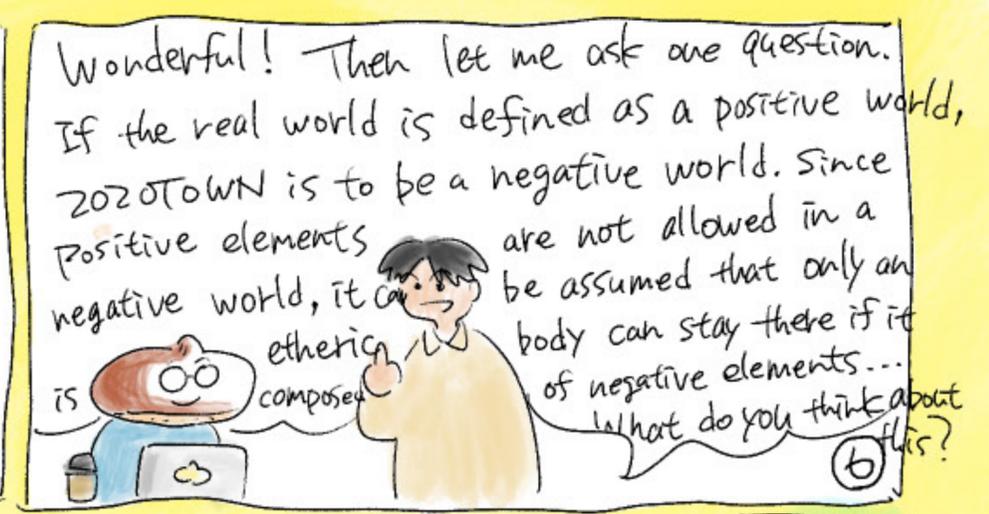
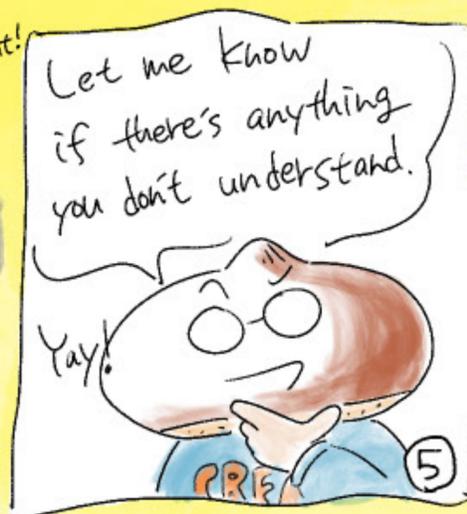


FY2021 ZOZO, Inc. CONSOLIDATED BUSINESS RESULTS



HIGHLIGHTS

FY2021 ZOZO, Inc.
CONSOLIDATED BUSINESS RESULTS



FY2021 HIGHLIGHTS



Gross Merchandise Value

508.8 billion yen

(+21.3% YoY / Achievement rate 107.6%)

Gross Merchandise Value

(excluding other GMV)

462.1 billion yen

(+13.3% YoY/Achievement rate 102.6%)

Operating Profit

49.6 billion yen

(+12.5% YoY / Achievement rate 103.9%)

Operating Profit Margin

10.7 %

(-0.1 points YoY)

*Operating profit margin is calculated by operating profit divided by the gross merchandise value (excluding other GMV)

OVERVIEW OF EACH QUARTER



(million¥)

	FY2020				FY2021			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Gross Merchandise Value	95,330	90,301	118,611	115,194	116,812	112,695	145,999	133,369
Gross Merchandise Value (excluding other GMV)	95,330	90,195	115,247	106,999	106,700	102,367	132,519	120,587
YoY (%)	19.5%	13.0%	22.2%	17.3%	11.9%	13.5%	15.0%	12.7%
Net sales	33,674	32,818	41,987	38,922	38,866	37,346	47,565	42,420
SG&A	21,860	21,571	25,742	26,714	24,333	23,851	29,656	28,675
YoY (%)	18.3%	4.3%	1.4%	25.5%	11.3%	10.6%	15.2%	7.3%
(%Gross Merchandise Value)	22.9%	23.9%	22.3%	25.0%	22.8%	23.3%	22.4%	23.8%
Operating profit	10,423	9,482	13,880	10,358	12,591	11,200	14,987	10,876
YoY (%)	33.9%	73.4%	126.4%	21.8%	20.8%	18.1%	8.0%	5.0%
(%Gross Merchandise Value)	10.9%	10.5%	12.0%	9.7%	11.8%	10.9%	11.3%	9.0%

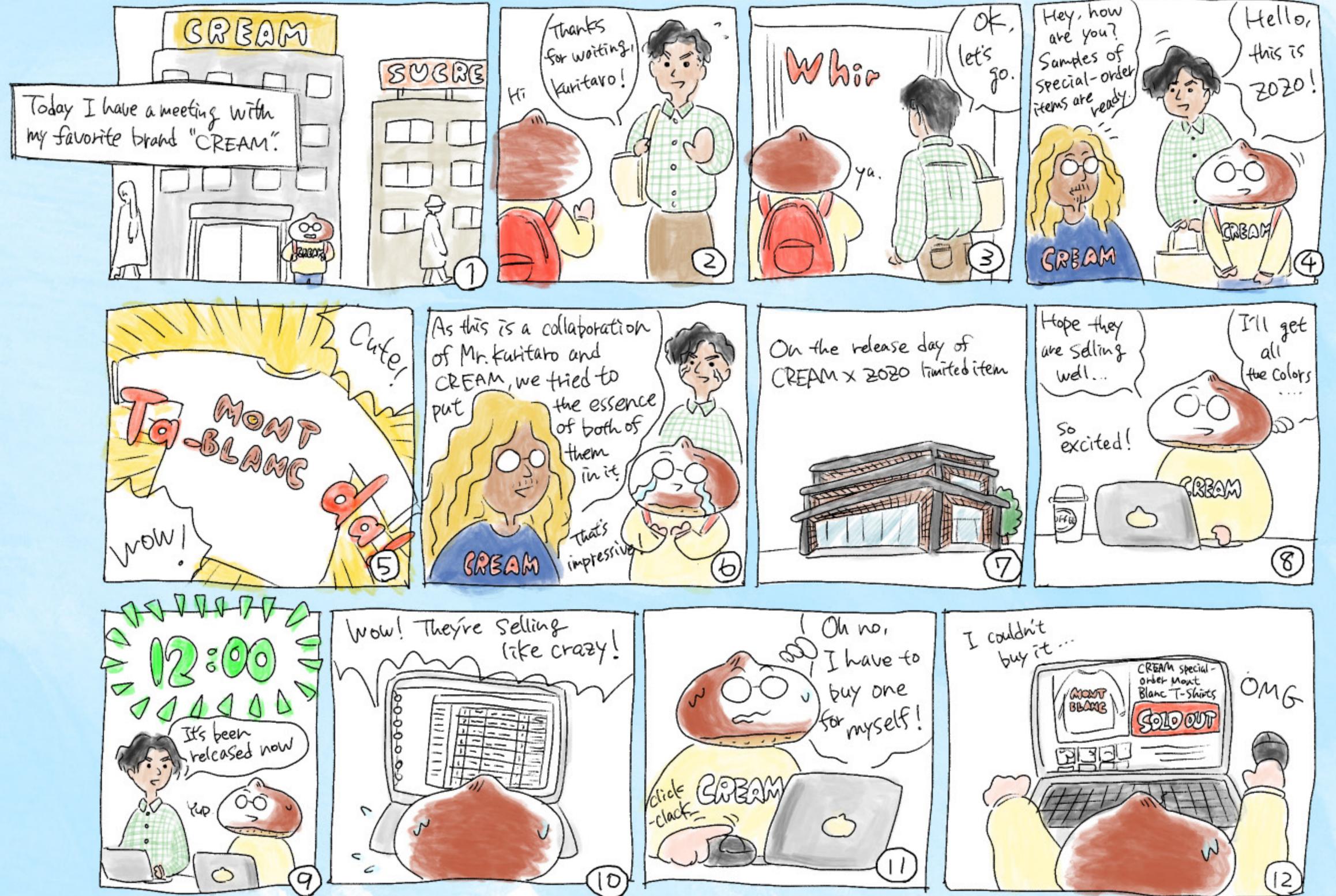
* %Gross Merchandise Value are represented in percentages after division by gross merchandise value (excluding other GMV).

* Effective from the fiscal year ending March 2022, we have adopted the new accounting standards for revenue recognition.

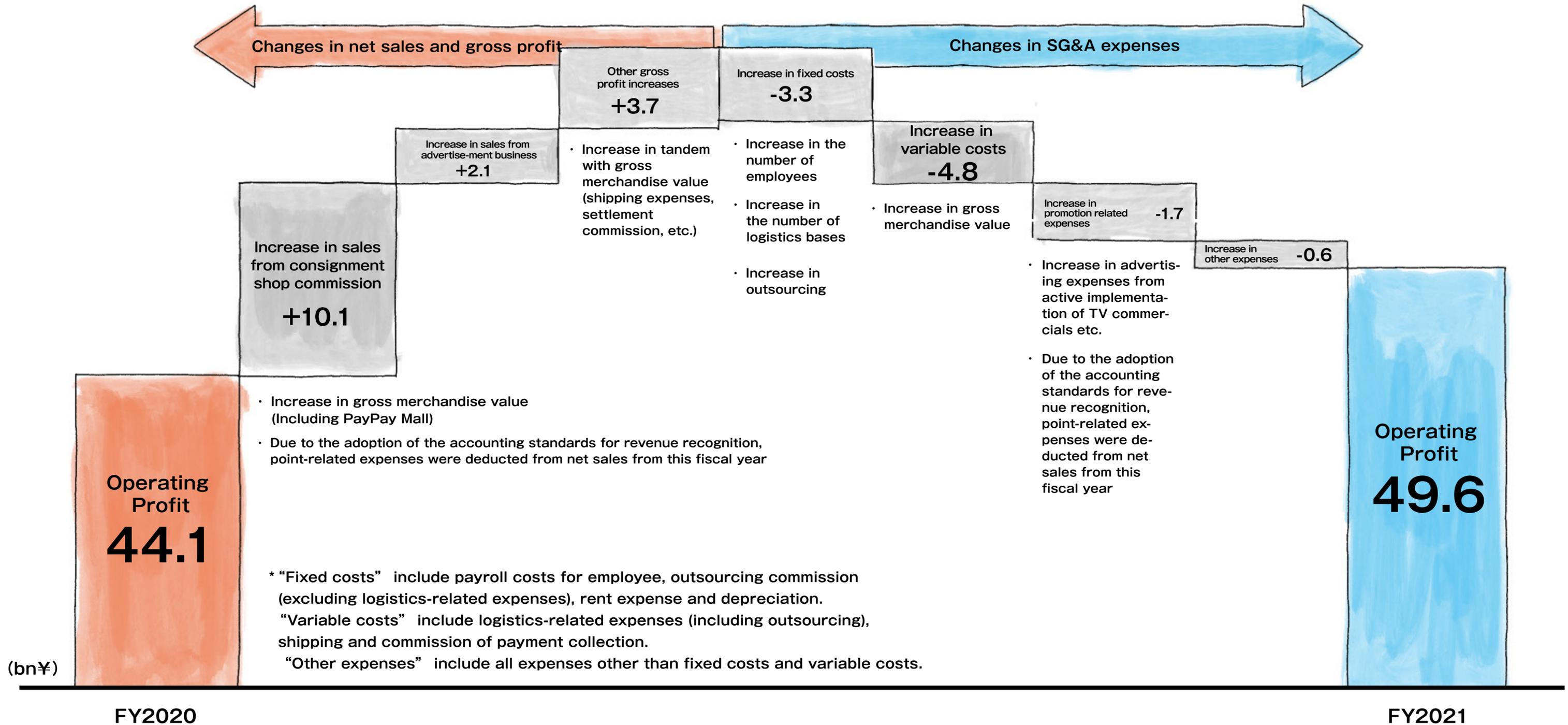
Until the fiscal year ended March 2021, points-related expenses, which had been recorded in SG&A expenses, were reduced from sales in the respective businesses, and the results are disclosed as net sales.

