



INTEGRATED REPORT

# AS ONE REPORT 2024



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### [ Purpose ]

**Accelerating results by connecting people, products, information, and services in the fields of research, industry, and medical care.**



### [ Management Philosophy ]

## Innovation and Creation

- Continually solving new challenges for a better future -

AS ONE's philosophy of 'Innovation and Creation' is rooted in our tenacity to develop transformative product, value and system that provide solutions for our customers. Therefore, we seek for new challenging market environments and value uniqueness as it allows us to innovate and create something that is original. Our aim is also to achieve something unique, something that has never been seen before: new products, new value, new systems.

### [ Origin of Our Name ]



The phrase "AS ONE" sums up our business model of operating as a unified team made up of many partners. Our company name "AS ONE" represents our value of unity. Amidst the ever-changing environment, we strive together with our customers, distributors and suppliers to tackle unprecedent challenges. With compassion and cooperation with our partners, we are nurturing the value of unity.





President  
**Takuji Iuchi**

## Looking ahead to a new stage of growth in the next Medium-Term Management Plan, we will steadily implement measures to expand our business.

In FYE 03/2024, the Company's net sales increased for the 14th consecutive year, a record high. We are also making steady progress on the revised Medium-Term Management Plan, "PROJECT ONE ver.2.0", which was formulated in May 2022 [P.41](#), and are aiming for further achievements toward the FYE 03/2025 goal. And, for the next Medium-Term Management Plan, we will strive to formulate a strategy appropriate for a new stage of growth in light of the results we have accumulated thus far.

**Establishing a business model that is less susceptible to changes in the external environment.**

As a comprehensive wholesaler in the fields of research, industry, and medical care, AS ONE is a company that continues to create unparalleled value in products, information networks, logistics, and other areas under our management philosophy of "Innovation and Creation." The phrase "AS ONE" sums up our business model of operating as a unified team made up of many partners. Our company name, "AS ONE" represents our value of unity and we strive together with our customers, distributors and suppliers to tackle unprecedent challenges. With compassion and cooperation with our partners, we are nurturing the value of unity.

Until now, AS ONE's mission has been to create an environment in which researchers can focus on their research work by proposing concrete solutions to the "three insufficiencies" of "Insufficient time," "Insufficient money," and "Insufficient utilization" that our customers in the research sector face. Research institutes, which are our major customers, have commented that "AS ONE's purchasing system supports our research activities."

In FYE 03/2024, net sales increased for the 14th consecutive period to 95.5 billion yen. In addition to conventional catalog sales, e-commerce, including the consolidated purchasing system, has contributed

significantly to the improvement of sales. Net sales are forecast to exceed 100 billion yen in FYE 03/2025. As symbolized by our management philosophy of "Innovation and Creation," we have established a strong business model unique to AS ONE by responding quickly to the changing times since our founding. [P.15](#)

In our 90-year history, we have only experienced a decline in sales twice: in 2001 when the IT bubble burst and in 2008 when Lehman Brothers collapsed. [P.13](#) Looking at sales trends over the period between FY2019 and FY2023, when the COVID-19 pandemic took place, the Scientific sector and Industrial sector continue to increase at an average annual rate of 8.6%. Also, the Hospital and Nursing Care sector grew by about 5% on average during the period, despite a double-digit decline in sales in FY2023 due to the COVID-19 pandemic ending. [P.19](#) The company's strength lies in the fact that our business has consistently achieved stable growth regardless of the rapid changes in the external environment.

**Open website with a product database of over 10 million items**

Speaking of the factors behind AS ONE's steady business expansion, the biggest driver is e-commerce. [P.16](#) We have established three types of easy-to-use



systems that are available for different sizes of customers: the “ocean” consolidated purchasing system for large-scale companies, the dealer-supported “Wave” for medium-sized companies, and “AXEL” for small companies. Furthermore, we are currently developing four channels, including a platform for mail order vendor businesses. E-commerce sales have been rising steadily year after year, with a projection of 32.1 billion yen in FY2024.

In addition, the composition ratio of e-commerce sales has been increasing year after year. [P.42](#) Composition ratio is expanding from 8% 10 years ago to 20% 5 years ago and most recently expanding to 32%. Recently, our newly established Data-Driven Development Group has played a central role in driving the growth of our business, from sales to procurement and administrative departments, and measures based on data analysis are paying off and helping the business grow. AS ONE has an open website called SHARE-DB with a product database of over 10 million items, which is used by users and dealers. [P.42](#)

When connecting a user company to the consolidated purchasing system, there were times when the person in charge of purchasing management would say, “About AS ONE, we only need you to list catalog items in the physical and chemical sectors.” However, this alone would limit the scope of transactions to only about 100,000 items. Conventionally, it has been difficult to get user companies to accept our requests to expand the number of items. However, when we show the search history of the user company’s open site and explain, “Despite having accumulated such a large number of search results from your users, they are unable to purchase products smoothly because they are not listed in the consolidated purchasing system with your company,” we increasingly receive responses such as, “In that case, please do list those items.” AS ONE’s unique data warehouse contains more than 10 million items, and the amount of purchases is rising steadily as these items spread to the consolidated purchasing system with user companies, a place where customers can see them every day.

### Supply chain visualization called “Virtual inventory” [P.43](#)

Along with the development of e-commerce tailored to the purchasing needs of our customers, our extensive product selection and visible supply chain, which we refer to as virtual inventory, are also key factors in our business expansion. Under the belief that “information is the root of competitive advantage in the coming era,” we have invested heavily in the digital sector and have built a system that enables us to provide an unparalleled product selection, ancillary information, and short delivery times throughout the entire supply chain.

The product selection has already exceeded 10 million items, and the goal is to reach 12 million items in FY2024. We are urging suppliers that they should register the inventory amounts they have in our huge product database. The inventory registered and held by suppliers is referred to as “virtual inventory,” and this activity is called “suppliers’ inventory visualization.”

As a general rule in e-commerce, as the product selection expands, so does the burden of inventory expansion and accurate delivery date management. Accordingly, an additional investment of 20 to 30 billion yen would be required to procure the land, buildings, and even material handling on their own. Furthermore, long tail inventory tends to become ultra long tail inventory, which means that no matter how much profit you make, you will end up investing in things, such as company-owned or leased logistics centers, which do not contribute to business performance, and your inventory funds will tend to stagnate.

In response, AS ONE has been promoting visualization of suppliers’ inventory by linking it to our product database. The total amount of visible inventory is currently expanding to 125 billion yen. The total amount of virtual inventory is approximately 12 times larger than our actual inventory, which is approximately 10 billion yen. This allows users to know that the product they are searching for is in inventory somewhere in Japan. By linking to the product database, both users and dealers are also freed from the hassle of checking the latest prices and confirming delivery dates. In addition, of the products ordered, approximately 90% are shipped from AS ONE’s actual inventory the same day, and 80% are shipped within three days from our virtual inventory. We will strive to improve customer convenience by further shortening delivery times.

### Services domain growing toward becoming a new business pillar

With respect to the main measures of the Medium-Term Management Plan, I have already reported on the expansion of our e-commerce and product selection. In addition, we are steadily advancing measures to expand our overseas operations and services.

First, in terms of our overseas business, in China, where we have a local subsidiary, sales were below those of last year due to the impact of the economic slowdown. However, in contrast to the sharp slowdown in activity among its local competitors, AS ONE SHANGHAI Corporation, a local subsidiary, has experienced only a slight decline and projects a slight increase in sales for FYE 03/2025. Meanwhile, overseas sales, especially in Asia outside of China, were strong, increasing net sales by 22% in FYE 03/2024. For FYE 03/2025, we forecast to surpass the 2 billion yen mark, which is the target in our Medium-Term Management Plan.

As for the Services domain, on the other hand, we are focusing on developing it into a new pillar of our business domains. [P.37](#) We have already seen a steady increase in recognition of our services, such as high-end equipment rental, calibration of measuring instruments and other equipment, and contracted services related to research work.

Since this domain is a human-based and analog domain of business, it is not growing at an exponential rate, but it is growing steadily at an average growth rate of 20%. Moreover, this niche market is one in which AS ONE can easily demonstrate its strength by connecting with researchers on a daily basis, a field where competitors cannot easily enter.

In the Services domain, we hear comments from customers such as, “We need high-end measuring instruments for our research, but it is difficult to secure a budget for purchase because it is a time-limited project,” or “When purchasing high-end equipment, we would like to first confirm its usefulness by renting it before buying.” To address these issues, we are planning to expand our rental products. This will promote the research activities of our customers, while we can expect synergistic effects with both rentals and product sales. Together with calibration services for measuring instruments, where orders are increasing, we have been able to reliably manifest a potential market and we are making significant progress toward building a new business pillar.

### Further expanding business by leveraging strengths such as data analysis and logistics functions

FY2024 is the final year of our Medium-Term Management Plan, and we are focusing on each and every management issue to create further results. Currently, sales are strong in all three main sectors. In addition to private investment being robust in the research domain, the fact that budget execution in academia has begun ahead of previous years is also providing advantages. The industry domain is also expected to show a general trend of revitalization, and the medical care domain is also expected to recover from the decline following the COVID-19 pandemic and switch to positive growth.

Given these circumstances, we are planning a 6% YoY growth in net sales for FYE 03/2025, and we will continue to boldly take on the challenge of approaching the figures set forth in our Medium-Term Management Plan ver.2.0. Although the social situation is characterized by negative factors such as labor shortages and the logistics industry’s “2024 problem,” we believe that many of these factors will actually have a positive impact on our business. However, depending on the economic downturn in Europe and China, as well as exchange rate movements, it must be said that this will have an impact on R&D investment by major companies. Therefore, we are constantly monitoring market trends and are prepared to respond flexibly to any situation that may arise.

One of the measures we are focusing on to improve performance is data analysis that looks at the entire supply chain. [P.45](#) By diversifying the approaches to data analysis, from marketing to procurement, logistics, and sales trends, we can expect new perspectives on solving issues and outcomes that will lead to increased sales and profits.

At the same time, we will further enhance logistics functions, which is another of our company’s strengths. We will establish ourselves as a hub (central base) of the industry’s logistics network by promoting the Milk Run method [P.50](#) and joint logistics with other companies in all upstream, midstream, and downstream areas of the market.

As for our new logistics center, the Hanshin DC, which was launched in 2023, we will leverage its capacity to the fullest extent to contribute to the increase in sales. At the same time, the center will take advantage of its unique characteristics to provide services for mail order vendors and direct delivery to users, thus providing services that scratch the itch, so to speak.

## Pursuing AS ONE's unique position in the medical care domain

In addition to achieving the results of the Medium-Term Management Plan, we are also steadily advancing initiatives aimed at growth in the next fiscal year and beyond. In April 2024, with the intention of strengthening the organization and the new initiatives, eight new organizations and reorganizations were implemented. Also, as a new challenge, we moved into the International Center for Future Medicine Nakanoshima Qross. Our aim is here to become a global cutting-edge center for the provision of medical care, including regenerative medicine. This is an unprecedented industrial center that brings together medical institutions, companies, startups, and support organizations in the same facility. We are involved in regenerative medicine by investing and collaborating with other companies in a consortium, providing facilities and accumulating know-how related to culture and clean environment. We will build our company's unique position in the medical care domain, going beyond our current role as a supplier of medical equipment and consumables.

We have traditionally provided solutions and consulting services to researchers, led by our Specialized Business Division through a team of experts in research operations. Based on these results, the company will promote sales of specialized devices intended to support the field of regenerative medicine and provide solutions such as contract analysis services. The Biotechnological Transformation (BX) Strategy recommended by KEIDANREN (Japan Business Federation) is in line with "solving societal problems by accelerating research results," which our company advocates, and we will expand the scope of our business through our initiatives at Nakanoshima Qross. [P.40](#)

My vision expressed in the next Medium-Term Management Plan is, simply, to always expand our vision to look beyond the glass. By stepping beyond the current 300 billion yen market for general-purpose instruments and consumables, the core of our current sales, and expanding into analytical and measuring instruments and other high-end instruments, we will target the 1 trillion yen market in the medium- and long-term.

In preparation for this, we will leverage our position as a hub in the industry, which is one of our strengths, to offer a diverse menu of services, from the sale of new equipment to rental and leasing, as well as used equipment sales. In addition, we will

contribute to the acceleration of research results by eliminating waste in our customers' research activities through our involvement in the entire lifecycle of equipment, from management to recycling.

What we recognize as a medium- and long-term risk is, for one, the increasing digitization of research. With respect to this, as we have already begun, we will accelerate our expansion into the digital hardware and software domains. In the future, in terms of sales of goods, even BtoB, competition will inevitably intensify due to price comparison services and other factors. Through the expansion of the comparatively difficult services domain, we will continue to build a competitive advantage by quickly establishing an attractive one-stop platform and establish a unique arena.

## Aiming to be a company that can create original corporate value

Since I became President, this year marks my 16th year in office. Currently, I am particularly focused on two key areas: training younger employees, and creating an environment in which junior employees can play an active role while looking ahead towards the digital age. As a management executive, I also try to look outside the glass on a daily basis and incorporate best practices from around me as well as from outside sources, such as different industries.

Continuous evolution is the source of stimulation and revitalization of the organization. Having everyone come together to generate ideas that contribute to accelerating the results of research, medical care, and cutting-edge industry is the root of AS ONE's strength. Therefore, it is essential that not only myself but also each of our employees expand our vision. I strive to actively ask questions of my employees and engage in serious small talks with people in all departments about such things as "Wouldn't it be nice if we could do something like this?"

Today, with the advent of generative AI, anyone can obtain best-practice information simply by asking questions. Being the first to introduce these advanced technologies gives a temporary advantage, but because these technologies can be introduced by anyone, the competitive advantage is not long-lasting. For the future generations, it is original value and difference that will truly be the focus. Who will create this? I believe it will be the geniuses who have traditionally been thought of as being heterogeneous.

For example, these include heretical researchers,

creators of seemingly incomprehensible works of art, and cooks who transcend the world's conventional wisdom. It is precisely these geniuses who will be able to create a world that has never seen anything like it before. I believe that the role of an ordinary person like me who works steadily is to understand and support the work of geniuses. This is because many people who are considered geniuses are surprisingly clumsy or awkward in fields other than their field of expertise. I want to continue to be a behind-the-scenes force that these people can rely on to support them.

## Connecting new values as points, as lines, and further expanding them into planes

In the future, while steadily implementing our growth strategy, we must also pay close attention to further strengthening our business base looking ahead to an expanding organization. We will continue to address various ESG issues.

First of all, for us, being in the logistics industry, solving environmental problems through improved logistics is one of our important themes. We aim to both protect the environment and achieve cost reductions, starting with contributions toward carbon neutrality. As the logistics crisis worsens, many companies are increasingly using our delivery services, which offer the advantage of lower freight expenses and less environmental impact than individual procurement from manufacturers. [P.43](#)

Meanwhile, in order to improve logistics efficiency and protect the environment, we are working to reduce total transportation distances by utilizing a variety of data, such as product shipping destinations, etc. Through these activities, we have reduced the monthly delivery distance by seven times around the Earth in FY2023. [P.50](#)

Promoting human capital management is another important condition for sustainable growth. [P.54](#) While retaining young human resources has become an issue, the company is fortunate to have an extremely low turnover of junior employees. While we aim to achieve both a sense of growth for our employees and a contribution to the company's

growth, we are focusing on the development of human resources who are skilled in digital transformation.

One initiative is coordination with Shiga University, which has established the Faculty of Data Science, to provide training to develop data engineers. In addition, internally, each employee is working to automate repetitive tasks using RPA robots, and currently, 430 robots are in operation, automating 5,000 hours of repetitive tasks per month. [P.18](#) These results have led to activities not only internally but also externally, such as participating as panelists at IT-related events and providing digital transformation training outside the company, thereby expanding the scope of employees' activities.

And we will continue our efforts in strengthening corporate governance. Through transparency in management, speedy decision-making, and thorough compliance, we will further enhance our corporate value by raising the three values of business value, financial value, and reputation value.

In the future, AS ONE will pursue further growth, with net sales of 100 billion yen as only a passing point. As we have continued to plant various seeds from the viewpoint of responding to the issues of our customers and society, we are beginning to get a number of solid responses. Currently, new values that have grown up as "points" are being connected as "lines" and even spreading out as "planes." AS ONE will continue to pursue both social value and economic value by further accelerating "Innovation and Creation" toward a new growth stage.



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**Revision Policy**

AS ONE publishes this Integrated Report to convey information regarding our initiatives to increase our Group's corporate value to our shareholders and numerous other stakeholders. In the AS ONE Report 2024, we have created a new page to convey information regarding AS ONE in Society, and the top message includes the realization of purpose through our growth strategy and business. The special feature introduces AS ONE's initiatives to deepen and expand its contributing to research and medical care.

**Special information on forecasts**

This report contains predictions and forecasts related to future plans, strategies, and earnings. Please note that actual earnings may differ from the forecasts indicated in this Report.

**Scope of application and target period**

Target period :FYE 03/2024 (April 1, 2023 - March 31, 2024)  
Also contains partial reporting on FYE 03/2025.

Scope of application: AS ONE Group  
Also include certain nonconsolidated information for AS ONE.

**Referenced Guidelines**

IFRS Foundation International Integrated Reporting Framework  
Ministry of Economy, Trade, and Industry's Guidance 2.0 for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation

**A regenerative medicine ancillary business from Nakanoshima Qross Lab**

AS ONE opened the Nakanoshima Qross Lab, a Cell Processing Center (CPC) environment necessary for regenerative medicine, in the International Center for Future Medicine Nakanoshima Qross. This facility was established in Osaka Prefecture and aims to promote the industrialization of cutting-edge "future medical care" based on regenerative medicine and to respond to the rapid progress of medical care technology.

# AS ONE in Society

**AS ONE supports the development of society by serving as a hub for research, industry, and medical care, connecting people, products, information, and services.**

Various solutions are needed at R&D sites, which are responsible for the future of society, at production sites, which supply society on a daily basis, at medical institutions for illness and injury, and at nursing and medical care facilities. We provide people, things, information, and services as a hub for suppliers and sites, efficiently supplying them with an overwhelming lineup of products and services so that these on-site problems can be resolved as quickly as possible.

## Supplier network

**4,200** suppliers

## Dealer network

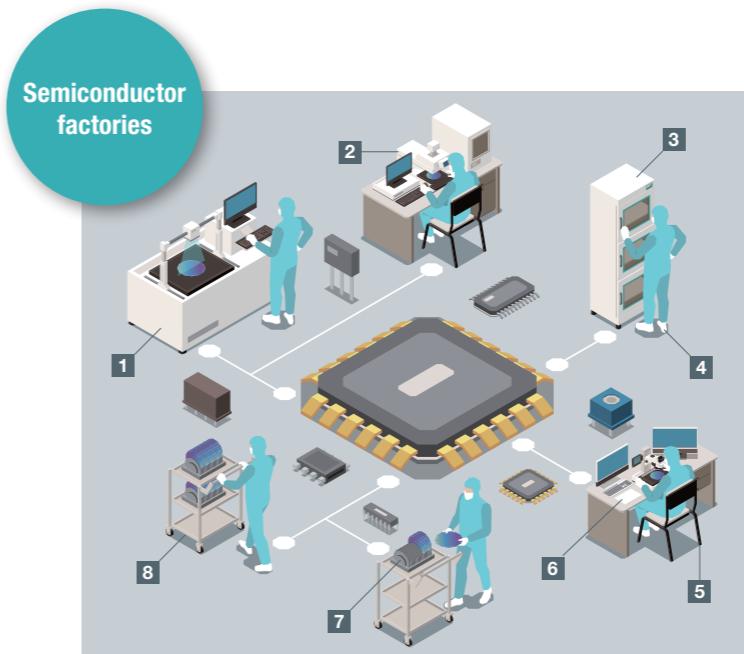
**13,000** locations

## Product selection & services

**10,600,000** products

## Society uses

**Research, industry, and medical care sites**



We provide products that support various operations that require strict results and quality, not only in semiconductor production, R&D departments, where high precision is required, but also in technical and quality inspection departments of general companies. Through these products, we provide extensive support to all sites in the industrial sector and contribute to improving their efficiency and quality.

1.Three-dimensional measuring machine  
3.Desiccator  
5.Electric conducting chair  
7.Wafer carrier

2.Electron microscope  
4.Clean suit / Shoes  
6.No dust paper  
8.Wagon

## Laboratories



We supply a wide range of products not only to university science laboratories, but also to a diverse range of R&D and quality inspection sites in general companies and government agencies. Recently, we have begun providing science teaching materials for use in primary, secondary, and higher education settings, supporting a wide range of generations of research sites.

1.Fume hood	2.Refrigerated showcases
3.Incubator	4.Chemical storehouse
5.Lab Desk / Chair	6.White coat
7.Balance	8.Flask / Petri dish
9.Dry Bath	10.Test tube / Beaker

## Hospital Staff station



We support the improvement of workability and comfort in medical care facilities by providing a wide range of products to meet all the needs of medical institutions, from testing equipment used in pathology laboratories, to hospital wards, treatment rooms, staff stations, and even clinics and nursing care facilities.

1.Table	2.Cart
3.Chair	4.Medicine shelf
5.Storage	6.Cold storage
7.Workbench	8.Medication cart
9.Treatment cart	10.Examination table / Chair

## TOPICS



### The co-Lab BRAINS Community release

With the aim of solving various issues for researchers, we have released a new “co-Lab BRAINS” community site to promote connections among researchers on the platform. On this site, we foster connections with individuals interested in science and the children who will become responsible for the future.



### New concept of providing research instruments on a rental basis.

We support researchers in advancing their research without interruption by providing rental solutions to their “problems” such as “I want to use it right now,” “I want to use it only for now,” “I have insufficient money at the moment,” “I don’t want to turn it into an asset,” and “I want to try it out first.”

# Our growth trajectory over the past 90 years since our founding

AS ONE was founded in Tenma, Osaka as a wholesaler of glass products for the medical industry in 1933. For nearly 90 years since then, we have continued to expand our business globally while also expanding our business domains to match changes in the needs of society. As a platform that connects people, things, services and information, we will continue to support research and medical institutions.



1972

Published the sixth edition of the General Research Instrument Catalog, "Plastics General Instrument Catalog No.21". Starting with this issue, the Catalog is now available for a fee.



1933

Our first president Moriichi Iuchi founded Iuchi Seieido Store in the district of Osaka's glassmaking.



1963

After recognizing the importance of the potential of plastic components in the physical and chemical sectors, and catalogs in sales, published "General Research Instrument Catalog No. 1".



1982

Started sale of clean room gloves; launched full-scale entry into the semiconductor-related product market. Served as a solid stepping stone towards further engagement in the industrial sector.



1962

Incorporated as Iuchi Seieido Co., Ltd. to engage in the scientific instruments business.



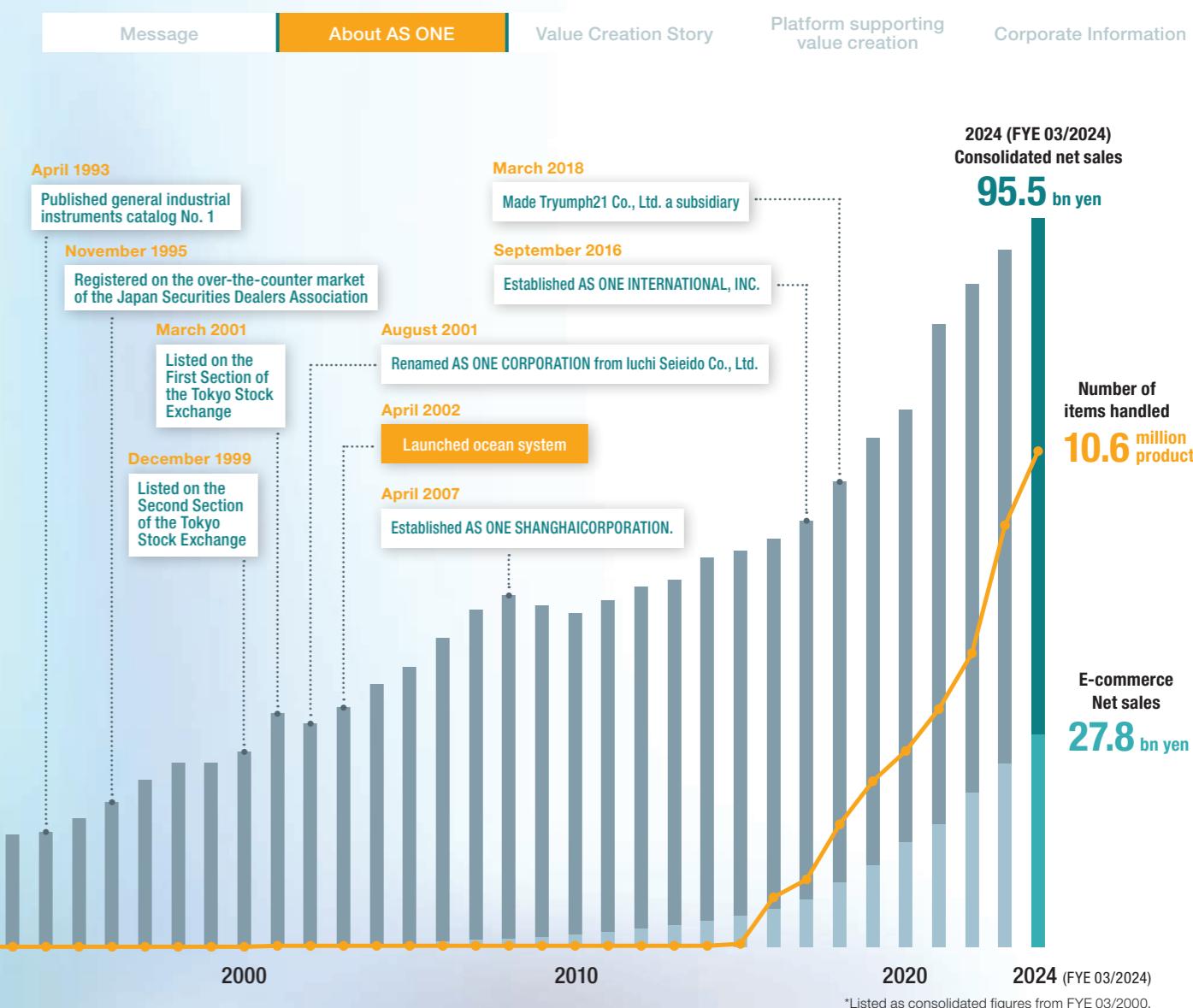
1976

Published "General Research Instrument Catalog No. 8," which included metallic instruments, paper products, and general machinery and represented our expansion beyond plastic products.



1985

Launched "Navis Nursing and Medical Product General Catalog", set to become our next core business No. 1, to begin full-scale engagement in hospital and nursing sector.



\*Listed as consolidated figures from FYE 03/2000.



1990

Adopted a companywide online system that was advanced for its time to integrate ordering, inventory management and warehouse management systems.



