

# Summary of Financial Results for the Second Quarter Ending May 2023

December 15, 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 the Company'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 and the one for middle-level 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 Operations, 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 three segments: E-commerce business, Logistics business, and Other. The E-commerce business deals with sales of OA and PC supplies, stationery, office living supplies, office furniture, 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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## 2Q consolidated net sales and operating profit both posted record highs

### B-to-B

- Realized the biggest mission of this fiscal year, "Changing the Growth Trajectory"
- The opening of SOLOEL ARENA site, strengthening of online sales promotion, and expansion of product lineups, all in synergy, contributed to growth
- Resulted decrease in profit with investment of growth costs as planned, but profit exceeded the plan due to lower logistics cost ratio resulting from higher unit sales price per box, etc.

### LOHACO

- Significantly improved profit structure, marginal profit ratio for November reached the targeted double-digit
- Although sales were impacted by changes in campaign methods, aiming for profitability in the full-year through improved delivery service in cooperation with Z Holdings and regrowth by strengthening its own sales promotions

## Strengthening strategies to achieve the Medium-Term Management Plan

- Although an additional investment of 3.8 to 4.6 billion yen was required mainly because of an excess in development working-hours, the development phase is almost completed, and the testing phase is underway.
- Convert B-to-B growth trajectory improvement into profit-generating power by strengthening each measure
- ASKUL Tokyo DC began operations on November 21 as scheduled, aiming to further improve logistics efficiency

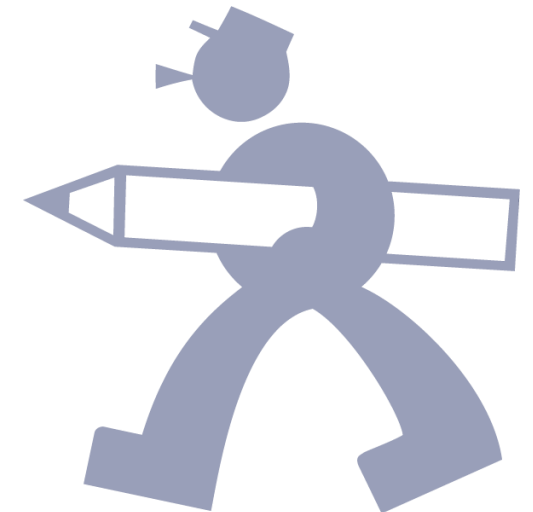
# **I. Consolidated Performance for 2Q FY5/2023**

II. B-to-B

III. B-to-C

IV. ESG Topics

V. Appendix



# 2Q FY5/2023 Consolidated Performance

Consolidated



	Cumulative results for 2Q FY5/2022		Cumulative results for 2Q FY5/2023		
	Actual	% of net sales %	Actual	% of net sales %	YoY change %
(¥million)					
Net Sales	209,038	100.0	220,251	100.0	+5.4
Gross Profit	50,924	24.4	53,572	24.3	+5.2
Selling, General and Administrative Expenses	44,228	21.2	46,827	21.3	+5.9
Operating Profit	6,696	3.2	6,745	3.1	+0.7
Ordinary Profit	6,716	3.2	6,709	3.0	-0.1
Profit Attributable to Owners of Parent	4,546	2.2	4,481	2.0	-1.4

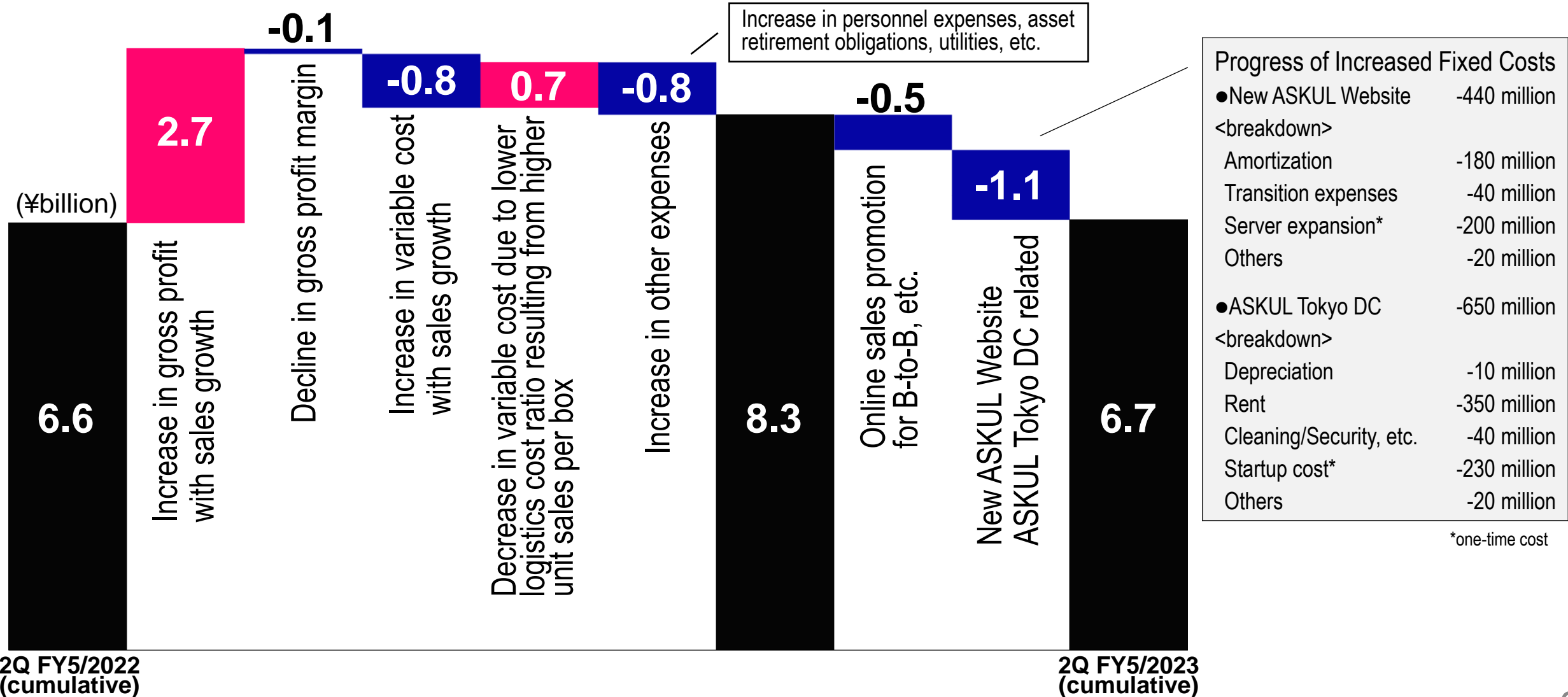
- Net sales  
105.4% YoY  
Renewed the previous record
- Gross profit margin  
Down 0.1 points YoY  
Improved compared to 1Q
- Operating profit  
Absorbed growth costs and  
achieved record highs

# 2Q FY5/2023 Operating Profit Breakdown

Consolidated



## Absorbed growth costs and achieved record highs



2Q FY5/2022 (cumulative)

2Q FY5/2023 (cumulative)

# Comparison of Consolidated Performance in 2Q FY5/2023 (By Business)

Consolidated



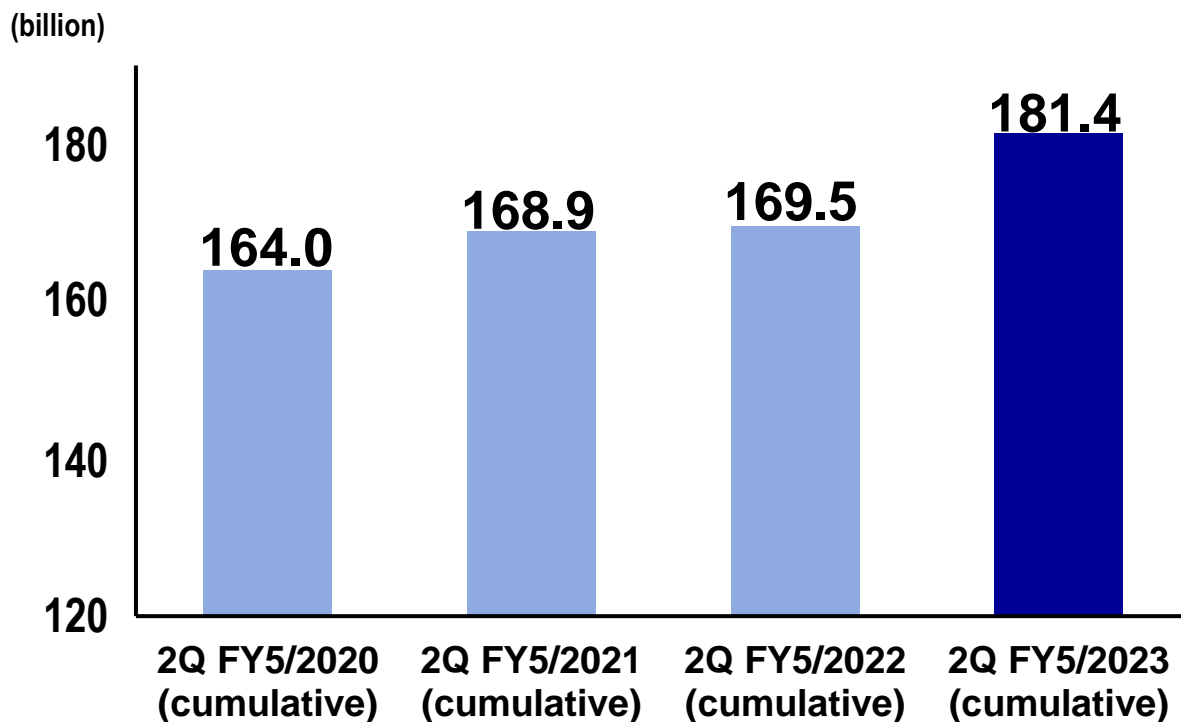
		FY5/2022				FY5/2023			
		1Q	2Q	3Q	4Q	1Q	2Q	YoY change	YoY change %
(¥billion)									
Net Sales	B-to-B Business	83.4	86.1	88.6	89.7	89.4	91.9	5.7	+6.7
	LOHACO	12.6	13.9	13.6	14.0	13.9	11.4	(2.5)	-18.0
	B-to-C business (including charm)	16.7	18.0	17.8	18.0	18.2	15.8	(2.2)	-12.4
	E-commerce Business	100.1	104.2	106.5	107.7	107.6	107.8	3.5	+3.4
	Logistics Business and Other	2.3	2.3	2.4	2.7	2.3	2.3	0	+0.8
	Consolidated Total	102.4	106.5	108.9	110.5	110.0	110.1	3.5	+3.3
Operating Profit	B-to-B Business	4.2	4.1	4.3	4.3	3.5	3.9	(0.1)	-2.8
	LOHACO	(0.9)	(0.8)	(0.5)	(0.5)	(0.6)	(0.2)	0.5	-
	B-to-C business (including charm)	(0.8)	(0.6)	(0.4)	(0.4)	(0.5)	(0.1)	0.5	-
	Performance-linked Bonuses (including provision), etc.	(0)	0	(0)	(0.1)	(0)	(0)	0	-
	E-commerce Business	3.3	3.4	3.9	3.6	3.0	3.8	0.3	+10.8
	Logistics Business and Other	(0)	(0)	0	(0)	(0)	(0)	(0)	-
	Consolidated Total	3.2	3.4	3.9	3.6	2.9	3.7	0.3	+10.7



## Net Sales

107.0% YoY

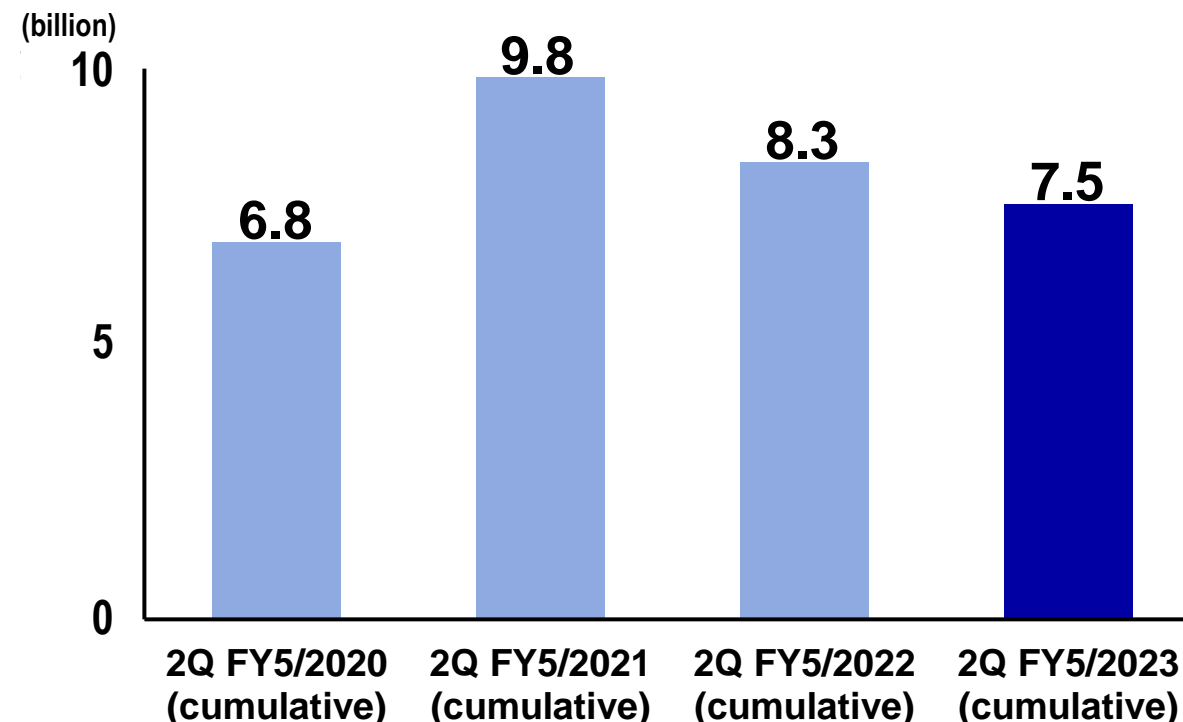
Realized the biggest mission of this fiscal year, "Changing the Growth Trajectory"



## Operating Profit

90.8% YoY

Progress exceeding plan despite decrease in profit due to an increase in fixed costs



