

November 7, 2023

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 2023 announced today by LY Corporation (headquarters: 1-3 Kioicho, Chiyoda-ku, Tokyo; representative: Takeshi Idezawa, President and Representative Director, CEO), 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, LOHACO net sales, consolidated revenue and cost of sales, etc. Please note that the consolidated accounting periods of LY 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 LY Corporation applies IFRS as accounting standards.

Consolidated accounting period	LY Corporation	Company
Second quarter	From July 1, 2023, to September 30, 2023 • Page 1 The Company’s adjusted EBITDA is described as factors of increase for LY Corporation’s factors behind change in adjusted EBITDA. • Page 2 and 8 B-to-B net sales placed via the internet in every quarter • Page 3 LOHACO net sales and growth rate in every quarter • Page 6 The Company’s consolidated revenue and cost of sales are described as factors of increase of LY Corporation’s factors behind change in operating income.	From August 21, 2023 to November 20, 2023

Appendix: LY Corporation Financial Briefing Presentation Materials for the Q2 (excerpt)

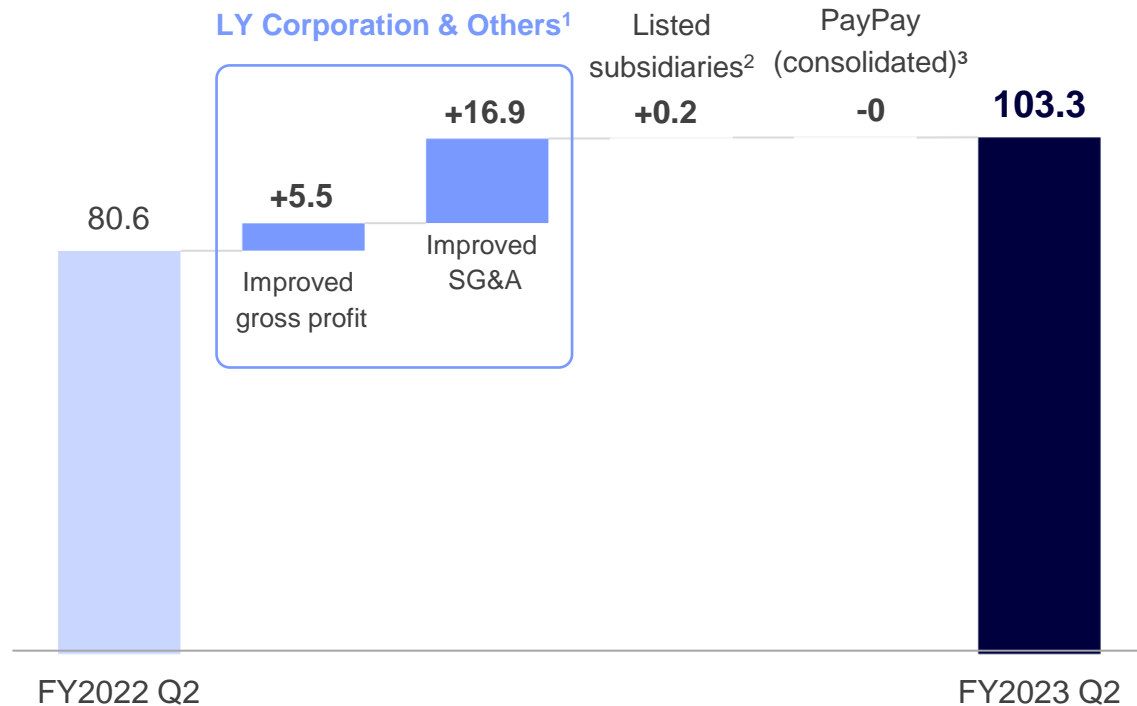
Note: LY Corporation holds 44.92% of the Company’s outstanding shares as of May 20, 2023.

Factors Behind Change in Adjusted EBITDA

- In addition to a recovery trend in LY Corporation's gross profit, efforts to reduce fixed costs proceeded better than planned.

