



START TODAY CO.,LTD.

FY2008

(April 1, 2008 - March 31, 2009)

Consolidated Business Results

1. Business Performance



FY2008 Highlights

1. Large Growth in Sales and Operating Profits

- Sales: ¥10,69million (+24.6% Year-on-Year)
- Operating income: ¥2,201million (+24.8% Year-on-Year)

2. New SHOP Openings

- Store Operation → A.P.C., Adam et Rope', Loree Rodkin, n°44, & Administration THE DUFFER of St. GEORGE, SHIPS KIDS, Business LOVE&PEACE&MONEY, Paul Smith JEANS, SHEL'TTER, AZUL by moussy, e.m.

Total 11 SHOPS

- Store Planning & Development Business → TO&CO., JILLSTUART, FREE'S SHOP Total 3 SHOPS

3. Reinforcement of ZOZORESORT Media Capabilities

- Renewal of ZOZOTOWN Mobile to reinforce mobile capabilities
- Large advertising for domestic clients (Google, Inc.; NTT Docomo, Inc.; Suntory Limited; etc.)

4. Addition of Restocking Notification Email Function

(From October 1, 2008 to March 31, 2009)

- Total number of email applications : 621,918
- Number of applicants : 237,579 (Members : 148,494 Non-members : 89,085)
- Total value of products requested (pre tax) : ¥9,066million



1. Business Performance



FY2008 Highlights

5.Total Members Surpass 1 Million

- Significant contribution of the start of ZOZORESORT and ZOZOGALLERY and renewal of ZOZOTOWN Mobile to the increase in the number of members. (As of Sep. 2,2008)

6.Initiation of “ZOZOPEOPLE” Service

- Launch of information website specializing in the distribution of information regarding “people, journal and items”

7.Start-up of New Business

- Start of support for the official online shop operated by the popular select shop “BEAMS” (As of Mar. 11,2009)

8.Enlargement of ZOZOBASE Space

- Enlargement of the warehouse area by 1,500 tsubo (4,950m²) (As of Mar.2009)

9.Stock Split

- Split method : 3 new shares for each 1 existing
- Schedule : Base date : Feb. 28,2009
Effective date : Mar.1,2009

10.Transfer of the Company’s Stock by CEO Yusaku Maezawa

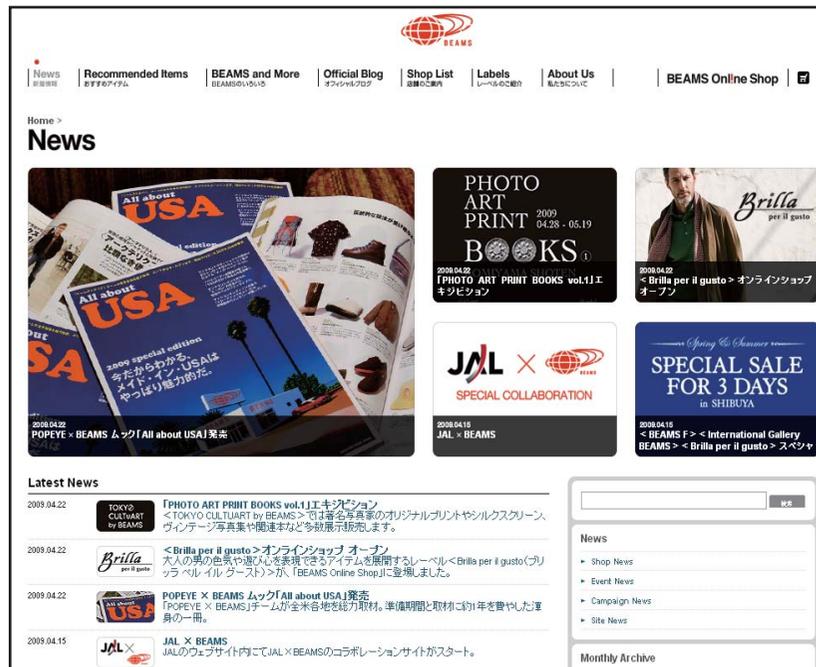
- Number of transfer stock : Up to 2,020 shares
- Recipients : Start Today Group managing directors, corporate auditors, employees, their families and some customers of the ZOZORESORT website managed by the Company, for a maximum of 2,020 recipients.
- Transfer period:Specified dates from April to June 2009



1. Highlights of Performance in the Second Half of FY2008

BtoB Business

As the first step, E-Commerce (EC) support for the official EC website operated by BEAMS was started on March 11, 2009.



What is a “BEAMS Online Shop” ?

BEAMS Online Shop is an official EC website which deals with 20 labels (brands) including men's, ladies, kid's, interior, and general goods brands. The shop is developing new markets by making use of the experiences in the existing real shops. The mobile website is also under operation.

Features of This Support Business

1. Prevention of sale opportunities from being lost by centrally managing goods and stock information
2. Full support from system development to logistics

- Increase of Sales in both BEAMS Online Shop and BEAMS ZOZOTOWN Shop -

1. Business Performance



Overview of Consolidated FY2008 Results

(¥ million)

Item	FY2008	FY2007	YoY Change	Reasons for Increase/Decrease
Net Sales	10,696	8,584	+ 24.6%	Transaction Value/EC Business ¥21.9 billion (YoY+28.1%)
Operating income	2,201	1,764	+ 24.8%	Cost reduction due to reduced stock issue costs and in-house conversion of consulting fees
Ordinary income	2,220	1,724	+ 28.7%	Receipt of interest
Net income	1,270	1,039	+ 22.3%	—

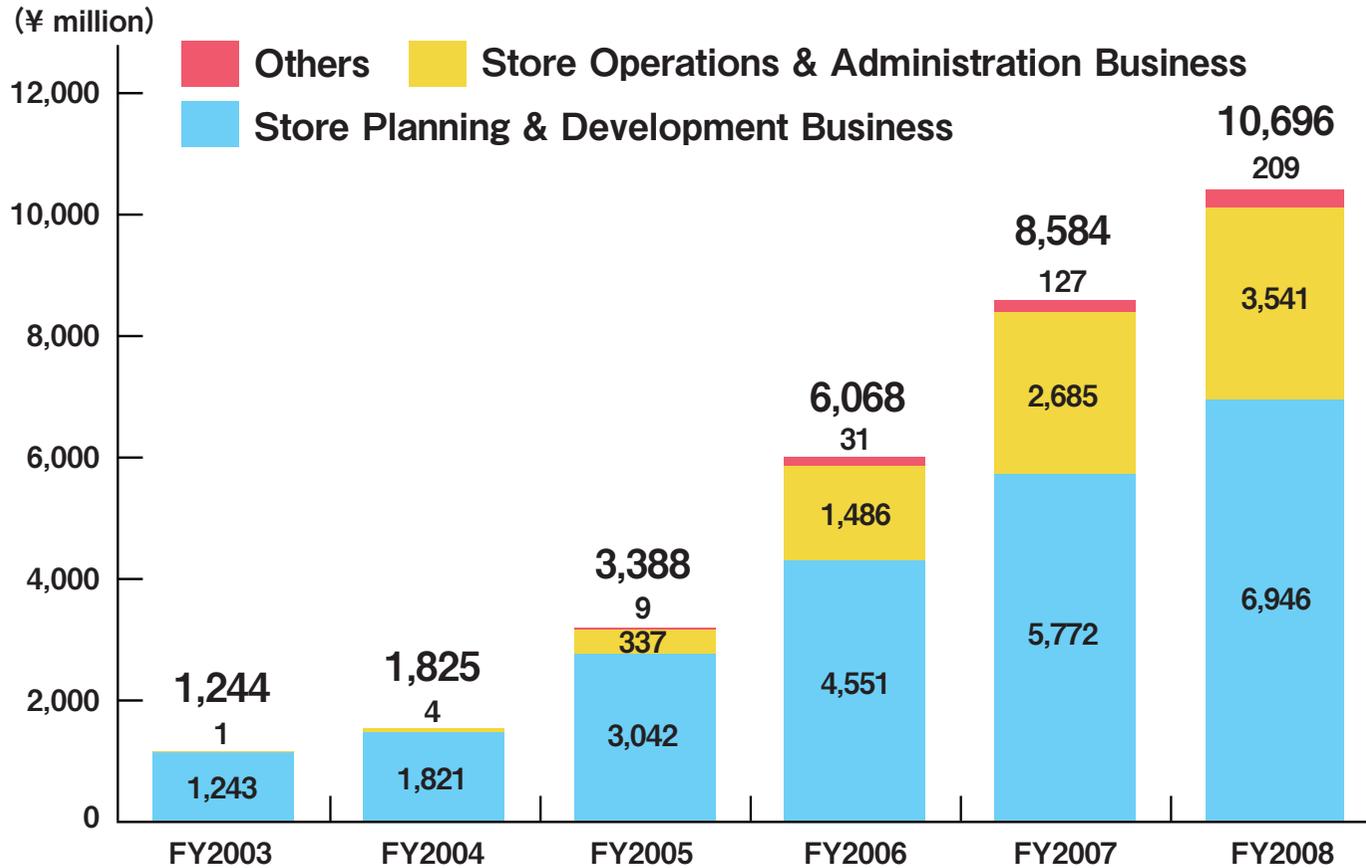
Previous year numbers are non-consolidated.



