

FY2024 3Q ZOZO, Inc. CONSOLIDATED BUSINESS RESULTS



With an
easy-to-understand
explanation
by CFO Yanagisawa
and VP of IR!

HIGHLIGHTS



The Black Friday event held from November 27 to December 1 received an even greater response than last year! In addition to the growing recognition of Black Friday in Japan, our unique customer acquisition and promotional measures proved highly effective!





FY2024 2Q HIGHLIGHTS

Gross Merchandise Value

461.1 billion yen

(+8.0% YoY / Achievement rate 75.7%)

Gross Merchandise Value

(excluding other GMV)

431.9 billion yen

(+8.1% YoY / Achievement rate 75.5%)

Operating Profit

51.7 billion yen

(+13.3% YoY / Achievement rate 80.6%)

Operating Profit Margin

12.0 %

(+0.6 point YoY)

※Operating profit margin is calculated by dividing operating profit by the Gross Merchandise Value (excluding other GMV).



OVERVIEW OF EACH QUARTER

(million¥)

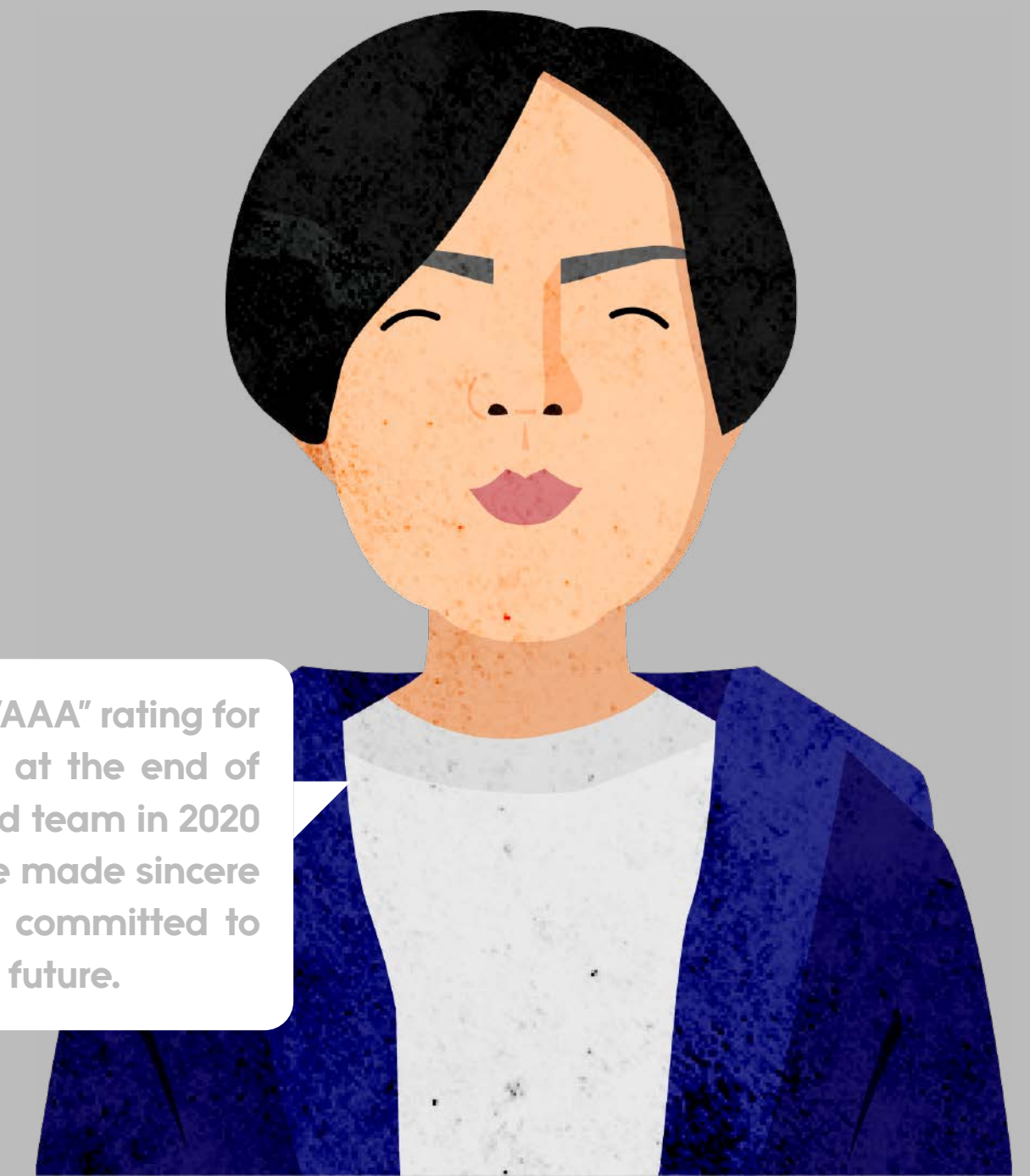
	FY2023				FY2024		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Gross Merchandise Value	131,920	126,870	168,354	147,227	141,885	137,267	182,018
Gross Merchandise Value (excluding other GMV)	123,327	118,317	157,851	137,411	132,631	128,193	171,089
YoY (%)	6.4%	6.1%	9.2%	6.4%	7.5%	8.3%	8.4%
Net sales	45,871	44,345	57,351	49,448	50,387	48,414	62,274
SG&A	27,182	28,100	36,332	31,452	31,060	30,477	36,763
YoY (%)	4.4%	9.5%	16.0%	-1.4%	14.3%	8.5%	1.2%
(% to the Gross Merchandise Value)	22.0%	23.8%	23.0%	22.9%	23.4%	23.8%	21.5%
Operating profit	15,862	13,068	16,767	14,381	15,895	14,580	21,285
YoY (%)	10.8%	1.3%	-3.8%	22.0%	0.2%	11.6%	26.9%
(% to the Gross Merchandise Value)	12.9%	11.0%	10.6%	10.5%	12.0%	11.4%	12.4%

