

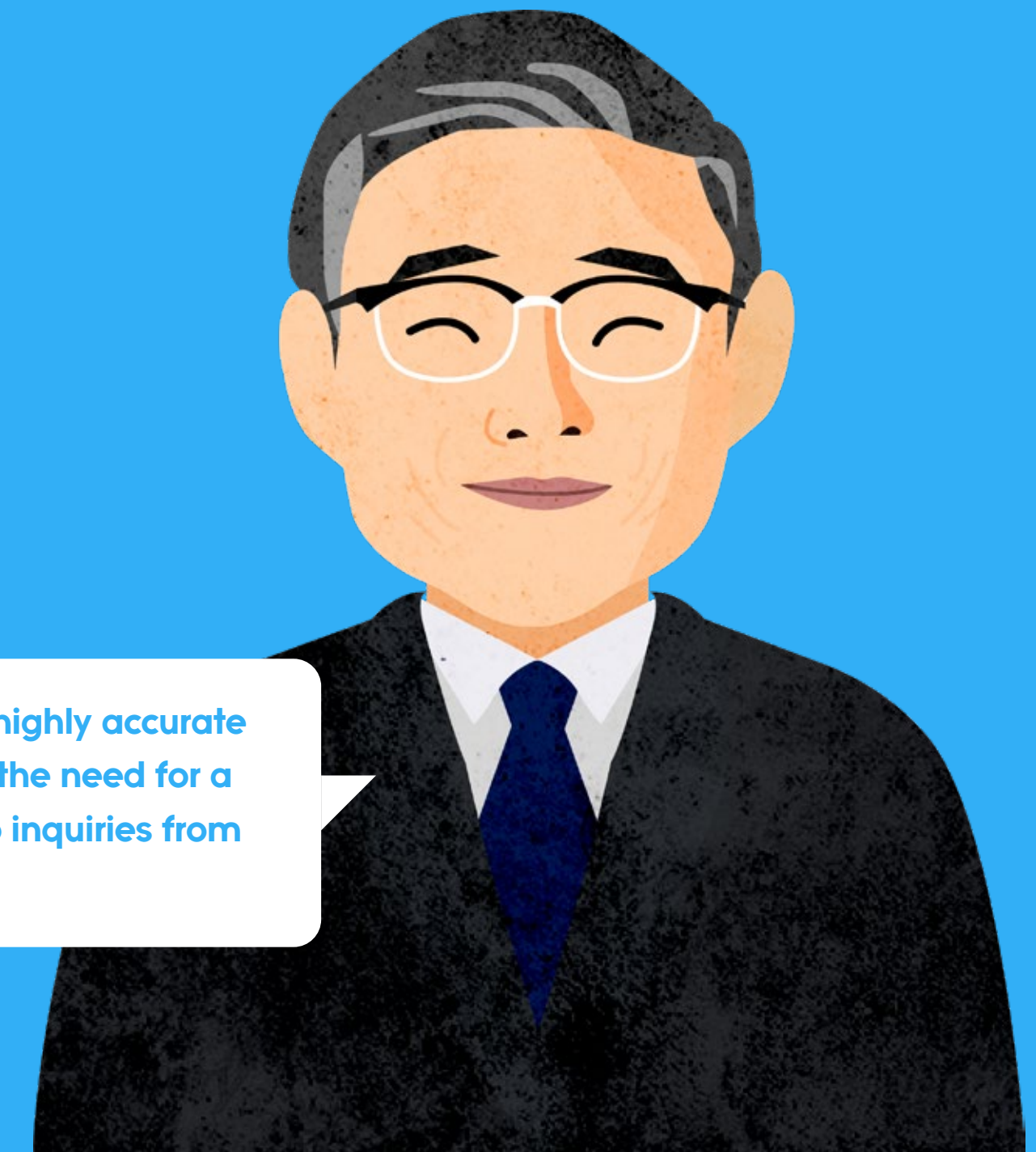
# **FY2024 2Q (Semi-annual) ZOZO, Inc. CONSOLIDATED BUSINESS RESULTS**



# HIGHLIGHTS



"ZOZOMETRY" now allows for highly accurate body measurements without the need for a ZOSUIT! We look forward to inquiries from interested businesses!





# FY2024 2Q HIGHLIGHTS

The Company achieved record results in both Gross Merchandise Value and operating profit by the end of the first half of the year.

## Overview

- **Gross Merchandise Value : 279,153 million yen (+7.9%,YoY)**  
**Gross Merchandise Value (excluding other GMV) : 260,824 million yen (+7.9%,YoY)**  
All businesses generally progressed as planned. The launch of autumn/winter items was slower than expected due to more severe lingering summer heat compared to last year.
- **Operating Profit : 30,475 million yen (+5.3%,YoY)**  
Progress exceeded the plan, primarily due to unrealized variable costs, mainly promotional expenses, and some unrealized fixed costs, such as “payroll costs for employee” and “outsourcing commission”.

## Results by business segment

- **ZOZOTOWN BUSINESS**
  - Gross Merchandise Value : 225,452 million yen (+6.5%,YoY)**
  - Consignment sales : 214,727 million yen(+6.5%,YoY)**
  - Outright Purchase / Production & Sales : 2,263 million yen (-4.1%,YoY)**
  - USED sales : 8,462 million yen (+9.0%,YoY)**
- **LY Corporation Commerce\* : 29,108 million yen (+25.1%,YoY)**
- **BtoB Business : 6,263 million yen (-5.5%,YoY)**
- **Others\* : 18,328 million yen**
- **Average Order Value : 8,196 yen (+3.8%,YoY)**
- **Average Retail Price : 3,629 yen (+1.1%,YoY)**
- **Advertising business**
  - Net sales : 5,254 million yen (+22.9%,YoY)**

\* “LY Corporation Commerce” represents the combined total of “Yahoo! JAPAN Shopping” and “Yahoo! JAPAN Auction”.

\* From the 2nd quarter of the fiscal year ended March 2021, stores contracting ZOZO option at Yahoo! JAPAN Shopping, ZOZOMO, and ZOZOSUIT (for paid sales) are recorded.

ZOZO Option : Option contracts which enables fashion category stores outside of ZOZOTOWN Yahoo! JAPAN Shopping, to participate in special events produced by ZOZO and get benefits from sales support.

ZOZOMO : The system which enables ZOZOTOWN users to place a layaway order of the merchandise at the physical stores.



# FY2024 2Q HIGHLIGHTS

## Profitability

- Operating profit margin (to the total gross merchandise value) : 11.7%(12.0% for FY2023 2Q)
  - Factors improving profitability : Growth in the advertising business and an improvement in gross profit due to changes in the shipping policy (an increase in shipping charges to be borne by the customers).
  - Factors worsening profitability : Higher ratio of shipping expenses, higher ratio of rent expenses and depreciation due to the new lease of a logistics center.

\*Operating profit margin is calculated by dividing operating profit by the Gross Merchandise Value (excluding other GMV).

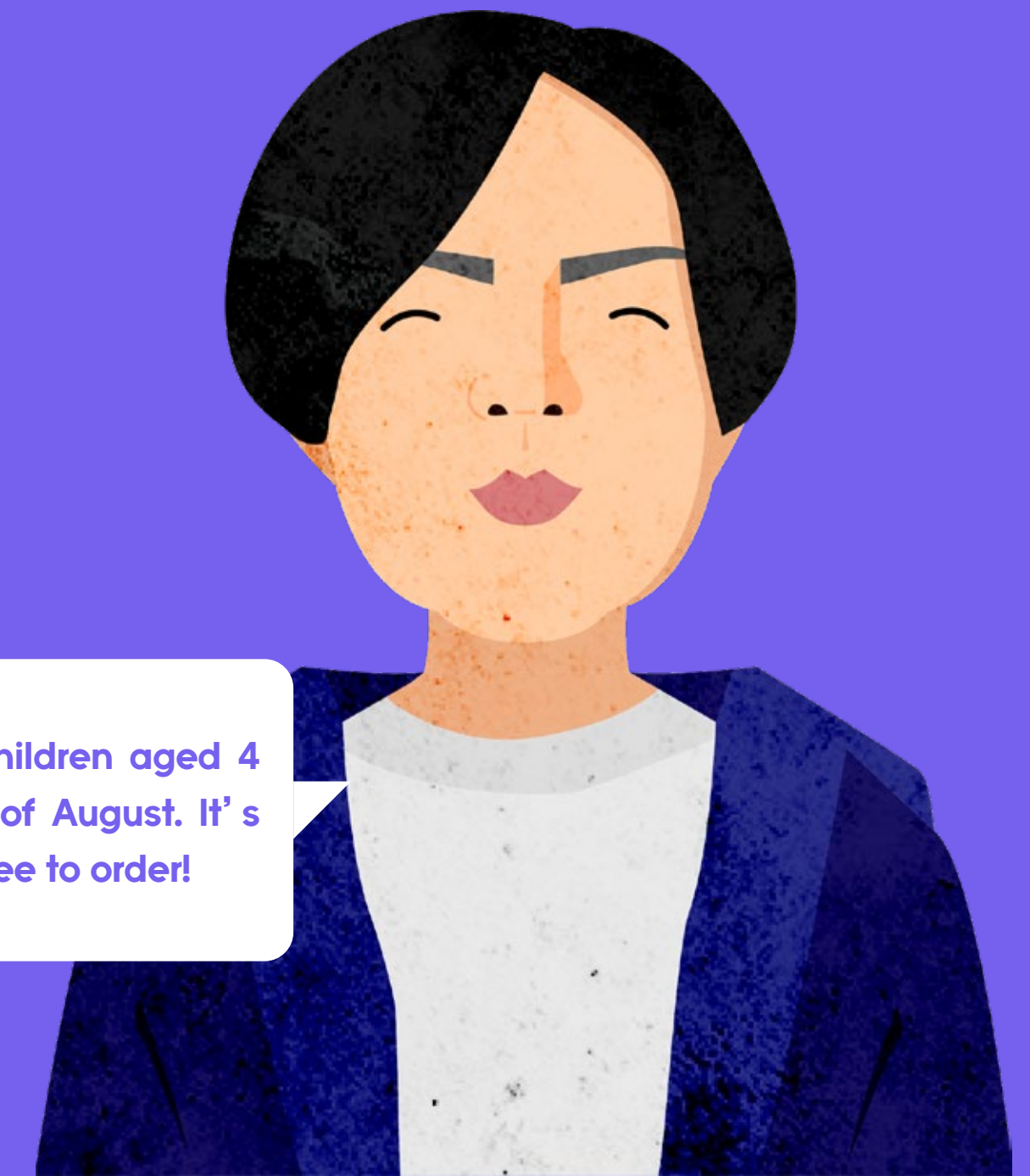
## Topics

- "Made by ZOZO" supports the production of inclusive clothing for brands and has launched "KIYASUKU with ZOZO," aiming to create a world where everyone, including people with disabilities, can enjoy fashion with ease of wear in their preferred size and style. (August 2024)
- The Company continues to be selected for the "FTSE4Good Index Series," a leading ESG investment index, as well as the "FTSE Blossom Japan Index" and the "FTSE Blossom Japan Sector Relative Index." (August 2024)
- The Company launched "ZOZOMAT for Kids," which can easily measure children's feet in 3D. It uses AI to suggest shoe sizes that best fit children's feet and estimates how long they can wear the shoes, helping to support shoe selection. (August 2024)
- The Company developed a proprietary tool that uses AI to monitor ZOZOTOWN for violations of item review guidelines, achieving a 67.7% reduction in the time required for checking violations. (August 2024)
- "Integrated Report Portal FY2023" has been released. (August 2024)
- The Company introduced ZOZOSUIT-free measurement technology, and officially launched ZOZOMETRY, a measurement efficiency service for businesses. (October 2024)

# BUSINESS RESULTS



ZOZOMAT for Kids, designed for children aged 4 and up, was released at the end of August. It's available for free delivery, so feel free to order!





# OVERVIEW OF THE FY2024 2Q

(million¥)

	FY2023 2Q	FY2024 2Q	YoY	Target	Achievement Rate(%)
Gross Merchandise Value	258,791	279,153	7.9%	609,200	45.8%
Gross Merchandise Value (excluding other GMV)	241,644	260,824	7.9%	572,200	45.6%
Net sales	90,217	98,801	9.5%	214,400	46.1%
Gross profit	84,213	92,013	9.3%	-	
(% to the Gross Merchandise Value)	34.9%	35.3%	0.4%	-	
SG&A	55,282	61,537	11.3%	-	
(% to the Gross Merchandise Value)	22.9%	23.6%	0.7%	-	
Operating profit	28,931	30,475	5.3%	64,200	47.5%
(% to the Gross Merchandise Value)	12.0%	11.7%	-0.3%	11.2%	
Ordinary profit	29,104	30,513	4.8%	64,200	47.5%
Profit attributable to owners of parent	20,314	21,130	4.0%	45,200	46.7%

\* The percentages are calculated by dividing each item by the Gross Merchandise Value (excluding other GMV).



# OVERVIEW OF EACH QUARTER

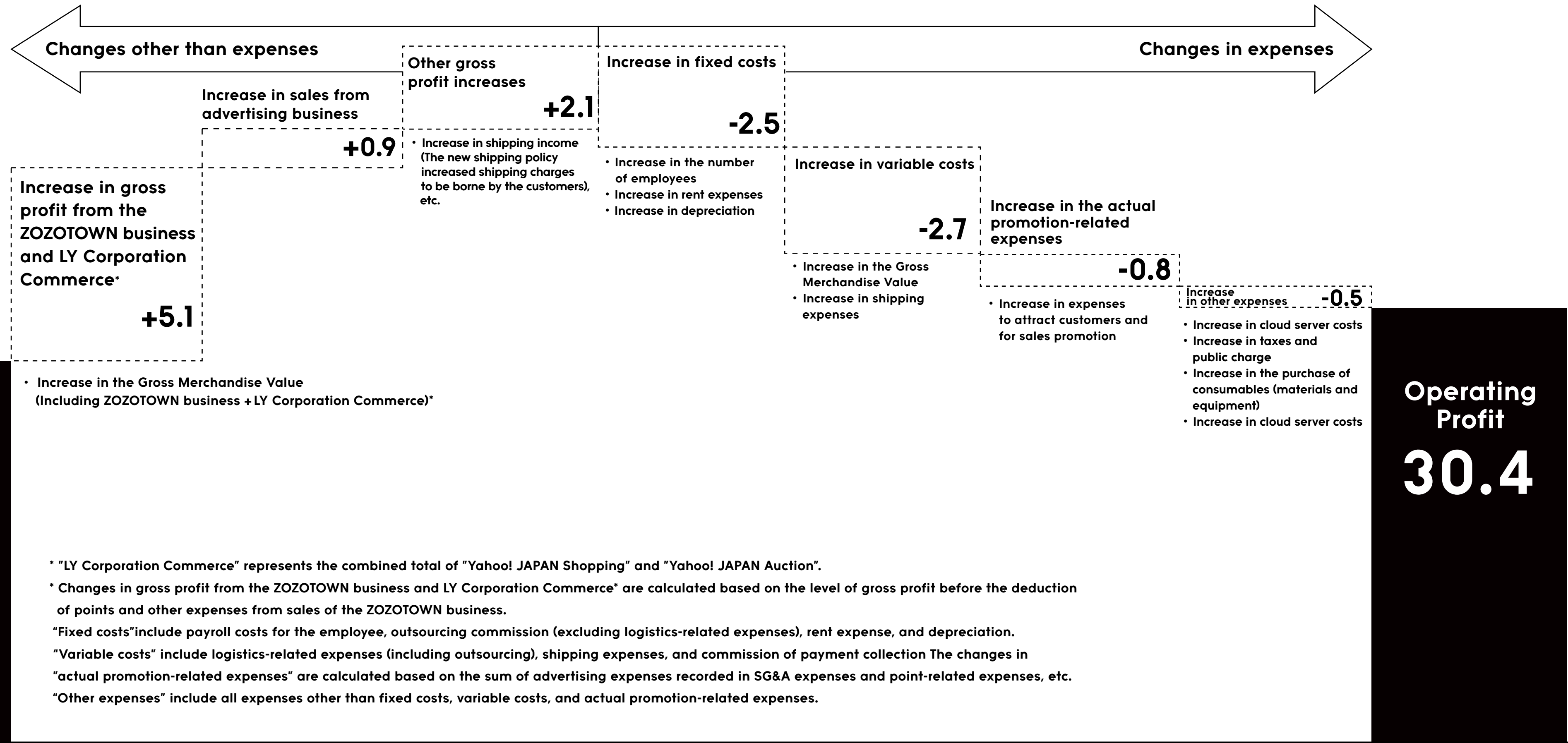
(million¥)

	FY2023				FY2024	
	1Q	2Q	3Q	4Q	1Q	2Q
Gross Merchandise Value	131,920	126,870	168,354	147,227	141,885	137,267
Gross Merchandise Value (excluding other GMV)	123,327	118,317	157,851	137,411	132,631	128,193
YoY (%)	6.4%	6.1%	9.2%	6.4%	7.5%	8.3%
Net sales	45,871	44,345	57,351	49,448	50,387	48,414
SG&A	27,182	28,100	36,332	31,452	31,060	30,477
YoY (%)	4.4%	9.5%	16.0%	-1.4%	14.3%	8.5%
(% Gross Merchandise Value)	22.0%	23.8%	23.0%	22.9%	23.4%	23.8%
Operating profit	15,862	13,068	16,767	14,381	15,895	14,580
YoY (%)	10.8%	1.3%	-3.8%	22.0%	0.2%	11.6%
(% Gross Merchandise Value)	12.9%	11.0%	10.6%	10.5%	12.0%	11.4%

\* The percentages are calculated by dividing each item by the Gross Merchandise Value (excluding other GMV).



