

Medium-term Management Plan

(3 Years)

What we are Aiming for



**Make the world a better place,
Bring smiles to the world.**

Make Fashion Revolution!

Back then

- Not confident
- Sizes are not matching
- Not even interested



From now on

- Be courageous
- Fit right
- Start liking fashion

Make Fashion Revolution!

**Solve a common challenge of fashion
for 7 billion people, namely
“Size problem” at world-wide level**



**“Make the world a better place,
Bring smiles to the world.”**

Clear Image for the Upcoming 10 years

**“Become No.1 in online
SPA in the world”**

**“Become one of the top 10
global apparel players”**

[Reference] Market Capitalization

LVMH 19 trillion yen / NIKE 11 trillion yen / ZARA 10 trillion yen /

DIOR 8 trillion yen / HERMES 7 trillion yen /

KERING 7 trillion yen / RICHEMONT 6 trillion yen/ ADIDAS 6 trillion yen /

UNIQLO 5 trillion yen / LUXOTTICA 3.3 trillion yen

(As of April 2018)

**Achieve market capitalization
of 5 trillion yen in 10 years!**

Now About **1 trillion yen**

▼

In 3 years **2 trillion yen**

▼

In 6 years **3 trillion yen**

▼

In 10 years **5 trillion yen**

Significance of This 3 Years

Lay groundwork for worldwide expansion



**3 years later, ratio of PB's overseas sales
to the total PB sales = 40%**



**10 years later, ratio of PB's overseas sales
to the total PB sales = 80%**

Things We Must Do

**To achieve the targets,
3 revolutions are necessary**

- Revolution of Buying Clothes**
- Revolution of Choosing Clothes**
- Revolution of Making Clothes**

Revolution of Buying Clothes

About 6400 brands' items can be searched simultaneously and bought. And will be delivered next day.

ZOZOTOWN

**Already halfway achieved.
It will be the phase of brush up
and stable growth going forward**

Revolution of Choosing Clothes

**Best matching items for you
will be delivered automatically
without try-on and thinking**

Personal Styling Subscription Service

Combination of human
stylists and A.I.

My Size Search

Utilizing the measurement
data from ZOZOSUIT

Revolution of Making Clothes

Various clothes matching your body size will be manufactured only for you once you ordered, and will be delivered within a few days

ZOZOSUIT



On-demand
production



Necessary 3 Revolutions

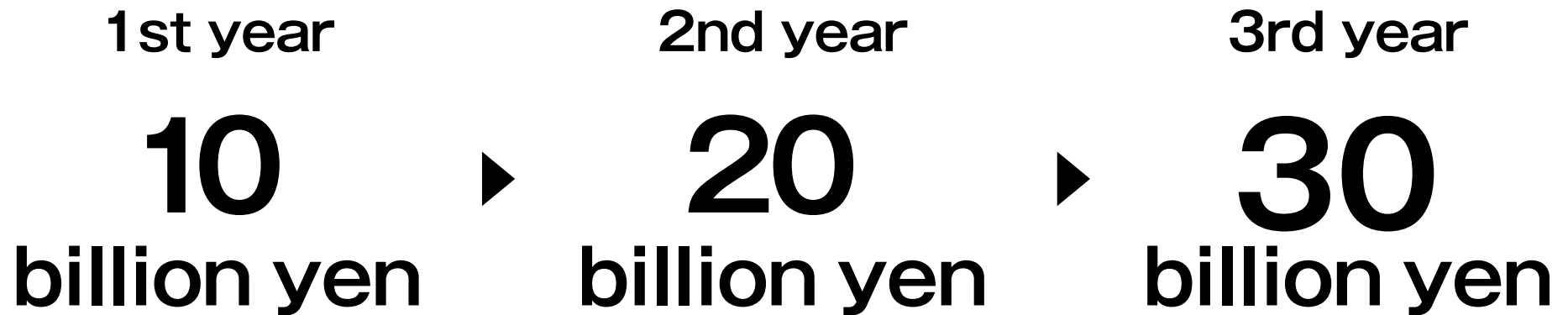
- **Revolution of Buying Clothes**
- **Revolution of Choosing Clothes**
- **Revolution of Making Clothes**

3 Initiatives to Back-up 3 Revolutions

- **Restrengthen BtoB business**
- **Start advertisement business**
- **“Start Today Research”**

Restrengthen BtoB Business

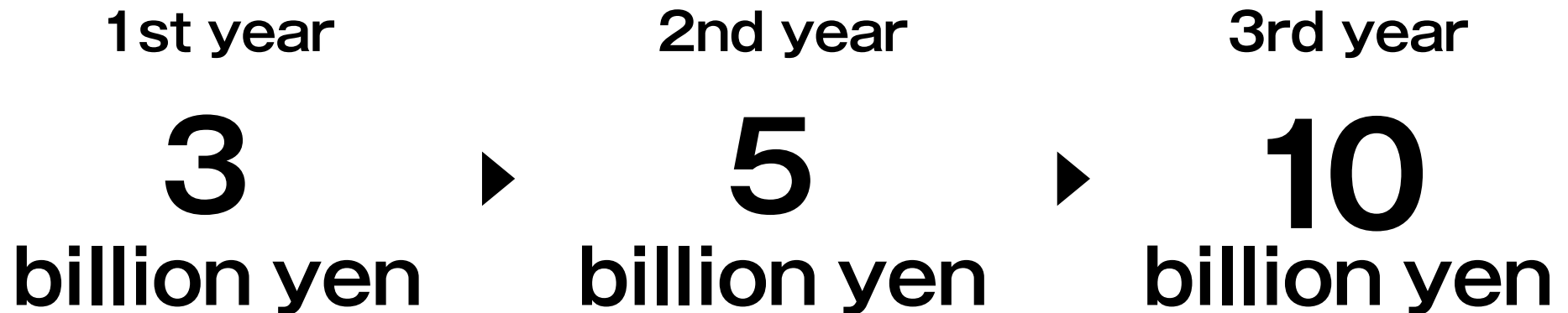
Transaction value of BtoB Business



Evolve the business to provide ZOZOTOWN's original advertisement function, settlement manners and store solution.
Support the entire fashion industry as a group.