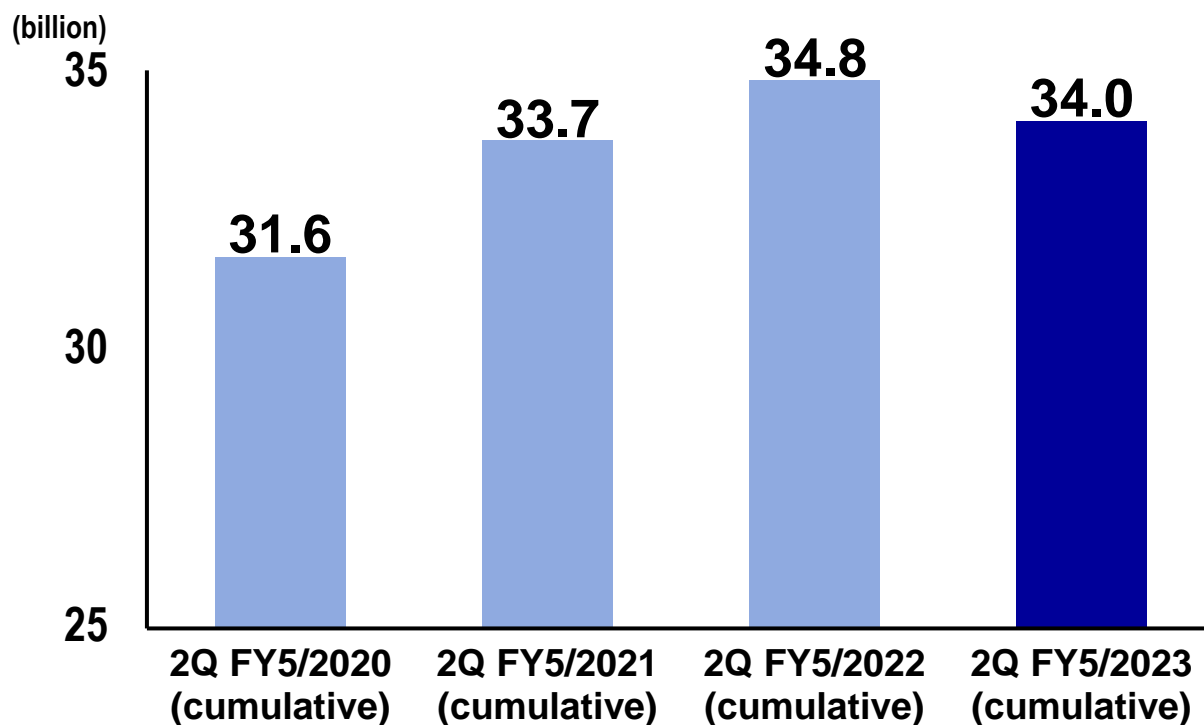




## Net Sales

97.9% YoY

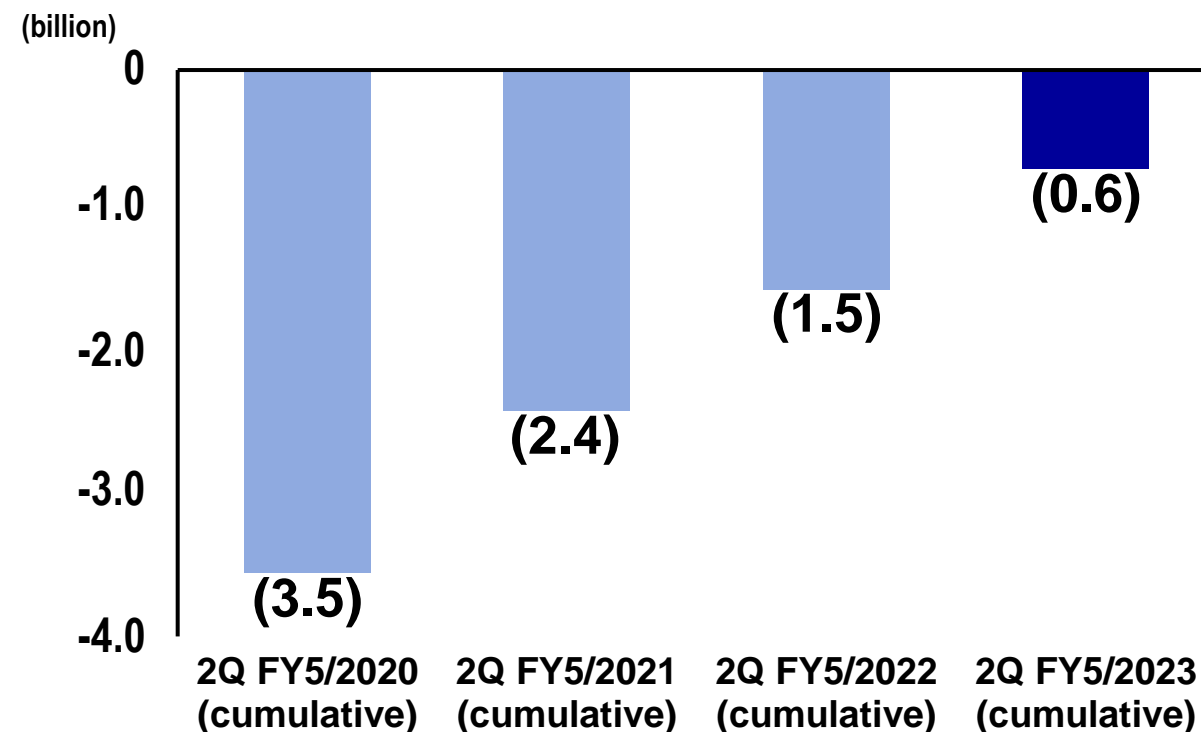
Decrease due to lower overseas demand and effects of campaign method changes, etc.



## Operating Profit

Up ¥0.8 billion YoY

Profit structure improved significantly in 2Q period  
Continue to aim for profitability in full-year

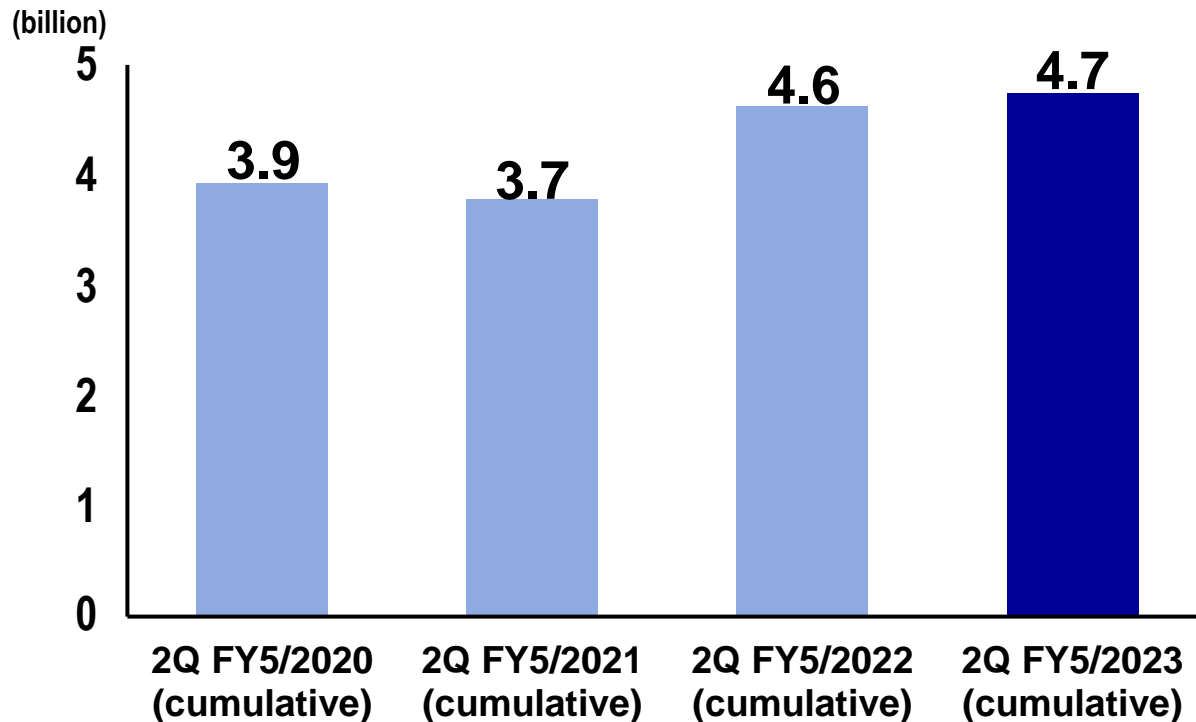




## Net Sales

102.5% YoY

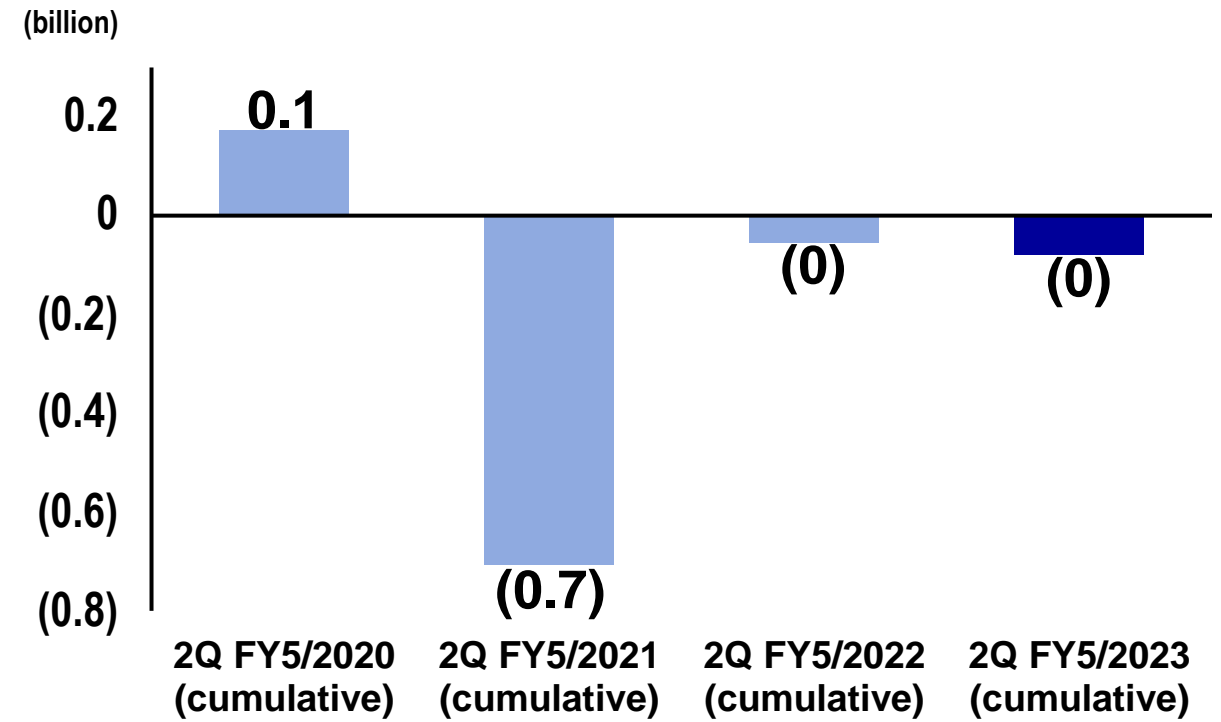
Achieved sales increase by new projects coming in operation



## Operating Profit

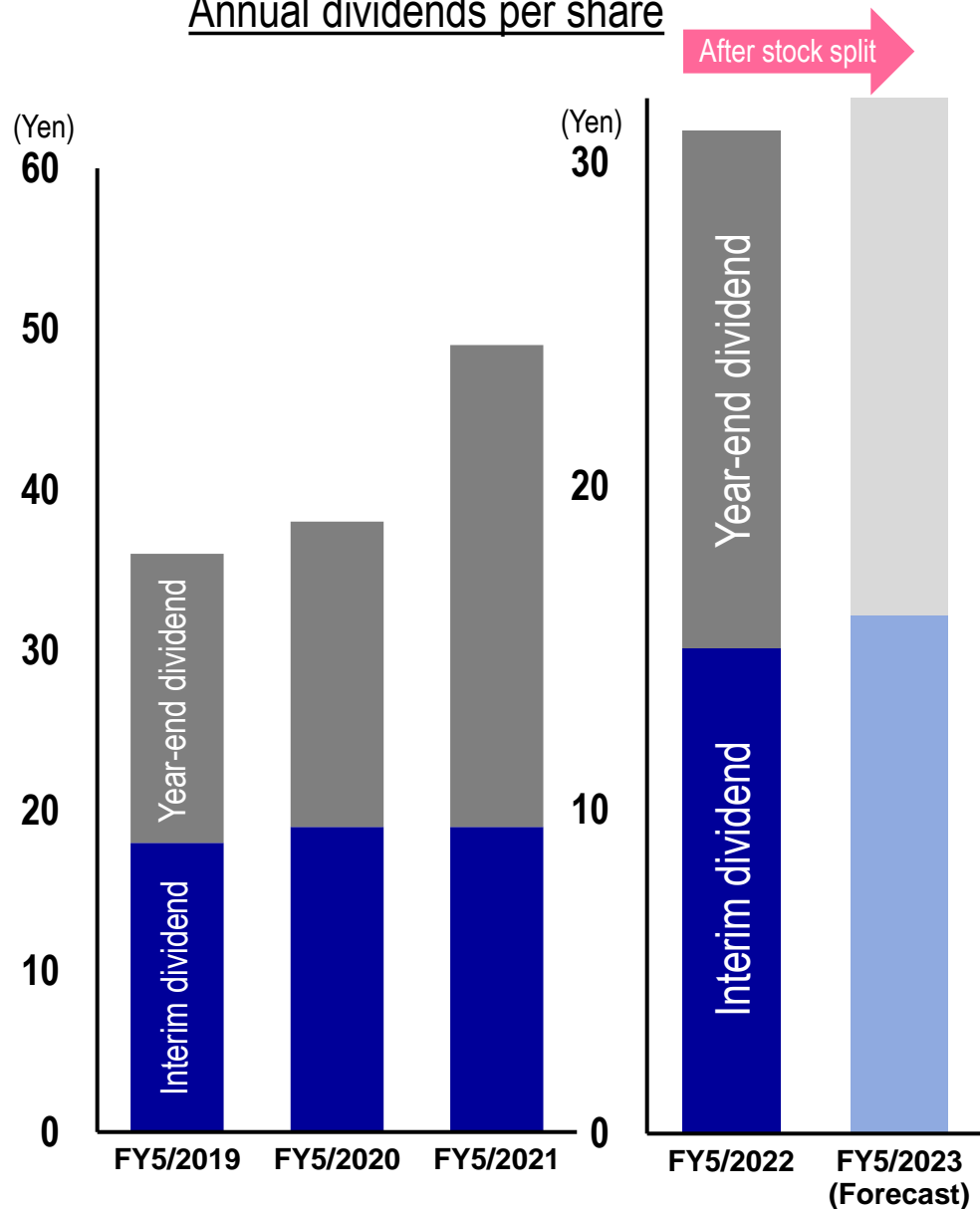
Down ¥0 billion YoY

Profit structure improved compared to 1Q  
Expect to profitability for the full year





Annual dividends per share



## FY5/23 Interim Dividend

⇒ dividend per share: ¥16

(Interim dividend: ¥16 and Year-end dividend: ¥16)

Increased interim dividend by 1 yen  
as planned at the beginning of the fiscal year

Dividend will be increased  
in accordance with profit growth

\*2-for-1 stock split was conducted on May 21, 2021.



## ASKUL published first-ever integrated report

30 Years after its founding, ASKUL, which upholds "Transformation from Office Mail-Order Company," provides its story of sustainable growth and value creation.



English version of ASKUL Report 2022 will be available February 2023 the latest.

