Consolidated Financial Results
for the first quarter of the fiscal year ending March 31, 2027 〔JGAAP〕

July 31, 2026

Company name:	ZOZO, Inc.	Listed stock exchanges	Tokyo
Code	3092	URL	https://corp.zozo.com/en/
Representative	Representative Director, President & CEO	Kotaro Sawada	
Contact person	Director, Executive Vice President & CFO	Koji Yanagisawa	(TEL) 043(213)5171
Scheduled date of dividend payment	-		
Supplementary material for quarterly financial results	: Yes		
Quarterly results briefing	: Yes (For analysts and institutional investors)		

(Rounded down to million yen)

1. Consolidated business results for the first quarter of the fiscal year ending March 31, 2027 (April 1, 2026 to June 30, 2026)

(1) Consolidated business results

(Percentages indicate YoY changes)

	Net sales		Operating profit		Adjusted EBITA		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First quarter of fiscal year ending March 31, 2027	56,132	3.9	17,883	5.7	18,746	3.6	17,866	7.4	11,895	4.6
First quarter of fiscal year ended March 31, 2026	54,028	7.2	16,920	6.4	18,093	13.4	16,638	4.7	11,376	2.4

(Note)

1. Comprehensive income — First quarter of fiscal year ending March 2027: 12,333 Million yen (0.0%); First quarter of fiscal year ended March 2026: 12,332 Million yen (9.3%)

2. 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)

	Earnings per share	Diluted earnings per share
	Yen	Yen
First quarter of fiscal year ending March 31, 2027	13.45	-
First quarter of fiscal year ended March 31, 2026	12.79	-

(Note)

1. Fully diluted earnings per share are not presented because there were no dilutive potential shares.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
First quarter of fiscal year ending March 31, 2027	178,869	98,610	55.1
Fiscal year ended March 31, 2026	198,260	106,789	53.9

(Reference)

Shareholders' equity — First quarter of fiscal year ending March 31, 2027: 98,610 Million yen; Fiscal year ended March 31, 2026: 106,789 Million yen

2. Dividends

	Annual dividends				
	End of Q1	End of Q2	End of Q3	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2026	-	19.00	-	20.00	39.00
Fiscal year ending March 31, 2027	-				
Fiscal year ending March 31, 2027 (Forecast)		20.00	-	20.00	40.00

(Note)
Revisions to the most recently announced dividends forecasts: None

3. Consolidated earnings forecast for the fiscal year ending March 31, 2027 (April 1, 2026, to March 31, 2027)

Percentages indicate YoY changes)

	Net sales		Operating profit		Adjusted EBITA		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	241,900	5.9	74,400	7.3	77,900	7.2	74,400	7.4	49,700	3.7	56.20

(Note)
Revisions to the most recently announced earnings forecast: None

※ Notes

(1) Significant changes in the scope of consolidation during the first quarter of the current fiscal year : Yes

New HIGH LINK, INC. Exclusion -

(2) Application of particular accounting procedures to the preparation of quarterly consolidated financial statements : None

(3) Changes in accounting policies and changes or restatement of accounting estimates

① Changes in accounting policies caused by the revision of accounting standards : None

② Changes in accounting policies other than ① : None

③ Changes in accounting estimates : None

④ Restatement of revisions : None

(4) Number of issued shares (Common stock))

① Number of issued shares at the end of the period (including treasury shares)	Q1 of fiscal year ending March 2027	892,032,372 Shares	Fiscal year ended March 2026	892,032,372 Shares
② Number of treasury shares at the end of the period	Q1 of fiscal year ending March 2027	10,235,641 Shares	Fiscal year ended March 2026	7,707,341 Shares
③ Average number of shares during the period	Q1 of fiscal year ending March 2027	884,074,686 Shares	Q1 of fiscal year ended March 2026	889,204,909 Shares

※ Review of the quarterly consolidated financial statements by a certified public accountant or auditing firm: Yes

※ Explanations and other special notes concerning the appropriate use of earnings forecast

-The earnings forecast and other statements related to the future contained in this material are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Actual results may differ materially from the earnings forecast due to various factors. Please refer to "1. Qualitative information on results for the first quarter ended June 30, 2026, (3) Explanation of consolidated earnings forecast and other forward-looking statements" on page 11 for the assumptions underlying the forecast and cautionary statements regarding the use of the forecast.

-The Company group is scheduling a financial results briefing for institutional investors and analysts on July 31, 2026. The Company group will post the content of the briefing and the materials used on the day on its website promptly after the briefing.

