



Romantic Nishi-Chiba

— A story that can never be calculated —



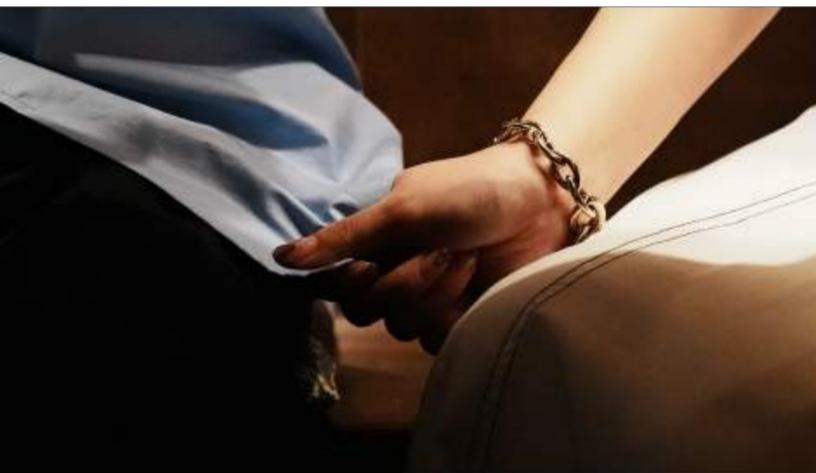
FY2022 2Q ZOZO, Inc. CONSOLIDATED BUSINESS RESULTS

※This is a work of fiction. It is not related to any real person or organization.
Masks are removed only during filming to prevent COVID-19 infection.

Financial results material drama

HIGHLIGHTS

FY2022 2Q ZOZO, Inc. CONSOLIDATED BUSINESS RESULTS



FY2022 2Q HIGHLIGHTS



The Company achieved record results in both Gross Merchandise Value and operating profit for the first half-year, while the people's mobility continues to be active.

Overview

○ Gross Merchandise Value : 251,138 million yen (+9.4%,YoY)

○ Gross Merchandise Value (excluding other GMV) : 227,481 million yen (+8.8%,YoY)

More than 10% YoY growth has continued in the ZOZOTOWN business and PayPay mall. The measures to attract and promote customers were effective, resulting in good results. In addition, inventory volume, which had been delayed in the first quarter due to the impact of the lockdown in Shanghai, recovered.

○ Operating Profit : 27,210 million yen (+14.4%,YoY)

More than 10% YoY growth has continued.

Although the expenses for measures to attract and promote customers increased on a YoY basis, operating profit increased due to a rise in gross profit resulting from growth in the Gross Merchandise Value and cost reductions, especially variable costs.



Gross Merchandise Value

○ ZOZOTOWN BUSINESS

Gross Merchandise Value : 197,444 million yen (+11.3%,YoY)

Consignment sales : 188,859 million yen (+10.7%,YoY)

Outright Purchase / Production & Sales : 1,790 million yen (+38.2%,YoY)

USED sales : 6,795 million yen (+21.3%,YoY)

○ PayPay Mall : 22,739 million yen (+18.7%,YoY)

○ BtoB Business : 7,296 million yen (-41.4%,YoY)

○ Others* : 23,657 million yen

○ Average Order Value : 7,566 yen (+3.0%,YoY)

○ Average Retail Price : 3,487 yen (+6.8%,YoY)

* From the 2nd quarter of the fiscal year ended March 2021, GMV from the eCommerce website run by our consolidated subsidiary, "yutori, Inc.", stores contracting ZOZO option at PayPay Mall, ZOZOMO, and ZOZOSUIT (for paid sales) are recorded.

ZOZO Option: Option contracts which enables fashion category stores outside of ZOZOTOWN PayPay Mall, 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.



FY2022 2Q HIGHLIGHTS



Profitability

- Operating profit margin* (to the total gross merchandise value) : 12.0% (11.4% for FY2021 2Q)
 - ・Factors improving profitability : Improvement of gross profit margin due to an increase in the composition ratio of businesses that have a high gross profit margin to the Gross Merchandise Value, a decline in logistics-related expenses ratio due to the improvement of operational efficiency in logistics bases, and a decline in shipping expenses ratio due to higher order value.
 - ・Factors worsening profitability : An increase in expenses to attract customers, measures such as the point promotion program, and expenses for others due to an increase in cloud server usage for the system replacement.

*Operating profit margin is calculated by operating profit divided by the gross merchandise value (excluding other GMV).

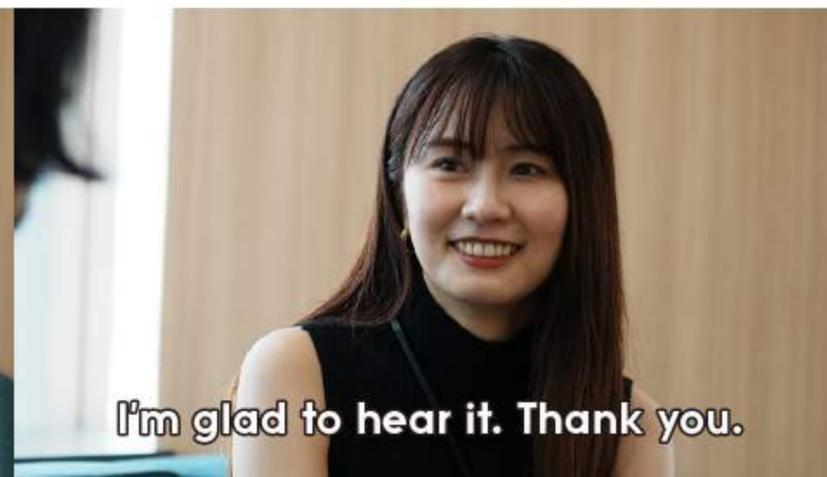
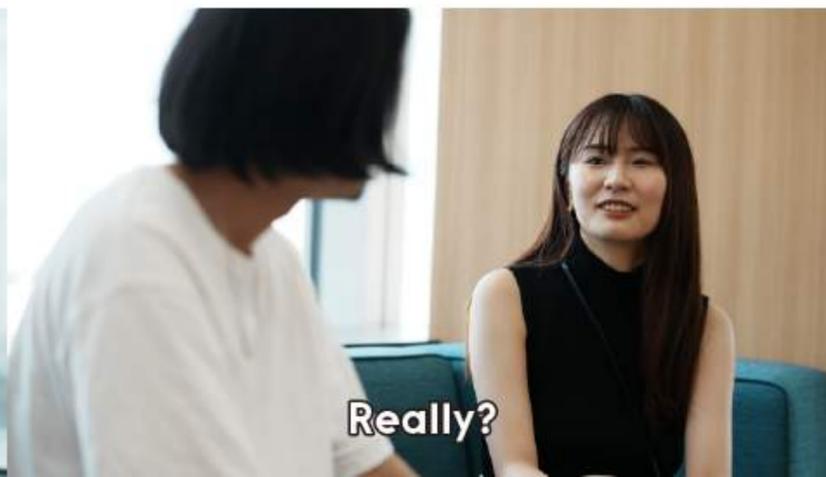
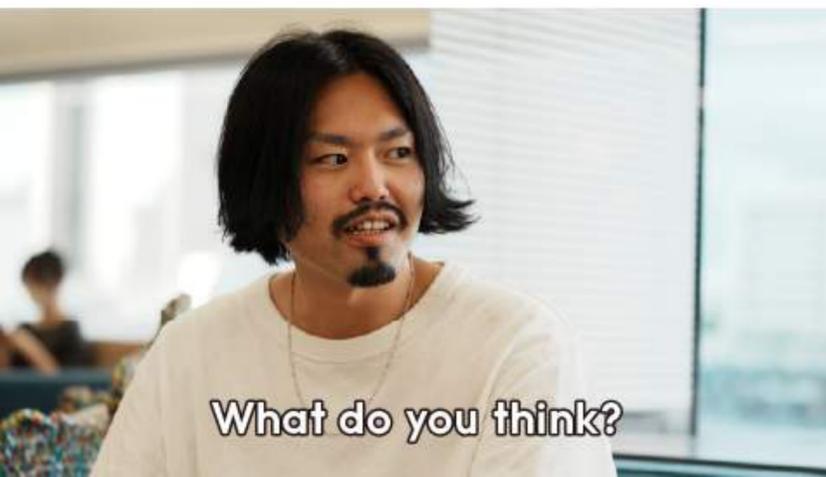
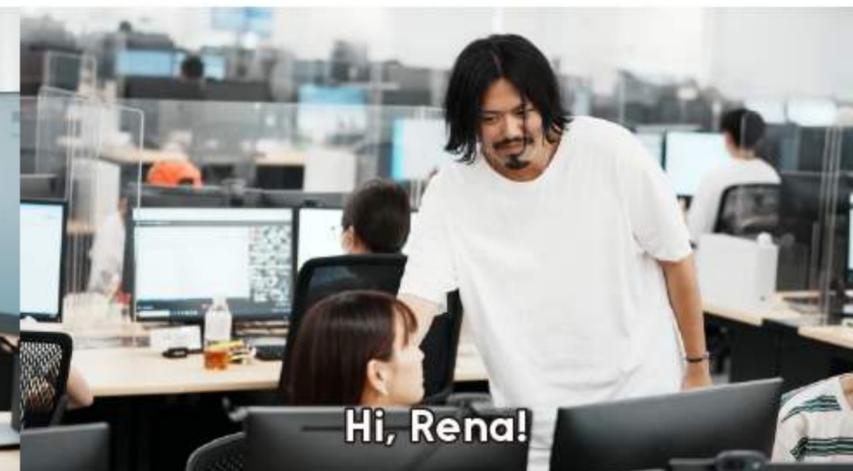
Topic

- ZOZOFIT, a new body management service that utilizes ZOZOSUIT's body shape measurement technology, was launched in the U.S. (August 2022)
- The Company started to accept orders through "Made by ZOZO", a production support platform that aims to eliminate inventory risk for fashion brands. (September 2022)
- WEAR, a Fashion Lookbook app, officially launched the function to post videos of outfits. (September 2022)
- "AR Makeup" within ZOZOCOSME started to support a new category.
AR Makeup for blush, eyebrow, eyeliner, and mascara is now available. (September 2022)
- A distribution center, ZOZOBASE NARASHINO (CHIBA) 2, is now 100% powered by electricity derived from renewable energy sources. (September 2022)
- Kotaro Sawada, Representative Director, President & CEO of the Company, was selected for "The BoF 500 2022". (September 2022)
- PGA TOUR "ZOZO CHAMPIONSHIP" tournament of the year 2022 was held. (October 2022)
Dates: October 13(THU) - October 16 (SUN), 2022



BUSINESS RESULTS

FY2022 2Q ZOZO, Inc. CONSOLIDATED BUSINESS RESULTS



OVERVIEW OF THE FY2022 2Q

(million¥)

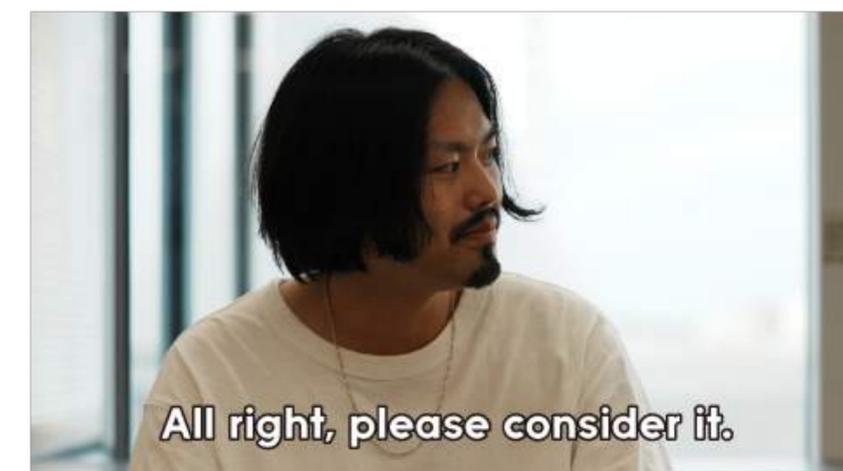
	FY2021 2Q	FY2022 2Q	YoY	Target	Achievement Rate(%)
Gross Merchandise Value	229,507	251,138	9.4%	543,800	46.2%
Gross Merchandise Value (excluding other GMV)	209,067	227,481	8.8%	495,800	45.9%
Net sales	76,212	83,767	9.9%	181,300	46.2%
Gross profit	71,976	78,906	9.6%	-	-
(% to the Gross Merchandise Value)	34.4%	34.7%	0.3%	-	-
SG&A	48,184	51,696	7.3%	-	-
(% to the Gross Merchandise Value)	23.0%	22.7%	-0.3%	-	-
Operating profit	23,791	27,210	14.4%	51,500	52.8%
(% to the Gross Merchandise Value)	11.4%	12.0%	0.6%	10.4%	-
Ordinary profit	23,759	27,433	15.5%	51,500	53.3%
Profit attributable to owners of parent	16,541	19,067	15.3%	35,900	53.1%

* % to the Gross Merchandise Value are represented in percentages after division by gross merchandise value (excluding other GMV).

* Effective from the fiscal year ended March 2022, we have adopted the new accounting standards for revenue recognition.



May I have some time?



All right, please consider it.



OVERVIEW OF EACH QUARTER



(million¥)

	FY2021				FY2022	
	1Q	2Q	3Q	4Q	1Q	2Q
Gross Merchandise Value	116,812	112,695	145,999	133,369	127,928	123,210
Gross Merchandise Value (excluding other GMV)	106,700	102,367	132,519	120,587	115,948	111,533
YoY (%)	11.9%	13.5%	15.0%	12.7%	8.7%	9.0%
Net sales	38,866	37,346	47,565	42,420	42,590	41,176
SG&A	24,333	23,851	29,656	28,675	26,028	25,667
YoY (%)	11.3%	10.6%	15.2%	7.3%	7.0%	7.6%
(% to the Gross Merchandise Value)	22.8%	23.3%	22.4%	23.8%	22.4%	23.0%
Operating profit	12,591	11,200	14,987	10,876	14,312	12,897
YoY (%)	20.8%	18.1%	8.0%	5.0%	13.7%	15.2%
(% to the Gross Merchandise Value)	11.8%	10.9%	11.3%	9.0%	12.3%	11.6%

* % to the Gross Merchandise Value are represented in percentages after division by gross merchandise value (excluding other GMV).

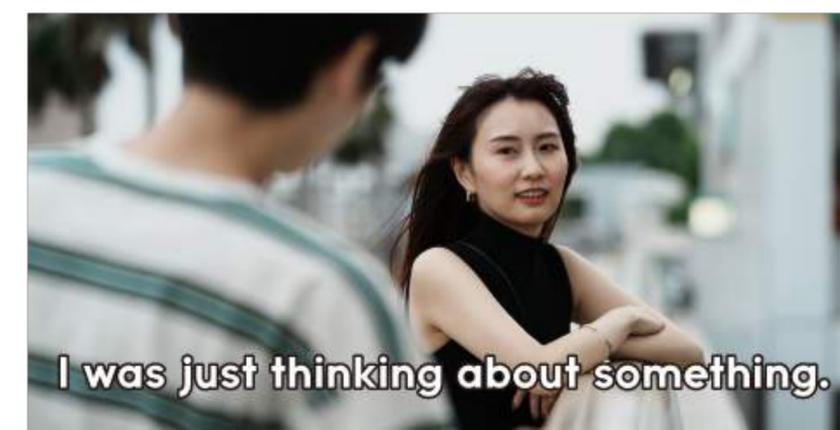
* Effective from the fiscal year ended March 2022, we have adopted the new accounting standards for revenue recognition.



Hey, Rena!

