Integrated Report FY2024

ZOZO

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Leveraging the Power of Fashion and Technology to Address Social and Environmental Challenges

Based on our corporate philosophy, "Inspire the world. Deliver joy every day." we have combined the power of fashion and technology to deliver unprecedented value. The fashion industry is at a crossroads. The challenges we face —including climate change, ethical sourcing, and logistics issues— are becoming increasingly complex and diverse, reshaping the industry like never before.

We see these challenges not as obstacles, but as opportunities to build a more sustainable and valuable business by mitigating risks, controlling costs, and generating positive financial outcomes. With the expertise and technological capabilities we have cultivated over the years, we will continue to act as a platform company, working closely with our business partners, customers, and local communities, leading positive changes across the industry.

"ZOZOTOWN" 20th Anniversary: Entering a New Phase of Growth

In December 2024, our core service ZOZOTOWN celebrated its 20th anniversary since launch. Marking this milestone as a starting point for our next stage of growth, we have accelerated initiatives based on our management strategy and “5 expansion plans”

1. Attract a wider range of customers

Through hosting the "ASIA STAR ENTERTAINER AWARDS" —an event featuring top artists across Asia for which we serve as the main organizer—we successfully reached our core target demographic of younger audiences and acquired many new customers. Our regular survey—targeting men and women aged 15 to 59—on "purchase destinations that come to mind when buying clothes" also revealed that ZOZOTOWN ranked as the top brand to recall.

While we have long shared the joy of fashion with various customers through our online platform, in June 2025, we took a step further by creating opportunities for real-world discovery and connection. We hosted "ZOZO Yokocho SAPPORO" in the Susukino district of Sapporo—an experiential event designed to directly connect customers with brands and offer new encounters with fashion.

We will continue proactive promotions to reach an even broader customer base, with a view to evolving from “ZOZO for buying fashion" to "ZOZO for everything fashion."

2. Increase in frequency of purchases per capita

Given the rapid spread of AI technologies such as generative AI and AI agents, we are exploring business opportunities that are unique to us at the intersection of fashion and AI. One example is our renewed fashion coordination app, "WEAR by ZOZO," which was relaunched in 2024. Its newly introduced feature, "Fashion Genre Diagnosis," leverages our proprietary AI to articulate customers’ preferred fashion genres, increasing the referral rate to ZOZOTOWN by 1.2 times by creating opportunities to discover new fashion suited for each customer.

In addition, fashion is closely tied to romantic relationships. Research indicates that romantic relationships often lead people to become more engaged in fashion. Building on this insight, in June 2025, we launched "ZOZO Match," a matching app powered by our proprietary AI that introduces users to someone with their preferred "vibe." Through this new fashion-related experience, we aim to create more opportunities for people to enjoy fashion.

Furthermore, we are developing an AI agent specialized in fashion. Through collaboration with LINE, the communication app of our group company LY Corporation, thereby creating more touchpoints with customers. In this way, we aim to respond to changes in customer search behavior and needs, and to become a category killer unique to fashion not only in e-commerce, but also in the world of generative AI and AI agents.

3. Production support

Since FY2022, our production support platform “Made by ZOZO” has been steadily growing, with the number of production models up 119.4% and production volume up 17.8% compared to the previous fiscal year. As Made by ZOZO is a made-to-order system, it contributes to a sustainable production process that avoids excess inventory. We plan to further boost Made by ZOZO. In August 2024, we also launched "Kiyasuku with ZOZO," a service that allows inclusive wear to be sold on a made-to-order basis using the Made by ZOZO system. This service is currently in development with partner brands, and we aim to continue increasing the number of production models.

4. Expanding the Cosmetics Category and Beyond

The cosmetics category has continued to grow steadily, with merchandise sales reaching ¥14.7 billion in FY2024, a year-on-year increase of approximately 30%. It has become a prominent category within ZOZOTOWN, now ranking among the largest cosmetics malls in Japan. By leveraging the systems and logistics infrastructure we have developed in the apparel business, we have created a highly convenient environment for both brands and customers in the cosmetics category.

Looking ahead to further category expansion, in December 2024 we signed an MOU for a strategic partnership with the South Korean fashion company MUSINSA Co., Ltd. By bringing MUSINSA's extensive K-FASHION lineup to ZOZOTOWN, we hope to offer customers new choices. We will continue enhancing our platform to make it easier for brands to open stores on ZOZOTOWN, while also exploring new categories beyond apparel. By expanding the range of products we offer, we aim to further elevate customer experience.

5. Technology Monetization

We are leveraging our technological strengths to explore new markets and create further revenue opportunities. One example is "ZOZOFIT", which utilizes "ZOZOSUIT", a bodysuit designed for 3D measurement, where we have steadily built a track record of success. Looking ahead to global growth, we have acquired all shares of LYST Ltd, the fashion shopping platform popular in Europe and the U.S., making it a wholly owned subsidiary (for details, see the CFO message). We will work closely with LYST to bring enjoyment and delight in fashion to our customers.

ESG strategy for Value Creation

We believe that taking an integrated approach to management—addressing immediate financial challenges while simultaneously pursuing the sustainability of our business —is key to enhancing long-term corporate value. That is also in line with our sustainability statement, "Connecting through Fashion for a Sustainable Future. " We have identified material issues expected to have medium- to long-term financial impact and are actively promoting actions across the four priority areas.

Key action 1
Providing the sustainable and unexpected services through co-creation with our business partners

We believe it is essential to address the environmental and social challenges facing the fashion industry together with our business partners, customers, and local communities. Since 2022, we have continuously held clean-up events with multiple brands, recycling some of the collected PET bottle waste into materials used in products on our production support platform, Made by ZOZO.

In addition, to raise awareness and provide support for the LGBTQ+ community, we have collaborated with certified NPOs and partner brands to create opportunities for

individuals to express themselves through ultra-personalized styling on our platform "niaulab by ZOZO." We will continue leveraging our technology and assets—including Made by ZOZO and ZOZOUSED—to work with stakeholders in efforts that tackle both environmental and social challenges and enhance corporate value.

Key action 2
Creating workplaces and communities where everyone can live authentically with joy through the promotion of DE&I

We have a diverse workforce with a wide range of backgrounds and values. We believe that each individual’ s unique skills and perspectives are the source of our competitive strength and value creation. Based on this philoso-phy, we have established a new HR strategy, “Creating Happiness for People and the Company through the Power of Trust,” and focus on keymaterial issues such as "enhancing employee engagement", "strengthening talent development", and "promoting DE&I".

We think the happiness in "Jiji"(*1)— a term unique to ZOZO for referring to working — is achieved when each employee develops their strengths and uses them not only for themselves but also for colleagues and society. As a result, they earn trust and feel the joy of connecting with others and contributing to their success. To support this, we provide training on career development and diversity, fostering a workplace where every employee can fully demonstrate their abilities, build mutual trust, and respect different perspectives.

In FY2024, in response to the rapid advancement of generative AI, we provided AI training for all employees and developed 59(*2) AI tools tailored to operational needs identified through employee feedback. These efforts enhance productivity while enabling employees to embrace new technologies and leverage their skills, creating an environment where innovation can flourish.

Additionally, we continue to engage with local communities, providing career education and environmental lessons to more than 300 schools to date. We will keep offering opportunities that inspire the next generation and broaden their future choices.

*1 At our company, we use the term "Jiji" to refer to work, emphasizing that it is not merely a duty but something naturaland fulfilling.
*2 As of April 2025

Key action 3

Contributing to a vibrant and sustainable planet by reducing negative impacts on the environment

The fashion industry is known for placing a significant burden on the environment throughout the lifecycle of its products. For this reason, reducing negative impact on the environment is one of our key priorities. We are actively promoting various actions across our business to achieve this goal.

Under our "2030 Carbon Neutral Declaration," we plan to switch all electricity used at our sites to 100% renewable energy, while also implementing energy-saving measures such as optimized air-conditioning control systems. In addition, our greenhouse gas reduction targets have been certified by the Science Based Targets initiative (SBTi).

To address the "2024 logistics issue" caused by the implementation of labor-related work-style reform laws, we have implemented measures such as the "Order Consolidation Function(*1)」" and "Slow Delivery(*2)」," which reduce the number of shipments and the associated environmental impact. Since 2023, the default delivery method has been set to "Safe Drop(*3)," and approximately 80% of ZOZOTOWN orders are now delivered using this method. These initiatives reduce CO_2 emissions and ease the workload of delivery drivers. Furthermore, we continue to reduce environmental impact through daily operational measures, such as optimizing the routes and frequency of the employee shuttle bus "ZOZOBUS," automating logistics facilities, and switching to

environmentally friendly packaging materials.

*1 When multiple orders are placed separately, this function consolidates them into a single shipment.
*2 A new delivery option in which items are shipped between 7 and 10 days after the order date.
*3 As of July 2024. The percentage is calculated based on orders eligible for “Safe Drop,” where customers selected this delivery method.

Key action 4

Maintaining and improving sound management and a strong administrative structure by strengthening governance

As a platform company that faces various business partners and customers, we believe that respecting human rights and caring for the environment throughout the supply chain is essential to our business. Based on this, in May 2025, we conducted a questionnaire on ESG as part of our supply chain due diligence, targeting our suppliers. The results confirmed that there were no serious human rights violations or compliance breaches; however, the questionnaire helped us identify potential ESG risks among suppliers and understand how they are managing them. Additionally, we regularly provide sustainability-related e-learning programs to all employees

and hold study sessions on human rights with outside experts, thereby working to enhance the knowledge of both employees and business partners. We will continue to enhance these efforts to prevent and mitigate ESG-related risks across the entire supply chain.

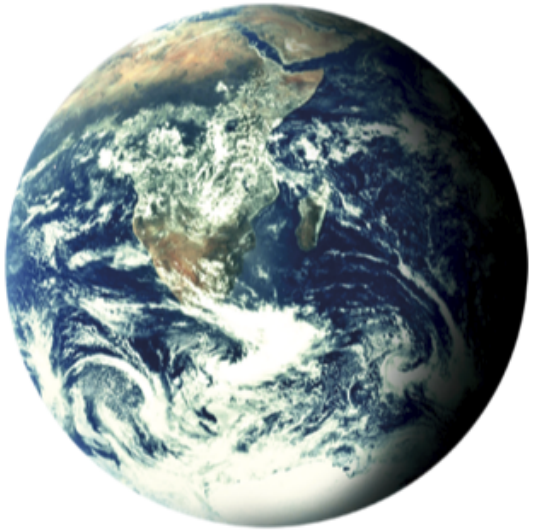
Message to Our Stakeholders

Guided by our corporate philosophy, "Inspire the world. Deliver joy every day," we will continue to combine the power of fashion and technology to create new value that has never existed before and to take on the challenge of addressing social issues. Through these challenges, we aim to strengthen our relationships with all stakeholders and enhance our corporate value. Moving forward, we will boldly advance toward building a sustainable society and creating a future where everyone can enjoy fashion.

