

# Consolidated Financial Results

## For the first quarter of the fiscal year ending March 31, 2025 [JGAAP]

July 31, 2024

Company name:	ZOZO, Inc.	Listed stock exchanges	Tokyo
Code	3092	URL	<a href="https://corp.zozo.com/en">https://corp.zozo.com/en</a>
Representative	Representative Director, President & CEO	Kotaro Sawada	
Contact person	Director, Executive Vice President & CFO	Koji Yanagisawa	(TEL) 043(213)5171
Scheduled date of dividend payment	-		
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 first quarter of fiscal year ending March 31, 2025 (April 1, 2024 to June 30, 2024)

(1) Consolidated business results (cumulative)

(Percentages indicate YoY changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parents	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First quarter of fiscal year ending March 31, 2025	50,387	9.8	15,895	0.2	15,892	-0.3	11,109	-0.8
First quarter of fiscal year ended March 31, 2024	45,871	7.7	15,862	10.8	15,943	11.5	11,204	12.5

(Note) Comprehensive income	First Quarter of Fiscal Year Ending March 2025	11,278 Million yen	(-1.0%)
	First Quarter of Fiscal Year Ended March 2024	11,391 Million yen	(13.4%)

	Net profit per share	Net profit per share after adjusting dilutive shares
	Yen	Yen
First quarter of fiscal year ending March, 2025	37.41	-
First quarter of fiscal year ended March, 2024	37.36	-

(Note) Net profit per share after adjusting dilutive shares is not presented because there are no potential shares with dilutive effects.

(2) Consolidated financial position

	Total assets	Net assets	Equity Ratio
	Million yen	Million yen	%
First quarter of fiscal year ending March 31, 2025	152,030	79,736	52.4
Fiscal year ended March 31, 2024	161,862	84,744	52.4

(Reference) Shareholders' equity	First quarter of fiscal year ending March 31, 2025	79,735 Million yen	
	Fiscal year ended March 31, 2024	84,744 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, 2024	-	49.00	-	55.00	104.00
Fiscal year ending March 31, 2025	-				
Fiscal year ending March 31, 2025 (Forecast)		53.00	-	54.00	107.00

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

3. Consolidated business forecasts for the fiscal year ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(Percentages indicate YoY changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net profit per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Fiscal year ending March 31, 2025	214,400	8.8	64,200	6.9	64,200	7.4	45,200	1.9	152.21

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

※ Notes

- (1) Significant changes in the scope of consolidation during the consolidated cumulative first quarter of the current fiscal year : None  
 New - Exclusion -
- (2) Application of particular accounting procedures to the preparation of quarterly 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 stocks)	Q1 of fiscal year ending March 2025	300,474,181Shares	Fiscal year Ended March 2024	300,474,181Shares
② Number of year-end treasury stocks	Q1 of fiscal year ending March 2025	3,523,251Shares	Fiscal year Ended March 2024	3,523,250Shares
③ Average number of shares during the period (cumulative)	Q1 of fiscal year ending March 2025	296,950,930Shares	Q1 of fiscal year ended March 2024	299,856,781Shares

- ※ Review of the quarterly 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

(Regarding the review of the quarterly consolidated financial statements by a certified public accountant or auditing firm)

The Company plans to disclose the quarterly financial statements with the review report attached after the review is completed.

Scheduled date of disclosure: August 9, 2024

-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 results for the first quarter ended June 30, 2024, (3) Explanation of consolidated business forecast and other forward-looking statements" on page 11 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 July 31, 2024. We will post the content of the briefing and the materials used on the day on its website promptly after the briefing.

-The quarterly consolidated financial statements are prepared in accordance with Article 4, Paragraph 1 of the Rules for Preparing Quarterly Financial Statements, etc., of the Tokyo Stock Exchange, as well as the accounting standards for quarterly financial statements generally accepted in Japan (with certain disclosures omitted in accordance with Article 4, Paragraph 2 of the Rules for Preparing Quarterly Financial Statements, etc.).

