



# Romantic Nishi-Chiba

— A story that can never be calculated —

## FY2022 ZOZO, Inc. CONSOLIDATED BUSINESS RESULTS

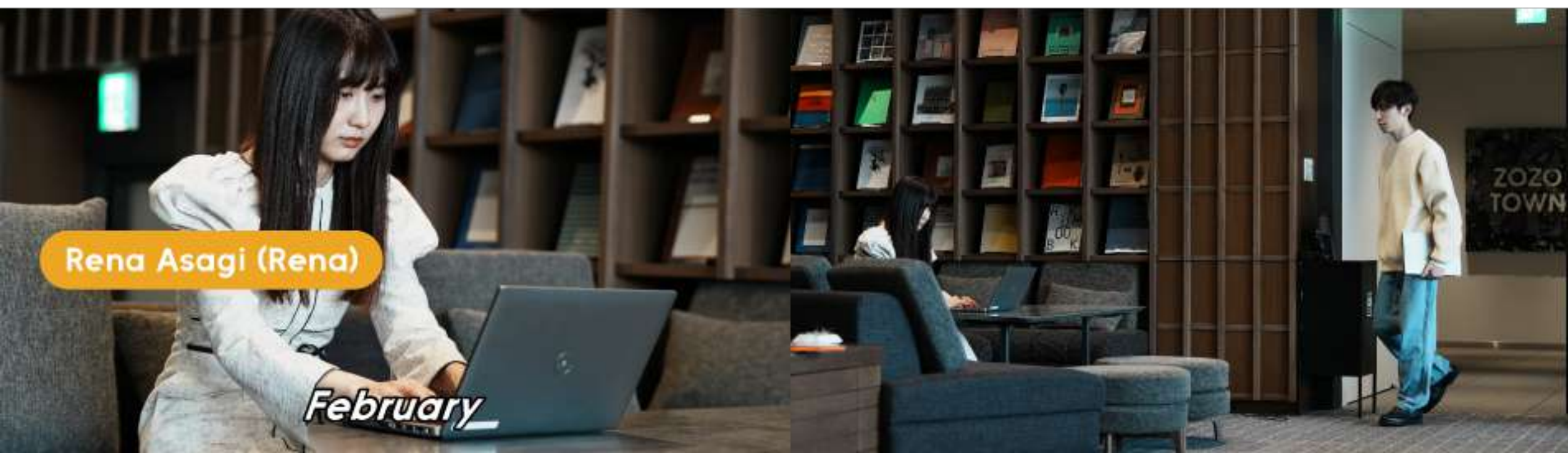
\*This is a work of fiction. It is not related to any real person or organization.  
Masks are removed only during filming to prevent COVID-19 infection.

Financial results material drama



# HIGHLIGHTS

## FY2022 ZOZO, Inc. CONSOLIDATED BUSINESS RESULTS





# FY2022 HIGHLIGHTS

The Company achieved a record high in both Gross Merchandise Value and operating profit, exceeding the revised plan.

## Overview

○ Gross Merchandise Value : 544,317 million yen (+7.0%,YoY)

○ Gross Merchandise Value (excluding other GMV) : 501,108 million yen (+8.4%,YoY)

The ZOZOTOWN business performed well.

Although sales at the brands' physical stores were intense, the levels of inventory supply to our warehouse increased. Additionally, measures taken to attract customers and promote sales proved effective, contributing to an increase in active members.

○ Operating Profit : 56,421 million yen (+13.6%,YoY)

The Company achieved over 10% growth for the full year. Although the expenses for measures to attract and promote customers increased YoY, operating profit increased due to a rise in gross profit resulting from growth in the Gross Merchandise Value and cost reductions, especially variable costs.

## Gross Merchandise Value

○ ZOZOTOWN BUSINESS

Gross Merchandise Value : 435,542 million yen (+11.2%,YoY)

Consignment sales : 414,769 million yen (+10.6%,YoY)

Outright Purchase / Production & Sales : 4,726 million yen (+46.2%,YoY)

USED sales : 16,046 million yen (+19.3%,YoY)

○ Yahoo! JAPAN Shopping\* : 49,881 million yen (+13.8%,YoY)

○ BtoB Business : 15,684 million yen (-41.2%,YoY)

○ Others\* : 43,209 million yen

○ Average Order Value : 8,300 yen (+4.1%,YoY)

○ Average Retail Price : 3,987 yen (+6.3%,YoY)

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

\* From the 2nd quarter of the fiscal year ended March 2021, GMV from the e-commerce website run by our consolidated subsidiary, "yutori, Inc.", 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.





# FY2022 HIGHLIGHTS



## Profitability

- Operating profit margin\* (to the total gross merchandise value) : 11.3% (10.7% for FY2021)
  - ・Factors improving profitability : An improvement of gross profit margin due to a higher proportion of businesses with high gross profit margins in the Gross Merchandise Value, a decline in logistics-related expenses ratio due to the improvement of operational efficiency in logistics bases, and a decline in shipping expenses ratio due to higher order value.
  - ・Factors worsening profitability : An increase in expenses to attract customers and expenses for point program.

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

## Topics

- The Company received "Best Workplace" certification in the "D&I Award 2022". (February 2023)
- Our largest logistics base "ZOZOBASE TSUKUBA 3" has been completed. (February 2023)
- The Company donated 28,223,177 yen for disaster relief for the Turkey-Syria earthquake. (March 2023)
- The Company signed an agreement for comprehensive collaborative cooperation with Tsukuba City, Ibaraki Prefecture. (March 2023)
- ZOZOTOWN Customer Support Center received "HDI Five-Star Certification" for the fourth consecutive time. (March 2023)
- The Company has introduced "ZOZO WORKSTYLE," an updated system for personnel, benefits, and work style. (April 2023)



I wanted to have some coffee, too!



Glad to hear that!

