

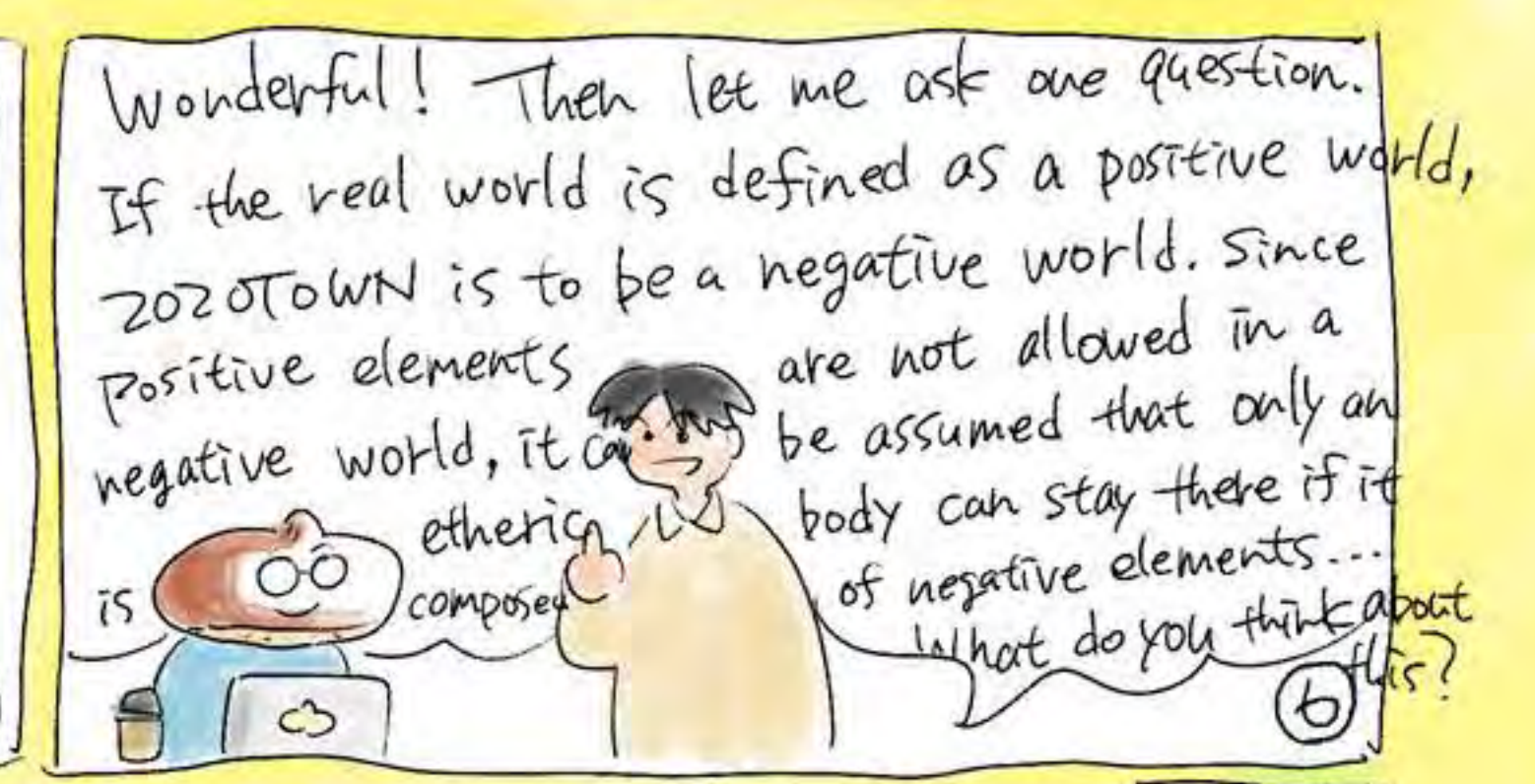
# FY2021 ZOZO, Inc. CONSOLIDATED BUSINESS RESULTS





# HIGHLIGHTS

FY2021 ZOZO, Inc.  
CONSOLIDATED BUSINESS RESULTS





# FY2021 HIGHLIGHTS



## Overview

**Both GMV and operating profit are the highest ever in the Company's history.**

- **Gross Merchandise Value : 508,876 million yen (+21.3%,YoY)**
- **Gross Merchandise Value (excluding other GMV) : 462,175 million yen (+13.3%,YoY)**

YoY growth rate was stable and more than 10% in each quarter.

Active measures to attract and promote customers led to an increase in the traffic and the number of new members acquired, which helped boost sales.

Regardless of the status of COVID-19 and the recovery of people's mobility, brands continued to send us inventories proactively.

- **Operating Profit : 49,656 million yen (+12.5%,YoY)**

Operating profit grew by more than 10% on a YoY basis.

Although the advertising activities, such as TV commercials, online advertising, and point promotion program, were conducted more actively on a YoY basis, operating profit increased due to a rise in gross profit resulting from growth in Gross Merchandise Value and advertising business, as well as cost reductions.

## Gross Merchandise Value

- **ZOZOTOWN BUSINESS**

**Gross Merchandise Value : 391,647 million yen (+9.6%,YoY)**

**Consignment sales : 374,966 million yen (+9.1%,YoY)**

**Outright Purchase / Production & Sales : 3,233 million yen (+83.9%,YoY)**

**USED sales : 13,448 million yen (+15.7%,YoY)**

- **PayPay Mall : 43,844 million yen (+55.5%,YoY)**

- **BtoB Business : 26,682 million yen (+19.3%,YoY)**

- **Others\* : 46,701 million yen**

- **Average Order Value : 7,974 yen (-0.2%,YoY)**

- **Average Retail Price : 3,752 yen (+0.1%,YoY)**

\*1 From the 2nd quarter of the fiscal year ended March 2021, GMV from the eCommerce website run by our consolidated subsidiary, "yutori, Inc.", ZOZO Option stores at PayPay Mall, and ZOZOMO, are recorded.  
ZOZO Option: Option contracts which enables fashion category stores outside of ZOZOTOWN PayPay Mall, 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.

# FY2021 HIGHLIGHTS



## Profitability

○ Operating profit margin\* (to the total gross merchandise value) : 10.7% (10.8% for FY2020)

• Factors improving profitability : Growth in the sales of advertising business which exceeds the growth rate of Gross Merchandise Value, a decline in logistics-related expenses ratio due to the improvement of operational efficiency in logistics bases, a decline in payment collection commission ratio due to the change of the vendor, and a decline in other expenses ratio due to the change of packaging materials, etc.

• Factors worsening profitability : An increase in expenses for measures to attract customers, such as TV commercials, online advertisement, and point promotion program.

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

## Topic

○ The Company announced the "2030 Carbon Neutral Declaration"

to achieve virtually zero greenhouse gas emissions by the fiscal year 2030. (February 2022)

○ The Company produced Charity T-shirts to support the people of Ukraine. (Pre-order period: Monday, February 28 to Monday, March 14)

All proceeds of 283,715,060 yen from the total sales of 144,453 pieces were donated to ADRA Japan, a non-profit organization. (March 2022)

○ ZOZOTOWN Customer Support Center received "HDI Five-Star Certification" for the third consecutive year. (March 2022)

○ The Company moved to the "Prime Market", the new market segment made by the Tokyo Stock Exchange. (April 2022)

○ "AR Makeup" menu has been released on ZOZOCOSME. (April 2022)

○ ZOZOGLASS, a face color measurement tool, started to support concealers as well as foundations. (April 2022)

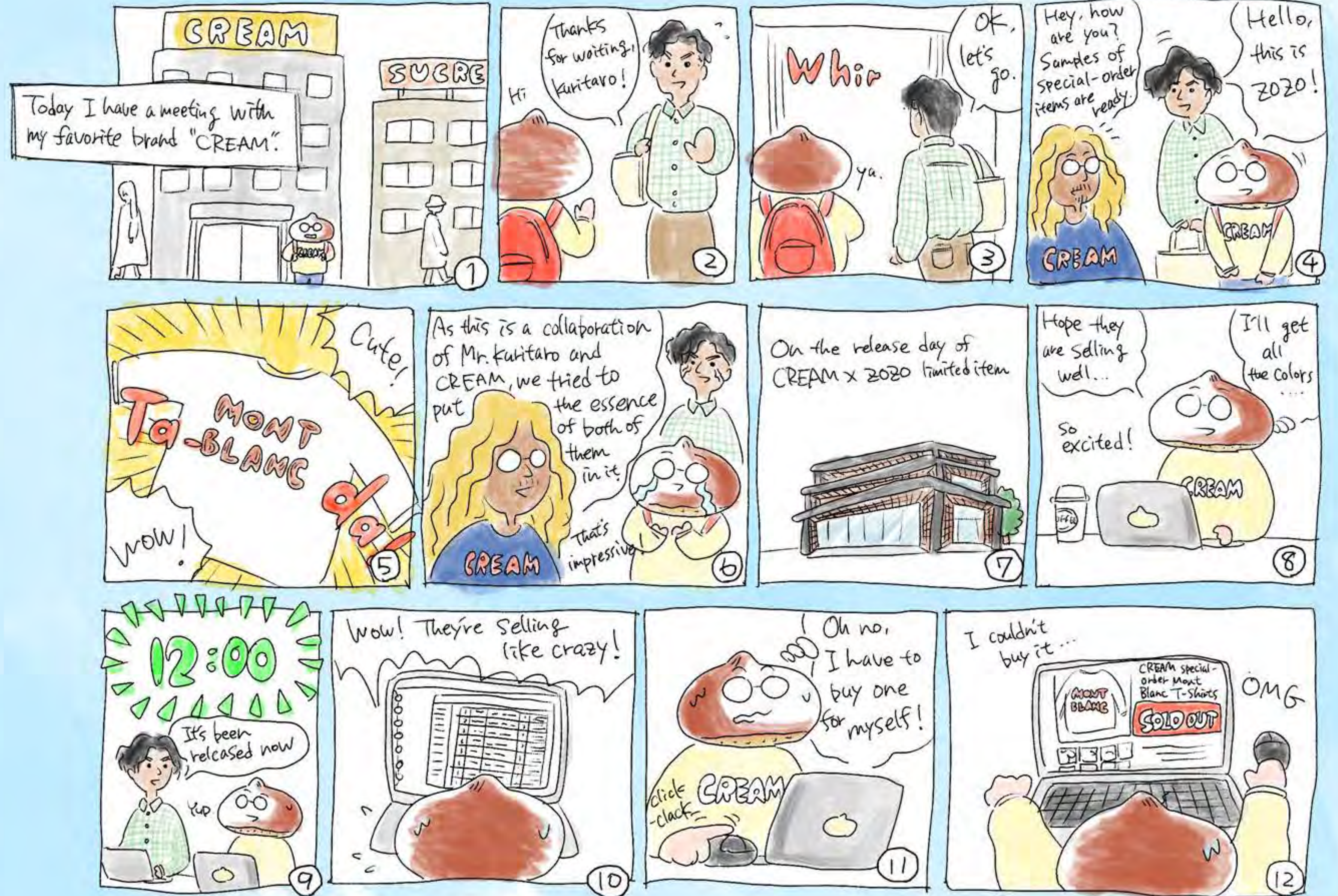
○ WEAR will implement a listing and purchase function through PayPay Flea Market this summer. (April 2022).

○ "ZOZOFIT", a body management tool, will be released in the U.S. this summer. (April 2022).



# BUSINESS RESULTS

FY2021 ZOZO, Inc.  
CONSOLIDATED BUSINESS RESULTS





# OVERVIEW OF THE FY2021



(million¥)

	FY2020	FY2021	YoY	Target	Achievement Rate(%)
Gross Merchandise Value	419,438	508,876	21.3%	472,800	107.6%
Gross Merchandise Value (excluding other GMV)	407,774	462,175	13.3%	450,400	102.6%
Net sales	147,402	166,199	12.8%	162,600	102.2%
Gross profit	140,033	156,172	11.5%	-	-
(%Gross Merchandise Value)	34.3%	33.8%	-0.5%	-	-
SG&A	95,889	106,516	11.1%	-	-
(%Gross Merchandise Value)	23.5%	23.0%	-0.5%	-	-
Operating profit	44,144	49,656	12.5%	47,800	103.9%
(%Gross Merchandise Value)	10.8%	10.7%	-0.1%	10.6%	-
Ordinary profit	44,386	49,655	11.9%	47,800	103.9%
Profit attributable to owners of parent	30,932	34,492	11.5%	33,300	103.6%

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

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

Until the fiscal year ended March 2021, points-related expenses, which had been recorded in SG&A expenses, were reduced from sales in the respective businesses, and the results are disclosed as net sales.



# OVERVIEW OF EACH QUARTER



(million¥)

	FY2020				FY2021			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Gross Merchandise Value	95,330	90,301	118,611	115,194	116,812	112,695	145,999	133,369
Gross Merchandise Value (excluding other GMV)	95,330	90,195	115,247	106,999	106,700	102,367	132,519	120,587
YoY (%)	19.5%	13.0%	22.2%	17.3%	11.9%	13.5%	15.0%	12.7%
Net sales	33,674	32,818	41,987	38,922	38,866	37,346	47,565	42,420
SG&A	21,860	21,571	25,742	26,714	24,333	23,851	29,656	28,675
YoY (%)	18.3%	4.3%	1.4%	25.5%	11.3%	10.6%	15.2%	7.3%
(%Gross Merchandise Value)	22.9%	23.9%	22.3%	25.0%	22.8%	23.3%	22.4%	23.8%
Operating profit	10,423	9,482	13,880	10,358	12,591	11,200	14,987	10,876
YoY (%)	33.9%	73.4%	126.4%	21.8%	20.8%	18.1%	8.0%	5.0%
(%Gross Merchandise Value)	10.9%	10.5%	12.0%	9.7%	11.8%	10.9%	11.3%	9.0%

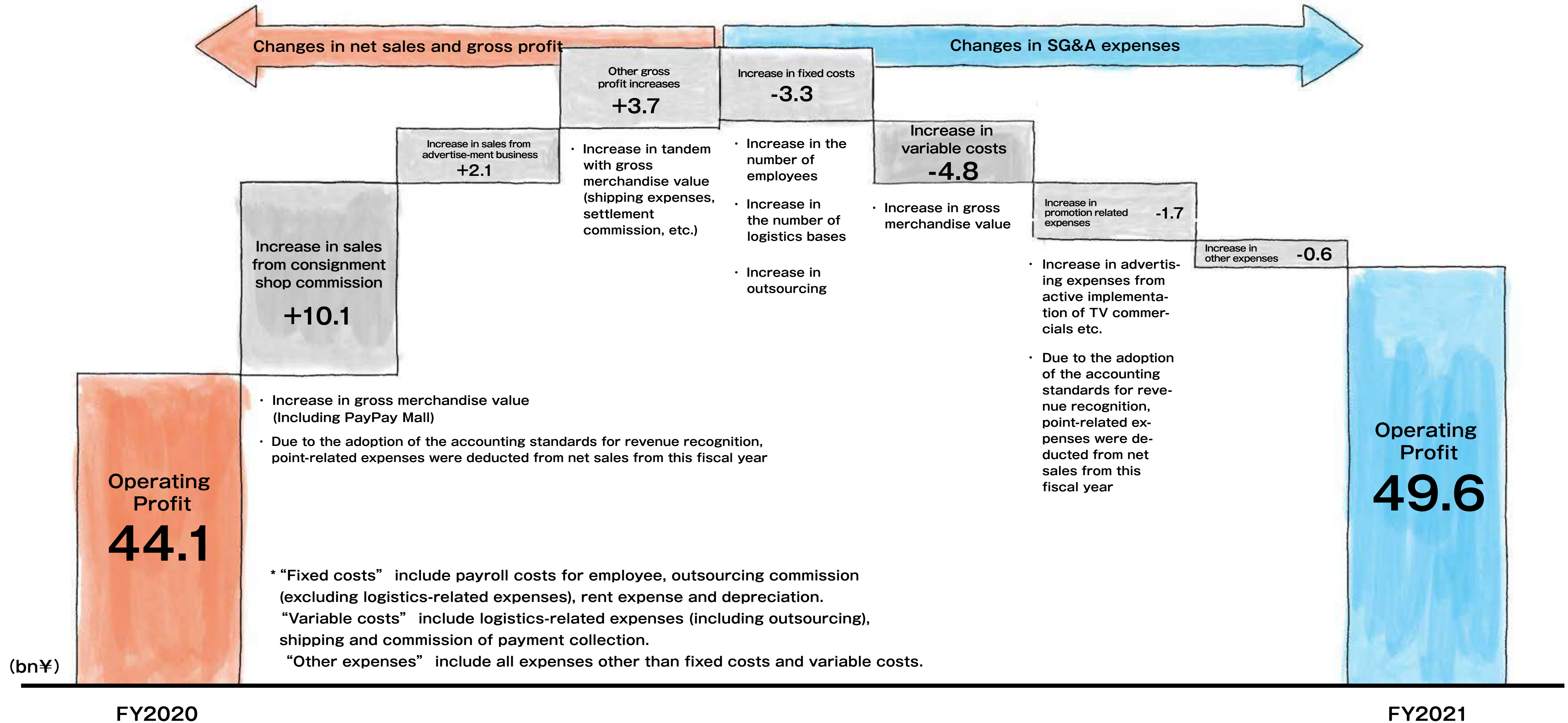
\* %Gross Merchandise Value are represented in percentages after division by gross merchandise value (excluding other GMV).

