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August 3, 2023

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 2023 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, consolidated revenue and 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
First quarter	From April 1, 2023, to June 30, 2023	From May 21, 2023 to August 20, 2023
	<ul style="list-style-type: none"><li>• Page 1 The Company's adjusted EBITDA is described as factors of increase and decrease of Z Holdings financial results.</li><li>• Page 2 and 5 B-to-B net sales placed via the internet in every quarter</li><li>• Page 3 In the attached material, the Company's consolidated revenue and cost of sales are described as factors of increase of Z Holdings financial results.</li></ul>	

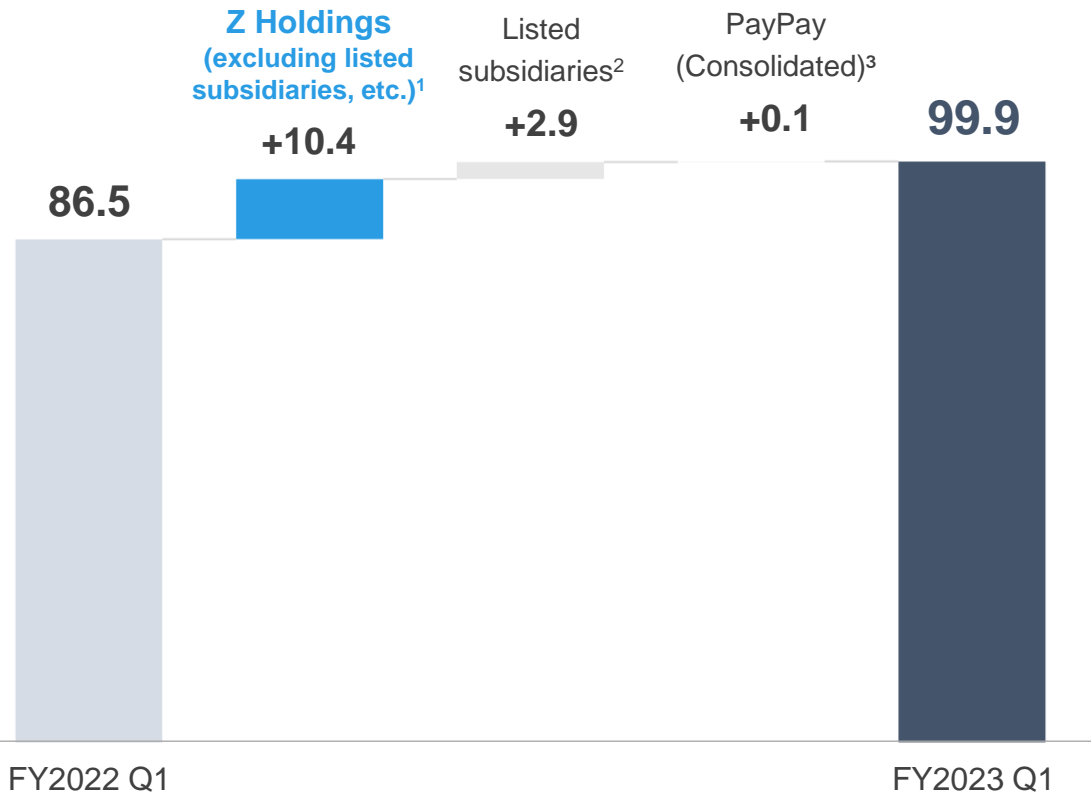
Appendix: Z Holdings Financial Briefing Presentation Materials for the Q1 (excerpt)

Note: Z Holdings holds 44.92% of the Company's outstanding shares as of May 20, 2023.

- Adjusted EBITDA increased due to cost optimization and selective focus on key businesses.