2007

Established AS ONE SHANGHAI CORPORATION in Shanghai, China (100% capital subscription) as our first full-scale overseas sales office.



2020

Launched Medium-Term Management Plan "PROJECT ONE" with goal of net sales of 100 billion yen by FYE 03/2025. Started operations at "Smart DC," our logistics center.



2002

Started system allocation of consolidated purchasing system ocean for large-scale research institutions.



2015

Launched our medium-term management plan "PROJECT NANA" with goal of net sales of 70 billion yen by FYE 03/2020.

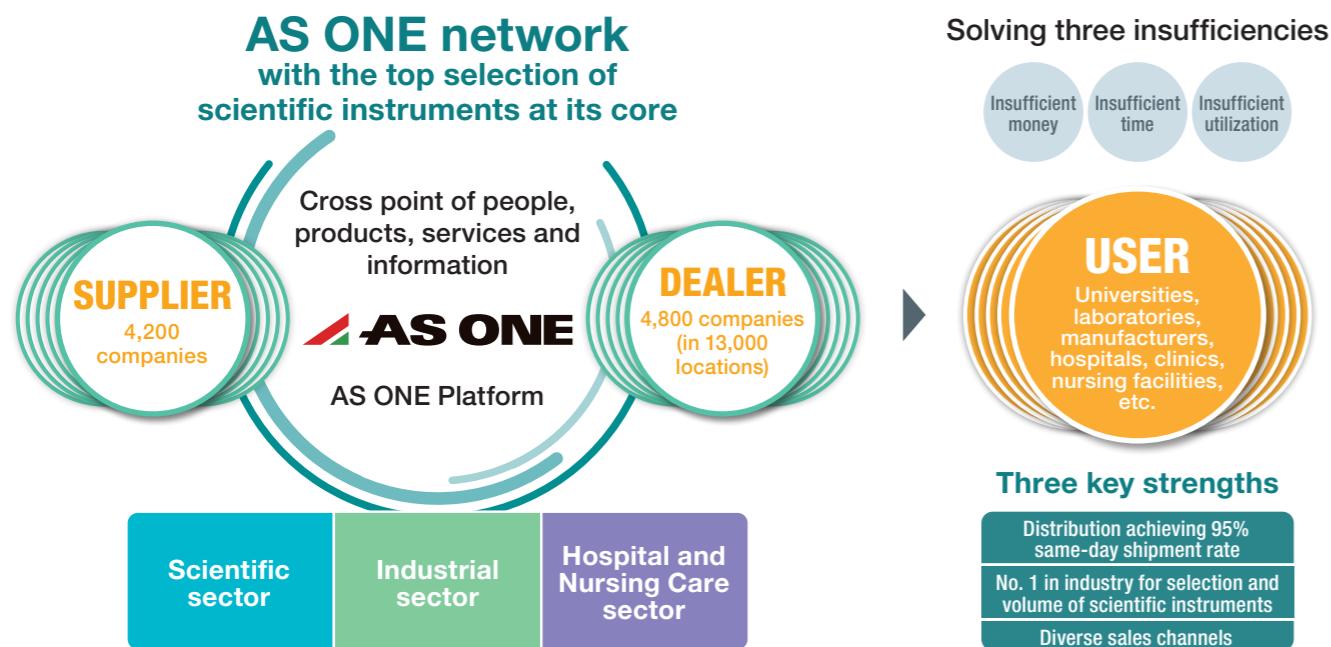


2023

Established the Hanshin distribution center, a new logistics center, in anticipation of net sales of 100 billion yen.

# AS ONE Business Model

AS ONE Business Model solves the “three insufficiencies” of researchers and accelerates results.



While offering catalog and EC options, we also operate a wholesale business that sells via dealers to end users. Having built a network of over 4,200 suppliers in Japan and overseas, AS ONE acts as a warehouse for dealers by providing them with extensive product information that would be difficult for them to procure on their own, and establishes a structure that enables immediate supply. Thus, we

fulfill the functions of a warehouse for dealers. Dealers receive various consultations from users daily, strengthening their connection to users by supporting problem resolution. By taking on the mutual collaborative role of procurement and user retention functions, we are able to operate with a small number of staff to efficiently maintain and strengthen relationships with users all over the country.

## Continuous evolution through innovation and creation

### Three strengths



#### Logistics

What you need, when you need it, in the amount you need. We have established a quick delivery system capable of same-day shipments of a wide variety of specialized products in small volumes.

Approx. 95% same-day shipment rate\* for catalog products



#### Products & services

Our lineup of **10.6 million products** is unmatched by any competitor in scientific equipment and instruments sector. R&D are a microcosm of industry. R&D labs need all kinds of equipment, even if only in small volumes. Provide from testing lab equipment calibration and maintenance to sharing services, including equipment rental and experiment outsourcing, enabling labs to use equipment without purchasing outright.



#### Diverse sales channels

We achieve total coverage through diverse sales channels. We offer real-world marketing through catalogs and dealers. Our virtual marketing tools include “Ocean,” a consolidated purchasing system for large-scale customers, “Wave”, an EC system that supports dealers, for SME customers, “AXEL”, an internet shop for small-scale customers, and internet shopping sites that reach customers outside our sales network.

## Catalog

Since we published our first catalog in 1963, we have refined our system to enable the quick delivery of necessary products through our catalogs. For example, our general catalog for research features more than 98 pages of product details just for stirring tools, comprehensiveness of products of which largely surpasses our competitors is our strength. With one catalog, customers can easily find the most suitable equipment for various uses. This catalog is seen as an “essential item” in the research and development field. The ease of browsing and convenience of a paper catalog has strong support among users, with feedback such as, “It’s easy to find inspiration for putting together experiments.”



#### General Research Instrument Catalog

Total of 3,488 pages Comprehensive catalog for scientific sector featuring approximately 75,695 items. Total support for research lab necessities Standard catalog for research lab boasting an overwhelming permeation rate

First issued in 1963, the current edition is the 33rd edition.

The scheduled date for publication of new catalogs are October 2024.



#### SUNQ - ASST Industrial Research Instrument Catalog

General Catalog for Manufacturing Facilities A product lineup, which evolved out of laboratories, is showcased for manufacturing, quality control and development center locations.

First issued in 1993, the current edition is the 17th edition.

The scheduled date for publication of new catalogs are October 2024.



#### Navis Nursing and Medical General Catalog

It provides essential equipment and consumables for medical sites with about 36,400 items.

First issued in 1985, the current edition is the 21st edition.



SANIFOODS Food Inspection and Sanitary Management Product Catalog



AS TOOL Catalog of Subsidiary Materials for Factories



ASSRE Research Systems Catalog



ASPURE Clean Environment and Anti-Static Catalog



Chinese-language catalog for research and industrial products

## EC

We were able to apply our model of efficiently expanding our product selection and listing them in our catalogs to e-commerce, which has grown with the dissemination of the Internet. As we continue to improve our comprehensiveness, as of March 2024, we feature 10.6 million products from more than 4,200 suppliers on our website. Our e-commerce

For large-scale customers **ocean**  
Consolidated purchasing system

**Simplifying indirect material procurement with a broad line of products**

Featuring products from more than 4,200 domestic and overseas suppliers. A purchasing system that allows users to electronically purchase products necessary for research, industry, and medical care in bulk. This system helps visualize the purchasing process and improve the efficiency of complicated indirect material purchasing.

For medium-sized customers **Wave**  
“Wave”, an EC system supported for dealers

**An EC platform that supports procurement between retailers and users**

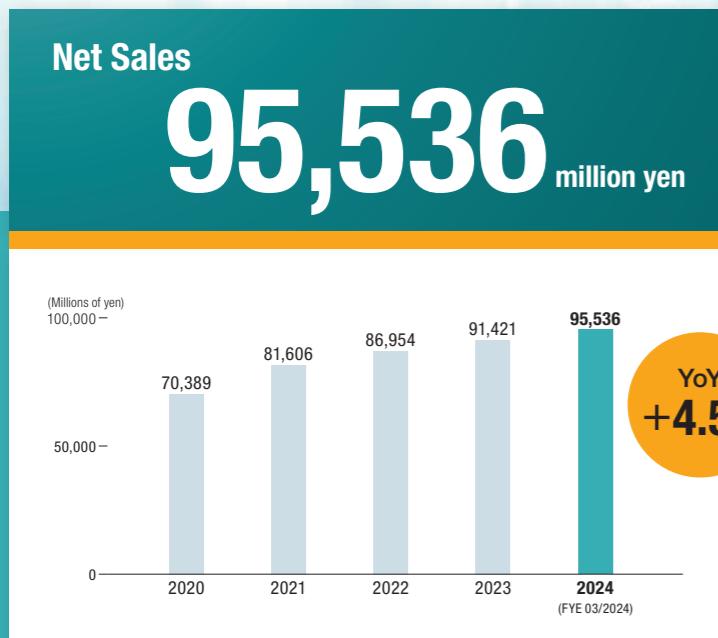
An online shop on which AS ONE’s 10.6 million items are listed by default. Dealers can easily set their own design, and they can post their own products. This makes it possible for all transactions with customers to be conducted via EC.

For small-sized customers **AXEL**  
Online Shop [Axel]

**An open online shop that can be browsed by anyone**

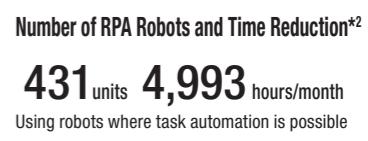
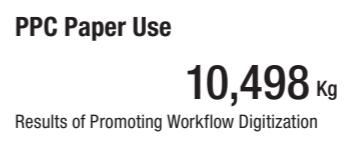
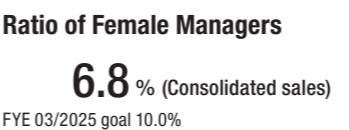
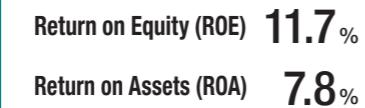
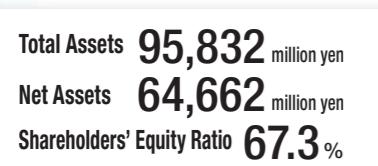
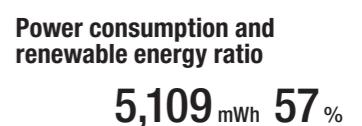
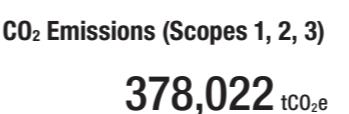
An online shop selling a broad range of AS ONE’s more than 10.6 million products for various industries

## Financial Highlights



## Non-Financial Highlights

\*Non-consolidated unless otherwise noted.



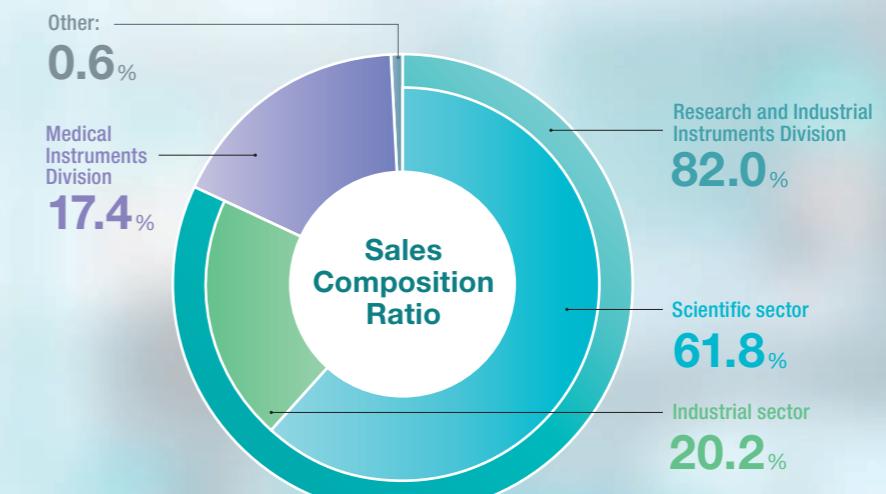
\*2: On January 1, 2022 and April 1, 2024, we conducted a stock split consisting of a 2-for-1 split of each common stock. Calculations based on assumption that said stock split was conducted at the beginning of the 59th fiscal year (FYE March 2020).

\*2: Excludes robots at the end of their service life and reduced hours

## Division-specific status

### Capturing strong R&D demand through expanding product selection to 10.6 million products and the synergistic effect of e-commerce, sales increased for the 14th consecutive period

During the current consolidated fiscal year, the product selection was increased to 10.6 million products (an increase of 1.6 million products), and sales of web-listed products (products not listed in the paper catalog) expanded 24.5%, mainly through the e-commerce channel. In addition, the Research and Industrial Instruments Division was strong, posting an 8.4% increase in sales, supported by solid R&D demand. These efforts offset the decline in Medical Instruments Division sales, which were forced to decline as a reaction to the end of the COVID-19 pandemic, and consolidated net sales reached 95,536 million yen (up 4.5% YoY), a new record high.

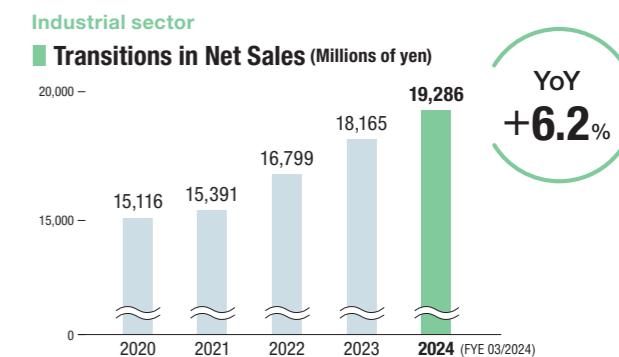
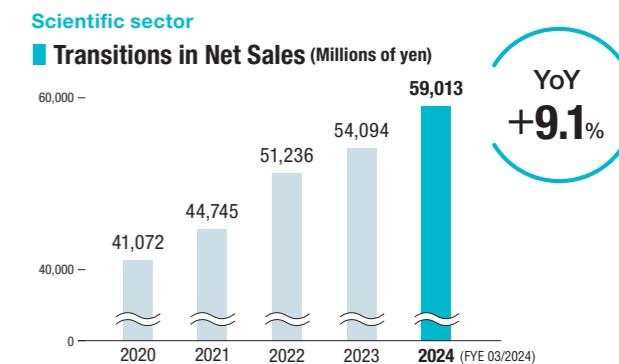
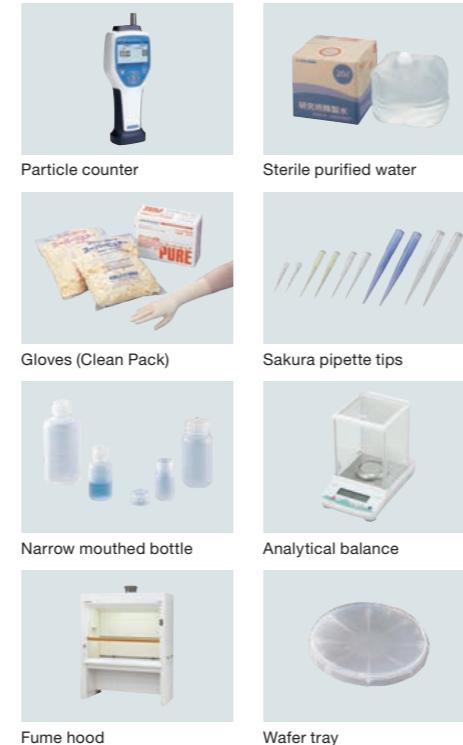


## Research and Industrial Instruments Division

In the Scientific sector, which targets universities, research institutions and corporate research divisions, active research activities were conducted in both the public and private sectors, and sales of laboratory consumables, analytical instruments such as pipettes, and high-end analysis equipment grew. As for channels, net sales to consolidated purchasing systems and e-commerce companies drove growth in this sector, up 14.8% YoY. As a result, net sales in this sector remained steady at 59,013 million yen (up 9.1% YoY). A new consolidated subsidiary was added on June 30 and has been making a positive contribution of about 1.5% to sales in this sector since July.

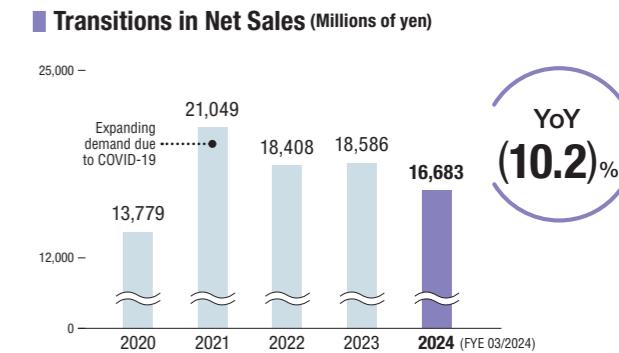
In the Industrial sector, which targets manufacturing facilities, sales of clean room consumables, measuring instruments, and other products grew as factory utilization rates improved due to a pickup in personal consumption and easing supply constraints. As for channels, as in the Scientific sector, net sales to consolidated purchasing systems and e-commerce companies drove growth in this sector, up 11.2%. As a result, net sales in this sector amounted to 19,286 million yen (up 6.2% YoY).

As a result, total Division net sales were 78,299 million yen (up 8.4% YoY).



## Medical Instruments Division

In the Medical Instruments Division, which serves medical institutions and nursing care facilities, there was a large demand for infection-control supplies from the government and various other areas in the previous fiscal year, as the COVID-19 infection was reclassified as a Class 2 disease under the Infectious Diseases Control Act. However, in contrast to this, in FYE 03/2025, the demand for medical supplies has subsided under the disease being categorized as Class 5, and the release of stockpiled medical supplies by the government has resulted in a reactionary decline. Net sales to consolidated purchasing systems and e-commerce companies, while still small, increased net sales by 31.3%. Despite an increase in net sales of storage fixtures and beds for new business openings and facility renewals, division net sales amounted to 16,683 million yen (down 10.2%).



Other: 500 million yen System usage fees, etc. for web purchasing management service by Tryumph21.

# Message from our Executive Officer in Charge of Finance

Message

About AS ONE

Value Creation Story

Platform supporting value creation

Corporate Information



Managing Director  
Toshiki Hara

Director  
Keisuke Nishikawa

## While keeping an eye on changes in the business environment, we will aim to further reinforce our strengths in business and further improve our performance.

Managing Director Toshiki Hara Executive Officer in charge of Accounting and Finance and DX Development division

### Addressing management issues in light of the four changes

It has been almost a year since I was appointed Managing Director. During that time, I have experienced changes in the environment surrounding corporate management. I believe it is important to manage our business with an awareness that the social and economic environment will be different from that of the previous 30 years.

One of those changes is the world situation. Since the end of the Cold War between the U.S. and the Soviet Union, there has been a 30-year period of economic supremacy, but there is a sense of crisis that we may be entering a new Cold War era, so to speak. We believe that geopolitical risks in corporate management need to be viewed within this larger framework. The second is an industrial revolution due to the rapid progress of IT and digital transformation (DX) symbolized by generative AI. Under these circumstances, whether the company will be a skilled user of advanced technology or if it will be used by it will determine its growth. The third is now that Japan is moving toward the lifting of zero interest rates, it will be increasingly essential for investors to be more mindful of costs than ever before. At the same time, during a phase of rising interest rates,

some companies overburdened with excessive liabilities will not be able to bear it and will be weeded out. This will inevitably accelerate corporate turnover and restructuring. And fourth, due to Japan's unique condition of a declining population, there is a fear that labor-intensive businesses will not be able to survive. Therefore, investment in labor saving will become an essential part of a company's operations. And as has already happened, the issue of corporate succession is becoming increasingly serious.

Given the above four changes, the AS ONE Group believes that it is increasingly important to formulate and implement new strategies for growth by looking at the risks and business opportunities in management in light of the changing times ahead.

### Aiming for sustainable growth regardless of changes in the environment

Looking back on the past year, I am reminded once again of the strength of the AS ONE Group's business model. In particular, when we look at the daily sales data, we see that a very wide range of customers are purchasing our products. By generating cash flow through this business base

and linking it to the creation of new business models, we are confident that we will be able to achieve sustainable growth regardless of changes in the environment in the future.

We forecast that net sales will exceed 100 billion yen and expand to 150 billion yen and 200 billion yen in the future. However, no matter how large our business grows, I believe that we should continue to adhere to our management philosophy of "Innovation and Creation."

We established an Investment Committee in April 2024. With a significant increase in investment projects as our business expands, we will establish an investment policy to ensure that capital investments, M&A, and other investments are made in a proper manner. By doing so, we intend to focus on management with a constant awareness of the cost of capital and pursue more profitable management.

## We will further promote initiatives to improve our performance in order to achieve the targets of the Medium-Term Management Plan, which is in its final year.

Director Keisuke Nishikawa

Head of Administration Division, Mid-term management Planning Office Deputy manager and Executive Officer in charge of Sustainability Management Office, Health and Productivity promotion

### Performance for FYE 03/2024

#### Achieving 14 consecutive years of net sales growth and 13 consecutive years of dividend increases

Consolidated net sales for FYE 03/2024 totaled 95.5 billion yen, a 4.5% increase over the previous fiscal year, a record high, which marks the 14th consecutive year of sales growth. The synergistic effect of the combination of expanding our product selection and e-commerce has allowed us to continue to grow steadily. On the other hand, compared to the planned target at the beginning of the fiscal year, it fell 1.1% short. This was due to the larger-than-expected impact of the reactionary decline following the special demand created by COVID-19 in the Hospital and Nursing Care sector. Additionally, there was also the impact of the government's provision of infection prevention products from stockpiles to medical institutions free of charge. Compared to the planned target, the Hospital and Nursing Care sector struggled with a 5.3% decrease, while the Scientific sector and Industrial sector remained almost in line with the planned target, with a 0.3% decrease and 0.4% increase, respectively.

In the Scientific and Industrial sectors, e-commerce is driving performance, and the number of newly connected companies for the consolidated purchasing system ocean increased by 54 to a total of 339 companies in FYE 03/2024. It is also believed that there is room for even more connected companies.

As for the gross profit margin, it decreased by about 0.5 percentage points from 31.1% in the previous fiscal year to 30.6%. The decline in gross profit margin is largely due to a change in the product

mix, as sales of infection prevention products, which are predominantly comprised of private products, settled down following the reaction to the special demand created by COVID-19. The level of gross profit margin gives the impression that the company has returned to its pre-COVID-19 level. Increases in product procurement costs have been mostly absorbed by flexible pricing.

SG&A expenses increased to approximately 1.8 billion yen, up 10.3% YoY, in FYE 03/2024, with the opening of the Hanshin DC adding approximately 0.9 billion yen and the addition of one Group company adding approximately 0.3 billion yen. However, compared to the planned target, expenses decreased by 4.2%. This is due to curbing shipping, warehouse operation costs, and advertising & promotion costs. With regard to curbing shipping and warehouse operation costs, these are variable costs that increase when sales increase. In this regard, AS ONE is unique in that while shipping costs are curbed by increasing the use of its postage-paid flat-rate parcel delivery services, **P.51** it also promotes the automation of its "SmartDC" logistics center with advanced material handling, thereby ensuring that warehouse operation costs do not increase proportionally with the increase in shipping volumes.

At the same time, we are working to optimize logistics routes through supply chain data analysis. By utilizing direct shipments from manufacturers, which do not necessarily go through a logistics center **P.50**, as an option, we are making a tangible contribution to curbing shipping costs.

Operating profit decreased by 8.4% from the previous fiscal year to 10,430 million yen due to the opening of the New logistics center "Hanshin DC". Although profits decreased from the previous fiscal year, they were up 1.0% compared to the planned

target, and curbing SG&A expenses offset the decline in sales.

As a result, the operating profit margin was 10.9%. Although the company's operating profit margin is basically stable, in the past it has tended to decline temporarily before and after investments in logistics. In FYE 03/2024, the operating profit margin appears to have fallen slightly from the levels of the past several years due to the opening of the Hanshin DC, but we forecast that it will recover due to future sales growth.

In terms of capital efficiency, however, ROE was 11.7%, down from 12.5% in the previous fiscal year, but this was due to the aforementioned temporary decrease in operating profit, and is expected to improve in the future.

From the viewpoint of management with an awareness of the cost of capital from now on, it goes without saying that we will increase operating profit efficiently through growth investments. We will also further strengthen our investor relations efforts at the same time, such as information disclosure, dialogue, and overseas roadshows, which we have focused on in the past. Through these actions, we will strive to disclose information on what investors perceive as risks regarding our business, thereby reducing the volatility of the stock price. Furthermore, in order to encourage investment from individual investors, a stock split was implemented in March 2024. Along with this, we will also make efforts to conduct investor relations to individual investors and other means, aiming to become the stock of choice for a wide range of stakeholders.

As for shareholder returns for FYE 03/2024, dividends increased for the 13th consecutive year. AS ONE's basic policy is to pay dividends at 50% of base profits. FYE 03/2024, in accordance with the basic policy, the full-year dividend would be 104 yen. However, since FYE 03/2024 marks the 90th anniversary of the company's founding, and since the decrease in profit for this period is largely due to the cost of opening the Hanshin DC and the decrease in profit is only temporary in the medium-term, we have set the full-year dividend at 112 yen per share, which is an increased level from the previous fiscal year.

In FYE 03/2024, the company repurchased treasury shares amounting to 2.1 billion yen. As a result, as an overall picture of shareholder returns, total shareholder returns amounted to 6.2 billion yen, consisting of 4.1 billion yen in dividends and 2.1 billion yen in share buybacks. The total payout ratio was high at 81.6%. In this way, we will continue to pursue management with an awareness of the cost of capital, based on the appropriate allocation of cash flow between growth investments, shareholder returns, and employee returns.

### Performance forecast for FYE 03/2025

#### Large-scale customers are markedly choosing AS ONE's e-commerce

For FYE 03/2025, the company projects net sales of 101.2 billion yen, operating profit of 11.0 billion yen, and profit attributable to owners of the parent company of 8.1 billion yen.

The reason for the sustained growth in our performance includes the fact that R&D in Japan is becoming more active and that AS ONE, which has been promoting e-commerce Initiatives, is increasingly becoming the only choice in a situation where IT and digital transformation (DX) of procurement operations is progressing, especially among large-scale customers. We recognize that this trend will accelerate in the future and that sales will continue to expand.

On the other hand, as financial risk in the current fiscal year, we import more than we export, and the yen's depreciation is a factor that could squeeze profits. In contrast, we assume that procurement cost increases will not have a significant impact because of our flexible approach to sales prices. While we expect logistics expenses to increase due to the "2024 problem," we will devise creative ways to avoid a straightforward increase in logistics expenses by optimizing logistics routes, utilizing the company's own delivery services, and utilizing postage-paid flat-rate parcel delivery services. On the other hand, as for personnel expenses, we are conscious of securing elite human resources, and are projecting to raise the unit price of personnel expenses per employee by at least about 4%.

