

**FY2024 1Q ZOZO, Inc.
CONSOLIDATED BUSINESS RESULTS**



HIGHLIGHTS



“My favorite fashion genre” assessed by WEAR’s new function, was “Crisp and Polished.” I think it’s a satisfactory result that truly reflects my style!





FY2024 1Q HIGHLIGHTS

Gross Merchandise Value

141.8 billion yen

(+7.6% YoY / Achievement rate 23.3%)

Gross Merchandise Value

(excluding other GMV)

132.6 billion yen

(+7.5% YoY / Achievement rate 23.2%)

Operating Profit

15.8 billion yen

(+0.2% YoY / Achievement rate 24.8%)

Operating Profit Margin

12.0 %

(-0.9 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
Gross Merchandise Value	131,920	126,870	168,354	147,227	141,885
Gross Merchandise Value (excluding other GMV)	123,327	118,317	157,851	137,411	132,631
YoY (%)	6.4%	6.1%	9.2%	6.4%	7.5%
Net sales	45,871	44,345	57,351	49,448	50,387
SG&A	27,182	28,100	36,332	31,452	31,060
YoY (%)	4.4%	9.5%	16.0%	-1.4%	14.3%
(% Gross Merchandise Value)	22.0%	23.8%	23.0%	22.9%	23.4%
Operating profit	15,862	13,068	16,767	14,381	15,895
YoY (%)	10.8%	1.3%	-3.8%	22.0%	0.2%
(% Gross Merchandise Value)	12.9%	11.0%	10.6%	10.5%	12.0%

