

Consolidated Financial Results for the Nine Months Ended February 20, 2025 [Japanese GAAP]*



March 18, 2025

Company name: ASKUL Corporation
 Stock exchange listing: Tokyo
 Code number: 2678
 URL: <https://www.askul.co.jp/corp/english/investor>
 Representative: Akira Yoshioka Representative Director, President and CEO (chief executive officer)
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 Scheduled date of commencing dividend payments: –
 Preparation of supplementary materials for financial results: Yes
 Schedule of financial results briefing session: Yes (for institutional investors and analysts)

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Nine Months Ended February 20, 2025 (May 21, 2024 to February 20, 2025)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended February 20, 2025	358,833	2.5	9,801	(21.6)	9,656	(21.4)	6,110	(62.2)
February 20, 2024	350,063	4.7	12,493	20.6	12,290	19.7	16,146	127.6

(Note) Comprehensive income: Nine months ended February 20, 2025: ¥6,353 million [(61.3)%]
 Nine months ended February 20, 2024: ¥16,405 million [128.2%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended February 20, 2025	64.12	64.05
February 20, 2024	165.62	165.54

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of February 20, 2025	229,006	79,710	33.3
May 20, 2024	243,062	81,336	32.2

(Reference) Equity: As of February 20, 2025: ¥76,256 million
 As of May 20, 2024: ¥78,262 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended May 20, 2024	-	18.00	-	18.00	36.00
Fiscal year ending May 20, 2025	-	19.00	-		
Fiscal year ending May 20, 2025 (Forecast)				19.00	38.00

(Note) Revision to the forecast for dividends announced most recently: No

3. Consolidated Financial Results Forecast for the Fiscal Year Ending May 20, 2025 (May 21, 2024 to May 20, 2025)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
Full year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	480,000	1.8	14,000	(17.4)	13,700	(17.9)	8,500	(55.6)	89.20

(Note) Revision to the financial results forecast announced most recently: Yes

* Notes:

(1) Significant changes in the scope of consolidation during the period under review: No

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: Yes

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Number of outstanding shares (common stocks)

1) Number of outstanding shares at the end of the period (including treasury stock):

February 20, 2025: 94,771,300 shares

May 20, 2024: 97,564,700 shares

2) Number of treasury stock at the end of the period:

February 20, 2025: 237,700 shares

May 20, 2024: 810,475 shares

3) Average number of shares during the period:

Nine months ended February 20, 2025: 95,295,635 shares

Nine months ended February 20, 2024: 97,489,679 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: No

* Notes for using forecasted information and others

Earnings forecasts and other forward-looking statements contained in this document are based on the information ASKUL has obtained to date and on certain assumptions it considers reasonable. As such, these forecasts and statements are not intended as a commitment by the Company to achieve them. Note also that actual results and other future events may differ materially from these forecasts and statements due to a variety of factors. For the assumptions on which earnings forecasts are based and notes and information on the use of earnings forecasts, see "1. Qualitative Information on Financial Results (3) Explanation of Consolidated Forecasts and Other Forward-Looking Information" on Page 4 of Attached Materials.

○ Table of Contents for Attached Materials

1. Qualitative Information on Financial Results	2
(1) Explanation of Operating Results	2
(2) Explanation of Financial Position	3
(3) Explanation of Consolidated Forecasts and Other Forward-Looking Information	4
2. Quarterly Consolidated Financial Statements	5
(1) Quarterly Consolidated Balance Sheets	5
(2) Quarterly Consolidated Statements of Income and Comprehensive Income	7
(3) Notes to Quarterly Consolidated Financial Statements	9
(Notes to Going Concern Assumption)	9
(Notes to Significant Changes in Shareholders' Equity)	9
(Changes in Accounting Policies)	9
(Segment Information, etc.)	10
(Notes to Statements of Cash Flows)	12
(Significant Subsequent Events)	12
3. Other	13
Details of Selling, General and Administrative Expenses (Consolidated)	13

1. Qualitative Information on Financial Results

(1) Explanation of Operating Results

During the nine months ended February 20, 2025 (from May 21, 2024 to February 20, 2025), the Japanese economy is expected to continue its gradual recovery, with improving employment and income conditions, partly due to increased inbound demand, although some areas remained at a standstill. On the other hand, the outlook remains uncertain due to rising prices of raw materials and energy amid the unstable international situation, drastic foreign exchange rate fluctuations, and concerns about the impact of global monetary tightening on the economy as well as the uncertainty of U.S. policy trends including trade policies and other factors.

