

Consolidated Financial Results

For the fiscal year ended March 31, 2024 [JGAAP]

April 30, 2024

Company name: ZOZO, Inc. Listed stock exchanges Tokyo
 Code 3092 URL <https://corp.zozo.com/en>
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 Scheduled date of the General Meeting of Shareholders June 26, 2024 Scheduled date of dividend payment June 7, 2024
 Scheduled date to file the financial report June 14, 2024
 Supplementary materials for quarterly financial results : Yes
 Quarterly results briefing : Yes (For analysts and institutional investors)

(Rounded down to million yen)

1. Consolidated business results for the fiscal year ended March 31, 2024 (April 1, 2023, to March 31, 2024)

(1) Consolidated business results

(Percentages indicate YoY changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parents	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2024	197,016	7.4	60,079	6.5	59,764	5.4	44,341	12.2
Fiscal year ended March 31, 2023	183,423	10.4	56,421	13.6	56,716	14.2	39,526	14.6

(NOTE) Comprehensive income Fiscal year ended March 31, 2024 44,801 Million yen (13.6%)
Fiscal year ended March 31, 2023 39,434 Million yen (13.9%)

	Net profit per share	Net profit per share after adjusting dilutive shares	ROE	ROA	Operating profit margin to net sales
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2024	148.19	-	55.0	37.6	30.5
Fiscal year ended March 31, 2023	131.83	-	60.1	40.1	30.8

(NOTE) Fully diluted net profit per share for the fiscal year ended March 31, 2024(consolidated cumulative period) is not presented because there are no potential shares with dilutive effects.

(2) Consolidated financial position

	Total assets	Net assets	Equity Ratio	Net assets per share
	Million yen	Million yen	%	Yen
Fiscal year ended March 31, 2024	161,862	84,744	52.4	285.38
Fiscal year ended March 31, 2023	155,742	76,693	49.2	255.31

(Reference) Shareholders' equity Fiscal year ended March 31, 2024 84,744 Million yen
Fiscal year ended March 31, 2023 76,556 Million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Ending balance of cash and cash equivalents
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended March 31, 2024	42,589	-9,879	-37,138	69,748
Fiscal year ended March 31, 2023	36,671	-10,588	-17,738	74,145

2. Dividends

	Annual dividends					Total dividend	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	End of Q1	End of Q2	End of Q3	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 31, 2023	-	24.00	-	41.00	65.00	19,490	49.3	29.6
Fiscal year ended March 31, 2024	-	49.00	-	55.00	104.00	31,036	70.2	38.5
Fiscal year ending March 31, 2025 (Forecast)	-	53.00	-	54.00	107.00		70.3	

3. Consolidated business forecasts for the fiscal year ending March 31, 2025 (April 1, 2024, to March 31, 2025)

(Percentages indicate YoY changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net profit per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Fiscal year ending March 31, 2025	214,400	8.8	64,200	6.9	64,200	7.4	45,200	1.9	152.21

※ Notes

(1) Changes of important subsidiaries during the period (Changes in specified subsidiaries resulting in changes in the scope of consolidation) : None

New - Exclusion -

(2) Changes in accounting policies and changes or restatement of accounting estimates

- ① Changes in accounting policies caused by the revision of accounting standards : None
- ② Changes in accounting policies other than ① : None
- ③ Changes in accounting estimates : None
- ④ Restatement of revisions : None

(3) Number of shares outstanding (Common stock)

- ① Year-end shares outstanding (including treasury stocks)
- ② Number of year-end treasury stocks
- ③ Average number of shares during the period

Fiscal year Ended March 31, 2024	300,474,181Shares	Fiscal year Ended March 31, 2023	311,644,285Shares
Fiscal year Ended March 31, 2024	3,523,250Shares	Fiscal year Ended March 31, 2023	11,787,504Shares
Fiscal year Ended March 31, 2024	299,214,294Shares	Fiscal year Ended March 31, 2023	299,837,990Shares

※ This financial results report is not subject to an audit by a certified public accountant or an auditing firm

※ Explanations and other special notes concerning the appropriate use of business performance forecasts

-The financial forecasts and other statements related to the future contained in this material are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Actual results may differ materially from these forecasts due to various factors. Please refer to "1. Qualitative information on results for the fiscal year ended March 31, 2024, (4) Future outlook" on page 16 for the assumptions underlying the forecasts and cautionary statements regarding the use of the forecasts.

-We are scheduling a financial results briefing for institutional investors and analysts on April 30, 2024. We plan to post the content of the briefing and the materials used on the day on its website promptly after the briefing.

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1. Qualitative information on results for the fiscal year ended March 31, 2024

(1) Overview of business results

Business results for the current fiscal year

[Table 1] YoY comparison

(Unit: Million yen)

	Previous consolidated fiscal year (April 1, 2022 to March 31, 2023)		Current consolidated fiscal year r (April 1, 2023 to March 31, 2024)		YoY basis
Gross merchandise value	544,317	(108.6%)	574,373	(107.0%)	5.5%
Gross merchandise value (excluding other GMV)	501,108	(100.0%)	536,907	(100.0%)	7.1%
Net sales	183,423	(36.6%)	197,016	(36.7%)	7.4%
Gross profit	171,341	(34.2%)	183,147	(34.1%)	6.9%
Operating profit	56,421	(11.3%)	60,079	(11.2%)	6.5%
Ordinary profit	56,716	(11.3%)	59,764	(11.1%)	5.4%
Profit attributable to owners of parent	39,526	(7.9%)	44,341	(8.3%)	12.2%

Numbers in parentheses are percentages to gross merchandise value (excluding other GMV)

Under the corporate philosophy of "Inspire the world. Deliver joy every day," we mainly operate the following businesses: The largest fashion e-commerce website in Japan, "ZOZOTOWN," and an outfit-sharing app "WEAR".

During the current consolidated fiscal year, the apparel industry, particularly at physical stores, experienced growth due to increased opportunities for going out and increased demand for clothing, as a result of the easing of behavioral restrictions against COVID-19 infections, while the economic outlook remained uncertain due to the price hike of resources and raw materials and the yen's continued depreciation. On the other hand, we experienced unusual climatic effects this year, with an extended period of lingering summer heat and a record warm winter. Under this circumstance, our group has been focusing even stronger on creating ZOZOTOWN more attractive to both users and brands with the goal of increasing the number of unique users and improving the conversion rate (the purchasing rate of unique users). To maximize sales at ZOZOTOWN, we have implemented measures such as the sale event "ZOZOWEEK" (10 days in total from May 12 to 21, 2023, 11 days in total from September 12 to 18, and 21 to 24, 2023, 17 days in total from November 1 to 12 and 15 to 19, 2023), broadcasted TV commercials to attract customers during the summer sale (from June 23, 2023) and the winter sale (from January 1, 2024). We also implemented the Black Friday sale for 4 days from November 23 to 26, 2023, contributed to the peak of our autumn-winter sales, aided by the drop in temperatures during the same period. In addition, we continued to proactively welcome new brands in a wide range of genres to meet diversifying needs of users.