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

BUSINESS RESULTS

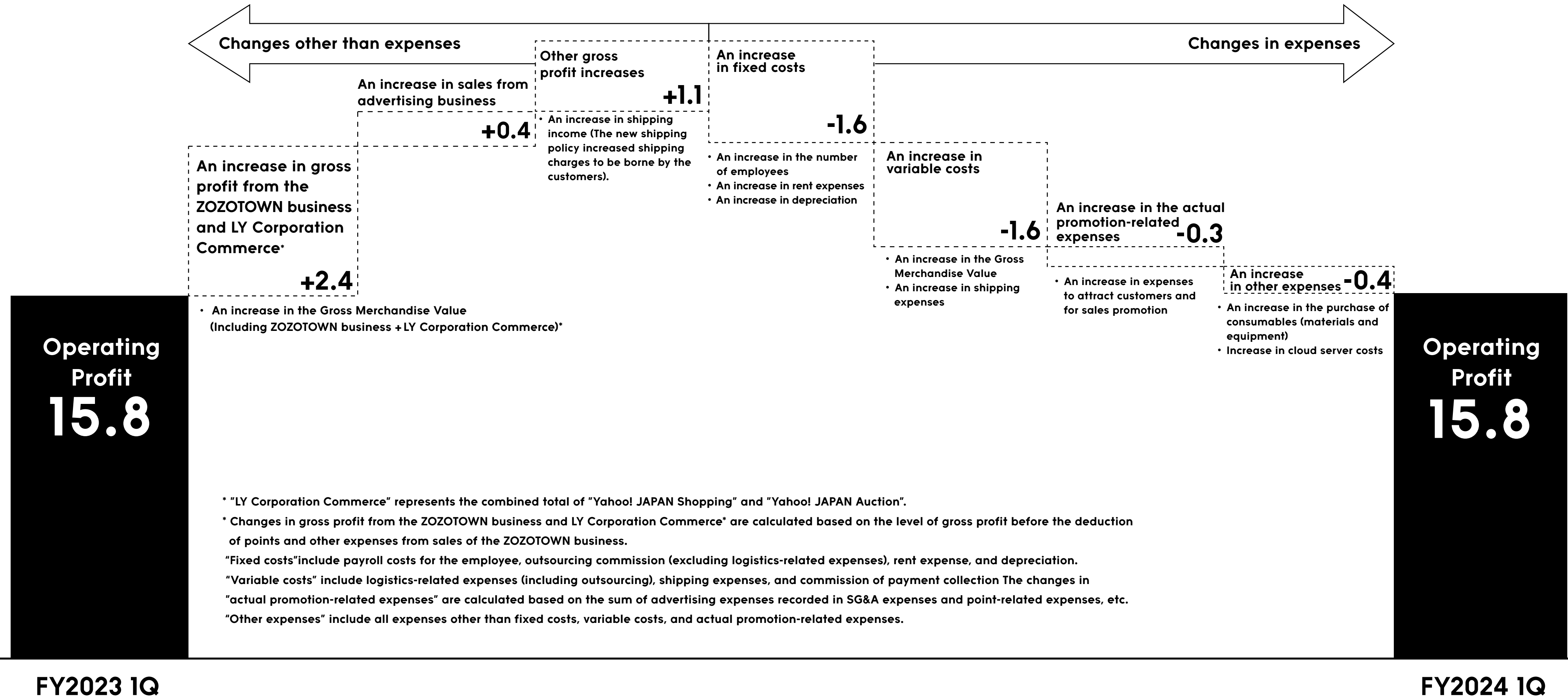


“My favorite fashion genre” assessed by WEAR’s new function, was “Playful and Casual.”
Keeping a vibrant spirit, I’ll cherish both playfulness and styling suited to the occasion!





INCREASE-DECREASE ANALYSIS OF OPERATING PROFIT (YoY COMPARISON)





SELLING, GENERAL AND ADMINISTRATIVE(SG&A) EXPENSES

(million¥)

	FY2023 1Q		FY2024 1Q		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(*)	7,562	6.1%	8,267	6.2%	0.1%	
Payroll costs for employee	3,353	2.7%	3,745	2.8%	0.1%	Transition of the number of employees on consolidated basis: FY2023 1Q 1,645 → FY2024 1Q 1,760
Logistics-Related Expenses (Including Outsourcing)	4,208	3.4%	4,521	3.4%	0.0%	An increase in costs due to the expansion of logistics centers, including expenses for inter-base transportation, and a decrease in costs due to investments in warehouse facilities to reduce manpower
Outsourcing Commission (Excluding Logistics-Related Expenses)	1,591	1.3%	1,740	1.3%	0.0%	
Shipping	7,920	6.4%	9,087	6.9%	0.5%	An increase in the cost ratio due to a rise in shipping fees by YAMATO TRANSPORT CO., LTD. starting from April 1.
Commission of Payment collection	2,921	2.4%	3,099	2.3%	-0.1%	
Advertising	2,168	1.8%	2,368	1.8%	0.0%	
Rent expense	1,568	1.3%	2,120	1.6%	0.3%	An increase in the number of logistics centers (An increase in expenses related to IBARAKI 4, which was leased from March 2023, and IBARAKI 5, which was leased from April 2024)
Depreciation	522	0.4%	1,032	0.8%	0.4%	An increase in the number of logistics centers
Amortization of goodwill	96	0.1%	62	0.0%	-0.1%	
Stock Compensation Expenses	33	0.0%	69	0.1%	0.1%	
Others	2,797	2.3%	3,212	2.4%	0.1%	
Total SG&A	27,182	22.0%	31,060	23.4%	1.4%	

