



ASKUL Report 2025

ASKUL Corporation
Sustainability Report

Thank you for taking the time to read *ASKUL Report 2025*.

We had originally planned to publish an integrated report, as in previous years, comprehensively outlining both financial and non-financial information. However, in light of the significant impact of the ransomware attack that occurred in October 2025 on our business operations, and with due consideration given to the accuracy and reliability of our disclosures, we therefore decided this year to present our information pertaining to the fiscal year ended May 20, 2025 in the form of a sustainability report that focuses on our environmental, social, and governance (ESG) initiatives. We hope that this report will help stakeholders deepen their understanding of our current situation and ongoing efforts.

CEO Message

We would like to begin this report by once again expressing our sincere apologies to all of our stakeholders, including our customers, business partners, and shareholders, for the significant inconvenience and concern caused by the recent ransomware attack.

The attack resulted in widespread disruptions, particularly to our logistics systems, leading to the suspension of shipping operations for approximately two months. This greatly inconvenienced many customers who were counting on our services. Furthermore, we have confirmed that a portion of the information held by the Company was leaked externally. We regard this matter with the utmost seriousness and are fully committed to fulfilling our responsibility to provide a thorough explanation, and implementing robust measures to prevent the recurrence of such incidents.

In response to this incident, we moved as swiftly as possible to investigate the cause and identify the scope of impact in cooperation with external experts. We also directly contacted individual customers and business partners whose information was leaked. At the same time, we worked to reconstruct our systems and strengthen security measures. In addition to technical measures such as the implementation of multi-factor authentication and layered defense, we have also initiated efforts to enhance employee education, strengthen monitoring frameworks, and conduct a comprehensive review of our business continuity plan and overall security governance. This report includes an overview of these initiatives.

While this incident was a deeply regrettable experience for ASKUL, it has also come to serve as an important turning point in our efforts

to become a stronger company. Since our founding, we have made it our mission to respond to the expectations of our customers consistently and sincerely, remaining committed to the promise of next-day delivery that is embedded in the meaning of our corporate name.* The most essential element of this mission is the stable provision of services that customers can use with confidence and peace of mind. We recognize that regaining trust will take time. With this understanding, we will unite as a company to make our utmost efforts to once again become a trusted partner chosen by all of our stakeholders.

In the area of sustainability, we continue to implement measures related to climate change, resource recycling, human capital, supply chain management, and governance. In this report, we outline the ESG initiatives we implemented in the fiscal year ended May 20, 2025, alongside our direction for future improvements and further pursuits.

We are more keenly aware than ever of our corporate responsibility and the importance of trust. With this at the forefront of our minds, we will earnestly move forward to remain a company that contributes to a better tomorrow for society, our customers, and the planet. We ask for your continued understanding and support.

* ASKUL is a portmanteau of "asu," which means "tomorrow," and "kuru," which means "to arrive."

March 2026

Akira Yoshioka

Representative Director, President and CEO,
ASKUL Corporation

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Reporting Period
June 2024 to May 2025 (fiscal 2025), with some information added through January 2026

Date of Publication
March 2026

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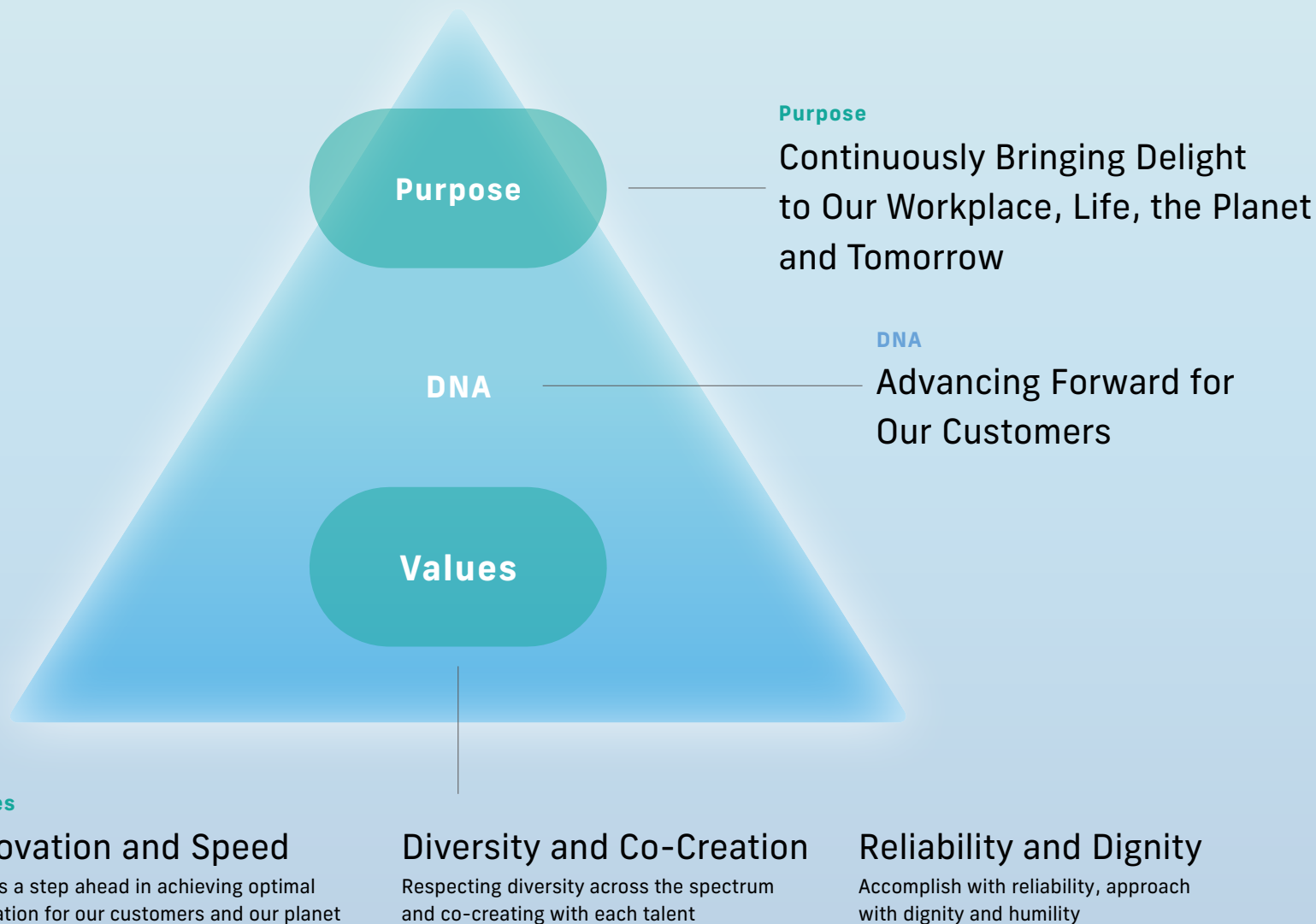
Links to related web pages (Japanese only)

ASKUL WAY

Under the ASKUL WAY, which we updated in December 2020, we have newly positioned our corporate philosophy of “Advancing forward for our customers”—an ideal we have valued since our founding—as our unchanging DNA that we will pass from generation to generation, no matter how much we change as a company.

This DNA will underpin Our Purpose, which conveys the reason why we exist and what our responsibilities are to society, and Our Values, which represent the ideals we must maintain in order to realize Our Purpose.

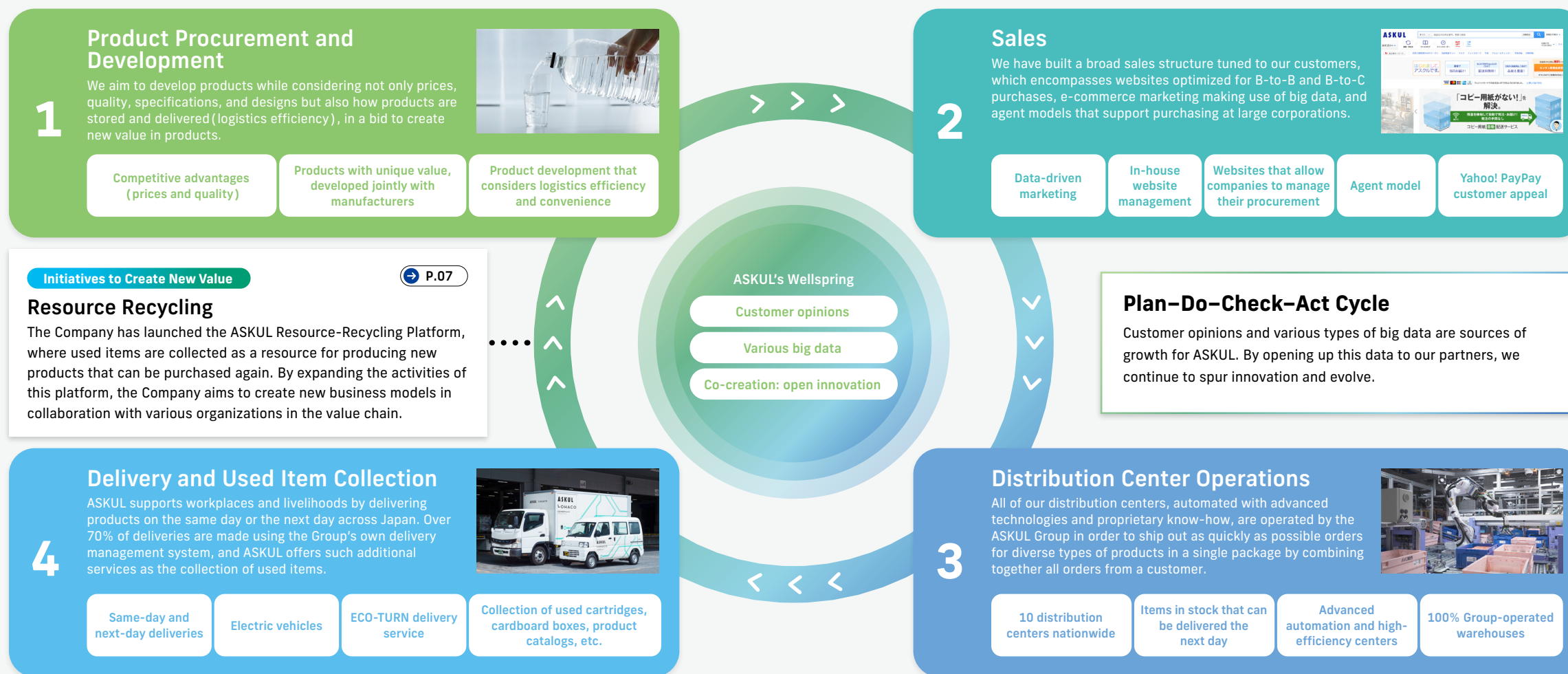
The ASKUL WAY serves as the cornerstone for transforming ourselves as a company in accordance with change, and the actions that employees carry out in accordance with the ASKUL WAY will provide the driving force toward creating a new ASKUL.



Business Model

Ethical E-Commerce That Continuously Brings Delight

ASKUL aims to offer ethical e-commerce through the provision of sustainable services that consider solutions to environmental and social issues. Throughout the entire e-commerce value chain, from product development to delivery, we aim to create a sustainable distribution platform of the highest efficiency while delivering delight to customers and the planet.



ASKUL's Businesses

ASKUL Business (B-to-B Business)

Our mission is to fulfill our social responsibility by supplying products to all workplaces as a lifeline for working people. To this end, we offer a service that enables customers to shop from a selection of more than 14.80 million products (as of May 2025) in one place, ranging from general office supplies, such as copy paper and stationery, to daily necessities at workplaces, including beverages, foods, and related supplies., cleaning supplies., detergents., packing and shipping supplies., and smart office supplies.

Consolidated Net Sales

¥358.4 billion

ASKUL

SOLOEL

Group Companies, etc.

ASKUL will advance e-commerce in partnership with AlphaPurchase Co., Ltd., which sells maintenance, repair, and operation supplies and engages in the facility management business; FEED Corporation, which operates a mail-order service for the dental industry; SOLOEL Corporation, which provides purchasing solutions for large companies; BUSINESSSMART CORPORATION, which carries out the ASKUL Agent business, and charm Co., Ltd., which operates e-commerce websites for pet and gardening products.

Consolidated Net Sales

¥76.9 billion

Alpha Purchase
FEED フィード株式会社

ビジネススマート株式会社
BUSINESSSMART CORPORATION
charm

LOHACO Business (B-to-C Business)

LOHACO, which is derived from the phrase "lots of happy communities," is based on the concept of "making our lives easier." The Company operates LOHACO by ASKUL within Yahoo! Shopping as an e-commerce business for daily necessities that offers more than 1.01 million products (as of May 2025), ranging from beverages, foods, detergents, kitchen supplies, pharmaceuticals, cosmetics, and other daily necessities, to pet products and interior goods. The Company aims to enhance its corporate value through sound growth by combining the product development and procurement capabilities, logistics and delivery networks, and customer responsiveness cultivated through its B-to-B efforts with the customer-drawing power and payment services of LY Corporation.

Consolidated Net Sales

¥36.8 billion

LOHACO by ASKUL

Logistics Business and Other Businesses

In its Logistics Business, ASKUL uses the logistics know-how accumulated through its E-Commerce Business to provide logistics and small-cargo transportation services to companies. It also provides product storage, warehouse management, and delivery services for manufacturers and direct-order companies through ASKUL LOGIST Corporation and SEISHO TRANSPORT Corporation.

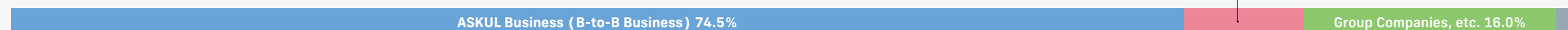
TSUMAGOI MEISUI CORPORATION sources high-quality natural spring water from melted snow at the base of Mt. Azumaya, one of Japan's 100 famous mountains. The company produces and sells bottled natural mineral water using an integrated quality management system.

Consolidated Net Sales

¥8.8 billion

ASKUL Logist 西湘運輸株式会社 孺恋銘水

Net Sales Ratios



E-Commerce Business 98.2%

Note: Changes have been made to the method of disclosure for subsegments with effect from the fiscal year ended May 20, 2025.

The Ethical E-Commerce ASKUL Aims to Achieve

Ethical E-Commerce

Since its founding, ASKUL has aimed to achieve “social optimization” and has grown by reforming existing distribution models to create new ones while gaining the support of its customers and business partners.

The speed at which changes occur around us has entered an entirely new dimension with the emergence of climate change, labor shortages, human rights issues, and geopolitical risks, as well as the increasing demand to realize a sustainable society.

Our Purpose is “Continuously bringing delight to our workplace, life, the planet and tomorrow.” E-commerce that embodies this purpose, and that strives to provide products and services that will not only benefit customers but also help resolve social issues, is the ethical e-commerce that ASKUL aims to achieve and its mission.

We promote the use of ASKUL and participation in the ASKUL platform as the most convenient ways to make the greatest contribution to resolving social issues. In doing so, we aim to expand support for our services and evolve as a service that brings delight not only to our customers but also to our business partners while positively contributing to the future of the earth.

To this end, it is important that we adopt a “trade-on” perspective and start a movement that engages our stakeholders.

Trade-On

To date, ASKUL has strived to provide products and services that contribute to resolving social issues—with particular regard to the environment—while responding to customer feedback. On the other hand, the high social value of said products and services does not necessarily translate to economic value. As such, there were times when we proceeded with initiatives while accepting that it was inevitable that they would not be profitable.

One of the key elements in realizing ethical e-commerce is the achievement of a so-called trade-on. In other words, it is necessary to strike a balance between the social value of products and services that lead to the resolution of social issues and economic value. As one facet of this trade-on perspective, we believe it is important to change the way we view economic value. We must not only consider the conventional short-term economic value of increasing sales volumes by refining and adding value to our products and services and reducing costs by scaling production. From now on, we will continuously take on new challenges, focusing also on the long-term economic value of increasing the number of customers and business partners who choose ASKUL because they agree with our corporate stance and values and who will use our services over the long term, while striving to increase loyalty among our employees and business partners, which will, in turn, spread to all stakeholders.

New Value Being Created by ASKUL

[→ P.06](#) Visualization of the Product Environmental Score

[→ P.07](#) Resource-Recycling Initiatives

[→ P.08](#) Elimination of Unnecessary Waste from the World

The Ethical E-Commerce ASKUL Aims to Achieve

01 | Visualization of the Product Environmental Score

Since 2010, we have been using the ASKUL Environmental Perspective, a set of 10 qualitative items regarding the environment-friendliness of our products, as our standard.

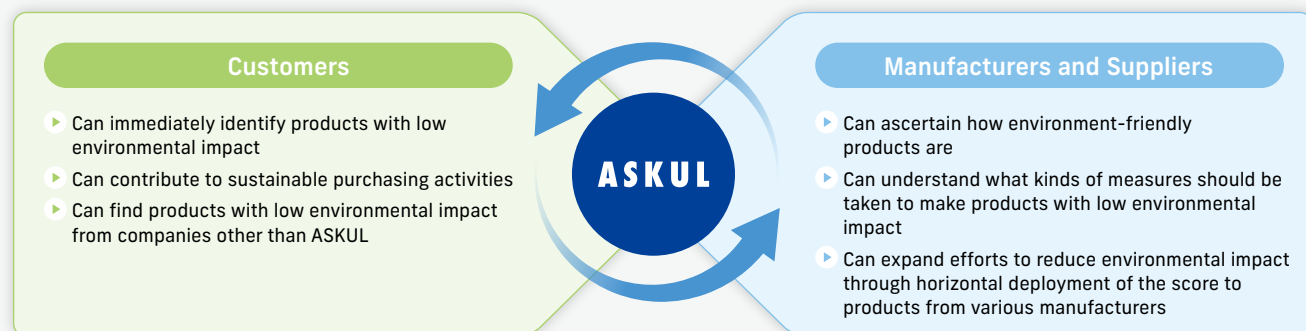
In the ten years that followed, social issues such as climate change, resource depletion, marine and forest conservation, and waste management materialized and attracted attention.

Accordingly, in 2020, we began reviewing our product environmental standards, and in 2021, we identified our areas for contribution as decarbonization, resource conservation and resource recycling, and biodiversity conservation, for which we set 30 quantitative criteria items.



These standards have made it possible to determine what measures should be taken in product development to manufacture products with low environmental impact. We gave each product an environment-friendliness score based on the standards and posted it on our website. As a result, it became easier for customers to select products with low environmental impact and meant that both individuals and corporations could play a part in preserving the environment.

By reviewing the way the environmental score is displayed, we hope it will become a guidepost for delivering products that are better for the environment. We also aim to evolve the scoring criteria to align with the demands of society. We will continue in our aim to be one step ahead of the industry.



Development of Environment-Friendly Products

In 2022, we formulated and announced the ASKUL Product Environmental Standards. The evaluation criteria are divided into the categories of containers and packaging, products, and mechanisms, and all products are scored according to the same criteria. As such, there is no concept of a perfect score. While some product groups are difficult to score, manufacturers and product merchandisers are sharing their know-how in an effort to raise their scores.

In May 2024, almost three years after their establishment, we reviewed the standards in light of changes in social demands. We have added an item for Science Based Targets initiative (SBTi) approval in the mechanism section and have increased the weighting of the points allocated to it, with the aim of promoting SBTi certification among our business partners.

➔ P.17 ASKUL's Greenhouse Gas Emissions Reduction Targets

Large Category	Medium / Small Categories	Evaluation Criteria Example (30 Items Total)
Containers and packaging	Raw materials	Paper, plastic, certification, and printing Recycled used paper and other materials and FSC-certified products
	Design	Lightweight, resource-saving, and disposable Degree of improvements and ease of sorting
Products	Raw materials	Forest products, plastic, and certification Materials with low environmental impact and certified products
	Design	Lightweight, resource-saving, and disposable Degree of improvements and ease of sorting
Mechanisms	Reuse	Collection and recycling Independent collection and use of recycled materials
	Initiatives	Setting of greenhouse gas emissions reduction targets Acquisition of SBTi certification and setting of SBTi-compliant targets

Increased Ease for Customers to Choose Environment-Friendly Products

In May 2024, we updated our product page display to show not only the products' environmental scores but also key points regarding their environment-friendliness and detailed information on how products earn points. This data is based on the 30 items of the ASKUL Product Environmental Standards, which are grouped into nine categories. In addition, in February 2025 we began displaying environmental scores in product comparison tables. We are also enhancing the environmental information provided on product pages.

We have approximately 6,300 private brand products and approximately 4,100 national brand products displaying scores thanks to the cooperation of about 50 of our business partners. We will continue to work to increase the number of products with environmental scores displayed.

ASKUL Product Environmental Score			
Containers and packaging	Uses environment-friendly materials	Resource saving and packaging-free	Designed to be easy to separate and recycle
Products	Uses environment-friendly materials	Resource-saving, energy-saving, and dehydrated	Designed to be easy to separate and recycle
Mechanisms	Has its own collection scheme	Resources recycled by ASKUL	Reduces greenhouse gas emissions

Note: Examples of display on actual product page

The Ethical E-Commerce ASKUL Aims to Achieve

02 Resource-Recycling Initiatives

[ASKUL Resource-Recycling Platform](https://www.askul.co.jp/kaisya/shigen/)

<https://www.askul.co.jp/kaisya/shigen/> (Japanese only)

Resource-Recycling Platform (Clear Plastic Folders) #reduce

Why?

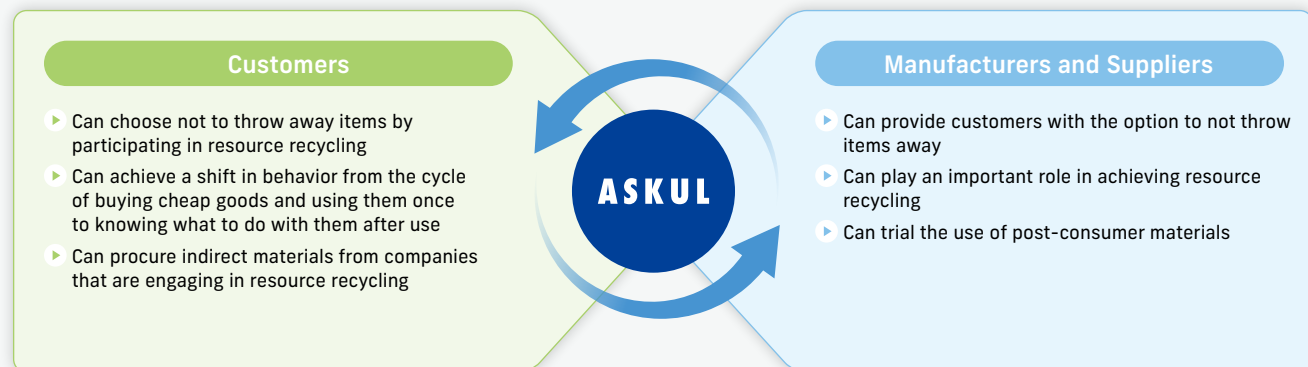
In recent years, plastics have been attracting attention not only from the standpoint of effective use of resources and waste reduction but also from the perspective of climate change countermeasures, and there is a need to build a value chain that achieves all the three Rs plus renewability.

