



BUSINESS PLAN FOR FY2025



1Q FY2025 ZOZO, Inc.
CONSOLIDATED BUSINESS RESULTS

CONSOLIDATED BUSINESS FORECAST AND DIVIDEND FORECAST FOR FY2025

- Gross Merchandise Value (excluding other GMV) is expected to increase by 13.8% year over year, and EBITDA by 9.9%.
- LYST has been consolidated since May 2025, and on July 31, 2025, we disclosed a revised plan reflecting the consolidation of LYST’s business plan and progress in the Purchase Price Allocation (PPA) process.
- To better reflect the actual earning power after the consolidation of LYST, we have begun disclosing EBITDA and EBITDA margin as key performance indicators.
- Regarding “other GMV,” the inclusion of GMV from stores using “ZOZO Option” on Yahoo! JAPAN Shopping is scheduled to end by the end of the first half of the current fiscal year.
- Accordingly, from the fiscal year ending March 2027 onward, we plan to discontinue disclosing GMV (excluding other GMV).

	Previous forecast (as of April 30, 2025)		Revised forecast (as of July 31, 2025)		
	FY2025 Plan	YoY	FY2025 Plan	Changes from the previous forecast	YoY
Gross Merchandise Value	623.6 billion yen	1.5%	673.9 billion yen	+50.3 billion yen	9.7%
Gross Merchandise Value (excluding other GMV)	603.4 billion yen	5.0%	653.7 billion yen	+50.3 billion yen	13.8%
Net sales	224.1 billion yen	5.1%	231.5 billion yen	+7.4 billion yen	8.6%
Operating profit	69.8 billion yen	7.8%	69.2 billion yen	-0.6 billion yen	6.9%
Operating Profit Margin (% to the Gross Merchandise Value)	11.6 %	-	10.6 %	-1.0 %	-
EBITDA	76.9 billion yen	10.2%	76.7 billion yen	-0.2 billion yen	9.9%
EBITDA Margin (% to the Gross Merchandise Value)	12.7 %	-	11.7 %	-1.0 %	-
Ordinary profit	69.8 billion yen	7.6%	69.1 billion yen	-0.7 billion yen	6.5%
Profit attributable to owners of parent	48.5 billion yen	7.0%	47.8 billion yen	-0.7 billion yen	5.4%
Net profit per share	54.44 yen	-	53.66 yen	-	-
Estimated dividends per share (Plan)	39.0 yen	-	39.0 yen	-	-

* As of July 31, 2025, we disclosed the “Notice Concerning the Revision of Consolidated Business Forecast For the Fiscal Year Ending March 2026.”
*EBITDA is calculated as operating profit plus depreciation, amortization of goodwill, and stock compensation expenses.
*Operating profit margin and EBITDA margin are calculated by dividing operating profit and EBITDA by the Gross Merchandise Value (excluding other GMV).
*The Company implemented a three-for-one stock split effective April 1, 2025. Dividend per share is presented on a post-stock-split basis.

FY2025 TARGET BY BUSINESS SEGMENT

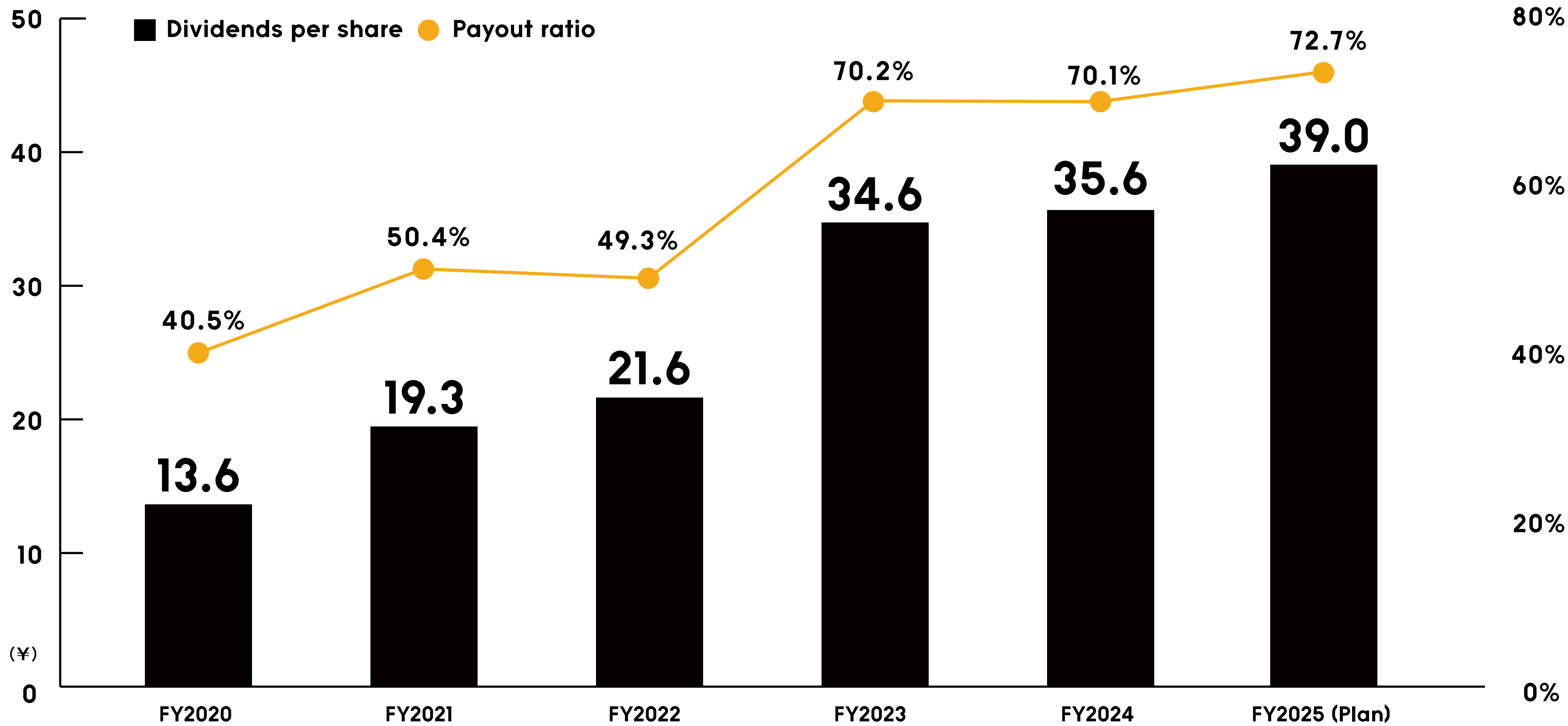
- LYST has been consolidated since May 2025, and on July 31, 2025, we disclosed a revised plan reflecting the consolidation of LYST's business plan and progress in the Purchase Price Allocation (PPA) process.
- Regarding "other GMV," the inclusion of GMV from stores using "ZOZO Option" on Yahoo! JAPAN Shopping is scheduled to end by the end of the first half of the current fiscal year.
- Accordingly, other GMV is expected to decline compared to the previous fiscal year; however, the impact on revenue is expected to be limited.

