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Yahoo Japan Corporation

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President and CEO

Stock Code: 4689

**ASKUL Corporation's 56th Shareholders Meeting and Its Board of Directors Meeting**

Yahoo Japan Corporation (hereinafter referred to as "Yahoo") hereby expresses the following opinions with regard to the meeting of the Board of Directors of ASKUL Corporation (hereinafter referred to as "ASKUL") to be held on August 1 (hereinafter referred to as "the Board of Directors' Meeting") and ASKUL's 56th Annual General Meeting of Shareholders to be held on August 2 (hereinafter referred to as "the General Meeting of Shareholders").

**1. The general meeting of shareholders is the highest decision-making body at a stock company**

- The general meeting of shareholders serves as the highest decision-making body in the governance of a stock company, and voting rights are the most important rights for shareholders.
- If shareholders exercise of voting rights is ignored, it practically means that the board of directors serves as the highest decision-making body in a listed company (not limited to the case of parent-subsidiary listings), which ultimately denies the backbone of the stock company system.
- Respecting the independence of the management of ASKUL as a listed company is a completely different issue from shareholders exercise of voting rights. President Iwata's claim entirely ignores the basis of the stock company system where the general meeting of shareholders ensures governance through the election and dismissal of directors. His claim is nothing but an effort to justify his eager to continue to serve as president for his own interest.

**2. The dissolution of the business and capital alliance by refusing the cooperation from Yahoo will result in impairing the value of the LOHACO business**

- Since ASKUL, which had been specialized in B-to-B, launched B-to-C e-commerce business LOHACO, Yahoo has provided a wide range of support including sending its customers from various service portals including the top page of Yahoo! JAPAN and Yahoo! Shopping based on its experiences and knowhow in B-to-C services. We are confident that Yahoo's support to the LOHACO business helped ASKUL to accelerate the speed of growth and expand the scale of the LOHACO business, compared to the scenario where the business were operated by ASKUL alone.

- ASKUL's Board of Independent Directors including President Iwata and three independent outside directors has been trying to dissolve the business and capital alliance with Yahoo without any valid contractual basis at the cost of synergy with Yahoo gained through customers sent from Yahoo! JAPAN service portals among others. Giving up such synergy is a management decision that will make it difficult for the current LOHACO business to achieve further growth and profitability. This decision will significantly impair ASKUL's corporate value from a medium- to long-term perspective. Therefore, from the viewpoint of increasing ASKUL's corporate value over a medium- to long term and maximizing the common interests of shareholders, Yahoo cannot pass a vote of confidence in not only President Iwata but also the three independent outside directors who ask for the dissolution of our business and capital alliance agreement.

### **3. The most important thing is the enhancement of ASKUL's corporate value**

- ASKUL announced that the Board of Directors' Meeting to be held on August 1 will discuss the demand for the transfer of the shares of ASKUL stock held by Yahoo due to the reason that there has been a material breach of the business and capital alliance by Yahoo. However, it is clear that Yahoo's exercise of voting rights as a shareholder at the General Meeting of Shareholders does not fall under the scope of violations of our business and capital alliance agreement (the right to demand the transfer of shares has not emerged).
- We are confident that Yahoo will be able to enhance ASKUL's corporate value the most through the provision of cooperation and support for the LOHACO business. President Iwata has been unilaterally proceeding with procedures related to the demand for the transfer of the shares of ASKUL stock for his own sake without any valid contractual basis. However, if ASKUL's Board of Directors consult with us by proposing a candidate for the transferee of shares of ASKUL stock who can enhance ASKUL's corporate value more than Yahoo regardless of our business and capital alliance agreement, Yahoo will not refuse to have conversation with such third party.
- In any case, Yahoo has already expressed its intention to continue the business and capital alliance agreement and actively contribute to the enhancement of LOHACO's business value. We are convinced that this is the most realistic and feasible path towards the enhancement of ASKUL's corporate value (common interest of all shareholders).

#### Disclaimer

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