



FY2011

April 1,2011- December 31,2011

Consolidated Business Results

Business Performance



Highlights for the third quarter of FY2011

1. Achieved Target Transaction Value and Net sales

- Transaction value for 3Q : ¥ 57,732 million (+ 43.6% year on year)
- Net sales for 3Q : ¥22,831 million (+ 33.9 % year on year)
- Operating profit for 3Q: ¥ 5,427 million(+ 35.4 % year on year)

2. Exceeded 4.17million in total members and 1.71million in active members

- Members : 4,173,754 (FY2010: + 1,040,663)
- Active members : 1,719,418 (FY2010 : + 502,720)

3. New store opening

Number of stores as of December 30, 2011

- Store Operations & Administration Business (Consignment Sales) : 318 stores
(FY2010 : + 120 stores)
- Store Planning & Development Business (Purchased Stock) : 38 stores
(FY2010 : - 12 stores)

※Re-categorize our original Men's select shops by style, combining 12shops into 4 shops

Substantially increased the number of WORLD CO., LTD. brands.

- Increased the number of WORLD CO.,LTD. brands from 14 to 64, and gathered them together to establish a new zone in ZOZOTOWN.
- Unified all item and inventory information of ZOZOTOWN and "WORLD ONLINE STORE," which is the original online store run by WORLD CO., LTD.
- Enables to mutually prevent sales opportunity loss.

4. Carried out various measures towards new and existing members.

- Carried out various agile point reward campaigns.
- Changed the rate of point reward reduction from 3% to 1%.
- Implemented two campaigns, "ZOZO Number" and "ZOZO Cards," on Twitter and acquired approximately 420,000 followers.
- Began a new offer by interacting online stores in ZOZOTOWN with brick and mortar stores.
- Launched a TV commercial collaborated by celebrities and staff members of Starttoday.





Overview of Third Quarter of FY2011

(¥ million)

Item	FY2011 3Q	FY2010 3Q	YoY Change (%)
Transaction Value	57,732	40,195	+ 43.6%
Net sales	22,831	17,045	+ 33.9%
Operating profit	5,427	4,007	+ 35.4%
Recurring profit	5,348	4,006	+ 33.5%
Net income	3,161	2,236	+ 41.4%



Transaction Value

Transaction value for 3Q FY2011: ¥57.7 billion

Consignment transaction value for 3Q FY2011: ¥43.7 billion

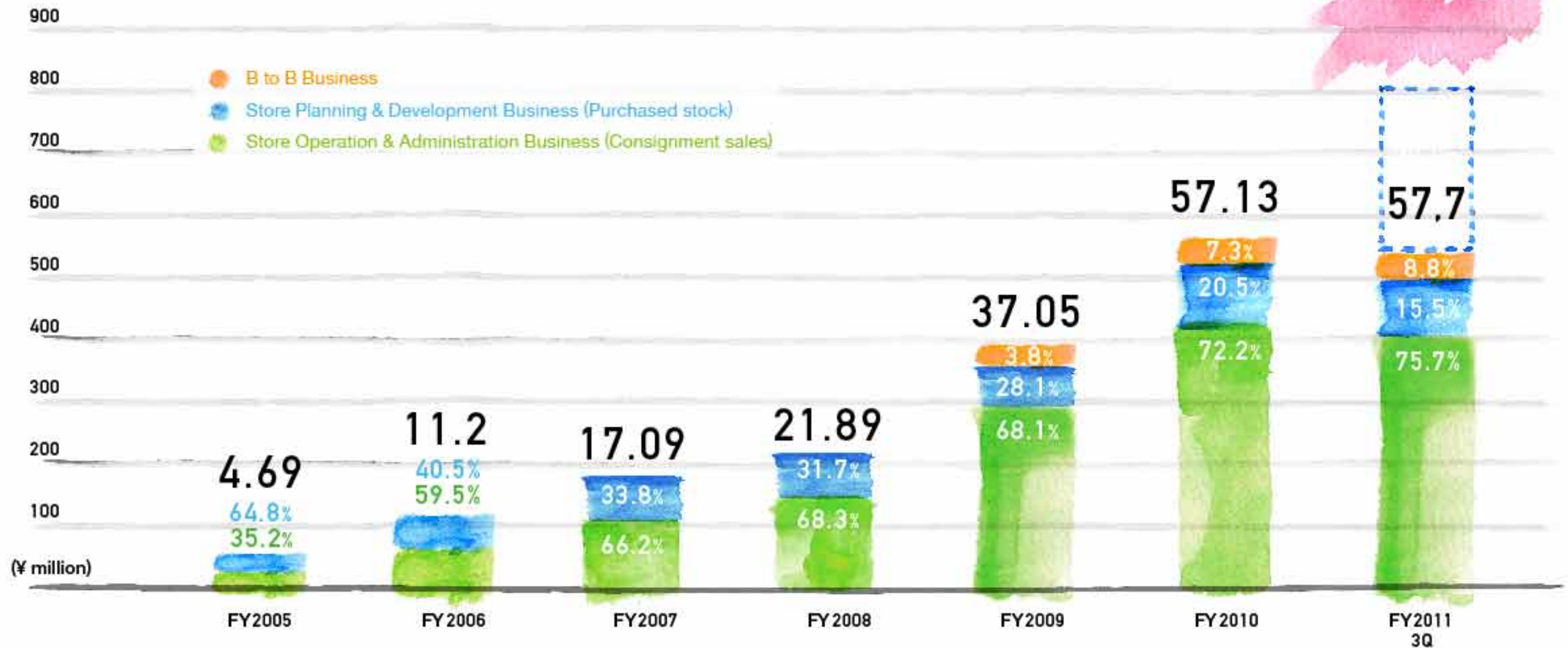
BtoB business transaction value for 3Q FY2011: ¥5.0 billion

Percent completion of transaction value for FY2011: 68.7% (FY2010: 70.4%)

Target for transaction value for 3Q FY2011 was achieved

Gross transaction value of new shops for 3Q FY2011

- ZOZOTOWN: ¥3.1 billion, 5.4 % of the transaction value
- BtoBbusiness : ¥0.2 billion, 0.4 % of the transaction value





Transaction Value (Quarterly)

