



START TODAY CO.,LTD.

First-Half FY2009

(April 1, 2009 - September 30, 2009)

Consolidated Business Results

1. Business Performance



Second Quarter FY2009 Highlights

1. Large Growth in Sales and Operating Profits

- Net sales : ¥6,659 million (+37.1% year-on-year)
- Operating income : ¥1,210 million (+23.1% year-on-year)

2. Total Members Surpass 1.5 Million, Strong Growth in Active Members

- Number of members (as of end of September, 2009) : 1,519,877
- Number of active members (as of end of September, 2009) : 545,284 (+61,780 quarter-on-quarter)

3. Rush of New Shop Openings

- July : 4 shops August : 9 shops September : 10 shops
- Breakdown
 - Store Planning & Development Business : 6 shops
(1 shop integrated)
 - Store Operating & Administration Business : 17 shops
 - Total 23 shops

4. Start of E-Commerce (EC) Support for a Large Department Store and an Apparel Brand

- Isetan Company Limited
 - Name of site : ISETAN MENS ONLINE SHOP
 - Open : September 4, 2009
- UNITED ARROWS LTD.
 - Name of site : UNITED ARROWS LTD. ONLINE SHOP
 - Open : September 15, 2009

5. Robust Sales in the Summer Sale

- Sale Results (from July 1, 2009 to August 31, 2009) : ¥1,575 million (+118.5% year-on-year)



1. Business Performance



Overview of the First-Half FY2009

(¥ million)

Item	FY2009 1H (Actual)	FY2008 1H	YoY Change (%)	Budget for FY2009 1H	Compared to budget for the first-half FY2009	
					Change (%)	Reasons for Increase/Decrease
Net sales	6,659	4,857	+ 37.1%	6,262	+ 6.3%	<ul style="list-style-type: none"> • Transaction value: ¥13,930 million (+42.8% YoY) • Improved commission rate due to increasing new shops
Operating income	1,210	983	+ 23.1%	885	+ 36.8%	<ul style="list-style-type: none"> • Increased in operating income due to partially backlogged advertising costs due to efficient acquisition of new members, relative to increasing sales.
Ordinary income	1,219	993	+ 22.8%	890	+ 37.1%	—
Net income	698	563	+ 24.0%	497	+ 40.6%	—

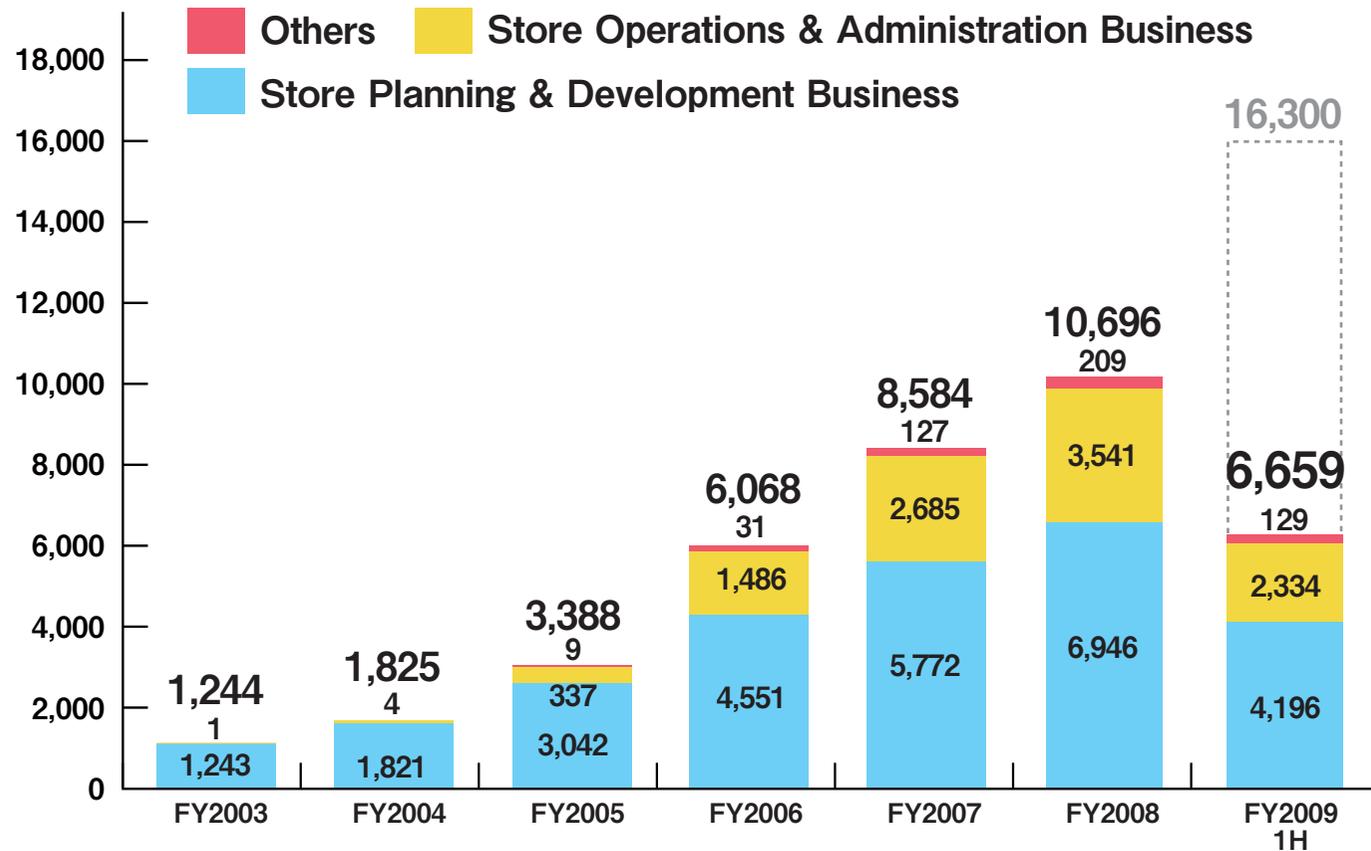


1. Business Performance



Net Sales

(¥ million)



Favorable sales growth

- Budgeted sales were achieved in the first-half
- Rate of progress of budget for the full year: 40.9%
- Significant growth of 37.1% above same quarter in previous year

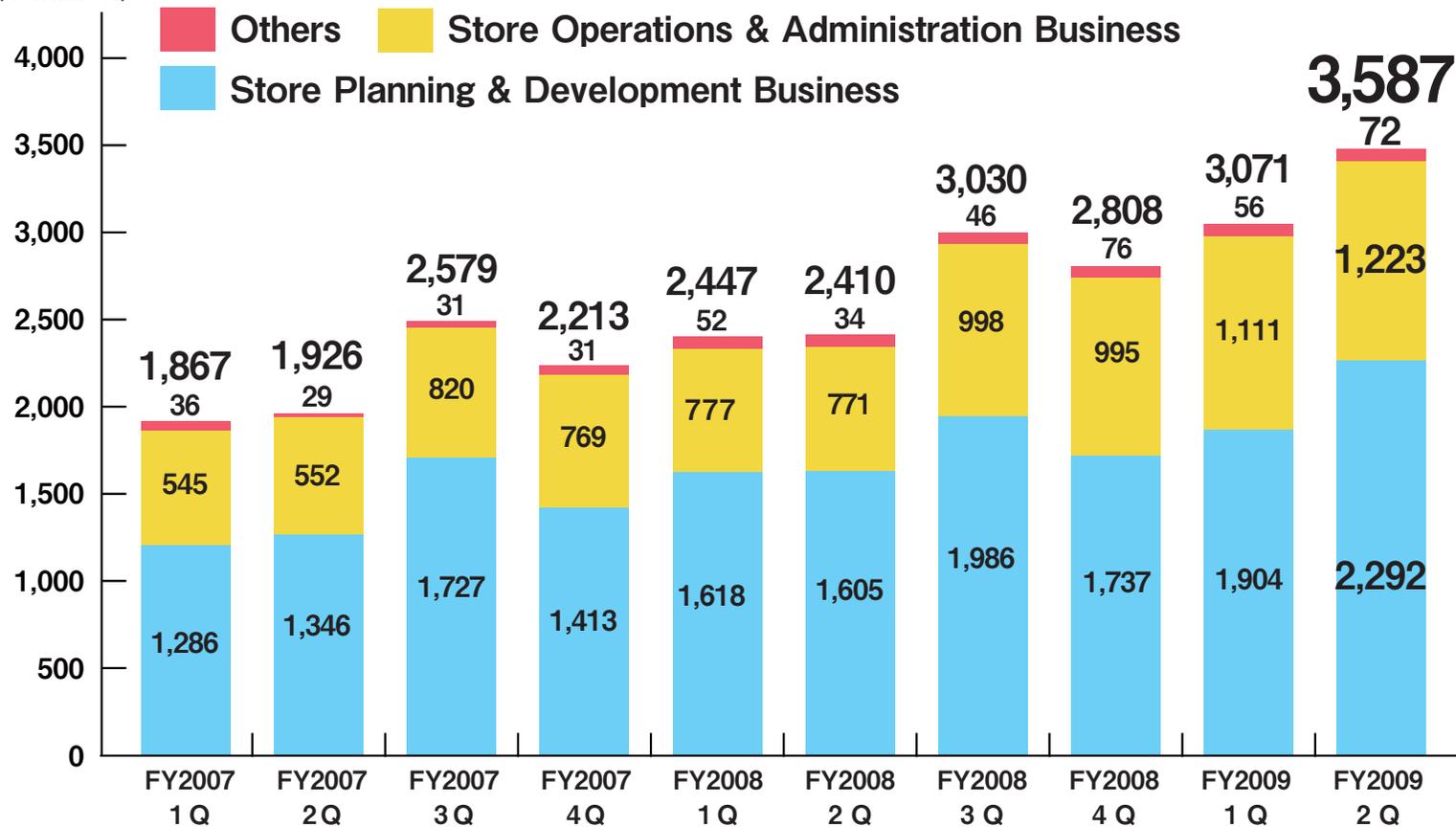


1. Business Performance



Net Sales (Quarterly)

(¥ million)



Record sales achieved

- Year-on-year comparison
- Store Planning & Development Business : +42.8%
- Store Operations & Administration Business : +58.7%

