



START TODAY CO.,LTD.

FY2017 2Q
CONSOLIDATED BUSINESS RESULTS

FY2017 2Q HIGHLIGHTS

01

Overview	• Total Transaction Value	:	119,656 million yen	(+ 38.3% ,Yoy)
	• Operating Profit	:	13,831 million yen	(+ 30.6% ,Yoy)
	→ Steady growth in both transaction value and operating profit.			

Total	ZOZOTOWN BUSINESS			
Transaction Value	Total Transaction Value	:	116,417 million yen	(+ 39.9% ,Yoy)
	Consignment Business	:	109,766 million yen	(+ 40.9% ,Yoy)
	Purchased Stock Business	:	91 million yen	(- 13.5% ,Yoy)
	ZOZOUSED Business	:	6,558 million yen	(+ 27.2% ,Yoy)
	Average Retail Price	:	3,664 yen	(- 5.0% ,Yoy)
	Average Purchase Amount per Shipment	:	8,186 yen	(+ 3.1% ,Yoy)
	B to B Business	:	3,152 million yen	(+ 8.7% ,Yoy)

Profitability	• Operating profit margin (to the total transaction value)	:	11.6% (12.2% for FY2016 Q2)	
	Factors improving profitability	:	Decrease in the rate of fixed cost burden	
	Factors worsening profitability	:	Increase in the rate of commission regarding payment collection(Change in the composition of settlement manners) Outsourcing expenses incurred from PB launch preparation	

Topics	• Shipping fees liberalization (1st Oct 2017~)
	• Change in shipping fees (Sep 2017~)
	• Acquisition of VASILY, Inc (Expected closing date, 31st Oct 2017)
	• Investing in PB business development



BUSINESS RESULTS

NEW A PRICELESS SECRET

OVERVIEW OF THE FY2017 2Q

03

(million¥)

Item	FY2016 2Q	FY2017 2Q	YoY Change(%)	Target	Progress Rate(%)
Transaction value	86,495	119,656	38.3%	270,000	44.3%
Net sales	31,566	42,694	35.3%	100,000	42.7%
Gross profit	28,604	39,378	37.7%	-	-
(% Transaction Value)	33.1%	32.9%	-0.2%	-	-
SG & A	18,016	25,547	41.8%	-	-
(% Transaction Value)	20.8%	21.4%	0.6%	-	-
Operating profit	10,588	13,831	30.6%	32,000	43.2%
(% Transaction Value)	12.2%	11.6%	-0.6%	11.9%	-
Recurring profit	10,630	13,837	30.2%	32,000	43.2%
Profit attributable to owners of parent	8,059	9,551	18.5%	22,200	43.0%

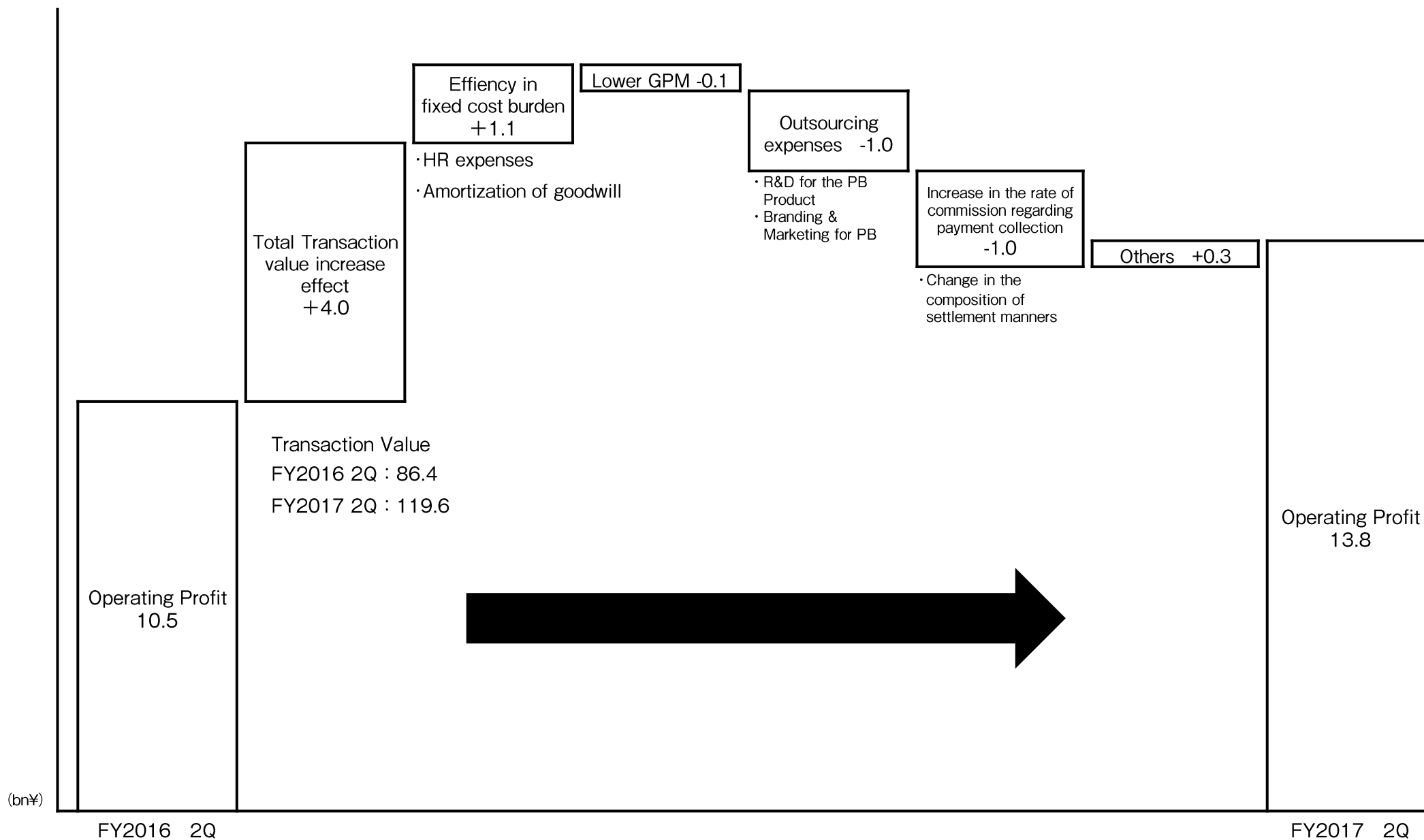
OVERVIEW OF EACH QUARTER

04

(million¥)

Item	FY2016				FY2017	
	1Q	2Q	3Q	4Q	1Q	2Q
Transaction value	42,284	44,210	61,595	64,000	59,574	60,082
YoY (%)	27.1%	29.5%	38.3%	34.6%	40.9%	35.9%
Net sales	15,386	16,180	22,127	22,699	21,451	21,242
SG&A	8,788	9,228	11,350	13,561	11,863	13,684
YoY (%)	36.2%	24.0%	23.5%	46.8%	35.0%	48.3%
(% Transaction Value)	20.8%	20.9%	18.4%	21.2%	19.9%	22.8%
Operating profit	5,011	5,576	8,703	6,992	7,981	5,850
YoY (%)	34.2%	70.2%	83.8%	16.3%	59.3%	4.9%
(% Transaction Value)	11.9%	12.6%	14.1%	10.9%	13.4%	9.7%

INCREASE-DECREASE ANALYSIS OF OPERATING PROFIT (YoY COMPARISON)



CONSOLIDATED BALANCE SHEET

06

(million ¥)

	FY2016 (as of March 31, 2017)	FY2017 2Q (as of September 30, 2017)		FY2016 (as of March 31, 2017)	FY2017 2Q (as of September 30, 2017)
Current assets	45,641	46,361	Current liabilities	23,906	21,842
Cash and deposits	22,068	21,152	Deposit received for consignment sales	11,536	11,698
Merchandise inventory	1,177	1,613	Noncurrent liabilities	1,945	2,031
Noncurrent assets	10,079	11,606	Total liabilities	25,851	23,873
Tangible assets	3,364	4,045	Shareholders' equity	29,461	34,026
Intangible assets	1,075	938	Treasury stock	-11,758	-
Investments and other assets	5,639	6,622	Total net assets	29,868	34,094
Total assets	55,720	57,967	Total liabilities and net assets	55,720	57,967

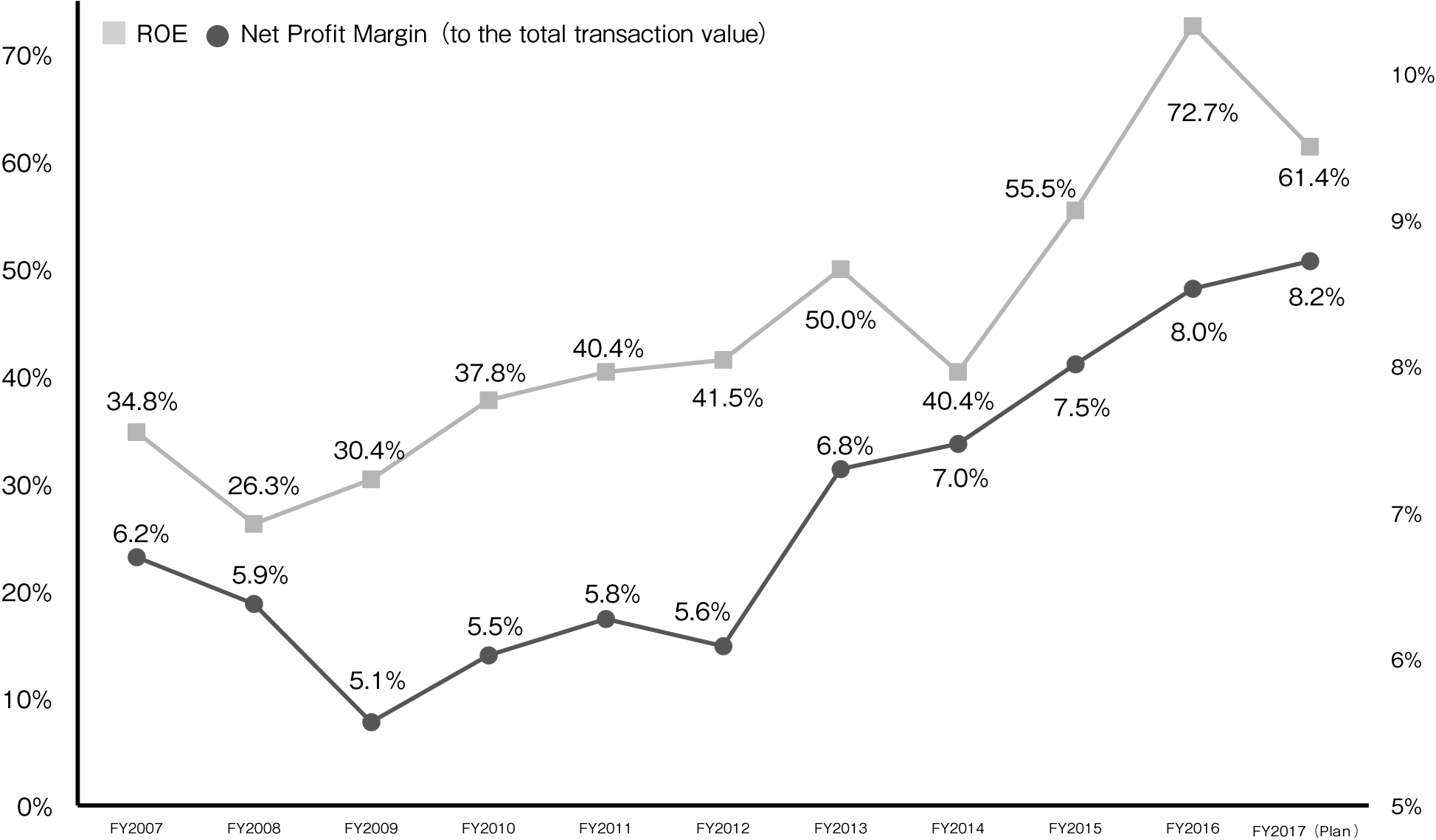
CASH FLOWS

07

(million¥)

Item	FY2016 2Q	FY2017 2Q	YoY	Reasons for change
Cash flows from operating activities	7,336	6,548	-788	(FY2017) Increased amount of corporate tax etc.
Cash flows from investing activities	-278	-1,989	-1,710	(FY2017) Deposit for newly developed logistics facility (FY2017) CAPEX regarding PB product (FY2017) Investment in establishment of overseas subsidiaries
Cash flows from financing activities	-2,915	-5,428	-2,512	(FY2017) Increased amount of dividends
Cash and cash equivalents at the end of the year	15,540	21,263	5,723	