BUSINESS RESULTS

FY2021 2020, Inc.
CONSOLIDATED BUSINESS RESULTS



INCREASE-DECREASE ANALYSIS OF OPERATING PROFIT (YOY COMPARISON)



CONSOLIDATED BALANCE SHEET



(million¥)

	FY2020 (as of March 31, 2021)	FY2021 (as of March 31, 2022)		FY2020 (as of March 31, 2021)	FY2021 (as of March 31, 2022)
Current assets	99,796	102,305	Current liabilities	65,180	66,172
Cash and deposits	61,648	65,520	Short-term borrowing	20,000	20,200
Merchandise and finished products	1,792	2,060	Noncurrent liabilities	4,968	6,005
Noncurrent assets	25,860	24,971	Total liabilities	70,149	72,177
Tangible assets	12,019	11,284	Shareholders' equity	55,651	55,100
Intangible assets	2,915	2,621	Treasury stock	-24,146	-44,784
Investments and other assets	10,925	11,065	Total net assets	55,507	55,099
Total assets	125,656	127,276	Total liabilities and net assets	125,656	127,276

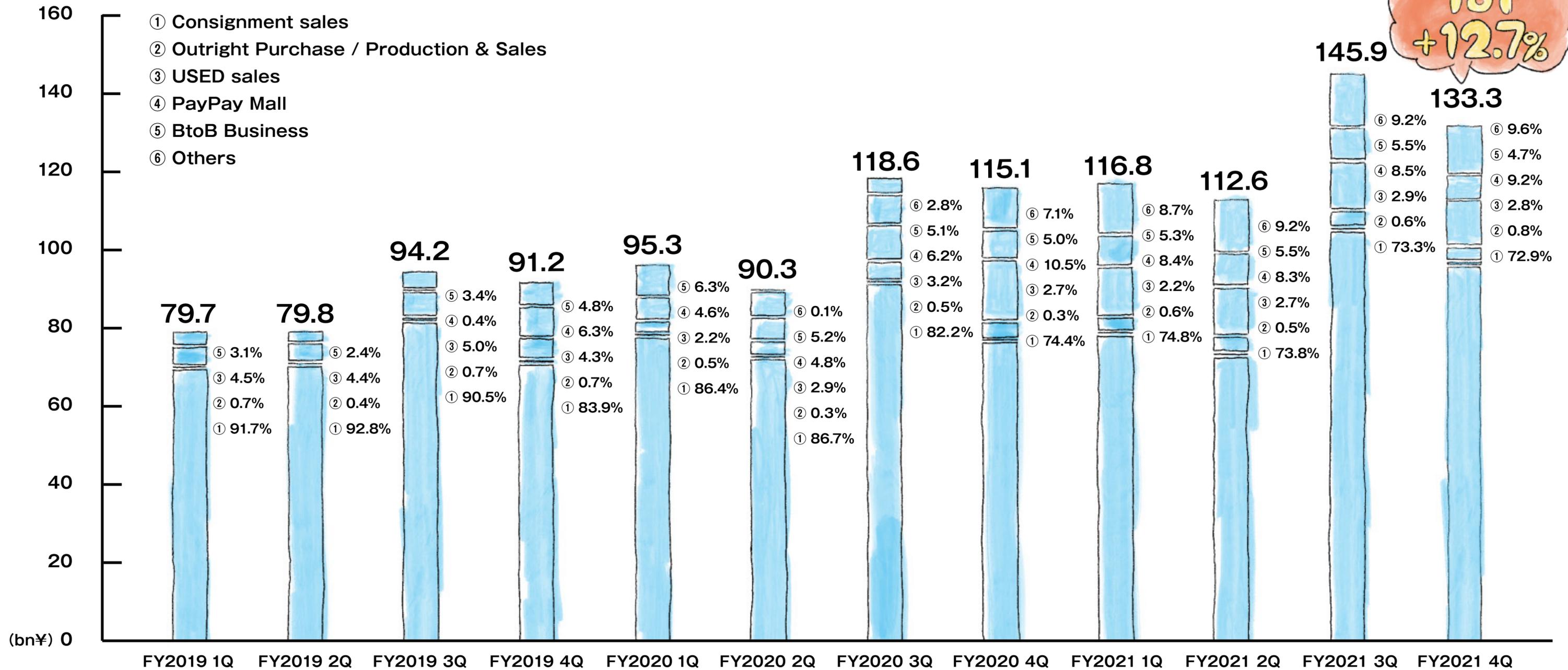
CASH FLOWS



(million¥)

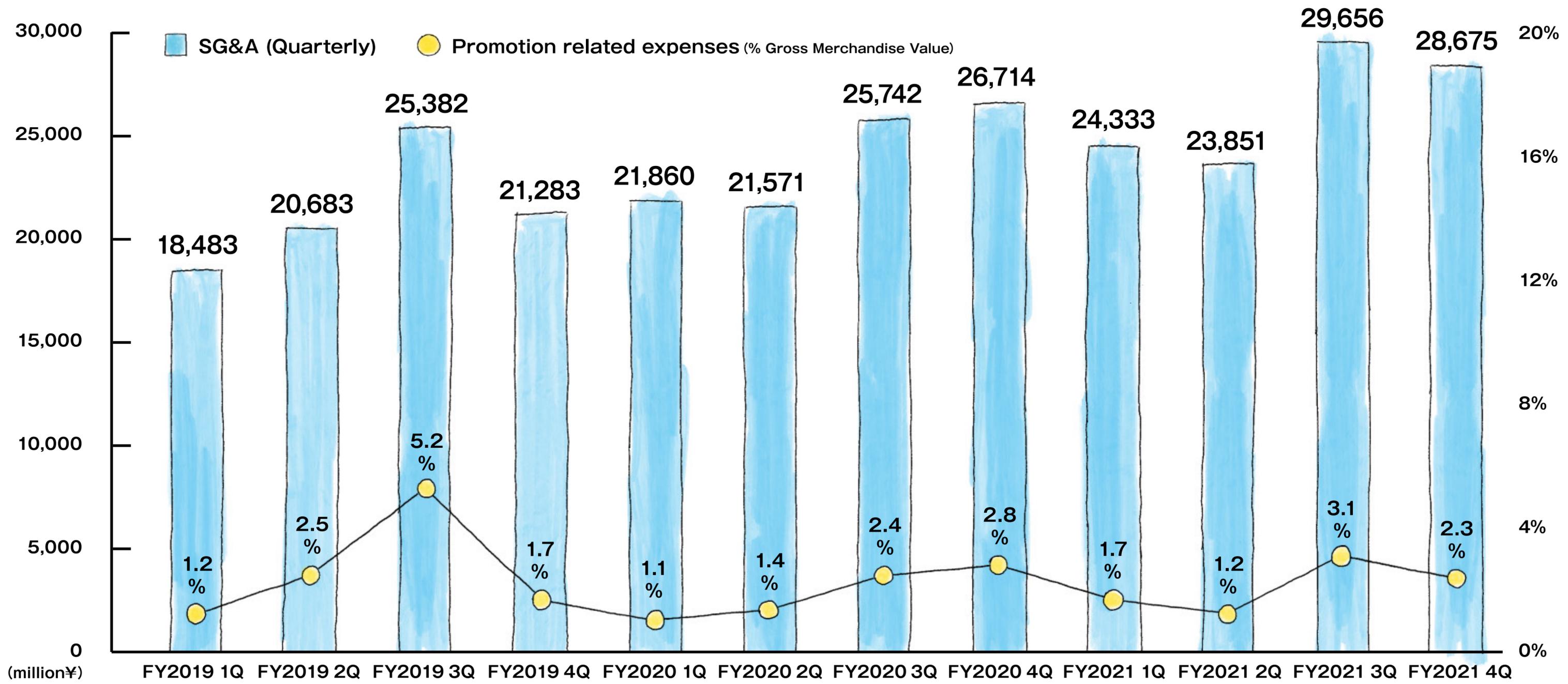
	FY2020	FY2021	YoY	Reason for change
Cash flows from operating activities	44,790	39,895	-4,895	Increase in income taxes paid
Cash flows from investing activities	-4,648	-1,283	3,365	
Cash flows from financing activities	-12,117	-34,823	-22,705	Gains and losses from purchase and disposal of treasury stock
Cash and cash equivalents at the end of the year	61,648	65,520	3,872	

GROSS MERCHANDISE VALUE (QUARTERLY)



