Consolidated Financial Results for the Year Ended May 20, 2026 [Japanese GAAP]*

July 3, 2026

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 6, 2026
Scheduled date of commencing dividend payments:	August 7, 2026
Scheduled date of filing annual securities report:	July 30, 2026
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, 2026 (May 21, 2025 to May 20, 2026)

(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, 2026	400,199	(16.8)	(17,445)	-	(19,062)	-	(22,150)	-
May 20, 2025	481,101	2.0	14,004	(17.4)	13,816	(17.2)	9,068	(52.6)

(Note) Comprehensive income: Fiscal year ended May 20, 2026: ¥(21,627) million [-%]
Fiscal year ended May 20, 2025: ¥9,509 million [(51.5)%]

	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, 2026	(245.41)	-	(35.3)	(8.3)	(4.4)
May 20, 2025	95.45	95.37	11.6	5.9	2.9

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended May 20, 2026: ¥- million
Fiscal year ended May 20, 2025: ¥- 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, 2026	229,907	51,455	20.8	533.94
May 20, 2025	227,782	81,254	34.2	831.73

(Reference) Equity: As of May 20, 2026: ¥47,805 million
As of May 20, 2025: ¥77,788 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, 2026	(10,802)	(14,216)	25,221	48,624
May 20, 2025	12,908	(16,579)	(9,649)	48,423

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, 2025	-	19.00	-	19.00	38.00	3,580	39.8	4.6
May 20, 2026	-	0.00	-	10.00	10.00	895	-	1.5
Fiscal year ending May 20, 2027 (Forecast)	-	10.00	-	10.00	20.00		44.8	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending May 20, 2027 (May 21, 2026 to May 20, 2027)

(% 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	490,000	22.4	7,000	-	6,300	-	4,000	-	44.68

* 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: No

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

3) Changes in accounting estimates: No

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, 2026: 89,771,300 shares

May 20, 2025: 94,771,300 shares

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

May 20, 2026: 237,728 shares

May 20, 2025: 1,245,700 shares

3) Average number of shares during the period:

Fiscal year ended May 20, 2026: 90,260,897 shares

Fiscal year ended May 20, 2025: 95,009,363 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended May 20, 2026 (May 21, 2025 to May 20, 2026)

(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, 2026	311,118	(21.3)	(13,809)	-	(14,735)	-	(22,395)	-
May 20, 2025	395,420	1.5	12,306	(17.9)	12,544	(18.7)	8,976	(52.9)

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
May 20, 2026	(248.12)	-
May 20, 2025	94.48	-

(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, 2026	199,609	45,593	22.8	509.23
May 20, 2025	196,620	75,933	38.6	811.90

(Reference) Equity: As of May 20, 2026: ¥45,593 million
As of May 20, 2025: ¥75,933 million

* These Consolidated Financial Results are 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.

○ Table of Contents for Attached Materials

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, 2025 to May 20, 2026), the Japanese economy remained on a gradual recovery trend, 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, and concerns about the impact of global uncertainty of monetary policies as well as the impact of U.S. policy trends including trade policies on personal consumption and other factors.

Under such circumstances, the Group has been implementing measures aiming at the re-growth of its retail business and establishment of an area to provide new values, toward achievement of the targets of the Medium-Term Management Plan (from the fiscal year ended May 20, 2026 to the fiscal year ending May 20, 2029) announced in July 2025. However, due to the ransomware attack targeting the Company that occurred on October 19, 2025, our logistics systems, etc. were disrupted and a system outage occurred. As a result, we temporarily suspended accepting orders from customers via our website.

To restore services as quickly as possible, we rapidly rebuilt the affected logistics systems. Additionally, during the restoration period, we established a manual delivery process to ship products to customers without relying on the logistics systems, thereby fulfilling our responsibility as a social infrastructure provider. Since February 2026, when key service levels were restored to the level prior to the system outage, we have implemented measures toward the recovery in the number of customers that will serve as the foundation for the recovery of financial results in the fiscal year ending May 20, 2027, such as our largest-ever sales promotion campaign, including pricing initiatives. Expenses related to this system outage primarily include depreciation of non-current assets and amortization of software that were suspended due to the disrupted logistics systems of 1,269 million yen recorded as depreciation of inactive non-current assets under non-operating expenses, and incurred damages, restoration costs, etc. of 5,108 million yen recorded as system failure response costs under extraordinary losses. In addition, we recorded an impairment loss of 4,823 million yen on goodwill and customer-related intangible assets related to AP67 Co., Ltd. as an extraordinary loss.

