

February 6, 2024

To whom it may concern:

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 (Code No.: 2678, Tokyo Stock Exchange Prime Market)
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Announcement of Financial Results by Other Affiliated Company

ASKUL Corporation (the “Company”) hereby announces that there are some descriptions about the Company in the financial results briefing presentation materials for the third quarter of fiscal year 2023 announced today by LY Corporation (headquarters: 1-3 Kioicho, Chiyoda-ku, Tokyo; representative: Takeshi Idezawa, President and Representative Director, CEO), a company defined as “other affiliated company” of the Company. Please refer to the appendix for the applicable page of the presentation materials.

In the attached material, there are descriptions of the Company’s business results. Please note that the consolidated accounting periods of LY Corporation and the Company differ as shown in the table below, and due to the differences in the accounting standards, etc. between the two companies*, the figures described in the material do not match the financial results to be announced by the Company.

*The Company applies Japanese GAAP, and LY Corporation applies IFRS as accounting standards.

| Consolidated accounting period | LY Corporation | Company |
|--------------------------------|--|---|
| Third quarter | <p>From October 1, 2023, to December 31, 2023</p> <hr/> <ul style="list-style-type: none"> • Page 1 The Company’s adjusted EBITDA is described as factors of increase for LY Corporation’s factors behind change in adjusted EBITDA. • Page 2 Transaction value via the internet in every quarter. • Page 3 Transaction value and growth rate of LOHACO etc. in every quarter. • Page 4 The Company’s consolidated revenue, cost of sales, personnel expense, and depreciation and amortization are described as LY Corporation’s FY2023 Q3 factors behind change in operating income. • Page 6 The Company’s consolidated revenue. | From November 21, 2023 to February 20, 2024 |

Appendix: LY Corporation Financial Briefing Presentation Materials for FY2023 Q3 (excerpt)

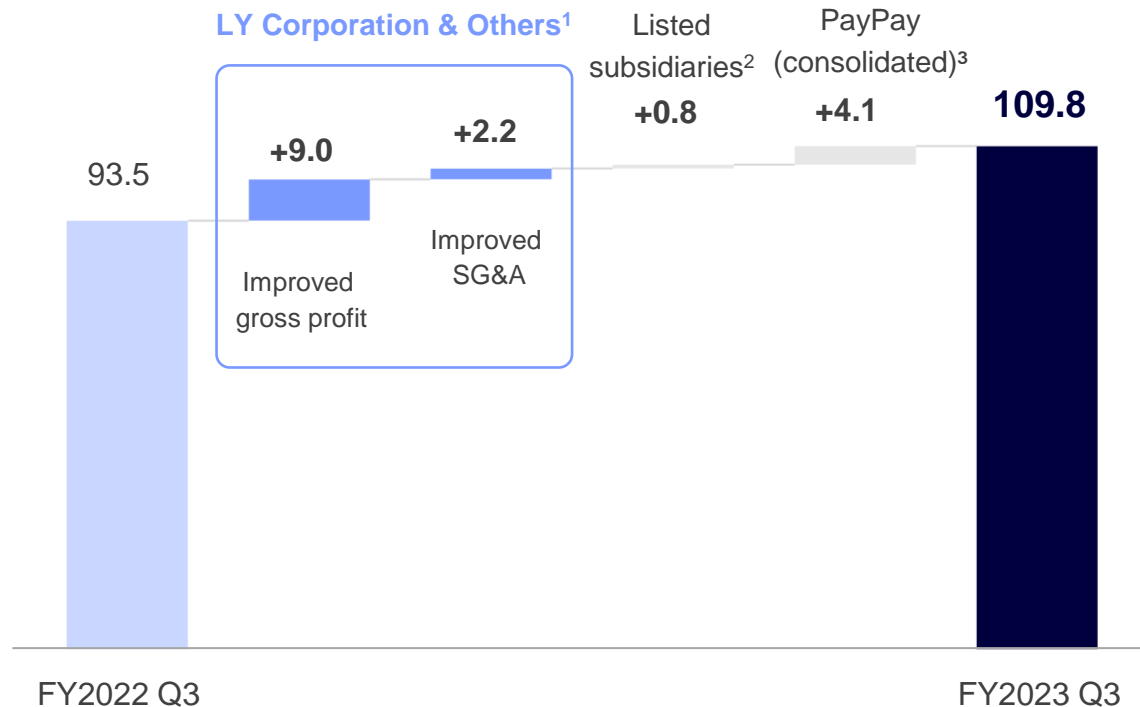
Note: LY Corporation holds 44.90% of the Company’s outstanding shares as of November 20, 2023.