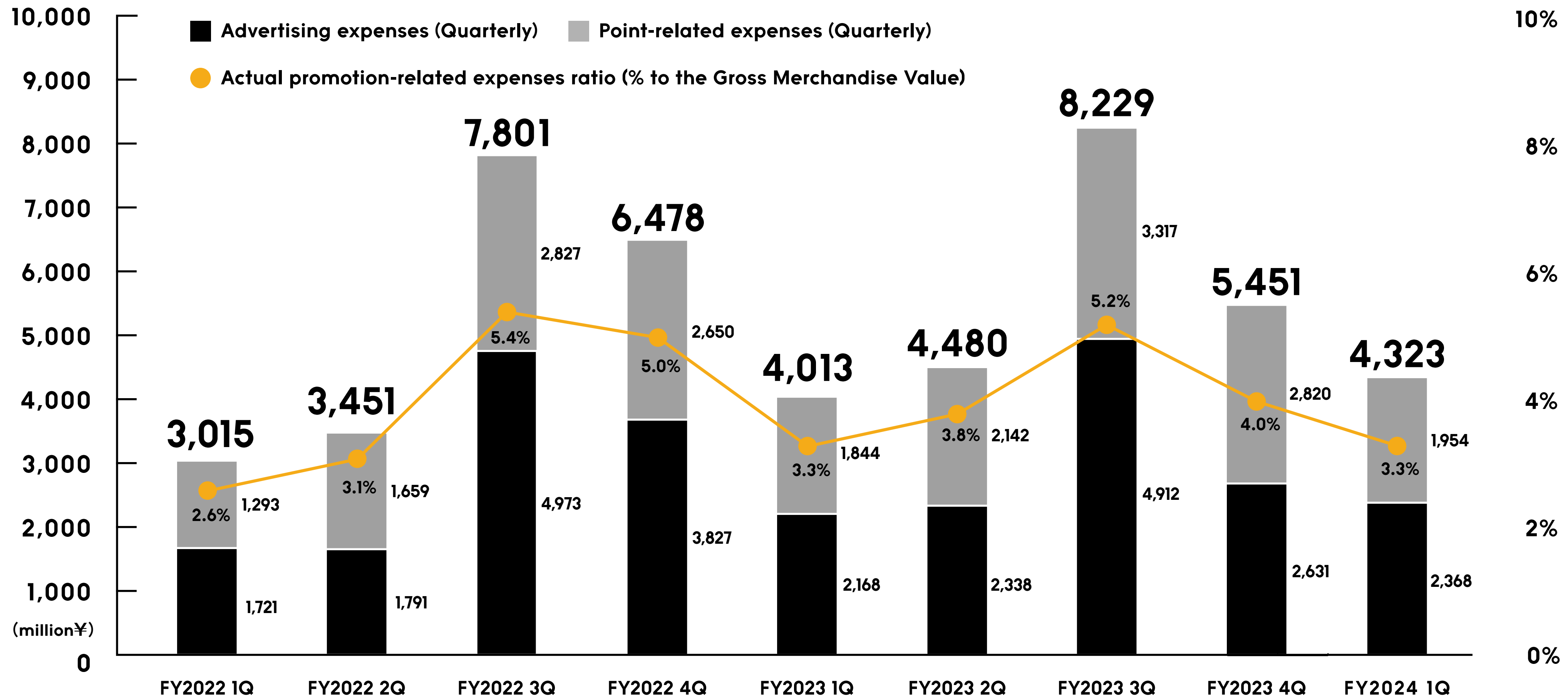
* Payroll includes directors' remuneration, employee salaries, bonuses, legal welfare expenses, welfare expenses, retirement benefits cost, provision for employee bonuses, expenses of company pension premium, subcontracting payroll, a portion of expenses at logistics centers operation. "Employee" includes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