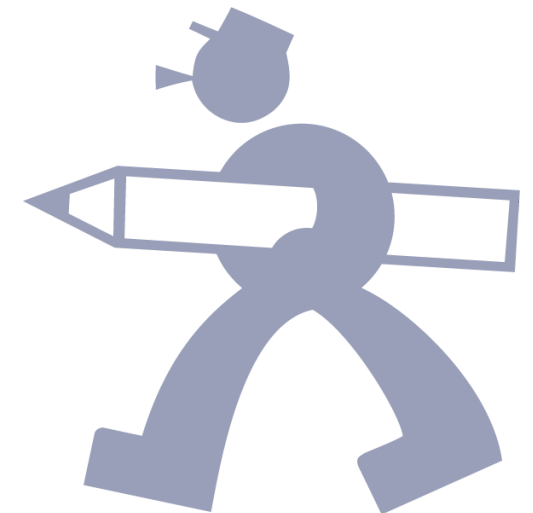
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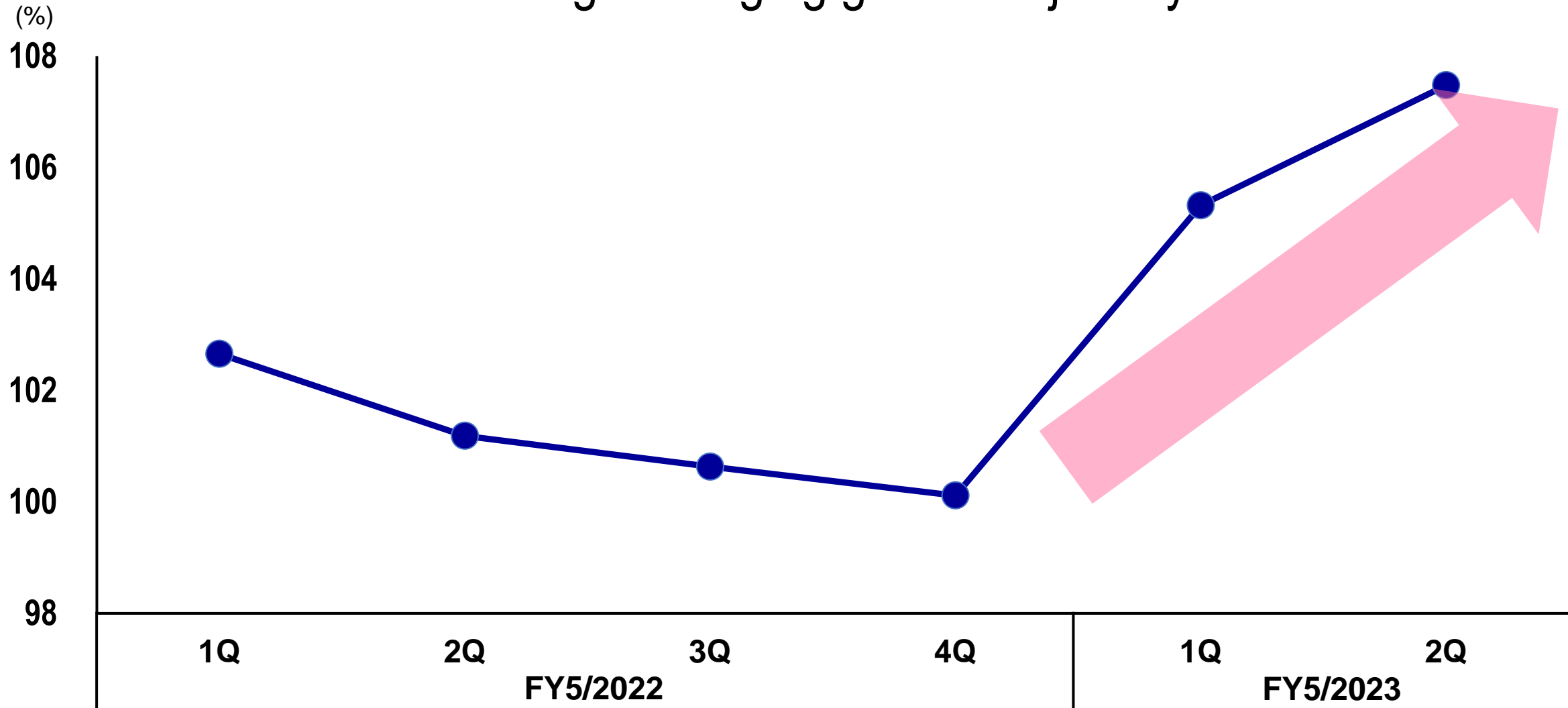


# B-to-B Quarterly Trend of Growth Rate (Year-over-Year)

Non-Consolidated



## Realizing “Changing growth trajectory”



\*Above figures are growth rate after adjusted to number of business days.

# B-to-B Quarterly Net Sales by Item

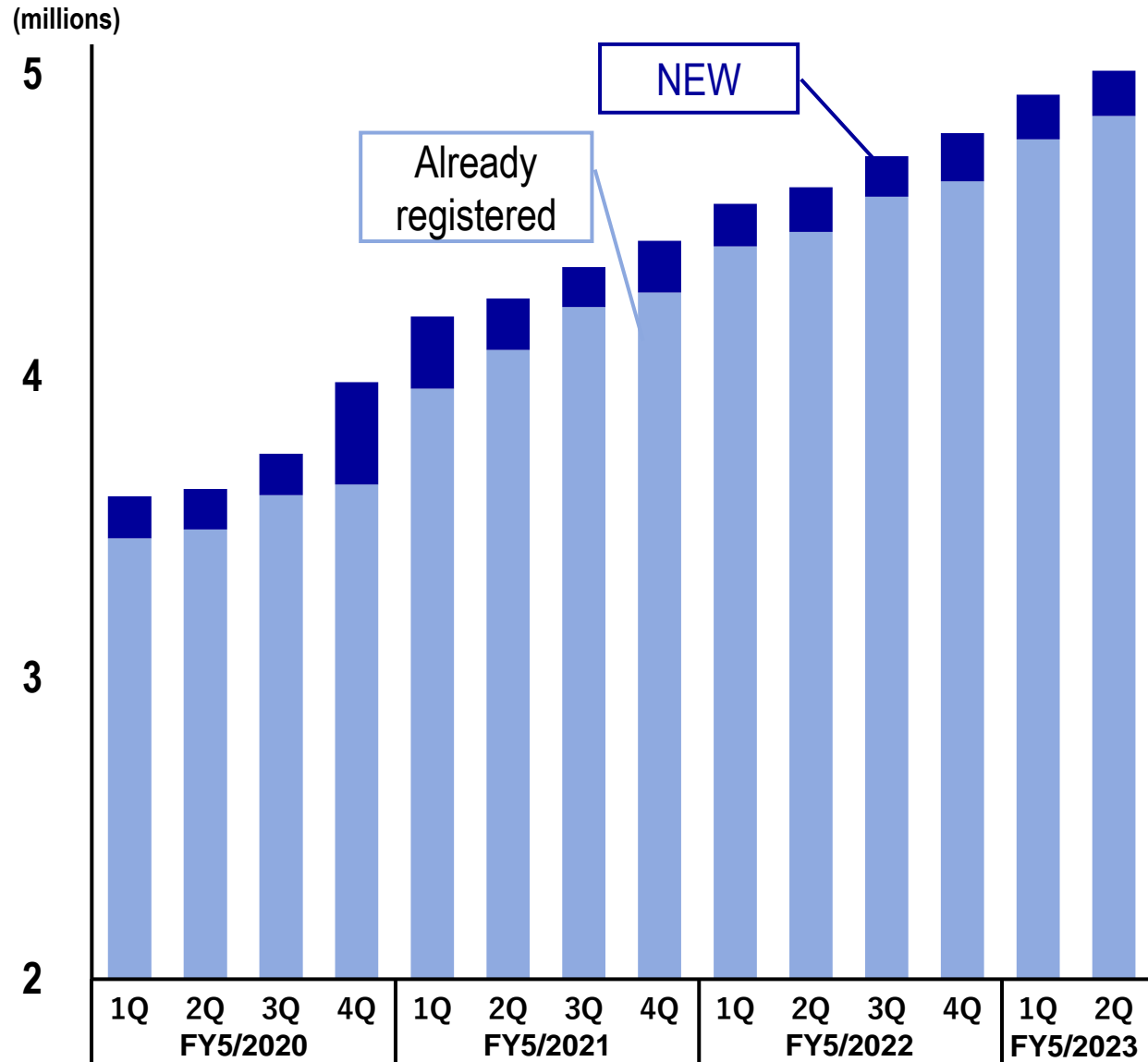
Non-Consolidated



## Focused categories drove sales in addition to recovering demand

(¥billion)	FY5/2020		FY5/2021		FY5/2022						FY5/2023					
	2Q		2Q		2Q		3Q		4Q		1Q		2Q		YoY change %	
		Composition ratio %		Composition ratio %		Composition ratio %		Composition ratio %		Composition ratio %		Composition ratio %	YoY change			
OA & PC	25.3	32.7	23.9	29.8	23.4	29.7	24.1	30.3	24.1	29.5	22.8	28.1	24.2	29.2	0.8	+3.5
Stationery	11.1	14.4	10.1	12.7	9.9	12.6	10.0	12.6	11.2	13.7	9.5	11.7	10.1	12.2	0.1	+1.9
Living Supplies	20.3	26.2	20.5	25.6	21.7	27.5	21.0	26.4	21.7	26.6	25.2	31.1	24.5	29.5	2.8	+13.0
Furniture	5.1	6.6	5.1	6.4	5.1	6.5	5.0	6.4	6.4	7.9	4.5	5.6	4.5	5.5	(0.5)	-11.4
MRO	8.9	11.5	9.0	11.3	9.4	11.9	9.4	11.9	9.6	11.8	9.7	12.0	10.4	12.5	0.9	+10.3
Medical	4.6	6.0	9.3	11.7	7.4	9.4	8.0	10.1	6.9	8.5	7.8	9.6	7.3	8.8	(0)	-1.1
Others	2.0	2.6	2.0	2.5	1.9	2.5	1.8	2.3	1.7	2.1	1.4	1.8	1.9	2.3	(0)	-2.7
Total	77.6	100.0	80.3	100.0	79.0	100.0	79.7	100.0	81.8	100.0	81.1	100.0	83.1	100.0	4.0	+5.2

# B-to-B Number of Registered Customers\*



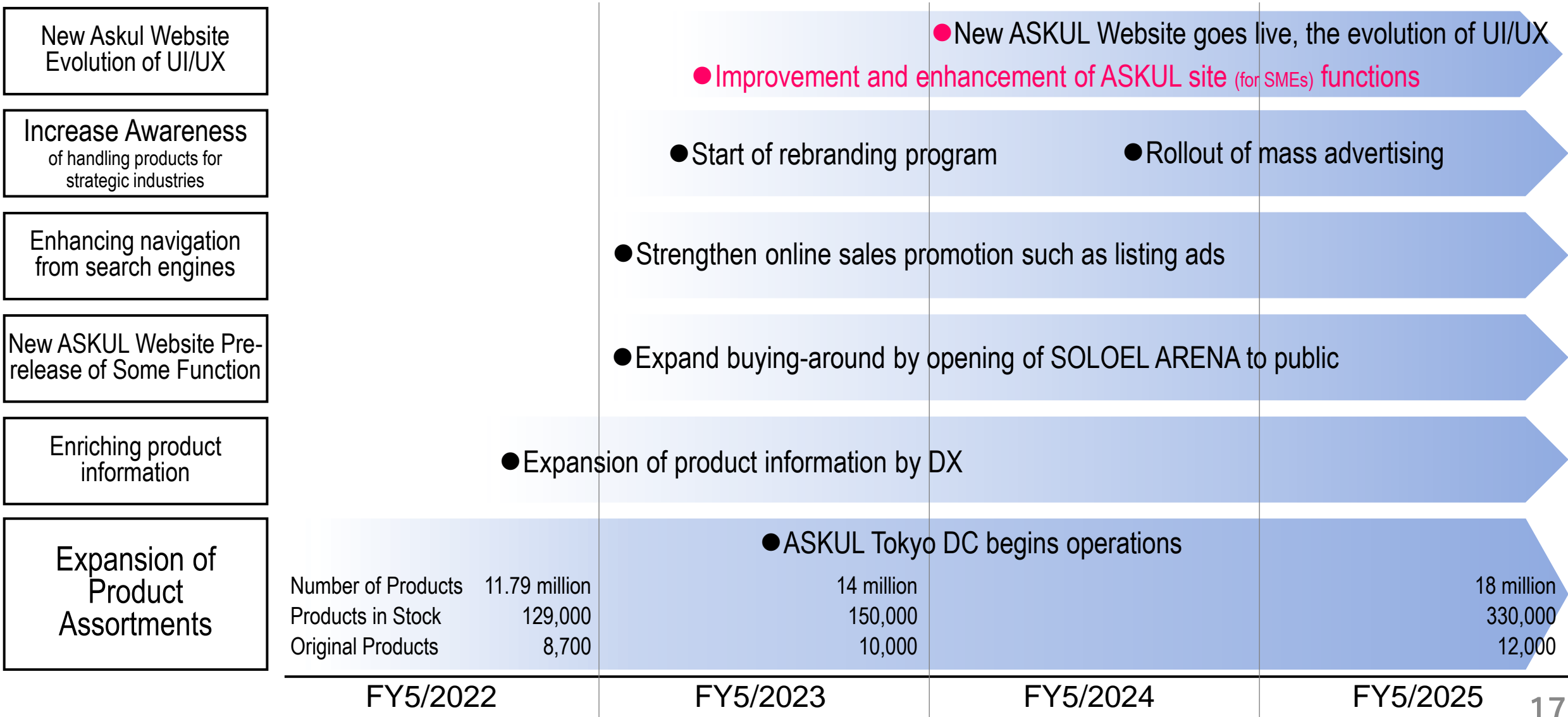
## Customer base keeps expanding

\* "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.



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

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

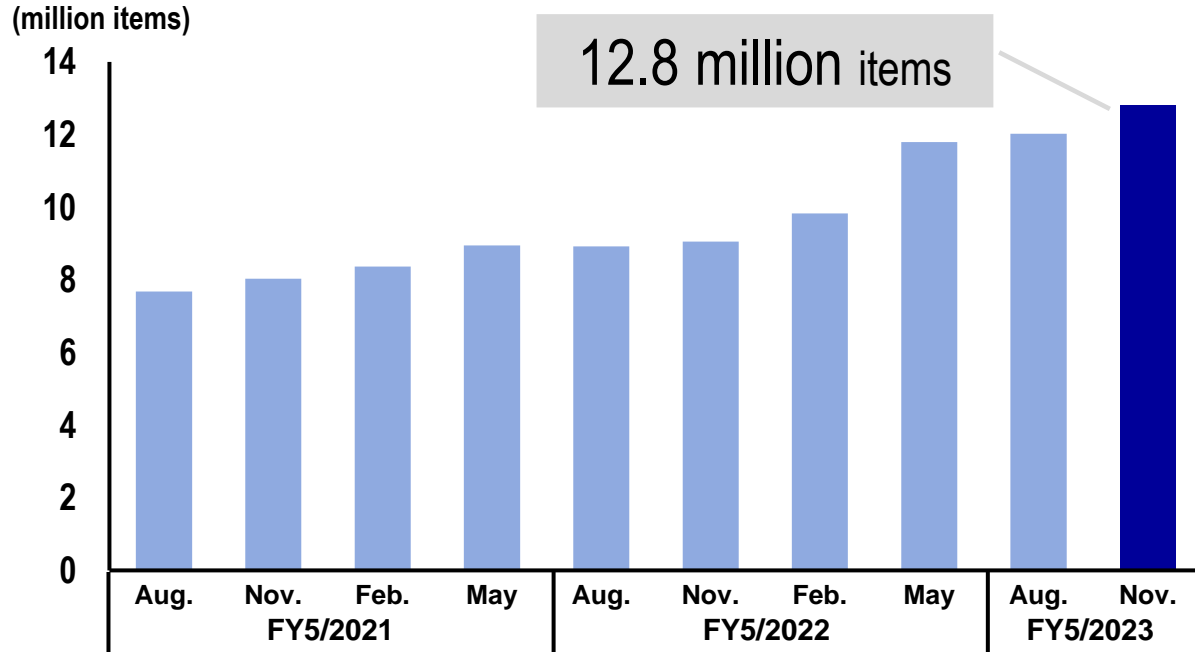


# B-to-B Expansion of Product Assortments (Number of Products, Products In-Stock)

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

✓ 2Q period : added more than 785,000 items  
Over 1,055,000 new items introduced

