

# **FY2024 3Q ZOZO, Inc. CONSOLIDATED BUSINESS RESULTS**



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

# HIGHLIGHTS



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





# FY2024 3Q HIGHLIGHTS

The Company achieved record results in both Gross Merchandise Value and operating profit by the end of the third quarter.

## Overview

- **Gross Merchandise Value : 461,171 million yen (+8.0%,YoY)**  
**Gross Merchandise Value (excluding other GMV) : 431,914 million yen (+8.1%,YoY)**  
**All businesses generally progressed as planned. Although performance in the first half of the third quarter was sluggish, demand for clothing picked up as temperatures declined.**
- **Operating Profit : 51,761 million yen (+13.3%,YoY)**  
**Progress exceeded the plan, primarily due to lower-than-expected logistics-related expenses resulting from greater-than-anticipated operational improvements at warehouses, as well as unused fixed costs, such as “payroll costs for employee” and “outsourcing commission”.**

## Results by business segment

- **ZOZOTOWN BUSINESS**
  - Gross Merchandise Value : 371,667 million yen (+6.6%,YoY)**
  - Consignment sales : 354,104 million yen (+6.8%,YoY)**
  - Outright Purchase / Production & Sales : 3,026 million yen (-17.0%,YoY)**
  - USED sales : 14,535 million yen (+9.2%,YoY)**
- **LY Corporation Commerce\* : 50,156 million yen (+24.6%,YoY)**
- **BtoB Business : 10,090 million yen (-5.7%,YoY)**
- **Others\* : 29,256 million yen**
- **Average Order Value : 9,422 yen (+3.3%,YoY)**
- **Average Retail Price : 4,369 yen (+0.2%,YoY)**
- **Advertising business**
  - Net sales : 8,534 million yen (+21.0%,YoY)**

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

\* From the 2nd quarter of the fiscal year ended March 2021, stores contracting ZOZO option at Yahoo! JAPAN Shopping, ZOZOMO, and ZOZOSUIT (for paid sales) are recorded.

ZOZO Option : Option contracts which enables fashion category stores outside of ZOZOTOWN Yahoo! JAPAN Shopping, to participate in special events produced by ZOZO and get benefits from sales support.

ZOZOMO : The system which enables ZOZOTOWN users to place a layaway order of the merchandise at the physical stores.



# FY2024 3Q HIGHLIGHTS

## Profitability

- Operating profit margin (to the total gross merchandise value) : 12.0%(11.4% for FY2023 3Q)
  - Factors improving profitability : Growth in the advertising business, an improvement in gross profit due to changes in the shipping policy (specifically, an increase in shipping charges borne by customers), a reduction in the logistics-related expense ratio driven by operational improvements at warehouses, and a decrease in “others” expenses due to the reduction of one-time costs.
  - Factors worsening profitability : Higher ratio of shipping expenses, higher ratio of rent expenses and depreciation due to the new lease of a logistics center.

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

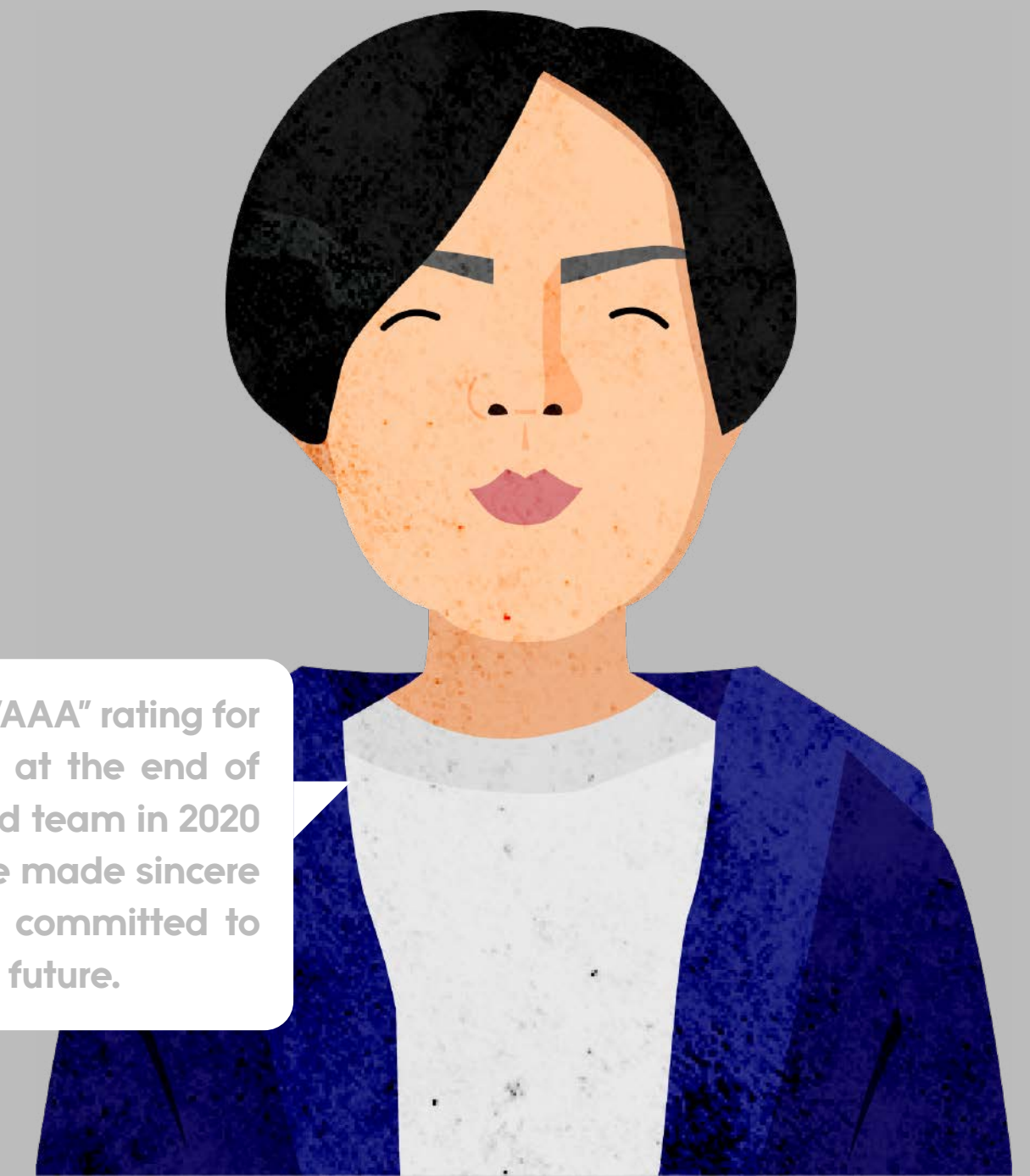
## Topics

- The Company was awarded the “Rainbow” certification in the PRIDE Index 2024, which evaluates LGBTQ+ initiatives in the workplace, for the first time. (November 2024)
- The Company received the highest MSCI ESG rating of “AAA” for the first time. (December 2024)
- The Company received the “Best Workplace” certification for the third consecutive year in the D&I AWARD 2024, Japan’s largest award recognizing leading D&I companies. (December 2024)
- Our shares are selected as a component of the ESG investment index “Dow Jones Sustainability Asia Pacific Index” for the second consecutive year. (December 2024)

# BUSINESS RESULTS



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







# OVERVIEW OF THE FY2024 3Q

(million¥)

	FY2023 3Q	FY2024 3Q	YoY	Target	Achievement Rate(%)
Gross Merchandise Value	427,146	461,171	8.0%	609,200	75.7%
Gross Merchandise Value (excluding other GMV)	399,496	431,914	8.1%	572,200	75.5%
Net sales	147,568	161,076	9.2%	214,400	75.1%
Gross profit	137,313	150,062	9.3%	-	-
(% to the Gross Merchandise Value)	34.4%	34.7%	0.3%	-	-
SG&A	91,614	98,301	7.3%	-	-
(% to the Gross Merchandise Value)	22.9%	22.8%	-0.1%	-	-
Operating profit	45,698	51,761	13.3%	64,200	80.6%
(% to the Gross Merchandise Value)	11.4%	12.0%	0.6%	11.2%	-
Ordinary profit	45,906	51,829	12.9%	64,200	80.7%
Profit attributable to owners of parent	32,470	35,943	10.7%	45,200	79.5%

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



# OVERVIEW OF EACH QUARTER

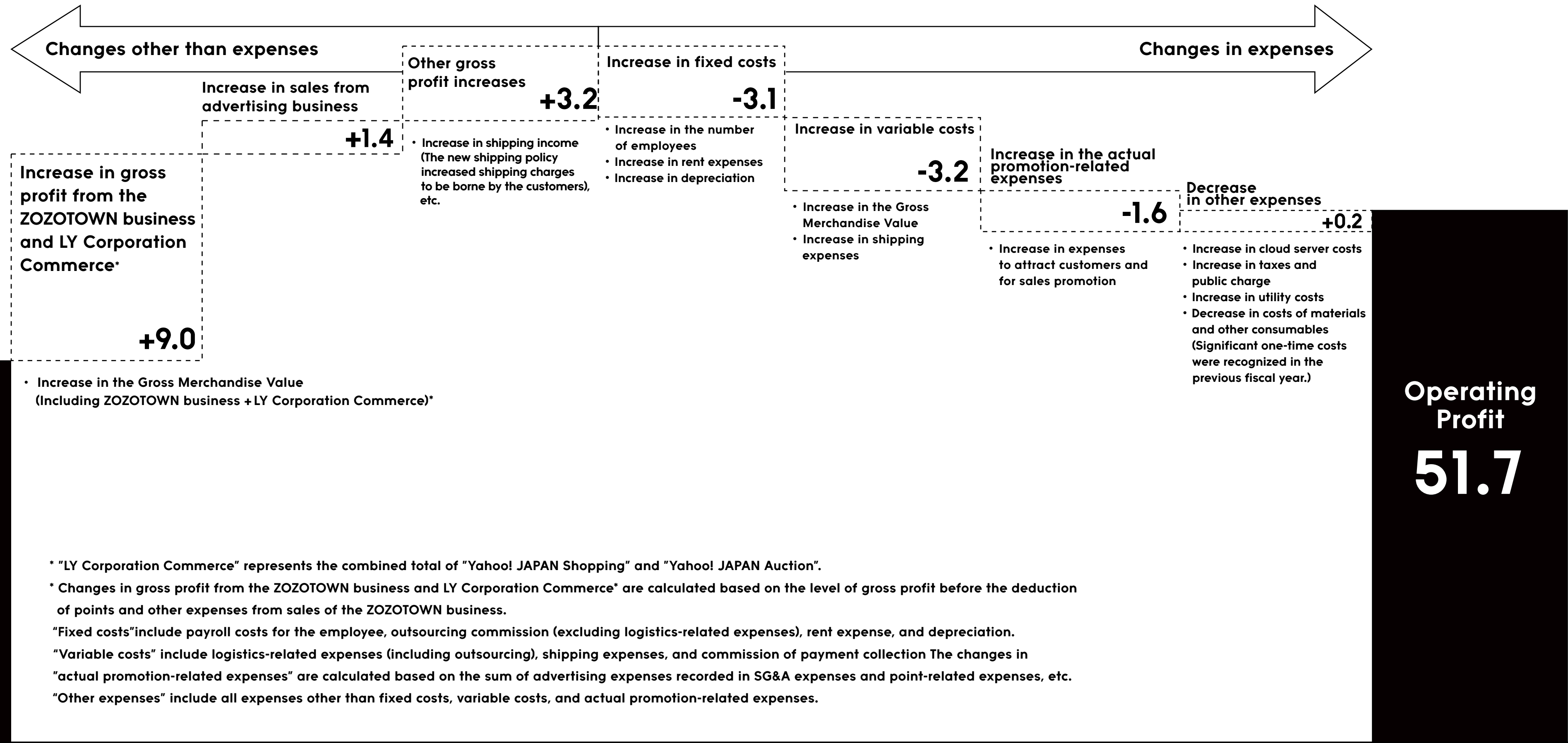
(million¥)

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

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



# INCREASE-DECREASE ANALYSIS OF OPERATING PROFIT (YoY COMPARISON)



(bn¥)

FY2023 3Q

FY2024 3Q





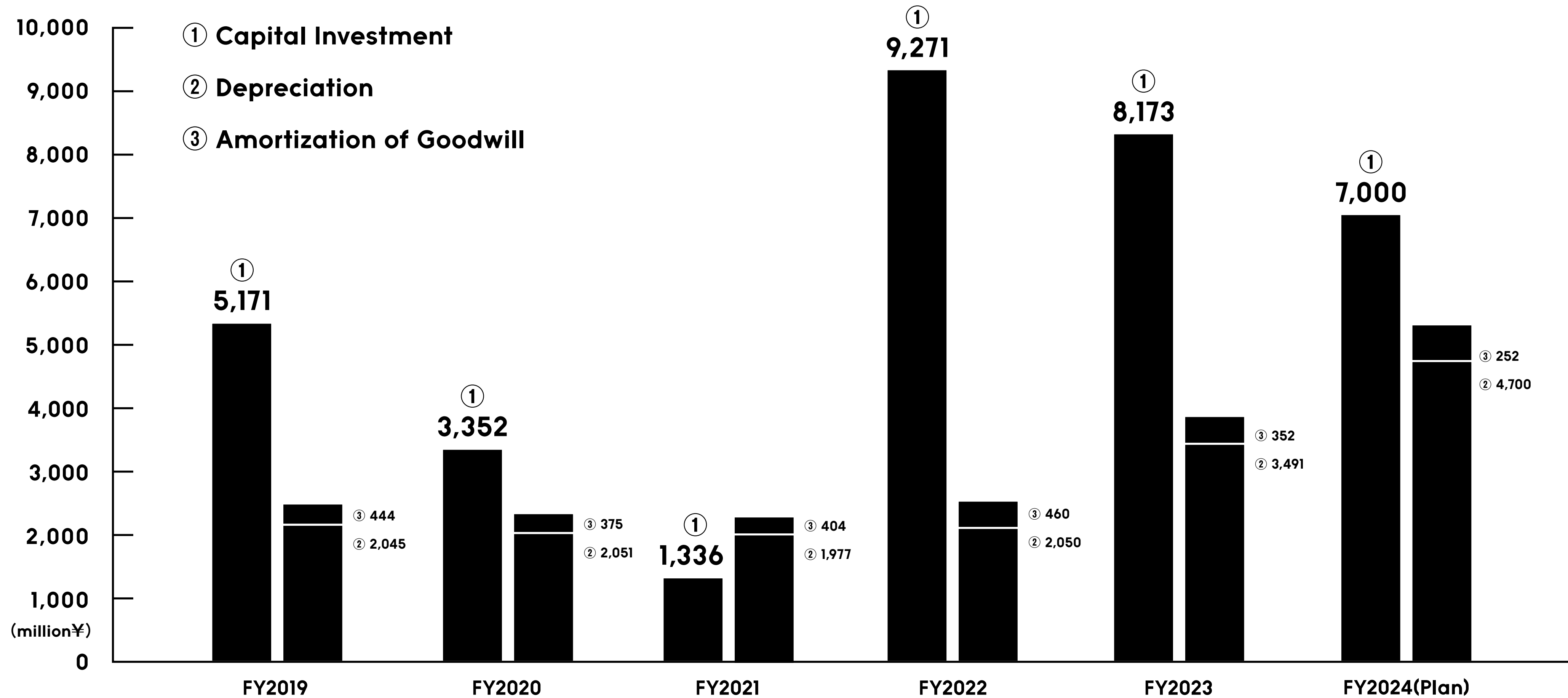
# CONSOLIDATED BALANCE SHEET

(million¥)