+¥ 6.7 billion (+ 40.2%) year on year





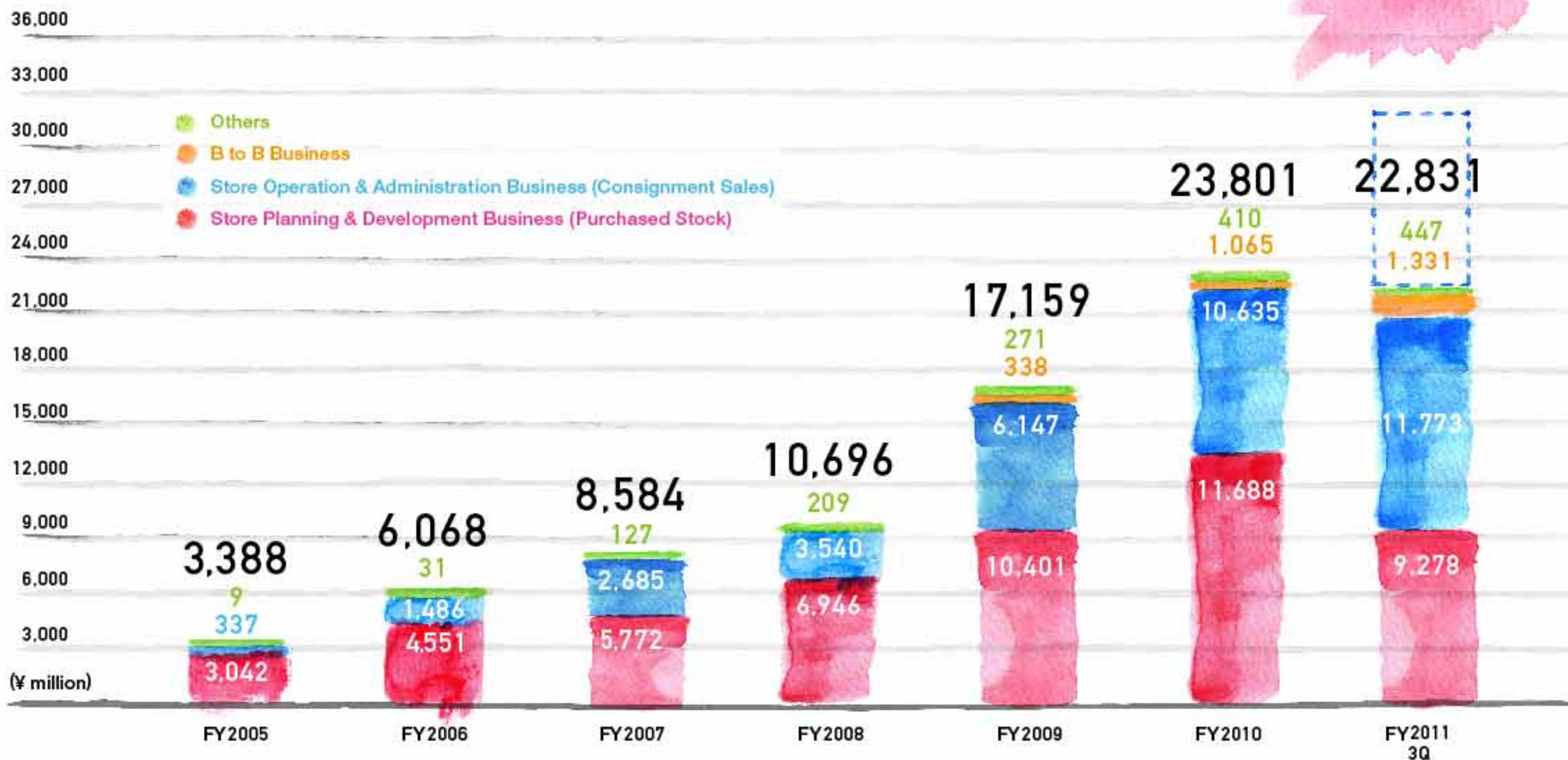
Net Sales



Target for net sales for 3Q FY2011 was achieved as well

•Significant growth of 33.9 % year on year

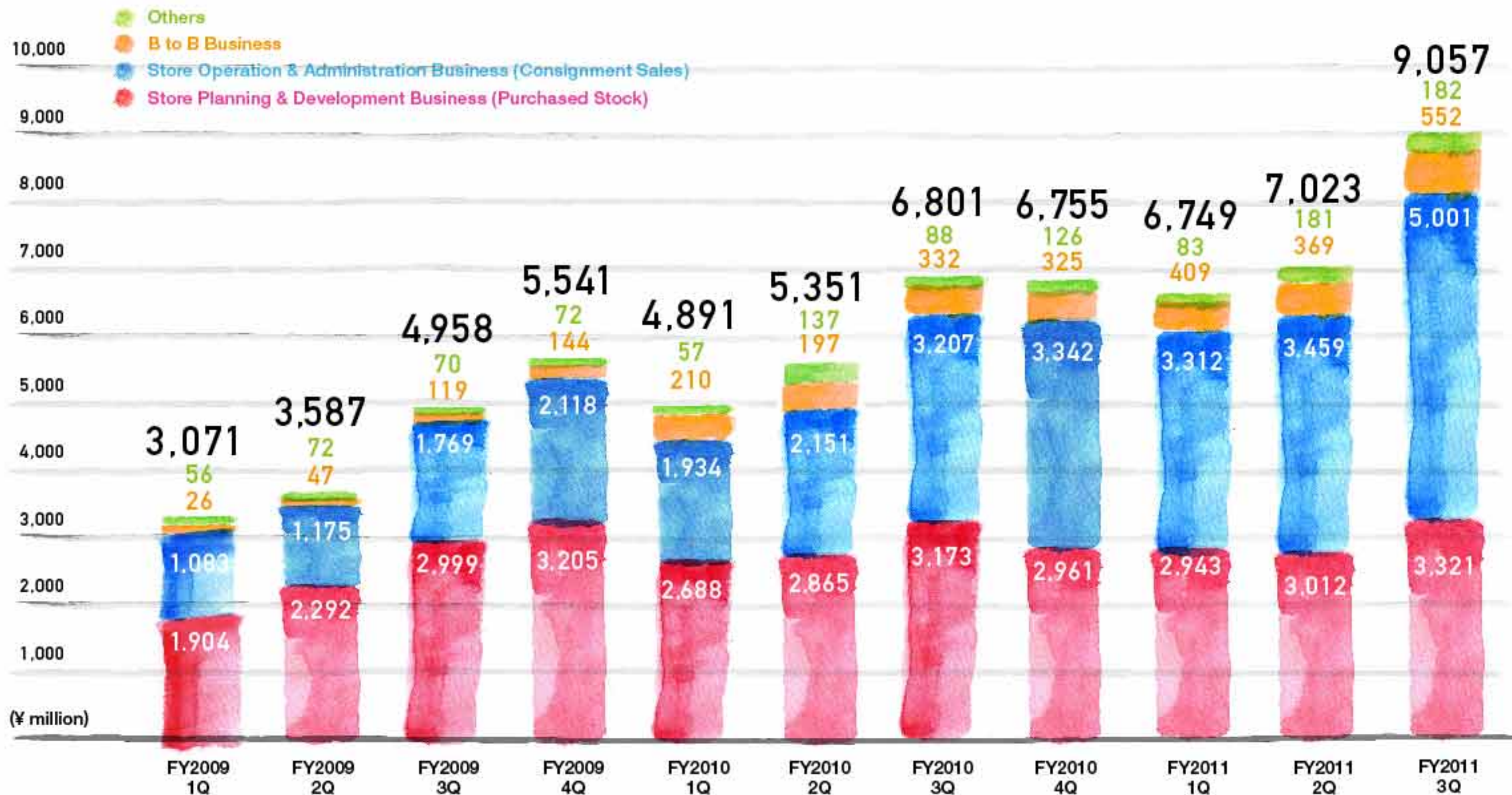
32,200





Net Sales (Quarterly)

•Store Operations & Administration Business (Consignment Sales): +55.9% , B to B Business +66.3% year on year





Selling, General and Administrative (SG&A) Expenses



(¥ million)

Item	FY2011 3Q			FY2010 3Q			YoY change	
	Amount	% Transaction value	% of total	Amount	% Transaction value	% of total	% Transaction value (PPS)	% of total (PPS)
Payroll	2,189	3.8	18.7	1,471	3.7	20.0	0.1	-1.3
Shipping	1,548	2.7	13.3	960	2.4	13.1	0.3	0.2
Payment collection	1,246	2.2	10.7	837	2.1	11.4	0.1	-0.7
Advertising	1,326	2.3	11.4	1,667	4.1	22.7	-1.8	-11.3
point sales promotion	2,072	3.6	17.7	516	1.3	7.0	2.3	10.7
Outsourcing	943	1.6	8.1	421	1.0	5.7	0.6	2.4
Others	2,352	4.1	20.1	1,481	3.7	20.1	0.4	-
Total SG&A	11,679	20.2	100	7,356	18.4	100	1.3	-

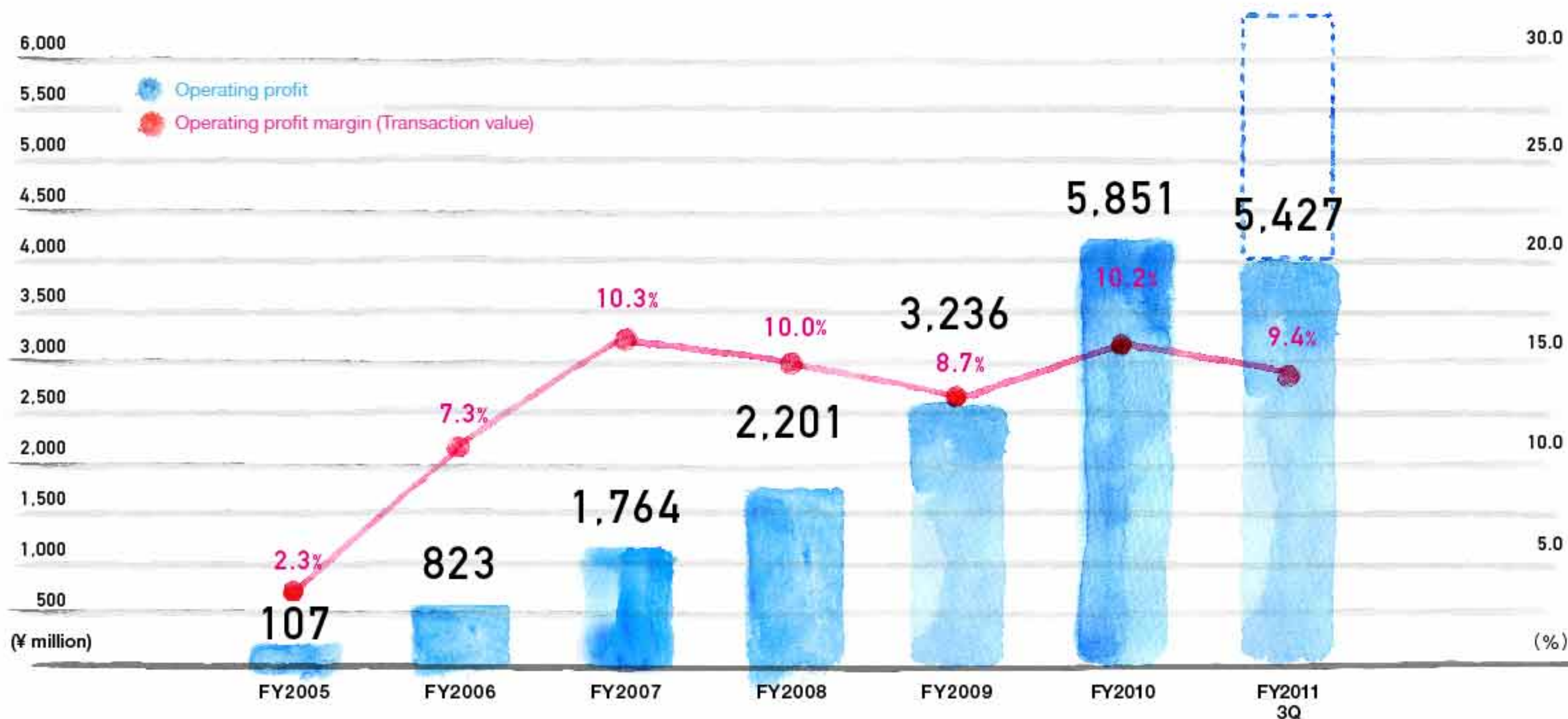
※Payroll includes subcontracting payroll.



Operating Profit and Operating Profit Margin (% Transaction value)