* The percentages are calculated by dividing each item by the Gross Merchandise Value (excluding other GMV).

BUSINESS RESULTS

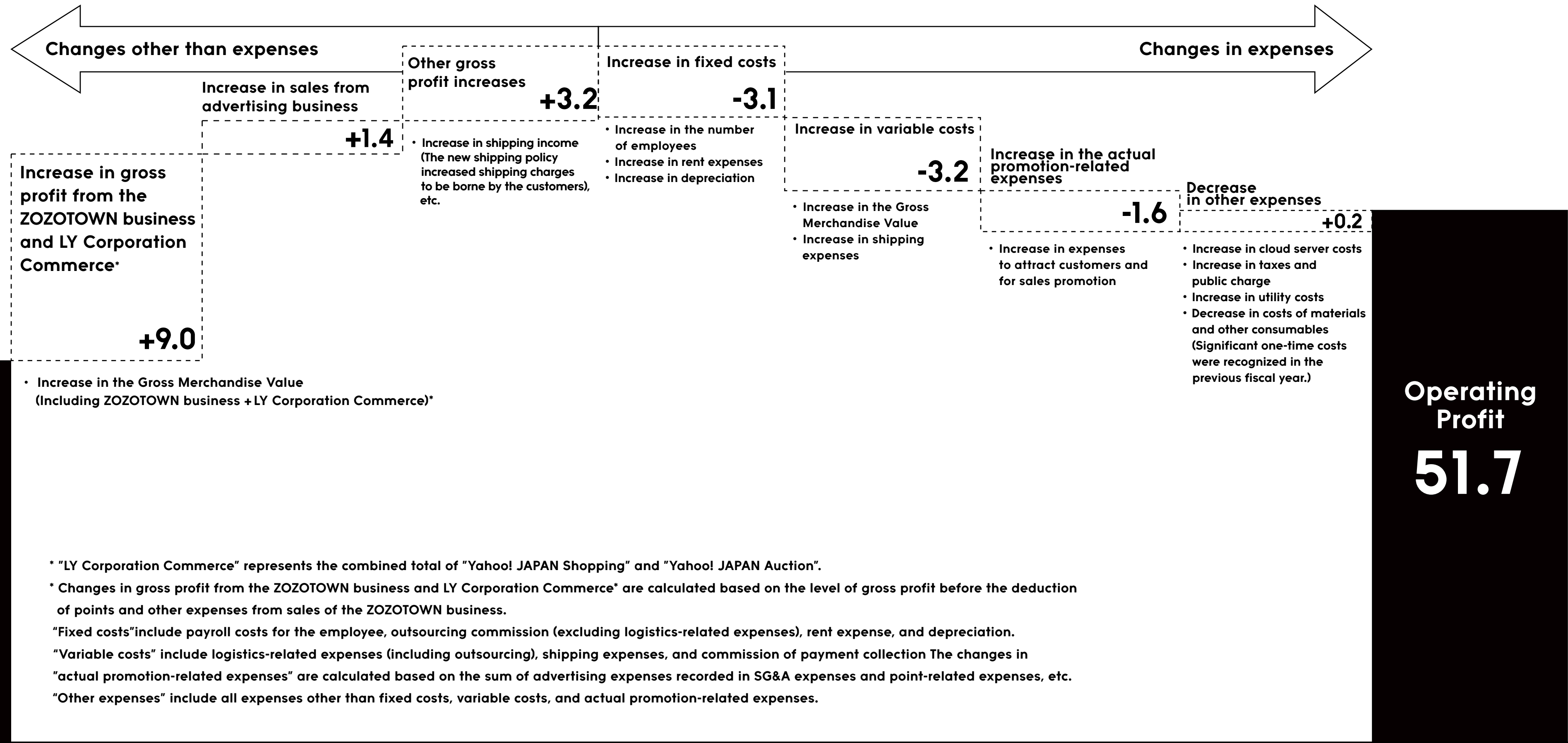


The Company received the highest "AAA" rating for the first time in MSCI ESG Ratings at the end of 2024. Since establishing a dedicated team in 2020 to address SDGs initiatives, we have made sincere and consistent efforts. We remain committed to maintaining this "AAA" rating in the future.





INCREASE-DECREASE ANALYSIS OF OPERATING PROFIT (YoY COMPARISON)



(bn¥)

FY2023 3Q

FY2024 3Q



SELLING, GENERAL AND ADMINISTRATIVE(SG&A) EXPENSES

(million¥)

	FY2023 3Q		FY2024 3Q		YoY	Increase / decrease factors
	Amount	% to the Gross Merchandise Value	Amount	% to the Gross Merchandise Value	% to the Gross Merchandise Value	
Payroll and staff costs(*)	24,541	6.1%	24,514	5.7%	-0.4%	
Payroll costs for employee	10,291	2.6%	10,975	2.5%	-0.1%	Transition of the number of employees on consolidated basis: FY2023 3Q 1,718 → FY2024 3Q 1,740