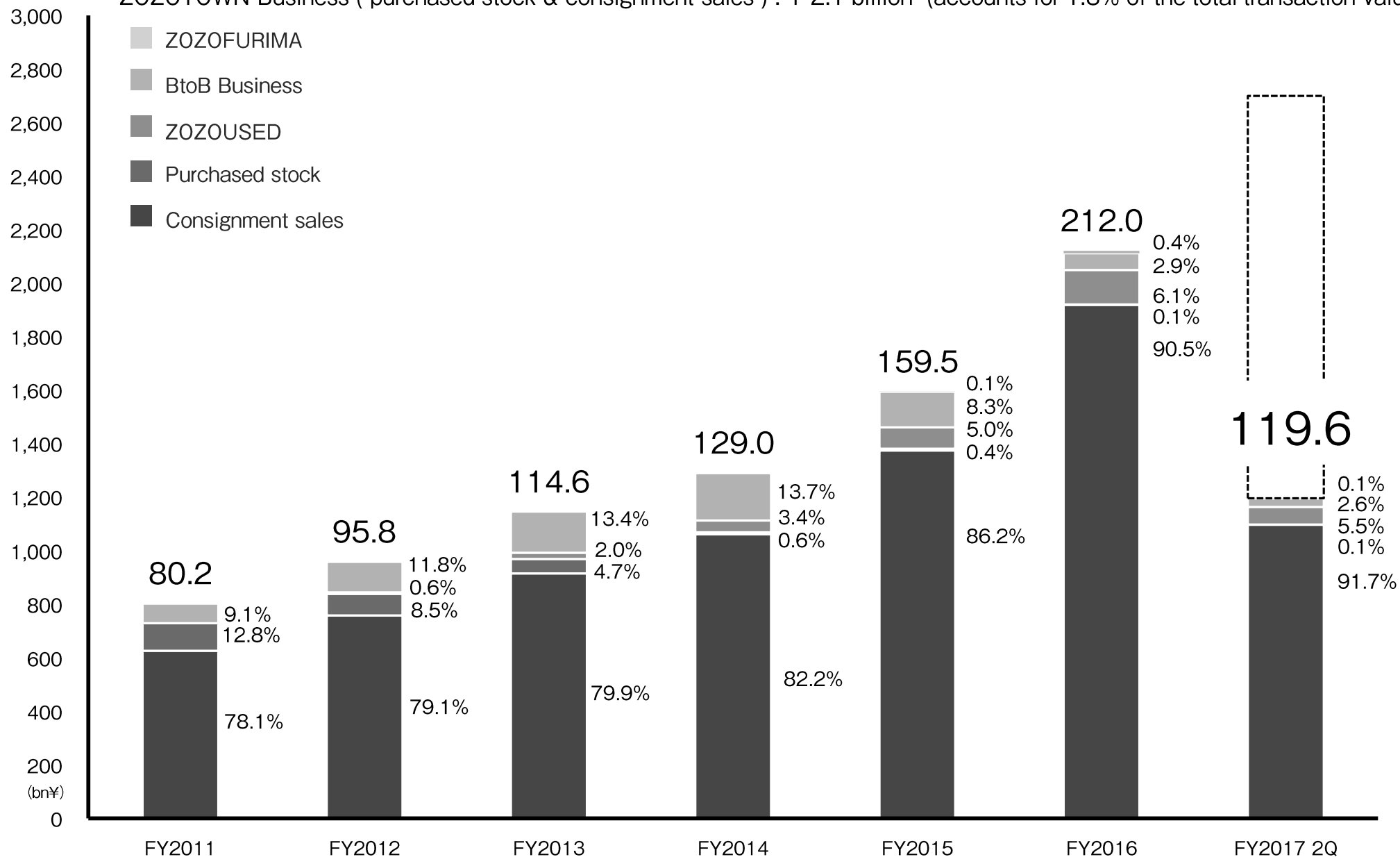
ROE AND NET PROFIT MARGIN



TRANSACTION VALUE

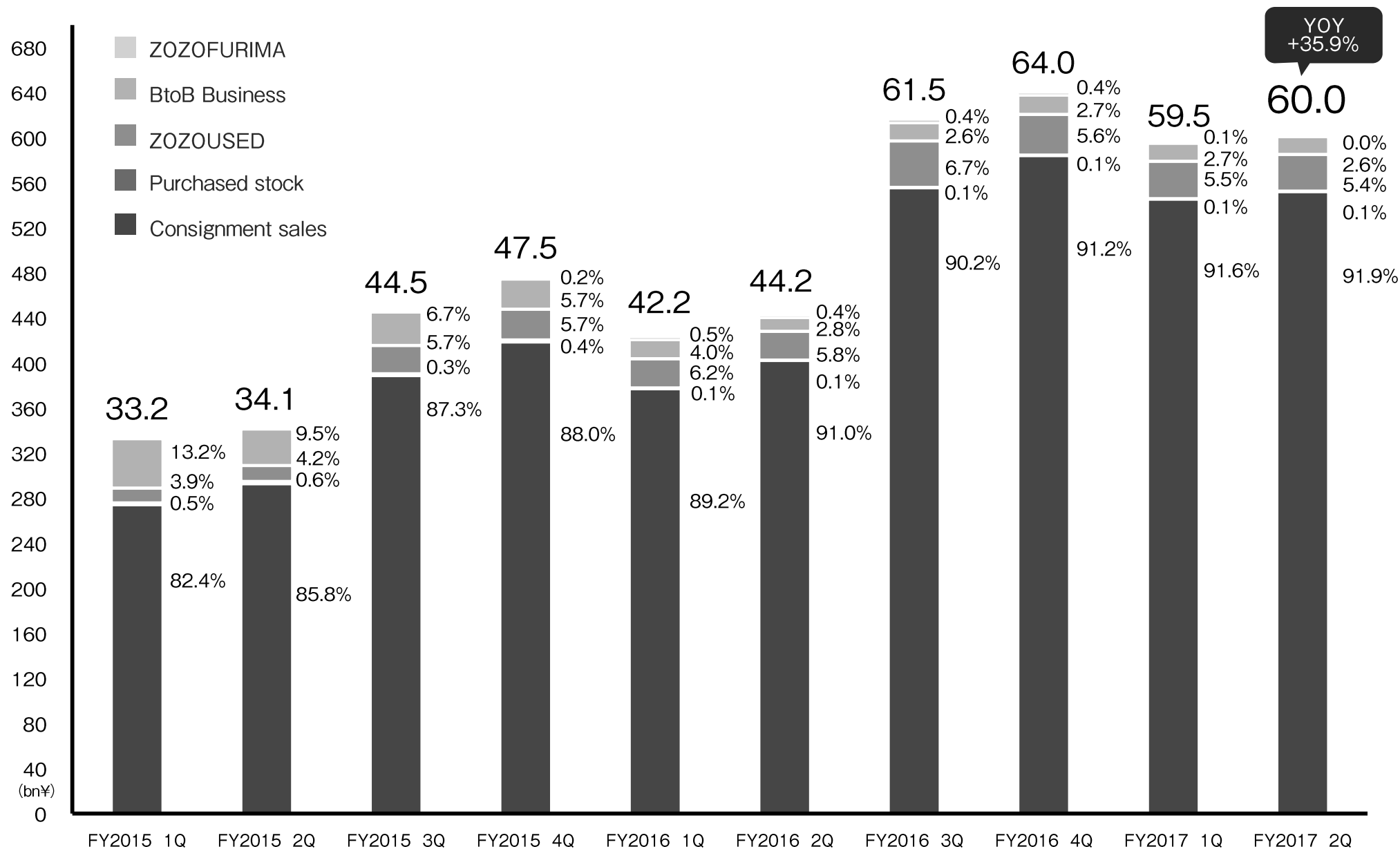
Gross transaction value of new shops opened in FY2017 2Q

ZOZOTOWN Business (purchased stock & consignment sales) : ¥ 2.1 billion (accounts for 1.8% of the total transaction value)



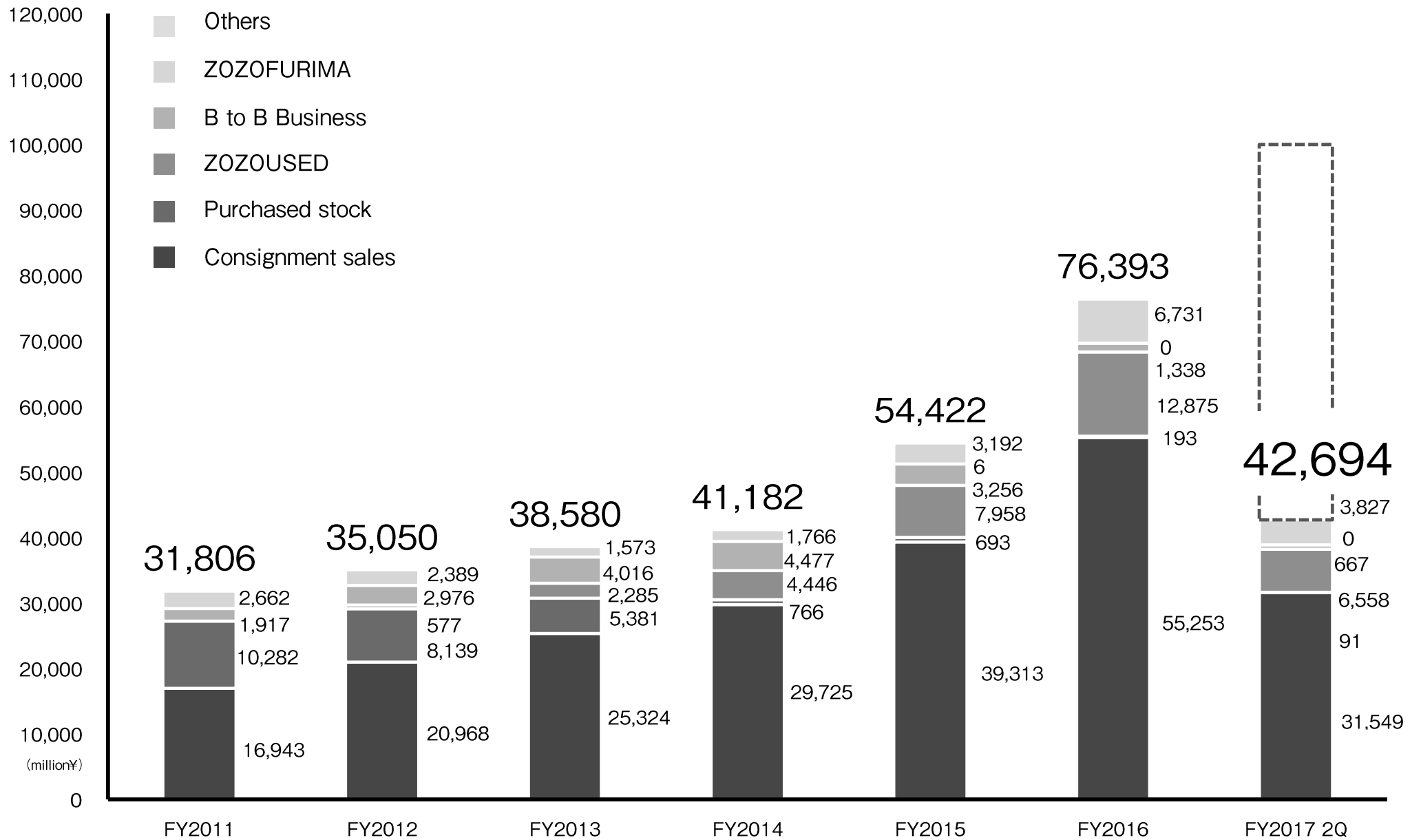
※ZOZO FURIMA Business ended on June 30, 2017.

TRANSACTION VALUE (QUARTERLY)



※ZOZO FURIMA Business ended on June 30, 2017.

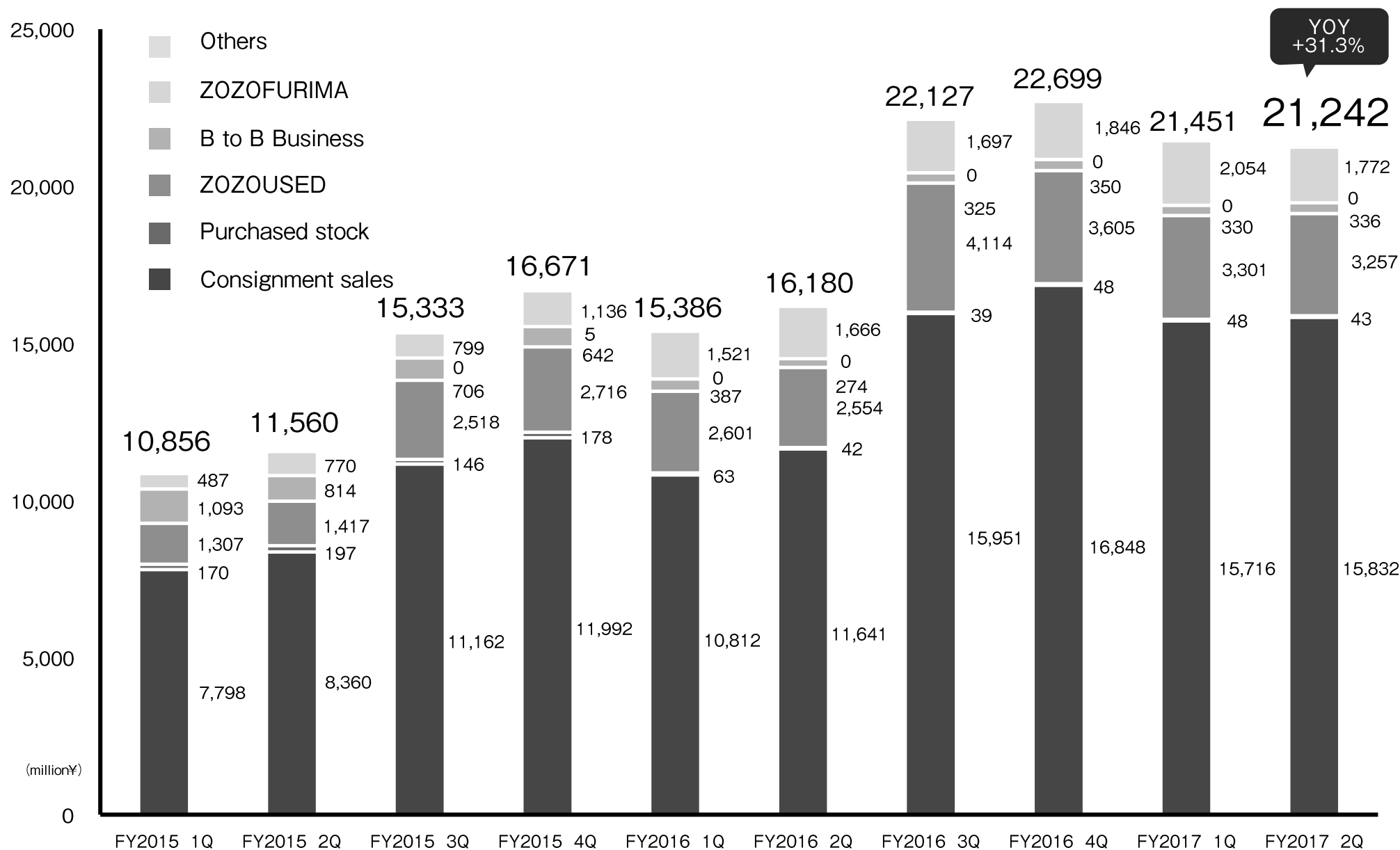
NET SALES



※ZOZO FURIMA Business ended on June 30, 2017.