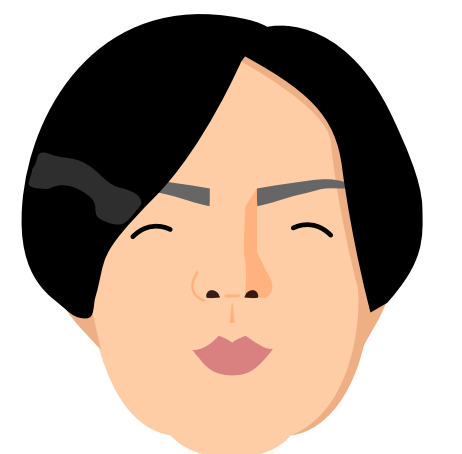
	<b>FY2023</b> (as of March 31, 2024)	<b>FY2024 3Q</b> (as of December 31, 2024)		<b>FY2023</b> (as of March 31, 2024)	<b>FY2024 3Q</b> (as of December 31, 2024)
<b>Current assets</b>	<b>123,137</b>	<b>138,356</b>	<b>Current liabilities</b>	<b>68,261</b>	<b>79,754</b>
<b>Cash and deposits</b>	<b>64,747</b>	<b>62,125</b>	<b>Short-term borrowing</b>	<b>20,000</b>	<b>20,000</b>
<b>Merchandise</b>	<b>3,784</b>	<b>3,227</b>	<b>Non-current liabilities</b>	<b>8,856</b>	<b>9,683</b>
<b>Non-current assets</b>	<b>38,724</b>	<b>39,961</b>	<b>Total liabilities</b>	<b>77,117</b>	<b>89,438</b>
<b>Tangible assets</b>	<b>24,660</b>	<b>26,210</b>	<b>Shareholders' equity</b>	<b>84,572</b>	<b>88,639</b>
<b>Intangible assets</b>	<b>2,611</b>	<b>3,232</b>	<b>Treasury stock</b>	<b>-11,627</b>	<b>-11,581</b>
<b>Investments and other assets</b>	<b>11,452</b>	<b>10,519</b>	<b>Total net assets</b>	<b>84,744</b>	<b>88,880</b>
<b>Total assets</b>	<b>161,862</b>	<b>178,318</b>	<b>Total liabilities and net assets</b>	<b>161,862</b>	<b>178,318</b>



# CAPITAL INVESTMENT



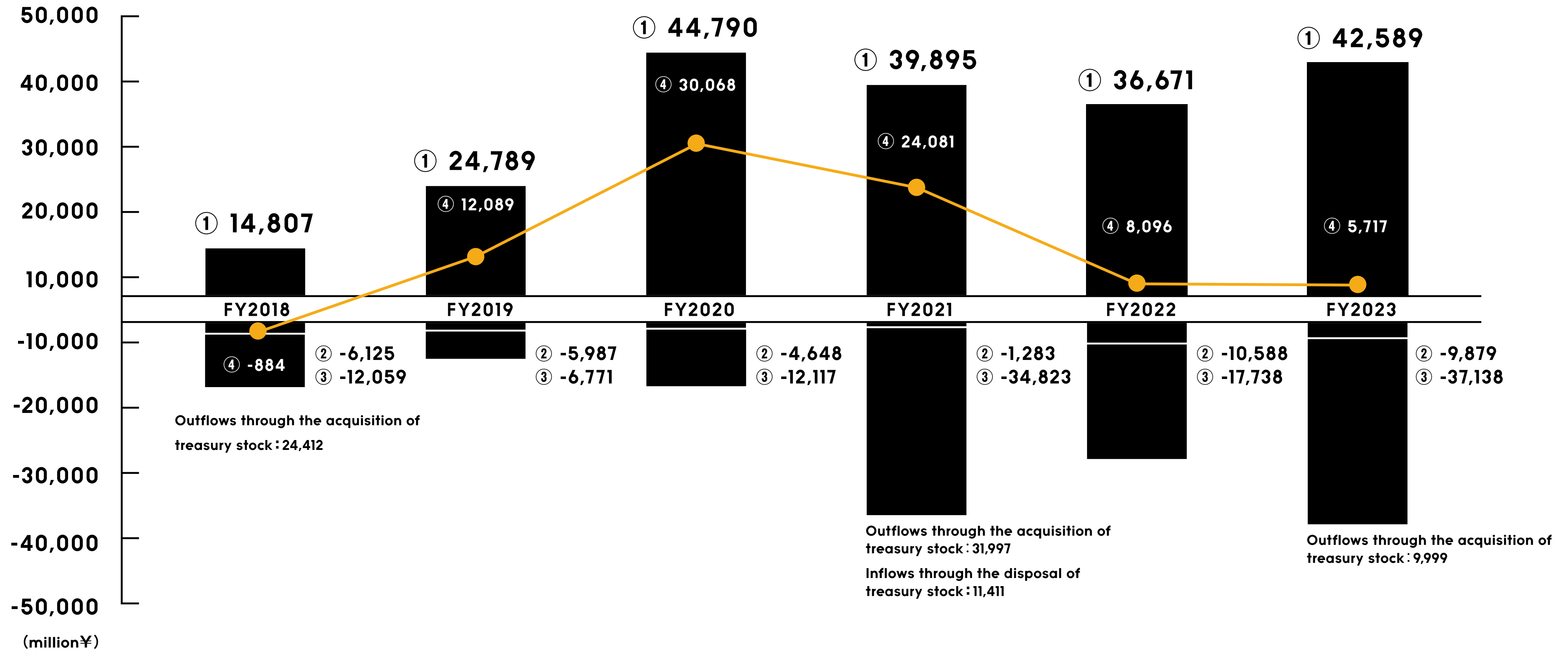
The progress of capital investments for the current fiscal year is slightly below plan, as the installation of certain logistics-related equipment has been rescheduled for the next fiscal year or later.





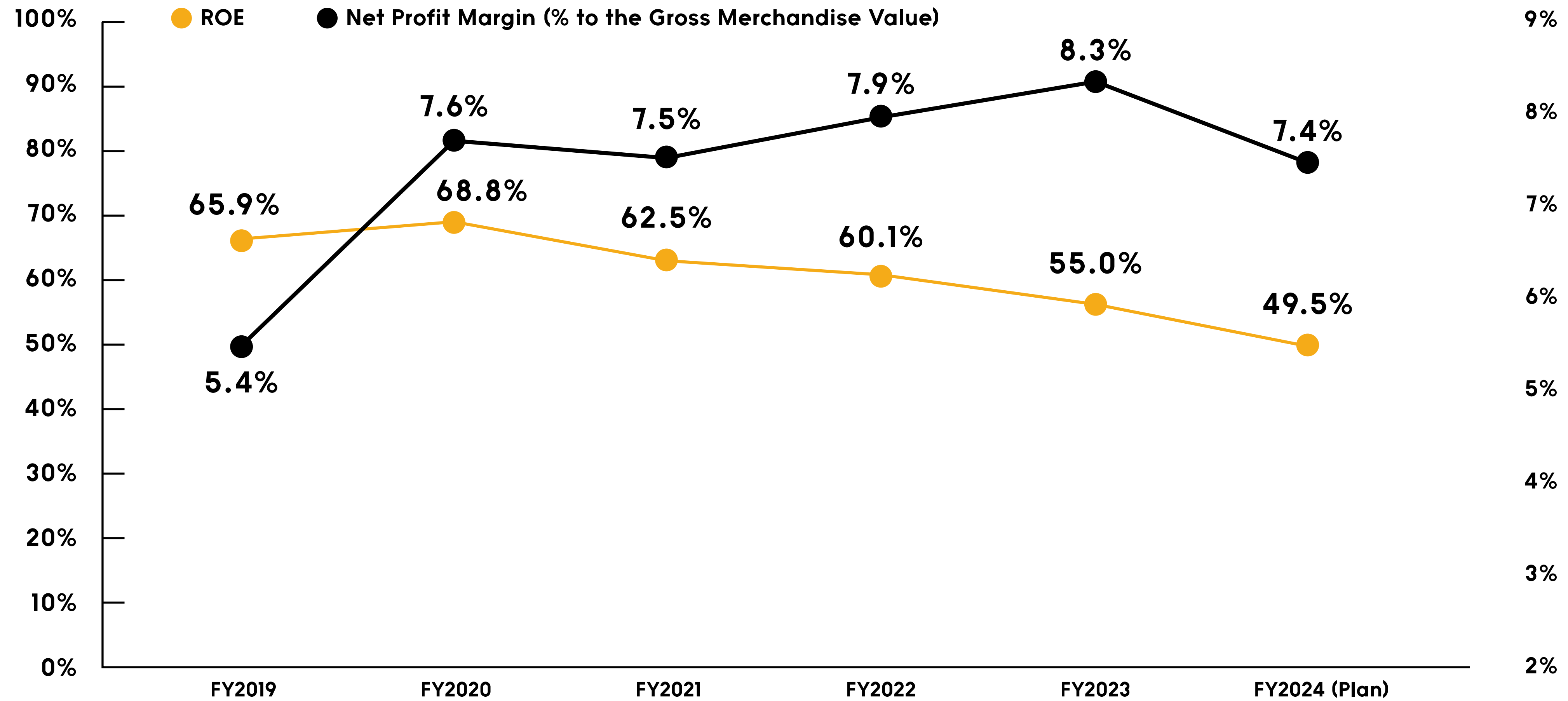
# CASH FLOWS

- ① Cash flows from operating activities
- ② Cash flows from investing activities
- ③ Cash flows from financing activities
- ④ Substantial free cash flows
- (① + ② - Expenditure from dividends)





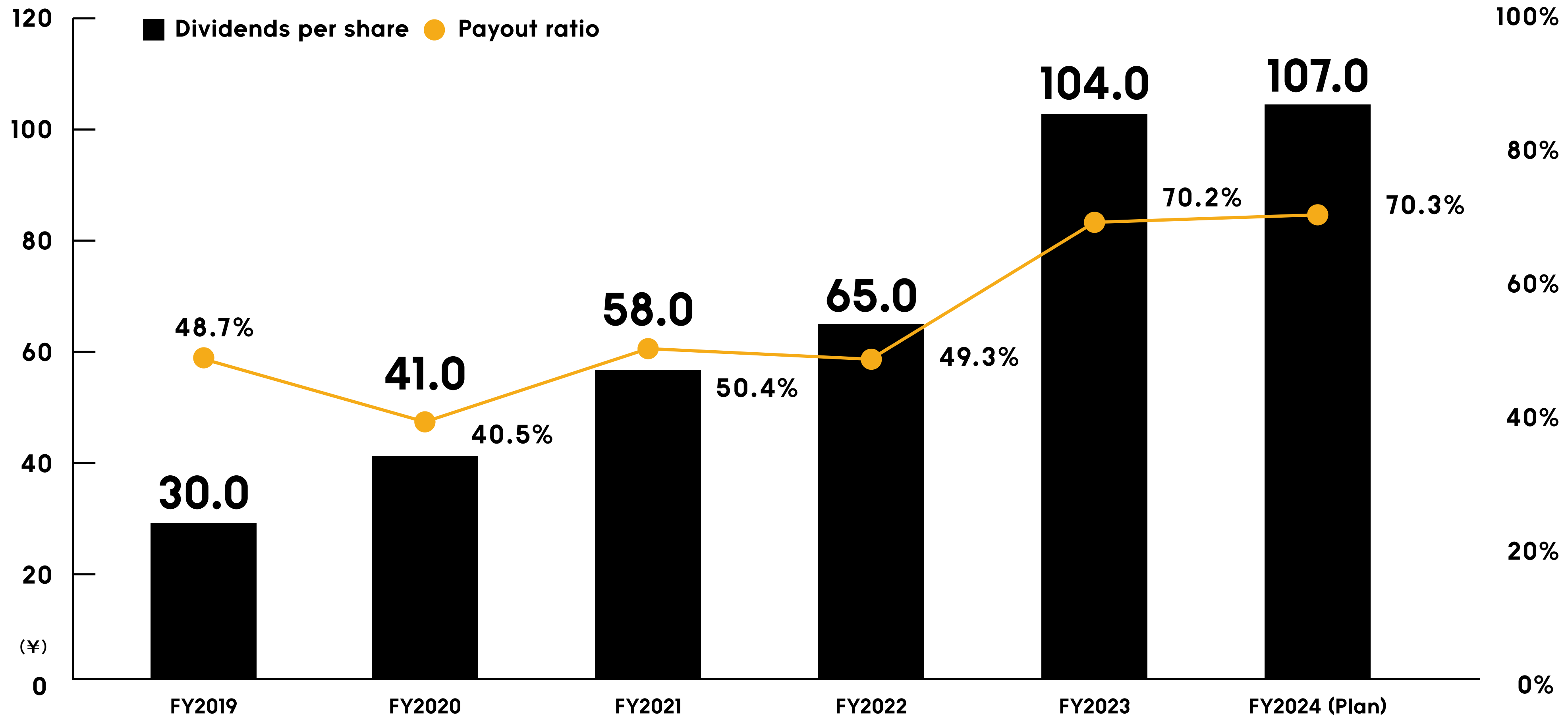
# ROE AND NET PROFIT MARGIN



\* Net profit margins are calculated by dividing net profit by the Gross Merchandise Value (excluding other GMV).



