

### Disclaimer

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# THE 61ST ANNUAL GENERAL MEETING OF SHAREHOLDERS

### Date and Time

Thursday, August 8, 2024, at 10:00 a.m.  
(Reception will start at 9:30 a.m.)

### Place

B2F Daigo, Sheraton Miyako Hotel Tokyo  
1-1-50, Shirokanedai, Minato-ku, Tokyo, Japan

### Proposals

- Proposal 1: Appropriation of Surplus
- Proposal 2: Election of 10 Directors
- Proposal 3: Election of 1 Audit & Supervisory Board Member
- Proposal 4: Determination of Compensation of Directors for the Purpose of Granting Restricted Shares to Directors

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No souvenirs will be distributed to shareholders in attendance on the day of the General Meeting of Shareholders. Your kind understanding on this would be appreciated.

**ASKUL Corporation**

Securities code: 2678

## To Our Shareholders

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We would like to take this opportunity to express our sincere gratitude for your continued support and patronage as we provide this Notice of the 61st Annual General Meeting Of Shareholders.

Right now, we are in the process of implementing our current four-year Medium-Term Management Plan based on the key theme of our transformation from an office supplies mail-order company. The fiscal year ended May 20, 2024 served as the third year of this plan. Amid the reclassification of COVID-19 as a Class 5 infectious disease and the normalization of economic activity, we have adopted the measures outlined in the Medium-term Management Plan while assuming a flexible posture toward responding to inflation and other aspects of the economic climate.

In the B-to-B business, we accomplished our most important mission of “changing the trajectory of the profit growth curve” while continuing to “change the trajectory of the sales growth curve” achieved in the previous fiscal year, which was accomplished through improving the earnings structure and the consolidation of FEED Corporation, which newly joined the ASKUL Group in February of last year. In addition, LOHACO has been profitable for two consecutive periods and has achieved renewed growth from the fourth quarter as planned due to strengthened cooperation with the new LY Corporation. As a result, we posted record-high net sales and profit.

In our aim to realize ethical e-commerce, we are taking a proactive approach toward providing solutions for social and environmental issues through our business activities with initiatives that include expanding Matakul, an original product brand launched through the ASKUL Resource-Recycling Platform, and signing a forest maintenance partnership agreement with Tsumagoi Village in Gunma Prefecture. We will continue to evolve by realizing a trade-on between social value and economic value while engaging in co-creation with our customers, our business partners, and all of our stakeholders.

We will continue with our commitment to “Continuously Bringing Delight to Our Workplace, Life, the Planet and Tomorrow” while realizing sales and profit growth over the medium to long term as we aim to further enhance our corporate value.

To our shareholders, we thank you for your continued understanding and support.

July 2024

Akira Yoshioka

Representative Director, President and CEO

**To Shareholders with Voting Rights:**



Akira Yoshioka  
Representative Director, President and  
Chief Executive Officer  
ASKUL Corporation  
3-2-3 Toyosu, Koto-ku, Tokyo, JAPAN

**NOTICE OF  
THE 61ST ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders,

We would like to express our appreciation for your continued support and patronage.

We hereby announce that the 61st Annual General Meeting of Shareholders of ASKUL Corporation (the “Company”) will be held as described below.

- In addition to attending the General Meeting of Shareholders in person, shareholders may attend the meeting, ask questions, and exercise voting rights via the Internet.
- An advance application is required if attending this General Meeting of Shareholders online. Please see page 3 for details.
- We respectfully request shareholders to submit an advance application if attending this General Meeting of Shareholders in person so that we can appropriately operate the meeting in accordance with its scale. Please see page 5 for details.
- If changes are made to the operation of this General Meeting of Shareholders, details will be posted on the Company’s website (<https://www.askul.co.jp/corp/english/investor/>). Please check the website for any updates.

**1. Date and Time:** Thursday, August 8, 2024, at 10:00 a.m.

**2. Place:** B2F Daigo, Sheraton Miyako Hotel Tokyo  
1-1-50, Shirokanedai, Minato-ku, Tokyo, Japan  
No souvenirs will be distributed to shareholders in attendance on the day of the General Meeting of Shareholders. Your kind understanding on this would be appreciated.

**3. Meeting Agenda:**

- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements for the Company’s 61st Fiscal Year (May 21, 2023 – May 20, 2024)
  2. Results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board

**Proposals to be resolved:**

- Proposal 1:** Appropriation of Surplus  
**Proposal 2:** Election of 10 Directors  
**Proposal 3:** Election of 1 Audit & Supervisory Board Member  
**Proposal 4:** Determination of Compensation of Directors for the Purpose of Granting Restricted Shares to Directors

### ■ Measures for electronic provision

In convening this General Meeting of Shareholders, the Company has taken measures to provide the information described in the Reference Documents for the General Meeting of Shareholders, etc., electronically (matters subject to measures for electronic provision). Matters subject to measures for electronic provision are posted on the Company's website.

The Company's website: <https://www.askul.co.jp/corp/english/investor/library/agm/>

In addition to the above website, matters subject to measures for electronic provision are also posted on the Tokyo Stock Exchange website.

TSE website (Listed Company Search):

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

Please search for the Company either by entering "ASKUL" in the "Issue name (company name)" bar or "2678" in the "Code" bar, then select "Basic information" followed by "Documents for public inspection/PR information" to view the "Notice of General Shareholders Meeting/Informational Materials for a General Shareholders Meeting" under "Filed information available for public inspection."

Notes:

- The Company will send a notice of the General Meeting of Shareholders and information on how to exercise voting rights, etc. to shareholders who have not requested the delivery of a paper copy of such documents.
- In accordance with laws and regulations as well as Article 17 of the Articles of Incorporation of the Company, the following matters are not included in the paper copy sent to shareholders who have requested the delivery of such paper copy. Accordingly, said paper copy forms part of the Business Report, the Consolidated Financial Statements, and the Non-consolidated Financial Statements audited by the Accounting Auditor and the Audit & Supervisory Board when preparing the audit report and the accounting audit report, respectively.
  - "Corporate Structure and Policy" in the Business Report
  - "Consolidated Statements of Changes in Net Assets" and "Notes to Consolidated Financial Statements" in the Consolidated Financial Statements
  - "Non-consolidated Statements of Changes in Net Assets" and "Notes to Non-consolidated Financial Statements" in the Non-consolidated Financial Statements
- Should any revisions be made to the matters subject to measures for electronic provision, details of the revisions will be posted on each of the designated websites.

## ■ Online attendance

“Online attendance” is a method of attending a General Meeting of Shareholders whereby shareholders may exercise their voting rights and ask questions, etc., in a similar manner as those attending the General Meeting of Shareholders in person, while watching a live broadcast of the General Meeting of Shareholders on the day of the General Meeting of Shareholders. Shareholders who attend the meeting by “online attendance” will be treated as “in attendance” in the same manner as those attending the General Meeting of Shareholders in person.

Website for the General Meeting of Shareholders of ASKUL Corporation  
<https://2678.ksoukai.jp>

**Period for logging into the “Website for the General Meeting of Shareholders of ASKUL Corporation”  
From 12:00 p.m. (noon) on Wednesday, July 24, 2024  
to the conclusion of the General Meeting of Shareholders on Thursday, August 8, 2024**

- Step 1: Please access the abovementioned “Website for the General Meeting of Shareholders of ASKUL Corporation” (the “Website”).
- Step 2: Please log in by entering the ID and password provided on the enclosed “Notice of ID and Password for Online Attendance at the 61st Annual General Meeting of Shareholders of ASKUL Corporation.”  
(This password is different from the “Password” for exercising voting rights provided on the Voting Right Exercise Form.)

Enter the “パスワード ID” (ID and password)

Press the “ログイン” (Log in) button

## **Guide to “online attendance”**

- Step 1: After logging in, please press the “出席を申し込む” (Apply for attendance) button, select “インターネット出席” (Online attendance), and press the “申し込む” (Apply) button.
- Step 2: Beginning at 9:30 a.m. on the day of the General Meeting of Shareholders, you can attend the meeting by pressing the “出席” (Attendance) button.
- (Note) The wording in the abovementioned screens is subject to change.

### ■ Exercise of voting rights when “attending online”

1. If you “attend online” after exercising your voting rights in advance and exercise your voting rights on the Website
  - The exercise of voting rights on the day of the General Meeting of Shareholders will be valid (the advance exercise of voting rights will be void). However, if there are any proposals for which no approval or disapproval is selected, you shall be deemed to have abstained from voting on such proposals.
2. If you “attend online” after exercising your voting rights in advance but do not exercise your voting rights on the Website
  - The advance exercise of voting rights will be valid
3. If you “attend online” without exercising your voting rights in advance but do not exercise your voting rights
  - Abstained

### ■ Methods for raising questions on the day of the meeting and submitting motions

- Shareholders who are “attending online” on the day of the General Meeting of Shareholders may submit their questions by entering text through the Website. Questions through the Website on the day of the meeting will be limited to two questions per shareholder (up to 200 characters each in Japanese only).
- Because the time for questions and answers is limited, we may not be able to answer all of the questions received.
- We may not be able to answer some questions depending on their contents, including questions not related to the meeting agenda of the General Meeting of Shareholders.
- With regard to all motions, including those regarding procedures for the General Meeting of Shareholders and those regarding proposals, we will only discuss those submitted by shareholders attending the meeting in person and will not accept submissions from shareholders attending online. Furthermore, with regard to voting on motions, shareholders attending online will be deemed as not in attendance for voting on motions regarding procedures for the General Meeting of Shareholders, and as abstaining from voting on motions regarding proposals. We appreciate your understanding.

We would like to request shareholders who wish to submit motions or participate in voting on them to consider attending the meeting in person.

### ■ Methods for raising questions in advance

- Ahead of the meeting, shareholders may submit their questions related to the Meeting Agenda of this General Meeting of Shareholders through the Website. (From 12:00 p.m. (noon) on Wednesday, July 24, 2024 to 12:00 p.m. (noon) on Friday, August 2, 2024.) After logging in to the Website, please press the “事前質問を行う” (Submit advance questions) button and send your questions. We plan to answer such questions when they relate to matters that are of high interest to shareholders at the General Meeting of Shareholders.

### ■ Notes on “online attendance”

- Please note that telecommunication equipment and all expenses required for “online attendance” must be borne by shareholders.
- The language available for “online attendance” is Japanese only.
- Telecommunication breakdowns, such as disruptions of the broadcast video and audio or temporary interruptions, may occur due to the impact of factors including the telecommunication environment. Please note that the Company does not assume any liability for disadvantages suffered by shareholders “attending online” due to these telecommunication breakdowns.
- If changes are made to the operation of this General Meeting of Shareholders, details will be posted on the Company’s website (<https://www.askul.co.jp/corp/english/investor/>). Please check the website for any updates.

### ■ Attending the meeting in person

We respectfully request shareholders to submit an advance application if attending this General Meeting of Shareholders in person so that we can appropriately operate the meeting in accordance with its scale.

Application period

From 12:00 p.m. (noon) on Wednesday, July 24, 2024 to 12:00 p.m. (noon) on Wednesday, August 7, 2024

### ■ Application method for attending the General Meeting of Shareholders in person

Step 1: Please log in to the Website, press the “出席を申し込む” (Apply for attendance) button, and select “会場出席” (Attend in person) to apply.

Step 2: The reception desk will open at 9:30 a.m. on the day of the General Meeting of Shareholders.

Please submit your Voting Right Exercise Form at the reception desk.

If exercising your voting rights by proxy on the day of the meeting, you may delegate your voting rights to one other shareholder who has voting rights.

In this event, please submit documentation proving the power of attorney.

As part of our energy-saving efforts to prevent global warming, officers and employees will wear cool biz attire at the General Meeting of Shareholders. We appreciate your understanding.

(Note) The wording in the abovementioned screens is subject to change.

■ Exercise of voting rights in advance by mail or via the Internet, etc.

To exercise voting rights in advance by mail:

Please indicate your approval or disapproval for each of the proposals on the enclosed Voting Right Exercise Form and send it back to the Company.  
If there is no indication regarding your approval or disapproval for respective proposals on the Voting Right Exercise Form, it shall be deemed as an approval.

Voting right exercise deadline:	Must be delivered by 5:30 p.m. on Wednesday, August 7, 2024
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To exercise voting rights in advance via the Internet, etc.:

Please enter your approval or disapproval for each of the proposals on the website for exercising voting rights (<https://www.web54.net/>).

Please see below for details.

Voting right exercise deadline:	Must be exercised by 5:30 p.m. on Wednesday, August 7, 2024
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**Guide to the exercise of voting rights via the Internet, etc.**

**By scanning the QR code “Smart Voting”**

You can access the website for exercising voting rights without having to enter your Voting Rights Exercise Code and Password.

1. Please scan the QR code provided on the bottom-right of the Voting Right Exercise Form.

\* “QR Code” is a registered trademark of DENSO WAVE INCORPORATED.

2. Next, please follow the guidance on the screen to enter approval or disapproval for each proposal.

You can exercise your voting rights by “Smart Voting” only once.

If you wish to change your vote after exercising your voting rights, please access the website for exercising voting rights, log in to the website by entering your “Voting Rights Exercise Code” and “Password” provided on the Voting Right Exercise Form, and then exercise your voting rights again.

\* You can access the website for exercising voting rights by scanning again the QR code.

**By entering the Voting Rights Exercise Code and Password**

Website for exercising voting rights: <https://www.web54.net/>

1. Please access the website for exercising voting rights, and then click (1) “次へすすむ” (Next).

2. Please enter (2) “Voting Rights Exercise Code” provided on the Voting Right Exercise Form, and then click (3) “ログイン” (Login).



3. Please type in your (4) “initial Password” provided on the Voting Right Exercise Form, set a (5) “new Password” that you will actually use, and then click (6) “登録” (Register).
4. Next, please follow the guidance on the screen to enter approval or disapproval for each proposal.

If you have questions about how to use your computer, mobile phone or smartphone to exercise voting rights via the Internet, etc., please inquire at the phone number below.

**Stock Transfer Agency Business Planning Web Support Hotline,  
Sumitomo Mitsui Trust Bank, Limited  
[Telephone] 0120-652-031 (toll free only from Japan)  
Operating hours: 9:00 a.m. to 9:00 p.m.**

Institutional investors may utilize an electronic voting platform for institutional investors operated by ICJ, Inc.

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- If you exercise your voting rights both by mail and via the Internet, etc., the vote exercised via the Internet, etc., will be deemed as valid.
  - If you exercise your voting rights via the Internet, etc., multiple times, or by using multiple devices such as a personal computer, mobile phone or smartphone, only the last vote will be deemed as the validly exercised vote.
  - If you enter wrong Password more than a certain number of times, the session will be locked and will become unavailable. If the session is locked, please follow the instructions on the screen.
  - Passwords serve as a means of checking that the person voting is actually a legitimate shareholder. Please keep your password safe until the end of this General Meeting of Shareholders. We cannot answer inquiries about your password made by telephone, etc.
  - We have confirmed that the website for exercising voting rights operates normally with a typical Internet connection environment, but you may not be able to use it depending on the device that you are using.