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



(bn¥)

FY2023 2Q

FY2024 2Q





# CONSOLIDATED BALANCE SHEET

(million¥)

	<b>FY2023</b> (as of March 31, 2024)	<b>FY2024 2Q</b> (as of September 30, 2024)		<b>FY2023</b> (as of March 31, 2024)	<b>FY2024 2Q</b> (as of September 30, 2024)
<b>Current assets</b>	<b>123,137</b>	<b>124,570</b>	<b>Current liabilities</b>	<b>68,261</b>	<b>65,457</b>
<b>Cash and deposits</b>	<b>64,747</b>	<b>67,651</b>	<b>Short-term borrowing</b>	<b>20,000</b>	<b>20,000</b>
<b>Merchandise</b>	<b>3,784</b>	<b>3,947</b>	<b>Non-current liabilities</b>	<b>8,856</b>	<b>9,519</b>
<b>Non-current assets</b>	<b>38,724</b>	<b>39,991</b>	<b>Total liabilities</b>	<b>77,117</b>	<b>74,977</b>
<b>Tangible assets</b>	<b>24,660</b>	<b>26,401</b>	<b>Shareholders' equity</b>	<b>84,572</b>	<b>89,520</b>
<b>Intangible assets</b>	<b>2,611</b>	<b>3,028</b>	<b>Treasury stock</b>	<b>-11,627</b>	<b>-11,581</b>
<b>Investments and other assets</b>	<b>11,452</b>	<b>10,561</b>	<b>Total net assets</b>	<b>84,744</b>	<b>89,583</b>
<b>Total assets</b>	<b>161,862</b>	<b>164,561</b>	<b>Total liabilities and net assets</b>	<b>161,862</b>	<b>164,561</b>



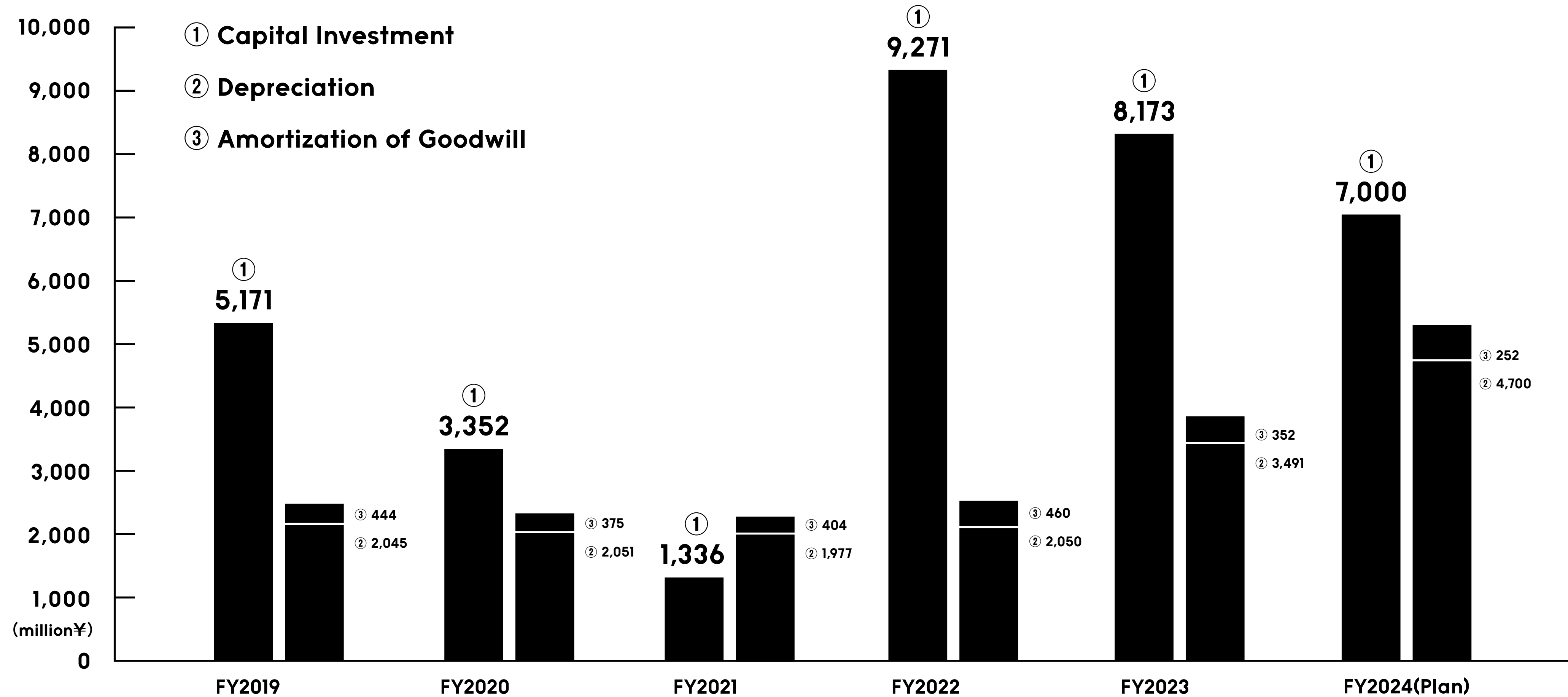
# CASH FLOWS

(million¥)

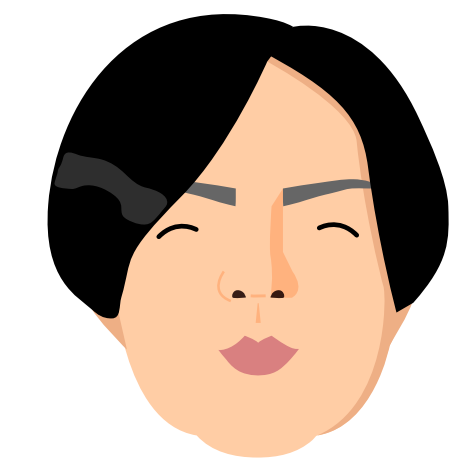
	FY2023 2Q	FY2024 2Q	YoY	Reason for change
Cash flows from operating activities	15,605	23,350	7,744	Increase in profit before income taxes Increase in depreciation, etc.
Cash flows from investing activities	-4,604	-4,091	512	Previous fiscal year :Investment related to ZOZOBASE TSUKUBA 3 Current fiscal year :Investment related to DPL Tsukuba Chuo, and replacement of equipment at existing logistics centers
Cash flows from financing activities	-12,077	-16,338	-4,261	Increase in the amount of dividend payment
Cash and cash equivalents at the end of the quarter	73,091	72,651	-439	



# CAPITAL INVESTMENT



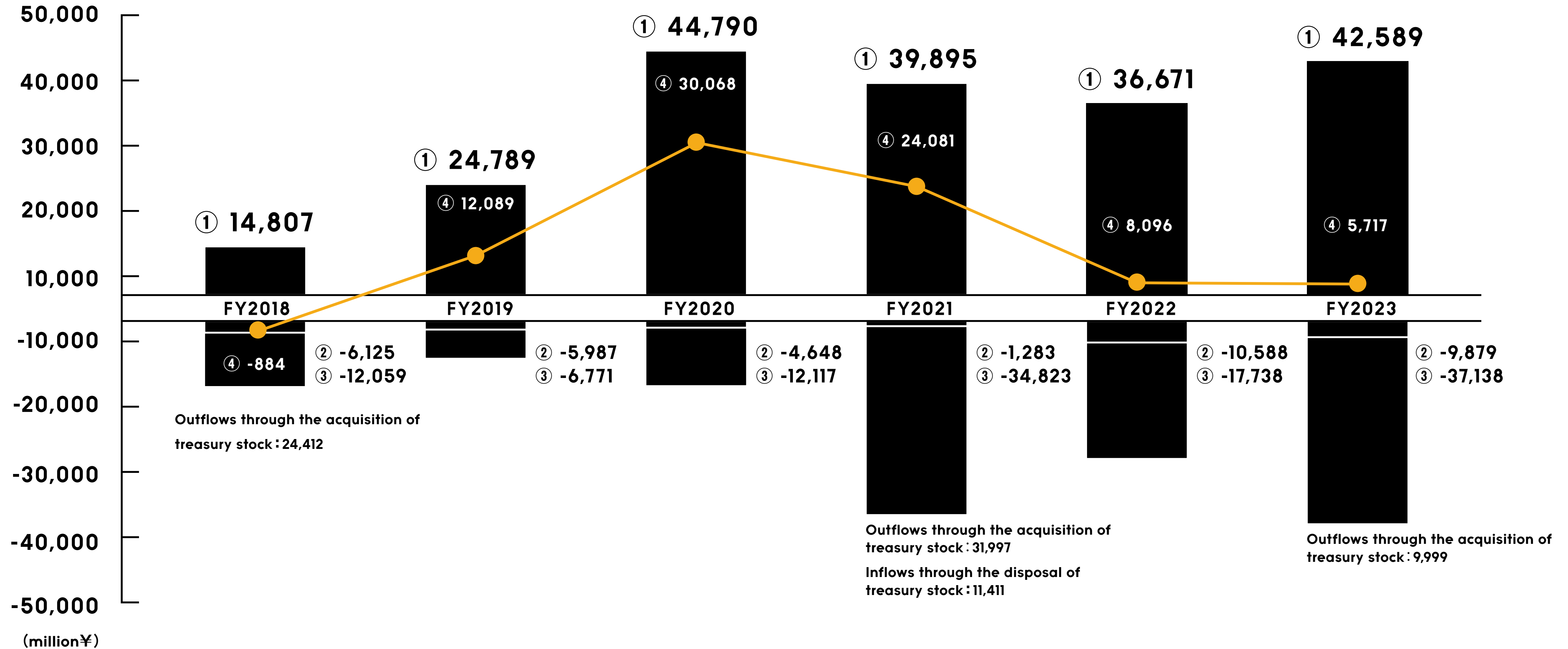
As of the end of Q2, capital investment is progressing as planned.





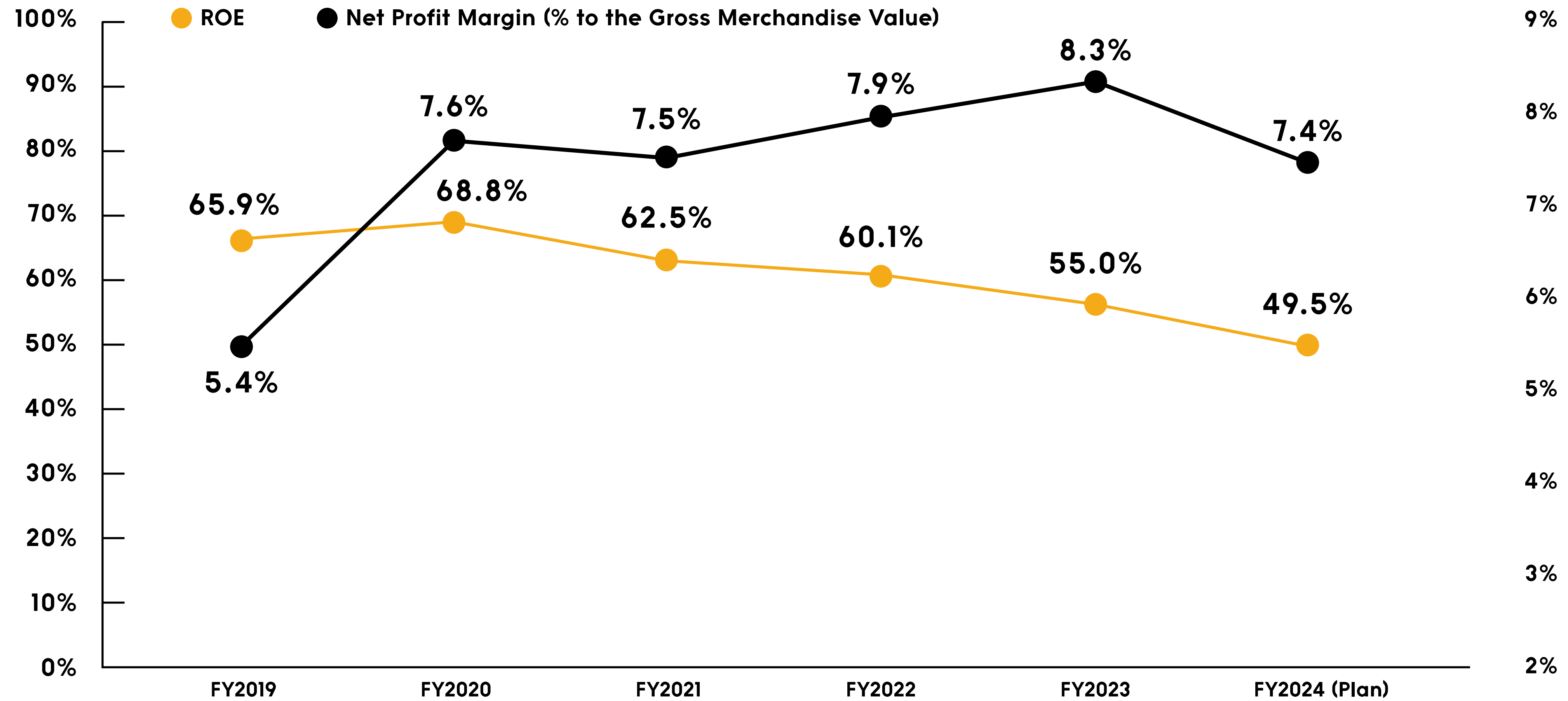
# CASH FLOWS

- ① Cash flows from operating activities
- ② Cash flows from investing activities
- ③ Cash flows from financing activities
- ④ Substantial free cash flows
- (① + ② - Expenditure from dividends)





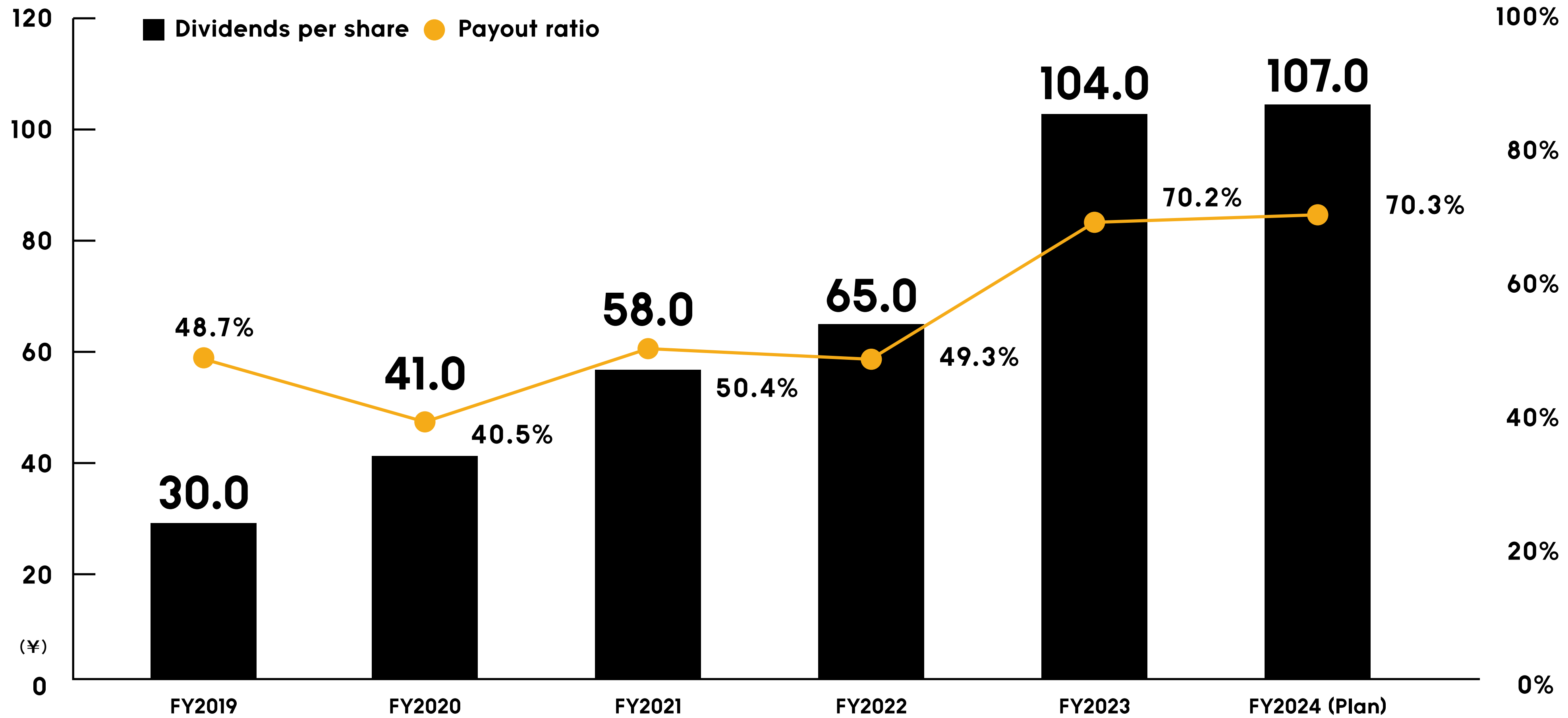
# ROE AND NET PROFIT MARGIN



\* Net profit margins are calculated by dividing net profit by the Gross Merchandise Value (excluding other GMV).



