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April 28, 2023

To whom it may concern:

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(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 full year and the fourth quarter of fiscal year 2022 announced today by Z Holdings Corporation (headquarters: 1-3 Kioicho, Chiyoda-ku, Tokyo; representative: Takeshi Idezawa, President and Representative Director, 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 Company's adjusted EBITDA, B-to-B net sales placed via the internet and the ASKUL Group's cost of sales, etc. Please note that the consolidated accounting periods of Z Holdings Corporation and the Company differ as shown in the table below, and due to the differences in the accounting standards, etc. of both companies*, the figures described in the material do not match the financial results to be announced by the Company.

*The Company applies Japanese GAAP, and Z Holdings applies IFRS as accounting standards.

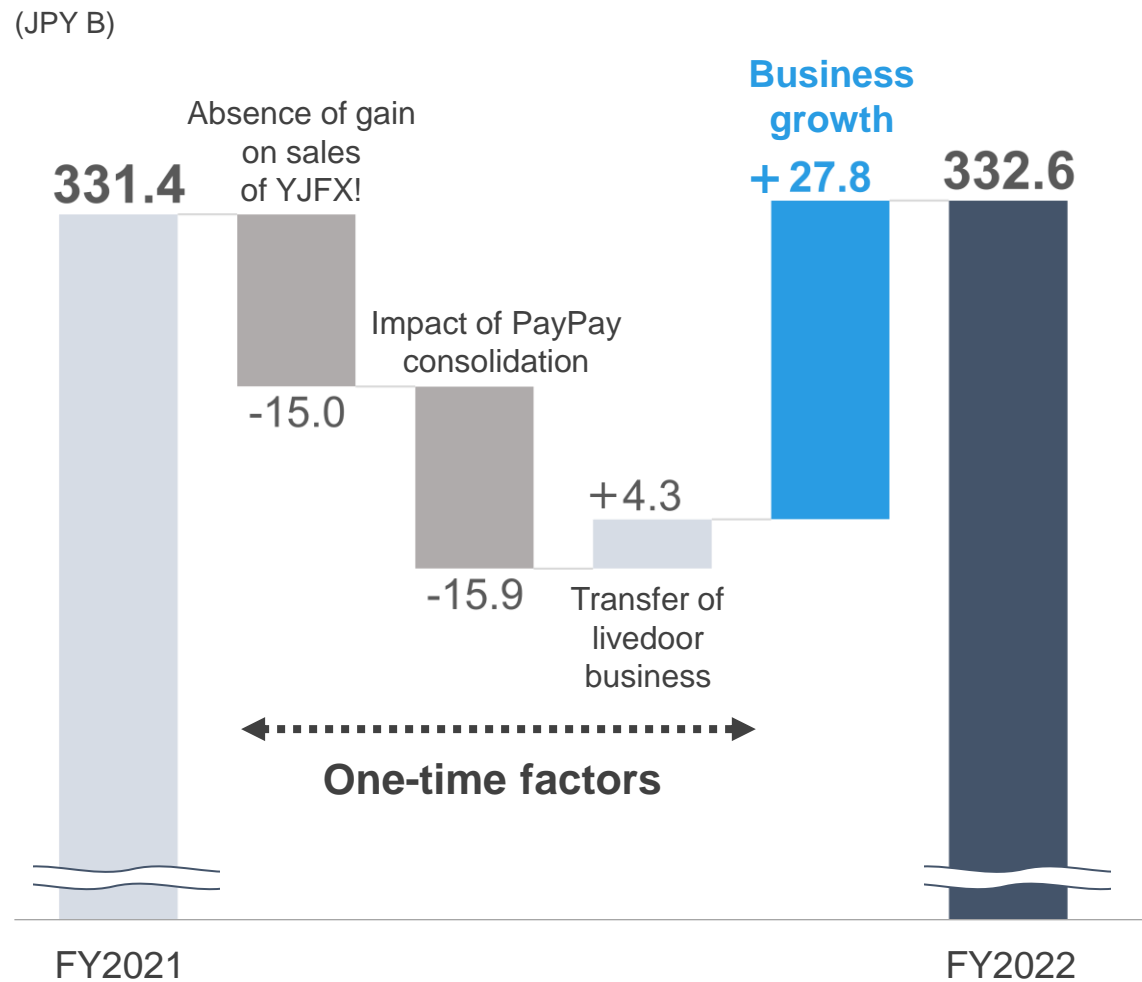
Consolidated accounting period	Z Holdings Corporation	Company
Full year	From April 1, 2022, to March 31, 2023	From May 21, 2022 to May 20, 2023
	<ul style="list-style-type: none">• Page 1 The Company's adjusted EBITDA is described as factors of increase and decrease of Z Holdings financial results.• Page 5 B-to-B net sales placed via the internet in every year	
Fourth quarter	From January 1, 2023 to March 31, 2023	From February 21, 2023 to May 20, 2023
	<ul style="list-style-type: none">• Page 3 In the attached material, ASKUL Group's cost of sales is described as factors of increase and decrease of Z Holdings financial results in every quarter.• Page 6 B-to-B net sales placed via the internet in every quarter	

