

May 8, 2024

To whom it may concern:

Company Name: ASKUL Corporation
(Code No.: 2678, Tokyo Stock Exchange Prime Market)
Representative: Akira Yoshioka
President and Chief Executive Officer
Contact Person: Tsuguhiro Tamai
Director and Chief Financial Officer
Phone: +81-3-4330-5130

Announcement of Financial Results by Other Affiliated Company

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

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

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

Consolidated accounting period	LY Corporation	Company
Full year	From April 1, 2023, to March 31, 2024	From May 21, 2023 to May 20, 2024
	<ul style="list-style-type: none"> • Page 1 The Company’s adjusted EBITDA is described as factors of increase for LY Corporation’s factors behind change in adjusted EBITDA. • Page 2 Transaction value and YoY growth rate of LOHACO etc. in each fiscal year. • Page 3 Entire group adjusted EBITDA 	
Fourth quarter	From January 1, 2024, to March 31, 2024	From February 21, 2023 to May 20, 2024
	<ul style="list-style-type: none"> • Page 4 The Company’s consolidated revenue, cost of sales, depreciation and amortization, and other income & expenses are described as LY Corporation’s FY2023 Q4 factors behind change in operating income. • Page 6 The Company’s consolidated revenue. 	

Appendix: LY Corporation Financial Briefing Presentation Materials for FY2023 Full Year & Q4 (excerpt)

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

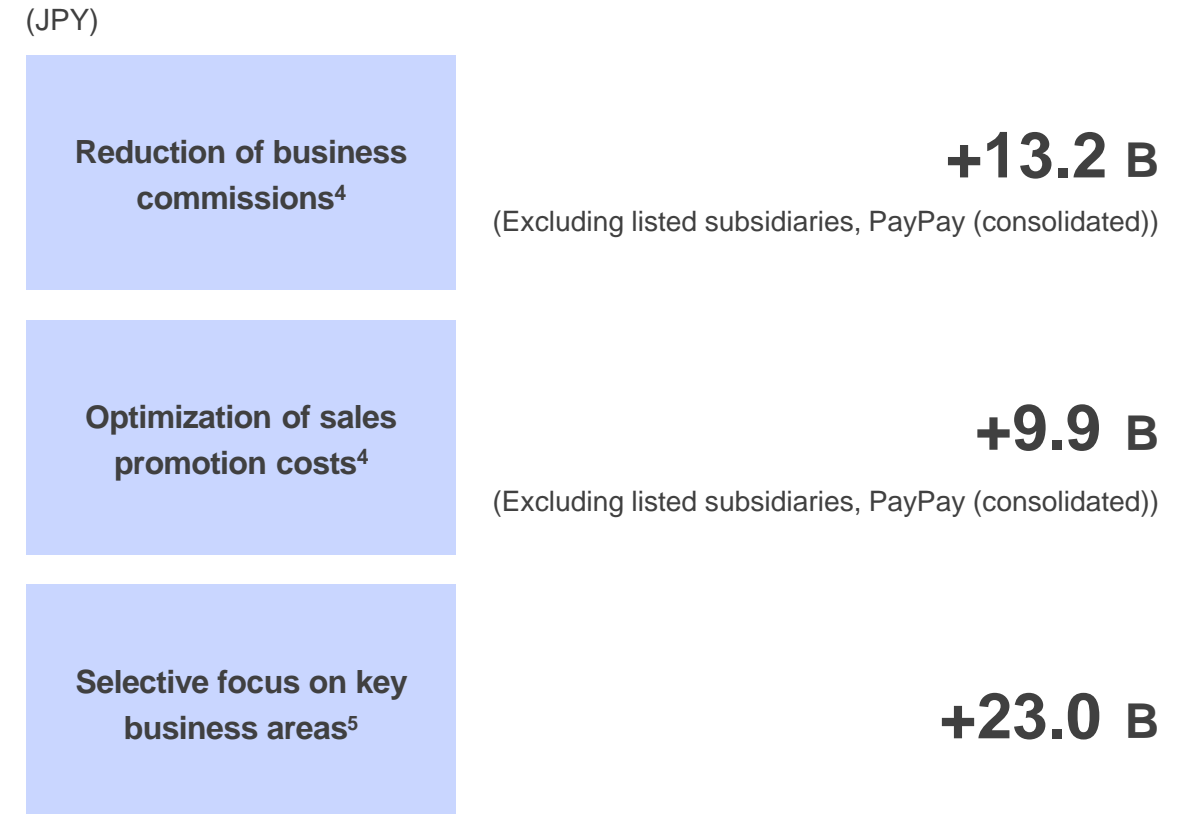
Factors Behind Change in Adjusted EBITDA

