

Financial Results for the Second Quarter of the Fiscal Year Ending May 20, 2024

December 15, 2023
ASKUL Corporation



[Disclaimer]

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[Segment]

- ✓ ASKUL is reporting its operating performances by dividing its organization into three segments: E-commerce Business, Logistics Business, and Other. E-commerce Business refers to sales of OA and PC supplies, stationery, living supplies, furniture, foods and drinks, alcoholic beverages, pharmaceuticals, cosmetics, etc. Logistics Business refers to logistics and small-cargo transportation service to companies.
- ✓ Subject to inclusion in the results of each segment are indicated as follows:

Segment		Subject to inclusion in the results of the segment shown on the left	
		ASKUL Business	Major Subsidiaries
E-commerce Business	B-to-B Business	B-to-B Business	AlphaPurchase Co., Ltd., BUSINESSSMART CORPORATION, SOLOEL Corporation, FEED Corporation, ASKUL LOGIST Corporation
	B-to-C Business	LOHACO Business	charm Co., Ltd., ASKUL LOGIST Corporation
Logistics Business		-	ASKUL LOGIST Corporation
Other		-	TSUMAGOI MEISUI CORPORATION

[Fiscal Year]

Fiscal year runs from May 21 of each year to May 20 of the following year, a month runs from 21st of each month to 20th of the following month.

[Other]

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Significantly improved profit structure, aiming for further profit growth

Consolidated Results

- ✓ Posted record-high on both net sales and each profit stage
- ✓ Operating profit for Q2 period before provision for performance-linked bonuses, etc. (based on actual performance) increased by more than 20% YoY

B-to-B Business

- ✓ Achieved two-digit sales growth, but about 1% short of the plan, aiming to achieve the plan for the full-year
- ✓ Operating profit exceeded the plan due to improvement in gross profit margin and variable cost ratio
- ✓ Revised the threshold for free shipping as planned, leading to further improvement of profit structure and logistics quality

B-to-C Business (LOHACO)

- ✓ Decline in net sales has almost bottomed out, and aiming for regrowth in the second half with the expansion of product lineup and the effect of large-scale sales promotions, etc.
- ✓ Operating profit was maintained in profitable, and strengthening its own sales promotions in the second half
- ✓ Integration of Main Store into Yahoo! Shopping Store completed without major issues, and marketing efficiency improved

I Earnings results for the Second Quarter of the Fiscal Year Ending May 2024

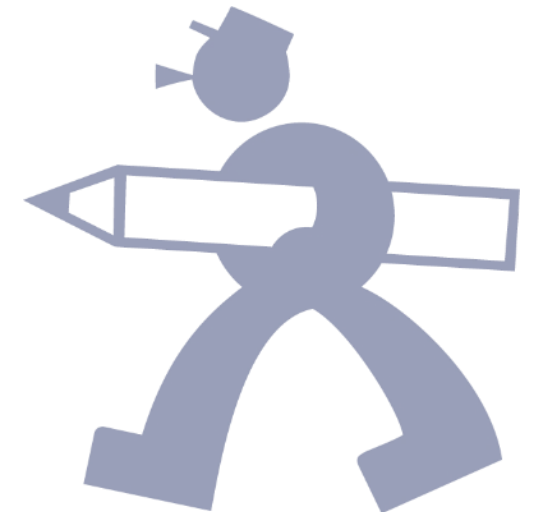
II Progress of Business

- B-to-B
- B-to-C

III Establishment of ASKUL Kanto DC and Reorganization of Logistics Bases

IV ESG / DX

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FY5/2024 Q2 Earnings Results

Consolidated



(¥million)

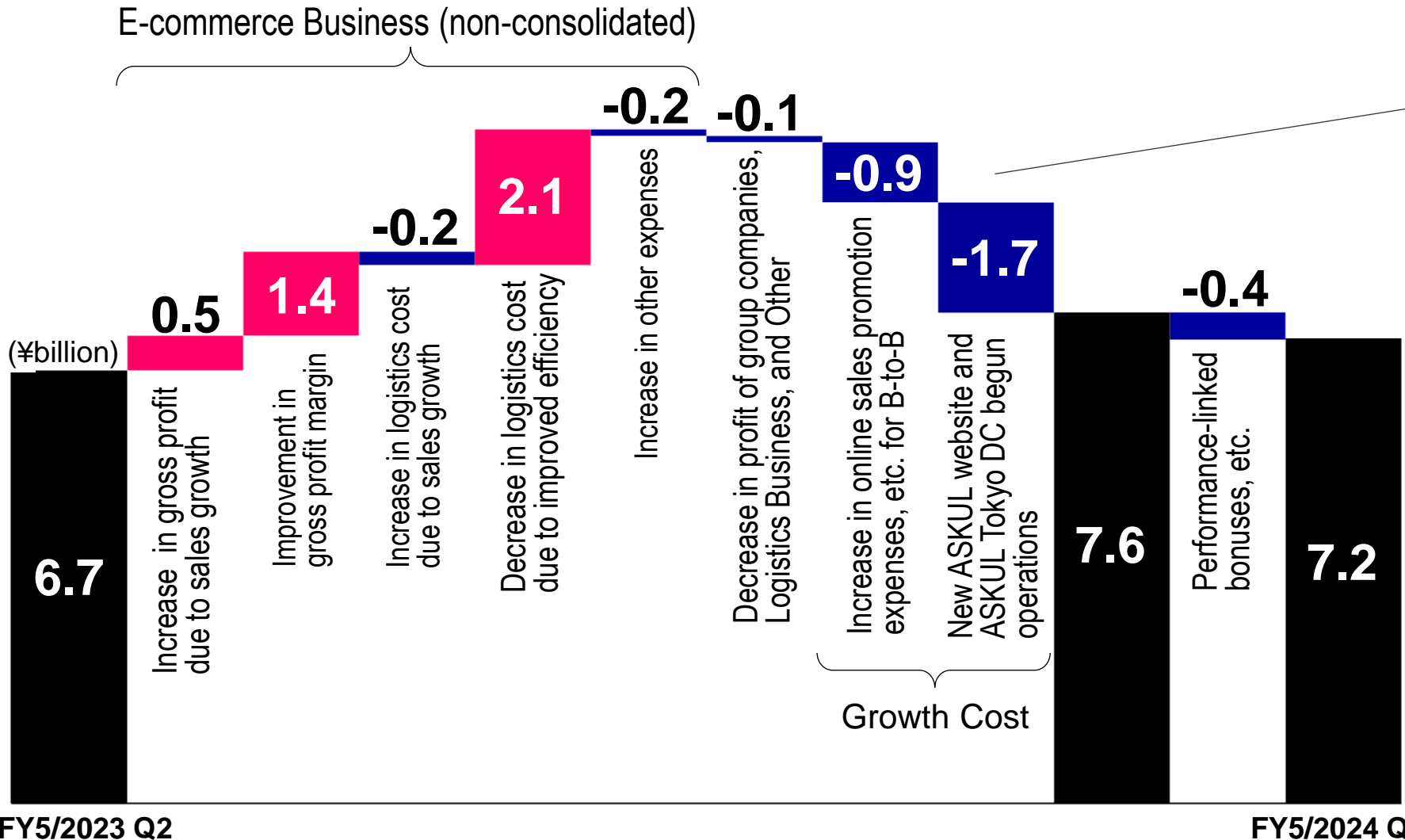
	FY5/2023 Q2 cumulative		FY5/2024 Q2 cumulative		
	Actual	% of net sales %	Actual	% of net sales %	YoY change %
Net Sales	220,251	100.0	231,288	100.0	+5.0
Gross Profit	53,572	24.3	57,631	24.9	+7.6
Selling, General and Administrative Expenses	46,827	21.3	50,388	21.8	+7.6
Operating Profit	6,745	3.1	7,242	3.1	+7.4
Ordinary Profit	6,709	3.0	7,104	3.1	+5.9
Profit Attributable to Owners of Parent	4,481	2.0	4,637	2.0	+3.5

- Net sales**
 YoY 105.0%
 Renewed the previous record
- Gross profit margin**
 YoY change Up 0.6 points
- Operating profit, ordinary profit and profit**
 Marked record-highs

FY5/2024 Q2 Factors for Increase / Decrease in Operating Profit Consolidated



Achieved profit increase by improving gross profit margin and logistics operation efficiency



Breakdown of Increased Fixed Costs

● New ASKUL Website	-1,080 million
<breakdown>	
Amortization	-1,000 million
Transition expenses	-80 million
● ASKUL Tokyo DC	-630 million
<breakdown>	
Depreciation	-540 million
Cleaning/Security, etc.	-90 million

FY5/2023 Q2

FY5/2024 Q2

FY5/2024 Q2 Earnings Results [Quarterly, By Business]

Consolidated



		FY5/2023				FY5/2024			
		Q1	Q2	Q3	Q4	Q1	Q2	YoY change	YoY change %
Net Sales									
	B-to-B Business	89.4	91.9	96.1	96.2	97.7	102.8	10.8	+11.8
	LOHACO	13.9	11.4	11.0	9.7	8.8	8.6	(2.7)	-24.3
	B-to-C business (including Charm)	18.2	15.8	15.3	13.7	13.0	13.0	(2.8)	-17.8
	E-commerce Business	107.6	107.8	111.5	110.0	110.8	115.8	8.0	+7.5
	Logistics Business and Other	2.3	2.3	2.4	2.4	2.2	2.3	0	+0.7
	Consolidated Total	110.0	110.1	113.9	112.4	113.0	118.2	8.0	+7.3
Operating Profit									
	B-to-B Business	3.5	3.9	3.2	3.9	2.9	4.5	0.5	+14.2
	LOHACO	(0.6)	(0.2)	0.3	0.6	0.1	0.1	0.3	-
	B-to-C business (including Charm)	(0.5)	(0.1)	0.4	0.5	0.1	0.1	0.2	-
	Performance-linked Bonuses (including provision), etc.	(0)	(0)	0	(0.1)	(0.2)	(0.2)	(0.2)	-
	E-commerce Business	3.0	3.8	3.7	4.4	2.8	4.4	0.6	+16.6
	Logistics Business and Other	(0)	(0)	(0)	(0.1)	(0)	(0)	(0)	-
	Consolidated Total	2.9	3.7	3.6	4.2	2.8	4.4	0.6	+16.5