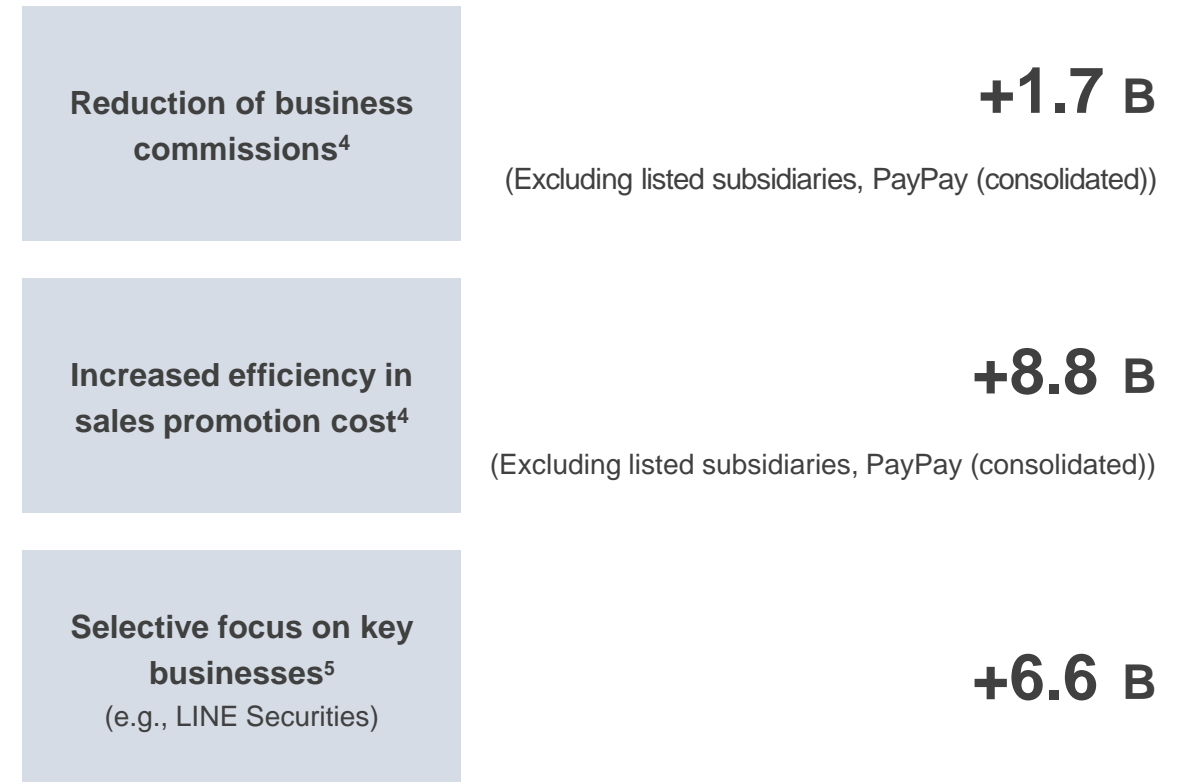
Factors of Change in Adjusted EBITDA

(JPY B)



Major Factors of YoY Change in FY2023 Q1 (SG&A/EBITDA)

(JPY)



1. Excluding ZOZO, Inc., ASKUL Corporation, ValueCommerce Co., Ltd., and PayPay Corporation (consolidated).

2. ZOZO, Inc., ASKUL Corporation and ValueCommerce Co., Ltd.

3. Includes PayPay Corporation and PayPay Card Corporation. Figures after elimination of internal transactions between the two companies. Independently calculated by making relevant IFRS adjustments.

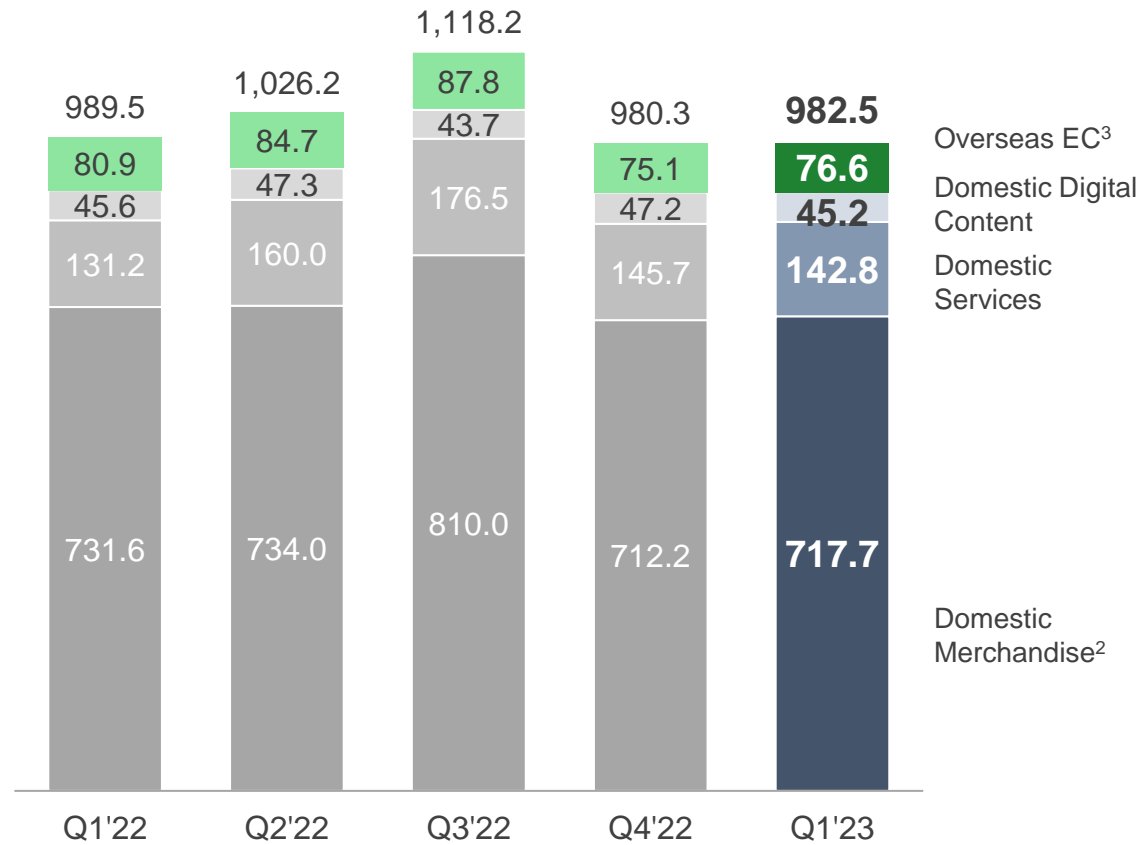
4. Amount improved in financial accounting-based SG&A.

