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August 3, 2022

To whom it may concern:

Company Name: ASKUL Corporation
(Code No.: 2678, Tokyo Stock Exchange Prime Market)
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 (the "Company") hereby announces that there are some descriptions about the Company in the financial results briefing presentation materials for the first quarter of fiscal year 2022 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.

In the attached material, there are descriptions of the ASKUL Group's revenue and cost of sales. Please note that the consolidated accounting periods of Z Holdings Corporation and the Company differ as shown in the table below, and therefore the figures described in the material do not match the financial results to be announced by the Company.

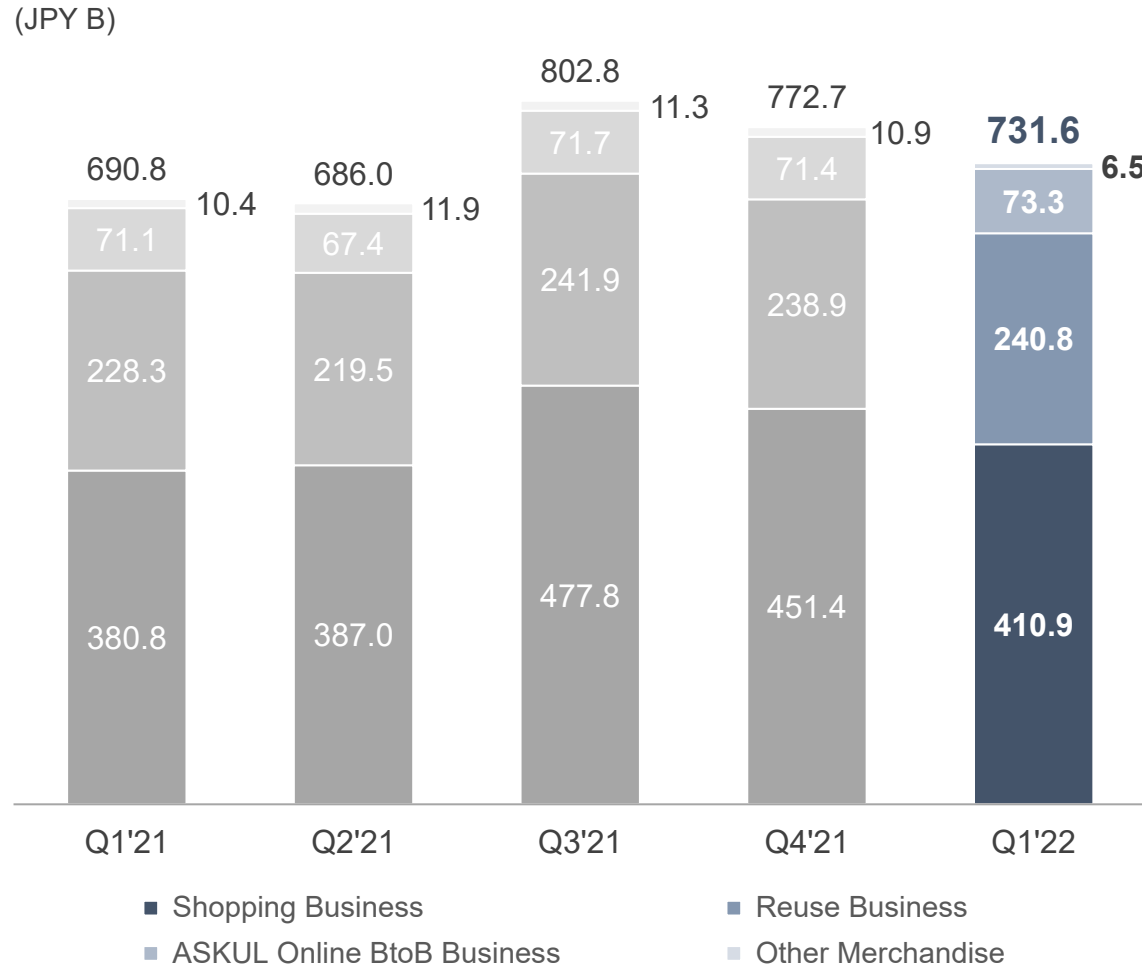
| Consolidated accounting period | Z Holdings Corporation | Company |
|--------------------------------|--|--------------------------------------|
| First quarter | From April 1, 2022 to June 30, 2022 | From May 21, 2022 to August 20, 2022 |
| | <ul style="list-style-type: none">• Page 1 and 4 B-to-B net sales placed via the internet in every quarter <ul style="list-style-type: none">• Page 2 In the attached material, ASKUL Group's revenue and cost of sales are described as factors of increase and decrease of Z Holdings financial results. | |