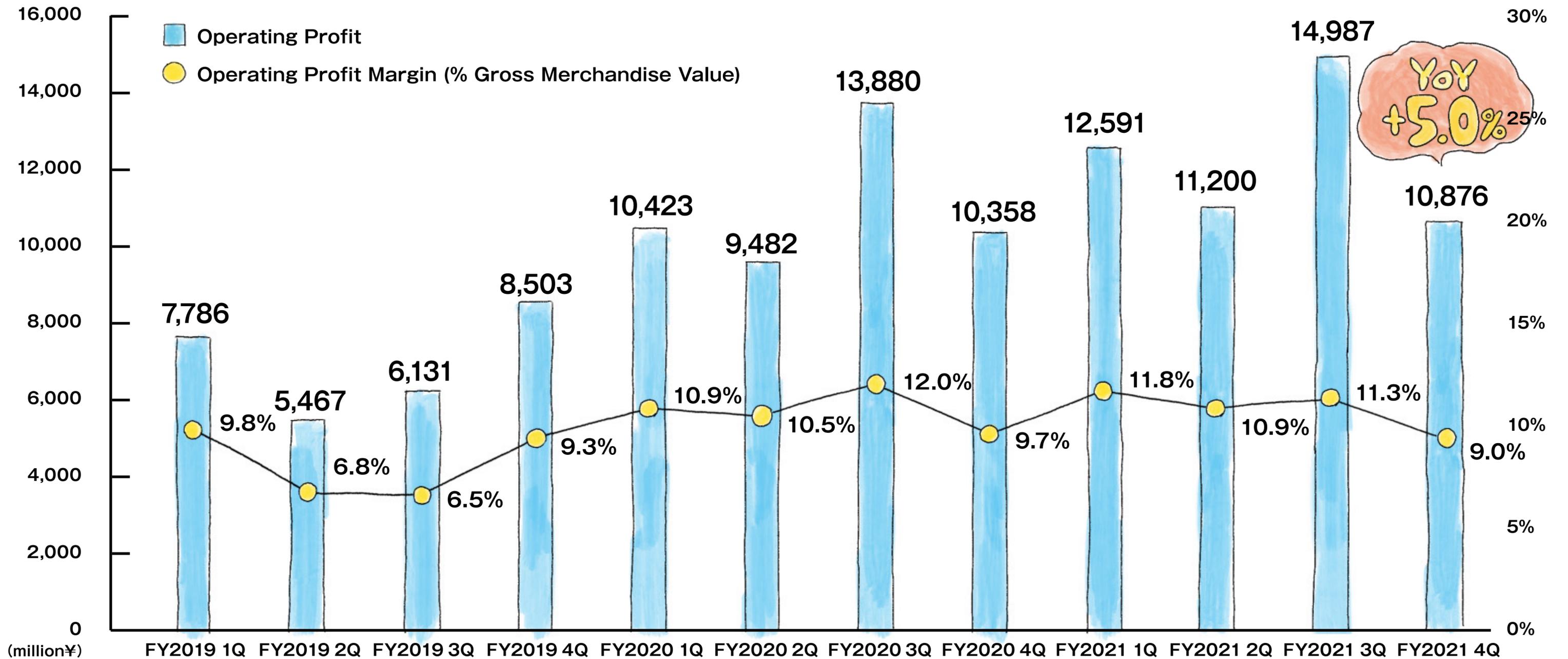
* YoY are calculated with GMV excluding "⑥ Others".

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



* Promotion related expenses ratios are calculated by related items divided by gross merchandise value (excluding other GMV).
 * Effective from the fiscal year ending March 2022, we have adopted the new accounting standards for revenue recognition. Until the fiscal year ended March 2021, points-related expenses, which had been recorded in SG&A expenses, were reduced from sales in the respective businesses, and the results are disclosed as net sales.

OPERATING PROFIT AND OPERATING PROFIT MARGIN(QUARTERLY)



* Operating profit margins are calculated by operating profit divided by gross merchandise value (excluding other GMV).

SELLING, GENERAL AND ADMINISTRATIVE(SG&A) EXPENSES

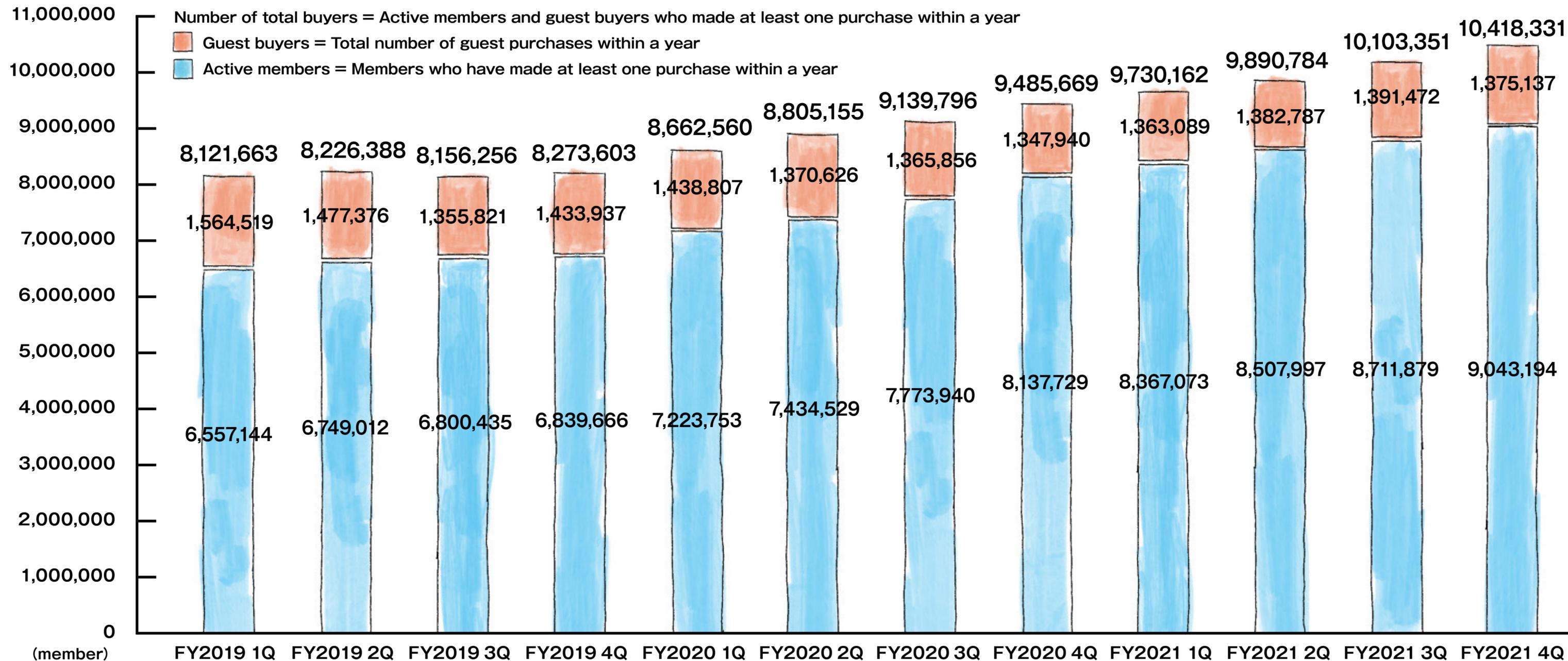
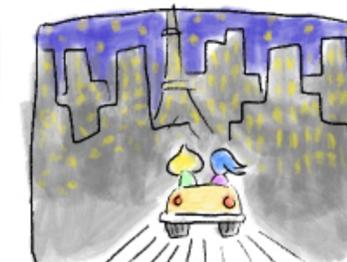
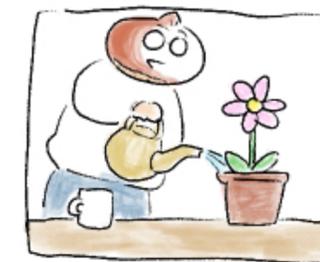


(million¥)

	FY2020		FY2021		YOY	Increase / decrease factors
	Amount	%Gross Merchandise Value	Amount	%Gross Merchandise Value	%Gross Merchandise Value	
Payroll and staff costs(*)	27,244	6.7%	30,173	6.5%	-0.2%	
Payroll costs for employee	11,058	2.7%	13,052	2.8%	0.1%	Transition of the number of employees on consolidated basis: FY2020 1,297 → FY2021 1,411 On-the-spot expenses associated with the absorption-type company split with a subsidiary were recorded in the 3rd quarter.
Logistics-Related Expenses (Including Outsourcing)	16,185	4.0%	17,121	3.7%	-0.3%	Previous fiscal year: (1st quarter) Disruptions caused by the large volume of inventory received (2nd quarter) Efficiency reduced due to tight storage space for inventories. Current fiscal year: There were no major disruptions and operated efficiently. *Expanded logistics bases in the third quarter of the previous fiscal year.
Outsourcing Commission (Excluding Logistics-Related Expenses)	5,086	1.2%	6,037	1.3%	0.1%	
Shipping	27,578	6.8%	31,380	6.8%	0.0%	Packaging and freight to the gross merchandise value remained at the same level as the previous fiscal year, as there was no significant decline in order value.
Commission of Payment collection	10,840	2.7%	10,978	2.4%	-0.3%	Decrease in expenses from the change of vendor
Promotion related expenses	8,101	2.0%	9,876	2.1%	0.1%	For the current fiscal year, actual promotion-related expenses (promotion-related expenses shown on the left + point-related expenses) are approximately 16,000 million yen (3.5% of GMV)
Advertising	5,934	1.5%	9,876	2.1%	0.6%	Deployed active user attraction measures such as TV commercials, online advertisement
Reward points related expenses	2,167	0.5%	-	-	-	Deduction from net sales instead of recording to the SG&A expense, due to the adoption of new accounting standards for revenue recognition
Rent expense	5,224	1.3%	5,728	1.2%	-0.1%	An increase in the number of logistics bases.
Depreciation	2,051	0.5%	1,977	0.4%	-0.1%	Undepreciated expenses of the old office were recorded as extraordinary loss in the 4th quarter of the last fiscal year
Amortization of goodwill	375	0.1%	404	0.1%	0.0%	
Stock Compensation Expenses	47	0.0%	86	0.0%	0.0%	
Others	9,338	2.3%	9,873	2.1%	-0.2%	Decrease in expenses due to the change of packaging materials (cardboard for delivery)
Total SG&A	95,889	23.5%	106,516	23.0%	-0.5%	

* Payroll includes directors' remuneration, employee salaries, bonus, legal welfare expenses, welfare expenses, retirement benefits cost, provision for employee bonus, expenses of company pension premium, subcontracting payroll, a portion of expenses at logistics centers operation. "Employee" includes directors, full employees and personnel engaged in operations other than logistics operation, "Logistics-Related Expenses" includes part-timers, dispatched workers(subcontracting payroll) and substantial personnel expenses within outsourcing commission of staff working for logistics operations. * Numbers of % Gross Merchandise Value are calculated by each expense divided by gross merchandise value (excluding other GMV).

