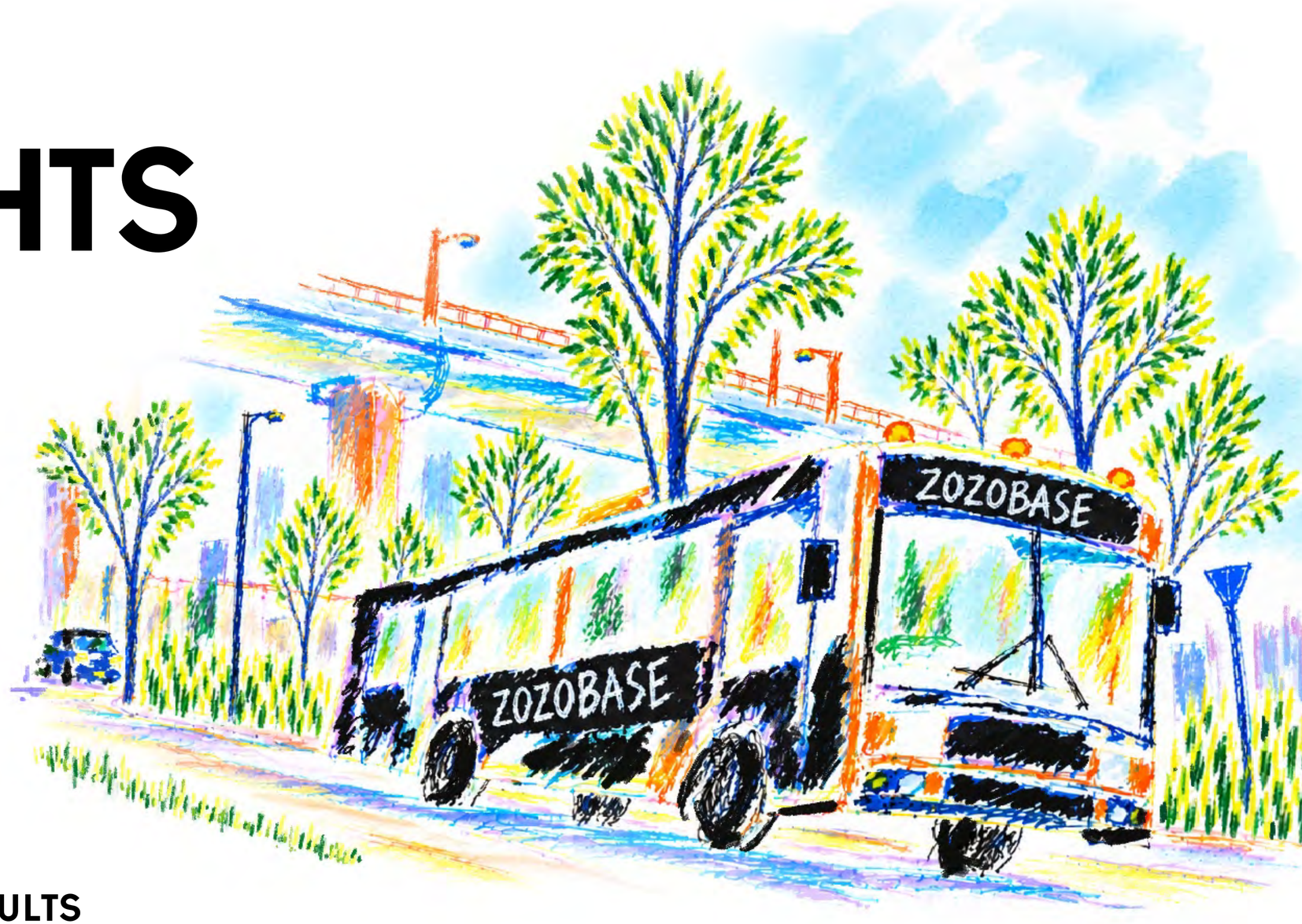


2Q FY2026 ZOZO, Inc. CONSOLIDATED BUSINESS RESULTS

ZOZO

HIGHLIGHTS



2Q FY2026 ZOZO, Inc.
CONSOLIDATED BUSINESS RESULTS

FY2026 2Q HIGHLIGHTS

Gross Merchandise Value

309.4 billion yen

(–1.0% YoY / Achievement rate 45.5%)

Gross Merchandise Value

(excluding other GMV)

309.2 billion yen

(+5.7% YoY / Achievement rate 45.6%)

Adjusted EBITA

34.6 billion yen

(+5.1% YoY / Achievement rate 44.4%)

Adjusted EBITA Margin

11.2%

(±0.0 points YoY)

※Adjusted EBITA margin is calculated by dividing Adjusted EBITA by the Gross Merchandise Value (excluding other GMV).

