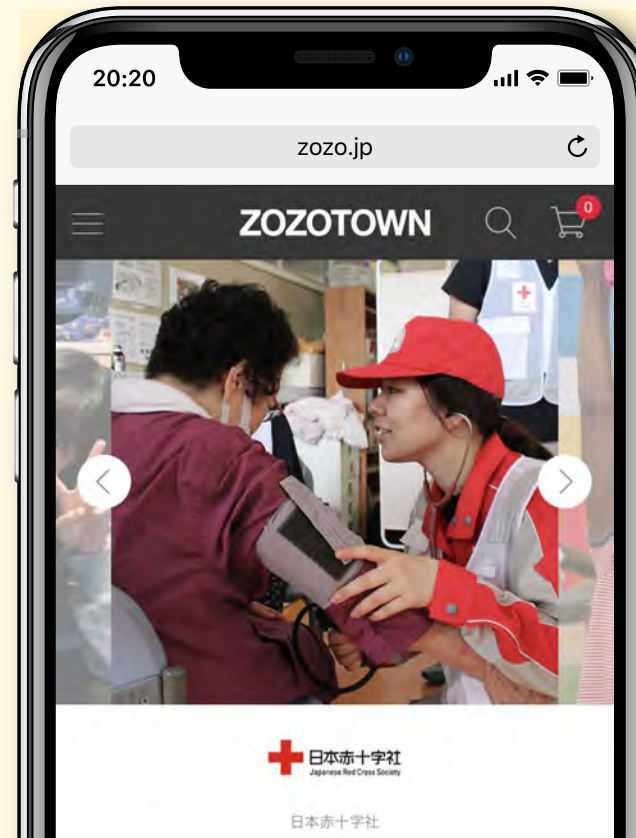


**ZOZO**

# ZOZOARIGATO

will end its service



**On April 25,  
new registration  
to the service is no  
longer available**

**Continue to offer the service  
to registered members until May 30**

※Annual fee will be refunded in monthly basis

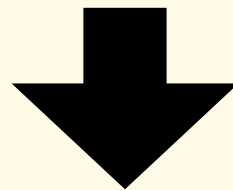
The total amount of donation up to today

**29,199,955 yen**

※Accumulated amount as at 0:00 of April 25, 2019



Return on investment	×
Responses from some brands	×



**Provide value other than price**

**Put value on co-creation,**

**co-ownership and empathy with brands**

# Restart of ZOZO CARD



Restart of ZOZOCARD business

Reward points % of spending at ZOZOTOWN

2% → 5%

1% reward points for spending at outside of ZOZOTOWN / No annual fee

Application starts from May 30!



ZOZO

# Future of the PB Business



# Be unique. Be equal.

## The belief we had at the starting of the PB Business

It is overwhelmingly lacking with conventional sizes of apparel: S, M and L.

Regardless of heights of people or preference of items in sizes between S and M, there must be tremendous size needs underlying.

At e-commerce where people cannot try-on,  
it is difficult for customers to select items by sizes of S, M and L.

By offering much wider variety of sizes and enabling customers to select items without any try-on, we should be able to create a brand new market!

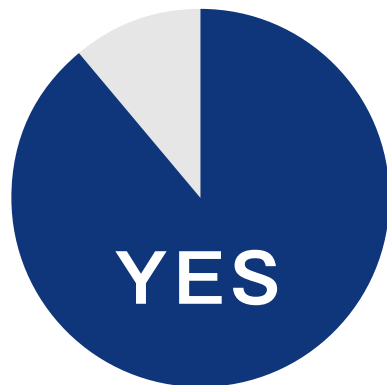
**Users survey on sizes Q.1**

**Q. At the time of purchasing,  
is it important whether the size  
of an item matches you or not?**



**Users survey on sizes Q.2**

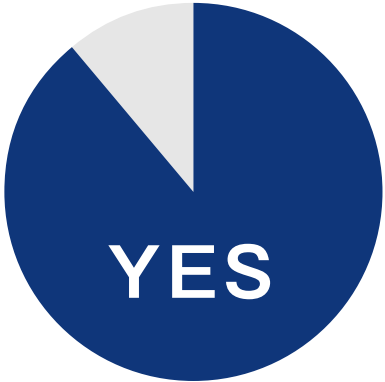
**Q. Have you ever given up buying clothing at online because you were not sure if they are right size?**



