-to-C
- V. ESG / DX**
- VI. Appendix





March 2022

Declared conformity to ISO10002, an international standard for customer satisfaction management systems

- Obtained "Third Party Opinion" from the Association of Consumer Affairs Professionals (ACAP) regarding conformity with ISO 10002 and declared conformity as the system for addressing customer feedback complies with ISO 10002, the international standard for customer satisfaction.

April 2022

Selected as a component of “FTSE Blossom Japan Sector Relative Index”

- Selected as a component of an index that reflects the performance of companies demonstrating strong Environmental, Social, and Governance (ESG) practices in Japan in each sector



**FTSE Blossom
Japan Sector
Relative Index**

May 2022

Toyosu HQ building was converted to renewable energy, resulting in Group’s overall usage rate of 65%

- All electricity used at the Toyosu HQ building has been switched to renewable energy, and the entire Group has achieved a renewable energy usage rate of 65%. Promoting initiatives for RE100 to achieve “2030 CO₂ Zero Challenge”

June 2022

Selected as “Noteworthy DX Companies 2022” in DX Stocks 2022

- Received recognition for strengthening DX in the value chain utilizing AI and robots, opening “Torakkuru”, a delivery management system developed in-house to delivery partners, and establishing ASKUL DX ACADEMY, an in-house training program to develop DX human resources.

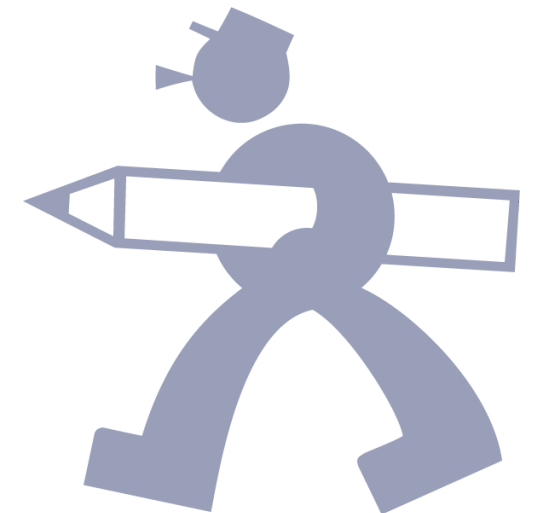
June 2022

Launched designated location delivery for auto-lock type condominiums

- The service is available for apartment complexes that have already installed smart locks. This service is to deliver the package to the side of the customer's door by linking the driver's dedicated terminal with the package information, then, unlocking the auto-lock at the entrance. Aiming to gradually expand the coverage area in the future.



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FY5/2022 Consolidated Performance (Quarterly, By Business)

Consolidated



(¥billion)		FY5/2021	FY5/2022												
		Full-year	1Q	2Q	3Q	4Q	YoY change	YoY change %	Reference value*	Full-year	Plan	% of Plan	YoY change	YoY change %	Reference value*
Net Sales	B-to-B business	345.1	83.4	86.1	88.6	89.7	0.8	+1.0	+2.0	348.0	351.3	-0.9	2.8	+0.8	+2.0
	LOHACO	52.8	12.6	13.9	13.6	14.0	0	+0.4	+1.8	54.3	54.5	-0.3	1.4	+2.8	+4.4
	B-to-C business (including Charm)	68.5	16.7	18.0	17.8	18.0	0.3	+1.8	+3.3	70.6	70.2	+0.7	2.0	+3.0	+4.6
	E-commerce business	413.7	100.1	104.2	106.5	107.7	1.1	+1.1	+2.2	418.6	421.5	-0.7	4.9	+1.2	+2.4
	Logistics business and other	8.3	2.3	2.3	2.4	2.7	0.1	+7.3	+7.3	9.8	8.5	+15.5	1.4	+17.3	+17.3
	Consolidated total	422.1	102.4	106.5	108.9	110.5	1.3	+1.3	+2.3	428.5	430.0	-0.3	6.3	+1.5	+2.7
Operating Profit	B-to-B business	20.1	4.2	4.1	4.3	4.3	(0.2)	-4.9		17.0	16.3	+4.3	(3.1)	-15.4	
	LOHACO	(4.2)	(0.9)	(0.8)	(0.5)	(0.5)	0.2	—		(2.9)	(2.5)	—	1.2	—	
	B-to-C business (including Charm)	(4.1)	(0.8)	(0.6)	(0.4)	(0.4)	0.3	—		(2.4)	(2.4)	—	1.7	—	
	Performance-linked bonuses (including provision), etc	(0.9)	(0)	0	(0)	(0.1)	(0.1)	—		(0.2)	0	—	0.7	—	
	E-commerce business	14.9	3.3	3.4	3.9	3.6	(0)	-2.2		14.3	13.9	+3.2	(0.6)	-4.3	
	Logistics business and other	(1.0)	(0)	(0)	0	(0)	0.1	—		(0)	0	—	1.0	—	
	Consolidated total	13.9	3.2	3.4	3.9	3.6	0	+1.0		14.3	14.0	+2.2	0.3	+2.8	

