

## SECTION 4

# Basic Information



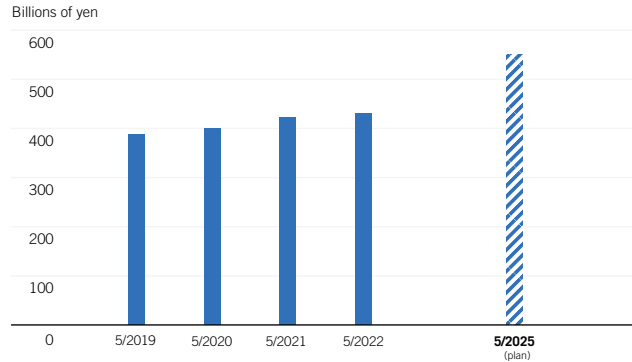
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# Financial Highlights (On a consolidated basis excluding dividends per share information)

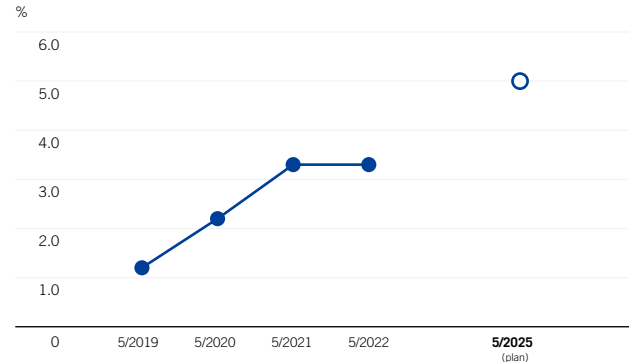
## Net Sales

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.



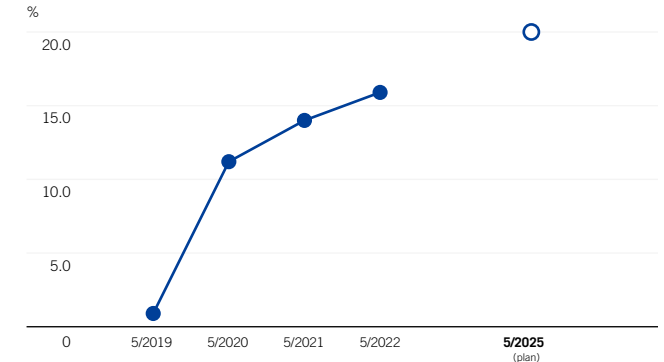
## Operating Profit Margin

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.



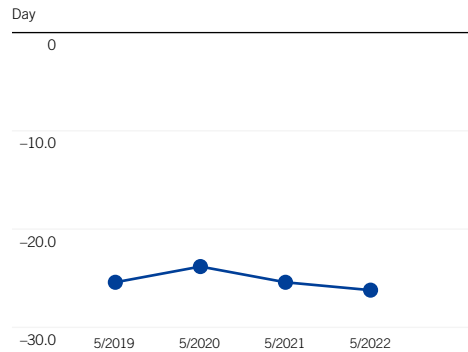
## ROE

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)

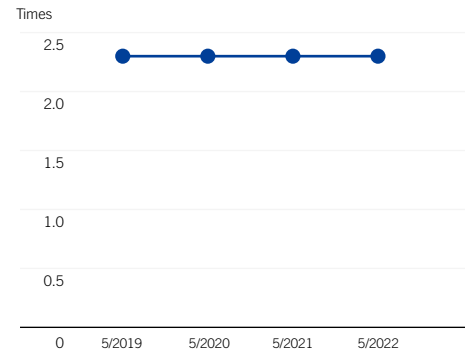
CCC is the source of our ability to generate cash flows, thereby serving as a major strength of the Company. We will strive to maintain the CCC at its current level.



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

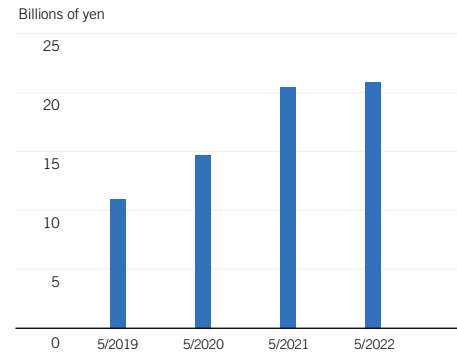
## Total Asset Turnover Ratio

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

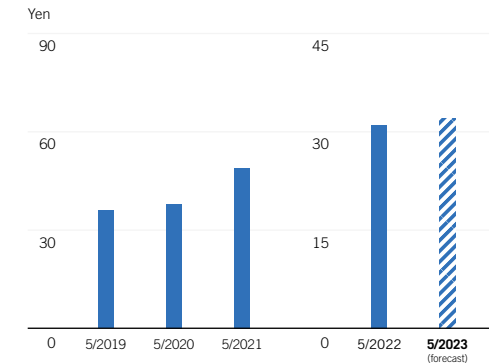
We aim to further enhance our ability to generate cash flows by maximizing the effects of investments.



\*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.



Note: Effective May 21, 2021, a 2-for-1 stock split was conducted.