# DIVIDENDS PER SHARE AND PAYOUT RATIO

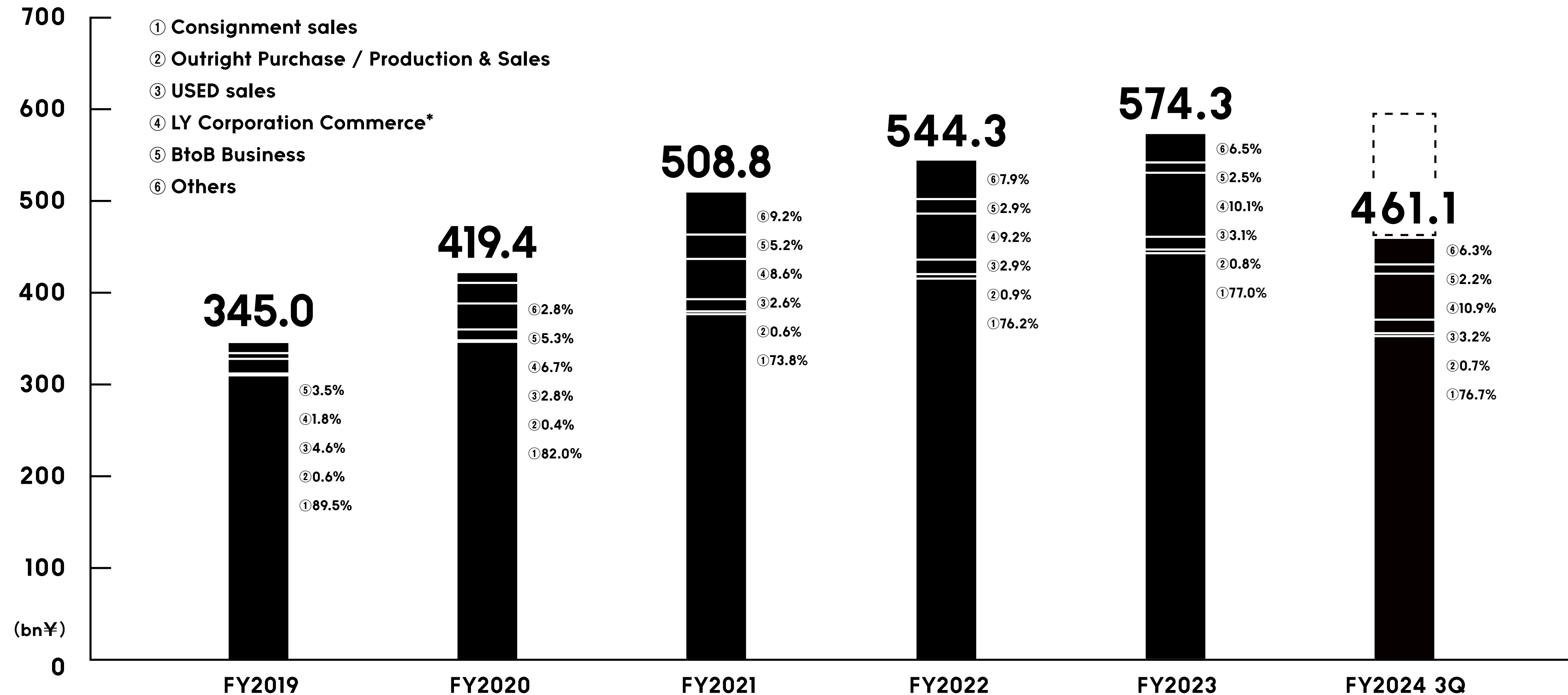






# GROSS MERCHANDISE VALUE

The Gross Merchandise Value of new shops opened in FY2024 3Q (ZOZOTOWN Business)  
 FY2024 3Q: 3.0 billion yen (accounts for 0.8% of the Gross Merchandise Value)

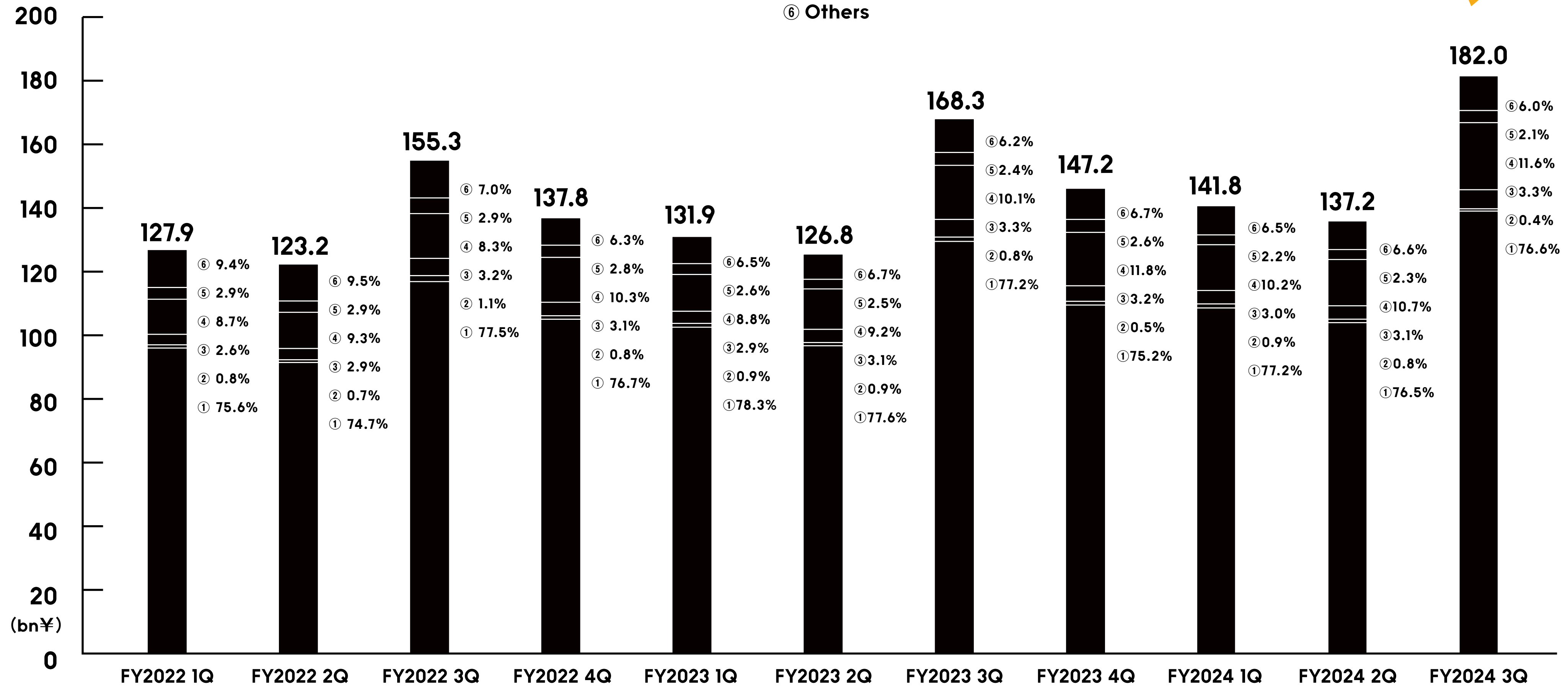


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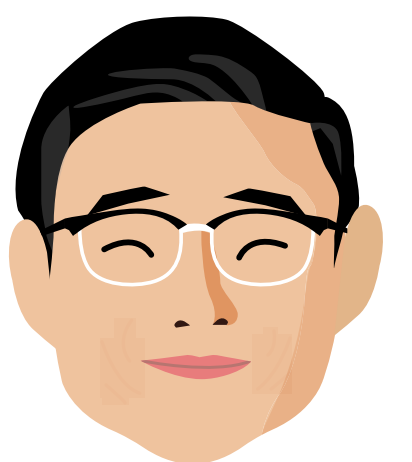
# GROSS MERCHANDISE VALUE (QUARTERLY)

- ① Consignment sales
- ② Outright Purchase / Production & Sales
- ③ USED sales
- ④ LY Corporation Commerce\*
- ⑤ BtoB Business
- ⑥ Others



YoY\*  
+8.4%

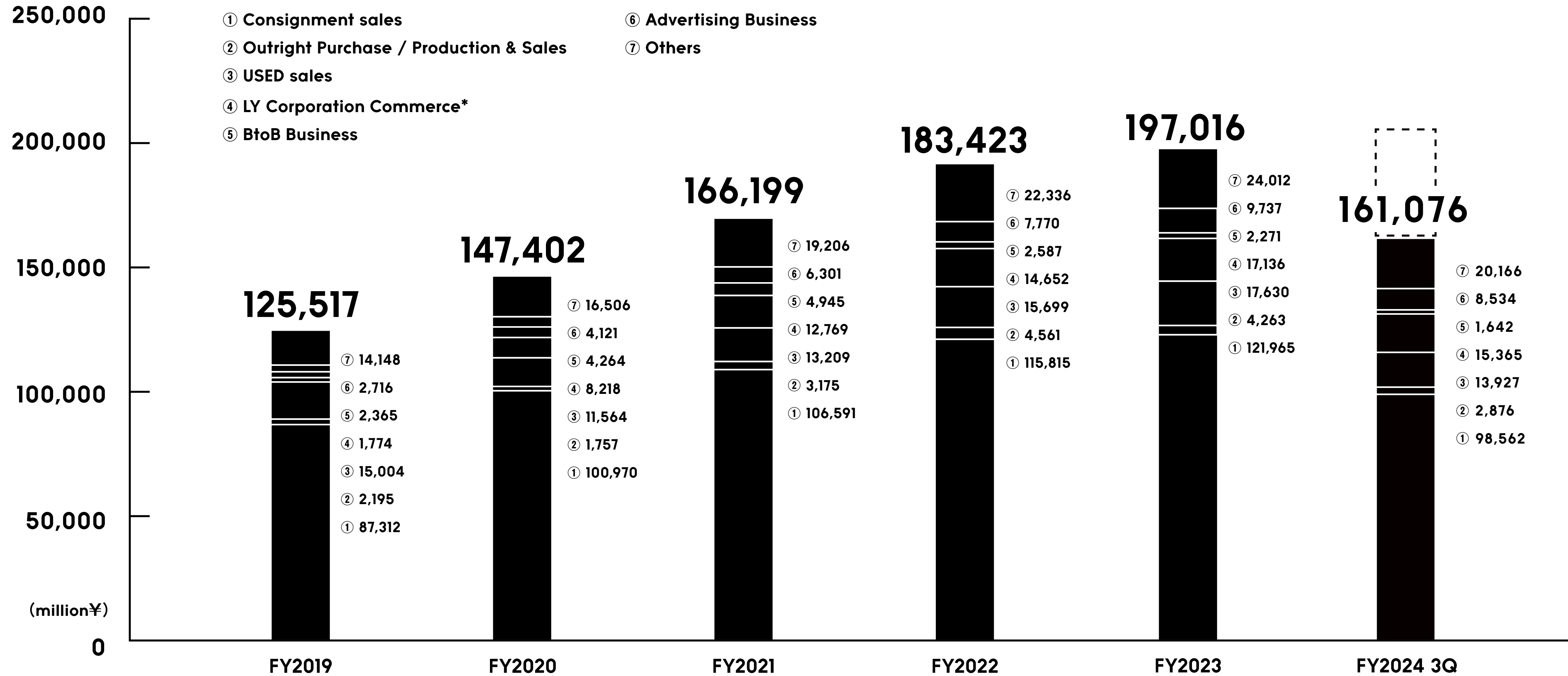
GMV in October was sluggish due to a more severe lingering summer heat compared to last year. However, as temperatures dropped, demand for clothing picked up, leading to strong performance in November and December.



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



# NET SALES

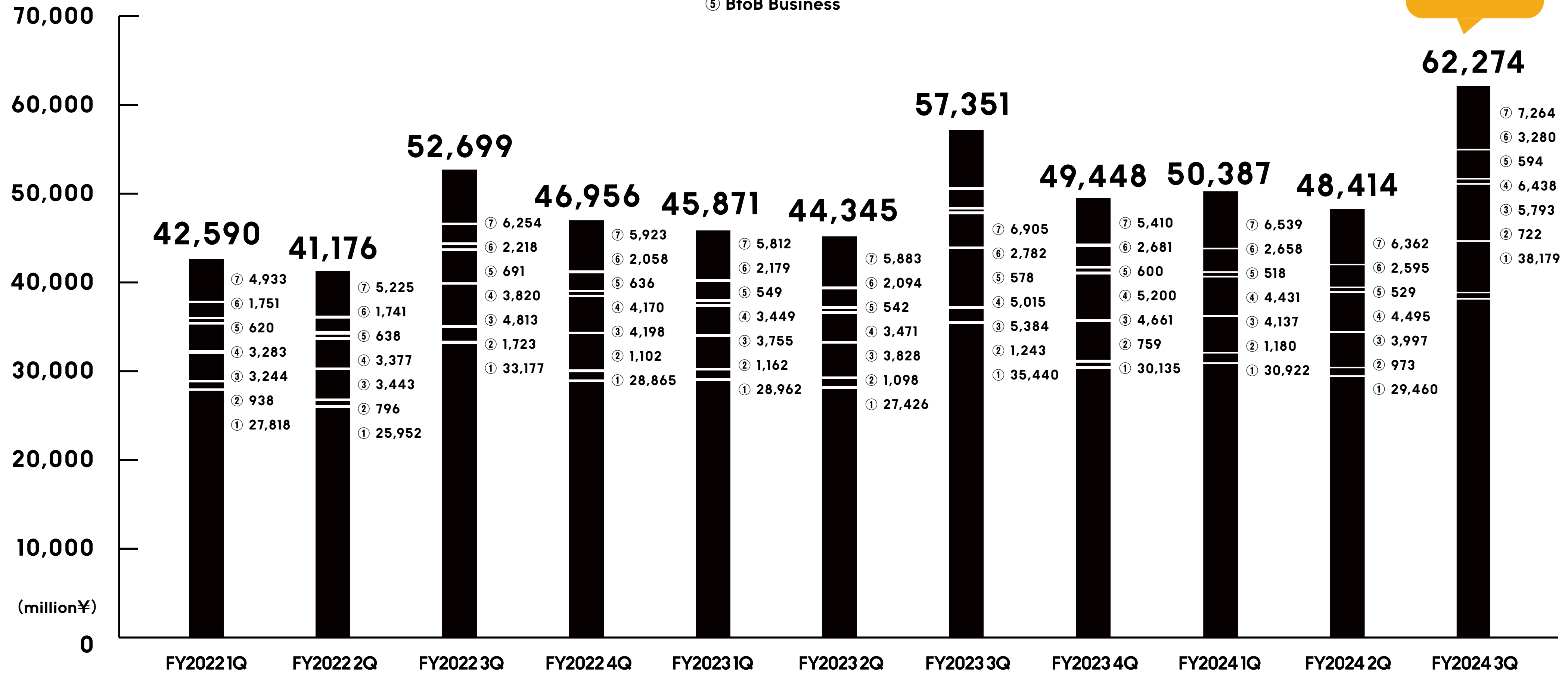


\*"LY Corporation Commerce" represents the combined total of "Yahoo! JAPAN Shopping" and "Yahoo! JAPAN Auction".