Under such circumstances, in the fiscal year under review, the final year of the Medium-Term Management Plan (from the fiscal year ended May 20, 2022 to the fiscal year ending May 20, 2025), the Group has aimed to achieve new record highs in both net sales and operating profit. Net sales growth slowed in the nine months ended February 20, 2025 on the back of a decrease in customers of the mainstay ASKUL Business and sluggish demand growth for conventional office supplies; however, in order to improve net sales growth, the Group is currently taking measures including optimizing prices through digital transformation, expanding product offerings to meet customer needs, and enhancing original products, which we will carry out at an accelerating pace.

The financial performance of the Group for the nine months ended February 20, 2025 was net sales of 358,833 million yen, a 2.5% increase year-on-year, operating profit of 9,801 million yen, a 21.6% decrease year-on-year, ordinary profit of 9,656 million yen, down 21.4% year-on-year, and profit attributable to owners of parent of 6,110 million yen, a 62.2% decrease year-on-year.

Operating results by segment are outlined below.

<E-commerce business>

(Million yen)

	For the nine months ended February 20, 2024	For the nine months ended February 20, 2025	Change (amount)	Change (percentage)
Net sales	343,215	352,497	+9,282	+2.7%
ASKUL business	262,370	267,316	+4,946	+1.9%
LOHACO business	26,368	27,451	+1,083	+4.1%
Group companies and elimination of intra-group transactions	54,475	57,728	+3,252	+6.0%
Operating profit	12,601	9,956	(2,645)	(21.0)%

(Note) Net sales in the E-commerce business were previously disclosed under the classification of the “B-to-B business” and “B-to-C business,” but the classification has been changed to the “ASKUL business,” “LOHACO business,” and “Group companies and elimination of intra-group transactions,” effective from the first quarter of the fiscal year under review for the purpose of disclosure that is more in line with the actual business conditions. The “ASKUL business” refers to the B-to-B business, the “LOHACO business” refers to the B-to-C business, and the “Group companies and elimination of intra-group transactions” refers to both the B-to-B business and B-to-C business.

In the E-commerce Business during the nine months ended February 20, 2025, all businesses grew steadily, resulting in net sales of 352,497 million yen, a 2.7% increase year-on-year. On the other hand, though an improvement was seen in the third quarter of the fiscal year under review, operating profit was 9,956 million yen, a 21.0% decrease year-on-year, due to increased fixed costs, etc., including rents related to the ASKUL Kanto DC, which is scheduled to start operations at the beginning of the fiscal year ending May 20, 2026, in addition to the decline in gross profit margin due to the impact of foreign exchange rates, etc., resulting in an increase in sales and a decrease in profits.

Net sales and operating profit are outlined below.

(1) Net sales

a. ASKUL Business

- Net sales of products for Living Supplies and Medical categories remained strong, with a growth rate of 1.9%, despite sluggish demand for conventional office supplies (office furniture, ink and toner, stationery, etc.)
- Sales per customer increased year-on-year due to intermittent price increases on the back of surging purchase prices and the revision of the free shipping threshold ^(Note). However, the number of customers decreased year-on-year.
- Net sales to large and medium-sized companies remained strong, despite sluggish purchase volumes by small and medium-sized enterprises due to delayed demand recovery

b. LOHACO Business

- Net sales grew 4.1%, partly due to sales promotion measures in collaboration with LY Corporation

c. Group companies and elimination of intra-group transactions

- Net sales of AlphaPurchase Co., Ltd. and FEED Corporation remained strong, with a growth rate of 6.0%

(2) Operating profit

Operating profit decreased by 2,645 million yen year-on-year to 9,956 million yen. This was mainly due to a 0.7-point year-on-year decrease in gross profit margin, standing at 24.6% and a 0.1 point year-on-year increase in the ratio of selling, general and administrative expenses at 21.7% caused by increased fixed costs, etc., as outlined below.