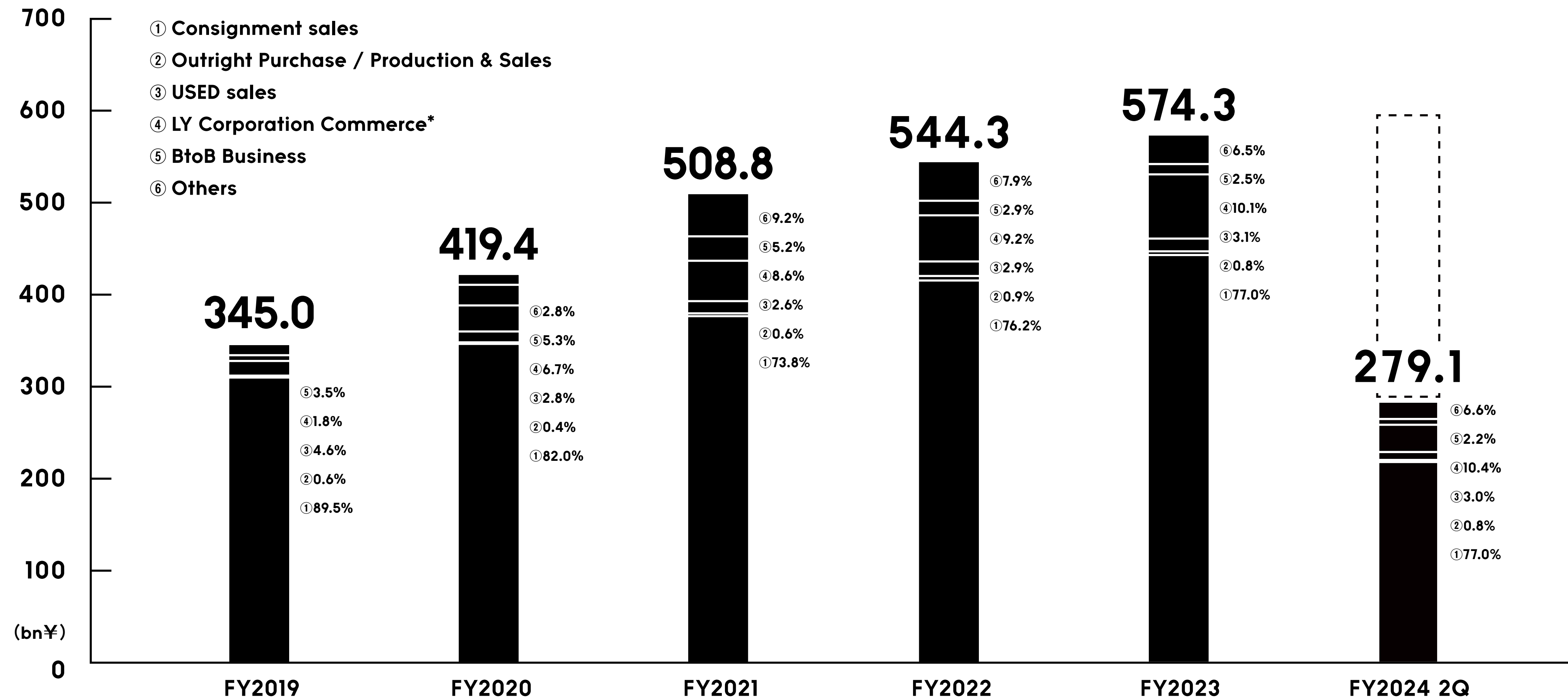
# DIVIDENDS PER SHARE AND PAYOUT RATIO





# GROSS MERCHANDISE VALUE

The Gross Merchandise Value of new shops opened in FY2024 2Q (ZOZOTOWN Business)  
 FY2024 2Q: 1.1 billion yen (accounts for 0.5% of the Gross Merchandise Value)

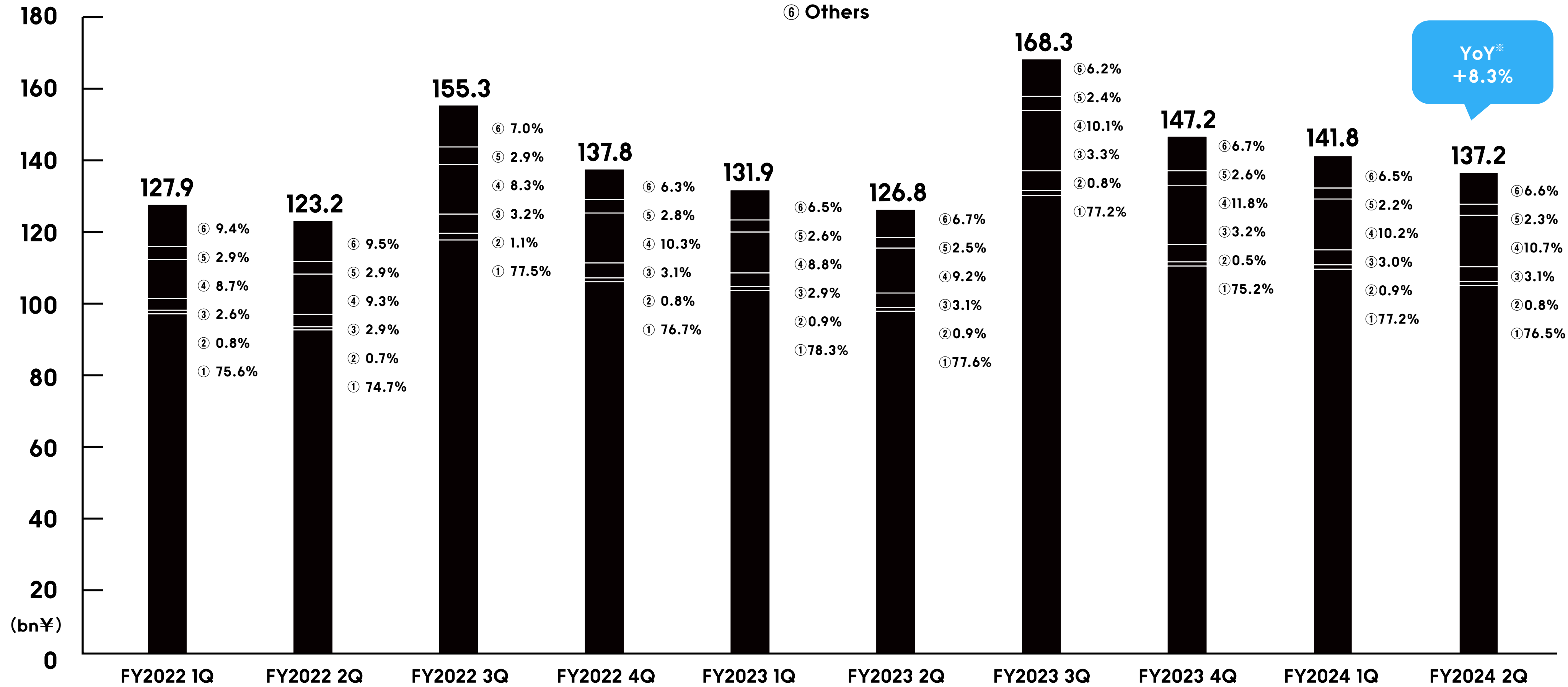


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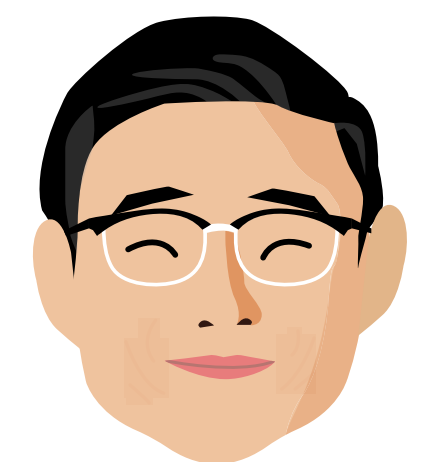


# GROSS MERCHANDISE VALUE (QUARTERLY)

- ① Consignment sales
- ② Outright Purchase / Production & Sales
- ③ USED sales
- ④ LY Corporation Commerce\*
- ⑤ BtoB Business
- ⑥ Others



In July and August, GMV was strong, largely due to the summer sale event. However, GMV from new autumn/winter items in September was sluggish, as a result of more severe lingering summer heat compared to last year.

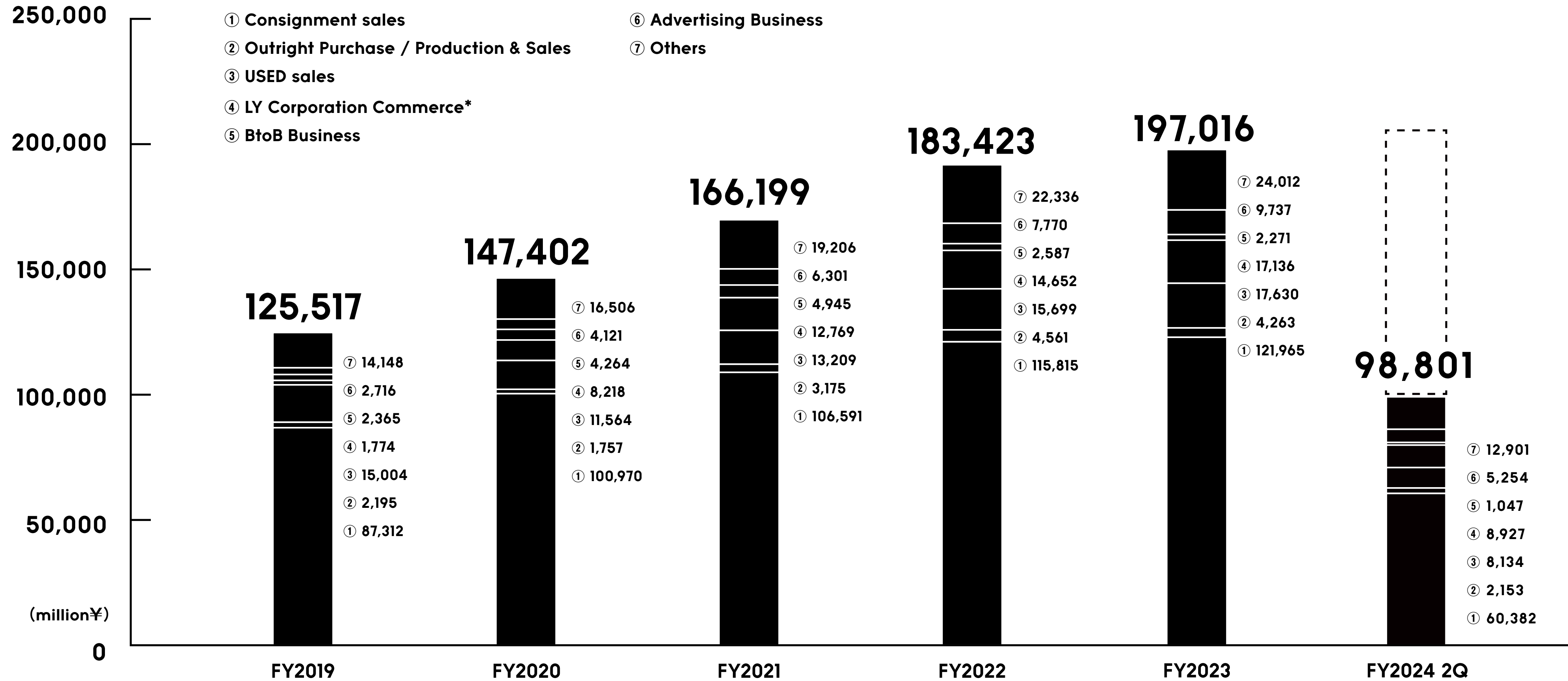


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# NET SALES

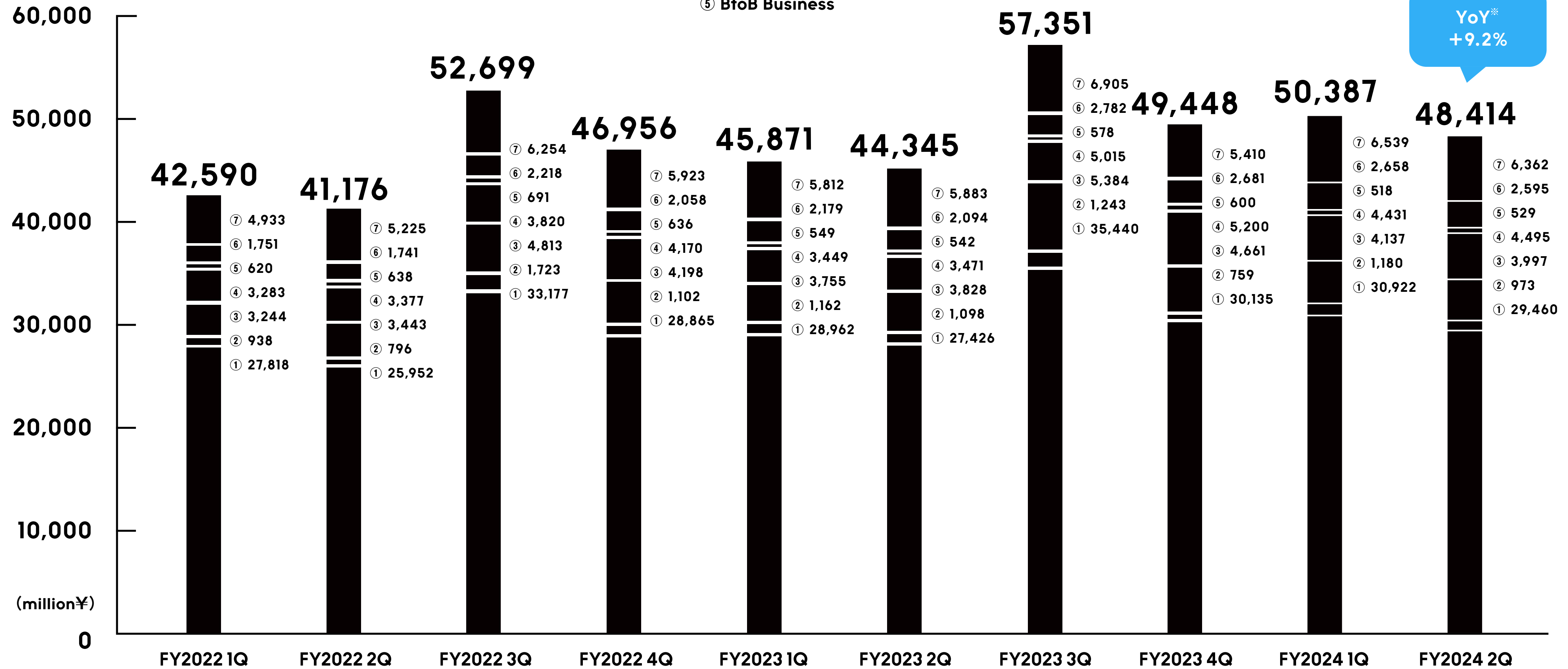


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# NET SALES (QUARTERLY)