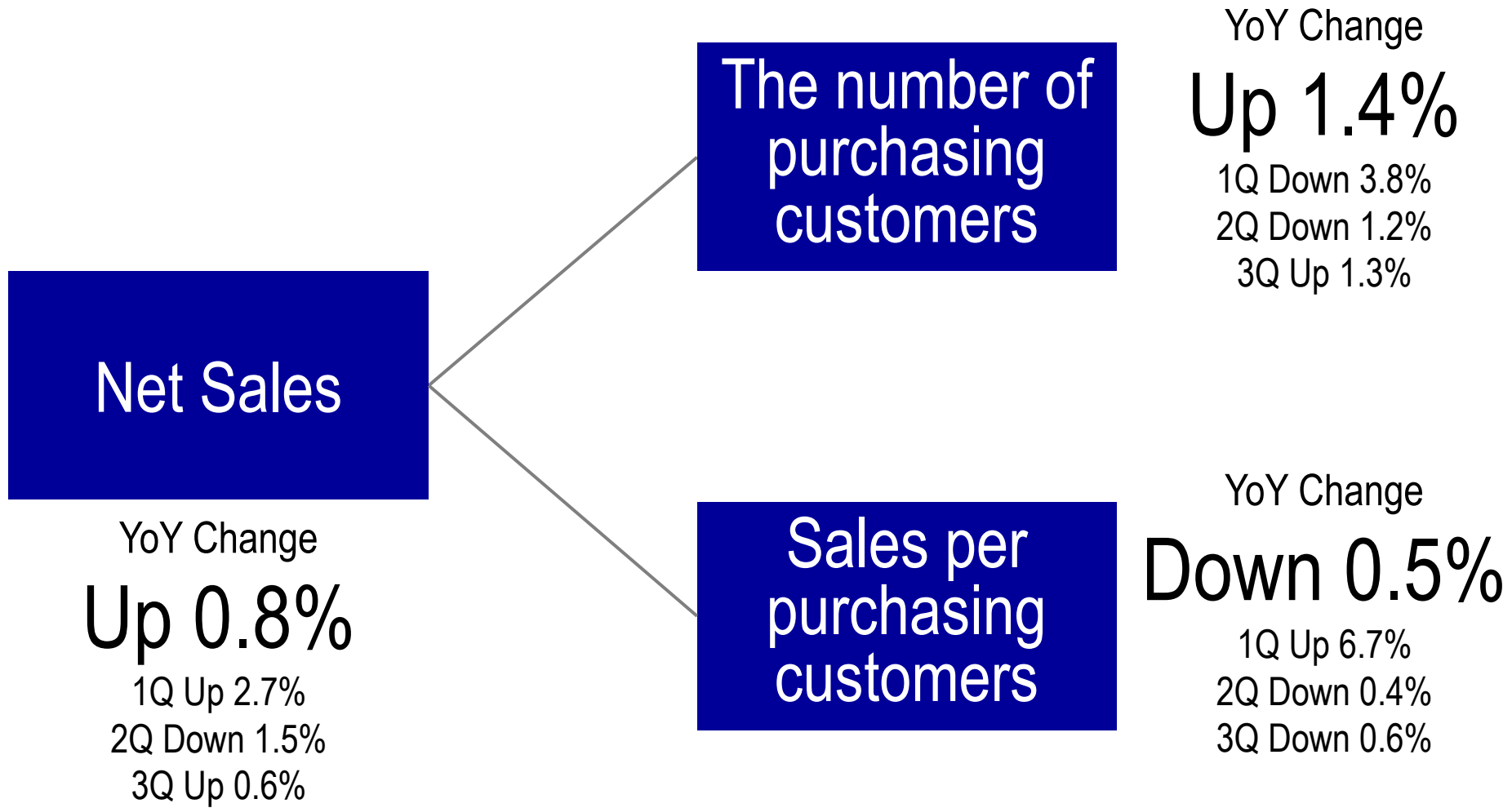
FY5/2022 Net Sales by Item

Non-Consolidated

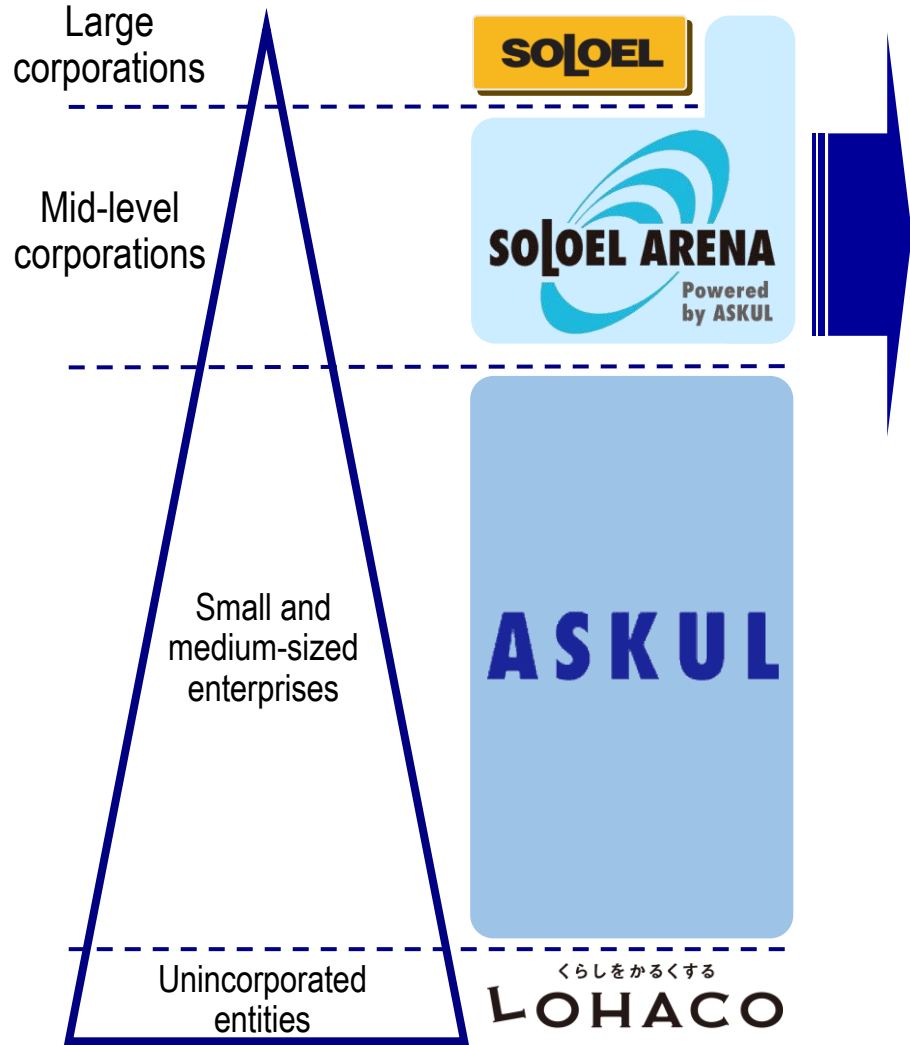


(¥billion)	FY5/2021 Full-year		FY5/2022 Full-year			
		YoY change %		Composition ratio %	YoY change	YoY change %
OA & PC	96.4	-1.8	96.0	25.8	(0.4)	-0.4
Stationery	42.5	-3.0	41.7	11.2	(0.7)	-1.9
Living Supplies	123.7	+3.7	133.2	35.9	9.5	+7.7
Furniture	22.7	+3.9	22.2	6.0	(0.4)	-1.9
MRO	36.9	+5.1	38.5	10.4	1.5	+4.2
Medical	37.8	+66.7	33.6	9.1	(4.1)	-11.0
Others	7.9	+0.4	6.1	1.6	(1.7)	-22.7
Total	368.1	+5.5	371.6	100.0	3.4	+0.9

