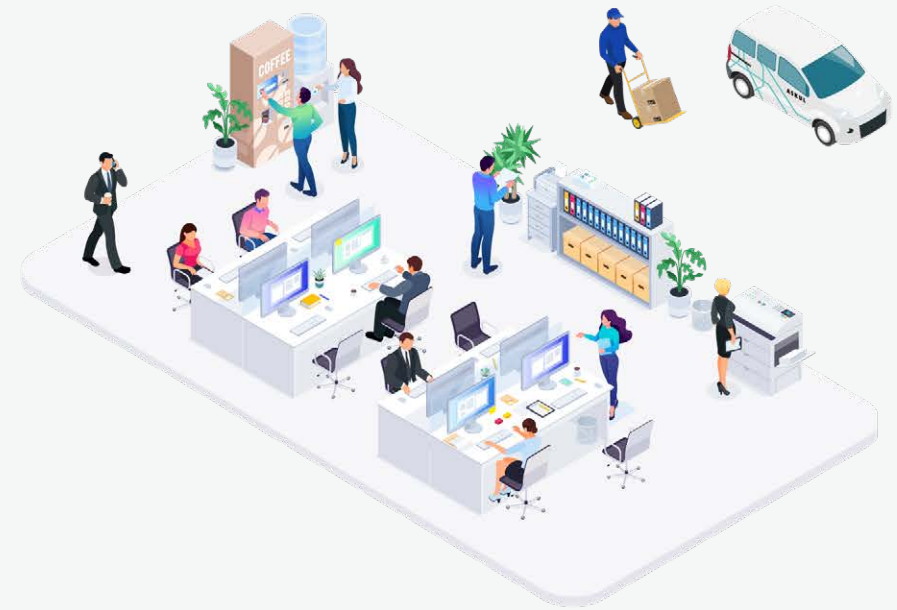


Section 01

What Is ASKUL?

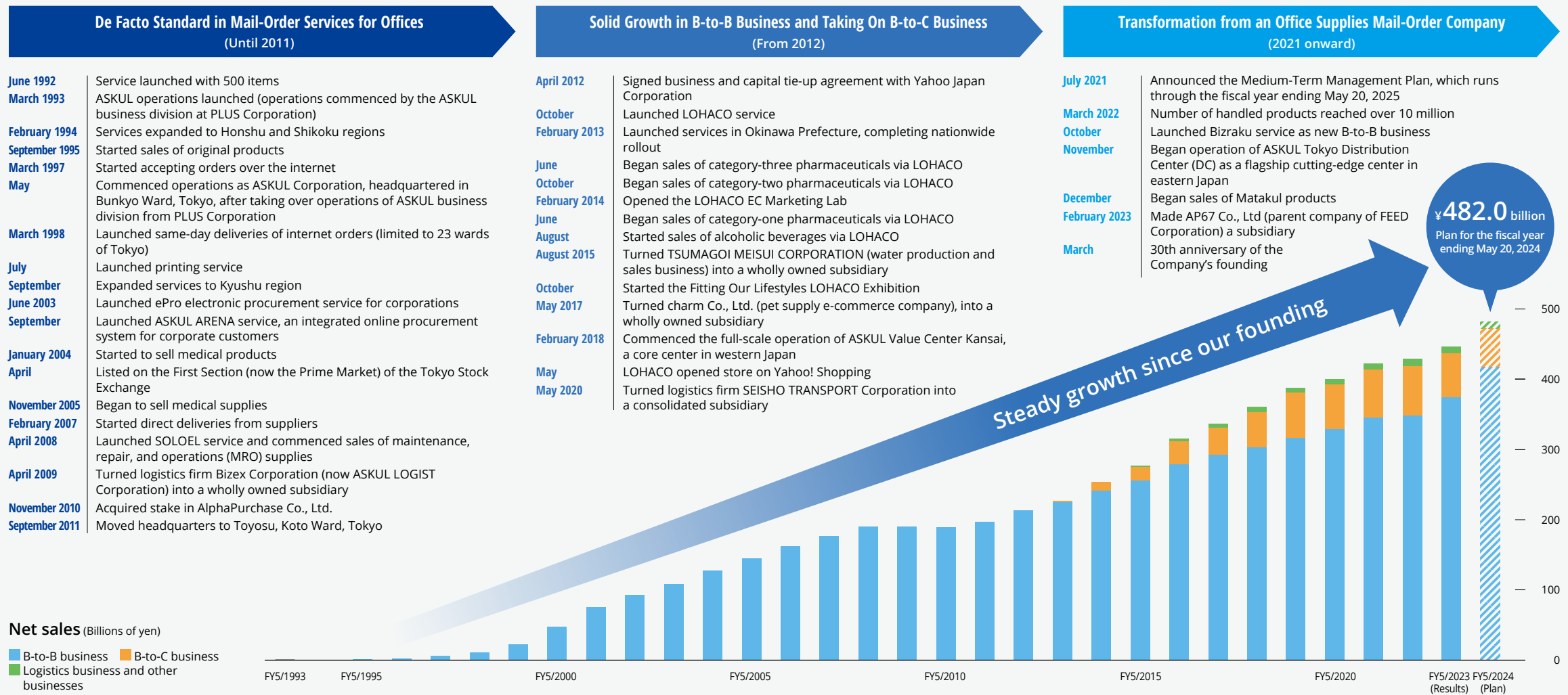
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History of Taking On Challenges and Evolution

