



スタートトゥデイ、おかげさまで20周年



START TODAY CO.,LTD.

FY2016
CONSOLIDATED BUSINESS RESULTS

FY2016 HIGHLIGHTS

01

Overview	• Total Transaction Value	: 212,090million yen	(+ 33.0% ,Yoy)
	• Operating Profit	: 26,284million yen	(+ 48.0% ,Yoy)
	→ Achieved the initial goal for transaction value & operating profit		

Total ZOZOTOWN BUSINESS

Transaction Value	Total Transaction Value	: 204,972million yen	(+ 40.3% ,Yoy)
	Consignment Business	: 191,903million yen	(+ 39.6% ,Yoy)
	Purchased Stock Business	: 193million yen	(- 72.1% ,Yoy)
	ZOZOUSED Business	: 12,875million yen	(+ 61.8% ,Yoy)
	Average Retail Price	: 4,513yen	(- 11.5% ,Yoy)
	Average Purchase Amount per Shipment	: 8,966yen	(- 7.3% ,Yoy)
	B to B Business	: 6,220million yen	(- 53.2% ,Yoy)

Profitability	• Operating profit margin (to the total transaction value)	: 12.4%(11.1% for FY2015 Q4).
	Factors improving profitability	: Increase in GPM (ZOZOUSED growth, increase in other revenue segment).
	Factors worsening profitability	: Increase in promotion-related expense ratio.

FY2017 PLAN	• Transaction Value	: 270,000 million yen (+27.3%, Yoy)
	• Operating Profit	: 32,000 million yen (+21.7%, Yoy)
	• Operating profit margin (to the total transaction value)	: 11.9%
	• Estimated dividends per share	: ¥29 (+6.3 yen, Yoy)



BUSINESS RESULTS

OVERVIEW OF THE FY2016

03

(million¥)

Item	FY2015	FY2016	YoY Change(%)	Target	Progress Rate(%)
Transaction value	159,500	212,090	+33.0%	195,000	108.8%
Net sales	54,422	76,393	+40.4%	69,030	110.7%
Gross profit	50,085	69,213	+38.2%	-	-
(% Transaction Value)	31.4%	32.6%	+1.2%	-	-
SG & A	32,328	42,928	+32.8%	-	-
(% Transaction Value)	20.3%	20.2%	-0.1%	-	-
Operating profit	17,756	26,284	+48.0%	22,140	118.7%
(% Transaction Value)	11.1%	12.4%	+1.3%	11.4%	-
Recurring profit	17,883	26,442	+47.9%	22,150	119.4%
Profit attributable to owners of parent	11,988	17,035	+42.1%	15,260	111.6%

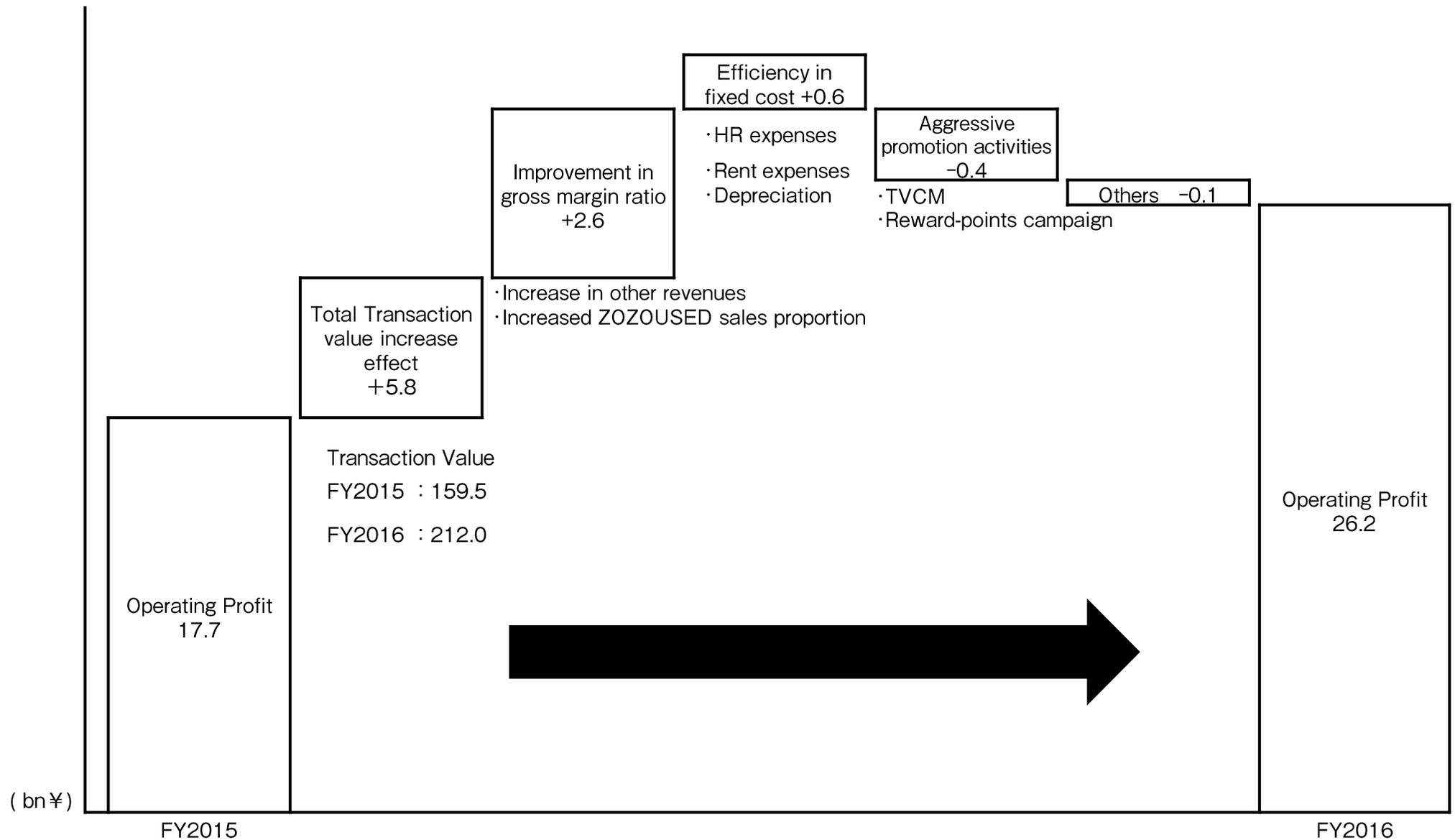
OVERVIEW OF EACH QUARTER

04

(million ¥)

Item	FY2015				FY2016			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Transaction value	33,271	34,142	44,526	47,559	42,284	44,210	61,595	64,000
YoY (%)	22.2%	18.4%	23.5%	28.7%	27.1%	29.5%	38.3%	34.6%
Net sales	10,856	11,560	15,333	16,671	15,386	16,180	22,127	22,699
SG&A	6,453	7,444	9,193	9,236	8,788	9,228	11,350	13,561
YoY (%)	24.9%	33.3%	46.7%	38.4%	36.2%	24.0%	23.5%	46.8%
(% Transaction Value)	19.4%	21.8%	20.6%	19.4%	20.8%	20.9%	18.4%	21.2%
Operating profit	3,733	3,276	4,735	6,011	5,011	5,576	8,703	6,992
YoY (%)	29.5%	3.7%	2.7%	35.7%	34.2%	70.2%	83.8%	16.3%
(% Transaction Value)	11.2%	9.6%	10.6%	12.6%	11.9%	12.6%	14.1%	10.9%

INCREASE-DECREASE ANALYSIS OF OPERATING PROFIT (YoY COMPARISON)



CONSOLIDATED BALANCE SHEET

06

(million¥)

	FY2015 (as of March 31, 2016)	FY2016 (as of March 31, 2017)		FY2015 (as of March 31, 2016)	FY2016 (as of March 31, 2017)
Current assets	24,822	45,641	Current liabilities	15,374	23,906
Cash and deposits	11,343	22,068	Deposit received for consignment sales	7,901	11,536
Merchandise inventory	1,191	1,177	Noncurrent liabilities	1,610	1,945
Noncurrent assets	10,094	10,079	Total liabilities	16,984	25,851
Tangible assets	3,157	3,364	Shareholders' equity	17,413	29,461
Intangible assets	3,272	1,075	Treasury stock	-11,757	-11,758
Investments and other assets	3,664	5,639	Total net assets	17,932	29,868
Total assets	34,916	55,720	Total liabilities and net assets	34,916	55,720

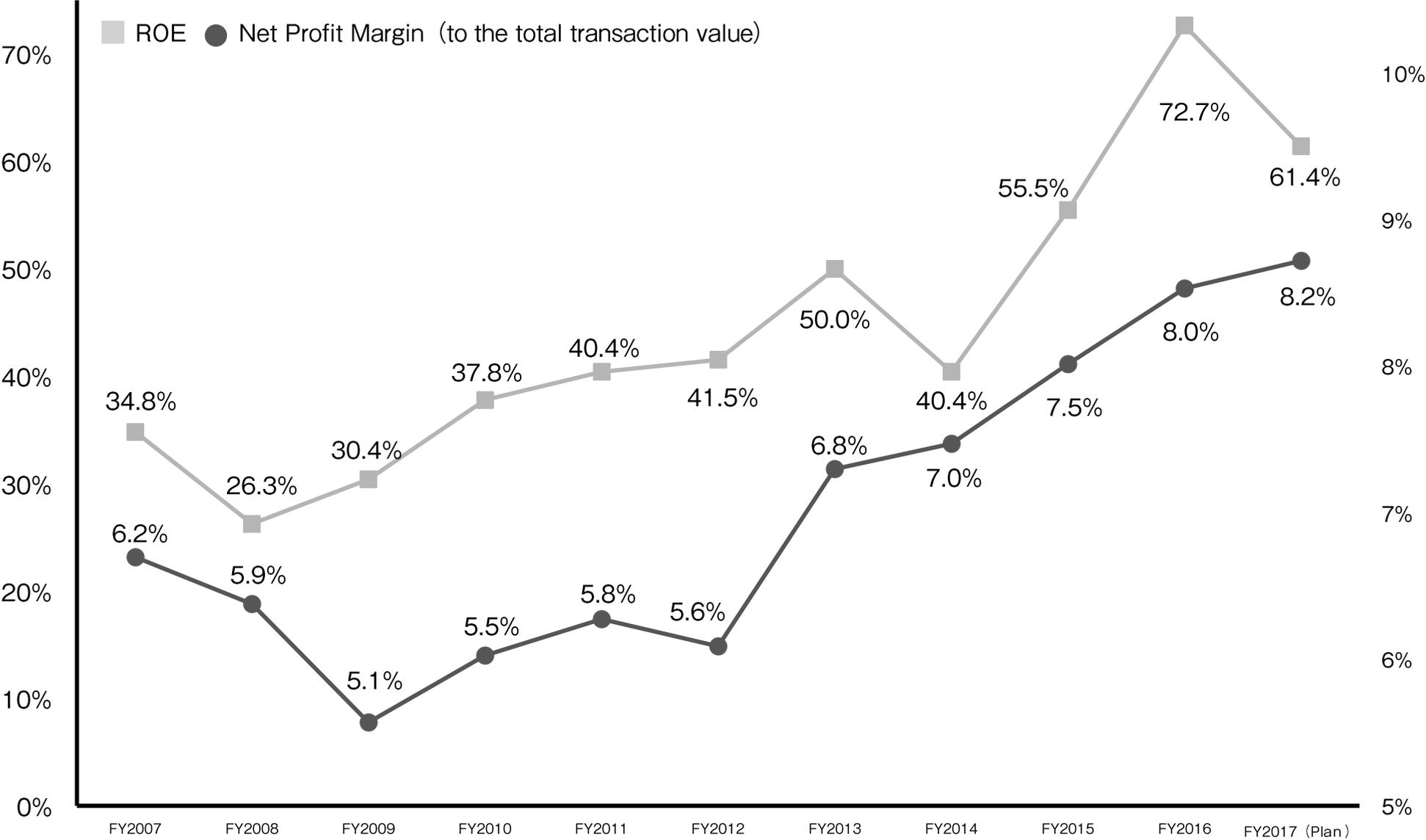
CASH FLOWS

07

(million¥)

Item	FY2015	FY2016	YOY	Reasons for change
Cash flows from operating activities	12,027	18,294	6,267	(FY2016)Increase in net profit in this quarter
Cash flows from investing activities	-2,175	-2,725	-550	
Cash flows from financing activities	-23,222	-4,995	18,227	(FY2015)Share buyback in the last fiscal quarter
Cash and cash equivalents at the end of the year	11,495	22,151	10,655	

