Consolidated Financial Results
for the second quarter (semi-annual period) of the fiscal year
ending March 31, 2026 〔JGAAP〕

October 31, 2025

Company name:	ZOZO, Inc.	Listed stock exchanges	Tokyo
Code	3092	URL	https://corp.zozo.com/en
Representative	Representative Director, President & CEO	Kotaro Sawada	
Contact person	Director, Executive Vice President & CFO	Koji Yanagisawa	(TEL) 043(213)5171
Scheduled date to file the semi-annual financial report	November 14, 2025	Scheduled date of dividend payment	November 25, 2025
Supplementary material for quarterly financial results	: Yes		
Quarterly results briefing	: Yes (For analysts and institutional investors)		

(Rounded down to million yen)

1. Consolidated business results for the second quarter (semi-annual period) of the fiscal year ending March 31, 2026 (April 1, 2025 to September 30, 2025)

(1) Consolidated business results (cumulative)

(Percentages indicate YoY changes)

	Net sales		Operating profit		EBITDA		Ordinary profit		Semi-annual profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Semi-annual period of the fiscal year ending March 31, 2026	105,249	6.5	31,074	2.0	34,753	5.8	30,826	1.0	21,006	-0.6
Semi-annual period of the fiscal year ended March 31, 2025	98,801	9.5	30,475	5.3	32,858	8.2	30,513	4.8	21,130	4.0

(Note)

1. Comprehensive income
   Semi-annual period of the fiscal year ending March 2026 22,128 Million yen (5.3%)
   Semi-annual period of the fiscal year ended March 2025 21,021 Million yen (2.2%)
2. EBITDA = Operating profit + stock compensation expenses + depreciation + amortization of goodwill

	Earnings per share	Diluted earnings per share
	Yen	Yen
Semi-annual period of the fiscal year ending March 31, 2026	23.68	-
Semi-annual period of the fiscal year ended March 31, 2025	23.72	-

(Note)

1. Fully diluted earnings per share are not presented because there were no dilutive potential shares.
2. On April 1, 2025, the Company conducted a three-for-one stock split of common stock. Earnings per share have been calculated on the assumption that the stock split was implemented at the beginning of the previous fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
Semi-annual period of the fiscal year ending March 31, 2026	172,328	94,926	55.1
Fiscal year ended March 31, 2025	187,810	98,719	52.6

(Reference) Shareholders' equity
Semi-annual period of the fiscal year ending March 31, 2026 94,926 Million yen
Fiscal year ended March 31, 2025 98,719 Million yen

2. Dividends

	Annual dividends				
	End of Q1	End of Q2	End of Q3	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	-	53.00	-	54.00	107.00
Fiscal year ending March 31, 2026	-	19.00			
Fiscal year ending March 31, 2026 (Forecast)			-	20.00	39.00

(Note)

1. Revisions to the dividends forecasts most recently announced: None
2. On April 1, 2025, the Company conducted a three-for-one stock split of common stock. The amount of annual dividends for the fiscal year ending March 31, 2026 (forecast) is presented on a post-stock-split basis.

3. Consolidated business forecasts for the fiscal year ending March 31, 2026 (April 1, 2025 to March 31, 2026)

(Percentages indicate YoY changes)

	Net sales		Operating profit		EBITDA		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	yen
Fiscal year ending March 31, 2026	231,500	8.6	69,200	6.9	76,700	9.9	69,100	6.5	47,800	5.4	53.66

(Note) Revisions to the consolidated business forecasts most recently announced: None

※ Notes

(1) Significant changes in the scope of consolidation during the semi-annual period of the current fiscal year : Yes

New	LYST LTD ZOZO U.K. LIMITED	Exclusion	-

(2) Application of particular accounting procedures to the preparation of the semi-annual consolidated financial statements : None

(3) Changes in accounting policies and changes or restatement of accounting estimates

① Changes in accounting policies caused by the revision of accounting standards : None

② Changes in accounting policies other than ① : None

③ Changes in accounting estimates : None

④ Restatement of revisions : None

(4) Number of shares outstanding (Common stock)

① Year-end shares outstanding (including treasury stock)	Semi-annual period of the fiscal year ending March 2026	892,032,372 Shares	Fiscal year ended March 2025	901,422,543 Shares
② Number of year-end treasury stock	Semi-annual period of the fiscal year ending March 2026	7,707,338 Shares	Fiscal year ended March 2025	10,560,621 Shares
③ Average number of shares during the period (semi-annual period)	Semi-annual period of the fiscal year ending March 2026	886,956,679 Shares	Semi-annual period of the fiscal year ended March 2025	890,868,293 Shares

(Note) On April 1, 2025, the Company conducted a three-for-one stock split of common stock. Shares outstanding (common stock) have been calculated on the assumption that the stock split was implemented at the beginning of the previous fiscal year.

※ Review of the second quarter (semi-annual period) consolidated financial statements by a certified public accountant or auditing firm: None

※ Explanations and other special notes concerning the appropriate use of business performance forecasts

-The business forecasts and other statements related to the future contained in this material are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Actual results may differ materially from these forecasts due to various factors. Please refer to "1. Qualitative information on the semi-annual financial results ended September 30, 2025, (3) Explanation of consolidated business forecast and other forward-looking statements" on page 12 for the assumptions underlying the forecasts and cautionary statements regarding the use of the forecasts.