ASKUL began by offering to deliver a single pencil by the next day.

ASKUL, which began as a total office support service provider that quickly and precisely delivered the products and services needed by offices, celebrated the 30th anniversary of its founding in March 2023. While responding to the opinions of our customers and the changing times, we have continued to grow steadily since our founding by evolving and refining our products and services. We are also expanding the scope of our business operations to include consumer lifestyle products.



History of Taking On Challenges and Evolution

B-to-B Business

Making the Traditional Distribution Structure More Functional and Logical

When ASKUL began offering services, with the exception of a few large companies, it was commonplace for office workers to walk to their nearest store to buy office supplies. In response, in 1993 ASKUL began offering total office support services with the aim of delivering office supplies to all customers by the next business day.

ASKUL's services have continuously evolved. First, the Company changed the distribution structure,

which previously entailed many layers involving manufacturers, primary wholesalers, secondary wholesalers, and retailers, in order for products made by manufacturers to reach customers. More specifically, the Company consolidated functions in purchasing, inventory management, and sales and eliminated redundant operations while cutting time and costs. The ASKUL Model was created as a new distribution system that emphasizes "social optimization," or

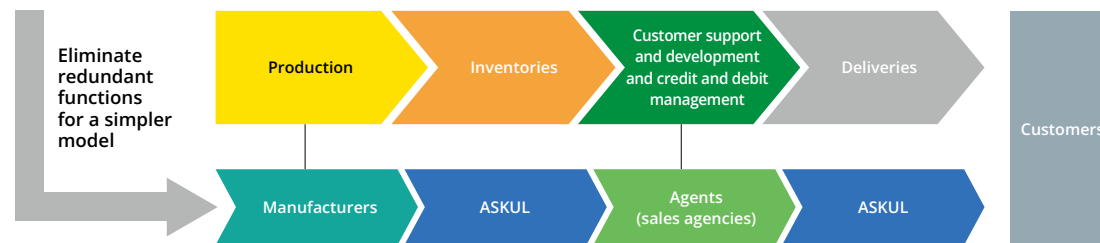
in other words, smoothing out the flow of information along with the aforementioned changes, and "functionalism," where the most qualified players handle individual functions and roles.

Instead of setting up sales locations nationwide, retail stores, such as stationery stores across the country, participate as ASKUL Agents and provide services alongside ASKUL while developing and supporting customers and managing credits and debits.

