

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

March 15, 2024  
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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## Profit growth accelerated due to improved profit structure; focus on sales growth going forward

### Consolidated Earnings Results

- ✓ Posted record-high on both net sales and each profit stage
- ✓ Operating profit increased 20% YoY in cumulative Q3 and achieved a significant 45% increase for the Q3 period
- ✓ Posted an extraordinary income of 11.7 billion yen due to the finalization of the judgment in the lawsuit related to the ALP Metropolitan fire incident

### B-to-B Business

- ✓ Achieved changing the trajectory of profit growth curve, our main goal of this fiscal year, due to profit structure reform
- ✓ Net sales grew 9%, but fell short of plan; we revised the full-year consolidated earnings forecast and will work on fundamental improvement measures

### B-to-C Business (LOHACO)

- ✓ Operating profit was maintained in profitable, Q3 period: Turnaround in QoQ sales growth, Q4 period: Start of positive YoY growth

### Shareholder Return Policy

- ✓ Target for the total return ratio is set at 45%, acquisition of treasury stock up to 4.5 billion yen from March 18

**I Earnings Results for the Third Quarter and Revision of Full-Year Earnings Forecast for the Fiscal Year Ending May 20, 2024**

II Shareholder Return Policy and Acquisition of Treasury Stock

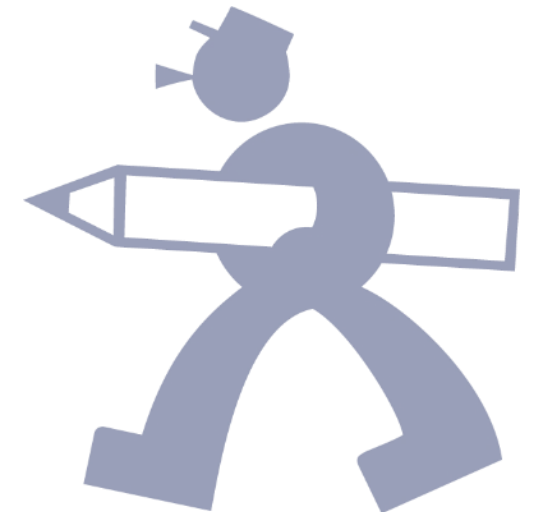
III Progress of Business

- B-to-B

- B-to-C

IV ESG

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# FY5/2024 Q3 Earnings Results

Consolidated



	FY5/2023 Q3 cumulative		FY5/2024 Q3 cumulative		
	Actual	% of net sales %	Actual	% of net sales %	YoY change %
(¥million)					
<b>Net Sales</b>	<b>334,224</b>	<b>100.0</b>	<b>350,063</b>	<b>100.0</b>	<b>+4.7</b>
<b>Gross Profit</b>	<b>80,327</b>	<b>24.0</b>	<b>87,196</b>	<b>24.9</b>	<b>+8.6</b>
<b>Selling, General and Administrative Expenses</b>	<b>69,965</b>	<b>20.9</b>	<b>74,703</b>	<b>21.3</b>	<b>+6.8</b>
<b>Operating Profit</b>	<b>10,361</b>	<b>3.1</b>	<b>12,493</b>	<b>3.6</b>	<b>+20.6</b>
<b>Ordinary Profit</b>	<b>10,269</b>	<b>3.1</b>	<b>12,290</b>	<b>3.5</b>	<b>+19.7</b>
<b>Profit Attributable to Owners of Parent</b>	<b>7,093</b>	<b>2.1</b>	<b>16,146</b>	<b>4.6</b>	<b>+127.6</b>

## ■ Net sales

YoY 104.7%

Renewed the previous record

## ■ Gross profit

Gross profit margin

YoY change Up 0.9 points

## ■ Operating profit, ordinary profit and profit

Marked record-highs

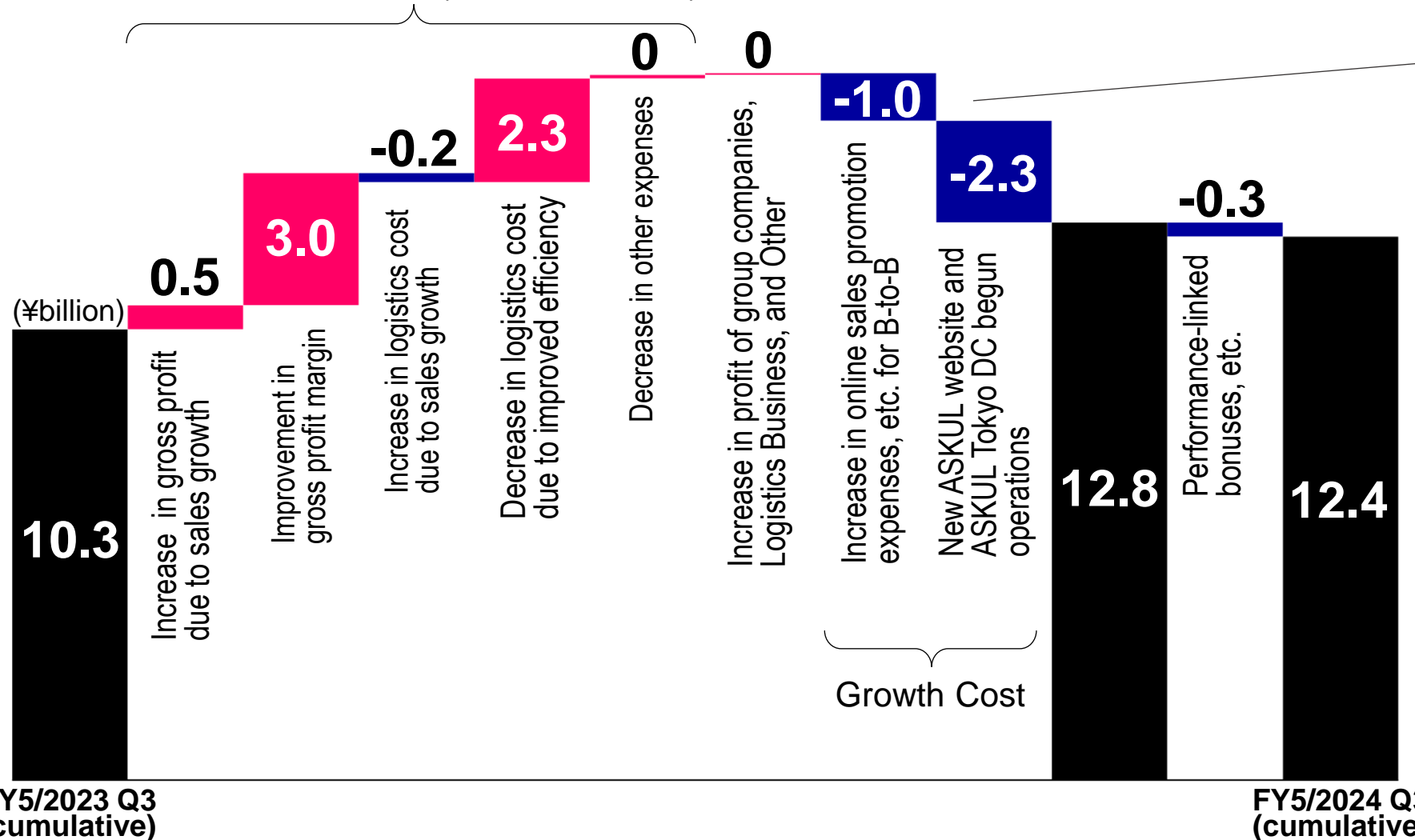
Posted an extraordinary income of 11.7 billion yen from ALP Metropolitan fire-related lawsuit

# FY5/2024 Q3 Factors for Increase / Decrease in Operating Profit Consolidated



Achieved 20% profit increase by improving gross profit margin and logistics operation efficiency

E-commerce Business (non-consolidated)



## Breakdown of Increased Fixed Costs

● New ASKUL Website	-1,710 million
<breakdown>	
Amortization	-1,570 million
Transition expenses	-140 million
● ASKUL Tokyo DC	-610 million
<breakdown>	
Depreciation	-540 million
Cleaning/Security, etc.	-70 million

FY5/2023 Q3 (cumulative)

FY5/2024 Q3 (cumulative)

# FY5/2024 Q3 Earnings Results [Quarterly, By Business]

Consolidated



		FY5/2023				FY5/2024					
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	YoY change	YoY change %	
Net Sales		B-to-B Business	89.4	91.9	96.1	96.2	97.7	102.8	103.2	7.1	+7.4
		LOHACO	13.9	11.4	11.0	9.7	8.8	8.6	8.8	(2.1)	-19.4
		B-to-C business (including Charm)	18.2	15.8	15.3	13.7	13.0	13.0	13.2	(2.1)	-13.8
		E-commerce Business	107.6	107.8	111.5	110.0	110.8	115.8	116.5	4.9	+4.5
		Logistics Business and Other	2.3	2.3	2.4	2.4	2.2	2.3	2.2	(0.1)	-7.4
		Consolidated Total	110.0	110.1	113.9	112.4	113.0	118.2	118.7	4.8	+4.2
		Operating Profit		B-to-B Business	3.5	3.9	3.2	3.9	2.9	4.5	5.1
LOHACO	(0.6)			(0.2)	0.3	0.6	0.1	0.1	(0)	(0.3)	-
B-to-C business (including Charm)	(0.5)			(0.1)	0.4	0.5	0.1	0.1	0	(0.4)	-
Performance-linked Bonuses (including provision), etc.	(0)			(0)	0	(0.1)	(0.2)	(0.2)	0.1	0	-
E-commerce Business	3.0			3.8	3.7	4.4	2.8	4.4	5.2	1.5	+41.7
Logistics Business and Other	(0)			(0)	(0)	(0.1)	(0)	(0)	(0)	0	-
Consolidated Total	2.9			3.7	3.6	4.2	2.8	4.4	5.2	1.6	+45.2