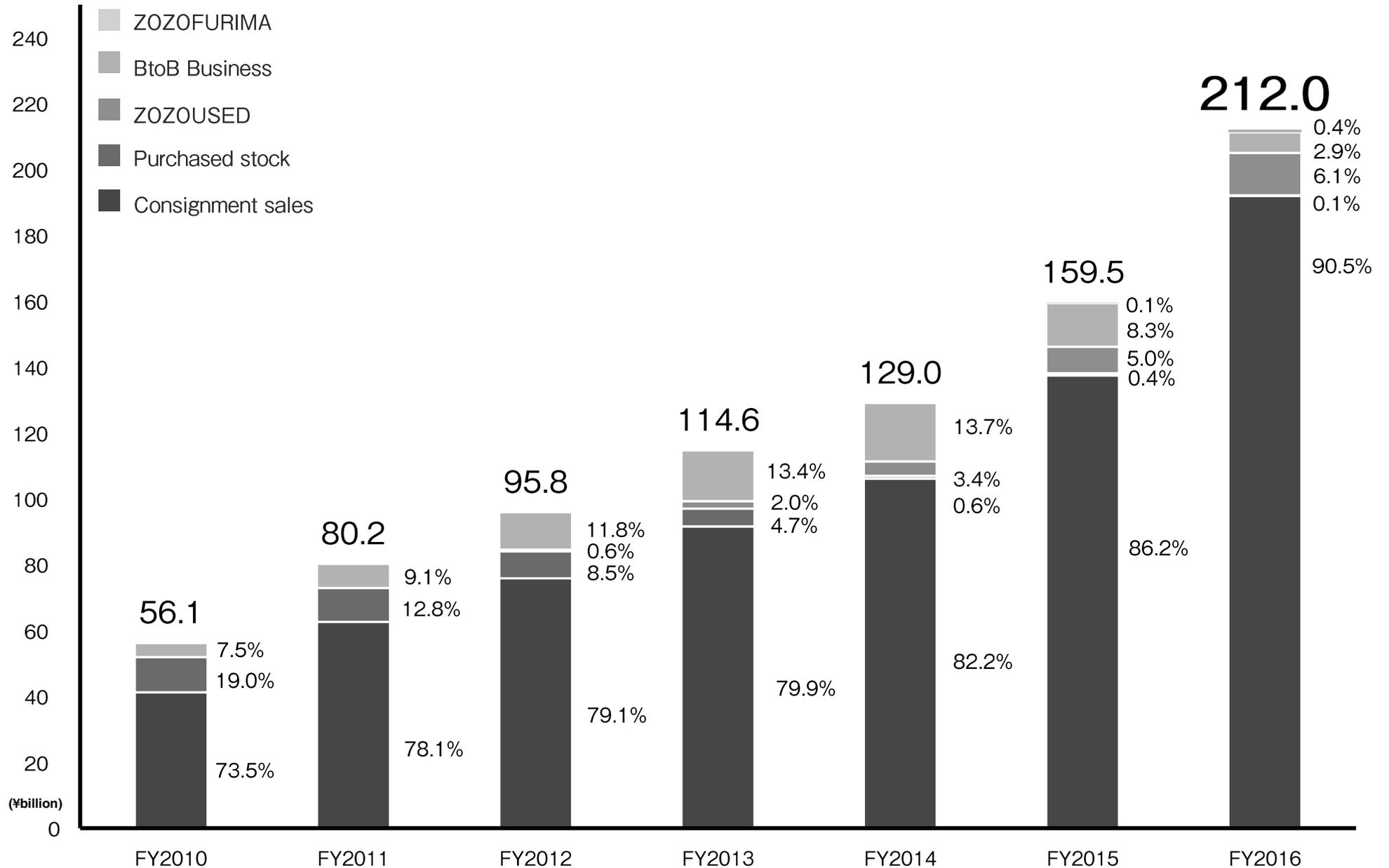
ROE AND NET PROFIT MARGIN



TRANSACTION VALUE

Gross transaction value of new shops opened in FY2016

ZOZOTOWN Business (purchased stock & consignment sales) : ¥ 9.2 billion (accounts for 4.5% of the total transaction value)

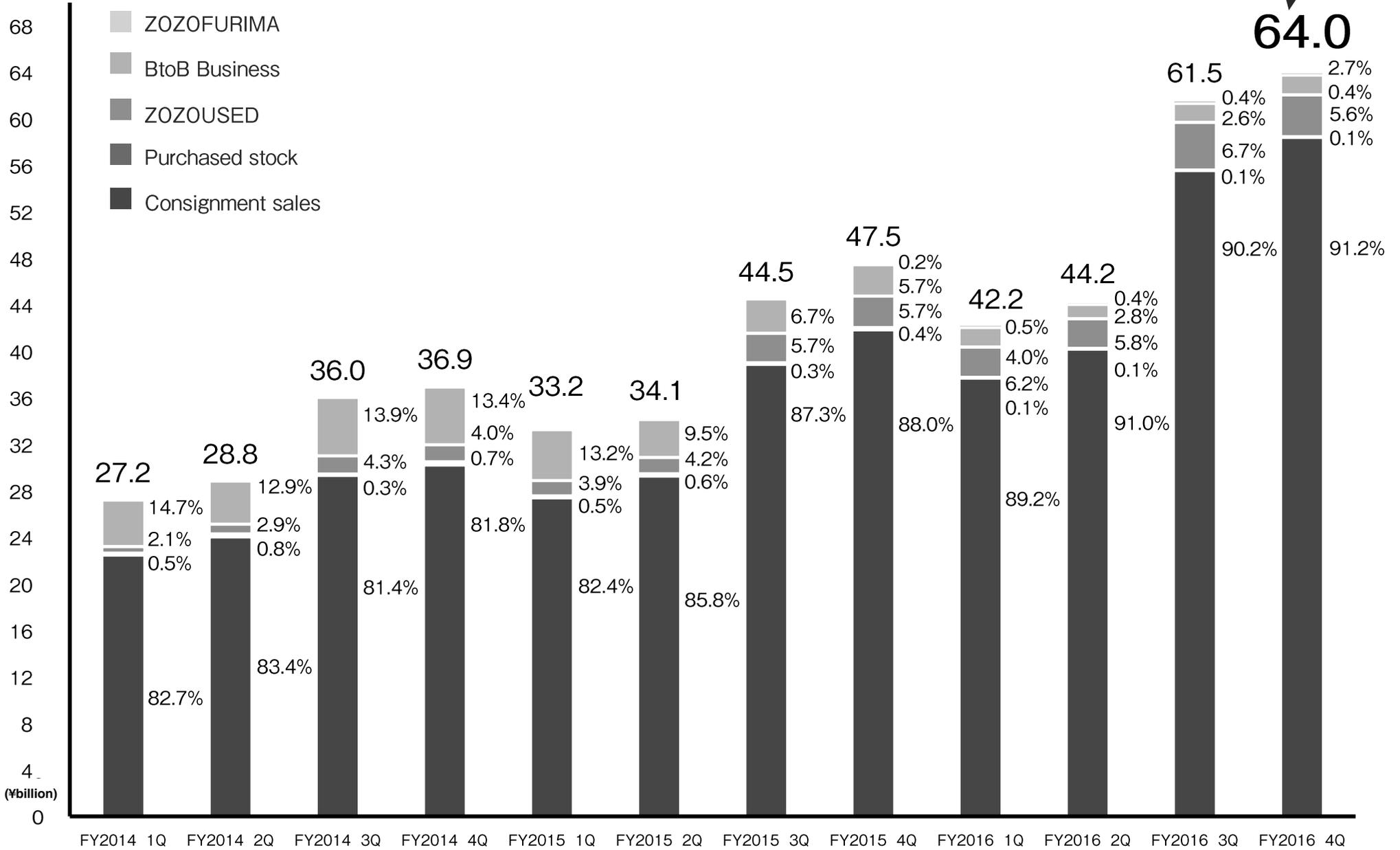


TRANSACTION VALUE (QUARTERLY)