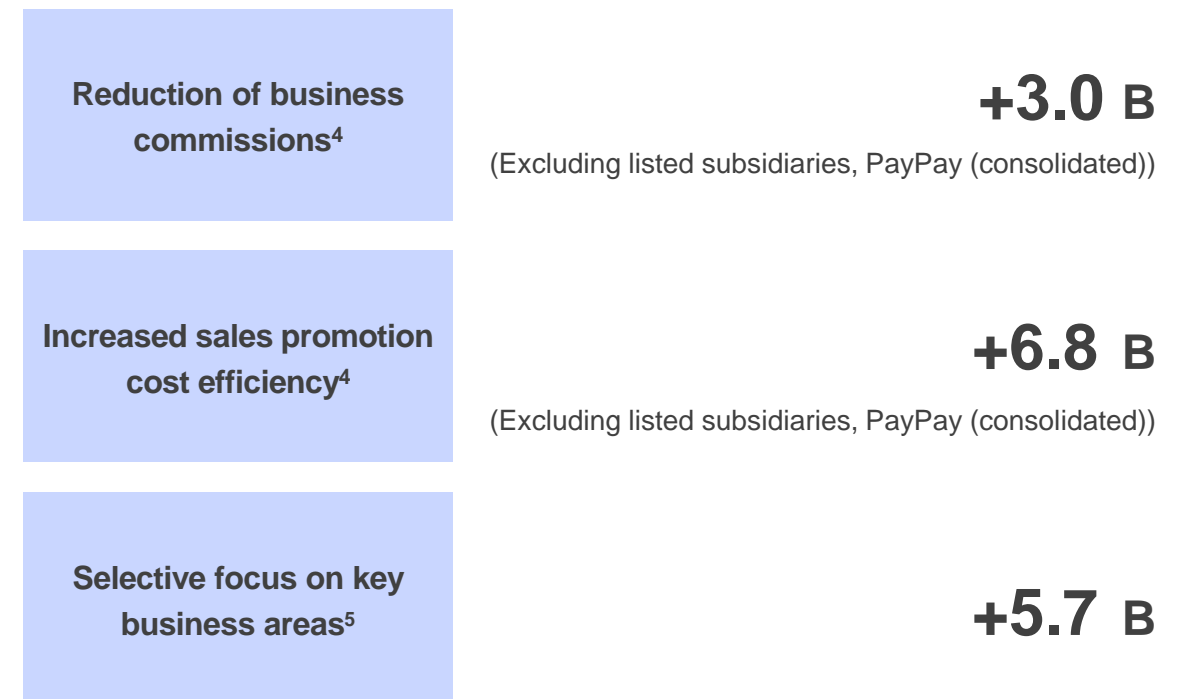
Factors Behind Change in Adjusted EBITDA

(JPY B)



Improvements in FY2023 Q2 (SG&A/Adjusted 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 are shown after the elimination of internal transactions between the two companies and have been independently calculated following relevant IFRS adjustments.

4. Amount of improvement according to financial accounting-based SG&A.

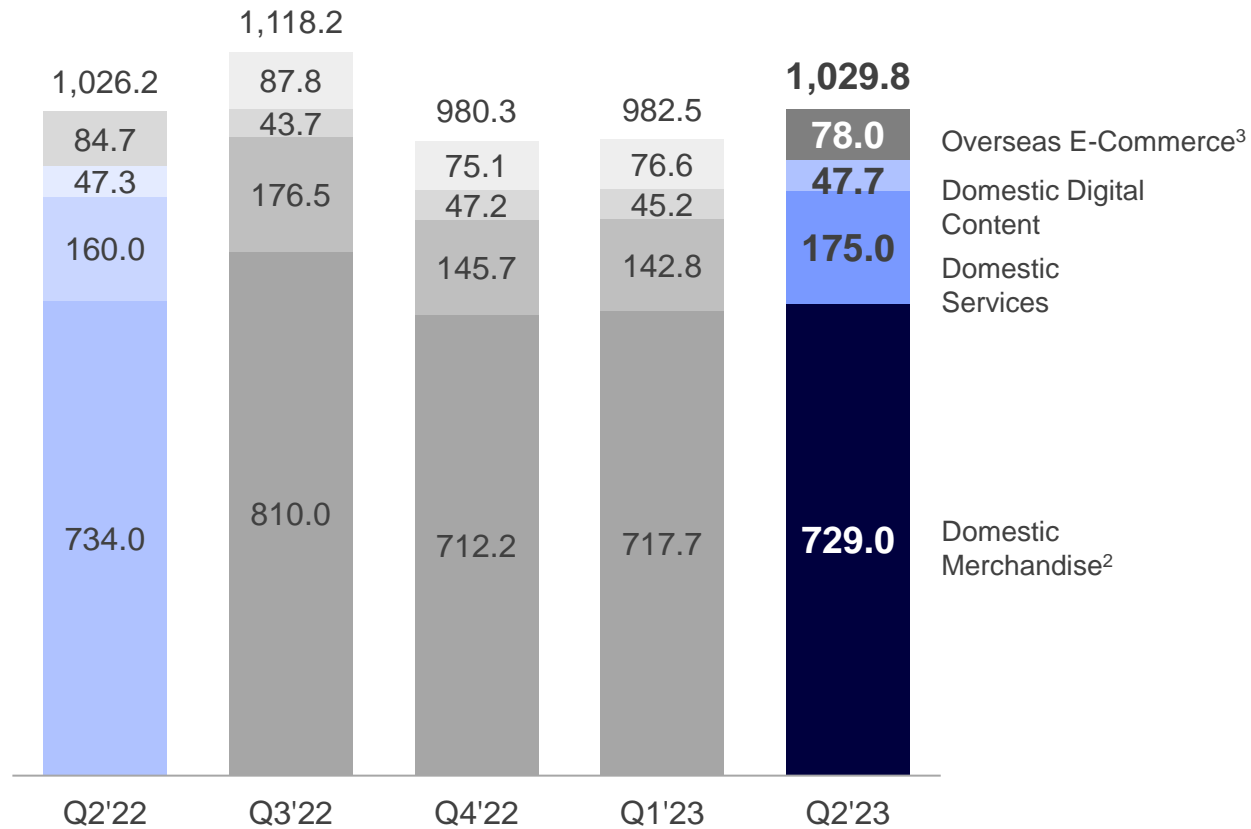
5. Amount of improvement according to financial accounting-based EBITDA.

