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To whom it may concern:

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(Code No.: 2678, Tokyo Stock Exchange Prime Market)
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Announcement Regarding Decision on Matters Concerning Acquisition and Cancellation of Treasury Stock

(Acquisition of treasury stock pursuant to the Articles of Incorporation in accordance with the provisions of Paragraph 2 of Article 165 of the Companies Act and Cancellation of treasury stock pursuant to the provisions of Article 178 of the Companies Act)

ASKUL Corporation (the “Company”) announces that its Board of Directors passed a resolution in a meeting held today on the acquisition of treasury stock in accordance with the provisions of Article 156 as applied by replacing terms pursuant to the provisions of Paragraph 3 of Article 165 Companies Act and the cancellation of treasury stock pursuant to the provisions of Article 178 of the Companies Act.

1. Reason for the Acquisition and the Cancellation of Treasury Stock

Regarding the distribution of profits, the Company’s policy is to, while maintaining sound cash flow and a stable financial structure, it aims to secure internal reserves as investment capital for the growth necessary to enhance corporate value over the medium to long term as well as to improve shareholder returns and capital efficiency. To this end, the Company has set a target total return ratio of 45% and will pay stable dividends to shareholders and systematically acquire treasury stock.

Regarding the acquisition of treasury stock for the fiscal year ending May 2025, the Company has set the total amount of shares to be acquired at 2 billion yen, based on the shareholder return policy targeting a total return ratio of 45%. This includes the total amount of shares to be acquired calculated based on an annual dividend forecast of 38 yen per share, along with an additional portion reflecting the surplus in the profit attributable to owners of the parent for the fiscal year ended May 2024, which exceeded the initial plan. The acquisition commenced on September 17, 2024, and was completed on December 20, 2024, with a total amount of 1,945 million yen.

Meanwhile, the Company anticipates lower net sales than initially planned in the full-year consolidated earnings forecast for the fiscal year ending May 2025. As a result, it has revised net sales and each profit forecasts downward from the initial plan today.

In order to restore sales growth, the Company is currently taking measures, including optimizing prices through digital transformation (DX), expanding product offerings to meet customer needs, and enhancing original products. The Company will accelerate the implementation of these measures.

Additionally, after the planned launch of a new distribution center, ASKUL Kanto DC, at the beginning of the fiscal year ending May 2026, the Company aims to strengthen profitability in the medium to long term by reorganizing distribution centers in the Kanto region and improving delivery efficiency.

Under these circumstances, the Company views the acquisition of treasury stock as an opportunity to further increase capital efficiency. Therefore, it will flexibly conduct the acquisition and cancellation of treasury stock outside the target total return ratio of 45%.

In order to avoid a decline in the ratio of shares in circulation (35% or more), which is one of the criteria

for maintaining the listing on the Prime Market, the Company consulted in advance with its major shareholder, LY Corporation (LYC), regarding this acquisition of treasury stock. LYC has agreed to sell a portion of its shares on the premise of maintaining LYC's voting rights ratio of the Company (46.34%) as of February 20, 2025, in line with the perspective of maximizing the Company's corporate value.

The funds required for this acquisition will be fully covered by the Company's internal reserves. As of February 20, 2025, cash and deposits stood at 51,147 million yen on the consolidated balance sheet, and the Company will be able to maintain sufficient liquidity even after the acquisition, with an equity ratio maintained at over 30.0%. Furthermore, it expects to accumulate additional cash and deposits through stable cash flows generated from its operations and will consider proactive investments for further growth.

2. Details of the Acquisition

(1) Type of shares to be acquired	Common stock of the Company
(2) Total number of shares to be acquired	Up to 5,000,000 shares (5.28% of the total outstanding shares excluding treasury stock as of February 20, 2025)
(3) Total amount of shares to be acquired	Up to 8,000,000,000 yen
(4) Acquisition period	March 19, 2025 to September 30, 2025
(5) Acquisition method	Purchase through an off-auction own share repurchase transaction (ToSTNeT-3) of the Tokyo Stock Exchange and market purchase through a discretionary transaction method.

3. Details of the Cancellation

(1) Type of shares to be cancelled	Common stock of the Company
(2) Total number of shares to be cancelled	All treasury stock acquired through Section 2 above
(3) Scheduled date of the cancellation	October 20, 2025

(Reference) Treasury stock held as of February 20, 2025

Total number of outstanding shares (excluding treasury stock)	94,771,300 shares
Treasury stock	237,700 shares