

Section 05 Basic Information

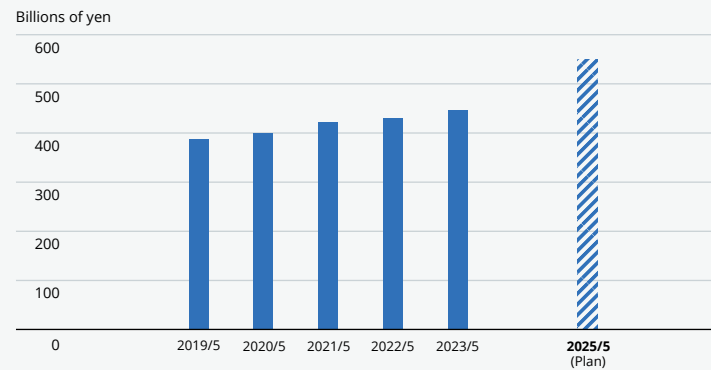
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Financial Highlights (On a consolidated basis excluding dividends per share information)

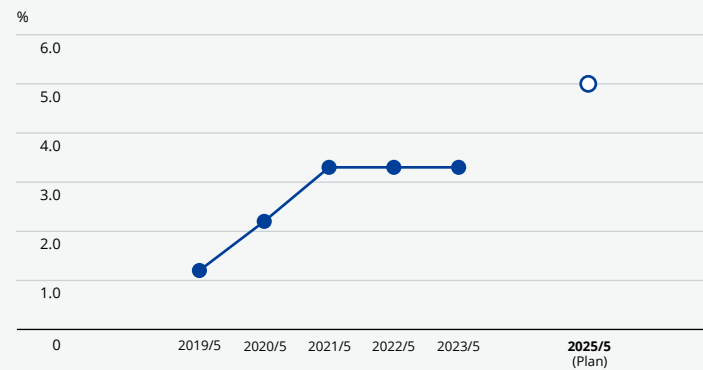
Net Sales

We aim to achieve net sales of ¥550.0 billion by the final year of the Medium-Term Management Plan by changing the curve of our sales growth trajectory by transforming from an office supplies mail-order company.



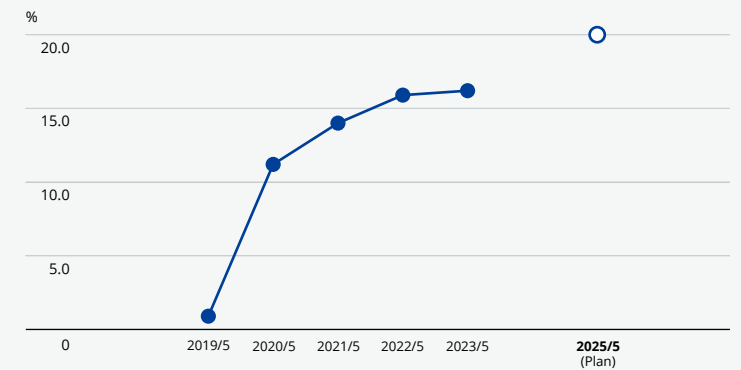
Operating Profit Margin

We aim for an operating profit margin of 5.0% in the final year of the Medium-Term Management Plan by enhancing the profitability of the LOHACO business and reforming the earnings structure of the B-to-B business.



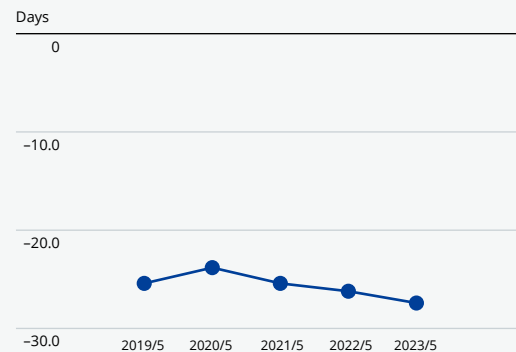
ROE

We aim for ROE of 20.0% in the final year of the Medium-Term Management Plan through improvements in business profitability and capital efficiency.



Cash Conversion Cycle*¹ (CCC)

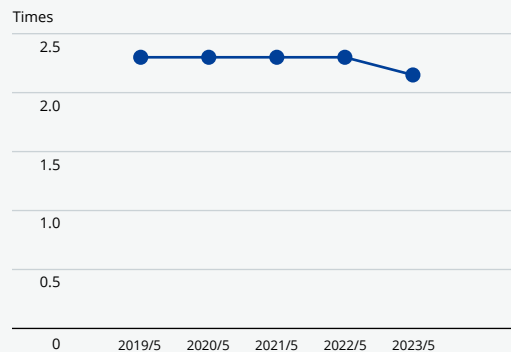
CCC is the source of our ability to generate cash flows, serving as a major strength of the Company. We will strive to maintain the CCC at its current level.



*1 CCC = Days to convert accounts receivable + Days to convert inventories - Days to convert accounts payable

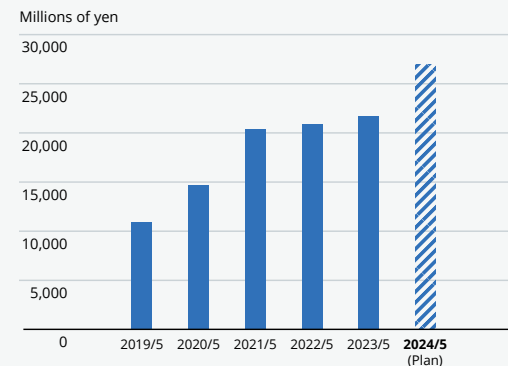
Total Asset Turnover Ratio

We will maintain the total asset turnover ratio at its current level by continuously expanding our businesses through the efficient utilization of invested capital.