OVERVIEW OF EACH QUARTER

(million¥)

	FY2025				FY2026	
	1Q	2Q	3Q	4Q	1Q	2Q
Gross Merchandise Value	159,263	153,210	190,499	163,062	156,750	152,682
Gross Merchandise Value (excluding other GMV)	149,100	143,587	190,451	163,024	156,694	152,595
YoY (%)	12.4%	12.0%	11.3%	14.2%	5.1%	6.3%
Net sales	54,028	51,220	66,556	56,567	56,132	54,510
SG&A	33,845	33,529	38,081	38,178	34,587	35,342
YoY (%)	9.0%	10.0%	3.6%	8.3%	2.2%	5.4%
(% of the Gross Merchandise Value)	22.7%	23.4%	20.0%	23.4%	22.1%	23.2%
Operating profit	16,920	14,153	23,847	14,444	17,883	14,941
YoY (%)	6.4%	-2.9%	12.0%	11.2%	5.7%	5.6%
(% of the Gross Merchandise Value)	11.3%	9.9%	12.5%	8.9%	11.4%	9.8%
Adjusted EBITA	18,093	14,827	24,543	15,232	18,746	15,867
YoY (%)	13.4%	1.3%	15.0%	13.3%	3.6%	7.0%
(% of the Gross Merchandise Value)	12.1%	10.3%	12.9%	9.3%	12.0%	10.4%

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

KEY UPDATES BY DOMAIN TOWARD ACHIEVING THE MEDIUM-TERM BUSINESS PLAN

Medium-Term Business Plan: Targeting Adjusted EBITA* of ¥90.0 billion for the fiscal year ending March 2030
Background: Expansion beyond ZOZOTOWN into new markets

"More Fashion" domain (ZOZOTOWN)

¥80 billion

Q2 Highlights

○ Pre-order sales of a T-shirt collection commemorating Pokémon's 30th anniversary were launched. The collection has been well received and has also contributed to acquiring new members.

○ A new personalized styling feature that leverages proprietary data and AI to help users find styles that suit them was launched on WEAR by ZOZO. The feature includes Core Style Finder, which identifies users' fashion preferences from 28 different types, and AI Outfit Try-On, which uses generative AI.

"Near Fashion" domain

¥5 billion

Q2 Highlights

○ Began full-scale efforts to direct ZOZOTOWN users to "Coloria," HIGH LINK's main service.

○ Shops offering HIGH LINK's own-brand products and curated perfumes opened on ZOZOTOWN.

"Global" domain

¥5 billion

Q2 Highlights

○ LYST continued its efforts to expand the number of partners implementing its checkout feature, a key initiative for the current fiscal year.

○ "ZOZOFIT Pro," a BtoB service under ZOZOFIT, was launched. The service enables businesses such as gyms, studios, and clinics to manage and utilize their clients' 3D body measurement data.

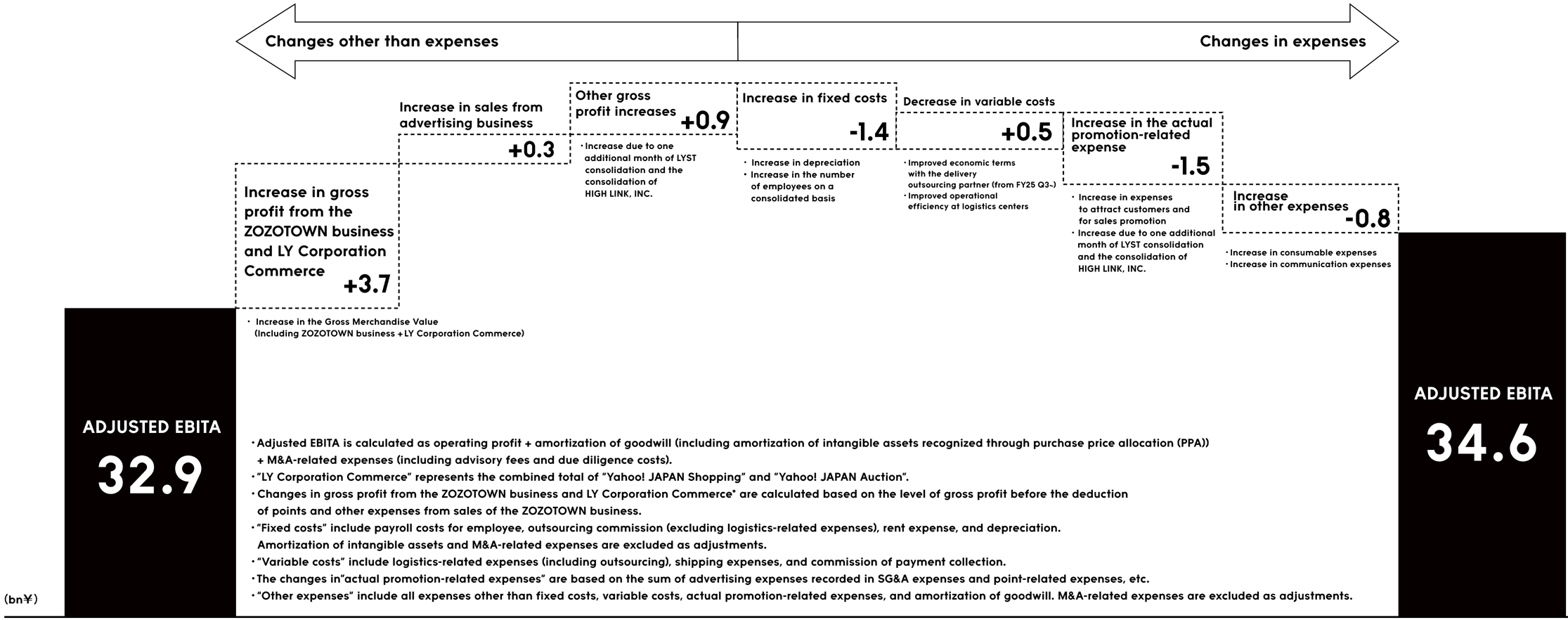
*Adjusted EBITA = Operating profit + amortization of goodwill (including amortization of intangible assets recognized through purchase price allocation (PPA)) + M&A-related expenses (including advisory fees and due diligence costs)