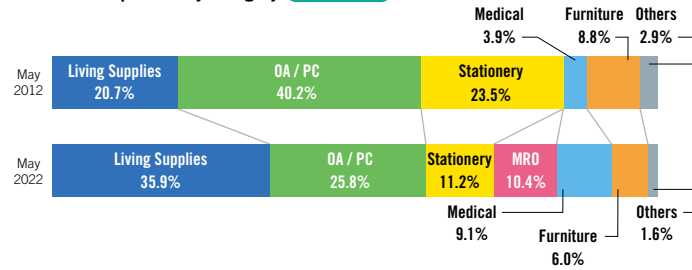
# Non-Financial Highlights

Figures are for the fiscal year ended May 20, 2022, or as of May 20, 2022, 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



### Total Area (in Tsubo\*) of Distribution Centers in Operation Non-consolidated



Note: The above includes the number of tsubo of ASKUL Miyoshi Center in the logistics business, which is used to store products of manufacturers and e-commerce operators.

\* Tsubo is a Japanese unit of area measurement and roughly 3.3 m<sup>2</sup>.

### Number of Customer Inquiries and Chatbot Responses Non-consolidated

Chatbot introduction: September 2016 in B-to-B business, September 2014 in B-to-C business

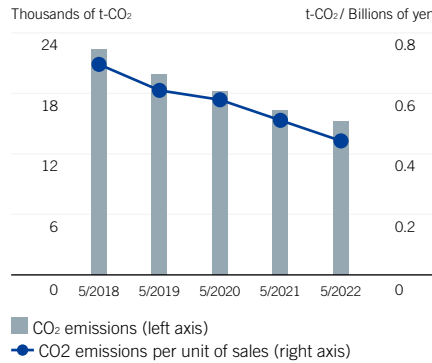


Communication with Customers

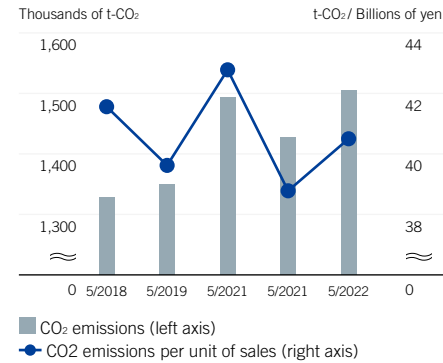
## ESG

### CO<sub>2</sub> Emissions / CO<sub>2</sub> Emissions per Unit of Sales

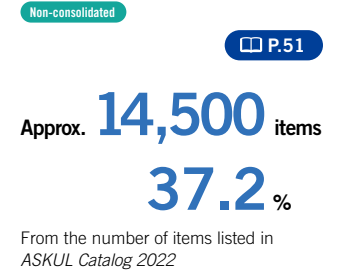
#### Scope 1 + Scope 2 Consolidated



#### Scope 1 + Scope 2 + Scope 3 Non-consolidated



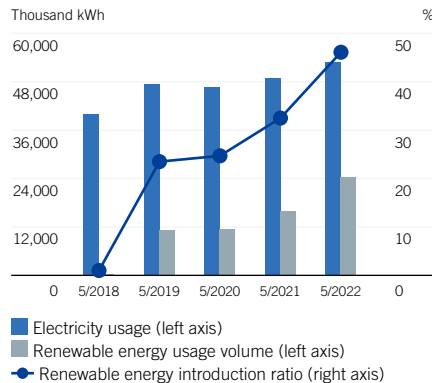
### Number / Ratio of Green Products Non-consolidated



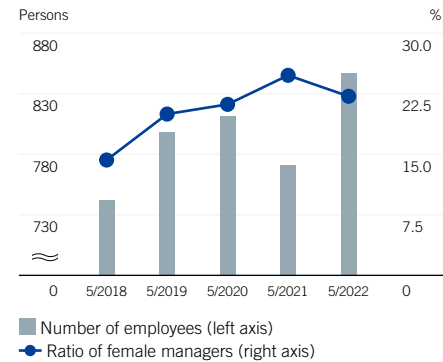
### Number of Forest-Certified (FSC / PEFC) Products Non-consolidated



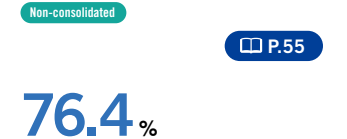
### Electricity Usage / Renewable Energy Usage Volume and Introduction Ratio Consolidated



### Number of Employees / Ratio of Female Managers Non-consolidated



### Ratio of Employees Taking Paid Leave Non-consolidated



# Consolidated 11-Year Summary

Fiscal years ended / As of May 20

Unit: Millions of yen (except as otherwise noted)

