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August 4, 2023

To whom it may concern:

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(Code No.: 2678, Tokyo Stock Exchange Prime Market)  
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## **Notice Regarding Disposal of Treasury Stock as Restricted Stock Remuneration and Issuance of New Shares**

ASKUL Corporation (the “Company”), at its Board of Directors’ meeting held today, resolved to dispose its treasury stock (hereinafter the “Disposal of the Treasury Stock” or the “Disposal”) and issue new shares (hereinafter the “Issuance of New Shares” or the “Issuance”) as follows.

### **1. Outline of Disposal and Issuance**

#### **<Outline of Disposal of the Treasury Stock to Directors and Executive Officers of the Company and Directors of the Company’s subsidiaries>**

(1) Date of disposal	August 31, 2023
(2) Class and number of shares for disposal	23,000 shares of common stock of the Company (of which, 13,300 performance-linked shares, and 9,700 ESG Indicator-linked shares)
(3) Disposal price	1,915 yen per share
(4) Total amount of disposal	44,045,000 yen
(5) Purchasers, number of purchasers, and number of shares for disposal	Directors of the Company*: 3 Directors, 10,500 shares (of which, 6,400 performance-linked shares, and 4,100 ESG Indicator-linked shares) Executive Officers of the Company: 8 Executive Officers, 8,700 shares (of which, 4,400 performance-linked shares, and 4,300 ESG Indicator-linked shares) Directors of the Company’s subsidiaries: 2 Directors, 3,800 shares (of which, 2,500 performance-linked shares, and 1,300 ESG Indicator-linked shares) *Directors excluding Outside Directors

**<Outline of Issuance of New Shares to employees of the Company>**

(1) Date of allotment	October 31, 2023
(2) Class and number of shares for issuance	46,500 shares of common stock of the Company (of which, 31,000 performance-linked shares, and 15,500 ESG Indicator-linked shares)
(3) Issuance price	1,915 yen per share
(4) Total amount of issuance	89,047,500 yen
(5) Allottees, number of allottees, and number of shares for allotment	The Company's employees such as Vice Executive Officers and General Managers* <sup>1</sup> : 121 persons* <sup>2</sup> (of which, 31,000 performance-linked shares, and 15,500 ESG Indicator-linked-shares) *1 Including 4 general managers and 2 concurrently serving directors at seconded companies *2 Number of persons as of August 4, 2023

## **2. Purpose of and Reason for Disposal and Issuance**

The Company, at its Board of Directors' meeting held on July 4, 2018, resolved to introduce a restricted stock remuneration plan with the aim of giving incentives to achieve the sustainable enhancement of the Company's corporate value for the Company's directors (directors eligible to receive restricted stock shall hereinafter be referred to as "Eligible Directors") and further promote sharing value with shareholders.

In addition, at the 55th Annual General Meeting of Shareholders held on August 2, 2018, the Company approved that: it provides monetary compensation claims to Eligible Directors based on the Plan up to 160 million yen per year (of which, the amount paid to Outside Directors shall not exceed 40 million yen per year, not including employee salaries for directors who serve concurrently as employees) as monetary compensation to be used as contributed assets to acquire the restricted stock (hereinafter referred to as the "Restricted Stock Remuneration"); the total number of shares of the Company's common stock to be newly issued or disposed of by making payments in kind as contributed assets using all of the monetary compensation claims provided by the Company shall not exceed 50,000 shares per year (however, in the event of a stock split (including allotment of the Company's common stock without contribution) or a reverse stock split of the Company's common stock or in the event that the total number of the Company's common stock to be issued or disposed of as restricted stock needs to be adjusted, such total number of the Company's common stock will be adjusted within a reasonable extent); the amount paid in per common stock issued or disposed of shall be the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day before the day of each resolution of the Board of Directors (or, if no trading is reported on the day, it shall be the closing price on the immediately preceding trading day); and the period in which transfer of the restricted stock is restricted shall be as determined by the Board of Directors of the Company to be between three years and five years from the date of allotment.

Moreover, the Company has introduced the restricted stock remuneration system as a new remuneration plan for, in addition to the Eligible Directors, the Company's Executive Officers and the Company's subsidiaries' Directors (together with the Eligible Directors, hereinafter collectively referred to as the "Eligible Directors, Etc.") for the same purpose as set forth above.

