



# Romantic Nishi-Chiba

— A story that can never be calculated —



## FY2022 3Q ZOZO, Inc. CONSOLIDATED BUSINESS RESULTS

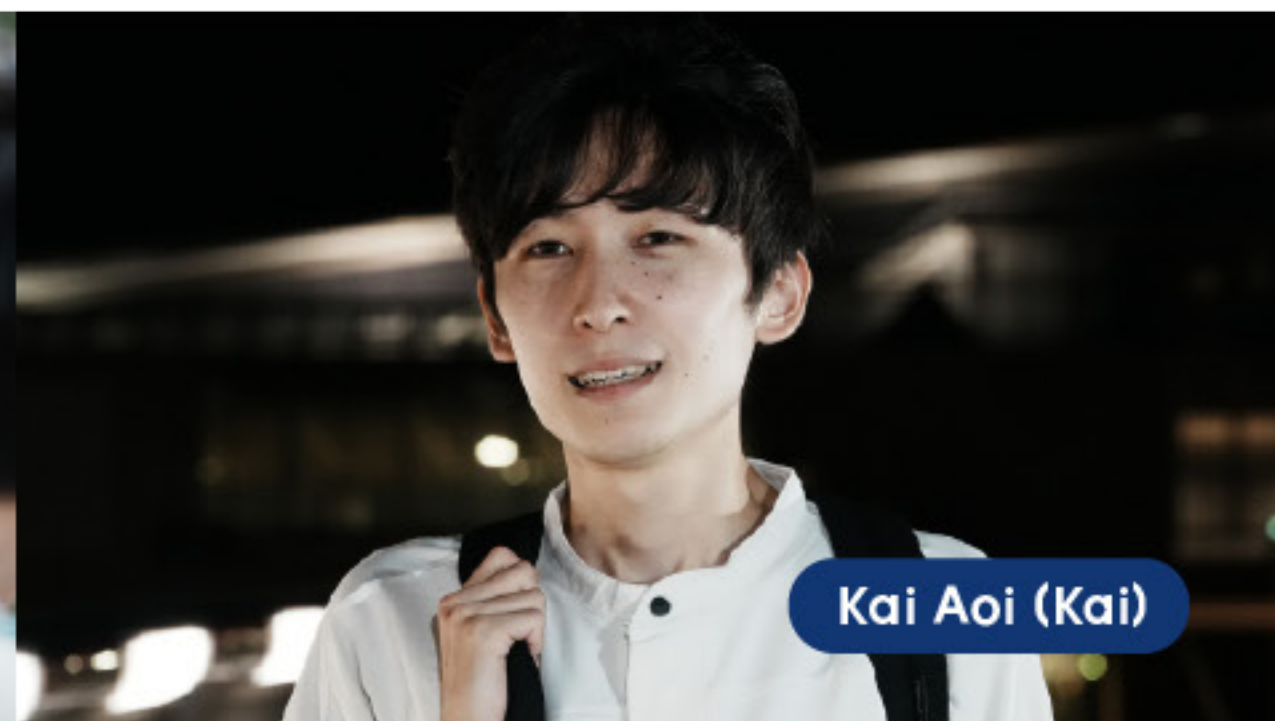
\*This is a work of fiction. It is not related to any real person or organization.  
Masks are removed only during filming to prevent COVID-19 infection.

Financial results material drama



# HIGHLIGHTS

## FY20223Q ZOZO, Inc. CONSOLIDATED BUSINESS RESULTS





# FY2022 3Q HIGHLIGHTS

**Gross Merchandise Value**

**406.4** billion yen

( +8.3% YoY / Achievement rate 74.8% )

**Gross Merchandise Value**

(excluding other GMV)

**372.0** billion yen

( +8.9% YoY/Achievement rate 75.0% )

**Operating Profit**

**44.6** billion yen

( +15.1% YoY / Achievement rate 81.2% )

**Operating Profit Margin**

**12.0%**

( +0.6 points YoY )

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

\*The achievement rate is based on a comparison with the revised plan that was announced on January 31, 2023.



# OVERVIEW OF EACH QUARTER



(million¥)

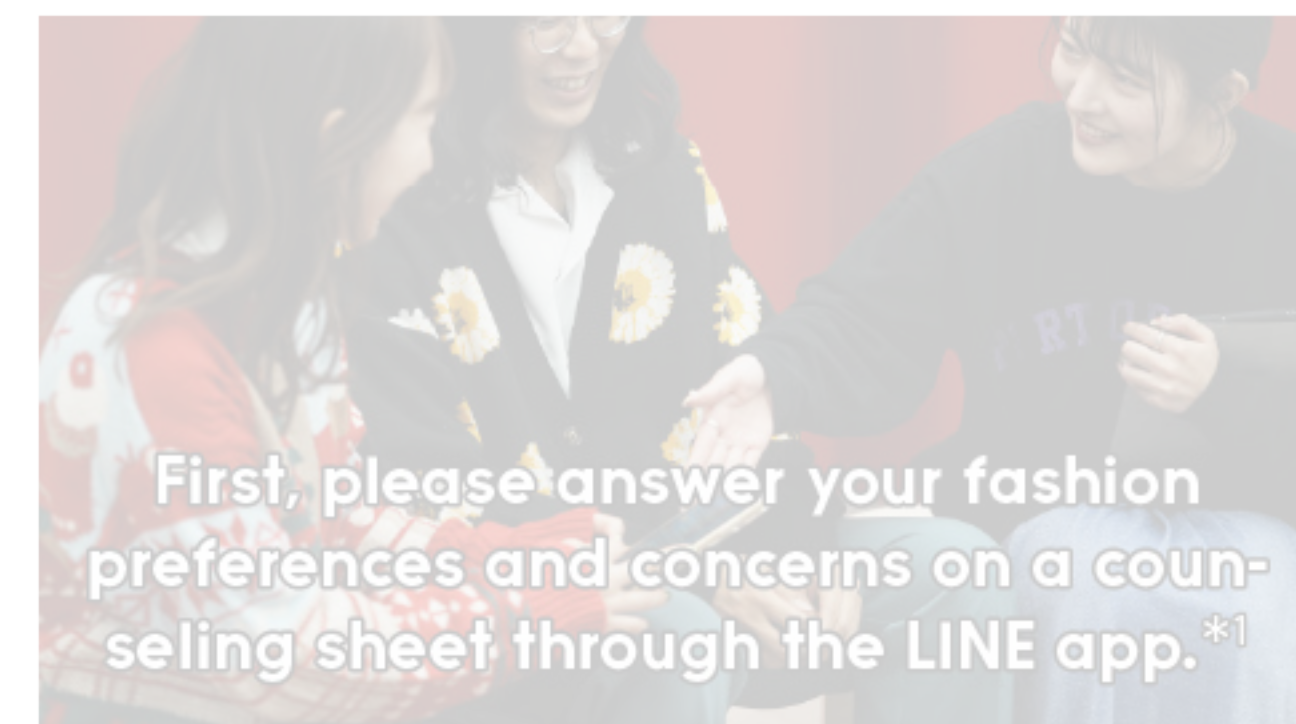
	FY2021				FY2022		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Gross Merchandise Value	116,812	112,695	145,999	133,369	127,928	123,210	155,358
Gross Merchandise Value (excluding other GMV)	106,700	102,367	132,519	120,587	115,948	111,533	144,540
YoY (%)	11.9%	13.5%	15.0%	12.7%	8.7%	9.0%	9.1%
Net sales	38,866	37,346	47,565	42,420	42,590	41,176	52,699
SG&A	24,333	23,851	29,656	28,675	26,028	25,667	31,328
YoY (%)	11.3%	10.6%	15.2%	7.3%	7.0%	7.6%	5.6%
(% to the Gross Merchandise Value)	22.8%	23.3%	22.4%	23.8%	22.4%	23.0%	21.7%
Operating profit	12,591	11,200	14,987	10,876	14,312	12,897	17,425
YoY (%)	20.8%	18.1%	8.0%	5.0%	13.7%	15.2%	16.3%
(% to the Gross Merchandise Value)	11.8%	10.9%	11.3%	9.0%	12.3%	11.6%	12.1%

\* % to the Gross Merchandise Value are represented in percentages after division by gross merchandise value (excluding other GMV).

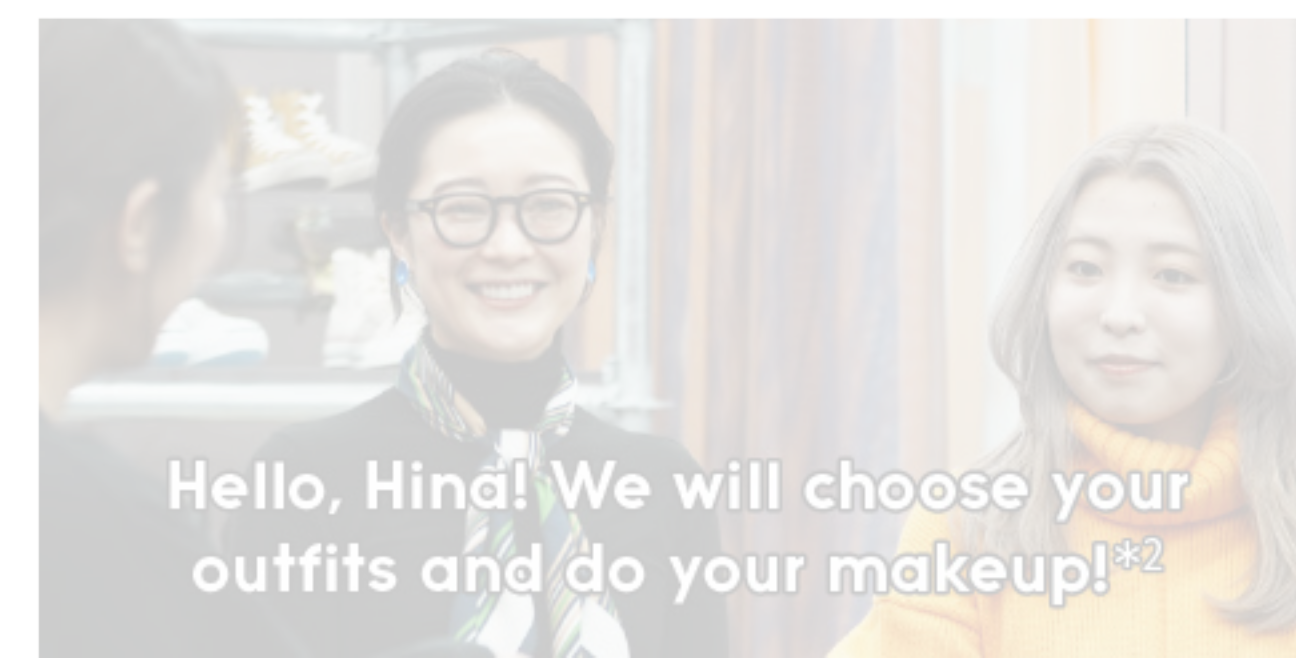
\* Effective from the fiscal year ended March 2022, we have adopted the new accounting standards for revenue recognition.



Please have a seat here!