Business Overview (E-Commerce Transaction Value)

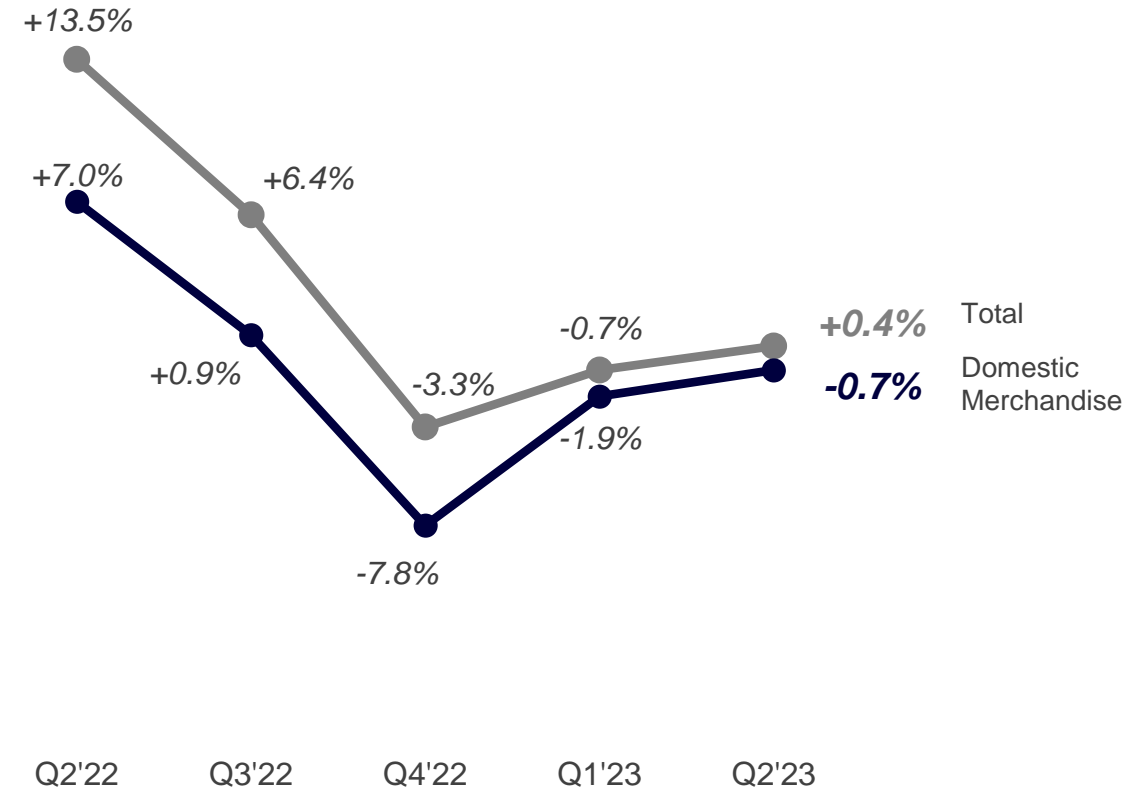
- E-commerce transaction value achieved positive YoY growth this quarter.