As an initiative to strengthen a specific category, we have been concentrating on "ZOZOCOSME." ZOZOCOSME handles more than 700 cosmetics brands, which includes both domestic and overseas brands, as of the end of March 2024. We will proactively continue to open new brand shops to increase the merchandise value of the cosmetics category in ZOZOTOWN. In addition, as our unique value-added service, we have launched "niaulab," an ultimate personalized-styling service that utilizes our AI technologies. We are aiming to provide solutions to help find one's "style" that approaches the upper stream of purchasing in value chain.

Sales of LY Corporation Commerce (combined sales of Yahoo! JAPAN Shopping and Yahoo! JAPAN Auction) have been growing steadily due to the retention of new customers acquired in the previous consolidated fiscal year, and promotion activities such as "Serious ZOZO Festival" (Total of 7 times, on June 25, September 18, October 15, November 26 in 2023 and January 1, February 25, March 17 in 2024) by LY Corporation which operates Yahoo! JAPAN Shopping.

Regarding the BtoB business, brands that we currently support are actively continuing to enhance their own e-commerce websites, although there were withdrawals of a few brands in the previous consolidated fiscal year.

In August 2023, we started operations of our new logistics base, "ZOZOBASE TSUKUBA 3" in anticipation of future growth in the gross merchandise value. The new logistics base has the largest facility capacity in our company in terms of total floor space and the number of products stored, etc. As a measure to cope with the future trend of a declining workforce, we are making aggressive capital investments, including the introduction of the state-of-the-art equipment for the first time in Japan, aiming to reduce the labor force through automation of operations.

Consequently, the gross merchandise value in the current consolidated fiscal year was 574,373 million yen (+5.5% YoY), and the gross merchandise value (excluding other GMV) was 536,907 million yen (+7.1% YoY). Net sales were 197,016 million yen (+7.4% YoY), and gross profit was 183,147 million yen (+6.9% YoY). The ratio of gross profit to the gross merchandise value (excluding other GMV) (gross profit margin) was 34.1%, a decrease of 0.1% from the previous fiscal year.

As for net sales, despite higher point-related expenses compared to the previous year, the YoY growth rate exceeded that of the gross merchandise value (excluding other GMV), mainly due to growth in USED sales, and the advertising business. As mentioned in the sales part, the main factor of the decreased gross profit margin on a YoY was higher point-related expenses compared to the previous year.

Selling, general and administrative expenses were 123,067 million yen (+7.1% YoY). Its ratio to the gross merchandise value (excluding other GMV) was 22.9%, on par with the same quarter of the previous fiscal year.

The SG&A expenses changed on YoY are as follows. All the percentages to the gross merchandise value are calculated by dividing each SG&A expense by the gross merchandise value (excluding other GMV):

Improving factors

1. Shipping expenses to the gross merchandise value declined by 0.3% due to a higher average order value on a YoY basis.
2. Advertising expenses to the gross merchandise value declined 0.3% due to the change in spending for promotional purposes (resulting in a rise in the ratio of point-related expenses YoY)

Worsening factors

1. Depreciation expenses to the gross merchandise value rose by 0.3% due to the depreciation for material handling equipment, etc., for the commencement of operations at ZOZOBASETSUKUBA 3.
2. Rent expenses to the gross merchandise value rose by 0.2% due to the increase in ZOZOBASETSUKUBA 3.
3. Logistics-related expenses in personnel costs increased by 0.1% as a result of reduced operational efficiency due to higher logistics quantities.

Consequently, the operating profit of the current consolidated fiscal year was 60,079 million yen (+6.5% YoY), and the operating profit margin was 11.2% to the gross merchandise value (excluding other GMV), a decrease of 0.1% compared with the previous year. Ordinary profit was 59,764 million yen (+5.4% YoY), and net profit attributable to owners of parent was 44,341 million yen (+12.2% YoY).

[Table2] Comparison with the consolidated business forecast

(Unit: Million yen)

	Current consolidated fiscal year (consolidated business forecast)		Current consolidated fiscal year (Results)		Comparison to the business forecast
Gross merchandise value	580,881	(108.5%)	574,373	(107.0%)	-1.1%
Gross merchandise value (excluding other GMV)	535,281	(100.0%)	536,907	(100.0%)	0.3%
Net sales	200,700	(37.5%)	197,016	(36.7%)	-1.8%
Operating profit	60,000	(11.2%)	60,079	(11.2%)	0.1%
Ordinary profit	60,000	(11.2%)	59,764	(11.1%)	-0.4%
Profit attributable to owners of parent	42,000	(7.8%)	44,341	(8.3%)	5.6%

Figures in parentheses are percentages to gross merchandise value (excluding other GMV).

Compared to the initial consolidated business forecast disclosed on April 27, 2023, the gross merchandise value was 1.1% below. Although we were affected by unusual climatic effects throughout the period, for the gross merchandise value (excluding other GMV), we were able to achieve the initial forecast, which exceeded by 0.3%, due to our flexible promotional activities.

On the other hand, net sales fell short of the forecast by 1.8%, mainly due to factors such as the recording of point-related expenses, which were deducted from sales, that exceeded the initial forecast within the actual promotional expenses.

For the profit part, operating profit and profit attributable to owners of parent exceeded 0.1% and 5.6% respectively but ordinary profit was 0.4% below.

The main reason for achieving operating profit was due to reduced shipping costs resulting from higher-than-planned the average order value and various cost controls.

For ordinary profit, we fell below the initial forecast due to the inclusion of loss on investments in partnerships from investment fund. However, net profit attributable to owners of parent exceeded the initial forecast, benefiting from tax deductions thanks to successful sustainability initiatives and extraordinary income from the sale of shares of yutori, Inc., which was a consolidated subsidiary, following its listing on the Tokyo Stock Exchange Growth Market.

Since our group is a single segment of the e-commerce business, information by segment is omitted. However, the performance of each business segment within the single segment is shown below.

