



START TODAY CO.,LTD.

First Quarter FY2009
(April 1, 2009 – June 30, 2009)

Consolidated Business Results

1. Business Performance



First Quarter FY2009 Highlights

1. Large Growth in Sales and Operating Profits

- Sales : ¥3,071 million (+25.5% year-on-year)
- Operating income : ¥529 million (+4.1% year-on-year)

2. New SHOP Openings

- Store Operation → A BATHING APE®, Kodomaku,
& Administration H.L.N.A, àlcali, TOMMY/tommy girl,
Business MARGARET HOWELL
Total 6 SHOPS

3. ZOZOTOWN open for free shipping on April 1, 2009 – June 30, 2009

- The shipping charge was eliminated for all goods on the ZOZOTOWN site from April 1 2009.

4. Open for E-Commerce (EC) support

- And A Inc.
Name of site : And A Web Shop
Open : June 3, 2009
- OZONE COMMUNITY CO.,LTD.
Name of site : HYSTERIC GLAMOUR ONLINE STORE
Open : June 16, 2009

5. Started Summer Sale on June 26, 2009

- Sale Results : Approx. ¥0.4 billion (+44.8% year-on-year)
(June 26 – 30, 2009)



1. Business Performance



Overview of First Quarter FY2009

(¥ million)

Item	FY2009 1Q	FY2008 1Q	YoY Change	Budget for FY2009 2Q	Percent Completion of Budget for FY2009 2Q	Reasons for Increase/Decrease
Net sales	3,071	2,447	+ 25.5%	6,262	49.0%	Transaction value: ¥6,580 million (+34.3% year-on-year)
Operating income	529	508	+ 4.1%	885	59.9%	Lower profit margin due to higher advertising costs and higher rent due to the expansion of distribution center floor space.
Ordinary income	534	508	+ 5.0%	890	60.0%	Receipt of interest
Net income	302	290	+ 3.9%	497	60.8%	—

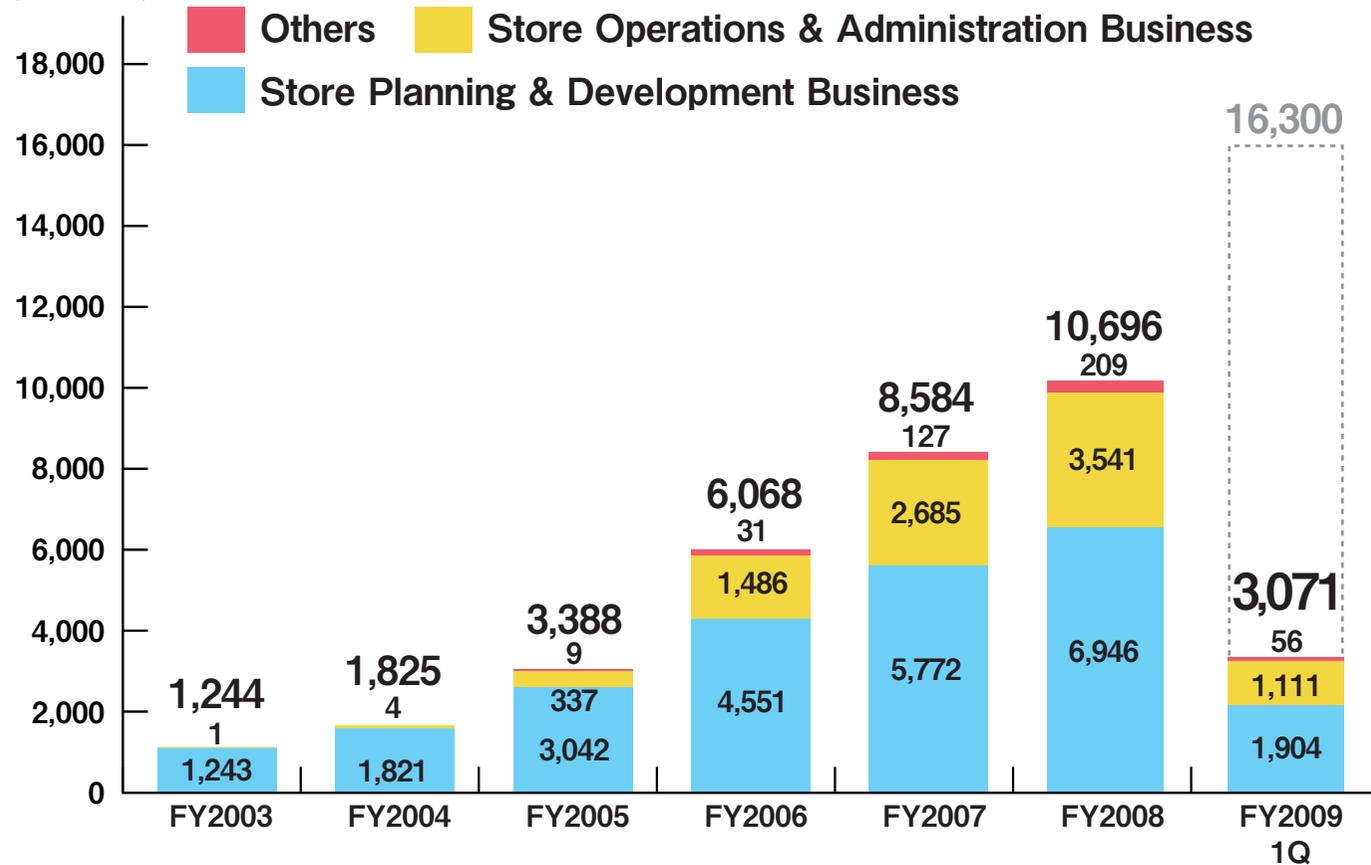


1. Business Performance



Net Sales

(¥ million)



Strong sales growth

- Budgeted sales were achieved in the first quarter
- Rate of progress of preliminary budget : 49%
- Significant growth of 25.5% above same quarter in previous year

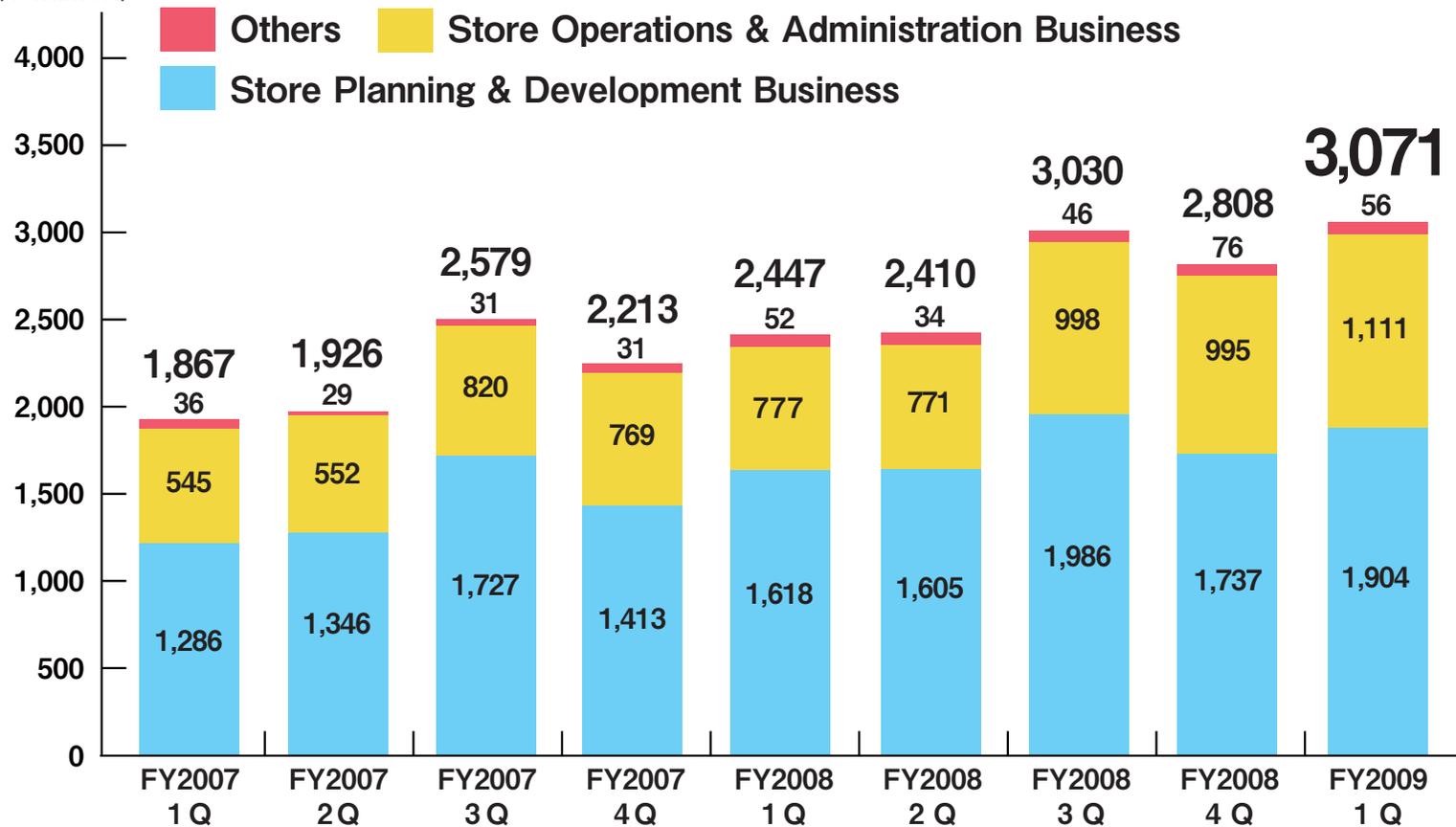


1. Business Performance



Net Sales (Quarterly)