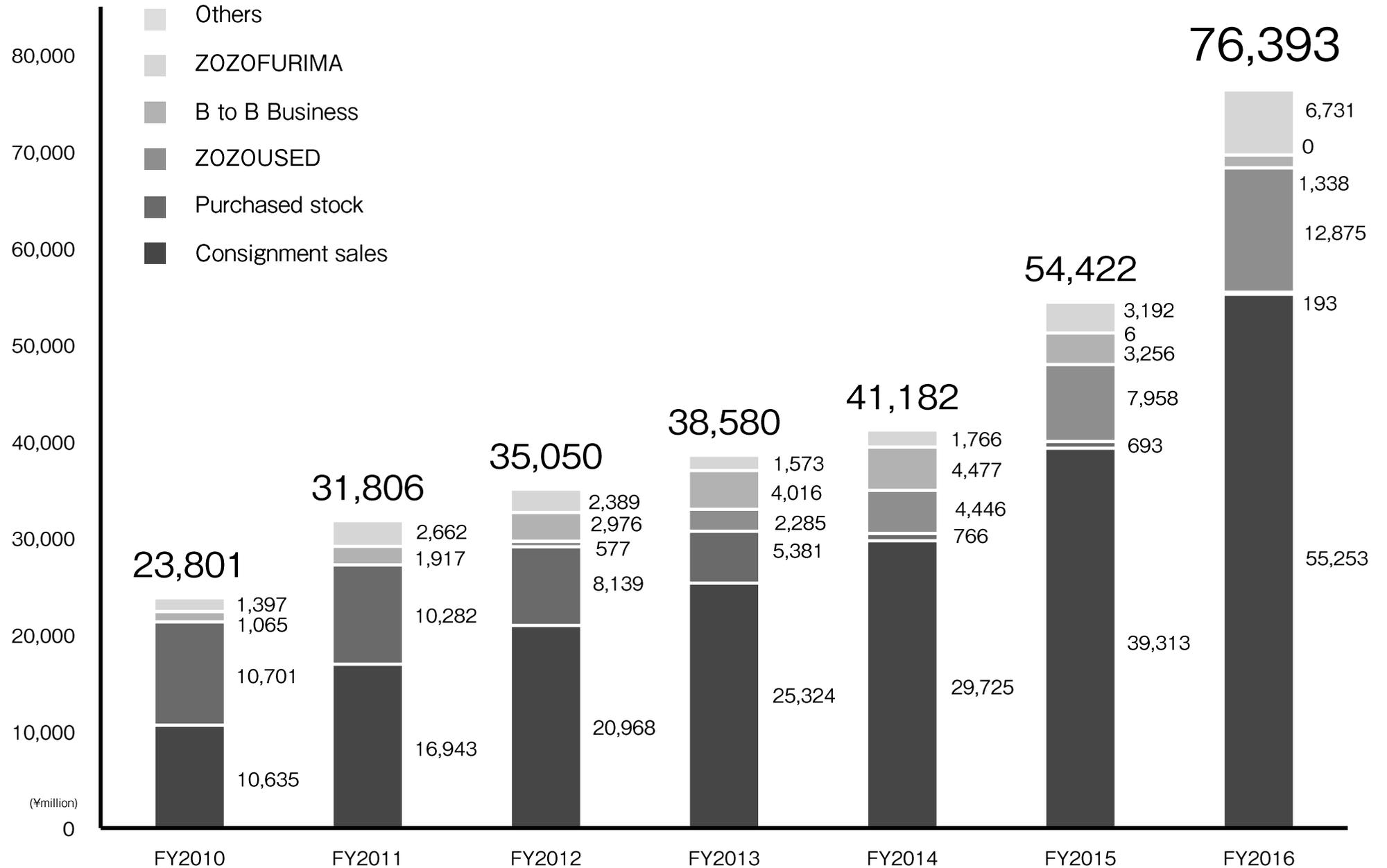
10

YOY
+34.6%

64.0



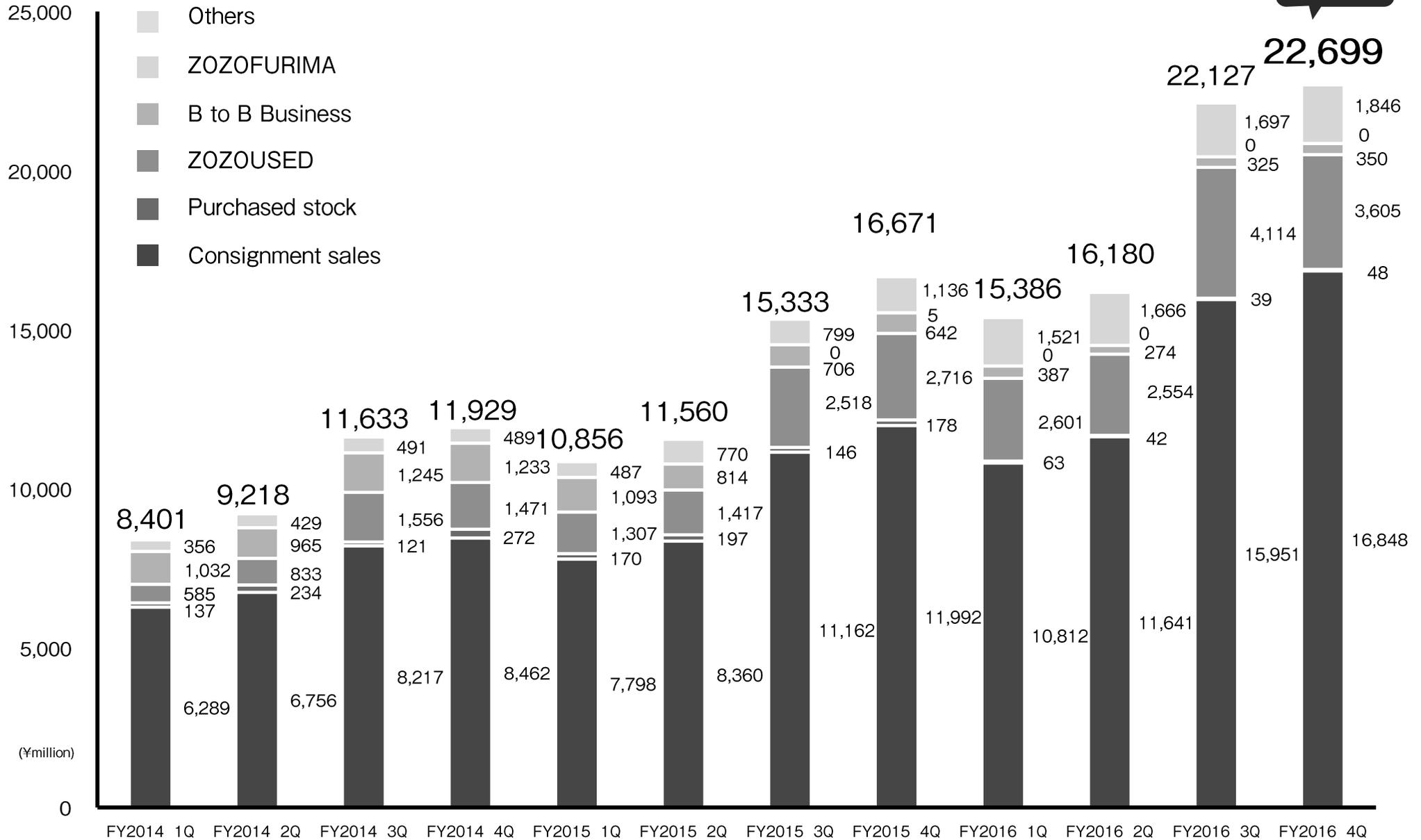
NET SALES



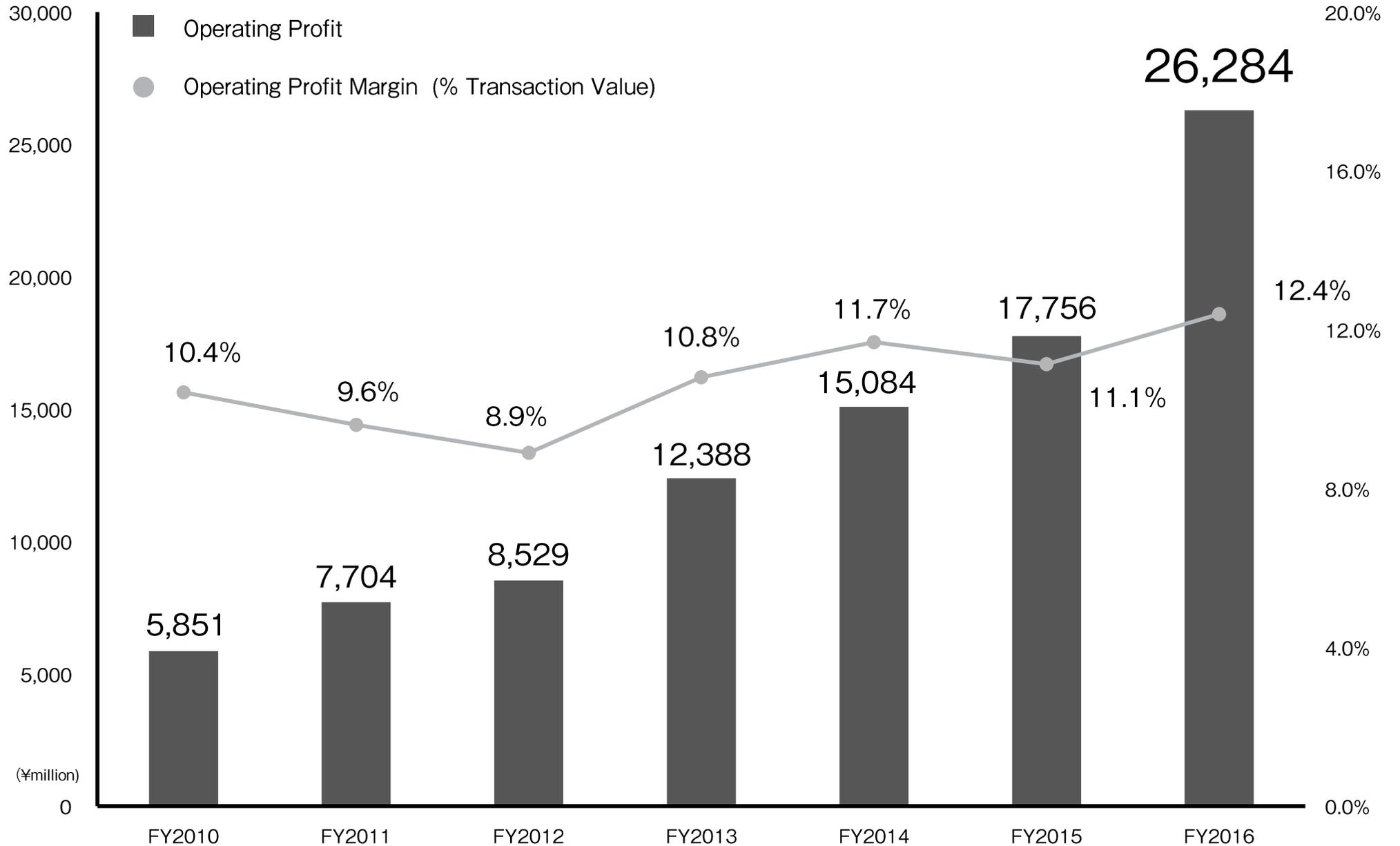
NET SALES (QUARTERLY)

12

YOY
+36.2%



OPERATING PROFIT AND OPERATING PROFIT MARGIN



SELLING, GENERAL AND ADMINISTRATIVE (SG & A) EXPENSES

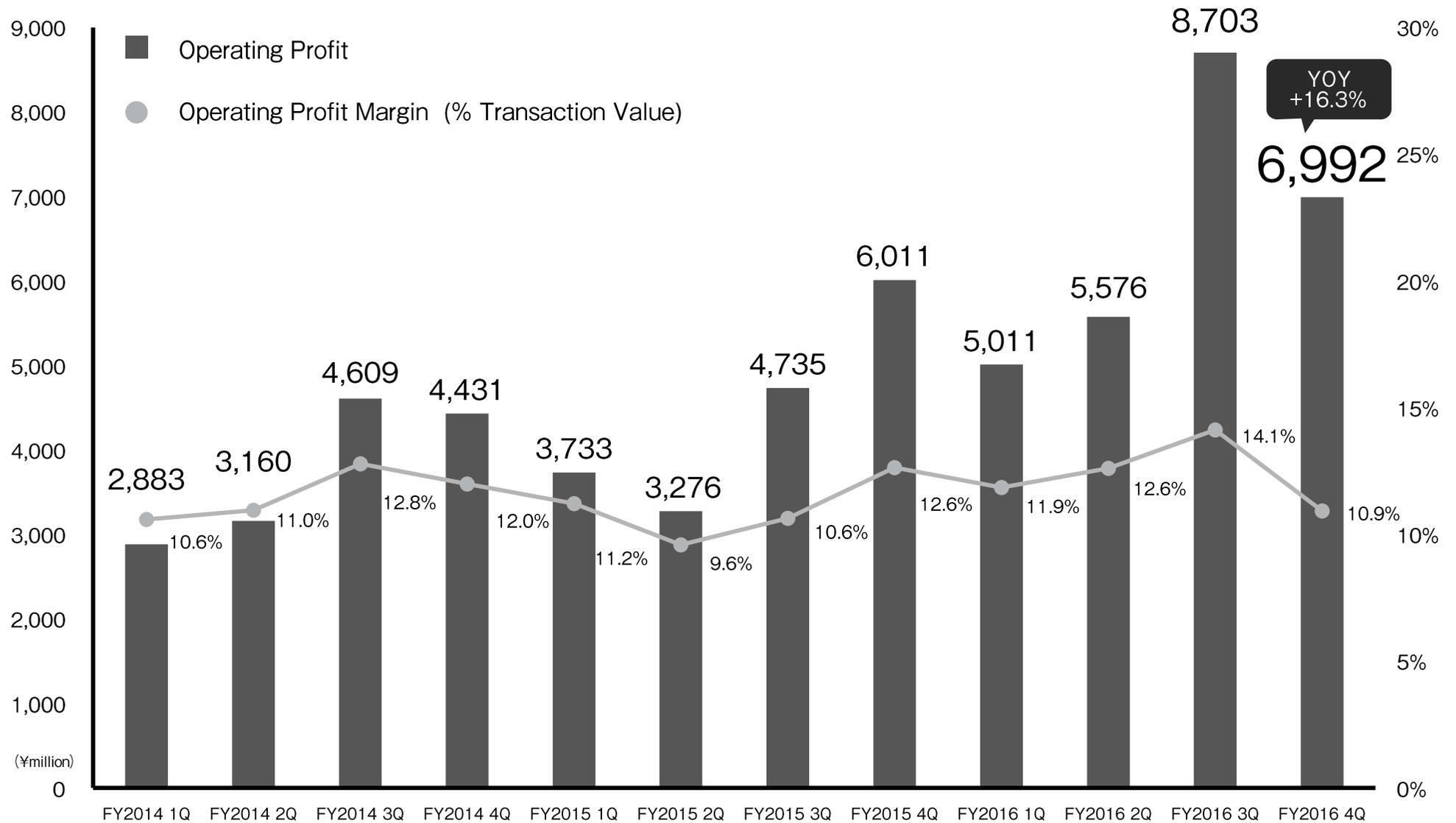
14

(million ¥)

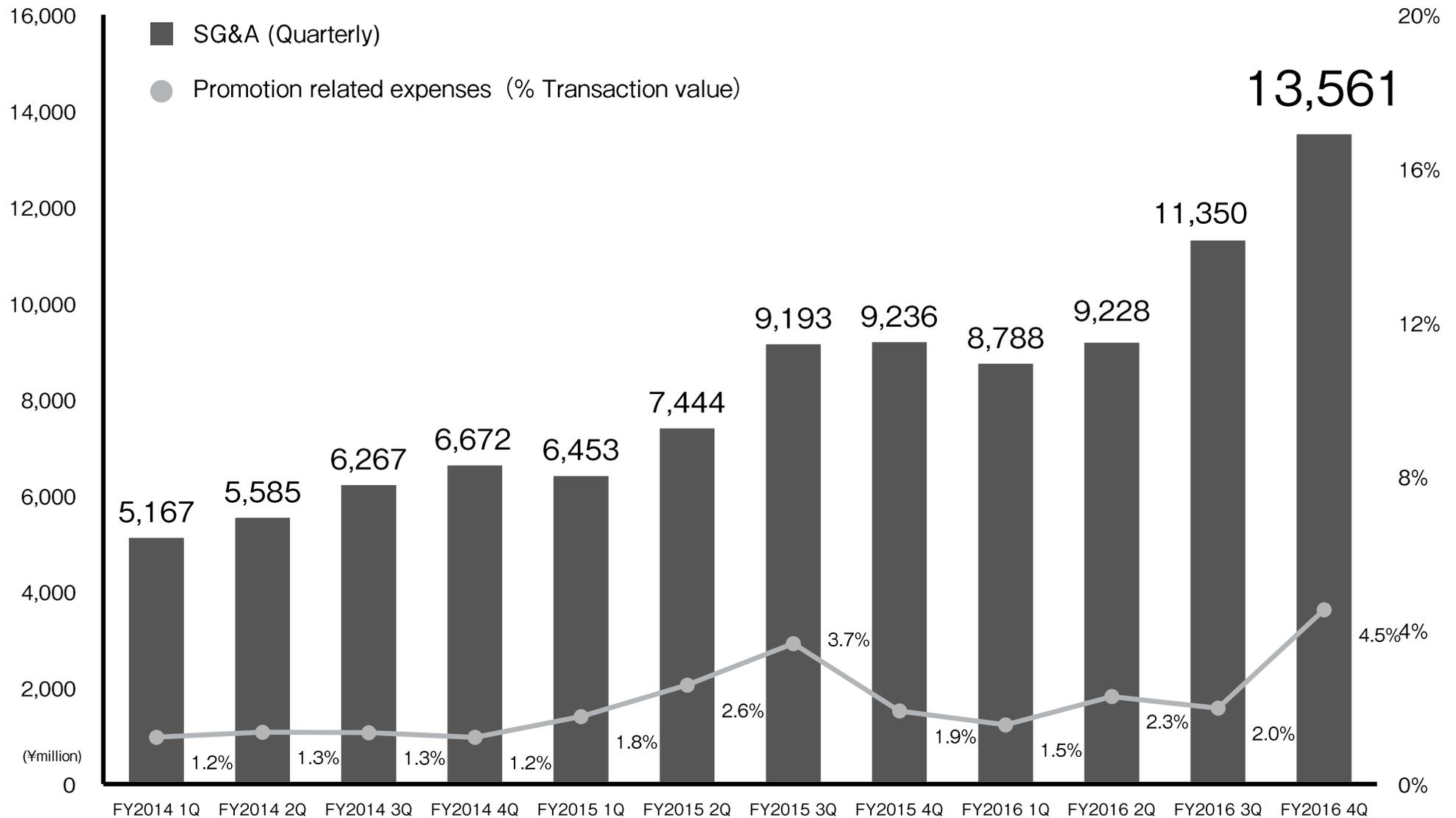
item	FY2015		FY2016		YoY change	Increase decrease factors
	Amount	%Transaction value	Amount	%Transaction value	%Transaction value	
Payroll(※)	8,166	5.1%	10,637	5.0%	-0.1%	The number of employees in our group has grown from 783 as of March, 2016 to 800 as of March, 2017
Shipping	6,596	4.1%	8,918	4.2%	0.1%	Increased cost burden by the drop in average purchase amount, decreased utilization of the same day shipping service
Commission of Payment collection	3,867	2.4%	5,456	2.6%	0.2%	
Promotion related expenses	3,992	2.5%	5,775	2.7%	0.2%	(FY2015・FY2016) TV commercials, Re-targeting AD spending, Several promotion activities using reward points
Advertising	1,932	1.2%	2,999	1.4%	0.2%	
Reward points related expenses	2,059	1.3%	2,776	1.3%	0.0%	
Outsourcing	2,860	1.8%	3,840	1.8%	0.0%	
Rent expense	1,802	1.1%	2,114	1.0%	-0.1%	
Depreciation	765	0.5%	843	0.4%	-0.1%	
Amortization of goodwill	744	0.5%	825	0.4%	-0.1%	
Others	3,534	2.2%	4,518	2.1%	-0.1%	
Total SG&A	32,328	20.3%	42,928	20.2%	-0.1%	

※Payroll includes director' s remuneration, employee salary, bonus, legal welfare expenses, welfare expenses, retirement benefit cost, provision for employee bonus, provision for director' s bonus, and subcontracting payroll.