1. Business Performance



Net Sales



Favorable growth in full fiscal year sales

-Large 24.6% year-on-year revenue increase achieved

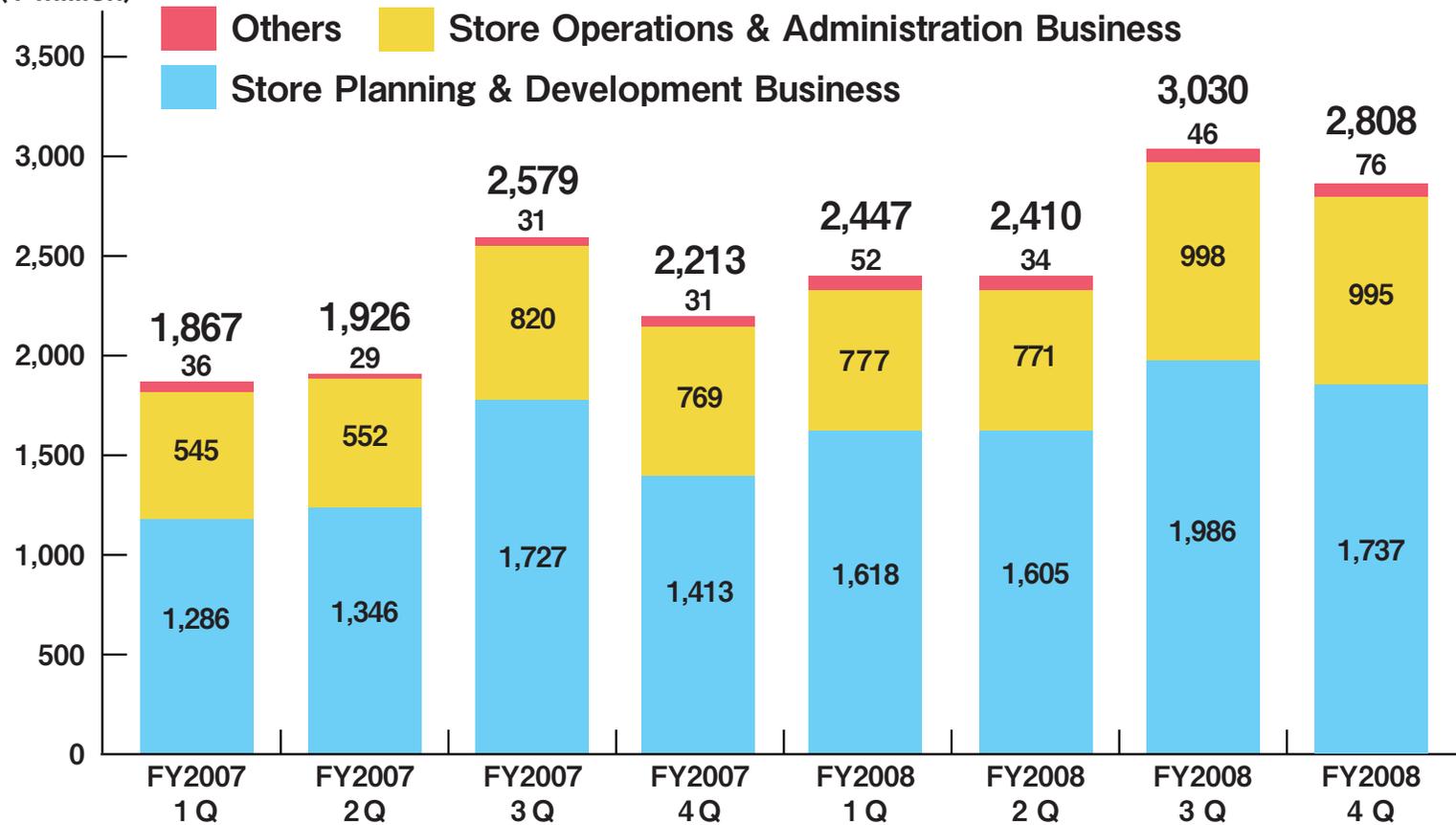


1. Business Performance



Net Sales (Quarterly)

(¥ million)



Favorable trend in 4Q FY2008 sales

-Large 26.9% year-on-year revenue increase achieved.

-Especially, active sales and introduction of spring outfits in the Store planning & Development Business served as an engine of the growth.



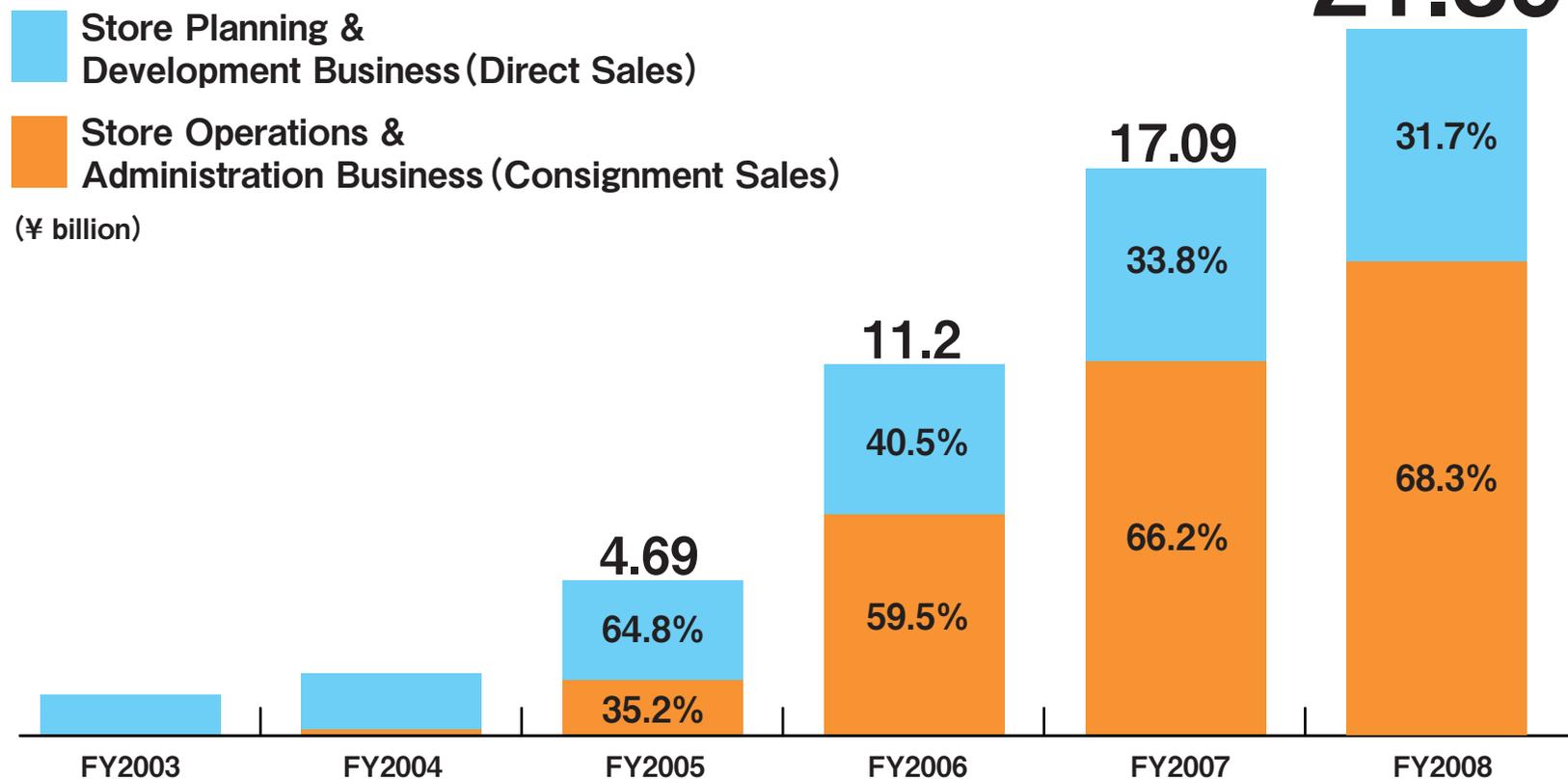
1. Business Performance



Transaction Value

Total transaction value for the full year of FY2008 : ¥21.89billion

Commission transaction value for the full year of FY2008 : ¥14.95billion



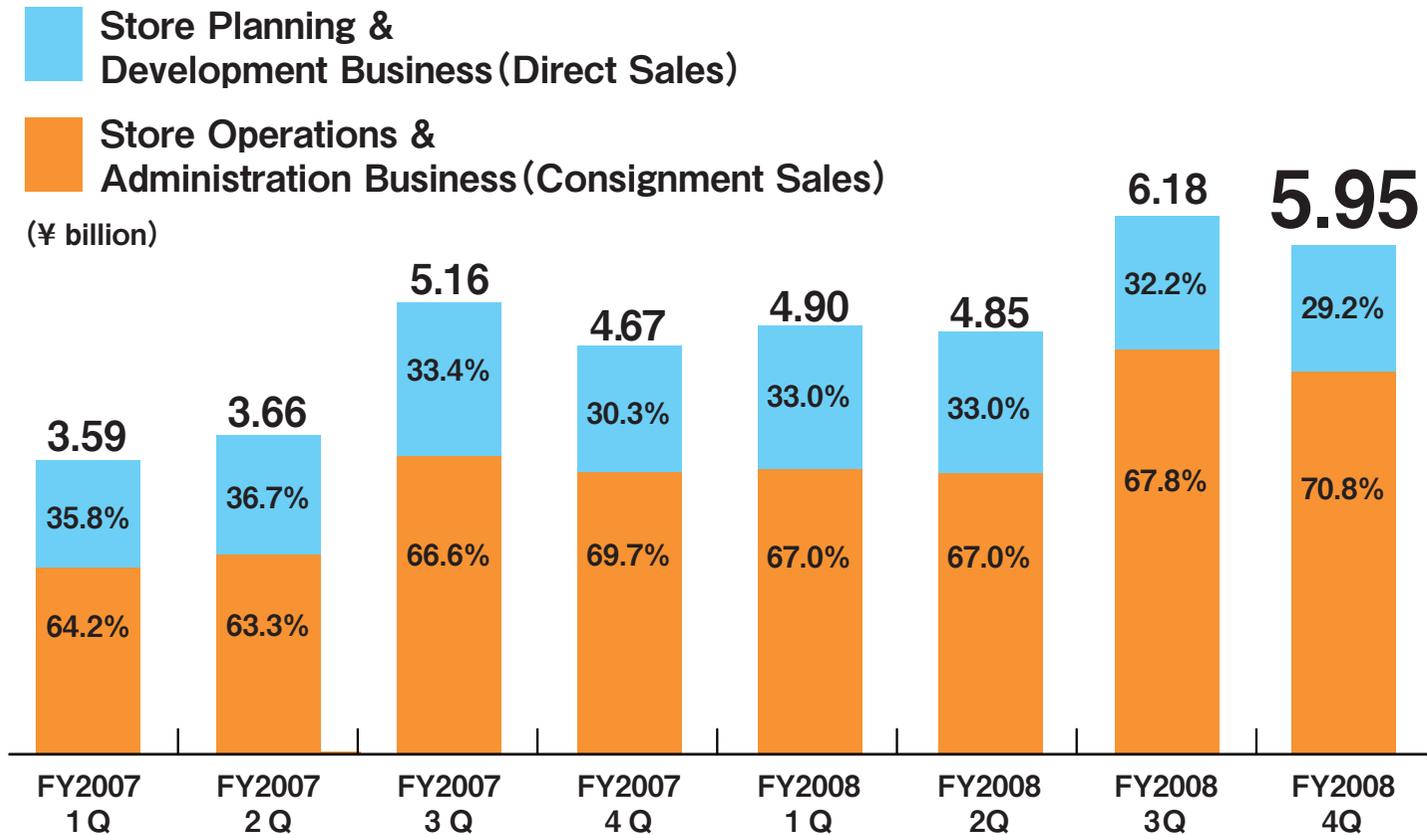
1. Business Performance



Transaction Value (Quarterly)

Total transaction value for the 4Q of FY2008 : ¥5.95billion

Commission transaction value for the 4Q of FY2008 : ¥4.22billion



Turnover growth also favorable

- +¥1.28 billion (+27.5%) year-on-year.