As a result, the financial performance of the Group for the fiscal year under review was net sales of 400,199 million yen, a 16.8% decrease year-on-year, operating loss of 17,445 million yen, as opposed to an operating profit of 14,004 million yen a year earlier, ordinary loss of 19,062 million yen, as opposed to an ordinary profit of 13,816 million yen a year earlier, and loss attributable to owners of parent of 22,150 million yen, as opposed to a profit attributable to owners of parent of 9,068 million yen a year earlier.

Operating results by segment are outlined below.

<E-commerce Business>

(Million yen)

	For the fiscal year ended May 20, 2025	For the fiscal year ended May 20, 2026	Change (amount)	Change (percentage)
Net sales	472,231	393,084	(79,146)	(16.8)%
ASKUL Business	358,463	282,948	(75,514)	(21.1)%
LOHACO Business	36,842	28,084	(8,757)	(23.8)%
Group companies and elimination of intra-group transactions	76,925	82,051	+5,126	+6.7%
Operating profit (loss)	14,255	(16,270)	(30,526)	-

(Note) Net sales include intra-segment sales or transfers.

In the E-commerce Business during the fiscal year under review, net sales were 393,084 million yen, a 16.8% decrease year-on-year, and operating loss was 16,270 million yen, as opposed to an operating profit of 14,255 million yen a year earlier, both sales and profit decreased. This was primarily due to the temporary suspension of accepting orders from customers on our website following the system outage.

Net sales and operating loss are outlined below.

(1) Net sales

a. ASKUL Business

- Net sales decreased 21.1% year-on-year due to the temporary suspension of accepting orders on our websites such as “ASKUL” and “SOLOEL ARENA” following the system outage
- Although net sales in November (from October 21, 2025 to November 20, 2025) decreased by 94.5% year-on-year immediately after the system outage, net sales recovered to a lower decrease of 11.4% year-on-year during the fourth quarter of the fiscal year under review (from February 21, 2026 to May 20, 2026), resulting from the rapid rebuilding of the logistics systems and the gradual restoration of services.

b. LOHACO Business

- Net sales decreased 23.8% year-on-year, due to the impact of the temporary suspension of our website “LOHACO” following the system outage
- Service restarted on January 20, 2026, and net sales increased by 2.5% year-on-year during the fourth quarter of the fiscal year under review

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 6.7% year-on-year

(2) Operating loss

Operating loss was 16,270 million yen, as opposed to an operating profit of 14,255 million yen a year earlier. This was mainly due to a 1.9-point year-on-year decrease in gross profit margin, standing at 22.9% and a 5.2-point year-on-year increase in the ratio of selling, general and administrative expenses to net sales, standing at 27.0%, as outlined below.

- The gross profit margin decreased due to factors such as prioritizing the shipment of products with low profit margins but high customer demand such as copy paper during the service restoration process, and due to launching large-scale sales promotion campaigns including pricing initiatives after service levels were restored
- The ratio of selling, general and administrative expenses to net sales increased mainly due to a rise in the ratio of fixed costs to net sales resulting from a decrease in net sales associated with the system outage, as well as a decline in logistics efficiency, including temporary manual shipping and receiving operations
- The operation of ASKUL Kanto DC in June 2025 increased fixed costs, such as one-time startup costs and depreciation (total: 2,111 million yen)

<Logistics Business>

The contracted logistics business that ASKUL LOGIST Corporation received from outside the Group saw a decrease in both sales and profit due to the impact of temporarily suspending such business following the system outage at the Company.

As a result, net sales in the fiscal year under review were 6,276 million yen, a 23.6% decrease year-on-year, and operating loss was 1,199 million yen, as opposed to an operating loss of 299 million yen a year earlier.

<Other>

Sales of bottled water of TSUMAGOI MEISUI CORPORATION have remained steady, partly due to the impact of the extremely hot weather. However, primarily due to the temporary suspension of our website following the system outage at the Company, sales of bottled water sold through our website decreased, leading to decreases in both sales and profit.

As a result, net sales in the fiscal year under review were 1,981 million yen, a 2.4% decrease year-on-year, and operating profit was 10 million yen, an 89.0% decrease year-on-year.

