Consolidated Financial Results for the Year Ended May 20, 2025 [Japanese GAAP]*

July 4, 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 Chief Executive Officer (CEO)
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Scheduled date of Annual General Meeting of Shareholders: August 5, 2025
Scheduled date of commencing dividend payments: August 6, 2025
Scheduled date of filing annual securities report: July 30, 2025
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 Fiscal Year Ended May 20, 2025 (May 21, 2024 to May 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	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
May 20, 2025	481,101	2.0	14,004	(17.4)	13,816	(17.2)	9,068	(52.6)
May 20, 2024	471,682	5.6	16,953	16.0	16,677	15.4	19,139	95.6

(Note) Comprehensive income: Fiscal year ended May 20, 2025: ¥9,509 million [(51.5)%]
Fiscal year ended May 20, 2024: ¥19,598 million [94.9%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended	Yen	Yen	%	%	%
May 20, 2025	95.45	95.37	11.6	5.9	2.9
May 20, 2024	196.47	196.36	26.9	7.1	3.6

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended May 20, 2025: ¥- million
Fiscal year ended May 20, 2024: ¥- million

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
May 20, 2025	227,782	81,254	34.2	831.73
May 20, 2024	243,062	81,336	32.2	808.88

(Reference) Equity: As of May 20, 2025: ¥77,788 million
As of May 20, 2024: ¥78,262 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
May 20, 2025	12,908	(16,579)	(9,649)	48,423
May 20, 2024	16,887	(11,537)	(9,828)	61,744

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
May 20, 2024	-	18.00	-	18.00	36.00	3,497	18.3	4.9
May 20, 2025	-	19.00	-	19.00	38.00	3,580	39.8	4.6
Fiscal year ending May 20, 2026 (Forecast)	-	19.00	-	19.00	38.00		53.8	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending May 20, 2026 (May 21, 2025 to May 20, 2026)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	500,000	3.9	11,000	(21.5)	10,500	(24.0)	6,600	(27.2)	70.57

* Notes:

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

(2) 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: Yes
4) Retrospective restatement: No

(3) Number of outstanding shares (common stocks)

1) Number of outstanding shares at the end of the period (including treasury stock):
May 20, 2025: 94,771,300 shares
May 20, 2024: 97,564,700 shares

2) Number of treasury stock at the end of the period:
May 20, 2025: 1,245,700 shares
May 20, 2024: 810,475 shares

3) Average number of shares during the period:
Fiscal year ended May 20, 2025: 95,009,363 shares
Fiscal year ended May 20, 2024: 97,417,717 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended May 20, 2025 (May 21, 2024 to May 20, 2025)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Net income	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
May 20, 2025	395,420	1.5	12,306	(17.9)	12,544	(18.7)	8,976	(52.9)
May 20, 2024	389,626	1.7	14,996	15.1	15,422	12.4	19,069	95.1

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
May 20, 2025	94.48	-
May 20, 2024	195.75	-

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
May 20, 2025	196,620	75,933	38.6	811.90
May 20, 2024	213,298	76,576	35.9	791.45

(Reference) Equity: As of May 20, 2025: ¥75,933 million
As of May 20, 2024: ¥76,576 million

* This Consolidated Financial Results is not subject to audit by a certified public accountant or auditing firm.
* 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. Overview of Business Results, Etc. (4) Future Outlook” on Page 5 of Attached Materials.

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1. Overview of Business Results, Etc.

(1) Overview of Business Results for the Fiscal Year under Review

During the fiscal year under review (from May 21, 2024 to May 20, 2025), the Japanese economy was undergoing a gradual recovery, with improving employment and income conditions, partly due to increased inbound demand. 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 impact of U.S. policy trends including trade policies on personal consumption 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 ended May 20, 2025), the Group has aimed to achieve new record highs in both net sales and operating profit. Although net sales growth slowed on the back of a decrease in customers of the core ASKUL business and sluggish demand growth for traditional office supplies in the fiscal year under review, net sales reached a new record high due to an increase of sales per customer. In order to re-grow net sales, the Group is currently taking measures including optimizing prices through digital transformation, expanding our lineup of products responding to customer needs, and enhancing original products, which we have carried out at an accelerating pace. In addition, even though initially planned, the incurred preparation costs for ASKUL Kanto DC launched in June 2025 as a starting point of reorganization of distribution centers in the Kanto region were not fully absorbed by gross profit with rising purchase costs due to the impact of foreign exchange rates, etc., resulting in a decrease in operating profit.

As a result of the above, the financial performance of the Group for the fiscal year under review was net sales of 481,101 million yen, a 2.0% increase year-on-year, operating profit of 14,004 million yen, a 17.4% decrease year-on-year, ordinary profit of 13,816 million yen, down 17.2% year-on-year, and profit attributable to owners of parent of 9,068 million yen, a 52.6% decrease year-on-year.

Operating results by segment are outlined below.