- Transaction value of B to B goods=approx.¥19million (included in commission transaction value)



1. Business Performance



Selling, General and Administrative Expenses

(¥ million)

Item	FY2008		FY2007		YoY Change (% Sales)	FY2008 4Q		FY2008 3Q		Chang from 3Q (% Sales)	Reasons for Increase/ Decrease (for FY2008)
	Value	% Sales	Value	% Sales		Value	% Sales	Value	% Sales		
Total SG & A	4,277	40.0%	3,353	39.1%	+ 0.9%	1,202	42.8%	1,134	37.4%	+ 5.4%	—
Personnel Expenses	880	8.2%	645	7.5%	+ 0.7%	228	8.1%	225	7.4%	+ 0.7%	—
Shipping & Transportation	534	5.0%	423	4.9%	+ 0.1%	148	5.3%	134	4.4%	+ 0.8%	—
Payment collection fees	499	4.7%	380	4.4%	+ 0.3%	137	4.9%	136	4.5%	+ 0.4%	—
Advertising & Promotion	388	3.6%	371	4.3%	- 0.7%	110	3.9%	108	3.6%	+ 0.4%	—
Outsourcing Fees	334	3.1%	341	4.0%	- 0.8%	99	3.6%	84	2.8%	+ 0.7%	Cost reduction due to reduced consulting fees by in-house conversion
Others	1,639	15.3%	1,190	13.9%	+ 1.4%	478	17.0%	445	14.7%	+ 2.4%	Outsourcing personnel fees +0.6%, Rental expenses for the logistics center +0.5%

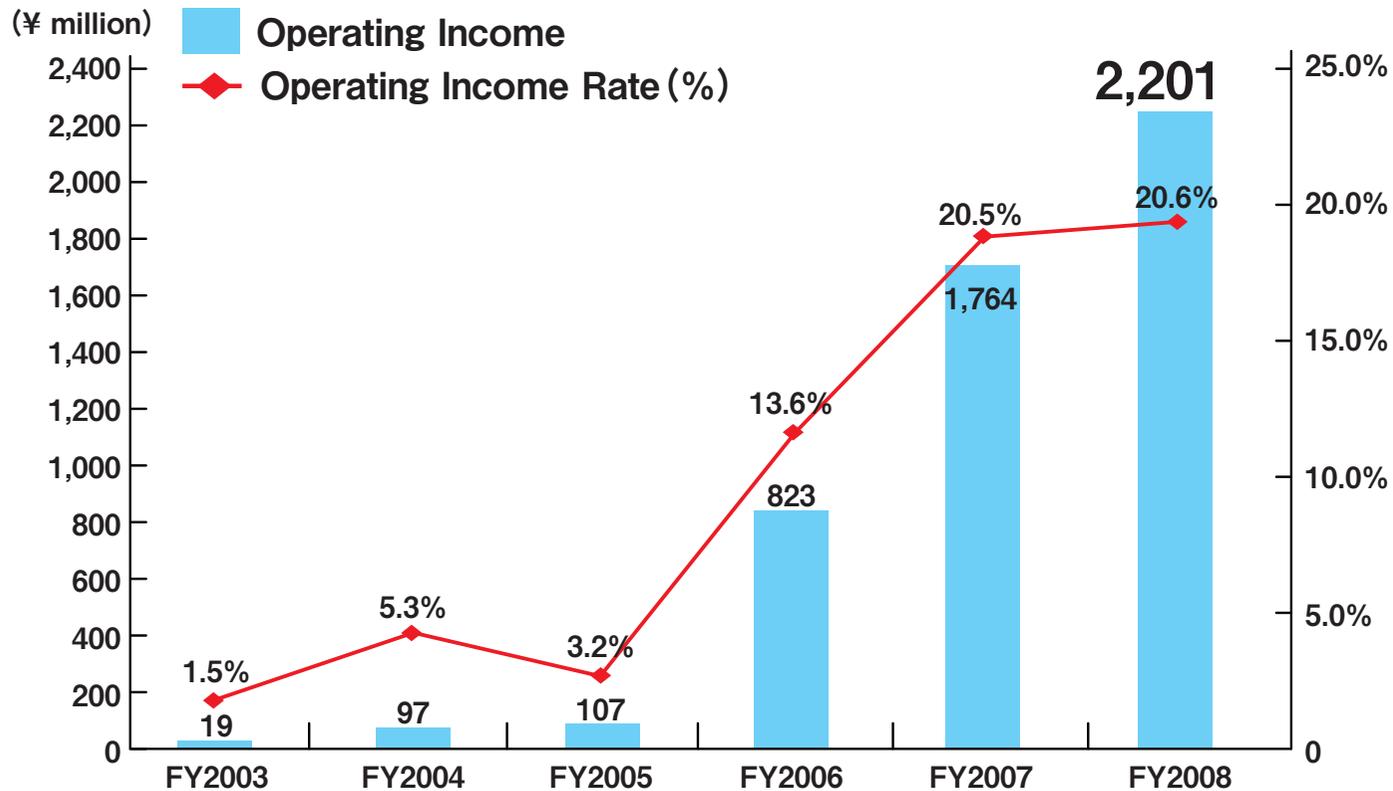
Previous year numbers are non-consolidated.



1. Business Performance



Operating Income and Operating Income Rate



Strong growth in operating income

-Large growth in operating income by 24.8% year-on-year

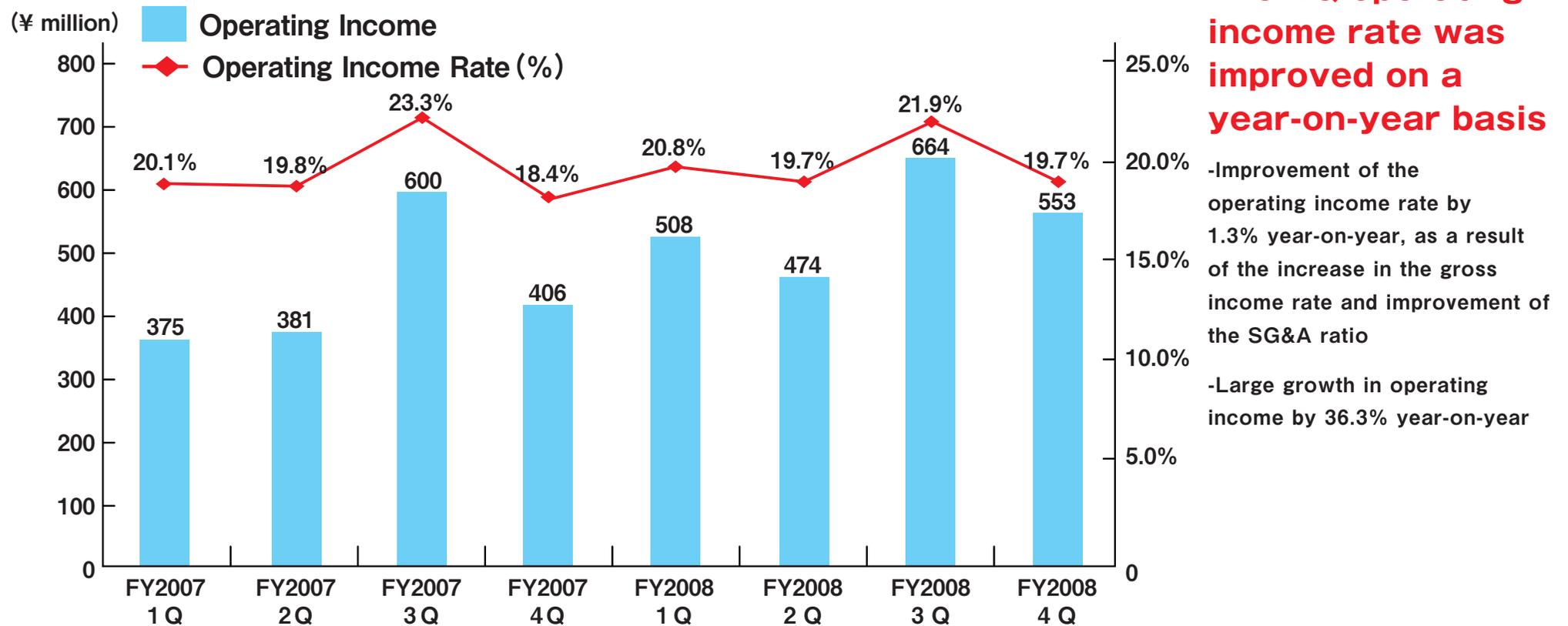
-Operating income rate increased in 0.1% year-on-year



1. Business Performance



Operating Income and Operating Income Rate (Quarterly)



1. Business Performance



Cash Flows

(¥ million)

Item	FY2008	FY2007	YoY Change	FY2008 3Q	Change from FY2008 3Q	Reasons for Increase/ Decrease
Cash flows from operating activities	1,265	1,553	− 288	598	667	—
Cash flows from investing activities	− 316	− 204	− 112	− 226	− 90	Payment of deposits arising from the expansion of the logistics center : 60million yen
Cash flows from financing activities	− 228	1,410	− 1,638	− 230	2	Payment of dividends : 240million yen (June 2008)
Cash and cash equivalents at end of period	5,113	4,392	720	4,533	580	—