# FY5/2024 Q3 B-to-B Business Earnings Results

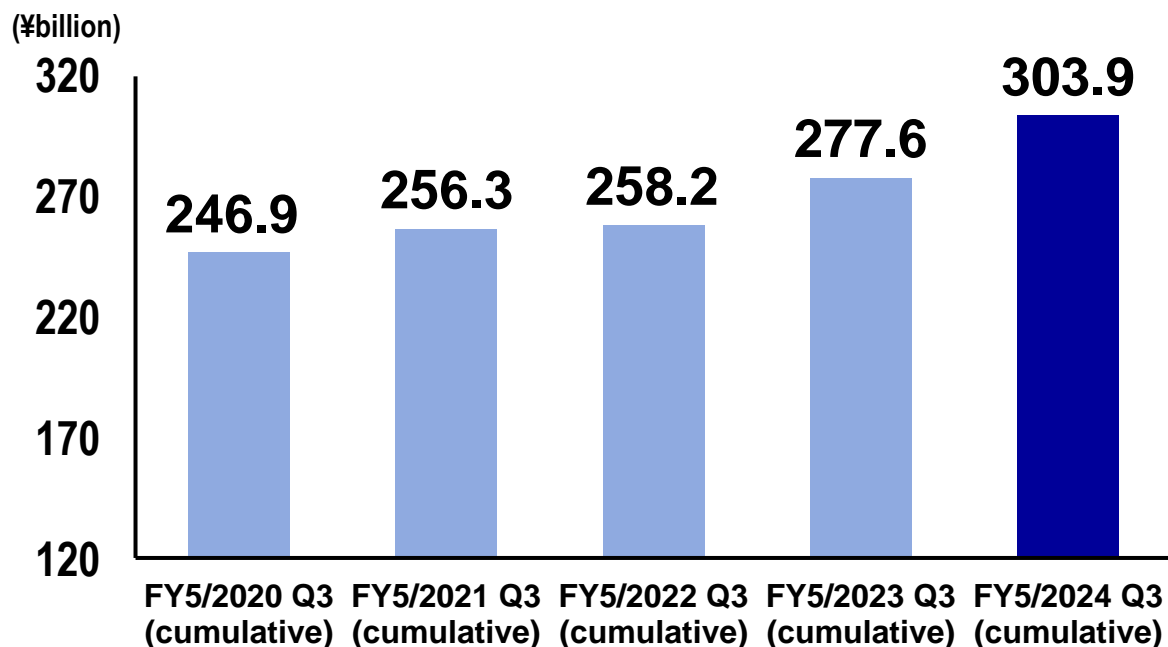
Consolidated



## Net Sales

YoY **109.5%**

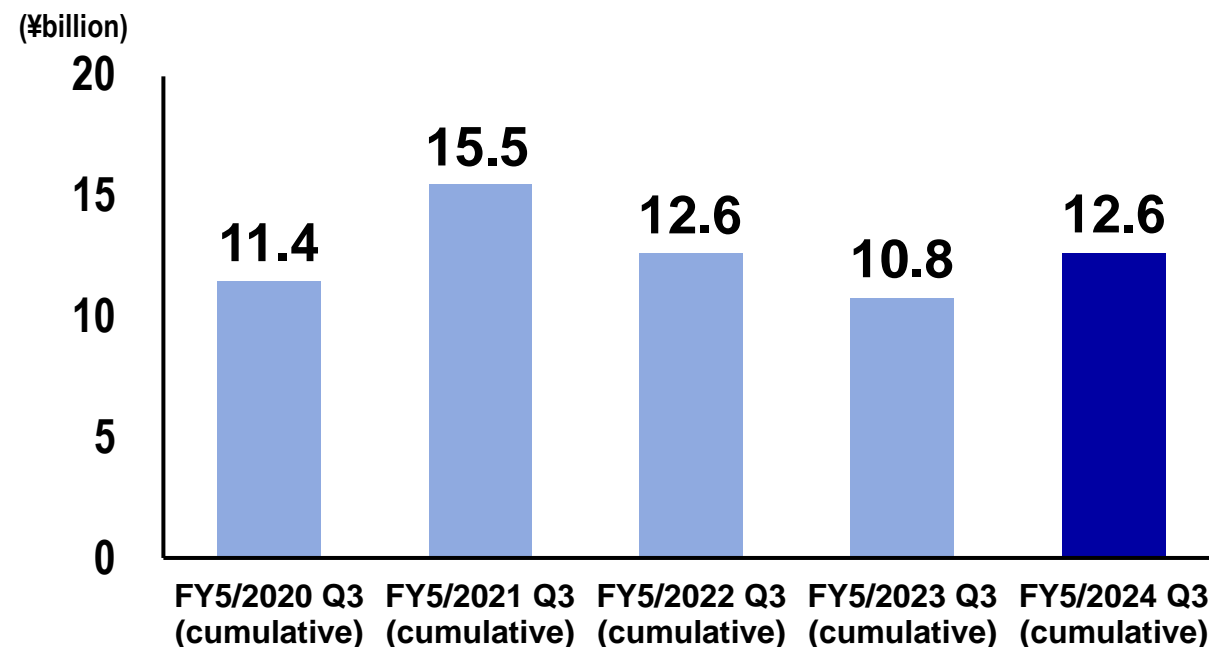
Solid sales growth due in part to the consolidation of FEED Corporation



## Operating Profit

YoY **117.0%**

Improved gross profit margin and reduced distribution cost ratio contributed the profit growth





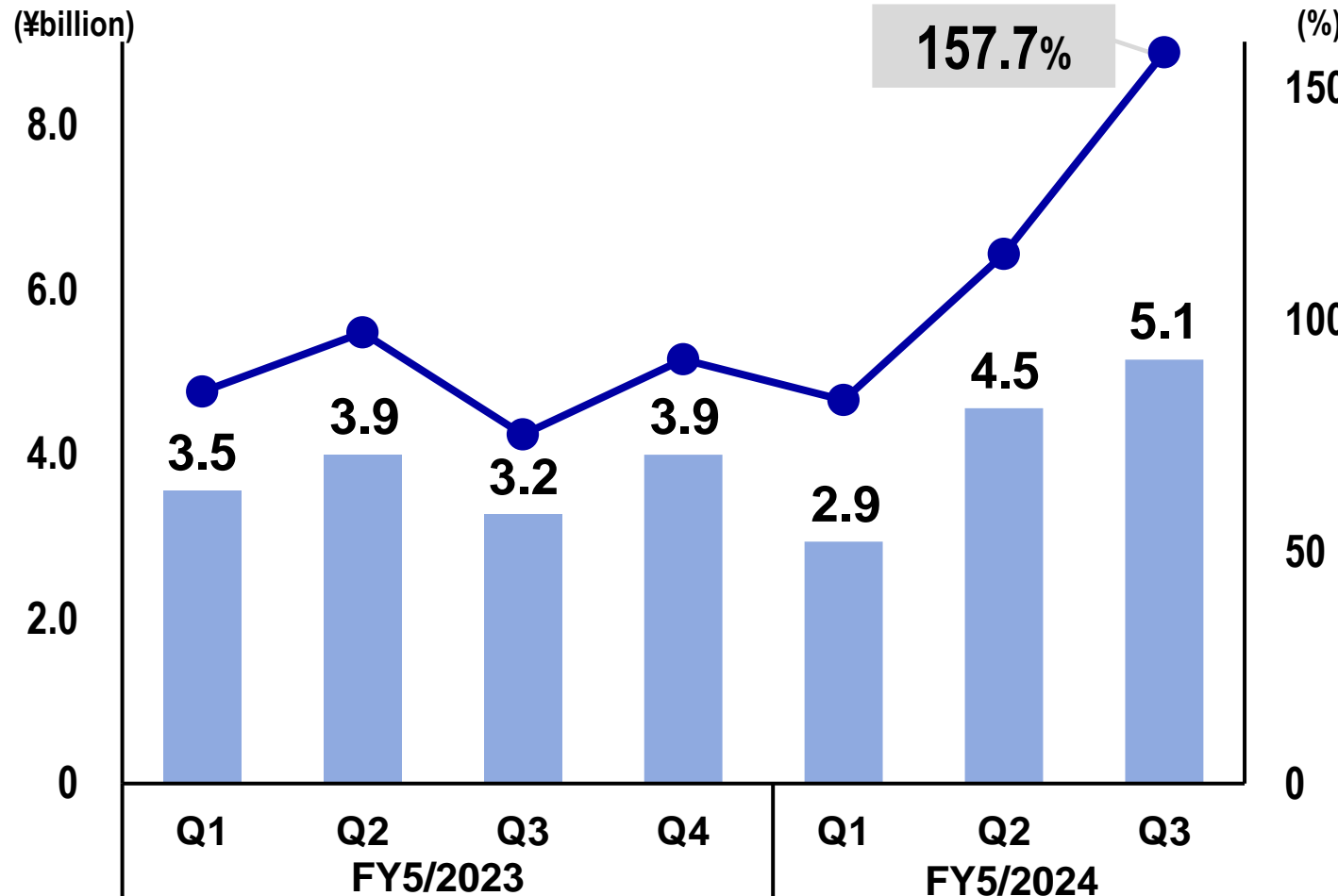
# B-to-B Trend of Operating Profit by Quarter

Consolidated



Achieved changing the trajectory of profit growth curve, our main goal of this fiscal year

B-to-B Business Operating Profit and YoY Comparisons



## Factors behind the Gross profit margin improvement

- ✓ Recovered foreign exchange position of main products
- ✓ Flexible price revisions
- ✓ Increase in fee income from advertising business

## Factors behind the Variable cost ratio improvement

- ✓ Continued increase in unit sales price per box
- ✓ Improved warehouse productivity at ASKUL Tokyo DC
- ✓ Decrease in multiple package deliveries due to optimizing inventory placement

# FY5/2024 Q3 B-to-C Business Earnings Results

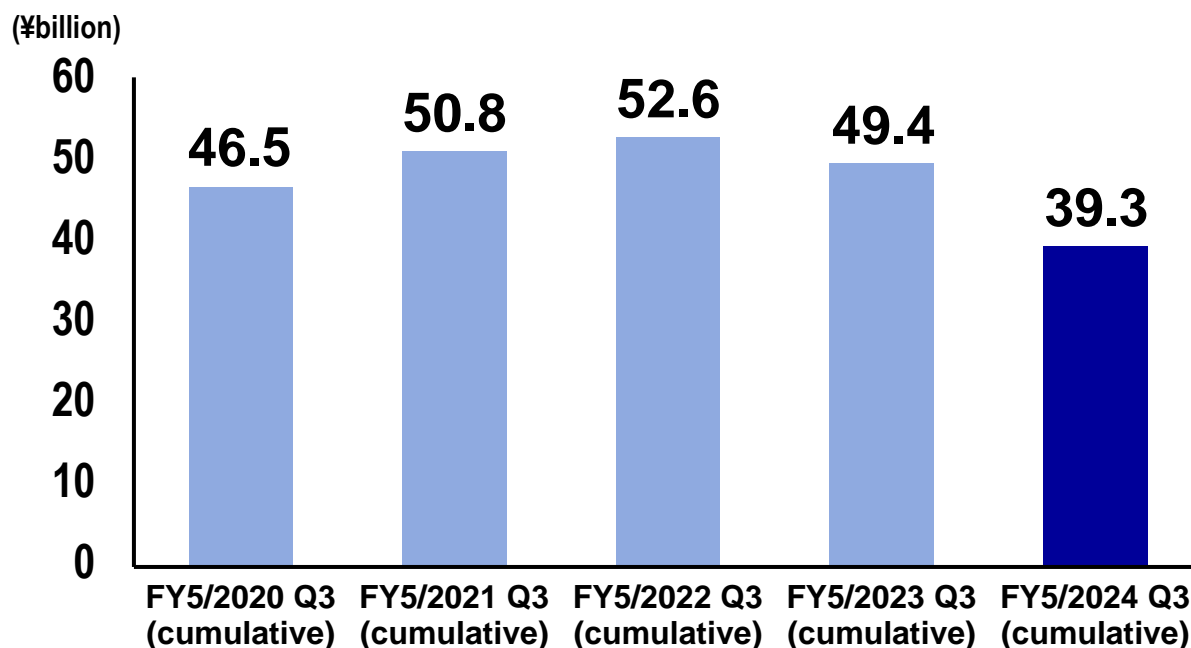
Consolidated



## Net Sales

YoY **79.5%**

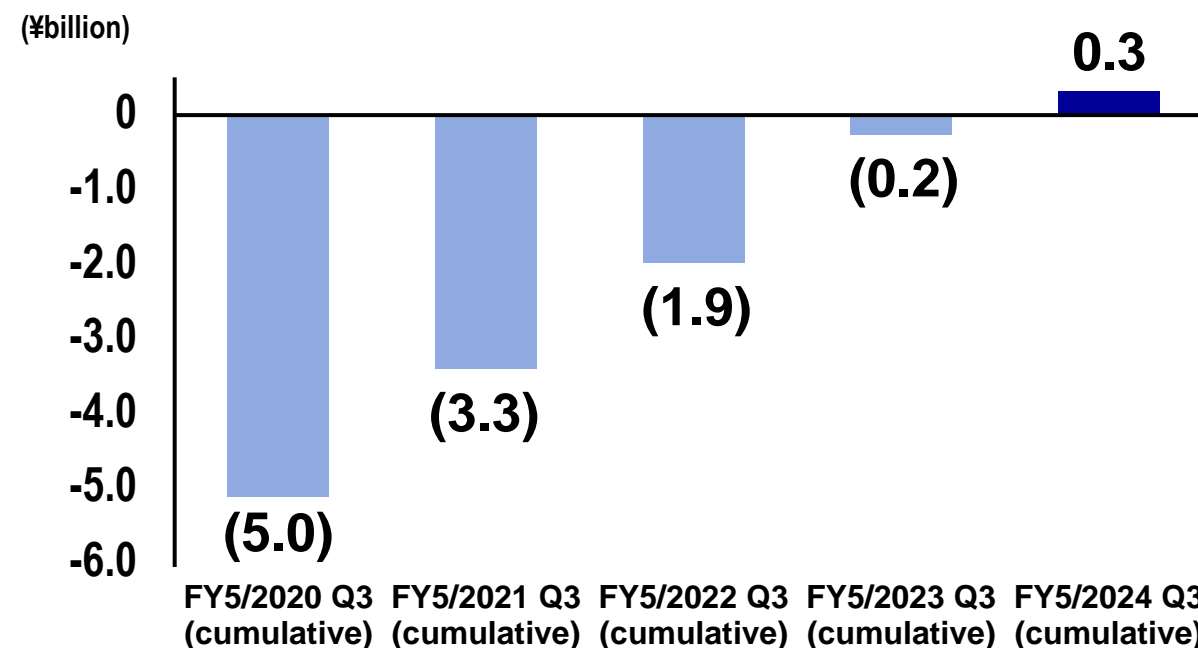
To strengthen sales promotion collaboration with LY Corporation in Q4