FY5/2024 Q2 B-to-B Business Earnings Results

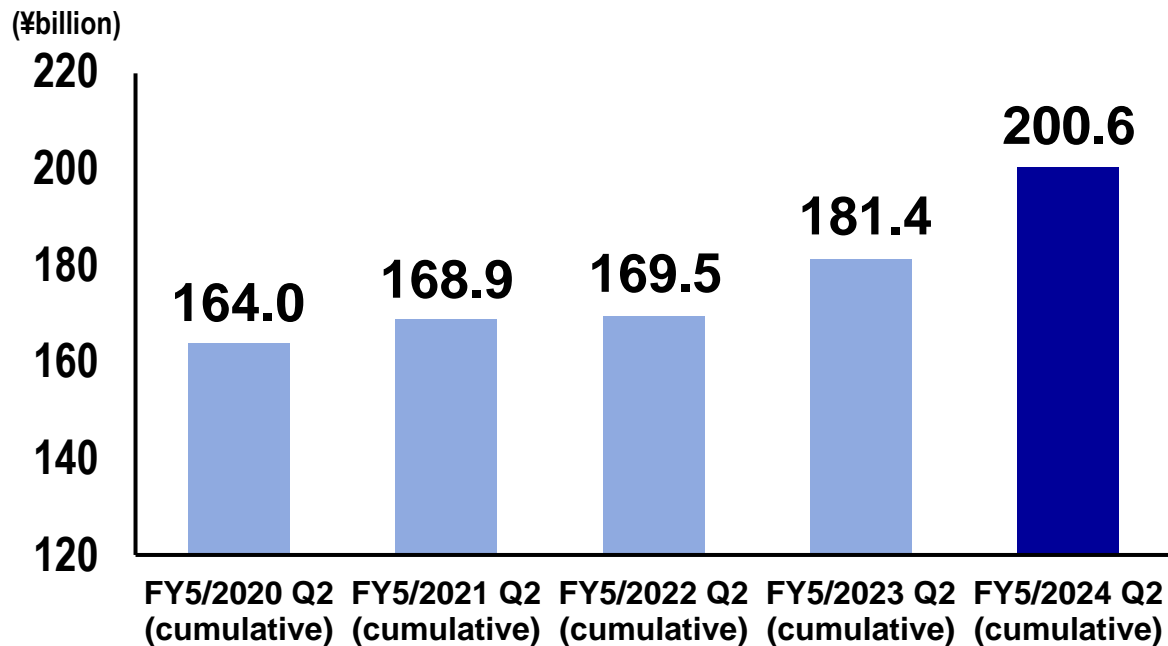
Consolidated



Net Sales

YoY **110.6%**

Accelerated sales growth due in part to the consolidation of FEED Corporation

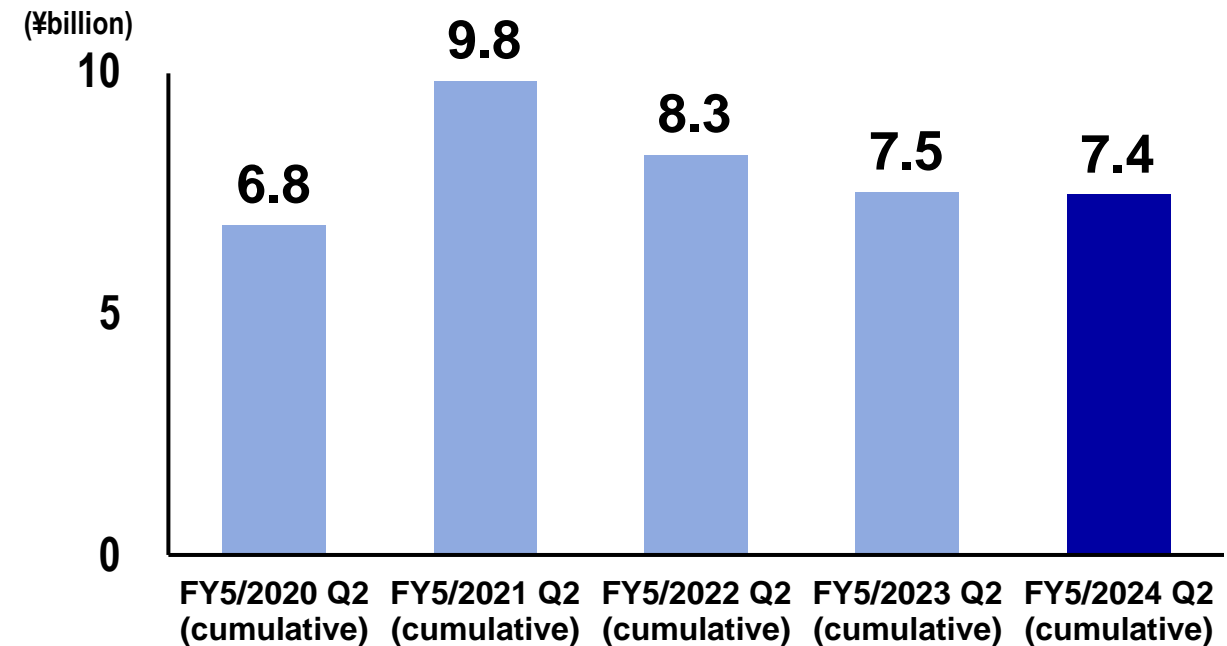


Operating Profit

YoY **99.3%**

Maintained the same level as the previous year by absorbing fixed cost increases

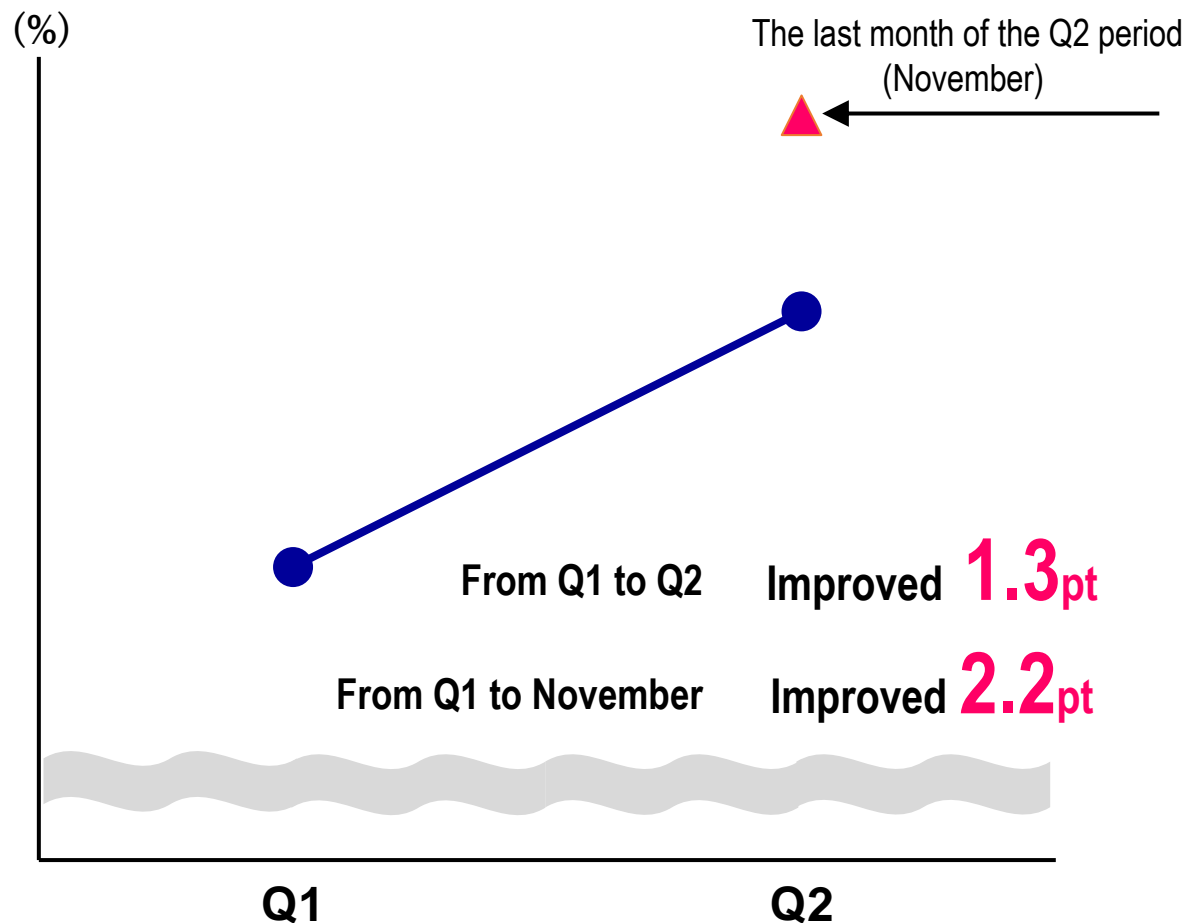
Double-digit growth in Q2 period





Marginal profit ratio improved significantly as profit structure changed

Non-consolidated B-to-B Marginal Profit Ratio



Gross profit margin improvement

- ✓ Foreign exchange position of main products recovered
- ✓ Flexible price revisions
- ✓ Increase of sales composition ratio of original products

Variable cost ratio improvement

- ✓ Continued increase in unit sales price per box (Revision of threshold for free shipping also contributed for 20 days in November, the last month of the Q2 period)
- ✓ Improved warehouse productivity at ASKUL Tokyo DC
- ✓ Decrease in multiple package deliveries due to optimizing inventory placement

FY5/2024 Q2 B-to-C Business Earnings Results

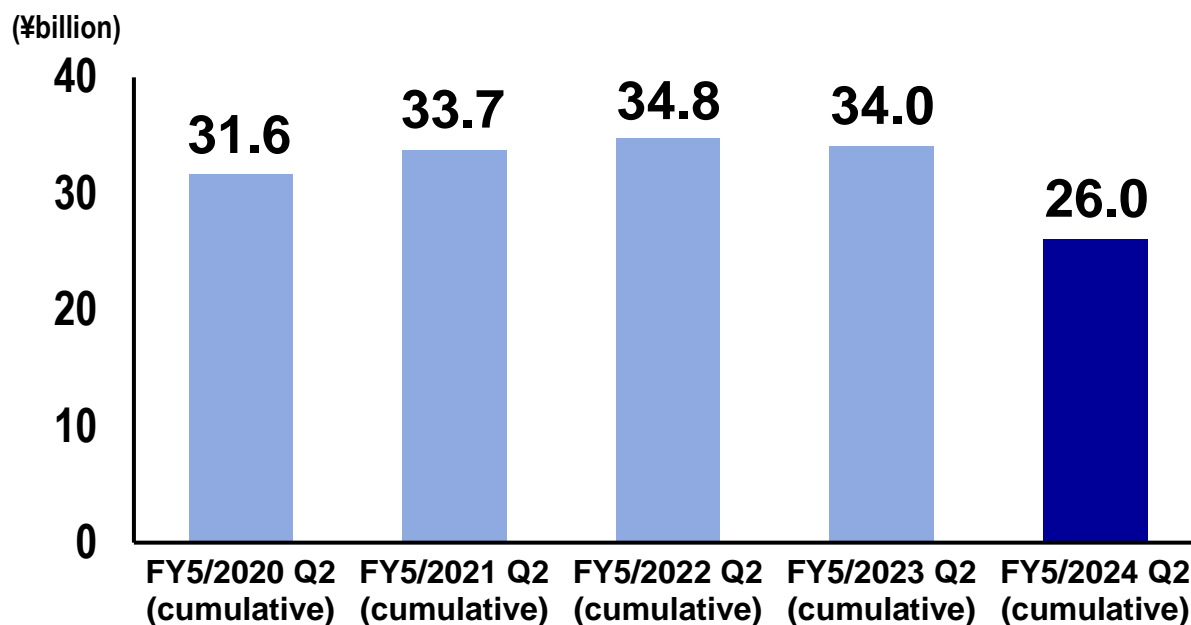
Consolidated



Net Sales

YoY **76.4%**

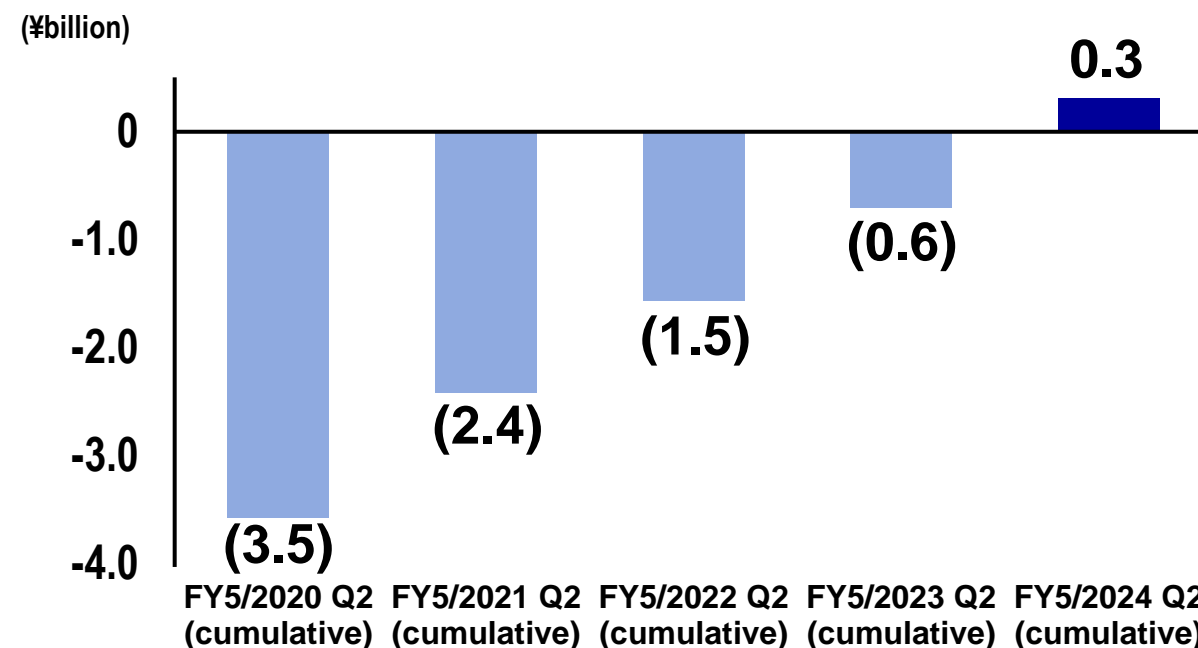
Decline in net sales has almost bottomed out, and focusing on regrowth in the second half