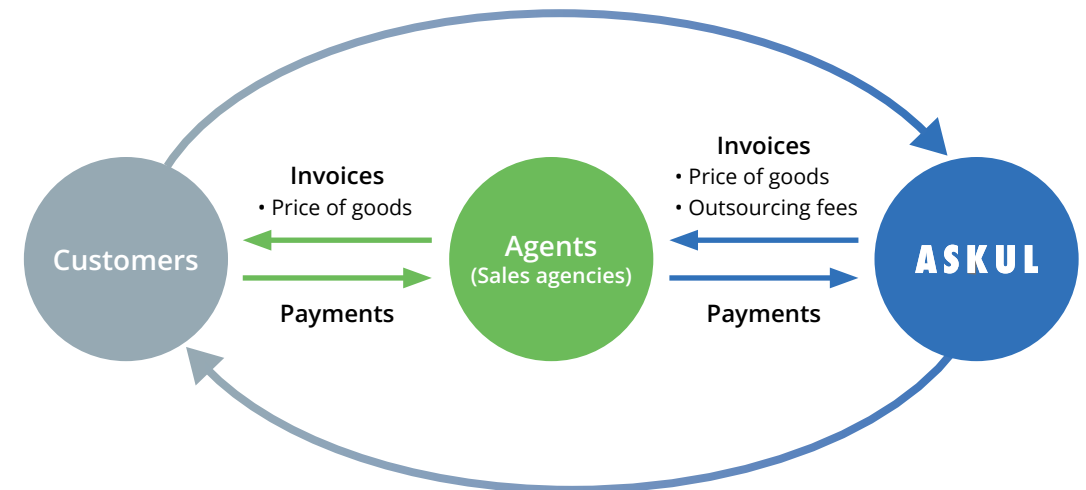
Traditional Distribution Structure



ASKUL Model



Order placing and inquiries



Delivery of products, publication of product catalogs, acting as an agent for the issuance of invoices, etc.

History of Taking On Challenges and Evolution

B-to-C Business

Phase 1 (2012–2016)

Business Launch

ASKUL, which anticipated that the barriers between the B-to-B business and the B-to-C business would disappear through technological innovation, decided to adopt a proactive approach, rather than a conservative one, and made a full-scale entrance into the e-commerce business for individual consumers.

To that end, in April 2012 ASKUL announced a business and capital tie-up with Yahoo Japan Corporation. As equal partners, both companies began to collaborate, combining ASKUL's strengths in product lineups, sales prices, logistics systems, and customer support with Yahoo Japan's strengths in attracting customers and payments.

Thereafter, ASKUL launched the LOHACO service and set up a distribution center (ASKUL Logi PARK Metropolitan) to bolster it. With the aim of leveraging the direct transactions it has with many manufacturers, in 2014 ASKUL opened the LOHACO EC Marketing Lab, thereby expanding net sales to ¥30.0 billion by 2016, four years after the launch of the e-commerce business.

Materials at time of announcement

Phase 2 (2017–2018)

Major Changes in Business Environment

In February 2017, ASKUL Logi PARK Metropolitan (Iruma District, Saitama Prefecture), which handled shipments for LOHACO in eastern Japan, was burnt to the ground. Having lost this shipment capacity, ASKUL built the ASKUL Value Center Hidaka as a new distribution center, but it took nine months to fully restore services. During this period, the volume of deliveries to individual homes skyrocketed as the e-commerce market grew sharply. However, at the same time the cost of deliveries rose quickly amid shortages of drivers, triggering a parcel delivery crisis. The LOHACO business thus saw a growing deficit, and earnings languished.

ASKUL safely navigated the worsening business environment by expanding its delivery service, a strength, and embarking on reforms to the logistics structure in a bid to improve delivery efficiency.



External view of ASKUL Value Center Hidaka

Phase 3 (from 2019)

Transformation of Earnings Structure

In December 2018, management pivoted the Company toward creating proprietary value in e-commerce with the aim of realizing sustainable services. In 2019, ASKUL declared it would become profitable in the fiscal year ending May 20, 2023, through reforms to its cost structure. While working to expand its original products, the Company broadened its sales channels by leveraging synergies with Z Holdings Corporation to open the LOHACO store on Yahoo! Shopping. As a result of reducing the logistics cost ratio by combining B-to-B and B-to-C delivery networks and promoting unattended deliveries, in addition to cutting fixed costs by launching a new LOHACO Main Store, the Company turned a profit in the fiscal year ended May 20, 2023 and is moving forward with store integration and other new initiatives on a new start toward re-growth.