- Improved commission rate due to increasing new shops
- Average of 1Q : 23.7%
- Average of 2Q : 24.2%
- The first-half : 24.0%



1. Business Performance



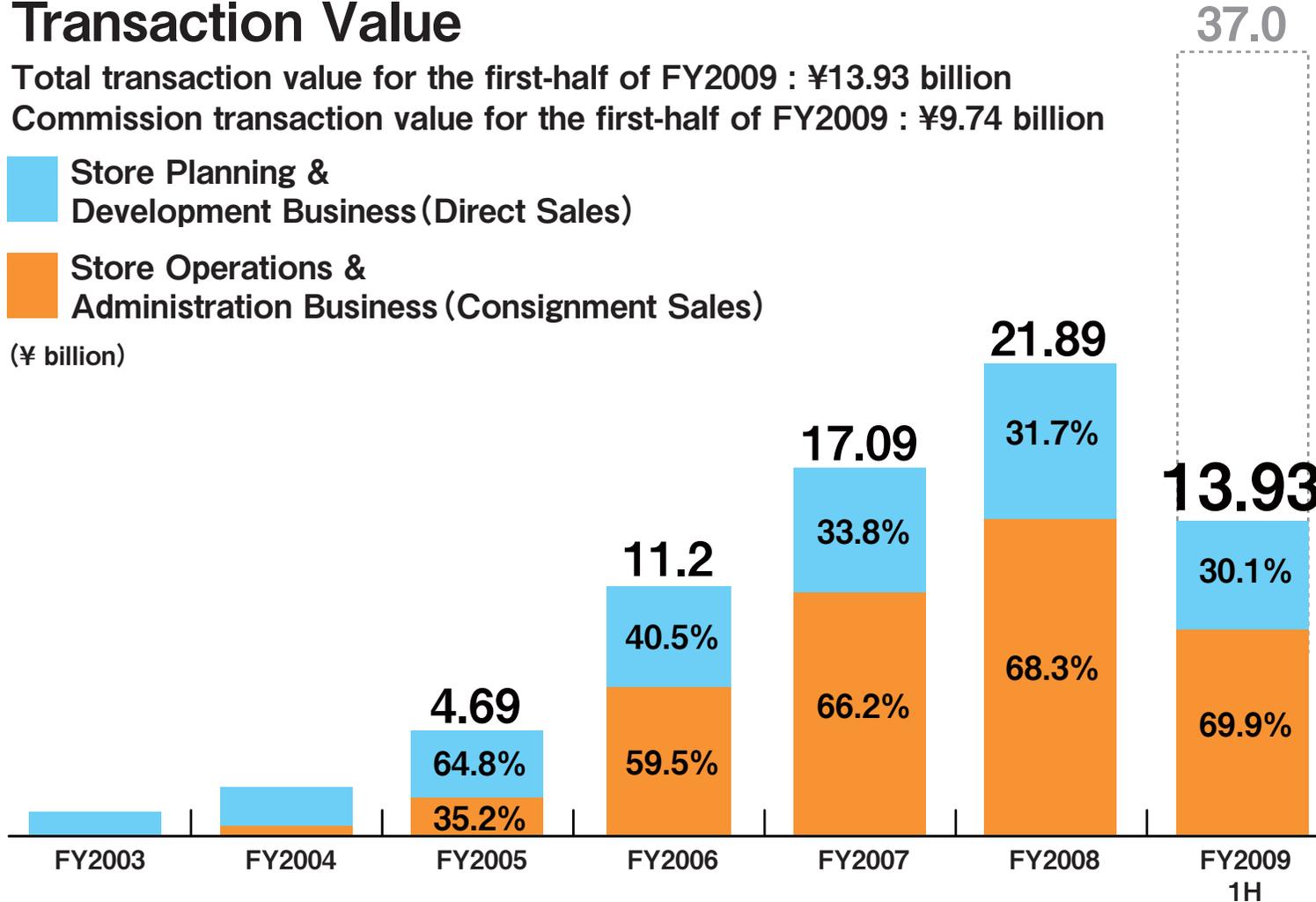
Transaction Value

Total transaction value for the first-half of FY2009 : ¥13.93 billion

Commission transaction value for the first-half of FY2009 : ¥9.74 billion

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

(¥ billion)



Favorable trend in transaction value

- Rate of progress of budget for the full year at the first-half : 37.6%
- B to B transaction value in the first-half (including commission transaction value) : approx.¥310 million (+¥190 million compared to 1Q)
- Total transaction value for new shops in the first-half : approx.¥790 million (+¥590 million compared to 1Q), 5.9% of total transaction value (+2.8% compared to 1Q)



1. Business Performance



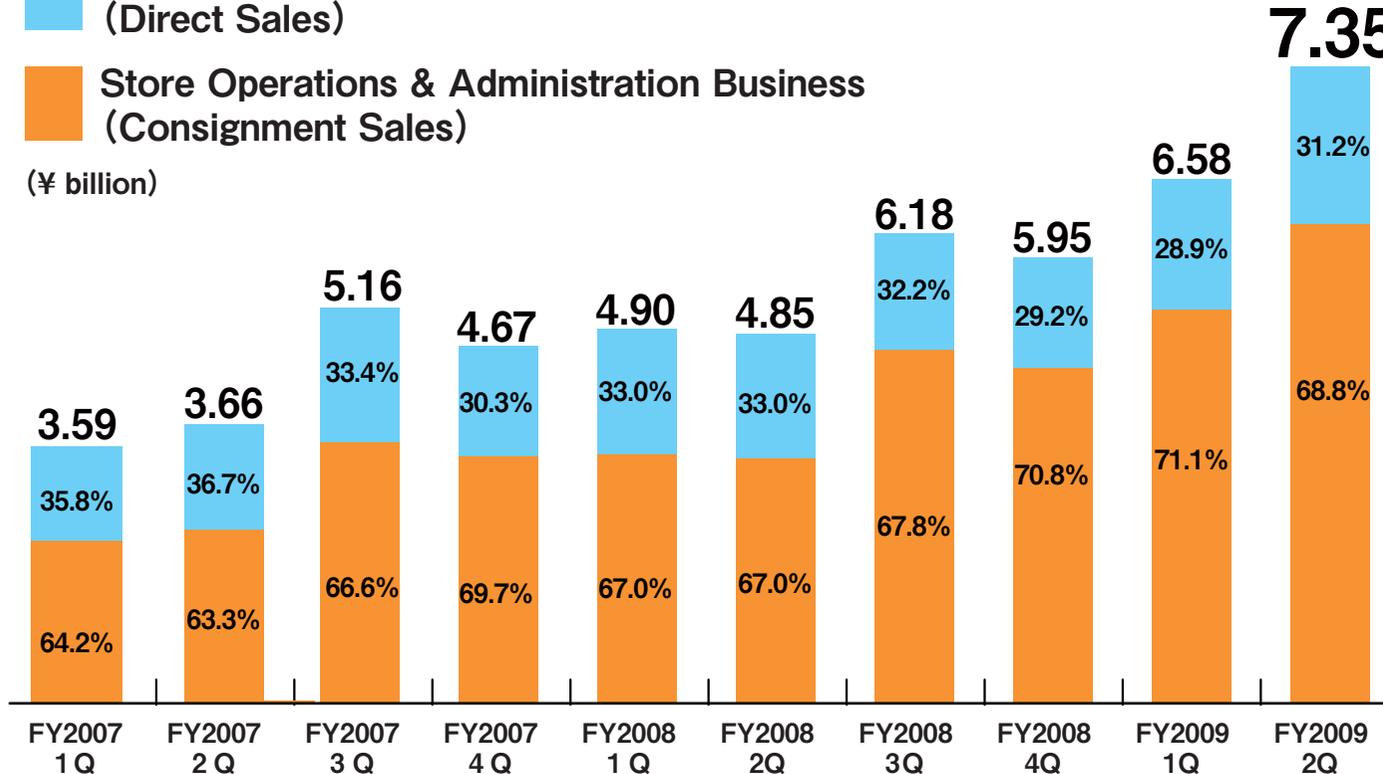
Transaction Value (Quarterly)

Total transaction value for the second-quarter of FY2009 : ¥7.35 billion

Commission transaction value for the second-quarter of FY2009 : ¥5.06 billion

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

(¥ billion)



Record transaction value

- ¥2.5 billion (+51.5%) year-on-year growth
- Increased in transaction value as a result of favorable sales in summer sale and introduction of autumn and winter outfits



1. Business Performance



Selling, General and Administrative Expenses

(¥ million)

