



**START TODAY CO.,LTD.**

FY2017 1Q  
CONSOLIDATED BUSINESS RESULTS

# FY2017 1Q HIGHLIGHTS

01

<b>Overview</b>	• Total Transaction Value	:	59,574million yen	( + 40.9% ,Yoy)
	• Operating Profit	:	7,981million yen	( + 59.3% ,Yoy)
	→ Steady growth in both transaction value and operating profit.			

<b>Total</b>	ZOZOTOWN BUSINESS				
<b>Transaction</b>	Total Transaction Value	:	57,897million yen	( + 43.4% ,Yoy)	
	<b>Value</b>	Consignment Business	:	54,548million yen ( + 44.6% ,Yoy)	
			Purchased Stock Business	:	48million yen ( - 23.5% ,Yoy)
			ZOZOUSED Business	:	3,301million yen ( + 26.9% ,Yoy)
			Average Retail Price	:	4,099yen ( - 8.3% ,Yoy)
			Average Purchase Amount per Shipment	:	8,530yen ( - 1.7% ,Yoy)
			B to B Business	:	1,590million yen ( - 5.5% ,Yoy)

<b>Profitability</b>	Operating profit margin (to the total transaction value)	:	13.4%(11.9% for FY2016 Q1).	
	Factors improving profitability	:	Increase in GPM (increase in other revenue segment). Decrease in fixed cost burden	



# BUSINESS RESULTS

# OVERVIEW OF THE FY2017 1Q

03

(million¥)

Item	FY2016 1Q	FY2017 1Q	YoY Change(%)	Target	Progress Rate(%)
Transaction value	42,284	59,574	40.9%	270,000	22.1%
Net sales	15,386	21,451	39.4%	100,000	21.5%
Gross profit	13,799	19,844	43.8%	-	-
(% Transaction Value)	32.6%	33.3%	0.7%	-	-
SG & A	8,788	11,863	35.0%	-	-
(% Transaction Value)	20.8%	19.9%	-0.9%	-	-
Operating profit	5,011	7,981	59.3%	32,000	24.9%
(% Transaction Value)	11.9%	13.4%	1.5%	11.9%	-
Recurring profit	5,035	7,999	58.8%	32,000	25.0%
Profit attributable to owners of parent	3,580	5,532	54.5%	22,200	24.9%

# OVERVIEW OF EACH QUARTER

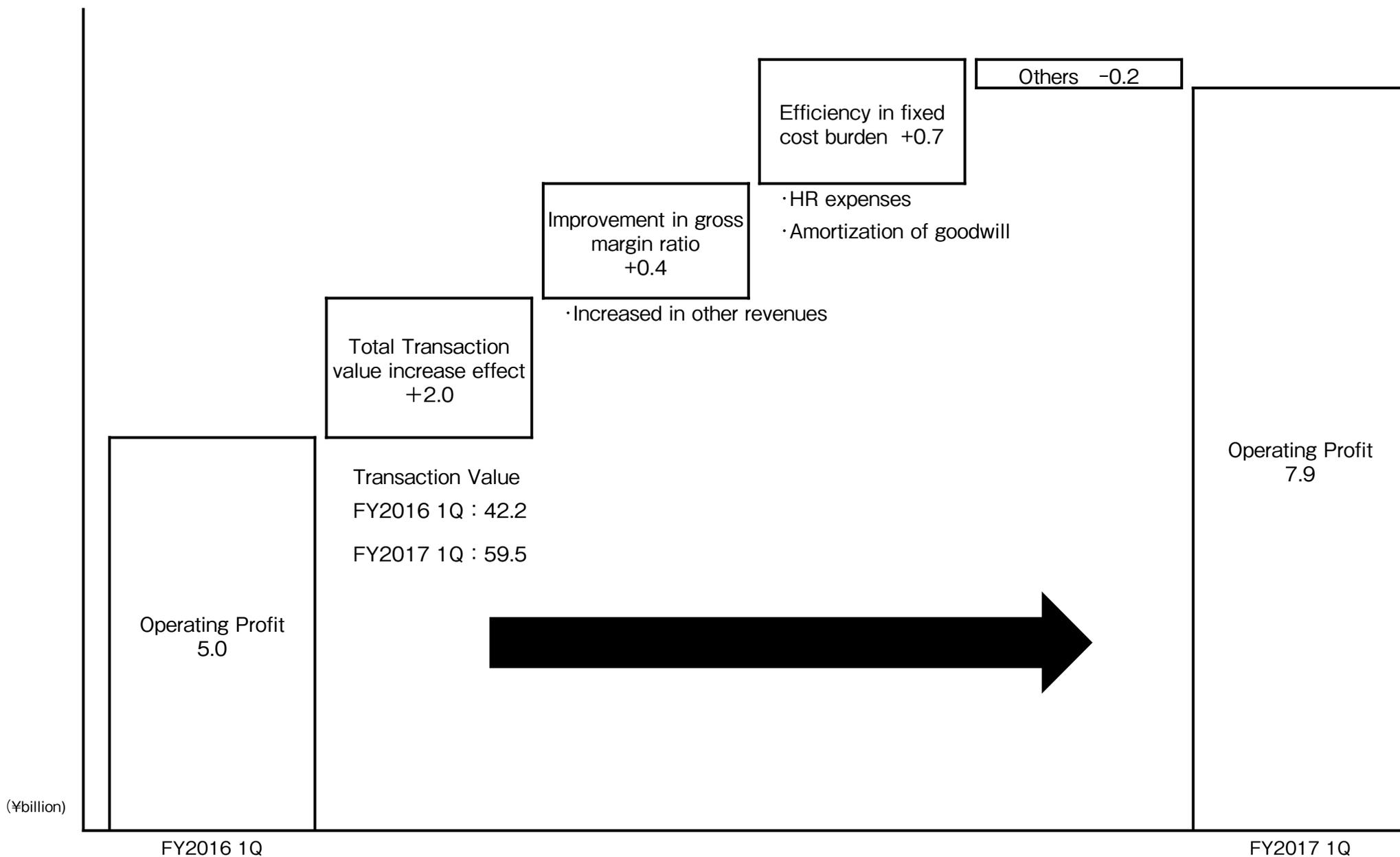
04

(million ¥)

Item	FY2016				FY2017
	1Q	2Q	3Q	4Q	1Q
Transaction value	42,284	44,210	61,595	64,000	59,574
YoY (%)	27.1%	29.5%	38.3%	34.6%	40.9%
Net sales	15,386	16,180	22,127	22,699	21,451
SG&A	8,788	9,228	11,350	13,561	11,863
YoY (%)	36.2%	24.0%	23.5%	46.8%	35.0%
(% Transaction Value)	20.8%	20.9%	18.4%	21.2%	19.9%
Operating profit	5,011	5,576	8,703	6,992	7,981
YoY (%)	34.2%	70.2%	83.8%	16.3%	59.3%
(% Transaction Value)	11.9%	12.6%	14.1%	10.9%	13.4%

# INCREASE-DECREASE ANALYSIS OF OPERATING PROFIT (YoY COMPARISON)

05



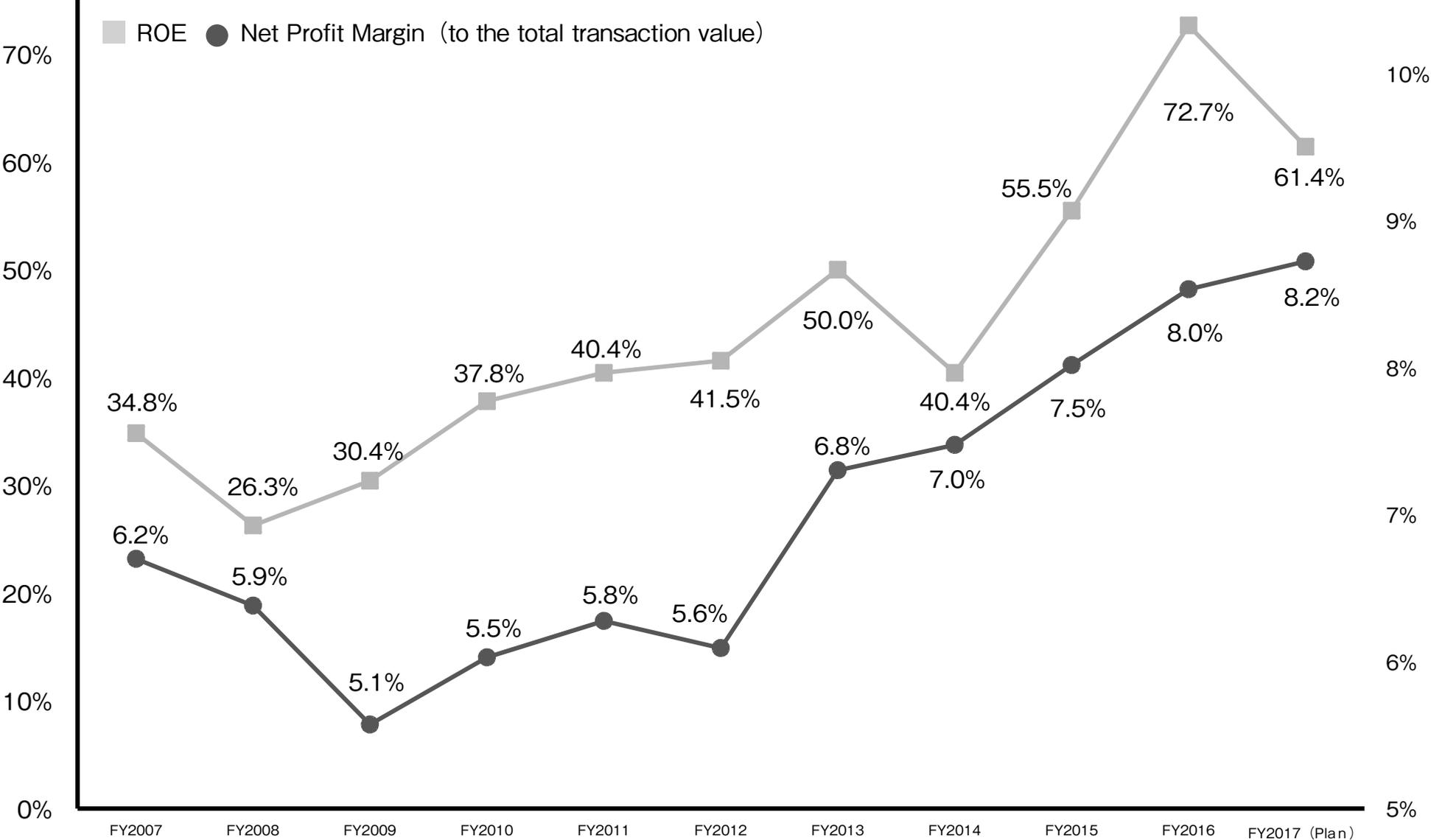
# CONSOLIDATED BALANCE SHEET

06

(million¥)

	FY2016 (as of March 31, 2017)	FY2017 1Q (as of June 30, 2017)		FY2016 (as of March 31, 2017)	FY2017 1Q (as of June 30, 2017)
Current assets	45,641	42,885	Current liabilities	23,906	21,255
Cash and deposits	22,068	16,730	Deposit received for consignment sales	11,536	12,972
Merchandise inventory	1,177	1,479	Noncurrent liabilities	1,945	1,999
Noncurrent assets	10,079	10,860	Total liabilities	25,851	23,255
Tangible assets	3,364	3,429	Shareholders' equity	29,461	30,007
Intangible assets	1,075	1,023	Treasury stock	-11,758	-
Investments and other assets	5,639	6,406	Total net assets	29,868	30,489
Total assets	55,720	53,745	Total liabilities and net assets	55,720	53,745