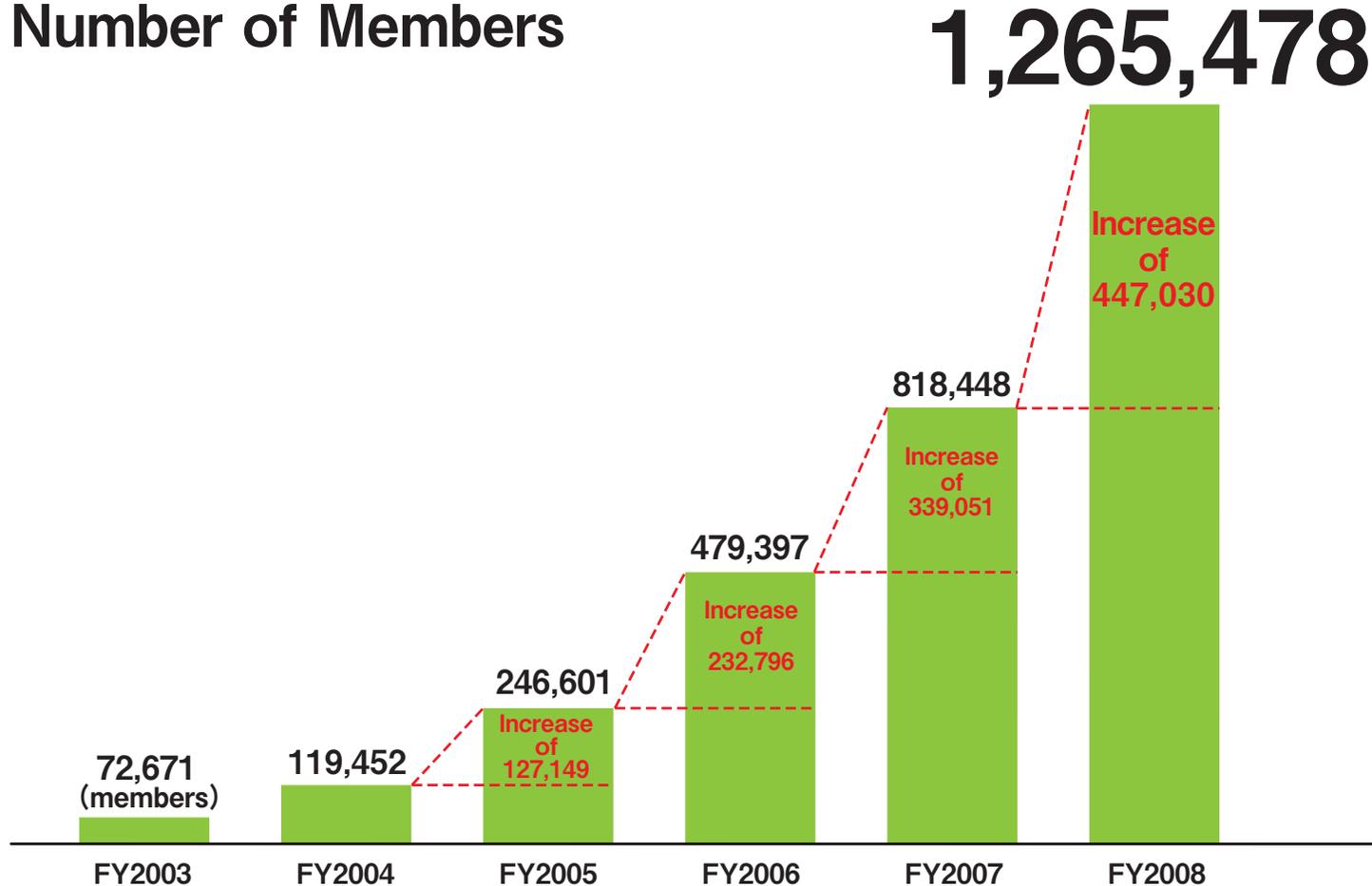
Previous year numbers are non-consolidated.



2. Achievement Transition



Number of Members



**Total members
surpass 1.25million**

-Total number of members +447,030

-47% active member rate at the end of March 2009, among 447,030 new members in March 2009

-Increase of members beyond the initial target, 420,000 members

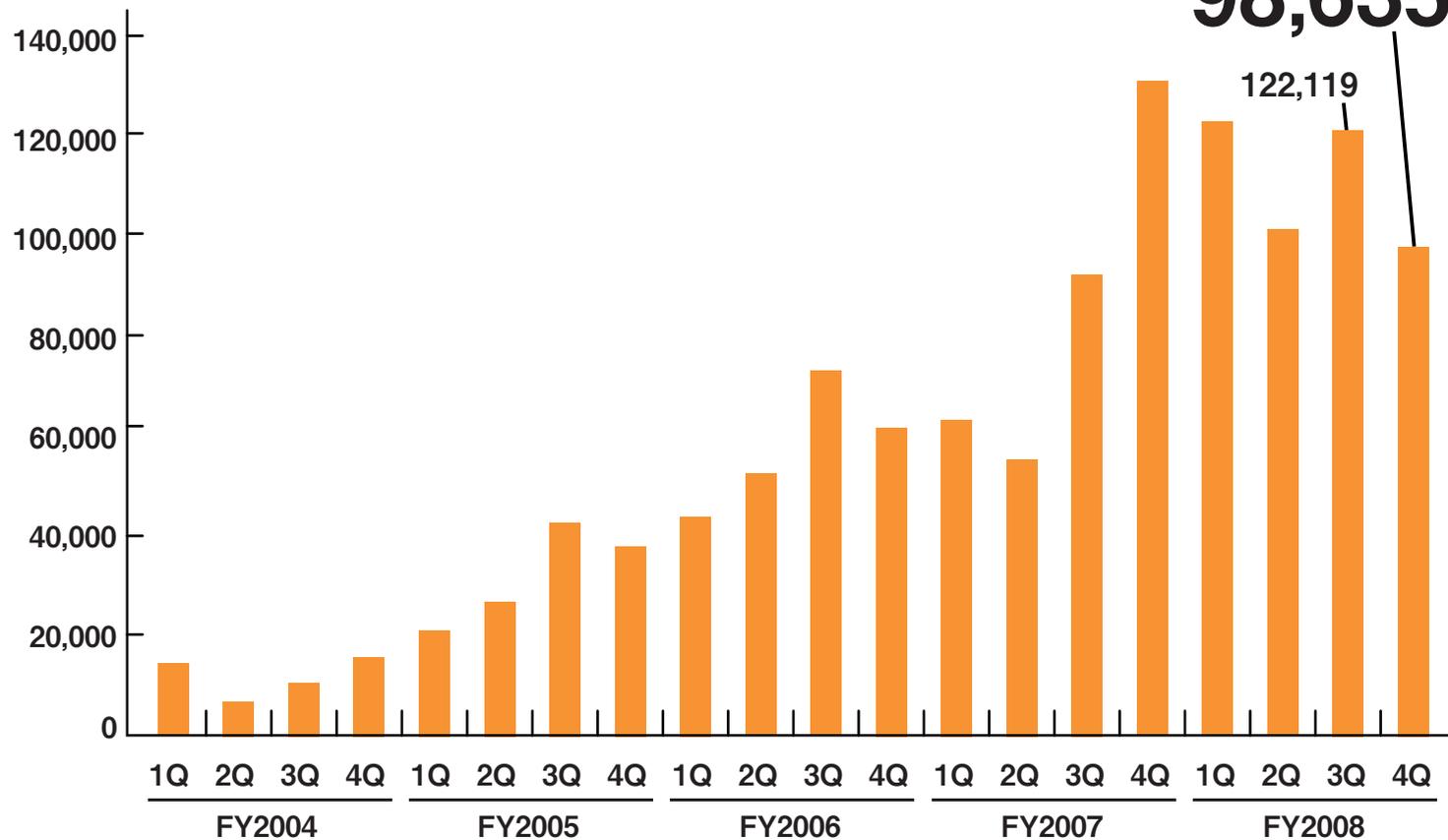


2. Achievement Transition



Net Increase in Members (Quarterly)

(members)



Second consecutive term of strong growth in new members

-Robust increase of members in the sales period

-Approx. 49% of new members obtained in January to March were new purchasers

-New purchase members increased without announcement for member acquisition by ZOZOGALLERY

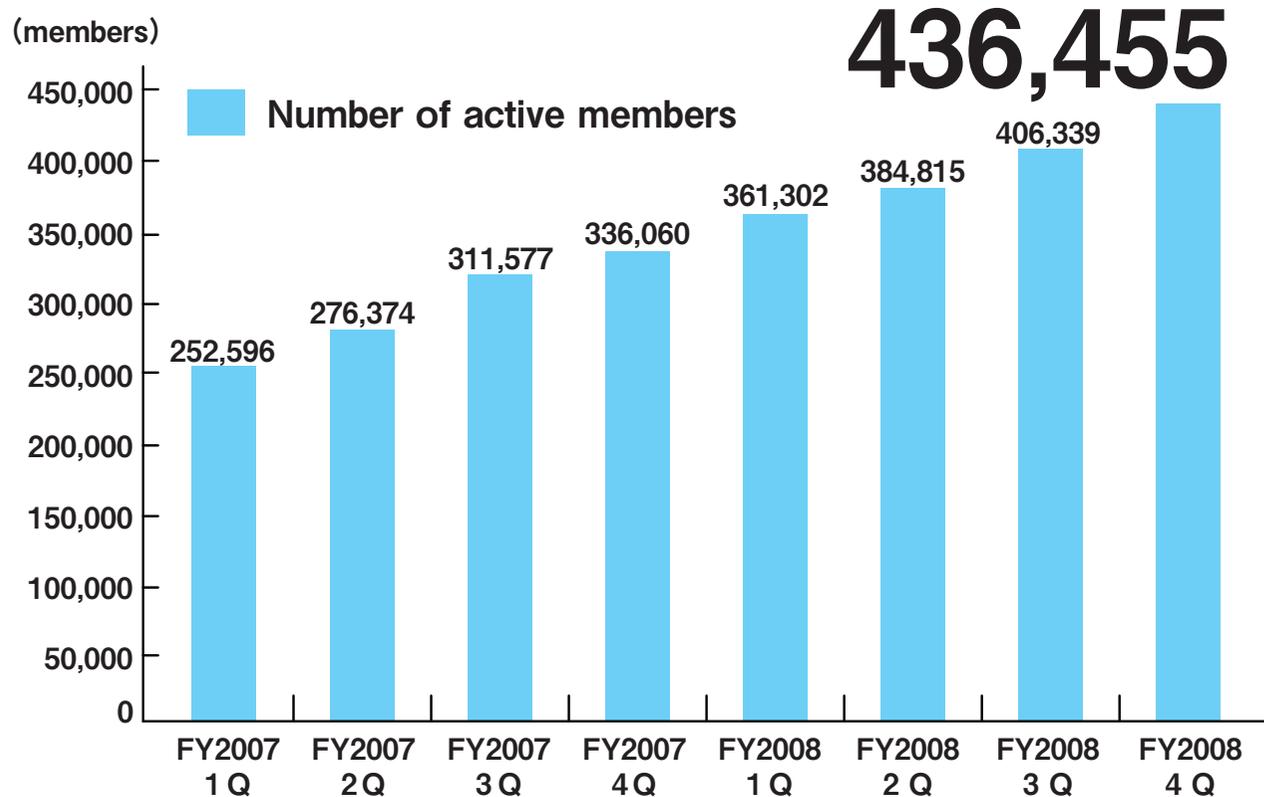


2. Achievement Transition



Number of Active Members (Quarterly)

Active member = Member who had purchased more than once per year



Strong growth in active members

-Number of active members increases by 100,395 members (+30,116 quarter-on-quarter)

-Active Member Profile

- ▶ Average Age: 27.7 years
- ▶ Male/Female Ratio: Male 51% Female 49%
- ▶ All members have essentially the same geographical distribution
- ▶ Ratio of members making over five purchases/year: approximately 26%