- Improvements in LY Corporation's gross profit and SG&A contributed to the profit increase.

Factors Behind Change in Adjusted EBITDA



Improvements in FY2023 (SG&A/Adjusted EBITDA)



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

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

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

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

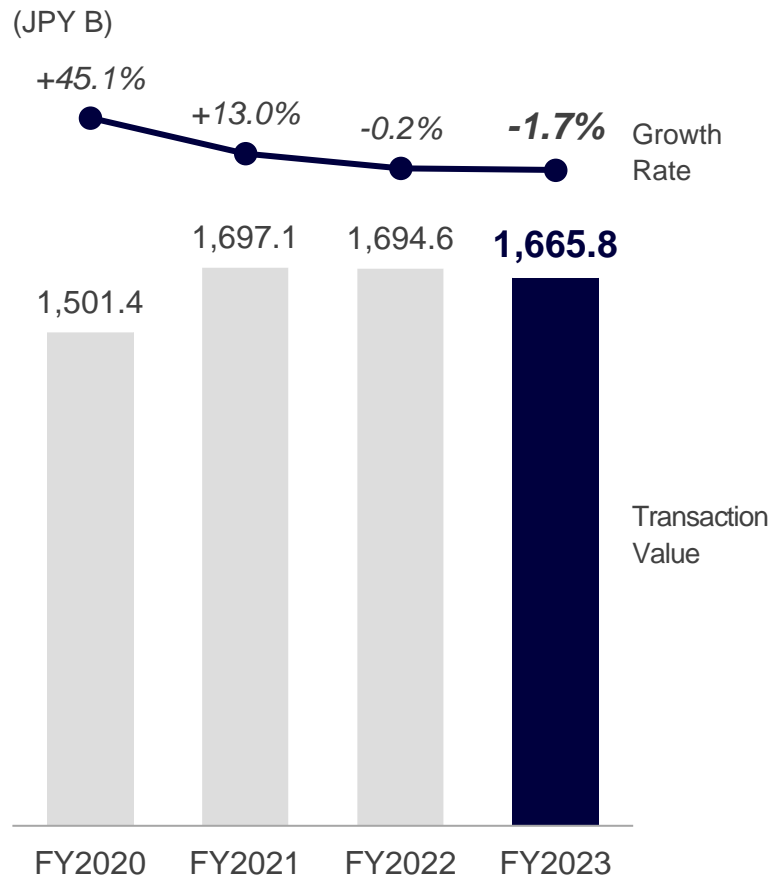
5. Amount of improvement according to financial accounting-based EBITDA.

Business Overview (Domestic E-Commerce Transaction Value)

- Domestic Shopping transaction value bottomed out with launch of LYP Premium.