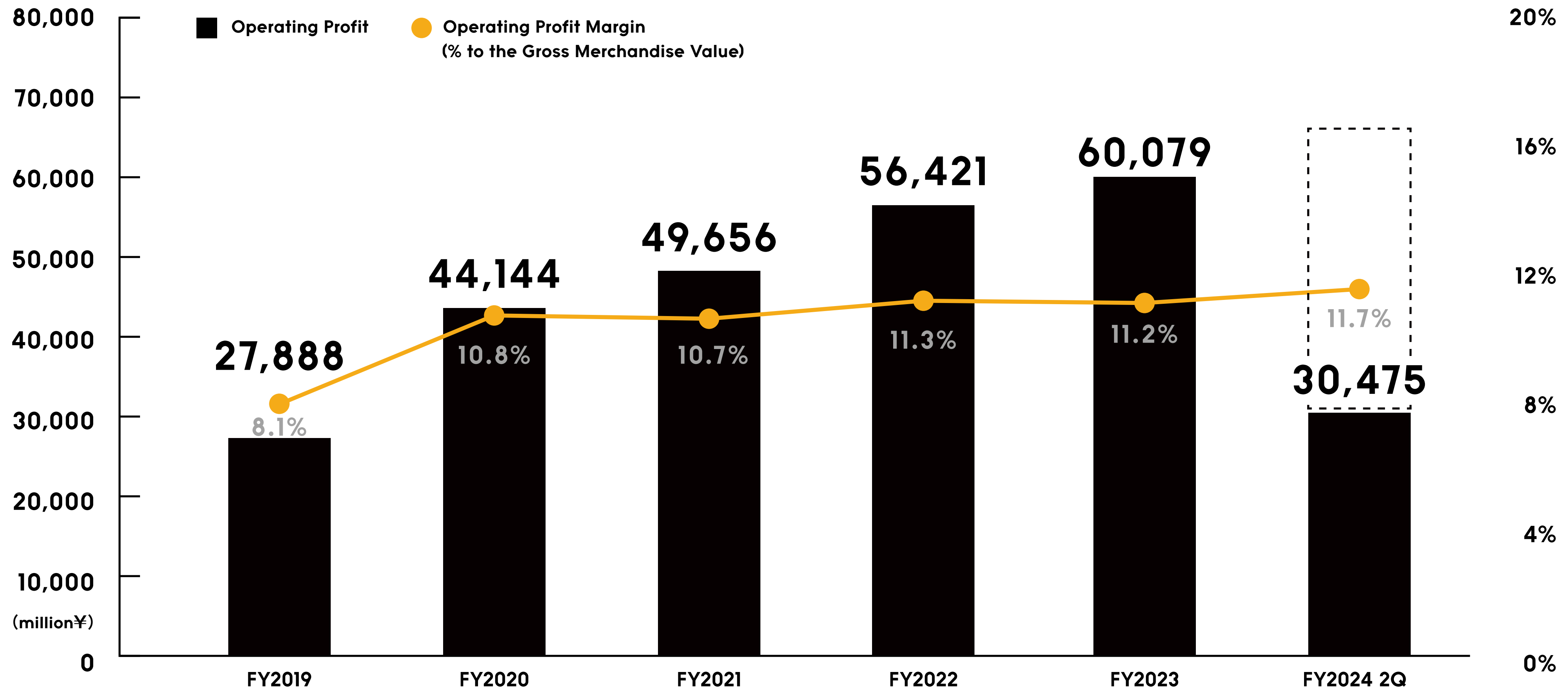
- ① Consignment sales
- ② Outright Purchase / Production & Sales
- ③ USED sales
- ④ LY Corporation Commerce\*
- ⑤ BtoB Business
- ⑥ Advertising Business
- ⑦ Others



\*"LY Corporation Commerce" represents the combined total of "Yahoo! JAPAN Shopping" and "Yahoo! JAPAN Auction".



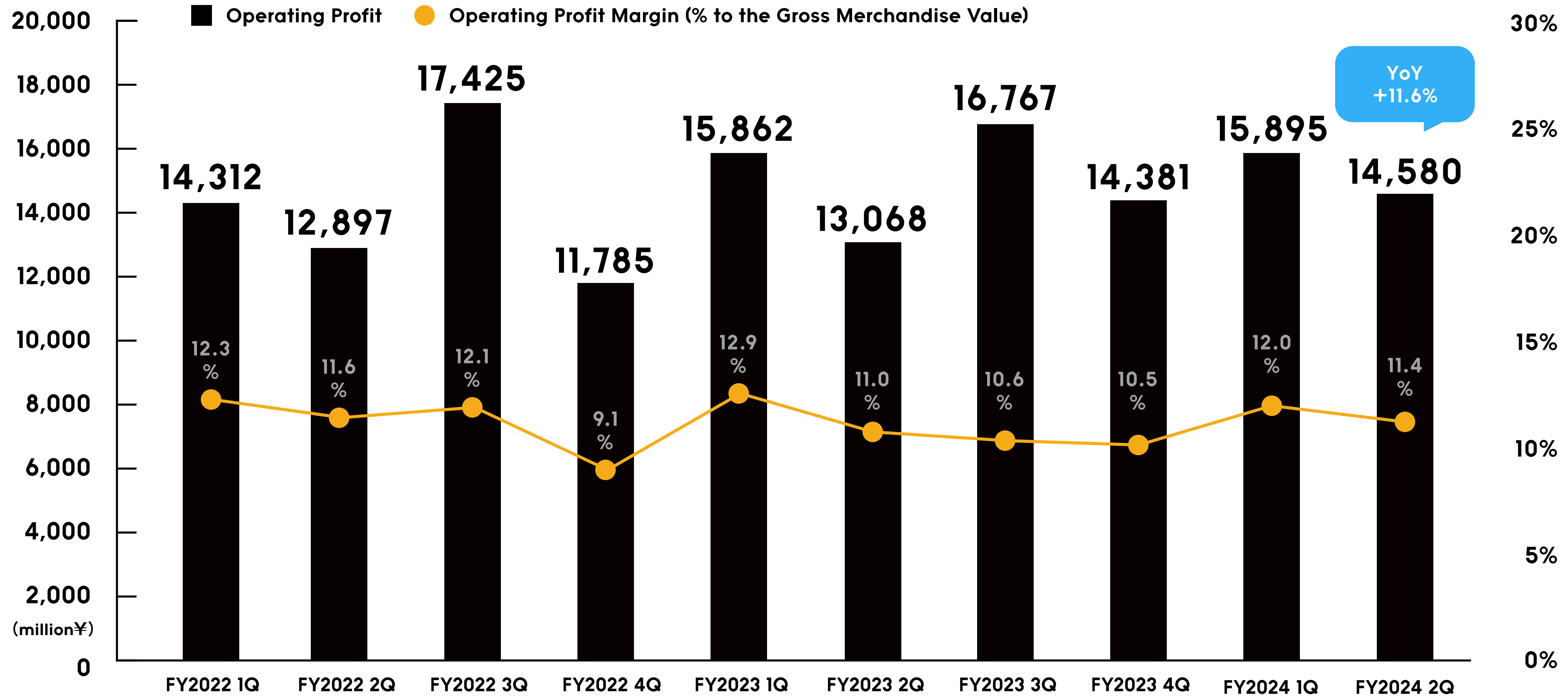
# OPERATING PROFIT AND OPERATING PROFIT MARGIN



\* Operating profit margins are calculated by dividing operating profit by the Gross Merchandise Value (excluding other GMV)



# OPERATING PROFIT AND OPERATING PROFIT MARGIN (QUARTERLY)



\* Operating profit margins are calculated by dividing operating profit by the Gross Merchandise Value (excluding other GMV)



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

(million¥)

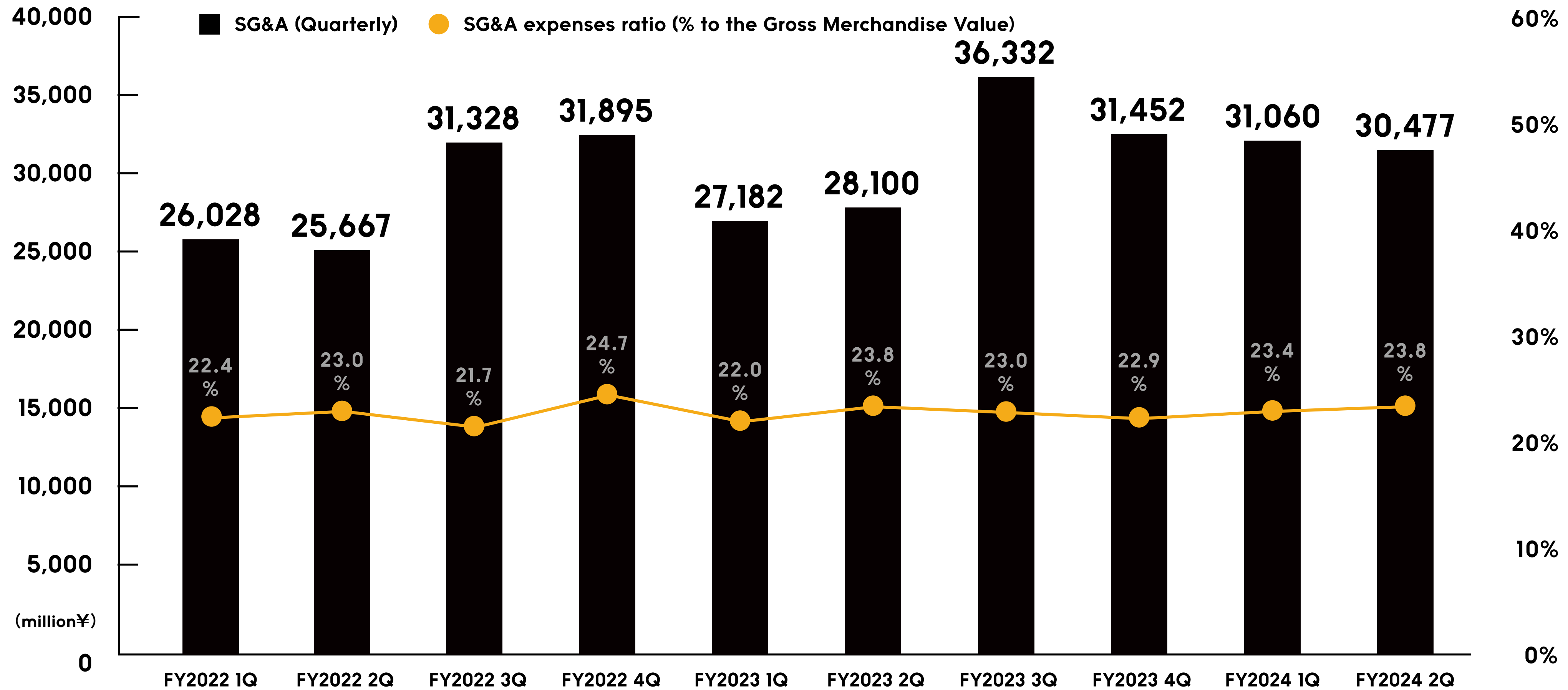
	FY2023 2Q		FY2024 2Q		YoY	Increase / decrease factors
	Amount	% to the Gross Merchandise Value	Amount	% to the Gross Merchandise Value	% to the Gross Merchandise Value	
<b>Payroll and staff costs(*)</b>	<b>15,293</b>	<b>6.3%</b>	<b>16,100</b>	<b>6.2%</b>	<b>-0.1%</b>	
<b>Payroll costs for employee</b>	<b>6,767</b>	<b>2.8%</b>	<b>7,346</b>	<b>2.8%</b>	<b>0.0%</b>	Transition of the number of employees on consolidated basis: FY2023 2Q 1,677 → FY2024 2Q 1,745
<b>Logistics-Related Expenses (Including Outsourcing)</b>	<b>8,525</b>	<b>3.5%</b>	<b>8,753</b>	<b>3.4%</b>	<b>-0.1%</b>	Increase in costs due to the expansion of logistics centers, including expenses for inter-base transportation, and a decrease in costs due to investments in warehouse facilities to reduce manpower
<b>Outsourcing Commission (Excluding Logistics-Related Expenses)</b>	<b>3,176</b>	<b>1.3%</b>	<b>3,442</b>	<b>1.3%</b>	<b>0.0%</b>	
<b>Shipping</b>	<b>15,800</b>	<b>6.5%</b>	<b>17,968</b>	<b>6.9%</b>	<b>0.4%</b>	Increase in the cost ratio due to a rise in shipping fees by YAMATO TRANSPORT CO., LTD. starting from April 1.
<b>Commission of Payment collection</b>	<b>5,699</b>	<b>2.4%</b>	<b>6,063</b>	<b>2.3%</b>	<b>-0.1%</b>	
<b>Advertising</b>	<b>4,507</b>	<b>1.9%</b>	<b>4,842</b>	<b>1.9%</b>	<b>0.0%</b>	
<b>Rent expense</b>	<b>3,448</b>	<b>1.4%</b>	<b>4,234</b>	<b>1.6%</b>	<b>0.2%</b>	Increase in the number of logistics centers (Increase in expenses related to ZOZOBASE TSUKUBA 3, which was leased from March 2023, and DPL Tsukuba Chuo, which was leased from April 2024)
<b>Depreciation</b>	<b>1,148</b>	<b>0.5%</b>	<b>2,110</b>	<b>0.8%</b>	<b>0.3%</b>	Increase in the number of logistics centers
<b>Amortization of goodwill</b>	<b>192</b>	<b>0.1%</b>	<b>125</b>	<b>0.0%</b>	<b>-0.1%</b>	
<b>Stock Compensation Expenses</b>	<b>107</b>	<b>0.0%</b>	<b>146</b>	<b>0.1%</b>	<b>0.1%</b>	
<b>Others</b>	<b>5,907</b>	<b>2.4%</b>	<b>6,502</b>	<b>2.5%</b>	<b>0.1%</b>	
<b>Total SG&amp;A</b>	<b>55,282</b>	<b>22.9%</b>	<b>61,537</b>	<b>23.6%</b>	<b>0.7%</b>	

\* Payroll includes directors' remuneration, employee salaries, bonuses, legal welfare expenses, welfare expenses, retirement benefits cost, provision for employee bonuses, expenses of company pension premium, subcontracting payroll, a portion of expenses at logistics centers operation. "Employee" includes directors, full-time employees and personnel engaged in operations other than logistics operation, "Logistics-Related Expenses" includes part-timers, dispatched workers(subcontracting payroll) and substantial personnel expenses within outsourcing commission of staff working for logistics operations.

\* The percentages to the Gross Merchandise Value are calculated by dividing each expense by the Gross Merchandise Value (excluding other GMV).



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



\* Operating profit margins are calculated by dividing operating profit by the Gross Merchandise Value (excluding other GMV)



# OVERVIEW OF SG&A BY EACH QUARTER

	FY2023								FY2024			
	1Q		2Q		3Q		4Q		1Q		2Q	
	Amount	% to the Gross Merchandise Value	Amount	% to the Gross Merchandise Value	Amount	% to the Gross Merchandise Value	Amount	% to the Gross Merchandise Value	Amount	% to the Gross Merchandise Value	Amount	% to the Gross Merchandise Value
Payroll and staff costs(*)	7,562	6.1%	7,731	6.5%	9,248	5.9%	8,815	6.4%	8,267	6.2%	7,833	6.1%
Payroll costs for employee	3,353	2.7%	3,413	2.9%	3,523	2.2%	4,009	2.9%	3,745	2.8%	3,601	2.8%
Logistics-Related Expenses (Including Outsourcing)	4,208	3.4%	4,317	3.6%	5,724	3.6%	4,806	3.5%	4,521	3.4%	4,232	3.3%
Outsourcing Commission (Excluding Logistics-Related Expenses)	1,591	1.3%	1,585	1.3%	1,685	1.1%	1,752	1.3%	1,740	1.3%	1,702	1.3%
Shipping	7,920	6.4%	7,880	6.7%	9,302	5.9%	8,337	6.1%	9,087	6.9%	8,881	6.9%
Commission of Payment collection	2,921	2.4%	2,777	2.3%	3,598	2.3%	3,061	2.2%	3,099	2.3%	2,964	2.3%
Advertising	2,168	1.8%	2,338	2.0%	4,912	3.1%	2,631	1.9%	2,368	1.8%	2,473	1.9%
Rent expense	1,568	1.3%	1,880	1.6%	1,969	1.2%	1,914	1.4%	2,120	1.6%	2,114	1.6%
Depreciation	522	0.4%	626	0.5%	1,062	0.7%	1,279	0.9%	1,032	0.8%	1,077	0.8%
Amortization of goodwill	96	0.1%	96	0.1%	96	0.1%	62	0.0%	62	0.0%	62	0.0%
Stock Compensation Expenses	33	0.0%	74	0.1%	83	0.1%	69	0.1%	69	0.1%	77	0.1%
Others	2,797	2.3%	3,110	2.6%	4,373	2.8%	3,527	2.6%	3,212	2.4%	3,289	2.6%
<b>Total SG&amp;A</b>	<b>27,182</b>	<b>22.0%</b>	<b>28,100</b>	<b>23.8%</b>	<b>36,332</b>	<b>23.0%</b>	<b>31,452</b>	<b>22.9%</b>	<b>31,060</b>	<b>23.4%</b>	<b>30,477</b>	<b>23.8%</b>

\* Payroll includes directors' remuneration, employee salaries, bonuses, legal welfare expenses, welfare expenses, retirement benefits cost, provision for employee bonuses, expenses of company pension premium, subcontracting payroll, a portion of expenses at logistics centers operation.