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# 1. Qualitative information on results for the first quarter ended June 30, 2024

## (1) Overview of business results

### Business results for the current fiscal year

[Table 1] YoY comparison

(Unit: Million yen)

	Consolidated cumulative first quarter of previous fiscal year (April 1 to June 30, 2023)		Consolidated cumulative first quarter of current fiscal year (April 1 to June 30, 2024)		YoY basis
Gross merchandise value	131,920	(107.0%)	141,885	(107.0%)	7.6%
Gross merchandise value (excluding other GMV)	123,327	(100.0%)	132,631	(100.0%)	7.5%
Net sales	45,871	(37.2%)	50,387	(38.0%)	9.8%
Gross profit	43,044	(34.9%)	46,956	(35.4%)	9.1%
Operating profit	15,862	(12.9%)	15,895	(12.0%)	0.2%
Ordinary profit	15,943	(12.9%)	15,892	(12.0%)	-0.3%
Profit attributable to owners of parent	11,204	(9.1%)	11,109	(8.4%)	-0.8%

(Figures in parentheses are percentages to gross merchandise value (excluding other GMV))

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.”

During the consolidated cumulative first quarter of the current fiscal year, although prices continued to rise, domestic demand was supported by wage hikes, inbound consumption (especially at physical stores), and other factors, and consumer willingness to spend on fashion remained strong. In contrast, the economic outlook remains uncertain due to the ongoing depreciation of the yen, the protracted situation in Ukraine and the Middle East, and soaring resource and energy prices. Under this circumstance, 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” (12 days in total from May 15 to 26, 2024) and broadcasted TV commercials to attract customers during the summer sale (from June 21~). 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 concentrating on “ZOZOCOSME.” ZOZOCOSME deals in more than 750 cosmetics brands, which includes both domestic and overseas brands, as of the end of June 2024. We will proactively continue to open new brand shops to increase the merchandise value of the cosmetics category in ZOZOTOWN. In addition, as our unique value-added service, we have launched “niaulab,” an ultimate personalized-styling service that utilizes our AI technologies. We are aiming to provide solutions to help find one’s “style” that approaches the upper stream of purchasing in the value chain.

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” (May 19, 2024) by LY Corporation which operates Yahoo! JAPAN Shopping. Consequently, the gross merchandise value in the consolidated cumulative first quarter of the current fiscal year was 141,885 million yen (+7.6% YoY), and the gross merchandise value (excluding other GMV) was 132,631 million yen (+7.5% YoY). Net sales were 50,387 million yen (+9.8% YoY), and gross profit was 46,956 million yen (+9.1% YoY). The ratio of gross profit to the gross merchandise value (excluding other GMV) (gross profit margin) was 35.4%, an increase of 0.5% from the same quarter of the previous fiscal year.

As for net sales, the YoY growth rate exceeded that of the gross merchandise value (excluding other GMV), mainly due to growth in the advertising business and an increase in sales of “Others” resulting from increased shipping income (the shipping policy has been changed, and the shipping fee the customers pay was raised to 330 yen (including tax)).

As mentioned in the sales section, the main factors in the increased gross profit margin were growth in the advertising business and an increase in sales of “Others” resulting from increased shipping income.

Selling, general and administrative expenses were 31,060 million yen (+14.3% YoY). The ratio to the gross merchandise value (excluding other GMV) was 23.4%, an increase of 1.4% compared with the same quarter of the previous fiscal year.

The main reasons for the YoY increase in the SG&A ratio to gross merchandise value are as follows. All the percentages to the gross merchandise value are calculated by dividing each SG&A expense by the gross merchandise value (excluding other GMV):

Worsening factors

1. Shipping expenses as a percentage of gross merchandise value rose by 0.5% due to an increase in shipping fees by YAMATO TRANSPORT CO., LTD. starting April 1, despite the average order value exceeding that of the same quarter in the previous fiscal year.
2. Depreciation expenses as a percentage of gross merchandise value rose by 0.4% due to the start of depreciation for material handling equipment and other assets associated with the launch of ZOZOBASETSUKUBA 3.
3. Rent expenses as a percentage of gross merchandise value rose by 0.3% due to the start of new leases at ZOZOBASETSUKUBA 3 and DPL Tsukuba Chuo.

Consequently, the operating profit of the consolidated cumulative first quarter of the current fiscal year was 15,895 million yen (+0.2% YoY), and the operating profit margin was 12.0% to the gross merchandise value (excluding other GMV), a decrease of 0.9% compared with the same quarter of the previous fiscal year. Ordinary profit was 15,892 million yen (-0.3% YoY), and net profit attributable to owners of parent was 11,109 million yen (-0.8% YoY).