Operating Profit

YoY change **+1.0 billion**

Profitability maintained, and strengthening sales promotions in the second half



FY5/2024 Q2 Logistics Business and Others Earnings Results

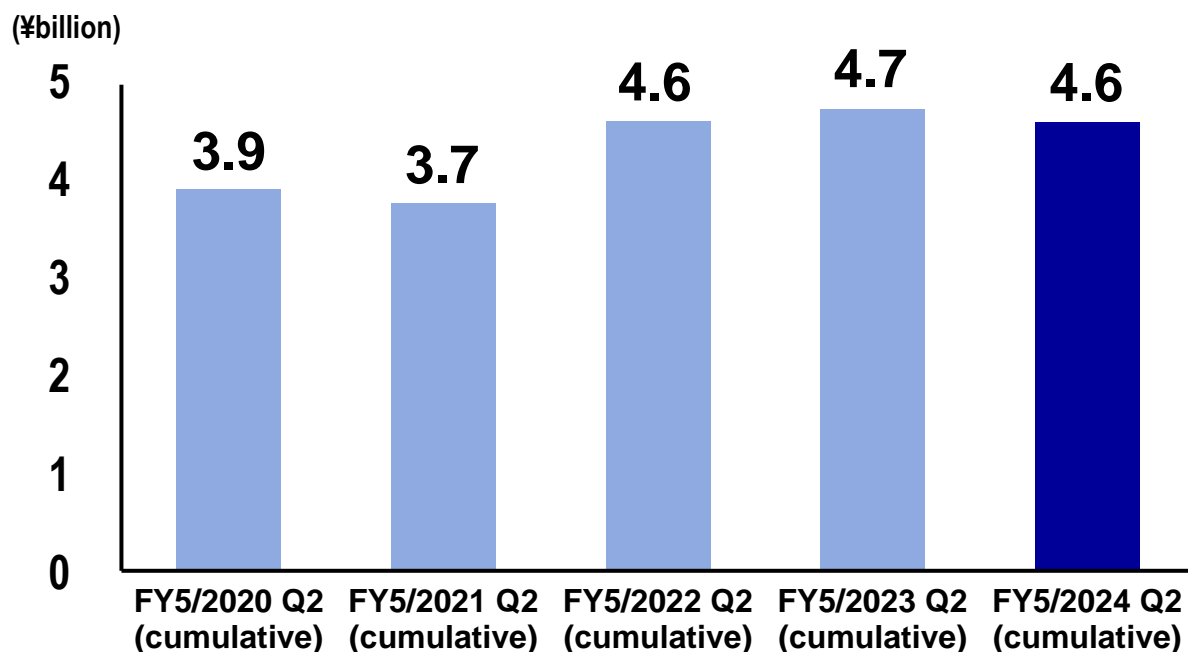
Consolidated



Net Sales

YoY **97.4%**

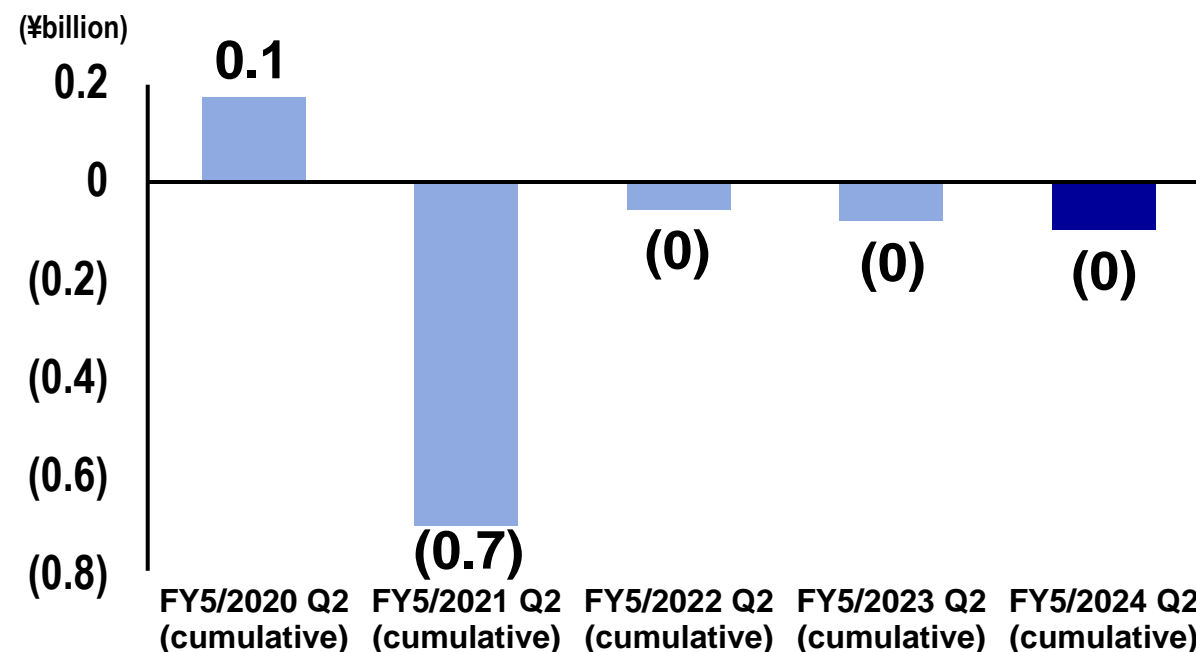
Sales continued to be on par with the same period of the previous year



Operating Profit

YoY change **-0 billion**

Profitability improved from Q1 to Q2
Aiming to achieve profitability for the full-year

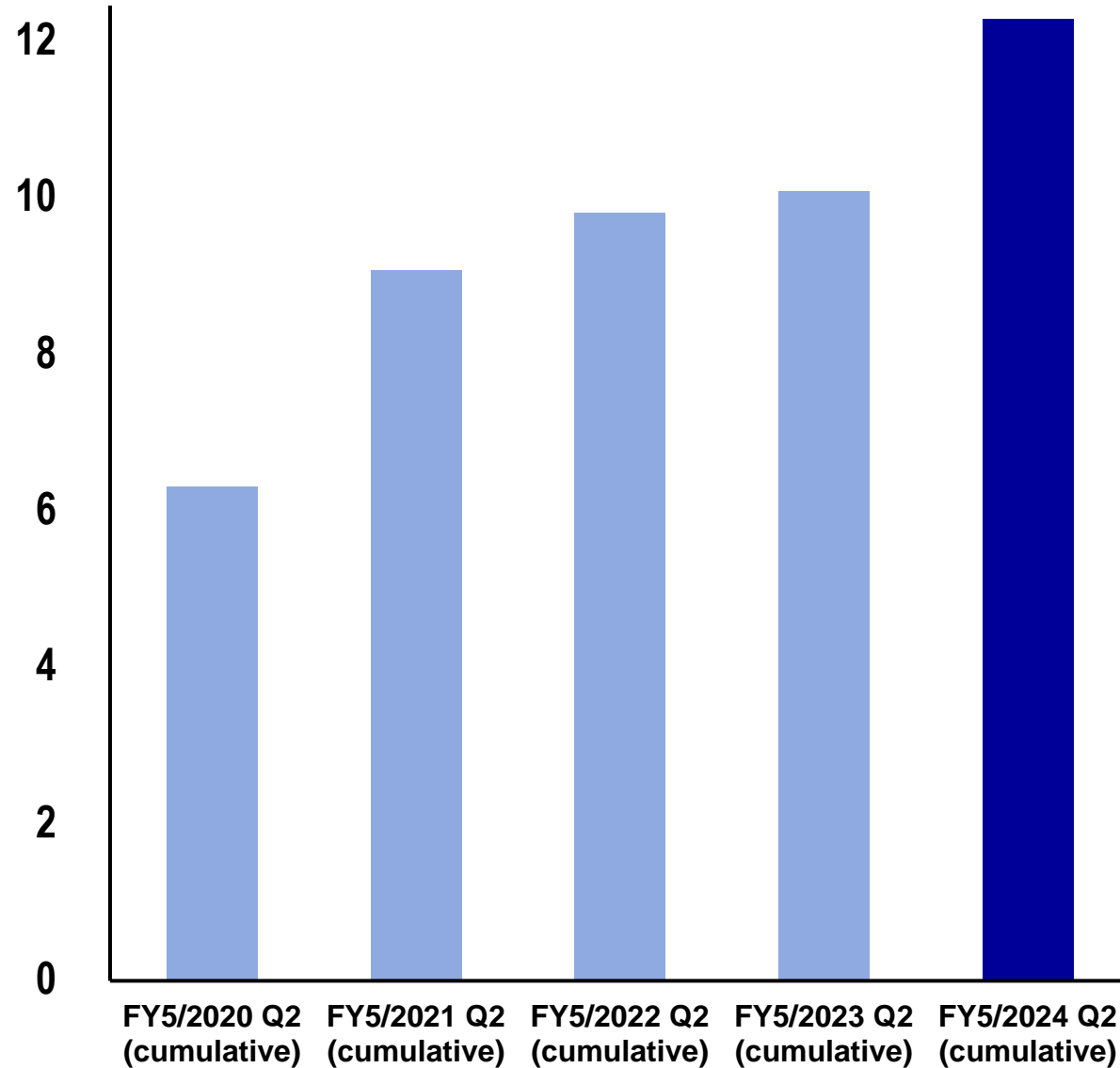


Trend of EBITDA

Consolidated



(¥billion)

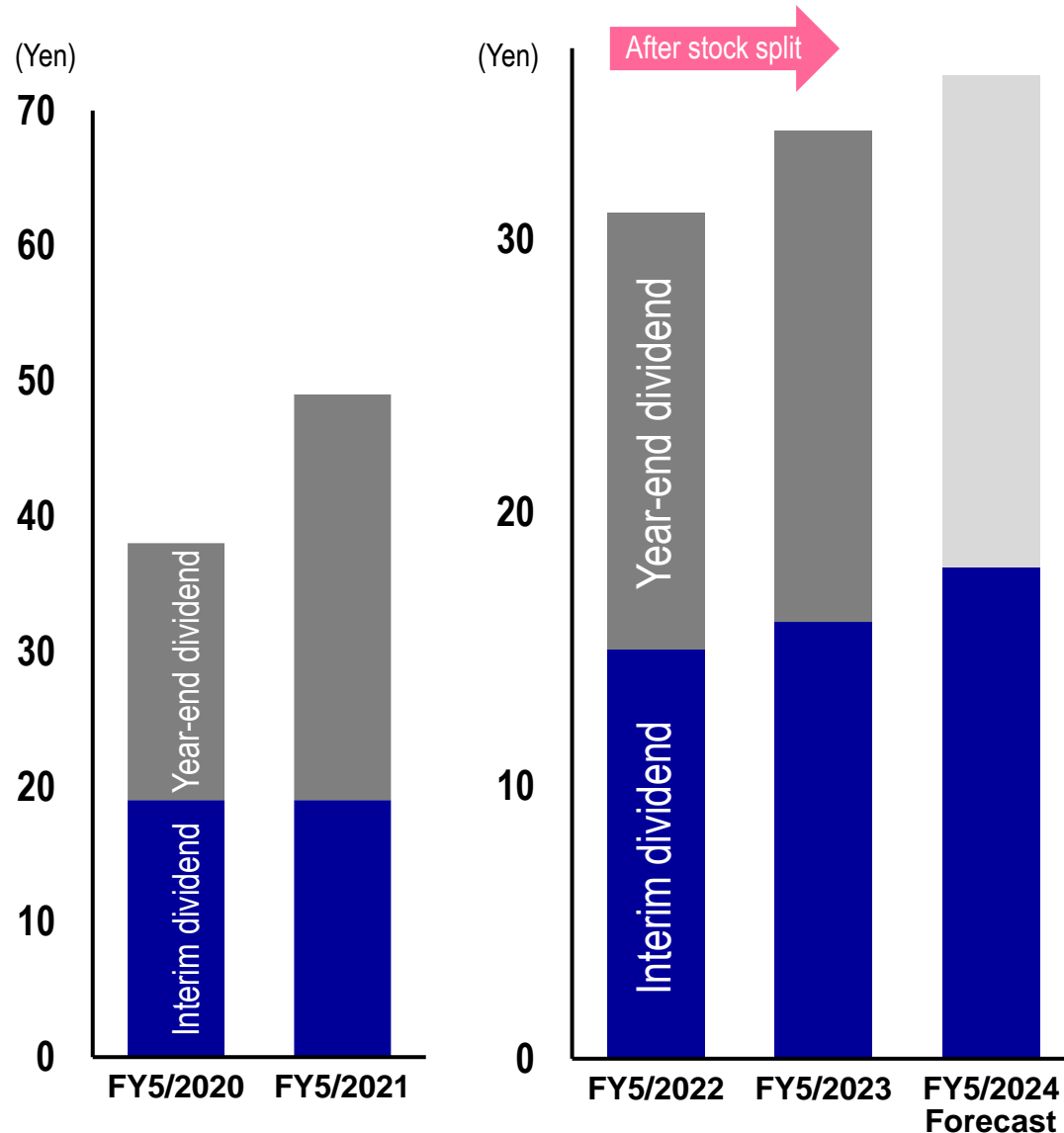


EBITDA increases ahead of significant earning growth

Shareholder Return



Annual dividends per share



FY5/24 Interim Dividend

> dividend per share: ¥18

(Initial plan: Interim dividend ¥18 and Year-end dividend ¥18)

Increased interim dividend by 2 yen as planned at the beginning of the term

Dividends increases in line with earnings growth

Note: Two-for-one stock split was conducted on May 21, 2021.