ASKUL started as a mail-order business for office supplies and has sold a large volume of plastic products since its founding. From this standpoint, we considered how the supply chain, including ASKUL, should change in order to shift from a linear economy that leads from the sourcing of raw materials to disposal to a circular economy that avoids waste where possible.

Role

To develop our resource-recycling initiatives and think about how to apply them in the supply chain, we need concrete actions, not just a concept. In April 2022, we launched the ASKUL Resource-Recycling Platform with the aim of collaborating with various businesses to promote a shift to a value chain that achieves resource recycling throughout the product life cycle, from product planning and design to manufacturing, sales, and recycling for use in future products.

Through our activities to collect and recycle used clear plastic folders, we would like to foster ideas for reusing resources that are easy for various entities to participate in.



Platform Results (January 2021 to September 2025)

Collection

Amount of clear plastic folders collected	Cumulative total: 343.3 tons
Recycle rate*	98.2%
Providers	Cumulative total: 3,537

* Recycle rate = Weight of recycled pellets / Weight of provided clear plastic folders

Manufacture, Sale, and Use

Recycled pellets manufactured	Cumulative total: 273.6 tons
Recycled pellets sold and used	Cumulative total: 104.1 tons

Examples of Commercialization

There are now more products that use recycled polypropylene made from used clear plastic folders.

S.T. CORPORATION



SHOSHURIKI Deodorizer for Trash Cans Series

Part of the product contains recycled materials made from used clear plastic folders

Matakul: Askul Original Product Series



Matakul A4 clear plastic folder
Contains 100% recycled materials made from used clear plastic folders

Matakul Optex Highlighter
Contains recycled materials made from used clear plastic folders

Matakul Flat Dolly
Contains 50% recycled materials made from used clear plastic folders

The Ethical E-Commerce ASKUL Aims to Achieve

03 | Elimination of Unnecessary Waste from the World

Go Ethical (Initiative to Reduce Product Loss and Waste)

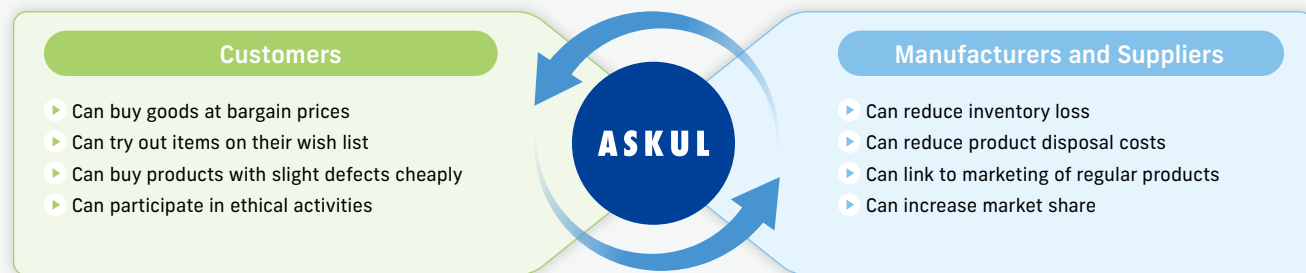
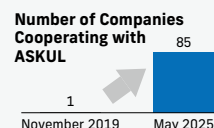
#reduce

Go Ethical is an initiative to sell products that have been discarded by manufacturers for various reasons, such as returned goods from stores and defective packaging, even though there are no issues with the quality of the item itself. The products are sold via our regular sales channels to shed light on the issue of reducing product waste rather than just offering discounted prices as is common in outlet sales. The initiative also allows retailers to display in-store the reasons why an item is being sold as a Go Ethical product, therefore ensuring that no brands are harmed and clarifying the situation to customers before they make their purchase.

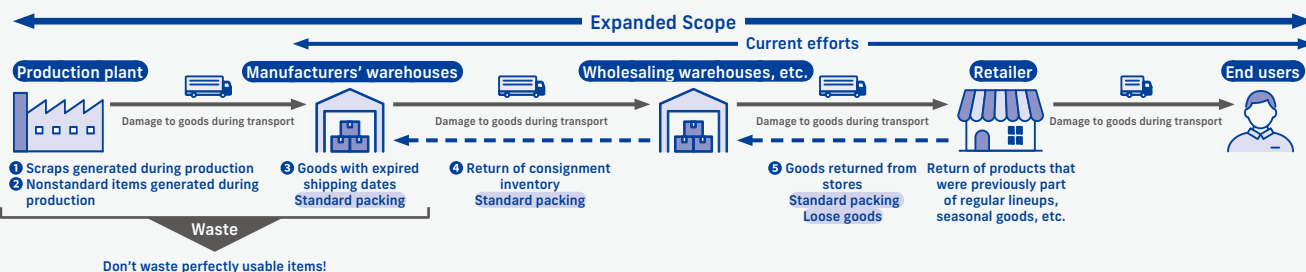
ASKUL, in its pursuit of ethical e-commerce, promotes its own initiatives based on the Sustainable Development Goals (SDGs) while co-creating with manufacturers, who are the creators of the products.



* The sales volume for Go Ethical products sold on both the LOHACO and ASKUL websites from May 21, 2021 to July 20, 2025 is based on shipping records.



Future Development Working with suppliers and manufacturers throughout the supply chain to address the issue of waste, we have recently expanded the scope of our efforts to include scraps and nonstandard items generated during production. We will continue extending our efforts to reduce waste as much as possible.



Message

ASKUL's Sustainability Advisor



Looking Forward to ASKUL's Future Value Creation

Peter David Pedersen
Executive Director of NELIS,
Sustainability Advisor, ASKUL Corporation

I commend ASKUL for its stance on the environment, including its expanded adoption of renewable energy, continuous innovation in its resource-recycling platform and ethical e-commerce efforts, and promotion of product environmental scores. Maintaining such efforts is certainly not easy. I also greatly admire the Company's spirit in proactively pursuing further sustainability innovation.

In this year's message, I would like to touch on ASKUL's future based on its vision for 2050. Backcasting from 2050, the Company's target for 2035 of achieving an EBITDA composition in which 50% comes from existing businesses and the remaining 50% from new businesses is bold and exciting. In my view, helping working people achieve self-realization and happiness and adopting AI and digital transformation as growth drivers while escaping dependence on the market in Japan, where the population is declining rapidly, are essential to achieving this goal.

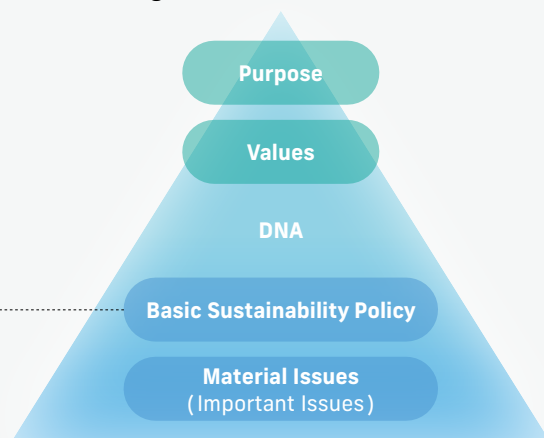
I am very interested to see how ASKUL will expand its sustainable and green business activities on its innovation journey in a profitable way while acting as a sustainability hub. As the Company increases the number of its private brand products, I hope that it will incorporate green factors, well-being, circularity, and solutions to social issues as standard in its product development criteria. At the same time, I am keen for the Company to translate sustainability and green factors into brand power and customer development capabilities as it extends its operations from Japan to other parts of Asia. While challenges remain in the B-to-C market, I believe that the majority of business operators in the B-to-B market, including in Japan, want to contribute to the achievement of the SDGs and in areas beyond the SDGs (discussions on which will begin in earnest in 2027), whether or not they are major corporations. Tracing back from 2050 to 2035, I have high hopes that ASKUL's future value creation efforts will ensure that it aligns the realization of a sustainable society with the achievement of its own growth.

Promotion of Sustainability Management as a Unified Initiative with Our Businesses

In December 2020, ASKUL formulated the Basic Sustainability Policy as a guideline for activities to realize a sustainable society and identified material issues (important issues). We are fulfilling our responsibilities for a sustainable society and for sustaining growth as a corporation by constantly evolving and undertaking initiatives to solve social issues through our business activities.

Basic Sustainability Policy

We, the ASKUL Group, strive with a shared sense of purpose to contribute to the realization of a sustainable society through the growth of the Group, as a company that supports the tomorrow of our workplaces, daily lives, and our planet.



Material Issues (Important Issues) Identification Process

We identified and categorized key issues while referring to international guidelines, internal policies, and the ASKUL WAY. Moreover, through interviews, ASKUL organized and evaluated issues along two axes, "importance for stakeholders" and "importance for ASKUL," and identified and decided material issues (important issues) in a resolution passed by the Board of Directors.

Identification Process

STEP 1 Identify and evaluate social issues and hypothesize stakeholder demands

We identified social issues that should be examined, including items outlined in the 17 SDGs, GRI, ISO 26000, SASB, IIRC, and other international frameworks, as well as ESG evaluation criteria. In addition, we listed hypothetical demands from each type of stakeholder.

STEP 2 Dialogue with stakeholders

Based on the identified social issues and determined hypotheses, we conducted a survey of employees and interviewed customers, suppliers, investors, and officers inside and outside the Company about stakeholder expectations and demands of ASKUL, as well as the priority issues that we should address.

STEP 3 Align internal and external assessments and identify candidate key issues

We selected potential material issues (important issues) along the two axes of importance based on stakeholder expectations and external viewpoints and the importance and impact for the ASKUL Group.

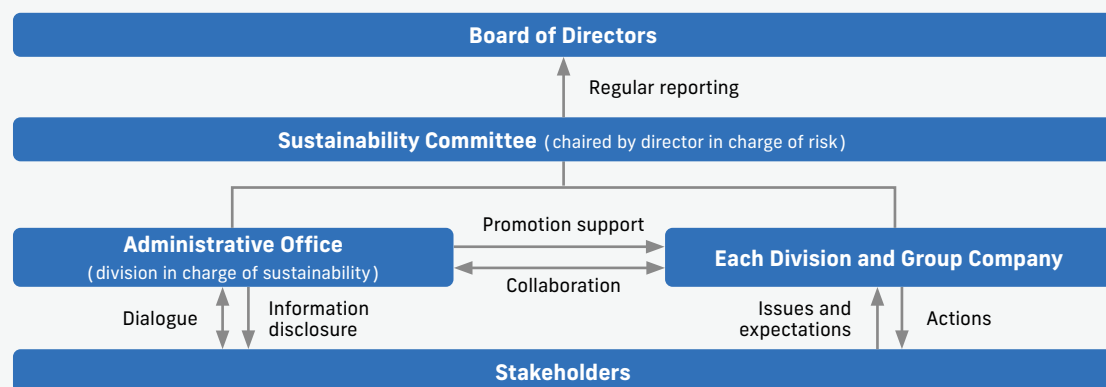
STEP 4 Discuss and evaluate at the management level and identify material issues (important issues)

We identified and disclosed ASKUL's material issues (important issues) following deliberations by the Board of Directors, ascertaining their appropriateness through the CSR Committee in December 2020 (currently the Sustainability Committee), and receiving and evaluating opinions of all officers, including outside directors, and discussions by the Management Meeting.

STEP 5 Review material issues (important issues)

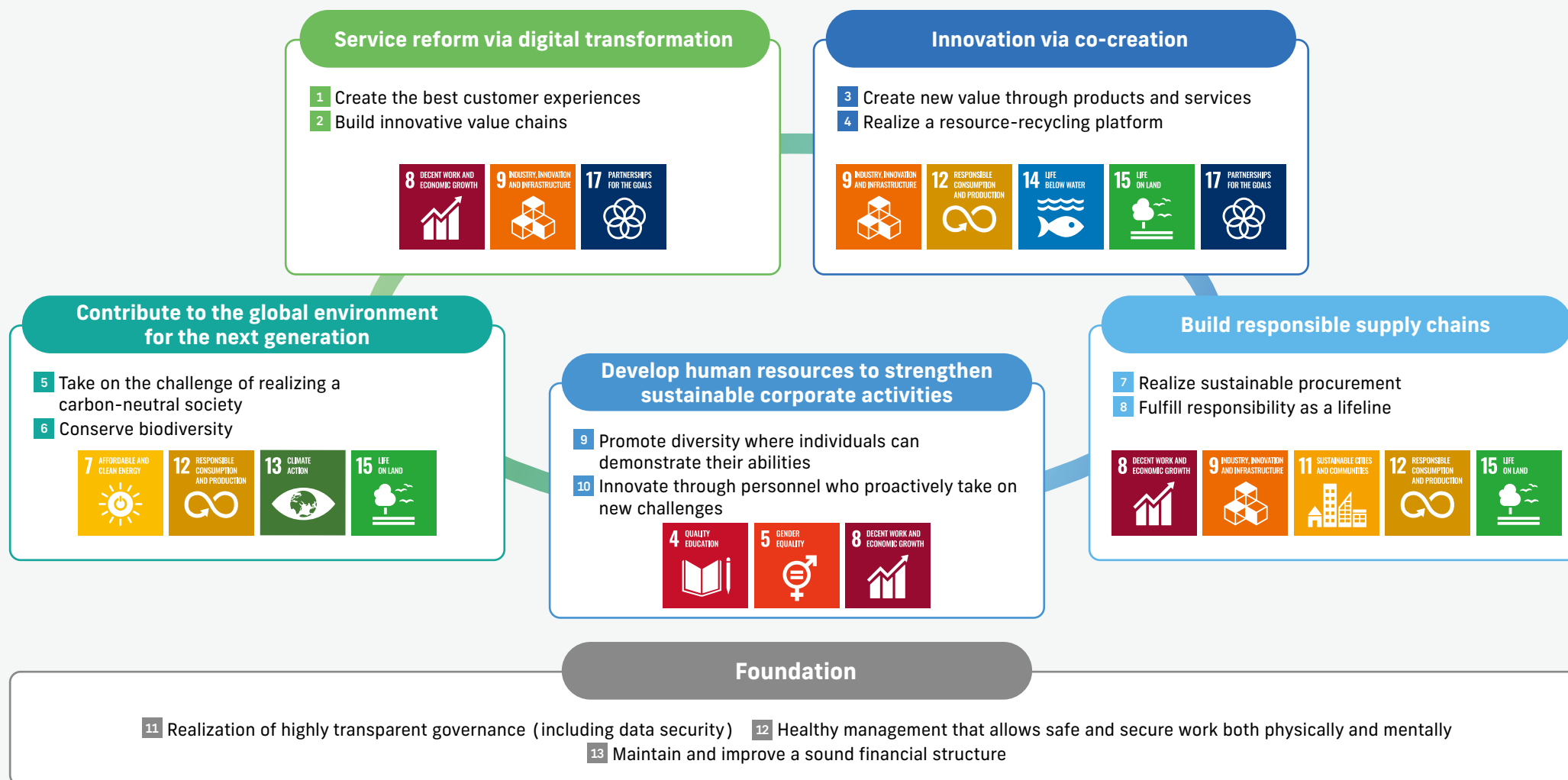
We implement each initiative and periodically review material issues (important issues), targets, and KPIs in light of changes in the business environment, social trends, and KPI attainment.

CSR / ESG / Sustainability Promotion Structure



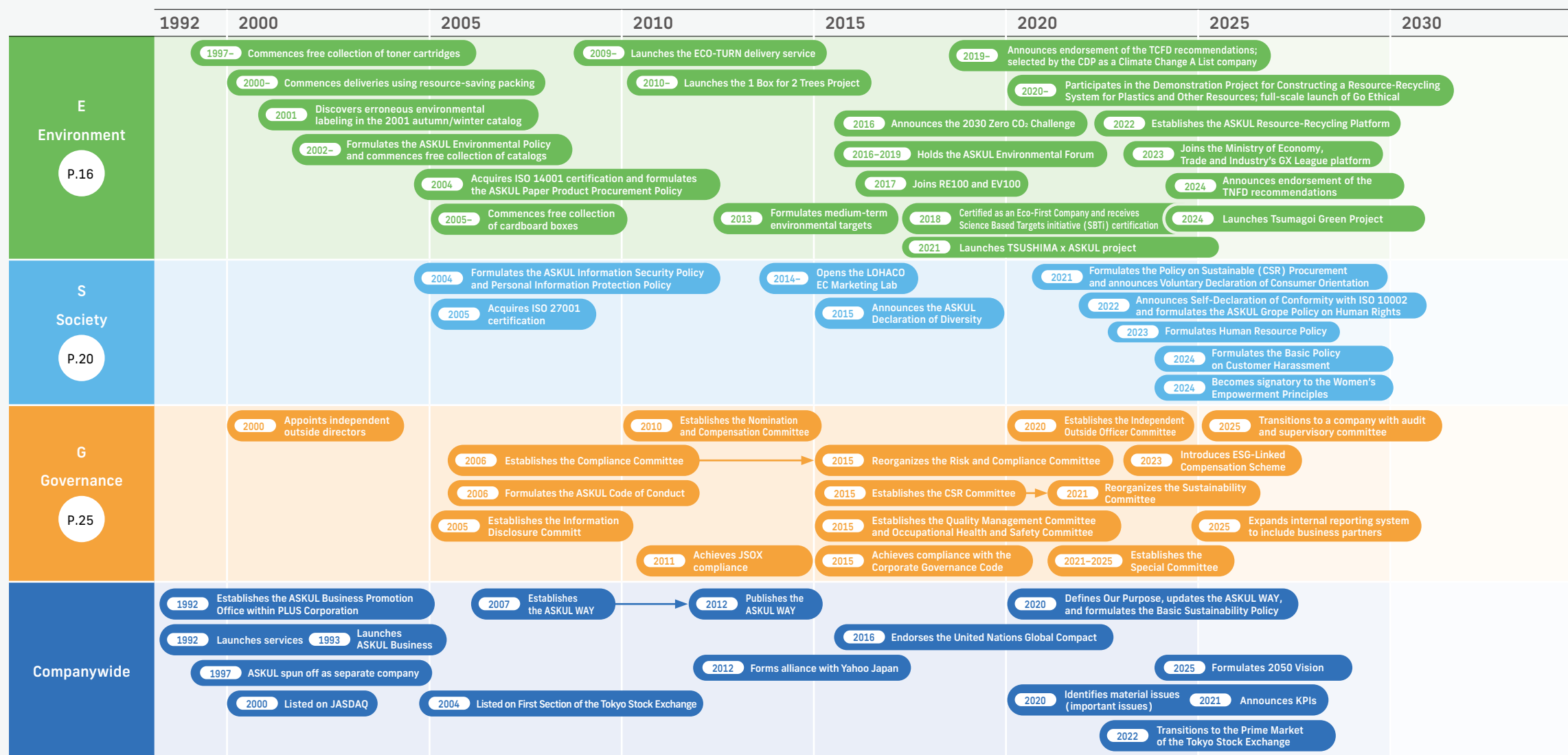
ASKUL's Material Issues (Important Issues)

Based on the identified material issues (important issues), ASKUL has determined its initiatives and targets through 2030. While reviewing these material issues in the future, we will ascertain progress and regularly reassess each material issue.



ESG and Sustainability Initiatives

Advancing forward for our customers based on DNA passed along since our founding and promoting daily advances, ASKUL continues to develop, take on challenges, and expand initiatives and systems in the areas of ESG and sustainability in response to business growth, social trends, and various management issues.



Evolving Strengths

Co-Creation with Stakeholders

ASKUL's Product Development That Leverages Partnerships to Deliver Solutions to Our Customers and Society

Point 01



Product development inspired by customer feedback

- ▶ Daily customer feedback shared throughout the Company
- ▶ Analysis of customer feedback by merchandisers and formulation of hypotheses based on social issues
- ▶ Partnering with manufacturers and suppliers to create value through problem-solving products for our customers and for society

Batteries with instantly recognizable sizes



Alkaline batteries

Point 02



Promotion of the development of environment-friendly products by determining and managing the ASKUL Product Environmental Standards

- ▶ Enhancement of environment-friendly products that contain renewable materials or biomass
- ▶ Formulation of the ASKUL Product Environmental Standards (page 6) (30 items in total), which consist of three main categories: containers and packaging, products, and mechanisms
- ▶ Visualization of the ASKUL Product Environmental Standards in a quantified form as environmental scores (page 6) listed on product pages

We are working to help resolve the deforestation issue in Indonesia to ensure the sustainable procurement of raw materials



Copy paper
Multipaper Super White+

Point 03



Specifications that take delivery efficiency, receiver burden, and storage into consideration

- ▶ Bundling of items in one shipping package as much as possible so as to reduce CO₂ emissions during shipping and reduce the burden on the receiver
- ▶ Products and packaging that take into consideration delivery efficiency and distribution center storage efficiency
- ▶ Product size and specifications that take into account ease of storage after receiving

Compact single-serving bottles packaged in cases of 20 for efficient transportation



LOHACO Water
210 ml label-free bottles

Development of Original, Value-Generating Products Through Co-Creation with Manufacturers Inspired by Customer Feedback


To embody our DNA, which is "Advancing Forward for Our Customers," we consistently take heed of our customers' feedback and collaborate with manufacturers and suppliers to develop original products. We plan and develop problem-solving products by pursuing comprehensive benefits from a wide range of perspectives, from user-friendliness and price to environmental considerations, design tailored for location of use, and delivery efficiency.

Developing original products begins with picturing our customers' faces and imagining the situations in which the product will be used. Our merchandisers carefully analyze customer feedback, at times conducting surveys and information-gathering, and formulate hypotheses regarding customer problems and genuinely desired functions and designs. Original products are created by repeatedly going through the hypothesis and verification process with manufacturers and suppliers, and we continue to make improvements thereafter.