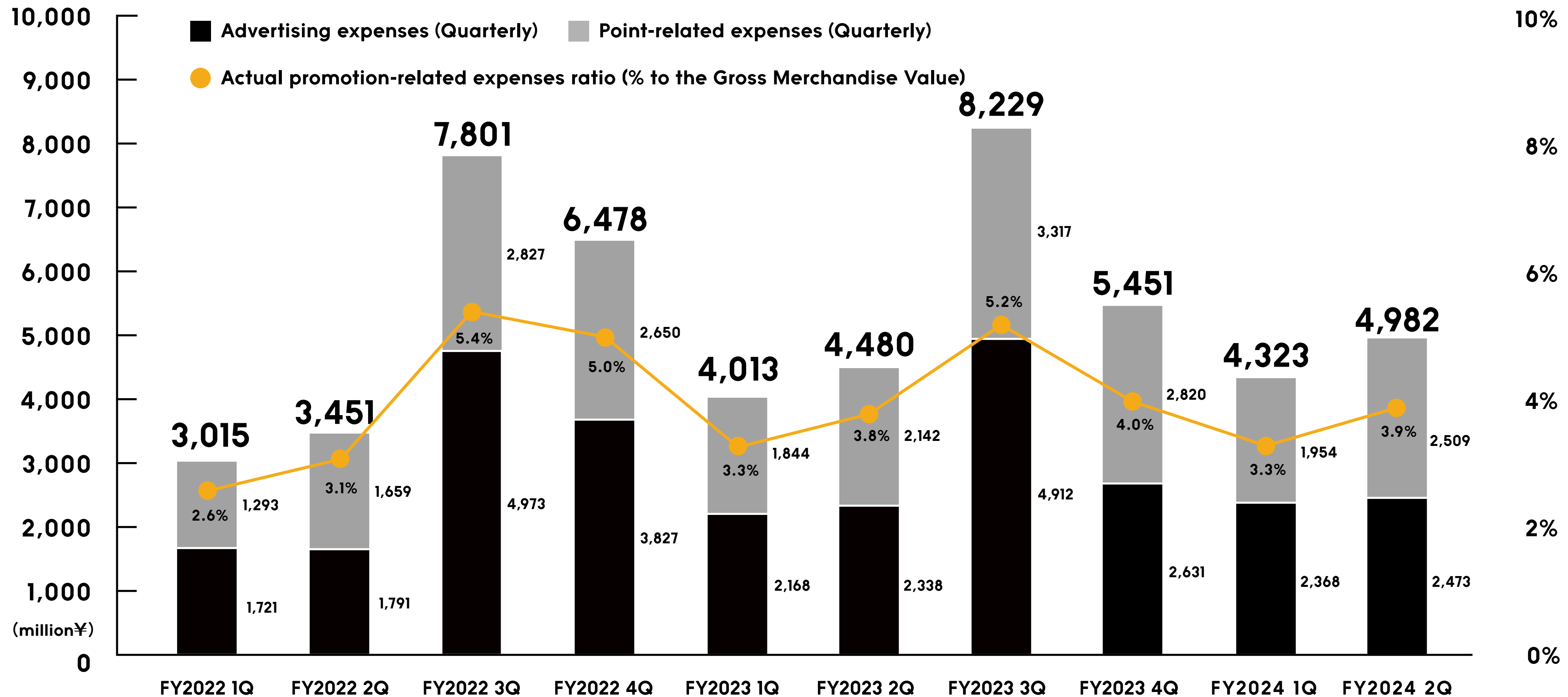
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\* The percentages to the Gross Merchandise Value are calculated by dividing each expense by the Gross Merchandise Value (excluding other GMV).



# ACTUAL PROMOTION-RELATED EXPENSES

Actual promotion-related expenses: The sum of advertising expenses and point-related expenses



Compared to the same quarter of the previous fiscal year, the main factors contributing to the cost increase are the free shipping measures and web advertising on social media, etc.



\* The actual promotion-related expenses ratio is calculated by dividing the actual promotion-related expenses by the Gross Merchandise Value (excluding other GMV)



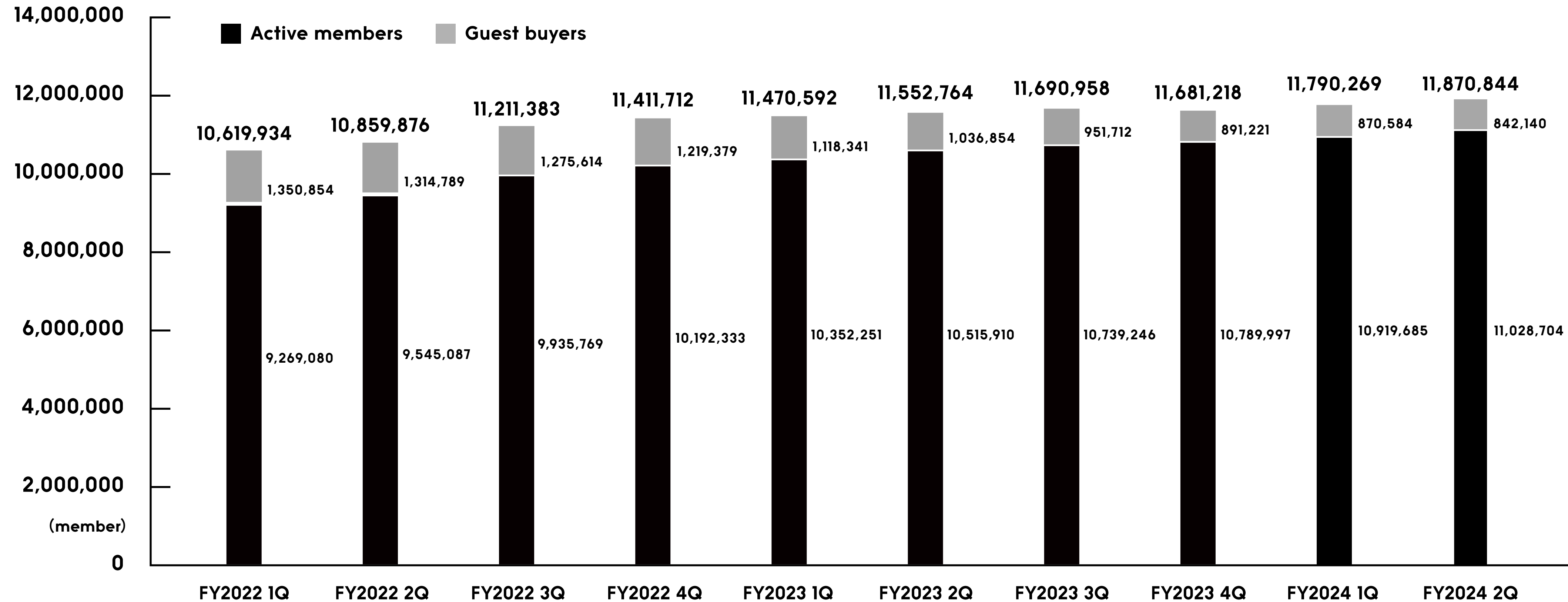


# NUMBER OF TOTAL BUYERS

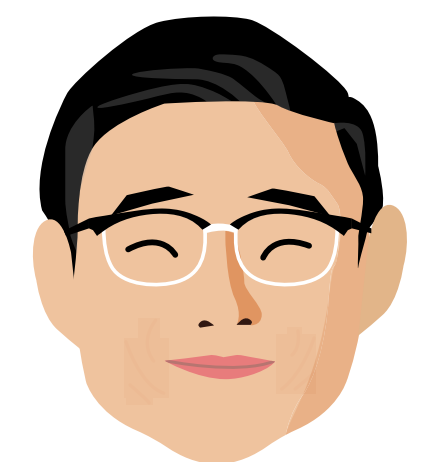
Number of total buyers = Active members and guest buyers who made at least one purchase within a year

Guest buyers = Total number of guest purchases within a year

Active members = Members who have made at least one purchase within a year



In Q2, growth in September was sluggish, heavily impacted by the severe lingering summer heat. However, the number of annual buyers increased steadily compared to Q1.



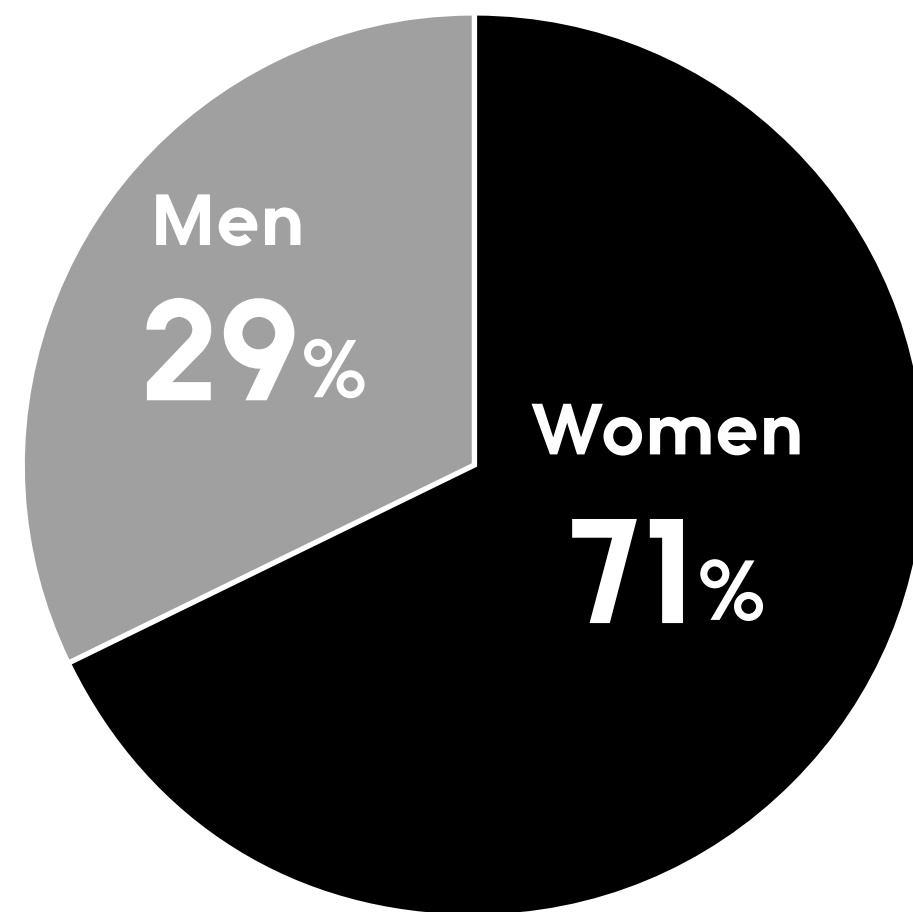
\* The results are only from the ZOZOTOWN business. LY Corporation Commerce is not included.

\* Excluding the users who only purchased the body measurement device "ZOZOSUIT" "ZOZOMAT" and "ZOZOGLASS".