5. Amount improved in financial accounting-based EBITDA.

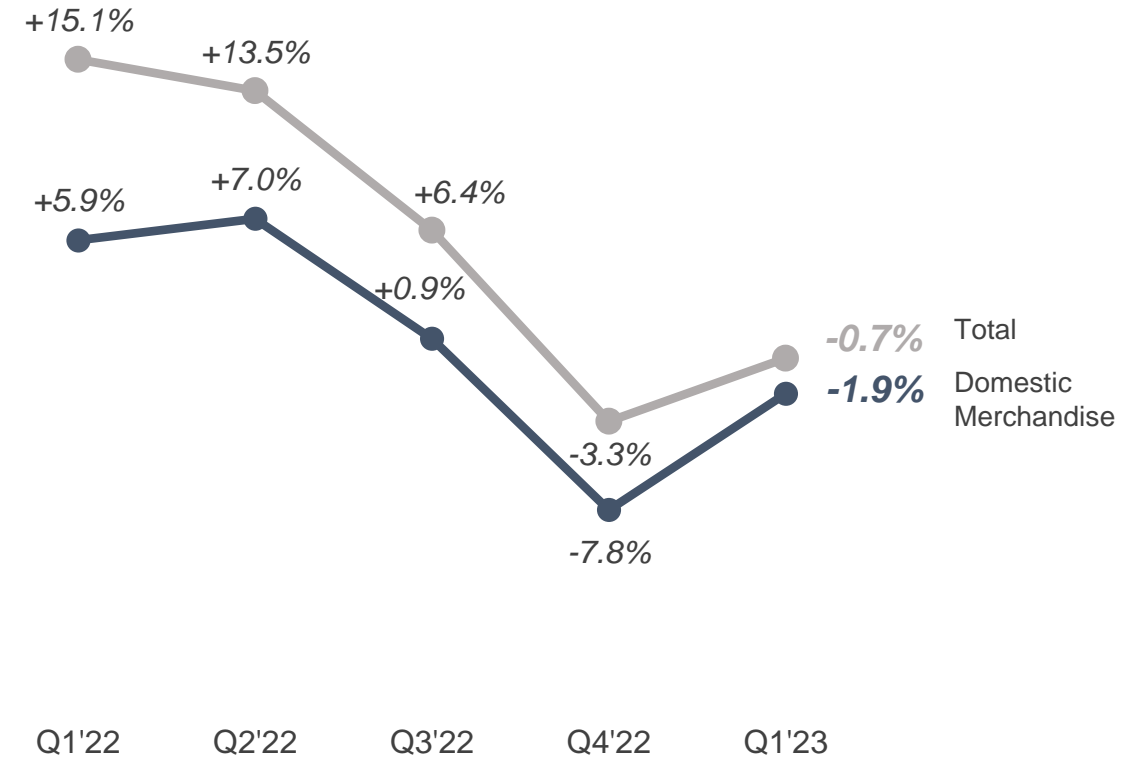
- Decline in domestic merchandise transaction value bottoming out.

