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Corporate Governance Report

CORPORATE GOVERNANCE ASKUL Corporation

Last Update: August 24, 2026

ASKUL Corporation

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https://www.askul.co.jp/corp/english/investor

The corporate governance of ASKUL Corporation (the "Company") is described below.

I. Basic Approach to Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information

1. Basic Approach

In line with the ASKUL WAY, comprising Our Purpose of "Continuously bringing delight to our workplace, life, the planet and tomorrow," Our Values, and Our DNA, the Company listens carefully to customers, shareholders, investors, partners, employees, and all other stakeholders throughout society with the aim of contributing to the resolution of various social issues through the ongoing creation of new, socially significant value.
To this end, the Company will strive to enhance corporate governance through more rigorous compliance management and transparent, fair, prompt, and resolute decision-making to achieve sustainable growth and enhance corporate value over the medium to long term.

Reasons for Non-compliance with the Principles of the Corporate Governance Code Updated

[This information is provided based on the Corporate Governance Code (June 2021 edition).]

[Supplemental Principle 2-4-1: Ensuring Diversity in Hiring of Core Human Resources, etc.]

(1) Ensuring diversity
Based on "Diversity and Co-Creation" as one of Our Values in the ASKUL WAY, the Company believes that diverse personnel respecting one another's differences and making effective use of their strengths leads to sustainable growth and the creation of new value.
In addition, as one of the material issues (important issues) identified based on the ASKUL WAY, the Company has set "developing human resources to strengthen sustainable corporate activities" and is working on "promoting diversity where individuals can demonstrate their abilities" and "innovation through personnel who proactively take on new challenges."

Based on this approach, the Company launched the Working Women Support Project in 2012 and issued the ASKUL Declaration of Diversity in 2015. Furthermore, in 2023, the Company clarified its "Human Resources Policy" and "Approach to Ensuring Diversity" and established the following targets.

- Human Resources Policy (a basic approach to human resources overall in areas such as hiring, development, evaluations, and compensation)

Based on the shared values of the "ASKUL WAY," it is our hope that individual employees will challenge themselves to proactively learn, co-create as diverse individuals, and create new value. We will fairly evaluate and reward any results and actions.

- Approach to Ensuring Diversity

The Company upholds "Diversity and Co-Creation" as one of the important values of "ASKUL WAY" and believes that diverse personnel respecting one another's differences and making effective use of one another's strengths leads to sustainable growth and innovation. Based on this approach, we will work to increase the ratio of female managers, and in areas including hiring, placement, development, evaluations, compensation, and workstyles, we will not discriminate based on age, gender, educational background, nationality, religion, race, ethnicity, beliefs or creed, disability, sexual orientation, gender identity, or other characteristics, promoting diversity by providing equal opportunities.

(2) Policies for human resource development and internal environmental improvements to ensure diversity
In addition, the Company has established the "Policy for human resource development to ensure diversity" and the "Policy for internal environmental improvements" to enable diverse personnel to proactively learn, co-create, and demonstrate their abilities.

- "Policy for human resource development to ensure diversity"

We will support each employee with diverse backgrounds and values in envisioning their ideal self, proactively learning, and continuing to take on challenges. In order to create an environment in which diverse personnel can play an active role, we have established human resource development meetings focused on the development of individual employees, and are systematically developing and appointing personnel by formulating organizational and appointment guidelines as well as introducing management development programs so that employees can play an active role regardless of gender or other attributes. In addition, to promote proactive learning among employees, we continue to enhance the "learning support system," which supports self-learning (subsidies for educational expenses and participation in online learning services), and to provide "internal job postings," an "internal secondary work system," external secondments, training assignments, and other opportunities for employees to broaden their individual values and perspectives and take on new challenges.
Through these initiatives, we aim to create a workplace environment in which diverse personnel can fully demonstrate their abilities and strengthen the human resource foundation that supports the sustainable enhancement of corporate value.

- "Policy for internal environmental improvements"

We will advance the development of an internal environment in which each employee can remain healthy in both mind and body, maintain high levels of motivation, and continue to take on challenges and grow while fully demonstrating their abilities.
We will also use employee surveys and other means to ascertain the state of the organization from multiple perspectives and bolster our corporate culture through continuous improvement. Our priority issues are the expansion of reskilling and career opportunities, the development of personnel systems that ensure fair evaluation and compensation, the promotion of flexible working styles, respect for diversity and the assurance of psychological safety, and the improvement of well-being and development of a workplace environment in which employees can fully demonstrate their abilities.

Through these initiatives, we will improve employee engagement and strengthen the human resource foundation aligned with our business strategy, and link these efforts to the sustainable enhancement of corporate value.

(3) Voluntary and measurable goals and the status of their achievement

(a) Please refer to the following for the target and status of achievement regarding the promotion of women to managerial positions.

・ Target: Achieve 30% female manager ratio by the end of the fiscal year ending May 20, 2029 at https://askul.disclosure.site/ja/themes/99#work03 (Japanese only)
・ Status of achievement: ESG Data at https://s3-ap-northeast-1.amazonaws.com/sustainability-cms-askul-s3/csr/data/pdf/esg_data.pdf

(b) Target and status of achievement regarding the promotion of non-Japanese employees to managerial positions

The Company hires and promotes employees based on their experience, ability, and aptitude, regardless of their nationality.
Regarding the promotion of non-Japanese employees to managerial positions, the Company's goal is to maintain and achieve the percentage of managerial positions held by non-Japanese employees corresponding to the percentage of non-Japanese employees in the Company's total number of employees.
As of the end of the fiscal year ended May 20, 2026, the ratio of non-Japanese employees to all employees was 2.3% (22 employees), and the ratio of non-Japanese employees to all managers was 0% (0 employees).
Going forward, to secure the diversity of core human resources and realize the creation of new value, the Company will focus on strengthening its recruitment of engineers and promoting global hiring to further strengthen its human resource foundation. As a leading indicator, the Company's goal is to increase the ratio of non-Japanese employees to 20% of all engineers recruited, and the actual result for the fiscal year ended May 20, 2026 was 35.7%.

(c) Target and status of achievement regarding the promotion of mid-career hires to managerial positions

Since the Company's establishment until 2012, the Company had been expanding its business only by hiring mid-career personnel, and managerial positions at that time were also filled by mid-career hires. Subsequently, the Company has promoted employees who joined the Company as new graduates from 2013 onward to managerial positions according to their ability and performance, resulting in the current management composition comprising both new graduate hires and mid-career hires.
As a result, as of the end of the fiscal year ended May 20, 2026, the composition of Executive Officers was six males and four females, with an age composition of one in his/her 30s: three in their 40s: six in their 50s. In this way, the Company is also actively promoting diversity in terms of gender and generation.
Due to the above circumstances and background, the percentage of mid-career hires in managerial positions as of the end of the fiscal year ended May 20, 2026 was 92.9%. At the same time, the Company does not manage promotions by distinguishing between new graduate hires and mid-career hires, and implements fair promotions based on ability and performance. Therefore, as of the date of the update of this Report, the Company has not set any "voluntary and measurable goals" for the promotion of "mid-career hires" to managerial positions. Going forward, the Company will continue to implement fair promotions according to experience, ability, etc. and work to build an organization in which diverse personnel can play an active role.

(d) Other indicators and targets are as follows. (All are targets for the fiscal year ending May 20, 2029.)

<Internal environmental improvements>
・ Engagement score: (Note 1)

・ Presenteeism loss: 17% or less (Note 2)

<Ensure diversity>
・ Ratio of female managers: 30%
・ Ratio of male employees taking childcare leave: 100%

(Notes) 1. We are reviewing the measurement items and calculation methods for indicators related to employee engagement in order to strengthen their alignment with personnel shifts, challenging behavior, and management transformation under the new Medium-Term Management Plan. The new indicators and target values will be disclosed sequentially after finalization.
2. An indicator (%) of declines in labor productivity and performance caused by physical or mental health issues.

Please refer to "ESG Data" on the Company's website for information on the Company's performance for each indicator.
・ESG Data at https://s3-ap-northeast-1.amazonaws.com/sustainability-cms-askul-s3/csr/data/pdf/esg_data.pdf
Please refer to the following for details on the Medium-Term Management Plan of the Company.
・Medium-Term Management Plan from the fiscal year ended May 20, 2026 to the fiscal year ending May 20, 2029 at https://www.askul.co.jp/corp/english/investor/library/mplan/

Disclosure Based on the Principles of the Corporate Governance Code Updated

[This information is provided based on the Corporate Governance Code (June 2021 edition).]

[Principle 1-4: Stocks Held for Strategic Purposes]

(1) Policies for acquisition and holding of stocks held for strategic purposes and details of verification
The Company formulated and manages the Policy on Ensuring Shareholder Rights and Equality, and as of the date of the update of this Report, holds no listed company shares for the purpose of shareholder stability, referred to as stocks held for strategic purposes.
The Company may maintain strategic shareholdings deemed important for the Group's strategic purposes, such as utilizing advanced technologies from outside the Company or strengthening relationships through business alliances.
The Board of Directors or other governing body determines whether to continue holding or dispose of all shareholdings after examining the appropriateness of said holdings.

(2) Criteria for exercise of voting rights
With regard to the exercise of voting rights for listed company shares held by the Company, the Company exercises its voting rights for each proposal based on the recognition that it is important for such listed companies to enhance their corporate value over the medium to long term and to maximize the common interests of all shareholders, including minority shareholders and the Company.
In the unlikely event that a difference of opinion arises between the two companies with respect to a proposal regarding the shares of a listed subsidiary held by the Company, the Company will promptly cooperate with independent officers of such listed subsidiary and make the final exercise of voting rights from the perspective of protecting minority shareholders. In addition, based on the belief that communication between the two companies is extremely significant in order to prevent differences in policies and views and conflicts of opinion, the Company has a policy of nominating officers and employees of ASKUL as candidates for Directors, holding regular dialogues between top management, communicating with other senior management, and closely communicating with each other down to the administrative level in the Corporate Planning Division, aiming at maximizing synergies.

The Policy on Ensuring Shareholder Rights and Equality of the Company is as follows.

○ Policy on Ensuring Shareholder Rights and Equality
1. The Company will take appropriate action in accordance with laws and regulations to ensure that the rights of shareholders are substantially secured. In addition, the Company will provide information to shareholders through (1) timely and appropriate disclosure of company information, including management-related matters and the status of business activities, in accordance with the Code of Ethics and Conduct (ASKUL Code of Conduct); (2) disclosure in English of corporate information that is required to be disclosed under the Securities Listing Regulations established by the Tokyo Stock Exchange, Inc. and that is useful to shareholders; (3) holding retail investor and institutional investor briefings; and (4) IR for overseas, etc., and will create an environment in which shareholders can exercise their rights appropriately by enabling electronic exercise of voting rights through electronic voting platform and the website for exercising voting rights operated by the shareholder registry administrator. The divisions in charge serve as contact points for minority shareholders exercising their minority shareholder rights as well as non-minority shareholders exercising their sole shareholder rights, and respond appropriately.
2. The Company recognizes that shareholders are equal in proportion to their shareholdings and ensures the substantial equality of shareholders by having an appropriate number of independent officers registered with the Tokyo Stock Exchange, Inc. who appropriately reflect the opinions of various stakeholders in the Board of Directors based on their professional knowledge and extensive experience, and in a position independent of management and major shareholders.
3. In principle, the Company holds no listed company shares for the purpose of shareholder stability, referred to as stocks held for strategic purposes, except when the Company deems it necessary for sustainable growth and medium to long term

enhancement of corporate value as part of its management strategy.
In the event that the Company decides to hold strategic shareholdings, the Board of Directors will regularly review and determine each year whether to commence or continue holding major strategic shareholdings, based on the medium to long term economic rationality and future prospects of such shareholdings in light of their return, risk, and other factors.
With respect to the exercise of voting rights pertaining to strategic shareholdings, the Company shall make a comprehensive judgment as to whether or not the purpose and content of proposals will contribute to the sustainable growth of the Company and its investees and to the enhancement of their corporate value over the medium to long term, and shall exercise its voting rights in an appropriate manner.

4. When introducing anti-takeover measures, the Company shall not, as a matter of course, aim to protect management or the Board of Directors, and the Board of Directors will carefully deliberate on the necessity and rationality of the introduction and operation of such measures, and furthermore, the Company shall make decisions based on the opinions of a "third-party committee" or similar body consisting of Outside Directors, mainly independent officers, third parties with no vested interests in the matter. If necessary, the Board of Directors will also consider implementing such measures after consulting with and obtaining approval at a General Meeting of Shareholders.
5. In accordance with Accounting Standard for Related Party Disclosures and other relevant standards, the Company will confirm the existence of related party transactions and the materiality of such transactions and will disclose any transactions that are subject to disclosure. Any conflict-of-interest transactions by Directors shall be conducted in accordance with laws and regulations and subject to the approval of the Board of Directors.

[Principle 1-7: Related Party Transactions]
The Company has formulated and managed the Policy on Ensuring Shareholder Rights and Equality, which stipulates the following.

5. In accordance with Accounting Standard for Related Party Disclosures and other relevant standards, the Company will confirm the existence of related party transactions and the materiality of such transactions and will disclose any transactions that are subject to disclosure. Any conflict-of-interest transactions by Directors shall be conducted in accordance with laws and regulations and subject to the approval of the Board of Directors.

   In May 2022, the Company newly established the Related-Party Transaction Management Regulations and built a system to carefully determine and manage the rationality of the transactions and the appropriateness/fairness of the transaction terms and conditions more than ever to ensure that the transactions with related parties do not harm the Company or the common interests of its shareholders, nor give rise to such concerns. Details are described in "2. Capital Structure, Supplementary Explanation [Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Major Shareholders]" in this Report.

[Supplemental Principle 2-4-1: Ensuring Diversity in Hiring of Core Human Resources, etc.]
The details of [Supplemental Principle 2-4-1: Ensuring Diversity in Hiring of Core Human Resources, etc.] are described in "Reasons for Non-compliance with the Principles of the Corporate Governance Code" in this Report.

[Principle 2-6: Roles of Corporate Pension Funds as Asset Owners]
The Company does not have any corporate pension funds. With the objective of creating stable asset generation for employees, the Company has implemented a corporate defined contribution retirement benefit system, and in line with the implementation of this system, the Company holds asset management seminars for employees.

[Principle 3-1: Enhancement of Information Disclosure]
The Company has formulated and managed the ASKUL Disclosure Policy, which is described below.

