

August 2, 2024

To whom it may concern:

Company Name: ASKUL Corporation
(Code No.: 2678, Tokyo Stock Exchange Prime Market)
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Announcement of Financial Results by Other Affiliated Company

ASKUL Corporation (the “Company”) hereby announces that there are some descriptions about the Company in the presentation materials for the financial results briefing for the first quarter of fiscal year 2024 announced today by LY Corporation (headquarters: 1-3 Kioicho, Chiyoda-ku, Tokyo; representative: Takeshi Idezawa, President and Representative Director, CEO), a company defined as “other affiliated company” of the Company. Please refer to the appendix for the applicable page of the presentation materials.

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

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

Consolidated accounting period	LY Corporation	Company
First quarter	From April 1, 2024, to June 30, 2024	From May 21, 2024 to August 20, 2024
	• Page 1 and 3 The Company’s adjusted EBITDA is described as factors of increase and decrease of LY Corporation’s factors behind change in adjusted EBITDA. • Page 2 ASKUL B-to-B transaction value in each quarter. • Page 4 The Company’s consolidated revenue.	

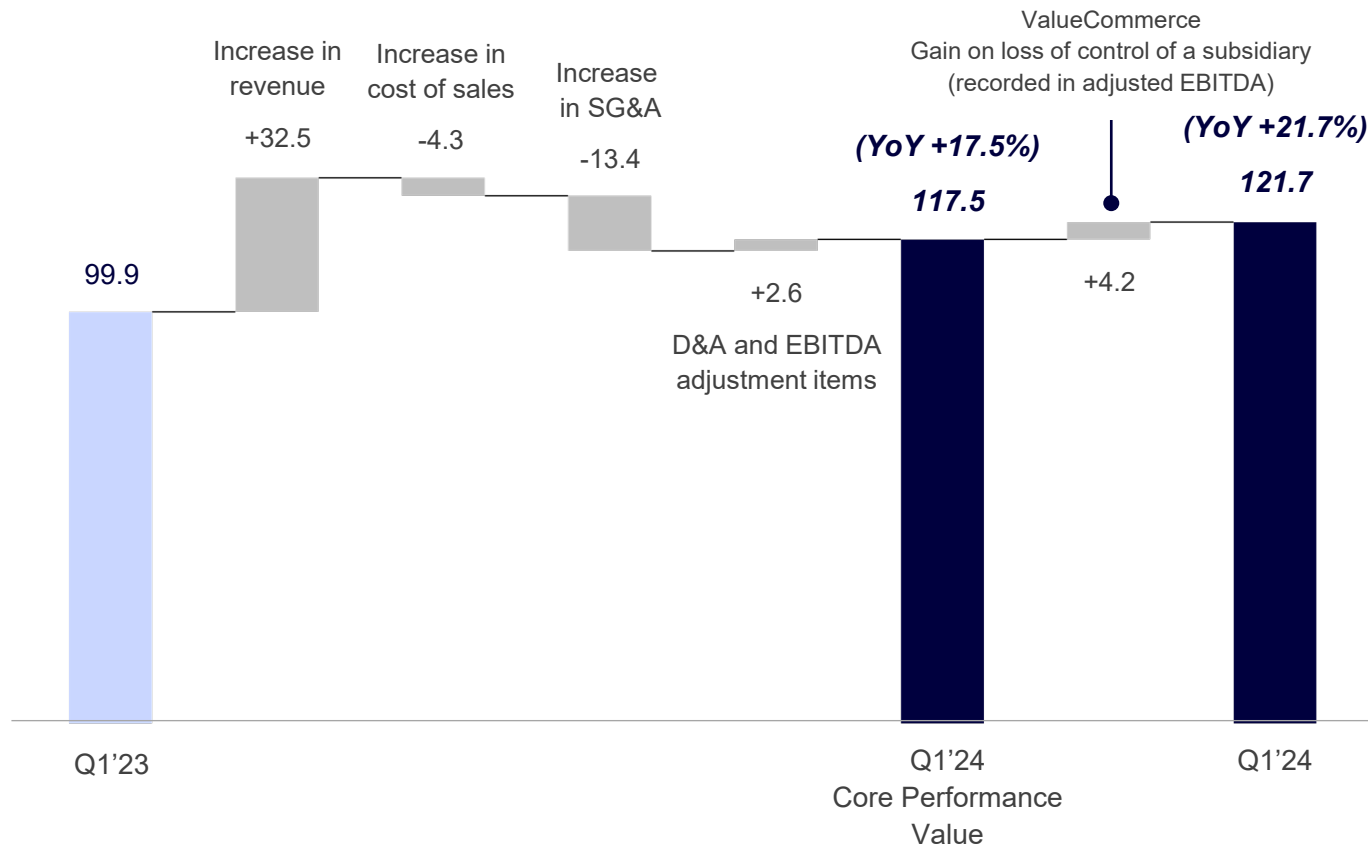
Appendix: LY Corporation Financial Briefing Presentation Materials for FY2024 Q1 (excerpt)