Philosophy

Inspire the world.

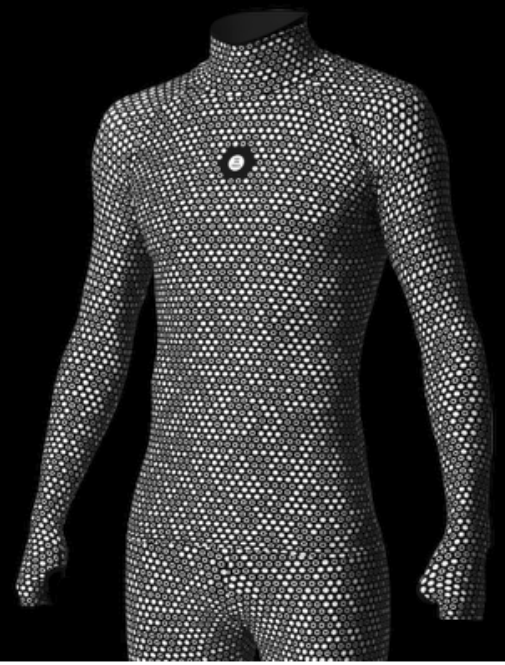
Deliver joy every day.



Strategy

MORE FASHION ×
FASHION TECH

- Explore your style. Make you delighted. -



Sustainability Statement

Fashion Connects and Leads us to a Sustainable Future.

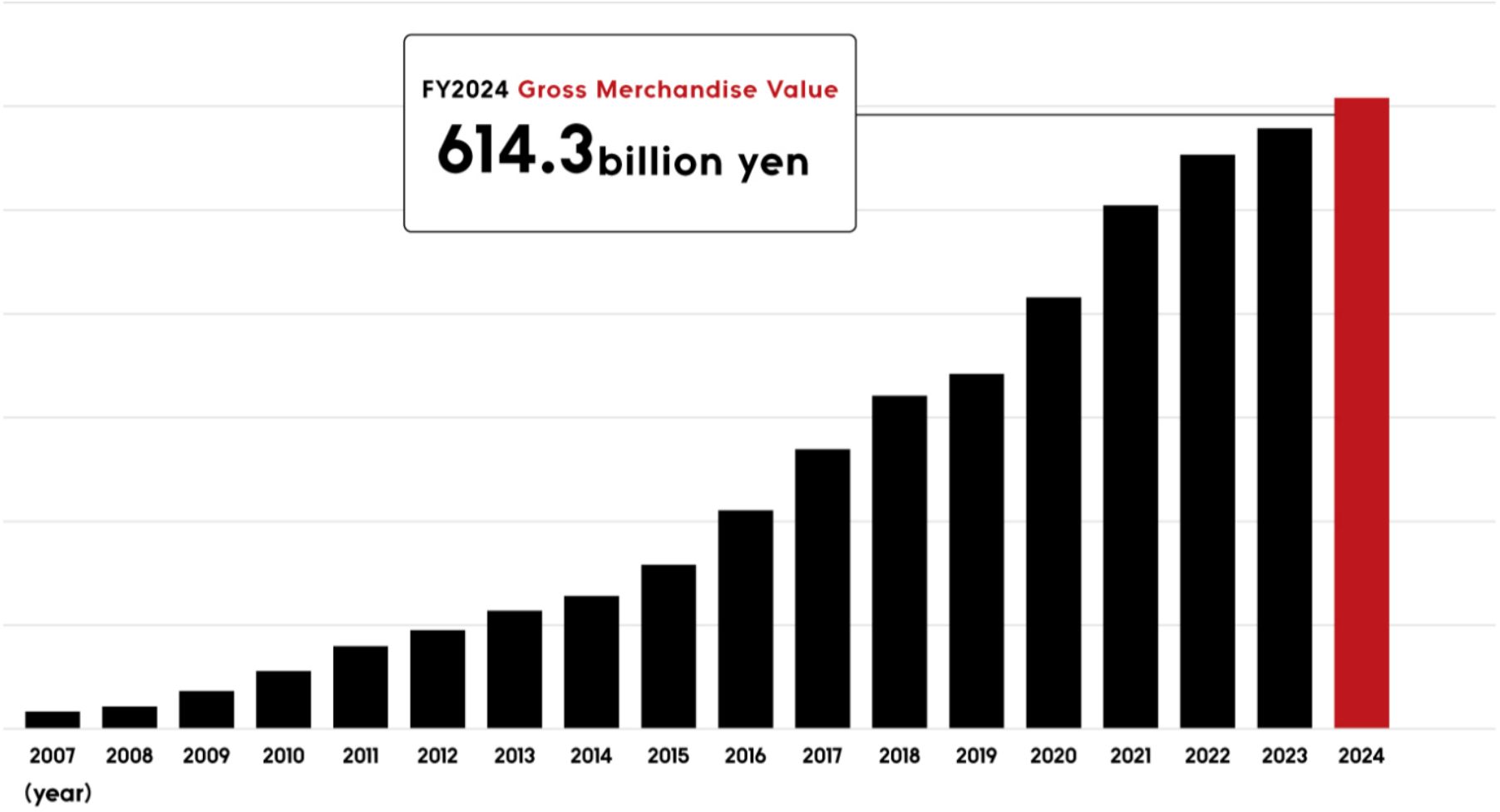
Mindset

Imagine the unexpected.
Chart the unexplored.

Make a difference every day.

With Love

Becoming a Fashion Tech Company with "Imagine the unexpected. Chart the unexplored"



1998	2000	2004	2006
Established “Start Today Ltd.”	Launched an online shopping website “STM online”	Launched a fashion e-commerce site “ZOZOTOWN”	Established a logistics center, “ZOZOBASE”

2007	2012	2013	2017
Listed on the Tokyo Stock Exchange Mothers.	Launched an online website (shop) for secondhand/vintage apparel “ZOZOUSED” .	Launched a fashion / styling content app “WEAR” .	Launched a 3D measurement bodysuit “ZOZOSUIT” .

2018		2019	
Renamed Start Today Co.,Ltd to “ZOZO, Inc.”	Established a logistics center “ZOZOBASE Tsukuba 1”	Launched a fulfillment support service “Fulfillment by ZOZO” .	Launched a Multi-size service.

2019	2020		
The Capital and Business Alliance with LY Corporation.	Launched a 3D foot measuring tool “ZOZOMAT” .	Launched a shoe specialized zone “ZOZOSHOES” .	Established a logistics center “ZOZOBASE Narashino2”

2021

Launched a skin tone capturing device “ZOZOGLASS” .

Launched a platform dedicated to the beauty and cosmetic category “ZOZOCOSME” .

Launched an OMO platform (Online-merge Offline) that connects ZOZOTOWN and brands’ physical stores “ZOZOMO” .

2022

Launched a 3D body scan technology “ZOZOFIT” .

2022

Launched a sales support tool for store staff “FAANS” .

Launched a production support service “Made by ZOZO” .

Launched an ultimate personalized-styling service “niaulab by ZOZO” .

2023

Established a logistics center “ZOZOBASE TSUKUBA 3”

2024

Launched “ZOZOMETRY” an efficient body measurement service for businesses.

2025

Acquired 100% ownership of UK-based company “LYST LTD.”

START TODAY CO.,LTD.

1998 / Established “Start Today Ltd.”

Business started out by selling imported CDs and vinyl records, based on mail orders from a catalog.

2004 / Launched a fashion e-commerce site “ZOZOTOWN”

Launched a fashion e-commerce site “ZOZOTOWN” introducing items from 17 apparel select stores. Currently, the number of shops we handle is more than 1,600, and over 12 million people per year customers use it.

2007 / Listed on the Tokyo Stock Exchange Mothers.

At the ceremony when the company was listed, the five directors at the time wore T-shirts with the words "NO WAR" painted on each one.

2012 / Launched an online website (shop) for secondhand/vintage apparel “ZOZOUSED”.

Launched an online website (shop) for secondhand/vintage apparel “ZOZOUSED”. Currently, offering more than 10,000 new items per day, from approximately 7,000 brands on average.

2017 / Launched a 3D measurement bodysuit “ZOZOSUIT”.

Launched a 3D measurement bodysuit “ZOZOSUIT” as a technology to eliminate "size anxiety" when shopping on the Internet.

2019 / The Capital and Business Alliance with LY Corporation.

Announced a capital and business alliance with LY Corporation (in November 2019, our Company became a consolidated subsidiary). Founder MAEZAWA Yusaku retires and is succeeded by SAWADA Kotaro as Representative Director, President & CEO.

2022 / Launched a 3D body scan technology “ZOZOFIT”.

Launched a new 3D body scan technology “ZOZOFIT” in the U.S. that utilizes the 3D measurement bodysuit “ZOZOSUIT” to support workout progress.

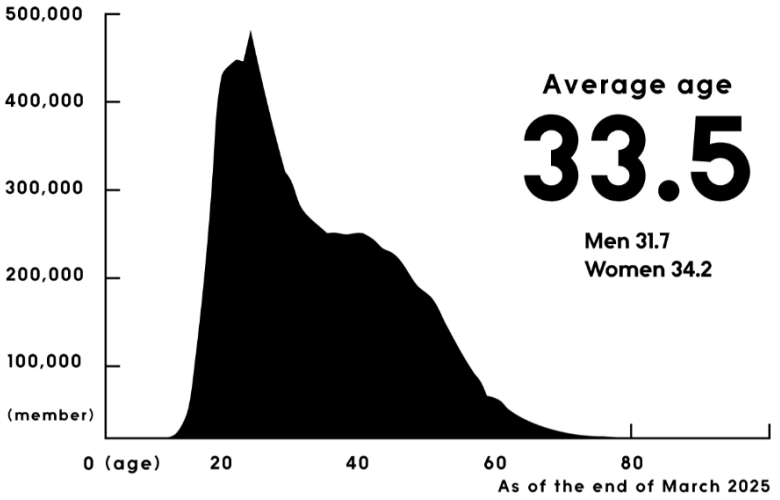
2022 / Launched an ultimate personalized-styling service “niaulab by ZOZO”.

Opened ZOZO's first physical store "niaulab by ZOZO" in Omotesando. We provide an opportunity to find “your style” through the ultimate personalized-styling service “niaulab by ZOZO”.

One of the largest fashion e-commerce platforms in Japan, leveraging global group synergies

- More than 12 million annual purchases on ZOZOTOWN(*)
- Youth users, the core target of brands in ZOZOTOWN, are more than 50% of the total number of users(*)
- More than 1,600 stores and 9,000 brands handled(*)
- Attracting new customers through group synergy with LINE Yahoo Group
- Growth driven by expansion into the European and U.S. e-commerce media market through collaboration with the fashion shopping platform “Lyst”.