## Reference Documents for the General Meeting of Shareholders

### Proposal 1: Appropriation of Surplus

#### Matters concerning year-end dividend

Regarding the distribution of profits, while maintaining sound cash flow and a stable financial structure, the Company 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.

For the fiscal year under review, the Company has recorded an extraordinary income of 11,862 million yen due to the finalization of a lawsuit related to the ALP Metropolitan fire, resulting in a significant increase in profits. On the other hand, in accordance with the above policy, the Company is in the process of acquiring treasury stock of 2.25 million shares, the maximum total number of shares to be acquired, and 45.0 million yen, the maximum total amount of shares to be acquired.

Accordingly, the Company would like to propose 18 yen per share as dividend (year-end dividend) for the fiscal year under review as previously forecasted.

- (1) Type of property for dividend  
Cash
- (2) Matters concerning allotment of dividend property to shareholders and the total amount of dividend  
18 yen per share of common stock of the Company  
Total amount: 1,741,576,050 yen
- (3) Effective date of distribution of surplus  
August 9, 2024

Total dividend for the fiscal year under review will be 36 yen per share, an increase of 2 yen from the previous fiscal year, with an interim dividend of 18 yen per share, which has already been paid.

**Proposal 2:** Election of 10 Directors

The terms of office of all 10 current Directors will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the election of 10 Directors, including 5 Outside Directors, is proposed.

The candidates are as follows:

No.		Name and Gender	Current positions at the Company
1.	[Reappointment]	Akira Yoshioka (Male)	Representative Director, President and CEO
2.	[Reappointment]	Tsuguhiro (Male) Tamai	Director, CFO
3.	[Reappointment]	Katsuhiko (Male) Kawamura	Director, COO
4.	[Reappointment]	Shinichi (Male) Hokari	Director, CTO
5.	[Reappointment]	Yumiko Ichige (Female)	[Outside Director] [Independent Officer]
6.	[Reappointment]	Genri Goto (Male)	[Outside Director] [Independent Officer]
7.	[Reappointment]	Kazuo (Male) Tsukahara	[Outside Director] [Independent Officer]
8.	[Reappointment]	Naomi (Female) Aoyama	[Outside Director] [Independent Officer]
9.	[New Appointment]	Rina Akimoto (Female)	[Outside Director] [Independent Officer]
10.	[Reappointment]	Hironori (Male) Koshimizu	[Part-Time Director]

Candidate No.

1



Reappointment

## Akira Yoshioka

**Date of birth:** January 12, 1968  
**Number of shares of the Company held:** 19,461 shares

### Career summary, positions, responsibilities

April 1992	Joined The Seiyo Corporation
January 2001	Joined the Company
August 2005	Business Leader, Medical & Care
August 2006	Vice Executive Officer, Medical & Care
August 2011	Executive Officer, Medical & Care
July 2012	Executive Officer, Chief Operating Officer (COO), B-to-C Company
August 2012	Director, Chief Operating Officer (COO), B-to-C Company
July 2017	Representative Director and Chairman of Charm Inc.
August 2019	Representative Director, President and Chief Executive Officer (CEO) of the Company (to present)
February 2020	Director and Chairman of charm Co., Ltd.
March 2020	Director of AlphaPurchase Co., Ltd.
February 2023	Director of FEED Corporation (to present)

### Significant concurrent positions

Director of FEED Corporation

#### ■ Reason for nomination as candidate for Director

Since joining the Company, Mr. Akira Yoshioka has served as Vice Executive Officer and Executive Officer of the Company's Medical & Care Business division, and Chief Operating Officer (COO) of B-to-C Company as a Director. He has led the sustainable growth of ASKUL business since his appointment as Representative Director, President and Chief Executive Officer (CEO). From his extensive business experience and track records in the Company, the knowledge he possesses on e-commerce business operations, and his appropriate fulfillment of his duties as President, the Company has deemed that he is suitable as a candidate for Director, and renominated him as a candidate for Director.

Candidate No.

2



Reappointment

## Tsuguhiro Tamai

**Date of birth:** June 26, 1967  
**Number of shares of the Company held:** 5,298 shares

### Career summary, positions, responsibilities

April 1991	Joined Tobishima Corporation
November 2007	Joined the Company
July 2012	Executive Officer of Finance and Public Relations Unit
September 2012	Executive Officer, Executive Officer of Finance and Public Relations Unit
March 2014	Director of AlphaPurchase Co., Ltd. (to present)
May 2014	Director of SOLOEL Corporation
November 2014	Director of Bizex Corporation (current ASKUL LOGIST Corporation)
August 2015	Director of Tsumagoimeisui Corporation (to present)
September 2015	Director of ecohai Co., Ltd.
February 2016	Chief Financial Officer (CFO), Executive Officer, Executive Officer of Corporate Planning Unit, and Executive Officer of Finance and Public Relations Unit of the Company
May 2018	Chief Financial Officer (CFO), Executive Officer, Executive Officer of Corporate Unit
August 2020	Director, Chief Financial Officer (CFO), In charge of risk management, finance and accounting and information disclosure, Executive Officer, Executive Officer of Corporate Unit
February 2021	Director of charm Co., Ltd. (to present)
May 2021	Director, Chief Financial Officer (CFO), In charge of risk management, finance and accounting, information disclosure, management and quality KPIs, Executive Officer of Corporate Unit of the Company
February 2023	Director of AP67 Co., Ltd. (to present)
February 2023	Director of DENTAL Holding Corp. (to present)
May 2023	Director, Chief Financial Officer (CFO), In charge of risk management, finance and accounting, information disclosure, management and quality KPIs, Executive Officer, and Executive Officer of Corporate Unit of the Company (to present)

### Significant concurrent positions

Director of AlphaPurchase Co., Ltd.  
Director of AP67 Co., Ltd.  
Director of DENTAL Holding Corp.

#### Reason for nomination as candidate for Director

Since joining the Company, Mr. Tsuguhiro Tamai has served as Vice Executive Officer of the finance and public relations division, Executive Officer, and Director of ASKUL Group companies. Currently, he contributes to the sustainable growth of ASKUL business as Executive Officer of the Corporate Unit, responsible for corporate planning, public relations, investor relations, etc., and as Chief Financial Officer (CFO) and Director in charge of risk management. Based on his extensive business experience and track records in the Company, and the knowledge he possesses on finance, public relations, investor relations, etc., the Company has determined that he is suitable as a candidate for Director of the Company working to strengthen corporate governance, create group synergies and achieve sustainable corporate value enhancement, and renominated him as a candidate for Director.

Candidate No.

3



Reappointment

## Katsuhiro Kawamura

**Date of birth:** August 3, 1959  
**Number of shares of the Company held:** 4,521 shares

### Career summary, positions, responsibilities

April 1982	Joined Pacific Consultants Co., Ltd.
July 1989	Joined Victoria Inc.
March 2001	Joined the Company
November 2007	Joined Mother Bird Co., Ltd.
October 2008	Joined Watabe Wedding Corporation
September 2009	Joined the Company
July 2012	Executive Officer of B-to-B Business Planning Unit
September 2012	Executive Officer
August 2013	Executive Officer of Corporate Planning Unit
April 2014	Executive Officer of ECR Unit
May 2014	Director of Bizex Corporation (current ASKUL LOGIST Corporation)
May 2018	Executive Officer of LOHACO Business Planning Unit of the Company
February 2019	Executive Officer of LOHACO Platform Unit
March 2020	Executive Officer of LOHACO Business Unit
March 2022	COO (Chief Operating Officer) and Executive Officer of ASKUL Sales Unit
March 2022	Director of SOLOEL Corporation
July 2022	Representative Director, President and CEO of SOLOEL Corporation (to present)
August 2022	Director, COO (Chief Operating Officer), Executive Officer, and Executive Officer of ASKUL Sales Unit of the Company
May 2023	Director, COO (Chief Operating Officer), Executive Officer, and Executive Officer of Sales Unit (to present)

### Significant concurrent positions

Representative Director, President and CEO of SOLOEL Corporation

#### ■ Reason for nomination as candidate for Director

Since joining the Company, Mr. Katsuhiro Kawamura has served at management planning division and products division, and then served as Executive Officer of business planning division, logistics division, IT division and LOHACO business division. Currently, he contributes to the growth of the Company's e-commerce business as Executive Officer of Sales Unit and COO (Chief Operating Officer). He possesses extensive business experience and track records in the Company, as well as knowledge on business operations. Furthermore, based on his appropriate fulfillment of his duties as COO of the Company, the Company has determined that he is suitable as a candidate for Director of the Company working to achieve sustainable corporate value enhancement, and renominated him as a candidate for Director.

Candidate No.

4



Reappointment

## Shinichi Hokari

**Date of birth:** March 24, 1978  
**Number of shares of the Company held:** 2,023 shares

### Career summary, positions, responsibilities

April 2001	Joined JASTEC Co., Ltd.
August 2003	Joined Yahoo Japan Corporation (current LY Corporation)
April 2013	General Manager, Development Department, Shopping Business Division, Consumer Business Company of Yahoo Japan Corporation
January 2017	Head of Production Division 2, Shopping Company of Yahoo Japan Corporation
April 2018	VpoE, Shopping Company of Yahoo Japan Corporation
April 2019	Unit Manager, Shopping Services Group, Commerce Company and Head of Marketing Division of Yahoo Japan Corporation
June 2019	Representative Director of Netrust, Ltd. (current LY Corporation)
April 2022	Seconded to the Company
August 2022	Director of the Company
May 2023	Director, CTO (Chief Technology Officer), Executive Officer, and Executive Officer of EC Product Unit (to present)

### Significant concurrent positions

Not applicable

#### ■ Reason for nomination as candidate for Director

Mr. Shinichi Hokari possesses advanced expertise on and experience in Internet-based platform development and e-commerce business. After he was seconded to the Company in April 2022, he participated in the Company's website infrastructure integration project, and currently is leading the Company to growth of e-commerce website as CTO (Chief Technology Officer). As he has been utilizing his advanced expertise in e-commerce website development, extensive experience and track records, and appropriately fulfilling his duties in the Company, the Company has determined that he is suitable as a candidate for Director of the Company working to achieve sustainable corporate value enhancement through the further promotion of digital transformation, and renominated him as a candidate for Director.

Candidate No.

5

Reappointment

Outside Director

Independent Officer



## Yumiko Ichige

**Date of birth:** March 13, 1961  
**Number of shares of the Company held:** 5,246 shares  
**Years of service as Outside Director (as of the conclusion of this General Meeting of Shareholders):** 4 years and 5 months

### Career summary, positions, responsibilities

April 1989	Registered as an attorney
April 1989	Joined IBM Japan, Ltd.
December 2007	Partner, Nozomi Sogo Attorneys at Law (to present)
June 2012	Outside Director, NEC Networks & System Integration Corporation
May 2014	Outside Audit & Supervisory Board Member, Aeon Mall Co., Ltd.
December 2014	Outside Director, Sanyo Trading Co., Ltd.
December 2016	Outside Director, Sushiro Global Holdings Ltd. (current FOOD & LIFE COMPANIES LTD.)
June 2018	Outside Director, Itoham Yonekyu Holdings Inc.
March 2019	Director, Japan Association of Arbitrators (to present)
November 2019	Director, Japan International Dispute Resolution Center, a general incorporated association
March 2020	Outside Director of the Company (to present)
June 2022	Outside Audit & Supervisory Board Member of Idemitsu Kosan Co., Ltd. (to present)
October 2023	Outside Board Director, Audit and Supervisory Committee member of Hitachi Astemo, Ltd. (to present)

### Significant concurrent positions

Partner, Nozomi Sogo Attorneys at Law  
Outside Audit & Supervisory Board Member of Idemitsu Kosan Co., Ltd.

#### ■ Reason for nomination as candidate for Outside Director and outline of expected roles

Ms. Yumiko Ichige started out her career as a corporate attorney and possesses highly specialized expertise and work experience in the fields of corporate governance, including group governance, compliance, and intellectual property, gained through her experience as a lawyer. She has served as Outside Director and Outside Audit & Supervisory Board Member at multiple companies, including listed subsidiary companies, as well as been an officer of the bar association, federation of bar associations, and public-interest corporations in the past. Although Ms. Yumiko Ichige does not have experience of being involved in corporate management other than as an outside officer, due to the reasons described above the Company has deemed that she will appropriately execute her duties as Outside Director. Since her appointment as Outside Director of the Company in March 2020, she has not only fulfilled important roles in the course of making management judgements and decisions of the Board of Directors, but also stated opinions based on a standpoint of minority shareholders. At the voluntary Nomination and Compensation Committee, she stated opinions taking into account social conditions and diversity from an independent standpoint as its member, greatly contributing to the enhancement of corporate value and management supervisory function of the Company. Accordingly, the Company expects her to continue providing supervision and suggestions making use of her extensive experience and knowledge after her election, and has renominated her as a candidate for Outside Director.



Candidate No.

6

Reappointment

Outside Director

Independent Officer



## Genri Goto

**Date of birth:** February 4, 1967  
**Number of shares of the Company held:** 4,655 shares  
**Years of service as Outside Director (as of the conclusion of this General Meeting of Shareholders):** 4 years and 5 months

### Career summary, positions, responsibilities

April 1989	Joined Andersen Consulting, Ltd. (current Accenture Japan Ltd.)
May 1994	Director, Usuki Pharmaceutical Co., Ltd.
November 1994	Established Healthy Net, Inc. (later Kenko.com, Inc.; current Rakuten Group, Inc.) and assumed position of CEO
July 1997	President, Usuki Pharmaceutical Co., Ltd.
July 2006	Chairman, NPO Japan Online Drug Association
February 2009	CEO, Kenko Logicom, Inc.
October 2016	Established JaQool, Inc. (current Kotozna, Inc.) and assumed position of CEO (to present)
October 2016	Established TagFIT Association (business transferred to current Kotozna, Inc.) and assumed position of CEO
March 2017	Strategic Advisor, GrowthPoint Equity LLP (to present)
June 2019	Chairman, Kotozna (China Office) (to present)
March 2020	Outside Director of the Company (to present)
April 2022	Managing Director, Kotozna Singapore Pte Ltd (to present)

### Significant concurrent positions

CEO, Kotozna, Inc.  
Chairman, Kotozna (China Office)  
Managing Director, Kotozna Singapore Pte Ltd

#### ■ Reason for nomination as candidate for Outside Director and outline of expected roles

Mr. Genri Goto possesses the experience and track record of starting up an innovative business of online sales of pharmaceutical products, being involved in managing the business as CEO for many years, and leading the growth of the company in the e-commerce market. In addition, he has extensive work experience and advanced insights and knowledge not only in the e-commerce field but also in the digital services field. Since his appointment as Outside Director of the Company in March 2020, he has not only fulfilled important roles, such as making suggestions on medium- to long-term management strategies, in the course of making management judgements and decisions of the Board of Directors, but also stated opinions at the voluntary Nomination and Compensation Committee as its member from an independent standpoint based on his extensive management experience, greatly contributing to the enhancement of corporate value and management supervisory function of the Company. Accordingly, the Company expects him to continue providing supervision and suggestions making use of his extensive experience and knowledge after his election, and has renominated him as a candidate for Outside Director.