	Target for Gross Merchandise Value (as of July 31, 2025)		YoY
ZOZOTOWN Business	518.8	billion yen	5.5%
Outright Purchase/Production & Sales	4.1	billion yen	11.1%
Consignment sales	493.7	billion yen	5.4%
USED sales	21.0	billion yen	6.9%
LY Corporation Commerce*	76.1	billion yen	9.3%
LYST	50.3	billion yen	-
BtoB Business	8.5	billion yen	-35.2%
Gross Merchandise Value (excluding other GMV)	653.7	billion yen	13.8%
Others	20.2	billion yen	-49.1%
Gross Merchandise Value	673.9	billion yen	9.7%

	Target for Net Sales		YoY
Advertising business	11.5	billion yen	2.6%

* As of July 31, 2025, we disclosed the "Notice Concerning the Revision of Consolidated Business Forecast For the Fiscal Year Ending March 2026."
* "LY Corporation Commerce" represents the combined total of "Yahoo! JAPAN Shopping" and "Yahoo! JAPAN Auction".

DIVIDENDS PER SHARE AND PAYOUT RATIO



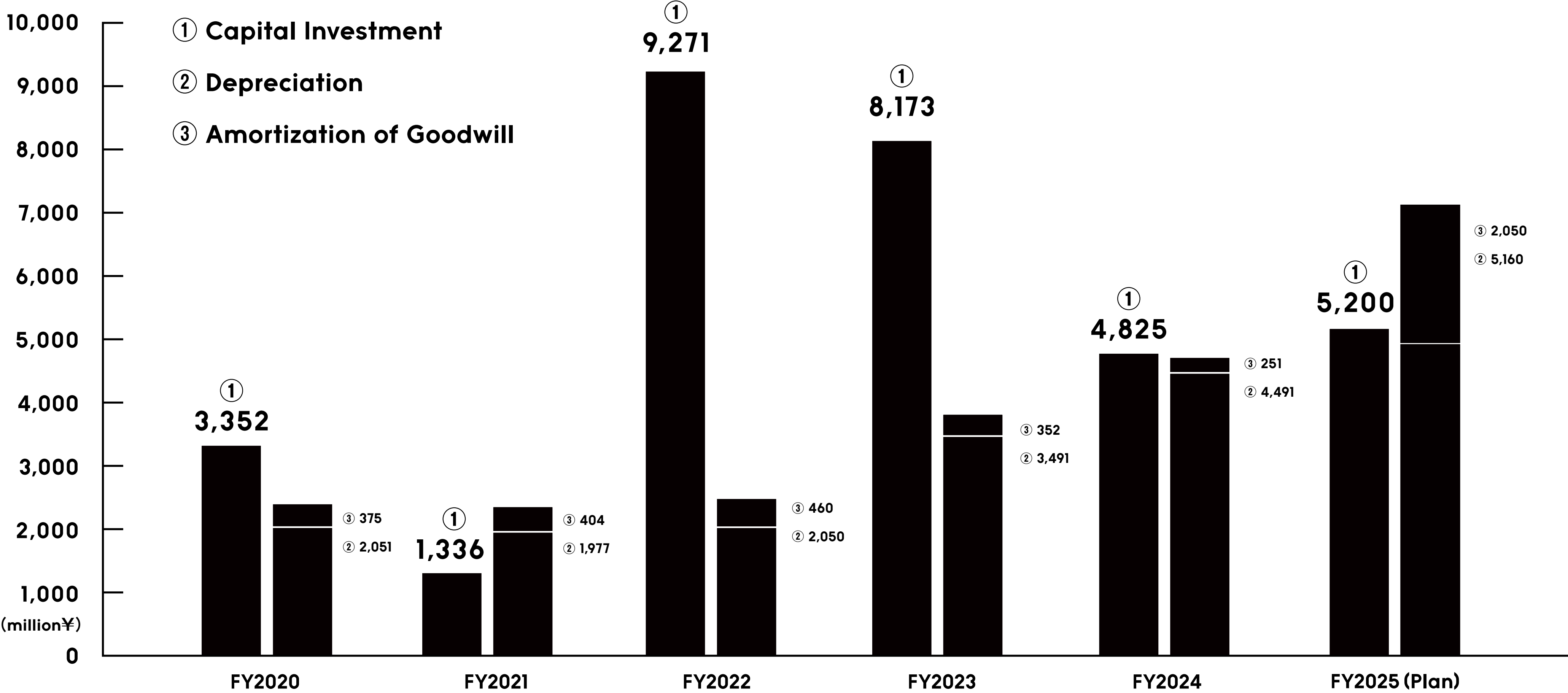
POINT
03

We disclosed a revised plan as of July 31, 2025, reflecting the consolidation of LYST's business plan and progress in the Purchase Price Allocation (PPA) process. There is no change to the annual dividend forecast previously announced on April 30, 2025.



* As of July 31, 2025, we disclosed the “Notice Concerning the Revision of Consolidated Business Forecast For the Fiscal Year Ending March 2026.”
* The Company implemented a three-for-one stock split effective April 1, 2025. Dividend per share is presented on a post-stock-split basis.

CAPITAL INVESTMENT



POINT
02

We disclosed a revised plan as of July 31, 2025, reflecting the consolidation of LYST's business plan and progress in the Purchase Price Allocation (PPA) process. Accordingly, the previously announced figures for depreciation and amortization of goodwill for the fiscal year ending March 2026 have also been revised.