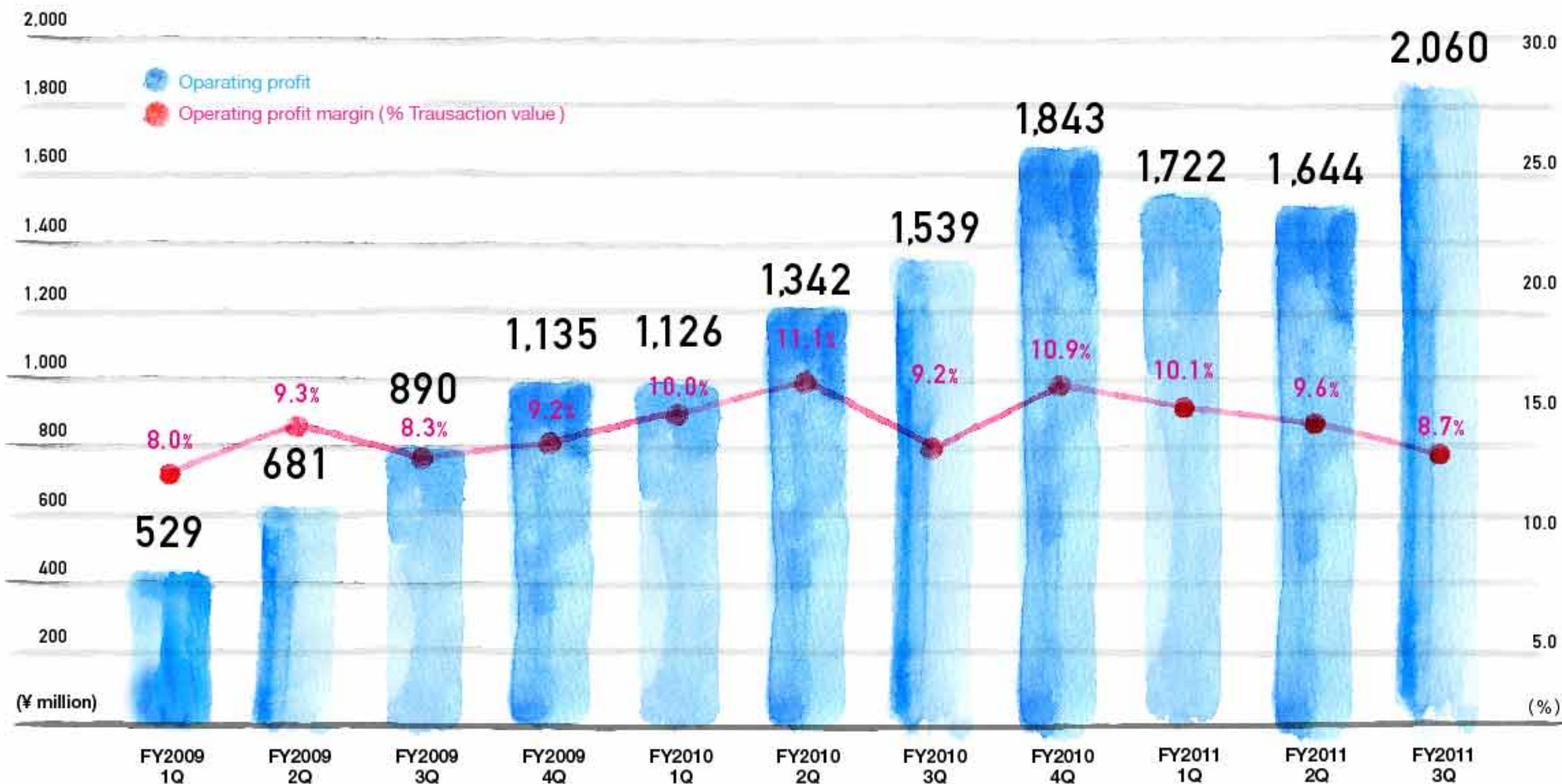
• Operating profit : + 35.4 % year on year

8,560





Operating Profit and Operating Profit Margin (Quarterly)





Cash Flows



(¥ million)

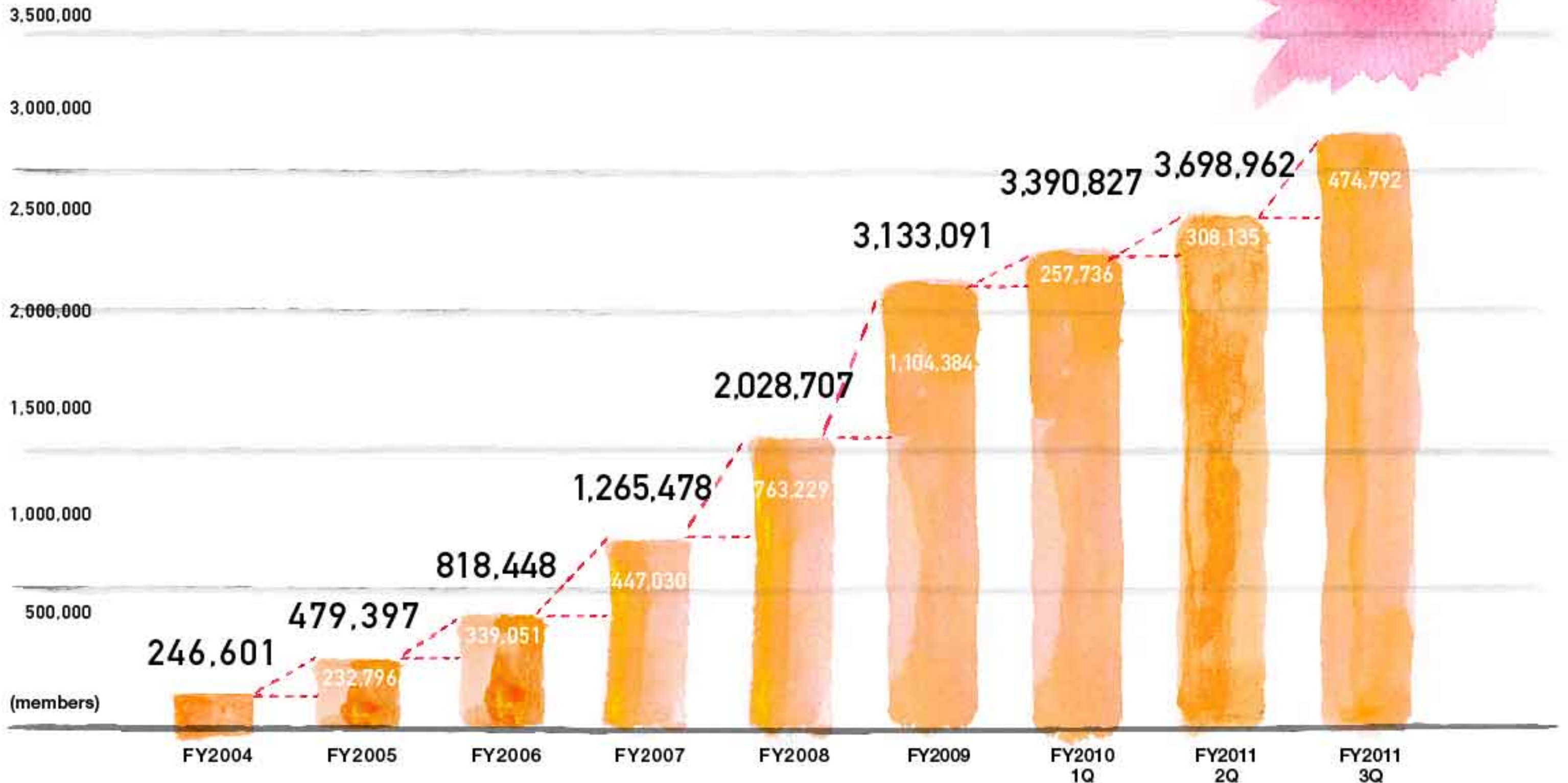
Item	FY2011 3Q	FY2010 3Q	YoY	Reasons for the change
Cash flows from operating activities	3,121	2,705	416	Increase of net income and tax payment
Cash flows from investing activities	-1,058	-275	-783	Acquisition of additional shares of an affiliate (Crown Jewel Co.,Ltd)
Cash flows from financing activities	-534	-462	-71	Dividend payment
Cash cash equivalents at end of periodating activities	11,529	9,113	2,416	—

Fact Data Analysis



Total Members

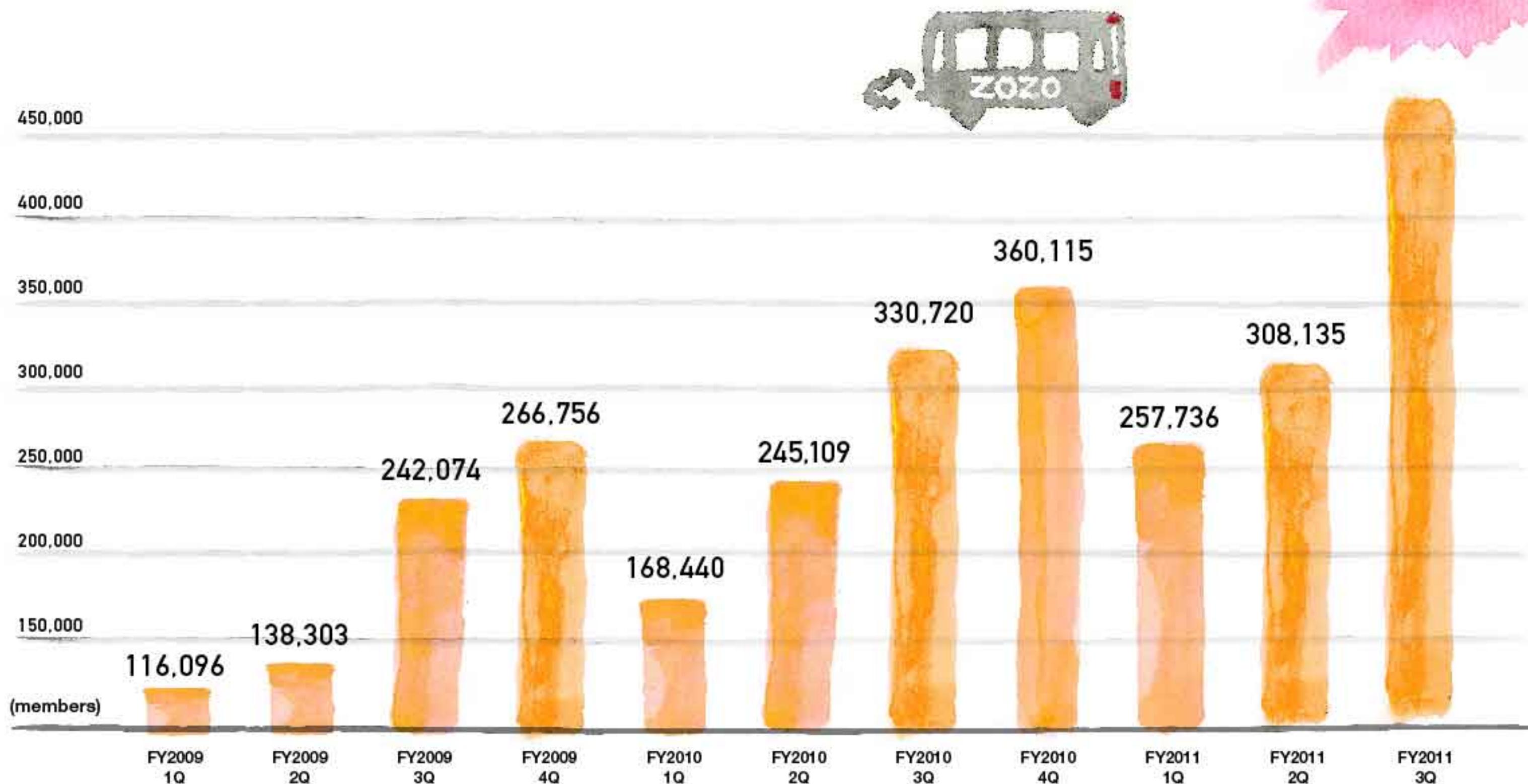
• New members for 3Q FY2011 : 474,792 members
• + 1,400,778 members year on year