At the 60th Annual General Meeting of Shareholders held on August 4, 2023, the following matters were resolved:

- (1) As part of the review of the director compensation system, in addition to the existing performance-linked restricted stock compensation, the Company, which advocates ethical e-commerce, shall pay restricted stock compensation with the achievement of ESG indicators as a new condition for the removal of transfer restrictions (hereinafter referred to as the "ESG Indicator Conditions") to Eligible Directors, Etc. of the Company within the framework of the abovementioned amounts of compensation, with the aim of increasing effectiveness in resolving ESG issues.
- (2) The total number of shares of common stock of the Company to be granted based on the system shall be no more than 100,000 shares per annum in combination with those related to existing performance-linked restricted stock compensation.

Furthermore, for the restricted stock subject to the removal of transfer restrictions with the achievement of business performance conditions and ESG Indicator Conditions, it was decided to grant a total of 23,000 shares of common stock of the Company (of which, 13,300 performance-linked shares, and 9,700 ESG Indicator-linked shares) for the purpose of contributed assets using a total of 44,045,000 yen of monetary compensation claims for Eligible Directors, Etc. It was also decided to grant a total of 46,500 shares of common stock of the Company (of which, 31,000 performance-linked shares, and 15,500 ESG Indicator-linked shares) for the purpose of contributed assets using a total of 89,047,500 yen of monetary compensation claims for the Company's employees such as Vice Executive Officers and General Managers (hereinafter referred to as the "Eligible Employees") and for the Company at the Board of Directors' meeting held on August 4, 2023 for the purpose of 1) achievement of the Medium-Term Management Plan by the Company's employees and 2) enhancing a sense of participation through

management with an awareness of the stock price. As above, although restricted stock compensation for existing Eligible Directors, Etc. is called the “Plan,” restricted stock compensation for Eligible Employees will be implemented by utilizing the Plan.

The outline, etc. of the Plan is as set forth below.

#### <Outline of the Plan>

Eligible Directors, Etc. and Eligible Employees (hereinafter collectively referred to as the “Eligible Persons”) based on the Plan, will make payments in kind as contributed assets using all of the monetary compensation claims provided to them by the Company or a subsidiary of the Company, and shall receive the issuance or disposal of common stock of the Company.

Upon issuance or disposal of the Company’s common stock under the Plan, the Company and Eligible Persons shall conclude an agreement on the allotment of restricted stock with the following contents: 1) Eligible Persons may neither transfer, set collateral rights for, nor otherwise dispose of the Company’s common stock allocated pursuant to the agreement for a certain period of time; and 2) in case a certain event occurs, the Company will acquire the said common stock without a contribution.

In consideration of the purpose of the Plan, the business conditions of the Company, the scope of duties of each Eligible Person, and various circumstances, the Company has decided to dispose and issue common stock of the Company (hereinafter referred to as the “Shares” or the “Allotted Shares”) to 13 Eligible Directors, Etc. and 121 Eligible Employees, using the monetary compensation claims or monetary claims as contributed assets as follows.

- (1) Restricted Stock Remuneration to Eligible Directors, Etc. (Performance-linked)
  - i) A total of 25,469,500 yen of monetary compensation claims (of which, 12,256,000 yen for Directors, 8,426,000 yen for Executive Officers, and 4,787,500 yen for Directors of the Company’s subsidiaries)
  - ii) A total of 13,300 shares of common stock (of which, 6,400 shares for Directors, 4,400 shares for Executive Officers, and 2,500 shares for Directors of the Company’s subsidiaries)
- (2) Restricted Stock Remuneration to Eligible Directors, Etc. (ESG Indicator-linked)
  - i) A total of 18,575,500 yen of monetary compensation claims (of which, 7,851,500 yen for Directors, 8,234,500 yen for Executive Officers, and 2,489,500 yen for Directors of the Company’s subsidiaries)
  - ii) A total of 9,700 shares of common stock (of which, 4,100 shares for Directors, 4,300 shares for Executive Officers, and 1,300 shares for Directors of the Company’s subsidiaries)
- (3) Restricted Stock Remuneration to Eligible Employees (Performance-linked)
  - i) A total of 59,365,000 yen of monetary claims
  - ii) A total of 31,000 shares of common stock
- (4) Restricted Stock Remuneration to Eligible Employees (ESG Indicator-linked)
  - i) A total of 29,682,500 yen of monetary compensation claims
  - ii) A total of 15,500 shares of common stock

### **3. Outline of Allocation Agreement**

#### **(1) Transfer restriction period**

(a) Restricted Stock Remuneration to Eligible Directors, Etc.