(¥ million)



Record sales achieved

Net sales: +17.7%

Store Operations & Administration Business : 43.0%



1. Business Performance



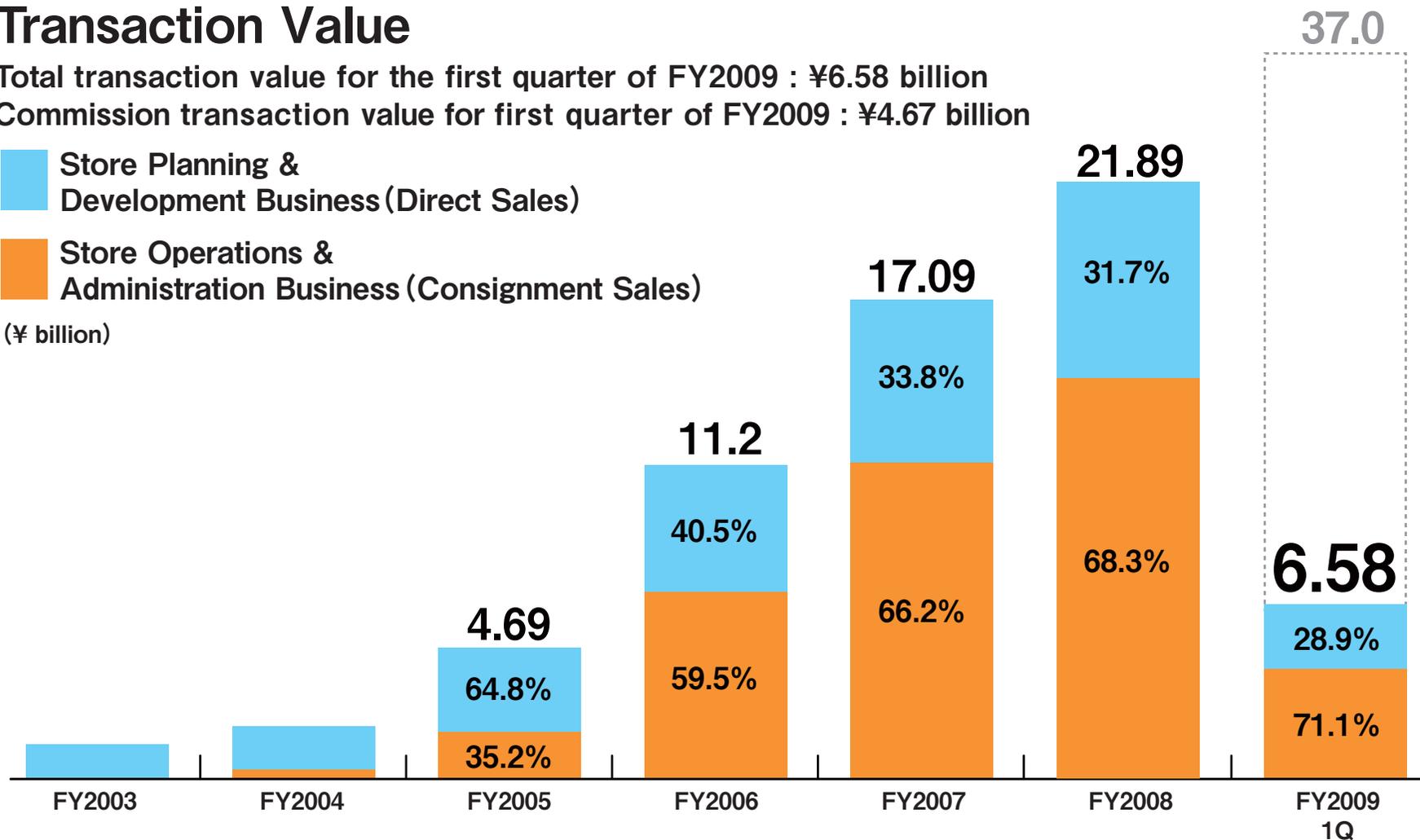
Transaction Value

Total transaction value for the first quarter of FY2009 : ¥6.58 billion

Commission transaction value for first quarter of FY2009 : ¥4.67 billion

- Store Planning & Development Business (Direct Sales)
- Store Operations & Administration Business (Consignment Sales)

(¥ billion)



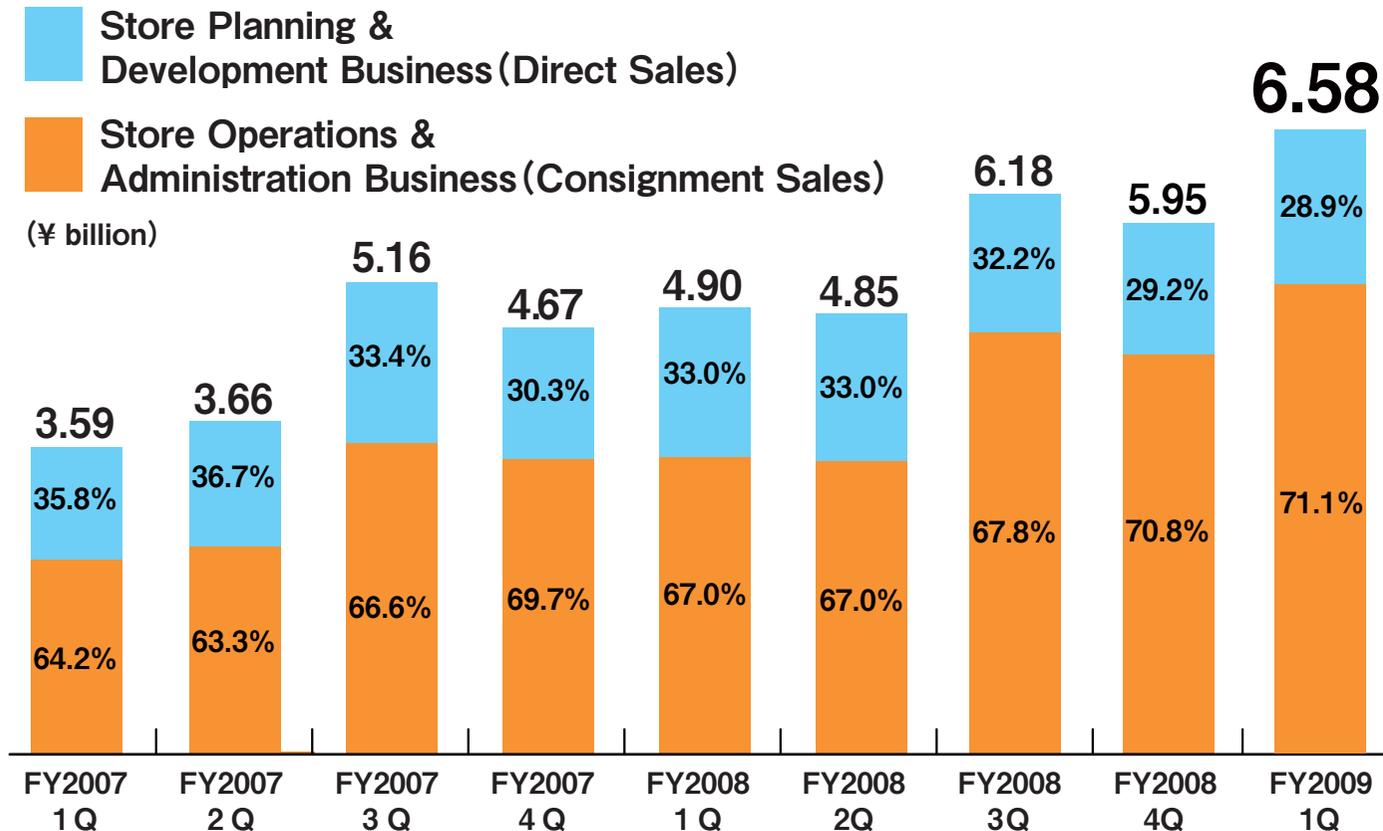
1. Business Performance



Transaction Value (Quarterly)

Total transaction value for the first quarter of FY2009 : ¥6.58 billion

Commission transaction value for first quarter of FY2009 : ¥4.67 billion



Record transaction value

- ¥1.68 billion (+34.3%) year-on-year growth

-B to B product transaction value :
approx. ¥113 million
(including consignment transactions)

-Total transaction value for new shops in1Q :
approx. ¥200 million
(4.3% of consignment transactions)

-Store Operations & Administration Business
succeeded taking in active restocking and
merchandise for sales.