Start Advertisement Business

Net sales of advertisement business



Selling advertisement spaces on ZOZOTOWN
and WEAR to client companies.

Major e-commerce sites' advertisement
incomes are around 3% to their transaction values

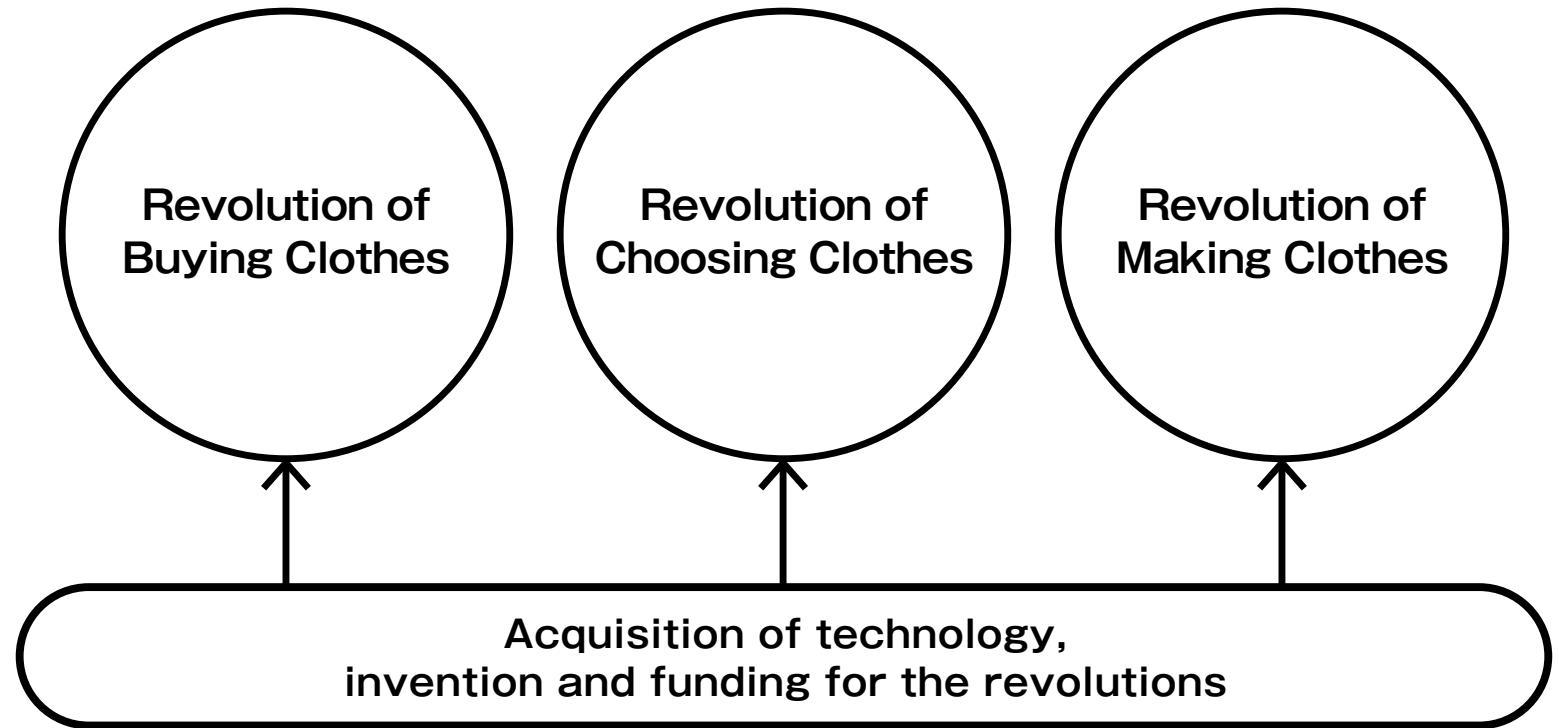
START TODAY RESEARCH

3 researches for 3 revolutions

- Research of “Making Clothes” : Researches related to making of clothes such as automated design, new materials, new production lines
- Research of “Look Nice” : Researches on recommendation algorithms such as “what is the definition of clothes look nice?” , “What is the best combination?”
- Research of “Measurement” : Endless effort to evolve ZOZOSUIT: measurement of foot? Only size? How about shape and movement of muscle?

3 Revolutions, 3 Initiatives

3 Revolutions



3 Initiatives



3YearPlan

	FY2018	FY2019	FY2020
ZOZOTOWN + BtoB Transaction Value	340 billion yen (+25.7%)	428 billion yen (+25.9%)	515 billion yen (+20.3%)
PB ZOZO Transaction Value (Net Sales)	20 billion yen (-)	80 billion yen (+300%)	200 billion yen (+150%)
Operating Profit	40 billion yen (+22.4%)	58 billion yen (+45%)	90 billion yen (+55.2%)

Maezawa Commitment

**Discussing the introduction of
issuance of the stock options with
conditions achieving market
capitalization and net sales in 3 tranches
of 3, 6 and 10 years**

Summary

**Become a company worth
5 trillion yen in 10 years!**

Go beyond with Maezawa full-commitment!

**Make 3 Revolutions of Buying,
Choosing and Making to happen!**

Success in overseas is essential!