



START TODAY CO.,LTD.

Third Quarter FY2009
(April 1, 2009 - December 31, 2009)

Consolidated Business Results

1. Business Performance



Third Quarter FY2009 Highlights

1. Large Growth in Sales and Operating Profits

- Sales for the first 3Qs : ¥11,617 million (+47.3% year-on-year)
- Operating income for the first 3Qs : ¥2,101 million (+27.5% year-on-year)

2. Total Members Surpass 1.7 Million, Strong Growth in Active Members

- Number of members : 1,761,951 (+242,074 quarter-on-quarter)
- Number of active members : 648,932 (+103,648 quarter-on-quarter)

3. Rush of New Shop Openings

- October : 7 shops November : 3 shops December : 9 shops
- Breakdown
 - Store Planning & Development Business : 2 shops
 - Store Operating & Administration Business : 17 shops
 - Total 19 shops (1 shop closed)

4. Start of E-Commerce (EC) Support for an Apparel Brand

- ONWARD KASHIYAMA Co., Ltd.
Name of site : ONWARD CROSSET
Opened : December 1, 2009

5. Build Recognition through Large Promotions

- Issued “ZOZOMOOK” magazine
 - Men’s edition : 35,000 copies
 - Ladies edition : 50,000 copies
- Aired TV commercials on two stations in seven areas (December and January)

6. Initiation of “ZOZOPREMIUM” Service

- Successfully retained prime members



1. Business Performance



Overview of the First Three Quarters of FY2009

(¥ million)

Item	FY2009 First 3Qs	FY2008 First 3Qs	YoY Change (%)	Budget for FY2009	Percent Completion of Budget for FY2009	Reasons for Increase/Decrease
Net sales	11,617	7,888	+ 47.3%	16,300	71.3%	<ul style="list-style-type: none"> • Transaction value: ¥24.7 billion (+55% YoY) • Improved commission rate due to increasing new shops
Operating income	2,101	1,647	+ 27.5%	3,120	67.3%	<ul style="list-style-type: none"> • On a budget due to aggressive injection of advertising costs
Ordinary income	2,113	1,661	+ 27.2%	3,130	67.5%	Receipt of interest
Net income	1,201	952	+ 26.1%	1,750	68.7%	—

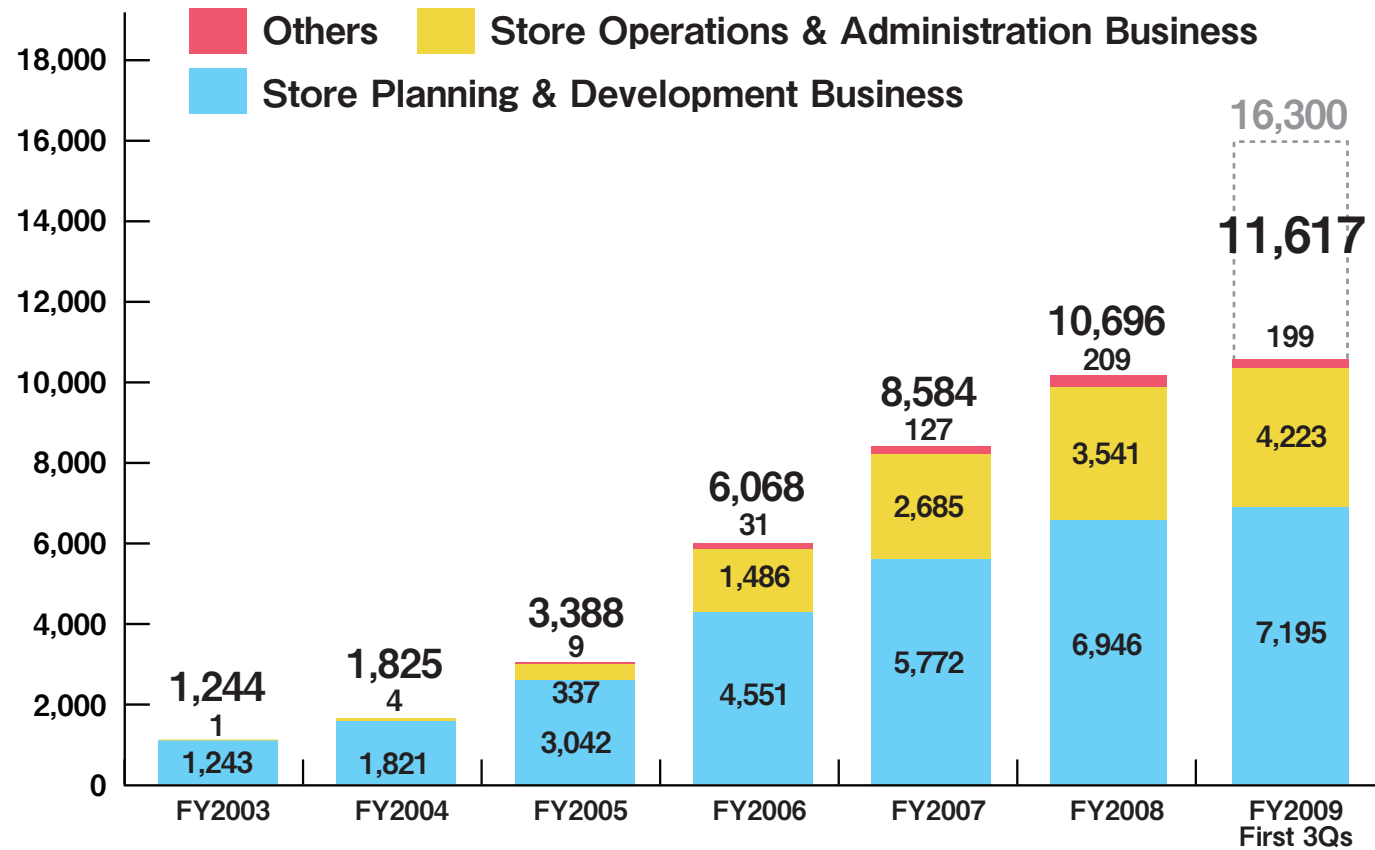


1. Business Performance



Net Sales

(¥ million)



Strong sales growth

- Budgeted sales were achieved in the first 3Qs
- Rate of progress of budget for the full year: 71.3%
- Significant growth of 47.3% above same quarter in previous year

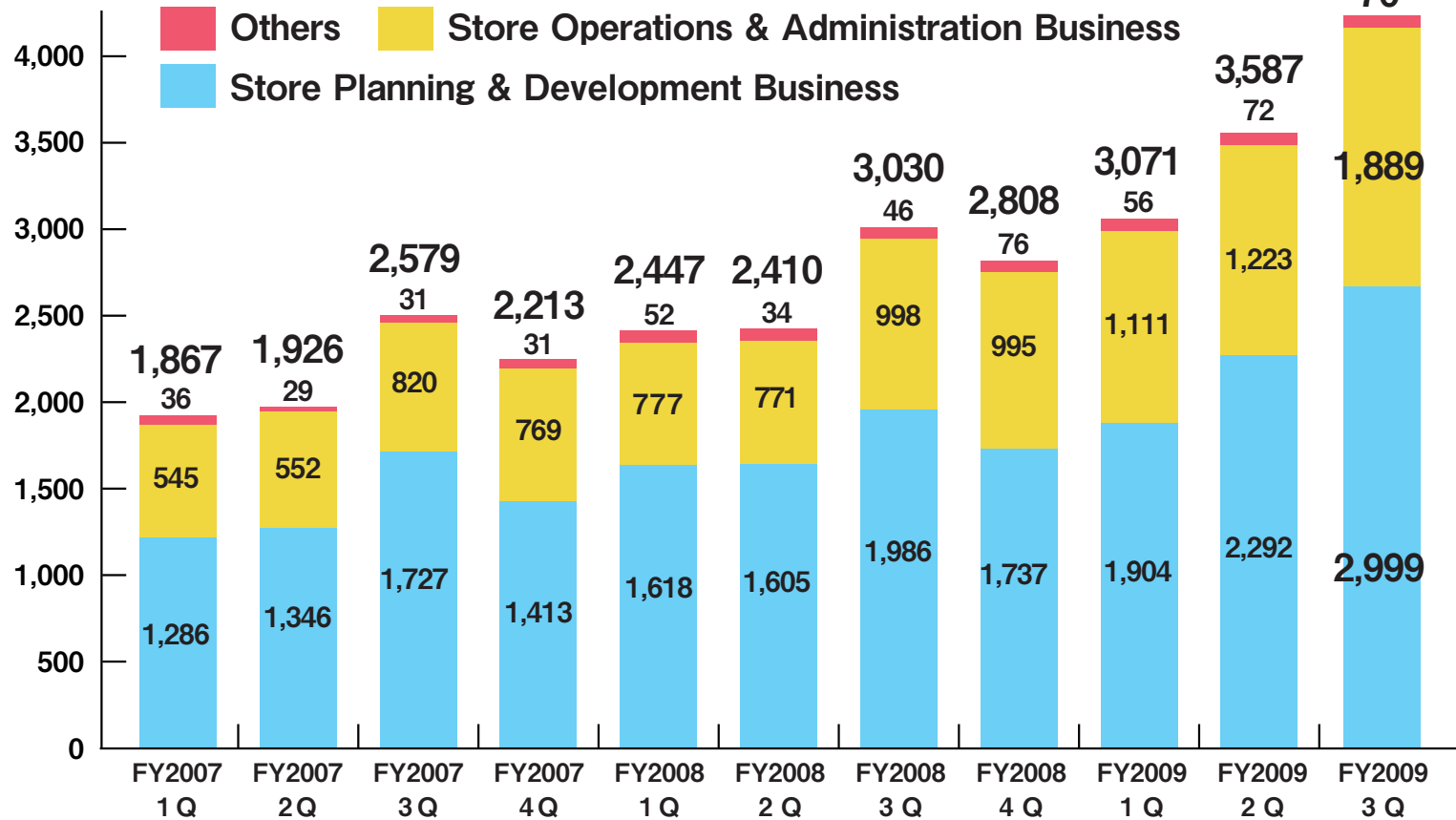


1. Business Performance



Net Sales (Quarterly)

(¥ million)