First, please answer your fashion preferences and concerns on a counseling sheet through the LINE app.\*1



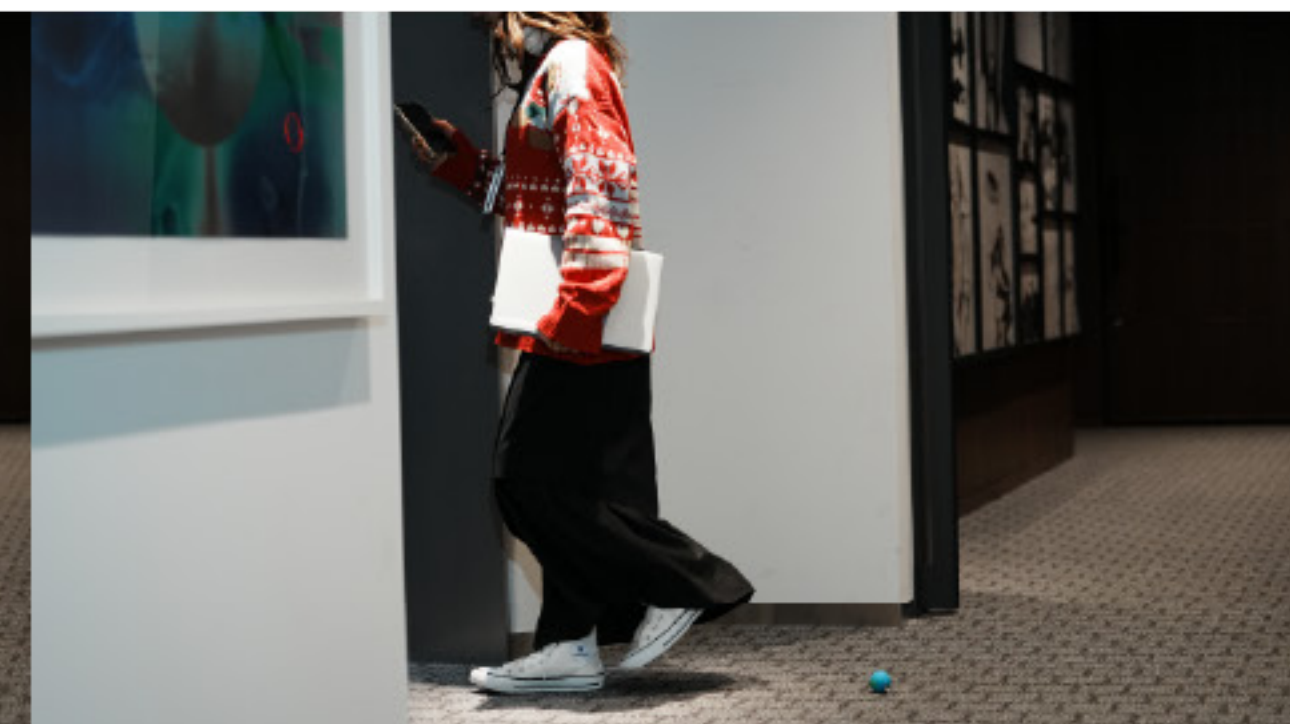
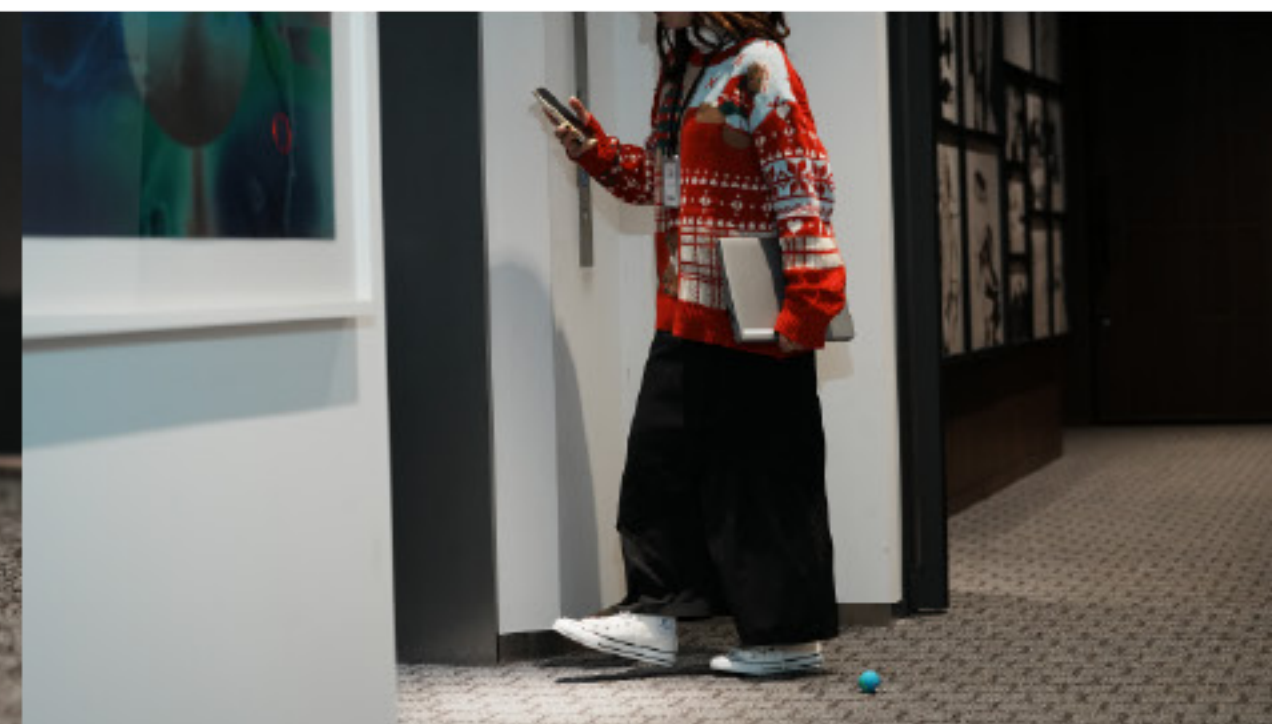
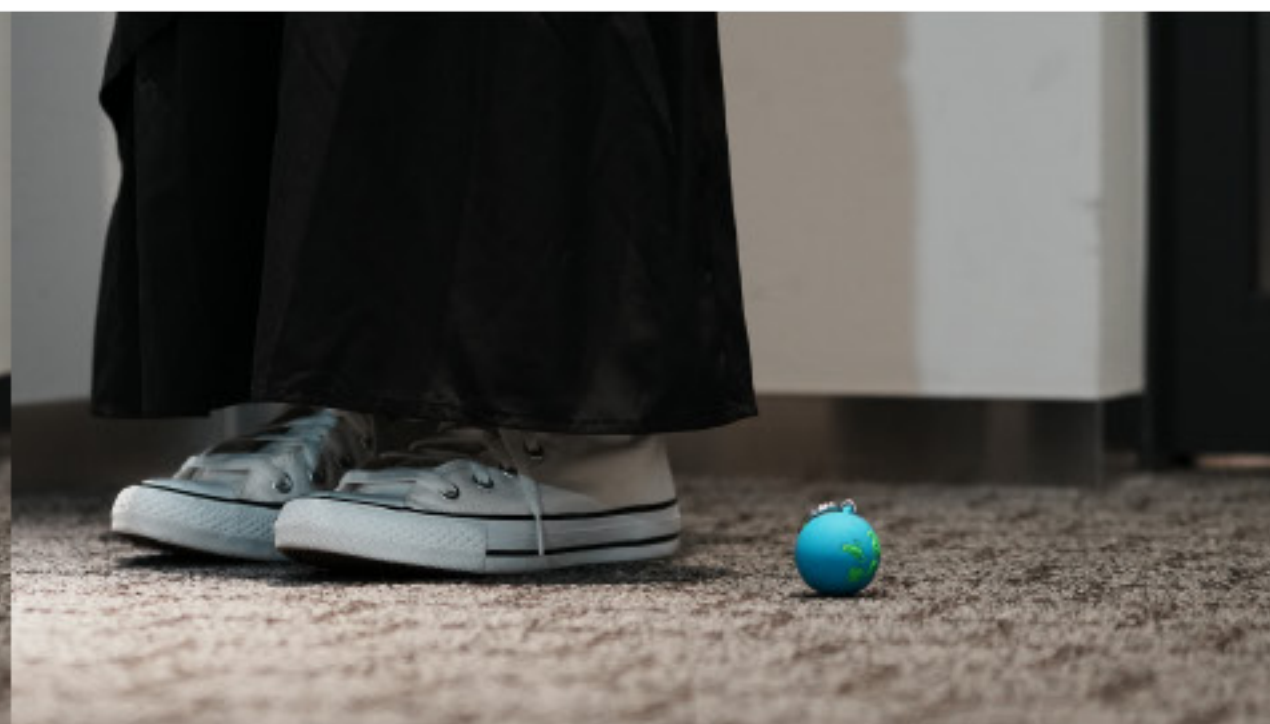
Hello, Hina! We will choose your outfits and do your makeup! \*2

\*Note1: At the actual niulab you will apply through the niulab LINE app, and after confirming your selection, you will answer your fashion concerns and preferences in advance on the counseling sheet through the app. \*Note2: Our team of professional stylists and hair and makeup artists will be available at the actual niulab.



# BUSINESS RESULTS

FY2022 3Q ZOZO, Inc. CONSOLIDATED BUSINESS RESULTS



It's just a short walk from Omotesando station!



I'm getting so excited!



This neon sign is cool!



OK, let's get in!