Group E-Commerce Transaction Value¹

(JPY B)



Group E-Commerce Transaction Value¹ - YoY Growth Rate



1. Please refer to P.20 of the Appendix for a definition of "transaction value."

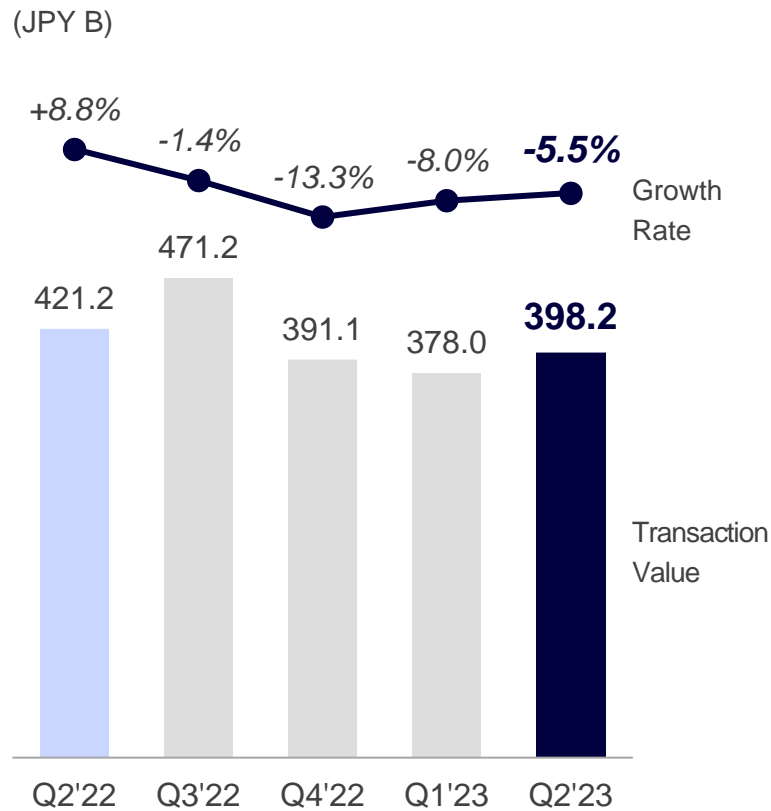
2. From FY2023 Q1, the definition has been changed to include APMRO and FEED DENTAL in ASKUL's online BtoB business.

3. From FY2023 Q1, includes the transaction value of ZOZOFIT.

• Shopping growth continues to improve while travel recorded double-digit growth.

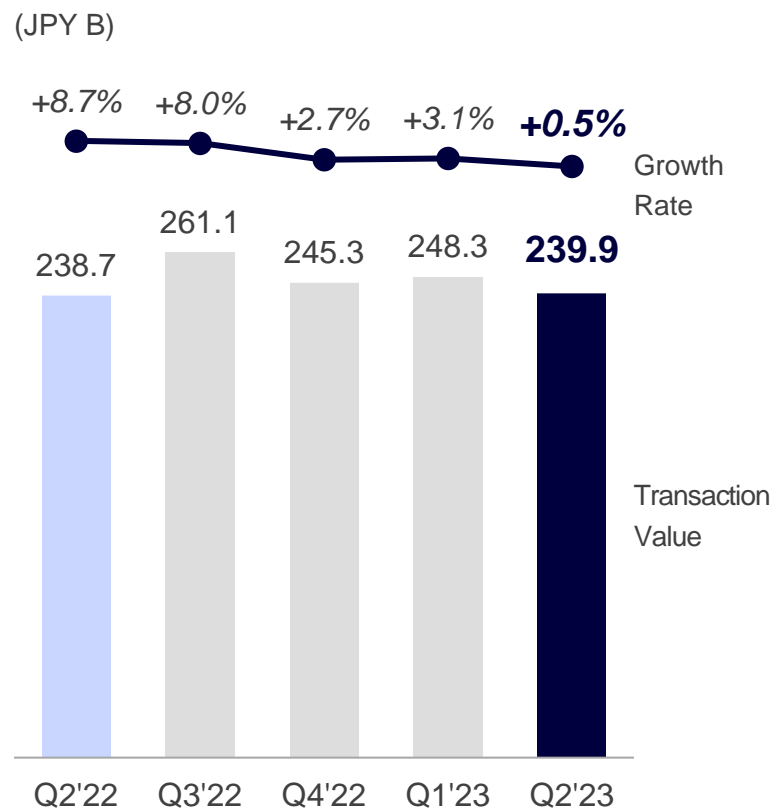
Domestic Shopping Transaction Value¹
– YoY Growth Rate

Yahoo! JAPAN Shopping, LINE GIFT, ZOZOTOWN, LOHACO, etc.