BUSINESS RESULTS



2Q FY2026 ZOZO, Inc.
CONSOLIDATED BUSINESS RESULTS

INCREASE-DECREASE ANALYSIS OF ADJUSTED EBITA (YoY COMPARISON)



CONSOLIDATED BALANCE SHEET

(million¥)

	FY2025 (as of March 31, 2026)	FY2026 2Q (as of September 30, 2026)		FY2025 (as of March 31, 2026)	FY2026 2Q (as of September 30, 2026)
Current assets	130,314	102,223	Current liabilities	80,672	71,317
Cash and deposits	69,416	33,291	Short-term borrowings	20,000	20,001
Merchandise	3,496	4,197	Non-current liabilities	10,797	11,462
Non-current assets	67,946	72,669	Total liabilities	91,470	82,780
Property, plant and equipment	26,930	28,391	Shareholders' equity	103,042	88,785
Intangible assets	28,589	31,967	Treasury stock	-11,039	-28,480
Investments and other assets	12,425	12,310	Total net assets	106,789	92,112
Total assets	198,260	174,892	Total liabilities and net assets	198,260	174,892

POINT 01

Cash and deposits under current assets decreased mainly due to share repurchases, transfers of funds to a securities account for share repurchases, and payments of dividends and income taxes. Meanwhile, treasury stock increased as a result of the share repurchases. As of September 30, 2026, the Company had completed approximately 19.1 billion yen in share repurchases out of the maximum authorized amount of 30.0 billion yen.



CASH FLOWS

(million¥)

	FY2025 2Q	FY2026 2Q	YoY	Reason for change
Cash flows from operating activities	17,246	21,502	4,256	Increase in profit before income taxes, etc.
Cash flows from investing activities	-25,945	-9,643	16,302	Previous fiscal year : Expenditures related to the acquisition of LYST Current fiscal year : Expenditures related to the acquisition of HIGH LINK, INC.
Cash flows from financing activities	-28,772	-47,952	-19,179	Expenditures related to the repurchase of shares
Cash and cash equivalents at the end of the period	53,938	33,308	-20,630	

SELLING, GENERAL AND ADMINISTRATIVE (SG&A) EXPENSES (2Q YTD)

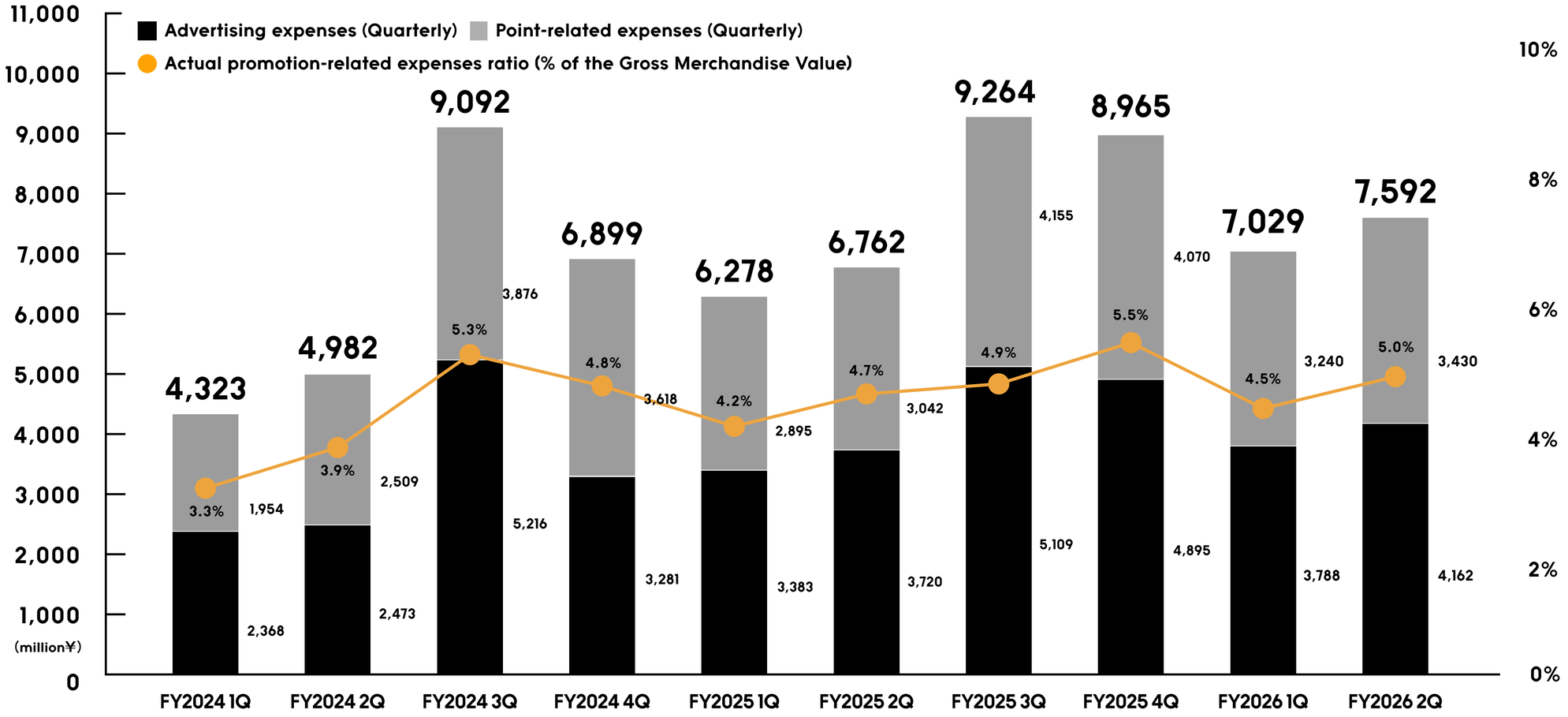
(million¥)