## Operating Profit

YoY change **+0.5 billion**

Profitability maintained, and progressed above the plan



# FY5/2024 Q3 Logistics Business and Others Earnings Results

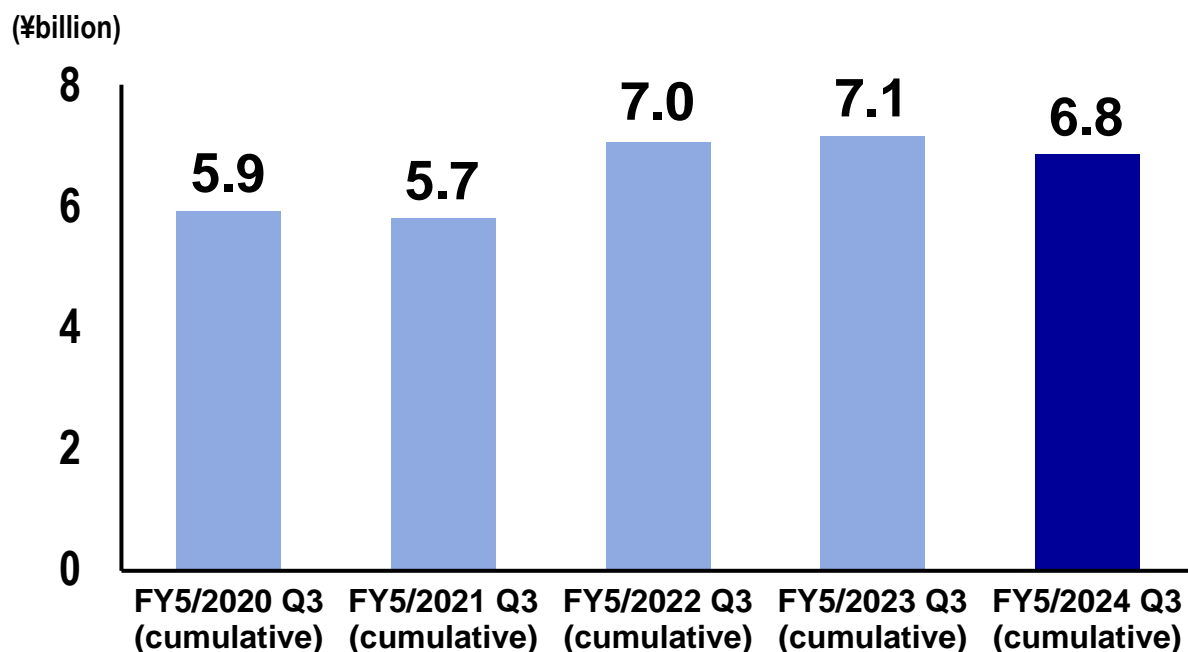
Consolidated



## Net Sales

YoY **95.8%**

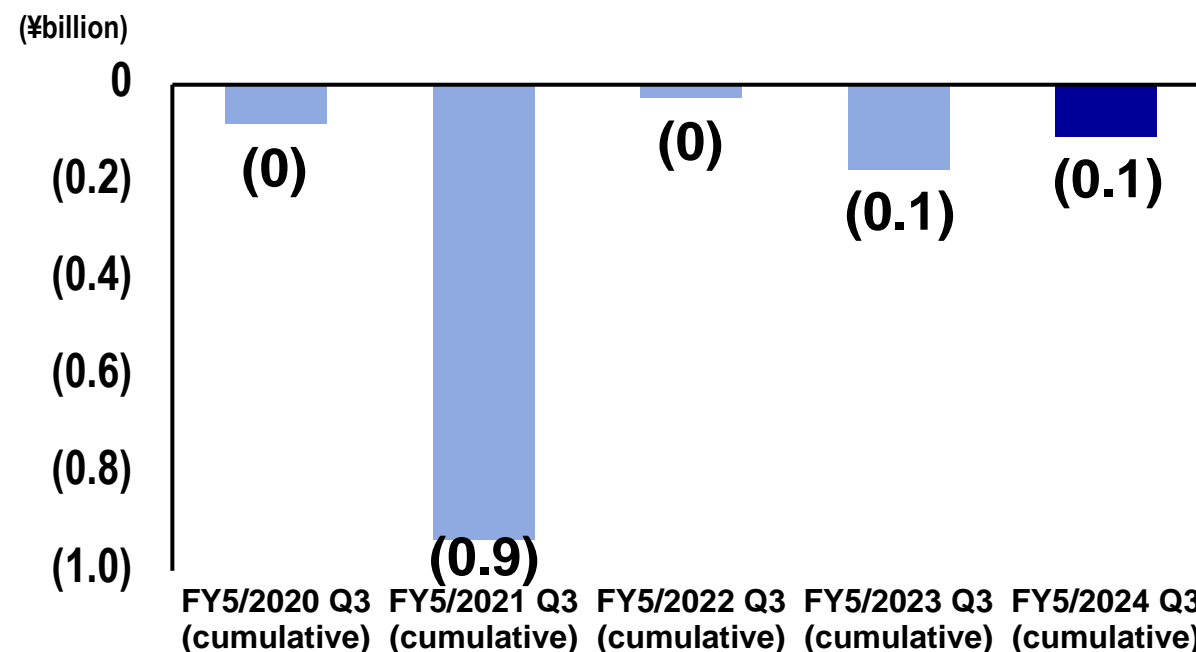
Sales continued to be on par with the same period of the previous year



## Operating Profit

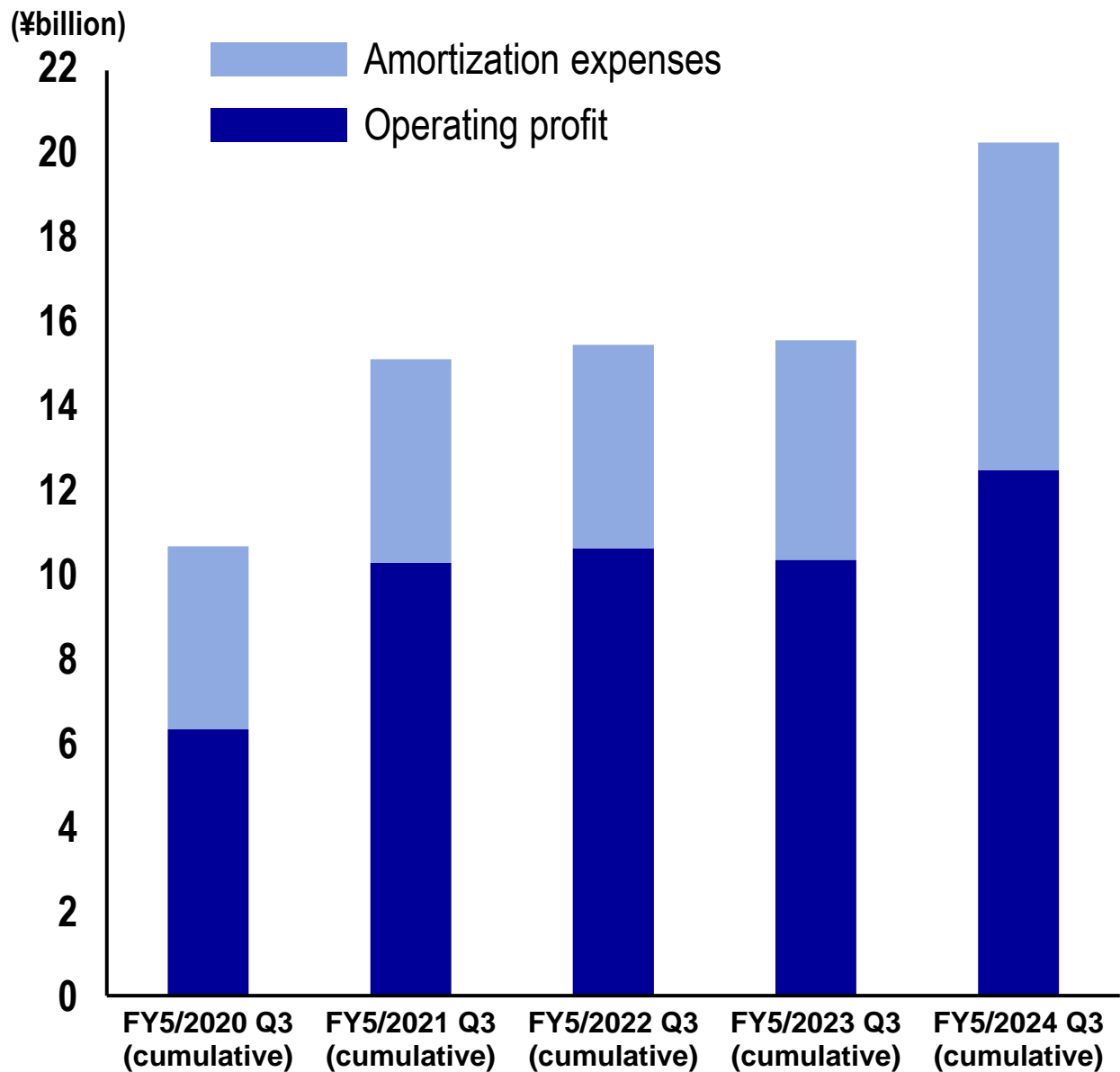
YoY change **+60 million**

Reduction in deficit  
Continue to aim to achieve profitability



# Trend of EBITDA

Consolidated



EBITDA expanded significantly

# FY5/2024 Revision of Full-Year Consolidated Earnings Forecast

Consolidated



(¥million)

	FY5/2023		FY5/2024					
	Actual	% of net sales %	Previous plan	% of net sales %	Revised plan	% of net sales %	Change from the previous plan	YoY change %
Net Sales	446,713	100.0	482,000	100.0	470,000	100.0	(12,000)	+5.2
Gross Profit	107,040	24.0	122,450	25.4	119,380	25.4	(3,070)	+11.5
Selling, General and Administrative Expenses	92,420	20.7	105,950	22.0	102,880	21.9	(3,070)	+11.3
Operating Profit	14,620	3.3	16,500	3.4	16,500	3.5	0	+12.9
Ordinary Profit	14,448	3.2	16,200	3.4	16,200	3.4	0	+12.1
Profit Attributable to Owners of Parent	9,787	2.2	10,300	2.1	18,000	3.8	7,700	+83.9

## ◆ Net sales

Down 12 billion yen from the previous plan  
(B-to-B business is revised)

## ◆ Operating profit, ordinary profit

No changes

## ◆ Profit

Up 7.7 billion yen from the previous plan



## Factors behind the downward revision of the sales forecast

**Downward revision of consolidated net sales from ¥482.0 billion to ¥470.0 billion (-¥12.0 billion)**

**Revised forecast for the B-to-B business mainly due to the following two factors causing deviation from the initial plan**

- Impacted by the reactionary decline from the special demand for COVID-19, and extended vacations during the Bon Festival, the year-end, and New Year's holidays, etc. ⇒ The impact will run its course in the next fiscal year
- Low utilization rate of newly introduced products, low efficiency in customer acquisition and promotion ⇒ **Fundamental improvement measures are described on page 25**

## Factors behind the upward revision of the profit forecast

**Upward revision of consolidated profit from ¥10.3 billion to ¥18.0 billion (+¥7.7 billion)**

**Recorded an extraordinary income of ¥11.7 billion due to the finalization of the judgment in the lawsuit related to the ALP Metropolitan fire**

<Reference: Related IR news>

Notice Concerning Finalization of Judgment on Lawsuit Claiming Compensation for Damages

<https://pdf.irpocket.com/C2678/KNIO/lxJz/XjIT.pdf>

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**II Shareholder Return Policy and Acquisition of Treasury Stock**

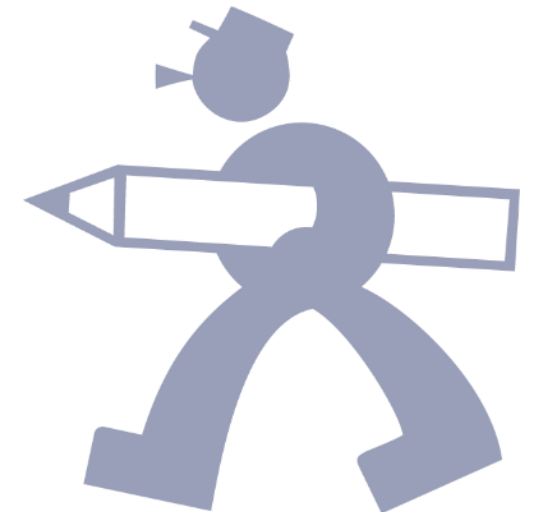
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- ✓ The distribution of profits is to secure internal reserves as funds for growth investment aiming at enhancing corporate value over medium to long term while maintaining sound cash flow and a stable financial structure.
- ✓ To improve shareholder returns and improve capital efficiency, the Company has set a target **total return ratio of 45%** and will pay **stable dividends to shareholders and systematically acquire treasury stock.**





## Acquire treasury stock based on the new shareholder return policy

### Overview

Total number of shares to be acquired	Up to 2,250,000 shares (2.31% of the total outstanding shares excluding treasury stock)
Total amount of shares to be acquired	Up to 4,500,000,000 yen
Approach to total amount of shares to be acquired	The total purchase price is the expected total return based on the total return ratio of 45% minus the expected dividend amount. Note: When the total acquisition amount is not achieved by May 20, 2024, the total return ratio for the fiscal year ending May 20, 2024 may not be 45%.
Acquisition period	From March 18, 2024, to August 13, 2024
Others	Acquired treasury stock will be cancelled upon completion of the acquisition excluding 150,000 shares (0.15%).