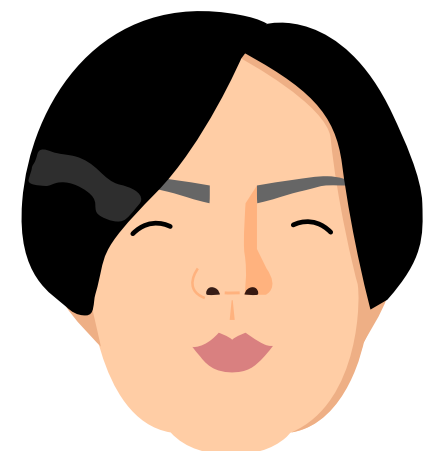


ACTUAL PROMOTION-RELATED EXPENSES

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



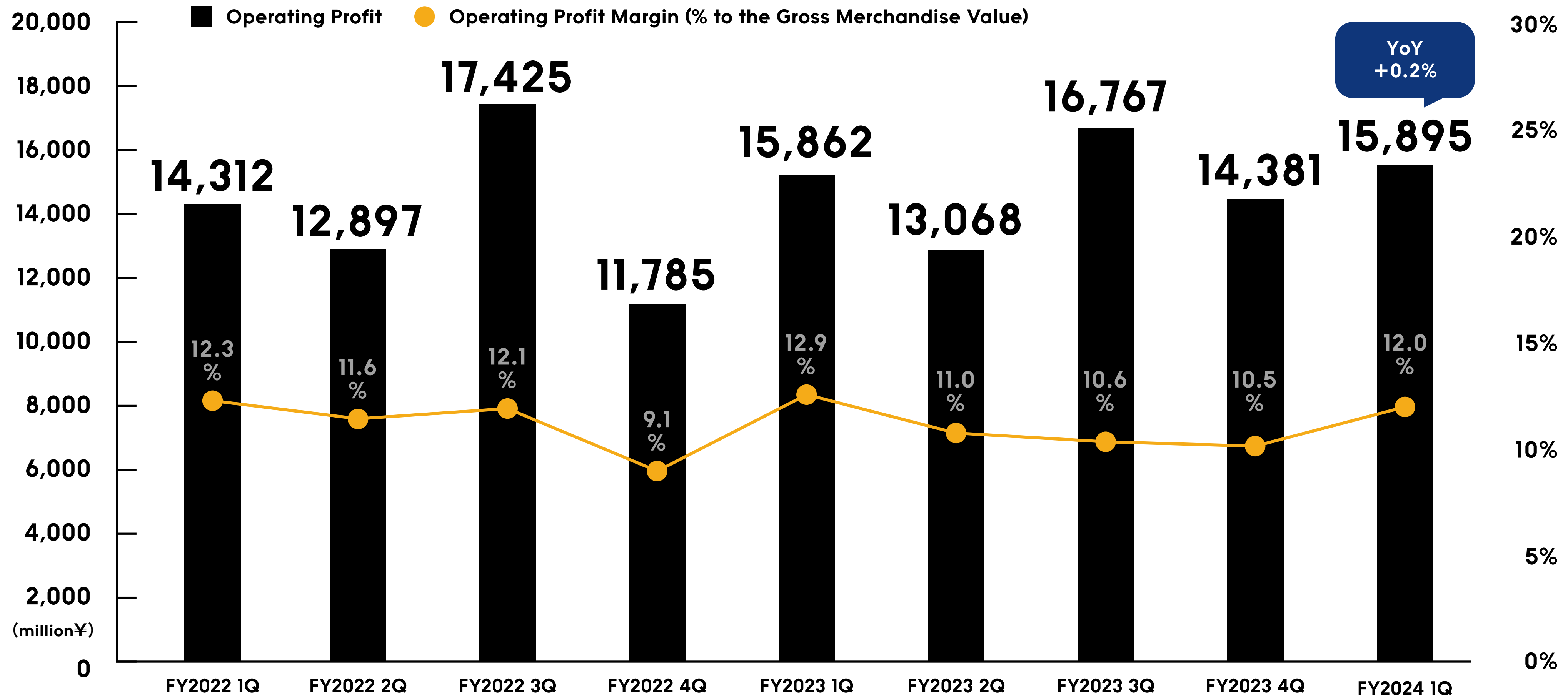
The expense ratio was almost the same as in the 1Q of the previous fiscal year. The unused budget is expected to be utilized from the 2Q onward.



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



OPERATING PROFIT AND OPERATING PROFIT MARGIN (QUARTERLY)



* Operating profit margins are calculated by dividing operating profit by the Gross Merchandise Value (excluding other GMV)