|   | 2012    | 2013     | 2014     | 2015     | 2016     | 2017    | 2018    | 2019    | 2020     | 2021    | 2022     |
|---|---------|----------|----------|----------|----------|---------|---------|---------|----------|---------|----------|
| <b>Consolidated Financial Indicators</b>                |         |          |          |          |          |         |         |         |          |         |          |
| Net sales   | 212,932 | 226,610  | 253,408  | 276,759  | 315,024  | 335,914 | 360,445 | 387,470 | 400,376  | 422,151 | 428,517  |
| Gross profit  | 47,490  | 50,613   | 55,701   | 60,814   | 70,328   | 76,755  | 85,515  | 91,606  | 95,683   | 104,378 | 105,072  |
| Selling, general and administrative expenses            | 40,873  | 43,733   | 51,425   | 53,965   | 61,810   | 67,890  | 81,323  | 87,085  | 86,862   | 90,455  | 90,763   |
| Operating profit  | 6,617   | 6,880    | 4,276    | 6,849    | 8,517    | 8,865   | 4,192   | 4,520   | 8,821    | 13,923  | 14,309   |
| Ordinary profit   | 6,504   | 7,241    | 4,449    | 6,959    | 8,574    | 8,866   | 3,940   | 4,418   | 8,656    | 13,850  | 14,270   |
| Profit attributable to owners of parent                 | 2,301   | 5,812    | 2,165    | 4,032    | 5,255    | 1,014   | 4,693   | 434     | 5,652    | 7,758   | 9,206    |
| EBITDA  | 10,277  | 10,174   | 8,858    | 11,408   | 12,953   | 13,927  | 10,143  | 10,952  | 14,722   | 20,418  | 20,869   |
| Capital expenditures                                    | 2,621   | 3,620    | 24,467   | 4,528    | 10,528   | 4,555   | 20,478  | 6,042   | 5,486    | 10,428  | 10,484   |
| Depreciation  | 780     | 662      | 1,728    | 1,892    | 2,168    | 2,469   | 2,949   | 3,590   | 3,017    | 3,160   | 3,292    |
| Amortization of software                                | 2,262   | 2,012    | 2,211    | 1,979    | 1,473    | 1,668   | 1,774   | 1,882   | 2,373    | 2,755   | 2,538    |
| Interest-bearing debt                                   | 6,124   | 3,981    | 7,400    | 7,074    | 14,719   | 23,426  | 34,703  | 32,101  | 29,704   | 28,407  | 25,201   |
| Net assets  | 51,698  | 56,935   | 58,073   | 60,945   | 51,242   | 46,231  | 49,344  | 48,631  | 52,825   | 59,203  | 57,271   |
| Total assets  | 109,011 | 110,151  | 119,976  | 132,667  | 139,552  | 155,678 | 173,713 | 169,112 | 174,146  | 190,107 | 188,024  |
| Operating cash flows                                    | 9,720   | 3,871    | 11,534   | 12,227   | 13,831   | 16,227  | 10,150  | 6,215   | 16,609   | 15,998  | 17,952   |
| Investing cash flows                                    | (2,366) | (3,873)  | (20,785) | (8,293)  | (11,663) | (5,217) | (1,588) | (5,962) | (6,055)  | (9,079) | (10,748) |
| Financing cash flows                                    | 29,045  | (3,910)  | (1,453)  | (2,001)  | (10,606) | 7,241   | 6,553   | (4,950) | (4,761)  | (3,919) | (14,674) |
| Sales growth rate (%)                                   | 108.0   | 106.4    | 111.8    | 109.2    | 113.8    | 106.6   | 107.3   | 107.5   | 103.3    | 105.4   | 101.5    |
| Gross profit margin ratio (%)                           | 22.3    | 22.3     | 22.0     | 22.0     | 22.3     | 22.8    | 23.7    | 23.6    | 23.9     | 24.7    | 24.5     |
| Operating profit margin (%)                             | 3.1     | 3.0      | 1.7      | 2.5      | 2.7      | 2.6     | 1.2     | 1.2     | 2.2      | 3.3     | 3.3      |
| Capital adequacy ratio (%)                              | 46.7    | 51.0     | 48.0     | 45.8     | 36.6     | 29.6    | 28.3    | 28.6    | 30.1     | 30.9    | 30.2     |
| Cash conversion cycle (CCC) (days)                      | (27.5)  | (25.6)   | (23.4)   | (23.3)   | (23.0)   | (26.3)  | (28.6)  | (25.4)  | (23.8)   | (25.4)  | (26.6)   |
| ROE (%)   | 6.8     | 10.9     | 3.8      | 6.8      | 9.4      | 2.1     | 9.9     | 0.9     | 11.2     | 14.0    | 15.9     |
| Total asset turnover ratio (times)                      | 2.35    | 2.07     | 2.20     | 2.19     | 2.31     | 2.28    | 2.19    | 2.26    | 2.33     | 2.32    | 2.27     |
| <b>Per-Share Information (¥)</b>                        |         |          |          |          |          |         |         |         |          |         |          |
| Basic earnings per share (EPS)                          | 74.01   | 107.50   | 39.75    | 73.29    | 100.50   | 19.75   | 92.15   | 8.52    | 110.78   | 75.83   | 90.83    |
| Net assets per share (BPS)                              | 942.40  | 1,038.04 | 1,049.66 | 1,101.12 | 984.64   | 905.01  | 964.46  | 948.44  | 1,027.37 | 573.57  | 582.43   |
| Dividends per share                                     | 30      | 30       | 30       | 30       | 33       | 36      | 36      | 36      | 38       | 49      | 31       |
| <b>Non-Consolidated Business Performance Indicators</b> |         |          |          |          |          |         |         |         |          |         |          |
| <b>B-to-B Business</b>                                  |         |          |          |          |          |         |         |         |          |         |          |
| Net sales (billions of yen)                             | 212.9   | 224.5    | 241.2    | 255.1    | 278.5    | 291.9   | 302.6   | 315.8   | 329.0    | 345.1   | 348.0    |
| Operating profit (billions of yen)                      | 6.6     | 8.2      | 9.3      | 10.7     | 13.3     | 14.0    | 13.5    | 14.2    | 15.4     | 20.1    | 17.0     |
| Number of products handled (millions of items)          | 0.2     | 0.4      | 0.7      | 0.8      | 1.1      | 3.3     | 5.1     | 6.1     | 7.4      | 8.9     | 11.7     |
| Number of products in stock (thousands of items)        | 40.6    | 53.1     | 63.0     | 61.5     | 66.1     | 75.5    | 75.8    | 82.1    | 89.0     | 96.6    | 129.8    |
| Number of original products (thousands of items)        | 3.6     | 4.3      | 5.7      | 5.7      | 7.4      | 7.8     | 8.1     | 8.4     | 8.6      | 8.7     | 8.7      |
| Ratio of original products to net sales (%)             | 14.1    | 15.7     | 17.6     | 18.9     | 19.8     | 20.6    | 35.1    | 36.4    | 34.2     | 34.1    | 35.4     |
| <b>LOHACO Business</b>                                  |         |          |          |          |          |         |         |         |          |         |          |
| 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     |
| Operating loss (billions of yen)                        | —       | (1.3)    | (2.9)    | (3.2)    | (3.4)    | (4.6)   | (9.3)   | (9.2)   | (6.1)    | (4.2)   | (2.9)    |

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.