-We are scheduling a financial results briefing for institutional investors and analysts on October 31, 2025. We will post the briefing content and the materials on our website promptly after the briefing.

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1. Qualitative information on the semi-annual financial results ended September 30, 2025

(1) Overview of business results

Business results for the current fiscal year

[Table 1] YoY comparison

(Unit: Million yen)

	Semi-annual consolidated accounting period of the previous fiscal year (April 1 to September 30, 2024)		Semi-annual consolidated accounting period of the current fiscal year (April 1 to September 30, 2025)		YoY basis
Gross merchandise value	279,153	(107.0%)	312,473	(106.8%)	11.9%
Gross merchandise value (excluding other GMV)	260,824	(100.0%)	292,687	(100.0%)	12.2%
Net sales	98,801	(37.9%)	105,249	(36.0%)	6.5%
Gross profit	92,013	(35.3%)	98,448	(33.6%)	7.0%
Operating profit	30,475	(11.7%)	31,074	(10.6%)	2.0%
EBITDA (Note) 2	32,858	(12.6%)	34,753	(11.9%)	5.8%
Ordinary profit	30,513	(11.7%)	30,826	(10.5%)	1.0%
Semi-annual profit attributable to owners of parent	21,130	(8.1%)	21,006	(7.2%)	-0.6%

(Note)

1. Figures in parentheses are percentages of gross merchandise value (excluding other GMV)
2. EBITDA = Operating profit + stock compensation expenses + depreciation + amortization of goodwill

Under the corporate philosophy of "Inspire the world. Deliver joy every day.", we mainly operate the following businesses: the largest fashion e-commerce website in Japan, "ZOZOTOWN," and an outfit-sharing app, "WEAR by ZOZO."
During the semi-annual consolidated accounting period, the domestic fashion market remained relatively firm, supported by improvements in employment and income conditions. However, it continues to face risks of weakened consumer sentiment due to persistent inflation and the effects of climate change. Furthermore, geopolitical risks and fluctuations in foreign exchange rates have increased the uncertainty of the global economy, and the outlook remains unpredictable.
Under these circumstances, our group has been focusing on making ZOZOTOWN even more attractive to both users and brands with the goal of increasing the number of unique users and improving the conversion rate (the purchasing rate of unique users). To maximize sales at ZOZOTOWN, we have implemented measures such as the sale event "ZOZOWEEK" (11 days in total, from May 15 to 25, 2025) and run TV commercials and web advertising to boost customer traffic during the summer sale period (June 25 to August 31, 2025). In addition, we continued to proactively welcome new brands in a wide range of genres to meet the diversifying needs of users. As an initiative to strengthen a specific category, we have been focusing on "ZOZOCOSME." As a value-added service unique to the Company, we aim to offer solutions that help users discover their "style" by addressing the upstream of purchasing behavior. To this end, we are developing a proprietary AI agent that leverages the extensive fashion-related data we have accumulated over the years.
Sales of LY Corporation Commerce (combined sales of "Yahoo! JAPAN Shopping" and "Yahoo! JAPAN Auction") have been growing steadily due to the retention of new customers acquired in the previous consolidated fiscal year, and promotion activities such as "Serious ZOZO Festival" (7 days in total, May 17 to18, June 15, July 26 to 27, September 20 to 21, 2025,) as well as customer attraction efforts by LY Corporation which operates those malls.
As part of our global expansion, we acquired all shares of LYST LTD (hereinafter "LYST"), the operator of the fashion shopping platform "Lyst," on April 18, 2025, making it a wholly owned subsidiary. LYST has been consolidated into our financial reporting since May 2025. Going forward, we will position LYST as a central pillar and aim for discontinuous growth in the global market.

Consequently, the gross merchandise value in the semi-annual consolidated accounting period was 312,473 million yen (+11.9% YoY), and the gross merchandise value (excluding other GMV) was 292,687 million yen (+12.2% YoY). Net sales were 105,249 million yen (+6.5% YoY), and gross profit was 98,448 million yen (+7.0% YoY). The gross profit ratio to the gross merchandise value (excluding other GMV) (gross profit margin) was 33.6%, a decrease of 1.7% from the same period of the previous fiscal year.