We pay particular attention to quality control during the development process. Merchandisers and quality control departments visit production plants in advance and conduct thorough inspections of production lines and a range of other aspects, allowing us to market products with rigorously verified quality.

Sustainable Procurement and Supply Chain Management

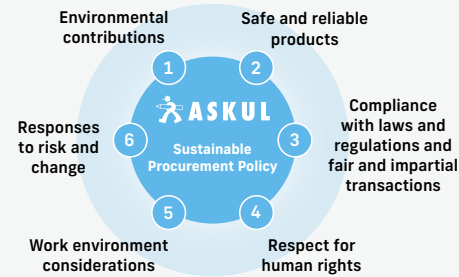
Co-Creation with Stakeholders

 ASKUL's sustainable procurement initiatives with its business partners

ASKUL Sustainable Procurement Policy

The ASKUL Sustainable Procurement Policy was formulated in April 2021 with the aim of working with our business partners to strike a balance between the fulfillment of social responsibilities and sustainable development throughout the supply chain.

In line with this policy, under the Sustainability Committee and led by the Sustainability Division, we regularly conduct corporate social responsibility (CSR) surveys and on-site CSR audits of suppliers. By identifying and addressing risks and issues related to human rights, working conditions, and environmental conservation, we continue to advance initiatives aimed at building a responsible supply chain.



Supply Chain Management and Implementation of Management of CSR Surveys and Audits Practices for Managing and Implementing Sustainable Procurement

For each of our suppliers, we promote awareness and implementation of the ASKUL Sustainable Procurement Policy through measures such as communication and inclusion in contracts. In addition, after risks and potential issues are identified through conducting CSR surveys and on-site CSR audits, we maintain ongoing communication to drive improvements.

Action	Target	Overview	Frequency
Promote awareness of the ASKUL Sustainable Procurement Policy	All suppliers	<ul style="list-style-type: none"> Holding of briefing sessions Sharing of videos Inclusion in contracts 	<ul style="list-style-type: none"> As needed At the start of transactions
Conduct CSR surveys		Requests to answer self-assessment questionnaires and make improvements	Approximately every three years
Conduct CSR audits	Manufacturing plants contracted to produce ASKUL private brand products	Third-party on-site audits followed by ongoing improvement efforts	Conducted in phases based on transaction amount and geographic considerations

CSR Surveys

The CSR survey items are based on the ASKUL Sustainable Procurement Policy and cover human rights, working conditions, environmental conservation, and compliance, among other issues. Issues such as regulatory compliance; prohibition of discrimination, child labor, and forced labor; and the assurance of health and safety are designated as "critical issues," and we work to verify and assess the actual conditions and the status of any countermeasures taken.

CSR Survey Items and Results

(for the Fiscal Year Ended May 20, 2025) Number of responses: 778 out of 1,266 target companies (response rate: 61.5%)

Item	Survey Overview / Matters Confirmed	Number of Questions*	Score	Number of Critical Issues / Success Rate
0. General	Corporate philosophy, systems, etc.	6	76.0%	1 / 100%
1. The environment	Initiatives related to decarbonization and biodiversity	13	71.2%	2 / 99.8%
2. Quality and safety	Product quality management, etc.	4	98.9%	2 / 98.8%
3. Regulatory compliance and fair trade	Compliance with various laws and regulations and prevention of corruption, etc.	7	97.2%	6 / 99.8%
4. Human rights	Prohibition of forced labor, child labor, etc.	6	93.9%	3 / 96.7%
5. Labor practices	Occupational health and safety, etc.	8	97.7%	4 / 100%
6. Risks and opportunities	Business continuity plans, risk response systems, etc.	2	87.7%	— / —
7. Information security	Protection of business secrets, personal information, etc.	4	97.0%	— / —

* Out of a total of 50 questions

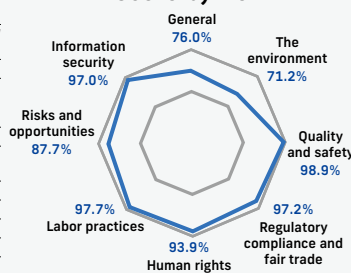
Response to CSR Survey Results

Based on the results of the CSR survey (score and responses to critical issues), we determine the severity of latent risks. To help suppliers understand their own situation and make improvements, we share the results with each supplier and, depending on the findings of the risk assessment, conduct additional surveys and interviews to clarify concerns and align understanding. We also request submission of response policies and improvement plans, provide relevant information, and maintain ongoing communication to support the resolution of issues.

Responses to CSR Survey and Status of Risk Categorization (for the Fiscal Year Ended May 20, 2025)

Grade	Grading Criteria	Number of Companies	%	Breakdown	Measures to be Taken
A	85 points or more	485	61.5%	62.3%	Conclude that there are no major risks or issues
B	Between 65 and 85 points	204		26.2%	Encourage voluntary improvement measures
C	Under 65 points and no critical issues identified	12		1.5%	Propose and request corrective measures and improvements
D	Critical issues identified	77		9.9%	Propose and request corrective measures and improvements Communicate individually with relevant parties
No response	There has been no response to the survey	488	38.5%	—	Continue to request response while communicating individually with relevant parties
	Total	1,266	100.0%	778	

Score by Item



CSR Audits

In addition to CSR surveys, we conduct on-site CSR audits of domestic and overseas plants that are contracted to manufacture our private brand products, covering areas such as labor practices, human rights, health and safety, and the environment.

Companies to be audited are selected based on transaction value and country of operation, and we aim to enhance objectivity and reliability by enlisting the services of internationally recognized third-party auditing organizations. That said, if a plant has undergone a similar third-party audit within the past three years, the details and results can be verified through documentation, and no significant issues or nonconformities have been identified, we deem the plant as having completed an audit. This ensures effectiveness while avoiding excessive burden on local plants.

Communication Aimed at Improvement and Response to Nonconformities Identified in CSR Audits

At present, no serious nonconformities that would lead to suspension of transactions have been identified. However, for items requiring improvement or those that could lead to potential legal violations, we manage progress and provide support until improvement measures are fully implemented. To date, we have worked with factories to improve practices such as monitoring working hours and installing rest areas.

CSR Audits Conducted as of May 20, 2025 (Includes Plants Deemed to be Audited)

Audit Period	Number of Plants Audited	Coverage*1	Number of Items Identified for Improvement*2
Fiscal year ended May 20, 2023	18	Approx. 60%	66 items across 7 plants
Fiscal year ended May 20, 2024	21	Approx. 70%	49 items across 12 plants
Fiscal year ended May 20, 2025	16	Approx. 80%	68 items across 13 plants
Fiscal year ended May 20, 2025	16	Approx. 90%	48 items across 12 plants

*1 Calculated based on transaction value as of May 20, 2023

*2 "Number of Items Identified for improvement" includes minor items. The figure represents the total number of items identified across all applicable plants.

ASKUL will continue to promote a more sustainable supply chain through dialogue and collaboration with business partners, ensuring not only the provision of safe and reliable products and services to customers but also the protection of human rights, compliance with laws and regulations, and environmental conservation across the entire supply chain.

Customer Engagement

Co-Creation with Stakeholders

Basic Policy on Response to Customers

We will listen carefully to customer feedback and become a company that continuously brings delight to our workplace, life, the planet, and tomorrow.

Specifically, we will proactively engage in the following three priority issues.

- 1 Maintain our promises to customers
- 2 Create mechanisms for improvements and internal sharing based on customer feedback
- 3 Create a management cycle facilitating product and service advances

ASKUL Self-Innovation Indicators

Indicators employees use to question whether the work they are engaged in is creating new value for customers

- Are current products and services sufficient?
- Are customers pleased with our services?
- Are we creating burdens or inconvenience for customers?
- How much trouble was caused by burdening customers?
- Are we keeping our promise to customers and have we retained their trust?
- Are we inspiring customers?
- Are customers empathetic?
- Are we providing customers with a sense of camaraderie?
- Is customer happiness facilitating my personal happiness?
- Do customers want to utilize ASKUL again?
- Are we doing our best for customers?

ASKUL Group Basic Policy on Customer Harassment

We believe that maintaining good relationships with our valued customers and creating a workplace environment where employees can work with vitality and peace of mind are both essential in providing better services to our customers. With this in mind, we established the ASKUL Group Basic Policy on Customer Harassment in August 2024.

The ASKUL Group Basic Policy on Customer Harassment

Customer Satisfaction Management System

(Self-Declaration of Compliance with ISO 10002)

On March 22, 2022, ASKUL declared that its customer response operation process complies with the ISO 10002 international standard.

We have established a framework to ensure that we can appropriately respond to customer inquiries and provide accurate information. In addition, we strive to incorporate the feedback we receive into our efforts to improve and enhance our products and services.

Improvement Activities Based on Customer Feedback

ASKUL regards the quality of its customer service as a key management indicator. As such, we hold a Quality Management Committee meeting every month, attended by senior management, to discuss quality improvements based on customer feedback.

In the fiscal year ended May 20, 2025, we engaged in discussions on efforts to improve quality, focusing mainly on our website and logistics issues, working to enhance customer convenience.

Cultivation of Corporate Culture and Awareness

Daily customer feedback received by the Customer Service Desk is compiled and shared internally through the Opinion Digest and through product requests in a timely manner. ASKUL has also created the VOC Portal website, which allows employees to view customer opinions and requests by category, sales channel, and other granular views.

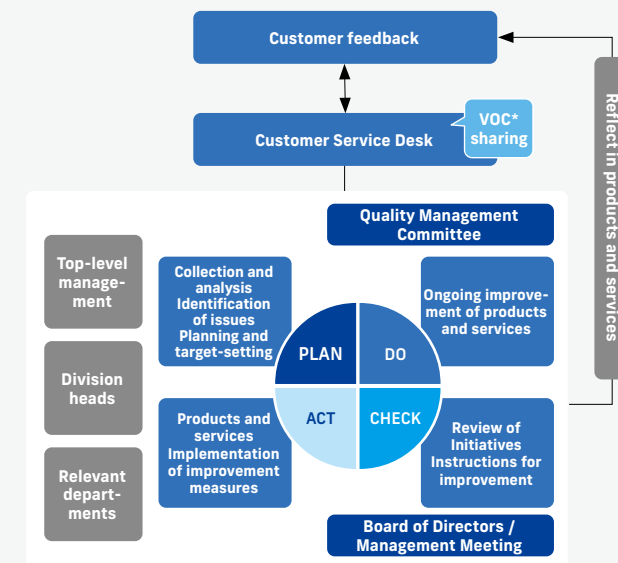
We designate a one-month period between November and December each year as a time to focus on customer orientation. In the fiscal year ended May 20, 2025, we held an internal event that enabled employees to experience customer feedback through all five senses—sight, hearing, taste, smell, and touch.

Voluntary Declaration of Consumer Orientation

Having endorsed the Consumer Affairs Agency's promotion of consumer-oriented management, we formulated and promoted efforts under the ASKUL Voluntary Declaration of Consumer Orientation. Through this declaration, we have made clear our intention to incorporate customer feedback in our products, services, and business strategies with a view to realizing Our Purpose of "Continuously bringing delight to our workplace, life, the planet and tomorrow."

- ☐ Promoting Consumer-Oriented Management (Voluntary Declaration of Consumer Orientation)
- ☐ Received the Director-General Prize at the Consumer Affairs Agency's Consumer-Oriented Business Excellence Awards 2025
- ☐ Received the Director-General Prize at the Consumer Affairs Agency's Consumer-Oriented Business Excellence Awards 2022
- ☐ Received the Director-General Prize (Special Category) at the Consumer Affairs Agency's Consumer-Oriented Business Excellence Awards 2020

PDCA Cycle Based on Customer Feedback










* VOC: Voice of customer



Communication and Cooperation with Stakeholders

Co-Creation with Stakeholders

ASKUL gratefully receives and listens carefully to a variety of feedback and guidance regarding the expectations, requests, and realizations of a wide range of stakeholders, including customers, shareholders, investors, partner companies, employees, and society. We incorporate this feedback into business and management while continuously responding to social changes and expectations, which we believe will lead to the creation of socially significant new value and the resolution of various social issues.

Stakeholders	Desired Relationship	Communication and Joint Initiatives	Results of Initiatives	
 Customers	ASKUL strives to meet the diverse needs of its customers by pursuing optimal convenience, quality, and pricing while contributing to the creation of social value through the provision of sustainable products and services. Through ongoing dialogue with customers, we continuously drive service improvements and innovation.	<ul style="list-style-type: none"> Customer inquiries and interaction through social media networking The Better Tomorrow Exhibition by ASKUL and LOHACO 	<ul style="list-style-type: none"> Improving customer satisfaction: Leveraged VOC system to enhance products and services, resulting in higher satisfaction metrics Expanding sustainable products: Strengthened the lineup of environment-friendly products to promote sustainable purchasing behavior Enhancing convenience through digital transformation (DX): Improved the shopping experience by upgrading the e-commerce site's UI and introducing AI-powered recommendation features 	
 Shareholders and investors	We ensure highly transparent management through the timely and appropriate disclosure of both financial and non-financial information. In addition to striving for the medium- to long-term enhancement of corporate value, we actively work to address ESG issues to help achieve a sustainable society.	<ul style="list-style-type: none"> Annual General Meeting of Shareholders Earnings announcements and retail investor briefings 	<ul style="list-style-type: none"> Enhancing medium- to long-term corporate value: Achieved a balance between growth investments and financial soundness while strengthening shareholder returns to drive corporate value Strengthening ESG disclosure: Expanded non-financial disclosures, including alignment with TCFD and TNFD recommendations, to foster greater understanding among institutional investors Deepening engagement: Reinforced investor relations activities to promote constructive dialogue with shareholders 	
Partner companies	 Suppliers	ASKUL aims to achieve sustainable procurement based on strong, trust-based relationships with its suppliers. We promote the development and supply of products that take environmental and social issues into account while promoting transparency across the entire supply chain and ensuring responsible transactions. In addition, we place great importance on ongoing dialogue and improvement activities to ensure quality, safety, and compliance.	<ul style="list-style-type: none"> Product quality improvement efforts Promotion of sustainable procurement, conducting of CSR procurement, and auditing ASKUL EC Marketing Lab 	<ul style="list-style-type: none"> Promoting ethical e-commerce: Strengthened sustainable product lineup by developing and expanding the range of environment-friendly products, as well as those designed to address social issues Building a resource-recycling platform: Contributed to a circular economy through recycling efforts, such as our initiative to recycle used clear plastic folders Co-creation in product development: Collaborated with manufacturers to deliver products that combine uniqueness with social value
	 Agents (sales agencies)	Agents serve as key touchpoints that link ASKUL with its customers, contributing to the improvement of customer satisfaction and maintenance of service quality. Through collaboration with agents, ASKUL engages in regionally rooted sales activities and leverages technology-driven sales support, aiming for sustainable growth together. By maintaining regular communication with agents, ASKUL works to share and resolve issues.	<ul style="list-style-type: none"> Agent conferences ASKUL Agent Awards 	<ul style="list-style-type: none"> Strengthening community-based sales: Collaborated with agents to deliver services tailored to regional needs Improving customer satisfaction: Established a feedback loop through agents to continuously enhance service quality Digitalizing sales support: Advanced DX in sales activities to improve efficiency and responsiveness
	 Delivery partners	Delivery partners serve as the final touchpoint in bringing products to customers and are essential for enhancing service quality and reliability. ASKUL strives to bolster collaboration with delivery partners to realize safe and prompt logistics with low environmental impact. We also prioritize the working environments and safety of those involved, aiming to build a sustainable logistics framework.	<ul style="list-style-type: none"> White Logistics* initiative 	<ul style="list-style-type: none"> Promoting logistics-focused DX: Improved delivery efficiency and optimized last-mile operations through AI and data utilization Reducing environmental impact: Achieved CO₂ emissions reductions by electrifying delivery vehicles and optimizing delivery routes Improving working conditions: Strengthened health and safety measures for drivers through collaboration with partner companies
 Employees and officers	We strive to create a workplace where all employees can work with peace of mind by fostering a culture of respect for diversity and implementing fair evaluation systems. (Executives are responsible for strategic decision-making aimed at enhancing corporate value and achieving sustainable growth, as well as for establishing a sound governance framework.)	<ul style="list-style-type: none"> Employee engagement survey and Labor Management Committee Employee evaluations, interviews, and career self-assessments Various levels of engagement (CEO town hall meetings, etc.) 	<ul style="list-style-type: none"> Creating a rewarding workplace: Improved engagement scores and expanded in-house recognition programs Strengthening talent development: Enhanced employee skills and retention through programs to develop digitally literate talent and support career building Promoting health and productivity management: Increased health checkup rates and strengthened mental health support, leading to improved employee health metrics 	
 Communities and society	We promote initiatives aimed at coexisting harmoniously with local communities and society at large, conserving the environment, circulating resources, and realizing a decarbonized world. We work together with government agencies to ensure compliance with laws and regulations and fulfill our social responsibilities.	<ul style="list-style-type: none"> Communication with local communities at each business site Cooperation with and support of NPO and NGO activities Cooperation with policies and agreements and coordination of disaster-response agreements with municipalities 	<ul style="list-style-type: none"> Expanding community activities: Advanced environmental conservation activities utilizing local resources through initiatives such as the TSUSHIMA×ASKUL project Enhancing disaster relief and prevention efforts: Strengthened disaster resilience by providing emergency stockpile products and collaborating with local governments Promoting decarbonization and resource recycling: Helped reduce CO₂ emissions by improving delivery efficiency and more widely promoting the adoption of recycled products 	

* White Logistics is an initiative that seeks to ensure stable logistics operations needed for daily life and industrial activities while also contributing to economic growth.

Environmental Management and Eco-Platform

ASKUL Environmental Policy

• Realizing a Carbon-Neutral Society

ASKUL views climate change caused by global warming as a risk that will significantly impact its business activities, as well as an opportunity that will contribute to business expansion. As such, the Company will promote CO₂ reductions across all its business activities, including throughout the supply chain, through initiatives such as curbing and reducing energy consumption and transitioning to 100% renewable energy, with the aim of achieving net-zero greenhouse gas (GHG) emissions.

• Building a Resource-Recycling Platform

ASKUL will develop the supply chain as a resource-recycling platform for reducing waste, promoting the collection and recycling of used products and other resources, and utilizing limited resources effectively.

• Conserving of Natural Resources and Biodiversity

ASKUL will fulfill its responsibilities as a business that utilizes timber, water, and other natural resources by reducing the use of these resources and promoting their efficient utilization, while working to prevent environmental pollution and biodiversity loss. In regions that are important from a biodiversity perspective, we will assess the impact of our entire value chain and strive to coexist with nature by giving due consideration to ecosystems.

ASKUL will achieve the above in partnership with all stakeholders by listening to their opinions, providing them with support, and collaborating with them as needed to advance these initiatives.

ASKUL Environmental Policy

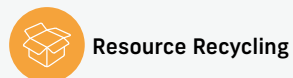
Origins of Environmental Management

In the 2000s, a period shortly after ASKUL's founding, authorities identified erroneous environmental labeling in our catalogs, and an environmental NGO pointed out the possibility of illegal logging practices in the natural forests where our original copy paper is manufactured overseas. These two incidents led to our adoption of environmental management, which takes a sincere and transparent approach to protecting the environment.



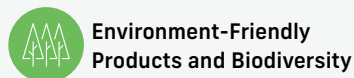
Climate Change and Carbon Neutrality

A dialogue between ASKUL's president and CEO and scientists who authored the IPCC's Fifth Assessment Report led to a major shift focusing on climate change.



Resource Recycling

Hearing customers refer to ASKUL as "GOMIKURU" (or, "here comes the garbage") due to the large amounts of cushioning materials used in packaging products (a reference to the numerous packing materials included in deliveries) has led to resource-recycling initiatives aimed at conserving and more efficiently using resources.

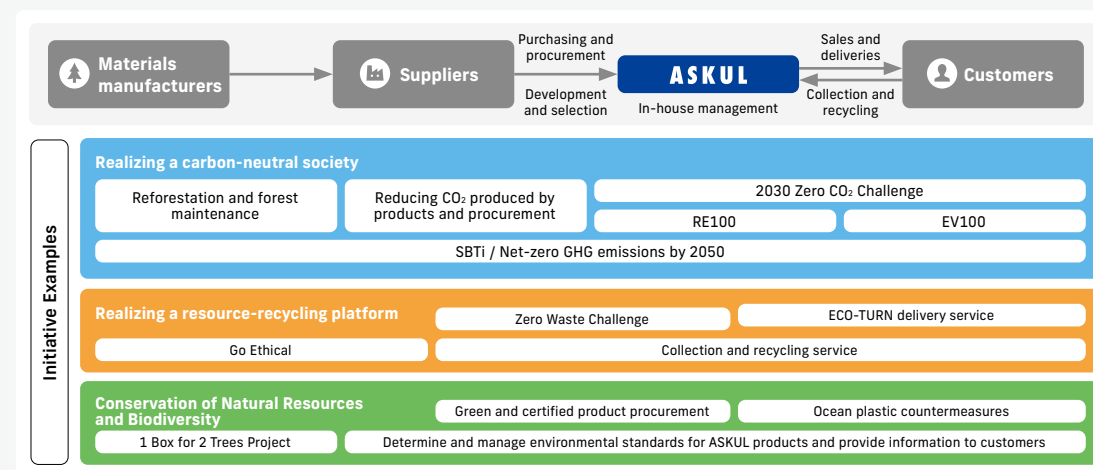


Environment-Friendly Products and Biodiversity

The discovery of erroneous environmental labeling has led to more accurate information management and a wider range of environment-friendly products, and the concerns of an environmental NGO about forest resources have led to sustainable procurement and initiatives to help conserve biodiversity.

▶ ASKUL Eco-Platform

Our goal is to create the most efficient and environment-friendly distribution platform to increase the positive environmental impact of using ASKUL.



▶ Environmental Goals for 2030 and 2050

Goals pertaining to environmental issues and challenges that ASKUL aims to achieve by 2030 and 2050 are as follows.