In terms of financial issues in the current fiscal year, we have already impaired or disposed of unutilized assets that had a difference in market value/book value a few years ago, and there are no major issues on the asset side. The Hanshin DC, which opened last year, was not built from scratch, but utilized existing facilities, so it was possible to obtain the logistics functions needed for the time being without a large investment. We believe that full utilization of this facility will lead to a higher asset turnover ratio. On the other hand, the company aims to improve its turnover ratio by continuing to increase its virtual inventory, which does not lead to an increase in assets but contributes to an increase in sales.

Note that the dividend forecast for FYE 03/2025 is planned to be 57 yen (after stock split) for the full year. We plan to increase the dividend by 2 yen from the previous fiscal year at the pre-stock split level.

### Medium-Term Management Plan "PROJECT ONE's" Targets

#### Pursuing further improvement of performance while looking ahead to next fiscal year's projections

FYE 03/2025 will mark the final year of Medium-Term Management Plan ver. 2.0. Although both net sales and operating profit for the current fiscal year will not reach the initial Medium-Term Management Plan targets at this point in time, we will proceed with initiatives to get as close to the targets as possible. We disclose monthly net sales for our major sectors. Net sales exceeding planned targets for each month at a strong level with strong performance in the Scientific and Industrial sectors, in addition to the end of the effect of the reactionary decline in Hospital and Nursing Care. In terms of capital efficiency, we understand that the cost of capital based on CAPM is around 6% as of April 2024, but during the current fiscal year, ROE is projected to be 12.1%, exceeding the Medium-Term Management Plan target of 11.6%.

Currently, e-commerce occupies an significant position in AS ONE's business portfolio. E-commerce has been analyzed to improve operating profit because SG&A expenses are lower than those under the conventional scheme, and initiatives to increase the composition ratio of e-commerce to sales are still underway. In FYE 03/2025 they are projected to exceed 32% compared to the Medium-Term Management Plan's

target of 30%. Plans are underway to further increase the ratio of e-commerce in the future.

To further improve capital efficiency, we will manage capital allocation in accordance with the Medium-Term Management Plan. Capital investments have already strengthened the company's platform with Logistics and IT investments largely in line with the planned target.

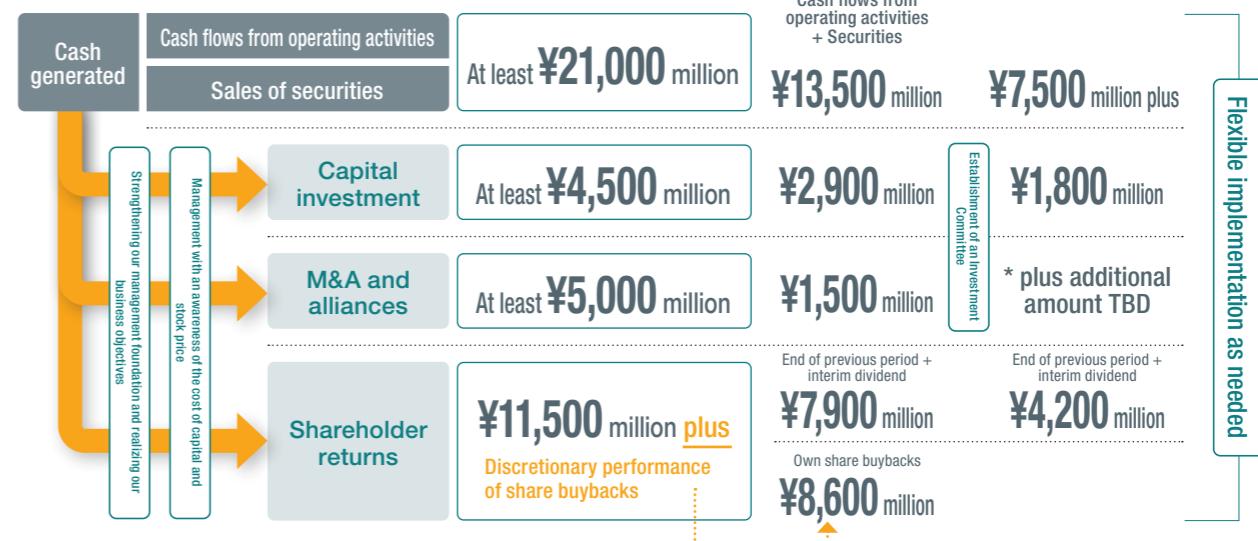
On the other hand, there is a discrepancy between the current planned target of 5 billion yen for M&A and the investment results of 1.5 billion yen. During the current fiscal year, we established an Investment Committee as an internal meeting body and we will actively consider M&A and alliances.

Shareholder returns, including dividends and share buybacks, are expected to total 20.7 billion yen, well above the 11.5 billion yen projected in the initial plan.

The current fiscal year is the final year of the five-year Medium-Term Management Plan "PROJECT ONE." We hope to close the final year in a strong position to pave the way for the next Medium-Term Management Plan. At the same time, for the next Medium-Term Management Plan, we will explore the possibility of discontinuous growth in addition to stable growth, after re-identifying our potential in order to meet investors' expectations better than ever before. We appreciate your continued support and look forward to your continued cooperation.

### Capital Allocation at the time of formulating the Medium-Term Management Plan (FY2022 - FY2024, a 3-year period)

Policy of allocating equal funds to investment targeting future growth and shareholder



### Results for FY2022 and FY2023

Cash flows from operating activities + Securities

¥13,500 million plus

### FY2024 forecast

¥7,500 million plus

¥2,900 million

¥1,800 million

¥1,500 million

\* plus additional amount TBD

End of previous period + interim dividend

¥7,900 million

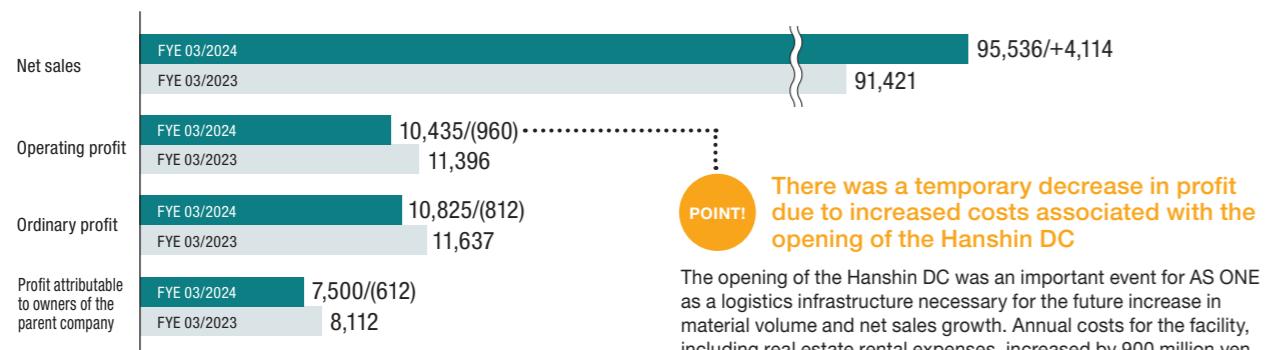
Own share buybacks

¥8,600 million

Flexible implementation as needed

# Overview of FYE 03/2024

## Overview of Consolidated Statement of Income (Unit: million yen)

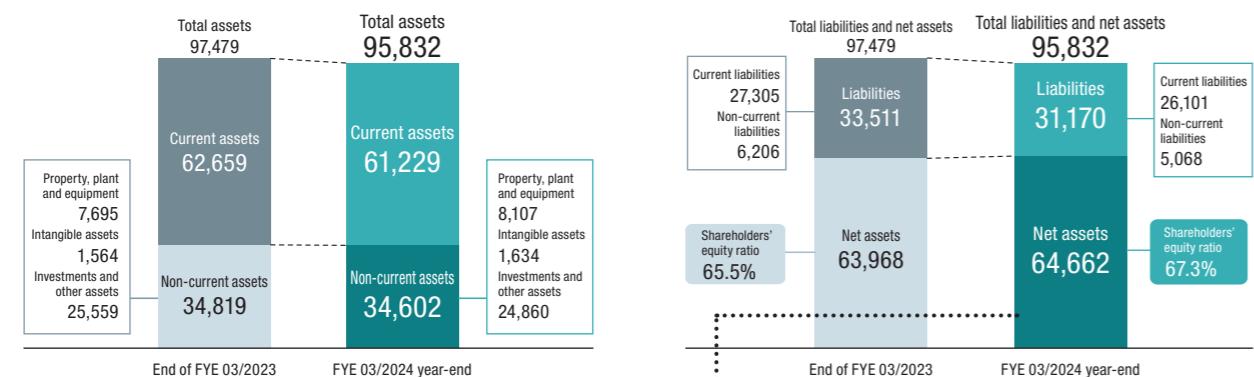


POINT!

There was a temporary decrease in profit due to increased costs associated with the opening of the Hanshin DC

The opening of the Hanshin DC was an important event for AS ONE as a logistics infrastructure necessary for the future increase in material volume and net sales growth. Annual costs for the facility, including real estate rental expenses, increased by 900 million yen, and the sluggish Hospital and Nursing Care Sector also contributed to a temporary decline in profits. Nevertheless, operating profit margin remains high at 10.9%, and the fixed cost ratio is expected to decrease in line with future net sales growth, as the company has completed its pressing logistics investments. The company expects to return to an increase in sales in the next fiscal year and beyond.

## Overview of the Consolidated Balance Sheet (Unit: million yen)



POINT!

The company purchased Treasury shares for 2.1 billion yen and retired 400,000 shares (approx. 1% of shares outstanding).

Profit attributable to owners of the parent company was 7.5 billion yen, but the increase in net assets was only 0.7 billion yen due to the purchase of treasury shares and the payment of dividends exceeding 50%. Due to our high shareholders' equity ratio, we will continue to allocate assets while keeping capital efficiency in mind.

## Analysis of operating profit increase/decrease factors

Increase/decrease factors		Profit impact amount (billion yen)	
Gross profit	Increase in net sales	+1.3	Increased by 4.5%
	Profitability deteriorated in the Hospital and Nursing Care sector	(0.3)	Profitability declined due to the release of government stockpiles of infection prevention products, etc.
	Other declines in profitability	(0.2)	Profitability declines due to product mix
SG&A expenses	Increase in cost of shipping and warehousing (Sales factor)	(0.2)	Increase in volumes due to higher sales
	Decrease in cost of shipping and warehousing (efficiency factor)	+0.1	Decrease in unit price due to promotion of efficiency improvement in response to price increases
	Increase in personnel expenses	(0.5)	Average personnel +34 during the fiscal year. Wage increases implemented in line with inflation
	Increase in real estate rental expenses	(0.7)	Increase in Hanshin DC rent by 12 months
	Increase in other SG&A	(0.5)	Increase of 1 subsidiary. One-time costs for opening Hanshin DC, etc.
Increased profit factors/decreased profit factors (Impact amount)		Decreased profit factors -2.4	Increased profit factors +1.4
			(1.0) Profit temporarily decreased due to the opening of a once-every-several-year logistics center.

## Value Creation Story

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### Launch of the "LINK Stock store in Mitsui Link Lab," a lab convenience store

Mitsui Fudosan Co., Ltd. has launched the operation of the "LINK Stock store in Mitsui Link Lab", a lab convenience store where residents can take out research equipment, consumables, and reagents as needed, at "MITSUI LINK-Lab SHINKIBA 2", an incubation facility in the life sciences sector operated by Mitsui Fudosan Co., Ltd.

## Societal problems

### Materiality P.29

1 Contributing to research and medical care

2 Promoting EC

3 Strengthening logistics management

4 Supply chain

5 Quality

6 Environment

7 Diverse personnel

8 Corporate governance

### Management capital P.31

Financial capital  
Net assets: 64,662 million yen  
Net assets: 95,832 million yen

Human capital  
Employees: 711  
Japan: 616; China: 88; USA: 7

Manufacturing capital  
Logistic centers: 7 centers  
Property, plant and equipment investments: 1,041 million yen

Intellectual capital  
**ocean**  
User companies: 339 companies

**Wave**  
User companies: 17,693 companies

**AXEL**  
Members: 137,793 companies

**SHARE-DB**  
Products: 10.6 million

Social and relationship capital  
Suppliers: 4,200 companies (nonconsolidated)

Dealers: 4,800 companies [13,000 locations] (nonconsolidated)

Natural Capital  
Water: 15,410 m<sup>3</sup>

Electricity: 5,109,569 kW

## Business model

### AS ONE network with the top selection of scientific instruments at its core

#### Medium-Term Management Plan P.41

#### PROJECT ONE ver.2.0

- Opportunity of Next Evolution -

#### SUPPLIER

Provision of efficient sales opportunities



#### DEALER

Provision of efficient procurement opportunities

#### Solving three insufficiencies

- Insufficient money
- Insufficient time
- Insufficient utilization

#### USER

Universities, laboratories, manufacturers, hospitals, clinics, nursing facilities, etc.

#### AS ONE Platform

##### Scientific sector



##### Industrial sector



##### Hospital and Nursing Care sector



#### Value chain P.33

## Platform supporting value creation

### Corporate Governance

P.63

### Management Philosophy Innovation and Creation

P.02

## Provided value

### Creation of economic value FYE 03/2024 results

Net sales: **95,536** million yen

Operating profit: **10,435** million yen

Operating profit margin: **10.9** %

ROE **11.7** %

#### Key Initiatives

E-commerce: **27,827** million yen

Overseas business: **5,169** million yen

Services **3,559** million yen

Provision of one-stop solutions that support user output

Accelerating results by connecting people, products, information, and services in the fields of research, industry, and medical care.

### Creation of social value (Provided value to stakeholders)

Research institutes

Accelerating research and shortening paths to achieving research results

Medicine facilities

Realize comfortable medical care, nursing care and nursing for both medical professionals and patients and users

Shareholders and investors

Providing dividend increases for the 13th consecutive period, a dividend payout ratio of over 50%, an ROE of 11.7%, and consistent, high-yield returns

Employees

Self-growth, job satisfaction, well-being, and secure compensation

Suppliers

Expanding and globalizing product sales channels that cannot be achieved by the company alone. Popularizing overlooked products and technologies

Dealers

Expanding sales opportunities. Making it possible to procure and provide products, technologies and services that cannot be procured solely by the company to users

# AS ONE Materiality

We recognize the various issues facing society, including climate change, low birth rates and population aging, technical innovation, health and welfare, and the need for disparity correction. We also support the sustainable development goals (SDGs). To respond to the risks and opportunities impacting our operations, we have positioned the following eight items as the priority issues to be addressed.



PICK UP

## Materiality identification process

### Extracting issues

Key members of the Mid-term Management Planning Office and the Promotion of Sustainability Management Office, including the management team, recognized social issues and sustainable development goals (SDGs), such as climate change, low birth rates and population aging, pandemics, technical innovation, health and productivity management, and disparity correction. They also identified the following eight material issues to be addressed through analysis of risks and opportunities surrounding the company's business in light of our resources and business foundation.

### Setting priority

Based on the opinions of the Public & Investor Relations Department, which is in charge of communicating with society, and external consultants, we categorized issues into two axes, stakeholder concerns and priority issues for AS ONE.

Stakeholder concerns	Securing water resources	Providing value to the research and medical care domain
	Conserving biodiversity	Promoting optimization through EC transactions
	Management	Expanding logistics optimization and hub functions
	Providing safe, reliable quality	Coordinating and collaborating with our supply chain to promote stable provision
		Developing human resources
	Open innovation	Providing value to the research and medical care domain
	Increasing environmentally conscious products	Promoting optimization through EC transactions
		Expanding logistics optimization and hub functions
		Coordinating and collaborating with our supply chain to promote stable provision
		Developing human resources
	Contributing to local society	Providing value to the research and medical care domain
		Promoting optimization through EC transactions
		Expanding logistics optimization and hub functions
		Coordinating and collaborating with our supply chain to promote stable provision
		Developing human resources

### Priority issues for AS ONE



Identify and decide on core issues through a resolution by the Board of Directors

	Risks	Opportunities	Materiality	Measures	Indicators	Initiatives for FYE 03/2024
Awareness of the external environment	<ul style="list-style-type: none"> <li>Paradigm shift and obsolescence due to new technology, decarbonization, the global environment, population change, etc.</li> <li>Work styles, labor shortages, and a society with long life expectancies</li> </ul>	<ul style="list-style-type: none"> <li>Provide people, goods, services and information promptly to address issues that evolve with the times</li> <li>Solve societal problems through research results</li> </ul>	Contributing to research and medical care <span style="color: orange;">P.35</span>	<ul style="list-style-type: none"> <li>Strengthen the AS ONE Platform</li> </ul>	<ul style="list-style-type: none"> <li>Expand product selection to 10 million products (by FYE 03/2025)</li> <li>Expand net sales to 106.6 billion yen (by FYE 03/2025)</li> <li>Expand services sales (by FYE 03/2025)</li> <li>Expand Lab BRAINS operations</li> </ul>	<ul style="list-style-type: none"> <li>Product selection reached 10.6 million products</li> <li>Net sales of 95.5 billion yen</li> <li>Services sales of 3.5 billion yen</li> <li>Number of Lab BRAINS information distributed: 1,400, 7,751,100 page views, co-Lab BRAINS launched</li> <li>The LINK Stock store in Mitsui Link Lab, a lab convenience store, launched</li> </ul>
Climate change	<ul style="list-style-type: none"> <li>Trends associated with digital transformation</li> <li>Huge costs of paper management in the supply chain</li> </ul>	<ul style="list-style-type: none"> <li>Effectively use of our position as a leader in the industry in the digitization of purchasing</li> <li>Contribute to paperless and more efficient work styles through e-commerce</li> </ul>	Promoting EC <span style="color: orange;">P.42</span>	<ul style="list-style-type: none"> <li>Expand the four e-commerce channels</li> </ul>	<ul style="list-style-type: none"> <li>E-commerce sales composition ratio of 30% (by FYE 03/2025)</li> <li>Expand e-commerce sales 2.3 times compared to FYE 03/2020 (by FYE 03/2025)</li> </ul>	<ul style="list-style-type: none"> <li>E-commerce sales composition ratio of 29.1% (2.0 times compared to FYE 03/2020)</li> <li>ocean sales +13.6%</li> <li>Wave sales +71.7%</li> <li>AXEL sales +3.9%</li> <li>Sales to online retailers +15.9%</li> </ul>
Low birth rates and population aging	<ul style="list-style-type: none"> <li>Scattered, disjointed, unreach, and underutilized information</li> <li>Supply delays, interruptions, and stoppages</li> <li>Impact on the global environment / compliance</li> </ul>	<ul style="list-style-type: none"> <li>Provide a system for efficiently distributing people, goods, services and information</li> <li>Acquire trust through stable supply</li> <li>Acquire reputational value through careful consideration of environmental impact and compliance</li> </ul>	Supply chain <span style="color: orange;">P.43</span>	<ul style="list-style-type: none"> <li>Expand SHARE-DB product selection and information</li> <li>Enhance data coordination</li> <li>Expand procurement networks and sales channels</li> <li>Enhance communication</li> </ul>	<ul style="list-style-type: none"> <li>Expand product selection to 10 million products (by FYE 03/2025)</li> </ul>	<ul style="list-style-type: none"> <li>Product selection reached 10.6 million products (+1.4 million products)</li> <li>Virtual inventory of 115.0 billion yen (+45.0 billion yen)</li> <li>Suppliers: 4,200 companies (+100 companies), Dealers: 4,800 companies (+300 companies)</li> <li>Conducted supplier compliance surveys</li> </ul>
Technical innovation	<ul style="list-style-type: none"> <li>Decrease in workforce, 2024 logistics issue</li> <li>Decrease in services due to increased volume of goods received and shipped</li> <li>Cost increases due to logistics pressures</li> <li>Environmental impact associated with deliveries</li> </ul>	<ul style="list-style-type: none"> <li>Differentiate through logistics services with "the company's own delivery services," a unique route logistics network, as a strength</li> <li>Realize optimal logistics using huge amounts of incoming and outgoing shipment data</li> <li>Utilize automation equipment, utilizing low-cost logistics centers</li> <li>Realize environmentally friendly logistics</li> </ul>	Strengthening logistics management <span style="color: orange;">P.43</span>	<ul style="list-style-type: none"> <li>Open the Hanshin DC at a reasonable cost</li> <li>Expand the use of eco-friendly possible the company's own delivery services</li> <li>Optimize deliveries and pickups based on data</li> </ul>	<ul style="list-style-type: none"> <li>Open the Hanshin DC</li> <li>Expand the company's own delivery services to 65 routes (by FYE 03/2025)</li> </ul>	<ul style="list-style-type: none"> <li>Smoothly opened and operated the Hanshin DC</li> <li>Operated the company's own delivery services with 62 routes (+4 routes)</li> <li>Reduced costs for small-lot deliveries through increased use of post-box fixed-rate small parcel delivery services</li> <li>Ran a test implementation of the shortest distance deliveries for each case encompassing the entire supply chain, reduced distances through direct deliveries from manufacturers for each case, and reduced distances through milk run collection</li> <li>Reduced sales composition ratio of shipping and warehouse operation cost FYE 03/2023: 5.1% → FYE 03/2024: 5.0%</li> </ul>
Health and welfare	<ul style="list-style-type: none"> <li>Increased natural disasters due to climate change</li> <li>Concerns over the loss of water and biodiversity</li> <li>Tightening of regulations and changes in stakeholder behavior</li> <li>Decline in reputational value due to lack of consideration for the environment</li> </ul>	<ul style="list-style-type: none"> <li>Activate R&amp;D of new materials and technologies with low environmental impact</li> <li>Handle environmentally friendly products</li> <li>Differentiate through environmentally friendly logistics and in-house GHG emissions reduction</li> <li>Improve reputational value through various environment-friendly initiatives</li> </ul>	Environment <span style="color: orange;">P.49</span>	<ul style="list-style-type: none"> <li>Utilize renewable energy</li> <li>Disclose information based on the TCFD recommendations</li> <li>Promote sales of environmentally friendly products</li> </ul>	<ul style="list-style-type: none"> <li>Scope 1 and Scope 2 reduction targets (compared to FY2020)</li> <li>FY2030: (42%), FY2050: (100%)</li> </ul>	<ul style="list-style-type: none"> <li>57% of total electricity consumption was from renewable energy sources</li> <li>Provided support for calculating GHG emissions for specific suppliers</li> <li>Sales volume of products applicable to green purchasing programs increased by 35.5% YoY</li> <li>Appropriately managed water used for CIC cleaning</li> </ul>
Disparity correction	<ul style="list-style-type: none"> <li>Occurrence of defects</li> <li>Decline in reputational value</li> </ul>	<ul style="list-style-type: none"> <li>Acquire ISO 9001 certification</li> <li>Implement measures to prevent the occurrence of defects in products</li> <li>Minimize the occurrence of defects and improve reputational value through careful and attentive response and improvements when a defect occurs</li> </ul>	Quality <span style="color: orange;">P.60</span>	<ul style="list-style-type: none"> <li>Appropriately control quality based on the Quality Policy</li> </ul>	<ul style="list-style-type: none"> <li>Reduce the product complaint rate</li> </ul>	<ul style="list-style-type: none"> <li>Reduced product complaint rate (0.01% reduction YoY)</li> <li>Improved instructions for PB and imported products: 95 cases</li> <li>Improved (revised) quality of instruction manuals (145 cases) and others</li> </ul>
	<ul style="list-style-type: none"> <li>Loss of opportunities due to a lack of diversity</li> <li>Labor shortages</li> <li>Consider workers' human rights</li> </ul>	<ul style="list-style-type: none"> <li>Develop business through the active participation of diverse human resources</li> <li>Acquire human resources by creating appealing working environments</li> <li>Build a reliable supply chain through considering the working environment, including the supply chain</li> </ul>	Diverse personnel <span style="color: orange;">P.54</span>	<ul style="list-style-type: none"> <li>Secure diversity</li> <li>Implement a human resources development policy</li> <li>Implement an in-house environmental improvement policy</li> </ul>	<ul style="list-style-type: none"> <li>Target ratio of female managers: 10% (by FYE 03/2025)</li> <li>Target ratio of female workers (career-track employees): 30% (by FYE 03/2025)</li> <li>Target rate of paid leave use: 60% (by FYE 03/2025)</li> <li>Target ratio of male employees taking childcare leave: 100% (by FYE 03/2025)</li> </ul>	<ul style="list-style-type: none"> <li>Ratio of female managers: 6.8%</li> <li>Ratio of female workers (career-track employees): 23.1%</li> <li>Rate of paid leave use: 66.7%</li> <li>Ratio of male employees taking childcare leave: 37.5%</li> <li>Built relationships, including the 90th Anniversary Commemorative employee trip</li> </ul>
	<ul style="list-style-type: none"> <li>Damage to corporate value due to a failure in internal control functions</li> </ul>	<ul style="list-style-type: none"> <li>Improvement of corporate value through the appropriate operation of internal controls</li> </ul>	Corporate governance <span style="color: orange;">P.63</span>	<ul style="list-style-type: none"> <li>Implementation of governance as a company with an Audit and Supervisory Committee</li> </ul>	<ul style="list-style-type: none"> <li>Achieve the medium-term management plan and our full-year plan</li> <li>Take on challenges while complying with social norms and managing risk, and promote the sustainable development of society and our business</li> <li>Appropriately operate the Board of Directors, Audit &amp; Supervisory Committee, and voluntary Nomination and Compensation Committee</li> </ul>	<ul style="list-style-type: none"> <li>Held the Board of Directors meeting 14 times</li> <li>Held the Audit &amp; Supervisory Committee meeting 14 times</li> <li>Held the Nomination and Compensation Committee meeting 5 times</li> <li>Established the Investment Committee to improve the quality of deliberations and make quick investment decisions</li> <li>Conducted an evaluation of the effectiveness of the Board of Directors</li> </ul>

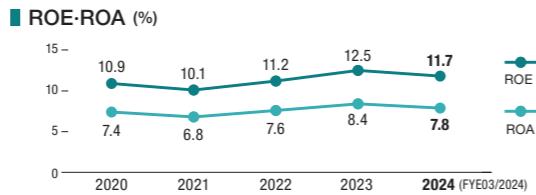
# AS ONE capital

We will support sustainable growth by reinvesting and strengthening the capital we have accumulated thus far.

Amid our history of innovation and creation, we have accumulated both financial and non-financial capital. Injecting this capital into business further enables us to create new value. We will then reinvest that value into business to maintain our cycle of sustainable growth.

## Financial capital

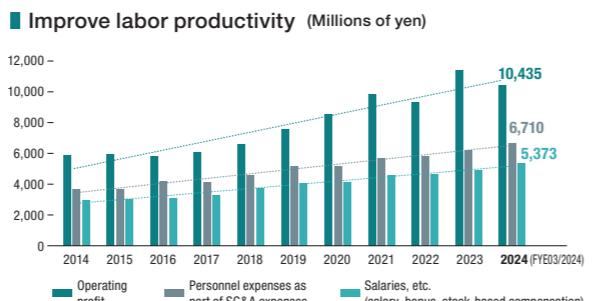
Net assets:  
**64,662** million yen  
Total assets:  
**95,832** million yen



The Hanshin DC that was opened in FY2023 leveraged the existing facilities of other companies, thereby limiting the required investment to 500 million yen. We disclose suppliers' inventories that are twelve times larger than the amount of inventory held by the company as virtual inventory, saving inventory funds and huge storage costs. We will continue to improve our turnover rate while being conscious of the cost of capital.