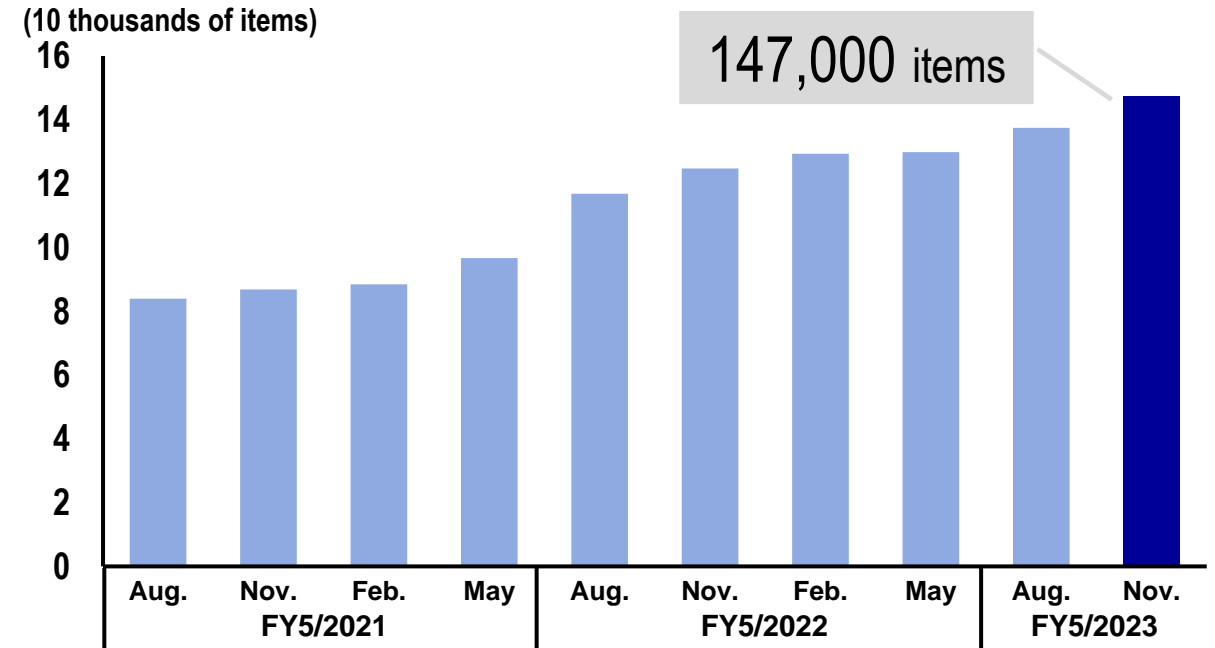
Toward the full-year target of 14 million items, new item introduction progressed ahead of plan



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

✓ 2Q period : added more than 9,800 items  
Increased in all categories

Full-year target of 150,000 items to be achieved  
Aiming for further expansion of next-day delivery products

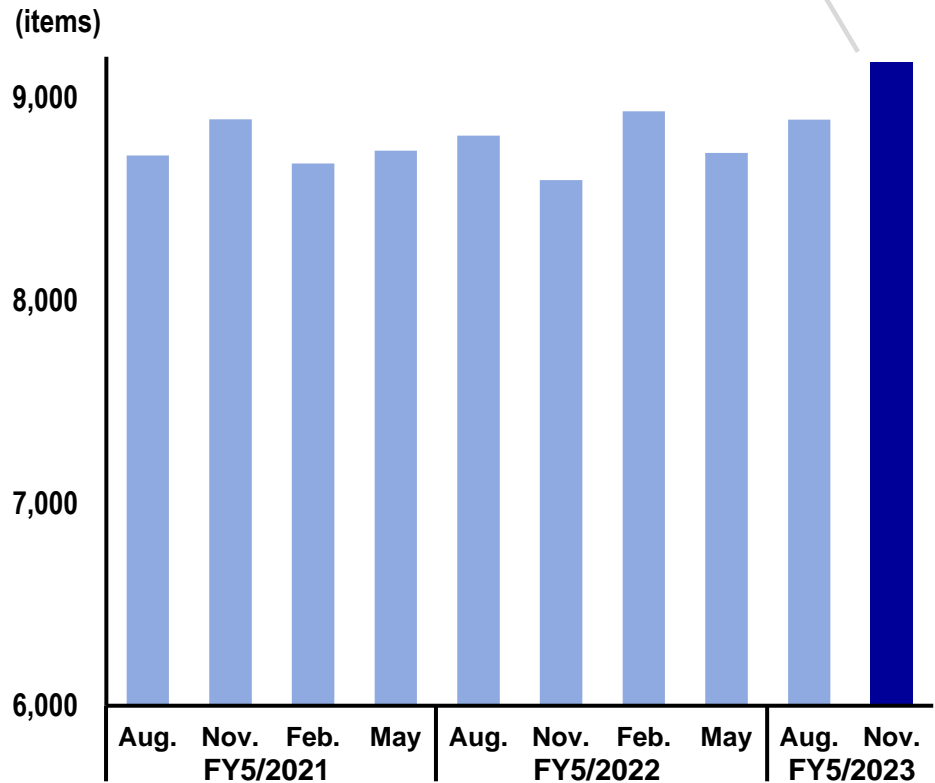


# B-to-B Expansion of Product Assortments (ASKUL Original Products\*1)

## Number of Items

(Medium-term target at 12,000 items)

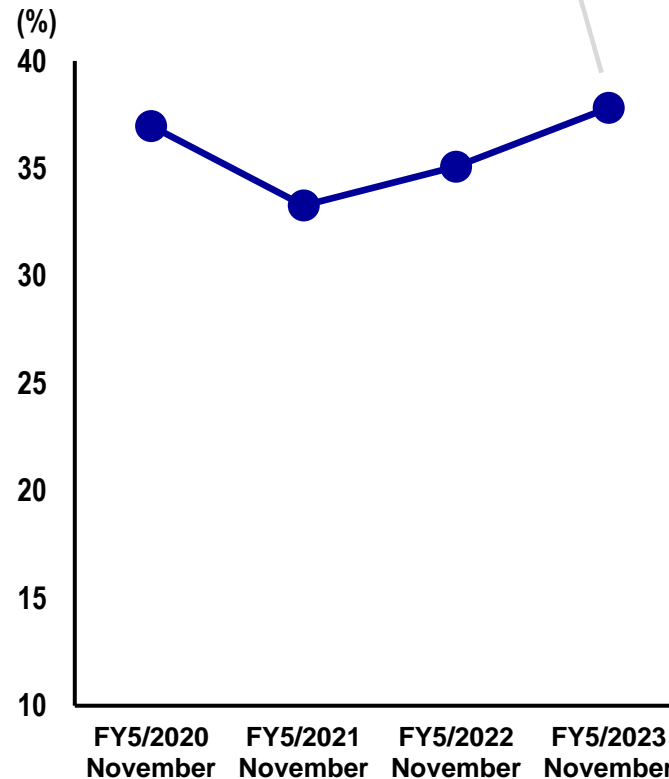
9,100 items



## Share in Net Sales

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

37%



Reinforce development of original products for 2 strategic major industries\*2

Aiming for 10,000 items in full-year

\*1 Original products includes products exclusive to ASKUL  
Excluding original products exclusive to LOHACO

\*2 Industries are Medical and nursing care, Manufacturing



## As a cutting-edge flagship center in eastern Japan that supports growth of B-to-B business ASKUL Tokyo DC began operations on November 21, 2022

### High Productivity



#### Shuttle for combining goods and directional sorting

Utilization of shuttle system that continuously dispatching cargo of same outgoing direction in order of weight and size contributes to high productivity by reducing workload of sorting cargo by delivery direction when loading pallets.

### High Density Structure



#### Automated storage (height 9.9m / approx. 32 ft)

To maximize the use of the limited warehouse space, automated storages were installed through the fourth and fifth floors to the maximum height. In addition, a high-density design was achieved through creative use of space, including the introduction of a "spiral conveyor," the first of its kind in an ASKUL distribution center, for transporting goods within the warehouse.



#### Spiral conveyor

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

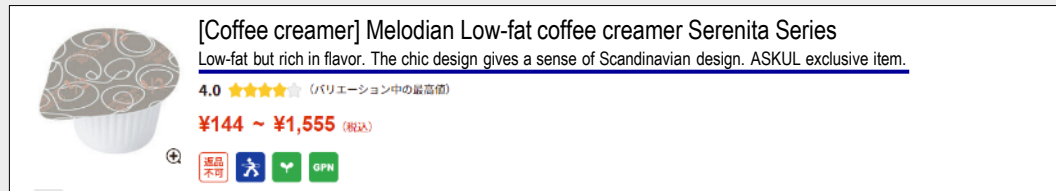
## Enriching Product Information and Online Sales Promotions



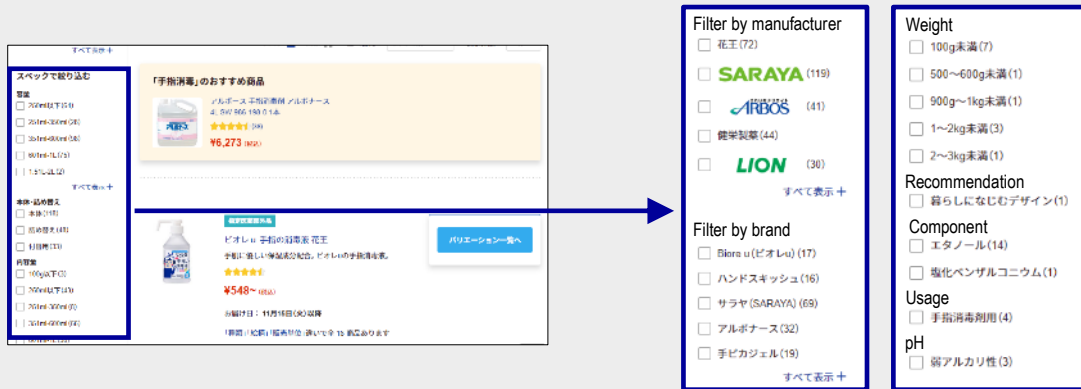
### Steady progress toward double-digit growth in the final year

#### Enriching product information

- ✓ Increased SEO inflow through automatic generation of various catchphrases



- ✓ Additional variation axis with AI scoring of key attribute items per product



#### Enhancing navigation from search engines

- ✓ Actively invest in advertising in strategic category products
- ✓ Sales via online advertising  
2Q cumulative: increased over 3-billion-yen YoY  
\* results on ASKUL website (website for SMEs)

#### Increase Awareness of handling products for strategic industries

- ✓ Number of video ads displayed and viewed remained favorable compared to the plan.



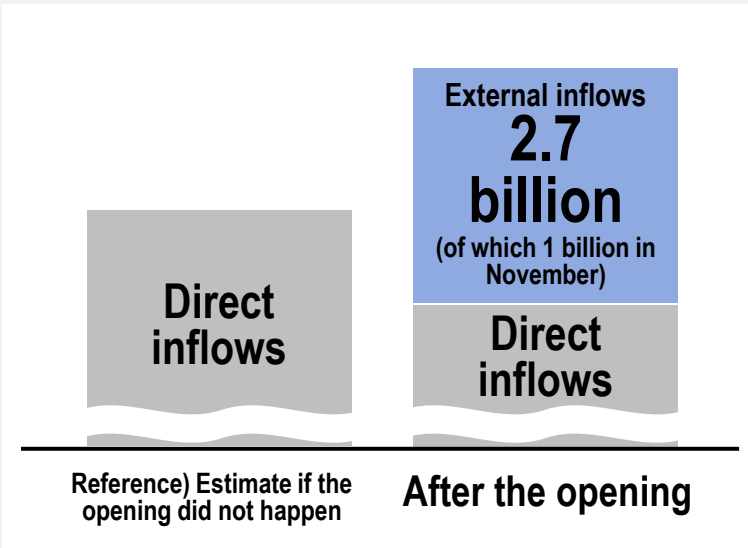
# B-to-B Opening of SOLOEL ARENA site to public

Sales from external inflows are on an upward trend

Order unit prices continue to increase by shopping-around for strategic category products

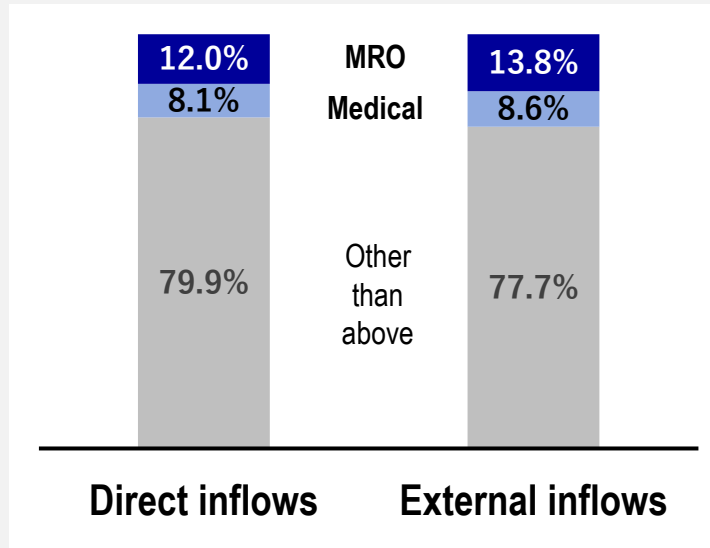
**Effect 1** External inflow Sales  
2.7 billion / 2Q period

Sales results by the opening



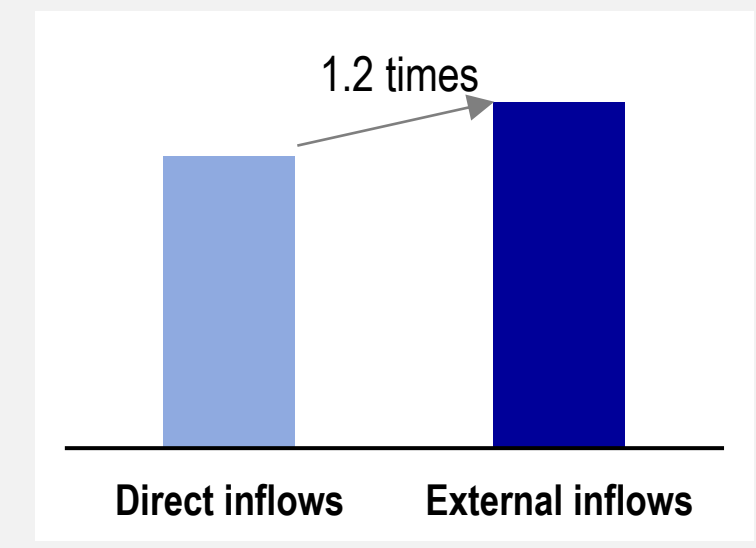
**Effect 2** Increase in strategic category product composition