From August 31, 2023 to August 30, 2026

(b) Restricted Stock Remuneration to Eligible Employees

From October 31, 2023 to August 30, 2026

#### **(2) Condition for lifting restriction on transfer**

The Company will lift the restriction on transfer with respect to all shares related to each of the

following business performance conditions and the ESG Indicator Conditions at the expiration of the transfer restriction period on the condition that the Eligible Persons continuously hold a position of Director, Audit & Supervisory Board Member, Executive Officer, employee, or other equivalent position of the Company or a consolidated subsidiary or an affiliated company of the Company during the transfer restriction period.

**i) Business performance conditions**

The Company will lift the restriction on transfer with respect to all the Allocated Shares at the expiration of the transfer restriction period provided that the following two conditions, (A) and (B) (hereinafter collectively referred to as the “Business Performance Conditions”) regarding business performance figures specified in a Securities Report or a summary of financial results filed by the Company for the third fiscal year (the fiscal year ending May 2024) of the Medium-Term Management Plan announced in July 2021 (hereinafter collectively referred to as the “Securities Report, Etc.”) are satisfied at the same time or either one of them is satisfied:

- A) Consolidated net sales exceed 482.0 billion yen; and
- B) Consolidated operating profit exceeds 16.5 billion yen.

**ii) ESG Indicator Conditions**

The Company will lift the restriction on transfer with respect to all the Allocated Shares at the expiration of the transfer restriction period provided that the prescribed number of criteria are achieved within the annual targets (hereinafter collectively referred to as the “ESG Indicator Conditions”) for the following five criteria (for restricted stock compensation for Eligible Employees, the four criteria excluding v) Governance) related to the Company’s Material Issues (important issues).

<E: Environment>

- i) Reduction in the number of delivered box by increasing the number of products in each box
- ii) Increase the number of customers (number of IDs) who purchase products with environmental scores

<S: Society>

- iii) Employee engagement index which represents the connection between corporations and employees
- iv) 30% female manager ratio

<G: Governance>

- v) Evaluations by external organizations that evaluate initiatives concerning the governance

**(3) Treatment of Eligible Persons who retire or resign from their positions during the transfer restriction period due to the expiration of term of office, expiration of term of a contract, mandatory retirement age, death, or any other legitimate reason**

If any Eligible Persons retire or resign from a position of Director, Audit & Supervisory Board Member, Executive Officer, employee, or other equivalent positions of the Company or a consolidated subsidiary or an affiliated company of the Company due to expiration of term of office, expiration of term of a contract, mandatory retirement age, death, or any other legitimate reason (excluding such Eligible Persons’ own convenience; hereinafter the same shall apply) after filing of the Securities Report, Etc. for the fiscal year ending May 2024 and after August 21, 2024 and before expiration of the transfer restriction period, the Company will lift the restriction on transfer of all the Allocated Shares related to the Business Performance Conditions and the ESG Indicator Conditions for such Eligible Persons who retires or resigns from his/her position due to death at a time separately determined by the Board of Directors after his/her death with the condition that both or one of the Business Performance Conditions are achieved, or the prescribed number of criteria within the ESG Indicator Conditions are achieved as

per the already filed Securities Report, Etc. If such Eligible Persons retire or resign from his/her position due to a legitimate reason other than death, the Company will lift the restriction on transfer of all the Allocated Shares related to the Business Performance Conditions and the ESG Indicator Conditions for such Eligible Persons at expiration of the transfer restriction period with the condition that both or one of the Business Performance Conditions are achieved, or the prescribed number of criteria within the ESG Indicator Conditions are achieved as per the already filed Securities Report, Etc.