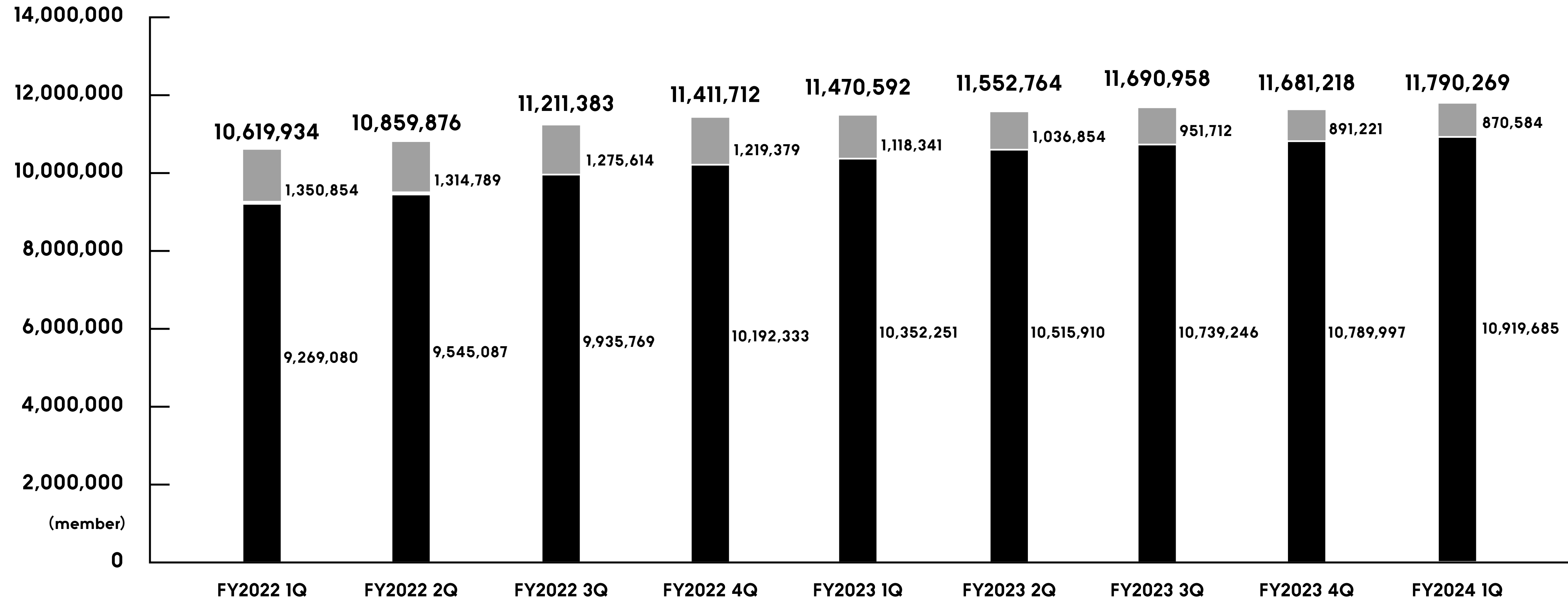


NUMBER OF TOTAL BUYERS

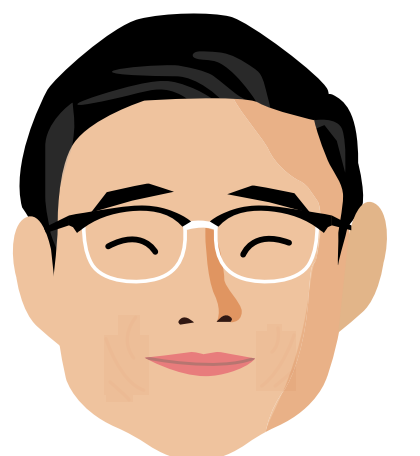
Number of total buyers = Active members and guest buyers who made at least one purchase within a year

■ Guest buyers = Total number of guest purchases within a year

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



Although the number of annual buyers in the 4Q of the previous fiscal year decreased QoQ due to the warm winter, we were able to increase it solidly in this 1Q.