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of the Fiscal Year Ending May 2024

II Progress of Business

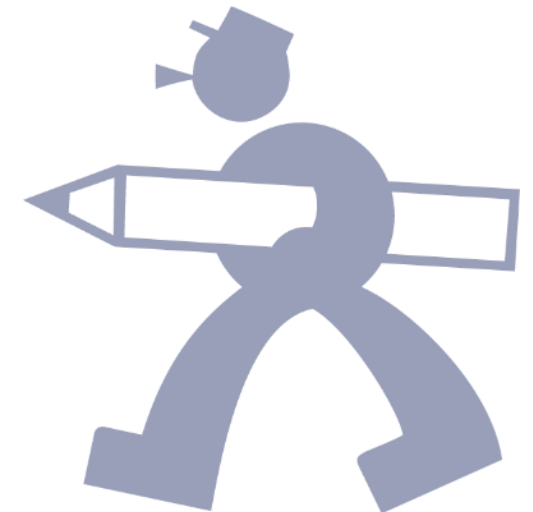
▪ **B-to-B**

▪ B-to-C

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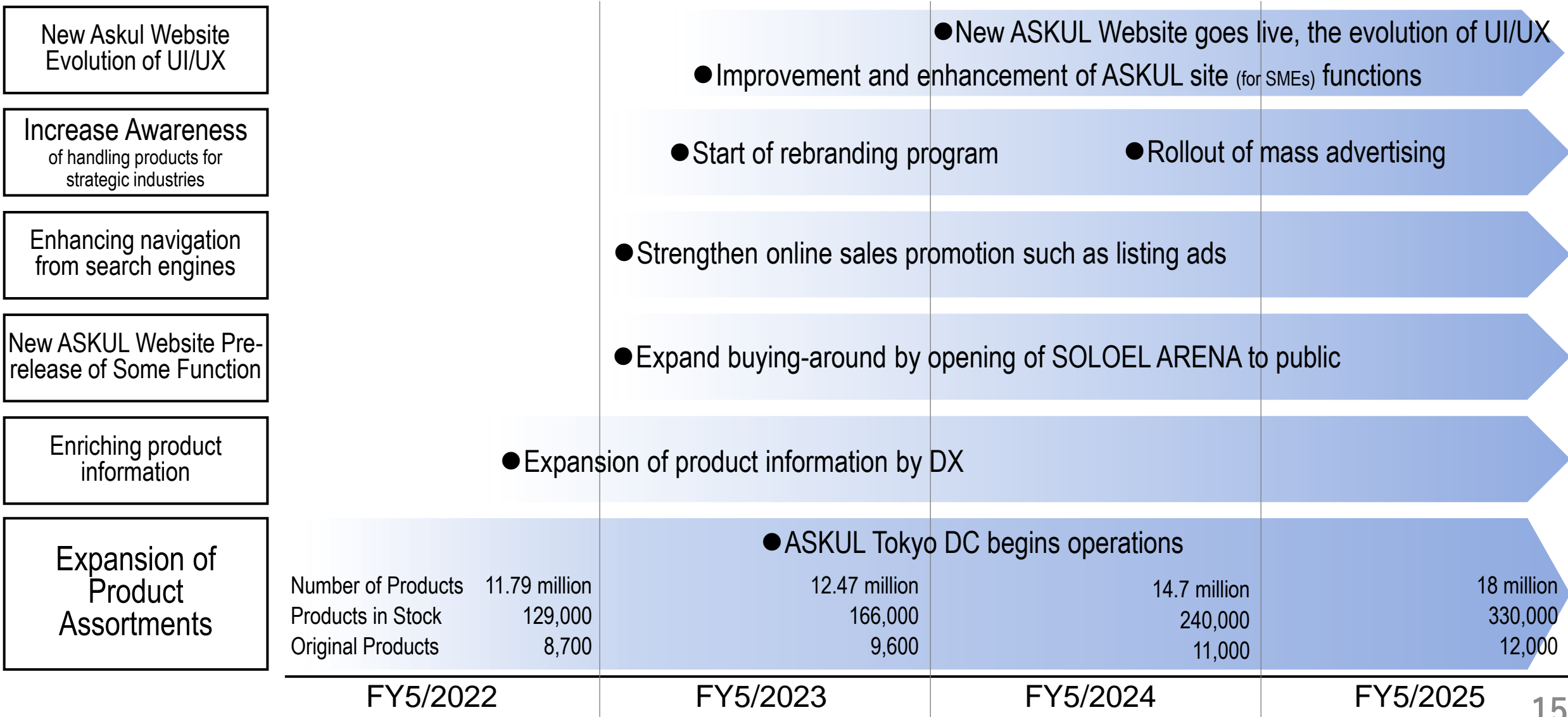
B-to-B Growth Strategies of Medium-Term Management Plan

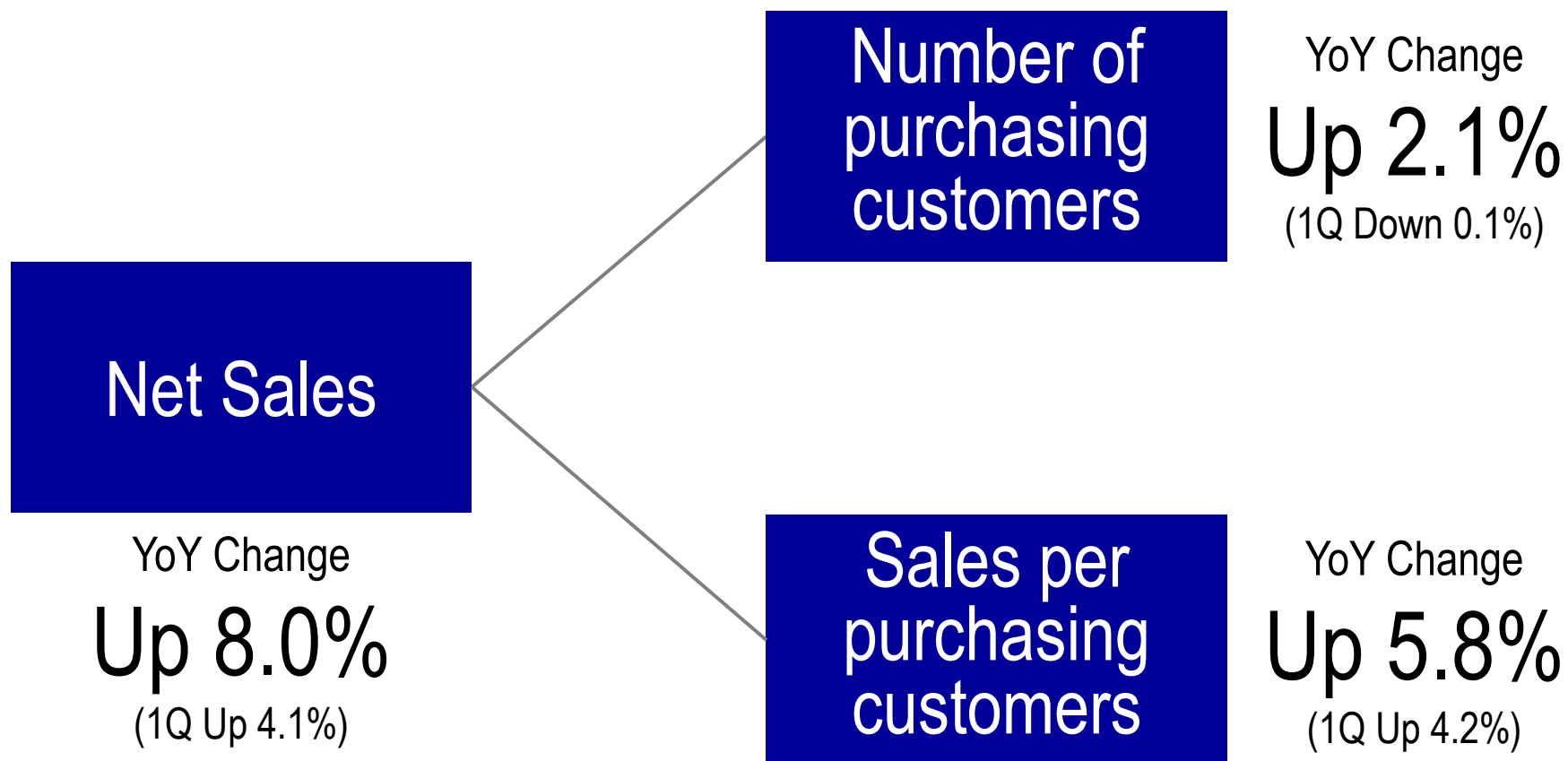
Non-Consolidated



From [Financial Results for the Fiscal Year Ended May 2023] presentation material

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





B-to-B Quarterly Net Sales by Item Category

Living Supplies continued to perform well, while the reactionary decline in Medical shrank

(¥billion)	FY5/2021		FY5/2022		FY5/2023								FY5/2024					
	Q2		Q2		Q1		Q2		Q3		Q4		Q1		Q2			
		Composition ratio %		Composition ratio %		Composition ratio %		Composition ratio %		Composition ratio %		Composition ratio %		Composition ratio %	YoY change	YoY change %		
OA & PC	23.9	29.8	23.4	29.7	22.8	28.1	24.2	29.2	25.5	29.8	25.7	29.8	24.1	28.6	26.2	29.3	2.0	+8.2
Stationery	10.1	12.7	9.9	12.6	9.5	11.7	10.1	12.2	10.6	12.4	11.8	13.6	9.8	11.7	10.9	12.2	0.8	+8.1
Living Supplies	20.5	25.6	21.7	27.5	25.2	31.1	24.5	29.5	24.9	29.1	24.9	28.8	27.6	32.7	27.6	30.8	3.1	+12.9
Furniture	5.1	6.4	5.1	6.5	4.5	5.6	4.5	5.5	4.7	5.5	6.1	7.2	4.9	5.9	5.1	5.8	0.6	+14.5
MRO	9.0	11.3	9.4	11.9	9.7	12.0	10.4	12.5	10.7	12.5	10.2	11.9	10.3	12.2	11.1	12.4	0.7	+7.2
Medical	9.3	11.7	7.4	9.4	7.8	9.6	7.3	8.8	7.3	8.6	5.7	6.7	5.6	6.7	6.1	6.8	(1.2)	-16.4
Others	2.0	2.5	1.9	2.5	1.4	1.8	1.9	2.3	1.8	2.2	1.8	2.1	1.8	2.2	2.4	2.7	0.5	+26.3
Total	80.3	100.0	79.0	100.0	81.1	100.0	83.1	100.0	85.8	100.0	86.5	100.0	84.4	100.0	89.8	100.0	6.6	+8.0

Note: Some products in the Living Supplies category have been moved to the Furniture category from the beginning of the fiscal year ending May 2024

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

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

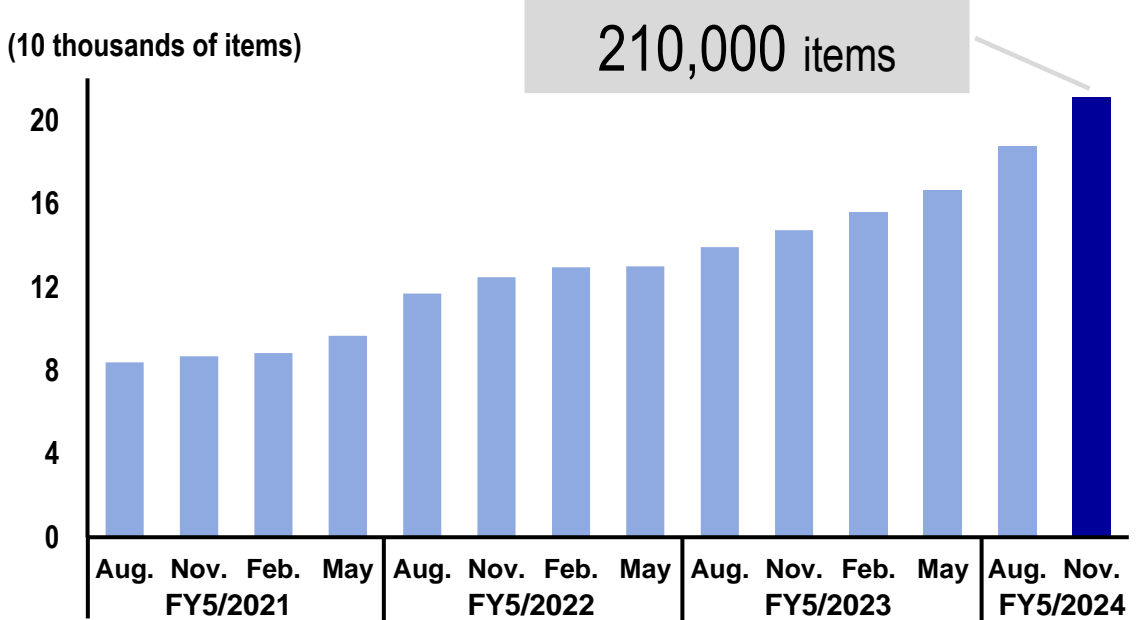
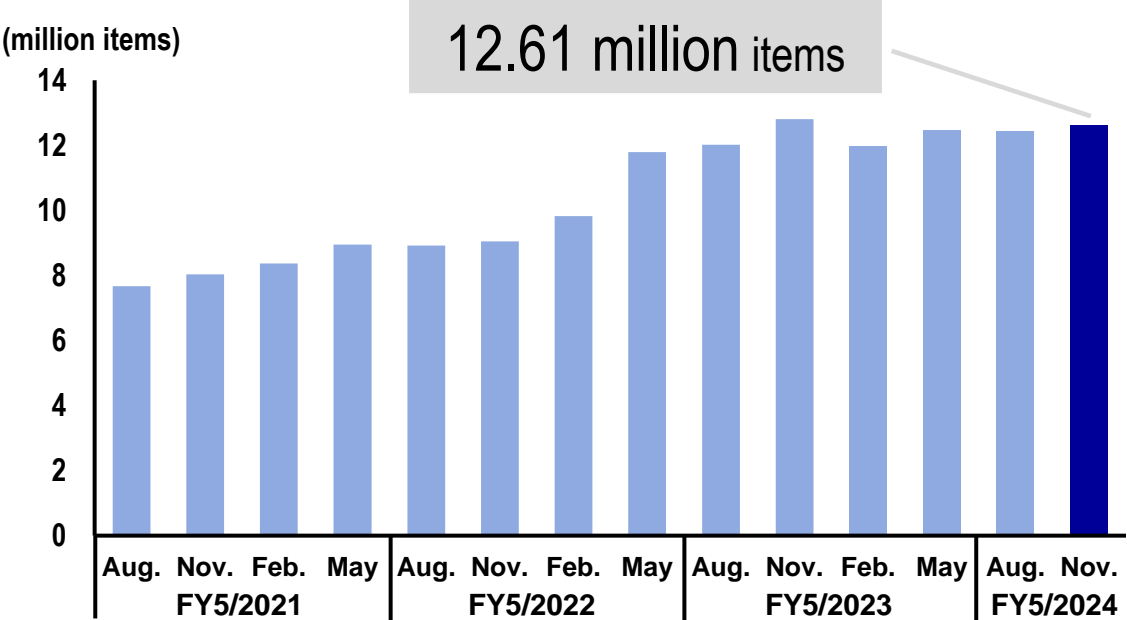
In-Stock Products
(Medium-term target at 330,000 items)