#### **(4) Acquisition by the Company without contribution**

If the Business Performance Conditions and the ESG Indicator Conditions are not satisfied, the Company will, immediately after such time, acquire, automatically and without contribution, all the Allocated Shares of the Allocated Shares tied to the respective Business Performance Conditions or ESG Indicator Conditions owned by Eligible Persons immediately after such time for which restriction on transfer is not lifted.

In the event of (3) above, if any Eligible Persons retire or resign from a position of Director, Audit & Supervisory Board Member, Executive Officer, employee, or other equivalent positions of the Company or a consolidated subsidiary or an affiliated company of the Company due to expiration of term of office, expiration of term of a contract, mandatory retirement age, death, or any other legitimate reason, the Company will acquire, automatically and without contribution, all the Allocated Shares tied to the respective Business Performance Conditions or ESG Indicator Conditions of such Eligible Persons who retire or resign from his/her position due to death upon his/her retirement or resignation if the Business Performance Conditions and the ESG Indicator Conditions have not been satisfied. Moreover, in the event of (3) above, if such Eligible Persons retire or resign from his/her position due to a legitimate reason other than death, the Company will acquire, automatically and without contribution, all the Allocated Shares tied to the respective Business Performance Conditions or ESG Indicator Conditions of such Eligible Persons on the relevant retirement or resignation date if the Business Performance Conditions and the ESG Indicator Conditions have not been satisfied.

If any Eligible Persons retire or resign from a position of Director, Audit & Supervisory Board Member, Executive Officer, employee, or other equivalent positions of the Company or a consolidated subsidiary or an affiliated company of the Company due to a reason other than expiration of term of office, expiration of term of a contract, mandatory retirement age, death, or any other legitimate reason, the Company will acquire, automatically and without contribution, all the Allocated Shares of such Eligible Persons upon his/her retirement or resignation.

#### **(5) Management of stock**

Allocated Shares will be managed in dedicated accounts at Nomura Securities Co., Ltd. opened by Eligible Persons during the transfer restriction period in order to ensure that it is not possible to transfer, set collateral rights for, or otherwise dispose of the shares during the transfer restriction period. In order to secure the effectiveness of the restriction on transfer, etc. of the Allocated Shares, the Company has executed an agreement with Nomura Securities Co., Ltd. on the management of accounts for the Allocated Shares owned by each Eligible Person. Eligible Persons shall consent to the management of such accounts.

#### **(6) Handling at the time of organizational restructuring, etc.**

If, during the transfer restriction period, a merger agreement in which the Company becomes the absorbed company, a share exchange agreement or a share transfer plan under which the Company becomes a wholly-owned subsidiary of another company, or any other matter related to organizational restructuring, etc. is approved at a general meeting of shareholders of the Company (or by the Board of Directors of the Company if approval of a general meeting of shareholders of the Company is not

required in relation to the said organizational restructuring, etc.) (only if the said organizational restructuring, etc. takes effect after August 31, 2024 and before expiration of the transfer restriction period), upon a resolution of the Board of Directors of the Company, the Company will, at the time immediately preceding the business day before the date on which the said organizational restructuring, etc. takes effect, lift the restriction on transfer with respect to all the Allocated Shares related to each of the Business Performance Conditions and the ESG Indicator Conditions on the condition that the both conditions will be satisfied after the fiscal year ending May 2024 and before the date of such approval.

In the event set forth above, the Company will acquire, automatically and without contribution, the Allocated Shares owned by Eligible Persons for which the restriction on transfer is not lifted on the business day preceding the date on which the said organizational restructuring, etc. takes effect.

#### **4. Basis for Calculation and Details of Amount to Be Paid in**

The Disposal of the Treasury Stock and the Issuance of New Shares to the persons who will receive the Allocated Shares will be made for payments of contributed assets using all of the monetary compensation claims, etc. provided by the Company or a subsidiary of the Company as Restricted Stock Remuneration for fiscal year ending May 2024. The disposal price is 1,915 yen, the closing price of the Company's common stock on the Tokyo Stock Exchange on August 3, 2023 (the business day before the date of the resolution of the Board of Directors) to avoid arbitrariness. Because this price is the market stock price at the time immediately preceding the date of the resolution of the Board of Directors, we believe the price is reasonable and is not a particularly favorable price.