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

(Assets)

Total assets stood at 229,907 million yen at the end of the fiscal year under review, an increase of 2,125 million yen from the end of the preceding fiscal year. This was mainly due to increases of 8,453 million yen in leased assets due to the launch of ASKUL Kanto DC, 8,428 million yen in deferred tax assets, 4,075 million yen in consumption taxes refund receivable, 2,633 million yen in buildings and structures, and 1,492 million yen in merchandise and finished goods, while construction in progress decreased 11,144 million yen, trade receivables and contract assets decreased 5,366 million yen, goodwill decreased 4,061 million yen, software in progress decreased 2,216 million yen, and customer-related intangible assets decreased 1,821 million yen.

(Liabilities)

Total liabilities stood at 178,452 million yen at the end of the fiscal year under review, an increase of 31,924 million yen from the end of the preceding fiscal year. This was primarily due to increases of 26,900 million yen in short-term borrowings as borrowings were executed to secure liquidity in funds on hand, 9,311 million yen in lease liabilities, and 2,775 million yen in accounts payable - other, while electronically recorded obligations - operating decreased 2,385 million yen, long-term borrowings (including current portion) decreased 2,096 million yen, and notes and accounts payable - trade decreased 1,277 million yen.

(Net assets)

Net assets stood at 51,455 million yen at the end of the fiscal year under review, a decrease of 29,799 million yen from the end of the preceding fiscal year. This was mainly due to a decrease of 31,722 million yen in retained earnings due to recognition of loss attributable to owners of parent of 22,150 million yen, cancellation of treasury shares of 7,794 million yen, and dividend paid of 1,776 million yen, while treasury shares decreased 1,627 million yen (increase in net assets) due to the purchase, cancellation, and disposal of treasury shares.

Consequently, the capital adequacy ratio was 20.8% (34.2% 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 48,624 million yen at the end of the fiscal year under review, an increase of 201 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 used in operating activities were 10,802 million yen (compared to net funds provided of 12,908 million yen in the previous fiscal year). This was mainly due to loss before income taxes of 29,790 million yen, a decrease in trade payables of 4,213 million yen, payments of system failure response costs of 2,760 million yen, and an increase in consumption taxes refund receivable of 2,596 million yen, despite a total of 13,658 million yen for depreciation and amortization of software, goodwill, and customer-related intangible assets, a decrease in trade receivables of 5,355 million yen, system failure response costs of 5,108 million yen, and impairment losses of 4,823 million yen.

(Cash flows from investing activities)

Net funds used in investing activities were 14,216 million yen (compared to 16,579 million yen in the previous fiscal year). This was mainly due to expenditures of 8,249 million yen for the purchase of property, plant and equipment, and 4,581 million yen for the purchase of software.

(Cash flows from financing activities)

Net funds provided by financing activities were 25,221 million yen (compared to net funds used of 9,649 million yen in the previous year). This was mainly due to a net increase in short-term borrowings of 26,900 million yen and proceeds from sale and leaseback transactions of 13,043 million yen, despite purchase of treasury shares of 6,445 million yen and repayments of long-term borrowings of 6,096 million yen.

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

	Fiscal Year Ended May 2022	Fiscal Year Ended May 2023	Fiscal Year Ended May 2024	Fiscal Year Ended May 2025	Fiscal Year Ended May 2026
Capital adequacy ratio (%)	30.2	28.2	32.2	34.2	20.8
Capital adequacy ratio at market value (%)	75.1	81.3	90.1	60.1	46.1
Cash flow to interest-bearing liabilities ratio (years)	1.4	2.0	2.1	2.8	-
Interest coverage ratio (times)	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.
* The cash flow to interest-bearing liabilities ratio (years) and interest coverage ratio (times) for the fiscal year ended May 20, 2026 are not presented because cash flow from operating activities was negative.

(4) Future Outlook

In the fiscal year ended May 20, 2026, the first year of the new Medium-Term Management Plan, financial results deteriorated because business operations were temporarily suspended due to the system outage associated with the ransomware attack that occurred in October 2025. Subsequently, however, the Company has worked as one to restore operations and, with the support of many stakeholders, has proceeded with the redevelopment of its business foundation, including the strengthening of security measures and the rebuilding of its logistics systems. As a result, business activities returned to normal at an early stage.