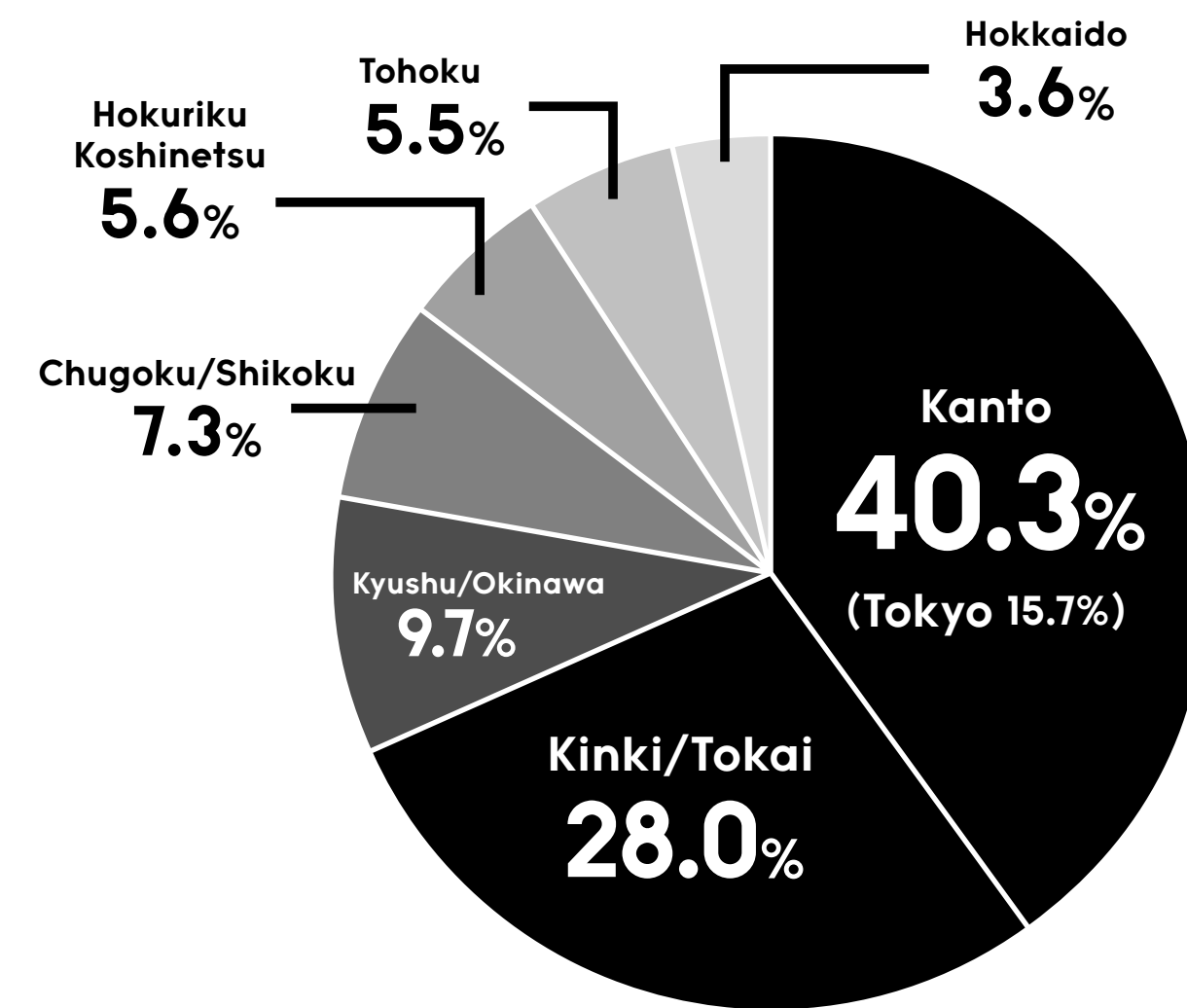


# ACTIVE MEMBER DISTRIBUTION

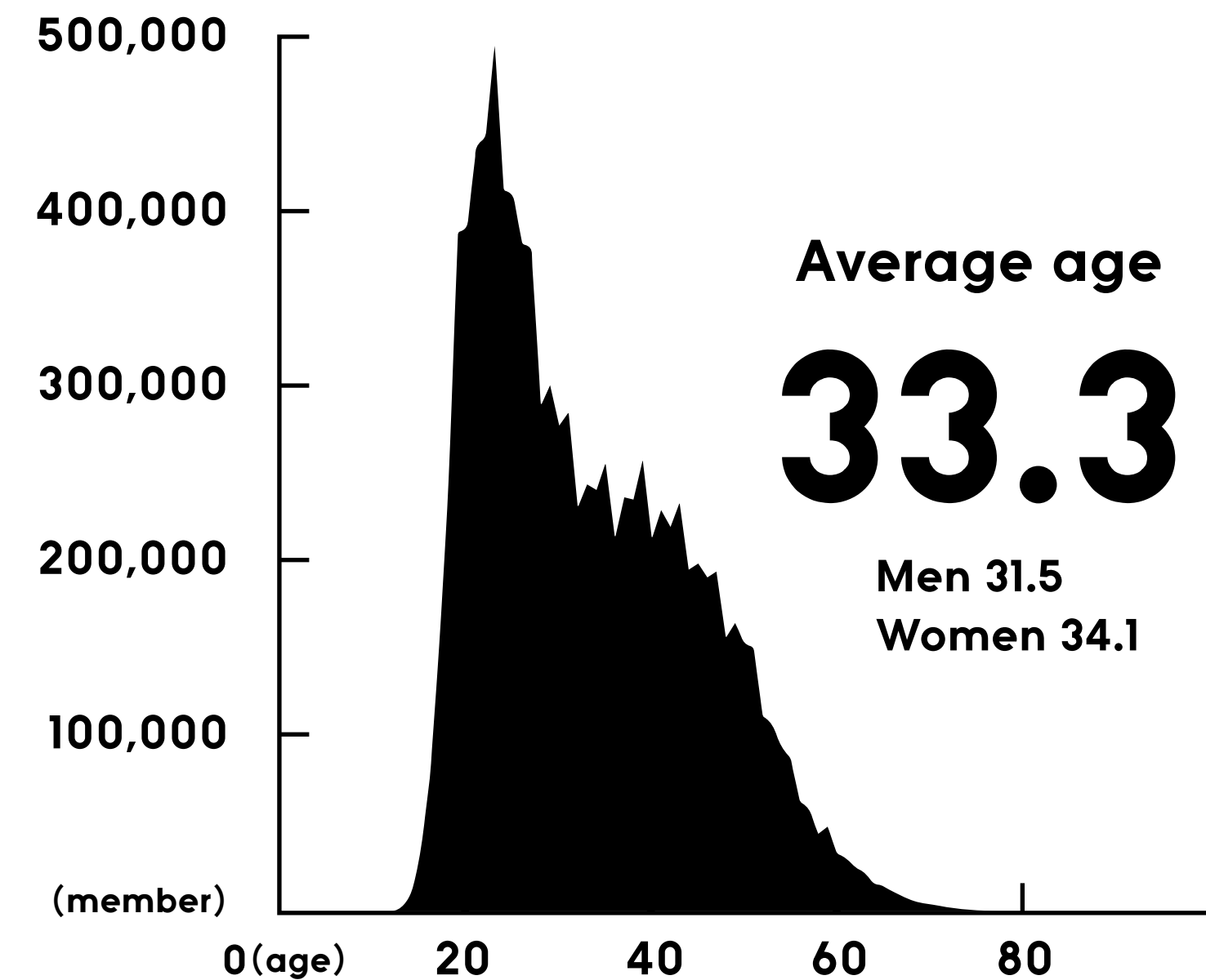
## Gender ratio



## Geographical distribution



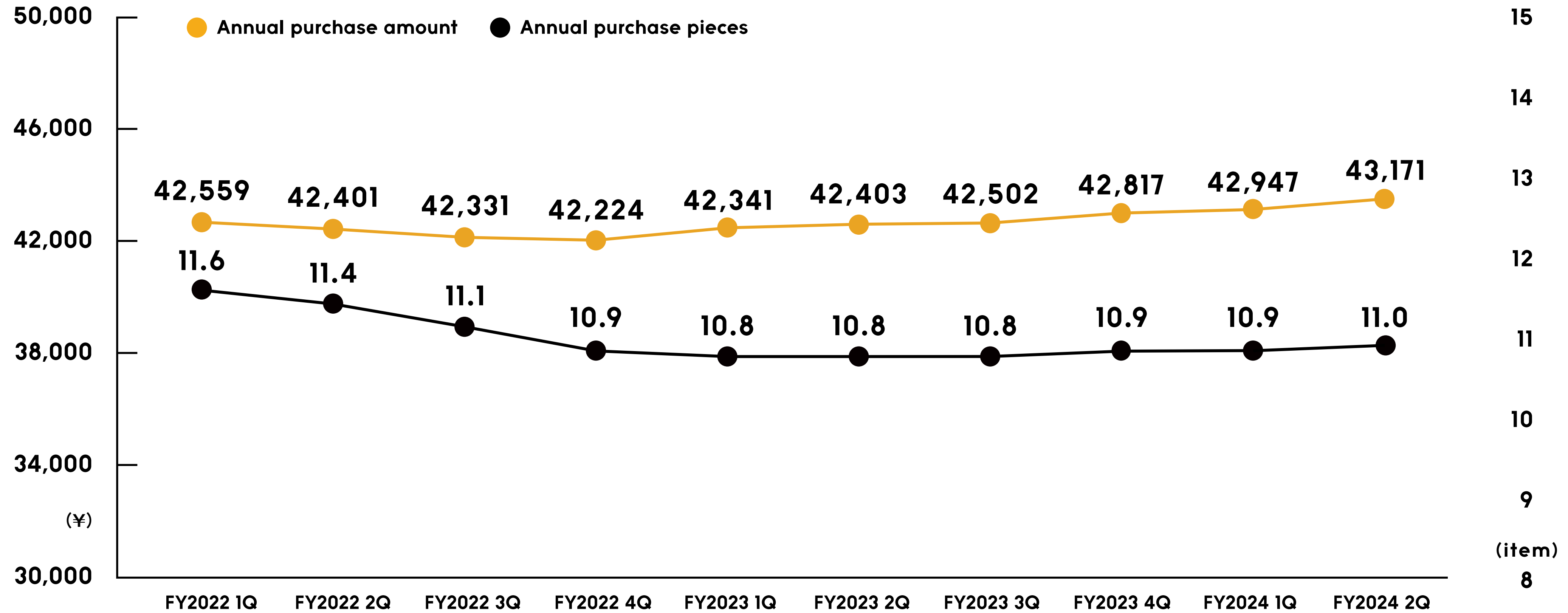
## Age distribution



\* The shown data on Active Member Distribution is only based on the numbers from the ZOZOTOWN business. LY Corporation Commerce is not included.



# ANNUAL PURCHASE AMOUNT AND PIECES PER ACTIVE MEMBER

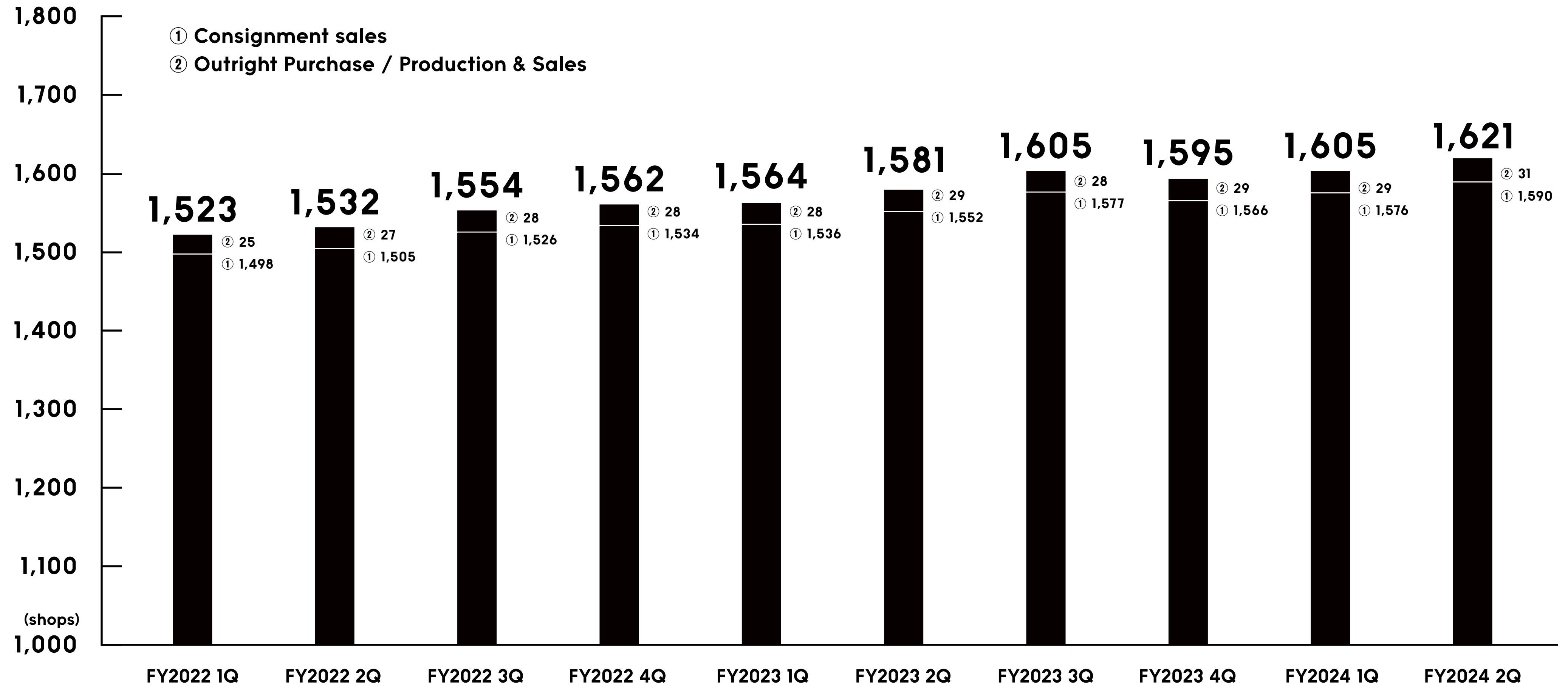


\* The results are only from the ZOZOTOWN business. LY Corporation Commerce is not included.

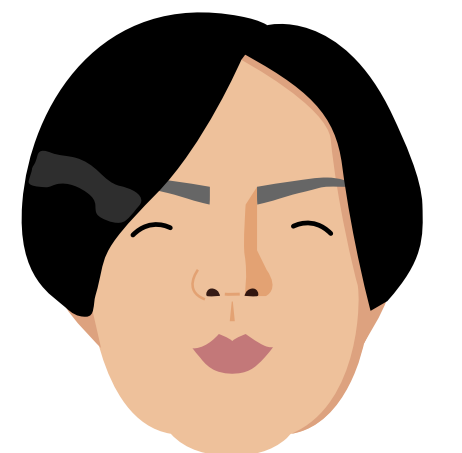
\* Excluding the users who only purchased the body measurement device "ZOZOSUIT" "ZOZOMAT" and "ZOZOGLASS".



# NUMBER OF SHOPS ON ZOZOTOWN



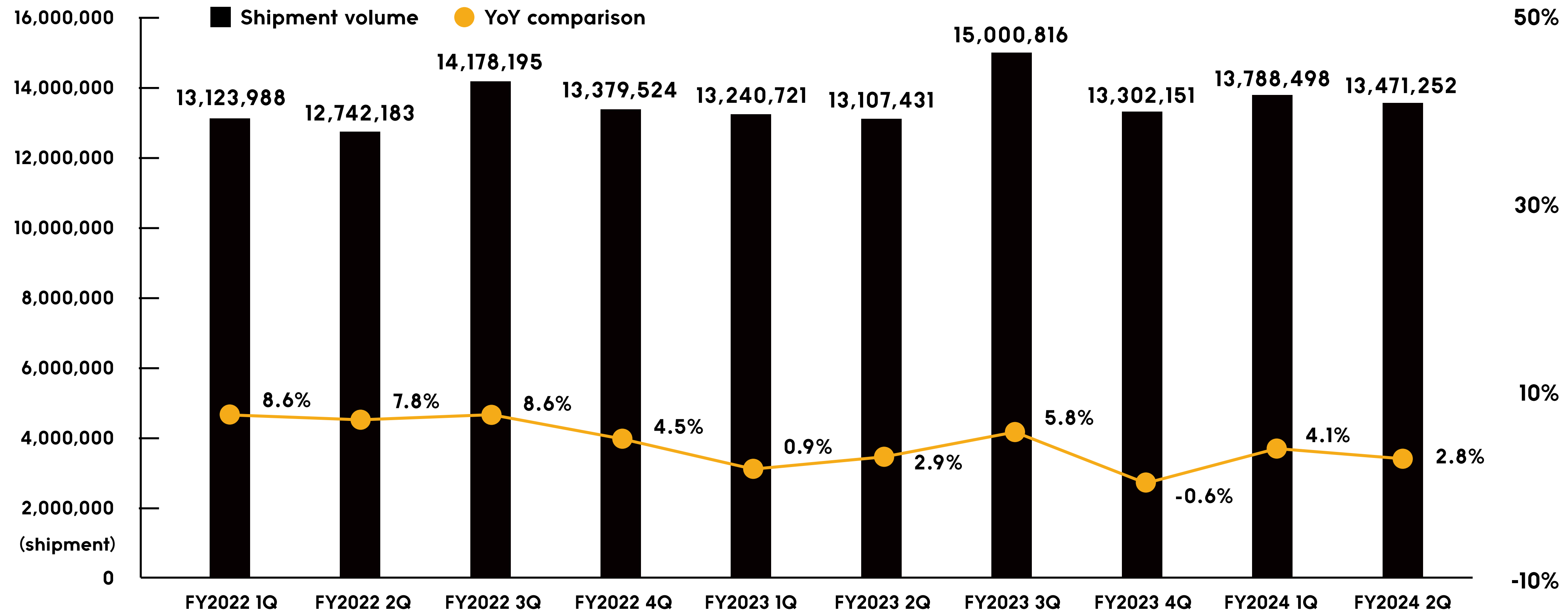
Attracting new brands is going well.



\* Shops of the private brand "ZOZO" and "Multi-Size" are not included to the number of shops.



# NUMBER OF SHIPMENTS



\* The results are only from the ZOZOTOWN business. LY Corporation Commerce is not included.

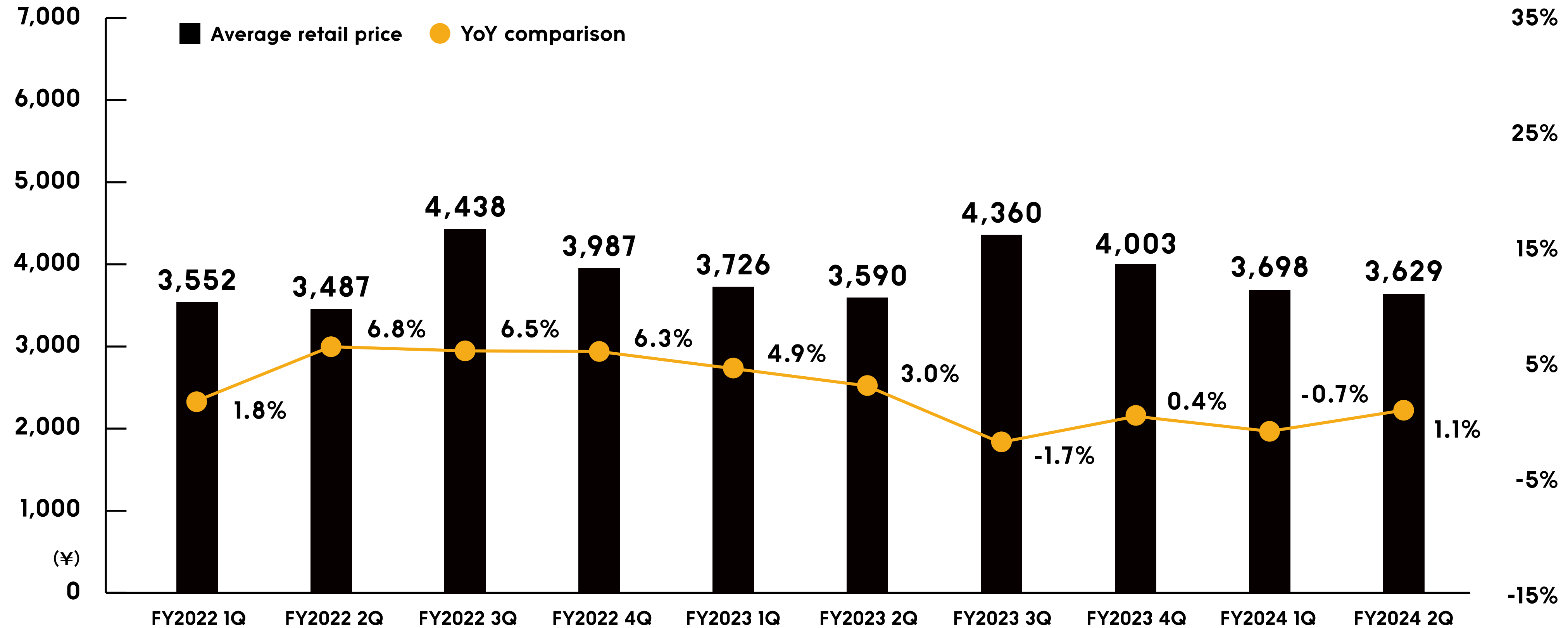
\* Excluding the users who only purchased the body measurement device "ZOZOSUIT" "ZOZOMAT" and "ZOZOGLASS".



# AVERAGE RETAIL PRICE

Average retail price

= Gross Merchandise Value of the ZOZOTOWN Business / Number of pieces shipped



Due to more severe lingering summer heat compared to last year, demand for higher-priced new autumn and winter items did not increase, leading to a limited rise in the average retail price.



\* The results are only from the ZOZOTOWN business. LY Corporation Commerce is not included.