Candidate No.

7

Reappointment

Outside Director

Independent Officer



## Kazuo Tsukahara

**Date of birth:** April 17, 1950  
**Number of shares of the Company held:** 2,327 shares  
**Years of service as Outside Director (as of the conclusion of this General Meeting of Shareholders):** 4 years and 5 months

### Career summary, positions, responsibilities

April 1974	Joined Ishikawajima-Harima Heavy Industries Co., Ltd. (current IHI Corporation)
April 2008	Director, Managing Executive Officer, General Manager of Corporate Planning Division, IHI Corporation
April 2009	Director, In charge of Business Relating to Corporate Planning, Public Relations & IR, and Human Resources, IHI Corporation
April 2012	Executive Vice President, Assistant to the President In Charge of Business Relating to Procurement, Internal Audit, Project Audit, and Human Resources, IHI Corporation
February 2015	Outside Director, Nachi-Fujikoshi Corporation
March 2017	Outside Director, DIC Corporation
March 2020	Outside Director of the Company (to present)

### Significant concurrent positions

Not applicable

#### ■ Reason for nomination as candidate for Outside Director and outline of expected roles

Mr. Kazuo Tsukahara served as Executive Vice President of a heavy industrial manufacturer with global operations after engaging in extensive operations, including the experience of overseas assignment, at the company. He possesses extensive experience, track record, as well as high levels of knowledge and ethics, regarding corporate management based on his experience of serving as Outside Director at multiple companies up until now. Furthermore, since his appointment as Outside Director of the Company in March 2020, he has not only fulfilled important roles in the course of making management judgements and decisions of the Board of Directors, but also led the active dialogue at meetings of the voluntary Nomination and Compensation Committee from an independent standpoint as its chairperson and the lead Independent Outside Director, greatly contributing to the enhancement of corporate value and management supervisory function of the Company. Accordingly, the Company expects him to continue providing supervision and suggestions making use of his extensive experience and knowledge after his election, and has renominated him as a candidate for Outside Director.

Candidate No.

8

Reappointment

Outside Director

Independent Officer



## Naomi Aoyama

**Date of birth:** May 27, 1966  
**Number of shares of the Company held:** 100 shares  
**Years of service as Outside Director (as of the conclusion of this General Meeting of Shareholders):** 2 years

### Career summary, positions, responsibilities

April 1989	Joined Toshiba Corporation
April 2000	Joined eLife Inc.
June 2004	Established style bis Inc. and assumed position of Representative Director (to present)
June 2005	Outside Director, Kenko.com, Inc. (current Rakuten Group, Inc.)
March 2017	Outside Director, Senshukai Co., Ltd.
May 2021	Outside Director, IZUMI Co., Ltd. (to present)
August 2022	Outside Director of the Company (to present)
May 2023	Visiting Professor, Professional University of Information and Management for Innovation (to present)
June 2023	Outside Director, Beautech Lab Corporation (to present)

### Significant concurrent positions

Representative Director, style bis Inc.  
Outside Director, IZUMI Co., Ltd.

#### ■ Reason for nomination as candidate for Outside Director and outline of expected roles

Having established a consumer-oriented marketing support company, Ms. Naomi Aoyama possesses advanced expertise and extensive experience through serving as an advisor related to corporate social media management and e-commerce. She has also served as Outside Director at multiple companies to date and possesses extensive experience in corporate management. Since her appointment as Outside Director of the Company in August 2022, she has not only fulfilled important roles, such as making suggestions from the perspective of minority shareholders and customers, in the course of making management judgements and decisions of the Board of Directors, but also stated opinions at the voluntary Nomination and Compensation Committee as its member from an independent standpoint based on her extensive management experience, greatly contributing to the enhancement of corporate value and management supervisory function of the Company. Accordingly, the Company expects her to continue providing supervision and suggestions making use of her extensive experience and knowledge after her election, and has renominated her as a candidate for Outside Director.

Candidate No.

9

New Appointment

Outside Director

Independent Officer



## Rina Akimoto

**Date of birth:** January 21, 1991

**Number of shares of the Company held:** - shares

**Years of service as Outside Director**

**(as of the conclusion of this General**

**Meeting of Shareholders):** - years

### Career summary, positions, responsibilities

April 2013	Joined DeNA Co., Ltd.
November 2016	Established vivid garden Inc. and assumed position of CEO (to present)
January 2023	Member, Academic Committee on Registration of Geographical Indication, Ministry of Agriculture, Forestry and Fisheries (to present)
October 2023	Expert member, Working Group for Revitalization of Regional Industries (Agriculture, Forestry and Fisheries), Council for Promotion of Regulatory Reform, Cabinet Office (to present)
October 2023	Member, Fukuoka city agriculture and forestry promotion council (to present)
December 2023	Outside Member, Management Advisory Board, Kewpie Corporation (to present)

### Significant concurrent positions

CEO, vivid garden Inc.

#### Reason for nomination as candidate for Outside Director and outline of expected roles

Having established an innovative business that solves the distribution challenges of agriculture, Ms. Rina Akimoto possesses the experience and track record of driving business services aimed at improving the overall value of agriculture and establishing a sustainable primary industry. As a young business leader, she also focuses on existing social issues and has a high level of knowledge and insights through her activities in various organizations. Accordingly, the Company expects her to provide supervision and suggestions making use of her extensive experience and knowledge in fast-paced work and creating innovation at a start-up company and has nominated her as a candidate for Outside Director.

#### Message to shareholders

Based on the knowledge of launching and operating IT services that I gained in my first career, I have experience in launching an e-commerce business for primary products and growing it to the top position in its category within three years of its release. I believe that I can contribute to the creation of innovation in ASKUL's existing businesses and new areas by utilizing my experience in launching businesses in a start-up company. In addition, since primary industries are directly affected by climate change, I have a strong interest in environmental issues and have engaged in sustainability promotion efforts in cooperation with several governments and companies. I believe that I can contribute to ASKUL, which aims to become the de facto standard for ethical e-commerce, from an ESG and sustainability perspective. In addition to governance functions as an Independent Outside Officer, I will make use of my specialized expertise to comprehensively enhance the corporate value of ASKUL.

The entire "Message to shareholders" can be viewed from the following link.

URL: <https://www.askul.co.jp/corp/english/investor/library/agm/>

Candidate No.

10

Reappointment

Part-Time  
Director



## Hironori Koshimizu

**Date of birth:** October 31, 1977  
**Number of shares of the Company held:** 3,904 shares

### Career summary, positions, responsibilities

February 2000	Joined e-Group Co., Ltd.
September 2001	Joined Yahoo Japan Corporation (current LY Corporation)
February 2006	Joined Hatena Co., Ltd. Executive Officer in charge of Advertising Business
December 2006	Director of Hatena Co., Ltd.
August 2009	Joined GREE, Inc.
November 2013	General Manager, Platform Division, WebGame Business Unit of GREE, Inc.
October 2014	Joined Yahoo Japan Corporation (current LY Corporation), seconded to the Company
November 2014	Executive Officer, Executive Officer of LOHACO Advertising and Sales Promotion Division, B-to-C Company of the Company
March 2016	Executive Officer, Executive Officer of LOHACO Publicity and Sales Promotion Unit and Chief General Manager, LOHACO Lifestyle Research Laboratory, B-to-C Company
August 2016	Director of the Company
March 2017	Director, Executive Officer, Executive Officer of EC Marketing Unit, B-to-C Company
February 2019	Director, Executive Officer, Executive Officer of LOHACO Growth Unit, B-to-C Company
March 2020	Director, Supervisor of LOHACO Business Unit, Executive Officer
October 2022	Executive Officer of Retail EC Business Unit, Commerce Group of Yahoo Japan Corporation
March 2023	Outside Director of GEOFLA Inc. (to present)
August 2023	Director of the Company (to present)
October 2023	General Manager, Business Promotion Division, Commerce Company, LY Corporation (to present)

### Significant concurrent positions

General Manager, Business Promotion Division, Commerce Company, LY Corporation

#### Reason for nomination as candidate for Director

Mr. Hironori Koshimizu possesses advanced expertise on the Internet business and e-commerce business, and experience in corporate management. After he was seconded to the Company in October 2014, he led the Company to growth of e-commerce business as Executive Officer of B-to-C Company and as a Director of the Company from August 2016 to August 2022. Since his reappointment as Director of the Company in August 2023, he has fulfilled important roles in the course of making management judgements and decisions of the Board of Directors, greatly contributing to the enhancement of corporate value and creation of group synergies of the Company. Accordingly, the Company expects him to provide supervision and suggestions making use of his extensive experience and knowledge after his election and has renominated him as a candidate for Outside Director.

(Notes)

1. There are no special interests between any of the candidates and the Company.
2. Ms. Yumiko Ichige, Mr. Genri Goto, Mr. Kazuo Tsukahara, Ms. Naomi Aoyama, and Ms. Rina Akimoto are candidates for Outside Director. The Company has registered Ms. Yumiko Ichige, Mr. Genri Goto, Mr. Kazuo Tsukahara, and Ms. Naomi Aoyama with the Tokyo Stock Exchange as Independent Officer as prescribed by the Exchange. The Company intends to register Ms. Rina Akimoto with the Tokyo Stock Exchange as an Independent Officer as prescribed by the Exchange.
3. The Company has entered into a directors and officers liability insurance agreement with an insurance company, to insure its Directors. The agreement will cover damages that may arise due to the insured Directors assuming liability for their execution of duties or receiving a claim for the pursuit of such liability. If the candidates for Director are appointed as Directors, they will be insured under the insurance agreement, which is to be renewed during their terms of office in October 2024.
4. Outline of agreement to limit liability between the Company and a candidate for Outside Director  
The Company has entered into agreements with Ms. Yumiko Ichige, Mr. Genri Goto, Mr. Kazuo Tsukahara, Ms. Naomi Aoyama, and Mr. Hironori Koshimizu to limit the amounts of their individual liabilities to 30 million yen each or the minimum amount stipulated in Article 425, Paragraph 1 of the Companies Act, whichever is higher. If they are elected as Directors, the Company intends to renew such an agreement with them. The Company intends to enter into a similar agreement with Ms. Rina Akimoto if she is elected as Director.
5. There are sales transactions of the Company's products between the Company and Nozomi Sogo Attorneys at Law, at which Ms. Yumiko Ichige, a candidate for Director, serves as Partner, and between the Company and Idemitsu Kosan Co., Ltd., at which she serves as Outside Audit & Supervisory Board Member. However, the transaction amounts each accounted for less than 0.1% of the Company's consolidated net sales in the most recent fiscal year and therefore there is no impact on her independence.  
The Company has not concluded any legal advisory contract, litigation representation contract, or similar contract with, and has no related transactions with, Nozomi Sogo Attorneys at Law, at which Ms. Yumiko Ichige serves as Partner.  
There are no transactions from Idemitsu Kosan Co., Ltd. to the Company.
6. There are sales transactions of the Company's products between the Company and Kotozna, Inc., at which Mr. Genri Goto, a candidate for Director, serves as CEO. However, the transaction amounts accounted for less than 0.1% of the Company's consolidated net sales in the most recent fiscal year and therefore there is no impact on his independence.  
There are no transactions from Kotozna, Inc. to the Company.  
There are no transactions between the Company and Kotozna (China Office), at which Mr. Genri Goto serves as Chairman, and between the Company and Kotozna Singapore Pte Ltd, at which he serves as Managing Director.
7. There are sales transactions of the Company's products between the Company and style bis Inc., at which Ms. Naomi Aoyama, a candidate for Director, serves as Representative Director, and between the Company and IZUMI Co., Ltd., at which she serves as Outside Director. However, the transaction amounts accounted for less than 0.1% of the Company's consolidated net sales in the most recent fiscal year and therefore there is no impact on her independence.  
There are no transactions from style bis Inc. and IZUMI Co., Ltd. to the Company.
8. There are no transactions between the Company and vivid garden Inc., at which Ms. Rina Akimoto, a candidate for Director, serves as CEO.
9. The number of shares of the Company held by each candidate for Director is as of May 20, 2024.

### Proposal 3: Election of 1 Audit & Supervisory Board Member

The terms of office of Audit & Supervisory Board Member Yoshitaka Asaeda will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the election of 1 Audit & Supervisory Board Member is proposed. The Audit & Supervisory Board has given its consent to this proposal.

The name and career summary of the candidate are as follows:



Reappointment

Outside Audit & Supervisory Board Member

Independent Officer

#### Career summary, positions, responsibilities

September 1978	Joined Shinko Audit Corporation
October 1985	Joined US Price Waterhouse LLP (current PricewaterhouseCoopers LLP)
July 1994	Partner
June 1996	Joined Tohmatsu & Co (current Deloitte Touche Tohmatsu LLC)
June 1997	Representative Member
July 2013	Deloitte Touche Tohmatsu EMEA Regional Leader, Japanese Services Group
June 2017	Established Yoshitaka Asaeda CPA Office, Director (to present)
June 2017	Outside Director, SBI Holdings, Inc.
November 2019	Outside Auditor, WingArc1st Inc. (to present)
December 2019	Outside Director, Shimane Bank Ltd. (to present)
August 2020	Outside Audit & Supervisory Board Member of the Company (to present)

## Yoshitaka Asaeda

**Date of birth:** January 17, 1956  
**Number of shares of the Company held:** - shares  
**Years of service as Outside Audit & Supervisory Board Member (as of the conclusion of this General Meeting of Shareholders):** 4 years

#### Significant concurrent positions

Director, Yoshitaka Asaeda CPA Office  
Outside Auditor, WingArc1st Inc.  
Outside Director, Shimane Bank Ltd.

#### Reason for nomination as candidate for Outside Audit & Supervisory Board Member

Mr. Yoshitaka Asaeda has practical experience and specialist insight into global accounting and auditing as a CPA. In addition to his management experience in a global organization, he has also served as an outside director and outside audit & supervisory board member at several corporations. Since August 2020, he has appropriately fulfilled the auditing function of business execution as Outside Audit & Supervisory Board Member of the Company based on his advanced expertise and extensive practical experience. Accordingly, the Company has renominated him as a candidate for Outside Audit & Supervisory Board Member.