-The quarterly consolidated financial statements have been prepared in accordance with Article 4, Paragraph 1 of the Rules for Preparing Quarterly Financial Statements, etc. of the Tokyo Stock Exchange, as well as accounting standards generally accepted in Japan for interim consolidated financial statements (with the omission of certain disclosures permitted under Article 4, Paragraph 2 of the Rules for Preparing Quarterly Financial Statements, etc.).

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1. Qualitative information on results for the first quarter ended June 30, 2026

(1) Overview of business results

Business results for the current fiscal year

[Table 1] YoY comparison (Unit: Million yen)

	First quarter of previous fiscal year (April 1 to June 30, 2025)		First quarter of current fiscal year (April 1 to June 30, 2026)		YoY basis
Gross merchandise value	159,263	(106.8%)	156,750	(100.0%)	-1.6%
Gross merchandise value (excluding other GMV)	149,100	(100.0%)	156,694	(100.0%)	5.1%
Net sales	54,028	(36.2%)	56,132	(35.8%)	3.9%
Gross profit	50,765	(34.0%)	52,471	(33.5%)	3.4%
Operating profit	16,920	(11.3%)	17,883	(11.4%)	5.7%
Adjusted EBITA (Note) 2	18,093	(12.1%)	18,746	(12.0%)	3.6%
Ordinary profit	16,638	(11.2%)	17,866	(11.4%)	7.4%
Profit attributable to owners of parent	11,376	(7.6%)	11,895	(7.6%)	4.6%

(Note)

1. Figures in parentheses are percentages of gross merchandise value (excluding other GMV)

2. 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)

Under the corporate philosophy of "Inspire the world. Deliver joy every day.," the Company group mainly operates Japan's largest fashion e-commerce website, "ZOZOTOWN." In April 2026, the Company group announced its Medium-term Management Plan, under which it aims to achieve Adjusted EBITA of 90.0 billion yen in the fiscal year ending March 31, 2030 through business expansion in the three domains of "More Fashion," "Near Fashion," and "Global."

During the first quarter of the current fiscal year, the domestic fashion market remained relatively firm, supported by improvements in employment and income conditions. However, the outlook remains uncertain due to persistent inflation, climate change, geopolitical risks, and other factors.

Under these circumstances, the Company group has continued to focus on making ZOZOTOWN, the core business in the "More Fashion" domain, even more attractive to both users and brands, with the aim of increasing the number of unique users and improving the conversion rate (the purchasing rate of unique users). Specifically, to maximize sales, the Company group strengthened customer traffic by airing TV commercials and increasing web advertising during the "ZOZOWEEK" sale event (11 days from May 14 to 24, 2026) and the launch period of the summer sale (from June 17, 2026). In addition, to meet the diversifying needs of users, the Company group continued to expand its lineup of new brands across a wide range of genres and strengthen item categories. Furthermore, with the aim of providing solutions centered on helping users find "their styles" by addressing the upstream of purchasing behavior, the Company group launched "Lab-kun, ZOZO's outfit recommendation AI," as an official LINE account on April 27, 2026, leveraging the extensive fashion-related data it has accumulated over the years. Through AI-powered outfit recommendations, the Company group supports users in selecting outfits for everyday wear and expects to generate new traffic to ZOZOTOWN by establishing LINE, with its large user base, as a new customer touchpoint.

Sales of LY Corporation Commerce (combined sales of "Yahoo! JAPAN Shopping" and "Yahoo! JAPAN Auction"), another core business in the "More Fashion" domain, have continued to grow steadily, driven by the retention of customers acquired through the previous fiscal year, customer attraction efforts by LY Corporation, and promotional campaigns such as "Serious ZOZO Festival" (April 19, May 30, and June 21, 2026).

In the "Near Fashion" domain, the Company group acquired HIGH LINK, INC. (hereinafter, referred to as "High Link"), the operator of the comprehensive fragrance platform "Coloria," as a wholly owned subsidiary in April 2026, and has consolidated its financial results since May 2026. The Company group has been working to create synergies, including by driving traffic from existing ZOZOTOWN users.

In the "Global" domain, the Company group continues to position LYST LTD (hereinafter, referred to as "LYST") as a core business and aims to achieve discontinuous growth in the global market.