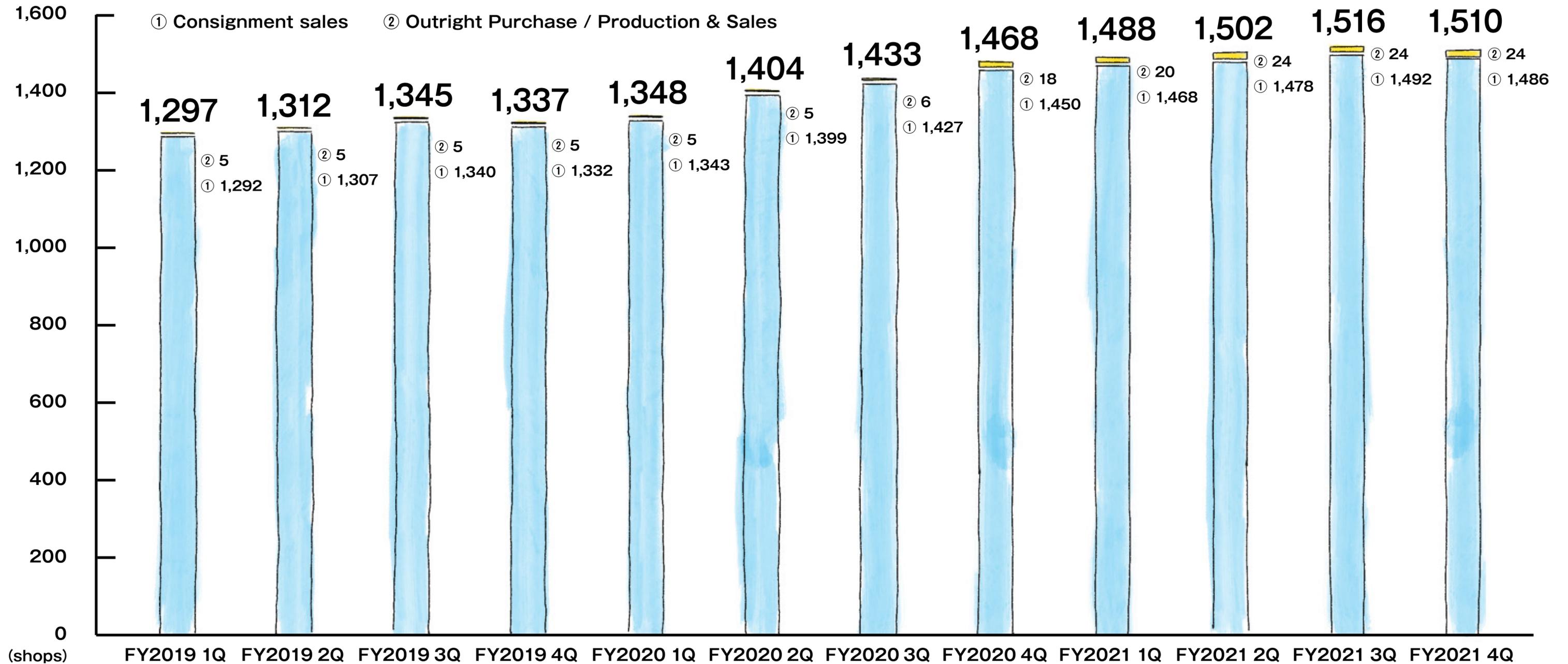
NUMBER OF TOTAL BUYERS



* Excluding the users only purchased the body measurement device "ZOZOSUIT" "ZOZOMAT" and "ZOZOGLASS"

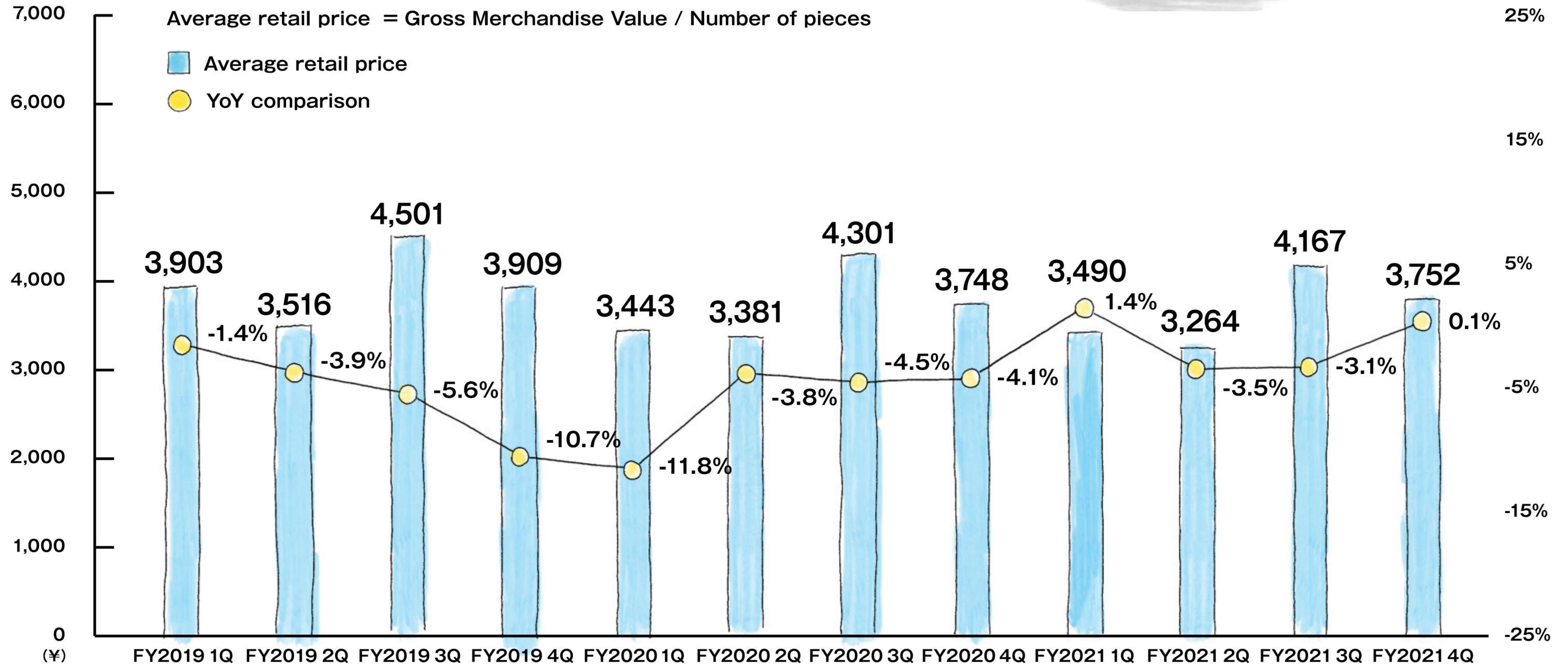
* PayPay Mall is not included.

NUMBER OF SHOPS ON ZOZOTOWN



* Shops of the private brand "ZOZO" and "Multi-Size" are not included to the number of shops.

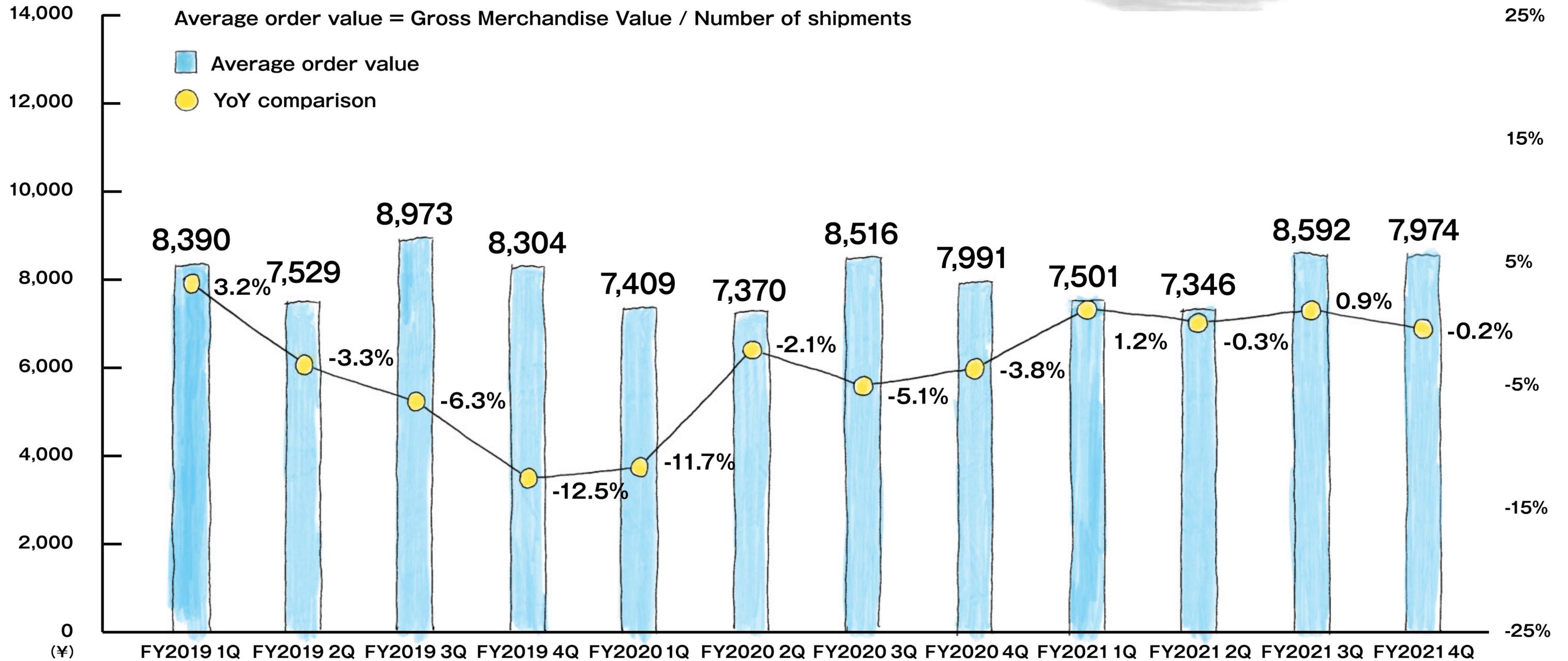
AVERAGE RETAIL PRICE



* The numbers of average retail price are averages calculated from combined results of the ZOZOTOWN business.

* PayPay Mall is not included.

AVERAGE ORDER VALUE

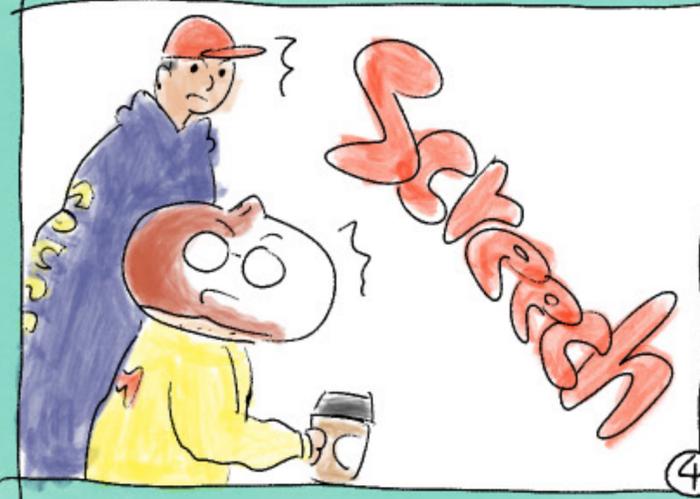


* The numbers of Average Order Value are averages calculated from combined results of the ZOZOTOWN business.

* PayPay Mall is not included.