Record sales achieved

- Year-on-year comparison
Store Planning & Development Business : +51.0%
Store Operations & Administration Business : +89.2%
- Improved commission rate due to increasing new shops
Average of 1Q : 23.7%
Average of 2Q : 24.2%
Average of 3Q : 24.4%
Average of first 3Qs : 24.1%



1. Business Performance



Transaction Value

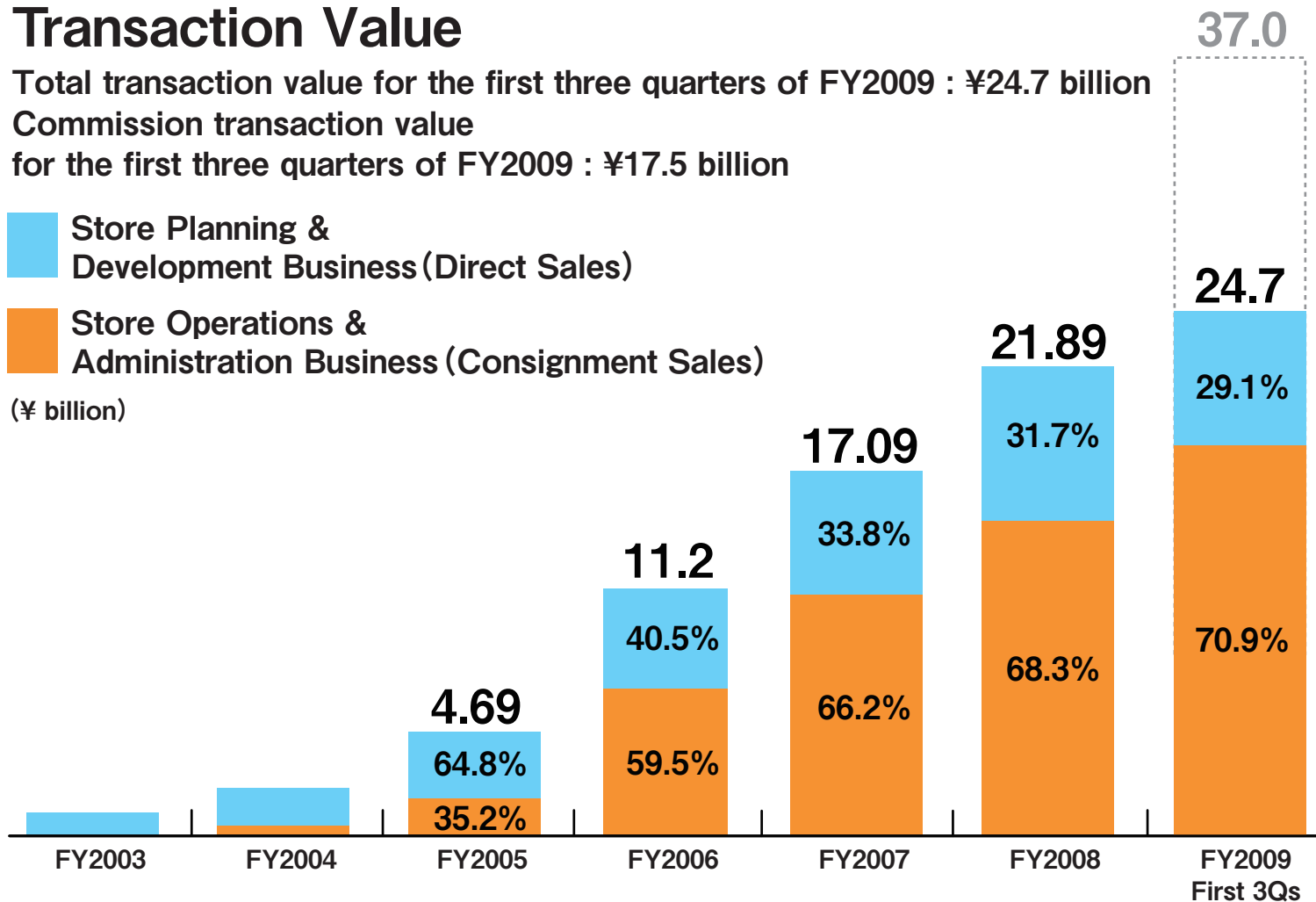
Total transaction value for the first three quarters of FY2009 : ¥24.7 billion

Commission transaction value

for the first three quarters of FY2009 : ¥17.5 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 in the first 3Qs: 66.8%
- B to B transaction value in the first 3Qs (including commission transaction value) : approx.¥8.1 billion (+¥0.5 billion compared to the first-half' (1H))
- Total transaction value for new shops in the first 3Qs: approx.¥2.22 billion (+¥1.43 million compared to 1H) 9.4% of transaction value (+3.5% compared to 1H)



1. Business Performance



Transaction Value (Quarterly)

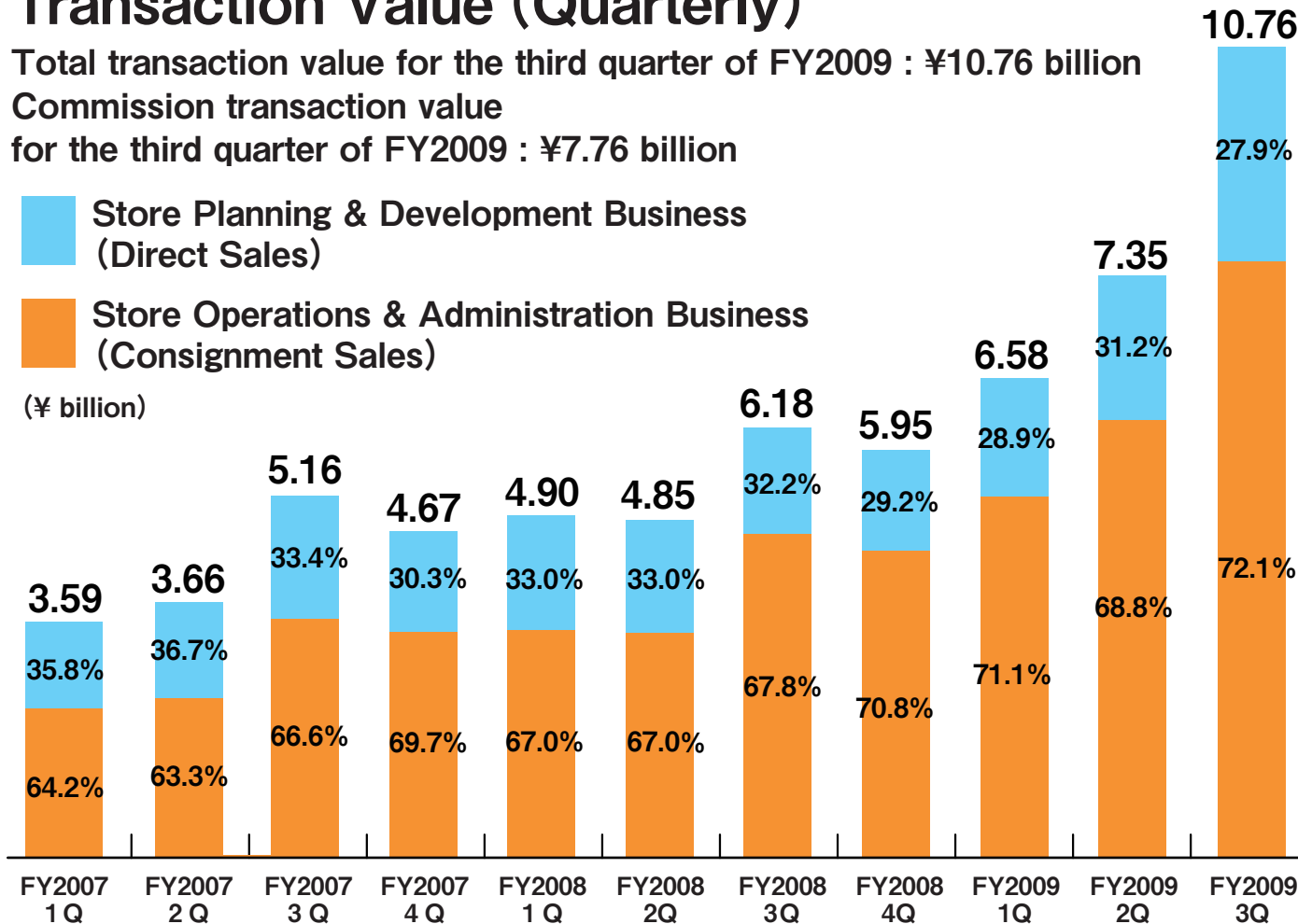
Total transaction value for the third quarter of FY2009 : ¥10.76 billion

Commission transaction value

for the third quarter of FY2009 : ¥7.76 billion

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

(¥ billion)



Record transaction value

- +¥4.58 billion (+74.1%) year-on-year growth
- Steady growth during the autumn-winter season due to active new shop openings and large-scale promotion



1. Business Performance



Selling, General and Administrative Expenses

(¥ million)