	Goals	Action Plan and KPIs	Goal Achievement Timeline
Realizing a carbon-neutral society	ASKUL Group 2030 Zero CO ₂	<ul style="list-style-type: none"> Achieve 2030 Zero CO₂ Challenge Advance reforestation and other CO₂ absorption efforts Provide environment-friendly delivery methods to customers 	2030 Plan preparation in progress
	Reduction of CO ₂ emissions throughout supply chain	<ul style="list-style-type: none"> Compliance with the Corporate Net-Zero Standard of the SBTi Complete visualization of CO₂ produced and reduction contribution calculations 	2050 Plan preparation in progress
Realize a resource-recycling platform	Realization and implementation of resource-recycling services	<ul style="list-style-type: none"> Create, launch, and expand resource-recycling services 	Plan preparation in progress
	Zero Waste Challenge	<ul style="list-style-type: none"> Achieve zero product waste 2030 Achieve 100% recycled packing materials* 	2030 2030
Conservation of Natural Resources and Biodiversity	Increase in number of certified products handled	<ul style="list-style-type: none"> Expand certification of wood and paper products 	Plan preparation in progress
	Implementation of ocean plastic pollution issue countermeasures	<ul style="list-style-type: none"> Cooperate with municipalities in collecting ocean plastic 	Plan preparation in progress

* Upon arrival at distribution centers

Climate Change and Carbon Neutrality

Environment

ASKUL views climate change caused by global warming as a risk with the potential to significantly impact business activities, hence it promotes CO₂ reductions throughout the supply chain.

Net-Zero Greenhouse Gas Emissions by 2050

In March 2024, we received approval from the internationally recognized Science Based Targets initiative (SBTi) for our net-zero greenhouse gas emissions targets. We aim to achieve effectively net-zero greenhouse gas emissions throughout our entire supply chain by 2050.



ASKUL's Greenhouse Gas Emissions Reduction Targets

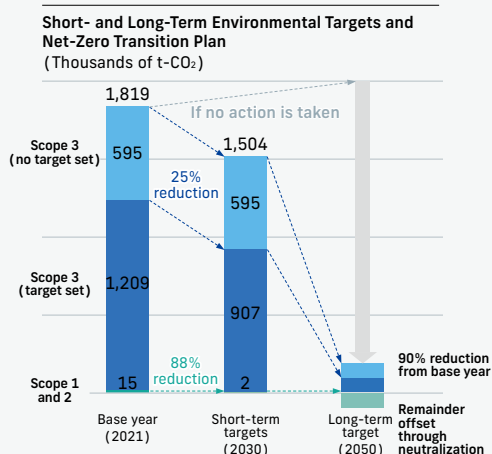
▶ Long-term SBTi target (by 2050)

- Aim to achieve net-zero* greenhouse gas emissions throughout the entire supply chain

▶ Short-term SBTi targets (by 2030)

Scope 1 and 2	88% decrease from 2021 levels
Scope 3	25% decrease from 2021 levels
Supplier engagement	Ask suppliers to set SBTi-compliant targets
Renewable energy	Raise to 100% by fiscal 2030

* 90% through reduction and the remainder through neutralization



Reducing Greenhouse Gas Emissions Throughout the Supply Chain and Collaborating with Suppliers

To reduce greenhouse gas emissions throughout the supply chain, we calculate emissions from purchased products, focusing on Scope 3 Category 1 emissions, which make up approximately 70% of all emissions from the supply chain. We promote reduction efforts by using primary data collected from suppliers and visualizing CO₂ emissions. Through these efforts, ASKUL is able to support customers in selecting environment-friendly products.

In August 2024, ASKUL took part in the Ministry of the Environment's "Model Project for Promoting Decarbonization Throughout the Value Chain" and implemented initiatives in partnership with its member companies and suppliers. Furthermore, from November 2024, ASKUL began hosting briefing sessions for selected suppliers to support them with calculating CO₂ emissions and setting reduction targets, thereby strengthening collaboration to achieve supplier engagement.

Reference: The Ministry of the Environment, Government of Japan's "Engagement Guidance for Achieving Decarbonization Across the Entire Value Chain (2024 Revised Edition)"

2030 Zero CO₂ Challenge

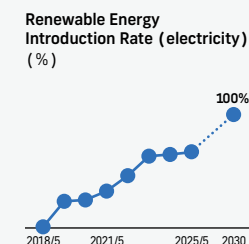
In July 2016, we announced the 2030 Zero CO₂ Challenge at ASKUL Environmental Forum 2016. In November 2017, we joined the RE100*¹ and EV100*² initiatives to promote a transition to 100% renewable energy and 100% electric vehicle (EV) use.

*1 RE100: An international business initiative that brings together companies that have set a goal of procuring 100% of their energy needs for business operations from renewable energy sources.

*2 EV100: An international business initiative that brings together companies that have set a goal of converting all vehicles related to their business operations to EVs.

Introduction of Renewable Energy

After joining the RE100 initiative, ASKUL began introducing renewable electricity in its distribution centers in 2018. As of the end of May 2025, distribution centers and the Toyosu Headquarters had converted to renewable electricity, bringing the Group's overall renewable electricity usage rate to 67.8%. Our goal is to utilize renewable electricity at all ASKUL Group business sites and distribution centers by 2030.



Introduction of Electric Vehicles

We joined the EV100 initiative in November 2017 and are working to convert 100% of the delivery vehicles used by ASKUL LOGIST Corporation, a Group company responsible for distribution center operations and deliveries, to EVs by 2030.*

In August 2020, the Shin-Kiba Center, our last-mile delivery base, switched to the use of renewable electricity, resulting in zero CO₂ emissions when charging and driving EVs.

* Percentage of vehicles converted to EVs as of May 20, 2025: 13.2%



The TAJIMA TVC-700 EV truck developed by TAJIMA MOTOR CORPORATION Co., Ltd.

Response to TCFD and TNFD Recommendations



ASKUL views environmental issues such as climate change and biodiversity as important issues affecting business and incorporates them into its management strategies.

Following our endorsement of the Task Force on Climate-related Financial Disclosures (TCFD) recommendations in March 2019, we announced our endorsement of the Taskforce on Nature-related Financial Disclosures (TNFD) in January 2024.

Governance

The Environmental Management System (EMS) Meeting, which comprises the president and CEO, inside directors, executive officers, and division heads from each business, is held quarterly to discuss environmental issues and implement countermeasures. Important matters reported on and discussed at these meetings are submitted or reported to the Risk and Compliance Committee and the Sustainability Committee, which are subordinate to the Board of Directors, chaired by the director in charge of risk management, and comprise the CEO, internal directors, and other members.

Matters of particularly high importance reported to these committees are submitted or reported to the Board of Directors, which provides the necessary and appropriate guidance and advice and monitors their implementation.

Strategy

We have analyzed and evaluated climate-related and nature-related issues as follows and have formulated policies for responding to risks and opportunities that have a high degree of dependency on or impact on nature and a high degree of impact on our business.

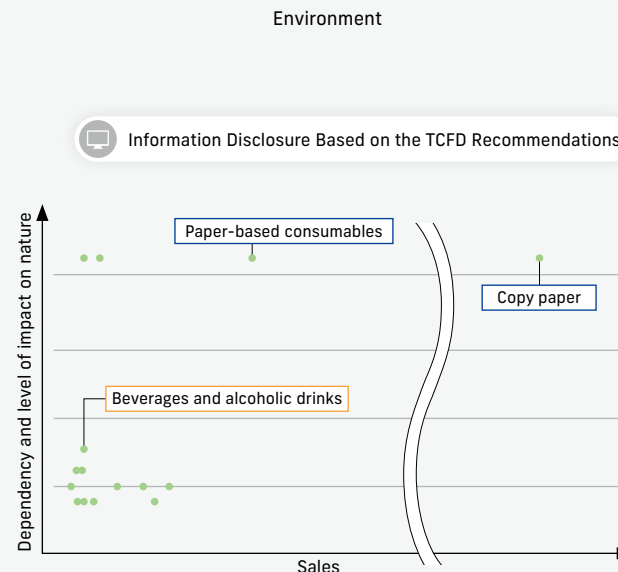
We will develop countermeasures to enhance our ability to avoid and mitigate risks while proactively incorporating opportunities into our business.

Climate-Related Efforts

We conducted scenario analyses assuming the two global warming scenarios of 1.5°C or below and 4°C, and analyzed and evaluated the business impact of each scenario. We also identified business opportunities and accurately ascertained physical and transition risks related to climate change in our main business, the e-commerce business.

Risks and Opportunities			Impact on Business	Assumed Annual Impact	
				4°C	1.5°C or below
Transition risks	Policies and regulations	Taxation	• CO ₂ emissions tax	-	○
	Products and services	Changing customer orientation	• Low product costs prioritized over environmental performance	●	-
	Technologies	Low-carbon technologies	• Higher vehicle procurement costs	-	○
Physical risks	Chronic	Weather and climate change	• Higher electricity costs at each site	○	○
			• Higher product prices in line with forest resource scarcity	○	○
	Acute	Extreme weather and other events	• Higher purchase prices due to supplier damage	○	○
			• Higher expenses due to delivery delays, accidents, and other events	○	○
Opportunities	Products and services	Changing customer preferences	• Increasing demand for low-carbon products	-	●
		Circular economy	• Expansion of collection services; more business opportunities	-	●
	Technologies	Low-carbon technologies	• Operating cost benefits from EVs	-	○

● Major impact ○ Impact



Nature

In the area of nature-related products, we conducted an analysis and evaluation of paper products, centered on copy paper, and beverages, based on the LEAP* approach set forth in the TNFD recommendations, after scoping the ASKUL original products that are particularly key among the products we handle, as shown on the right.

* An integrated approach for evaluating nature-related issues, consisting of four stages: Locate, Evaluate, Assess, and Prepare

Risk Management

In line with risk management regulations, risk management officers in each business division in charge of business activities identify at least once a year environment-related risks and opportunities that will substantially impact operations, both now and over the long term, and then formulate response plans and regularly monitor the execution of said plans. These Companywide risks and opportunities are checked against and integrated with environment-related risks and opportunities identified in light of the Environmental Secretariat's short- to long-term time frame.

Indicators and Targets

1 Disclosure of Climate-Related Risk and Opportunity Assessment Indicators and Management Targets

In 2020, ASKUL identified material issues requiring a focused response and formulated a material issue action plan. Target achievements have been assessed in light of action plan KPIs.

2 Scope 1, Scope 2, and Scope 3 Greenhouse Gas Emissions

Please refer to the ESG Data Collection below for details on the ASKUL Group's Scope 1, Scope 2, and Scope 3 greenhouse gas emissions.

Note: Indicators and targets are currently being formulated for nature-related risks and opportunities.



Initiatives to Promote Coexistence with Nature and Environment-Friendly Products

Initiatives Promoting Coexistence with Nature

▶ Tsumagoi Green Project Forest Maintenance Initiative

In August 2023, ASKUL and TSUMAGOI MEISUI CORPORATION signed a joint agreement to engage in forest maintenance in Tsumagoi Village, Gunma Prefecture, prompted by their shared background in manufacturing and selling mineral water drawn from the local area. Based on this agreement, in May 2024, the two companies launched the Tsumagoi Green Project, a forest maintenance initiative, in partnership with Tsumagoi Village. In June 2025, the first tree-planting event was held in the ASKUL & TSUMAGOI MEISUI Forest. By March 2026, the companies plan to complete forest maintenance covering a cumulative area of 1.6 hectares. Three ASKUL executives and 24 employees participated in the tree-planting event, which also provided a hands-on opportunity for employees to gain an understanding of natural capital.



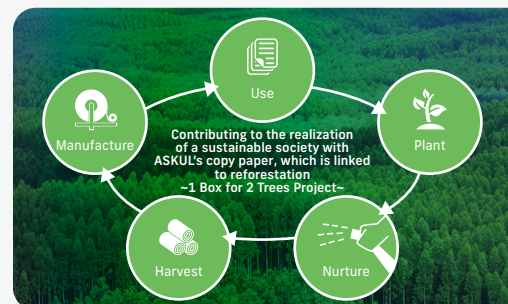
Through this initiative, we will contribute to the improvement of watershed cultivation, as well as the conservation and restoration of natural resources in Tsumagoi Village.

▶ Environmental Measures That Begin with Original Copy Paper

An entire eucalyptus tree is required to make one box (5,000 sheets) of ASKUL original copy paper, which is manufactured in Indonesia. Since its launch in 2010, the 1 Box for 2 Trees Project has been working to ensure that for every box of copy paper purchased by a customer, two trees are planted. By planting, growing, and harvesting trees in tree farms to make our copy paper, we are working together with our customers to achieve the sustainable procurement of raw materials. In 2024, we began supporting activities to regenerate the forests of Indonesia, a country that produces copy paper.

Under the leadership of the Belantara Foundation, we aim to plant 100 hectares of trees over a two-year period.

We will work to solve issues for the future to fulfill our responsibilities as a business that depends and has an impact on forest resources.



Number of trees planted under the 1 Box for 2 Trees Project
Approximately **259.2 million trees**

October 2010–December 2025

Industrial Reforestation Report



The Industrial Reforestation Report is issued in accordance with customer purchase volumes.

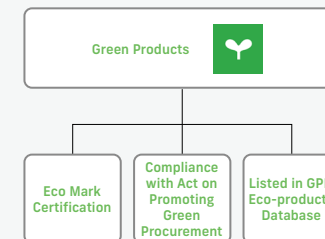
Environment

Environment-Friendly Products

We strive to provide customers with appropriate and easily understandable information to encourage the purchase of environment-friendly products from ASKUL. Additionally, to ensure that an even greater number of customers choose environment-friendly products, we are striving to expand our lineup of various green and forest-certified products.

▶ Green Products

ASKUL designates all products that have Eco Mark certification, comply with the Act on Promoting Green Procurement, or are listed in the Green Purchasing Network (GPN) Eco-products Database with a "Green Products List" mark in catalogs and on its website, indicating to customers that they have made a green purchase.



▶ Forest-Certified Products

ASKUL makes an effort to develop and handle forest-certified products, having acquired FSC CoC certification* in June 2005 and PEFC CoC certification in May 2010. As a seller of paper and wood products, we are expanding our range of forest-certified products to promote responsible procurement. We hope that by encouraging customers to choose and purchase forest certified products, we can help to protect forest biodiversity and support activities that protect the rights of local communities, indigenous peoples, and indigenous workers.



* Chain of custody certification is a system for managing the wood product processing and distribution process that confirms that timber used to make wood and wood products is derived from forests that have received forest management certification.

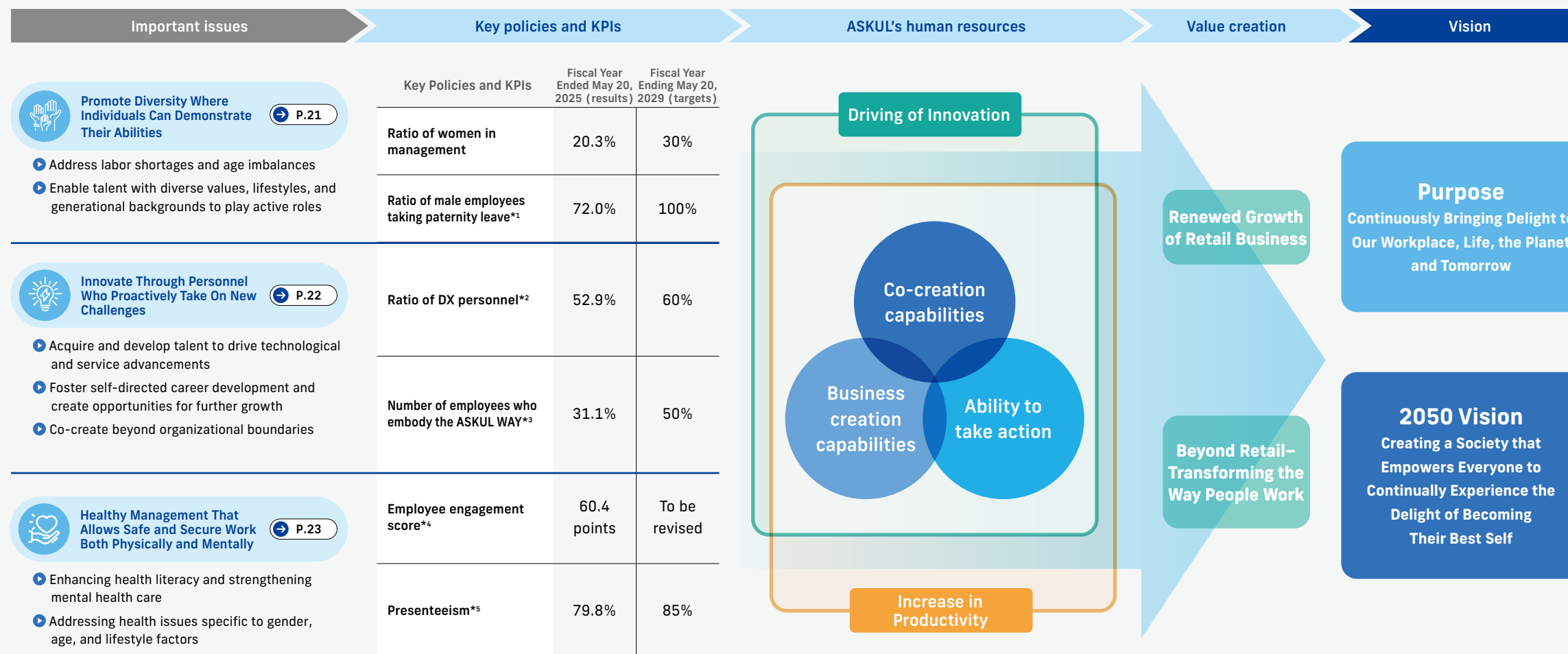
→ P.06 Visualization of the Product Environmental Score

Strengthening of Human Capital

Society

ASKUL is working toward its 2050 Vision of “Creating a society that empowers everyone to continually experience the delight of becoming their best self” by fostering talent that drives innovation and accelerating the organizational growth cycle, thereby promoting both employee and business growth in tandem. Each employee is encouraged to envision their desired future in response to changing times and diverse life stages; take initiative in learning, growing, and embracing challenges; and fully demonstrate their capabilities. Through these efforts, ASKUL aims to create an environment where employees can work with vitality and purpose.

Aiming to Drive Innovation by Invigorating People and Organizations



*1 Percentage of employees who requested and took parental leave *2 Ratio of employees meeting certain criteria, including engineers and certified professionals (as of August 2025) *3 Percentage of employees who submitted entries for the ASKUL WAY AWARD *4 An indicator of engagement (the two-way relationship and connection between employees and the Company) expressed as a numerical value out of 100 points, calculated from regular employee survey responses on expectations and actual experiences regarding job performance, performance evaluation, talent development, placement, work environment, and corporate culture *5 Loss due to decreased productivity while at work, with 100% indicating no loss

Strengthening of Human Capital

Society



Promote Diversity Where Individuals Can Demonstrate Their Abilities

The 2015 ASKUL Declaration of Diversity establishes three pillars aimed at utilizing diverse human resources, promoting diverse workstyles, and cultivating a corporate culture that embraces diversity.

Guided by the ASKUL WAY, we aim to create an environment that embraces diverse values, respects open and constructive communication through which people can learn from one another, and enables each employee to take pleasure in making their own unique contribution. In March 2015, we announced the ASKUL Declaration of Diversity to both inside and outside stakeholders. Since then, we have implemented a variety of initiatives under the slogan "Diversity for Vitality."

Initiatives for Achieving a Ratio of Women in Management of 30%

In 2021, we established organizational and appointment guidelines and established human resource development meetings to monitor the progress of developing future managerial candidates. Through these efforts, we have been systematically fostering managers who are potential candidates for future leadership roles. As a result, the ratio of female managers just below the general manager level has been steadily increasing year by year.

Promotion of Women's Active Participation		Beginning of the Fiscal Year Ended May 20, 2024	Beginning of the Fiscal Year Ended May 20, 2025	Beginning of the Fiscal Year Ending May 20, 2026	Beginning of the Fiscal Year Ending May 20, 2029
Pipeline	Ratio of women to all employees	39.2%	40.7%	41.1%	Maintain at 40% or higher
	Ratio of women in management	23.0%	20.3%	24.8%	30%
	Ratio of women in leadership (manager and above)	24.0%	28.2%	31.5%	Maintain at 30% or higher
	Ratio of female managers to all managers	25.3%	40.5%	41.3%	Maintain at 40% or higher

Promotion of the Uptake of Childcare Leave (Including Male Employees)

We implement initiatives to support parenting and ensure employees can take childcare leave with peace of mind, such as hosting parent get-togethers, conducting interviews with employees expecting a child, and distributing parental leave support boxes, which contain selected products from the LOHACO store to support employees who have welcomed a new child.

Ratio of employees taking childcare leave
72%

Average leave period
60 days

Male employees taking paternity leave (Results for the fiscal year ended May 20, 2025)

Promotion of the Active Participation of Younger Employees

In line with our Human Resource Policy, we have been transitioning to a personnel system that provides fair rewards for results and actions, regardless of age or gender, including enabling accelerated promotions based on ability. In addition, through the formulation of succession plans, we promote development-oriented job rotations and challenging assignments to foster the next generation of ASKUL leaders and build a strong talent pool, creating an environment where young employees can play an active role.

Please refer to page 23 of the Annual Securities Report for details on our Human Resources Policy

Generational Diversity (As of September 2025)

- Ratio of employees at manager level or above aged in their 20s to 30s: 21.8%
- Age composition of executive officers (10 in total): One in their 30s, three in their 40s, and six in their 50s

Employment of Persons with Disabilities

Through an approach that emphasizes a flat hierarchical structure and the breaking down of barriers to success, ASKUL is working to create an environment where employees with disabilities can take on challenges in ways that reflect their individuality. Specific initiatives include support meetings led by a public health nurse involving the employee, their supervisor, and representatives from the Human Resources Department; interviews with an industrial physician; and special paid leave that can be used for medical appointments. In addition, we actively create opportunities for employees with disabilities to play active roles, with an emphasis on embodying ASKUL's DNA of "Advancing forward for our customers."

Employment of Para-Athletes

As part of our efforts to promote diversity and inclusion, we have welcomed to our team Fubuki Nodera, who was a member of Japan's National Deaf Futsal Team from 2019 to June 2025. By bringing a new perspective from a para-athlete into the organization, we aim to broaden employees' understanding of diversity and encourage greater awareness across the Company, while also contributing to increasing societal understanding of individuals with disabilities.