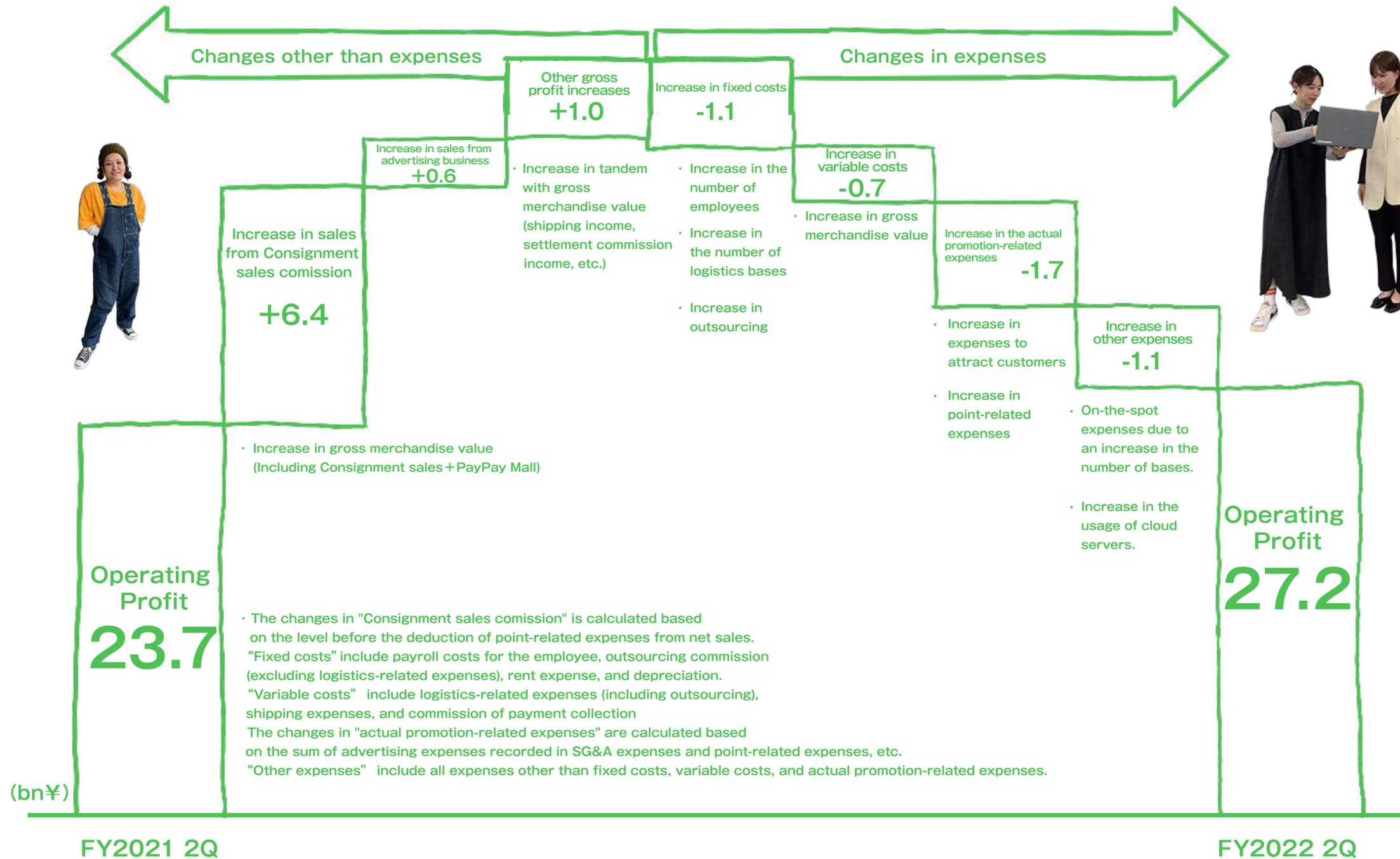


Are you taking a break?



I was just thinking about something.

INCREASE-DECREASE ANALYSIS OF OPERATING PROFIT(YOY COMPARISON)



CONSOLIDATED BALANCE SHEET

(million¥)

	FY2021 (as of March 31, 2022)	FY2022 2Q (as of September 30, 2022)		FY2021 (as of March 31, 2022)	FY2022 2Q (as of September 30, 2022)
Current assets	102,305	103,775	Current liabilities	66,172	58,946
Cash and deposits	65,520	66,888	Short-term borrowing	20,200	20,200
Merchandise and finished products	2,060	3,178	Noncurrent liabilities	6,005	6,487
Noncurrent assets	24,971	25,367	Total liabilities	72,177	65,434
Tangible assets	11,284	13,783	Shareholders' equity	55,100	63,464
Intangible assets	2,621	2,383	Treasury stock	-44,784	-44,558
Investments and other assets	11,065	9,200	Total net assets	55,099	63,707
Total assets	127,276	129,142	Total liabilities and net assets	127,276	129,142

I'm also getting more and more eager to challenge myself in a new environment.

It's so much fun working with you!

But if you want to take on a new challenge, I'd like to support your decision.

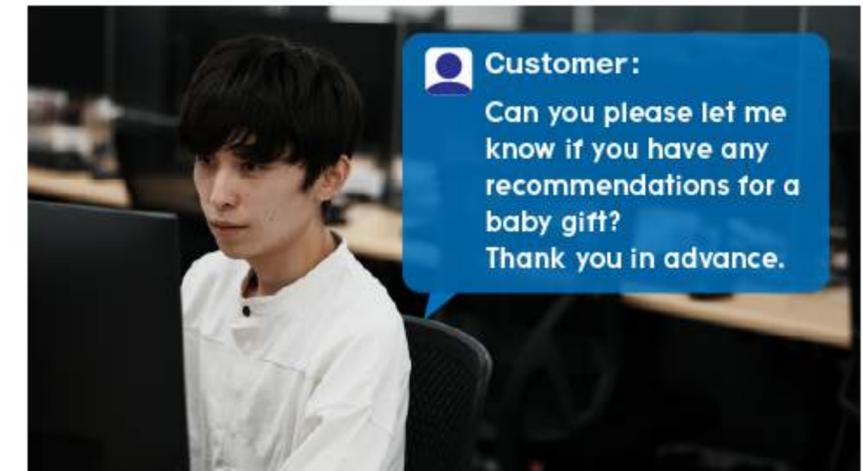
Thank you!

CASH FLOWS

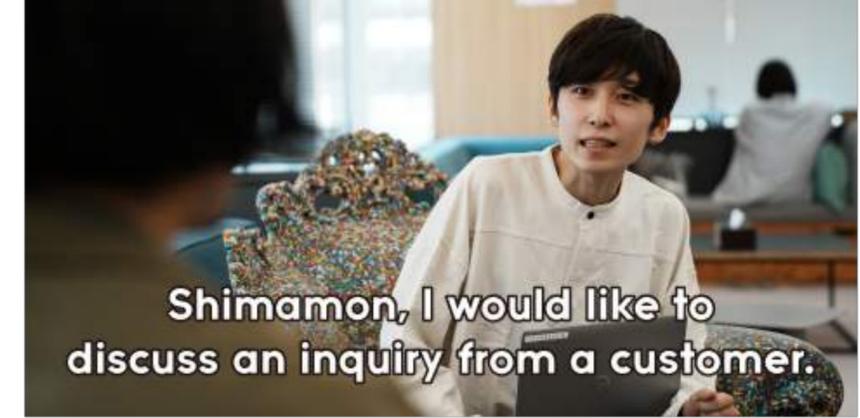
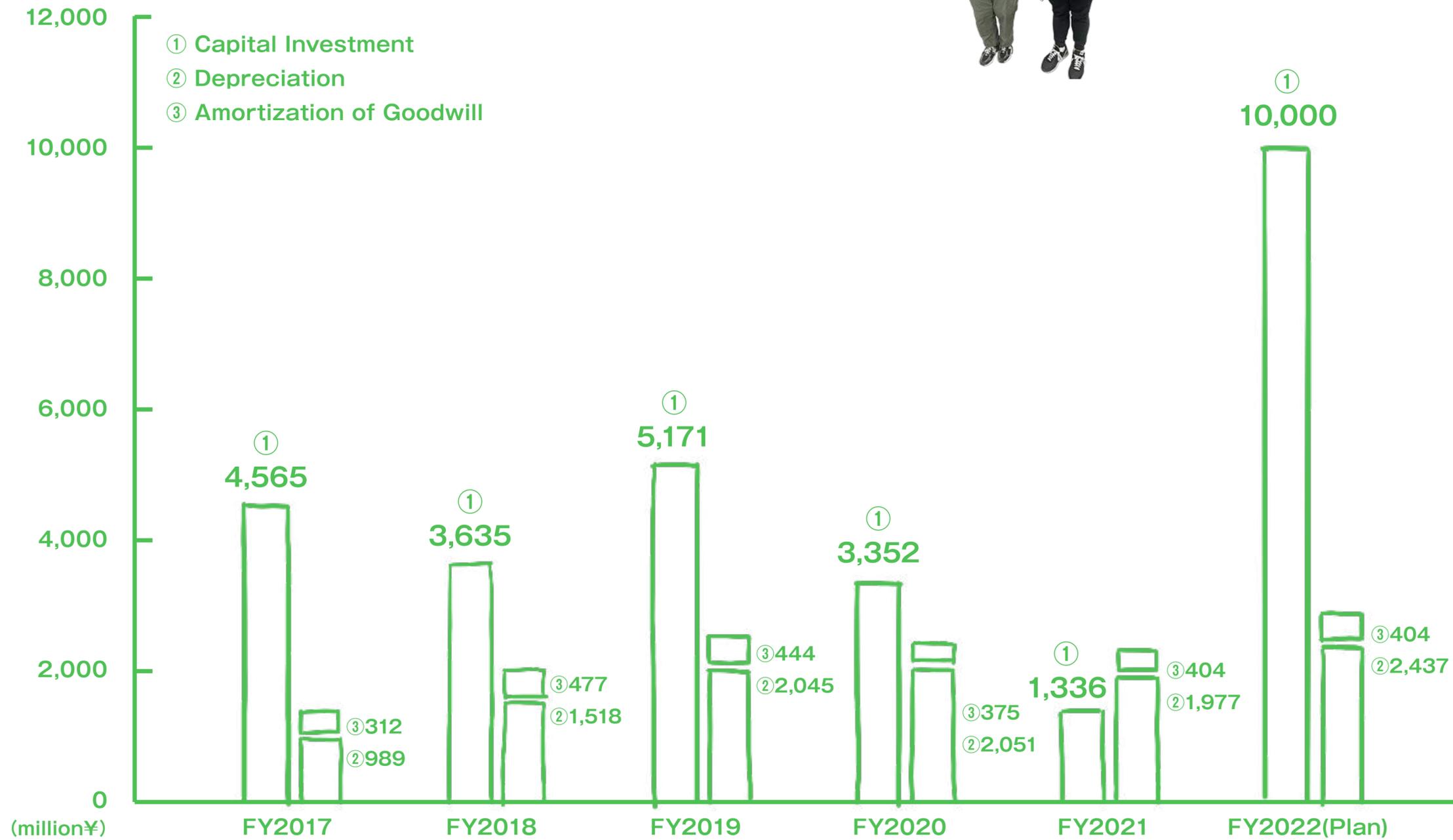


(million¥)

	FY2021 2Q	FY2022 2Q	YoY	Reason for change
Cash flows from operating activities	15,278	15,605	326	
Cash flows from investing activities	-558	-3,896	-3,337	(FY2022) Expense for the expansion of the new distribution center
Cash flows from financing activities	-28,571	-10,630	17,941	(FY2021) Gains and losses from the purchase and disposal of treasury stock
Cash and cash equivalents at the end of the quarter	47,810	66,888	19,078	

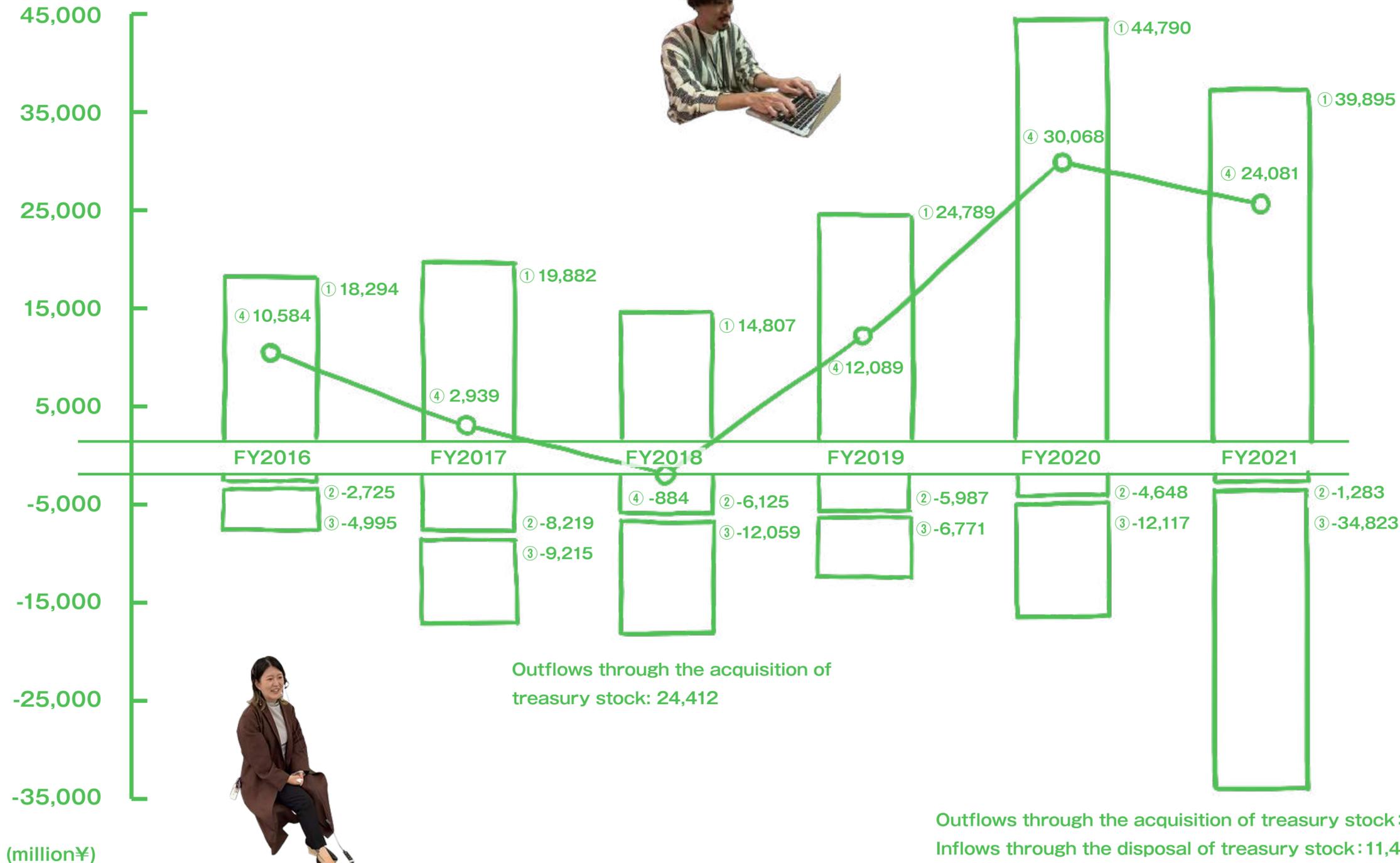


CAPITAL INVESTMENT



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



I see. It would be nice if you could advise like a "real friend".



How about we ask the customer about desired color and budget,

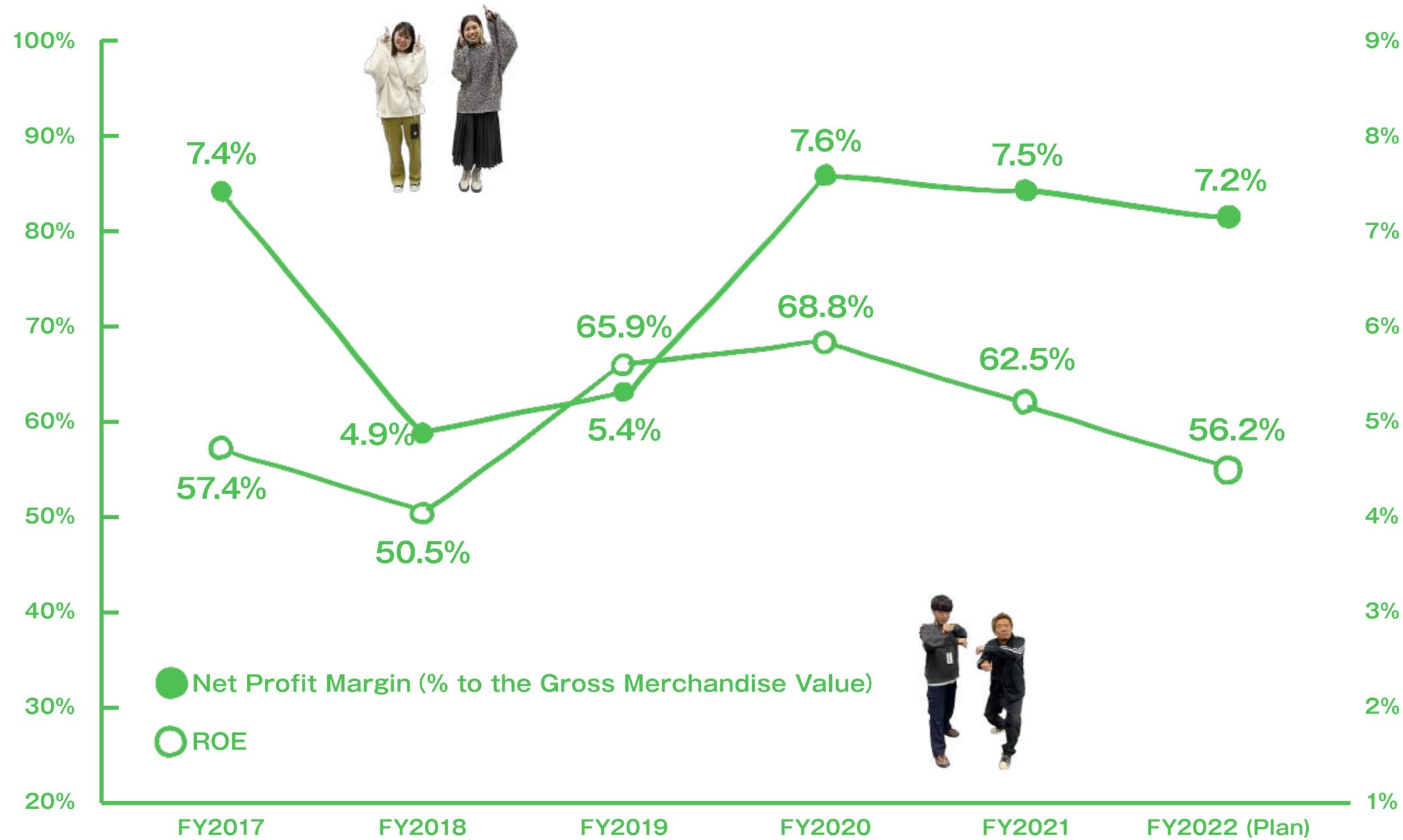


and pick up a few items that would match the image, and propose to the customer?