[Table 3] YoY comparison by business segment

By business segment	Previous consolidated fiscal year (April 1, 2022 to March 31, 2023)			Current consolidated fiscal year (April 1, 2023 to March 31, 2024)			Merchandise Value YoY (%)	Net sales YoY (%)
	Merchandise value (Million yen)	Compositi on (%)	Net sales (Million yen)	Merchandise Value (Million yen)	Compositi on (%)	Net sales (Million yen)		
ZOZOTOWN Business	435,542	80.0	136,075	464,734	80.9	143,859	6.7	5.7
(Outright purchase/ production & sales)	4,726	0.9	4,561	4,429	0.8	4,263	-6.3	-6.5
(Consignment Sales)	414,769	76.2	115,815	442,214	77.0	121,965	6.6	5.3
(USED Sales)	16,046	2.9	15,699	18,090	3.1	17,630	12.7	12.3
LY Corporation Commerce (Note)1	49,881	9.2	14,652	57,696	10.1	17,136	15.7	17.0
BtoB business	15,684	2.9	2,587	14,477	2.5	2,271	-7.7	-12.2
Advertising business	—	—	7,770	—	—	9,737	—	25.3
Subtotal excluding Others	501,108	92.1	161,086	536,907	93.5	173,004	7.1	7.4
Others	43,209	7.9	22,336	37,465	6.5	24,012	-13.3	7.5
Total	544,317	100.0	183,423	574,373	100.0	197,016	5.5	7.4

(NOTE)

1. LY Corporation Commerce is combined sales of Yahoo! JAPAN Shopping and Yahoo! JAPAN Auction.

① ZOZOTOWN business

The ZOZOTOWN Business consists of three business forms: "Outright purchase/production & sales," "Consignment sales," and "USED sales." "Outright purchase/production & sales" purchases fashion merchandise from each brand and sells them as in-house inventory with inventory risk. This corresponds to the form of purchasing fashion merchandise from each brand and the form of ordering merchandise by our group, such as MS (Multi-Size). "Consignment sales" handles consignment inventory of merchandise from each brand and sells them on a consignment basis. "USED sales" mainly buys and sells used fashion-related merchandise from individual users and is positioned as a value-added service to promote the purchase of new products.

We recognize that increasing the number of buyers and the usage rate of ZOZOTOWN in fashion consumption are the key factors in achieving sustainable growth. To realize this, we are working on creating a website that is attractive to both users and brands.

The transition of major KPIs for the ZOZOTOWN Business is as follows.

(Number of shops, etc.)

[Table 4] Changes in the number of shops and brands

	Previous consolidated fiscal year				Current consolidated fiscal year			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Shops in ZOZOTOWN (Note) 1	1,523	1,532	1,554	1,562	1,564	1,581	1,605	1,595
Outright purchase/production & sales (Note) 2	25	27	28	28	28	29	28	29
Consignment sales	1,498	1,505	1,526	1,534	1,536	1,552	1,577	1,566
Number of brands (Note) 1,2	8,512	8,455	8,545	8,455	8,981	8,940	9,109	9,021

(NOTE)

1. Numbers are as of the end of the quarter accounting period.

2. Private brand "ZOZO" and "Multi-size" are not included.

The number of new shops opened during the current consolidated fiscal year was 118 (a net increase of 33 shops).

The number of shops opened in the fourth quarter consolidated accounting period was 17 (net decrease of 10 shops).

The major new stores are "MUSINSA," a Korean online fashion store, "Mardi Mercredi," a Korean brand popular among

young generation, and in the cosmetic category, "NARS" operated by Shiseido Group.

The plan to attract new store openings proceeded as scheduled, however the number of shops decreased QoQ due to brand consolidation and closures.

(Number of annual buyers)

[Table 5] Changes in the number of annual buyers

	Previous consolidated fiscal year				Current consolidated fiscal year			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Number of annual buyers (Note)2	10,619,934	10,859,876	11,211,383	11,411,712	11,470,592	11,552,764	11,690,958	11,681,218
(YoY)	889,772	969,092	1,108,032	993,381	850,658	692,888	479,575	269,506
(QoQ)	201,603	239,942	351,507	200,329	58,880	82,172	138,194	-9,740
Number of active members (Note)3	9,269,080	9,545,087	9,935,769	10,192,333	10,352,251	10,515,910	10,739,246	10,789,997
(YoY)	902,007	1,037,090	1,223,890	1,149,139	1,083,171	970,823	803,477	597,664
(QoQ)	225,886	276,007	390,682	256,564	159,918	163,659	223,336	50,751
Number of guest buyers	1,350,854	1,314,789	1,275,614	1,219,379	1,118,341	1,036,854	951,712	891,221
(YoY)	-12,235	-67,998	-115,858	-155,758	-232,513	-277,935	-323,902	-328,158
(QoQ)	-24,283	-36,065	-39,175	-56,235	-101,038	-81,487	-85,142	-60,491

(NOTE)

1. The calculating period is the most recent one-year period prior to the end of the accounting periods.
2. Numbers of annual buyers are the sum of active members and guest buyers who purchased more than once within the past year from each quarter.
3. Numbers of active members are members who purchased more than once within the past year from each quarter.
4. Buyers of "LY Corporation Commerce" are not included.

In the fourth quarter consolidated accounting period of the current fiscal year, the number of annual buyers increased as a result of an increase in the number of active members YoY and QoQ. On the other hand, number of annual buyers decreased slightly QoQ. This was because a decrease of guest buyers on QoQ basis exceeded an increase of active members on the same basis, as it's growth was limited. The steady growth in the number of active members is due to the retention of new members acquired in the previous fiscal year as well as the strengthening of customer attraction through broadcasting TV commercials and web advertising of "ZOZOWEEK" held in May, September, and November, the Black Friday sale, and the summer/winter sale initiated in June 2023 and in January 2024.

However, the number of active members was not enough to achieve a QoQ increase due to a warm winter during the winter sale period and the cold temperatures after the start of the spring clothing season, which resulted in a particularly weak acquisition of new members. The number of guest buyers continued to decline YoY and QoQ due to enhanced services for members.