LOHACO Main Store



LOHACO Yahoo! Store

ASKUL's Businesses

B-to-B Business

Our mission is to fulfill our social responsibility by supplying products to all workplaces as a lifeline for working people. Based on this mission, the Company operates two websites: ASKUL, a website for small and medium-sized enterprises, and SOLOEL ARENA, a website for mid-tier and larger enterprises. Through these websites, customers can shop from a selection of more than 12.47 million products in one place, ranging from office supplies, living supplies, and furniture to specialized goods for the manufacturing and construction sectors, general medical products—such as for healthcare, nursing care, and drugstores—medical materials including pharmaceuticals, and medical equipment. ASKUL advances the B-to-B business while coordinating with AlphaPurchase Co., Ltd., which sells maintenance, repair, and operation supplies and engages in the facility management business; FEED Corporation, which operates a mail-order service for the dental industry; SOLOEL Corporation, which provides purchase solutions for large companies; and BUSINESSSMART CORPORATION, which carries out the ASKUL agent business.

Consolidated net sales
¥373.8 billion

Consolidated operating profit
¥14.7 billion

ASKUL

Alpha Purchase

SOLOEL

ASKUL 正規取扱販売店
ビジネススマート株式会社
BUSINESSSMART CORPORATION

FEED フィード株式会社

B-to-C Business

LOHACO, which is derived from the phrase “lots of happy communities,” is based on the concept of “making our lives easier.” LOHACO by ASKUL (integration of the LOHACO Main Store and the LOHACO Yahoo! Store to operate as one store via Yahoo! Shopping in October 2023) enables customers to shop for 1.06 million products (as of May 2023) that range from beverages, foods, detergents, kitchen supplies, pharmaceuticals, cosmetics, and other daily necessities to pet products, interior goods, and LOHACO original products. The Company aims to offer unique e-commerce sites for daily necessities through a combination of its capabilities in the B-to-B business—such as product development and procurement capabilities, logistics and delivery networks, and customer responsiveness—and the strengths of LY Corporation—namely, customer appeal and payment services. charm Co., Ltd., which operates an e-commerce site for pet and gardening products, is popular among users of e-commerce malls, contributing to the growth of the B-to-C business.

Consolidated net sales
¥63.2 billion

Consolidated operating profit
¥3.0 billion

LOHACO

charm

Logistics Business

Using the logistics know-how accumulated in its own e-commerce business, ASKUL provides logistics and small-cargo transportation services to companies, in addition to product storage, warehouse management, and delivery services for manufacturers and direct-order companies, through ASKUL LOGIST Corporation and SEISHO TRANSPORT Corporation.

Consolidated net sales
¥8.7 billion

Consolidated operating loss
-¥3.0 billion

ASKUL Logist

西湘運輸株式会社

Other Businesses

TSUMAGOI MEISUI CORPORATION sources high-quality natural spring water from melted snow at the base of Mt. Azumaya, one of Japan's 100 famous mountains. The company produces and sells bottled natural mineral water using an integrated quality management system.

Consolidated net sales
¥8.0 billion

Consolidated operating profit
¥0.0 billion

嬌恋銘水

Net Sales Ratios

B-to-B Business 83.7%

B-to-C Business 14.2%

E-Commerce Business 97.9%

Other Businesses 0.2%

Logistics Business 1.9%

Business Model

Ethical E-Commerce That Is Continuously Bringing Delight

ASKUL aims to offer ethical e-commerce through the provision of sustainable services that consider solutions to environmental and social issues. Throughout the entire e-commerce value chain, from product development to delivery, we aim to create a sustainable distribution platform of the highest efficiency while delivering delight to customers and the planet.



ASKUL's Strengths

Source of Growth

Customer Base

In the B-to-B business, the number of registered customer IDs has surpassed 5.2 million*, as businesses of all sizes and from all sectors leverage our services. The total number of LOHACO customers is roughly 11.0 million*, and we aim to increase the number of LOHACO fans.

* As of the end of May 2023



A Unique Evolution Focused on E-Commerce

E-Commerce Logistics

Since its inception, ASKUL has continued to evolve its e-commerce logistics know-how and networks that enable same-day and next-day deliveries across the nation, with various types of products stored and then delivered in a single package.

- Logistics base that enables same-day and next-day deliveries across Japan
- Highly automated logistics facilities
- 100% Group-operated warehouses



Co-Creation

The products and services offered by ASKUL would not be possible without the cooperation of other companies, such as manufacturers, suppliers, delivery carriers, agents, and call center partners. Co-creation is one of ASKUL's greatest strengths that generates value for the customer, together with the Company's partners, as ASKUL relays the feedback from its customers to said partners.