✓ Q2 period: increased 179,000 items
over 350,000 new items introduced

✓ Q2 period: increased 23,000 items
increased in almost all categories

Accelerate new item introductions in the second half
Aiming for 14.7 million items for the full-year

Steady progress toward the full-year target of 240,000 items
Looking to achieve targets ahead of schedule



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

Number of Items
(Medium-term target at 12,000 items)

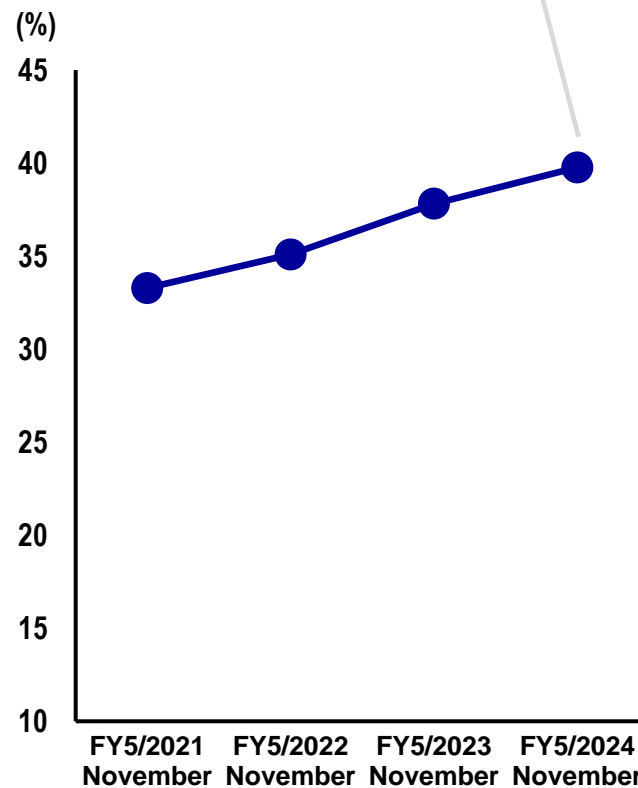
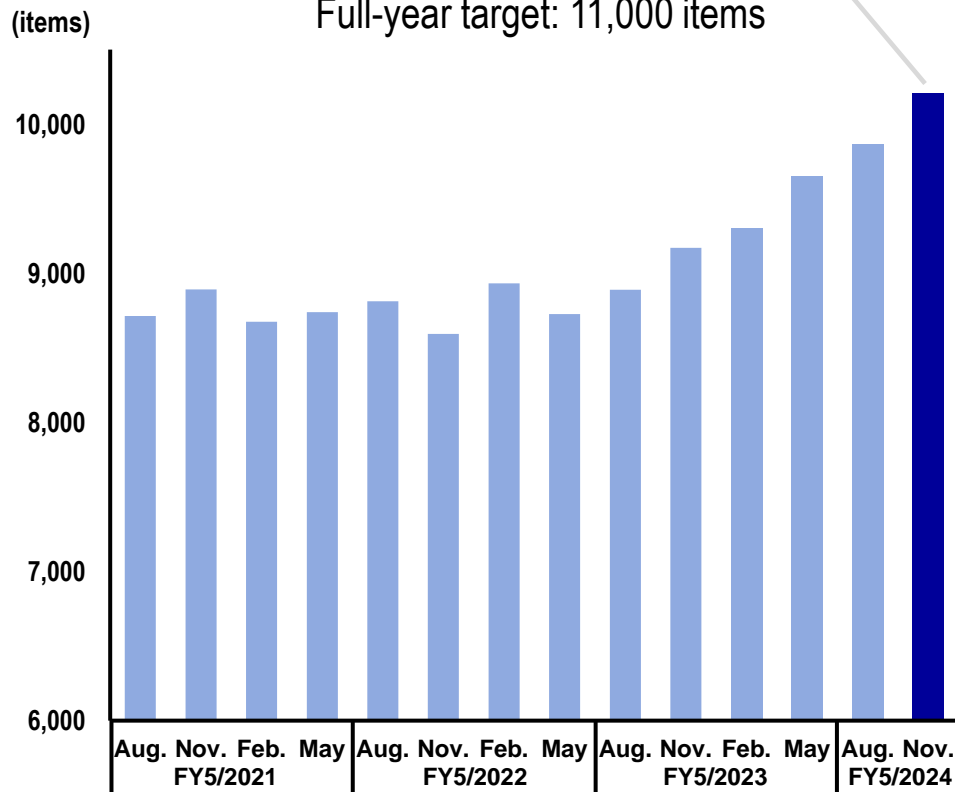
Composition to Net Sales
(Sales of B-to-B in-stock products)

10,200 items

39.8%

Full-year target: 11,000 items

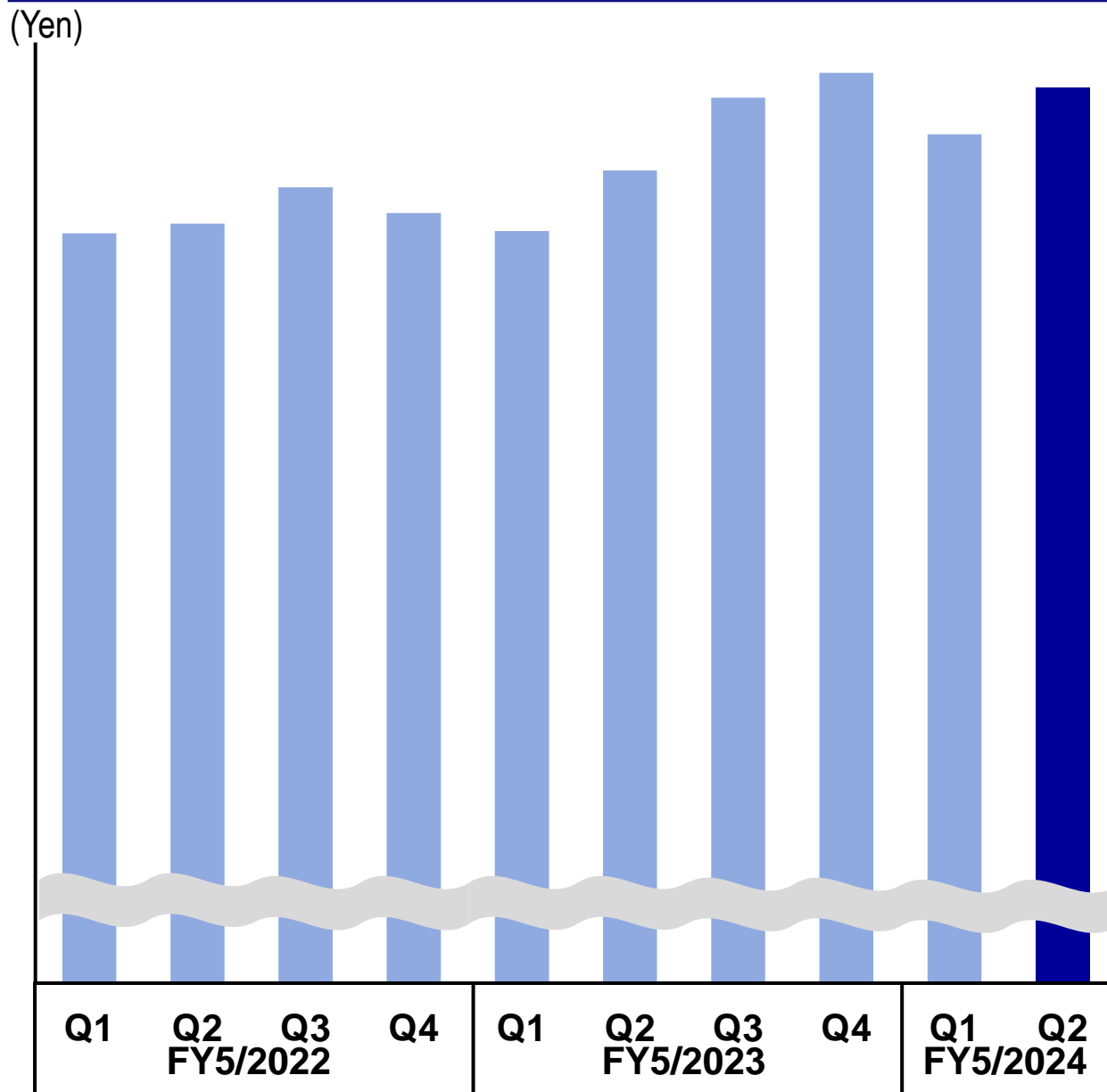
Reinforce development of original products for 2 strategic major industries*2



Sales composition ratio to exceed 40%

Note 1: Original products includes products exclusive to ASKUL
Excluding original products exclusive to LOHACO
2: Industries are Medical and nursing care, Manufacturing

B-to-B Unit Sales Price per Box



FY5/2024 Q2
YoY change: Up 5.7%
400-million-yen worth of delivery cost reduction in Q2 period



**Expect to see an increase
from the Q3 onward**
(full contribution of the effect of the threshold for free shipping revision*)

B-to-B Measures to Increase Awareness (Roll out of Mass Advertising)



Raise awareness of service name (ASKUL), features (same-day or next-day delivery), and strategic product handling



A Scene from the TV commercial

TV commercial

- ✓ On air nationwide from November 6, 2023, to November 20, 2023
- ✓ To raise awareness of service name and features

<https://www.youtube.com/watch?v=qO6EsdzLlpo>

YouTube Advertising

- ✓ From November 6, 2023, to November 20, 2023
- ✓ To raise awareness in the strategic industries of medical and nursing care facility and manufacturing domain about handling of specialized products needed by these sectors

Medical and
nursing care

<https://www.youtube.com/watch?v=Bth67c7R9vQ>

Manufacturing

https://www.youtube.com/watch?v=aC5F_pazhYE

Note: Above mentioned videos on YouTube are available on limited time



Increase the speed of execution of multiple measures

Strengthen products for strategic industries

1. Expansion of new products handling
2. Convert long-tail products into stock and set strategic pricing

Lineup expansion of original products

Net sales for Q2 cumulative YoY 113%

**Stimulate purchasing demand
by optimizing product prices**

New ASKUL Website customer transition

- About 30% of all customers were transferred in the first half
- Customers with large purchase volume will begin transitioning in the second half

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of the Fiscal Year Ending May 2024