Appendix: Z Holdings Financial Briefing Presentation Materials for Q1 (excerpt)

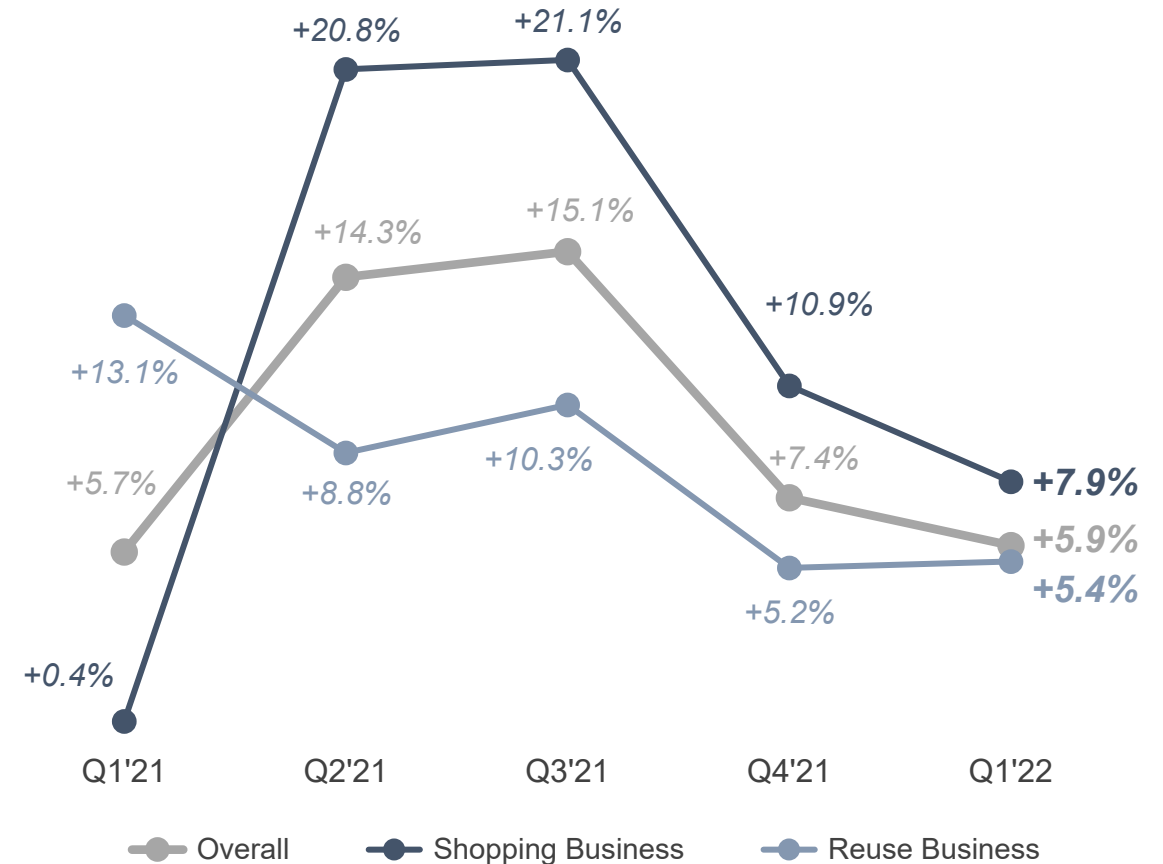
Note: Z Holdings holds 44.92% of the Company's outstanding shares as of May 20, 2022.