New Members (Quarterly)

+43.6% year on year

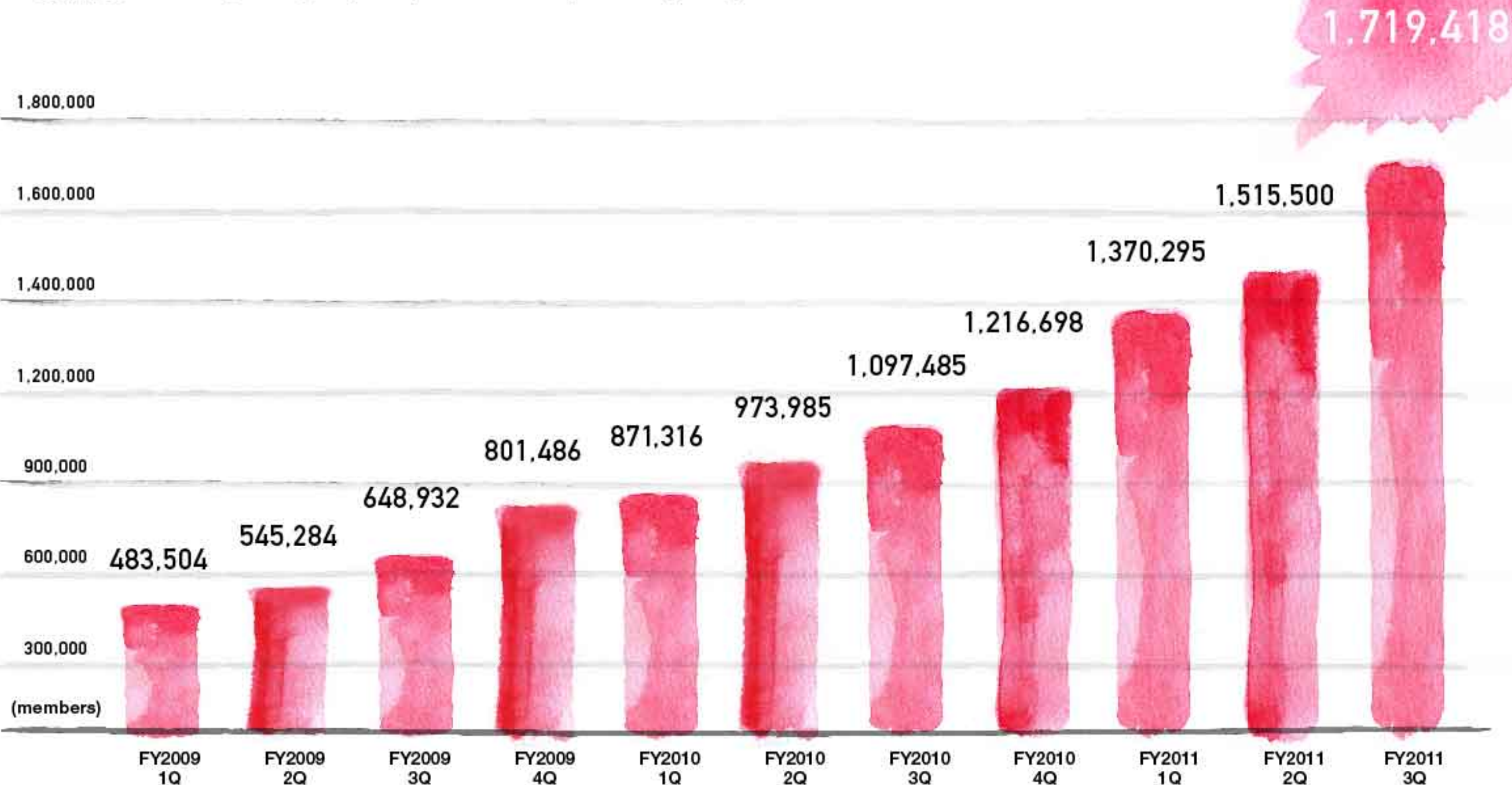




Active Members (Quarterly)

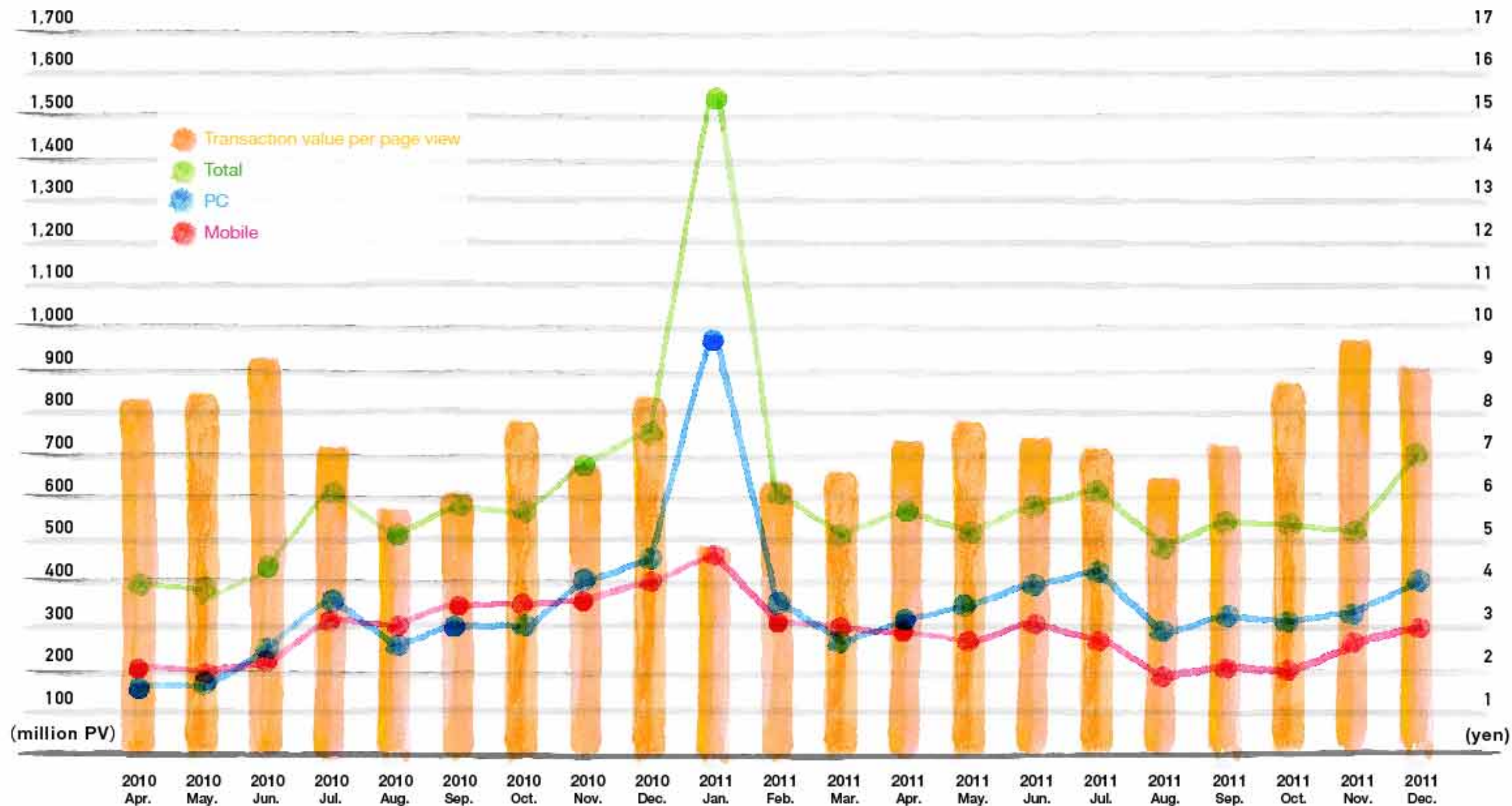
Active members = Members who have made at least one purchase within a year

+ 621,933 members year on year (+203,918 members quarter on quarter)