Appendix: Z Holdings Financial Briefing Presentation Materials for the Full year and Q4 (excerpt)

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

- **Income increased; covered negative one-time factors through cost optimization, etc.**

Factors of Change in Adjusted EBITDA



Major Factors of Change (JPY B)

Media	<ul style="list-style-type: none"> • Impact of revenue increase, etc. +2.2 • Increase in SG&A -4.8 • Transfer of livedoor business +4.3
Commerce	<ul style="list-style-type: none"> • Impact of revenue increase, etc. +3.5 • Improvement in SG&A +8.8 • ZOZO +8.4 • ASKUL +1.5
Strategic	<ul style="list-style-type: none"> • Impact of revenue increase, etc. +1.5 • Increase in SG&A -2.7 • Absence of gain on sales of YJFX! -15.0 • Impact of PayPay consolidation -15.9
Other/ Adjustments	<ul style="list-style-type: none"> • Improvement in SG&A, etc. +9.4
Total	JPY1.2 B

FY2023 Consolidated Full-Year Guidance

Aim for double-digit income growth through income growth in subsidiaries (ZOZO, ASKUL, etc.), improved business efficiency, and selective focus in key businesses.

Item	FY2022 Results	FY2023 Guidance	YoY	
Whole Group Revenue	JPY1.67 T	Approx. JPY1.90 T	Approx. +14%	
Whole Group Adjusted EBITDA	JPY332.6 B	JPY356.0 to 366.0 B	Approx. +10%	
Breakdown	Media	JPY262.0 B	JPY265.0 B	+1.1%
	Commerce	JPY153.6 B	JPY172.0 B	+12.0%
	Strategic	Negative JPY43.4 B	Negative JPY25.5 B	-
	Other/Adjustments	Negative JPY39.6 B	Negative JPY51.5 B	-

FY2022 Q4 Factors of Change in Operating Income

Whole Group

(JPY B)

		FY2022 Q4	YoY Difference	YoY	Major Factors of Change ¹ (JPY B)	
Revenue		433.7	+26.4	+6.5 %	<ul style="list-style-type: none"> PayPay (Consolidated)² +30.0 LINE +6.8 	<ul style="list-style-type: none"> eBOOK Initiative Japan -7.9
Cost of sales		133.0	+2.4	+1.9 %	<ul style="list-style-type: none"> LINE +3.5 ASKUL Group +3.2 	<ul style="list-style-type: none"> eBOOK Initiative Japan -4.6
SG&A		276.4	+6.1	+2.3 %	<ul style="list-style-type: none"> PayPay (Consolidated)² +45.8 ZOZO +2.9 	<ul style="list-style-type: none"> Yahoo Japan -32.4 LINE -3.2
(Major items)	Personnel expense	73.9	+1.8	+2.6 %	<ul style="list-style-type: none"> Yahoo Japan -3.8 LINE -3.2 	
	Depreciation and amortization	40.0	+6.0	+17.7 %	<ul style="list-style-type: none"> Yahoo Japan +2.8 	
	Business commissions	35.5	+4.3	+14.1 %		
	Sales promotion cost	28.1	-23.7	-45.7 %	<ul style="list-style-type: none"> Yahoo Japan -28.9 	
Other income & expenses		-	-6.6	N/A		
Operating income		24.2	+11.2	+86.9 %		

1. Figures in "Major Factors of Change" are figures after consolidation adjustments.

2. Compared PayPay Card's non-consolidated figure for FY2021 Q4 with PayPay (Consolidated) figure for FY2022 Q4 which includes PayPay Corporation and PayPay Card Corporation after eliminating the internal transactions between the two companies.

- Will change sub-segments form FY2023, to accommodate merger and growth phase of each business.

Until FY2022 Q4

Media Business	LINE Ads	• Display ads, Other LINE Ads	• Account ads
	Yahoo! JAPAN Ads	• Search ads • Display ads (Reservation)	• Display ads (Programmatic)
	Other	• LINE Stickers , LINE GAME, LINE MUSIC, ebookjapan, Yahoo! JAPAN Loco, etc.	

Commerce Business	Merchandise	• Shopping business • ASKUL's BtoB business	• Reuse business
	Services EC	-	
	Other	-	

Strategic Business	Fintech	• PayPay • PayPay Bank	• PayPay Card • Other finance
	Other	-	

From FY2023 Q1

Media Business	Search ads	-	
	Account ads	-	
	Display ads	• Display ads (Programmatic) • Display ads (Reservation)	
	Other	• LINE Stickers , LINE GAME, LINE MUSIC, ebookjapan, Yahoo! JAPAN Loco, etc.	