## Human capital

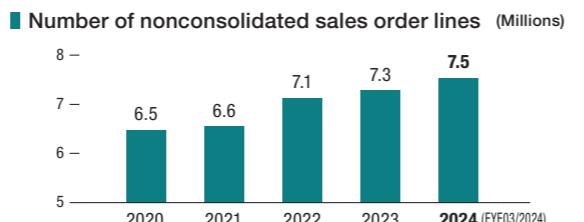
Number of employees:  
**711**  
Japan: **616**  
China: **88**  
USA: **7**



We are enhancing human resources diversity and increasing the allocation to human capital while improving productivity. Non-consolidated new graduate hires: 25, mid-career hires: 17

## Manufacturing capital

Logistics centers:  
**7** centers  
Property, plant and equipment investments:  
**1,041** million yen



Major logistics facilities  

- Smart DC (Chiba City) Opened in 2020, approx. 52,900m<sup>2</sup>
- Osaka Logistics Center (Osaka City) Opened in 2005, approx. 23,000m<sup>2</sup>
- Hanshin distribution center (Amagasaki City) Opened in 2023, approx. 44,000m<sup>2</sup>



## Intellectual capital

**ocean**  
Number of user companies: **339**  
**Wave**  
Number of user companies: **17,693**  
**AXEL**  
Number of members: **137,793**  
**SHARE-DB**  
Number of products: **10.6** million

• Systems investments: 600 million yen  
• EC systems  
SHARE-DB's product selection and volume of information for specialized research equipment is far ahead of other companies, and is the key to efficiency in the overall industry, including information on supplier inventories, with which it is expanding its coordination. All systems work to optimize corporate/organization purchasing. The combination of product selection and convenience attracts favorable comments from users. These frameworks are one of the major differentiating factors that make AS ONE one-of-a-kind.

## Social and relationship capital

Suppliers: **4,200** companies (nonconsolidated)  
Dealers: **4,800** companies in 13,000 locations (nonconsolidated)



We strive to resolve the problems faced by researchers, the end users of our products, by serving as a hub for suppliers and dealers and providing a seamless link to products and services. The relationships we have with suppliers and dealers play a critical role in our ability to resolve the problems faced by end user research and medical institutions.

## Natural capital

Water: **15,410** m<sup>3</sup>  
Electricity: **5,109,569** kW



AS ONE cleans cleanroom-specified wear, various equipment, and consumables with ultra-pure water (16MΩ or more) that we have purified ourselves, and processes them into clean-packed products. (CIC cleaning (Contamination Control In Cleanroom), SCC cleaning (Surface Contamination Control)). In addition, we use electricity that includes some renewable energy at our offices and logistics centers.

# AS ONE value chain

Backed by advanced IT systems, the Company aims to enhance its initiatives in the value chain of merchandising, procurement, promotion, logistics, and customer service desks, while incorporating the concept of total supply chain optimization. Through this approach, we aim to enhance our corporate value and solve societal problems by delivering high-value-added products and services.



## Logistics

The quality of logistics efficiency is also a source of profit. Efficiency cannot be improved unless the flow is optimized by combining various conditions such as the distance from the shipping source, the receiving center, inspection of incoming shipments, de-vanning, unpacking, opening cases (we even sell individual rubber stoppers.), assorting, obtaining JAN codes, shelf allocation, storage, restocking, horizontal transport, picking, matching shipments, size, weight, packaging method, inspection of outgoing shipments, delivery companies, delivery routes, and staffing management. We utilize daily order trends and logistics data, and pursue optimization of eco-friendliness and costs, sometimes with the help of manpower.



Linear motor-driven case transport system



AI-equipped automatic loading robots



Smart DC (Chiba city)



Hanshin DC (Amagasaki city)



## Private Brand Product Development



Head of Product  
Development Department  
Yoshihiro Yoshida

## Responding to feedback from research and medical institutions to develop a highly profitable business through PB product development

### Developing PB products that play a role in solving customers' issues

The Product Development Department is mainly engaged in the planning and development of private brand (PB) products for research and medical care. The history of PB products at the company is long, and we have been developing them for about 50 years. We initially developed products such as resin storage cabinets and storage shelves, and later branched out into a wide range of products, including general-purpose equipment for testing and consumables for medical care and nursing care. About 15 years ago, we began developing and selling centrifuge tubes, cell culture flasks, cryovials, etc. for

the life science domain under the "Violamo®" series, which now holds a large share of the market.

Our strength is that we have many people in the department with a science background, as well as former engineers from large-scale manufacturers, and they are working on product development every day, coming up with product ideas based on their own experiences from their time in research labs and feedback from users.

Also, as a fabless company, we specialize in planning and developing private brand products. We outsource manufacturing to hundreds of suppliers in Japan and overseas based on the characteristics of each company's technology. This allows us to solve most issues and create products with unique characteristics and cost benefits. Another distinguishing feature is that we have a large number of products on the market that are useful for solving customers' issues in line with the needs of the

research and medical care domains. Our approach is to pursue commercialization of products that customers want, even if annual sales numbers are limited, and we believe that this is the reason why we are supported by our customers.

In 2021, we established the Product Management Group to verify and reinforce quality control, and are working to improve the reliability of the products we deliver. In addition, we promptly respond to each customer's comments about our products, and by providing feedback to the person in charge of product planning, we are able to improve product quality and utilize this feedback in new product planning.

Net sales of original products, including our own imported products, have reached 32.0 billion yen. Of these, PB products that are outsourced for manufacturing in Japan and overseas account for 27.8 billion yen, and this alone accounts for over 40% of AS ONE's non-consolidated gross profit.

### Developing original products with rich functionality and environmental performance

The Product Development Department has recently been focusing on product development in response to on-site feedback. Specifically, we can cite our coordination with Kansai Medical University Hospital as a case of medical-engineering collaboration. Since early mobilization is an issue for the recovery of critically ill patients in intensive care units, we developed a walking aid that makes it easier for patients wearing a large number of medical instruments to work on their rehabilitation. This supports an accelerated recovery for patients,



Vein visualization device

With its simple operation and rich functionality, this device can project veins that are difficult to see onto the skin to make them visible, supporting venipuncture.



Handy Powder Feeder

By simply setting the bottle, it is possible to accurately weigh reagents. You can also use it by holding it in your hand without using a controller.



Savearth [new product]

This is an original AS ONE product series that is environmentally friendly, and is derived from the words "saver" and "earth." The name carries the meaning of "protecting the earth" through the supply of environmentally friendly products.

and also improves the work efficiency of medical care professionals who assist with rehabilitation. In addition, we are developing products tailored to the needs of medical sites, such as a "venous visualization device" that makes it easier to perform a venipuncture when doing an injection.

In the domain of research, we have released a "Handy Powder Feeder" that accurately dispenses a fixed amount of reagent from a reagent bottle, and we are planning to expand the series. This product was developed in response to on-site feedback that "it is a hassle to accurately take out the correct amount of reagents many times every day," and it is characterized by the fact that it can be used without having to insert a spoon into the reagent bottle while avoiding the risk of foreign matter contamination. In addition, we have launched the "Savearth" series of original products that are environmentally friendly, and we are developing equipment with low emissions of global warming gases and products that use biomass plastics.

Recently, we have been focusing not only on the research and medical care domains, but also on the development of general-purpose products such as paper towels and dry batteries, which has contributed to sales growth.

In order to expand our PB business in the future, we plan to further respond to the feedback of our agents and other partners, as well as strengthen our initiatives to directly collect feedback from customers. In addition to directly visiting research institutes, medical institutions, academic conferences, etc., to hear directly from customers, we will also consider utilizing our communication site for researchers, etc. After delving deeper into customer needs, we will aim to develop PB products that are even more useful for on-site activities than before and to create a business with higher profitability.

Savearth

CFC-free cooling water circulation device

## Services Business



Head of Services  
Business Department  
Tetsuro Uchimura

## In addition to product sales, we are expanding our services sector from the viewpoint of solving issues in research and medical care.

Responding to on-site feedback, we provide a wide range of services.

The Services Business Department provides customers with added value and convenience through a variety of services, including rentals, calibration services, inspection services, special order custom processing, cleaning and sterilization services, robots business, and used equipment sales.

In the rental business, we are also expanding the sectors we handle, including scientific instruments, industrial sector equipment, measuring instruments, analytical equipment, and medical care-related equipment. We also provide a variety of usage plans tailored to the needs of our customers.

In calibration, we provide calibration services for measuring instruments, as well as services such as validation and inspection work at customers' sites. In particular, since we operate our own calibration center, we can respond to customer requests for additional measurement points and measurement conditions in detail. We are also working to provide calibration

services with short turnaround times by training the people in charge of calibration and making daily improvements, and we are pursuing customer satisfaction by reducing the inconvenience to customers of not being able to use their equipment while it is being calibrated.

We provide added value by offering niche services, such as special orders and processing tailored to customer requests, as well as cleaning and sterilizing our client's desired products, even for small lot sizes, through our supplier network. Along with the increase in the number of items we handle, we are also expanding the range of services we can provide to meet our customers' diverse and varied needs.

In recent years, there has been an increase in demand for equipment rental in the clinical trial sector, and this has become a key source of revenue. Amid the intensifying international competition in research, there is a demand for agile creation of research results, and against the backdrop of an increase in short-term projects and venture companies in academia, we believe that demand for rental products in the research sector is on the rise.

For researchers responsible for budget-limited research projects, purchasing high-end equipment can be a burden and involve risks, so we respond to

customer needs by offering a variety of variations, including not only new equipment sales, but also rental and used equipment options. Moreover, we offer various services, such as the option to them to try out products first as a rental and, if the results are good, they can purchase a new one, or the option to choose products that come with calibration and inspection services. And because of just these services, our products are often chosen. Our major strength is that we can provide the most suitable services in a one-stop shop to meet the needs of our customers. By providing calibration and inspection services, we also believe that our reliability is also on the rise because customers are able to use our equipment with peace of mind in terms of performance.

The origin of our Services Business is in the repair and maintenance of the equipment we sell. Also, we have a history of providing calibration as an added service after selling the equipment. We often perform work such as validation and inspections at our customers' sites, and in the process of hearing our customers' feedback first-hand, we are working on the expansion of available services to solve the actual issues faced by our customers at their sites. Since 2019 we have been fully developing our Services Business under the current system.

Recently, AS ONE has been operating the LINK Stock store in Mitsui Link Lab [P.26](#), an antenna shop (a shop specializing in prefectural goods, including food, drinks, and souvenirs) selling equipment and consumables used in life science R&D, at Mitsui Link Lab in the Tokyo metropolitan area. We aim to use the feedback gathered here from our customers as a catalyst to create new services.

### Promoting standardization and digitalization of services from the customer's perspective

The Services business generated net sales of 3.6 billion yen for the company as a whole during FYE 03/2024, and has continued to grow at an average rate of 20% since FYE 03/2019, when the company began focusing on it as a new form of business in the previous Medium-Term Management Plan. In terms of future business development, we plan to create businesses with higher added value by combining a broad range of service offerings. For

example, we are able to develop in-depth services such as issuing inspection certificates for rental items or cleaning and sterilizing them before shipping.

We are also working on standardizing and digitizing our broad range of services. For example, while it was challenging to standardize prices for special order lab services based on man-hours and quality, standardizing prices has the great advantage of allowing customers to easily understand the prices for various special order patterns on the website, which is a great advantage.

We will actively standardize services that are inherently difficult to standardize, and we will accelerate the digitization and standardization of service menus. This will allow customers to select the services they need by combining them on our website and to easily understand the fees and delivery times before using the services. We are planning to promote digital transformation and develop unique and offensive services that set us apart.

In addition, with regard to the Robots business, which we have recently started initiatives for, demand is certain to increase in a society where labor shortages are accelerating, and automation and labor-saving measures will be required, particularly in the R&D sector. We aim to solve societal problems by providing robots for research, and we want to grow this business.

AS ONE has a long history of going beyond the boundaries of catalog sales to provide a variety of services that meet the needs of our customers, and we have now grown significantly as a Services Business. We will continue to value our customers' feedback and expand our Services Business from the viewpoint of solving issues at research and medical institutions.



## Solution Design



Head of Business Solution Design Department & Sales & Marketing Life Science Group Manager

Tou Wu (medical doctor)

**By supporting advanced research activities both in Japan and overseas by providing solutions, we aim to create new revenue opportunities.**

Responding to the needs of researchers by utilizing our specialized knowledge

In addition to our core business of catalog sales and e-commerce, AS ONE also provides specialized products through its Business Solution Design Department. Furthermore, we are developing solutions to address our customers' issues from a long-term perspective.

This is based on the idea that although we sell high-end research equipment, which in some cases exceeds 100 million yen depending on the customer's needs, this alone is not enough to solve the customer's issues. Therefore, we have a system in place to support

research activities themselves, including the effective use of equipment.

The Business Solution Design Department, which I oversee, is staffed with highly specialized human resources, including members who have earned doctorates, and we are pursuing a solutions business that extends beyond just product sales. Our strength is that we can speak with researchers at universities and research institutes in a common language, and we can specifically identify the issues that researchers are facing and propose solutions.

For nearly 20 years, we have focused on proposing high-end equipment and facilities based on the latest technologies. Our specific activities are wide-ranging, including introducing our products at academic conferences and exhibitions in Japan and overseas, as well as consulting in customers' laboratories. Among those activities, while we introduce overseas

equipment in Japan, we also see it as one of our missions to promote Japanese-made equipment to the world. We are focusing on presentations and demonstrations of devices overseas in coordination with manufacturers.

In the life science and health science domains, we are currently developing highly specialized products such as equipment and reagents in new bioscience fields, particularly in new markets such as drug discovery and regenerative medicine. Through these efforts, in addition to supporting bio-related researchers by combining the latest technologies from Japan and overseas with the abundant knowledge and experience of our staff, we are currently developing a system that will enable us to provide technical support to researchers around the world, including in Japan, in the fields of regenerative medicine and antibody pharmaceuticals.

We also sell and provide after-sales support for hygiene and quality control equipment to customers in industries such as food, pharmaceuticals and cosmetics in the hygienic environment domain. We can provide total support, from consumables to equipment sales, and we also offer proposals for setting up laboratories and automating inspection tasks.

In terms of recent business performance, the overall net sales of the Business Solution Design Department reached 6.2 billion yen, and of this, the Food Sanitation Business Group accounted for more than half at 3.6 billion yen, with the remainder split almost equally between the Sales & Marketing Life Science Group and the Sales & Marketing Health Science Group.

Developing activities to support research and medical care as regenerative medicine moves into full swing

In 2017, AS ONE moved into the Life Innovation Center located within KING SKYFRONT in Tonomachi, Kawasaki City, Kanagawa Prefecture. Here, we provide solutions based on the latest technologies, such as outsourced lab services and consulting related to regenerative medicine facilities, to address the issues and new needs of our customers.

And our new challenge for FY2024 is to move into the International Center for Future Medicine Nakanoshima Qross, which has been established in

Nakanoshima, Osaka, and to begin providing support for future medical care. The Center is promoting the commercialization of cutting-edge "future medical care," focusing on regenerative medicine, as well as the application of genomics, artificial intelligence (AI), and IoT. It is Japan's first innovative facility where clinical and basic research are conducted within the same facility.

With this, the company aims to provide support for cutting-edge facilities and equipment needed for research as part of the regenerative medicine value chain. Moving forward, as Nakanoshima Qross Lab, we will hold regenerative medicine-related equipment demonstrations, as well as engage in joint development within the lab and develop a working showroom. We will generate "co-creation" within the facility by not only proposing equipment, but also by engaging in a wide range of activities, including information, technology and human resources provision, as well as exchanges among specialists. We will also aim to create new businesses within the company by contributing to the industrialization of regenerative medicine and other industries in Japan and overseas from a long-term perspective.



Lounge inside Nakanoshima Qross



AS ONE Nakanoshima Qross Lab

# PROJECT ONE ver.2.0

April 2023-  
March 2025

**Goals**  
 Maximizing domestic growth opportunities  
 Strengthening investments in building a platform for future growth (logistics platform, new business investments)  
 Maintaining and improving capital efficiency

Reacceleration of growth

Intensification of growth

Future growth beyond the ¥100,000 million benchmark

First medium-term management plan  
PROJECT NANASecond medium-term management plan  
PROJECT ONE

Toward sustainable growth

## Key strategies



01 Business growth acceleration



02 Establishment of management foundations for the future



03 Business development for our next stage of evolution



04 Effective utilization of capital

## PROJECT ONE ver.2.0 numerical targets

	Net sales	Operating profit	Operating profit margin	ROE	ROIC
PROJECT ONE ver.2.0 FYE 03/2025 Target values	106.6 billion yen	12.5 billion yen	11.7%	11.6%	11.5%
FYE 03/2024 results	95.5 billion yen	10.4 billion yen	10.9%	11.7%	10.5%
FYE 03/2022 results (at the time of formulating ver.2.0)	86.9 billion yen	9.3 billion yen	10.7%	11.2%	9.5%
Growth measures					
PROJECT ONE ver.2.0 FYE 03/2025 Target values	32.0 billion yen	6.0 billion yen	10 million products	3.8 billion yen	
FYE 03/2024 results	27.8 billion yen	5.2 billion yen	10.6 million products	3.6 billion yen	
FYE 03/2022 results	20.3 billion yen	4.6 billion yen	6.3 million products	2.6 billion yen	



## Business growth acceleration

### Enhancement of sales channels × Improvement of product lineups and product appeal

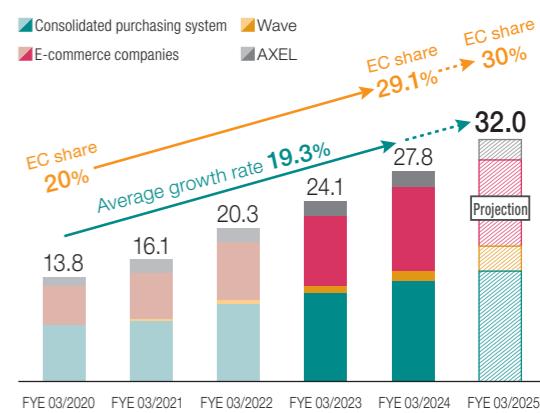
The industry database specializing in research and medical care where “users can find the information they want (without having to search all over the place) by referring to the AS ONE database,” demonstrates one-stop convenience for both upstream and downstream, and this is what makes it a magnetic force. It integrates our existing network of dealers with our e-commerce channels and effectively multiplies our expanding product selection year after year, which will accelerate the growth of our business.

### Enhancement of sales channels

#### Expansion of hybrid dealers with e-commerce

The company sells its products through a hybrid of a nationwide network of analog, human-based dealers and digital e-commerce channels. E-commerce channels, in particular, continue to drive the company's growth, with double-digit growth each year. The number of companies connected to the consolidated purchasing system “ocean,” which is used mainly by large companies, increased by 54 companies during the fiscal year, reaching 339 companies as of the end of March 2024. Our purchasing website, “Wave,” which serves as a backbone for EC transactions between dealers and users, has 17,693 registered users, an increase of approximately 3,800 companies during the period. To serve a broad range of small businesses, we have expanded our own web store “AXEL” and strengthened coordination with e-commerce companies, resulting in total sales of 27.8 billion yen for the entire EC channel.

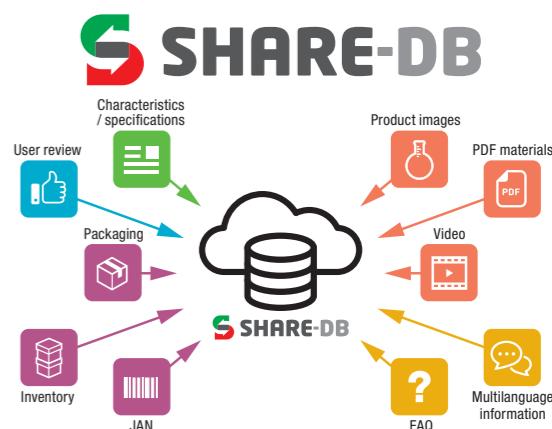
#### Transitions in E-Commerce net sales (billion yen)



### Improvement of product selection and product appeal

#### Achieving 10 million databases ahead of schedule

The product selection, which began expanding nine years ago with the aim of increasing from 70,000 SKU to 1 million SKU, had a target of 10 million SKU for the final fiscal year of the Medium-Term Management Plan, but this was achieved one year ahead of schedule. Excluding products that are relatively frequently ordered and listed in the paper catalog, net sales of exclusively web-listed products, including sales through e-commerce and traditional dealers, totaled 15.1 billion yen (a 24.5% increase YoY). The variety of our product selection, and its expansion, has steadily contributed to the growth of AS ONE's business performance. We will further strengthen the environment that enables customers to procure necessary goods with one-stop shopping using AS ONE as a hub, and further enhance our product selection and information so that our product database can be used as an “industry database.”





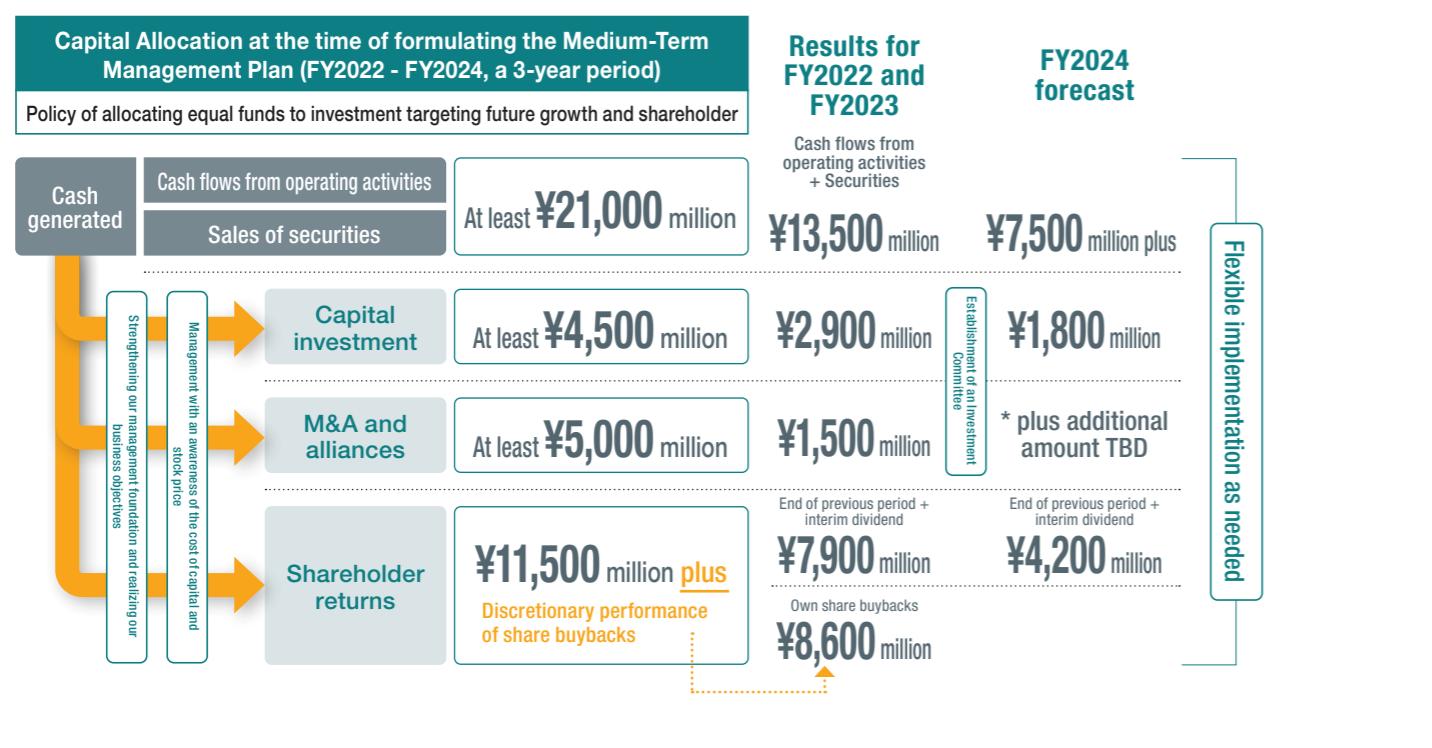


## Effective use of capital

### Streamlining of asset holdings and adjustment of shareholder return policies

Also, in FY2023, the company repurchased 2.1 billion yen of treasury shares and canceled the shares repurchased. The dividend payout ratio has also stayed above 50%, bringing the total payout ratio to 81.6%. The average total payout ratio over the past five years has been more than 76.2%. From FYE 03/2024 onwards, we will continue to focus on balancing capital allocation while directing funds towards alliances and M&As.

### Strategic capital allocation



### ► Accelerating innovation and creation with data-driven approaches



Supply Chain Planning Department  
Data-Driven Development Group  
Manager  
Tsutomu Okaichi

The Group encompasses the entire supply chain, from procurement to storage to deliveries, and we promote “visualization” and “optimization” from various perspectives. Instead of just acting as a wholesaler, we aim to become a hub for the industry and build a supply chain that will lead to greater efficiency and convenience for suppliers, dealers, and users.

Specifically, we are focusing on the following two points from the perspective of data.

**1** In the “inventory sector,” we also utilize the coordination of inventory information from suppliers and promote the selection of products to be held in inventory, as well as the optimal inventory volume and appropriate inventory allocation.

In addition to the above, we will also promote “visualization” and “optimization” based on product axis in the future.

**2** In the “delivery sector,” we promote the most suitable delivery methods from the perspectives of product delivery times and costs for suppliers to dealers.

## Platform supporting value creation

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### Introduction of LED lighting in the company building

The entrance on the first floor of the company headquarters, which is over 20 years old, has been completely renovated with LED lighting. Compared to previous lighting, the amount of electricity used is reduced by about 25%, and the lifespan is increased by about four times, contributing to not only to reducing the company's costs, but also to reductions in CO<sub>2</sub> emissions.



# Approach to Sustainability

We strive to improve our medium- and long-term corporate value by contributing to the creation of a sustainable society based on our management philosophy of Innovation and Creation.



## Basic Policy on Sustainability

1. Create environments where researchers and medical professionals can focus on fulfilling their roles. Contribute to the creation of a safe and secure society by serving as an industry hub and continuously working to optimize logistics.
2. Be aware of environmental issues such as climate change and biodiversity as a business that indirectly uses the Earth's natural resources, and navigate our risks and opportunities to contribute to the creation of a pleasant future for people and the Earth.
3. Respect the human rights of all people, and strive to create healthy and motivating work environments where people receive appropriate wages and are able to grow within a diverse group of human resources.
4. Conduct fair and honest economic activities with business partners based on a strong sense of ethics and responsibility. Maintain transparency in management and strive to be a company befitting the trust and expectations we earn society.
5. Contribute to society by fostering cooperative relationships through communication with stakeholders.