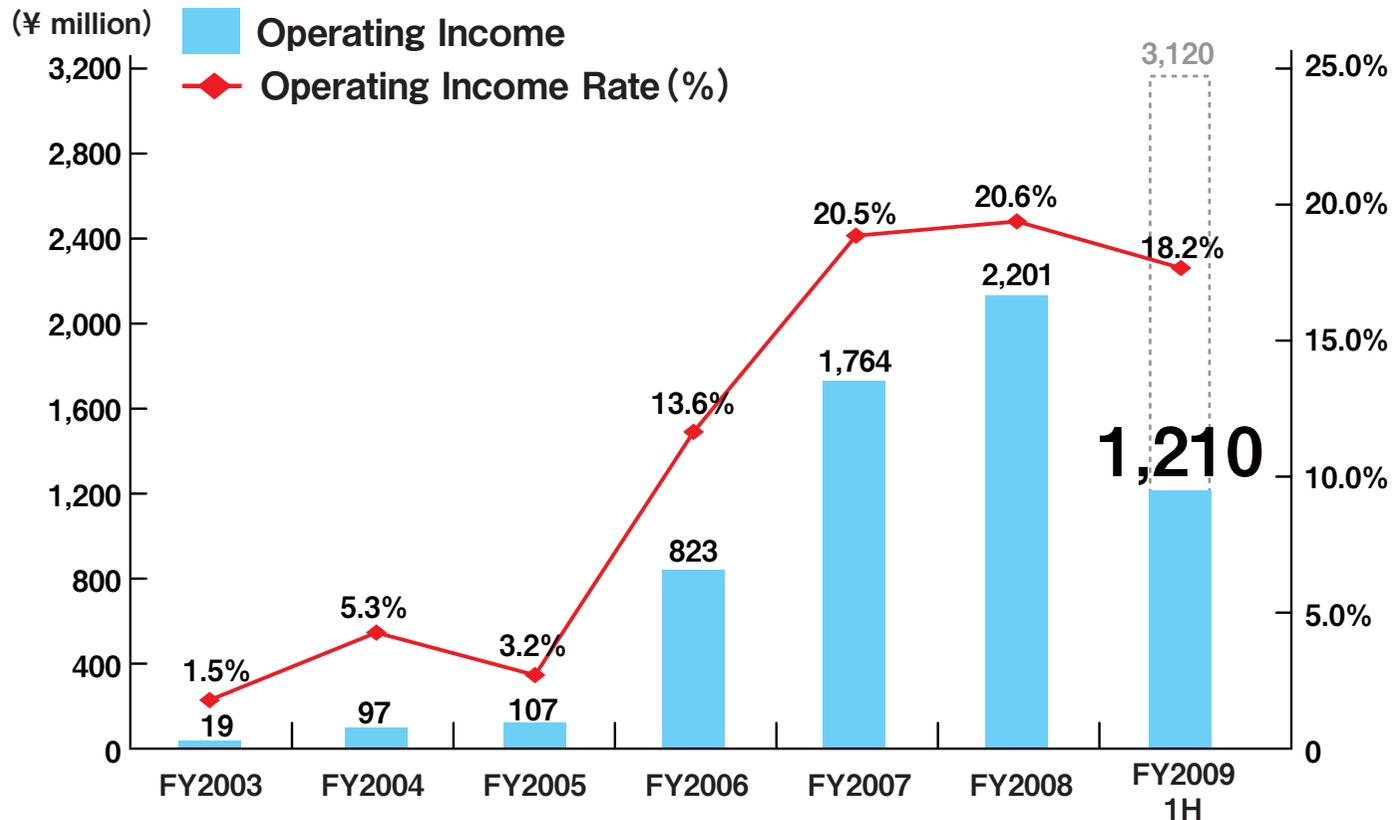
Item	FY2009 1H		FY2008 1H		YoY Change (% Sales)	FY2009 1Q		FY2009 2Q		Change from 1Q	
	Value	% Sales	Value	% Sales		Value	% Sales	Value	% Sales	% Sales	Reasons for Increase/Decrease
Total SG & A	2,749	41.3%	1,940	40.0%	+ 1.3%	1,296	42.2%	1,453	40.5%	- 1.7%	—
Personal Expenses	519	7.8%	427	8.8%	- 1.0%	255	8.3%	264	7.4%	- 0.9%	Relative to increasing transaction value, held down personnel expenditure ratio as a part of rising business efficiency
Shipping & Transportation	401	6.0%	252	5.2%	+ 0.8%	189	6.2%	211	5.9%	- 0.3%	No changed relative to transaction value, but decreased in relative to net sales due to improvement of commission rate
Payment Collection Fees	299	4.5%	225	4.6%	- 0.1%	140	4.6%	158	4.4%	- 0.2%	Reduced prices from August 2009
Advertising & Promotion	304	4.6%	169	3.5%	+ 1.1%	126	4.1%	178	5.0%	+ 0.9%	Active advertising measure for mobile
Outsourcing Fees	140	2.1%	149	3.1%	- 1.0%	60	2.0%	80	2.2%	+ 0.2%	—
Others	1,084	16.3%	715	14.7%	+ 1.6%	523	17.0%	560	15.6%	- 1.4%	- 0.5% rent decrease (decreased in fixed cost ratio) - 0.3% increase in external labor costs



1. Business Performance



Operating Income and Operating Income Rate



Strong growth in operating income

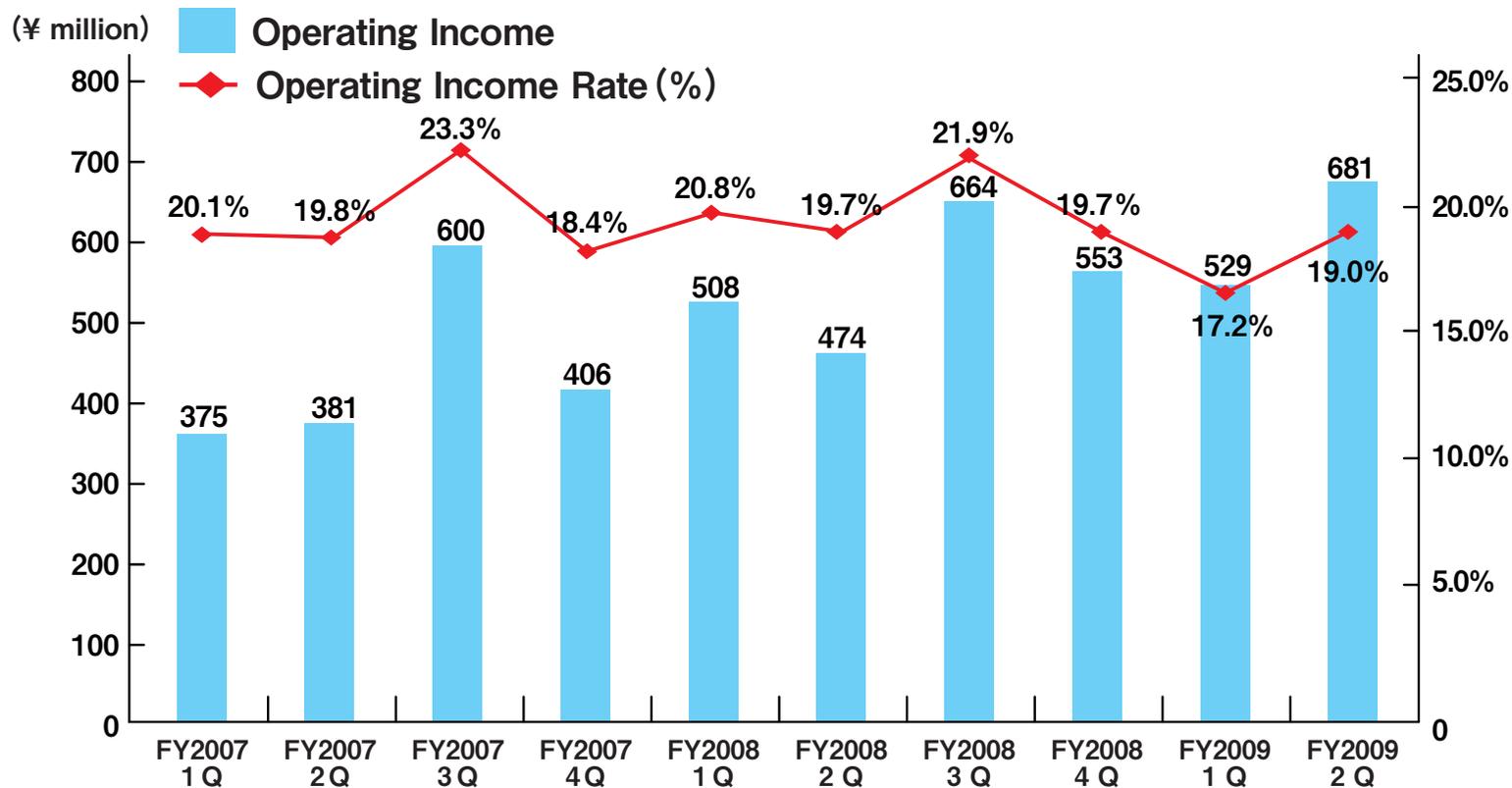
- Rate of progress of budget for the full year : 38.8%



1. Business Performance



Operating Income and Operating Income Rate (Quarterly)



Record profits achieved, although operating income rate slightly down on same period last year

- Despite the higher sales and administration costs due to aggressive use of advertising and sales promotion, increased in operating income rate beyond the target due to improvement of commission rate



1. Business Performance



Cash Flows

(¥ million)

Item	FY2009 1H	FY2008 1H	YoY Change	Reasons for Increase/Decrease
Cash flows from operating activities	597	- 321	285	—
Cash flows from investing activities	- 91	- 169	78	—
Cash flows from financing activities	- 308	- 240	- 68	Payment of dividends
Cash and cash equivalents at end of period	5,310	4,297	1,015	—