Evolving Services and Enabling High-Precision Data-Driven Marketing

Big Data

Voluminous and diverse big data on orders, product reviews, and logistics data, for example, is analyzed by in-house data analysts and used to evolve services and provide high-precision data-driven marketing.



Note: Big data on purchases in the B-to-B business and LOHACO business has been accumulated from May 21, 2006, to May 20, 2023.

Satisfying Customer Needs

Original Products

ASKUL focuses on the development of original products that satisfy customer needs in terms of quality, specifications, prices, and design, reflecting feedback from customers.



Business Capital

The various types of capital that ASKUL has accumulated along with its stakeholders are deployed as a resource in management and businesses to create new value and reinvest this added value, thereby sustaining growth and improving corporate value over the medium to long term.

Note: Figures are for the fiscal year ended May 20, 2023 or as of May 20, 2023, aside from those with an explanatory note.



Financial Capital Consolidated

Strong ability to generate cash flows

Total asset turnover **2.15** times
CCC*1 **27.4** days

*1 Cash conversion cycle

Shareholder composition for creating business synergies

Z Holdings Corporation's shareholding percentage **44.95%**

Total assets

¥227.5 billion

Net assets

¥66.8 billion



Manufactured and Sales Capital Consolidated

Distribution centers

10 centers*2

*2 100% Group-operated locations

Investment in plant, property and equipment

¥32.3 billion*3

*3 Total over past five years (fiscal year ended May 20, 2019–fiscal year ended May 20, 2023)

Software investment

¥25.7 billion*3



Human Capital

Ratio of mid-career hires

Non-consolidated

73.6%

No. of employees

Consolidated

3,574

System engineers

Non-consolidated

180

Ratio of women in management

Non-consolidated

23.0%

No. of delivery drivers

Consolidated

Approx. **3,400***4

*4 Number of delivery drivers (employees and contract employees) at ASKUL-operated sales locations (18 locations)



Co-Creation Capital (Social Capital) and Intellectual Capital Non-consolidated

Suppliers

1,254 companies

Sales agents (sales agencies)

1,154 companies

LOHACO EC Marketing Lab participants

114 companies

Customer base

Registered customer IDs (B-to-B business)

Over **5.2** million

No. of buying customers (B-to-C business)

11.0 million*5

Customer feedback (B-to-B business and B-to-C business)

1.73 million opinions per year

*5 Total cumulative number of customers since LOHACO services launched (October 2012–August 2023)

Product planning and development capabilities

Original products

14,139 items
(32.3% of sales)

Networks with designers in Japan and overseas

27 units

Popular service brands

ASKUL recognition ratio **80.8%***6

E-commerce logistics know-how

Ability to design and operate highly automated distribution centers (including patents)

*6 (ASKUL survey) Multiple answers about how users came to select their e-commerce provider among six companies that directly sell products used in workplaces; September 2023 survey, provided by Macromill, Inc.

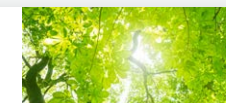


Natural Capital Consolidated

Electricity used

53,972,000 kWh, including **34,186,000** kWh of renewable energy (63.3%)

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Value Creation Process

Changes in business environment surrounding ASKUL

- Falling birthrate and aging population of Japan, shortage of workers
- Acceleration of transition to e-commerce
- Advances in AI and technology
- Responses to infectious diseases
- Climate change and sustainability management
- New workstyles and borderless corporate activities

Business Capital

- Financial capital
- Manufactured and sales capital
- Co-creation capital (social capital) and intellectual capital
- Human capital
- Natural capital

Business Activities

Business model

Foundation

- Realization of highly transparent governance (including data security)
- Healthy management that allows safe and secure work both physically and mentally
- Maintain and improve a sound financial structure

Promotion of sustainability management

Output

- B-to-B business
- B-to-C business
- Logistics business
- Other businesses

Purpose Continuously bringing delight to our workplace, life, the planet and tomorrow

Accomplishments / direction

- Transformation from an office supplies mail-order company
- Sustainability transformation (SX), Ethical e-commerce