Commerce Business	LY Corporation	• Shopping business • Services EC business	• Reuse business • Other
	ZOZO/ ASKUL	• ZOZO • ValueCommerce	• ASKUL • Other

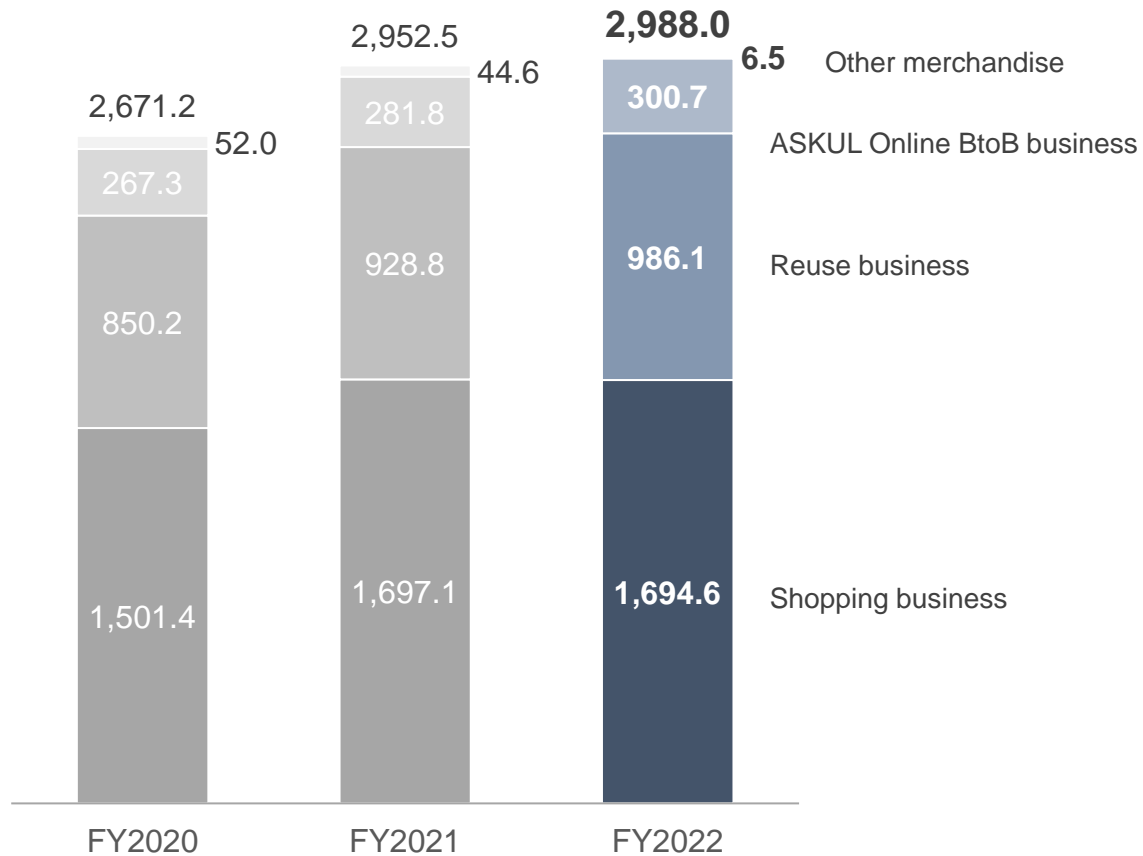
Strategic Business	Fintech	• PayPay (Consolidated) • Other finance	• PayPay Bank
	Other	-	