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

Until the fiscal year ended March 2021, points-related expenses, which had been recorded in SG&A expenses, were reduced from sales in the respective businesses, and the results are disclosed as net sales.



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





# CONSOLIDATED BALANCE SHEET



(million¥)

	<b>FY2020</b> (as of March 31, 2021)	<b>FY2021</b> (as of March 31, 2022)		<b>FY2020</b> (as of March 31, 2021)	<b>FY2021</b> (as of March 31, 2022)
<b>Current assets</b>	<b>99,796</b>	<b>102,305</b>	<b>Current liabilities</b>	<b>65,180</b>	<b>66,172</b>
Cash and deposits	61,648	65,520	Short-term borrowing	20,000	20,200
Merchandise and finished products	1,792	2,060	Noncurrent liabilities	4,968	6,005
<b>Noncurrent assets</b>	<b>25,860</b>	<b>24,971</b>	<b>Total liabilities</b>	<b>70,149</b>	<b>72,177</b>
Tangible assets	12,019	11,284	Shareholders' equity	55,651	55,100
Intangible assets	2,915	2,621	Treasury stock	-24,146	-44,784
Investments and other assets	10,925	11,065	<b>Total net assets</b>	<b>55,507</b>	<b>55,099</b>
<b>Total assets</b>	<b>125,656</b>	<b>127,276</b>	<b>Total liabilities and net assets</b>	<b>125,656</b>	<b>127,276</b>



# CASH FLOWS

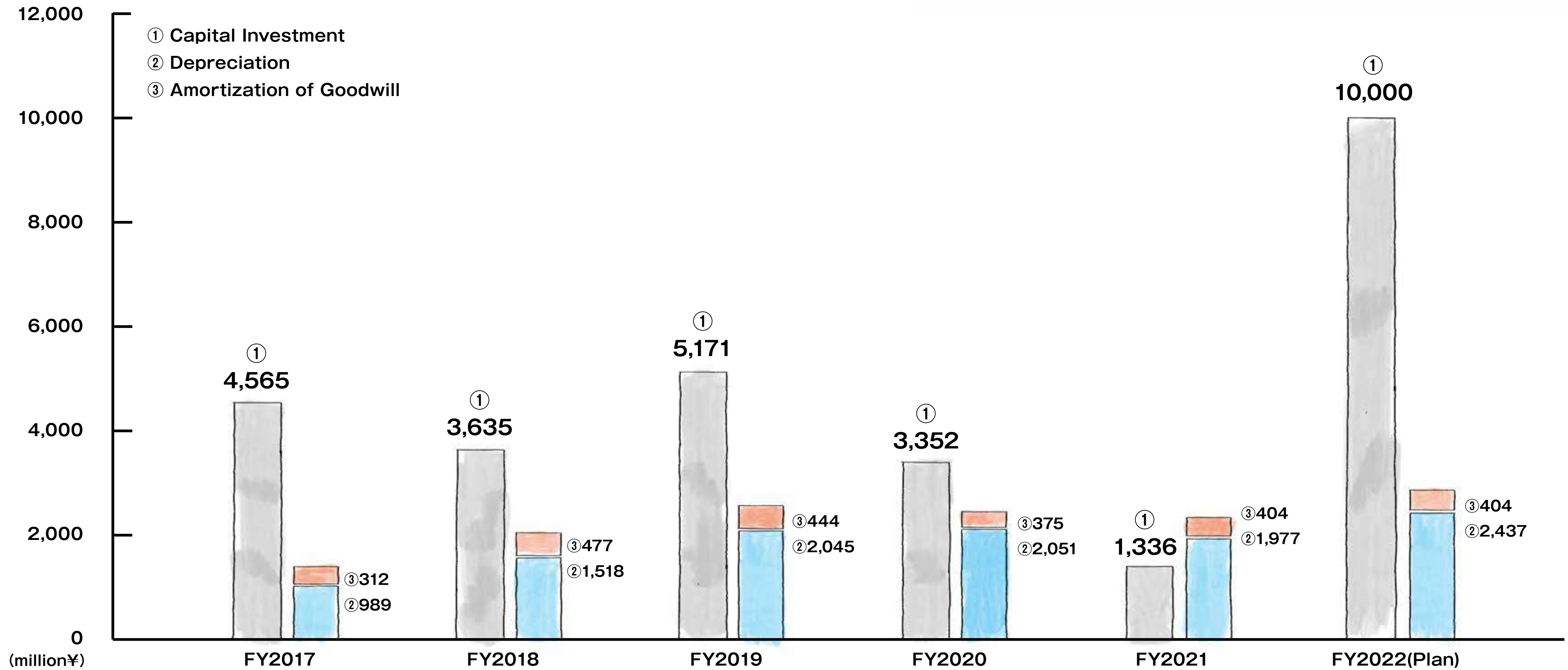


(million¥)

	FY2020	FY2021	YoY	Reason for change
Cash flows from operating activities	44,790	39,895	-4,895	Increase in income taxes paid
Cash flows from investing activities	-4,648	-1,283	3,365	
Cash flows from financing activities	-12,117	-34,823	-22,705	Gains and losses from purchase and disposal of treasury stock
Cash and cash equivalents at the end of the year	61,648	65,520	3,872	



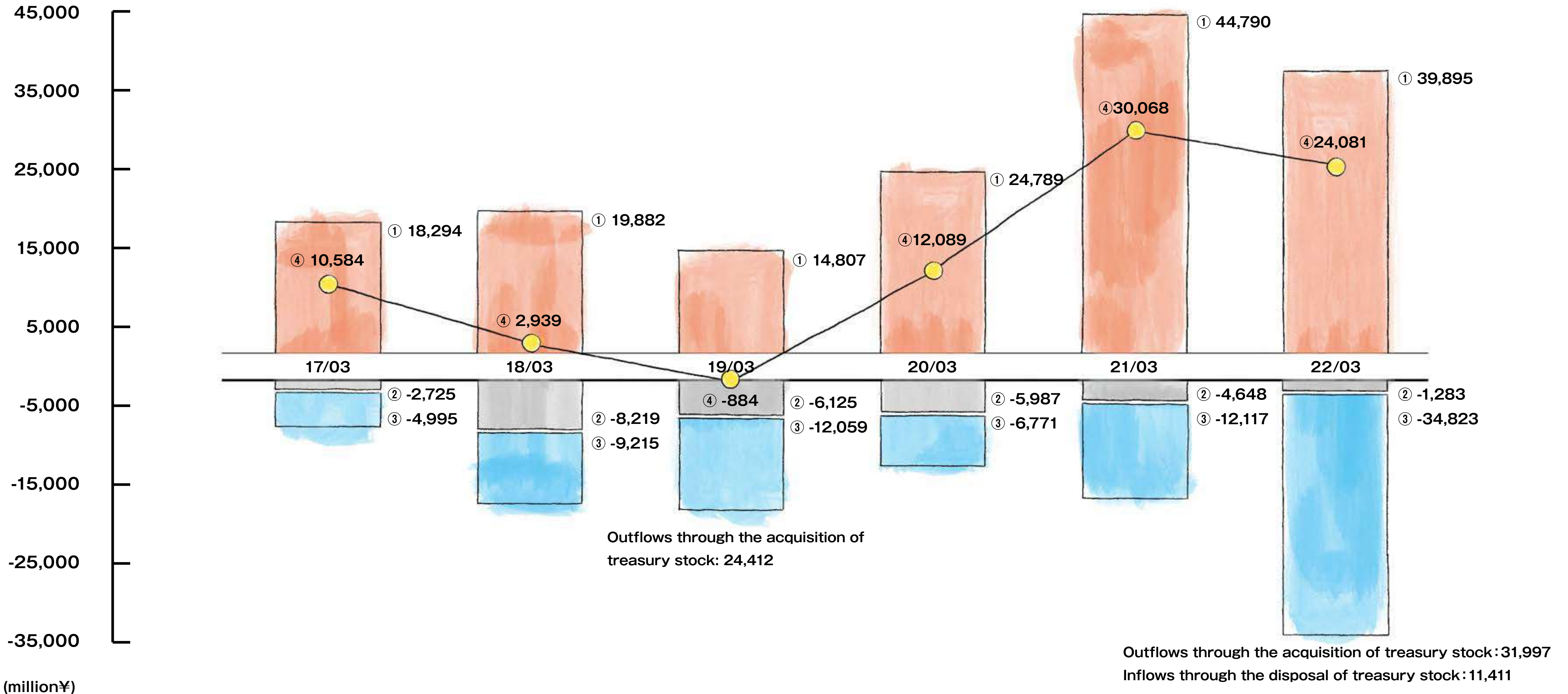
# CAPITAL INVESTMENT





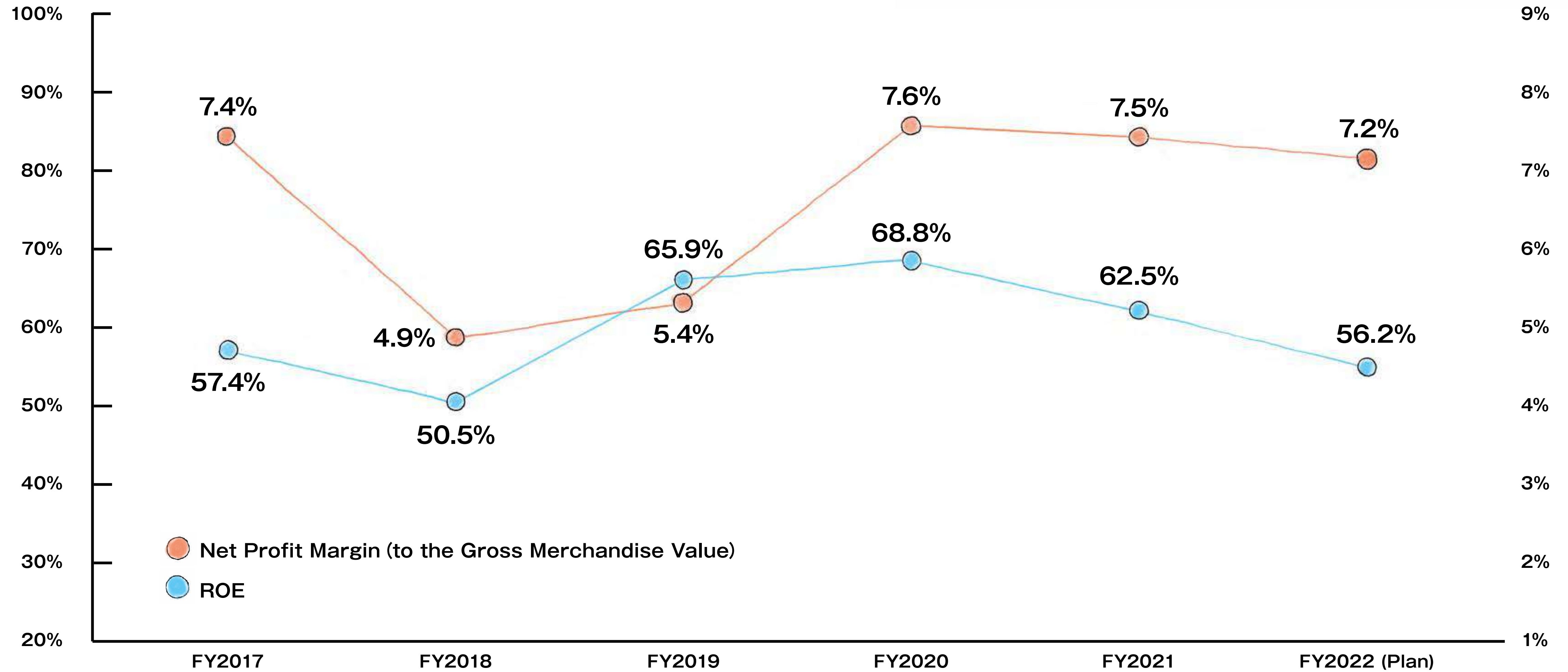
# CASH FLOWS

- 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

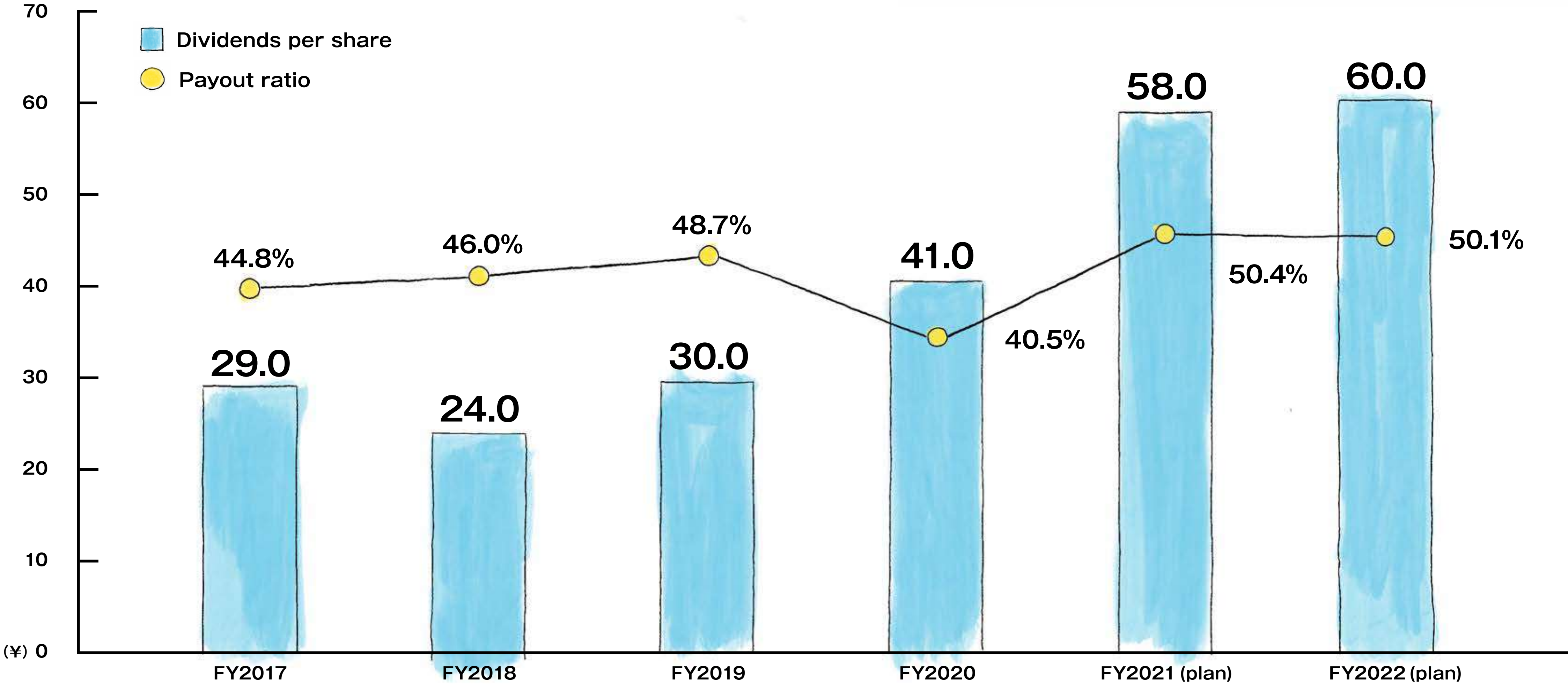


\* Net Profit margin are calculated by net profit divided by gross merchandise value (excluding other GMV).

\* The company made a timely disclosure "Notice concerning revision of year-end dividend forecast" on April 27, 2022. The numbers in above are the numbers after the revision.