<E-commerce business>

(Million yen)

	For the fiscal year ended May 2024	For the fiscal year ended May 2025	Change (amount)	Change (percentage)
Net sales	462,374	472,231	+9,856	+2.1%
ASKUL business	353,337	358,463	+5,125	+1.5%
LOHACO business	36,160	36,842	+682	+1.9%
Group companies and elimination of intra-group transactions	72,876	76,925	+4,048	+5.6%
Operating profit	17,097	14,255	(2,842)	(16.6)%

(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 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 fiscal year under review, net sales grew steadily to 472,231 million yen, a 2.1% increase year-on-year. On the other hand, operating profit was 14,255 million yen, a 16.6% decrease year-on-year. This was primarily due to the decline in the gross profit margin resulting from the impact of foreign exchange rates and other factors though an improvement has been seen since the second half of the fiscal year under review. Additionally, there was also an increased fixed costs, etc., including rents related to the ASKUL Kanto DC, which began operating in June 2025, 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 1.5% year-on-year, 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, despite a recovery during the fourth quarter of the fiscal year under review
- 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 1.9% year-on-year, 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 5.6% year-on-year

(2) Operating profit

Operating profit decreased by 2,842 million yen year-on-year to 14,255 million yen. This was mainly due to a 0.5-point year-on-year decrease in gross profit margin, standing at 24.8% and a 0.2 point year-on-year increase in the ratio of selling, general and administrative expenses at 21.8% 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 and the ratio of shipment expenses to net sales decreased, as customers continued to buy in bulk even after the revision of the free shipping threshold in the previous fiscal year, leading to a gradual decrease of shipment expenses
- The commencement of leasing of the ASKUL Kanto DC incurred rents and preparation costs (1,730 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 fiscal year under review were 8,215 million yen, a 4.0% decrease year-on-year, and operating loss was 299 million yen, as opposed to an operating loss of 146 million yen a year earlier.

<Other>

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 fiscal year under review were 2,030 million yen, a 4.0% increase year-on-year, and operating profit was 99 million yen, up 241.5% year-on-year.

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

(2) Overview of Financial Position for the Fiscal Year under Review

(Assets)

Total assets stood at 227,782 million yen at the end of the fiscal year under review, a decrease of 15,280 million yen from the end of the preceding fiscal year. This was mainly due to decreases of 13,321 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 for the fire at the ALP Metropolitan, 11,893 million yen in accounts receivable – other, 2,333 million yen in leased assets, and 1,919 million yen in software, while notes and accounts receivable - trade, and contract assets increased 5,991 million yen, construction in progress increased 4,469 million yen, and software in progress increased 3,184 million yen.

(Liabilities)

Total liabilities stood at 146,527 million yen at the end of the fiscal year under review, a decrease of 15,198 million yen from the end of the preceding fiscal year. This was primarily due to decreases of 6,841 million yen in income taxes payable, 4,346 million yen in electronically recorded obligations - operating, 2,579 million yen in accounts payable - other, 2,392 million yen in lease liabilities, and 1,827 million yen in accrued consumption taxes, while long-term borrowings (including current portion) increased 2,490 million yen.

(Net assets)

Net assets stood at 81,254 million yen at the end of the fiscal year under review, a decrease of 81 million yen from the end of the preceding fiscal year. The primary factors behind the decline were a decrease of 357 million yen in retained earnings mainly due to recognition of profit attributable to owners of parent of 9,068 million yen as opposed to the cancellation of treasury stock of 5,879 million yen and dividend payments of 3,544 million yen.

Consequently, the capital adequacy ratio was 34.2% (32.2% at the end of the preceding fiscal year).

(3) Overview of Cash Flows for the Fiscal Year under Review

Cash and cash equivalents (hereinafter “funds”) stood at 48,423 million yen at the end of the fiscal year under review, a decrease of 13,321 million yen from the end of the preceding fiscal year. The status of each cash flow and the factors behind changes in the fiscal year under review are as follows.

(Cash flows from operating activities)

Net funds provided by operating activities were 12,908 million yen (compared to 16,887 million yen in the previous fiscal year). This was mainly due to profit before income taxes of 13,618 million yen, compensation for damage income received of 11,881 million yen, and a total of 11,037 million yen for depreciation and amortization of software, goodwill, and customer-related intangible assets, as opposed to an income taxes paid of 11,762 million yen, an increase in trade receivables of 5,937 million yen, and a decrease in trade payables of 4,954 million yen.

(Cash flows from investing activities)

Net funds used in investing activities were 16,579 million yen, (compared to 11,537 million yen in the previous fiscal year). This was mainly due to expenditures of 9,281 million yen for the purchase of property, plant and equipment, and 6,167 million yen for the purchase of software.

(Cash flows from financing activities)

Net funds used in financing activities were 9,649 million yen, (compared to 9,828 million yen in the previous year). This was mainly due to purchase of treasury shares of 6,219 million yen, repayments of long-term borrowings of 4,199 million yen, dividends paid of 3,544 million yen, and repayments of lease liabilities of 3,165 million yen, despite proceeds from long-term borrowings of 6,635 million yen.

The table below shows the trends of key cash flow indicators.

	Fiscal Year Ended May 2021	Fiscal Year Ended May 2022	Fiscal Year Ended May 2023	Fiscal Year Ended May 2024	Fiscal Year Ended May 2025
Capital adequacy ratio (%)	30.9	30.2	28.2	32.2	34.2
Capital adequacy ratio at market value (%)	96.1	75.1	81.3	90.1	60.1
Cash flow to interest-bearing liabilities ratio (years)	1.8	1.4	2.0	2.1	2.8
Interest coverage ratio (times)	69.4	79.4	67.5	43.0	32.8

(Note) Capital adequacy ratio at market value: Market capitalization/Total assets
Cash flow to interest-bearing liabilities ratio: Interest-bearing liabilities/Cash flows
Interest coverage ratio: Cash flows/Interest payments
* Market capitalization is calculated by multiplying the closing share price at the end of the period by the number of issued and outstanding shares (net of treasury stocks) at the end of the period.
* The amount of cash flows from operating activities is used as the amount of cash flows.
* Interest-bearing liabilities refer to all the liabilities bearing interest and reported on the consolidated balance sheets.
* The amount of interest payments used to calculate the interest coverage ratio is the amount of interest expenses presented in the consolidated statements of income.