Press Release (August 1, 2025): ASKUL Hires Its First Para-Athlete Employee



Para-athlete Fubuki Nodera

Provision of Opportunities for Senior Talent and Support for Careers Regardless of Age

Extension of employment up to 70

Career review training and regional revitalization entrepreneurship

Performance- and role-based human resource system for employees aged 60 and above

Message

Employee Perspective

After completing career review training, I have spent the past two months in Koumi Town under the Regional Revitalization Entrepreneurship program. By participating in local events such as the summer festival and experiencing the town's culture and community connections, I have gained a deeper understanding of the area. Through observing issues such as vacant houses and unused farmland, I am exploring the fundamental challenges the town faces while working to enhance its appeal and create new value for the community.

Yasuhide Takase, "Regional Revitalization Entrepreneurship" program participant

Press Release (July 1, 2025): ASKUL Employee Appointed as a Regional Revitalization Entrepreneur in Koumi Town, Minamisaku District, Nagano Prefecture



From the right: Hiroshi Kurosawa, Mayor of Koumi Town, Minamisaku District, Nagano Prefecture, and Yasuhide Takase of ASKUL Corporation.

Strengthening of Human Capital

Society



Innovate Through Personnel Who Proactively Take On New Challenges

In response to changing times and the various life stages of each employee, ASKUL implements various training programs and introduces systems empowering employees to envision their ideal self, learn and grow independently, take on challenges proactively, and work with enthusiasm while making the most of their capabilities.

Driving the Realization of Our Purpose with the Asutsukuru Project

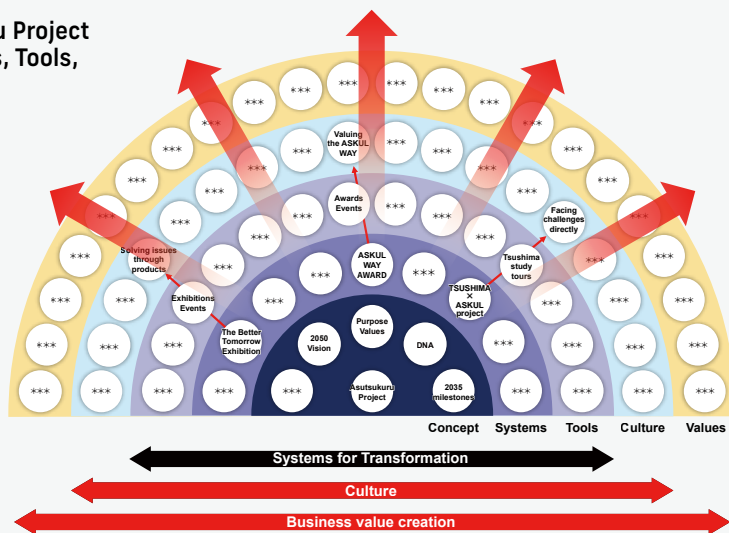
We place great importance on fostering an organizational culture where each employee internalizes Our Purpose of "Continuously bringing delight to our workplace, life, the planet and tomorrow" and translates it into their own words and actions while proactively envisioning the future. The driving force behind this effort is the Asutsukuru* Project.

Employees cross the boundaries of their respective roles and organizations to make the 2050 Vision personally meaningful. They refine the concept into a guiding compass that the Company can return to when facing uncertainty. The project then designs mechanisms and develops tools that promote understanding and Companywide adoption, turning these concepts into activities that align more closely with the Company's current situation.

One example of outcomes generated through these voluntary initiatives is the ASKUL WAY AWARD, which recognizes individuals and teams who take on challenges and pursue improvements within the Company. By making their achievements and actions visible, the award strengthens motivation, participation, and engagement across the entire organization. This cycle serves as a driving force for transformation and is helping to make the Company's culture and climate steadily more appealing. Through this continued effort, it supports the effectiveness of our human capital strategy.

* A portmanteau of "ASKUL" and "tsukuru," which means "to build" or "to create"

▶ Concept Behind the Asutsukuru Project and Its Expansion into Systems, Tools, Culture, and Values



Certified Professional Program for Specialists

The Certified Professional Program, introduced on May 21, 2025, establishes a new job category designed to recognize and reward employees who leverage their specialized expertise to drive the success of organizations and projects. The program was created to visualize career paths, promote the active contribution of specialists, improve compensation, and expand opportunities for employees to take on challenges and grow. In its first year, the program was launched for IT, DX, and legal roles. Following an internal review process, nine specialists were certified. Through the development of an environment where expertise is properly recognized, we aim to strengthen our sustainable growth and enhance the competitiveness of our employees.

Message

Employee Perspective

I chose to pursue the certified professional track because I wanted to face technical challenges head-on as an engineer and contribute to solving them. The role allows me to work across organizational boundaries and tackle issues from a broader perspective, promoting rapid transformation. I am currently working on cross-organizational problem solving with a focus on AI. It is my mission to apply my expertise and continue creating new value that sits at the core of transformation.

Shinji Murata, Certified Professional and Specialist, AI Transformation Division



Support for Employee Career Building and Expansion of Internal Job Postings

ASKUL provides employees with diverse opportunities for growth through programs such as temporary assignments to outside companies, internal secondary work, and open recruitment for in-house positions. These initiatives support autonomous and multifaceted career development. Reallocating talent to strategic areas is a key priority in the human resources strategy set forth in our Medium-Term Management Plan. By leveraging internal job postings, we encourage motivated employees to take on new challenges and promote the optimal allocation of talent across the organization.

▶ Approach to Appropriate and Strategic Talent Reallocation Through Internal Job Postings and Other Methods

Improving productivity in existing businesses (20% increase in revenue productivity)

Full utilization of AI for skill development and reskilling

Reallocation of more than 100 employees

Strategic area for talent reallocation

New business development

Enterprise procurement solutions

Learning Support System

To get employees more motivated to proactively pursue learning in line with their own career goals, we offer a learning support system that enables continuous learning and growth. Under this program, the Company subsidizes part or all of the costs for learning programs or professional certifications that employees choose for themselves.

In the fiscal year ended May 20, 2025, a combined total of 149 employees applied for and received support from the Company for their studies, either on their own initiative or through company-provided programs.

- Example of How Employees Use the Learning Support System MBAs, web director training courses, and digital literacy certifications

Strengthening of Human Capital

Society



Healthy Management That Allows Safe and Secure Work Both Physically and Mentally

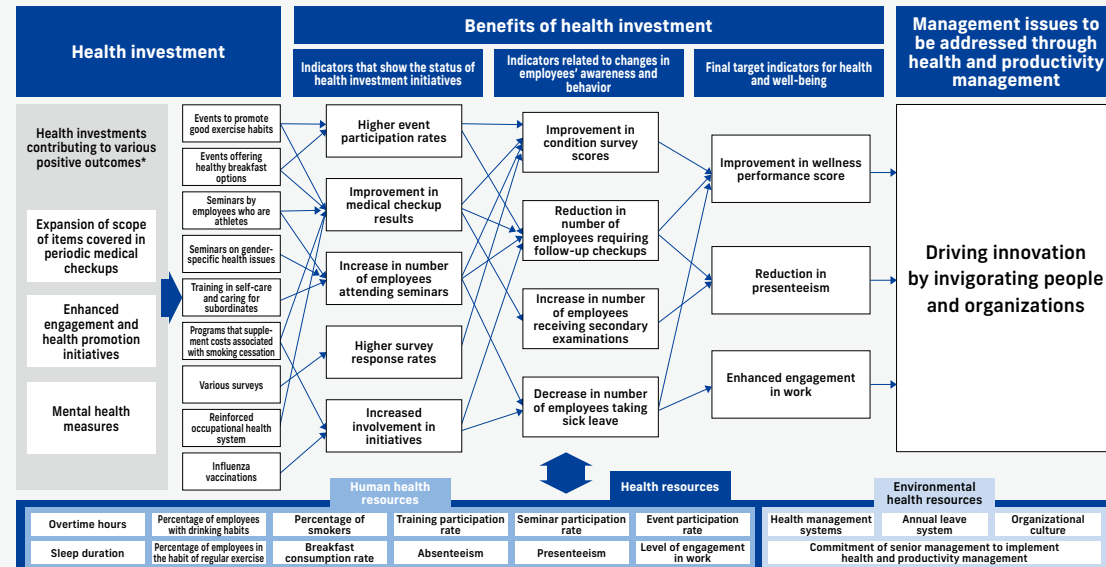
Creating an environment in which employees can work with peace of mind and good mental and physical health is the foundation for continuing to bring delight to our customers. ASKUL implements health and productivity management while flexibly responding to changes in workstyles.

ASKUL is strengthening its health and wellness initiatives so that employees can work in a safe and secure environment, both physically and mentally, and continue to advance forward for its customers. These initiatives include expanding our consultation framework through a reinforced occupational health system, enhancing the scope of medical checkups, subsidizing follow-up examinations based on individual results, and providing various health-related seminars.

Note: The Company was recognized in the Large Enterprise Category of the 2025 Recognition Program for the Outstanding Organizations of KENKO Investment for Health.



Investment in Health Management That Ensures Both Physical and Mental Safety and Security and Its Link to Economic Value



* Generally speaking, each health investment item corresponds on a one-to-one basis with an indicator that shows the status of health investment initiatives. However, some health investment items correspond to multiple such indicators. These investments are categorized as "health investments contributing to various positive outcomes."

[Click here to view ASKUL's health and productivity management strategy map.](#)

Presenteeism

79.8%*

(down 0.9 percentage point from last year)

• Loss due to decreased productivity while at work, with 100% indicating no loss

Target for the fiscal year ending May 20, 2029: 85%

Specific Initiatives for Improvement

We hold a variety of seminars aimed at enhancing health literacy, including sessions on health issues specific to women and practical seminars conducted with external specialists to help employees establish positive exercise habits. In addition, as part of our efforts to prevent infectious diseases, we organize on-site influenza vaccinations and have expanded the scope of the items covered in medical checkups. We also strengthen our support for employees' physical and mental well-being through a proactive system based on results from the monthly pulse survey that monitors the physical and mental health conditions of employees.

Employee Engagement Score

60.4 points*

(down 5.0 points from last year)

• An indicator of engagement (the two-way relationship and connection between employees and the Company) expressed as a numerical value out of 100 points

Target for the fiscal year ending May 20, 2029: To be revised

Engagement Survey-Driven Improvement Activities

We conduct an annual engagement survey for all employees and share the results across the organization. Based on the issues identified, we implement concrete measures and management actively participates in these efforts as we work to enhance employee engagement.



Note: Results for the fiscal year ended May 20, 2025

CEO Town Hall Meetings

The CEO engages in direct conversations with small groups of five to six employees regarding ASKUL's present initiatives and long term vision. To date, more than 200 such sessions have been held, facilitating two way dialogue with a cumulative total of more than 1,000 employees.

Club Activities

ASKUL supports club activities that bring people with similar interests and hobbies together. As of August 2025, more than 400 employees were participating in over 30 clubs, helping to revitalize internal communication across generations and departments.



ASKUL's basketball club

Human Rights Initiatives and Social Contributions

Society

Human Rights Initiatives

ASKUL Group Policy on Human Rights

The ASKUL Group firmly communicates its commitment to respecting human rights and ensures this stance is clear throughout the Group, while promoting collaborations with various stakeholders in an effort to facilitate respect for human rights in all business activities. These efforts were codified in the formulation of the ASKUL Group Policy on Human Rights in February 2022.

ASKUL Group Policy on Human Rights

P.14 Basic Policy on Customer Harassment

ASKUL Group Policy on Human Rights (Excerpt)

- Commitment to respecting human rights
- Support for international human rights principles
- Human rights due diligence, grievance mechanisms, and remediation
- Human rights-related initiatives
 - ① Emphasis on diversity and on the prohibition of discrimination and harassment
 - ② Prevention of forced labor and child labor
 - ③ Working-hour and wage controls
 - ④ Respect for freedom of association and the right to collective bargaining
 - ⑤ Maintenance of employee safety and health
 - ⑥ Freedom of expression and privacy protections
- Dialogue and collaborations with stakeholders

Human Rights Due Diligence, Preventive and Corrective Measures, and Monitoring

ASKUL conducts human rights due diligence with reference to the United Nations Guiding Principles on Business and Human Rights and other relevant standards.

Each year, we identify and assess human rights-related risks across all ASKUL divisions and Group companies using an assessment sheet, prioritizing risks based on factors such as expected frequency and impact, and implementing appropriate measures to manage them. Priority issues include working conditions such as working hours, occupational health and safety, and discrimination and harassment. Assessments of each risk and progress made in addressing them are reported and reviewed through the Companywide risk management framework, which includes the Risk and Compliance Committee and the Management Meeting.

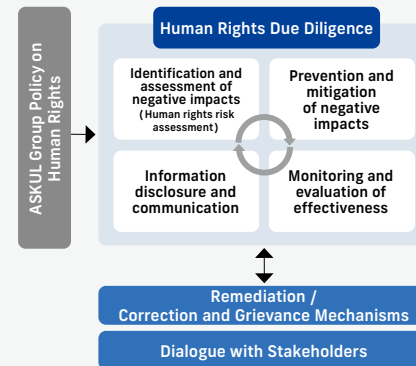
P.35 Risk Management

Internal Reporting System (Correction and Grievance Mechanism)

The ASKUL Group has established the Human Rights and Harassment Consultation Desk to address and remedy human rights issues. Additionally, with regard to the ASKUL Hotline (internal reporting system), in April 2025 we expanded the scope of the system to include external parties and business partners and enabled multilingual reporting in languages such as English, Indonesian, and Vietnamese, in addition to Japanese. Through such measures, we are striving to further strengthen our compliance framework.

Reports received through these channels include matters related to human rights, such as suspected power harassment. When violations are confirmed through investigation, we implement remedial actions and corrective measures. In handling these cases, we ensure strict confidentiality and safeguard reporters against retaliation. Furthermore, the number and details of reports, as well as case outcomes, are regularly reported to the Risk and Compliance Committee, the Sustainability Committee, and the Board of Directors to ensure operational oversight.

P.34 ASKUL Hotline (Internal Reporting System)



Social Contributions

Support Through Products

Since 2011, ASKUL has worked alongside customers and manufacturers in support of reconstruction efforts following the Great East Japan Earthquake, with 1% of the purchase price of eligible ASKUL original products used for reconstruction in the three affected prefectures of the Tohoku region. Since 2021, we have continued to provide support through the East Japan Recovery and Business Support Project, which assists businesses that contribute to regional revitalization and the resolution of issues.

In terms of environmental support, we have enhanced our lineup of products for which a portion of the purchase price helps fund countermeasures against ocean plastic in Tsushima, Nagasaki Prefecture, and we are also working in partnership with the city on initiatives such as study tours.



East Japan Recovery and Business Support Project

Plastic shopping bags that protect the ocean

Toilet cleaning wipes

Disaster-Response Agreements with Municipalities

After a fire at one of our distribution centers in 2017, in addition to implementing comprehensive fire prevention systems at distribution centers, we reexamined the role distribution centers should play in local communities. Based on our desire to earn the trust of local residents through safe and secure operation and thus contribute to local communities, ASKUL has concluded disaster response agreements with municipalities at each distribution center.

Disaster Response Agreements with Municipalities (as of October 2025)

Municipalities	Main Bases and Areas	Overview
Nishiyodogawa Ward, City of Osaka	ASKUL Osaka DC*	<ul style="list-style-type: none"> • Cooperation with provision of relief materials (fee-based) • Use of ASKUL facilities as relief material collection points, etc.
Ageo City, Saitama Prefecture	ASKUL Kanto DC	<ul style="list-style-type: none"> • Cooperation with provision of relief materials (fee-based) • Use of ASKUL facilities as relief material collection points, etc.
Edogawa City, Tokyo	ASKUL Tokyo DC	<ul style="list-style-type: none"> • Cooperation with provision of relief materials (fee-based)
Chiba City, Chiba Prefecture	Citywide	<ul style="list-style-type: none"> • Procurement of relief materials (ASKUL) • Transport of relief materials (ASKUL LOGIST)
Tokyo Metropolitan Government	Tokyo metropolitan area	<ul style="list-style-type: none"> • Cooperation with provision and transport of relief materials (fee-based) • Use of ASKUL facilities as relief material collection points, etc.
City of Fukuoka, Fukuoka Prefecture	ASKUL Fukuoka DC	<ul style="list-style-type: none"> • Cooperation with provision of relief materials (fee-based)
City of Suita, Osaka Prefecture	ASKUL Kansai DC	<ul style="list-style-type: none"> • Cooperation with provision of relief materials (fee-based) • Use of ASKUL facilities as relief material collection points, etc.

* Distribution Center

Directors and Audit & Supervisory Committee Members (as of October 31, 2025)

Governance

Directors



Akira Yoshioka
 Representative Director, President and CEO*1
 Important Concurrent Position
 • Director, FEED Corporation



Tsuguhiro Tamai
 Director, CFO*2
 In charge of risk management, finance and accounting, information disclosure, management and quality key performance indicators (KPIs), Executive Officer of Corporate Unit
 Important Concurrent Position
 • Director, AlphaPurchase Co., Ltd.



Katsuhiro Kawamura
 Director, COO*3



Shinichi Hokari
 Director, CTO*4
 Executive Officer of Product & Marketing Unit



Yumiko Ichige
 Outside Director, Independent Officer
 Important Concurrent Positions
 • Partner, Nozomi Sogo Attorneys at Law
 • Outside Audit & Supervisory Board Member, Idemitsu Kosan Co., Ltd.
 • Outside Board Director, Audit and Supervisory Committee Member of Astemo, Ltd.
 • Outside Audit & Supervisory Board Member, OMRON Corporation



Naomi Aoyama
 Outside Director, Independent Officer
 Important Concurrent Positions
 • Representative Director, style bis Inc.
 • Outside Director, IZUMI Co., Ltd.



Rina Akimoto
 Outside Director, Independent Officer
 Important Concurrent Position
 • CEO and Representative Director, vivid garden Inc.



Nobuya Ishizaka
 Outside Director, Independent Officer
 • President and CEO, Golf Digest Online Inc.
 • Outside Director, BELLSYSTEM24 Holdings, Inc.
 • President and Representative Director, GDO Sports, Inc. (USA)
 • Representative Director, Japan Speedgolf Association
 • Chairman and Director, GolfTEC Enterprises, LLC (USA)



Makoto Hide
 Outside Director
 • Executive Corporate Officer, Commerce Domain Lead, LY Corporation
 • Chairman of the Board, Ikyu Corporation
 • Director, ZOZO, Inc.
 • Director, BEENOS Inc.

Directors Serving as Audit & Supervisory Committee Members



Toshio Imamura
 Full-Time Director Serving as Audit & Supervisory Committee Member



Kazuo Tsukahara
 Outside Director Serving as Audit & Supervisory Committee Member, Independent Officer



Yoshitaka Asaeda
 Outside Director Serving as Audit & Supervisory Committee Member, Independent Officer
 Important Concurrent Positions
 • Director, Yoshitaka Asaeda Certified Public Accountant Office
 • Outside Corporate Auditor, WingArc1st Inc.
 • Outside Director, The Shimane Bank Ltd.



Miyuki Nakagawa
 Outside Director Serving as Audit & Supervisory Committee Member, Independent Officer
 Important Concurrent Positions
 • Professor, Chuo Law School, Chuo University
 • Representative, Kousui Law Office
 • Outside Director, NITTO KOGYO CORPORATION
 • Outside Director, Nissan Chemical Corporation
 • Outside Audit & Supervisory Board Member, SBI Shinsei Bank, Limited

*1 Chief executive officer
 *2 Chief financial officer
 *3 Chief operating officer
 *4 Chief technology officer

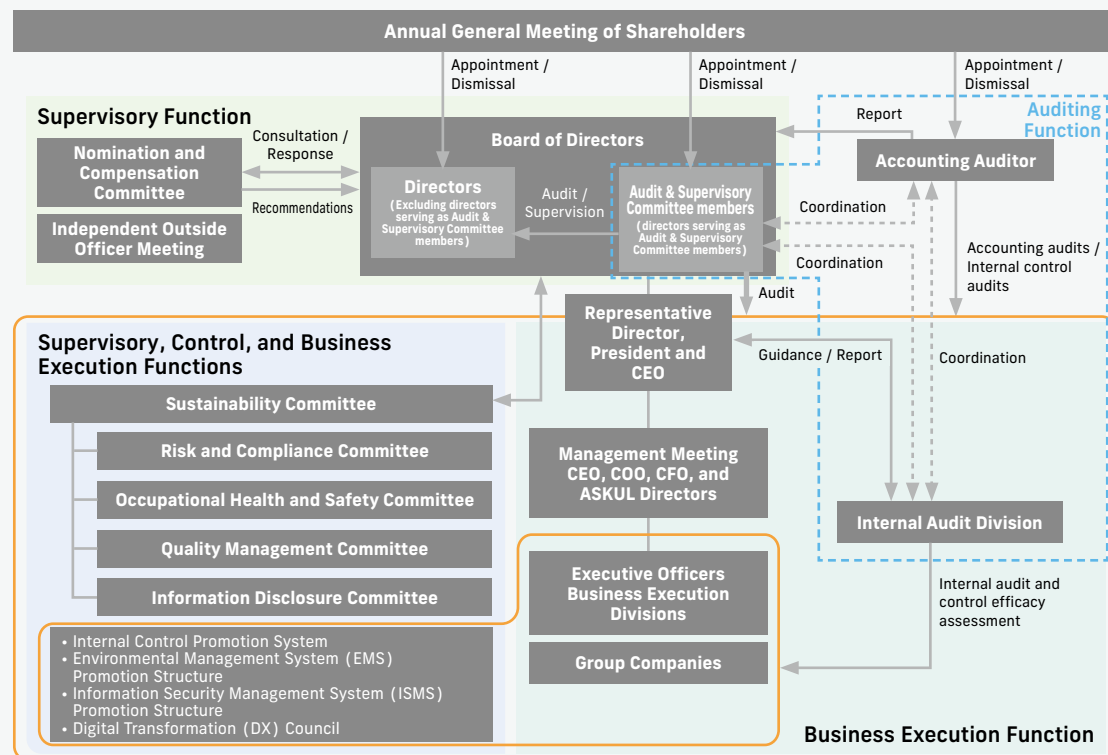
Corporate Governance

Basic Approach to 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, we listen 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, ASKUL will strive to enhance corporate governance through not only more thorough compliance management but also transparent, fair, prompt, and resolute decision-making in order to achieve sustainable growth and enhance corporate value over the medium to long term.

Corporate Governance Structure (as of August 5, 2025)



Composition of Board of Directors and Audit & Supervisory Committee

Board of Directors' Composition

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, ASKUL 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, ASKUL appoints multiple independent outside directors to incorporate the extensive experience, deep insight, broad knowledge, and solid expertise of directors from outside the Company into ASKUL's management. This is done in an attempt to maintain and strengthen management supervision efficacy from an independent and objective standpoint and improve management transparency.