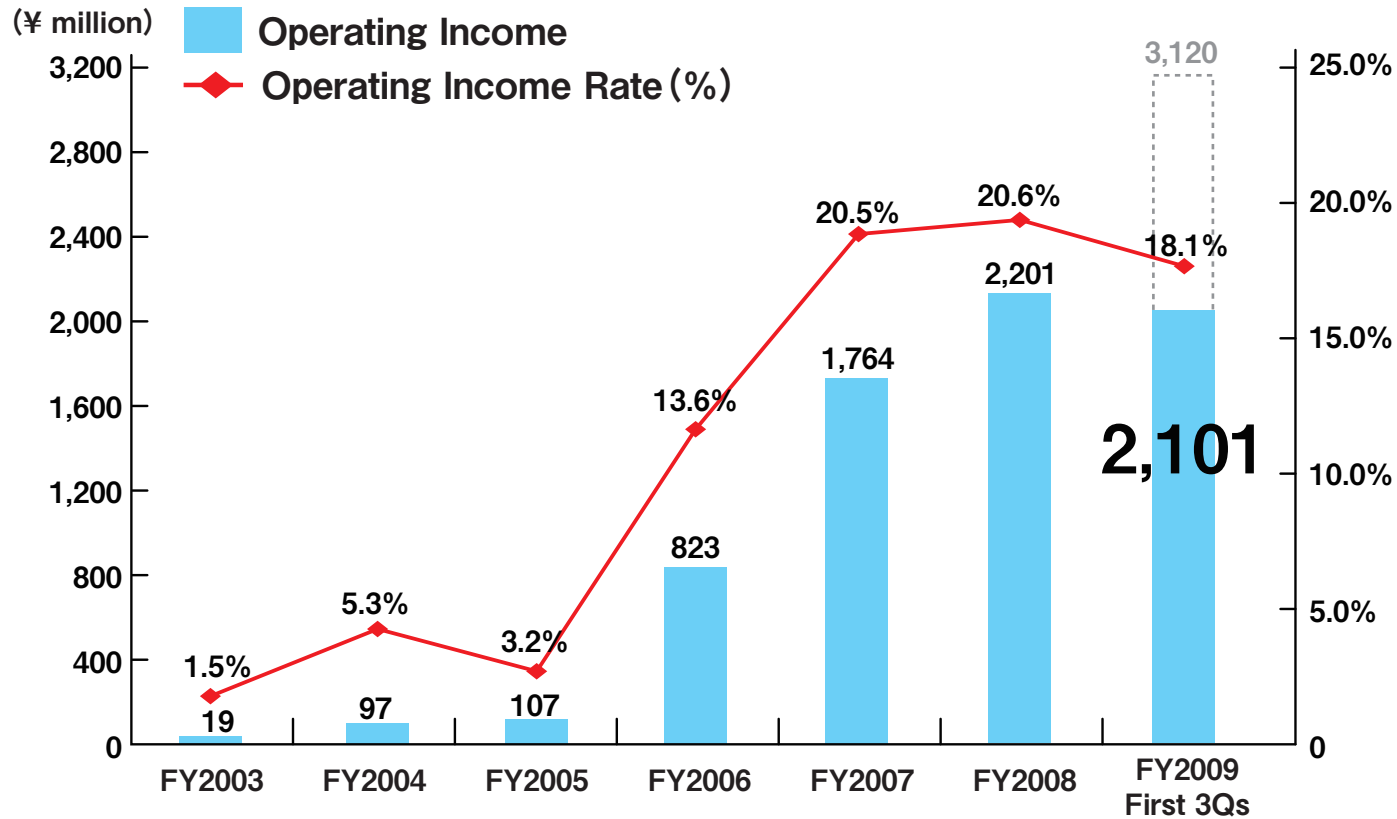
Item	FY2009 First 3Qs		FY2008 First 3Qs		YoY Change (% Sales)	FY2009 3Q		FY2009 2Q		Change from 2Q	
	Value	% Sales	Value	% Sales		Value	% Sales	Value	% Sales	% Sales	Reasons for Increase/Decrease
Total SG & A	4,797	41.3%	3,074	39.0%	+ 2.3%	2,048	41.3%	1,453	40.5%	+ 0.8%	—
Personal Expenses	789	6.8%	652	8.3%	- 1.5%	269	5.4%	264	7.4%	- 2.0%	Relative to increasing transaction value, held down personnel expenditure ratio as a part of rising business efficiency
Shipping & Transportation	655	5.6%	386	4.9%	+ 0.7%	254	5.1%	211	5.9%	- 0.8%	Decreased in relative to net sales resulting from the increase in product unit value for autumn-winter items
Payment Collection Fees	515	4.4%	361	4.6%	- 0.2%	215	4.3%	158	4.4%	- 0.1%	—
Advertising & Promotion	727	6.3%	278	3.5%	+ 2.8%	423	8.5%	178	5.0%	+ 3.5%	Active advertising measures, including backlogs in the first half, such as TVCMs, issuance of "ZOZOMOOK," and etc.
Outsourcing Fees	238	2.1%	234	3.0%	- 0.9%	97	2.0%	80	2.2%	- 0.2%	—
Others	1,872	16.1%	1,160	14.7%	+ 1.4%	787	15.9%	560	15.6%	+ 0.3%	—



1. Business Performance



Operating Income and Operating Income Rate



Strong growth in operating income

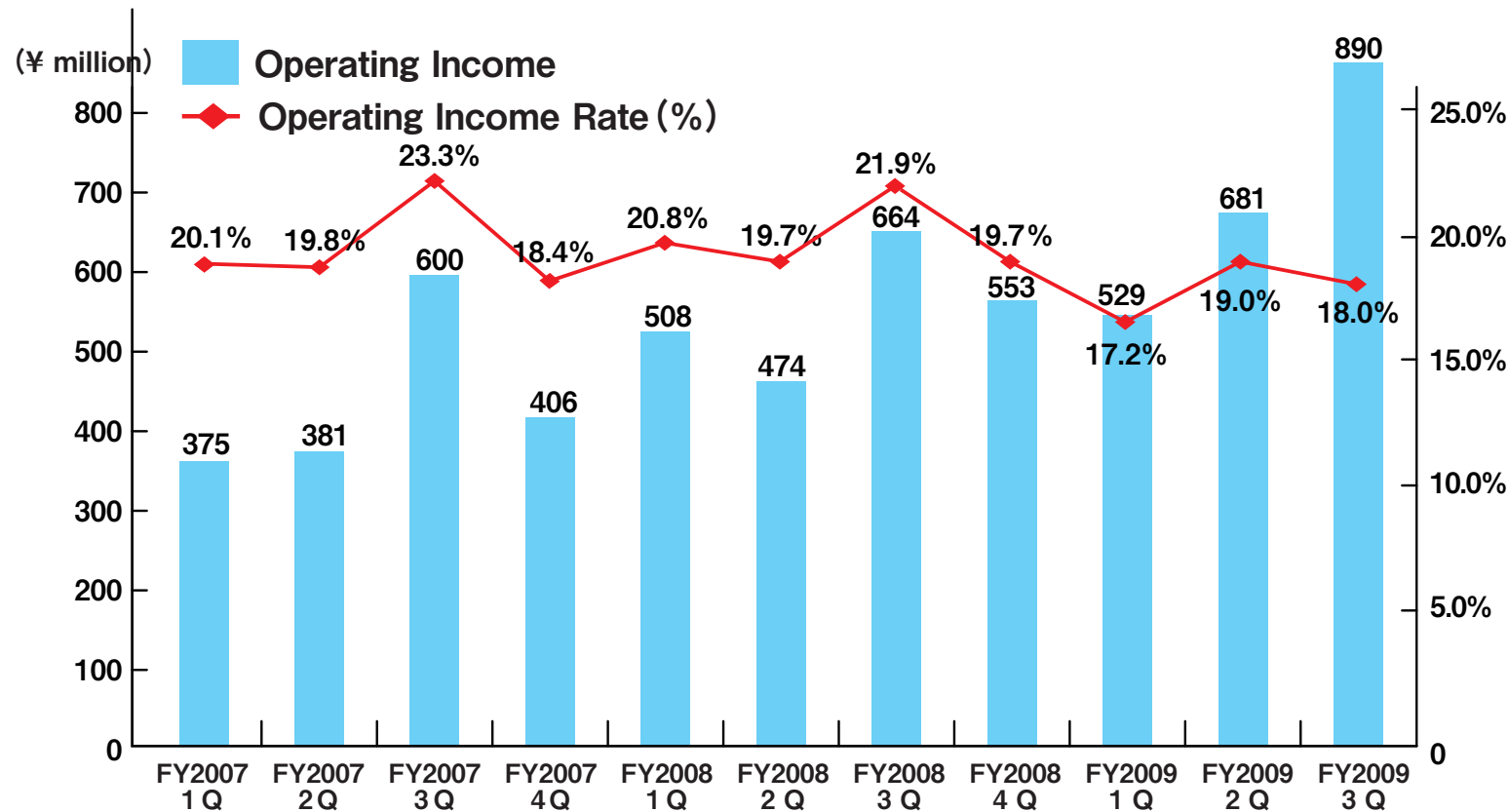
- Rate of progress of budget for the full year : 67.3%



1. Business Performance



Operating Income and Operating Income Rate (Quarterly)



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

- SG&A ratio increased due to aggressive use of advertising including backlogs from the first half, sales promotion and free-shipping offer



1. Business Performance



Cash Flows

(¥ million)

Item	FY2009 First 3Qs	FY2008 First 3Qs	YoY	Reasons for Increase/Decrease
Cash flows from operating activities	1,216	598	618	—
Cash flows from investing activities	- 116	- 226	110	—
Cash flows from financing activities	- 307	- 230	- 77	—
Cash and cash equivalents at end of period	5,905	4,533	1,372	—