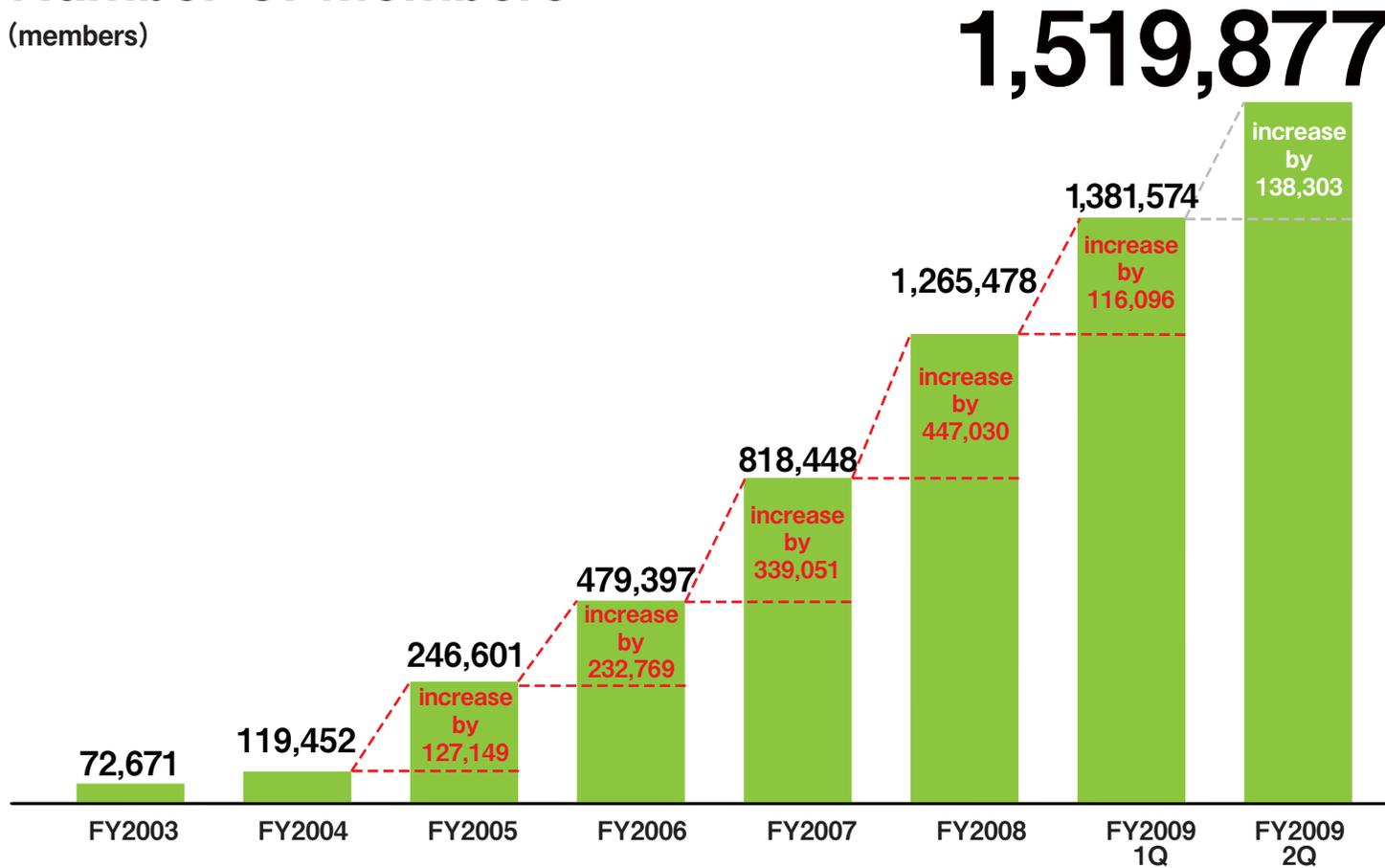


2. Achievement Transition



Number of Members

(members)



Total members surpass 1.5 million

- Target membership level for the second quarter achieved
- Acquired large membership due to a project tied-up with Tower Records Japan Inc., appearance in magazines and effective advertising including such as web advertisings

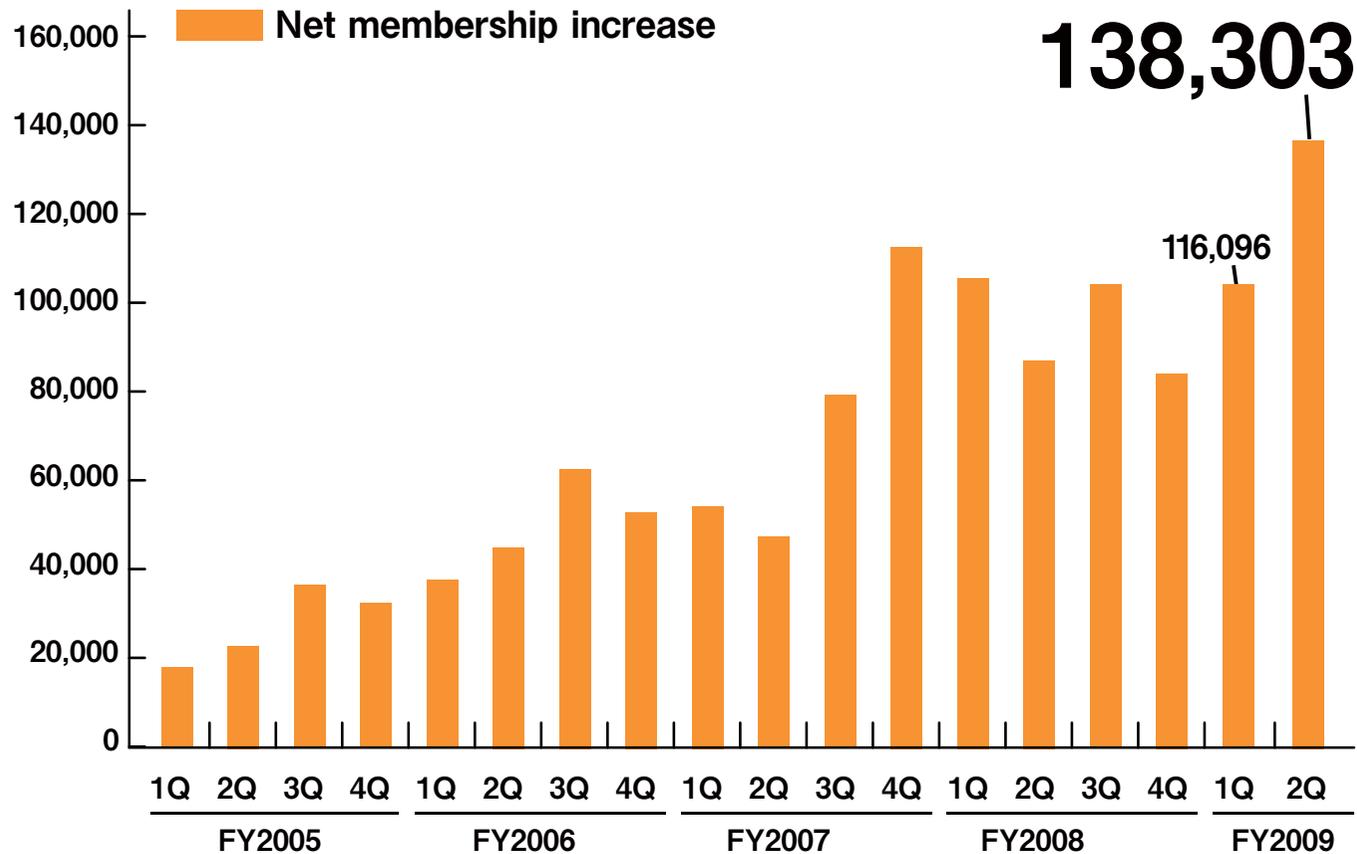


2. Achievement Transition



Net Increase in Members (Quarterly)

(members)



Record growth in new membership

- 54.1% of new members acquired in 2Q become active members



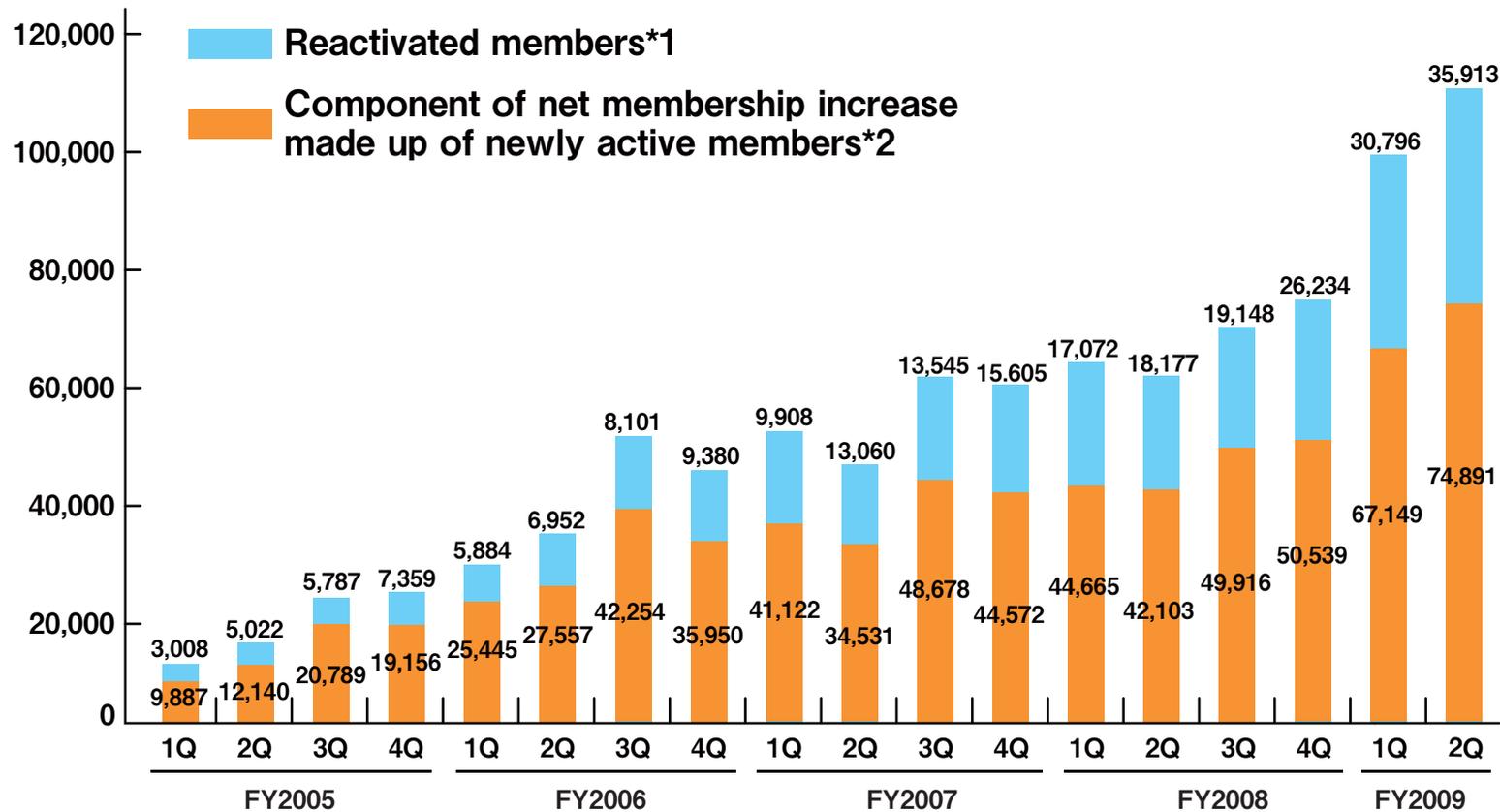
2. Achievement Transition



Net Increase in Active Members

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

(members)



Strong influx of new active members continues from previous quarter

- Favorable growth in reactivated members

*1 Inactive members at the end of previous quarter who become active again in the current quarter

*2 Component of net membership increase made up of newly active members in the current quarter