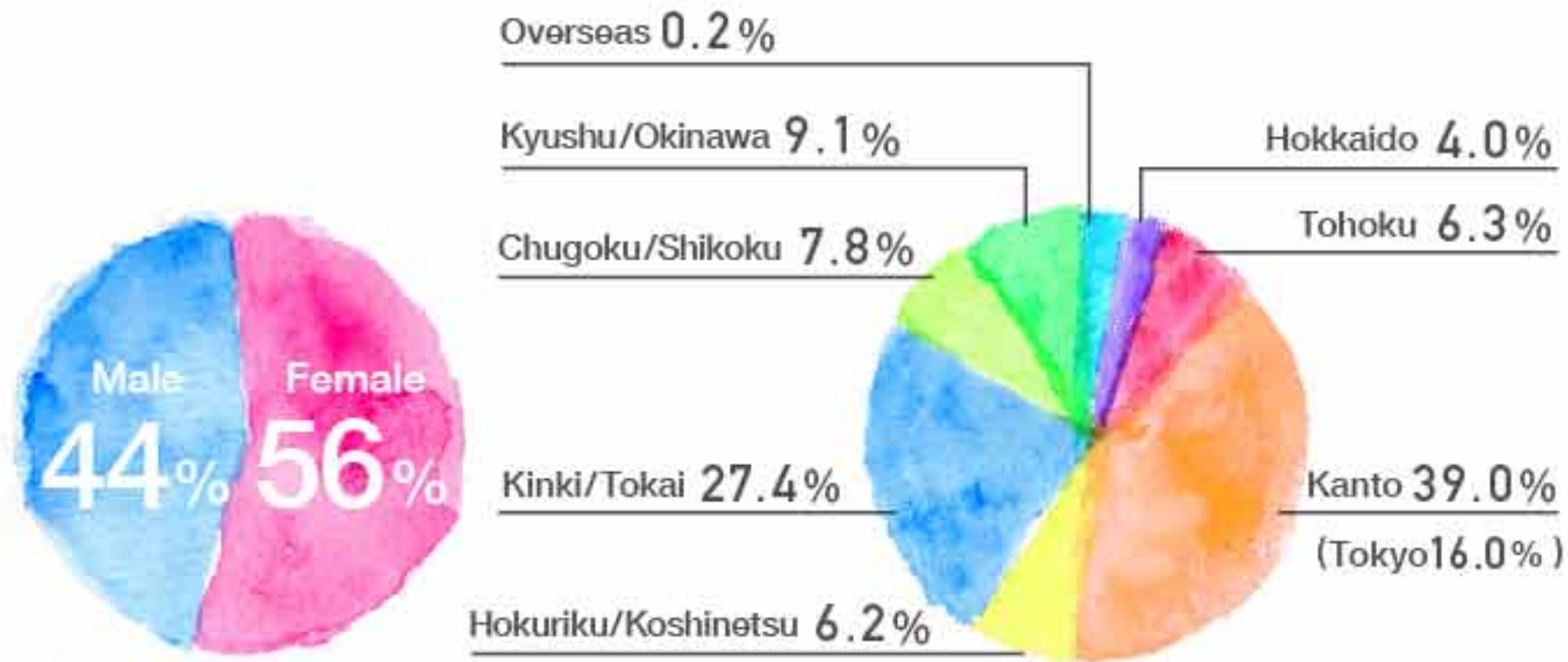


Total Page Views per Month



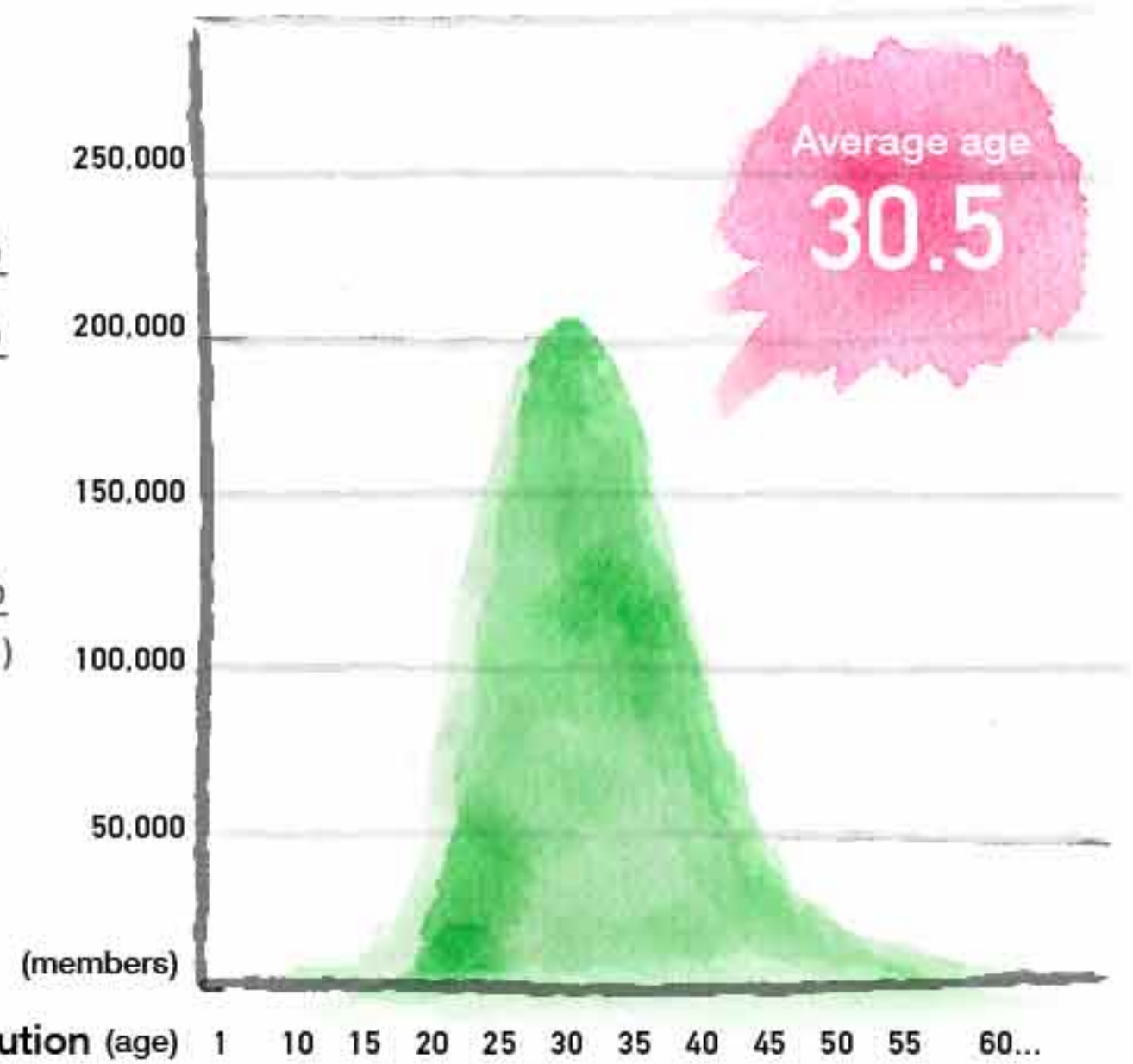


Member Distribution (As of December 31,2011)



Gender ratio

Geographical distribution



Age distribution (age) 1 10 15 20 25 30 35 40 45 50 55 60...



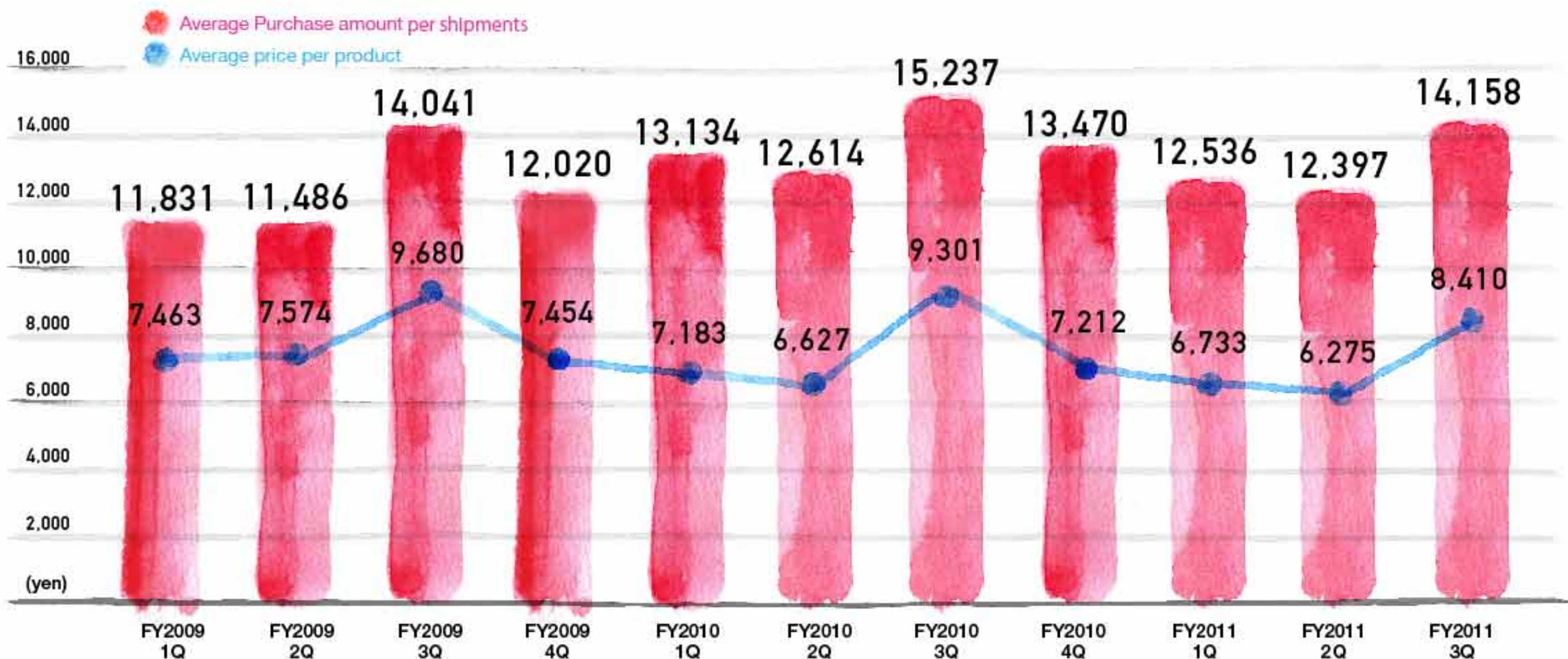
Average Purchase Amount per Shipment and Average Price per Product

Average purchase amount per shipment = Transaction value / Number of shipments

• Average Purchase amount per shipment Q3 FY2011: ¥ 14,158 (- 7.1 % year on year)

• Average price per product Q3 FY2011 : ¥ 8,410 (Q3 FY2010 -9.6 % year on year)

* Q1 FY2011 Transaction value and number of shipments for ZOZOTOWN-charity T-shirts are excluded
(Reference: Average purchase amount per shipment including the charity t-shirts: ¥ 11,891/
average price per product: ¥ 6,379)