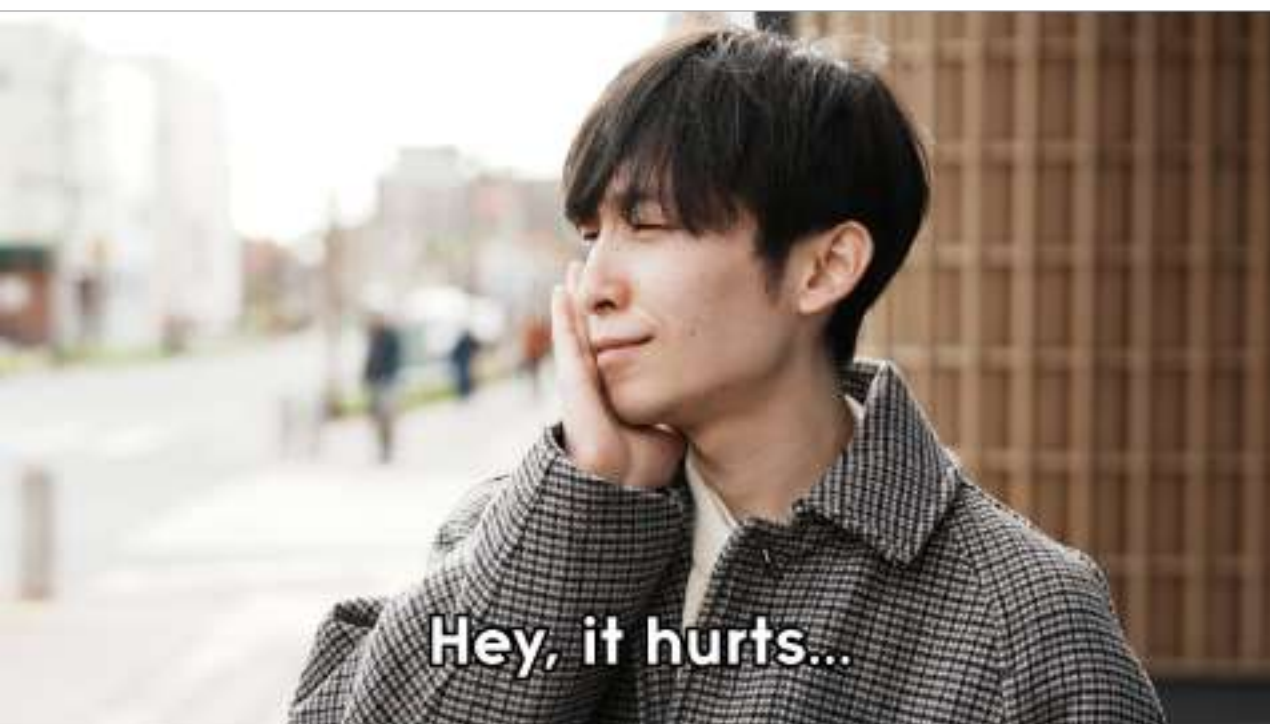


Rena, can't we get back together?



# BUSINESS RESULTS

## FY2022 ZOZO, Inc. CONSOLIDATED BUSINESS RESULTS





# OVERVIEW OF THE FY2022



(million¥)

	FY2021	FY2022	YoY	Revised Plan (As of Jan 31, 2023)	Achievement Rate(%)
Gross Merchandise Value	508,876	544,317	7.0%	543,800	100.1%
Gross Merchandise Value (excluding other GMV)	462,175	501,108	8.4%	495,800	101.1%
Net sales	166,199	183,423	10.4%	181,300	101.2%
Gross profit	156,172	171,341	9.7%	-	-
(% to the Gross Merchandise Value)	33.8%	34.2%	0.4%	-	-
SG&A	106,516	114,920	7.9%	-	-
(% to the Gross Merchandise Value)	23.0%	22.9%	-0.1%	-	-
Operating profit	49,656	56,421	13.6%	55,000	102.6%
(% to the Gross Merchandise Value)	10.7%	11.3%	0.6%	11.1%	-
Ordinary profit	49,655	56,716	14.2%	55,200	102.7%
Profit attributable to owners of parent	34,492	39,526	14.6%	38,400	102.9%



\* The percentages are calculated by dividing each item by the 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 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.



# OVERVIEW OF EACH QUARTER



(million¥)

	FY2021				FY2022			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Gross Merchandise Value	116,812	112,695	145,999	133,369	127,928	123,210	155,358	137,820
Gross Merchandise Value (excluding other GMV)	106,700	102,367	132,519	120,587	115,948	111,533	144,540	129,085
YoY (%)	11.9%	13.5%	15.0%	12.7%	8.7%	9.0%	9.1%	7.0%
Net sales	38,866	37,346	47,565	42,420	42,590	41,176	52,699	46,956
SG&A	24,333	23,851	29,656	28,675	26,028	25,667	31,328	31,895
YoY (%)	11.3%	10.6%	15.2%	7.3%	7.0%	7.6%	5.6%	11.2%
(% to the Gross Merchandise Value)	22.8%	23.3%	22.4%	23.8%	22.4%	23.0%	21.7%	24.7%
Operating profit	12,591	11,200	14,987	10,876	14,312	12,897	17,425	11,785
YoY (%)	20.8%	18.1%	8.0%	5.0%	13.7%	15.2%	16.3%	8.4%
(% to the Gross Merchandise Value)	11.8%	10.9%	11.3%	9.0%	12.3%	11.6%	12.1%	9.1%