Factors Behind Change in Adjusted EBITDA

- LY Corporation's improved gross profit was a larger contributor to adjusted EBITDA growth than the improved SG&A.

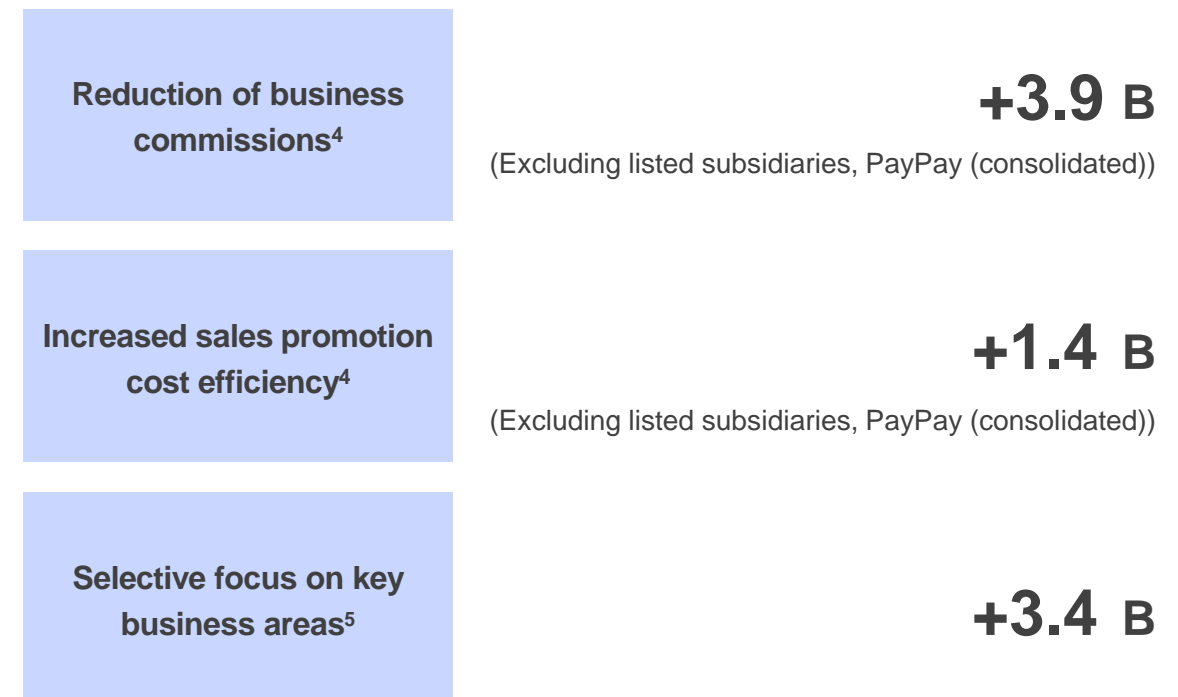
Factors Behind Change in Adjusted EBITDA

(JPY B)



Improvements in FY2023 Q3 (SG&A/Adjusted EBITDA)

(JPY)



1. Excluding ZOZO, Inc., ASKUL Corporation, ValueCommerce Co., Ltd., and PayPay Corporation (consolidated).

2. ZOZO, Inc., ASKUL Corporation, and ValueCommerce Co., Ltd.

3. Includes PayPay Corporation and PayPay Card Corporation. Figures are shown after the elimination of internal transactions between the two companies and have been independently calculated following relevant IFRS adjustments.