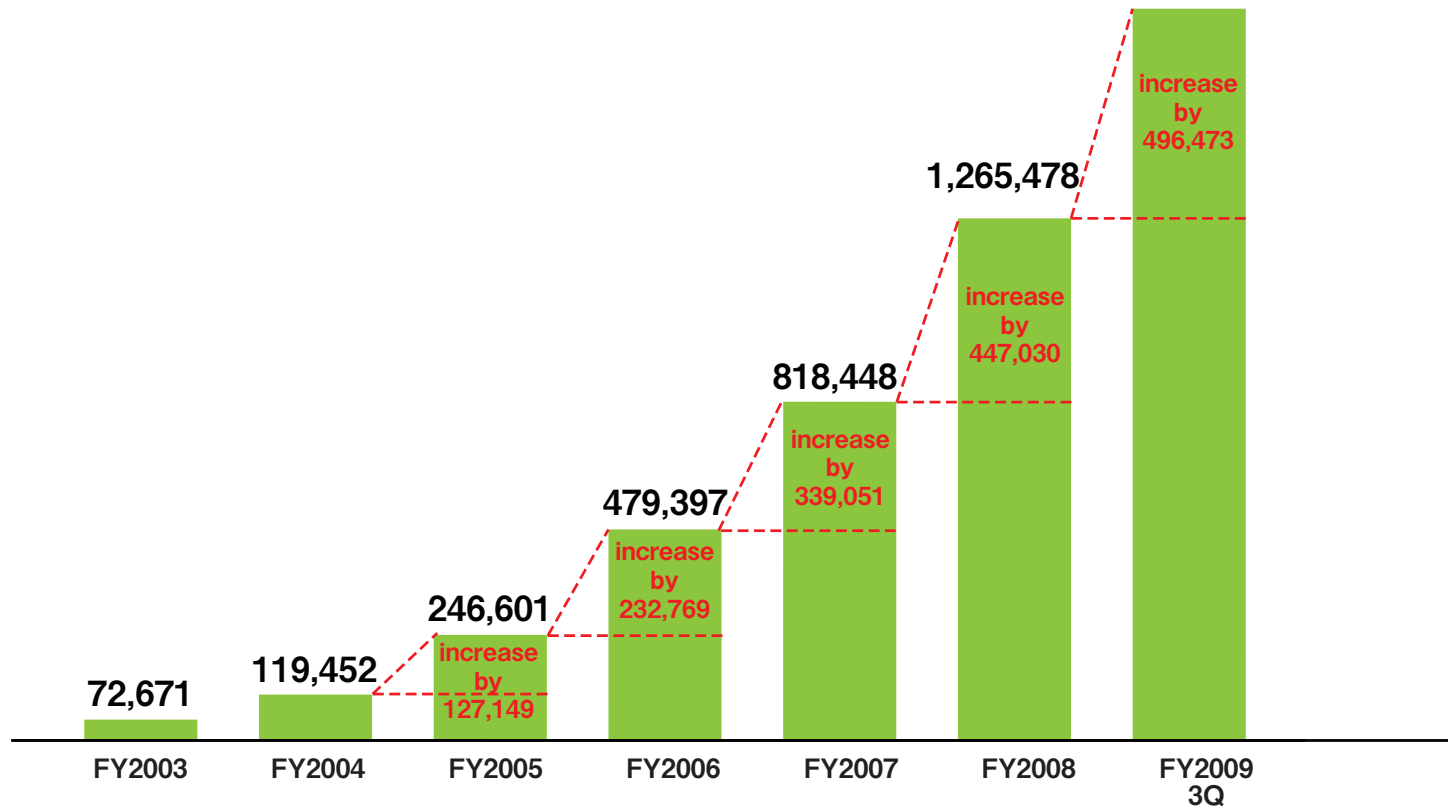
2. Achievement Transition



Number of Members

(members)

1,761,951



Total members surpass 1.7 million

-Target membership level for 3Q achieved

-Implementation of large-scale promotion led to a huge increase in membership

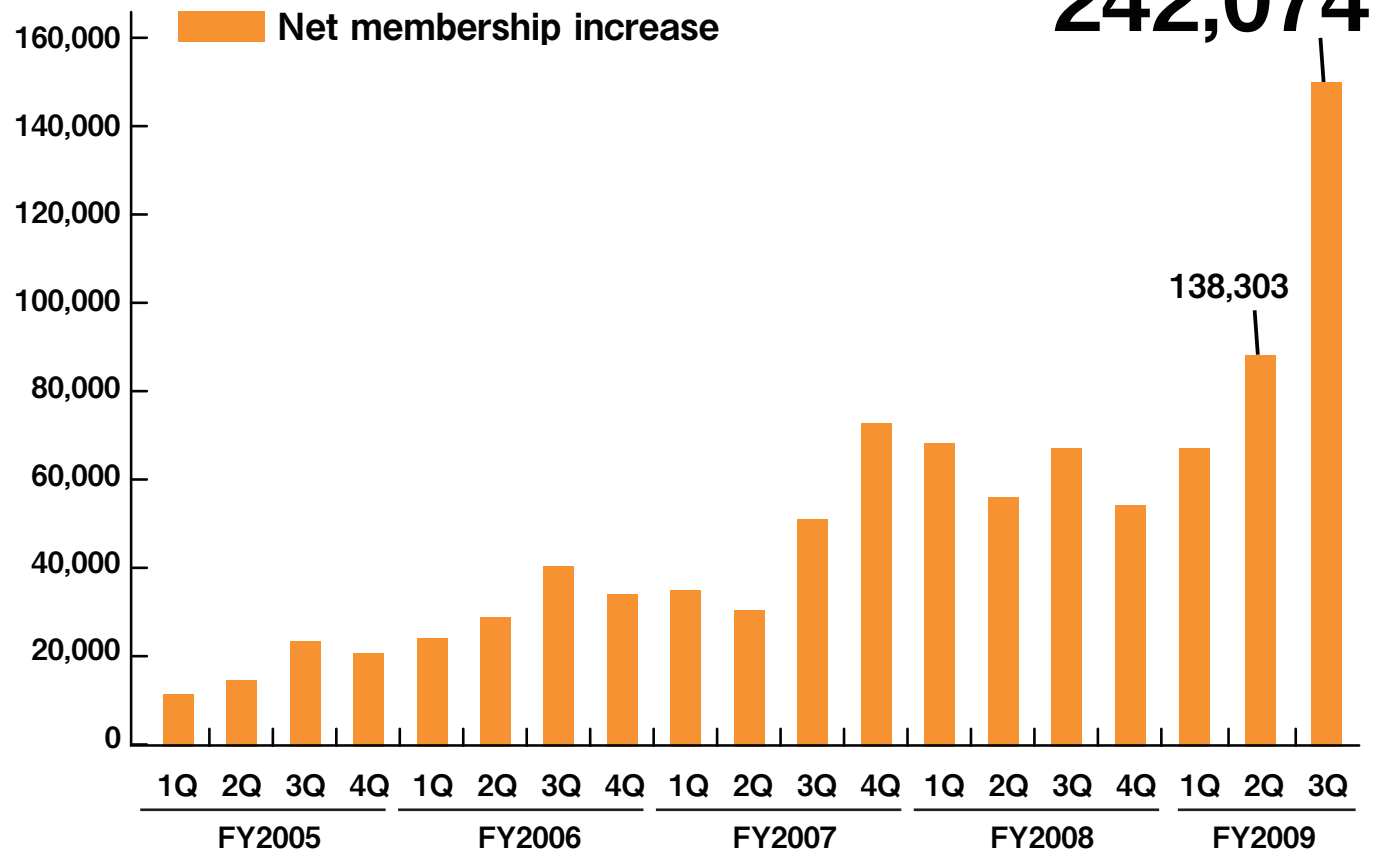


2. Achievement Transition



Net Increase in Members (Quarterly)

(members)



Record growth in new membership

- 46.4% of new members acquired in 3Q become active members



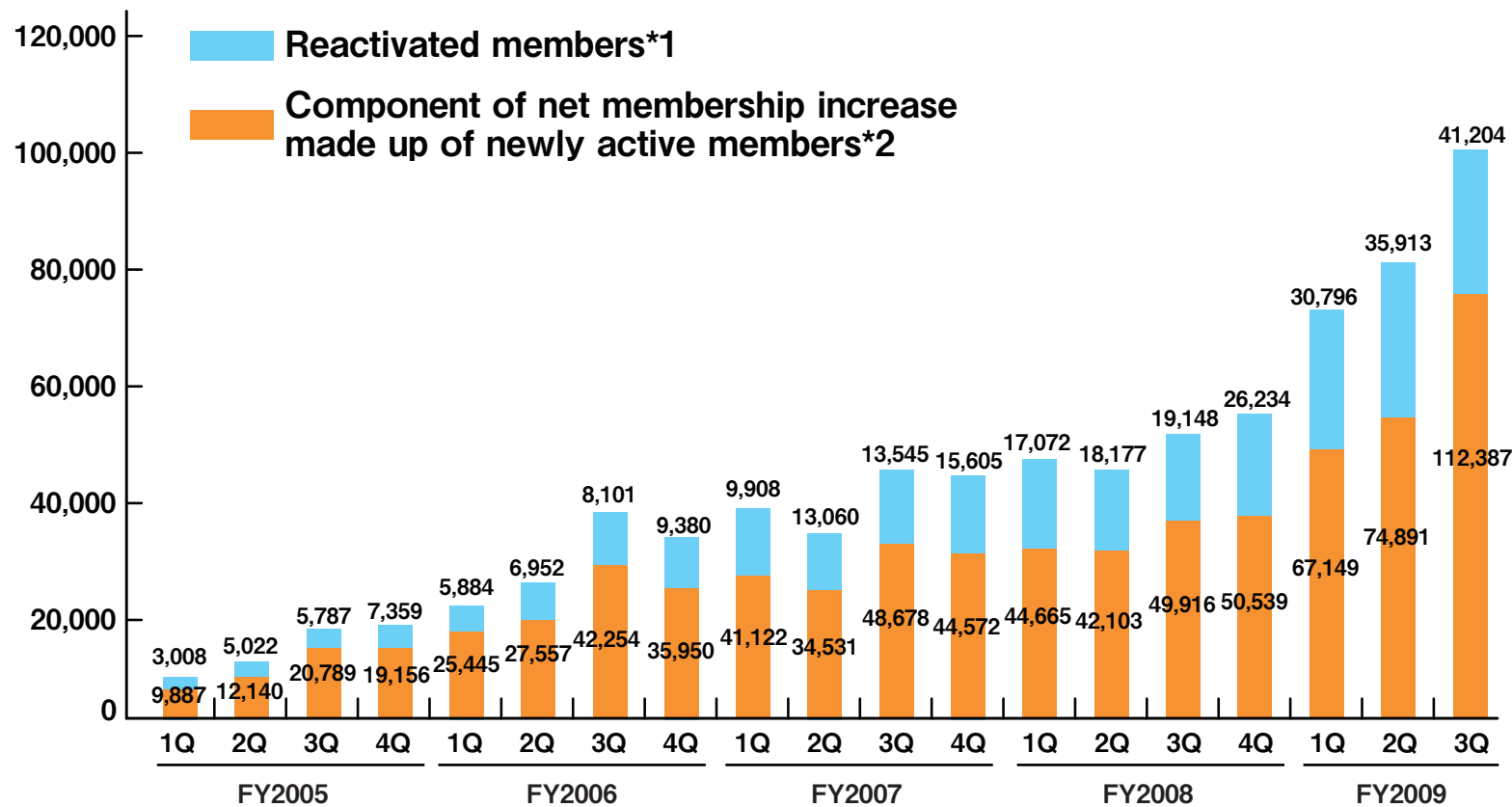
2. Achievement Transition



Net Increase in Active Members

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

(members)