Consequently, the gross merchandise value in the first quarter of the current fiscal year was 156,750 million yen (-1.6% YoY), and the gross merchandise value (excluding other GMV) was 156,694 million yen (+5.1% YoY). This was due to the discontinuation, at the end of September 2025, of including GMV from stores under ZOZO Option contracts on Yahoo! JAPAN Shopping in the "Others" category.
Net sales were 56,132 million yen (+3.9% YoY), and gross profit was 52,471 million yen (+3.4% YoY). The gross profit ratio to the gross merchandise value (excluding other GMV) (gross profit margin) was 33.5%, a decrease of 0.5 percentage points from the same period of the previous fiscal year.
As for net sales, the year-on-year growth rate was lower than that of gross merchandise value (excluding other GMV), mainly due to changes in the business mix resulting from one additional month of LYST consolidation compared with the same period of the previous fiscal year, as well as strengthened discounting and point-award campaigns, primarily on ZOZOTOWN, which are deducted from net sales. LYST operates a performance-based commission business model under which it earns commissions from partner brands listing their products on the LYST platform. Compared with the Consignment sales and LY Corporation Commerce businesses, LYST has a lower commission rate relative to gross merchandise value. The primary factors behind the decline in the gross profit margin were the same as those described under net sales.
Selling, general, and administrative expenses were 34,587 million yen (+2.2% YoY). The ratio to the gross merchandise value (excluding other GMV) was 22.1%, a decrease of 0.6 percentage points compared with the same period of the previous fiscal year. The major factors behind the changes in individual expense items are as follows. The following percentages of gross merchandise value are calculated by dividing each SG&A expense by the gross merchandise value (excluding other GMV).

Increasing (worsening) factors
1. Depreciation as a percentage of gross merchandise value rose by 0.2 percentage points due to the commencement of depreciation for material handling equipment at an existing logistics center.
2. Amortization of goodwill as a percentage of gross merchandise value rose by 0.2 percentage points due to one additional month of LYST consolidation and the consolidation of High Link.

Decreasing (improving) factors
1. Shipping expense as a percentage of gross merchandise value declined by 0.6 percentage points, due to the improved economic terms with the delivery outsourcing partner from October 2025, following initiatives to improve delivery efficiency.
2. Logistics-related expense as a percentage of gross merchandise value declined by 0.3 percentage points, due to the improvements in operational efficiency at logistics centers, etc.
3. Other expenses as a percentage of gross merchandise value declined by 0.3 percentage points, primarily due to the absence of LYST acquisition-related one-time expenses recognized in the same period of the previous fiscal year.

Consequently, Adjusted EBITA of the first quarter of the current fiscal year was 18,746 million yen (+3.6% YoY), and the Adjusted EBITA margin was 12.0% of the gross merchandise value (excluding other GMV), a decrease of 0.1 percentage points compared with the same period of the previous fiscal year. Operating profit was 17,883 million yen (+5.7% YoY), ordinary profit was 17,866 million yen (+7.4% YoY), and profit attributable to owners of parent was 11,895 million yen (+4.6% YoY).

Since the Company group is a single segment of the e-commerce business, information by segment is omitted. However, the performance of each business segment within the single segment is shown below.

[Table 2] YoY comparison by business segment

By business segment	First quarter of previous fiscal year (April 1 to June 30, 2025)			First quarter of current fiscal year (April 1 to June 30, 2026)			Merchandise Value YoY (%)	Net sales YoY (%)
	Merchandise value (Million yen)	Composition (%)	Net sales (Million yen)	Merchandise Value (Million yen)	Composition (%)	Net sales (Million yen)		
ZOZOTOWN business	121,670	76.4	37,485	126,010	80.4	38,702	3.6	3.2
(Outright purchase/ production & sales)	834	0.5	790	566	0.4	555	-32.1	-29.8
(Consignment sales)	116,237	73.0	32,266	120,384	76.8	33,225	3.6	3.0
(USED sales)	4,598	2.9	4,428	5,059	3.2	4,921	10.0	11.1
LY Corporation Commerce	17,606	11.1	5,398	18,952	12.1	5,877	7.6	8.9
LYST	7,562	4.7	1,017	10,083	6.4	1,388	33.3	36.4
BtoB business	2,260	1.4	373	1,647	1.1	266	-27.1	-28.8
Advertising business	-	-	2,907	-	-	2,976	-	2.4
Subtotal excluding others	149,100	93.6	47,181	156,694	100.0	49,211	5.1	4.3
Others	10,162	6.4	6,846	56	0.0	6,921	-99.4	1.1
Total	159,263	100.0	54,028	156,750	100.0	56,132	-1.6	3.9

① ZOZOTOWN business

The ZOZOTOWN Business consists of three business forms: "Outright purchase / production and sales," "Consignment sales," and "USED sales." "Outright purchase / production and sales" is a business model under which the Company group purchases merchandise, bears inventory risk, and sells the merchandise. This includes purchasing fashion merchandise from brands, as well as merchandise ordered by the Company group (e.g., MS (Multi-Size), a business model discontinued at the end of the previous fiscal year). Under "Consignment sales," the Company group holds merchandise from brands as consignment inventory and sells it on a consignment basis. Under "USED sales," the Company group primarily purchases used fashion merchandise from individual users and resells it. This business is positioned as a value-added service to encourage purchases of new merchandise.