OPERATING PROFIT AND OPERATING PROFIT MARGIN (QUARTERLY)



SELLING, GENERAL AND ADMINISTRATIVE (SG & A) EXPENSES



OVERVIEW OF SG & A BY EACH QUARTER

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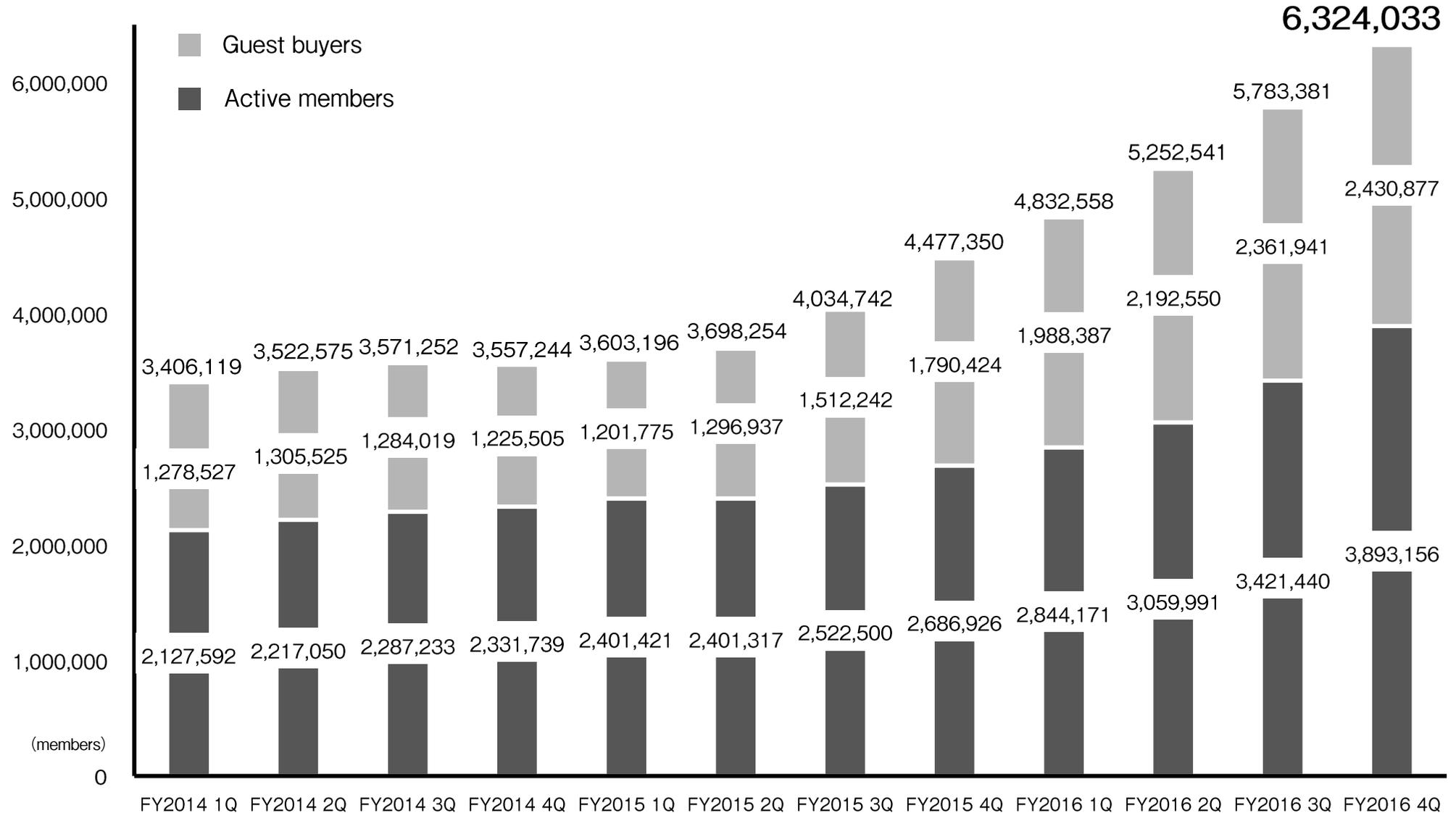
(million ¥)

Item	FY2015								FY2016							
	1Q		2Q		3Q		4Q		1Q		2Q		3Q		4Q	
	Amount	%Transaction value														
Payroll(※)	1,643	4.9%	1,835	5.4%	2,209	5.0%	2,477	5.2%	2,472	5.8%	2,383	5.4%	2,935	4.8%	2,845	4.4%
Shipping	1,393	4.2%	1,521	4.5%	1,692	3.8%	1,988	4.2%	1,837	4.3%	2,073	4.7%	2,321	3.8%	2,684	4.2%
Commission of Payment collection	810	2.4%	846	2.5%	1,053	2.4%	1,157	2.4%	1,043	2.5%	1,108	2.5%	1,578	2.6%	1,726	2.7%
Promotion related expenses	583	1.8%	878	2.6%	1,625	3.7%	903	1.9%	650	1.5%	1,006	2.3%	1,216	2.0%	2,902	4.5%
Advertising	183	0.6%	148	0.4%	1,109	2.5%	490	1.0%	223	0.5%	454	1.0%	551	0.9%	1,770	2.8%
Reward points related expenses	399	1.2%	730	2.1%	516	1.2%	412	0.9%	427	1.0%	551	1.2%	665	1.1%	1,131	1.8%
Outsourcing	646	1.9%	655	1.9%	738	1.7%	819	1.7%	807	1.9%	798	1.8%	1,003	1.6%	1,231	1.9%
Rent expense	415	1.2%	433	1.3%	469	1.1%	484	1.0%	478	1.1%	468	1.1%	565	0.9%	601	0.9%
Depreciation	165	0.5%	176	0.5%	202	0.5%	220	0.5%	194	0.5%	195	0.4%	220	0.4%	232	0.4%
Amortization of goodwill	98	0.3%	217	0.6%	214	0.5%	214	0.5%	214	0.5%	256	0.6%	176	0.3%	176	0.3%
Others	696	2.1%	880	2.6%	987	2.2%	970	2.0%	1,089	2.6%	936	2.1%	1,332	2.2%	1,160	1.8%
Total SG&A	6,453	19.4%	7,444	21.8%	9,193	20.6%	9,236	19.4%	8,788	20.8%	9,228	20.9%	11,350	18.4%	13,561	21.2%

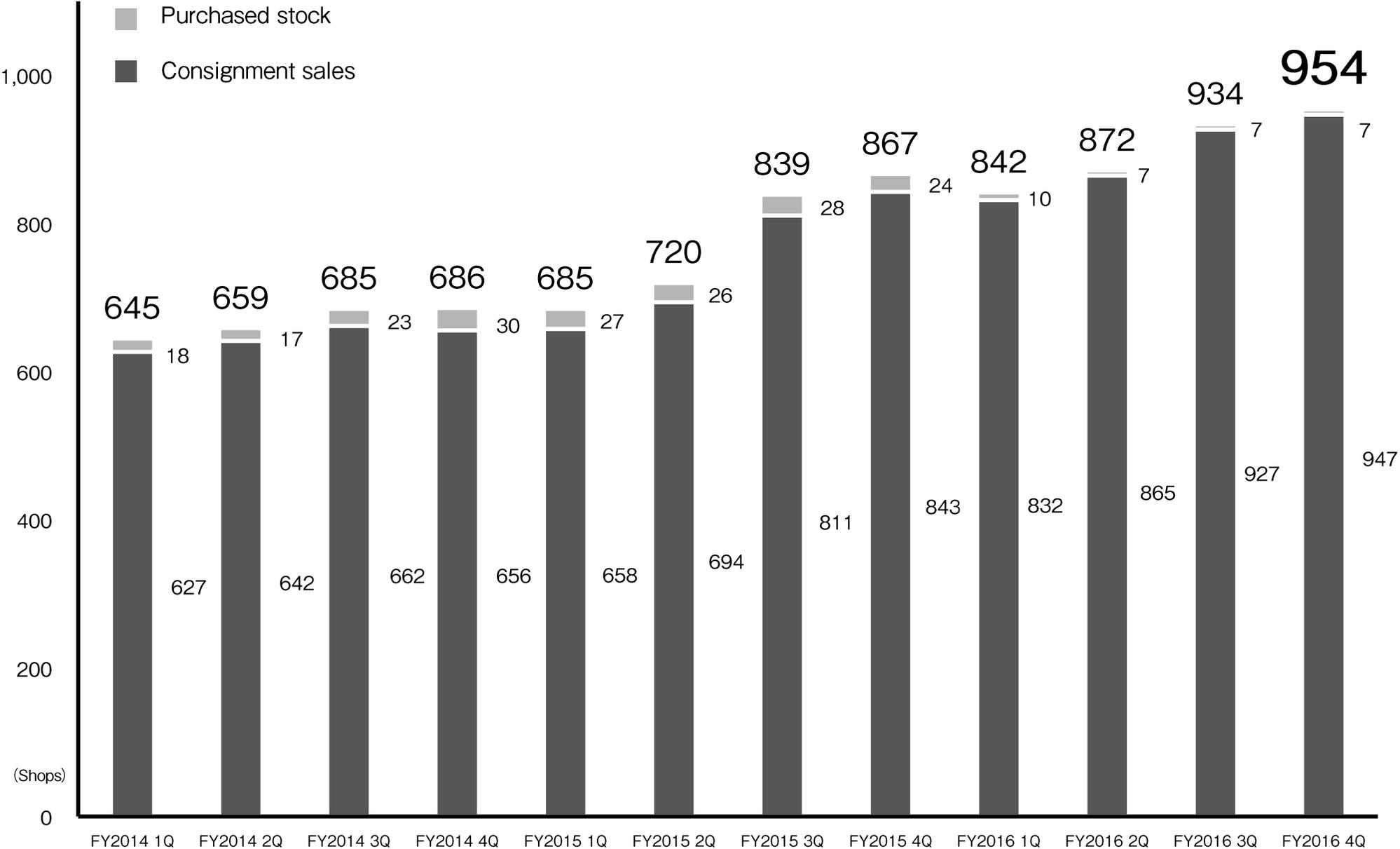
※Payroll includes director's remuneration, employee salary, bonus, legal welfare expenses, welfare expenses, retirement benefit cost, provision for employee bonus, provision for director's bonus, and subcontracting payroll.

NUMBER OF TOTAL BUYERS

Number of total buyers = Active members and guest buyers who made at least one purchase within a year
 Guest buyers = Unique buyers who made a purchase without registering as a member
 Active members = Members who have made at least one purchase within a year