Sales ratio by product category



**Effect 3** Order unit price increased  
1.2 times

Order unit price

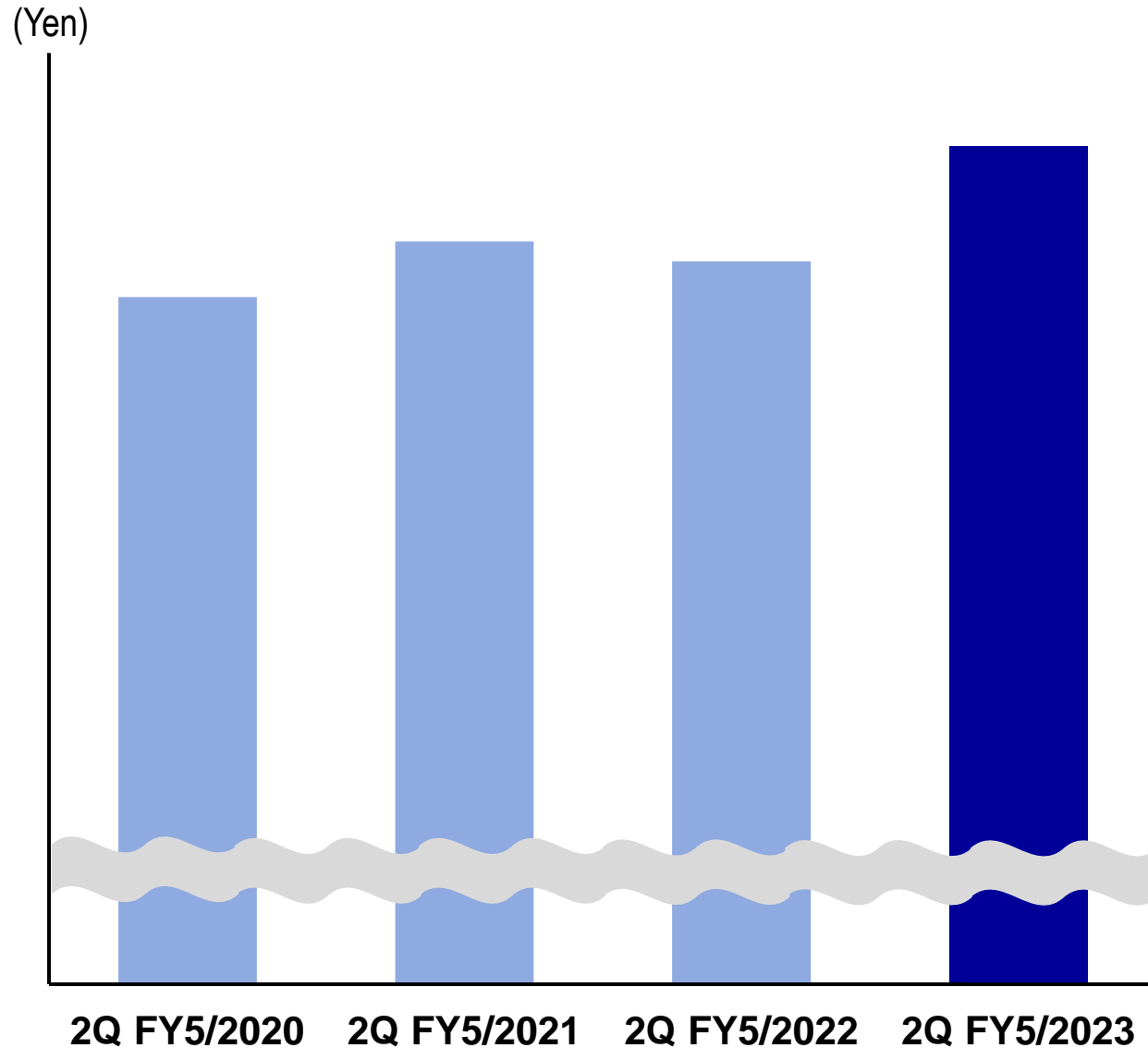


■ Subject of aggregation: SOLOEL ARENA site from August 21, 2022, to November 20, 2022

■ "External inflow": transition from external sources such as search engines "Direct inflow": direct visit from bookmarks, etc

■ The "External inflows of 2.7 billion yen" in "After the opening" in Effect 1 includes sales expected to shift from direct inflows to external inflows due to the opening

# B-to-B Unit Sales Price per Box



**FY5/2023 2Q**  
**YoY change: Up 3.8%**  
300-million-yen worth of delivery cost reduction in 2Q period

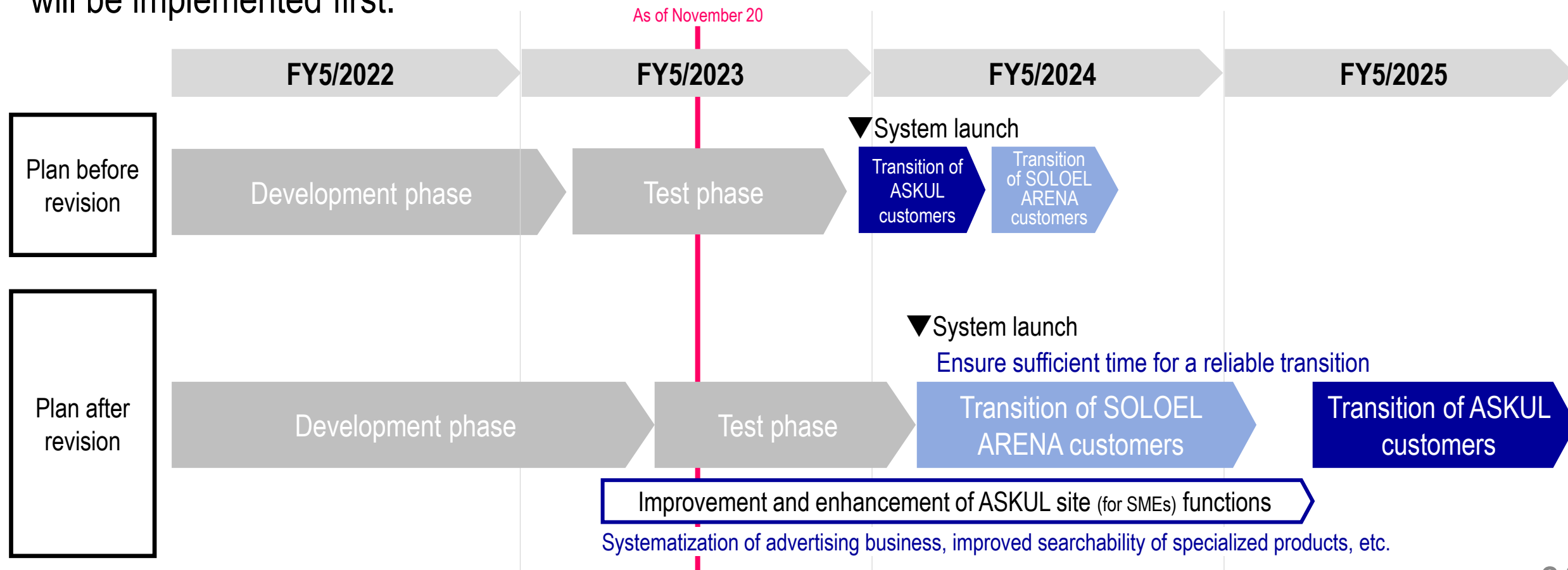


**Aim to improve profit structure  
by increasing unit sales per box**

# B-to-B New ASKUL Website



- ✓ Although an additional investment of 3.8 to 4.6 billion yen (up to 15.1 billion yen in total) was required mainly because of an excess in development working-hours, the development phase is almost completed, and the testing phase is underway.
- ✓ To maximize the effect of the opening of SOLOEL ARENA site, transition of SOLOEL ARENA customers will be implemented first.







## Aiming to achieve by strengthening measures

(1) Maximizing the effect of the opening of SOLOEL ARENA

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(2) Functional improvements and enhancements of the ASKUL website  
ahead of schedule  
systematization of advertising business, improved searchability of specialized products, etc

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(3) Reduction of logistics cost ratio by improving unit sales per box

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(4) Expansion of sales to strategic industries

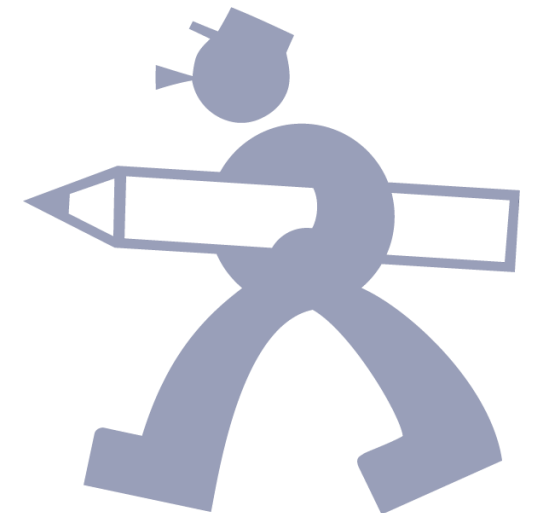
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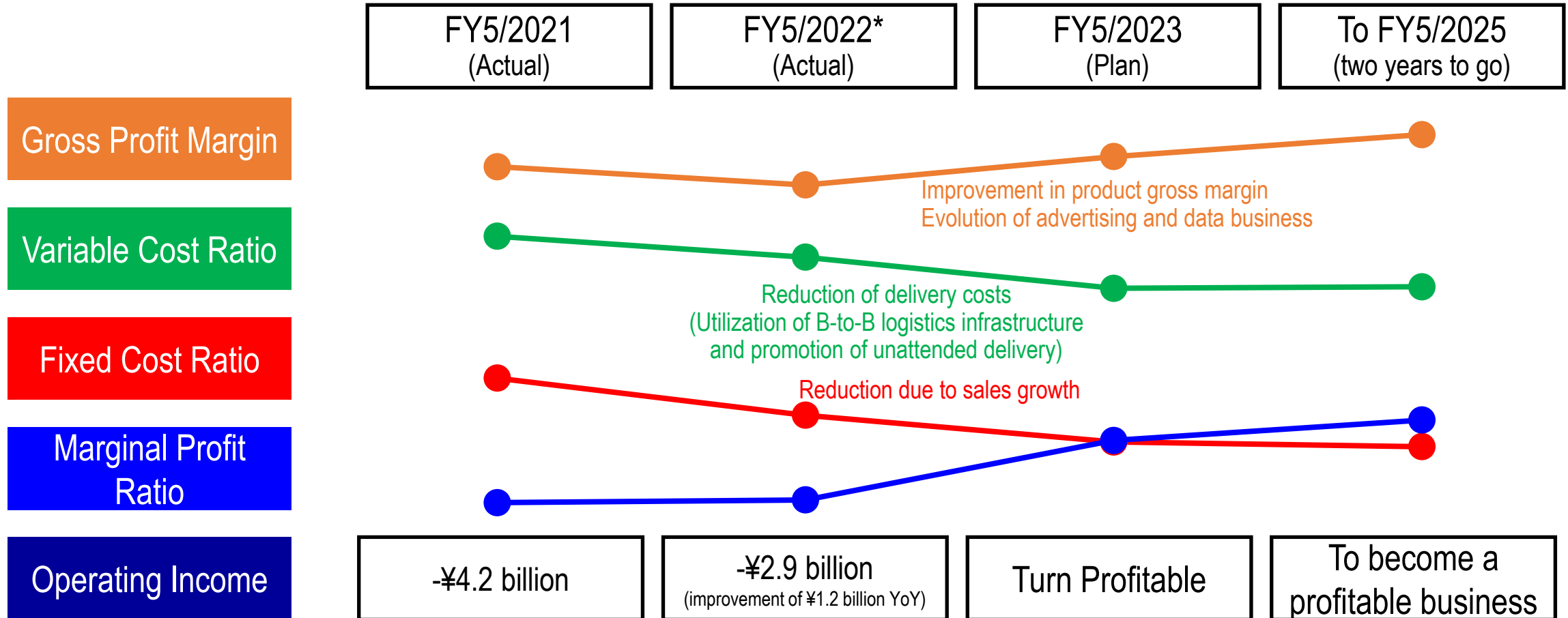
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# LOHACO Roadmap for Profitability

From [Summary of Financial Results for FY5/2022] presentation material

## Achieve profitability through further improvement of each indicator and regrowth

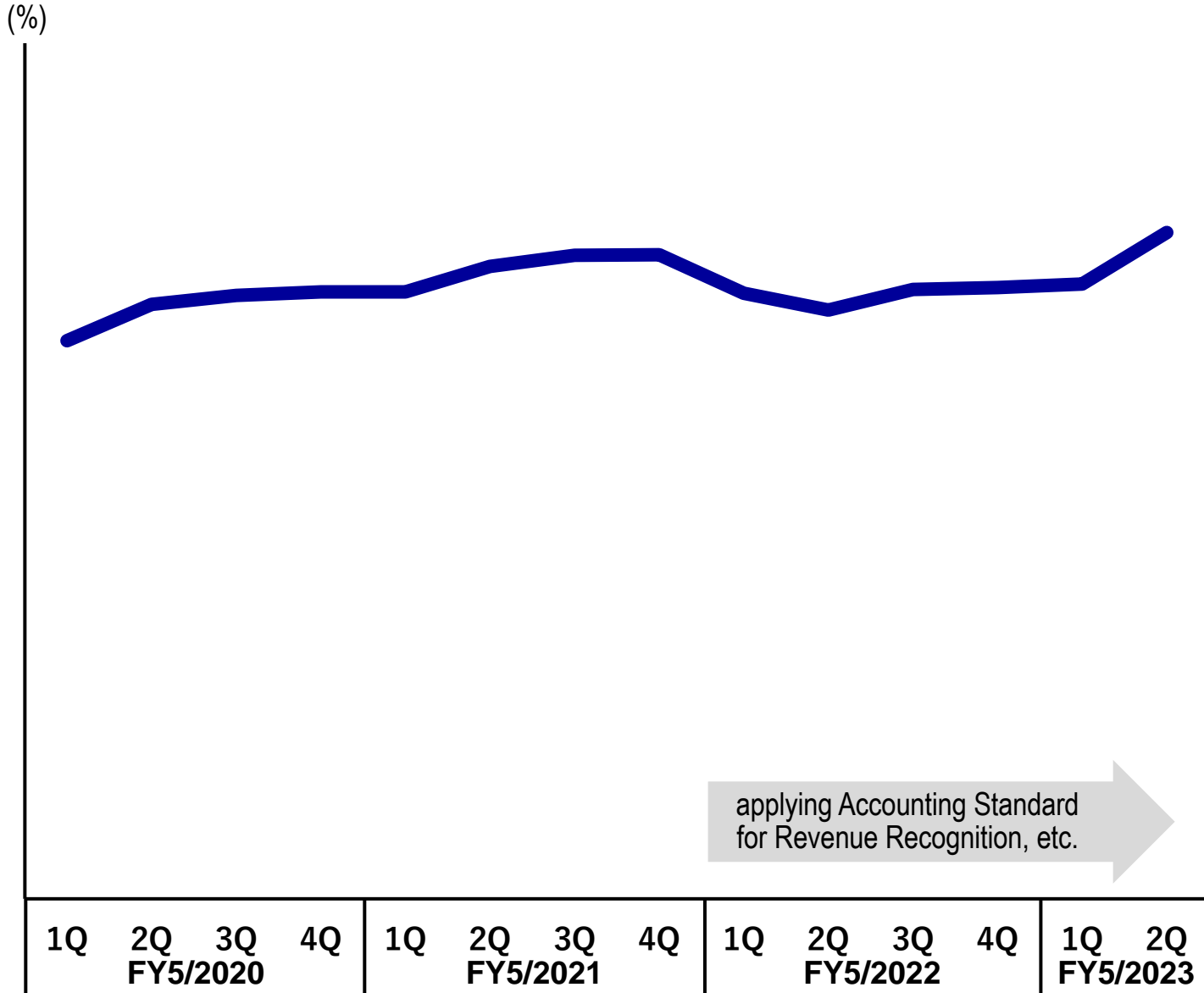


\* the Accounting Standard for Revenue Recognition, etc. have been applied since FY5/2022



- ✓ Profit structure improved significantly in 2Q period
  - Gross profit margin, variable cost ratio, and fixed cost reached target level
  - Marginal profit ratio for November reached the targeted double-digit
  