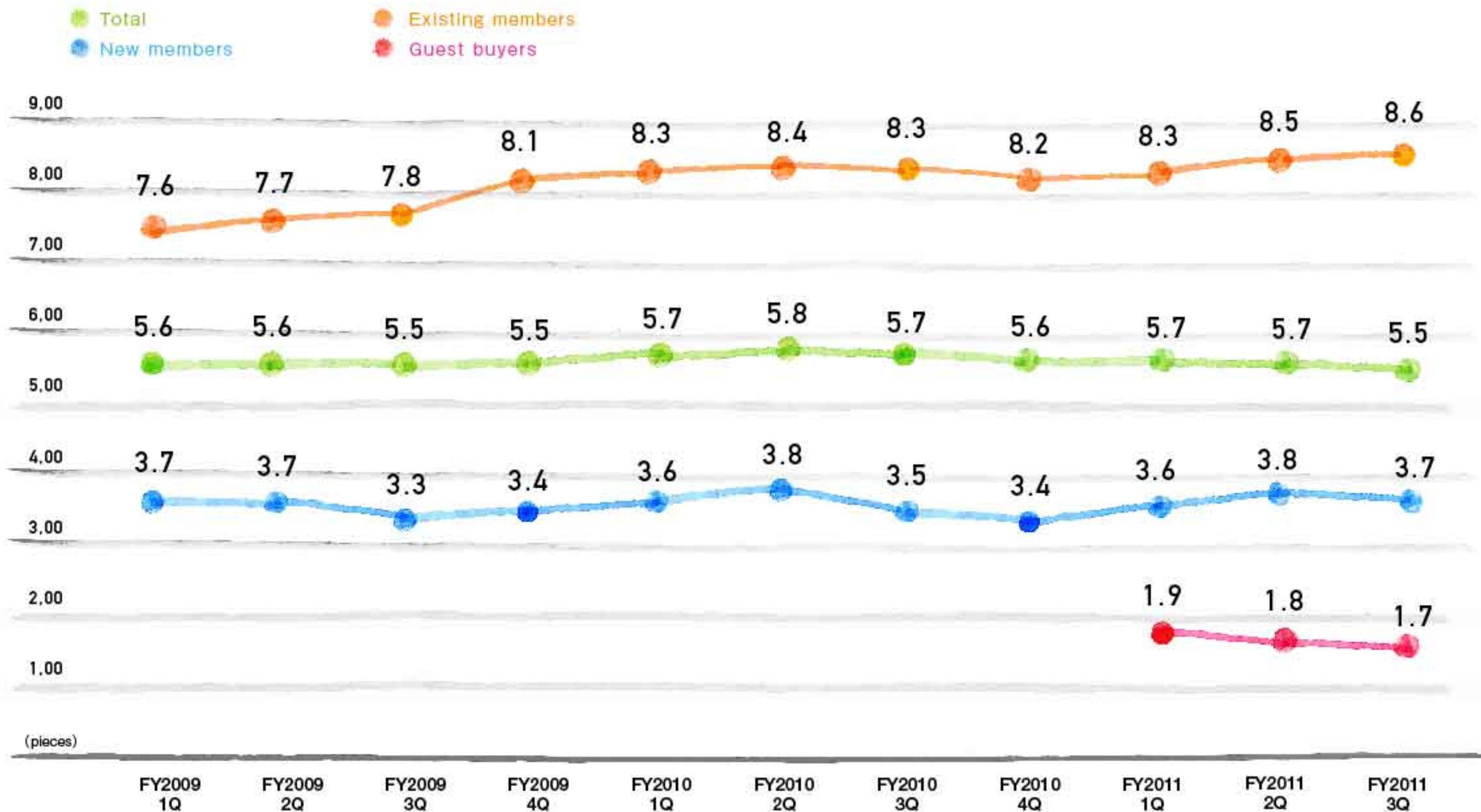


Annual Purchase Amount per Active Member



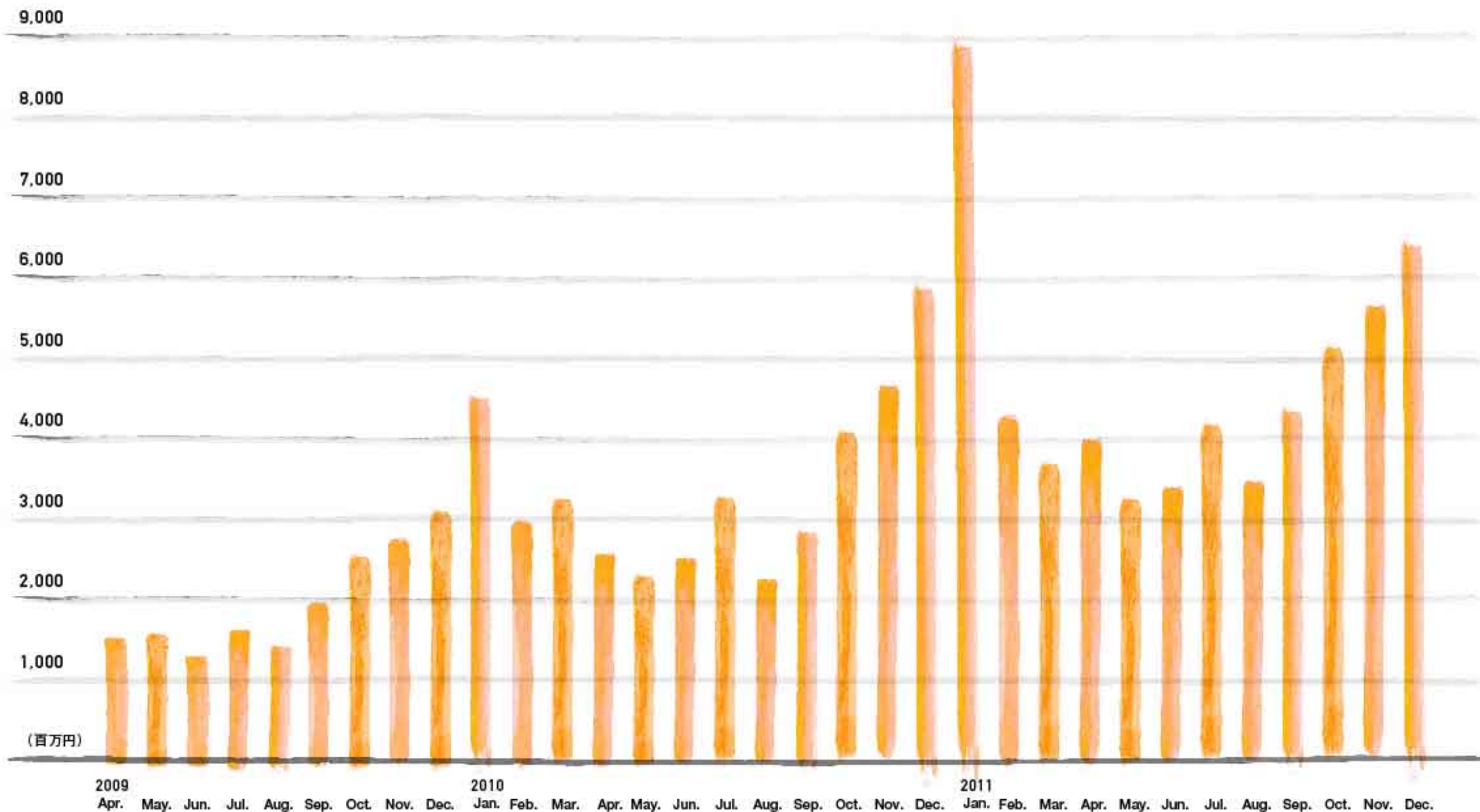
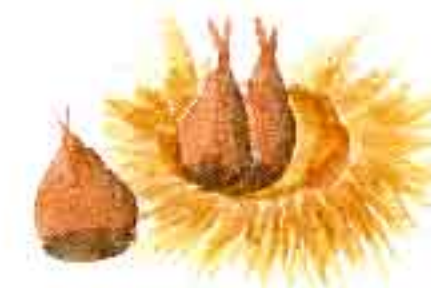


Annual Purchase Pieces per Active Member





Transaction value of items requested sold out item

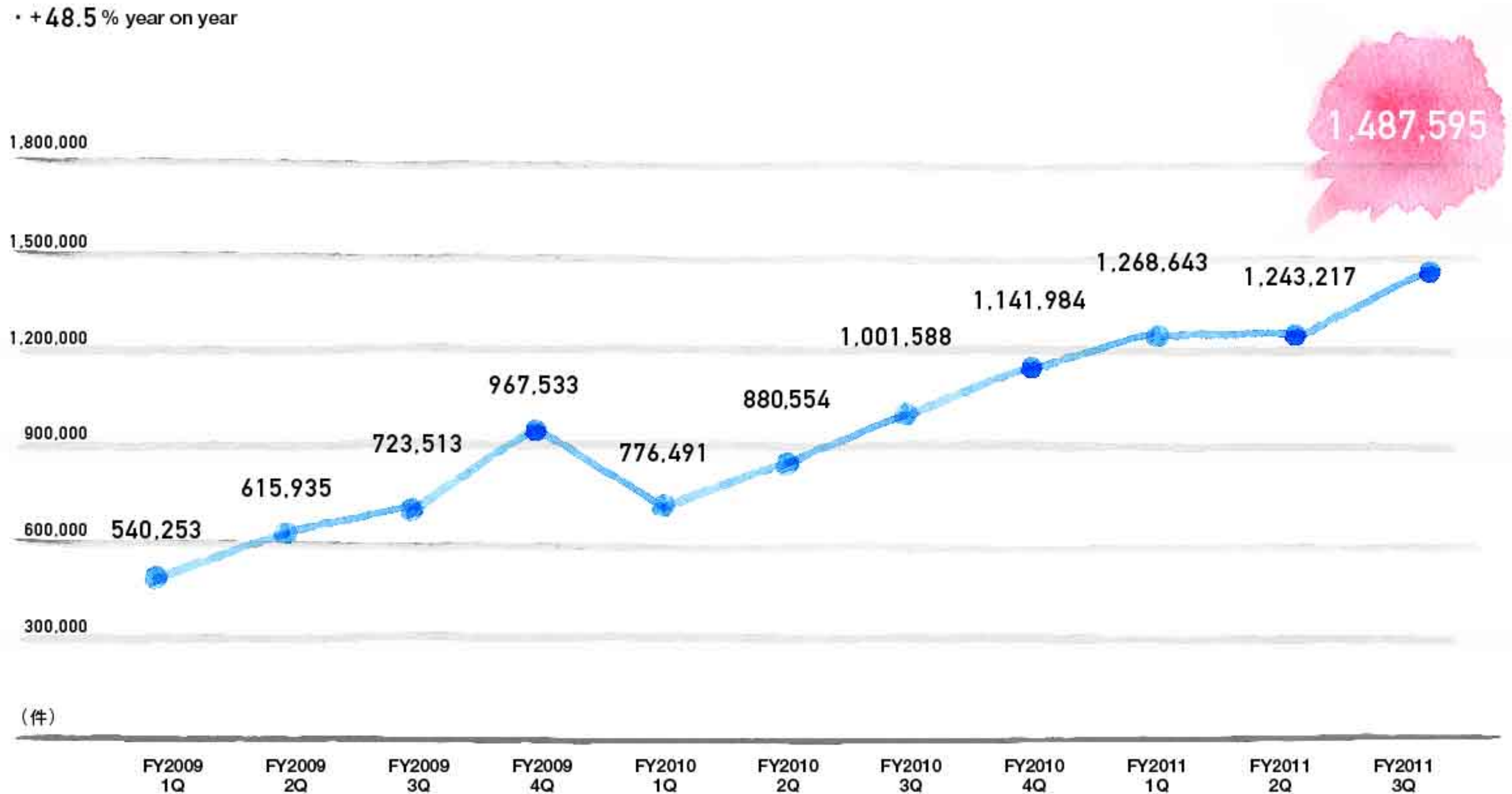




Number of Shipments

Number of shipments marked a record high

• +48.5% year on year



(件)



Transaction Value Target by Member Type

Transaction Value Target for New Members : ¥ 16.5 billion

New members	Q3 FY2011			Difference	Q1 FY2010
	Target	Result	(Of which are guest buyers)		
New members (person)	-	1,075,702	(250,163)	-	744,269
Active members (person)*	388,913	721,190	(250,163)	332,277	432,470
Ratio of active members to new members (%)	-	67.0%	(100.0%)	-	58.1%
Annual purchase amount per member (¥)	24,262	18,862	(12,491)	- 5,400	23,742
Total purchase amount (¥million)	9,435	13,603	(3,124)	4,168	10,267

Active members

- Number of new active members substantially exceeded the target.