NUMBER OF SHOPS ON ZOZOTOWN

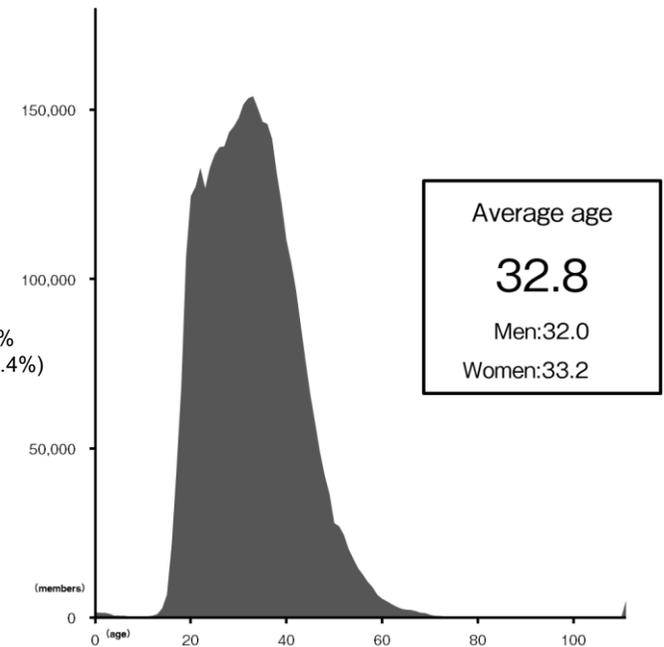
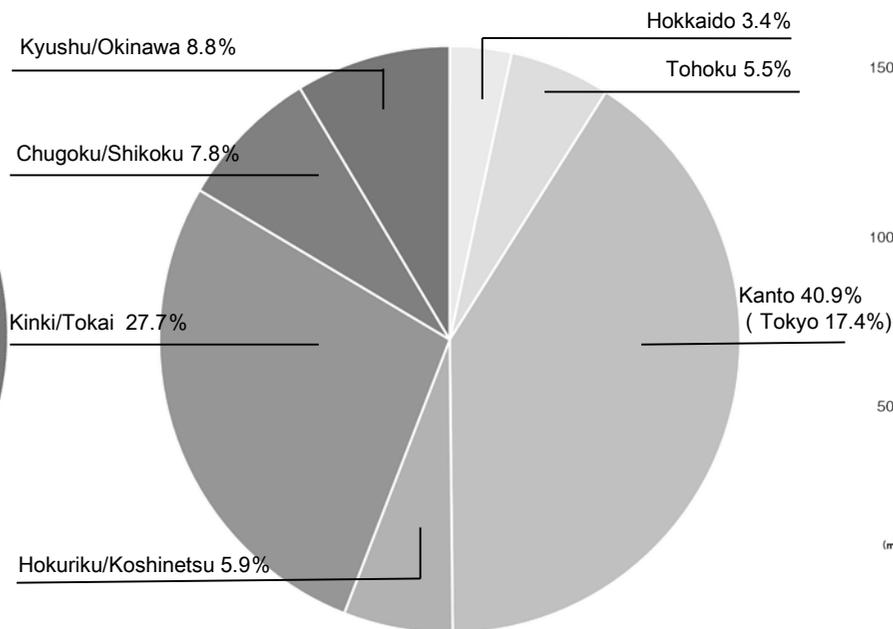
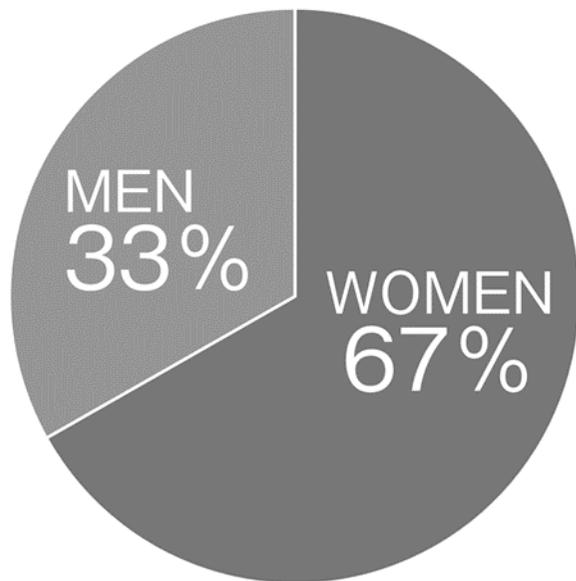


ACTIVE MEMBER DISTRIBUTION

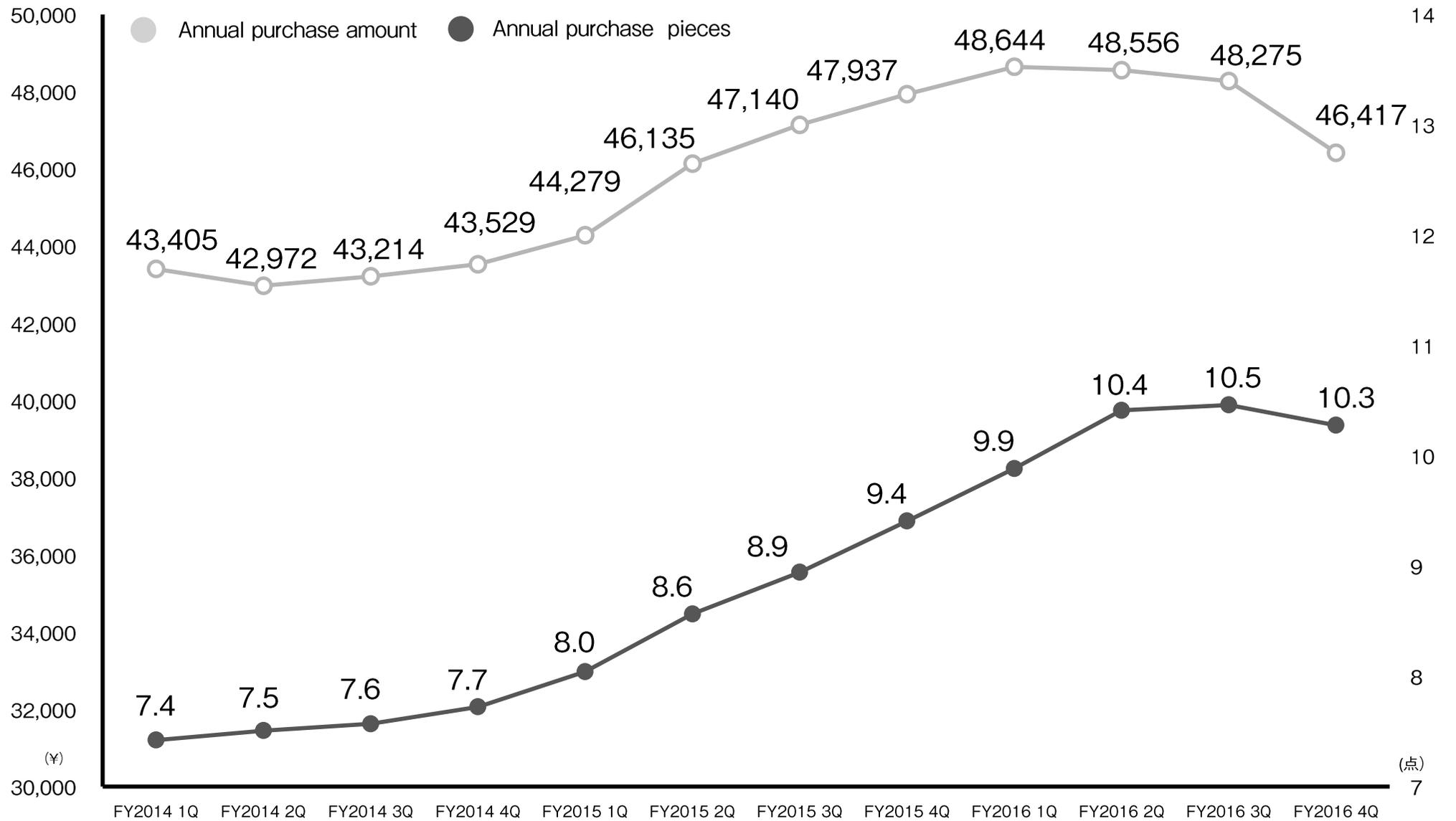
■ Gender ratio

■ Geographical distribution

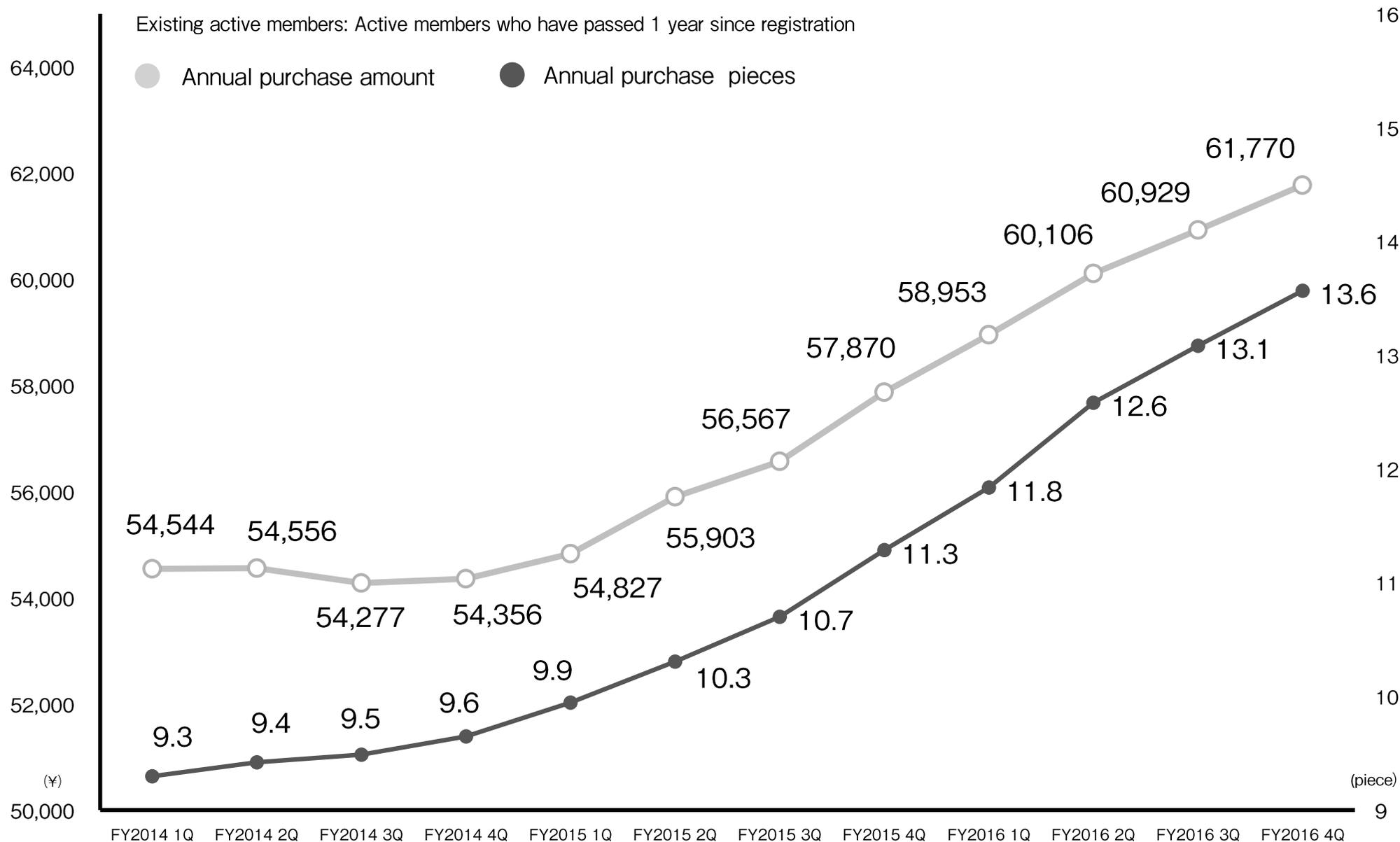
■ Age distribution



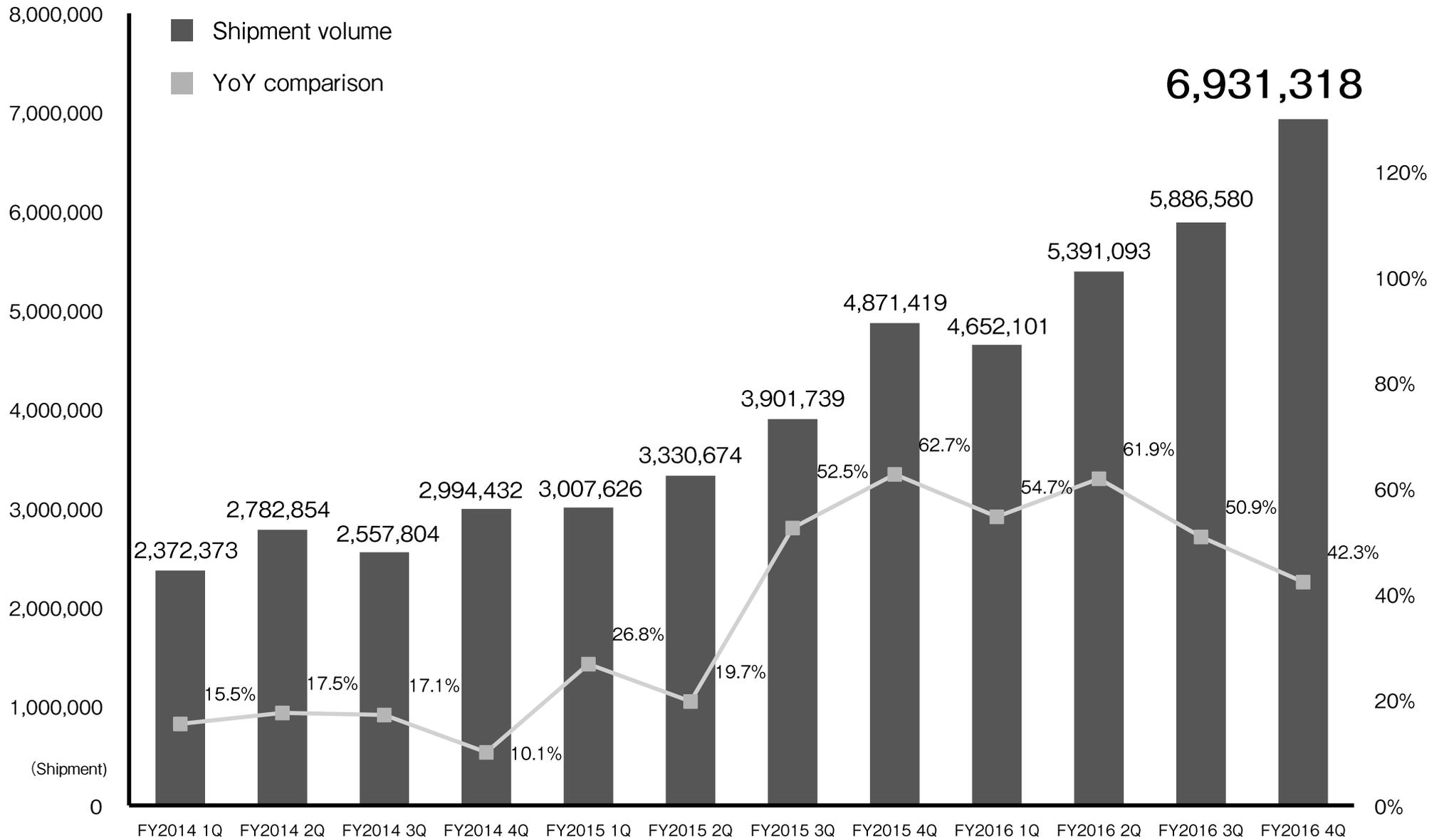
ANNUAL PURCHASE AMOUNT AND PIECES PER ACTIVE MEMBER