- Domestic merchandise transaction value: **JPY731.6 B (YoY +5.9%)** due to steady growth in shopping & reuse businesses.

Domestic Merchandise Transaction Value¹



Domestic Merchandise Transaction Value¹ – YoY Growth Rate



1. Please refer to page 26 of the Appendix for definition of transaction value.

FY2022 Q1 Factors of Change in Operating Income

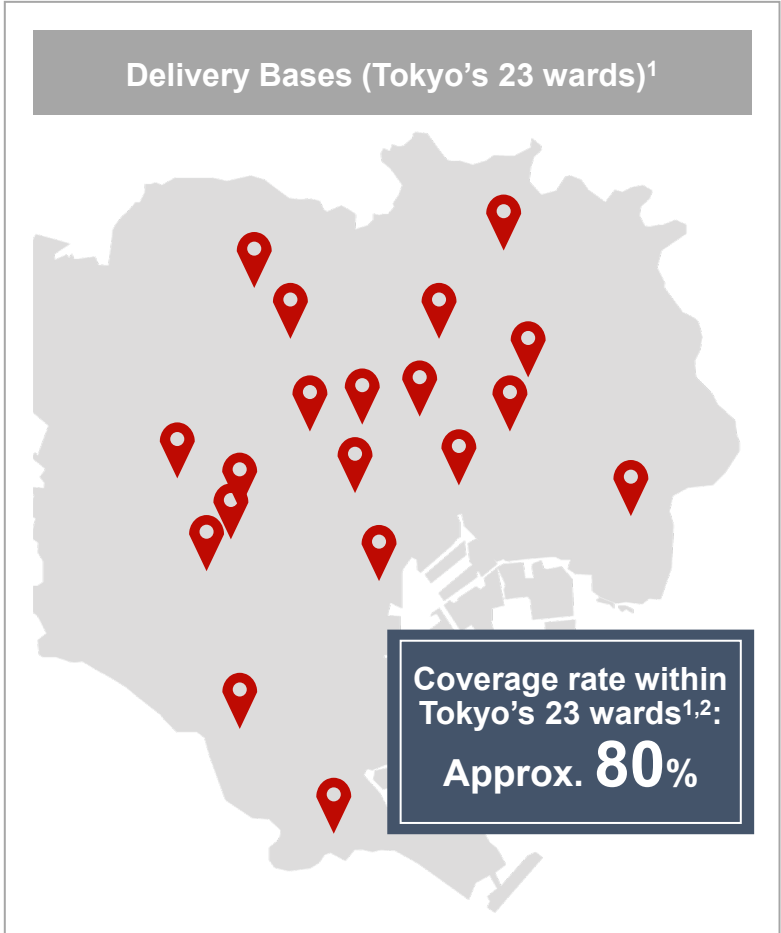
Whole Group

(JPY B)

| | | FY2022 Q1 | YoY Difference | YoY | Major Factors of Change (JPY B) |
|------------------------------------|-------------------------------|--------------|----------------|---------------|---|
| Revenue | | 390.5 | +17.2 | +4.6% | <ul style="list-style-type: none"> • LINE +10.9 • ASKUL Group +3.9 • ZOZO +3.7 |
| Cost of sales | | 122.2 | +2.6 | +2.2% | <ul style="list-style-type: none"> • ASKUL Group +2.7 |
| SG&A | | 218.5 | +16.1 | +8.0% | |
| (Major items) | Personnel expense | 60.3 | +6.8 | +12.8% | <ul style="list-style-type: none"> • LINE +4.4 • Yahoo Japan +1.3 |
| | Depreciation and amortization | 34.3 | +0.5 | +1.7% | <ul style="list-style-type: none"> • Yahoo Japan +0.8 |
| | Business commissions | 29.9 | +3.8 | +14.7% | <ul style="list-style-type: none"> • LINE +1.5 • Yahoo Japan +1.0 |
| | Sales promotion cost | 29.9 | +1.0 | +3.6% | <ul style="list-style-type: none"> • LINE +1.4 • PayPay Card +1.3 |
| Other income & expenses | | 0 | 0 | N/A | |
| Operating income | | 49.7 | -1.6 | -3.2% | |