Logistics-Related Expenses (Including Outsourcing)	14,250	3.6%	13,538	3.1%	-0.5%	(Previous fiscal year) Decline in operational efficiency due to strained inventory storage conditions. (Current fiscal year) Improved operational efficiency resulting from better inventory storage conditions and cost reductions achieved through the implementation of equipment designed for labor-saving.
Outsourcing Commission (Excluding Logistics-Related Expenses)	4,862	1.2%	5,314	1.2%	0.0%	
Shipping	25,102	6.3%	28,359	6.6%	0.3%	Increase in the cost ratio due to a rise in shipping fees by YAMATO TRANSPORT CO., LTD. starting from April 1, 2024.
Commission of Payment collection	9,298	2.3%	9,955	2.3%	0.0%	
Advertising	9,419	2.4%	10,058	2.3%	-0.1%	
Rent expense	5,418	1.4%	6,354	1.5%	0.1%	Increase in the number of logistics centers (Increase in expenses related to ZOZOBASE TSUKUBA 3, which was leased from March 2023, and DPL Tsukuba Chuo, which was leased from April 2024)
Depreciation	2,211	0.6%	3,253	0.8%	0.2%	Increase in the number of logistics centers
Amortization of goodwill	289	0.1%	188	0.0%	-0.1%	
Stock Compensation Expenses	191	0.0%	217	0.1%	0.1%	
Others	10,281	2.6%	10,083	2.3%	-0.3%	(Previous Year) A significant one-time cost for equipment and related items at our large logistics center, ZOZOBASE TSUKUBA 3.
Total SG&A	91,614	22.9%	98,301	22.8%	-0.1%	