	FY2025 2Q		FY2026 2Q		YoY	Increase / decrease factors
	Amount	% of the Gross Merchandise Value	Amount	% of the Gross Merchandise Value	% of the Gross Merchandise Value	
Payroll and staff costs	16,437	5.6%	17,003	5.5%	-0.1%	
Payroll costs for employee	8,371	2.9%	9,021	2.9%	0.0%	Transition of the number of employees on a consolidated basis : FY25 Q2 1,915 → FY26 Q2 1,929
Logistics-Related Expenses (Including Outsourcing)	8,066	2.8%	7,981	2.6%	-0.2%	Cost ratio declined due to improved operational efficiency resulting from better inventory storage conditions.
Outsourcing Commission (Excluding Logistics-Related Expenses)	4,118	1.4%	4,189	1.4%	0.0%	One-time recognition of LYST acquisition-related expenses (FY25 Q1)
Shipping	18,454	6.3%	17,790	5.8%	-0.5%	Cost ratio declined due to (i) improved economic terms with the delivery outsourcing partner from October 2025 as a result of initiatives to improve delivery efficiency, (ii) an increase in the proportion of small-package deliveries (Nekopos), and (iii) a rise in average order value, among other factors.
Commission of Payment collection	6,202	2.1%	6,411	2.1%	0.0%	
Advertising	7,103	2.4%	7,951	2.6%	0.2%	Increase in web advertising costs for ZOZOTOWN and increased expenses associated with one additional month of LYST consolidation and the commencement of consolidation of HIGH LINK, INC.
Rent expense	4,322	1.5%	4,342	1.4%	-0.1%	
Depreciation	2,528	0.9%	3,169	1.0%	0.1%	Increase due to the commencement of depreciation of material handling equipment for shipments at an existing logistics center.
Amortization of goodwill	1,006	0.3%	1,576	0.5%	0.2%	Increase due to one additional month of LYST consolidation and the commencement of consolidation of HIGH LINK, INC.
Stock Compensation Expenses	144	0.0%	129	0.0%	0.0%	
Others	7,056	2.4%	7,366	2.4%	0.0%	One-time recognition of LYST acquisition-related expenses (FY25 Q1) Increase in consumable expenses due to higher packaging material prices, and an increase in communication expenses due to higher cloud service fees (FY26)
Total SG&A	67,374	23.0%	69,930	22.6%	-0.4%	

* 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 of 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



POINT 03

The ratio of actual promotion-related expenses to GMV for the second quarter was 5.0%, largely in line with plan. The primary factors behind the year-on-year increase were increased advertising spending at LYST, the inclusion of advertising expenses from HIGH LINK, INC., and strengthened free-shipping and personalized discount measures, among other factors. However, the unspent portion of the first-quarter promotional budget was not made up through additional spending in the second quarter, and the ratio for the first half came in slightly below the initial plan. For the full year, the ratio is planned at 4.8%, in line with the previous fiscal year.



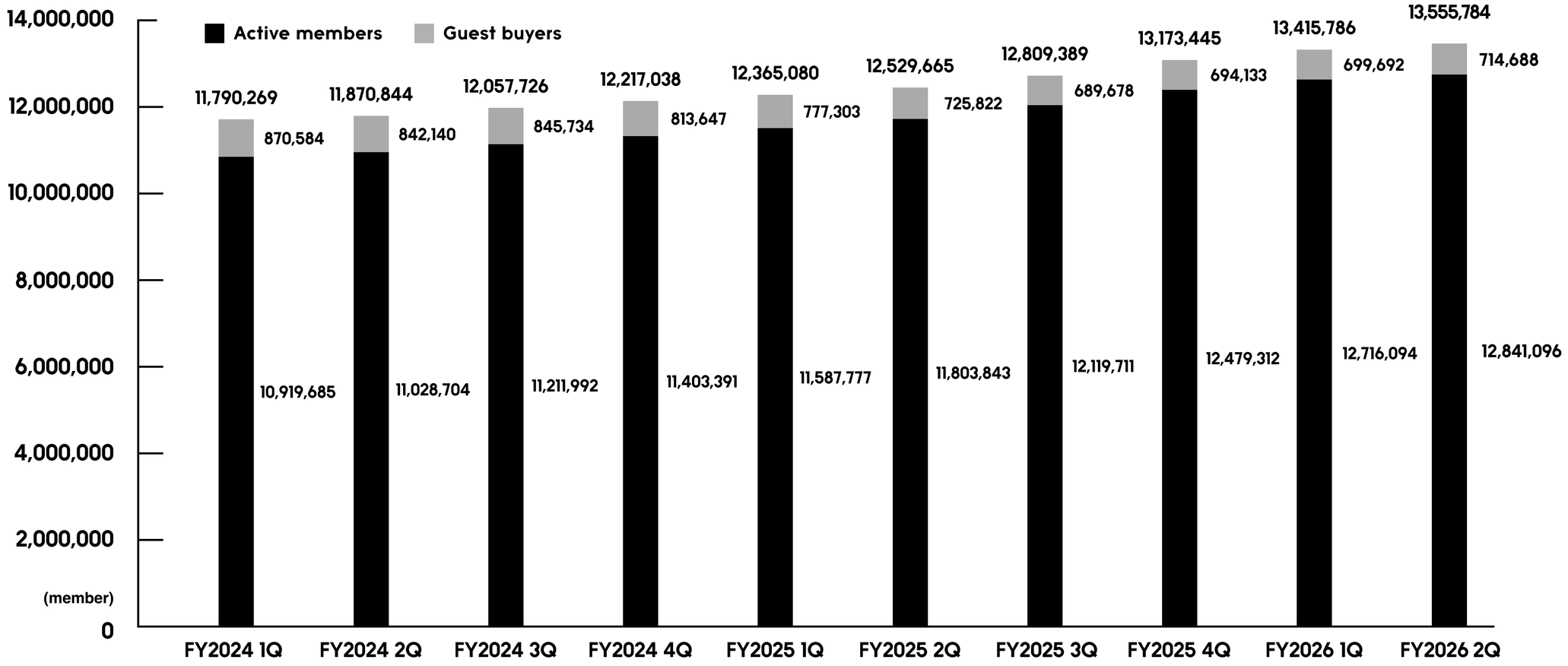
* The actual promotion-related expenses ratio is calculated by dividing the actual promotion-related expenses by the Gross Merchandise Value (excluding other GMV)