(Notes)

1. There are no special interests between Mr. Yoshitaka Asaeda and the Company.
2. The Company has entered into a directors and officers liability insurance agreement with an insurance company, to insure its Audit & Supervisory Board Members. The agreement will cover damages that may arise due to the insured Audit & Supervisory Board Members assuming liability for their execution of duties or receiving a claim for the pursuit of such liability. If the above candidate for Audit & Supervisory Board Member is appointed as Audit & Supervisory Board Member, he will be insured under the insurance agreement, which is to be renewed during their terms of office in October 2024.
3. Mr. Yoshitaka Asaeda is a candidate for Outside Audit & Supervisory Board Member. The Company has registered him with the Tokyo Stock Exchange as an Independent Officer as prescribed by the Exchange.
4. Outline of agreement to limit liability between the Company and a candidate for Audit & Supervisory Board Member  
The Company has entered into agreements with Mr. Yoshitaka Asaeda to limit the amount of his individual liability to the minimum amount stipulated in Article 425, Paragraph 1 of the Companies Act. If he is elected as an Audit & Supervisory Board Member, the Company intends to renew such an agreement with him.
5. There are sales transactions of the Company's products between the Company and Yoshitaka Asaeda CPA Office, at which Mr. Yoshitaka Asaeda, candidate for Audit & Supervisory Board Member, serves as Director, between the Company and WingArc1st Inc., at which he serves as Outside Auditor, and between the Company and Shimane Bank Ltd., at which he serves as Outside Director. However, the transaction amounts each accounted for less than 0.1% of the Company's consolidated net sales in the most recent fiscal year and therefore there is no impact on his independence. There are no transactions from Yoshitaka Asaeda CPA Office and Shimane Bank Ltd. to the Company.

(Reference) Expected Composition of Directors and Audit & Supervisory Board Members  
(on and after August 8, 2024)

Subject to the approval of Proposal 2 and Proposal 3, expertise and experience possessed by Directors and Audit & Supervisory Board Members of the Company will be as follows.

The following table indicates the fields in which particular contribution is expected and does not represent all the knowledge possessed by each person.

Name	Positions at the Company	Skills and experience				
		Management strategy	ESG and sustainability	E-commerce	Products	Logistics
Akira Yoshioka	Representative Director, President and CEO	●		●	●	
Tsuguhiro Tamai	Director, CFO	●	●			
Katsuhiro Kawamura	Director, COO	●		●	●	●
Shinichi Hokari	Director, CTO			●		
Yumiko Ichige [Outside] [Independent]	Outside Director		●			
Genri Goto [Outside] [Independent]	Outside Director	●		●	●	●
Kazuo Tsukahara [Outside] [Independent]	Outside Director	●				
Naomi Aoyama [Outside] [Independent]	Outside Director		●	●	●	
Rina Akimoto [Outside] [Independent]	Outside Director	●	●	●		
Hironori Koshimizu [Part-Time]	Part-Time Director			●		
Toshio Imamura	Audit & Supervisory Board Member	●				
Yoshitaka Asaeda [Outside] [Independent]	Outside Audit & Supervisory Board Member					
Miyuki Nakagawa [Outside] [Independent]	Outside Audit & Supervisory Board Member		●			



Name	Positions at the Company	Skills and experience				
		Global experience	Accounting and finance	IT and digital transformation	Human resources, labor affairs and human resource development	Legal affairs and intellectual property risk management
Akira Yoshioka	Representative Director, President and CEO					
Tsuguhiro Tamai	Director, CFO		●			●
Katsuhiro Kawamura	Director, COO			●		
Shinichi Hokari	Director, CTO			●		
Yumiko Ichige [Outside] [Independent]	Outside Director			●	●	●
Genri Goto [Outside] [Independent]	Outside Director			●		
Kazuo Tsukahara [Outside] [Independent]	Outside Director	●			●	
Naomi Aoyama [Outside] [Independent]	Outside Director					
Rina Akimoto [Outside] [Independent]	Outside Director					
Hironori Koshimizu [Part-Time]	Part-Time Director			●		
Toshio Imamura	Audit & Supervisory Board Member				●	
Yoshitaka Asaeda [Outside] [Independent]	Outside Audit & Supervisory Board Member	●	●			
Miyuki Nakagawa [Outside] [Independent]	Outside Audit & Supervisory Board Member					●

(Note) The Company has registered Ms. Yumiko Ichige, Mr. Genri Goto, Mr. Kazuo Tsukahara, Ms. Naomi Aoyama, Mr. Yoshitaka Asaeda, and Ms. Miyuki Nakagawa with the Tokyo Stock Exchange as Independent Officers as prescribed by the Exchange. The Company intends to register Ms. Rina Akimoto with the Tokyo Stock Exchange as an Independent Officer as prescribed by the Exchange.

**Proposal 4:** Determination of Compensation of Directors for the Purpose of Granting Restricted Shares to Directors

The amount of compensation for Directors of the Company was approved at the 53rd Annual General Meeting of Shareholders held on August 3, 2016 to be no more than 800 million yen per annum (however, not including the employee salary portion for Directors concurrently serving as employees).

In addition, at the 60th Annual General Meeting of Shareholders held on August 4, 2023, the amount of restricted stock compensation for Directors of the Company was approved to be no more than 160 million yen per annum (including no more than 40 million yen per annum for Outside Directors; however, not including the employee salary portion for Directors concurrently serving as employees) within the framework of the abovementioned compensation amounts, and the total number of shares of common stock of the Company to be granted was approved to be no more than 100,000 shares per annum.

Now, as part of the review of the director compensation system, in addition to the existing performance-linked restricted stock compensation and ESG indicator-based restricted stock compensation with the achievement of ESG indicators as a condition for the removal of transfer restrictions, the Company proposes the following payment of the tenure-based restricted stock compensation which is not performance-linked, and with continued service during the restricted period of between 3 years and 5 years, as determined in advance by the Company's Board of Directors, as a condition for the removal of transfer restrictions, to Directors of the Company within the framework of the abovementioned amounts of compensation (Directors to be granted restricted shares based on the Proposal are hereinafter referred to as "Eligible Directors"), with the aim of steadily increasing the ratio of stock-based compensation in the director compensation system, aligning their interests with those of shareholders, and promoting sustainable growth in corporate value.

Based on the Proposal, the total amount of monetary claims granted to Eligible Directors which will be contributed in-kind to the Company in exchange for the acquisition of restricted stock (hereinafter, "monetary compensation claims") shall be no more than 160 million yen per annum (including no more than 40 million yen per annum for Outside Directors; however, not including the employee salary portion for Directors concurrently serving as employees) in combination with those monetary compensation claims related to existing performance-linked restricted stock compensation and ESG indicator-based restricted stock compensation with the achievement of ESG indicators as a condition for the removal of transfer restrictions, and the total number of shares of common stock of the Company to be granted shall be no more than 100,000 shares per annum in combination with those related to existing restricted stock compensations. Based on the Proposal, the total amount of compensation for Directors, including the amount of restricted stock compensation for which approval is requested, shall be no more than 800 million yen per annum, the same as the current amount of compensation (however, not including the employee salary portion for Directors concurrently serving as employees). In addition, the specific timing and distribution of payments to each Eligible Director shall be determined by the Board of Directors of the Company.

While an overview of the decision policy pertaining to details of compensation, etc. for individual Directors of the Company is described in the Business Report "3. Status of Company Officers (4) Compensation, etc. for Directors and Audit & Supervisory Board Members for the Fiscal Year under Review," subject to approval of the Proposal, the Company intends to change the details as described in the Proposal. The content of this proposal is necessary and rational for the payment of compensation, etc. in accordance with the policy following amendments, and the Company deems the content of the Proposal to be appropriate.

The current number of Directors is 10 (including 4 Outside Directors). However, if Proposal 2: Election of 10 Directors is approved as originally proposed, the number of Directors will be 10 (including 5 Outside Directors).

[Overview of Restricted Stock Compensation]

Eligible Directors shall make in-kind contribution of all monetary compensation claims paid in accordance with the Proposal based on a resolution by the Board of Directors and shall receive shares of the common stock of the Company that will be issued or disposed of by the Company. The total number of shares of the common stock of the Company that will be thus issued or disposed of shall be no more than 100,000 shares per annum (however, in the event of circumstances necessitating an adjustment to the total number of shares of common stock of the Company that are issued or disposed of as restricted shares on or after the date on which the Proposal is approved, such as a stock split of the common stock (including the gratis allotment of the common stock of the Company), reverse stock split, or any other reason, the number of total shares shall be adjusted within a reasonable extent.

The amount paid per share shall be the closing price of the common stock of the Company on the Tokyo Stock Exchange on the business day immediately preceding the date of each resolution by the Board of Directors (if no transactions are concluded on that day, the closing price of the most immediately preceding date). In addition, when thus issuing or disposing of the common stock of the Company, the Company and

Eligible Directors shall enter into a restricted stock allotment agreement (hereinafter, "Allotment Agreement") whose contents shall include the following.

(1) Transfer Restriction Period

With regard to the shares of common stock of the Company allotted in accordance with the Allotment Agreement (hereinafter, "Allotted Shares"), Eligible Directors may not transfer, establish a security interest on, or otherwise dispose of Allotted Shares (hereinafter, "Transfer Restrictions") during the period stipulated in advance by the Board of Directors of the Company from 3 years to 5 years from the date of allotment under the Allotment Agreement (hereinafter, "Transfer Restriction Period").

(2) Treatment upon Retirement or Resignation

In the event that an Eligible Director retires or resigns from a position of Director, Audit & Supervisory Board Member, Executive Officer, employee, or equivalent position of the Company, its consolidated subsidiaries, or affiliated companies prior to the expiration of the Transfer Restriction Period, other than in the event of retirement or resignation due to expiration of term of office, mandatory retirement, death, or any other justifiable reason, the Company shall, as a matter of course, acquire the Allotted Shares at no consideration.

(3) Removal of the Transfer Restrictions and Gratis Acquisition

Notwithstanding the provisions in (1) above, the Company shall remove the Transfer Restrictions on all Allotted Shares upon the expiration of the Transfer Restriction Period provided that Eligible Directors have continuously remained in a position of Director, Audit & Supervisory Board Member, Executive Officer, employee, or equivalent position of the Company, its consolidated subsidiaries, or affiliated companies during the Transfer Restriction Period. However, in the event that an Eligible Director retires or resigns from a position stipulated in (2) above prior to the expiration of the Transfer Restriction Period due to expiration of term of office, mandatory retirement, death, or any other justifiable reason stipulated in (2) above, the number of Allotted Shares for which Transfer Restrictions shall be removed and the timing of removal of the Transfer Restrictions shall be reasonably adjusted as necessary based on the conditions stipulated in (5) below in the event that (5) "Treatment in the Event that Conditions are Not Fulfilled" below is included in the Allotment Agreement. In addition, the Company shall, as a matter of course, acquire the Allotted Shares for which the Transfer Restrictions have not been removed at no consideration immediately following the removal of the Transfer Restrictions in accordance with the above provisions. Furthermore, in the event that certain reasons stipulated in the Allotment Agreement are fulfilled, such as an Eligible Director committing an illegal act, the Company shall acquire all or part of the Allotted Shares at no consideration.

(4) Treatment in the Event of Restructuring, etc.

Notwithstanding the provisions in (1) above, in the event that, during the Transfer Restriction Period, the Company's General Meeting of Shareholders approves a proposal for a merger agreement whereby the Company becomes the absorbed company, a share exchange agreement or a share transfer plan whereby the Company becomes a wholly owned subsidiary, or any other matters pertaining to restructuring, etc. (however, in the event that the approval of the Company's General Meeting of Shareholders for said restructuring, etc. is not required, approval by the Company's Board of Directors), the Company shall remove the Transfer Restrictions on a reasonably determined number of Allotted Shares prior to the effective date of said restructuring, etc. by resolution of the Board of Directors of the Company based on the length of the period from the commencement date of the Transfer Restriction Period to the date of approval of said restructuring, etc. In addition, in an event stipulated above, the Company shall, as a matter of course, acquire the Allotted Shares for which Transfer Restrictions have not been removed immediately following the removal of Transfer Restrictions, at no consideration.

(5) Treatment in the Event that Conditions are Not Fulfilled

If certain conditions are set in advance by the Board of Directors of the Company (performance conditions, conditions related to ESG indicators, and other conditions set as a result of consultation with the Nomination and Compensation Committee), the Company shall, as a matter of course, acquire all Allotted Shares at no consideration in the event that said conditions were not able to be achieved by the expiration date of the Transfer Restriction Period determined by the Board of Directors of the Company.

(6) Other Matters

Other matters pertaining to the Allotment Agreement shall be determined by the Board of Directors of the Company.

End.

## Business Report (May 21, 2023, to May 20, 2024)

### I. State of the Corporate Group

#### 1. Progress and results of business

##### (1) Status of business

The e-commerce market, in which the Group operates, keeps growing under the solid expectation that the market will play the role of allowing shopping activities catered to newly established lifestyles, even amid socioeconomic activities returning to normal as restrictions on activities in response to COVID-19 have been lifted.

Under these circumstances, the Group has positioned the fiscal year ended May 20, 2024 as the year in which it would accomplish its most important mission of “changing the trajectory of profit growth curve” while continuing to “change the trajectory of sales growth curve” achieved in the previous fiscal year. In order to achieve the performance targets set forth in the Medium-term Management Plan (from the fiscal year ended May 20, 2022 to the fiscal year ending May 20, 2025), the Group has taken aggressive measures that will lead to the growth of the Group, in addition to expanding the number of products handled, including aggressive investment in advertising and sales promotion in the B-to-B business and transitioning customers to the new ASKUL website, which began full-scale operation.

In addition, as the Company aims to realize ethical e-commerce, we changed the threshold for free delivery<sup>(Note1)</sup> for orders placed after 6:00 p.m. on October 31, 2023 for ASKUL and SOLOEL ARENA, our B-to-B business, in order to contribute to solving the so-called Logistics 2024 issue<sup>(Note2)</sup>. By encouraging customers to purchase in bulk whenever possible, we have promoted efforts to realize a sustainable society through the reduction of environmental and labor burdens throughout the supply chain.

As a result, the financial performance of the Group for the fiscal year under review reached record highs in both net sales and profits, with net sales of 471,682 million yen, a 5.6% increase year-over-year, operating profit of 16,953 million yen, a 16.0% increase year-over-year, ordinary profit of 16,677 million yen, up 15.4% year-over-year, and profit attributable to owners of parent of 19,139 million yen, a 95.6% increase year-over-year, resulting in an increase in both sales and profits.

Net sales

**471.6** billion yen (Up 5.6% year-over-year) 

Ordinary profit

**16.6** billion yen (Up 15.4% year-over-year) 

Operating profit

**16.9** billion yen (Up 16.0% year-over-year) 

Profit attributable to owners of parent

**19.1** billion yen (Up 95.6% year-over-year) 



## E-commerce business

**Net sales: 462,374 million yen**  
(Up 5.8% year-over-year)

**Operating profit: 17,097 million yen**  
(Up 14.4% year-over-year)

### Main businesses

Sale of OA & PC supplies, office supplies, office amenities, office furniture, food, alcoholic beverages, medical supplies, cosmetics, MRO supplies, pet goods and other products



ASKUL original transparent masking tapes and sticky notes



ASKUL exclusive automatic hand soap dispenser

In the B-to-B business, the mainstay business of the Group, we offer a wide range of products to meet the needs of all customers working in the workplace, including living supplies related merchandise such as bottled beverages and daily consumables, products related to COVID-19 such as antigen test kits, and MRO<sup>(Note2)</sup> products such as bags and packing materials. Although sales of COVID-19-related products such as antigen test kits and disinfectants declined due to the completion of measures against infectious disease with a decrease in the number of cases of infections, sales of Living Supplies category products such as PET bottled beverages and daily consumables increased steadily partly due to the recovery in daily life activities.

