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November 2, 2022

To whom it may concern:

Company Name: ASKUL Corporation
(Code No.: 2678, Tokyo Stock Exchange Prime Market)
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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 second 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, cost of sales, and breakdown of selling, general and administrative expenses. 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.

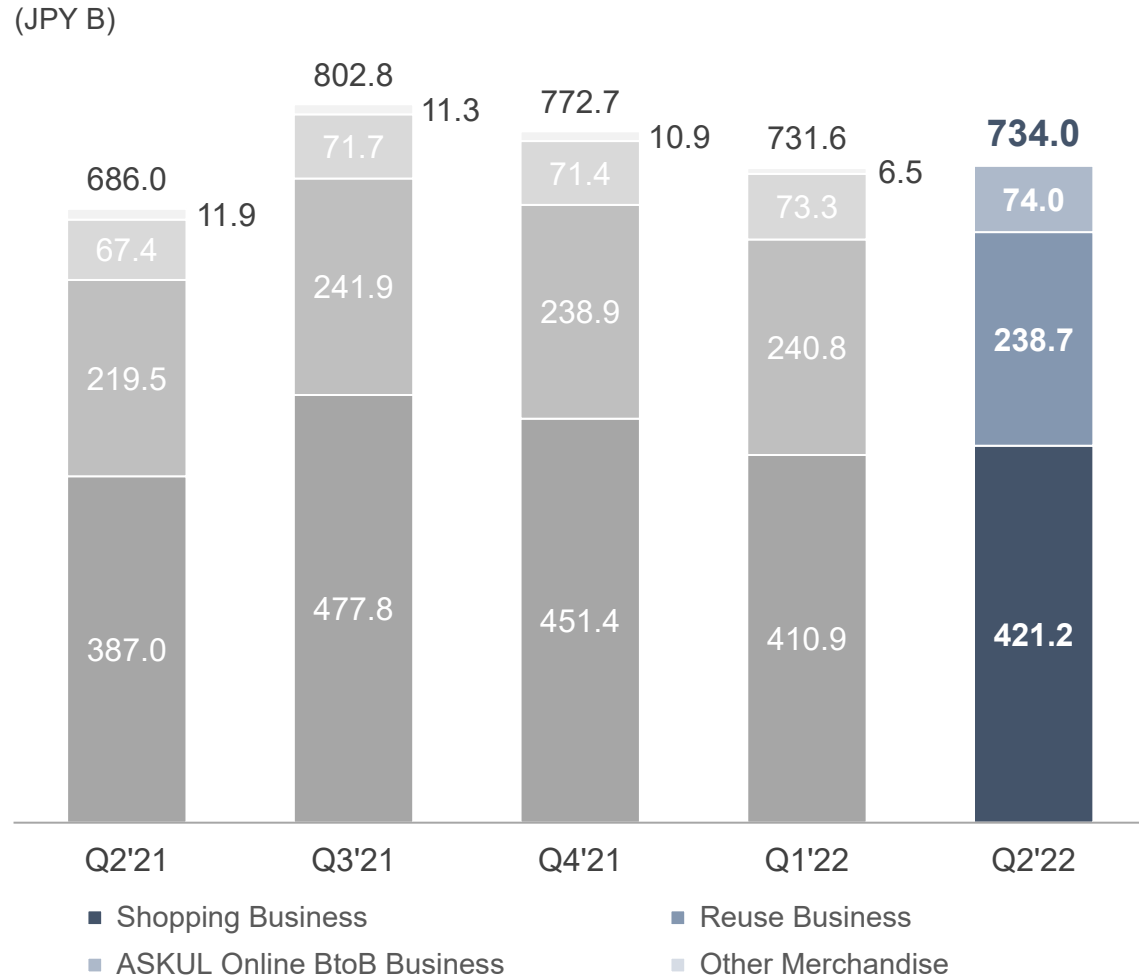
Consolidated accounting period	Z Holdings Corporation	Company
Second quarter	From July 1, 2022 to September 30, 2022 • Page 1 and 4 B-to-B net sales placed via the internet in every quarter • Page 2 In the attached material, ASKUL Group's revenue, cost of sales, and breakdown of selling, general and administrative expenses are described as factors of increase and decrease of Z Holdings financial results.	From August 21, 2022 to November 20, 2022

Appendix: Z Holdings Financial Briefing Presentation Materials for Q2 (excerpt)