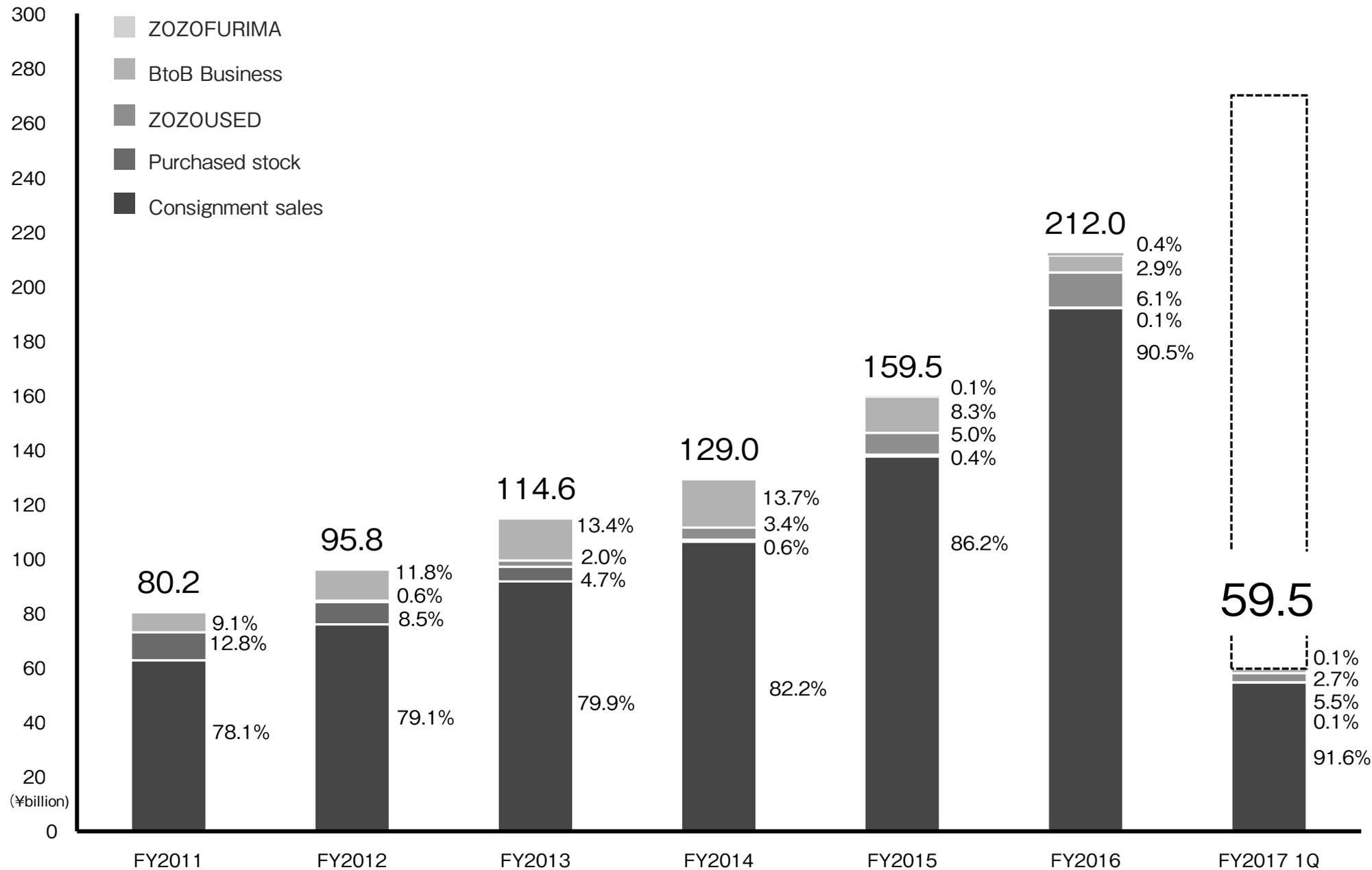
# ROE AND NET PROFIT MARGIN



# TRANSACTION VALUE

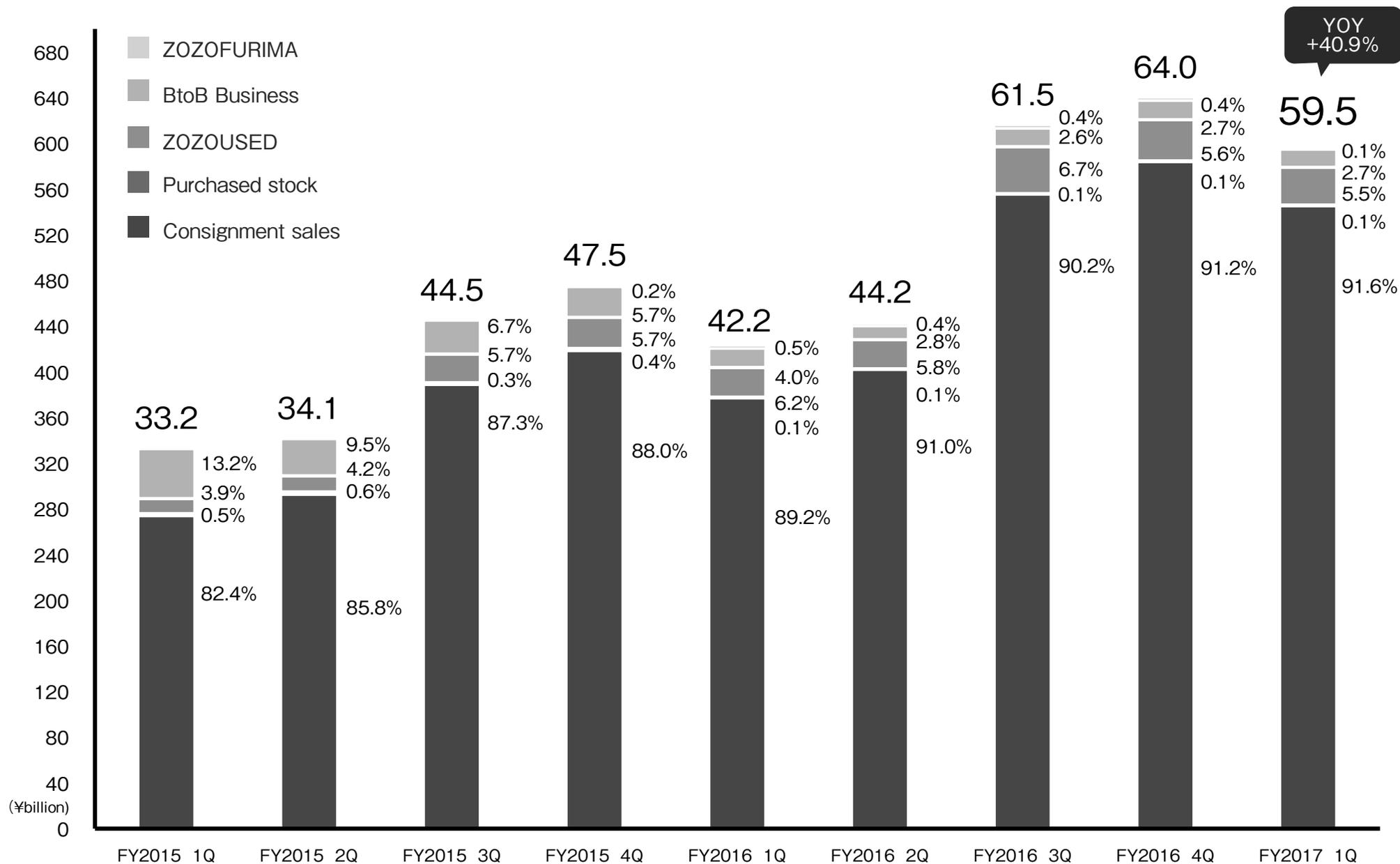
Gross transaction value of new shops opened in FY2017 1Q

ZOZOTOWN Business ( purchased stock & consignment sales ) : ¥ 0.6 billion (accounts for 1.1% of the total transaction value)