# DIVIDENDS PER SHARE AND PAYOUT RATIO



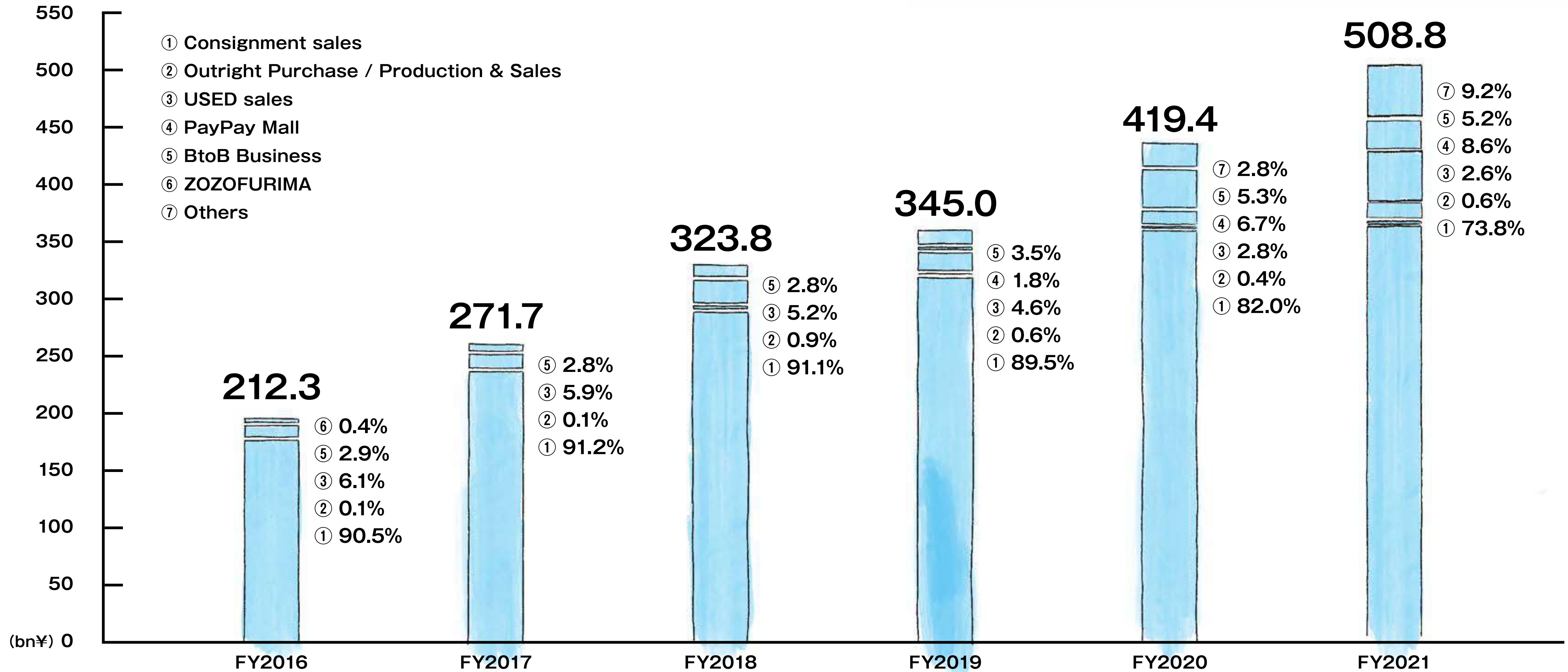
\* The company made a timely disclosure "Notice concerning revision of year-end dividend forecast" on April 27, 2022. The numbers in above are the numbers after the revision.



# GROSS MERCHANDISE VALUE

Gross merchandise value of new shops opened in FY2021 ZOZOTOWN Business : ¥9.1 billion

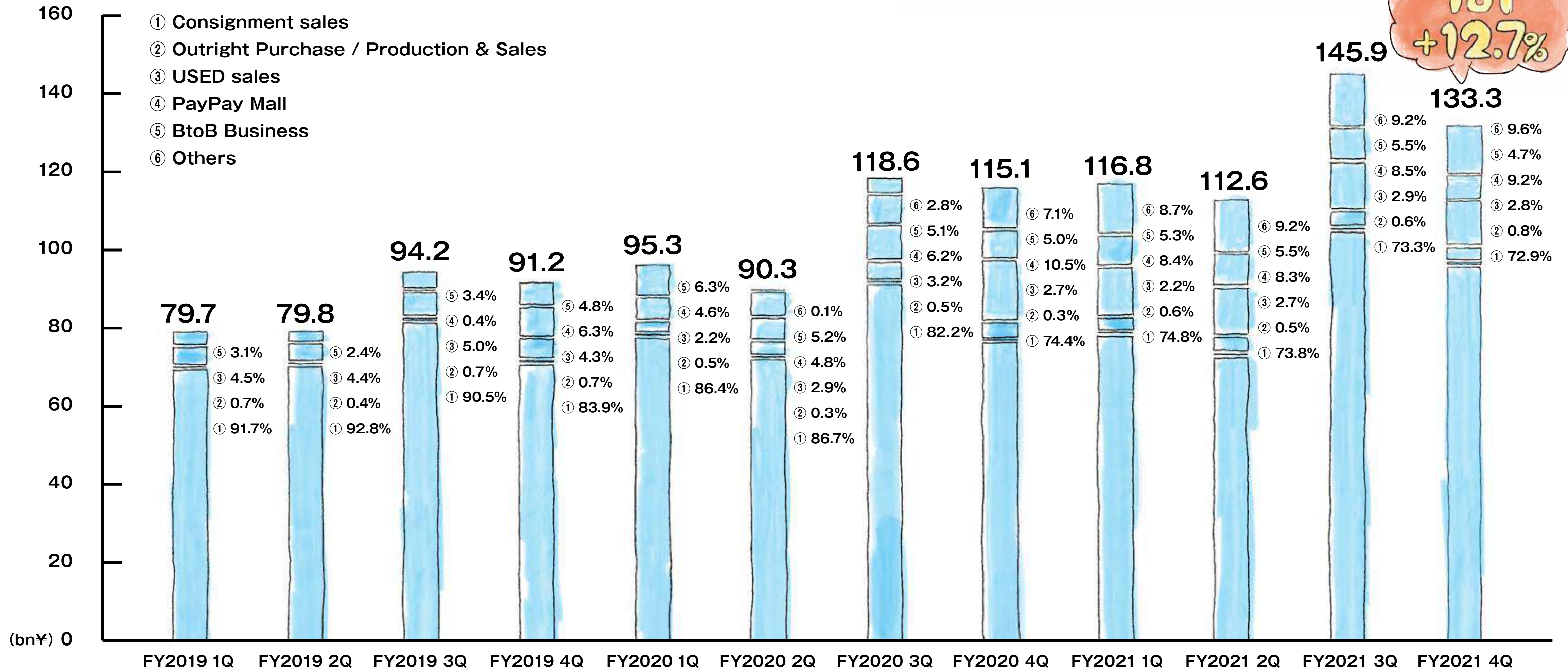
(accounts for 2.3% of the gross merchandise value)



\* ZOZO FURIMA Business ended on June 30, 2017.



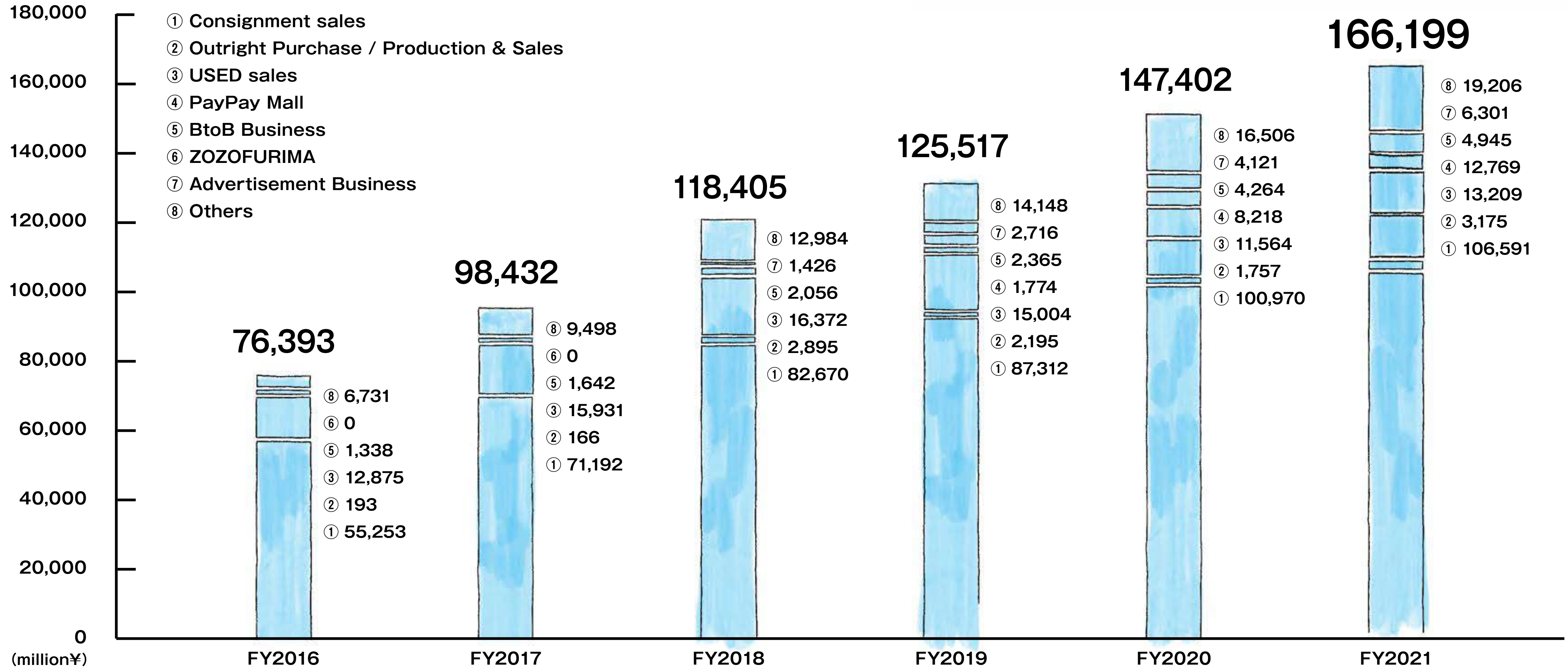
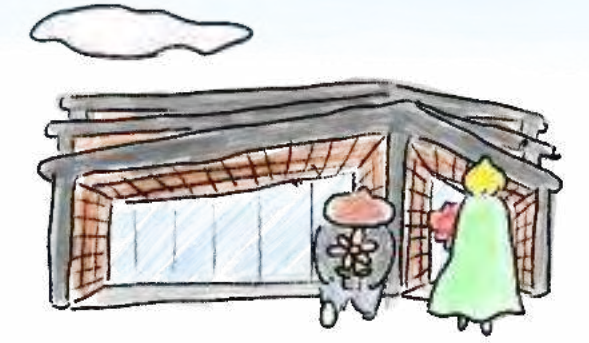
# GROSS MERCHANDISE VALUE (QUARTERLY)



\* YoY are calculated with GMV excluding "⑥ Others".



# NET SALES

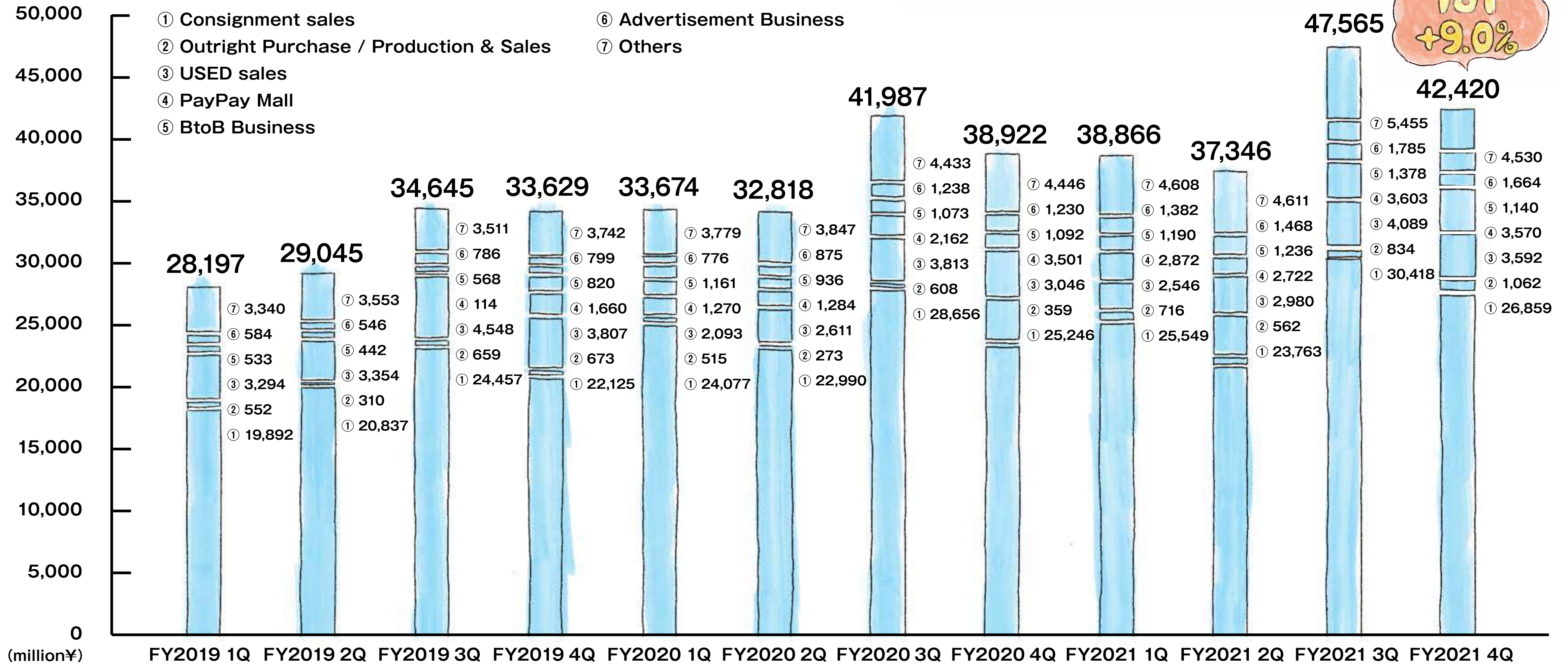
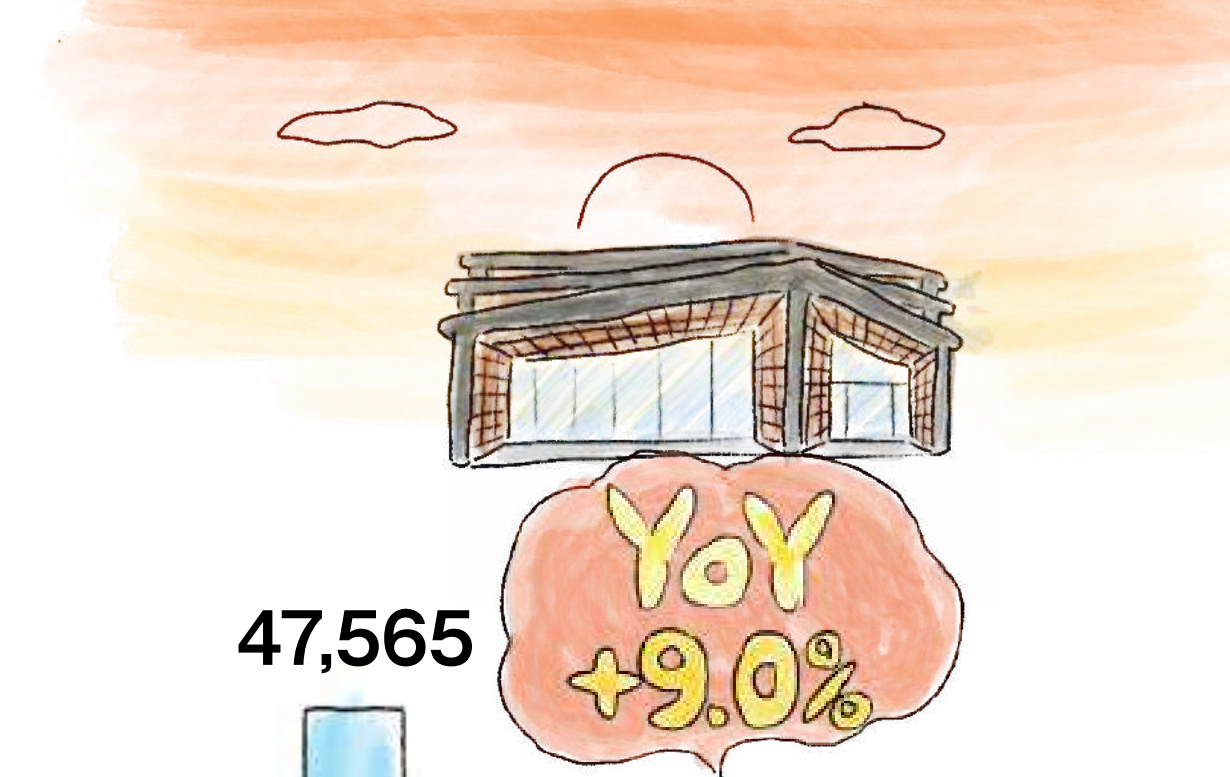


\* ZOZO FURIMA Business ended on June 30, 2017.

\* Effective from the fiscal year ending March 2022, we have adopted the new accounting standards for revenue recognition. Until the fiscal year ended March 2021, points-related expenses, which had been recorded in SG&A expenses, were reduced from sales in the respective businesses, and the results are disclosed as net sales.