# NET SALES (QUARTERLY)

- ① Consignment sales
- ② Outright Purchase / Production & Sales
- ③ USED sales
- ④ LY Corporation Commerce\*
- ⑤ BtoB Business
- ⑥ Advertising Business
- ⑦ Others

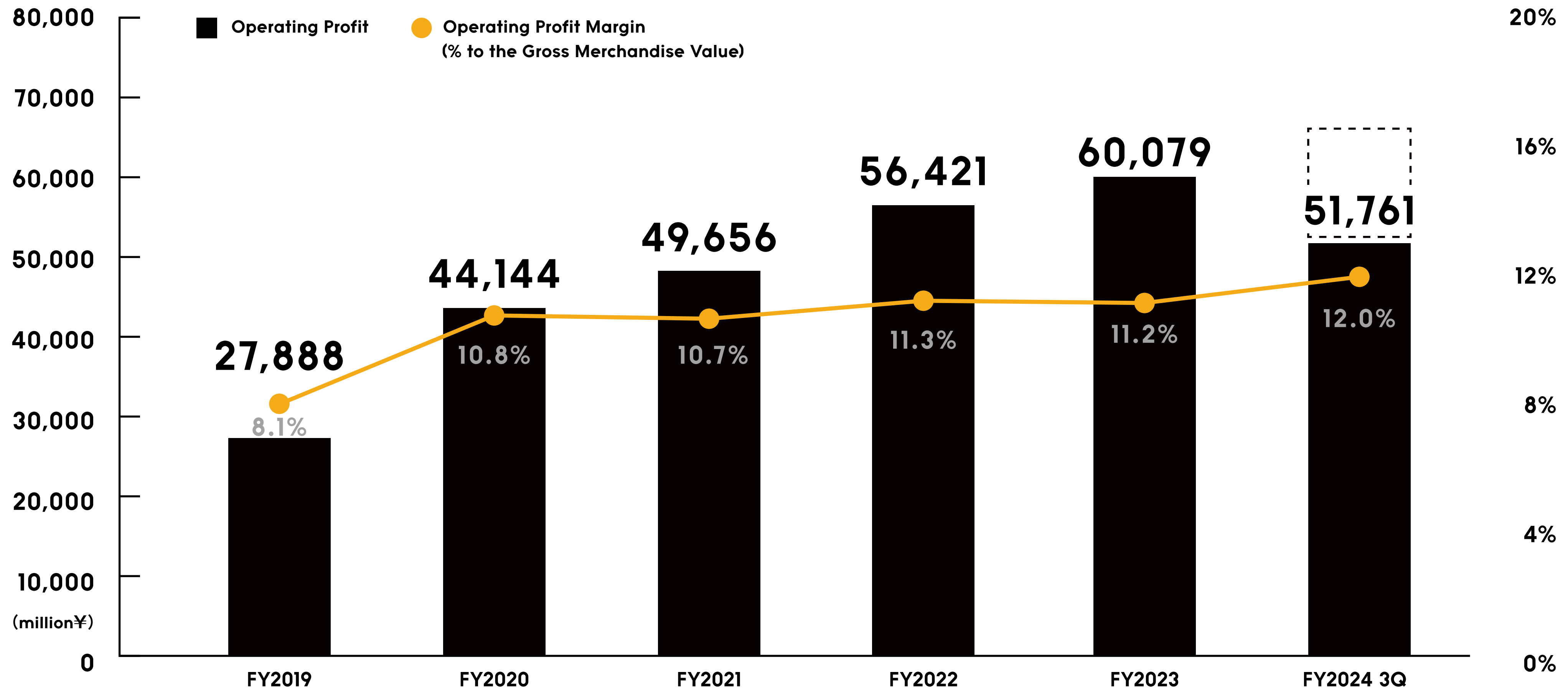


YoY\*  
+8.6%

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



# OPERATING PROFIT AND OPERATING PROFIT MARGIN

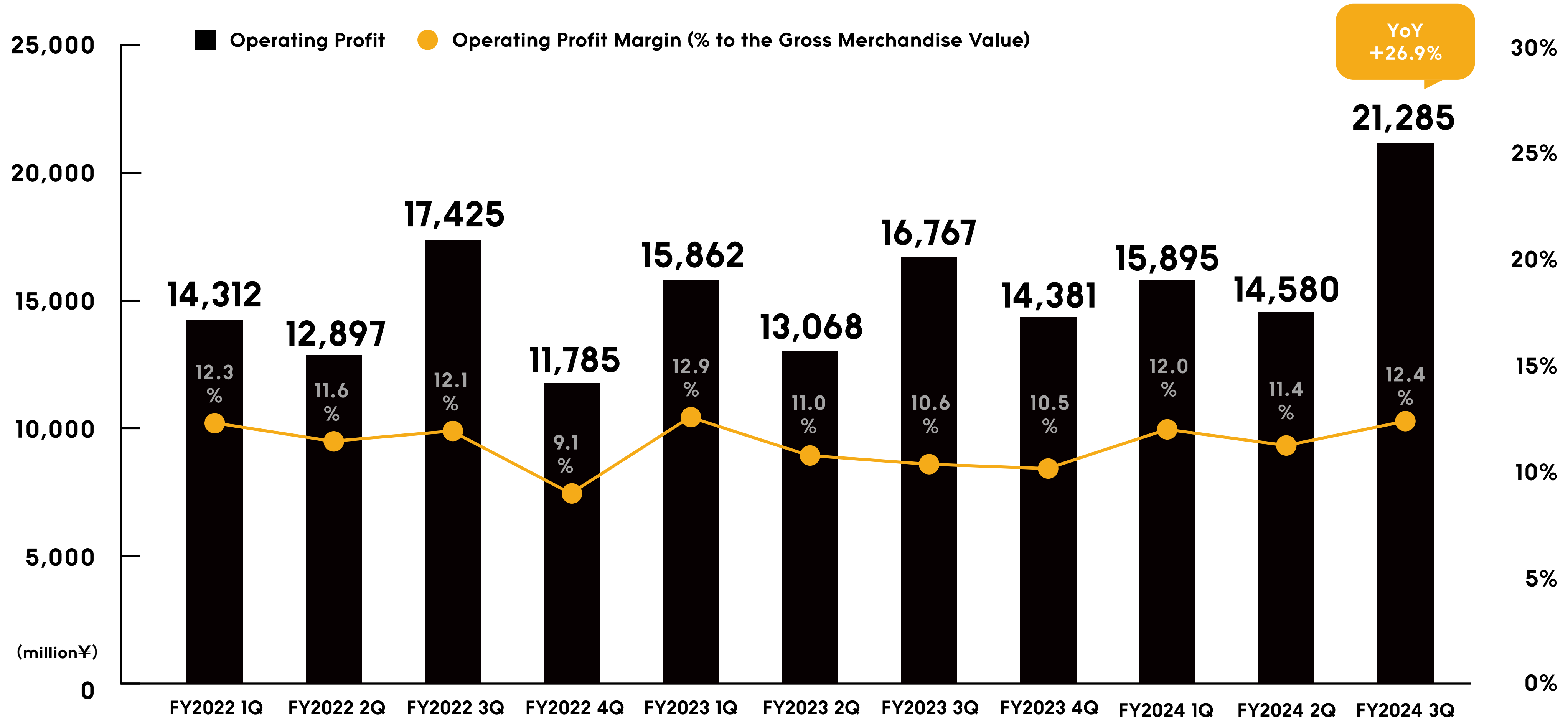


\* Operating profit margins are calculated by dividing operating profit by the Gross Merchandise Value (excluding other GMV)

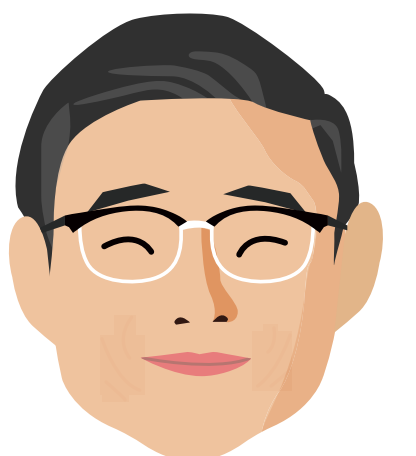




# OPERATING PROFIT AND OPERATING PROFIT MARGIN (QUARTERLY)



The significant increase in operating profit was driven by improved gross margins, a lower logistics-related expense ratio resulting from increased efficiency in warehouse operations, and reduced expenses in the "others" category, including a decrease in one-time costs.



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



# SELLING, GENERAL AND ADMINISTRATIVE(SG&A) EXPENSES

(million¥)

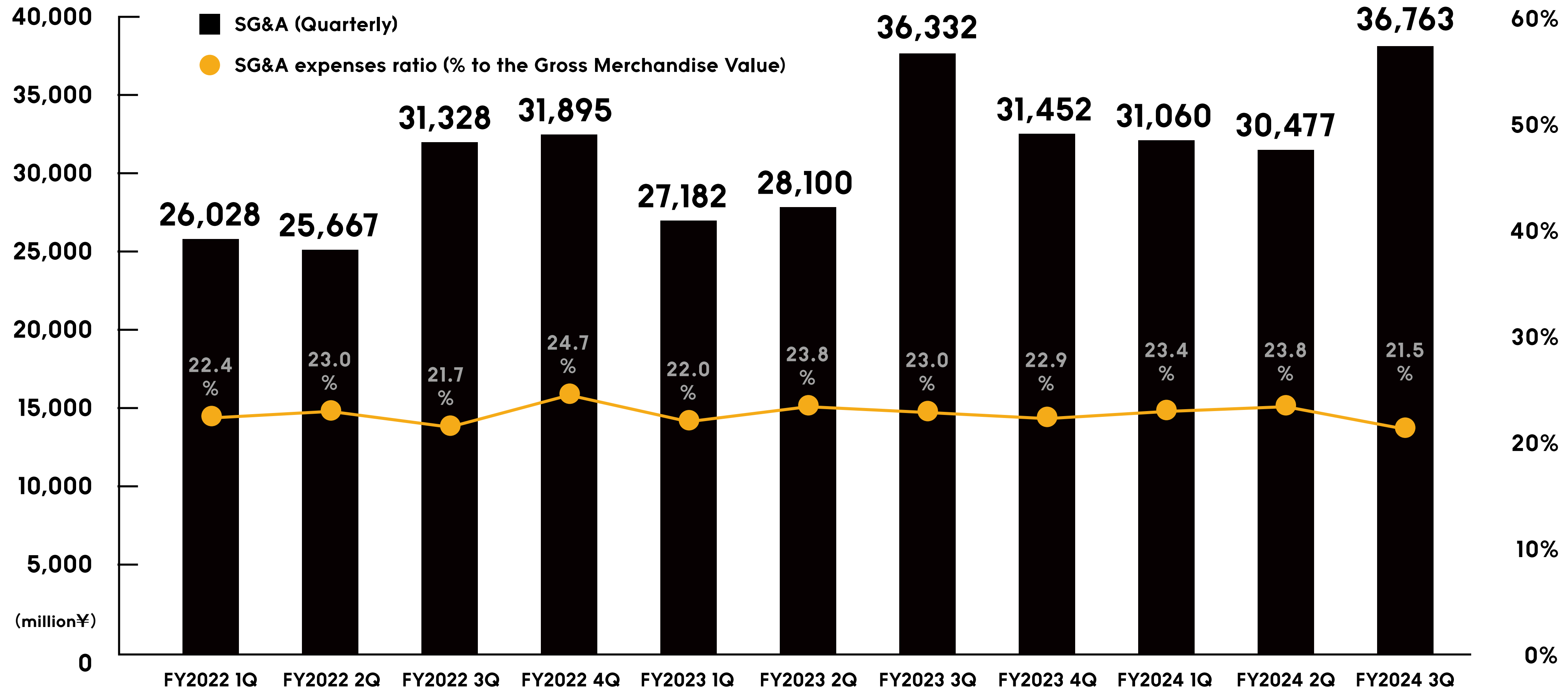
	FY2023 3Q		FY2024 3Q		YoY	Increase / decrease factors
	Amount	% to the Gross Merchandise Value	Amount	% to the Gross Merchandise Value	% to the Gross Merchandise Value	
<b>Payroll and staff costs(*)</b>	<b>24,541</b>	<b>6.1%</b>	<b>24,514</b>	<b>5.7%</b>	<b>-0.4%</b>	
<b>Payroll costs for employee</b>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

\* 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).



# SELLING, GENERAL AND ADMINISTRATIVE (SG&A) EXPENSES (QUARTERLY)



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



# OVERVIEW OF SG&A BY EACH QUARTER

(million¥)

	FY2023								FY2024					
	1Q		2Q		3Q		4Q		1Q		2Q		3Q	
	Amount	% to the Gross Merchandise Value	Amount	% to the Gross Merchandise Value	Amount	% to the Gross Merchandise Value	Amount	% to the Gross Merchandise Value	Amount	% to the Gross Merchandise Value	Amount	% to the Gross Merchandise Value	Amount	% to the Gross Merchandise Value
Payroll and staff costs(*)	7,562	6.1%	7,731	6.5%	9,248	5.9%	8,815	6.4%	8,267	6.2%	7,833	6.1%	8,413	4.9%
Payroll costs for employee	3,353	2.7%	3,413	2.9%	3,523	2.2%	4,009	2.9%	3,745	2.8%	3,601	2.8%	3,628	2.1%
Logistics-Related Expenses (Including Outsourcing)	4,208	3.4%	4,317	3.6%	5,724	3.6%	4,806	3.5%	4,521	3.4%	4,232	3.3%	4,785	2.8%
Outsourcing Commission (Excluding Logistics-Related Expenses)	1,591	1.3%	1,585	1.3%	1,685	1.1%	1,752	1.3%	1,740	1.3%	1,702	1.3%	1,872	1.1%
Shipping	7,920	6.4%	7,880	6.7%	9,302	5.9%	8,337	6.1%	9,087	6.9%	8,881	6.9%	10,391	6.1%
Commission of Payment collection	2,921	2.4%	2,777	2.3%	3,598	2.3%	3,061	2.2%	3,099	2.3%	2,964	2.3%	3,891	2.3%
Advertising	2,168	1.8%	2,338	2.0%	4,912	3.1%	2,631	1.9%	2,368	1.8%	2,473	1.9%	5,216	3.0%
Rent expense	1,568	1.3%	1,880	1.6%	1,969	1.2%	1,914	1.4%	2,120	1.6%	2,114	1.6%	2,119	1.2%
Depreciation	522	0.4%	626	0.5%	1,062	0.7%	1,279	0.9%	1,032	0.8%	1,077	0.8%	1,143	0.7%
Amortization of goodwill	96	0.1%	96	0.1%	96	0.1%	62	0.0%	62	0.0%	62	0.0%	62	0.0%
Stock Compensation Expenses	33	0.0%	74	0.1%	83	0.1%	69	0.1%	69	0.1%	77	0.1%	71	0.0%
Others	2,797	2.3%	3,110	2.6%	4,373	2.8%	3,527	2.6%	3,212	2.4%	3,289	2.6%	3,581	2.1%
<b>Total SG&amp;A</b>	<b>27,182</b>	<b>22.0%</b>	<b>28,100</b>	<b>23.8%</b>	<b>36,332</b>	<b>23.0%</b>	<b>31,452</b>	<b>22.9%</b>	<b>31,060</b>	<b>23.4%</b>	<b>30,477</b>	<b>23.8%</b>	<b>36,763</b>	<b>21.5%</b>

\* 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.

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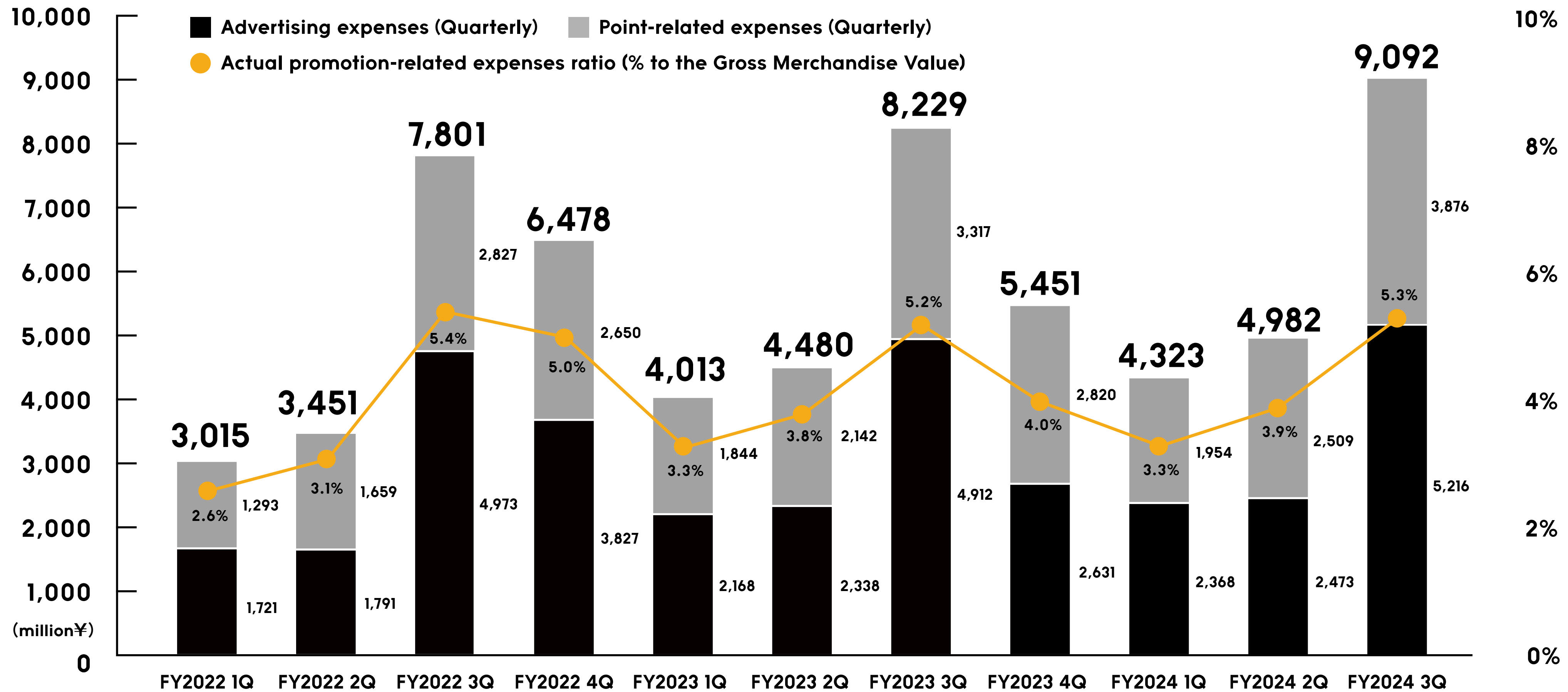
\* The percentages to the Gross Merchandise Value are calculated by dividing each expense by the Gross Merchandise Value (excluding other GMV).