1. Business Performance



Selling, General and Administrative Expenses

(¥ million)

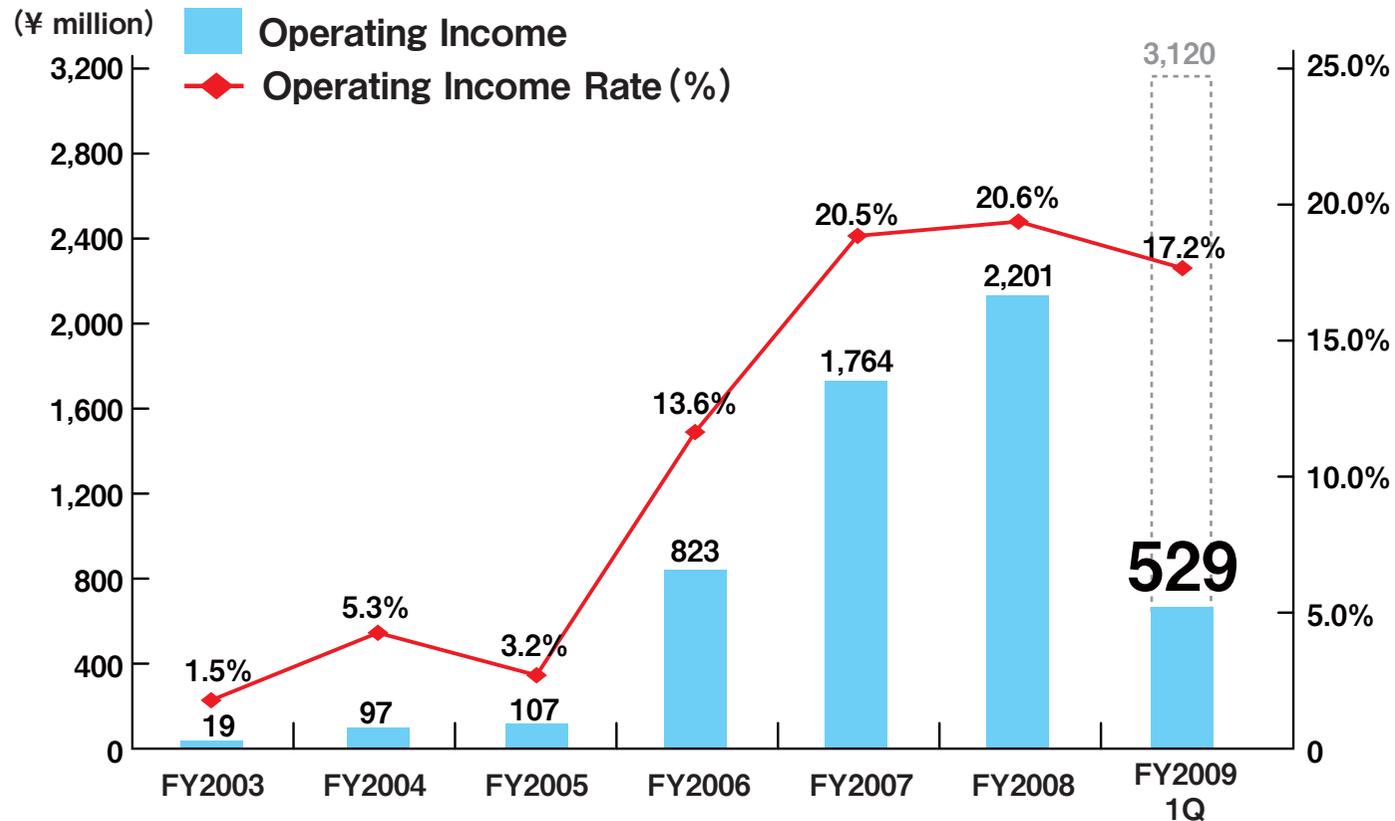
Item	FY2009 1Q		FY2008 1Q		YoY Change (% Sales)	Reasons for Increase/ Decrease
	Value	% Sales	Value	% Sales		
Total SG&A	1,296	42.2%	962	39.3%	+ 2.9%	—
Personnel Expenses	255	8.3%	211	8.6%	− 0.3%	—
Shipping & Transportation	189	6.2%	126	5.2%	+ 1.0%	Increased relative to sales turnover due to free shipment
Payment collection fees	140	4.6%	113	4.6%	—	—
Advertising & Promotion	126	4.1%	88	3.6%	+ 0.5%	—
Outsourcing Fees	60	2.0%	74	3.1%	− 1.1%	—
Others	523	17.0%	347	14.2%	+ 2.8%	- 0.6% rent increase - 0.7% increase in provision for points redemption - 1.9% increase in external labor costs



1. Business Performance



Operating Income and Operating Income Rate



Strong growth in operating income

-+4.1% year-on-year

-Completion of Budget for

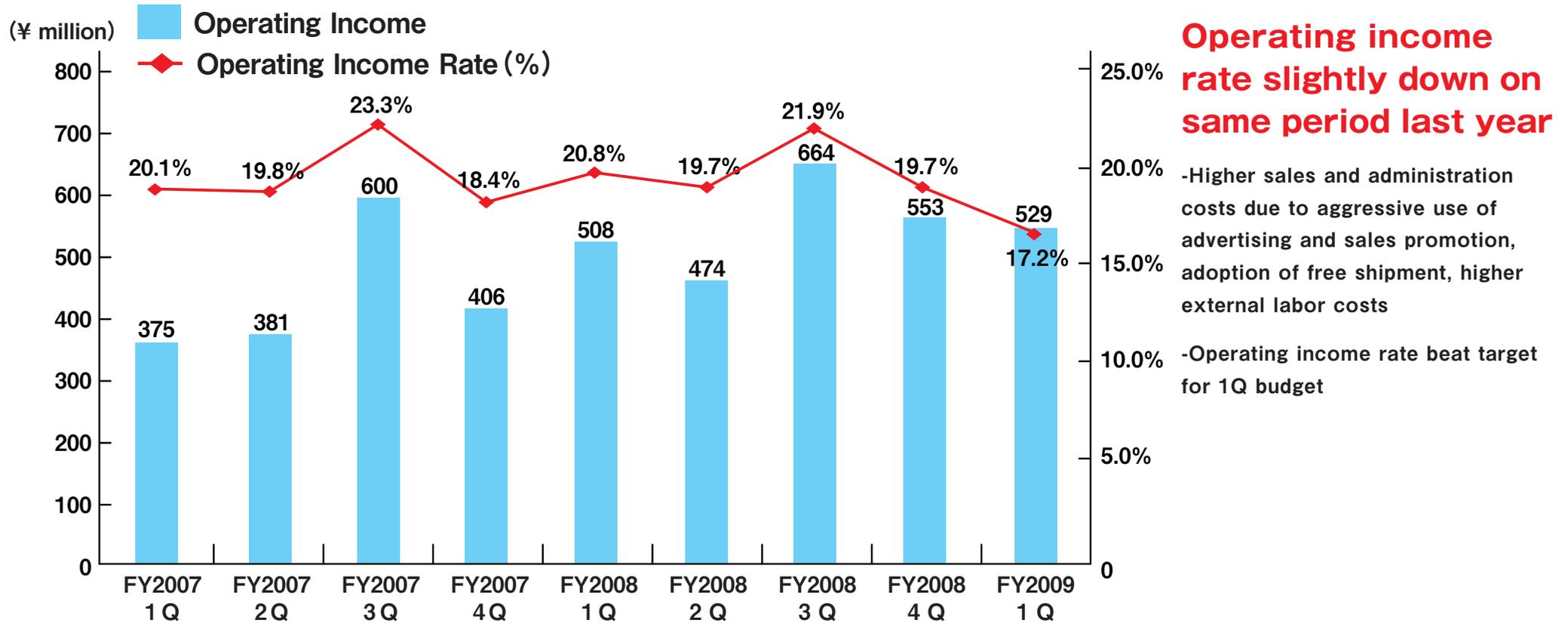
FY2009 2Q : +59.9%



1. Business Performance



Operating Income and Operating Income Rate (Quarterly)



1. Business Performance



Cash Flows

(¥ million)

Item	FY2009 1Q	FY2008 1Q	YoY Change	FY2009 1 Q Reasons for Increase/Decrease
Cash flows from operating activities	-153	-133	- 20	Net profit prior to taxation and other adjustments for quarter : ¥534 million Corporate tax payment : - ¥639 million
Cash flows from investing activities	- 49	- 80	31	Acquisition of tangible fixed assets : -¥48 million
Cash flows from financing activities	- 309	- 240	- 69	Payment of dividends: ¥309 million (Dividend per share : ¥850)
Cash and cash equivalents at end of period	4,600	3,937	663	—