Record growth in reactivated membership

- The effective advertisement successfully stimulated 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



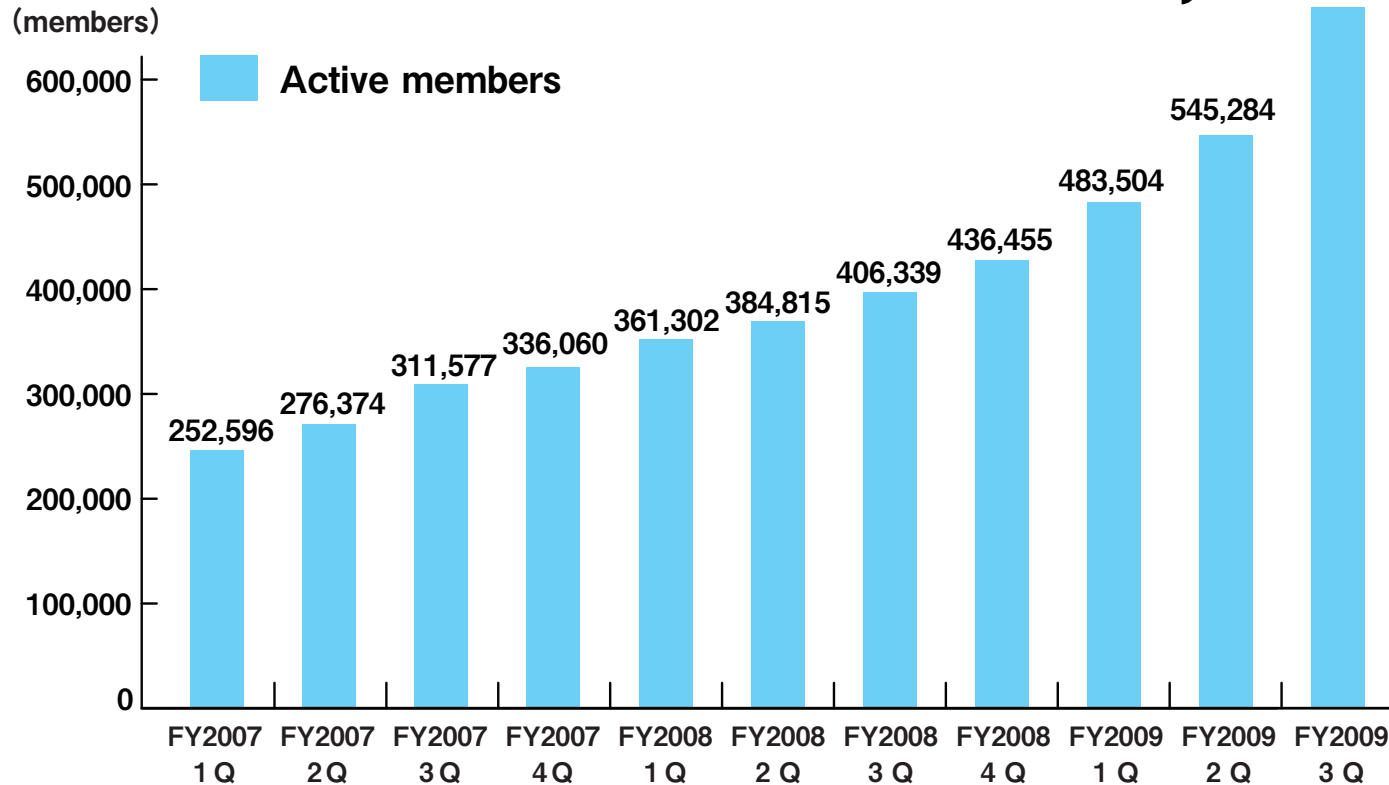
Number of Active Members (Quarterly)

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

648,932

Record growth in active members continues from the previous quarter

-Number of active members increases by 242,593 members year-on-year (+103,648 quarter-on-quarter)

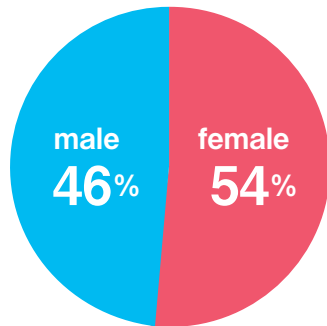


2. Achievement Transition

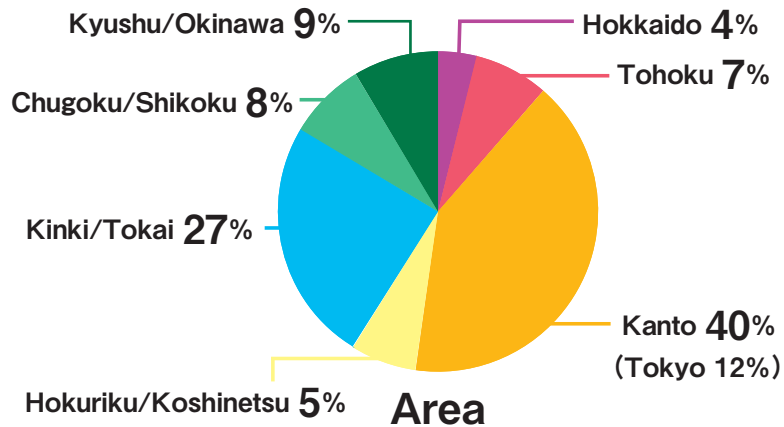


Member Demographics

(As of end of December, 2009)

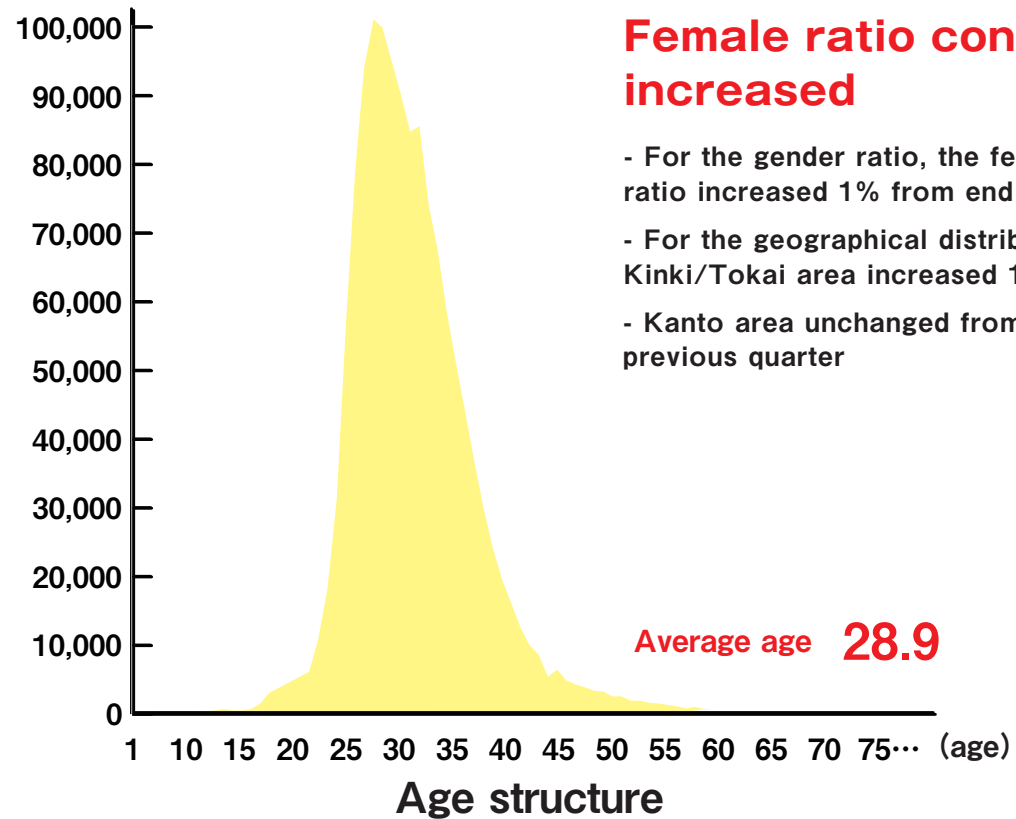


Gender ratio



Area

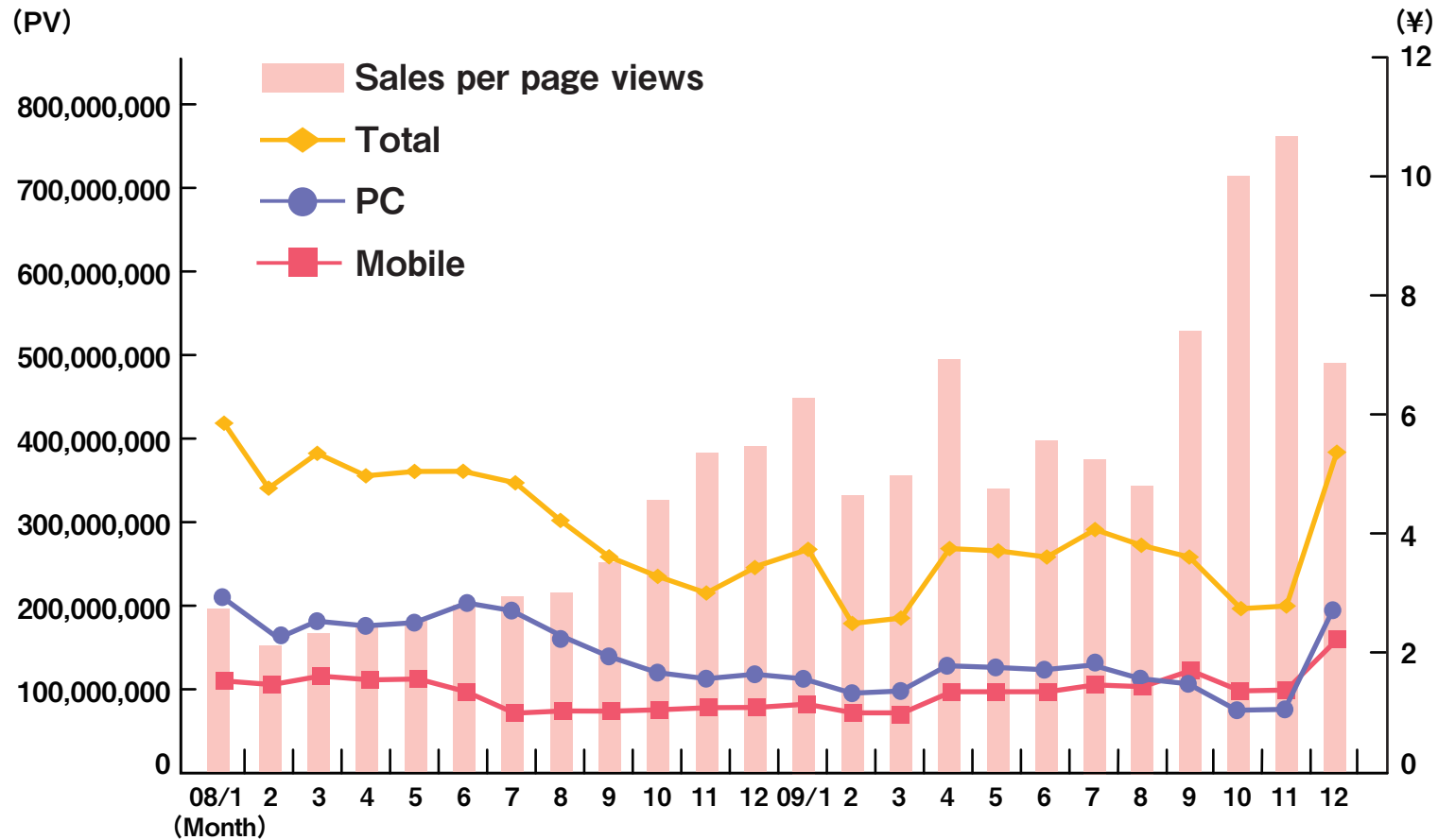
(members)