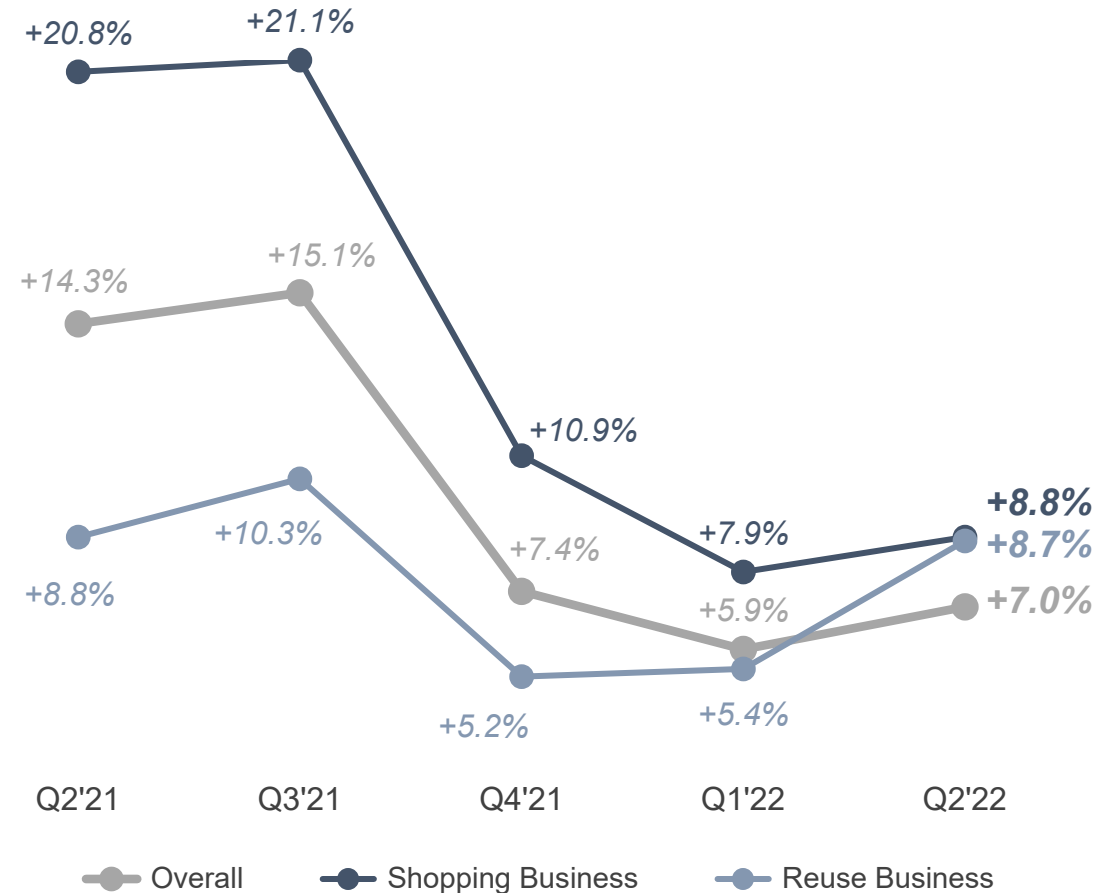
Note: Z Holdings holds 44.92% of the Company's outstanding shares as of May 20, 2022.

- Although **shopping/reuse businesses recorded stable growth of YoY +8.7-8.8%**, **growth of domestic merchandise transaction value was YoY +7.0%** due to closure of “Ouchi-Direct.”

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 Q2 Factors of Change in Operating Income