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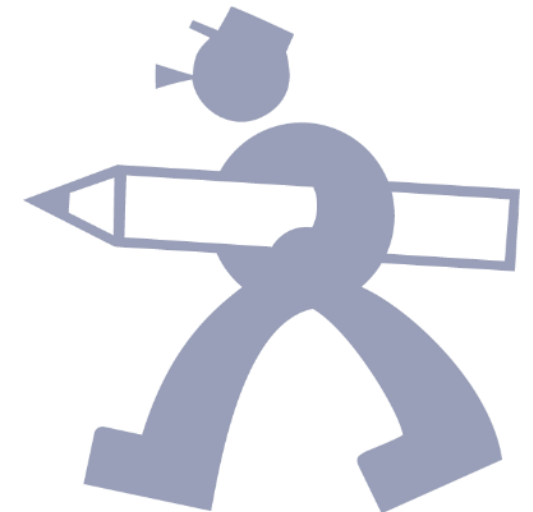
**III Progress of Business**

▪ **B-to-B**

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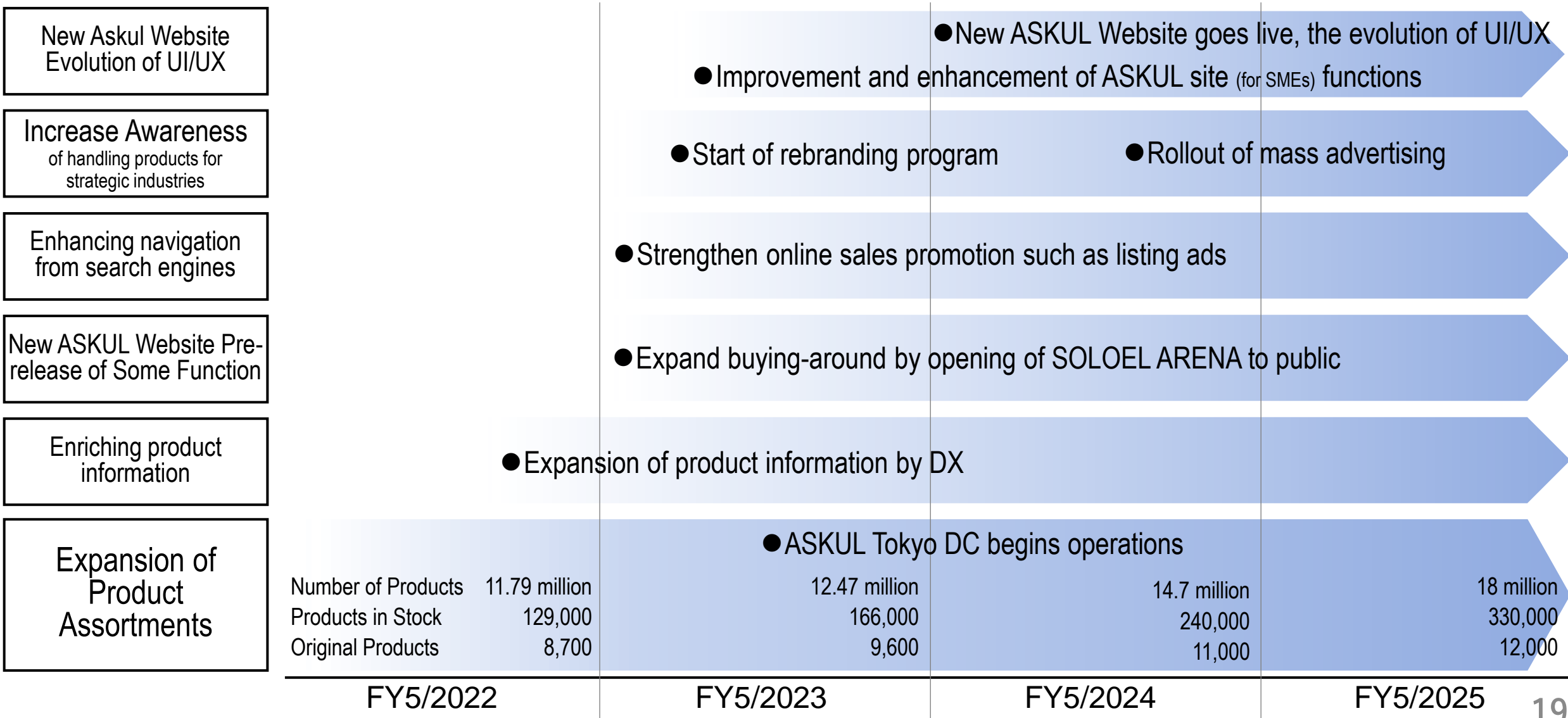
# B-to-B Growth Strategies of Medium-Term Management Plan

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

Increased sales in each category, mainly in Living Supplies category, offset reactionary declines in Medical category.

(¥billion)	FY5/2022		FY5/2023								FY5/2024							
	Q3		Q1		Q2		Q3		Q4		Q1		Q2		Q3			
		Composition ratio %		Composition ratio %		Composition ratio %		Composition ratio %		Composition ratio %		Composition ratio %		Composition ratio %		Composition ratio %	YoY change	YoY change %
OA & PC	24.1	30.3	22.8	28.1	24.2	29.2	25.5	29.8	25.7	29.8	24.1	28.6	26.2	29.3	26.2	29.9	0.7	+2.8
Stationery	10.0	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	11.2	12.8	0.6	+6.3
Living Supplies	21.0	26.4	25.2	31.1	24.5	29.5	24.9	29.1	24.9	28.8	27.6	32.7	27.6	30.8	25.9	29.5	1.0	+4.1
Furniture	5.0	6.4	4.5	5.6	4.5	5.5	4.7	5.5	6.1	7.2	4.9	5.9	5.1	5.8	5.2	5.9	0.5	+11.0
MRO	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	10.9	12.4	0.2	+2.1
Medical	8.0	10.1	7.8	9.6	7.3	8.8	7.3	8.6	5.7	6.7	5.6	6.7	6.1	6.8	6.0	6.9	(1.3)	-17.8
Others	1.8	2.3	1.4	1.8	1.9	2.3	1.8	2.2	1.8	2.1	1.8	2.2	2.4	2.7	2.2	2.5	0.3	+18.7
Total	79.7	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	88.0	100.0	2.1	+2.5

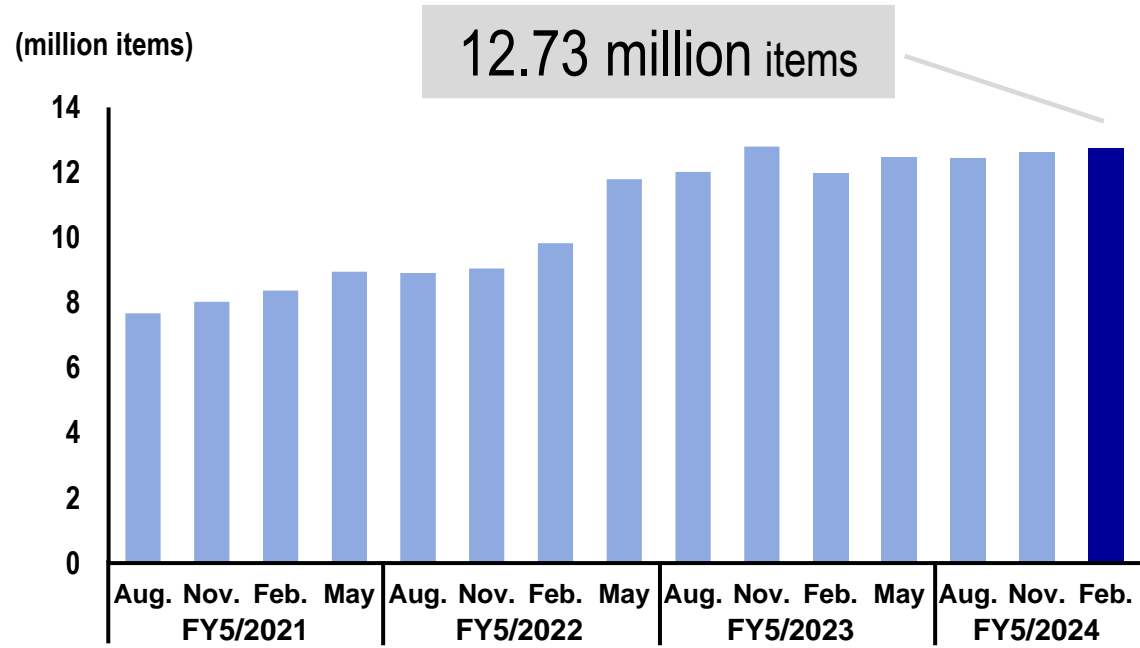
Note: Some products in the Living Supplies category have been moved to the Furniture category from the beginning of the fiscal year ending May 2024

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

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

✓ Q3 period: increased 125,000 items over 560,000 new items introduced

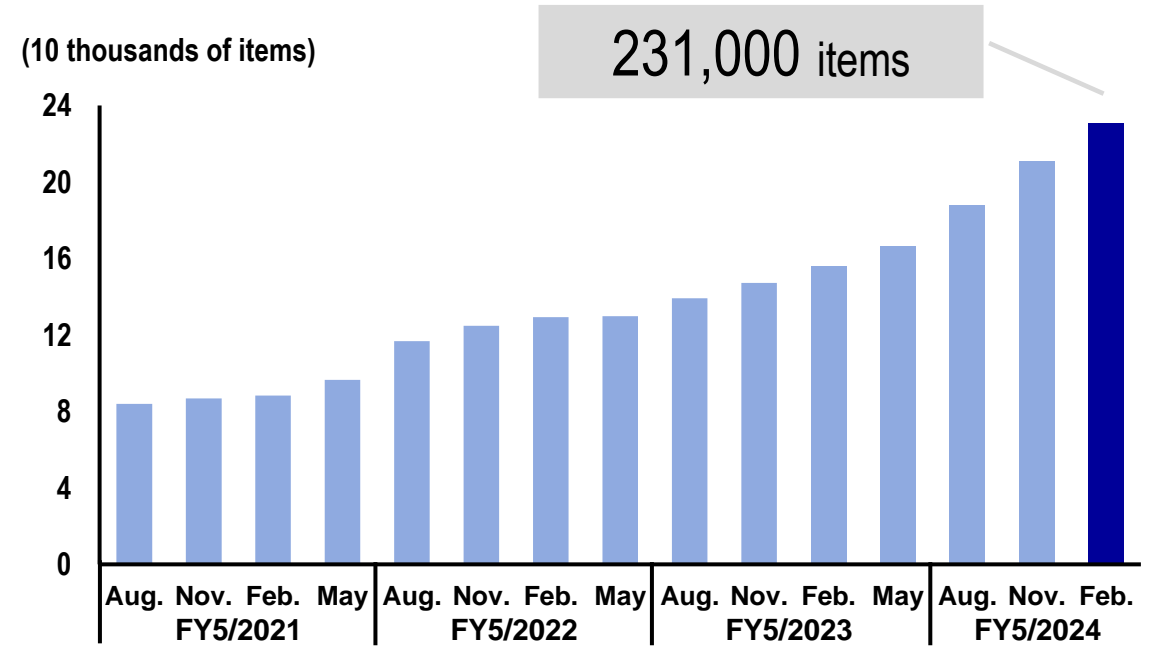
Continued impact of sales suspension, etc.  
Going forward, focus on improving utilization rates of newly introduced products



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

✓ Q3 period: increased 20,000 items increased in almost all categories

Full-year target of 240,000 items to be achieved  
Aiming for further expansion of products available for next-day delivery



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

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

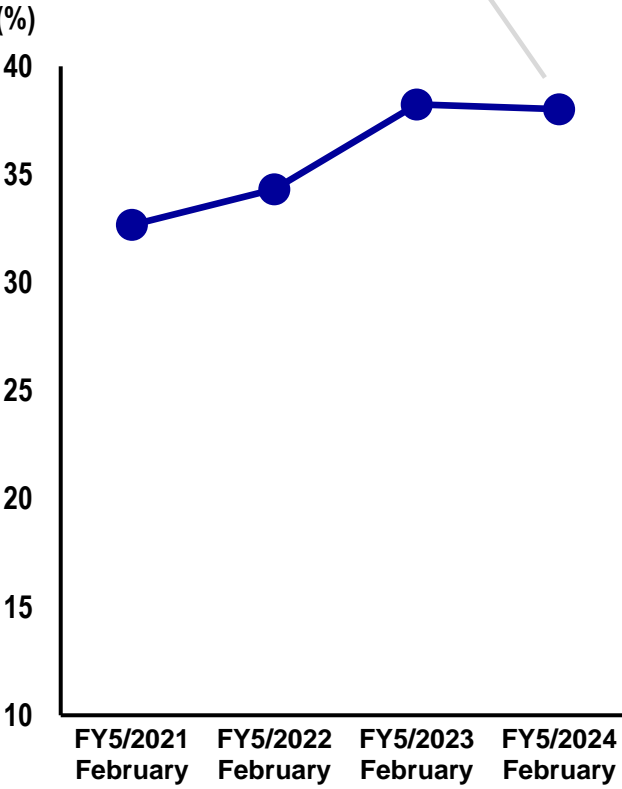
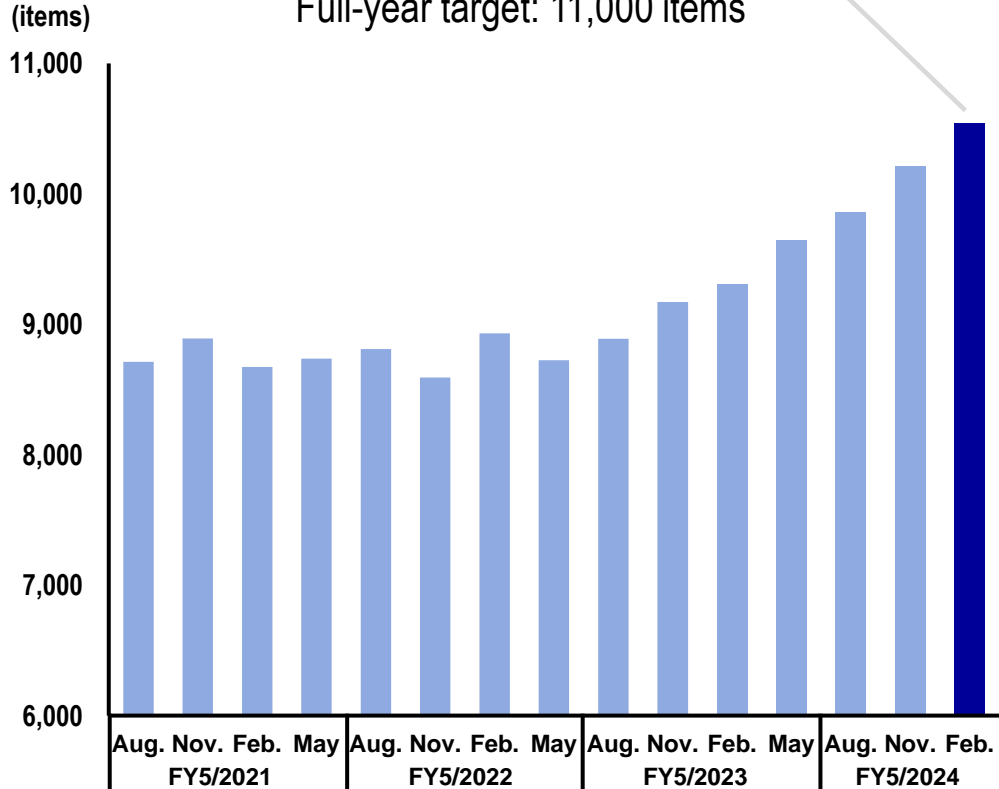
**Composition to Net Sales**  
(Sales of B-to-B in-stock products)