In the fiscal year ending May 20, 2027, based on the normalized business foundation, we will work to recover net sales and strengthen our customer base. While we plan to recover net sales to the level before the damage occurred, profitability is still in the process of recovery compared with past levels, but we expect improvement to progress toward the second half of the fiscal year. In light of these circumstances, we position the fiscal year ending May 20, 2027 not only as a year for recovery of recent financial results, but also as a year for developing the foundation for future growth, and we are steadily promoting the strengthening of our business foundation toward the realization of “Beyond Retail, Transforming the Way People Work” set forth in the Medium-Term Management Plan. In addition to optimizing our logistics network through the operation of ASKUL Kanto DC, we are also working to create new demand by strengthening proposals to the “in-person service industries,” expanding “daily necessities at workplaces,” and enhancing marketing activities through the use of AI.

While there has been no change in our basic view on the strategic direction set forth in the Medium-Term Management Plan, we will steadily pursue the numerical targets to achieve our commitments, taking into account the external environment and the current business situation. We will seek to recover our level of profitability in the fiscal year ending May 20, 2028 and work toward achieving record-high profit in the final year of the Medium-Term Management Plan.

In addition, the Company is proceeding with management succession based on its succession plan, and plans to transition to a new management structure in August 2026. In light of the fact that next-generation personnel have played a central role in the recovery process from the ransomware attack, under the new management structure, we will seek to speed up decision-making and strengthen our execution capabilities. At the same time, we will regard the new stage of e-commerce development brought about by the evolution of AI as a growth opportunity and accelerate our challenge toward the next stage of growth.

The present forecasts for operating performance for the fiscal year ending May 20, 2027 are net sales of 490.0 billion yen, a 22.4% increase year-on-year, operating profit of 7.0 billion yen (an operating loss of 17.445 billion yen in the previous fiscal year), ordinary profit of 6.3 billion yen (an ordinary loss of 19.062 billion yen in the previous fiscal year), and profit attributable to owners of parent of 4.0 billion yen (a loss attributable to owners of parent of 22.150 billion yen in the previous fiscal year).

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

<E-commerce Business>

The E-commerce Business forecasts net sales of 481.8 billion yen, a 22.6% increase year-on-year, and operating profit of 7.0 billion yen (an operating loss of 16.270 billion yen in the previous fiscal year).

<Logistics Business, Other, Adjustments, Etc.>

The Logistics Business, Other, adjustments, etc., are projected to record net sales of 8.1 billion yen, a 13.9% increase year-on-year, and operating profit of 0.0 billion yen (an operating loss of 1.174 billion yen in the previous fiscal year).

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, 2025	As of May 20, 2026
Assets		
Current assets		
Cash and deposits	48,423	49,332
Trade receivables and contract assets	59,870	54,503
Merchandise and finished goods	22,909	24,402
Raw materials and supplies	559	420
Costs on construction contracts in progress	70	43
Accounts receivable - other	14,300	13,932
Consumption taxes refund receivable	112	4,188
Other	3,526	3,195
Allowance for doubtful accounts	(21)	(12)
Total current assets	149,752	150,005
Non-current assets		
Property, plant and equipment		
Buildings and structures	10,295	13,414
Accumulated depreciation	(5,683)	(6,167)
Buildings and structures, net	4,612	7,246
Machinery, equipment and vehicles	7,801	7,495
Accumulated depreciation	(5,930)	(5,351)
Machinery, equipment and vehicles, net	1,871	2,143
Land	257	257
Leased assets	32,279	40,656
Accumulated depreciation	(17,777)	(17,701)
Leased assets, net	14,501	22,954
Construction in progress	11,435	290
Other	5,298	5,919
Accumulated depreciation	(3,929)	(3,801)
Other, net	1,368	2,118
Total property, plant and equipment	34,047	35,011
Intangible assets		
Software	14,556	14,912
Software in progress	5,524	3,308
Goodwill	4,783	722
Customer-related intangible assets	7,020	5,199
Other	10	10
Total intangible assets	31,895	24,152
Investments and other assets		
Investment securities	100	487
Long-term prepaid expenses	330	285
Guarantee deposits	7,064	6,948
Deferred tax assets	4,566	12,994
Other	770	706
Allowance for doubtful accounts	(745)	(685)
Total investments and other assets	12,086	20,738
Total non-current assets	78,030	79,902
Total assets	227,782	229,907

(Millions of yen)