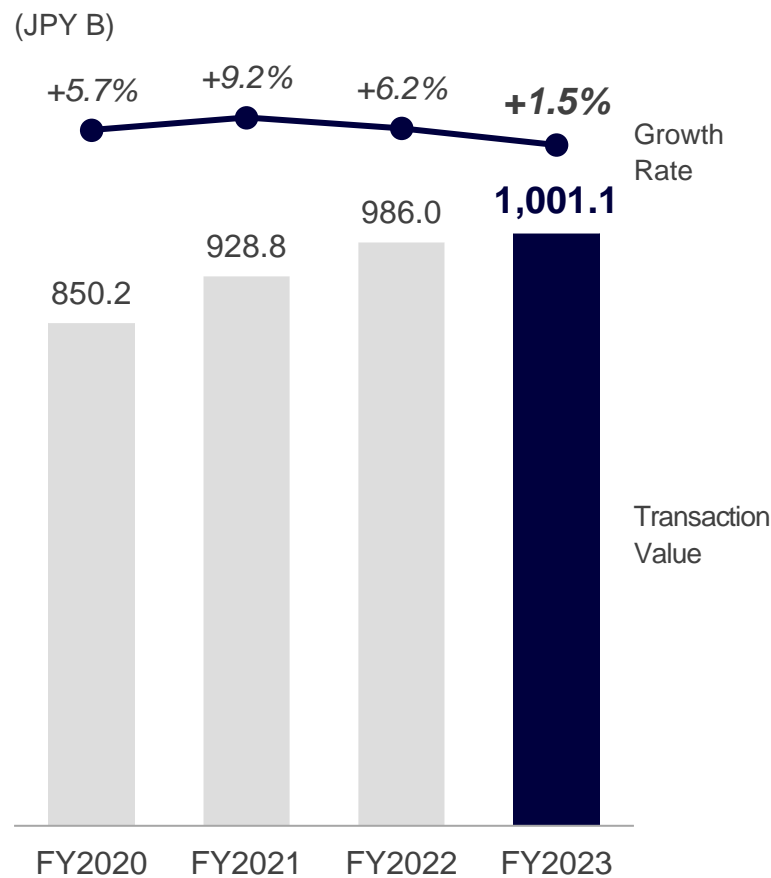
Domestic Shopping Transaction Value¹
– YoY Growth Rate

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



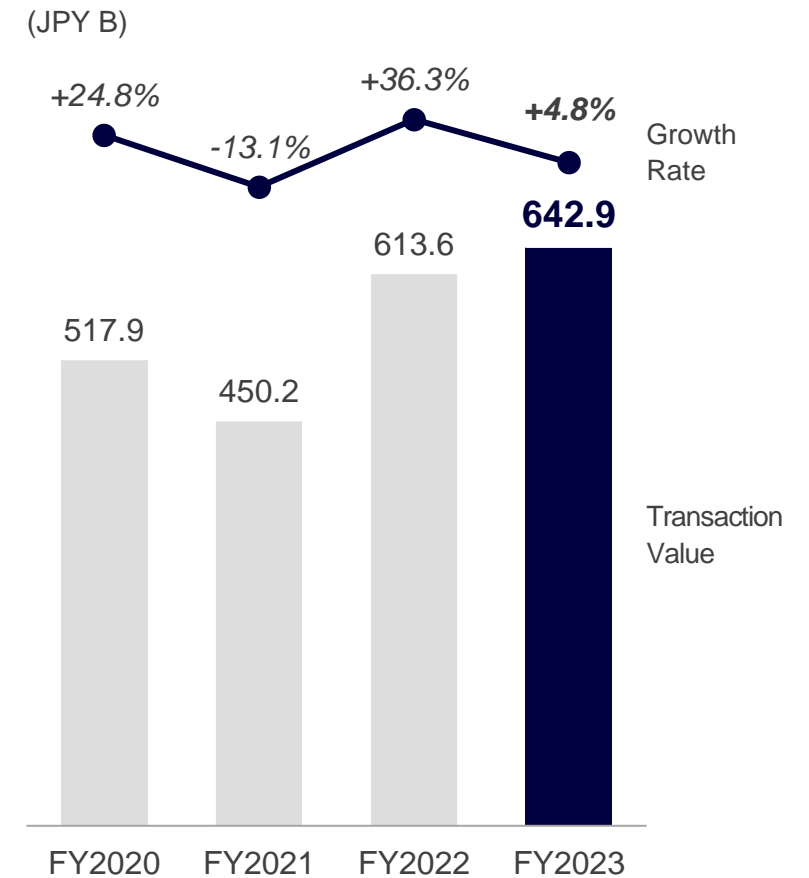
Domestic Reuse Transaction Value¹
– YoY Growth Rate