Audit & Supervisory Committee's Composition

ASKUL's Audit & Supervisory Committee comprises at least one full-time director serving as an Audit & Supervisory Committee member and one or more outside directors serving as 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 (excluding directors serving as Audit & Supervisory Committee members) can be implemented in the most effective and efficient manner.

In appointing directors who serve as Audit & Supervisory Committee members, ASKUL selects candidates possessing the appropriate experience and capabilities, as well as the requisite financial, accounting, and legal knowledge, with at least one member possessing substantial knowledge of finance and accounting.

Corporate Governance

Governance

Current Committee Compositions

As of August 5, 2025

Committee Name	Directors										Directors Serving as Audit & Supervisory Committee Members				Executive Officers and Other Members	Overview and Activities	Number of Meetings in FY2025
	Akira Yoshioka	Tsuguhiko Tamai	Katsuhiko Kawamura	Shinichi Hokari	Yumiko Ichige	Naomi Aoyama	Rina Akimoto	Nobuya Ishizaka	Makoto Hide	Toshio Imamura	Kazuo Tsukahara	Yoshitaka Asaeda	Miyuki Nakagawa				
					Outside Independent	Outside Independent	Outside Independent	Outside Independent	Outside		Outside Independent	Outside Independent	Outside Independent				
Supervision	Nomination and Compensation Committee	○				○	○	○	○			◎			This committee deliberates policies, procedures, and specific proposals regarding the appointment and dismissal of key officers and employees, including directors and the president and CEO, compensation, and succession planning. (Members comprise a majority of independent outside directors.)	16	
	Independent Outside Officer Meeting					○	○	○	○			◎	○	○	Comprising solely independent outside directors, this committee meets to freely exchange information and opinions on important matters related to corporate governance, business, and management. Note: Corresponds to "Meetings composed of independent outsiders" in Corporate Governance Code 4-8 (1)	3	
Supervision, control, and business execution	Sustainability Committee	○	◎	○	○	■					■			○*1,2 □	This committee deliberates and determines issues and policies concerning sustainability and ESG while monitoring other committees to fulfill ASKUL's social responsibility, achieve sustainable growth, and enhance corporate value over the medium to long term.	12	
	Risk and Compliance Committee	○	◎	○	○							■	■	○*3 □	In addition to managing risks, this committee aims to understand, manage, and respond to risk and compliance issues to ensure compliance with laws, regulations, and internal and external rules and norms.	12	
	Occupational Health and Safety Committee		○	○	○						■	■		◎*1 ○	This committee determines and responds to occupational health and safety conditions in order to ensure the safety of all staff and employees and to improve their physical and mental health, as well as increase productivity and heighten morale.	12	
	Quality Management Committee	○	○	○	○		■						■	◎*2 ○ □	This committee works to improve the quality of services and products handled throughout the value chain to increase customer trust and satisfaction, as well as provide customers with products that are safe and reliable.	11	
	Information Disclosure Committee		◎												○	This committee makes disclosure-related decisions aimed at enhancing management transparency and ensuring the timely and appropriate disclosure of information.	48
Business execution	Management Meeting	◎	○	○	○									□	Chaired by the president and CEO, these meetings are held to carefully examine and decide on proposals related to business execution.	38	

◎ Chair ○ Member ■ Advisor □ Observers and other members

*1 Executive officer of unit in charge of human resources *2 Executive officer of unit in charge of customer support *3 Executive officer of unit in charge of legal affairs

Corporate Governance

Governance

Director Skills Matrix and Reasons for Appointment

As of August 5, 2025

Name Position in the Company	Skills and Experience											Reasons for Appointment
	Management strategy	ESG and sustainability	E-commerce	Products	Logistics	M&A	Global experience	Finance and accounting	IT and digital transformation	Human resources, labor affairs, and human resource development	Legal affairs, intellectual property, and risk management	
Akira Yoshioka Representative Director, President and CEO	●		●	●		●						As representative director, president and CEO, Mr. Yoshioka has led sustainable business growth despite the COVID-19 pandemic. He possesses extensive business experience and a solid track record at ASKUL, with knowledge of e-commerce business operations, and is able to appropriately fulfill his duties as president.
Tsuguhiko Tamai Director, CFO	●	●				●		●			●	Mr. Tamai possesses extensive business experience and a solid track record at ASKUL. He also possesses knowledge of finance, public relations, investor relations, and other areas that allows him to fulfill his responsibilities as CFO and the director in charge of risk management of the Company, which aims to strengthen governance and sustainably enhance corporate value.
Katsuhiko Kawamura Director, COO	●		●	●	●	●			●			Mr. Kawamura possesses extensive business experience and a solid track record at ASKUL, including executive officer positions in various divisions, and business management knowledge enabling him to appropriately fulfill his duties as COO.
Shinichi Hokari Director, CTO			●						●			Leveraging his advanced expertise and experience in internet-based platform development and e-commerce business, as well as extensive business experience and a solid track record at Yahoo Japan Corporation, Mr. Hokari contributes significantly to the Company's e-commerce platform as CTO.
Yumiko Ichige Outside Director	Outside Independent	●								●	●	Ms. Ichige started out her career as a corporate attorney and possesses highly specialized expertise and work experience in the fields of corporate governance, compliance, and intellectual property gained through experience as a lawyer. In the past, she served as an outside director and outside audit and supervisory board member at multiple companies and as an officer at the Japan Federation of Bar Associations and public-interest corporations.
Naomi Aoyama Outside Director	Outside Independent	●	●	●								Having established a consumer-oriented marketing support company, Ms. Aoyama possesses a high degree of expertise and extensive experience as an advisor on corporate social media management and e-commerce.
Rina Akimoto Outside Director	Outside Independent	●	●	●								Ms. Akimoto has been appointed due to her experience and track record in launching an innovative business that solves distribution challenges in the agricultural sector, her activities in various organizations that tackle social issues, and her ability to offer oversight and advice that make use of her experience in the fast-paced, innovative environment of venture companies.
Nobuya Ishizaka Outside Director	Outside Independent	●	●	●			●	●	●			Having helped deliver innovative services in the online media industry and with his extensive experience and proven track record as a business leader, Mr. Ishizaka brings a high level of expertise and deep insight into digital strategy and marketing, and he has successfully managed a number of organizations.
Makoto Hide Outside Director	Outside	●	●	●			●		●			Mr. Hide has extensive experience and broad insight cultivated by implementing business strategies in the internet services industry and concerning corporate management at Group companies, enabling him to provide supervision and advice that can be leveraged in management of the Group.
Toshio Imamura Full-Time Director Serving as Audit & Supervisory Committee Member		●								●		Mr. Imamura possesses extensive business experience and a solid track record at ASKUL in the areas of accounting and finance, information disclosure, risk, and human resources. Since August 2017, he has appropriately performed his function of supervising business execution as a full-time Audit & Supervisory Board member.
Kazuo Tsukahara Outside Director Serving as Audit & Supervisory Committee Member	Outside Independent	●					●	●		●		After being responsible for a wide range of operations (including an overseas assignment) at a heavy-industry manufacturer engaged in global business, Mr. Tsukahara served as the company's executive vice president. Having served as an outside director at multiple companies to date, he possesses extensive business experience and a solid track record in corporate management, as well as deep insight and strong ethics.
Yoshitaka Asaeda Outside Director Serving as Audit & Supervisory Committee Member	Outside Independent						●	●	●			As a certified public accountant, Mr. Asaeda has practical experience and professional expertise in global accounting and auditing and, in addition to management experience in global organizations, has served as an outside director and outside audit and supervisory board member in several companies to date.
Miyuki Nakagawa Outside Director Serving as Audit & Supervisory Committee Member	Outside Independent	●									●	Ms. Nakagawa worked for many years as a prosecutor for 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 serves as an outside director and outside audit and supervisory board member in several companies.

Reasons for Selecting Each Skill Category / Area of Experience

Management strategy	Organizations must formulate and execute strategies that respond accurately to rapid changes in the business environment in order to achieve sustainable growth and create new value, making quick and accurate decision-making capabilities essential.	Logistics	Optimizing the entire supply chain by building and evolving highly efficient logistics and delivery systems is essential for ensuring we keep our promises to customers while consistently providing superior service.	IT and digital transformation	Being able to fully leverage advanced technologies such as AI and shifting toward a data-driven organization that leverages big data are essential to driving innovation and strengthening competitiveness.
ESG and sustainability	To realize our corporate purpose of "Continuously bringing delight to our workplace, life, the planet and tomorrow," it is essential to have the insight and expertise for identifying environmental and social issues and addressing them through business activities to ensure sustainable growth and maintain harmony with society.	M&A	Strategic M&A serves as a foundation for expanding business domains, creating new markets, and restructuring the Company's business portfolio, thereby supporting long-term value creation.	Human resources, labor affairs, and human resource development	Fostering an organizational culture in which all members of our diverse workforce can perform to the best of their abilities and generate innovation is critical against the backdrop of labor shortages.
E-commerce	Optimizing customer purchasing experiences, delivering greater convenience, and providing innovative services are indispensable undertakings for enriching customers' workplaces and everyday lives.	Global experience	Sustainable value creation requires an international perspective and understanding of diverse cultures and business environments, especially in responding to changes in overseas supply chains and other global developments.	Legal affairs, intellectual property, and risk management	Sound and sustainable value creation requires the experience and ability to appropriately manage and mitigate the wide range of risks surrounding the Company.
Products	Creating customer value involves developing, selecting, and delivering optimal products and related services with careful attention to design, quality, price, logistical efficiency, and environmental impact.	Finance and accounting	Maintaining and enhancing financial soundness and capital efficiency while ensuring appropriate growth investments, shareholder returns, and transparency is fundamental to executing corporate strategies.		

Corporate Governance

Governance

Policies and Procedures for the Appointment and Dismissal of Officers and Members of Senior Management

Policies and procedures associated with the nomination of director candidates (excluding directors who serve as Audit & Supervisory Committee members) and the nomination of candidates for directors who serve as Audit & Supervisory Committee members, as well as the appointment and dismissal of members of senior management, are as follows.

▶ Policies and Procedures for the Nomination of Director Candidates (Excluding Directors who Serve as Audit & Supervisory Committee Members) and the Appointment and Dismissal of Members of Senior Management

Candidates for ASKUL directors (excluding directors who serve as Audit & Supervisory Committee members) and for senior management members must possess the following qualities:

- Possess sound moral judgment and have good business sense
- Broad, flexible viewpoints as well as ambition, leadership, and other management qualities and capabilities
- Ability to formulate visions, implement change, be customer-oriented, and have high ethical standards as set forth in the ASKUL WAY

In selecting candidates, ASKUL takes the 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 ASKUL directors are subject to appointment by resolution of the Annual General Meeting of Shareholders.

Director candidates (including substitute directors) and prospective members of senior management are selected by the Board of Directors after fair, transparent, and rigorous reviews and responses by the Nomination and Compensation Committee, which is composed of a majority of independent outside directors.

Regarding the appointment of ASKUL directors concurrently serving as directors or corporate auditors at other listed companies, duties shall be limited to a reasonable extent, enabling the director to dedicate sufficient time to fulfilling their responsibilities as an ASKUL director. 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 ASKUL's social value or reputation caused by the CEO, or when radical change becomes necessary, the Nomination and Compensation Committee decides on dismissal proposals, which are then confirmed by resolution of the Board of Directors.

Further, in the event a senior management team member deviates from the above requirements, the Nomination and Compensation Committee, which is composed of a majority 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 Who Serve as Audit & Supervisory Committee Members

Candidates for ASKUL directors who serve as Audit & Supervisory Committee members must possess the following qualities:

- Excellent character, insight, capabilities, a wealth of experience, and high ethical standards
- An understanding of and propensity for sharing the ASKUL WAY and corporate culture
- Appropriate experience, capabilities, and knowledge of requisite financial, accounting, and legal matters

In selecting candidates, ASKUL takes Audit & Supervisory Committee diversity 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, nominating the most suitable candidates for directors who serve as Audit & Supervisory Committee members.

Further, one or more directors who serve as Audit & Supervisory Committee members must have sufficient knowledge of finance and accounting matters. Audit & Supervisory Committee member candidates (including substitute members) are selected by the Nomination and Compensation Committee, which is composed of a majority 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 ASKUL directors who serve as Audit & Supervisory Committee members while concurrently fulfilling the role of director or corporate auditor at other listed companies, duties shall be limited to a reasonable extent, enabling said members to dedicate sufficient time to fulfilling their responsibilities as ASKUL directors who serve as Audit & Supervisory Committee members.

Standards for Determining Independence

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

- A Individuals for whom ASKUL is a major supplier or business executor
- B Individuals who are major ASKUL suppliers or in charge of business execution
- C Consultants and other professionals who have received large cash payments or other compensation from ASKUL within the past five years or who belong to consulting firms or other organizations that have worked directly with ASKUL within the past five years
- D ASKUL, its parent company, or subsidiary executive officers, directors, or Audit & Supervisory Committee members
- E Major ASKUL shareholders
- F Close relatives of persons described in categories A–E

Corporate Governance

Governance

ASKUL Governance Enhancements

Given the existence of controlling shareholders, ASKUL established and manages a system aimed at ensuring management independence and avoiding conflicts of interest, as well as protecting minority shareholders and maintaining fairness and impartiality from the perspective of enhancing corporate value over the medium to long term.

▶ Transition to a Company with Audit and Supervisory Committee Structure

The Company transitioned to a company with audit and supervisory committee structure following the approval of the relevant proposals at the Annual General Meeting of Shareholders held on August 5, 2025. This transition was made with the aims of strengthening the supervisory function of the Board of Directors, further enhancing corporate governance, and enabling the Board to broadly delegate decision-making on business execution to directors, thereby promoting the separation of execution and supervisory functions and accelerating the decision-making process to improve corporate value. As Audit & Supervisory Committee members, who are responsible for auditing the execution of duties by directors, now serve as members of the Board of Directors, a majority thereof is composed of independent outside directors.

<p>Response through systems and frameworks</p>	<ul style="list-style-type: none"> ▶ The Board of Directors is composed of a majority of independent outside directors.* ▶ The director selection process through the Nomination and Compensation Committee, which is composed of a majority of independent outside directors. ▶ Authority held by the Nomination and Compensation Committee <ul style="list-style-type: none"> • Granted authority to investigate matters without waiting for consultation from the Board of Directors and provide the Board with opinions, advice, and recommendations • Given the right to express opinions regarding items they have reported or provided advice on at the Annual General Meeting of Shareholders and other meetings
<p>Handling of conflict-of-interest transactions</p>	<ul style="list-style-type: none"> ▶ Transactions are managed in accordance with the Related-Party Transaction Management Regulations.
<p>Communication measures</p>	<ul style="list-style-type: none"> ▶ Opportunities are provided for regular and constructive dialogue and exchanges of opinions between independent directors and major shareholders. ▶ Opportunities are provided for regular, constructive dialogue and exchanges of opinions between the Company's management and the management of its major shareholders. ▶ When officers are selected for appointment, statements of aspiration from each candidate are disclosed for shareholder review.

* Independent officers 7/13 (53.8%) (as of September 2025)

Protection of Minority Shareholders

▶ Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Major Shareholders

ASKUL has formulated the Related-Party Transaction Management Regulations to carefully determine the rationality of transactions and the appropriateness of transaction proposals to ensure that transactions with related parties do not harm ASKUL or the common interests of its shareholders, nor give rise to such concerns.

Corporate Governance Report: Policy on Ensuring Shareholder Rights and Equality

Stocks Held for Strategic Purposes

ASKUL has formulated and continues to manage the Policy on Ensuring Shareholder Rights and Equality and, as of May 20, 2025, held no listed company shares for the purpose of shareholder stability, referred to as stocks held for strategic purposes. ASKUL maintains strategic shareholdings deemed important for Group strategic purposes, such as utilizing advanced technologies from outside the Company or strengthening relationships through business alliances. The Board of Directors or other governing bodies determine whether to continue holding or dispose of strategic shareholdings after examining the appropriateness of said holdings.

Corporate Governance Report: Principle 1-4: Stocks Held for Strategic Purposes

Information Disclosure

ASKUL 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.

Company information is disclosed in a timely and appropriate manner, with efforts made to ensure accuracy at all times and, when necessary, consider the necessity of maintaining confidentiality. In addition to information that must be disclosed due to legal requirements, ASKUL makes proactive efforts to disclose environmental, social, and governance information and other non-financial information.

ASKUL 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.

Basic Policy on Information Disclosure and Dialogue with Shareholders

For reference: Regarding the Special Committee

- In line with a resolution by the Board of Directors at a meeting held on August 4, 2021, ASKUL enhanced the Board's supervisory function to further improve not only the Company's corporate governance but also that of ASKUL Group companies and ensure management transparency. The Special Committee was also established as a permanent advisory body to the Board of Directors for the purpose of protecting the interests of minority shareholders and ensuring fairness and impartiality in conducting important transactions, as well as transactions in which the interests of controlling shareholders and major shareholders with an equivalent level of control (dominant shareholders) conflict with those of minority shareholders.
- Following the approval of the proposals titled "Partial Amendments to the Articles of Incorporation," "Election of nine Directors (Other than Directors Serving as Audit & Supervisory Committee Members)," and "Election of four Directors Serving as Audit & Supervisory Committee Members" at the Annual General Meeting of Shareholders held on August 5, 2025, independent outside directors came to comprise a majority of the Board of Directors. In light of this strengthened governance framework after the transition to a company with audit and supervisory committee structure, the Company determined that the protection of minority shareholders' interests and the assurance of fairness and impartiality could continue to be maintained. Accordingly, the Special Committee, as a standing advisory body, was abolished.

Corporate Governance

Evaluation of the Board of Directors' Effectiveness

To continuously improve the effectiveness of the Board of Directors, ASKUL has analyzed and evaluated the overall effectiveness of the Board of Directors annually since 2015, which involves all directors and Audit & Supervisory Committee members, with the aim of identifying issues and implementing measures for improvement. In the 2025 effectiveness evaluation, following the approach taken in 2024, the Company maintained an objective perspective by implementing a questionnaire-based assessment through a third-party organization.

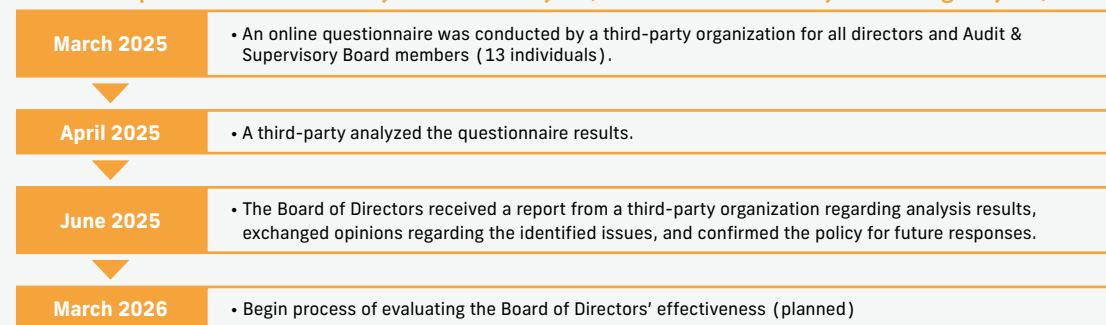
► Evaluation Method and Process

Based on the survey conducted in March 2025 through a third-party organization and on the results of said survey, which included a comparison with the Company's industry peers, the overall effectiveness of the Board of Directors was evaluated. The survey included 40 questions covering the following 13 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 | 8 Training |
| 2 Composition of the Board of Directors | 9 Dialogue with shareholders |
| 3 Operation of the Board of Directors | 10 Personal initiatives |
| 4 Discussions of the Board of Directors | 11 Operation of the Nomination and Compensation Committee |
| 5 Monitoring functions of the Board of Directors | 12 Discussions of the Nomination and Compensation Committee |
| 6 Performance of inside and outside directors | 13 Summary |
| 7 Support system for directors and Audit & Supervisory Committee members | |

Evaluation process for the fiscal year ended May 20, 2025 and the fiscal year ending May 20, 2026



► Evaluation Results

The Board of Directors was generally assessed as functioning effectively. In particular, discussions institutional design, the ratio of internal and external members on the Board, constructive deliberations at Board meetings, feedback on engagement with shareholders, exchanges of views among outside officers, and the frequency and deliberation status of the Nomination and Compensation Committee were all positively evaluated.

► Major Issues Identified in the Previous Evaluation and Status of Responses

- Discussion on institutional design
Based on the identified issue that independent outside directors did not constitute a majority, discussions were held by the Nomination and Compensation Committee, followed by deliberation by the Board of Directors. As a result of these discussions, the Company decided to transition to a company with audit and supervisory committee structure, aiming to strengthen the Board's monitoring function and to facilitate quicker decision-making to support the Company's rapid innovation.
- Enhancement of discussion
The Company focused on enhancing Board of Directors' meetings by significantly reducing the number of items reported and strategically allocating buffer time during agenda setting.
- Enhancement of information sharing
The Company worked to encourage constructive discussions by sharing the Management Meeting's agendas and minutes and by conducting pre-briefings.
- Discussions on medium- to long-term strategies, etc.
In preparing the new Medium-Term Management Plan, announced on July 4, 2025, the Board of Directors held a total of 10 discussions. These discussions reflected on the previous Medium-Term Management Plan while establishing 2035 as a milestone, aligned with the vision for 2050 (ASKUL 2050 Vision). Through a backcasting approach, the Company engaged in thorough discussions on its direction for new businesses, M&A, and talent strategies in this process.