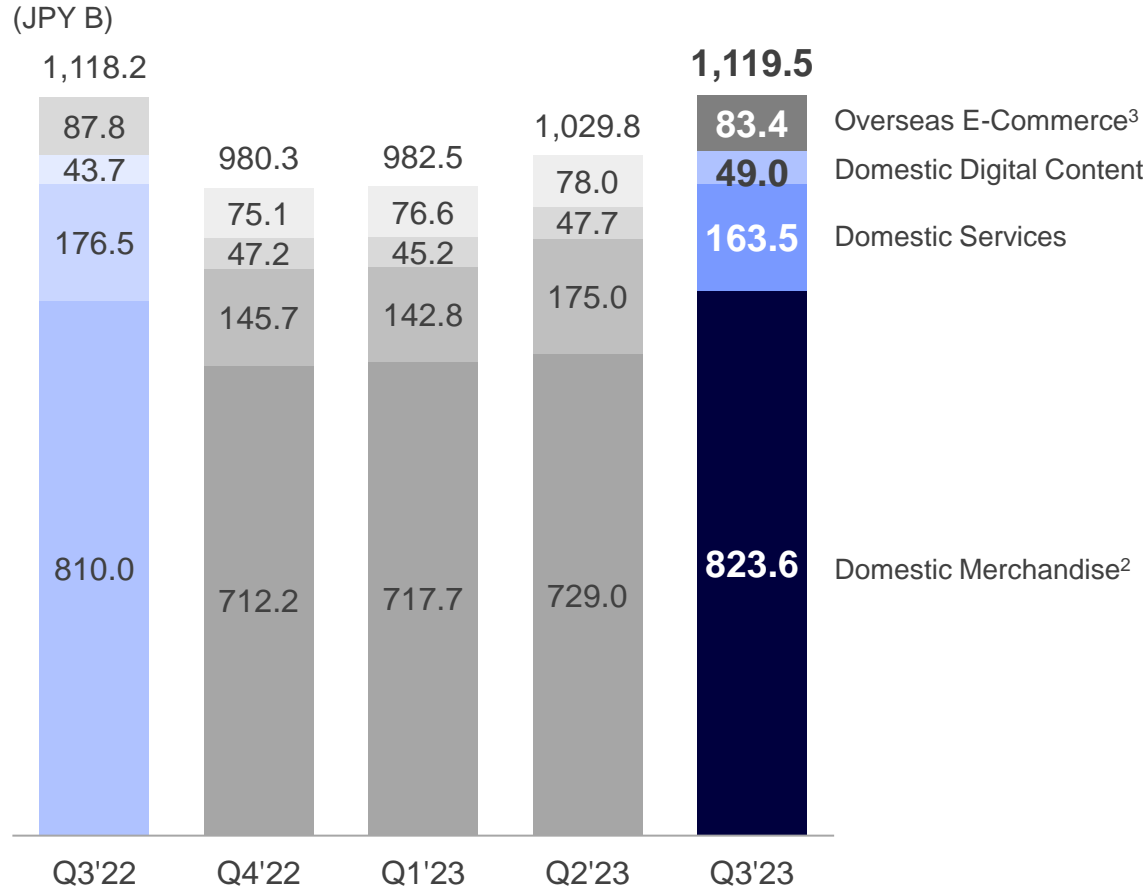
4. Amount of improvement according to financial accounting-based SG&A.