* As of July 31, 2025, we disclosed the “Notice Concerning the Revision of Consolidated Business Forecast For the Fiscal Year Ending March 2026.”

HIGHLIGHTS



**1Q FY2025 ZOZO, Inc.
CONSOLIDATED BUSINESS RESULTS**

FY2025 1Q HIGHLIGHTS

Gross Merchandise Value

159.2 billion yen
(+12.2% YoY / Achievement rate 23.6%)

Gross Merchandise Value
(excluding other GMV)

149.1 billion yen
(+12.4% YoY / Achievement rate 22.8%)

EBITDA

18.5 billion yen
(+8.9% YoY / Achievement rate 24.2%)

EBITDA Margin

12.5 %
(-0.4 point YoY)

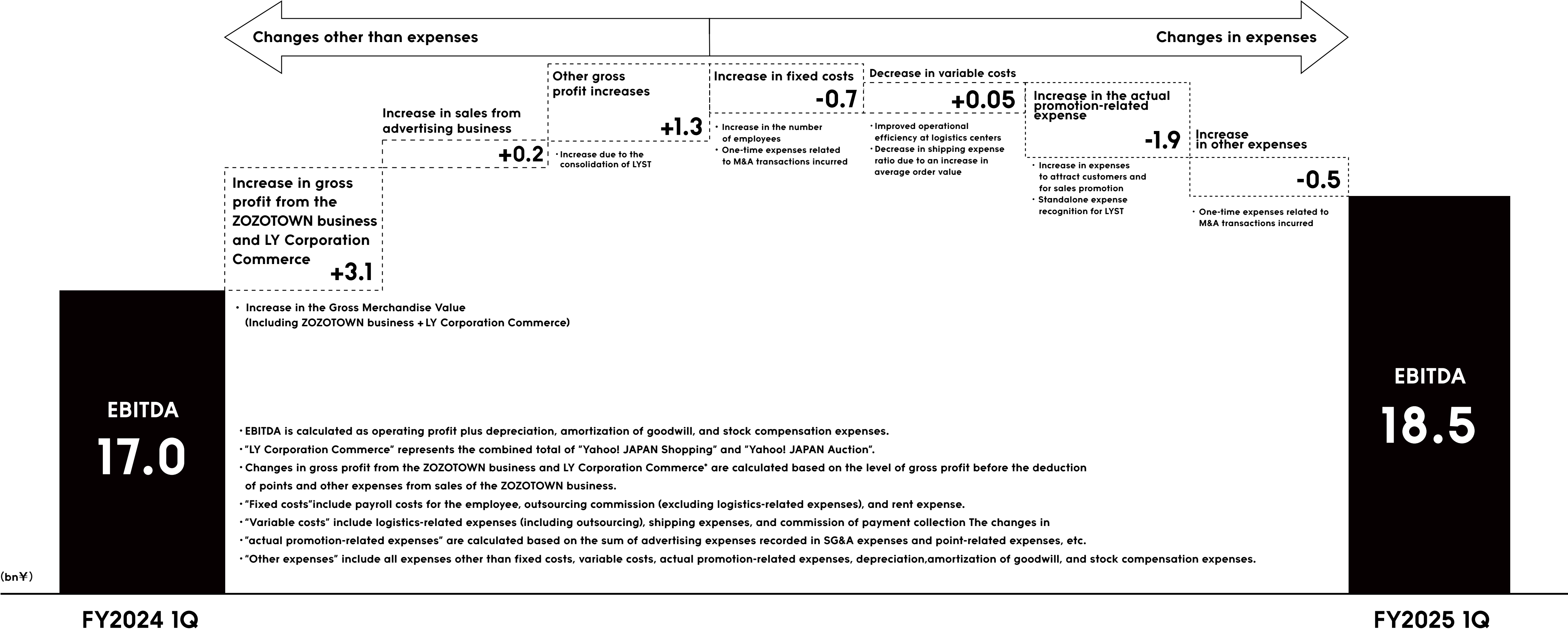
*EBITDA margin is calculated by dividing EBITDA by the Gross Merchandise Value (excluding other GMV).
*The achievement rate is based on a comparison between the revised plan announced on July 31, 2025, and the actual results.

BUSINESS RESULTS

1Q FY2025 ZOZO, Inc.
CONSOLIDATED BUSINESS RESULTS



INCREASE-DECREASE ANALYSIS OF EBITDA
(YoY COMPARISON)



CONSOLIDATED BALANCE SHEET

(million¥)

	FY2024 (as of March 31, 2025)	FY2025 1Q (as of June 30, 2025)		FY2024 (as of March 31, 2025)	FY2025 1Q (as of June 30, 2025)
Current assets	147,394	100,800	Current liabilities	79,828	68,153
Cash and deposits	91,486	36,269	Short-term borrowing	20,000	20,164
Merchandise	2,605	3,127	Non-current liabilities	9,262	11,095
Non-current assets	40,415	66,776	Total liabilities	89,090	79,249
Tangible assets	25,447	27,270	Shareholders' equity	98,087	86,738
Intangible assets	3,437	28,362	Treasury stock	-11,581	-7,780
Investments and other assets	11,530	11,143	Total net assets	98,719	88,327
Total assets	187,810	167,576	Total liabilities and net assets	187,810	167,576

POINT
01

Although cash and deposits decreased by approximately 55.2 billion yen compared to the end of the previous fiscal year, this was primarily due to payments related to the acquisition of LYST and the repurchase of treasury shares. Meanwhile, intangible assets increased by approximately 24.9 billion yen, mainly due to the recognition of goodwill associated with the LYST acquisition.



SELLING, GENERAL AND ADMINISTRATIVE(SG&A) EXPENSES

○The consolidation of LYST led to an increase in total GMV, resulting in lower SG&A-to-GMV ratio for certain SG&A items that are limited in amount at LYST on a standalone basis.

○This primarily contributed to a decline in the ratios of shipping expenses, logistics-related expenses, commission of payment collection, and rent expenses.