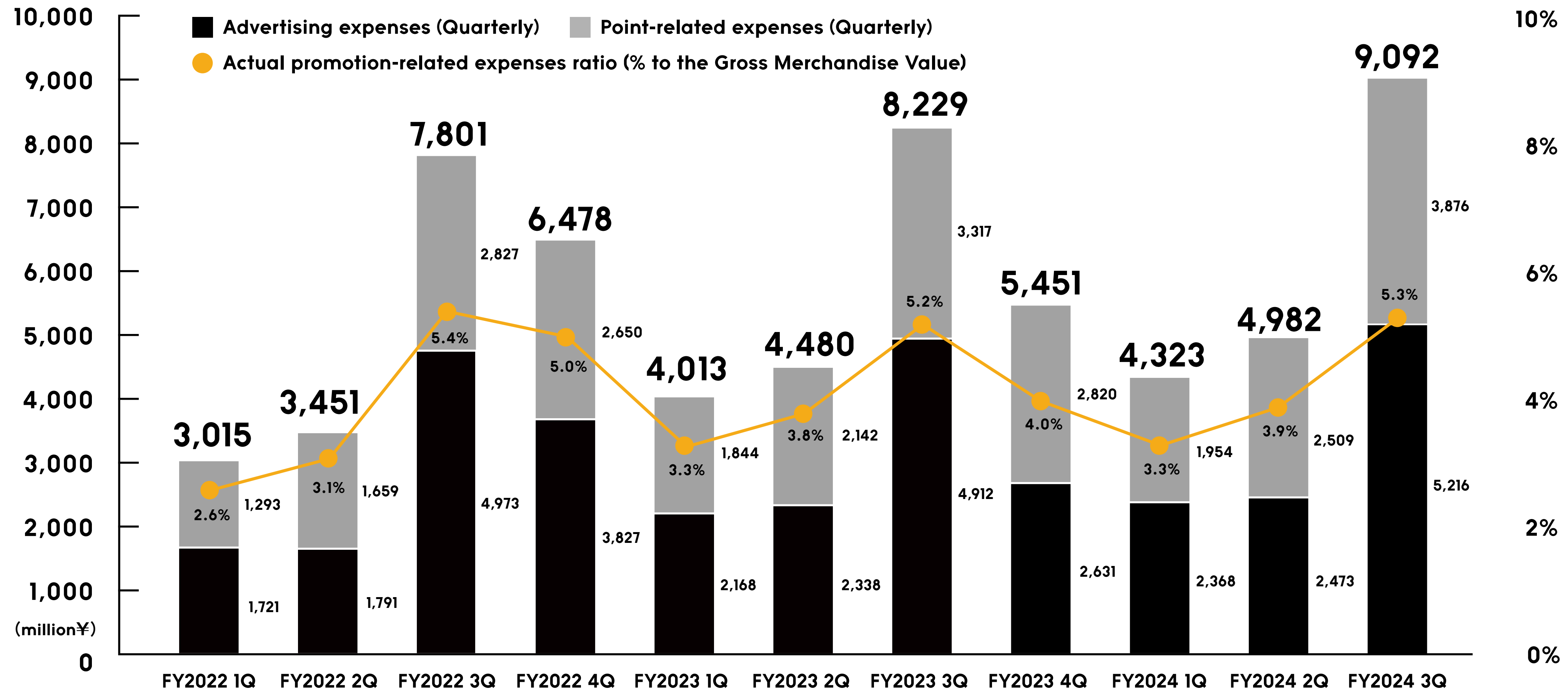
* Payroll includes directors' remuneration, employee salaries, bonuses, legal welfare expenses, welfare expenses, retirement benefits cost, provision for employee bonuses, expenses of company pension premium, subcontracting payroll, a portion of expenses at logistics centers operation. "Employee" includes directors, full-time 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.

* The percentages to the Gross Merchandise Value are calculated by dividing each expense by the Gross Merchandise Value (excluding other GMV).



ACTUAL PROMOTION-RELATED EXPENSES

Actual promotion-related expenses: The sum of advertising expenses and point-related expenses



Compared to the same quarter of the previous fiscal year, the main factor contributing to the increase in total costs was the strengthening of free-shipment measures. Additionally, the sponsorship of the golf tournament ended with this fiscal year.