II Progress of Business

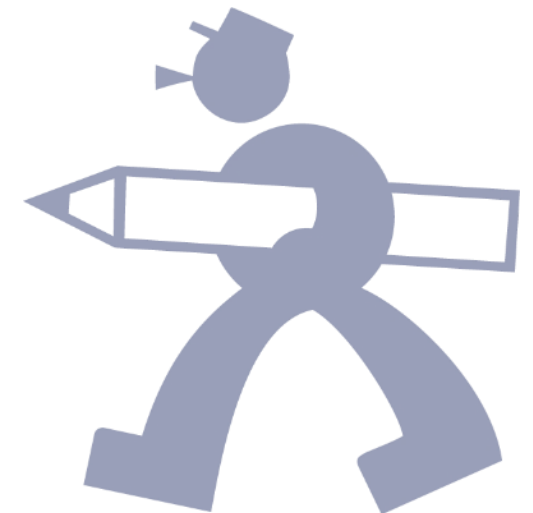
▪ B-to-B

▪ **B-to-C**

III Establishment of ASKUL Kanto DC
and Reorganization of Logistics Bases

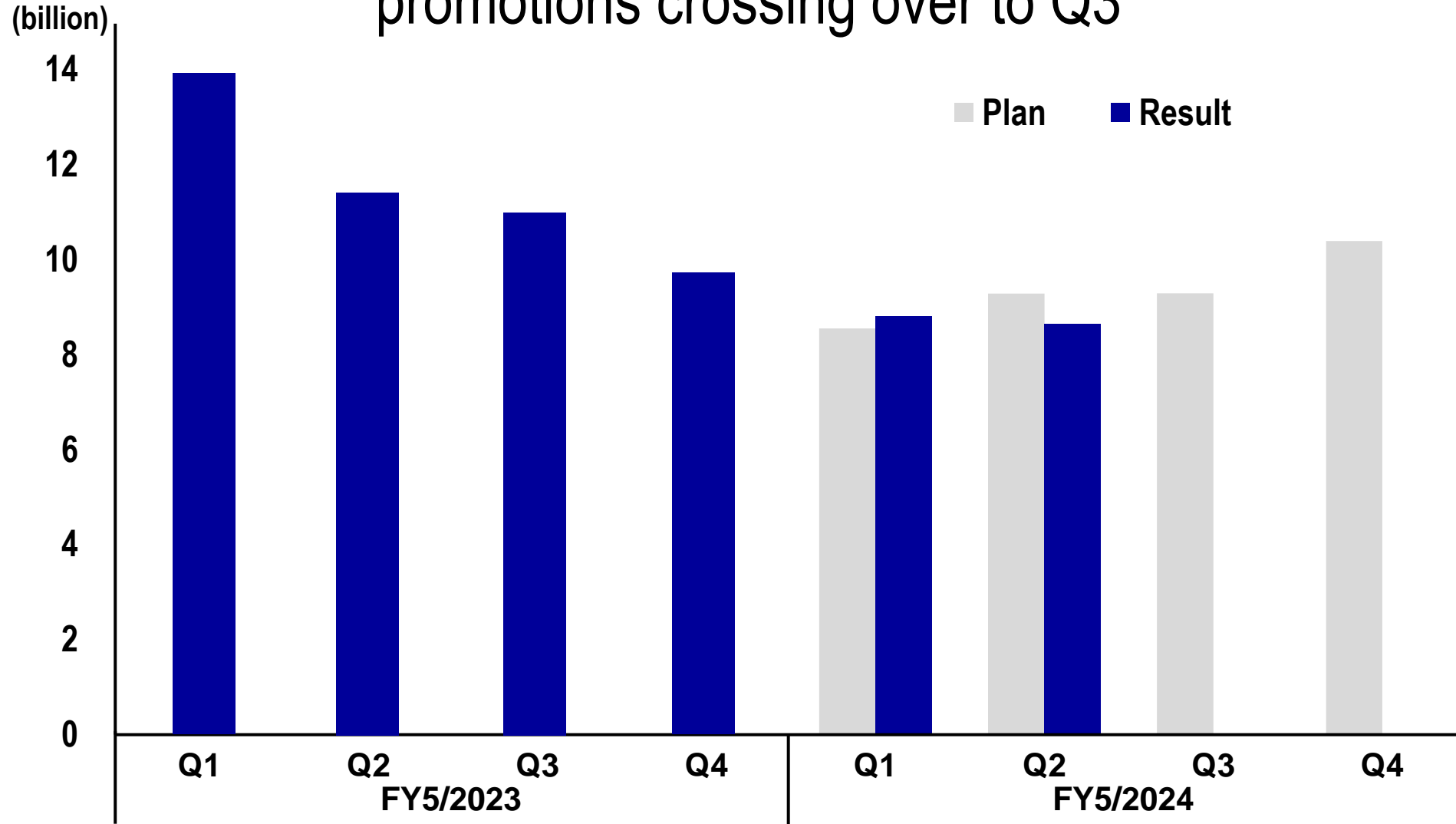
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LOHACO Trend of Quarterly Net Sales

Q2 results fell short of plan due to the impact of large-scale sales promotions crossing over to Q3





Accelerate sales growth from 3Q onward through both marketing and product initiatives

Marketing Initiatives

- ✓ Implementing sales promotions to attract new customers
- ✓ Improve function to promote bulk purchases
- ✓ Review minimum sales unit and set appealing price

Synergies with LY Corporation

- ✓ Anticipating expansion of customer base with the launch of LYP Premium

Product Initiatives

- ✓ Strengthening product lineup by leveraging the sales scale of the B-to-B business

Large-size detergent



Small volume PET beverage



Gardening and DIY supplies



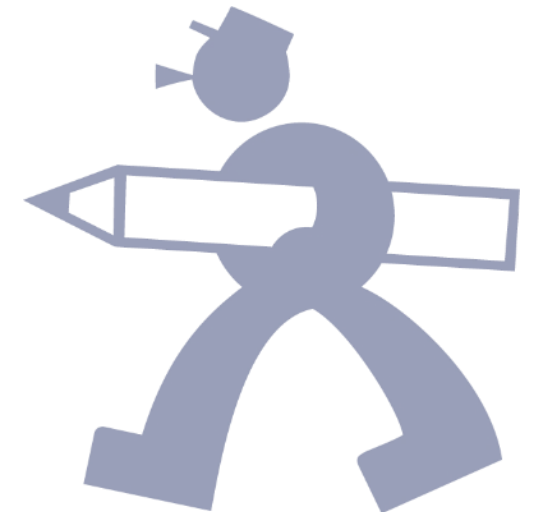
Food



Caregiving supplies



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Outline of New Distribution Center

Name	ASKUL Kanto Distribution Center (DC)
Location	Ageo city, Saitama
Start of Lease	June 2024
Start of Operation	June 2025 (scheduled)
Leased area	Approximately 90,000 m ² (Approx. 968,000 ft ²)
Capital investment	18 billion yen (plan) <breakdown> material handling: 15 billion yen, building: 2 billion yen, warehouse system: 1 billion yen *Shipping capability equivalent to AVC Kansai, ASKUL's largest distribution center
Structure	Seismic isolation, five stories above ground

Rendering

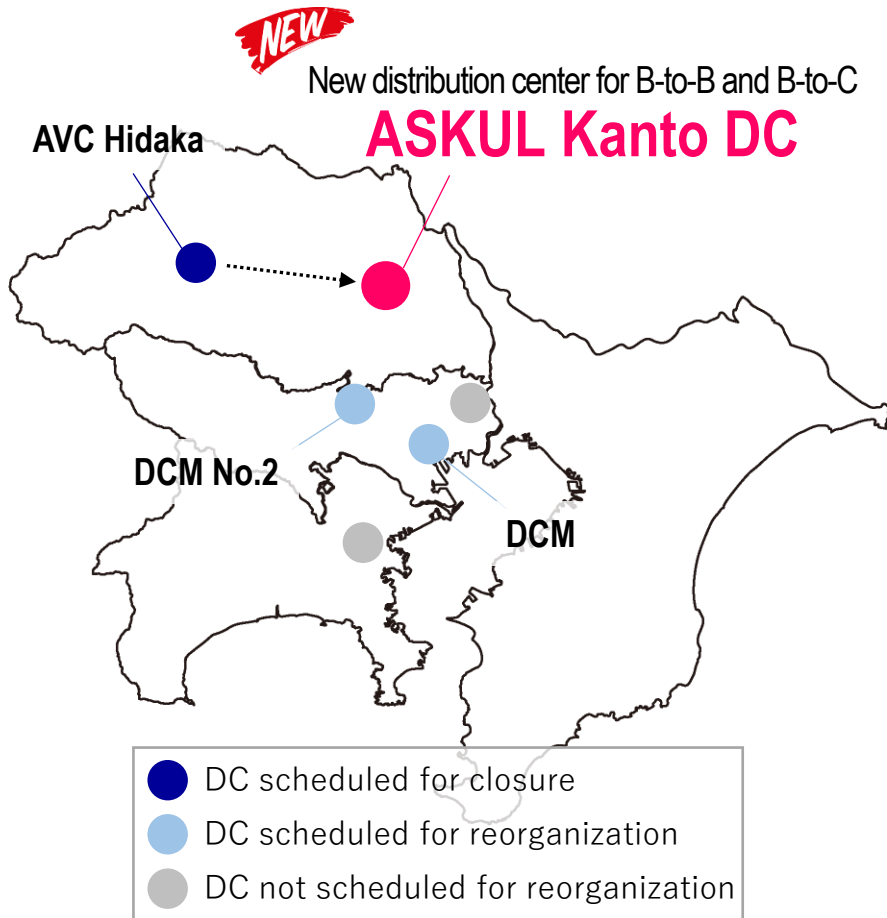


Location Advantage

- ✓ Ken-O Expressway, Tohoku Expressway, and Metropolitan Expressway (shutoko) are nearby, allowing easy access to the entire eastern Japan region
- ✓ Easy commuting by train and bus as there are residential areas and large commercial facilities in the vicinity, making it easy to secure personnel



Balancing support for further sales growth and structural low-cost



Considering reorganization of logistics bases in the Kanto region, including distribution centers located in Tokyo

1. Efficient Utilization of Shipping Capabilities through the Consolidation of BC* Logistics Bases
 - ✓ AVC Hidaka, dedicated to B-to-C operations and has excess shipping capabilities, will be closed and consolidated into a new distribution center, optimizing the capability for B-to-B and B-to-C
 - ✓ Curb the increases in total rent expenses by consolidating distribution centers
2. Improve delivery efficiency
 - ✓ Long-tail products will be concentrated and expanded at the new distribution center, increasing the unit sales price per box by delivering multiple items in a single box
 - ✓ The east-west establishment of logistics centers tailored for long-tail products will shorten transportation and delivery distances, resulting in lower delivery costs
 - ✓ Contributing to the reduction of the environmental and logistical burden on suppliers and delivery partners

Note: The abbreviation refers to both the B-to-B and the B-to-C businesses of LOHACO. It is used in the context of advancing further efficiency through the integration of business platforms such as organization and logistics.

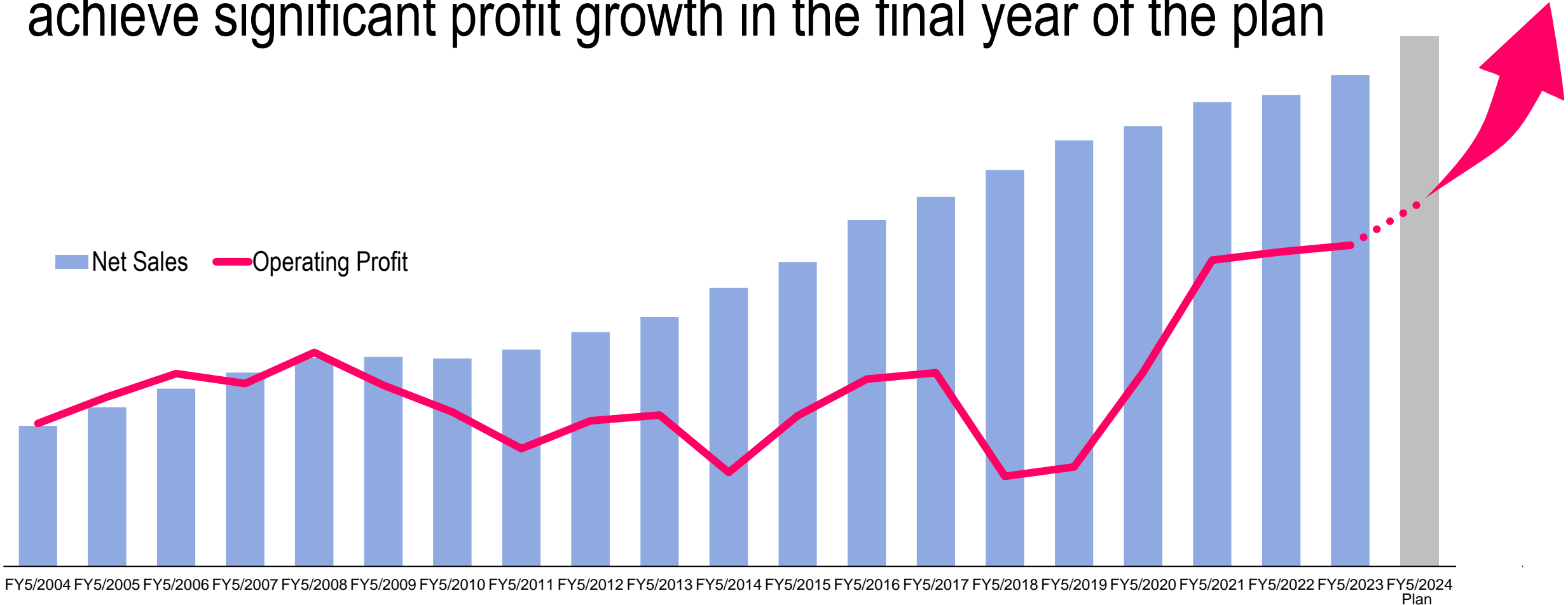
Positioning of the Third Year of the Medium-Term Management Plan

Consolidated

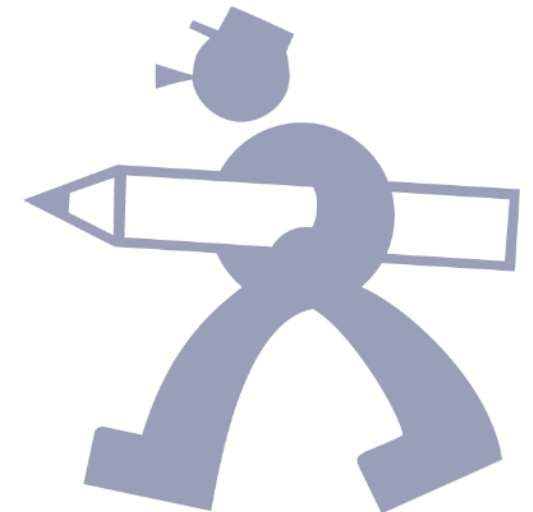


From [Financial Results for the Fiscal Year Ended May 2023] presentation material

Accelerate sales growth and begin to grow earnings to achieve significant profit growth in the final year of the plan



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September 2023

Conducted a field trial with KOKUYO Supply Logistics Co., Ltd. on joint transportation to the same destination

- ✓ Field trial begun in September 2021 and full-scale operation started October 2022
- ✓ When KOKUYO is delivering their products to our distribution center, we incorporate the loading process at our distribution center at a different location and combine the loading of their products with our inventory transfer, thereby efficiently consolidating the transportation vehicles of both companies.
- ✓ CO2 emissions have been reduced by 18.7 metric tons to date and the vehicle loading rate has been improved by 9%.
- ✓ Received the Minister of Economy, Trade and Industry Commendation at fiscal 2023 award for good standing of logistic partnership

October 2023

Introduced “folofly F1 VAN”, the first 1-ton class EV truck in Japan

- ✓ Introduced the first 1-ton class EV truck in Japan with a range of 300 km developed by folofly Corporation
- ✓ Promoting CO₂ reduction in the last mile to achieve the 2030 Zero CO₂ Challenge



November 2023

Published integrated report, ASKUL Report 2023

- ✓ Provides information on our efforts to realize ethical e-commerce and create value to enhance our corporate value over the medium to long term.
- ✓ Contents include introduction of ethical e-commerce initiatives, financial and investment strategies, dialog between the CEO and CFO and external stakeholders, and roundtable discussion with independent outside directors, and more.