## Initiatives

- Introducing renewable energy
- Promoting joint logistics within the industry
- Reducing office trash volume
- Using eco-packaging for delivery services
- Reusing and reducing logistics packaging
- Digitizing invoices and delivery slips
- Promoting paperless offices

- Recycling old catalogs
- Selling eco products
- Joint delivery of reagents
- Providing convenience for researchers involved in environment-based themes
- Conducting eco-friendly deliveries that make full use of data

## Contributing to business and operations

- Implementing cost reductions (reduced use of electricity, logistics expenses)
- Increasing sales of eco products
- Using collection and recycling of old catalogs as opportunity to promote new products
- Expanding revenue opportunities by becoming a logistics hub
- Expanding presence in the research market

## Future issues

- Increasing joint logistics partner companies
- Expanding delivery services and target dealers
- Expanding suppliers and dealers
- Expanding solutions menu for researchers
- Collaborating with suppliers

E

### Relationship with employees

- Promoting women's participation and advancement
- Conducting employee engagement surveys
- Holding health and safety committee meetings
- Conducting employee training (AS ONE Career Design Program)
- Various work-life balance systems

- Employing foreigners
- Diverse work styles
- Appealing workplace with high retention [P.18](#)
- Practicing health and productivity management ASsisT [P.59](#)
- AS ONE NEXT Leaders Program

- Securing elite human resources
- Increasing productivity
- Fostering compliance
- Accumulating and building up knowhow

- Developing human capital management
- Increasing ratio of female managers
- Further growing into a more attractive company
- Providing growth opportunities aligned with the times

S

### Relationship with customers and partners

- Many-to-many transaction optimization, opportunity creation
- Creating a quality assurance structure [P.60](#)
- Providing convenience for research and medical institutions
- Conducting supplier sustainability surveys

- Formulating and publishing a basic policy for sustainable procurement
- Communicating via social media
- Providing linked systems
- Providing systems to support the shift to DX
- Constructing and mutual using SHARE-DB

- Expanding market presence
- Expanding revenue opportunities by becoming a logistics hub
- Collection of a diverse information

- Expanding solution menu for researchers and medical professionals
- Expanding suppliers and dealers
- Collaborating with suppliers

G

### Relationship with the local community

- Supporting Paralympic Art
- Holding AS ONE Children's Science Lab
- Conducting food hygiene management training
- Sponsoring the Ehon Picnic (children's book event) in Nishi Ward, Osaka

- Jointly hosting science events for parents and children
- Making donations for disaster relief, children's cafeterias, biodiversity, decarbonization, various projects, research, and universities
- Jointly holding STEAM education

- Expanding target users
- Developing research and scientific industry
- Expanding revenue opportunities by increasing brand recognition

- Good causes lead to good effects

# ENVIRONMENT



**Slogan**  
**Taking pride in being an environmentally-friendly company**

**Environmental Policy**

Engage in environmental conservation, including preventing environmental pollution.

Continuously improve the environmental management system used to improve our environmental performance.

**Code of Conduct**

Maintain an awareness of our responsibilities and good corporate citizens, strive for mutual prosperity and harmony with human society, and pursue our best effort towards the conservation of a healthy global environment.

Our Group strives to contribute to a sustainable society by engaging in business operations with a focus on conserving the environment, energy, and resources.

Our Group, including AS ONE headquarters, our Tokyo office, and our logistics centers have all obtained third-party certification for ISO14001, the international standard for environmental management systems. We also have established an environmental management structure that ensures compliance with environmental laws and regulations, and enables continuous improvements to our environmental performance.

We designate a director to oversee the management of our environmental management system. Each work

[to Homepage](#) ▶

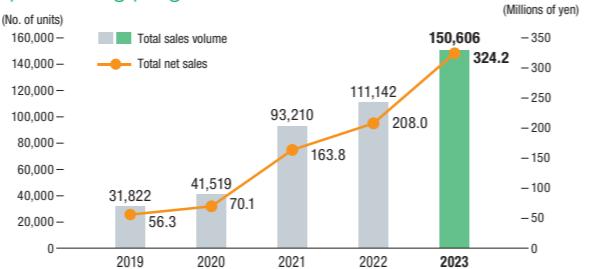


location manages site-specific goals and the entire company has incorporated document management, electronic contracts, and workflow management systems. We also are engaged in a shift to paperless offices and improving efficiency. To maintain and improve our environmental management system, our Internal Audit Department conducts regular audits and those results are applied towards management reviews.

## Promoting products applicable to green purchasing programs

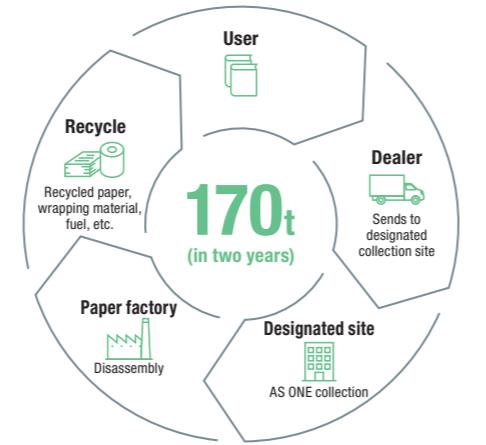
We introduce and sell products applicable to green purchasing programs to customers seeking environmentally friendly products. The FY2023 sales amount was 1.6 times that of the previous year.

### Transitions in sales of products applicable to green purchasing programs



## Catalog Recycling

Recycling activities unique to AS ONE. When issuing new catalogs, we collect old versions from our customers. The collected catalogs are then disassembled at a paper factory and recycled for uses such as recycled paper, wrapping materials, and fuel. These initiatives are supported by our customers as being a part of AS ONE's unique environmental protection measures. We revised the Scientific Instruments General Catalog in FY2022 and our Nursing and Medical General Catalog in FY2023. Over this two-year period, we recycled 170 tons of paper.



## Automatic direct delivery from the manufacturer

At the company, we automatically extract all possible conditions, such as delivery distance and costs. In cases where there is no particular need to combine deliveries with other products and the delivery distance can be shortened, we deliver directly to the specified delivery address without going through our logistics center, so-called direct delivery from the manufacturer. Of course, since the direct delivery instructions are also carried out automatically, there is no additional workload. In the past, most products were stored in our logistics center before being shipped. By delivering directly from the manufacturer, we have been able to eliminate the picking costs and delivery waste that had been incurred. Today, the reduction in delivery distance exceeds 300,000 km per month, which is equivalent to seven times around the Earth, and is contributing to the alleviation of transport pressure and decarbonization.



Reduction of delivery distance by seven times around the Earth each month

## Environmentally-friendly kitchen paper

“as kitchen,” an e-commerce site for food-related businesses. Our original paper towel product “AS Kitchen Paper” featured on this site is an environmentally-friendly product that contains 50% bagasse, which is made from sugarcane. Additionally, because it does not use fluorescent dyes, it can be safely used in food-related fields. Going forward, AS ONE will continue to expand its product selection, including environmentally friendly products, in order to meet the diverse needs of our customers.



## Using renewable energy

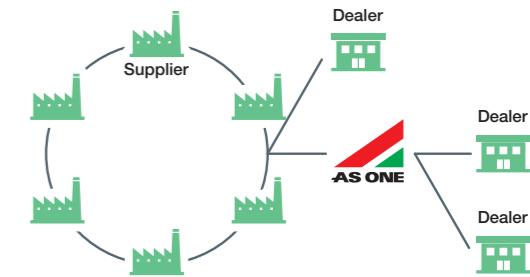
We use electricity generated from renewable energy sources in our own buildings, including our headquarters building and annex building in Nishi Ward, Osaka, our Rental and Calibration Center in Konohana Ward, Osaka, our Osaka and Tokyo Logistics Centers, and our Wakayama CIC. This usage rate corresponds to 57% of the total amount of electricity used by the company.



## Pickup and bulk delivery to centers using milk run collection

Milk run collection is an initiative in which we partner with route delivery companies to pick up the products of local suppliers one by one and then store them all together in our logistics center. Until now, each company has delivered to our logistics center. Furthermore, if the distance from our partner route delivery company's pickup base to the final destination is closer than delivering via our logistics center, we will deliver directly from the pickup base, saving on distance and costs.

Although these initiatives have only just begun in some areas, they have already produced cost reductions of around 30% in logistics costs. Moving forward, we will continue to promote joint deliveries across the industry and actively pursue initiatives that will contribute to improving logistics efficiency and reducing our environmental load.



## Disclosures based on the TCFD framework

### Post-box fixed-rate small parcel delivery

In the past, when delivering small items, we would pack them in corrugated cardboard boxes with cushioning and wrapping materials, but from November 2022 we have been gradually introducing small-lot deliveries that can be delivered quickly and safely in a size appropriate for the item. This has led to a reduction in CO<sub>2</sub> emissions, as it has eliminated the need for packing materials and reduced the volume of products being shipped.

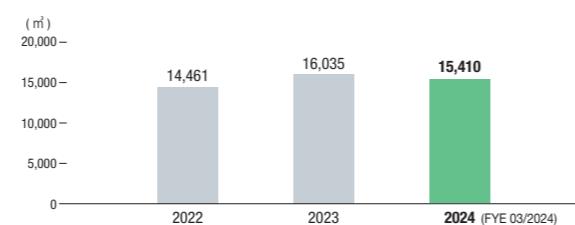


### Use of ultra-pure water for clean rinsing

AS ONE is located in Kimino-cho, Kaiso-gun, Wakayama Prefecture, where we can utilize the rich water resources of the Kii mountains, and we clean the wear, various equipment and consumables used in clean rooms with ultra-pure water. While the source water is tap water, it is purified through a filtration system to remove impurities such as magnesium and potassium, resulting in ultra-pure water (16MΩ or greater). The products manufactured by manufacturers are cleaned with this ultra-pure water in a clean room with a high cleanliness level of class 100, resulting in dust-free packaged products. After cleaning, the ultra-pure water is released into the river via a purification tank. Water from the river flows through the Yamada River and the Kino River and then into the Seto Inland Sea, so high standards have been set for water pollution and other substances. However, unlike ordinary dry cleaning, no detergent is used in the cleaning process, so the water is released in an extremely clean state, surpassing the standards.



Water usage (including purified water for sale)



### TOPICS

#### Continuing to aim to improve corporate value through sustainable growth

The Sustainability Management Office is an organization that promotes sustainable business activities throughout the AS ONE Group. Specifically, we are overseeing risks and opportunities related to climate change and human capital, scenario analysis, etc., and promoting initiatives to calculate and reduce CO<sub>2</sub> emissions. Also, in our ongoing procurement activities, we are working to ensure careful communication with our suppliers, who play an important role.

Moving forward, we will actively plan measures related to sustainability and work to ensure that each department is able to implement them. At the same time, we will also focus on highlighting the fact that our business itself supports the resolution of societal problems in a way that is easy for all of our stakeholders to understand, and we will work to improve our corporate value.

Sustainability Management Office  
Manager & Public and Investor  
Relations Group Team Manager

**Tomoko Fujimoto**



We designated environmental response as one of our materiality (core issues) and in June 2022 we announced our support for recommendations by the Task-Force for Climate-related Financial Disclosures (TCFD). In accordance with the TCFD approach, we conducted scenario analyses to identify the risks and opportunities associated with our business activities, and are working to incorporate these into our management strategy.

### Governance

We position responding to environmental issues, including climate change, as one of our core management issues. To promote sustainability management uniformly throughout our Group, on April 1, 2022, we established the Sustainability Management Office as an organization directly overseen by the President.

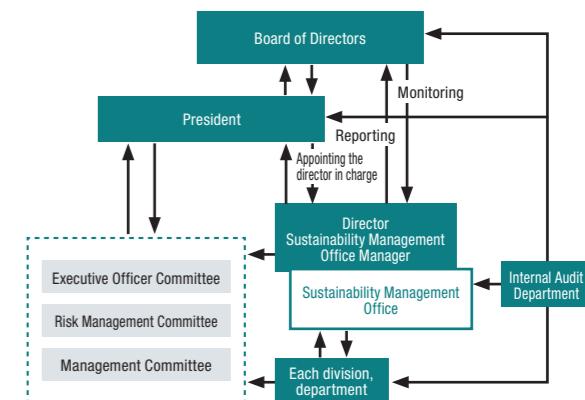
The President appoints Executive Officer in charge of Sustainability Management Office from among the Directors who are also members of the Medium-term Management Planning Office. The officer in charge, through the Sustainability Management Office, will work in accordance with the Basic Policy on Sustainability created by the Board of Directors. The Sustainability Management Office collaborates with each department to analyze and assess risks and opportunities related to climate change, etc., identifies important issues, plans and formulates responses to sustainability issues, including the environment and human rights, and sets goals.

The director in charge, who is an officer, attends important meetings such as Risk Management Committee meetings to issue opinions from the

perspective of sustainability.

The Board of Directors receives timely reports from the director in charge, who is an officer, and, at least twice per year, receives reports on the status of sustainability promotion and assessments related to risks and opportunities.

Based on this reporting, the Board of Directors identifies core issues and approves company-wide goals, and also considers sustainability promotion when discussing core strategy, etc.



### Strategy

#### Scenario analysis of climate-related risks and opportunities by each department and the Sustainability Management Office

In order to assess the priority of climate-related risks and opportunities, each department and the Sustainability Management Office identified issues that impact business and divided them into the categories of Transition Risks, Physical Risks, and Opportunities. We then defined and evaluated scenarios, to select 11 assessment items. During the assessment, we evaluated the business and financial impact with consideration given to the 4°C Scenario\*1 and 1.5°C Scenario\*2 announced by the United Nations Intergovernmental Panel on Climate Change (IPCC).

AS ONE's business model involves procuring and selling products from various suppliers based on customer demand. Since we have almost no fixed

manufacturing facilities, we are able to respond to changes relatively flexibly. As such, changes in demand viewed as risks can also be viewed as new opportunities. To address physical risks, we will work to diversify risks by expanding operations and increasing the number of logistics centers. We have partially incorporated strategies based on these analyses into the business strategies outlined in our **Medium-Term Management Plan, PROJECT ONE ver. 2.0**. P.41

\*1. 4°C scenario: A scenario in which temperatures rise by around 4°C compared to pre-industrial levels.

\*2. 1.5°C scenario: A scenario in which the increase in global average temperature at the end of the 21st century is kept below 1.5°C compared to pre-industrial times.

## Scenario analysis

Risk categories	Risk/opportunity categories and details			Impact on AS ONE	Time axis		Impact assessment		
	Categories		Details		Short	Medium	Long	1.5°C scenario	4°C scenario
Risks	Transition	Policy/legal	• Rising product purchase prices due to measures to reduce CO <sub>2</sub> emissions and the introduction of a carbon tax	Costs ↑	●	●		↗	↗
		Technology	• PB product development costs for decarbonization and an increase in capital investments associated with the adoption of decarbonization technology in logistics	Costs ↑	●	●		↗	↗
		Market	• Decrease in demand for consumables that become waste, in line with the development of various technologies that can integrate safety, convenience and CO <sub>2</sub> emission reduction.	Sales ↓	●	●		↗	↗
	Physical	Reputational	• Loss of reputation among customers and the capital markets due to lagging behind other companies in disclosing information on GHG emissions reductions in logistics, products and services.	Sales ↓	●	●		↗	↗
		Acute	• Costs related to inventory damage, operational stoppages, production decreases, and facility restoration incurred due to natural disasters.	Costs ↑	●	●	●	↗	↑
		Chronic	• Costs associated with supply constraints caused by supply chain disruptions caused by delays in procuring alternative products, etc.	Costs ↑	●	●		↗	↑
Opportunities	Resources	• Shift of purchasing behavior from ownership to rental, reusing products, recycling, and customer retention	Sales ↑	●	●		↗	↗	
	Energy	• Gaining a competitive advantage through providing new services that utilize a product database, such as displaying CO <sub>2</sub> Emissions from production to delivery to the customer.	Sales ↑		●		↗	↗	
	Market	• Solving decarbonization issues through R&D is essential, so expenditures will increase in our main market R&D.	Sales ↑	●	●		↑	↗	
	Product services	• Improving loading efficiency through shortening delivery distances, expanding the company's own delivery services that can be delivered using eco packaging with less waste wrapping materials, and improving efficiency through joint logistics.	Costs ↓	●	●	●	↗	↗	
	Resilience	• Building a diversified supply chain that distributes risks will increase trust in suppliers capable of providing stable supply.	Sales ↑	●	●		↗	↗	

Evaluation period for risks and opportunities

Short term: 2022 to FY2030 Medium term: 2031 to FY2040 Long term: 2041 to FY2050

The magnitude of the impact on business and finances is indicated by three different angles of the arrow.

Relative impact ↑ &gt; Slight impact ↗ &gt; Minor impact ↘

## Risk Management

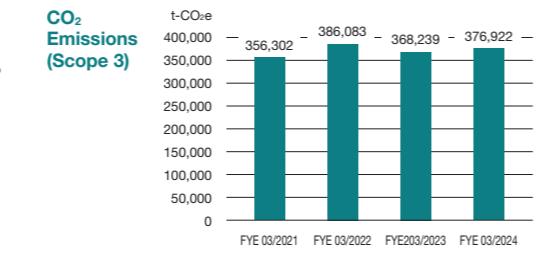
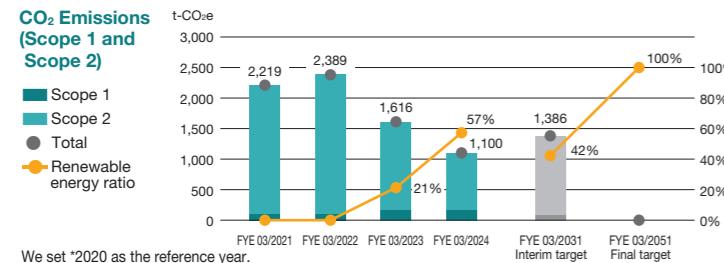
We engage in risk management based on the policies outlined in our Risk Management Regulations, which detail risk prevention measures for incidents with the potential to interrupt business operations and appropriate responses in the event a risk incident occurs. For risks associated with climate change, each department identifies inherent risks from the upstream to the downstream along the value chain and works to address those

risks (transfer, avoidance, diversification, mitigation, etc.). The Sustainability Management Office coordinates company-wide efforts, evaluates and identifies the importance of transition risks and physical risks, and submits reports to the Risk Management Committee once a year. The Risk Management Committee comprehensively coordinates responses to relevant risks and perform other necessary matters related to risk management.

## Indicators and targets

With regard to Scope 1 and 2 emissions generated by our company, we support the Renewable Energy 100 Declaration RE Action, which sets Targets for reducing Scope 2 emissions by switching to 100% renewable energy by 2050 at the latest. With FY2020 as the reference year, we have set interim targets of 42% for Scope 1 and 2 reductions by FY2030 and 100% by FY2050, and have set the same targets for the employment of renewable energy. Since July 2022, we have been able to significantly reduce Scope 2 emissions by introducing electricity derived from renewable energy sources at our own buildings, including our headquarters building and Osaka and Tokyo Logistics Centers. As a result, the reduction rate for Scope 1 and 2 in FY2023 was 50% of the reference year, thus achieving the interim target. On

the other hand, we have not yet reached the stage of setting targets for Scope 3. However, with regard to "Category 1", which is the largest emitter within the company, we have launched initiatives to collaborate with our supply chain. Specifically, we are supporting our suppliers in their calculations, sharing the calculation data, and continually reviewing ways to reduce emissions. Also, in the Medium-Term Management Plan, PROJECT ONE ver.2.0, we have disclosed targets for FY2024. These include the e-commerce business, which promotes paperless tasks along the entire supply chain, and the company's own delivery services, a delivery method that can reduce waste from wrapping materials, etc. **P.41**



## SOCIETY



## Human capital management promotion policy

AS ONE will continue to nurture a more customer-oriented corporate culture by ensuring that all officers and employees share the Company's reason for existence.

The root of AS ONE's sustainable growth is its human resources.

We will create a company that attracts people bursting with highly appealing human capacity.

Through timely revisions of our human resource management system, health and productivity management initiatives, enhancement of our education curriculum, returns of profits through salaries and bonuses, and improvement of the workplace environment, we will promote human capital management by enhancing a wide range of menu plans that also ensure diversity.

## Human capital management promotion and evolution

As our company name represents our value of unity, we have always valued the relationship of trust with our customers, dealers, suppliers, and shareholders. While building good relationships among working colleagues within the company, we have been working to create new value in accordance with our management philosophy of "Innovation and Creation." The accumulation of these efforts has led to the creation of a unique and unparalleled corporate value that is superior to that of other companies.

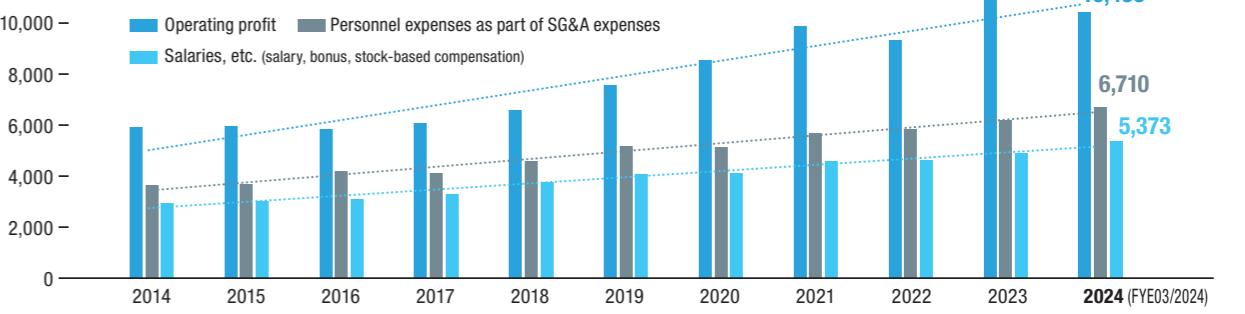
In human capital management, also, the attitude of valuing bonds of trust is a central presence. Our "human resource development policy," embodies the thoughts of President Iuchi, who constantly expresses his desire to "become a great company" and for "respect, trust, and empathy for all." The first item on our list of ideal human resource is "Human resources bursting with appealing character (personality, dignity and work ability)." Based on the belief that the growth of each and every one of our working colleagues and the growth of the company must intertwine to make it an even better company, we have created a human resource development program.

In addition, our unique human resources development program is the "AS ONE Career Design Program." We are

creating various programs that take into account the securing of diversity, such as by level, by issues, by self-development, and by selection. Our department's motto is to provide a wide range of educational opportunities to motivated human resources with ability and develop energetic human resources who are excited about the opportunity to grow through their work.

We are also promoting the "AS ONE Next Leaders Program," which is linked to the Nomination and Compensation Committee, with the aim of developing the next generation of human resources. With the hope of fostering the growth of female employees, we are also working on the "AS ONE Next Leaders Program (for women)" which provides special opportunities. The reason for putting (for women) in parentheses is that we don't want to overly emphasize the promotion of women's participation and advancement. In addition, as a digital transformation company, we are also working to develop digital human resources. Starting with recommending IT Passport certification, we are also promoting the expansion of the use of RPA and generative AI, as well as the development of human resources who base their thinking on data.

## Improve labor productivity (Millions of yen)



## The “AS ONE On-Boarding Program,” for a start of working life with peace of mind

AS ONE is also focused on improving the quality of human relationships. Based on the belief that we can achieve results only when we have relationships with our working colleagues that allow them to work with peace of mind, we have introduced a long-term “AS ONE On-Boarding Program” for new employees. We feel that we are making progress in building relationships between new employees and their seniors. We want them to carry out their working life with peace of mind. The fact that many of our employees who joined the company are happy to work for us is also reflected in our low turnover rate. [P.18](#)

Initiatives that support the different growth of each and every individual are also important. More than 20 people are employed per year through mid-career hiring and become our colleagues in the company. The fusion of diverse values will surely lead AS ONE to the next stage. Recently, the number of people re-joining the company after retirement has increased due to the welcome back re-employment program. We are continually striving to improve our personnel system, not just our education system, by ceasing certain practices and creating new ones to adapt to changes in the times.

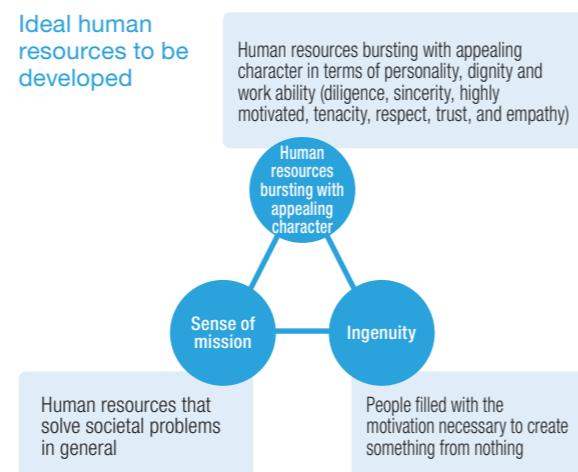
## A shared social mission to support research, industry, medical care, and other fields

AS ONE is a company that supports research, industry, medical care, and other fields, and each of our working colleagues is committed to fulfilling our social mission by meeting the expectations of our customers through their own growth. Therefore, in order to contribute to the sustainable growth of AS ONE, it is necessary to continue to evolve human capital management.

Results from the engagement survey were, thankfully, reasonably good compared to other companies, but we also identified some issues. AS ONE considers “support for self-growth,” “providing career opportunities,” “a culture of challenge” and “satisfaction” to be priority issues. To improve engagement, we are increasing opportunities for employees to gain experience by adding an educational aspect to our internal side job system, and evolving it into “Borderless Work 2.0.” However, engagement may not necessarily be something that can be found through statistical analysis alone. We believe that the ideal is to sincerely address the challenges in front of us, and as a result, improve the bond between the company and its employees.