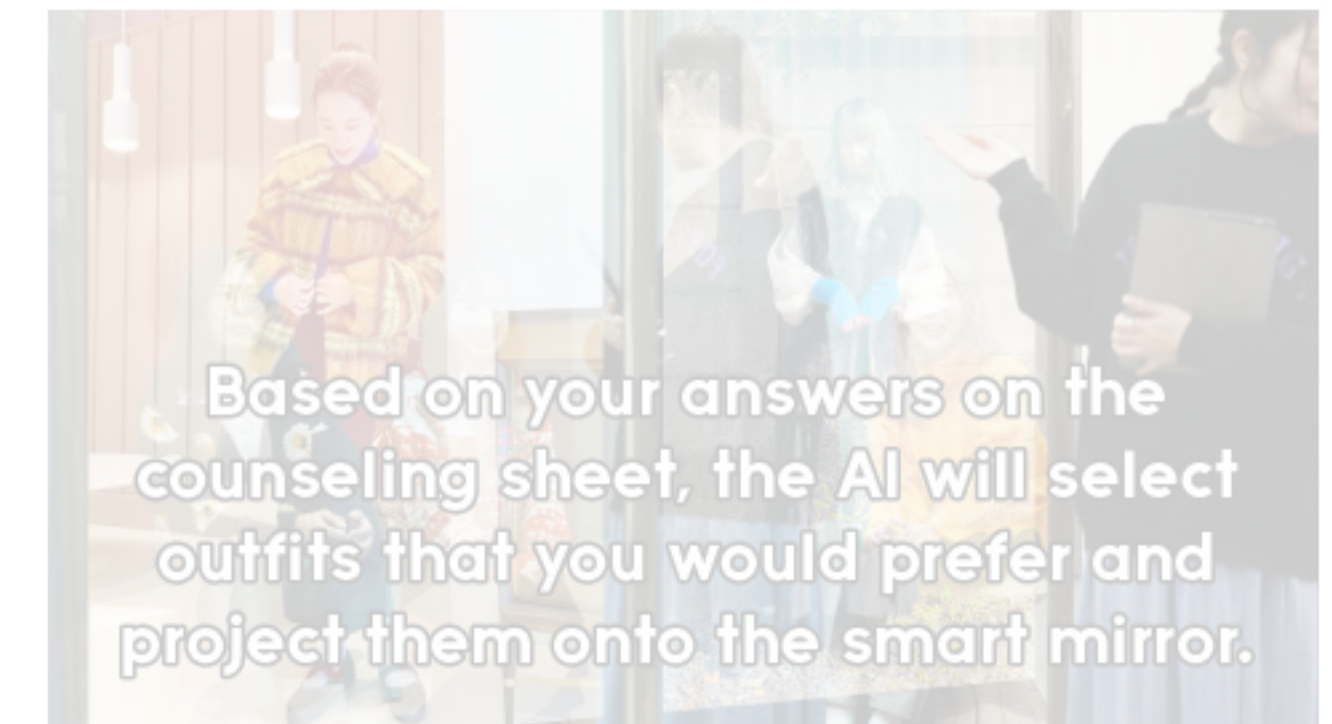
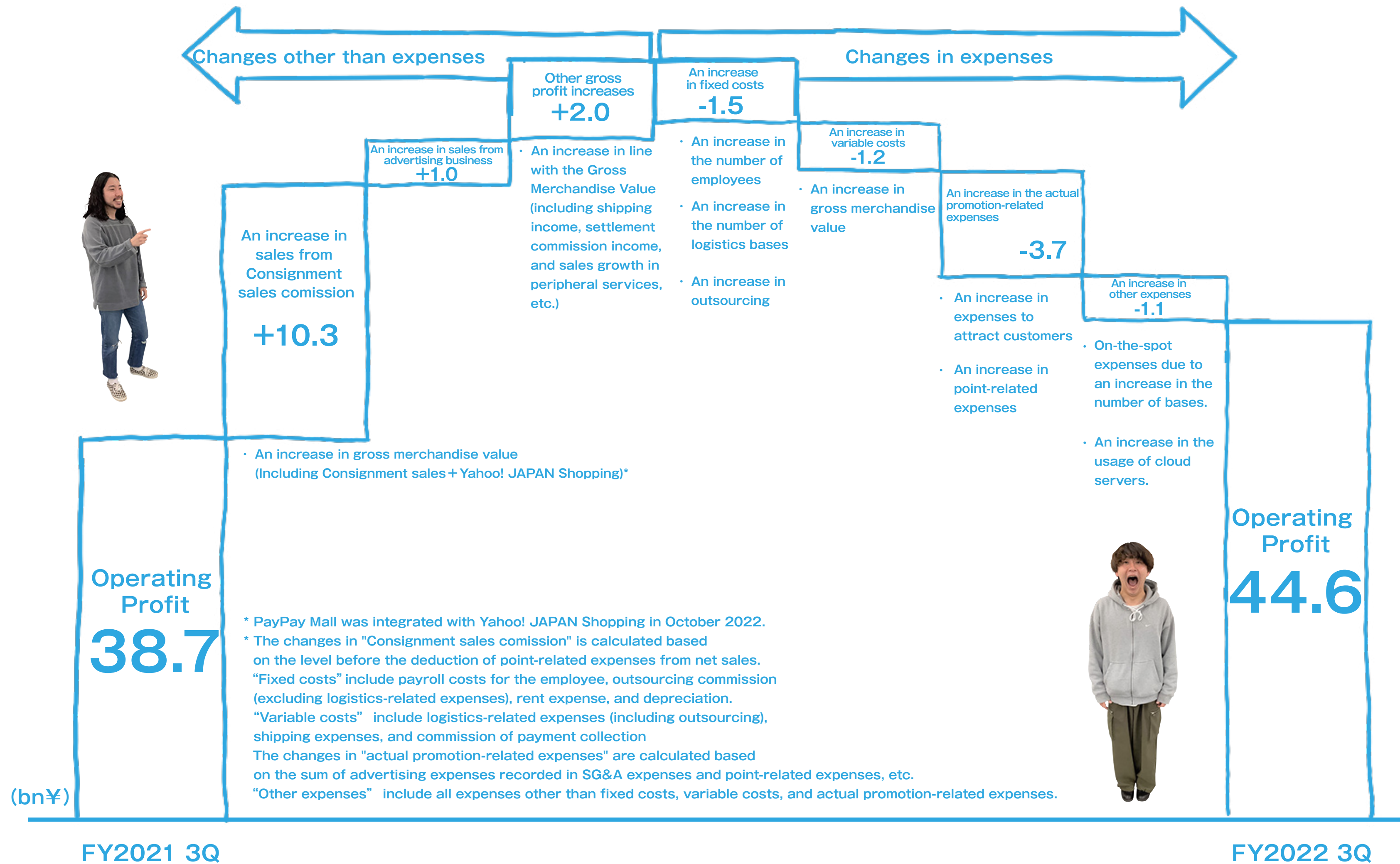
Hina, Yuti! Welcome to niaulab!



It's been a while, Chopo!

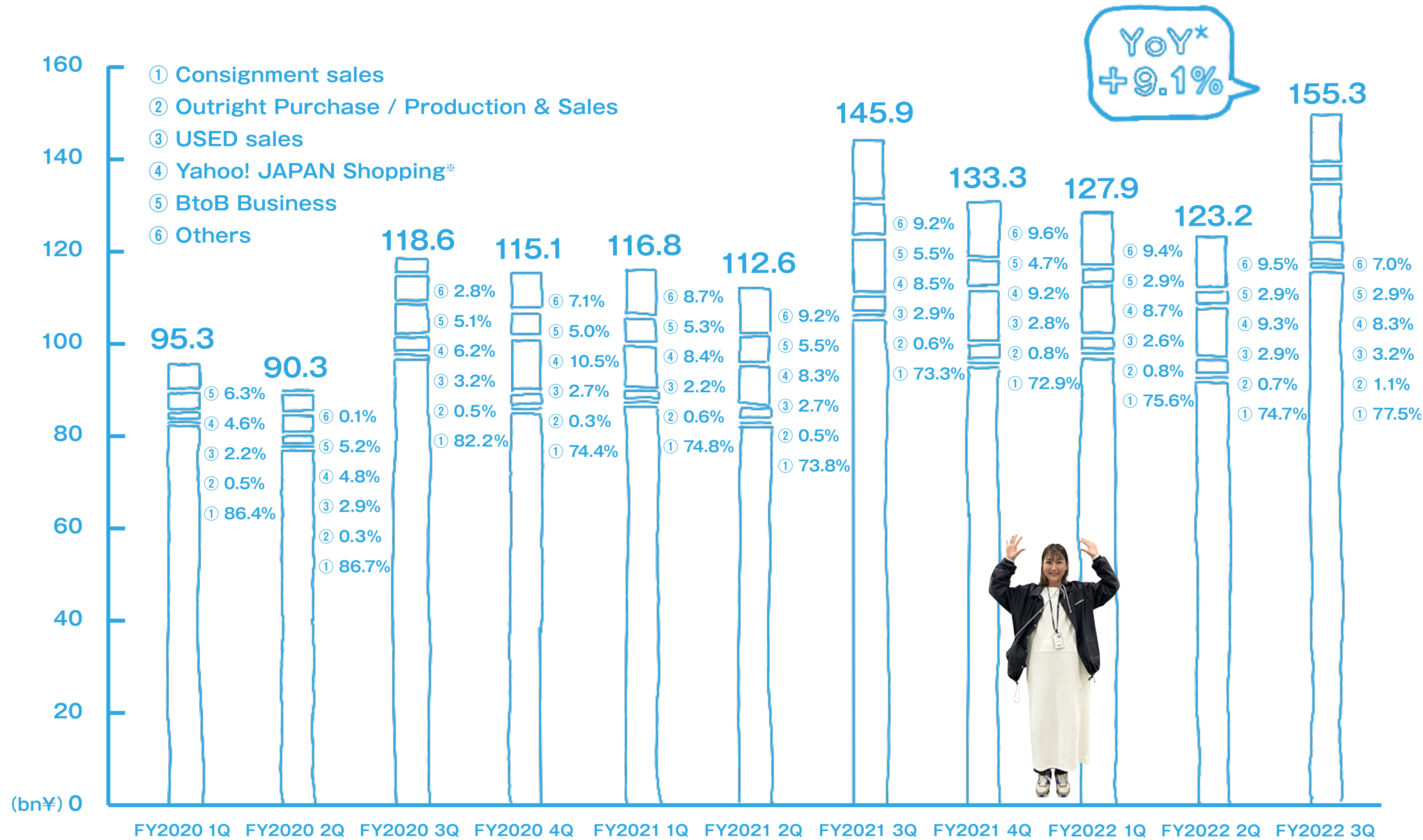


# INCREASE-DECREASE ANALYSIS OF OPERATING PROFIT(YOY COMPARISON)





# GROSS MERCHANDISE VALUE(QUARTERLY)



\* PayPay Mall was integrated with Yahoo! JAPAN Shopping in October 2022.

\* YoY is the comparison of GMV excluding "⑥ Others"



# SELLING, GENERAL AND ADMINISTRATIVE(SG&A)EXPENSES (Cumulative amount as of FY2022 3Q)

(million¥)

	FY2021 3Q		FY2022 3Q		YoY	Increase / decrease factors
	Amount	% to the Gross Merchandise Value	Amount	% to the Gross Merchandise Value	% to the Gross Merchandise Value	
Payroll and staff costs(*)	21,631	6.3%	21,859	5.9%	-0.4%	
Payroll costs for employee	8,906	2.6%	9,521	2.6%	0.0%	Transition of the number of employees on consolidated basis: FY2021 3Q 1,381 → FY2022 3Q 1,513
Logistics-Related Expenses (Including Outsourcing)	12,724	3.7%	12,337	3.3%	-0.4%	Efficient operations continued with an increase in inventory storage capacity due to the re-leasing of the warehouses of CHIBA 3.
Outsourcing Commission (Excluding Logistics-Related Expenses)	4,387	1.3%	5,024	1.4%	0.1%	An increase in outsourcing of system development, maintenance, etc.
Shipping	23,359	6.8%	24,282	6.5%	-0.3%	The ratio of shipping expenses to the Gross Merchandise Value decreased due to the optimization of the cardboard box size and other materials used for delivery, and the influence of higher order value that exceeded the effect of cost increases resulting from the implementation of fuel surcharges.
Commission of Payment collection	8,206	2.4%	8,872	2.4%	0.0%	
Advertising	7,128	2.1%	8,486	2.3%	0.2%	Expenses for ZOZOGLASS decreased. An increase in the measures to attract customers through web commercials or advertising.
Rent expense	4,295	1.3%	4,546	1.2%	-0.1%	An increase in a distribution center (resumption of the lease at the warehouse CHIBA 3 from April 2022).
Depreciation	1,436	0.4%	1,454	0.4%	0.0%	
Amortization of goodwill	303	0.1%	337	0.1%	0.0%	
Stock Compensation Expenses	77	0.0%	81	0.0%	0.0%	
Others	7,014	2.1%	8,080	2.2%	0.1%	An Increase in cloud server usage for the system replacement. Purchase of equipment due to an increase in the distribution centers. (1Q)
<b>Total SG&amp;A</b>	<b>77,841</b>	<b>22.8%</b>	<b>83,024</b>	<b>22.3%</b>	<b>-0.5%</b>	


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

\* Numbers of % to the Gross Merchandise Value are calculated by each expense divided by gross merchandise value (excluding other GMV).