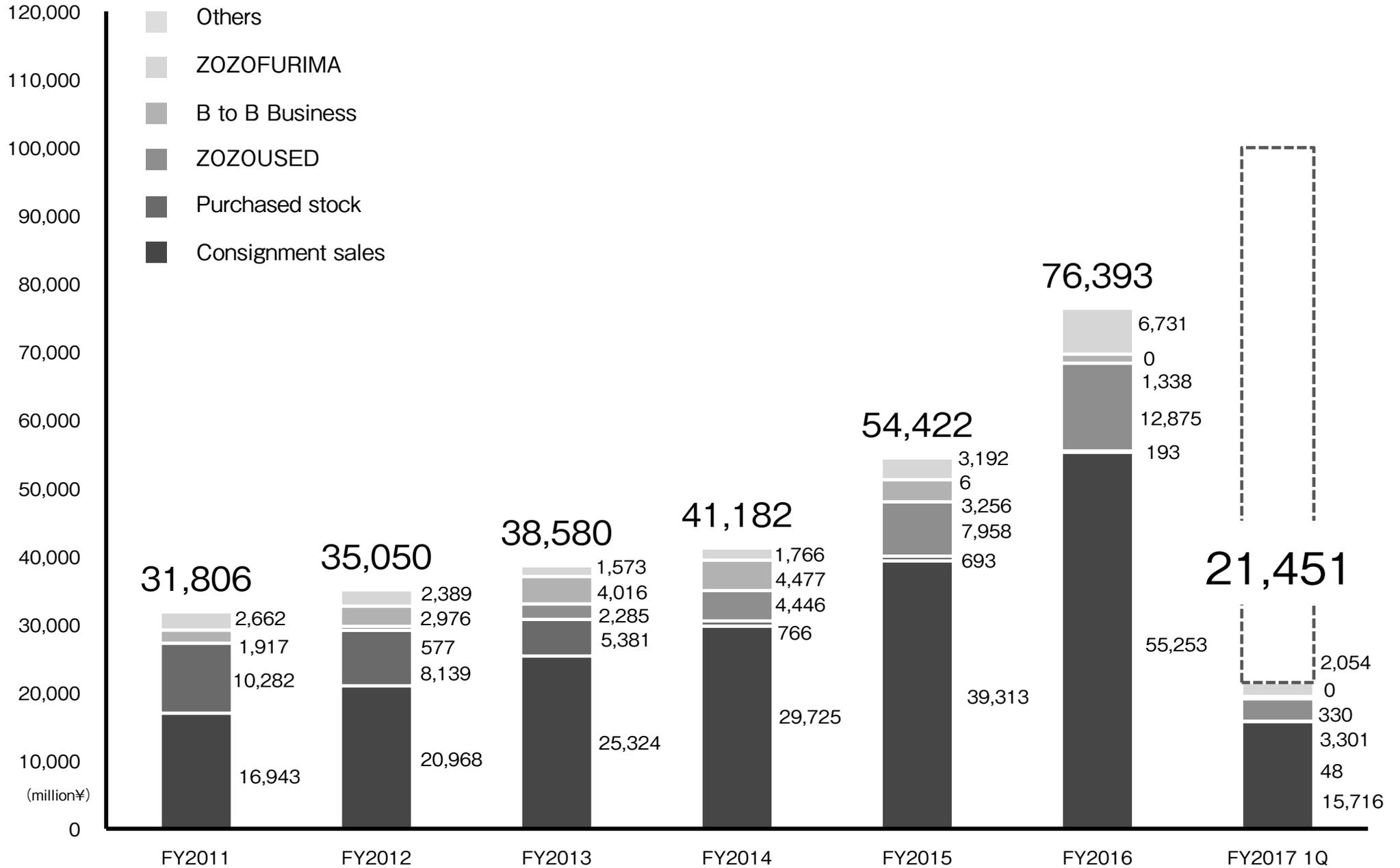


# TRANSACTION VALUE (QUARTERLY)

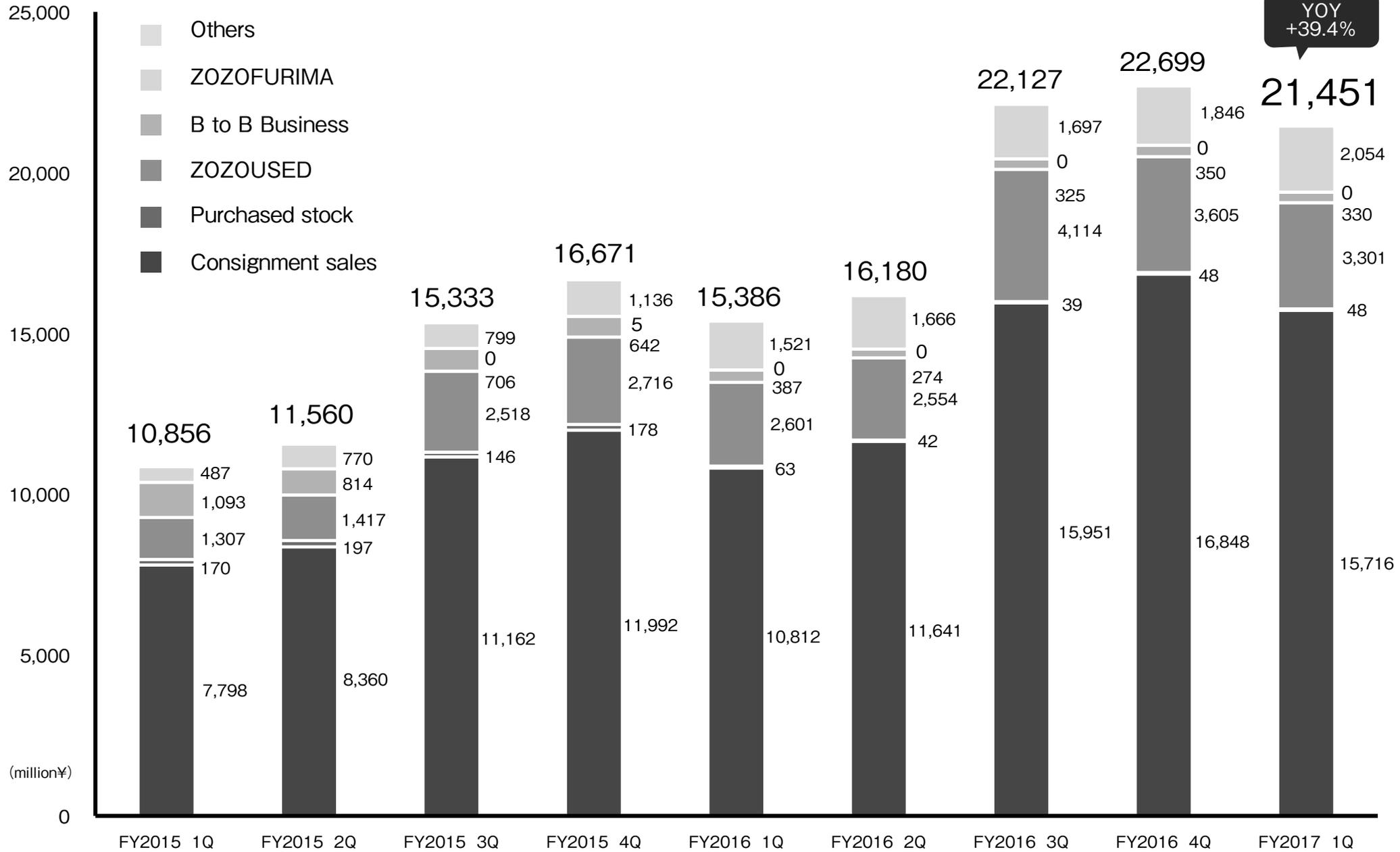
09



# NET SALES

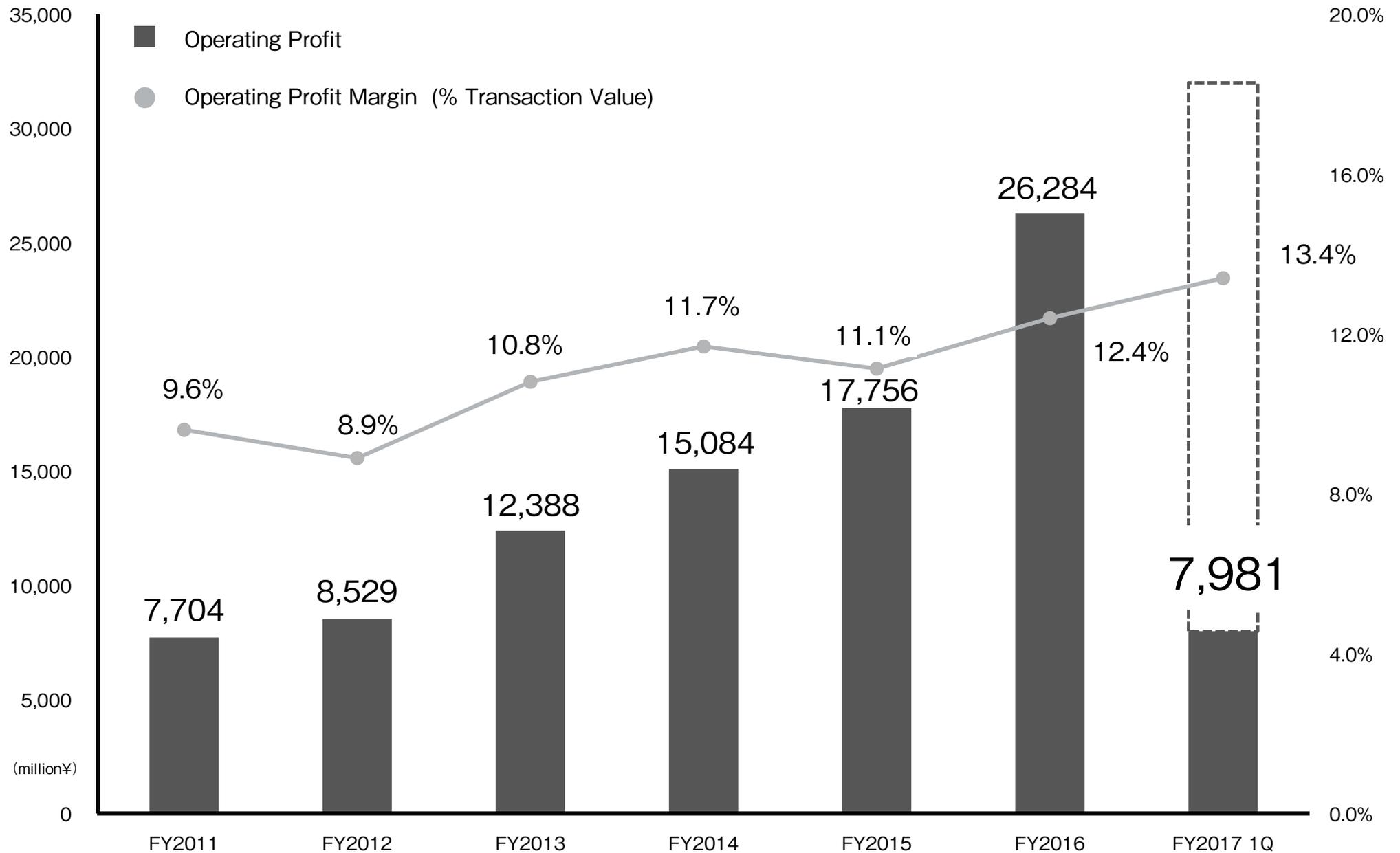


# NET SALES (QUARTERLY)



# OPERATING PROFIT AND OPERATING PROFIT MARGIN

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# SELLING, GENERAL AND ADMINISTRATIVE (SG & A) EXPENSES

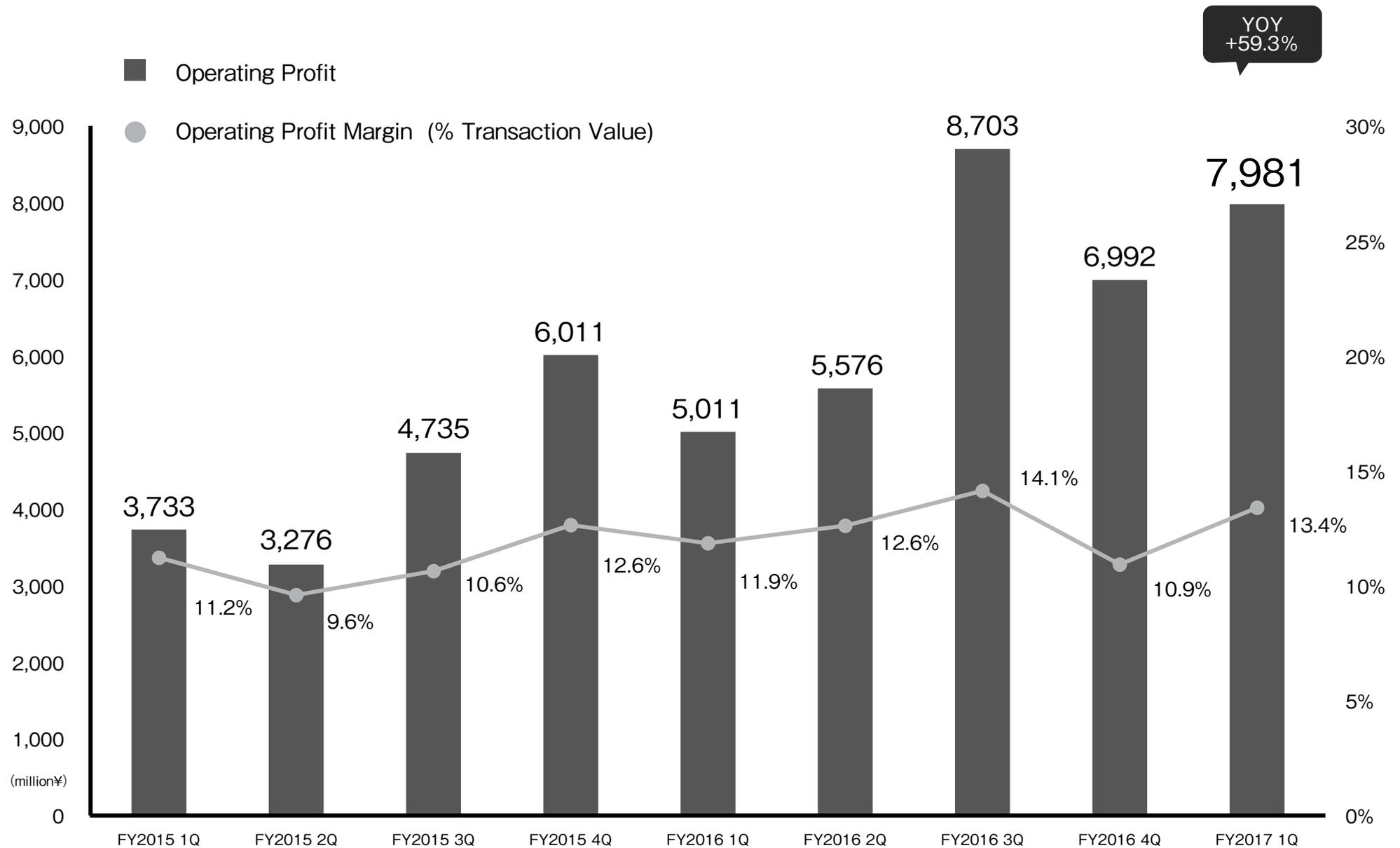
13

(million¥)

Item	FY2016 1Q		FY2017 1Q		YoY change	Increase decrease factors
	Amount	%Transaction value	Amount	%Transaction value	%Transaction value	
Payroll(*)	2,472	5.8%	2,896	4.9%	-0.9%	The number of employees in our group has grown from 819 as of June, 2016 to 832 as of June, 2017 Operational efficiency and partially shifted and allocated to outsourcing expenses item
Shipping	1,837	4.3%	2,616	4.4%	0.1%	
Commission of Payment collection	1,043	2.5%	1,953	3.3%	0.8%	Changes in the composition ratio of settlement means
Promotion related expenses	650	1.5%	899	1.5%	0.0%	
Advertising	223	0.5%	345	0.6%	0.1%	
Reward points related expenses	427	1.0%	554	0.9%	-0.1%	
Outsourcing	807	1.9%	1,384	2.3%	0.4%	Shifted and allocated from payroll item
Rent expense	478	1.1%	597	1.0%	-0.1%	
Depreciation	194	0.5%	197	0.3%	-0.2%	
Amortization of goodwill	214	0.5%	56	0.1%	-0.4%	Impairment of goodwill in the end of last fiscal year (aratana Inc)
Others	1,089	2.6%	1,259	2.1%	-0.5%	
Total SG&A	8,788	20.8%	11,863	19.9%	-0.9%	