## Consolidated Financial Statements (Abridged)

### Consolidated Balance Sheets

(Millions of yen)

|  | Previous fiscal year<br>(May 20, 2021) | Fiscal year under review<br>(May 20, 2022) |
|--|--|--|
| <b>Assets</b>                          |  |  |
| Current assets                         | 143,291                                | 136,964                                    |
| Non-current assets                     | 46,815                                 | 51,059                                     |
| Property, plant and equipment          | 24,966                                 | 24,285                                     |
| Intangible assets                      | 11,036                                 | 15,455                                     |
| Investments and other assets           | 10,812                                 | 11,319                                     |
| Total assets                           | 190,107                                | 188,024                                    |
| <b>Liabilities</b>                     |  |  |
| Current liabilities                    | 108,786                                | 100,686                                    |
| Non-current liabilities                | 22,117                                 | 30,066                                     |
| Total liabilities                      | 130,903                                | 130,753                                    |
| <b>Net Assets</b>                      |  |  |
| Shareholders' equity                   | 58,819                                 | 56,838                                     |
| Accumulated other comprehensive income | (42)                                   | (82)                                       |
| Share acquisition rights               | (5)                                    | 0  |
| Non-controlling interests              | 431                                    | 514  |
| Total net assets                       | 59,203                                 | 57,271                                     |
| Total liabilities and net assets       | 190,107                                | 188,024                                    |

### Consolidated Statements of Income

(Millions of yen)

|  | Previous fiscal year<br>(May 20, 2021) | Fiscal year under review<br>(May 20, 2022) |
|--|--|--|
| Net sales                                    | 422,151                                | 428,517                                    |
| Cost of sales                                | 317,769                                | 323,444                                    |
| Gross profit                                 | 104,378                                | 105,072                                    |
| Selling, general and administrative expenses | 90,455                                 | 90,763                                     |
| Operating profit                             | 13,923                                 | 14,309                                     |
| Non-operating profit                         | 348                                    | 319  |
| Non-operating expenses                       | 421                                    | 359  |
| Ordinary profit                              | 13,850                                 | 14,270                                     |
| Extraordinary profit                         | 8                                      | 230  |
| Extraordinary losses                         | 2,582                                  | 629  |
| Profit before income taxes                   | 11,277                                 | 13,871                                     |
| Profit                                       | 7,756                                  | 9,295                                      |
| Profit attributable to owners of parent      | 7,758                                  | 9,206                                      |

### Consolidated Statements of Cash Flows

(Millions of yen)

|  | Previous fiscal year<br>(May 20, 2021) | Fiscal year under review<br>(May 20, 2022) |
|--|--|--|
| Cash flows from operating activities             | 15,998                                 | 17,952                                     |
| Cash flows from investing activities             | (9,079)                                | (10,748)                                   |
| Cash flows from financing activities             | (3,919)                                | (14,674)                                   |
| Cash and cash equivalents at beginning of period | 63,260                                 | 66,259                                     |
| Cash and cash equivalents at end of period       | 66,259                                 | 58,789                                     |

## List of Material Issues (Important Issues) and KPIs

|                        | Goal   | Action plan / KPI  | Target year attainment   | Results of initiatives (as of May 20, 2022) | Fiscal year ending May 20, 2023 initiatives / Target   |   |
|------------------------|--|--|--|---|--|---|
| Digital transformation | 1 Create the Best Customer Experiences           | Refine and evolve existing services                          | Customer retention rate: 2 pts. improvement<br>Note: Compared with fiscal year ended May 20, 2021  | 2030  | <ul style="list-style-type: none"> <li>Enhanced one-to-one information provision to customers</li> <li>Implementation of measures to improve searchability</li> </ul>                        | <ul style="list-style-type: none"> <li>Strengthening of the site's one-to-one orientation</li> <li>Consideration of optimization of delivery services</li> </ul>  |
|                        |  |  | Improved primary resolution rate of inquiries from 85% to 90%<br>Note: Compared with fiscal year ended May 20, 2021  | 2025  | One-time resolution rate: 87.2%  | Rate of inquiries being resolved with the first response: 88%   |
|                        |  | New service offerings and customer experience evolution      | Evolution of easy and convenient purchasing function through technology  | Plan preparation in progress                | Consideration of new measures such as automated delivery   | <ul style="list-style-type: none"> <li>Continuation of surveys and assessment of effectiveness</li> <li>Discussions with suppliers</li> </ul>   |
|                        | 2 Build Innovative Value Chains                  | Evolution of the entire value chain                          | Realization of a mechanism for zero product shortages caused by ASKUL  | 2030  | Development of methods for collecting data related to missing goods  | Consideration of countermeasures based on collected data  |
|                        |  |  | Improved delivery quality and achievement of zero delivery delays  | 2025  | <ul style="list-style-type: none"> <li>Flexible and variable fleet structure</li> <li>Late delivery alert function implemented in driver terminals</li> </ul>                                | Distribution of delivery loads by coordinating information, visualization of delivery status at all sales offices, and thorough raising of awareness of quality   |
|                        |  | Evolution of product information                             | Establishment of an open product-information-sharing platform that transcends stakeholder boundaries   | 2030  | Product data maintenance under consideration   | Commencement of data linkage project with some suppliers  |
| 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"> <li>Establishment of Environmental Standards for Original Products</li> <li>Negative list (hazardous substances, etc.) formulated and utilized</li> </ul> | <ul style="list-style-type: none"> <li>Announced the Environmental Standards for Original Products</li> <li>Implemented product development in accordance with the Environmental Standards for Original Products</li> </ul> |
|                        |  | Solving of social issues through new services                | Realization of a sales platform for products scheduled for disposal by manufacturers: achieved a cumulative reduction in product disposal of one million units | 2025  | Reduction in number of items disposed: Approx. 318,000   | Reduction in disposal: Approx. 333,000 items / year   |
|                        |  |  | Support for "vulnerable shoppers": study of support contents (establishment of local commerce services, etc., to cope with depopulation in rural areas)        | 2025  | Information being collected and reviewed regarding needs   | Progress with service design and study  |
|                        | 4 Realize a Resource-Recycling Platform          | Realization and implementation of resource-recycling service | Establishment and start of resource-recycling service  | 2025  | Review and coordination of collection schemes and contractors  | <ul style="list-style-type: none"> <li>Collection test conducted</li> <li>Consideration of recycling / reuse customers</li> </ul>   |
|                        |  | Zero Waste Challenge   | Achieve zero product waste   | 2030  | Visualization of discarded products and reasons, data sharing  | Planning  |
|                        |  |  | Achieved total recycling of packaging materials  | 2030  | Palletizing of recycled packaging film (Kanto site)  | Consideration of expansion to Kansai site   |