Purchase amount

- Expanded the number of brands along with purchase price per person has fell short of the target due to the decline in unit prices of merchandises, but the total purchase amount remained nearly as planned.

Transaction Value Target for Existing Members : ¥ 60.0 billion

Existing members	Q2 FY2011		Difference	Q1 FY2010
	Target	Result		
Total members as of March 31, 2010 (resigned members included)	3,133,360	3,133,360	-	2,081,975
Active members (person)*	829,321	782,802	- 46,519	502,101
Ratio of active members to existing members (%)	26.5	25.0%	- 1.5%	24.1%
Annual purchase amount per member (¥)	51,342	49,395	- 1,947	52,384
Total purchase amount (¥million)	42,578	38,667	- 3,911	26,302



※ The active members is the numbers of member who made a purchase during FY2011 (including withdrawn members as at Q1 end)

Forecasts for FY2011



Consolidated Business Forecast and Dividend Forecast for FY2011

		YoY change (%)
Transaction value	¥ 84.0 billion	47.0
Net sales	¥ 32.2 billion	35.3
Operating profit	¥ 8.5 billion	46.3
Recurring profit	¥ 8.5 billion	46.1
Net income	¥ 4.8 billion	54.7
Earning per share	¥ 43.7	—
Dividend per share (estimate)	¥ 10.5	—



Breakdown of net sales

	Business segment	Transaction value	YoYchange (%)	Net sales	YoYchange (%)
business	Store Operation & Administration Business (Consignment Sales)	67.0 billion	62.4	18.3 billion	72.2
	Store Planning & Development Business (Purchase stock)	9.5 billion	-18.7	11.4 billion	-1.7
	B toB Business	7.5 billion	78.8	2.0 billion	88.0
Others		—	—	0.39 billion	3.5
Total		84.0 billion	47.0	32.2 billion	35.3

The background of the slide is a watercolor-style wash. The upper portion is dominated by various shades of purple, from light lavender to deep magenta, with soft, feathered edges. The lower portion transitions into a lighter, yellowish-green wash, also with soft, blended edges. The overall effect is artistic and textured.

Business Plan for FY2011



Business Plan for FY2011

We have now started running towards...

840

STARTTODAY

CFM

(Customer Friendship Management)

Manage close relationships with customers.

- Accepting returns.
- Former CRM department is re-named as "CFM department".

EFM

(Employee Friendship Management)

Stimulate close relationships among co-workers.

- Increase House Rent Allowance for employees living near the Makuhari area.
- Encourage and financially support employee wellness activities.(Planned)
- Provide personal Smartphones.(Planned)
- Planning to constitute a new department specializing in EFM



Store Operation & Administration Business (consignment sales)

Transaction Value Target : ¥67,000 million (+62.4% year on year)

- Continue to open new stores and expand fashion territory.
- Start the inventory-linked system with SHIPS Co.,Ltd.

Store Planning & Development Business (purchased stock)

Transaction Value Target : ¥9,500 million (-18.7% year on year)*

- Continue discovering, cultivating and delivering promising brands, expanding scale of each business.
- Re-categorize our original Men's select shops by style, combining 13 shops into 4 shops.

E-Commerce Support Business for Apparel Manufacturers

Transaction Value Target : ¥7,500 million (+78.8% year on year)

- FY2010 results [Consignor : 8 Acquired member : 376,128 Active members : 177,683]
- Upcoming launch sites include :
 - NANO-UNIVERSE Co., LTD (in April, 2011)
 - Little Anderson Co., LTD (in April, 2011)
 - American Rag Cie Co., LTD (in May, 2011) and more to follow
- Intensify service of consulting by reconstructing the existing personnel structure, officially setting up STARTTODAY CONSULTING up as a holding company.





Transaction Value Target by Member Category

ZOZO members

Number of estimated active members : 904,800 ×
Estimated annual purchase amount per member: ¥66,313=approx. ¥60.0billion

Number of estimated new members : 660,000 ×
Annual purchase amount per member : ¥25,000 = ¥16.5 billion



B to B business ¥7.5 billion



84.0 billion



Overseas Operations

ZOZOTOWN'S overseas sales transaction value of FY2010

¥ 100 million (approximately)



FY2011

- Grand opening of Global Website
- Fashion e-commerce website development in China



Grand Opening of Global Website

(Global Website IMAGE)



Opened at the end of May, 2011.

Available in three different languages

- Japanese
- Chinese (Traditional)
- English

Number of brands at the time of the grand opening : over 600

Payment Method: Paypal only


Will be making deliveries to 82 countries worldwide.



Fashion Website Development in China



50.1%

 SoftBank

49.9%

·The ratio of shareholder's equity includes the 5% new share subscription right which Alibaba Co.,Ltd holds.



100% Subsidiary



support

establish

open

ZOZOTOWN.cn



Developing ZOZOTOWN in China by using Taobao's platform owned by Alibaba Group

Opening ZOZOTOWN on China's largest online shopping website Taobao mall

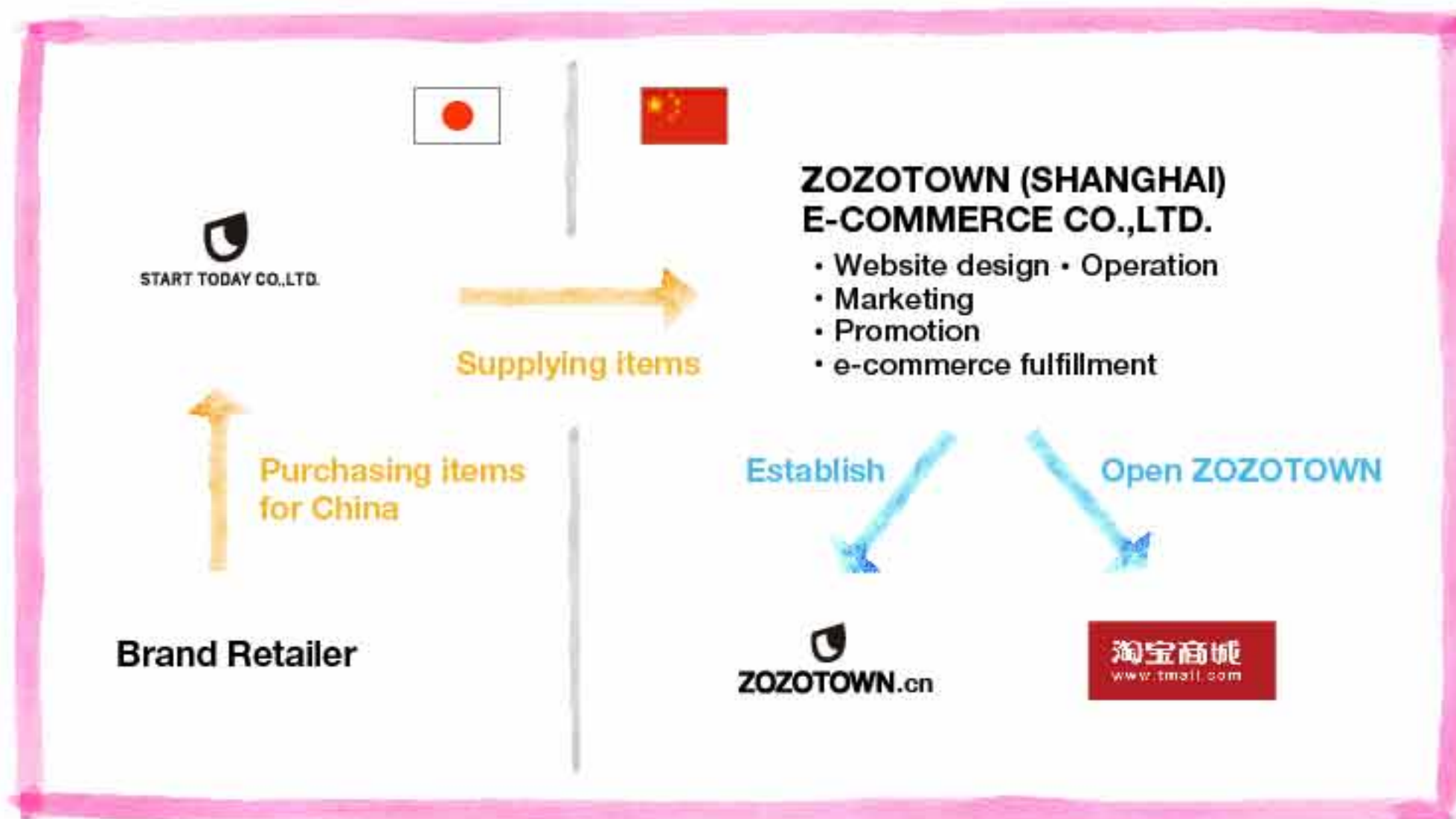


Grand opening of ZOZOTOWN CHINA

Opened ZOZOTOWN in China' s largest shopping website "Taobao Mall," as well as the grand opening of ZOZOTOWN' s own e-commerce website using the platform of "Taobao."

- Grand opening date: October 31st, 2011
- Number of brands: Approximately 40 brands
- Payment method: Alipay
- Logistics and customer support services are consigned to a partner company.

(ZOZOTOWN.cn)



(ZOZOTOWN.cn opening ceremony commemorative t-shirts)





Official start-up of Korea development

We plan to launch our EC site, "ZOZOTOWN" in the new category that will focus on "Japanese brands (name of category to be decided)", which will be added to Korea's largest shopping websites "eBay Gmarket" and "eBay Auction" in order to introduce Japanese fashion brands to Korean consumers.