(4) Future Outlook

The Company formulated and announced the "From FY5/2026 to FY5/2029 Medium-Term Management Plan (hereinafter, the New Medium-Term Management Plan)" today, July 4, 2025.

In order to formulate the New Medium-Term Management Plan, we first made repeated discussions about the vision of what the Company wants to realize from a long-term perspective.

Our DNA, "Advancing Forward for Our Customers," rooted across the entire Company since the foundation embraces:

- Our will to solve problems of customers, including the founding spirit of providing small and medium-sized enterprises with the same level of services as for larger corporations;
- Fulfilling social responsibility exemplified by the 1 box for 2 trees project (framework of making printer paper by planting, growing, and harvesting two trees per purchase of one box of printer paper by customers); and
- Return of new value to society through co-creation such as sharing of big data accumulated by the Company with partner companies.

By evolving the above-listed ASKUL's essence and providing working people with support for self-realization, with our desire to increase happy people, we set our 2050 vision as "Creating a society where everyone can create their best selves, one step at a time."

Then, placing "Beyond Retail, Transforming the Way People Work" as our milestone toward 2035, the mid-point of the plan, we have formulated the management policy to be addressed during four years from the fiscal year ending May 20, 2026 to the fiscal year ending May 20, 2029 as a New Medium-Term Management Plan through a back-casting approach.

The environment surrounding society has been acceleratingly changing with decreasing working-age population, advances in AI and other technologies, etc. In the future as well, the Company will aim to create a society where everyone can feel "delight" as often as they like, by supporting our customers to solve problems arising from changes in the times.

The Company planned to post consolidated net sales of 550.0 billion yen, a consolidated operating profit ratio of 5.0%, and a consolidated return on equity (ROE) of 20.0% in the fiscal year ended May 20, 2025, the final year of the previous Medium-Term Management Plan (from FY5/2022 to FY5/2025). Growth accelerated as a result of setting high targets, and both consolidated net sales and consolidated operating profit reached record highs for a period from the fiscal year ended May 20, 2022 to the fiscal year ended May 20, 2024. Particularly, thanks to streamlined logistics and other factors, the marginal profit ratio of both the ASKUL business and LOHACO business exceeded the plan and the profit structure steadily improved, and the LOHACO business achieved operating surplus in the fiscal year ended May 20, 2023 as planned.

However, the final planned figures (for the fiscal year ended May 20, 2025) of the previous Medium-Term Management Plan were not achieved mainly due to an increase in amortization from increased investment in the new ASKUL website (system) and not achieving the planned opening effects of SOLOEL ARENA website, low utilization rates of newly-introduced products due to a disproportionate emphasis on product expansion (number of items), not achieving the sales plan for the LOHACO business due to the prioritization of profitability, and increased fixed costs due to the launch of ASKUL Kanto DC.

As recent issues, we recognize a decrease in the number of customers due to intermittent price increases on the back of surging purchase prices and the revision of the free shipping threshold, low operations of newly introduced specialized products such as MRO(Note1) supplies, and sluggish sales growth of the Company in the procurement platform market for medium- and large-sized companies. Under the New Medium-Term Management Plan, we aim at further growth by addressing these issues.

The Group's advantages include accumulated big data of customer purchase across diverse industries and company sizes, highly automated and unique logistics bases that enable same-day and next-day deliveries across Japan, development capabilities of original products to enhance differentiation from competitors, and the strong sales bases of agents in various regions in Japan. Going forward, we will thoroughly focus on growth areas by further leveraging these advantages and creating new values.

Under the New Medium-Term Management Plan, we will work on mainly two themes below, aiming to achieve consolidated net sales of 600.0 billion yen, a consolidated operating profit ratio of 5.0%, and a consolidated return on equity (ROE) of 20.0% in the final fiscal year ending May 20, 2029.

1) Re-growth of the retail business

We set a strategic target of the ASKUL business to the "in-person service industry" including medical care and nursing care, accommodation, and food and beverage which have high market potential and high customer loyalty with a high growth rate. In addition, as the key product category, we designated "daily necessities at workplaces" which can be used in a wide variety of industries with high demand from customers. This category's characteristics include easy development of original products, since it has a large market scale and many common needs between B-to-B and B-to-C. The important themes include enhancing a product assortment aligned with customer needs, strengthening price competitiveness, differentiating through original products, and improving the convenience and usability of storefront. We are also beginning to explore various forms of collaboration within the B-to-B market.

In the LOHACO business, we aim to enhance corporate value through sound and sustainable growth by offering original products utilizing a scale of the ASKUL business, shortening delivery lead time by integrating logistics with the ASKUL business, driving evolution through collaboration with LY Corporation, and expanding sales channels.

As for a logistics strategy supporting the business, we will aim to improve the logistics quality and reduce costs by further evolving the logistics network.

We will also further advance operational efficiency through big data utilization, and we will drive service innovation through the use of AI agents.

2) Establishment of an area to provide new values

By 2035, we will actively promote solution-based services targeting both corporate employees and end customers by leveraging our robust customer base which broadly uses our products in all sorts of industries as well as the data accumulated across each process of the value chain and our assets including product development, logistics and sales capabilities, in addition to strengthening the existing retail business.