2. Achievement Transition



Page Views per Month



- Page views up for both PC and mobile
- Record sales per page view in November

-Increased in page views for both PC and mobile as a result of aggressive mobile advertising measures and TVCMs

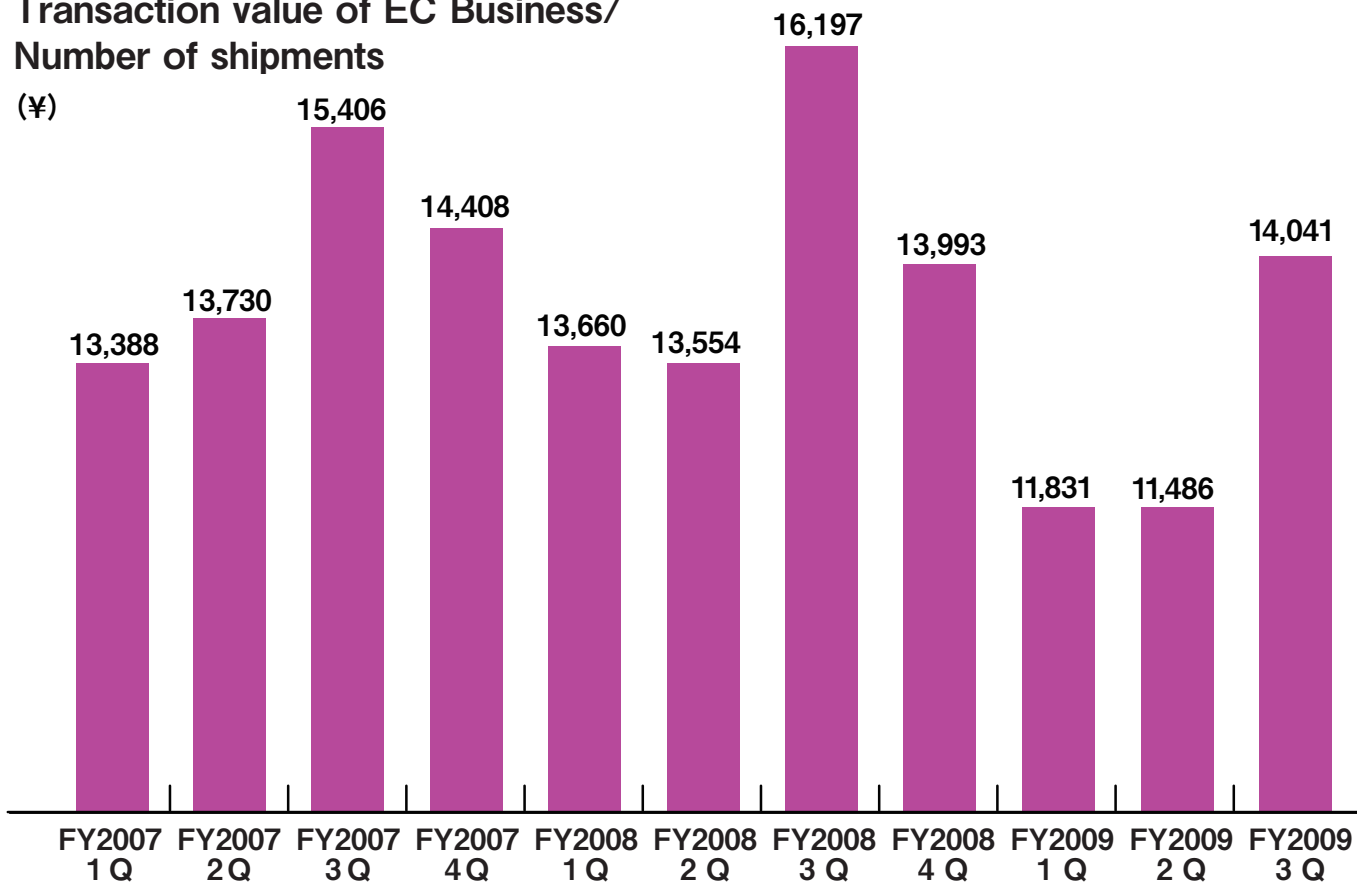


2. Achievement Transition



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

- Average shipment value was down slightly because the free shipment offer that commenced in April 1, 2009 attracted purchasers of low-value items. However, product unit value increased due to introduction of autumn-winter 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%
End of 3Q of FY2009 period : 41.1%

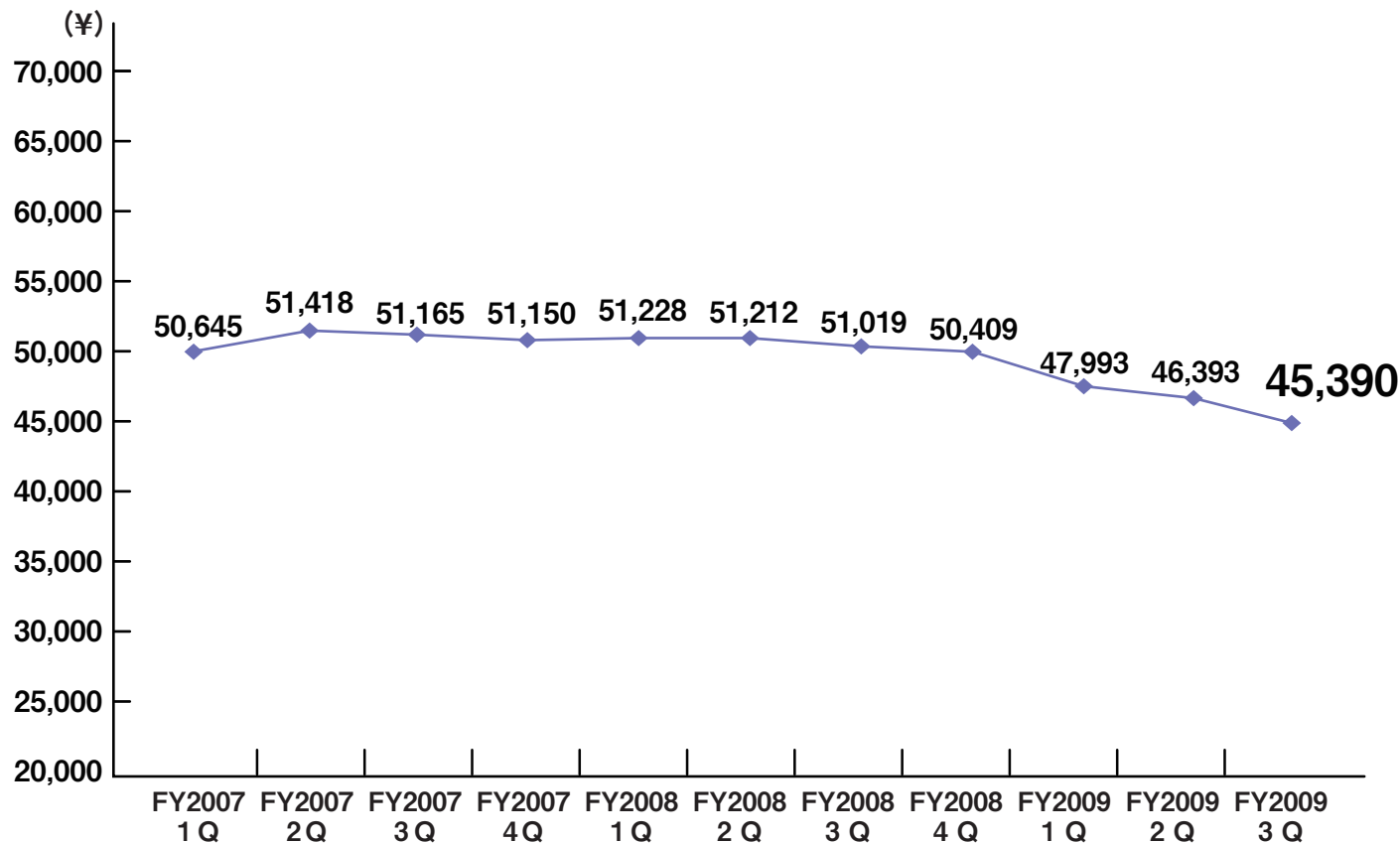
- Product unit value
▶ End of FY2008 period : ¥8,186.8
▶ End of 1Q of FY2009 period : ¥7,463.9
▶ End of 2Q of FY2009 period : ¥7,574.2
▶ End of 3Q of FY2009 period : ¥9,680.1