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



Domestic Services Transaction Value¹
– YoY Growth Rate

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



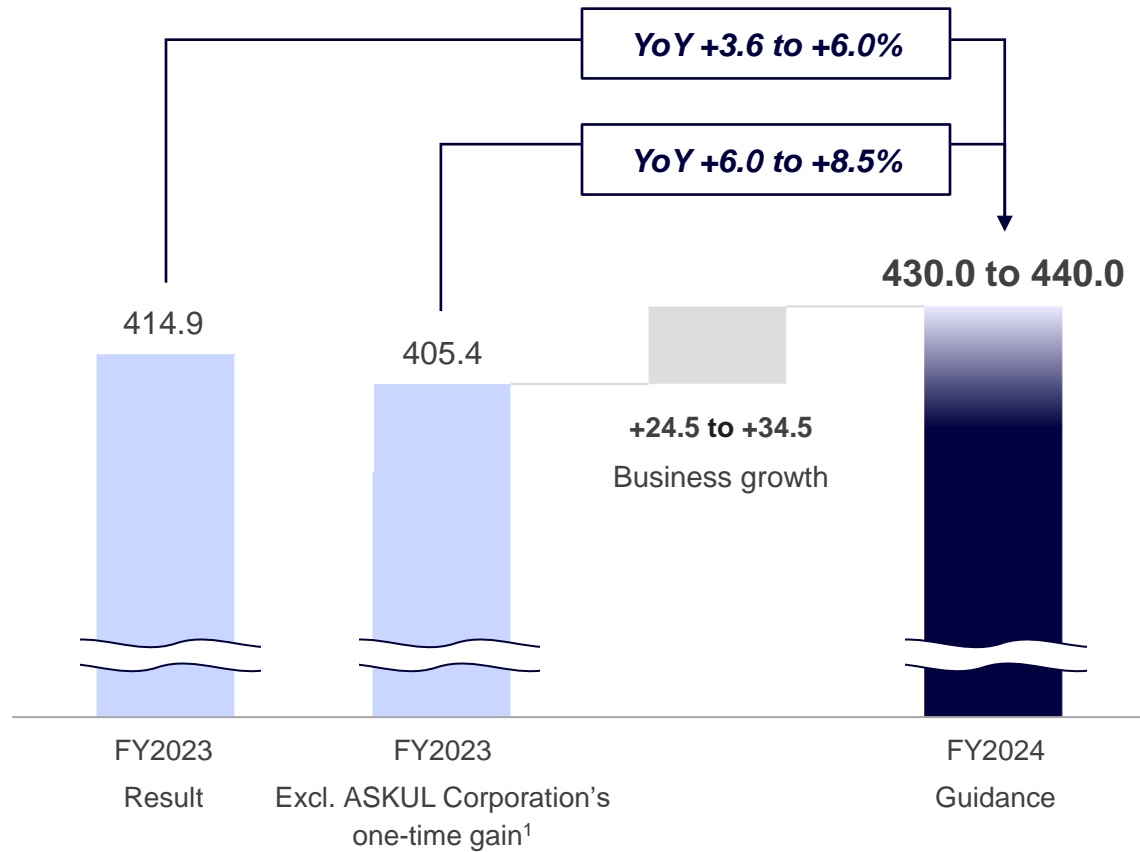
1. Please refer to P.21 of the Appendix for a definition of "transaction value."

FY2024 Income Guidance

- Adjusted EBITDA is expected to increase, but adjusted EPS is expected to stay at the FY2023 level due to the absence of one-time gains.