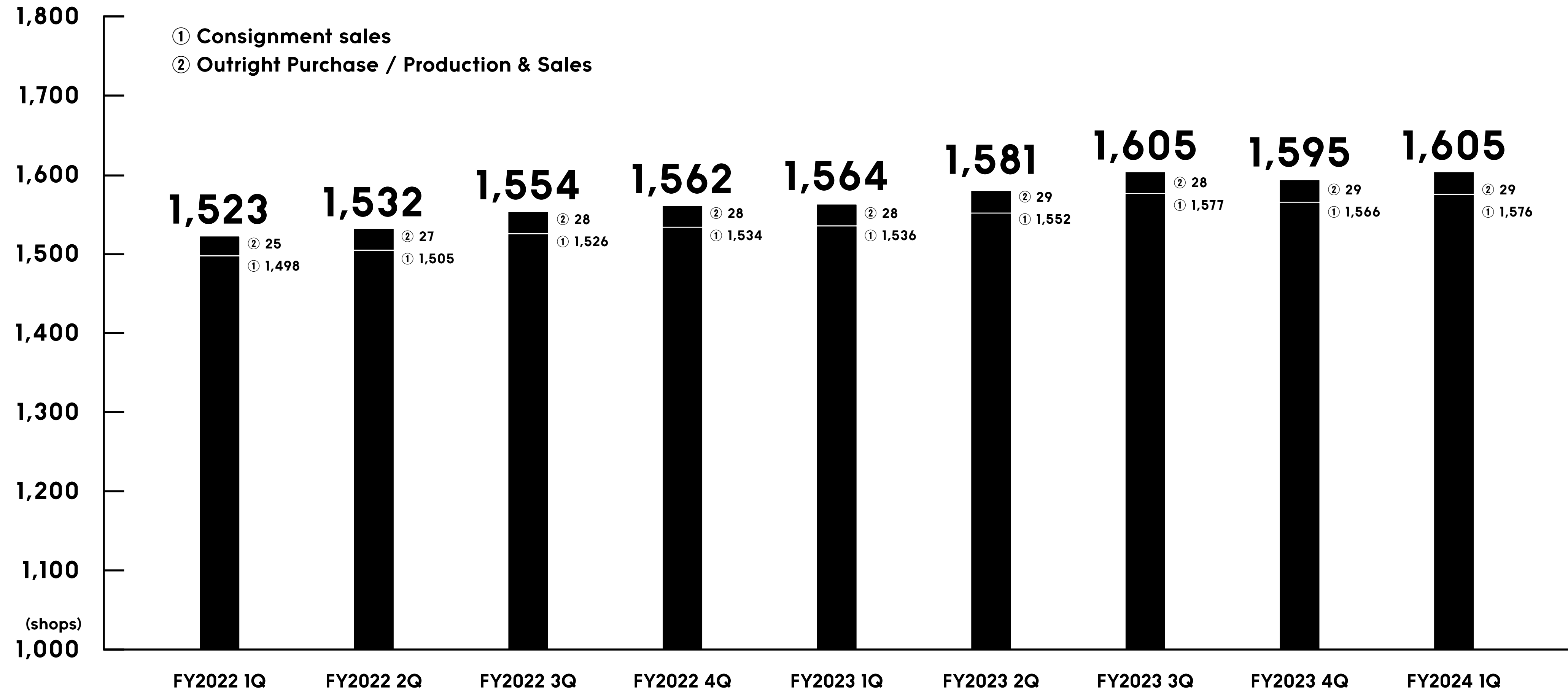
* The results are only from the ZOZOTOWN business (<https://zozo.jp>). LY Corporation Commerce* is not included.

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

* 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.