2. Achievement Transition



Yearly average purchased price per active member



Average yearly purchases per member was the lowest due to continuous rapid growth in active members

-New active members and reactivated members

3Q new active member and reactivated members : 23.7% (Annual purchase amount : ¥19,346)

Other active members : 76.3% (Annual purchase amount : ¥53,466)

[Year on year comparison]

3Q new active members and reactivated members : 17.0% (Annual purchase amount : ¥17,781)

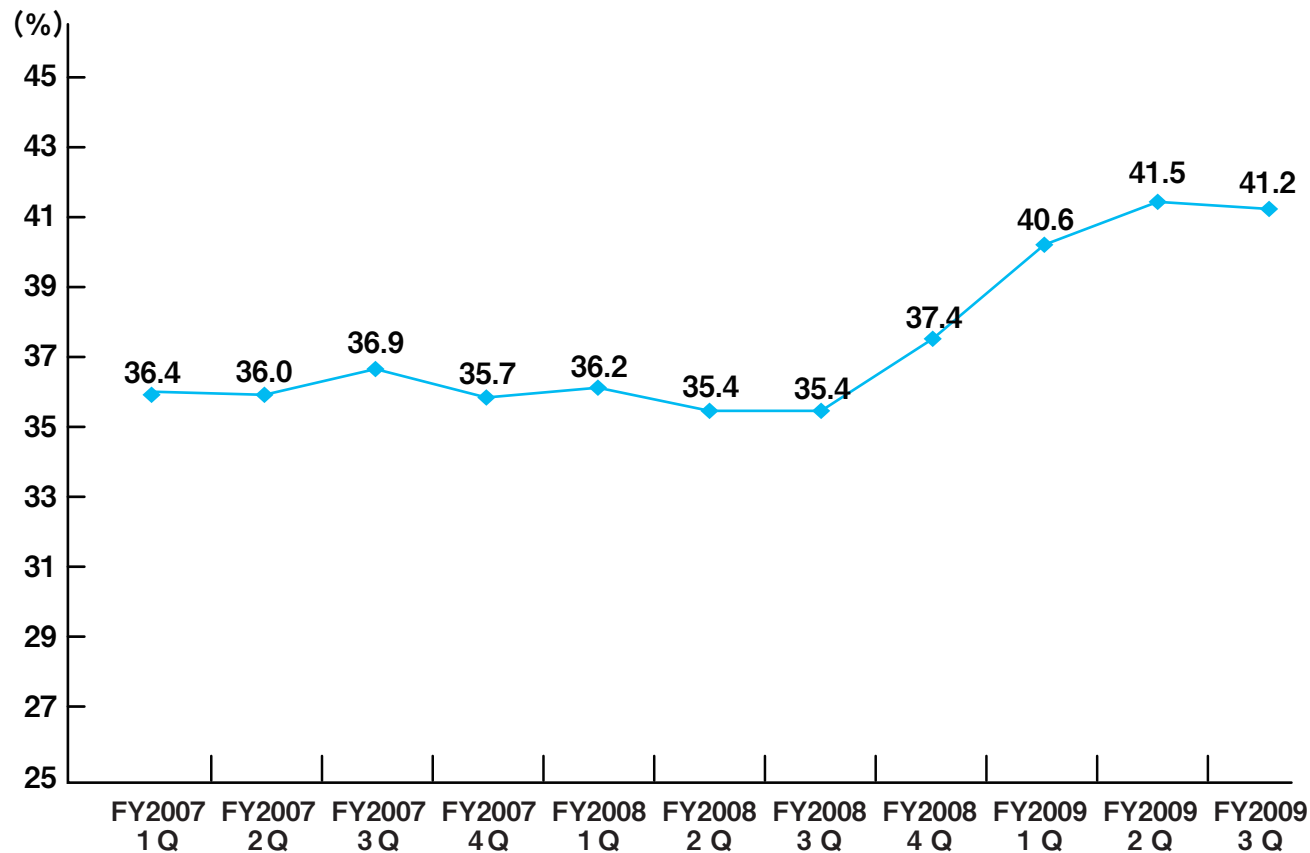
Other active members : 83.0% (Annual purchase amount : ¥56,403)



2. Achievement Transition



Purchase rate*2 of existing active members*1



Strong growth in purchase rate of existing active members, while 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

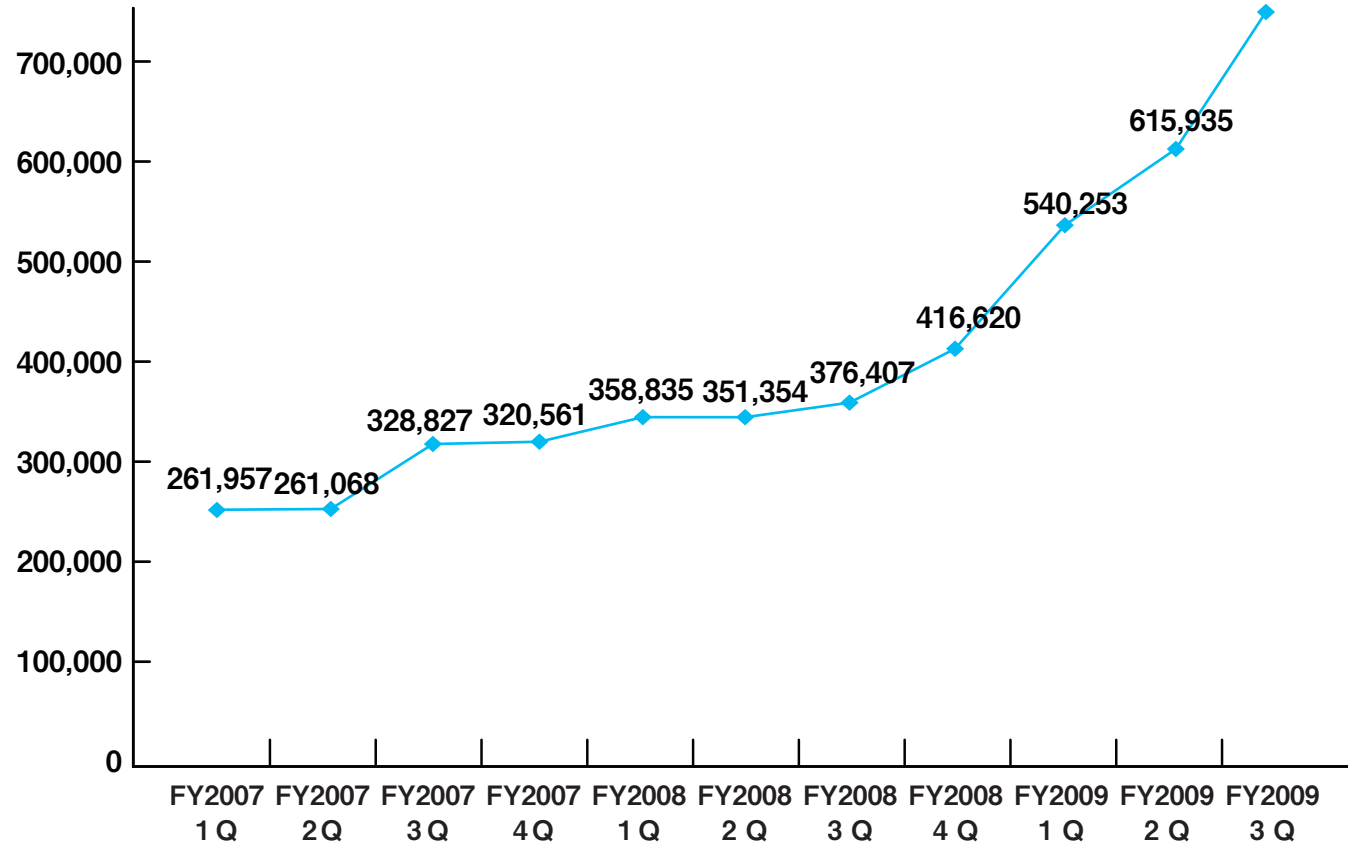


2. Achievement Transition



Number of Shipping

(shipments)



723,513

**Number of shipments
beats last year's record
continues from previous
quarter**

- +92.2% 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

- Yearly average purchased price per active member (Quarterly)



3. Forecast Highlights for Forth Quarter FY2009



| Forecast Highlights for Forth Quarter FY2009

1. Implemented winter sale (From January 1 to 5, 2010) *Flash report

- Transaction value for the winter sale : ¥123.61 million (+129.2% YoY)
- New members acquired : 60,545 (+359% YoY)

2. Introduction of new mall “ZOZOVILLA” (Opened 30 January, 2010)

- The first shop “UNDERCOVER”

3. Renewal of mobile site

- Enhance convenience for customers by converting to FLASH

4. Renewal of mail magazines

- Reinforcement of recommendation function

5. Scheduled new shop openings

- Store Planning & Development Business : 2 new shops are scheduled to open
- Store Operation & Administration Business : 7 new shops are scheduled to open