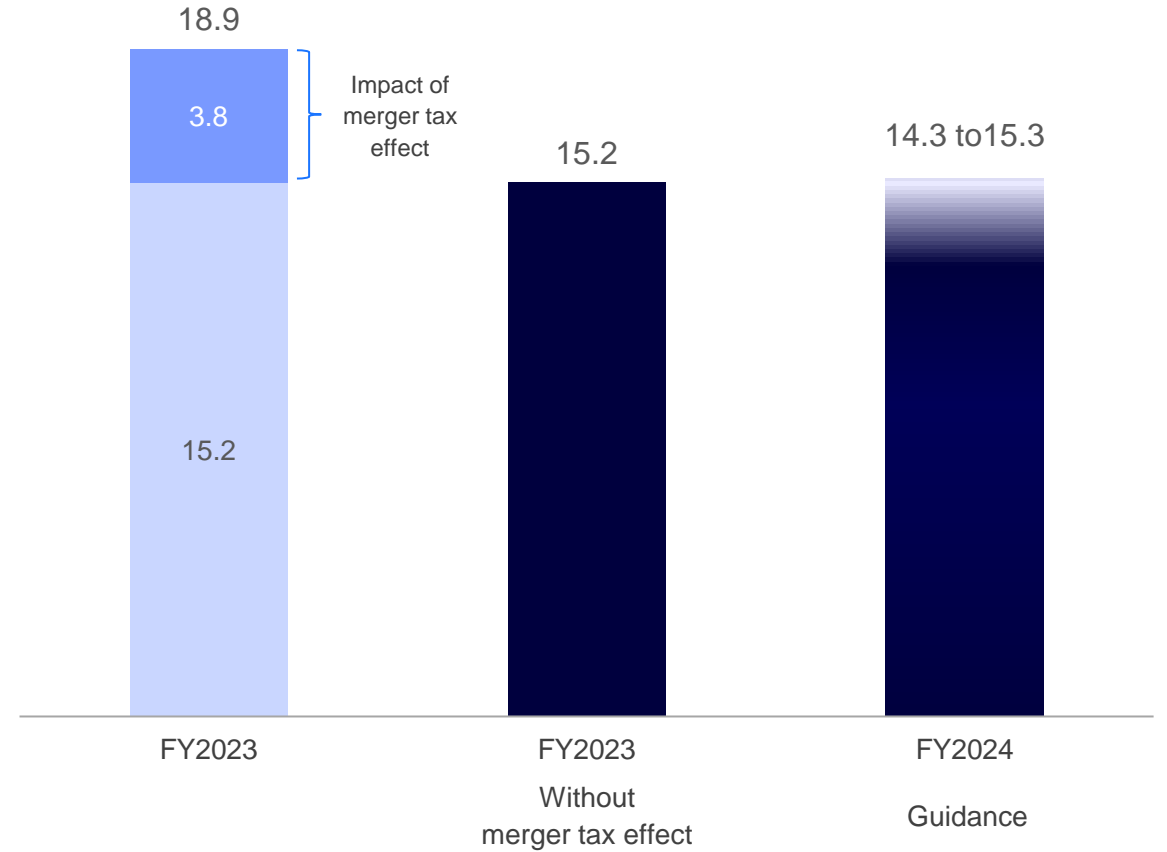
Entire Group Adjusted EBITDA (YoY)

(JPY B)



Adjusted EPS (YoY)

(JPY)



1. ASKUL Corporation's compensation for damages: JPY9.4 billion.

FY2023 Q4 Factors Behind Change in Operating Income

(JPY B)

		FY2023 Q4	YoY Difference	YoY	Major Factors of Change ¹ (JPY B)
Revenue		467.8	+34.0	+7.8%	<ul style="list-style-type: none"> PayPay (Consolidated) +10.8 Subsidiaries of former LINE Corporation +5.6 ASKUL (Consolidated) +7.3 Ikyu +2.9
Cost of sales		136.2	+3.1	+2.4%	<ul style="list-style-type: none"> ASKUL (Consolidated) +3.8
SG&A		307.1	+30.6	+11.1%	<ul style="list-style-type: none"> LY Corporation +27.6 PayPay (Consolidated) -1.0 Ikyu +3.6
(Major items)	Personnel expense	57.9	-13.8	-19.3%	<ul style="list-style-type: none"> Subsidiaries of former LINE Corporation -15.1
	Sales promotion cost	42.9	+14.7	+52.6%	<ul style="list-style-type: none"> LY Corporation +11.7
	Depreciation and amortization	36.4	-1.8	-4.9%	<ul style="list-style-type: none"> ASKUL (Consolidated) +0.8 LY Corporation -5.5 ZOZO +0.8
	Business commissions	29.1	-5.1	-15.1%	<ul style="list-style-type: none"> LINE Securities -1.1 LY Corporation -3.9 Subsidiaries of former LINE Corporation -1.1
Other income & expenses		9.4	+9.4	N/A	<ul style="list-style-type: none"> ASKUL (Consolidated) compensation for damages +9.4
Operating income		33.9	+9.6	+39.7%	