(million¥)

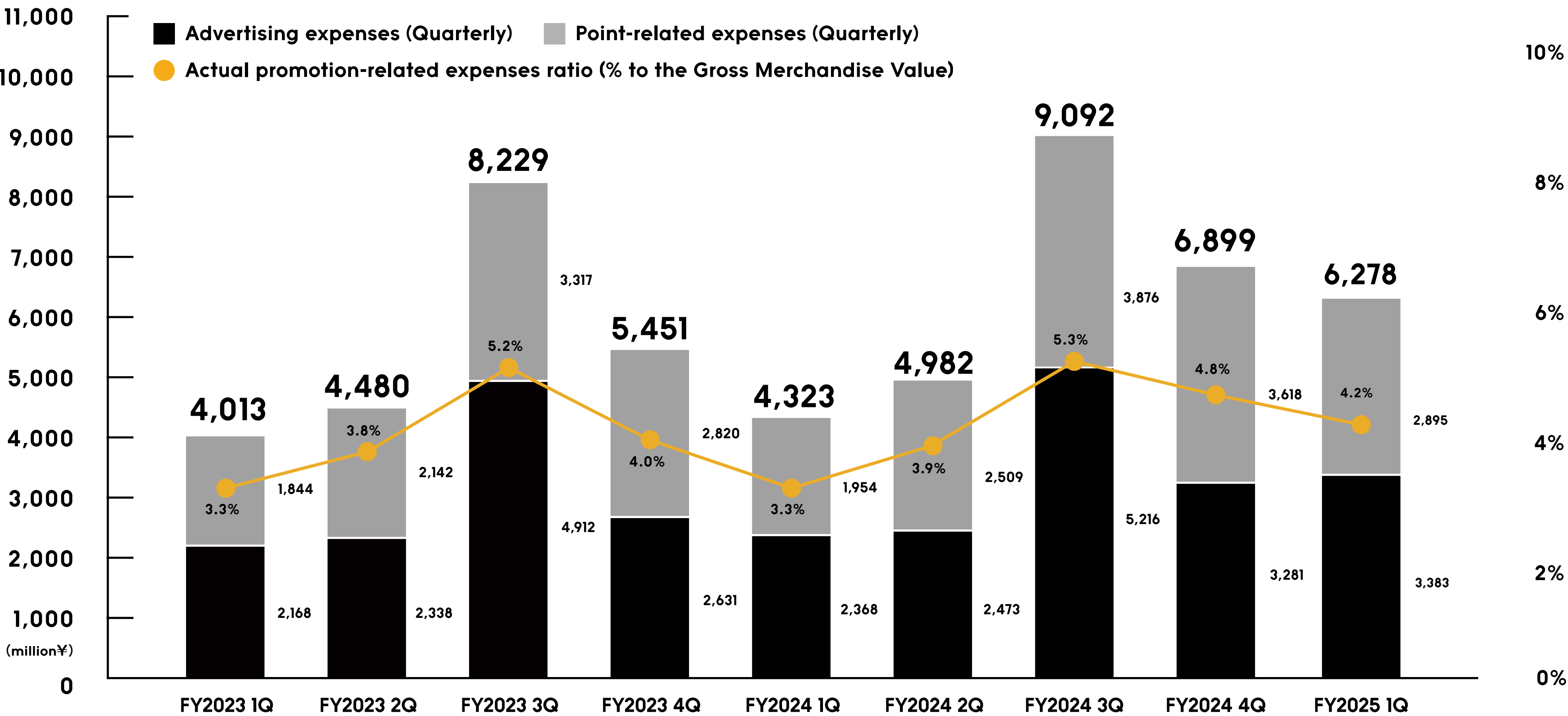
	FY2024 1Q		FY2025 1Q		YoY	Increase / decrease factors
	Amount	% to the Gross MerchandiseValue	Amount	% to the Gross MerchandiseValue	% to the Gross MerchandiseValue	
Payroll and staff costs*	8,267	6.2%	8,224	5.5%	-0.7%	
Payroll costs for employee	3,745	2.8%	4,119	2.8%	0.0%	Transition of the number of employees on a consolidated basis: FY2024 1Q 1,760 → FY2025 1Q 1,900 Increase in headcount associated with the consolidation of LYST since May 2025
Logistics-Related Expenses (Including Outsourcing)	4,521	3.4%	4,105	2.8%	-0.6%	Improved operational efficiency resulting from better inventory storage conditions and cost reductions achieved through the implementation of equipment designed for labor-saving
Outsourcing Commission (Excluding Logistics-Related Expenses)	1,740	1.3%	2,106	1.4%	0.1%	One-time recognition of M&A-related expenses
Shipping	9,087	6.9%	9,336	6.3%	-0.6%	Cost ratio declined due to an increase in the average order value compared to the same quarter of the previous fiscal year
Commission of Payment collection	3,099	2.3%	3,210	2.2%	-0.1%	
Advertising	2,368	1.8%	3,383	2.3%	0.5%	Increase in web advertising costs for ZOZOTOWN and commencement of expense recognition for LYST
Rent expense	2,120	1.6%	2,156	1.4%	-0.2%	
Depreciation	1,032	0.8%	1,194	0.8%	0.0%	
Amortization of goodwill	62	0.0%	391	0.3%	0.3%	Increase due to the acquisition of LYST
Stock Compensation Expenses	69	0.1%	71	0.0%	-0.1%	
Others	3,212	2.4%	3,770	2.5%	0.1%	One-time recognition of M&A-related expenses
Total SG&A	31,060	23.4%	33,845	22.7%	-0.7%	

* 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).