Note: English version of ASKUL Report 2023 will be available in January at <https://www.askul.co.jp/corp/english/investor/library/ir>





August 2023

Conducted a field trial with Kao and KOKUYO regarding normalizing order quantities

- ✓ From April 2022 to January 2023, a phased field trial was carried out in collaboration with ASKUL, Kao, and KOKUYO, leveraging a proprietary AI based on the perspective of e-commerce operator to normalize order quantities by incorporating demand forecasting and fluctuations
- ✓ The aim of this initiative was to normalize order quantities and absorb volume fluctuations, thereby reducing the number of transport vehicles and CO2 emissions
- ✓ After confirming the results, including the reduction of transport vehicles and CO2 emissions, the initiative was expanded to other suppliers from February 2023

November 2023

Started to operate a proprietary interactive generative AI tool for all employees

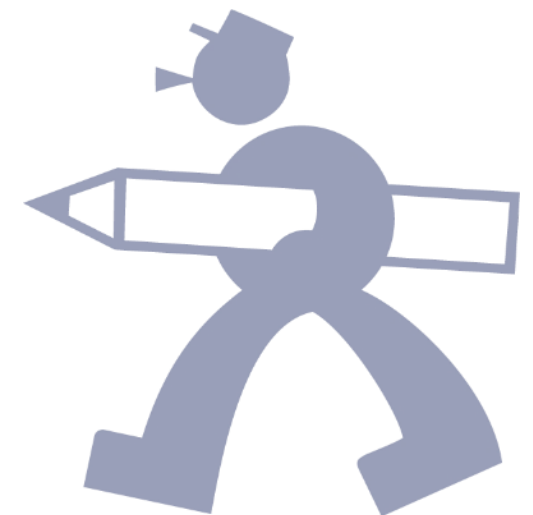
- ✓ Implemented a proprietary interactive generative AI tool utilizing the "Azure OpenAI Service" provided by Microsoft.
- ✓ The promotion of its utilization is aimed at enhancing the digital literacy of all employees and optimizing business efficiency

November 2023

Utilizing AI demand forecasting models for planning inventory transfer of goods between distribution centers and replenishment warehouses

- ✓ Utilizing instructions for inventory transfer between our logistics center and replenishment warehouses in the vicinity, AI directs "when, from where to where, what, and how many" should be transported
- ✓ The implementation resulted in a significant reduction in workload at the ALP Yokohama, with approximately a 75% decrease in the creation of inventory transfer instructions per day, about a 30% decrease in shipping and receiving operations per day, and about a 15% reduction in forklift operations per day

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- V Appendix**



FY5/2024 Net Sales by Item Category [B-to-B / LOHACO etc.]

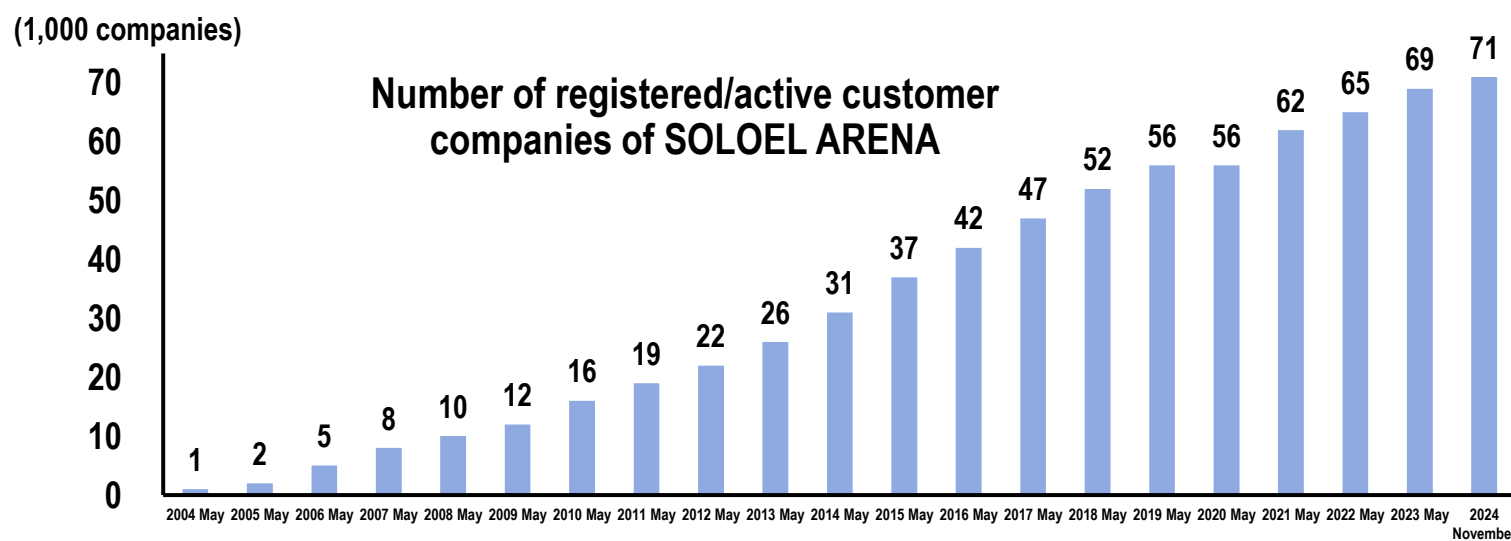
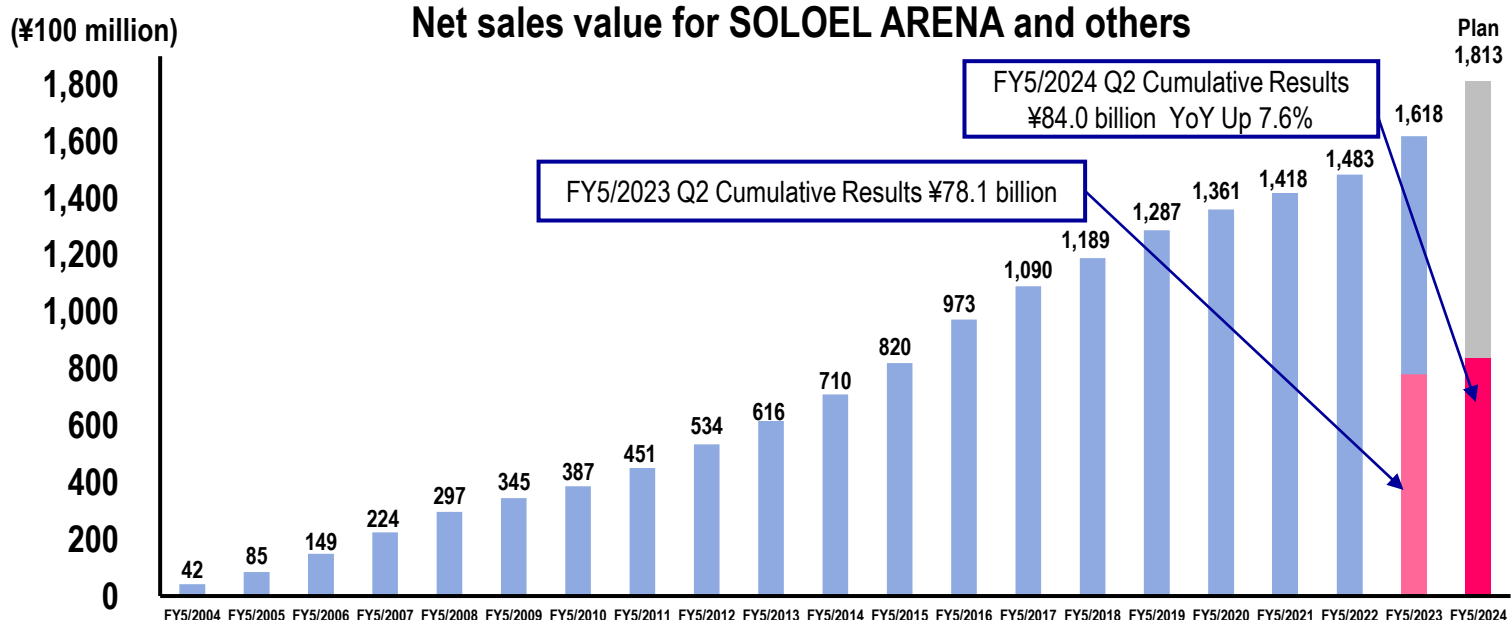
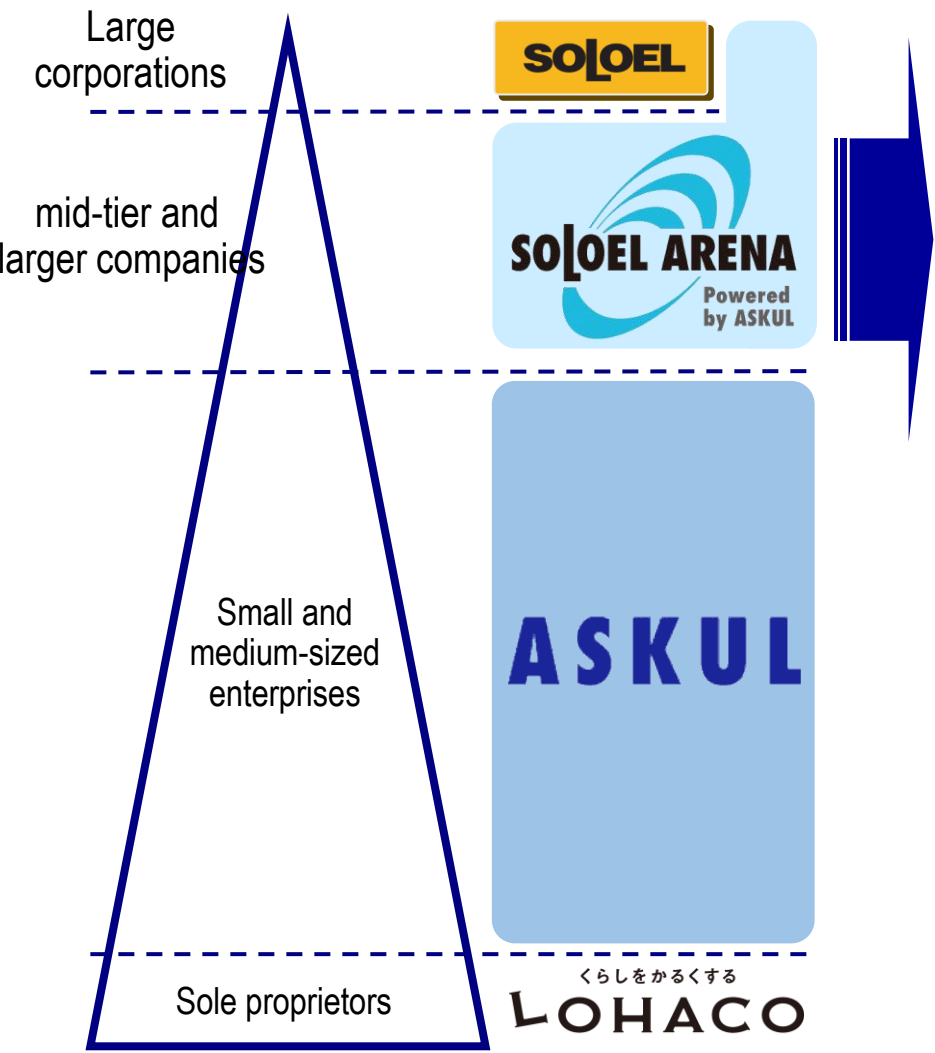
Non-Consolidated