- Rebranded to “Yahoo! JAPAN Mart by ASKUL” for full launch. Number of stores increased to 20.
- Efforts continue to speedily establish a system that can serve all 23 wards of Tokyo within FY2022.

| Item | Status | Next Steps |
|------------------------------|---|---|
| Target area (delivery bases) | Expanded to 20 stores • New store opened in Chiba Prefecture | ▶ Speedily establish a system that can serve all 23 wards of Tokyo within FY2022 |
| Users | Main customer segments: • Male customers in their mid 20s – early 40s • Female customers in their mid 20s – 30s | ▶ Increase no. of users through measures to raise recognition and implementation of user incentives |
| No. of products handled | Approx. 2,000 types • Started handling fresh fruits/vegetables | ▶ Expand brands and product lineup utilizing ASKUL’s product procurement capabilities |






1. As of August 3, 2022
2. Based on the number of households

(JPY Million)

| | FY2021 Q1 ¹ | FY2022 Q1 ¹ | YoY |
|---|------------------------|------------------------|---------------|
| Revenue | 195,979 | 205,629 | +4.9% |
| Merchandise EC | 160,006 | 166,824 | +4.3% |
| Shopping business | 74,810 | 79,392 | +6.1% |
| Reuse business | 14,034 | 14,052 | +0.1% |
| ASKUL online BtoB business | 71,161 | 73,379 | +3.1% |
| Services EC | 2,837 | 5,357 | +88.8% |
| Other | 33,134 | 33,447 | +0.9% |
| Cost of sales | 85,223 | 88,961 | +4.4% |
| Selling, general and administrative expenses | 88,023 | 92,322 | +4.9% |
| Sales promotion cost + Advertising and promotional expenses | 25,380 | 25,054 | -1.3% |
| Other selling, general and administrative expenses | 62,643 | 67,268 | +7.4% |
| Other revenue and expenses | - | - | N/A |
| Adjusted EBITDA (Margin) | 35,514 (18.1%) | 37,396 (18.2%) | +5.3% |

1. From FY2022 Q1, LINE Corporation's services that had been recorded in Adjustments to each business segment. Figures have been retroactively revised from FY2021 Q1.

| | Existing E-commerce | | | Quick Commerce | Social Commerce | | |
|-------------------------|--|--|--|---|---|---|--|
| |  (Scheduled to be renewed in October 2022) | ZOZOTOWN | LOHACO |  | LINE GIFT |  | LIVEBUY |
| Form/Type | Mall-type (Approx. 400 mil. items) | Direct sales (Approx. 900,000 items) | Direct sales (No. of items undisclosed) | Immediate delivery service (Approx. 2,000 items) | Mall-type (Approx. 100,000 items) | E-commerce store creation (No. of merchants undisclosed) | Live commerce (No. of merchants undisclosed) |
| Feature/Differentiators | <ul style="list-style-type: none"> Organized simple design UI/UX that enables easy search of products by category High appeal on blue-ribbon stores and strengthened delivery | <ul style="list-style-type: none"> Category killer Excellent UI | <ul style="list-style-type: none"> Original products | <ul style="list-style-type: none"> Utilizes Group assets | <ul style="list-style-type: none"> Service based on LINE | <ul style="list-style-type: none"> Service based on LINE NAVER's expertise from South Korean market | <ul style="list-style-type: none"> Service based on LINE Interactivity |
| Focus Areas/Notes | <ul style="list-style-type: none"> Improve UI Enhance delivery quality Improve marketing efficiency | <ul style="list-style-type: none"> Strengthen focus areas Strengthen cross-Group collaboration | <ul style="list-style-type: none"> Strengthen cross-Group collaboration | <ul style="list-style-type: none"> Expand number of stores | <ul style="list-style-type: none"> Expand product lineup Expand users Create new gift-giving culture and new markets | <ul style="list-style-type: none"> Expand merchants Improve visibility in owned EC market in Japan | <ul style="list-style-type: none"> Refine service for full-scale launch |
| Take Rate | <ul style="list-style-type: none"> Commission for sales promotion (3% of transaction value) Sales promotion activities within the shopping platform (e.g., ad placements) Fee for participating in user campaigns | Approx. 30% (Consignment) | Undisclosed | Undisclosed | Undisclosed | Sales commission: 2.5% ¹ Payment fee: 3.5% | Undisclosed |
| Market Size | JPY12.2 T ² (BtoC e-commerce market, merchandise) | JPY7.5 T ³ (Apparel retail market, 2020) | JPY12.2 T ² (BtoC e-commerce market, merchandise) | JPY2.5 T ⁴ (Food delivery market, FY2021 forecast) | JPY10.1 T ⁵ (Gift market, 2021) | JPY4 T ⁶ (Owned EC market) | - |