BUSINESS PLAN FOR FY 2022

FY2021 2020, Inc.
CONSOLIDATED BUSINESS RESULTS



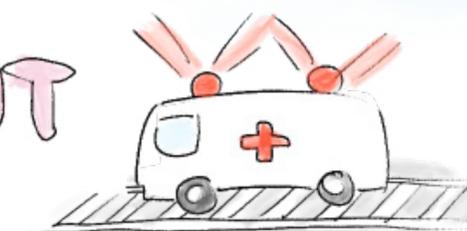
CONSOLIDATED BUSINESS FORECAST AND DIVIDEND FORECAST FOR FY2022



	FY2022 Plan*	YoY
Gross Merchandise Value	543.8 billion yen	6.9%
Gross Merchandise Value (excluding other GMV)	495.8 billion yen	7.3%
Net sales	181.3 billion yen	9.1%
Operating profit	51.5 billion yen	3.7%
Operating Profit Margin (% Gross Merchandise Value)	10.4%	—
Ordinary profit	51.5 billion yen	3.7%
Profit attributable to owners of parent	35.9 billion yen	4.1%
Net profit per share	119.74 yen	—
Estimated dividends per share (Plan)	60 yen	—

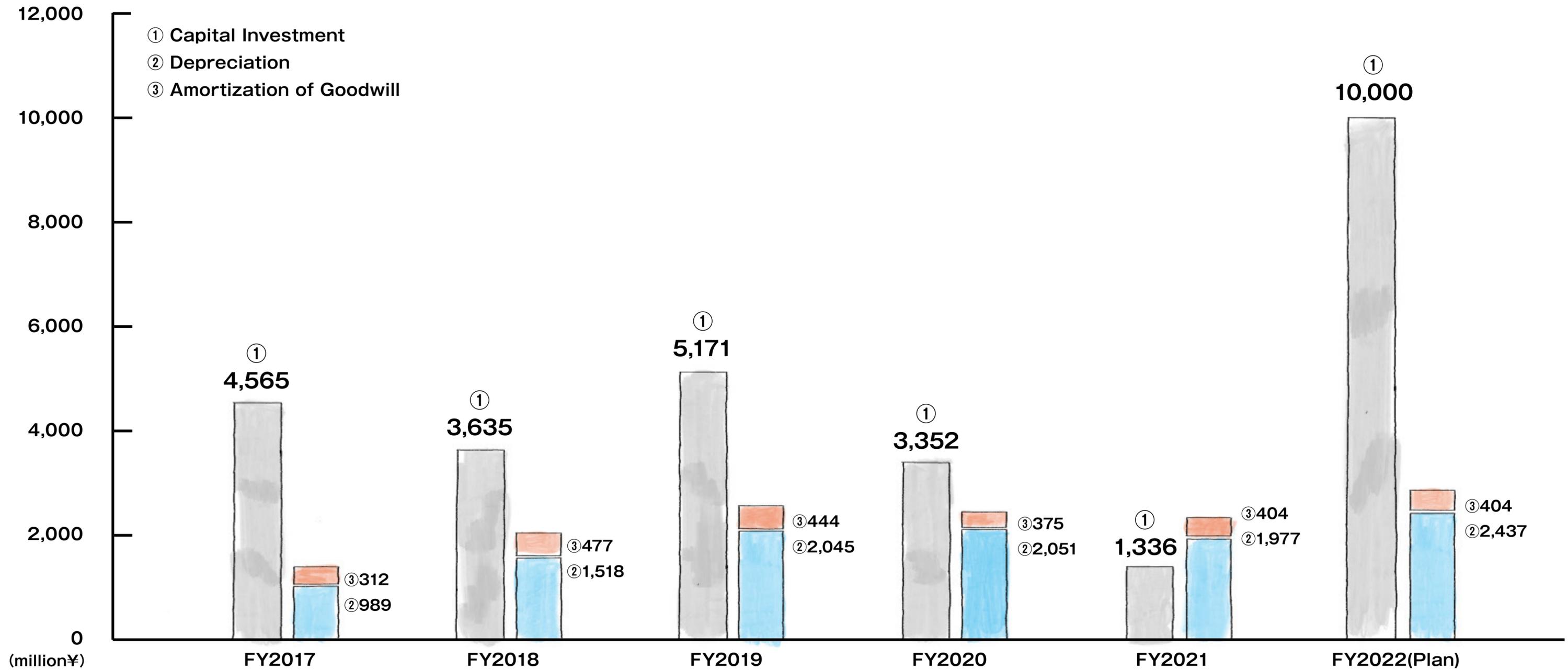
* Operating profit margin is calculated by operating profit divided by gross merchandise value (excluding other GMV).

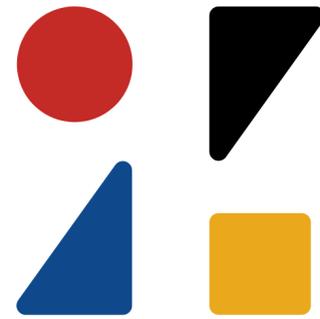
FY2022 TARGET BY BUSINESS SEGMENT



	Target for Gross Merchandise Value	YoY
ZOZOTOWN Business	423.2 billion yen	+8.1%
Outright Purchase/Production & Sales	4.0 billion yen	+23.7%
Consignment sales	404.4 billion yen	+7.8%
USED sales	14.8 billion yen	+10.1%
PayPay mall	56.6 billion yen	+29.1%
BtoB Business	16.0 billion yen	-40.0%
Gross Merchandise Value (excluding other GMV)	495.8 billion yen	+7.3%
Others	48.0 billion yen	+2.8%
Gross Merchandise Value	543.8 billion yen	+6.9%
ZOZOTOWN Business + PayPay mall	479.8 billion yen	+10.2%
	Target for Net Sales	YoY
Advertisement Business	7.2 billion yen	+14.3%

CAPITAL INVESTMENT





ZOZO

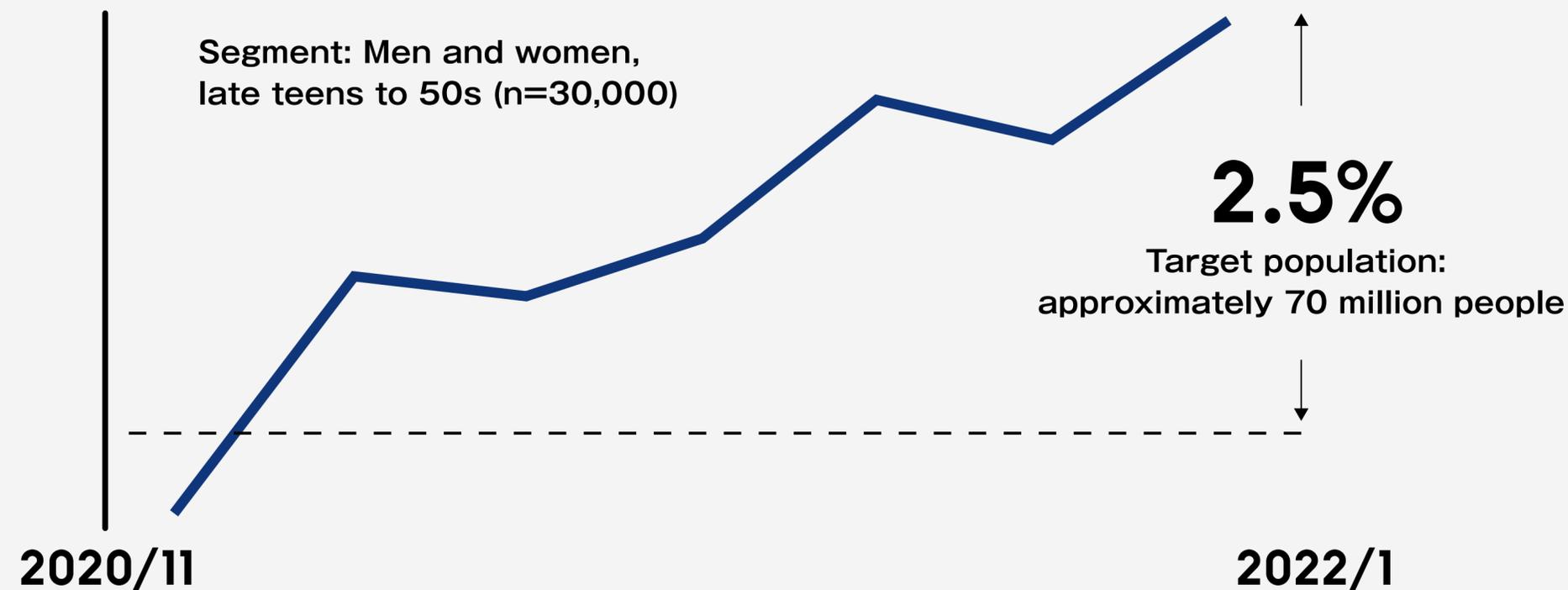
Changes in consumer awareness over the last two years

Top of Mind Awareness

The first places, stores, eCommerce websites or apps that come to mind, when people think of buying fashion items

The ratio of people who answered "ZOZOTOWN"

Segment: Men and women, late teens to 50s (n=30,000)



An increase of

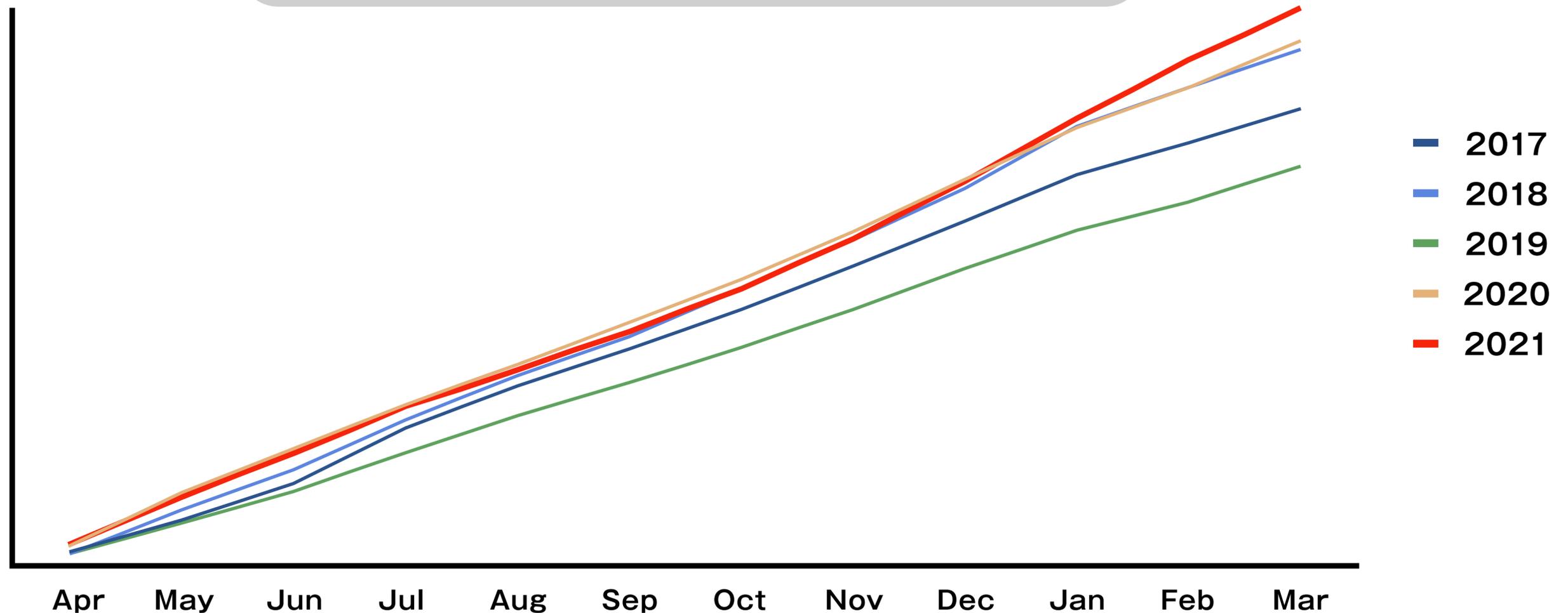
1.67 million

in population terms

The number of new buyers is growing steadily

The growth rate is at the same level as in previous years.