ACTUAL PROMOTION-RELATED EXPENSES

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



POINT
06

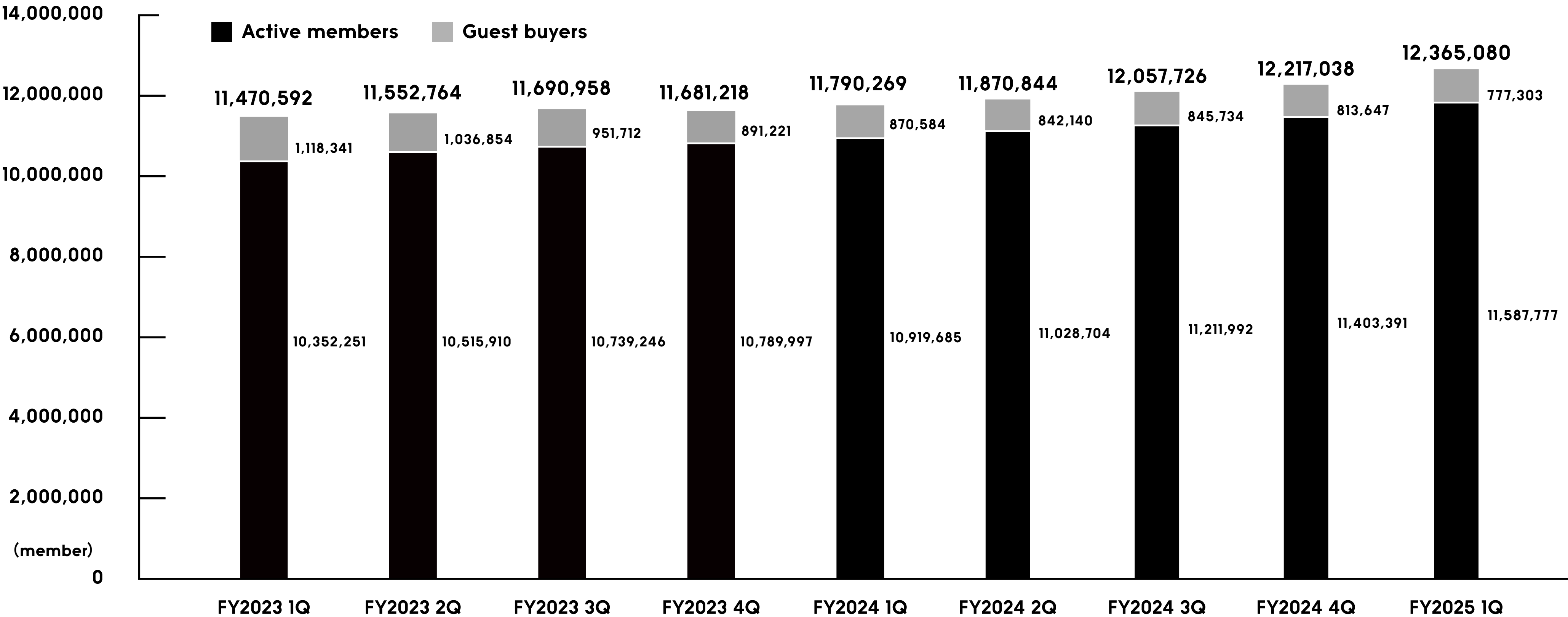
Following the consolidation of LYST, the budget for actual promotion-related expenses for the fiscal year ending March 2026 has been revised to 4.7% of Gross Merchandise Value (excluding other GMV). Compared to the ZOZOTOWN business and other businesses, LYST has a higher ratio of advertising expenses to GMV.



* 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

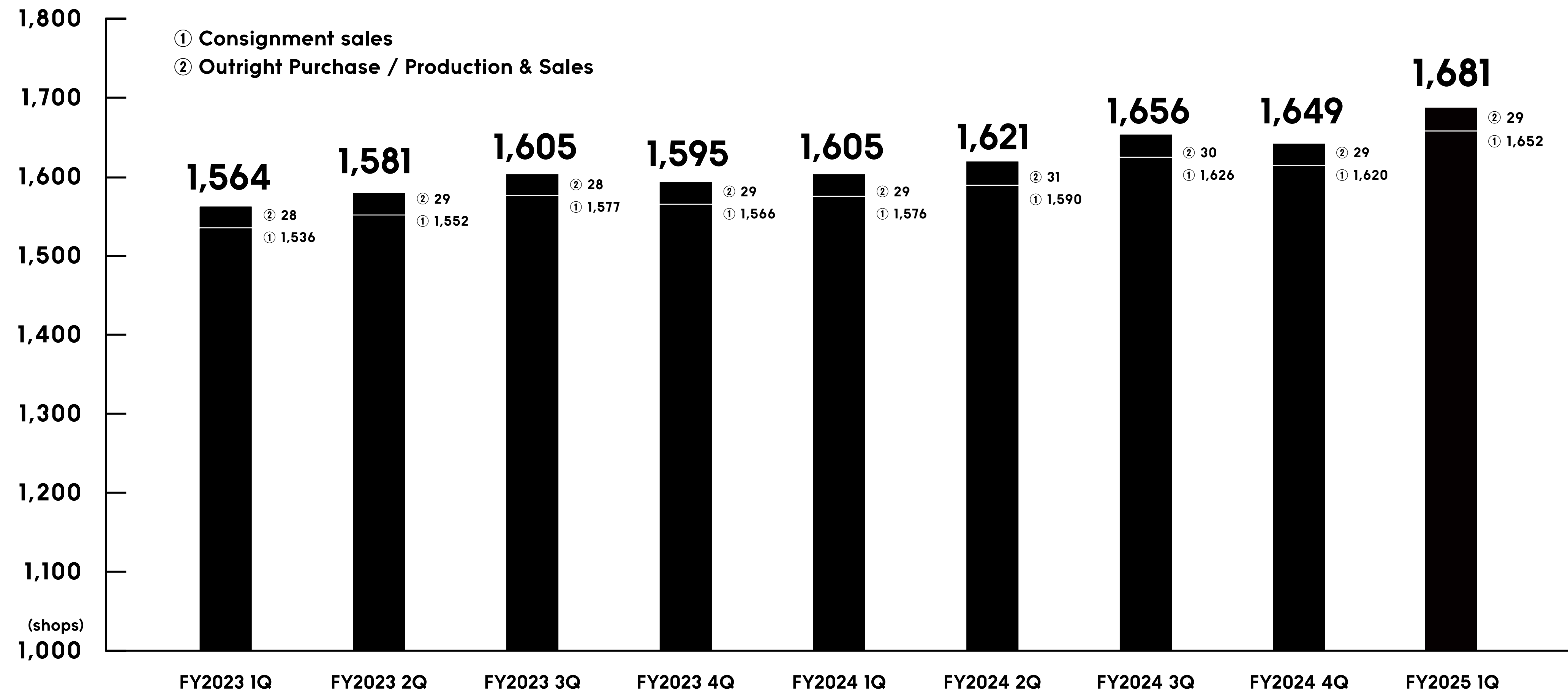


* The results are only from the ZOZOTOWN business. LY Corporation Commerce, LYST and BtoB Business are not included.
* Excluding the users who only purchased the body measurement device “ZOZOSUIT” “ZOZOMAT” and “ZOZOGLASS”.