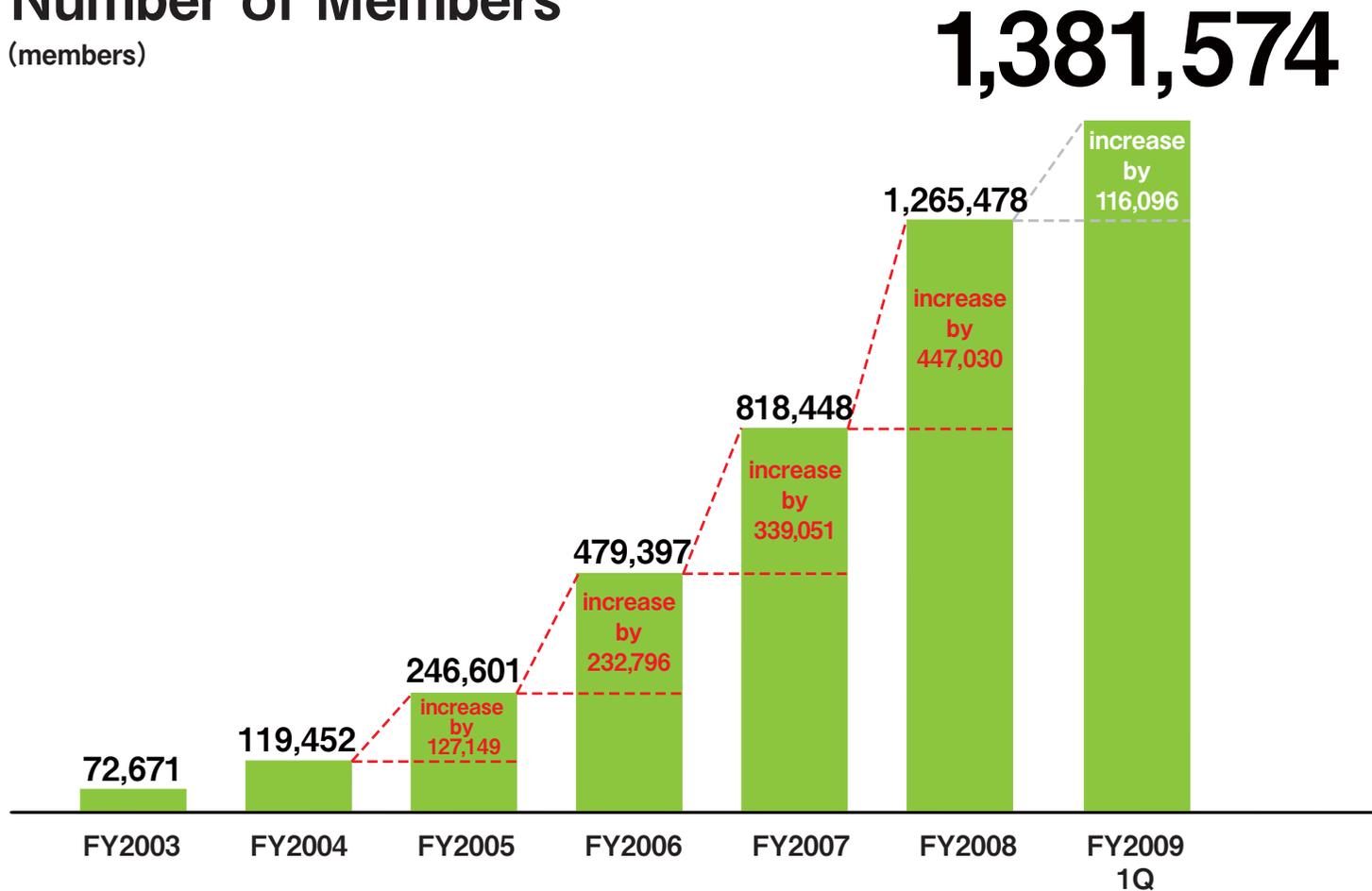


2. Achievement Transition



Number of Members

(members)



**Total members surpass
1.38 million**

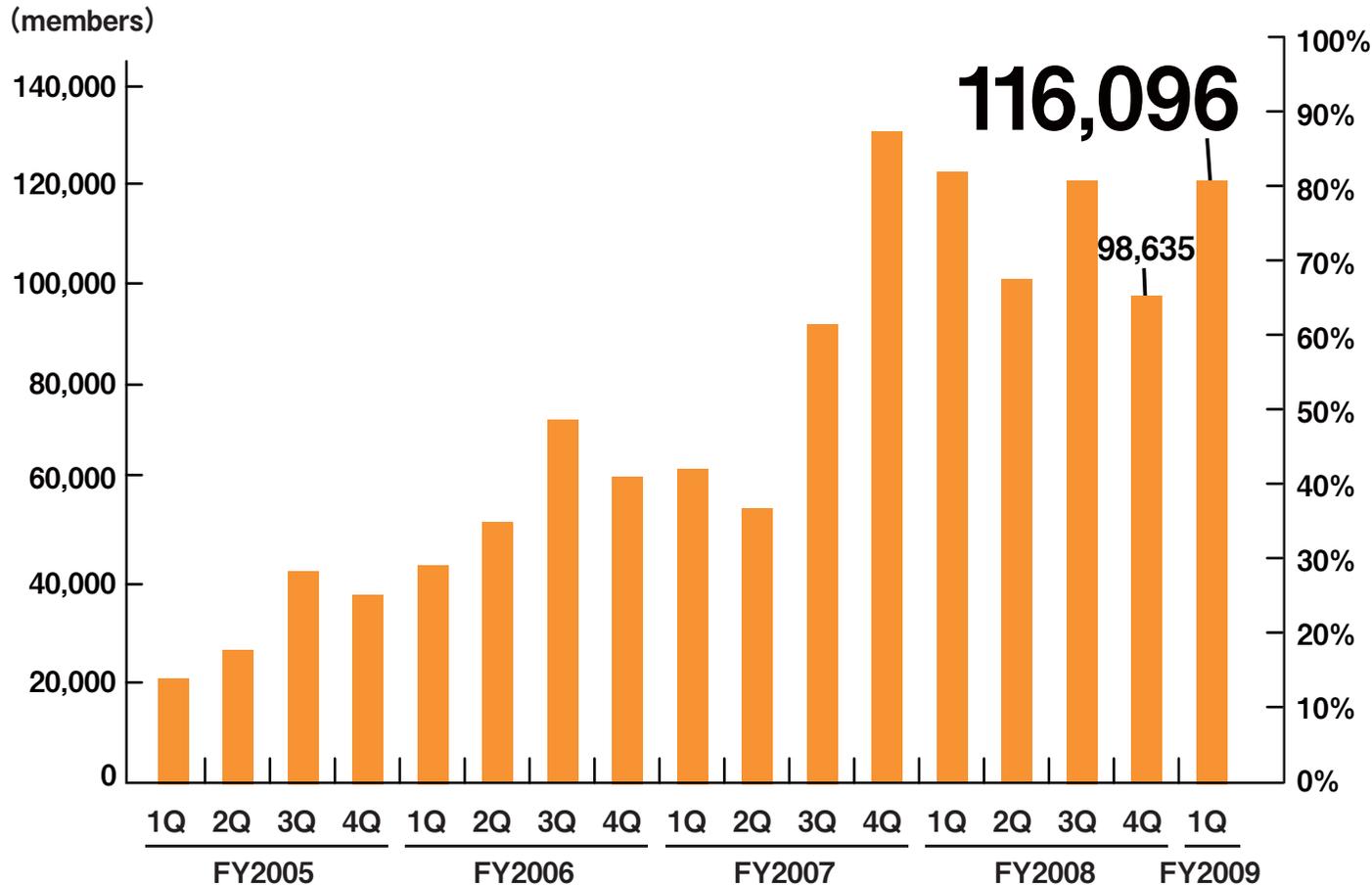
-Target membership level for first
quarter achieved



2. Achievement Transition



Net Increase in Members (Quarterly)



Second consecutive term of strong membership growth

-52% of new members acquired each month become active members.



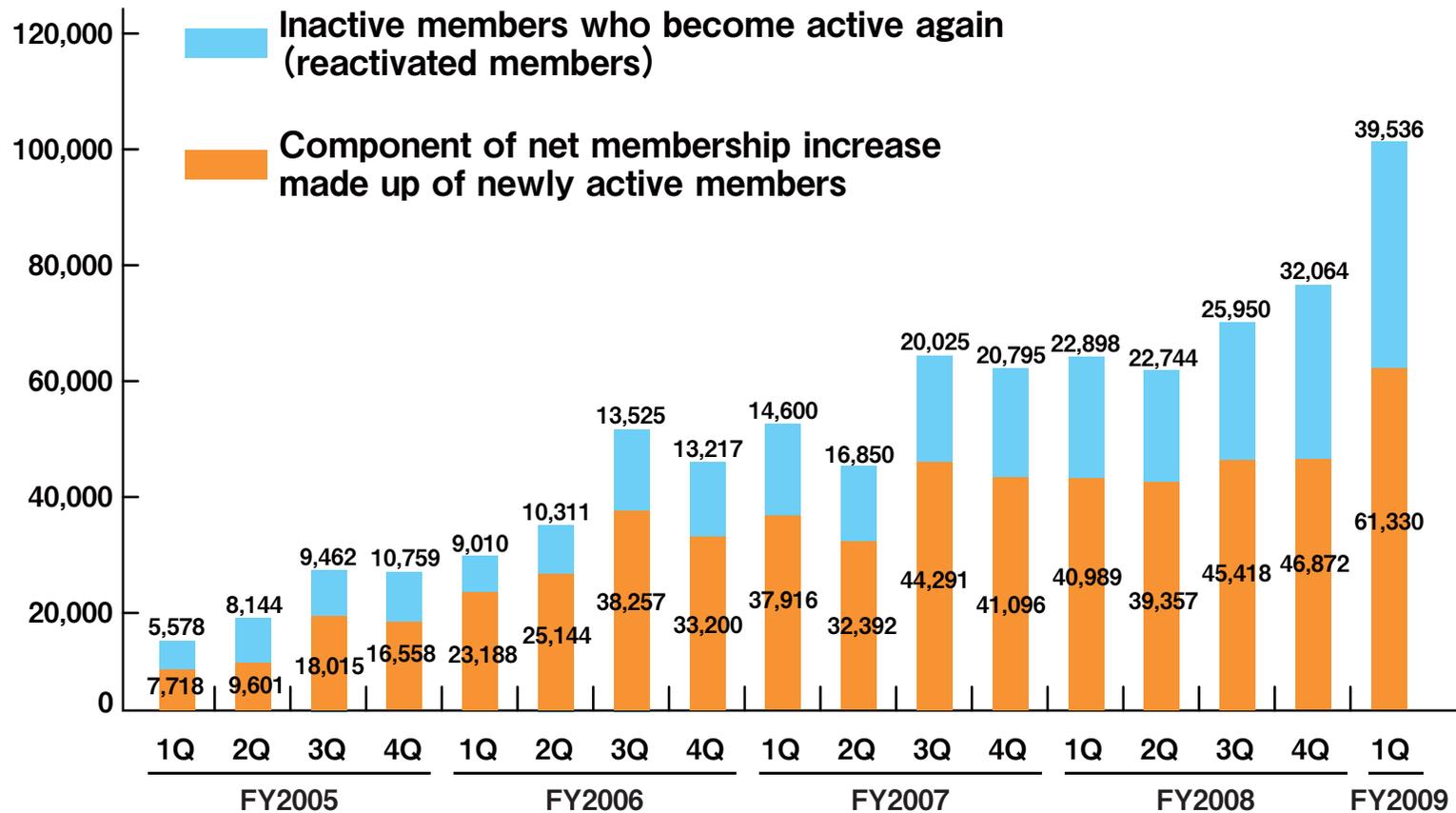
2. Achievement Transition



Net Increase in Active Members (Quarterly)