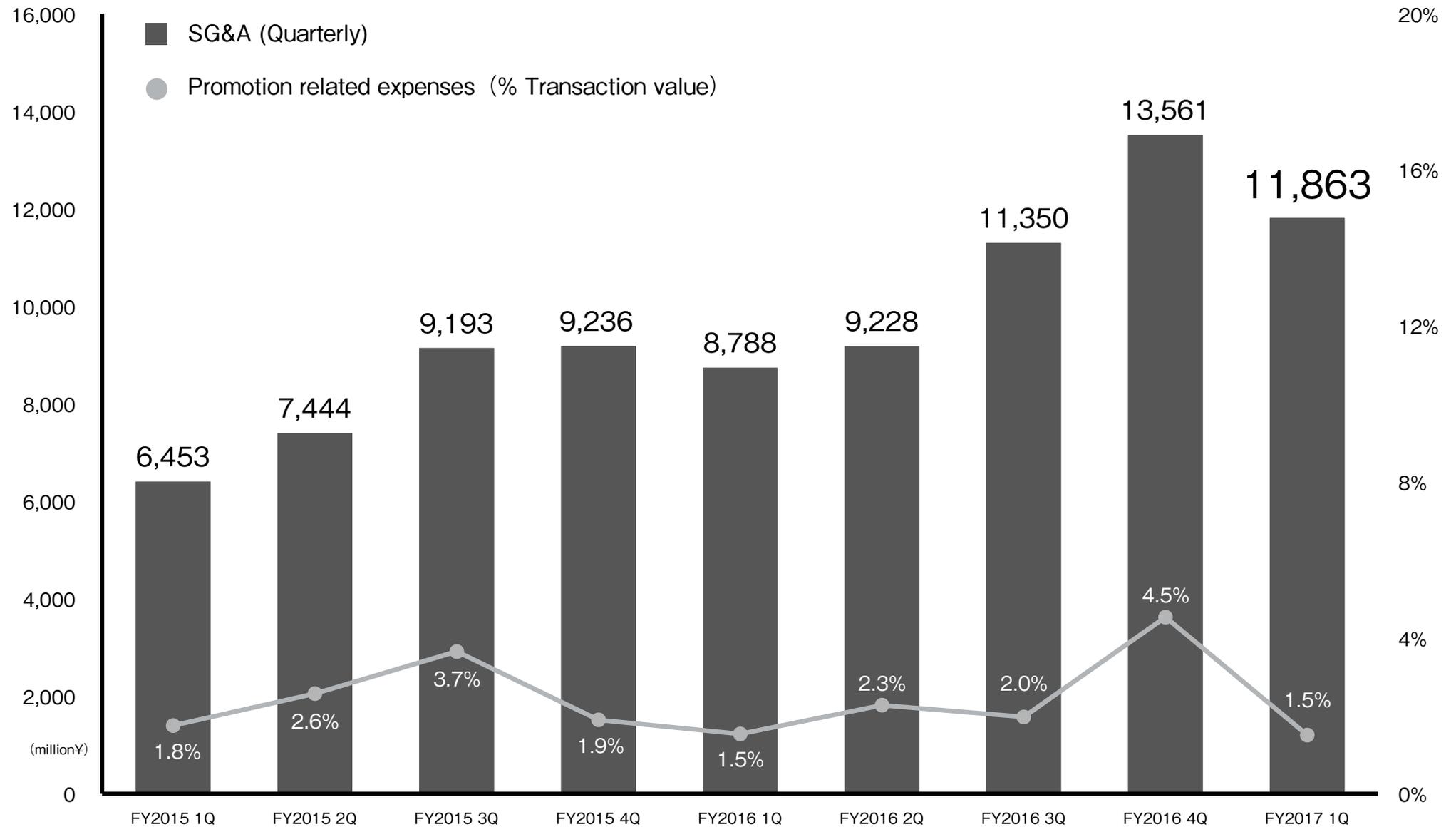
※Payroll includes director's remuneration, employee salaries, bonus, legal welfare expenses, welfare expenses, retirement benefits cost, provision for employee bonus, provision for directors' bonus, and subcontracting payroll.

# OPERATING PROFIT AND OPERATING PROFIT MARGIN (QUARTERLY)



# SELLING, GENERAL AND ADMINISTRATIVE (SG & A) EXPENSES (QUARTERLY)

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# OVERVIEW OF SG & A BY EACH QUARTER

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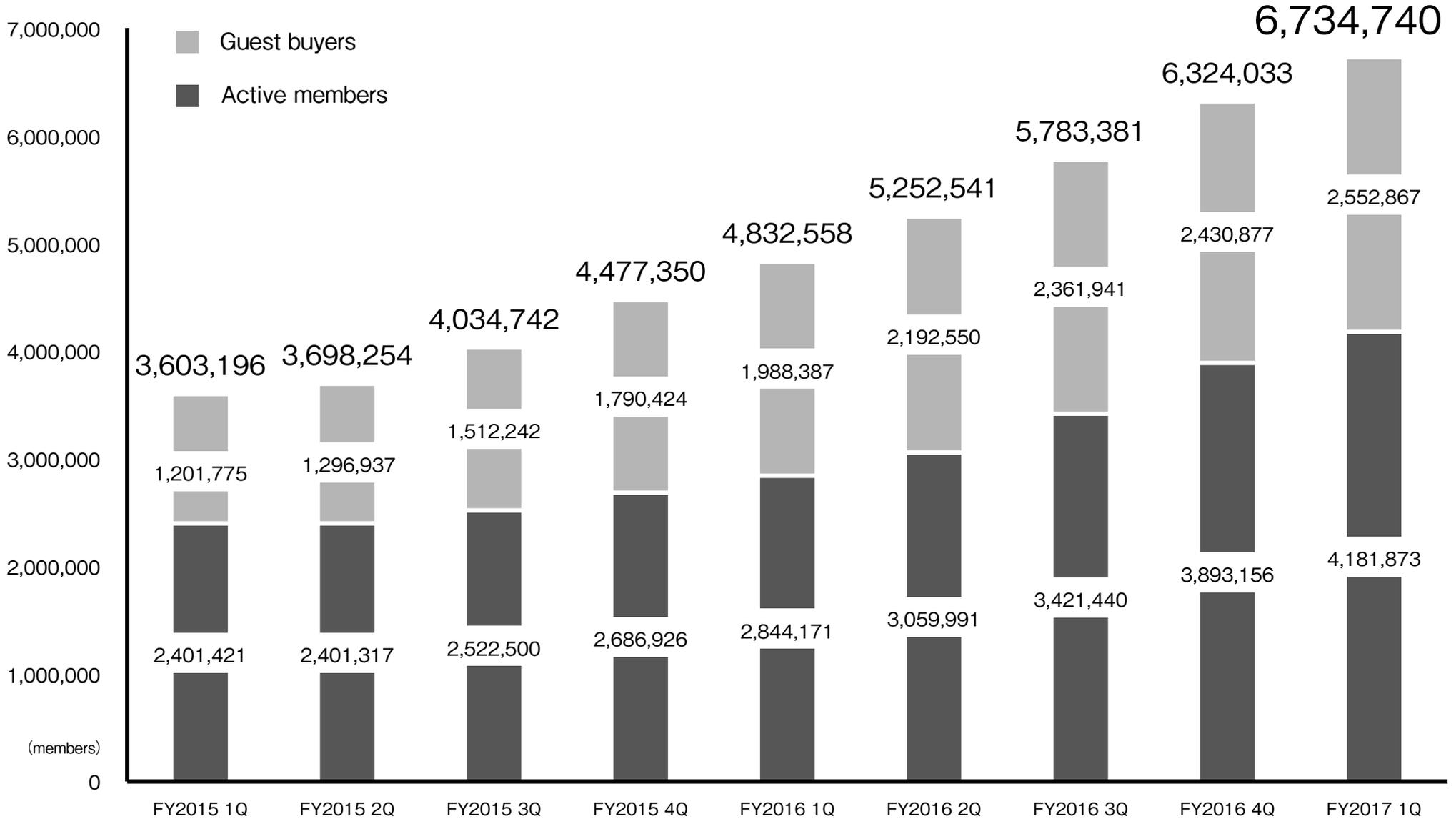
(million ¥)

Item	FY2016								FY2017	
	1Q		2Q		3Q		4Q		1Q	
	Amount	%Transaction value								
Payroll(*)	2,472	5.8%	2,383	5.4%	2,935	4.8%	2,845	4.4%	2,896	4.9%
Shipping	1,837	4.3%	2,073	4.7%	2,321	3.8%	2,684	4.2%	2,616	4.4%
Commission of Payment collection	1,043	2.5%	1,108	2.5%	1,578	2.6%	1,726	2.7%	1,953	3.3%
Promotion related expenses	650	1.5%	1,006	2.3%	1,216	2.0%	2,902	4.5%	899	1.5%
Advertising	223	0.5%	454	1.0%	551	0.9%	1,770	2.8%	345	0.6%
Reward points related expenses	427	1.0%	551	1.2%	665	1.1%	1,131	1.8%	554	0.9%
Outsourcing	807	1.9%	798	1.8%	1,003	1.6%	1,231	1.9%	1,384	2.3%
Rent expense	478	1.1%	468	1.1%	565	0.9%	601	0.9%	597	1.0%
Depreciation	194	0.5%	195	0.4%	220	0.4%	232	0.4%	197	0.3%
Amortization of goodwill	214	0.5%	256	0.6%	176	0.3%	176	0.3%	56	0.1%
Others	1,089	2.6%	936	2.1%	1,332	2.2%	1,160	1.8%	1,259	2.1%
Total SG&A	8,788	20.8%	9,228	20.9%	11,350	18.4%	13,561	21.2%	11,863	19.9%

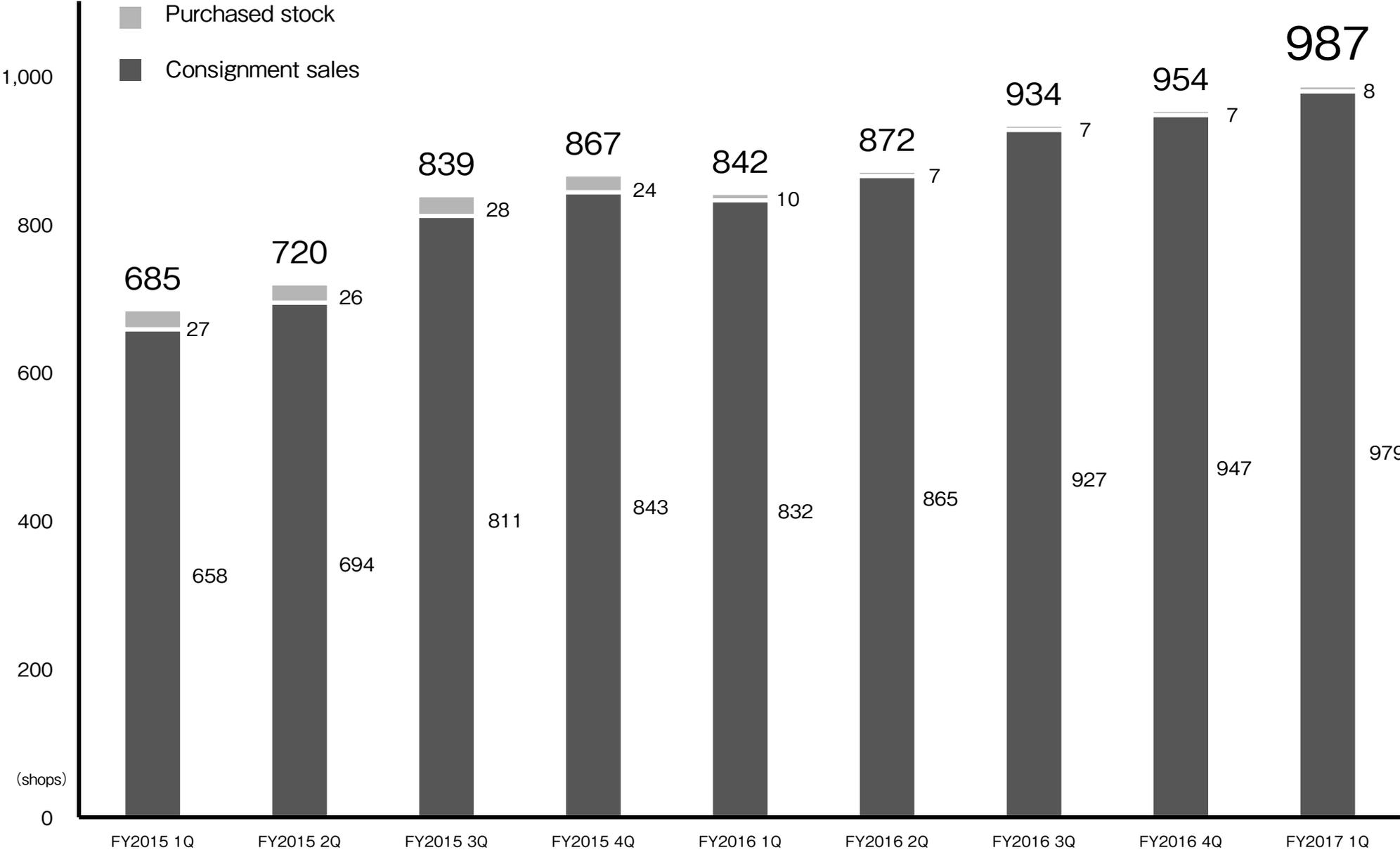
※Payroll includes director' s remuneration, employee salaries, bonus, legal welfare expenses, welfare expenses, retirement benefits cost, provision for employee bonus, provision for directors' bonus, and subcontracting payroll.