(*) as of March 31, 2025



Fashion services utilizing technologies, R&D functions, and AI

・Utilizing customer purchase history, reviews, and logistics information for marketing purposes
・Proactively engage in R&D and contributing to the revitalization of the fashion industry
・Providing the "Made by ZOZO" production support platform to brand companies
・Providing measurement devices "ZOZOSUIT", "ZOZOMAT", "ZOZOGLASS" and "ZOZOMETRY"
・Providing outfit-sharing app “WEAR by ZOZO”
・Increasing in the number of intellectual property rights acquired by strengthening the intellectual property management system

Talent attracted by unique culture

・Service management by employees who love fashion
・"Nanameue Award" to Recognize ZOZO's Unique Actions
・High employee engagement through work with fun
・A flexible work environment that supports diverse and talented individuals to work in ways that suit their lifestyles

Strong ties with local communities through next-generation development

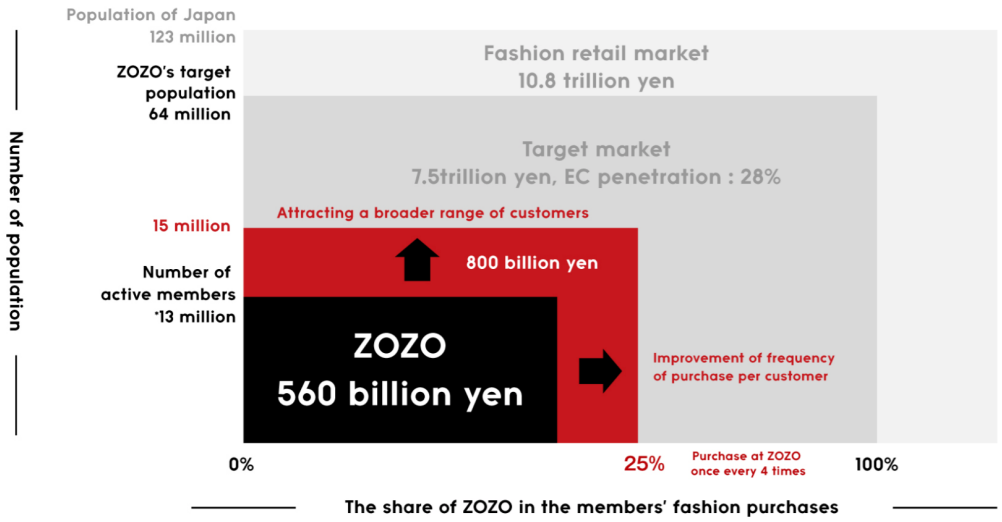
- Comprehensive partnership agreements with Chiba City and Tsukuba City, and initiatives that leverage the resources and expertise of both cities
- Contribute to the revitalisation of local communities, by 'connection' next-generation people under 20 years old
- Establish a prompt donation and support system in the event of a disaster

Potential of the Fashion Retail Market

In fiscal year 2024, our gross merchandise value reached 560 billion yen, representing a 5% increase from 530 billion yen in the previous fiscal year. We are steadily progressing toward our goal of achieving 800 billion yen in gross merchandise value. Additionally, the number of active members in “ZOZOTOWN” increased from 12 million to 13 million, solidifying our platform as one that can be continuously used by an increasing number of customers.

On the other hand, the e-commerce penetration rate in the target population for “ZOZOTOWN” (offline and online for the target population) is 28%, with the online market estimated at 2.1 trillion yen, indicating significant room for further expansion. We will continue to strive to grow as a company that adapts to societal changes.

Potential to gain further market share in the future

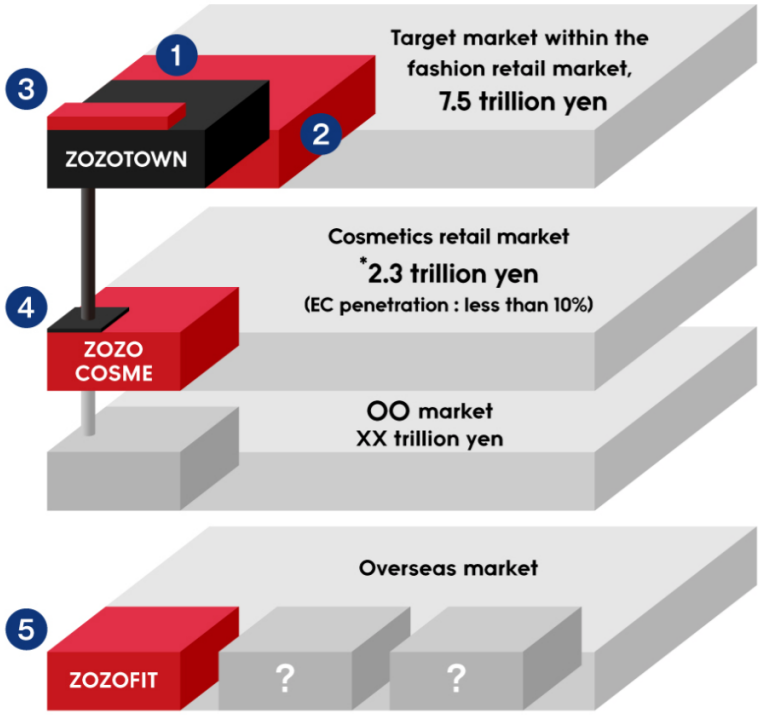


*The sum of ZOZOTOWN and ZOZOTOWN on Yahoo! JAPAN Shopping (Members registered at both sites are counted as one member)

Future Expansion Strategy

Based on the management strategy "More Fashion × Better Fashion Tech - Explore your style. Make you delighted. -", we aim to achieve sustainable growth by promoting 5 expansion plans: "1. Attracting a broader range of customers," "2. Improvement of frequency of purchase per customer," "3. Production support," "4. Expansion of the cosmetics category and its next step," and "5. Monetization of technologies (≒overseas market)."

Future expansion plans



1. Attracting a broader range of customers
2. Improvement of frequency of purchase per customer
3. Production support
4. Expansion of the cosmetics category and its next step
5. Monetization of technologies (≒overseas market)

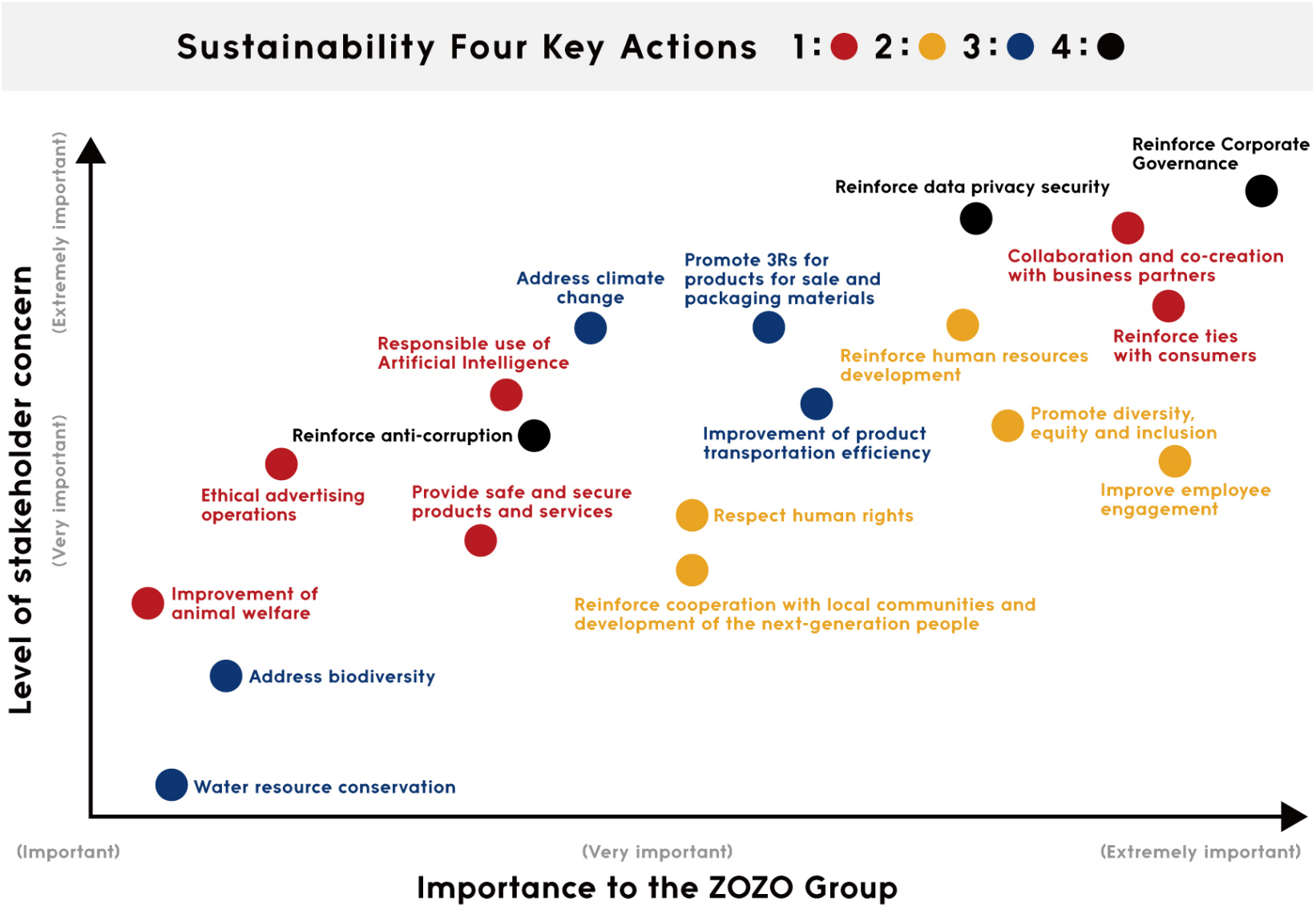
*Market size is estimated by the Company based on "2022 Edition -Comprehensive Guide to Cosmetics Marketing " by Yano Research Institute Ltd.
EC penetration rate is based on the Company' s own estimates.

Identification of Materiality

We routinely gather expectations, requests and opinions from our important stakeholders. Expectations from our service users and clients, among other things, are gathered through questionnaires and interviews, and expectations from existing shareholders and other investors are also gathered through shareholder meetings, engagement meetings, and evaluation data to us. We also strive to understand the expectations of industry groups and NGOs through meetings and interviews. With reference to the expectations and demands of each of these stakeholders and the demands of society, such as the major ESG evaluation items, we discussed and examined them from the viewpoint of the characteristics of our group and the contribution to the growth of our group, and identified materiality items that are of high importance to both stakeholders and us.

* Materiality is discussed by SDGs Promotion Committee and approved in the Board of Directors on August 16, 2024.