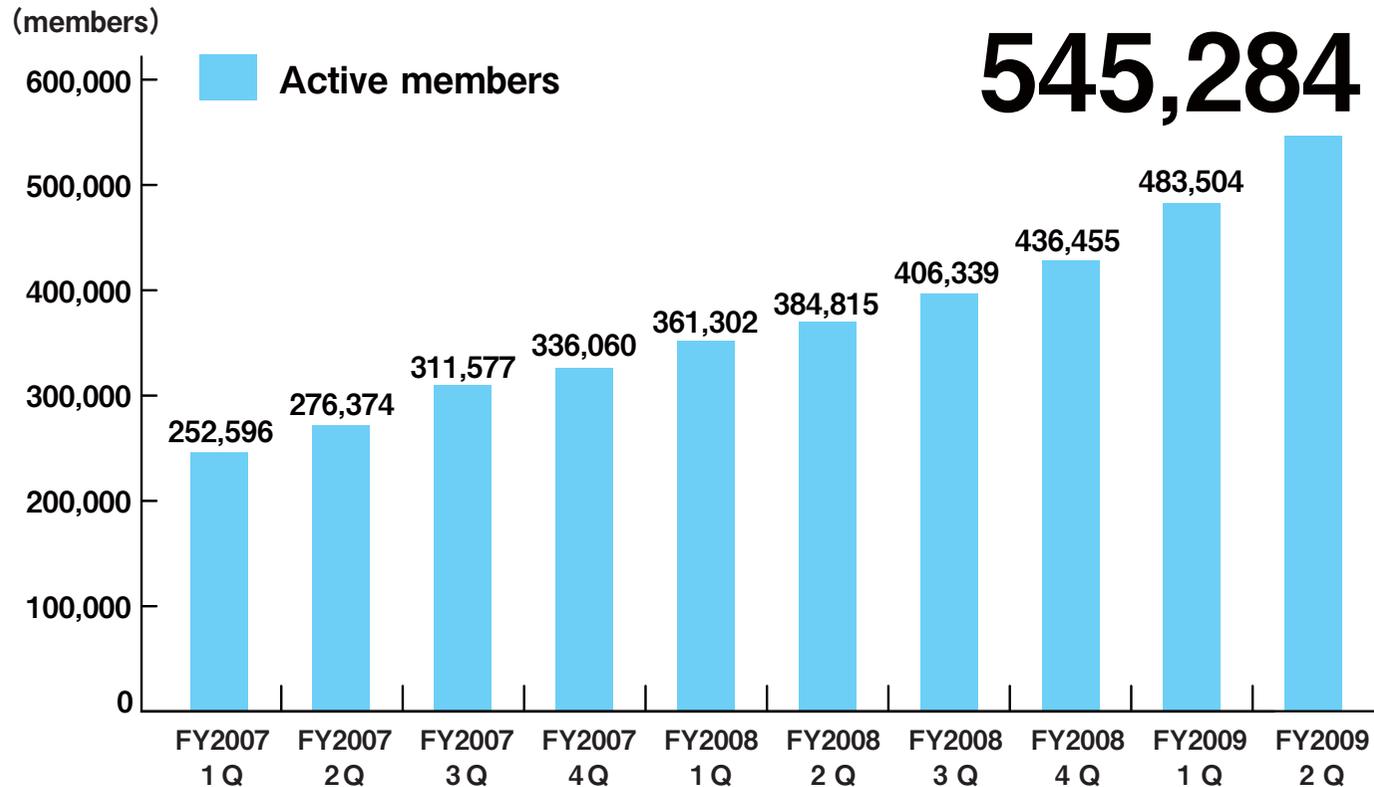


2. Achievement Transition



Number of Active Members (Quarterly)

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



Record growth in active the members continues from previous quarter

-Number of active members increases by 160,469 members year-on-year (+61,780 quarter-on-quarter)

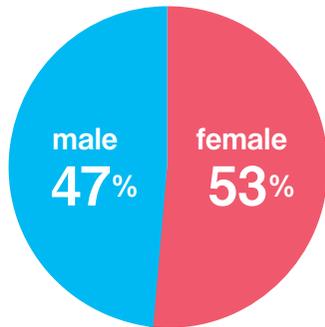


2. Achievement Transition

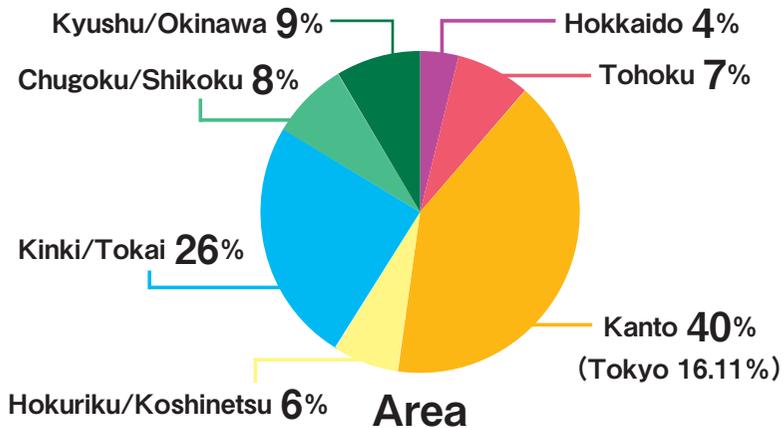


Member Demographics

(As of end of September, 2009)

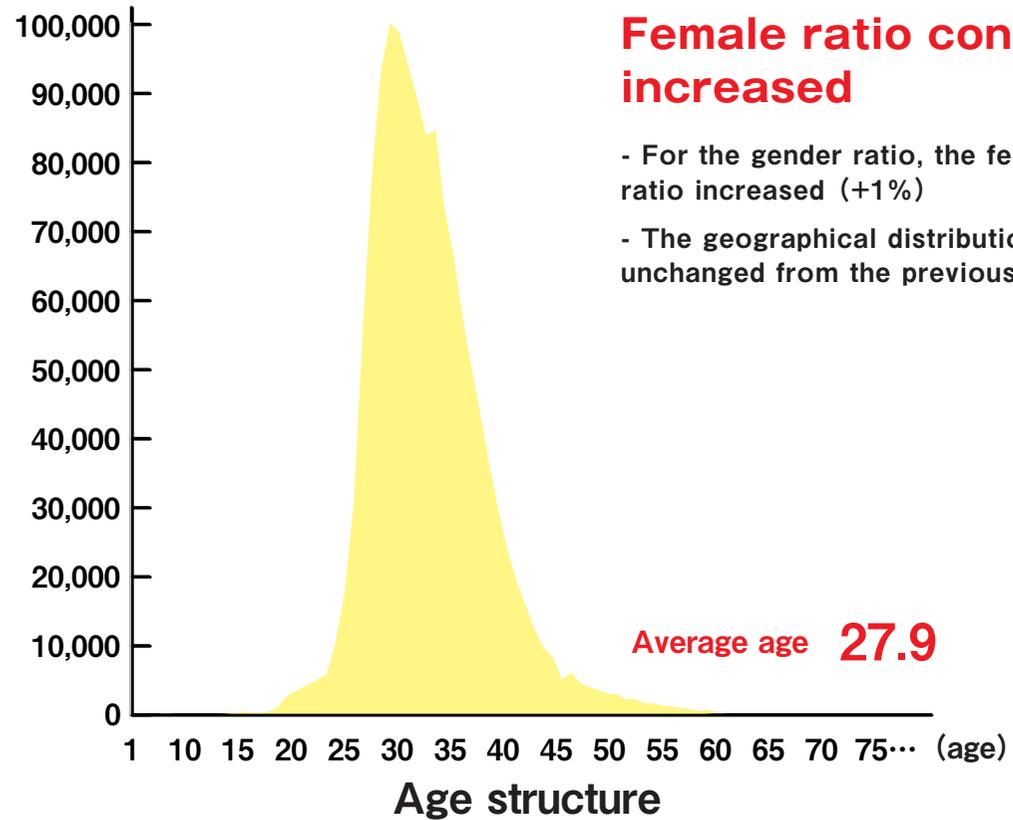


Gender ratio



Area

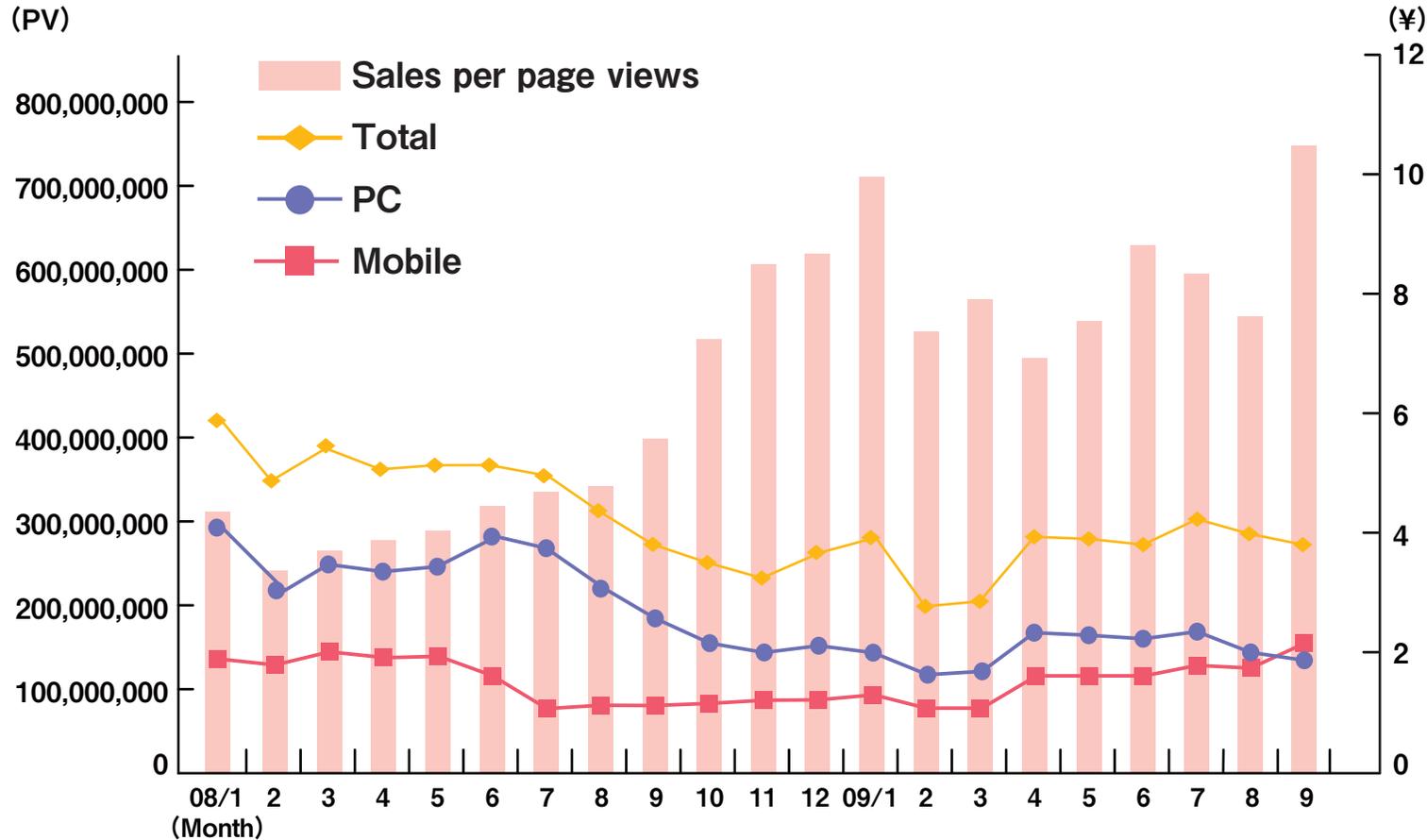
(members)