# ACTUAL PROMOTION-RELATED EXPENSES

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



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



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



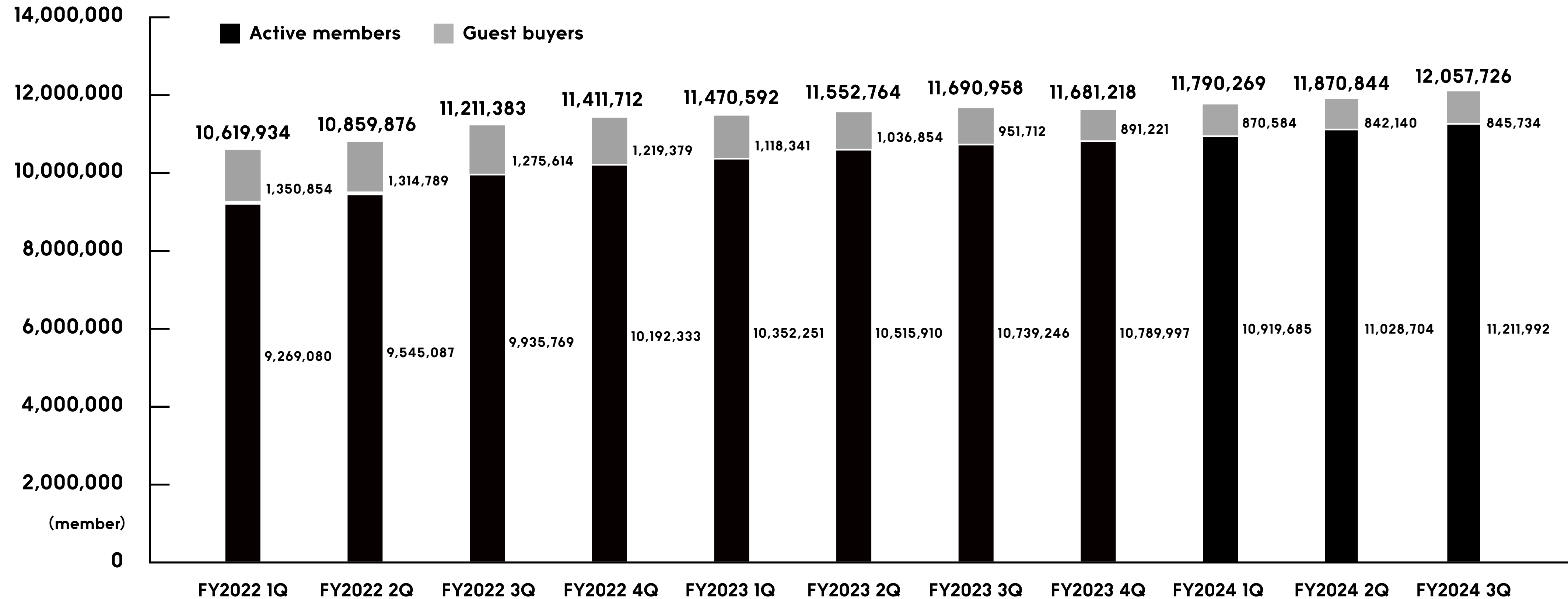


# NUMBER OF TOTAL BUYERS

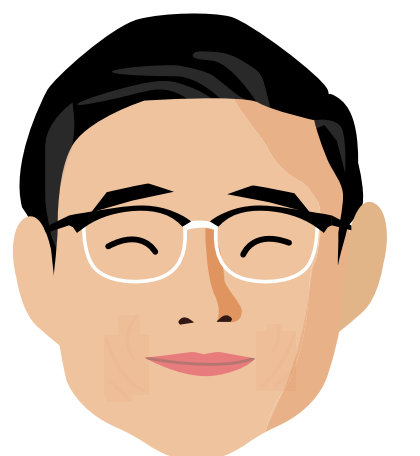
Number of total buyers = Active members and guest buyers who made at least one purchase within a year

Guest buyers = Total number of guest purchases within a year

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



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



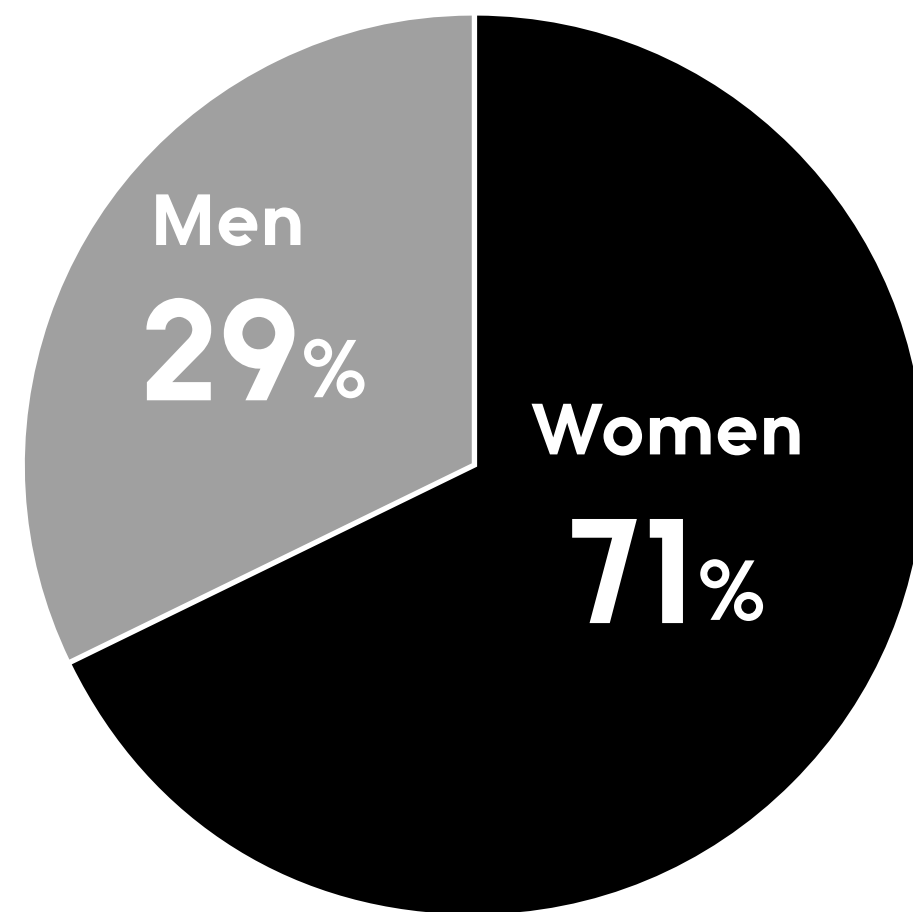
\* The results are only from the ZOZOTOWN business. LY Corporation Commerce is not included.