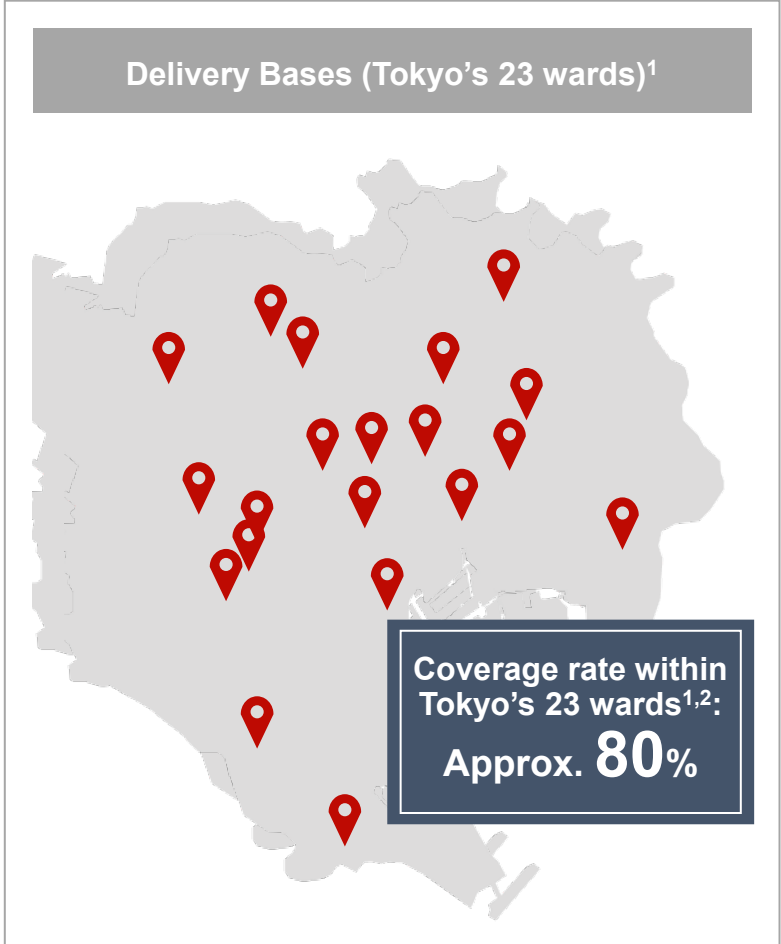
Whole Group

(JPY B)

		FY2022 Q2	YoY Difference	YoY	Major Factors of Change (JPY B)
Revenue		394.3	+16.7	+4.4%	<ul style="list-style-type: none"> • LINE +7.3 • ASKUL Group +6.2 • ZOZO +4.1
Cost of sales		123.6	+3.2	+2.7%	<ul style="list-style-type: none"> • ASKUL Group +4.2
SG&A		230.0	+21.9	+10.6%	
(Major items)	Personnel expense	61.0	+6.4	+11.8%	<ul style="list-style-type: none"> • LINE +5.7 • ASKUL Group +0.4
	Depreciation and amortization	34.0	+1.8	+5.6%	<ul style="list-style-type: none"> • LINE +1.3
	Sales promotion cost	30.8	+3.4	+12.6%	<ul style="list-style-type: none"> • Yahoo Japan +4.5 • LINE -0.7
	Business commissions	30.1	+1.4	+5.2%	<ul style="list-style-type: none"> • Yahoo Japan +0.5 • ASKUL Group +0.5 • PayPay Card +0.5
Other income & expenses		9.1	-5.8	-38.9%	
Operating income		49.7	-14.3	-22.4%	

- Rebranded to “Yahoo! JAPAN Mart by ASKUL” for full launch. Number of stores increased to 21.
- 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 21 stores	▶ Speedily establish a system that can serve all 23 wards of Tokyo within FY2022
Users	Main customer segments: <ul style="list-style-type: none"> • 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 <ul style="list-style-type: none"> • Started handling fresh fruits/vegetables 	▶ Expand brands and product lineup utilizing ASKUL’s product procurement capabilities






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

(JPY Million)

	FY2021 Q2 ¹	FY2022 Q2 ¹	YoY
Revenue	192,622	205,911	+6.9%
Merchandise EC	154,878	164,856	+6.4%
Shopping business	73,771	77,136	+4.6%
Reuse business	13,608	13,632	+0.2%
ASKUL online BtoB business	67,498	74,087	+9.8%
Services EC	4,740	7,998	+68.7%
Other	33,004	33,056	+0.2%
Cost of sales	84,072	88,853	+5.7%
Selling, general and administrative expenses	85,159	94,475	+10.9%
Sales promotion cost + Advertising and promotional expenses	22,696	27,775	+22.4%
Other selling, general and administrative expenses	62,462	66,699	+6.8%
Other revenue and expenses	-	-	N/A
Adjusted EBITDA (Margin)	35,878 (18.6%)	35,932 (17.5%)	+0.1%

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

	Existing E-commerce			Quick Commerce	Social Commerce		
	 (Renewed in October 2022)	ZOZOTOWN	LOHACO		LINE GIFT		LIVEBUY
Form/Type	Mall-type (Approx. 600 mil. items)	Direct sales (Approx. 900,000 items)	Direct sales (No. of items undisclosed)	Immediate delivery service (Approx. 2,000 items)	Mall-type (Approx. 170,000 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	JPY13.3 T ² (BtoC e-commerce market, merchandise)	JPY7.5 T ³ (Apparel retail market, 2020)	JPY13.3 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: "FY2021 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 Z Holdings Corporation: Owned e-commerce market size in Japan in 2020