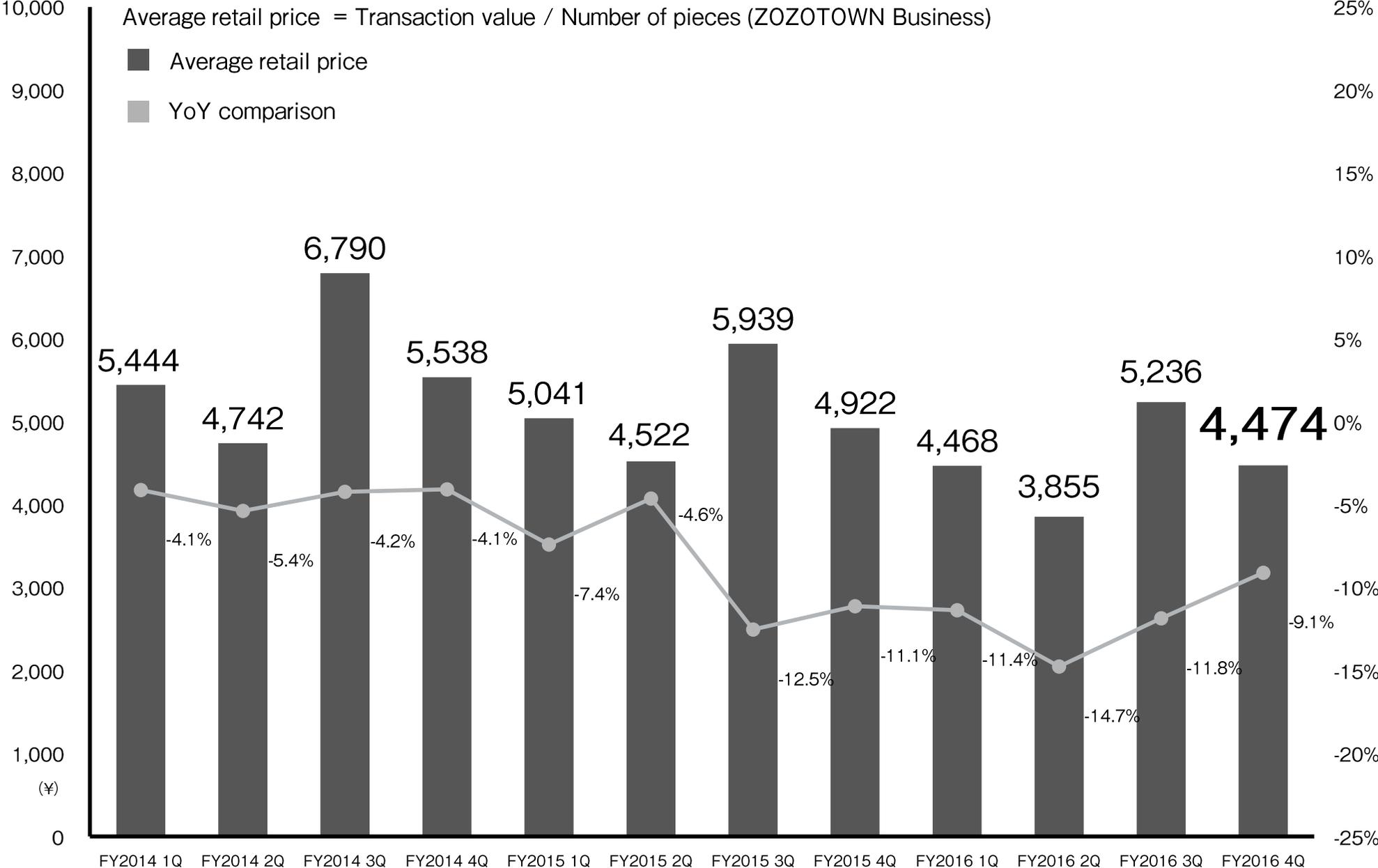
ANNUAL PURCHASE AMOUNT AND PIECES PER EXISTING MEMBER



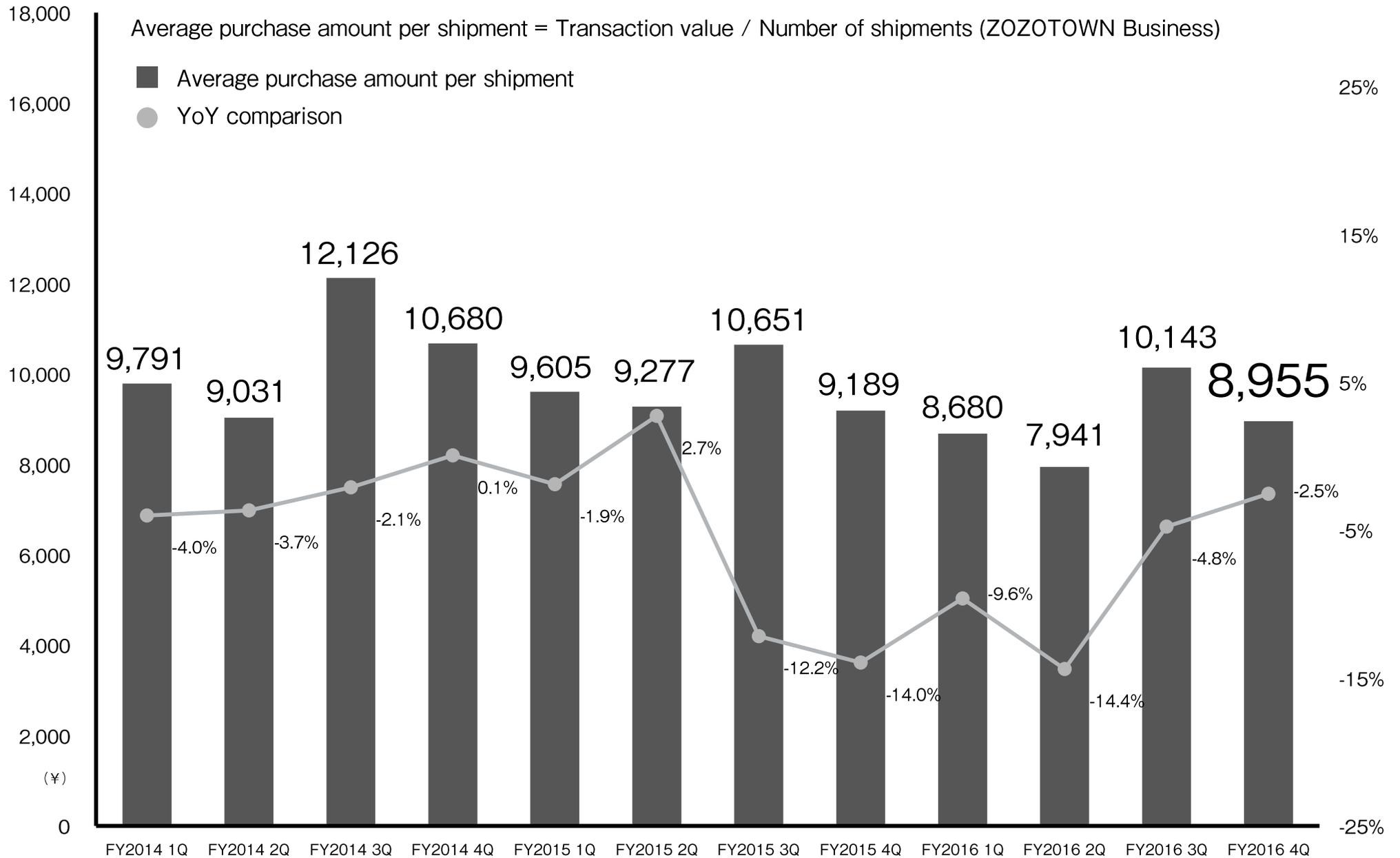
NUMBER OF SHIPMENT



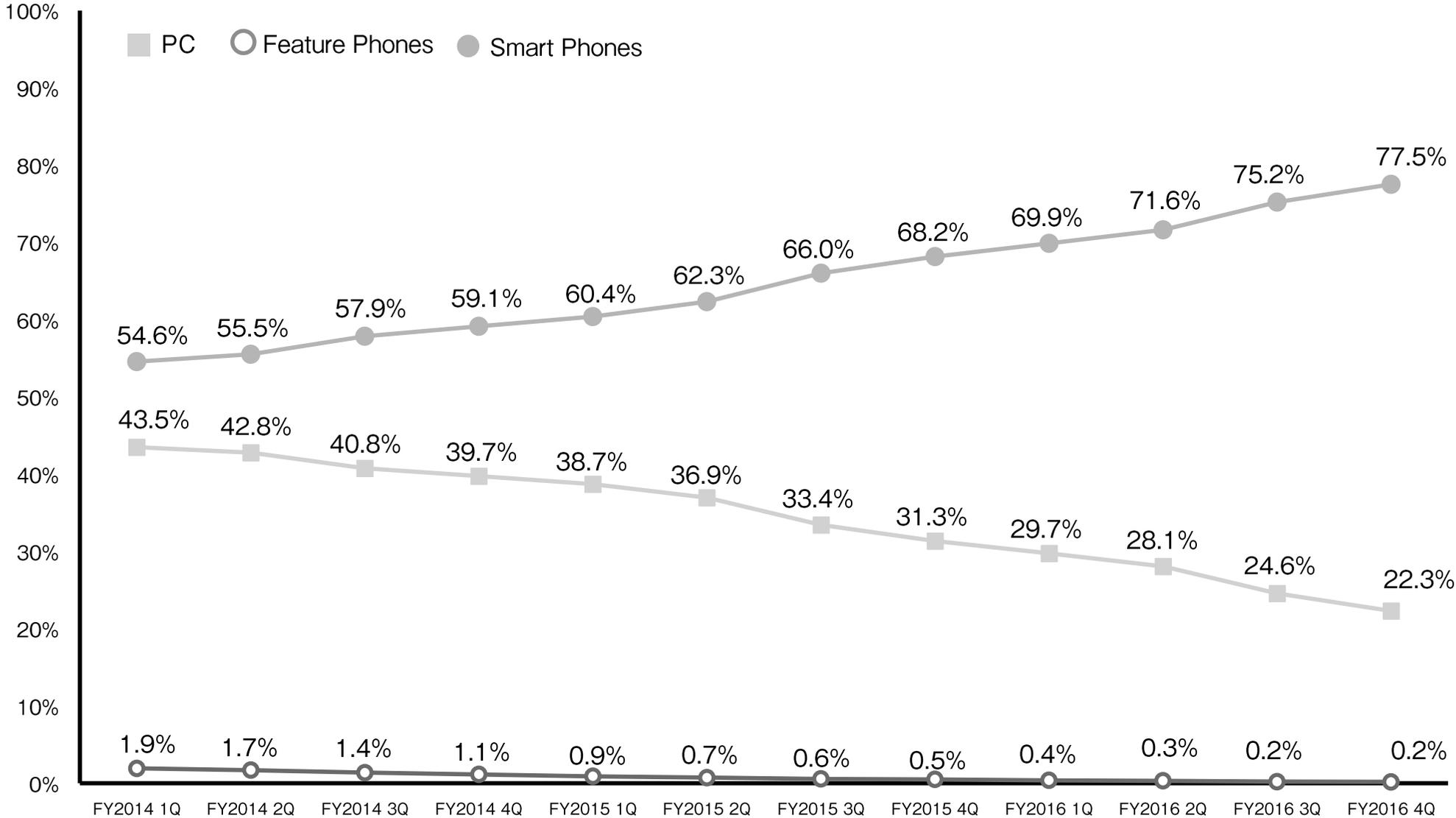
AVERAGE RETAIL PRICE



AVERAGE PURCHASE AMOUNT PER SHIPMENT



THE RATIO OF SHIPMENT VOLUME TO THE TOTAL PURCHASE VOLUME (by access terminal)