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

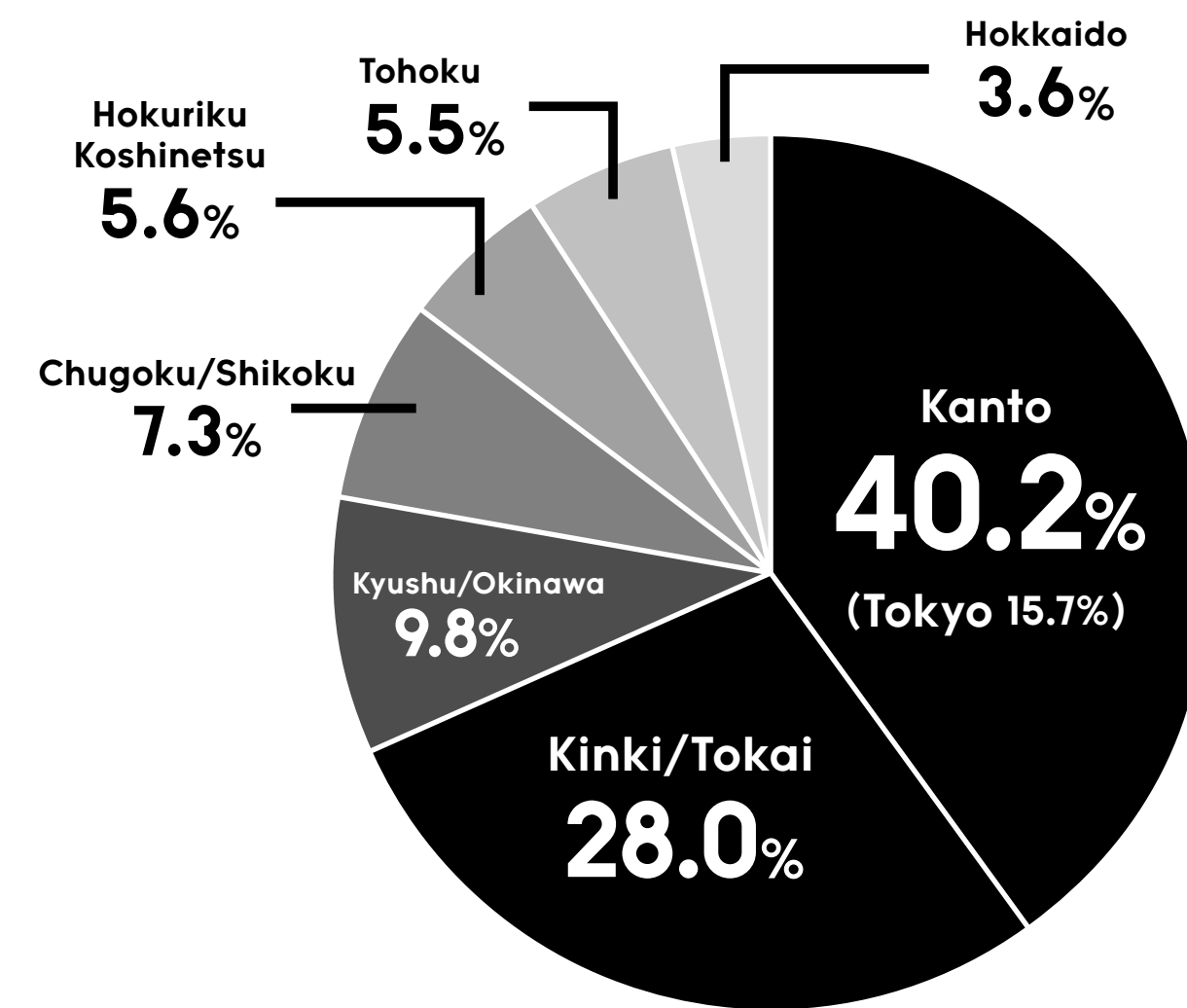


# ACTIVE MEMBER DISTRUBUTION

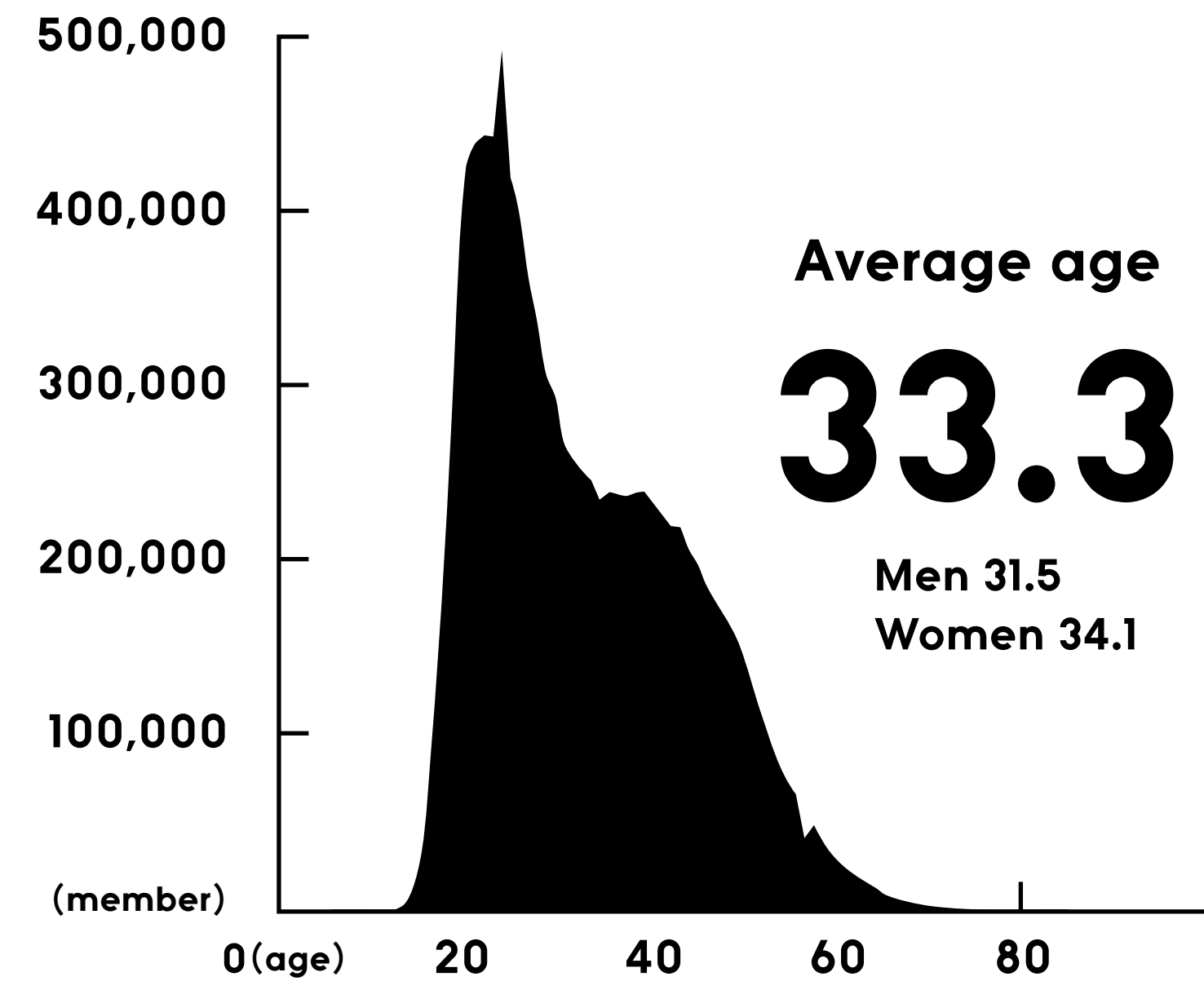
## Gender ratio



## Geographical distribution



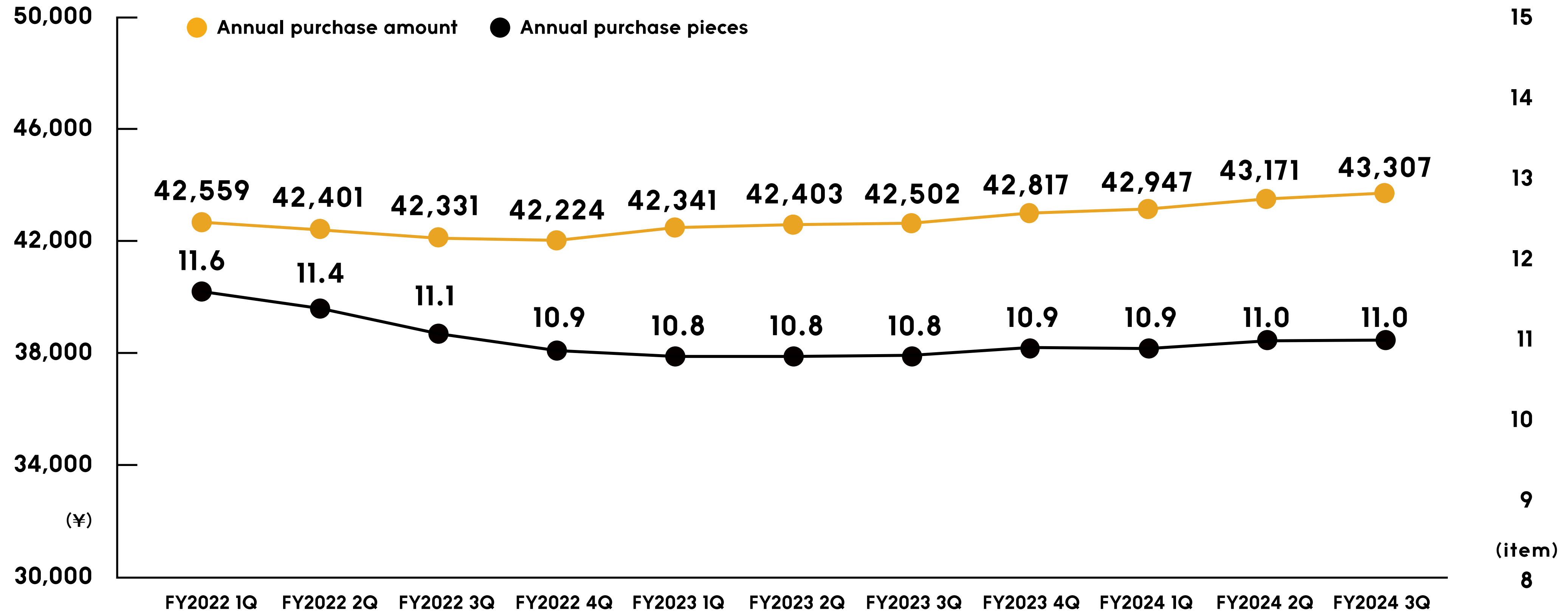
## Age distribution



\* The shown data on Active Member Distribution is only based on the numbers from the ZOZOTOWN business. LY Corporation Commerce is not included.



# ANNUAL PURCHASE AMOUNT AND PIECES PER ACTIVE MEMBER

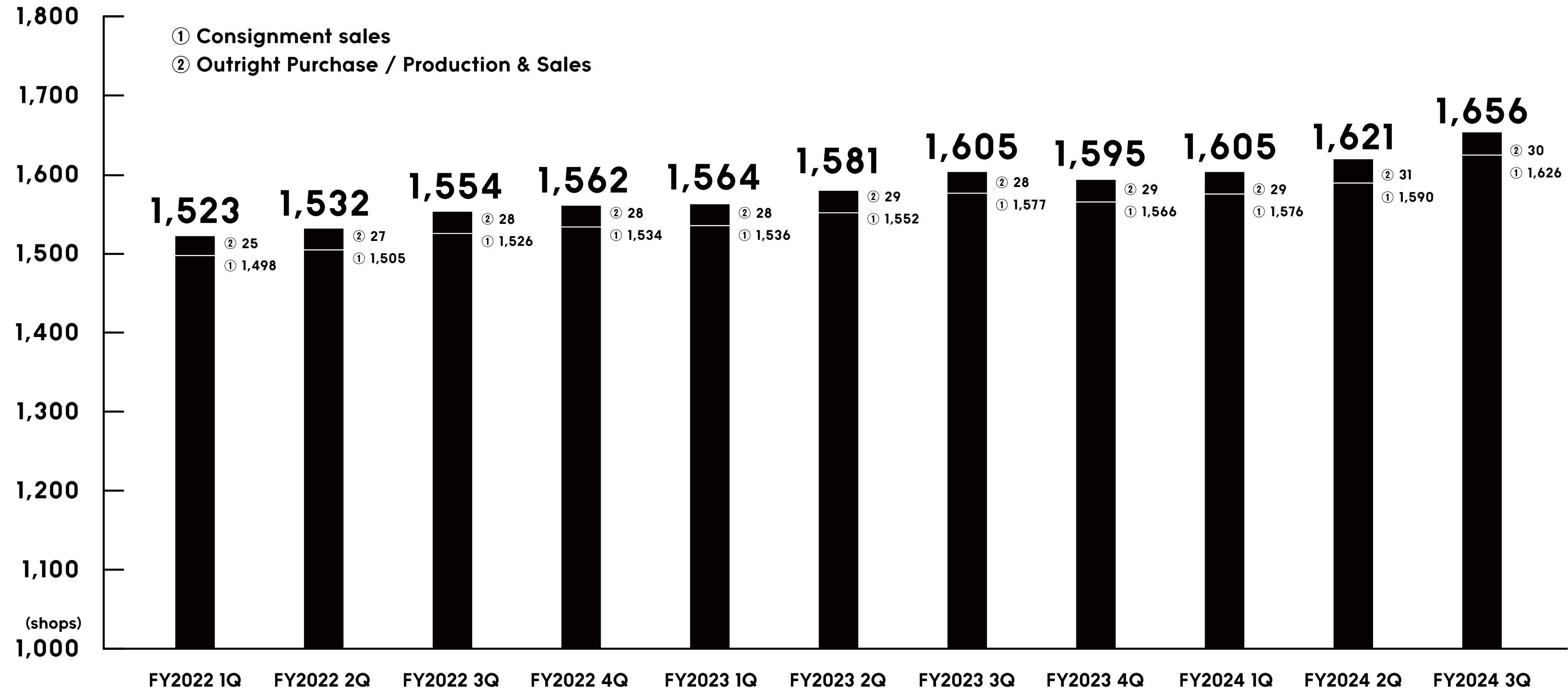


\* The results are only from the ZOZOTOWN business. LY Corporation Commerce is not included.

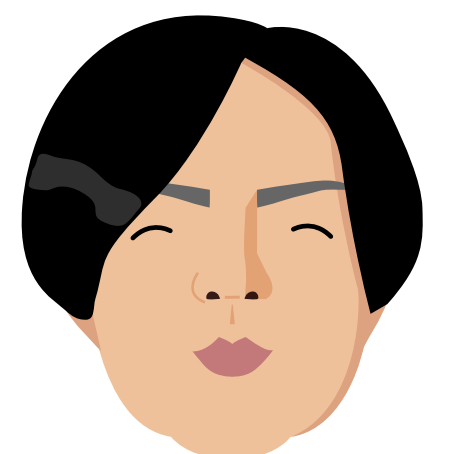
\* Excluding the users who only purchased the body measurement device "ZOZOSUIT" "ZOZOMAT" and "ZOZOGLASS".



# NUMBER OF SHOPS ON ZOZOTOWN



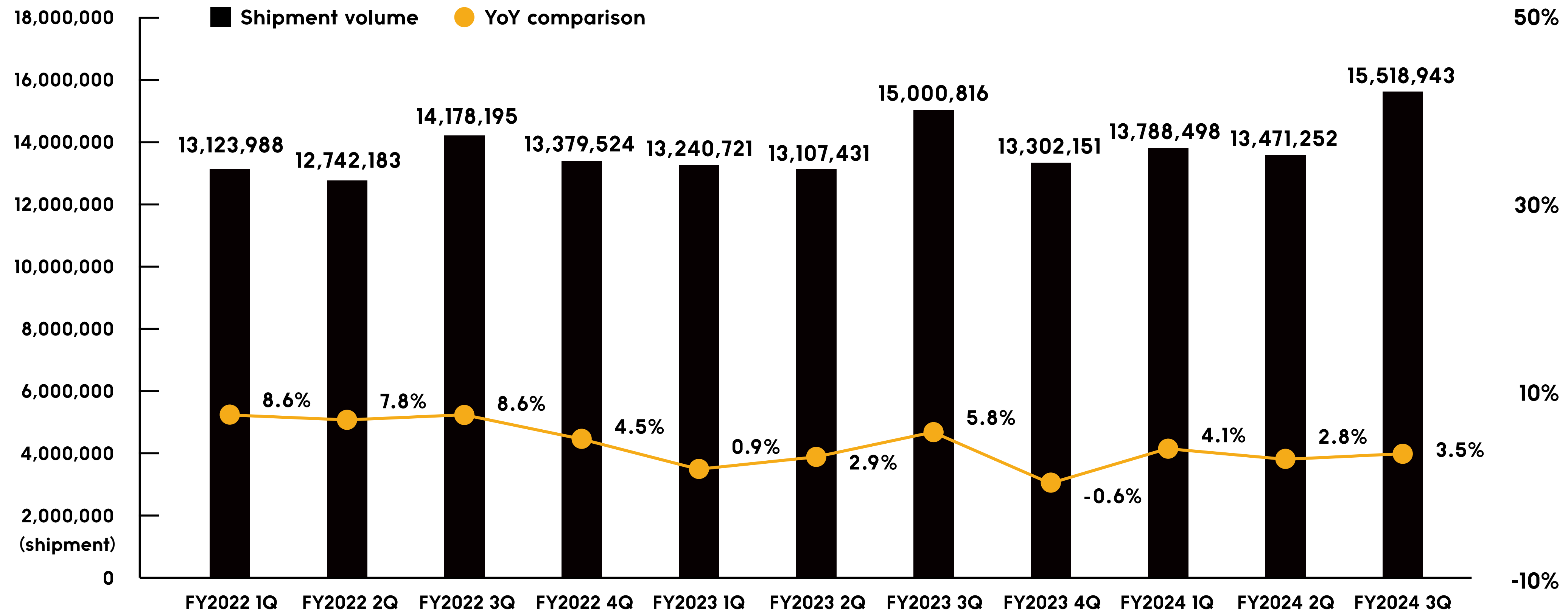
Attracting new brands is going well.



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



# NUMBER OF SHIPMENTS



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

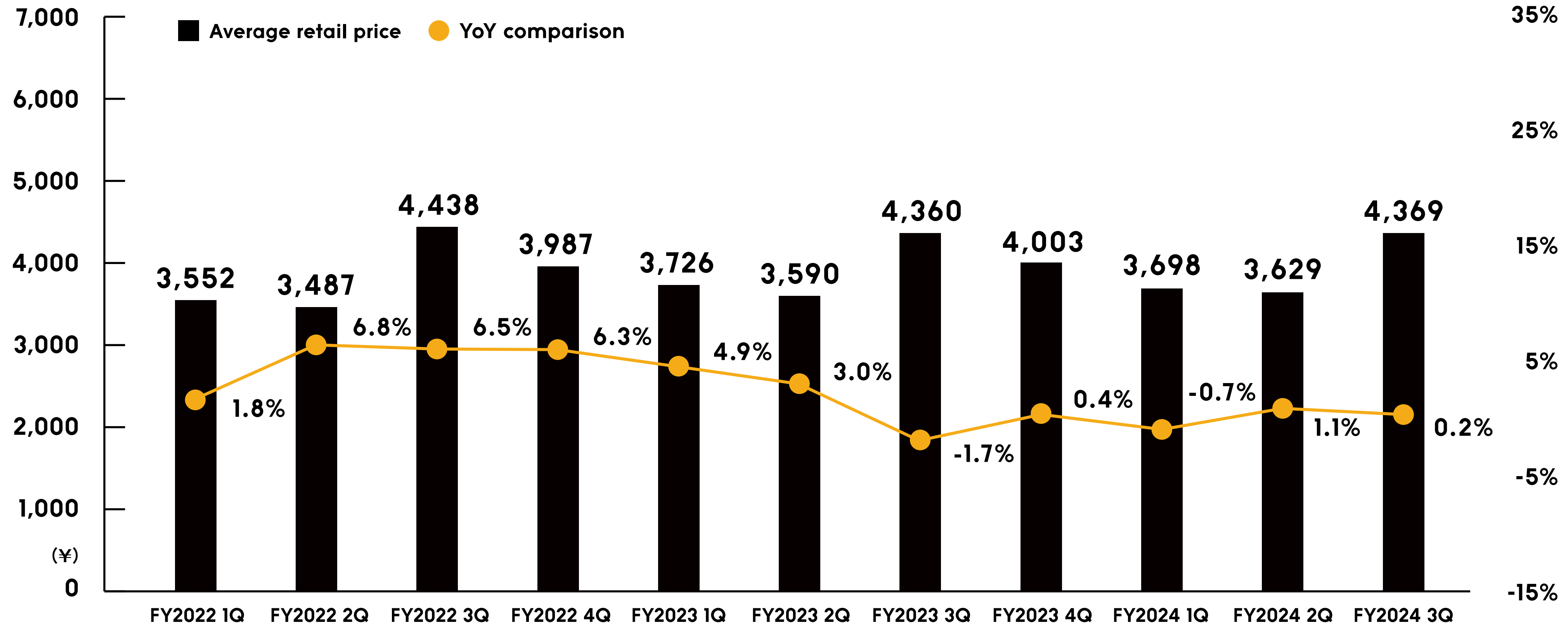
\* Excluding the users who only purchased the body measurement device "ZOZOSUIT" "ZOZOMAT" and "ZOZOGLASS".



