

**“ZOZOCOSME”, ZOZO’s new platform for beauty and cosmetics will launch on ZOZOTOWN in March and include over 500 curated Japanese and overseas brands.**

~ Powered by ZOZOGLASS, a skin tone capturing device, ZOZOCOSME introduces an entirely new way of shopping for cosmetics online. ZOZOGLASS removes the traditional hurdles for buying cosmetics online. ~



ZOZO Inc. (headquartered in Chiba City, Chiba Prefecture, Representative Director, President & CEO: Kotaro Sawada), which operates the online fashion retail website ZOZOTOWN (<https://zozo.jp/>), is launching ZOZOCOSME, a new platform dedicated to the beauty and cosmetic category, along with its proprietary measurement technology, ZOZOGLASS, a device that captures customers’ skin tone from the comfort of home. ZOZOCOSME and ZOZOGLASS will be officially released on Thursday March 18th, 2021. ZOZOGLASS will be available for free (shipping included). Pre-orders start today.

ZOZOCOSME is an online platform for beauty and cosmetics housed within ZOZOTOWN. Its substantial product assortment will include over 500 curated Japanese and overseas brands and a user-friendly interface. ZOZOCOSME will offer an unprecedented online cosmetics shopping experience. A continuation of ZOZO’s existing measurement technologies (ZOZOMAT, the 3D foot measuring mat, and ZOZOSUIT 2, the 3D body measuring suit), ZOZOGLASS is a skin tone capturing device that will solve

customers' challenge of cosmetic product color selection when shopping online. ZOZOGLASS will be available upon the launch of ZOZOCOSME.

At launch, ZOZOGLASS' will match customers to foundation shades that are the closest to their own natural skin tone, assisting customers in finding the best foundation makeup match from the comfort of their own home. A number of foundation products available on ZOZOCOSME will be supported by ZOZOGLASS' shade matching algorithm.

<ZOZOCOSME PROMO VIDEO>



(YouTube URL : <https://www.youtube.com/watch?v=03xbxyEqz60>)

※Design/specifications are subject to change upon ZOZOCOSME launch.

Roughly 70% of ZOZOTOWN's active members are female, and ZOZOTOWN members' average spend is 43,809 JPY / year. ZOZOTOWN's core customers are GenZ (Ages 16-24) and Millennials (Ages 28-38) with exceptionally high engagement - an 78% repeat purchase rate for both GenZ and Millennials. (※1)

According to a ZOZO in-house survey, fashion is the most searched topic on social media among ZOZOTOWN customers, followed by beauty and cosmetics. (※2) ZOZO' s female members (5.33M users) (※3) tend to spend an averaged 82,299 JPY per year on cosmetics, which is 2.2X more than the average spend on cosmetics (37,794 JPY) of regular Japanese households (2019 survey annual report of households with two or more people). Additionally, 73.7% of ZOZOTOWN's female members have purchased cosmetics online, with 36% of their spend online attributed to cosmetic products. (※4)

Due to the COVID-19 pandemic, in-store makeup sampling has been partially restricted, preventing

customers from physically trying on cosmetic products. Moreover, with the increasing demand for eCommerce, hurdles unique to online cosmetics shopping, such as the inability for customers to actually try on products, have posed significant challenges to customers' selection of the perfect foundation color for their unique skin tone.

ZOZO has leveraged its in-house measurement technologies to solve eCommerce's sizing problem, where trying on apparel and footwear is not an option. Specifically, ZOZO provides its customers with the ZOZOMAT, an at-home 3D foot measuring tool that accurately scans customers' feet and provides shoe size recommendations, and its Multi-Size Platform (ZOZO MSP), a service that allows customers to shop apparel in their perfect size simply by entering their height and weight.

ZOZOCOSME aims to solve the aforementioned hurdles related to cosmetic color selection with ZOZOGLASS and its skin tone detection algorithm.