Note: LY Corporation holds 44.90% of the Company’s outstanding shares as of May 20, 2024.

- Business growth drove increase in revenue and profit, despite increase in SG&A accompanying product reinforcements.

Factors of Change in Adjusted EBITDA¹

(JPY B)

**Revenue: +JPY32.5 B**

- Media (+JPY7.5 B): Growth in account advertising
- Commerce (+JPY11.2 B): Growth in ZOZO, ASKUL, Yahoo! JAPAN Shopping
- Strategic (+JPY13.6 B): Growth in PayPay Consolidated

Cost of sales: +JPY4.3 B

- Media (+JPY100 mil): Remained flat due to improvement in revenue composition despite growth in revenue
- Commerce (+JPY4.1 B): Increased due to revenue growth
- Strategic (+JPY0.0 B): Remained flat despite growth in revenue

SG&A: +JPY13.4 B

- Sales promotion costs/advertising & promotional expenses (+JPY7.7 B): Increased mainly in Yahoo! JAPAN Shopping and PayPay Consolidated
- Other SG&A (+JPY5.6 B): Increased mainly from recording of expenses related to the termination of LINE Pay service in Japan and increase in payment-related fees for PayPay Consolidated. Expenses for security countermeasures amounted to approx. JPY3.0 B.

D&A and EBITDA adjustment items: +JPY2.6 B

The following one-time factors were recorded in FY2024 Q1. These are included in the operating income, but not in adjusted EBITDA, thus are offset in EBITDA adjustment items (other adjustments).