	As of May 20, 2025	As of May 20, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	58,482	57,204
Electronically recorded obligations - operating	21,660	19,275
Short-term borrowings	380	27,280
Current portion of long-term borrowings	6,096	4,374
Lease liabilities	3,377	4,422
Accounts payable - other	12,342	15,118
Income taxes payable	578	448
Accrued consumption taxes	398	150
Provision for bonuses	438	436
Other	3,216	3,086
Total current liabilities	106,972	131,796
Non-current liabilities		
Long-term borrowings	13,735	13,360
Lease liabilities	12,651	20,917
Retirement benefit liability	5,001	4,831
Asset retirement obligations	2,941	3,190
Deferred tax liabilities	2,394	1,816
Other	2,830	2,539
Total non-current liabilities	39,555	46,655
Total liabilities	146,527	178,452
Net assets		
Shareholders' equity		
Share capital	21,233	21,233
Capital surplus	14,934	14,830
Retained earnings	43,393	11,670
Treasury shares	(1,989)	(362)
Total shareholders' equity	77,572	47,372
Accumulated other comprehensive income		
Deferred gains or losses on hedges	-	3
Remeasurements of defined benefit plans	216	429
Total accumulated other comprehensive income	216	432
Non-controlling interests	3,466	3,650
Total net assets	81,254	51,455
Total liabilities and net assets	227,782	229,907

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statement of Income

(Millions of yen)

	For the fiscal year ended May 20, 2025	For the fiscal year ended May 20, 2026
Net sales	481,101	400,199
Cost of sales	363,562	310,886
Gross profit	117,538	89,313
Selling, general and administrative expenses	103,534	106,758
Operating profit (loss)	14,004	(17,445)
Non-operating income		
Interest income	119	166
Subsidy income	67	68
Reversal of allowance for doubtful accounts	35	70
Other	80	153
Total non-operating income	302	458
Non-operating expenses		
Interest expenses	393	714
Depreciation of inactive non-current assets	-	1,269
Other	97	91
Total non-operating expenses	490	2,075
Ordinary profit (loss)	13,816	(19,062)
Extraordinary income		
Gain on sale of non-current assets	3	45
Subsidy income	-	27
Compensation for damage income	6	-
Other	6	0
Total extraordinary income	16	74
Extraordinary losses		
Impairment losses	83	4,823
Loss on sale of non-current assets	1	0
Loss on retirement of non-current assets	65	780
Loss on valuation of investment securities	57	-
Loss on tax purpose reduction entry of non-current assets	-	27
System failure response costs	-	5,108
Other	6	62
Total extraordinary losses	214	10,802
Profit (loss) before income taxes	13,618	(29,790)
Income taxes - current	4,605	1,172
Income taxes - deferred	(425)	(9,118)
Total income taxes	4,179	(7,946)
Profit (loss)	9,439	(21,844)
Profit attributable to non-controlling interests	370	306
Profit (loss) attributable to owners of parent	9,068	(22,150)

Consolidated Statement of Comprehensive Income

(Millions of yen)

	For the fiscal year ended May 20, 2025	For the fiscal year ended May 20, 2026
Profit (loss)	9,439	(21,844)
Other comprehensive income		
Deferred gains or losses on hedges	-	3
Remeasurements of defined benefit plans, net of tax	70	213
Total other comprehensive income	70	216
Comprehensive income	9,509	(21,627)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,139	(21,934)
Comprehensive income attributable to non-controlling interests	370	306

(3) Consolidated Statement of Changes in Equity

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 (loss) 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 (loss) 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

For the fiscal year ended May 20, 2026

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	21,233	14,934	43,393	(1,989)	77,572
Changes during period					
Dividends of surplus			(1,776)		(1,776)
Profit (loss) attributable to owners of parent			(22,150)		(22,150)
Purchase of treasury shares				(6,219)	(6,219)
Disposal of treasury shares		0		52	52
Cancellation of treasury shares		(0)	(7,794)	7,795	-
Change in ownership interest of parent due to transactions with non-controlling interests		(104)			(104)
Net changes in items other than shareholders' equity					
Total changes during period	-	(104)	(31,722)	1,627	(30,199)
Balance at end of period	21,233	14,830	11,670	(362)	47,372