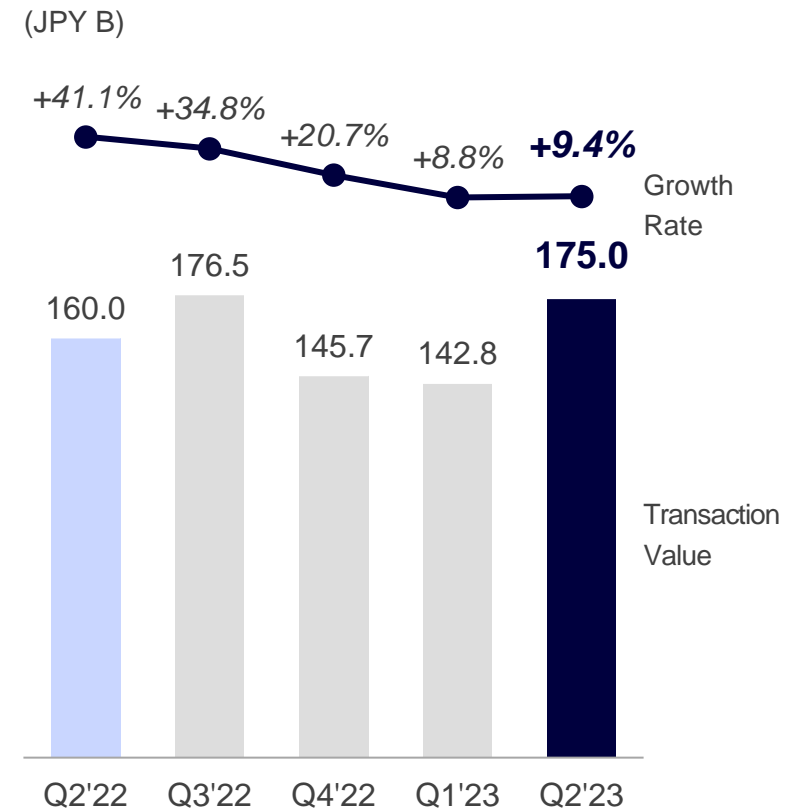
Domestic Reuse Transaction Value¹
– YoY Growth Rate

YAHUOKU!,² PayPay Flea Market,³ ZOZOUSED



Domestic Services Transaction Value¹
– YoY Growth Rate

Ikyu.com, Yahoo! JAPAN Travel, Yahoo! JAPAN Loco, Demae-can, etc.



1. Please refer to P.20 of the Appendix for a definition of “transaction value.”

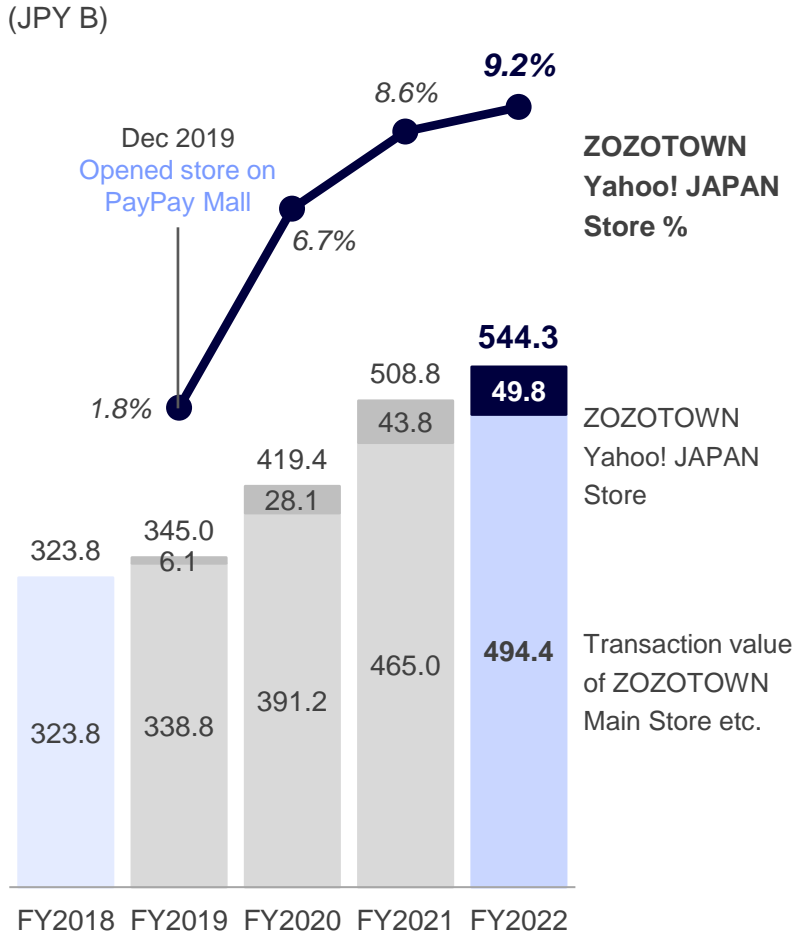
2. YAHUOKU! has been renamed as Yahoo! JAPAN Auction on November 1, 2023.