1. Stores that opened before March 31, 2022, will be exempt from the sales commission for the period up to March 31, 2023.

2. Source: Ministry of Economy, Trade and Industry: "FY2020 E-Commerce Market Survey - Scale of the Domestic B-to-C EC Market"

3-5. Source: Yano Research Institute Ltd.: 3. Apparel Market in Japan 2021 (released on October 12, 2021); 4. 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; 5. Gift Market in Japan 2021 (released on January 28, 2022).

6. Source: Research by ZHD: Owned e-commerce market size in Japan in 2020

| Item | Breakdown |
|--|--|
| Merchandise EC | - |
| Shopping business | Yahoo! JAPAN Shopping, PayPay Mall, ZOZOTOWN, LOHACO, Charm, LINE SHOPPING, LINE FRIENDS, LINE GIFT, MySmartStore, Yahoo! JAPAN Mart by ASKUL, LIVEBUY, Overseas EC ¹ |
| Reuse business | YAHUOKU!, PayPay Flea Market, ZOZOUSED |
| ASKUL non-consolidated online BtoB business | ASKUL, SOLOEL ARENA, etc. |
| Services EC | Yahoo! JAPAN Travel, Ikyu Travel, LINE TRAVEL (Taiwan), etc. |
| Others | Premium membership, ASKUL non-online BtoB business, ValueCommerce, etc. |

1. Please refer to page 26 of the Appendix for definition of overseas EC.

| Item | Major Services/products |
|--|--|
| EC transaction value | - |
| Domestic merchandise | - |
| Shopping business | Yahoo! JAPAN Shopping, PayPay Mall, ZOZOTOWN, LOHACO, Charm, LINE SHOPPING, LINE GIFT, LINE FRIENDS, MySmartStore, Yahoo! JAPAN Mart by ASKUL, LIVEBUY |
| Reuse business | YAHUOKU!, PayPay Flea Market, ZOZOUSED |
| ASKUL non-consolidated online BtoB business | ASKUL, SOLOEL ARENA, etc. |
| Other (merchandise) | Ouchi-Direct ¹ |
| Domestic services | Ikyu.com, Yahoo! JAPAN Travel, Yahoo! JAPAN Loco ² , Demae-can, LINE PLACE |
| Domestic digital content² | ebookjapan, LINE Manga, LINE MUSIC, LINE Stickers, LINE GAME, LINE LIVE, LINE Fortune, LINE NFT ³ , other paid digital content |
| Overseas EC | LINE SHOPPING (Taiwan, Thailand), GIFTSHOP, EZ STORE, QUICK EC, MyShop, LINE FRIENDS, LINE TRAVEL (Taiwan) , LINE MAN, LINE Stickers ² , LINE GAME ² , DOSI ⁴ |