(Annual purchase amount and annual purchase pieces)

[Table 6] Changes in the annual purchase amount and annual purchase pieces

	Previous consolidated fiscal year				Current consolidated fiscal year			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Annual purchase amount (Total) (Note) 1, 2, 3, 4	42,559	42,401	42,331	42,224	42,341	42,403	42,502	42,817
(YoY)	0.5%	0.1%	-0.5%	-0.4%	-0.5%	0.0%	0.4%	1.4%
(QoQ)	0.4%	-0.4%	-0.2%	-0.3%	0.3%	0.1%	0.2%	0.7%
Annual purchase pieces (Total) (Note) 1, 2, 3	11.6	11.4	11.1	10.9	10.8	10.8	10.8	10.9
(YoY)	1.5%	-1.4%	-4.5%	-5.9%	-6.6%	-5.3%	-2.6%	-0.2%
(QoQ)	0.0%	-1.8%	-2.3%	-1.8%	-0.8%	-0.4%	0.4%	0.6%
Annual purchase amount (Existing members) (Note) 1, 2, 3, 4	49,407	49,331	49,336	48,716	48,856	48,752	48,290	48,133
(YoY)	0.3%	0.6%	0.6%	-1.1%	-1.1%	-1.2%	-2.1%	-1.2%
(QoQ)	0.3%	-0.2%	0.0%	-1.3%	0.3%	-0.2%	-0.9%	-0.3%
Annual purchase pieces (Existing members) (Note) 1, 2, 3	13.4	13.2	12.9	12.6	12.5	12.3	12.3	12.2
(YoY)	1.3%	-0.9%	-3.4%	-6.4%	-7.2%	-6.4%	-5.2%	-3.0%
(QoQ)	-0.3%	-1.9%	-1.8%	-2.7%	-1.1%	-1.1%	-0.5%	-0.3%

(NOTE)

1. The calculating period is the most recent one-year before the end of the accounting periods.
2. Indexes for each active member.
3. Buyers of "LY Corporation Commerce" are not included.
4. The amounts are in yen.

During the fourth quarter consolidated accounting period of the current fiscal year, the annual purchase amount (Total) increased YoY and QoQ. The annual purchase pieces (Total) decreased YoY but increased QoQ. This was due to a decrease in the acquisition of new members during the fourth quarter consolidated accounting period of the current fiscal year, resulting in a decrease in the percentage of new members in the annual members.

For existing members, both the annual purchase amount and the number of annual purchase pieces decreased YoY and QoQ. This is primarily due to the impact of robust new member acquisitions during the COVID-19 pandemic, which led to an increase in the proportion of members with shorter membership histories among our existing members. (The shorter the membership history, the lower the annual purchase amount and pieces.)

(Average retail price etc.)

[Table 7] Changes in the average retail price, average order value, average purchase pieces per order, and number of shipments

	Previous consolidated fiscal year				Current consolidated fiscal year			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Average retail price (Note) 1, 2, 3	3,552	3,487	4,438	3,987	3,726	3,590	4,360	4,003
(YoY)	1.8%	6.8%	6.5%	6.3%	4.9%	3.0%	-1.7%	0.4%
Average order value (Note) 1, 2, 3	7,699	7,566	8,961	8,300	8,177	7,894	9,119	8,735
(YoY)	2.6%	3.0%	4.3%	4.1%	6.2%	4.3%	1.8%	5.2%
Average purchase pieces per order (Note) 1, 3	2.17	2.17	2.02	2.08	2.19	2.20	2.09	2.18
(YoY)	0.9%	-3.6%	-2.1%	-2.1%	1.3%	1.3%	3.6%	4.8%
Number of shipments (Note) 1, 3	13,123,988	12,742,183	14,178,195	13,379,524	13,240,721	13,107,431	15,000,816	13,302,151
(YoY)	8.6%	7.8%	8.6%	4.5%	0.9%	2.9%	5.8%	-0.6%

(NOTE)

1. Numbers for the quarter accounting period are used.
2. The amounts are in yen.
3. "LY Corporation Commerce" is not included.

The average retail price in the fourth quarter consolidated accounting period of the current fiscal year increased slightly YoY, though there have been increases in full retail price by various brands this autumn and winter.

The main factor is that changes in the product mix and an increase in sales with discounts, influenced by unusual weather such as a warm winter. This led to a different sales pattern for fall and winter goods compared to previous year since the third quarter consolidated accounting period of the current fiscal year. Even after the winter sale period, sales of outerwear, which typically have a higher unit price, remained sluggish. Meanwhile, the average order value increased YoY, due to an increase in the number of items purchased per order. The reason for an increase in the number of items purchased per order is the volume of free-shipping policies, which offer free shipping for purchases of 12,000 yen or more, compared with the same period of the previous year, and a rise in the percentage of combined purchases during the days of free shipping initiative.

Additionally, the number of shipments decreased slightly YoY due to the aforementioned increase in the percentage of combined purchases, as well as sluggish acquisition of new members.

i. Outright Purchase/Production & Sales

In the current consolidated fiscal year, the merchandise value was 4,429 million yen (-6.3% YoY), accounting for 0.8% of the gross merchandise value (0.9% in the same quarter of the previous fiscal year). Net sales were 4,263 million yen (-6.5% YoY). As of the end of March 2024, the number of shops opened on ZOZOTOWN for Outright purchase/production & sales was 29 (28 as of the end of December 2023).

ii. Consignment Sales

In the current consolidated fiscal year, the merchandise value was 442,214 million yen (+6.6% YoY), accounting for 77.0% of the gross merchandise value (76.2% in the same quarter of the previous fiscal year). Net sales (consignment sales commission) were 121,965 million yen (+5.3% YoY). As of the end of March 2024, the number of shops opened on ZOZOTOWN for consignment sales was 1,566 (1,577 as of the end of December 2023).

iii. USED Sales

In the current consolidated fiscal year, the merchandise value was 18,090 million yen (+12.7% YoY), accounting for 3.1% of the gross merchandise value (2.9% in the same quarter of the previous fiscal year). Net sales were 17,630 million yen (+12.3% YoY).

② LY Corporation Commerce

LY Corporation Commerce is combined sales of “Yahoo! JAPAN Shopping” and “Yahoo! JAPAN Auction”.

ZOZOTOWN opened a shop on Yahoo! JAPAN Shopping, an online shopping mall, and ZOZUSED has opened a shop on Yahoo! JAPAN Auction, an online auction service, since March 2024. Both are operated by LY Corporation.

In the current consolidated fiscal year, the merchandise value was 57,696 million yen (+15.7% YoY), accounting for 10.1% of the gross merchandise value (9.2% in the same quarter of the previous fiscal year). Net sales (consignment sales commission) were 17,136 million yen (+17.0% YoY).