○ ASKUL Disclosure Policy
The Company proactively and impartially discloses information in accordance with applicable laws and regulations for shareholders and investors, including management-related matters and the status of business activities (the "Company Information").
Company Information is disclosed in a timely and appropriate manner, while ensuring accuracy at all times and, when necessary, taking into consideration the need to maintain confidentiality. In order to ensure the reliability of financial and tax accounting records and reports, the Company shall conduct accurate and proper accounting procedures in accordance with corporate accounting standards that are generally accepted as fair and appropriate, relevant laws and regulations, and internal rules, and shall not prepare inaccurate or false records. With regard to records and reports concerning the duties and operations of Directors (including Directors serving as Audit & Supervisory Committee members), employees, contract employees, and part-time employees, the Company shall also accurately and faithfully prepare such records and reports in accordance with relevant laws and regulations and internal rules, and shall not prepare inaccurate or false records, and shall make efforts to present such records and reports in an understandable manner. In addition to information that must be disclosed due to legal requirements, the Company makes proactive efforts to disclose non-financial information such as the ASKUL WAY, policies, risks, governance, and matters related to the Company's relationship with society, including environmental and social contribution activities (so-called ESG factors).
Moreover, the Company will also disclose information that is required to be disclosed under the Securities Listing Regulations established by the Tokyo Stock Exchange, Inc. and corporate information that is useful to shareholders, such as notices of annual general meetings of shareholders and annual securities reports, on its own English website.
The Company views the disclosure of information as one of its most critical management responsibilities and strives to ensure information is easily understandable and highly useful for shareholders, investors, and other stakeholders.

Please refer to the following for details on basic approaches to information disclosure and dialogue.
[Basic approaches to information disclosure and dialogue with shareholders] at
https://www.askul.co.jp/corp/english/investor/management/disclosure/

[Principle 3-1 (1): Company Objectives (Corporate Philosophy, etc.), Business Strategies, and Business Plans]

■ Company Objective (Corporate Philosophy, etc.)
The Company has established the ASKUL WAY which serves as a cornerstone for transforming itself and adapting to the changing times and has posted and disclosed it on both the Company's intranet and website.
Under the ASKUL WAY, the Company's DNA underpins Our Purpose and Our Values.
This DNA, the spirit that runs through the foundation of the Company, has been "Advancing forward for our customers," which the Company has always valued.
The Company has Our Purpose, which conveys the reason why we exist as its responsibilities to society coming from this spirit, and Our Values, which represent the values that the Company must possess in order to realize Our Purpose.
The actions that employees carry out keeping in mind the meaning of the connection between these words will provide a new driving force to ASKUL.

The ASKUL WAY is comprised of Our Purpose, Our Values, and DNA, the contents of which are as follows.

○ Our Purpose
"Continuously bringing delight to our workplace, life, the planet and tomorrow."

○ Our Values
・ Innovation and Speed
Always a step ahead in achieving optimal innovation for our customers and our planet
・ Diversity and Co-Creation
Respecting diversity across the spectrum and co-creating with each talent
・ Reliability and Dignity
Accomplish with reliability, approach with dignity and humility

○ DNA
"Advancing forward for our customers"

For details on the ASKUL WAY, please refer to the Company's website.
https://www.askul.co.jp/corp/english/company/way/

■ Business Strategies and Business Plans of the Company
The Company was affected by a system outage caused by a ransomware attack in October 2025, during the fiscal year ended May 20, 2026. However, the Company has worked as one to proceed with recovery efforts and the redevelopment of its business foundation, and achieved the early normalization of business activities. The fiscal year ending May 20, 2027 is the second year of the Medium-Term Management Plan. We position it as an important fiscal year for steadily promoting sales recovery and structural reform by utilizing the knowledge and awareness of issues gained through the recovery process, and for re-accelerating growth.
In addition, in order not only to recover financial results, but also to strengthen the medium- to long-term growth foundation and enhance corporate value, we recognize the strengthening of business competitiveness and the advancement of the information security structure as important management issues. In order to steadily promote responses to these issues, we will focus on the following measures.
(1) Reform of the earnings structure
By making maximum use of the Company's proprietary big data and AI, and promoting the advancement of marketing and sales activities, we will optimize product proposals in line with customer needs, and seek to continuously expand transactions and increase the number of items purchased. In addition, we will place emphasis on improving purchase value per customer and promote a sales strategy centered on maximizing customer lifetime value (LTV) to provide continuous value and deepen relationships with customers.
Furthermore, we will promote the development of new customers, mainly in in-person service industries, and enhance the value we provide by expanding original products and improving logistics service quality. In addition, we will continuously promote the improvement of logistics efficiency and optimization of fixed costs, and aim to improve profitability and build a strong earnings base.
(2) Establishment of an area to provide new values (promotion of new businesses)
Toward strengthening the medium- to long-term growth foundation, in addition to improving the competitiveness of existing businesses, we will actively promote the establishment of an area to provide new values by utilizing management resources held by the Company, such as its customer base, purchasing data, product development capabilities, logistics foundation, and sales capabilities.
Through the development of solution-based services targeting both corporate employees and end customers, we will seek to create new added value. For new businesses and services, we will verify marketability and profitability through PoC(Note), and promote the commercialization of promising projects. In addition, by combining M&As and cooperation with other companies through the use of the growth investment framework, we will accelerate the creation of new businesses to diversify our earnings base. Through these efforts, we will aim to achieve a profit ratio between existing businesses and new businesses of 50:50 (EBITDA basis) in 2035.
(3) Strengthening of security measures

Based on the experience of the ransomware attack, we position the advancement of information security measures as one of our most important issues, for the purpose of preventing recurrence and further improving business continuity. We will work to continuously strengthen our risk response capabilities from short-, medium-, and long-term perspectives, and build a multilayered defense structure premised on cyberattacks, including measures against unauthorized access, advancement of the intrusion detection structure, and strengthening of backup and recovery structures. In addition, directly under the CEO, we will develop a structure centered on the Chief Information Security Officer (CISO) as an independent management function, strengthen the execution framework led by a specialized organization, and promote the advancement of company-wide information security governance and risk management.

(Note) Proof of Concept or PoC refers to the process of testing the feasibility of a new technology, idea, or concept.

For operating results data including net sales, income, and key operating metrics, please also refer to the following.
[Investor Relations / Financial Highlights] at https://www.askul.co.jp/corp/english/investor/finance/

The Company's basic capital policy (corresponding to Principle 1-3: Basic Strategy for Capital Policy) is as follows.

○ Basic Capital Policy
The Company 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.
Regarding the distribution of profits to shareholders, the Company's policy is to, while maintaining sound cash flow and a stable financial structure, 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 investment decision-making, the Company sets the weighted average cost of capital (WACC) as the hurdle rate and uses the internal rate of return (IRR) and discounted payback period (DPP) as the criteria for evaluation.
When implementing capital policies that may result in a change in control or large-scale dilution, Directors (including Directors serving as Audit & Supervisory Committee members) shall carefully deliberate the necessity and rationality of such capital policies at Board of Directors' meetings to ensure that existing shareholders are not unfairly harmed, and shall also consider the opinions of Outside Directors, mainly independent officers, and third parties with no vested interest, before making decisions at Board of Directors' meetings. If necessary, the Board of Directors will also consider implementing such capital policies after consulting with and obtaining approval at a General Meeting of Shareholders.

○ Human capital investment
Based on a shared commitment to "ASKUL WAY," the Company positions "investment in human capital" as one of its key management issues.

To achieve the 2035 milestone "Beyond Retail – Transforming the Way People Work –," and the new Medium-Term Management Plan, we are advancing the transition to a human resource portfolio aligned with our business strategy as the core of our human resource strategy. Specifically, we aim to improve productivity and create workforce capacity by transforming our existing businesses through the use of AI, while shifting the personnel made available through these efforts to the strategic areas of new business development and solutions for large enterprises.

To achieve this human resource portfolio, the Company has established three significant policies for human resource development: 1) development of personnel capable of utilizing AI, 2) development and appointment of highly specialized personnel, and 3) development of next-generation management personnel, and is systematically developing and appointing personnel.

To enhance the effectiveness of the above human resource strategy, we have set indicators and targets related to human resource development as follows and continuously manage their progress.

<Human resource development> (All are targets for the fiscal year ending May 20, 2029.)
・ Number of personnel shifted to strategic areas: More than 100 employees
・ AI education and development of personnel capable of utilizing AI: (Note)
・ Development of next-generation management personnel: More than 60 employees
・ Operation and expansion of the Certified Professional Program: Five areas

(Note) Indicators and targets related to the development of personnel capable of utilizing AI are currently being formulated and will be disclosed sequentially after finalization.

[Principle 3-1 (2): Basic Approach and Guidelines on Corporate Governance]
In line with the ASKUL WAY, comprising Our Purpose of "Continuously bringing delight to our workplace, life, the planet and tomorrow," Our Values, and Our DNA, the Company listens carefully to customers, shareholders, investors, partners, employees, and all other stakeholders throughout society with the aim of contributing to the resolution of various social issues through the ongoing creation of new, socially significant value.
To this end, the Company will strive to enhance corporate governance through further thorough compliance management and transparent, fair, prompt, and resolute decision-making to achieve sustainable growth and enhance corporate value over the medium to long term.

[Principle 3-1 (3): Board of Directors' Policies and Procedures for Determining the Compensation of Directors and Senior Management]

Policies and procedures for the Company's Board of Directors in determining the compensation for Directors (other than Outside Directors, and Directors serving as Audit & Supervisory Committee members) and senior management are as follows.

○ Compensation of Directors (Other Than Outside Directors, and Directors Serving as Audit & Supervisory Committee Members) and Senior Management

The Company's policies and procedures for determining the compensation of Directors (other than Outside Directors, and Directors serving as Audit & Supervisory Committee members) and senior management are as follows.

<Matters Concerning the Policies for Determining the Details of Compensation for Individual Directors (Other Than Outside Directors, and Directors Serving as Audit & Supervisory Committee Members) and Senior Management>

The amount of annual monetary compensation for the Company's Directors (other than Outside Directors, and Directors serving as Audit & Supervisory Committee members) and senior management is determined by taking into consideration market levels, corporate performance, and individual performance.

The amount of annual monetary compensation for Directors (other than Outside Directors, and Directors serving as Audit & Supervisory Committee members) 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 62nd fiscal year (from May 21, 2024 to May 20, 2025), which was the basis for calculating the performance-linked compensation for the 63rd fiscal year (from May 21, 2025 to May 20, 2026), was ¥25.0 billion (target achievement rate of 84%), and no payment of performance-linked compensation was made. 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.

In addition, the Company has introduced a "restricted stock compensation" plan to promote the further sharing of value with shareholders as an incentive to sustainably enhance its corporate value. Upon conferring restricted stock compensation, 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 conferred shall be determined by the Board of Directors after deliberation by the Nomination and Compensation Committee based on an amount equivalent to 22% of the basic compensation (annual amount), taking into consideration factors such as positions, expected roles, and share price trends.

Restricted stock compensation conferred on Directors (other than Outside Directors, and Directors serving as Audit & Supervisory Committee members) from the fiscal year ended May 20, 2024 onward is as follows.

Additionally, from the fiscal year ended May 20, 2024, in addition to restricted stock compensation (performance provisos), the Company will also confer restricted stock compensation (ESG provisos / ESG indicator-based) to achieve further effectiveness in reaching ESG targets.

Targets for the ESG conditions are the Company's important themes for E (environmental), S (social), and G (governance), and we will aim to review these indices annually.

With respect to compensation for Outside Directors and Directors serving as Audit & Supervisory Committee members, only basic compensation is provided in light of individual roles and independence.

(Details of the restricted stock compensation)

・ Conferred in the fiscal year ended May 20, 2024 (performance provisos)

(1) Restricted transfer period
    From August 31, 2023 to August 30, 2026

(2) Performance conditions (achievement of the conditions listed in (a) and (b) below at the same time or either one of them 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.
    (b) Consolidated operating profit exceeds ¥16.5 billion.

The results for the 61st fiscal year (from May 21, 2023 to May 20, 2024) regarding the above performance conditions were (a) consolidated net sales of ¥471.6 billion and (b) consolidated operating profit of ¥16.9 billion, achieved the performance conditions.

・ Conferred in the fiscal year ended May 20, 2024 (ESG provisos)

(1) Restricted transfer period
From August 31, 2023 to August 30, 2026
(2) ESG conditions (achievement of at least three of the following five conditions below related to material issues (important issues) as defined by the Company. Additionally, ESG items to serve as evaluation indices shall be revised annually)
(a) During the fiscal year ended May 20, 2024, achieve the target reduction in delivery units by increasing the number of products per box (target number of order lines per delivery unit).
(b) During the fiscal year ended May 20, 2024, achieve the target for the number of customers (number of user IDs) purchasing products with environmental scores.
(c) Achieve a comprehensive score target (67.8 points or higher) for the engagement survey implemented during the fiscal year ended May 20, 2024.
(d) Achieve the female manager ratio target (26.0%) by the end of the fiscal year ended May 20, 2024.
(e) Achieve a governance score equal to or better than the previous year (4.0) in an evaluation to be implemented during the fiscal year ended May 20, 2024, by an external party (FTSE).

Regarding the ESG conditions, targets (c) and (d) have not been achieved, but targets (a), (b), and (e) have been met. The final outcome shows that the targets have been achieved.

・ Conferred in the fiscal year ended May 20, 2025 (tenure-based)
(1) Restricted transfer period
From August 30, 2024 to August 29, 2027
(2) Tenure conditions
1) During the transfer restriction period, continuously remain in a position of Director, Audit & Supervisory Board Member, Executive Officer, employee, or equivalent position of the Company or any of its consolidated subsidiaries or affiliated companies.
2) Notwithstanding 1) above, during the transfer restriction period, retire or resign from a position of Director, Audit & Supervisory Board Member, Executive Officer, employee, or equivalent position of the Company or any of its consolidated subsidiaries or affiliated companies due to expiration of term of office, expiration of the contract term, mandatory retirement, death, or any other justifiable reason (excluding voluntary termination).

・ Conferred in the fiscal year ended May 20, 2025 (ESG indicator-based)
(1) Restricted transfer period
From August 30, 2024 to August 29, 2027
(2) ESG conditions (achievement of at least three of the following five conditions below related to material issues (important issues) as defined by the Company. Additionally, ESG items to serve as evaluation indices shall be revised annually)
(a) During the fiscal year ended May 20, 2025, achieve the target reduction in delivery units by increasing the number of products per box (target number of order lines per delivery unit).
(b) During the fiscal year ended May 20, 2025, achieve a comprehensive score target for products with environmental scores.
(c) Achieve a comprehensive score target for the engagement survey implemented during the fiscal year ended May 20, 2025.
(d) Achieve the female manager ratio target (30.0%) by the end of 2025.
(e) Achieve a governance score of 4.0 or higher in an evaluation to be implemented during the fiscal year ended May 20, 2025, by an external party (FTSE).

Regarding the ESG conditions, targets (a), (b) and (c) have not been achieved, but target (e) has been met. The final outcome shows that the targets have not been achieved.

・ Conferred in the fiscal year ended May 20, 2026 (tenure-based)
(1) Restricted transfer period
From September 1, 2025 to August 31, 2028
(2) Tenure conditions
1) During the transfer restriction period, continuously remain in a position of Director, Audit & Supervisory Board Member, Executive Officer, employee, or equivalent position of the Company or any of its consolidated subsidiaries or affiliated companies.
2) Notwithstanding 1) above, during the transfer restriction period, retire or resign from a position of Director, Audit & Supervisory Board Member, Executive Officer, employee, or equivalent position of the Company or any of its consolidated subsidiaries or affiliated companies due to expiration of term of office, expiration of the contract term, mandatory retirement, death, or any other justifiable reason (excluding voluntary termination).