## List of Material Issues (Important Issues) and KPIs

|                                | Goal   | Action plan / KPI  | Target year attainment  | Results of initiatives (as of May 20, 2022)  | Fiscal year ending May 20, 2023 initiatives / Target  |  |
|--------------------------------|--|--|---|--|---|--|
| Environment                    | 5 Take On the Challenge of Realizing a Carbon-Neutral Society  | Achievement of the 2030 Zero CO <sub>2</sub> Challenge   | 2030  | <ul style="list-style-type: none"> <li>Scope 1 + Scope 2 discharge: 15,254 t-CO<sub>2</sub> (-32% vs. fiscal year ended May 20, 2018)</li> <li>Renewable energy progress: Approx. 65%</li> </ul> | <ul style="list-style-type: none"> <li>Study and implementation of CO<sub>2</sub> reduction measures</li> <li>Promotion of RE100 and EV100</li> </ul>   |  |
|                                |  | ASKUL Group Zero CO <sub>2</sub>   |   |  |   |  |
|                                |  | Efforts to absorb CO <sub>2</sub> through afforestation, etc.  | Plan preparation in progress  | Beginning of negotiations with some local authorities  | Planning  |  |
|                                |  | Provide environment-friendly delivery methods to customers   | Plan preparation in progress  | System modifications to expand coverage of cargo consolidation   | Planning  |  |
|                                | Reduction of CO <sub>2</sub> throughout the supply chain   | Achievement of Science Based Targets (12% reduction in Scope 3 CO <sub>2</sub> )   | 2030  | Start of survey on CO <sub>2</sub> emissions of original products  | <ul style="list-style-type: none"> <li>Continuation of surveys and effectiveness measurement studies</li> <li>Consultations with suppliers</li> </ul>   |  |
|                                |  | Completion of visualization of CO <sub>2</sub> emissions produced by products and calculation of contribution to reduction | 2025  | Start of survey on CO <sub>2</sub> emissions of original products  | <ul style="list-style-type: none"> <li>Visualization of CO<sub>2</sub> emissions of original products</li> <li>Consideration of expanding survey scope</li> </ul>   |  |
| 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  | Donations made to Tsushima City (approx. ¥300,000)   | Planning  |  |
| Supply Chain                   | 7 Realize Sustainable Procurement  | Supplier surveys and audits  | Conducting of CSR surveys of suppliers  | 2025   | Surveys conducted (approx. 1,100 companies covered, response rate of approx. 80%)   | Publication of results of individual hearings and responses  |
|                                |  |  | Implementation of audits at original product contract manufacturing plants                                | 2025   | Determination of the subject of the initial audit   | Conducting of initial audit and development of subsequent audit plans  |
|                                |  | Non-supplier business partner surveys  | Conducting of ASKUL confidence surveys of all business partners   | 2025   | —   | Study of the outline of implementation (content, target group, etc.)   |
|                                | 8 Fulfill Responsibility as a Lifeline   | Expansion of range and stable supply of "lifeline products"  | Establishment of a stable supply system for "lifeline products"   | 2030   | Analysis of customer surveys, data on orders received during past disasters, etc.   | <ul style="list-style-type: none"> <li>Determination of eligible products</li> <li>Development of measures to deal with stock, sales, deliveries, etc.</li> </ul>                          |
|                                |  | Building of resilient logistics networks   | Distribution center layouts based on seismic isolation and redundancy                                     | 2030   | Development of future distribution center plans, including seismic isolation  | Planning   |
|                                |  |  | Building of resilient supply chains that can respond immediately to demand fluctuations and contingencies | 2030   | <ul style="list-style-type: none"> <li>Clarification of past BCP issues and response measures</li> <li>Formulation of contingency response decision-making criteria and study of systemization</li> </ul> | <ul style="list-style-type: none"> <li>Seismic upgrading of existing sites and development of restoration plans</li> <li>Structuring and systematization of recovery operations</li> </ul> |
| Platform-based disaster relief | Signing of disaster relief agreements with local authorities (conclusion with municipalities where all ASKUL distribution centers are located) | 2025   | Confirmation of current situation and systems   | Implementation of checks with local authorities where distribution centers are located and formulation of final plans  |   |  |