③ BtoB business

The BtoB business is a business model in which we are commissioned to build and operate brands’ own e-commerce websites. In the current consolidated fiscal year, the merchandise value was 14,477 million yen (-7.7% YoY), accounting for 2.5% of the gross merchandise value (2.9% in the same quarter of the previous fiscal year). Net sales (consignment sales commission) were 2,271 million yen (-12.2% YoY). As of the end of March 2024, the number of consigned websites was 32 (33 as of the end of December 2023).

④ Advertising business

The advertising business is a business model that generates advertising revenue by providing advertising space to client

brands by utilizing the user reach base of ZOZOTOWN and WEAR. In the current consolidated fiscal year, net sales were 9,737 million yen (+25.3% YoY). As for WEAR, we continue to focus on expanding the number of users and content.

⑤ Others

The segment for others within the gross merchandise value includes 1) the merchandise value of the stores that contracted "ZOZO Option" in the fashion category stores excluding ZOZOTOWN on Yahoo! JAPAN Shopping (service that enables those stores to get benefits from sales support such as participation in the special events by the Company), 2) the merchandise value of a consolidated subsidiary's own e-commerce website, 3) the merchandise value from ZOZOMO, the system to support for sending customers to the physical stores from ZOZOTOWN, and 4) the merchandise value of "ZOZOSUIT" which is sold for a fee in the U.S. The merchandise value during the current consolidated fiscal year was 37,465 million yen (-13.3% YoY), accounting for 6.5% of the gross merchandise value (7.9% in the same quarter of the previous fiscal year). Within the segment for others, net sales generated from businesses related to ZOZOTOWN (shipping income and settlement commission income, etc.) and other revenues mentioned above are included. In the current consolidated fiscal year, net sales were 24,012 million yen (+7.5% YoY).

(2) Explanation of financial position

Overview of total assets, liabilities, and net assets

(Unit: Million yen)

	Previous consolidated fiscal year	Current consolidated fiscal year	Increase/decrease rate
Total assets	155,742	161,862	3.9%
Liabilities	79,048	77,117	-2.4%
Net assets	76,693	84,744	10.5%

(Total assets)

Total assets amounted to 161,862 million yen, an increase of 6,120 million yen (+3.9% from the previous consolidated fiscal year end). Current assets decreased by 355 million yen, or 0.3%, compared with the previous consolidated fiscal year end, amounted to 123,137 million yen. Major components are a decrease of 4,379 million yen in cash and deposits, an increase of 2,794 million yen in accounts receivable, and an increase of 628 million yen in merchandise and finished products etc. Non-current assets increased by 6,476 million yen, or 20.1%, compared with the previous consolidated fiscal year end, amounted to 38,724 million yen. Major components are an increase of 5,863 million yen in tangible assets, and an increase of 230 million yen in intangible assets, etc.

(Liabilities)

Liabilities amounted to 77,117 million yen, a decrease of 1,930 million yen (-2.4% from the previous consolidated fiscal year end). Current liabilities decreased by 3,942 million yen, or 5.5%, compared with the previous consolidated fiscal year end, amounted to 68,261 million yen. Major components are an increase of 1,078 million yen in deposits received for consignment sales, a decrease of 1,359 million yen in accounts payable-other, a decrease of 1,075 million yen in income taxes payable, and a decrease of 1,125 million yen in the provision for bonuses. Non-current liabilities increased by 2,012 million yen, or 29.4%, and amounted to 8,856 million yen compared with the previous consolidated fiscal year end. Major components are an increase of 451 million yen in retirement benefit liability and an increase of 1,755 million yen in asset retirement obligations.

(Net assets)

Net assets amounted to 84,744 million yen, an increase of 8,050 million yen (10.5% from the previous consolidated fiscal year end). Major components are an increase of 44,341 million yen due to recognition of profit attributable to owners of parent, and a decrease of 26,998 million yen due to cash dividends.

(

(3) Overview of cash flows

Overview of cash flows

Cash and cash equivalents ("cash") at the end of the current consolidated fiscal year amounted to 69,748 million yen, a decrease of 4,396 million yen from the previous consolidated fiscal year end.

Descriptions of each cash flow are as follows:

	Previous consolidated fiscal year	Current consolidated fiscal year	Increase/ decrease rate
Cash flows from operating activities	36,671	42,589	16.1%
Cash flows from investing activities	-10,588	-9,879	-6.7%
Cash flows from financing activities	-17,738	-37,138	109.4%

(Unit: Million yen)

(Cash flows from operating activities)

The net cash provided by operating activities was 42,589 million yen. The major increasing factor was the recognition of profit before income taxes of 60,426 million yen. The major decreasing factors were an increase of 2,985 million yen in accounts receivable, an increase of 1,202 million yen in merchandise and finished products, and 17,093 million yen in income taxes paid.

(Cash flows from investing activities)

The net cash used in investing activities was 9,879 million yen. This was mainly due to the outflow from the purchase of tangible assets of 7,997 million yen and the outflow from the purchase of intangible assets of 1,366 million yen.

(Cash flows from financing activities)

The net cash used in financing activities was 37,138 million yen. This was mainly due to the dividends paid of 26,992 million yen and the outflow from the purchase of treasury stock of 9,999 million yen.

(4) Future outlook

Prospect for the next fiscal year

[Table 8] Consolidated business forecast

(Unit: Million yen)

	Current consolidated fiscal year (April 1, 2023 to March 31, 2024)		Next consolidated fiscal year (April 1, 2024 to March 31, 2025)		YoY
Gross merchandise value	574,373	(107.0%)	609,200	(106.5%)	6.1%
Gross merchandise value (excluding other GMV)	536,907	(100.0%)	572,200	(100.0%)	6.6%
Net sales	197,016	(36.7%)	214,400	(37.5%)	8.8%
Operating profit	60,079	(11.2%)	64,200	(11.2%)	6.9%
Ordinary profit	59,764	(11.1%)	64,200	(11.2%)	7.4%
Profit attributable to owners of parent	44,341	(8.3%)	45,200	(7.9%)	1.9%

Figures in parentheses are percentages to gross merchandise value (excluding other GMV)

The domestic fashion e-commerce market, which is the axis and focus of our group, is still at a low level compared to the fashion e-commerce ratio of the Western countries and China. The tailwind situation for e-commerce triggered by the spread of the COVID-19 infection has subsided, however, we assume the overall expansion trend will continue steadily. Under such circumstances, in addition to continuous focus on making more attractive websites for both users and brands, we aim to increase the gross merchandise value.