* The actual promotion-related expenses ratio is calculated by dividing the actual promotion-related expenses by the Gross Merchandise Value (excluding other GMV)

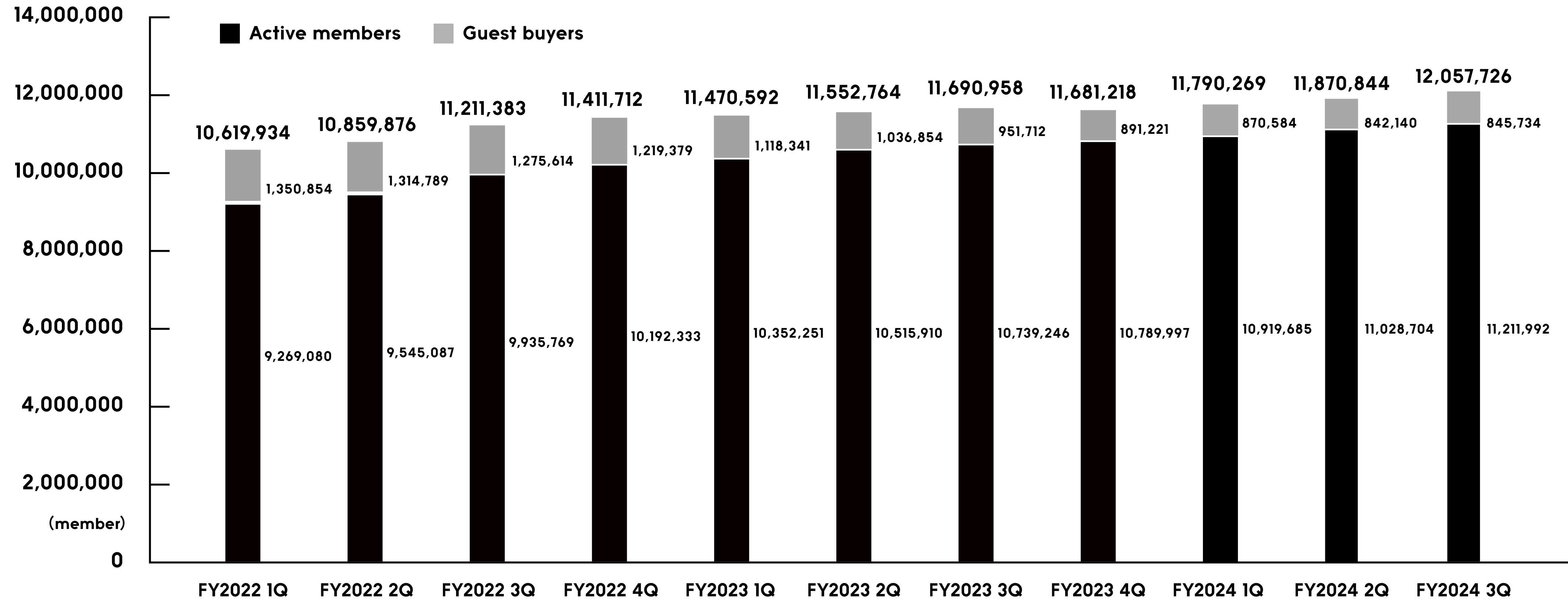


NUMBER OF TOTAL BUYERS

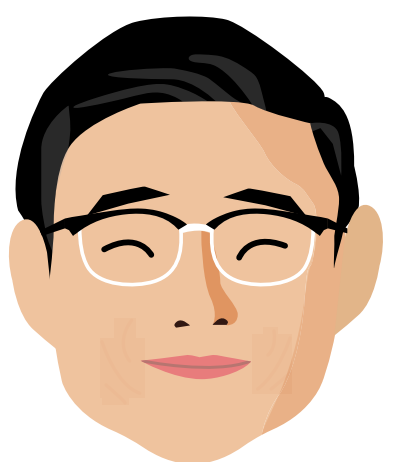
Number of total buyers = Active members and guest buyers who made at least one purchase within a year

Guest buyers = Total number of guest purchases within a year

Active members = Members who have made at least one purchase within a year



Sale events such as Black Friday were successful, leading to a steady increase in the number of active members.