Value Proposition

Value created from material issues (important issues) P.52

- Service reform via digital transformation (DX)**
 - Create the best customer experiences
 - Build an innovative value chain
- Innovation via co-creation**
 - Create new value through products and services
 - Realize resource-recycling platforms
- Contribution to the global environment for the next generation**
 - Take on the challenge of realizing a carbon-neutral society
 - Conserve biodiversity
- Build responsible supply chains**
 - Realize sustainable procurement
 - Fulfill responsibility as a lifeline
- Develop human resources to strengthen sustainable corporate activities**
 - Promote diversity where individuals can demonstrate their abilities
 - Innovate through personnel who proactively take on new challenges

DNA Advancing Forward for Our Customers

Values Innovation and Speed / Diversity and Co-Creation / Reliability and Dignity

Economic value (FY5/2025 consolidated target)

Net sales **¥550.0 billion** (Average annual growth of over 6.0%)

Operating profit ratio **5.0%** (Average annual growth of over 18.0%)

ROE **20%**

ASKUL's Organizational Structure (New Executive Officer Structure)

In March 2023, the existing ASKUL Business Unit and the LOHACO Business Unit were merged to form the newly established EC Business Unit with the aim of optimizing the allocation of resources to the EC business and maximizing synergies between the two businesses. In addition, we have established the new EC Product Unit to consolidate the front-office IT functions of each business division to build a flexible project support system and augment the development of IT personnel. We have also changed the executive officer of the Human Relations & General Affairs Unit to a full-time position from a concurrent position to put greater focus on human capital management.

Units marked "★" are under the jurisdiction of the COO.

- *1 Chief operating officer
- *2 Chief technology officer
- *3 Chief digital transformation officer
- *4 Chief financial officer
- *5 Chief security officer
- *6 Chief human relations & healthcare officer



→ P.44

EC Business Unit ★

Saori Onsen

Executive Officer

Ms. Onsen joined ASKUL in 2002. She has been engaged in the formulation, planning, development and implementation of website strategy in the ASKUL Business Unit and the promotion ASKUL's large-scale website renewal. Since 2022, she has overseen the ASKUL Business Unit as executive officer, and in March 2023, she was appointed executive officer of the EC Division, which encompasses both the B-to-B and B-to-C businesses.



→ P.20

ASKUL Sales Unit ★

Katsuhiro Kawamura

Director, COO*1, Executive Officer

Mr. Kawamura joined ASKUL in 2001 after working as a construction consultant and in the retail industry. He became an executive officer in 2012, serving as executive officer of the B-to-B Business Planning Unit, Corporate Planning Unit, and Logistics Division, and as director of ASKUL LOGIST Corporation. After overseeing the B-to-C business, he was appointed and currently serves as director, COO, and executive officer of the Sales Division of the Company in 2022, and president and representative director of SOLOEL Corporation.



→ P.27

Merchandising Unit ★

Mizuki Takehisa

Executive Officer

Ms. Takehisa joined ASKUL in 2001 as its first new graduate hire. She worked as a merchandiser in the Stationery Division and OAPC Division and was involved in the development of many of the Company's original mainstay products. She has also been active in developing services, such as the launch of an automated delivery service for copy paper, which is a frequently ordered item. Since 2022, she has overseen the Merchandising Unit as executive officer.



→ P.45

Logistics Unit ★

Takeshi Narimatsu

Executive Officer

Mr. Narimatsu joined ASKUL in 2007 and was engaged in customer relationship management, promotion, and new service planning before participating in the launch of LOHACO. In 2022, he assumed the position of executive officer in charge of the LOHACO Business Unit and promoted B-to-B data utilization as the director of EC marketing. In March 2023, he was appointed executive officer of the Logistics Unit.



→ P.44

EC Product Unit ★

Shinichi Hokari

Director, CTO*2, Executive Officer

Mr. Hokari joined Yahoo Japan Corporation in 2003, where he was engaged in business and infrastructure development for Yahoo! Shopping and served as general manager of the company's Production and Marketing units. In 2019, he was appointed representative director of Netrust, Ltd., and in 2022, he transferred to ASKUL, where he became a director the same year. He has served in his current position since March 2023.



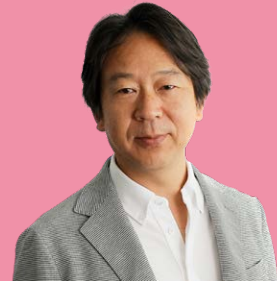
→ P.58

Technology Unit ★

Kazuyuki Ikeda

CDXO*3, Executive Officer

After working for a major IT business company and a major distribution retailer, Mr. Ikeda joined ASKUL in 2003, where he was engaged in numerous projects in fields ranging from IT to logistics. His endeavors have included the establishment of core systems in the IT Division and a project to introduce logistics robots in the Logistics Division. In 2016, he was appointed executive officer of the Logistics Unit, and has served in his current position since 2022.