- ✓ Re-growing sales to achieve full-year profitability

# LOHACO Gross Profit Margin

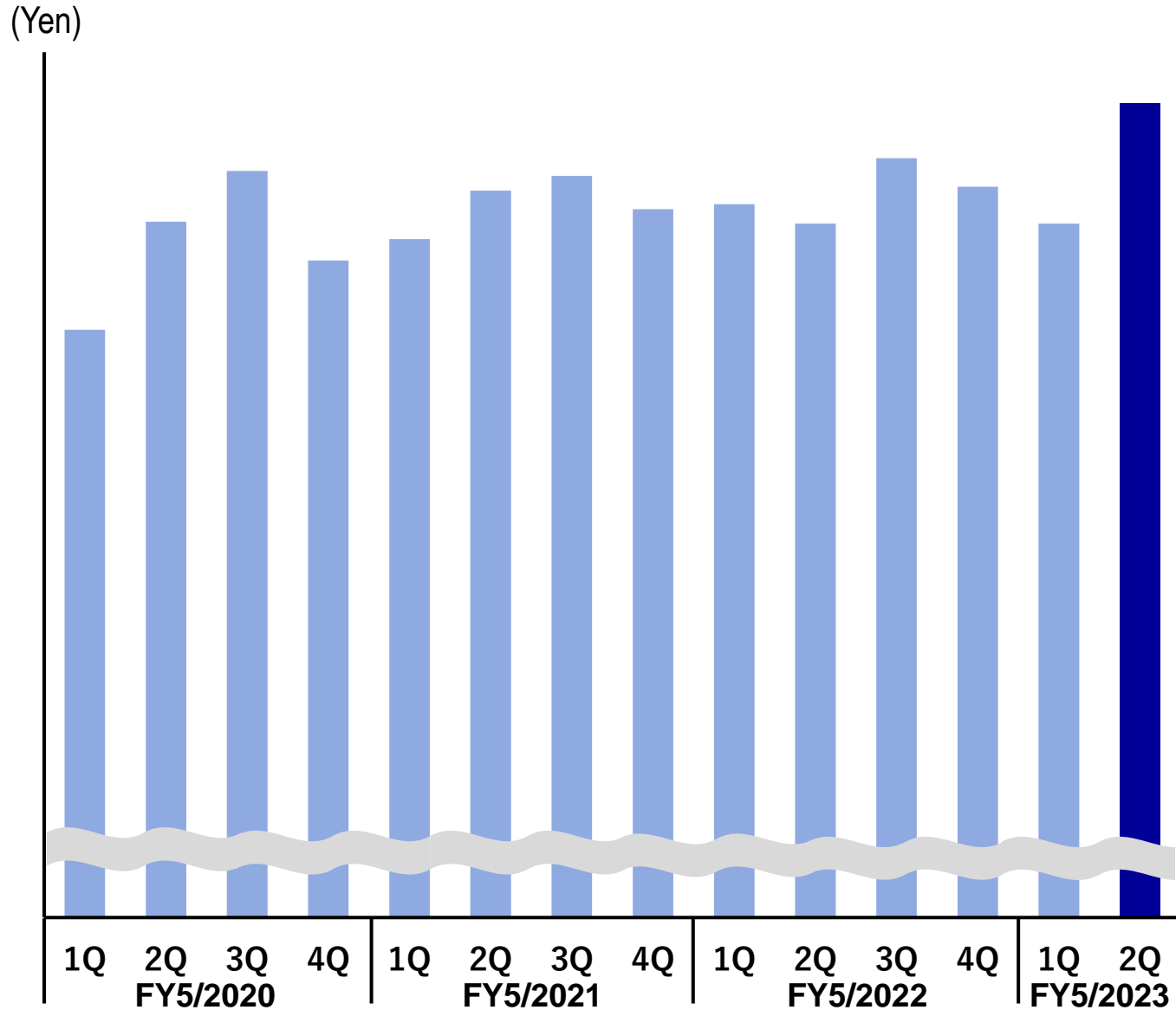


**FY5/2023 2Q**  
 YoY change: Up 3.2 points  
 Domestic: Up 2.0 points



**Achieved improvement targets  
 to turn profitability**

# LOHACO Unit Sales Price per Box

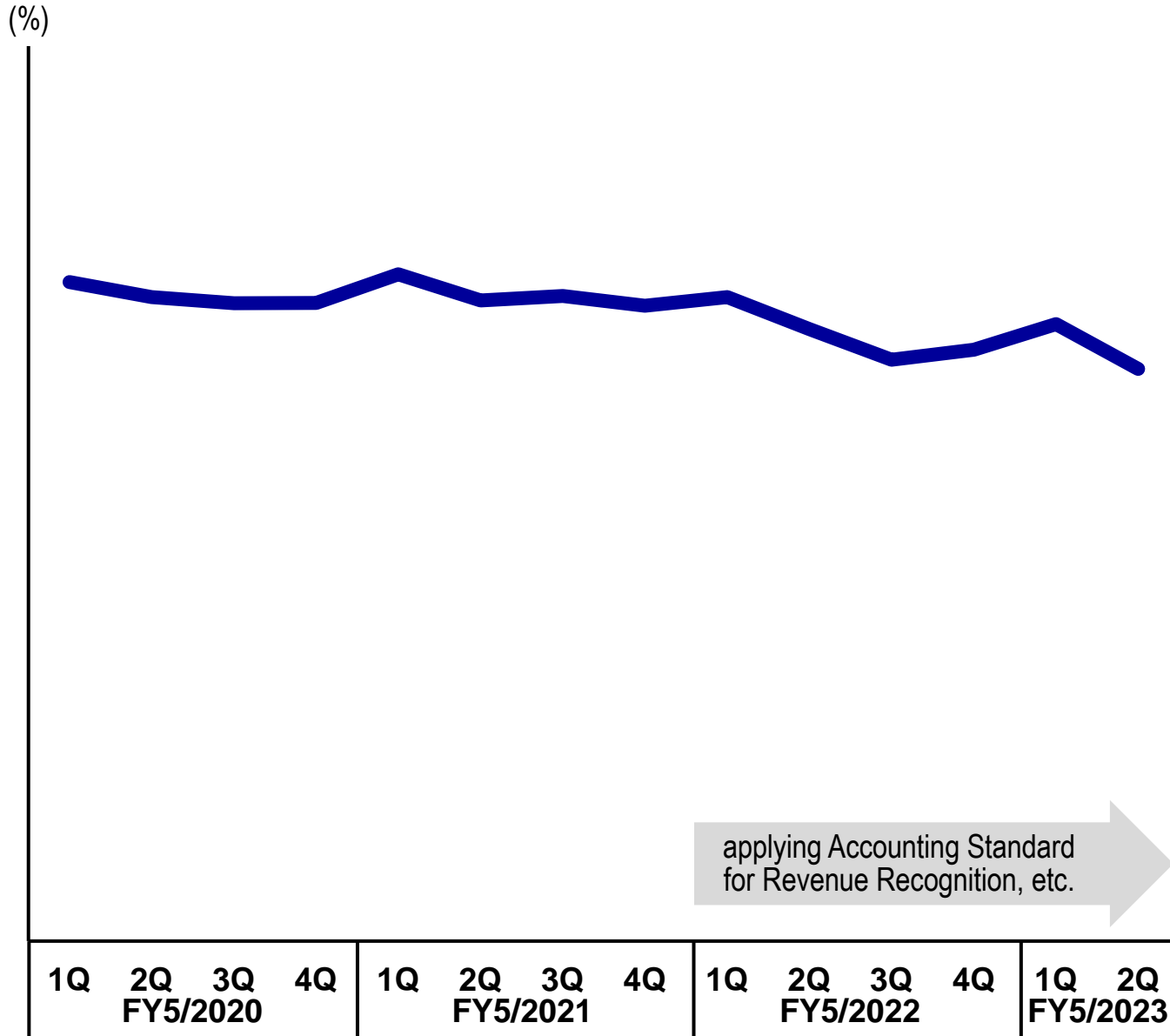


FY5/2023 2Q  
YoY change: Up 10.5%



Seeking further increase through UI/UX improvements and effect of free-delivery charge revision

# LOHACO Variable Cost Ratio

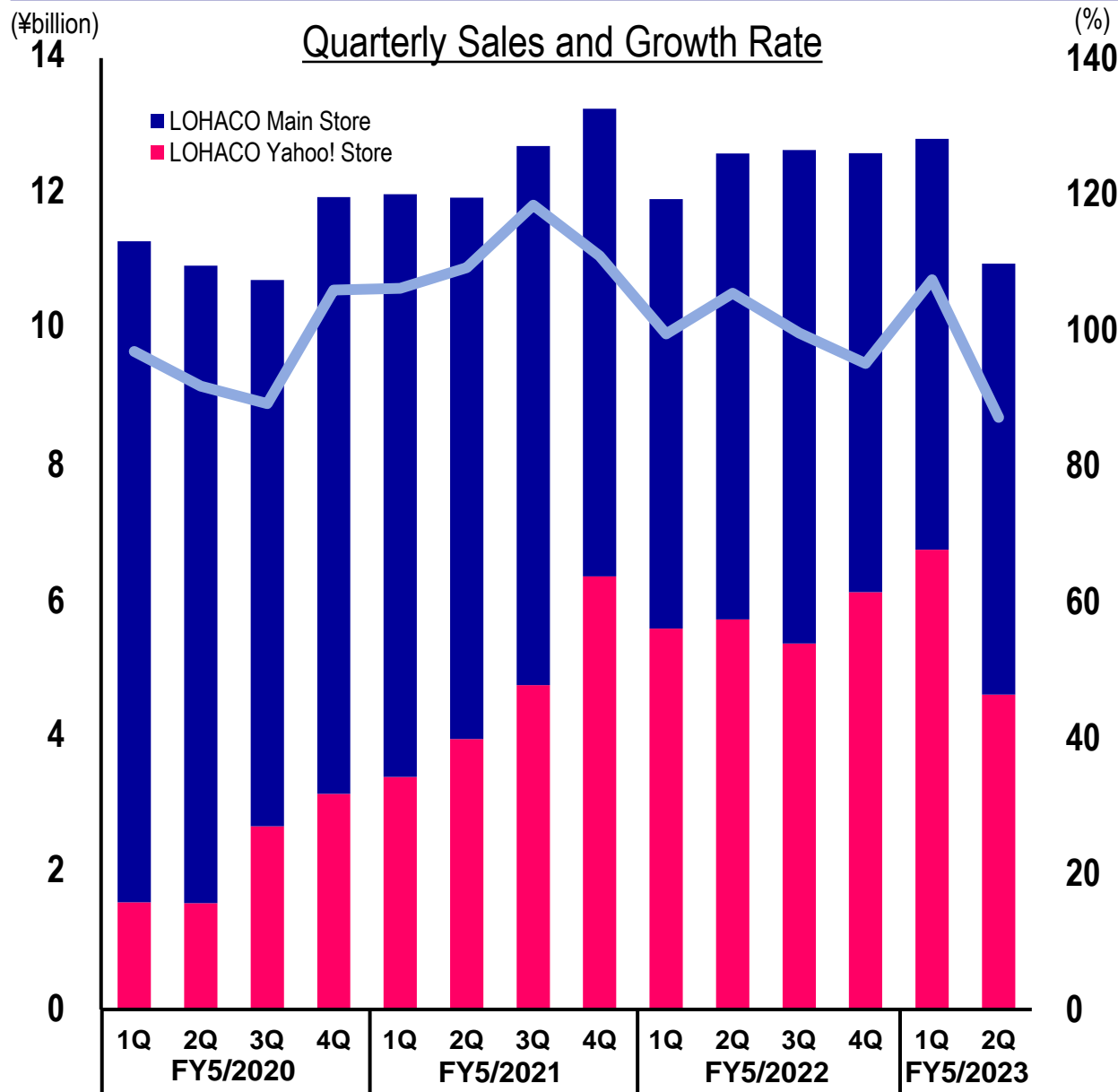


FY5/2023 2Q  
YoY change: Down 1.3 points



Successful implementation of multiple measures

Expect continued improvement



Regrowth through strengthening own sales promotions in addition to cooperation with Z Holdings

ちよう ベイベイ まつり  
**超Pay祭**  
11/30 (水) 25:59まで

エントリー × 条件クリアで

Bonus equivalent to a maximum of **21%**

全商品対象

Super PayPay Festival (November 1 – 30)

Save at LOHACO Main Store on days with 5

エントリー × 条件クリアで

Bonus equivalent to a maximum of **18%**

※付与上限あり

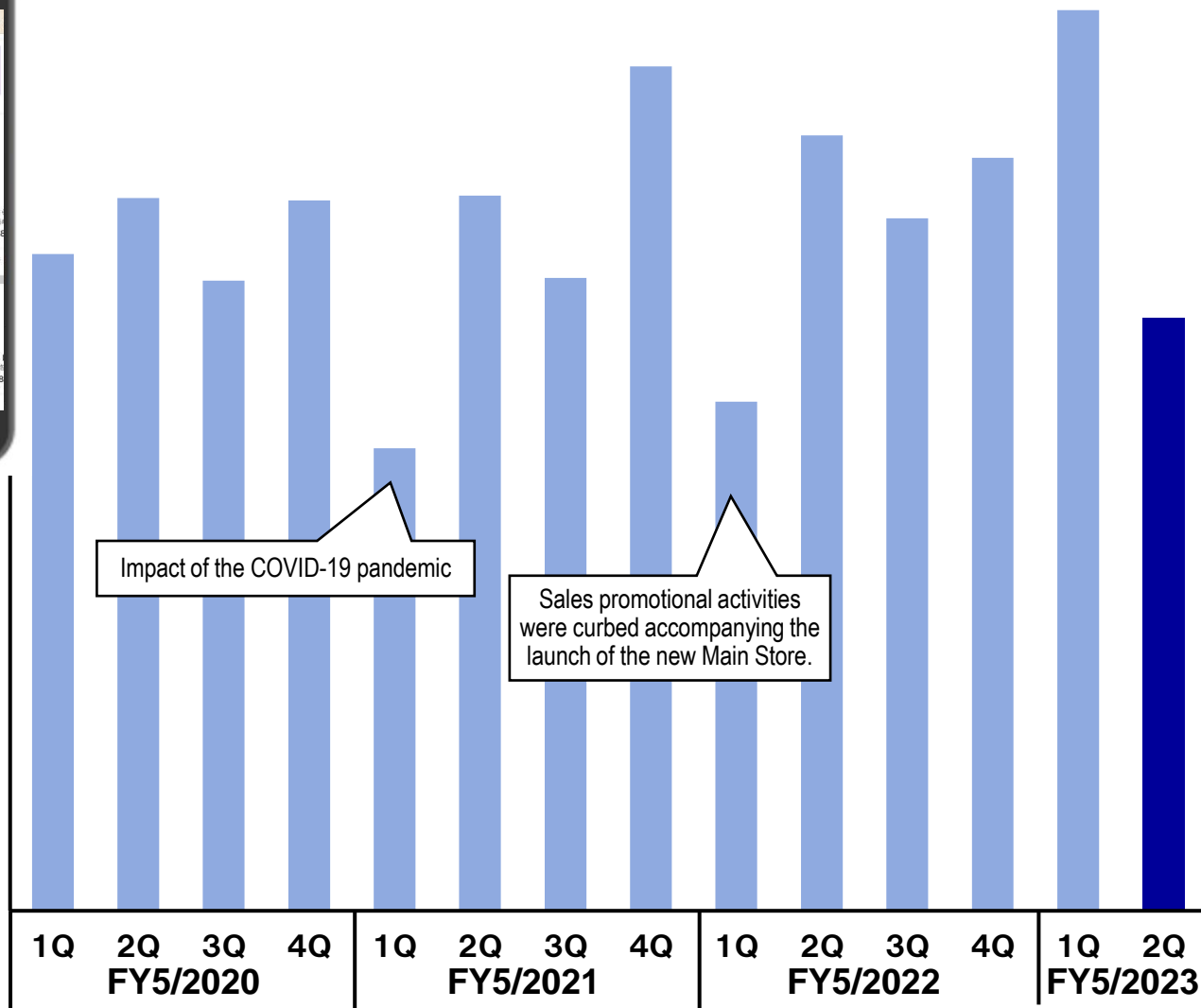
LOHACO PayPay DAYS



# LOHACO Advertising Fee Income

(Yen)

Advertising image



Impact of the COVID-19 pandemic

Sales promotional activities were curbed accompanying the launch of the new Main Store.