## List of Material Issues (Important Issues) and KPIs

|                 | Goal  | Action plan / KPI   | Target year attainment   | Results of initiatives (as of May 20, 2022)      | Fiscal year ending May 20, 2023 initiatives / Target   |   |
|-----------------|---|---|--|--|--|---|
| Human Resources | 9 Promote Diversity Where Individuals Can Demonstrate Their Abilities               | Ratio of female managers  | 30.0% female manager ratio achieved  | 2025   | 22.2%  | 25.0%   |
|                 |   | Employment of persons with disabilities   | Compliance with and improvement of the employment rate of persons with disabilities  | 2030   | Employment rate: 1.8% (5 persons short)  | Achievement of the legal employment rate (2.3%)   |
|                 |   | Senior system   | Operation of the Second Career Challenge system  | 2025   | Internal Secondary work system launched  | Continued implementation  |
|                 | 10 Innovate through Personnel Who Proactively Take On New Challenges                | Human resource development that encourages taking on of challenges and environmental improvements | Design and operation of internal award schemes   | 2023   | System in development  | Planning and implementation of award schemes based on Our Purpose and Our Values  |
|                 |   | Recruitment and development of DX personnel   | Development and implementation of Companywide development plans (including DX personnel development)                             | Plan preparation in progress                     | <ul style="list-style-type: none"> <li>Preparation of education systems</li> <li>Various training courses, etc.</li> </ul>   | Planning  |
|                 |   | 30 DX personnel recruited annually (new graduates and mid-career hires)                           | 2030   | Actual: 15 against a target of 20 (75% achieved) | Recruitment target: 20 mid-career hires, 10 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"> <li>Compliance training implemented: All employees (non-consolidated)</li> <li>Zero serious non-compliance cases</li> </ul>                 | <ul style="list-style-type: none"> <li>Ongoing education and promotion of hotline use</li> <li>Zero serious non-compliance cases</li> </ul>   |
|                 |   | Ensuring of information security  | Zero serious security incidents (ongoing)  | 2030   | Zero major accidents   | <ul style="list-style-type: none"> <li>Achievement of zero major accidents</li> <li>Formulation of recurrence prevention measures and strengthening of education and awareness-raising</li> </ul> |
|                 | 12 Healthy Management That Allows Safe and Secure Work Both Physically and Mentally | Improved healthcare   | Initiatives toward and promotion of health management  | Plan preparation in progress                     | <ul style="list-style-type: none"> <li>Drafting of a framework for the direction to be taken</li> <li>Priority study of measures based on health checkup data, etc.</li> </ul> | <ul style="list-style-type: none"> <li>Review of industrial physician system and development of data infrastructure</li> <li>Analysis of current situation and planning of measures</li> </ul>    |
|                 |   | Strengthening of engagement   | Improved employee satisfaction and engagement  | Plan preparation in progress                     | —  | <ul style="list-style-type: none"> <li>Planning</li> <li>Implementation of talent management system</li> </ul>  |
|                 | 13 Maintain and Improve a Sound Financial Structure                                 | Improvement of profitability  | Achievement of the Medium-Term Management Plan<br>Net sales of ¥550.0 billion, operating profit margin of 5.0%, and ROE of 20.0% | 2025   | Net sales of ¥428.5 billion, operating profit margin of 3.3%, and ROE of 15.9%   | Net sales of ¥455.5 billion and operating profit margin of 3.2%; ROE undetermined   |
|                 |   | Financial base  | Building of a strong financial base to support the Medium-Term Management Plan<br>CCC (cash conversion cycle) –20 days           | 2025   | About –26.2 days   | –20 days in fiscal year ending May 20, 2025   |



# Glossary

|                 |   |   |
|-----------------|---|---|
| <b>Business</b> | <b>ASKUL Agent</b>                        | 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, 2022, the Company had over 1,100 ASKUL Agents in operation across Japan.   |
| <b>Business</b> | <b>Ethical e-commerce</b>                 | 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.   |
| <b>Business</b> | <b>SKU item number</b>                    | 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.   |
| <b>Business</b> | <b>MRO</b>                                | 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.  |
| <b>Business</b> | <b>Supplier</b>                           | "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, 2022, ASKUL had been procuring products from approximately 1,200 suppliers.  |
| <b>Business</b> | <b>Supplier direct delivery (product)</b> | "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.  |
| <b>Business</b> | <b>CB product</b>                         | 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.  |
| <b>Business</b> | <b>B-to-B B-to-C</b>                      | "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.  |
| <b>Business</b> | <b>PB product Original product</b>        | ASKUL develops and sells a wide range of PB (private brand) 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.<br>Notes: 1. The opposite of PB is national brand (NB).<br>2. "Original product" includes such products as PB products, products jointly developed with manufacturers, and limited-time-only products. |

|                  |   |  |
|------------------|---|--|
| <b>Logistics</b> | <b>Oricon</b>                                       | <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> .   |
| <b>Logistics</b> | <b>Supply chain Value chain</b>                     | 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.   |
| <b>Logistics</b> | <b>Automated storage</b>                            | ASRS is a massive system that automatically stores, on shelves, packages that have been transported via conveyor belts. ASKUL has installed and operates ASRSs at all of its distribution centers. ASRS stands for automated storage and retrieval system. <a href="#">P.26</a>  |
| <b>Logistics</b> | <b>3PL</b>  | 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.  |
| <b>Logistics</b> | <b>Carrier</b>                                      | "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.   |
| <b>Logistics</b> | <b>Pallet</b>                                       | "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."        |
| <b>Logistics</b> | <b>Picking</b>                                      | "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. |
| <b>Logistics</b> | <b>Last mile</b>                                    | "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 EC business operators, including ASKUL.                                       |
| <b>Logistics</b> | <b>Long-tail product (opposite of head product)</b> | 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.  |