# 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

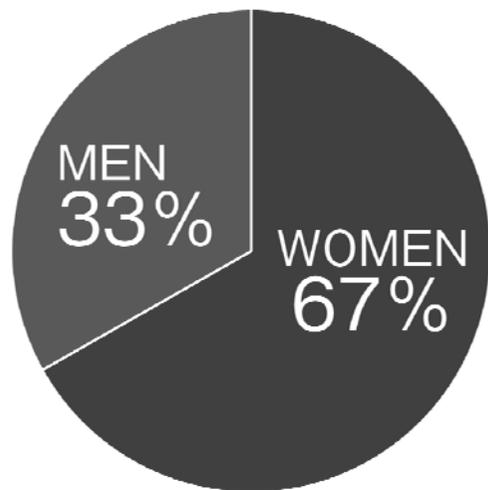


# NUMBER OF SHOPS OF MALL BUSINESS

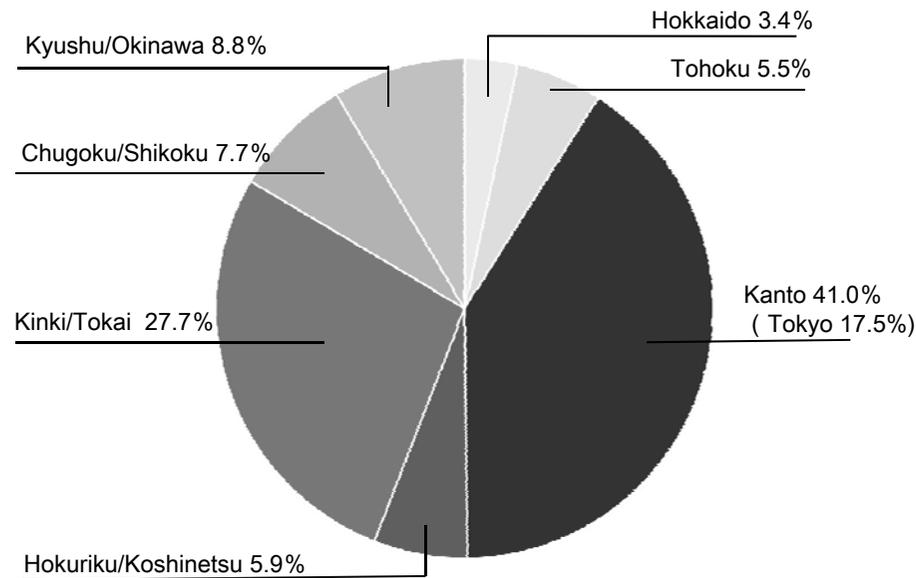


# ACTIVE MEMBER DISTRIBUTION

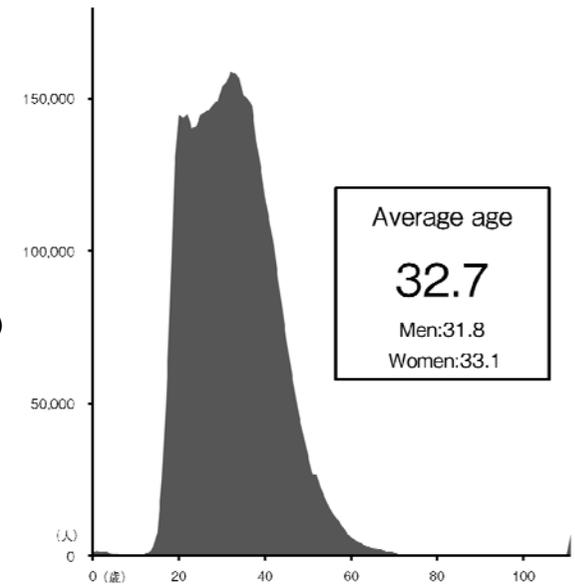
■ Gender ratio



■ Geographical distribution

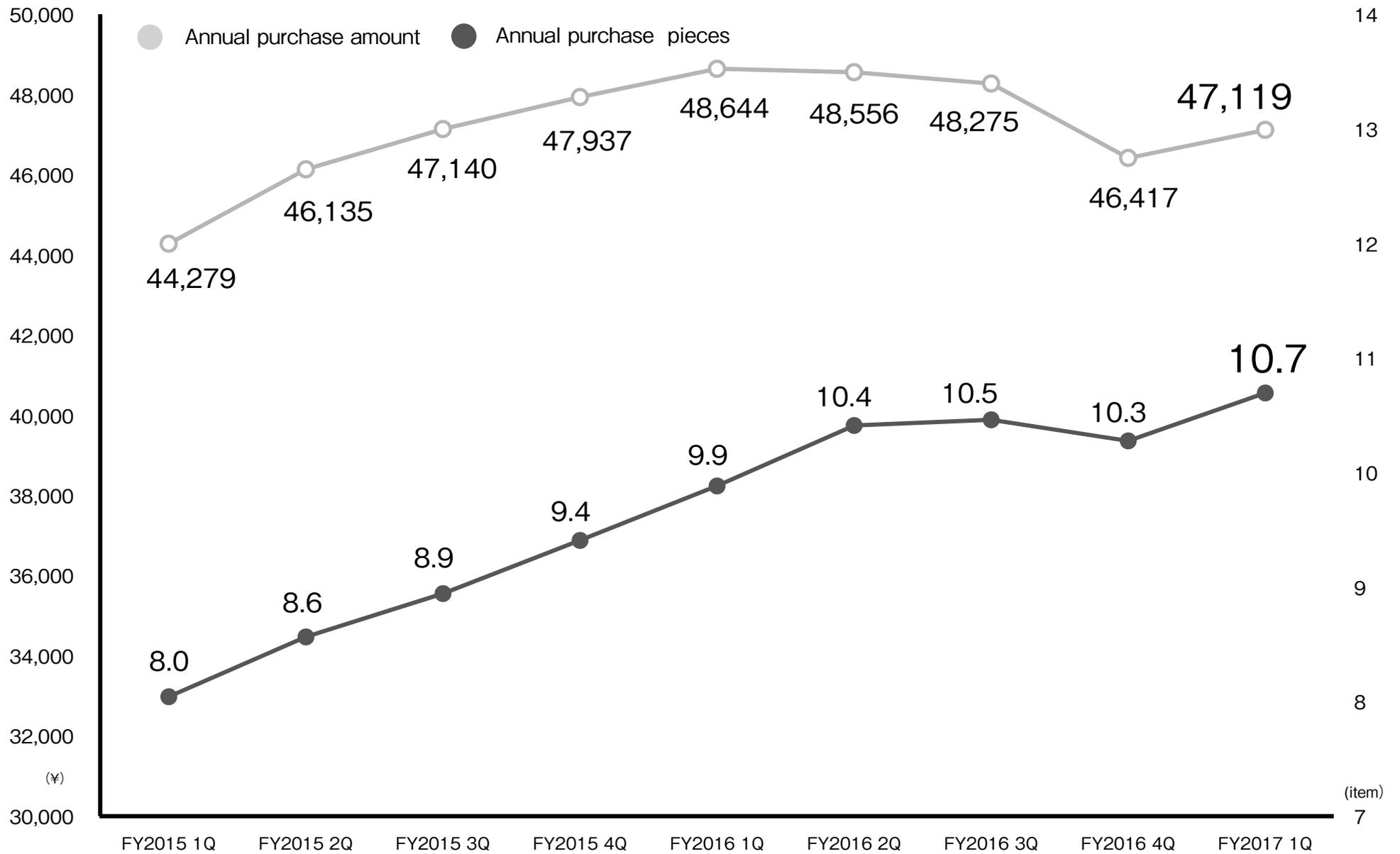


■ Age distribution



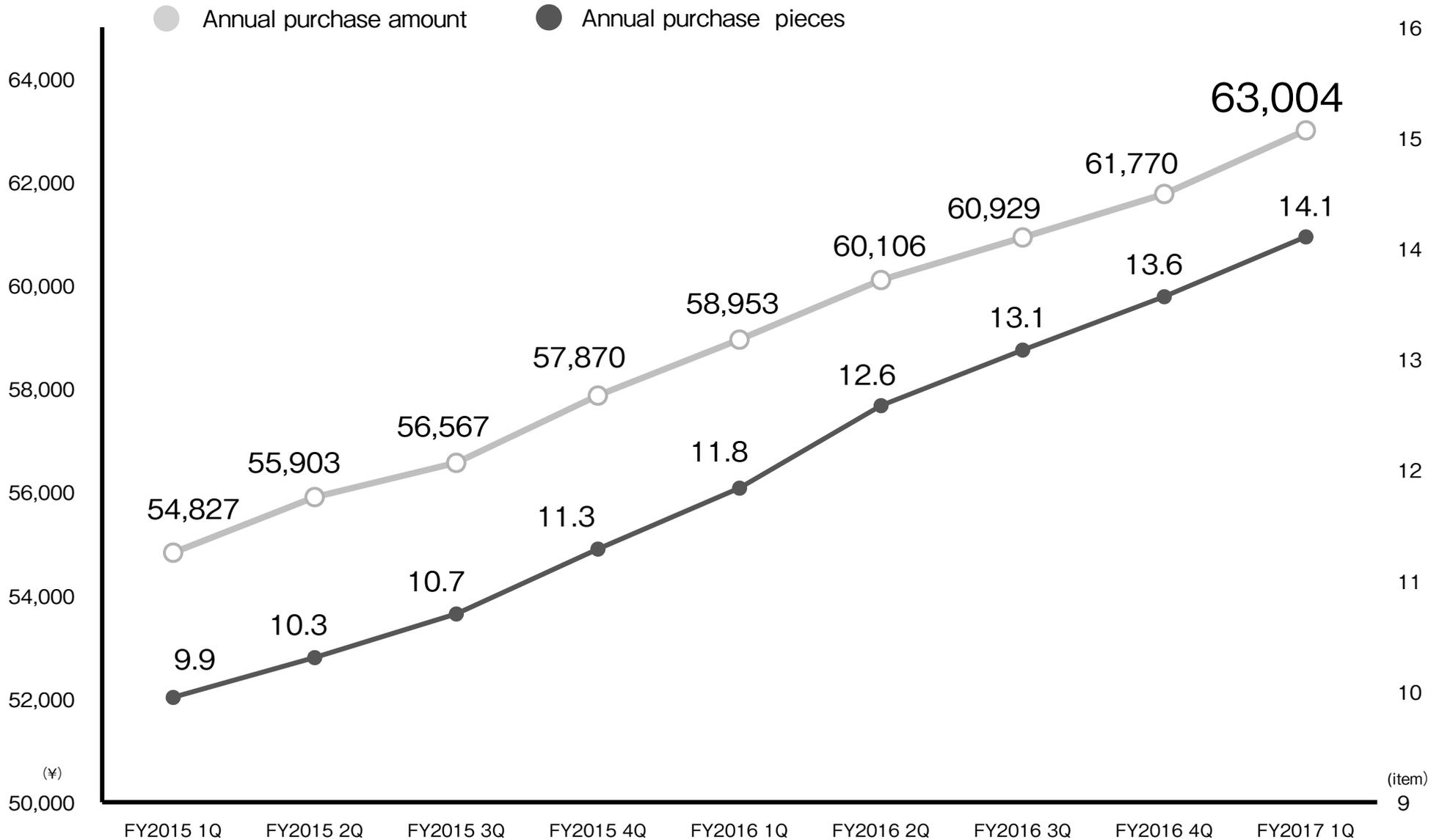
# ANNUAL PURCHASE AMOUNT AND PIECES PER ACTIVE MEMBER

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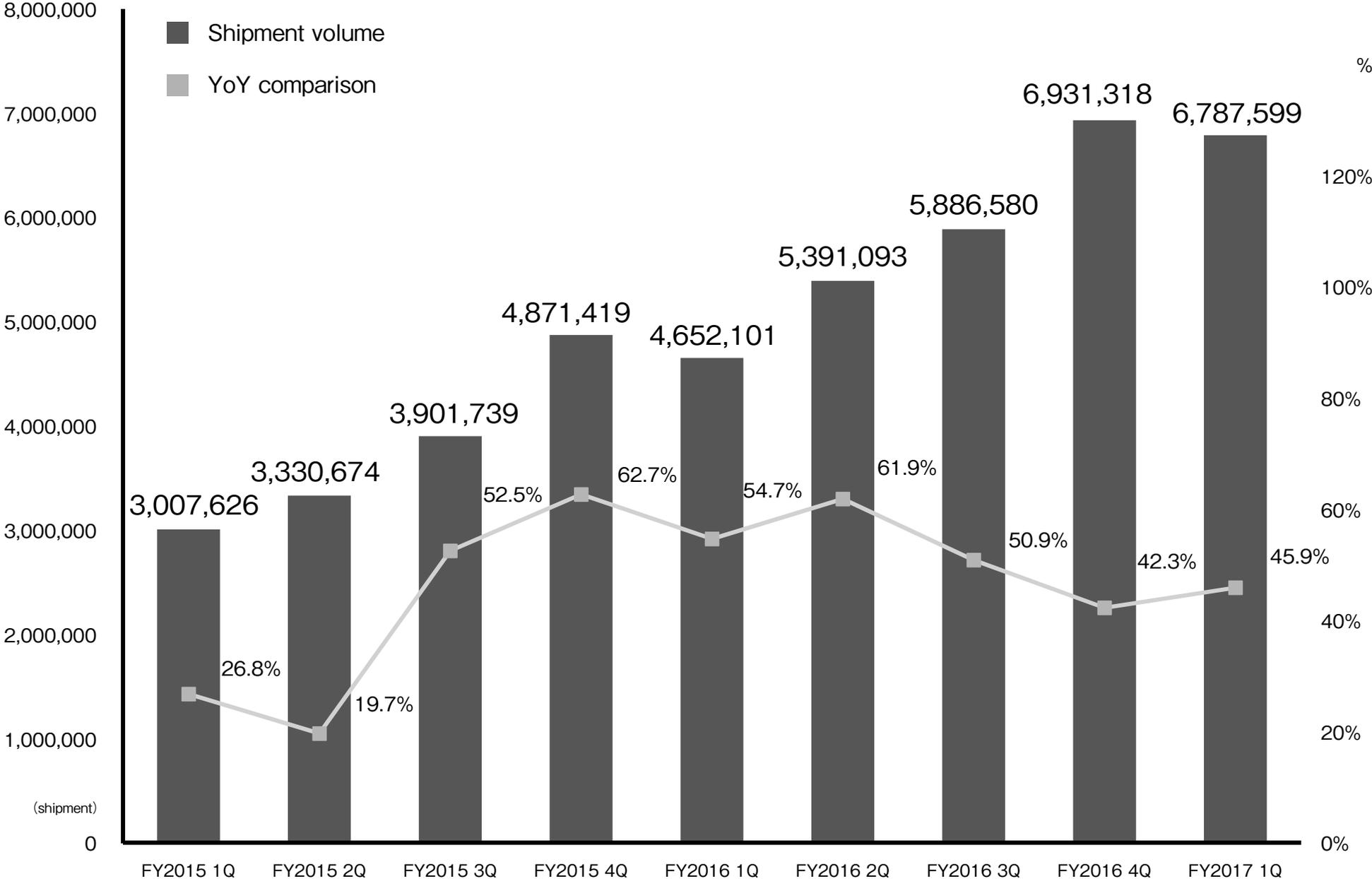