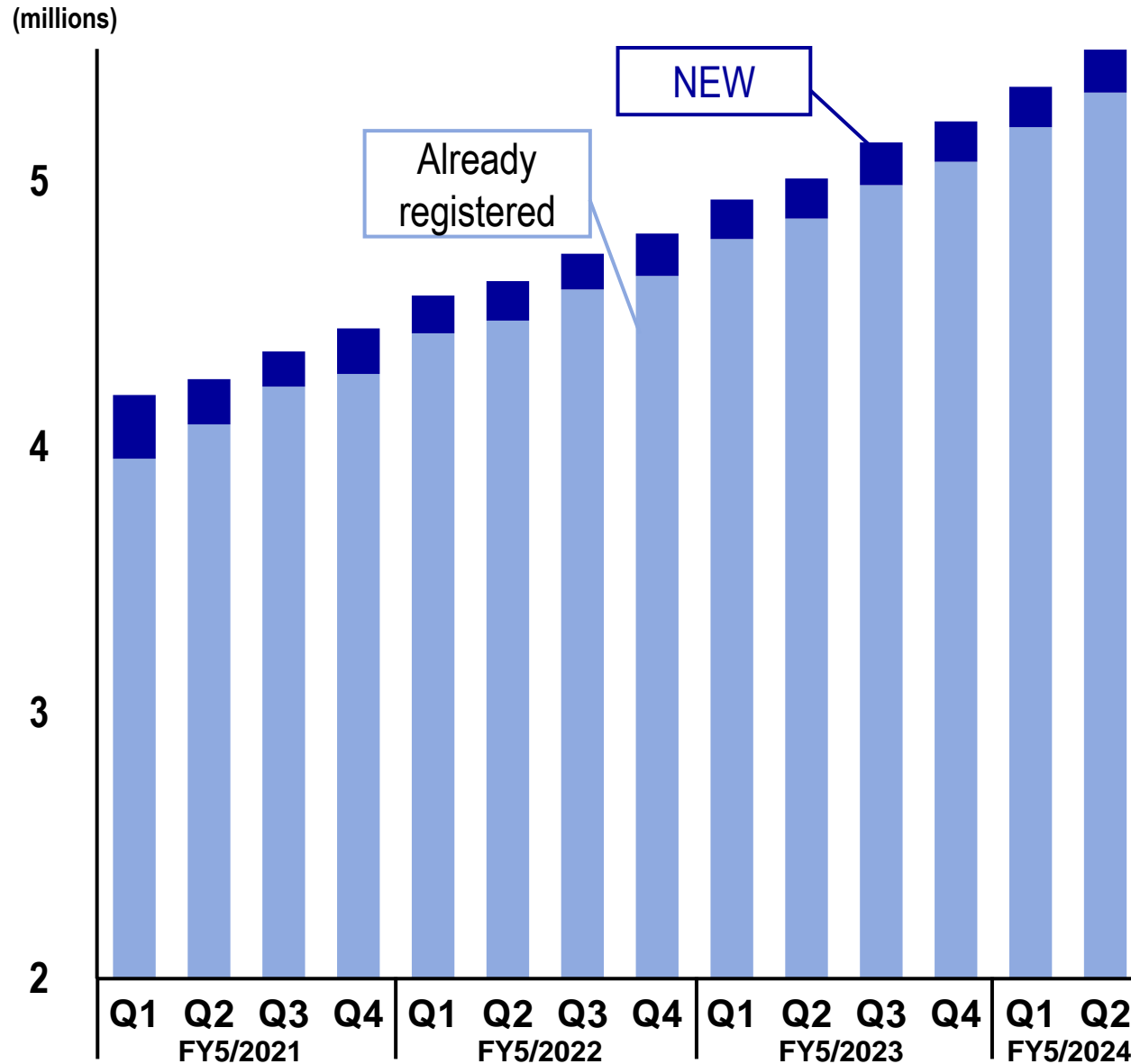
(¥billion)	FY5/2023 Q2 (cumulative)			FY5/2024 Q2 (cumulative)			
		Composition ratio %	YoY change %		Composition ratio %	YoY change	YoY change %
OA & PC	47.8	25.2	+2.1	51.1	26.7	3.3	+7.0
Stationery	20.0	10.6	+0.4	21.1	11.0	1.1	+5.5
Living Supplies	71.7	37.8	+7.7	70.3	36.7	(1.3)	-1.9
Furniture	9.3	4.9	-10.9	10.5	5.5	1.2	+13.4
MRO	20.6	10.9	+9.6	21.8	11.4	1.1	+5.5
Medical	17.1	9.0	+3.9	12.3	6.4	(4.8)	-28.2
Others	3.0	1.6	+2.6	4.4	2.3	1.4	+46.5
Total	189.8	100.0	+4.2	191.8	100.0	2.0	+1.1

B-to-B Results of SOLOEL ARENA and others

Non-Consolidated



B-to-B Number of Registered Customers*



Customer base keeps expanding

Note: "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.

FY5/2024 Q2 Cumulative Gross Profit and SG&A Expenses

Consolidated



Gross profit: ¥ 57.6 billion YoY change: Up ¥ 4.0 billion

Gross profit margin: 24.9% YoY change: Up 0.6 points

✓ Due to recovery of foreign exchange position and flexible price revisions, etc.

SG&A expenses: ¥ 50.3 billion YoY change: Up ¥ 3.5 billion

Ratio of SG&A expenses to net sales 21.8%: YoY change: Up 0.5 points

Details of Selling, General and Administrative Expense (as shown in Financial Statements)

Item	FY5/2023 Q2 (cumulative)		FY5/2024 Q2 (cumulative)		
	Amount (million yen)	Ratio to Sales (%)	Amount (million yen)	Ratio to Sales (%)	YoY Change (%)
Personnel expenses	11,145	5.1	12,879	5.6	115.6
Shipment expenses	12,047	5.5	11,214	4.8	93.1
Subcontract expenses	2,313	1.1	2,450	1.1	105.9
Business consignment expenses	6,132	2.8	5,670	2.5	92.5
Rents	5,473	2.5	5,551	2.4	101.4
Provision of allowance for doubtful accounts	16	0.0	29	0.0	177.0
Depreciation	1,545	0.7	1,908	0.8	123.5
Amortization of software	1,374	0.6	2,322	1.0	168.9
Other expenses	6,777	3.0	8,362	3.6	123.4
Total	46,827	21.3	50,388	21.8	107.6



Capital expenditures ¥4.1 billion(Annual plan: ¥11.6 billion)

Related to the new ASKUL website ¥1.2 billion

Related to AVC Kansai Facility Enhancement ¥1.0 billion

(Reference) Depreciation and amortization of software: ¥4.2 billion (Annual plan: ¥9.3 billion)

Investment details

(¥ million)

Item	FY5/2023 Q2	FY5/2024 Q2	
	Amount	Amount	YoY Change
[Capital expenditures]	8,209	4,137	-49.6%
Property, plant and equipment	3,803	1,565	-58.8%
Intangible assets	4,406	2,571	-41.6%
Construction in progress (Note 2)	8,241	2,009	-75.6%
Software in progress (Note 2)	9,015	1,804	-80.0%

(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.



Ratio of Internet Orders to Net Sales

	FY5/2023 Q2	FY5/2024 Q2	YoY Change
Orders via the Internet	88.7%	89.6%	+0.9pt
Other	11.3%	10.4%	-0.9pt

Note 1: Percentages are based on orders placed.

ASKUL Original Products

	Nov. of FY5/2023	Nov. of FY5/2024	YoY Change
Number of original products	13,284 items	15,561 items	+2,277 items
Non-consolidated net sales composition (of which, B-to-B business)	31.1% (37.8%)	33.7% (39.8%)	+2.6pt (+2.0pt)

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



	Q1		Q2		First half		Q3		Q4		Second half		Full-year	
	Weekdays	Saturdays	Weekdays	Saturdays	Weekdays	Saturdays	Weekdays	Saturdays	Weekdays	Saturdays	Weekdays	Saturdays	Weekdays	Saturdays
FY5/2024	63	13	63	12	126	25	60	14	59	12	119	26	245	51
FY5/2023	63	14	61	13	124	27	61	13	59	12	120	25	244	52
Difference	0	-1	+2	-1	+2	-2	-1	+1	0	0	-1	+1	+1	-1

ASKUL Environmental Policy


We, the ASKUL Group, are committed to passing on a better global environment to future generations through our business activities as a company that continuously brings delight to our workplace, life, the planet and tomorrow.

Carbon neutral

- “2030 CO₂ Zero Challenge”
Reduce CO₂ 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 68% as of November 2023
- “EV100”
Replace delivery vehicles owned and used by ASKUL LOGIST 100% with electric vehicles by 2030
As of August 2023, a total of 18 EVs are in operation.



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 made from used clear holder “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.
- Reducing CO₂ Emissions throughout the Supply Chain
Started with calculation of ASKUL original products using “boost supplier,” a tool for visualizing CO₂ emissions in the supply chain



ASKUL Environmental Policy

We, the ASKUL Group, are committed to passing on a better global environment to future generations through our business activities as a company that continuously brings delight to our workplace, life, the planet and tomorrow.

2023 Participated in “GX League”

2022 Selected as a “Climate Change A- List” company by CDP

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 CO₂ Zero Challenge”

2013 Formulated Medium-Term Environmental Targets

2003 Formulated ASKUL Environmental Policy



The GX League calls on enterprises to actively work for GX; to strive for GX through cooperation in government, academia, and business; and to serve as a forum for discussing the transformation of the entire economic and social system and creating new markets accordingly.



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 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
Teleworking system: Abolished the limit on the number of times per month for teleworking
Flextime system: Eliminated the core time
Learning support system to assist proactive learning
Secondary work system
Club activity system



- 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 **31.0%***
(Legal employment rate of private companies is 2.3%)
*Legal employment ratio calculated in units of business sites as of Nov. 20, 2023

Together with customers

- Cultivating Corporate Culture and Awareness
 - Share customer feedback
Distribute internally opinions, requests, and suggestions received from customers to all employees.
 - VOC (voice of customer) Seminar
Regularly hold seminars inviting lecturers from other companies to learn improvement activities based on customer feedback.
 - Meeting to listen to customers' feedback
Create opportunities to think and act from the customer's perspective by listening to audio recordings of customer service.
- Improvement Activities Based on Customer Feedback
 - Administration 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 management, and related department heads, and discussions and improvements are made regarding the evolution of products and services.
- Customer Satisfaction Management Systems
 - Declared Conformity to ISO10002
Declared conformity to ISO 10002, the international standard for customer satisfaction management systems.

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. The policy considers the environment, safety, human rights, and other issues aimed at striking a balance between the fulfillment of social responsibilities and sustainable development throughout the supply chain to ensure the sustainable provision of safe and reliable products to customers.
- 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 begun 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 fifth recipient of the support is local wine brewery Buen Most Co., Ltd, promoting local community, in Shichigahama, 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 second case will be donated to approved specified NPO, Habitat for Humanity 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.

* Z Holdings Corporation reorganized the group on October 1, 2023, merged with Yahoo Japan Corporation, LINE Corporation, and other companies, and changed the corporate name to LY Corporation

4. Reform of the platform

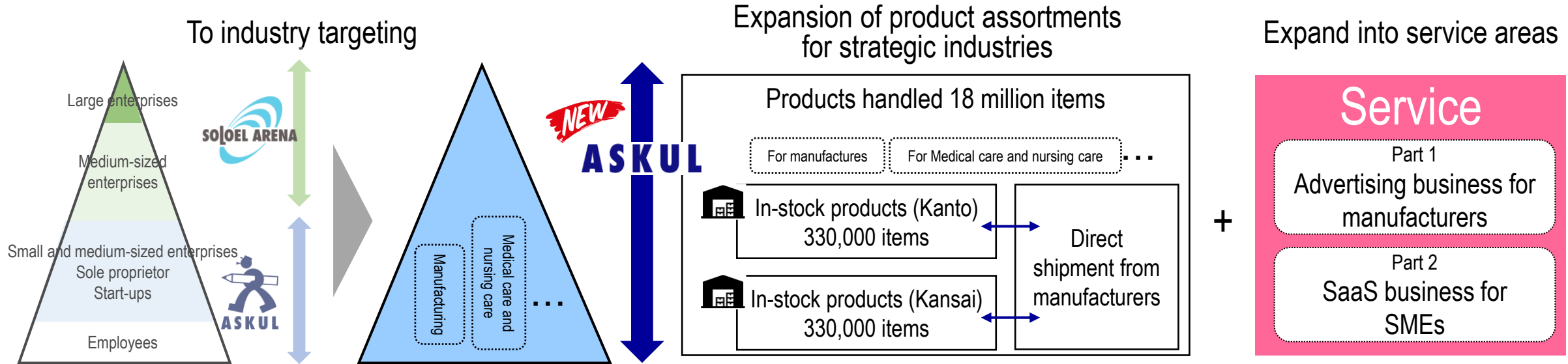
The plan to evolve the high-speed logistics, which is ASKUL's strength, then realize “Delivering Tomorrow” for long-tail products through measures, such as structural reform of distribution centers, integration of B-to-B and B-to-C logistics, and application of DX to value chains. “ASKUL Tokyo DC,” the 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



B-to-B	B-to-B stands for business to business and indicates transactions between companies
B-to-C	B-to-C represents business to consumer (customer) and refers to transactions between companies and consumers
MRO	MRO stands for Maintenance, Repair and Operations, and primarily refers to materials that serve as secondary materials (indirect materials), which used in the frontline operations of factories, construction sites, and other locations
ASKUL	Name of the internet mail-order service (accepts orders via facsimile) for small and medium-sized enterprises
SOLOEL ARENA	Name of the internet mail-order service for mid-tier and larger companies
LOHACO	Name of the internet mail-order service for general consumers launched in October 2012 in partnership with Yahoo Japan Corporation (currently LY Corporation)
New ASKUL Website	A new e-commerce site that integrates two sites; ASKUL for small and medium-sized enterprises, SOLOELARENA for mid-tier and larger companies. Full-scale operation started in July 2023, with SOLOEL ARENA customers gradually transitioning to the new ASKUL website over a period of approximately one year
Advertising Business	Service for manufacturers to place advertisements on our e-commerce site, etc.

Distribution center abbreviations

ASKUL Logi PARK as ALP, ASKUL Value Center as AVC, Demand Management Center as DMC, Demand Chain Management as DCM, ASKUL Tokyo Distribution Center as ASKUL Tokyo DC, and ASKUL Kanto Distribution Center as ASKUL Kanto DC



Continuously Bringing Delight to Our Workplace, Life, the Planet and Tomorrow