The Company group recognizes that expanding the number of buyers and increasing the usage rate of ZOZOTOWN in fashion consumption are the key factors in achieving sustainable growth. To realize this, the Company group is working on creating a site that is attractive to both users and brands.

The transition of major KPIs for the ZOZOTOWN business is as follows.

(Number of shops, etc.)

[Table 3] Changes in the number of shops and brands

	Previous fiscal year				Current fiscal year			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Shops in ZOZOTOWN (Note) 1	1,681	1,686	1,712	1,710	1,714	-	-	-
Outright purchase/production & sales	29	28	25	21	21	-	-	-
Consignment sales	1,652	1,658	1,687	1,689	1,693	-	-	-
Number of brands (Note) 1	9,208	9,215	11,193	11,247	11,548	-	-	-

(Note)

1. Numbers as of the end of the quarterly accounting period are shown.

The number of new shops opened during the first quarter of the current fiscal year was 29 (a net increase of 4). Major new shops include "KEYTIMEZ," a select shop launched as a new business format by TOKYO BASE Co., Ltd., "JFA STORE," offering official merchandise of the Japan National Football Team, and the women's apparel brand "polaura."

(Number of annual buyers)

[Table 4] Changes in the number of annual buyers

	Previous fiscal year				Current fiscal year			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Number of annual buyers (Note) 1, 2, 4	12,365,080	12,529,665	12,809,389	13,173,445	13,415,786	-	-	-
(YoY)	574,811	658,821	751,663	956,407	1,050,706	-	-	-
(QoQ)	148,042	164,585	279,724	364,056	242,341	-	-	-
Number of active members (Note) 1, 3, 4	11,587,777	11,803,843	12,119,711	12,479,312	12,716,094	-	-	-
(YoY)	668,092	775,139	907,719	1,075,921	1,128,317	-	-	-
(QoQ)	184,386	216,066	315,868	359,601	236,782	-	-	-
Number of guest buyers (Note) 1, 4	777,303	725,822	689,678	694,133	699,692	-	-	-
(YoY)	-93,281	-116,318	-156,056	-119,514	-77,611	-	-	-
(QoQ)	-36,344	-51,481	-36,144	4,455	5,559	-	-	-

(Note)

1. The calculation period is the most recent one-year period prior to the end of the accounting periods.
2. The number of annual buyers includes the sum of active members and guest buyers who made at least one purchase within the past year from each quarter.
3. The number of active members represents the number of members who have made at least one purchase within the past year.
4. Buyers of "LY Corporation Commerce", "LYST," and "BtoB business" are not included.

During the first quarter of the current fiscal year, the number of annual buyers increased, resulting from an increase in the number of active members YoY and QoQ. The growth in the number of active members was attributable to the retention of new members acquired through the previous fiscal year, as well as steady progress in acquiring new members through web advertising and initiatives within ZOZOTOWN. In particular, increased investment in web advertising compared with the same period of the previous fiscal year strengthened customer traffic and supported the acquisition of new members.

(Annual purchase amount and annual purchase pieces)

[Table 5] Changes in the annual purchase amount and annual purchase pieces

	Previous fiscal year				Current fiscal year			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Annual purchase amount (Total) (Note) 1, 2, 3, 4	42,861	42,404	41,771	41,323	40,900	-	-	-
(YoY)	-0.2%	-1.8%	-3.5%	-3.8%	-4.6%	-	-	-
(QoQ)	-0.2%	-1.1%	-1.5%	-1.1%	-1.0%	-	-	-
Annual purchase pieces (Total) (Note) 1, 2, 3	10.8	10.7	10.6	10.6	10.5	-	-	-
(YoY)	-1.0%	-2.1%	-3.2%	-2.9%	-3.0%	-	-	-
(QoQ)	-0.4%	-0.7%	-1.1%	-0.7%	-0.6%	-	-	-

(Note)

1. The calculation period is the most recent one-year period prior to the end of the accounting periods.
2. Indexes for each active member.
3. Buyers of "LY Corporation Commerce", "LYST," and "BtoB business" are not included.
4. The amounts are in yen.