NET SALES (QUARTERLY)

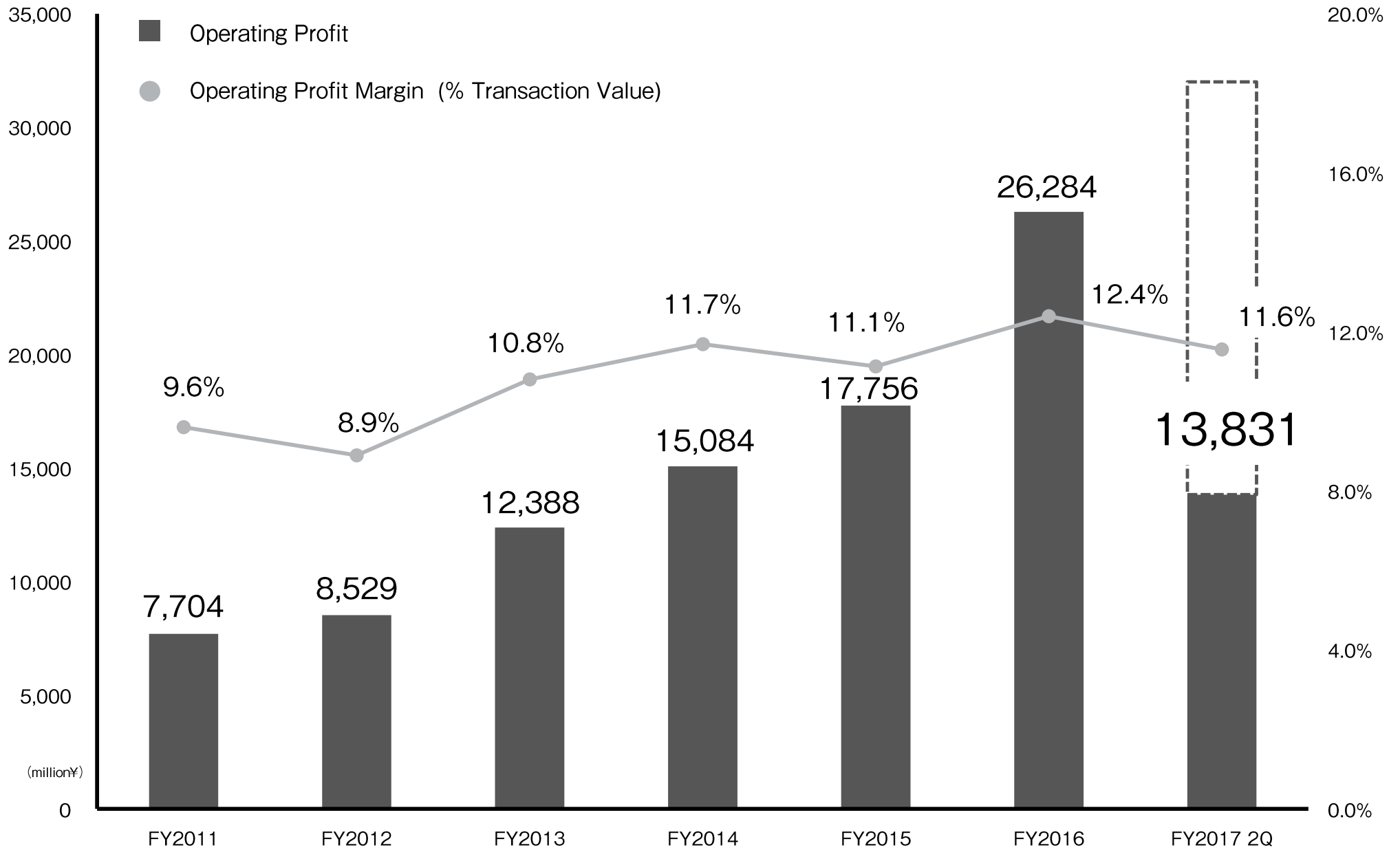
12



※ZOZO FURIMA Business ended on June 30, 2017.

OPERATING PROFIT AND OPERATING PROFIT MARGIN

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SELLING, GENERAL AND ADMINISTRATIVE (SG & A) EXPENSES

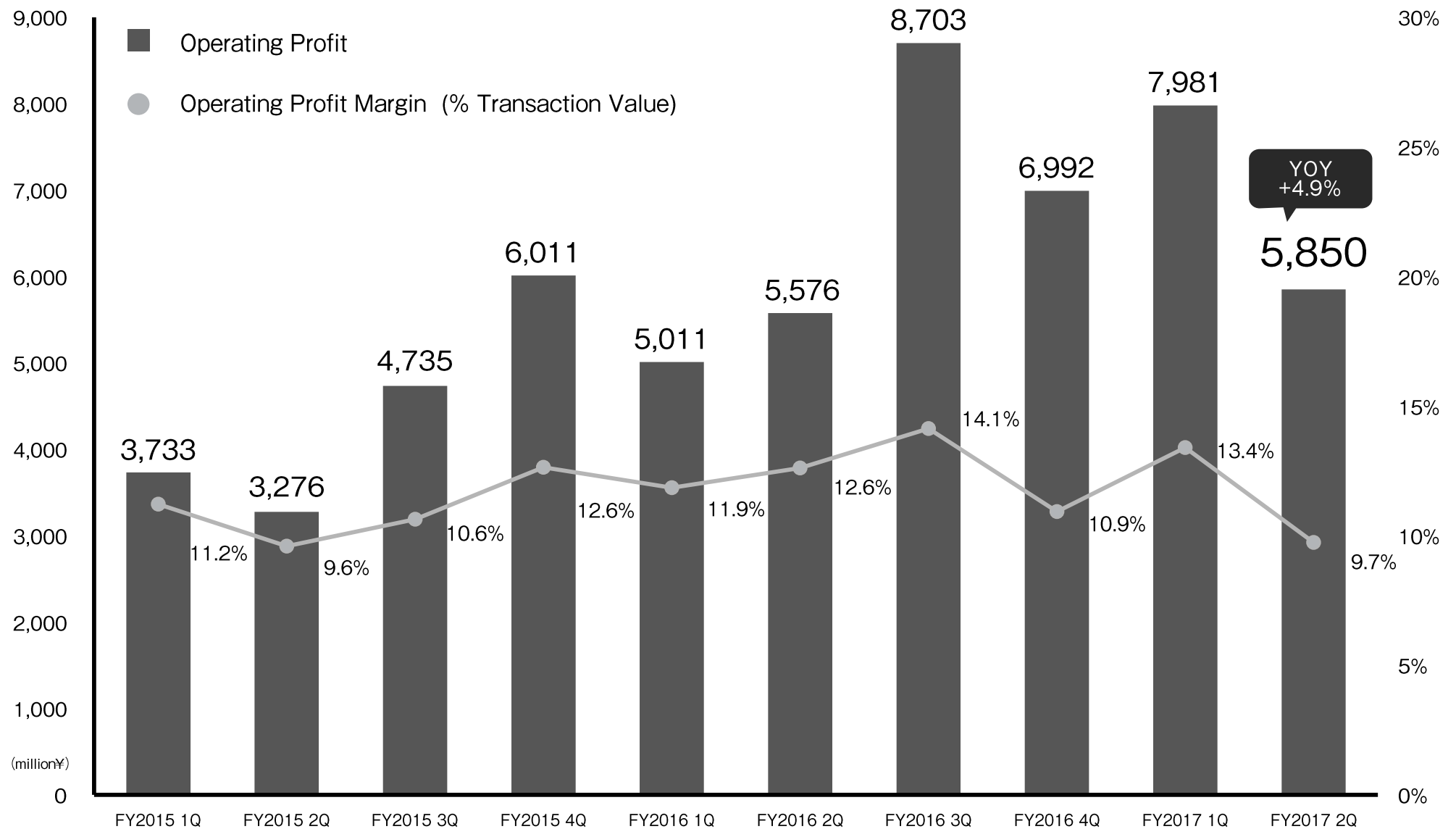
14

(million¥)

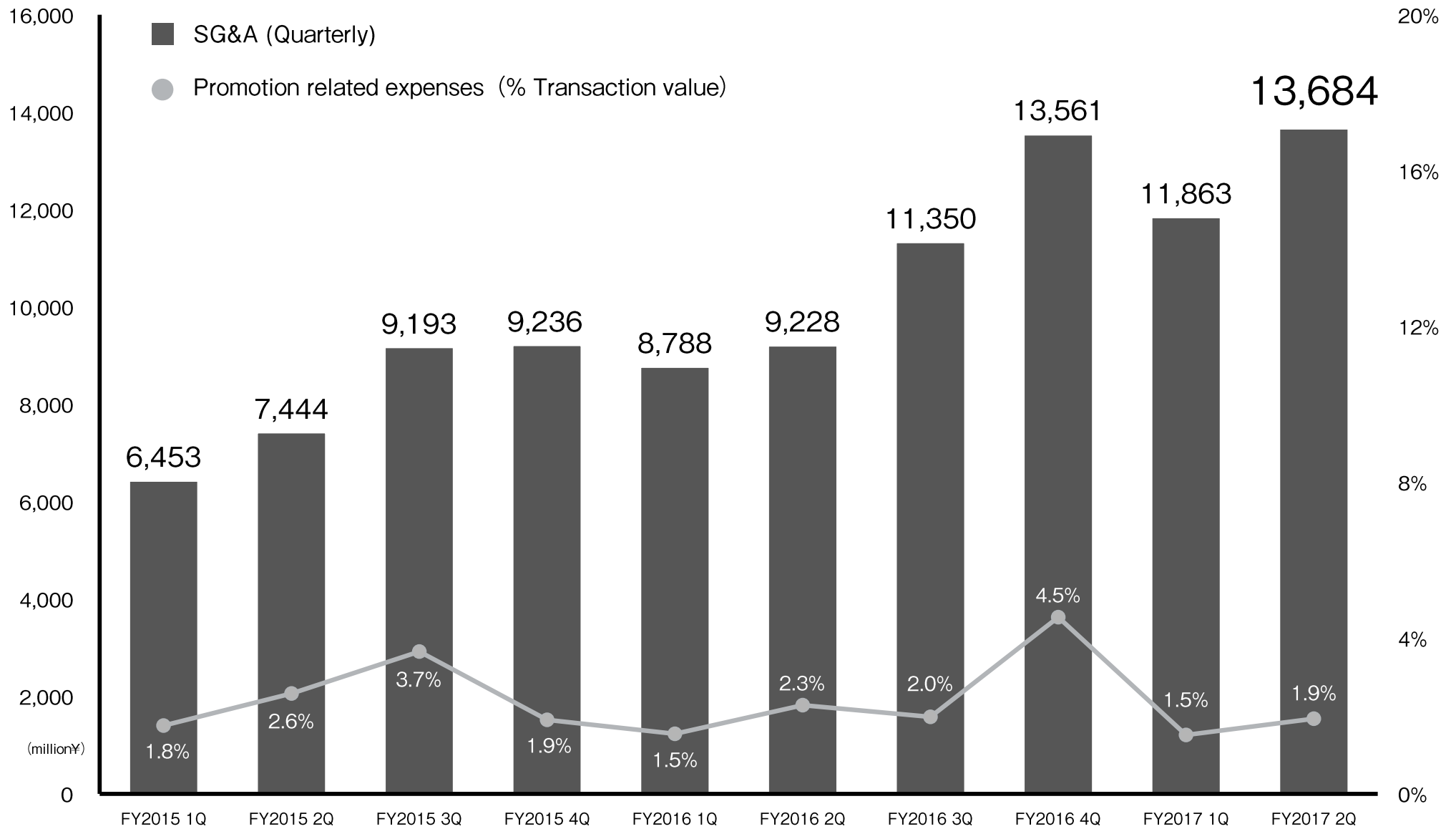
item	FY2016 2Q		FY2017 2Q		YoY	Increase decrease factors
	Amount	%Transaction value	Amount	%Transaction value	%Transaction value	
Payroll(*)	4,856	5.6%	5,962	5.0%	-0.6%	<ul style="list-style-type: none"> • The number of employees in our group has grown from 831 as of September, 2016 to 838 as of September, 2017 • Operational efficiency
Shipping	3,911	4.5%	5,548	4.6%	0.1%	<ul style="list-style-type: none"> • Change in shipping fees (Sep 2017~)
Commission of Payment collection	2,151	2.5%	3,991	3.3%	0.8%	<ul style="list-style-type: none"> • Changes in the composition ratio of settlement means
Promotion related expenses	1,657	1.9%	2,060	1.7%	-0.2%	
Advertising	677	0.8%	739	0.6%	-0.2%	
Reward points related expenses	979	1.1%	1,320	1.1%	0.0%	
Outsourcing	1,605	1.9%	3,405	2.8%	0.9%	<ul style="list-style-type: none"> • Outsourcing expenses incurred from PB launch preparation
Rent expense	946	1.1%	1,354	1.1%	0.0%	<ul style="list-style-type: none"> • Rise in the total amount due to expanding bases of logistics operation
Depreciation	390	0.5%	408	0.3%	-0.2%	
Amortization of goodwill	471	0.5%	113	0.1%	-0.4%	<ul style="list-style-type: none"> • Impairment of goodwill in the end of last fiscal year (aratana Inc)
Others	2,025	2.3%	2,702	2.3%	0.0%	
Total SG&A	18,016	20.8%	25,547	21.4%	0.6%	

※Payroll includes director's remuneration, employee salaries, bonus, legal welfare expenses, welfare expenses, retirement benefits cost, provision for employee bonus, provision for directors' bonus, and subcontracting payroll.