**89%**

**Users survey on sizes Q.3**

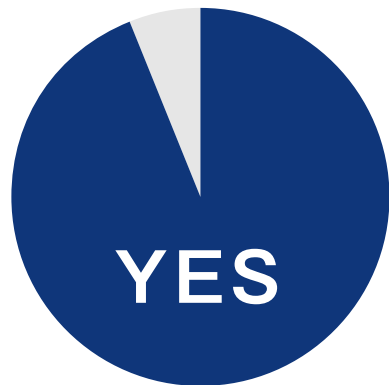
**Q. Have you ever felt unsatisfied from sizing difference among brands even though they are all represented in the same S, M and L?**



**89%**

**Users survey on sizes Q.4**

**Q. Do you try-on to see if the size of an item matches you?**



**94%**

Users survey on sizes Q.5

Q. Do you like to try-on or not?

LIKE

42%

DON'T LIKE

58%

**Users survey on sizes Q.6**

**Q. Do you think it would be convenient if there are clothes you can select without any try-on?**



# Future of the PB Business

<b>Q.1</b>	At the time of purchasing, is it important whether the size of an item matches you or not?	YES <b>98%</b>
<b>Q.2</b>	Have you ever given up buying clothing at online because you were not sure if they are right size?	YES <b>89%</b>
<b>Q.3</b>	Have you ever felt unsatisfied from sizing difference among brands even though they are all represented in the same S, Mand L?	YES <b>89%</b>
<b>Q.4</b>	Do you try-on to see if the size of an item matches you?	YES <b>94%</b>
<b>Q.5</b>	Do you like to try-on or not?	LIKE <b>42%</b> DON'T LIKE <b>58%</b>
<b>Q.6</b>	Do you think it would be convenient if there are clothes you can select without any try-on?	LIKE <b>80%</b>





# **Review for the year of the PB business**

## Review for the year of the PB business



Slim Tapered Denim

Sold **217,000** pairs

Total number of sizes sold: 3,218

No.1 of the annual apparel sales ranking (pieces)



Basic T Shirt

Sold **75,000** pieces

Total number of sizes sold: 1,427

No.2 of the annual apparel sales ranking (pieces)

# **Purchase Repeat Rate 2.5x of ordinary items**

※Repeat rate of newly purchased users within 3 months by shops

**It is obvious from results of the survey and track records of the PB, that there is a huge demand of "multi-size"**

**Then, why the PB  
missed its budget?**

**“It is better to keep new things in 1 or 2,  
if you want customers to accept new things.  
You should not think multiple items  
can be accepted at once.”**