The breakdown of the gross merchandise value plan for the next consolidated fiscal year by the business segment is as follows:

[Table 9] Merchandise value forecast by business units

By business segment	Current consolidated fiscal year (April 1, 2023 to March 31, 2024)		Next consolidated fiscal year (April 1, 2024 from March 31, 2025)		YoY
	Merchandise value (Million yen)	Ratio (%)	Merchandise value (Million yen)	Ratio (%)	
ZOZOTOWN Business	464,734	80.9	495,100	81.3	6.5%
(Outright					
Purchase/Production & Sales)	4,429	0.8	2,600	0.4	-41.3%
(Consignment Sales)	442,214	77.0	473,000	77.7	7.0%
(USED Sales)	18,090	3.1	19,500	3.2	7.8%
LY Corporation Commerce (Note)1	57,696	10.1	63,600	10.4	10.2%
BtoB Business	14,477	2.5	13,500	2.2	-6.7%
Subtotal excluding Others	536,907	93.5	572,200	93.9	6.6%
Others	37,465	6.5	37,000	6.1	-1.2%
Total	574,373	100.0	609,200	100.0	6.1%

(NOTE)

1. LY Corporation Commerce is combined sales of Yahoo! JAPAN Shopping and Yahoo! JAPAN Auction.

Regarding the ZOZOTOWN Business, we will aim to grow the gross merchandise value by "increasing the number of buyers" and "increasing ZOZOTOWN utilization rate in fashion-related consumption." Specifically, we will expand the range of items, brands, and categories to meet users' diversifying needs, and broaden unique and value-added services. Other focusing areas will include 1) seeking mid to long-term profit growth drivers that do not rely on the gross merchandise value growth, and 2) pursuing sustainability initiatives that are unique to ZOZO.

Regarding LY Corporation Commerce, we will aim to expand the range of items, brands, and categories linked to ZOZOTOWN and value-added services. We will continue to promote the acquisition of a buyer base that differs from conventional ZOZOTOWN members through promotion measures by LY Corporation

We assume the growth rate of net sales to exceed the growth rate of the gross merchandise value (excluding other

GMV) , due to the high growth of the advertising business and the increase in shipping revenues following the April 2024 shipping rate revision.

As for selling, general and administrative expenses, we assume increases in rent and depreciation expenses for the new logistics centers, "ZOZOBASETSUKUBA 3" which was started operations in August 2023 and "DPL Tsukuba Chuo" which is leased from April 2024, as well as shipping expenses due to the acceptance of freight and packing costs increase by YAMATOTRANSPORT CO., LTD..

As a result, the rate of operating profit for the next consolidated fiscal year is expected to be at par with the current consolidated fiscal year, and we will maintain steady profit growth.

2. Basic principle of accounting standards selection

Our policy is to prepare consolidated financial statements on a Japanese basis by taking the comparability of periods and in between companies into consideration. With regard to the application of IFRS, our policy is to respond appropriately after contemplating various domestic and international situations.

3. Consolidated financial statements

(1) Consolidated balance sheets

(Unit: million yen)

	Previous consolidated fiscal year (As of March 31, 2023)	Current consolidated fiscal year (As of March 31, 2024)
Assets		
Current assets		
Cash and deposits	69,126	64,747
Accounts receivable-trade	42,994	45,789
Marketable securities	5,000	5,000
Merchandise and finished products	3,155	3,784
Raw materials and supplies	49	39
Others	3,166	3,777
Total current assets	123,493	123,137
Non-current assets		
Property, plant and equipment		
Buildings	10,447	15,060
Accumulated depreciation	-2,756	-3,536
Buildings, net	7,690	11,524
Vehicles	25	27
Accumulated depreciation	-21	-12
Vehicles, net	4	14
Tools, furniture, and fixtures	11,235	22,135
Accumulated depreciation	-7,228	-9,123
Tools, furniture, and fixtures, net	4,007	13,012
Construction in progress	7,094	109
Total property, plant and equipment	18,796	24,660
Intangible assets		
Goodwill	1,700	920
Software	416	741
Others	263	950
Total intangible assets	2,381	2,611
Investments and other assets		
Investment securities	1,051	1,132
Deferred tax assets	6,035	5,950
Others	3,983	4,369
Total investments and other assets	11,070	11,452
Total non-current assets	32,248	38,724
Total assets	155,742	161,862

(Unit: million yen)

	Previous consolidated fiscal year (As of March 31, 2023)	Current consolidated fiscal year (As of March 31, 2024)
Liabilities		
Current liabilities		
Accounts payable-trade	532	259
Deposits received for consignment sales	25,590	26,668
Accounts payable-other	8,841	7,481
Short-term borrowings	20,400	20,000
Income taxes payable	9,796	8,721
Provision for bonuses	2,401	1,275
Provision for bonuses for directors	78	95
Others	4,563	3,759
Total current liabilities	72,204	68,261
Non-current liabilities		
Retirement benefit liability	4,389	4,841
Asset retirement obligations	2,248	4,004
Others	205	10
Total non-current liabilities	6,844	8,856
Total liabilities	79,048	77,117
Net assets		
Shareholders' equity		
Capital stock	1,359	1,359
Capital surplus	1,349	1,328
Retained earnings	118,620	93,512
Treasury stock	-44,558	-11,627
Total shareholders' equity	76,771	84,572
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	39	90
Deferred gains or losses on hedges	40	54
Foreign currency translation adjustments	92	187
Accumulated remeasurements of defined benefit plans	-386	-161
Total accumulated other comprehensive income	-214	171
Stock acquisition rights	18	0
Non-controlling interests	117	-
Total net assets	76,693	84,744
Total liabilities and net assets	155,742	161,862

(2) Consolidated statements of income and consolidated statements of comprehensive income

Consolidated statements of income

(Unit: million yen)