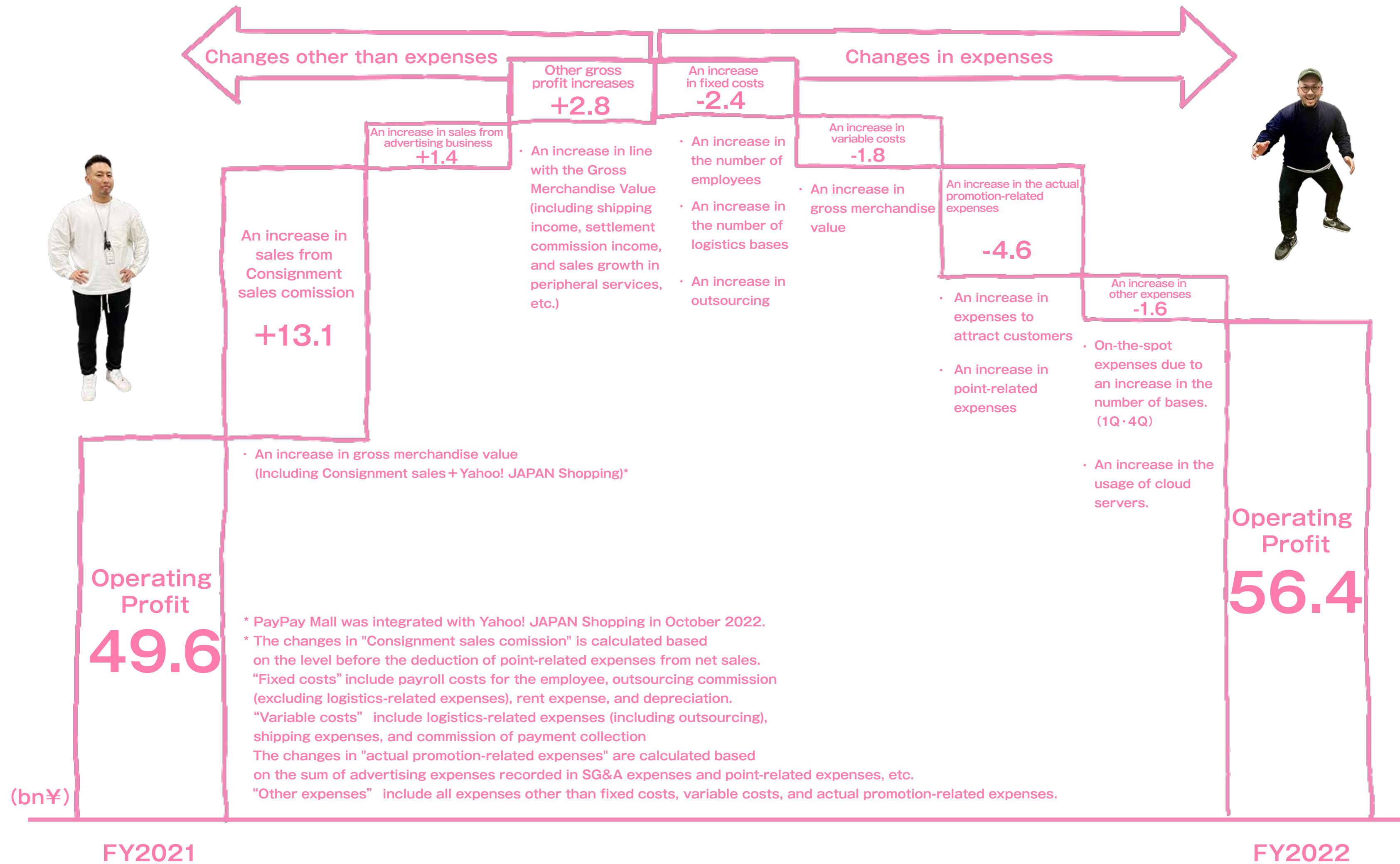
\* The percentages are calculated by dividing each item by the Gross Merchandise Value (excluding other GMV).

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





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

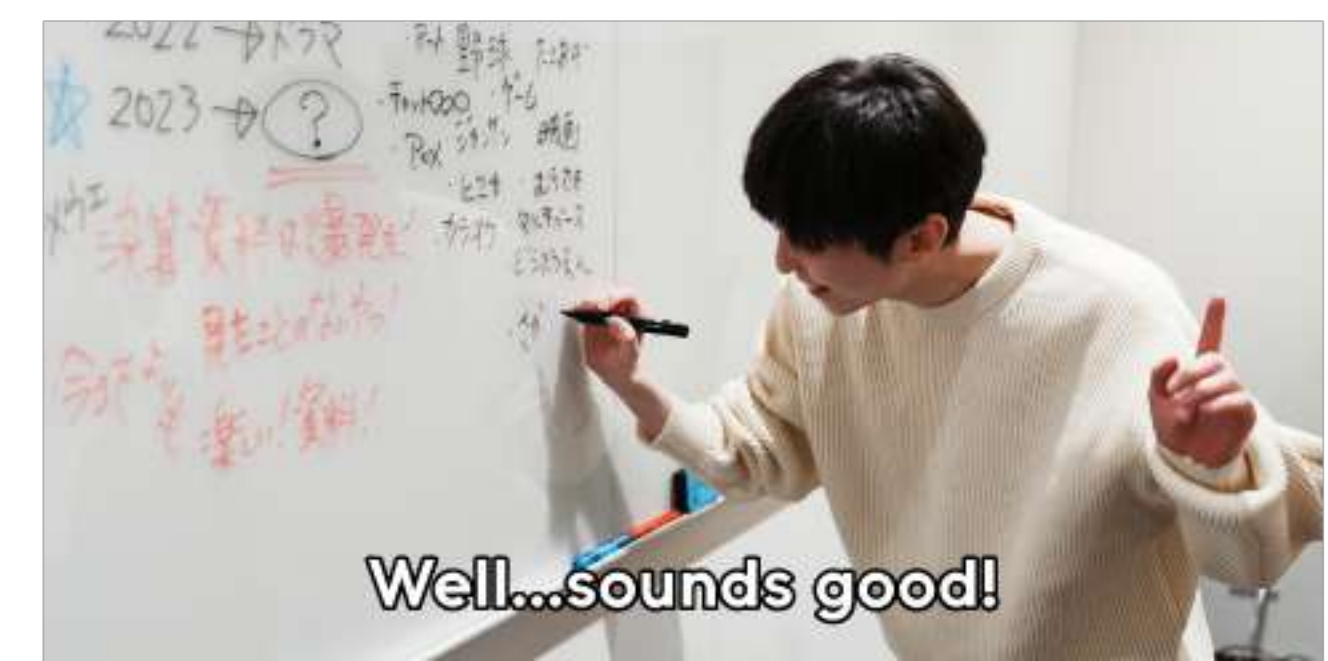




# CONSOLIDATED BALANCE SHEET

(million¥)

	FY2021 (as of March 31, 2022)	FY2022 (as of March 31, 2023)		FY2021 (as of March 31, 2022)	FY2022 (as of March 31, 2023)
Current assets	102,305	123,493	Current liabilities	66,172	72,204
Cash and deposits	65,520	69,126	Short-term borrowing	20,200	20,400
Merchandise and finished products	2,060	3,155	Non-current liabilities	6,005	6,844
Non-current assets	24,971	32,248	Total liabilities	72,177	79,048
Tangible assets	11,284	18,796	Shareholders' equity	55,100	76,771
Intangible assets	2,621	2,381	Treasury stock	-44,784	-44,558
Investments and other assets	11,065	11,070	Total net assets	55,099	76,693
Total assets	127,276	155,742	Total liabilities and net assets	127,276	155,742