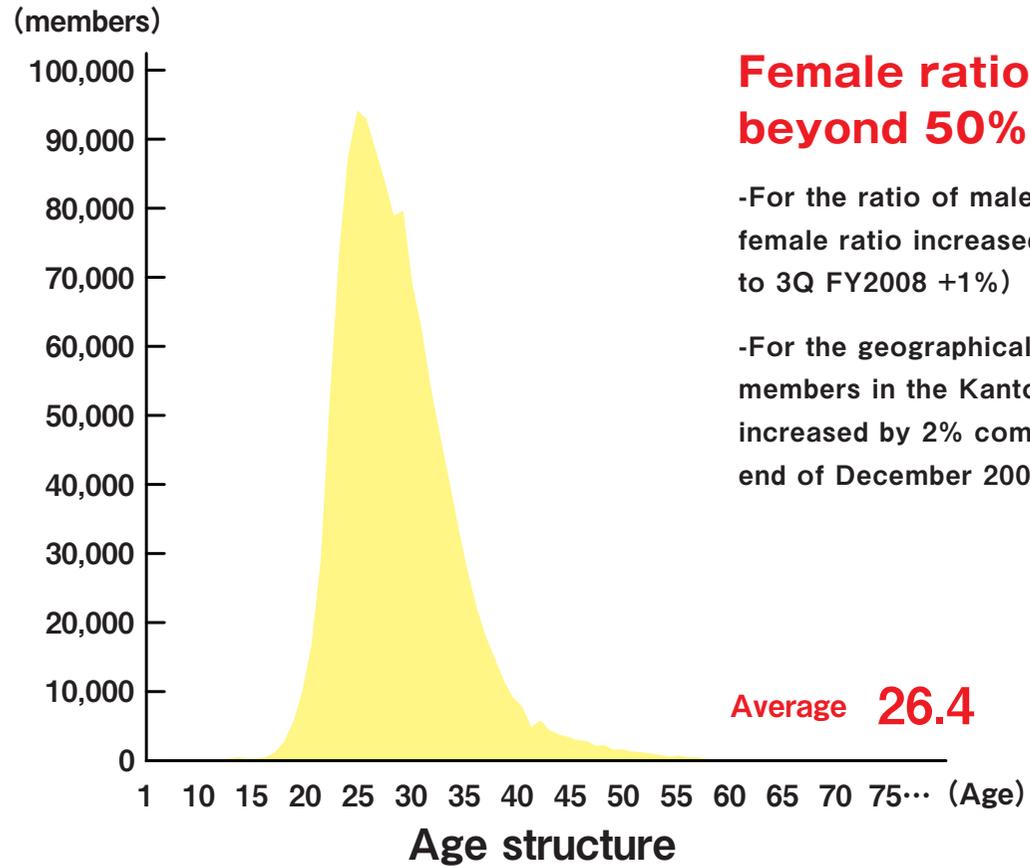
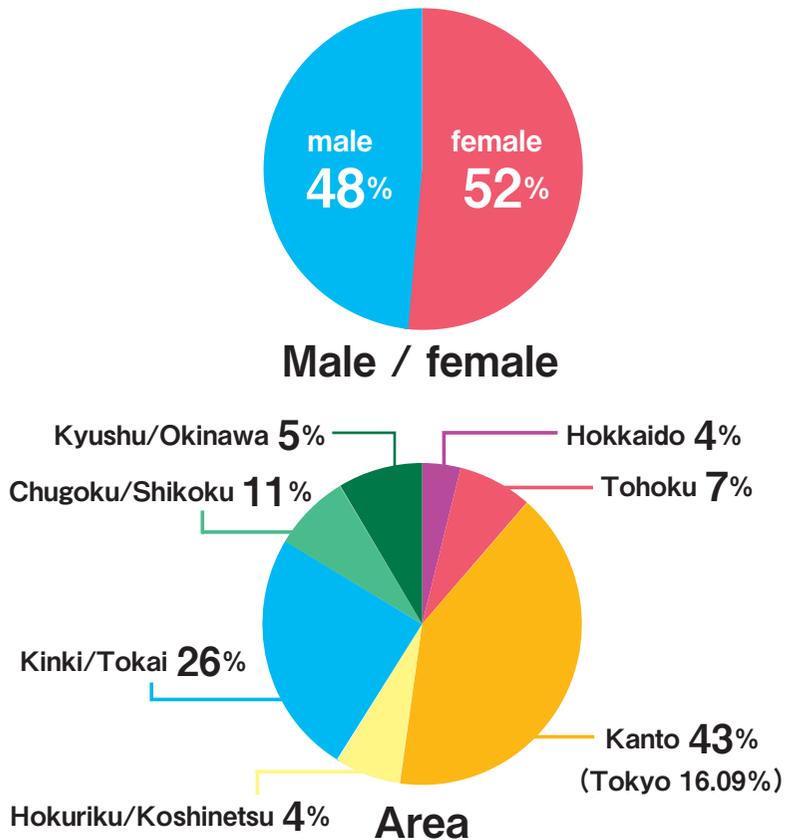


2. Achievement Transition



Member Demographics

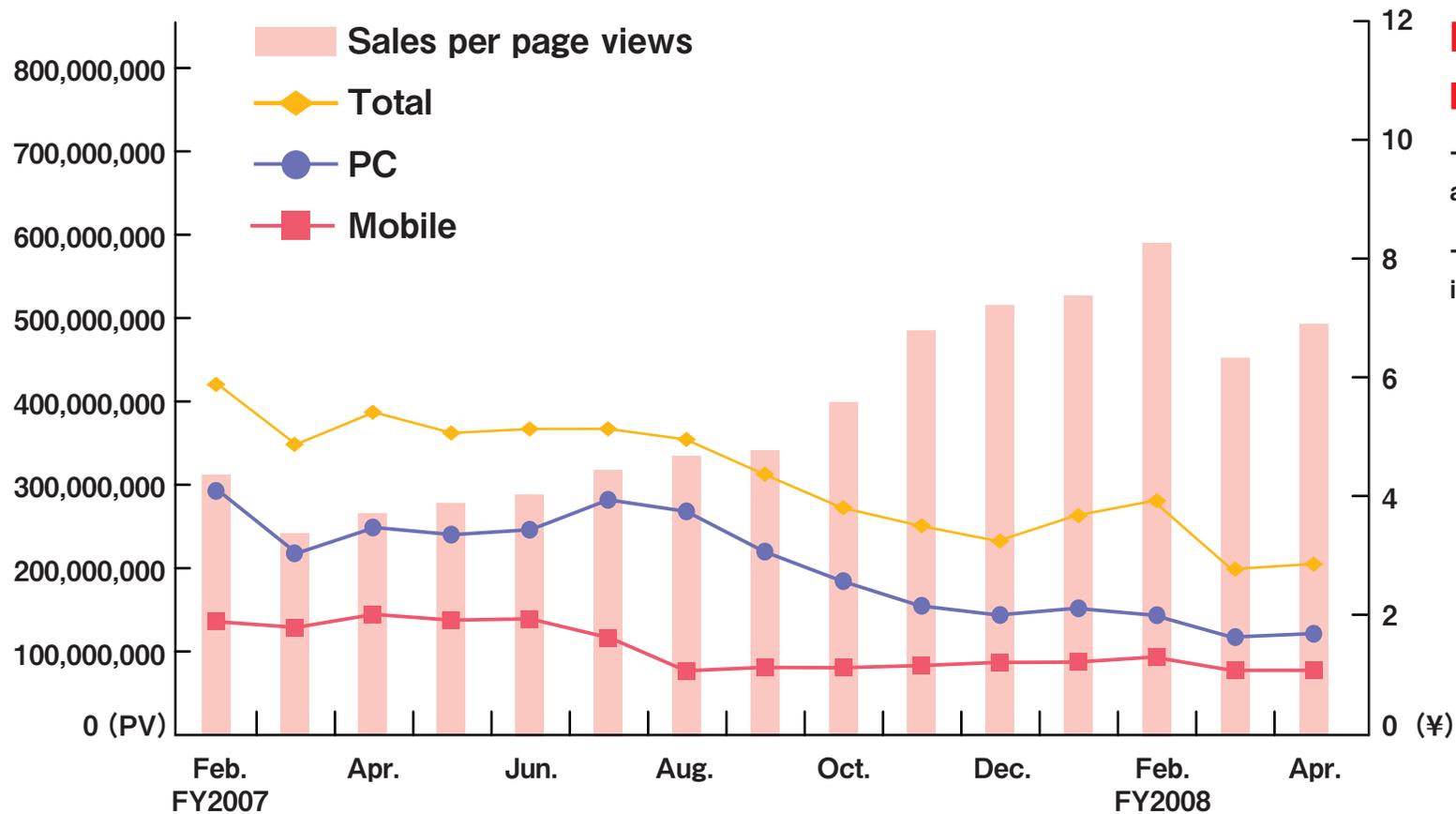
(As of end of March, 2009)



2. Achievement Transition



Page Views per Month



Nearly constant page views

- Page views increased in January as a result of the sales campaign
- Mobile page views are gradually increasing