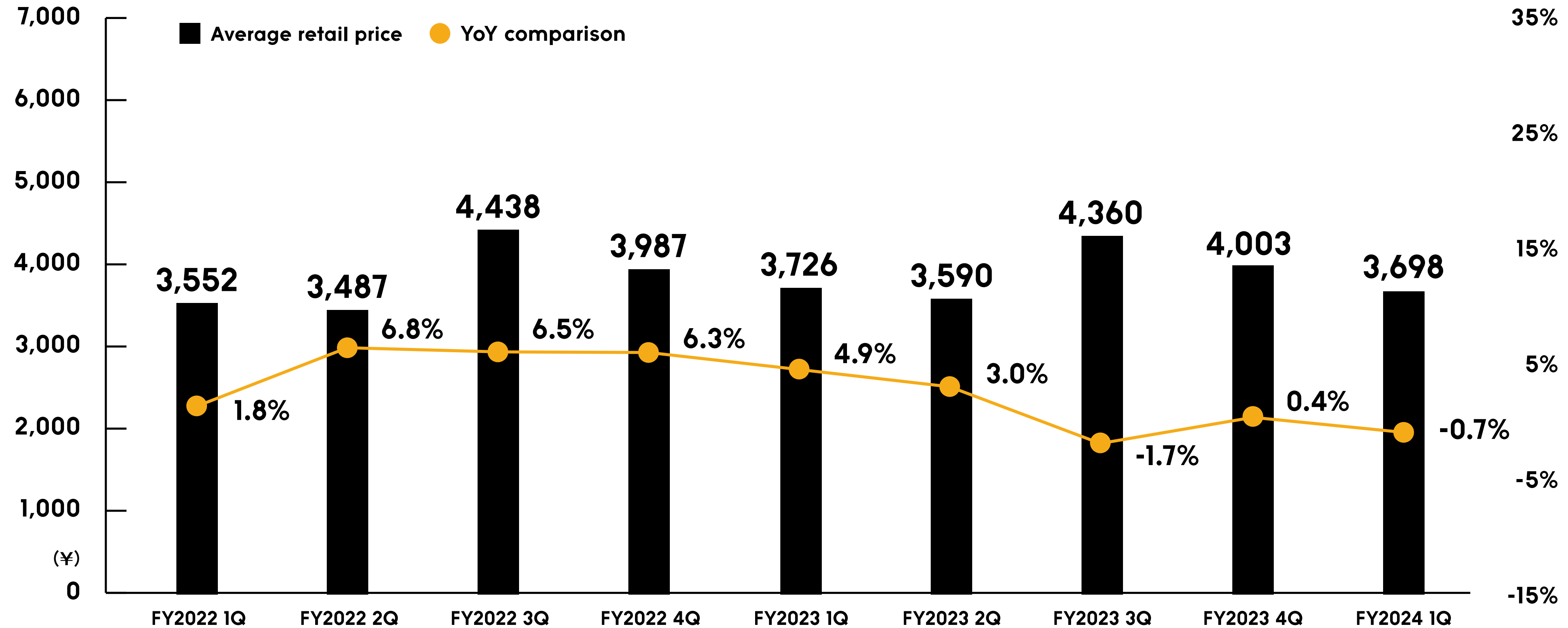
* Shops of the private brand "ZOZO" and "Multi-Size" are not included to the number of shops.



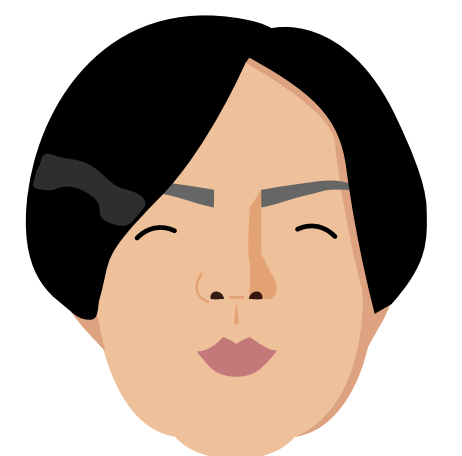
AVERAGE RETAIL PRICE

Average retail price

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



The average retail price is slightly below that of the same quarter of the previous fiscal year due to higher-than-usual temperatures and an increase in the sales mix of relatively low-priced merchandise, such as T-shirts.