# AVERAGE RETAIL PRICE

Average retail price

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



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



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

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

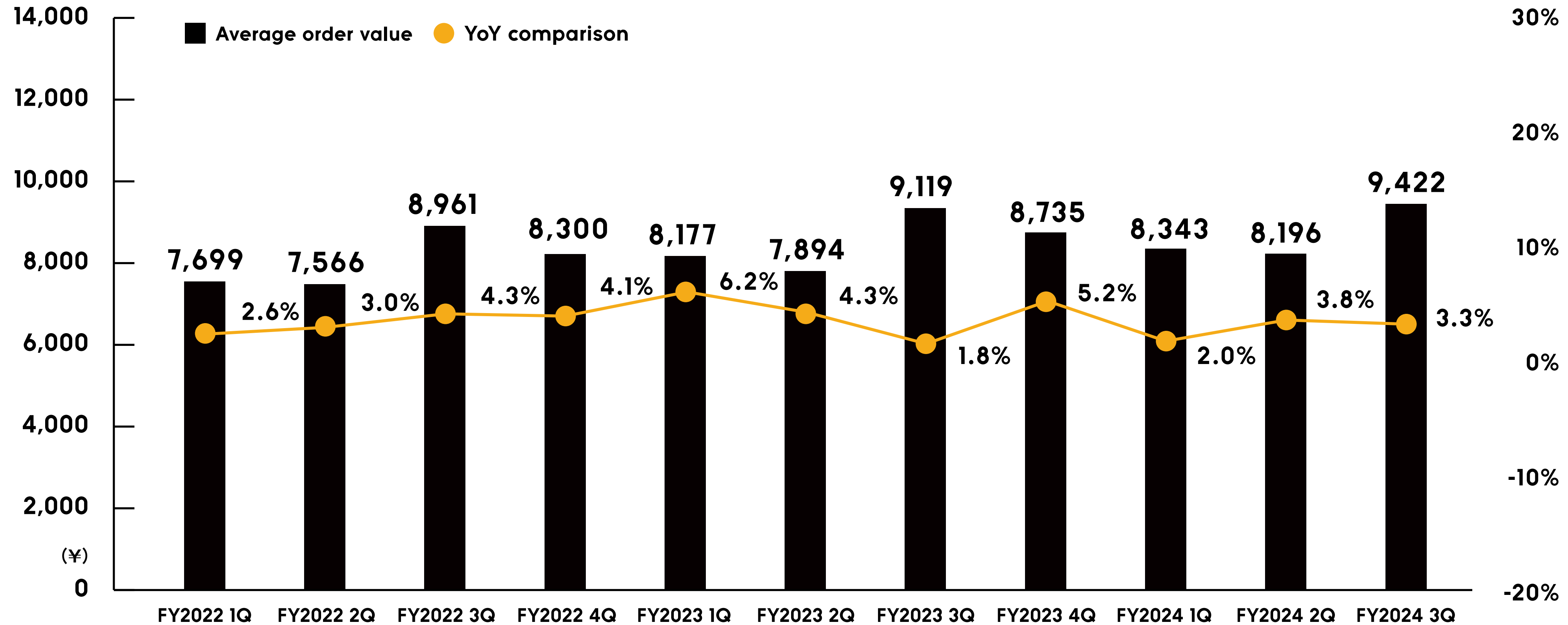




# AVERAGE ORDER VALUE

Average order value

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



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



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

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

# BUSINESS PLAN FOR FY2024



This year marks my 20th anniversary since joining ZOZO. So, I'd love to do something exciting to celebrate this milestone!





# 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).



# FY2024 TARGET BY BUSINESS SEGMENT

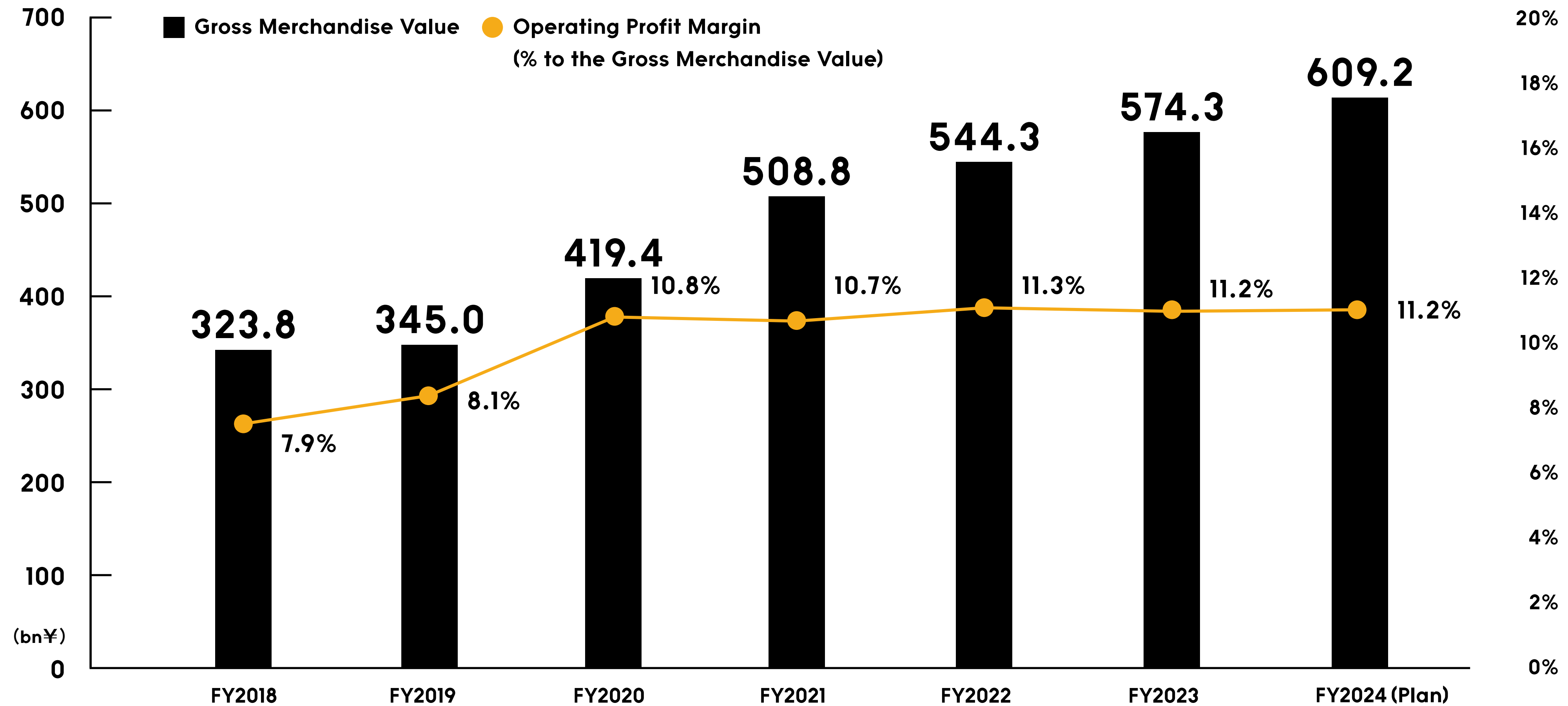
	Target for Gross Merchandise Value	YoY
<b>ZOZOTOWN Business</b>	<b>495.1 billion yen</b>	<b>6.5%</b>
Outright Purchase/Production & Sales	2.6 billion yen	-41.3%
Consignment sales	473.0 billion yen	7.0%
USED sales	19.5 billion yen	7.8%
<b>LY Corporation Commerce*</b>	<b>63.6 billion yen</b>	<b>10.2%</b>
<b>BtoB Business</b>	<b>13.5 billion yen</b>	<b>-6.7%</b>
<b>Gross Merchandise Value</b> (excluding other GMV)	<b>572.2 billion yen</b>	<b>6.6%</b>
<b>Others</b>	<b>37.0 billion yen</b>	<b>-1.2%</b>
<b>Gross Merchandise Value</b>	<b>609.2 billion yen</b>	<b>6.1%</b>

	Target for Net Sales	YoY
<b>Advertising business</b>	<b>11.5 billion yen</b>	<b>18.1%</b>

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



# GROSS MERCHANDISE VALUE & OPERATING PROFIT MARGIN



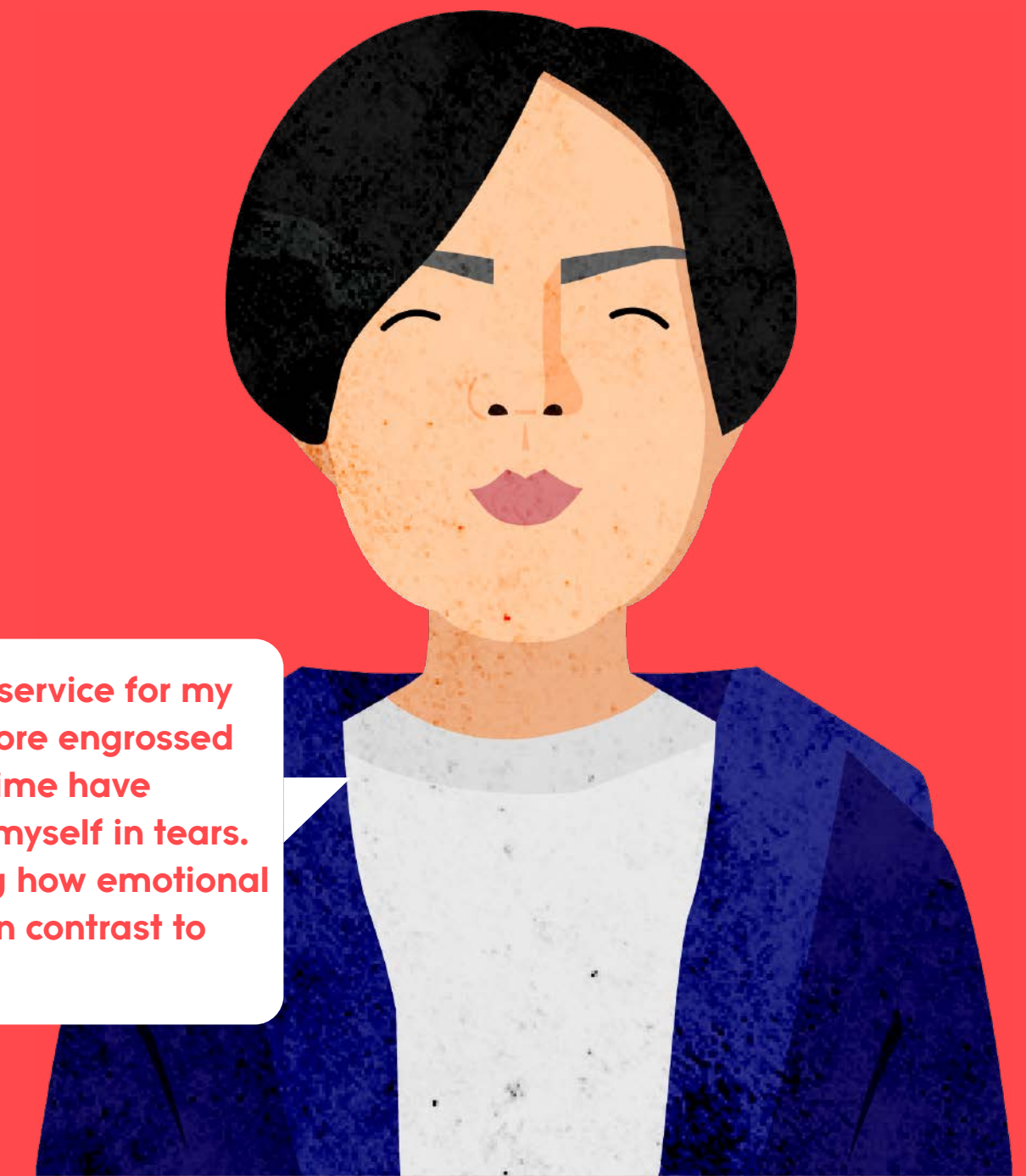
\* Operating profit margins are calculated by dividing operating profit by the Gross Merchandise Value (excluding other GMV).



# REFERENCE DATA



I recently subscribed to a video streaming service for my child, and to my surprise, I found myself more engrossed in the videos than my child. Some kids' anime have incredibly moving stories, and I often find myself in tears. While I sometimes catch myself wondering how emotional I am, I aim to stay cheerful and energetic in contrast to those moments!







## STATISTICS OF ZOZO

NUMBER OF EMPLOYEES

**1,740**

(Average age 34.0 years old)

NUMBER OF SHAREHOLDERS

**9,354**

NUMBER OF BRANDS HANDLED

**9,162**

ZOZOTOWN TOTAL BUYERS

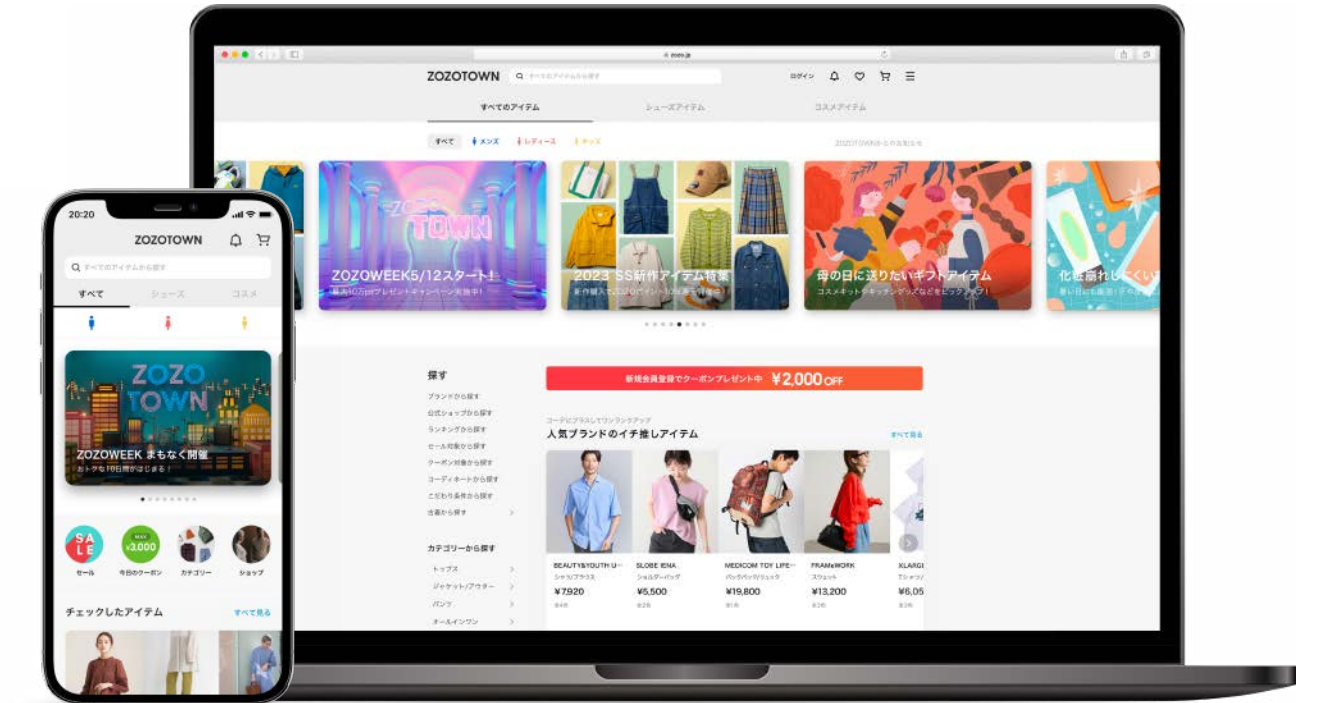
**12.0 million**  
(1 year basis)