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	Consolidated cumulative first quarter of previous fiscal year (April 1 to June 30, 2023)			Consolidated cumulative first quarter of current fiscal year (April 1 to June 30, 2024)			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	108,275	82.1	33,881	115,037	81.1	36,239	6.2	7.0
(Outright purchase/production & sales)	1,212	0.9	1,162	1,221	0.9	1,180	0.7	1.5
(Consignment Sales)	103,228	78.3	28,962	109,542	77.2	30,922	6.1	6.8
(USED Sales)	3,834	2.9	3,755	4,273	3.0	4,137	11.5	10.2
LY Corporation Commerce	11,607	8.8	3,449	14,429	10.2	4,431	24.3	28.5
BtoB business	3,443	2.6	549	3,164	2.2	518	-8.1	-5.7
Advertising business	-	-	2,179	-	-	2,658	-	22.0
Subtotal excluding Others	123,327	93.5	40,059	132,631	93.5	43,848	7.5	9.5
Others	8,593	6.5	5,812	9,254	6.5	6,539	7.7	12.5
Total	131,920	100.0	45,871	141,885	100.0	50,387	7.6	9.8

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 fashion merchandise from each brand and sell them as in-house inventory with inventory risk. This corresponds to the form of purchasing fashion merchandise from each brand and the form of ordering merchandise by our group, such as MS (Multi-Size). 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 products.

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	1,564	1,581	1,605	1,595	1,605	-	-	-
Outright purchase/production & sales (Note) 2	28	29	28	29	29	-	-	-
Consignment sales	1,536	1,552	1,577	1,566	1,576	-	-	-
Number of brands (Note) 1,2	8,981	8,940	9,109	9,021	9,194	-	-	-

(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 first quarter consolidated accounting period was 30 (a net increase of 10 shops). The major new stores are "Her lip to," an apparel brand produced by a famous female celebrity, "TORY BURCH," an American luxury brand, and "COSME ReMAKE," a cosmetic select shop selling popular Korean cosmetic brand "rom&nd;" etc.

(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) 2	11,470,592	11,552,764	11,690,958	11,681,218	11,790,269	-	-	-
(YoY)	850,658	692,888	479,575	269,506	319,677	-	-	-
(QoQ)	58,880	82,172	138,194	-9,740	109,051	-	-	-
Number of active members (Note)3	10,352,251	10,515,910	10,739,246	10,789,997	10,919,685	-	-	-
(YoY)	1,083,171	970,823	803,477	597,664	567,434	-	-	-
(QoQ)	159,918	163,659	223,336	50,751	129,688	-	-	-
Number of guest buyers	1,118,341	1,036,854	951,712	891,221	870,584	-	-	-
(YoY)	-232,513	-277,935	-323,902	-328,158	-247,757	-	-	-
(QoQ)	-101,038	-81,487	-85,142	-60,491	-20,637	-	-	-

(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 includes those who made more than one purchase within the past year from each quarter.

4. Buyers of "LY Corporation Commerce" are not included.

In the first 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 the strengthening of customer attraction through broadcasting TV commercials and web advertising of "ZOZOWEEK" held in May 2024 and the summer sale event held in June 2024. Although the pace of new member acquisition was sluggish in the fourth quarter of the previous fiscal year due to negative climate impacts, it has gradually recovered along with the rise in temperatures since mid-April. The number of guest buyers continued to decline YoY and QoQ due to enhanced services for members, but the decrease rate is becoming more limited.

(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	42,341	42,403	42,502	42,817	42,947	-	-	-
(YoY)	-0.5%	0.0%	0.4%	1.4%	1.4%	-	-	-
(QoQ)	0.3%	0.1%	0.2%	0.7%	0.3%	-	-	-
Annual purchase pieces (Total) (Note) 1, 2, 3	10.8	10.8	10.8	10.9	10.9	-	-	-
(YoY)	-6.6%	-5.3%	-2.6%	-0.2%	1.2%	-	-	-
(QoQ)	-0.8%	-0.4%	0.4%	0.6%	0.6%	-	-	-

(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" are not included.
4. The amounts are in yen.