・ Conferred in the fiscal year ended May 20, 2026 (ESG indicator-based)
(1) Restricted transfer period
From September 1, 2025 to August 31, 2028
(2) ESG conditions (achievement of at least three of the following five conditions below related to material issues (important issues) as defined by the Company. Additionally, ESG items to serve as evaluation indices shall be revised annually)
(a) During the fiscal year ended May 20, 2026, achieve the target reduction in delivery units by increasing the number of products per box (target number of order lines per delivery unit).
(b) During the fiscal year ended May 20, 2026, achieve a comprehensive score target for products with environmental scores.
(c) Achieve a comprehensive score target for the engagement survey implemented during the fiscal year ended May 20,

2026.
(d) Achieve the female manager ratio target (30.0%) by the end of 2026.
(e) Achieve a governance score of 4.0 or higher in an evaluation to be implemented during the fiscal year ended May 20, 2026, by an external party (FTSE).

Regarding the ESG conditions, targets (a), (b) and (c) have not been achieved, and the results of targets (d) and (e) remain undetermined. The final outcome shows that the targets have not been achieved.

The policies on compensation of Directors (other than Outside Directors, and Directors serving as Audit & Supervisory Committee members) and senior management, basic compensation, and performance conditions for lifting the transfer restrictions in newly issued restricted stock compensation will be verified annually and revised as necessary.

<Matters Concerning Resolutions of the General Meeting of Shareholders Regarding Compensation, etc., of Directors (Other Than Directors Serving as Audit & Supervisory Committee Members) and Directors Serving as Audit & Supervisory Committee Members >
The maximum amount of compensation of Directors (other than Directors serving as Audit & Supervisory Committee members) was resolved at the 62nd Annual General Meeting of Shareholders held on August 5, 2025 to be ¥650 million or less per year (including no more than ¥130 million per annum for Outside Directors; the number of Directors at the time of such resolution was nine). It was also resolved that the total amount of monetary compensation claims to be paid to the Company's Eligible Directors (other than Outside Directors, and Directors serving as Audit & Supervisory Committee members) as compensation, etc., related to restricted stock is ¥160 million or less per year (the number of Eligible Directors at the time of such resolution was four) within such compensation limit (¥650 million per year, including no more than ¥130 million per annum for Outside Directors), and the number of shares of the Company's common stock to be allotted is 100,000 shares or less per year. The above compensation, etc., does not include the employee salary portion for Directors concurrently serving as employees.
The maximum amount of compensation for Directors serving as Audit & Supervisory Committee members was resolved at the 62nd Annual General Meeting of Shareholders held on August 5, 2025 to be ¥80 million or less per year (the number of Directors serving as Audit & Supervisory Committee members at the time of such resolution was four).

<Matters Concerning the Method of Determining the Details of Compensation for Individual Directors and Senior Management>
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 and senior management are deliberated by the Nomination and Compensation Committee and determined by the Board of Directors.
The amount of individual compensation for Directors and senior management 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 the majority of its members consist of independent Outside Directors. It provides reports to the Board of Directors on matters related to the election and dismissal of Directors (other than Directors serving as Audit & Supervisory Committee members), Directors serving as Audit & Supervisory Committee 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 20 times during the 63rd fiscal year (from May 21, 2025 to May 20, 2026) to deliberate on policies on compensation of Directors and senior management, and other matters.
In determining the details of compensation for individual directors (other than Directors serving as Audit & Supervisory Committee members), 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.

In addition, please refer to the following regarding "Board of Directors' Policies and Procedures for Determining the Compensation of Directors (other than Directors serving as Audit & Supervisory Committee members) and Senior Management"
- https://askul.disclosure.site/ja/themes/83#governance10 (Japanese only)

[Principle 3-1 (4): Board of Directors' Policies and Procedures for the Appointment and Dismissal of the Senior Management and the Nomination of Candidates for Directors (Other Than Directors Serving as Audit & Supervisory Committee Members) and Directors Serving as Audit & Supervisory Committee Members]

■ Composition of the Board of Directors and the Audit & Supervisory Committee
In consideration of diversity, the Board of Directors comprises a distinct group of Directors with different backgrounds in terms of knowledge, expertise, experience, and business capabilities.
The number of Directors on the Board is stipulated in the Articles of Incorporation, and shall be maintained appropriately so that the Board of Directors functions as effectively and efficiently as possible, with a focus on the following two perspectives:
・ Adequate diversity in management decision-making and supervision
・ Substantial and sufficient discussions at Board of Directors' meetings
In this way, the Company ensures that the Board of Directors functions effectively in terms of important management decision-making and supervisory functions, with the aim of ensuring overall diversity and a balance between knowledge, experience, and capabilities while maintaining an appropriate size.
Further, the Company appoints multiple independent Outside Directors to incorporate the extensive experience, deep insight, broad knowledge, and solid expertise of Directors from outside the Company into its management. This is done in an attempt to

maintain and strengthen management supervision efficacy from an independent and objective standpoint and improve management transparency.

The Company's Audit & Supervisory Committee comprises three or more Directors serving as Audit & Supervisory Committee members, a majority of whom are Outside Directors. When the Audit & Supervisory Committee deems it necessary, it may appoint one or more full-time Audit & Supervisory Committee members.
The number of Directors serving as Audit & Supervisory Committee members is stipulated in the Articles of Incorporation and shall be maintained appropriately so that audits of the execution of duties by Directors (other than Directors serving as Audit & Supervisory Committee members) can be implemented in the most effective and efficient manner. In appointing Directors serving as Audit & Supervisory Committee members, the Company selects candidates possessing the appropriate experience and capabilities, as well as the requisite financial, accounting, and legal knowledge, with at least one member possessing sufficient knowledge of finance and accounting.

■ Policies and Procedures for the Nomination and Appointment and Dismissal
Policies and procedures associated with the nomination of candidates for Directors (other than Directors serving as Audit & Supervisory Committee members) and Directors serving as Audit & Supervisory Committee members, as well as the appointment and dismissal of senior management, are as follows.

○ Policies and Procedures for the Nomination of Candidates for Directors (Other Than Directors Serving as Audit & Supervisory Committee Members) and the Appointment and Dismissal of Senior Management
Candidates for the Company's Directors (other than Directors serving as Audit & Supervisory Committee members) and senior management must possess the following qualities:
・ Sound member of society with good business sense
・ Broad, flexible viewpoints, possessing ambition, leadership, and other management qualities and capabilities
・ Ability to formulate visions, ability to implement change, be customer-oriented, and high ethical standards as set forth in the ASKUL WAY
In selecting candidates, the Company takes diversity of the Board of Directors into consideration based on the recognition that multifaceted supervision will contribute to the promotion and expansion of business and facilitate appropriate supervision in accordance with given management conditions, therefore nominating the most suitable candidates for Director. Each year, all Directors of the Company are subject to appointment by resolution of the Annual General Meeting of Shareholders.
Director candidates (including substitute Directors) and senior management are selected by the Board of Directors after fair, transparent, and rigorous reviews and responses by the Nomination and Compensation Committee, of which the majority of its members are composed of independent Outside Directors.
Regarding the appointment of the Company's Directors concurrently serving as directors or corporate auditors at other listed companies, duties shall be limited to a reasonable extent, enabling such Director to dedicate sufficient time to fulfilling their responsibilities as a Director of the Company.
Regarding CEO dismissals, after clarifying the reason for dismissal, in the event of a major disqualification based on appointment criteria, substantial declines in corporate value, damage to the Company's social value or reputation caused by the CEO, or when a change in leadership is deemed necessary, the Nomination and Compensation Committee decides on dismissal proposals, which are then confirmed by a Board of Directors' resolution.
Further, in the event a senior management team member deviates from the above requirements, the Nomination and Compensation Committee, of which the majority of its members are composed of independent Outside Directors, conducts fair, transparent, and rigorous reviews and reports the situation to the Board of Directors, which will then resolve to dismiss said member. The Board of Directors also makes determinations in light of voluntary resignations, organizational changes, and the revision of roles and responsibilities.
In addition to the above, the dismissal of a Director requires resolution at the Annual General Meeting of Shareholders.

○ Policies and Procedures for the Nomination of Candidates for Directors Serving as Audit & Supervisory Committee Members
Candidates for the Company's Directors serving as Audit & Supervisory Committee members must possess the following qualities:
・ Excellent character, insight, capabilities, a wealth of experience, and high ethical standards
・ Persons who understand and share the ASKUL WAY and corporate culture
・ Appropriate experience, capabilities, and knowledge of requisite financial, accounting, and legal matters
In selecting candidates, the Company takes the Audit & Supervisory Committee diversity into consideration based on the recognition that diverse perspectives contribute to appropriate audits in light of the management circumstances at the time and facilitate appropriate supervision in accordance with given management conditions, nominating the most suitable candidates for Directors serving as Audit & Supervisory Committee members.
Further, one or more Directors serving as Audit & Supervisory Committee members must have sufficient knowledge of finance and accounting matters.
Candidates for Directors serving as Audit & Supervisory Committee members (including substitute members) are selected by the Nomination and Compensation Committee, of which the majority of its members are composed of independent Outside Directors, upon preliminary consultation with the Audit & Supervisory Committee, which conducts fair, transparent, and rigorous reviews and then reports to the Board of Directors, which makes decisions based on approval from the Audit & Supervisory Committee.
Regarding the appointment of the Company's Directors serving as Audit & Supervisory Committee members concurrently serving as directors or corporate auditors at other listed companies, duties shall be limited to a reasonable extent, enabling said members to dedicate sufficient time to fulfilling their responsibilities as Directors serving as Audit & Supervisory Committee members of the Company.

[Principle 3-1 (5): Explanations of Individual Appointments and Dismissals of Senior Management and Nominations of

Candidates for Directors and Directors Serving as Audit & Supervisory Committee Members]

The Company states and discloses the reasons for nominating a person as a candidate for Director or Director serving as Audit & Supervisory Committee member for all candidates for Directors or Directors serving as Audit & Supervisory Committee members in each of the proposals for election in the Notice of Annual General Meeting of Shareholders.

- The Company's Notice of the 63rd Annual General Meeting of Shareholders (pages 12 to 23)
  https://pdf.irpocket.com/C2678/xoA3/Ef45/vVuW/RBmc.pdf

Furthermore, with respect to candidates for new appointments as Director or Director serving as Audit & Supervisory Committee member, the Company makes efforts to provide sufficient information for shareholders to exercise their voting rights by posting on the Company's website statements of aspiration by the candidates themselves and also having them make a statement of aspiration prior to the resolution on their election at the General Meeting of Shareholders.
(Reference) Statements of aspiration by the candidates for Director at the 63rd Annual General Meeting of Shareholders at https://pdf.irpocket.com/C2678/xoA3/SFxs/ENjW/aGN6.pdf

The dismissal of individual senior management members is not disclosed, as no dismissals have occurred.

[Supplementary Principle 3-1-3: Sustainability Initiatives, etc.]

(1) Sustainability initiatives

For more information on the Company's sustainability initiatives, please refer to the following.

- Annual Securities Report for the 63rd Fiscal Year, Overview of Business, Approach and initiatives on sustainability at https://www.askul.co.jp/corp/english/investor/library/results/
- Basic Sustainability Policy at https://askul.disclosure.site/ja/themes/165#csr_sustainability01 (Japanese only)
- Material issues (important issues) at https://askul.disclosure.site/ja/themes/167 (Japanese only)

Please also refer to the section "3. Status of Measures to Ensure Due Respect for Stakeholders" in "III. Implementation of Measures for Shareholders and Other Stakeholders" in this Report.

(2) Investment in human capital and intellectual property, etc.

The Company created and announced the Medium-Term Management Plan on July 4, 2025, for the period from the fiscal year ended May 20, 2026 to the fiscal year ending May 20, 2029.
[Medium-Term Management Plan from the fiscal year ended May 20, 2026 to the fiscal year ending May 20, 2029] at https://www.askul.co.jp/corp/english/investor/library/mplan/

With regard to investment in human capital, based on one of the Company's material issues (important issues), "develop human resources to strengthen sustainable corporate activities," the Company will develop human resources through participation, via internal applications, in external activities focused on solving social issues and sharing sustainability-related topics with all employees. In addition, the Company is actively investing in human resources and allocating management resources, aiming for a 30% ratio of female managers (target for the end of the fiscal year ending May 20, 2029) and an expansion in the hiring and development of digital transformation (DX) personnel. Going forward, the Company will enhance the value-added productivity of its existing businesses and actively redeploy human resources to businesses prioritized for strategic investment by increasing the number of digitally skilled and highly specialized employees, as well as by utilizing AI technologies.

The Company appropriately protects intellectual property rights, including trademark and design rights, and promotes initiatives for their proactive acquisition, thereby supporting "Innovation via co-creation," such as enhancing its original products through co-creation with manufacturers and suppliers and collaboration with designers in Japan and overseas, as well as the "realization of ethical e-commerce," in order to maintain service brands such as "ASKUL" and "LOHACO."

For other human capital initiatives, please refer to the following.

- Together with our colleagues at https://askul.disclosure.site/ja/themes/98 (Japanese only)

(3) Impact of climate change-related risks and earning opportunities on the Company's business activities and profits

For response to TCFD recommendations and the impact of climate change-related risks and earning opportunities on the Company's business activities and profits, please refer to the following.

- Information disclosure based on TCFD and TNFD recommendations at https://askul.disclosure.site/ja/themes/174 (Japanese only)
- Related news releases at https://pdf.irpocket.com/C0032/bFn0/DhzL/fgos.pdf (Japanese only)

[Supplementary Principle 4-1-1: Scope of Delegation to the Management]

The Board of Directors of the Company, which is responsible for the supervision of business execution, important management matters, and determination of policies such as corporate strategies, shall make decisions on basic management policies such as business plans and other important management matters, as well as significant business execution decisions that are required to be made by the Board of Directors in accordance with laws, regulations, and the Articles of Incorporation, and the Board of Directors Regulations stipulate matters to be discussed at the Board of Directors' meetings.
Decision-making on matters other than those to be decided by the Board of Directors in accordance with the Board of Directors Regulations mentioned above and their execution are specifically stipulated in the Management Meeting Regulations and the Administrative Authority Regulations as to the scope of delegation to each level of management. Other legally permissible business execution decisions are delegated to the Management Meeting, which comprises the President and CEO, ASKUL Directors, and CFO (some decisions are finally made by the President and CEO after deliberation at the Management Meeting).

[Principle 4-9: Criteria for Independence and Qualification of Independent Outside Directors]

○ Standards for Determining Independence
Based on the Designation Criteria for Independent Officers, the Company designates all outside officers not falling under the following categories as independent officers with their consent.

A. Persons for whom the Company is or has been a major business partner, or executives thereof
*A business executor refers to an executive as defined in Article 2, Paragraph 3, Item 6 of the Regulations for Enforcement of the Companies Act and includes not only executive directors but also employees.

