

July 29, 2019

To whom it may concern

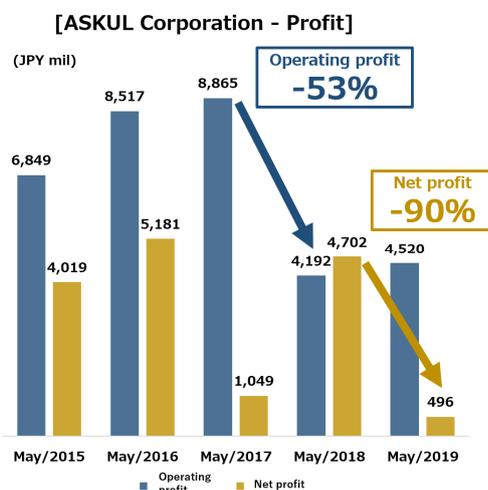
Yahoo Japan Corporation  
Kentaro Kawabe  
President and CEO  
Stock Code: 4689

**Supplementary Explanation on Our Exercise of Volting Rights**  
**in ASKUL's 56th Shareholders Meeting**

Yahoo Japan Corporation (the "Company") hereby gives supplementary explanation on the reasons for its exercise of its voting rights against the reappointment of President and CEO Shoichiro Iwata (hereafter "President Iwata") and others in proposal 2 "Election of Directors" in the 56th Annual General Meeting of the Shareholders of ASKUL Corporation (hereafter "ASKUL") to be held on August 2, 2019, and the subsequent situations.

1. Largest reason for voting against President Iwata and others, is their responsibility towards the stagnant business performance.
  - The operating profit of ASKUL for fiscal year ended May 2018 decreased 53% YoY. The net profit of fiscal year ended May 2019 decreased 90% YoY.
  - At the business result announcement in July 2017, President Iwata declared that "ASKUL will have a V-shaped recovery in fiscal year ending May 2019" and that "ASKUL will aim to achieve the highest ever profit." However, this declaration was retracted the following fiscal year; thus, we question President Iwata's leadership and capability to achieve business goals.

【Diagram 1: ASKUL's operating profit and net income】



2. Sluggish share price that reflects stagnant business performance

•Improving share price is the common interest of all shareholders both major and minority. However, as shown in the following diagram, while the CAGR of Nikkei 225 is rising by 17% in approximately three years (July 1, 2016 to July 10, 2019), the CAGR of ASKUL's share price is falling by 22.2%.

【Diagram 2 Approx. three year trend of Nikkei 225 and ASKUL share price】

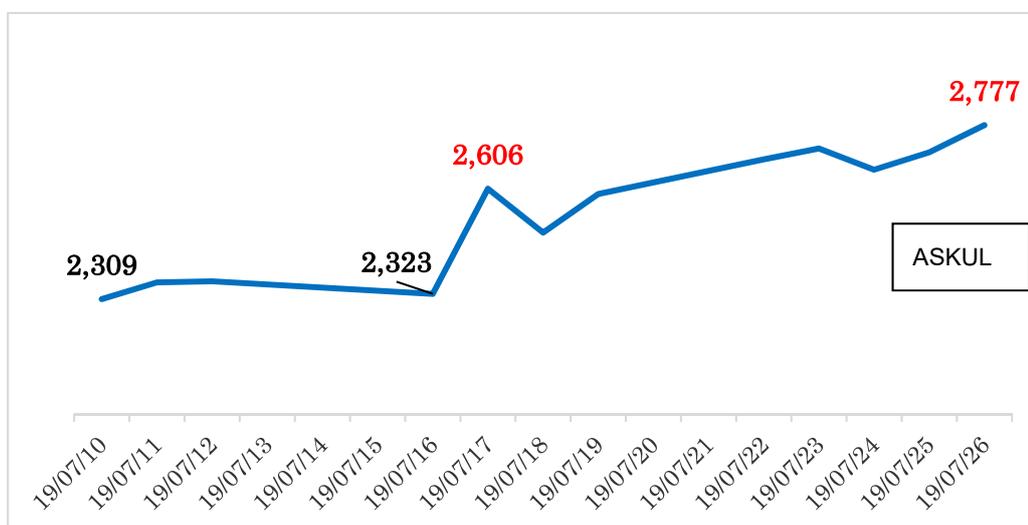


※Share price of July 1, 2016 = 100

3. Rise in ASKUL's share price after the Company's announcement to vote against the reappointment of President Iwata and others

•ASKUL's share price rose after the Company's announcement\*1 on July 17, and the share price has remained high thereafter. We view that this reflects the expectations towards business recovery and rise in corporate value through fundamental management reform under a new management team.