OPERATING PROFIT AND OPERATING PROFIT MARGIN (QUARTERLY)



SELLING, GENERAL AND ADMINISTRATIVE (SG & A) EXPENSES (QUARTERLY)



OVERVIEW OF SG & A BY EACH QUARTER

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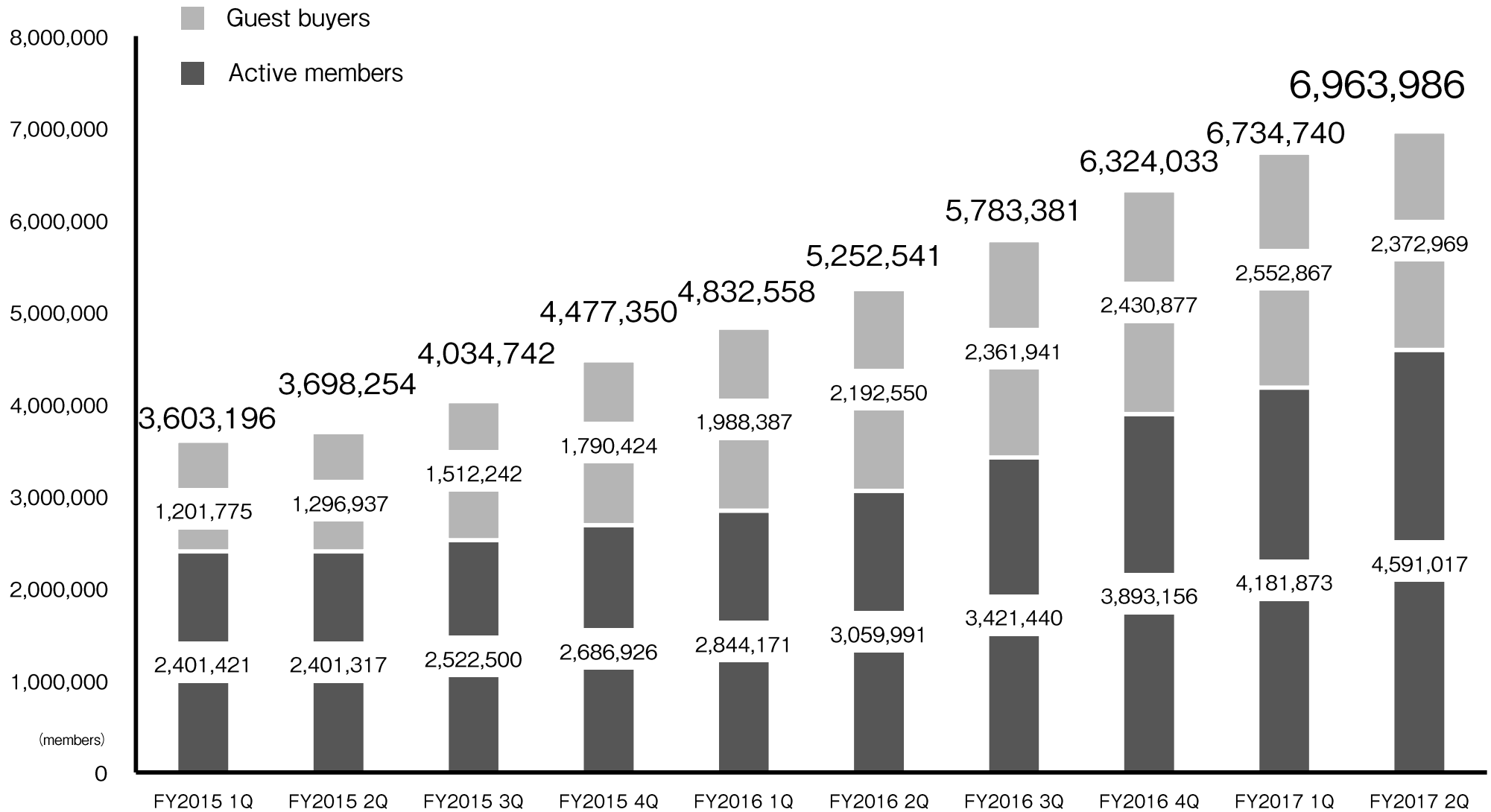
(million ¥)

項目	FY2016								FY2017			
	1Q		2Q		3Q		4Q		1Q		2Q	
	Amount	%Transaction value	Amount	%Transaction value	Amount	%Transaction value	Amount	%Transaction value	Amount	%Transaction value	Amount	%Transaction value
Payroll(*)	2,472	5.8%	2,383	5.4%	2,935	4.8%	2,845	4.4%	2,896	4.9%	3,065	5.1%
Shipping	1,837	4.3%	2,073	4.7%	2,321	3.8%	2,684	4.2%	2,616	4.4%	2,931	4.9%
Commission of Payment collection	1,043	2.5%	1,108	2.5%	1,578	2.6%	1,726	2.7%	1,953	3.3%	2,037	3.4%
Promotion related expenses	650	1.5%	1,006	2.3%	1,216	2.0%	2,902	4.5%	899	1.5%	1,160	1.9%
Advertising	223	0.5%	454	1.0%	551	0.9%	1,770	2.8%	345	0.6%	393	0.7%
Reward points related expenses	427	1.0%	551	1.2%	665	1.1%	1,131	1.8%	554	0.9%	766	1.3%
Outsourcing	807	1.9%	798	1.8%	1,003	1.6%	1,231	1.9%	1,384	2.3%	2,020	3.4%
Rent expense	478	1.1%	468	1.1%	565	0.9%	601	0.9%	597	1.0%	757	1.3%
Depreciation	194	0.5%	195	0.4%	220	0.4%	232	0.4%	197	0.3%	211	0.4%
Amortization of goodwill	214	0.5%	256	0.6%	176	0.3%	176	0.3%	56	0.1%	56	0.1%
Others	1,089	2.6%	936	2.1%	1,332	2.2%	1,160	1.8%	1,259	2.1%	1,442	2.4%
Total SG&A	8,788	20.8%	9,228	20.9%	11,350	18.4%	13,561	21.2%	11,863	19.9%	13,684	22.8%

※Payroll includes director's remuneration, employee salaries, bonus, legal welfare expenses, welfare expenses, retirement benefits cost, provision for employee bonus, provision for directors' bonus, and subcontracting payroll.

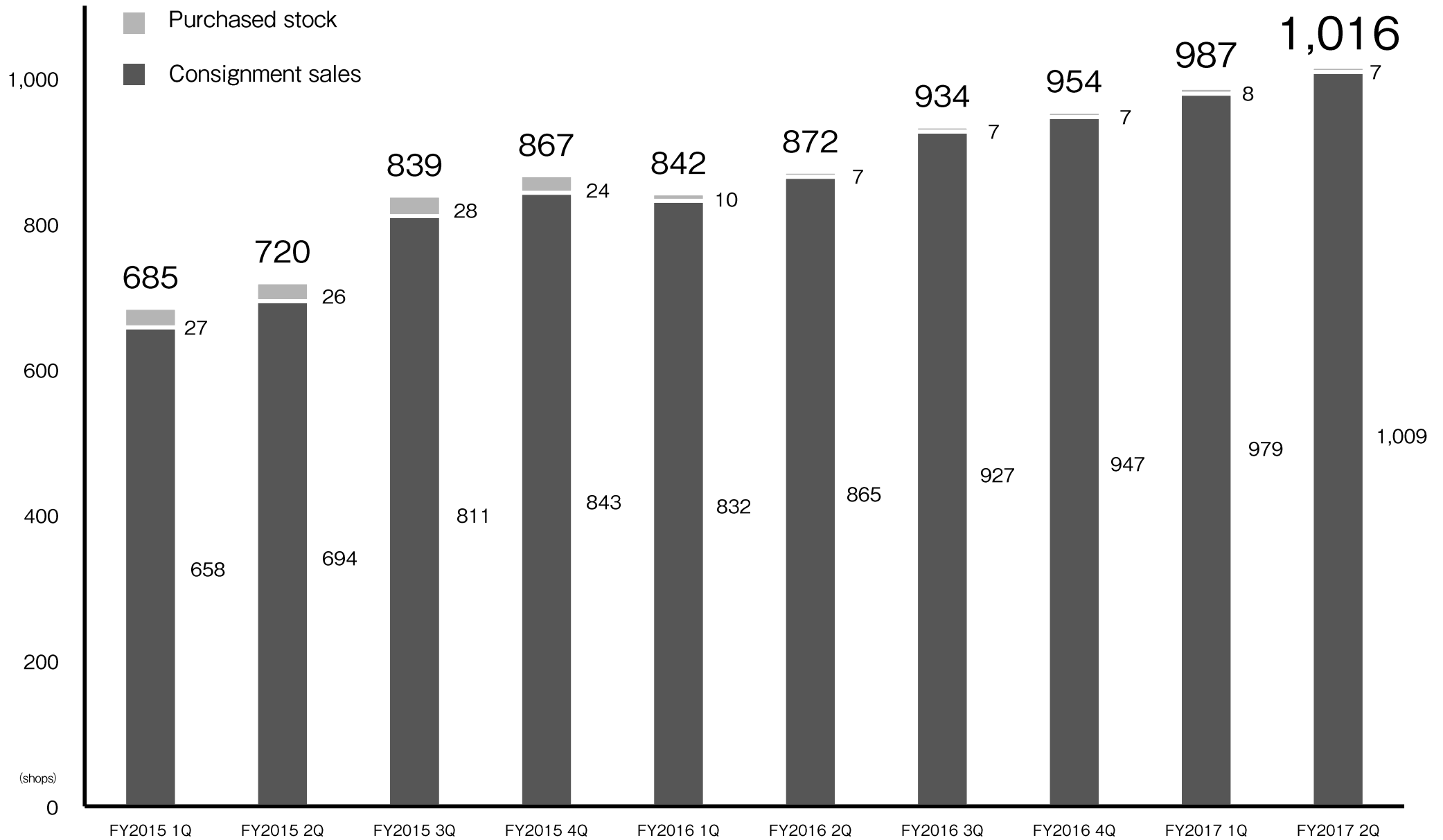
NUMBER OF TOTAL BUYERS

Number of total buyers = Active members and guest buyers who made at least one purchase within a year
 Guest buyers = Unique buyers who made a purchase without registering as a member
 Active members = Members who have made at least one purchase within a year