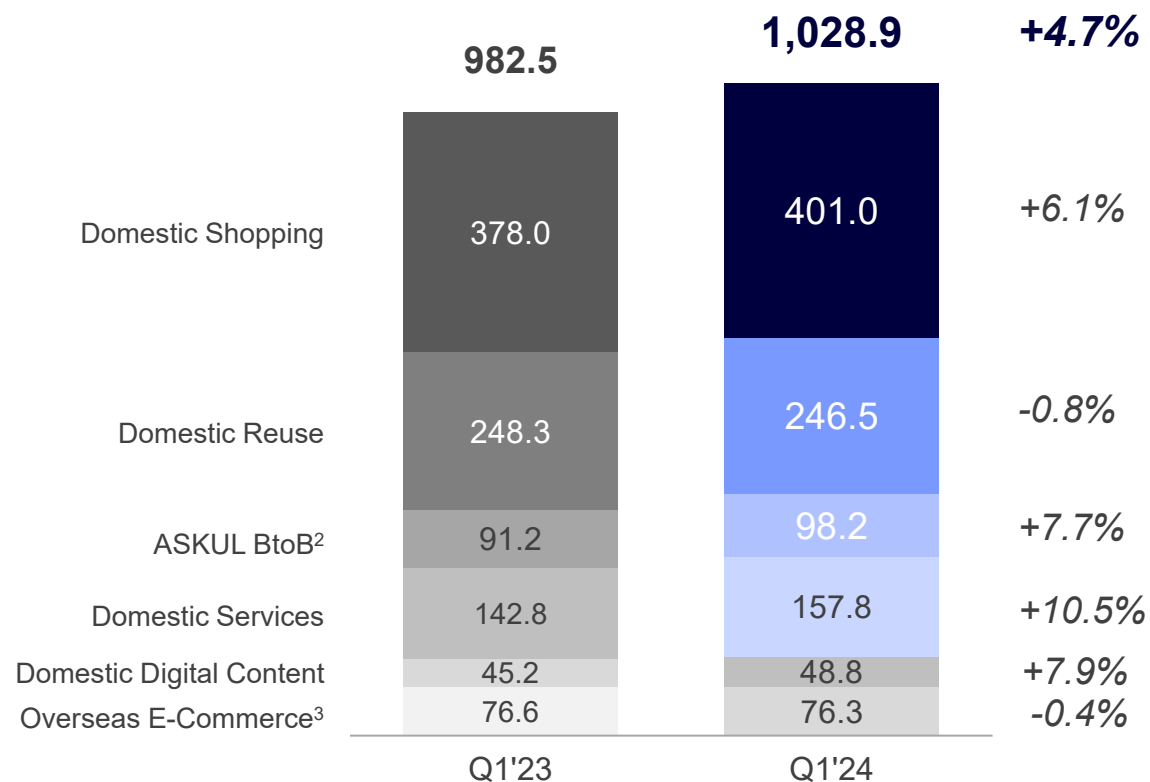
- IPX Gain on loss of control of a subsidiary: JPY22.7 B
- LINE NEXT Gain on loss of control of a subsidiary: JPY13.3 B
- ValueCommerce Gain on loss of control of a subsidiary: JPY6.9 B (out of which JPY4.2 B is recorded in adjusted EBITDA)

1. Adjusted EBITDA: Operating income + depreciation & amortization ± EBITDA adjustment items. EBITDA adjustment items: Gains/losses on non-recurring and non-cash transactions within operating revenue and expenses (loss on retirement of fixed assets, impairment losses, stock compensation expenses, gains on remeasurement relating to business combinations, other transactions with undetermined cash outflows (one-time provisions, etc.), etc.). Also, gains/losses on sales of shares held by certain funds. Definitions changed from FY2022 Q3. Added certain rents to depreciation and amortization, and gains/losses on sales of shares held by certain funds to EBITDA adjustment items.

- Domestic shopping and ASKUL grew, and a strong growth in travel drove domestic services to a double-digit growth.

Entire Group – E-Commerce Transaction Value¹

(JPY B)



Domestic shopping business: +JPY22.9 billion

- ZOZO and ASKUL steadily increased their transaction solidly.
- Transaction value of Yahoo! JAPAN Shopping recorded a YoY growth of +8.3% as a result of promotion of cross-use leveraging the LYP Premium program, sales promotional measures for LYP Premium members, and product improvement.

Domestic reuse business: -JPY1.8 billion

- Although some commercial products were sluggish due to market factors in Yahoo! JAPAN Auction, Yahoo! JAPAN Flea Market remained solid as number of buyers increased.