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

(members)



Strong influx of new active members continues from previous quarter

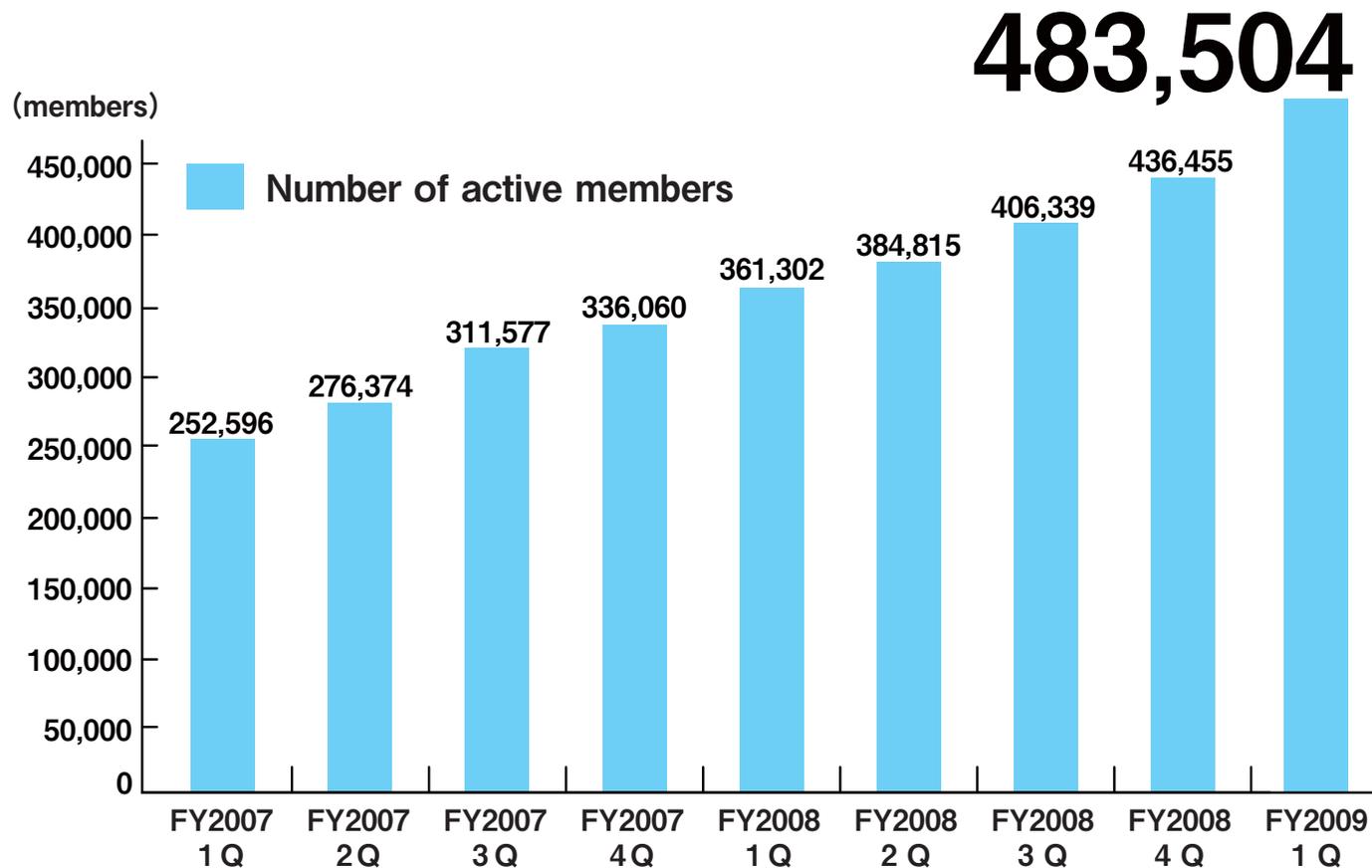


2. Achievement Transition



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 122,202 members (+47,049 quarter-on-quarter)

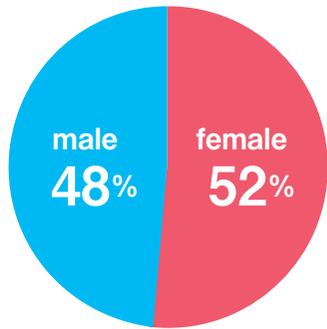


2. Achievement Transition

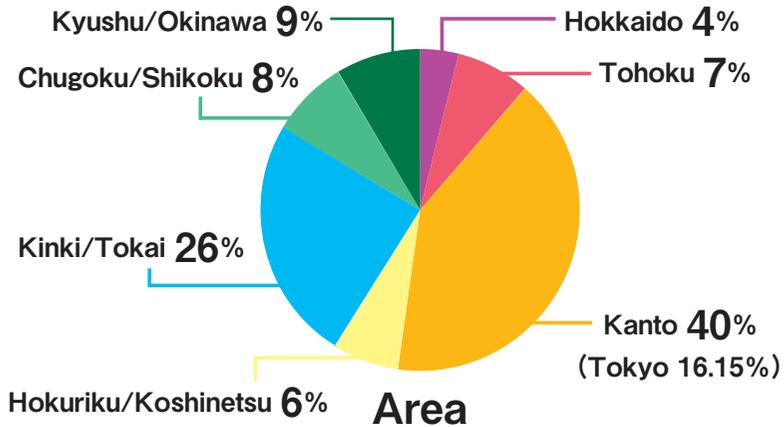


Member Demographics

(As of end of June, 2009)

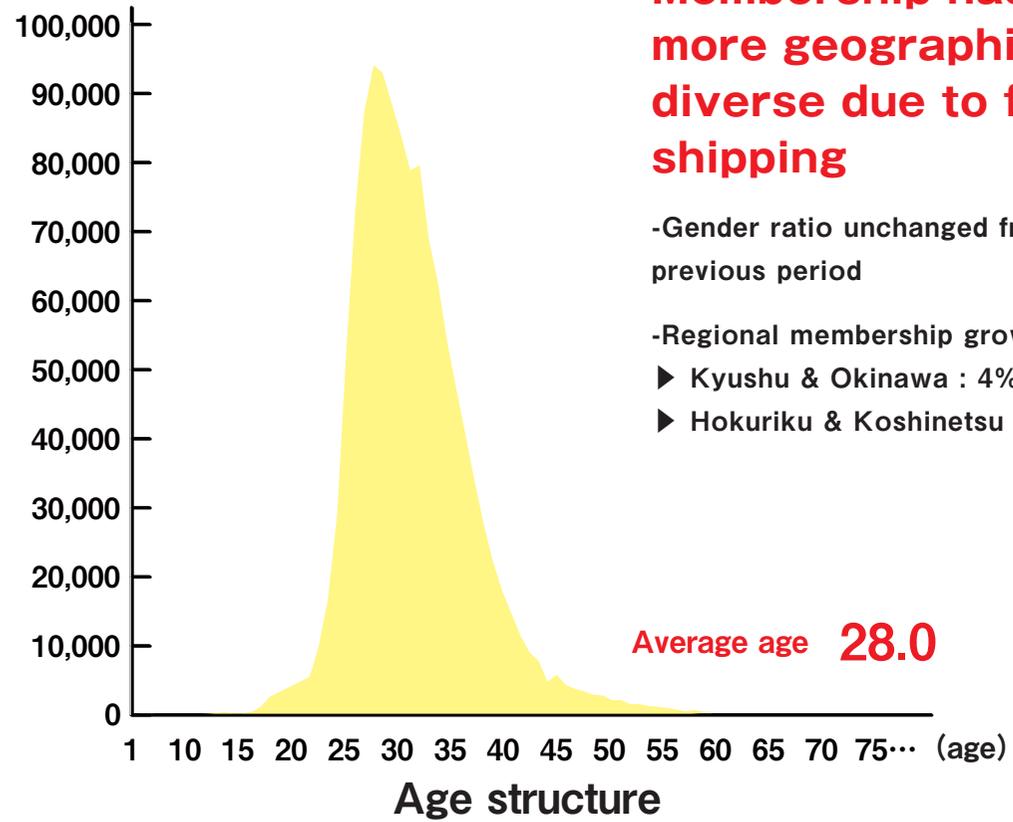


Male / Female



Area

(members)