- The purchase price of imported products such as copy paper increased due to the impact of foreign exchange rates, resulting in a decline in the gross profit margin
- The unit sales price per box increased due to the revision of the free shipping threshold in the previous fiscal year, which continued to encourage customers to buy in bulk and worked to decrease the ratio of shipment expenses to net sales, leading to a gradual decrease of shipment expenses
- The commencement of leasing of the ASKUL Kanto DC incurred rents and preparation costs (1,125 million yen in total) for operation in the next fiscal year

<Logistics Business>

Net sales of the contracted business of logistics that ASKUL LOGIST Corporation received from outside the Group decreased. We worked to improve profitability through service price revisions, improved productivity, and other measures, but this could not make up for the decrease in sales, resulting in a decrease in profits.

As a result, net sales in the nine months ended February 20, 2025 were 5,875 million yen, a 6.2% decrease year-on-year, and operating loss was 181 million yen, as opposed to an operating loss of 115 million yen a year earlier.

<Others>

Sales of bottled water of TSUMAGOI MEISUI CORPORATION, including new products, remained steadily. Operating profit increased significantly due to further improvement in productivity.

As a result, net sales for the nine months ended February 20, 2025 were 1,467 million yen, a 4.3% increase year-on-year, and operating profit was 66 million yen, up 170.4% year-on-year.

(Note) The standard amount per order for which the Company bear the basic delivery fee.

(2) Explanation of Financial Position

(Assets)

Total assets stood at 229,006 million yen at the end of the nine months ended February 20, 2025, a decrease of 14,055 million yen from the end of the preceding fiscal year. This was mainly due to decreases of 11,665 million yen in accounts receivable - other mainly resulting from the receipt of damages for the fire at the ALP Metropolitan, 10,597 million yen in cash and deposits mainly due to the payment related to income taxes and the acquisition of treasury stock, despite the receipt of damages, 1,745 million yen in software, and 1,549 million yen in leased assets, while notes and accounts receivable - trade, and contract assets increased 5,604 million yen, software in progress increased 2,541 million yen,

and construction in progress increased 2,046 million yen.

(Liabilities)

Total liabilities stood at 149,296 million yen at the end of the nine months ended February 20, 2025, a decrease of 12,429 million yen from the end of the preceding fiscal year. This was primarily due to decreases of 6,942 million yen in income taxes payable, 5,912 million yen in electronically recorded obligations - operating, 1,780 million yen in accounts payable - other, 1,689 million yen in accrued consumption taxes, 1,618 million yen in lease liabilities, and 1,544 million yen in long-term borrowings (including current portion), while notes and accounts payable - trade increased 3,322 million yen and short-term borrowings increased 2,845 million yen.

(Net assets)

Net assets stood at 79,710 million yen at the end of the nine months ended February 20, 2025, a decrease of 1,626 million yen from the end of the preceding fiscal year. The primary factors behind the decline were a decrease of 3,315 million yen in retained earnings mainly due to recognition of profit attributable to owners of parent of 6,110 million yen as opposed to the cancellation of treasury stock of 5,879 million yen and dividend payments of 3,544 million yen, while treasury stock decreased 1,341 million yen (net assets increased) due to the cancellation and acquisition of treasury stock.

Consequently, the capital adequacy ratio was 33.3% (32.2% at the end of the preceding fiscal year).

(3) Explanation of Consolidated Forecasts and Other Forward-Looking Information

The forecast for the year ending May 20, 2025 (full year) announced on July 3, 2024, has been revised. For more details, please see "Notice Regarding Revision of Full-Year Consolidated Earnings Forecast" announced today.

2. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of May 20, 2024	As of February 20, 2025
Assets		
Current assets		
Cash and deposits	61,744	51,147
Trade receivables and contract assets	53,878	59,483
Merchandise and finished goods	23,021	22,836
Raw materials and supplies	334	563
Costs on construction contracts in progress	62	44
Accounts receivable - other	26,194	14,528
Other	2,790	4,503
Allowance for doubtful accounts	(32)	(17)
Total current assets	167,994	153,090
Non-current assets		
Property, plant and equipment		
Buildings and structures	10,363	10,288
Accumulated depreciation	(5,211)	(5,534)
Buildings and structures, net	5,152	4,753
Land	257	257
Leased assets	31,325	32,247
Accumulated depreciation	(14,490)	(16,962)
Leased assets, net	16,834	15,284
Construction in progress	6,965	9,012
Other	12,628	13,081
Accumulated depreciation	(9,345)	(9,887)
Other, net	3,283	3,193
Total property, plant and equipment	32,493	32,503
Intangible assets		
Software	16,475	14,729
Software in progress	2,340	4,881
Goodwill	4,996	4,923
Customer-related intangible assets	7,542	7,150
Other	11	12
Total intangible assets	31,365	31,697
Investments and other assets		
Investment securities	159	108
Deferred tax assets	4,353	4,327
Other	7,497	8,065
Allowance for doubtful accounts	(800)	(785)
Total investments and other assets	11,208	11,715
Total non-current assets	75,068	75,916
Total assets	243,062	229,006

	As of May 20, 2024	As of February 20, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	59,078	62,400
Electronically recorded obligations - operating	26,007	20,094
Short-term borrowings	380	3,225
Current portion of long-term borrowings	4,103	5,087
Accounts payable - other	14,921	13,141
Income taxes payable	7,420	477
Accrued consumption taxes	2,226	536
Provisions	419	383
Other	6,335	6,246
Total current liabilities	120,893	111,594
Non-current liabilities		
Long-term borrowings	13,237	10,709
Lease liabilities	15,058	13,440
Retirement benefit liability	4,853	5,073
Asset retirement obligations	3,199	3,191
Deferred tax liabilities	2,573	2,440
Other	1,909	2,847
Total non-current liabilities	40,832	37,702
Total liabilities	161,725	149,296
Net assets		
Shareholders' equity		
Share capital	21,233	21,233
Capital surplus	14,940	14,933
Retained earnings	43,750	40,434
Treasury shares	(1,807)	(466)
Total shareholders' equity	78,116	76,135
Accumulated other comprehensive income		
Remeasurements of defined benefit plans	145	121
Total accumulated other comprehensive income	145	121
Share acquisition rights	0	-
Non-controlling interests	3,073	3,453
Total net assets	81,336	79,710
Total liabilities and net assets	243,062	229,006

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the nine months)

(Millions of yen)

	For the nine months ended February 20, 2024	For the nine months ended February 20, 2025
Net sales	350,063	358,833
Cost of sales	262,866	272,015
Gross profit	87,196	86,818
Selling, general and administrative expenses	74,703	77,017
Operating profit	12,493	9,801
Non-operating income		
Interest income	29	79
Subsidy income	41	54
Other	45	61
Total non-operating income	116	194
Non-operating expenses		
Interest expenses	296	289
Other	22	49
Total non-operating expenses	319	339
Ordinary profit	12,290	9,656
Extraordinary income		
Gain on sale of non-current assets	4	3
Compensation for damage income	11,707	6
Other	-	6
Total extraordinary income	11,712	16
Extraordinary losses		
Loss on sale of non-current assets	-	0
Loss on retirement of non-current assets	40	52
Loss on valuation of investment securities	-	50
Other	10	5
Total extraordinary losses	51	108
Profit before income taxes	23,951	9,564
Income taxes - current	3,849	3,282
Income taxes - deferred	3,696	(96)
Total income taxes	7,545	3,186
Profit	16,405	6,378
Profit attributable to non-controlling interests	258	268
Profit attributable to owners of parent	16,146	6,110

Quarterly Consolidated Statements of Comprehensive Income (For the nine months)

(Millions of yen)

	For the nine months ended February 20, 2024	For the nine months ended February 20, 2025
Profit	16,405	6,378
Other comprehensive income		
Remeasurements of defined benefit plans, net of tax	(0)	(24)
Total other comprehensive income	(0)	(24)
Comprehensive income	16,405	6,353
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	16,146	6,085
Comprehensive income attributable to non-controlling interests	258	268

(3) Notes to Quarterly Consolidated Financial Statements

(Notes to Going Concern Assumption)

Not applicable.

(Notes to Significant Changes in Shareholders' Equity)

(Acquisition of Treasury Stock)

The Company acquired 2,273,600 shares of treasury stock during the nine months ended February 20, 2025 based on a resolution of the Board of Directors meeting held on March 15, 2024 and a resolution of the Board of Directors meeting held on September 13, 2024. As a result, treasury stock increased by 4,696 million yen.