# CASH FLOWS



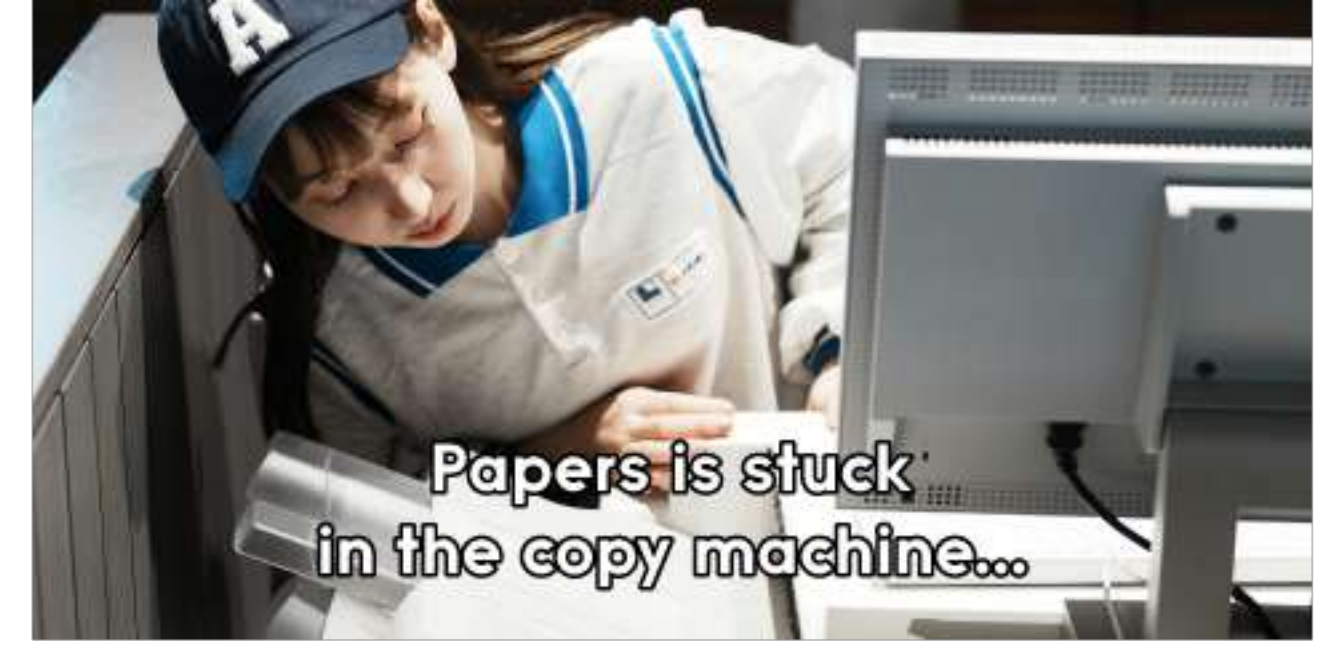
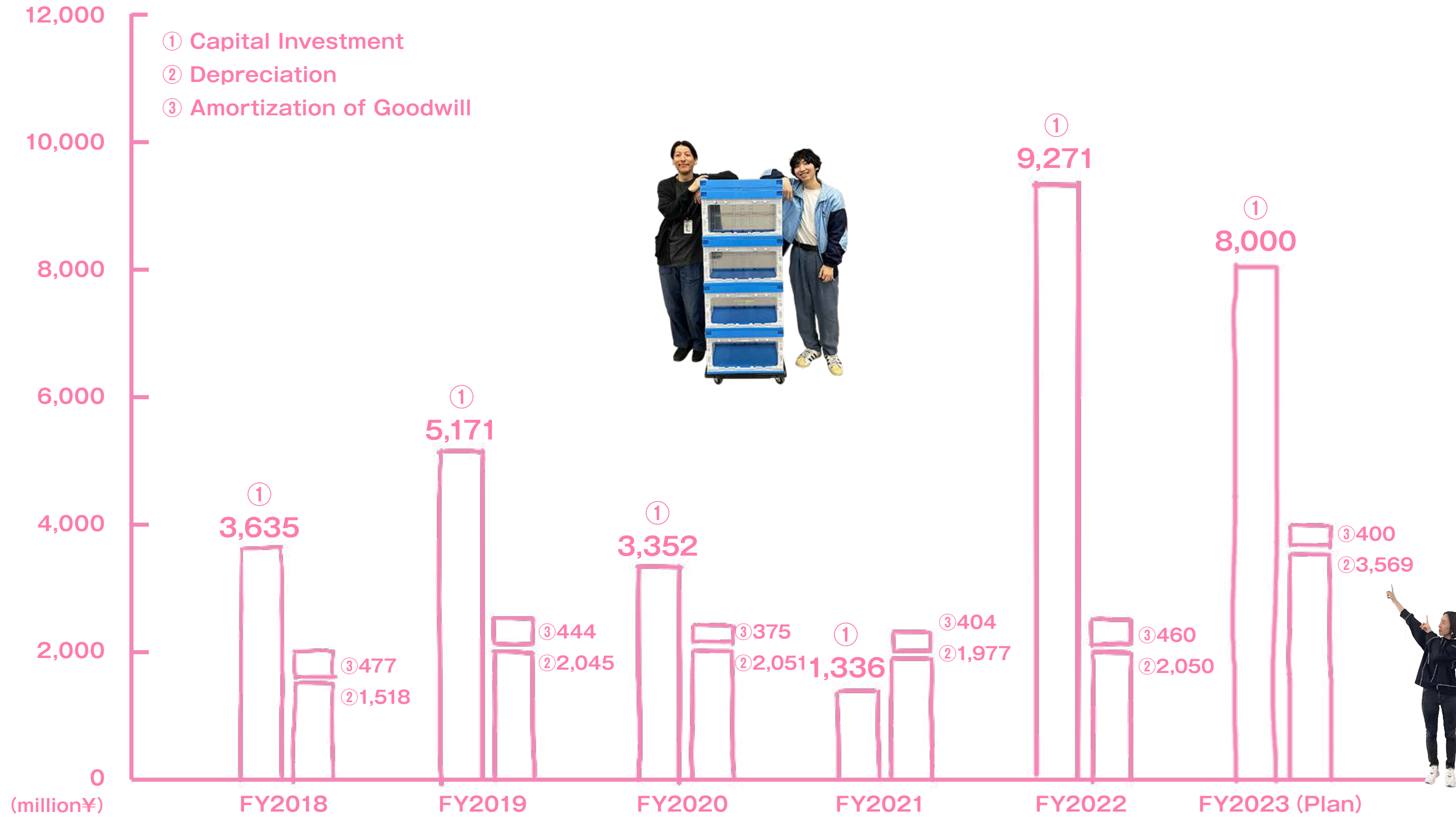
(million¥)