B. Major business partners of the Company, or executives thereof
*The Company determines whether or not individuals fall under the category of "major business partner" in accordance with Article 2, Paragraph 3, Item 19 (b) of the Regulations for Enforcement of the Companies Act, which states, "important counterparties of the stock company (including organizations other than corporations)." The Company's target for commercial transactions is 2% of consolidated net sales and purchases, and its target for financial institution transactions is to have outstanding borrowings equal to 30% of consolidated net assets.

C (1). Consultants or professionals, accounting auditors, tax accountants, or corporate attorneys who at present or within five years prior to assuming office have received large cash payments or other assets from the Company other than compensation for their services as Directors or Audit & Supervisory Board members. If the person receiving such assets belongs to a corporation, partnership, or other organization, it includes persons who belong to the same organization and who have been directly in charge of the Company in the course of their duties within five years prior to assuming office.

C (2). Individuals who belong to organizations such as consulting firms, accounting and audit corporations, tax accounting firms, or law firms that have received large cash payments or other assets from the Company at present or within five years prior to assuming office. However, with respect to the past, only those who were directly in charge of the Company in the course of their duties within five years prior to assuming office.
*The Company determines whether or not assets fall under the category of "large cash payments and other assets" in accordance with Article 74, Paragraph 4, Item 7 (d) or Article 76, Paragraph 4, Item 6 (d) of the Regulations for Enforcement of the Companies Act, which states, "a large amount of money or other assets (excluding compensation as their director, accounting advisor, company auditor, executive officer, or other corporation similar thereto)," and the Company deems such assets to be large cash payments and other assets if the amount of such assets paid (for the most recent year if it spans multiple years) exceeds the amount of basic compensation for Outside Directors.

D. Individuals who are/were at present or in the past an executive of the Company, its parent company, subsidiaries, or fellow subsidiaries.
*Parent company refers to a parent company as defined in Article 8, Paragraph 3 of the Regulation on Terminology, Forms, and Preparation Methods of Financial Statements (Ministry of Finance Order No. 59 of 1963).
*Fellow subsidiaries refer to any other company having the same parent company as such company.

E. Individuals who are or were major shareholders of the Company at present or in the past. If the major shareholder is an organization such as a corporation, partnership, etc., it includes a person who is or was an executive of such organization.
*Major shareholders refer to a major shareholder as defined in Article 163, Paragraph 1 of the Financial Instruments and Exchange Act, which states, "meaning a shareholder that holds shares (excluding those specified by Cabinet Office Order in consideration of the manner of acquisition or holding thereof or other circumstances) of 10 percent or more of the total number of shares issued in the shareholder's own name or the name of another person (or under a fictitious name)."

F. A close relative of an individual listed in A to E of this article.
*Close relative refers to a relative within the second degree of kinship. If the family relationship has been dissolved due to divorce, dissolution of adoption, etc., the close relative does not fall under the definition of close relative in the Standards.

[Supplementary Principle 4-10-1: Nomination Committee and Compensation Committee]

The Company has established the Nomination and Compensation Committee, which is responsible for the functions of both the Nomination Committee and the Compensation Committee.
The Committee may investigate matters under its jurisdiction, provide opinions, advice, and recommendations to the Board of Directors, and may also express its opinions at a General Meeting of Shareholders and other meetings regarding matters for which it has made reports, recommendations, etc.
The details are described in the sections "Voluntary Establishment of Committee(s) equivalent to Nomination Committee or Compensation Committee" of "1. Organizational Composition and Operation" and "3. Nomination and Compensation Committee" of "2. Matters Concerning Functions of Business Execution, Auditing and Supervision, Nomination, and Compensation Decisions (Overview of Current Corporate Governance System)" in "II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management" of this Report.
The majority of the members of the Company's Nomination and Compensation Committee are independent Outside Directors.

[Supplementary Principle 4-11-1: Approach to the Balance Between Knowledge, Experience, and Skills, Diversity, and Size of the Board of Directors as a Whole]

The Company's approach to the balance between knowledge, experience, and skills, diversity, and size of the Board of Directors as a whole is described and disclosed in [Principle 3-1 (4): Board of Directors' Policies and Procedures for the Appointment and Dismissal of the Senior Management and the Nomination of Candidates for Directors (Other Than Directors Serving as Audit & Supervisory Committee Members) and Directors Serving as Audit & Supervisory Committee Members], as follows.

○ Composition of the Board of Directors
In consideration of diversity, the Board of Directors comprises a distinct group of Directors with different backgrounds in terms of knowledge, expertise, experience, and business capabilities.
The number of Directors on the Board is stipulated in the Articles of Incorporation, and shall be maintained appropriately so that the Board of Directors functions as effectively and efficiently as possible, with a focus on the following two perspectives:
・ Adequate diversity in management decision-making and supervision
・ Substantial and sufficient discussions at Board of Directors' meetings
In this way, the Company ensures that the Board of Directors functions effectively in terms of important management decision-making and supervisory functions, with the aim of ensuring overall diversity and a balance between knowledge, experience, and capabilities while maintaining an appropriate size.
Further, the Company appoints multiple independent Outside Directors to incorporate the extensive experience, deep insight, broad knowledge, and solid expertise of Directors from outside the Company into its management. This is done in an attempt to maintain and strengthen management supervision efficacy from an independent and objective standpoint and improve management transparency.

The abilities (skills, experience, and expertise) possessed by the Company's Directors are organized as a table (skill matrix) and disclosed on pages 22 and 23 of the Notice of the 63rd Annual General Meeting of Shareholders.
For details, please refer to the following.
・ Notice of the 63rd Annual General Meeting of Shareholders (pages 22 to 23)
https://pdf.irpocket.com/C2678/xoA3/Ef45/vVuW/RBmc.pdf#page=24

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

[Supplementary Principle 4-11-2: Concurrent Appointment of Officers]
The Company believes that when Directors (other than Directors serving as Audit & Supervisory Committee Members) and Directors serving as Audit & Supervisory Committee members serve concurrently as directors or audit & supervisory board members of other companies, it is a prerequisite that they are able to secure the time and effort necessary to properly perform their roles and responsibilities as Directors of the Company. The Company also considers it appropriate that an adequate number of concurrent positions be held by Directors.

The most recent important concurrent positions held by Directors (other than Directors serving as Audit & Supervisory Committee members) and Directors serving as Audit & Supervisory Committee members of the Company are as stated in the Notice of the Annual General Meeting of Shareholders and the Annual Securities Report.
・ Notice of the 63rd Annual General Meeting of Shareholders (pages 13 to 21, 34 to 35, and 40 to 41)
https://pdf.irpocket.com/C2678/xoA3/Ef45/vVuW/RBmc.pdf
・ Annual Securities Report for the 63rd Fiscal Year
https://www.askul.co.jp/corp/english/investor/library/results/

[Supplementary Principle 4-11-3: Summary of Results of Analysis and Evaluation of the Effectiveness of the Board of Directors as a Whole]

To identify and address issues of the Board of Directors and improve its effectiveness, ASKUL has analyzed and evaluated the effectiveness of the Board of Directors annually since 2015, targeting all officers. In the 2026 effectiveness evaluation, the Company implemented survey assessment through a third-party organization to incorporate an objective perspective, as in the previous year.

- Evaluation method and evaluation process

Based on the anonymous web questionnaire survey conducted from January to February 2026 by a third-party organization and feedback from the analysis, which included a comparison with other companies, the overall effectiveness of the Board of Directors was evaluated.
The survey included 40 questions for each of the following items to comprehensively identify various issues, with responses rated on a five-point scale and a free comment section for each item to assess the effectiveness of the Board.

[Major items of the survey]
1. Role of the Board of Directors
2. Composition of the Board of Directors
3. Operation of the Board of Directors
4. Management strategy and management plan
5. Internal control and risk management
6. Performance of inside directors other than Audit & Supervisory Committee members
7. Performance of outside directors
8. Support system for directors
9. Training
10. Dialogue with shareholders and investors
11. Personal initiatives
12. Evaluation of the Nomination and Compensation Committee

13. Evaluation of the Audit & Supervisory Committee
14. Summary

- Evaluation process

January to February 2026: An anonymous web questionnaire survey was conducted by a third-party organization for all directors (13 individuals).

March 2026: Survey results compilation and analysis were conducted by a third-party organization.

March 2026: Based on the report on the analysis results, the Board of Directors exchanged opinions regarding the identified issues and confirmed the future response policy.

Fiscal year ending May 20, 2027 (planned): In light of the operational status after the transition to a Company with an Audit & Supervisory Committee, an effectiveness evaluation will be conducted through a questionnaire survey and interviews.

- Evaluation results

The Board of Directors was generally assessed as functioning effectively. The evaluation highlighted the following positive aspects: the shared understanding of the role of the Board of Directors, advance communication of the annual schedule and matters for deliberation, open and constructive discussions, the feedback on dialogue with shareholders and investors, and the frequency of meetings along with the deliberation status of the Nomination and Compensation Committee.
In addition, a certain degree of improvement was confirmed in the optimization of the number of matters for deliberation and improvements in the timing and content of advance explanations, which the Company has worked on based on the previous evaluation. The Company recognizes that this is due to efforts such as narrowing down the matters for deliberation at Board of Directors' meetings, utilizing advance briefings on important and strategic matters, and reviewing the allocation of time between reporting items and matters for deliberation.
On the other hand, in this evaluation, strengthening risk management and supervision across the Group, establishing the appropriate size, skills composition, and succession framework of the Board of Directors, and deepening discussions on the business portfolio were identified as issues to be further addressed going forward.

- Major issues identified in the previous evaluation and responses to date

1) Enhancement of strategic discussions
The previous evaluation identified as an issue the need to further enhance strategic discussions on matters such as the business recovery roadmap, Medium-Term Management Plan, directions for new businesses, and overall group strategies.
In response, the Company worked to secure sufficient time for discussions at Board of Directors' meetings by organizing the agenda items to be handled by the Board of Directors, shortening the time spent on reporting items, and conducting advance briefings on important matters. As a result, in this evaluation, improvements were confirmed in the appropriateness of the number of matters for deliberation and in the timing and content of advance explanations regarding matters for deliberation.
Going forward, the Company will continue to improve agenda setting and meeting management so that the Board of Directors can allocate more time to discussions that contribute to enhancing corporate value over the medium to long term.

2) Regular follow-up
The previous evaluation identified as an issue the need to enhance regular follow-up by the Board of Directors on matters such as the progress of the Medium-Term Management Plan, large-scale investments, and M&A.
In response, the Company worked to schedule progress reports to the Board of Directors and secure opportunities for briefings and discussions as necessary.
On the other hand, this evaluation also confirmed the need to further deepen discussions on regular reviews of the Group's overall business portfolio and investment in future growth businesses from the perspectives of sustainable profitability and capital cost. Going forward, the Company will further strengthen the Board of Directors' monitoring of the business portfolio and capital allocation.

- Issues identified and measures for improvement

Opinions and issues extracted from the questionnaire results, as well as initiatives and policies for addressing and improving upon each issue, are listed below.

(1) Strengthening risk management and supervision across the Group
This evaluation identified as an issue the need to further strengthen supervision by the Board of Directors regarding potential risks across the Group, including information security, the crisis management framework, and response measures when risks materialize.
In response, the Company reorganized the organization effective March 21, 2026, and changed to a framework for the integrated management of Company-wide risks. Going forward, in addition to a risk-based approach, the Company will promote all-hazards risk management by developing BCPs for each management resource, such as logistics and systems.
In addition, by setting agenda items related to risk management at Board of Directors' meetings in a planned and regular manner and securing sufficient time for discussion when necessary, the Company will strengthen the supervisory function.

(2) Establishing the appropriate size, skills composition, and succession framework of the Board of Directors
This evaluation identified as an issue the need to continuously consider the appropriate size of the Board of Directors, a skills composition that addresses management issues including DX, AI, and cybersecurity, and the succession framework for director candidates from the perspective of enabling the Board of Directors to perform its supervisory function more effectively.
In this regard, the Nomination and Compensation Committee will review the skill matrix based on the Company's management strategy and business characteristics, the selection criteria for director candidates, and the mechanisms for

continuously securing outside directors, and will further develop the composition and succession framework of the Board of Directors.
In addition, with regard to optimizing the number of directors, following approval at the Annual General Meeting of Shareholders in August 2026, the number of directors was changed from 13 to ten. Through this change, the Company will improve the speed of decision-making and the effectiveness of discussions by the Board of Directors to further strengthen the supervisory function.

(3) Deepening discussions on the business portfolio and capital allocation
This evaluation identified as an issue the need to further deepen discussions by the Board of Directors on the Group's overall business portfolio from the perspectives of sustainable profitability, capital cost, investment in future growth businesses, and capital allocation.
In response, the Company will promote the visualization of capital efficiency using ROIC, WACC, growth rates, and other indicators, provide opportunities for focused deliberations on the business portfolio, and clarify the considerations for decision-making related to capital allocation.
Through these initiatives, the Company will improve agenda design and the provision of materials so that discussions by the Board of Directors are not limited to reports on business performance and the current situation, but extend to strategic discussions that contribute to enhancing corporate value over the medium to long term.

(4) Continuously improving Board of Directors operations and information provision
In this evaluation, while improvements were confirmed in the number of matters for deliberation and the content of advance explanations, further room for improvement was also identified in the timing of the provision of Board of Directors materials, follow-up after the implementation of important resolutions, and sharing with the Board of Directors the content of discussions at each committee.
Going forward, the Company will continue to promote the early provision of materials, preparation of explanatory materials that summarize key points, use of advance briefings, and scheduling of follow-up on important resolutions, thereby improving the quality and efficiency of deliberations by the Board of Directors.

For details on evaluating the Board of Directors' effectiveness, please also refer to the following.
・ https://askul.disclosure.site/ja/themes/83 (Japanese only)

[Supplementary Principle 4-14-2: Policy on Training for Directors and Audit & Supervisory Board Members]
The Company will provide Directors (other than Directors serving as Audit & Supervisory Committee members) and Directors serving as Audit & Supervisory Committee members with opportunities to acquire the necessary knowledge of the Company's business, finances, and organization, etc., and to fully understand the roles and responsibilities (including legal responsibilities) expected of Directors (other than Directors serving as Audit & Supervisory Committee members) and Directors serving as Audit & Supervisory Committee members at the time of assuming office and will provide opportunities to update these on an ongoing basis.
The Company will provide Outside Directors (including Directors serving as Audit & Supervisory Committee members) with individual training programs at the time of assuming office. In addition, the Company will give them explanations mainly on matters related to business activities, the management environment, the ASKUL WAY, corporate governance, and various officer-related regulations, and conduct tours of a distribution center and other major business sites as necessary.
In addition to individual training programs for ASKUL Directors (including Directors serving as Audit & Supervisory Committee members), including lectures on finance, the Company will provide them with training opportunities to make personal progress and to acquire a wide range of insights, abilities, knowledge, and skills, as well as knowledge of the Companies Act, corporate governance, compliance, financial literacy, and other relevant matters. The Company will also provide advance briefings on an individual basis as the content of the proposals submitted to the Board of Directors dictates in order to enhance their level of comprehension as required for decision-making.