Despite the impact of a decline in special demand for products related to COVID-19 and the failure to achieve the planned number of orders, the increase due to higher unit prices resulting from price revisions for some of the mainstay products and other factors contributed to the increase in net sales for both of our services: ASKUL, a service for small and medium-sized enterprises, and SOLOEL ARENA, a service for mid-tier and large companies.

In addition, the performance of subsidiaries contributed to significant sales growth as the business results of FEED Corporation, a business subsidiary of AP67 Co., Ltd., that became a consolidated subsidiary at the end of the previous fiscal year, contributed throughout the fiscal year under review and AlphaPurchase Co., Ltd., a consolidated subsidiary, continued to perform well.

As a result, net sales in the B-to-B business grew by 35,275 million yen from a year earlier to 409,143 million yen, a 9.4% increase year-on-year.

In the B-to-C business, net sales decreased as planned at the beginning of the period due to a campaign method change resulting from cost optimization in the commerce business of LY Corporation. In the fiscal year under review, by integrating the B-to-B and B-to-C businesses, we have promoted sales of large-volume products, etc. with high-cost performance handled in the B-to-B business via LOHACO and lowered costs of operations through organizational and functional integration. We have also enhanced our profitability to continuously generate operating profit, such as improving customer convenience through the merger of LOHACO by ASKUL (LOHACO Main Store) and LOHACO Yahoo! Store.

As a result, LOHACO sales decreased 10,016 million yen from a year earlier to 36,160 million yen, down 21.7% year-on-year. Consequently, net sales of the B-to-C business in total also decreased 10,022 million yen from a year earlier to 53,230 million yen, a 15.8% decrease year-on-year.

Accordingly, net sales of the E-commerce business, combining the two businesses above, stood at 462,374 million yen, a 5.8% increase year-on-year. Selling, general and administrative expenses were 99,846 million yen, and operating profit was 17,097 million yen, a 14.4% increase year-on-year.



## Logistics business

Net sales: **8,558 million yen**  
(Down 1.6% year-over-year)

Operating loss: **146 million yen**  
(—)

Main businesses

Logistics and small-cargo transportation services for companies

**ASKUL** Logist

Net sales of the contracted business of logistics that ASKUL LOGIST Corporation received from outside the Group progressed generally on par with the level of the previous year. Despite operating loss due to soaring personnel expenses and other expenses, profitability improved year-on-year due to price revisions and other factors, and the Company will work to further improve productivity.

As a result, net sales in the fiscal year under review were 8,558 million yen, a 1.6% decrease year-on-year, and operating loss was 146 million yen, as opposed to an operating loss of 324 million yen a year earlier.



ASKUL Kanto DC (Ageo-shi, Saitama)



## Other

Net sales: **1,951 million yen**  
(Up 2.4% year-over-year)

Operating loss: **29 million yen**  
(Up 124.7% year-over-year)

Main businesses

Manufacture and sale of bottled water

嬌恋銘水

Net sales of bottled water of TSUMAGOI MEISUI Corporation progressed steadily. Both sales and profit increased, although they fell short of the plan at the beginning of the period due to a temporary decline in production and sales volumes caused by malfunctions in the production line in the second half of the fiscal year under review.

As a result, net sales for the fiscal year under review were 1,951 million yen, a 2.4% increase year-on-year, and operating profit was 29 million yen, up 124.7% year-on-year.



Tsumagoi Green Project, a forest maintenance activity in Tsumagoi Village, started

Note 1: The standard amount per order for which the Company bear the basic delivery fee.

Note 2: The possibility of not being able to transport goods due to insufficient transportation capacity caused by the enforcement of the 960-hour overtime cap for truck drivers and other regulations starting in April 2024, which will result in shorter working hours.

Note 3: MRO is an acronym for Maintenance, Repair and Operations, and the term “MRO supplies” denotes indirect materials including consumables and repair supplies for use at factories, construction sites, warehouses, and others.

## (2) Status of capital investment

The total amount of capital expenditures implemented by the corporate group in the fiscal year under review was 13,485 million yen. The main items included in this figure are as follows.

- 1) Main facility completed during the fiscal year under review

Establishment of the new ASKUL website for B-to-B business (E-commerce business)	1,484 million yen
Expansion of ASKUL Value Center Kansai (E-commerce business)	1,431 million yen
  
- 2) New establishment, expansion, and renovation of main facilities ongoing in the fiscal year under review

New establishment of ASKUL Kanto DC (E-commerce business)	5,623 million yen
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## (3) Status of funding

In the fiscal year under review, while the Company repaid 10,122 million yen in long-term borrowings, it also raised 7.0 billion yen in long-term borrowings from financial institutions for securing on-hand liquidity and as future growth capital.

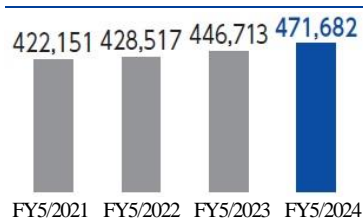
## 2. Status of assets and income

### Operating results and financial position of the corporate group

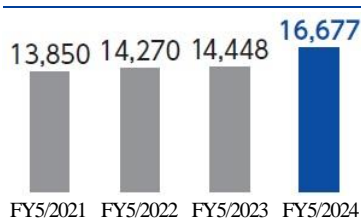
Category	(Millions of yen)			
	FY5/2021 (May 21, 2020 – May 20, 2021)	FY5/2022 (May 21, 2021 – May 20, 2022)	FY5/2023 (May 21, 2022 – May 20, 2023)	FY5/2024 (The fiscal year under review) (May 21, 2023 – May 20, 2024)
Net sales	422,151	428,517	446,713	471,682
Ordinary profit	13,850	14,270	14,448	16,677
Profit attributable to owners of parent	7,758	9,206	9,787	19,139
Basic earnings per share (Yen)	75.83	90.83	100.43	196.47
Total assets	190,107	188,024	227,506	243,062
Net assets	59,203	57,271	66,876	81,336
Capital adequacy ratio (%)	30.9	30.2	28.2	32.2
Net assets per share (Yen)	573.57	582.43	658.20	808.88

- (Notes) 1. The Group has applied “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020), etc., effective the beginning of FY5/2022. Accordingly, the above figures after FY5/2022 indicate the amounts after the application of the said accounting standard, etc.
2. The Company conducted a 2-for-1 stock split of shares of common stock on May 21, 2021, and “Basic earnings per share” and “Net assets per share” are calculated on the assumption that the said stock split was implemented at the beginning of FY5/2021.

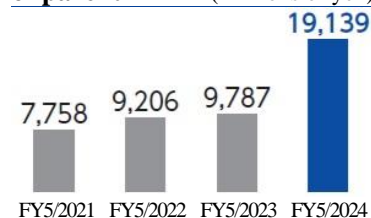
#### Net sales (Millions of yen)



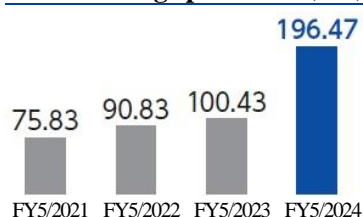
#### Ordinary profit (Millions of yen)



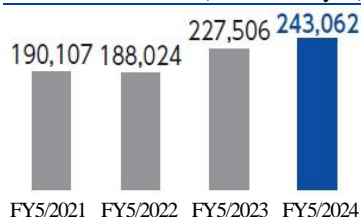
#### Profit attributable to owners of parent (Millions of yen)



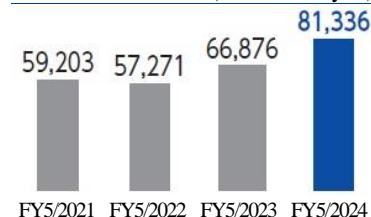
#### Basic earnings per share (Yen)



#### Total assets (Millions of yen)



#### Net assets (Millions of yen)





### 3. Issues to be addressed

The Group formulated and announced the “From FY5/2022 to FY5/2025 Medium-Term Management Plan” on July 2, 2021.

As the basic policies of the Medium-Term Management Plan, the Group holds up the following three principles: “Sustainable management,” “Maximization of customer value,” and “Transformation to a high-profit model.” The Group will realize the three principles through integrating solutions to environmental issues with business operations as the Group implements the service “Ethical e-commerce,” which is intended to preserve the environment and solve social issues. Under this policy, the Group has worked on the transformation from an office supplies mail-order company into an infrastructure company that supports all workplaces and lifestyles, while leveraging its advantages, such as the Group’s diverse customer base and big data, highly automated and unique logistics bases that enable same-day and next-day deliveries across Japan, and development capabilities of original products accumulated over many years, as well as mobilizing the collective strength of the Group.

The Group has aimed to post consolidated net sales of 550.0 billion yen, a consolidated operating profit ratio of 5.0%, and a consolidated return on equity (ROE) of 20.0% in the fiscal year ending May 2025, the final year of the Medium-term Management Plan. The Group has also planned to invest more than 30.0 billion yen for the four years from the fiscal year ended May 2022 to the fiscal year ending May 2025 (including 7.7 billion yen for the ASKUL Tokyo DC (facilities), 8.5 billion yen for the new ASKUL website (systems), and 4.0 billion yen for investment in digital transformation).

On the other hand, the planned figures of the Medium-Term Management Plan have not been achieved due to an increase in amortization from increased investment in the new ASKUL website (system) and not achieving the planned opening effects of SOLOEL ARENA website, low utilization rates of newly-introduced products due to a disproportionate emphasis on product expansion (number of items), not achieving the sales plan for LOHACO due to the prioritization of profitability, and increased fixed costs due to the launch of ASKUL Kanto DC. However, growth has accelerated as a result of setting high targets in the plan, and both sales and operating profit have reached record highs.

The Group plans to formulate and announce a new Medium-term Management Plan during the fiscal year ending May 20, 2025. The Group will continue to pursue its mission of “transformation from an office supplies mail-order company” and promote entry into areas other than product sales with the aim of becoming an infrastructure company that supports all workplaces and lifestyles, by focusing on the following three themes.

#### (1) Increase the growth rate by improving the accuracy of each measure through data-driven approaches

In the ASKUL business, the Group will promote digital transformation in merchandising to accelerate the speed of product adoption, pricing and other operations through data-driven decision making and enhance product lineups by launching a marketing lab and utilizing data in collaboration with suppliers.

The Group will also review customer acquisition methods and measures to improve retention rates by strengthening customer acquisition methods targeting potential blue-chip customers through the use of data and implementing measures for retention after registration, increase sales promotion accuracy through recommendation engine optimization, etc., while developing the website through search algorithm optimization and functional improvement based on customer feedback to enhance user interface and user experience.

#### (2) Transitioning to a base strategy that enables same-day delivery for products ordered with high-frequency (LDC) and next-day delivery for long-tail products (WDC)

Aiming to improve delivery efficiency by consolidating inventories of long-tail products, the Group plans to start operation of the ASKUL Kanto DC at the beginning of the fiscal year ending May 2026. As a large-scale distribution center in eastern Japan, it will consolidate inventories of long-tail products in order to deliver a variety of products in a single box, thereby increasing unit sales price per box and decreasing the ratio of shipment expenses to net sales. In addition, by switching the shipping point for long-tail products from AVC Kansai to this center, the Group aims to shorten the delivery distance to customers in eastern Japan to realize “come tomorrow” service (next-day delivery) for long-tail products as well.

Furthermore, by centralizing deliveries to distribution centers into the ASKUL Kanto DC, the Group will shorten physical transportation distances, leading to reducing the environmental burden of our suppliers and delivery partners.

### (3) Shift in financial strategies toward discontinuous growth

The Group will continue to maintain and improve our sound financial structure to support further growth investments (including discontinuous growth investments such as M&As), while at the same time enhancing shareholder returns and improving capital efficiency. The Group will establish a capital allocation policy to implement aggressive M&As and set a growth investment limit of 100.0 billion yen to achieve discontinuous growth.

## 4. Key offices (As of May 20, 2024)

### (1) The Company

Head office	Koto-ku, Tokyo
Sendai DMC	Miyagino-ku, Sendai-shi, Miyagi
ASKUL Miyoshi Center	Miyoshi-machi, Iruma-gun, Saitama
ASKUL Value Center Hidaka	Hidaka-shi, Saitama
ASKUL Tokyo DC	Edogawa-ku, Tokyo
Demand Chain Management (DCM) Center	Koto-ku, Tokyo
ASKUL Logi PARK Yokohama	Tsurumi-ku, Yokohama-shi, Kanagawa
Nagoya Center	Tokai-shi, Aichi
Osaka Demand Management Center (DMC)	Konohana-ku, Osaka-shi, Osaka
ASKUL Value Center Kansai	Suita-shi, Osaka
ASKUL Logi PARK Fukuoka	Higashi-ku, Fukuoka-shi, Fukuoka

### (2) Subsidiaries

ASKUL LOGIST Corporation	Koto-ku, Tokyo
AlphaPurchase Co., Ltd.	Minato-ku, Tokyo
charm Co., Ltd.	Oura-machi, Oura-gun, Gunma
BUSINESSMART CORPORATION	Koto-ku, Tokyo
TSUMGOI MEISUI CORPORATION	Tsumagoi-mura, Agatsuma-gun, Gunma
SOLOEL Corporation	Koto-ku, Tokyo
AP67 Co., Ltd.	Nishi-ku, Yokohama-shi, Kanagawa
FEED Corporation	Nishi-ku, Yokohama-shi, Kanagawa

## 5. Status of key subsidiaries

Name	Paid-in capital	Ratio of voting rights	Description of main businesses
ASKUL LOGIST Corporation	90 million yen	100.0%	ASKUL distribution center warehouse operations and small-lot delivery operations
AlphaPurchase Co., Ltd.	558 million yen	62.8%	Sale of MRO products and facility management business
charm Co., Ltd.	10 million yen	100.0%	Mail-order sales of pet supplies and living organisms
BUSINESSMART CORPORATION	93 million yen	100.0%	The Company's agent
TSUMAGOI MEISUI CORPORATION	80 million yen	100.0%	Manufacture and sale of bottled water
SOLOEL Corporation	80 million yen	100.0%	Sales agency of SOLOEL Enterprise Management consulting business and acquisition, holding, operation, management, and trading of marketable securities
AP67 Co., Ltd.	100 million yen	85.0%	Sales of dental materials, medical equipment, pharmaceuticals, etc.