2. Achievement Transition



Page Views per Month



- Page views up for mobile
- Record sales per page view in September

-Decreased in page views for PC due to improvement of usability
 -Increased in page views for mobile as a result of aggressive mobile advertising measures

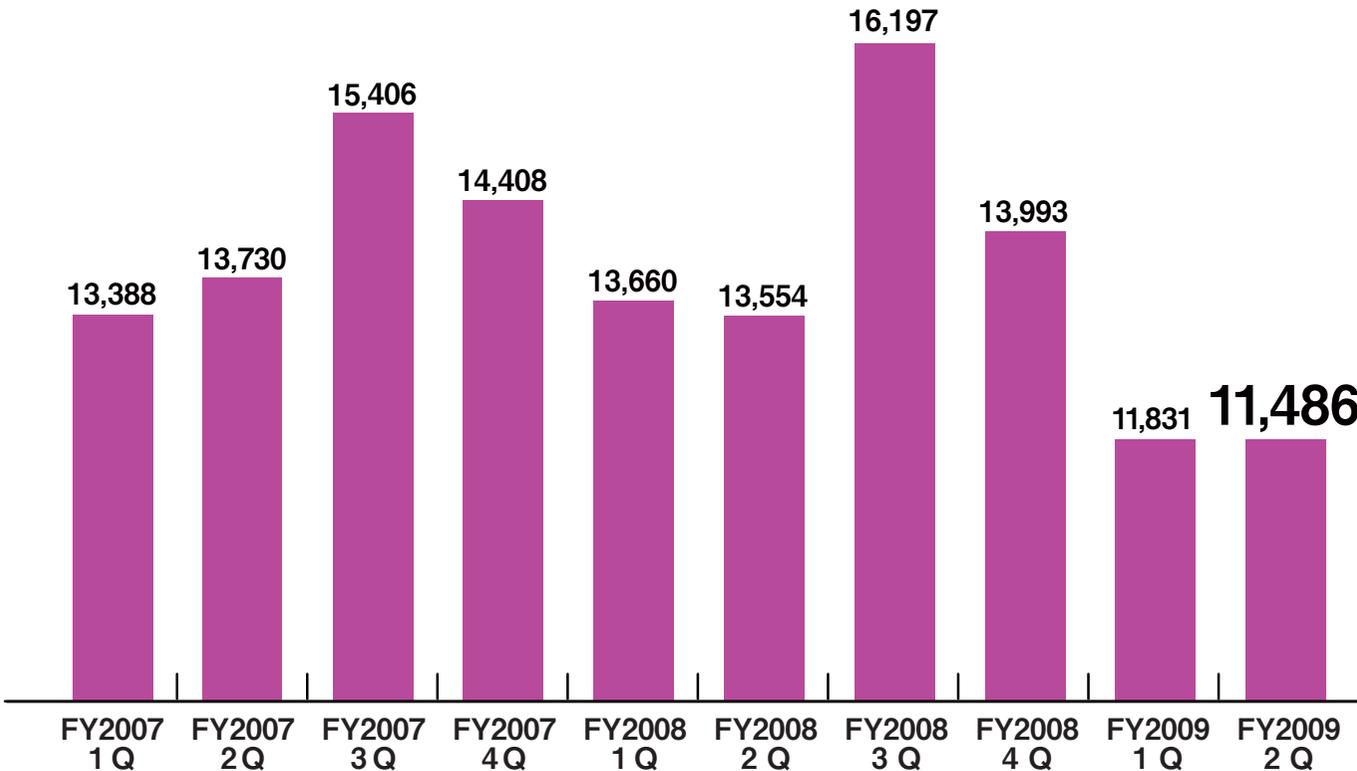


2. Achievement Transition



Average Shipment Value (Quarterly)

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



Average shipment value was down on same period last year, the lowest ever

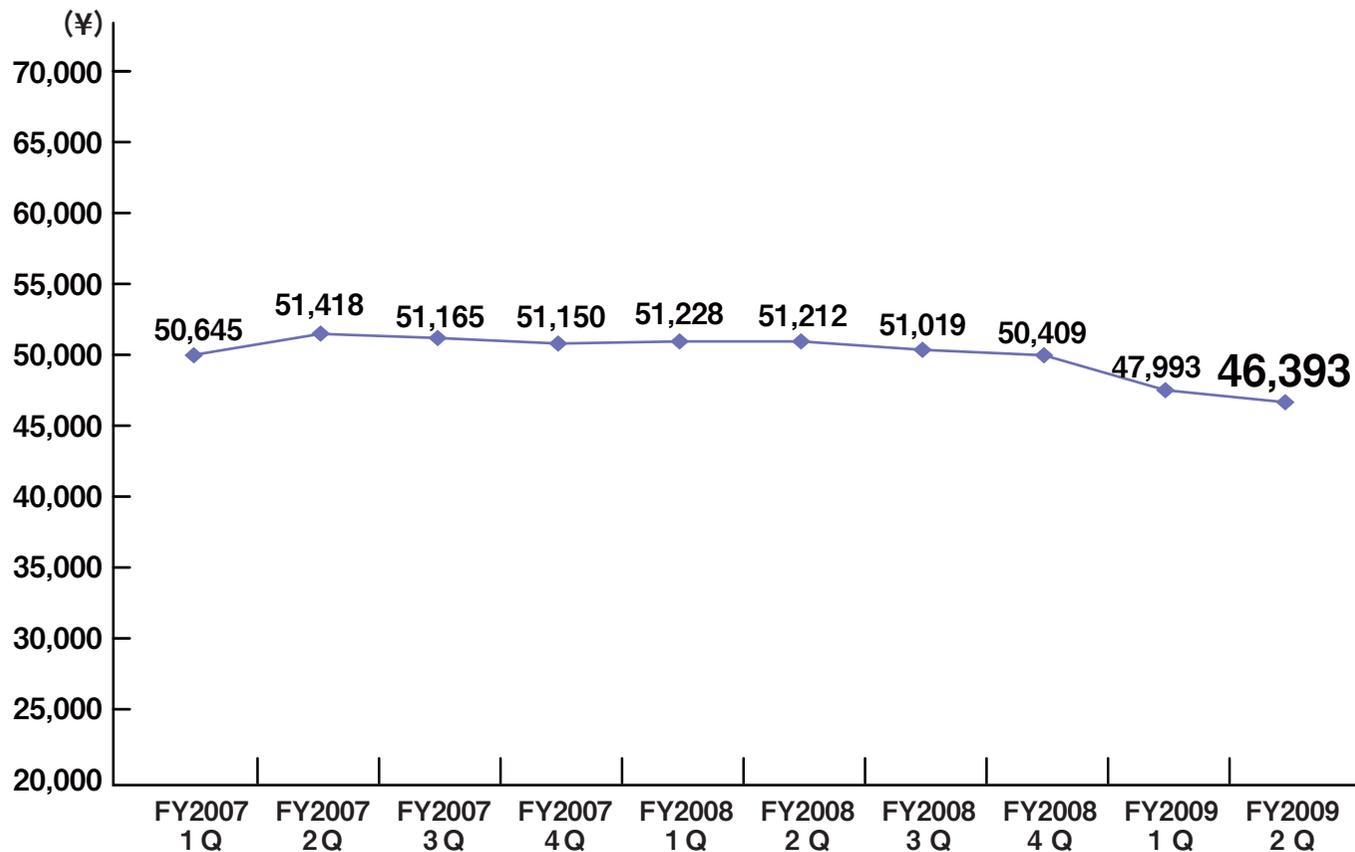
- Average shipment value was down slightly because the free shipment offer that commenced on April 1, 2009 attracted purchasers of low-value items
- Proportion of purchases of ¥10,000 or less
End of 1Q of FY2009 period : 54.2%
End of 2Q of FY2009 period : 55.7%
- Product unit value
 - ▶ End of FY2008 period : ¥8,186.8
 - ▶ End of 1Q of FY2009 period : ¥7,463.9
 - ▶ End of 2Q of FY2009 period : ¥7,574.2



2. Achievement Transition



Yearly average purchased price per active member



Average yearly purchases per member was the lowest due to recent rapid increase in active members

-New active members and reactivated members

2Q new active member and reactivated members : 20.3% (Annual purchase amount : ¥16,244)

Other active members : 79.7% (Annual purchase amount : ¥54,419)

[Year on year comparison]

2Q new active members and reactivated members : 15.7% (Annual purchase amount : ¥19,104)