The accumulated number of new buyers





The collaboration with physical stores is expanding

Paid service for sending customers has also been started.



Check stock status and press the button to place a layaway order.



Check store details and request a layaway

The number of stores showing stock status increased by **2 times**

The number of visits and purchases of layaway users increased

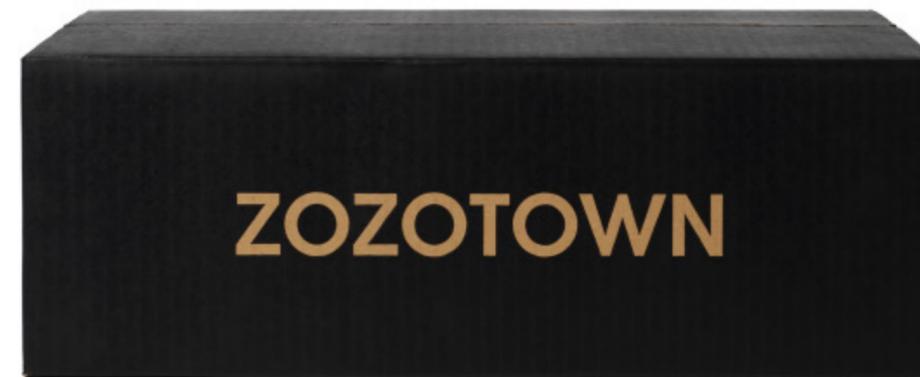
The impact of the layaway services per user

The number of visits increased by **1.3 times**

The number of purchases increased by **1.1 times**

The impact of the raw material price hike

The impact on the business performance is limited at this time



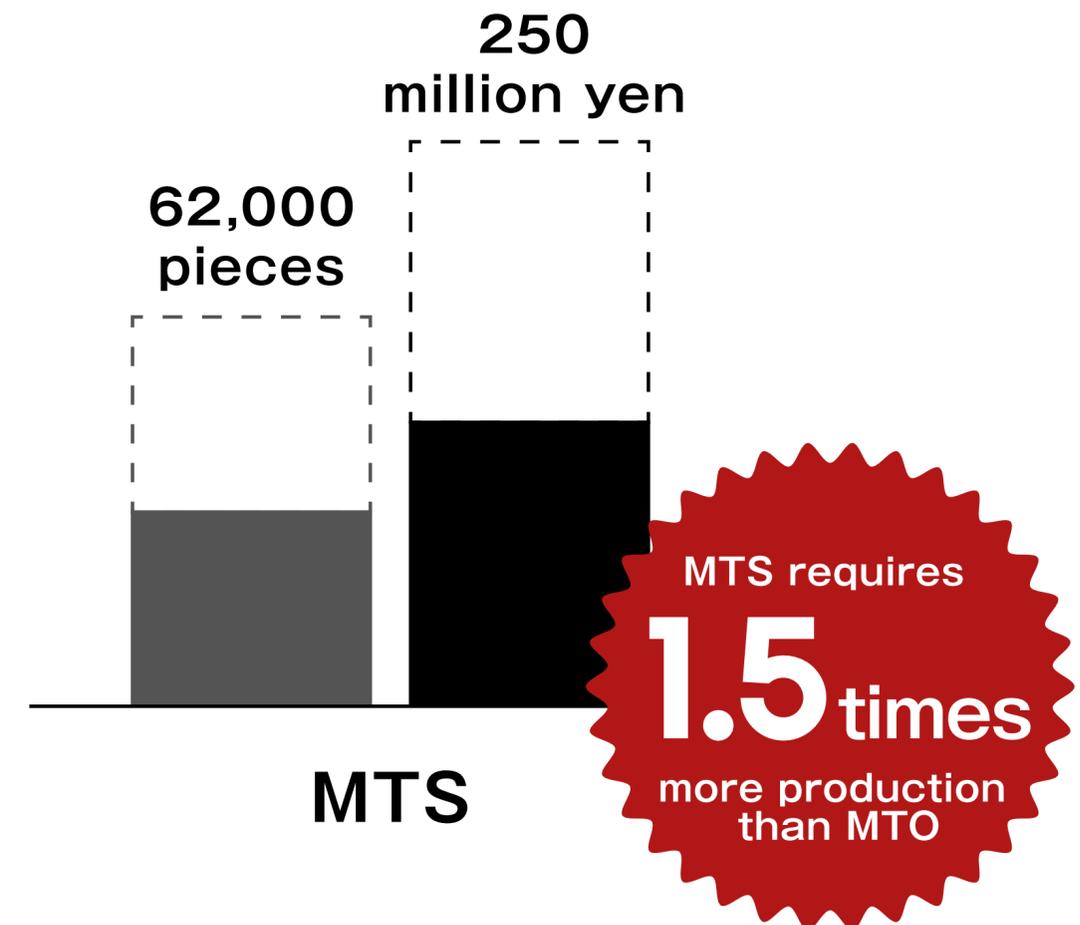
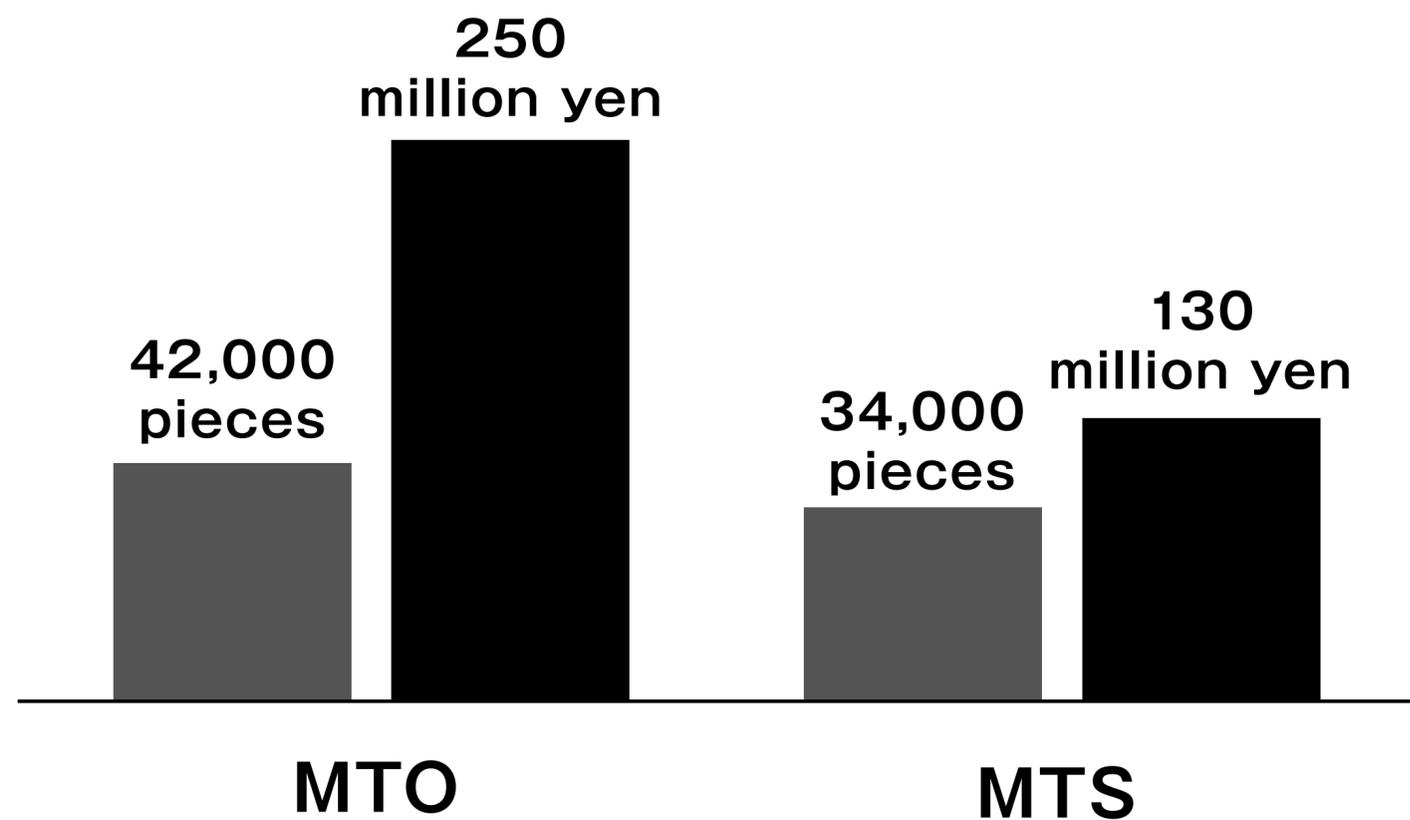
Currently, direct materials (merchandise) are not showing an upward trend in merchandise prices.

It is assumed that indirect materials (materials such as cardboard, etc.) will have a future impact, but no definite effect has been confirmed at this time.