In order to establish an area to provide new values, we will actively promote Proof of Concept (Note2) by an organization under the direct control of CEO newly established at the beginning of the fiscal year ending May 20, 2026 and aggressively carry out M&As and cooperation with other companies by utilizing the growth investment limit of 100.0 billion yen, so that profit of the existing business areas and the new business areas will be a ratio of 50:50 (EBITDA basis) in 2035.

In the fiscal year ending May 20, 2026, we aim at further growth with a top priority placed on a recovery of the number of customers. Meanwhile, although an increase in sales and a decrease in profit are expected due to impacts of the commencement of depreciation of platforms including ASKUL Kanto DC and core system replacement as well as one-time costs related to ASKUL Kanto DC and the reorganization of distribution centers in the Kanto region, we will aim to achieve a V-shaped recovery in the fiscal year ending May 20, 2027 by increasing the execution speed of measures listed in the New Medium-Term Management Plan.

The present forecasts for operating performance for the fiscal year ending May 20, 2026 are net sales of 500.0 billion yen, a 3.9% increase year-on-year, operating profit of 11.0 billion yen, a 21.5% decrease year-on-year, ordinary profit of 10.5 billion yen, a 24.0% a decrease year-on-year, and profit attributable to owners of parent of 6.6 billion yen, a 27.2% decrease year-on-year.

Forecasts for the next fiscal year by business segment are as follows.

<E-commerce Business>

The E-commerce business forecasts net sales of 492.1 billion yen, a 4.2% increase year-on-year, and operating profit of 11.0 billion yen, a 22.8% decrease year-on-year.

<Logistics Business, Other, Adjustments, Etc.>

The Logistics business, Other, adjustments, etc., are projected to record net sales of 7.9 billion yen, a 10.9% decrease year-on-year, and operating profit of 0.0 billion yen (an operating loss of 0.250 billion yen in the previous fiscal year).

Note 1: MRO is an acronym for Maintenance, Repair and Operations, and the term “MRO supplies” denotes indirect materials including consumables and repair supplies for use at factories, construction sites, warehouses, and others.

Note 2: Proof of Concept or PoC refers to the process of testing the feasibility of a new technology, idea, or concept..

2. Basic Thinking on the Selection of Accounting Standards

The ASKUL Group has adopted the Generally Accepted Accounting Principles for Japan (Japanese GAAP) as accounting standards to secure comparability with domestic competitors in the industry.

3. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheet

(Millions of yen)

	As of May 20, 2024	As of May 20, 2025
Assets		
Current assets		
Cash and deposits	61,744	48,423
Trade receivables and contract assets	53,878	59,870
Merchandise and finished goods	23,021	22,909
Raw materials and supplies	334	559
Costs on construction contracts in progress	62	70
Accounts receivable - other	26,194	14,300
Other	2,790	3,638
Allowance for doubtful accounts	(32)	(21)
Total current assets	167,994	149,752
Non-current assets		
Property, plant and equipment		
Buildings and structures	10,363	10,295
Accumulated depreciation	(5,211)	(5,683)
Buildings and structures, net	5,152	4,612
Machinery, equipment and vehicles	7,747	7,801
Accumulated depreciation	(5,658)	(5,930)
Machinery, equipment and vehicles, net	2,088	1,871
Land	257	257
Leased assets	31,325	32,279
Accumulated depreciation	(14,490)	(17,777)
Leased assets, net	16,834	14,501
Construction in progress	6,965	11,435
Other	4,881	5,298
Accumulated depreciation	(3,686)	(3,929)
Other, net	1,194	1,368
Total property, plant and equipment	32,493	34,047
Intangible assets		
Software	16,475	14,556
Software in progress	2,340	5,524
Goodwill	4,996	4,783
Customer-related intangible assets	7,542	7,020
Other	11	10
Total intangible assets	31,365	31,895
Investments and other assets		
Investment securities	159	100
Long-term prepaid expenses	190	330
Guarantee deposits	6,484	7,064
Deferred tax assets	4,353	4,566
Other	822	770
Allowance for doubtful accounts	(800)	(745)
Total investments and other assets	11,208	12,086
Total non-current assets	75,068	78,030
Total assets	243,062	227,782

(Millions of yen)

	As of May 20, 2024	As of May 20, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	59,078	58,482
Electronically recorded obligations - operating	26,007	21,660
Short-term borrowings	380	380
Current portion of long-term borrowings	4,103	6,096
Lease liabilities	3,362	3,377
Accounts payable - other	14,921	12,342
Income taxes payable	7,420	578
Accrued consumption taxes	2,226	398
Provision for bonuses	419	438
Other	2,973	3,216
Total current liabilities	120,893	106,972
Non-current liabilities		
Long-term borrowings	13,237	13,735
Lease liabilities	15,058	12,651
Retirement benefit liability	4,853	5,001
Asset retirement obligations	3,199	2,941
Deferred tax liabilities	2,573	2,394
Other	1,909	2,830
Total non-current liabilities	40,832	39,555
Total liabilities	161,725	146,527
Net assets		
Shareholders' equity		
Share capital	21,233	21,233
Capital surplus	14,940	14,934
Retained earnings	43,750	43,393
Treasury shares	(1,807)	(1,989)
Total shareholders' equity	78,116	77,572
Accumulated other comprehensive income		
Remeasurements of defined benefit plans	145	216
Total accumulated other comprehensive income	145	216
Share acquisition rights	0	-
Non-controlling interests	3,073	3,466
Total net assets	81,336	81,254
Total liabilities and net assets	243,062	227,782