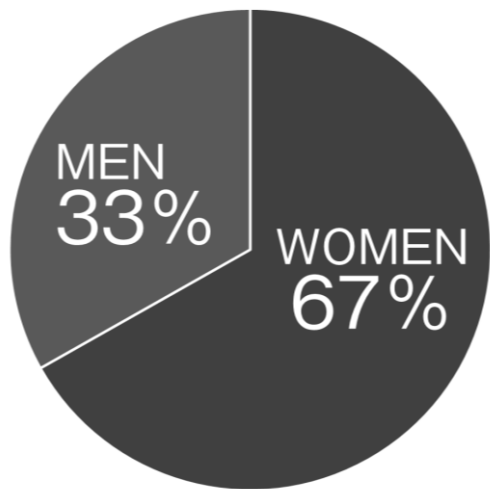
NUMBER OF SHOPS ON ZOZOTOWN

19

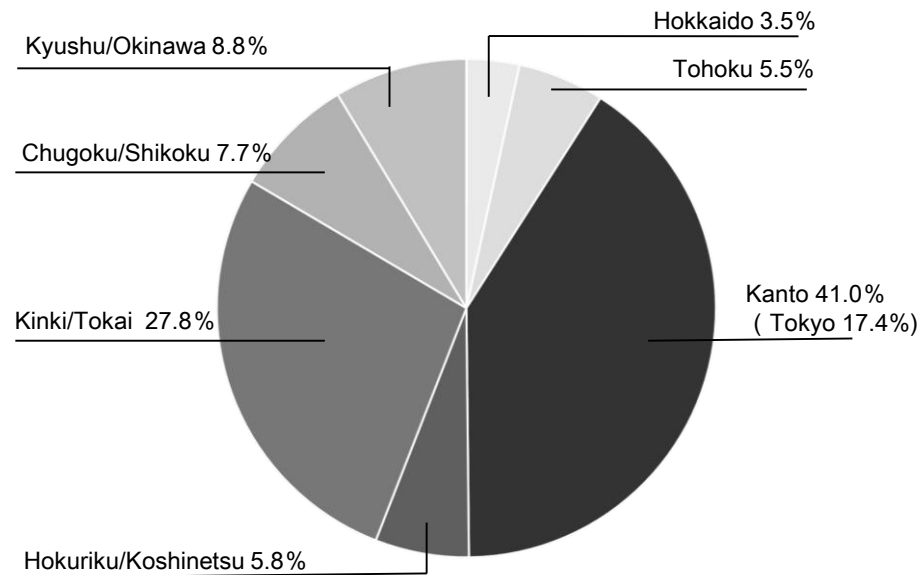


ACTIVE MEMBER DISTRIBUTION

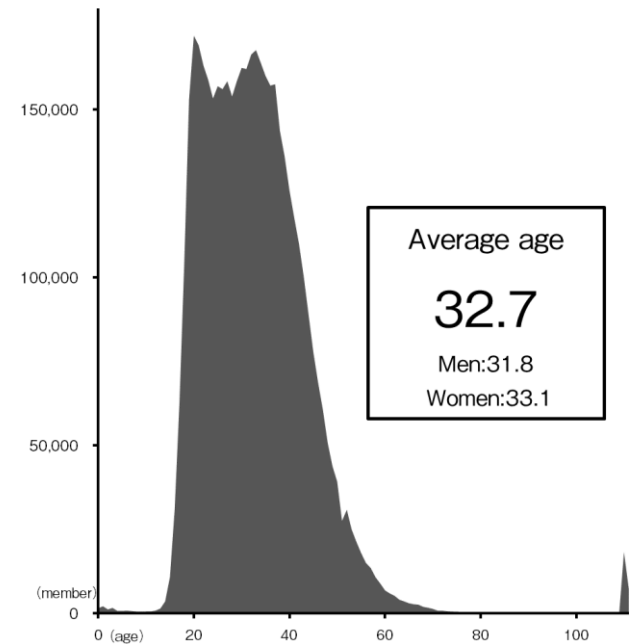
■ Gender ratio



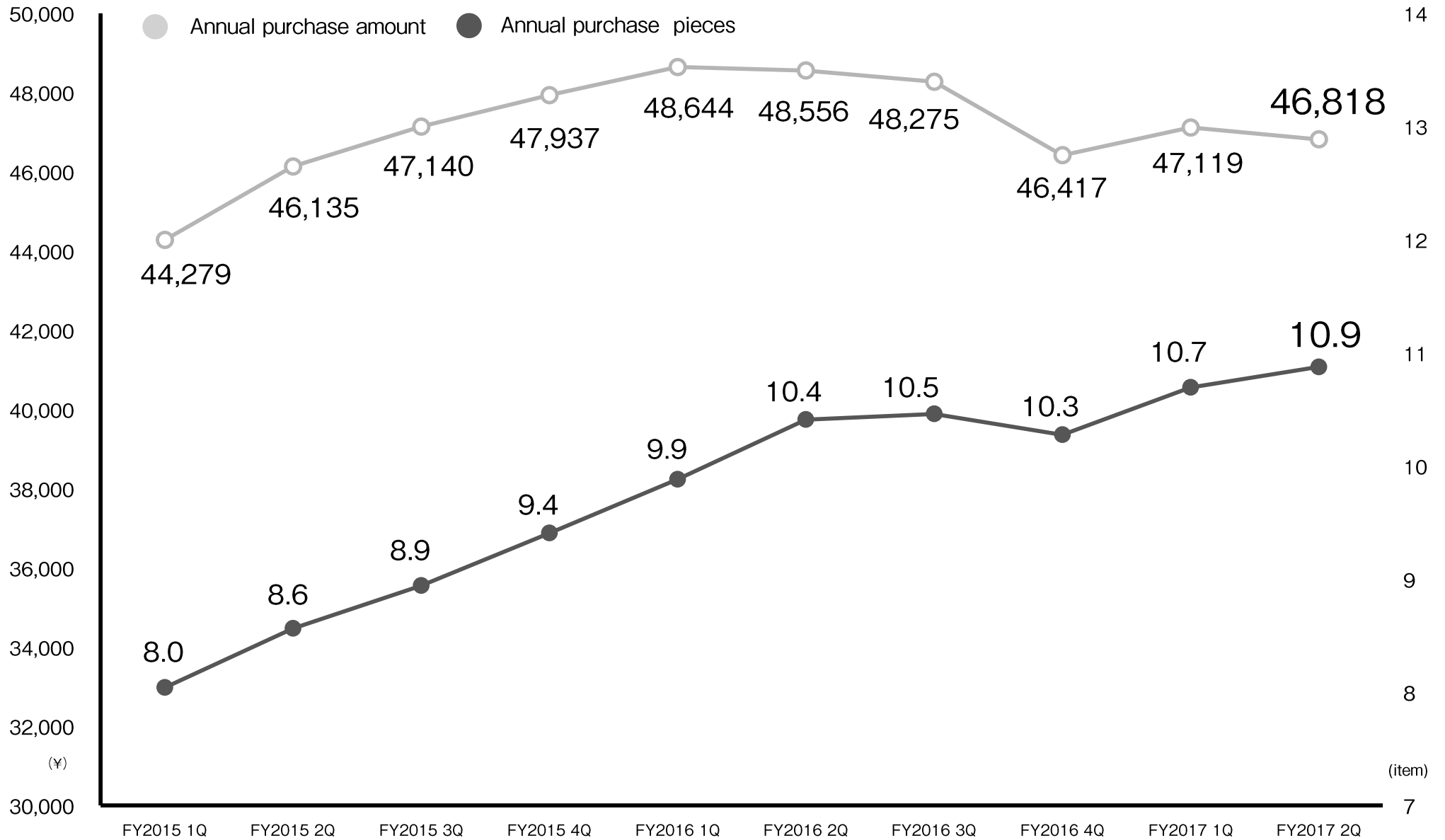
■ Geographical distribution



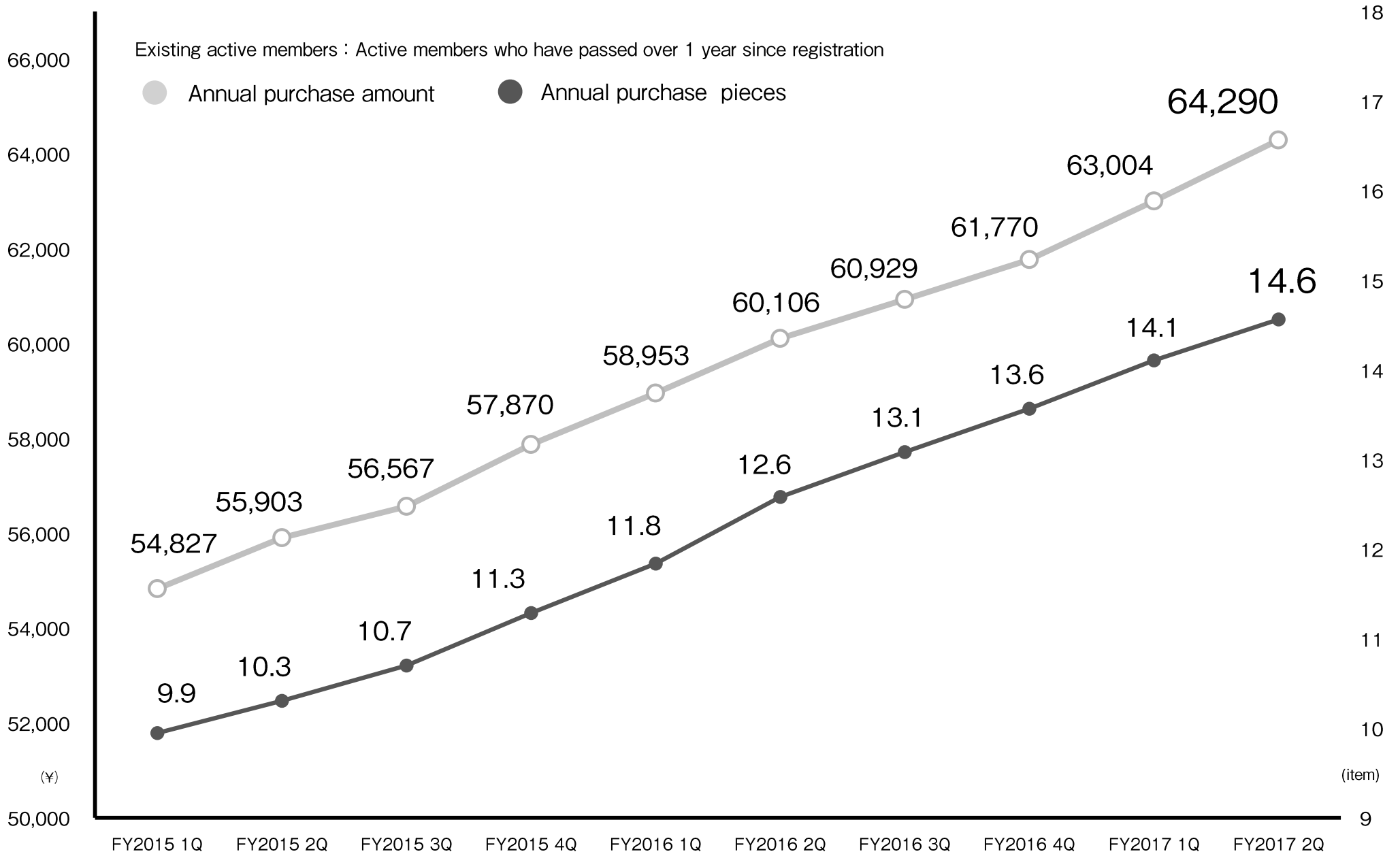
■ Age distribution



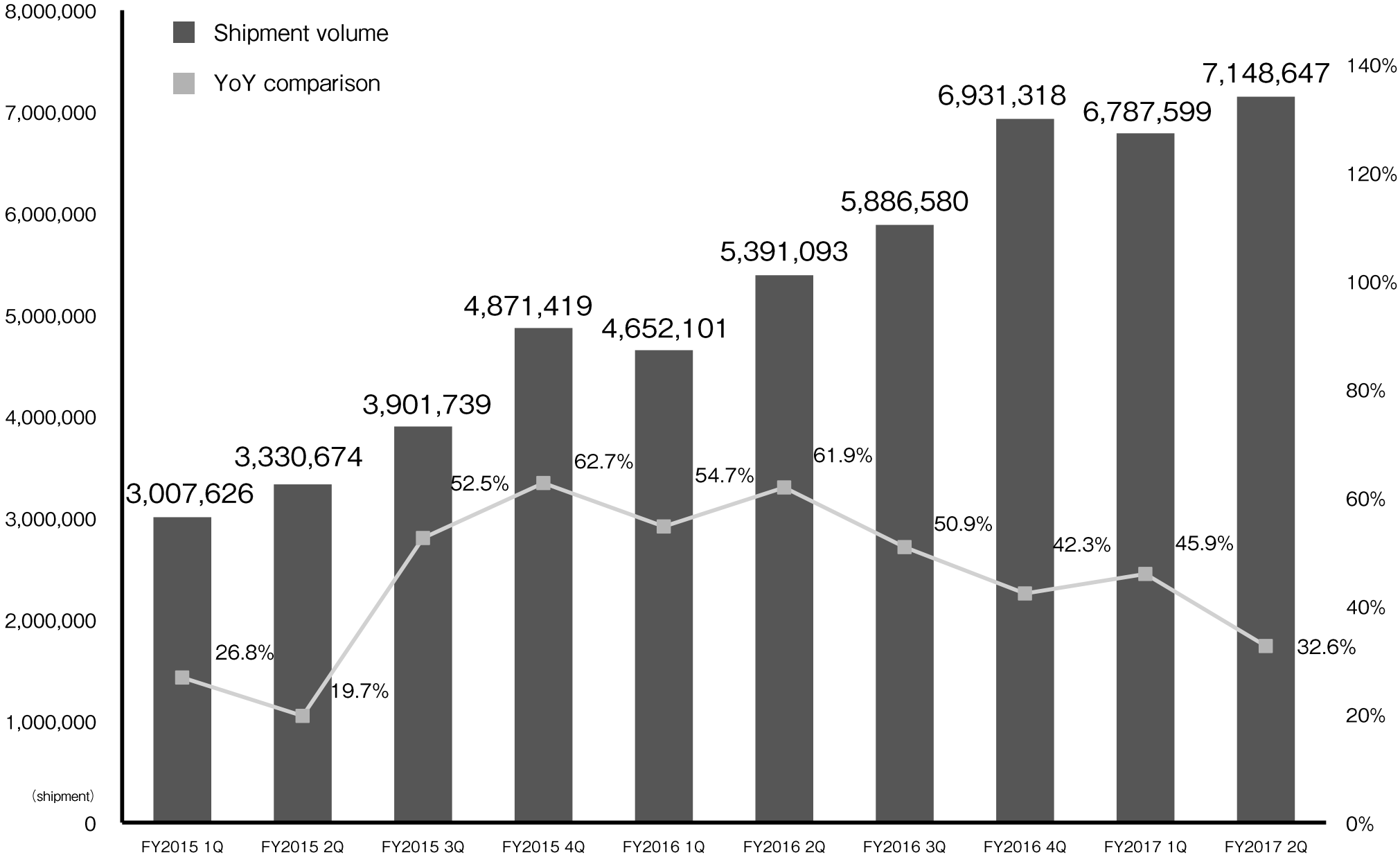