(Cancellation of Treasury Stock)

The Company cancelled 2,793,400 shares of treasury stock during the nine months ended February 20, 2025 based on a resolution of the Board of Directors meeting held on September 13, 2024 and a resolution of the Board of Directors meeting held on January 8, 2025. As a result, capital surplus decreased by 8 million yen, retained earnings decreased by 5,879 million yen, and treasury stock decreased by 5,888 million yen.

(Changes in Accounting Policies)

(Application of the "Accounting Standard for Current Income Taxes," etc.)

The Company has applied the "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27, revised on October 28, 2022; the "Revised Accounting Standard of 2022"), etc. from the beginning of the first quarter of the fiscal year under review.

Revisions to categories for recording "Income taxes" (taxation on other comprehensive income) conform to the transitional treatment in the proviso of Paragraph 20-3 of the Revised Accounting Standard of 2022, and Paragraph 65-2 (2) of the "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, revised on October 28, 2022; the "Revised Guidance of 2022"). These changes in accounting policies have no impact on the quarterly consolidated financial statements.

As for the revision related to the review of the treatment in the consolidated financial statements in the case of the deferral for tax purposes of gain or loss on sale arising from the sale of shares of subsidiaries, etc. between consolidated companies, the Company has applied the Revised Guidance of 2022 from the beginning of the first quarter of the fiscal year under review. These changes in accounting policies are applied retrospectively, including the quarterly consolidated financial statements and the consolidated financial statements of the previous fiscal year which have been adjusted retrospectively. These changes in accounting policies have no impact on the quarterly consolidated financial statements and the consolidated financial statements of the previous fiscal year.

(Segment Information, etc.)

[Segment Information]

I. First Nine Months of the Previous Fiscal Year (From May 21, 2023 to February 20, 2024)

Information on net sales and profit (loss) by reporting segment

(Million yen)

	Reporting Segment			Others (Note 1)	Total	Adjustments (Note 2)	Amount recorded in quarterly consolidated statements of income (Note 3)
	E-commerce business	Logistics business	Total				
Net sales							
ASKUL business	262,370	—	262,370	—	262,370	—	262,370
LOHACO business	26,368	—	26,368	—	26,368	—	26,368
Group companies and elimination of intra- group transactions	54,475	—	54,475	—	54,475	—	54,475
Logistics business	—	6,265	6,265	—	6,265	—	6,265
Others	—	—	—	582	582	—	582
Revenue from contracts with customers	343,215	6,265	349,480	582	350,063	—	350,063
Sales to external customers	343,215	6,265	349,480	582	350,063	—	350,063
Intra-segment sales or transfer	—	—	—	823	823	(823)	—
Total	343,215	6,265	349,480	1,406	350,886	(823)	350,063
Segment profit (loss)	12,601	(115)	12,486	24	12,510	(17)	12,493

(Notes) 1. "Other" represents business segments that do not fall under the Reporting Segment and includes the manufacturing business.

2. The adjustment of minus 17 million yen to segment profit (loss) represents the elimination of inter-segment transactions.

3. Segment profit (loss) is adjusted with operating profit reported in the quarterly consolidated statements of income.

II. First Nine Months of the Current Fiscal Year (From May 21, 2024 to February 20, 2025)

1. Information on net sales and profit (loss) by reporting segment

(Million yen)

	Reporting Segment			Others (Note 1)	Total	Adjustments (Note 2)	Amount recorded in quarterly consolidated statements of income (Note 3)
	E-commerce business	Logistics business	Total				
Net sales							
ASKUL business	267,315	—	267,315	—	267,315	—	267,315
LOHACO business	27,451	—	27,451	—	27,451	—	27,451
Group companies and elimination of intra- group transactions	57,728	—	57,728	—	57,728	—	57,728
Logistics business	—	5,875	5,875	—	5,875	—	5,875
Others	—	—	—	462	462	—	462
Revenue from contracts with customers	352,496	5,875	358,371	462	358,833	—	358,833
Sales to external customers	352,496	5,875	358,371	462	358,833	—	358,833
Intra-segment sales or transfer	1	—	1	1,004	1,005	(1,005)	—
Total	352,497	5,875	358,372	1,467	359,839	(1,005)	358,833
Segment profit (loss)	9,956	(181)	9,774	66	9,841	(40)	9,801

(Notes) 1. "Other" represents business segments that do not fall under the Reporting Segment and includes the manufacturing business.