Domestic services e-commerce: +JPY14.9 billion

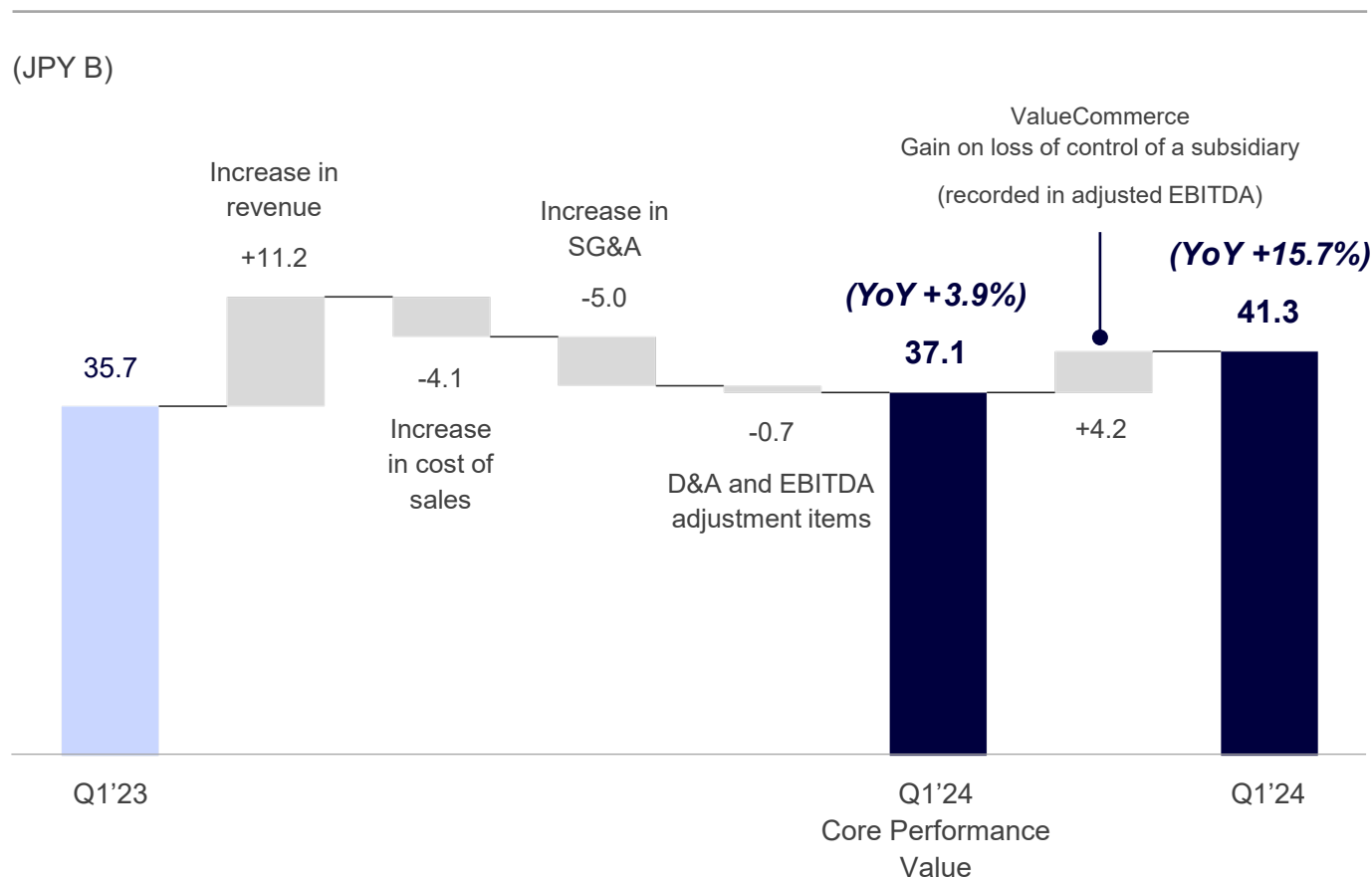
- Yahoo! JAPAN Travel continued a sales promotional measure providing 10% discount to all users. Sales promotional measures and personalized pricing in Ikyu also contributed to the expansion in transaction value.

1. Please refer to P.23 of the Appendix for a definition of "transaction value."

2. From FY2023 Q1, the definition has been changed to include APMRO and FEED DENTAL in ASKUL's online BtoB business.

3. From FY2023 Q1, includes the transaction value of ZOZO FIT.

- Income increased as a result of revenue growth of subsidiaries and Yahoo! JAPAN Shopping, offsetting the increased SG&A.