**10,540 items**

Full-year target: 11,000 items

**38.0%**

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

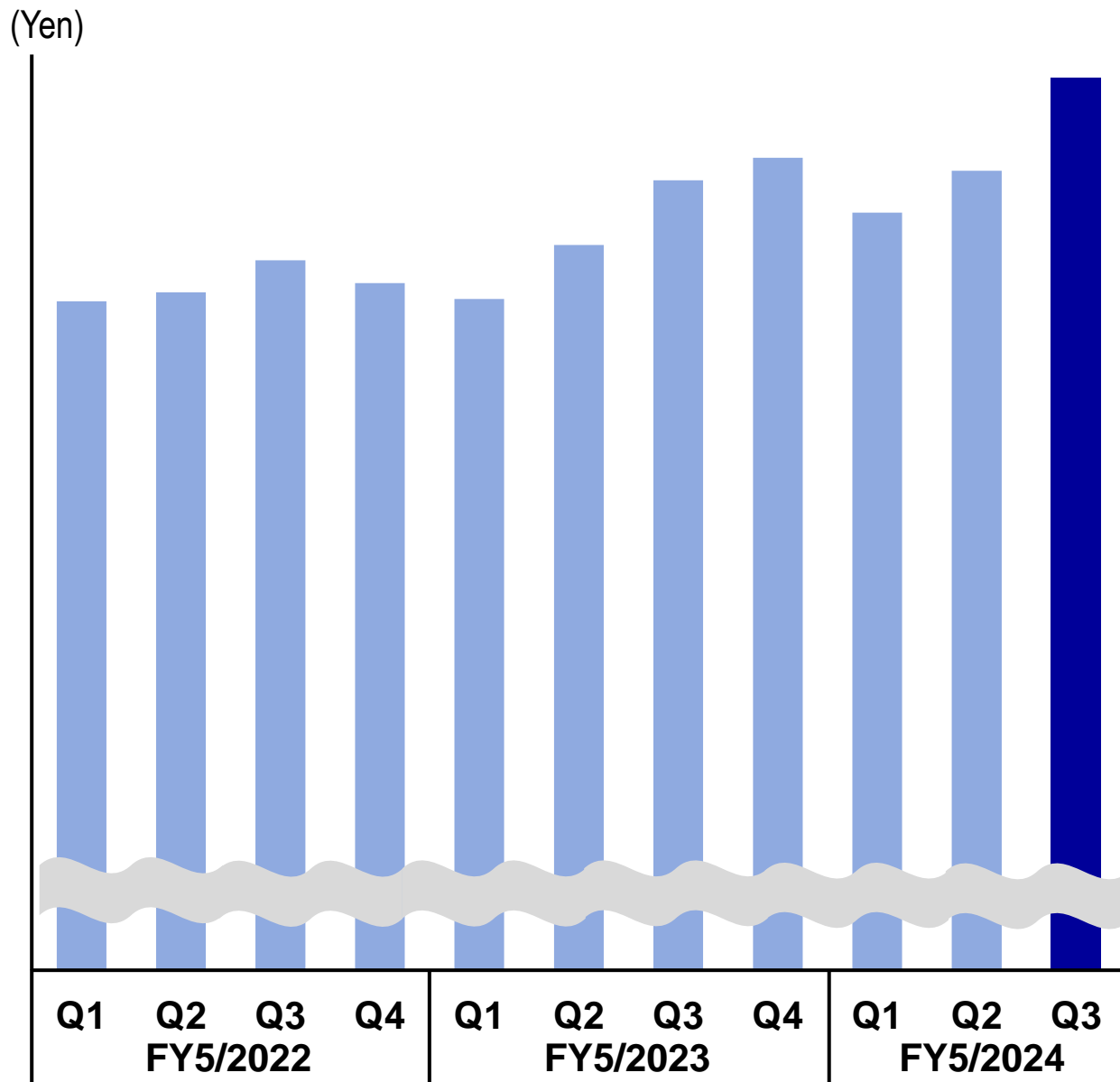


Aiming to expand sales composition ratio

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

Non-Consolidated



FY5/2024 Q3  
YoY change: Up 7.5%

500-million-yen worth of delivery cost reduction in Q3 period



Continued improvement  
expected

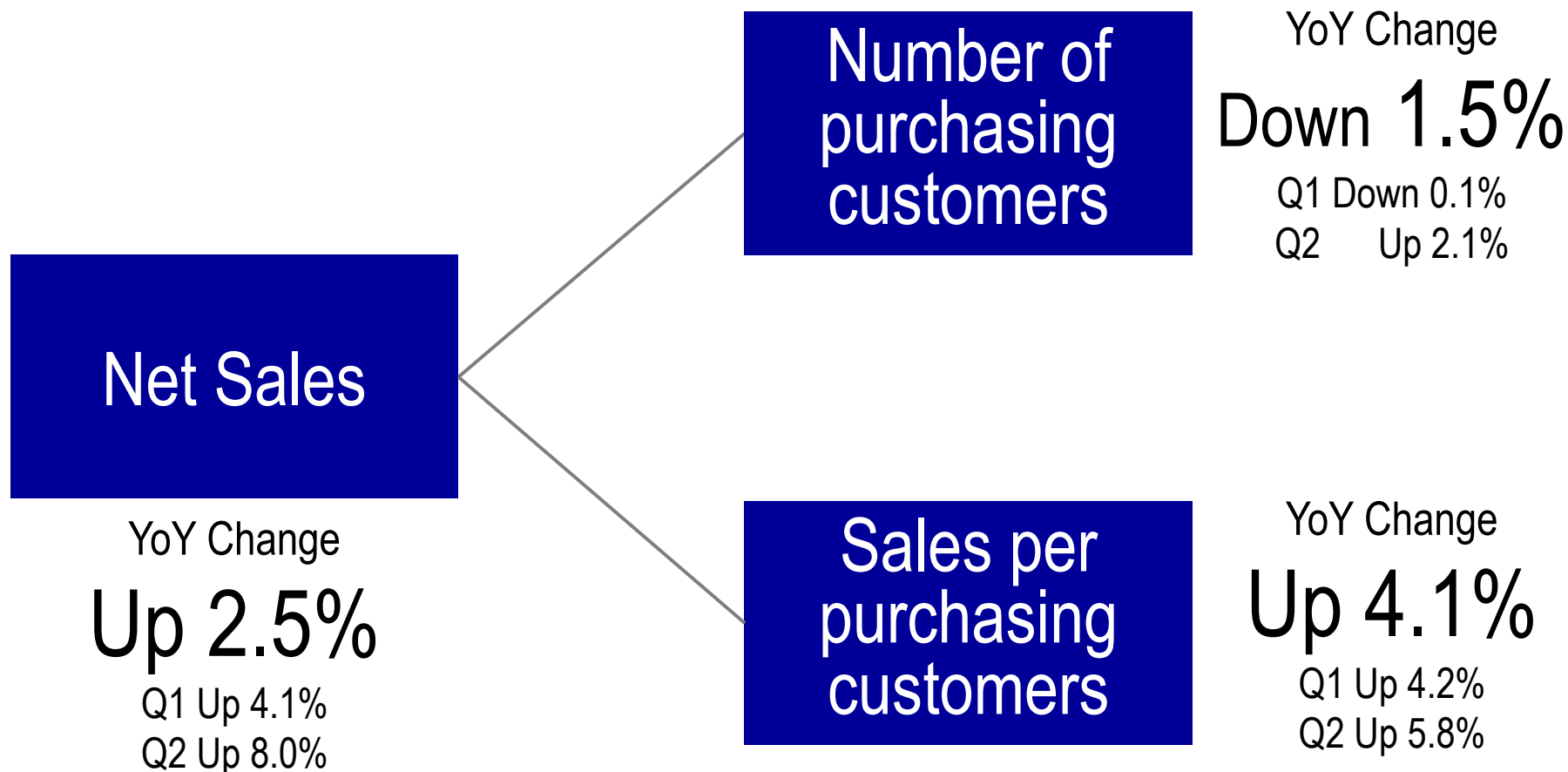
# B-to-B FY5/2024 Q3 Factors for Increase in Net Sales

Non-Consolidated



Longer year-end and New Year's holidays, as well as promotion of bulk purchases due to the revision of the free shipping threshold, resulted in a decline in the number of purchasing customers.

(Q3 cumulative YoY increased up 1.4%\*1)



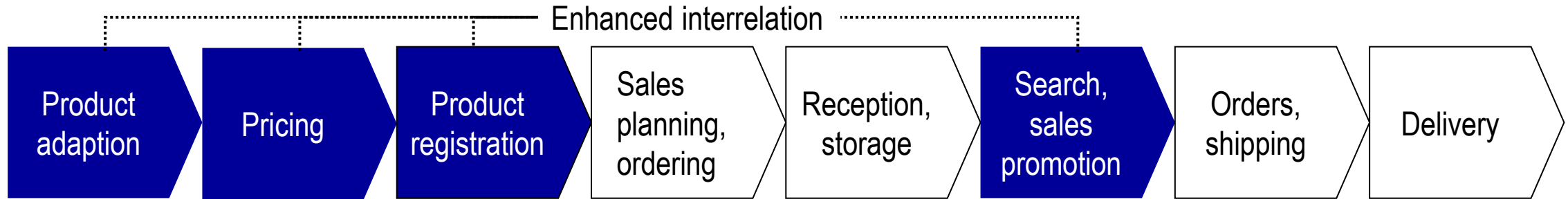
\*1 Number of unique customers with sales during the relevant period.

\*2 Above figures are not adjusted to number of business days.