Materiality Map



Sustainability Four Key Actions

	Sustainability Four Key Actions	Description	Materiality	Targets and Indicators
1	Providing the sustainable and unexplored services created together with our business partners	We aim to solve environmental and social issues by providing safe, secure, sustainable, and exciting services through the use of technology and by collaborating and co-creating with all stakeholders, including business partners.	● Reinforce ties with consumers ● Collaboration and co-creation with business partners ● Responsible use of Artificial Intelligence ● Provide safe and secure products and services ● Ethical advertising operations ● Improvement of animal welfare	・Display sustainability information on products for sale ・Realization of traceability of products for sale ・Expansion of made-to-order sales utilizing production support service
2	Realization of workplaces and communities where everyone can live their lives with a smile by promoting DE&I	We aim to realize a fair and just world where everyone can live with respect and smiles in their own way by promoting a work environment that values diversity and contributing to the revitalization of local communities and support for the next-generation people collaborating with stakeholders, especially in industry, government, and academia.	● Improve employee engagement ● Promote diversity, equity and inclusion ● Reinforce human resources development ● Respect human rights ● Reinforce cooperation with local communities and development of the next-generation people	・Ratio of Female Directors to be 30% or more by 2030 ・Ratio of women in senior management positions (general managers and above) to be 30% or more by 2030 ・Ratio of women in management positions (section managers and above) to be 40% by 2030 ・Ratio of male employees taking childcare leave (overall) to be 100% by 2030 ・Ratio of male employees taking childcare leave (permanent employees) to be 100% by 2030 ・Ratio of male employees taking childcare leave (non-permanent employees) to be 100% by 2030 ・Gender pay gap ratio (overall) to be 60% by 2030 ・Gender pay gap ratio (permanent employees) to be 80% by 2030 ・Gender pay gap ratio (non-permanent employees) to be 106% by 2030 ・Maintain 2.5% employment rate of persons with disabilities. ・Connect with one million people in the next-generation by 2030
3	Contributing to a prosperous planet by reducing environmental impact	We aim to realize a sustainable environment of the earth by working with our stakeholders to solve natural environmental issues and reduce environmental impact.	● Improvement of product transportation efficiency ● Promote 3Rs for products for sale and packaging materials ● Address climate change ● Address biodiversity ● Water resource conservation	・Reduce Scope 3 emissions in 2030 by 42% from the base year (2020) ・Achieve "carbon neutral" by 2030 ・Achieve "net zero" by 2050
4	Maintain and improve correct management and a strong management system by strengthening governance	We will maintain and improve a sound and flexible management system and aim for highly transparent, effective, and prompt management by strengthening corporate governance, risk management, privacy security, etc.	● Reinforce Corporate Governance ● Reinforce data privacy security ● Reinforce anti-corruption	・Ratio of Female Directors to be 30% or more by 2030


Strategy
&
Business
20:20
あなたの好みのジャンル傾向
リラックスしがちな
ストリート
ナチュラル
20
45
35
ラフ
5枚以上選んでください
WOMEN
MEN
なたは着心地の良い素材を取り入れて
リートカルチャーを感じるスタイルが
うです！そして温もりのある雰囲気を
るのも気になっていますね。なんとも
センスです！
リラックスしがちなストリー
こんなコーディネート
次へ

Strategy & Business

CFO Message

Financial Highlights

Core Services

Group Structure

Review of FY2024

In FY2024, promotional measures on “ZOZOTOWN” and “LINE Yahoo Commerce (*)” proved effective in acquiring new customers and retaining existing ones, which in turn drove record highs in product transaction volume and net sales. In addition, improvements in operational efficiency at our logistics center helped to curb person-nel expenses, contributing to an increase in operating profit. As a result of these efforts, we achieved record profits for the sixth consecutive fiscal year.

Net income attributable to owners of the parent increased by 2.3% year on year. Compared with the 7.8% growth in operating profit, the pace of growth was more moderate, mainly due to a decline in the tax credit for sustainability measures that was recognized in the previous fiscal year. Nevertheless, net income was in line with our plan.

* LY Corporation Commerce represents the combined total of "Yahoo! JAPAN Shopping" and "Yahoo! JAPAN Auction".

Future Investment Strategy

Guided by our management strategy — More Fashion × Better Fashion Tech– Explore your style. Make you delighted — we have been implementing various measures.

Domestically, in August 2024, we began operations at our logistics center, “DPL Tsukuba Central,” and have continued upgrading equipment at existing sites to further strengthen our logistics infrastructure. In December 2024, we also signed an MOU with the South Korean fashion company MUSINSA Co., Ltd. for a strategic

partnership, and we are currently preparing to introduce MUSINSA's extensive K-FASHION brand lineup on ZOZOTOWN. These efforts aim to expand our existing categories while actively exploring new ones.

Our fashion coordination app, "WEAR by ZOZO," which relaunched in 2024, helps users discover the latest fashion trends. Since May 2024, it has offered "Fashion Genre Diagnosis," a service that uses AI to identify each customer's preferred fashion styles. Building on this foundation, in June 2025, we launched "ZOZO Match," a matching app powered by our proprietary AI that introduces users to someone with their preferred "vibe," leveraging our know-how and technology.

In addition to these efforts, we are also pursuing the development of services and technologies with a view to expanding our business globally. In the United States and other countries, we offer a 3D body scanning service for individuals called "ZOZOFIT." Furthermore, in April 2025, we welcomed LYST Ltd, the operator of the popular fashion shopping platform Lyst, into our group. By combining LYST's brand strength and user base in Europe with our expertise in AI and measurement technologies, we aim to enhance both user experience and our profitability, accelerating our expansion in the media commerce field across Europe and the U.S. This partnership also provides access to previously hard-to-reach markets, including the European and luxury segments, taking our overseas strategy to a new stage.

Currently, the overseas fashion e-commerce market is characterized by services that prioritize customer convenience, including aggressive price competition, widespread free shipping, and flexible return policies. However, behind these trends lie structural challenges that can negatively affect overall business profitability and brand value. In response to this market environment, we are working to establish a new market model that positions “experiential value” as a key competitive differentiator.

Improvement of Capital Efficiency

We believe that generating returns above our cost of capital is essential for the continuous enhancement of corporate value, and therefore we use return on equity (ROE) as a key management indicator. To manage capital efficiently, we aim to maintain ROE above 30%, referring to levels of comparable global companies. In FY2024, ROE reached 49.4%, significantly exceeding our target. We will continue to enhance capital efficiency and corporate value through appropriate investment and the execution of our capital policies.

Shareholder Return Policy

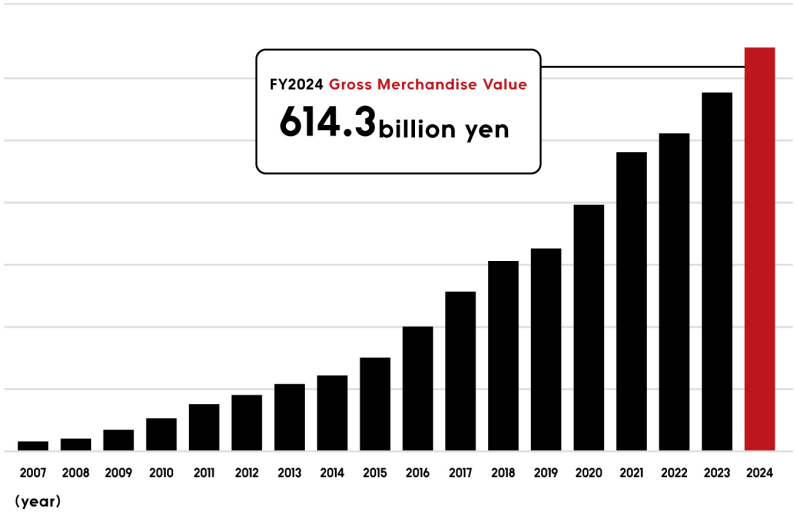
Based on our basic policy regarding returns to shareholders, we consider various factors—including business performance, financial condition, and future business and investment plans—and distribute benefits while maintaining a balance with retained earnings. In line with this approach, in October 2023, we announced a new policy aiming for a total shareholder return ratio, including share buybacks, of over 80% on a five-year average from the fiscal year ending March 2024 onward. Pursuant to this policy, we decided on a share buyback in April 2025 and completed the repurchase in July 2025. In addition, a portion of the treasury shares we held was canceled. Going forward, we will continue striving to achieve capital returns exceeding our cost of capital, while balancing medium to long-term corporate value with returns to shareholders.

Message to Our Stakeholders

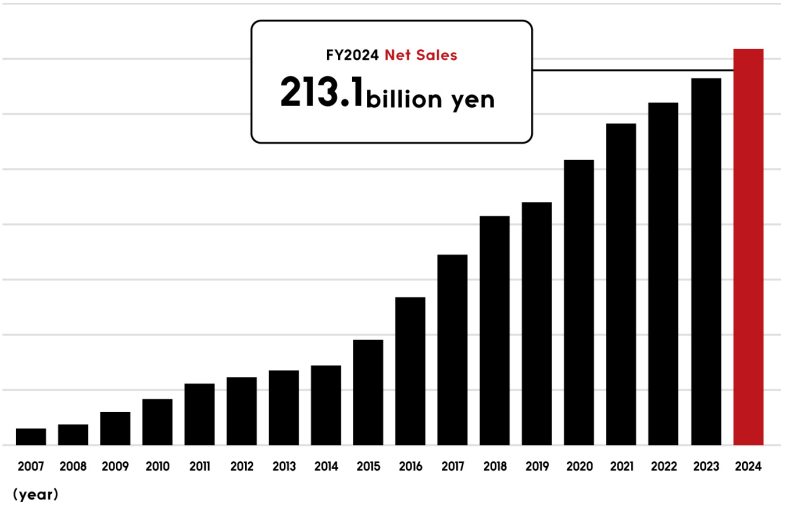
We are strengthening our management foundation from both financial and sustainability aspects to achieve continuous growth. While maintaining capital-efficiency, we actively incorporate ESG initiatives, engage in constructive dialogue with stakeholders, and reflect feedback from ESG rating agencies in our management system. As a result, we have received high external recognition, including the highest rating of "AAA" in the MSCI ESG Ratings and selection to the "A List" in CDP's climate change category. By signing an MOU with the South Korean fashion company MUSINSA and acquiring LYST as a subsidiary, we are steadily capturing new growth opportunities. As a platform company in the fashion industry, we will continue delivering valuable services to our stakeholders while pursuing our corporate philosophy, "Inspire the world. Deliver joy every day."