ANNUAL PURCHASE AMOUNT AND PIECES PER ACTIVE MEMBER



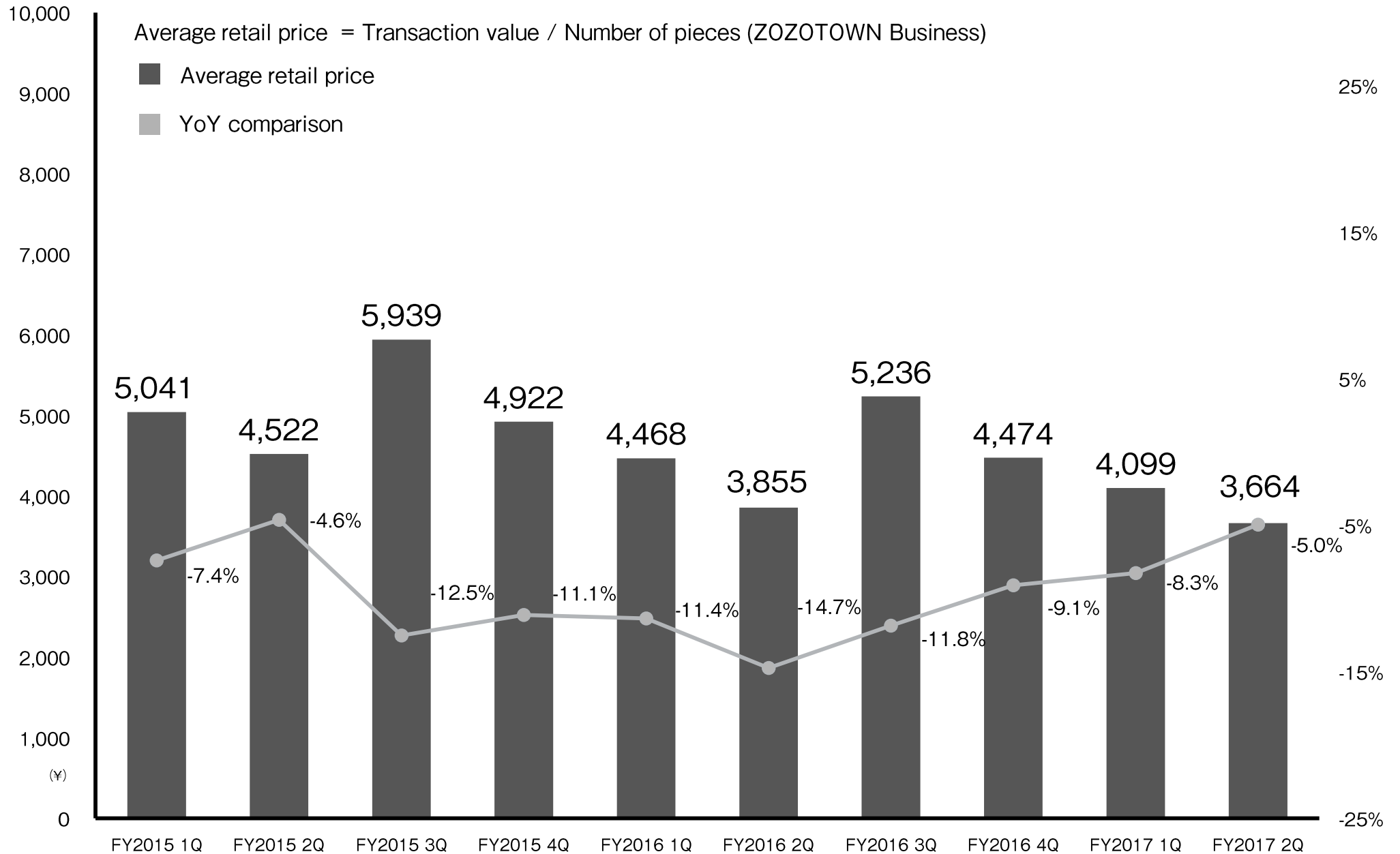
ANNUAL PURCHASE AMOUNT AND PIECES PER EXISTING ACTIVE MEMBER



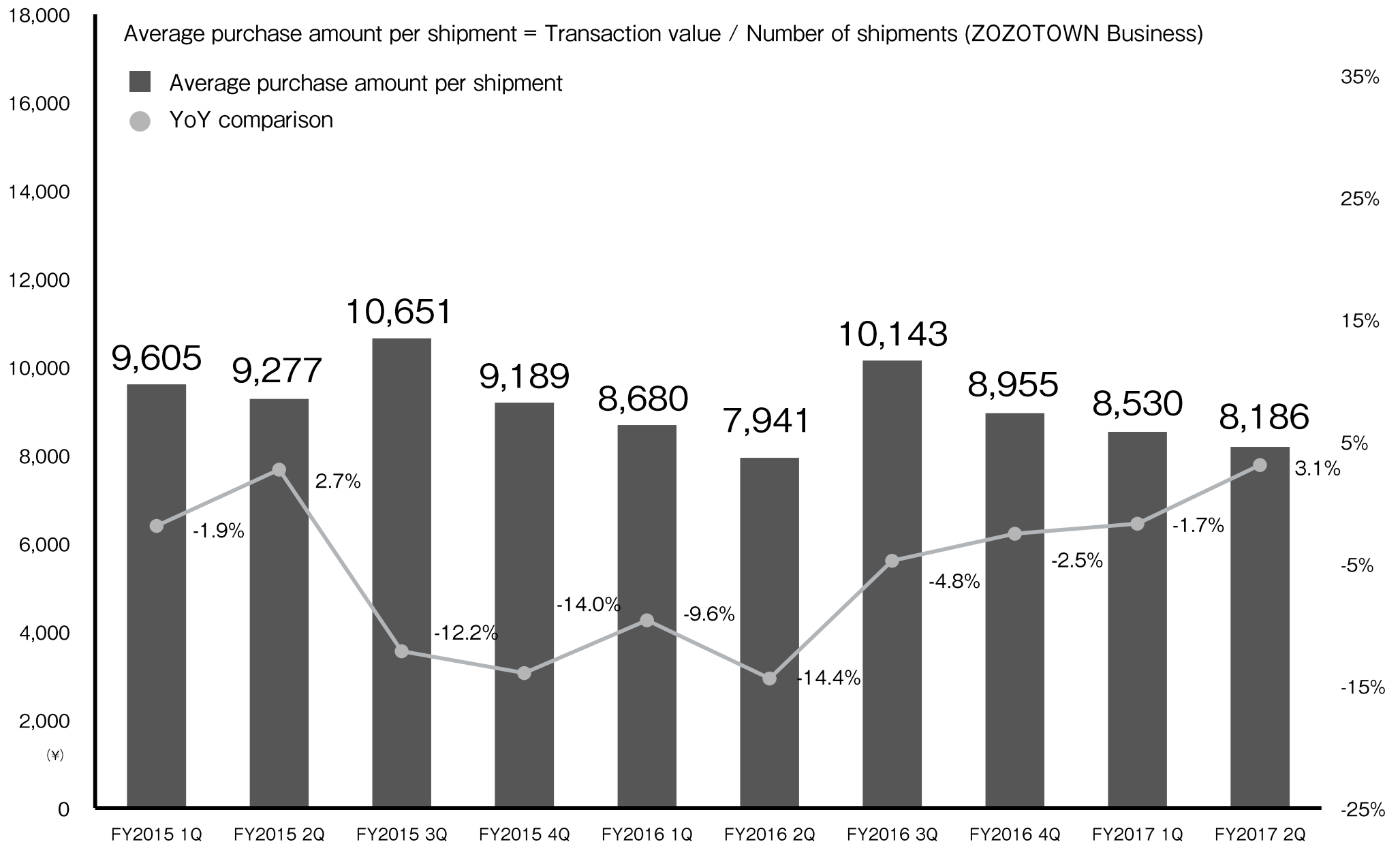
NUMBER OF SHIPMENT



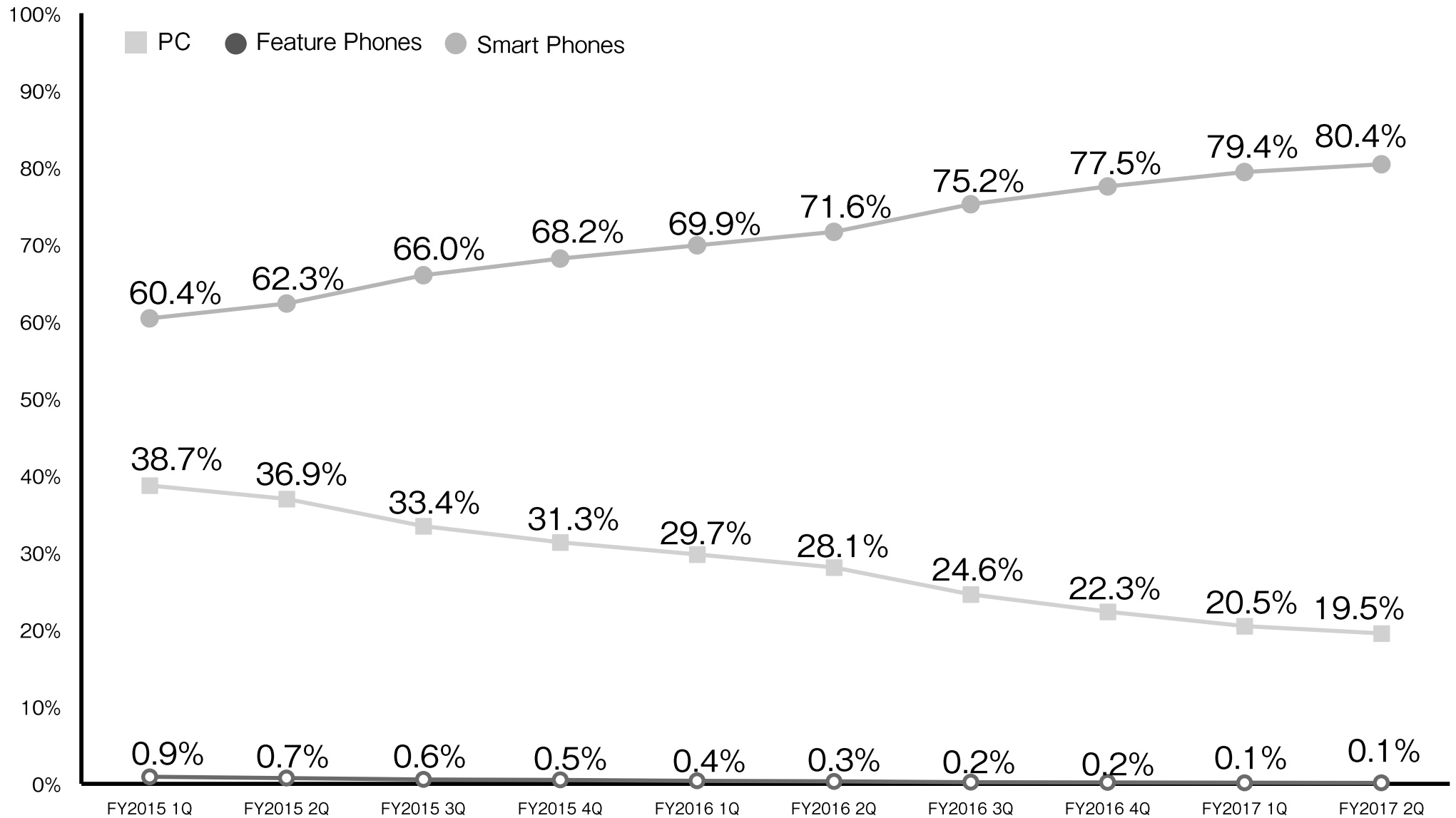
AVERAGE RETAIL PRICE



AVERAGE PURCHASE AMOUNT PER SHIPMENT



THE RATIO OF SHIPMENT VOLUME TO THE TOTAL PURCHASE VOLUME (by access terminal)