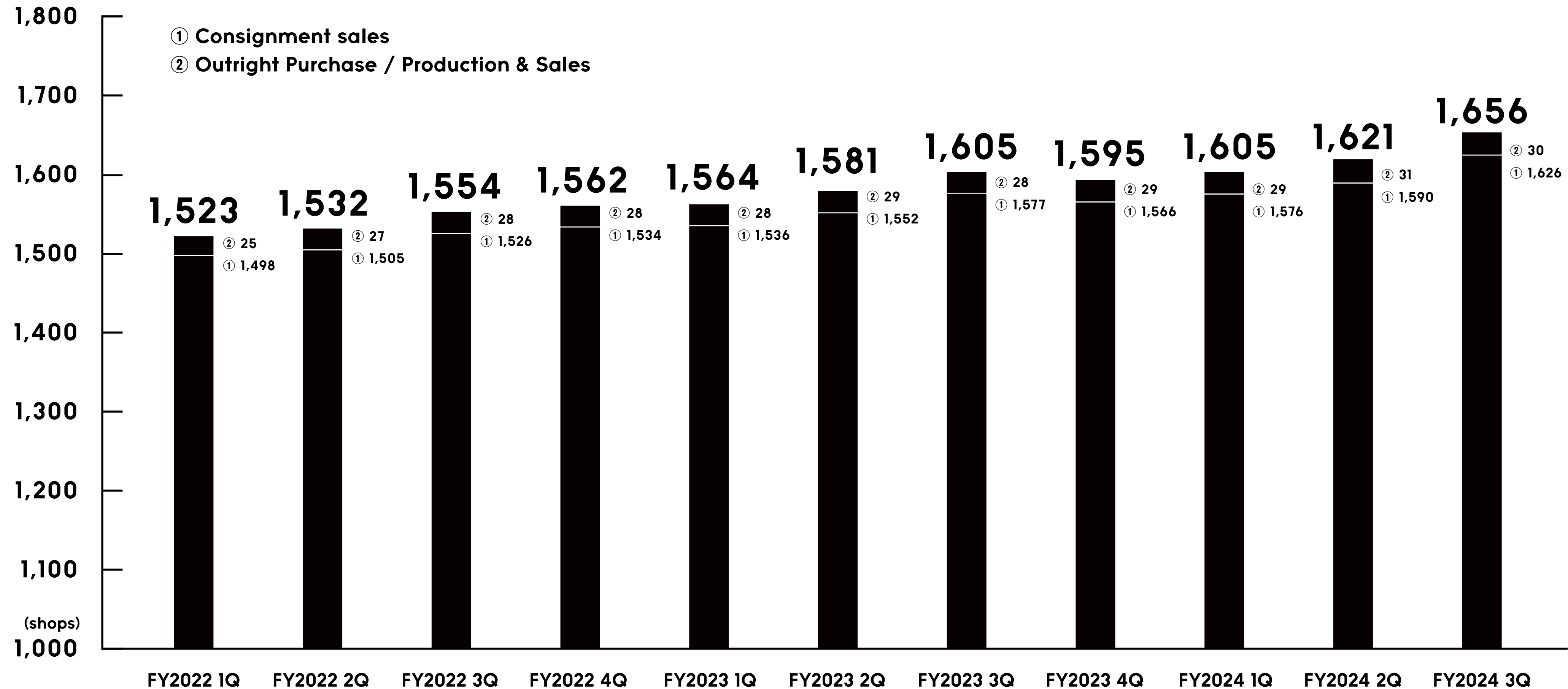


* The results are only from the ZOZOTOWN business. LY Corporation Commerce is not included.

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



NUMBER OF SHOPS ON ZOZOTOWN



Attracting new brands is going well.