[Principle 5-1: Policy on Constructive Dialogue with Shareholders]

The Company has formulated and managed the policy on constructive dialogue with shareholders, which stipulates the following.

○ Policy on Constructive Dialogue with Shareholders
The Company believes that dialogue with shareholders and investors is important in aiming for sustainable growth. Executive Officers of a division in charge of investor relations will be responsible for dialogue with shareholders and investors, and will discuss the method of response with the Representative Director and President, Directors in charge, Executive Officers in charge, etc., and take appropriate measures to respond.
As an internal measure to support dialogue with shareholders, the Company has established the Information Disclosure Committee chaired by the Director in charge of information handling, who is also the Director in charge of information disclosure and consisting mainly of the managers of administrative division. The Information Disclosure Committee deliberates and decides on necessary matters concerning timely disclosure, corporate information that is required to be disclosed under the Securities Listing Regulations established by the Tokyo Stock Exchange, Inc. In addition to this, when disclosing and explaining financial results, etc., the division in charge of investor relations takes the lead in holding meetings with the Representative Director and President, Directors in charge, Executive Officers in charge, corporate planning division, accounting division, general affairs division, legal affairs division, and other related divisions to exchange opinions based on their respective professional perspectives, and to cooperate in responding to and supporting dialogue with shareholders.
In principle, the Representative Director, Directors (other than Directors serving as Audit & Supervisory Committee members), senior management and Executive Officers will handle actual dialogues with shareholders, taking into consideration the

shareholders' intentions and the main concerns of the meeting. Fair disclosure rules will be respected, with the utmost care taken to avoid leakage of insider information.
Opinions, requests, concerns, etc., gained through dialogue are reported and shared at the Management Meeting every quarter and twice a year (after second and fourth quarters) at the Board of Directors' meetings, and are actively used not only to review the Company's management strategies, etc., but also provided as feedback to all employees via internal webinars, making use of the information to further improve corporate value.
The Company will ensure the management of insider information in the course of dialogue with shareholders as follows.

(1) All employees receive training on the management of insider information once a year on a regular basis.
(2) In principle, two or more persons should be assigned to each dialogue.
(3) The period from the day following the fiscal year end to the earnings announcement is a quiet period during which the division in charge of investor relations refrains from dialogue with shareholders and investors regarding such earnings announcement.

The Company engaged in efforts to enhance management practices and information disclosure through dialogue with institutional investors and analysts. Please refer to the following for details of the initiatives.
https://www.askul.co.jp/corp/english/investor/management/disclosure/

[Status of implementation of dialogue with shareholders]
Under the recognition that dialogue with shareholders and investors leads to sustainable growth and further improvement in corporate value, the Company has active IR activities to promote constructive dialogue with shareholders, investors, analysts, etc., both inside and outside Japan.

[Principle 5-2: Establishing and Disclosing Business Strategies and Business Plans] and [Supplementary Principle 5-2-1: Basic Policy Regarding the Business Portfolio and the Status of the Review of Such Portfolio]

The "Basic policy regarding the business portfolio and the status of the review of such portfolio, and specific action items regarding the distribution, etc., of management resources" is as follows.

○ "Basic approach to business portfolio management"
The Board of Directors will evaluate each business segment from the viewpoints of growth potential and profitability, synergies, etc., and capital efficiency at least once per year and oversee the distribution of management resources and execution of strategy based on the business portfolio.

○ "Approach to distribution of management resources"
The Company plans to work toward further business expansion in the E-commerce Business and aims to improve productivity through measures such as capital investment with the objective of advanced automation and system investment to realize DX. In the Logistics Business and other areas, the policy is to execute investment with the intent of expanding synergies with the E-commerce Business.

○ "Status of review of business portfolio"
The Company is comprised of the mainstay E-commerce Business, Logistics Business, and other (TSUMAGOI MEISUI CORPORATION). All business segments have mutual synergies, and the Company believes that developing these businesses in tandem will lead to improving corporate value for the overall group.
Since the launch of the ASKUL service in 1993, ASKUL Business of the E-commerce Business has responded to the diverse needs of SMEs and medium-scale large corporations alike, evolving its products, services, and systems while listening to customer feedback on what types of products and services they require in their office environments. This has led to the realization of steady growth.
In November 2010, AlphaPurchase Co., Ltd. was welcomed into the Group to strengthen our MRO product offerings, and we have since aimed to create synergies through mutual cooperation by leveraging the customer portfolios and product catalogues held by each company. In February 2023, to strengthen strategic industries as outlined in the Medium-Term Management Plan, we welcomed FEED Corporation to the Group, which has strengths in its wide selection of specialized dental equipment and accessory products.
Among B-to-C sales, LOHACO has been popular among customers since its launch in October 2012, expanding rapidly to annual sales of ¥30.0 billion four years after its launch. Meanwhile, owing to events such as the February 2017 fire at ASKUL LogiPARK Metropolitan, one of the main LOHACO distribution centers in East Japan, causing shipping capacity to drop, and the effects of the "delivery crisis" causing shipping costs to rise, losses in the LOHACO Business widened, and it was in a state of poor results. Amid such harsh changes in the environment, we worked to expand our original product offerings and reduce the logistics cost ratio by combining B-to-B and B-to-C for shipment synergies alongside promoting unattended delivery, achieving a profit in the fiscal year ended May 20, 2023. In July 2017 as well, with the aim of expanding our product offerings, we welcomed charm Co., Ltd. to the Group, a company that specialized in pet products, positioning it as a leader in our push to grow the B-to-C business.
Moving forward, we will seek further synergies between B-to-B and B-to-C, improve service quality and realize healthy growth, implementing business portfolio management by unifying B-to-B and B-to-C.
In the Logistics Business, we will increase shipping volume and shipping density for manufacturers and other e-commerce businesses at wholly-owned group companies ASKUL LOGIST Corporation and SEISHO TRANSPORT Corporation, which will lead to expanded revenue and lower distribution costs, creating productivity gains in our E-commerce Business.
In other areas (TSUMAGOI MEISUI CORPORATION), we use high-quality natural water to manufacture and sell natural mineral water with a unified quality management system from bottling to delivery, and we will utilize ASKUL services and LOHACO to expand the business.

For the Logistics Business and others (TSUMAGOI MEISUI CORPORATION), we will continue to implement business portfolio management with a focus on mutual synergies with the E-commerce Business.

Action to Implement Management that is Conscious of Capital Cost and Stock Price

Described Information Updated	Disclosure of initiatives (Update)
English Version of the Disclosure Updated	Available
Update Date Updated	July 4, 2025

Explanation for Applicable Items Updated

To strengthen its management's focus on capital cost and stock price, the Company will implement measures such as setting financial indicators, including ROE and total return ratio, cash allocation strategies, and initiatives to expand its shareholder and investor base while enhancing communication. These initiatives are detailed in the "Financial Results for the Fiscal Year Ended May 20, 2026, Action to Implement Management that is Conscious of Capital Cost and Stock Price." Moving forward, we will continue to be highly conscious of capital cost and return on capital, ensuring the appropriate allocation of management resources to achieve sustainable growth. This includes investments in human capital, investments in equipment and software to achieve operational reform and productivity improvement, enhancement of shareholder returns, and a review of the business portfolio, including M&A.

- https://pdf.irpocket.com/C2678/xoA3/SFxs/TnrJ/xrDC.pdf#page=32

2. Capital Structure

Foreign Shareholding Ratio Updated	10% or more and less than 20%

Status of Major Shareholders Updated

Name or Company Name	Number of Shares Owned	Percentage (%)
LY Corporation	41,980,000	46.89
PLUS Corporation	10,331,400	11.54
The Master Trust Bank of Japan, Ltd. (Trust Account)	3,812,300	4.26
STATE STREET BANK AND TRUST COMPANY 505001	1,250,642	1.40
Shoichiro Iwata	1,249,800	1.40
Hidehisa Imaizumi	1,233,600	1.38
Tadahisa Imaizumi	1,232,800	1.38
STATE STREET BANK AND TRUST COMPANY 505044	649,074	0.72
BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC)	590,812	0.66
UBS AG LONDON A/C IPB SEGREGATED CLIENT ACCOUNT	566,747	0.63

Name of Controlling Shareholder, if applicable (excluding Parent Company)	—
Name of Parent Company, if applicable	Not applicable

Supplementary Explanation Updated

The Company holds 237,728 treasury shares, which are excluded from the "Status of Major Shareholders" above. The percentage (%) shown in the "Status of Major Shareholders" above is calculated excluding treasury shares.

[Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Major Shareholders]
The Company formulated the Related-Party Transaction Management Regulations to carefully determine the rationality of the transactions and the appropriateness/fairness of the transaction terms and conditions to ensure that transactions with related parties do not harm ASKUL or the common interests of its shareholders, nor give rise to such concerns.
Related parties as used in the Regulations shall mean the following parties.
(1) Parent company of the Company
(2) Subsidiaries of the Company
(3) Companies, etc. (meaning a company, designated corporation, partnership, or other similar entity (including the equivalent thereof in a foreign country; the same shall apply hereinafter)), that have the same parent company as the Company
(4) Other affiliated companies of the Company (in the case where the Company is an associated company of other company, such other company, etc.), parent company of such affiliated companies, subsidiaries of such parent company, and subsidiaries of such affiliated companies
(5) Associated companies of the Company and subsidiaries of such associated companies
(6) Major shareholders of the Company (meaning a shareholder that holds voting rights of 10 percent or more of the voting rights held by all the shareholders, etc., in the shareholder's own name or the name of another person) and their close

relatives (relatives within the second degree of kinship; the same shall apply hereinafter)
(7) Officers of the Company and their close relatives
(8) Officers of the Company's parent company and their close relatives
(9) Companies, etc., in which a majority of the voting rights are owned by the parties listed in (6) through (8) above in their own calculation, and subsidiaries of such companies, etc.
(10) Corporate pension plan for employees (limited to cases where significant transactions are conducted with the Company other than contribution of premiums)

3. Corporate Attributes

Listed Stock Exchange and Market Segment	Tokyo Stock Exchange, Prime Market
Fiscal Year-End	May
Business Sector	Retail Trade
Number of Employees (Consolidated) as of the End of the Previous Fiscal Year	1,000 or more
Net Sales (Consolidated) as of the End of the Previous Fiscal Year	¥100 billion or more and less than ¥1 trillion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	10 or more and less than 50

4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

—

5. Other Special Circumstances Which May have Material Impact on Corporate Governance Updated

(1) Approach and Policy on Group Management
The Company has a listed subsidiary, and the Group's basic policy regarding group management is to strengthen group strategies with federal management to solve social issues, and in accordance with this basic policy, the Group will ensure that individual corporate entities have freedom in their management, share a mission to solve social issues, and moreover, will build a governance structure to achieve this goal and provide the highest value to various stakeholders through the collective strength of the Group.

(2) Measures to Ensure the Effectiveness of Governance Systems of Listed Subsidiaries
The Company recognized that it is important for the listed subsidiary to enhance its corporate value over the medium to long term and to maximize the common interests of all shareholders, including minority shareholders and the Company, and with this perspective in mind, the Company decides to exercise voting rights for each proposal of the listed subsidiary.
In addition, the Company has established the Affiliated Companies Management Regulations for the purpose of management of investees, etc., and requires prior approval or reporting to the Company regarding important decisions made by subsidiaries, including affiliated companies, etc. However, the Company does not require prior approval of listed subsidiaries that would affect the independence of such listed subsidiaries and makes efforts to ensure that it does not unfairly restrict the decision-making of each company.
In the unlikely event that a difference of opinion arises between the two companies with respect to any proposals regarding the shares of a listed subsidiary held by the Company, the Company will promptly cooperate with independent officers of listed subsidiary AlphaPurchase Co., Ltd. and make the final exercise of voting rights from the perspective of protecting minority shareholders. In addition, based on the belief that communication between the two companies is extremely significant in order to prevent differences in policies and views and conflicts of opinion, the Company has a policy of nominating one officer or employee of ASKUL as a candidate for Director, holding regular dialogues between the two CEOs, communication between senior management, and close communication with each other down to the administrative level in the Corporate Planning Division, aiming at maximizing synergies.

(3) Significance of Having Listed Subsidiaries
The significance of the Company having listed subsidiaries is as follows. The Company believes that the listed subsidiaries, while being evaluated in the stock market, should be able to maintain good relationships with their customers, business partners, employees, and other stakeholders and engage in their businesses, and that autonomous management taking into consideration the interests of minority shareholders will contribute to the growth of each company's business and enhancement of its corporate value, and ultimately to the enhancement of the overall corporate value of the Group. Accordingly, at this time, we consider it desirable to maintain the listing of each of the listed subsidiaries.

<Listed subsidiary>
AlphaPurchase Co., Ltd. is a consolidated subsidiary listed on the Tokyo Stock Exchange (Standard Market) and primarily engages in MRO and FM businesses.
The businesses of AlphaPurchase Co., Ltd. and the Company have different primary customer bases and sales channels, creating a complementary relationship. Through collaboration and cooperation between the two companies, we believe that each company can enhance its corporate value, thereby significantly contributing to the overall corporate value of the Group. As such, we will

continue to ensure that AlphaPurchase Co., Ltd. receives valuation in the stock market while fostering good relationships with stakeholders such as customers, business partners, and employees through business operations, and pursuing autonomous management that considers the interests of minority shareholders. We believe that this approach will contribute to business growth and corporate value enhancement for each company, and ultimately, to the overall corporate value of the Group. Therefore, at this time, we consider it desirable to maintain the listing of AlphaPurchase Co., Ltd.
(History)
November 2010: Acquired shares of AlphaPurchase Co., Ltd. and made it a subsidiary to expand product lineups.
December 2022: Listed on the Tokyo Stock Exchange (Standard Market).

(4) LY Corporation, the Company's Other Affiliated Company
1) Relationship with the other affiliated company
LY Corporation, the Company's other affiliated company, holds 46.89% of the Company's voting rights (as of May 20, 2026), and two out of ten directors of the Company are dispatched from LY Corporation.
Since LY Corporation holds 46.89% of the voting rights of the Company's shares, the Company is included in LY Corporation's scope of consolidation under International Financial Reporting Standards (IFRS). The Company has approved such a situation on the premise of enhancing value for all stakeholders (customers, shareholders, business partners, and employees) and maintaining independence of business operations as a listed company.

2) Approach and policy on group management in the other affiliated company
Please refer to the Corporate Governance Report of LY Corporation for their approach and policy on group management. The Company benefits from being part of the LY Group through collaboration with LY Corporation in the LOHACO Business, support from technology talent in the operation of the new ASKUL website, and cooperation in advanced technology areas such as marketing, DX, and AI.