During the first quarter of the current fiscal year, the annual purchase amount (Total) and annual purchase pieces (Total) decreased YoY and QoQ. The main factor was an increase in the proportion of new members, driven by the continued steady acquisition of new members since the previous fiscal year. At ZOZOTOWN, members with shorter membership histories generally tend to have lower annual purchase amounts and purchase fewer items.

(Average retail price, etc.)

[Table 6] Changes in the average retail price, average order value, average purchase pieces per order and number of shipments

	Previous fiscal year				Current fiscal year			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Average retail price (Note) 1, 2, 3	3,744	3,584	4,277	3,974	3,682	-	-	-
(YoY)	1.2%	-1.2%	-2.1%	-1.6%	-1.7%	-	-	-
Average order value (Note) 1, 2, 3	8,543	8,183	9,328	8,864	8,506	-	-	-
(YoY)	2.4%	-0.2%	-1.0%	-1.3%	-0.4%	-	-	-
Average purchase pieces per order (Note) 1, 2	2.28	2.28	2.18	2.23	2.31	-	-	-
(YoY)	1.1%	1.1%	1.1%	0.3%	1.2%	-	-	-
Number of shipments (Note) 1, 2	14,242,174	13,924,003	16,230,382	14,620,850	14,814,900	-	-	-
(YoY)	3.3%	3.4%	4.6%	9.2%	4.0%	-	-	-

(Note)

1. Figures are based on quarterly accounting periods.
2. Buyers of "LY Corporation Commerce", "LYST," and "BtoB business" are not included.
3. The amounts are in yen.

During the first quarter of the current fiscal year, list prices of new items remained generally in line with the same period of the previous fiscal year. However, the average retail price declined YoY due to increases in both the proportion of sale items and the average discount rate. In addition, more frequent implementation of the free-shipping measure for orders of 12,000 yen or more compared with the same period of the previous fiscal year, together with the aforementioned increase in the proportion of sale items, led to a higher attach rate and an increase in the number of items purchased per order. However, the decline in the average retail price outweighed the increase in the number of items purchased per order, resulting in a decline in the average order value.

i. Outright purchase/production & sales

In the first quarter of the current fiscal year, the merchandise value was 566 million yen (-32.1% YoY), accounting for 0.4% of the gross merchandise value (0.5% in the same period of the previous fiscal year). Net sales were 555 million yen (-29.8% YoY). As of the end of June 2026, the number of shops opened on ZOZOTOWN for Outright purchase/production & sales was 21 (21 as of the end of March 2026).

ii. Consignment sales

In the first quarter of the current fiscal year, the merchandise value was 120,384 million yen (+3.6% YoY), accounting for 76.8% of the gross merchandise value (73.0% in the same period of the previous fiscal year). Net sales (consignment sales commission) were 33,225 million yen (+3.0% YoY). As of the end of June 2026, the number of shops opened on ZOZOTOWN for consignment sales was 1,693 (1,689 as of the end of March 2026).

iii. USED sales

In the first quarter of the current fiscal year, the merchandise value was 5,059 million yen (+10.0% YoY), accounting for 3.2% of the gross merchandise value (2.9% in the same period of the previous fiscal year). Net sales were 4,921 million yen (+11.1% YoY).

② LY Corporation Commerce

LY Corporation Commerce is the combined sales of Yahoo! JAPAN Shopping and Yahoo! JAPAN Auction. The Company group opened the ZOZOTOWN store on Yahoo! JAPAN Shopping, an online shopping mall, and the ZOZOUSED store on Yahoo! JAPAN Auction, an online auction service, in March 2024. In the first quarter of the current fiscal year, the merchandise value was 18,952 million yen (+7.6% YoY), accounting for 12.1% of the gross merchandise value (11.1% in the same period of the previous fiscal year). Net sales (consignment sales commission) were 5,877 million yen (+8.9% YoY).

③ LYST

LYST operates a business model in which it earns performance-based commissions from partner brands that list their items on the fashion shopping platform "Lyst". In the first quarter of the current fiscal year, the merchandise value was 10,083 million yen (+33.3% YoY), accounting for 6.4% of the gross merchandise value (4.7% in the same period of the previous fiscal year). Net sales were 1,388 million yen (+36.4% YoY).

④ BtoB business

The BtoB business model includes building and operating brands' e-commerce websites and providing logistics services. In the first quarter of the current fiscal year, the merchandise value was 1,647 million yen (-27.1% YoY), accounting for 1.1% of the gross merchandise value (1.4% in the same period of the previous fiscal year). Net sales (consignment sales commission) were 266 million yen (-28.8% YoY). As of the end of June 2026, the number of consigned websites was 29 (29 as of the end of March 2026).