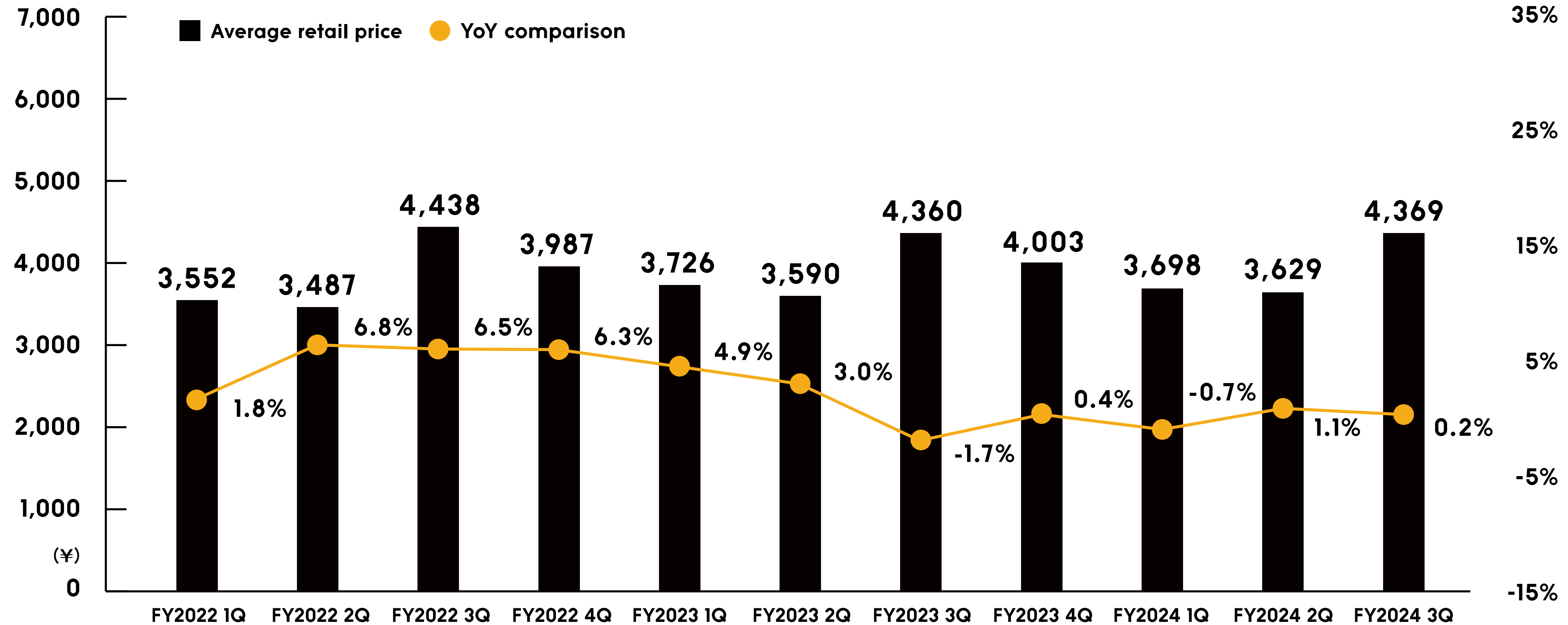
* Shops of the private brand "ZOZO" and "Multi-Size" are not included to the number of shops.



AVERAGE RETAIL PRICE

Average retail price

= Gross Merchandise Value of the ZOZOTOWN Business / Number of pieces shipped



On an in-stock basis, the price increase of items has leveled off, but the average list price decreased by about 2% due to a higher proportion of relatively low-priced items such as T-shirts, resulting from a change in the merchandising strategy of brands. However, the average retail price remained unchanged from the same quarter of the previous year due to a lower proportion of discounted items resulting from the delayed start of autumn sale events.



* The results are only from the ZOZOTOWN business. LY Corporation Commerce is not included.