## Education and training program “AS ONE Career Design Program”

### Ideal human resources to be developed



### Example of the FY2023 AS ONE Career Design Program

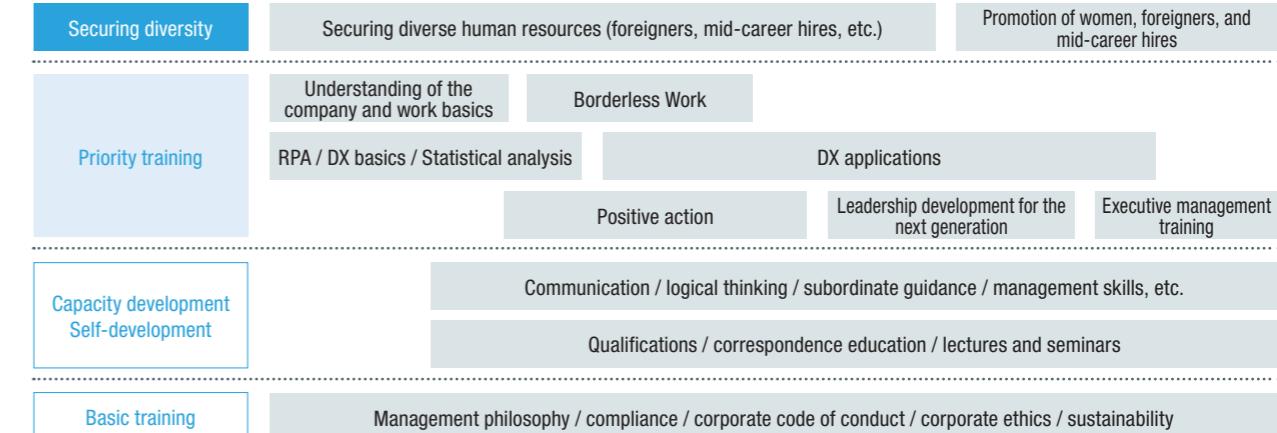
- 1) Training for managers
- 2) New employee and mid-career hire employee training
- 3) Training for young employees (2nd and 3rd year of employment)
- 4) Training for promoted employees
- 5) Training for newly appointed department heads
- 6) Overseas training
- 7) Next generation leader development training
- 8) Development training for female leaders
- 9) Skill-up and mind-up training
- 10) Life plan seminar



## Education and training program (AS ONE Career Design Program)

AS ONE provides a wide range of educational opportunities to grow motivated human resources with ability, and develops energetic human resources who are excited about the opportunity to grow through their work.

New employees → Junior employees → Middle-ranked employees alumni → Managers Specialists



## Pursuit of the uniqueness of AS ONE

Having a good corporate culture within the company and experiencing past successes can lead to the avoidance of necessary work-related disagreements and the denial of non-traditional values. It can also become a barrier in the process of creating 1 from 0. We must cultivate a corporate culture that recognizes diverse values and implement measures such as enhancing menu plans that respect the diversity of human resources.

The web-based employee directory, “AS ONE People,” was created with the hope that, even as direct communication becomes less common due to factors such as an increase in the number of employees and diversification of workstyles, relationships will be strengthened. These days, it is being expanded beyond the framework of a directory to also serve as a tool for talent management and the quantification of qualitative information. Ultimately, we envision a system that aligns the skills of our employees, including their tacit knowledge, with the work that needs to be done.

We will also continue to deepen discussions about what makes AS ONE unique. For example, the number of projects or task forces established and the number of

people who can create RPAs, and the high participation rate in company trips. The number of people who participated in serious small talk such as “AS drinking” and “AS ONE Café” might be another example of the pursuit of our uniqueness. [P.57](#)

The ratio of female managers is now around 10%. While there is no history of employing female workers (career-track employees), the number of such employees has increased to a level that is incomparable to a few years ago. On the other hand, despite the many companies, I also find it strange that everyone is fixated on the same set of indicators. The method of expressing the female employees who shine at AS ONE might not be limited to the number of managers. I think there are many examples of female employees who have been appointed as team leaders, transformed after changing job groups, or have achieved high results while balancing work and childcare.

While I truly believe we are a great company, we still have many issues to overcome. Together with our colleagues who share our desire to make the company even better, we will continue to evolve our human capital management.

## Ensuring diversity

ESG Principal data ▶ 

Through our contribution to the creation of a sustainable society, it is essential for AS ONE to think from a variety of perspectives in order to enhance our medium- and long-term corporate value. AS ONE is building a corporate culture and internal environment that respect the values of diverse personnel and maximizes the power of our human resources, which is our most important management resource.

	Results			Targets
	March 2022	March 2023	March 2024	March 2025
Ratio of female managers (nonconsolidated)	5.0%	5.5%	6.8% (8.8%)	10%
Ratio of female managers (consolidated)*	—	6.3%	7.9%	—
Ratio of female workers among general employees (nonconsolidated)	14.9%	16.3%	21.1% (24.6%)	30%
Rate of paid leave use (nonconsolidated)	60.3%	62.0%	63.2%	60%
Percentage of male employees taking childcare leave (nonconsolidated)	—	40.0%	37.5%	100%
Number of foreign employees (non-consolidated)	4	3	4 (5)	—
Number of foreign employees employed at overseas subsidiaries	92	93	90 (89)	—

\*Ratio of female managers in the consolidated group excluding overseas affiliates.  
Figures in parentheses are as of April 1, 2024.

## In-house environmental improvement policy

AS ONE is striving to enhance an attractive work environment in terms of both hard and soft aspects.

### [Basic approach to work environment]

- Establish distinctive human resources and benefits systems that support diverse values
- Implement various measures to improve the quality of human connections and relationships
- Provide a work environment and office layout that attracts motivated and skilled human resources

### Serious small talk

“Serious small talk” is an expression that President Iuchi often encourages. In order to overcome the challenges of the COVID-19 pandemic and engage in “serious small talk that leads to good work,” we are holding “AS drinking / AS ONE Cafe” in our headquarters building. It has become a place where employees can drop in after work and enjoy chatting in a friendly atmosphere, and where business ideas can be generated from a variety of perspectives. This initiative has had a significant impact on the company, not only by promoting communication between employees and building relationships but also by improving motivation.



### Instantly understand the personalities of our employees

At AS ONE, there is a web-based employee directory, “AS ONE People,” which provides a good overview of the personalities of our employees. As the number of employees increases and it becomes increasingly difficult to get to know everyone well, this tool serves to bring employees much closer together. Users can search by name or department, so they can see the details of employees work, what they do, and who they are. Photos of faces are included, making it easier to get to know them. This is one of the tools to improve the quality of employee relationships.

## Club and circle activities

AS ONE actively supports and promotes club and circle activities to create a healthy work environment and improve employee engagement. This has deepened the bonds between employees and increased the sense of togetherness within the organization as a whole. (As of the end of March 2024, 8 activity clubs and 11 activity circles)



Futsal Club: Meets once a month on weekday evenings

## Holding of a workshop on STEAM education

The company holds STEAM education workshops that integrate science, technology, art, and mathematics. By having participants learn across these domains, we aim to develop their creativity and problem-solving skills. These initiatives, which involve a wide range of participants from children to adults, contribute to the discovery of new perspectives and training of future human resources.



Seismic testing class

## TOPICS

### Establishment of human resources and organizational development group

This department is active in two areas: human resources development and organizational development. In human resources development, we are recruiting new human resources and are working to enhance our education systems to support skill improvement and career development, in accordance with our human resources development policy which we hold dear. In organizational development, we work on measures to revitalize the organization as a whole and increase productivity by strengthening the connections between people and departments within the organization. In addition, enhancing the disclosure of human capital and improving engagement are also important missions for us.

AS ONE's greatest asset is our “people.” We believe that each and every one of our colleagues can maximize their potential and achieve results, which will lead to the growth of the organization as a whole. We will do our best to contribute to the growth of AS ONE from the viewpoint of human resources and organization.

Administration Department  
Human Resources and Organizational  
Development Group Manager

**Ayumi Tachibana**



## IT education and qualification acquisition activities

At AS ONE, we believe that improving IT skills is important for future business, so we are putting a great deal of effort into training our employees. Specifically, we recommend that people obtain IT Passport certification and provide support for new employees to study for the Japan Statistical Society Certificate Level 3 qualification. Several employees have already obtained the qualification and are putting their skills to use in their daily work. These initiatives contribute to the career advancement of employees, and are also linked to improving the IT literacy of the organization and the use of data-driven approaches.

Qualification name	Target	Number of persons who are qualified
IT Passport	All employees	101
Japan Statistical Society Certificate Level 3	April 2024 New employees	(forecast to be 26 at the end of the current fiscal year)

(as of July 2024)

## 90th Anniversary Commemorative Trip

The company held a company trip to commemorate the 90th anniversary of AS ONE's founding. This trip, which deepened the interaction between employees across different divisions, was a valuable opportunity for new discoveries and ideas to be born in an extraordinary setting. It also facilitated interaction between different divisions, which is not always easy to do, and had the effect of increasing the overall cohesion of the company. These initiatives have contributed greatly to the company's growth, and have led to an even greater sense of camaraderie and motivation. We will continue to take initiatives to deepen the bonds between our employees and foster a sense of unity.



## Health and productivity management

AS ONE embraces the management philosophy of Innovation and Creation, and prides itself on continually solving new challenges for a better future.

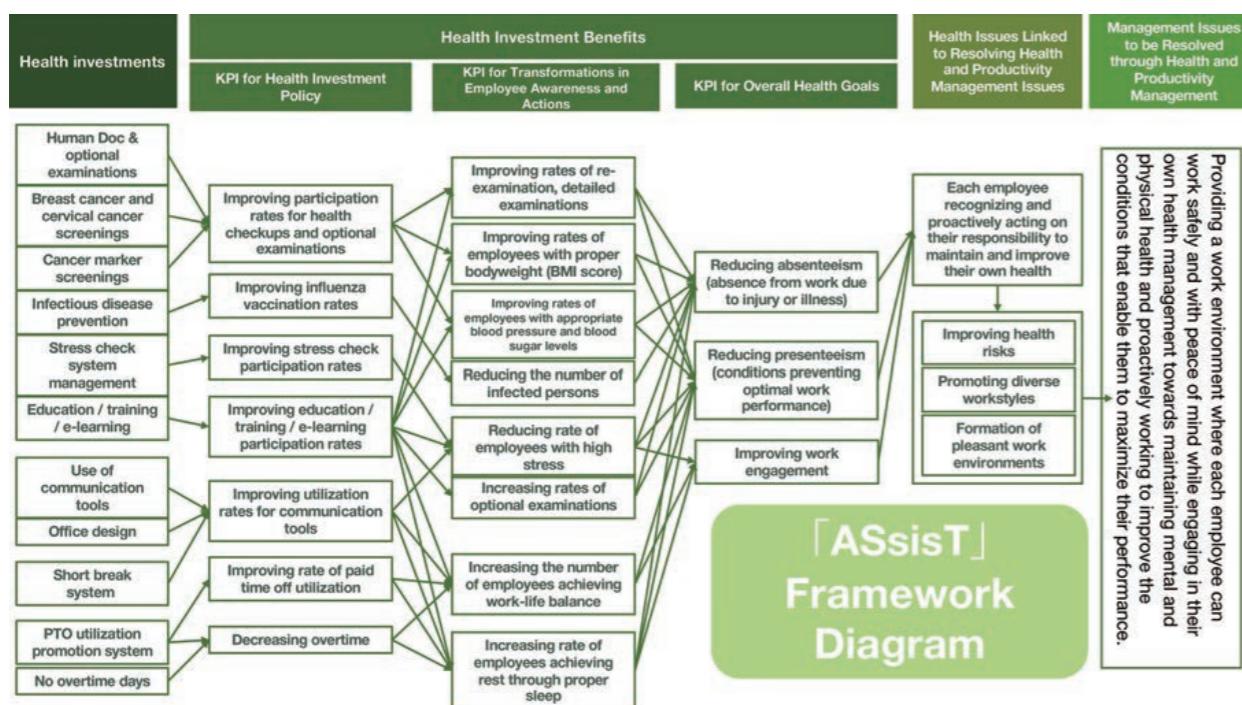
The mental and physical health of our employees and their families is essential to work together with our users, dealers, and suppliers to develop initiatives for new value creation.

We will actively support the creation of an environment where all employees and their families can work to maintain and improve their mental and physical health.

As part of our initiatives to realize a sustainable society, AS ONE launched a health and productivity management system: "ASsisT" in September 2022.

### Certified Health & Productivity Management Outstanding Organizations continuous certification

AS ONE has been praised for its focus on promoting employee health, and has been certified as a "Certified Health & Productivity Management Outstanding Organization" for FY2024 as well. By promoting various initiatives to improve health, we will improve the quality of life of each and every one of our employees, while also contributing to increasing productivity throughout the company.



\*ASsisT=AS(ONE)\_S(olution)\_I(ntegrated) S(support)\_T(echnology)

## Quality Assurance

### Fundamental Philosophy

Along with embodying our management philosophy of Innovation and Creation, we also strive to further justify our existence by pursuing customer satisfaction.

### Quality Policy

- Strengthen comprehensive services related to product provision to secure customer satisfaction.
- Enhance product selection and provide quality products to meet diverse customer needs and expectations.
- Enhance product planning and development capabilities, and work to increase quality.
- Adhere to the laws, regulations, and other requirements applicable to the Company.
- Make continuous improvements to the quality management system (QMS).

Although we are a wholesaler, we offer many of our own brand products and we have obtained the international standard ISO9001 certification. We also implement a QMS throughout the company under the leadership of top management.

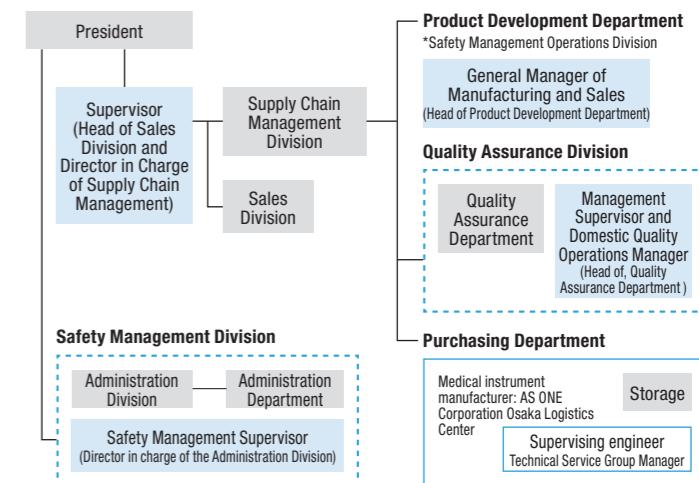


The Quality Assurance Department in particular oversees quality management and inspections for in-house developed products and imported products, supplier assessments and supplier quality enlightenment activities, and issues various certifications to users. The Quality Assurance Department also holds regular monthly quality meetings to report and deliberate on issues related to the QMS.

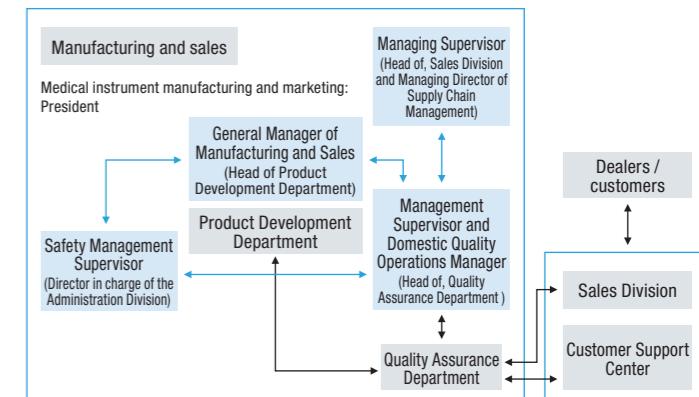
## As a licensed Class II medical instrument marketing business

We are licensed as a Class II medical instrument marketing business and qualified personnel implement safety measures in accordance with the medical instrument manufacturing and marketing quality manuals and post-marketing safety management procedures (GVP procedures) based on the five roles of pharmaceutical affairs.

### QMS/GVP Structure map



### Liaison map of persons in charge of Class II medical instrument manufacturing and marketing



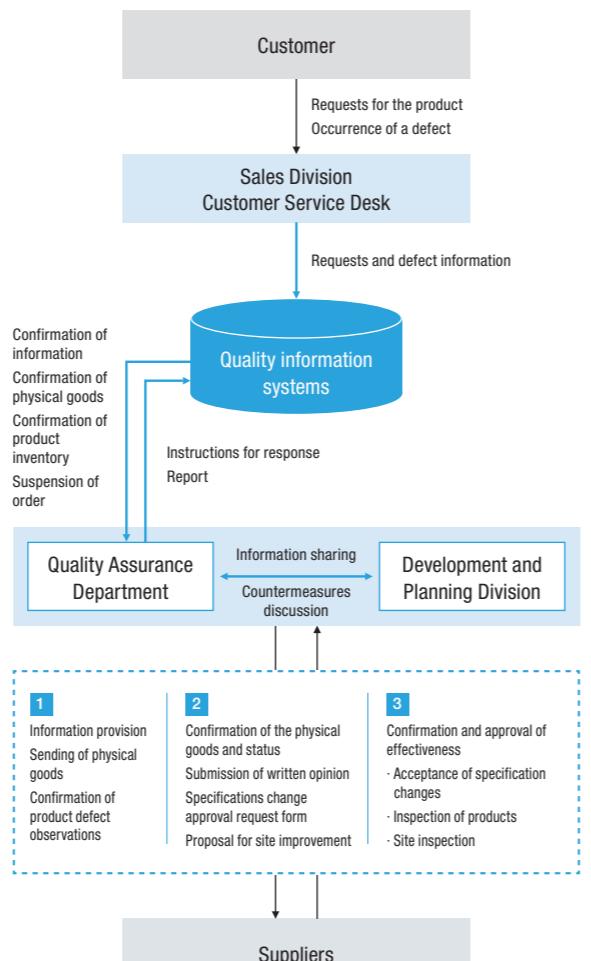
## Addressing product defects that occur in the market

Even if the QMS prevents product defects from occurring in the first place, there are still cases where defects may occur, albeit with a small probability. In such cases, a framework has been established to collect information on inquiries and product defects of quality information systems through the Sales Division contact center.

The Quality Assurance Department will instruct the Sales Division to address requests and product defect information registered in the quality information systems, in reference to past history and information on equivalent products.

On the other hand, for products with defects, information is shared with the Development and Planning Division, and in consideration of the magnitude of the risk and the likelihood of a recurrence of the problem, we address the issue by confirming the product inventory and, in some cases, suspending orders. We also acquire defective products and check them internally, as well as have our suppliers check the physical goods and on-site status and ask for their opinions. We will analyze the causes of defects and seek proposals for corrective measures against defects, such as improvements at manufacturing facilities and changes in product specifications.

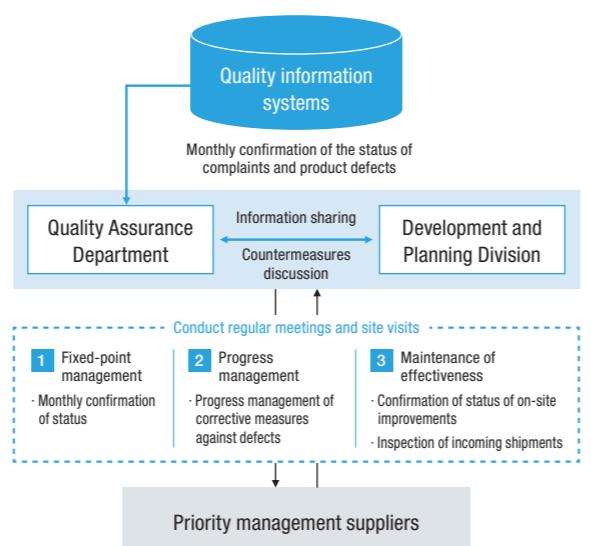
We will check the effectiveness and appropriateness against the supplier's opinion in the Quality Assurance Department and the Development and Planning Division. For those approved specification changes, we will conduct product inspections of the improved products, and for on-site improvements, depending on the details, we may conduct on-site inspections to confirm that the measures are being maintained and implemented.



## Management of priority suppliers

AS ONE identifies suppliers that contribute significantly to the Company's net sales and profits as our priority suppliers and constantly monitor their information from our quality information system. We also conduct an analysis of each supplier's complaints and product defect information on a monthly basis to control quality status.

Through regular meetings and on-site inspections, we manage the progress of measures to prevent defects, check the status of on-site improvements, and also inspect incoming shipments of specific products to maintain the effectiveness of quality improvements.



## Dialogue with Stakeholders

### Stakeholders

#### Shareholders and investors

The Public and Investor Relations Department works with the Director in charge of the Administration Division and our President. During FYE 03/2024, we held meetings with a total of more than 430 institutional investors. We are increasing engagement with ESG, which has enabled us to partake in valuable exchanges of opinion that we later reflect in management.

#### End users and dealers

The Customer Support Center receives about 10,000 inquiries per month regarding product overviews, etc., and our professional staff provides appropriate advice and necessary documentation. The feedback we receive is instrumental in improving our service and product selection by providing feedback to our Sales Division and Product Planning Division. The Inside Sales Group acts as a point of contact for dealers, exchanging information via telephone and web tools, while at the same time providing detailed support, including quotations, delivery date confirmation, and suggestions for alternatives, based on an understanding of the genuine needs of each individual customer. Also, although not on a regular basis, we hold gatherings with the people in charge of operations at major dealers to promote mutual understanding and build a relationship that facilitates smooth operations for both parties. On our Company-run website, AXEL, we engage in communication with our customers through product reviews.

#### Suppliers

The Supply Chain Division communicates through daily business meetings and also utilizes web tools to exchange information. We also present the Basic Policy on Sustainable Procurement to each company to promote understanding of AS ONE's policy and to ascertain the status of addressing the issue through questionnaires. The "AS ONE Kai," a social gathering with suppliers that was suspended during the COVID-19 pandemic, will also be resumed to deepen mutual understanding.

#### Local community

We strive to communicate with governments and regional communities by participating in Osaka City's civic exchange events and conducting science experience classes in Osaka City, where our headquarters is located, and participating in community events in Kawasaki City, where our laboratory is located.

#### Employees

We have established a whistleblower system that enables employees to report to external attorneys and a self-reporting system that allows employees to report to the Human Resources Division without having to go through a supervisor. We have changed the annual employee satisfaction survey to a regular engagement survey, in a trial-and-error process to ensure that both sides are working in the same direction. While we do not prohibit the formation of labor unions, we do not have a corporate labor union. Instead, we communicate with employee representatives who are elected by employees. Since AS ONE is celebrating its 90th anniversary of our founding, we aim to create a more open company by, in principle, planning to hold a travel event with the participation of all Company members.

## Initiatives in which we participate, evaluation from outside the Company



### TCFD

We endorse the TCFD recommendations and disclose information addressing climate change.



### Certified Health & Productivity Management Outstanding Organizations

We have been certified as a Certified Health & Productivity Management Outstanding Organization by the Nippon Kenko Kaigi.



### A-ranked site in the All Japanese Listed Companies' Website Ranking

Nikko Investor Relations Co., Ltd. has selected our website as an A-ranked site in "All Japanese Listed Companies' Website Ranking of 2023."



### Renewable Energy 100 Declaration RE Action

We have demonstrated our intention and action to convert 100% of the electricity we use to renewable energy and are participating in the Renewable Energy 100 Declaration RE Action, a framework to promote the use of 100% renewable energy.



### Sports Yell Company

We have been certified as a "Sports Yell Company" by the Japan Sports Agency as a company that is actively working to improve the health of its employees through sports.



### Integrated Report Award 2024 Excellence Award

We received the Excellence Award in the Integrated Report Award 2024 Business Model and Strategy / Resource Allocation categories from Nikko Research Center.

# GOVERNANCE

[To Corporate Governance Report ▶](#)



## Directors

As of June 26, 2024



### Director

#### Kazuhiko Odaki

Outside Director

Apr. 1988  
Joined Ministry of International Trade and Industry (now Ministry of Economy, Trade and Industry)

Jun. 2003  
President of Specified Non-profit Organization Policy Evaluation Agency (current)

Jul. 2008  
Senior Research Fellow for Corporate Law Systems, Economic and Industrial Policy Bureau of Ministry of Economy, Trade and Industry

Apr. 2012  
Professor, College of Economics of Nihon University (current)

Jun. 2018  
Outside Director of the Company (current)

Nov. 2018  
Outside Director of Star Mica Holdings Co., Ltd.

Jun. 2019  
Outside Director (Audit and Supervisory Committee Member) of Star Mica Holdings Co., Ltd. (current)

Feb. 2023  
Director (and Non-executive Director) of Star Mica Co., Ltd. (current)

He was engaged in numerous industrial policies and industrial policy research as a government official of the Ministry of Economy, Trade and Industry, and Financial Services Agency. He is currently engaged in research of corporate governance, etc. as a university professor, and oversees us from an objective standpoint backed by his abundant experience and knowledge.

### Director

#### Keisuke Nishikawa

Head of Administration Division, Mid-term management Planning Office Deputy manager and Executive Officer in charge of Sustainability Management Office, Health and Productivity promotion of the company

Apr. 2000  
Joined the Company

Aug. 2019  
Head of Marketing Division, Head of Marketing Department and Head of Corporate Planning Department of the Company

Apr. 2020  
Head of Marketing Division, Head of Marketing Department and Head of Corporate Planning Department of the Company

Jun. 2020  
Director (current), Executive Officer in charge of IT Division of the Company

Sep. 2022  
Officer in charge of Health and productivity promotion of the Company (current)

Apr. 2024  
Executive Officer in charge of Sustainability Management Office of the Company (current)

He has created numerous new businesses through his duties of marketing, business planning in the field of food sanitation, web planning, and other various projects. He currently oversees the overall allocation of management resources in the Administration Division and drives various initiatives that would contribute to the increase in corporate value of the Company.

### Director (Audit and Supervisory Committee Member)

#### Michiko Kanai

Outside Director

Apr. 1990  
Registered as an attorney at law, joined OH-EBASHI LAW OFFICES \*later, Member, OH-EBASHI LPC & PARTNERS (current)

Apr. 2000  
Joined OH-EBASHI LAW OFFICES \*later, Member, OH-EBASHI LPC & PARTNERS (current)

Jun. 2007  
Outside Auditor of USJ Co., Ltd.

Jun. 2015  
Outside Director of Kondotec Inc. (current)

Apr. 2020  
Head of Marketing Division, Head of Marketing Department and Head of Corporate Planning Department of the Company

Jun. 2020  
Director (current), Executive Officer in charge of IT Division of the Company

Sep. 2022  
Officer in charge of Health and productivity promotion of the Company (current)

Apr. 2024  
Executive Officer in charge of Sustainability Management Office of the Company (current)

She is active in a wide range of fields as an attorney at law who has brilliant insight in corporate legal affairs including international affairs and risk management. She is a pioneer of women's empowerment and is admired by female employees of the Company. She has been giving us opinions in various meetings as a law expert with a business sense.

### Managing Director

#### Kazuhito Yamada

Head of sales Division and Mid-term management Planning Office manager of the Company

Mar. 1990  
Joined the Company

Apr. 2011  
Head of Sales Division of the Company

Jun. 2012  
Director of the Company

Apr. 2014  
Managing Director (current); Head of Marketing Division and Head of IT Division of the Company

Apr. 2020  
Head of Merchandising Division and Mid-term management Planning Office manager of the Company (current)

Jun. 2016  
Outside Director, IDEC Corporation \*later, Audit and Supervisory Committee Member (current)

Sep. 2020  
Officer in charge of Health and productivity promotion of the Company (current)

Apr. 2022  
Head of sales Division of the Company (current)

He knows deeply about the history of the Company and has knowledge and experience encompassing business models. He has a mutual relationship with many suppliers and dealers. He drives the evolution of business platforms such as the fusion of digital and analog and the expansion of service businesses and leads the entire company to achieve the medium-term management plan.