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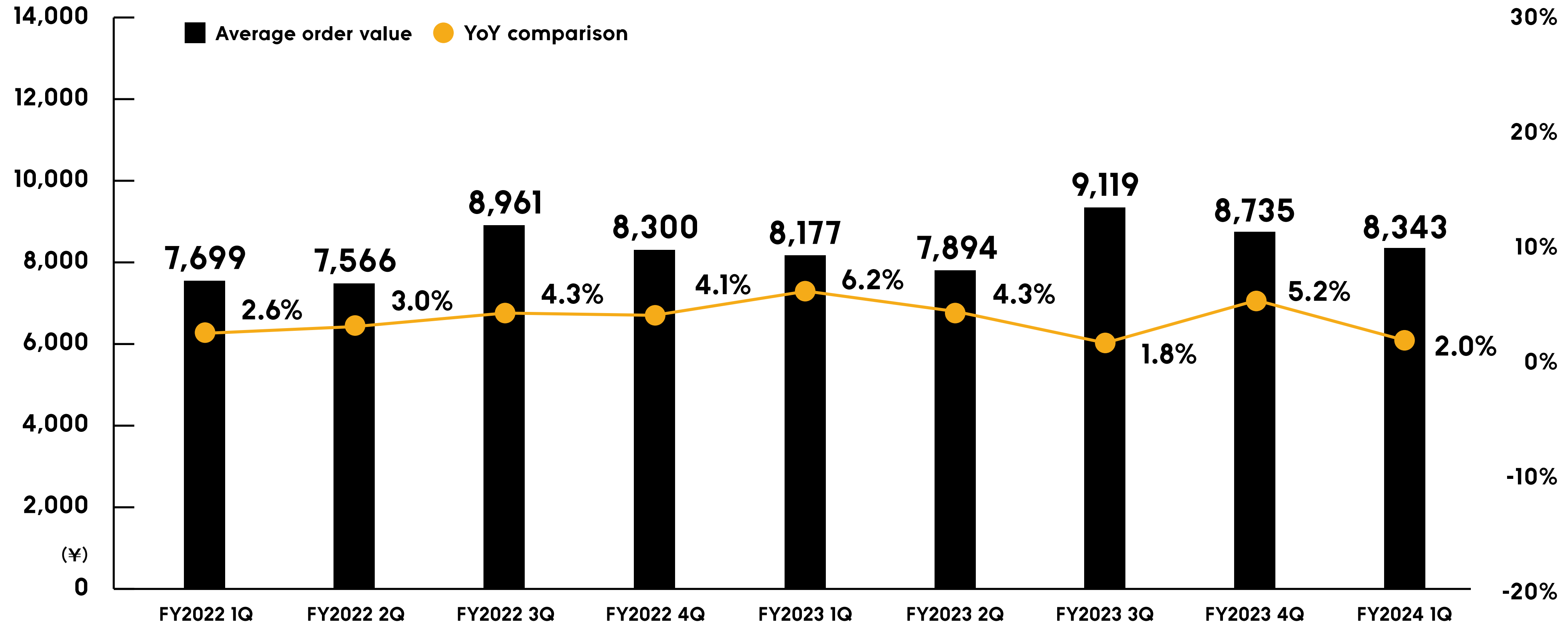
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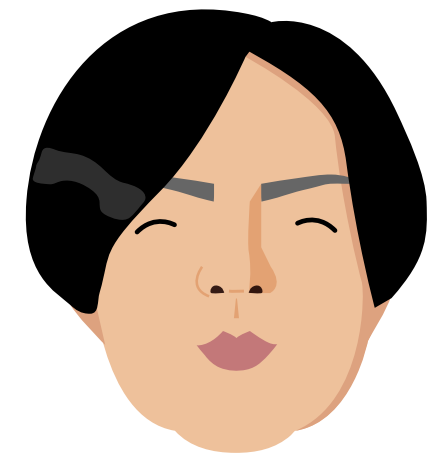


AVERAGE ORDER VALUE

Average order value
= Gross Merchandise Value of the ZOZOTOWN Business / Number of shipments



The average order value exceeded that of the same quarter of the previous fiscal year due to the positive effect of the free-shipping measures for purchases of 12,000 yen or more, which were well received in the 4Q of the previous fiscal year.



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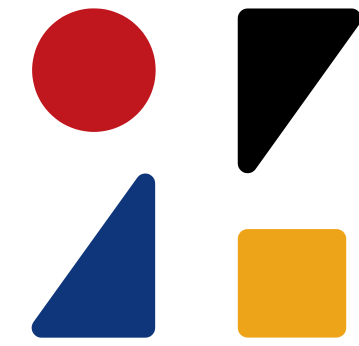
* Excluding the users who only purchased the body measurement device "ZOZOSUIT" "ZOZOMAT" and "ZOZOGLASS".



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