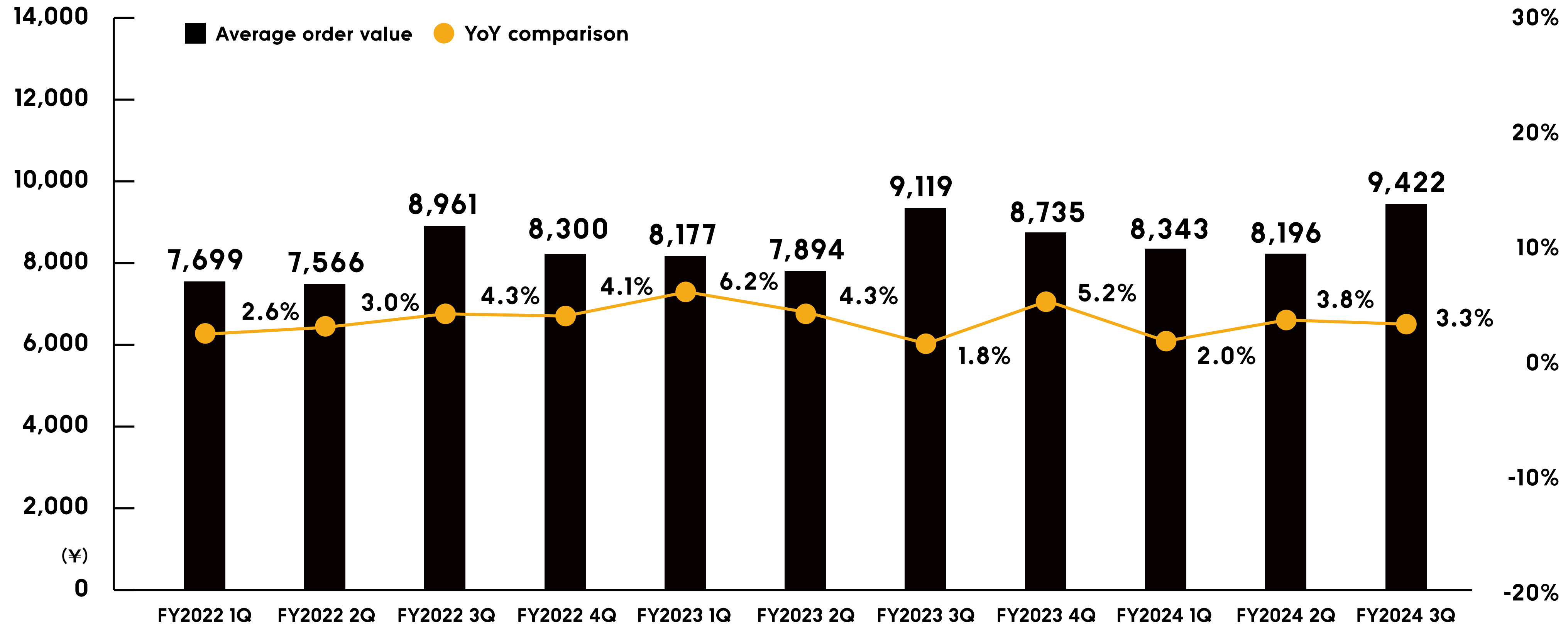
* Excluding the users who only purchased the body measurement device "ZOZOSUIT" "ZOZOMAT" and "ZOZOGLASS".



AVERAGE ORDER VALUE

Average order value

= Gross Merchandise Value of the ZOZOTOWN Business / Number of shipments



The increase in combined purchases has led to a continued rise in the average order value, resulting from the higher frequency of free shipping measures for orders of 12,000 yen or more compared to last year, which have been well received by customers.



* The results are only from the ZOZOTOWN business. LY Corporation Commerce is not included.

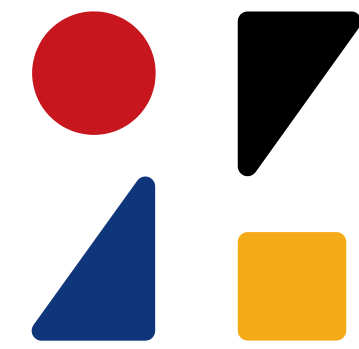
* Excluding the users who only purchased the body measurement device "ZOZOSUIT" "ZOZOMAT" and "ZOZOGLASS".



CONSOLIDATED BUSINESS FORECAST AND DIVIDEND FORECAST FOR FY2024

	FY2024 Plan	YoY
Gross Merchandise Value	609.2 billion yen	6.1%
Gross Merchandise Value (excluding other GMV)	572.2 billion yen	6.6%
Net sales	214.4 billion yen	8.8%
Operating profit	64.2 billion yen	6.9%
Operating Profit Margin (% to the Gross Merchandise Value)	11.2%	-
Ordinary profit	64.2 billion yen	7.4%
Profit attributable to owners of parent	45.2 billion yen	1.9%
Net profit per share	152.21 yen	-
Estimated dividends per share (Plan)	107 yen	-

* Operating profit margin is calculated by dividing operating profit by the Gross Merchandise Value (excluding other GMV).



ZOZO