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statement of Income

(Millions of yen)

	For the fiscal year ended May 20, 2024	For the fiscal year ended May 20, 2025
Net sales	471,682	481,101
Cost of sales	354,180	363,562
Gross profit	117,502	117,538
Selling, general and administrative expenses	100,549	103,534
Operating profit	16,953	14,004
Non-operating income		
Interest income	40	119
Subsidy income	54	67
Reversal of allowance for doubtful accounts	-	35
Other	68	80
Total non-operating income	163	302
Non-operating expenses		
Interest expenses	392	393
Other	45	97
Total non-operating expenses	438	490
Ordinary profit	16,677	13,816
Extraordinary income		
Gain on sale of non-current assets	4	3
Gain on sale of investment securities	0	-
Compensation for damage income	11,862	6
Other	5	6
Total extraordinary income	11,872	16
Extraordinary losses		
Impairment losses	13	83
Loss on sale of non-current assets	0	1
Loss on retirement of non-current assets	44	65
Loss on valuation of investment securities	-	57
Settlement on contract	48	-
Other	11	6
Total extraordinary losses	119	214
Profit before income taxes	28,431	13,618
Income taxes - current	9,322	4,605
Income taxes - deferred	(365)	(425)
Total income taxes	8,957	4,179
Profit	19,473	9,439
Profit attributable to non-controlling interests	334	370
Profit attributable to owners of parent	19,139	9,068

Consolidated Statement of Comprehensive Income

(Millions of yen)

	For the fiscal year ended May 20, 2024	For the fiscal year ended May 20, 2025
Profit	19,473	9,439
Other comprehensive income		
Remeasurements of defined benefit plans, net of tax	124	70
Total other comprehensive income	124	70
Comprehensive income	19,598	9,509
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	19,264	9,139
Comprehensive income attributable to non-controlling interests	334	370

(3) Consolidated Statement of Changes in Equity

For the fiscal year ended May 20, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	21,189	14,906	28,120	(92)	64,124
Changes during period					
Issuance of new shares	43	43			87
Dividends of surplus			(3,509)		(3,509)
Profit attributable to owners of parent			19,139		19,139
Purchase of treasury shares				(1,749)	(1,749)
Disposal of treasury shares		10		33	44
Change in ownership interest of parent due to transactions with non-controlling interests		(19)			(19)
Net changes in items other than shareholders' equity					
Total changes during period	43	34	15,629	(1,715)	13,992
Balance at end of period	21,233	14,940	43,750	(1,807)	78,116

	Accumulated other comprehensive income		Share acquisition rights	Non-controlling interests	Total net assets
	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	20	20	0	2,729	66,876
Changes during period					
Issuance of new shares					87
Dividends of surplus					(3,509)
Profit attributable to owners of parent					19,139
Purchase of treasury shares					(1,749)
Disposal of treasury shares					44
Change in ownership interest of parent due to transactions with non-controlling interests					(19)
Net changes in items other than shareholders' equity	124	124	(0)	343	468
Total changes during period	124	124	(0)	343	14,460
Balance at end of period	145	145	0	3,073	81,336

For the fiscal year ended May 20, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	21,233	14,940	43,750	(1,807)	78,116
Changes during period					
Dividends of surplus			(3,544)		(3,544)
Profit attributable to owners of parent			9,068		9,068
Purchase of treasury shares				(6,219)	(6,219)
Disposal of treasury shares		(3)	(1)	149	144
Cancellation of treasury shares		(8)	(5,879)	5,888	-
Change in ownership interest of parent due to transactions with non-controlling interests		6			6
Net changes in items other than shareholders' equity					
Total changes during period	-	(5)	(357)	(181)	(544)
Balance at end of period	21,233	14,934	43,393	(1,989)	77,572

	Accumulated other comprehensive income		Share acquisition rights	Non-controlling interests	Total net assets
	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	145	145	0	3,073	81,336
Changes during period					
Dividends of surplus					(3,544)
Profit attributable to owners of parent					9,068
Purchase of treasury shares					(6,219)
Disposal of treasury shares					144
Cancellation of treasury shares					-
Change in ownership interest of parent due to transactions with non-controlling interests					6
Net changes in items other than shareholders' equity	70	70	(0)	392	463
Total changes during period	70	70	(0)	392	(81)
Balance at end of period	216	216	-	3,466	81,254

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	For the fiscal year ended May 20, 2024	For the fiscal year ended May 20, 2025
Cash flows from operating activities		
Profit before income taxes	28,431	13,618
Depreciation	4,515	4,834
Amortization of software	4,988	5,137
Amortization of long-term prepaid expenses	87	117
Impairment losses	13	83
Amortization of goodwill	536	544
Amortization of customer-related assets	522	522
Increase (decrease) in allowance for doubtful accounts	(43)	(66)
Increase (decrease) in provision for bonuses	46	15
Increase (decrease) in retirement benefit liability	274	253
Interest and dividend income	(43)	(124)
Interest expenses	392	393
Compensation for damage income	(11,862)	(6)
Loss on retirement of non-current assets	44	65
Loss (gain) on sale of non-current assets	(4)	(2)
Loss (gain) on valuation of investment securities	-	57
Loss (gain) on sale of investment securities	(0)	-
Decrease (increase) in trade receivables	(1,851)	(5,937)
Decrease (increase) in inventories	(982)	(110)
Decrease (increase) in accounts receivable - other	(1,708)	18
Increase (decrease) in trade payables	(3,212)	(4,954)
Increase (decrease) in accounts payable - other	(59)	(10)
Increase (decrease) in accrued consumption taxes	1,802	(1,828)
Other, net	228	174
Subtotal	22,115	12,795
Interest and dividends received	43	124
Interest paid	(390)	(389)
Amount of damages received	-	11,881
Income taxes paid	(4,886)	(11,762)
Income taxes refund	4	259
Net cash provided by (used in) operating activities	16,887	12,908