【Diagram 3 ASKUL's share price on and after July 10】



\*1 Exercise of Yahoo Japan Corporation's Voting Rights on the Proposal on the Election of Directors (Proposal No. 2) in ASKUL Corporation's 56th Annual General Meeting of the Shareholders

[https://file.swcms.net/file/sw4689/en/ir/news/news5253465997672989484/main/0/link/20190717\\_a.pdf](https://file.swcms.net/file/sw4689/en/ir/news/news5253465997672989484/main/0/link/20190717_a.pdf)

4. Minority shareholders of ASKUL, PLUS Corporation and Rheos Capital Works Inc. are also against the reappointment of President Iwata and others

•ASKUL's minority shareholder, PLUS Corporation (hereafter "PLUS"), also made an announcement\*2 on July 24 on its reasons against the reappointment of President Iwata and others, and that it has also exercised its voting rights for this matter.

•In addition, the Company has also directly received a comment\*3 from Rheos Capital Works Inc. (hereafter "Rheos") today that it agrees with the Company's exercise of voting rights. Rheos is also ASKUL's minority shareholder and an investment management company famous for Hifumi Fund, etc.

\*2 PLUS: Exercise of Voting Rights on the Proposal on the Election of Directors (Proposal No. 2) in the 56th Annual General Meeting of the Shareholders

<https://www.plus.co.jp/news/201907/0003752.html> (Japanese only)

【Excerpt from media statement by PLUS】

As the founder of ASKUL, the Company (PLUS) has cooperated with ASKUL for a long time. However, we are deeply disappointed that President Iwata, based on his speculation, has recently said in some interviews with the media, etc. that it is very possible that our President & Chief Operating Officer and ASKUL's outside director, Koji Imaizumi "may have been used by Yahoo Japan Corporation." Furthermore, ASKUL suddenly tried to resolve the business and capital alliance with Yahoo Japan after the announcement by Yahoo Japan and PLUS of their exercise of voting rights. This conflicts with the statement by ASKUL's director in the press conference after this incident was revealed, in which he stressed the synergy with Yahoo Japan, including the collaboration in the LOHACO business. We regard that ASKUL's request to resolve the alliance is not for maintaining or improving ASKUL's business results, but is merely for the sake of maintaining President Iwata's current management team and protecting their interest. We would also like to add that from the standpoint of a minority shareholder, it was regrettable that the independent outside directors were unable to correct the management appropriately.

\*3 Comment by Rheos:

"In order to improve the business result and the share price of ASKUL, we support Yahoo Japan Corporation's judgement on its exercise of voting rights in the shareholders meeting to be held on August 2. After this shareholders meeting, we hope that ASKUL (and the largest shareholder, Yahoo Japan) promptly constructs an appropriate governance structure. We will also pay careful attention to see if the interests of the minority shareholders are secured."

5. Cooperation on the quick recovery of ASKUL's business performance and the establishment of an effective governance structure

After ASKUL's shareholder meeting, the Company will continue to cooperate in "ASKUL's quick recovery of its business performance" while we respect the independence of ASKUL's management.

Furthermore, in light of "Japan's Corporate Governance Code" by Tokyo Stock Exchange and the "Practical Guidelines for Group Governance Systems"<sup>\*4</sup> by the Ministry of Economy, Trade and Industry established on June 28, 2019, the Company will pay due consideration to the interests of ASKUL's general shareholders and will take actions to secure an effective governance system in ASKUL. In this shareholder meeting, the Company has exercised its voting rights also against the reappointment of ASKUL's independent outside directors in view of the "role of supervising business execution (managerial decision-making)" etc. in order to improve the corporate value in the rapidly changing e-commerce market, which is in the common interest of all shareholders. However, the Company believes that it is important that the independent outside directors perform their roles to secure the interests of general shareholders; and this is also important in light of the Company's responsibility, as the largest shareholder, to secure an effective governance system in ASKUL. To this end, the Company will cooperate to the utmost so that sufficient number of new independent outside directors will be promptly elected in order to secure the interests of the general shareholders, through ASKUL's extraordinary meeting of the shareholders or other means and with the premise that the independence of ASKUL's nomination process is secured.

<sup>\*4</sup> Ministry of Economy, Trade and Industry: "Practical Guidelines for Group Governance Systems"  
<https://www.meti.go.jp/press/2019/06/20190628003/20190628003.html> (Japanese only)

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