3) Initiatives to ensure independence from the other affiliated company
LY Corporation respects the fact that the Company operates as an independent listed company maintaining independence in its business operations, and although there is acceptance of dispatched directors and employees from the company, the number of such positions is small. We recognize that the Company's business activities and management decisions are not constrained by LY Corporation, thus ensuring our independence.
Additionally, the Company has established the Related-Party Transaction Management Regulations, which clearly prohibit transactions with LY Corporation that are evidently more favorable or unfavorable compared to transactions with third parties or similar transactions, and explicitly forbid transactions aimed at transferring profits, losses, or risks.
Furthermore, the Company's Board of Directors Regulations stipulate that any person with a special interest in a resolution of the Board of Directors cannot exercise voting rights on that matter. In determining whether a director corresponds to the person with a special interest, we make efforts to ensure accurate judgment by seeking opinions from external experts as necessary.

II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management

1. Organizational Composition and Operation

Corporate Governance System	Company with Audit & Supervisory Committee

Directors

Number of Directors Stipulated in Articles of Incorporation Updated	16
Directors' Term of Office Stipulated in Articles of Incorporation	One year
Chairperson of the Board	President
Number of Directors Updated	10
Election of Outside Directors	Elected
Number of Outside Directors Updated	7
Number of Independent Directors Updated	6

Outside Directors' Relationship with the Company (1) Updated

Name	Attributes	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Rina Akimoto	From another company								○			
Nobuya Ishizaka	From another company								○			
Makoto Hide	From another company											
Kazuo Tsukahara	From another company											
Yoshitaka Asaeda	Certified public accountant								○			
Miyuki Nakagawa	From another company								○			
Masaya Tochio	From another company								○			

*Categories for "Relationship with the Company".

(Use "○" when the director presently falls or has recently fallen under the category; "△" when the director fell under the category in the past; "●" when a close relative of the director presently falls or has recently fallen under the category; and "▲" when a close relative of the director fell under the category in the past.)

a. Person who executes business of the Company or a subsidiary
b. Person who executes business or a non-executive director of a parent company
c. Person who executes business of a fellow subsidiary
d. Person/entity for which the Company is a major client or a person who executes business for such person/entity
e. Major client of the Company or a person who executes business for such client
f. Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets in addition to director/ Audit & Supervisory Board member compensation from the Company
g. Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business of the corporation)
h. Person who executes business for a client of the Company (excluding persons categorized as any of d, e, or f above) (applies to self only)
i. Person who executes business for another company holding cross-directorships/cross-auditorships with the Company (applies to self only)
j. Person who executes business for an entity receiving contributions from the Company (applies to self only)
k. Other

Outside Directors' Relationship with the Company (2) Updated

Name	Designation as Audit & Supervisory Committee Member	Designation as Independent Director	Supplementary Explanation of the Applicable Relationship	Reasons for Appointment
Rina Akimoto		○	There are sales transactions of the Company's products between the Company and vivid garden Inc., at which Ms. Rina Akimoto 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 her independence. There are no transactions from vivid garden Inc. to the Company.	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. Since her appointment as Outside Director of the Company in August 2024, she has not only fulfilled important roles, such as making suggestions from the perspectives of customer orientation and innovation promotion, 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 has determined that she is qualified to serve as an Outside Director and has appointed her.
Nobuya Ishizaka		○	There are sales transactions of the Company's products between the Company and Golf Digest Online Inc., at which Mr. Nobuya Ishizaka serves as President and CEO, and between the Company and Japan Speedgolf Association, at which he serves as Representative 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 his independence. There are no transactions from Golf Digest Online Inc. and Japan Speedgolf Association to the Company. There are no transactions between the Company and GDO Sports, Inc. (USA), at which he serves as President and Representative Director, and between the Company and GolfTEC Enterprises, LLC (USA), at which he serves as Chairman and Director.	Mr. Nobuya Ishizaka has extensive experience and a proven track record as a manager in the online media industry, where he has led the development of innovative services. In particular, he possesses a high level of knowledge and insights in digital strategy and marketing in both domestic and international business. Furthermore, since his appointment as Outside Director of the Company in August 2025, he has not only fulfilled important roles, such as making suggestions from an objective perspective cultivated through his diverse experience, 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 experience, greatly contributing to the enhancement of corporate value and management supervisory function of the Company. Accordingly, the Company has determined that he is qualified to serve as an Outside Director and has appointed him.

Name	Designation as Audit & Supervisory Committee Member	Designation as Independent Director	Supplementary Explanation of the Applicable Relationship	Reasons for Appointment
Makoto Hide			---	Mr. Makoto Hide possesses extensive experience and broad knowledge cultivated through his work in business strategy in the internet service industry and corporate management at group companies. Furthermore, since his appointment as Outside Director of the Company in August 2025, he has fulfilled important roles, such as providing supervision and suggestions that contribute to the management of the ASKUL Group, in the course of making management judgements and decisions of the Board of Directors. Accordingly, the Company has determined that he is qualified to serve as an Outside Director and has appointed him.
Kazuo Tsukahara	○	○	---	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, a solid 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 has determined that he is qualified to serve as an Outside Director serving as an Audit & Supervisory Committee member and has appointed him. Furthermore, the Company designated him as an Independent Officer since there are no transactions that would affect his independence.

Name	Designation as Audit & Supervisory Committee Member	Designation as Independent Director	Supplementary Explanation of the Applicable Relationship	Reasons for Appointment
Yoshitaka Asaeda	○	○	There are sales transactions of the Company's products between the Company and Yoshitaka Asaeda CPA Office, at which Mr. Yoshitaka Asaeda serves as Director, WingArc1st Inc., at which he serves as Outside Audit & Supervisory Board member, and Shimane Bank Ltd., at which he 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 his independence. There are also transactions related to the use of the system between the Company and WingArc1st Inc. However, the transaction amounts accounted for less than 0.1% of the Company's consolidated purchase of goods 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.	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 deemed that he is suitable as a candidate for Outside Director serving as an Audit & Supervisory Committee member.

Name	Designation as Audit & Supervisory Committee Member	Designation as Independent Director	Supplementary Explanation of the Applicable Relationship	Reasons for Appointment
Miyuki Nakagawa	○	○	There are sales transactions of the Company’s products between the Company and Chuo University, at which Ms. Miyuki Nakagawa serves as Professor of Chuo Law School, between the Company and Kousui Law Office, at which she serves as Representative, between the Company and NITTO KOGYO CORPORATION, at which she serves as Outside Director, between the Company and Nissan Chemical Corporation, at which she serves as Outside Director, and between the Company and SBI Shinsei Bank, Limited, 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. There are no transactions from Chuo University, Kousui Law Office, NITTO KOGYO CORPORATION, Nissan Chemical Corporation, and SBI Shinsei Bank, Limited to the Company. The Company has not concluded any legal advisory contract, litigation representation contract, or similar contract with Kousui Law Office.	Ms. Miyuki Nakagawa worked for many years as a prosecutor at the Tokyo District Public Prosecutors Office and elsewhere and has practical experience in legal circles. In addition to her expertise as a legal professional, she also serves as Outside Director and Outside Audit & Supervisory Board Member at multiple companies. Since August 2022, she has appropriately fulfilled the auditing function of business execution as Outside Audit & Supervisory Board Member of the Company based on her high level of expertise and from an objective and impartial standpoint. Accordingly, the Company has deemed that she is suitable as a candidate for Outside Director serving as an Audit & Supervisory Committee member.
Masaya Tochio	○	○		Mr. Masaya Tochio has business experience in the food industry and a track record in global business development, as well as broad knowledge as a Representative Director and Member of the Audit Committee (Standing). Accordingly, the Company expects him to provide highly effective supervision and useful suggestions making use of these extensive experiences and his advanced expertise in the management of the ASKUL Group, and has deemed that he is suitable as a candidate for Outside Director serving as an Audit & Supervisory Committee Member.

Audit & Supervisory Committee

Members Constituting the Committee and Attributes of the Chairperson Updated

	All Members	Full-time Members	Inside Directors	Outside Directors	Chairperson
Audit & Supervisory Committee	4	0	0	4	Outside Director

Existence of Directors and Employees to Assist the Duties of the Audit & Supervisory Committee Updated	Existed

Matters Concerning Independence of Such Directors and Employees from Executive Directors Updated

The Company's Audit & Supervisory Committee shall conduct efficient and effective audits by mainly targeting the Company's Representative Directors, Directors (other than Directors serving as Audit & Supervisory Committee members), Executive Officers, and Representative Directors of the Company's subsidiaries, in accordance with the audit policy determined by the Audit & Supervisory Committee, while covering the overall status of business execution of the Company and its subsidiaries. In addition, the Company's Audit & Supervisory Committee shall actively collaborate with the Internal Audit Division and the Accounting Auditor to conduct audits.
The appointment and transfer of employees to assist the duties of the Audit & Supervisory Committee shall be subject to the approval of the Audit & Supervisory Committee. Such employees shall execute their duties under the supervision and direction of Directors serving as Audit & Supervisory Committee members or the Audit & Supervisory Committee, and their evaluation shall be subject to the opinions of the Audit & Supervisory Committee.

Cooperation among Audit & Supervisory Committee, Accounting Auditor and Internal Audit Division Updated

The Audit & Supervisory Committee of the Company regularly conducts meetings with the Internal Audit Division and the Accounting Auditor, respectively, as necessary, and actively collaborates with them to execute audits and ensure effectiveness.

Voluntary Committees

Voluntary Establishment of Committee(s) equivalent to Nomination Committee or Compensation Committee	Established

Status of Voluntarily Established Committee(s), Attributes of Members Constituting the Committee and the Committee Chair (Chairperson) Updated

	Committee's Name	All Members	Full-time Members	Inside Directors	Outside Directors	Outside Experts	Other	Chairperson
Voluntarily Established Committee Equivalent to Nomination Committee	Nomination and Compensation Committee	5	-	1	4	-	-	Outside Director
Voluntarily Established Committee Equivalent to Compensation Committee	Nomination and Compensation Committee	5	-	1	4	-	-	Outside Director

Supplementary Explanation Updated

The Company has established the Nomination and Compensation Committee, which is responsible for the functions of both the Nomination Committee and the Compensation Committee.
The details are described in "4. Nomination and Compensation Committee" of the sections "2. Matters Concerning Functions of Business Execution, Auditing and Supervision, Nomination, and Compensation Decisions (Overview of Current Corporate Governance System)" in "II. Business Management Organization and Other Corporate Governance Systems regarding Decision-

making, Execution of Business, and Oversight in Management" of this Report.

Matters Concerning Independent Directors and Independent Audit & Supervisory Committee Members

Number of Independent Directors and Independent Audit & Supervisory Committee Members	6

Other Matters Concerning Independent Directors and Independent Audit & Supervisory Committee Members

The Company designates all outside officers who meet the qualifications for independent officers in accordance with the Designation Criteria for Independent Officers formulated by the Company as described in "Disclosure Based on the Principles of the Corporate Governance Code (Principle 4-9: Criteria for Independence and Qualification of Independent Outside Directors).

Incentives

Implementation Status of Measures related to Incentives Granted to Directors	Introduction of Performance-linked Compensation Scheme, Other

Supplementary Explanation for Applicable Items

For details, please refer to the section "[Principle 3-1 (3): Board of Directors' Policies and Procedures for Determining the Compensation of Directors and Senior Management] as described in "Disclosure Based on the Principles of the Corporate Governance Code" of this Report.

Persons Eligible for Stock Options	

Supplementary Explanation for Applicable Items

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Compensation of Directors

Status of Disclosure of Individual Directors' Compensation	No Disclosure for any Directors

Supplementary Explanation for Applicable Items **Updated**

Total amount of compensation paid to Directors and Audit & Supervisory Board members is disclosed for ASKUL Directors and Audit & Supervisory Board members and for Outside Directors and Audit & Supervisory Board members, respectively, in the Annual Securities Report and other documents.
In cases where the total amount of compensation, etc., paid to Directors is ¥100 million or more, the Company discloses such information separately in the Annual Securities Report.

- Annual Securities Report for the 63rd Fiscal Year, IV. Status of the Submitting Company, 4. Status of Corporate Governance, etc., (4) Compensation, etc. of Directors at https://www.askul.co.jp/corp/english/investor/library/results/

Policy on Determining Compensation Amounts and the Calculation Methods Thereof	Established

Disclosure of Policy on Determining Compensation Amounts and the Calculation Methods Thereof

For details on policies and procedures for the Company's Board of Directors in determining the compensation for Directors and senior management, please refer to the section "[Principle 3-1 (3): Board of Directors' Policies and Procedures for Determining the Compensation of Directors and Senior Management]" as described in "Disclosure Based on the Principles of the Corporate Governance Code" of this Report.

Support System for Outside Directors and/or Outside Audit & Supervisory Committee Members Updated

Although the Company does not have dedicated staff for Outside Directors, the division in charge of secretarial functions and the Legal Affairs Division serves as the secretariat for the Board of Directors' meetings in cooperation with the relevant divisions to ensure appropriate handling. The Internal Audit Division and Legal Affairs Division provide the Audit & Supervisory Committee with assistance as necessary, and when requested by the Audit & Supervisory Committee to assign dedicated staff, the Board of Directors responds appropriately upon consultation with the Audit & Supervisory Committee.

2. Matters Concerning Functions of Business Execution, Auditing and Supervision, Nomination, and Compensation Decisions (Overview of Current Corporate Governance System) Updated

The Company has adopted a system of a company with an Audit & Supervisory Committee.

< The Board of Directors >
The Board of Directors consists of ten members, including six Directors (other than Directors serving as Audit & Supervisory Committee members) and four Directors serving as Audit & Supervisory Committee members. The Board of Directors convenes once a month with extraordinary meetings as necessary.
The composition of the Board of Directors is as follows, and is chaired by the Representative Director, President and CEO. Six of the ten Directors are Independent Outside Directors, ensuring supervision and decision-making from an objective and diverse standpoint.
The Board of Directors is responsible for making decisions and supervising management strategies, new business plans, and the execution of significant business operations. The Board of Directors met a total of 16 times during the 63rd fiscal year (from May 21, 2025 to May 20, 2026).

< Directors (other than Directors serving as Audit & Supervisory Committee members) >

Representative Director, President and CEO	Takeshi Narimatsu
Director and CFO	Tsuguhiro Tamai
Director and CTO	Shinichi Hokari
Outside Director (Independent Officer)	Rina Akimoto
Outside Director (Independent Officer)	Nobuya Ishizaka
Outside Director	Makoto Hide

< Directors serving as Audit & Supervisory Committee members >

Outside Director serving as Audit & Supervisory Committee member (Independent Officer)	Kazuo Tsukahara (lead Independent Outside Director)
Outside Director serving as Audit & Supervisory Committee member (Independent Officer)	Yoshitaka Asaeda (Chairperson of the Audit & Supervisory Committee)
Outside Director serving as Audit & Supervisory Committee member (Independent Officer)	Miyuki Nakagawa
Outside Director serving as Audit & Supervisory Committee member (Independent Officer)	Masaya Tochio

< The Audit & Supervisory Committee >
The Audit & Supervisory Committee consists of four Outside Directors serving as Audit & Supervisory Committee members (Independent Officers) (Yoshitaka Asaeda as Chairperson, Kazuo Tsukahara, Miyuki Nakagawa, and Masaya Tochio).
The Audit & Supervisory Committee receives reports on, discusses, or resolves important matters related to audits.