# ANNUAL PURCHASE AMOUNT AND PIECES PER EXISTING ACTIVE MEMBER

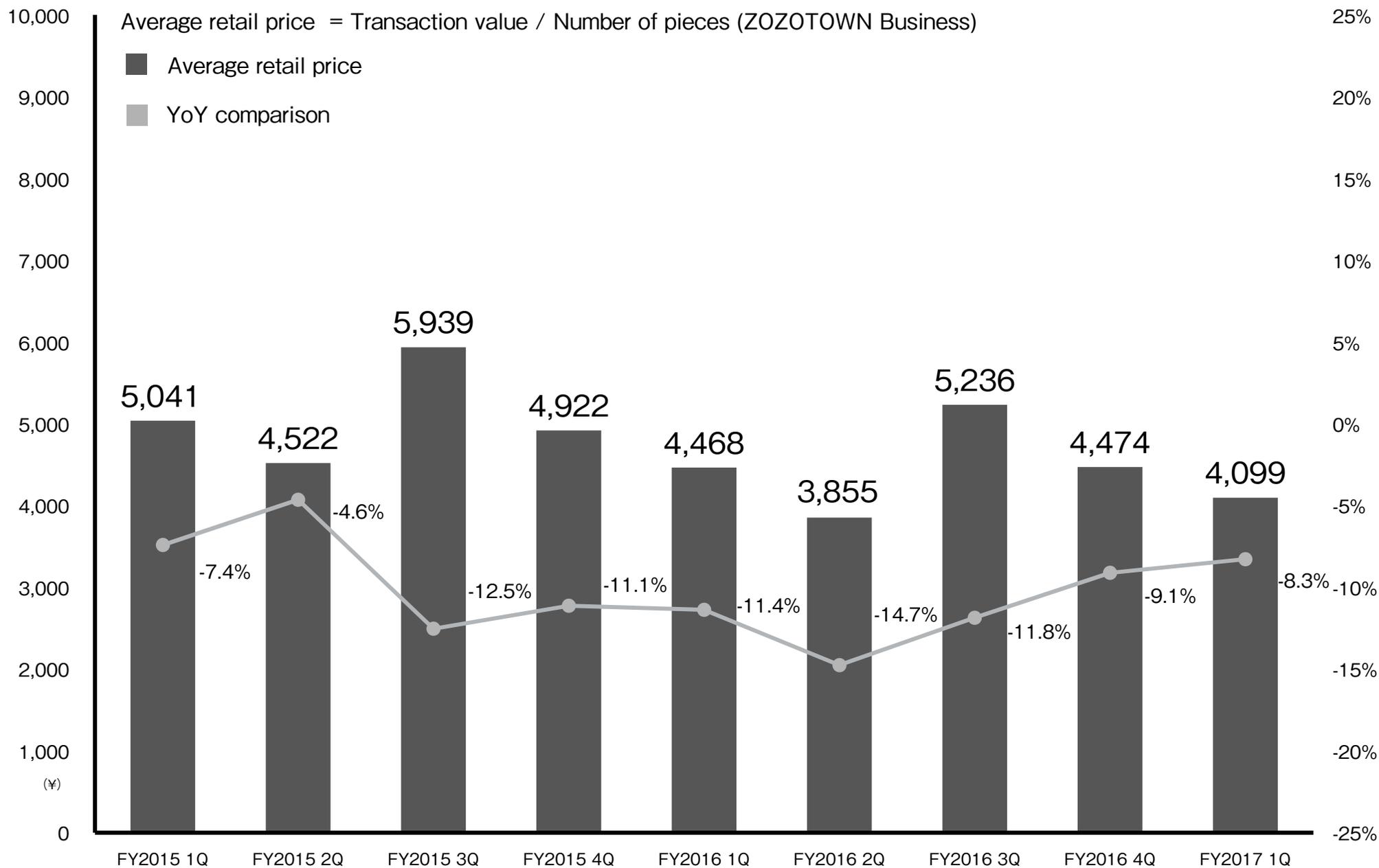
Existing active members : Active members who have passed over 1 year since registration