In the first quarter consolidated accounting period of the current fiscal year, the annual purchase amount (Total) and annual purchase pieces (Total) increased YoY and QoQ. This was due to a slowdown in the acquisition of new members over the past few quarters, which resulted in a decreased percentage of new members among the total membership. (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	3,726	3,590	4,360	4,003	3,698	-	-	-
(YoY)	4.9%	3.0%	-1.7%	0.4%	-0.7%	-	-	-
Average order value (Note) 1, 2, 3	8,177	7,894	9,119	8,735	8,343	-	-	-
(YoY)	6.2%	4.3%	1.8%	5.2%	2.0%	-	-	-
Average purchase pieces per order (Note) 1, 3	2.19	2.20	2.09	2.18	2.26	-	-	-
(YoY)	1.3%	1.3%	3.6%	4.8%	2.8%	-	-	-
Number of shipments (Note) 1, 3	13,240,721	13,107,431	15,000,816	13,302,151	13,788,498	-	-	-
(YoY)	0.9%	2.9%	5.8%	-0.6%	4.1%	-	-	-

(NOTE)

1. Figures are based on quarterly accounting periods.
2. The amounts are in yen.
3. "LY Corporation Commerce" is not included.

The average retail price in the first quarter consolidated accounting period of the current fiscal year decreased slightly YoY. The main factor is that changes in the product mix, such as increased demand for short-sleeved and other lightweight clothing, were influenced by the rapid rise in temperature since May, despite brand companies continuing to raise list prices for new spring and summer clothing. The average order value increased YoY, due to an increase in the number of purchase pieces per order. The reason for an increase in the number of purchase pieces per order is the volume of free-shipping measures, which offer free shipping for purchases of 12,000 yen or more, compared with the same period of the previous fiscal year, and a rise in the percentage of combined purchases during the days of free shipping measures. Additionally, the number of shipments increased YoY due to an increase in the number of annual buyers.



#### i. Outright Purchase/Production & Sales

In the consolidated cumulative first quarter of the current fiscal year, the merchandise value was 1,221 million yen (+0.7% YoY), accounting for 0.9% of the gross merchandise value (0.9% in the same quarter of the previous fiscal year). Net sales were 1,180 million yen (+1.5% YoY). As of the end of June 2024, the number of shops opened on ZOZOTOWN for Outright purchase/production & sales was 29 (29 as of the end of March 2024).

#### ii. Consignment Sales

In the consolidated cumulative first quarter of the current fiscal year, the merchandise value was 109,542 million yen (+6.1% YoY), accounting for 77.2% of the gross merchandise value (78.3% in the same quarter of the previous fiscal year). Net sales (consignment sales commission) were 30,922 million yen (+6.8% YoY). As of the end of June 2024, the number of shops opened on ZOZOTOWN for consignment sales was 1,576 (1,566 as of the end of March 2024).

#### iii. USED Sales

In the consolidated cumulative first quarter of the current fiscal year, the merchandise value was 4,273 million yen (+11.5% YoY), accounting for 3.0% of the gross merchandise value (2.9% in the same quarter of the previous fiscal year). Net sales were 4,137 million yen (+10.2% YoY).

#### ② LY Corporation Commerce

LY Corporation Commerce is combined sales of "Yahoo! JAPAN Shopping" and "Yahoo! JAPAN Auction". ZOZOTOWN store was on Yahoo! JAPAN Shopping, an online shopping mall, and ZOZOUSED store has been opened on Yahoo! JAPAN Auction, an online auction service, since March 2024. Both are operated by LY Corporation.

In the consolidated cumulative first quarter of the current fiscal year, the merchandise value was 14,429 million yen (+24.3% YoY), accounting for 10.2% of the gross merchandise value (8.8% in the same quarter of the previous fiscal year). Net sales (consignment sales commission) were 4,431 million yen (+28.5% YoY).

#### ③ BtoB business

The BtoB business model includes building and operating brands' e-commerce websites and providing logistics services, both of which are done on a commissioned basis. In the consolidated cumulative first quarter of the current fiscal year, the merchandise value was 3,164 million yen (-8.1% YoY), accounting for 2.2% of the gross merchandise value (2.6% in the same quarter of the previous fiscal year). Net sales (consignment sales commission) were 518 million yen (-5.7% YoY). As of the end of June 2024, the number of consigned websites was 32 (32 as of the end of March 2024).

#### ④ 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. In the consolidated cumulative first quarter of the current fiscal year, net sales were 2,658 million yen (+22.0% YoY). As for WEAR, which was updated in May 2024, we continue to focus on expanding the number of users and content.