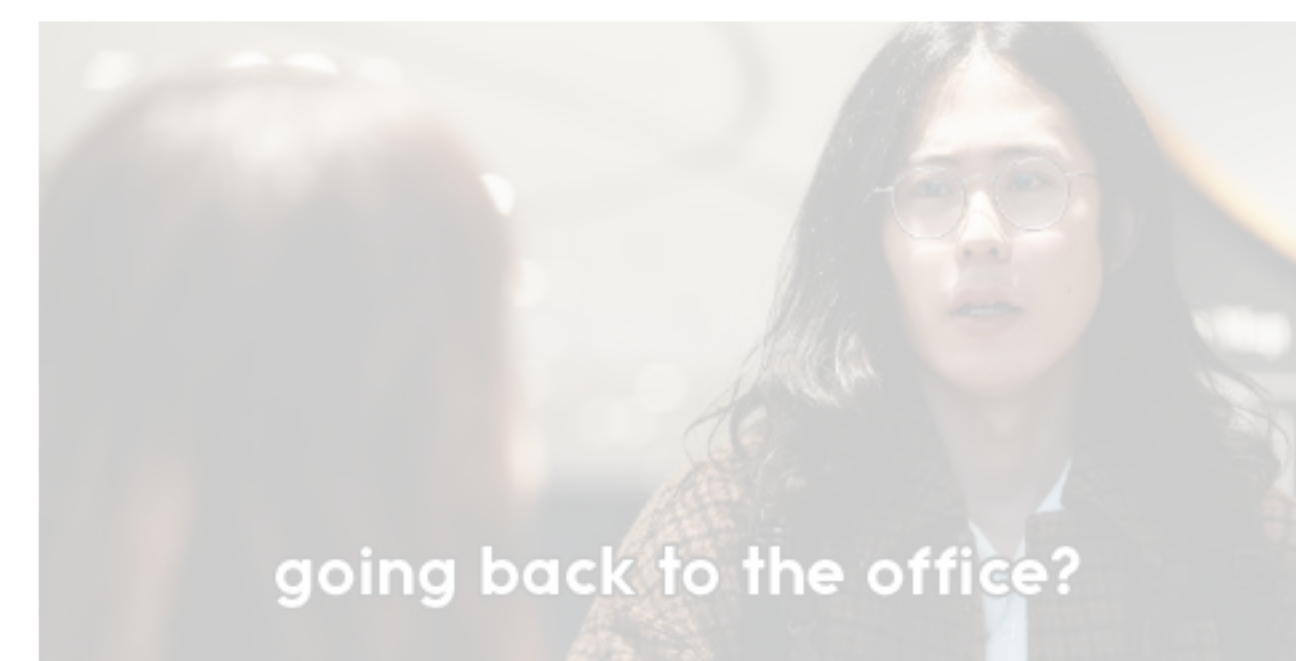
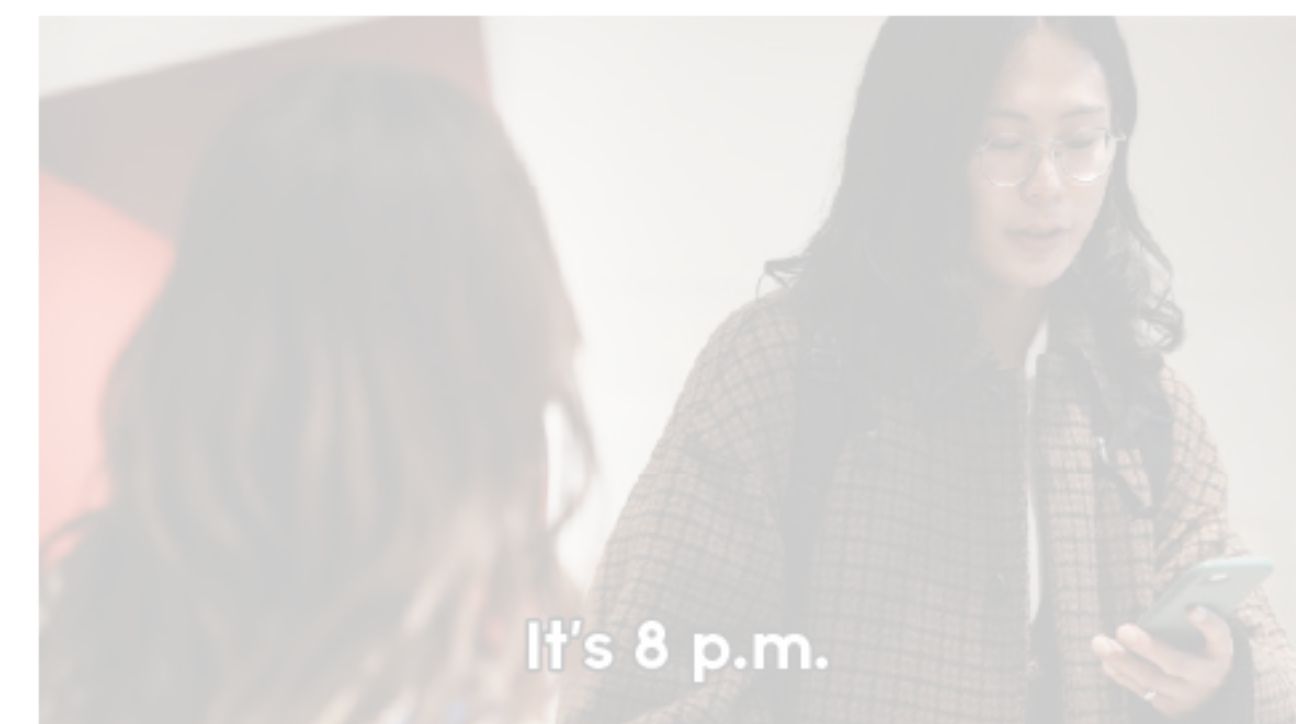
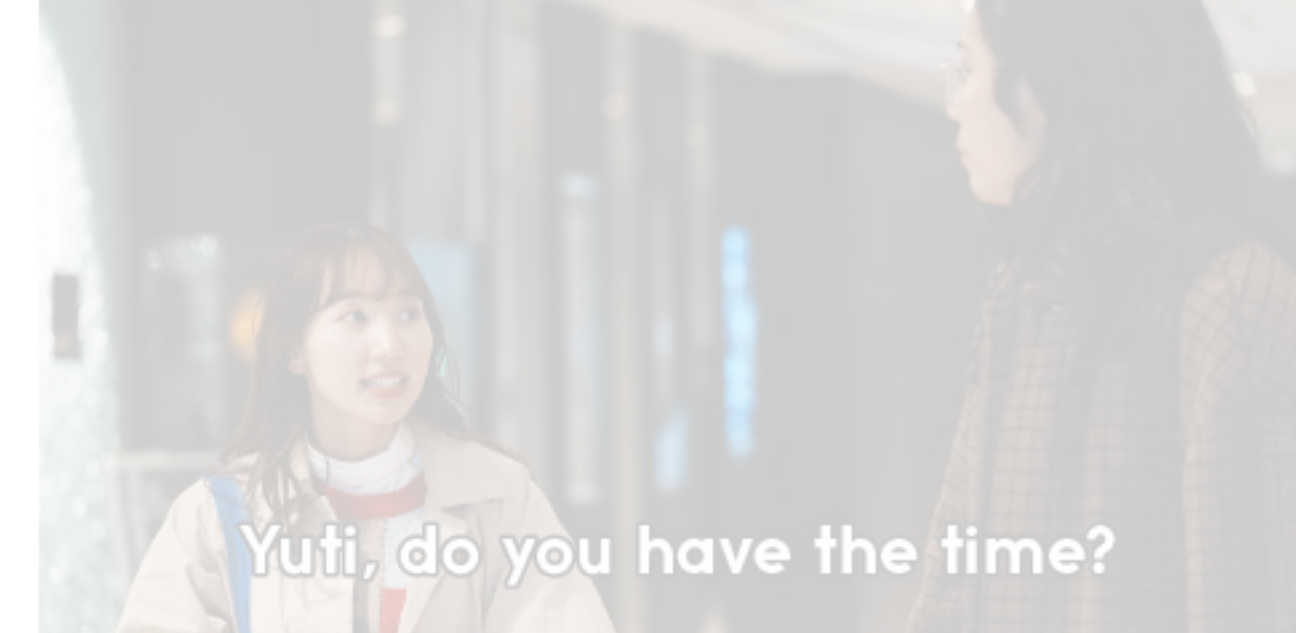
# OVERVIEW OF SG&A BY EACH QUARTER

(million¥)



	FY2021								FY2022					
	1Q		2Q		3Q		4Q		1Q		2Q		3Q	
	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	Amount	% to the Gross Merchandise Value
Payroll and staff costs(*)	6,883	6.5%	6,887	6.7%	7,860	5.9%	8,542	7.1%	7,132	6.2%	6,955	6.2%	7,771	5.4%
Payroll costs for employee	2,831	2.7%	2,774	2.7%	3,300	2.5%	4,146	3.4%	3,115	2.7%	3,111	2.8%	3,295	2.3%
Logistics-Related Expenses (Including Outsourcing)	4,051	3.8%	4,112	4.0%	4,559	3.4%	4,396	3.6%	4,016	3.5%	3,844	3.4%	4,476	3.1%
Outsourcing Commission (Excluding Logistics-Related Expenses)	1,429	1.3%	1,499	1.5%	1,458	1.1%	1,649	1.4%	1,646	1.4%	1,657	1.5%	1,720	1.2%
Shipping	7,597	7.1%	7,486	7.3%	8,275	6.2%	8,021	6.7%	7,996	6.9%	7,708	6.9%	8,577	5.9%
Commission of Payment collection	2,580	2.4%	2,478	2.4%	3,146	2.4%	2,771	2.3%	2,733	2.4%	2,710	2.4%	3,428	2.4%
Advertising	1,796	1.7%	1,212	1.2%	4,118	3.1%	2,747	2.3%	1,721	1.5%	1,791	1.6%	4,973	3.4%
Rent expense	1,431	1.3%	1,432	1.4%	1,432	1.1%	1,432	1.2%	1,514	1.3%	1,513	1.4%	1,517	1.0%
Depreciation	454	0.4%	478	0.5%	503	0.4%	541	0.4%	465	0.4%	473	0.4%	515	0.4%
Amortization of goodwill	101	0.1%	100	0.1%	101	0.1%	101	0.1%	106	0.1%	106	0.1%	124	0.1%
Stock Compensation Expenses	13	0.0%	38	0.0%	25	0.0%	9	0.0%	10	0.0%	35	0.0%	35	0.0%
Others	2,043	1.9%	2,237	2.2%	2,733	2.1%	2,858	2.4%	2,702	2.3%	2,714	2.4%	2,663	1.8%
<b>Total SG&amp;A</b>	<b>24,333</b>	<b>22.8%</b>	<b>23,851</b>	<b>23.3%</b>	<b>29,656</b>	<b>22.4%</b>	<b>28,675</b>	<b>23.8%</b>	<b>26,028</b>	<b>22.4%</b>	<b>25,667</b>	<b>23.0%</b>	<b>31,328</b>	<b>21.7%</b>

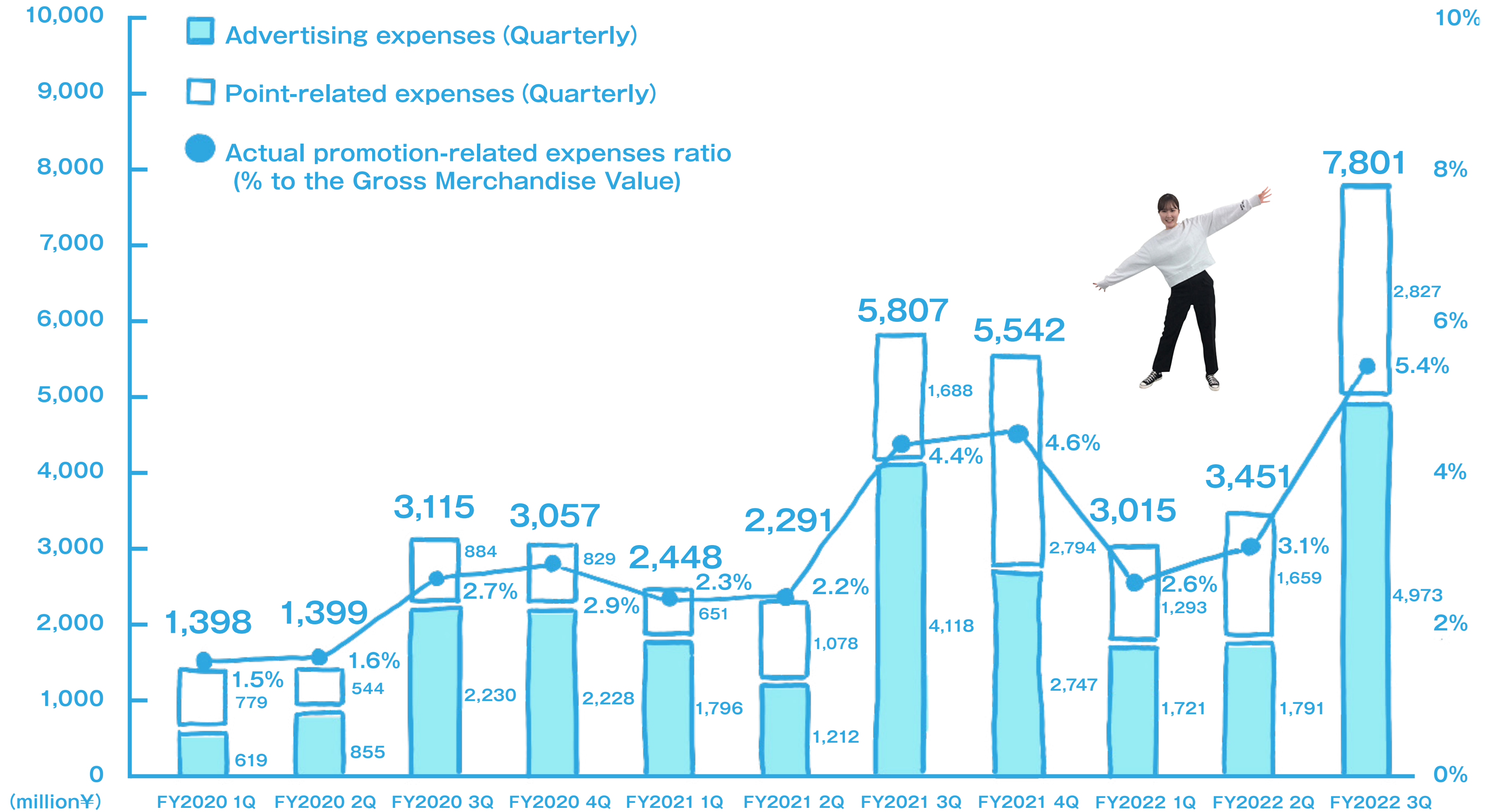
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# Actual promotion-related expenses (QUARTERLY)