FY5/2023 2Q

YoY change: Down 23.6%

Decreased due to no major promotions were carried out



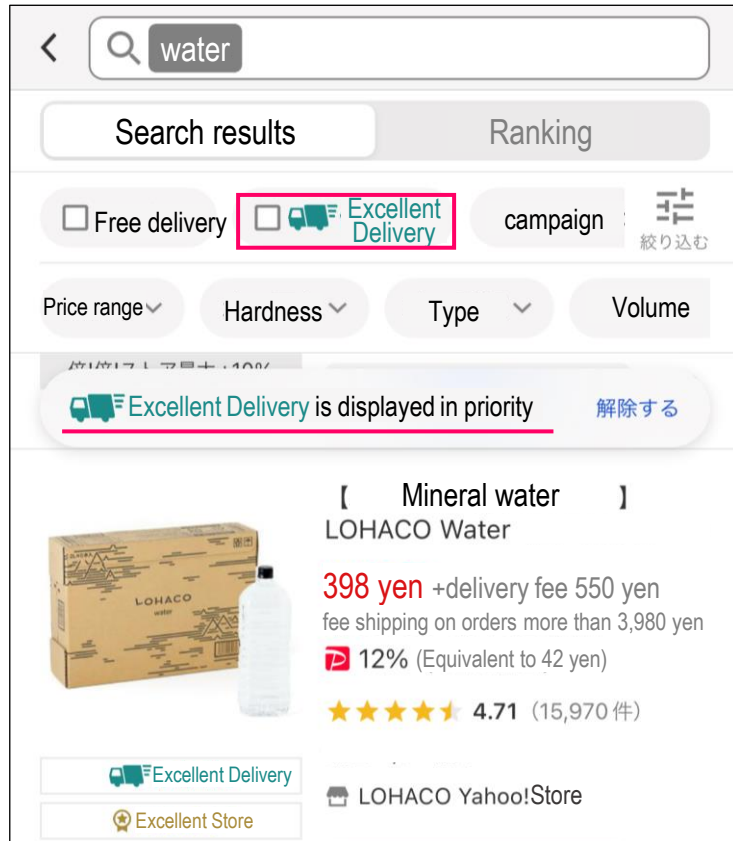
Recovery expected from 3Q onward by strengthening sales promotions on the Main Store



## Reinforcing measures to improve delivery services in collaboration with Yahoo!

Implement demonstration experimental measures to strengthen the same-day and the next-day deliveries in addition to "Otoku Designated Delivery Service\*\*"

- Initiatives to promote and enhance "excellent delivery" on Yahoo!Shopping
  - Products with excellent delivery are preferentially displayed at the top of search results



## Expansion of search traffic on Yahoo!Shopping

## Increase the value for customers and re-grow sales

\*Demonstration experiment conducted together with Yahoo! Japan to give more PayPay points (amount equivalent to JPY) to customers if customer specify a delivery date later than a standard date.

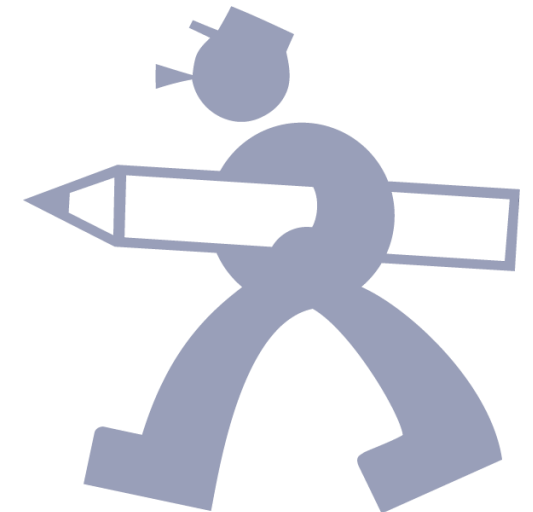
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October 2022

## ASKUL Product Environmental Standards are established, and the environmental consideration level of each product is scored and disclosed.

- ✓ Standardize the level of environmental friendliness of each products and publish numerical values
- ✓ Supporting customers in their product selection and contributing to raise awareness of suppliers' efforts to develop environmentally friendly products.
- ✓ The ASKUL Product Environmental Standards consist of a total of 30 criteria in the three major categories of "containers and packaging," "products themselves," and "systems."
- ✓ Aiming to improve the score of original products and expand the number of participating suppliers

商品の特長	ASKULオリジナルの付箋(ふせん)。書いた文字が見やすいバステルカラーの4色アソート。1パックあたり、イエロー、ピンク各3冊、ブルー、グリーン各2冊入りです。75×25mmサイズでメモやインデックスに便利。のり残りが少なく、紙類におすす。100%再生紙を使用し環境にも配慮しています。ASKUL限定・ロハコ限定		
メーカー名	ASKUL	ブランド名	ASKUL
シリーズ名	貼ってはがせるオフィスのふせん	ASKUL商品環境スコア	105
アソート/単色	アソート	カラー	アソート：(イエロー3冊、ピンク3冊、ブルー2冊、グリーン2冊)×10冊
カラーシリーズ	バステルカラー	カラータイプ	イエロー系、グリーン系、ピンク系、ブルー系

ASKUL environmental score 105

December 2022

## First Original Products Launched from the Resource Recycling Platform

- ✓ New PB series "Matakul" is launched from the ASKUL Resource Recycling Platform, an initiative for resource recycling
- ✓ The first product is a series that is made from a 100% recycled plastic, in which used clear holders are collected and recycled on a nationwide scale and revived into new plastic products.
- ✓ Realized commercialization of four products: clear holder, ballpoint pen, pen stand, and accessory case

Matakul



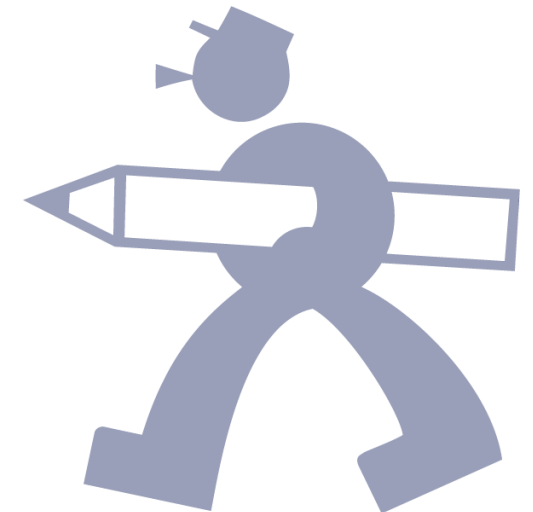
I. Consolidated Performance for 1Q FY5/2023

II. B-to-B

III. B-to-C

IV. ESG Topics

**V. Appendix**



# FY5/2023 Net Sales by Item

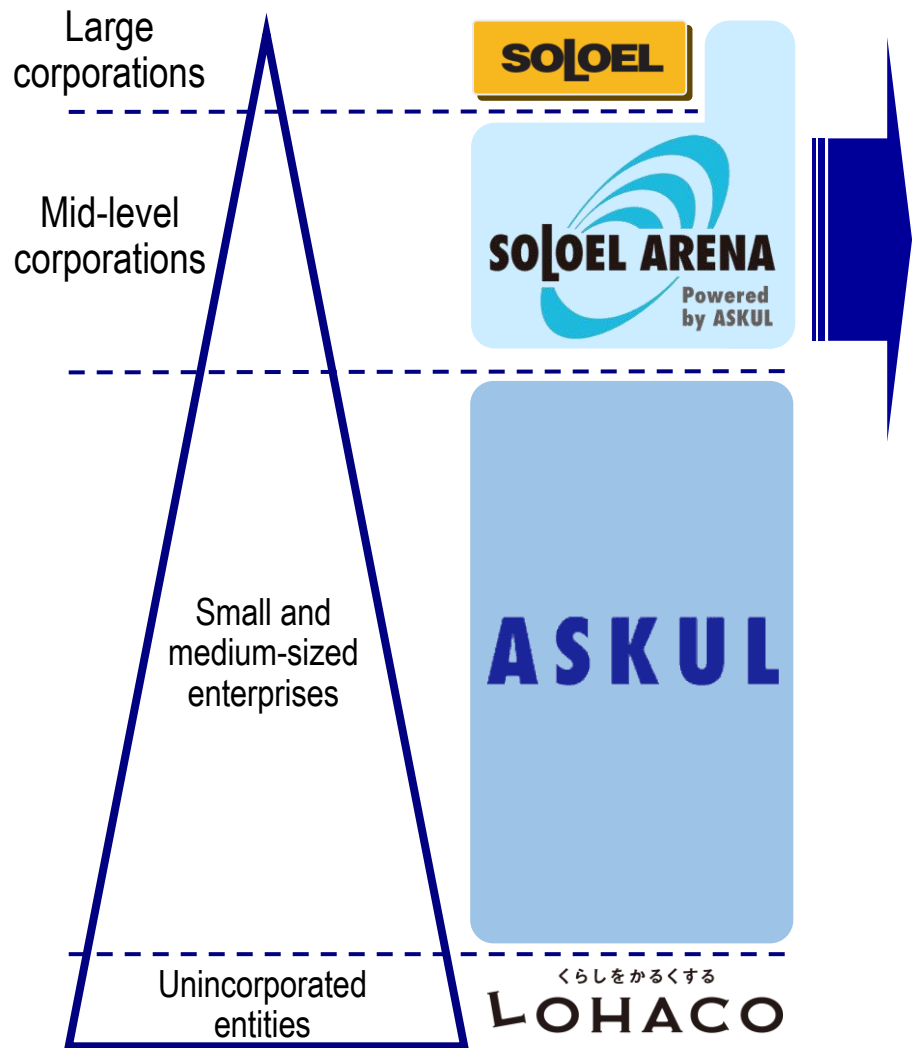
Non-Consolidated



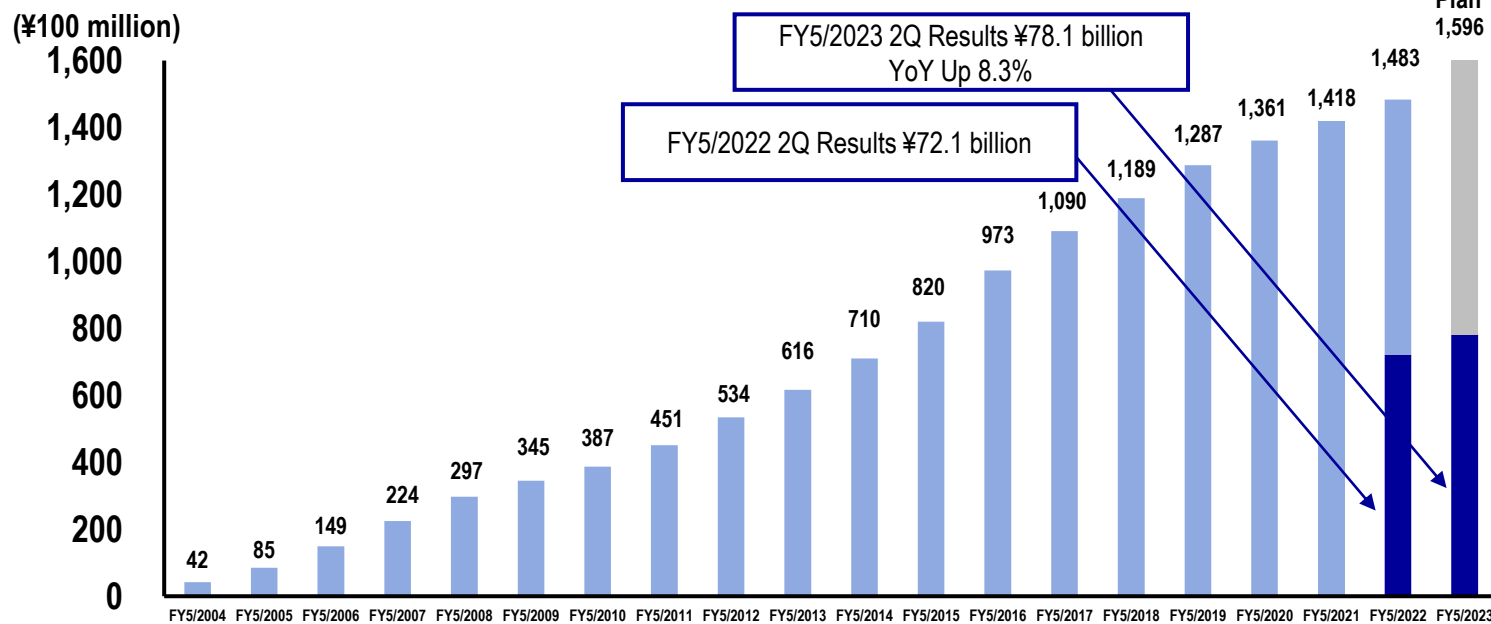
(¥billion)	FY5/2022 2Q (cumulative)			FY5/2023 2Q (cumulative)			
		Composition ratio %	YoY change %		Composition ratio %	YoY change	YoY change %
OA & PC	46.8	25.7	-0.4	47.8	25.2	1.0	+2.1
Stationery	19.9	11.0	-1.0	20.0	10.6	0	+0.4
Living Supplies	66.6	36.6	7.4	71.7	37.8	5.0	+7.7
Furniture	10.4	5.7	3.8	9.3	4.9	(1.1)	-10.9
MRO	18.8	10.3	4.9	20.6	10.9	1.8	+9.6
Medical	16.5	9.1	-14.9	17.1	9.0	0.6	+3.9
Others	2.9	1.6	-22.3	3.0	1.6	0	+2.6
Total	182.2	100.0	0.9	189.8	100.0	7.5	+4.2

Growth in Living Supplies and MRO

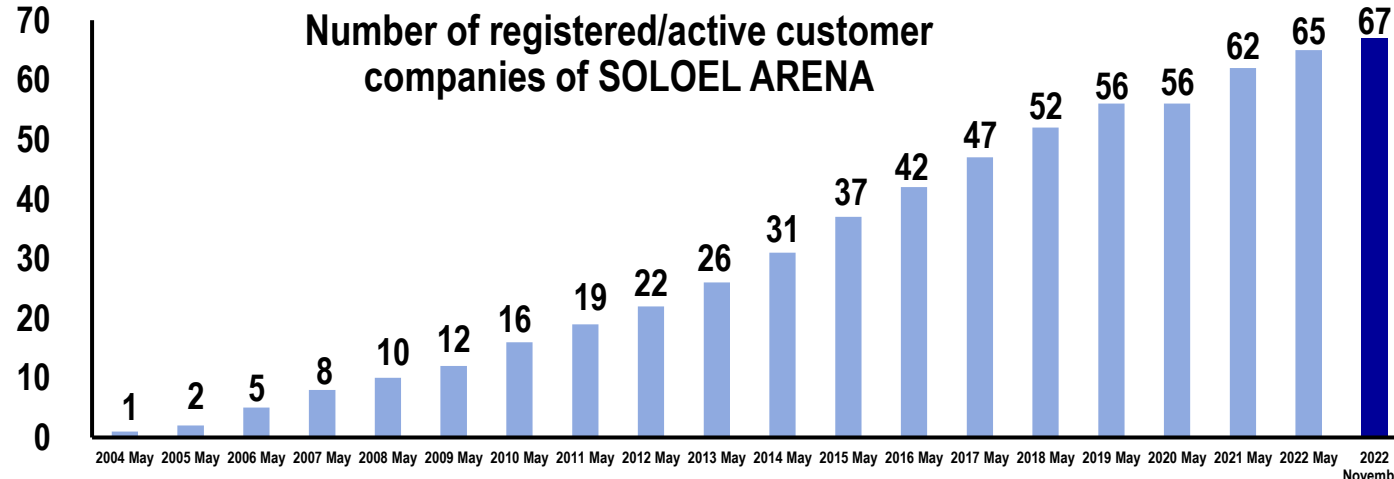
# B-to-B Results of SOLOEL ARENA and others