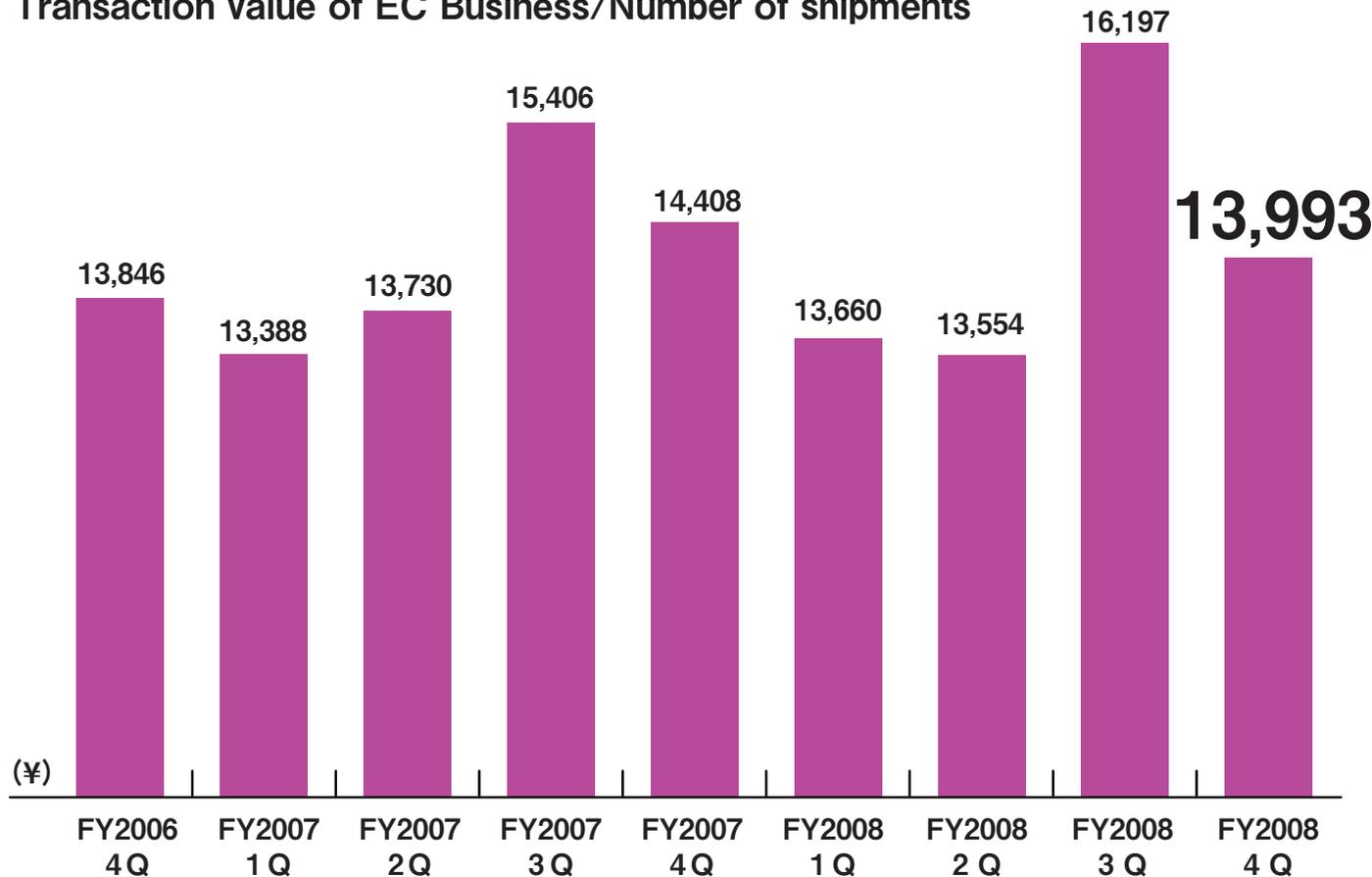
2. Achievement Transition



Average Shipment Value (Quarterly)

Average Shipment Value:

Transaction value of EC Business/Number of shipments



Slight decrease in average shipment value year-on-year

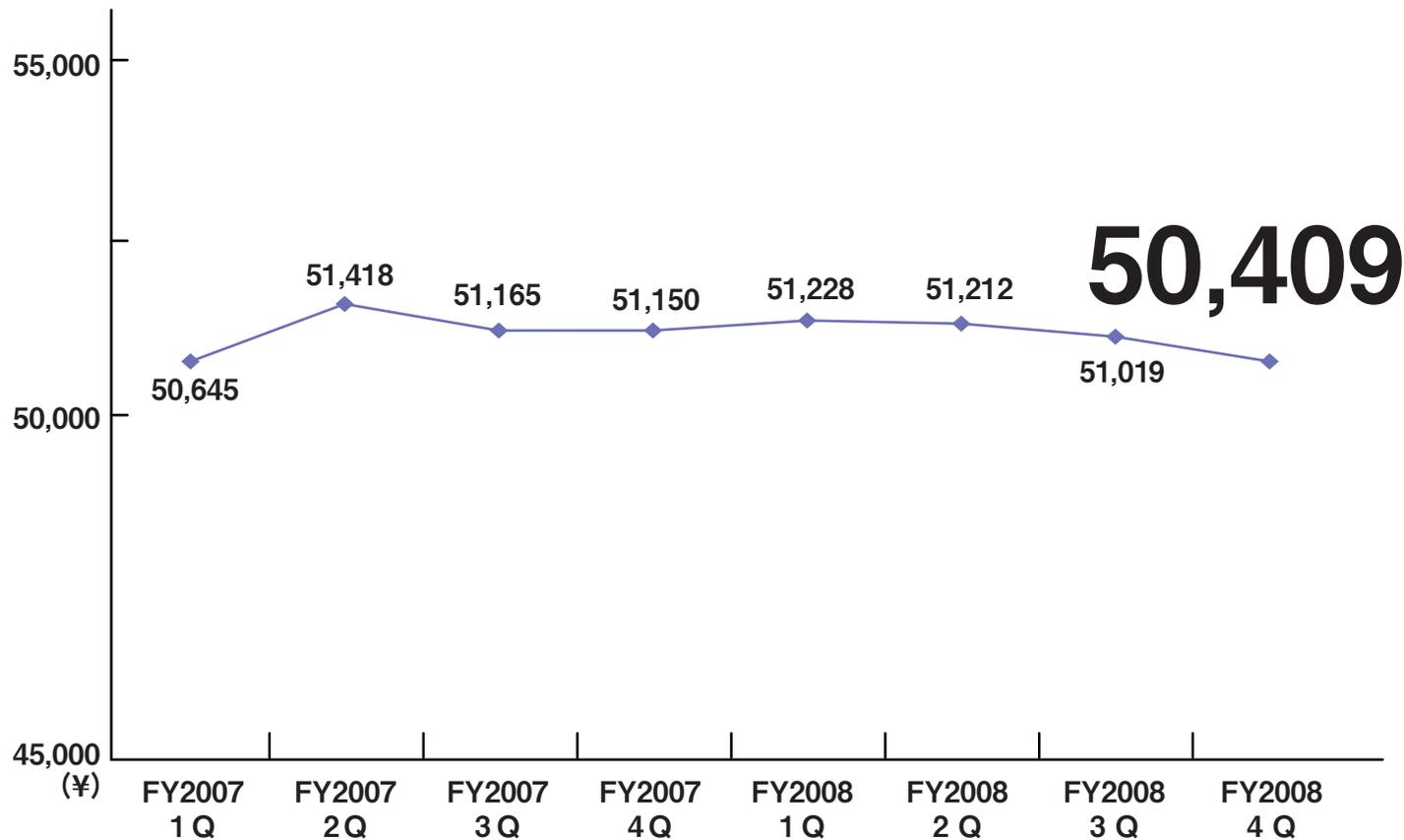
-The discount width in the Winter Sale of the Brand extended and the average goods value decreased (-2.9% year-on-year)



2. Achievement Transition



Yearly average purchased price per active member



Annual purchase amount trending at ¥50,000 level

-Annual purchase amount decreased slightly (-1.5% year-on-year)

-The decline of the goods value in the nearest period also had an influence

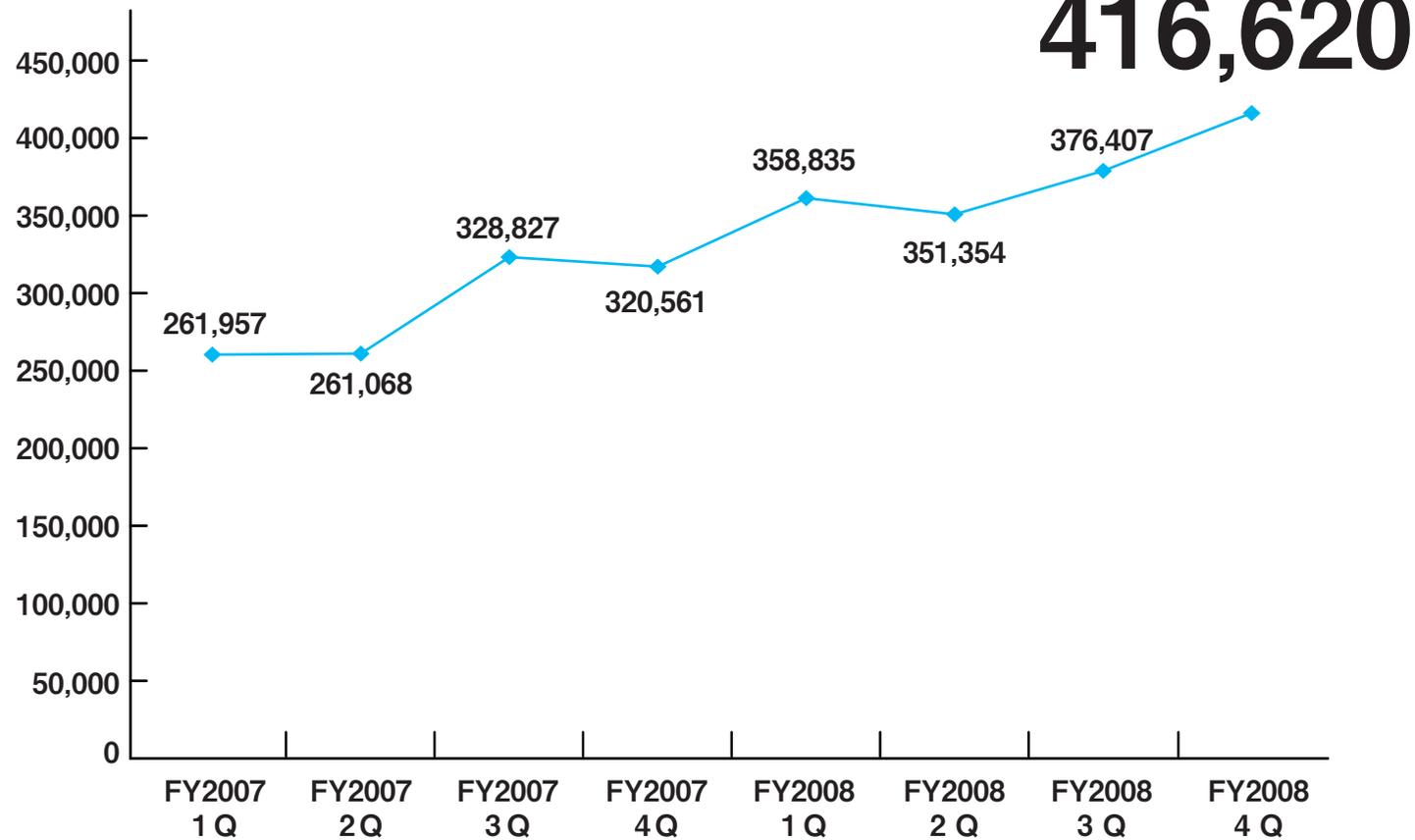


2. Achievement Transition



Number of Shipping

(shipments)



Shipment volume continues to show strong growth

-+30.0% year-on-year

-Constant buying motivation of the customers despite the decline of the goods value and shipment value.



3. Business Forecasts for FY2009



Consolidated Business Forecasts for FY2009

		YoY (%)
Net sales	¥16.30billion	52.4
Operating income	¥3.12billion	41.7
Ordinary income	¥3.13billion	40.9
Net income	¥1.75billion	37.7
Net income per share	¥4,806.75	-
Dividend per share (plan)	¥1,200	-

Breakdown of net sales

Segment			YoY (%)
EC business	Store Planning & Development Business	¥9.37billion	34.9
	Store Operation & Administration Business	*¥6.76billion	91.1
Others		¥0.16billion	-21.3
Total		¥16.30billion	52.4

*Include manufacturer EC Support Business



Future strategies



START TODAY CO.,LTD.