EBITDA*²

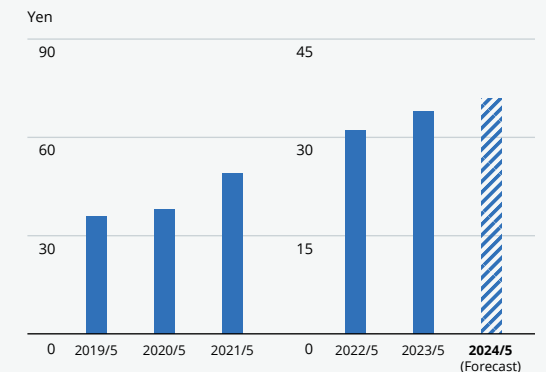
We aim to further enhance our ability to generate cash flows by maximizing the effects of investments.



*2 EBITDA = Operating profit + Depreciation + Amortization of software + Amortization of goodwill
Note: Amounts used are from the consolidated statements of cash flows.

Dividends per Share

We continue to increase dividends in accordance with profit growth.

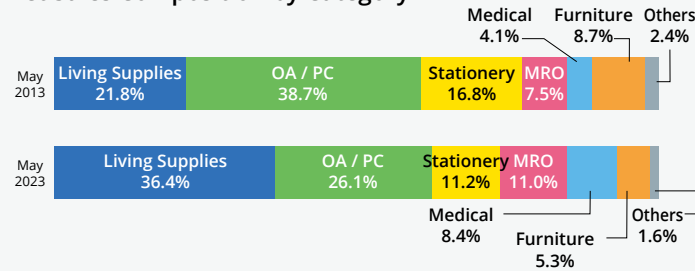


Notes: Effective May 21, 2021, a 2-for-1 stock split was conducted. In commemoration of the 30th anniversary of the launch of service, the year-end dividend for the fiscal year ended May 20, 2023 includes a commemorative dividend of 2 yen per share.

Non-Financial Highlights (Figures are for the fiscal year ended May 20, 2023 or as of May 20, 2023 aside from those with an explanatory note.)

Business-Related Data

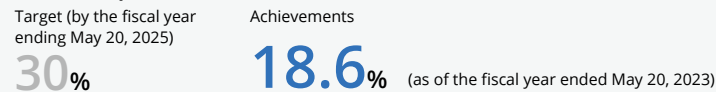
Net Sales Composition by Category Non-consolidated



Ratio of Net Sales in the Internet Domain Non-consolidated



ASKUL's Data Science Class*1 Cumulative Attendance and Completion Rate*2 Non-consolidated



*1 A three-month practical training course aimed at acquiring the skills to freely manipulate in-house data assets and visualize various analyses and analysis results.
 *2 Percentage (%) of persons among the number of employees as of the fiscal year ended May 20, 2023 who have taken and completed ASKUL's designated DX training (excluding retirees).

Number of Customer Inquiries and Chatbot Responses Non-consolidated

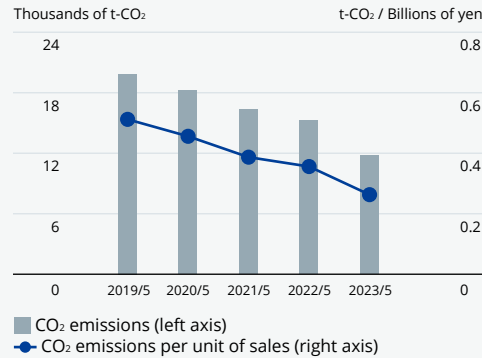


Communication with Customers

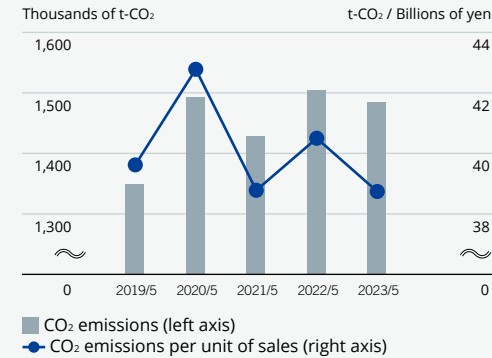
ESG

CO₂ Emissions / CO₂ Emissions per Unit of Sales

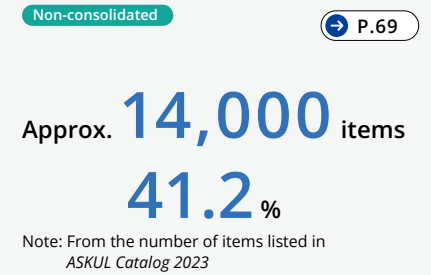
Scope 1 + Scope 2 Consolidated



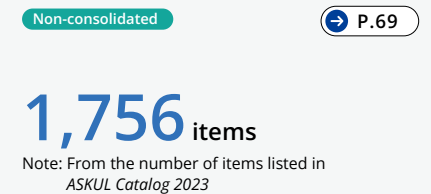
Scope 1 + Scope 2 + Scope 3 Non-consolidated



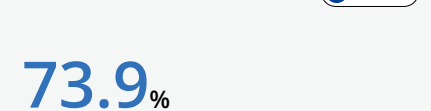
Number / Ratio of Green Products Non-consolidated



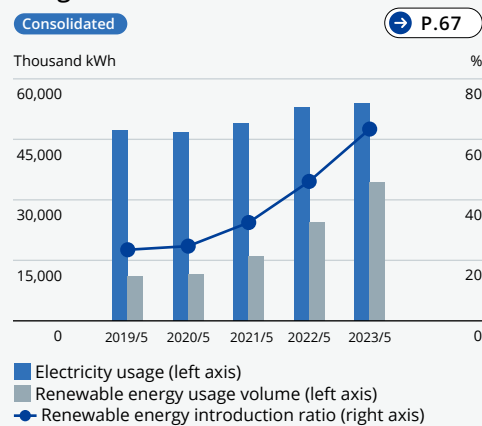
Number of Forest-Certified (FSC® / PEFC) Products Non-consolidated