⑤ Advertising business

The advertising business is a business model that generates advertising revenue by providing advertising space to client brands by utilizing the user base of ZOZOTOWN and WEAR by ZOZO. In the first quarter of the current fiscal year, net sales were 2,976 million yen (+2.4% YoY).

⑥ Others

The segment for "Others" within the gross merchandise value includes 1) the merchandise value of the stores that contracted for "ZOZO Option" (recording ended as of September 30, 2025) in the fashion category excluding ZOZOTOWN on Yahoo! JAPAN Shopping (service that enables those stores to benefit from sales support such as participation in the Company's promotional events), 2) the merchandise value from ZOZOMO, the system that supports directing customers from ZOZOTOWN to physical stores, 3) the merchandise value of "ZOZOSUIT" sold for a fee in the U.S., and 4) merchandise value from High Link. Only online sales of High Link's private-label products and fragrance products sold in smaller portions are included in the merchandise value. The merchandise value in the first quarter of the current fiscal year was 56 million yen, accounting for 0.0% of the gross merchandise value (6.4% in the same period of the previous fiscal year). Net sales (Others) include sales from businesses related to ZOZOTOWN (shipping income, settlement commission income, etc.), sales related to the gross merchandise value (Others) described above, and sales from High Link's businesses other than its online sales business. Net sales (Others) in the first quarter of the current fiscal year totaled 6,921 million yen (+1.1% YoY).

(2) Overview of financial position for the current fiscal year

Overview of total assets, liabilities, and net assets

(Unit: Million yen)

	Previous fiscal year	First quarter of current fiscal year	Increase/ decrease rate
Total assets	198,260	178,869	-9.8%
Liabilities	91,470	80,258	-12.3%
Net assets	106,789	98,610	-7.7%

(Total assets)

Total assets amounted to 178,869 million yen, a decrease of 19,390 million yen (-9.8% from the previous fiscal year end). Current assets decreased by 24,673 million yen, or 18.9%, compared with the previous fiscal year end, amounted to 105,640 million yen. Major components are a decrease of 32,219 million yen in cash and deposits, and a decrease of 1,596 million yen in accounts receivable. Non-current assets increased by 5,282 million yen, or 7.8%, compared with the previous fiscal year end, amounted to 73,229 million yen. Major components are an increase of 1,275 million yen in property, plant, and equipment, an increase of 4,197 million yen in goodwill.

(Liabilities)

Liabilities amounted to 80,258 million yen, a decrease of 11,211 million yen (-12.3% from the previous fiscal year end). Current liabilities decreased by 11,870 million yen, or 14.7%, compared with the previous fiscal year end, amounted to 68,801 million yen. Major components are a decrease of 2,449 million yen in deposits received for consignment sales, a decrease of 6,504 million yen in income taxes payable, and a decrease of 2,241 million yen in provision for bonuses. Non-current liabilities increased by 659 million yen, or 6.1%, and amounted to 11,457 million yen, compared with the previous fiscal year end. Major component is an increase of 186 million yen in retirement benefit liability.

(Net assets)

Net assets amounted to 98,610 million yen, a decrease of 8,179 million yen (-7.7% from the previous fiscal year end). Major components are an increase of 11,895 million yen due to the recognition of profit attributable to owners of parent, and a decrease of 17,686 million yen due to cash dividends.

(3) Explanation of consolidated earnings forecast and other forward-looking statements

There is no change in the consolidated earnings forecast announced on April 30, 2026

2. Consolidated financial statements

(1) Consolidated balance sheet

(Unit: Million yen)

	Previous fiscal year (As of March 31, 2026)	First quarter of current fiscal year (As of June 30, 2026)
Assets		
Current assets		
Cash and deposits	69,416	37,197
Accounts receivable-trade	53,348	51,751
Merchandise	3,496	4,126
Raw materials and supplies	37	61
Others	4,014	12,504
Total current assets	130,314	105,640
Non-current assets		
Property, plant and equipment	26,930	28,206
Intangible assets		
Goodwill	21,812	26,009
Others	6,777	7,415
Total intangible assets	28,589	33,424
Investments and other assets	12,425	11,597
Total non-current assets	67,946	73,229
Total assets	198,260	178,869
Liabilities		
Current liabilities		
Accounts payable-trade	242	246
Deposits received for consignment sales	30,975	28,525
Short-term borrowings	20,000	20,073
Income taxes payable	11,596	5,092
Provision for bonuses	2,319	78
Provision for bonuses for directors	62	28
Provision for loss on liquidation of affiliates	0	0
Provision for loss on business liquidation	224	225
Others	15,249	14,531
Total current liabilities	80,672	68,801
Non-current liabilities		
Retirement benefit liability	5,151	5,337
Asset retirement obligations	4,528	4,537
Provision for loss on liquidation of affiliates	125	125
Others	993	1,457
Total non-current liabilities	10,797	11,457
Total liabilities	91,470	80,258