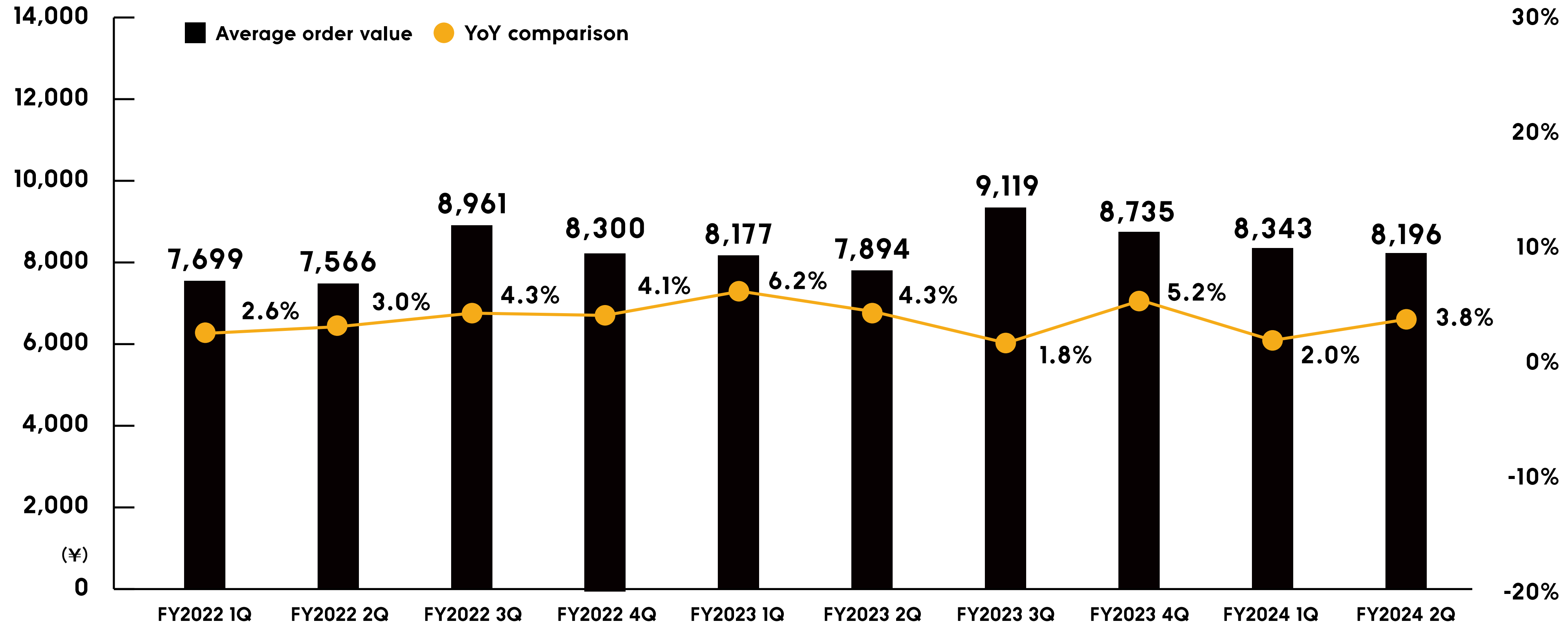
\* Excluding the users who only purchased the body measurement device "ZOZOSUIT" "ZOZOMAT" and "ZOZOGLASS".



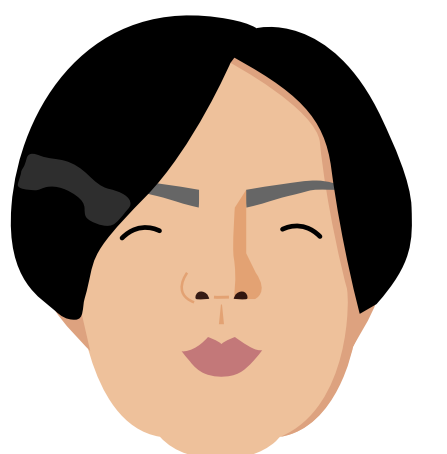
# AVERAGE ORDER VALUE

Average order value

= Gross Merchandise Value of the ZOZOTOWN Business / Number of shipments



The growth rate of average order value outpaced that of average retail price, driven by an increase in combined purchases due to more frequent free-shipping measures for orders of 12,000 yen or more, which were well received by customers compared to last year



\* The results are only from the ZOZOTOWN business. LY Corporation Commerce is not included.

\* Excluding the users who only purchased the body measurement device "ZOZOSUIT" "ZOZOMAT" and "ZOZOGLASS".

# BUSINESS PLAN FOR FY2024



The ZOZO CHAMPIONSHIP, now in its sixth year, concluded with Nicolas Echavarria's victory. We extend our heartfelt gratitude to the PGA TOUR, with whom we have collaborated closely, and to all the fans who have supported the ZOZO CHAMPIONSHIP. We look forward to the continued growth of the PGA TOUR in Japan.







# CONSOLIDATED BUSINESS FORECAST AND DIVIDEND FORECAST FOR FY2024

	FY2024 Plan	YoY
Gross Merchandise Value	609.2 billion yen	6.1%
Gross Merchandise Value (excluding other GMV)	572.2 billion yen	6.6%
Net sales	214.4 billion yen	8.8%
Operating profit	64.2 billion yen	6.9%
Operating Profit Margin (% to the Gross Merchandise Value)	11.2%	-
Ordinary profit	64.2 billion yen	7.4%
Profit attributable to owners of parent	45.2 billion yen	1.9%
Net profit per share	152.21 yen	-
Estimated dividends per share (Plan)	107 yen	-

\* Operating profit margin is calculated by dividing operating profit by the Gross Merchandise Value (excluding other GMV).



# FY2024 TARGET BY BUSINESS SEGMENT

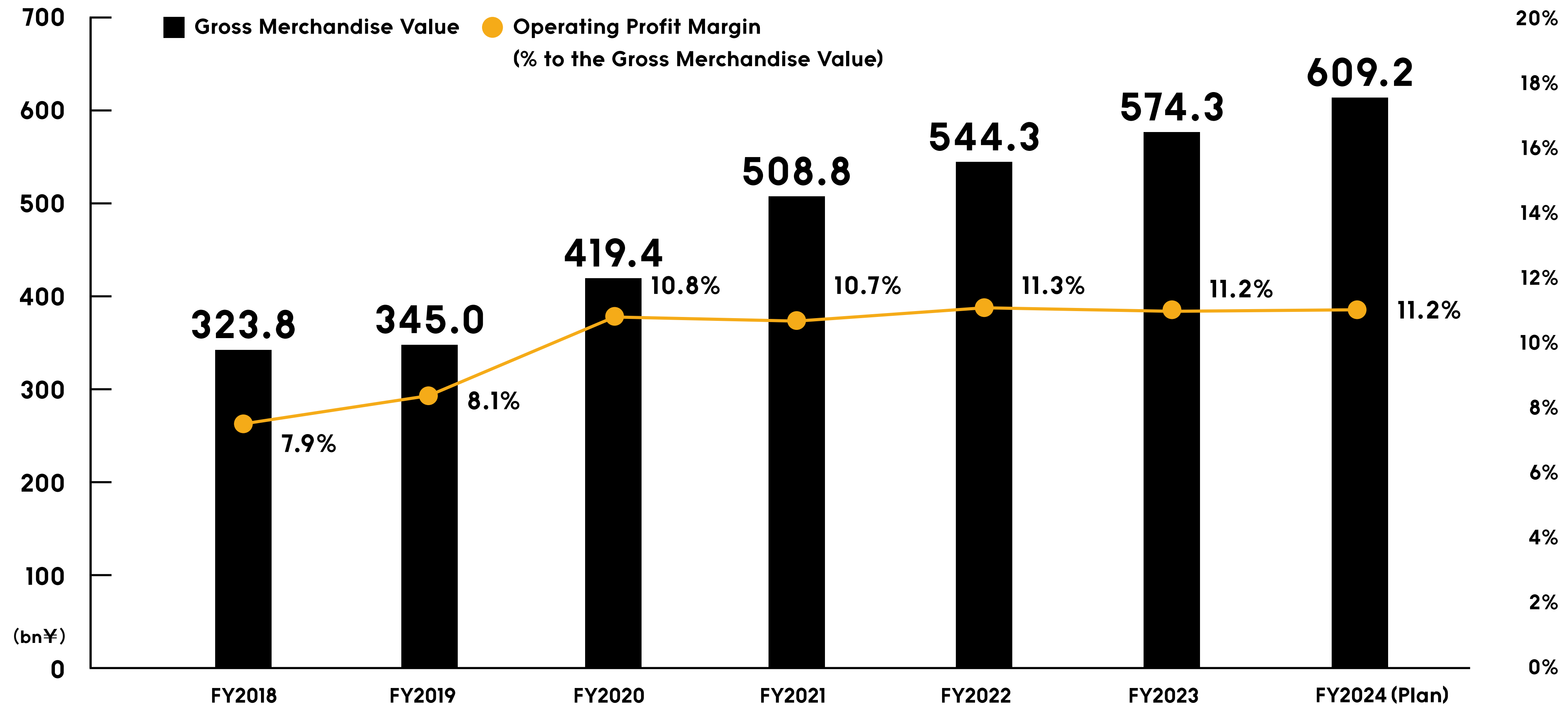
	Target for Gross Merchandise Value	YoY
<b>ZOZOTOWN Business</b>	<b>495.1 billion yen</b>	<b>6.5%</b>
Outright Purchase/Production & Sales	2.6 billion yen	-41.3%
Consignment sales	473.0 billion yen	7.0%
USED sales	19.5 billion yen	7.8%
<b>LY Corporation Commerce*</b>	<b>63.6 billion yen</b>	<b>10.2%</b>
<b>BtoB Business</b>	<b>13.5 billion yen</b>	<b>-6.7%</b>
<b>Gross Merchandise Value</b> (excluding other GMV)	<b>572.2 billion yen</b>	<b>6.6%</b>
<b>Others</b>	<b>37.0 billion yen</b>	<b>-1.2%</b>
<b>Gross Merchandise Value</b>	<b>609.2 billion yen</b>	<b>6.1%</b>

	Target for Net Sales	YoY
<b>Advertising business</b>	<b>11.5 billion yen</b>	<b>18.1%</b>

\* "LY Corporation Commerce" represents the combined total of "Yahoo! JAPAN Shopping" and "Yahoo! JAPAN Auction".



# GROSS MERCHANDISE VALUE & OPERATING PROFIT MARGIN



\* Operating profit margins are calculated by dividing operating profit by the Gross Merchandise Value (excluding other GMV).

# REFERENCE DATA



Just as my child started walking, the next thing I knew, running had already begun. For some reason, the slide is always climbed from the slope side, showing remarkable leg strength. The challenge of needing to keep a constant eye is a trade-off with the joy of watching them grow.





## STATISTICS OF ZOZO

NUMBER OF EMPLOYEES

**1,745**

(Average age 33.8 years old)

NUMER OF SHAREHOLDERS

**9,837**

NUMBER OF BRANDS HANDLED

**9,128**

ZOZOTOWN TOTAL BUYERS

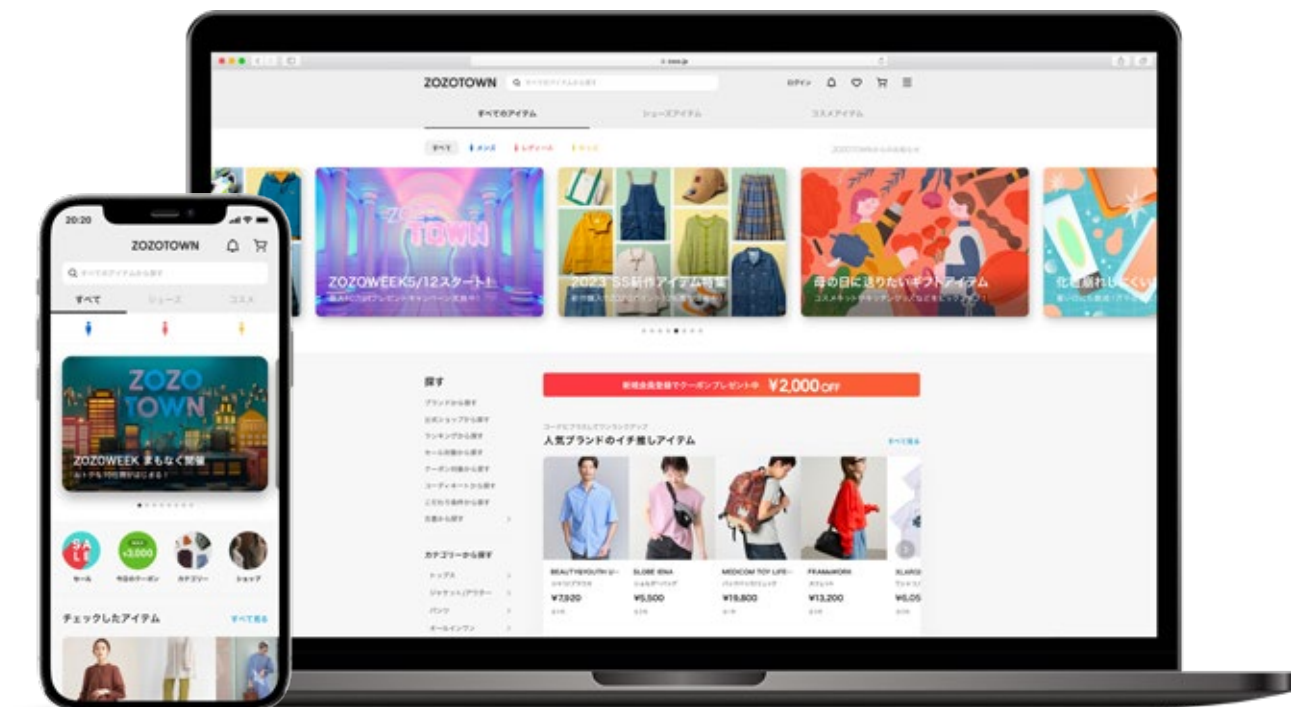
**11.8 million**  
(1 year basis)



# MAJOR SERVICES

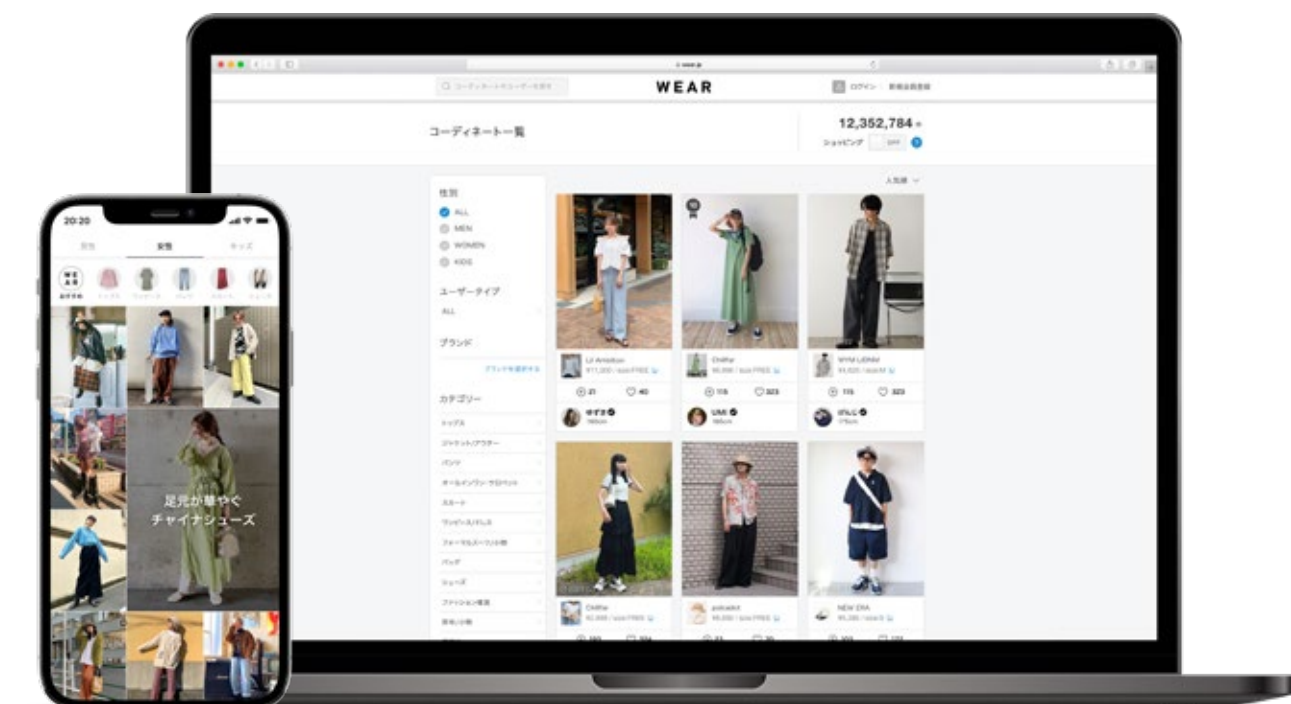
## ZOZOTOWN The largest fashion e-commerce website in Japan

- The Company offers 9,128 brands across 1,621 stores, with more than 1,020,000 items available at any given time. On average, 2,600 new items are added every day.
- All functions from systems design to fulfillment are built in-house.
- Same-day delivery service, gift-wrapping service, deferred payment, etc., are available.
- The ZOZOTOWN store was opened on Yahoo! JAPAN Shopping, which is operated by LY Corporation. Additionally, the ZOZOUSED store has been opened on Yahoo! JAPAN Auction since March 2024.