Ratio of Employees Taking Paid Leave Non-consolidated



Electricity Usage / Renewable Energy Usage Volume and Introduction Ratio Consolidated



Number of Employees / Ratio of Female Managers Non-consolidated



Consolidated 11-Year Summary

Fiscal years ended / As of May 20

Unit: Millions of yen (except as otherwise noted)

	2013/5	2014/5	2015/5	2016/5	2017/5	2018/5	2019/5	2020/5	2021/5	2022/5	2023/5
Consolidated Financial Indicators											
Net sales	226,610	253,408	276,759	315,024	335,914	360,445	387,470	400,376	422,151	428,517	446,713
Gross profit	50,613	55,701	60,814	70,328	76,755	85,515	91,606	95,683	104,378	105,072	107,040
Selling, general and administrative expenses	43,733	51,425	53,965	61,810	67,890	81,323	87,085	86,862	90,455	90,763	92,420
Operating profit	6,880	4,276	6,849	8,517	8,865	4,192	4,520	8,821	13,923	14,309	14,620
Ordinary profit	7,241	4,449	6,959	8,574	8,866	3,940	4,418	8,656	13,850	14,270	14,448
Profit attributable to owners of parent	5,812	2,165	4,032	5,255	1,014	4,693	434	5,652	7,758	9,206	9,787
EBITDA	10,174	8,858	11,408	12,953	13,927	10,143	10,952	14,722	20,418	20,869	21,734
Capital expenditures	3,620	24,467	4,528	10,528	4,555	20,478	6,042	5,486	10,428	10,484	14,634
Depreciation	662	1,728	1,892	2,168	2,469	2,949	3,590	3,017	3,160	3,292	3,451
Amortization of software	2,012	2,211	1,979	1,473	1,668	1,774	1,882	2,373	2,755	2,538	2,739
Interest-bearing debt	3,981	7,400	7,074	14,719	23,426	34,703	32,101	29,704	28,407	25,201	40,795
Net assets	56,935	58,073	60,945	51,242	46,231	49,344	48,631	52,825	59,203	57,271	66,876
Total assets	110,151	119,976	132,667	139,552	155,678	173,713	169,112	174,146	190,107	188,024	227,506
Cash flows from operating activities	3,871	11,534	12,227	13,831	16,227	10,150	6,215	16,609	15,998	17,952	20,131
Cash flows from investing activities	(3,873)	(20,785)	(8,293)	(11,663)	(5,217)	(1,588)	(5,962)	(6,055)	(9,079)	(10,748)	(22,929)
Cash flows from financing activities	(3,910)	(1,453)	(2,001)	(10,606)	7,241	6,553	(4,950)	(4,761)	(3,919)	(14,674)	10,232
Sales growth rate (%)	106.4	111.8	109.2	113.8	106.6	107.3	107.5	103.3	105.4	101.5	104.2
Gross profit margin ratio (%)	22.3	22.0	22.0	22.3	22.8	23.7	23.6	23.9	24.7	24.5	24.0
Operating profit margin (%)	3.0	1.7	2.5	2.7	2.6	1.2	1.2	2.2	3.3	3.3	3.3
Capital adequacy ratio (%)	51.0	48.0	45.8	36.6	29.6	28.3	28.6	30.1	30.9	30.2	28.2
Cash conversion cycle (CCC) (days)	(25.6)	(23.4)	(23.3)	(23.0)	(26.3)	(28.6)	(25.4)	(23.8)	(25.4)	(26.6)	(27.4)
ROE (%)	10.9	3.8	6.8	9.4	2.1	9.9	0.9	11.2	14.0	15.9	16.2
Total asset turnover ratio (times)	2.07	2.20	2.19	2.31	2.28	2.19	2.26	2.33	2.32	2.27	2.15
Per-Share Information (¥)											
Basic earnings per share (EPS)	107.50	39.75	73.29	100.50	19.75	92.15	8.52	110.78	75.83	90.83	100.43
Net assets per share (BPS)	1,038.04	1,049.66	1,101.12	984.64	905.01	964.46	948.44	1,027.37	573.57	582.43	658.20
Dividends per share	30	30	30	33	36	36	36	38	49	31	34
Non-Consolidated Business Performance Indicators											
B-to-B Business											
Net sales (billions of yen)	224.5	241.2	255.1	278.5	291.9	302.6	315.8	329.0	345.1	348.0	373.8
Operating profit (billions of yen)	8.2	9.3	10.7	13.3	14.0	13.5	14.2	15.4	20.1	17.0	14.7
Number of products handled (millions of items)	0.4	0.7	0.8	1.1	3.3	5.1	6.1	7.4	8.9	11.7	12.4
Number of products in stock (thousands of items)	53.1	63.0	61.5	66.1	75.5	75.8	82.1	89.0	96.6	129.8	166.3
Number of original products (thousands of items)	4.3	5.7	5.7	7.4	7.8	8.1	8.4	8.6	8.7	8.7	9.6
Ratio of original products to net sales (%)	15.7	17.6	18.9	19.8	20.6	35.1	36.4	34.2	34.1	35.4	38.2
LOHACO Business											
Net sales (billions of yen)	2.1	12.1	19.9	32.8	39.0	41.7	51.3	48.6	52.8	54.3	46.1
Operating profit (loss) (billions of yen)	(1.3)	(2.9)	(3.2)	(3.4)	(4.6)	(9.3)	(9.2)	(6.1)	(4.2)	(2.9)	0

Notes:

- The Group has applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020) as of the fiscal year ended May 20, 2022. As a result, the method for recording net sales and SG&A expenses has changed.
- Capital expenditures are recorded based on cash flows in each accounting period.
- Operating cash flows differ significantly based on whether there is a bank holiday at the beginning and/or end of the fiscal period.
- The calculation of CCC, ROE, and the total asset turnover ratio is based on the fiscal year-end average of the account times of the balance sheet.
- ASKUL Corporation conducted a 2-for-1 stock split of common stock on May 21, 2021. "Basic earnings per share" and "Net assets per share" have been calculated on the assumption that said stock split was implemented at the beginning of the fiscal year ended May 20, 2021.