Factors of Change in Adjusted EBITDA¹**Cost of sales: +JPY4.1 B**

- Increased due to revenue growth in ZOZO, ASKUL, and Yahoo! JAPAN Shopping

SG&A: +JPY5.0 B

- Sales promotion costs/advertising & promotional expenses (+JPY4.5 B): Increased mainly in sales promotion measures of Yahoo! JAPAN Shopping for LYP Premium members and new users

D&A and EBITDA adjustment items: -JPY0.7 B

The following one-time factors were recorded in FY2024 Q1. These are included in the operating income, but not in adjusted EBITDA, thus are offset in EBITDA adjustment items (other adjustments).

- IPX Gain on loss of control of a subsidiary: JPY22.7 B
- ValueCommerce Gain on loss of control of a subsidiary: JPY6.9 B (out of which JPY4.2 B is recorded in adjusted EBITDA)

1. Adjusted EBITDA: Operating income + depreciation & amortization ± EBITDA adjustment items. EBITDA adjustment items: Gains/losses on non-recurring and non-cash transactions within operating revenue and expenses (loss on retirement of fixed assets, impairment losses, stock compensation expenses, gains on remeasurement relating to business combinations, other transactions with undetermined cash outflows (one-time provisions, etc.), etc.). Also, gains/losses on sales of shares held by certain funds. Definitions changed from FY2022 Q3. Added certain rents to depreciation and amortization, and gains/losses on sales of shares held by certain funds to EBITDA adjustment items.

Business Results (P/L): Commerce Business

(JPY Million)

	FY2023 Q1 ^{1, 2, 3}	FY2024 Q1 ^{1, 2, 3}	YoY
Revenue	196,072	207,359	+5.8%
LY Corporation	34,371	37,879	+10.2%
Shopping business	17,438	19,415	+11.3%
Reuse business	10,621	10,873	+2.4%
Services e-commerce	6,066	7,252	+19.5%
Other	244	337	+38.2%
ZOZO, ASKUL^{4,5}	161,701	169,480	+4.8%
Cost of sales	91,467	95,609	+4.5%
Selling, general and administrative expenses	86,822	91,833	+5.8%
Sales promotion cost + Advertising and promotional expenses	11,370	15,945	+40.2%
Other selling, general and administrative expenses	75,452	75,888	+0.6%
Other revenue and expenses	-	29,718	N/A
Adjusted EBITDA (Margin)	35,786 (18.3%)	41,399 (20.0%)	+15.7%

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

Item		Breakdown
LY Corporation		—
Shopping business	Yahoo! JAPAN Shopping, LINE SHOPPING, LINE FRIENDS, LINE GIFT, MySmartStore ¹ , Yahoo! JAPAN Mart by ASKUL, LIVEBUY ² , overseas e-commerce (LINE SHOPPING (Taiwan, Thailand), GIFTSHOP, EZ STORE, QUICK EC, MyShop, etc.)	
Reuse business	Yahoo! JAPAN Auction, Yahoo! JAPAN Flea Market	
Services e-commerce	Yahoo! JAPAN Travel, Ikyu Travel, LINE TRAVEL (Taiwan), etc.	
Other	Other	
ZOZO/ASKUL		—
ZOZO	Zozotown, ZOZOUSER, etc.	
ASKUL ³	ASKUL BtoB business (ASKUL, SOLOEL ARENA, APMRO, FEED DENTAL, etc.), LOHACO, Charm, etc.	
Other ⁴	ValueCommerce Affiliate, Value Point Club, STORE's R [∞] , StoreMatch, B-Space, etc.	

1. MySmartStore service has ended on July 31, 2024.

2. LIVEBUY service has ended on July 31, 2024.

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

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

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KPI - Definition of E-Commerce Transaction Value

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

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

2. MySmartStore service has ended on July 31, 2024.

3. LIVEBUY service has ended on July 31, 2024.

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

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

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