#### ⑤ 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 stores 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 during the consolidated cumulative first quarter of the current fiscal year was 9,254 million yen, accounting for 6.5% of the gross merchandise value (6.5% in the same quarter 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 consolidated cumulative first quarter of

the current fiscal year, net sales were 6,539 million yen (+12.5% YoY).

## (2) Overview of financial position

### Overview of total assets, liabilities, and net assets

(Unit: Million yen)

	Previous consolidated fiscal year	First quarter consolidated accounting period	Increase/ decrease rate
Total assets	161,862	152,030	-6.1%
Liabilities	77,117	72,294	-6.3%
Net assets	84,744	79,736	-5.9%

#### (Total assets)

Total assets amounted to 152,030 million yen, a decrease of 9,832 million yen (-6.1% from the previous consolidated fiscal year end). Current assets decreased by 8,973 million yen, or 7.3%, compared with the previous consolidated fiscal year end, amounted to 114,164 million yen. Major components are a decrease of 11,190 million yen in cash and deposits, an increase of 1,166 million yen in accounts receivable. Non-current assets decreased by 858 million yen, or 2.2%, compared with the previous consolidated fiscal year end, amounted to 37,866 million yen. Major components are a decrease of 417 million yen in tangible assets, and a decrease of 646 million yen in investments and other assets, etc.

#### (Liabilities)

Liabilities amounted to 72,294 million yen, a decrease of 4,823 million yen (-6.3% from the previous consolidated fiscal year end). Current liabilities decreased by 5,014 million yen, or 7.3%, compared with the previous consolidated fiscal year end, amounted to 63,247 million yen. Major components are a decrease of 1,715 million yen in deposits received for consignment sales, a decrease of 4,325 million yen in income taxes payable, and a decrease of 322 million yen in the provision for bonuses. Non-current liabilities increased by 190 million yen, or 2.2%, and amounted to 9,046 million yen compared with the previous consolidated fiscal year end. Major components are an increase of 186 million yen in retirement benefit liability, etc.

#### (Net assets)

Net assets amounted to 79,736 million yen, a decrease of 5,008 million yen (-5.9% from the previous consolidated fiscal year end). Major components are an increase of 11,109 million yen due to the recognition of profit attributable to owners of parent, and a decrease of 16,332 million yen due to cash dividends.

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

There is no change in the consolidated business forecast announced on April 30, 2024

## 2. Consolidated financial statements

### (1) Quarterly consolidated balance sheets

(Unit: Million yen)

	Previous consolidated fiscal year (As of March 31, 2024)	First quarter consolidated accounting period of current fiscal year (As of June 30, 2024)
<b>Assets</b>		
Current assets		
Cash and deposits	64,747	53,557
Accounts receivable-trade	45,789	46,955
Marketable securities	5,000	5,000
Merchandise and finished products	3,784	4,363
Raw materials and supplies	39	63
Others	3,777	4,223
<b>Total current assets</b>	<b>123,137</b>	<b>114,164</b>
Non-current assets		
Tangible assets	24,660	24,243
Intangible assets		
Goodwill	920	857
Others	1,691	1,959
<b>Total intangible assets</b>	<b>2,611</b>	<b>2,816</b>
Investments and other assets	11,452	10,805
<b>Total non-current assets</b>	<b>38,724</b>	<b>37,866</b>
<b>Total assets</b>	<b>161,862</b>	<b>152,030</b>
<b>Liabilities</b>		
Current liabilities		
Accounts payable-trade	259	270
Deposits received for consignment sales	26,668	24,953
Short-term borrowings	20,000	20,000
Income taxes payable	8,721	4,395
Provision for bonuses	1,275	953
Provision for bonuses for directors	95	44
Others	11,240	12,629
<b>Total current liabilities</b>	<b>68,261</b>	<b>63,247</b>
Non-current liabilities		
Retirement benefit liability	4,841	5,027
Asset retirement obligations	4,004	4,009
Others	10	10
<b>Total non-current liabilities</b>	<b>8,856</b>	<b>9,046</b>
<b>Total liabilities</b>	<b>77,117</b>	<b>72,294</b>

(Unit: Million yen)