	FY2021	FY2022	YoY	Reason for change
Cash flows from operating activities	39,895	36,671	-3,224	
Cash flows from investing activities	-1,283	-10,588	-9,305	(FY2022) Expense for the expansion of the new distribution center
Cash flows from financing activities	-34,823	-17,738	17,084	(FY2021) Gains and losses from the purchase and disposal of treasury stock
Cash and cash equivalents at the end of the quarter	65,520	74,145	8,624	





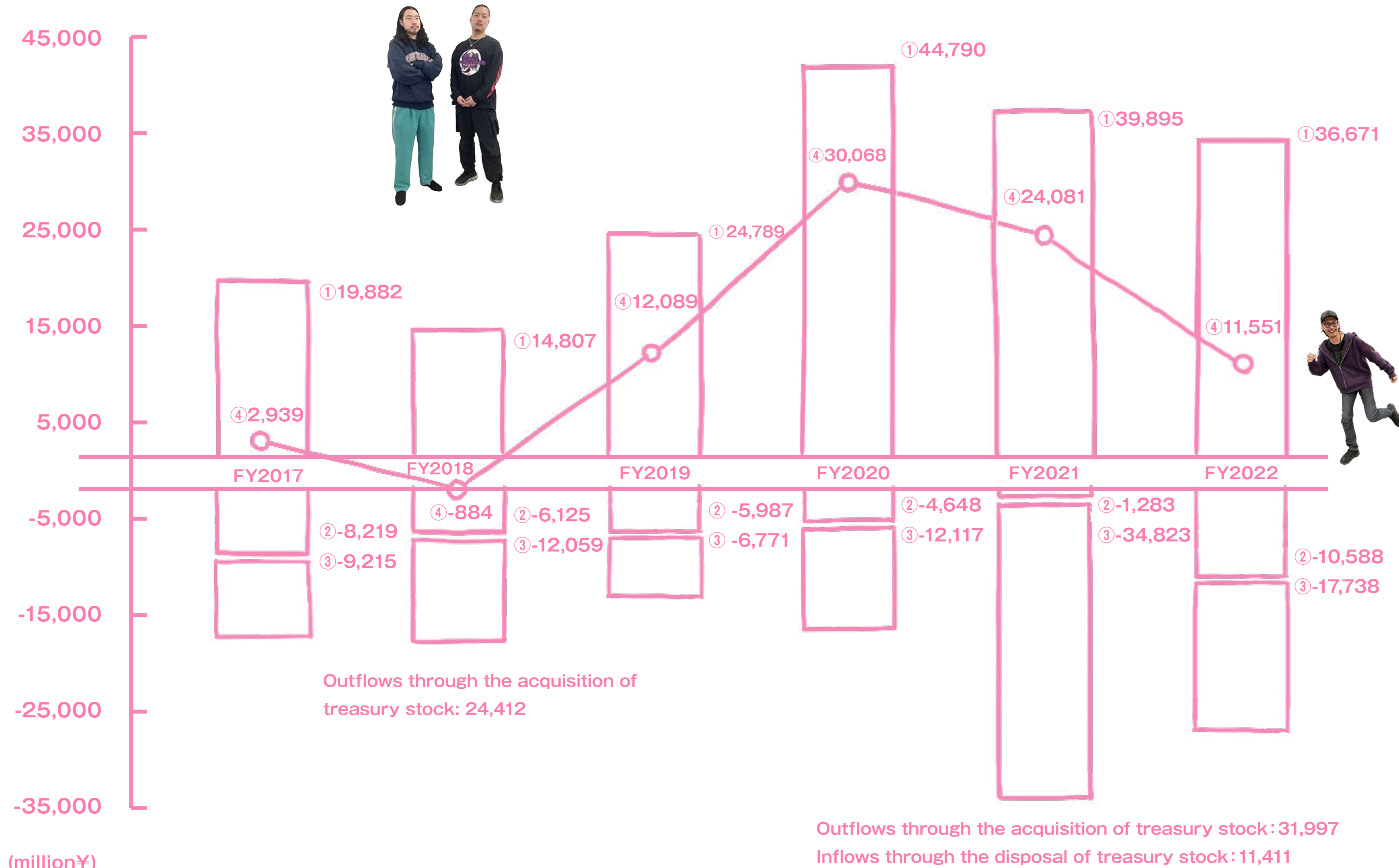
# CAPITAL INVESTMENT



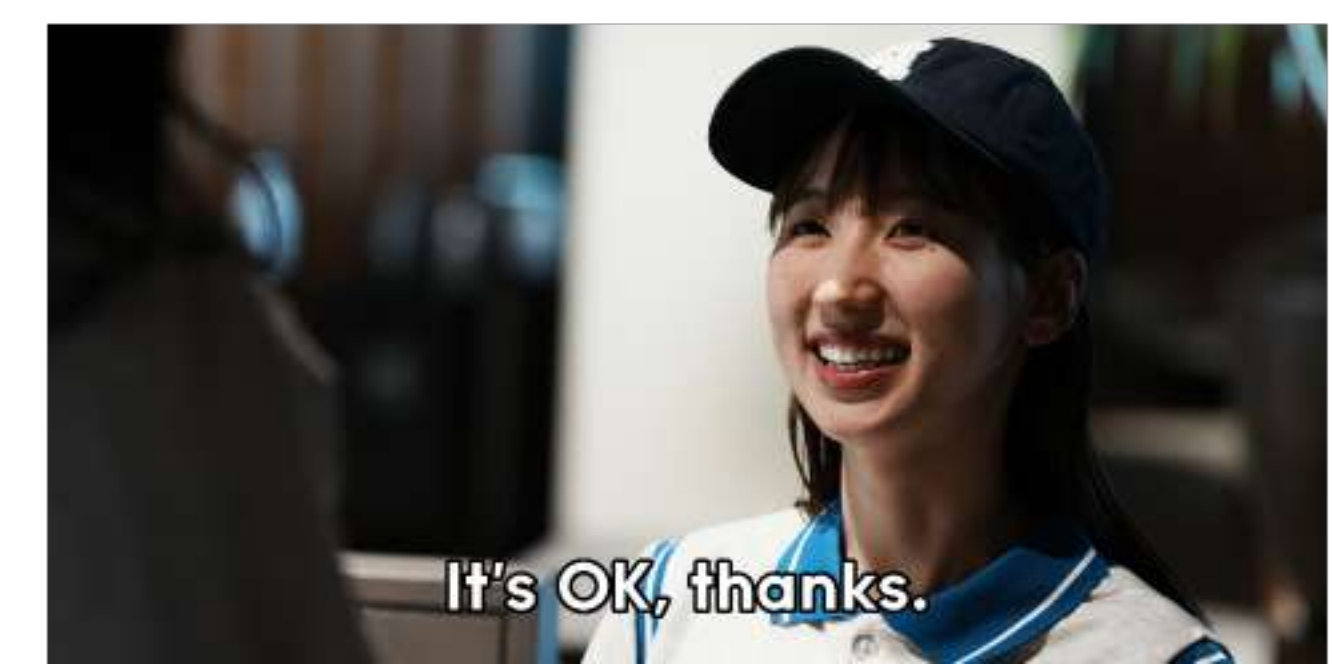
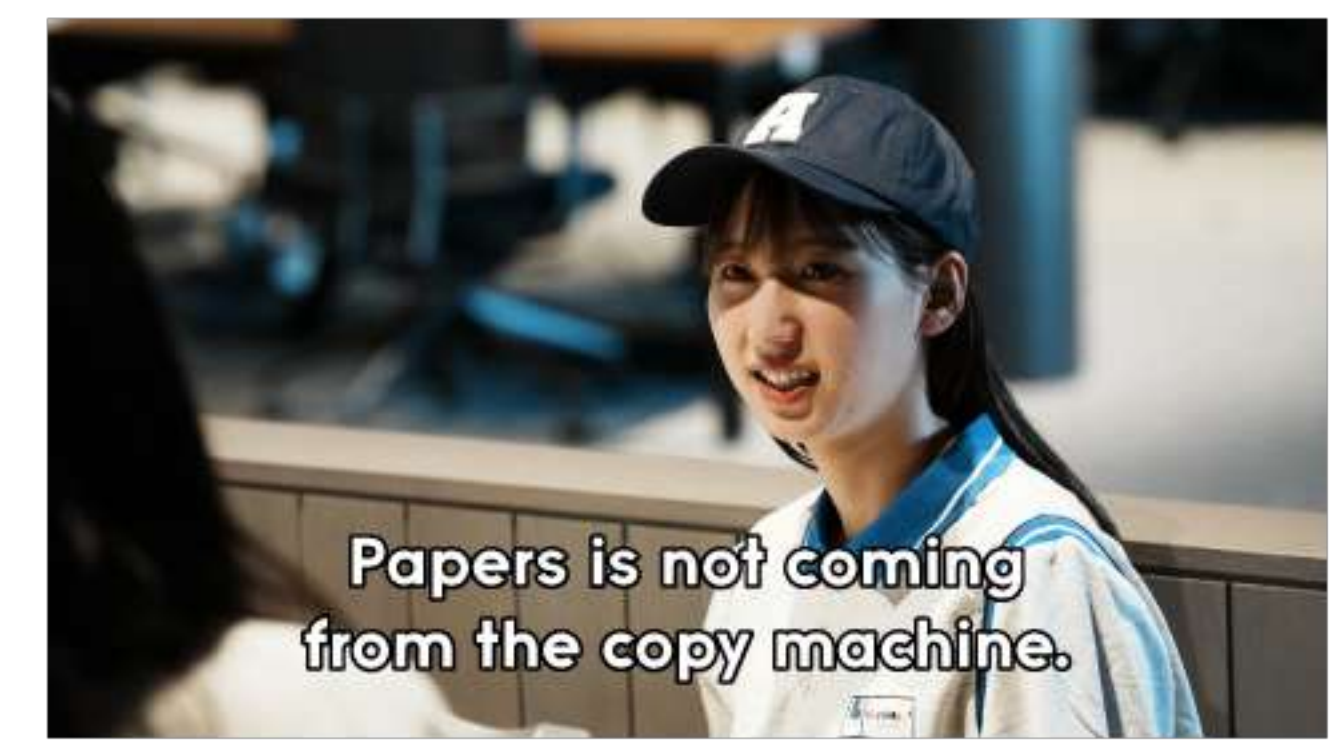