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

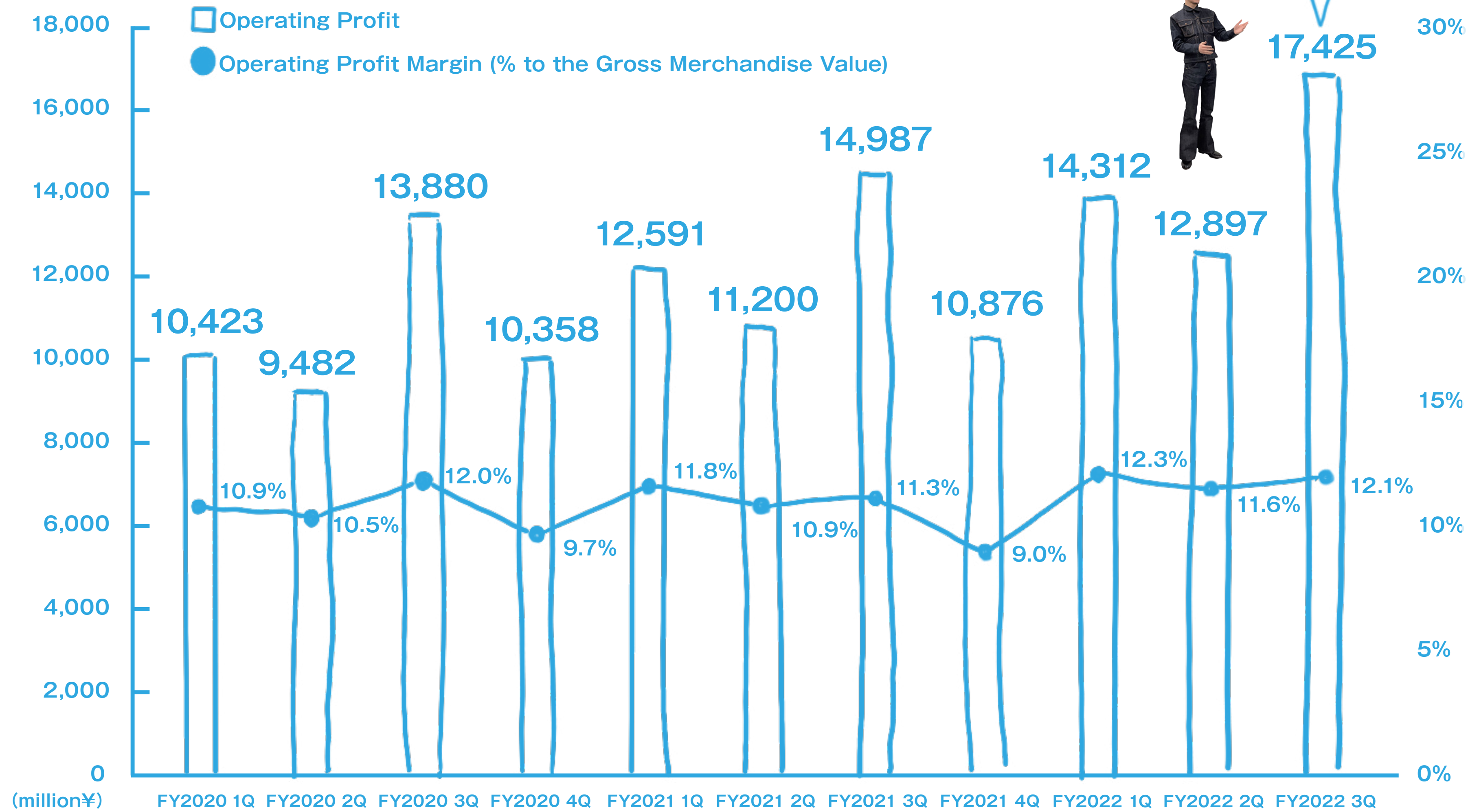


\*The actual promotion-related expenses ratio is calculated by the actual promotion-related expenses divided by the Gross Merchandise Value (excluding other GMV)

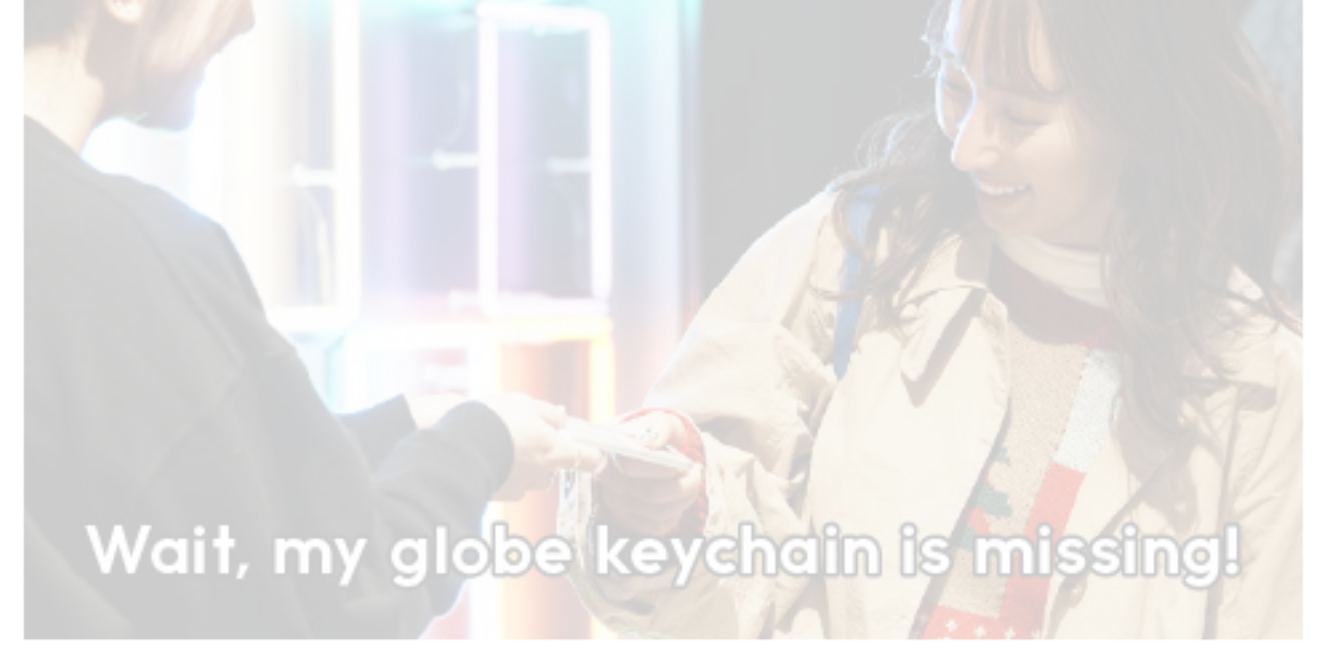




# OPERATING PROFIT AND OPERATING PROFIT MARGIN(QUARTERLY)



YoY  
+16.3%



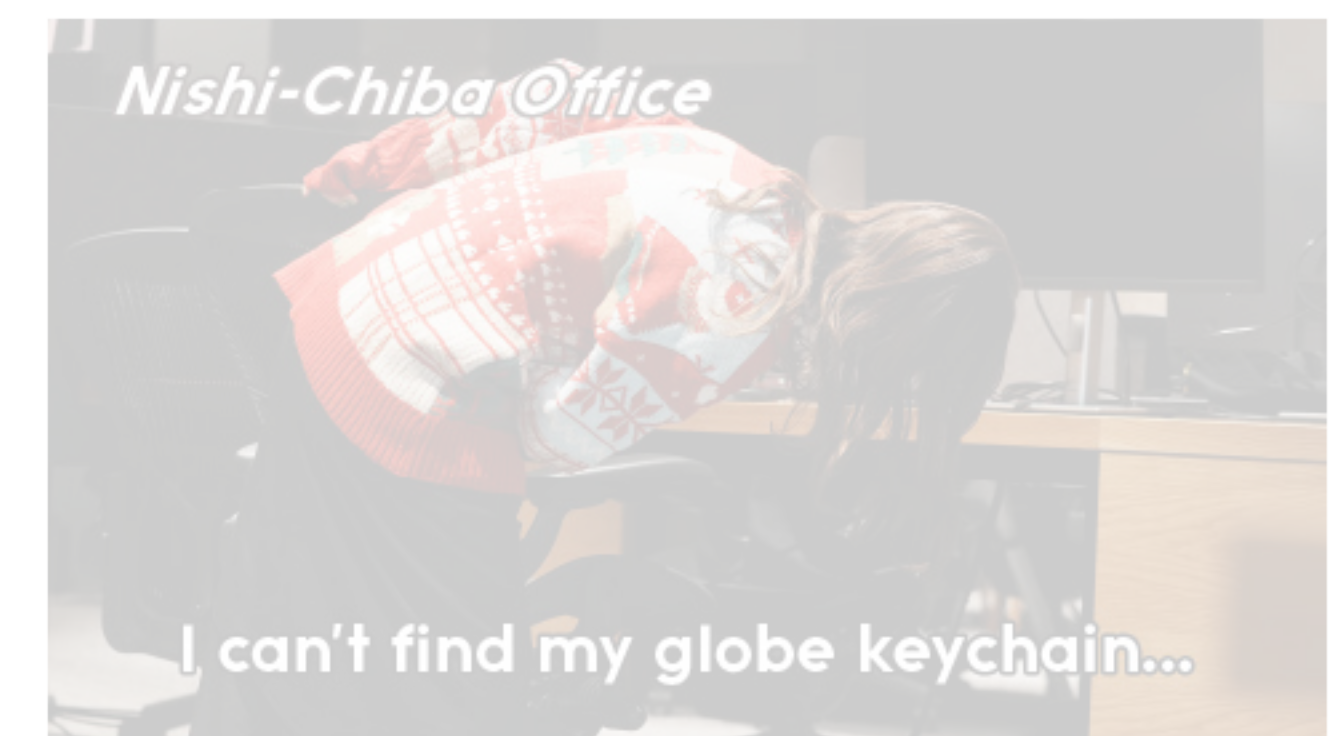
\* Operating profit margins are calculated by operating profit divided by gross merchandise value (excluding other GMV).



# NUMBER OF TOTAL BUYERS



See you tomorrow!