1. Future Strategies



Mid-term Vision

Mid-term Target of the Company

Transaction Value **¥100 billion**
Ordinary income **¥10 billion**

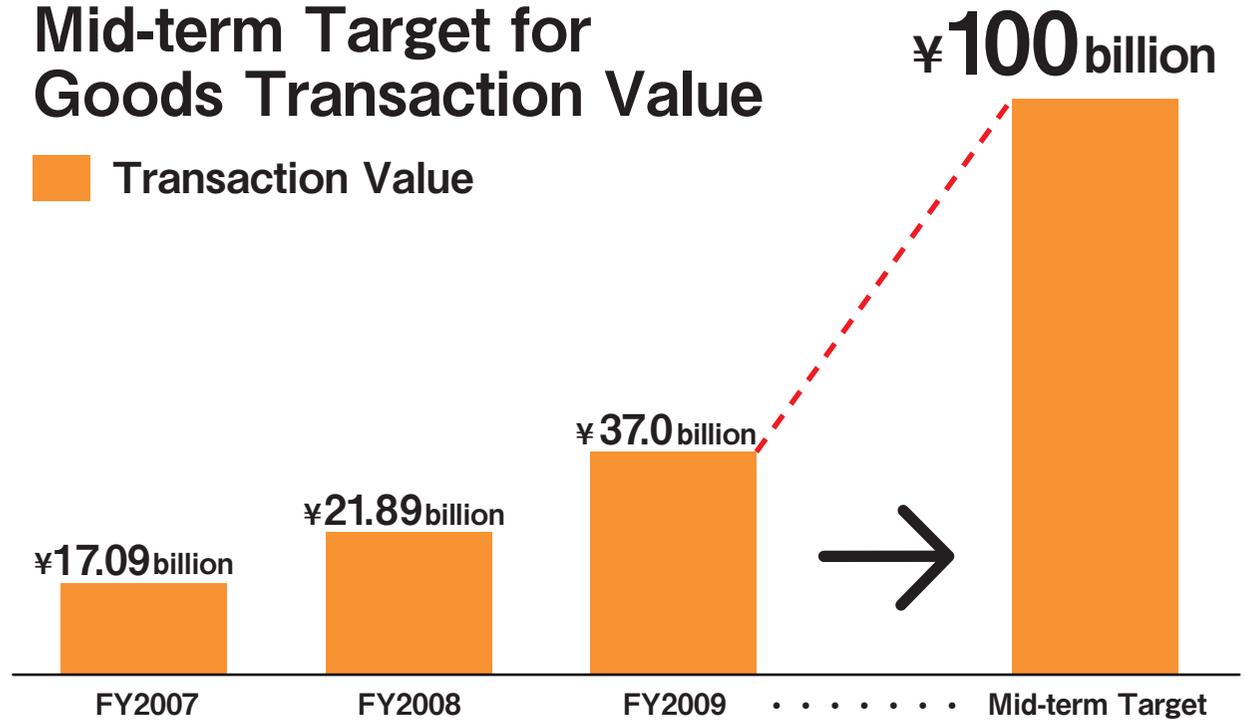
High-Fashion
EC
“ZOZORESORT”



Fashion EC
“START TODAY”

Mid-term Target for Goods Transaction Value

Transaction Value



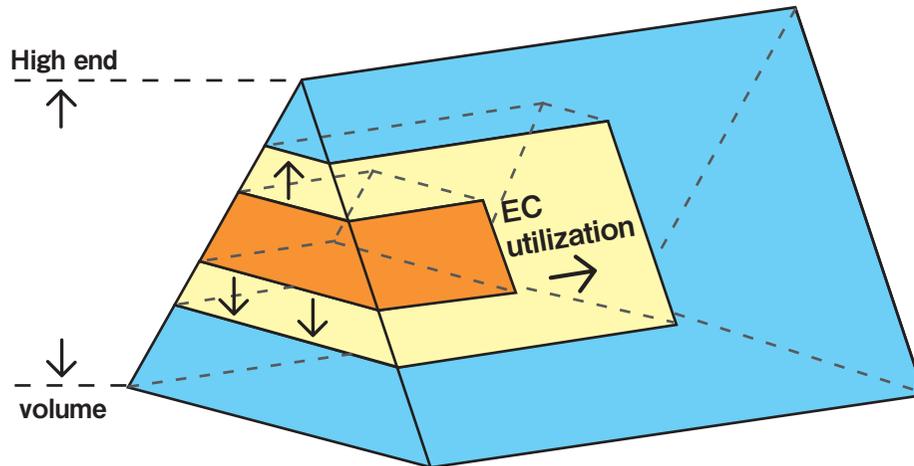
1. Future Strategies



Strategy of Market Expansion

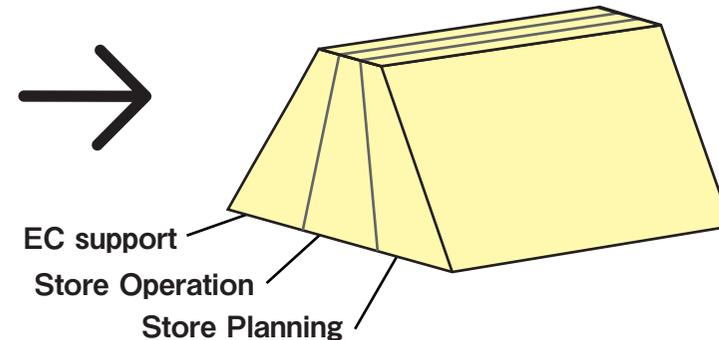
Not only ZOZORESORT expansion is promoted focusing on the fashion EC market but also expansion to various fashion fields is accelerated through EC support.

- Entire apparel market
- START TODAY dealing market (Mid-term Target)
- ZOZO dealing market (Current)



Mid-term Target for
Goods Transaction Value

¥100billion



2. Business Plan for FY2009



A challenging year “1Day 1Million”

“Return to origin”

“Engine for EC utilization”

“Build recognition”

“Reinforcement of organizational strength”



2. Business Plan for FY2009



Store Planning & Development Business

**Target of Transaction Value : ¥9,000million
(+37% year-on-year) ***

*Calculation based on merchandise sales only.

Reinforcement and Improvement of Merchandising

-Implement dynamic merchandising based on the re-stocking request function and merchandising analytical tool

New Shop Openings

-Opening of 5 new shops is planned in this term

Commitment to Sales Promotion in the Website

-Use tools such as banners and mail magazines which were previously used as external advertising order intake quota so that they will lead to a successful sale of goods in the future.

-Seek and execute appealing methods which allow the buyer to make proposals from the purchaser's viewpoint and customers to purchase goods securely online



2. Business Plan for FY2009



Store Operation & Administration Business

**Target of Transaction Value : ¥26,100million
(+75% year-on-year)**

Securing of Supply Stock

- Expand goods supply following the active EC of the brands as a result of inactive over-the-counter sales
- Disseminate unmatched supply and demand to the tenant enterprises by periodically providing them with useful information such as the re-stocking request function and trends of customers' purchase and expand initial supply stock
- Place importance on the connection of stock turnover with sales by implementing more accurate merchandising

New Shop Openings

- Open new brands (May 5, 2009, BAPE® LAND OPEN) actively and promote dealing of unexplored domain brands

Expansion and Improvement of the Automatic Stock Follow-up System

- Shorten the existing time lag and supply goods for users without running out the stock by improving the automatic stock follow-up system for the tenant enterprises so that it tracks the order timing



2. Business Plan for FY2009



Manufacturer EC Support Business (BtoB Business)

Target of Transaction Value : ¥1,900million

Four commissioned companies are nearly determined and development is ongoing for opening the website

- Target number of commissioned companies to be obtained in a year: 10 companies
- Prominent enterprises equal to the first Business (2 companies)
- Mid-sized but high-profile brands (2 companies)

Businesses in various fashion fields including the existing ZOZORESORT shop brands are being operated continuously



2. Business Plan for FY2009

Expand “the number of active members” and “annual purchase amount” and achieve “1Day 1Million” by making full use of advertising and merchandising expenses*

*Result of FY2008: approx. ¥0.4billion → FY2009: ¥1.1 billion

Measures for Expanding the Number of Active Members

“Let them know, let them trust, and let them buy even once”

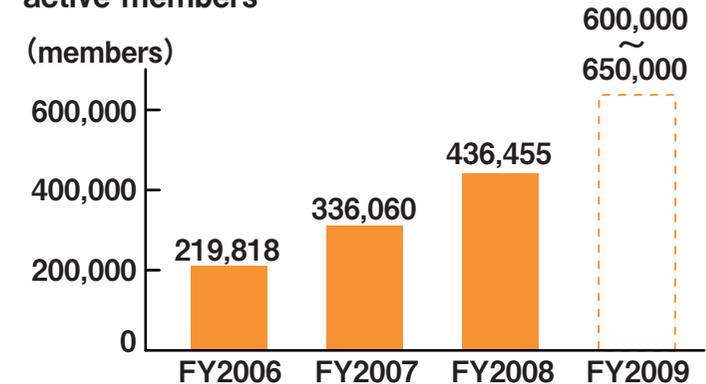
- Retain the other companies' EC users through free shipping charges.
- Advertise actively over the course of the year through web advertisings such as listings and affiliates.
- Make constant approaches to members who have not yet bought anything

Measures for Expanding Annual Payment

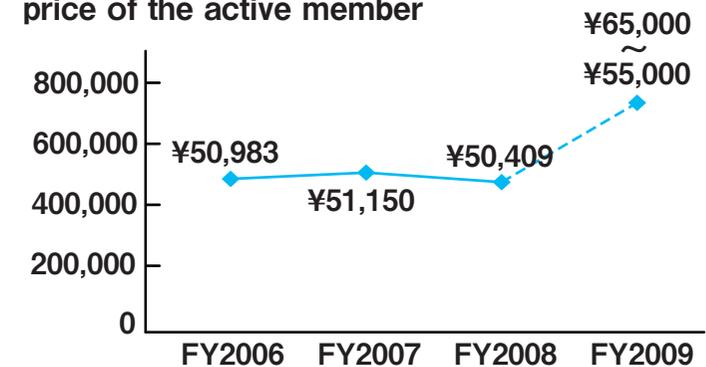
“Let them be a fan, let them remember, and let them visit ZOZORESORT frequently”

- Perform ZOZO fan nurturing support for the existing members
- Make use of projects within the website and mail magazines to increase purchase opportunities and frequencies