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

Change in Reporting Sub-Segments

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

Until FY2023 Q2

Media Business	LINE Ads	<ul style="list-style-type: none"> Display ads Other LINE Ads 	<ul style="list-style-type: none"> Account ads
	Yahoo! JAPAN Ads	<ul style="list-style-type: none"> Search ads Display ads (Reservation) 	<ul style="list-style-type: none"> Display ads (Programmatic)
	Other	<ul style="list-style-type: none"> LINE Stickers, LINE GAME, LINE MUSIC, ebookjapan, Yahoo! JAPAN Loco, etc. 	

Commerce Business	Merchandise	<ul style="list-style-type: none"> Shopping business ASKUL's BtoB business 	<ul style="list-style-type: none"> Reuse business
	Services e-commerce	—	
	Other	—	

Strategic Business	Fintech	<ul style="list-style-type: none"> PayPay (Consolidated)¹ Other fintech 	<ul style="list-style-type: none"> PayPay Bank
	Other	—	

From FY2023 Q3

Media Business	Search ads	—	
	Account ads	—	
	Display ads	<ul style="list-style-type: none"> Programmatic advertising Other LINE advertising 	<ul style="list-style-type: none"> Reservation advertising
	Other	<ul style="list-style-type: none"> LINE Stickers, LINE GAME, LINE MUSIC, ebookjapan, LYP Premium, etc. 	

Commerce Business	LY Corporation	<ul style="list-style-type: none"> Shopping business Services e-commerce 	<ul style="list-style-type: none"> Reuse business Other
	ZOZO/ASKUL	<ul style="list-style-type: none"> ZOZO Other 	<ul style="list-style-type: none"> ASKUL

Strategic Business	Fintech	<ul style="list-style-type: none"> PayPay (Consolidated)¹ Other fintech 	<ul style="list-style-type: none"> PayPay Bank
	Other	<ul style="list-style-type: none"> Other 	

1. PayPay Corporation and PayPay Card Corporation.

Business Results (P/L): Commerce Business

(JPY Million)	FY2022 Q4 ^{1, 2, 3}	FY2023 Q4 ^{1, 2, 3}	YoY
Revenue	191,389	209,959	+9.7%
LY Corporation	28,655	37,279	+30.1%
Shopping business	15,489	20,424	+31.9%
Reuse business	10,287	9,995	-2.8%
Services e-commerce	5,783	6,594	+14.0%
Other	-2,904	265	N/A
ZOZO, ASKUL^{4,5}	162,733	172,680	+6.1%
Cost of sales	93,822	98,557	+5.0%
Selling, general and administrative expenses	87,113	97,418	+11.8%
Sales promotion cost + Advertising and promotional expenses	9,011	19,662	+118.2%
Other selling, general and administrative expenses	78,102	77,756	-0.4%
Other revenue and expenses	-	9,426	N/A
Adjusted EBITDA (Margin)	27,481 (14.4%)	40,939 (19.5%)	+49.0%