(Millions of yen)

	For the fiscal year ended May 20, 2024	For the fiscal year ended May 20, 2025
Cash flows from investing activities		
Purchase of property, plant and equipment	(6,172)	(9,281)
Proceeds from sale of property, plant and equipment	-	9
Purchase of software	(5,266)	(6,167)
Purchase of long-term prepaid expenses	(162)	(212)
Payments of guarantee deposits	(75)	(735)
Proceeds from refund of guarantee deposits	109	156
Loan advances	(2)	(42)
Proceeds from collection of loans receivable	19	36
Proceeds from sale of investment securities	0	-
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(327)
Payments for asset retirement obligations	-	(14)
Other, net	12	(0)
Net cash provided by (used in) investing activities	(11,537)	(16,579)
Cash flows from financing activities		
Proceeds from short-term borrowings	-	2,800
Repayments of short-term borrowings	-	(2,800)
Proceeds from long-term borrowings	7,000	6,635
Repayments of long-term borrowings	(10,122)	(4,199)
Repayments of lease liabilities	(2,915)	(3,165)
Proceeds from sale and leaseback transactions	1,480	886
Proceeds from share issuance to non-controlling shareholders	67	55
Purchase of treasury shares	(1,749)	(6,219)
Dividends paid	(3,509)	(3,544)
Dividends paid to non-controlling interests	(78)	(98)
Net cash provided by (used in) financing activities	(9,828)	(9,649)
Effect of exchange rate change on cash and cash equivalents	-	-
Net increase (decrease) in cash and cash equivalents	(4,478)	(13,321)
Cash and cash equivalents at beginning of period	66,223	61,744
Cash and cash equivalents at end of period	61,744	48,423

(5) Notes to Consolidated Financial Statements

(Notes to Going Concern Assumption)

Not applicable.

(Significant Accounting Estimates)

(Valuation of Goodwill and Customer-related Intangible Assets)

(1) Amount recorded in the consolidated financial statements for the fiscal year under review

The amount of goodwill and customer-related intangible assets recorded in the consolidated balance sheets at the end of the fiscal year under review due to the acquisition of shares of AP67 Co., Ltd is as below.

(Million yen)

	Fiscal Year Ended May 20, 2024	Fiscal Year Ended May 20, 2025
Goodwill	4,111	3,817
Customer-related intangible assets	7,485	6,972

(2) Information about the details of significant accounting estimates for the items identified

The excess return power of the acquisition of shares of AP67 Co., Ltd is recognized as goodwill and the present value of excess return expected to be generated by the ongoing business relationship with existing customers is recognized as customer-related intangible assets. Both of them are amortized regularly using the straight-line method over the period in which they are effective, and unamortized balances are subject to impairment.

Indication of impairment of goodwill and customer-related intangible assets is determined by conducting a comparison at the time of share acquisition between the Medium-Term Management Plan and actual results, and by checking whether the amount allocated to goodwill and customer-related intangible assets in acquisition costs is relatively large. If there is any indication of impairment, the carrying amount is compared with the total amount of undiscounted future cash flows to determine the necessity of recognizing an impairment loss.

Future cash flows are estimated based on the Medium-Term Management Plan. Under the Plan, the major assumptions are: net sales growth in the Dental business by increasing the number of active customers, nurturing stock customers, and expanding the product base; expansion of the growth model in the Dental business to other areas; and cost reduction by standardization of operations through the introduction of systems.

As these major assumptions are subject to uncertainty, if a review of the assumptions results in a significant impact on estimates of future cash flows, an impairment loss on goodwill and customer-related intangible assets may be recognized in the consolidated financial statements in the next fiscal year.

(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 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 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 fiscal year under review. These changes in accounting policies are applied retrospectively, including the consolidated financial statements of the previous fiscal year which have been adjusted retrospectively. These changes in accounting policies have no impact on the consolidated financial statements of the previous fiscal year.

(Changes in Accounting Estimates)

(Changes in Useful Lives)

In the fiscal year under review, the reorganization of distribution centers in the Kanto region, etc. have been decided by the Company. Accordingly, we have shortened the useful lives for non-current assets that are not expected to be used after the reorganization, etc. and prospectively changed them. In addition, as at FEED Corporation that is our consolidated subsidiary, a shift to a new EC system has been decided, we have shortened the useful lives for non-current assets that are not expected to be used after the shift and prospectively changed them.

As a result of these changes, operating profit, ordinary profit, and profit before income taxes for the fiscal year under review decreased 99 million yen respectively, compared to the previous method.

(Segment Information, etc.)

(Segment Information)

1. Overview of reportable segments

The Group's reportable segments are defined as components of the Group regarding which separate financial information is available that is evaluated regularly by the Board of Directors in deciding how to allocate management resources and in assessing performance.

The Group formulates comprehensive strategies for domestic and overseas markets to carry out its business operations.