Nishi-Chiba Office

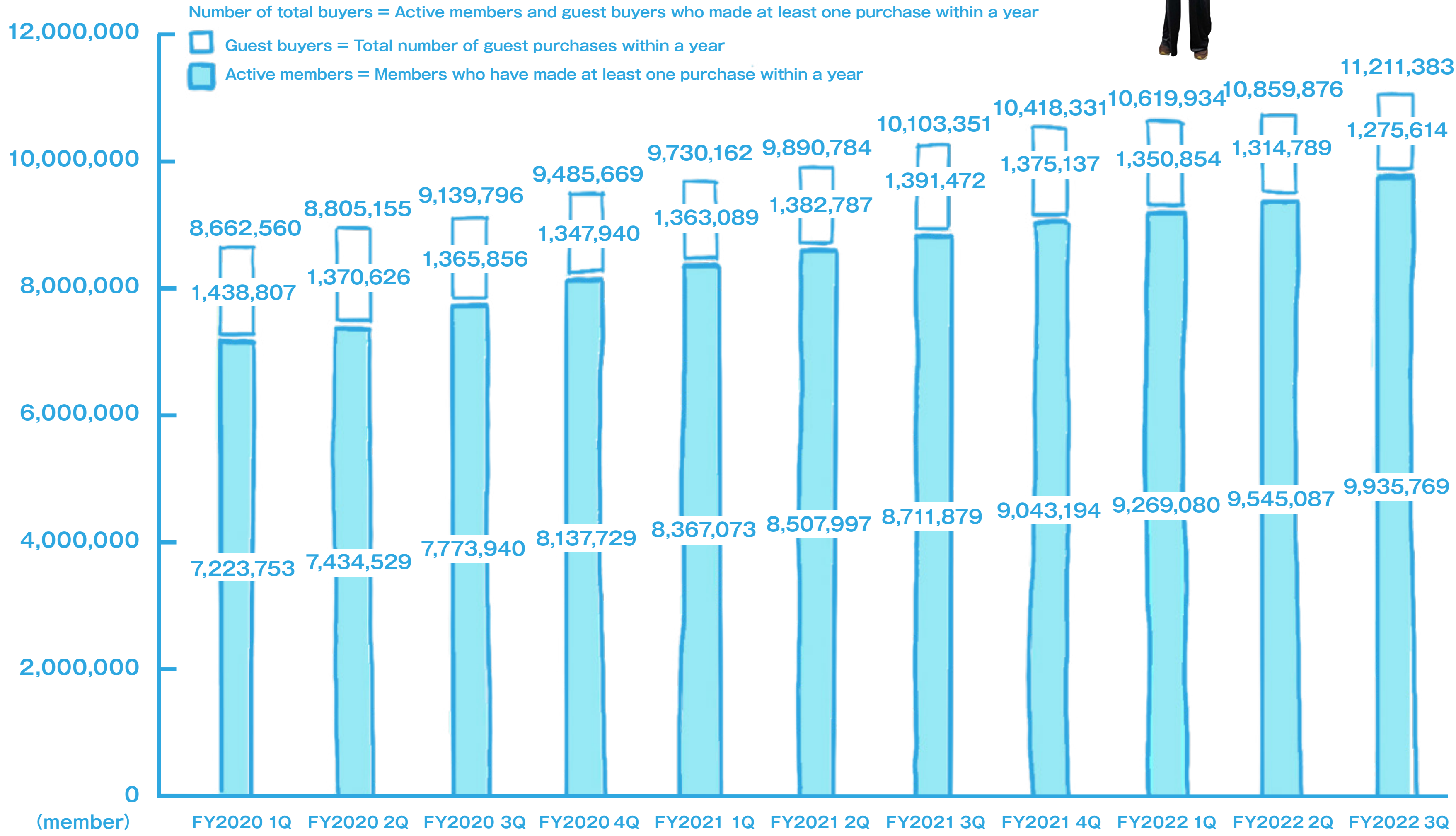
I can't find my globe keychain...



When I have that, I can work with a smile on my face.



Oh, Come on...



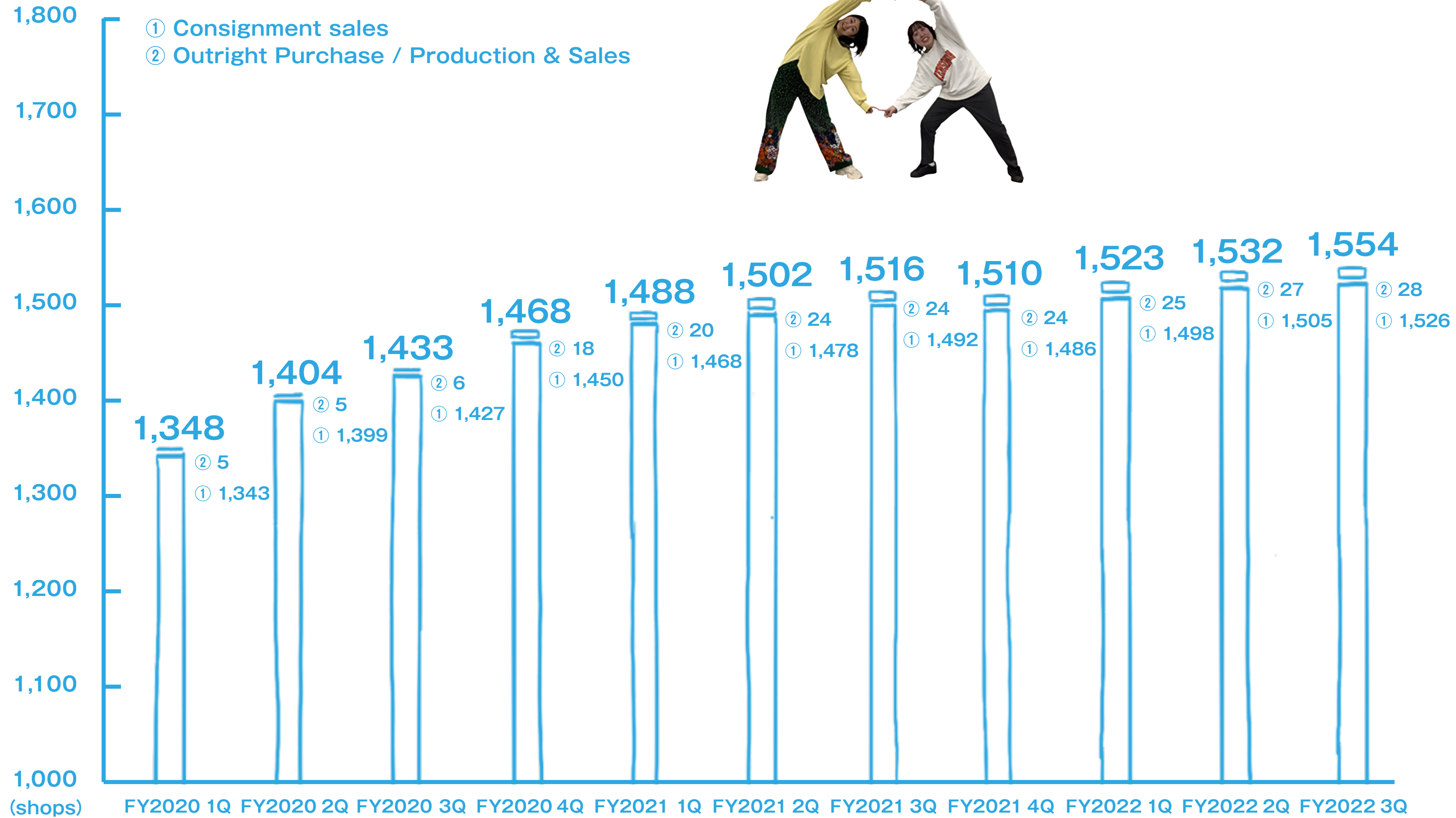
\* The results are only from the ZOZOTOWN business (<https://zozo.jp>). Yahoo! JAPAN Shopping is not included.

\* PayPay Mall was integrated with Yahoo! JAPAN Shopping in October 2022.