Membership has become more geographically diverse due to free shipping

-Gender ratio unchanged from previous period

-Regional membership growth

▶ Kyushu & Okinawa : 4%up

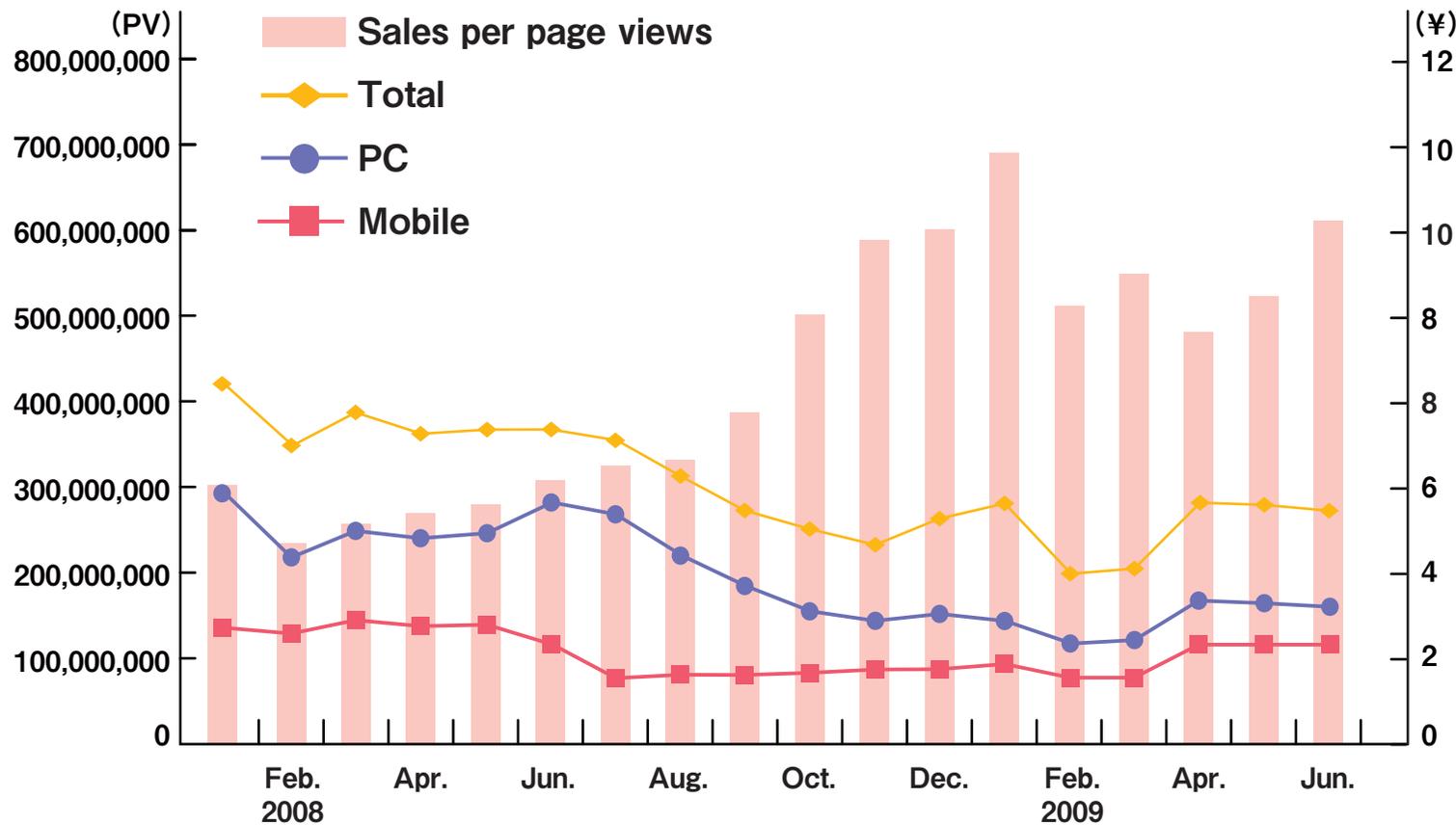
▶ Hokuriku & Koshinetsu : 2%up



2. Achievement Transition



Page Views per Month



Page views up slightly for both PC and mobile

-Sales per page view was up in June due to a promotional sale

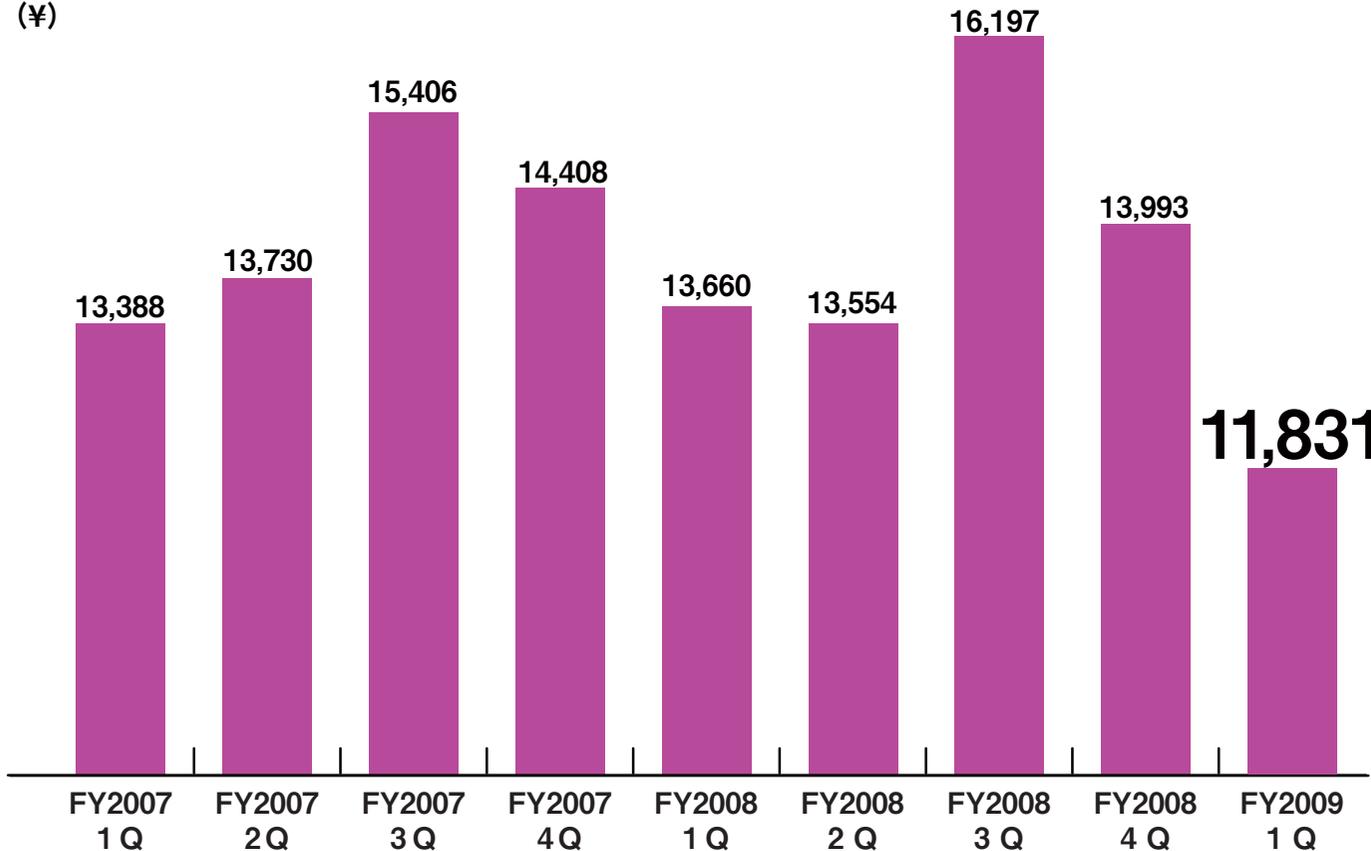


2. Achievement Transition



Average Shipment Value (Quarterly)

Average Shipment Value=
Transaction value of EC Business/Number of shipments
(¥)



Average shipment value lower than same period last year but number of shipments up significantly (see P.19)

-Average shipment value was down slightly because the free shipment offer that commenced in April 1, 2009 attracted purchasers of low-value items

-Proportion of purchases of ¥10,000 or less
▶End of FY2008 period : 34.28%
▶End of 1Q of FY2009 period : 54.21%