## Strongly promote merchandising digital transformation (DX)



Expanding the scope of data and AI applications will enable;

- ✓ prompt adoption of products in line with customers' needs
- ✓ flexible automatic pricing according to market conditions
- ✓ enhance product information that contributes to SEO and conversions
- ✓ optimization of search algorithm

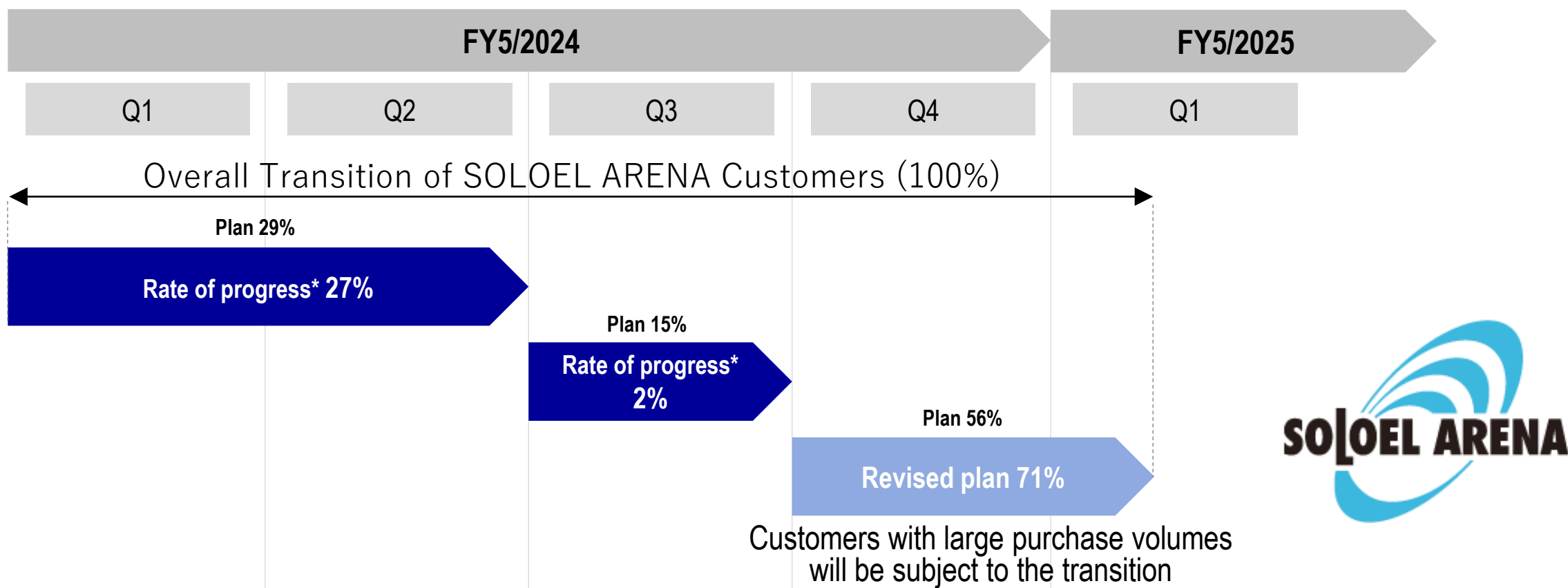
**Achieve sales growth by improving utilization ratio of newly introduced products**

(Furthermore, focus on strengthening product development capabilities and cost reductions with the resources created by DX)



Delays in transition plan at the end of Q3, expect to catch up to plan in Q4

## Transition Status of SOLOEL ARENA Customers



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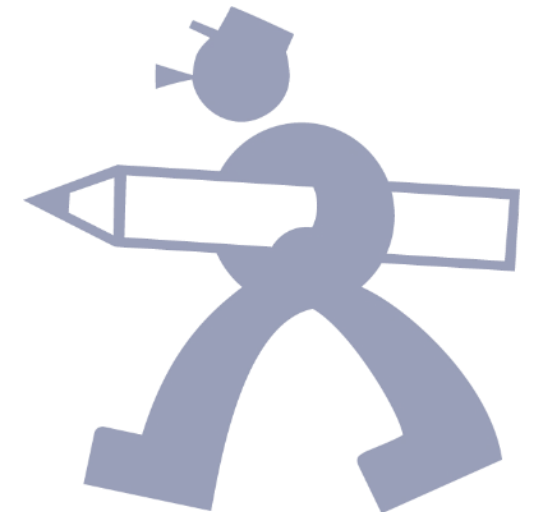
**III Progress of Business**

▪ B-to-B

▪ **B-to-C**

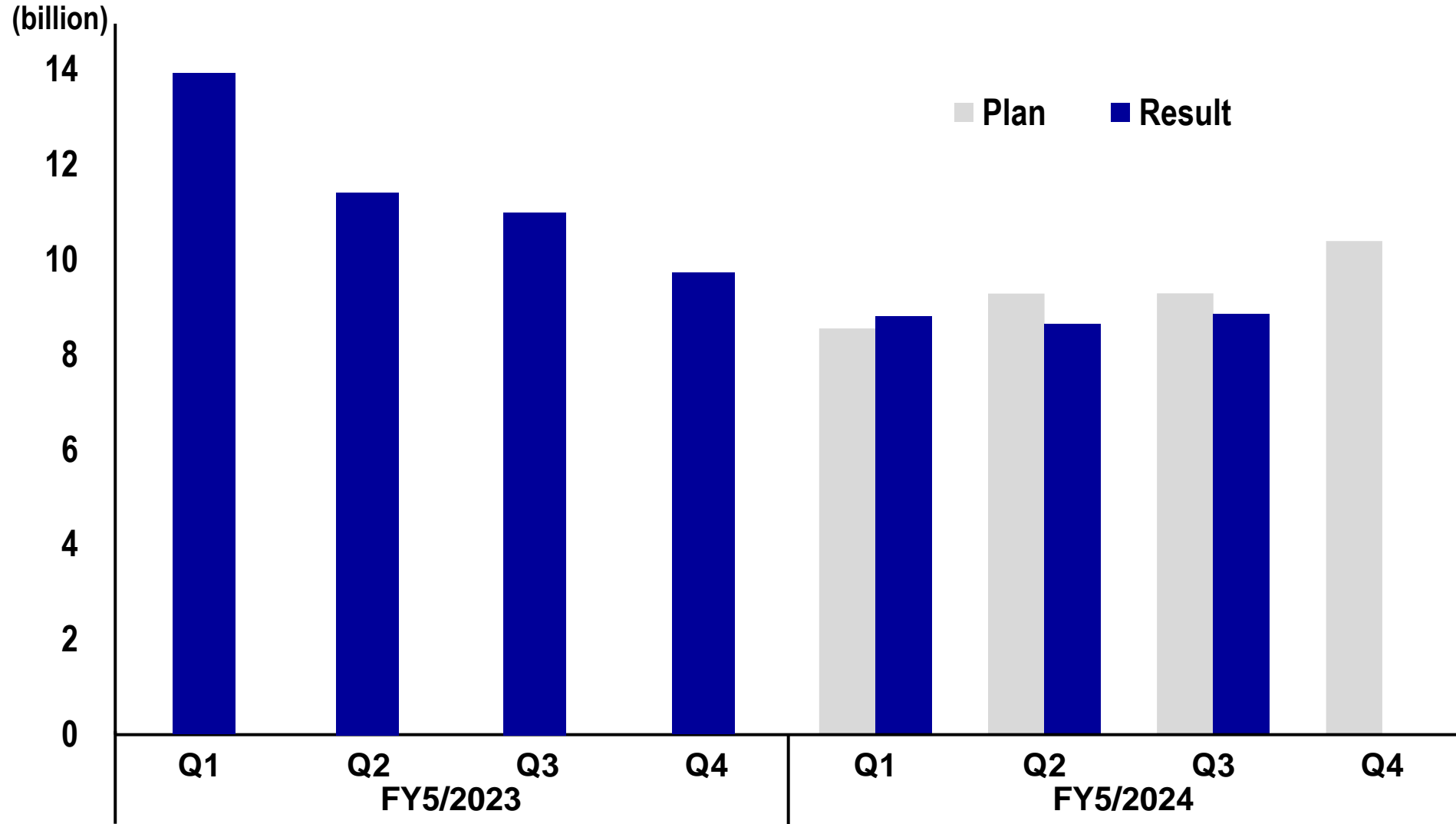
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# LOHACO Trend of Net Sales by Quarter

To strengthen sales promotion collaboration with LY Corporation in Q4



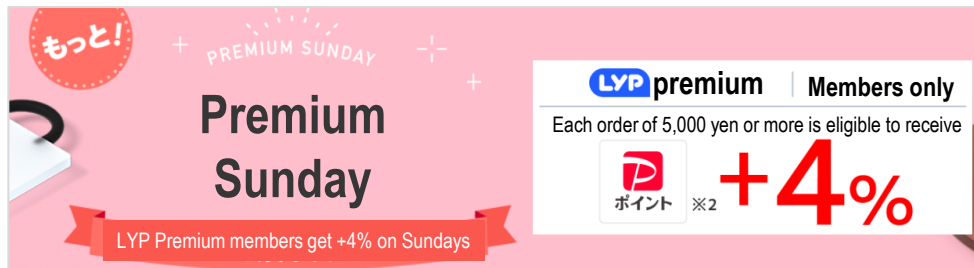


Aiming for positive YoY growth from Q4 through expansion of product lineup in addition to strengthening collaboration with LY Corporation

## Marketing Initiatives

Sales promotion strengthened through collaboration with LYC

✓ For LYP Premium members



## Product Initiatives

Started offering B-to-B exclusive products on LOHACO

✓ Approx. 30,000 items added as of the end of Q3

Large-size detergent

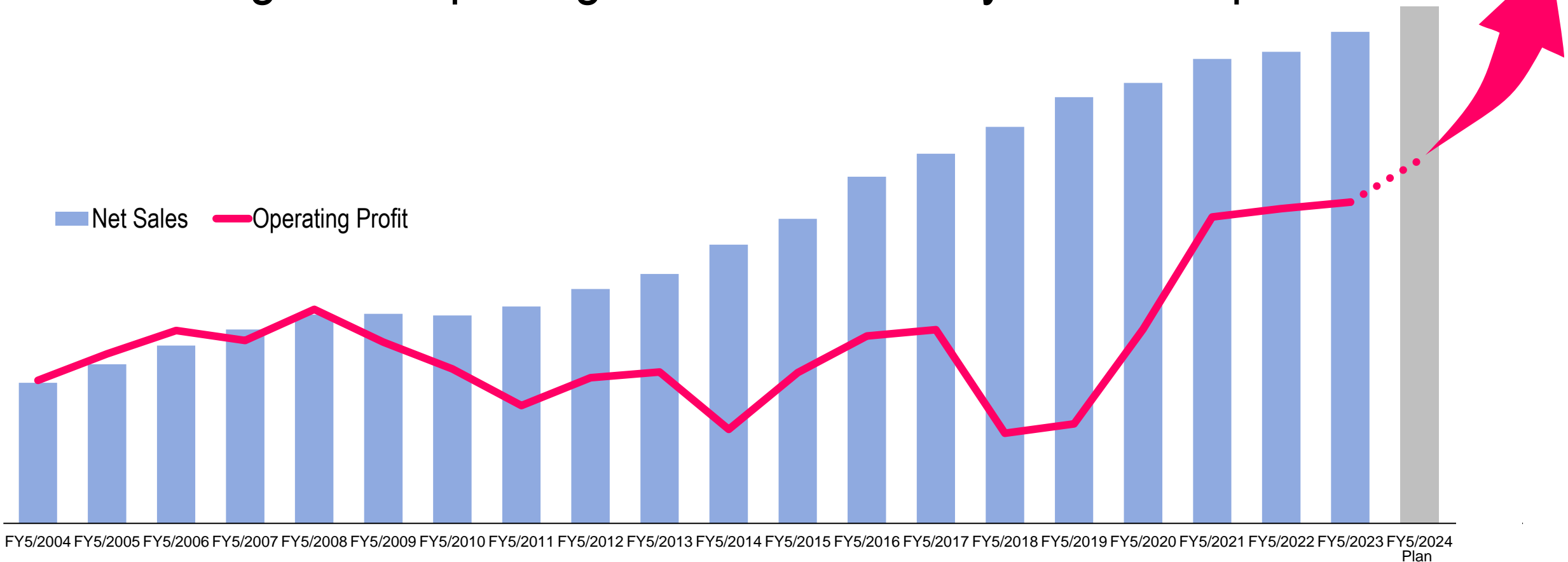


Food

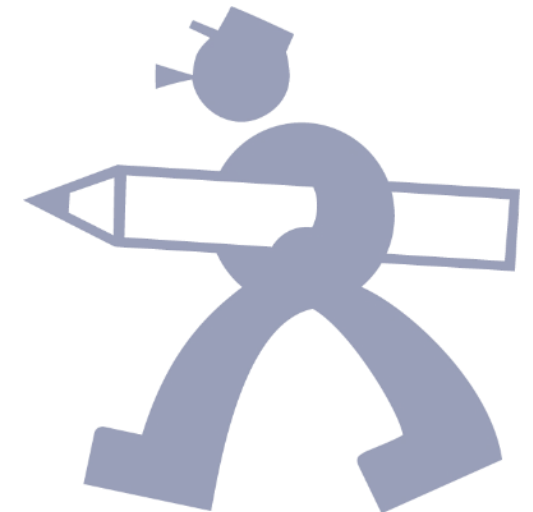


Small volume PET beverage

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



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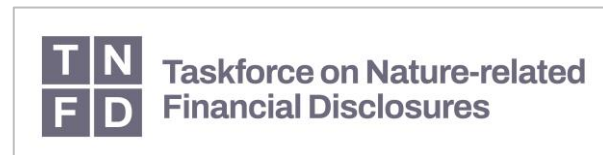


January 2024

## Participated in Taskforce on Nature-related Financial Disclosure (TNFD) Forum

- ✓ Participation in the TNFD Forum, a network of companies and organizations that endorse the Task Force on Nature-related Financial Disclosure (TNFD) and support the activities of the TNFD

\*TNFD is an international initiative that establishes a framework for companies and financial institutions to appropriately assess and disclose risks and opportunities related to natural capital and biodiversity.