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Deferred gains or losses on hedges	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	-	216	216	3,466	81,254
Changes during period					
Dividends of surplus					(1,776)
Profit (loss) attributable to owners of parent					(22,150)
Purchase of treasury shares					(6,219)
Disposal of treasury shares					52
Cancellation of treasury shares					-
Change in ownership interest of parent due to transactions with non-controlling interests					(104)
Net changes in items other than shareholders' equity	3	213	216	183	400
Total changes during period	3	213	216	183	(29,799)
Balance at end of period	3	429	432	3,650	51,455

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	For the fiscal year ended May 20, 2025	For the fiscal year ended May 20, 2026
Cash flows from operating activities		
Profit (loss) before income taxes	13,618	(29,790)
System failure response costs	-	5,108
Depreciation	4,834	6,600
Amortization of software	5,137	5,999
Amortization of long-term prepaid expenses	117	164
Impairment losses	83	4,823
Amortization of goodwill	544	537
Amortization of customer-related assets	522	522
Increase (decrease) in allowance for doubtful accounts	(66)	(68)
Increase (decrease) in provision for bonuses	15	(2)
Increase (decrease) in retirement benefit liability	253	153
Interest and dividend income	(124)	(172)
Interest expenses	393	714
Compensation for damage income	(6)	-
Subsidy income	-	(27)
Loss on retirement of non-current assets	65	780
Loss on tax purpose reduction entry of non-current assets	-	27
Loss (gain) on sale of non-current assets	(2)	(45)
Loss (gain) on valuation of investment securities	57	-
Decrease (increase) in trade receivables	(5,937)	5,355
Decrease (increase) in inventories	(110)	(1,506)
Decrease (increase) in accounts receivable - other	18	368
Decrease (increase) in consumption taxes refund receivable	(31)	(2,596)
Increase (decrease) in trade payables	(4,954)	(4,213)
Increase (decrease) in accounts payable - other	(10)	686
Increase (decrease) in accrued consumption taxes	(1,828)	(248)
Other, net	206	(92)
Subtotal	12,795	(6,925)
Interest and dividends received	124	177
Interest paid	(389)	(703)
Subsidies received	-	27
Amount of damages received	11,881	-
Amount paid for system failure response expenses	-	(2,760)
Income taxes paid	(11,762)	(1,195)
Income taxes refund	259	576
Net cash provided by (used in) operating activities	12,908	(10,802)

(Millions of yen)

	For the fiscal year ended May 20, 2025	For the fiscal year ended May 20, 2026
Cash flows from investing activities		
Purchase of property, plant and equipment	(9,281)	(8,249)
Proceeds from sale of property, plant and equipment	9	62
Purchase of software	(6,167)	(4,581)
Purchase of long-term prepaid expenses	(212)	(265)
Payments of guarantee deposits	(735)	(89)
Proceeds from refund of guarantee deposits	156	208
Loan advances	(42)	(7)
Proceeds from collection of loans receivable	36	72
Payments into time deposits	-	(700)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(327)	-
Purchase of investment securities	-	(387)
Payments for asset retirement obligations	(14)	(252)
Other, net	(0)	(25)
Net cash provided by (used in) investing activities	(16,579)	(14,216)
Cash flows from financing activities		
Proceeds from short-term borrowings	2,800	-
Repayments of short-term borrowings	(2,800)	-
Net increase (decrease) in short-term borrowings	-	26,900
Proceeds from long-term borrowings	6,635	4,000
Repayments of long-term borrowings	(4,199)	(6,096)
Repayments of lease liabilities	(3,165)	(4,401)
Proceeds from sale and leaseback transactions	886	13,043
Proceeds from share issuance to non-controlling shareholders	55	137
Purchase of treasury shares	(6,219)	(6,445)
Dividends paid	(3,544)	(1,776)
Dividends paid to non-controlling interests	(98)	(138)
Net cash provided by (used in) financing activities	(9,649)	25,221
Effect of exchange rate change on cash and cash equivalents	-	-
Net increase (decrease) in cash and cash equivalents	(13,321)	201
Cash and cash equivalents at beginning of period	61,744	48,423
Cash and cash equivalents at end of period	48,423	48,624

(5) Notes to Consolidated Financial Statements

(Notes to Going Concern Assumption)

Not applicable.