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**

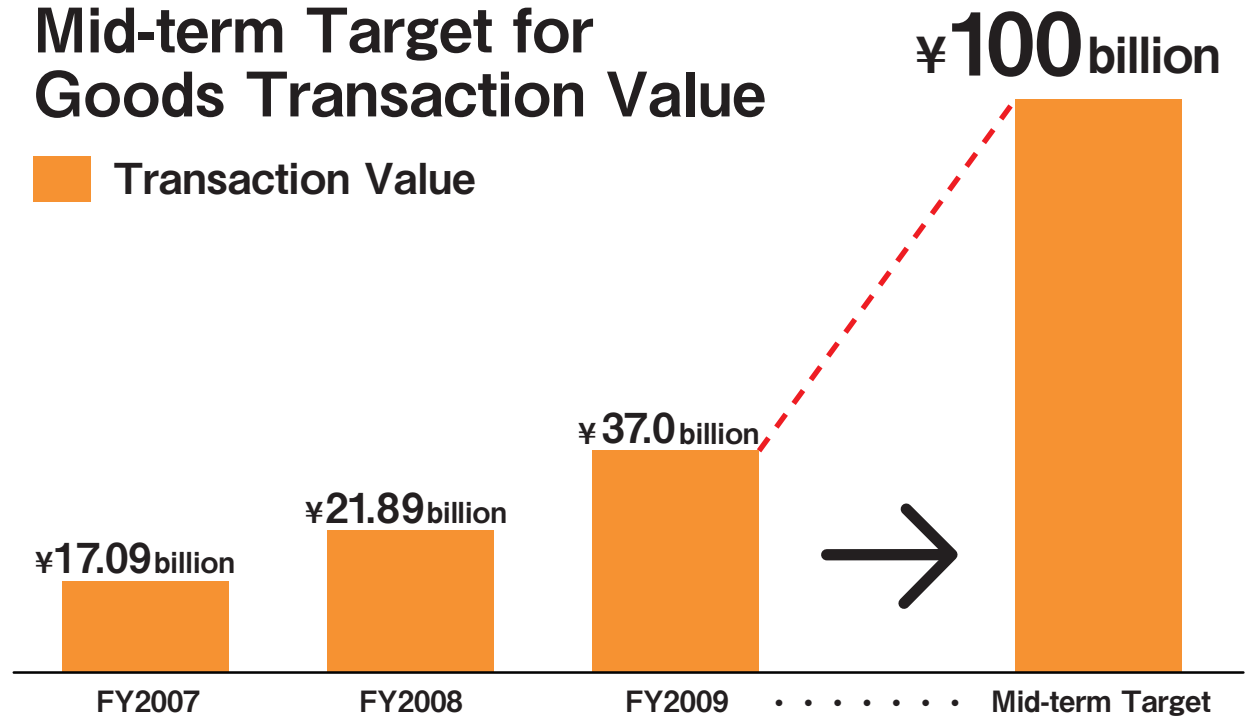
High-Fashion
EC
“ZOZORESORT”



Fashion EC
“START TODAY”

Mid-term Target for Goods Transaction Value

Transaction Value



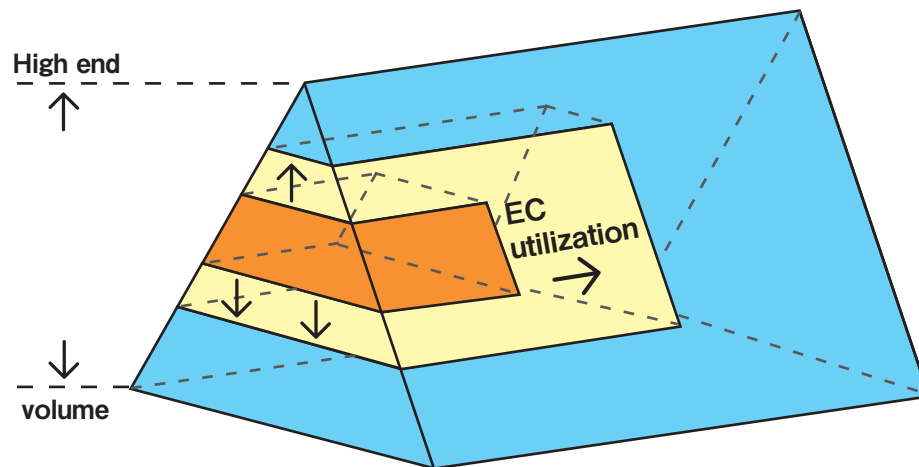
1. Future Strategies



Strategy of Market Expansion

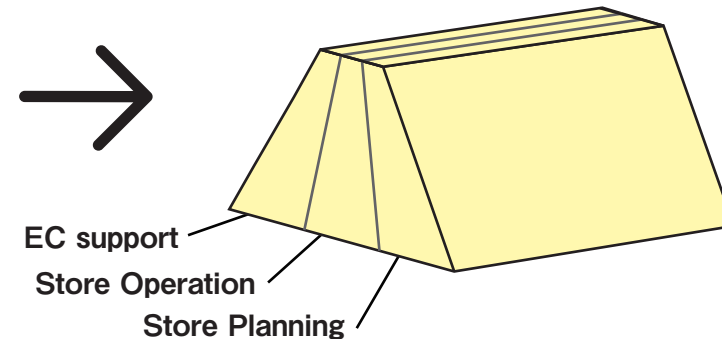
Not only ZOZORESORT expansion is promoted focusing on the fashion EC market but also expansion to various fashion fields is accelerated through EC support.

- 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”

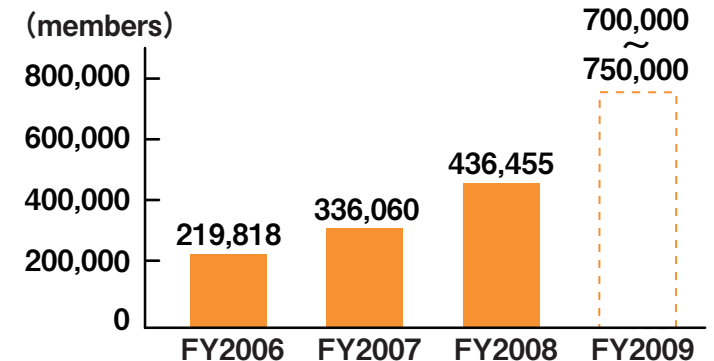
- Retain the other companies' EC users through free shipping charges.
- Advertise actively over the course of the year through web advertisings such as listings and affiliates.
- Make constant approaches to members who have not yet bought anything

Measures for Expanding Annual Payment

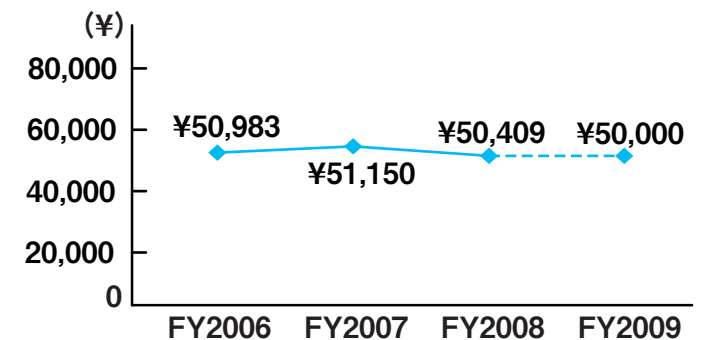
“Let them be a fan, let them remember, and let them visit ZOZORESORT frequently”

- 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 4,514 real-life apparel shops introduction
- Variety of information from shops
 - ex. over 103,073 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

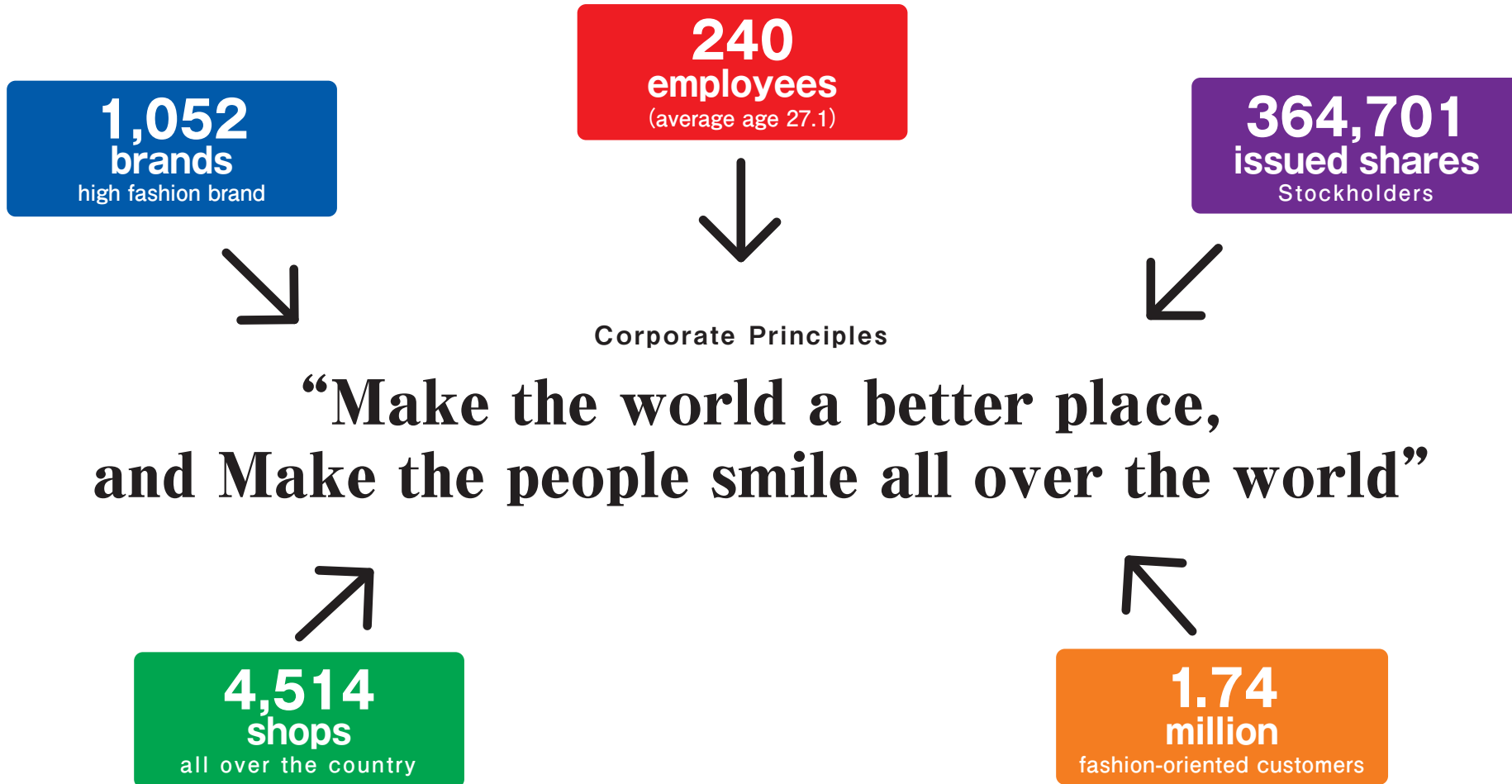
- Everyday problems can be solved in a highly responsive way among users

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 41 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 105 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 ZOZO RESORT

Sales = Advertisement charge

Credit Card Business

Issue "ZOZO CARD" (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.