POINT
07

New member acquisition through web advertising and on-site initiatives within ZOZOTOWN is progressing well. In particular, investment in web advertising increased compared to the same period of the previous year, strengthening customer attraction efforts. As a result, our campaigns targeting specific segments proved effective, delivering a higher return on investment than in the prior year.

NUMBER OF SHOPS ON ZOZOTOWN



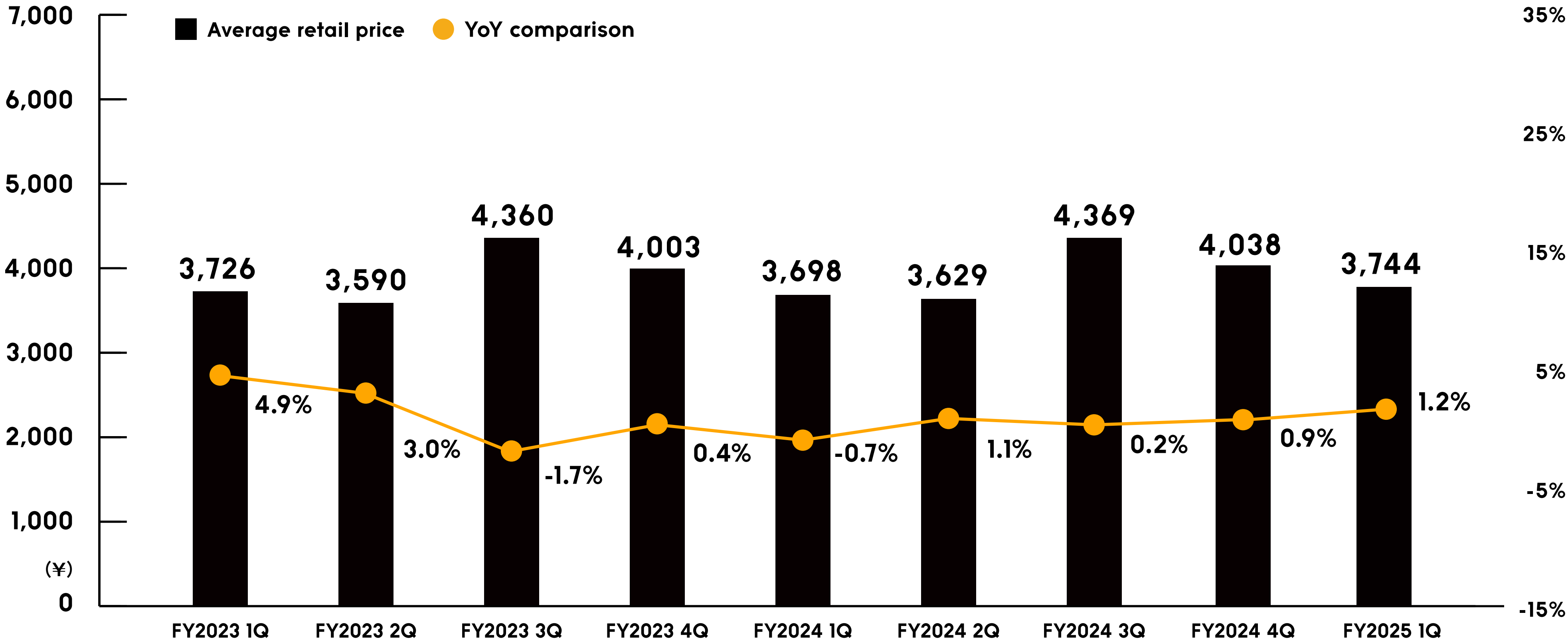
New shop openings continue across a wide range of categories, offering a diverse and varied lineup.



* 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 of the ZOZOTOWN Business / Number of pieces shipped



* The results are only from the ZOZOTOWN business. LY Corporation Commerce, LYST and BtoB Business are not included.

* Excluding the users who only purchased the body measurement device “ZOZOSUIT” “ZOZOMAT” and “ZOZOGLASS”.