→ P.39

Customer Service Unit ★

Hideo Sakurai

Executive Officer

Mr. Sakurai transferred to ASKUL Corporation in 1997 after working in the ASKUL business division at PLUS Corporation and was appointed general manager of the Customer Solutions Department in 2006. From 2010 to 2012, he served concurrently as president and representative director of BUSINESSMART CORPORATION, and was appointed executive officer of the same company in 2011. Since 2012, he served as executive officer of the Agent Sales Tokyo Metropolitan Area Unit, executive officer of the Stationery Business Unit, and deputy executive officer of the Logistics Unit, before assuming his current position in March 2020.



Corporate Unit

Tsuguhiro Tamai

Director, CFO*4, Executive Officer

After working in the construction industry, Mr. Tamai joined ASKUL in 2007 and was appointed executive officer of the Finance & Public Relations Office in 2012. He has served as director of AlphaPurchase Co., Ltd., TSUMAGOI MEISUI CORPORATION, and charm Co., Ltd., and assumed his current position of CFO of the Company in 2016. He has also served as executive officer of the Corporate Unit since 2018 and was appointed director in 2020, overseeing risk, accounting and finance, information disclosure, and management and quality KPIs (to present).



Legal & Security Unit

Hiroyuki Ueno

CSO*5, Executive Officer

Mr. Ueno joined ASKUL in 2006. After working in corporate planning and accounting, he was appointed general manager of the Corporate Planning Unit in 2014, and in 2015 became executive officer of the Print on Demand Business Unit. In 2017, he was appointed director of ASKUL LOGIST Corporation, and has served in his current position since 2020. From 2021 to 2023, he served concurrently as executive officer of the Human Relations & General Affairs Unit.