### President

#### Takuji Iuchi

Apr. 1991  
Joined Nittetsu Shoji Co., Ltd. (now NIPPON STEEL CORPORATION)

Mar. 1994  
Joined the Company

Jun. 2005  
Director of the Company

Apr. 2008  
Executive Director of the Company

Jun. 2009  
President of the Company (current)

He has a wide range of business experience as a general manager of various divisions and in overseas offices. He is a flexible thinker who is not bound by existing concepts, inspires us with a belief in making it a "great company," and leads the continuous evolution of the Company.

### Managing Director

#### Toshiki Hara

Officer in charge of accounting and finance, DX Development Division

Apr. 1982  
Joined The Kyowa Bank, Ltd. (now Resona Bank, Limited)

Aug. 2001  
Branch Manager, Fukushima Branch of The Asahi Bank, Ltd. (now Resona Bank, Limited)

Oct. 1996  
Established Miura Accounting Firm (current)

Jul. 2009  
General Manager, Human Resources Service Center of Resona Human Resource Support K.K. (now Resona Business Service Co., Ltd.)

Apr. 2010  
Group Leader, Human Resources Division of Resona Bank, Limited

Jun. 2013  
Outside Auditor of the Company \*later Outside director (Audit and Supervisory Committee Member) of the Company

Jun. 2021  
Outside Auditor of the Company

Nov. 2023  
Chairperson of Custom Corporation (current)

He is a professional corporate manager who experienced the CEO of an IT company after experiencing a representative of financial institutions. He leads not only the fields of accounting and finance but also the management in line with the trends of digital transformation with a strict stance to bring us to the next stage.

### Director (Audit and Supervisory Committee Member)

#### Kazutaka Suzuki

Outside Director

Nov. 1987  
Joined The Kyowa Bank, Ltd. (now Resona Bank, Limited)

Aug. 2001  
Branch Manager, Fukushima Branch of The Asahi Bank, Ltd. (now Resona Bank, Limited)

Oct. 1996  
Established Miura Accounting Firm (current)

Jul. 2008  
Outside Auditor of ASICS Corporation

Jun. 2016  
Outside Auditor of the Company

Jun. 2021  
Outside Director (Audit and Supervisory Committee Member) of the Company (current)

He is familiar with accounting and finance as a certified public accountant and is active in a wide range of fields as a professional accountant. He contributes to the appropriateness of the accounting and finance of the Company at an extremely high level.

### Director (Audit and Supervisory Committee Member)

#### Hideaki Mihara

Outside Director

Nov. 1987  
Joined Ota-Showa & Co. (present: Ernst & Young ShinNihon LLC) Osaka Office (resigned September 1996)

Oct. 1996  
Established Miura Accounting Firm (current)

Jul. 2008  
Outside Auditor of ASICS Corporation

Jun. 2016  
Outside Auditor of the Company

Jun. 2021  
Outside Director (Audit and Supervisory Committee Member) of the Company (current)

He is a certified public accountant and is active in a wide range of fields as a professional accountant. He contributes to the appropriateness of the accounting and finance of the Company at an extremely high level.

## Corporate executive officer



Senior Executive Officer  
Head of Overseas Business Division of the Company  
Mitsushige Kimura



Head of Specialized Business Division  
Toru Kaneno



AS ONE SHANGHAI Corporation Managing Director  
Isamu Hayashi



Head of Electronic Commerce Business Division  
Masataka Maruhashi



Head of DX Development Division  
Tomohiro Fukuda



Head of Supply Chain Management Division  
Jun Machida

## Messages from our Outside Directors

AS ONE, having survived COVID-19, is aiming for the next stage



Outside Director  
**Kazuhiko Odaki**

AS ONE has successfully weathered the waves of large fluctuations in demand caused by inventory adjustments following the COVID-19 pandemic and has achieved stable growth.

We are currently starting a new phase of development with an eye on the next stage, including strengthening logistics management, expanding our in-house developed products, and expanding into rental and outsourcing businesses. We believe that the fact that junior employees and middle-ranked employees are contributing to the growth of the company with their originality and dedication, as "AS ONE" with all employees, is bringing about the robust performance of our company.

I think it is truly wonderful that AS ONE is not only practicing good governance and management discipline, but is also developing a wide range of corporate activities from both offensive and defensive perspectives with a long-term vision based on a bottom-up approach.

As an Audit and Supervisory Committee Member, I aim to conduct audits that contribute to the sustainable growth of AS ONE.



Outside Director  
(Audit and Supervisory Committee Member)  
**Kazutaka Suzuki**

AS ONE is in the final year of its current Medium-Term Management Plan, and all employees are working together to achieve the projections. As a non-Executive Officer and an Audit and Supervisory Committee Member, I intend to further strengthen our initiatives for governance that contribute to achieving our projections. In addition, when formulating the next Medium-Term Management Plan, it is my intention to continue to pay close attention to the initiatives of the executive departments in response to the risks associated with growth measures, and to confirm that we can maintain healthy, sustainable growth. Similar to last year, the Audit and Supervisory Committee will not place full-time members but will adopt a systematic audit system and carry out its auditing duties in coordination with the Internal Audit Department, Corporate Administration Division and Accounting Auditor, without reducing the effectiveness of its auditing functions.

Expecting further progress by refining the management philosophy of "Innovation and Creation"

AS ONE is looking ahead to future growth beyond the ¥100,000 million benchmark and is taking preemptive action by investing in areas such as the promotion of e-commerce, expansion of logistics capacity, and M&A and investment in peripheral fields. On the other hand, the company is also actively pursuing shareholder returns, such as maintaining dividend increases. As an accounting professional, I will support proper financial reporting, and I will also carefully monitor the balance between growth investments and shareholder returns (financial discipline), the PDCA cycle, etc. This is the final business year of the Medium-Term Management Plan "PROJECT ONE," and I look forward to seeing what goals and details the next management plan will have under the theme of "Innovation and Creation."



Outside Director  
(Audit and Supervisory Committee Member)  
**Hideaki Mihara**

I will support AS ONE's growth, mission, and responsibilities.

AS ONE is constantly evolving, with an expanding product selection, a virtual inventory, a strengthening logistic foundation, and an innovation of platform. The country of Japan now faces urgent issues of creating value for the whole country. R&D in the medical care and physical and chemical sectors plays an important role, and AS ONE supports the foundations of this. I am extremely delighted and proud that AS ONE holds such a position, and I am once again aware of our mission and responsibility to continue being sustainable.

While AS ONE grows, I will continue to fulfill my mission and responsibilities as a Member of the Audit and Supervisory Committee, overseeing the management team while keeping an eye out for the emergence of governance and risk, and supporting their business decisions.

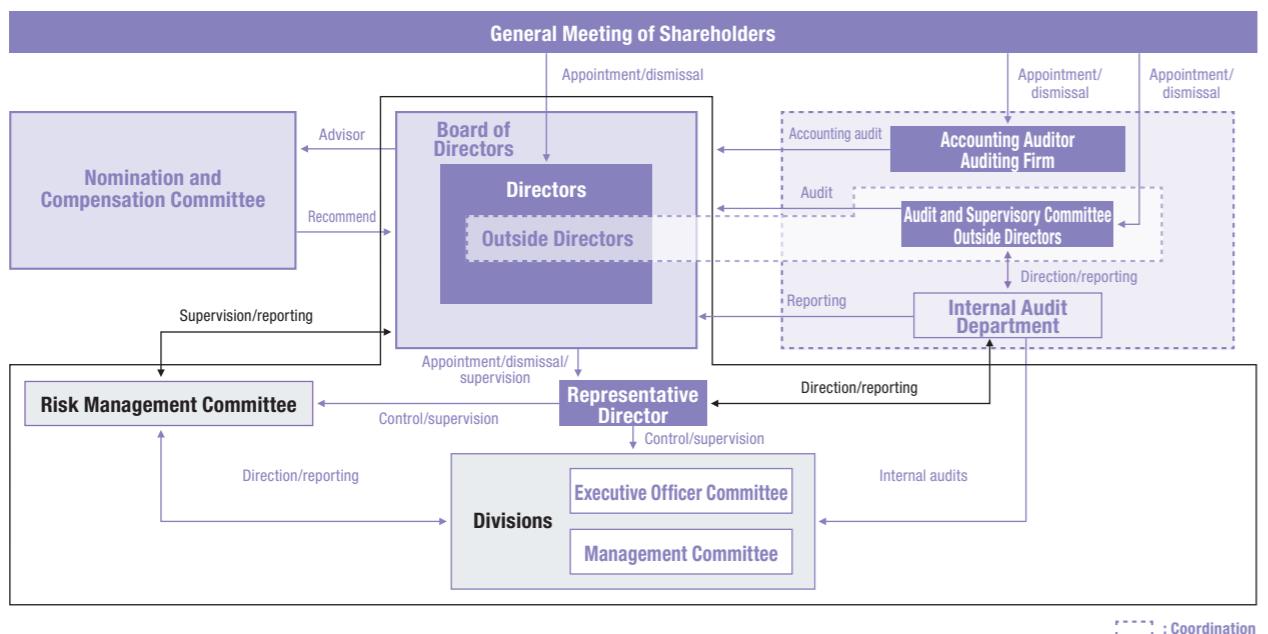


Outside Director  
(Audit and Supervisory Committee Member)  
**Michiko Kanai**

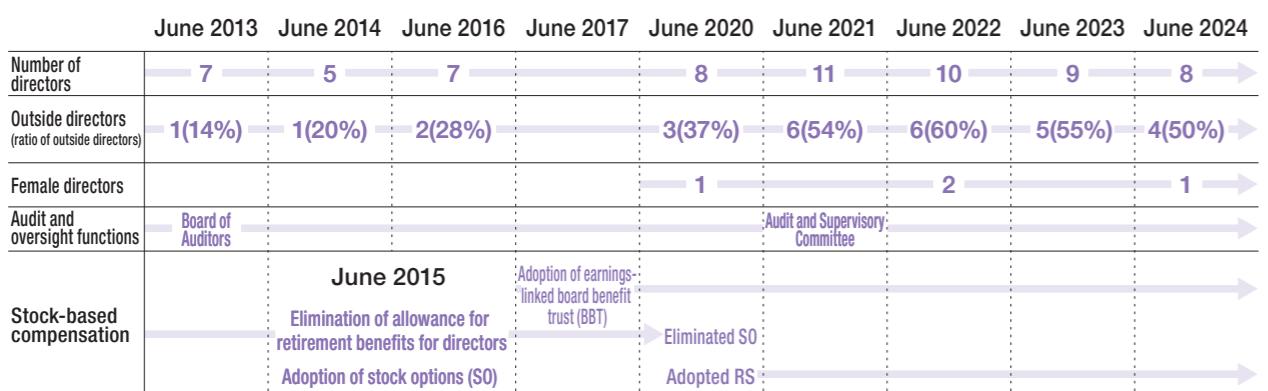
# Overview of Corporate Governance



## Corporate Governance Structure Map



## Transitions in Corporate Governance Reform



## Basic approach to corporate governance

Our basic approach to corporate governance is to pursue management efficiency to maximize corporate value while also reinforcing corporate ethics and increasing management transparency to increase the trust we earn from all our stakeholders.

## Corporate Governance System

AS ONE has adopted the company with an Audit and Supervisory Committee as its corporate governance structure. By appointing Audit and Supervisory Committee Members, who are responsible for auditing and supervising the execution of duties by directors, members of the Board of Directors, AS ONE aims to further enhance corporate governance by strengthening its monitoring system and by allowing the Board of Directors to broadly delegate business execution decisions to directors, thereby speeding up the

decision-making process in business execution and allowing the Board of Directors to focus on crucial management decisions such as business planning, thus striving for further enhancement of corporate value.

We also enhanced corporate governance by establishing a Nomination and Compensation Committee to increase transparency for the evaluation and decision-making processes related to director nomination and compensation.

## Composition by Organization (◎ indicates Chair/Committee Chair, ○ indicates Member)

Position name	Name	Directors	Audit and Supervisory Committee	Nomination and Compensation Committee
President	Takaji Iuchi	◎		
Managing Director	Kazuhiro Yamada	○		
Managing Director	Toshiki Hara	○		
Director	Keisuke Nishikawa	○		○
Director (Outside Director)	Kazuhiko Odaki	○		○
Director (Audit and Supervisory Committee Member)(Outside Director)	Kazutaka Suzuki	○	◎	○
Director (Audit and Supervisory Committee Member)(Outside Director)	Hideaki Mihara	○	○	
Director (Audit and Supervisory Committee Member)(Outside Director)	Michiko Kanai	○	○	○

## Directors

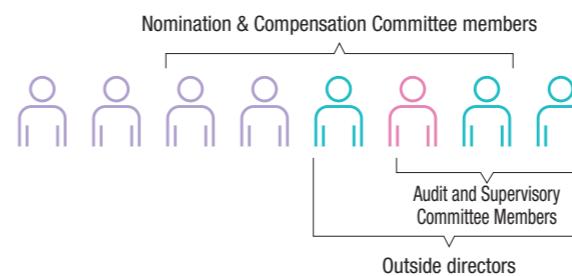
The Board of Directors is comprised of 8 directors (of which, four are outside directors, including one female). The Board is responsible for making management decisions and monitoring business execution. We strengthen management monitoring functions by appointing outside directors with no interests in the Company. Board of Directors' meetings are held once per month and impromptu meetings are convened as necessary. AS ONE's corporate governance structure is as depicted in the diagram to the left.

## Main matters considered by the Board of Directors

Opinions were formed, discussions were held, and resolutions were passed on the following matters:

- Status of strategic shareholdings and holding policy for FYE 03/2024
- Review of the PROJECT ONE Medium-Term Management Plan
- Matters concerning the acquisition of treasury stock
- Consideration of a stock split
- Disclosure on Materiality and TCFD
- Health and productivity management initiatives
- Engagement survey results
- Discussions on investments
- Disclosure of human capital management and various initiatives
- Reporting on effective evaluations of the Board of Directors
- The handling of wage increases for employees (starting salary revisions, job group reassessments, etc.)

## Directors 8 (of which, 4 are outside directors)



## The skill matrix

The skill matrix after approval of Proposals 2 is as follows

	Name	person in charge	Corporate management, Management strategy	Marketing/ Business development	IT	Logistics/ Purchases	Sales	Oversea	Management personnel/ Human resources development	Accounting/ Finance		Legal affairs, Risk	Internal control/ Governance	Experience in different industries
Directors who are not Audit and Supervisory Committee Members	Takuji Iuchi		○	○	○	○	○	○				○	○	
	Kazuhiro Yamada	Sales Division	○	○	○	○	○					○	○	
	Toshiaki Hara	DX Development Division, Accounting and Finance	○		○		○		○	○		○	○	○
	Keisuke Nishikawa	Administration Division, Sustainability, Health and Productivity promotion	○	○	○		○		○	○		○	○	
	Kazuhiro Odaki											○	○	○
Directors who are Audit and Supervisory Committee Members	Kazutaka Suzuki						○		○	○		○	○	○
	Hideaki Mihara									○			○	
	Michiko Kanai						○					○	○	

## Corporate executive officer

	Name	person in charge	Corporate management, Management strategy	Marketing/ Business development	IT	Logistics/ Purchases	Sales	Oversea	Management personnel/ Human resources development	Accounting/ Finance		Legal affairs, Risk	Internal control/ Governance	Experience in different industries
Senior Executive Officer (entrusted)	Mitsushige Kimura	Overseas Business Division	○				○	○	○	○		○	○	○
	Toru Kaneno	Specialized Business Division		○			○							○
	Isamu Hayashi	AS ONE SHANGHAI Corporation	○	○			○	○						○
	Masataka Maruhashi	Electronic Commerce Business Division		○	○		○							○
	Tomohiro Fukuda	DX Development Division		○	○									○
Executive Officer (employed)	Jun Machida	Supply Chain Management Division		○	○	○								○

\*Up to two items are marked as ○○ for notable skills.

## Reference: Criteria for Determining Independence of Outside Directors and Outside Auditors

In order to ensure objectivity and transparency necessary for proper governance of the Company, the Company considers it desirable for our outside directors to have as much independence as possible, and only if none of the following items apply to outside officers of the Company shall the Company consider them to be independent.

1. A person who does not fall under the requirements under the laws and regulations
2. A party to whom the Company or its subsidiaries (the "Group") is a principal business counterparty (which receives payment from the Group accounting for 2% or more of the annual consolidated net sales of the party in the most recent business year), or the parent company or a significant subsidiary thereof, or when such party is a company, executive director, executive, executive officer or, manager or other employee thereof
3. A party that is a principal business counterparty (except for those under item 4) of the Group (which made payments to the Group accounting for 2% or more of the annual consolidated net sales of the Group in the most recent business year), or the parent company or a significant subsidiary thereof, or when such party is a company, executive director, executive, executive officer or, manager or other employee thereof
4. Director, auditor, accounting advisor, executive, executive officer or, manager or other employee of a financial institution and other large account creditor that is indispensable to the funds procurement of the Group and on which the Group relies to the extent that there is no alternative, or the parent company or a significant subsidiary thereof

5. Consultant, accounting expert such as a certified public accountant, legal expert such as a lawyer, and other expert that has received 10 million yen or more in monies and other property per year in average for the past three years from the Group, in addition to compensation as officer
6. A party that receives a donation or a subsidy from the Group in an amount of 10 million yen or more per year from the Group
7. A major shareholder of the Company (that directly or indirectly holds 10% or more of the total voting rights) or if the major shareholder is a corporation, director, auditor, accounting advisor, executive, commissioner, executive officer or, manager or other employee of the relevant major shareholder or the parent company or a significant subsidiary thereof
8. Financial auditor of the Group or member, partner or employee of tax accounting firm of the Group
9. Director, auditor, accounting advisor, executive or executive officer of a company that accepts directors (irrespective of whether full-time or part-time) from the Group, or the parent company or a subsidiary thereof
10. Relative within the second degree of kinship of a director and auditor of the Group
11. A party that used to fall under any of 2 to 10 of the above in the most recent five years
12. Any other party that may have a conflict of interest with the overall general shareholders of the Company due to circumstances other than the reasons considered in items 2 through 11 above

## Reasons for setting up the skills of the Skill Matrix

Corporate management, Management strategy	To discover the corporate value that is unique to the Group in any change of business environment to form a long-term vision.
Marketing/Business development	Connecting changing market needs with unknown technology, products, and services and commercializing them is important for a trading and wholesale company. Abundant experience and insight in the field, which is a core of our business, is needed.
IT	We are handling a massive number of products and services by a small number of people, and being sensitive to advanced information technology, introducing them, and achieving digital transformation leads to business efficiency and differentiation of the Company. When understanding and practicing the impact of IT on internal transformation and business strategy, abundant experience and insight in this field is needed.
Logistics and purchases	Our motto is "Delivering what you need, when you need it, in the amount you need." When expanding the product lineup, maintaining and improving the service level of logistics while saving costs is needed.
Sales	Understanding our system, strengths, and customers and providing solutions our customers need leads to business development.
Overseas	The Company purchases products from over 30 countries worldwide. Developing overseas markets leads to further development of our business, even from a sales perspective.
Management personnel/Human resources development	As human capital management gains in its importance, recruitment, promotion, and training of human resources in line with our business strategy is needed. On top of that, maximizing individual capability leads to the development of the Company. To practice these, abundant experience and insight in this field is needed.
Accounting/Finance	To build a strong financial base that supports our sustainable growth and to formulate and practice a financial strategy that includes investments in facilities and capital alliances and shareholder returns, abundant experience and insight in this field is needed.
Legal affairs, Risk	To sustainably increase corporate value in a rapidly changing business environment, risk management that responds accurately and promptly to diversifying risk factors is needed.
Internal control/ Governance	To practice sustainable development of the Company, internal control and governance are both necessary to operate business promotion properly and efficiently in line with the business strategy and the organization, and if sustainable development were a vehicle, they would be the two wheels.
Experience in different industries	Amid the rapidly changing business environment, diversity is a key element. To caution not to be short-sighted while being proud to be a leading company in the scientific and chemistry equipment industry, to always prompt the members of the Company to "look outside the glass," and to emphasize the importance of diverse ideas.

## Outside Directors' Role and Independence

AS ONE currently appoints four outside directors. All are registered with the Tokyo Stock Exchange as independent outside directors.

Number of the Company's shares held (100 shares)	Board of Directors Meeting Attendance	Business relationship with AS ONE and other special interests	Main background or concurrent positions
*As of the end of May 2023			*As of the end of March 2024
Outside Director Kazuhiko Odaki	11	13/13	Not applicable
Formerly worked at the Ministry of Economy, Trade and Industry (until March 2012), Professor, Faculty of Economics, Nihon University (current)			
Outside Director Kazutaka Suzuki	27	13/13	Not applicable
Formerly worked at Resona Bank, Limited (until June 2013)			
Outside Director Hideaki Mihara	14	13/13	Not applicable
Mihara Accounting Firm (current)			
Outside Director Michiko Kanai	32	13/13	Not applicable
Member, OH-EBASHI LPC & PARTNERS (current)			

Kazutaka Suzuki has worked for Resona Bank, Limited, a bank with which AS ONE does business, and 11 years have passed since he retired from the bank.

As of FYE 03/2024, the Group's total loan balance is 3.6 billion yen, which is 3.7% of total assets and approximately 27% of total cash and deposits, indicating we have a low debt dependence. Furthermore, loans from the above bank were 1.4 billion yen, roughly 1.4% of total assets, and loans

from the above bank can be sufficiently substituted via other means of procurement.

Based on the above and AS ONE's "Reference: Criteria for Determining Independence of Outside Directors and Outside Auditors," it is our judgement that there are no problems with the independent status of Mr. Suzuki as an Outside Director, and there are no concerns of any conflicts of interest between general shareholders and the Company.

## Nomination and Compensation Committee

The Nomination and Compensation Committee has been established as an advisory body to the Board of Directors in order to enhance the fairness, transparency, and objectivity of procedures related to the nomination and remuneration of directors of the Company and to improve corporate governance. The Nomination and Compensation Committee receives inquiries from the Board of Directors, thoroughly discusses matters concerning nomination and compensation, etc., and reports to the Board of Directors. Furthermore, the Committee is comprised of the President, the Head of Administration Division, and three outside Directors, with the majority being outside Directors.

### Main matters considered by the Nomination and Compensation Committee

The following matters were considered:

- Performance-linked compensation (bonus-board benefit trust) for FY2022
- Compensation (fixed) of Directors who are not Audit and Supervisory Committee Members for FY2023
- Management Development Plan (Succession Plan)
- Review of candidates for Director

## Audit and Supervisory Committee

Although the Audit and Supervisory Committee should, in principle, be held every other month, most years it is held almost every month. During this business year, it was held 14 times in person as well as online (averaging about 1 hour).

This business year, the Audit and Supervisory Committee passed resolutions to determine audit policies, plans, and assignments. In July, with the start of the audits, the Audit and Supervisory Committee exchanged opinions based on reports from appointed Audit and Supervisory Committee Members on business activities, including visits to business sites and audits of important approval documents, considered and deliberated on internal control based on reports from the internal auditing division, deliberated on the legality of regular Board of Director meeting proposals, and shared information on risk issues and other matters. For proposals that require information to be shared with Outside Directors, who are not Audit and Supervisory Committee Members, Outside Directors, who are not Audit and Supervisory Committee Members attend as observers and engage in communication.

Specific details of the discussions during this business year included forming an opinion on the legality and appropriateness of the acquisition (market purchase) and disposal (cancellation) of treasury shares, hearing the opinions of the Director in charge regarding policy investment projects, and considering the appropriateness and legality of the projects while also taking into account the information gathered by the appointed Audit and Supervisory Committee Members, discussions on the appointment of KAM based on discussions with an Auditing Firm, and resolutions on consent opinions regarding the appointment of candidates for Directors who are Alternate Audit and Supervisory Committee Members, etc. Other matters included a resolution on the reappointment and consent to audit fees based on the Accounting Auditor's evaluation as well as forming opinions on the appointment, dismissal, and remuneration of Directors who are not Audit and Supervisory Committee Members.

During this business year, one appointed Audit and Supervisory Committee Member makes visits to each divisions/subsidiaries throughout the year, attends major meetings such as Executive Officer Committee and General Managers' Meeting, and inspects the minutes of important meetings and other important documents. If there are any questions, they receive explanations from Directors and employees, seek reports from them, and express their opinions. In addition to attending on-site audits by the accounting auditor and Internal Audit Department, they exchange opinions as appropriate to enhance the effectiveness of audits through mutual cooperation. Other Part-time Audit and Supervisory Committee Members attend Board of Directors meetings and Audit and Supervisory Committee Member meetings to ask appropriate questions based on their expertise and knowledge as accounting and legal experts in

response to reports and explanations from the Executive Directors and appointed Audit and Supervisory Committee Members and express their opinions.

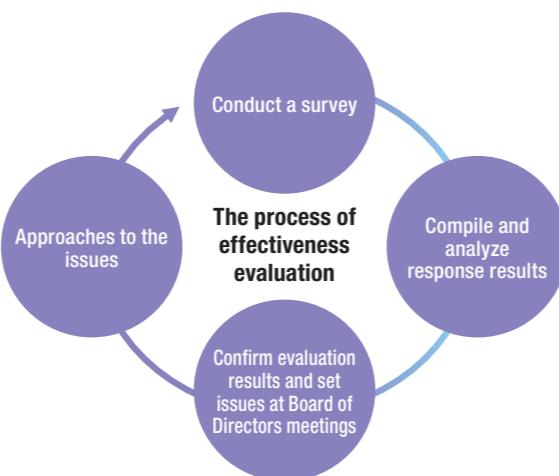
Furthermore, as a system was established within two years of the transition to a company with an Audit and Supervisory Committee in which the Internal Audit Department assists the duties of the Audit and Supervisory Committee, and the effectiveness of the internal control system was confirmed, it was judged that it was not necessary to establish a full-time position, and from this business year, a system of organizational audits utilizing the Internal Audit Department and internal control system was adopted, with no Full-time Audit and Supervisory Committee Members. However, we have appointed Mr. Suzuki, an Audit and Supervisory Committee Member who served for 10 years until the previous business year (including as a full-time Outside Corporate Auditor), as an appointed Audit and Supervisory Committee Member. We have evaluated that there were no particular problems with the audit activities during this business year as he will continue to perform important operational auditing duties, such as attending meetings of the Executive Officer Committee, Management Committee, etc., inspecting various important documents, and visiting important business divisions and subsidiaries.

In addition, in the current fiscal year, the Audit and Supervisory Committee Secretariat was established, consisting of three members including the Head of the Internal Audit Department and Head of Administration Department, and it supports the Audit and Supervisory Committee's audit activities by providing various information related to internal control through regular meetings with the appointed Audit and Supervisory Committee Members.