The E-commerce business derives revenue from the sale of OA & PC supplies, office supplies, office amenities, office furniture, food, alcoholic beverages, medical supplies, cosmetics, MRO supplies, pet goods and other products. The Logistics business provides logistics and small-cargo transportation services for companies.

(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 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 previous fiscal year is stated in the classification after the change.

2. Basis of measurement of net sales, income or loss, assets, liabilities, and other items by reportable segment

Methods of accounting for reportable segments are generally the same as those adopted to prepare consolidated financial statements. Inter-segment revenue and transfers are based on prevailing market prices.

3. Information on the amounts of net sales, profit (loss), assets, liabilities, and other items by reportable segment and information on disaggregation of revenue

Fiscal Year Ended May 2024 (From May 21, 2023 through May 20, 2024)

(Million yen)

	Reporting Segment			Others (Note 1)	Total	Adjustments (Note 2)	Amount recorded in the consolidated financial statements (Note 3)
	E-commerce business	Logistics business	Total				
Net sales							
ASKUL business	353,337	—	353,337	—	353,337	—	353,337
LOHACO business	36,160	—	36,160	—	36,160	—	36,160
Group companies and elimination of intra-group transactions	72,876	—	72,876	—	72,876	—	72,876
Logistics business	—	8,558	8,558	—	8,558	—	8,558
Others	—	—	—	749	749	—	749
Revenue from contracts with customers	462,374	8,558	470,933	749	471,682	—	471,682
Sales to external customers	462,374	8,558	470,933	749	471,682	—	471,682
Intra-segment sales or transfer	—	—	—	1,201	1,201	(1,201)	—
Total	462,374	8,558	470,933	1,951	472,884	(1,201)	471,682
Segment profit (loss)	17,097	(146)	16,951	29	16,980	(27)	16,953
Segment assets	234,626	5,851	240,477	2,584	243,062	—	243,062
Other items							
Depreciation	9,584	490	10,075	97	10,172	(146)	10,026
Amortization of goodwill	499	33	533	3	536	—	536
Increase in property, plant and equipment and intangible assets	13,919	51	13,971	139	14,110	—	14,110

(Notes) 1. “Other” represents business segments that do not fall under the Reporting Segment and includes the manufacturing business.
2. The adjustment of minus 27 million yen to segment profit (loss) represents the elimination of inter-segment transactions of minus 27 million yen.
3. Segment profit (loss) is adjusted with operating profit reported in the consolidated financial statements.

Fiscal Year Ended May 2025 (From May 21, 2024 through May 20, 2025)

(Million yen)

	Reporting Segment			Others (Note 1)	Total	Adjustments (Note 2)	Amount recorded in the consolidated financial statements (Note 3)
	E-commerce business	Logistics business	Total				
Net sales							
ASKUL business	358,460	—	358,460	—	358,460	—	358,460
LOHACO business	36,842	—	36,842	—	36,842	—	36,842
Group companies and elimination of intra-group transactions	76,923	—	76,923	—	76,923	—	76,923
Logistics business	—	8,215	8,215	—	8,215	—	8,215
Others	—	—	—	659	659	—	659
Revenue from contracts with customers	472,226	8,215	480,441	659	481,101	—	481,101
Sales to external customers	472,226	8,215	480,441	659	481,101	—	481,101
Intra-segment sales or transfer	4	—	4	1,370	1,375	(1,375)	—
Total	472,231	8,215	480,446	2,030	482,476	(1,375)	481,101
Segment profit (loss)	14,255	(299)	13,956	99	14,055	(50)	14,004
Segment assets	220,457	5,074	225,531	2,250	227,782	—	227,782
Other items							
Depreciation	9,833	408	10,241	251	10,493	—	10,493
Amortization of goodwill	507	33	540	3	544	—	544
Increase in property, plant and equipment and intangible assets	12,890	106	12,997	37	13,034	—	13,034

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

2. The adjustment of minus 50 million yen to segment profit (loss) represents the elimination of inter-segment transactions of minus 50million yen.

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

[Related Information]

Fiscal Year Ended May 2024 (From May 21, 2023 through May 20, 2024)

1. Information by product or service

This information is not presented because similar information is disclosed in the segment information section above.

2. Information by geographical area

(1) Net sales

Net sales to external customers located in Japan accounted for more than 90% of the net sales reported on the consolidated statements of income. Accordingly, this information is not presented.

(2) Property, plant and equipment

Not applicable since there are no property, plant and equipment located outside Japan.

3. Information by primary customer

No external customer accounted for 10% or more of the net sales reported on the consolidated statements of income. Accordingly, this information is not presented.

Fiscal Year Ended May 2025 (From May 21, 2024 through May 20, 2025)

1. Information by product or service

This information is not presented because similar information is disclosed in the segment information section above.

2. Information by geographical area

(1) Net sales

Net sales to external customers located in Japan accounted for more than 90% of the net sales reported on the consolidated statements of income. Accordingly, this information is not presented.

(2) Property, plant and equipment

Not applicable since there are no property, plant and equipment located outside Japan.

3. Information by primary customer

No external customer accounted for 10% or more of the net sales reported on the consolidated statements of income. Accordingly, this information is not presented.

[Impairment loss on non-current assets by reportable segment]

Fiscal Year Ended May 2024 (From May 21, 2023 through May 20, 2024)

(Million yen)

	Reporting Segment			Other (Note)	Total
	E-commerce business	Logistics business	Total		
Impairment loss	13	—	13	—	13

(Note) The amount stated in “Other” pertains to the manufacturing business.