(Significant Accounting Estimates)

(Recoverability of deferred tax assets)

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

(Million yen)

	Fiscal Year Ended May 20, 2025	Fiscal Year Ended May 20, 2026
Deferred tax assets (before offsetting against deferred tax liabilities)	4,782	13,257

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

Due to the impact of the system outage resulting from damage to the logistics systems caused by the ransomware attack targeting the Company that occurred on October 19, 2025, the Company recorded tax loss carryforwards in the fiscal year under review. As a result, the Group recorded deferred tax assets of 8,462 million yen related to tax loss carryforwards.

Deferred tax assets are recorded after performing a careful estimate of taxable income based on future profit plans and a determination of the recoverability. Future taxable income is estimated based on the business plan, and the business plan uses sales growth as a major assumption, mainly driven by strengthening product offerings in line with customer needs, differentiating through the strengthening of original products, and enhancing the convenience of the online storefront through site integration.

As these major assumptions are subject to uncertainty, if a review of the assumptions results in a significant impact on the estimate of taxable income, a reversal of deferred tax assets may occur in the consolidated financial statements in the next fiscal year.

(Additional Information)

In the consolidated statement of income, expenses of 5,108 million yen incurred in response to the system outage caused by the ransomware attack on October 19, 2025, have been recorded as “System failure response costs” under extraordinary losses. The main components include costs to maintain the logistics infrastructure and other facilities in preparation for service restoration, system investigation and restoration expenses, and valuation losses on products with expired shipping deadlines.

(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.

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 2025 (From May 21, 2024 through May 20, 2025)

(Million yen)

	Reporting Segment			Other (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
Other	—	—	—	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 50 million yen.

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

Fiscal Year Ended May 2026 (From May 21, 2025 through May 20, 2026)

(Million yen)

	Reporting Segment			Other (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	282,947	—	282,947	—	282,947	—	282,947
LOHACO Business	28,084	—	28,084	—	28,084	—	28,084
Group companies and elimination of intra-group transactions	82,049	—	82,049	—	82,049	—	82,049
Logistics Business	—	6,276	6,276	—	6,276	—	6,276
Other	—	—	—	840	840	—	840
Revenue from contracts with customers	393,081	6,276	399,358	840	400,199	—	400,199
Sales to external customers	393,081	6,276	399,358	840	400,199	—	400,199
Intra-segment sales or transfer	3	—	3	1,140	1,143	(1,143)	—
Total	393,084	6,276	399,361	1,981	401,342	(1,143)	400,199
Segment profit (loss)	(16,270)	(1,199)	(17,469)	10	(17,458)	13	(17,445)
Segment assets	224,257	3,575	227,832	2,075	229,907	—	229,907
Other items							
Depreciation	12,590	280	12,870	250	13,121	—	13,121
Amortization of goodwill	503	33	536	0	537	—	537
Increase in property, plant and equipment and intangible assets	12,962	350	13,313	30	13,343	—	13,343

(Notes) 1. “Other” represents business segments that do not fall under the Reporting Segment and includes the manufacturing business.
2. The adjustment of 13 million yen to segment profit (loss) represents the elimination of inter-segment transactions of 13 million yen.
3. Segment profit (loss) is adjusted with operating loss reported in the consolidated financial statements.

[Related Information]

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.

Fiscal Year Ended May 2026 (From May 21, 2025 through May 20, 2026)

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 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.

Fiscal Year Ended May 2026 (From May 21, 2025 through May 20, 2026)

(Million yen)

	Reporting Segment			Other (Note)	Total
	E-commerce Business	Logistics Business	Total		
Impairment loss	4,823	–	4,823	–	4,823

(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 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.

Fiscal Year Ended May 2026 (From May 21, 2025 through May 20, 2026)

(Million yen)

	Reporting Segment			Other (Note)	Total
	E-commerce Business	Logistics Business	Total		
Amount amortized during the fiscal year	503	33	536	0	537
Unamortized balance at the end of the fiscal year	560	161	722	–	722

(Notes) 1. In the “E-commerce Business,” an impairment loss on goodwill of 3,524 million yen was recorded.

2. The amount stated in “Other” pertains to the manufacturing business.

[Gain on bargain purchase by reportable segment]

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

Not applicable.

Fiscal Year Ended May 2026 (From May 21, 2025 through May 20, 2026)

Not applicable.