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

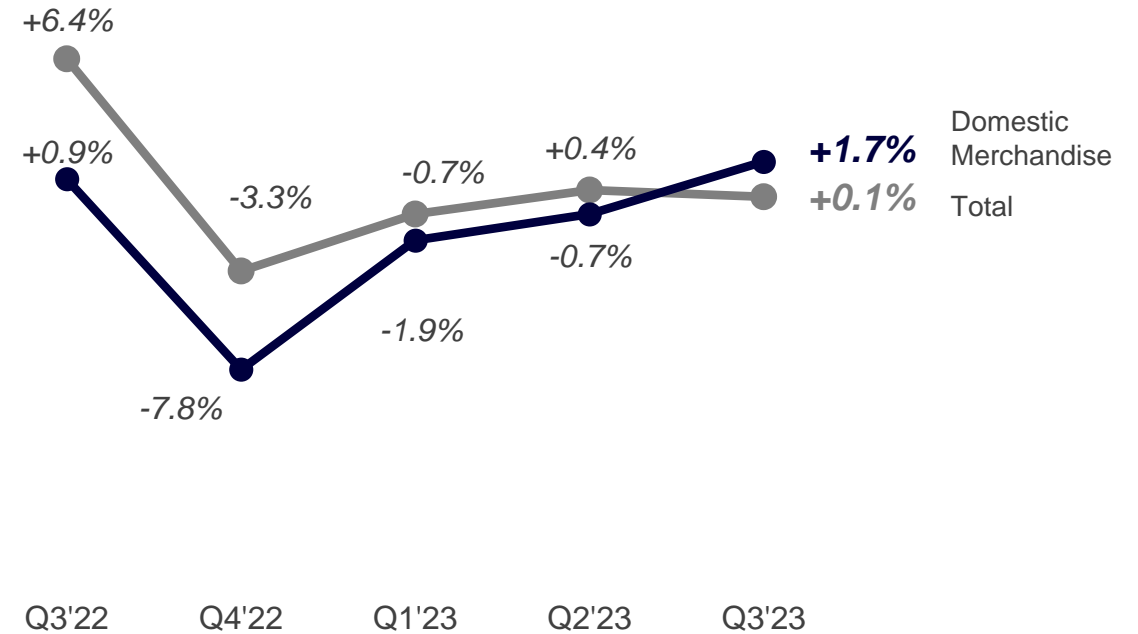
Business Overview (E-Commerce Transaction Value)

- Domestic merchandise transaction value returned to positive growth.

Group E-Commerce Transaction Value¹



Group E-Commerce Transaction Value¹ - YoY Growth Rate



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

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

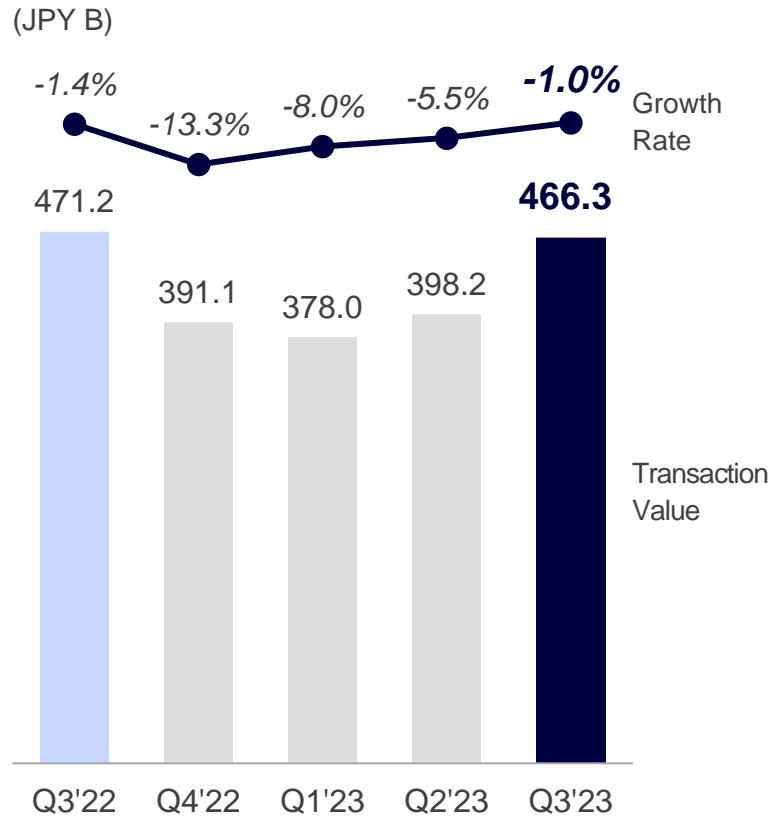
3. From FY2023 Q1, includes the transaction value of ZOZOFIT.