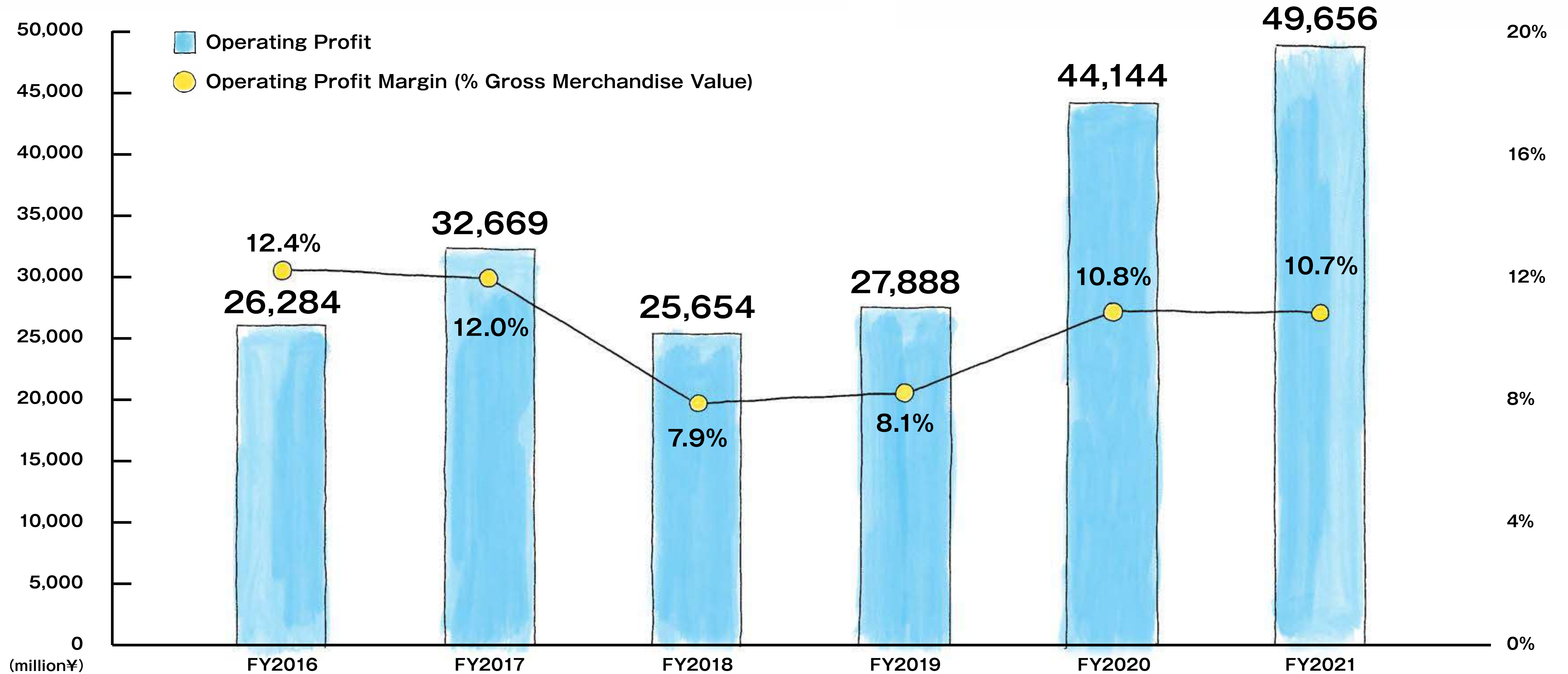
# NET SALES (QUARTERLY)



\* Effective from the fiscal year ending March 2022, we have adopted the new accounting standards for revenue recognition. Until the fiscal year ended March 2021, points-related expenses, which had been recorded in SG&A expenses, were reduced from sales in the respective businesses, and the results are disclosed as net sales.



# OPERATING PROFIT AND OPERATING PROFIT MARGIN



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



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



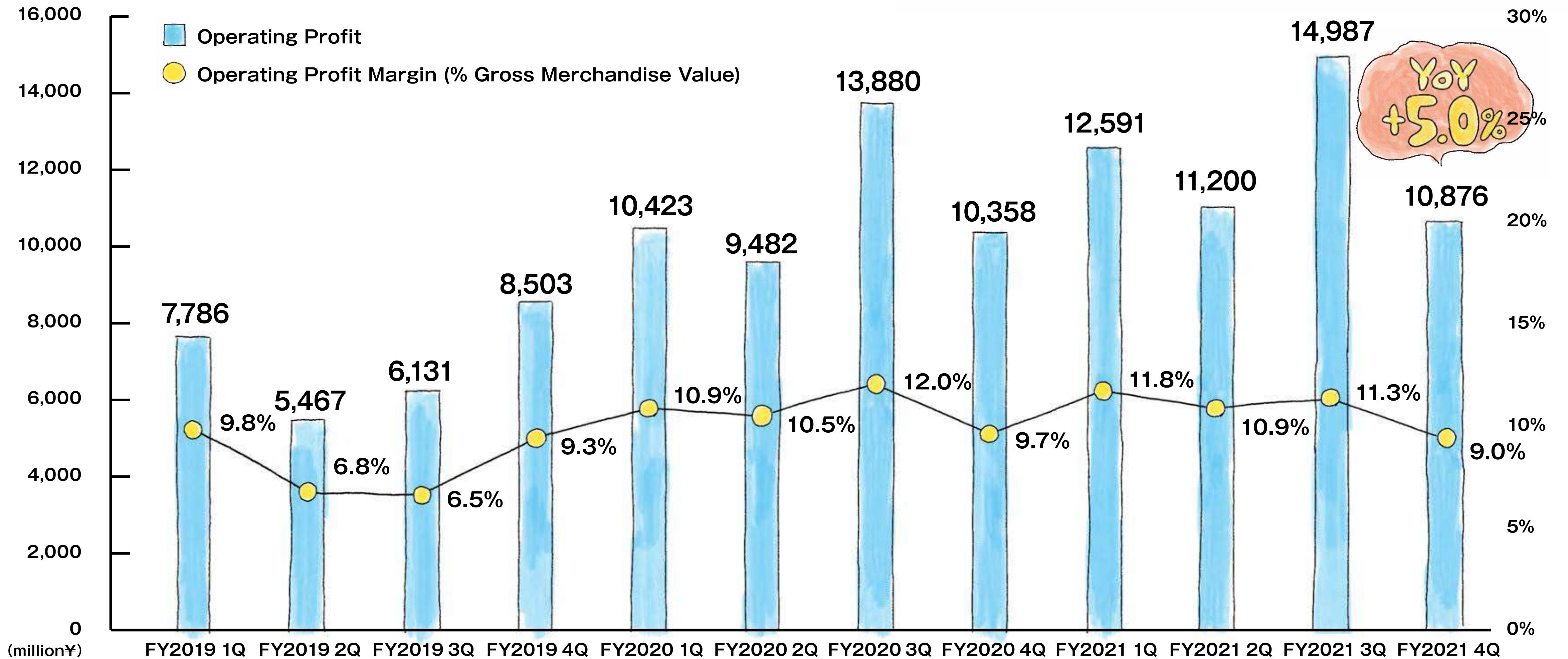
(million¥)

	FY2020		FY2021		YOY	Increase / decrease factors
	Amount	%Gross Merchandise Value	Amount	%Gross Merchandise Value	%Gross Merchandise Value	
Payroll and staff costs(*)	27,244	6.7%	30,173	6.5%	-0.2%	
Payroll costs for employee	11,058	2.7%	13,052	2.8%	0.1%	Transition of the number of employees on consolidated basis: FY2020 1,297 → FY2021 1,411 On-the-spot expenses associated with the absorption-type company split with a subsidiary were recorded in the 3rd quarter.
Logistics-Related Expenses (Including Outsourcing)	16,185	4.0%	17,121	3.7%	-0.3%	Previous fiscal year: (1st quarter) Disruptions caused by the large volume of inventory received (2nd quarter) Efficiency reduced due to tight storage space for inventories. Current fiscal year: There were no major disruptions and operated efficiently. *Expanded logistics bases in the third quarter of the previous fiscal year.
Outsourcing Commission (Excluding Logistics-Related Expenses)	5,086	1.2%	6,037	1.3%	0.1%	
Shipping	27,578	6.8%	31,380	6.8%	0.0%	Packaging and freight to the gross merchandise value remained at the same level as the previous fiscal year, as there was no significant decline in order value.
Commission of Payment collection	10,840	2.7%	10,978	2.4%	-0.3%	Decrease in expenses from the change of vendor
Promotion related expenses	8,101	2.0%	9,876	2.1%	0.1%	For the current fiscal year, actual promotion-related expenses (promotion-related expenses shown on the left + point-related expenses) are approximately 16,000 million yen (3.5% of GMV)
Advertising	5,934	1.5%	9,876	2.1%	0.6%	Deployed active user attraction measures such as TV commercials, online advertisement
Reward points related expenses	2,167	0.5%	-	-	-	Deduction from net sales instead of recording to the SG&A expense, due to the adoption of new accounting standards for revenue recognition
Rent expense	5,224	1.3%	5,728	1.2%	-0.1%	An increase in the number of logistics bases.
Depreciation	2,051	0.5%	1,977	0.4%	-0.1%	Undepreciated expenses of the old office were recorded as extraordinary loss in the 4th quarter of the last fiscal year
Amortization of goodwill	375	0.1%	404	0.1%	0.0%	
Stock Compensation Expenses	47	0.0%	86	0.0%	0.0%	
Others	9,338	2.3%	9,873	2.1%	-0.2%	Decrease in expenses due to the change of packaging materials (cardboard for delivery)
<b>Total SG&amp;A</b>	<b>95,889</b>	<b>23.5%</b>	<b>106,516</b>	<b>23.0%</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 % Gross Merchandise Value are calculated by each expense divided by gross merchandise value (excluding other GMV).



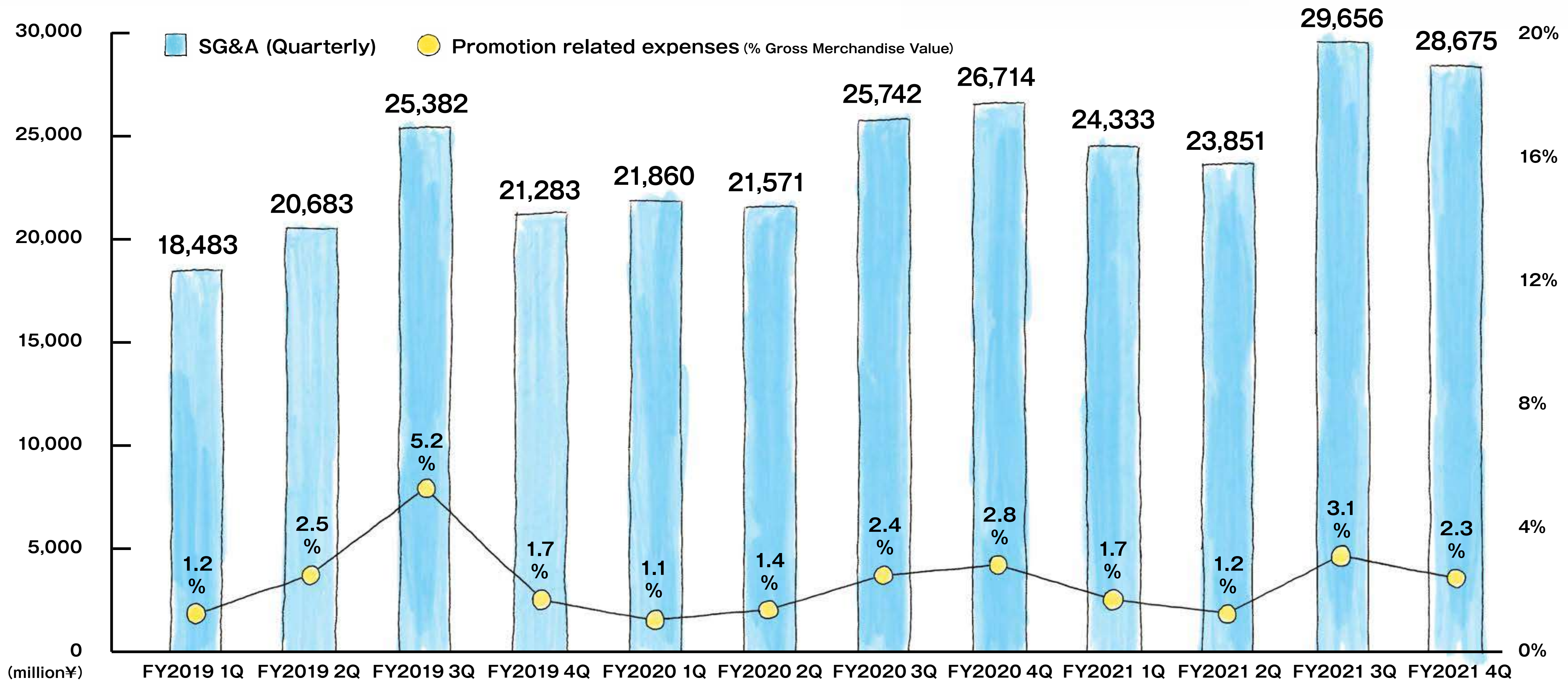
# OPERATING PROFIT AND OPERATING PROFIT MARGIN (QUARTERLY)



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



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



\* Promotion related expenses ratios are calculated by related items divided by gross merchandise value (excluding other GMV).  
 \* Effective from the fiscal year ending March 2022, we have adopted the new accounting standards for revenue recognition. Until the fiscal year ended March 2021, points-related expenses, which had been recorded in SG&A expenses, were reduced from sales in the respective businesses, and the results are disclosed as net sales.



# OVERVIEW OF SG&A BY EACH QUARTER



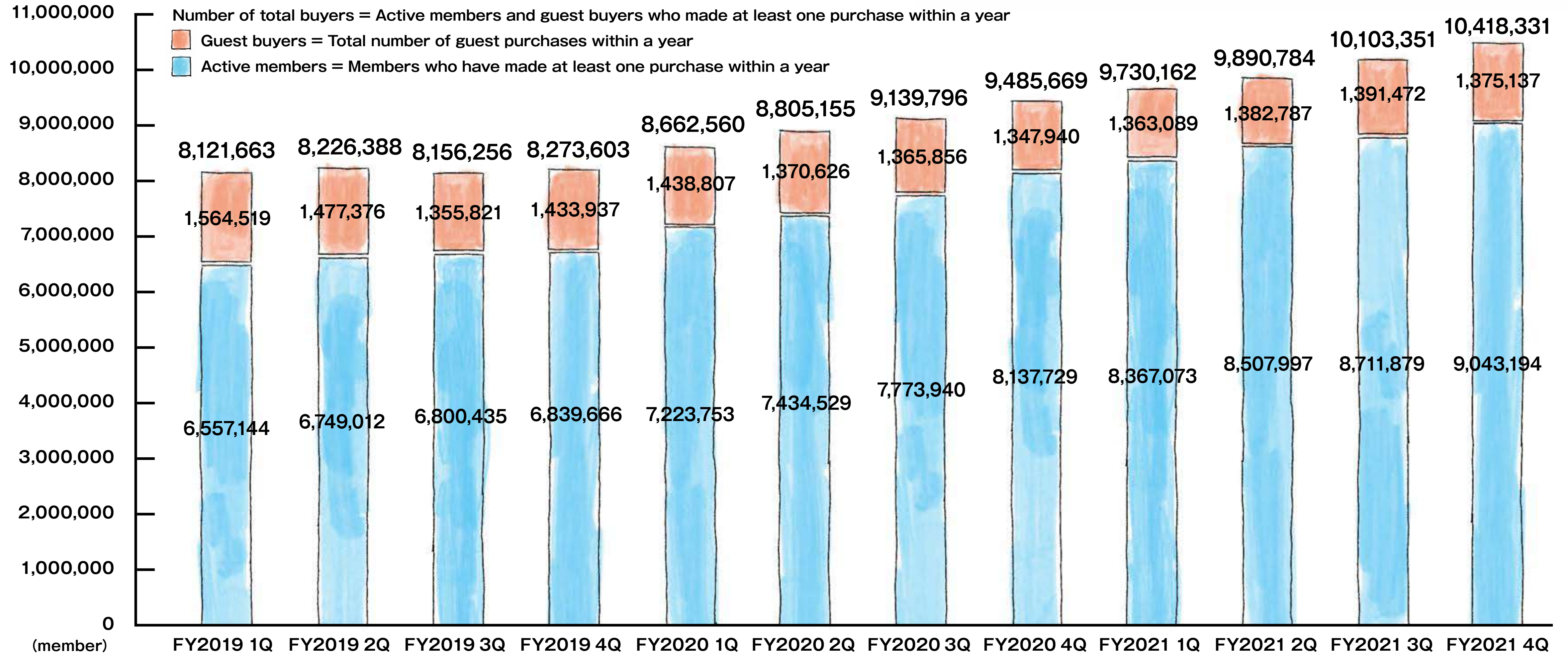
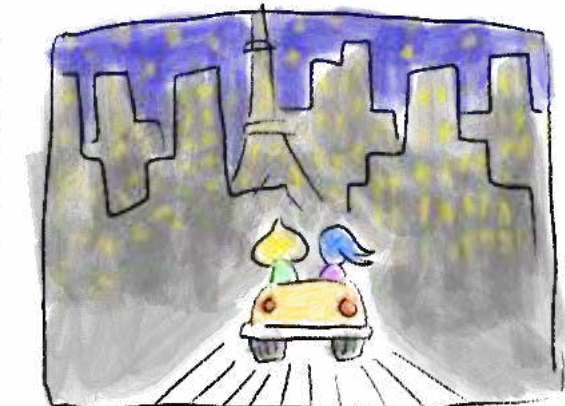
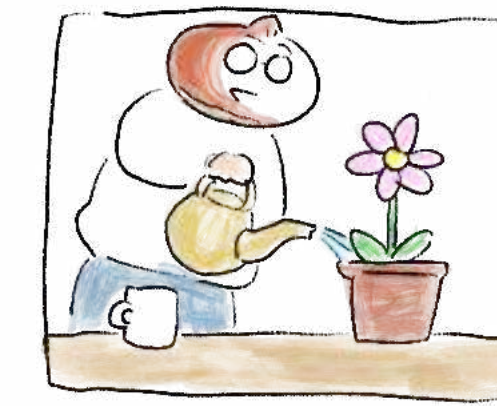
(million¥)