# MAJOR SERVICES

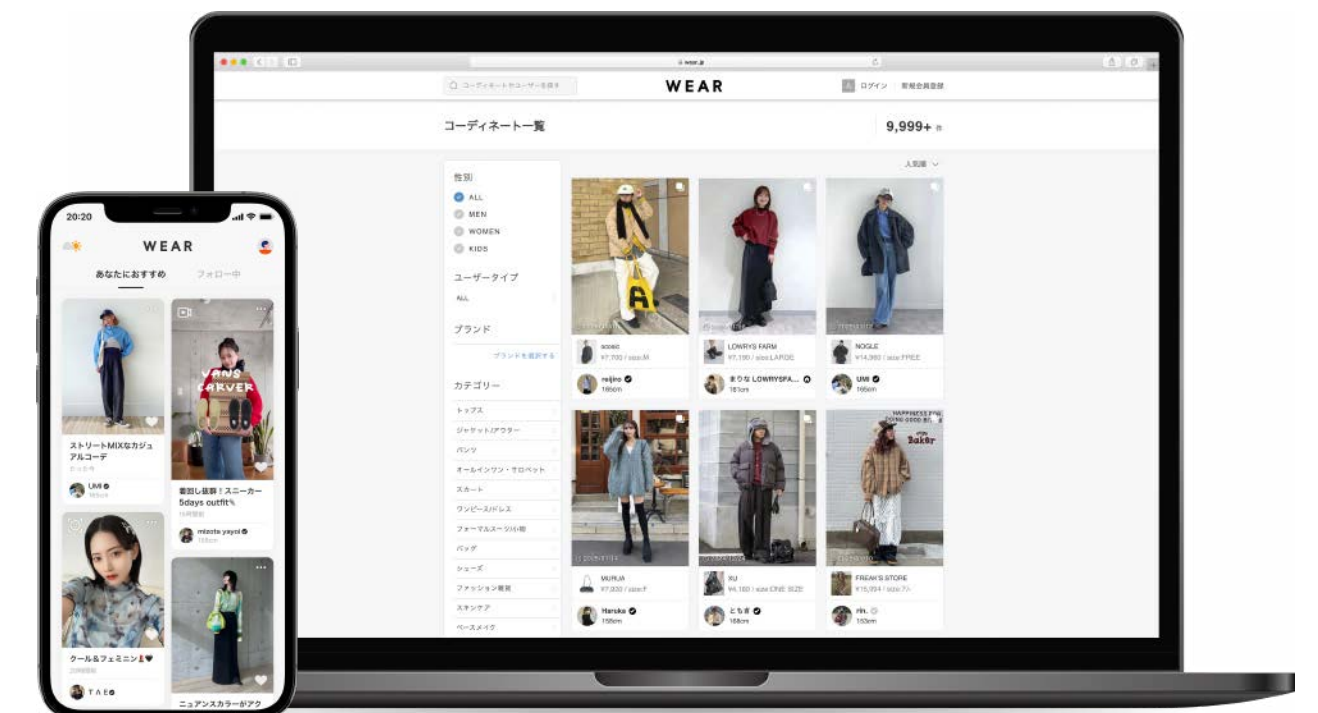
## ZOZOTOWN The largest fashion e-commerce website in Japan

- The Company offers 9,162 brands across 1,656 stores, with more than 1,020,000 items available at any given time. On average, 2,600 new items are added every day.
- All functions from systems design to fulfillment are built in-house.
- Same-day delivery service, gift-wrapping service, deferred payment, etc., are available.
- The ZOZOTOWN store was opened on Yahoo! JAPAN Shopping, which is operated by LY Corporation. Additionally, the ZOZOUSED store has been opened on Yahoo! JAPAN Auction since March 2024.



## WEAR by ZOZO The largest outfit-sharing app in Japan

- Users can search for outfits that align with their preferences and the latest trends through AI-driven analysis of user posts across various genres. Additionally, fashion know-how videos, makeup posts, and a full AR makeup function provide a wealth of fashion-related information, including makeup tips.
- "WEARISTA," the fashionista officially certified by WEAR, is an influencer who proposes easy-to-reference outfits and brings more excitement to the fashion industry.
- Over 17 million downloads have been achieved, and now it is expanding globally.





# DIFFERENCES BETWEEN ZOZOTOWN AND ZOZOTOWN STORE ON Yahoo! JAPAN Shopping

	ZOZOTOWN	ZOZOTOWN Yahoo! JAPAN Shopping store
<b>Overview</b>	One of the largest fashion e-commerce websites in Japan providing original services specialized in fashion	E-commerce website for wide range of users also expecting cross-category shopping other than the fashion category
<b>Number of shops</b>	1,656 (As of December 31, 2024)	1,531 (As of December 31, 2024)
<b>Selling items</b>	Full line-up	Freely selected by each shop
<b>Detail of consignment</b>	All the operations needed for EC business such as shooting, measurement, logistics, customer support, operation support etc.	Same as the left
<b>Original services provided</b>	Deferred payment, Replacement-discount, same-day delivery, preorder, ZOZOCARD, brand coupons, gift-wrapping service, image search function, ZOZOMAT, ZOZOGLASS etc.	Brand coupons, same-day delivery, preorder
<b>Payment methods</b>	Credit cards, cash on delivery, convenience store payment, deferred payment, LINE Pay, PayPay	PayPay, credit cards, cash on delivery
<b>Reward points</b>	No ZOZO point of 5% of product price (excluding tax) will be granted only for ZOZOCARD	PayPay points based on PayPay campaign
<b>Revenue</b>	Commission rate stipulated in each contract with brands	Same as the left (Commission rate is same as ZOZOTOWN)
Consignment sales commission from brands		
Shipping revenue from customers	330 yen (including tax)	Same as the left
<b>Expenses borne by ZOZO</b>	Shop opening commission	NO
Shop opening commission	NO	Yes (rate is undisclosed)
Payment collection commission	YES	No (yes for only cash on delivery)
Payment collection commission	YES	
Customer attraction cost	YES	No
Customer attraction cost	YES	
Reward points cost	YES	No
Reward points cost	YES	



# BUSINESS MODEL

## ZOZOTOWN Business

### ○ Outright Purchase / Production & Sales

We currently operate 30 stores on ZOZOTOWN.

In addition to purchasing inventory from brand manufacturers, we also manufacture and sell merchandise by utilizing the planning abilities of influencers such as brand manufacturers and celebrities.

Sales = Gross merchandise value generated by each store

### ○ Consignment Sales

We operate 1,626 shops as a consignment business, which allows us to carry a certain amount of products from various brands while minimizing inventory risk.

Sales = Gross merchandise value of each store × commission rate

### ○ USED Sales

We offer a second-hand business by purchasing used fashion products from our users.

Sales = Gross merchandise value

## LY Corporation Commerce\*

We opened ZOZOTOWN store on Yahoo! JAPAN Shopping\* which is operated by LY Corporation.

ZOZOUSED has opened a store on Yahoo! Auctions since March 2024.

Sales = Gross merchandise value of each store × commission rate

• For consignment sales merchandise

Sales = Gross merchandise value of each store × commission rate

• For ZOZOUSED merchandise

Sales = Gross merchandise value

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

## BtoB Business

We assist in developing and operating online shops and managing logistics operations on behalf of some brands that have stores on ZOZOTOWN.

We currently provide back-end service to 31 stores.

• In the case of providing all services from website development and operation to logistics operations, etc.

Sales = Gross merchandise value of these online shop × Commission rate

• In the case of providing logistics operations service but not website development and operation services

Sales = Commission fee based on the number of shipments and items

Both of the above sales include other sales such as initial shop opening commission, shipping fee etc.

## Advertising Business

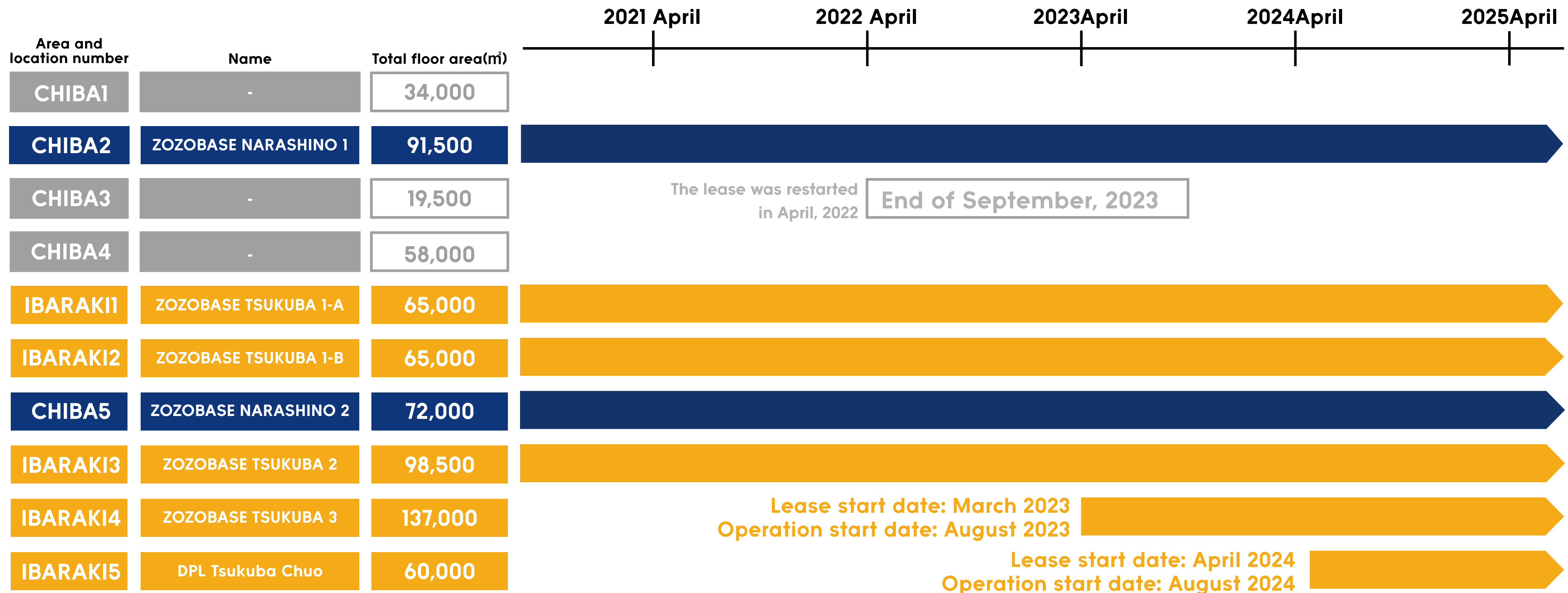
The advertising business will generate advertising income from client companies, including brands, by utilizing the user base of ZOZOTOWN and WEAR by ZOZO to provide advertising spots.

Sales = Advertisement income





# LOGISTICS BASES EXPANSION PLAN



CHIBA2, IBARAKI1 and IBARAKI4 are warehouses with shipping function.



# APPENDIX

**Our corporate website** The information below is available on our corporate website.

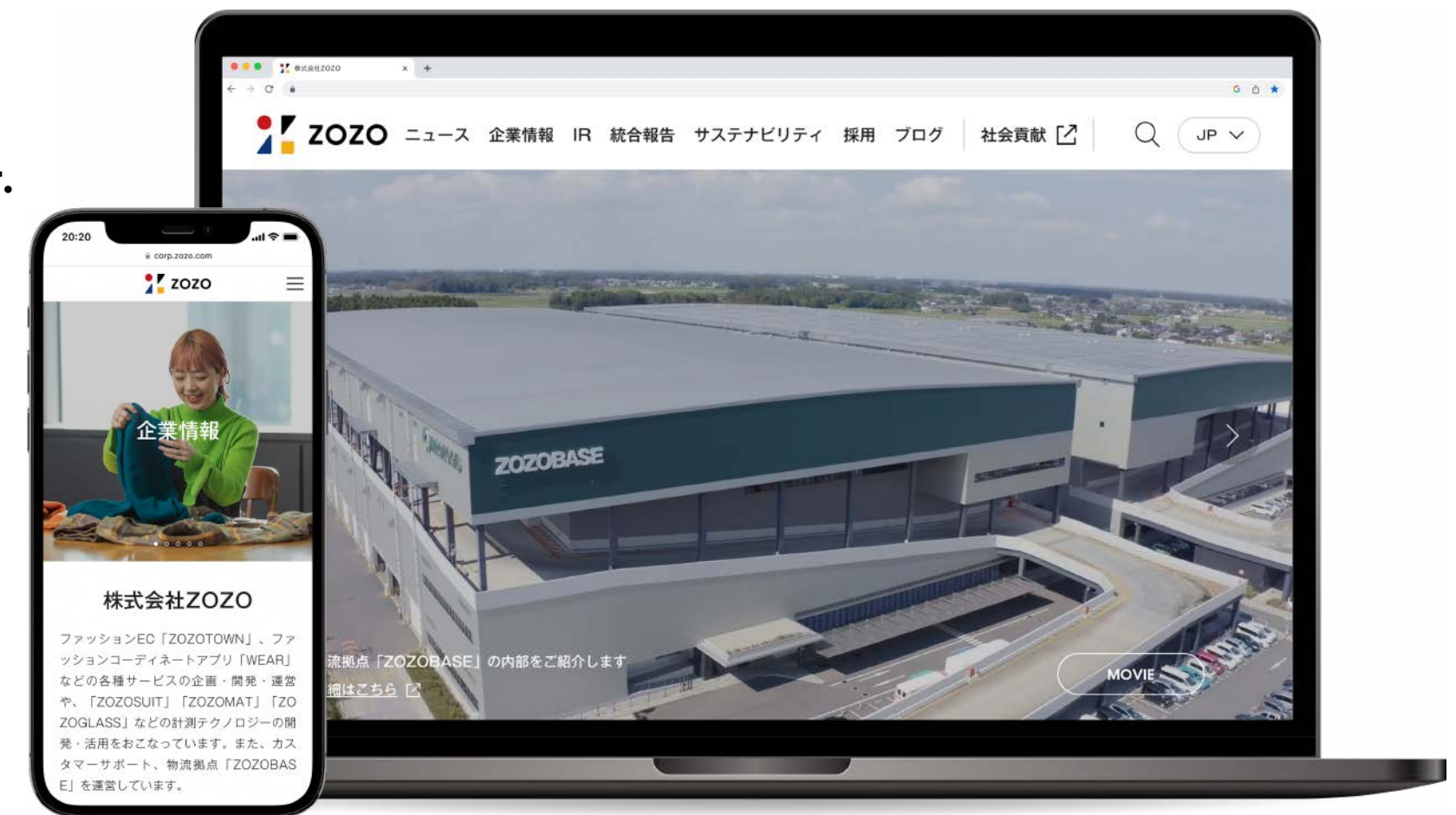
**IR News** ... The latest IR information is posted in a timely manner.

**Financial Highlights** ... Past financial data is available. Data can be downloaded in excel format.

**Integrated Report Portal** ... We are disclosing integrated data on financial and non-financial information.

**ESG/CSR** ... We are introducing our initiatives on ESG/CSR

- ESG Data
- External Evaluation



## Subscription of IR Mail

By registering your email address with our IR Mail service, we will send you information related to our IR, such as the latest news releases. If you wish to register, please access the following link.

### IR Mail Subscription





**This material has been created solely for the purpose of introducing the company's business activities and not for soliciting investments.**

**The business forecasts and future outlook described in this material are based on information currently available.**

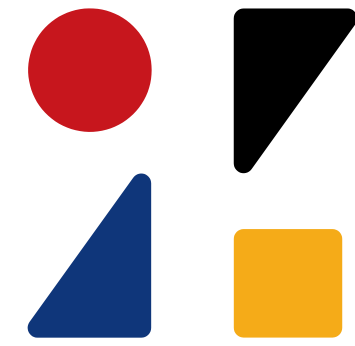
**Please note that the forecast includes uncertainties such as sudden changes, and actual results may differ.**

# Postscript

**Following the strong performance in the first half of this fiscal year,  
we have also achieved positive results in the third quarter.**

**With only three months left in the fiscal year,  
we will continue our efforts to steadily achieve  
our full-year consolidated business plan!**





**ZOZO**