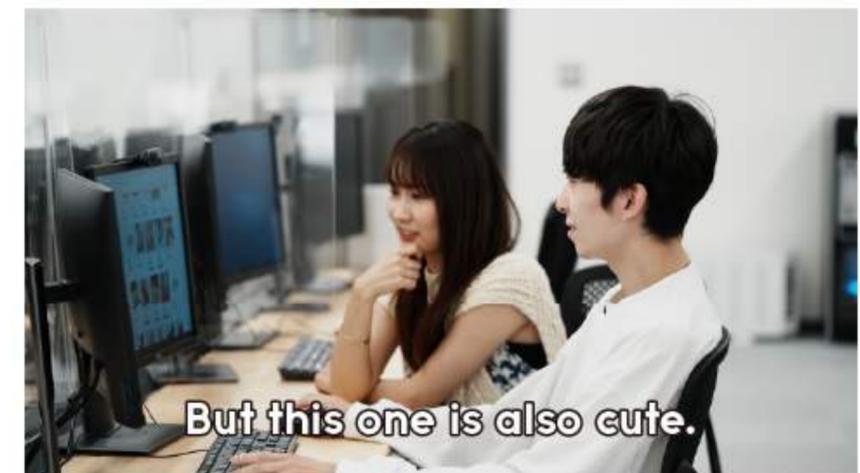


That sounds good. I'm sure the customer will be delighted!

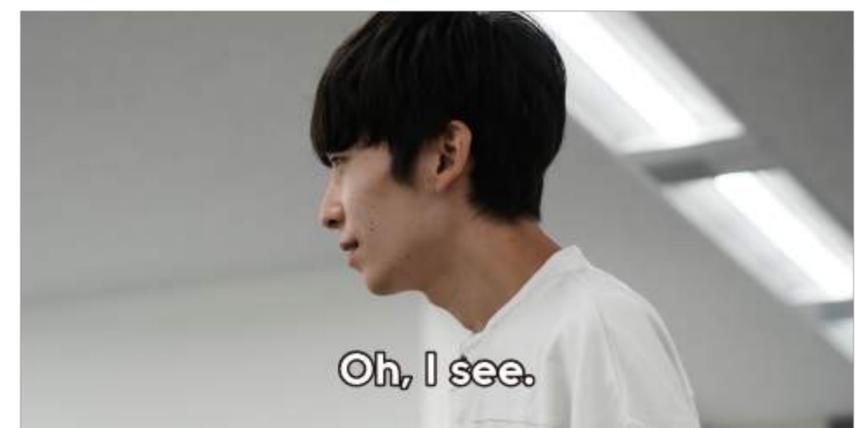
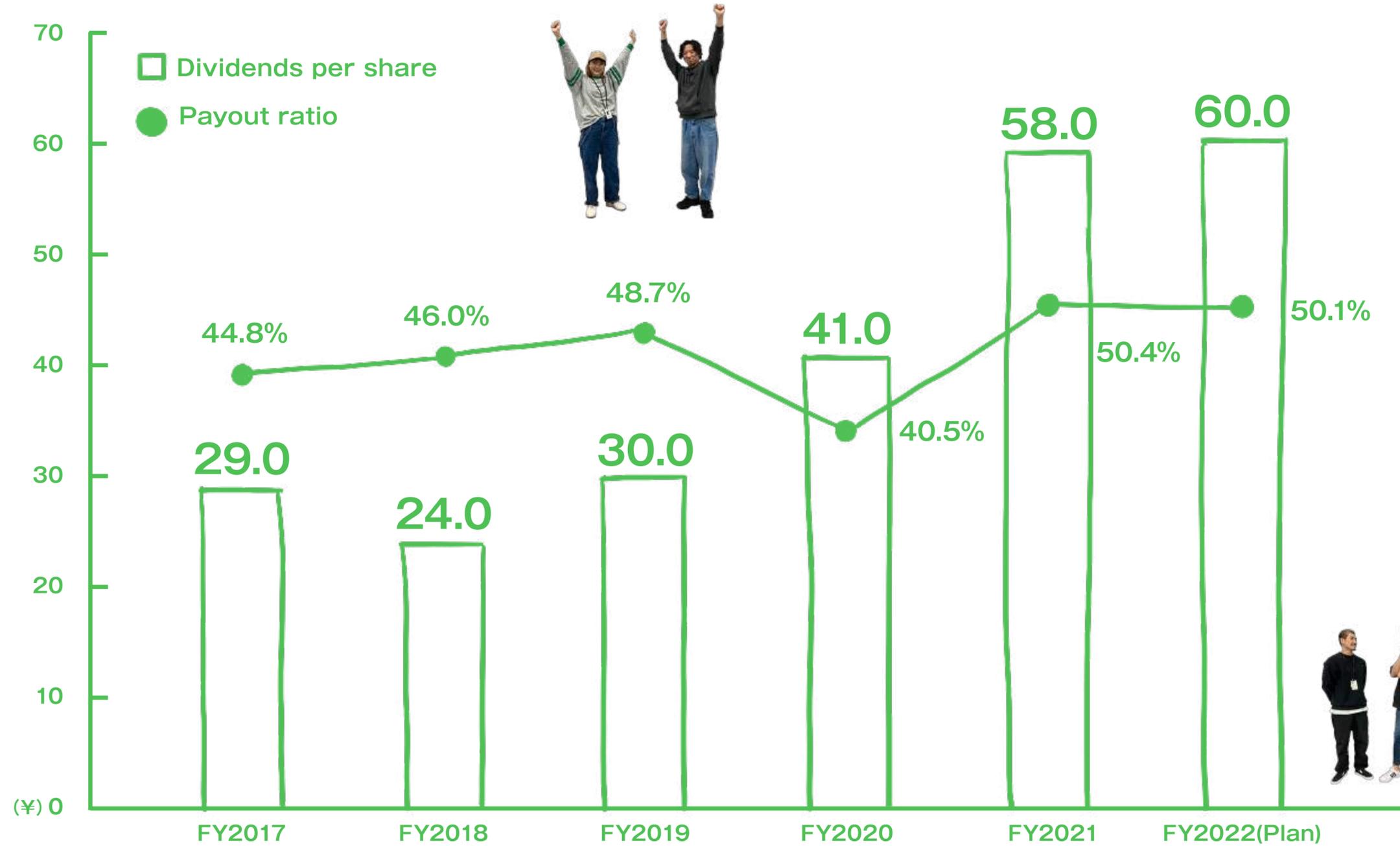
ROE AND NET PROFIT MARGIN



* Net Profit margin is calculated by net profit divided by the gross merchandise value (excluding other GMV).

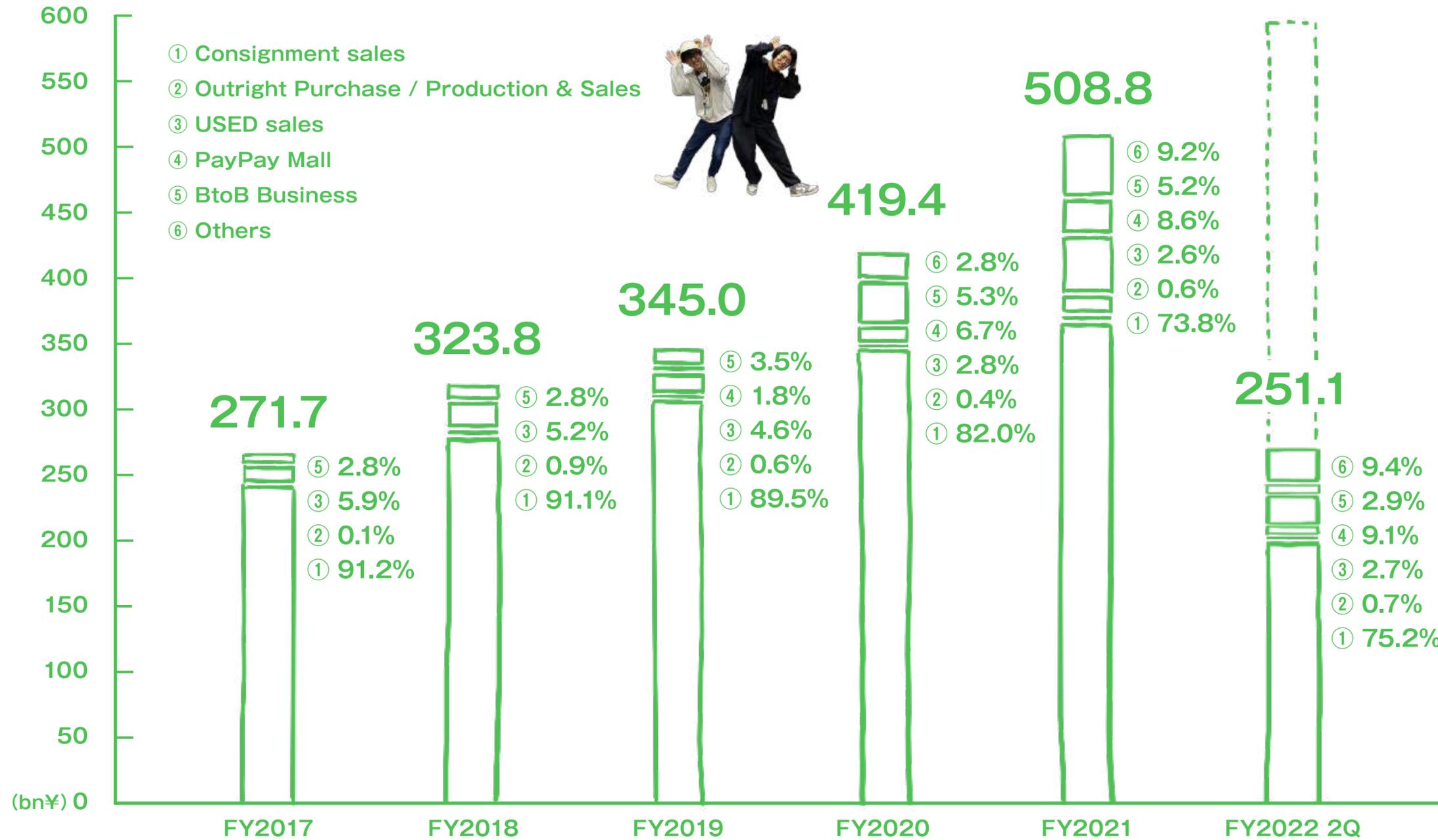


DIVIDENDS PER SHARE AND PAYOUT RATIO



GROSS MERCHANDISE VALUE

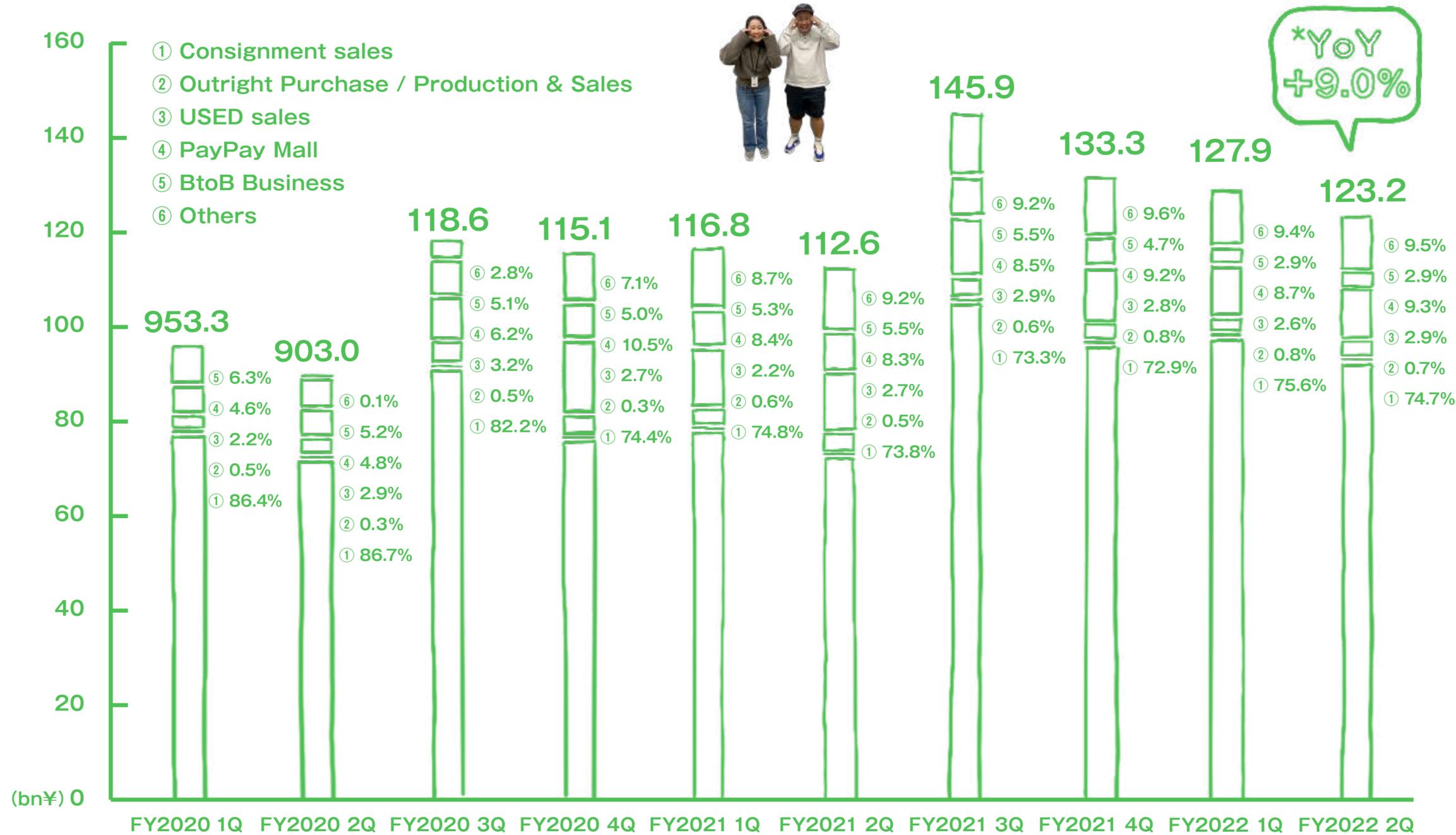
Gross merchandise value of new shops opened in FY2022 2Q ZOZOTOWN Business : ¥0.7 billion
(accounts for 0.4% of the gross merchandise value)



I've gotta go, see you tomorrow!

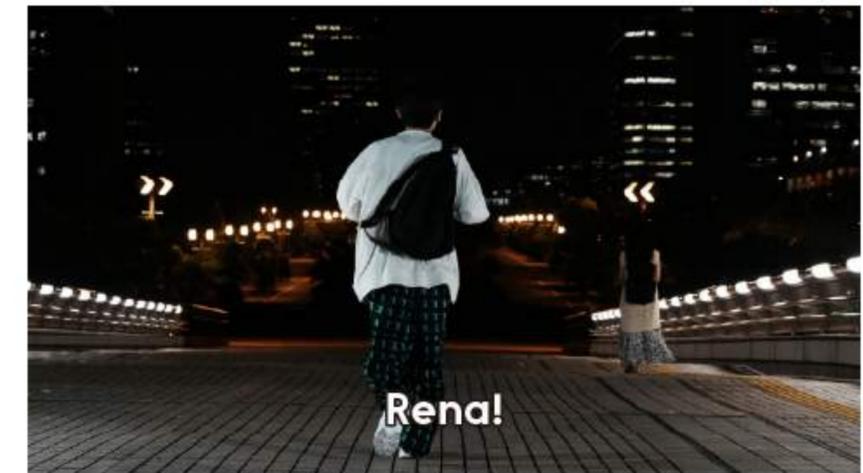
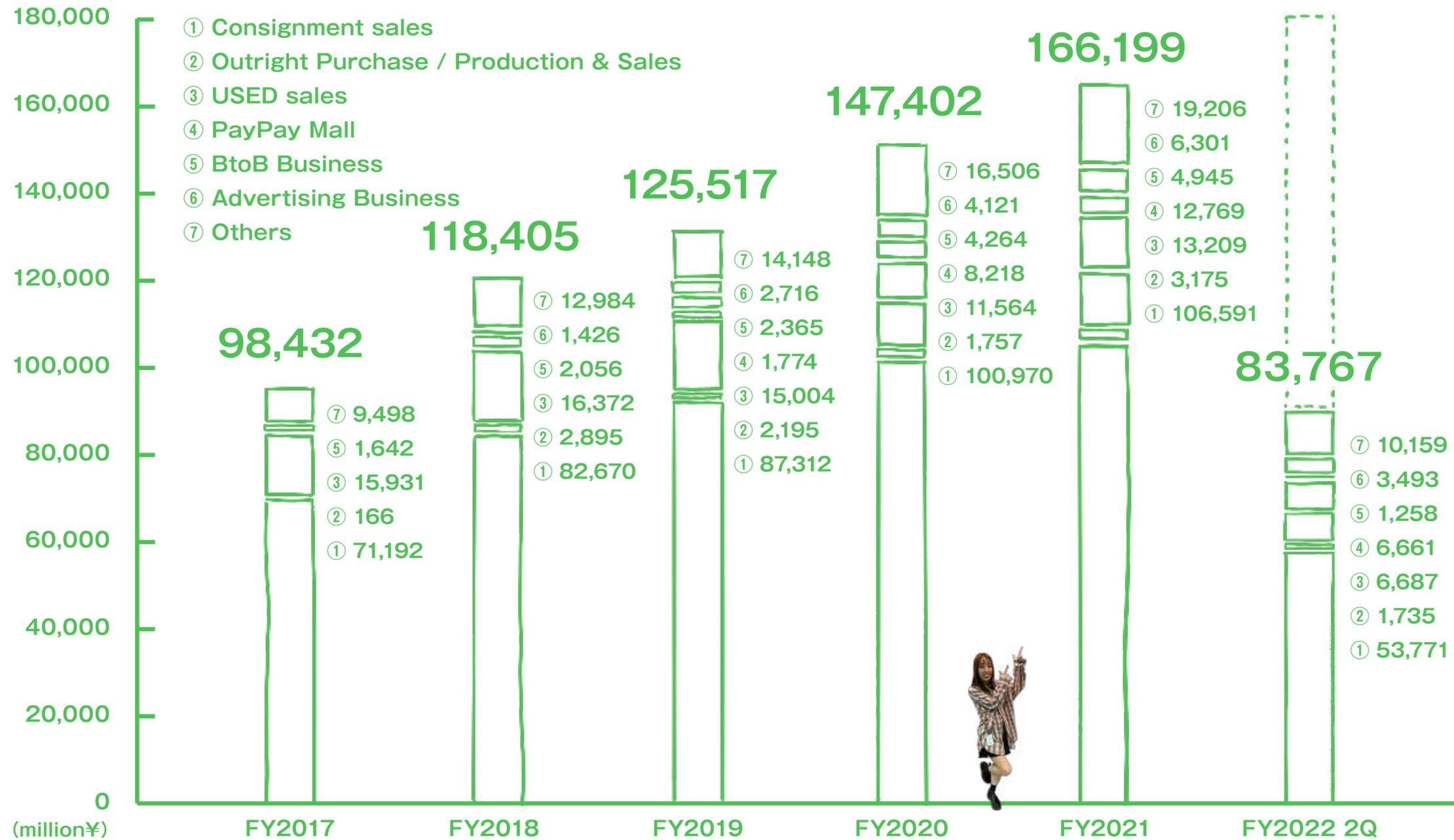