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



# NUMBER OF SHOPS ON ZOZOTOWN



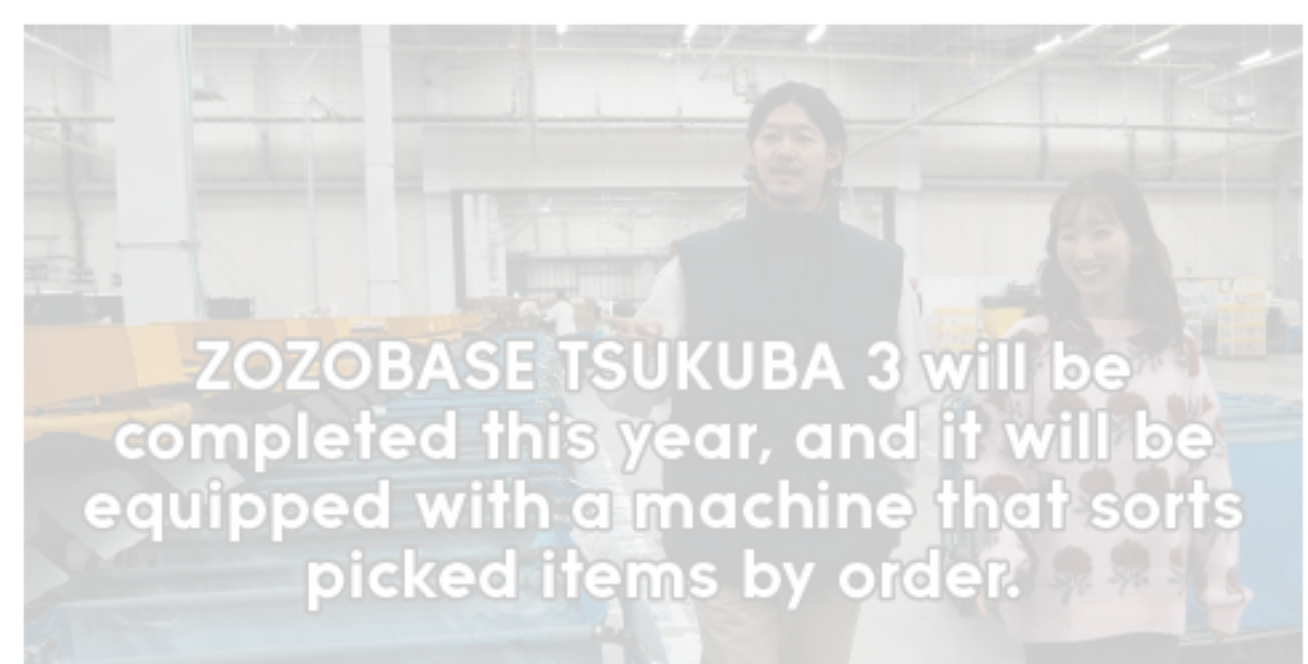
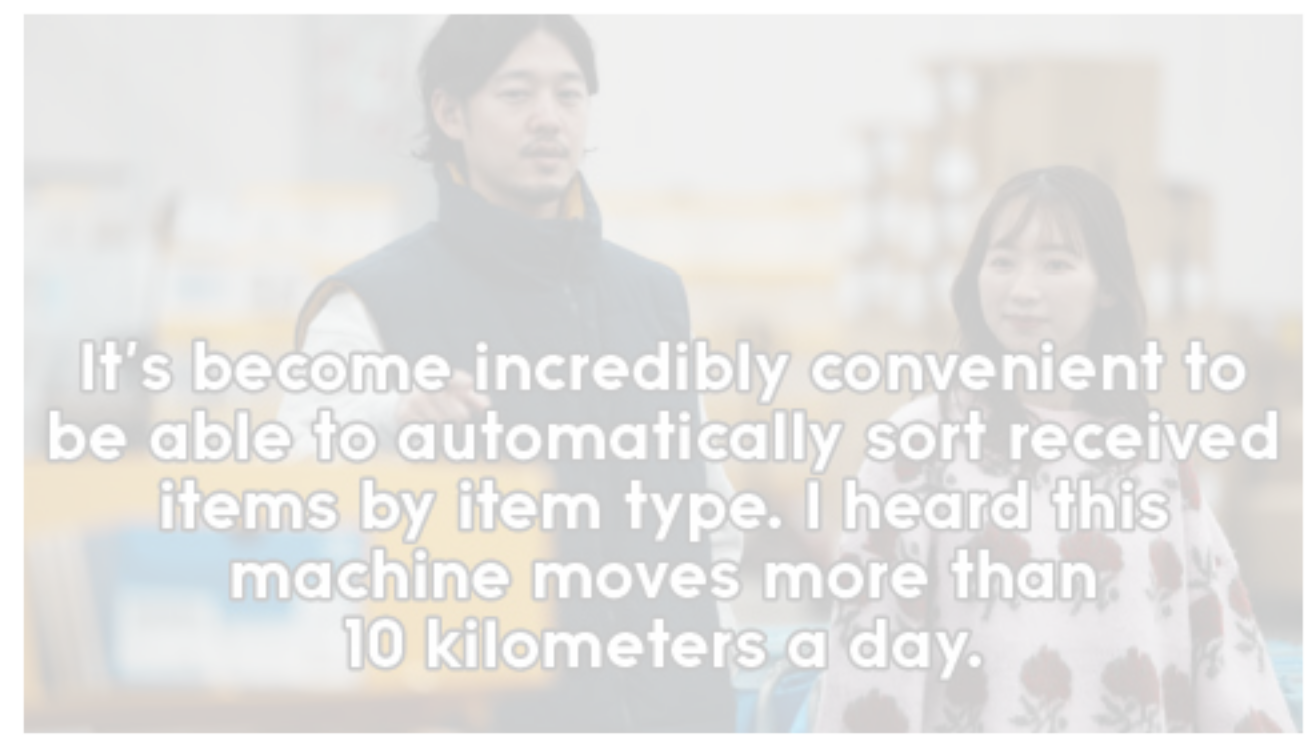
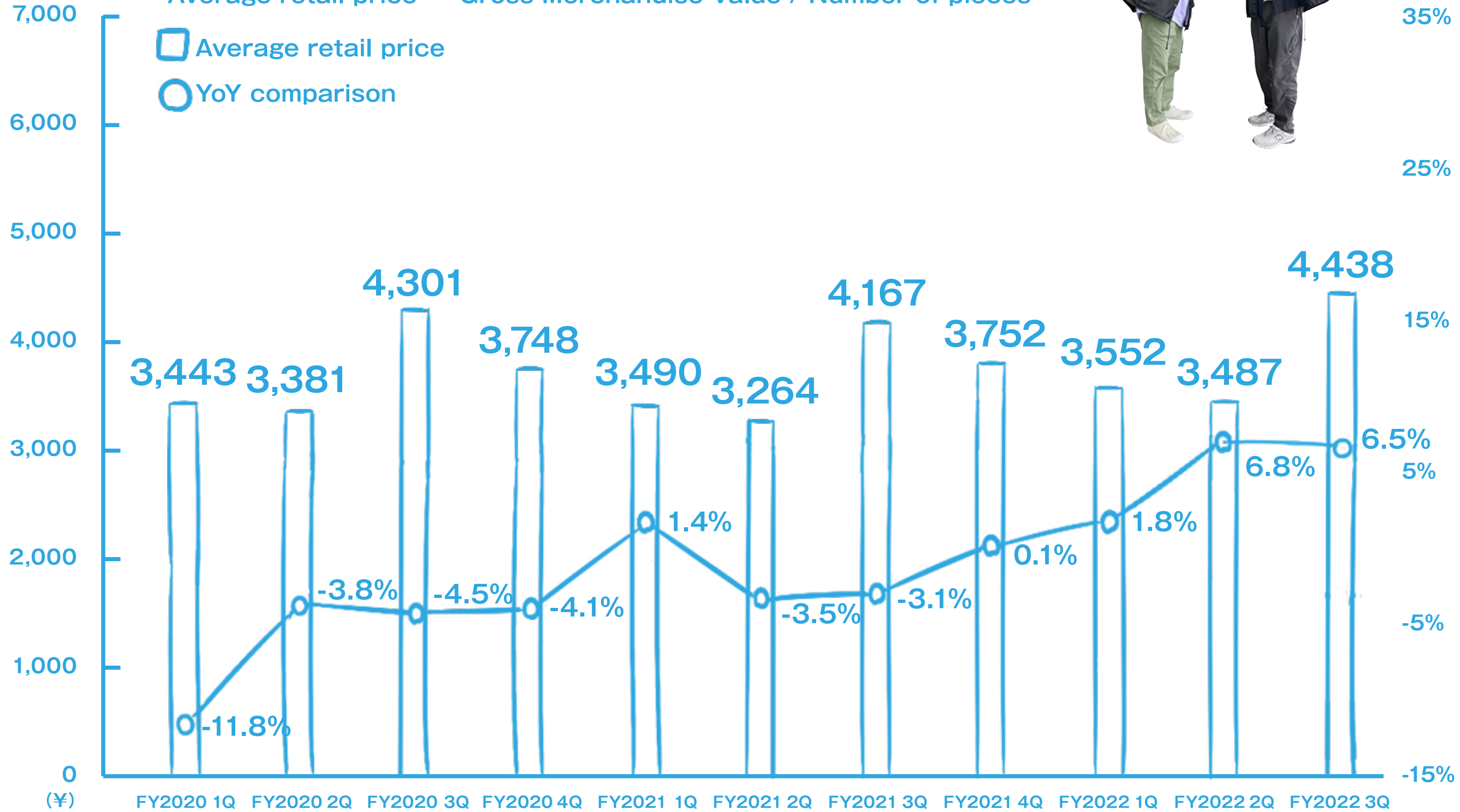
\* Shops of the private brand "ZOZO" and "Multi-Size" are not included to the number of shops.





# AVERAGE RETAIL PRICE

Average retail price = Gross Merchandise Value / Number of pieces

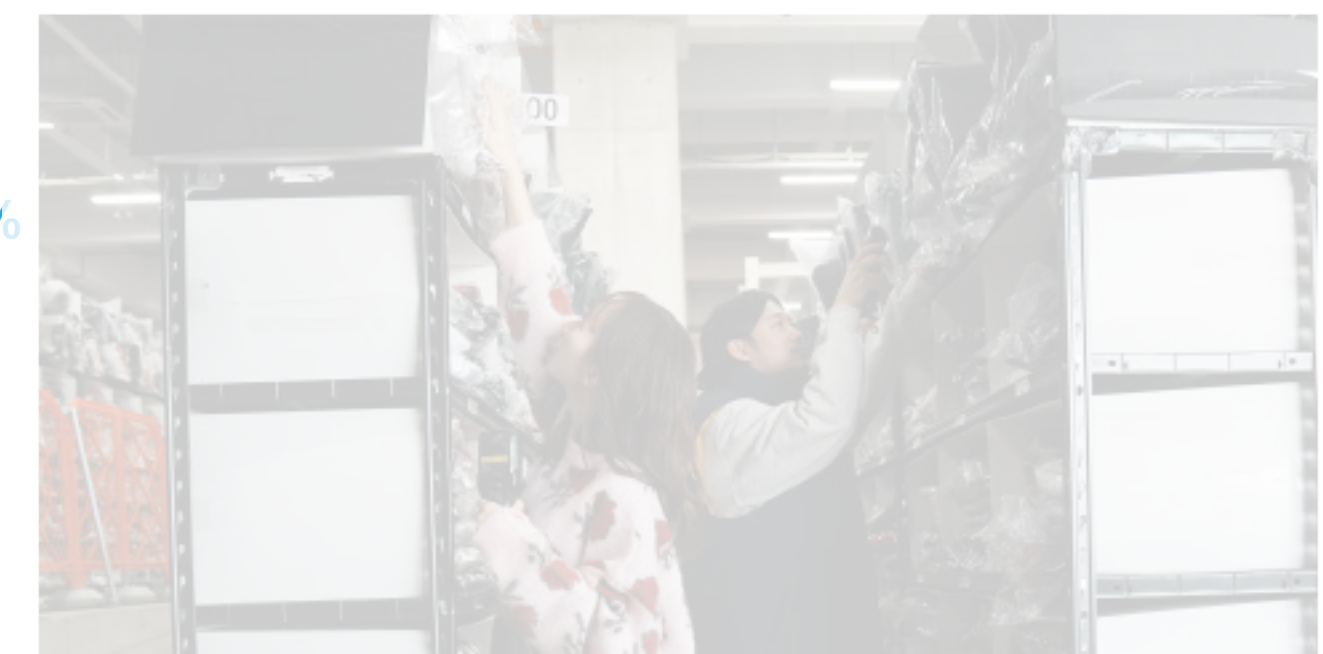
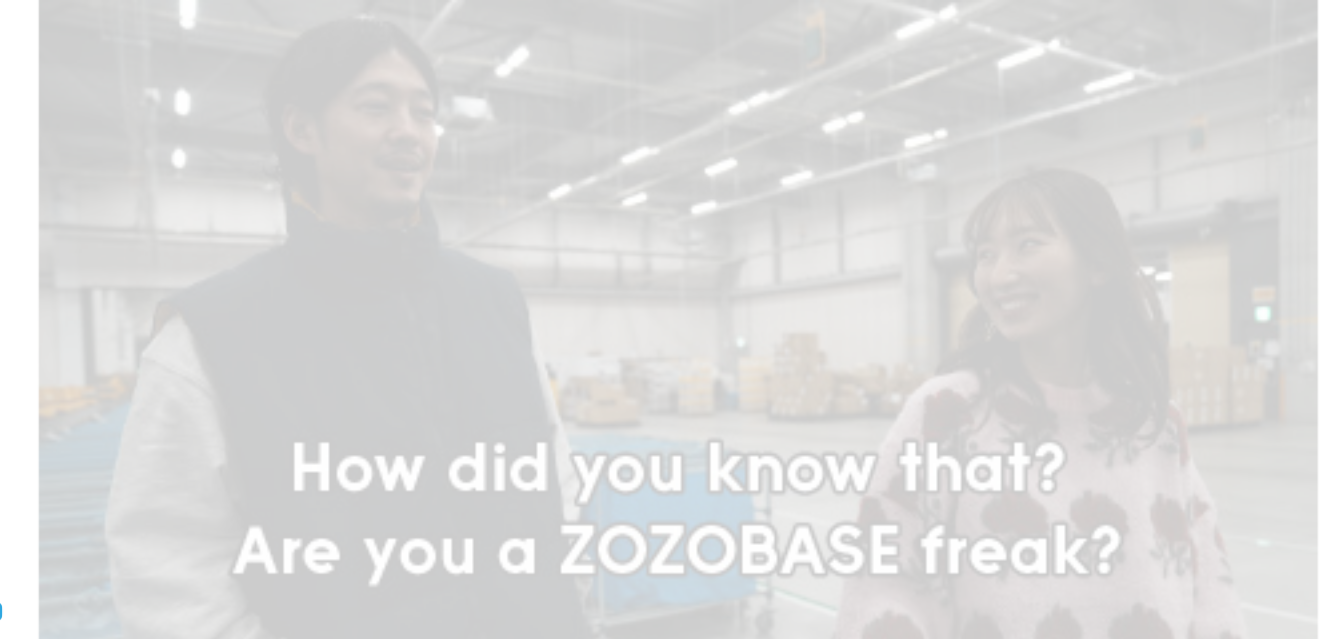
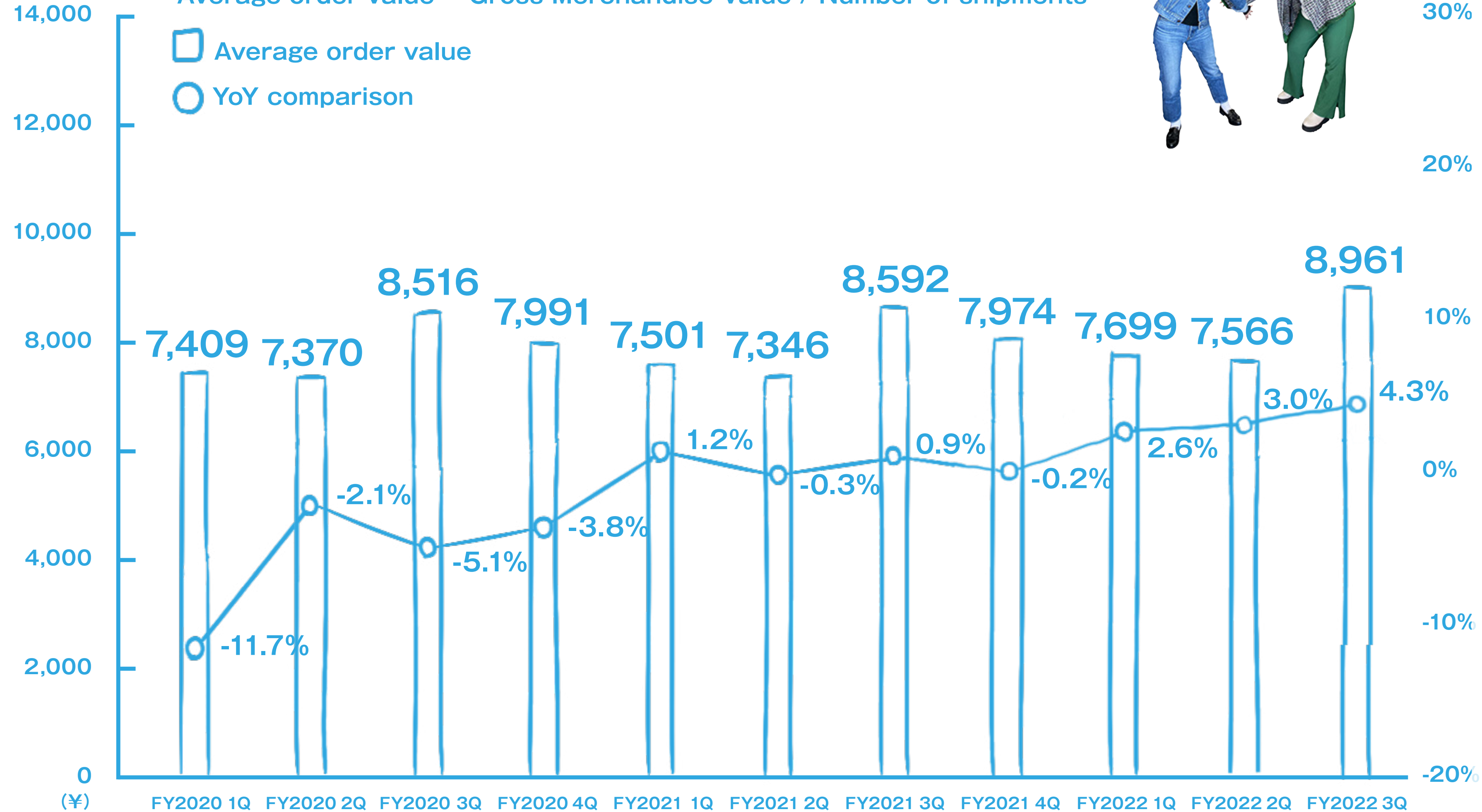