- Opening: November 1st, 2011
- Number of brands at the time of the grand opening: over 110
- Products to be delivered to customers from Japan via EMS using the services of tenso.com.

(Gmarket)



(AUCTION)





Acquisition of additional Crown Jewel, Inc. shares (making Crown Jewel a wholly-owned subsidiary)

Crown Jewel, Inc.

Operates an auction site that specializes in highly sensitive fashion.

Crown Jewel has allocated new shares to Start Today on April 15, 2010 in order to reinforce its business operations in apparel's secondary distribution market*.

In order to deliver even greater group synergy, Crown Jewel became a wholly-owned subsidiary of Start Today in June 2011. Together, we will expand our market share and business activities in apparel's secondary distribution market.

*Apparel's secondary distribution market: A secondary distribution market for pre-owned apparel. Consumer trends have diversified, triggering a rise in consumer demand to purchase better products for cheaper prices. Hence this market is expected to undergo further growth.

Company name	Crown Jewel, Inc.
Main business	Auction business
Date established	July 15, 2005
Headquarters	6-7-2 Minami-aoyama, Minato-ku, Tokyo
Representative	President Takeyuki Fukumoto
Capital	227,575,000 yen
Total shares outstanding	31,715 shares
Beginning of the fiscal year	September

- Number of members : 100,981
- Number of active members : 15,059
- Male : 40.1 % Female : 59.9 %



The background is a soft, abstract watercolor wash. It features a mix of warm yellow and gold tones on the left and bottom, transitioning into light green and pale brownish-yellow on the right and top. The colors are blended together with soft, feathered edges, creating a textured, organic feel.

Future Strategies



Mid-to and Long-term Vision

Mid-to and Long-term target of START TODAY

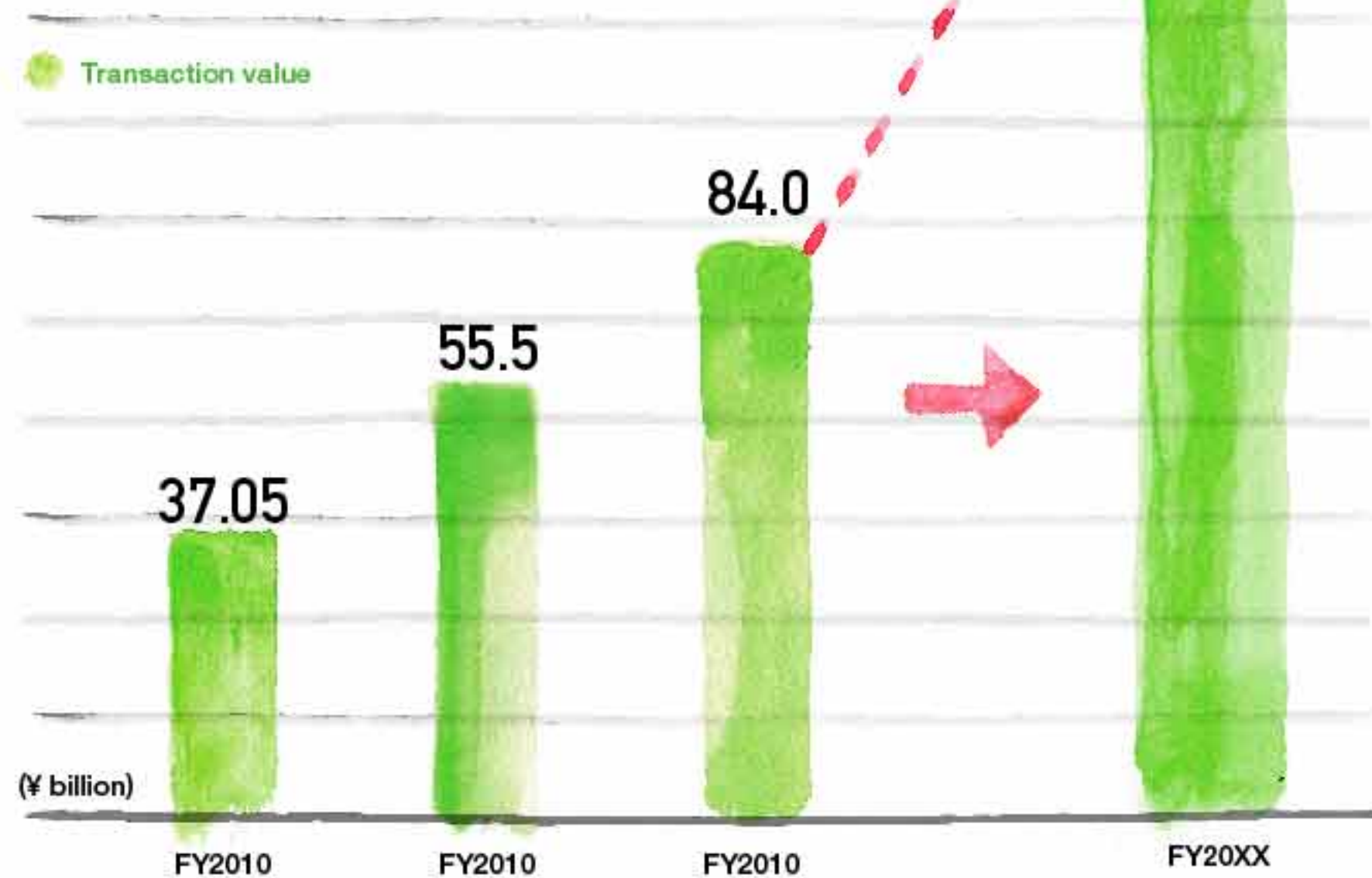
FY20XX term

Transaction value **500** billion

Recurring profit **50** billion



Mid-to and Long-term Target for Transaction Value





Strategy of Market Expansion

While ZOZOTOWN expansion is promoted focusing on the fashion e-commerce market, we accelerate the development of our business into various fashion areas through e-commerce support.



Reference Data



Japan's Largest Online Retailer of Apparel and Accessories – ZOZOTOWN

(ZOZOTOWN)

ZOZOTOWN <http://zozo.jp/>

- One of Japan's largest online shopping sites for fashion items
356 stores handling 1,829 brands. Always offering more than 130,000 items with more than 3,000 new items a day on average.
- Users can comment on merchandise and share information via social networking sites such as Twitter, Mixi, GREE and Facebook.
- Systems, design, logistics and other e-commerce functions retained in house.

ZOZOVILLA <http://zozo.jp/zozovilla/>

- Online shopping site handling Japanese and international designer brands and luxury brands.
- Based on the visual theme of islands, the uniqueness of each brand is communicated by operating a different store on each island.

ZOZOOUTLET <http://zozo.jp/outlet/>

- Offers items from United Arrows, BEAMS, TSUMORI CHISATO and other popular multi-label stores and brands.





A Summary and a Characteristic of Other Services



ZOZOPRESS <http://zozo.jp/zozopress/>

- Fashion news site offering the latest information focusing on three genres, including “casual” and “mode,” for men and women, respectively, in the form of 1-page magazine articles devoted to each genre.

ZOZONAVI <http://navi.zozo.jp/>

- Search site covering over 5,000 apparel stores throughout Japan.

ZOZOGALLERY <http://gallery.zozo.jp/>

- Download services of computer wallpaper and mobile phone standby screen image of popular brands.

ZOZOPEOPLE <http://people.zozo.jp/>

- Social networking service specializing in the distribution of information about people, journals and items.

ZOZOQ&A <http://qa.zozo.jp/>

- A bulletin board where fashion-sensitive people can exchange information through Q&A-style posting.

ZOZOARIGATO <http://arigato.zozo.jp/>

- “Thank you” message posting service to encourage people to express gratitude for the good things in life.
- Every time a “thank you” message is posted, START TODAY donates ¥10 to World Vision Japan, an NGO.





Store Planning & Development Business (Purchased Stock)

Operate 42 stores such as "ZOZOEPROZE" and "QUNIEE" in ZOZOTOWN.
Purchase from brand manufacturers and sell.

Sales = Transaction value on each store

Store Operation & Administration Business (Consignment Sales)

Operating 319 online stores, such as "United Arrows", "BEAMS" in ZOZOTOWN and "MARCJACOBS" in ZOZOVILLA on commission basis without any inventory risk.

Sales = Transaction value of stores x consignment commission rate

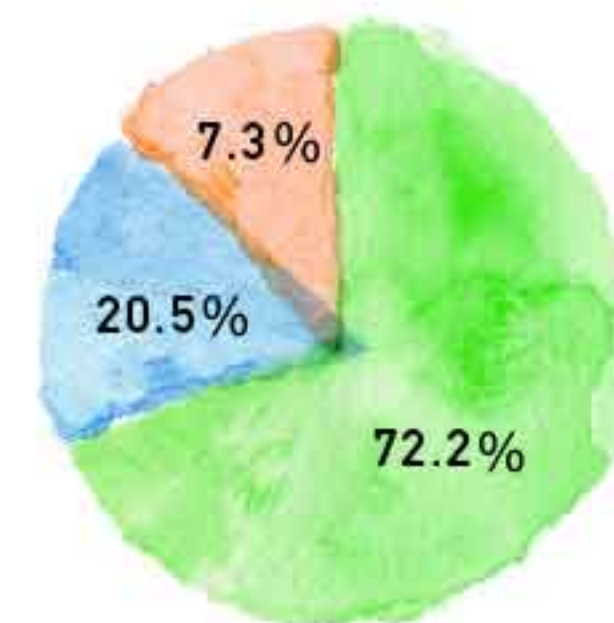
B to B Business

E-Commerce Support Business for Apparel Manufacturers: Established a subsidiary Start Today Consulting, Co., Ltd. in May 2008
Consigning companies: 19 companies (as of December 31, 2011)

Sales = Transaction value of manufacturers x consignment commission rate

Others

Initial store opening charge, paid membership service "ZOZOPREMIUM", handling fee of the allied credit card "ZOZOCARD".



(Transaction value for FY2010)

- Store Planning & Development Business
- Store Operation & Administration Business
- B to B Business

This material was made only for understanding the business of the company and not for offering to solicit investment.

The future outlook of the business results, etc. described in this material was judged by the company based on the information currently available, and include various uncertainties. Actual results may differ from the future outlook.