GROSS MERCHANDISE VALUE(QUARTERLY)



* YoY is the comparison of GMV excluding "⑥ Others"

NET SALES

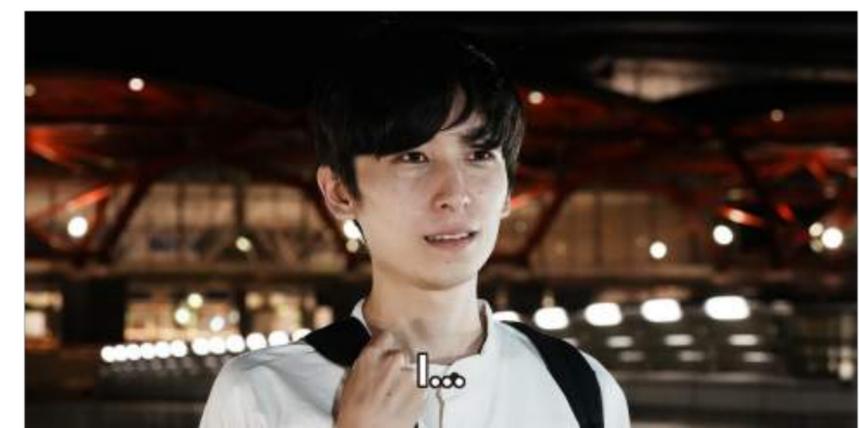
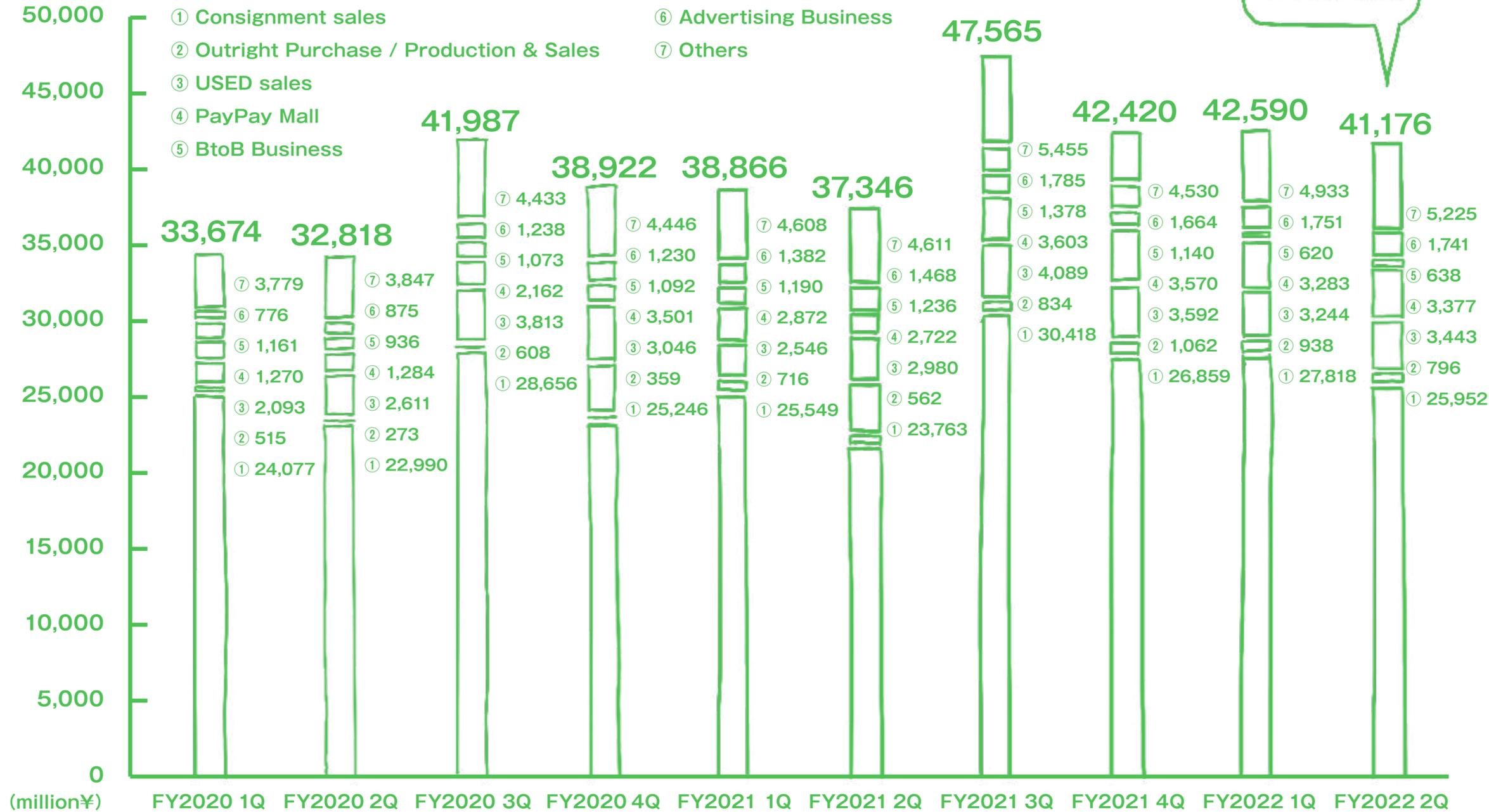


*Effective from the fiscal year ended March 2022, we have adopted the new accounting standards for revenue recognition. Point-related expenses, which had been recorded in SG&A expenses until the fiscal year ended March 2021, are reduced from sales in the respective businesses, and the results are disclosed as net sales.

NET SALES(QUARTERLY)

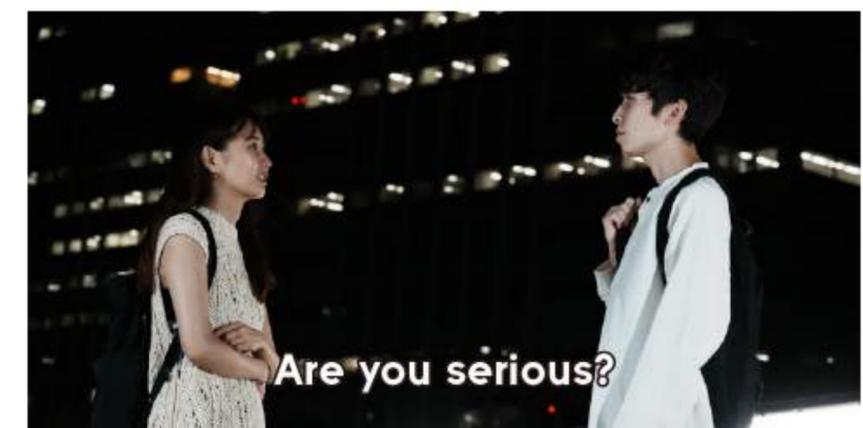
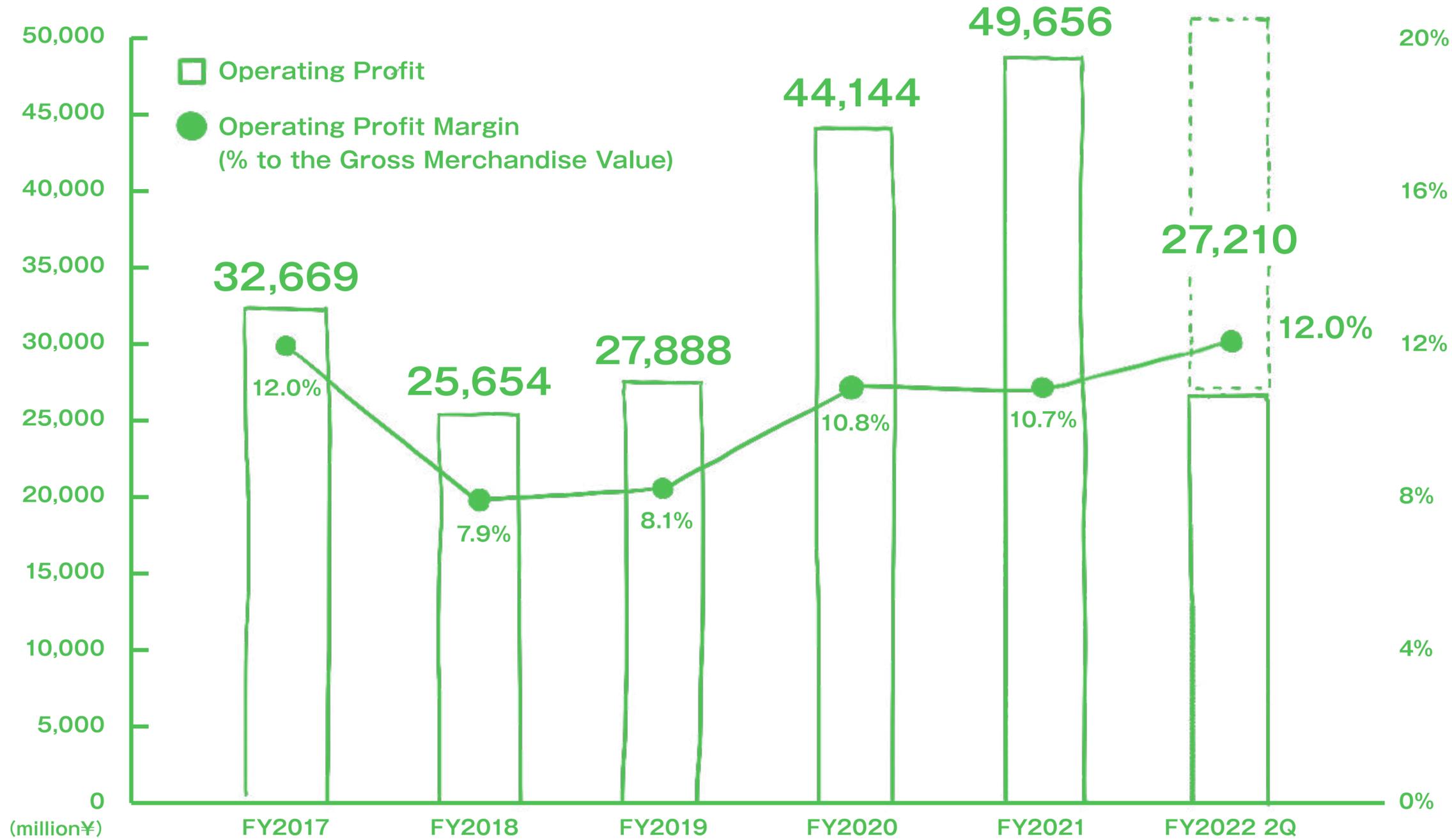


YoY
+10.3%



* Effective from the fiscal year ended March 2022, we have adopted the new accounting standards for revenue recognition. Point-related expenses, which had been recorded in SG&A expenses until the fiscal year ended March 2021, are reduced from sales in the respective businesses, and the results are disclosed as net sales.

OPERATING PROFIT AND OPERATING PROFIT MARGIN



* Operating profit margins are calculated by operating profit divided by gross merchandise value (excluding other GMV).

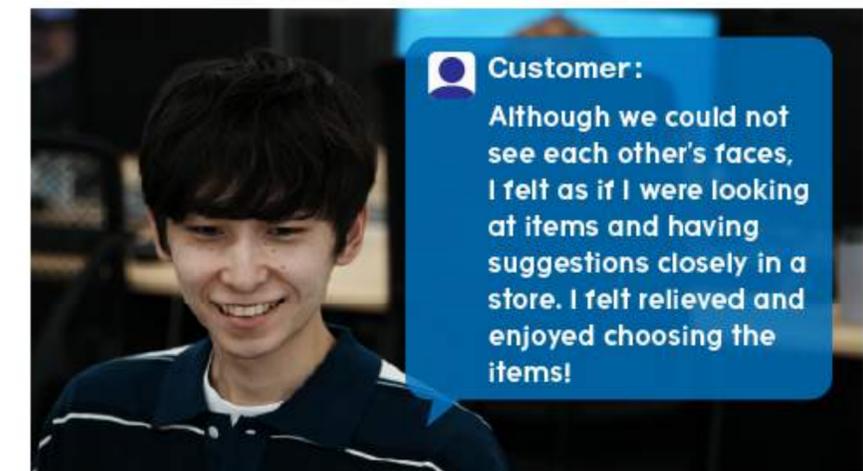
SELLING, GENERAL AND ADMINISTRATIVE(SG&A)EXPENSES (Cumulative amount as of FY2022 2Q)