# CASH FLOWS

- 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

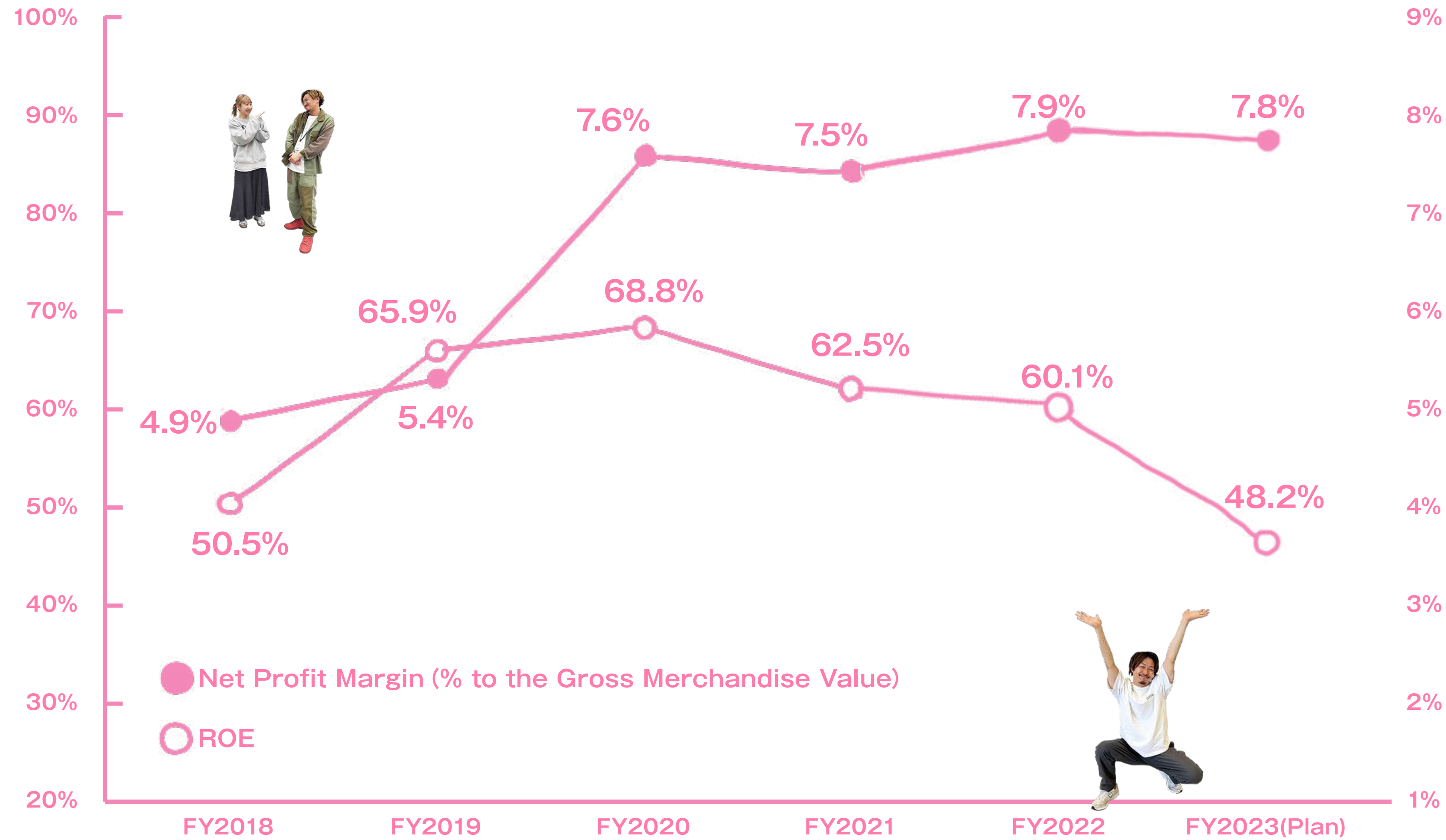


(million¥)