	Previous consolidated fiscal year (April 1, 2022 to March 31, 2023)	Current consolidated fiscal year (April 1, 2023 to March 31, 2024)
Net sales	183,423	197,016
Cost of sales	12,081	13,869
Gross profit	171,341	183,147
Selling, general and administrative expenses		
Outsourcing expenses	9,434	9,485
Packing and transportation expenses	32,421	33,439
Payment collection commission	11,877	12,360
Advertising expenses	12,314	12,050
Payroll and allowances	16,969	18,045
Provision for bonuses	2,401	1,244
Provision for bonuses or directors	75	82
Retirement benefit expenses	727	788
Share-based compensation expenses	114	260
Depreciation	2,050	3,491
Amortization of goodwill	460	352
Others	26,071	31,466
Total selling, general and administrative expenses	114,920	123,067
Operating profit	56,421	60,079
Non-operating income		
Interest income	9	5
Received rent	2	2
Foreign exchange gains	62	91
Operations support fee	10	8
Income from recycling	34	41
Subsidy income	28	11
Gain on unused points	106	101
Reversal of allowance for doubtful accounts	171	51
Others	36	72
Total non-operating income	461	386
Non-operating expenses		
Interest expenses	78	77
Provision for allowance for doubtful accounts	3	-
Rent expenses	2	2
Commissions paid	12	27
Loss on investments in partnership	69	594
Total non-operating expenses	166	701
Ordinary profit	56,716	59,764

(Unit: million yen)

	Previous consolidated fiscal year (April 1, 2022 to March 31, 2023)	Current consolidated fiscal year (April 1, 2023 to March 31, 2024)
Extraordinary income		
Reversal of foreign currency translation adjustments	40	-
Gain on sales of non-current assets	1	5
Gain on sales of investment securities	-	139
Gain on sales of shares of consolidated subsidiaries and associates	-	735
Total extraordinary income	42	880
Extraordinary losses		
Loss on disposal of non-current assets	65	70
Loss on valuation of investment securities	23	148
Impairment loss	27	-
Total extraordinary losses	116	218
Profit before income taxes	56,641	60,426
Income taxes – current	16,074	16,087
Income taxes – deferred	1,067	-76
Total income taxes	17,141	16,010
Net profit	39,500	44,415
Profit or loss attributable to non-controlling interests	-26	74
Profit attributable to owners of parent	39,526	44,341

Consolidated statements of comprehensive income

(Unit: million yen)

	Previous consolidated fiscal year (April 1, 2022 to March 31, 2023)	Current consolidated fiscal year (April 1, 2023 to March 31, 2024)
Net profit	39,500	44,415
Other comprehensive income		
Valuation difference on available-for-sale securities	16	51
Deferred gains or losses on hedges	40	14
Foreign currency translation adjustments	-6	94
Remeasurements of defined benefit plans	-115	224
Total other comprehensive income	-66	385
Comprehensive income	39,434	44,801
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	39,460	44,727
Comprehensive income attributable to non-controlling interests	-26	74

(3) Consolidated statements of changes in net assets

Previous consolidated fiscal year (April 1, 2022, to March 31, 2023)

(Unit: million yen)

	Shareholders' equity					Accumulated other comprehensive income	
	Capital Stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges
Balance as of March 31, 2022	1,359	1,457	97,067	-44,784	55,100	23	-
Changes of items during the current fiscal year							
Cash dividends			-17,989		-17,989		
Profit attributable to owners of parent			39,526		39,526		
Purchase of treasury stock				-0	-0		
Retire of treasury stock					-		
Changes from retained earnings to capital surplus					-		
Disposal of treasury stock		-108		226	117		
Changes in amounts due to adjustments in the range of consolidation					-		
Changes in retained earnings due to new consolidation			15		15		
Net changes of items other than Shareholders' equity, net						16	40
Total changes of items during the current fiscal year	-	-108	21,552	225	21,670	16	40
Balance as of March 31, 2023	1,359	1,349	118,620	-44,558	76,771	39	40

	Accumulated other comprehensive income			Stock acquisition rights	Non-controlling interests	Total net assets
	Foreign currency translation adjustments	Accumulated remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance as of March 31, 2022	79	-270	-168	22	144	55,099
Changes of items during the current fiscal year						
Cash dividends						-17,989
Profit attributable to owners of parent						39,526
Purchase of treasury stock						-0
Retire of treasury stock						-
Changes from retained earnings to capital surplus						-
Disposal of treasury stock						117
Changes in amounts due to adjustments in the range of consolidation						-
Changes in retained earnings due to new consolidation						15
Net changes of items other than Shareholders' equity, net	13	-115	-46	-3	-26	-75
Total changes of items during the current fiscal year	13	-115	-46	-3	-26	21,594
Balance as of March 31, 2023	92	-386	-214	18	117	76,693

Current consolidated fiscal year (from April 1, 2023 to March 31, 2024)

(Unit: million yen)

	Shareholders' equity					Accumulated other comprehensive income	
	Capital Stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges
Balance as of March 31, 2023	1,359	1,349	118,620	-44,558	76,771	39	40
Changes of items during the current fiscal year							
Cash dividends			-26,998		-26,998		
Profit attributable to owners of parent			44,341		44,341		
Purchase of treasury stock		137		-10,137	-9,999		
Retire of treasury stock		-41,943		41,943	—		
Changes from retained earnings to capital surplus		42,456	-42,456		—		
Disposal of treasury stock		-672		1,124	452		
Changes in amounts due to adjustments in the range of consolidation			5		5		
Changes in retained earnings due to new consolidation					—		
Net changes of items other than Shareholders' equity, net						51	14
Total changes of items during the current fiscal year	—	-21	-25,107	32,931	7,801	51	14
Balance as of March 31, 2024	1,359	1,328	93,512	-11,627	84,572	90	54

	Accumulated other comprehensive income			Stock acquisition rights	Non-controlling interests	Total net assets
	Foreign currency translation adjustments	Accumulated rereasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance as of March 31, 2023	92	-386	-214	18	117	76,693
Changes of items during the current fiscal year						
Cash dividends						-26,998
Profit attributable to owners of parent						44,341
Purchase of treasury stock						-9,999
Retire of treasury stock						—
Changes from retained earnings to capital surplus						—
Disposal of treasury stock						452
Changes in amounts due to adjustments in the range of consolidation						5
Changes in retained earnings due to new consolidation						—
Net changes of items other than Shareholders' equity, net	94	224	385	-18	-117	249
Total changes of items during the current fiscal year	94	224	385	-18	-117	8,050
Balance as of March 31, 2024	187	-161	171	0	—	84,744

(4) Consolidated statements of cash flows

(Unit: million yen)