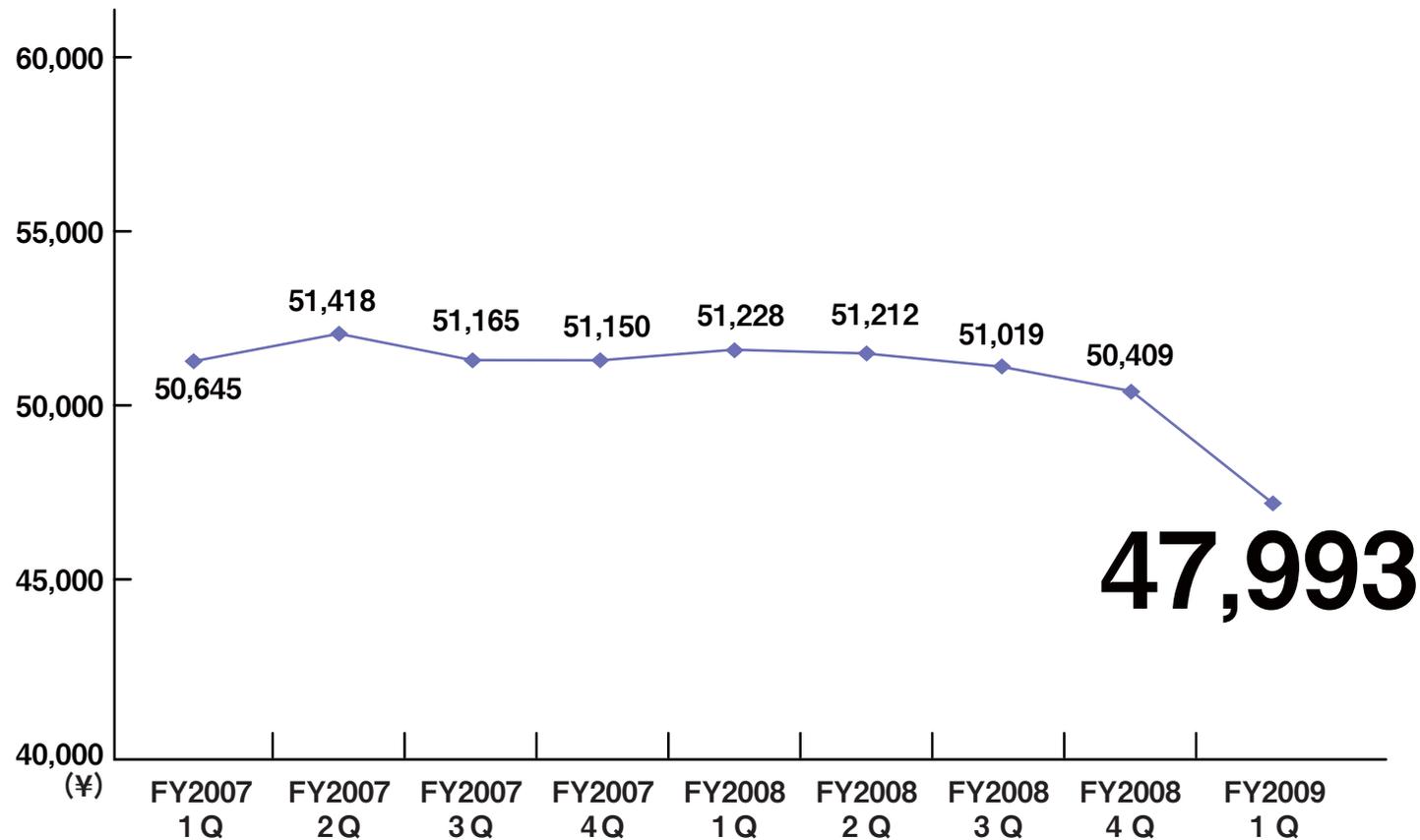
-Product unit value
▶End of FY2008 period : ¥8,186.8
▶End of 1Q of FY2009 period : ¥7,463.9
(End of 1Q of FY2008 period : ¥8161.2)



2. Achievement Transition



Average annual purchase amount per active member



Average yearly purchases per member down due to recent rapid increase in active members

-New members who became active in the last three months (April 1 to June 30, 2009: (18.1%)

Annual purchase amount : ¥17,071

-Other active members (81.9%)

Annual purchase amount : ¥54,823

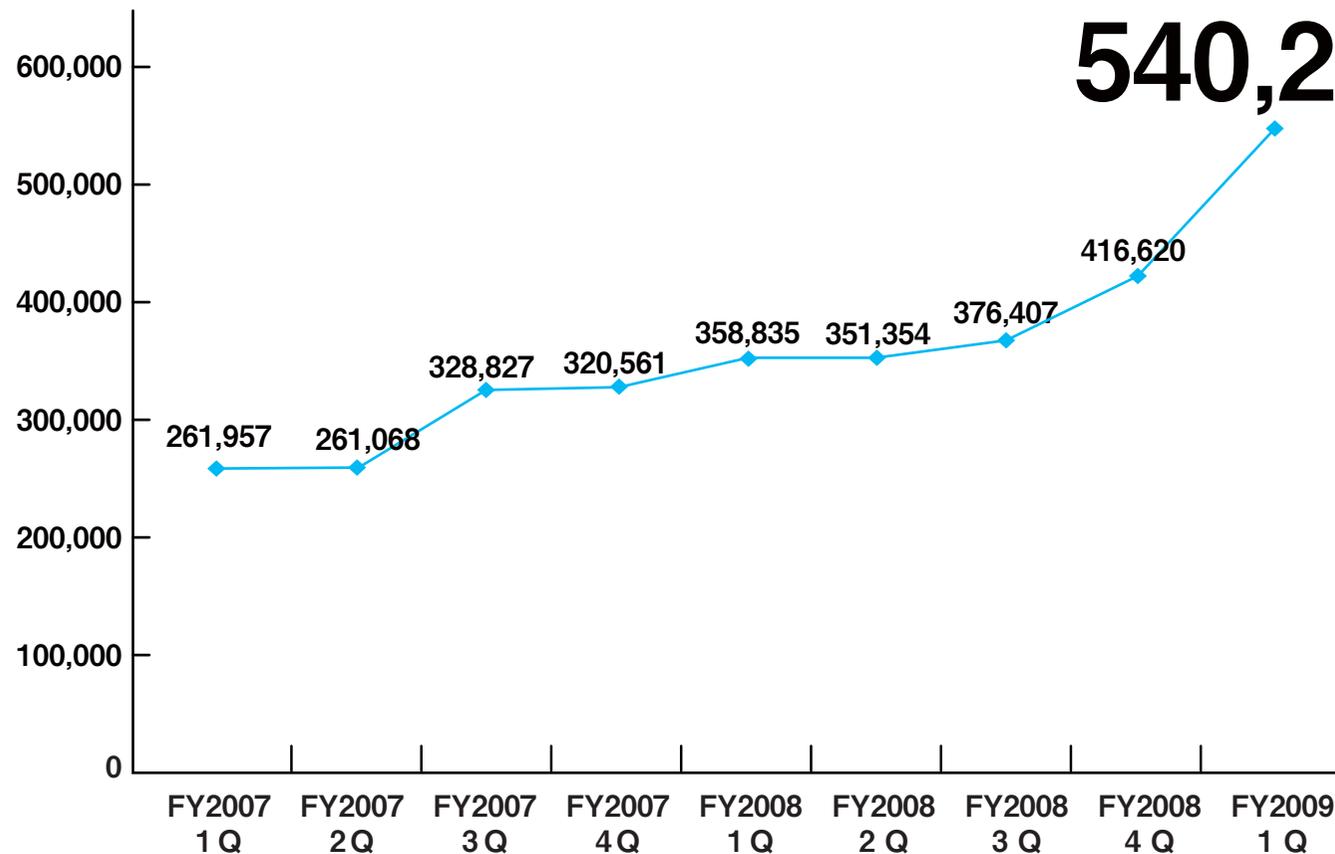


2. Achievement Transition



Number of Shipping

(shipments)



540,253

**Number of shipments
beats last year's record**

-+50.6% year-on-year

-Free shipment has encouraged
customers' desire to purchase



3. Forecast Highlights for Second Quarter FY2009



| Forecast Highlights for Second Quarter FY2009

1. New Projects in the B to B Business

- **ISETAN CO., LTD.**
(Scheduled to open in autumn 2009)
- **UNITED ARROWS LTD.**
(Scheduled to open in autumn 2009)

2. Scheduled New Shop Openings

- **21 new shops are scheduled to open by this second quarter.**



3. Business Forecasts for FY2009



Consolidated Business Forecasts for FY2009

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

Breakdown of net sales

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

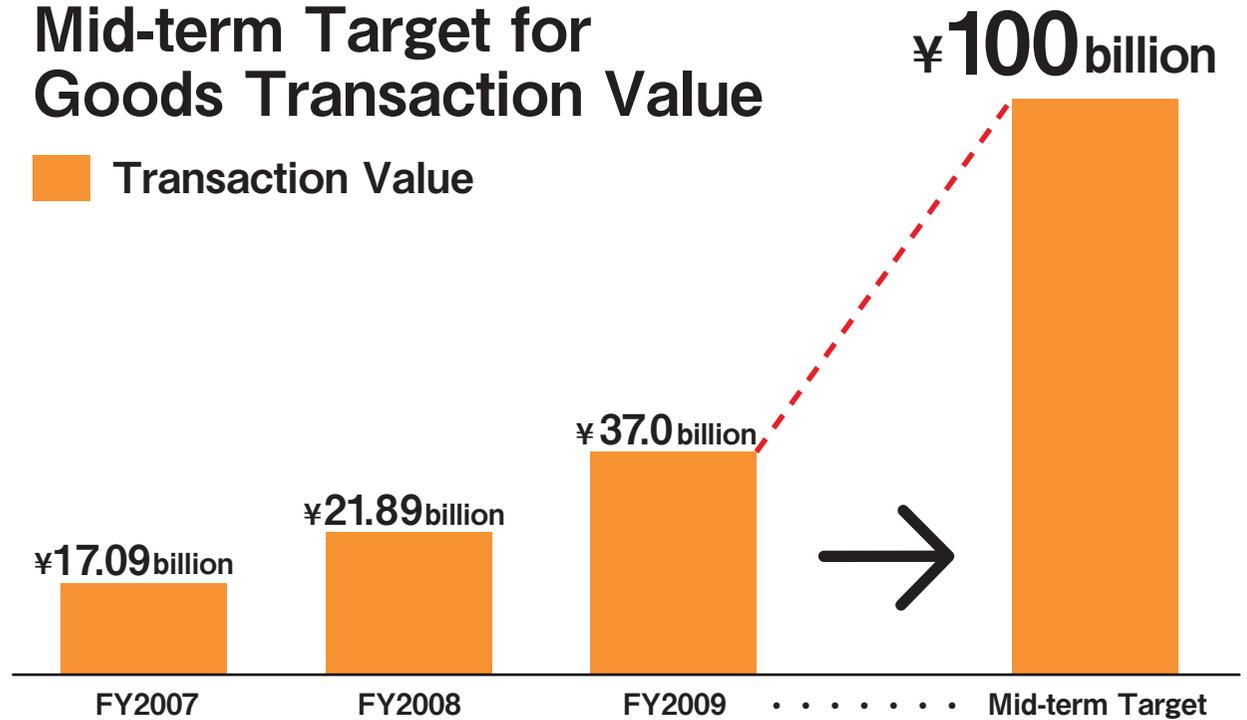
High-Fashion
EC
“ZOZORESORT”