	Previous consolidated fiscal year (As of March 31, 2024)	First quarter consolidated accounting period of current fiscal year (As of June 30, 2024)
<b>Net assets</b>		
Shareholders' equity		
Common stock	1,359	1,359
Capital surplus	1,328	1,328
Retained earnings	93,512	88,334
Treasury stock	-11,627	-11,627
<b>Total shareholders' equity</b>	<b>84,572</b>	<b>79,394</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	90	120
Deferred gains or losses on hedges	54	118
Foreign currency translation adjustment	187	252
Remeasurements of defined benefit plan	-161	-150
<b>Total accumulated other comprehensive income</b>	<b>171</b>	<b>341</b>
Stock acquisition right	0	0
<b>Total net assets</b>	<b>84,744</b>	<b>79,736</b>
<b>Total liabilities and net assets</b>	<b>161,862</b>	<b>152,030</b>

## (2) Quarterly consolidated statements of income and consolidated statements of comprehensive income

## Quarterly consolidated statements of income

## Consolidated cumulative first quarter

(Unit: Million yen)

	Consolidated cumulative first quarter of previous fiscal year (April 1, 2023 to June 30, 2023)	Consolidated cumulative first quarter of current fiscal year (April 1, 2024 to June 30, 2024)
Net sales	45,871	50,387
Cost of sales	2,826	3,431
Gross profit	43,044	46,956
Selling, general and administrative expenses	27,182	31,060
Operating profit	15,862	15,895
Non-operating income		
Interest income	1	2
Received rent	0	0
Foreign exchange gains	100	-
Operation support fee	3	1
Income from recycling	7	10
Subsidy income	0	1
Gain on unused points	26	40
Others	8	10
Total non-operating income	148	68
Non-operating expenses		
Interest expenses	20	24
Provision for allowance for doubtful accounts	4	-
Rent expenses	0	0
Foreign exchange losses	-	4
Loss on investments in partnership	41	41
Total non-operating expenses	66	70
Ordinary profit	15,943	15,892
Extraordinary income		
Gain on sales of non-current assets	0	0
Gain on liquidation of affiliates	-	61
Total extraordinary income	0	62
Extraordinary losses		
Loss on sale and retirement of non-current assets	0	8
Total extraordinary loss	0	8
Profit before income taxes	15,943	15,947
Income taxes-current	3,887	4,225
Income taxes-deferred	852	611
Total income taxes	4,740	4,837
Net profit	11,203	11,109
Loss attributable to non-controlling interests	-0	-
Net profit attributable to owners of parent	11,204	11,109

Quarterly consolidated statements of comprehensive income  
 Consolidated cumulative first quarter

(Unit: Million yen)

	Consolidated cumulative first quarter of previous fiscal year (April 1, 2023 to June 30, 2023)	Consolidated cumulative first quarter of current fiscal year (April 1, 2024 to June 30, 2024)
Net profit	11,203	11,109
Other comprehensive income		
Valuation difference on available-for-sale securities	32	29
Deferred gains or losses on hedges	91	63
Foreign currency translation adjustment	50	65
Remeasurements of retirement benefit plan	13	10
Total other comprehensive income	188	169
Comprehensive income	11,391	11,278
(Comprehensive income attributable to)		
Quarterly comprehensive income attributable to owners of parent	11,392	11,278
Quarterly comprehensive income attributable to non-controlling interests	-0	-

(3) Notes on quarterly consolidated financial statements

(Notes on the going concern assumption)

Not applicable.

(Notes on significant changes in shareholders' equity)

Not applicable.

(Notes on segment Information)

Disclosure is omitted because our group is a single segment of the e-commerce business.

(Notes on statements of cash flows)

Quarterly consolidated statements of cash flows for the consolidated cumulative first quarter of the current fiscal year have not been prepared. Depreciation and amortization (including amortization related to intangible assets excluding goodwill), and amortization of goodwill for the consolidated cumulative first quarter of the current fiscal year are as follows:

	Consolidated cumulative first quarter of previous fiscal year (April 1, 2023 to June 30, 2023)	Consolidated cumulative first quarter of current fiscal year (April 1, 2024 to June 30, 2024)
Depreciation and amortization	522 Million yen	1,032 Million yen
Amortization of goodwill	96 Million yen	62 Million yen

DISCLAIMER:

This document is a summary translation of the Japanese version. All readers are recommended to refer to the original Japanese version for complete information. The Japanese version shall prevail in any discrepancies, errors, or omissions.