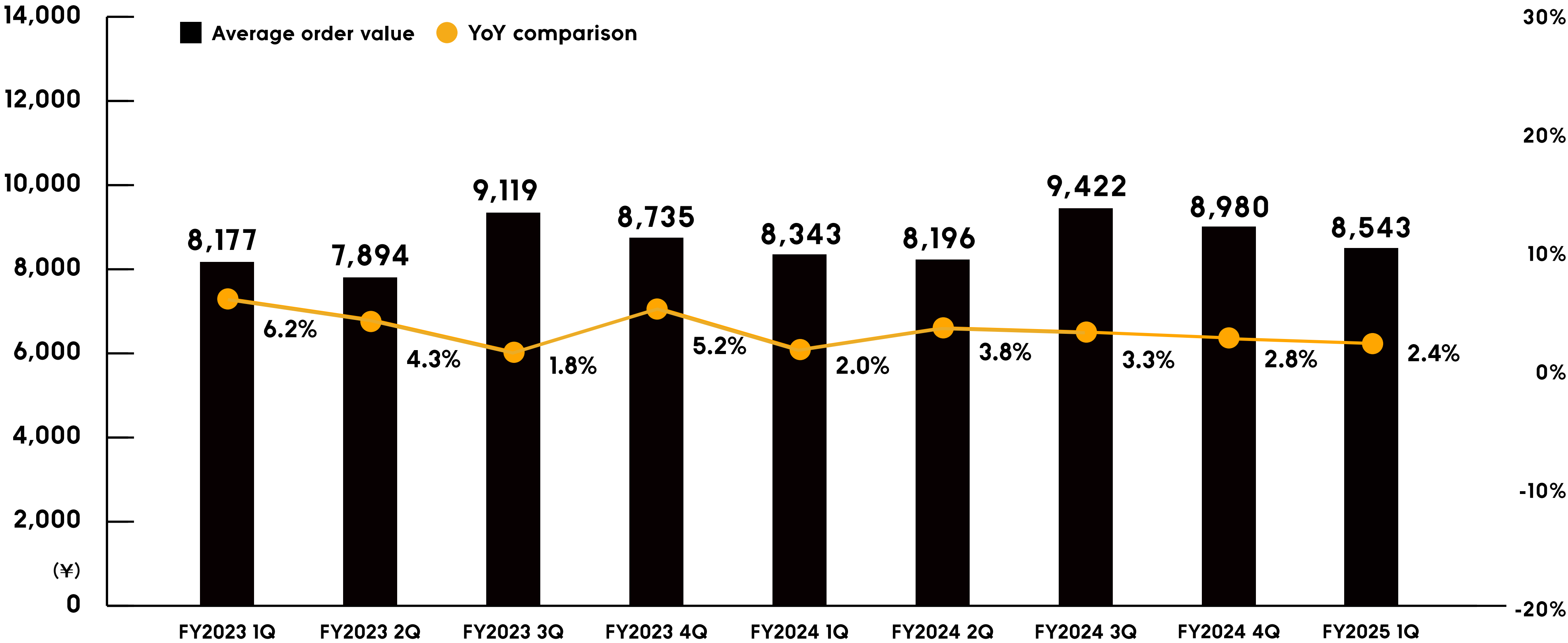
POINT
09

The average retail price increased, mainly due to a higher sales composition of higher-priced items such as spring outerwear compared to the same period of the previous year, as well as a decline in the average discount rate on sale items. For new merchandise, the upward trend in list prices by brands has largely stabilized.



AVERAGE ORDER VALUE

Average order value
= Gross Merchandise Value of the ZOZOTOWN Business / Number of shipments



* The results are only from the ZOZOTOWN business. LY Corporation Commerce, LYST and BtoB Business are not included.
* Excluding the users who only purchased the body measurement device “ZOZOSUIT” “ZOZOMAT” and “ZOZOGLASS”.

POINT
10

The average order value continued to increase, driven by an increase in combined purchases following an increase in the number of free-shipping measures for orders of 12,000 yen or more compared to the same period of the previous fiscal year.



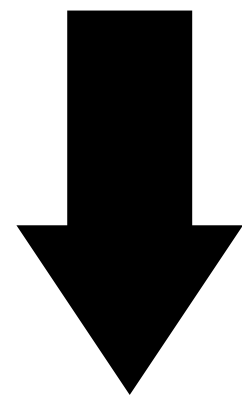
June 30, 2025: Launched “ZOZOMATCH”



Background and objective of launching “ZOZOMATCH”

【Background】

People had fewer chances to go out and connect with others due to the COVID-19 pandemic

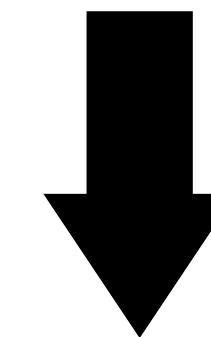


A shrinking apparel market

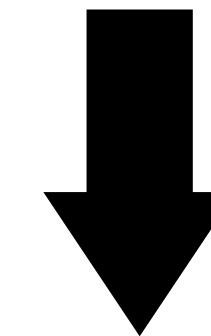
Romantic encounters and fashion demand are closely connected.