► Details of Comments and Discussions at Board Meetings

Discussion Topic	Details of Comments / Discussions, etc.
1) Medium-term management plans	<ol style="list-style-type: none"> Vision <ul style="list-style-type: none"> The vision should be clearly articulated and framed in a way that resonates with long-term shareholders and institutional investors. Both existing and new businesses should include an organizational strategy and a portfolio strategy. Medium-term management plans <ul style="list-style-type: none"> It is necessary to identify what can be pursued beyond daily necessities. In new categories, collaboration with manufacturers is essential to prevent customer attrition and improve profitability. Generating revenue outside the sale of goods requires time. The new Medium-Term Management Plan should first call for expansion within existing domains to strengthen the business foundation. To achieve not only top-line growth but also profitability, segment-level discussions within the B-to-B business are required, taking the cost of capital into account. Execution phase <ul style="list-style-type: none"> Management should unequivocally communicate that employees must also change, as must Group companies. It is important to establish milestones for key initiatives and to implement a PDCA cycle that includes effectiveness checks, reviews of progress versus Medium-Term Management Plan targets, and course corrections.
2) New businesses	<ol style="list-style-type: none"> Formulation of teams <ul style="list-style-type: none"> New businesses should be placed directly under the jurisdiction of the president, and the organizational structure should allow the same people who formulate strategies to drive business execution. The process should enable faster product launches and an increased number of trials. Efforts should also be made to foster an entrepreneurial mindset among employees. Systems <ul style="list-style-type: none"> More resources for interviews and related activities should be allocated so that even latent customer needs can be identified. Pitch events that solicit business ideas are of great benefit. Taking the first step and linking such events to future opportunities, such as expanding businesses through collaboration with newer companies, is encouraged. Establishing mechanisms to adopt new ideas generated within the organization is important. Consideration should also be given to initiatives that promote changes in employee mindset and encourage new ways of thinking.
3) M&A	<p>M&A strategy</p> <ul style="list-style-type: none"> For expanding new businesses with an eye toward 2035, an M&A strategy is essential. The overall process should be structured, including the establishment of criteria for withdrawal as well as for measuring current performance. Earnest consideration should also be given to leveraging corporate venture capital.
4) Human resource strategy	<p>Human capital</p> <ul style="list-style-type: none"> In an increasingly competitive business environment, it is necessary to speed up the mobilization of IT-savvy talent and organizations. From the perspective of developing digitally literate personnel, consideration should be given to reallocating personnel to new business areas through internal messaging and reskilling initiatives. While job rotation is important, a separate evaluation framework is also needed to ensure that specialists in cutting-edge fields such as AI can remain focused without reassignment and be appropriately rewarded for their accomplishments.

► Issues Identified and Measures for Improvement

- Strategic discussions
 - Issue: There is a lack of strategic discussions regarding the business recovery road map, Medium-Term Management Plan, directions for new businesses, and overall Group strategies.
 - Countermeasure: The Company is working to enhance strategic discussions by narrowing the agenda of pre-briefings to focus on important and strategic topics, shortening the time spent on reporting items, and planning the agenda more effectively. Additionally, following the transition to a company with audit & supervisory committee structure, the criteria for agenda submissions are being reviewed, with a focus on selecting items for Board meetings that will facilitate more dedicated time for strategic discussions.
- Regular follow-up
 - Issue: Regular follow-up is necessary for monitoring the progress of the Medium-Term Management Plan, large-scale investments, and M&A.
 - Countermeasure: To enhance monitoring efforts, progress reports will be scheduled in advance for Board of Directors' meetings, opportunities for briefings will be established, and adequate time will be allocated for discussions when issues or discrepancies are identified.

Corporate Governance

Governance

TOPIC

Policies and Procedures for Determining Inside Director and Audit & Supervisory Committee Member Compensation

Monetary Compensation

Comprises basic compensation as fixed-portion (monthly compensation) and performance-linked compensation as follows:

Basic Compensation (Fixed Portion):

Individually determined as fixed monthly remuneration reflecting market levels and expected roles

Performance-Linked Compensation (Variable Portion)

Calculated in line with **A** annual performance target achievement levels (with upper and lower limits) and **B** individual evaluations

Non-Monetary Compensation

Restricted Stock Compensation

- Granted to eligible directors and employees
- Provisos for lifting the restriction on transfer
 - Continuous employment conditions: Must be in the position of officer or employee throughout the restricted transfer period
 - ESG indicator conditions: Achievement of ESG indicators aimed at increasing the effectiveness of measures to resolve ESG-related issues
- The amount of each remuneration is decided by the Board of Directors after deliberation by the Nomination and Compensation Committee, taking into account the position, expected role, and stock price trends.
- To ensure the soundness of the compensation system for directors and prevent misconduct, a so-called malus clause has been established that stipulates that in the event of certain circumstances, all or part of the stock-based compensation granted before the restriction on transfer is lifted will be forfeited or canceled.

ESG Indicator Conditions

The transfer restriction will be lifted when a specified number of the five annual targets related to material issues (important issues) are achieved, subject to the expiration of the transfer restriction period.

Environment	1) Improve delivery efficiency 2) Achieve overall product environmental score targets
Society	3) Employee engagement score 4) Ratio of women in management of 30%
Governance	5) Governance evaluations conducted by external organizations

Note: The four items excluding item 5 apply to employees.

Reference: Notice Regarding Disposal of Treasury Stock as Restricted Stock Remuneration

► Compensation of ASKUL Directors and Senior Management

Type	Compensation Details	Compensation Calculation Methods	Purposes, Reasons, and Supplemental Explanations	Payments	Actual Amount (Compensation Ratio)*1 Unit: Millions of Yen
Non-monetary compensation	Restricted stock compensation	The amount conferred is determined in accordance with the amount of basic compensation, position held, expected role, share price trends, and other factors.	<ul style="list-style-type: none"> Medium- to long-term incentive Share value with shareholders Increase effectiveness of measures to resolve ESG-related issues 	<div style="border: 1px solid #00838F; padding: 5px;"> Provisos for the lifting of transfer restrictions (for stock granted in FY2026) ① Continuous employment provisos (around 15% of basic compensation) ② ESG indicator provisos (equivalent to 50% of ① above) </div>	17 (9.4%)
Monetary compensation	Performance-linked compensation (Variable portion) (Remitted as an executive bonus)	A Annual performance target × B Individual evaluation	<ul style="list-style-type: none"> Performance-linked compensation varies in accordance with the rate of achievement for consolidated EBITDA*2 target Reason for adopting this indicator: To secure profits while actively executing the necessary investments 		48 (26.5%)
	Basic compensation (Fixed portion) (Remitted as monthly compensation)	Determined individually based on market levels and expected role			116 (64.1%)

*2 EBITDA = Earnings before interest, taxes, depreciation, and amortization (Operating profit + Depreciation + Amortization of software + Amortization of goodwill)

A
Linked to consolidated EBITDA achievement rate (Upper lower limits set between 85% and 115%)

B
Increases / decreases based on individual evaluations (15% of basic compensation)

*1 Actual performance in FY2025

► Compensation for Outside Directors and Directors Serving as Audit & Supervisory Committee Members

Only basic compensation is provided in light of individual roles and independence.

Corporate Governance

Governance

Group Governance

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. In accordance with this basic policy, the Company will ensure that individual corporate entities have freedom in their management, share a mission to solve social issues, and build a governance structure to achieve this while providing the highest value to various stakeholders through the collective strength of the Group.

2 Measures to Ensure the Effectiveness of the Governance Systems of Listed Subsidiaries

The Company recognizes 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 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, 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. The Company believes that communication between the two companies is extremely important in order to prevent differences in policies and views and conflicts of opinion. In addition to nominating one officer or employee of ASKUL as a candidate for director, the Company will promote regular dialogue 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

AlphaPurchase is a consolidated subsidiary listed on the Tokyo Stock Exchange (Standard Market) and primarily engages in MRO and FM businesses. The businesses of AlphaPurchase 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 ensure that AlphaPurchase 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.

4 LY Corporation, ASKUL's Other Affiliated Company

1) Relationship with the other affiliated company

LY Corporation, the Company's other affiliated company, holds 46.84% of the Company's voting rights (as of May 20, 2025), and two out of 13 directors of the Company are dispatched from LY Corporation. Since LY Corporation holds 46.84% of the voting rights of the Company's shares, the Company is included in the scope of consolidation of the affiliated company under the International Financial Reporting Standards (IFRS). The Company has approved such a situation on the premise of enhancing value for all stakeholders (customers, shareholders, investors, business partners, and employees) and maintaining independence of business operations as a listed company.

2) Approach to and policy on group management at 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 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 affiliated company, 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 with 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.

Corporate Governance

Governance

Compliance

Based on the recognition that compliance is a prerequisite for management, the Company has established, disseminated, and complies with the ASKUL Code of Conduct (Code of Ethics and Conduct), the Compliance Manual, and a variety of other regulations in accordance with the ASKUL WAY. Further, in addition to supervision by the Risk and Compliance Committee and monitoring through internal auditing and other efforts, education and training on 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.

▶ Anti-Corruption and Corporate Ethics

ASKUL Code of Conduct (Code of Ethics and Conduct)

The ASKUL Code of Conduct was formulated in June 2006 and is promulgated through internal efforts to spread information and raise awareness.

As a document upon which all our activities are based, the ASKUL Code of Conduct incorporates the ASKUL WAY, comprising Our Purpose of "Continuously bringing delight to our workplace, life, the planet and tomorrow," Our Values, and Our DNA and defining the basic rules of conduct that should be observed by employees and all stakeholders, including customers, shareholders, investors, partners, and co-workers, while maintaining high ethical standards and a spirit of compliance with the law.

ASKUL Code of Conduct (Code of Ethics and Conduct)

ASKUL Code of Conduct (Code of Ethics and Conduct) (Content)

- I ASKUL Code of Conduct Positioning
- II For Customers
- III For Shareholders and Investors
- IV For Society
- V For Partner Companies
- VI For Social Assets and Information
- VII For ASKUL Coworkers
- VIII ASKUL Code of Conduct Management

▶ ASKUL Hotline (Internal Reporting System)

The ASKUL Hotline (internal reporting system) was established as part of the ASKUL Group's internal control system in order to prevent misconduct and business risks before they occur while invigorating the Group's self-correcting mechanism.

ASKUL employees can use the ASKUL Hotline, which is separate from regular business lines and inquiry channels, to report or inform in the event they discover or have suspicions of inappropriate conduct, such as violations of laws and regulations, as well as violations of the duty of confidentiality or unfavorable investigation or treatment of whistleblowers and cooperating parties.

To further strengthen compliance systems, starting in April 2025, the scope of eligible reporters was expanded beyond executives and employees to include representatives of outside parties and business partners. Moreover, reflecting the increasingly multinational composition of the workforce, the Company established a system that allows for reports to be submitted in languages including English, Indonesian, and Vietnamese. This system, which operates, in principle, 24 hours a day, 365 days a year, also enables anonymous reporting.

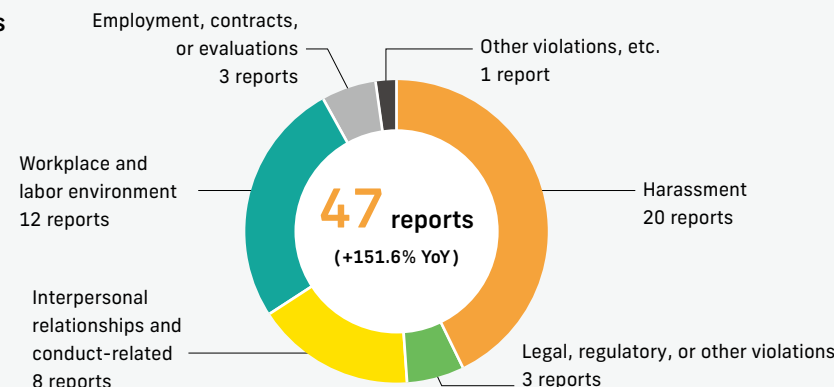
The ASKUL Hotline reception desk comprises heads of the Company's CSR, legal affairs, human resources, internal audit, and other relevant divisions, as well as Audit & Supervisory Committee members. In addition to internal reporting channels, an outside consultation service has been established to quickly identify suspicious activities from the perspective of compliance.

In addition, ASKUL strictly prohibits the unfavorable treatment of whistleblowers, including discrimination against them and other acts of retaliation, as well as adverse impacts on their performance evaluations as a result of making a report. Individuals or department heads who treat whistleblowers unfavorably may be subject to disciplinary actions or other measures.

The ASKUL Hotline reception desk and investigation and response team conduct fair and impartial inquiries and, if the fact-finding investigation confirms the existence of inappropriate conduct, violations of the duty of confidentiality, or unfavorable investigation or treatment of whistleblowers and cooperating parties, etc., the progress and results are reported, without delay, to the Risk and Compliance Committee, creating a system for the implementation of response measures.

ASKUL Hotline Reports

(FY2025) Group Overall



Note: The above does not include reports received by the Human Rights and Harassment Consultation Desk.

Risk Management

Governance

Basic Approach

Risk Management Basic Policies and Action Guidelines

- 1 ASKUL and the ASKUL Group manage risks by addressing all matters with the potential of impeding sustainable Group growth; compliance with laws, regulations, social norms, and internal rules, including ethical behavior guidelines; and our ability to conduct business appropriately, achieve sustainable growth, and enhance corporate value over the medium to long term.
- 2 In the event specific risks that occur, ASKUL, Group officers, and employees will place the highest priority on human life and physical safety, comply with laws and ethics, and act with moral integrity and honesty.

List of Particularly Significant Risks (Top Companywide Risks) and Main Responses and Countermeasures

List of All Risks (Details)

Risk Item	Risk Details	Main Responses and Countermeasures
Common risks Concerns and countermeasures	<ul style="list-style-type: none"> Significant costs or losses incurred due to direct damage, legal liabilities, and other factors Loss of public trust or damage to reputation due to degradation or suspension of business and services 	<ul style="list-style-type: none"> Invest in requisite management resources
1 Employee and customer life, health, and work-related injuries, etc.	<ul style="list-style-type: none"> Loss of human resources, including employee life and health, due to accidents, disasters, long working hours, infectious diseases, or heatstroke Impacts on customers' lives, physical well-being, and health resulting from the use of private brand products or services 	<ul style="list-style-type: none"> Maintain and manage vehicles and other equipment and implement thorough safety training Implement measures to prevent disasters, the spread of infectious diseases, and heatstroke, and manage working hours Ensure thorough quality control and aggregate and improve data to raise quality
2 Business continuity and supply chain fragmentation*1	<ul style="list-style-type: none"> Occurrence of more widespread and serious natural disasters than anticipated, such as a Nankai Trough earthquake, large-scale outbreak of infectious diseases, damage from fires and other disasters, supply chain fragmentation, etc. Risks related to the business continuity of partner companies 	<ul style="list-style-type: none"> Establish multiple bases handling orders and inquiries and several distribution centers Conduct ongoing review of business continuity plan Conduct periodic inspections of fire prevention equipment and management structure enhancements Maintain good relationships with partner companies
3 Changing global and economic conditions	<ul style="list-style-type: none"> Logistics and procurement delays and soaring raw material prices due to international wars or economic sanctions Stagnant consumer spending caused by policy changes, fluctuations in exchange rates and tariffs, and worsening of economic conditions Impact on renewable energy procurement caused by power shortages and policy shifts 	<ul style="list-style-type: none"> Review of the Company's supply chain, including global optimization of manufacturing sites Implement management of procurement and supply risks that considers foreign exchange and energy price fluctuations
4 System damage and cyberattacks*2	<ul style="list-style-type: none"> Includes attacks from outside the system, unauthorized access, system failures or stoppage due to sudden increases in access attempts, and the leakage, destruction, or falsification of information or other data 	<ul style="list-style-type: none"> Carry out measures including server reinforcement, decentralization and modernization, expanded communication line capacity, core system duplication, backup system maintenance, security enhancements, etc.
5 Large-scale system development, capital expenditures, etc.*2	<ul style="list-style-type: none"> Significant delays or suspension of system releases Customer defection due to decrease in usability System and equipment obsolescence due to IT advances Insufficient or delayed impact of investments 	<ul style="list-style-type: none"> Engage in thorough preparation, meticulous planning and execution, and adequate verification of returns on investments
6 Personal or confidential information leaks*2	<ul style="list-style-type: none"> Personal or confidential information destruction, falsification, leakage, unauthorized provision to competitors, etc. 	<ul style="list-style-type: none"> Acquired information security management system certification (JIS Q 27001)
7 Reputation risk associated with violations of laws and regulations and failure to adapt to social demands	<ul style="list-style-type: none"> ① Compliance violations (violations of laws and regulations, fraud, etc.) ② Insufficient or unsuccessful responses and efforts related to social issues ③ Serious internal control deficiencies and additional costs 	<ul style="list-style-type: none"> Formulate and ensure thorough compliance with the ASKUL Code of Conduct (Code of Ethics and Conduct) Create and manage compliance systems and mechanisms Ensure an appropriate understanding of education and awareness activities, legal reforms, and other issues, implementing necessary measures Promote proactive efforts to resolve global social issues Develop and manage internal controls related to financial reporting based on the Financial Instruments and Exchange Act
8 Inadequate retention or training of human resources	<ul style="list-style-type: none"> Failure to retain human resources and declining retention rate Inability to develop human resources capable of responding to change and value of human labor becoming obsolete 	<ul style="list-style-type: none"> Implement human resource development measures and mechanisms to improve employee motivation Improve employee retention by promoting workstyle reforms and to improve the working environment Promote diversity, respecting differences that include gender, age, race, and nationality Introduce and develop a human resource evaluation system supporting the taking on of challenges for growth and change
9 Inability to implement business reforms and business restructuring	<ul style="list-style-type: none"> Business model obsolescence and advances in industry peers' services Delayed response to legal and institutional changes Lower earnings due to unrealized synergies in the implementation of M&A or the launch of new businesses 	<ul style="list-style-type: none"> Develop human resources to promote innovation and transformation and introduce and develop human resource evaluation systems Ensure early detection of and timely response to legal and institutional changes Promote decision-making and regular monitoring based on thorough research and proper approval
10 Insufficient response to business and social shifts arising from the advancement of AI	<ul style="list-style-type: none"> Decline in competitiveness due to slow adoption of AI or labor shortages Slow response to behavioral shifts in customers arising from the advancement of AI Damage to corporate brand caused by false or misleading AI-generated information 	<ul style="list-style-type: none"> Hire, develop, and utilize AI specialists Improve products and services in line with customer needs Strengthen false information countermeasures and information management systems

*1 For item 2, please refer to Response to TCFD and TNFD Recommendations for our initiatives on climate change and responses to the TCFD and TNFD recommendations. [P.18](#)

*2 Regarding items 4 - 6, please refer to Information Security Initiatives for matters related to system failures and the leakage of personal or confidential information. [P.37](#)

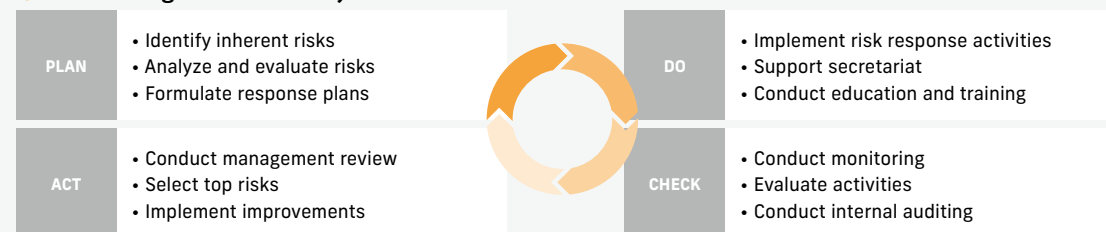
Risk Management

Governance

Management Structure

General Manager	President and CEO	Appropriately allocates management resources necessary for planning, implementing, inspecting, reviewing, and ensuring the execution of internal risk response plans
Implementation Manager	Director in charge of risk management	Formulates various risk response plans, oversees plan execution, and coordinates efforts throughout the Company
Risk Management Officer	Business units and Group companies	Manages and follows up on risk responses as executive officer of each business unit and project
Risk Management	Person in charge of divisions (supervisory divisions)	Promotes various risk responses for each department and project
Personnel Involved in Risk Response Activities	Departments (each department)	Implements various risk responses
Risk Management Secretariat	Person in charge of CSR	Promotes PDCA cycle within risk management activities

Risk Management PDCA Cycle



Main Risks and Initiatives

Risks that impact future management performance are identified and assessed as significant risks. Of these, risks that senior management determine as having a particularly significant impact on Group business continuity from a Companywide, cross-functional perspective are defined as particularly significant risks (top Companywide risks), for which the necessary countermeasures are formulated. [P.35](#)

Business Continuity Planning

ASKUL has created a business continuity plan in response to various emergency situations based on the ASKUL Business Continuity Plan Basic Policy. The business continuity plan defines the structure of the Disaster Response Headquarters and various responses and procedures in the event of an emergency. All work sites stock water, food, and emergency evacuation bags. Further, to heighten efficacy when executing business continuity plans, we review plans and manuals in each division. In addition to ensuring the safety of employees, ASKUL will maintain efforts to provide services to customers even during emergency situations and keep its promise of next-day deliveries.

Recognizing that our business is a lifeline for customers, we will do our utmost to ensure the continued supply of ASKUL services based on the following policies to fulfill our social responsibilities in the event of a disaster.

ASKUL Business Continuity Plan Basic Policy

- ① Ensure highest priority is placed on ensuring the safety of all constituent members, including the employees supporting ASKUL business and their families
- ② Attempt to minimize damage to neighboring communities and ensure the safety of local residents
- ③ Strive to supply products and services in coordination with local communities, governments, and suppliers
- ④ Engage in support efforts aimed at reconstruction and recovery

Support for Disaster-Stricken Areas and Implementation of Regular Disaster Drills Based on Disaster Response Agreements

ASKUL supports disaster-stricken areas in their recovery and reconstruction efforts based on the ASKUL Business Continuity Plan Basic Policy and agreements with various government agencies, local municipalities, and related organizations in the event of a disaster. As we provide relief in the form of daily necessities, food, and other essential items immediately after a disaster, we also strive to be flexible in our response to the changing needs of the disaster-stricken area in question.

We also conduct disaster drills with local municipalities with which we have signed partnership agreements and are working to enhance the effectiveness of our support framework.