Financial Highlights

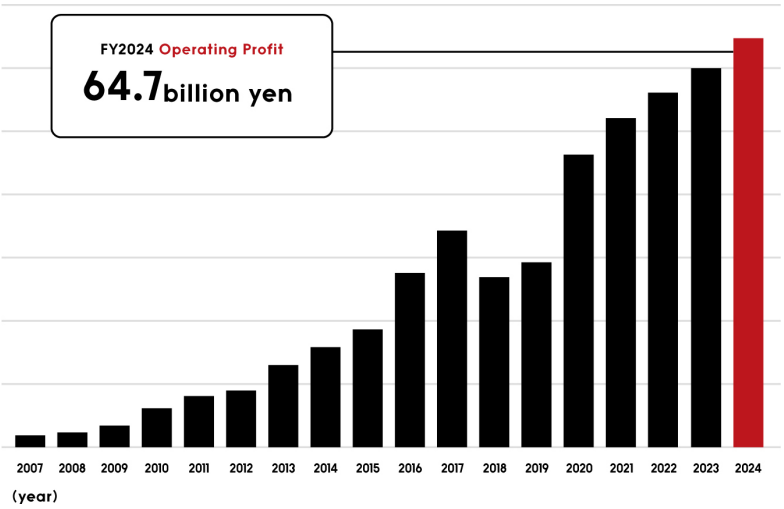
Gross Merchandise Value



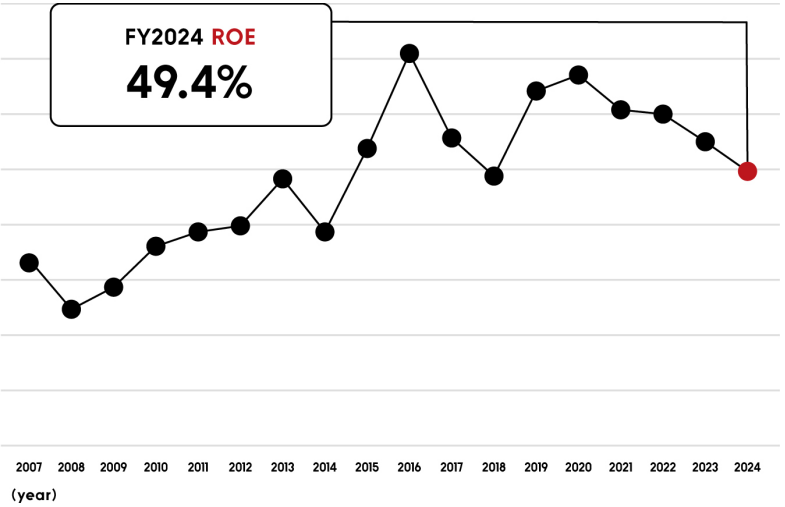
Net sales



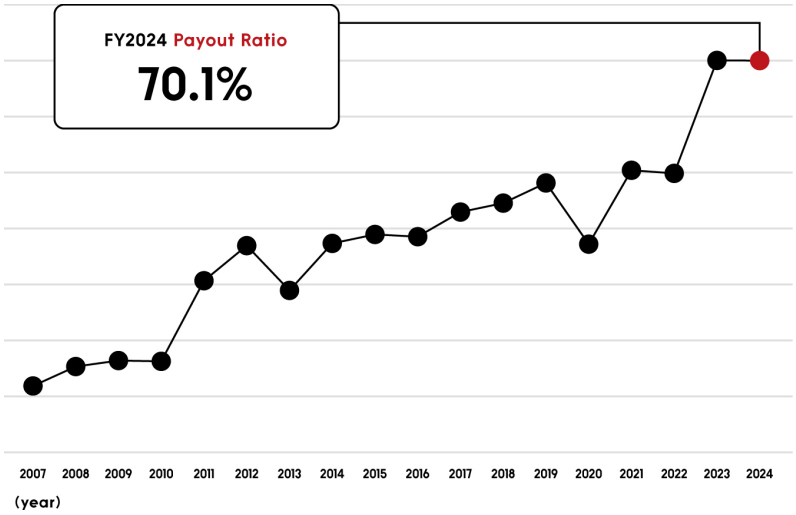
Operating Profit



ROE



Dividend Payout Ratio



ZOZOTOWN

https://zozo.jp/

The largest fashion e-commerce in Japan.
Over 1,600 stores offering more than 9,000 brands.
At any given time, more than 1,070,000 items are available for purchase, in addition of more than 2,700 new items (average) per day.
(As of Jun. 30th, 2025)

Operates ZOZOCOSME, a specialized cosmetics mall, ZOZOSHOES, a shoe-specialized zone, and ZOZOVILLA, a luxury & designer zone.

Same day delivery services are available in limited areas within Japan.
Gift-wrapping services.
Deferred payment option, “Tsukebarai”.

Since Dec. 15th, 2004

Download on the App Store　GET IT ON Google Play

WEAR

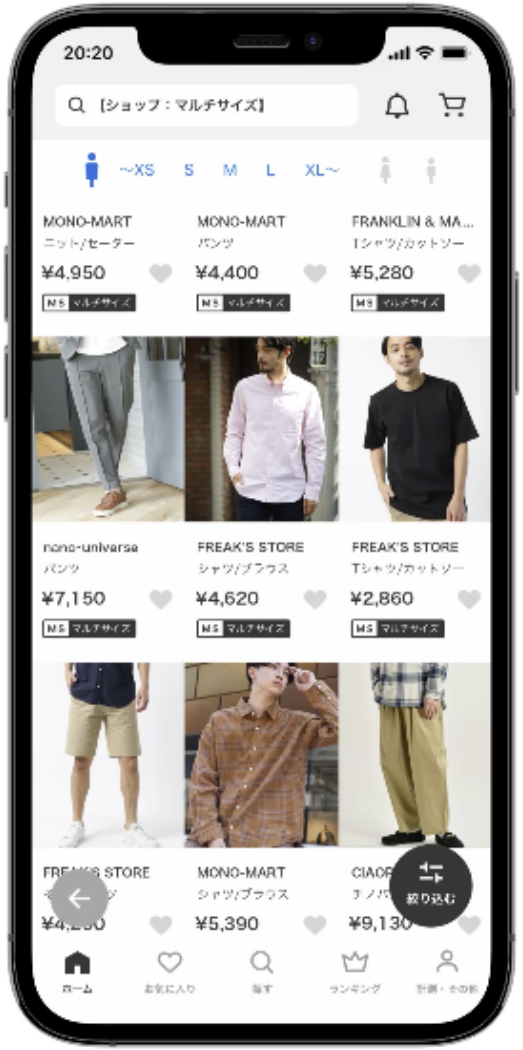
https://wear.net/

Japan's largest outfit-sharing app with over 19 million downloads.
Users are able to search for outfits that suit you and the latest trends based on AI diagnosis from more than 14 million posts by users in a wide range of genres.
In addition, know-how videos, makeup posts, and a full makeup AR function provide a wealth of fashion information, including makeup. (As of Jun. 30th, 2025)

Since Oct. 31st, 2013

Download on the App Store

GET IT ON Google Play



MS

https://zozo.jp/multisize/

Multi-size is a new way of shopping for clothes where users select their height and weight to purchase their ideal size.
Collaborates with brands to sell items that have been expanded into multi-size since Fall/Winter 2019.

Participating brands
Audrey and John Wad, Aunt Marie's, Auntie Rosa Holiday, FREAK'S STORE, FREE'S MART, LOWRYS FARM, NANO universe, NATURAL BEAUTY BASIC, Ungrid etc.

Since : Aug. 2nd, 2019

ZOZOUSED

https://zozo.jp/zozoused/

Online website (shop) for secondhand/vintage apparel “ZOZOUSED” .

Offering more than 10,000 new items per day, from approximately 7,000 brands on average (As of the end of fiscal year 2024).
Offers a wide variety of fashion items, from casual to luxury brands with reasonable prices.

Users who trade-in their secondhand/vintage apparel can receive discounts for new items they purchase on ZOZOTOWN.

"ZOZO Trade-in" function whereby you trade-in items purchased in the past and discount the trade-in amount on the spot when you shop at ZOZOTOWN.
"Any time ZOZO Trade-in" function that allows you to exchange previously purchased items on ZOZOTOWN for ZOZO points at any time.
When you send trade-in items, you can sell them if you pack the items on hand that you purchased outside of ZOZOTOWN.
More than 9,700 fashion brands can be purchased by ZOZOUSED (As of Jun. 30th, 2025).
Shipping charges and handling charges are free.

Since Nov. 12th, 2012

Fulfillment by ZOZO

https://fbz.zozo.com/

A fulfillment support service for e-commerce sites operated by partner companies with stores in ZOZOTOWN.

ZOZOTOWN's logistics center "ZOZOBASE" takes on various fulfillment operations such as photography, measuring, packaging and delivery for the companies' internal e-commerce operation.
Partner companies can operate their internal e-commerce sites without bearing capital investment, labor costs, inventory storage fees, etc.
Offers inventory coordination among each channel of sales (internal e-commerce, store, ZOZOTOWN), minimizing the loss of sales opportunities due to product shortages.

Since May 20th, 2019

ZOZOSUIT

https://corp.zozo.com/measurement-technology/

3D measurement bodysuit "ZOZOSUIT" enables 3D modeling of a precise body by taking a 360-degree picture of dot-marks printed on the entire suit with a smartphone camera.

Introduced in Oct.2020

*former ZOZOSUIT…Introduced in 2017,currently the service has ended.

ZOZOMAT

https://zozo.jp/zozomat/

3D foot measuring tool "ZOZOMAT" is a printed mat that allows customers to easily measure 3D of feet while you are at home by taking a 360-degree photograph of the dot markers on the entire mat with a smartphone camera. By taking photographs of feet one by one on a mat with a smartphone, it is possible to measure multiple points, such as leg length, leg breadth, and foot surroundings.

ZOZOGLASS

https://zozo.jp/zozoglass/

ZOZOGLASS is a skin tone capturing device that will solve customers' challenge of cosmetic product color selection when shopping online. When scanning with ZOZOGLASS and the ZOZOTOWN app, one's smartphone camera detects the fiducial markers for locating customers' face and facial features. Color swatches printed on ZOZOGLASS' front frame allow the proprietary algorithm to color correct and accurately detect customers' skin tone in any lighting condition.