ZOZO aims to leverage the power of technology to create an unprecedented online shopping experience and to reinforce ZOZO's company philosophy - Inspire the world. Deliver joy every day.

■ZOZOGLASS Pre-order page : <https://zozo.jp/zozoglass/>

(※1) Based on the data of ZOZOTOWN members who have registered their ZOZOTOWN accounts as of December 2020. Guest purchases are excluded. Repeat rates were calculated by dividing the number of members who purchased 3 or more times over the past 12 months, dating from December 2020, by the total number of purchasers.

(※2) Based on ZOZO's In-house survey (Survey conducted in May 2020 with ZOZOTOWN members. N = 2,000)

(※3) The total number of active female members is not limited to cosmetics purchasers. A female active member is a female member who purchases from ZOZOTOWN at least once a year.

(※4) Based on ZOZO's In-house survey (Survey conducted in August 2020 with ZOZOTOWN members regarding their cosmetics purchase behavior. N = 4,823) In addition, survey results from the 4,403 female members were analyzed separately by age group and weighed back based on the composition ratio of active members.

The following are the key features of ZOZOCOSME and ZOZOGLASS.

### ZOZOCOSME's 3 key features

ZOZOCOSME is an online platform for cosmetics offering the following 3 features.

#### 1.LINEUP:

■A substantial product assortment from over 500 curated, popular cosmetic brands.

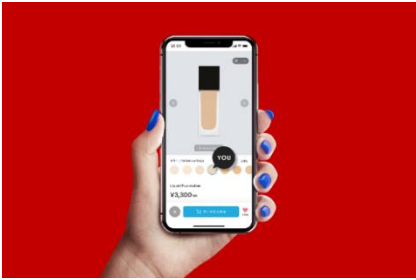
ZOZOCOSME will feature a range of affordable cosmetic items and collections by popular local and overseas brands at launch.

#### 2.INNOVATION:

■A user-friendly search interface designed especially for cosmetics.

For example, customers can search foundations by texture (liquid, powder, cream, loose powder etc.), by products' finish on the skin or skin concerns etc.

### ■ Assisted product color selection with ZOZOGLASS



By scanning their skin tone with ZOZOGLASS, customers can receive a unique skin analysis and recommended foundation shades algorithmically matched for their unique skin tone. This service will encourage customers to buy foundations from brands they have never purchased from before or to try shades that are trending on social media. A selection of foundation products available on ZOZOCOSME will be supported by ZOZOGLASS' shade matching algorithm at launch.

### 3.TRAFFIC:

■ Potential of leveraging the group synergy between ZOZOTOWN, Japan' s largest online fashion retailer, and Z Holdings Group.

In addition to ZOZOTOWN's customers who have a high interest in cosmetics, it is also possible to direct customers from services under the Z Holding Group to ZOZOCOSME.

※Source: Fuji Keizai Co., Ltd. "The actual situation and future of mail-order / e-commerce business 2020" Apparel mail-order market share Amount-based 2019 results

ZOZOGLASS' service scope will continue to expand after the launch of ZOZOCOSME, eventually supporting personalized product recommendations for eye makeup, lipsticks, and more. In addition to cosmetic recommendations, ZOZOGLASS' color-corrected scan results, unaffected by an environment's lighting conditions, can be leveraged to support other beauty services such as AR makeup try-on.

### <ZOZOCOSME overview>

■ Service name : ZOZOCOSME  
■ Service launch date : 2021/3/18 (Thursday) as of now

ZOZOGLASS is a measuring device that captures skin tone.

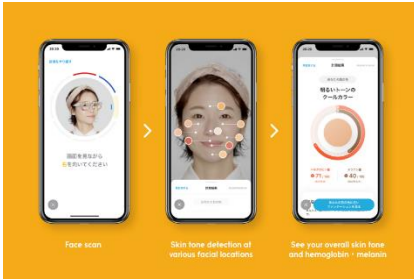
### ZOZOGLASS's 3 key features

ZOZOGLASS is ZOZO's proprietary skin tone capturing device. It includes the following 3 features.