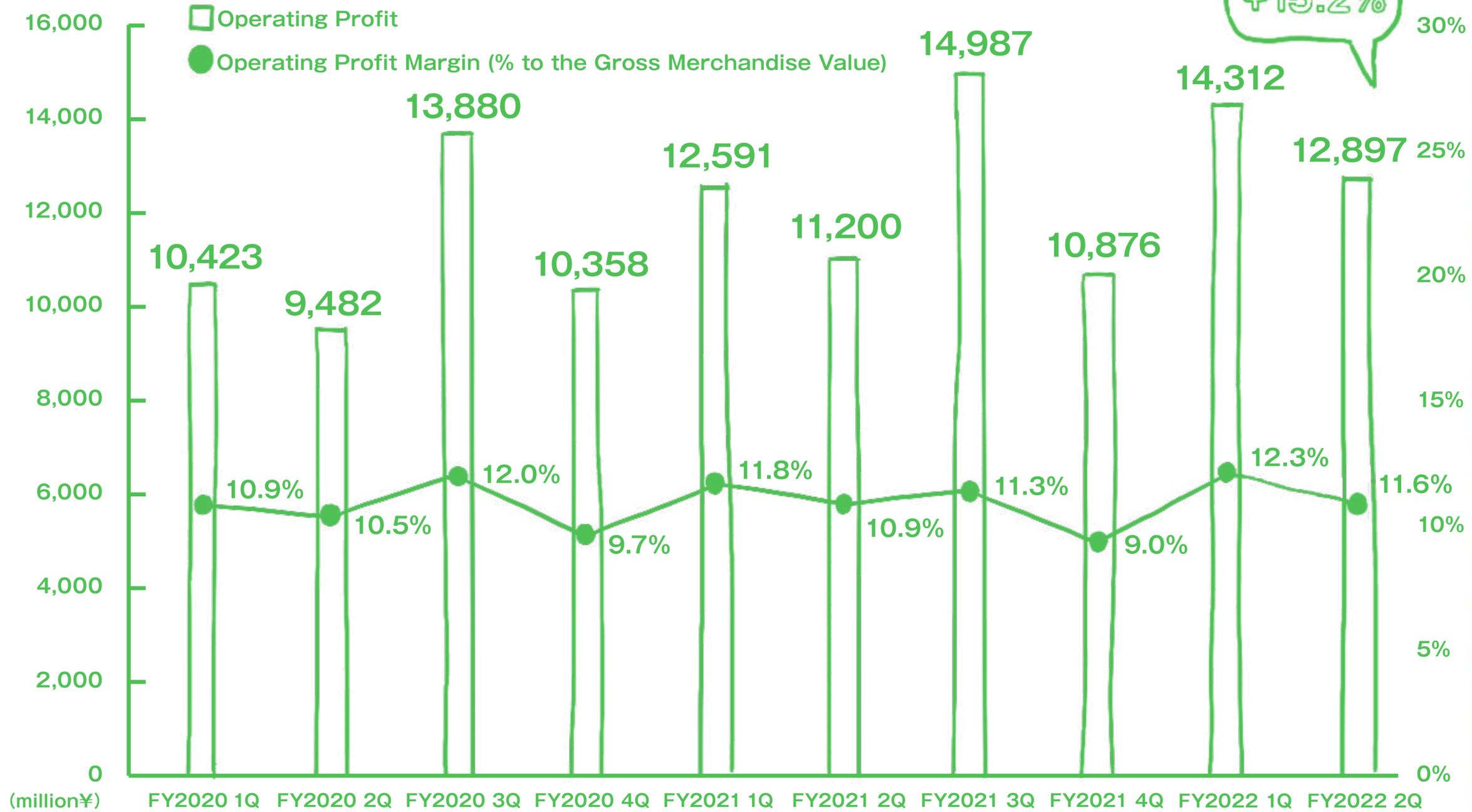
	FY2021 2Q		FY2022 2Q		YoY	Increase / decrease factors
	Amount	% to the Gross Merchandise Value	Amount	% to the Gross Merchandise Value	% to the Gross Merchandise Value	
Payroll and staff costs(*)	13,770	6.6%	14,087	6.2%	-0.4%	
Payroll costs for employee	5,606	2.7%	6,226	2.7%	0.0%	Transition of the number of employees on consolidated basis: FY2021 2Q 1,359 → FY2022 2Q 1,485
Logistics-Related Expenses (Including Outsourcing)	8,164	3.9%	7,860	3.5%	-0.4%	Efficient operations continued with an increase in inventory storage capacity due to the re-leasing of the warehouses of CHIBA 3.
Outsourcing Commission (Excluding Logistics-Related Expenses)	2,929	1.4%	3,303	1.5%	0.1%	An increase in outsourcing of system development, maintenance, etc.
Shipping	15,084	7.2%	15,705	6.9%	-0.3%	The shipping expenses ratio to the Gross Merchandise Value declined as the impact of higher order value compared to the previous year exceeded the effect of cost increases due to the acceptance of the fuel surcharge.
Commission of Payment collection	5,059	2.4%	5,443	2.4%	0.0%	
Advertising	3,009	1.4%	3,512	1.5%	0.1%	Expenses for ZOZOGLASS decreased. Measures to attract customers, such as Web advertisements, increased.
Rent expense	2,863	1.4%	3,028	1.3%	-0.1%	An increase in a distribution center (resumption of the lease at the warehouse CHIBA 3 from April 2022).
Depreciation	932	0.4%	938	0.4%	0.0%	
Amortization of goodwill	201	0.1%	212	0.1%	0.0%	
Stock Compensation Expenses	51	0.0%	45	0.0%	0.0%	
Others	4,281	2.0%	5,416	2.4%	0.4%	An Increase in cloud server usage for the system replacement. Purchase of equipment due to an increase in the distribution centers. (1Q)
Total SG&A	48,184	23.0%	51,696	22.7%	-0.3%	

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

* Numbers of % to the Gross Merchandise Value are calculated by each expense divided by gross merchandise value (excluding other GMV).

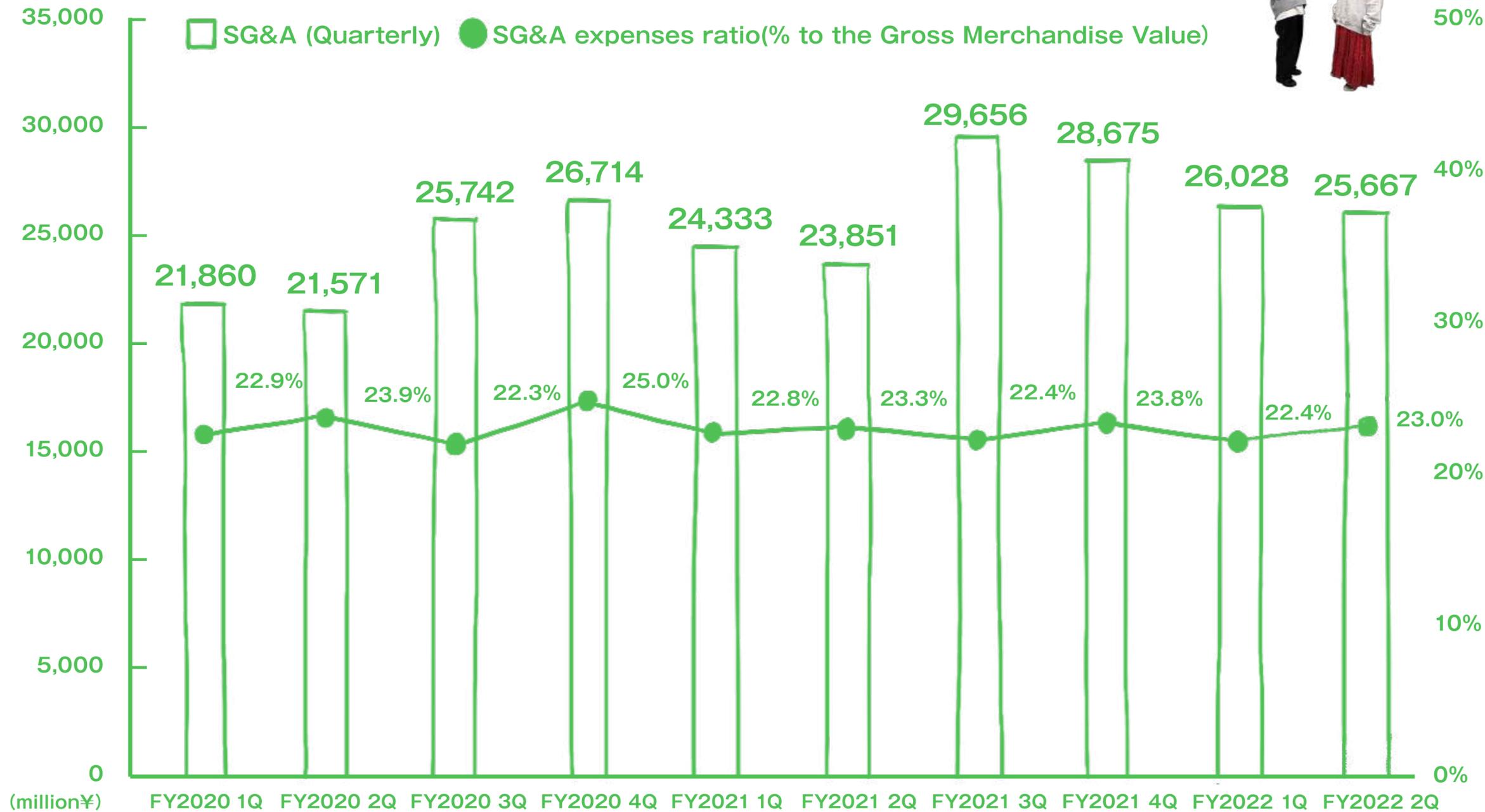


OPERATING PROFIT AND OPERATING PROFIT MARGIN(QUARTERLY)



* Operating profit margins are calculated by operating profit divided by gross merchandise value (excluding other GMV).

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



* SG&A expenses ratio is calculated by related items divided by the gross merchandise value (excluding other GMV).

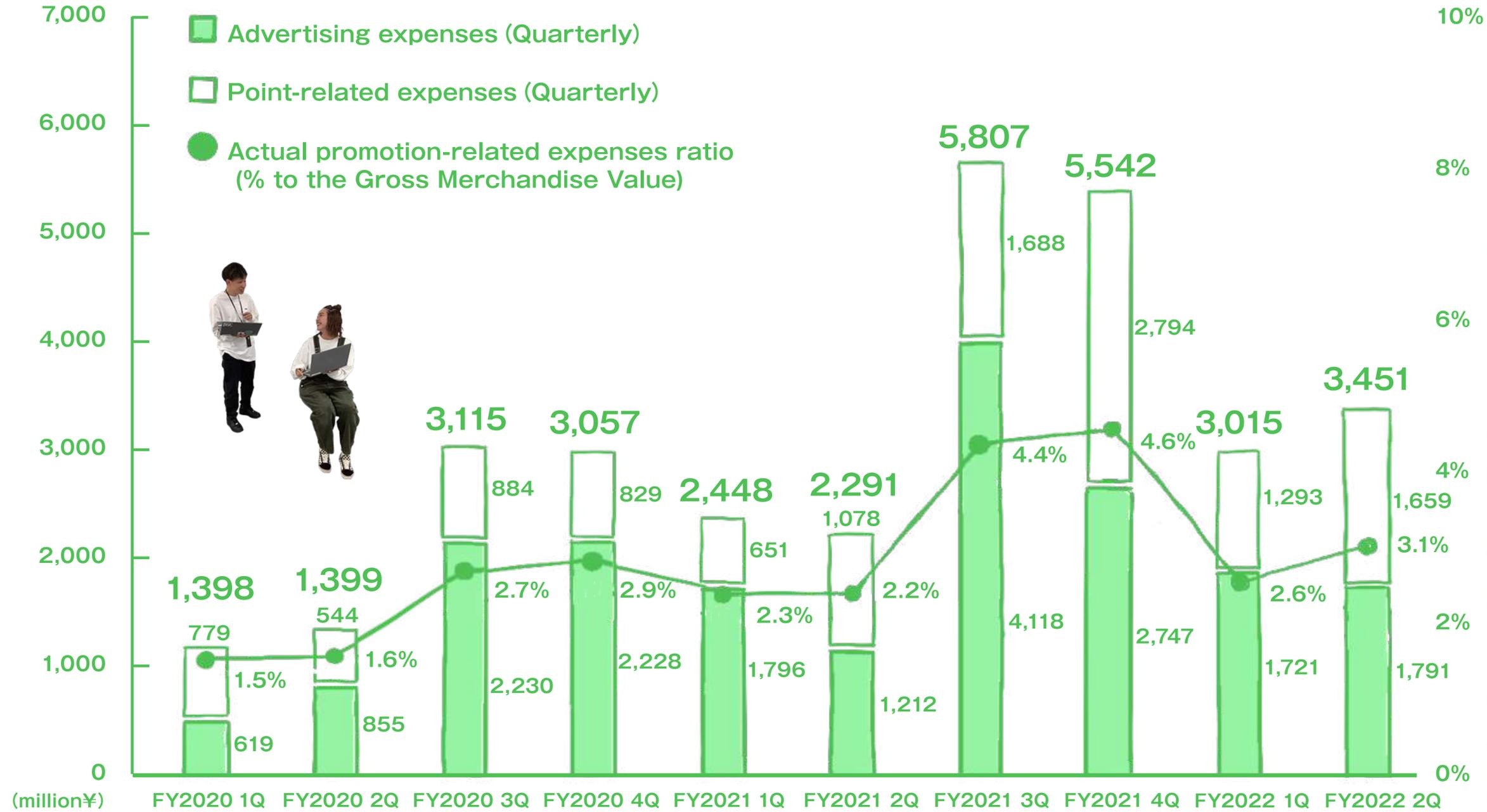
* Effective from the fiscal year ended March 2022, we have adopted the new accounting standards for revenue recognition.

Point-related expenses, which had been recorded in SG&A expenses until the fiscal year ended March 2021, are reduced from sales in the respective businesses, and the results are disclosed as net sales.



Actual promotion-related expenses (QUARTERLY)

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



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

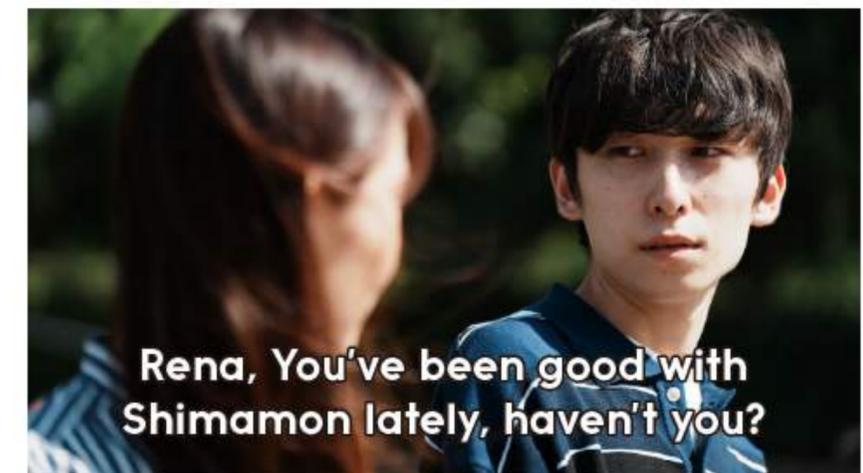


OVERVIEW OF SG&A BY EACH QUARTER

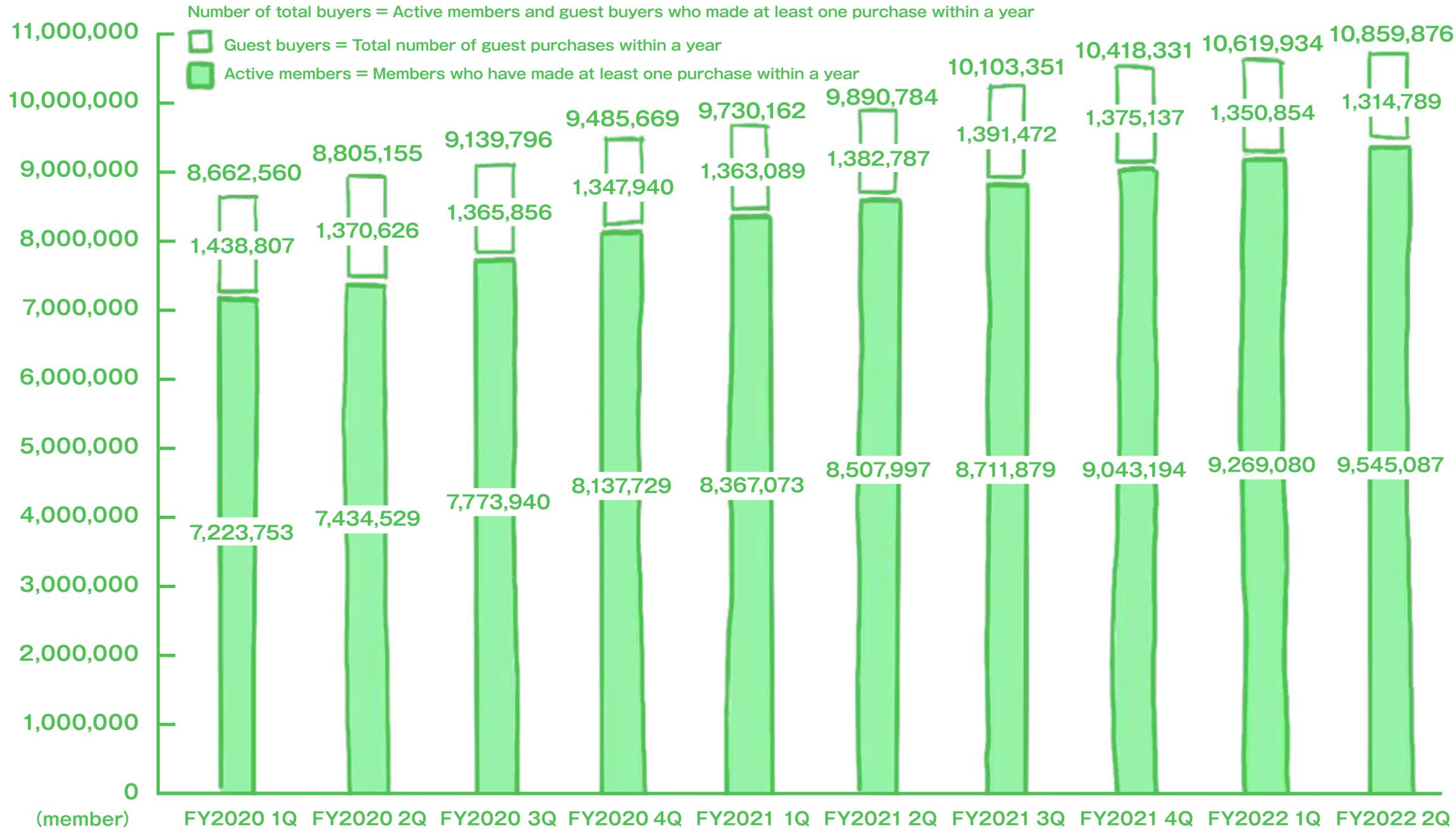
(million¥)

	FY2021								FY2022			
	1Q		2Q		3Q		4Q		1Q		2Q	
	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(*)	6,883	6.5%	6,887	6.7%	7,860	5.9%	8,542	7.1%	7,132	6.2%	6,955	6.2%
Payroll costs for employee	2,831	2.7%	2,774	2.7%	3,300	2.5%	4,146	3.4%	3,115	2.7%	3,111	2.8%
Logistics-Related Expenses (Including Outsourcing)	4,051	3.8%	4,112	4.0%	4,559	3.4%	4,396	3.6%	4,016	3.5%	3,844	3.4%
Outsourcing Commission (Excluding Logistics-Related Expenses)	1,429	1.3%	1,499	1.5%	1,458	1.1%	1,649	1.4%	1,646	1.4%	1,657	1.5%
Shipping	7,597	7.1%	7,486	7.3%	8,275	6.2%	8,021	6.7%	7,996	6.9%	7,708	6.9%
Commission of Payment collection	2,580	2.4%	2,478	2.4%	3,146	2.4%	2,771	2.3%	2,733	2.4%	2,710	2.4%
Advertising	1,796	1.7%	1,212	1.2%	4,118	3.1%	2,747	2.3%	1,721	1.5%	1,791	1.6%
Rent expense	1,431	1.3%	1,432	1.4%	1,432	1.1%	1,432	1.2%	1,514	1.3%	1,513	1.4%
Depreciation	454	0.4%	478	0.5%	503	0.4%	541	0.4%	465	0.4%	473	0.4%
Amortization of goodwill	101	0.1%	100	0.1%	101	0.1%	101	0.1%	106	0.1%	106	0.1%
Stock Compensation Expenses	13	0.0%	38	0.0%	25	0.0%	9	0.0%	10	0.0%	35	0.0%
Others	2,043	1.9%	2,237	2.2%	2,733	2.1%	2,858	2.4%	2,702	2.3%	2,714	2.4%
Total SG&A	24,333	22.8%	23,851	23.3%	29,656	22.4%	28,675	23.8%	26,028	22.4%	25,667	23.0%

* Payroll includes directors' remuneration, employee salaries, bonus, legal welfare expenses, welfare expenses, retirement benefits cost, provision for employee bonus, expenses of company pension premium, subcontracting payroll, a portion of expenses at logistics centers operation. "Employee" includes directors, full 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.
 * Numbers of % to the Gross Merchandise Value are calculated by each expense divided by gross merchandise value (excluding other GMV). * Effective from the fiscal year ending March 2022, we have adopted the new accounting standards for revenue recognition.