ZOZOFIT

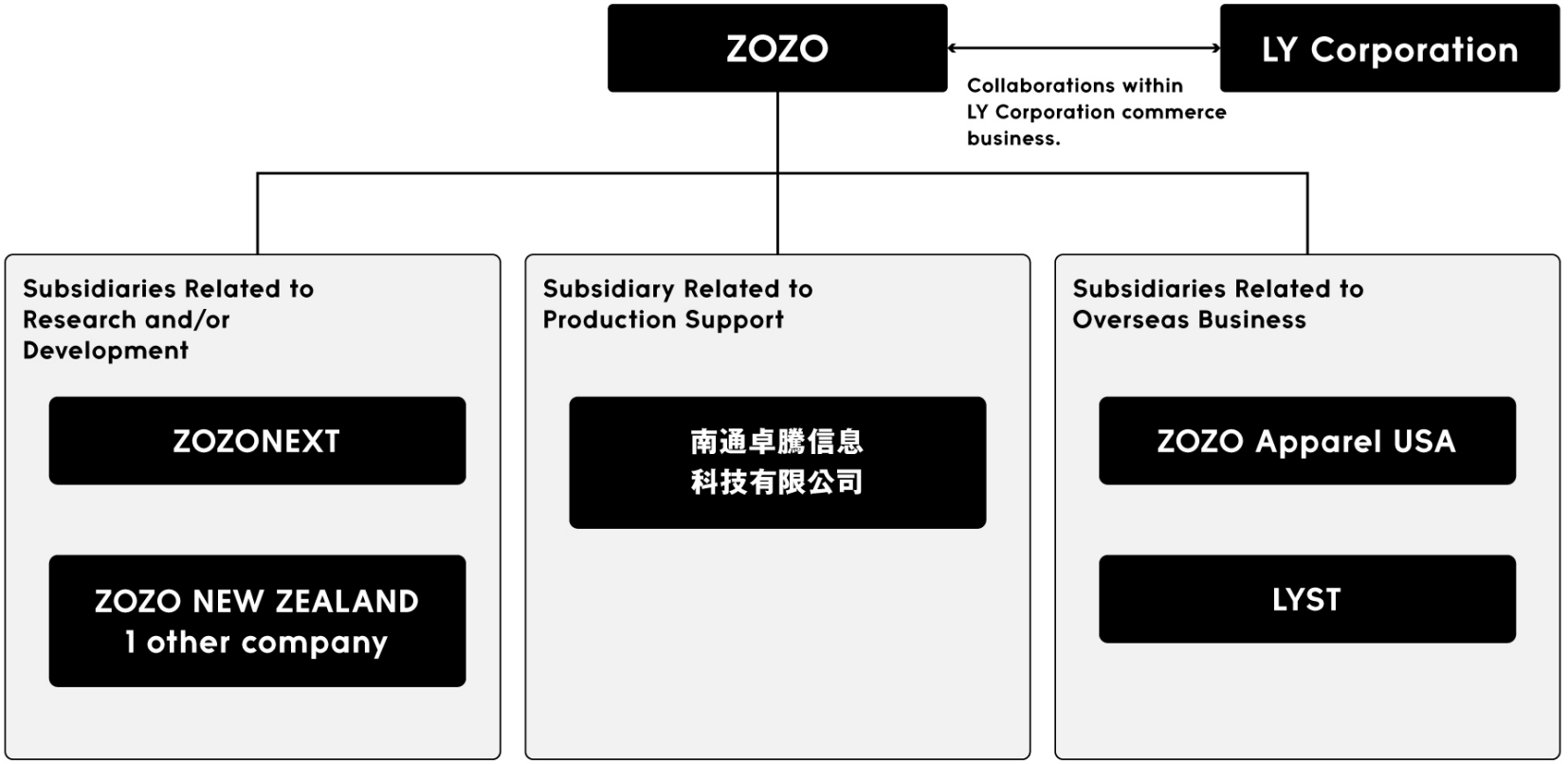
https://zozofit.com/

Body management service “ZOZOFIT” enables easy, highly accurate 3D body scans to be captured at gyms and homes, as well as the tracking and comparing of measurement data over time. This is the first non-apparel offering utilizing the ZOZOSUIT technology, and is available in the U.S.

Since Aug 24th, 2022

Group Structure

ZOZO Group is building a management system that can promote existing businesses at ZOZO, create group synergies with the parent company LY Corporation Group (formerly Z Holdings Group), and promptly promote R&D and new businesses with Group companies. We will continue to build an optimal group structure to promote management strategies and realize sustainable company growth.



ESG Data

ESG Data

Guidelines Comparison Tables

This page provides data related to ESG (Environmental, Social, and Governance) in our business activities, organized by categories and consolidated.

Coverage of companies covered in this report

ZOZO Corporation, ZOZO NEXT Corporation

Coverage ratio

Environmental and governance items are calculated based on the sales revenue ratio of each group company that makes up the ZOZO Group.
Social items are calculated based on the ratio of the number of employees comprising the ZOZO Group.

ESG Data

Environment　Social　Governance

Environment

Items		Unit	FY2023	FY2024	Coverage
Scope 1&2		t-CO2	271	750	100%
Scope1&2&3		t-CO2	224,864	205,330	100%
Scope1&2 per unit of net sales		t-CO2/ Millions of JPY	0.001	0.004	100%
Scope1&2&3 per unit of net sales		t-CO2/ Millions of JPY	1.14	0.96	100%
Scope1		t-CO2	34	34	100%
Scope1	Gas	㎥	0	0	100%
	Diesel fuel	kl	6	8	100%
	Heavy oil	kl	0	0	100%
	Kerosene	kl	0	0	100%
	Gasoline	kl	8	5	100%
Scope2 Location Based		t-CO2	12,252	13,576	100%
Scope2 Market Based		t-CO2	237	716	100%
Scope2	Hot water/cold water	GJ	205	226	100%
	Electricity	kwh	27,946,914	30,965,057	100%

Items		Unit	FY2023	FY2024	Coverage
Scope3		t-CO2	224,593	204,580	100%
Scope3 per unit of net sales		t-CO2/ Millions of JPY	1.14	0.96	100%
Scope3	Category1:Purchased goods and services	t-CO2	46,673	51,069	100%
	Category2:Purchased capital goods	t-CO2	77,223	41,961	100%
	Category3:Purchased fuel/energy not included in Scope 1 or 2	t-CO2	1,913	2,119	100%
	Category4:Upstream transportation and distribution	t-CO2	71,625	80,514	100%
	Category5:Waste generated in operations	t-CO2	275	288	100%
	Category6:Business travel	t-CO2	1,378	1,201	100%
	Category7:Employee commuting	t-CO2	1,505	1,681	100%
	Category8:Upstream leased assets	t-CO2	1,109	928	100%
	Category9:Downstream transportation and distribution	t-CO2	0	0	100%
	Category10:Processing of sold products	t-CO2	0	0	100%
	Category11:Use of sold products※1	t-CO2	0	0	100%
	Category12:End-of-life treatment of sold products	t-CO2	22,892	24,819	100%

Items		Unit	FY2023	FY2024	Coverage
Scope3	Category13:Downstream leased assets	t-CO2	0	0	100%
	Category14:Franchises	t-CO2	0	0	100%
	Category15:Investments	t-CO2	0	0	100%
Energy	Total energy consumption	GJ	273,536	303,027	100%
	CO2 emission per energy consumption	t-CO2/GJ	0.047	0.0472	100%
	Total energy consumption intensity	GJ/Millions of JPY	1.39	1.42	100%
	Renewable energy consumption	GJ	267,557	285,068	100%
	Ratio of renewable energy	%	98.1	94.5	100%
	Renewable energy consumption intensity	-	1.36	1.34	100%
Water consumption	Overall water consumption	㎥	34,924	36,168	100%
	Of which, consumption of city water	㎥	31,905	33,746	100%
	Of which, sewage consumption**	㎥	2,816	0	100%
	Other Sources (e.g., Recycled Water)*	㎥	-	2,526	100%
	Water consumption per unit of net sales	㎥/Millions of JPY	0.18	0.17	100%

Items		Unit	FY2023	FY2024	Coverage
Waste	Total waste	t	6,921	6,820	100%
	Amount of waste recycled	t	6,921	6,816	100%
	Final disposal of waste	t	0.1	4.2	100%
	Total emissions of waste per unit of net sales	t/Millions of JPY	0.035	0.032	100%
	Final disposal of waste per unit of net sales	t/Millions of JPY	0.00	0.00	100%
	Recycling rate of waste	%	99.9	99.9	100%
Average PUE of data centers		-	1.6	1.5	100%
Green purchasing ratio※2		%	21.0	30.2	100%
Total paper used		t	30.7	19.4	100%
Environmental Investment※3		Millions of JPY	8,483	7,917	100%
Number of environmental fines and penalties		-	0	0	100%
Amount of environmental fines and penalties		-	0	0	100%

*Expanded disclosure information.
**Revised calculation logic for FY2024.
※1 Category 11: Excluded from calculation starting fiscal year 2023.
※2 Green purchasing ratio covers OA, PC, household goods, and stationery/office supplies.
※3 Includes the amount of goods purchased from customers through the ZOZOUSED service, the cost of introducing renewable energy electricity, and the cost of introducing environmentally friendly materials.
ZOZO Corporation has undergone a three-party verification covering "greenhouse gases, energy, water, and industrial waste" by the Japan Quality Assurance Organization (JQA), with the aim of enhancingthe reliability of objective evaluation and calculation of environmental data.
※ Certified as part of the SoftBank Group Corp., including ZOZO
The only greenhouse gas (GHG) emitted from our operation is carbon dioxide (CO_2).

Social

Items		Unit	FY2023	FY2024	Coverage
Number of employees: Ratio of male to total, ratio of female to total	Total	Number	1,644	1,704	100%
	Male	Number (%)	954 (58.0%)	995 (58.4%)	100%
	Female	Number (%)	690 (42.0%)	709 (41.6%)	100%
Number of employees in Japan	Total	Number	1,644	1,704	100%
Number of employees overseas	Total	Number	0	0	100%
Number of employees in managerial positions; gender compositions※1	Total	Number	327	359	97.6%
	Male	Number (%)	248 (75.8%)	272 (75.8%)	97.6%
	Female	Number (%)	79 (24.2%)	87 (24.2%)	97.6%
	Non-Japanese	Number (%)	3 (0.9%)	4 (1.1%)	97.6%
Gender composition by job title	Executive officer Male	Number (%)	7 (87.5%)	8 (100%)	97.6%
	Executive officer Female	Number (%)	1 (12.5%)	0 (0%)	97.6%
	Senior manager or higher Male	Number (%)	95 (87.2%)	99 (89.2%)	97.6%
	Senior manager or higher Female	Number (%)	14 (12.8%)	12 (10.8%)	97.6%

Items		Unit	FY2023	FY2024	Coverage
Gender composition by job title	Manager (section chief) Male	Number (%)	153 (70.1%)	173 (69.7%)	97.6%
	Manager (section chief) Female	Number (%)	65 (29.8%)	75 (30.3%)	97.6%
Number of employees and gender composition by job category (revenue generating divisions) ※2	Total Male	Number (%)	192 (42.5%)	197 (42.1%)	100%
	Total Female	Number (%)	260 (57.5%)	271 (57.9%)	100%
	Senior manager or higher Male	Number (%)	24 (80.0%)	25 (83.3%)	100%
	Senior manager or higher Female	Number (%)	6 (20.0%)	5 (16.7%)	100%
	Manager (section chief) Male	Number (%)	39 (65.0%)	40 (63.5%)	100%
	Manager (section chief) Female	Number (%)	21 (35.0%)	23 (36.5%)	100%
Number of employees and gender composition by job category (STEM divisions) ※2	Total Male	Number (%)	392 (83.4%)	420 (83.8%)	100%
	Total Female	Number (%)	78 (16.6%)	81 (16.2%)	100%
	Senior manager or higher Male	Number (%)	30 (100%)	31 (100%)	100%
	Senior manager or higher Female	Number (%)	0 (0%)	0 (0%)	100%