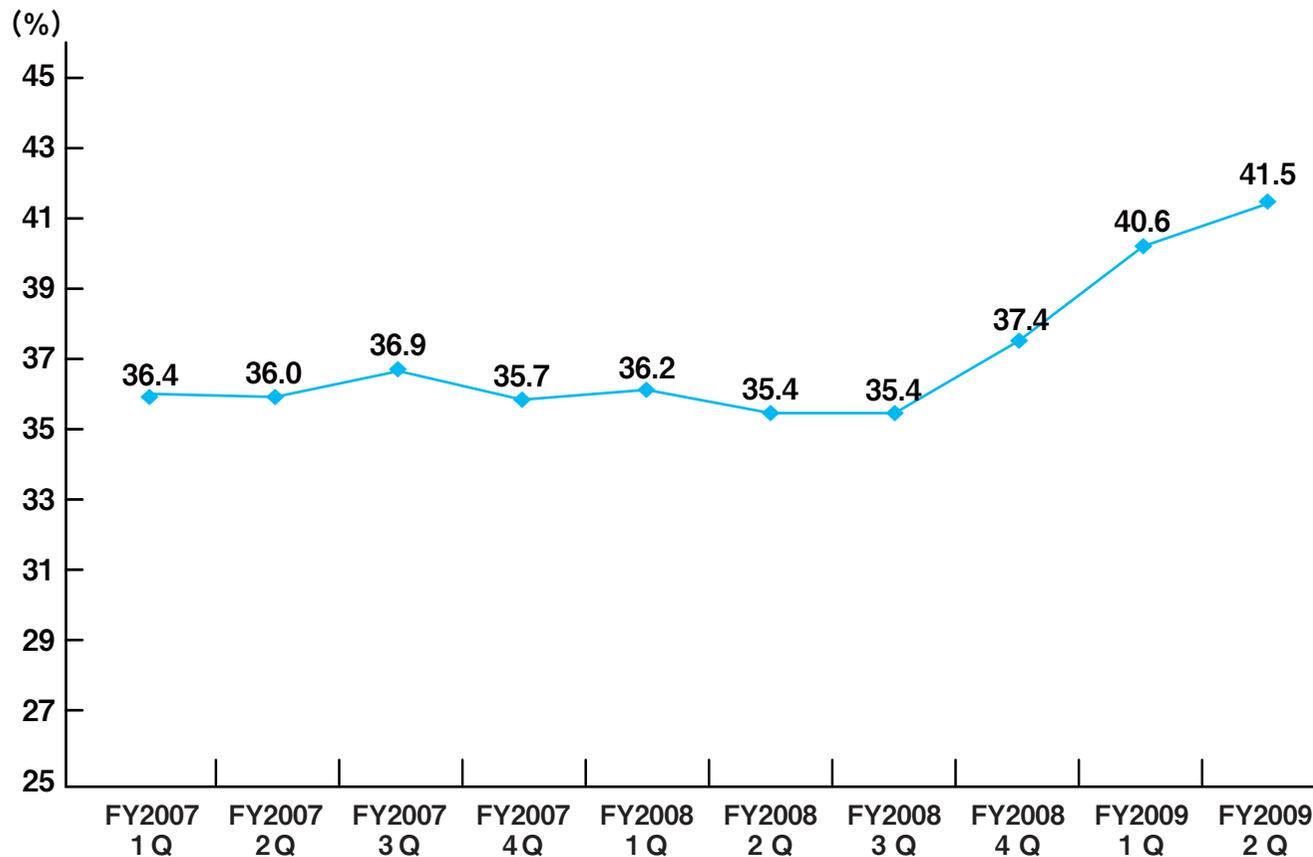
Other active members : 84.3% (Annual purchase amount : ¥55,925)



2. Achievement Transition



Purchase rate*2 of existing active members*1



Strong growth in purchase rate of existing active members, while the ratio of new active members increased

*1 Existing active members: other than new active and reactivated members

*2 Purchase rate of existing active members = Number of existing active members who purchased in current quarter / Number of existing active members

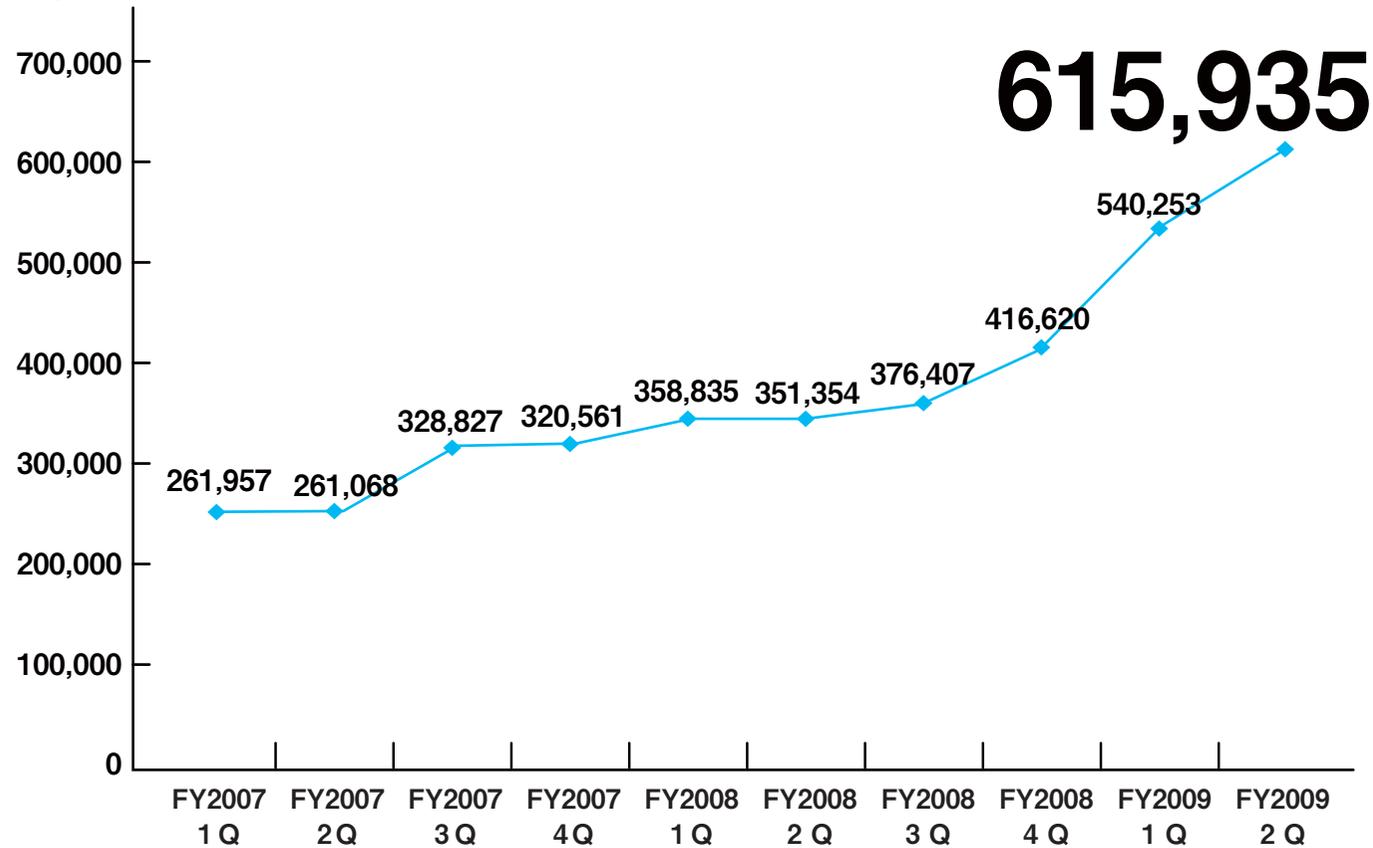


2. Achievement Transition



Number of Shipping

(shipments)



Number of shipments continuously surpasses previous records

- +75.3% year-on-year
- Encouraged customers' desire to purchase
 - ▶ Free shipment
 - ▶ Increasing new shops



2. Achievement Transition



Summary

Record high

- Net sales (Quarterly)
- Transaction value (Quarterly)
- Operating income
- Number of members
- Number of new members (Quarterly)
- Number of new active members
- Number of reactivated members
- Number of active members
- Sales per page view (in September 2009)
- Number of shipping (Quarterly)

Record low

- Average shipment value (Quarterly)
- Yearly average purchased price per active member (Quarterly)



3. Forecast Highlights for Third Quarter FY2009



| Forecast Highlights for Third Quarter FY2009

1. New Project in the B to B Business

- ONWARD KASHIYAMA Co., Ltd. “ONWARD CROSSET”
(Scheduled to open on December 1, 2009)

2. Scheduled New Shop Openings

- Store Planning & Development Business :
2 new shops are scheduled to open
- Store Operation & Administration Business :
17 new shops are scheduled to open

3. Scheduled a large promotion for men and ladies

4. Introduction of premium membership system

5. Reinforcement of recommendation function and mail magazines



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 Transaction Value

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**

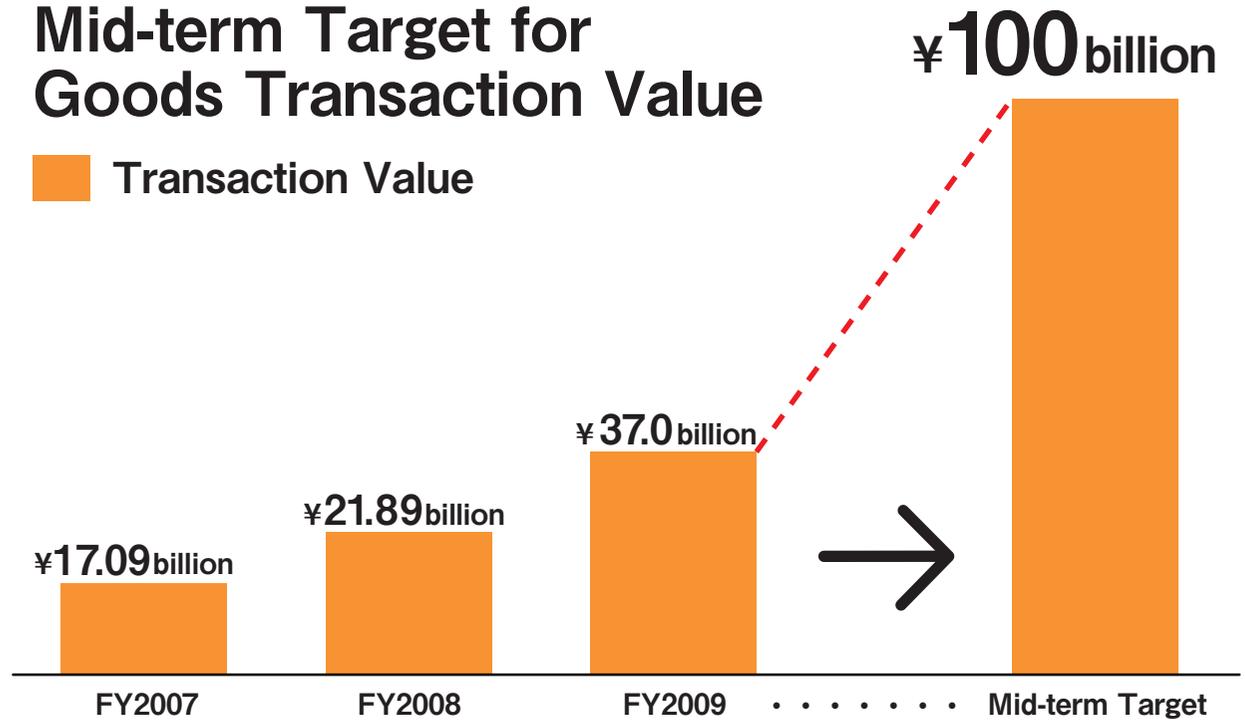
High-Fashion
EC
“ZOZORESORT”