- Net sales and operating profit in the B-to-B business are listed based on consolidated results.
- The number of products handled, products in stock, and original products in the B-to-B business are as they were as of the end of the relevant fiscal year. The ratio of original products to net sales is based on the results of the relevant fiscal year-end.
- Since the second quarter of the fiscal year ended May 20, 2018, original copy paper has been included in the calculation of the ratio of original products to net sales.
- Even in the event that accounting principles or notation & presentation methods change, related indicators will not be retroactively revised.

Consolidated Financial Statements (Abridged)

Consolidated Balance Sheets

(Millions of yen)

	Previous fiscal year (May 20, 2022)	Fiscal year under review (May 20, 2023)
Assets		
Current assets	136,964	155,958
Non-current assets	51,059	71,547
Property, plant and equipment	24,285	27,862
Intangible assets	15,455	32,594
Investments and other assets	11,319	11,091
Total assets	188,024	227,506
Liabilities		
Current liabilities	100,686	120,499
Non-current liabilities	30,066	40,130
Total liabilities	130,753	160,630
Net Assets		
Shareholders' equity	56,838	64,124
Accumulated other comprehensive income	(82)	20
Share acquisition rights	0	0
Non-controlling interests	514	2,729
Total net assets	57,271	66,876
Total liabilities and net assets	188,024	227,506

Consolidated Statements of Income

(Millions of yen)

	Previous fiscal year (May 20, 2022)	Fiscal year under review (May 20, 2023)
Net sales	428,517	446,713
Cost of sales	323,444	339,672
Gross profit	105,072	107,040
Selling, general and administrative expenses	90,763	92,420
Operating profit	14,309	14,620
Non-operating profit	319	200
Non-operating expenses	359	371
Ordinary profit	14,270	14,448
Extraordinary profit	230	200
Extraordinary losses	629	182
Profit before income taxes	13,871	14,467
Profit	9,295	9,953
Profit attributable to owners of parent	9,206	9,787

Consolidated Statements of Cash Flows

(Millions of yen)

	Previous fiscal year (May 20, 2022)	Fiscal year under review (May 20, 2023)
Cash flows from operating activities	17,952	20,131
Cash flows from investing activities	(10,748)	(22,929)
Cash flows from financing activities	(14,674)	10,232
Cash and cash equivalents at beginning of period	66,259	58,789
Cash and cash equivalents at end of period	58,789	66,223

List of Material Issues (Important Issues) and KPIs

	Goal	Action plan / KPI	Target year attainment	Results of initiatives (as of May 20, 2023)	Initiatives / Targets and plans (fiscal year ending May 20, 2024)	
Digital Transformation	1 Create the Best Customer Experiences	Refine and evolve existing services	Customer retention rate: 2 pts. improvement Note: Compared with fiscal year ended May 20, 2021	2030	+2.73pts Target for fiscal year ending May 20, 2030, achieved ahead of schedule	Continued efforts to improve market place UI and enhance level of service for non-inventory products, and make other improvements.
			Improved primary resolution rate of inquiries from 85% to 90% Note: Compared with fiscal year ended May 20, 2021	2025	One-time resolution rate: 85.5%	Rate of inquiries being resolved with first response: 86.0%
		New service offerings and customer experience evolution	Evolution of easy and convenient purchasing function through technology	Plan preparation in progress	Consideration of adoption of AI systems for one-to-one information provision to customers	<ul style="list-style-type: none"> Adoption of AI systems for one-to-one information provision to customers Continued consideration of automated deliveries and other features
	2 Build Innovative Value Chains	Evolution of the entire value chain	Realization of a mechanism for zero product shortages caused by ASKUL	2030	Improvement shown through consideration of new data analysis and ordering methods	Reducing stockout rates by analyzing stockout causes and enacting countermeasures accordingly
			Improved delivery quality and achievement of zero delivery delays	2025	Fulfillment rates improving thanks to initiatives such as implementing fleet structure based on advance information, and alert functions on driver terminals	<ul style="list-style-type: none"> Thorough raising of quality awareness through distribution of delivery burdens, visualization of progress, and other measures Countermeasures for individual causes of delay
		Evolution of product information	Establishment of an open product-information-sharing platform that transcends stakeholder boundaries	2030	Work commenced on developing product information linkage system with certain suppliers	<ul style="list-style-type: none"> Operation of product information linkage system with certain suppliers Improvement of supplier information utilization rates
Co-Creation	3 Create New Value through Products and Services	Environment-friendliness of original products	Establishment of environmental standards and negative lists for original products	2023	<ul style="list-style-type: none"> Establishment and publication of Environmental Standards for Original Products, completion of survey Note: Target achieved in fiscal year ended May 20, 2023 	Continuation of efforts to improve environmental scores for original products
		Solving of social issues through new services	Realization of sales platform for products scheduled for disposal by manufacturers; achieved a cumulative reduction in product disposal of one million units	2025	<ul style="list-style-type: none"> Reduction in number of items disposed: Approx. 558,000/year Cumulative total since June 2021: 876,000 items 	<ul style="list-style-type: none"> Cumulative waste reduction of 1 million items Note: Scheduled to achieve target for fiscal year ending May 20, 2025, ahead of plan
			Support for "vulnerable shoppers"; study of support contents (establishment of local commerce services, etc., to cope with depopulation in rural areas)	Plan preparation in progress	—	Planning
	4 Realize a Resource-Recycling Platform	Realization and implementation of resource-recycling services	Establishment, start, and expansion of resource-recycling services	2025	Conducted horizontal recycling demonstration experiments (recovery tests) for plastic containers	<ul style="list-style-type: none"> Continuation of demonstration experiments (recovery tests) Establishment of collection scheme and consideration of recycling
		Zero Waste Challenge	Achieve zero product waste	2030	Expansion of sales targets for imperfect products	Planning
		Achieved total recycling of packaging materials* * Upon arrival at distribution center	2030	<ul style="list-style-type: none"> Palletizing of recycled packaging film (Kansai site) Implementation of recycling prototyping 	Achievement of recycling from used packaging film	