- From FY2023 Q1, part of the expenses related to LINE Corporation and its subsidiaries, which were previously allocated to Other and Adjustments, have been allocated to Commerce Business. The segment information for FY2022 has been revised as a result.
- In FY2023 Q3, membership service business was transferred from Commerce Business to Media Business. In addition, email service was transferred from Other to Media Business. As a result, figures for FY2022, FY2023 Q1, and FY2023 Q2 have been retroactively revised.
- In FY2023 Q3, personnel expenses of the back office and technology divisions as well as expenses related to data centers and internal infrastructure that were classified under Adjustments, were allocated to each segment. In addition, some accounting items to which figures are recorded were changed due to the merger. As a result, figures for FY2022, FY2023 Q1, and FY2023 Q2 have been retroactively revised.
- From FY2023 Q1, the definition has been changed to include APMRO and FEED DENTAL.
- ValueCommerce Co., Ltd. ("ValueCommerce") implemented and completed a tender offer of its treasury shares (March 12 to April 9, 2024), to which Z Intermediate Holdings Corporation, LY Corporation's subsidiary, tendered its ValueCommerce's shares. As a result, ValueCommerce became an equity method affiliate as of May 2, 2024. Thus, the services of ValueCommerce are not included from this date.

Major Services and Products of Commerce Business Segment

Item	Breakdown
LY Corporation	-
Shopping business	Yahoo! JAPAN Shopping, LINE SHOPPING, LINE FRIENDS, LINE GIFT, MySmartStore ¹ , Yahoo! JAPAN Mart by ASKUL, LIVEBUY, overseas e-commerce (LINE SHOPPING (Taiwan, Thailand), GIFTSHOP, EZ STORE, QUICK EC, MyShop, etc.)
Reuse business	Yahoo! JAPAN Auction, Yahoo! JAPAN Flea Market
Services e-commerce	Yahoo! JAPAN Travel, Ikyu Travel, LINE TRAVEL (Taiwan), etc.
Other	Other
ZOZO/ASKUL	-
ZOZO	ZOZOTOWN, ZOZOUSED, etc.
ASKUL²	ASKUL BtoB business (ASKUL, SOLOEL ARENA, APMRO, FEED DENTAL, etc.), LOHACO, Charm, etc.
Other³	ValueCommerce Affiliate, Value Point Club, STORE's R [∞] , StoreMatch, B-Space, etc.

1. MySmartStore is scheduled to terminate its service on July 31, 2024.

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

3. ValueCommerce Co., Ltd. ("ValueCommerce") implemented and completed a tender offer of its treasury shares (March 12 to April 9, 2024), to which Z Intermediate Holdings Corporation, LY Corporation's subsidiary, tendered its ValueCommerce's shares. As a result, ValueCommerce became an equity method affiliate as of May 2, 2024. Thus, the services of ValueCommerce are not included from this date.

KPI - Definition of E-Commerce Transaction Value

Item	Major Services/Products
E-commerce transaction value	-
Domestic merchandise	-
Shopping business	Yahoo! JAPAN Shopping, ZOZOTOWN, LOHACO, Charm, LINE SHOPPING, LINE GIFT, LINE FRIENDS, MySmartStore ² , Yahoo! JAPAN Mart by ASKUL, LIVEBUY
Reuse business	Yahoo! JAPAN Auction, Yahoo! JAPAN Flea Market, ZOZOUSED
ASKUL online BtoB business¹	ASKUL, SOLOEL ARENA, APMRO, FEED DENTAL, etc.
Domestic services	Ikyu.com, Yahoo! JAPAN Travel, Yahoo! JAPAN Loco ^{3,4} , Demae-can, LINE PLACE
Domestic digital content	ebookjapan, LINE Manga, LINE MUSIC, LINE Stickers, LINE GAME, LINE Fortune, other paid digital content
Overseas e-commerce	LINE SHOPPING (Taiwan, Thailand), GIFTSHOP, EZ STORE, QUICK EC, MyShop, ZOZOFIT ⁵ , LINE FRIENDS, LINE TRAVEL (Taiwan), LINE MAN, LINE Stickers ³ , LINE GAME ³ , DOSI ⁶

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

2. MySmartStore is scheduled to terminate its service on July 31, 2024.

3. Revenue from this service is recorded in the Media Business segment.

4. The Yahoo! JAPAN Loco service has ended on March 27, 2024.

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

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