Group EC Transaction Value<sup>1</sup>

(JPY B)



Group EC Transaction Value<sup>1</sup> - YoY Growth Rate



1. Please refer to P. 19 of the Appendix for definition of transaction value.  
 2. From FY2023 Q1, changed definition to include APMRO and FEED DENTAL to ASKUL online BtoB business.  
 3. From FY2023 Q1, includes transaction value of ZOZOFIT.

(JPY B)

	FY2023 Q1	YoY Difference	YoY	Major Factors of Change <sup>1</sup> (JPY B)	
<b>Revenue</b>	<b>430.5</b>	<b>+39.9</b>	<b>+10.2%</b>	<ul style="list-style-type: none"> <li>• PayPay (Consolidated)<sup>2</sup> +34.0</li> <li>• ZOZO (Consolidated) +3.2</li> </ul>	<ul style="list-style-type: none"> <li>• ASKUL (Consolidated) +4.4</li> <li>• LINE (Consolidated) +2.3</li> </ul>
<b>Cost of sales</b>	<b>127.6</b>	<b>+5.4</b>	<b>+4.4%</b>	<ul style="list-style-type: none"> <li>• ASKUL (Consolidated) +3.5</li> </ul>	<ul style="list-style-type: none"> <li>• LINE (Consolidated) +2.7</li> </ul>
<b>SG&amp;A</b>	<b>253.9</b>	<b>+35.3</b>	<b>+16.2%</b>	<ul style="list-style-type: none"> <li>• PayPay (Consolidated)<sup>2</sup> +37.5</li> </ul>	<ul style="list-style-type: none"> <li>• Yahoo Japan -6.6</li> </ul>
(Major items)					
Personnel expense	<b>68.6</b>	<b>+8.2</b>	<b>+13.7%</b>	<ul style="list-style-type: none"> <li>• LINE (Consolidated) +2.6</li> </ul>	<ul style="list-style-type: none"> <li>• Yahoo Japan -1.1</li> </ul>
Depreciation and amortization	<b>39.1</b>	<b>+4.7</b>	<b>+13.9%</b>	<ul style="list-style-type: none"> <li>• LINE (Consolidated) +1.2</li> </ul>	<ul style="list-style-type: none"> <li>• Yahoo Japan -0.4</li> </ul>
Business commissions	<b>30.7</b>	<b>+0.7</b>	<b>+2.6%</b>	<ul style="list-style-type: none"> <li>• LINE (Consolidated) -2.7</li> </ul>	<ul style="list-style-type: none"> <li>• Yahoo Japan -1.5</li> </ul>
Sales promotion cost	<b>27.0</b>	<b>-2.8</b>	<b>-9.5%</b>	<ul style="list-style-type: none"> <li>• Yahoo Japan -9.6</li> </ul>	<ul style="list-style-type: none"> <li>• LINE (Consolidated) -1.3</li> </ul>
<b>Other income &amp; expenses</b>	<b>10.4</b>	<b>+10.4</b>	<b>N/A</b>		
<b>Operating income</b>	<b>59.3</b>	<b>+9.6</b>	<b>+19.5%</b>		

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

2. Compared PayPay Card Corporation's non-consolidated figure for FY2022 Q1 with PayPay Corporation (Consolidated) figure for FY2023 Q1 which includes PayPay Corporation and PayPay Card Corporation after eliminating the internal transactions between the two companies.

- Will change sub-segments from FY2023 Q3, to accommodate merger and growth phase of each business.

Until FY2023 Q2

<b>Media Business</b>	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.	

<b>Commerce Business</b>	Merchandise	• Shopping business • ASKUL's BtoB business	• Reuse business
	Services EC	-	
	Other	-	

<b>Strategic Business</b>	Fintech	• PayPay • PayPay Bank	• PayPay Card • Other finance
	Other	-	

From FY2023 Q3

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

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

<b>Strategic Business</b>	Fintech	• PayPay (Consolidated) <sup>1</sup> • Other finance	• PayPay Bank
	Other	-	

1. PayPay Corporation and PayPay Card Corporation.

(JPY Million)