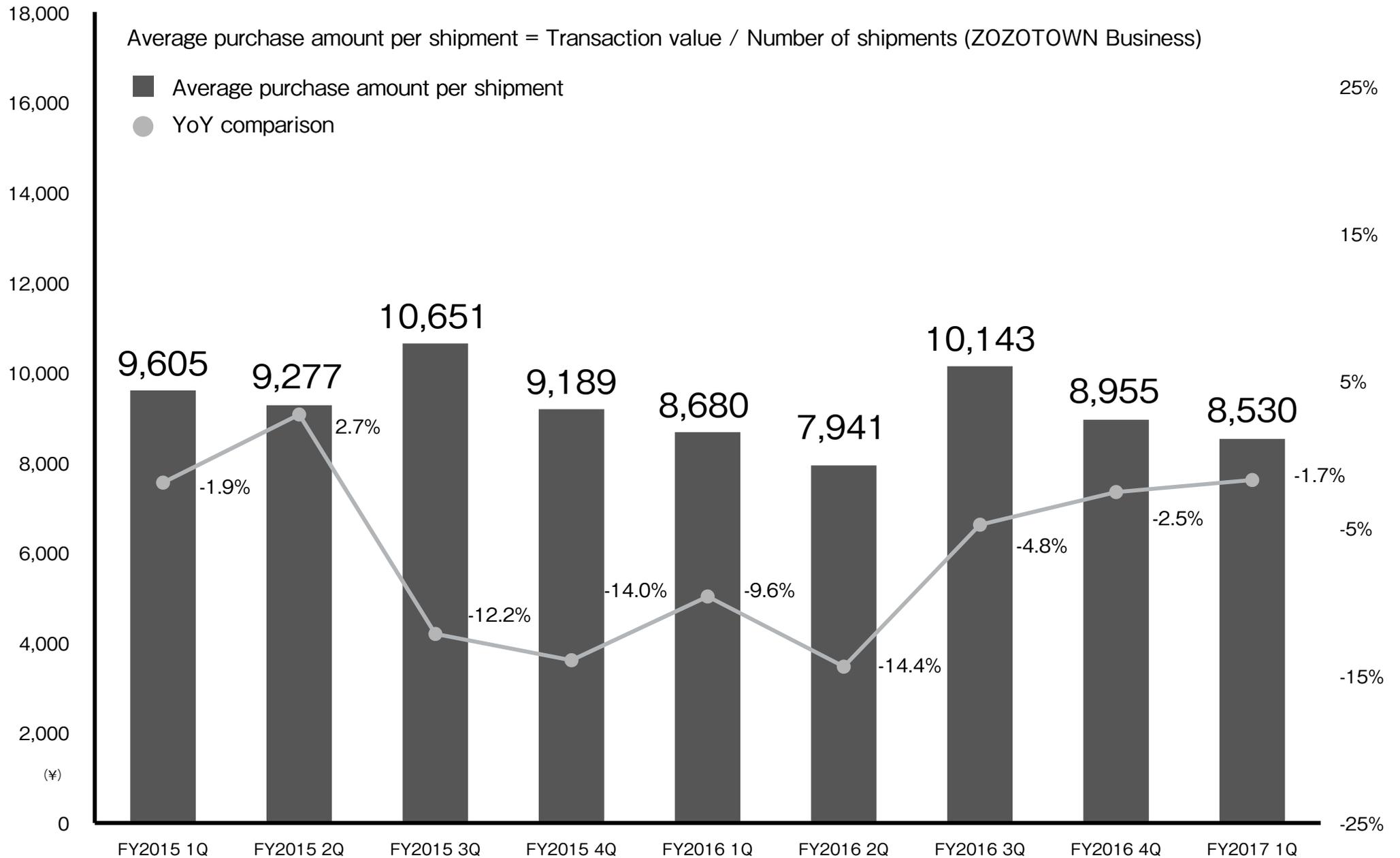
# NUMBER OF SHIPMENT



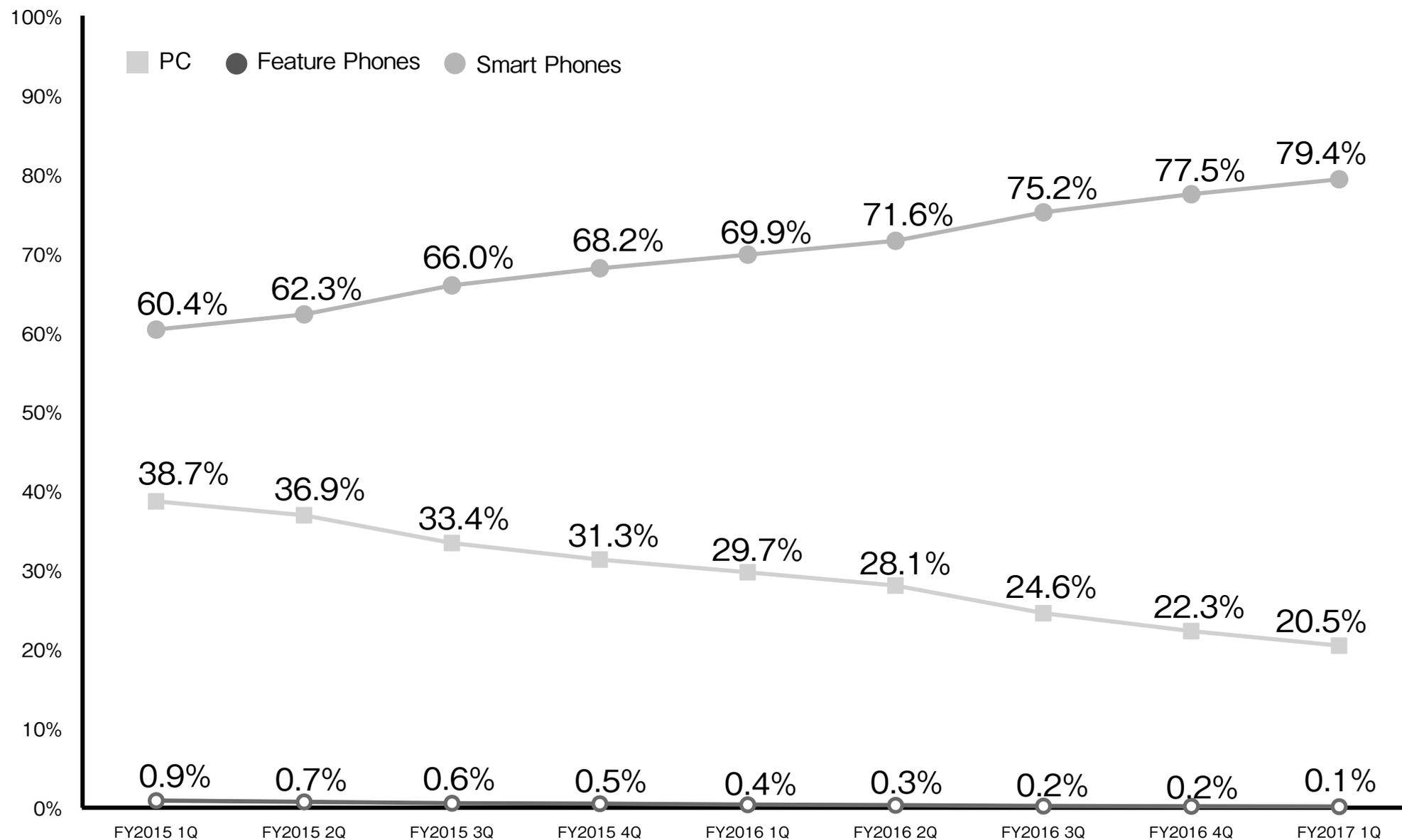
# AVERAGE RETAIL PRICE



# AVERAGE PURCHASE AMOUNT PER SHIPMENT



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





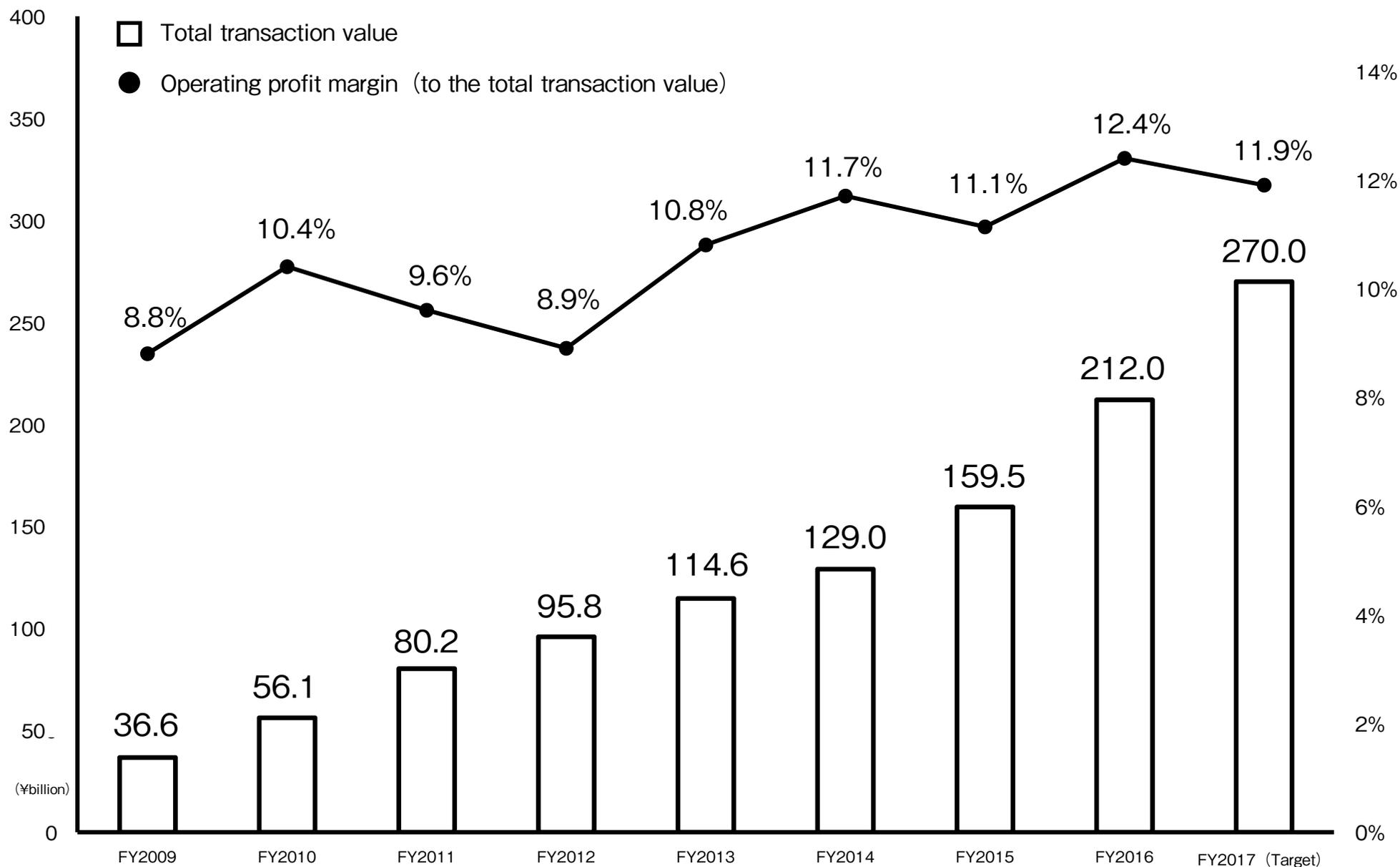
BUSINESS PLAN  
FOR FY2017

# 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

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## 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)

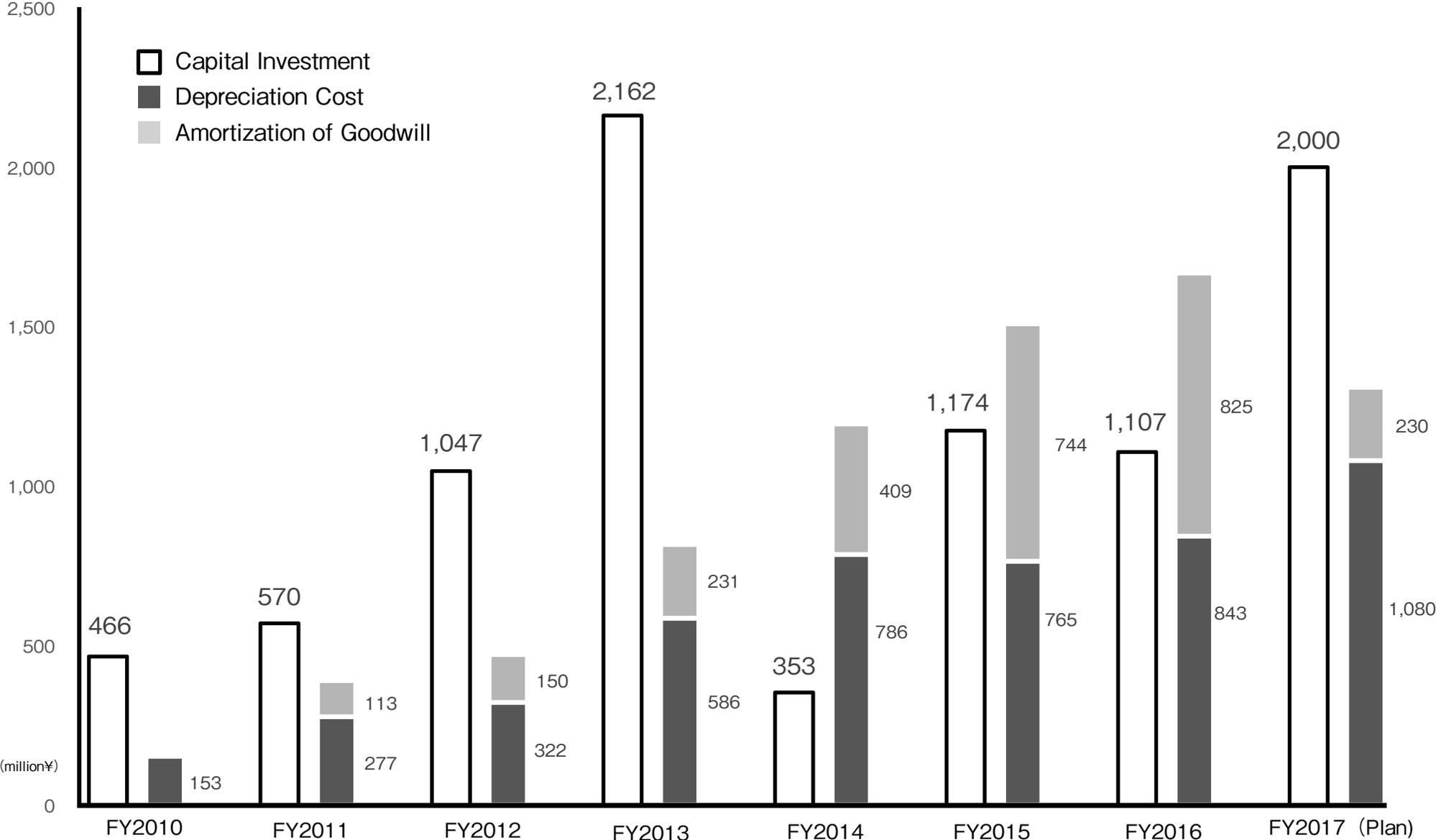
## B to B Business

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

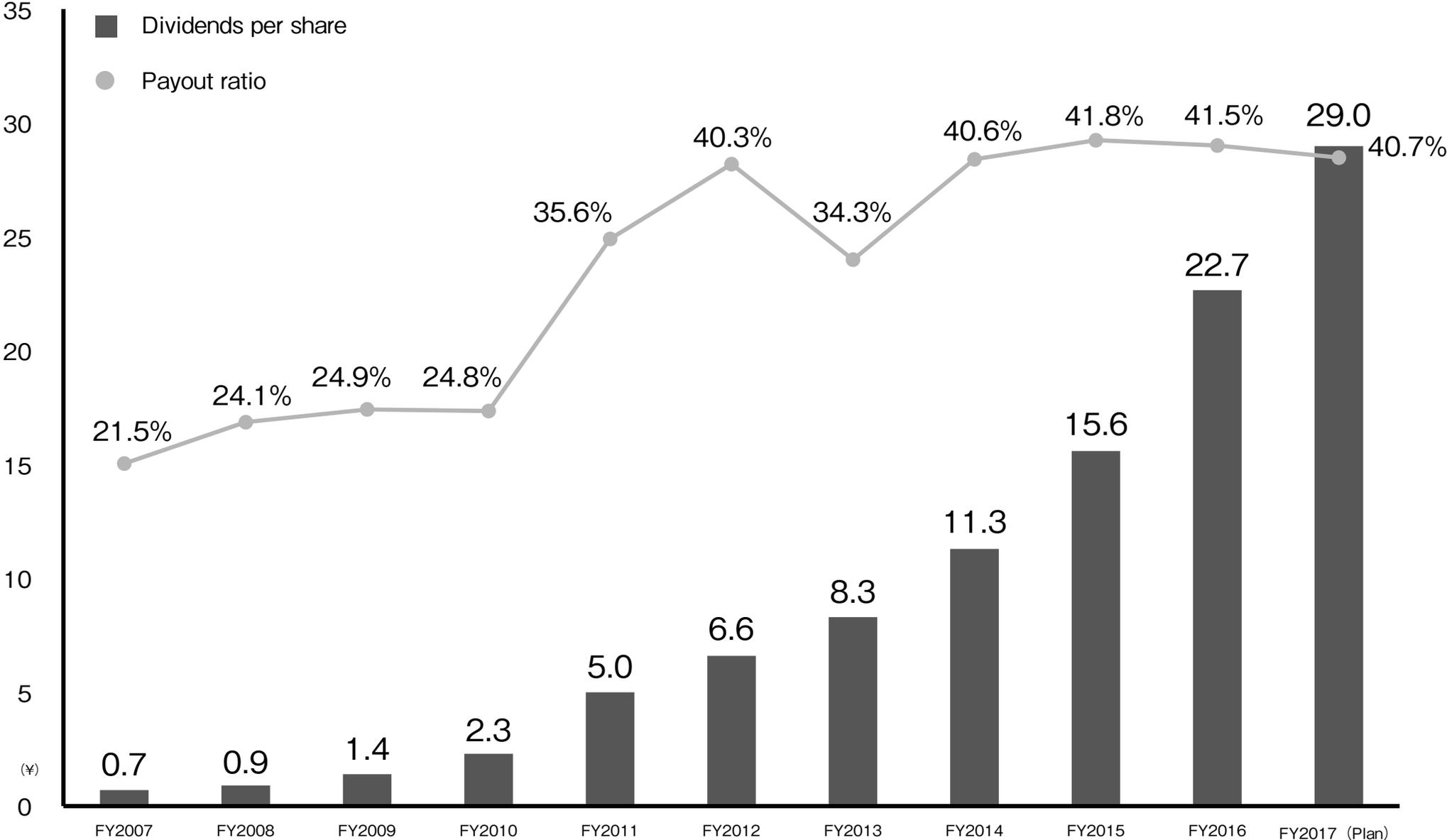
## Operating Profit Margin(to the total transaction value)