	FY2020								FY2021							
	1Q		2Q		3Q		4Q		1Q		2Q		3Q		4Q	
	Amount	%Gross Merchandise Value	Amount	%Gross Merchandise Value	Amount	%Gross Merchandise Value	Amount	%Gross Merchandise Value	Amount	%Gross Merchandise Value	Amount	%Gross Merchandise Value	Amount	%Gross Merchandise Value	Amount	%Gross Merchandise Value
<b>Payroll and staff costs(*)</b>	6,465	6.8%	6,294	7.0%	6,639	5.8%	7,844	7.3%	6,883	6.5%	6,887	6.7%	7,860	5.9%	8,542	7.1%
Payroll costs for employee	2,409	2.5%	2,484	2.8%	2,497	2.2%	3,666	3.4%	2,831	2.7%	2,774	2.7%	3,300	2.5%	4,146	3.4%
Logistics-Related Expenses (Including Outsourcing)	4,056	4.3%	3,809	4.2%	4,141	3.6%	4,177	3.9%	4,051	3.8%	4,112	4.0%	4,559	3.4%	4,396	3.6%
Outsourcing Commission (Excluding Logistics-Related Expenses)	1,197	1.3%	1,149	1.3%	1,320	1.1%	1,418	1.3%	1,429	1.3%	1,499	1.5%	1,458	1.1%	1,649	1.4%
Shipping	6,655	7.0%	6,542	7.3%	7,195	6.2%	7,185	6.7%	7,597	7.1%	7,486	7.3%	8,275	6.2%	8,021	6.7%
Commission of Payment collection	2,561	2.7%	2,464	2.7%	3,078	2.7%	2,734	2.6%	2,580	2.4%	2,478	2.4%	3,146	2.4%	2,771	2.3%
Promotion related expenses	1,075	1.1%	1,279	1.4%	2,779	2.4%	2,967	2.8%	1,796	1.7%	1,212	1.2%	4,118	3.1%	2,747	2.3%
Advertising	619	0.7%	855	0.9%	2,230	1.9%	2,228	2.1%	1,796	1.7%	1,212	1.2%	4,118	3.1%	2,747	2.3%
Reward points related expenses	455	0.5%	424	0.5%	548	0.5%	739	0.7%	-	-	-	-	-	-	-	-
Rent expense	1,232	1.3%	992	1.1%	1,515	1.3%	1,484	1.4%	1,431	1.3%	1,432	1.4%	1,432	1.1%	1,432	1.2%
Depreciation	553	0.6%	450	0.5%	497	0.4%	548	0.5%	454	0.4%	478	0.5%	503	0.4%	541	0.4%
Amortization of goodwill	81	0.1%	93	0.1%	99	0.1%	100	0.1%	101	0.1%	100	0.1%	101	0.1%	101	0.1%
Stock Compensation Expenses	0	0.0%	17	0.0%	13	0.0%	15	0.0%	13	0.0%	38	0.0%	25	0.0%	9	0.0%
Others	2,035	2.1%	2,285	2.5%	2,602	2.3%	2,414	2.3%	2,043	1.9%	2,237	2.2%	2,733	2.1%	2,858	2.4%
<b>Total SG&amp;A</b>	<b>21,860</b>	<b>22.9%</b>	<b>21,571</b>	<b>23.9%</b>	<b>25,742</b>	<b>22.3%</b>	<b>26,714</b>	<b>25.0%</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>

\* 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 % Gross Merchandise Value are calculated by each expense divided by gross merchandise value (excluding other GMV). \* Effective from the fiscal year ending March 2022, we have adopted the new accounting standards for revenue recognition. Until the fiscal year ended March 2021, points-related expenses, which had been recorded in SG&A expenses, were reduced from sales in the respective businesses, and the results are disclosed as net sales.



# NUMBER OF TOTAL BUYERS

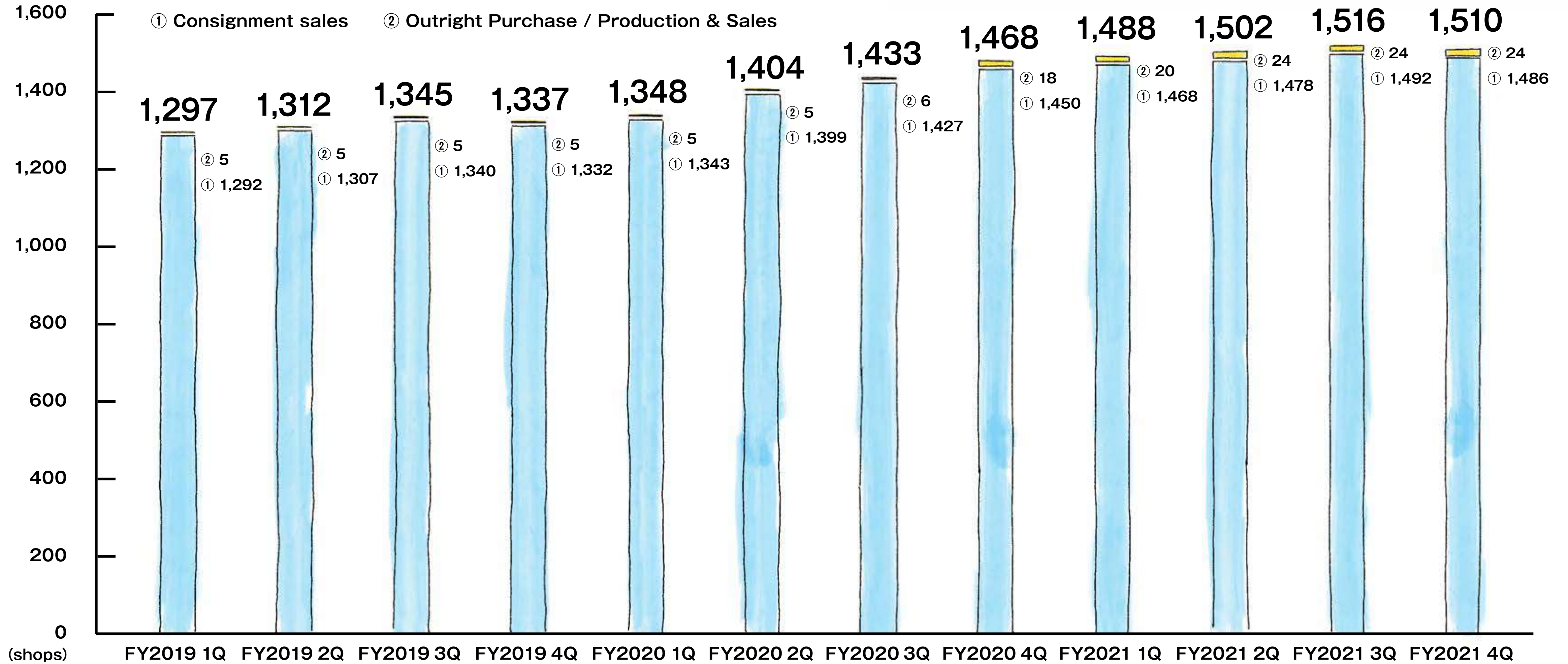


\* Excluding the users only purchased the body measurement device "ZOZOSUIT" "ZOZOMAT" and "ZOZOGLASS"

\* PayPay Mall is not included.



# NUMBER OF SHOPS ON ZOZOTOWN



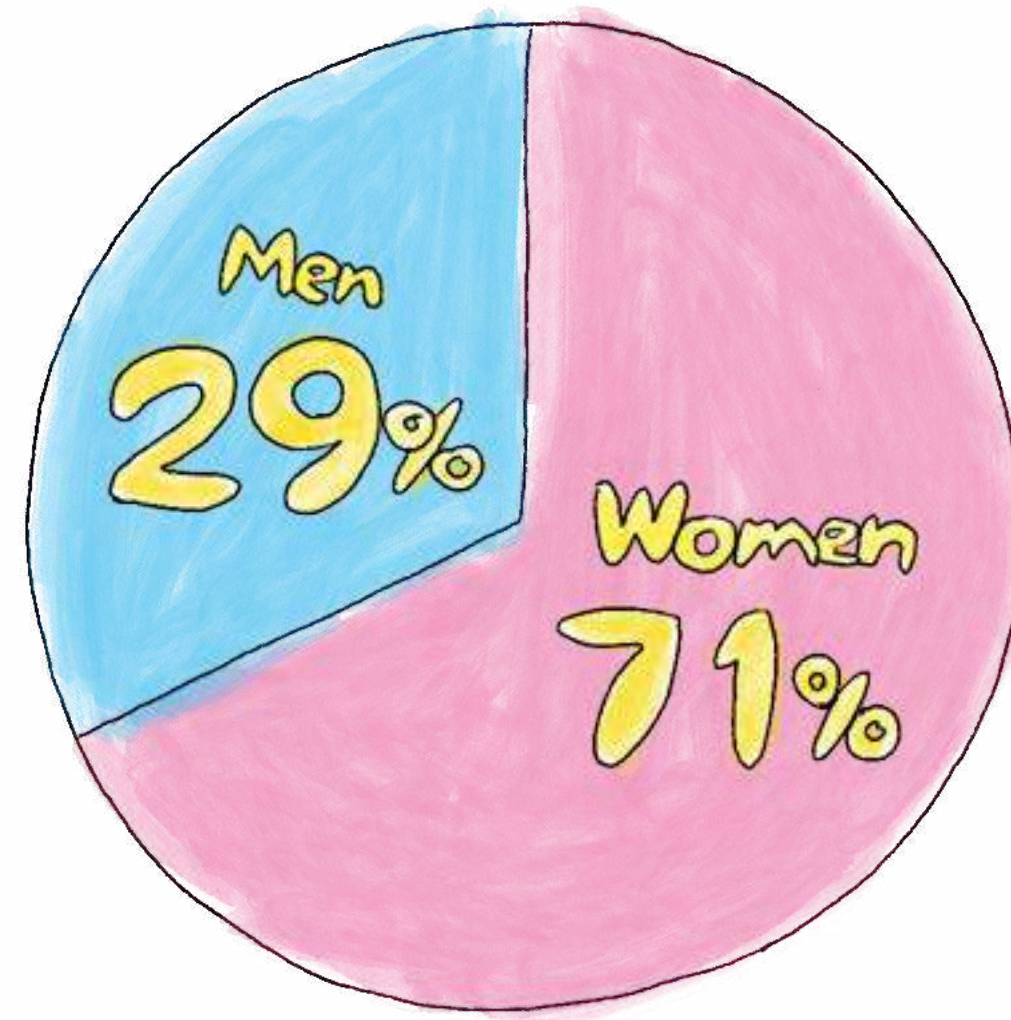
\* Shops of the private brand "ZOZO" and "Multi-Size" are not included to the number of shops.