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



* The results are only from the ZOZOTOWN business. LY Corporation Commerce, LYST and BtoB Business are not included.
* Excluding the users who only purchased the body measurement device “ZOZOSUIT” “ZOZOMAT” and “ZOZOGLASS”.

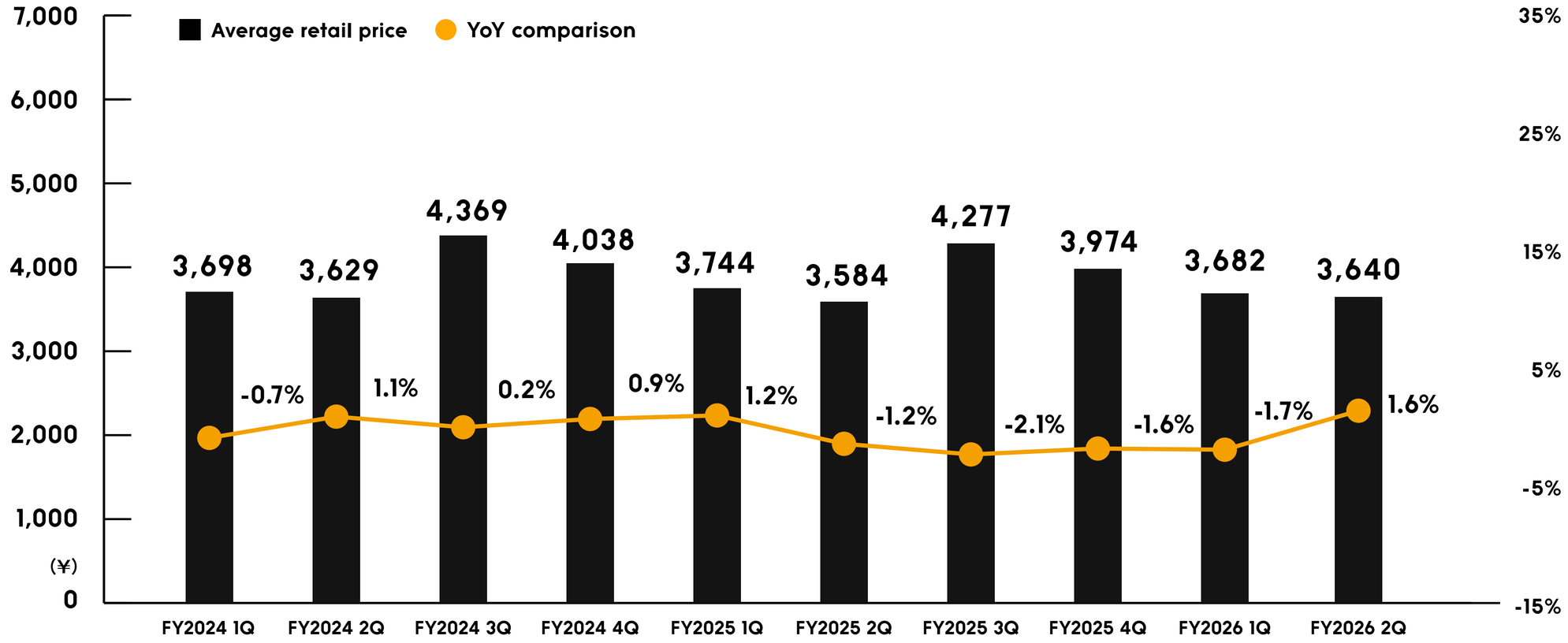
POINT 04

The acquisition of new members remained steady, supported by initiatives such as ZOZOWEEK in September. However, the quarter-on-quarter increase moderated compared with recent quarters, partly due to the impact of strengthened web advertising and referral campaigns in the same period of the previous fiscal year.



AVERAGE RETAIL PRICE

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



* The results are only from the ZOZOTOWN business. LY Corporation Commerce, LYST and BtoB Business are not included.
* Excluding the users who only purchased the body measurement device “ZOZOSUIT” “ZOZOMAT” and “ZOZOGLASS”.