1. Service terminated on June 30, 2022.

2. Revenue from this service is recorded in the Media Business segment.

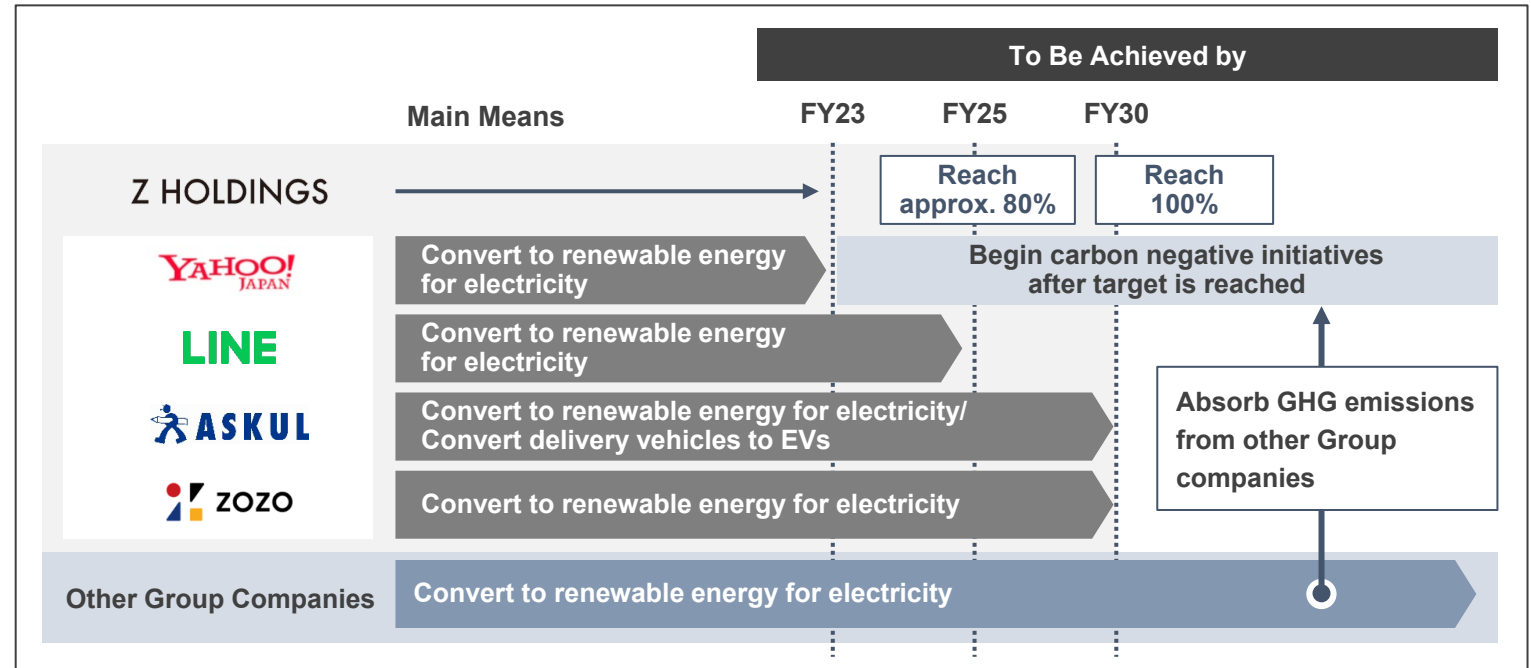
3. Revenue from this service is recorded in the Strategic Business segment.

4. Global NFT platform. Transaction value from this service is planned to be recorded after service release, and its revenue is planned to be recorded in the Strategic Business segment.

- 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.
- Joined RE100, a global initiative moving steadily to achieve “2030 Carbon Neutrality Declaration.”

Initiatives for Achieving Carbon Neutrality by 2030

- 1** Yahoo Japan, ahead of the Group, begins carbon negative^{1,2} 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)