Business Overview (Domestic E-Commerce Transaction Value)

- Shopping transaction value is on a recovery trend. Travel transaction value decreased due to the absence of Japan's nation-wide travel incentives for the travel industry, which was conducted in the previous year.

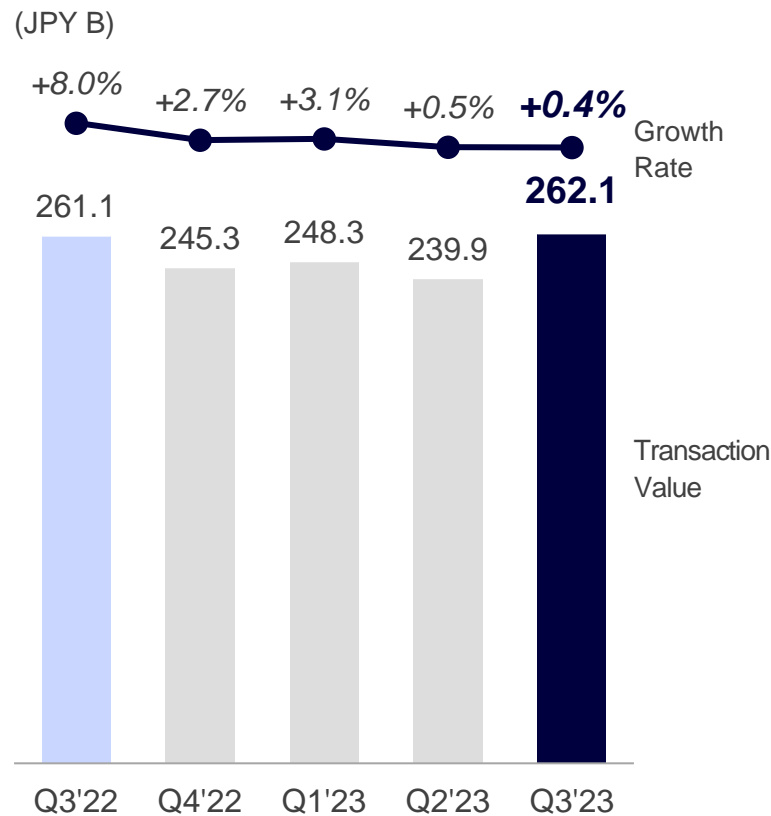
Domestic Shopping Transaction Value¹
– YoY Growth Rate

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



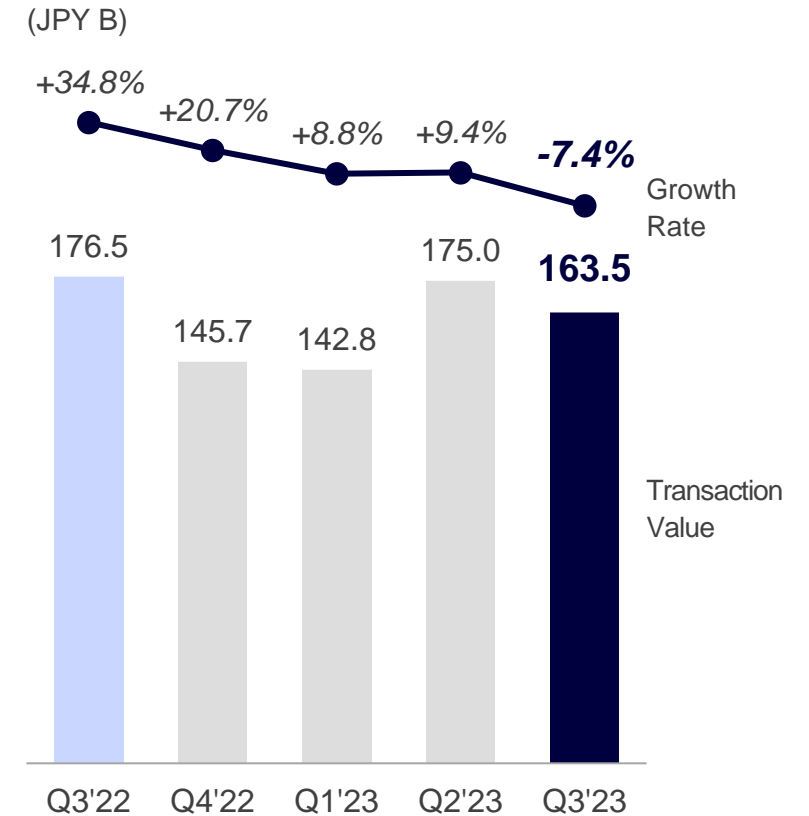
Domestic Reuse Transaction Value¹
– YoY Growth Rate