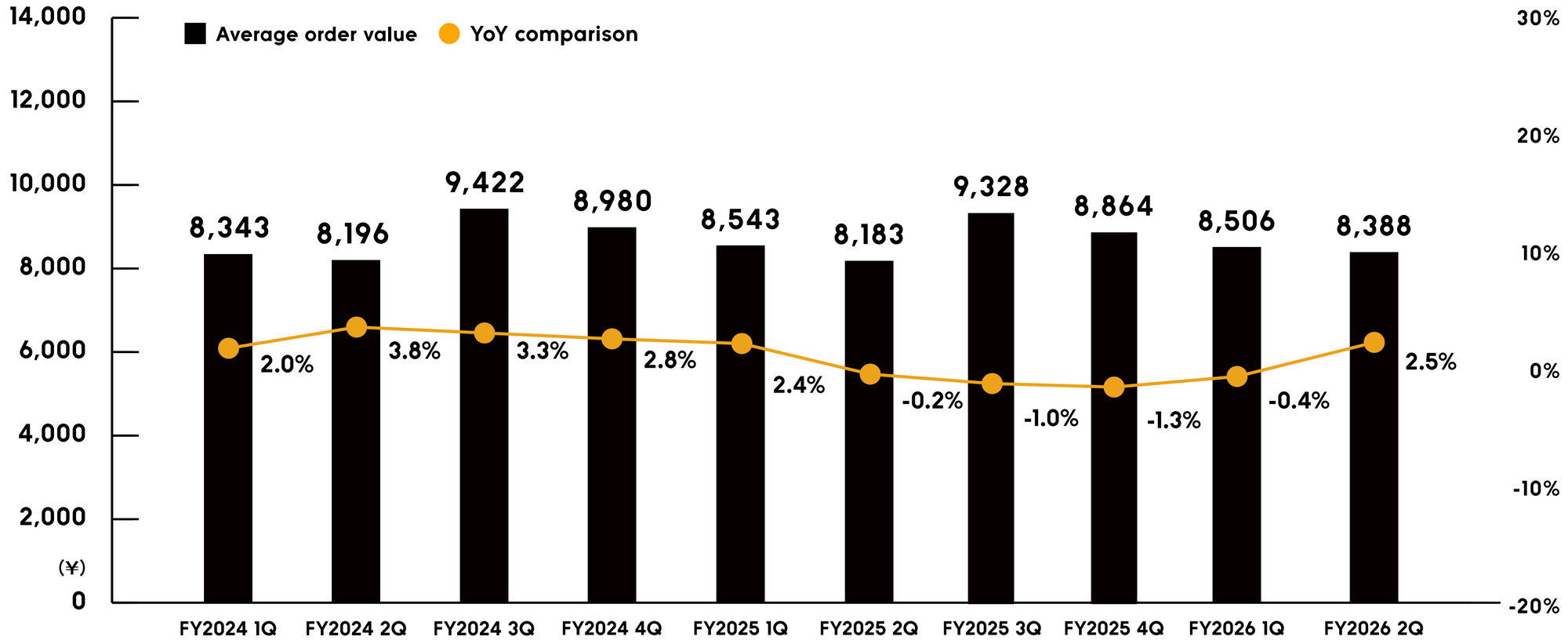
POINT 05

While list prices for new fall/winter items increased moderately, overall price levels for new merchandise remained generally unchanged year on year. The average retail price increased as the average discount rate declined, even though the proportion of sale items rose slightly, partly due to ZOZOWEEK in September.



AVERAGE ORDER VALUE

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



* The results are only from the ZOZOTOWN business. LY Corporation Commerce, LYST and BtoB Business are not included.
* Excluding the users who only purchased the body measurement device “ZOZOSUIT” “ZOZOMAT” and “ZOZOGLASS”.

POINT 06

The attach rate (number of items per order) increased due to more frequent free-shipping measures than in the same quarter of the previous fiscal year, among other factors. As a result, the average order value increased at a higher rate than the average retail price.

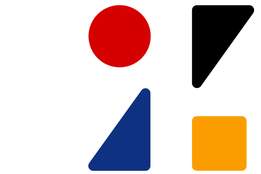


CONSOLIDATED EARNINGS FORECAST AND DIVIDEND FORECAST FOR FY2026

- ○ Gross Merchandise Value (excluding Other GMV) is expected to increase by 5.0% YoY, and Adjusted EBITA by 7.2% YoY.
- ○ HIGH LINK, INC. has been consolidated since May 2026, and the impact of the consolidation has already been incorporated into this plan.
- ○ HIGH LINK, INC.' s Gross Merchandise Value and net sales are recorded under the "Others" segment.
- ○ For the fiscal year ending March 31, 2027, disclosure of Gross Merchandise Value (excluding Other GMV) will be continued.
  *This is due to the continued impact of the inclusion of GMV from ZOZO option contract stores on Yahoo! JAPAN Shopping through the end of September 2025.
- ○ From the fiscal year ending March 31, 2028 onward, disclosure of Gross Merchandise Value (excluding Other GMV) is scheduled to be discontinued.