Regarding the gross merchandise Value, the YoY growth rate fell short of the plan for the second quarter consolidated accounting period, mainly due to a decline in user demand in September caused by persistently high temperatures.
With respect to net sales, the YoY growth rate was lower than that of the gross merchandise value (excluding other GMV), mainly due to the change in business composition ratio resulting from the consolidation of LYST. LYST operates a business model in which it earns performance-based commissions from partner brands that list their products on the LYST platform. Compared to Consignment sales and the LY Corporation Commerce, LYST has a lower commission rate on gross merchandise value.
As mentioned in the sales part, the main factor in the decreased gross profit margin was due to the change in business composition ratio resulting from the consolidation of LYST.
Selling, general, and administrative expenses were 67,374 million yen (+9.5% YoY). The ratio to the gross merchandise value (excluding other GMV) was 23.0%, a decrease of 0.6% compared with the same period of the previous fiscal year. With the consolidation of LYST, gross merchandise value increased. However, LYST operates under an affiliate-based business model, which does not incur logistics-related expenses, shipping expenses, or commission of payment collection. Additionally, rent expenses and other operating costs are limited. As a result, the consolidated SG&A-to-GMV ratio has generally declined. The major factors behind the changes in individual expense items are as follows. All the percentages of the gross merchandise value are calculated by dividing each SG&A expense by the gross merchandise value (excluding other GMV):

Increasing (worsening) factors
1. Advertising expenses as a percentage of gross merchandise value rose by 0.5%, due to advertising expenses incurred by LYST (of which advertising expenses account for a large proportion of its SG&A expenses) and an increase in web advertising expenses for ZOZOTOWN, etc.
2. Amortization of goodwill as a percentage of gross merchandise value rose by 0.3%, due to the consolidation of LYST.

Decreasing (improving) factors
1. Logistics-related expenses as a percentage of gross merchandise value declined by 0.6%, due to the expansion of the scope of consolidation and improvements in operational efficiency at logistics centers, etc.
2. Shipping expenses as a percentage of gross merchandise value declined by 0.6%, due to the expansion of the scope of consolidation and higher average order value compared to the same period of the previous fiscal year.
3. Commission of payment collection as a percentage of gross merchandise value declined by 0.2%, due to the expansion of the scope of consolidation.

Consequently, the EBITDA of the semi-annual consolidated accounting period was 34,753 million yen (+5.8% YoY), and the EBITDA margin was 11.9% of the gross merchandise value (excluding other GMV), a decrease of 0.7% compared with the same period of the previous fiscal year. Operating profit was 31,074 million yen (+2.0% YoY), Ordinary profit was 30,826 million yen (+1.0% YoY), and semi-annual profit attributable to owners of parent was 21,006 million yen (-0.6% YoY).
Regarding ordinary profit, the YoY growth rate was lower than that of operating profit, mainly due to an increase in non-operating expenses caused by increased foreign exchange losses.

Since our group is a single segment of the e-commerce business, information by segment is omitted. However, the performance of each business segment within the single segment is shown below.

[Table 2] YoY comparison by business segment

By business segment	Semi-annual consolidated accounting period of the previous fiscal year (April 1 to September 30, 2024)			Semi-annual consolidated accounting period of the current fiscal year (April 1 to September 30, 2025)			Merchandise Value YoY (%)	Net sales YoY (%)
	Merchandise value (Million yen)	Composition (%)	Net sales (Million yen)	Merchandise Value (Million yen)	Composition (%)	Net sales (Million yen)		
ZOZOTOWN Business	225,452	80.8	70,671	235,614	75.4	72,575	4.5	2.7
(Outright purchase/ production & sales)	2,263	0.8	2,153	1,596	0.5	1,514	-29.5	-29.7
(Consignment Sales)	214,727	77.0	60,382	224,964	72.0	62,373	4.8	3.3
(USED Sales)	8,462	3.0	8,134	9,052	2.9	8,687	7.0	6.8
LY Corporation Commerce	29,108	10.4	8,927	34,448	11.0	10,558	18.3	18.3
LYST	-	-	-	18,633	6.0	2,467	-	-
BtoB business	6,263	2.2	1,047	3,991	1.3	660	-36.3	-37.0
Advertising business	-	-	5,254	-	-	5,462	-	4.0
Subtotal excluding Others	260,824	93.4	85,900	292,687	93.7	91,723	12.2	6.8
Others	18,328	6.6	12,901	19,785	6.3	13,525	8.0	4.8
Total	279,153	100.0	98,801	312,473	100.0	105,249	11.9	6.5

① ZOZOTOWN business

The ZOZOTOWN Business consists of three business forms: "Outright purchase/production & sales," "Consignment sales," and "USED sales." In Outright purchase/production & sales, we purchase inventory, bear inventory risks, and make sales. This corresponds to purchasing fashion merchandise from each brand, or ordering merchandise by our group, such as MS (Multi-Size), etc. In Consignment sales, we deal in consignment inventories of merchandise from each brand and sell them on a consignment basis. In USED sales, we mainly buy and sell used fashion-related merchandise from individual users, and it is positioned as a value-added service to promote the purchase of new merchandise.

We recognize that increasing the number of buyers and the usage rate of ZOZOTOWN in fashion consumption are the key factors in achieving sustainable growth. To realize this, we are working on creating a website that is attractive to both users and brands.

The transition of major KPIs for the ZOZOTOWN Business is as follows.

(Number of shops, etc.)

[Table 3] Changes in the number of shops and brands

	Previous consolidated fiscal year				Current consolidated fiscal year			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Shops in ZOZOTOWN (Note) 1	1,605	1,621	1,656	1,649	1,681	1,686	-	-
Outright purchase/production & sales (Note) 2	29	31	30	29	29	28	-	-
Consignment sales	1,576	1,590	1,626	1,620	1,652	1,658	-	-
Number of brands (Note) 1, 2	9,194	9,128	9,162	9,049	9,208	9,215	-	-

(Note)

1. Numbers as of the end of the quarterly accounting period are shown.
2. Private brand "ZOZO" and "Multi-size" are not included.