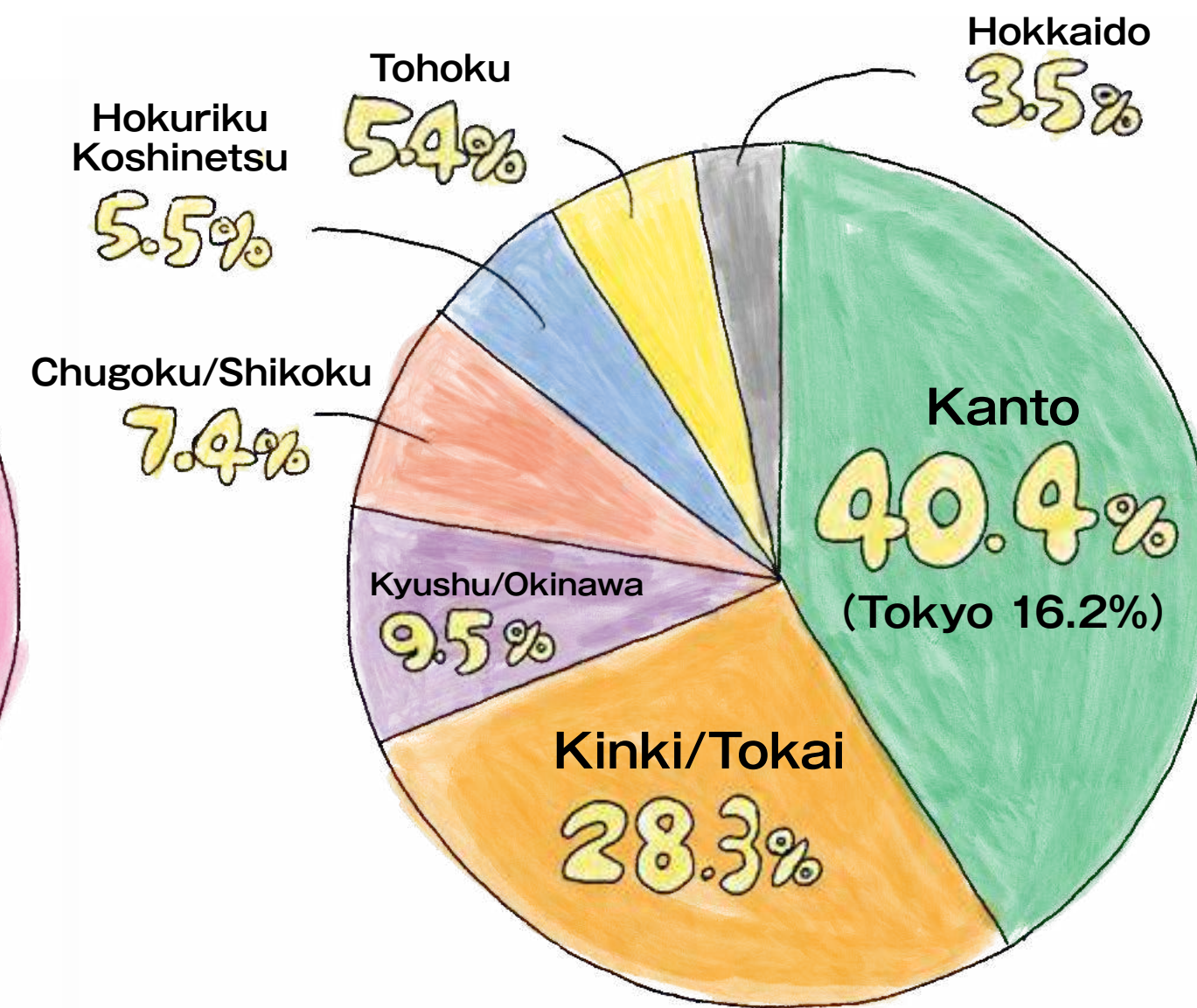
# ACTIVE MEMBER DISTRIBUTION



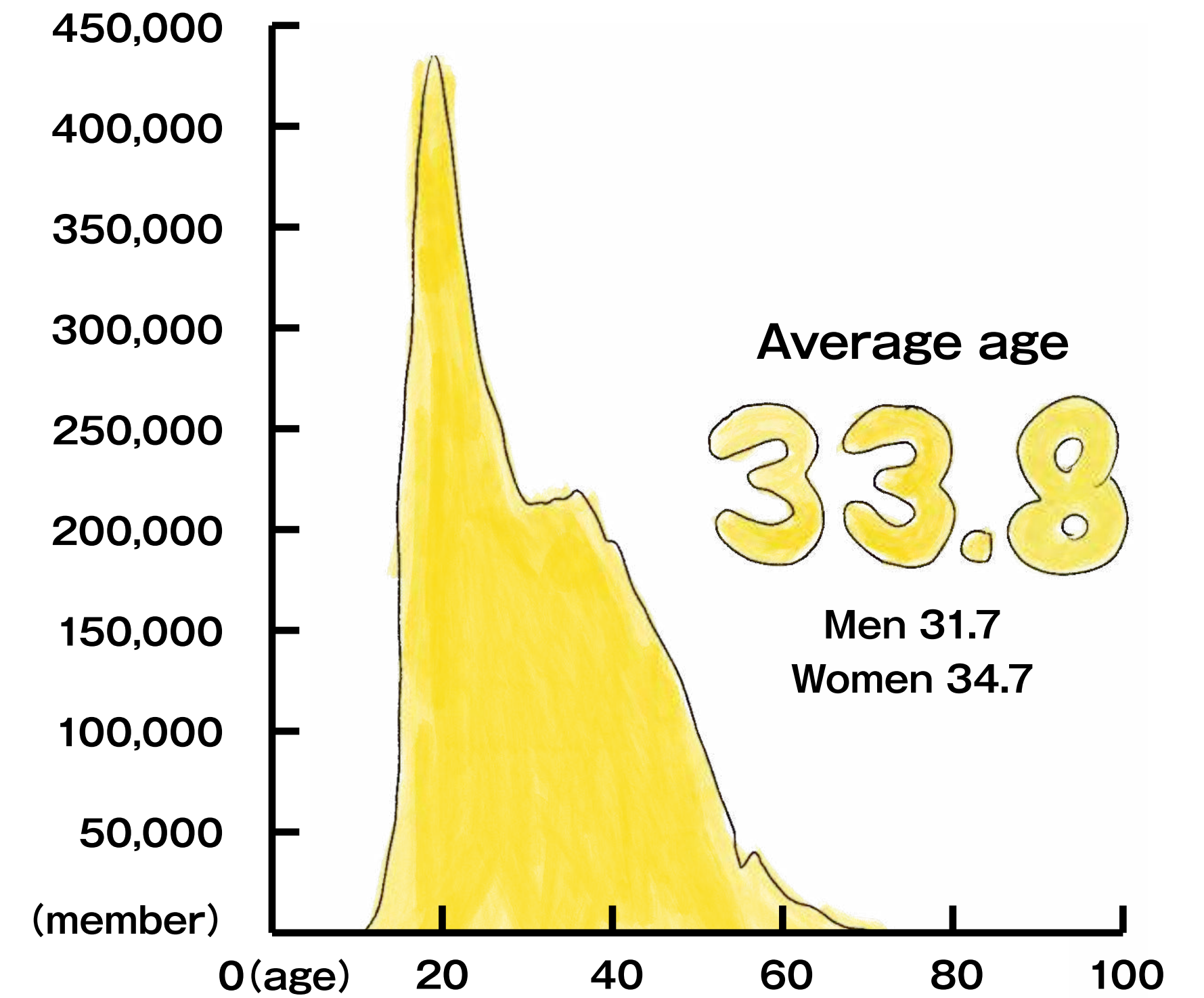
## Gender ratio



## Geographical distribution



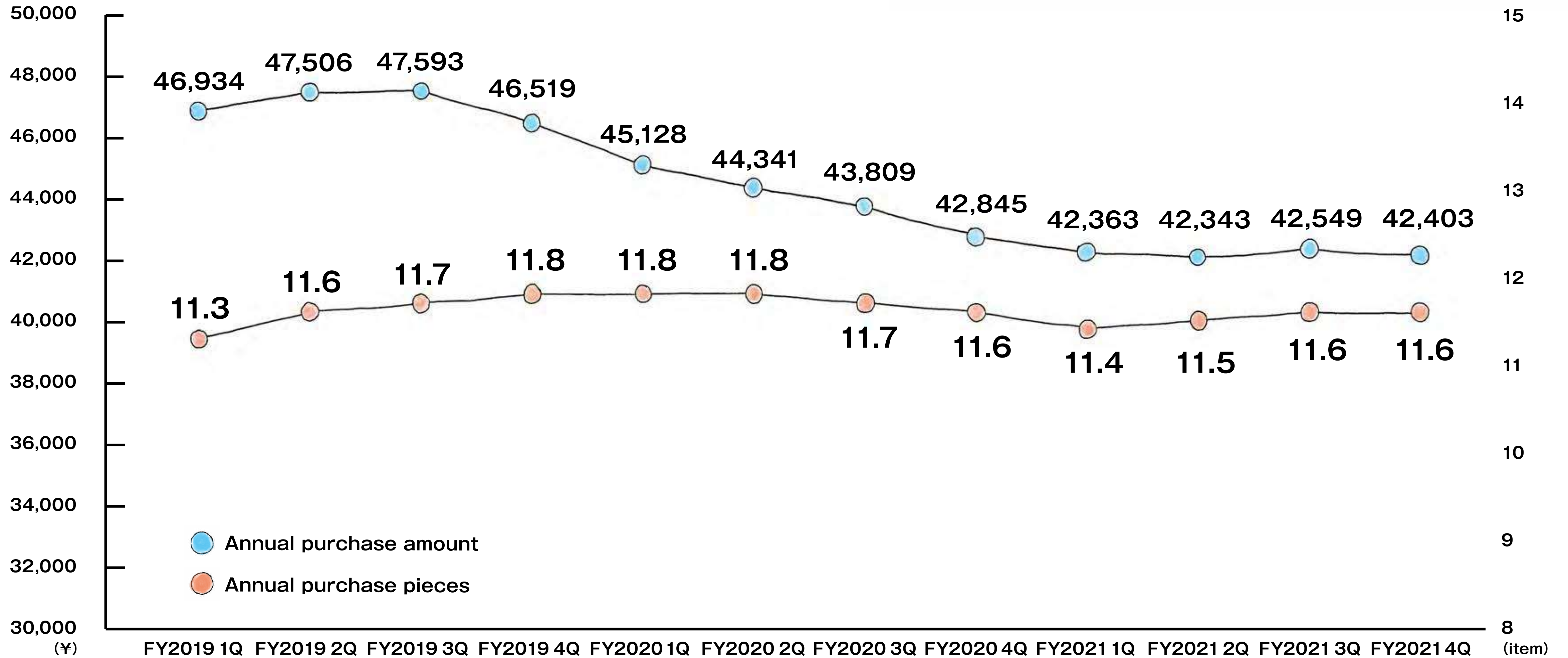
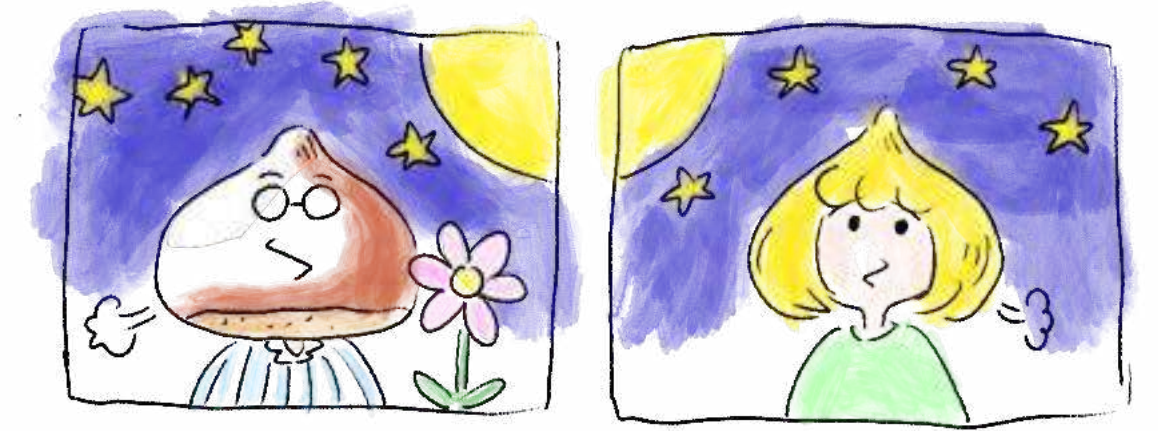
## Age distribution



\* PayPay Mall is not included



# ANNUAL PURCHASE AMOUNT AND PIECES PER ACTIVE MEMBER

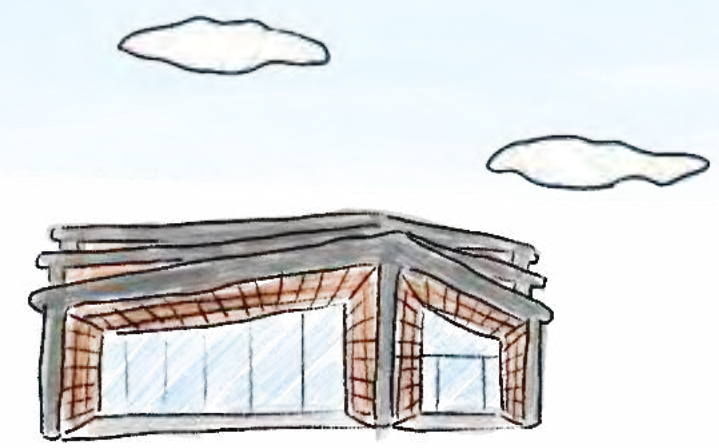


\* Excluding the users only purchased the body measurement device "ZOZOSUIT" "ZOZOMAT" and "ZOZOGLASS"

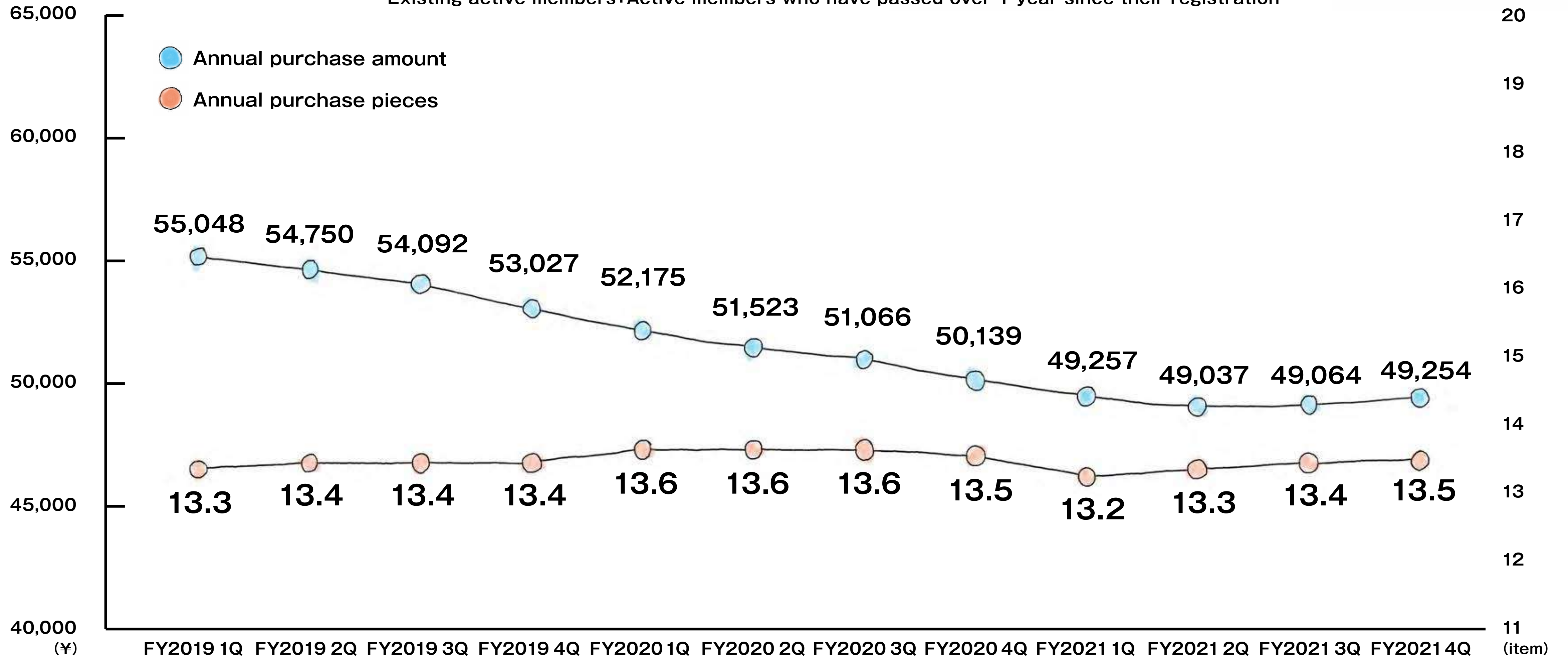
\* PayPay Mall is not included.



# ANNUAL PURCHASE AMOUNT AND PIECES PER EXISTING ACTIVE MEMBER



Existing active members: Active members who have passed over 1 year since their registration

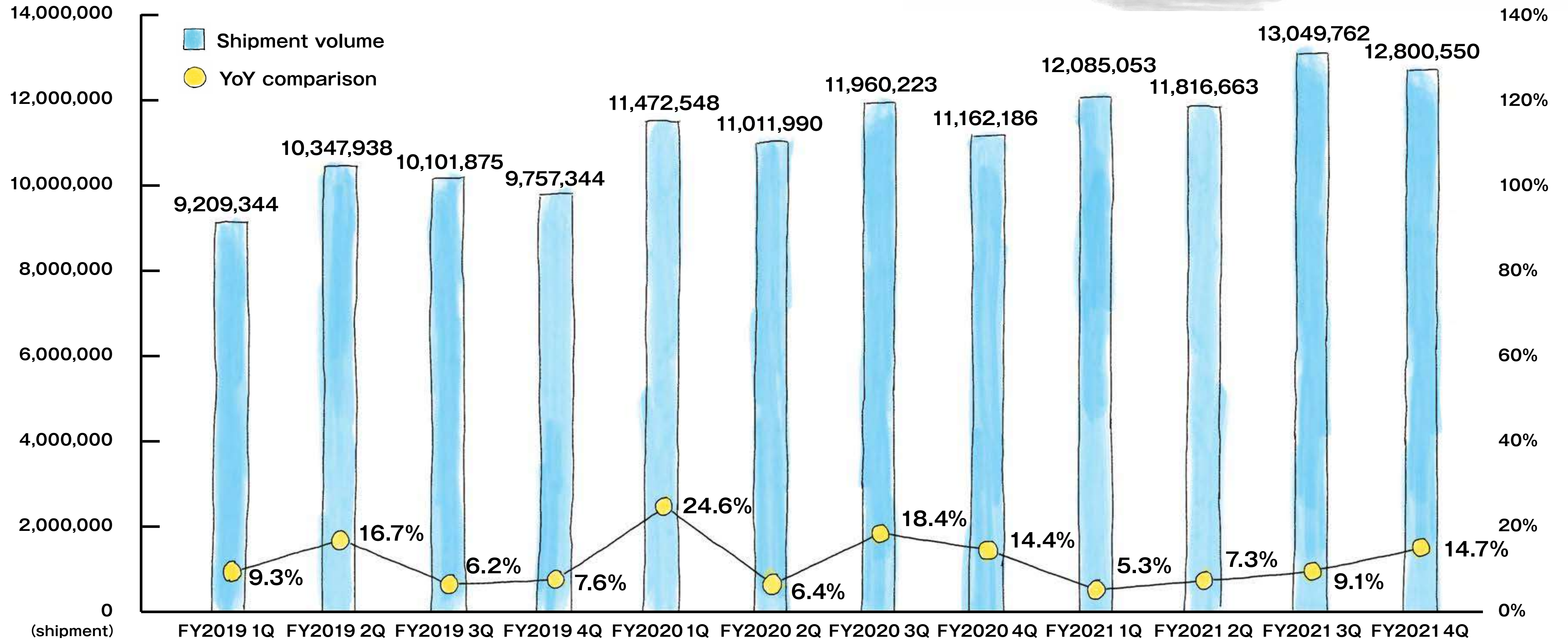
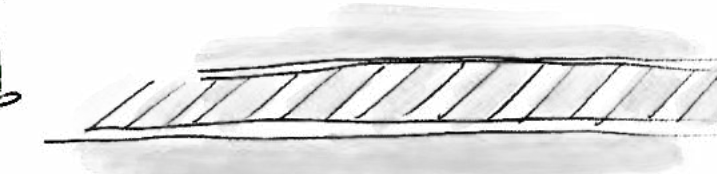


\* Excluding the users only purchased the body measurement device "ZOZOSUIT" "ZOZOMAT" and "ZOZOGLASS"

\* PayPay Mall is not included.