	FY2022 Q1 <sup>1,2</sup>	FY2023 Q1 <sup>1,2</sup>	YoY
<b>Revenue</b>	<b>205,629</b>	<b>206,861</b>	<b>+0.6%</b>
<b>Merchandise EC</b>	<b>166,824</b>	<b>176,270</b>	<b>+5.7%</b>
Shopping business	79,392	71,178	-10.3%
Reuse business	14,052	14,377	+2.3%
ASKUL online BtoB business <sup>3</sup>	73,379	90,714	+23.6%
<b>Services EC</b>	<b>5,357</b>	<b>6,066</b>	<b>+13.2%</b>
<b>Other</b>	<b>33,447</b>	<b>24,524</b>	<b>-26.7%</b>
<b>Cost of sales</b>	<b>88,961</b>	<b>91,556</b>	<b>+2.9%</b>
<b>Selling, general and administrative expenses</b>	<b>92,230</b>	<b>84,621</b>	<b>-8.2%</b>
Sales promotion cost + Advertising and promotional expenses	25,053	14,346	-42.7%
Other selling, general and administrative expenses	67,176	70,275	+4.6%
<b>Other revenue and expenses</b>	<b>-</b>	<b>-</b>	<b>N/A</b>
<b>Adjusted EBITDA (Margin)</b>	<b>37,488 (18.2%)</b>	<b>46,561 (22.5%)</b>	<b>+24.2%</b>

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.

2. From FY2023 Q1, part of the expenses related to LINE Corporation and its subsidiaries which were allocated in Others and Adjustments, have been allocated to Commerce Business. Segment information for FY2022 has been revised as a result.

3. From FY2023 Q1, changed definition to include APMRO and FEED DENTAL.

Item	Breakdown
<b>Merchandise EC</b>	-
<b>Shopping business</b>	Yahoo! JAPAN Shopping, ZOZOTOWN, LOHACO, Charm, LINE SHOPPING, LINE FRIENDS, LINE GIFT, MySmartStore, Yahoo! JAPAN Mart by ASKUL, LIVEBUY, LINE SHOPPING (Taiwan, Thailand), GIFTSHOP, EZ STORE, QUICK EC, MyShop
<b>Reuse business</b>	YAHUOKU! <sup>1</sup> , PayPay Flea Market <sup>2</sup> , ZOZOUSED
<b>ASKUL online BtoB business<sup>3</sup></b>	ASKUL, SOLOEL ARENA, APMRO, FEED DENTAL, etc.
<b>Services EC</b>	Yahoo! JAPAN Travel, Ikyu Travel, LINE TRAVEL (Taiwan), etc.
<b>Others</b>	Premium membership, ASKUL non-online BtoB business, ValueCommerce, etc.

1. YAHUOKU! is scheduled to be renamed to Yahoo! JAPAN Auction in autumn of 2023.

2. PayPay Flea Market is scheduled to be renamed to Yahoo! JAPAN Flea Market in autumn of 2023.

3. From FY2023 Q1, changed definition to include APMRO and FEED DENTAL.

Item	Major Services/products
<b>EC transaction value</b>	-
<b>Domestic merchandise</b>	-
<b>Shopping business</b>	Yahoo! JAPAN Shopping, ZOZOTOWN, LOHACO, Charm, LINE SHOPPING, LINE GIFT, LINE FRIENDS, MySmartStore, Yahoo! JAPAN Mart by ASKUL, LIVEBUY
<b>Reuse business</b>	YAHUOKU! <sup>1</sup> , PayPay Flea Market <sup>2</sup> , ZOZOUSUED
<b>ASKUL online BtoB business<sup>3</sup></b>	ASKUL, SOLOEL ARENA, APMRO, FEED DENTAL, etc.
<b>Domestic services</b>	Ikyu.com, Yahoo! JAPAN Travel, Yahoo! JAPAN Loco <sup>4</sup> , Demae-can, LINE PLACE
<b>Domestic digital content</b>	ebookjapan, LINE Manga, LINE MUSIC, LINE Stickers, LINE GAME, LINE Fortune, LINE NFT <sup>5</sup> , other paid digital content
<b>Overseas EC</b>	LINE SHOPPING (Taiwan, Thailand), GIFTSHOP, EZ STORE, QUICK EC, MyShop, ZOZOFIT <sup>6</sup> , LINE FRIENDS, LINE TRAVEL (Taiwan), LINE MAN, LINE Stickers <sup>4</sup> , LINE GAME <sup>4</sup> , DOSI <sup>7</sup>

1. YAHUOKU! is scheduled to be renamed to Yahoo! JAPAN Auction in autumn of 2023.
2. PayPay Flea Market is scheduled to be renamed to Yahoo! JAPAN Flea Market in autumn of 2023.
3. From FY2023 Q1, changed definition to include APMRO and FEED DENTAL.
4. Revenue from these services are recorded in the Media Business segment.
5. Revenue from this service is recorded in the Strategic Business segment.
6. From FY2023 Q1, includes transaction value of ZOZOFIT.
7. Global NFT platform. Revenue from this service is recorded in the Strategic Business segment.