	Previous consolidated fiscal year (April 1, 2022 to March 31, 2023)	Current consolidated fiscal year (April 1, 2023 to March 31, 2024)
Cash flows from operating activities		
Profit before income taxes	56,641	60,426
Depreciation	2,050	3,491
Amortization of goodwill	460	352
Share-based compensation expenses	114	260
Impairment loss	27	—
Reversal of foreign currency translation adjustments	-40	—
Loss on valuation of investment securities	23	148
Provision for allowance for doubtful accounts	3	—
Reversal of allowance for doubtful accounts	-171	-51
Loss (gain) on investments in partnership (- is a gain)	69	594
Loss (gain) on sale of investment securities (- is a gain)	—	-139
Loss (gain) on sale of shares of subsidiaries and associates	—	-735
Loss (gain) on sales of non-current assets (- is a gain)	64	64
Increase (decrease) in provision for bonuses (- is a decrease)	668	-1,119
Increase (decrease) in provision for bonuses for directors (- is a decrease)	19	15
Increase (decrease) in retirement benefit liability (- is a decrease)	593	772
Interest and dividends income	-9	-5
Interest expenses	78	77
Commissions paid	12	27
Foreign exchange gains (losses) (- is a gain)	-6	-58
Increase (decrease) in accounts receivable-trade (- is an increase)	-12,326	-2,985
Increase (decrease) in inventories (- is an increase (- is an increase))	-1,001	-1,202
Increase (decrease) in prepaid expenses (- is an increase)	992	-478
Increase (decrease) in accounts payable-trade (- is a decrease)	44	32
Increase (decrease) in deposits received for consignment sales (- is a decrease)	2,142	1,078
Increase (decrease) in accounts payable-other (- is a decrease)	1,183	-593
Increase (decrease) in accrued expenses (- is a decrease)	64	-120
Increase (decrease) in accrued consumption taxes (- is a decrease)	-304	-1,033
Others	-420	936
Subtotal	50,974	59,754
Interest and dividends income received	7	6
Interest expenses paid	-78	-78
Income taxes paid	-14,232	-17,093
Net cash provided by (used in) operating activities	36,671	42,589

(Unit: million yen)

	Previous consolidated fiscal year (April 1, 2022 to March 31, 2023)	Current consolidated fiscal year (April 1, 2023 to March 31, 2024)
Cash flows from investing activities		
Purchase of property, plant and equipment	-8,957	-7,997
Purchase of intangible assets	-313	-1,366
Proceeds from sales of property, plant and equipment	1	5
Payments for establishment of subsidiaries	—	-187
Payments for leasehold and guarantee deposits	-1,002	-449
Proceeds from collection of leasehold and guarantee deposits	39	70
Purchase of investment securities	-418	-91
Proceeds from sales of investment securities	—	184
Payments for investments in capital of subsidiaries and associates	-13	-291
Proceeds from sales of shares of subsidiaries with change in the range of consolidation	—	559
Payments of loans receivable	-1	-115
Collection of loans receivable	174	54
Others	-95	-255
Net cash provided by (used in) investing activities	-10,588	-9,879
Cash flows from financing activities		
Increase in short-term loans payable	300	100
Decrease in short-term loans payable	-100	-300
Proceeds from long-term debt	167	168
Repayments of long-term loans payable	-113	-61
Commission expenses paid	-6	-27
Purchase of treasury stock	-0	-9,999
Cash dividends paid	-17,986	-26,992
Proceeds from issuance of stock acquisition rights	—	-17
Others	—	-9
Net cash provided by (used in) financing activities	-17,738	-37,138
Effect of exchange rate change on cash and cash equivalents	126	32
Net increase (decrease) in cash and cash equivalents (- is a decrease)	8,469	-4,396
Cash and cash equivalents at beginning of period	65,520	74,145
Cash and cash equivalents of newly consolidated subsidiaries	154	—
Cash and cash equivalents at end of term	74,145	69,748

(5) Notes on consolidated financial statements

(Notes on the going concern assumption)

Not applicable.

(Segment Information)

[Segment Information]

Previous consolidated fiscal year (From April 1, 2022 to March 31, 2023)

The company group operates in a single segment of eCommerce business, so descriptions are omitted.

Current consolidated fiscal year (From April 1, 2023 to March 31, 2024)

The company group operates in a single segment of eCommerce business, so descriptions are omitted.

(Per share information)

Item	Previous consolidated fiscal year (April 1, 2022 to March 31, 2023)	Current consolidated fiscal year (April 1, 2023 to March 31, 2024)
Net assets per share	255.31 yen	285.38 yen
Net profit per share	131.83 yen	148.19 yen

(NOTE)

1. Fully diluted net profit per share is not presented because there were no dilutive potential shares.

2. The basis for computation of net assets per share is as follows.

Item	Previous consolidated fiscal year (April 1, 2022 to March 31, 2023)	Current consolidated fiscal year (April 1, 2023 to March 31, 2024)
(1) Net profit per share	131.83 yen	148.19 yen
(Basis of calculation)		
Profit attributable to owners of parent (million yen)	39,526	44,341
Amount not allocated to common shareholders (million yen)	-	-
Profit attributable to owners of parent (million yen) related to common stock	39,526	44,341
Average number of shares of common stock outstanding during the fiscal year (shares)	299,837,990	299,214,294
Summary of potential shares not included in the calculation of fully diluted net profit per share due to lack of dilutive potential with significant changes from the previous fiscal year end	Stock acquisition rights by resolution of the Board of Directors on June 25, 2019	Stock acquisition rights by resolution of the Board of Directors on June 25, 2019
	5th stock acquisition rights 498 units (Common stock 49,800)	5th stock acquisition rights 498 units (Common stock 49,800)
	6th Stock Acquisition rights 332 units (Common stock 33,200)	6th Stock Acquisition rights 332 units (Common stock 33,200)
	Stock acquisition rights by resolution of the Board of Directors on October 18, 2019	Stock acquisition rights by resolution of the Board of Directors on October 18, 2019
	8th Stock Acquisition rights 1,500 units (Common stock 150,000)	8th Stock Acquisition rights Expired due to nonvesting of rights
	9th Stock Acquisition rights 1,000 units (Common stock 100,000)	9th Stock Acquisition rights Expired due to nonvesting of rights
	Stock acquisition rights by resolution of the Board of Directors on May 24, 2021	Stock acquisition rights by resolution of the Board of Directors on May 24, 2021
	10th Stock Acquisition rights 6,780 units (Common stock 6,780,000)	10th Stock Acquisition rights All acquired on June 15, 2023 and expired due to the expiration of the exercise period.

(NOTE) Fully diluted net profit per share for the previous fiscal year is not presented because there were no dilutive potential shares.

(Significant Subsequent Events)

Not applicable.

DISCLAIMER:

This document is summary translation of Japanese version. All readers are recommended to refer the original Japanese version for complete information. In the event of any discrepancy, errors and/or omissions, the Japanese version shall prevail.