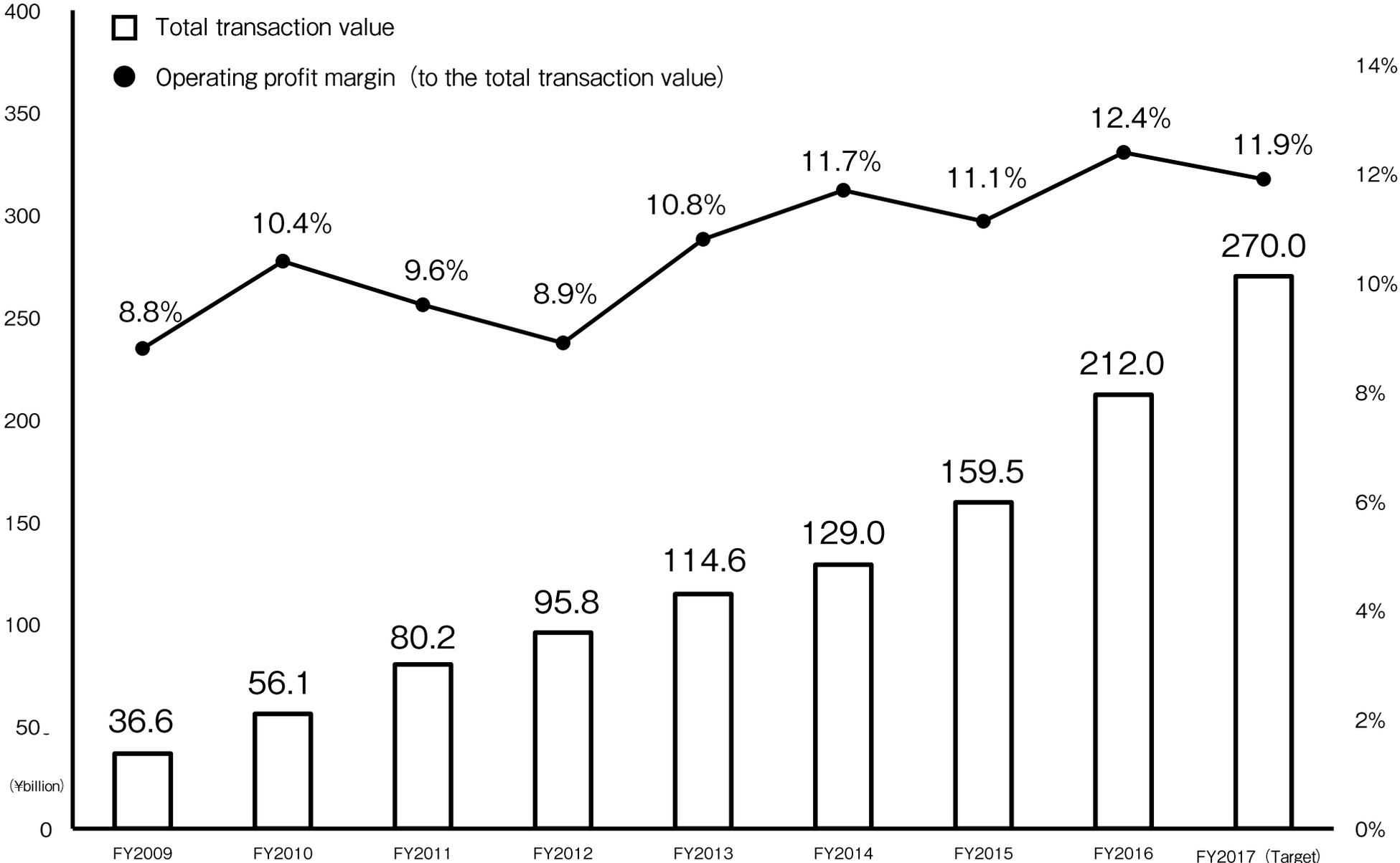
BUSINESS PLAN
FOR FY2017

CONSOLIDATED BUSINESS FORECAST AND DIVIDEND FORECAST FOR FY2017

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	FY2017 PLAN	Growth Rate(%)
Transaction value	270,000 (¥million)	27.3%
Net sales	100,000 (¥million)	30.9%
Operating profit	32,000 (¥million)	21.7%
Recurring profit	32,000 (¥million)	21.0%
Profit attributable to owners of parent	22,200 (¥million)	30.3%
Earnings per share	71.2(¥)	-
Estimated dividends per share	29(¥)	-

TRANSACTION VALUE



BREAKDOWN OF THE TOTAL TRANSACTION VALUE AND EACH POLICY

Start Today Group

Target for Total Transaction Value : 270.0 billion yen (+27.3%, Yoy)

ZOZOTOWN Business

Target for Total Transaction Value : 264.0 billion yen (+28.8%, Yoy)

- Consignment Business 246 billion yen (+28.2%, Yoy)
- ZOZOUSED Business 18 billion yen (+39.8%, Yoy)

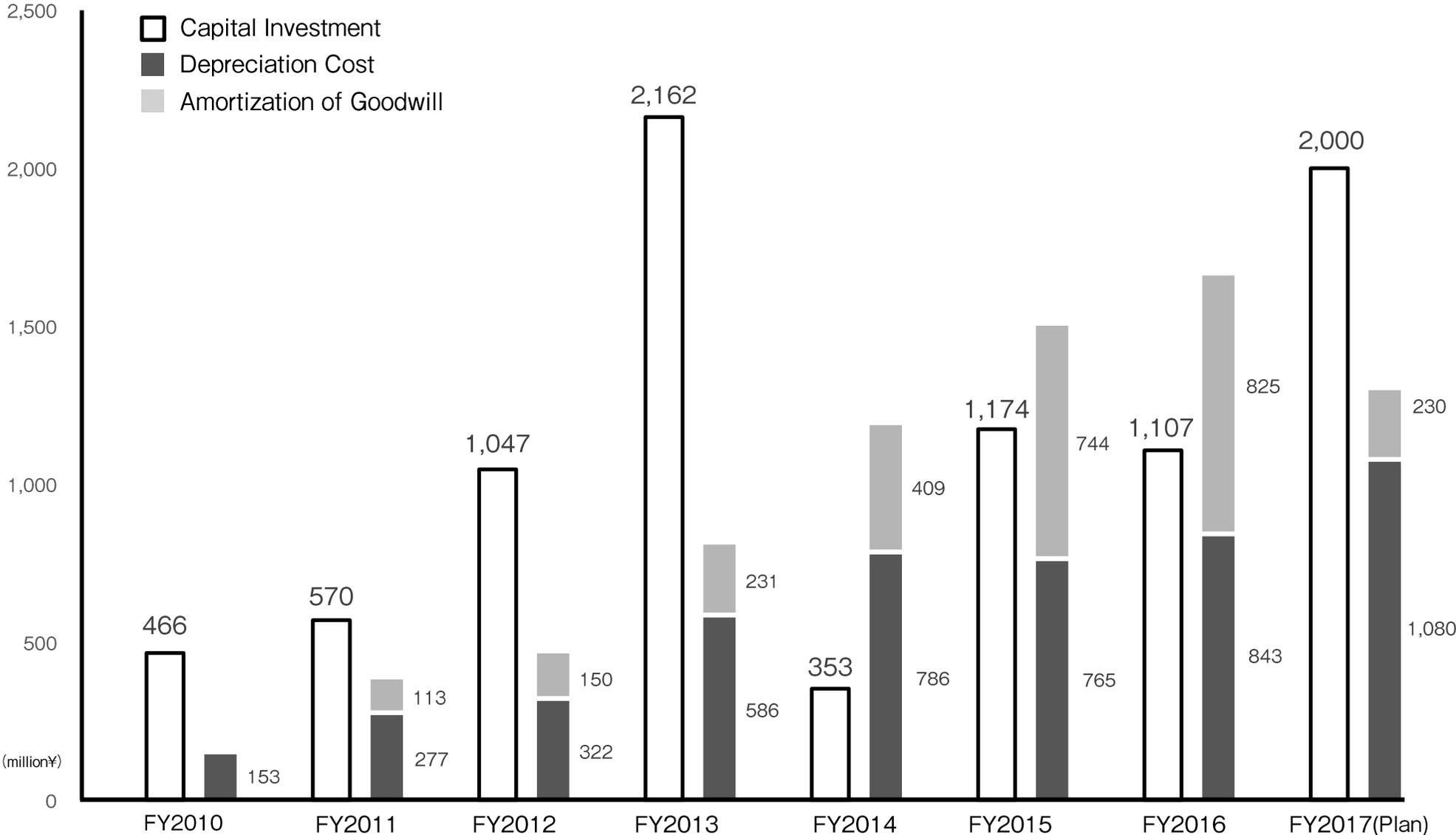
B to B Business

Target for Total Transaction Value : 6 billion yen (-3.5%, Yoy)

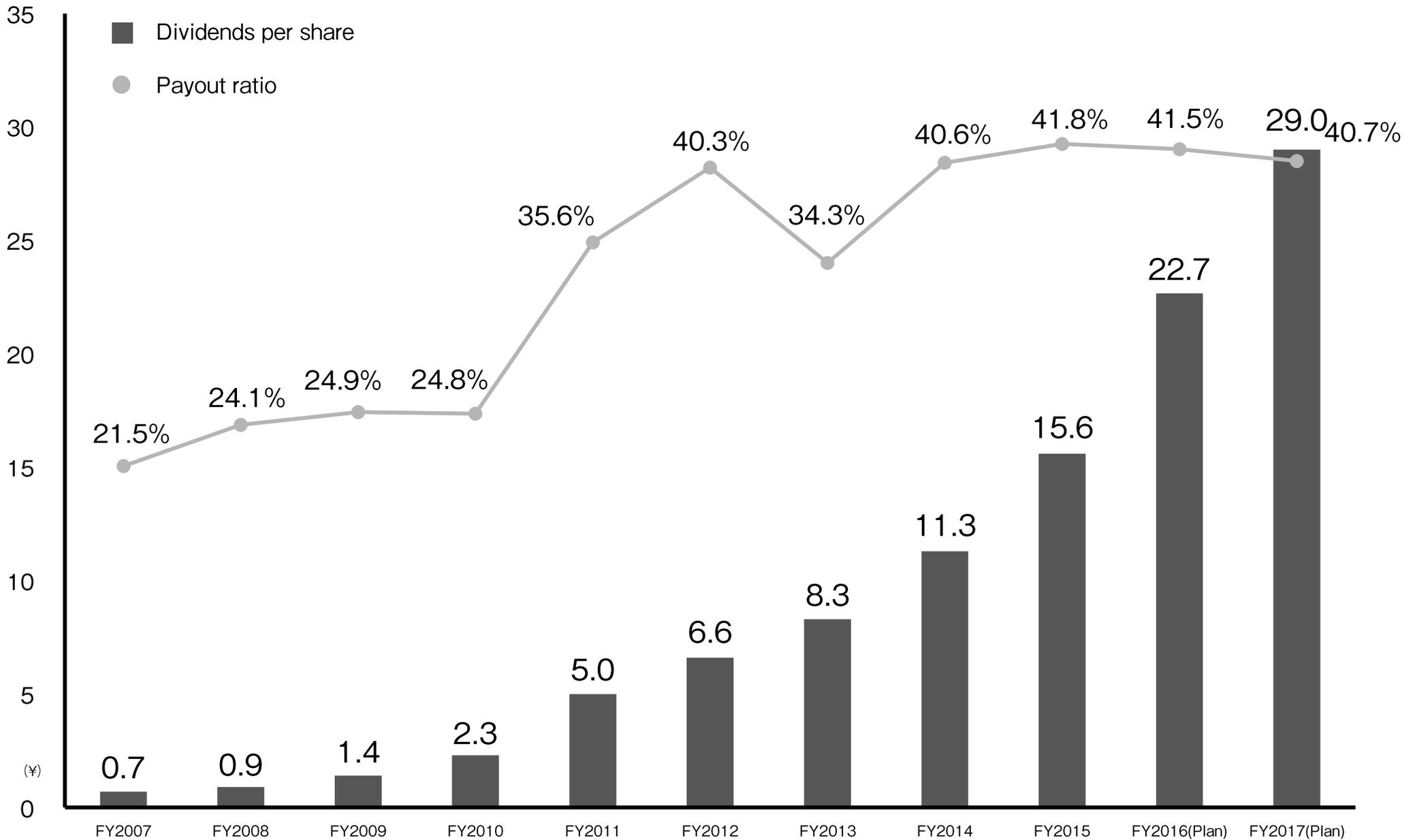
Operating Profit Margin(to the total transaction value)

The target ratio of consolidated operating profit : 11.9% (12.4% for FY2016)