Fashion EC
“START TODAY”

Mid-term Target for Goods Transaction Value

Transaction Value



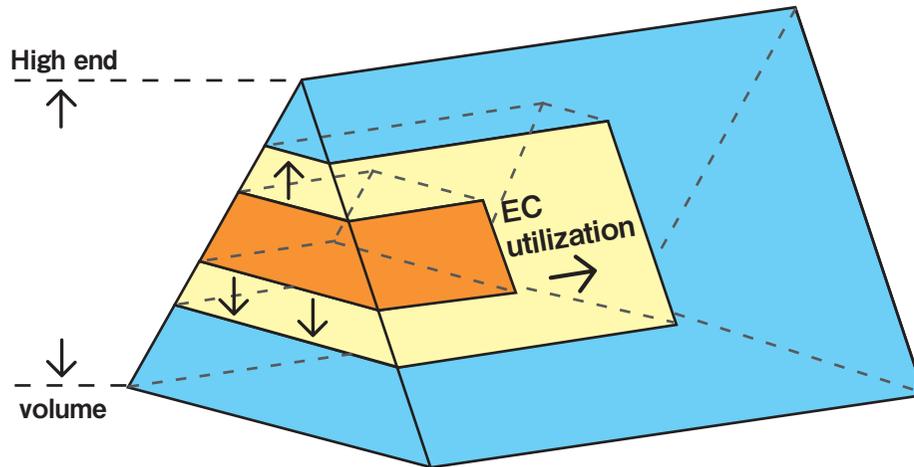
1. Future Strategies



Strategy of Market Expansion

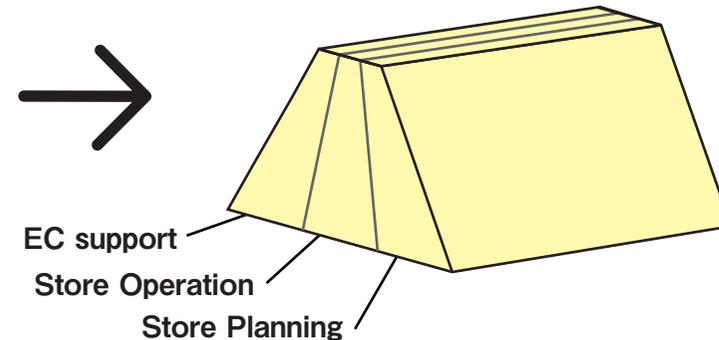
Not only ZOZORESORT expansion is promoted focusing on the fashion EC market but also expansion to various fashion fields is accelerated through EC support.

- 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 : ¥9,000 million
(+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 : ¥26,100 million
(+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 (B to B Business)

Target of Transaction Value : ¥1,900 million

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. ¥0.4 billion → FY2009: ¥1.1 billion

Measures for Expanding the Number of Active Members

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

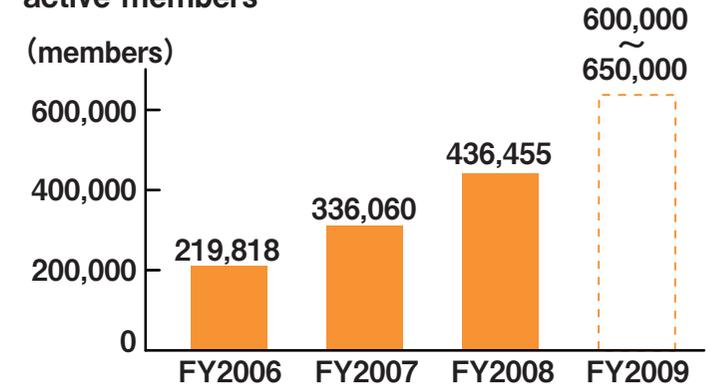
- Retain the other companies' EC users through free shipping charges.
- Advertise actively over the course of the year through web advertisings such as listings and affiliates.
- Make constant approaches to members who have not yet bought anything

Measures for Expanding Annual Payment

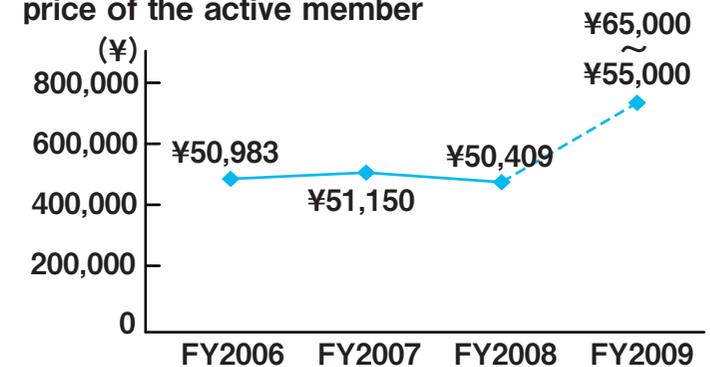
“Let them be a fan, let them remember, and let them visit ZOZORESORT frequently”

- 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



2. Business Plan for FY2009



Forecast for FY2009

		YoY change (%)
Net sales	¥16,300 million	52.4
Transaction value	¥37,000 million	72.0
Ordinary income	¥3,130 million	40.9

Breakdown of Transaction Value

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



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 high-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

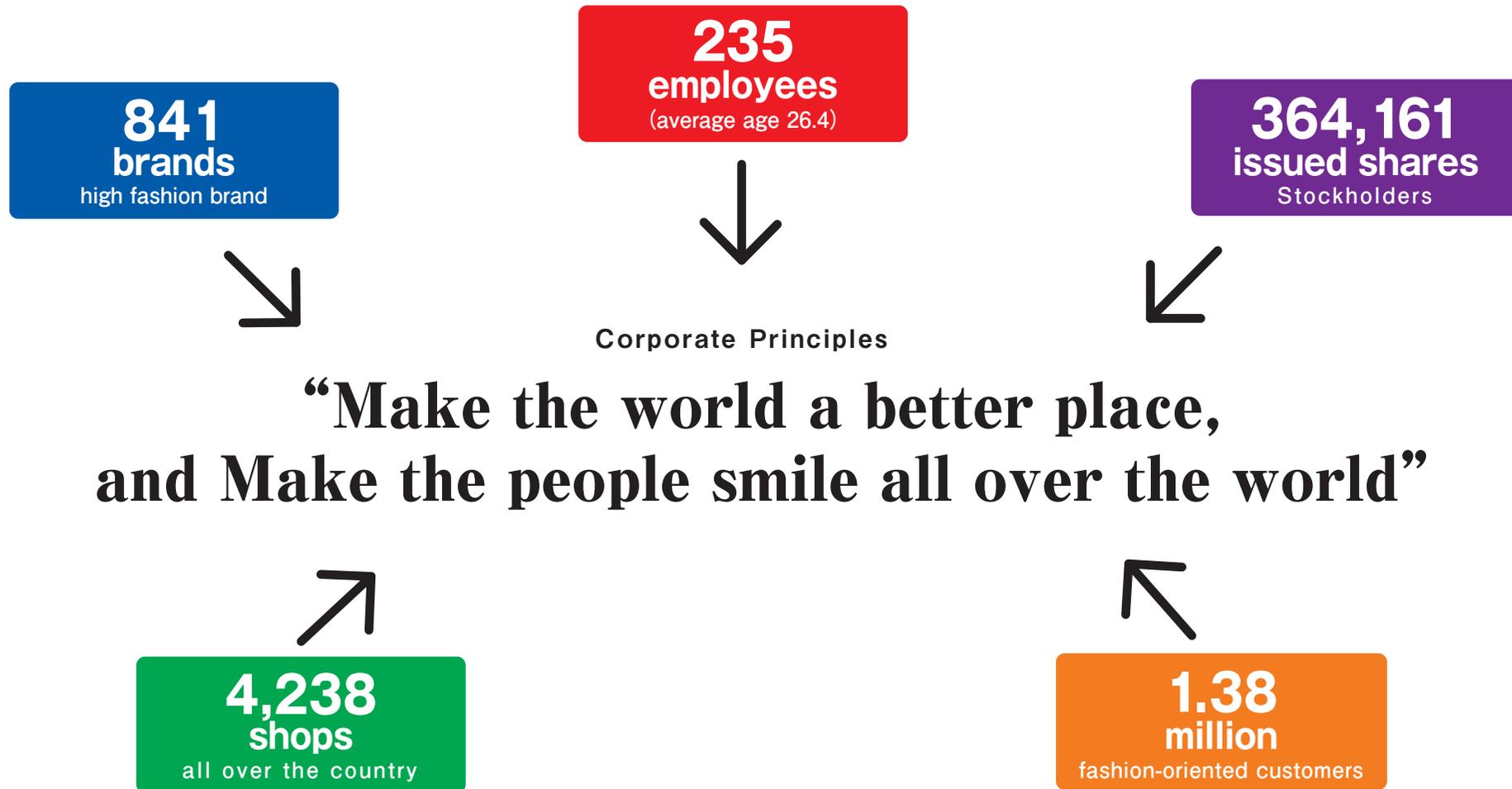
- Everyday problems can be solved in a highly responsive way among users

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 72 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

Manufacturer EC Support : Established a subsidiary in May 2008 (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.