(Note) The Company owns shares of FEED Corporation indirectly through AP67 Co., Ltd.

**6. Status of employees** (As of May 20, 2024)

Category	Number of employees at the end of the fiscal year under review	Increase/decrease since the end of the previous fiscal year	Average age	Average years of employment
Male	2,224	Up 17	42.7	8.7 years
Female	1,463	Up 96	41.0	7.6 years
Total or average	3,687	Up 113	42.0	8.3 years

**7. Key lenders and loan balance** (As of May 20, 2024)

(Millions of yen)

Lender	Loan balance
Sumitomo Mitsui Banking Corporation	11,678
THE SHIGA BANK, LTD.	2,000
The Gunma Bank, Ltd.	1,500
The ChibaBank, Ltd.	1,000
Mizuho Bank, Ltd.	500
Sumitomo Mitsui Trust Bank, Limited	405
The Ashikaga Bank, Ltd.	280
Japan Finance Corporation (JFC)	220
The Hachijuni Bank, Ltd.	100
The Bank of Kyoto, Ltd.	38

**8. Other significant matters concerning the status of the corporate group**

No applicable items.

## II. Status of the Company

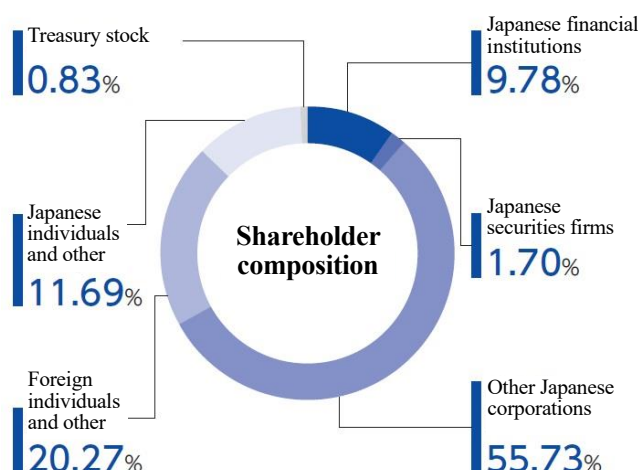
### 1. Status of stock (As of May 20, 2024)

(1) Total number of authorized shares  
169,440,000 shares

(2) Total number of issued shares  
97,564,700 shares

(Note) Total number of issued shares include  
810,475 shares of treasury stock.

(3) Number of shareholders  
41,681 persons (Down 930 persons  
year-over-year)



### (4) Major shareholders (Top 10)

Shareholder name	Number of shares held (Thousand shares)	Shareholding ratio (%)
LY Corporation	43,808	45.28
PLUS Corporation	10,331	10.68
The Master Trust Bank of Japan, Ltd. (Trust Account) (Note 3)	5,698	5.89
BBH FOR FIDELITY LOW-PRICED STOCK FUND (PRINCIPAL ALL SECTOR SUBPORTFOLIO)	2,905	3.00
NORTHERN TRUST CO. (AVFC) RE FIDELITY FUNDS	2,242	2.32
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account) (Note 4)	1,660	1.72
Custody Bank of Japan, Ltd. (Trust Account) (Note 5)	1,609	1.66
SSBTC CLIENT OMNIBUS ACCOUNT	1,462	1.51
Shoichiro Iwata	1,328	1.37
Hidehisa Imaizumi	1,233	1.27

- (Notes) 1. The number of shares held is rounded down to the nearest thousand shares, and shareholding ratios are rounded to the second decimal place.  
2. The shareholding ratio is calculated upon deducting treasury stock.  
3. The number of shares held by The Master Trust Bank of Japan, Ltd. (Trust Account) includes all shares related to trust operations.  
4. The number of shares held by The Nomura Trust and Banking Co., Ltd. (Investment Trust Account) includes all shares related to trust operations.  
5. The number of shares held by Custody Bank of Japan, Ltd. (Trust Account) includes 1,581,000 shares related to trust operations.

### (5) Status of shares granted to the Company's officers as compensation for the execution of duties during the fiscal year under review

The Company granted 23,000 shares of the Company's common stock to Directors and Executive Officers of the Company and directors of the Company's consolidated subsidiaries as a performance-linked compensation (restricted stock) on August 31, 2023. This restricted stock cannot be transferred or otherwise disposed of until August 30, 2026. Of the above, the details of stock compensation granted to the Company's officers as compensation for the execution of duties during the fiscal year under review are as follows. There was no stock granted to Outside Directors and Audit & Supervisory Board Members.

Category	Number of shares	Recipients of issuance
Director (excluding Outside Directors)	10,500 shares	3 persons

**2. Status of share acquisition rights, etc.**

(1) Status of share acquisition rights held by the Company's Officers granted as consideration for the execution of duties

No applicable items.

(2) Status of share acquisition rights granted to employees, etc. as consideration for the execution of duties during the fiscal year under review

No applicable items.

(3) Other important matters regarding share acquisition rights, etc.

No applicable items.

### 3. Status of the Company's officers

#### (1) Status of Directors and Audit & Supervisory Board Members (As of May 20, 2024)

Position	Name	Responsibilities and status of significant concurrent positions
Representative Director and President	Akira Yoshioka	Chief Executive Officer (CEO) Director of FEED Corporation
Director	Tsuguhiro Tamai	Chief Financial Officer (CFO), In charge of risk management, finance and accounting, information disclosure, management and quality KPIs, Executive Officer, and Executive Officer of Corporate Unit Director of AlphaPurchase Co., Ltd. Director of AP67 Co., Ltd. Director of DENTAL Holding Corp.
Director	Katsuhiko Kawamura	COO (Chief Operating Officer), Executive Officer, and Executive Officer of Sales Unit Representative Director, President and CEO of SOLOEL Corporation
Director	Shinichi Hokari	CTO (Chief Technology Officer), Executive Officer, and Executive Officer of EC Product Unit
Director	Yumiko Ichige	Partner of Nozomi Sogo Attorneys at Law Outside Audit & Supervisory Board Member of Idemitsu Kosan Co., Ltd.
Director	Genri Goto	CEO of Kotozna, Inc. Chairman of Kotozna (China Office) Managing Director of Kotozna Singapore Pte Ltd
Director	Kazuo Tsukahara	
Director	Naomi Aoyama	Representative Director of style bis Inc. Outside Director of IZUMI Co., Ltd.
Director	Tadahisa Imaizumi	President & Chief Operating Officer of PLUS Corporation Director of i&i Co., Ltd.
Director	Hironori Koshimizu	General Manager, Business Promotion Division, Commerce Company of LY Corporation
Audit & Supervisory Board Member (full-time)	Toshio Imamura	
Audit & Supervisory Board Member	Yoshitaka Asaeda	Director of Yoshitaka Asaeda CPA Office Outside Auditor of WingArc1st Inc. Outside Director of Shimane Bank Ltd.
Audit & Supervisory Board Member	Miyuki Nakagawa	Representative of Kousui Law Office Professor of Chuo Law School, Chuo University Outside Director of NITTO KOGYO CORPORATION Outside Director of Nissan Chemical Corporation Outside Audit & Supervisory Board Member of FANCL CORPORATION Outside Audit & Supervisory Board Member of SBI Shinsei Bank, Limited

- (Notes)
1. Directors Yumiko Ichige, Genri Goto, Kazuo Tsukahara, and Naomi Aoyama are Outside Directors.
  2. Audit & Supervisory Board Members Yoshitaka Asaeda and Miyuki Nakagawa are Outside Audit & Supervisory Board Members.
  3. Mr. Yoshitaka Asaeda, an Audit & Supervisory Board Member, is a certified public accountant and has considerable knowledge of financing and accounting.
  4. The Company has registered Ms. Yumiko Ichige, Mr. Genri Goto, Mr. Kazuo Tsukahara, Ms. Naomi Aoyama, Mr. Yoshitaka Asaeda, and Ms. Miyuki Nakagawa with the Tokyo Stock Exchange as Independent Officers as stipulated in Article 436-2 of the Securities Listing Regulations of the Exchange.
  5. Mr. Takao Ozawa retired from the position of Director at the conclusion of the 60th Annual General Meeting of Shareholders held on August 4, 2023.

## (2) Outline of agreement to limit liability

The Company and its Directors (excluding executive Directors, etc.) and Audit & Supervisory Board Members have concluded agreements to limit the liability for damages under Article 423, Paragraph 1 of the Companies Act, pursuant to the provisions of Article 427, Paragraph 1 of the same Act. An outline of each agreement concluded to limit liability is as follows.

### **a. An agreement to limit liability for Directors (excluding executive Directors, etc.)**

In the event that Directors (excluding executive Directors, etc.) damage the Company as a result of failing in the execution of their responsibilities, if they have performed their duties in good faith and without gross negligence, they shall be liable for damages limited to 30 million yen or the minimum amount stipulated in Article 425, Paragraph 1 of the Companies Act, whichever is higher.

The Company has entered into agreements with Ms. Yumiko Ichige, Mr. Genri Goto, Mr. Kazuo Tsukahara, Ms. Naomi Aoyama, Mr. Tadahisa Imaizumi, and Mr. Hironori Koshimizu to limit their liability.

### **b. An agreement to limit liability for Audit & Supervisory Board Members**

In the event that Audit & Supervisory Board Members damage the Company as a result of failing in the execution of their responsibilities, if they have performed their duties in good faith and without gross negligence, they shall be liable for damages limited to the minimum amount stipulated in Article 425, Paragraph 1 of the Companies Act.

The Company has entered into agreements with Mr. Toshio Imamura, Mr. Yoshitaka Asaeda, and Ms. Miyuki Nakagawa to limit their liability.

## (3) Outline of contents of a directors and officers liability insurance agreement

The Company has entered into a directors and officers liability insurance agreement with an insurance company, pursuant to the provisions of Article 430-3, Paragraph 1 of the Companies Act. The insurance agreement will cover Directors, Audit & Supervisory Board Members, Executive Officers, and employees in management positions at the Company and its subsidiaries within the scope of the insured, and the insured will not bear responsibility for paying the insurance premiums. The insurance agreement will cover damages that may arise due to the insured persons assuming liability for their execution of duties or receiving a claim for the pursuit of such liability during the insurance period.

However, in order to ensure that the appropriateness of the execution of business by the insured remains unimpaired, there are certain exclusions, such as coverage not being provided for damages arising from actions taken by the insured with the knowledge that they were in violation of laws and regulations.



#### (4) Compensation, etc. for Directors and Audit & Supervisory Board Members for the fiscal year under review

##### 1) Matters concerning the policies for determining the details of compensation, etc. for individual Directors

The amount of annual monetary compensation for the Company's Directors is determined by taking into consideration market levels, corporate performance, and individual performance. The amount of annual monetary compensation for Directors, excluding Outside Directors, consists of basic compensation (monthly compensation) as a fixed portion and performance-linked compensation, with basic compensation determined on an individual basis, reflecting market levels and expected roles. Regarding performance-linked compensation, consolidated EBITDA is used as an indicator for performance evaluation, and the total amount of annual monetary compensation is determined by multiplying the annual target achievement rate by the individual evaluation and subtracting the basic compensation as the fixed portion from that amount, which is paid as performance-linked compensation within the limit of the total compensation for executives. The amount of performance-linked compensation for each fiscal year is calculated by setting the lower and upper limits for the total amount of annual monetary compensation within a range of +/-15% (achievement rate between 85% and 115%) of the annual target achievement rate of consolidated EBITDA for the fiscal year preceding each fiscal year, and subtracting the basic compensation (fixed portion) from the amount obtained by multiplying the total annual monetary compensation determined in proportion to this achievement rate by the individual's evaluation for the previous year for each fiscal year. The actual consolidated EBITDA for the previous fiscal year, which was the basis for calculating the performance-linked compensation for the fiscal year under review, was 21.7 billion yen (target achievement rate of 96.9%), which was paid at 69% of the upper limit. The reason for adopting consolidated EBITDA as an indicator for performance evaluation is that the Company aims to secure profits while actively executing the necessary investments to ensure the Group's sustainable growth and enhance its corporate value. The Company does not fix the ratio of performance-linked compensation to total compensation, instead adopting a design in which the ratio of performance-linked compensation for Directors (excluding Outside Directors) increases as the Company's consolidated annual performance exceeds targets.

In addition, the Company has introduced a "restricted stock compensation (performance provisos)" plan to promote the further sharing of value with shareholders as an incentive to sustainably enhance its corporate value. Upon conferring restricted stock compensation (performance provisos), the Company's basic policy is to make the achievement of certain performance conditions a requirement for lifting the transfer restrictions, so that Directors can achieve loftier goals and contribute to the significant growth of the Group. The amount and the number of shares of restricted stock compensation (performance provisos) conferred shall be determined by the Board of Directors after deliberation by the Nomination and Compensation Committee based on an amount equivalent to 15% of the monthly compensation (annual amount), taking into consideration factors such as positions, expected roles, and share price trends.

Restricted stock compensation (performance provisos) conferred on Directors for the fiscal year ended May 20, 2024 is as follows. Effective from the fiscal year ended May 20, 2024, in addition to the existing restricted stock compensation (performance provisos), the Company has granted a restricted stock compensation (ESG provisos) in order to make the achievement of ESG targets even more effective.

The reason for adopting consolidated net sales and consolidated operating profit as the performance figures for the performance provisos is that the Company aims to enhance its corporate value over the medium to long term as well as achieve the Medium-Term Management Plan. Regarding the targets for the ESG provisos, the Company sets forth its important themes in the E (Environment), S (Social), and G (Governance) aspects, and these indicators will be reviewed annually.

The Company only pays basic compensation to Outside Directors and Audit & Supervisory Board Members from the viewpoint of their roles and independence.

[Details of the restricted stock compensation (performance provisos)]

##### (1) Restricted transfer period

From August 31, 2023 to August 30, 2026

##### (2) Performance conditions (achievement of either of the conditions listed in (a) and (b) below in the performance figures shown in the Annual Securities Report or the full-year financial statements submitted by the Company for the fiscal year ended May 20, 2024, the third year of the Medium-Term Management Plan announced in July 2021)

(a) Consolidated net sales exceeds 482.0 billion yen.

(b) Consolidated operating profit exceeds 16.5 billion yen.



The results for the fiscal year under review (fiscal year ended on May 20, 2024) regarding the above performance conditions were (a) consolidated net sales of 471.6 billion yen and (b) consolidated operating profit of 16.9 billion yen, achieved the performance conditions.

[Details of the restricted stock compensation (ESG provisos)]

(1) Restricted transfer period

From August 31, 2023 to August 30, 2026

(2) ESG conditions (achievement of three or more of the five items listed below that are related to the materiality (important issues) set forth by the Company. The ESG items to be used as evaluation indicators will be reviewed annually.)