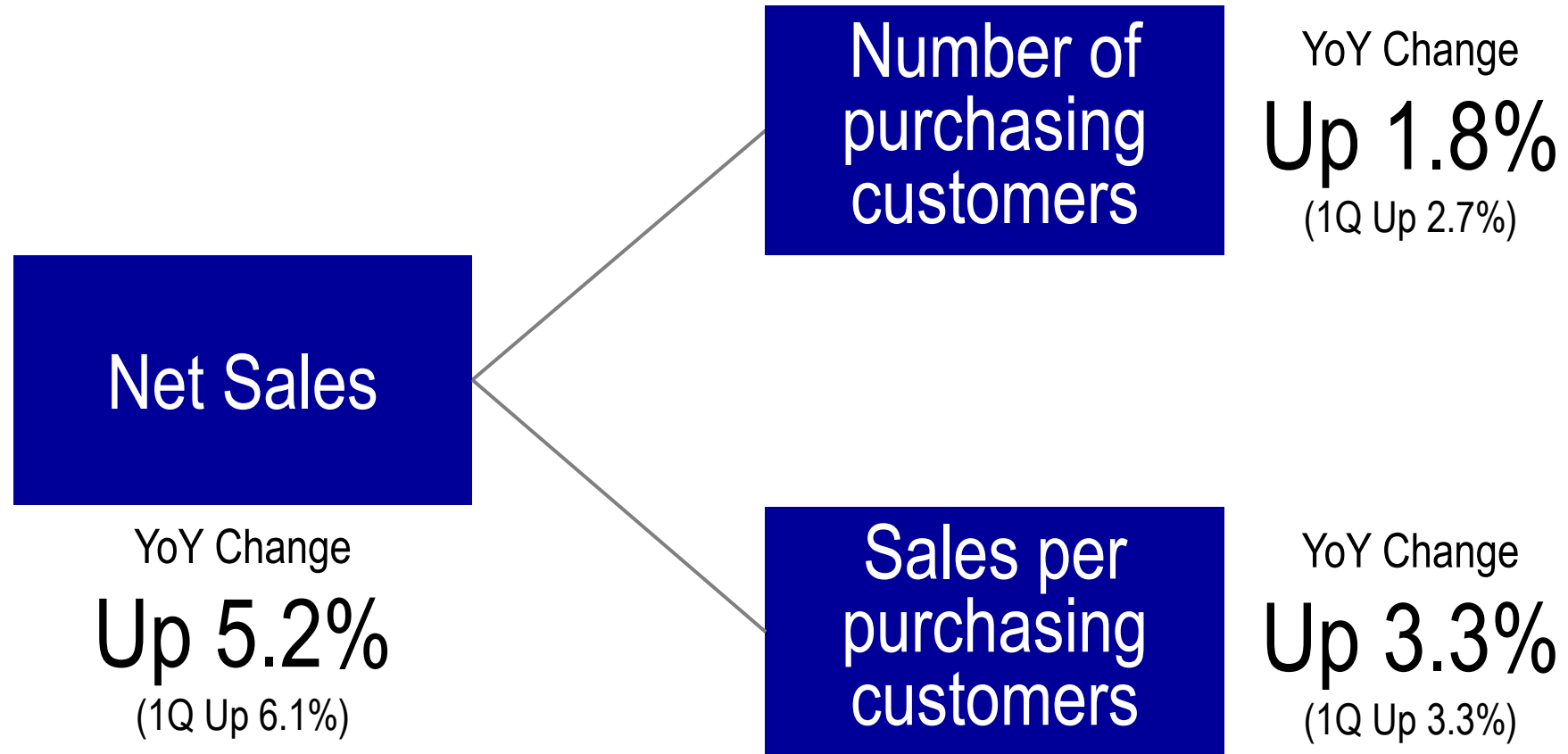


### Net sales value for SOLOEL ARENA and others



### Number of registered/active customer companies of SOLOEL ARENA



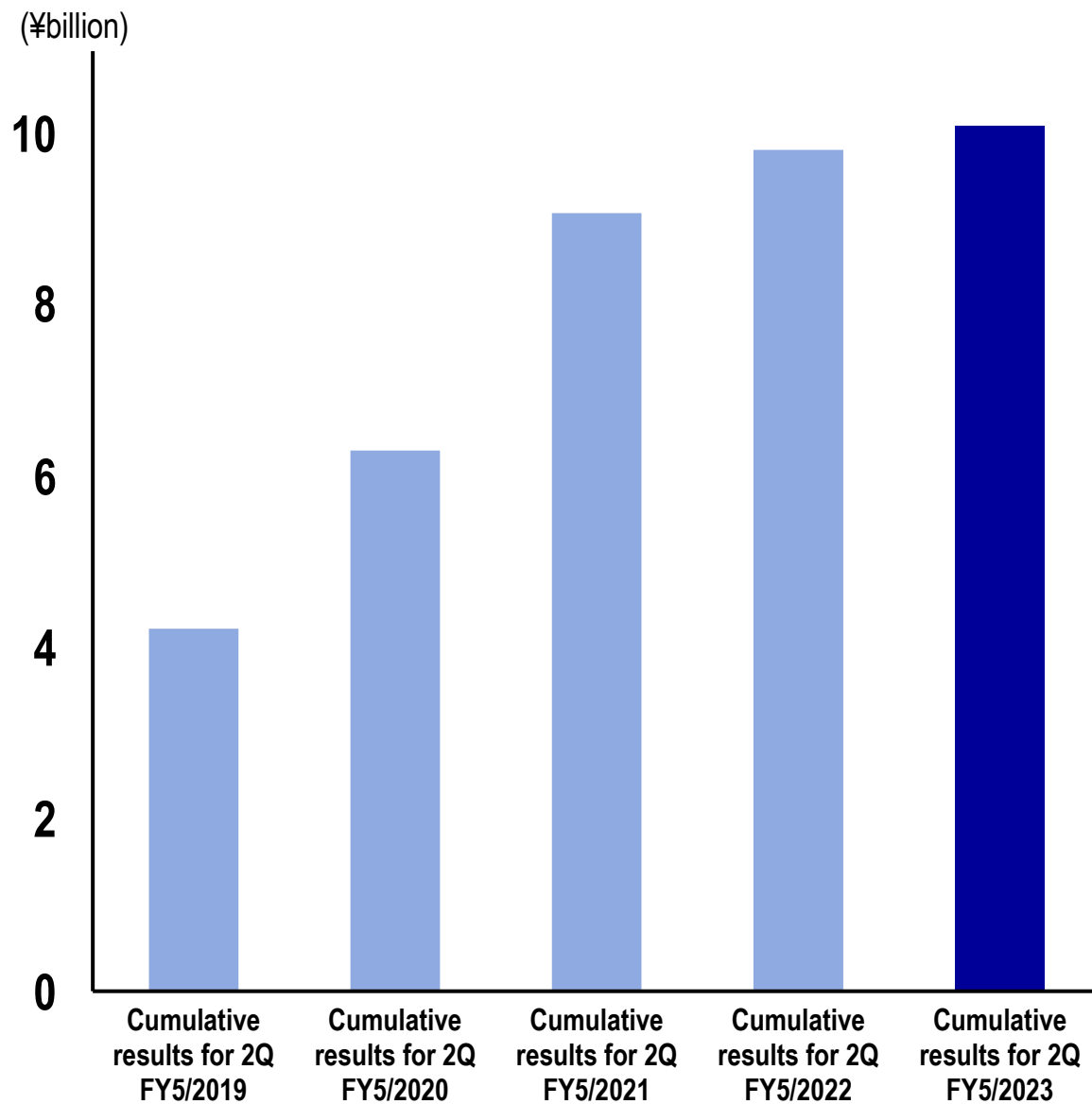


\*Above figures are not adjusted to number of business days.



# Trend of EBITDA

Consolidated



Broke the previous record-highs



Gross profit: ¥53.5 billion YoY change: Up ¥2.6 billion

Gross profit margin: 24.3% YoY change: Down 0.1 points

✓ Due to increase in sales share of group companies

SG&A expenses: ¥46.8 billion YoY change: Up ¥2.5 billion

Ratio of SG&A expenses to net sales 21.3% YoY change: Up 0.1 points

<Breakdown of year-over-year difference>

- ✓ Personnel expenses +0.7 billion
- ✓ Advertising expenses +0.5 billion
- ✓ Subcontract expenses +0.3 billion
- ✓ Business consignment expenses +0.2 billion
- ✓ Rents +0.2 billion



**Capital expenditures ¥8.2 billion**(Annual plan: ¥13.5 billion)

Related to the new ASKUL website ¥3.4 billion

Related to ASKUL Tokyo DC ¥2.8 billion

(Reference) Depreciation and amortization of software: ¥2.9 billion (Annual plan: ¥7.1 billion)

## Investment details

(¥ million)

Item	2Q FY5/2022 (cumulative)	2Q FY5/2023 (cumulative)	
	Amount	Amount	YoY Change
[Capital expenditures]	5,245	8,209	+56.5%
Property, plant and equipment	2,210	3,803	+72.1%
Intangible assets	3,034	4,406	+45.2%
Construction in progress (Note 2)	5,853	8,241	+40.8%
Software in progress (Note 2)	5,096	9,015	+76.9%

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.

# 2Q FY5/2023 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

	2Q FY5/2022	2Q FY5/2023	YoY Change
Orders via the Internet	87.3%	88.7%	+ 1.4pt
Other	12.7%	11.3%	-1.4pt

Note 1: Percentages are based on orders placed.

## ASKUL Original Products

(Unit: item)

	Nov. of FY5/2022	Nov. of FY5/2023	YoY Change
Number of original products	10,060	13,284	+3,224
Non-consolidated net sales composition (of which, B-to-B business)	27.6% (35.1%)	31.1% (37.8%)	+ 3.5pt (+ 2.7pt)

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.

# B-to-B Number of Business Days



	1Q		2Q		First half		3Q		4Q		Second half		Full-year	
	Weekdays	Saturdays	Weekdays	Saturdays	Weekdays	Saturdays	Weekdays	Saturdays	Weekdays	Saturdays	Weekdays	Saturdays	Weekdays	Saturdays
<b>FY5/2023</b>	63	14	61	13	124	27	61	13	59	12	120	25	244	52
FY5/2022	63	13	62	14	125	27	59	14	59	12	118	26	243	53
Difference	0	+1	-1	-1	-1	0	+2	-1	0	0	+2	-1	+1	-1



## ASKUL Environmental Policy


We, the ASKUL Group, are 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 CO<sub>2</sub> Zero Challenge”  
Reduce CO<sub>2</sub> 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 trees, 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
- ASKUL Resource Recycling Platform  
ASKUL Resource Recycling Platform is established and begins operation after Ministry of the Environment’s demonstration project. The new website is launched to disseminate information on the Company’s resource recycling initiatives. Promoting initiatives that do not throw away resources in cooperation with all entities in the value chain.  
In December 2022, the first PB series “Matakul” was launched, and four products went on sale.

### 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.
- ASKUL Product Environmental Standard established  
Began to publish on product pages an independent score for the environmental friendliness level of each products. Promoting development of environmentally friendly products while working together with manufacturers and suppliers to improve scores.
- 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, are 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 CO<sub>2</sub> 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 greenhouse 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 recognized by the Minister of the Environment as a company that engages in “advanced, unique and industry-leading business activities” for environmental conservation, 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

# Initiatives for Sustainability (Society)

## 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  
Participated in Male Leaders Coalition for Empowerment of Women
  - 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 **28.6%\***  
(Legal employment rate of private companies is 2.3%)  
\*Legal employment ratio calculated in units of business sites as of August 20, 2022



## Together with customers

- Improvement activities starting with customer feedback
  - Share customer feedback  
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 certain groups 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 / Audits  
Based on Sustainable Procurement Policy, from July to October 2021, conducted a survey regarding the status of efforts of suppliers concerning the six areas: environment; worry-free and safe products; legal compliance and fair trade; human rights; the working environment; and response to risks and changes. In addition, CSR audits of factories of private brand manufacturer will begin in April 2022.

## 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 sold 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

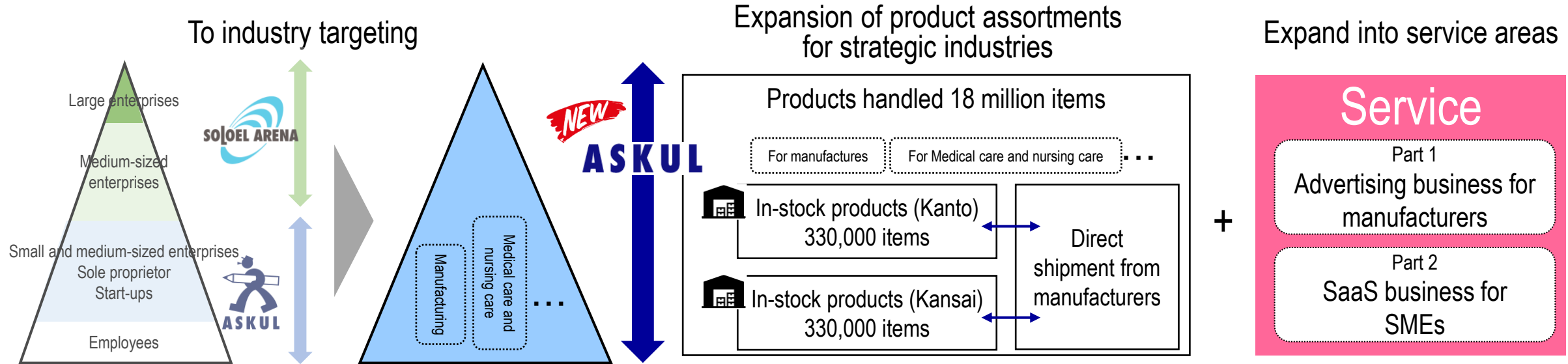
The plan to evolve the high-speed logistics, which is ASKUL's strength, then realize “Delivering Tomorrow” for long-tail products through measures, such as structural reform of distribution centers, integration of B-to-B and B-to-C logistics, and application of DX to value chains. “ASKUL Tokyo DC,” the most advanced core center in eastern Japan, which will play an important role in realizing this plan, has begun operating in November 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
- ✓ Create route that customers can purchase smoothly from external 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



Leveraging customer base of SMEs to expand into areas other than product sales

Total support for DX promotion of SMEs, from consultation on problems



**Biz-Raku 相談室**   
Biz-Raku Consultation Room

Free of charge

Free service for consulting on digitalization and IT utilization

Minnano IT Support (IT support for everyone)

**みんなのITサポート**

From ¥22,000 per months

An agency service for Information System Departments utilizing tablet computer

Carefully Selected Products

Original	IT support	For group	Web meeting	Attendance management
Finance	Remote access	Electronic contracting	Business chat	Security
Shared storage	Health management	Marketing	Shared office	Communication

Easy to use and convenient line up of 32 SaaS and telecommunication products



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