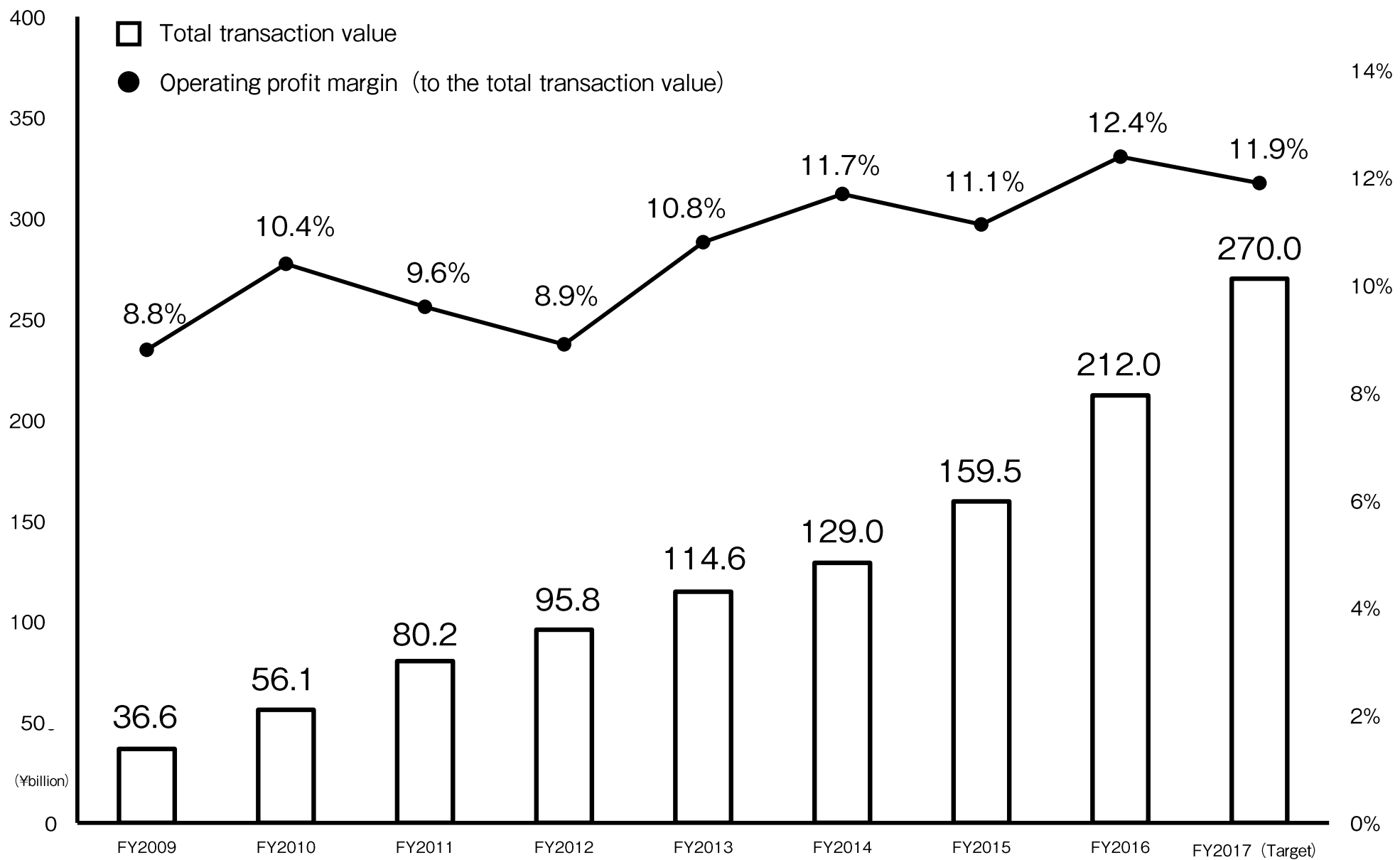
BUSINESS PLAN
FOR FY2017

CONSOLIDATED BUSINESS FORECAST AND DIVIDEND FORECAST FOR FY2017

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	FY2017 PLAN	Growth Rate(%)
Transaction value	270,000 (¥million)	27.3%
Net sales	100,000 (¥million)	30.9%
Operating profit	32,000 (¥million)	21.7%
Recurring profit	32,000 (¥million)	21.0%
Profit attributable to owners of parent	22,200 (¥million)	30.3%
Earnings per share	71.2(¥)	-
Estimated dividends per share	29(¥)	-

TRANSACTION VALUE



BREAKDOWN OF THE TOTAL TRANSACTION VALUE AND EACH POLICY

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Start Today Group

Target for Total Transaction Value : 270.0 billion yen (+27.3%, Yoy)

ZOZOTOWN Business

Target for Total Transaction Value : 264.0 billion yen (+28.8%, Yoy)

- Consignment Business 246 billion yen (+28.2%, Yoy)
- ZOZOUSED Business 18 billion yen (+39.8%, Yoy)

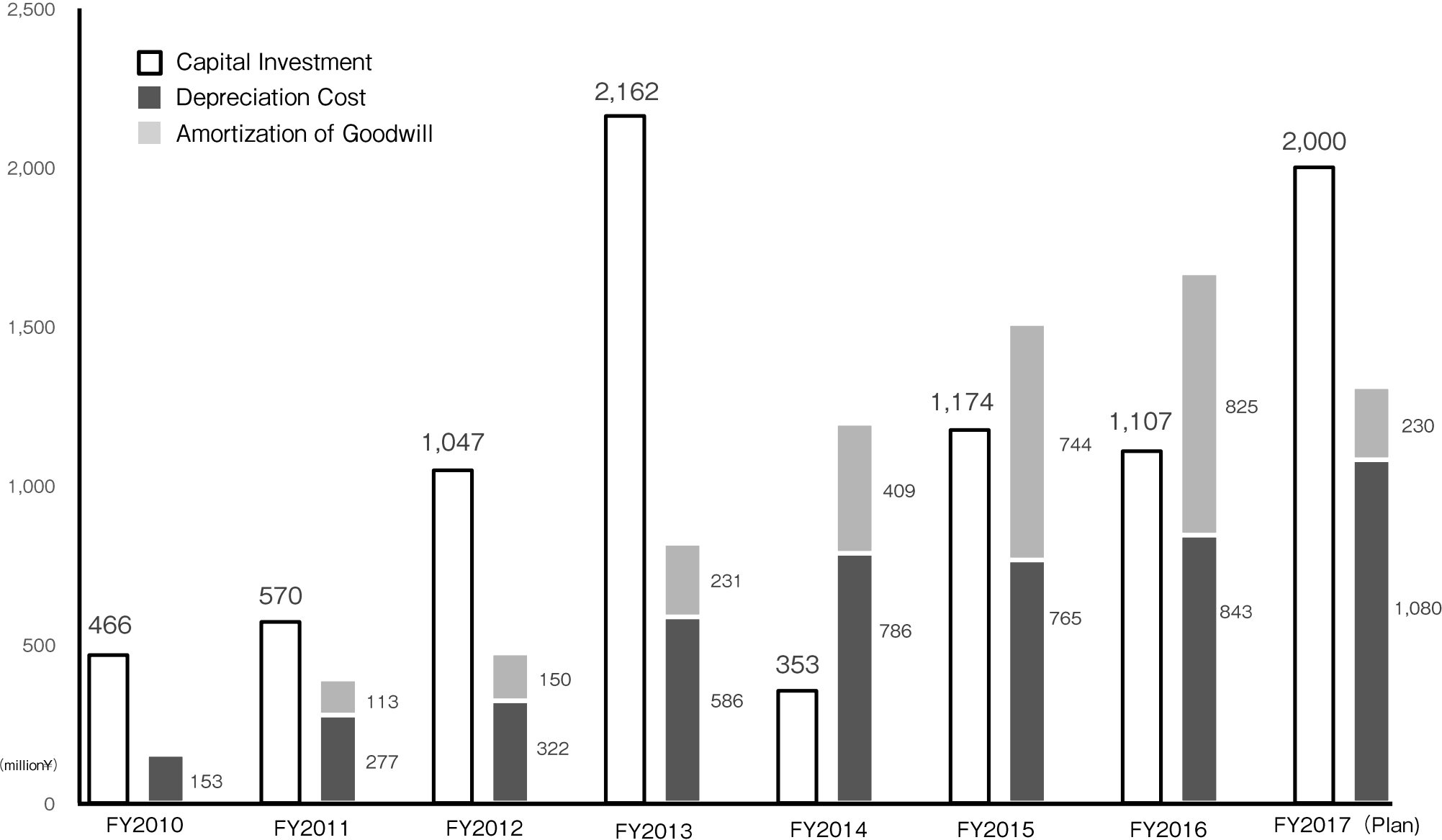
B to B Business

Target for Total Transaction Value : 6 billion yen (-3.5%, Yoy)

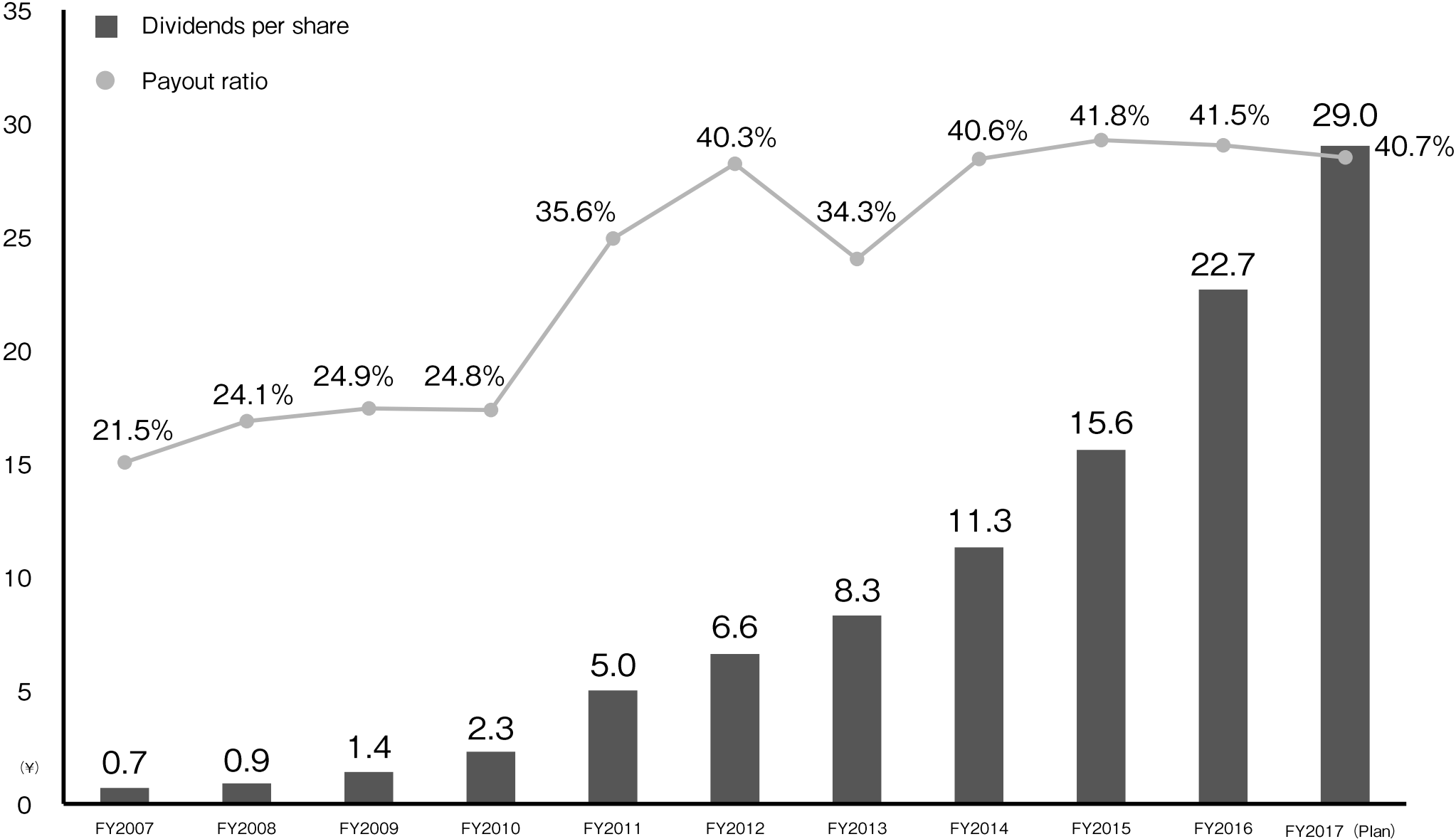
Operating Profit Margin(to the total transaction value)

The target ratio of consolidated operating profit : 11.9% (12.4% for FY2016)