The Audit & Supervisory Committee met a total of 16 times during the 63rd fiscal year (from May 21, 2025 to May 20, 2026).

In addition to the above Board of Directors and Audit & Supervisory Committee, the Company has established the following meetings and committees: 1. Management Meeting; 2. Independent Outside Officer Meeting; 3. Nomination and Compensation Committee; 4. Sustainability Committee; 5. Risk Management Committee; 6. Compliance Committee; 7. Occupational Health and Safety Committee; and 8. Information Disclosure Committee.

1. Management Meeting
   Comprised of CEO (Takeshi Narimatsu, Chairperson), ASKUL Director (Shinichi Hokari), and CFO (Tsuguhiro Tamai), the Management Meeting examines and submits proposals for business execution to be discussed in accordance with the respective regulations.
   During the 63rd fiscal year (from May 21, 2025 to May 20, 2026), the Management Meeting met 40 times.

2. Independent Outside Officer Meeting
   With the aim of establishing an appropriate corporate governance system and enhancing corporate value of the Company and the Group, Independent Outside Directors (including Directors serving as Audit & Supervisory Committee members) (hereinafter referred to as "Independent Outside Officers") freely exchange information and opinions on matters related to corporate governance, the content of agenda items/proposals submitted to the Board of Directors, important matters related to the Company's business and management, and other matters deemed necessary by the Independent Outside Officers. During the 63rd fiscal year (from May 21, 2025 to May 20, 2026), the Independent Outside Officer Meeting met four times.

   The members of the Independent Outside Officer Meeting as of the date of the update of this Report are as follows.

Outside Director serving as Audit & Supervisory Committee member (Independent Officer)	Kazuo Tsukahara (Chairperson, lead Independent Outside Director)
Outside Director (Independent Officer)	Rina Akimoto
Outside Director (Independent Officer)	Nobuya Ishizaka
Outside Director serving as Audit & Supervisory Committee member (Independent Officer)	Yoshitaka Asaeda
Outside Director serving as Audit & Supervisory Committee member (Independent Officer)	Miyuki Nakagawa

Outside Director serving as Audit & Supervisory Committee member (Independent Officer)	Masaya Tochio

3. Nomination and Compensation Committee
The Nomination and Compensation Committee is a permanent advisory body to the Board of Directors, and the majority of its members consist of independent Outside Directors, for the purpose of contributing to the building of an appropriate corporate governance and ensuring management transparency of the Company and the Group, and deliberates and reports to the Board of Directors on the following matters, in consultation with the Board of Directors.
・Formulation of basic policies on the appointment and dismissal of Directors (other than Directors serving as Audit & Supervisory Committee members), Representative Directors, President and CEO, and key officers and employees, as well as on the appointment of Directors serving as Audit & Supervisory Committee members.
・Proposals for the appointment and dismissal of Directors to be submitted to a General Meeting of Shareholders.
・Proposals for the appointment and dismissal of key officers and employees to be submitted to the Board of Directors' meetings.
・Formulation and operation of succession plans for Representative Directors, President and CEO, Directors, and key officers and employees.
・Formulation of basic policies on compensation of President and CEO, Directors (other than Directors serving as Audit & Supervisory Committee members), and key officers and employees.
・Proposals for the calculation method of compensation of President and CEO, Directors (other than Directors serving as Audit & Supervisory Committee members), and key officers and employees, and the amount of compensation for each individual.
・Other important management matters deemed necessary by the Board of Directors.

The Nomination and Compensation Committee may investigate matters under its jurisdiction, provide opinions, advice, and recommendations to the Board of Directors, and may also express its opinions at a General Meeting of Shareholders and other meetings regarding matters for which it has made reports, recommendations, etc.
During the 63rd fiscal year (from May 21, 2025 to May 20, 2026), the Nomination and Compensation Committee met 20 times. The members of the Nomination and Compensation Committee as of the date of the update of this Report are as follows.

Outside Director serving as Audit & Supervisory Committee member (Independent Officer)	Kazuo Tsukahara (Chairperson)
Outside Director (Independent Officer)	Rina Akimoto
Outside Director (Independent Officer)	Nobuya Ishizaka
Outside Director serving as Audit & Supervisory Committee member (Independent Officer)	Masaya Tochio
Representative Director, President and CEO	Takeshi Narimatsu

4. Sustainability Committee
With the aim of fulfilling the social responsibilities, achieving sustainable growth, and enhancing corporate value over the medium to long term, and complementing governance function of the Board of Directors of the Company and the Group, the Sustainability Committee deliberates and decides on issues and policies related to sustainability and ESG. The Sustainability Committee members consist of the Representative Director Takeshi Narimatsu; ASKUL Directors (other than Directors serving as Audit & Supervisory Committee members), including Tsuguhiro Tamai, chairperson and Director in charge of risk management, and Shinichi Hokari; the chief officers other than the CISO; and the Executive Officer of the division in charge of sustainability. In addition, one or more Outside Directors (other than Directors serving as Audit & Supervisory Committee members) or Directors serving as Audit & Supervisory Committee members (Rina Akimoto, Outside Director; Yoshitaka Asaeda, Director serving as Audit & Supervisory Committee member) are appointed as advisors. During the 63rd fiscal year (from May 21, 2025 to May 20, 2026), the Sustainability Committee met 12 times.

5. Risk Management Committee
With the aim of managing risks in the Company and the Group and complementing the governance function of the Board of Directors, the Risk Management Committee works to understand the status of and take measures related to risk management. The Risk Management Committee members consist of the Representative Director Takeshi Narimatsu; ASKUL Directors (other than Directors serving as Audit & Supervisory Committee members), including Tsuguhiro Tamai, chairperson and Director in charge of risk management, and Shinichi Hokari; the chief officers; and the Executive Officers of the divisions in charge of risk management and corporate planning. In addition, one or more Outside Directors (other than Directors serving as Audit & Supervisory Committee members) or Directors serving as Audit & Supervisory Committee members (Masaya Tochio, Outside Director serving as Audit & Supervisory Committee member) are appointed as advisors. During the 63rd fiscal year (from May 21, 2025 to May 20, 2026), the Committee met 12 times as the Risk and Compliance Committee.

6. Compliance Committee
With the aim of complementing the governance function of the Board of Directors by ensuring thorough compliance in the Company and the Group with laws and regulations, social norms, internal rules including the Code of Ethics and Conduct, etc., and by ensuring the appropriateness of operations, the Compliance Committee works to understand the status of and take measures related to compliance. The Compliance Committee members consist of the Representative Director Takeshi Narimatsu; ASKUL Directors (other than Directors serving as Audit & Supervisory Committee members), including Tsuguhiro Tamai, chairperson and Director in charge of risk management, and Shinichi Hokari; the chief officers other than the CISO; and the Executive Officers of the divisions in charge of compliance and corporate planning. In addition, one or more Outside Directors (other than Directors serving as Audit & Supervisory Committee members) or Directors serving as Audit & Supervisory Committee members (Miyuki Nakagawa, Outside Director serving as Audit & Supervisory Committee member)

are appointed as advisors. During the 63rd fiscal year (from May 21, 2025 to May 20, 2026), the Committee met 12 times as the Risk and Compliance Committee.

7. Occupational Health and Safety Committee
   With the aim of ensuring the safety of staff and employees and ensuring and enhancing their mental and physical health, as well as improving productivity and heightening morale, through the improvement of the occupational safety and working environment of the Company and the Group, the Occupational Health and Safety Committee works, as a body that complements the governance function of the Board of Directors, to understand the status of and take measures related to occupational safety and health. The Occupational Health and Safety Committee members consist of the Representative Director Takeshi Narimatsu; ASKUL Directors (other than Directors serving as Audit & Supervisory Committee members), including Tsuguhiro Tamai, Director in charge of risk management, and Shinichi Hokari; the chief officers, including the CHO and excluding the CISO; the Executive Officer of the unit in charge of human resources (Tamami Ito, chairperson); the Executive Officers of the divisions in charge of logistics, corporate planning, compliance, legal affairs, sustainability, and general affairs; the head of the internal audit division; and the Representative Director and President of ASKUL LOGIST Corporation.
   In addition, one or more Outside Directors (other than Directors serving as Audit & Supervisory Committee members) or Directors serving as Audit & Supervisory Committee members (Kazuo Tsukahara, Outside Director serving as Audit & Supervisory Committee member) are appointed as advisors. During the 63rd fiscal year (from May 21, 2025 to May 20, 2026), the Occupational Health and Safety Committee met 12 times.

8. Information Disclosure Committee
   With the aim of enhancing management transparency through appropriate disclosure of information about the Company and the Group, decisions on matters necessary for disclosure are made by the Information Disclosure Committee. The Information Disclosure Committee members consist of the person responsible for handling information (Tsuguhiro Tamai, chairperson), Executive Officers, Vice Executive Officers, and General Managers of divisions in charge of IR, public relations, finance, corporate planning, and accounting, as well as Executive Officers, Vice Executive Officers, etc., of divisions in charge of legal affairs, sustainability, general affairs, and human resources. During the 63rd fiscal year (from May 21, 2025 to May 20, 2026), the Information Disclosure Committee met 41 times.

In connection with the reorganization of its committee structure aimed at strengthening governance, enhancing and deepening discussions in each area, and improving their effectiveness, the Company resolved, at the Board of Directors meeting held on August 6, 2026, to dissolve the Quality Management Committee and transfer its functions to other governing bodies and committees, and to reorganize the Risk and Compliance Committee into the Risk Management Committee and the Compliance Committee. The descriptions in this Report are based on this resolution.

For activities of the Board of Directors and each Committee, etc., please also refer to the following.

- Annual Securities Report for the 63rd Fiscal Year, Status of the Submitting Company, Status of Corporate Governance, etc., 4) Status of activities of the Board of Directors, Nomination and Compensation Committee, and Sustainability Committee at https://www.askul.co.jp/corp/english/investor/library/results/

3. Reasons for Adoption of Current Corporate Governance System Updated

The Company has adopted the present system of a Company with an Audit & Supervisory Committee since it aims to strengthen the supervisory function of the Board of Directors and further enhance corporate governance by appointing the Audit & Supervisory Committee members who are responsible for auditing the execution of duties by Directors as members of the Board of Directors. In addition, by enabling the Board of Directors to broadly delegate decision-making on business execution to Directors, the Company seeks to separate execution and supervisory functions, accelerate the decision-making process, and ultimately improve corporate value.

*The Company transitioned from a Company with an Audit & Supervisory Board to a Company with an Audit & Supervisory Committee as of August 5, 2025.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize the General Shareholder Meetings and Facilitate Exercise of Voting Rights

	Supplementary Explanation
Scheduling of the General Shareholders Meeting During Non-Peak Days	The Company's fiscal year ends on May 20, and no consideration regarding the peak days is required.
Electronic Exercise of Voting Rights	The Company accepts the exercise of voting rights via the Internet at the website for exercising voting rights.
Participation in a Platform for the Electronic Exercise of Voting Rights and Other Initiatives to Enhance Environment for Institutional Investors to Exercise Voting Rights	The Company participates in the electronic voting platform for institutional investors for the convenience of investors.
Provision of Notice (or Summary of Notice) of the General Shareholders Meeting in English	The Company prepares English translation of the Notice of the General Meeting of Shareholders (summary) and posts it on its website.
Other	The Company posts the Notice of the General Meeting of Shareholders and other information on its website.

2. Status of IR-related Activities Updated

	Supplementary Explanation	Explanation by a representative director or a representative executive officer
Creation and Announcement of Disclosure Policy	In addition to the basic approach to information disclosure and disclosure standards, methods, and structures, the Company provides the "ASKUL Disclosure Policy" on its website. Please see the website below for details. [Basic approaches to information disclosure and dialogue with shareholders] at https://www.askul.co.jp/corp/english/investor/management/disclosure/	
Regular Investor Briefings held for Individual Investors	In principle, it is the Company's policy to hold retail investor briefings (including briefings organized by securities companies) at least once a year.	Not Held
Regular Investor Briefings held for Analysts and Institutional Investors	In principle, earnings announcements (including online) are held four times a year, as of the end of the first through third quarters and at the end of the fiscal year, with explanation provided by Representative Director or Director and CFO. [Status of implementation for the fiscal year ended May 20, 2026] Four Earnings Announcement Briefings (online type)	Held
Online Disclosure of IR Information	IR releases disclosed about the Company are posted on its website in chronological order for easy understanding. (URL https://www.askul.co.jp/corp/english/investor/release/)	
Establishment of Department and/or Placement of a Manager in Charge of IR	The Company has established a division in charge of investor relations, and dedicated staff members are engaged in investor relations activities.	

3. Status of Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanation
Establishment of Internal Rules Stipulating Respect for the Position of Stakeholders	The Company has established the Code of Ethics and Conduct (ASKUL Code of Conduct), which defines the basic rules of conduct that should be observed by all officers and employees of the Company in the execution of their duties, as follows. "In our business activities and relationships with stakeholders surrounding ASKUL, we shall comply with laws and regulations, the ASKUL Code of Conduct, policies, internal rules, regulations, guidelines, manuals, etc. (hereinafter, those listed after "policies" are collectively referred to as the "Internal Rules, etc."), and shall conduct our activities in a sound, fair, and transparent manner. When conducting business activities overseas on a permanent basis, we shall also comply with the laws and regulations of the respective countries." These are posted on the Company's intranet to ensure that all officers and employees are thoroughly informed.

	Supplementary Explanation
Implementation of Environmental Preservation Activities and CSR Activities, etc.	The Company discloses its basic approach to sustainability activities (environmental and social activities) and major initiatives on its website. https://askul.disclosure.site/ja/ (Japanese only)
Formulation of Policies, etc. on Provision of Information to Stakeholders	Based on the decision of the Information Disclosure Committee mentioned above, the Company has formulated policies, etc., for providing information to customers, shareholders, investors, partners, employees, and other stakeholders. “1. Basic Policy and Approach on Timely Disclosure of Corporate Information” and “2. Current Status of Timely Disclosure System” are described in detail in “2. Other Matters Concerning the Corporate Governance System” of “V. Other.”

IV. Matters Concerning the Internal Control System

1. Basic Approach to Internal Control System and Status of Development Updated

1. Basic Approach

In order to ensure proper business activities of the Company in accordance with the Companies Act and the Regulations for Enforcement of the Companies Act, the Company shall establish an internal control system to prevent various risks from the perspective of risk management by recognizing the social responsibilities the Company should fulfill, while enhancing corporate governance and at the same time ensuring compliance management.

2. Status of Development

The Company has made a resolution at the Board of Directors' meeting on the basic policy regarding establishment of internal control system concerning the "systems for ensuring proper business activities" as stipulated in the Companies Act and the Regulations for Enforcement of the Companies Act. The outline of the policy is as follows (last revised on August 6, 2026).