Yahoo! JAPAN Auction, Yahoo! JAPAN Flea Market, ZOZOUSED



Domestic Services Transaction Value¹
– YoY Growth Rate

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



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

FY2023 Q3 Factors Behind Change in Operating Income

(JPY B)

| | | FY2023 Q3 | YoY Difference | YoY | Major Factors of Change ¹ | |
|------------------------------------|-------------------------------|--------------|----------------|---------------|---|---|
| Revenue | | 475.0 | +21.3 | +4.7% | <ul style="list-style-type: none"> • PayPay (Consolidated) +8.5 • ZOZO +4.6 | <ul style="list-style-type: none"> • ASKUL (Consolidated) +5.5 • Ikyu +1.4 |
| Cost of sales | | 130.8 | -1.2 | -0.9% | <ul style="list-style-type: none"> • ASKUL (Consolidated) +2.7 | <ul style="list-style-type: none"> • LY Corporation -3.5 |
| SG&A | | 286.9 | +5.4 | +1.9% | <ul style="list-style-type: none"> • PayPay (Consolidated) +5.4 • Ikyu -2.3 | <ul style="list-style-type: none"> • ZOZO +5.0 • Subsidiaries of former LINE Corporation -5.9 |
| (Major items) | Personnel expense | 67.9 | +0.2 | +0.4% | <ul style="list-style-type: none"> • ASKUL (Consolidated) +0.6 • Subsidiaries of former LINE Corporation -3.5 | <ul style="list-style-type: none"> • ZOZO +0.5 |
| | Sales promotion cost | 42.6 | +1.9 | +4.9% | <ul style="list-style-type: none"> • LY Corporation +2.5 | <ul style="list-style-type: none"> • Subsidiaries of former LINE Corporation -0.6 |
| | Depreciation and amortization | 39.1 | +3.1 | +8.6% | <ul style="list-style-type: none"> • ASKUL (Consolidated) +0.9 • LY Corporation -1.3 | <ul style="list-style-type: none"> • ZOZO +0.8 |
| | Business commissions | 30.5 | -4.9 | -14.0% | <ul style="list-style-type: none"> • Subsidiaries of former LINE Corporation -1.2 | <ul style="list-style-type: none"> • LY Corporation -4.2 |
| Other income & expenses | | 1.0 | -149.8 | -99.3% | <ul style="list-style-type: none"> • Gain on remeasurement relating to business combinations due to consolidation of PayPay -147.3 | |
| Operating income | | 58.1 | -132.6 | -69.5% | | |

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

Change in Reporting Sub-Segments

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

Until FY2023 Q2

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

From FY2023 Q3

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

1. PayPay Corporation and PayPay Card Corporation.

Business Results (P/L): Commerce Business

| (JPY Million) | FY2022 Q3 ^{1, 2, 3} | FY2023 Q3 ^{1, 2, 3} | YoY |
|---|------------------------------|------------------------------|--------------|
| Revenue | 211,632 | 217,403 | +2.7% |
| LY Corporation | 43,468 | 39,871 | -8.3% |
| Shopping business | 25,646 | 22,994 | -10.3% |
| Reuse business | 10,614 | 9,517 | -10.3% |
| Services e-commerce | 7,113 | 7,070 | -0.6% |
| Other | 94 | 288 | +205.9% |
| ZOZO, ASKUL⁴ | 168,164 | 177,532 | +5.6% |
| Cost of sales | 94,053 | 96,928 | +3.1% |
| Selling, general and administrative expenses | 104,641 | 104,257 | -0.4% |
| Sales promotion cost + Advertising and promotional expenses | 25,372 | 24,025 | -5.3% |
| Other selling, general and administrative expenses | 79,269 | 80,231 | +1.2% |
| Other revenue and expenses | -336 | 1,003 | N/A |
| Adjusted EBITDA (Margin) | 32,630 (15.4%) | 34,619 (15.9%) | +6.1% |