The number of new shops opened during the second quarter consolidated accounting period was 35 (a net increase of 5), while the number of new shops opened during the semi-annual consolidated accounting period was 78 (a net increase of 37). Major new shops include "COS," a London-based fashion brand operated by the H&M Group; "LOVECHROME," a cosmetics shop mainly offering hair combs; and "OLIVE YOUNG EXCLUSIVES," a private-brand shop of OLIVE YOUNG, a Korean cosmetics select store.

(Number of annual buyers)

[Table 4] Changes in the number of annual buyers

	Previous consolidated fiscal year				Current consolidated fiscal year			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Number of annual buyers (Note) 1, 2, 4	11,790,269	11,870,844	12,057,726	12,217,038	12,365,080	12,529,665	-	-
(YoY)	319,677	318,080	366,768	535,820	574,811	658,821	-	-
(QoQ)	109,051	80,575	186,882	159,312	148,042	164,585	-	-
Number of active members (Note) 1, 3, 4	10,919,685	11,028,704	11,211,992	11,403,391	11,587,777	11,803,843	-	-
(YoY)	567,434	512,794	472,746	613,394	668,092	775,139	-	-
(QoQ)	129,688	109,019	183,288	191,399	184,386	216,066	-	-
Number of guest buyers (Note) 1, 4	870,584	842,140	845,734	813,647	777,303	725,822	-	-
(YoY)	-247,757	-194,714	-105,978	-77,574	-93,281	-116,318	-	-
(QoQ)	-20,637	-28,444	3,594	-32,087	-36,344	-51,481	-	-

(Note)

1. The calculation period is the most recent one-year period prior to the end of the accounting periods.
2. The number of annual buyers includes the sum of active members and guest buyers who made more than one purchase within the past year from each quarter.
3. The number of active members represents the number of members who have made at least one purchase within the past year.
4. Buyers of "LY Corporation Commerce", "LYST," and "BtoB business" are not included.

In the second quarter consolidated accounting period of the current fiscal year, the number of annual buyers increased, resulting from an increase in the number of active members YoY and QoQ. The growth in the number of active members is due to the retention of new members acquired in the previous fiscal year, as well as steady progress in new customer acquisition through web advertising and in-site initiatives on ZOZOTOWN. In particular, the volume of web advertising increased from the same quarter of the previous fiscal year as part of efforts to strengthen customer acquisition, resulting in a steady increase in new members. In addition, the Company increased investment in point-awarding initiatives to re-engage inactive members compared to the same quarter of the previous fiscal year, which proved effective in driving member reactivation.

(Annual purchase amount and annual purchase pieces)

[Table 5] Changes in the annual purchase amount and annual purchase pieces

	Previous consolidated fiscal year				Current consolidated fiscal year			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Annual purchase amount (Total) (Note) 1, 2, 3, 4	42,947	43,171	43,307	42,953	42,861	42,404	-	-
(YoY)	1.4%	1.8%	1.9%	0.3%	-0.2%	-1.8%	-	-
(QoQ)	0.3%	0.5%	0.3%	-0.8%	-0.2%	-1.1%	-	-
Annual purchase pieces (Total) (Note) 1, 2, 3	10.9	11.0	11.0	10.9	10.8	10.7	-	-
(YoY)	1.2%	2.0%	1.6%	-0.0%	-1.0%	-2.1%	-	-
(QoQ)	0.6%	0.4%	0.0%	-1.0%	-0.4%	-0.7%	-	-

(Note)

1. The calculation period is the most recent one-year period prior to the end of the accounting periods.
2. Indexes for each active member.
3. Buyers of "LY Corporation Commerce", "LYST," and "BtoB business" are not included.
4. The amounts are in yen.

In the second quarter consolidated accounting period of the current fiscal year, the annual purchase amount (Total) and annual purchase pieces (Total) decreased YoY and QoQ. The main factor was an increase in the proportion of new members, driven by steady growth in new member acquisition. (Generally, members with shorter membership histories have lower annual purchase amounts and fewer purchase pieces.)

(Average retail price, etc.)

[Table 6] Changes in the average retail price, average order value, and number of shipments

	Previous consolidated fiscal year				Current consolidated fiscal year			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Average retail price (Note) 1, 2, 3	3,698	3,629	4,369	4,038	3,744	3,584	-	-
(YoY)	-0.7%	1.1%	0.2%	0.9%	1.2%	-1.2%	-	-
Average order value (Note) 1, 2, 3	8,343	8,196	9,422	8,980	8,543	8,183	-	-
(YoY)	2.0%	3.8%	3.3%	2.8%	2.4%	-0.2%	-	-
Average purchase pieces per order (Note) 1, 2	2.26	2.26	2.16	2.22	2.28	2.28	-	-
(YoY)	2.8%	2.7%	3.1%	1.9%	1.1%	1.1%	-	-
Number of shipments (Note) 1, 2	13,788,498	13,471,252	15,518,943	13,393,189	14,242,174	13,924,003	-	-
(YoY)	4.1%	2.8%	3.5%	0.7%	3.3%	3.4%	-	-

(Note)

1. Figures are based on quarterly accounting periods.
2. Buyers of "LY Corporation Commerce", "LYST," and "BtoB business" are not included.
3. The amounts are in yen.