1. A simple device for capturing skin tone from the comfort of home in less than a minute.

When scanning with ZOZOGLASS and the ZOZOTOWN app, one's smartphone camera detects the fiducial markers and color swatches printed on the surface of ZOZOGLASS, capturing customers' skin tone at various facial locations. The scan itself takes less than a minute to complete (tutorial video and data processing time excluded).

## <How to scan>



(Preparation) Remove makeup and put on ZOZOGLASS. Allow the app to access your smartphone camera, Double-check the brightness of the surrounding environment and the distance between the phone and your face.

(1) Follow the instructions and gently turn your head in a circle while wearing ZOZOGLASS.

(2) Remove ZOZOGLASS and repeat the movement in step (1).

(3) Complete the scan.



In addition to the overall skin tone analysis, ZOZOGLASS will detect customers' skin tone at different facial locations, the hemoglobin and melanin amount, as well as personal color (yellow-base undertone or blue-base undertone etc.) upon ZOZOCOSME's launch.

※This is subject to change upon ZOZOGLASS' official launch.

## 2. Understand your face skin tone in hemoglobin and melanin



ZOZOGLASS captures skin tone by detecting the amount of hemoglobin and melanin in the skin, which are key components of skin tone. The front frame of ZOZOGLASS is covered with color swatches and fiducial markers for smartphone camera detection. Based on the information captured using the fiducial markers and color swatches, ZOZO's proprietary algorithm matches customers to the cosmetic products that are a perfect match to their unique skin tone.

## 3. Extremely high measurement accuracy and stability in any lighting condition.



ZOZOGLASS captures skin tone with extremely high accuracy. When compared to an industry-standard color spectrophotometer, ZOZOGLASS' average error is only  $\Delta(\text{Delta})E=2$ , meaning that the difference between a ZOZOGLASS scan and an industry-standard color spectrophotometer scan is so trivial that it is hardly noticeable to the human eye. (※)

Color swatches printed on ZOZOGLASS' front frame allow the algorithm to color correct and accurately detect customers' skin tone in any lighting condition.

※Validation procedures : (1) Obtain the CIE LAB values of face skin tone from ZOZOGLASS scans, (2) Obtain the CIE LAB values of face skin tone by scanning the same measurement points as (1) with an industry-standard color spectrophotometer, (3) Compare the CIE LAB values obtained from (1) and (2) and validate the discrepancy.

## About ZOZOGLASS distribution

■Name	: ZOZOGLASS
■Price	: Free (Shipping included. Free delivery; end time undecided)
■Pre-order start date	: 2021/1/29 (Friday) 17 : 00
■Delivery date	: 2021/3/18 (Thursday) ~
■ZOZOGLASS Pre-order page	: <a href="https://zozo.jp/zozoglass/">https://zozo.jp/zozoglass/</a>

※The above information is subject to change without prior notice

### < ZOZOGLASS Demo >

We have prepared a demo for press and media where ZOZOGLASS will be available for testing. If you are interested in experiencing and covering the ZOZOGLASS scanning process, please contact us via the ZOZOGLASS URL listed above, or contact us directly via the email address below.

### About ZOZO, Inc.

ZOZO, Inc. owns and operates ZOZOTOWN, Japan's largest online fashion shopping site; ZOZOUSED, a second-hand clothing fashion mall; ZOZOMAT, a 3D foot measurement mat; and YOUR BRAND PROJECT, a D2C business that provides consumers an opportunity to share their sense of style and fashion and create their own personal fashion brand. ZOZO, Inc. also offers customer support, in addition to operating the ZOZOBASE, its logistics warehouse.

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ZOZO, Inc. <https://corp.zozo.com/>

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Representative / Kotaro Sawada (Representative Director, President & CEO)

Established / May 21st, 1998

Capital stock / 1,359,903,000yen (As of March 31st, 2020)