(a) Achievement of the target of reducing the number of deliveries (target for orders per box) through an increase in the number of products per box for one-year period for the fiscal year ended May 20, 2024

(b) Achievement of the target number of customers (the number of user IDs) purchasing products with environmental scores for one-year period for the fiscal year ended May 20, 2024

(c) Achievement of the overall score target (67.8 points or higher) in the engagement surveys conducted for the fiscal year ended May 20, 2024

(d) Achievement of the target ratio of female managers (26.0%) as of the end of the fiscal year ended May 20, 2024

(e) Achievement of a governance score higher than the previous year (4.0 or higher) in the evaluation conducted by an external organization (FTSE) for the fiscal year ended May 20, 2024

2) Matters concerning resolutions of the general meeting of shareholders regarding compensation, etc. of Directors and Audit & Supervisory Board Members

The maximum amount of compensation of Directors was resolved at the 53rd Annual General Meeting of Shareholders held on August 3, 2016 to be no more than 800 million yen per annum (however, not including salaries for employees; the number of Directors at the conclusion of such Annual General Meeting of Shareholders was 10). In addition, at the 60th Annual General Meeting of Shareholders held on August 4, 2023, the total amount of monetary compensation claims to be paid to Directors as compensation, etc. related to restricted stock was resolved to be no more than 160 million yen per annum (including no more than 40 million yen per annum for Outside Directors; the number of Directors at the conclusion of such Annual General Meeting of Shareholders was 10, including 4 Outside Directors), and the total number of shares of common stock of the Company to be granted was resolved to be no more than 100,000 shares per annum, within such compensation limit (800 million yen per annum).

The maximum amount of compensation for Audit & Supervisory Board Members was resolved at the 38th Annual General Meeting of Shareholders held on August 10, 2001 to be no more than 80 million yen per annum (the number of Audit & Supervisory Board Members at the conclusion of such Annual General Meeting of Shareholders was 4).

3) Matters concerning the method of determining the details of compensation, etc. for individual Directors

The Company has established the Nomination and Compensation Committee as a voluntary, permanent advisory body to the Board of Directors for the purpose of contributing to the building of an appropriate management structure and ensuring management transparency.

The policies on compensation of Directors are deliberated by the Nomination and Compensation Committee and determined by the Board of Directors.

The amount of individual compensation for Directors is determined by resolution of the Board of Directors after deliberation by the Nomination and Compensation Committee, respecting the opinions of the Nomination and Compensation Committee.

The Nomination and Compensation Committee is an advisory body to the Board of Directors and consists of all Independent Outside Directors and CEO, and provides reports to the Board of Directors on matters related to the election and dismissal of Directors, Audit & Supervisory Board members, and other key officers and employees, the main areas of responsibilities of Directors (including the selection of Representative Directors), basic policies on compensation, and individual compensation. The Nomination and Compensation Committee met 18 times during the fiscal year under review to deliberate on policies on compensation of Directors and other matters.

In determining the details of compensation for individual directors, etc., the Nomination and Compensation Committee deliberates and reports to the Board of Directors, and the Board of Directors

fully respects the report of the Nomination and Compensation Committee in making its decisions, and therefore, the Company believes that the details of such compensation are in line with the policies for determination.

4) Total amount of compensation, etc., for Directors and Audit & Supervisory Board Members

Category	Total amount of compensation, etc.	Total amount of compensation, etc., by category			Number of eligible officers
		Basic compensation	Performance-linked compensation, etc.	Non-monetary compensation, etc.	
Directors [of which, Outside Directors]	180 million yen [53 million yen]	134 million yen [53 million yen]	36 million yen [-]	9 million yen [-]	8 [4]
Audit & Supervisory Board Members [of which, Outside Audit & Supervisory Board Members]	48 million yen [26 million yen]	48 million yen [26 million yen]	- million yen [-]	- million yen [-]	3 [2]

- (Notes)
1. As of the end of the fiscal year under review, the number of Directors is 10 (including 4 Outside Directors) and the number of Audit & Supervisory Board Members is 3 (including 2 Outside Audit & Supervisory Board Members). The number of eligible Directors does not include 2 Directors with no compensation.
  2. Total amount of compensation, etc., for Directors does not include employee salaries of Directors who concurrently serve as employees.
  3. The total amount of non-monetary compensation, etc., for Directors (excluding Outside Directors) consists of restricted stock compensation and the amount of ¥9 million recorded as expenses for the fiscal year under review. The details of said stock compensation and the status of stock granted is as stated in “II. Status of the Company 1. Status of stock.”

(5) Matters concerning outside officers

1) Status of key concurrent positions at other companies, etc., and relationship between the Company and said other companies, etc. (As of May 20, 2024)

Category	Name	Companies, etc. of key concurrent positions	Description of key concurrent positions	Relationship with the Company
Director	Yumiko Ichige	Nozomi Sogo Attorneys at Law	Partner	(Note 1)
		Idemitsu Kosan Co., Ltd.	Outside Audit & Supervisory Board Member	(Note 1)
Director	Genri Goto	Kotozna, Inc. Kotozna (China Office) Kotozna Singapore Pte Ltd	CEO Chairman Managing Director	(Note 1) (Note 2) (Note 2)
Director	Naomi Aoyama	style bis Inc. IZUMI Co., Ltd.	Representative Director Outside Director	(Note 1) (Note 1)
Audit & Supervisory Board Member	Yoshitaka Asaeda	Yoshitaka Asaeda CPA Office	Director	(Note 1)
		WingArc1st Inc. Shimane Bank Ltd.	Outside Auditor Outside Director	(Note 3) (Note 1)
Audit & Supervisory Board Member	Miyuki Nakagawa	Kousui Law Office	Representative	(Note 1)
		Chuo Law School, Chuo University	Professor	(Note 1)
		NITTO KOGYO CORPORATION	Outside Director	(Note 1)
		Nissan Chemical Corporation	Outside Director	(Note 1)
		FANCL CORPORATION	Outside Audit & Supervisory Board Member	(Note 4)
		SBI Shinsei Bank, Limited	Outside Audit & Supervisory Board Member	(Note 1)

- (Notes) 1. Although there are past records of sales of the Company's products, there are no other special relationships.
2. There are no special relationships.
3. Although there are transactions related to system usage and past records of sales of the Company's products, there are no other special relationships.
4. Although there are continuous purchase transactions of products and past records of sales of the Company's products, there are no other special relationships.

2) Status of key activities of outside officers

Category	Name	Status of key activities
Director	Yumiko Ichige	Yumiko Ichige attended 16 of the 16 meetings of the Board of Directors held in the fiscal year under review. In addition to her highly specialized expertise and work experience in the fields of corporate governance, compliance, and intellectual property, she possesses experience and a solid track record as an outside officer at multiple companies. Based on this perspective, she is expected to serve a role in ensuring the appropriateness of business execution, and has appropriately fulfilled the roles expected as an Outside Director by providing advice and proposals from an objective and specialized perspective in regard to decisions of the Board of Directors. In addition, she attended 17 of the 18 meetings of the voluntary Nomination and Compensation Committee as a member, and provides statements considering diversity from an independent standpoint.
	Genri Goto	Genri Goto attended 16 of the 16 meetings of the Board of Directors held in the fiscal year under review. He has been involved in the management of an online sales business for many years and possesses extensive work experience and advanced insights and knowledge in the e-commerce field and the digital services field. Based on this perspective, he is expected to serve a role in ensuring the appropriateness of business execution, and has appropriately fulfilled the roles expected as an Outside Director by providing advice and proposals from an objective and specialized perspective in regard to decisions of the Board of Directors. In addition, he attended 18 of the 18 meetings of the voluntary Nomination and Compensation Committee as a member, and provides statements based on his extensive management experience from an independent standpoint.
	Kazuo Tsukahara	Kazuo Tsukahara attended 16 of the 16 meetings of the Board of Directors held in the fiscal year under review. He has been involved in the management of a heavy industrial manufacturer with global operations and possesses extensive experience and a solid track record regarding corporate management. Based on this perspective, he is expected to serve a role in ensuring the appropriateness of business execution, and has appropriately fulfilled the roles expected as an Outside Director by providing advice and proposals from an objective and specialized perspective in regard to decisions of the Board of Directors. In addition, he attended 18 of the 18 meetings of the voluntary Nomination and Compensation Committee as its chairperson and leads the active dialogue of the committee from an independent standpoint.
	Naomi Aoyama	Naomi Aoyama attended 16 of the 16 meetings of the Board of Directors held in the fiscal year under review. She possesses advanced expertise and extensive experience through serving as an advisor related to corporate social media management and e-commerce. Based on this perspective, she is expected to serve a role in ensuring the appropriateness of business execution, and has appropriately fulfilled the roles expected as an Outside Director by providing advice and proposals from an objective and specialized perspective in regard to decisions at the Board of Directors' meetings. In addition, she attended 18 of the 18 meetings of the voluntary Nomination and Compensation Committee as a member, and provides statements considering diversity from an independent standpoint.
Audit & Supervisory Board Member	Yoshitaka Asaeda	Yoshitaka Asaeda attended 16 of the 16 meetings of the Board of Directors and 15 of the 15 meetings of the Audit & Supervisory Board held in the fiscal year under review. He provides statements based on his work experience and expertise as a CPA.
	Miyuki Nakagawa	Miyuki Nakagawa attended 16 of the 16 meetings of the Board of Directors and 15 of the 15 meetings of the Audit & Supervisory Board held in the fiscal year under review. She provides statements based on her extensive experience in legal circles.

#### 4. Status of Accounting Auditor

(1) Name: Deloitte Touche Tohmatsu LLC

##### (2) Amount of compensation, etc.

Amount of compensation, etc., for the Accounting Auditor for the fiscal year under review 43 million yen

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Total amount of cash and other assets to be paid to the Accounting Auditor by the Company and subsidiaries 43 million yen

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- (Notes) 1. Since the audit contract between the Company and the Accounting Auditor does not clearly distinguish between the amount of compensation, etc., for audits based on the Companies Act and the amount of compensation, etc., for audits based on the Financial Instruments and Exchange Act and it is also not practicable to distinguish them, the sum of these amounts is shown as the total amount of compensation etc. for Accounting Auditor for the fiscal year under review.
2. The Audit & Supervisory Board, based on the “Practical Guidelines for Cooperation with Accounting Auditor” published by the Japan Audit & Supervisory Board Members Association, confirmed and deliberated the details of the audit plan of the Accounting Auditor, the status of the execution of audit, the basis for the calculation of the compensation estimates, and other matters. As a result, the Audit & Supervisory Board agreed to the compensation, etc. for the Accounting Auditor.

##### (3) Content of non-audit operations

No applicable items.

##### (4) Policy on determining dismissal or non-reappointment of Accounting Auditor

The Audit & Supervisory Board shall dismiss the Accounting Auditor with the unanimous consent of all members of the Audit & Supervisory Board if the Accounting Auditor is deemed to fall under the items of Article 340, Paragraph 1 of the Companies Act.

In addition, if the Audit & Supervisory Board evaluates the status of execution of the Accounting Auditor’s duties, etc. and finds it necessary to change the Accounting Auditor, such as when recognizing that the Accounting Auditor’s appropriate performance of its duties is impaired, the Audit & Supervisory Board shall determine a proposal related to dismissal or non-reappointment of the Accounting Auditor to be submitted to the General Meeting of Shareholders.

##### (5) Matters regarding audits of subsidiaries

Certain consolidated subsidiaries of the Company are audited by auditing firms other than the Company’s Accounting Auditor.

### III. System and Policies of the Company

“Systems to Ensure the Appropriateness of Operations,” “Operational Status of Systems to Ensure the Appropriateness of Operations,” and “Policy for Determining Dividends of Surplus, etc.” are posted on the Company’s website on the Internet (Japanese only; <https://www.askul.co.jp/corp/investor/library/agm/>) in accordance with laws and regulations as well as Article 17 of the Articles of Incorporation of the Company.

# Consolidated Financial Statements

## Consolidated Balance Sheet (As of May 20, 2024)

(Millions of yen)

Item	Amount	Item	Amount
<b>(Assets)</b>		<b>(Liabilities)</b>	
<b>Current assets</b>	<b>167,994</b>	<b>Current liabilities</b>	<b>120,893</b>
Cash and deposits	61,744	Notes and accounts payable-trade	59,078
Trade receivables and contract assets	53,878	Electronically recorded obligations - operating	26,007
Merchandise and finished goods	23,021	Short-term borrowings	380
Raw materials and supplies	334	Current portion of long-term borrowings	4,103
Costs on construction contracts in progress	62	Lease liabilities	3,362
Accounts receivable - other	26,194	Accounts payable - other	14,921
Other	2,790	Income taxes payable	7,420
Allowance for doubtful accounts	(32)	Accrued consumption taxes	2,226
<b>Non-current assets</b>	<b>75,068</b>	Provision for bonuses	419
<b>Property, plant and equipment</b>	<b>32,493</b>	Other	2,973
Buildings and structures	5,152	<b>Non-current liabilities</b>	<b>40,832</b>
Machinery, equipment and vehicles	2,088	Long-term borrowings	13,237
Land	257	Lease liabilities	15,058
Leased assets	16,834	Retirement benefit liability	4,853
Construction in progress	6,965	Asset retirement obligations	3,199
Other	1,194	Deferred tax liabilities	2,573
<b>Intangible assets</b>	<b>31,365</b>	Other	1,909
Software	16,475	<b>Total liabilities</b>	<b>161,725</b>
Software in progress	2,340	<b>(Net assets)</b>	
Goodwill	4,996	<b>Shareholders' equity</b>	<b>78,116</b>
Customer-related intangible assets	7,542	Share capital	21,233
Other	11	Capital surplus	14,940
<b>Investments and other assets</b>	<b>11,208</b>	Retained earnings	43,750
Investment securities	159	Treasury shares	(1,807)
Long-term prepaid expenses	190	<b>Accumulated other comprehensive income</b>	<b>145</b>
Guarantee deposits	6,484	Remeasurements of defined benefit plans	145
Deferred tax assets	4,353	<b>Share acquisition rights</b>	<b>0</b>
Other	822	<b>Non-controlling interests</b>	<b>3,073</b>
Allowance for doubtful accounts	(800)	<b>Total net assets</b>	<b>81,336</b>
<b>Total assets</b>	<b>243,062</b>	<b>Total liabilities and net assets</b>	<b>243,062</b>

## Consolidated Statement of Income (May 21, 2023 – May 20, 2024)

(Millions of yen)

Item	Amount	
<b>Net sales</b>		<b>471,682</b>
<b>Cost of sales</b>		<b>354,180</b>
<b>Gross profit</b>		<b>117,502</b>
<b>Selling, general and administrative expenses</b>		<b>100,549</b>
<b>Operating profit</b>		<b>16,953</b>
<b>Non-operating income</b>		
Interest income	40	
Subsidy income	54	
Other	68	163
<b>Non-operating expenses</b>		
Interest expenses	392	
Other	45	438
<b>Ordinary profit</b>		<b>16,677</b>
<b>Extraordinary income</b>		
Gain on sale of non-current assets	4	
Gain on sale of investment securities	0	
Compensation for damage income	11,862	
Other	5	11,872
<b>Extraordinary losses</b>		
Impairment losses	13	
Loss on sale of non-current assets	0	
Loss on retirement of non-current assets	44	
Settlement on contract	48	
Other	11	119
<b>Profit before income taxes</b>		<b>28,431</b>
Income taxes-current	9,322	
Income taxes-deferred	(365)	8,957
<b>Profit</b>		<b>19,473</b>
Profit attributable to non-controlling interests		334
<b>Profit attributable to owners of parent</b>		<b>19,139</b>