2. The adjustment of minus 40 million yen to segment profit (loss) represents the elimination of inter-segment transactions.

3. Segment profit (loss) is adjusted with operating profit reported in the quarterly consolidated statements of income.

2. Matters concerning changes to reportable segments, etc.

Revenue in the E-commerce business among reporting segments was previously classified into the "B-to-B business" and "B-to-C business," but the classification has been changed to the "ASKUL business," "LOHACO business," and "Group companies and elimination of intra-group transactions," effective from the first quarter of the fiscal year under review for the purpose of disclosure that is more in line with the actual business conditions. This change refers to the classification of revenue within reporting segments and has no impact on segment information. The revenue for the nine months ended February 20, 2024 is stated in the classification after the change.

(Notes to Statements of Cash Flows)

Quarterly consolidated statements of cash flows for the nine months ended February 20, 2025 has not been prepared. Depreciation (including amortization of intangible assets other than goodwill and customer-related intangible assets) and amortization of goodwill for the nine months ended February 20 are as follows.

	(Million yen)	
	For the nine months ended February 20, 2024	For the nine months ended February 20, 2025
Depreciation	7,002	7,384
Amortization of goodwill	402	404
Amortization of customer-related intangible assets	391	391

(Significant Subsequent Events)

(Acquisition and cancellation of Treasury Stock)

The Company resolved, at the meeting of the Board of Directors held on March 18, 2025, to acquire its treasury stock pursuant to the provisions of Article 156 of the Companies Act as applied by replacing terms pursuant to the provisions of Paragraph 3 of Article 165 of said Act and cancel its treasury stock pursuant to the provisions of Article 178 of said Act.

(1) Reason for purchase and cancellation of treasury stock

The Company has established a shareholder return policy as described below.

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

The Company intends to acquire and cancel its treasury stock in a flexible manner outside the target total return ratio of 45%, as it sees acquiring treasury stock as an opportunity to increase capital efficiency, taking into consideration the status of the most recent financial results, the soundness of its financial position, and the level of its stock price.

(2) Details of 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 |
| 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 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 cancellation: | October 20, 2025 |

3. Other

Details of Selling, General and Administrative Expenses (Consolidated)

Item	First Nine Months of the Previous Fiscal Year (From May 21, 2023 to February 20, 2024)		First Nine Months of the Fiscal Year Under Review (From May 21, 2024 to February 20, 2025)			(Reference) Fiscal Year Ended May 2024 (From May 21, 2023 to May 20, 2024)	
	Amount (Million yen)	Ratio to Sales (%)	Amount (Million yen)	Ratio to Sales (%)	Year-on-Year Change (%)	Amount (Million yen)	Ratio to Sales (%)
Personnel expenses	19,021	5.4	18,792	5.2	98.8	25,381	5.4
Shipment expenses	16,326	4.7	16,165	4.5	99.0	21,611	4.6
Subcontract expenses *1	3,690	1.1	4,602	1.3	124.7	5,065	1.1
Business consignment expenses	8,412	2.4	8,757	2.4	104.1	11,223	2.4
Rents *2	8,339	2.4	9,372	2.6	112.4	11,132	2.4
Provision of allowance for doubtful accounts	(30)	(0.0)	(26)	(0.0)	—	(27)	(0.0)
Depreciation	2,921	0.8	3,206	0.9	109.8	3,960	0.8
Amortization of software	3,602	1.0	3,743	1.0	103.9	4,891	1.0
Other expenses	12,419	3.5	12,402	3.6	99.9	17,310	3.6
Total	74,703	21.3	77,017	21.5	103.1	100,549	21.3

- *1. Compared with the same period of the previous fiscal year, subcontract expenses for the nine months ended February 20, 2025 increased. This was mainly due to the full-scale operation of the new ASKUL website for the ASKUL business and incurred expenses for core system replacement.
2. Compared with the same period of the previous fiscal year, rents for the nine months ended February 20, 2025 increased. This was mainly due to the commencement of leasing of ASKUL Kanto DC in June 2024.