Contribution to the reduction of overproduction and waste loss through the MTO system

Comparison of the sales between MTS and MTO

If we try to make the same sales by MTS



Terms: The same brand and type of merchandise The sales of MTO are from MSP business
2021/4/1-2022/3/19 Sales results in ZOZOTOWN

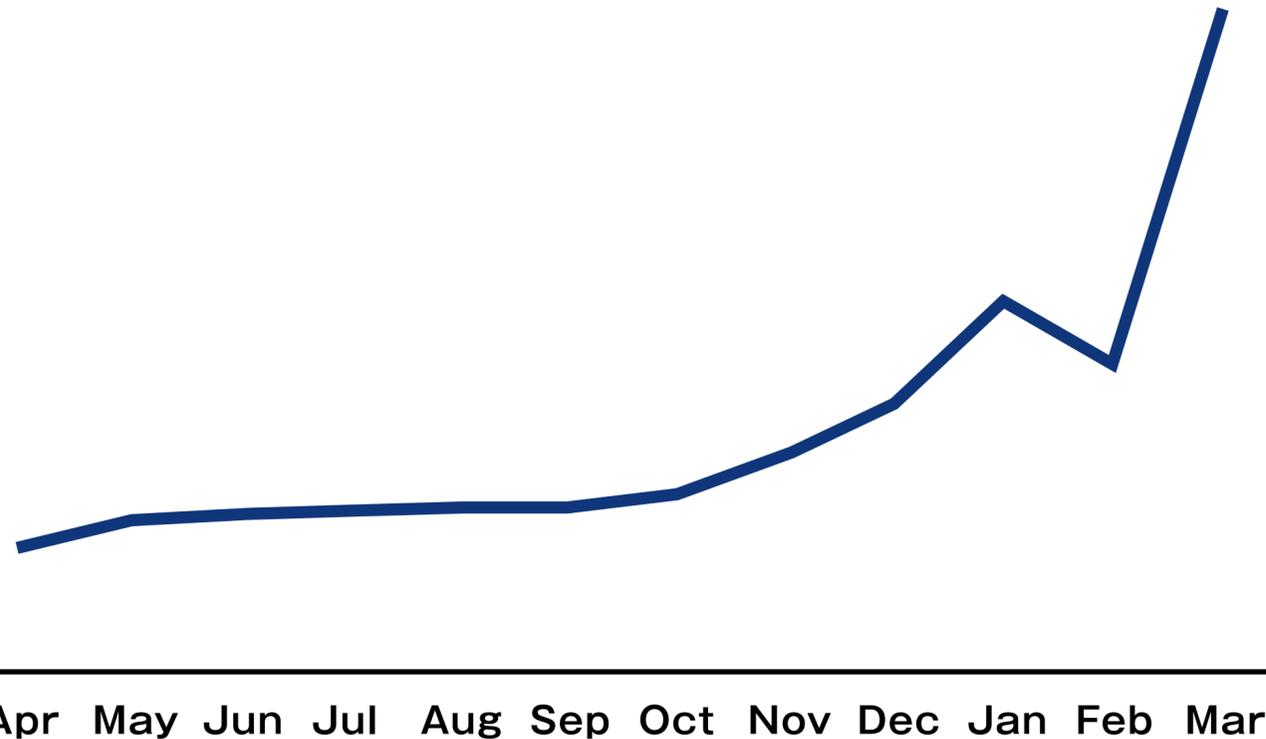
Current situation of ZOZOCOSME

ZOZOCOSME is showing steady expansion.
Its first anniversary measures in March also performed well.

Monthly GMV expanded

LTV of cosmetics buyers also expanded

1st Anniversary



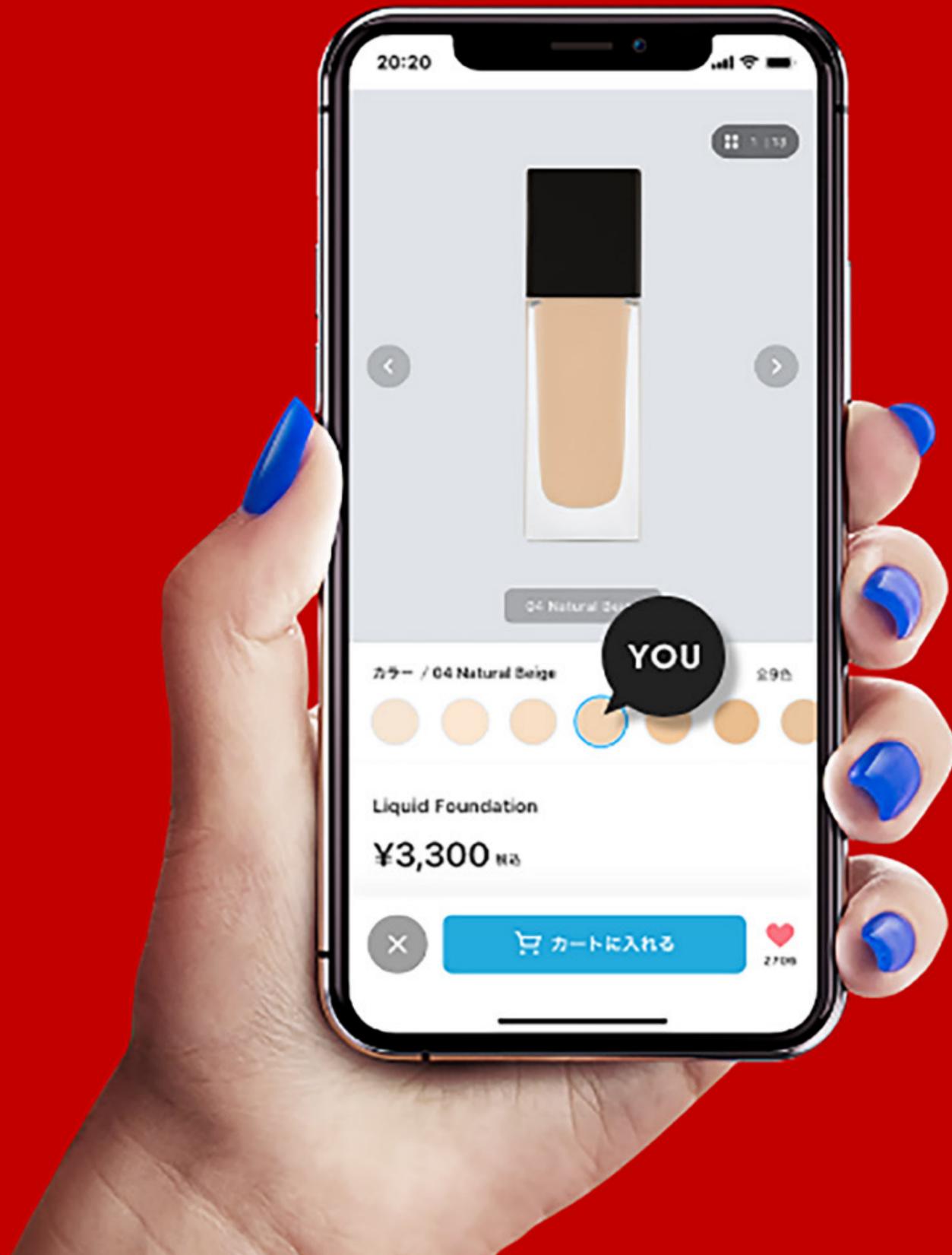
Cosmetics buyers lifted their annual purchase amount by **3%** compared with non-cosmetics buyers

Cross-selling between cosmetics and apparel is successfully penetrating ZOZOTOWN users

AR makeup menu has been released on ZOZOCOSME

AR makeup menu was utilized
for 60% of the total views
of target items

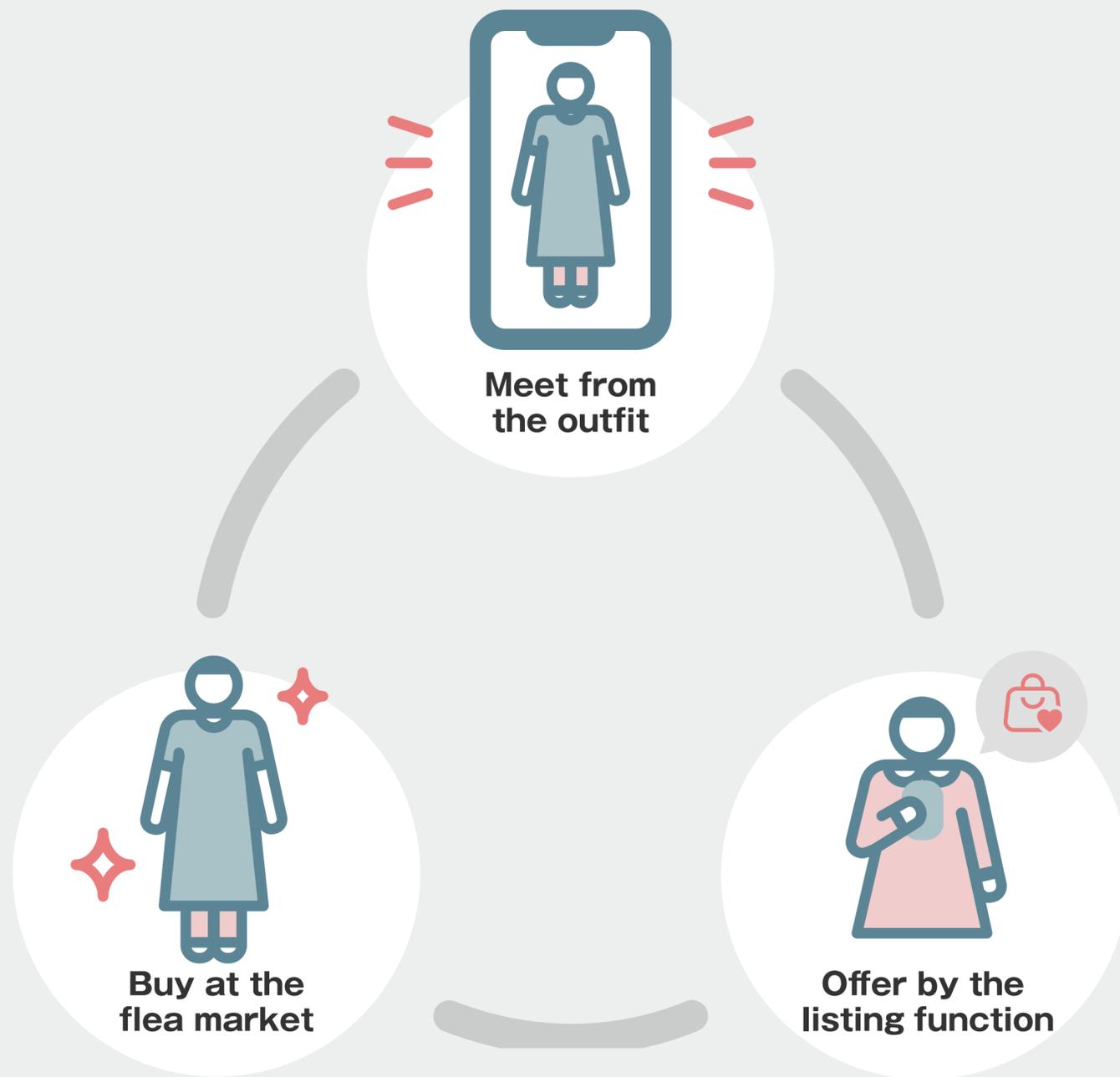




We aim to achieve GMV

10 billion yen.