1. PayPay Corporation and PayPay Card Corporation.

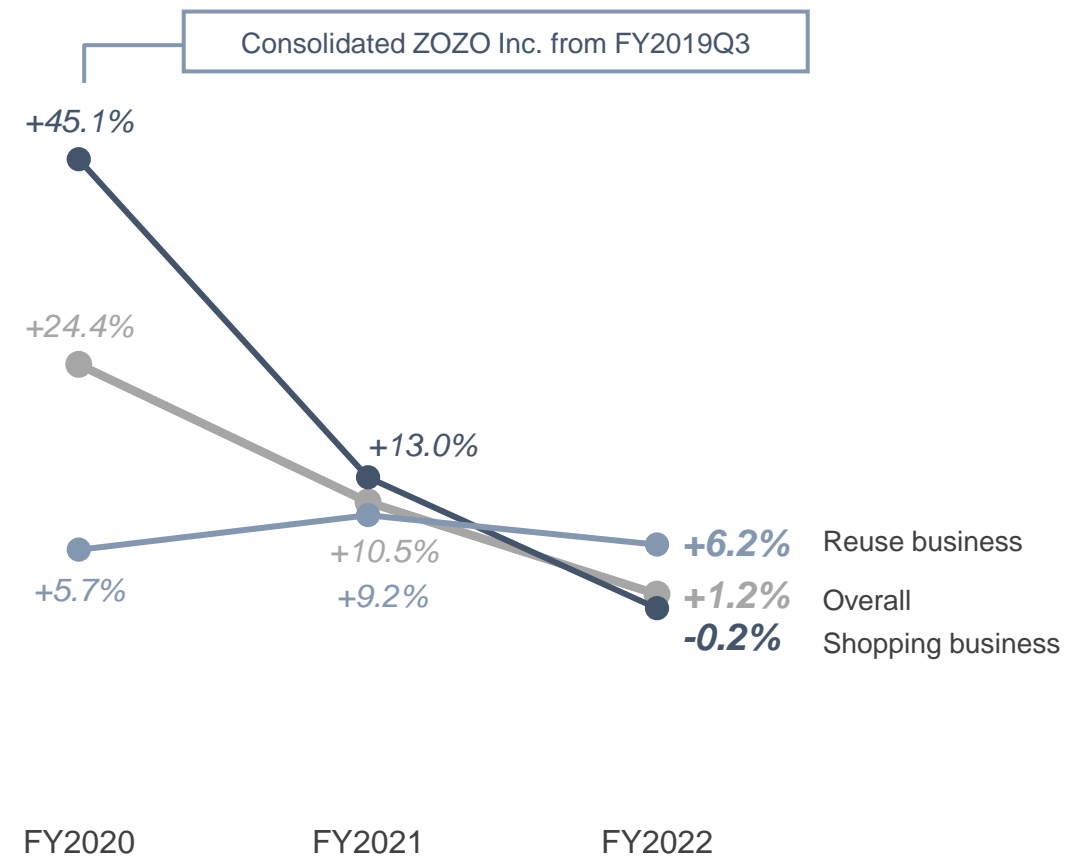
- Shopping business maintained the previous year's level while improving profitability.
- Reuse business, Z Holdings' unique business, expanding steadily.

Domestic Merchandise Transaction Value¹

(JPY B)



Domestic Merchandise Transaction Value¹ – YoY Growth Rate






1. Please refer to P.25 of the Appendix for definition of transaction value.

(JPY Million)

	FY2021 Q4 ¹	FY2022 Q4 ¹	YoY
Revenue	208,611	202,253	-3.0%
Merchandise EC	165,594	161,752	-2.3%
Shopping business	80,445	71,580	-11.0%
Reuse business	13,714	14,485	+5.6%
ASKUL online BtoB business	71,434	75,685	+6.0%
Services EC	4,565	5,783	+26.7%
Other	38,452	34,717	-9.7%
Cost of sales	91,496	93,915	+2.6%
Selling, general and administrative expenses	110,425	85,692	-22.4%
Sales promotion cost + Advertising and promotional expenses	40,971	12,704	-69.0%
Other selling, general and administrative expenses	69,453	72,988	+5.1%
Other revenue and expenses	-	-	N/A
Adjusted EBITDA (Margin)	20,621 (9.9%)	37,964 (18.8%)	+84.1%

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	
Form/Type	Mall-type (Approx. 600 mil. items)	Direct sales (Approx. 900,000 items)	Direct sales (No. of items undisclosed)	Immediate delivery service (Approx. 3,300 items)	Mall-type (Approx. 200,000 items)	E-commerce store creation (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
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"> Optimize cost and improve service quality Develop quick commerce market 	<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
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%
Market Size	JPY13.3 T ² (BtoC e-commerce market, merchandise)	JPY7.6 T ³ (Apparel retail market, 2021)	JPY13.3 T ² (BtoC e-commerce market, merchandise)	JPY2.6 T ⁴ (Food delivery market, FY2022 forecast)	JPY10.5 T ⁵ (Gift market, 2022 forecast)	JPY4 T ⁶ (Owned EC market)

1. Stores that opened before March 31, 2022, were 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 2022 (released on November 4, 2022); 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 2022 (released on January 20, 2023).

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, 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 25 of the Appendix for definition of overseas EC.

Item	Major Services/products
EC transaction value	-
Domestic merchandise	-
Shopping business	Yahoo! JAPAN Shopping, 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 ¹ , Demae-can, LINE PLACE
Domestic digital content	ebookjapan, LINE Manga, LINE MUSIC, LINE Stickers, LINE GAME, LINE Fortune, LINE NFT ² , 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 ¹ , LINE GAME ¹ , DOSI ³

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

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

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