Regarding the average retail price during the second quarter consolidated accounting period of the current fiscal year, it decreased YoY. Among new merchandise, the hikes in list prices by brands have stabilized. Meanwhile, the ratio of discounted items during the summer sale event increased due to the longer sale period compared with the same period of the previous fiscal year, resulting in a decline in the average retail price.

The average order value slightly decreased YoY. The number of days on which free-shipping measures for purchases of 12,000 yen or more were implemented increased YoY, leading to a rise in combined purchases on those days. However, the impact of the decline in the average retail price outweighed this increase, resulting in a slight decrease in the average order value.

i. Outright Purchase/Production & Sales

In the semi-annual consolidated accounting period of the current fiscal year, the merchandise value was 1,596 million yen (-29.5% YoY), accounting for 0.5% of the gross merchandise value (0.8% in the same period of the previous fiscal year). Net sales were 1,514 million yen (-29.7% YoY). As of the end of September 2025, the number of shops opened on ZOZOTOWN for Outright purchase/production & sales was 28 (29 as of the end of June 2025).

ii. Consignment Sales

In the semi-annual consolidated accounting period of the current fiscal year, the merchandise value was 224,964 million yen (+4.8% YoY), accounting for 72.0% of the gross merchandise value (77.0% in the same period of the previous fiscal year). Net sales (consignment sales commission) were 62,373 million yen (+3.3% YoY). As of the end of September 2025, the number of shops opened on ZOZOTOWN for consignment sales was 1,658 (1,652 as of the end of June 2025).

iii. USED Sales

In the semi-annual consolidated accounting period of the current fiscal year, the merchandise value was 9,052 million yen (+7.0% YoY), accounting for 2.9% of the gross merchandise value (3.0% in the same period of the previous fiscal year). Net sales were 8,687 million yen (+6.8% YoY).

② LY Corporation Commerce

LY Corporation Commerce is a combined sales of Yahoo! JAPAN Shopping and Yahoo! JAPAN Auction. We opened the ZOZOTOWN store on Yahoo! JAPAN Shopping, an online shopping mall, and the ZOZOUSED store on Yahoo! JAPAN Auction, an online auction service, in March 2024. In the semi-annual consolidated accounting period of the current fiscal year, the merchandise value was 34,448 million yen (+18.3% YoY), accounting for 11.0% of the gross merchandise value

(10.4% in the same period of the previous fiscal year). Net sales (consignment sales commission) were 10,558 million yen (+18.3% YoY).

③ LYST

LYST operates a business model in which it earns performance-based commissions from partner brands that list their products on the fashion shopping platform "Lyst". LYST has been included in the consolidated group since May 2025. In the semi-annual consolidated accounting period of the current fiscal year, the merchandise value was 18,633 million yen, accounting for 6.0% of the gross merchandise value. Net sales were 2,467 million yen.

④ BtoB business

The BtoB business model includes building and operating brands' e-commerce websites and providing logistics services. In the semi-annual consolidated accounting period of the current fiscal year, the merchandise value was 3,991 million yen (-36.3% YoY), accounting for 1.3% of the gross merchandise value (2.2% in the same period of the previous fiscal year). Net sales (consignment sales commission) were 660 million yen (-37.0% YoY). As of the end of September 2025, the number of consigned websites was 29 (33 as of the end of June 2025).

⑤ Advertising business

The advertising business is a business model that generates advertising revenue by providing advertising space to client brands by utilizing the user reach base of ZOZOTOWN and WEAR by ZOZO. In the semi-annual consolidated accounting period of the current fiscal year, net sales were 5,462 million yen (+4.0% YoY).

⑥ Others

The segment for "Others" within the gross merchandise value includes 1) the merchandise value of the stores that contracted "ZOZO Option" in the fashion category excluding ZOZOTOWN on Yahoo! JAPAN Shopping (service that enables those stores to get benefits from sales support such as participation in the special events by the Company), 2) the merchandise value from ZOZOMO, the system to support for sending customers to the physical stores from ZOZOTOWN, and 3) the merchandise value of "ZOZOSUIT" which is sold for a fee in the U.S. The merchandise value in the semi-annual consolidated accounting period of the current fiscal year was 19,785 million yen, accounting for 6.3% of the gross merchandise value (6.6% in the same period of the previous fiscal year). As to sales of "Others", sales from businesses related to ZOZOTOWN (shipping income and settlement commission income, etc.), and sales related to the gross merchandise value (Others), which is mentioned above, are included. In the semi-annual consolidated accounting period of the current fiscal year, net sales were 13,525 million yen (+4.8% YoY).