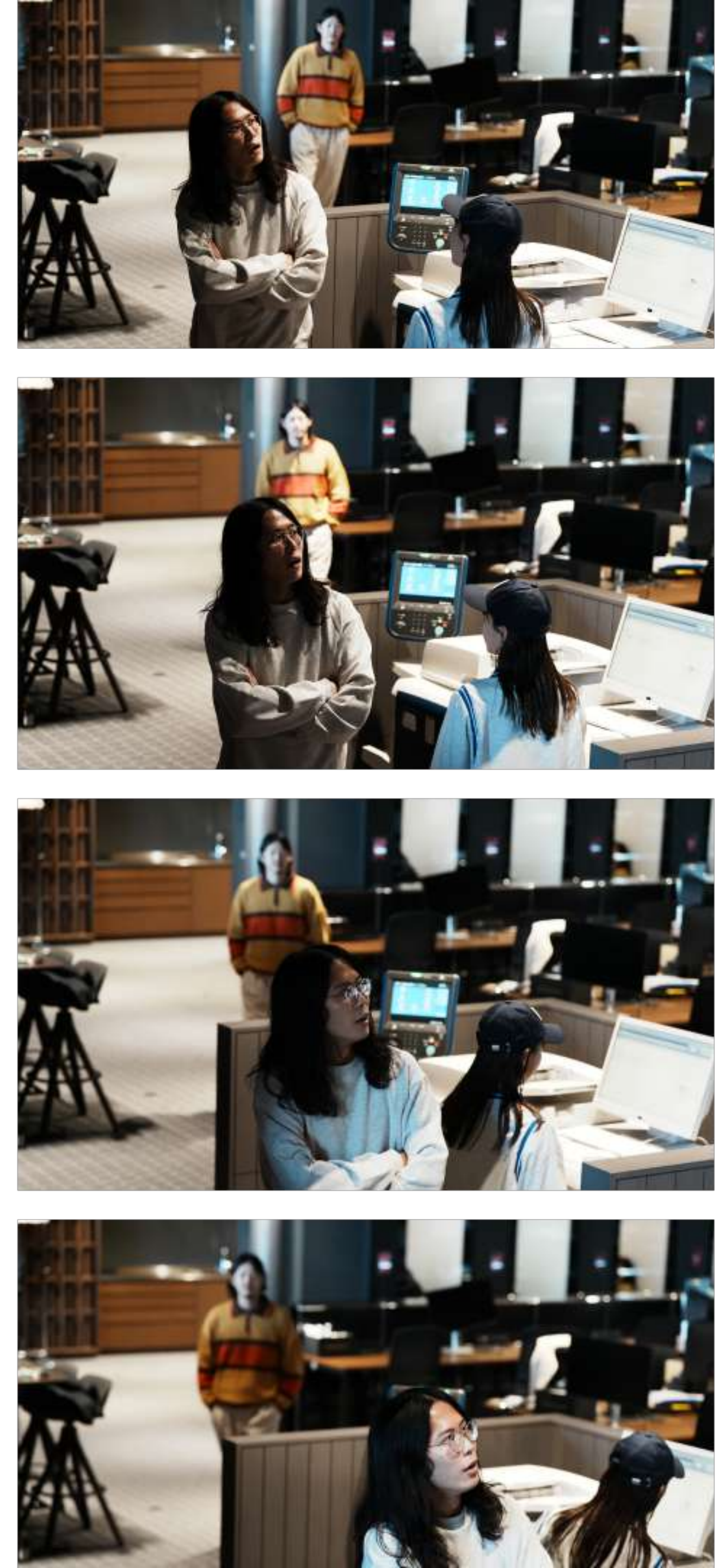




# ROE AND NET PROFIT MARGIN

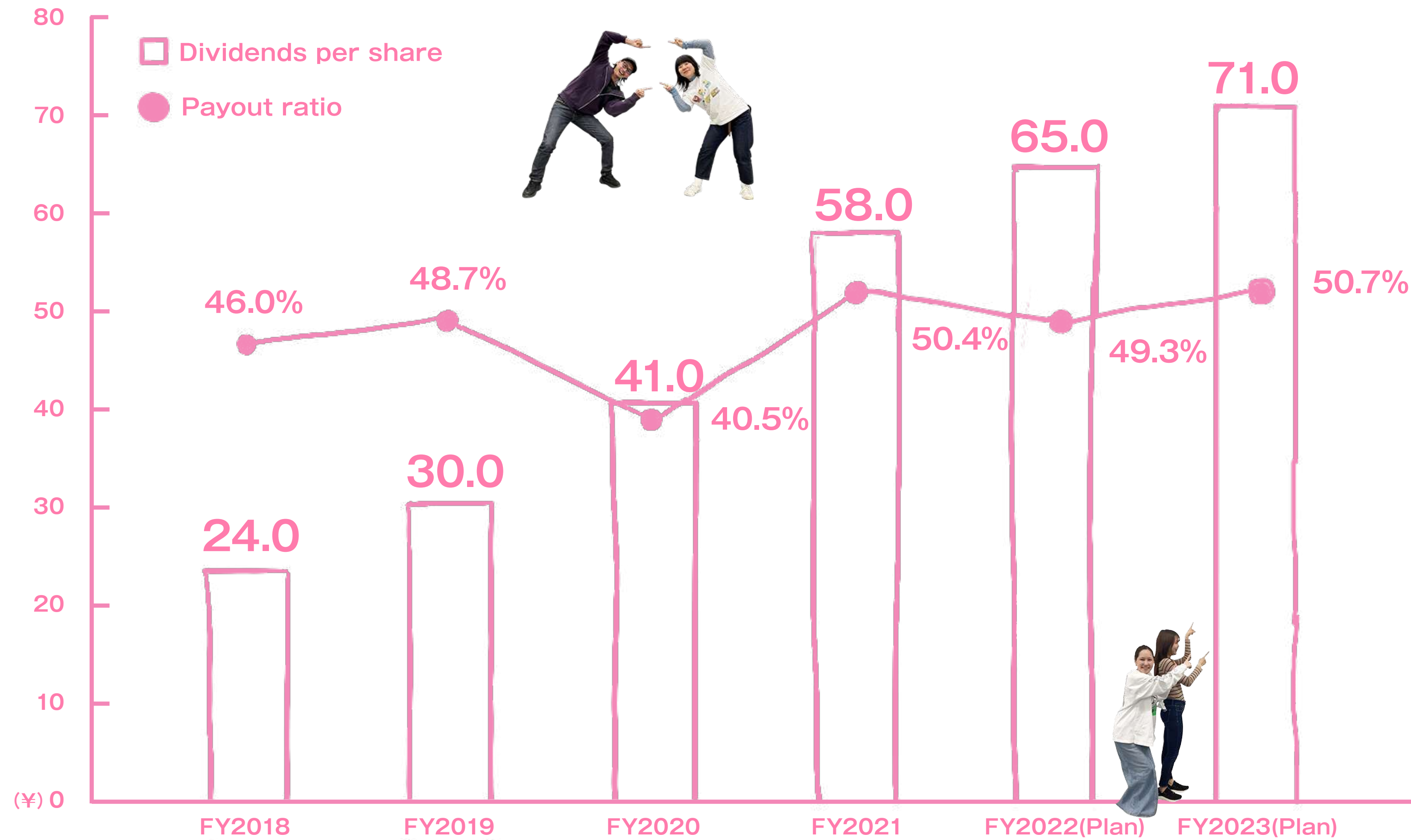


\* Net profit margins are calculated by dividing net profit