February 2024

## Selected Climate Change A List by CDP

- ✓ Selected by CDP, an international environmental non-profit organization, as a "Climate Change A-List" company with the highest rating for fiscal year 2023
- ✓ Recognized as a leading company in corporate sustainability for its efforts in emission reduction, climate risk mitigation, and net-zero targets

\*Carbon Disclosure Project (CDP) is an international non-profit organization with a global system for corporate and municipal environmental information disclosure







March 2024

## Obtained “Net Zero Certification” from SBT

- ✓ Obtained “Net Zero Certification” from Science Based Targets (SBT), an international initiative
- ✓ ASKUL declared the 2030 Zero CO2 Challenge in 2016, with the goal of reducing CO2 emission from all business sites and the Group’s delivery trucks to zero by 2030
- ✓ Aiming to reduce greenhouse gas emissions from the entire supply chain to virtually zero by 2050

\*Science Based Targets (SBT) is an international initiative that was jointly established in 2015 by four organizations; CDP, United Nations Global Compact, World Resources Institute (WRI), and World Wide Fund for Nature (WWF), to encourage companies to set science-based greenhouse gas emission reduction targets to limit the temperature increase from pre-industrial times to below 2 degree Celsius.



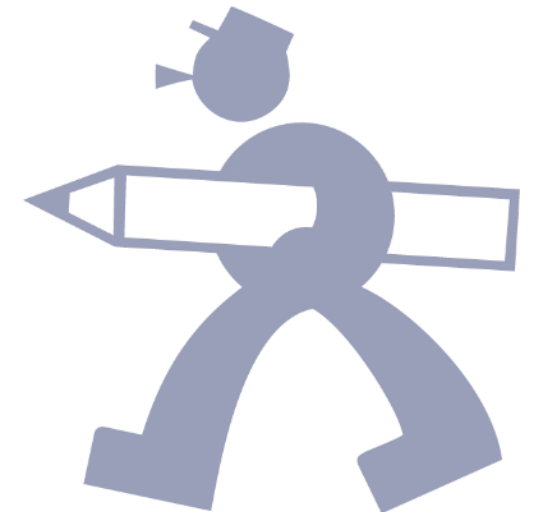
March 2024

## Selected as a Component of the MSCI Nihonkabu ESG Select Leaders Index

- ✓ Received an AA rating in the MSCI ESG Rating
- ✓ Government Pension Investment Fund (GPIF) adopted this index as an ESG index

\*The MSCI Nihonkabu ESG Select Leaders Index is designed to represent the performance of companies that are selected from the MSCI Nihonkabu Investable Market Index (“Parent Index”) based on Environmental, Social and Governance (“ESG”) criteria. The Index construction has a target coverage of 50% by number of securities in each Global Industry Classification Standard (GICS®) sector of the Parent Index.

- I Earnings Results for the Third Quarter and Revision of Full-Year Earnings Forecast for the Fiscal Year Ending May 20, 2024
- II Shareholder Return Policy and Acquisition of Treasury Stock
- III Progress of Business
  - B-to-B
  - B-to-C
- IV ESG
- V Appendix**



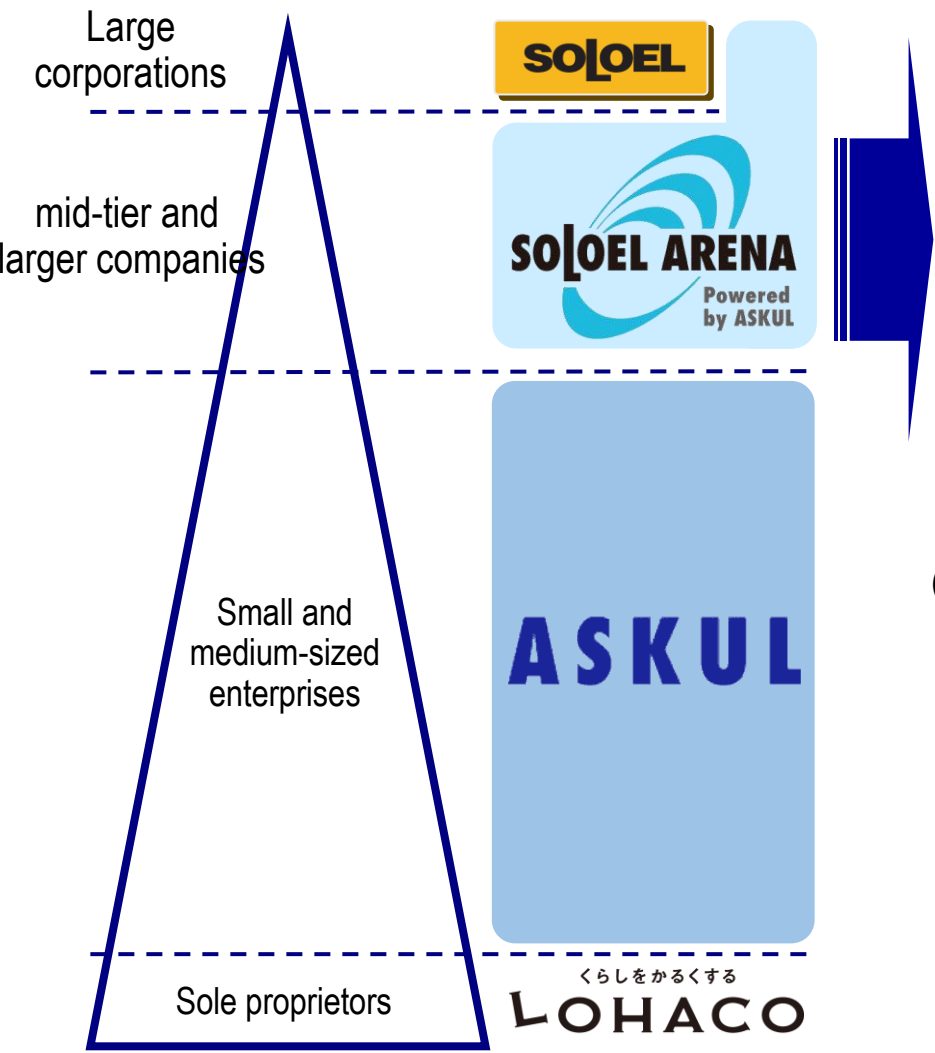
# FY5/2024 Net Sales by Item Category [B-to-B / LOHACO etc.]

Non-Consolidated

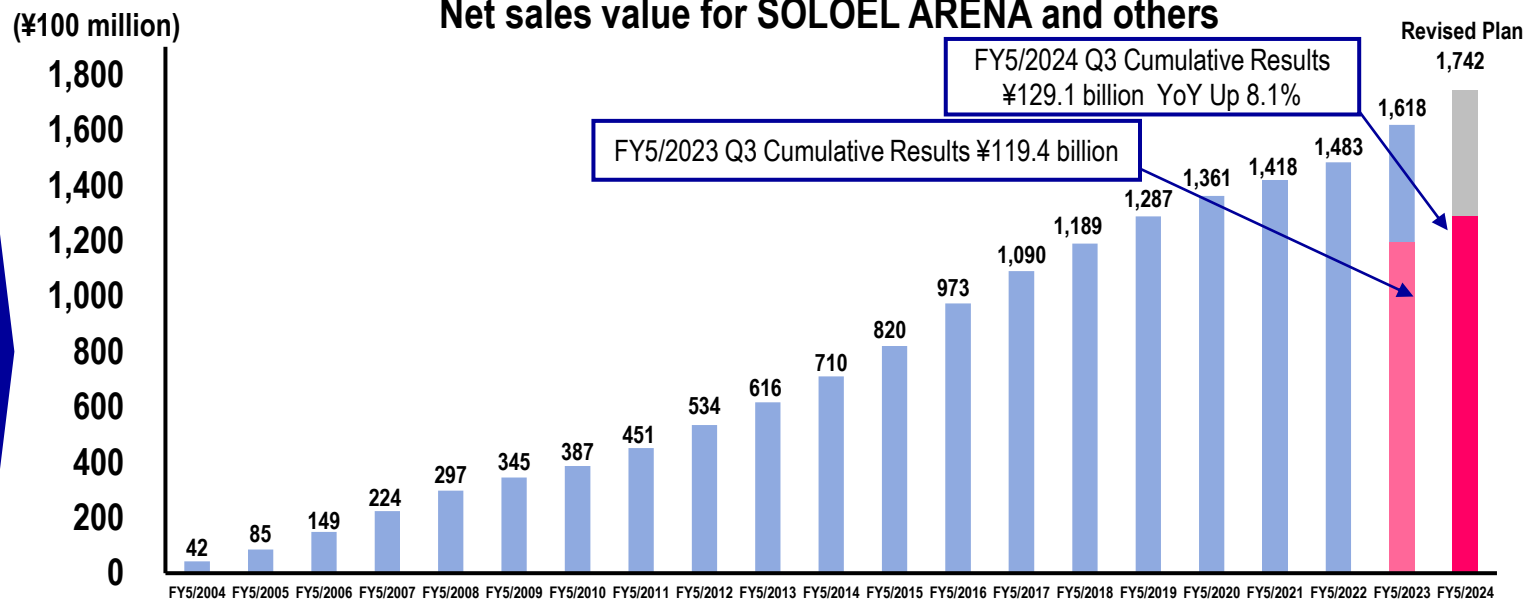


(¥billion)	FY5/2023 Q3 (cumulative)			FY5/2024 Q3 (cumulative)			
		Composition ratio %	YoY change %		Composition ratio %	YoY change	YoY change %
OA & PC	<b>73.9</b>	25.8	+3.4	<b>77.9</b>	27.0	<b>4.0</b>	<b>+5.4</b>
Stationery	<b>30.8</b>	10.8	+1.9	<b>32.6</b>	11.3	<b>1.7</b>	<b>+5.7</b>
Living Supplies	<b>106.1</b>	37.0	+6.8	<b>103.9</b>	36.0	<b>(2.2)</b>	<b>-2.1</b>
Furniture	<b>14.1</b>	4.9	-9.7	<b>16.0</b>	5.5	<b>1.8</b>	<b>+13.1</b>
MRO	<b>31.6</b>	11.0	+10.5	<b>32.9</b>	11.4	<b>1.3</b>	<b>+4.2</b>
Medical	<b>25.5</b>	8.9	-0.7	<b>18.6</b>	6.5	<b>(6.8)</b>	<b>-27.0</b>
Others	<b>4.4</b>	1.6	-1.3	<b>6.7</b>	2.3	<b>2.2</b>	<b>+49.8</b>
Total	<b>286.7</b>	100.0	+4.0	<b>288.8</b>	100.0	<b>2.1</b>	<b>+0.7</b>