(2) Overview of financial position

① Overview of total assets, liabilities, and net assets

(Unit: Million yen)

	Previous consolidated fiscal year	Semi-annual consolidated accounting period of the current fiscal year	Increase/ decrease rate
Total assets	187,810	172,328	-8.2%
Liabilities	89,090	77,402	-13.1%
Net assets	98,719	94,926	-3.8%

(Total assets)

Total assets amounted to 172,328 million yen, a decrease of 15,481 million yen (-8.2% from the previous consolidated fiscal year end). Current assets decreased by 41,069 million yen, or 27.9%, compared with the previous consolidated fiscal year end, amounted to 106,325 million yen. Major components are a decrease of 37,553 million yen in cash and deposits, a decrease of 5,022 million yen in accounts receivable, and an increase of 954 million yen in merchandise, etc. Non-current assets increased by 25,588 million yen, or 63.3%, compared with the previous consolidated fiscal year end, amounted to 66,003 million yen. Major components are an increase of 1,598 million yen in property, plant, and equipment, an increase of 20,479 million yen in goodwill, and a decrease of 207 million yen in investments and other assets, etc.
The increase in goodwill was mainly due to the acquisition of shares in LYST.

(Liabilities)

Liabilities amounted to 77,402 million yen, a decrease of 11,688 million yen (-13.1% from the previous consolidated fiscal year end). Current liabilities decreased by 13,117 million yen, or 16.4%, compared with the previous consolidated fiscal year end, amounted to 66,710 million yen. Major components are a decrease of 4,750 million yen in deposits received for consignment sales, a decrease of 2,833 million yen in income taxes payable, and a decrease of 2,235 million yen in provision for bonuses, etc. Non-current liabilities increased by 1,429 million yen, or 15.4%, and amounted to 10,691 million yen compared with the previous consolidated fiscal year end. Major components are an increase of 88 million yen in asset retirement obligations and an increase of 243 million yen in retirement benefit liability, etc.

(Net assets)

Net assets amounted to 94,926 million yen, a decrease of 3,793 million yen (-3.8% from the previous consolidated fiscal year end). Major components are a decrease of 10,001 million yen due to the acquisition of treasury stock, an increase of 21,006 million yen due to the recognition of semi-annual profit attributable to owners of parent, and a decrease of 16,035 million yen due to cash dividends.

② Overview of cash flows

Cash and cash equivalents ("cash") at the end of the semi-annual consolidated accounting period of the current fiscal year amounted to 53,938 million yen, a decrease of 37,548 million yen from the previous consolidated fiscal year end.

Descriptions of each cash flow are as follows:

(Unit: Million yen)

	Semi-annual consolidated accounting period of the previous fiscal year	Semi-annual consolidated accounting period of the current fiscal year	Increase/ decrease rate
Cash flows from operating activities	23,350	17,246	-26.1%
Cash flows from investing activities	-4,091	-25,945	534.1%
Cash flows from financing activities	-16,338	-28,772	76.1%

(Cash flows from operating activities)
The net cash provided by operating activities was 17,246 million yen. The main increasing factor was the recognition of semi-annual profit before income taxes of 30,812 million yen, etc. The main decreasing factors were a decrease of 4,750 million yen in deposits received for consignment sales, a decrease of 2,237 million yen in provision for bonuses, and the payment of 11,773 million yen in income taxes, etc.

(Cash flows from investing activities)
The net cash used in investing activities was 25,945 million yen. This was mainly due to cash outflows of 21,807 million yen for the acquisition of shares in a subsidiary, accompanied by a change in the scope of consolidation, etc.

(Cash flows from financing activities)
The net cash used in financing activities was 28,772 million yen. This was mainly due to dividends paid of 16,033 million yen and share repurchases of 10,001 million yen.

(3) Explanation of consolidated business forecast and other forward-looking statements

There is no change in the consolidated business forecast announced on July 31, 2025

2. Semi-annual consolidated financial statements

(1) Semi-annual consolidated balance sheet

(Unit: Million yen)

	Previous consolidated fiscal year (As of March 31, 2025)	Semi-annual consolidated accounting period of the current fiscal year (As of September 30, 2025)
Assets		
Current assets		
Cash and deposits	91,486	53,933
Accounts receivable-trade	49,453	44,430
Merchandise	2,605	3,559
Raw materials and supplies	44	34
Others	3,805	4,366
Total current assets	147,394	106,325
Non-current assets		
Property, plant and equipment	25,447	27,045
Intangible assets		
Goodwill	668	21,147
Others	2,769	6,486
Total intangible assets	3,437	27,634
Investments and other assets	11,530	11,323
Total non-current assets	40,415	66,003
Total assets	187,810	172,328
Liabilities		
Current liabilities		
Accounts payable-trade	189	242
Deposits received for consignment sales	28,850	24,100
Short-term borrowings	20,000	20,000
Income taxes payable	12,423	9,590
Provision for bonuses	3,033	798
Provision for bonuses for directors	73	67
Others	15,257	11,909
Total current liabilities	79,828	66,710
Non-current liabilities		
Retirement benefit liability	4,787	5,031
Asset retirement obligations	4,339	4,427
Provision for loss on liquidation of affiliates	126	126
Others	9	1,106
Total non-current liabilities	9,262	10,691
Total liabilities	89,090	77,402

(Unit: Million yen)