# NUMBER OF SHIPMENTS

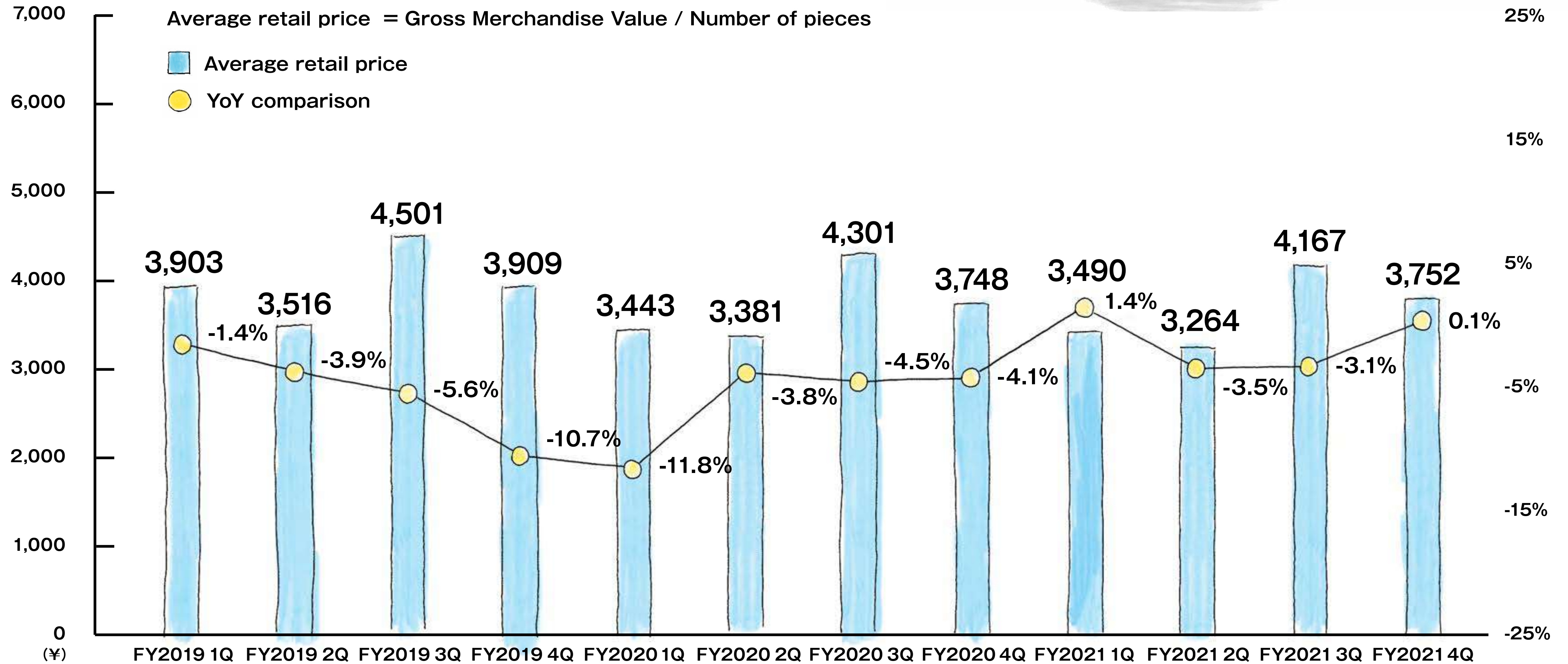
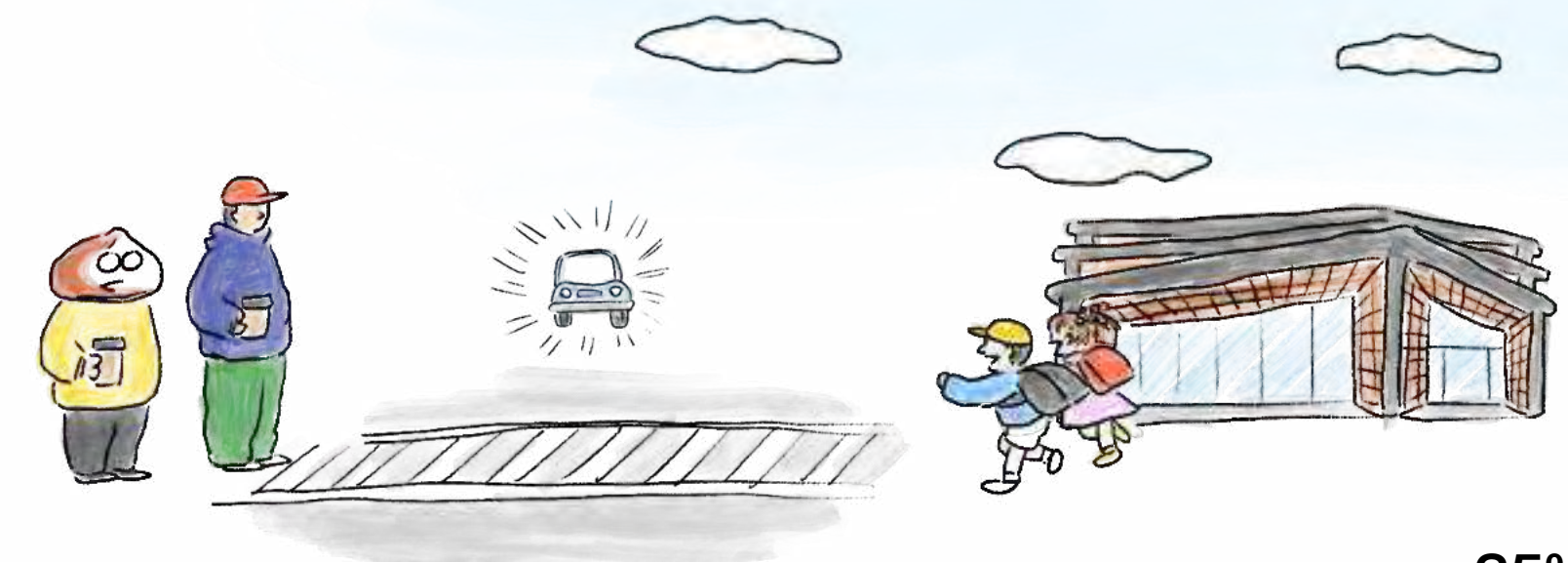


\* Excluding the users only purchased the body measurement device "ZOSUIT" "ZOMAT" and "ZOGLASS"

\* PayPay Mall is not included \* The numbers of shipments are the combined results of the ZOZOTOWN business.



# AVERAGE RETAIL PRICE

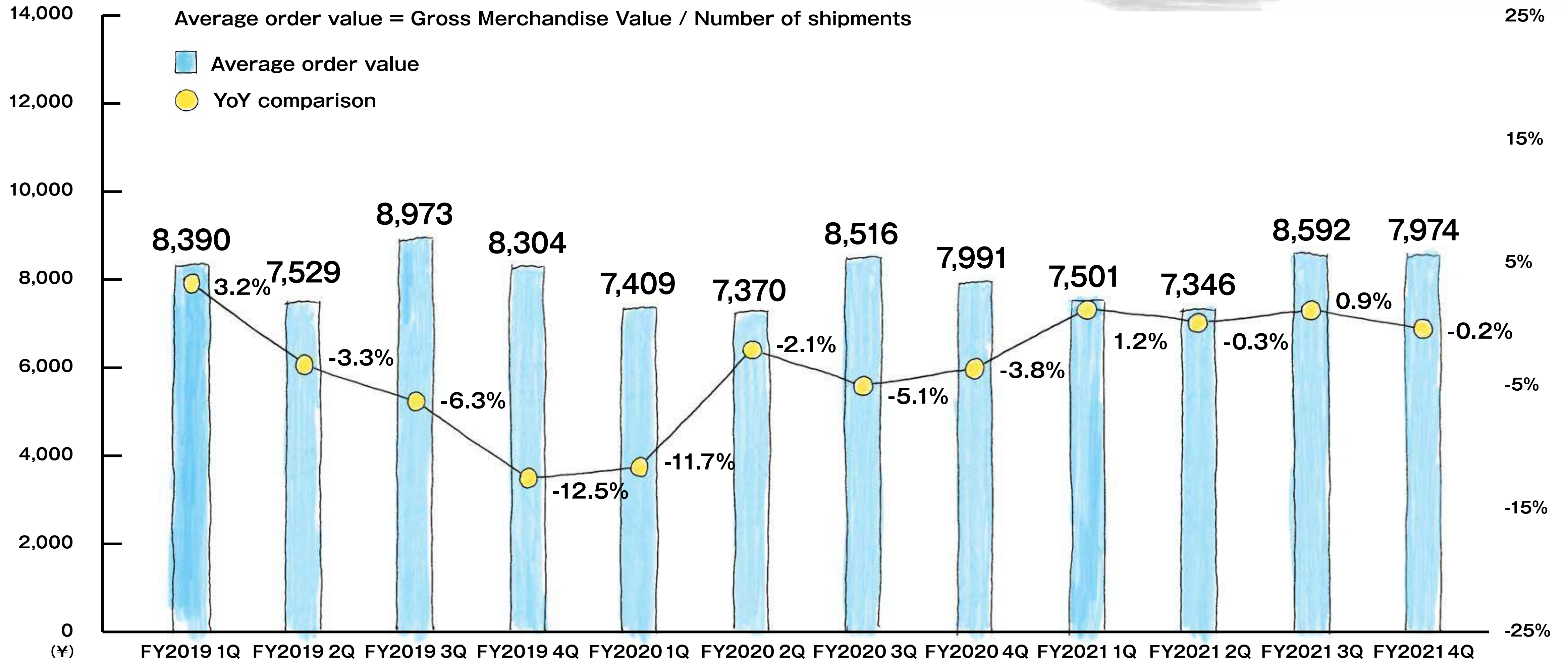


\* The numbers of average retail price are averages calculated from combined results of the ZOZOTOWN business.

\* PayPay Mall is not included.



# AVERAGE ORDER VALUE



\* The numbers of Average Order Value are averages calculated from combined results of the ZOZOTOWN business.

\* PayPay Mall is not included.



# BUSINESS PLAN FOR FY 2022

FY2021 ZOZO, Inc.  
CONSOLIDATED BUSINESS RESULTS





# CONSOLIDATED BUSINESS FORECAST AND DIVIDEND FORECAST FOR FY2022

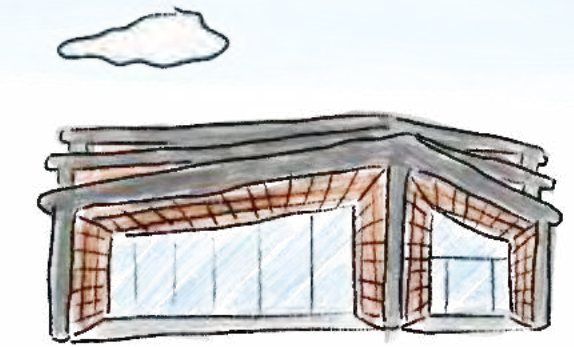


	FY2022 Plan*	YoY
Gross Merchandise Value	543.8 billion yen	6.9%
Gross Merchandise Value (excluding other GMV)	495.8 billion yen	7.3%
Net sales	181.3 billion yen	9.1%
Operating profit	51.5 billion yen	3.7%
Operating Profit Margin (% Gross Merchandise Value)	10.4%	—
Ordinary profit	51.5 billion yen	3.7%
Profit attributable to owners of parent	35.9 billion yen	4.1%
Net profit per share	119.74 yen	—
Estimated dividends per share (Plan)	60 yen	—

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



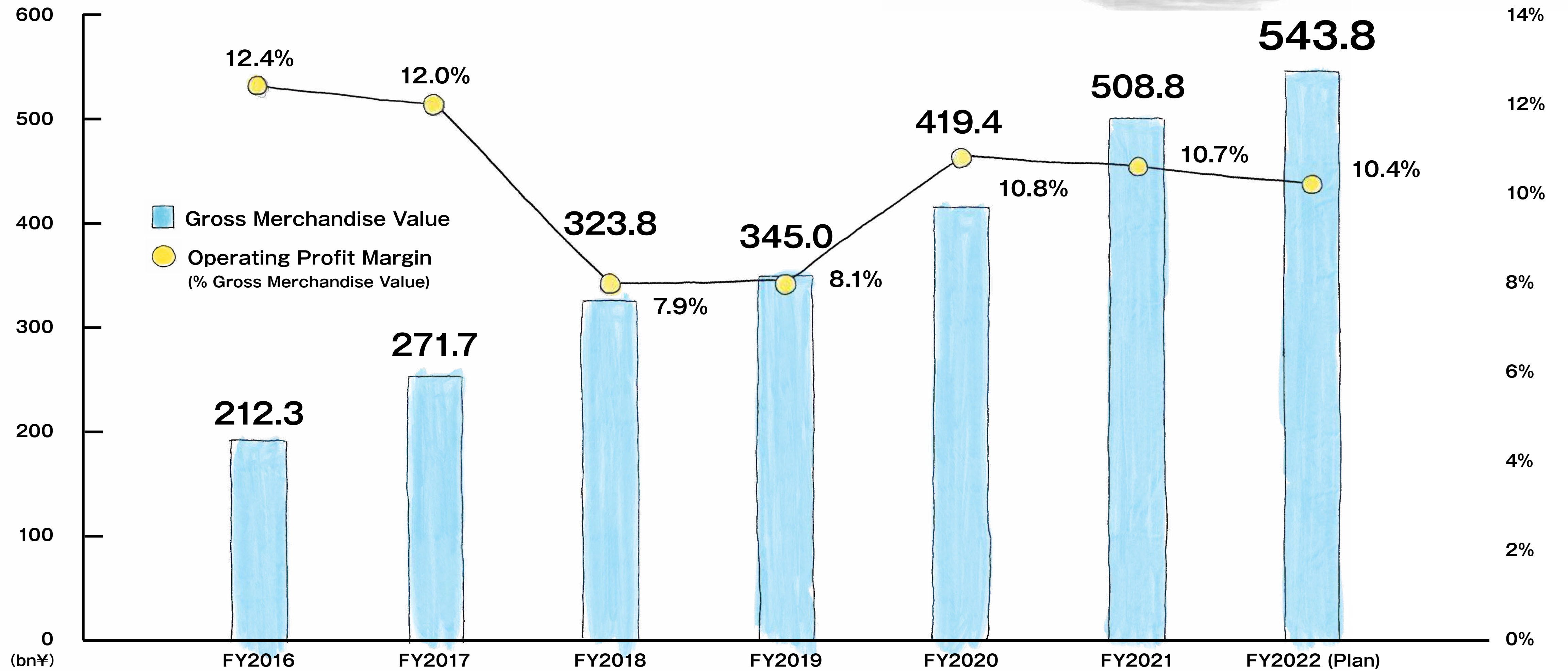
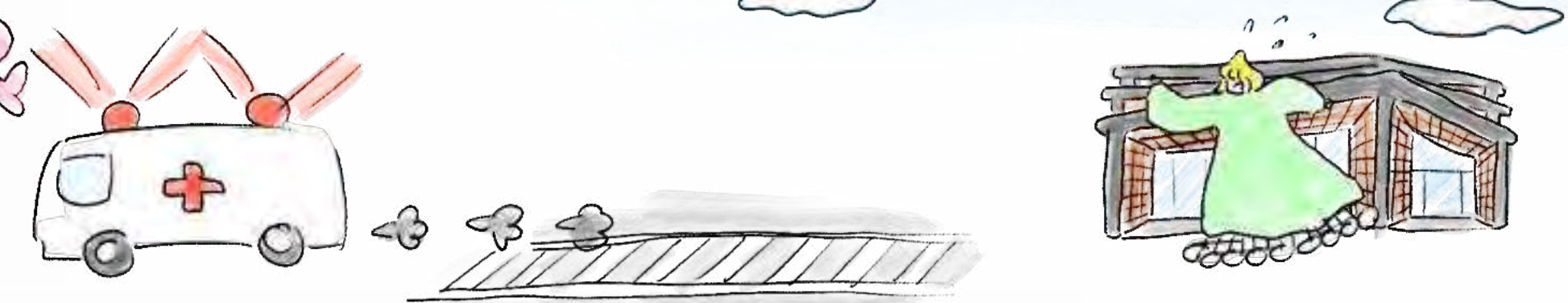
# FY2022 TARGET BY BUSINESS SEGMENT



	Target for Gross Merchandise Value	YoY
<b>ZOZOTOWN Business</b>	<b>423.2</b> billion yen	<b>+8.1%</b>
<b>Outright Purchase/Production &amp; Sales</b>	<b>4.0</b> billion yen	<b>+23.7%</b>
<b>Consignment sales</b>	<b>404.4</b> billion yen	<b>+7.8%</b>
<b>USED sales</b>	<b>14.8</b> billion yen	<b>+10.1%</b>
<b>PayPay mall</b>	<b>56.6</b> billion yen	<b>+29.1%</b>
<b>BtoB Business</b>	<b>16.0</b> billion yen	<b>-40.0%</b>
<b>Gross Merchandise Value</b> (excluding other GMV)	<b>495.8</b> billion yen	<b>+7.3%</b>
<b>Others</b>	<b>48.0</b> billion yen	<b>+2.8%</b>
<b>Gross Merchandise Value</b>	<b>543.8</b> billion yen	<b>+6.9%</b>
<b>ZOZOTOWN Business + PayPay mall</b>	<b>479.8</b> billion yen	<b>+10.2%</b>
	<b>Target for Net Sales</b>	<b>YoY</b>
<b>Advertisement Business</b>	<b>7.2</b> billion yen	<b>+14.3%</b>



# GROSS MERCHANDISE VALUE & OPERATING PROFIT MARGIN



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



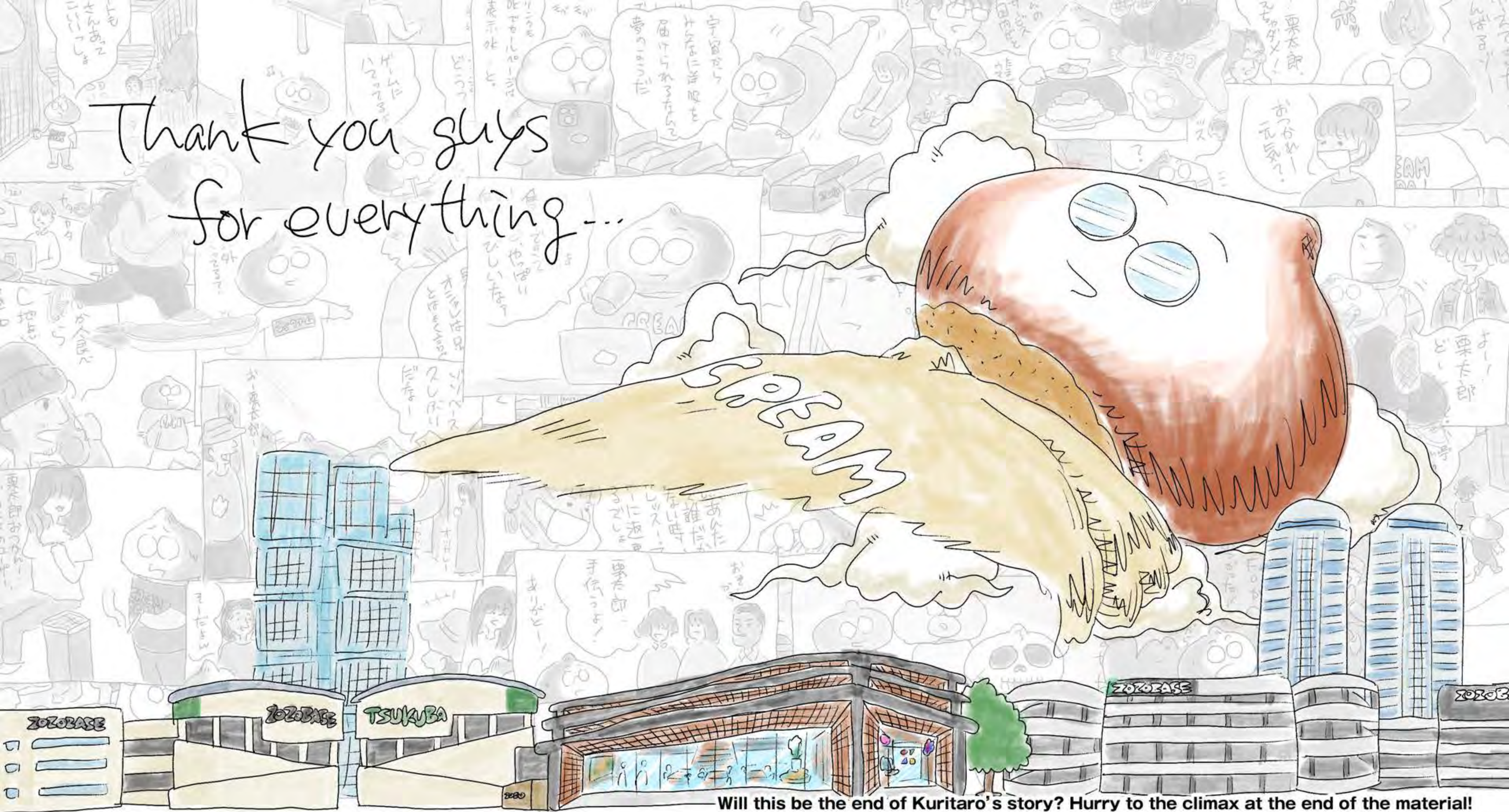
# REFERENCE DATA

FY2021 ZOZO, Inc.  
CONSOLIDATED BUSINESS RESULTS





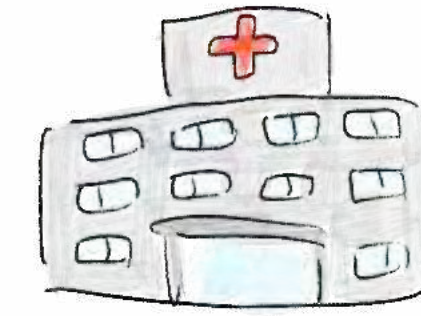
Thank you guys  
for everything...