(Per Share Information)

	Fiscal Year Ended May 20, 2025 (From May 21, 2024 through May 20, 2025)	Fiscal Year Ended May 20, 2026 (From May 21, 2025 through May 20, 2026)
Net assets per share	831.73 yen	533.94 yen
Basic earnings (loss) per share	95.45 yen	(245.41) yen
Diluted earnings per share	95.37 yen	— yen

(Notes) 1. Diluted earnings per share for the fiscal year under review is not presented despite the existence of dilutive shares, because basic loss per share was recorded.

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

	Fiscal Year Ended May 20, 2025 (From May 21, 2024 through May 20, 2025)	Fiscal Year Ended May 20, 2026 (From May 21, 2025 through May 20, 2026)
Basic earnings (loss) per share		
Profit (loss) attributable to owners of parent (million yen)	9,068	(22,150)
Profit not attributable to common shareholders (million yen)	—	—
Profit (loss) attributable to owners of parent related to common stock (million yen)	9,068	(22,150)
Average number of shares (thousand shares)	95,009	90,260
Diluted earnings per share		
Adjustments to profit attributable to owners of parent (million yen)	(8)	—
[Of which, adjustment for dilutive shares of consolidated subsidiaries (million yen)]	[(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 make changes to its representative director and other officers at the 63rd Annual General Meeting of Shareholders to be held on August 6, 2026 and at the subsequent Board of Directors meeting.

1) Change in representative director

- New representative director candidate

  Takeshi Narimatsu

- Retiring representative director

  Akira Yoshioka

2) Change in other officers

- New director candidates

  Director other than a Director serving as a member of the Audit and Supervisory Committee

Director	Takeshi Narimatsu

  Director serving as a member of the Audit and Supervisory Committee

Director (Outside/Part-time)	Masaya Tochio

- Retiring directors

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

Director	Akira Yoshioka
Director	Katsuhiro Kawamura
Director (Outside/Part-time)	Yumiko Ichige
Director (Outside/Part-time)	Naomi Aoyama

- Resigning director

  Director serving as a member of the Audit and Supervisory Committee

Director	Toshio Imamura

3) Scheduled date of assumption of and retirement/resignation from office

  August 6, 2026

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

Item	Fiscal Year Ended May 20, 2025 (From May 21, 2024 through May 20, 2025)		Fiscal Year Ended May 20, 2026 (From May 21, 2025 through May 20, 2026)		
	Amount (Million yen)	Ratio to Sales (%)	Amount (Million yen)	Ratio to Sales (%)	Year-on-Year Change (%)
Personnel expenses	25,148	5.2	26,273	6.6	104.5
Shipment expenses	21,347	4.4	20,968	5.2	98.2
Subcontract expenses *1	6,247	1.3	7,204	1.8	115.3
Business consignment expenses *2	11,685	2.4	10,615	2.7	90.8
Rents	12,508	2.6	13,251	3.3	105.9
Provision of allowance for doubtful accounts	(16)	(0.0)	18	0.0	—
Depreciation *3	4,328	0.9	5,210	1.3	120.4
Amortization of software *4	5,053	1.1	5,643	1.4	111.7
Other expenses	17,231	3.6	17,572	4.4	102.0
Total	103,534	21.5	106,758	26.7	103.1

*1. Compared with the previous fiscal year, subcontract expenses for the fiscal year under review increased. This was mainly due to the impact of the incurred licensing expenses for generative AI, etc. associated with DX promotion, as well as the incurred expenses in response to the ransomware attack, including measures to strengthen security.

2. Compared with the previous fiscal year, business consignment expenses for the fiscal year under review decreased. This was mainly due to the impact of decreased net sales resulting from a temporary suspension of order acceptance via our website following the ransomware attack, while the ratio of business consignment expenses to net sales increased due to reduced operational efficiency at distribution centers caused by the manual work required in response to the ransomware attack.

3. Compared with the previous fiscal year, depreciation for the fiscal year under review increased. This was mainly due to the impact of temporarily suspending operations of facilities at distribution centers due to the system outage caused by the ransomware attack, resulting in the recognition of depreciation related to those assets during the suspension period as non-operating expenses, as well as the impact of the launch of “ASKUL Kanto DC.”

4. Compared with the previous fiscal year, amortization of software for the fiscal year under review increased. This was mainly due to the impact of temporarily suspending operations of our websites such as “ASKUL,” “SOLOEL ARENA,” and “LOHACO” due to the system outage caused by the ransomware attack, resulting in the recognition of amortization related to those assets during the suspension period as non-operating expenses, as well as the impact of core system replacement.