## Non-consolidated Financial Statements

### Non-consolidated Balance Sheet (As of May 20, 2024)

(Millions of yen)

Item	Amount	Item	Amount
<b>(Assets)</b>		<b>(Liabilities)</b>	
<b>Current assets</b>	<b>136,037</b>	<b>Current liabilities</b>	<b>104,451</b>
Cash and deposits	46,284	Accounts payable – trade	46,957
Accounts receivable - trade	42,091	Electronically recorded obligations - operating	26,007
Merchandise	18,215	Current portion of long-term borrowings	3,909
Prepaid expenses	1,511	Lease liabilities	2,878
Accounts receivable - other	27,197	Accounts payable - other	13,993
Other	752	Income taxes payable	6,799
Allowance for doubtful accounts	(16)	Accrued consumption taxes	1,667
		Other	2,237
<b>Non-current assets</b>	<b>77,260</b>		
<b>Property, plant and equipment</b>	<b>27,466</b>	<b>Non-current liabilities</b>	<b>32,270</b>
Buildings	3,401	Long-term borrowings	11,325
Machinery and equipment	1,564	Lease liabilities	13,037
Tools, furniture and fixtures	985	Retirement benefit liability	3,361
Leased assets	14,542	Asset retirement obligations	2,666
Construction in progress	6,929	Other	1,880
Other	42	<b>Total liabilities</b>	<b>136,722</b>
<b>Intangible assets</b>	<b>15,941</b>	<b>(Net assets)</b>	
Software	14,699	<b>Shareholders' equity</b>	<b>76,576</b>
Software in progress	1,235	<b>Share capital</b>	<b>21,233</b>
Other	5	<b>Capital surplus</b>	<b>13,725</b>
<b>Investments and other assets</b>	<b>33,852</b>	Legal capital surplus	13,713
Investment securities	142	Other capital surplus	11
Shares of subsidiaries and associates	21,587	<b>Retained earnings</b>	<b>43,425</b>
Long-term loans receivable from subsidiaries and associates	2,748	Legal retained earnings	10
Guarantee deposits	5,850	Other retained earnings	43,414
Deferred tax assets	3,385	Retained earnings brought forward	43,414
Other	880	<b>Treasury shares</b>	<b>(1,807)</b>
Allowance for doubtful accounts	(742)	<b>Total net assets</b>	<b>76,576</b>
<b>Total assets</b>	<b>213,298</b>	<b>Total liabilities and net assets</b>	<b>213,298</b>



## Non-consolidated Statement of Income (May 21, 2023 – May 20, 2024)

(Millions of yen)

Item	Amount	
<b>Net sales</b>		<b>389,626</b>
<b>Cost of sales</b>		
Beginning inventory of merchandise	16,743	
Cost of purchased merchandise	288,830	
Total	305,573	
Transfer to other account	69	
Ending inventory of merchandise	18,215	287,288
<b>Gross profit</b>		<b>102,337</b>
<b>Selling, general and administrative expenses</b>		<b>87,341</b>
<b>Operating profit</b>		<b>14,996</b>
<b>Non-operating income</b>		
Interest income	82	
Dividend income	643	
Rental income	4	
Other	50	780
<b>Non-operating expenses</b>		
Interest expenses	316	
Loss on sale of receivables	10	
Other	27	354
<b>Ordinary profit</b>		<b>15,422</b>
<b>Extraordinary income</b>		
Compensation for damage income	11,862	
Other	5	11,867
<b>Extraordinary losses</b>		
Impairment losses	13	
Loss on retirement of non-current assets	35	
Other	1	51
<b>Profit before income taxes</b>		<b>27,239</b>
Income taxes-current	8,183	
Income taxes-deferred	(13)	8,170
<b>Profit</b>		<b>19,069</b>

## Audit Report

### Audit Report by the Accounting Auditor for the Consolidated Financial Statements

Independent Auditor's Report  
(English Translation)

June 27, 2024

To the Board of Directors  
ASKUL Corporation

Tokyo Office,  
Deloitte Touche Tohmatsu LLC

Designated Limited Liability Partner,  
Engagement Partner,  
Certified Public Accountant:

\_\_\_\_\_  
Hiroyuki Kobayashi

Designated Limited Liability Partner,  
Engagement Partner,  
Certified Public Accountant:

\_\_\_\_\_  
Osamu Hattori

#### **Opinion**

Pursuant to Article 444, Paragraph 4 of the Companies Act, we have audited the consolidated financial statements, namely, the consolidated balance sheet as of May 20, 2024, of ASKUL Corporation (the "Company") and consolidated subsidiaries, and the related consolidated statements of income and changes in net assets for the fiscal year from May 21, 2023, to May 20, 2024, and the related notes.

In our opinion, the above-mentioned consolidated financial statements, in conformity with accounting principles generally accepted in Japan, present fairly, in all material respects, the financial position and results of operations of the corporate group, which consists of the Company and its consolidated subsidiaries, for the period covered by the consolidated financial statements.

#### **Basis for the Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for the Audit of the Consolidated Financial Statements." We are independent of the Company and its consolidated subsidiaries in accordance with the provisions related to professional ethics in Japan and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

#### **Other Information**

The other information comprises the Business Report and its supplemental schedules. Management is responsible for the preparation and disclosure of the other information. Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process of the other information.

Our audit opinion on the consolidated financial statements does not cover the other information, and we do not provide an opinion on the other information.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

## **Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements in conformity with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements in accordance with a going concern assumption. If it is necessary to disclose matters relating to the going concern assumption in accordance with accounting principles generally accepted in Japan, management is responsible to do so.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

## **Auditor's Responsibility for the Audit of the Consolidated Financial Statements**

The auditor's responsibility is to express an opinion on these consolidated financial statements based on its audit from an independent standpoint in an audit report, by obtaining reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement due to fraud or error. Misstatements can occur as a result of fraud or error and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the consolidated financial statements.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the consolidated financial statements on the going concern assumption and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the consolidated financial statements in the audit report, or if the notes to the consolidated financial statements pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the consolidated financial statements. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.
- Besides assessing whether the presentation of and notes to the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure, and content of the consolidated financial statements including related notes, and whether the consolidated financial statements fairly present the transactions and accounting events on which they are based.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries in order to express an opinion on the consolidated financial statements. The auditor is responsible for instructing, supervising, and implementing the audit of the consolidated financial statements, and is solely responsible for the audit opinion.

The auditor reports to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.

The auditor reports to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence and any measures in place to eliminate obstacles or safeguards applied to reduce obstacles to an acceptable level.

**Interest**

Our firm and the engagement partners do not have any interest in the Company or its consolidated subsidiaries, for which disclosure is required under the provisions of the Certified Public Accountants Act.

The above represents a translation, for convenience only, of the original report issued in the Japanese language.

## Audit Report by the Accounting Auditor for the Non-consolidated Financial Statements

### Independent Auditor's Report (English Translation)

June 27, 2024

To the Board of Directors  
ASKUL Corporation

Tokyo Office,  
Deloitte Touche Tohmatsu LLC

Designated Limited Liability Partner,  
Engagement Partner,  
Certified Public Accountant:

\_\_\_\_\_  
Hiroyuki Kobayashi

Designated Limited Liability Partner,  
Engagement Partner,  
Certified Public Accountant:

\_\_\_\_\_  
Osamu Hattori

### **Opinion**

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the financial statements, namely, the balance sheet, the statement of income, the statement of changes in net assets and the related notes, and the supplementary schedules (the "Financial Statements, etc.") of ASKUL Corporation (the "Company") for the 61st fiscal year from May 21, 2023, to May 20, 2024, and the related notes.

In our opinion, the above-mentioned Financial Statements, etc., present fairly, in all material respects, the financial position and results of operations of the Company for the period covered by the Financial Statements, etc. in conformity with accounting principles generally accepted in Japan.

### **Basis for the Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for the Audit of the Financial Statements, etc." We are independent of the Company in accordance with the provisions related to professional ethics in Japan and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

### **Other Information**

The other information comprises the Business Report and its supplemental schedules. Management is responsible for the preparation and disclosure of the other information. Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process of the other information.

Our audit opinion on the financial statements does not cover the other information, and we do not provide an opinion on the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

### **Responsibilities of Management, Audit & Supervisory Board Members, and the Audit & Supervisory Board for the Financial Statements, etc.**

Management is responsible for the preparation and fair presentation of the Financial Statements, etc. in conformity with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of the Financial Statements, etc. that are free from material misstatement, whether due to fraud or error.

In preparing Financial Statements, etc., management is responsible for assessing whether it is appropriate to prepare the Financial Statements, etc. in accordance with a going concern assumption. If it is necessary to disclose matters relating to the going concern assumption in accordance with accounting principles generally accepted in Japan, management is responsible to do so.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

#### **Auditor's Responsibility for the Audit of the Financial Statements, etc.**

The auditor's responsibility is to express an opinion on the Financial Statements, etc. based on its audit from an independent standpoint in an audit report, by obtaining reasonable assurance about whether the Financial Statements, etc. as a whole are free from material misstatement due to fraud or error. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the Financial Statements, etc.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the Financial Statements, etc. on the going concern assumption and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the Financial Statements, etc. in the audit report, or if the notes to the Financial Statements, etc. pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the Financial Statements. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.
- Besides assessing whether the presentation of and notes to the Financial Statements, etc. are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure, and content of the Financial Statements, etc. including related notes, and whether the Financial Statements, etc. fairly present the transactions and accounting events on which they are based.

The auditor reports to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.

The auditor reports to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence and any measures in place to eliminate obstacles or safeguards applied to reduce obstacles to an acceptable level.

#### **Interest**

Our firm and the engagement partners do not have any interest in the Company, for which disclosure is required under the provisions of the Certified Public Accountants Act.

The above represents a translation, for convenience only, of the original report issued in the Japanese language.

## Audit Report by the Audit & Supervisory Board

### Audit Report

Regarding the performance of duties by Directors for the 61st fiscal year, which began May 21, 2023, and ended May 20, 2024, the Audit & Supervisory Board of ASKUL Corporation (the “Company”) hereby submits its audit report, which has been prepared through discussions based on the audit reports prepared by the respective Audit & Supervisory Board Members.

#### 1. Auditing Methods Employed by Audit & Supervisory Board Members and the Audit & Supervisory Board and the Substance Thereof

- (1) The Audit & Supervisory Board determined auditing policies, division of duties and other guidelines; received reports about the progress and results of audits from each Audit & Supervisory Board Member; received reports on the execution of duties of Directors and the Accounting Auditor; and requested explanations therefrom, as required.
- (2) In compliance with the audit standards specified by the Audit & Supervisory Board and based on the auditing policies, division of duties and other guidelines, each Audit & Supervisory Board Member has communicated with Directors and other relevant personnel of the internal audit department and others to collect necessary information and improve the auditing environment, and, at the same time, conducted his/her audit in the following manner.
  - 1) Each Audit & Supervisory Board Member has attended the meetings of the Board of Directors and other important meetings; received reports on the execution of duties from Directors and other relevant personnel; requested explanations therefrom, as required; examined important authorized documents and associated information; and studied the operations and financial position at the headquarters and principal offices. Moreover, the Audit & Supervisory Board Members have communicated and exchanged information with Directors, Audit & Supervisory Board Members and other relevant personnel of the subsidiaries and received reports on operations therefrom, as required.
  - 2) The Audit & Supervisory Board regularly received reports from Directors and other relevant personnel about the status of establishment and operation of structures (internal control systems) that are maintained based on the Board of Directors resolutions, pursuant to Article 100, Paragraphs 1 and 3 of the Companies Act enforcement regulations as essential for ensuring the execution of duties by Directors described in the business report conforms with laws and regulations as well as the Company’s Articles of Incorporation and for otherwise ensuring proper business conduct by the conglomerate consisting of the Company and its subsidiaries. The Audit & Supervisory Board requested explanations when deemed necessary and Audit & Supervisory Board Members expressed their opinions.
  - 3) While supervising whether or not the Accounting Auditor is maintaining an independent standpoint and implementing appropriate audits, reports were received from the Accounting Auditor on the status of execution of duties, and explanations were requested as required. Additionally, notification was received from the Accounting Auditor that “Systems to Secure the Appropriateness of Operations” (matters in each item of Article 131 of the Regulations for Corporate Accounting) were being maintained in accordance with “Quality Management Standards Regarding Audits” (Business Accounting Council), and explanations were requested as required.

Based on the methods above, the Business Report, accompanying supplementary schedules, Non-consolidated Financial Statements (Non-consolidated Balance Sheet, Non-consolidated Statement of Income, Non-consolidated Statements of Changes in Net Assets, and Notes to the Non-consolidated Financial Statements) and accompanying supplementary schedules, Consolidated Financial Statements (Consolidated Balance Sheet, Consolidated Statement of Income, and Consolidated Statements of Changes in Net Assets, and Notes to the Consolidated Financial Statements) were evaluated.

#### 2. Results of Audit

- (1) Audit results for the Business Report, etc.
  - 1) The Business Report and accompanying supplementary schedules are in compliance with laws and regulations and accurately reflect the status of the Company.
  - 2) There are no inappropriate actions regarding the execution of duties by Directors and significant facts that are in violation of laws and regulations or the Articles of Incorporation.
  - 3) The content of resolutions by the Board of Directors regarding internal control systems are appropriate. Additionally, there are no matters of note concerning the content of information provided in the Business Report regarding said internal control systems nor the execution of duties by Directors.
- (2) Audit results for the Non-consolidated Financial Statements and accompanying supplementary schedules  
The methods and results of audits performed by Deloitte Touche Tohmatsu LLC, the Accounting Auditor, are appropriate.
- (3) Audit results for the Consolidated Financial Statements and accompanying supplementary schedules  
The methods and results of audits performed by Deloitte Touche Tohmatsu LLC, the Accounting Auditor, are appropriate.

June 29, 2024

#### **Audit & Supervisory Board, ASKUL Corporation**

Audit & Supervisory Board Member (Full-time)	Toshio Imamura
Audit & Supervisory Board Member	Yoshitaka Asaeda
Audit & Supervisory Board Member	Miyuki Nakagawa

(Note) Audit & Supervisory Board Members Yoshitaka Asaeda and Miyuki Nakagawa are Outside Audit & Supervisory Board Members as stipulated by Article 2, Item 16 and Article 335, Paragraph 3 of the Companies Act.