	Target	YoY
Gross Merchandise Value	679.6 billion yen	2.0%
Gross Merchandise Value (excluding other GMV)	678.6 billion yen	5.0%
Net sales	241.9 billion yen	5.9%
Operating profit	74.4 billion yen	7.3%
Operating Profit Margin (% of the Gross Merchandise Value)	11.0 %	-
Adjusted EBITA	77.9 billion yen	7.2%
Adjusted EBITA Margin (% of the Gross Merchandise Value)	11.5 %	-
Ordinary profit	74.4 billion yen	7.4%
Profit attributable to owners of parent	49.7 billion yen	3.7%
Net profit per share	56.20 yen	-
Estimated dividends per share (Plan)	40.0 yen	-

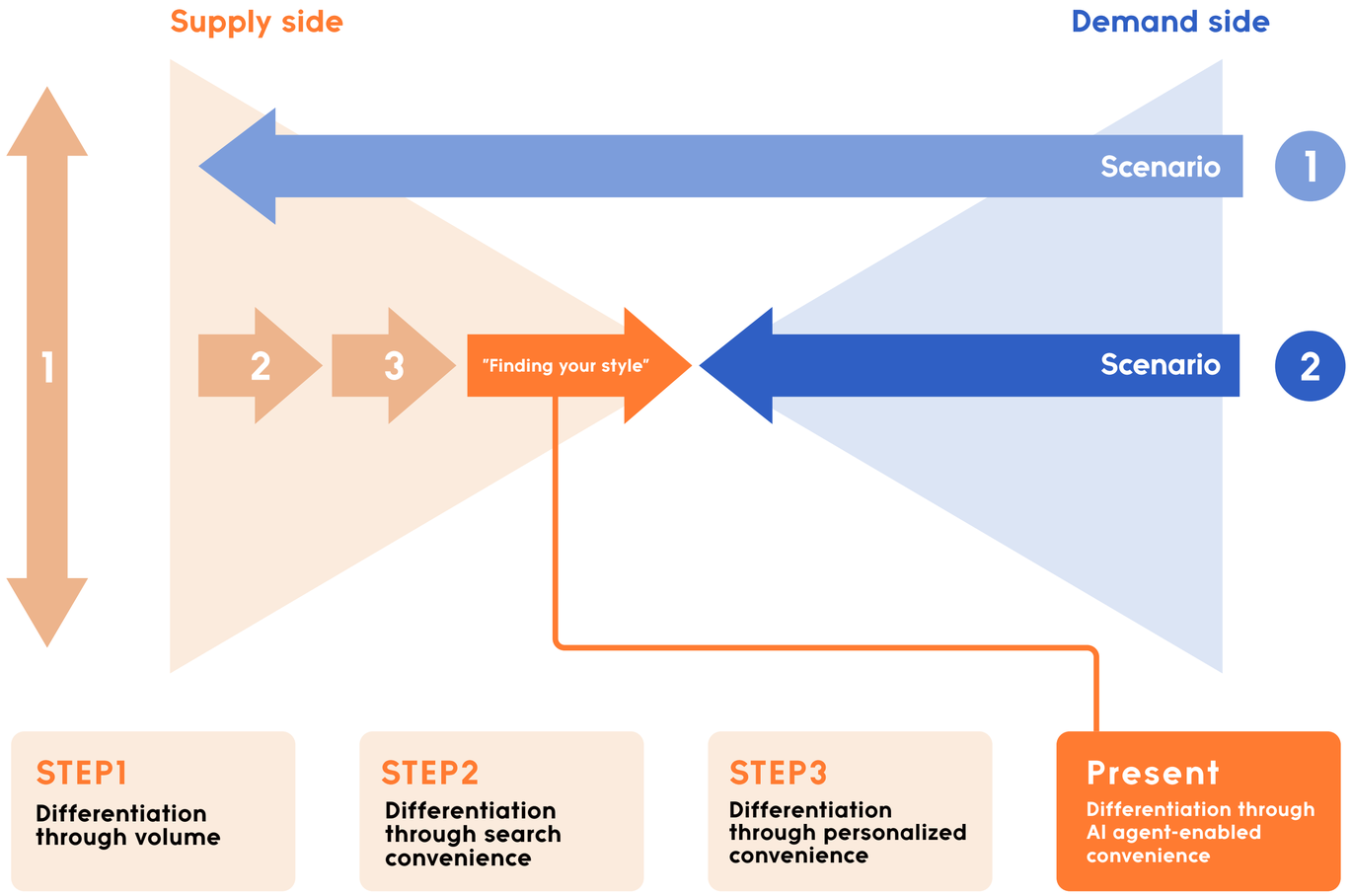
*Adjusted EBITA is calculated as operating profit + amortization of goodwill (including amortization of intangible assets recognized through purchase price allocation (PPA)) + M&A-related expenses (including advisory fees and due diligence costs).
*Operating profit margin and Adjusted EBITA margin are calculated by dividing operating profit and Adjusted EBITA by the Gross Merchandise Value (excluding other GMV).



ZOZO

Operating environment and "finding your style"

Even as AI agents become widespread,
intermediary platforms will continue to provide value in areas such as "finding your style," where information is ambiguous



Patterns in the evolution of bow-tie model services

【Scenarios as consumer-side AI agents evolve】

Scenario 1

As consumer-side AI agents evolve, they gain direct access to the supply side, causing the bow-tie model to decline.

Scenario 2

Consumer-side AI agents evolve but remain less capable than supply-side agents. As a result, agents on both sides communicate, negotiate, and collaborate to recommend the best options to the demand side.

The scenario differs depending on the product or service.