	Previous consolidated fiscal year (As of March 31, 2025)	Semi-annual consolidated accounting period of the current fiscal year (As of September 30, 2025)
Net assets		
Shareholders' equity		
Capital stock	1,359	1,359
Capital surplus	1,521	1,328
Retained earnings	106,787	101,506
Treasury stock	-11,581	-11,039
Total shareholders' equity	98,087	93,155
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	80	79
Deferred gains or losses on hedges	-9	-4
Foreign currency translation adjustment	171	1,315
Accumulated remeasurements of defined benefit plans	389	380
Total accumulated other comprehensive income	632	1,770
Stock acquisition rights	0	-
Total net assets	98,719	94,926
Total liabilities and net assets	187,810	172,328

(2) Semi-annual consolidated statement of income and semi-annual consolidated statement of comprehensive income

Semi-annual consolidated statement of income

(Unit: Million yen)

	Semi-annual consolidated accounting period of the previous fiscal year (April 1 to September 30, 2024)	Semi-annual consolidated accounting period of the current fiscal year (April 1 to September 30, 2025)
Net sales	98,801	105,249
Cost of sales	6,788	6,800
Gross profit	92,013	98,448
Selling, general and administrative expenses	61,537	67,374
Operating profit	30,475	31,074
Non-operating income		
Interest income	15	83
Received rent	1	1
Foreign exchange gains	5	-
Operations support fee	2	3
Income from recycling	22	26
Subsidy income	2	-
Gain on unused points	78	76
Others	7	11
Total non-operating income	136	202
Non-operating expenses		
Interest expenses	53	145
Rent expenses	1	1
Commissions expenses	-	20
Foreign exchange losses	-	238
Loss on investments in partnerships	44	44
Total non-operating expenses	98	449
Ordinary profit	30,513	30,826
Extraordinary income		
Gain on sale of non-current assets	4	0
Gain on liquidation of affiliates	61	-
Total extraordinary income	66	0
Extraordinary losses		
Loss on sale and disposal of non-current assets	31	14
Loss on liquidation of affiliates	138	-
Total extraordinary loss	170	14
Semi-annual profit before income taxes	30,409	30,812
Income taxes-current	8,439	9,017
Income taxes-deferred	839	788
Total income taxes	9,278	9,805
Semi-annual net profit	21,130	21,006
Semi-annual profit attributable to owners of parent	21,130	21,006

Semi-annual consolidated statement of comprehensive income

(Unit: Million yen)

	Semi-annual consolidated accounting period of the previous fiscal year (April 1 to September 30, 2024)	Semi-annual consolidated accounting period of the current fiscal year (April 1 to September 30, 2025)
Semi-annual net profit	21,130	21,006
Other comprehensive income		
Valuation difference on available-for-sale securities	-29	-1
Deferred gains or losses on hedges	-68	4
Foreign currency translation adjustment	-32	1,127
Remeasurements of retirement benefit plans	20	-8
Total other comprehensive income	-108	1,122
Semi-annual comprehensive income	21,021	22,128
Semi-annual comprehensive income attributable to owners of parent	21,021	22,128

(3) Semi-annual consolidated statement of cash flows

(Unit: Million yen)

	Semi-annual consolidated accounting period of the previous fiscal year (April 1 to September 30, 2024)	Semi-annual consolidated accounting period of the current fiscal year (April 1 to September 30, 2025)
Cash flows from operating activities		
Semi-annual profit before income taxes	30,409	30,812
Depreciation	2,110	2,528
Amortization of goodwill	125	1,006
Share-based compensation expenses	146	144
Loss on liquidation of affiliates	138	-
Gain on liquidation of affiliates	-61	-
Loss (gain) on investments in partnership (- is a gain)	44	44
Loss (gain) on sale and disposal of non-current assets (- is a gain)	27	14
Increase (decrease) in provision for bonuses (- is a decrease)	-606	-2,237
Increase (decrease) in provision for bonuses for directors (- is a decrease)	-35	-5
Increase (decrease) in retirement benefit liability (- is a decrease)	370	230
Interest and dividends income	-15	-83
Interest expenses	53	145
Commissions paid	-	20
Foreign exchange losses (gains) (- is a gain)	0	223
Increase (decrease) in notes and accounts receivable-trade (- is an increase)	3,625	7,665
Increase (decrease) in inventories (- is an increase)	-195	-944
Increase (decrease) in prepaid expenses (- is an increase)	-2,372	-586
Increase (decrease) in accounts payable-trade (- is a decrease)	-0	53
Increase (decrease) in deposits received for consignment sales (- is a decrease)	-2,904	-4,750
Increase (decrease) in accounts payable-other (- is a decrease)	-351	-1,924
Increase (decrease) in accrued consumption taxes (- is a decrease)	1,169	-2,722
Others	-121	-552
Subtotal	31,557	29,081
Interest and dividends income received	15	83
Interest expenses paid	-53	-145
Income taxes paid	-8,168	-11,773
Net cash provided by (used in) operating activities	23,350	17,246
Cash flow from investing activities		
Purchase of property, plant and equipment	-3,418	-2,992
Purchase of intangible assets	-732	-1,115
Proceeds from collection of lease and guarantee deposits	3	0
Payments for lease and guarantee deposits	-1	-2
Purchase of investment securities	-57	-31
Payments for the acquisition of shares of a subsidiary accompanied by a change in the scope of consolidation	-	-21,807
Proceeds from liquidation of subsidiaries	107	-
Payments of loans receivable	-0	-0
Collection of loans receivable	0	0
Others	6	4
Net cash provided by (used in) investing activities	-4,091	-25,945