1. System for ensuring that the execution of duties by Directors, etc., and employees of the Company and its subsidiaries complies with laws and regulations and the Articles of Incorporation

(1) The corporate group comprised of the Company and its subsidiaries has established the ASKUL WAY, which is the origin of concepts and actions necessary for sustainable growth, and has developed, shared, and complied with the Code of Ethics and Conduct (ASKUL Code of Conduct) and the *Compliance Manual*. The Company shall also comply with various regulations, including the Board of Directors Regulations, Organization Regulations, Regulations on Division of Duties, and Administrative Authority Regulations, to ensure appropriate execution of duties.

(2) The Company's Board of Directors shall always include Outside Directors who have no vested interest in the Company, in the expectation that they will serve as checks and balances to ensure the legality of the Directors' execution of their duties.

(3) In order to contribute to the establishment of appropriate corporate governance and management transparency of the Company and the Group, the Company has established the Nomination and Compensation Committee, which is mainly composed of independent officers, as well as the Sustainability Committee, Risk Management Committee, Compliance Committee, and other committees to fulfill the social responsibilities of the Company and the Group and to promote sustainable growth and enhance corporate value over the medium to long term, thereby establishing a system to complement the governance function of the Board of Directors.

(4) Education and training on the environment, information security, occupational safety, quality, and various laws and regulations are provided on a regular basis to deepen understanding of compliance and create an environment facilitating the sound execution of duties.

(5) The Internal Audit Division shall audit the status of the execution of duties by the Company's employees, pointing out any problems to managers of divisions to which the employee belongs, and reporting to the Representative Directors, the Board of Directors, and Audit & Supervisory Committee to request improvements in those divisions and ensure proper business activities.

(6) The status of the execution of duties by Directors and employees of the Company's subsidiaries shall be supervised and managed by the division in charge of corporate planning in accordance with the Company's Affiliate Companies Management Regulations, and audited by the Company's Internal Audit Division to ensure proper business activities.

(7) As part of the monitoring function of the Company and its subsidiaries, a hotline (internal reporting system) applicable in the Company and its subsidiaries, including an outside consultation service (the office of the Company's legal counsel), has been established to identify any suspicious activities from the perspective of compliance.

2. System for storing and managing information related to the execution of duties by Directors

(1) Information related to the execution of duties by Directors shall be appropriately recorded, stored, and managed in accordance with laws, regulations, and the Articles of Incorporation, and internal rules such as the Board of Directors Regulations, Information Security Regulations, and Document Handling Regulations. In addition, Directors (other than Directors serving as Audit & Supervisory Committee members) and Directors serving as Audit & Supervisory Committee members shall have access to these records at all times.

(2) Executive Officers appointed by the Board of Directors are responsible for these duties.

3. Regulations and other systems for managing the risks of loss of the Company and its subsidiaries

(1) With regard to risks of the Company and its subsidiaries, the Company has appointed a Director in charge of risk management, established a division to deal with such risks, and set up committees such as the Sustainability Committee, Risk Management Committee, Compliance Committee, Occupational Health and Safety Committee, and Information Disclosure Committee to understand and assess the risk and compliance status of the Company and its subsidiaries, and to prevent the occurrence of risks.

(2) Based on the above risk assessment, the Company and its subsidiaries shall establish in advance the systems necessary to minimize losses of the Company and its subsidiaries in the event that various risks materialize, and shall take necessary measures in accordance with such systems in the event that such risks actually materialize.

(3) With regard to risks related to the environment, information security, occupational safety, quality, compliance, and human rights, etc., the Company shall develop a management system that complies with the ISO 14001 (Environment), ISO 27001 (Information Security), and ISO 10002 (Customer Satisfaction) standards, and maintain a management cycle of analysis/planning, execution, audit or examination/review, and improvement, and establish a system for proper business activities. Furthermore, the Company shall establish regulations and manuals in each division in charge and subsidiary, and provide all employees with training and thorough awareness of them.

(4) With respect to monitoring risk management related to the execution of duties by the Company and its subsidiaries, the Internal Audit Division shall take the lead in conducting regular audits from the perspectives of compliance and risk management.

4. System for ensuring the efficient execution of duties by Directors, etc., of the Company and its subsidiaries

(1) The Company and its subsidiaries shall adopt a system to ensure the proper and efficient execution of duties in accordance with the Board of Directors Regulations, Organization Regulations, Regulations on Division of Duties, Administrative Authority Regulations, and other regulations established by each company.

(2) The Company's Board of Directors shall always include Outside Directors who have no vested interest in the Company, in the expectation that they will serve as checks and balances to ensure the appropriateness and efficiency of the Directors' execution of their duties.

5. System for reporting to the Company on matters pertaining to the execution of duties by Directors, etc., of the Company's subsidiaries

The Company has formulated the Affiliate Companies Management Regulations and other related regulations, and in accordance with these regulations, each subsidiary shall regularly report to the Company on the status of execution of its duties and other important matters through reports to the division in charge of corporate planning, which serves as the Company's contact point, or through attendance at the Board of Directors' meetings, the Management Meetings, and other important meetings of the Company. The division in charge of corporate planning shall promptly share with the relevant divisions of the Company matters reported by Directors, Audit & Supervisory Board Members, etc., and employees of the Company's subsidiaries.

6. Other system for ensuring the proper business activities of the corporate group comprised of the Company, its other affiliated companies, and its subsidiaries

With regard to the relationship between the Company and LY Corporation, which is one of the Company's other affiliated companies, the Company shall ensure the proper business activities by enhancing the management monitoring system and strengthening the check-and-balance function by Outside Officers who have no vested interest in the Company.

7. System concerning employees who are requested by Audit & Supervisory Committee to assist them in their duties, matters related to the independence of such employees from Directors (other than Directors serving as Audit & Supervisory Committee members), and matters related to ensuring the effectiveness of instructions given to such employees

(1) The Internal Audit Division, Legal Affairs Division, etc. provide the Audit & Supervisory Committee with assistance as necessary, and when requested by the Audit & Supervisory Committee to assign dedicated staff, the Board of Directors responds appropriately upon consultation with the Audit & Supervisory Committee.

(2) The appointment and transfer of employees to assist the duties of Audit & Supervisory Committee shall be subject to the approval of Audit & Supervisory Committee. Such employees shall execute their duties under the supervision and direction of Directors serving as Audit & Supervisory Committee members or Audit & Supervisory Committee, and their evaluation shall be subject to the opinions of Audit & Supervisory Committee.

8. Systems for ensuring that Directors, Audit & Supervisory Board members, etc., and employees of the Company and its subsidiaries report to the Company's Audit & Supervisory Committee, that those who make such reports are not treated unfavorably by reason of having made such reports, and that audits by the Audit & Supervisory Committee are carried out effectively.

(1) Directors (other than Directors serving as Audit & Supervisory Committee members) and employees of the Company shall report the status of execution of their duties through the Board of Directors' meetings, the Management Meetings, and other important meetings of the Company attended by Directors serving as Audit & Supervisory Committee members.

(2) Directors, Audit & Supervisory Board members, etc., and employees of the Company's subsidiaries shall report regularly to the Company on the status of execution of their duties and other important matters through report to the division in charge of corporate planning, which serves as the Company's contact point, or through attendance at the Board of Directors' meetings, the Management Meetings, and other important meetings of the Company attended by Directors serving as Audit & Supervisory Committee members. The division in charge of corporate planning shall promptly report to Directors serving as Audit & Supervisory Committee members or the Audit & Supervisory Committee any important matters reported by Directors, Audit & Supervisory Board members, etc., and employees of the Company's subsidiaries.

(3) The Company's Audit & Supervisory Committee shall conduct efficient and effective audits by mainly targeting the Company's Representative Directors, Directors (other than Directors serving as Audit & Supervisory Committee members), Executive Officers, and Representative Directors of the Company's subsidiaries, in accordance with the audit policy determined by the Audit & Supervisory Committee, while covering the overall status of business execution of the Company and its subsidiaries. In addition, the Company's Audit & Supervisory Committee shall actively collaborate with the Internal Audit Division and the Accounting Auditor to conduct audits.

(4) The Company and its subsidiaries shall establish a system whereby any event that may have a significant impact on the Company's credibility or business performance, or any serious act that violates laws, the Articles of Incorporation, or the Internal Rules, etc., shall be promptly reported to the Company's Audit & Supervisory Committee through the division of the Company in charge.

(5) The Audit & Supervisory Committee shall hold regular meetings to exchange opinions with the Representative Directors and the Accounting Auditor, respectively.

(6) The Company shall enhance the reporting system to the Audit & Supervisory Committee by establishing a contact point for reporting and consultation with Directors serving as Audit & Supervisory Committee members of the Company. The Company shall prohibit any unfavorable treatment of persons who make such reports or consultations as a result of their doing so.

9. Matters concerning procedures for advance payment or reimbursement of expenses incurred in the execution of duties by Directors serving as Audit & Supervisory Committee members (only apply to the expenses related to the execution of duties by Audit & Supervisory Committee) and other policies concerning the treatment of expenses or liabilities incurred in the

execution of such duties

When Directors serving as Audit & Supervisory Committee members request the Company to make an advance payment or reimburse expenses incurred in the execution of their duties, the Company shall promptly process such expenses and liabilities, unless such expenses or liabilities are deemed unnecessary for the execution of duties by Directors serving as Audit & Supervisory Committee members.

10. System for ensuring the reliability of financial reporting

The Company shall appoint a Director in charge of finance and accounting, formulate internal rules for financial reporting, prepare consolidated and non-consolidated financial statements in accordance with corporate accounting standards that are generally accepted as fair and appropriate, and establish the Information Disclosure Committee to ensure the reliability of financial reporting by the Company and its subsidiaries.

2. Basic Approach to Measures for Eliminating Anti-Social Forces and Status of Development

The Code of Ethics and Conduct of the Company and its subsidiaries stipulates that the Company and its subsidiaries shall take a firm stand against anti-social forces and organizations, sever all relationships with them, and shall not engage in any acts that encourage or contribute to the activities of anti-social forces and organizations, as a basic approach to eliminate anti-social forces. The Code of Ethics and Conduct shall be posted at all times within the Company and its subsidiaries to ensure that all employees are educated and thoroughly informed of it.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted

Supplementary Explanation for Applicable Items

When introducing anti-takeover measures, the Company shall not, as a matter of course, aim to protect management or the Board of Directors, and the Board of Directors will carefully deliberate on the necessity and rationality of the introduction and operation of such measures, and furthermore, the Company shall make decisions based on the opinions of a "third-party committee" or similar body consisting of Outside Directors, mainly independent officers, and third parties with no vested interests. If necessary, the Board of Directors will also consider implementing such measures after consulting with and obtaining approval at a General Meeting of Shareholders.

2. Other Matters Concerning the Corporate Governance System Updated

(Tax Policy)
Under the recognition that compliance is a prerequisite for management, in relationships with stakeholders, the Company has established the ASKUL Code of Conduct (Code of Ethics and Conduct), which defines the basic rules of conduct that should be observed by all officers and employees of the Company in the execution of their duties while they strive to maintain a high sense of ethical standards and a law-abiding spirit, and the Company and all Group companies are committed to acting in accordance with these rules.
With regard to tax compliance, based on the spirit of the ASKUL Code of Conduct, the Company aims to contribute to the economic and social development of each country and region in which we conduct business by ensuring transparency in our tax affairs through the timely and appropriate disclosure of tax information, compliance with applicable laws and regulations, and by filing tax returns and paying taxes as appropriate.

For the ASKUL Group Tax Policy, please refer to the following.
Corporate Governance Tax Policy at https://askul.disclosure.site/ja/themes/83 (Japanese only)

(System for Timely Disclosure of Information)
The status of the Company's internal system for the timely disclosure of corporate information is as follows.
1. Basic Policy and Approach on Timely Disclosure of Corporate Information
The Code of Ethics and Conduct (ASKUL Code of Conduct) is a set of basic rules that should be observed by all Directors, Audit & Supervisory Board members, employees, contract employees, and part-time employees (hereinafter referred to as "we") working for ASKUL Corporation and its subsidiaries in the course of executing their duties, which clearly states as follows.

(1) For shareholders and investors
・The Company proactively and impartially discloses information in accordance with applicable laws and regulations for shareholders and investors, including management-related matters and the status of business activities (the "Company Information").
・Company Information is disclosed in a timely and appropriate manner, while ensuring accuracy at all times and, when necessary, taking into consideration the need to maintain confidentiality.
・In order to ensure the reliability of financial and tax accounting records and reports, the Company shall conduct accurate and proper accounting procedures in accordance with corporate accounting standards that are generally accepted as fair and appropriate, relevant laws and regulations, and internal rules, and shall not prepare inaccurate or false records.
・With regard to records and reports concerning our duties and operations, the Company shall also accurately and faithfully prepare such records and reports in accordance with relevant laws and regulations and internal rules, and shall not prepare inaccurate or false records, and shall make efforts to present such records and reports in an understandable manner.
・In addition to information that must be disclosed due to legal requirements, the Company makes proactive efforts to disclose non-financial information such as the ASKUL WAY, policies, risks, governance, and matters related to the Company's relationship with society, including environmental and social contribution activities (so-called ESG factors).

(2) Prohibition of insider trading
We shall not engage in any conduct that interferes with the soundness and fairness of the securities market, such as trading in stocks or securities with knowledge of material non-disclosed information on all business partners of the ASKUL Group obtained in the course of business activities. In addition, we will not use material non-disclosed information to provide benefits or favors to third parties.

In this matter, all members of the ASKUL Group take a sincere attitude toward the timely disclosure of facts and information related to financial results that have a significant impact on investors' investment decisions.

2. Current Status of Timely Disclosure System
Specifically, with regard to material facts that may influence investors' decisions, the following systems are in place for information on decisions and financial results, respectively.

(1) Information on decisions and financial results
In order for each business site and division of the ASKUL Group to understand and recognize what constitutes a material fact, a list of material facts is compiled in the Insider Trading Regulations reflecting laws, regulations, and listing rules, and each case is judged by the Information Disclosure Committee.
The Information Disclosure Committee is the decision-making body for the Company to promptly and appropriately disclose information in accordance with the Rules on Timely Disclosure of Corporate Information by Issuers of Listed Securities of the Tokyo Stock Exchange, Inc. and related laws and regulations, and operates in accordance with Information Disclosure Committee Regulations that stipulate matters related to such disclosure. When an agenda item concerning a material fact is proposed at a Board of Directors' meeting and other meetings, the division in charge of investor relations confirms whether or not the item is a material fact in accordance with the rules for timely disclosure, and the Information Disclosure Committee makes a decision on the item.
Based on these frameworks, the Board of Directors makes a decision on items and handles information disclosure, and immediately after the decision is made, the information is disclosed through the Tokyo Stock Exchange, Inc.

(2) Information on occurrence of an event
For sudden events, the Company has established a mechanism to convene the relevant divisions to take emergency measures and to promptly respond to disclosure. Under this mechanism, the level of risk is determined, and an organization is formed to respond according to the level of risk. For events that fall under the category of material facts, an emergency task force is set up to ensure prompt and appropriate disclosure.

Moreover, the Internal Audit Division conducts rigorous audits of the business execution of each division and subsidiary to ensure and improve the fairness and transparency of corporate management.

<Schematic (as of August 6, 2026)>