NUMBER OF TOTAL BUYERS

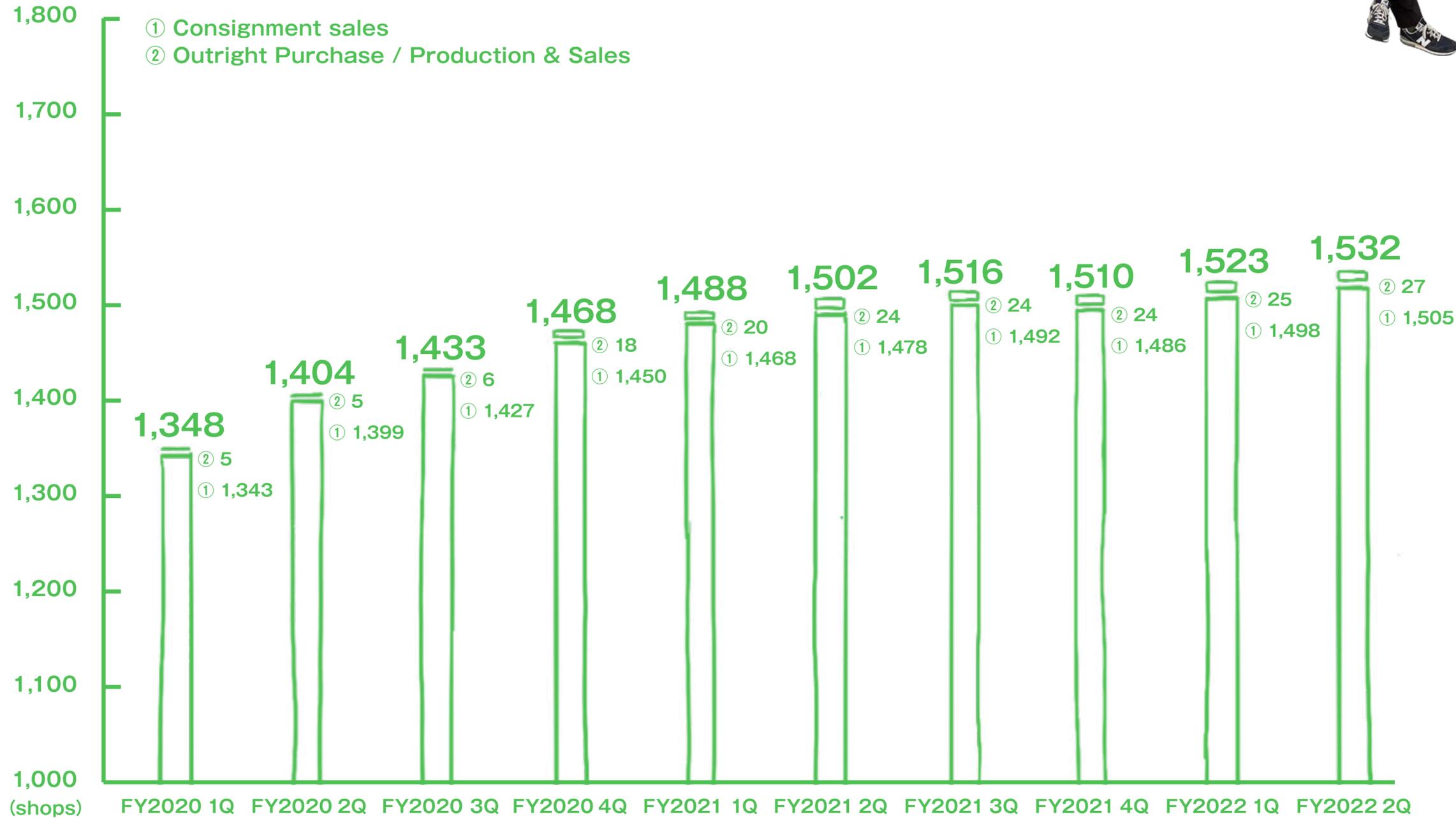


* The results are only from the ZOZOTOWN business (<https://zozo.jp>). PayPay Mall" is not included.

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



NUMBER OF SHOPS ON ZOZOTOWN

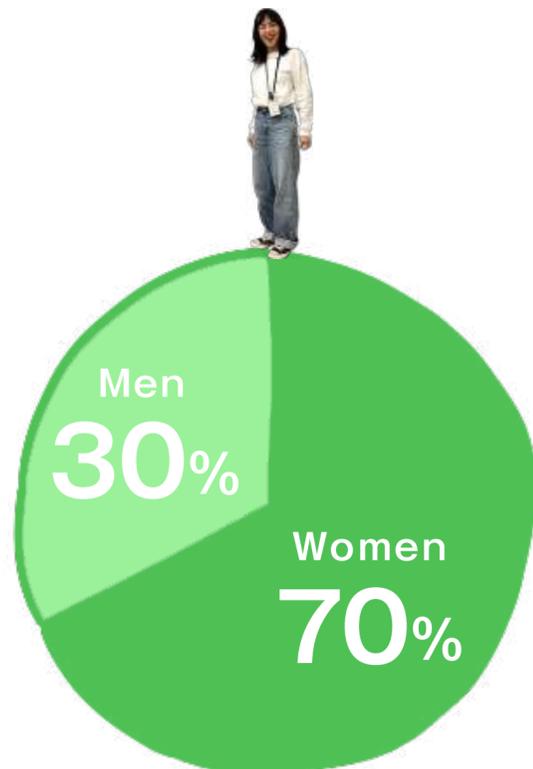


* Shops of the private brand "ZOZO" and "Multi-Size" are not included to the number of shops.

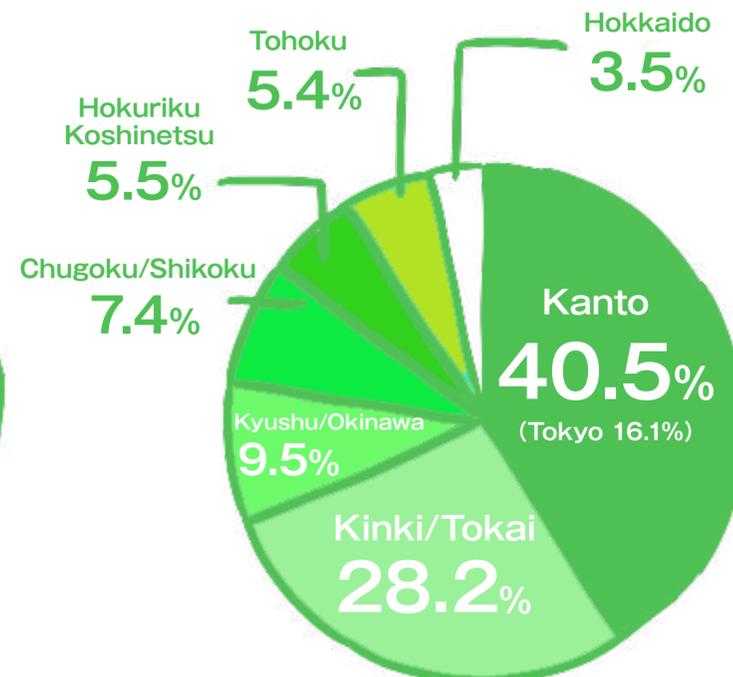
ACTIVE MEMBER DISTRIBUTION



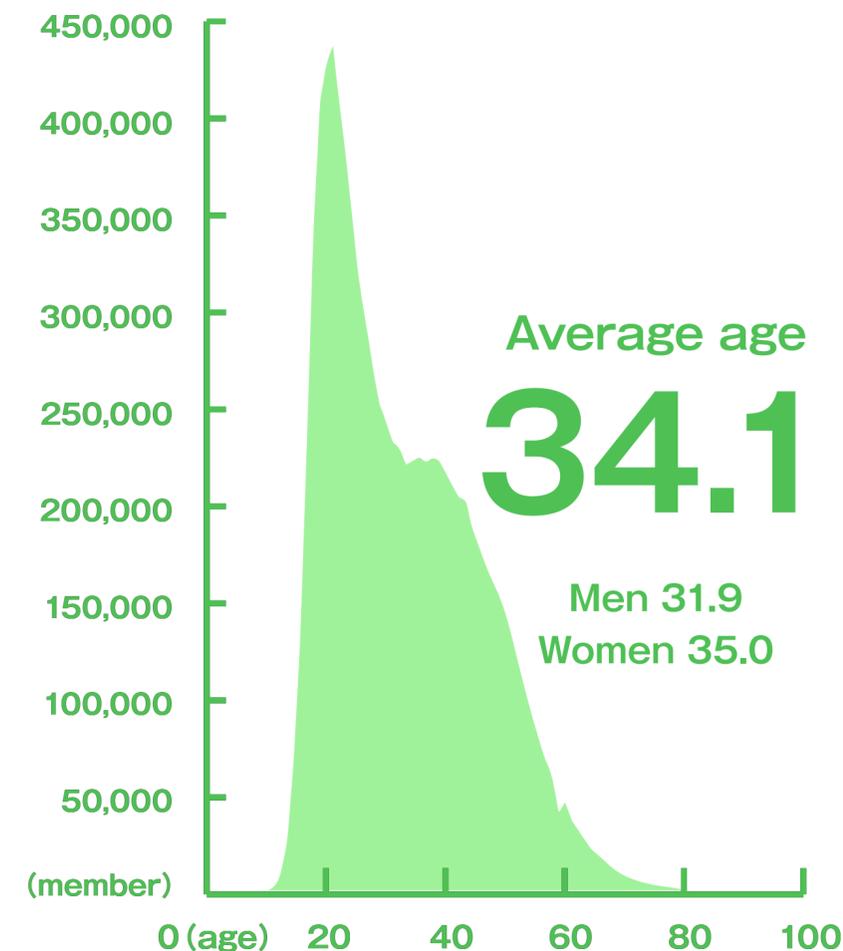
Gender ratio



Geographical distribution

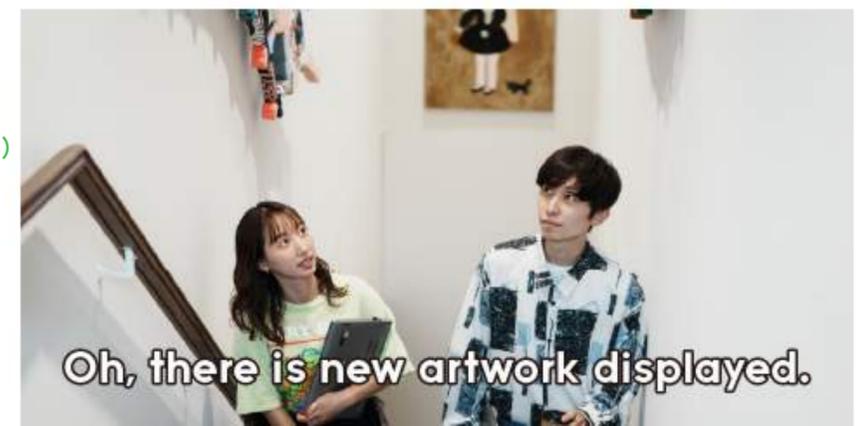
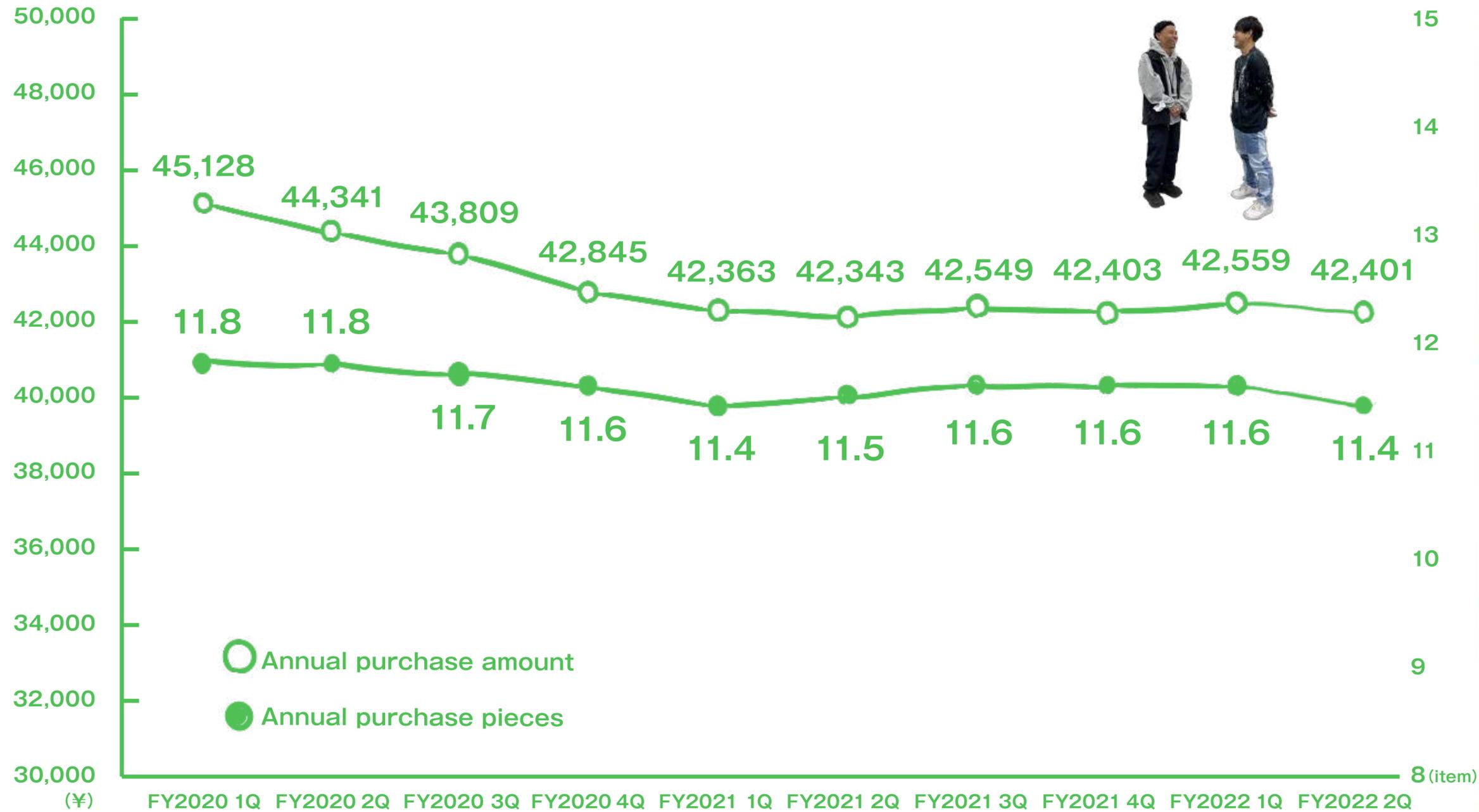


Age distribution



* The shown data on Active Member Distribution is only based on the numbers from the ZOZOTOWN business (<https://zozo.jp>). PayPay Mall" is not included.