(Unit: Million yen)

	Semi-annual consolidated accounting period of the previous fiscal year (April 1 to September 30, 2024)	Semi-annual consolidated accounting period of the current fiscal year (April 1 to September 30, 2025)
Cash flow from financing activities		
Increase in short-term loans payable	-	43
Repayment of short-term loans payable	-	-669
Commission expenses paid	-	-20
Repurchase of shares	-0	-10,001
Redemption of bonds	-	-1,979
Cash dividends paid	-16,332	-16,033
Others	-5	-111
Net cash provided by (used in) financing activities	-16,338	-28,772
Effect of exchange rate change on cash and cash equivalents	-16	-75
Increase (decrease) in cash and cash equivalents (- is a decrease)	2,903	-37,548
Cash and cash equivalents at the beginning of the period	69,748	91,486
Cash and cash equivalents at the end of the semi-annual period	72,651	53,938

(4) Notes on semi-annual consolidated financial statements

(Notes on the going concern assumption)
Not applicable.

(Notes on significant changes in shareholders' equity)
(Acquisition of treasury shares)
Based on the resolution of the Board of Directors dated April 30, 2025, the Company acquired 6,541,500 treasury shares. As a result, treasury stock increased by 9,999 million yen during the semi-annual consolidated accounting period of the current fiscal year.

(Cancellation of treasury shares)
Based on the resolution of the Board of Directors dated April 30, 2025, the Company cancelled 9,390,171 treasury shares. Accordingly, capital surplus and treasury stock decreased by 10,535 million yen, respectively, during the semi-annual consolidated accounting period of the current fiscal year. As a result of the cancellation of treasury shares, the balance of other capital surplus turned negative. Accordingly, the entire negative balance was offset by other retained earnings, and the balance of other capital surplus was reduced to zero.

(Notes on segment information)
Since our group is a single segment of the e-commerce business, information by segment is omitted.

(Matters related to the business combination)
1. Overview of business combination
(1) Purpose of the business combination through the share acquisition
LYST is a leading global fashion shopping platform featuring over 27,000 brands and more than 97 million SKUs.
While we have focused on market expansion through licensing our in-house technology and partnerships with local companies to date, we have decided to take a bold step forward by acquiring LYST to accelerate our growth in the global market. This acquisition is the cornerstone of our international expansion strategy.

(2) Name and business description of the acquired company
Company name: LYST LTD
Business description: Online fashion platform business

(3) Date of the business combination
April 18, 2025 (deemed acquisition date: April 30, 2025)

(4) Legal form of business combination
Acquisition of shares

(5) Name of the company after the business combination
LYST LTD

(6) Number of shares to be acquired and voting rights ratio
Number of shares: 58,675,198 shares
Voting rights ownership ratio: 100%

(7) Basis for determining the acquirer
The acquirer was determined based on the fact that ZOZO U.K. LIMITED, a newly established consolidated subsidiary in the United Kingdom by the Company for the purpose of acquiring LYST, obtained 100% of the voting rights through a

cash-based share acquisition.

(8) Date of agreement execution
April 9, 2025

2. Period of the acquiree’s results included in the semi-annual consolidated statement of income
From May 1, 2025, to September 30, 2025

3. Acquisition cost of the acquired company and breakdown by type of consideration
Consideration for the acquisition: Cash, 22,094 million yen
Acquisition cost: 22,094 million yen

4. Details and amounts of major acquisition-related expenses
Advisory fees and other related costs: 1,108 million yen

5. Amount, cause, and amortization of goodwill
(1) Amount of goodwill recognized
20,594 million yen

(2) Cause of goodwill
Primarily attributable to the expected future excess earnings derived from anticipated business development.

(3) Amortization method and period
Straight-line amortization over 10 years

6. Amounts of assets and liabilities assumed on the business combination date and their breakdown

Current assets	2,944 million yen
Non-current assets	3,955 million yen
Total assets	6,899 million yen
Current liabilities	3,922 million yen
Non-current liabilities	1,476 million yen
Total liabilities	5,399 million yen

7. Amounts allocated to intangible assets other than goodwill, major categories, and their weighted-average amortization periods

Category	Amount	Weighted-average amortization period
Trademark rights	249 million yen	5 years
Customer-related assets	1,862 million yen	8 years
In-process research and development assets	62 million yen	—
Total	2,174 million yen	

8. Finalization of provisional accounting treatment for business combination

The PPA (purchase price allocation) process had not been completed during the first quarter of the current consolidated fiscal year, and a provisional accounting treatment was applied. However, the process was finalized during the semi-annual consolidated accounting period. As a result, other intangible assets decreased, and the amount of goodwill, which had been provisionally calculated at 19,327 million yen, increased by 1,266 million yen to 20,594 million yen.