**by Yusaku Maezawa**

# There were so many new things in the PB business

Brand → A new brand ZOZO

Size offering → a few thousand to several tens of thousand

Sales Method → Require measurement with ZOZOSUIT

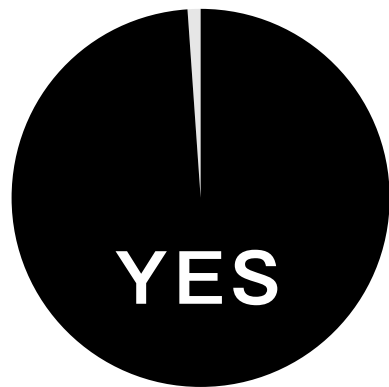




**The hint was also  
in the users survey**

## User Survey

**Would you like to buy your favorite brands' clothing in your ideal size if possible?**



**99%**



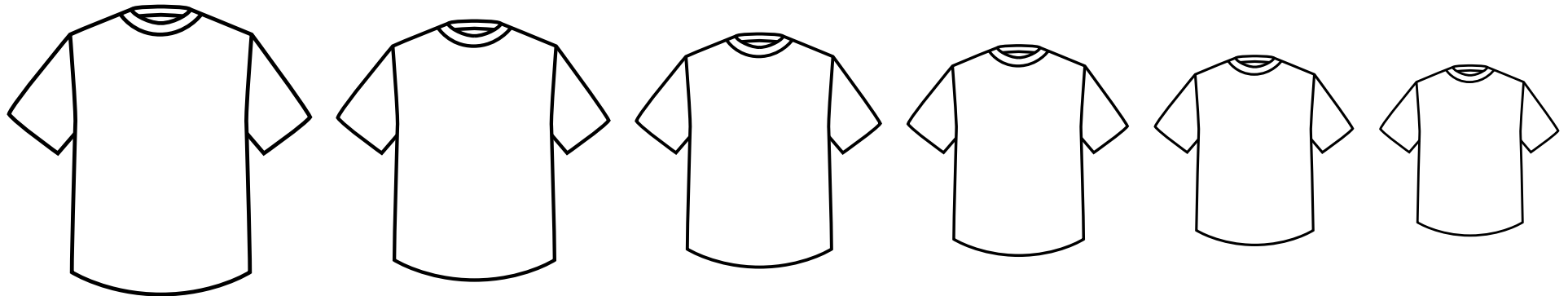
# MSP Business

Multi Size Platform Business

**MSP Business is...**

**A business model selling  
multi-sized items coproduced  
with brands on ZOZOTOWN**

**The world where items  
of the brands you admire  
are purchasable  
in your ideal size (multi size)**



**Planning to offer in 20-50 sizes depending on items**

# MSP Business will be starting from this fall

Partnering companies which we have already shook hands





# **Enhancement of own e-commerce support**



**Full back up of own e-commerce sites**

**Operation commission of  
own e-commerce sites**

**15%FREE**

**For shared inventories with ZOZOTOWN**





**Full back up of own e-commerce sites**

# **ZOZO ID login linkage**

**Planning to release payment service  
utilizing the customer database of ZOZOTOWN**



**Full back up of own e-commerce sites**

# **Data share of ZOZOTOWN**

**Expand brand supports using data from ZOZO**



# Background of Free of Charge

**Opportunity loss due to lack of inventory is about 100 billion yen, equivalent to about 30% of the gross merchandise value of ZOZOTOWN**

※Calculation from the previous fiscal year's gross merchandise value



**Not to get income from own e-commerce support itself, we will work with brands in co-existence and co-prosperity to decrease stock out ratio, and ultimately "To make the number of customers unable to buy on ZOZOTOWN to 0"**

 **Fulfillment by ZOZO**

**We will start out  
with 20 and more brands**

RALPH LAUREN

M

MARK STYLER

STRIPE Int'l



Another try of ZOZOTOWN in China

**Reentry into China after 6 years  
with Japanese brands alliance**

# Failing factors back in 6 years ago, No. 1

**Selling prices did not match the income  
level of young customer segments**

**At Present**

Fashion consumption of the customer segments have been increasing by 4~5x from then, now Japanese brands have chances of competition with their price ranges

# Failing factors back in 6 years ago, No. 2

Low degree of freedom due to opening at Taobao Mall

**At Present**

Differentiate through UIUX and promotion  
by an independent website and an app



# Fashion market in China at present

Retail market size	35 trillion yen in 2018 with the e-commerce penetration around 35%
Growth rate	Twice the growth rate of the global fashion market (in 2018 the global market +3.1%, China market +7.8%)

**Growth of "Tide brands" targeting late teens to 30s are remarkable**

he market size of "Tide brands" in 2018 was 412 billion yuan (about 6.8 trillion yen), YoY162%

Another try of ZOZOTOWN in China

# Another try of ZOZOTOWN in China

Partnering companies which we have already shook hands

**STRIPE**<sub>Int'l</sub>

PAL GROUP

**DAYTONA  
INTERNATIONAL**

**M**

MARK STYLER



# Executive Appointment

# Objective

**Enhancement of governance structure**

(Addition of 1 external director)

**The streamlined Board of  
Directors & speed up of decision-making**

**Separation of management and operation**

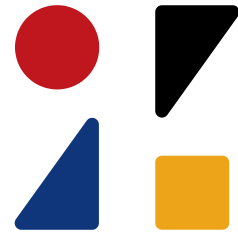
(Introduction of an Executive Officer System)

# Structure of the Board of Directors

Yusaku Maezawa	President and Representative Director
Koji Yanagisawa	Executive Vice President and CFO
Kotaro Sawada	Director/ in charge of ZOZOTOWN Business
Masahiro Ito	Director/ in charge of PB Business
Koji Ono	External Director

# Structure of Executive Officers

Takanobu Muto	Executive Officer, General Manager of EC Business Division
Mineki Ohkura	Executive Officer, General Manager of Fulfillment Division
Toshiaki Shimizu	Executive Officer, General Manager of Hospitality Division
Fuminori Hirose	Executive Officer, General Manager of Business Administrative Division
Takao Yamasaki	Executive Officer, General Manager of Marketing Division
Shintaro Tabata	Executive Officer, Head of Communication Design Office



**ZOZO**