Items		Unit	FY2023	FY2024	Coverage
Number of employees and gender composition by job category (STEM divisions) ※2	Manager (section chief) Male	Number (%)	64 (88.9%)	78 (89.7%)	100%
	Manager (section chief) Female	Number (%)	8 (11.1%)	9 (10.3%)	100%
Number of employees and gender composition by job category (Other divisions)	Total Male	Number (%)	370 (51.2%)	378 (51.4%)	100%
	Total Female	Number (%)	352 (48.8%)	357 (48.6%)	100%
	Senior manager or higher Male	Number (%)	44 (84.6%)	47 (87.0%)	100%
	Senior manager or higher Female	Number (%)	8 (15.4%)	7 (13.0%)	100%
	Manager (section chief) Male	Number (%)	59 (60.8%)	64 (58.2%)	100%
	Manager (section chief) Female	Number (%)	38 (39.2%)	46 (41.8%)	100%
Number of highly specialized personnel	Total	Number	103	124	100%
	Research staff (basic research/ technical research)	Number	11	10	100%
	Number of AI Specialist	Number	43	50	100%
	Number of Data scientist	Number	49	64	100%

Items		Unit	FY2023	FY2024	Coverage
Number of managerial appointments: Ratio of males to total, Ratio of females to total	Total	Number	46	58	100%
	Male	Number (%)	25 (54.3%)	43 (74.1%)	100%
	Female	Number (%)	21 (45.7%)	15 (25.9%)	100%
Number of non-Japanese employees in Japan (% to total employees): gender composition (%)	Total	Number (%)	48 (2.9%)	48 (2.8%)	100%
	Male	Number (%)	26 (1.6%)	30 (2.8%)	100%
	Female	Number (%)	22 (1.3%)	18 (1.8%)	100%
Number of new employees recruited in Japan	Total	Number	223	134	100%
	Male	Number (%)	130 (58.3%)	84 (62.7%)	100%
	Female	Number (%)	93 (41.7%)	50 (37.3%)	100%
Number of newly graduated employees recruited in Japan	Total	Number (%)	45 (20.2%)	62 (46.3%)	100%
	Male	Number (%)	24 (53.3%)	37 (59.7%)	100%
	Female	Number (%)	21 (46.7%)	25 (40.3%)	100%
Number of mid-career employees recruited in Japan	Total	Number (%)	178 (79.8%)	72 (53.7%)	100%
	Male	Number (%)	106 (59.6%)	47 (65.3%)	100%
	Female	Number (%)	72 (40.4%)	25 (34.7%)	100%

Items		Unit	FY2023	FY2024	Coverage
Number of foreign nationals among new graduates and mid-career hires	Total	Number	10	4	100%
	Number of new graduated hires	Number (%)	7 (3.1%)	2 (3.2%)	100%
	Number of mid-career hires	Number (%)	3 (1.4%)	2 (2.8%)	100%
Number of employees with disabilities	Total	Number	137.5	182	97.6%
	Male	Number (%)	69 (50.2%)	96 (52.7%)	97.6%
	Female	Number (%)	68.5 (49.8%)	98 (47.3%)	97.6%
Percentage of employees with disabilities in overall workforce*	All employees	%	2.80	3.35	97.6%
Number of post-retirement employees rehired	Total	Number	0	0	100%
Average number of temporary employees	Total	Number	4,502	4,867	100%
	Male	Number (%)	1,108 (24.6%)	1,209 (24.8%)	100%
	Female	Number (%)	3,394 (75.4%)	3,658 (75.2%)	100%
	Contract employees	Number (%)	2 (0.04%)	2 (0.04%)	100%
	Ratio to total employees*	%	-	62.4	100%

Items		Unit	FY2023	FY2024	Coverage
Average number of non-permanent employees	Total	Number	1,598	1,219	100%
	Temporary staff	Number (%)	1,405 (87.9%)	1,049 (86.0%)	100%
	Subcontract employee	Number (%)	193 (12.1%)	170 (14.0%)	100%
	Ratio to total employees*	%	-	15.6	100%
Percentage of employees who are contract or temporary staff	Total	%	78.2	77.4	100%
Number of employees switched from non-permanent to permanent employment	Total	Number	7	7	100%
	Male	Number (%)	2 (28.6%)	5 (71.4%)	100%
	Female	Number (%)	5 (71.4%)	2 (28.6%)	100%
Number of departing employees	Total	Number	50	78	100%
	Male	Number	35	45	100%
	Female	Number	15	33	100%
	Under 30 Total	Number	17	23	100%
	30 - 39 Total	Number	22	39	100%
	40 - 49 Total	Number	10	14	100%
	50 - 59 Total	Number	1	2	100%

Items		Unit	FY2023	FY2024	Coverage
Number of departing employees	60 and above Total	Number	0	0	100%
	Personal circumstances	Number (%)	50 (100%)	78 (100%)	100%
	Corporate circumstances	Number (%)	0 (0%)	0 (0%)	100%
	Number of Transfer to another group company	Number (%)	0 (0%)	0 (0%)	100%
	Other	Number (%)	0 (0%)	0 (0%)	100%
	Retirement*	Number	-	0	100%
	Management departure*	Number (%)	-	13 (3.64%)	100%
	Non-japanese employee*	Number (%)	-	4 (7.84%)	100%
Retirement rate	Total	%	3.3	4.5	100%
	Male	%	2.3	2.6	100%
	Female	%	1.0	1.9	100%
	Under 30 Total	%	1.1	1.3	100%
	30 - 39 Total	%	1.5	2.3	100%
	40 - 49 Total	%	0.7	0.8	100%
	50 - 59 Total	%	0.1	0.1	100%
	60 and above Total	%	0	0	100%
	Personal circumstances	%	3.3	4.5	100%
	Corporate circumstances	%	0	0	100%

Items		Unit	FY2023	FY2024	Coverage
Retirement rate	Transfer to another group company	%	0	0	100%
	Other	%	0	0	100%
Rehired employees*	Number of applicants for reemployment	Number	-	0	100%
	Number of employees reemployed	Number	-	0	100%
	Reemployment rate	%	-	0	100%
Average employment years	All employees	Number	6.1	6.7	100%
	Male	Number	6.2	6.7	100%
	Female	Number	6.0	6.6	100%
Average age	All employees	Number	33.9	34.3	100%
	Male	Number	34.8	35.0	100%
	Female	Number	32.8	33.4	100%
Employees by age: Ratio of males and females to total	Under 30 Total	Number	482	466	100%
	Under 30 Male	Number (%)	230 (47.7%)	231 (49.6%)	100%
	Under 30 Female	Number (%)	252 (52.3%)	235 (50.4%)	100%
	30 - 39 Total	Number	825	860	100%
	30 - 39 Male	Number (%)	489 (59.3%)	502 (58.4%)	100%
	30 - 39 Female	Number (%)	336 (40.7%)	358 (41.6%)	100%
	40 - 49 Total	Number	308	343	100%
	40 - 49 Male	Number (%)	218 (70.8%)	239 (69.7%)	100%
	40 - 49 Female	Number (%)	90 (29.2%)	104 (30.3%)	100%

Items		Unit	FY2023	FY2024	Coverage
Employees by age: Ratio of males and females to total	50 - 59 Total	Number	18	30	100%
	50 - 59 Male	Number (%)	9 (50.0%)	18 (60.0%)	100%
	50 - 59 Female	Number (%)	9 (50.0%)	12 (40.0%)	100%
	60 and above Total	Number	2	2	100%
	60 and above Male	Number (%)	1 (50.0%)	1 (50.0%)	100%
	60 and above Female	Number (%)	1 (50.0%)	1 (50.0%)	100%
Recruitment cost	Millions of JPY	Millions of JPY	213	89	100%
	Average recruiting cost per person	JPY thousand	956	663	100%
Average annual salary of directors (basic salary only)	Total	JPY thousand	36,816	41,010	100%
	Male	JPY thousand	36,816	41,010	100%
	Female	JPY thousand	-	-	100%
Average annual salary of directors (basic salary + bonus)	Total	JPY thousand	50,176	59,085	100%
	Male	JPY thousand	50,176	59,085	100%
	Female	JPY thousand	-	-	100%
Average annual salary of employees in managerial positions (basic salary only)※1	Total	JPY thousand	9,599	9,401	100%
	Male	JPY thousand	10,122	9,915	100%
	Female	JPY thousand	7,919	7,774	100%

Items		Unit	FY2023	FY2024	Coverage
Average annual salary of employees in managerial positions (basic salary +bonus)※1	Total	JPY thousand	10,976	10,527	100%
	Male	JPY thousand	11,544	11,063	100%
	Female	JPY thousand	9,152	8,831	100%
Average annual salary of employees in non-managerial positions (basic salary only)	Total	JPY thousand	4,582	4,879	100%
	Male	JPY thousand	5,129	5,465	100%
	Female	JPY thousand	3,963	4,213	100%
Average annual salary of employees in non-managerial positions (basic salary + bonus)	Total	JPY thousand	5,673	5,853	100%
	Male	JPY thousand	6,263	6,463	100%
	Female	JPY thousand	5,007	5,158	100%
Average annual salary (base salary only) for non-management to executive officers	Total	JPY thousand	5,752	5,993	100%
	Male	JPY thousand	6,652	6,908	100%
	Female	JPY thousand	4,507	4,703	100%
Average annual salary (base salary + bonus) for non-management to executive officers	Total	JPY thousand	6,914	7,020	100%
	Male	JPY thousand	7,878	7,975	100%
	Female	JPY thousand	5,580	5,674	100%

Items		Unit	FY2023	FY2024	Coverage
Average median annual salary of non-management to executive officers	Male	JPY thousand	7,715	6,705	100%
	Female	JPY thousand	5,495	5,381	100%
Ratio of CEO's remuneration to average annual salary of employees	Ratio by average <CEO: Employee>	-	13:1	13:1	100%
Wage differential between men and women※3	All employees	%	56.4	56.0	97.6%
	Permanent employees	%	73.0	72.3	97.6%
	Non-permanent employees	%	103.9	105.1	97.6%
Number of employees using childcare systems	Total	Number	132	157	100%
	Male	Number (%)	31 (23.5%)	44 (28.0%)	100%
	Female	Number (%)	101 (76.5%)	113 (72.0%)	100%
Percentage of full-time employees taking childcare leave	Male	%	67.4	70.5	97.6%
	Female	%	100	100	97.6%
	Percentage of returning to work	%	47.3	100	97.6%