CAPITAL INVESTMENT



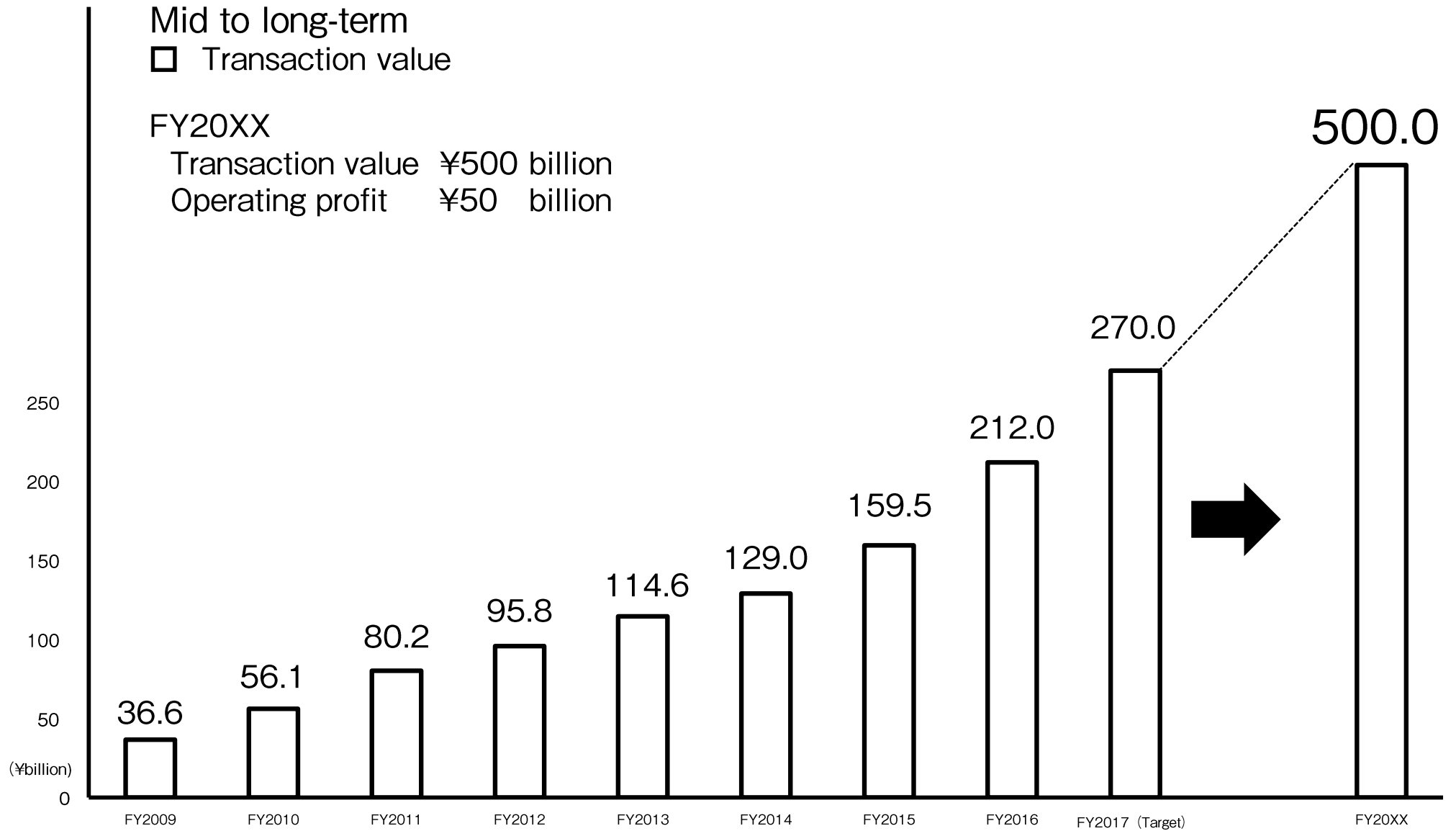
DIVIDENDS PER SHARE AND PAYOUT RATIO



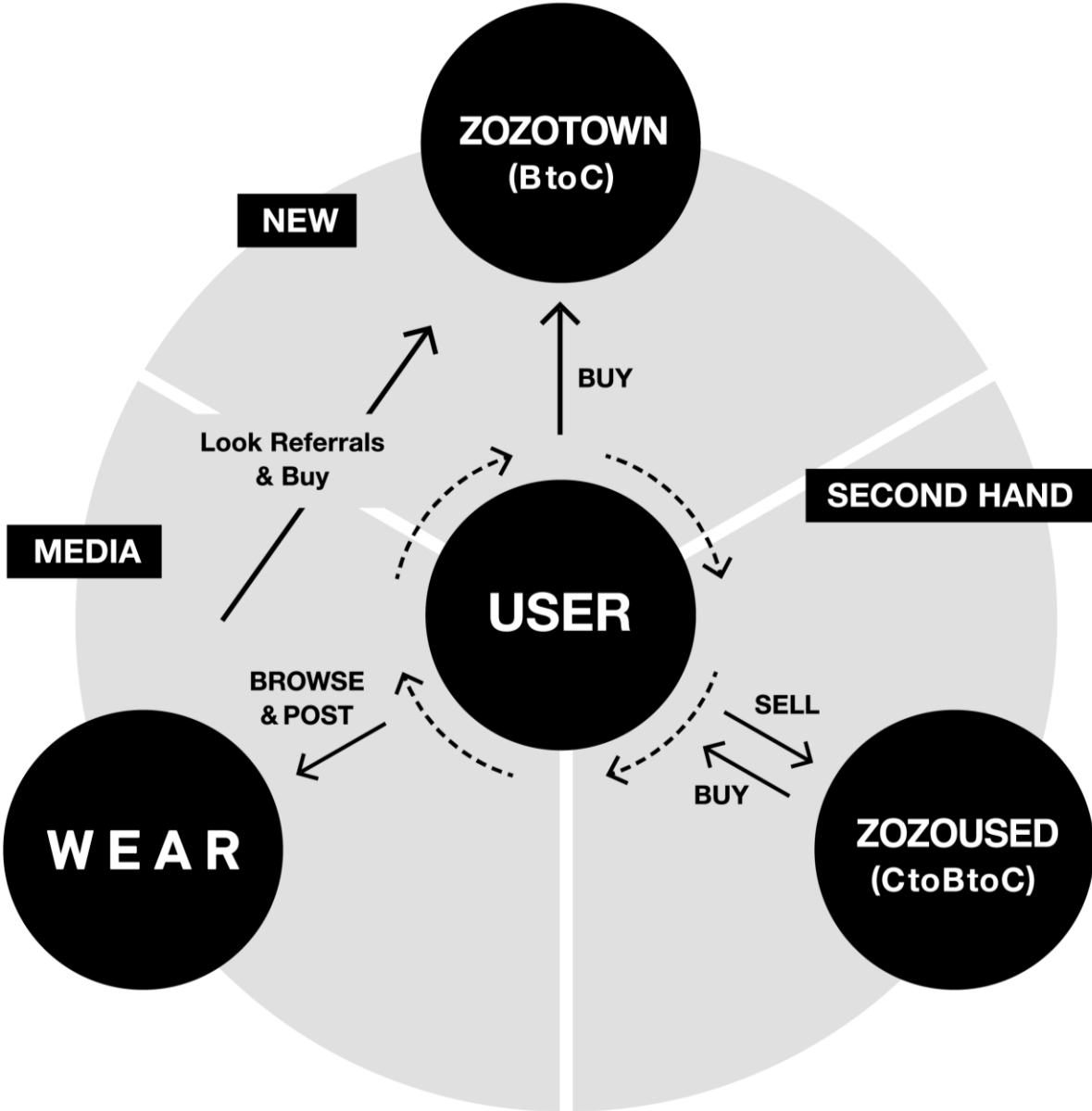
A modern, open-plan living and dining area with a large window, wooden floors, and contemporary furniture. The room features a long wooden dining table on the left, a dark wooden dining table on the right, and a large window in the background. The text "FUTURE STRATEGIES" is overlaid in white, sans-serif font across the center of the image.

FUTURE STRATEGIES

MID TO LONG-TERM VISION



MARKET EXPANSION STRATEGY





REFERENCE
DATA

The image shows a museum gallery with a dark brick wall. Five white t-shirts are displayed on the wall, each with a large, dark letter printed on it. The letters, from left to right, are N, O, W, A, and R. The text 'REFERENCE DATA' is overlaid in white, bold, sans-serif font across the center of the image. The background is dark, and there are recessed lights in the ceiling. A white wall and a display case are visible on the right side of the image.

6,032

POPULAR BRANDS

838

EMPLOYEES (average age 31.2 years old)

世界中をカッコよく、世界中に笑顔を。

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

10,027

SHARE HOLDERS

696 Million

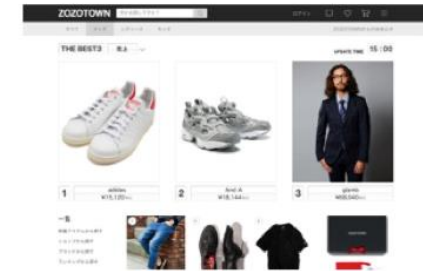
TOTAL BUYERS (1year basis)

MAJOR SERVICES

ZOZOTOWN

Japan's Largest Online Retailer of Apparel and Accessories

- 1,016 stores offering 6,032 brands.
- At any given time, more than 520,000 items are available with an average of 2,900 new items added each day.
- Systems, design, to fulfillment, all functions are built in house.



ZOZOTOWN <http://zozo.jp/>

WEAR

Japan's largest fashion coordination app

- When uploading coordinate pics, tag each item worn in the look, using information on our data base. The systems allows anyone to search for coordinates and items by various queries.
- Official users who we call WEARISTAs, include popular models, singers, actors and actresses.
- Over 10.0 million DL
- Now available in all geographic areas.



WEAR <http://wear.jp/>

OUR SUBSIDIARIES

START TODAY Engineering Co.,LTD

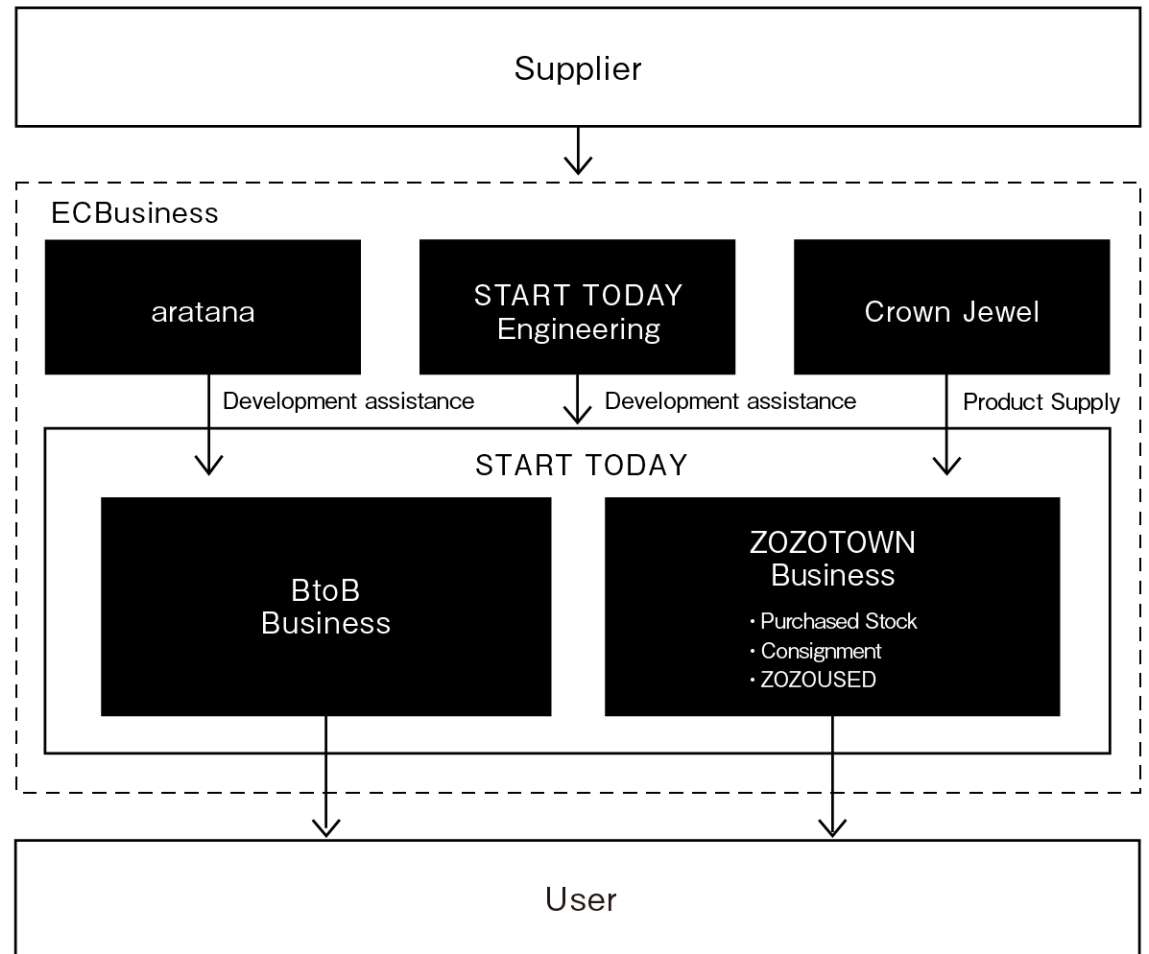
System development,web design,CRM,
Technological development, R&D

Crown Jewel ,inc,

A business operated by reselling second hand
apparel items purchased from our users.

aratanaInc.

Specializes in building EC sites,web marketing,
web security systems,and EC related
applications



※ZOZO FURIMA Business ended on June 30, 2017.

MAJOR SERVICES

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ZOZOTOWN BUSINESS

• Consignment Sales

We operate 1,009 shops as consignment sales businesses.

This business model allows us to carry a certain amount of products from the brands, while giving us low inventory risk.

Sales include = Transaction value of each store x commission rate

• Purchased Stock

We operate 7 stores within ZOZOTOWN, which offer products we purchase from brands.

Sales include = Transaction value generated by each store

• ZOZOUSED Business

We purchase used fashion products from our users, and resell them as a second hand business.

Sales = Transaction value

※Total transaction value and Net sales from ZOZOUSED are included in the purchased stock business.

B to B Business

We help develop and operate online shops on behalf of various brands, such as “United Arrows” .

We currently provide back-end service to 7 stores.

Sales include = Transaction value of these online shops x commission rate

※Total Sales include, contents written above as well as other sales. (such as shipping fee revenues and fees from shop openings)

※ZOZO FURIMA Business ended on June 30, 2017.

This material has been created for the sole purpose of introducing the company's business activities, and not for soliciting investments.

The business forecasts and the future outlook described in the material is based on information currently available.

The forecast includes uncertainties such as sudden changes, therefore actual results may differ.