**We will also challenge
the gift market,skincare,
men's cosmetics, and other areas.**



Social commerce that connects people through clothes.

Utilizing the “Outfit posting function” by WEAR, we will create a new way to sell and buy fashion.

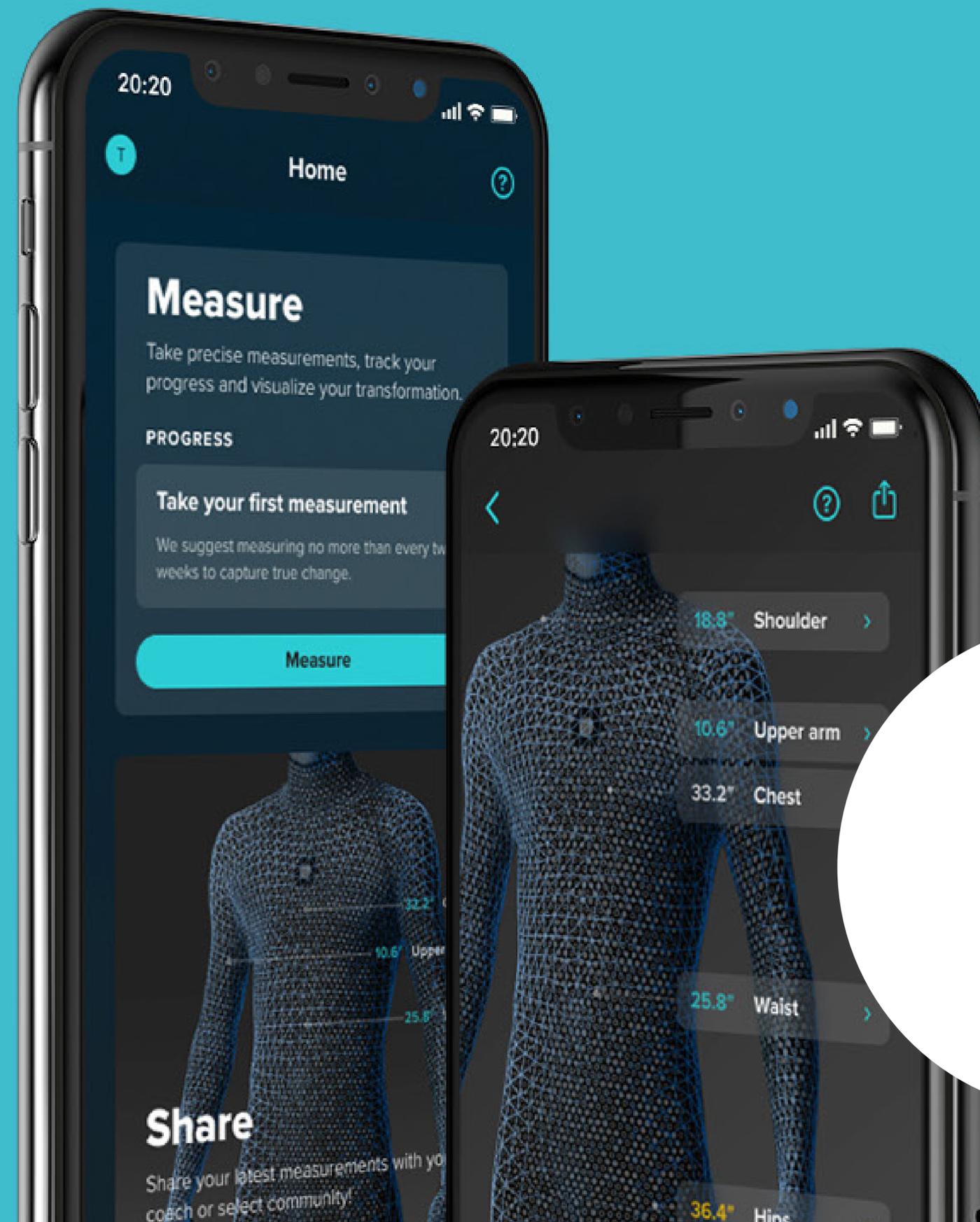
A listing and purchase function through PayPay Flea Market will be implemented this summer.



Measurement technology supports users in their efforts to improve their body shape.

ZOZO FIT

This summer, the service is to be released in the US



ZOZOFIT will evolve into a hub for body metrics and related services in the future

1

Consolidation of body metrics

Body composition

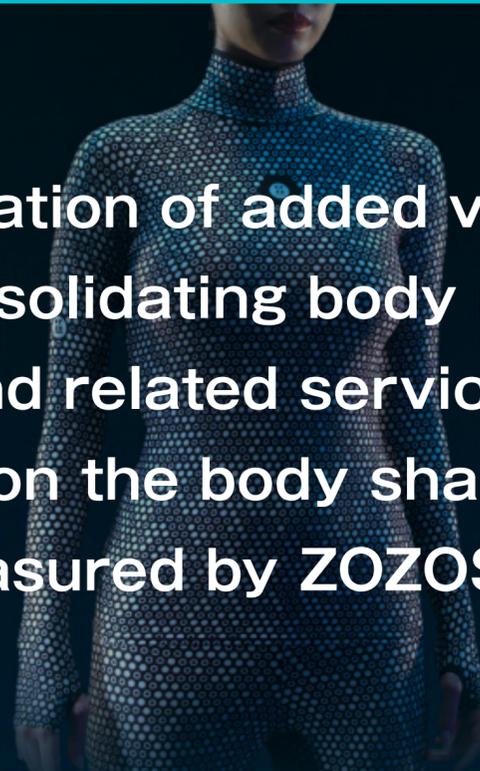
Activity level

Exercise history

Nutritional Information



Creation of added value by consolidating body metrics and related services based on the body shape data measured by ZOZOSUIT.



2

Consolidation of related services

Trainer/Nutritionist

Apparel Manufacturer

Health food manufacturer

Gear manufacturer/SNS

etc...



- Precise body shape simulation
- Suggestions for required exercise and calorie intake

- Effective home training
- Community menu for users with similar body shapes and purpose

- Personalized service proposals
- Evaluation of service quality and compatibility based on body shape change results

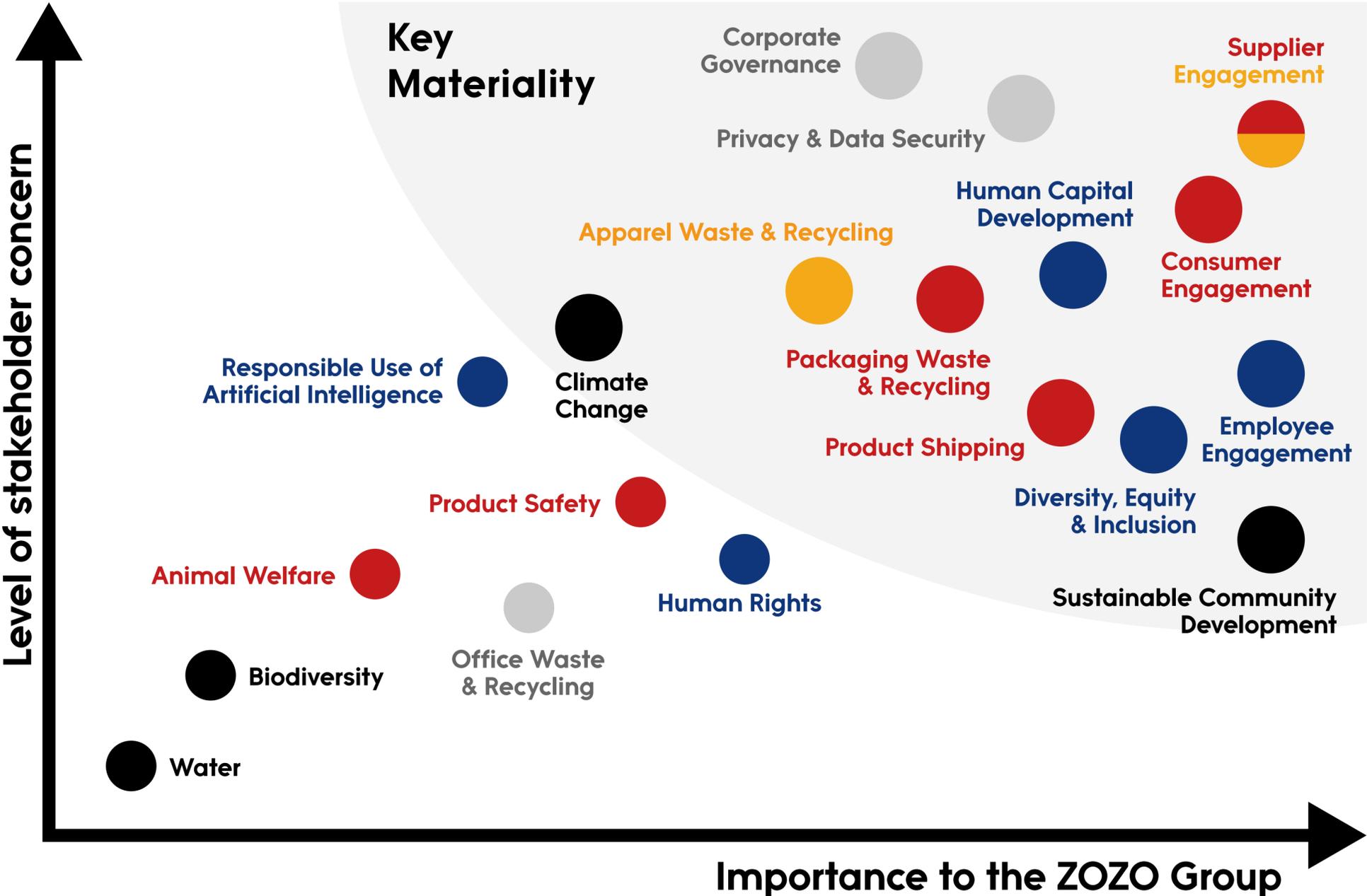
Sustainability

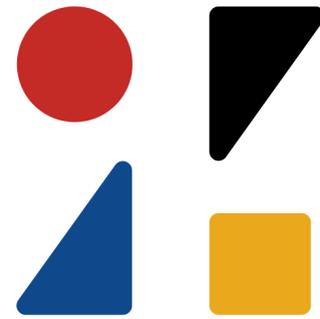
Identifying key issues (materiality) for ZOZO Group

4 key initiatives 1 : ● 2 : ● 3 : ● 4 : ● others : ●

- 1**
Highlight sustainable fashion choices to improve users' experience
- 3**
Promote diversity, equity & inclusion among everyone involved in fashion

- 2**
Create a made-to-order platform for zero waste
- 4**
Contribute to sustainable community development





ZOZO