3. PayPay Flea Market has been renamed as Yahoo! JAPAN Flea Market on November 1, 2023.

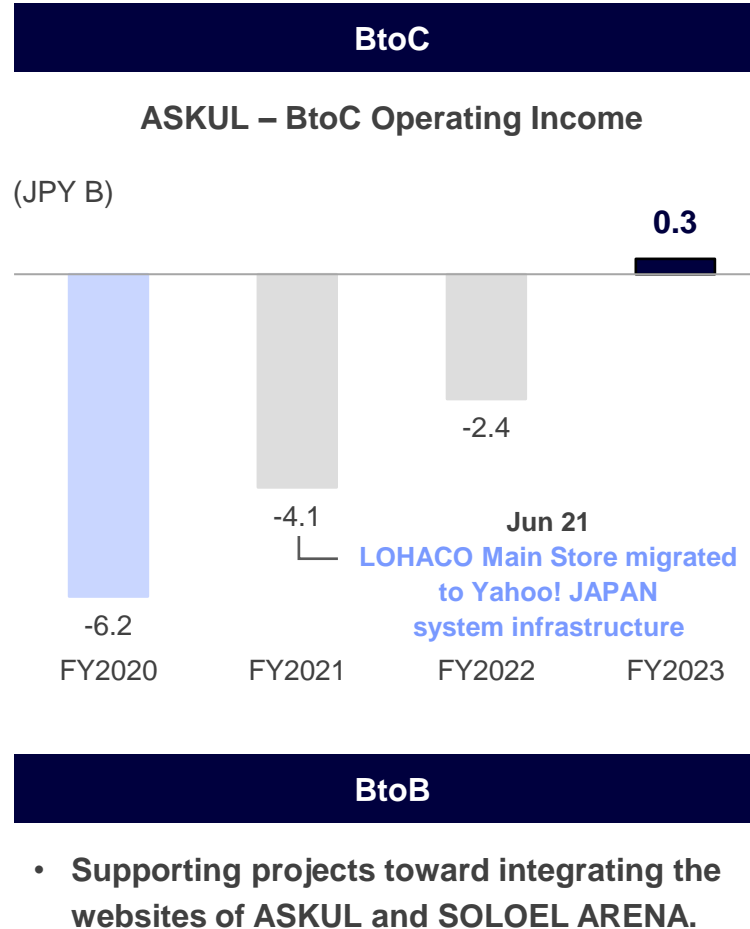
Synergy with ZOZO and ASKUL

- LY Corporation's strengths, particularly user base and technical capabilities, contributed to ZOZO and ASKUL's growth.

ZOZO – Expanding Customer Base



ASKUL – BtoC Achieved Profitability



Contribution to LY Corporation's Ecosystem

Avg. Number of Orders in a Month
(Compared with Those Using Yahoo! JAPAN Shopping Only)

Yahoo! JAPAN Shopping +
ZOZOTOWN Yahoo! JAPAN Store users

Approx. 3.0x¹

Yahoo! JAPAN Shopping +
LOHACO Yahoo! JAPAN Store users

Approx. 4.0x¹

1. The average number of orders placed on Yahoo! JAPAN Shopping was compared with the combined number of orders made by users on (i) Yahoo! JAPAN Shopping and ZOZOTOWN Yahoo! JAPAN Store, and on (ii) Yahoo! JAPAN Shopping and LOHACO Yahoo! JAPAN Store in FY2022.

