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March 15, 2024

To whom it may concern:

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(Code No.: 2678, Tokyo Stock Exchange Prime Market)
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Announcement Regarding Decision on Matters Concerning Acquisition of Treasury Stock

(Acquisition of treasury stock pursuant to the Articles of Incorporation in accordance with the provisions of Paragraph 2 of Article 165 of the Companies Act)

ASKUL Corporation (the “Company”) announces that its Board of Directors passed a resolution in a meeting held today on the acquisition of treasury stock in accordance with the provisions of Article 156 of the Companies Act as applied by replacing terms pursuant to the provisions of Paragraph 3 of Article 165 of the Companies Act.

1. Reason for the acquisition of treasury stock

The Company’s performance has been strong with record high profits for the third consecutive fiscal year in the previous fiscal year (fiscal year ended May 20, 2023) and record high for the first three quarter of the current fiscal year (fiscal year ending May 20, 2024).

The Company considers this situation to be an excellent opportunity to increase capital efficiency and has decided to acquire treasury stock with the aim of returning profits to shareholders. While the year-end dividend will remain at 18 yen per share as planned at the beginning of the fiscal year, the acquisition of treasury stock is expected to bring the total return ratio (ratio of the total amount of dividends and acquisitions of treasury stock to consolidated profit) for the fiscal year ending May 20, 2024 to approximately 45%. (However, when the total acquisition amount is not reached by May 20, 2024, the total return ratio for the fiscal year ending May 20, 2024 may not be 45%.)

While maintaining sound cash flow and a stable financial structure, the Company has returned profits to shareholders mainly through dividend payments based on its policy to pay dividends by comprehensively considering the balance of “securing internal reserves as funds for capital investment aiming at enhancing corporate value over medium to long term” and “dividend policies as return to shareholders to respond to the shareholders’ requirements.”

Regarding the distribution of profits going forward, while the Company continues to maintain sound cash flow and a stable financial structure, it aims to secure internal reserves as investment capital for the growth necessary to enhance corporate value over the medium to long term as well as to improve shareholder returns and capital efficiency. To this end, the Company has set a target total return ratio of 45% and will pay stable dividends to shareholders and systematically acquire treasury stock.

Although the Company plans to use its own funds for this acquisition, it expects to be able to maintain financial soundness and security, as the Company will have sufficient liquidity even after the acquisition and expect to accumulate cash and deposits through stable cash flow generated from its business operations.

2. Details of the acquisition

(1) Type of shares to be acquired	Common stock of the Company
(2) Total number of shares to be acquired	Up to 2,250,000 shares (2.31% of the total outstanding shares excluding treasury stock)
(3) Total amount of shares to be acquired	Up to 4,500,000,000 yen
(4) Acquisition period	March 18, 2024 to August 13, 2024
(5) Acquisition method	Market purchase through a discretionary transaction method
(6) Other	In accordance with the resolution of the Board of Directors pursuant to the provisions of Article 178 of the Companies Act, the Company intends to cancel the treasury stock acquired through this acquisition immediately after the acquisition is completed, except for 150,000 shares. The total number of shares to be cancelled and the scheduled date of cancellation will be announced once confirmed.

(Reference) Treasury stock held as of November 20, 2023

Total number of outstanding shares (excluding treasury stock)	97,525,294 shares
Treasury stock	39,406 shares