## WEAR The largest outfit-sharing app in Japan

- Users can post their outfits and search from posted outfits, using various filtering options.
- Several celebrities, including Ai Takahashi, Tadanobu Asano, and Kumikki, have participated as official users (WEARISTA).
- Over 17 million downloads have been achieved, and now it is expanding globally.





# DIFFERENCES BETWEEN ZOZOTOWN AND ZOZOTOWN STORE ON Yahoo! JAPAN Shopping

	ZOZOTOWN	ZOZOTOWN Yahoo! JAPAN Shopping store	
<b>Overview</b>	One of the largest fashion e-commerce websites in Japan providing original services specialized in fashion	E-commerce website for wide range of users also expecting cross-category shopping other than the fashion category	
<b>Number of shops</b>	1,621 (As of September 30, 2024)	1,494 (As of September 30, 2024)	
<b>Selling items</b>	Full line-up	Freely selected by each shop	
<b>Detail of consignment</b>	All the operations needed for EC business such as shooting, measurement, logistics, customer support, operation support etc.	Same as the left	
<b>Original services provided</b>	Deferred payment, Replacement-discount, same-day delivery, preorder, ZOZOCARD, brand coupons, gift-wrapping service, image search function, ZOZOMAT, ZOZOGLASS etc.	Brand coupons, same-day delivery, preorder	
<b>Payment methods</b>	Credit cards, cash on delivery, convenience store payment, deferred payment, LINE Pay, PayPay	PayPay, credit cards, cash on delivery	
<b>Reward points</b>	No ZOZO point of 5% of product price (excluding tax) will be granted only for ZOZOCARD	PayPay points based on PayPay campaign	
<b>Revenue</b>	Commission rate stipulated in each contract with brands	Same as the left (Commission rate is same as ZOZOTOWN)	
Consignment sales commission from brands			
Shipping revenue from customers	330 yen (including tax)	Same as the left	
<b>Expenses borne by ZOZO</b>	Shop opening commission	NO	Yes (rate is undisclosed)
	Payment collection commission	YES	No (yes for only cash on delivery)
	Customer attraction cost	YES	No
	Reward points cost	YES	No



# BUSINESS MODEL

## ZOZOTOWN Business

### ○ Outright Purchase / Production & Sales

We currently operate 31 stores on ZOZOTOWN.

In addition to purchasing inventory from brand manufacturers, we also manufacture and sell merchandise by utilizing the planning abilities of influencers such as brand manufacturers and celebrities.

Sales = Gross merchandise value generated by each store

### ○ Consignment Sales

We operate 1,590 shops as a consignment business, which allows us to carry a certain amount of products from various brands while minimizing inventory risk.

Sales = Gross merchandise value of each store × commission rate

### ○ USED Sales

We offer a second-hand business by purchasing used fashion products from our users.

Sales = Gross merchandise value

## LY Corporation Commerce\*

We opened ZOZOTOWN store on Yahoo! JAPAN Shopping\* which is operated by LY Corporation.

ZOZOUSED has opened a store on Yahoo! Auctions since March 2024.

Sales = Gross merchandise value of each store × commission rate

• For consignment sales merchandise

Sales = Gross merchandise value of each store × commission rate

• For ZOZOUSED merchandise

Sales = Gross merchandise value

\*"LY Corporation Commerce" represents the combined total of "Yahoo! JAPAN Shopping" and "Yahoo! JAPAN Auction".

## BtoB Business

We assist in developing and operating online shops and managing logistics operations on behalf of some brands that have stores on ZOZOTOWN.

We currently provide back-end service to 31 stores.

• In the case of providing all services from website development and operation to logistics operations, etc.

Sales = Gross merchandise value of these online shop × Commission rate

• In the case of providing logistics operations service but not website development and operation services

Sales = Commission fee based on the number of shipments and items

Both of the above sales include other sales such as initial shop opening commission, shipping fee etc.

## Advertising Business

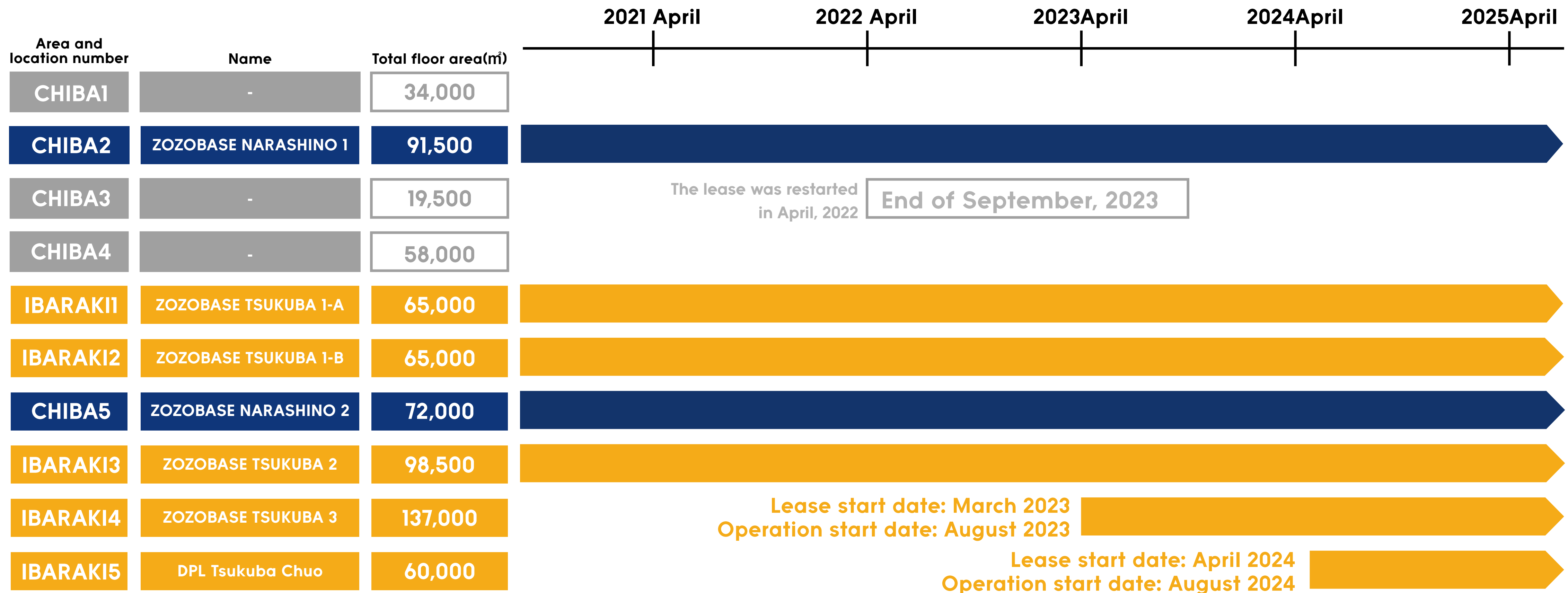
The advertising business will generate advertising income from client companies, including brands, by utilizing the user base of ZOZOTOWN and WEAR to provide advertising spots.

Sales = Advertisement income





# LOGISTICS BASES EXPANSION PLAN



CHIBA2, IBARAKI1 and IBARAKI4 are warehouses with shipping function.



# APPENDIX

**Our corporate website** The information below is available on our corporate website.

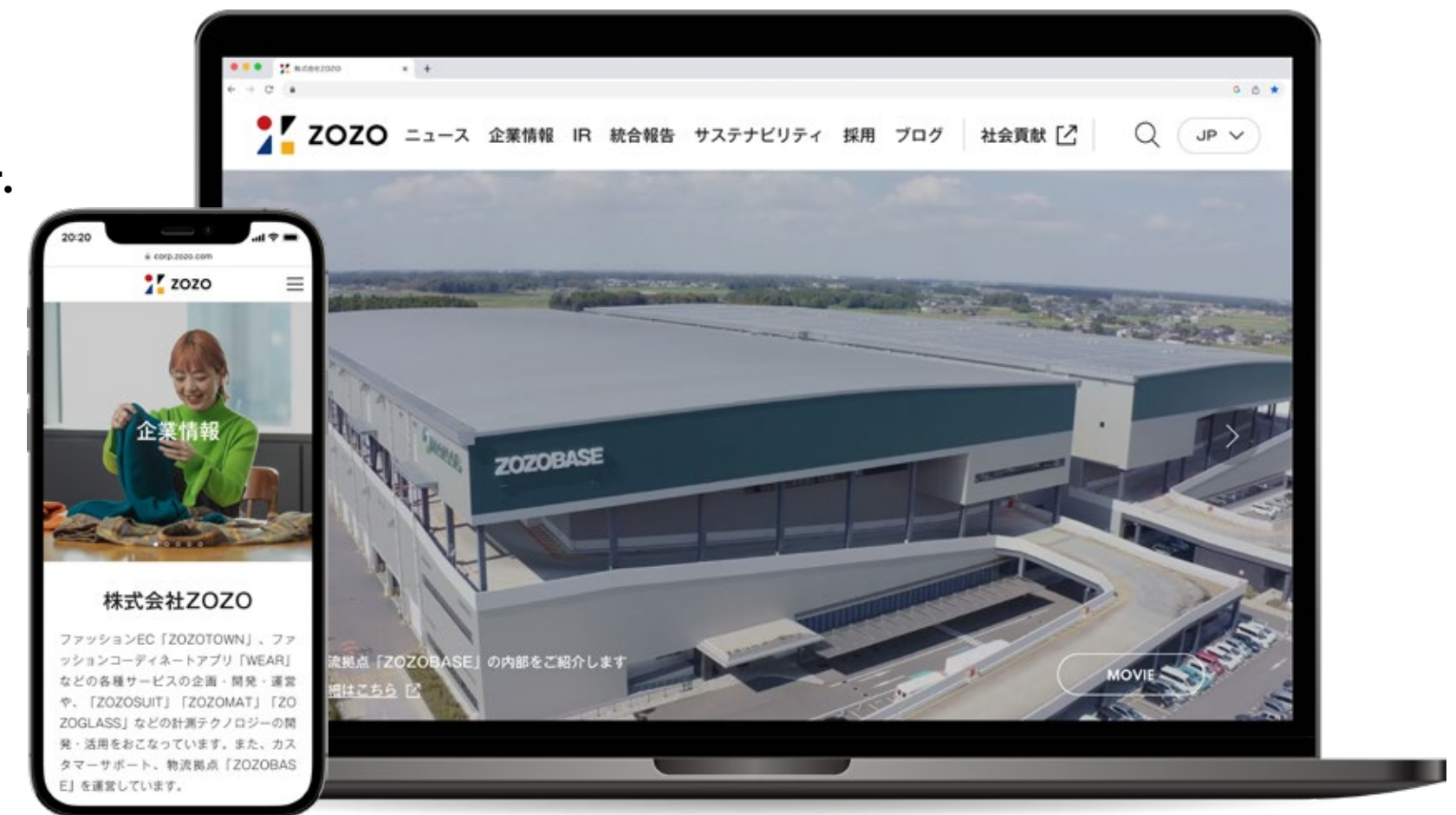
**IR News** ... The latest IR information is posted in a timely manner.

**Financial Highlights** ... Past financial data is available. Data can be downloaded in excel format.

**Integrated Report Portal** ... We are disclosing integrated data on financial and non-financial information.

**ESG/CSR** ... We are introducing our initiatives on ESG/CSR

- ESG Data
- External Evaluation



## Subscription of IR Mail

By registering your email address with our IR Mail service, we will send you information related to our IR, such as the latest news releases. If you wish to register, please access the following link.

### IR Mail Subscription



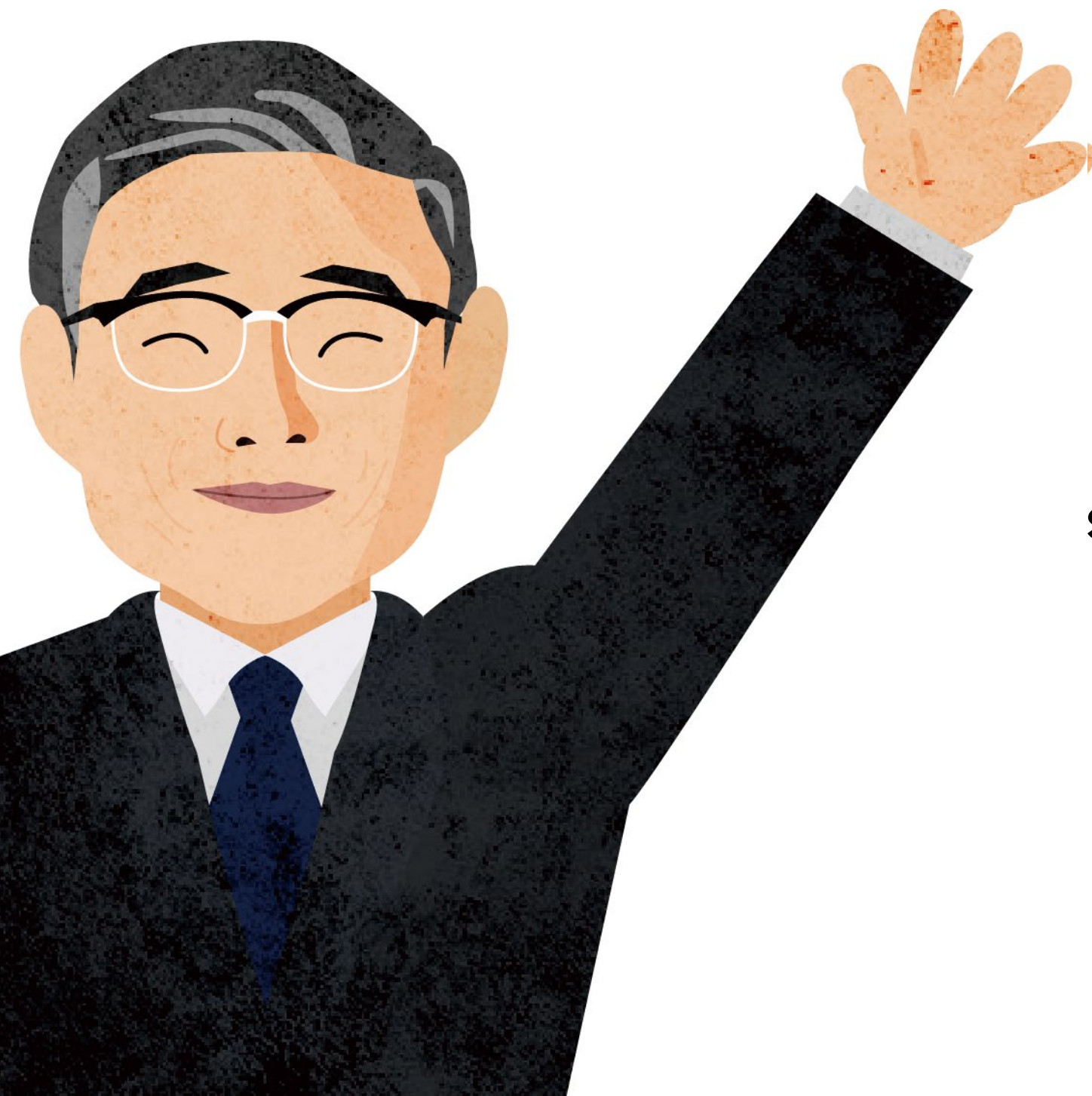
**This material has been created solely for the purpose of introducing the company's business activities and not for soliciting investments.**

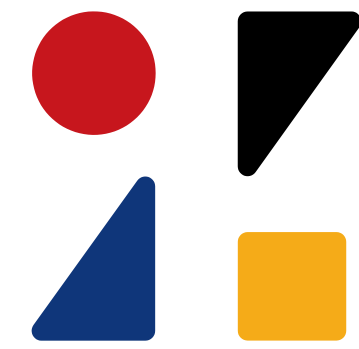
**The business forecasts and future outlook described in this material are based on information currently available.**

**Please note that the forecast includes uncertainties such as sudden changes, and actual results may differ.**

# Postscript

Since mid-October,  
we've finally seen more autumn-like temperatures,  
and demand for clothing is beginning to pick up.  
We will implement various measures to ensure  
that we don't miss this increased demand and  
that many customers take advantage of our offerings!  
We have ZOZOWEEK planned for November,  
following the financial results announcement,  
so be sure to prepare for winter shopping on ZOZOTOWN!





**ZOZO**