List of Material Issues (Important Issues) and KPIs

	Goal	Action plan / KPI	Target year attainment	Results of initiatives (as of May 20, 2023)	Initiatives / Targets and plans (fiscal year ending May 20, 2024)	
Environment	5 Take On the Challenge of Realizing a Carbon-Neutral Society	Achievement of the 2030 Zero CO ₂ Challenge	2030	<ul style="list-style-type: none"> RE100: Renewable energy progress 63.3% EV100: EV conversion progress 7.3% 	<ul style="list-style-type: none"> RE100: Continuation of efforts for introduction at all centers in 2025 EV100: Promotion and selection of vehicle models suitable for delivery 	
		ASKUL Group 2030 Zero CO ₂	Efforts to absorb CO ₂ through afforestation, etc.	Plan preparation in progress	Consideration of three-party forest maintenance activities with Tsumagoi Village and TSUMAGOI MEISUI	<ul style="list-style-type: none"> Signing of forest maintenance partnership agreements, and forest maintenance planning
			Provide environment-friendly delivery methods to customers	Plan preparation in progress	Cargo consolidation system modifications and improvement	<ul style="list-style-type: none"> Addressing issues associated with cargo consolidation system modifications Consideration of customer incentives and consideration of development and implementation
	Reduction of CO ₂ emissions throughout the supply chain	Science Based Targets objective: 12% reduction in Scope 3 CO ₂ by 2030		2030	Survey and effects measurement on CO ₂ emissions of original products	<ul style="list-style-type: none"> Updating of SBT objectives
		Completion of visualization of CO ₂ emissions produced by products and calculation of contribution to reduction		2025	<ul style="list-style-type: none"> Start of survey on CO₂ emissions of original products Test operation of CO₂ emissions calculation tools 	<ul style="list-style-type: none"> Expansion of scope of original product CO₂ emissions survey
6 Conserve Biodiversity	Expansion of range of certified products handled	Expansion of range of certified wood and paper products	Plan preparation in progress	—	Planning	
	Tackling of the problem of marine plastic pollution	Cooperation with local authorities in collecting marine ocean plastic	Plan preparation in progress	<ul style="list-style-type: none"> Donations made to Tsushima city (approx. ¥320,000) On-site inspection through Tsushima City Study Tour 	<ul style="list-style-type: none"> Implementation of Tsushima City Study Tour Planning regular ocean plastic collection activities 	
Supply Chain	7 Realize Sustainable Procurement	Conducting of CSR surveys of suppliers	2025	Implementation of individual information gathering	Planning for a second CSR survey	
		Supplier surveys and audits	Implementation of audits at original product contract manufacturing plants	2025	Applicable factories (factories that are contracted to manufacture original products) Audit and confirmation completed for approximately 20 factories	Continued auditing of applicable factories
		Non-supplier business partner surveys	Conducting of ASKUL confidence surveys of all business partners	2025	Consideration of implementation outline (content, scope, etc.)	Preparation for selecting research methods and applicable data
	8 Fulfill Responsibility as a Lifeline	Expansion of range and stable supply of "lifeline products"	Establishment of stable supply system for "lifeline products"	2030	Confirmation of applicable products	<ul style="list-style-type: none"> Consideration for building a stable supply and sales framework Consideration for securing shipping and delivery means
		Building of resilient logistics networks	Distribution center layouts based on seismic isolation and redundancy Planning and implementation	2030	Based on distribution center medium-term plans, planning for seismic isolation for new facilities.	Consideration for decentralization of Eastern Japan facilities and other such measures
Building of resilient supply chains that can respond immediately to demand fluctuations and contingencies				2030	<ul style="list-style-type: none"> Drawing up of earthquake resistance plans for existing facilities Consideration of structuring and systematization for recovery operations 	<ul style="list-style-type: none"> Earthquake resistance for existing facilities Continued consideration of structuring and systematization of recovery operations
Platform-based disaster relief	Signing of disaster relief agreements with local authorities (conclusion with municipalities where all ASKUL distribution centers are located)		2025	Gathering information about individual local municipalities	<ul style="list-style-type: none"> Planning for signing of agreements Preparation of in-house manual for actual response 	