CAPITAL INVESTMENT



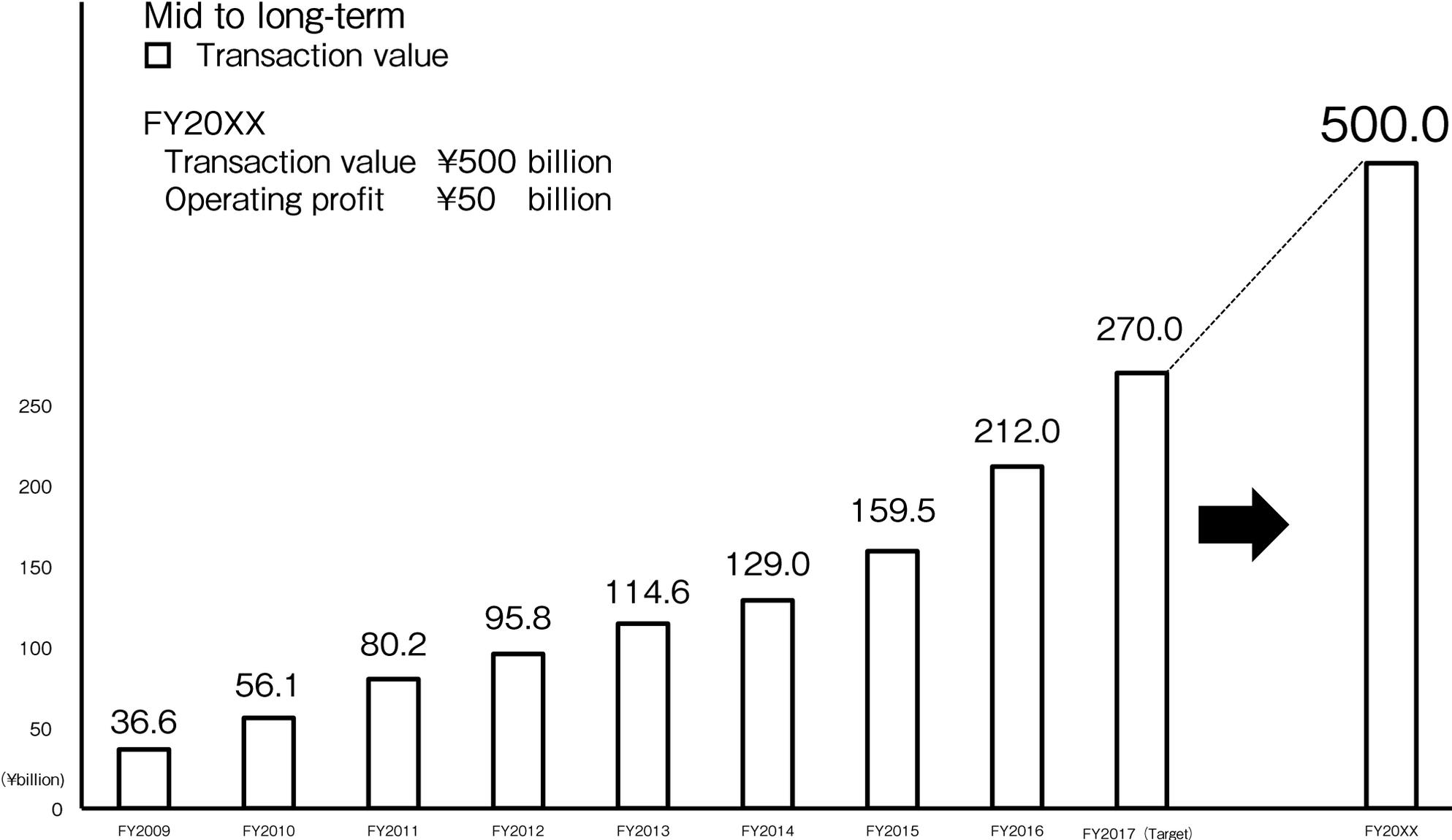
DIVIDENDS PER SHARE AND PAYOUT RATIO



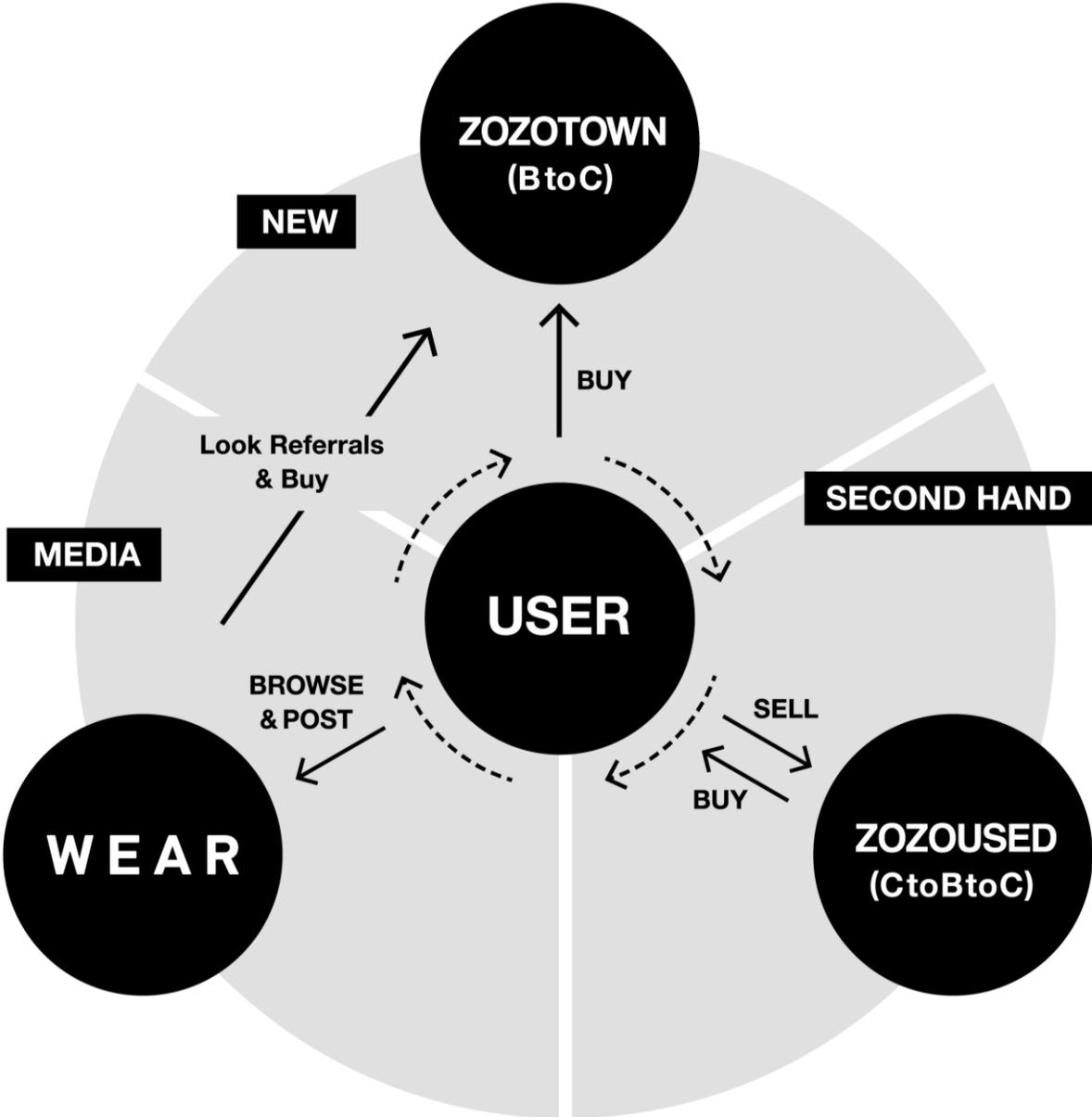
A modern, brightly lit interior space, possibly a community center or library. The room features large windows in the background, colorful furniture including a red sofa and a blue ping-pong table, and a wooden floor. The text "FUTURE STRATEGIES" is overlaid in white, centered in the image.

FUTURE STRATEGIES

MID TO LONG-TERM VISION



MARKET EXPANSION STRATEGY



A museum gallery with a dark, textured wall. Five white t-shirts are displayed in individual alcoves, each featuring a large, dark letter. From left to right, the letters are N, O, W, A, and R. The text 'REFERENCE DATA' is overlaid in white, sans-serif font across the center of the image.

REFERENCE
DATA

3,928

POPULAR BRANDS

800

EMPLOYEES (average age 30.7 years old)

世界中をカッコよく、世界中に笑顔をも。

Make the world a better place, Bring smiles to the world.

7,097

SHARE HOLDERS

632

Million

TOTAL BUYERS (1year basis)

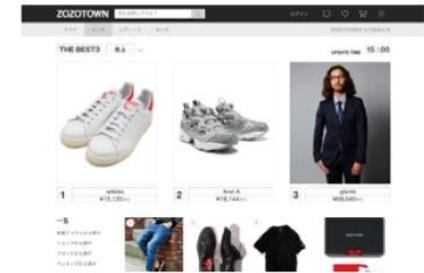
MAJOR SERVICES

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ZOZOTOWN

Japan's Largest Online Retailer of Apparel and Accessories

- 954 stores offering 3,928 brands.
- At any given time, more than 520,000 items are available with an average of 2,900 new items added each day.
- Systems, design, to fulfillment, all functions are built in house.



ZOZOTOWN <http://zozo.jp/>

ZOZO FURIMA

- By linking with ZOZOTOWN and WEAR, users are able to sell their items easily without having to type in specific details.
- By linking IDs from both services, users are able to select items they would like to sell based on their purchase history or the closet function on WEAR, which adds a whole new convenience compared to the existing flea-market Apps.

※ZOZO FURIMA is scheduled to end on June 30, 2017



ZOZOフリマ <https://zozo-f.jp/>

WEAR

Japan's largest fashion coordination app

- When uploading coordinate pics, tag each item worn in the look, using information on our data base. The systems allows anyone to search for coordinates and items by various queries.
- Official users who we call WEARISTA, include popular models, singers, actors and actresses.
- Over 9.0 million DL
- Now available in all geographic areas.



WEAR <http://wear.jp/>

OUR SUBSIDIARIES

START TODAY Engineering Co.,LTD

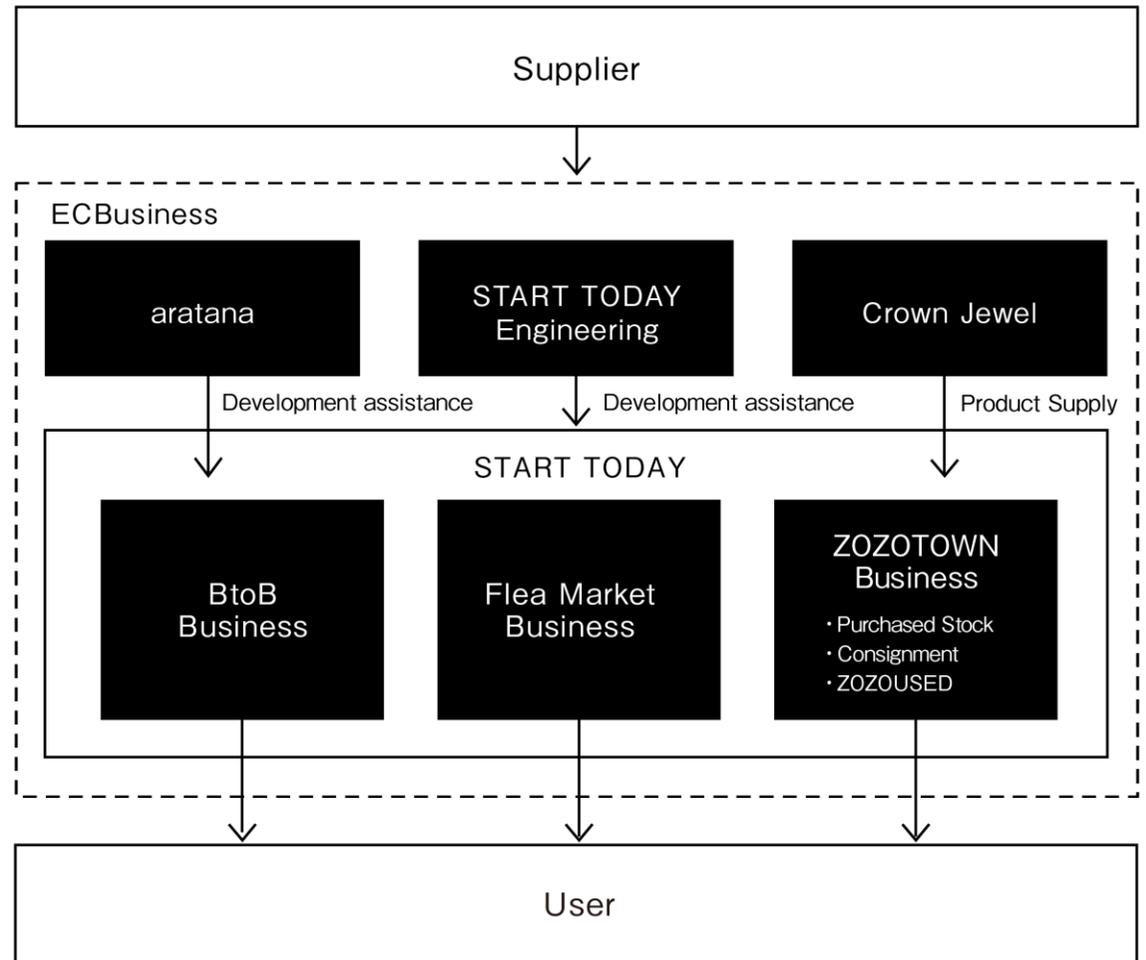
System development,web design,CRM,
Technological development, R&D

Crown Jewel ,inc,

A business operated by reselling second hand
apparel items purchased from our users.

aratanaInc.

Specializes in building EC sites,web marketing,
web security systems,and EC related
applications



※ZOZO FURIMA is scheduled to end on June 30, 2017

BUSINESS MODEL

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ZOZOTOWN BUSINESS

- Consignment Sales

We operate 947 shops as consignment sales businesses.

This business model allows us to carry a certain amount of products from the brands, while giving us low inventory risk.

Sales include = Transaction value of each store x commission rate

- Purchased Stock

We operate 7 stores within ZOZOTOWN, which offer products we purchase from brands.

Sales include = Transaction value generated by each store

- ZOZOUSED Business

We purchase used fashion products from our users, and resell them as a second hand business.

Sales = Transaction value

※Total transaction value and Net sales from ZOZOUSED are included in the purchased stock business.

ZOZO FURIMA Business

Our smartphone App where users are able to sell and purchase personal fashion items.

Sales = Transaction Value × Take rate for the flea-market business

※ZOZO FURIMA is scheduled to end on June 30, 2017

B to B Business

We help develop and operate online shops on behalf of various brands, such as “United Arrows” .

We currently provide back-end service to 27 stores.

Sales include = Transaction value of these online shops x commission rate

※Total Sales include, contents written above as well as other sales (such as shipping fee revenues and fees from shop openings).

This material has been created for the sole purpose of introducing the company's business activities, and not for soliciting investments.

The business forecasts and the future outlook described in the material is based on information currently available.

The forecast includes uncertainties such as sudden changes, therefore actual results may differ.