Target of the number of active members



Target of yearly average purchased price of the active member

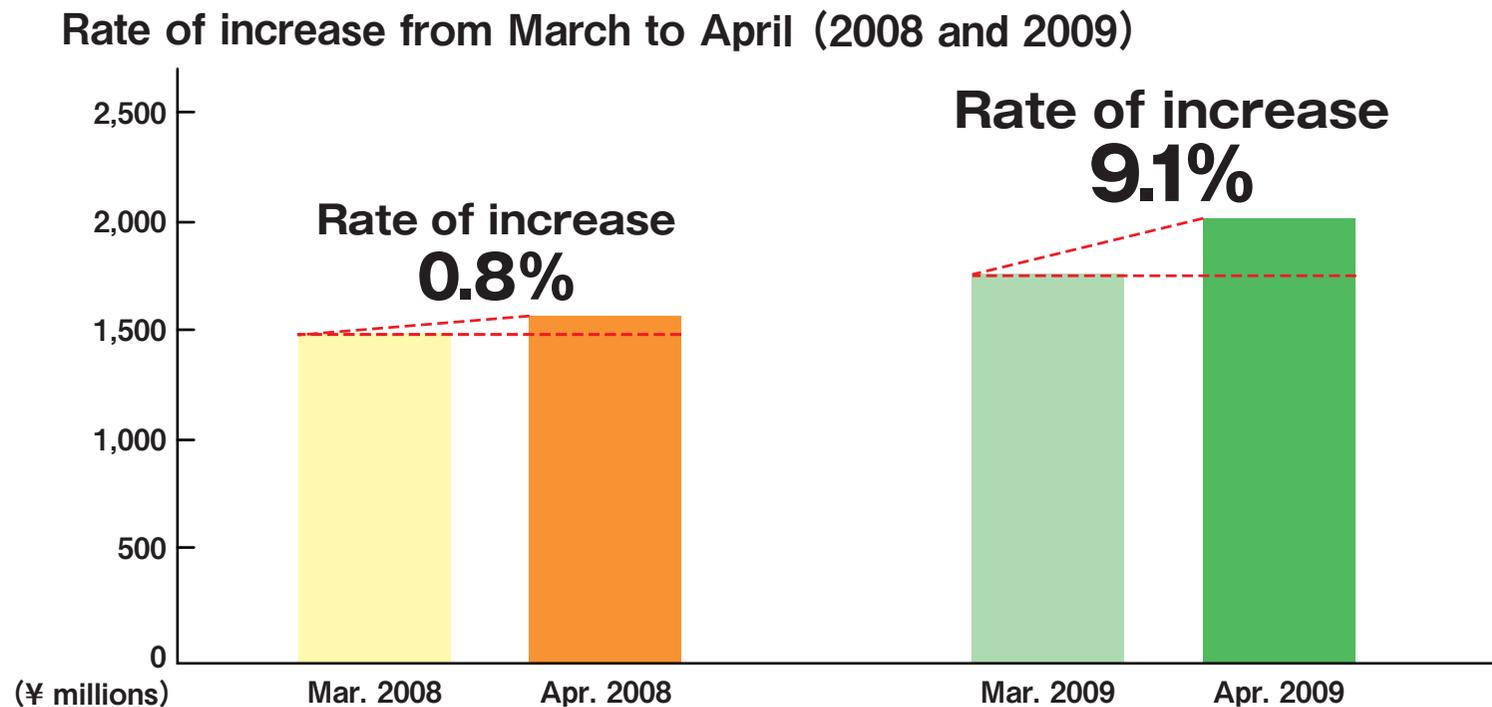


(Reference) Effect of Free Shipping Charges



Rate of Increase in the Transaction Value

The rate of increase in 2009 when free shipping was implemented was 9.1% compared to the rate of increase in the transaction value from March to April 2008.



2. Business Plan for FY2009



Forecast for FY2009

		YoY change (%)
Net Sales	¥16,300million	52.4
Transaction Value	¥37,000million	72.0
Ordinary Income	¥3,130million	40.9

Breakdown of Transaction Value

		YoY change (%)
Store Planning & Development Business	¥9,000million	37.1
Store Operation & Administration Business	¥26,100million	74.8
Manufacturer EC Support Business	¥1,900million	-



Reference data



START TODAY CO.,LTD.

WBG WEST 16F 2-6 NAKASE MIHAMA-KU CHIBA 261-7116 JAPAN

1. Business Outline – Our Mission



想像 (SOZO : Imagination) & 創造 (SOZO : Creation) + Internet

ZOZO RESORT

Business Domain : High-Fashion

6 Services: Buy, Find, Gather, Decorate, Ask, Convey



1. Business Outline



A summary and a characteristic of each service

ZOZOTOWN

- The largest hi-fashion shopping mall in Japan
- System, design, logistics
 - originally developed and operated
- Solid relationship with the brands carried, ex) Inventory data connection

ZOZONAVI

- Over 4,043 real-life apparel shops introduction
- Variety of information from shops
 - ex. over 63,000 photos of coordinated styles recommended by shops
- Gathering customers from real-life shops (Induce customers by search navigation)

ZOZOGALLERY

- PC and cell phone wallpaper & screen saver download service

ZOZOPEOPLE

- Website specializing in the distribution of information about people, journals and items
- Users can share information among themselves

ZOZOQ&A

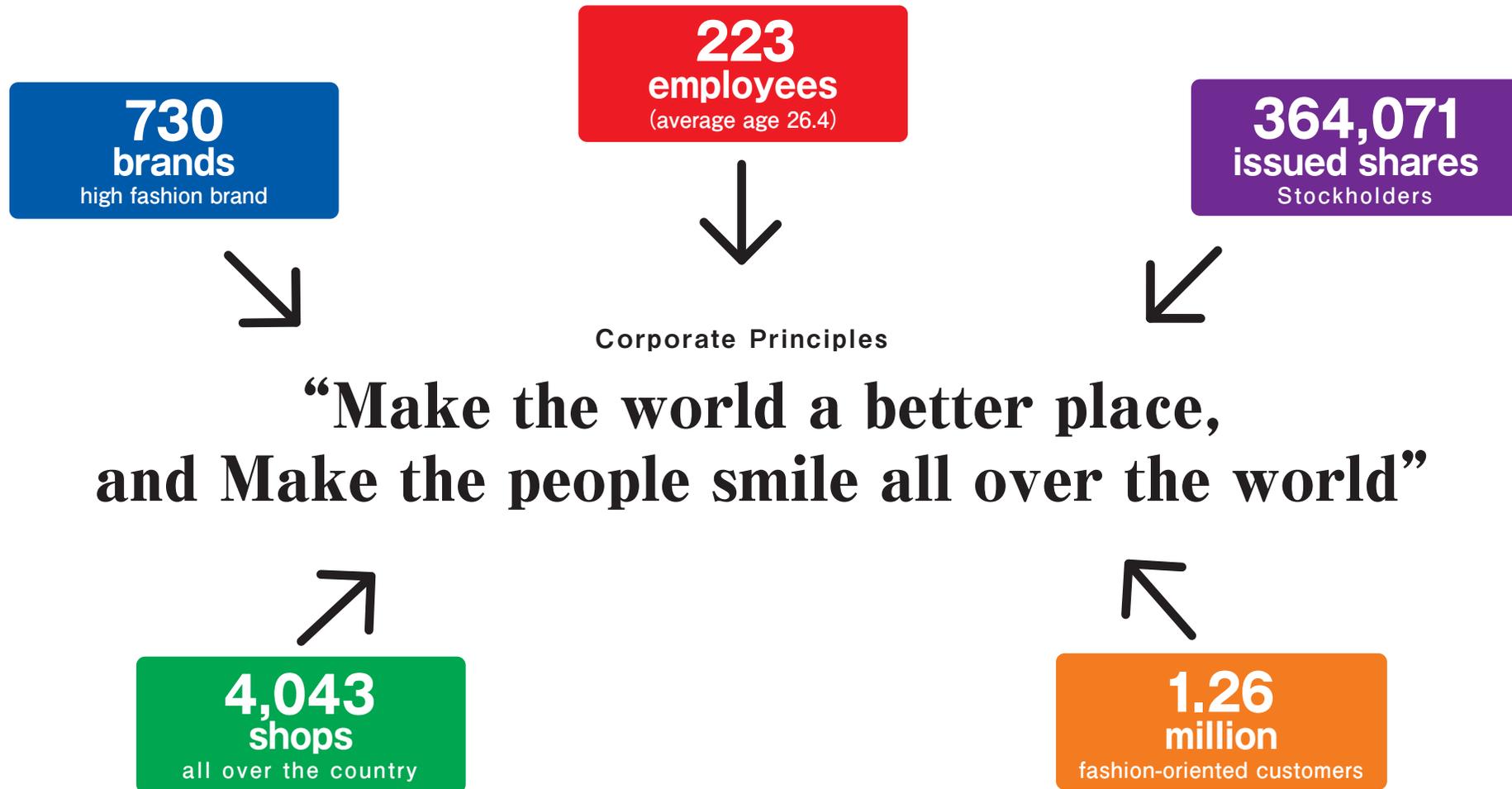
- Everyday problems can be solved in a highly responsive way among users

ZOZOARIGATO

- Posted message contributions



1. Business Outline



1. Business Outline



Our Strengths

- **The largest apparel EC in Japan**
- **Dominant position in high-fashion field**
- **Holding of our own EC-related functions**
: System, Design, Logistics etc.
- **Accompanied by original fashion information media**
- **Very loyal members with a fifty-fifty male-to-female ratio**
- **Solid relationship with business partners**



2. Structure of Corporate Profits



EC Business

Store Planning & Development Business

Operating 34 original online shops in ZOZOTOWN :
System which buy off the lot from apparel brand and sell.

Sales = Transaction value on each shops

Store Operation & Administration Business

Operating 66 online shops, such as “United Arrows,” “BEAMS” etc., in ZOZOTOWN
on commission basis without any inventory risk

Sales = Transaction value on each shops × Commission rate

BtoB Business

Support Manufacturers' Own EC Site May 2008: Established subsidiary (Start Today Consulting, Co., Ltd.)

Sales = Transaction value on each manufacturer × Commission rate

2. Structure of Corporate Profits



Others

Media Business

Sell internet advertising spots in ZOZORESORT

Sales=Advertisement charge

Credit Card Business

Issue “ZOZOCARD” (tied-up with Pocketcard co., Ltd.)

Sales=Cashing balance × Commission rate+Shopping volume × Commission rate

Others

Initial store opening charge



The information contained herein does not constitute an offer to solicit investment which only be made for understanding the company.

These statements are based on judgments and hypotheses made using information currently in the possession of the company, and uncertainties in these judgments and hypotheses, may differ to the actual future financial results of the company.