- From FY2023 Q1, part of the expenses related to LINE Corporation and its subsidiaries, which were previously allocated to Other and Adjustments, have been allocated to Commerce Business. The segment information for FY2022 has been revised as a result.
- In FY2023 Q3, membership service business was transferred from Commerce Business to Media Business. In addition, email service was transferred from Other to Media Business. As a result, figures for FY2022, FY2023 Q1, and FY2023 Q2 have been retroactively revised.
- In FY2023 Q3, personnel expenses of the back office and technology divisions as well as expenses related to data centers and internal infrastructure that were classified under Adjustments, were allocated to each segment. In addition, some accounting items to which figures are recorded were changed due to the merger. As a result, figures for FY2022, FY2023 Q1, and FY2023 Q2 have been retroactively revised.
- From FY2023 Q1, the definition has been changed to include APMRO and FEED DENTAL.

Major Services and Products of Commerce Business Segment

| Item | Breakdown |
|----------------------------|--|
| LY Corporation | - |
| Shopping business | Yahoo! JAPAN Shopping, LINE SHOPPING, LINE FRIENDS, LINE GIFT, MySmartStore, Yahoo! JAPAN Mart by ASKUL, LIVEBUY, overseas e-commerce (LINE SHOPPING (Taiwan, Thailand), GIFTSHOP, EZ STORE, QUICK EC, MyShop, etc.) |
| Reuse business | Yahoo! JAPAN Auction, Yahoo! JAPAN Flea Market |
| Services e-commerce | Yahoo! JAPAN Travel, Ikyu Travel, LINE TRAVEL (Taiwan), etc. |
| Other | Other |
| ZOZO/ASKUL | - |
| ZOZO | ZOTOTOWN, ZOZUSED, etc. |
| ASKUL¹ | ASKUL BtoB business (ASKUL, SOLOEL ARENA, APMRO, FEED DENTAL, etc.), LOHACO, Charm, etc. |
| Other | ValueCommerce Affiliate, Value Point Club, STORE's R [∞] , StoreMatch, B-Space, etc. |

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

KPI - Definition of E-Commerce Transaction Value

| Item | Major Services/Products |
|---|--|
| E-commerce transaction value | - |
| Domestic merchandise | - |
| Shopping business | Yahoo! JAPAN Shopping, ZOZOTOWN, LOHACO, Charm, LINE SHOPPING, LINE GIFT, LINE FRIENDS, MySmartStore, Yahoo! JAPAN Mart by ASKUL, LIVEBUY |
| Reuse business | Yahoo! JAPAN Auction, Yahoo! JAPAN Flea Market, ZOZOUSED |
| ASKUL online BtoB business¹ | ASKUL, SOLOEL ARENA, APMRO, FEED DENTAL, etc. |
| Domestic services | Ikyu.com, Yahoo! JAPAN Travel, Yahoo! JAPAN Loco ² , Demae-can, LINE PLACE |
| Domestic digital content | ebookjapan, LINE Manga, LINE MUSIC, LINE Stickers, LINE GAME, LINE Fortune, other paid digital content |
| Overseas e-commerce | LINE SHOPPING (Taiwan, Thailand), GIFTSHOP, EZ STORE, QUICK EC, MyShop, ZOZOFIT ³ , LINE FRIENDS, LINE TRAVEL (Taiwan), LINE MAN, LINE Stickers ² , LINE GAME ² , DOSI ⁴ |

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

2. Revenue from these services are recorded in the Media Business segment.

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

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