Fashion EC
“START TODAY”

Mid-term Target for Goods Transaction Value

Transaction Value



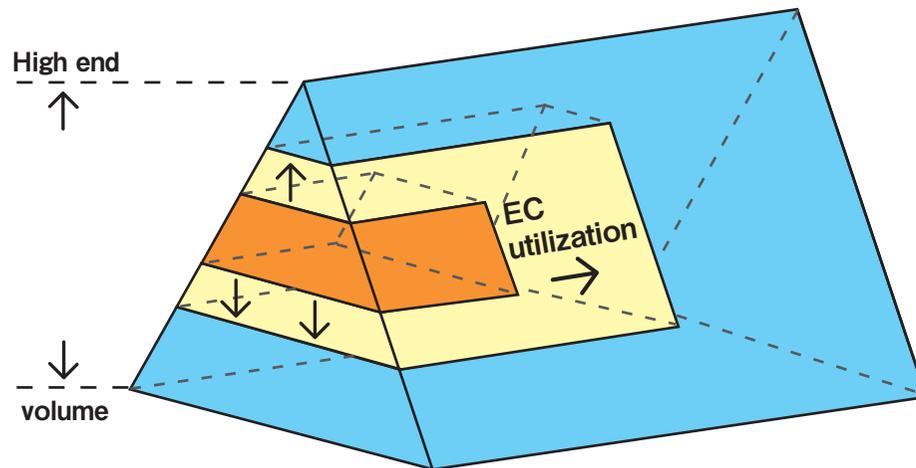
1. Future Strategies



Strategy of Market Expansion

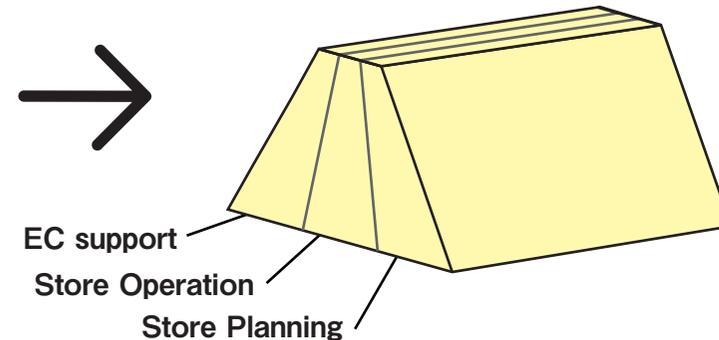
Not only ZOZORESORT expansion is promoted focusing on the fashion EC market but also expansion to various fashion fields is accelerated through EC support.

- 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 (BtoB 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”

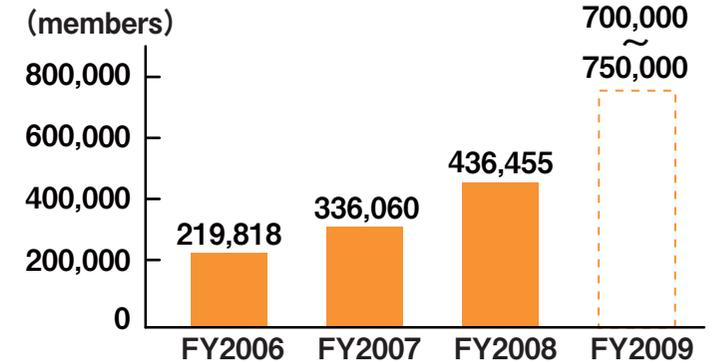
- Retain the other companies' EC users through free shipping charges.
- Advertise actively over the course of the year through web advertisings such as listings and affiliates.
- Make constant approaches to members who have not yet bought anything

Measures for Expanding Annual Payment

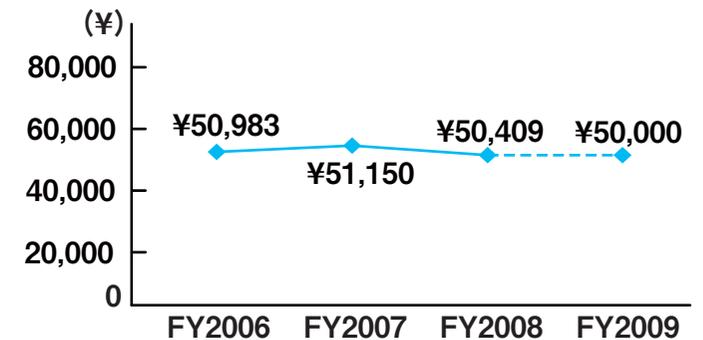
“Let them be a fan, let them remember, and let them visit ZOZORESORT frequently”

- 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-sense Fashion

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



1. Business Outline



A summary and a characteristic of each service

ZOZOTOWN

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

ZOZONAVI

- Over 4,374 real-life apparel shops introduction
- Variety of information from shops
 - ex. over 90,081 photos of coordinated styles recommended by shops
- Gathering customers from real-life shops (Induce customers by search navigation)

ZOZOGALLERY

- PC and mobile 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

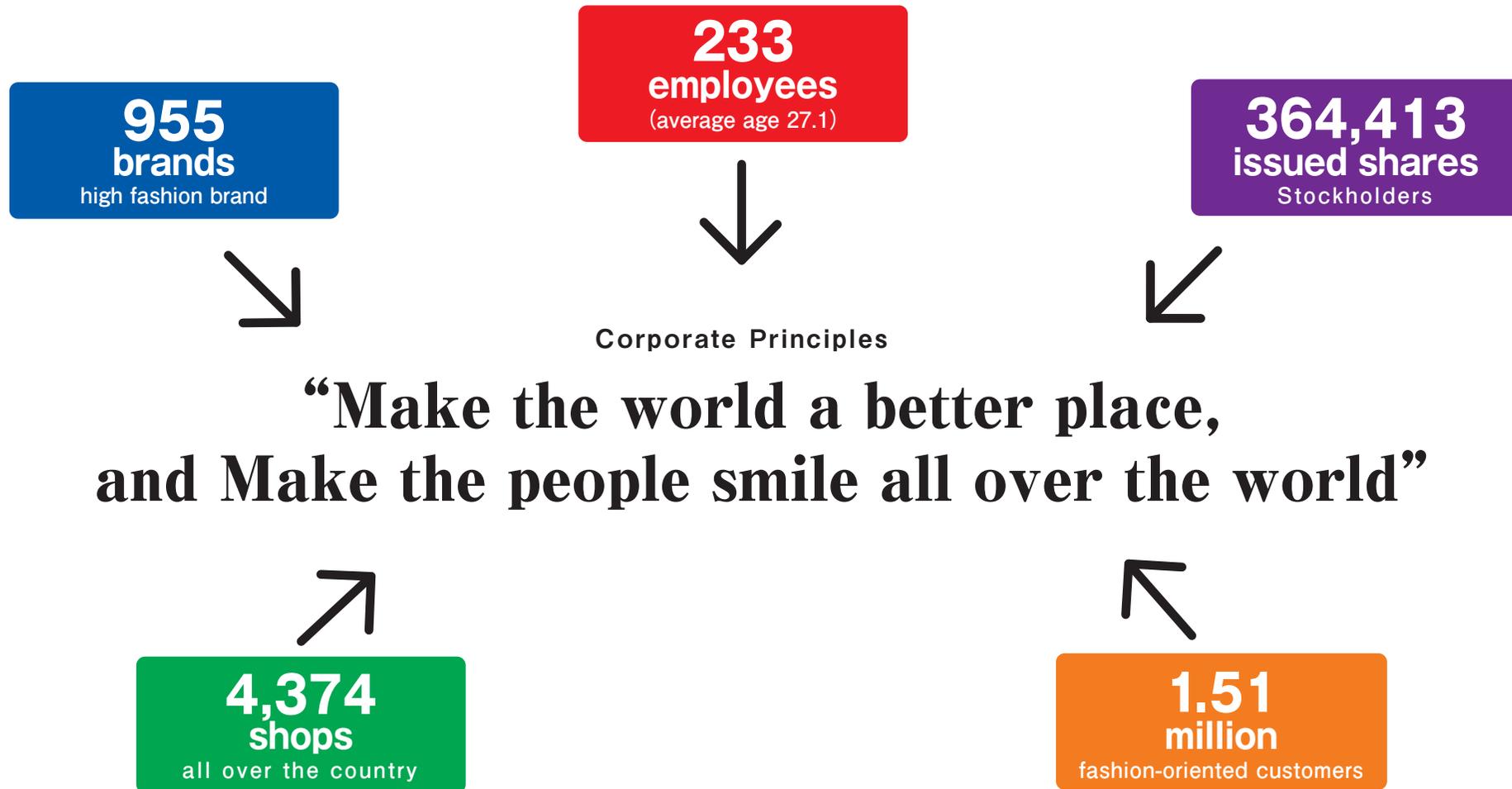
- Everyday problems can be solved in a highly responsive way among users

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 (Direct Sales)

Operating 39 original online shops, such as “EPROZE,” “QUNIEE” etc., in ZOZOTOWN :
Purchases goods from brand manufacturers for its own inventory

Sales = Transaction value on each shops

Store Operation & Administration Business (Consignment Sales)

Operating 89 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.