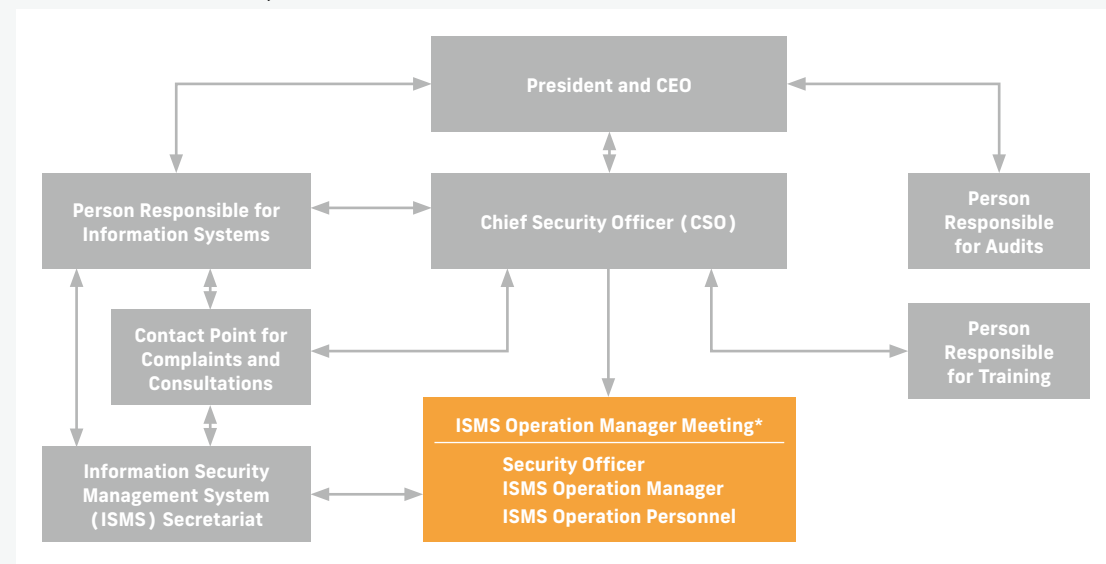
From the disaster prevention and relief supplies transportation drill held by the Tokyo Metropolitan Government in August 2025

Information Security

Information Security Initiatives

Having established the ASKUL Information Security Policy and Personal Information Protection Policy, ASKUL declares its aim of realizing a distribution platform that makes extensive and efficient use of information and IT with maximum consideration for information security and personal information, which all customers can utilize with peace of mind. Further, we regard information security risk management as one of our most important management strategies. To protect information assets from leaks, unauthorized access, and a wide range of other threats, as well as to ensure business continuity, we implement safety control measures and comply with the Act on the Protection of Personal Information in all business activities in order to achieve robust information security and ensure the proper protection and handling of specified personal information.

Information Security Structure



* ISMS stands for information security management system. The ISMS Operation Manager Meeting is composed of the security officers of each division, ISMS operation managers, and operational staff. The meeting is held quarterly to share updates and activities related to ISMS and the protection of personal information.

Impact of the Ransomware Attack and Our Efforts to Strengthen Security

In October 2025, we experienced a ransomware attack that resulted in system disruptions, primarily affecting our logistics systems. This caused a suspension of shipping operations for approximately two months and impacted on our business operations. In addition, it was confirmed that a portion of the information held by the Company was leaked externally. We sincerely apologize for the significant inconvenience and concern caused to our many stakeholders.

Timeline of the Ransomware Attack and Response

Date	Main Events/Response Status
October 19, 2025	<ul style="list-style-type: none"> Detection of ransomware attack, isolation of network, and suspension of services Initiation of password resets for all Company accounts and strengthening of security monitoring Establishment of a countermeasure headquarters and subcommittees for business continuity and IT recovery
October 20 onward	<ul style="list-style-type: none"> Commencement of support and investigations by external experts Log analysis and inspection and examinations of data and programs Resetting of authentication credentials and strengthening of account management Unauthorized access to external cloud services detected on October 22 Completion of password changes for major external cloud services on October 23
October 29 onward	<ul style="list-style-type: none"> Start of trial shipment operations, followed by a gradual increase
October 30–October 31	<ul style="list-style-type: none"> Information leaks by the attacker confirmed and initiation of individual notification of affected parties
November 4	<ul style="list-style-type: none"> Establishment of an inquiry desk dedicated to matters related to the information leakage
November 10 onward	<ul style="list-style-type: none"> New instances of information leaks by the attacker confirmed. Investigations and impact assessments initiated
December 2 onward	<ul style="list-style-type: none"> Additional information leaks by the attacker confirmed. Further investigations and impact assessments conducted

Information Confirmed as Leaked

As of December 12, 2025, the personal information confirmed as leaked is as follows. Affected customers and business partners have been individually notified. Considering the possibility of misuse of published information, we will continue long-term monitoring and take additional measures as necessary.

Customer Information related to B-to-B services	Approximately 590,000 cases
Customer Information related to B-to-C services	Approximately 132,000 cases
Information related to business partners (including contractors, agents, and product suppliers)	Approximately 15,000 cases
Information related to officers and employees, including those of Group companies	Approximately 2,700 cases

Information Security

Governance

Scope of Damage and Cause Analysis of Ransomware Attack

Extent and Details of Impact

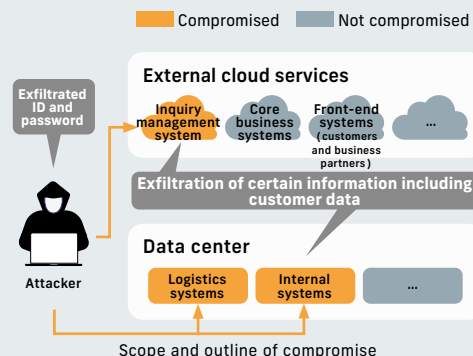
Investigations conducted by external experts have confirmed the following facts.

Intrusion into Logistics and Internal Systems

- Certain data was encrypted and rendered unusable due to the ransomware infection, and some of the data was stolen and leaked externally.
- Shipping operations came to a halt.

Intrusion into External Cloud Services

- An account for the inquiry management system on external cloud services was compromised, and some information from the system was leaked.



Note: It was confirmed that there were no traces of intrusion into core business systems or front systems (e-commerce sites used by customers and others).

Cause Analysis and Recurrence Prevention Measures

The main causes that led to the recent system disruption and leakage of personal information, together with the corresponding measures to prevent recurrence, are outlined below.

1) Unauthorized Access

Cause Analysis	✓ It was confirmed that the ID and password of an administrative account assigned contractor, which, in this exceptional case, had not been configured with multi-factor authentication, were leaked through unknown means and misused. It was also confirmed that unauthorized access was gained through this account.
Recurrence Prevention Measures	For both the Company and its outsourcing partners ① Thorough application of multi-factor authentication*1 to all remote access ② Strict management of administrator privileges ③ Reeducation of personnel

2) Delay in Intrusion Detection

Cause Analysis	✓ The affected data center had not installed endpoint detection and response (EDR)*2 on its servers, nor was it operating a 24-hour monitoring framework, which prevented immediate detection of unauthorized access or intrusion.
Recurrence Prevention Measures	① Establishment of a system that enables 24-hours-a-day, 365-days-a-year monitoring and a rapid response structure ② Construction of a comprehensive, multilayered detection framework, including EDR installation

3) Prolonged Recovery

Cause Analysis	✓ Although online backups were performed on affected servers, backup environments were not designed with ransomware scenarios in mind. Consequently, some backups were also encrypted, hindering rapid recovery.
Recurrence Prevention Measures	① Construction of backup environments designed to withstand ransomware attacks ② Thorough management of equipment

*1 A method of authentication that combines two or more different elements among the three authentication factors—knowledge (ID/password), possession (e.g., smartphone), and biometrics (e.g., fingerprint or face). It strengthens security by requiring multiple independent factors.

*2 Security measures to detect and respond quickly to traces of cyberattacks on endpoints such as PCs, smartphones, and servers.

Future Security Measures

Road Map for Security Enhancement

Phase	Short Term (From Occurrence to Several Weeks Later)	Medium Term (Several Weeks to Several Months Later)	Long Term (Six Months and Beyond)
Target State	Containment and security assurance	More sophisticated systems	Heightened IT maturity and operational establishment
Actions	<ul style="list-style-type: none"> • Block unauthorized access pathways • Isolate infected devices • Change passwords for all accounts • Strengthen EDR on all devices • Investigate and counter any residual threats • Thoroughly implement multi-factor authentication 	<ul style="list-style-type: none"> • Strengthen SaaS log monitoring • Continuously enhance EDR, email security, and network defenses • Enhance security operation center* management to support year-around 24-hour monitoring • Enhance integrated and cross-functional risk management for IT and operational technology (logistics equipment) • Enhance security training programs (by role) 	<ul style="list-style-type: none"> • Continuously update security measures, including mechanisms and operational rules to prevent unauthorized access • Review and enhance the business continuity plan based on lessons learned from the ransomware incident • Enlist external experts to conduct regular assessments

* A specialized cybersecurity team responsible for monitoring networks and detecting and responding to threats in real time.

Reconstruction of Security Governance System

In light of this incident, which has sharpened our awareness of the increasingly sophisticated threats posed by cyberattacks, the Company will rebuild its security governance framework during the fiscal year ending May 20, 2026. In doing so, we will focus on areas requiring improvement and reinforcement, including risk management systems and the clarification of Companywide controls and roles.

Report on the Impact of the Ransomware Attack and Initiatives to Strengthen Security

As disclosed in the press release dated December 12, 2025, titled System Outage Due to Ransomware Attack – 13th Report, we have provided detailed information regarding the impact of the ransomware attack and our response measures.

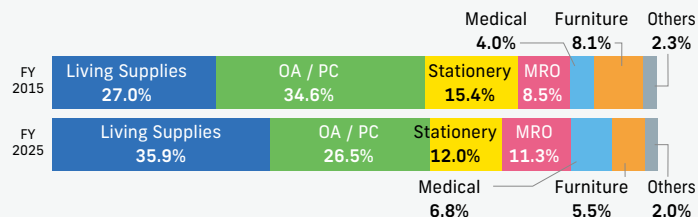
Details of ASKUL's cybersecurity efforts can be found at the website below.

Please also refer to this content for our approach to information security and our key initiatives.

Non-Financial Highlights (Figures are for the fiscal year ended May 20, 2025 or as of May 20, 2025, aside from those with an explanatory note.)

Business-Related Data

Net Sales Composition by Category Non-consolidated



Cumulative Attendance and Completion Rate*1 of ASKUL's Data Science Class*2 Non-consolidated

Target (by the fiscal year ending May 20, 2025)

30%

Achievement **38.0%** (as of the fiscal year ended May 20, 2025)

*1 Percentage of persons among the number of employees as of the fiscal year ended May 20, 2023 who have taken and completed ASKUL's designated DX training (excluding retirees).
 *2 A three-month practical training course aimed at acquiring the skills to freely manipulate in-house data assets and visualize various analyses and analysis results.

DX Personnel Non-consolidated

As of August 2025

52.9%*

Target by May 2029

60%

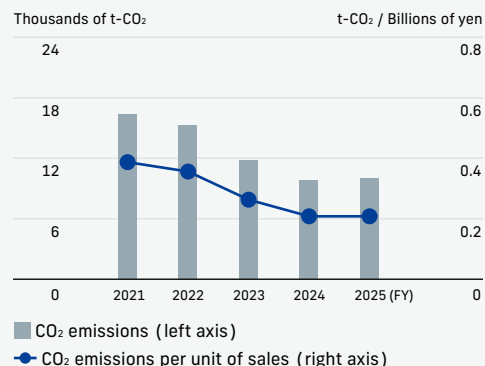
* This figure represents the proportion of employees who meet at least one of the criteria for DX personnel listed below to the total number of full-time employees of the Company on a non-consolidated basis at the end of a given fiscal year or quarterly period, with duplicates removed.

- ✓ Employees whose primary role involves system engineering
- ✓ Employees who have completed the Company's designated DX training
- ✓ Employees who possess skills equivalent to those who have completed the Company's designated DX training and who have been engaged in work that involves data utilization for six months or longer

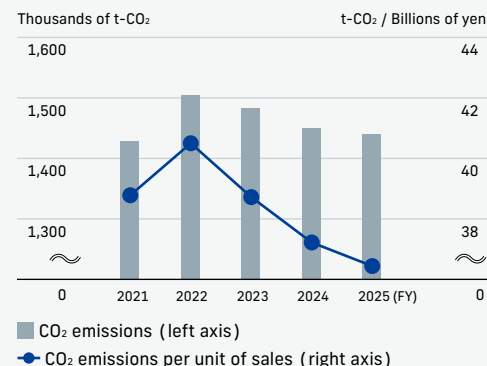
ESG

CO₂ Emissions / CO₂ Emissions per Unit of Sales

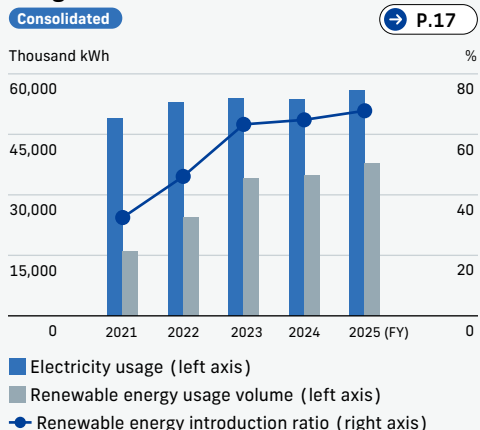
Scope 1 and Scope 2 Consolidated



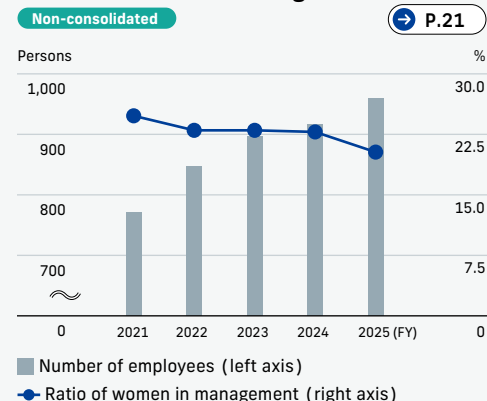
Scope 1, Scope 2, and Scope 3 Non-consolidated



Electricity Usage / Renewable Energy Usage Volume and Introduction Ratio



Number of Employees / Ratio of Women in Management



Number / Ratio of Green Products Non-consolidated

Approx. **14,000** items
41.2%

[P.19](#)

Note: From the number of items listed in ASKUL Catalog 2025

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

1,903 items

[P.19](#)

Note: From the number of items listed in ASKUL Catalog 2025

Ratio of Employees Taking Paid Leave Non-consolidated

81.0%

External Evaluations

<p>2025 Selected as constituent of the FTSE JPX Blossom Japan Index</p>  <p>FTSE JPX Blossom Japan Index</p>	<p>2022-2025 Selected as a constituent of the FTSE JPX Blossom Japan Sector Relative Index for four consecutive years</p>  <p>FTSE JPX Blossom Japan Sector Relative Index</p>
<p>2024-2025 Selected as a component stock of the MSCI Japan ESG Select Leaders Index</p>  <p>2025 CONSTITUENT MSCI NIHONKABU ESG SELECT LEADERS INDEX</p>	<p>2025 Received an ESG rating of AAA (highest possible rating) from MSCI</p>  <p>MSCI ESG RATINGS AAA</p>
<p>2018 Recognized as an Eco-First Company by Japan's Ministry of the Environment</p>  <p>ECO FIRST</p>	<p>2024 Received Corporate Net-Zero Standard certification from the international Science Based Targets initiative (SBTi)</p>  <p>SCIENCE BASED TARGETS</p>
<p>2023-2025 Selected as a Climate Change A List company by the CDP (highest possible rating) for three consecutive years</p>  <p>CDP A List 2025</p>	<p>2021-2024 Selected as a CDP Supplier Engagement Leader for four consecutive years</p>  <p>CDP Supplier Engagement Leader 2024</p>
<p>2018-2025 Selected as a constituent of the S&P/JPX Carbon Efficient Index</p>  <p>S&P/JPX Carbon Efficient Index</p>	<p>2016 Obtained the Tomonin mark from Japan's Ministry of Health, Labour and Welfare (The Tomonin mark, created by the Ministry of Health, Labour and Welfare, can be used by companies that strive to ensure workplace environments enable employees to balance work and nursing care.)</p>  <p>Tomonin mark</p>
<p>2025 Selected as an outstanding organization in the Large Enterprise Category of the Recognition Program for the Outstanding Organizations of KENKO Investment for Health</p>  <p>KENKO Investment for Health</p>	<p>2017 Obtained the Kurumin mark (stage 1 certification) from Japan's Ministry of Health, Labour and Welfare</p>  <p>Kurumin mark</p>
<p>2023-2025 Selected as a constituent of the Morningstar Japan ex-REIT Gender Diversity Tilt Index</p>  <p>MORNINGSTAR GenDi J</p>	<p>2017 Received the highest three-star rating in the certification system known as Eruboshi, based on the Act on Promotion of Women's Participation and Advancement in the Workplace</p>  <p>Eruboshi</p>
<p>2025 Selected as a constituent of JPX Market Innovation & Research, Inc. and Nikkei Inc.'s JPX-Nikkei Human Capital Index 100</p>	<p>Received the Best IT Award (Transformation Area) at the 2021 IT Awards of the Japan Institute of Information Technology, a public interest incorporated association</p>  <p>IT Award</p>
<p>2023 Awarded the Commissioner's Award for fiscal 2022 for good practices of consumer-oriented management hosted by the Consumer Affairs Agency for ASKUL's Go Ethical initiative</p>  <p>消費者志向経営 Award 2022</p>	<p>2023-2025 Selected by Japan's Ministry of Economy, Trade and Industry as one of the DX Stocks 2025 within the Digital Transformation Stock (DX Stock) of the Ministry of Economy, Trade and Industry and Tokyo Stock Exchange, Inc.</p>  <p>DX銘柄2025 Digital Transformation</p>
<p>2023-2025 Selected as constituent of JPX Market Innovation & Research, Inc. and Nikkei Inc.'s JPX-Nikkei Index 400</p>	<p>2021 Certified by Japan's Ministry of Economy, Trade and Industry as a DX-Certified Operator</p>  <p>DX認定</p>

External Endorsements and Participation

<p>2019 First Japanese EC operator to endorse the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)</p>  <p>TCFD</p>	<p>2024 Endorsement of the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD)</p>  <p>TNFD</p>
<p>2017 Declaration to achieve 100% renewable energy use across the Group by 2030 and participation in RE100</p>  <p>RE100 CLIMATE GROUP</p>	<p>2017 Declaration that 100% of owned / leased delivery vehicles of ASKUL LOGIST Corporation will be EVs by 2030 and participation in EV100</p>  <p>CLIMATE GROUP EV100</p>
<p>2018 Endorsement as one of the member companies of the Japan Climate Initiative's (JCI) greenhouse gas emissions reduction target message for 2030</p>  <p>JAPAN CLIMATE INITIATIVE</p>	<p>2023 Expressed endorsement the GX League Basic Concept of Japan's Ministry of Economy, Trade and Industry</p>  <p>GX League</p>
<p>2009 Participation in the Japan Business Initiative for Biodiversity (JBIB)</p>  <p>JBIB</p>	<p>2014 Participation in the Japan Climate Leaders' Partnership (JCLP)</p>  <p>JCLP</p>
<p>2016 Participation in the United Nations Global Compact (UNGC)</p>  <p>UN GLOBAL COMPACT</p>	<p>2021 Participation in 30% Club Japan</p>  <p>30% Club</p>
<p>2016 Participation in the meeting of supporters of the Declaration on Action of the Male Leaders Coalition for Empowerment of Women of the Cabinet Office</p>  <p>行動宣言</p>	<p>2024 Became a signatory to the Women's Empowerment Principles promoted by UN Women</p>  <p>WOMEN'S EMPOWERMENT PRINCIPLES</p>
<p>2019 Declaration of support and voluntary action for the White Logistics promotion campaign (White Logistics is an initiative that seeks to ensure stable logistics operations needed for daily life and industrial activities while also contributing to economic growth.)</p>  <p>ホワイト物流推進運動</p>	<p>2021 Endorsement of the Consumer Affairs Agency's promotion of consumer-oriented management and formulation of the Voluntary Declaration of Consumer Orientation (July 2021)</p>  <p>消費者志向経営</p>

Corporate / Stock Information (as of May 20, 2025)

Corporate Information

Company name	ASKUL Corporation https://www.askul.co.jp/kaisya/english/
Established	March 1993
Capital	¥21,233 million
Representative director	Akira Yoshioka
Location of head office	Toyosu Cubic Garden, 3-2-3 Toyosu, Koto-ku, Tokyo 135-0061 TEL: (+81) 03-4330-5001 (representative)
Employees	3,697 employees (consolidated)
Fiscal year-end	May 20

Stock Information

Stock exchange	Listed on the Tokyo Stock Exchange, Prime Market
Securities code	2678
Total number of shares authorized	169,440,000
Total number of shares issued	94,771,300 <small>Note: The total number of shares issued includes 1,245,700 treasury shares.</small>
Number of shareholders	62,065
Shareholder registry administrator	Sumitomo Mitsui Trust Bank, Limited
Number of shares per unit	100 shares
Annual General Meeting of Shareholders	August of each year
Industry	Retail
Analyst coverage	10 analysts (as of December 20, 2025) https://www.askul.co.jp/corp/english/investor/stock/analyst/

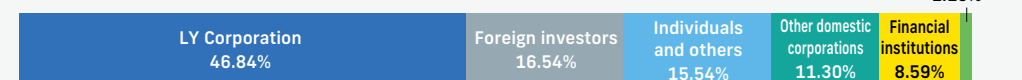
Major Shareholders

Shareholder Name	Number of Shares Held (Thousands of Shares)	Shareholding Ratio (%)
LY Corporation	43,808	46.84
PLUS Corporation	10,331	11.05
The Master Trust Bank of Japan, Ltd. (Trust Account)	5,561	5.95
STATE STREET BANK AND TRUST COMPANY 505001	2,257	2.41
NORTHERN TRUST CO. (AVFC) RE FIDELITY FUNDS	1,480	1.58
Shoichiro Iwata	1,306	1.40
Hidehisa Imaizumi	1,233	1.32
Tadahisa Imaizumi	1,232	1.32
Custody Bank of Japan, Ltd. (Trust Account)	1,211	1.30
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	883	0.94

Notes:

- The number of shares held is rounded down to the nearest thousand shares, and shareholding ratios are rounded to the second decimal place.
- Shareholding ratios are calculated excluding treasury shares.
- The number of shares held by The Master Trust Bank of Japan, Ltd. (Trust Account) includes all shares related to trust operations.
- The number of shares held by The Nomura Trust and Banking Co., Ltd. (Trust Account) includes all shares related to trust operations.
- The number of shares held by Custody Bank of Japan, Ltd. (Trust Account) includes 1,202,000 shares related to trust operations.

Information on Shareholders (Excluding Shares Held in Own Name)



Inquiries about this report: Corporate Unit

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- PR Division: press@askul.co.jp
- Sustainability Division: SDGs@askul.com