List of Material Issues (Important Issues) and KPIs

	Goal	Action plan / KPI	Target year attainment	Results of initiatives (as of May 20, 2023)	Initiatives / Targets and plans (fiscal year ending May 20, 2024)	
Human Resources	9 Promote Diversity Where Individuals Can Demonstrate Their Abilities	Ratio of female managers	30.0% female manager ratio achieved	2025	23.0%	26.0%
		Employment of persons with disabilities	Compliance with and improvement of employment rate of persons with disabilities	2030	Employment rate results: 2.01% (shortage of 3 persons)	Achievement of the legal employment rate (2.3%)
		Senior system	Operation of the Second Career Challenge system	2025	Internal secondary work system (continued implementation)	<ul style="list-style-type: none"> Internal secondary work system (continued implementation) Note: Postponement of other programs
Human Resources	10 Innovate through Personnel Who Proactively Take On New Challenges	Human resource development that encourages taking on challenges and environmental improvements	Design and operation of internal award schemes	2023	Establishment and implementation of ASKUL WAY Award	Conclusion (continuation scheduled)
			Development and implementation of Companywide development plans (including DX personnel development)	Plan preparation in progress	<ul style="list-style-type: none"> Implementation of next generation management training Introduction of learning support system (for all employees) 	Planning
		Recruitment and development of DX personnel	30 DX personnel recruited annually (new graduates and mid-career hires)	2025	Hiring results: 23 mid-career hires, 8 new graduates	Recruitment target: 20 mid-career hires, 30 new graduates
Foundation	11 Realization of Highly Transparent Governance (Including Data Security)	Strengthening of Group governance	Zero cases of misconduct or serious legal violations (ongoing)	2030	<ul style="list-style-type: none"> Continued implementation of education, and promotion of hotline usage Number of disciplinary actions: 3 cases 	<ul style="list-style-type: none"> Promotions of hotline and consideration of external services Continued implementation and rigorousness of compliance education
		Ensuring of information security	Zero serious security incidents (ongoing)	2030	<ul style="list-style-type: none"> Two serious accidents occurred Implementation of recurrence prevention planning, education, and awareness 	<ul style="list-style-type: none"> Elimination of serious accidents Strengthening of risk assessment
	12 Healthy Management that Allows Safe and Secure Work Both Physically and Mentally	Improved healthcare	Initiatives toward and promotion of health management	2024	<ul style="list-style-type: none"> Wellness performance score: 80.9% Changes in the industrial physician framework, changes in stress check content and systemization 	<ul style="list-style-type: none"> Wellness performance score: 83.0% Regular implementation of condition surveys
		Strengthening of engagement	Improved employee satisfaction and engagement • Achieved employee engagement score: 70 points	2025	Employee engagement score: 65.6 points	Employee engagement score: 67.8 points
13 Maintain and Improve a Sound Financial Structure	Improvement of profitability	Achievement of the Medium-Term Management Plan Net sales of ¥550.0 billion, operating profit margin of 5.0%, and ROE of 20.0%	2025	Net sales: ¥446.7 billion, operating profit margin: 3.3%, ROE: 16.2%	Net sales: ¥482 billion, operating profit margin: 3.4%, ROE undetermined	
	Financial base	Building of a strong financial base to support the Medium-Term Management Plan CCC (cash conversion cycle): -20 days	2025	Approximately -27.4 days	-20 days in fiscal year ending May 20, 2025	

Glossary

Business ASKUL Agent	<p>In the Company's B-to-B business, "ASKUL Agent" refers to a designated distributor determined by each customer. ASKUL Agents are responsible for acquiring and maintaining customers and collecting receivables. As of May 20, 2023, the Company had over 1,100 ASKUL Agents in operation across Japan.</p>	Logistics <i>Oricon</i> <p><i>Oricon</i>, which means "foldable container," are used when products need to be transported using a conveyor belt. The Company's ECO-TURN shipping method makes use of <i>Oricon</i>.</p>
Business Ethical e-commerce	<p>A type of sustainable e-commerce that the Company aims to realize. Ethical e-commerce considers environmental conservation and the resolution of social issues and aims to help facilitate sustainable behavior among customers simply through the use of ASKUL's services.</p>	Logistics Supply chain, Value chain <p>The supply chain is the entire physical sequence through which a product travels from the area of production to the hands of customers. The value chain represents the sequence of value brought about by a product. "Upstream" refers to processes in the sequence that are closer to the raw material stage, and "downstream" refers to those that are closer to the consumer stage.</p>
Business SKU item number	<p>Stands for stock keeping unit. SKU is a unit of stock management used when orders are received or when inventory management is conducted. In ASKUL's case, SKU is used as a unit of sale. Utilized in combination with item volumes (type of product), SKU is an important unit of measurement for distinguishing between, for example, products of the same type that have differing numbers contained in their respective unit.</p>	Logistics Automated storage <p>Stands for automated storage and retrieval system. ASRS is a massive system that automatically stores, on shelves, packages that have been transported via conveyor belts. ASKUL has installed and operates an ASRS at all of its distribution centers. P.48</p>
Business MRO	<p>Stands for maintenance, repair, and operations. MRO refers to equipment, tools, repair materials, and other consumables used in the frontline operations of factories, construction sites, and other locations. MRO has traditionally referred to materials that serve as secondary materials (indirect materials), which are different from raw materials (direct materials) needed for the production process.</p>	Logistics 3PL <p>Stands for third-party logistics. This term refers to a type of business that takes on logistics design and proposal work in a comprehensive manner, as a third party in place of the shipping company.</p>
Business Supplier	<p>"Supplier" refers to the companies and organizations from which the Company purchases products. ASKUL purchases products directly from manufacturers and also purchases products indirectly through general trading companies and wholesalers. As of May 20, 2023, ASKUL had been procuring products from approximately 1,200 suppliers.</p>	Logistics Carrier <p>"Carrier" refers to a delivery company. Specifically, it is a company that owns trucks and other modes of transportation and has personnel who carry out the transportation business on its own.</p>
Business Supplier direct delivery (product)	<p>"Supplier direct delivery" refers to a service where products (referred to as "direct delivery products") are sent to the hands of customers directly from suppliers, without passing through the Company's warehouses. This term is similar to the term "cross-dock products," which refers to products that pass through warehouses without being stored and are shipped to customers together with warehouse inventory.</p>	Logistics Pallet <p>"Pallet" refers to a flat transport structure used to transport and unload products and move and store products within a warehouse. Multiple pallets are often stacked on top of each other and moved with equipment such as forklifts and hand lifts. Transportation and shipping methods that make use of pallets are often referred to as "pallet method" and "palletization."</p>
Business CB product	<p>Stands for consumer brand product, a term coined by ASKUL. At the LOHACO EC Marketing Lab, ASKUL is developing and rolling out a large number of "consumer-oriented design products," which are products designed to enhance the quality of consumers' lives, in collaboration with manufacturers.</p>	Logistics Picking <p>"Picking" is a type of work performed within a warehouse. Picking involves picking out products from a fulfillment center in accordance with customer orders. Picking is used in such terms as "digital picking," a system that uses digital displays to support picking work, and "total picking," a method where multiple shipping orders are listed together and then sorted by item.</p>
Business B-to-B / B-to-C	<p>"B-to-B" stands for business to business and indicates transactions between companies. "B-to-C" represents business to consumer (customer) and refers to transactions between companies and consumers. B-to-B has served as the core business of the Company since its founding. In terms of B-to-C, the Company offers the LOHACO business.</p>	Logistics Last mile <p>"Last mile" refers to the last leg of the journey that involves moving goods from the transportation hub to the customer. Enhancing the quality of service while reducing costs in the last mile, which serves as an important contact point with customers, are becoming important strategic elements for e-commerce business operators, including ASKUL.</p>
Business PB product, Original product	<p>ASKUL develops and sells a wide range of private brand (PB) products, including products developed based on customer feedback; products developed in collaboration with manufacturers that give consideration to the environment, design, and quality; and products tailored to mail-order and e-commerce sales that do not need to stand out to consumers at storefronts.</p> <p>Notes: 1. The opposite of PB is national brand (NB). 2. "Original product" includes such products as PB products, products jointly developed with manufacturers, and limited-time-only products.</p>	Logistics Long-tail product (opposite of head product) <p>Compared with "head products," which are general-purpose products that are ordered at a high frequency, long-tail products are specialized products that are ordered at a low frequency. Long-tail products are multi-type products that are sold in low volumes. The term "long tail" comes from the long tail of an XY graph.</p>