【Objective】

Creating new opportunities for people to meet



Motivating people to enjoy fashion

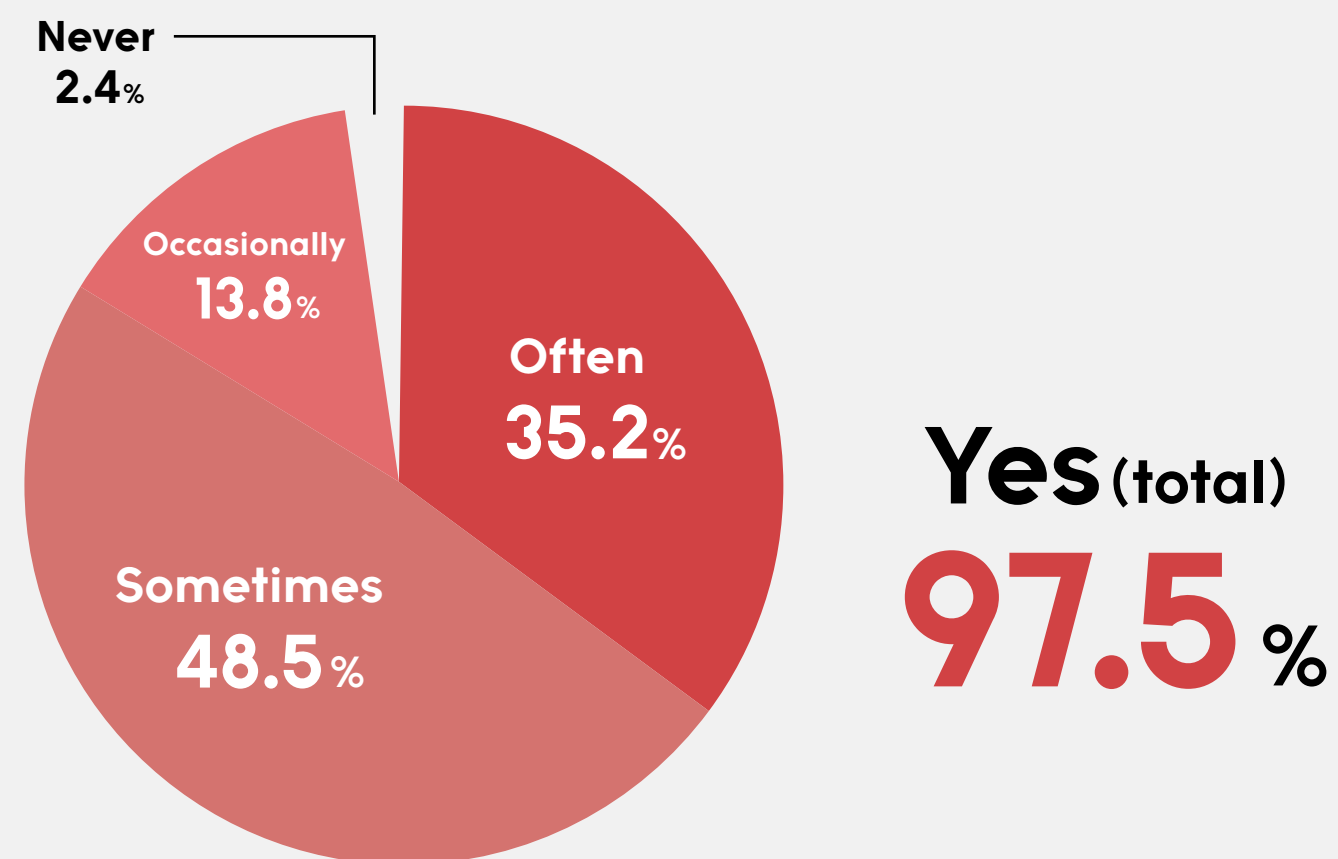


Increasing opportunities for fashion purchases

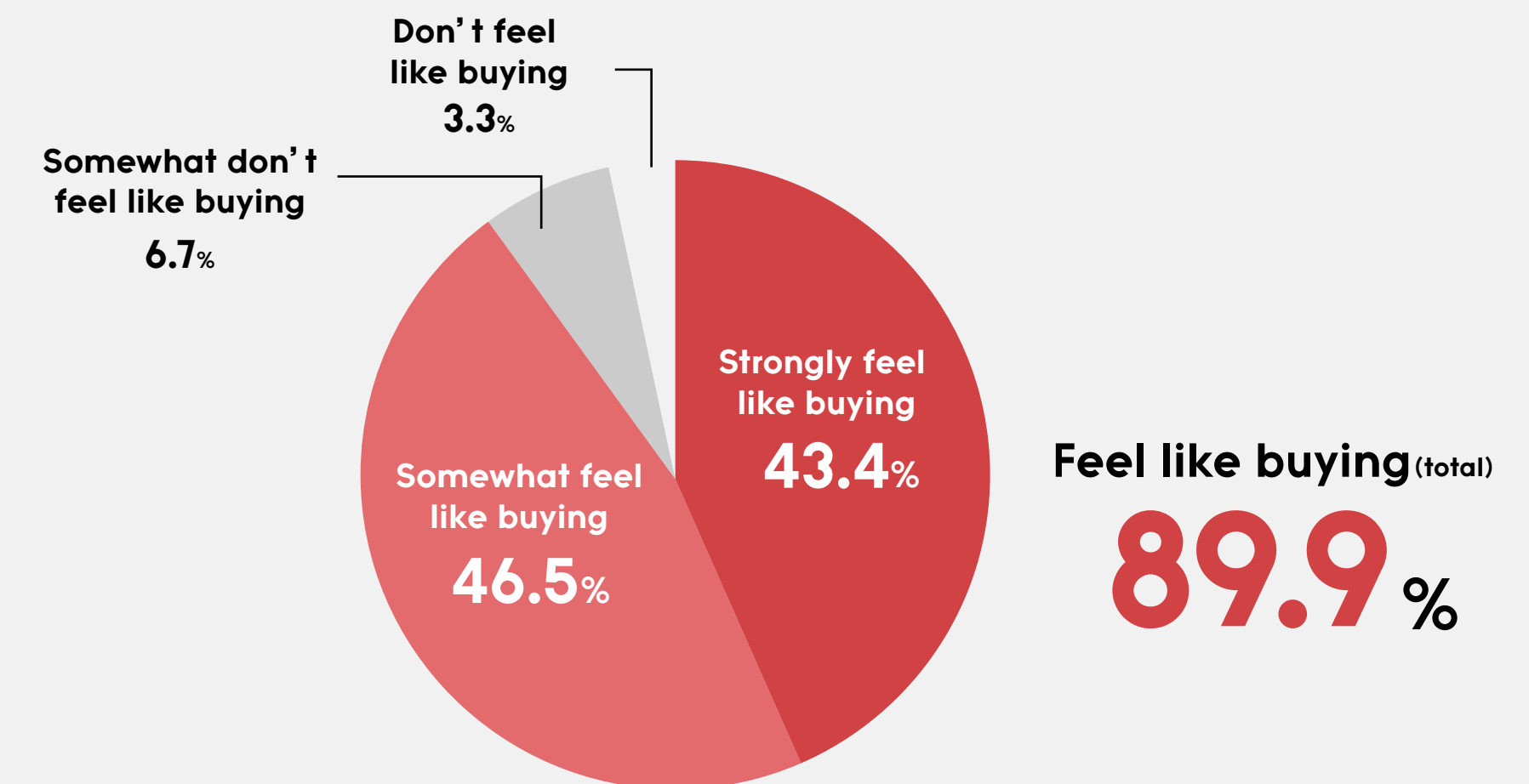
Checking the survey results : The relationship between love and fashion

According to the results of our survey (*), people tend to intuitively sense a person's individuality and appeal through their overall appearance, including fashion, when meeting someone for the first time. The results also suggest that many people consider fashion important in romantic relationships, and that being in love increases their awareness of fashion.

Q. Do you ever intuitively judge whether someone is a potential romantic interest based on their overall appearance, including fashion? ※ Respondents: 1,000



Q. Do you feel like buying clothes when you are in a romantic relationship? ※ Respondents: 1,000



*"Survey on Gen Z's Views on romance and dating apps"

Conducted from May 26 to May 28, 2025.

Respondents: 1,000 men and women aged 18 to 29 who have met someone via a dating app.

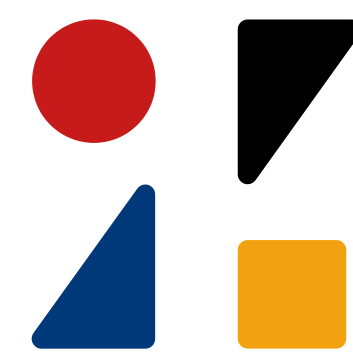
Service overview of ZOZOMATCH

A dating app powered by ZOZO's proprietary AI, designed to match users based on their “style preferences”, using data such as fashion genre assessment.

Features of ZOZOMATCH

- Profile design that highlights individuality and appeal at a glance, using full-body photos and fashion-oriented visuals
- Proprietary AI recommends potential matches based on users' “style preferences”
- Robust safety features and a dedicated support system are in place





ZOZO