Fiscal Year Ended May 2025 (From May 21, 2024 through May 20, 2025)

(Million yen)

	Reporting Segment			Other (Note)	Total
	E-commerce business	Logistics business	Total		
Impairment loss	83	—	83	—	83

(Note) The amount stated in “Other” pertains to the manufacturing business.

[Amortized amount and unamortized balance of goodwill by reportable segment]

Fiscal Year Ended May 2024 (From May 21, 2023 through May 20, 2024)

(Million yen)

	Reporting Segment			Other (Note)	Total
	E-commerce business	Logistics business	Total		
Amount amortized during the fiscal year	499	33	533	3	536
Unamortized balance at the end of the fiscal year	4,797	194	4,991	4	4,996

(Note) The amount stated in “Other” pertains to the manufacturing business.

Fiscal Year Ended May 2025 (From May 21, 2024 through May 20, 2025)

(Million yen)

	Reporting Segment			Other (Note)	Total
	E-commerce business	Logistics business	Total		
Amount amortized during the fiscal year	507	33	540	3	544
Unamortized balance at the end of the fiscal year	4,621	161	4,782	0	4,783

(Note) The amount stated in “Other” pertains to the manufacturing business.

[Gain on bargain purchase by reportable segment]

Fiscal Year Ended May 2024 (From May 21, 2023 through May 20, 2024)

Not applicable.

Fiscal Year Ended May 2025 (From May 21, 2024 through May 20, 2025)

Not applicable.

(Per Share Information)

	Fiscal Year Ended May 20, 2024 (From May 21, 2023 through May 20, 2024)	Fiscal Year Ended May 20, 2025 (From May 21, 2024 through May 20, 2025)
Net assets per share	808.88 yen	831.73 yen
Basic earnings per share	196.47 yen	95.45 yen
Diluted earnings per share	196.36 yen	95.37 yen

(Note) Basic earnings per share and diluted earnings per share were calculated based on the figures below.

	Fiscal Year Ended May 20, 2024 (From May 21, 2023 through May 20, 2024)	Fiscal Year Ended May 20, 2025 (From May 21, 2024 through May 20, 2025)
Basic earnings per share		
Profit attributable to owners of parent (million yen)	19,139	9,068
Profit not attributable to common shareholders (million yen)	—	—
Profit attributable to owners of parent related to common stock (million yen)	19,139	9,068
Average number of shares (thousand shares)	97,417	95,009
Diluted earnings per share		
Adjustments to profit attributable to owners of parent (million yen)	(10)	(8)
[Of which, adjustment for dilutive shares of consolidated subsidiaries (million yen)]	[(10)]	[(8)]
Increase in number of shares of common stock (thousand shares)	—	—
Outline of dilutive shares not included in calculation of diluted earnings per share due to absence of dilutive effects	—	—

(Significant Subsequent Events)

Not applicable.

4. Other

(1) Change in Officers

The Company plans to transition to a Company with an Audit and Supervisory Committee subject to approval of necessary changes in the Articles of Incorporation at the 62nd Annual General Meeting of Shareholders to be held on August 5, 2025.

1) Change in representative director

Not applicable.

2) Change in other officers

- New director candidates

Directors other than Directors serving as members of the Audit and Supervisory Committee

Director (Outside/Part-time)	Nobuya Ishizaka
Director (Outside/Part-time)	Makoto Hide

Directors serving as members of the Audit and Supervisory Committee

Director	Toshio Imamura
Director (Outside/Part-time)	Kazuo Tsukahara
Director (Outside/Part-time)	Yoshitaka Asaeda
Director (Outside/Part-time)	Miyuki Nakagawa

- Retiring directors

Director (Outside/Part-time)	Kazuo Tsukahara
Director (Outside/Part-time)	Genri Goto
Director (Part-time)	Hironori Koshimizu

- Retiring Audit & Supervisory Board Members

Audit & Supervisory Board Member	Toshio Imamura
Audit & Supervisory Board Member (Outside/Part-time)	Yoshitaka Asaeda
Audit & Supervisory Board Member (Outside/Part-time)	Miyuki Nakagawa

3) Scheduled date of assumption of and retirement from office

August 5, 2025

(2) Details of Selling, General and Administrative Expenses (Consolidated)

Item	Fiscal Year Ended May 20, 2024 (From May 21, 2023 through May 20, 2024)		Fiscal Year Ended May 20, 2025 (From May 21, 2024 through May 20, 2025)		
	Amount (Million yen)	Ratio to Sales (%)	Amount (Million yen)	Ratio to Sales (%)	Year-on-Year Change (%)
Personnel expenses	25,381	5.4	25,148	5.2	99.1
Shipment expenses	21,611	4.6	21,347	4.4	98.8
Subcontract expenses *1	5,065	1.1	6,247	1.3	123.3
Business consignment expenses	11,223	2.4	11,685	2.4	104.1
Rents *2	11,132	2.4	12,508	2.6	112.4
Provision of allowance for doubtful accounts	(27)	(0.0)	(16)	(0.0)	—
Depreciation	3,960	0.8	4,328	0.9	109.3
Amortization of software	4,891	1.0	5,053	1.1	103.3
Other expenses	17,310	3.6	17,231	3.6	99.5
Total	100,549	21.3	103,534	21.5	103.0

*1. Compared with the previous fiscal year, subcontract expenses for the fiscal year under review 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 previous fiscal year, rents for the fiscal year under review increased. This was mainly due to the commencement of leasing of ASKUL Kanto DC in June 2024.