External Evaluations

<p>2023 FTSE Blossom Japan Sector Relative Index Selected as a constituent of the FTSE Blossom Japan Sector Relative Index for the second consecutive year</p>		<p>2023 Awarded the Commissioner's Award for fiscal 2022 for good practices of consumer-oriented management hosted by the Consumer Affairs Agency for ASKUL's Go Ethical initiative</p>	
<p>2018 Recognized as an Eco-First Company by Japan's Ministry of the Environment</p>		<p>2018 Selected as a constituent of the S&P/JPX Carbon Efficient Index</p>	
<p>2018 Received approval from the international Science Based Targets initiative (SBTi)</p>		<p>2023 Selected as a CDP Supplier Engagement Leader for the second consecutive year</p>	
<p>2023 Selected as constituent of the Morningstar Japan ex-REIT Gender Diversity Tilt Index</p>		<p>2019 Registered by the Tokyo Metropolitan Government as a "company promoting a good balance between family and work"</p>	
<p>2016 Obtained the Tomonin mark from Japan's Ministry of Health, Labour and Welfare (The "Tomonin" mark, created by the Ministry of Health, Labour and Welfare, can be used by companies that strive to ensure workplace environments enable employees to balance work and nursing care)</p>		<p>2017 Received the highest three-star rating in the certification system known as Eruboshi, based on the Act on Promotion of Women's Participation and Advancement in the Workplace</p>	
<p>2017 Obtained the Kurumin mark (stage 1 certification) from Japan's Ministry of Health, Labour and Welfare</p>		<p>Received the Best IT Award (Transformation Area) at the 2021 IT Awards of the Japan Institute of Information Technology Public Interest Incorporated Association</p>	
<p>2023 Selected as constituent of the JPX Market Innovation Research, Inc. and Nikkei Inc.'s JPX-Nikkei Index 400</p>		<p>Selected by Japan's Ministry of Economy, Trade and Industry as one of the DX Stocks 2023 within the Digital Transformation Stock (DX Stock) of the Ministry of Economy, Trade and Industry and Tokyo Stock Exchange, Inc.</p>	
<p>2021 Certified by Japan's Ministry of Economy, Trade and Industry as a DX Certified Operator</p>			

External Endorsement and Participation

<p>2019 First Japanese EC operator to express support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)</p>		<p>2014 Participation in the Japan Climate Leaders' Partnership (Japan-CLP)</p>	
<p>2017 Declaration to achieve 100% renewable energy use across the Group by 2030, and participation in RE100</p>		<p>2017 Declaration that 100% of owned/leased delivery vehicles ASKUL LOGIST will be EVs by 2030 and joins participation in EV100</p>	
<p>2018 Endorsement as one of the member companies of the Japan Climate Initiative's (JCI) greenhouse gas emission reduction target message for 2030</p>		<p>2023 Expressed endorsement of Japan's Ministry of Economy, Trade and Industry GX League Basic Concept</p>	
<p>2009 Participation in the Japan Business Initiative for Biodiversity (JBIB)</p>		<p>2016 Participation in the United Nations Global Compact (UNGC)</p>	
<p>2016 Participation in the meeting of supporters of the Declaration of Action of the Male Leaders Coalition for Empowerment of Women of the Cabinet Office</p>		<p>2021 Participation in 30% Club Japan</p>	
<p>2019 Declaration of support and voluntary action for the White Logistics* promotion campaign * White Logistics is an initiative that seeks to ensure stable logistics operations needed for daily life and industrial activities while also contributing to economic growth.</p>		<p>2021 Endorsement of the Consumer Affairs Agency's consumer-oriented management and formulation of the Voluntary Declaration of Consumer Orientation (July 2021)</p>	

Group Network

All ASKUL Group companies strive to increase their value while complementing the Group as a whole by performing functions such as strengthening the customer base, expanding the range of commercial products, and operating logistics infrastructure.