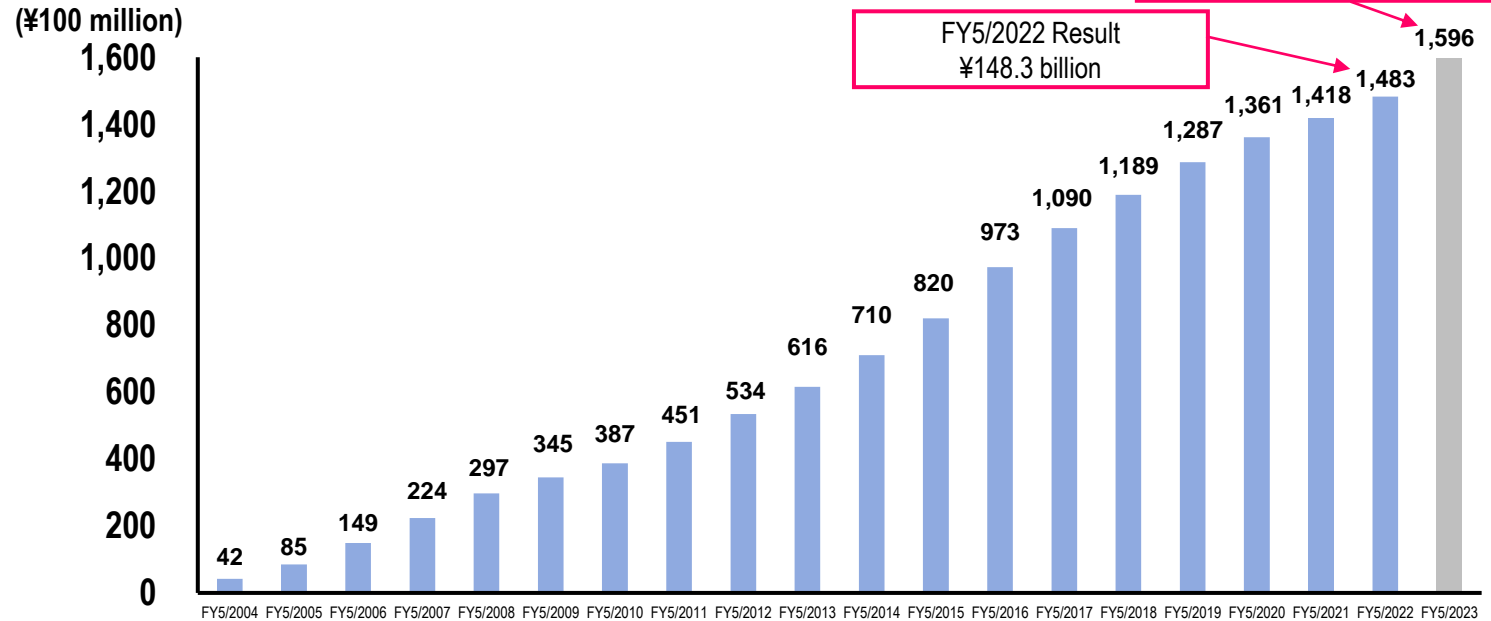
Living Supplies
and MRO driving
growth



B-to-B Results of SOLOEL ARENA and others

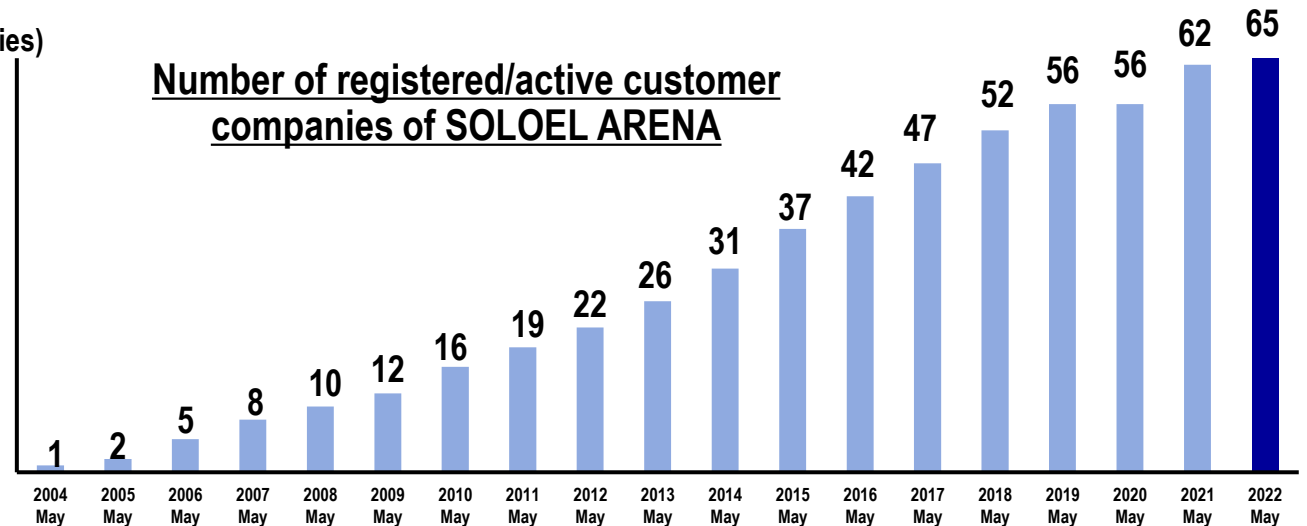


Net sales value for SOLOEL ARENA and others



(1,000 companies)

Number of registered/active customer companies of SOLOEL ARENA





Gross profit: ¥105.0 billion YoY Up ¥0.6 billion

Gross profit margin: 24.5% YoY change: Down 0.2 points

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

SG&A expenses: ¥90.7 billion YoY Up ¥0.3 billion

Ratio of SG&A expenses to net sales 21.2% YoY change: Down 0.2 points

<Breakdown of difference from previous period>

- | | |
|-------------------------------|---|
| ✓ Rents | +0.8 billion |
| ✓ Subcontract expenses | +0.6 billion |
| ✓ Provision for sales expense | -0.5 billion (Effect of applying Accounting Standard for Revenue Recognition, etc.) |
| ✓ Personnel expense | -0.3 billion |



Capital expenditures ¥10.4 billion (Annual plan: ¥13.4 billion)

Related to new ASKUL website ¥5.5 billion

Related to ASKUL Tokyo DC ¥1.9 billion

(Reference) Depreciation and amortization of software: ¥5.8 billion (Annual plan: ¥6.1 billion)

Investment details

(¥ million)

Item	FY5/2021	FY5/2022	
	Amount	Amount	YoY Change
[Capital expenditures]	10,428	10,484	+0.5%
Property, plant and equipment	5,887	3,035	-48.4%
Intangible assets	4,541	7,449	+64.0%
Construction in progress (Note 2)	4,391	4,975	+13.3%
Software in progress (Note 2)	3,350	8,332	+148.7%

(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.