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

# CAPITAL INVESTMENT



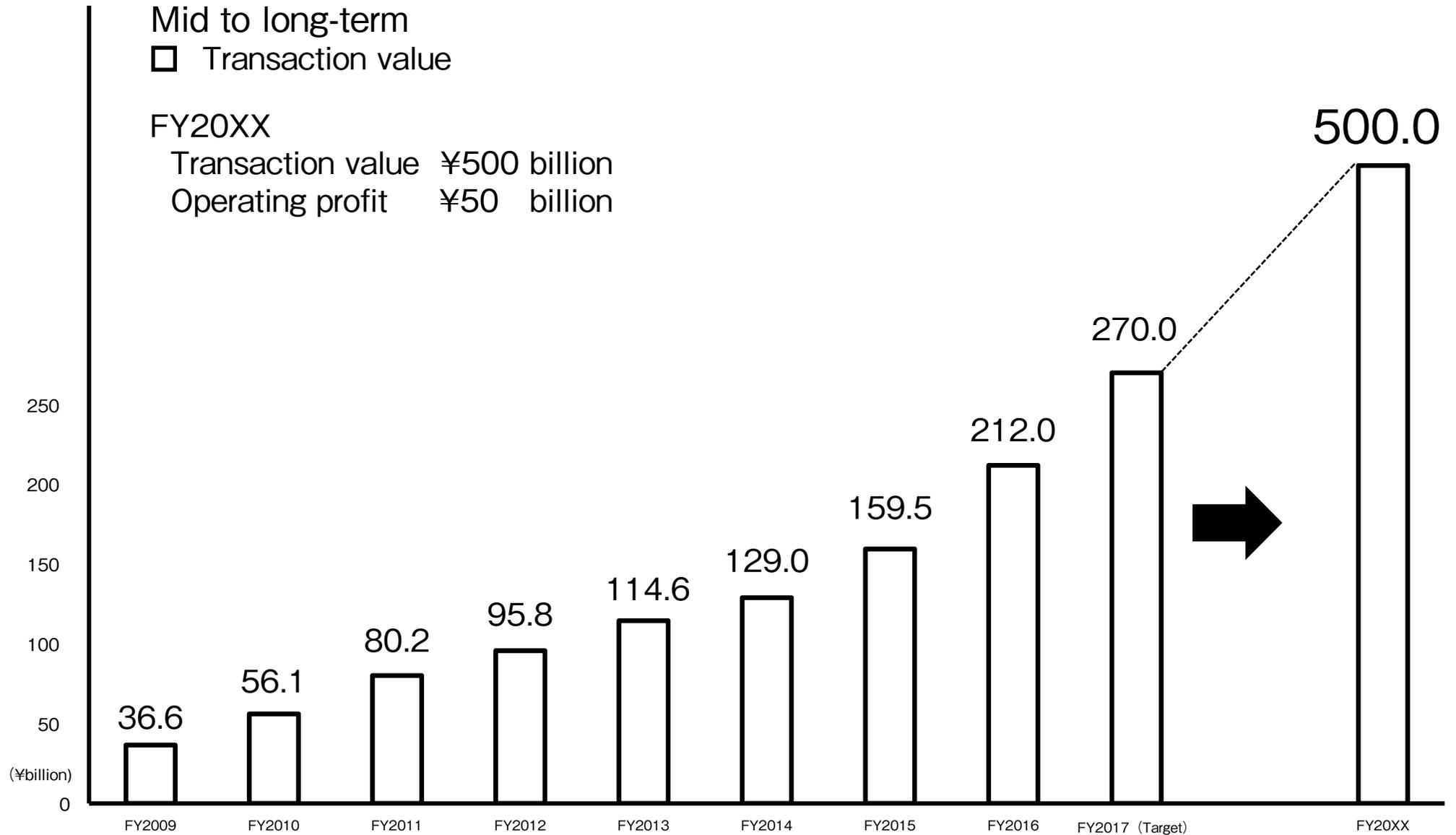
# DIVIDENDS PER SHARE AND PAYOUT RATIO



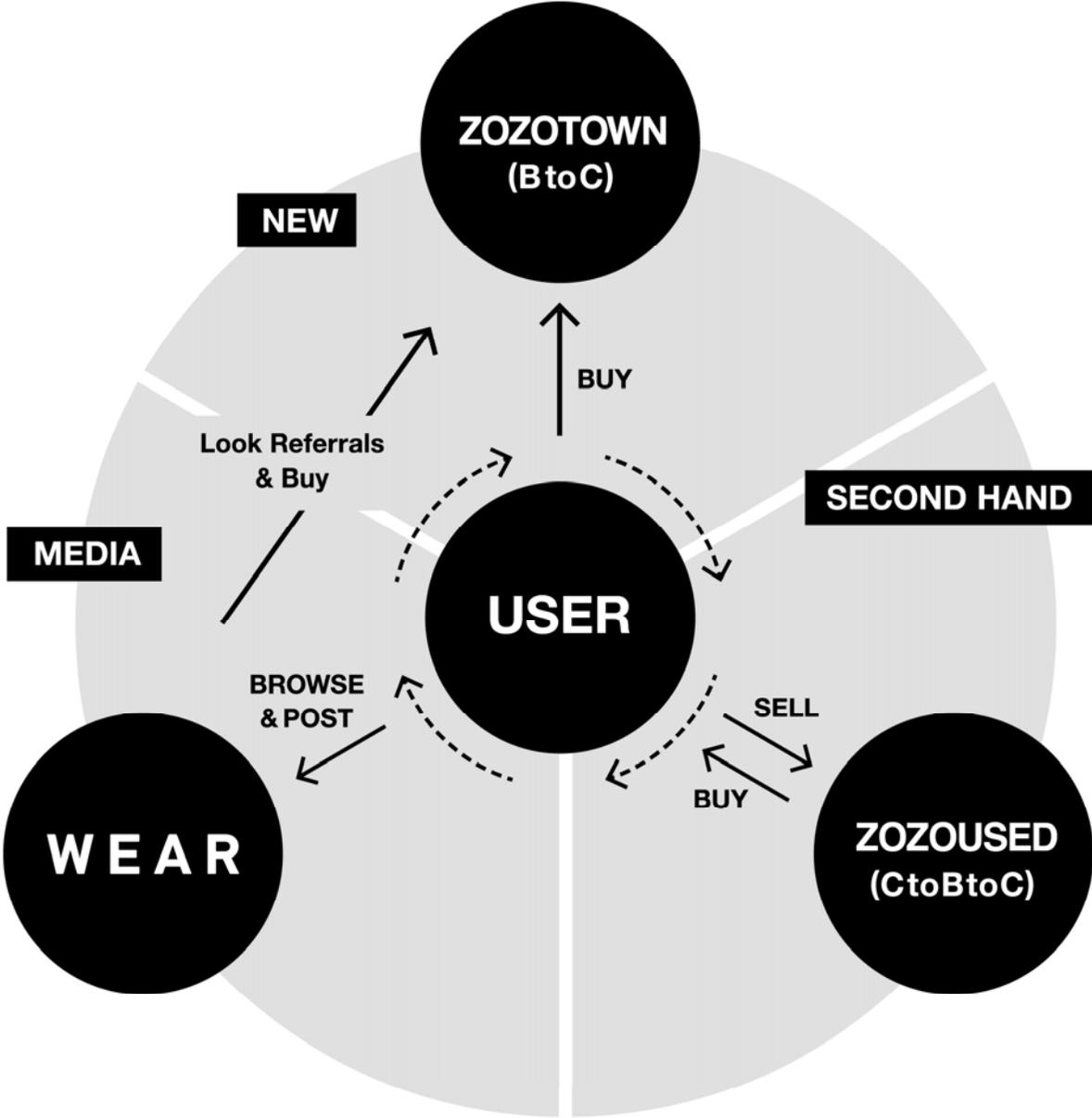
A modern, open-plan living and dining area with a large window, wooden floors, and contemporary furniture. The room features a long wooden dining table on the left with colorful chairs, a dark wooden dining table on the right with dark chairs, and a red sofa and brown armchair in the background. The text "FUTURE STRATEGIES" is overlaid in white, centered on the image.

# FUTURE STRATEGIES

# MID TO LONG-TERM VISION



# MARKET EXPANSION STRATEGY





REFERENCE  
DATA

5,859<sup>※</sup>

POPULAR BRANDS

※Changed the definition when we count the number of our handling brands from this fiscal year.

832

EMPLOYEES ( average age 30.8 years old )

世界中をカッコよく、世界中に笑顔を。

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

8,416

SHARE HOLDERS

6.7

Million

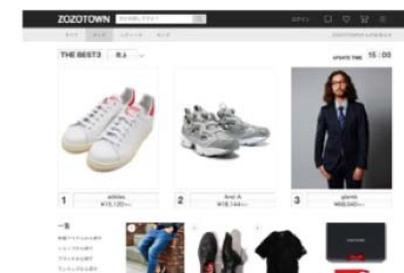
TOTAL BUYERS ( 1year basis )

# MAJOR SERVICES

## ZOZOTOWN

Japan's Largest Online Retailer of Apparel and Accessories

- 987 stores offering 5,859 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/>

## 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 WEARISTAs, include popular models, singers, actors and actresses.
- Over 9.0 million DL
- Now available in all geographic areas.



WEAR <http://wear.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 Business ended on June 30, 2017.



ZOZOフリマ <https://zozo-f.jp/>

# OUR SUBSIDIARIES

## START TODAY Engineering Co.,LTD

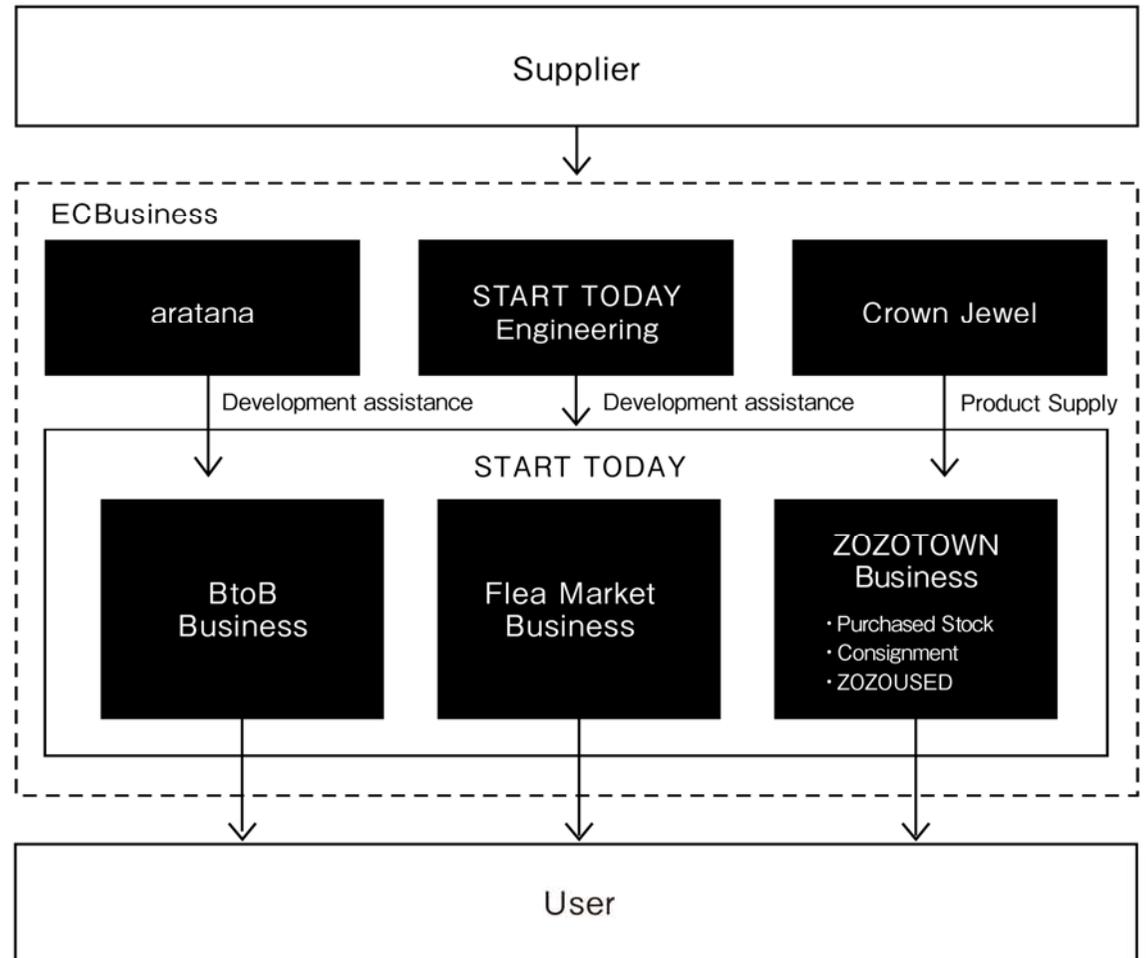
System development,web design,CRM,  
Technological development, R&D

## 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 Business ended on June 30, 2017.

# MAJOR SERVICES

## ZOZOTOWN BUSINESS

### • Consignment Sales

We operate 979 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 8 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.

## 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 20 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 )

## 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

※Net Sales from the flea-market business is included in “Others”

※ZOZO FURIMA Business ended on June 30, 2017.

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.