ANNUAL PURCHASE AMOUNT AND PIECES PER ACTIVE MEMBER

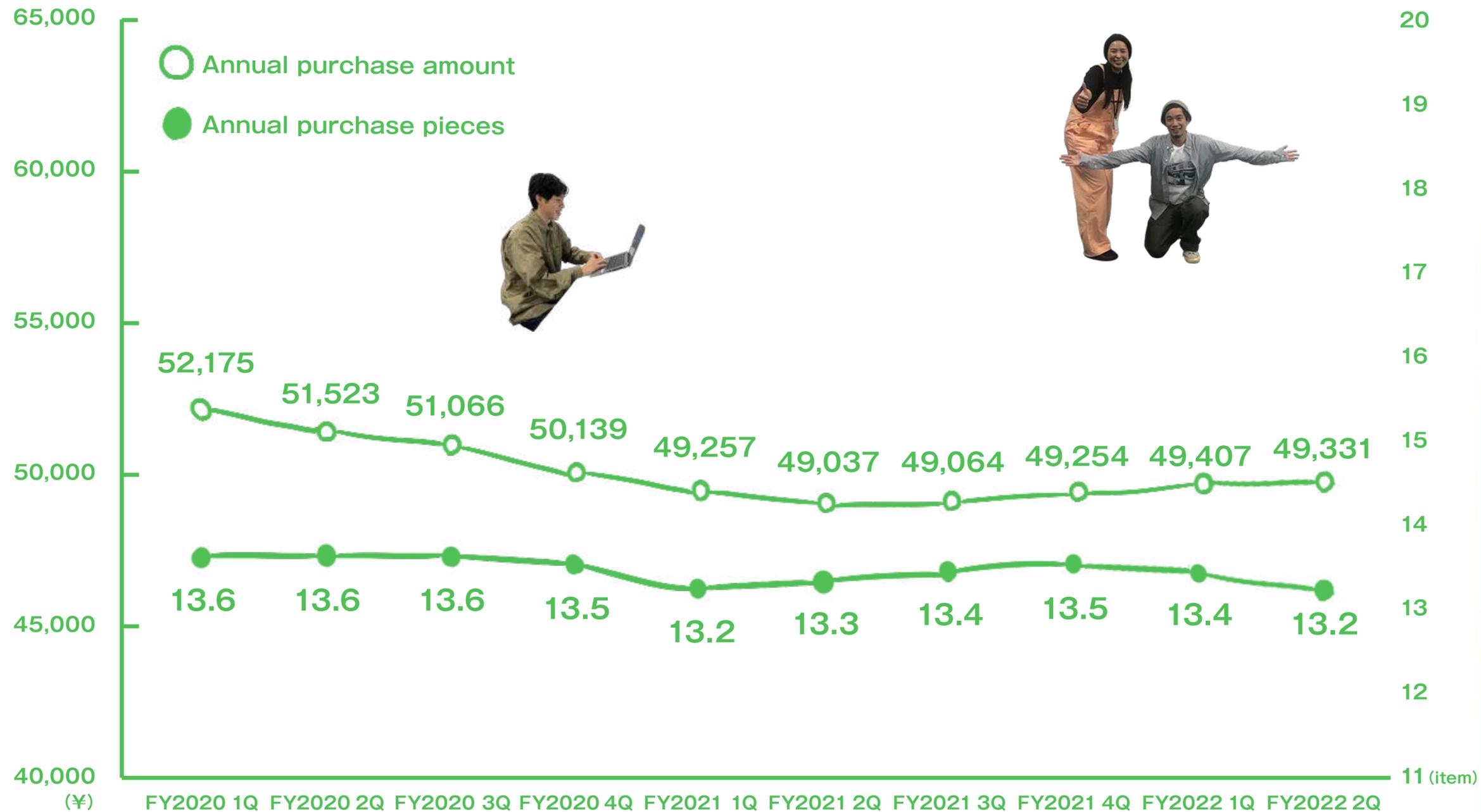


* The results are only from the ZOZOTOWN business (<https://zozo.jp>). PayPay Mall" is not included.

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

ANNUAL PURCHASE AMOUNT AND PIECES PER EXISTING ACTIVE MEMBER

Existing active members: Active members who have passed over 1 year since their registration



* The results are only from the ZOZOTOWN business (<https://zozo.jp>). PayPay Mall" is not included.

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

NUMBER OF SHIPMENTS



100%



How is the long-sleeved T-shirt design I asked for last week?

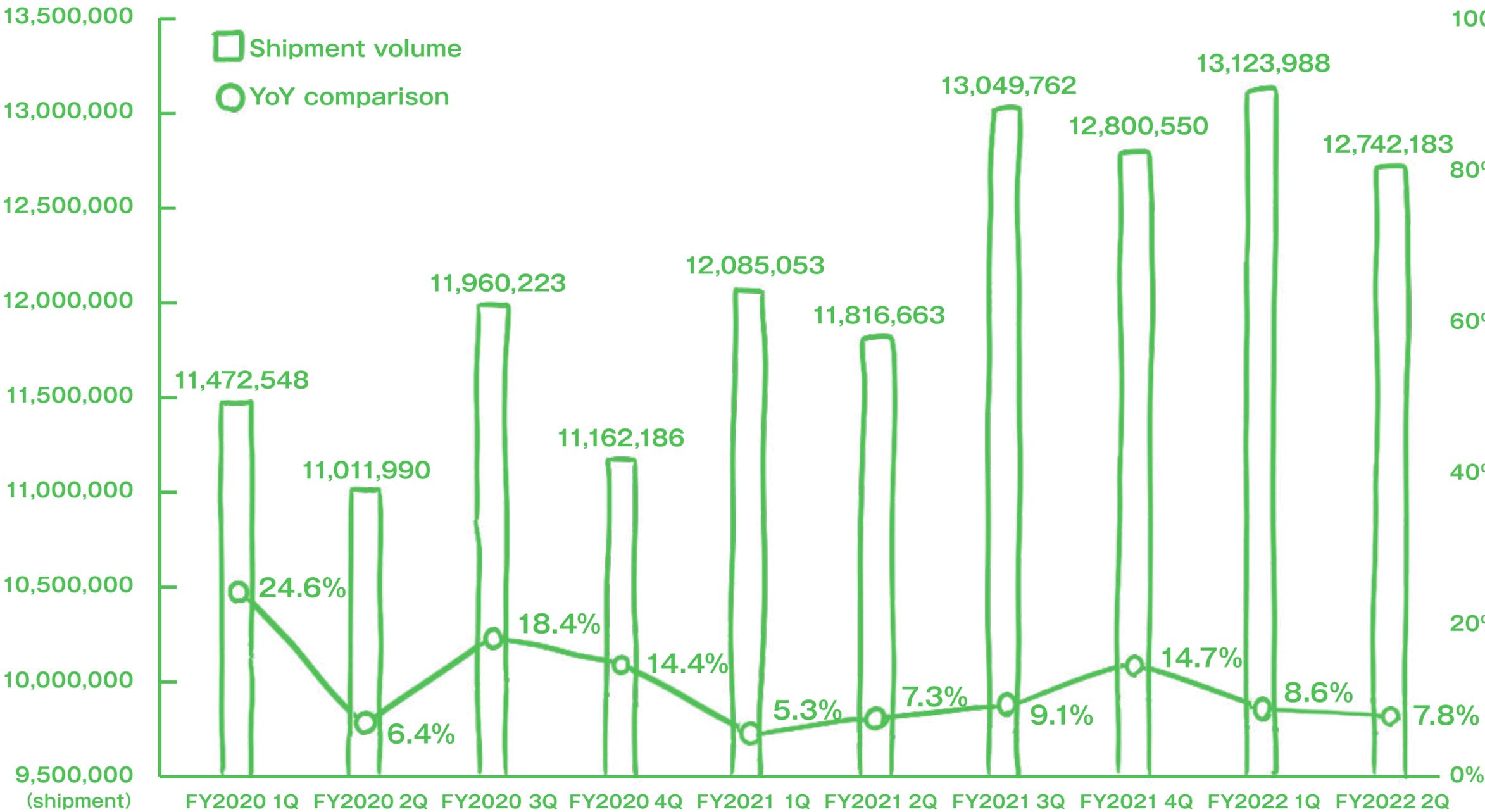


I'm sure you will like it!



It's awesome.

30



* The results are only from the ZOZOTOWN business (<https://zozo.jp>). PayPay Mall" 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 / Number of pieces



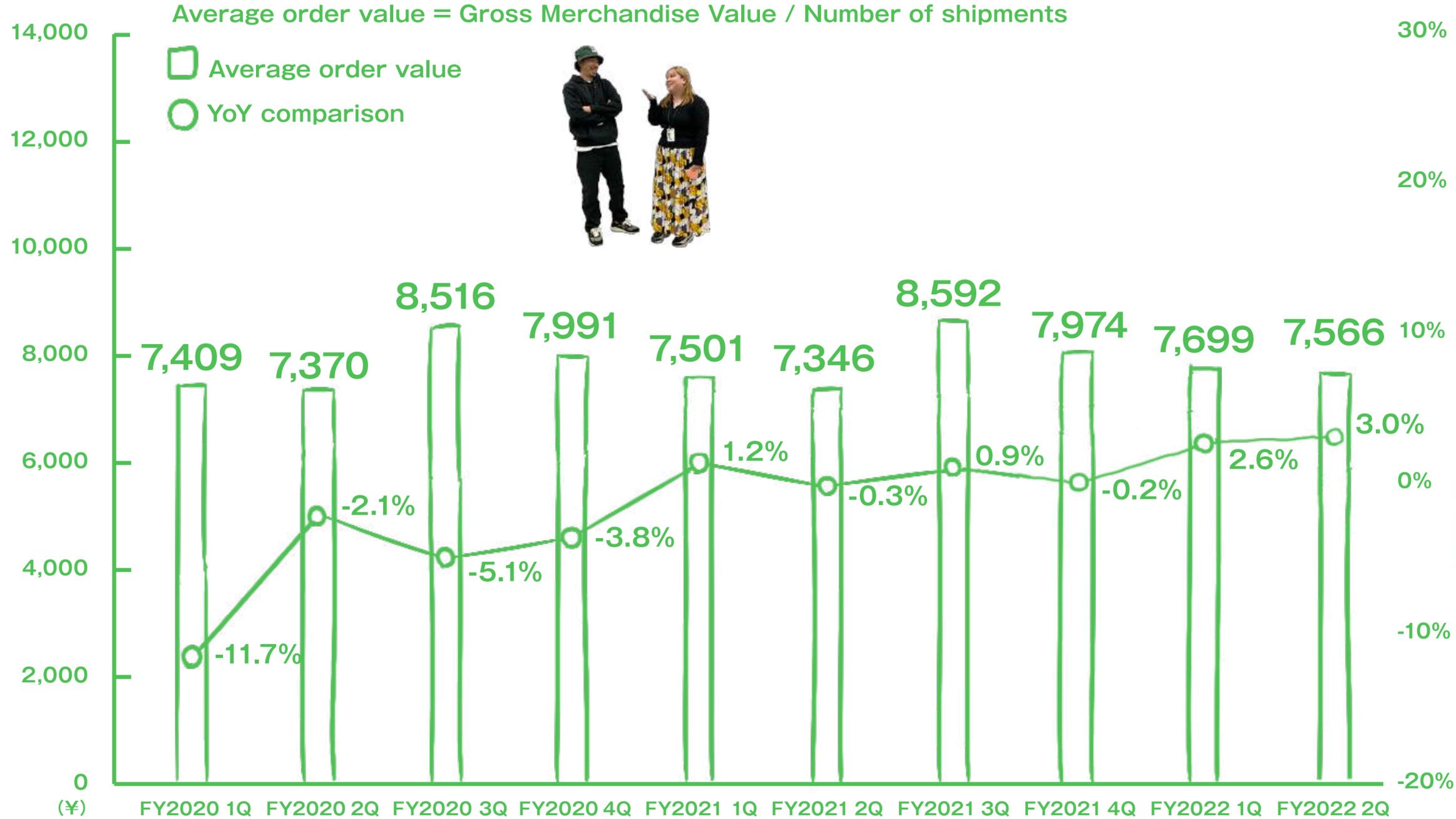
* The results are only from the ZOZOTOWN business (<https://zozo.jp>). PayPay Mall is not included.

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



AVERAGE ORDER VALUE

Average order value = Gross Merchandise Value / Number of shipments



* The results are only from the ZOZOTOWN business (<https://zozo.jp>). PayPay Mall" is not included.

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

BUSINESS PLAN FOR FY2022

FY2022 2Q ZOZO, Inc. CONSOLIDATED BUSINESS RESULTS



CONSOLIDATED BUSINESS FORECAST AND DIVIDEND FORECAST FOR FY2022

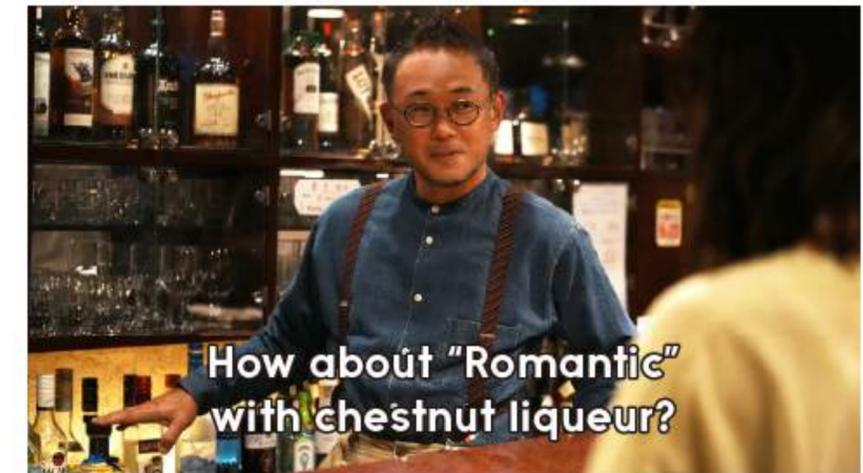
	FY2022 Plan*	YoY
Gross Merchandise Value	543.8 billion yen	6.9%
Gross Merchandise Value (excluding other GMV)	495.8 billion yen	7.3%
Net sales	181.3 billion yen	9.1%
Operating profit	51.5 billion yen	3.7%
Operating Profit Margin (% to the Gross Merchandise Value)	10.4%	—
Ordinary profit	51.5 billion yen	3.7%
Profit attributable to owners of parent	35.9 billion yen	4.1%
Net profit per share	119.74 yen	—
Estimated dividends per share (Plan)	60 yen	—

* Operating profit margin is calculated by operating profit divided by gross merchandise value (excluding other GMV).

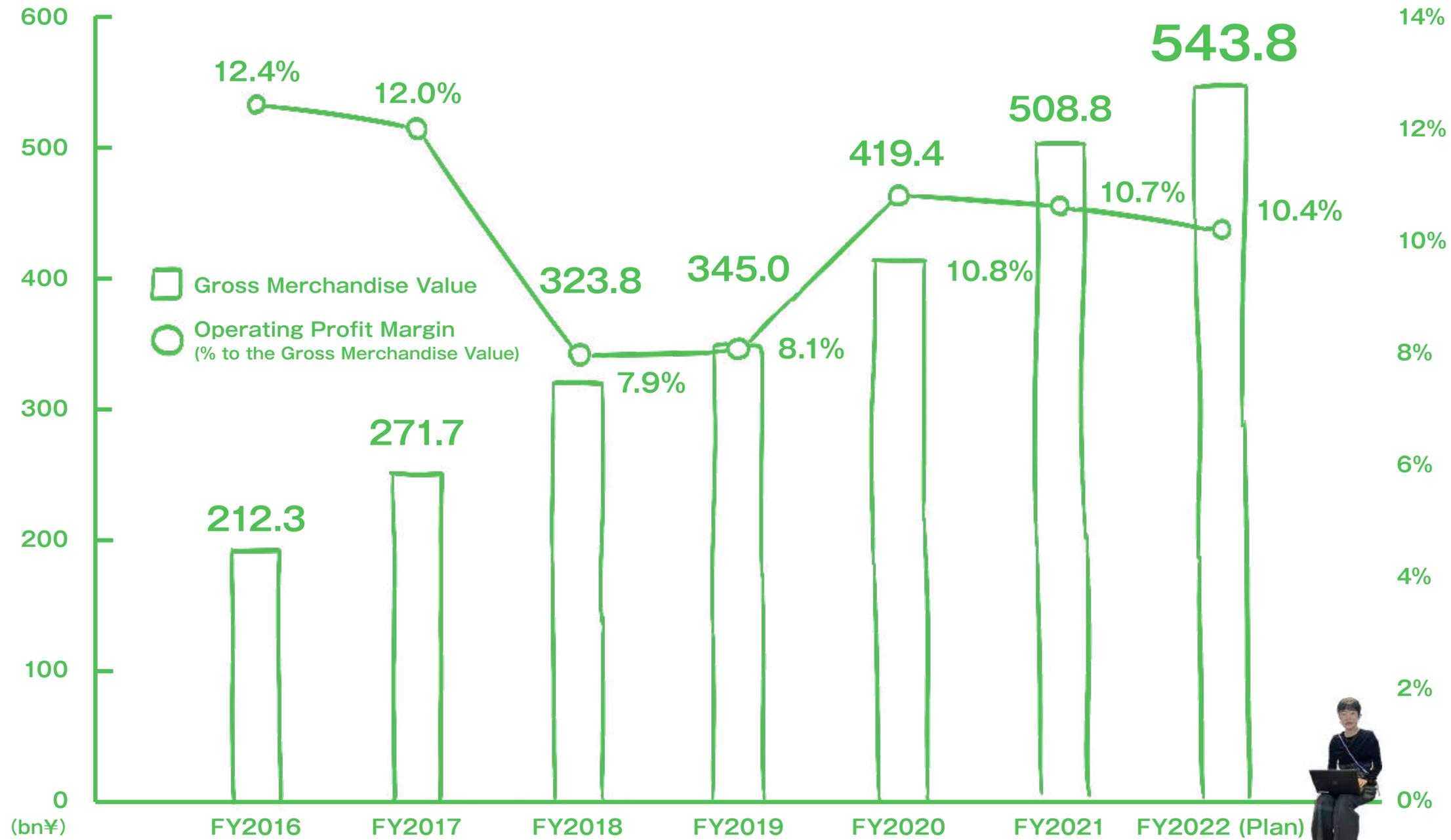


FY2022 TARGET BY BUSINESS SEGMENT

	Target for Gross Merchandise Value	YoY
ZOZOTOWN Business	423.2 billion yen	+8.1%
Outright Purchase/Production & Sales	4.0 billion yen	+23.7%
Consignment sales	404.4 billion yen	+7.8%
USED sales	14.8 billion yen	+10.1%
PayPay mall	56.6 billion yen	+29.1%
BtoB Business	16.0 billion yen	-40.0%
Gross Merchandise Value (excluding other GMV)	495.8 billion yen	+7.3%
Others	48.0 billion yen	+2.8%
Gross Merchandise Value	543.8 billion yen	+6.9%
ZOZOTOWN Business + PayPay mall	479.8 billion yen	+10.2%
	Target for Net Sales	YoY
Advertisement Business	7.2 billion yen	+14.3%



GROSS MERCHANDISE VALUE & OPERATING PROFIT MARGIN



* Operating profit margins are calculated by operating profit divided by gross merchandise value (excluding other GMV).