Items		Unit	FY2023	FY2024	Coverage
Percentage of non-regular employees taking childcare leave	Male	%	77.8	50.0	97.6%
Number of employees using reduced working hours system for childcare	Total	Number	21	21	100%
	Male	Number	0	0	100%
	Female	Number	21	21	100%
Number of employees using sick/elderly family members care leave	Total	Number	1	0	100%
	Male	Number	1	0	100%
	Female	Number	0	0	100%
Number of employees using reduced working hours system for sick/elderly family members	Total	Number	0	0	100%
	Male	Number	0	0	100%
	Female	Number	0	0	100%
Utilization of paid leave	Total	%	85.0	78.7	100%
Annual total working hours	average per employee	Hours	1,857	1,961	100%
Annual hours of overtime worked	average per employee	Hours	164	157	100%

Items		Unit	FY2023	FY2024	Coverage
Number of employees on leave due to non-work-related illness or injury	Total	Number	41	30	100%
	Male	Number (%)	20 (48.8%)	12 (59.0%)	100%
	Female	Number (%)	21 (51.2%)	18 (41.0%)	100%
Lost time accident・Work-related accident	Ratio of Incidence of industrial accidents resulting in leave	%	0.3	0.3	100%
	Number of lost-time injuries per million hours worked	Total	2.94	2.36	100%
	Number of lost time injuries for contract employees (per million hours worked)*	Total	-	0	100%
	Number of lost-time injuries for contract employees per 200,000 hours worked	Total	0	0	100%
	Employee injury frequency rate per 200,000 hours	Total	2.72	1.71	100%
	Total lost workdays due to injury, accident, fatality, or illness*	Day	-	4,990	100%
	Ratio of incidence of industrial accidents	%	1.5	0.9	100%
	Lost working hours due to occupational accidents*	Hours	-	431	100%

Items		Unit	FY2023	FY2024	Coverage
Lost time accident・Work-related accident	Number of work-related fatalities for employees	Total	0	0	100%
	Number of work-related fatalities for contractors	Total	0	0	100%
Parcentage of employees taking stress check		%	78.8	78.6	100%
Parcentage of employees taking harassment check		%	100	100	100%
Parcentage of employees taking regular medical checkups		%	96.5	72.6	100%
Parcentage of employees with remarks in their medical checkups		%	23.3	27.4	100%
Total hours spent on capacity building training for employees※4		Hours	19,843	66,964	100%
Average training hours per employee (result)※4		Hours	12	39	100%
Average training days per employee*※4		Day	-	3	100%
Total cost of training/human resource development※4		JPY thousand	12,057	139,472	100%
Average training cost per employee (result)※4		JPY thousand	7,334	81,994	100%
Average training hours per manager※4		Hours	9.6	42.1	100%
Average training hours per non-manager※4		Hours	12.9	38.9	100%
Average training cost per manager※4		JPY	13,540	180,810	100%

Items	Unit	FY2023	FY2024	Coverage
Average training cost per non-manager※4	JPY	5,974	54,185	100%
Average participation rate in engagement survey	%	92	95	100%
Percentage of highly engaged employees	%	68	75	100%

*Expanded disclosure information.
*1 Management positions range from section chiefs to executive officers.
*2 Revenue generating divisions refer to divisions in charge of sales + planning/business development, and STEP divisions refer to engineers and designers.
*3 Percentage of average annual salary for women divided by average annual salary for men.
*4 Since fiscal year 2024, we have added one-on-one sessions as part of our training programs, resulting in an increase in training hours and personnel-related costs.

Governance

Items		Unit	FY2023	FY2024	Coverage
Number of whistle-blowing reports		Total	11	15	100%
Number of legal actions related to corruption, bribery, etc.		Total	0	0	100%
Political contributions		JPY	0	0	100%
Income tax expense recorded in Consolidated Statement of Profit or Loss※1		Ten millions of JPY	1,601	1,936	100%
Number of violations against codes of business conduct and ethical standards	Number of fraudulent business	Total	0	0	100%
	Number of security violation	Total	0	0	100%
	Number of neglect of duty	Total	0	0	100%
	Number of Conflicts of Interest Cases	Total	0	0	100%
	Number of Money Laundering Cases	Total	0	0	100%
	Number of Insider Trading Cases	Total	0	0	100%
	Number of disciplinary action	Total	0	0	100%
	Other	Total	0	0	100%

Items		Unit	FY2023	FY2024	Coverage
Number of violations related to human rights abuse and harassment	Number of harassment	Total	0	0	100%
	Number of disciplinary action	Total	0	0	100%
Product recall*	Number	Total	-	0	100%
	Cost	JPY	-	0	100%
Donations and other expenditures*	Community investment※2	JPY thousand	-	16,085	100%
	Lobbying, advocacy, or similar activities	JPY thousand	-	0	100%
	Regional, or national political movements / organizations / candidates	JPY thousand	-	0	100%
	Industry associations or tax-exempt organizations (such as think tanks)	JPY thousand	-	0	100%
	Other (expenditures related to voting measures and referendums, etc.)	JPY thousand	-	0	100%

Items	Unit	FY2023	FY2024	Coverage
Number of Employees Dismissed for Corruption Prevention Issues*	Number	0	0	100%
Number of information leaks	%	0	0	100%
Parcentage of employees taking compliance e-learning	%	100	100	100%

*Expanded disclosure information.
※1 We fulfill our tax obligation appropriately for the development of our nation and the regions in which our offices are located.
※2 Major donations have been made toward organizations supporting next-generation development, community engagement, and the promotion of diversity, equity, and inclusion.
Please refer here for details on the composition of officers and their remunerations.

SASB

We organize and disclose information based on SASB standards provided by the U.S. Sustainability Accounting Standards Board (SASB).

Topic	Accounting Metric	Code	Disclosed Materials
Environmental Footprint of Hardware Infrastructure	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	CG-EC-130a.1	ESG data (Environment)
	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	CG-EC-130a.2	ESG data (Environment) Initiatives to Conserve Water Resources
	Discussion of the integration of environmental considerations into strategic planning for data center needs	CG-EC-130a.3	Not disclosed
Data Privacy & Advertising Standards	Number of users whose information is used for secondary purposes	CG-EC-220a.1	Not disclosed
	Description of policies and practices relating to behavioral advertising and user privacy	CG-EC-220a.2	ZOZO Group PrivacyPolicy

Topic	Accounting Metric	Code	Disclosed Materials
Data Security	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	CG-EC-230a.1	Information Security
	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of users affected	CG-EC-230a.2	ESG data (Governance)
Employee Recruitment, Inclusion & Performance	Employee engagement as a percentage	CG-EC-330a.1	ESG data (Social) Diversity, Equity & Inclusion List of Training Programs Implemented in Fiscal 2024
	(1) Voluntary and (2) Involuntary all employee turnover	CG-EC-330a.2	ESG data (Social)
	Percentage of (1) gender and (2) diversity group representation (a) Executive management (b) Non-executive management executives (c) Technical employees; and (d) All other employees	CG-EC-330a.3	ESG data (Social) Diversity, Equity & Inclusion
	H-1B visa acquisition rate for technical staff	CG-EC-330a.4	Labor Practices

Topic	Accounting Metric	Code	Disclosed Materials
Packaging and Delivery of Merchandise	Greenhouse Gas (GHG) Footprint for Merchandise Shipments	CG-EC-410a.1	ESG data (Environment)
	Discussion of strategies for reducing environmental impact through product delivery	CG-EC-410a.2	Sustainability Management Structure Logistics
Company-defined indicators of user activity		CG-EC-000.A	Result Summary
(1) Data capabilities (2) Ratio of outsourcing		CG-EC-000.B	Not disclosed
Number of shipments		CG-EC-000.C	Result Summary

GRI

GRI(Global Reporting Initiative) The pages listed under the Sustainability Reporting Standards section are shown below.

GRI Standards Content Index		Website
101	Biodiversityt	Biodiversity Natural Capital Waste Reduction ESG data（Environment）
201	Economic Performance	Basic Policy Result Summary Benefits and Welfare Community Investment Securities Report
202	Market Presence	Community Investment ZOZOBASE STAFF RECRUIT Job Creation in Local Communities
203	Indirect Economic Impacts	Social Contribution・Disaster Support Community Investment
204	Procurement Practices	ZOZO Sustainability Procurement Policy

GRI Standards Content Index		Website
205	Anti-corruption	Anti-Corruption and Corporate Ethics List of Training Programs Implemented in Fiscal 2024 Code of Conduct ESG data（Governance）
206	Anti-competitive Behavior	Anti-Corruption and Corporate Ethics Code of Conduct ESG data（Governance）
207	Tax	Tax policy Securities Report
301	Materials	Packing materials Packaging
302	Energy	Climate Change ESG data（Environment）
203	Water	Natural Capital ESG data（Environment）
304	Biodiversity	Biodiversity Natural Capital Waste Reduction ESG data（Environment）
305	Emissions	Climate Change ESG data（Environment）

GRI Standards Content Index		Website
306	Effluents and Waste	Waste Reduction ESG data（Environment）
307	Environmental Compliance	ESG data（Environment）
308	Supplier Environmental Assessment	Supply Chain Due Diligence
401	Employment	Labor Practices ESG Data（Social）
402	Labor / Management Relations	Establishment of Employee Representatives
403	Occupational Health and Safety	Labor Practices ESG Data（Social）
404	Training and Education	List of Training Programs Implemented in Fiscal 2024 ESG Data（Social）
405	Diversity and Equal Opportunity	ESG Data（Social） Diversity, Equity & Inclusion Social Contribution・Disaster Support
406	Non-discrimination	Diversity, Equity & Inclusion Compliance Basic Human Rights Policy ESG Data（Social）

GRI Standards Content Index		Website
407	Freedom of Association and Collective Bargaining	Basic Human Rights Policy Establishment of Employee Representatives
408	Child Labor	Basic Human Rights Policy ZOZO Sustainability Procurement Policy Supply Chain Due Diligence
409	Forced or Compulsory Labor	Basic Human Rights Policy ZOZO Sustainability Procurement Policy Supply Chain Due Diligence
410	Security Practices	-
411	Rights of Indigenous Peoples	-
412	Human Rights Assessment	Basic Human Rights Policy ESG data（Governance）
413	Local Communities	Social Contribution・Disaster Support FUTURE FOR YOU Community Investment Occupational Safety and Health
414	Supplier Social Assessment	Communication with Stakeholders Supply Chain Due Diligence
415	Public Policy	ESG data（Governance）

GRI Standards Content Index		Website
416	Customer Health and Safety	Information Security ESG data（Governance） Improving service quality ZOZO Group PrivacyPolicy
417	Marketing and Labeling	ZOZO Group PrivacyPolicy Improving Service Quality
418	Customer Privacy	Information Security ESG data（Governance） ZOZO Group PrivacyPolicy
419	Socioeconomic Compliance	ESG data（Governance）