- Scenario 1 occurs where information on merchandise and services is clear and widely available as public information. (→Clear/public data type)
- Scenario 2 occurs where information on merchandise and services is ambiguous and scarcely available as public information. (→Ambiguous/non-public data type)

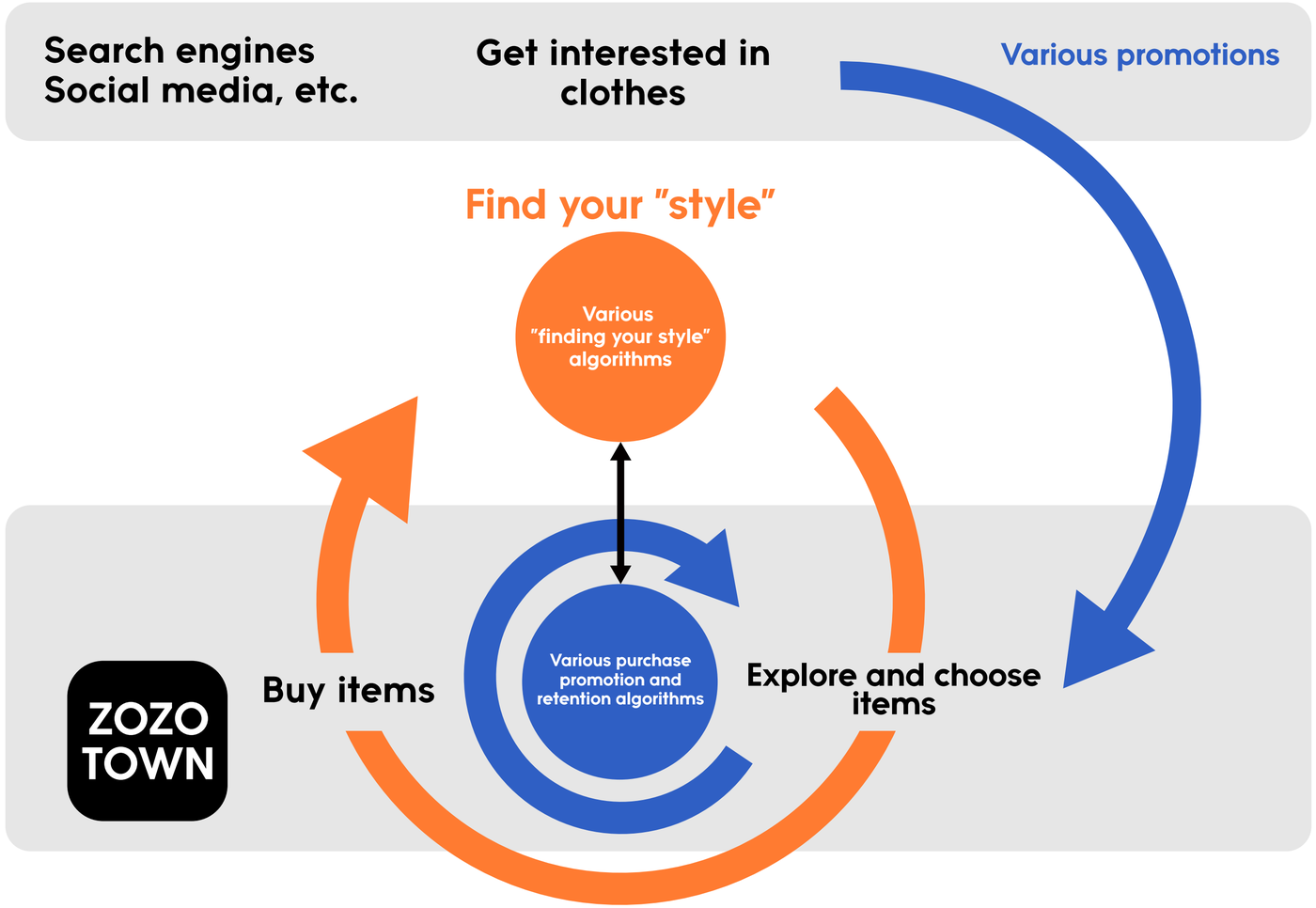
ZOZO is in a position to hold this data

Service lineup for "finding your style"

Expanding services and features into the "finding your style" area to keep the fashion loop going

Existing paths to customer acquisition and retention

New paths to customer acquisition and retention



Launching services and features in the "finding your style" area

YouTube tv
- How-to videos on styling outfits

LINE (Lab-kun, ZOZO's outfit recommendation AI)
- Personalized styling recommendations through AI-powered conversations

WEAR
- Core Style Finder
- AI Outfit Try-On

ZOZOTOWN
- AI item selection advisor (in development)
- Smart Styling (in development)

Physical stores and devices
- Enhanced version of niaulab (in development)
- Smart mirror powered by niaulab (in development)

These services are powered by proprietary data and algorithms unique to ZOZO.
- User preference data based on purchase and browsing histories
- Outfit images linked to specific items
- Vector databases of items and outfits, etc.

Envisioned integration model for "finding your style"

Creating touchpoints, both online and offline, where people can discover their "style," and building an ecosystem in which every touchpoint can lead to a fashion purchase

Get daily AI styling advice tailored to your preferences and body shape concerns through interactive conversations

Implemented

AI-powered outfit styling recommendations with long-term memory of users' preferences and body data

Outfit images linked to items and the users who posted them

Get daily outfit recommendations tailored to the weather and your preferences

Discover new ways to style items you've purchased

In development

AI item selection advisor and Smart Styling trained on purchase and favorites data

Vector databases of items and outfits

Get AI-powered advice on choosing items through interactive conversations



Learn styling tips through how-to videos

Implemented

How-to videos leveraging niaulab's expertise

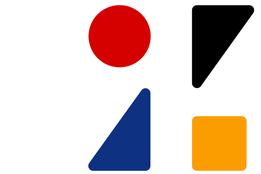
Virtually try on items across all fashion genres at once and experiment with outfits you wouldn't normally wear

In development

Physical stores and devices

Virtual try-on mirror powered by edge AI trained to assess whether an outfit aligns with your "style"

Find out which stores carry the items featured in your favorite virtual try-on outfits



ZOZO