## Evaluating the effectiveness of the Board of Directors

AS ONE began evaluating the effectiveness of the Board of Directors in FY2022 with the objective of periodically verifying that the entire Board of Directors is functioning properly, extracting issues, and continuing efforts to improve the Board of Directors. An overview of the valuation methodology and results is provided below. AS ONE will strive to continue to improve the effectiveness of the Board of Directors based on the results of these evaluations.



Evaluation methods	Anonymous/web-based survey Responses to each question were rated on a 5-point scale from "1 (disagree)" to "5 (agree)" along with an optional free response.
Period conducted	February - March 2024
Target	Attendees and participants of Board of Directors meetings (8 Directors and 5 Executive Officers), excluding the President
Evaluation results	<b>Issue 1</b> : Timing and volume of Board of Directors meetings materials distributed <b>Issue 2</b> : Topics for discussion at Board of Directors meetings
Proposed measures	<b>Measure 1</b> : In cooperation with the drafting department, we will further ensure that the Board of Directors meetings materials shall be provided four days prior to the Board of Directors meeting. However, since the date of the Board of Directors meeting has been set on a date that does not allow sufficient time to schedule the meeting based on the sales results, it is projected that the various management indicators will be provided the day before the meeting. We will also consider preparing a "Summary Document" of the proposals. <b>Measure 2</b> : We will conduct written reporting for regular agenda items, and ensure time for discussion items. At the beginning of the fiscal year, we share the themes to be discussed over the course of the year at the Board of Directors meetings.

### Progress in addressing issues identified in the effectiveness evaluation for the previous business year

The following issues reported in the previous business year were addressed through the following initiatives, which have resulted in deeper discussions and deliberations at the Board of Directors meetings.

- 1 Timing and volume of Board of Directors meetings materials distributed**  
We aimed to reduce the volume by summarizing the materials from the drafting department as much as possible. We also coordinated with the relevant departments to ensure that the documents were distributed four working days before the Board of Directors meetings.
- 2 Topics for discussion at Board of Directors meetings**  
At the Board of Directors meeting in April 2024, we revised our regulations on duties and decision-making authority and promoted the delegation of authority. Furthermore, in order to facilitate effective discussions at Board of Directors meetings, we held Board of Directors meetings at logistics centers that also served as inspection tours, and we ensured appropriate information sharing with Board members.

## Officer Compensation

The maximum amount of compensation for directors was determined at the 60th General Meeting of Shareholders held in June 2021. The appropriateness of officer compensation is then deliberated by the Nomination and Compensation Committee, which is comprised of a majority of independent outside directors, before a final decision is made by the Board of Directors.

The types of compensation consist of fixed compensation (cash), earnings-linked compensation

(cash bonuses), earnings-linked non-monetary compensation in the form of a board benefit trust (BBT), and non-monetary share-based compensation subject to transfer restrictions (RS). Furthermore, outside directors and directors who are Audit and Supervisory Committee Members receive only fixed compensation.

Compensation limits are as indicated in the following table.

	Monetary compensation		Non-monetary compensation	
	Fixed-compensation	Bonus	Board benefit trust	RS
Executive director	500 million yen	Up to 100 million yen	200 million yen for 5 years until FYE 03/2025 (maximum number of shares per year is 12,000)	100 million yen per year (maximum number of shares per year is 30,000)
Outside directors (excluding Audit and Supervisory Committee Members)	—	—	—	—
Directors who are Audit and Supervisory Committee Members	100 million yen	—	—	—
Executive director estimated remuneration ratio by type	60%	20%	20%	

Bonuses are based on consolidated operating profit with a final decision made based on a comprehensive evaluation of dividends, employee bonus levels, trends among other companies, and medium- and long-term results and past payouts.

In addition, we have set an additional bonus as an incentive, which will only be paid if both net sales and operating profit targeted for the FYE 03/2024 that was established at the beginning of the relevant fiscal year based on the revised Medium-Term Management Plan are achieved.

The board benefit trust (BBT) allocates points equivalent to stock based on stock benefit

regulations outlined by the company and only when both the net sales and operating profit of the full-year plan when formulating the Medium-Term Management Plan PROJECT ONE are achieved.

To promote objectivity and transparency, the Nomination and Compensation Committee are consulted in advance on specific individual remuneration ratio by type and compensation amounts, after which the Board of Directors votes to consign final decision-making to the President, who gives due respect to the recommendations of the Nomination and Compensation Committee.

### Payment status for FYE 03/2024

	Total amount	Monetary compensation		Non-monetary compensation		Number of applicable people
		Fixed-compensation	Bonus	Board benefit trust	RS	
Directors (excluding outside directors)	244	122	87	13	21	5
Outside Directors	40	40	—	—	—	7
Total	284	162	87	13	21	12

The performance criteria used in the calculation of bonuses is operating profit. The performance criteria and results used as the basis for BBT calculations and additional bonuses as incentives are as shown in the table to the right.

	Net sales	Operating profit	Board benefit trust	Additional bonus
The result of consolidated fiscal year	95,536	10,435	—	—
Full-year plan when formulating the Medium-Term Management Plan	90,600	10,180	○	—
FYE 03/2024 goal to be established at the beginning of the relevant fiscal year based on the revised Medium-Term Management Plan	96,600	10,330	—	×

# Risk Management

## Basic Approach

We engage in risk management based on the policies outlined in our Risk Management Regulations, which detail risk prevention measures for incidents with the potential to interrupt business operations and appropriate responses in the event a risk incident occurs. The Risk Management Committee, which is chaired by the President, serves as the entity in charge of risk management. This Committee holds regular monthly meetings, or as necessary in cases of an emergency, to monitor the status of risk management structure creation and reports on risk management activities received from business divisions. At least once every three months, the Committee issues reports to the Board of Directors on the status of risk management but issues a report immediately in the event of a serious incident.

Divisions work to ascertain, analyze, and assess latent risks in order to prevent risks before they occur. In accordance with Division Risk Management Parameters, we set a baseline amount calculated by multiplying ordinary profit plan figures by a specific coefficient. Any risks with an estimated impact exceeding the calculated amount are reported to the Risk Management Committee.

### Major Risk Management Regulations

Regulations	Risk Management Regulations
	Information Security Regulations
	Personal Information Handling Procedures
	Regulations on Elimination of Anti-social Forces
	Emergency Response Regulations
	Compliance Manual
	Regulations for managing related party transactions
	Other administrative regulations

### Likelihood and severity of risk occurrence

	Large	Medium	Small	Small	Medium	Large
	<ul style="list-style-type: none"> <li>Risks related to the business description</li> <li>Risks related to the promotion of e-commerce</li> </ul>	<ul style="list-style-type: none"> <li>Risks related to disasters and electrical outages</li> </ul>	<ul style="list-style-type: none"> <li>Risks related to information systems</li> </ul>	<ul style="list-style-type: none"> <li>Risks related to the promotion of services business</li> <li>Risks related to legal restrictions, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Economic volatility risk</li> <li>Potential risks of overseas expansion</li> </ul>	<ul style="list-style-type: none"> <li>Risks related to the spread of unknown infectious diseases</li> <li>Risk related to competition</li> </ul>
Likelihood of occurrence						

## Information Security Management

AS ONE has over 4,200 suppliers, 13,000 dealers, and a customer base of researchers comprised of AXEL members and users of the ocean purchasing system who rely on the timely order processing and shipment of the more than 10 million products we offer. To fulfill our commitment as a hub for research and medical supplies, we take full advantage of various IT systems.

However, technical innovation in information systems is progressing at a remarkable pace, and, in some cases, it is difficult to fully prevent or avoid problems such as failures in core systems or communication networks, as well as tampering, destruction, and leakage of information, etc. In the unlikely event that such a situation occurs, it could have an impact on the Group's performance.

In order to avoid such situations, the Group has established Information Security Regulations. Under the Information Security Committee, which is chaired by a director, we are implementing information security measures while also making continuous information investments to stay abreast of technical innovations in information systems. To prepare for contingencies, in addition to using data centers that are highly resistant to earthquakes, we also take steps to distribute servers, create redundant communication routes, and implement multiple layers of protection against cyberattacks, while also placing importance on raising awareness among our employees. We will continue to strengthen our security based on the premise of zero trust (nowhere is safe).

### Risk Management Structure Map



# Compliance

## Basic Policy

We created a compliance manual that we apply to all AS ONE directors and employees, and conduct planned education and training activities.

The Company deals severely with any director or employee in violation of these standards based on the principle of rewarding good work and punishing bad deeds.

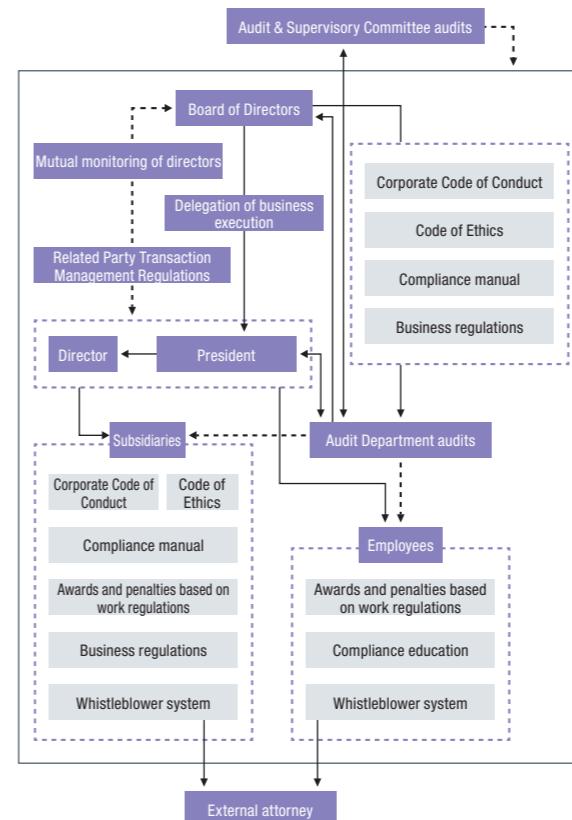
## Compliance Structure

All matters related to compliance and implemented responses are shared with the Board of Directors and at other important meetings, after which we outline and implement response measures as needed.

We conduct regular compliance training for all employees to promote compliance awareness and practices.

In addition to the whistleblowing hotline established in the Internal Audit Department, we also added a whistleblowing hotline linked to an external attorney to increase whistleblower privacy.

### Compliance Structure Map



## Conduct Guidelines

AS ONE has created a corporate code of conduct to better reflect our management philosophy of Innovation and Creation and our management policy of pursuing customer satisfaction.

### 1 Ensure product and service quality and safety

We make every effort to earn customer trust and satisfaction by ensuring quality and safety to provide products and services with value. We also work continuously to improve that value.

### 2 Comply with laws and corporate ethics

We comply with relevant laws and corporate ethics to ensure legal and appropriate business practices.

### 3 Conduct fair trade

We do not allow unjust transaction restrictions or conduct transactions based on unfair methods.

### 4 Do not offer excessive gifts, entertainment, political contributions, or donations

We do not offer excessive gifts and entertainment. We comply with laws and do not make political contributions or donations deemed inappropriate by society.

### 5 Reject anti-social forces

We take an unwavering stance against anti-social forces or organizations that threaten social order or safety, and will never submit to or acquiesce such forces.

### 6 Ensure appropriate handling of personal information

We handle personal information and all other information legally and appropriately.

### 7 Provide appropriate information disclosure

We provide timely, appropriate information disclosure to customers, shareholders, investors, and all other stakeholders.

### 8 Act as a good member of society

All AS ONE directors and employees think about whether or not our actions are in line with rules to ensure we act as good members of society.

### 9 Respect employee creativity and individuality

We work to maintain a work environment that allows each employee to apply their unique creativity and individuality, and to promote a motivated and energetic approach to implementing our management philosophy and management policy.

### 10 Stop sexual harassment and power harassment

We will never accept or allow sexual harassment, power harassment, or any other forms of harassment.

### 11 Protect the environment

We maintain an awareness of our responsibilities as good corporate citizens, and work to maintain a balance of prosperity for human society while working tirelessly to protect and conserve a healthy global environment.

### 12 Respect human rights

We respect all human rights mandated by law and outlined in the Universal Declaration of Human Rights and international labor standards. We do not discriminate based on race, skin color, creed, religion, nationality, age, gender, or place of birth. We also do not accept or allow such discrimination.

## Social Contributions



### The Nature Conservation Society of Japan

We donated to the Nature Conservation Society of Japan, and they use the money for events where children can learn about nature conservation.



### UWC ISAK Japan

We donated to Japan's first full-boarding international high school, which fosters changemakers, as scholarship support.



### The Hatachi Fund

Using shareholder benefits, we make ongoing donations to the "Hatachi Fund," a fund that provides continuous support to babies who were age 0 at the time of the Great East Japan Earthquake until the day they reach the age of 20. We were pleased to receive the support of many of our shareholders in the September 2023 shareholder benefit.



### Kansai University

In order to help solve the issues faced by researchers, which is one of AS ONE's missions, we have donated to the Faculty of Engineering Science Undergraduate Student and Graduate Student Research Support Fund.



### Ehon picnic

We sponsored "Ehon picnic," a community children's book exchange event for parents and children in Nishi Ward, Osaka. AS ONE also held an exhibit at the "Kids' Oshigoto Lab (Kids' Work Lab)," the very popular exhibit where children enjoyed making slime using our testing equipment.



### Water well donation (Philippines)

We donated a well to the village of Concepcion in Nueva Ecija, Philippines, in the hope of ensuring that children have access to safe drinking water.



### Sponsorship of an American football team

AS ONE sponsors the "ASONE Black Eagles," an adult American football team.



### Professional golfer Haruka Amamoto (associate sponsor)

The company backs professional golfer Haruka Amamoto. She won her first professional tournament at the Panasonic Open Ladies Golf Tournament in April 2024.

## Corporate Information

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### Patent approved for AI order prediction model

A patent has been granted for a model that uses AI to predict orders. Order status is graphed, and AI predicts changes in demand based on the images. AS ONE handles a large number of consumables on an ongoing basis. If, for some reason, ongoing orders are lost and we submit a purchase request for the same orders in the same volume again, we will end up with bad inventory. It is a model that uses AI to predict the movements of demand that are invisible to the human eye with a high degree of accuracy. We are working to improve the efficiency of our supply chain while making use of AI.



# Eleven-Year Consolidated Financial Summary

Fiscal year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2023	*1
													(Unit: million yen)
<b>Financial results</b>													
Net sales	51,192	52,041	53,576	55,947	60,959	66,733	70,389	81,606	86,954	91,421	95,536	632,691	
Scientific	29,755	30,158	31,205	32,355	35,293	38,917	41,072	44,745	51,236	54,094	59,013	390,817	
Industrial	9,849	10,376	11,210	12,170	13,649	14,727	15,116	15,391	16,799	18,165	19,286	127,723	
Hospital and Nursing Care	11,587	11,507	11,160	11,421	12,017	12,662	13,779	21,049	18,408	18,586	16,683	110,485	
Other	—	—	—	—	—	425	421	420	509	575	553	3,666	
Gross profit	15,301	15,493	16,151	16,900	18,429	20,618	21,949	25,927	25,544	28,450	29,249	193,707	
Selling, general and administrative expenses	9,382	9,509	10,307	10,806	11,832	13,055	13,398	16,035	16,202	17,053	18,813	124,595	
Operating profit	5,919	5,984	5,843	6,093	6,596	7,562	8,550	9,891	9,341	11,396	10,435	69,112	
EBITDA *2	6,761	6,892	6,673	7,049	7,391	8,446	9,457	11,515	10,991	12,970	12,194	80,757	
Ordinary profit	5,928	6,157	5,990	6,306	6,843	7,751	8,822	10,195	9,568	11,637	10,825	71,692	
Profit before income taxes	5,911	6,157	6,012	6,149	6,843	7,751	8,746	8,941	10,454	11,668	10,825	71,692	
Profit attributable to owners of the parent company	3,587	3,869	3,878	4,212	4,684	5,264	5,966	5,988	7,202	8,112	7,500	49,671	
Capital expenditures	268	563	653	1,059	1,838	1,190	4,503	2,112	1,098	1,202	1,698	11,251	
Depreciation	1,013	1,055	958	1,012	870	838	872	1,614	1,724	1,645	1,824	12,084	
<b>Financial position as at the end of the fiscal year</b>													
Total assets	64,460	66,668	69,614	70,986	77,831	78,773	81,520	94,225	96,105	97,479	95,832	634,652	
Net assets	42,660	45,850	48,614	50,169	52,467	53,252	56,493	62,761	66,154	63,968	64,662	428,227	
Net cash *3	14,921	12,092	12,033	14,078	12,361	10,666	9,974	9,646	15,617	11,424	5,806	38,454	
<b>Cash flow</b>													
Cash flow from operating activities	5,268	3,171	5,303	4,731	3,037	5,791	6,312	5,381	8,840	6,969	6,496	43,023	
Cash flow from investing activities	1,141	(5,511)	(2,181)	(1,923)	3,354	(448)	(3,457)	(2,116)	591	(367)	(1,928)	(12,772)	
Cash flow from financing activities	(3,728)	(2,424)	(2,579)	(3,548)	(4,626)	(5,051)	(2,873)	11	(5,162)	(7,283)	(9,038)	(59,860)	
Net increase (decrease) in cash and cash equivalents	2,781	(4,737)	530	(756)	1,769	265	(32)	3,271	4,371	(605)	(4,413)	(29,226)	
Cash and cash equivalents at the end of the period	9,746	5,008	5,538	4,781	6,551	6,816	6,784	10,056	14,427	13,822	9,409	62,312	
<b>Per share information *11</b>													
Profit	187.18	201.91	202.41	220.89	249.06	282.00	319.60	320.57	192.68 *7	218.90	103.65 *10	0.69	
Net assets	2,226.15	2,392.65	2,536.98	2,637.91	2,810.73	2,852.74	3,026.35	3,358.63	1,769.44 *7	1,767.66	902.99 *10	5.98	
Dividend per share	66.00	71.00	101.00	110.00	125.00	141.00	160.00	161.00	97.00 *7	111.00	56.00 *10	0.37	
									<194.00>			<112.00>	
<b>Financial indicators</b>													
Operating profit margin (%)	11.6	11.5	10.9	10.9	10.8	11.3	12.1	12.1	10.7	12.5	10.9		
ROA (%) *4	5.7	5.9	5.7	6.0	6.3	6.7	7.4	6.8	7.6	8.4	7.8		
ROE (%) *5	8.7	8.8	8.2	8.5	9.2	10.0	10.9	10.1	11.2	12.5	11.7		
Shareholders' equity ratio (%)	66.2	68.8	69.8	70.6	67.0	67.5	69.2	66.5	68.7	65.5	67.3		
Dividend payout ratio (%)	35.3	35.2	49.9	49.8	50.2	50.0	50.1	50.2	50.3	50.7	54.0		
<b>Other indicators</b>													
Number of shares outstanding (1,000 shares) *11	20,688	20,688	20,688	20,688	20,688	20,688	20,688	20,688	41,376 *7	40,276 *8	79,752 *9 *10		
Number of treasury shares at the end of the period (1,000 shares) *11	1,524	1,525	1,525	1,669	2,021	2,021 *6	2,021 *6	2,001 *6	3,989 *6 *7	4,088 *6	8,143 *6 *10		
Foreign shareholding ratio (%)	34.1	34.6	32.5	30.9	30.9	29.1	31.1	29.1	31.4	31.2	31.6		
Number of employees	424	449	463	485	527	557	585	631	648	668	711		

\*1. To enable ease for readers, US dollar amounts are converted to Japanese yen at a rate of USD 1/151 yen, the currency approximate conversion rate for March 31, 2024.

\*2. EBITDA = Operating profit + Depreciation - Depreciation in non-operating expenses + Amortization of goodwill

\*3. Net cash = Cash and deposits - Short-term loans payable - Long-term loans payable

\*4. ROA = Profit attributable to owners of the parent company/Total assets (average at the beginning and the end of the fiscal year)

\*5. ROE = Profit attributable to owners of the parent company/Shareholders' equity (average at the beginning and the end of fiscal year)

\*6. Includes Company shares owned by Custody Bank of Japan, Ltd. (trust account) as trust assets for a stock benefit trust (for directors) and stock benefit type ESOP trust.

\*7. On January 1, 2022, we conducted a 2-for-1 stock split. Per-share information indicated as if the split were conducted on April 1, 2021.

\*8. On January 31, 2023, 1,100,000 shares out of the number of treasury shares purchased during the current consolidated fiscal year were cancelled, resulting in a reduction of the total number of issued shares by the same amount.

\*9. As of March 13, 2024, 400,000 shares out of the number of treasury shares purchased during the current consolidated fiscal year were cancelled, resulting in a reduction of the number of issued shares by the same amount.

\*10. On April 1, 2024, the company conducted a 1:2 stock split of common stock. Information per share and number of shares are listed as if the stock split was conducted on April 1, 2023, and the number of issued shares and treasury shares are listed as the number after the split.

\*11. Except for FY2023, no adjustments have been made for previous fiscal years due to stock splits.

# Stock Information

## Stock Status (as of March 31, 2024)

Total number of issuable shares: 88,000,000 shares  
 Total number of issued shares: 39,876,270 shares  
 (including 3,983,701 shares of treasury shares)  
 (Note) 1. On March 29, 2024, the company canceled 400,000 shares of treasury shares.  
 (Note) 2. The common stock was split at a ratio of 1:2 on April 1, 2024, but this is not reflected in the above.  
 Number of shareholders: 6,316

## Major Shareholders (The Top 10)

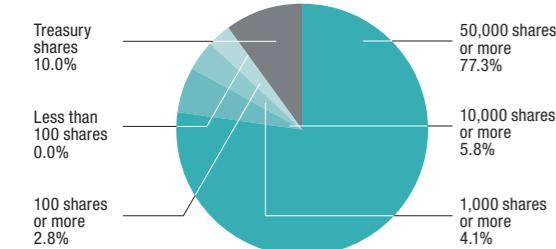
Shareholder name	Number of shares held (thousand shares)	Shareholding ratio
The Master Trust Bank of Japan, Ltd. (trust account)	4,885	13.6%
Iuchi Seieido Co., Ltd.	3,783	10.5%
Resona Bank, Limited	1,810	5.0%
SSBTC CLIENT OMNIBUS ACCOUNT	1,709	4.7%
Custody Bank of Japan, Ltd. (trust account)	1,598	4.4%
JP MORGAN CHASE BANK 380055	1,408	3.9%
Fumie Iuchi	959	2.6%
Hideo Iuchi	786	2.1%
Sumitomo Life Insurance Company	702	1.9%
JP MORGAN CHASE BANK 385632	701	1.9%

(Note) 1. The shareholding ratio is calculated by deducting treasury shares on the shareholder name register (3,983,701 shares) from the total number of issued shares.

2. Treasury shares are excluded from the above major shareholders. Note, treasury shares (3,983,701 shares) does not include Company shares (89,599 shares) held in the "Board Benefit Trust (for directors)" and the "Stock Benefit ESOP Trust."

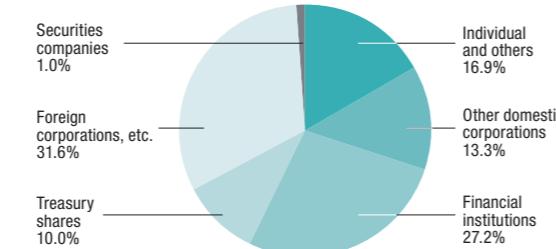
## Stock Distribution Status (as of March 31, 2024)

### Share Distribution by Number of Shares Held

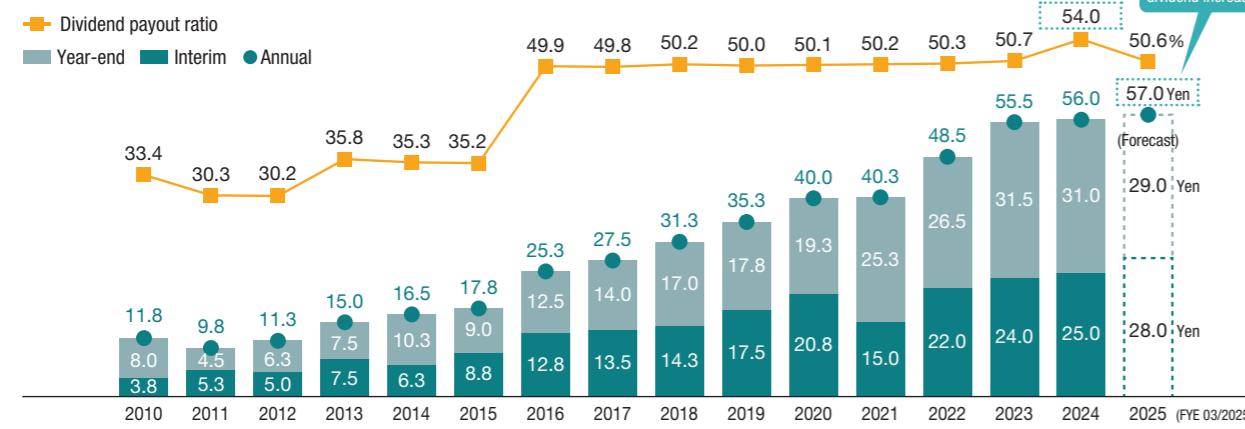


(Note) Treasury stock does not include Company shares held in the "Board Benefit Trust (for directors)" and the "Stock Benefit ESOP Trust."

### Share Distribution by Shareholder Type



## Dividend Forecast (as of July 1, 2024)



\*1. In January 2022 and April 2024, each share was split into two shares. The amount of dividends has been retroactively adjusted to one-quarter and one-half.

\*2. From FYE 03/2023, the policy has changed to deduct the impact of extraordinary gains and losses from the base value of 50%.

# Company Information

## Company Overview

Headquarters location: 2-1-27 Edobori, Nishi-ku, Osaka 550-8527  
 Established: June 1, 1962  
 Capital: 5,075 million yen (end of March 2024)  
 President: Takuji Iuchi  
 Number of employees (consolidated): 711 (as of the end of March 2024)  
 Net sales (consolidated): 95,536 million yen (FY 03/2024)  
 Business: Sales of research equipment, nursing and elderly care products, and other scientific instruments  
 Website: <https://www.as-1.co.jp>

Affiliates: **AS ONE SHANGHAI CORPORATION**  
 (Business description: Sales of scientific instruments for research)  
**Nikko Hansen & Co., Ltd.**  
 (Business: Manufacturing and sales of plastic containers)  
**Iuchi Logistics Co., Ltd.**  
 (Business: Warehouse management and cargo handling)  
**AS ONE INTERNATIONAL INC. [USA]**  
 (Business: North American product exports)  
**Tryumph21 Co., Ltd.**  
 (Business: Online purchasing services)  
**CUSTOM corporation**  
 (Description of Business: Manufacture and sale of electronic measuring instruments and related products)



As of July 2024