## External Evaluations

**2022**  
FTSE Blossom Japan Sector Relative Index  
Selected as a constituent of the FTSE Blossom Japan Sector Relative Index




**FTSE Blossom Japan Sector Relative Index**

**2018**  
Selected as a constituent of the S&P/JPX Carbon Efficient Index




**S&P/JPX  
カーボン  
エフィシエント  
指数**

**2018**  
Recognized as an Eco-First Company by Japan's Ministry of the Environment




**ECO 1 FIRST**

**2019-2021**  
Named on the CDP's climate change A List (highest rating) for three consecutive years




**CDP  
DISCLOSURE LEADER ACTION  
A LIST  
2021  
CLIMATE**

**2018**  
Received approval from the international Science Based Targets initiative (SBTi)




**SCIENCE  
BASED  
TARGETS**  
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

**2022**  
Selected as CDP Supplier Engagement Leader




**CDP  
SUPPLIER  
ENGAGEMENT  
LEADER  
2021**

**2016**  
Obtained the Tomonin mark from the 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)




**仕事と介護の両立支援**

**2019**  
Registered by the Tokyo Metropolitan Government as a "company promoting a good balance between family and work"




**家族と仕事の両立を  
推進しています**

**2017**  
Obtained Ministry of Health, Labour and Welfare of Japan's Kurumin mark (stage 1 certification)




**くろみん**

**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




**女性が活躍しています**

**2021**  
Certified by the Ministry of Economy, Trade and Industry as a DX Certified Operator



**DX認定**

Received the Best IT Award (Transformation Area) at the 2021 IT Awards of the Japan Institute of Information Technology



**IT賞**  
Japan Institute of Information Technology  
Information Technology Award

Selected by the Securities Analysts Association of Japan for the Award for Excellence in Corporate Disclosure (FY2021)  
Second place in the retail sector as a "company with significant improvement in disclosure"

Selected by Japan's Ministry of Economy, Trade and Industry as one of the Noteworthy DX Companies 2022 within the Digital Transformation Stock (DX Stock) of the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange



**DX注目企業2022**  
Digital Transformation


## External Endorsement and Participation

**2019**  
First Japanese EC operator to express support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)



**TCFD** TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

**2014**  
Participation in the Japan Climate Leaders' Partnership (Japan-CLP)




**JCLP**

**2017**  
Declaration to achieve 100% renewable energy use across the Group by 2030, and participation in RE100




**RE100**  
**CLIMATE GROUP**

**2017**  
Declaration that 100% of owned/leased delivery vehicles ASKUL LOGIST will be EVs by 2030 and joins participation in EV100



**CLIMATE GROUP  
EV100**

**2018**  
Endorsement as one of the member companies of the Japan Climate Initiative's (JCI) greenhouse gas emission reduction target message for 2030



**JAPAN  
CLIMATE  
INITIATIVE**

**2019**  
Participation in the Japan Business Initiative for Biodiversity (JBIB)



**JBIB**  
企業と生物多様性イニシアティブ

**2016**  
Participation in the United Nations Global Compact (UNGC)




**WE SUPPORT  
UN GLOBAL COMPACT**

**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




**行動宣言**  
働く女性の活躍を加速する  
男性リーダーの会

**2021**  
Participation in 30% Club Japan



**30% Club**  
GROWTH THROUGH DIVERSITY

**2019**  
Declaration of support and voluntary action for the White Logistics\* promotion campaign



**「ホワイト物流」  
推進運動**

**2021**  
Endorsement of Consumer Affairs Agency's consumer-oriented management and formulation of Voluntary Declaration of Consumer Orientation (July 2021)



**消費者  
志向経営**

\* 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.