3. Commerce

- Both LINE and Yahoo! JAPAN Search will provide convenient commerce experiences at great value.

A wide variety of commerce experiences



NEW

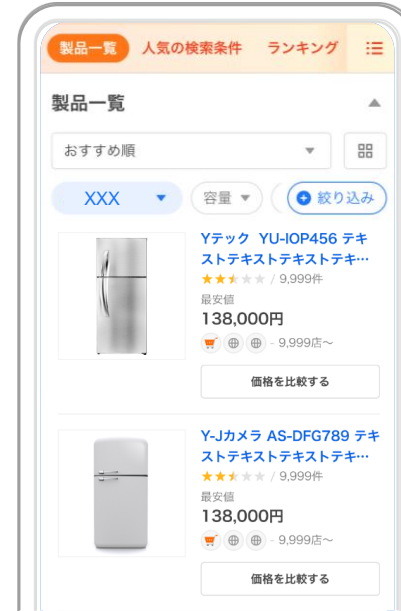
LYP Premium Membership¹

LYP Premium



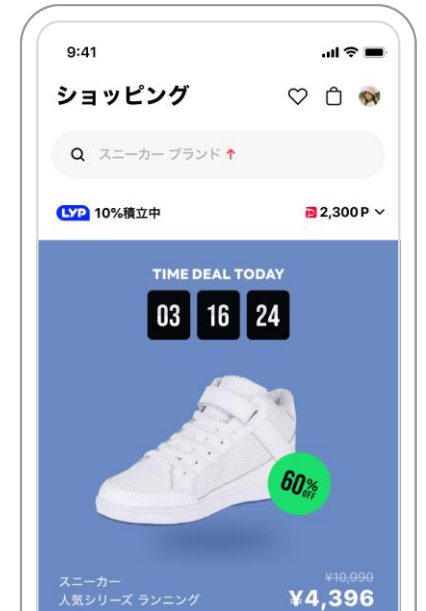
NEW

Integrated Commerce Search¹



NEW

Shopping Tab¹



1. The content depicted in these images is under development and may be subject to changes in the future.

FY2023 Q2 Factors Behind Change in Operating Income

(JPY B)

		FY2023 Q2	YoY Difference	YoY	Major Factors of Change ¹ (JPY B)	
Revenue		441.2	+46.9	+11.9%	<ul style="list-style-type: none"> PayPay (Consolidated)² +36.5 ASKUL (Consolidated) +5.6 	<ul style="list-style-type: none"> LINE (Consolidated) +7.5 Ikyu +3.8
Cost of sales		125.6	+1.9	+1.6%	<ul style="list-style-type: none"> ASKUL (Consolidated) +4.0 ValueCommerce -0.8 	<ul style="list-style-type: none"> LINE (Consolidated) +1.4 Yahoo Japan -2.2
SG&A		262.9	+32.8	+14.3%	<ul style="list-style-type: none"> PayPay (Consolidated)² +40.1 	<ul style="list-style-type: none"> Yahoo Japan -8.0
(Major items)	Personnel expense	68.9	+7.9	+13.0%	<ul style="list-style-type: none"> Yahoo Japan +2.5 	<ul style="list-style-type: none"> LINE (Consolidated) +1.3
	Depreciation and amortization	40.3	+6.2	+18.4%	<ul style="list-style-type: none"> Yahoo Japan +2.9 	<ul style="list-style-type: none"> LINE (Consolidated) +1.4
	Sales promotion cost	33.0	+2.1	+6.9%	<ul style="list-style-type: none"> Yahoo Japan -8.3 	
	Business commissions	30.7	+0.5	+1.8%	<ul style="list-style-type: none"> LINE (Consolidated) -2.4 	<ul style="list-style-type: none"> Yahoo Japan -2.0
Other income & expenses		4.0	-5.1	-55.7%		
Operating income		56.7	+6.9	+14.0%		

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

2. Compared PayPay Card Corporation's non-consolidated figure for FY2022 Q2 with PayPay Corporation (Consolidated) figure for FY2023 Q2 which includes PayPay Corporation and PayPay Card Corporation after eliminating internal transactions between the two companies.

Change in Reporting Sub-Segments

- Sub-segments to be changed from FY2023 Q3, to accommodate merger and growth phase of each business.