→ P.42

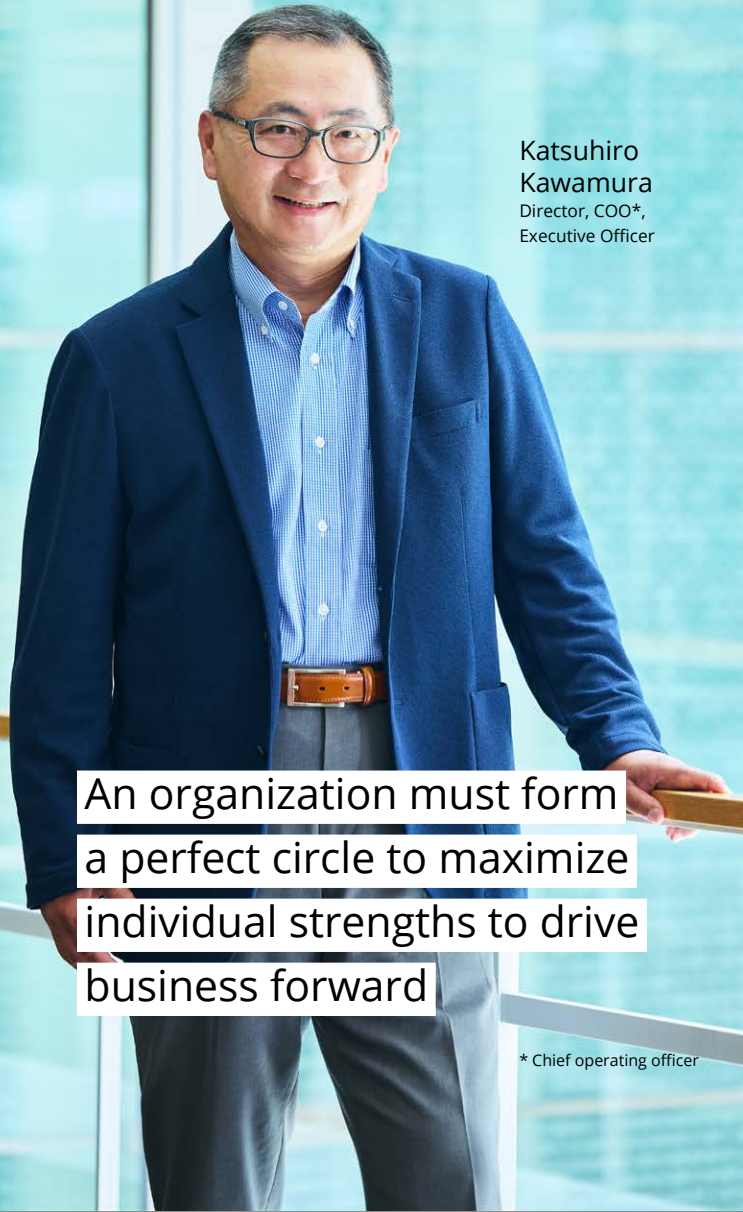
Human Relations & General Affairs Unit

Tamami Ito

CHO*6, Executive Officer

Ms. Ito joined ASKUL in 2003 after her involvement in launching an office furniture mail-order business at a stationery manufacturer. After launching the furniture business and working in solution sales with the Company, she became the general manager of the Customer Service and Logistics divisions. In 2020, she became director of ASKUL LOGIST Corporation and in 2022 the executive officer of the Logistics Unit of the Company. She has served in her current position as CHO and executive officer since March 2023.

COO Message



Katsuhiro Kawamura
Director, COO*,
Executive Officer

An organization must form a perfect circle to maximize individual strengths to drive business forward

* Chief operating officer

A perfect circle is the strongest shape for an organization

I always envision a perfect circle as I manage the organization as COO. Being a former construction consultant, I often compare things to the design of structures. The circular shape of a tunnel offers the best resistance to forces (earth pressure) coming from multiple directions. The tunnel, when subjected to pressure on all sides, produces an arch effect and in turn a solid structure.

I believe that this idea also translates to operational structures in business. ASKUL's business is centered on e-commerce, and its business units are designed around each of its associated functions, such as products and logistics. In this regard, I picture all business units operating as one. There are currently seven business units that operate under the COO, and only when all of their functions are connected in a circular fashion can a robust business structure take shape. On the other hand, a weak point anywhere in the circle can cause a bottleneck and compromise its overall strength. I believe that my role as COO is to ascertain how best to maintain the circle's shape to drive business forward.

In addition, for ASKUL to achieve nonlinear growth through expansion in each of its business fields, effective utilization of its assets is the fast track to success. As outlined in our current Medium-Term Management Plan and medium- to long-term corporate aims, we have begun work on adding SaaS businesses such as B-to-B advertising businesses and Bizraku to our existing e-commerce business foundation.

Systems and data form the foundation for our evolution

Systems and data are key in building a well-rounded and robust structure for carrying out all processes. In terms of human resources, engineers and data analysts fall into these categories, and we recognize that one of our ongoing challenges is how best

to recruit and nurture personnel who are well-versed in digital transformation (DX).

1 In constructing the New ASKUL Website*, one of the key projects of the Medium-Term Management Plan, costs and schedules were revised significantly from initial plans due in part to a shortage of in-house engineers. While drawing upon the resources and knowledge of Z Holdings (currently, LY Corporation), however, we garnered expertise in handling large-scale projects. At the same time, we raised overall staffing levels dramatically by recruiting engineers. Reflecting on lessons learned from this experience, from the fiscal year ending May 20, 2024, we have established the EC Product Unit, a group of front-end engineers who have worked in tandem with the Technology Unit to establish a structure for operating and rebuilding all of ASKUL's systems.

When weaknesses in the circle become apparent in this way, we will strive to accurately assess the situation at hand and strengthen the organization by reinforcing staffing levels where necessary and assigning the right members to the right places.

ASKUL 30 years from now

ASKUL celebrated the 30th anniversary of its founding in March 2023. When I think ahead 30 years from now, I envision our customers saying, "Wasn't ASKUL once in the office supplies mail-order business?" By that time, the scope of our business assets will have expanded and the synergistic effect of this expansion will have given rise to a dramatic increase in new business domains.

To achieve this, we will first focus on establishing new business domains that leverage our existing business assets and ensure that they are on track by 2030.

→ P.55 Key Strategies ■ Establishment of the Most Powerful B-to-B E-Commerce Website