## Group Network

All ASKUL Group companies strives 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 |
|--|--|---|-----------------|-----------------|--------------------|----------------|
|  | <b>ASKUL LOGIST Corporation</b><br><a href="http://www.askulogist.co.jp/">http://www.askulogist.co.jp/</a><br>(Japanese only)          | <ul style="list-style-type: none"> <li>• Distribution center warehouse operations, as well as small-lot delivery operations</li> <li>• Providing state-of-the-art and best-in-class logistics and delivery services</li> </ul> Toyosu, Koto-Ward, Tokyo<br>Hideo Amanuma, President and Representative Director | ●               | ●               | ●                  |                |
|  | <b>BUSINESSMART CORPORATION</b><br><a href="http://www.businessmart.co.jp/">http://www.businessmart.co.jp/</a><br>(Japanese only)      | <ul style="list-style-type: none"> <li>• ASKUL Agent</li> <li>• Pursuing an innovative agent model</li> </ul> Toyosu, Koto-Ward, Tokyo<br>Norio Tanabe, President and Representative Director   | ●               |                 |                    |                |
|  | <b>SOLOEL Corporation</b><br><a href="http://www.soloel.com/">http://www.soloel.com/</a><br>(Japanese only)                            | <ul style="list-style-type: none"> <li>• Sales representative of SOLOEL Enterprise</li> <li>• Promoting the introduction of purchasing solutions for large companies</li> </ul> Shinjuku, Shinjuku-Ward, Tokyo<br>Katsuhiro Kawamura, President and Representative Director                                     | ●               |                 |                    |                |
|  | <b>AlphaPurchase Co., Ltd.</b><br><a href="https://www.alphapurchase.co.jp/">https://www.alphapurchase.co.jp/</a><br>(Japanese only)   | <ul style="list-style-type: none"> <li>• Sale of MRO products and facility management</li> <li>• Pursuing synergies through expansion of factory-based commercial products</li> </ul> Mita, Minato-Ward, Tokyo<br>Masayuki Tada, President and CEO  | ●               |                 |                    |                |
|  | <b>TSUMAGOI MEISUI CORPORATION</b><br><a href="http://www.tsumagoi-meisui.com/">http://www.tsumagoi-meisui.com/</a><br>(Japanese only) | <ul style="list-style-type: none"> <li>• Production and sale of natural mineral water</li> <li>• Development and production of drinking water suitable for e-commerce</li> </ul> Tsumagoi Village, Agatsuma-gun, Gunma Prefecture<br>Minoru Toyota, President and Representative Director                       | ●               | ●               |                    | ●              |
|  | <b>charm Co., Ltd.</b><br><a href="https://www.charm.co.jp/">https://www.charm.co.jp/</a><br>(Japanese only)                           | <ul style="list-style-type: none"> <li>• Mail-order sales of pet supplies and living organisms</li> <li>• Pursuing synergies between e-commerce for pet products and daily necessities</li> </ul> Ora Town, Ora District, Gunma Prefecture<br>Tsutomu Imai, Representative Director                             |                 | ●               |                    |                |

# Corporate / Stock Information (as of May 20, 2022)

## Corporate Information

|                         |  |
|-------------------------|--|
| Company name            | ASKUL Corporation<br><a href="https://www.askul.co.jp/kaisya/english/">https://www.askul.co.jp/kaisya/english/</a>         |
| Established             | March 1993<br>(Founded by PLUS Corporation, which transferred the ASKUL business to a dormant company established in 1963) |
| Capital                 | ¥21,189 million  |
| Representative director | Akira Yoshioka   |
| Location of head office | Toyosu Cubic Garden, 3-2-3 Toyosu, Koto Ward, Tokyo 135-0061<br>TEL: (+81) 03-4330-5001 (representative)                   |
| Employees               | 3,380 employees (consolidated basis)   |
| Fiscal year-end         | May 20   |

## Stock Information

|  |  |
|--|--|
| Stock exchange                         | Listed on Tokyo Stock Exchange, Prime Market   |
| Securities code                        | 2678   |
| Total number of shares authorized      | 169,440,000  |
| Total number of shares issued          | 97,518,800<br>Note: The total number of shares issued includes 71,871 treasury shares.   |
| Number of shareholders                 | 37,543   |
| 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<br><a href="https://www.askul.co.jp/kaisya/english/ir/stock/analyst.html">https://www.askul.co.jp/kaisya/english/ir/stock/analyst.html</a> |

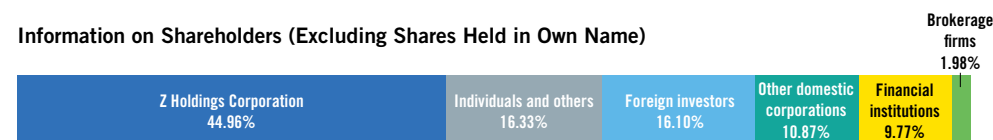
## Major Shareholders

| Shareholder name                                     | Number of shares held (thousands of shares) | Shareholding ratio (%) |
|--|---|------------------------|
| Z Holdings Corporation                               | 43,808                                      | 44.96                  |
| PLUS Corporation                                     | 10,331                                      | 10.60                  |
| The Master Trust Bank of Japan, Ltd. (Trust Account) | 5,616                                       | 5.76                   |
| Shoichiro Iwata                                      | 1,874                                       | 1.92                   |
| Custody Bank of Japan, Ltd. (Trust Account)          | 1,871                                       | 1.92                   |
| NORTHERN TRUST CO. (AVFC) RE FIDELITY FUNDS          | 1,871                                       | 1.92                   |
| Hidehisa Imaizumi                                    | 1,592                                       | 1.63                   |
| Tadahisa Imaizumi                                    | 1,580                                       | 1.62                   |
| SMBC Nikko Securities Inc.                           | 1,572                                       | 1.61                   |
| Sohei Imaizumi                                       | 996   | 1.02                   |

### Notes:

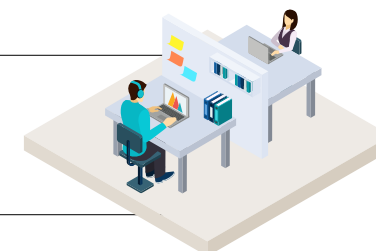
- The number of shares held is rounded down to the nearest thousand shares, and shareholding ratios are rounded to the first decimal place.
- Shareholding ratios are calculated excluding treasury shares.
- The number of shares held by The Master Trust Bank of Japan, Ltd. (Trust Account), includes 5,578,000 shares related to trust operations.
- The number of shares held by Custody Bank of Japan, Ltd. (Trust Account), includes 1,855,000 shares related to trust operations.

## Information on Shareholders (Excluding Shares Held in Own Name)



### Inquiries about the integrated report:

- Corporate Unit, Corporate Communications
- IR Division: [ir@askul.com](mailto:ir@askul.com)
- PR Division: [press@askul.co.jp](mailto:press@askul.co.jp)
- Sustainability Division: [SDGs@askul.com](mailto:SDGs@askul.com)



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