Capital expenditures ¥13.5 billion (+¥3.1 billion from the previous fiscal year)

<Major breakdown>

■ ASKUL Tokyo DC	¥5.7 billion
■ New ASKUL Website	¥2.8 billion
■ Investment related to logistics and distribution	¥1.5 billion

(Reference) Depreciation and amortization of software ¥7.1 billion
(+¥1.3 billion from the previous fiscal year)

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	FY5/2022	YoY Change
Orders via the Internet	86.2%	87.5%	+1.3 points
Other	13.8%	12.5%	-1.3 points

Note : Percentages are based on orders placed.

ASKUL Original Products

(Unit: Item)

	May of FY5/2021	May of FY5/2022	YoY Change
Number of original products	10,063	11,009	+946
Share of non-consolidated net sales (of which, share of B-to-B business)	26.8% (34.1%)	28.2% (35.4%)	+1.4 points (+1.3 points)

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

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 **65%** as of May 2022
- “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” has completed.
After the demonstration project, “ASKUL Resource Recycling Platform” is established and put into operation. 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
Conducted Unconscious Bias Training
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 29.5%*
(Legal employment rate of private companies is 2.3%)
* Legal employment ratio calculated in units of business sites as of May 20, 2022)

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, etc 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.
 - 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 CEO, management, and related department heads, and discussions and improvements are made regarding the evolution of products and services.
 - Declared Conformity to ISO10002
Declared conformity to ISO 10002, the international standard for customer satisfaction management systems, as part of our commitment to customer feedback. Created and maintained relevant documents and regulations for customer service and established and operated a management system.

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. The second recipient of the support will be a shark fin processing food manufacturer in Kesenuma city, Miyagi Prefecture.
- Project for looking into air and water environments
In a joint project with S.T. Corporation, the ASKUL Group donates part of the sales of "S.T. Toilet Deodorant and Deodorant Spray," exclusively 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.



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.

4. Reform of the platform

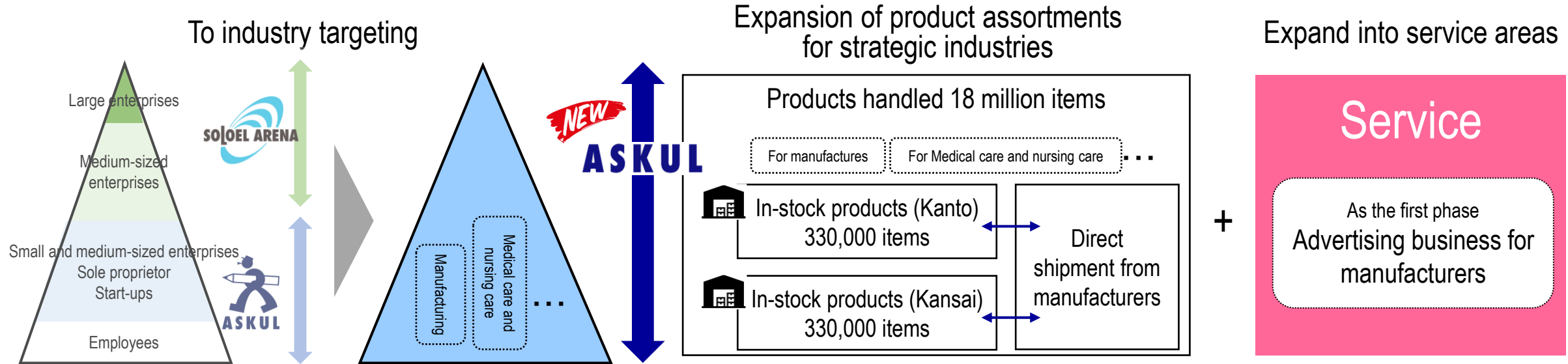
The plan to evolve the high-speed logistics, which is ASKUL's strength, then realize “Come tomorrow” for long-tail products through measures, such as structural reform of distribution centers, integration of B-to-B and B-to-C logistics, and application of DX to value chains. “ASKUL Tokyo DC,” the most 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.

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

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
- ✓ Path that can be bought smoothly from 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



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