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 \* Excluding the users who only purchased the body measurement device "ZOZOSUIT" "ZOZOMAT" and "ZOZOGLASS".



# AVERAGE ORDER VALUE

Average order value = Gross Merchandise Value / Number of shipments



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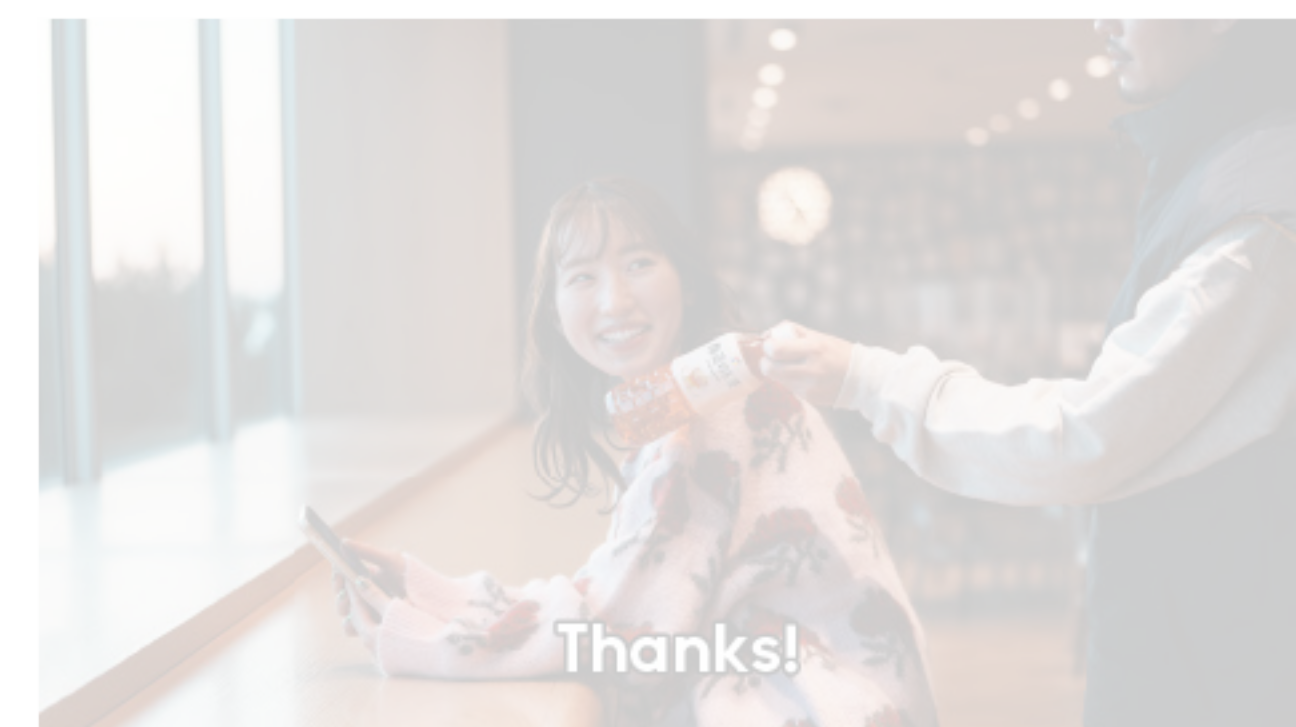


# CONSOLIDATED BUSINESS FORECAST AND DIVIDEND FORECAST FOR FY2022

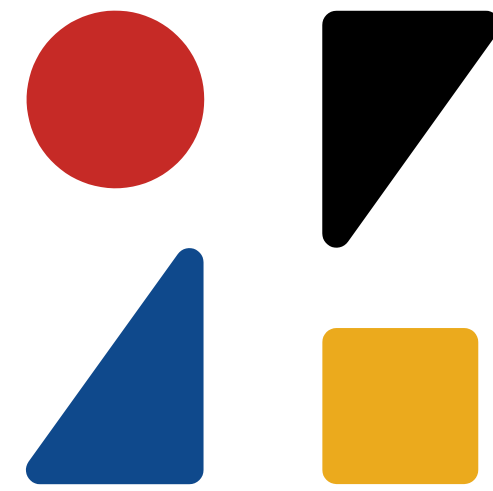
	FY2022 Plan (Revised on January 31, 2023)	YoY
Gross Merchandise Value	543.8 billion yen	6.9%
Gross Merchandise Value (excluding other GMV)	495.8 billion yen	7.3%
Net sales	181.3 billion yen	9.1%
Operating profit	55.0 billion yen	10.8%
Operating Profit Margin (% to the Gross Merchandise Value)	11.1%	—
Ordinary profit	55.2 billion yen	11.2%
Profit attributable to owners of parent	38.4 billion yen	11.3%
Net profit per share	128.07 yen	—
Estimated dividends per share (Plan)	65 yen	—

\* Operating profit margin is calculated by operating profit divided by gross merchandise value (excluding other GMV).

\* Please note that the "Notice concerning revision of consolidated business forecast and year-end dividend" was released on January 31, 2023. The figures mentioned above reflect these revisions.

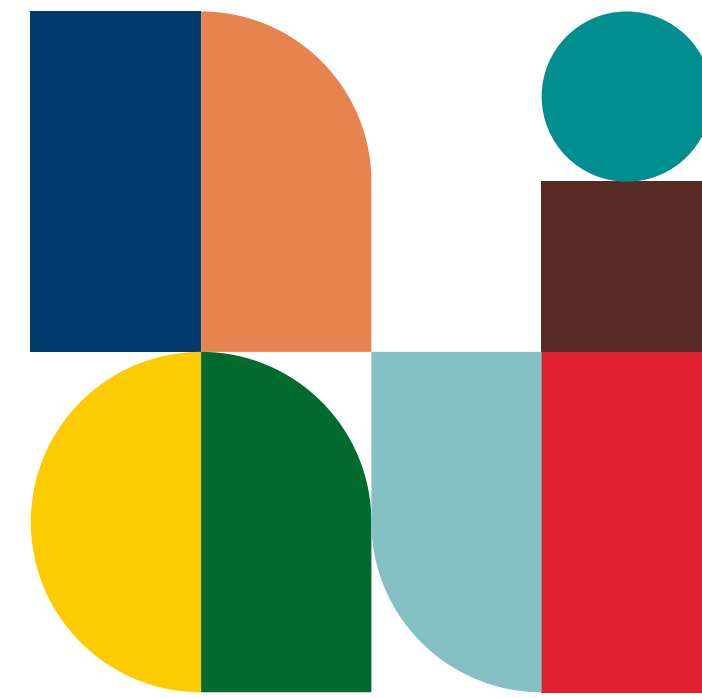






**ZOZO**





**niaulab**

**by ZOZO**



## What we offer

**Free personal styling service  
with professional stylists  
and **AI technology**  
to find your “style.”**







## 3 pillars of the strategy

**1** Basic strategy on how to expand ZOZOTOWN  
**Increase traffic from other than "BUY"**

**2** How to increase revenue points other than eCommerce  
**Step into the "Production Support"**

**3** How to expand in overseas  
**Try "technology licensing sales"**



## 3 pillars of the strategy

1

Basic strategy on how to expand ZOZOTOWN

**Increase traffic from other than "BUY"**

2

How to increase revenue points other than eCommerce

**Step into the "Production Support"**

3

How to expand in overseas

**Try "technology licensing sales"**



**Management Strategy**

**MORE FASHION**

**×**

**FASHION TECH**

**- Explore your style. Make you delighted. -**



**Evolving ZOZO**  
**to the place "for" fashion,**  
**from the place "to buy" fashion.**



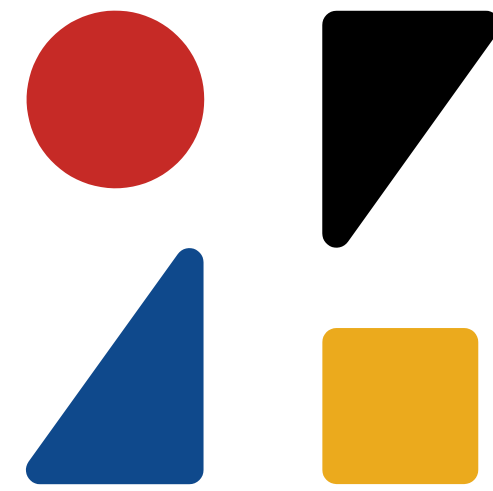
# Future prospects



The Evolution of  
ZOZOTOWN and WEAR







**ZOZO**