REFERENCE DATA

FY2022 2Q ZOZO, Inc. CONSOLIDATED BUSINESS RESULTS



It looks thorny, but...



the truth is so sweet.



You won't know how sweet it is until you taste it.



It's full of excitement and thrill.



It's a "Romantic".



Here you go.



It's so tasty!



Hey, Hina...

STATISTICS OF ZOZO



EMPLOYEES

1,485

(Average age 33.1 years old)

SHAREHOLDERS

13,332

NUMBER OF BRANDS HANDLED

8,455

ZOZOTOWN TOTAL BUYERS (1 year basis)

10.8 million



MAJOR SERVICES



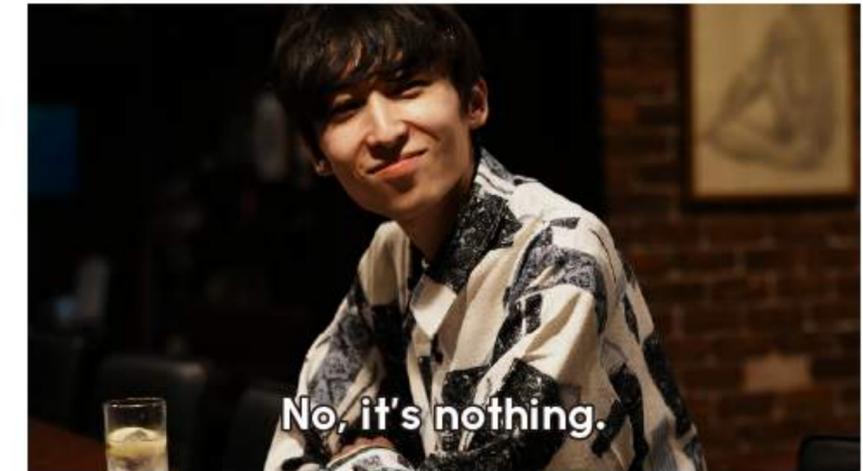
ZOZOTOWN Japan's Largest Online Retailer of Apparel and Accessories

- 1,532 stores offering 8,455 brands.
- At any given time, more than 900,000 items are available with an average of 2,600 new items added everyday.
- Systems, design, to fulfillment, all functions are built in house.
- Same-day delivery service/Gift-wrapping service/Deferred payment etc.
- Opened ZOZOTOWN shop on PayPay Mall which is operated by Yahoo Japan Corporation.



WEAR Japan's largest outfit posting app

- When uploading outfit pictures, tag each item worn in the look, using information on our data data base.
The systems allows anyone to search for coordinates and items by various queries.
- Official users who we call WEARISTAs, include popular models, singers, actors and actresses.
- Over 16.0 million downloads
- Now available in all geographic areas.



DIFFERENCES BETWEEN ZOZOTOWN AND ZOZOTOWN SHOP ON PAYPAY MALL

	ZOZOTOWN	ZOZOTOWN PayPay Mall Shop
Overview	One of the largest fashion e-commerce sites in Japan providing original services specialized in fashion	E-commerce site for wide range of users also expecting cross-category shopping other than the fashion category
Number of shops	1,532 (As of September 30, 2022)	1,405 (As of September 30, 2022)
Selling items	Full line-up	Freely selected by each shop
Detail of consignment	All the operations needed for EC business such as shooting, measurement, logistics, customer support, operation support etc.	Same as the left
Original services provided	Deferred payment, ZOZO Trade-in, same-day delivery, preorder, ZOZOCARD, brand coupons, gift-wrapping service, image search function, ZOZOMAT, ZOZOGLASS etc.	Brand coupons, same-day delivery, preorder
Payment methods	Credit cards, cash on delivery, convenience store payment, deferred payment, LINE Pay, PayPay	PayPay, credit cards, cash on delivery
Reward points	No *ZOZO point of 5% of product price (excluding tax) will be granted only for ZOZOCARD	PayPay points based on PayPay campaign
Revenue	Consignment sales commission from brands	Same as the left (Commission rate is same as ZOZOTOWN)
	Shipping revenue from customers	Same as the left
Expenses bear by ZOZO	Shop opening commission	No
	Payment collection commission	Yes
	Customer attraction cost	Yes
	Reward points cost	Yes



BUSINESS MODEL

ZOZOTOWN Business

○ Outright Purchase / Production & Sales

27 stores are operating on ZOZOTOWN.

In addition to purchasing inventory from brand manufacturers and selling them on ZOZOTOWN, it manufactures and sells merchandise by utilizing the planning abilities of influencers such as brand manufacturers, celebrities etc.
Sales = Gross merchandise value generated by each store*

○ Consignment Sales

We operate 1,505 shops as consignment businesses.

This business model allows us to carry a certain amount of products from the brands, while giving us low inventory risk.
Sales = Gross merchandise value of each store × commission rate*

○ USED Sales

We purchase used fashion products from our users, and resell them as a second-hand business.
Sales = Gross merchandise value*



* There are adjustments such as a reduction due to the adoption of the accounting standards for revenue recognition.



PayPay Mall

Opened ZOZOTOWN shop on PayPay Mall which is operated by Yahoo Japan Corporation.

Sales = Gross merchandise value of each store × commission rate

BtoB Business

We help developing and operating online shop and logistics operations, etc., on behalf of some brands which have stores on ZOZOTOWN.

We currently provide back-end service to 39 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

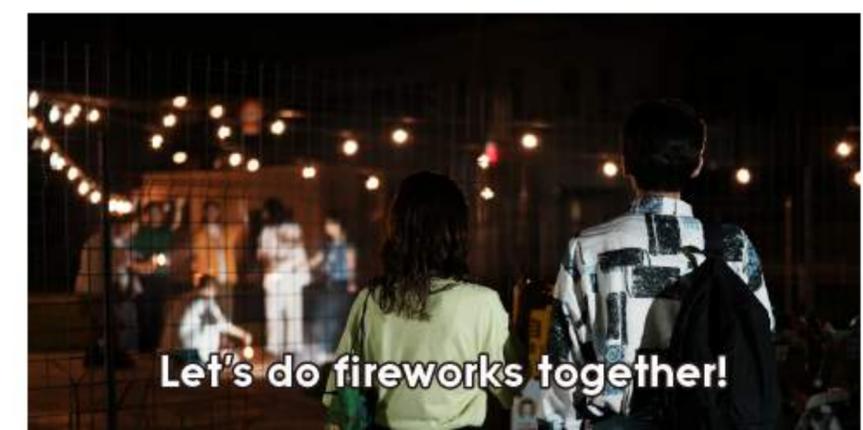
Sales = Commission fee based on the number of shipments and items

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

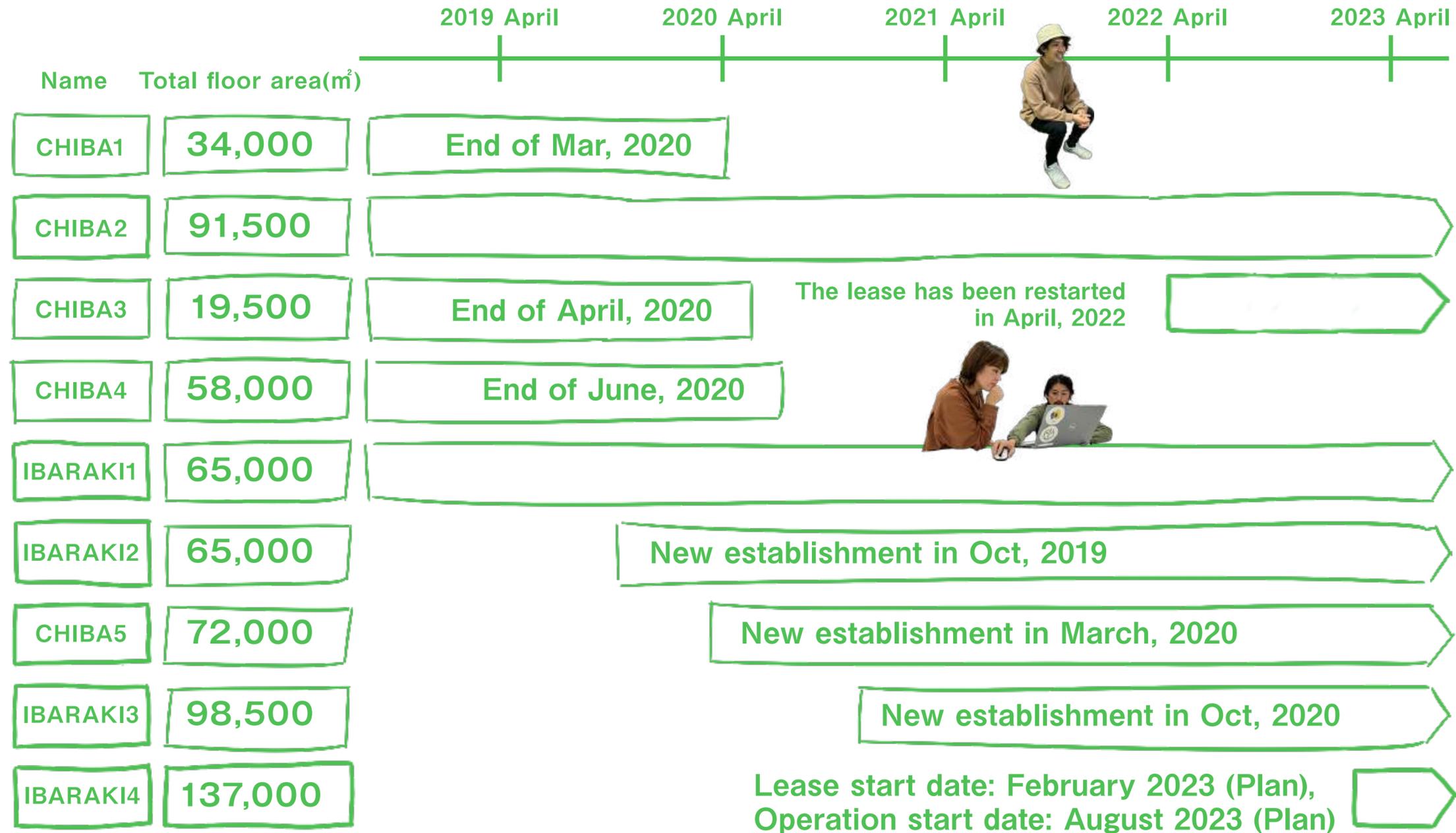
Advertising Business

Advertisement business will gain advertisement income from client companies including brands by providing advertisement spots utilizing the user base of ZOZOTOWN and WEAR.

Sales = Advertisement income



LOGISTICS BASES EXPANSION PLAN



CHIBA2 and IBARAKI1 are warehouses with shipping function and IBARAKI4 will also have the function in the future.



APPENDIX

Introduction of the corporate website <https://corp.zozo.com/en>

The information below is available on our corporate website.

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

<https://corp.zozo.com/en/ir/>

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

<https://corp.zozo.com/en/ir-info/financial-highlights/>

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

<https://corp.zozo.com/en/integratedreport/>

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

<https://corp.zozo.com/en/sustainability/>

Introduction of IR Mail

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

* News and information will be sent through the service provided by Magical Pocket Corporation.

IR Mail Subscription <https://corp.zozo.com/ir-info/mail-magazine/>



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

The business forecasts and the future outlook described in the material
is based on information currently available.

The forecast includes uncertainties such as sudden changes,
therefore actual results may differ.







To be continued...

Postscript

Thank you for your continued support.

How was the second episode of "Romantic Nishi-Chiba"?

Kai and Rena's past, Hina and Kai's dating at the bar, Yuti's surprising behavior...

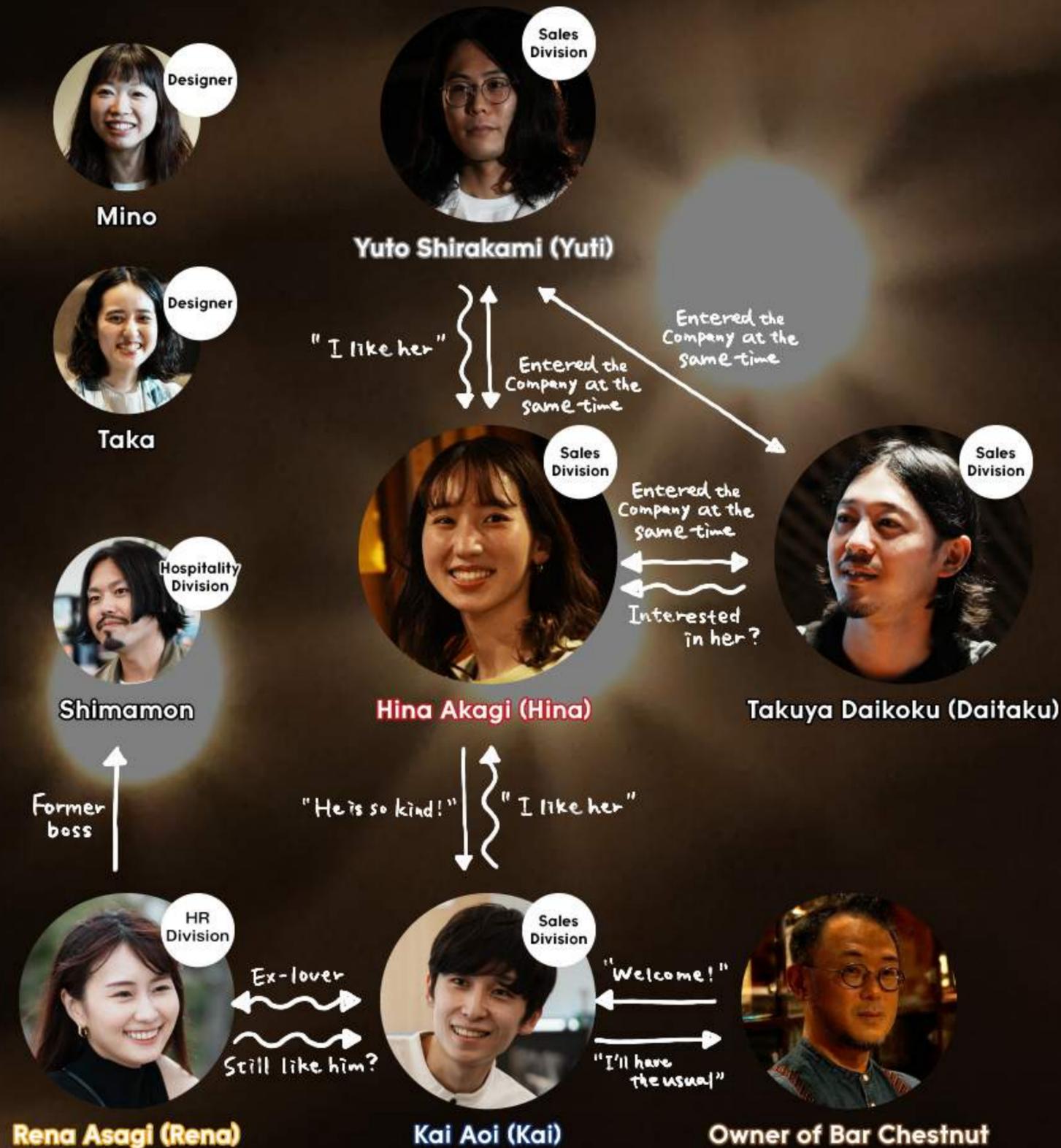
there was plenty of content in this episode! The relationships between the characters

are getting a bit complex, so I made a relationship chart. You will be able to enjoy the drama even more if you look at it.

And the "Romantic Nishi-Chiba" long-sleeved T-shirt for the financial results briefing is

available on ZOZOTOWN for a limited time only!

Rena, Corporate Identity Office, ZOZO, Inc.



Romantic Nishi-Chiba

— Long-sleeved T-shirt for the
financial results briefing —



Available on ZOZOTOWN
for a limited time only!

<https://onl.tw/KSsPaA5>

2 color variations ¥2,418 (purple x mint green, mint green x orange)

※Image shown is purple x mint green