Will this be the end of Kuritaro's story? Hurry to the climax at the end of the material!



# STATISTICS OF ZOZO



## EMPLOYEES

1,411

(Average age 33.1 years old)

## SHARE HOLDERS

13,386

## NUMBER OF BRANDS HANDLED

8433

## ZOZOTOWN TOTAL BUYERS

(1 year basis)

10.4 million



# MAJOR SERVICES



## ZOZOTOWN Japan's Largest Online Retailer of Apparel and Accessories

- 1,510 stores offering 8,433 brands.
- At any given time, more than 900,000 items are available with an average of 2,600 new items added everyday.
- Systems, design, to fulfillment, all functions are built in house.
- Same-day delivery service/Gift-wrapping service/Deferred payment etc.
- Opened ZOZOTOWN shop on PayPay Mall which is operated by Yahoo Japan Corporation.

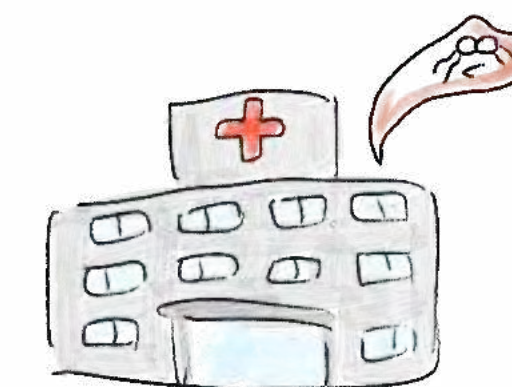
## WEAR Japan's largest fashion coordination app

- When uploading coordinate pictures, tag each item worn in the look, using information on our data base. The systems allows anyone to search for coordinates and items by various queries.
- Official users who we call WEARISTAs, include popular models, singers, actors and actresses.
- Over 16.0 million downloads
- Now available in all geographic areas.





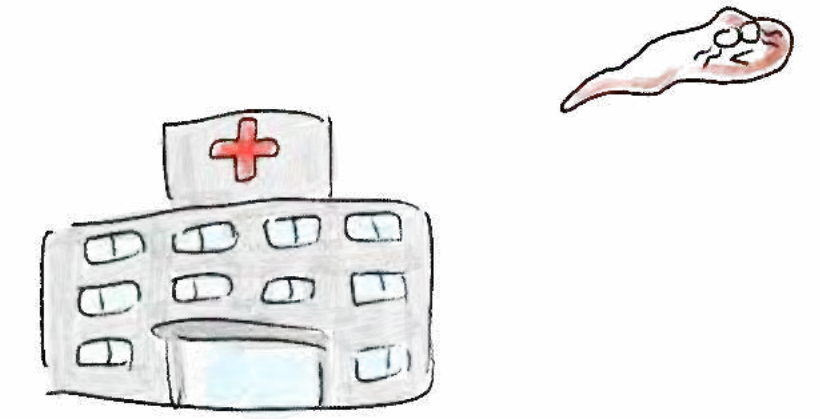
# DIFFERENCES BETWEEN ZOZOTOWN AND ZOZOTOWN SHOP ON PAYPAY MALL



	ZOZOTOWN	ZOZOTOWN PayPay Mall Shop
Overview	One of the largest fashion e-commerce sites in Japan providing original services specialized in fashion	E-commerce site for wide range of users also expecting cross-category shopping other than the fashion category
Number of shops	1,510 (As of March 31, 2022)	1,387 (As of March 31, 2022)
Selling items	Full line-up	Freely selected by each shop
Detail of consignment	All the operations needed for EC business such as shooting, measurement, logistics, customer support, operation support etc.	Same as the left
Original services provided	Deferred payment, ZOZO Trade-in, same-day delivery, preorder, ZOZOCARD, brand coupons, gift-wrapping service, image search function, ZOZOMAT, ZOZOGLASS etc.	Brand coupons, same-day delivery, preorder
Payment methods	Credit cards, cash on delivery, convenience store payment, deferred payment, LINE Pay, PayPay	PayPay, credit cards, cash on delivery
Reward points	No *ZOZO point of 5% of product price (excluding tax) will be granted only for ZOZOCARD	PayPay bonus points based on PayPay campaign
Revenue	Consignment sales commission from brands	Same as the left (Commission rate is same as ZOZOTOWN)
	Shipping revenue from customers	Same as the left
Expenses bear by ZOZO	Shop opening commission	Yes (rate is undisclosed)
	Payment collection commission	No (yes for only cash on delivery)
	Customer attraction cost	No
	Reward points cost	No



# BUSINESS MODEL



## ZOZOTOWN Business

### ○ Outright Purchase / Production & Sales

24 stores are operating on ZOZOTOWN. In addition to purchasing inventory from brand manufacturers and selling them on ZOZOTOWN, it manufactures and sells merchandise by utilizing the planning abilities of influencers such as brand manufacturers, celebrities etc.

Sales = Gross merchandise value generated by each store\*

### ○ Consignment Sales

We operate 1,486 shops as consignment businesses.

This business model allows us to carry a certain amount of products from the brands, while giving us low inventory risk.

Sales = Gross merchandise value of each store × commission rate\*

### ○ USED Sales

We purchase used fashion products from our users, and resell them as a second-hand business.

Sales = Gross merchandise value\*

## PayPay Mall

Opened ZOZOTOWN shop on PayPay Mall which is operated by Yahoo Japan Corporation.

Sales = Gross merchandise value of each store × commission rate

## BtoB Business

We help developing and operating online shop and logistics operations, etc., on behalf of some brands which have stores on ZOZOTOWN.

We currently provide back-end service to 42 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.

## Advertisement Business

Advertisement business will gain advertisement income from client companies including brands by providing advertisement spots utilizing the user base of ZOZOTOWN and WEAR.

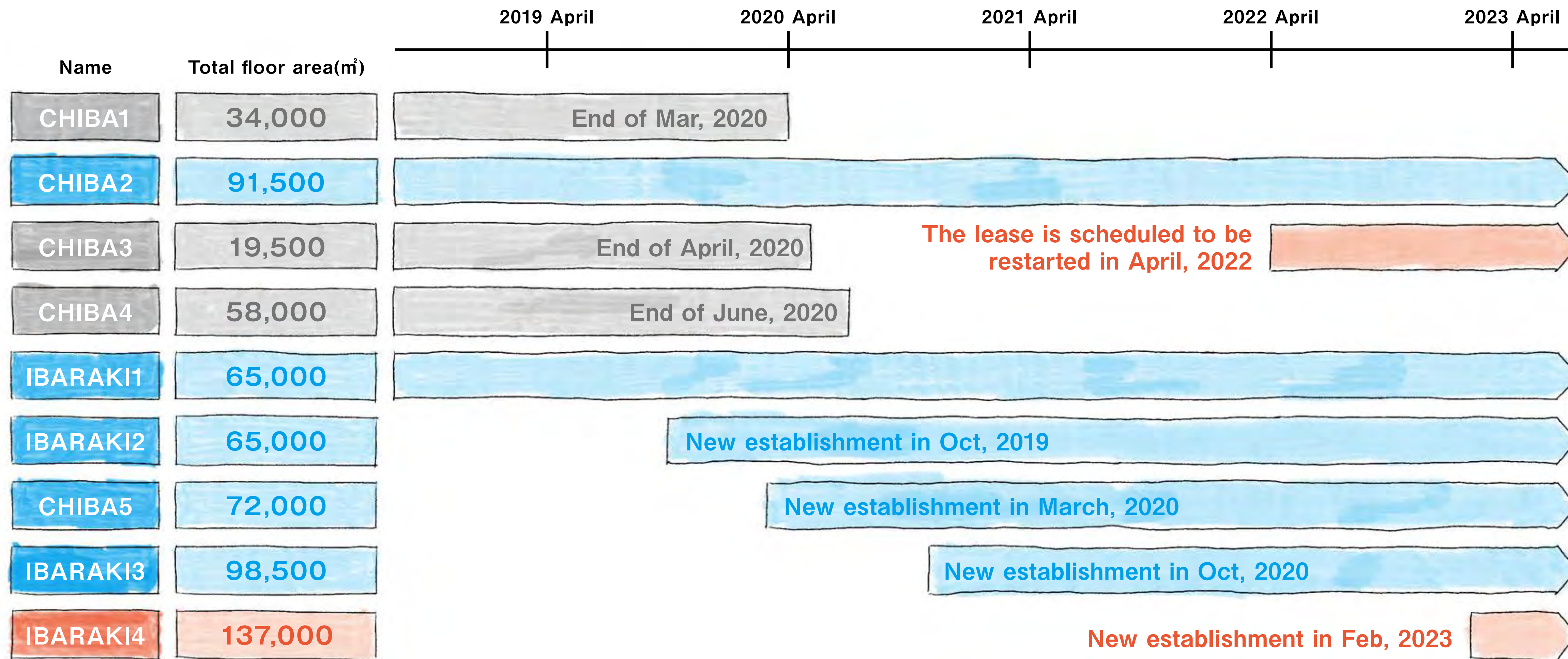
Sales = Advertisement income

\* There are adjustments such as a reduction due to the adoption of the accounting standards for revenue recognition.





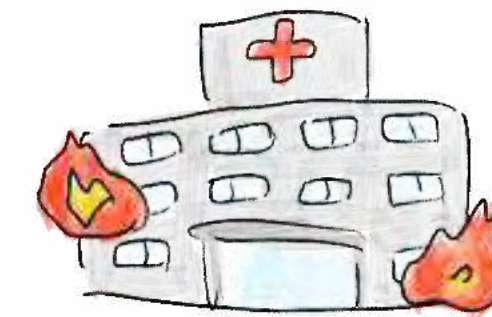
# LOGISTICS BASES EXPANSION PLAN



CHIBA2 and IBARAKI1 are warehouses with shipping function and IBARAKI4 will also have the function in the future.



# APPENDIX



## Introduction of IR website <https://corp.zozo.com/en/ir-info/>

Information below are available at our IR website.

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

<https://corp.zozo.com/en/ir/>

**ESG/CSR** ... Introducing our initiatives on ESG/CSR.

<https://corp.zozo.com/en/sustainability/>

**Financial Highlights** ... Financials for the past 3 years are available.  
Data can be downloaded in both PDF and excel format.

<https://corp.zozo.com/en/ir-info/financial-highlights/>

## Introduction of IR Mail

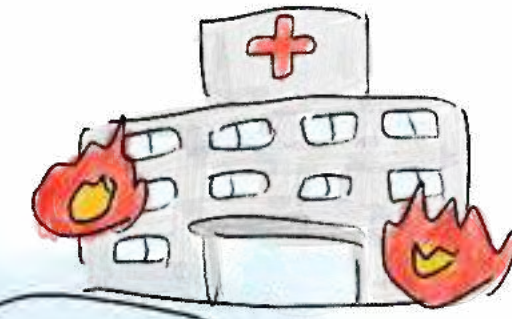
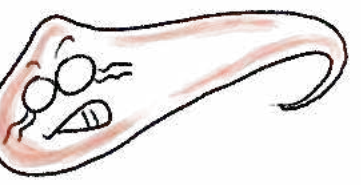
By registering your email address to our IR Mail,  
we will send you information pertain to our IR such as latest news releases.

If you wish to register, please make access to the following link.

\* News and information will be sent through the service provided by Magical Pocket Corporation.

IR Mail Subscription <https://corp.zozo.com/ir-info/mail-magazine/>



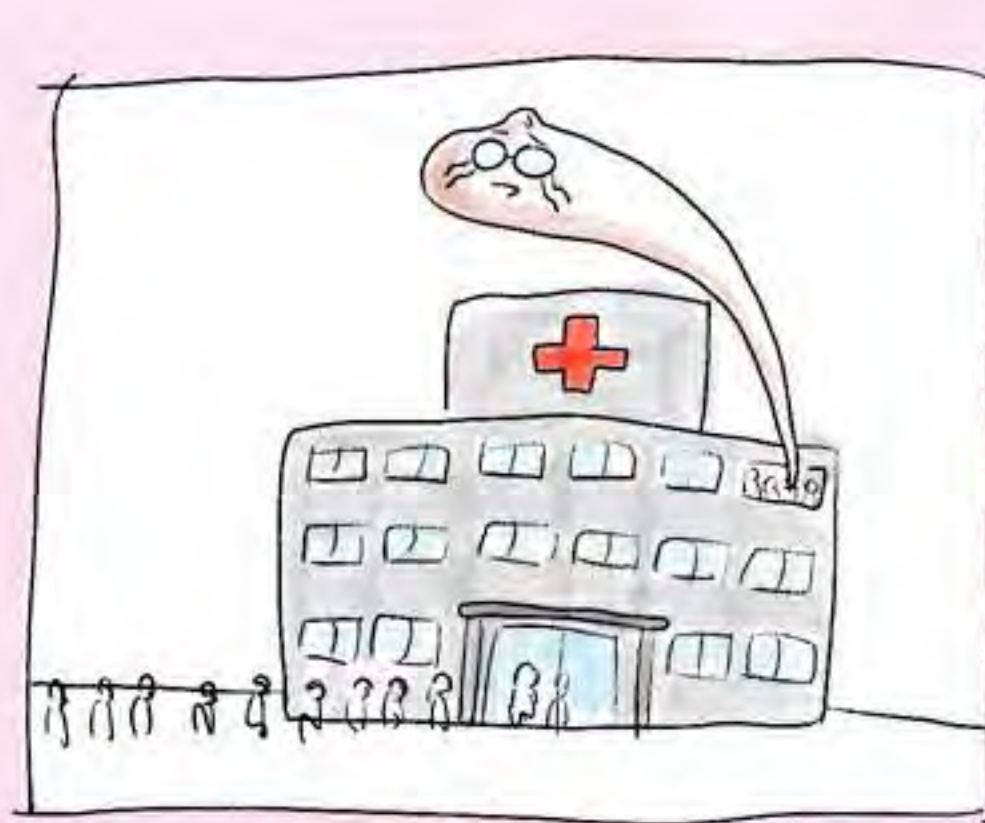


This material has been created for  
the sole purpose of introducing the company's business activities,  
and not for soliciting investments.

The business forecasts and the future outlook described in the material  
is based on information currently available.

The forecast includes uncertainties such as sudden changes,  
therefore actual results may differ.









Inspire the world. Deliver joy every day.

Thank you for reading Manga for a year. We hope you enjoyed our daily life at ZOZO.  
ZOZO will continue to strive to achieve "Imagine the unexpected. Chart the unexplored!"





# ZOZO

## Postscript

When I think of a story in Manga, I remember various events and people in the company. People say that I have a half-smile on my face when I'm going through many of my thoughts. Every time I finish drawing Manga, I like the company and my colleagues even more.

I guess it's like a runner's high. Yes, it must be ZOZO-high!

This is the end of Manga (I think), but our fun days will continue.

We will enjoy ZOZO life with good friends and cherish the chain of happiness.

Thank you very much for reading this Manga for a year.

Your support is always appreciated.

2022-4-27  
M. Ozzy 

P.S. We are looking for media to serialize our Manga "Kuritaro"!