Item	Breakdown
Merchandise EC	-
Shopping business	Yahoo! JAPAN Shopping, PayPay Mall ¹ , ZOZOTOWN, LOHACO, Charm, LINE SHOPPING, LINE FRIENDS, LINE GIFT, MySmartStore, Yahoo! JAPAN Mart by ASKUL, LIVEBUY, Overseas EC ²
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. PayPay Mall was integrated with Yahoo! JAPAN Shopping in October 2022.

2. 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 ¹ , 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.
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. PayPay Mall was integrated with Yahoo! JAPAN Shopping in October 2022.

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

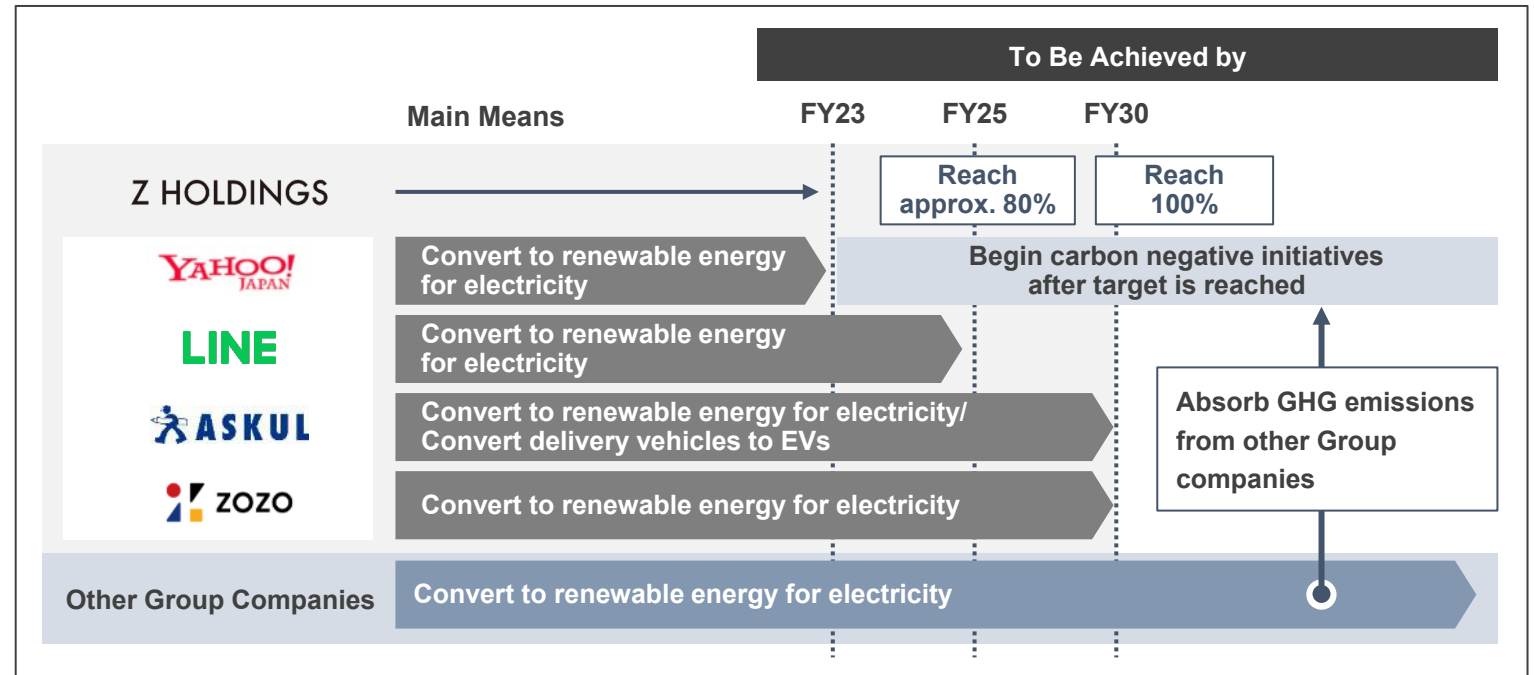
3. Revenue from this service is recorded in the Strategic Business segment.

4. Global NFT platform. Revenue from this service is 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, and is 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)