(Unit: Million yen)

	Previous fiscal year (As of March 31, 2026)	First quarter of current fiscal year (As of June 30, 2026)
Net assets		
Shareholders' equity		
Capital stock	1,359	1,359
Capital surplus	1,328	1,343
Retained earnings	111,393	105,602
Treasury stock	-11,039	-13,881
Total shareholders' equity	103,042	94,424
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	116	126
Deferred gains or losses on hedges	4	18
Foreign currency translation adjustment	3,161	3,585
Accumulated remeasurements of defined benefit plans	464	455
Total accumulated other comprehensive income	3,747	4,186
Total net assets	106,789	98,610
Total liabilities and net assets	198,260	178,869

(2) Quarterly consolidated statement of income and consolidated statement of comprehensive income

Quarterly consolidated statement of income

Consolidated results for the first quarter

(Unit: Million yen)

	First quarter of previous fiscal year (April 1, 2025 to June 30, 2025)	First quarter of current fiscal year (April 1, 2026 to June 30, 2026)
Net sales	54,028	56,132
Cost of sales	3,262	3,660
Gross profit	50,765	52,471
Selling, general and administrative expenses	33,845	34,587
Operating profit	16,920	17,883
Non-operating income		
Interest income	0	11
Received rent	0	0
Foreign exchange gains	-	10
Operations support fee	1	1
Income from recycling	11	11
Subsidy income	-	10
Gain on unused points	43	64
Others	9	4
Total non-operating income	68	116
Non-operating expenses		
Interest expenses	63	72
Rent expenses	0	0
Commission expenses	-	0
Foreign exchange losses	246	-
Loss on investment partnerships	39	52
Others	-	7
Total non-operating expenses	350	133
Ordinary profit	16,638	17,866
Extraordinary income		
Gain on sale of non-current assets	0	0
Total extraordinary income	0	0
Extraordinary losses		
Loss on sale and disposal of non-current assets	0	22
Total extraordinary loss	0	22
Quarterly profit before income taxes	16,639	17,844
Income taxes-current	4,256	4,829
Income taxes-deferred	1,006	1,120
Total income taxes	5,262	5,949
Net profit	11,376	11,895
Quarterly profit attributable to owners of parent	11,376	11,895

Quarterly consolidated statement of comprehensive income

Consolidated results for the first quarter

(Unit: Million yen)

	First quarter of previous fiscal year (April 1, 2025 to June 30, 2025)	First quarter of current fiscal year (April 1, 2026 to June 30, 2026)
Net profit	11,376	11,895
Other comprehensive income		
Valuation difference on available-for-sale securities	-14	10
Deferred gains or losses on hedges	-24	13
Foreign currency translation adjustment	999	424
Remeasurements of defined benefit plans	-4	-9
Total other comprehensive income	956	438
Quarterly comprehensive income	12,332	12,333
(Comprehensive income attributable to)		
Quarterly comprehensive income attributable to owners of the parent	12,332	12,333

(3) Notes on quarterly consolidated financial statements

(Notes on the going concern assumption)

Not applicable.

(Notes on significant changes in shareholders' equity)

The Company has been repurchasing its own shares pursuant to the resolution of the Board of Directors adopted on June 16, 2026. During the first quarter of the current fiscal year, the Company repurchased shares totaling 2,841 million yen. For details of the repurchase of shares and the cancellation of treasury shares, please refer to "(Significant subsequent events) (Repurchase of shares and cancellation of treasury shares)."

(Notes on segment information)

Disclosure is omitted because the Company group is a single segment of the e-commerce business.