			B-to-B Business	B-to-C Business	Logistics Business	Other Business
	ASKUL LOGIST Corporation https://www.askullogist.co.jp/ (Japanese only)	<ul style="list-style-type: none"> • Distribution center warehouse operations, as well as small-lot delivery operations • Providing state-of-the-art and best-in-class logistics and delivery services Toyosu, Koto Ward, Tokyo Hideo Amanuma, President and Representative Director				
	BUSINESSMART CORPORATION https://www.businessmart.co.jp/ (Japanese only)	<ul style="list-style-type: none"> • ASKUL Agent • Pursuing an innovative agent model Toyosu, Koto Ward, Tokyo Norio Tanabe, President and Representative Director				
	SOLOEL Corporation https://www.soloel.com/ (Japanese only)	<ul style="list-style-type: none"> • Sales representative of SOLOEL Enterprise • Promoting the introduction of purchasing solutions for large companies Toyosu, Koto Ward, Tokyo Katsuhiro Kawamura, President and Representative Director				
	AlphaPurchase Co., Ltd. https://www.alphapurchase.co.jp/ (Japanese only)	<ul style="list-style-type: none"> • Sale of MRO products and facility management • Pursuing synergies through expansion of factory-based commercial products Mita, Minato Ward, Tokyo Masayuki Tada, President and CEO				
	TSUMAGOI MEISUI CORPORATION http://www.tsumagoi-meisui.com/ (Japanese only)	<ul style="list-style-type: none"> • Production and sale of natural mineral water • Development and production of drinking water suitable for e-commerce Tsumagoi Village, Agatsuma-gun, Gunma Prefecture Minoru Toyota, President and Representative Director				
	charm Co., Ltd. https://www.charm.co.jp/ (Japanese only)	<ul style="list-style-type: none"> • Mail-order sales of pet supplies and living organisms • Pursuing synergies between e-commerce for pet products and daily necessities Ora Town, Ora District, Gunma Prefecture Tsutomu Imai, Representative Director				
	FEED Corporation https://www.feedcorp.co.jp/ (Japanese only)	<ul style="list-style-type: none"> • Sales of dental materials, medical equipment, pharmaceuticals, quasi-drugs, and other medical-related supplies, etc. • Pursues synergies through expansion of medical products and mutual leveraging of customer bases Minato Mirai, Nishi Ward, Yokohama City, Kanagawa Prefecture Michi Yamamoto, Representative Director				

Corporate / Stock Information (as of May 20, 2023)

Corporate Information

Company name	ASKUL Corporation https://www.askul.co.jp/kaisya/english/
Established	March 1993 <small>(Founded by PLUS Corporation, which transferred the ASKUL business to a dormant company established in 1963)</small>
Capital	¥21,189 million
Representative director	Akira Yoshioka
Location of head office	Toyosu Cubic Garden, 3-2-3 Toyosu, Koto Ward, Tokyo 135-0061 TEL: (+81) 03-4330-5001 (representative)
Employees	3,574 employees (consolidated)
Fiscal year-end	May 20

Stock Information

Stock exchange	Listed on the Tokyo Stock Exchange, Prime Market
Securities code	2678
Total number of shares authorized	169,440,000
Total number of shares issued	97,518,800 <small>Note: The total number of shares issued includes 62,406 treasury shares.</small>
Number of shareholders	42,611
Shareholder registry administrator	Sumitomo Mitsui Trust Bank, Limited
Number of shares per unit	100 shares
Annual General Meeting of Shareholders	August of each year
Industry	Retail
Analyst coverage	12 analysts https://www.askul.co.jp/corp/english/investor/stock/analyst/

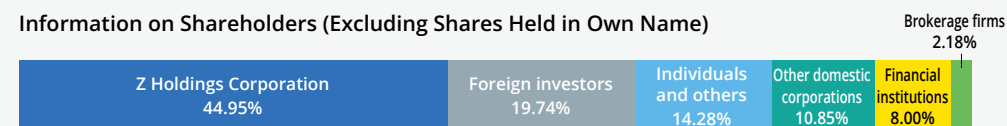
Major Shareholders

Shareholder name	Number of shares held (thousands of shares)	Shareholding ratio (%)
Z Holdings Corporation	43,808	44.95
PLUS Corporation	10,331	10.60
The Master Trust Bank of Japan, Ltd. (Trust Account)	4,138	4.25
NORTHERN TRUST CO. (AVFC) RE FIDELITY FUNDS	1,956	2.01
BBH FOR FIDELITY LOW-PRICED STOCK FUND (PRINCIPAL ALL SECTOR SUBPORTFOLIO)	1,629	1.67
Hidehisa Imaizumi	1,592	1.63
Tadahisa Imaizumi	1,580	1.62
SMBC Nikko Securities Inc.	1,559	1.60
Nomura Trust and Banking Co., Ltd. (Trust Account)	1,533	1.57
Shoichiro Iwata	1,524	1.56

Notes:

- The number of shares held is rounded down to the nearest thousand shares, and shareholding ratios are rounded to the first decimal place.
- Shareholding ratios are calculated excluding treasury shares.
- The number of shares held by The Master Trust Bank of Japan, Ltd (Trust Account), includes 4,116,000 shares related to trust operations.
- The number of shares held by Nomura Trust and Banking Co., Ltd (Trust Account), includes all shares related to trust operations.

Information on Shareholders (Excluding Shares Held in Own Name)



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ASKUL