# B-to-B Results of SOLOEL ARENA and others

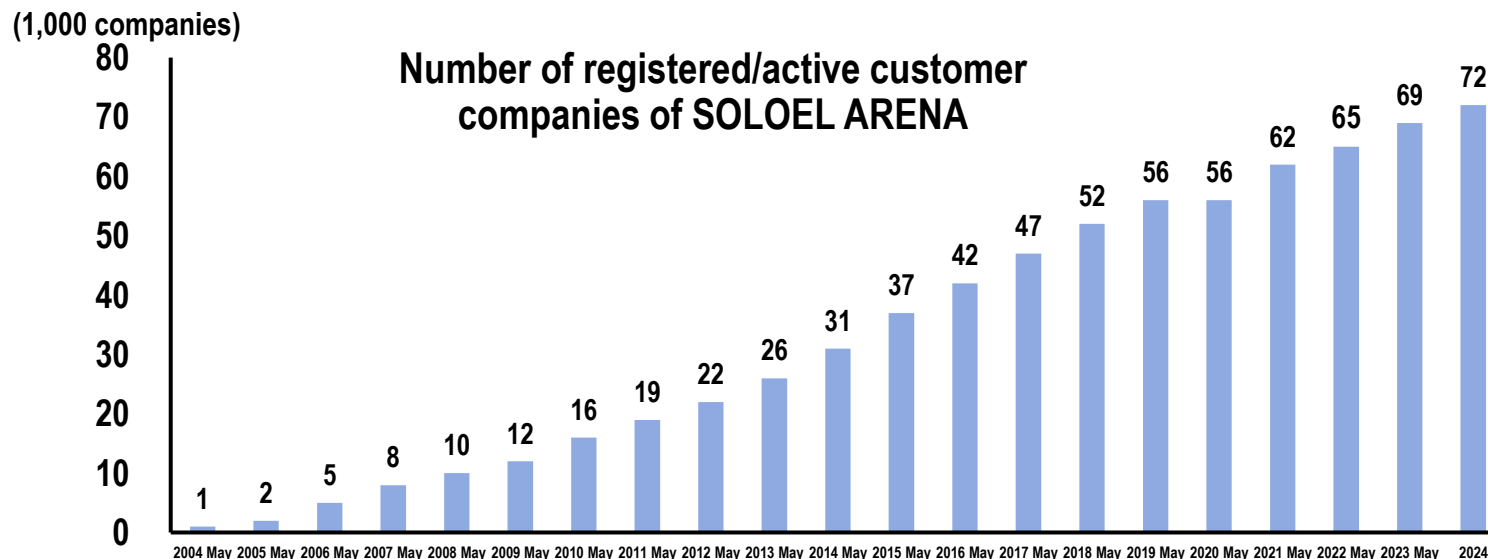


### Net sales value for SOLOEL ARENA and others

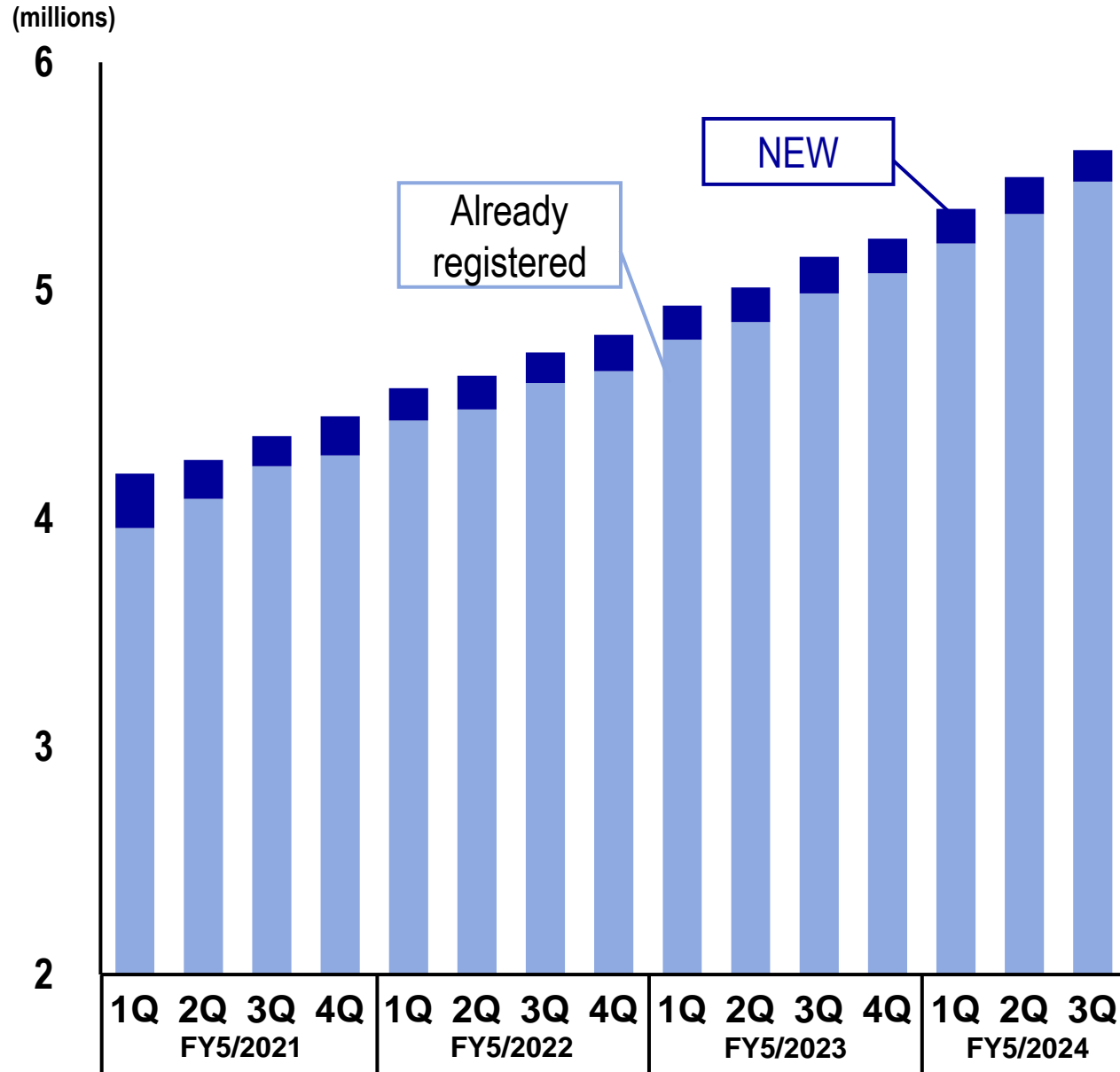


Note: There was an error in FY5/2024 Q2 Cumulative Results in Net sales value for SOLOEL ARENA and others on page 35 of the Financial Results for the Second Quarter of the Fiscal Year Ending May 20, 2024, released on December 15, 2023. Corrected: FY5/2024 Q2 Cumulative Results ¥85.6 billion, YoY Up 9.7%

### Number of registered/active customer companies of SOLOEL ARENA



# 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 Q3 Cumulative Gross Profit and SG&A Expenses

Consolidated



Gross profit: ¥ 87.1 billion YoY change: Up ¥ 6.8 billion

Gross profit margin: 24.9% YoY change: Up 0.9 points

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

SG&A expenses: ¥ 74.7 billion YoY change: Up ¥ 4.7 billion

Ratio of SG&A expenses to net sales 21.3%: YoY change: Up 0.4 points

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

Item	FY5/2023 Q3 (cumulative)		FY5/2024 Q3 (cumulative)		
	Amount (million yen)	Ratio to Sales (%)	Amount (million yen)	Ratio to Sales (%)	YoY Change (%)
Personnel expenses	16,875	5.0	19,021	5.4	112.7
Shipment expenses	17,021	5.1	16,326	4.7	95.9
Subcontract expenses	3,555	1.1	3,690	1.1	103.8
Business consignment expenses	8,954	2.7	8,412	2.4	93.9
Rents	8,140	2.4	8,339	2.4	102.4
Provision of allowance for doubtful accounts	12	0.0	(30)	(0.0)	-
Depreciation	2,492	0.7	2,921	0.8	117.2
Amortization of software	2,050	0.6	3,602	1.0	175.7
Other expenses	10,862	3.3	12,419	3.5	114.3
<b>Total</b>	<b>69,965</b>	<b>20.9</b>	<b>74,703</b>	<b>21.3</b>	<b>106.8</b>



**Capital expenditures ¥6.8 billion**(Annual plan: ¥11.6 billion)

Related to AVC Kansai Facility Enhancement ¥1.9 billion

Related to the new ASKUL website ¥1.6 billion

(Reference) Depreciation and amortization of software: ¥6.5 billion (Annual plan: ¥9.3 billion)

## Investment details

(¥ million)

Item	FY5/2023 Q3 (cumulative)	FY5/2024 Q3 (cumulative)	
	Amount	Amount	YoY Change
[Capital expenditures]	12,048	6,853	-43.1%
Property, plant and equipment	6,080	3,056	-49.7%
Intangible assets	5,968	3,797	-36.4%
Construction in progress (Note 2)	159	1,202	654.2%
Software in progress (Note 2)	9,840	1,606	-83.7%

(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 Q3	FY5/2024 Q3	YoY Change
Orders via the Internet	88.8%	89.5%	+0.7pt
Other	11.2%	10.5%	-0.7pt

Note 1: Percentages are based on orders placed.

## ASKUL Original Products

	Feb. of FY5/2023	Feb. of FY5/2024	YoY Change
Number of original products	13,848 items	16,446 items	+2,598 items
Non-consolidated net sales composition (of which, B-to-B business)	31.4% (38.2%)	32.4% (38.0%)	+1.0pt (-0.2pt)

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
<b>FY5/2024</b>	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.


### Realizing a Carbon-Neutral Society

- “2030 CO<sub>2</sub> Zero Challenge”  
Reduce CO<sub>2</sub> 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 February 2024, a total of 20 EVs are in operation. 
- Reducing CO<sub>2</sub> Emissions throughout the Supply Chain  
Started with calculation of ASKUL original products using “boost supplier,” a tool for visualizing CO<sub>2</sub> emissions in the supply chain

### Building a Resource-Recycling Platform

- 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. 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.
- 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. 

### Conserving Biodiversity

- “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 
- Forest Maintenance Partnership Agreement with Tsumagoi Village  
In August 2023, ASKUL, TSUMAGOI MEISUI, and Tsumagoi Village signed a forest maintenance cooperation agreement for the purpose of jointly implementing activities to conserve Tsumagoi Village’s forest resources.

### Development and procurement of environment-friendly products

- ASKUL Product Environmental Standard  
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.

# Initiatives for Sustainability (Environment)

ESG



- 2024 Participated in “TNFD Forum”  
Obtained “Net Zero Certification” from SBT
- 2023 Participated in “GX League”  
Selected as a “Climate Change A List” company by CDP
- 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 CO<sub>2</sub> Zero Challenge”
- 2013 Formulated Medium-Term Environmental Targets
- 2003 Formulated ASKUL Environmental Policy



TNFD is an international initiative that establishes a framework for companies and financial institutions to appropriately assess and disclose risks and opportunities related to natural capital and biodiversity.



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 **31.8%\***  
(Legal employment rate of private companies is 2.3%)
  - \*Legal employment ratio calculated in units of business sites as of Feb. 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.





Accelerating the assortment of products that meet all workplace needs and environment-friendly products to realize ethical e-commerce

ASKUL Catalog 2024



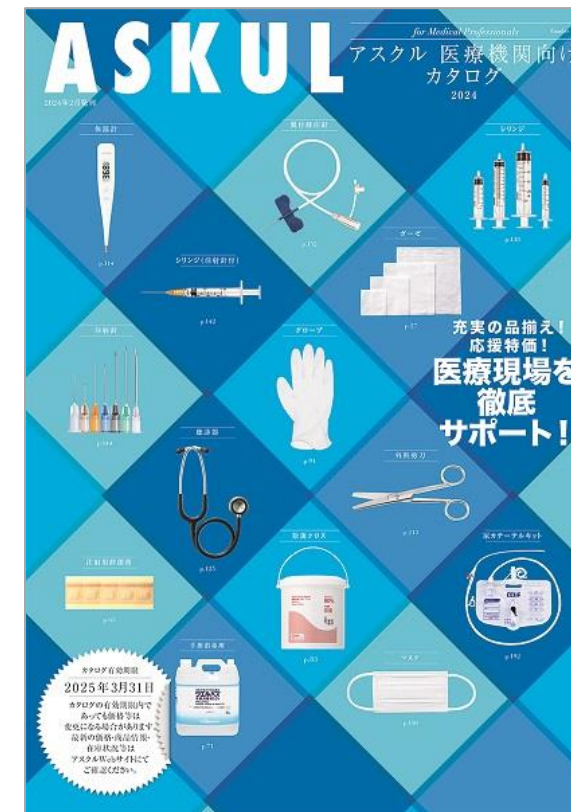
Total pages	996 pages
Number of listed items	About 33,000 items

ASKUL Medical & Care Catalog 2024



Total pages	300 pages
Number of listed items	About 6,100 items

ASKUL Medical Catalog Professionals 2024



Total pages	444 pages
Number of listed items	About 9,200 items



## 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

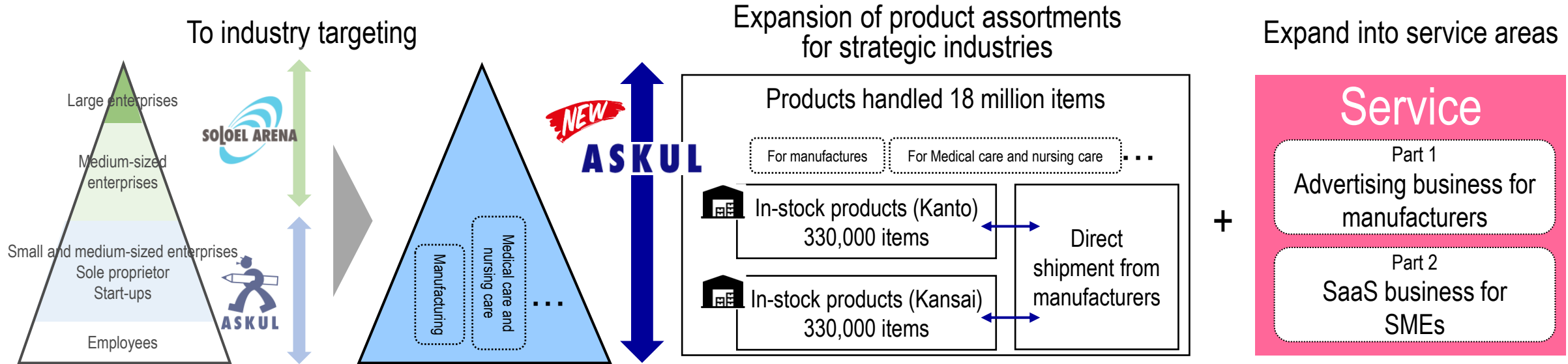
The plan to evolve the high-speed logistics, which is ASKUL's strength, then realize “Delivering Tomorrow” for long-tail products through measures, such as structural reform of distribution centers, integration of B-to-B and B-to-C logistics, and application of DX to value chains. “ASKUL Tokyo DC,” the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



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<b>B-to-B</b>	B-to-B stands for business to business and indicates transactions between companies
<b>B-to-C</b>	B-to-C represents business to consumer (customer) and refers to transactions between companies and consumers
<b>MRO</b>	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
<b>ASKUL</b>	Name of the internet mail-order service (accepts orders via facsimile) for small and medium-sized enterprises
<b>SOLOEL ARENA</b>	Name of the internet mail-order service for mid-tier and larger companies
<b>LOHACO</b>	Name of the internet mail-order service for general consumers launched in October 2012 in partnership with Yahoo Japan Corporation (currently LY Corporation)
<b>New ASKUL Website</b>	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
<b>Advertising Business</b>	Service for manufacturers to place advertisements on our e-commerce site, etc.

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## 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