(Notes on statement of cash flows)

Quarterly consolidated statement of cash flows for the first quarter of the current fiscal year has not been prepared. Depreciation (including amortization of intangible assets excluding goodwill) and amortization of goodwill for the first quarter of the current fiscal year are as follows:

	First quarter of previous fiscal year (April 1, 2025 to June 30, 2025)	First quarter of current fiscal year (April 1, 2026 to June 30, 2026)
Depreciation	1,194 Million yen	1,520 Million yen
Amortization of goodwill	391 Million yen	760 Million yen

(Matters related to the business combination)

(Business combination by acquisition of shares)

1. Overview of business combination

(1) Purpose of the business combination through share acquisition

Founded in 2017, HIGH LINK operates "Coloria", a comprehensive fragrance platform, under the mission of "Color the world with fragrance."

By bringing HIGH LINK, which operates a business centered on fragrances with high affinity to fashion, into the ZOZO group, the Company aims to expand into the fragrance market and accelerate business development in the "Near Fashion" domain by incorporating sales methods such as subscription services.

(2) Name and business description of the acquired company

Company name: HIGH LINK, INC.

Business description: Operation of a comprehensive fragrance platform, "Coloria"

(3) Date of business combination

April 16, 2026 (deemed acquisition date: April 30, 2026)

(4) Legal form of business combination

Acquisition of shares

(5) Name of the company after the business combination

HIGH LINK, INC.

(6) Number of shares acquired and voting rights ratio
Number of shares acquired: 93,818 shares
Voting rights held: 100%

(7) Basis for determining the acquiring company
This is due to the acquisition of 100% of the voting rights through a share acquisition for cash consideration.

(8) Date of agreement execution
March 31, 2026

2. Period of the acquiree's performance included in the quarterly consolidated statement of income for the first quarter of the current fiscal year
From May 1, 2026 to June 30, 2026

3. Acquisition cost of the acquired company and breakdown by type of consideration

Consideration for acquisition	Cash	4,950 million yen
Acquisition cost		4,950 million yen

4. Details and amounts of major acquisition-related expenses
Advisory fees and other related costs: 41 million yen

5. Amount, cause, and amortization of goodwill
(1) Amount of goodwill recognized
4,632 million yen
The amount of goodwill has been provisionally calculated, as the purchase price allocation (PPA) related to the acquisition has not yet been completed.

(2) Cause of goodwill
Primarily attributable to the expected future excess earnings derived from anticipated business development.

(3) Amortization method and period
Straight-line amortization over 7 years

6. Amounts of assets and liabilities assumed on the business combination date and their breakdown

Current assets	643 million yen
Non-current assets	617 million yen
Total assets	1,261 million yen
Current liabilities	387 million yen
Non-current liabilities	556 million yen
Total liabilities	943 million yen

7. Purchase Price Allocation (PPA)
As of the end of the first quarter of the current fiscal year, the identification of identifiable assets and liabilities acquired and the determination of their fair values as of the acquisition date had not yet been completed. Accordingly, the purchase

price allocation (PPA) remains provisional, and provisional accounting has been applied based on the best available information at that time.

(Significant subsequent events)

(Repurchase of shares and cancellation of treasury shares)

At the meeting of the Board of Directors held on June 16, 2026, the Company resolved on matters regarding the repurchase of its own shares pursuant to Article 459, Paragraph 1 of the Companies Act, and resolved to cancel treasury shares pursuant to Article 178 of the Companies Act.

1. Reasons for the repurchase of shares and cancellation of treasury shares

On October 31, 2023, the Company announced a new shareholder return policy: "Our goal is to maintain a total return ratio, including share buybacks, of more than 80% on a five-year average basis, beginning with the fiscal year ended March 2024." Since then, the Company has continued to consider the acquisition of its own shares, taking into account factors such as stock liquidity and stock price trends. The Company has decided to conduct the repurchase of shares in order to achieve its total return ratio target. In addition, all treasury shares to be acquired through the repurchase of shares will be cancelled.

2. Details of the repurchase of shares

(1) Class of shares to be acquired — Common stock

(2) Total number of shares to be acquired — Up to 43,000,000 shares
(4.86% of the total number of issued shares (excluding treasury shares))

(3) Total amount to be paid for the acquisition — Up to 30,000 million yen

(4) Period of acquisition — June 17, 2026, to December 30, 2026

(5) Method of acquisition — Market purchase on the Tokyo Stock Exchange, Inc.

(6) Repurchase during the first quarter of the current fiscal year
Total number of shares repurchased: 2,528,300 shares
Total acquisition cost: 2,841 million yen

3. Details of the cancellation of treasury shares

(1) Class of shares to be cancelled — Common stock

(2) Total number of shares to be cancelled — All treasury shares to be acquired pursuant to 2. above

(3) Scheduled date of cancellation — January 29, 2027

(Note) The total number of shares to be cancelled will be finalized after completion of the repurchase of shares.

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