Until FY2023 Q2

Media Business	LINE Ads	<ul style="list-style-type: none"> Display ads Other LINE Ads 	<ul style="list-style-type: none"> Account ads
	Yahoo! JAPAN Ads	<ul style="list-style-type: none"> Search ads Display ads (Reservation) 	<ul style="list-style-type: none"> Display ads (Programmatic)
	Other	<ul style="list-style-type: none"> LINE Stickers , LINE GAME, LINE MUSIC, ebookjapan, Yahoo! JAPAN Loco, etc. 	
Commerce Business	Merchandise	<ul style="list-style-type: none"> Shopping business ASKUL's BtoB business 	<ul style="list-style-type: none"> Reuse business
	Services e-commerce	—	
	Other	—	
Strategic Business	Fintech	<ul style="list-style-type: none"> PayPay (Consolidated)¹ Other finance 	<ul style="list-style-type: none"> PayPay Bank
	Other	—	

From FY2023 Q3

Media Business	Search ads	—	
	Account ads	—	
	Display ads	<ul style="list-style-type: none"> Display ads (Programmatic) Display ads (Reservation) 	
	Other	<ul style="list-style-type: none"> LINE Stickers , LINE GAME, LINE MUSIC, ebookjapan, Yahoo! JAPAN Loco, Premium membership, etc. 	
Commerce Business	LY Corporation	<ul style="list-style-type: none"> Shopping business Services e-commerce business 	<ul style="list-style-type: none"> Reuse business Other
	ZOZO/ASKUL	<ul style="list-style-type: none"> ZOZO ValueCommerce 	<ul style="list-style-type: none"> ASKUL
Strategic Business	Fintech	<ul style="list-style-type: none"> PayPay (Consolidated)¹ Other finance 	<ul style="list-style-type: none"> PayPay Bank
	Other	—	

1. PayPay Corporation and PayPay Card Corporation.

Business Results (P/L): Commerce Business

(JPY Million)	FY2022 Q2 ¹	FY2023 Q2 ¹	YoY
Revenue	205,911	208,927	+1.5%
Merchandise e-commerce	164,856	174,935	+6.1%
Shopping business	77,136	71,627	-7.1%
Reuse business	13,632	13,027	-4.4%
ASKUL online BtoB business ²	74,087	90,279	+21.9%
Services e-commerce	7,998	8,696	+8.7%
Other	33,056	25,295	-23.5%
Cost of sales	88,853	92,320	+3.9%
Selling, general and administrative expenses	94,392	89,995	-4.7%
Sales promotion cost + Advertising and promotional expenses	27,803	19,034	-31.5%
Other selling, general and administrative expenses	66,588	70,961	+6.6%
Other revenue and expenses	-	4,068	N/A
Adjusted EBITDA (Margin)	36,015 (17.5%)	42,119 (20.2%)	+16.9%

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

2. From FY2023 Q1, the definition has been changed to include APMRO and FEED DENTAL.

Major Services and Products of Commerce Business Segment

Item	Breakdown
Merchandise e-commerce	-
Shopping business	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
Reuse business	YAHUOKU! ¹ , PayPay Flea Market ² , ZOZOUSED
ASKUL online BtoB business³	ASKUL, SOLOEL ARENA, APMRO, FEED DENTAL, etc.
Services e-commerce	Yahoo! JAPAN Travel, Ikyu Travel, LINE TRAVEL (Taiwan), etc.
Others	Premium membership, ASKUL non-online BtoB business, ValueCommerce, etc.

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

KPI - Definition of E-Commerce Transaction Value

Item	Major Services/Products
E-commerce 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! ¹ , PayPay Flea Market ² , ZOZOUSED
ASKUL online BtoB business³	ASKUL, SOLOEL ARENA, APMRO, FEED DENTAL, etc.
Domestic services	Ikyu.com, Yahoo! JAPAN Travel, Yahoo! JAPAN Loco ⁴ , Demae-can, LINE PLACE
Domestic digital content	ebookjapan, LINE Manga, LINE MUSIC, LINE Stickers, LINE GAME, LINE Fortune, LINE NFT ⁵ , other paid digital content
Overseas e-commerce	LINE SHOPPING (Taiwan, Thailand), GIFTSHOP, EZ STORE, QUICK EC, MyShop, ZOZOFIT ⁶ , LINE FRIENDS, LINE TRAVEL (Taiwan), LINE MAN, LINE Stickers ⁴ , LINE GAME ⁴ , DOSI ⁷

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3. From FY2023 Q1, the definition has been changed 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 the transaction value of ZOZOFIT.

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