by the Gross Merchandise Value (excluding other GMV).





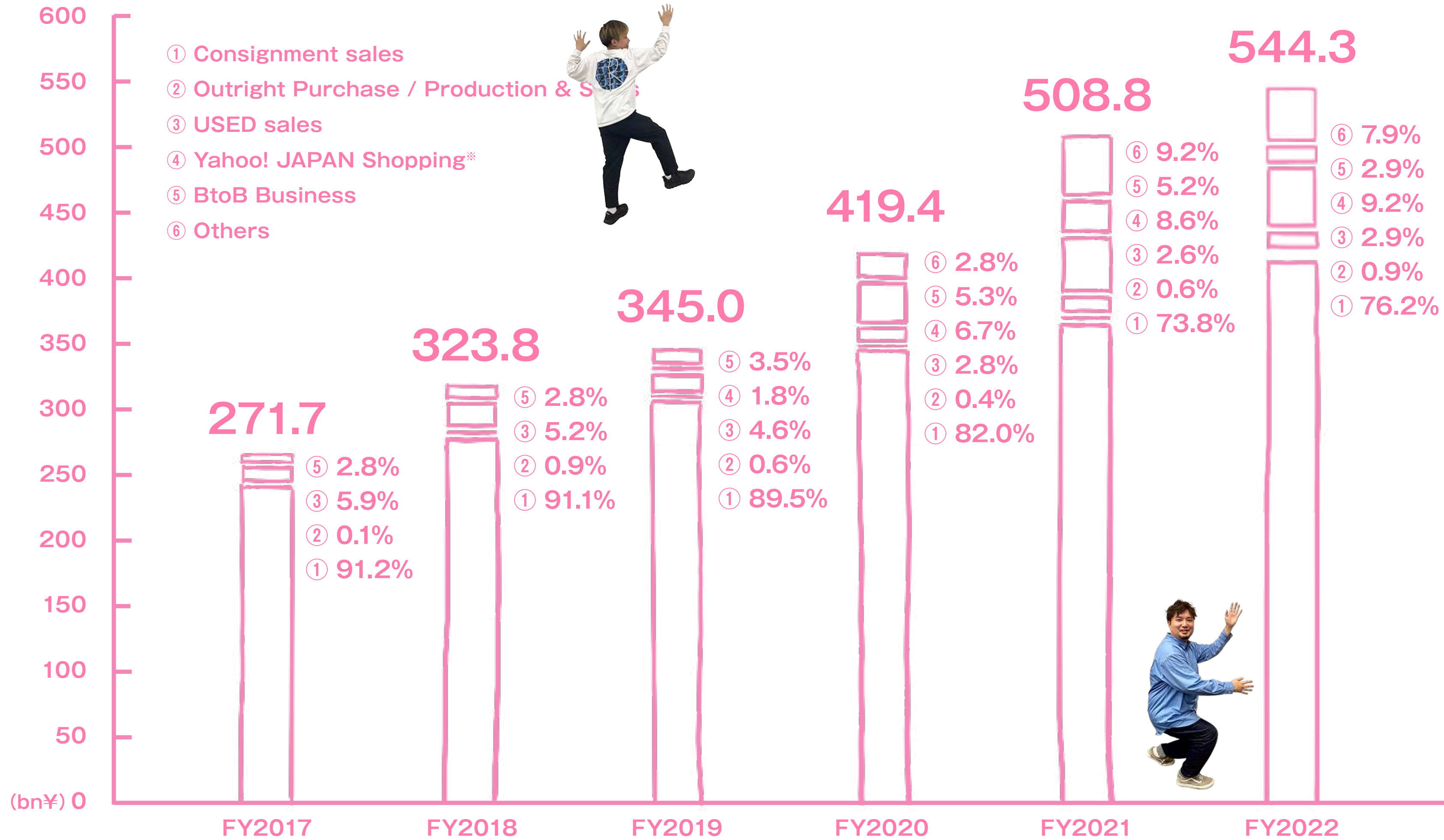
# DIVIDENDS PER SHARE AND PAYOUT RATIO





# GROSS MERCHANDISE VALUE

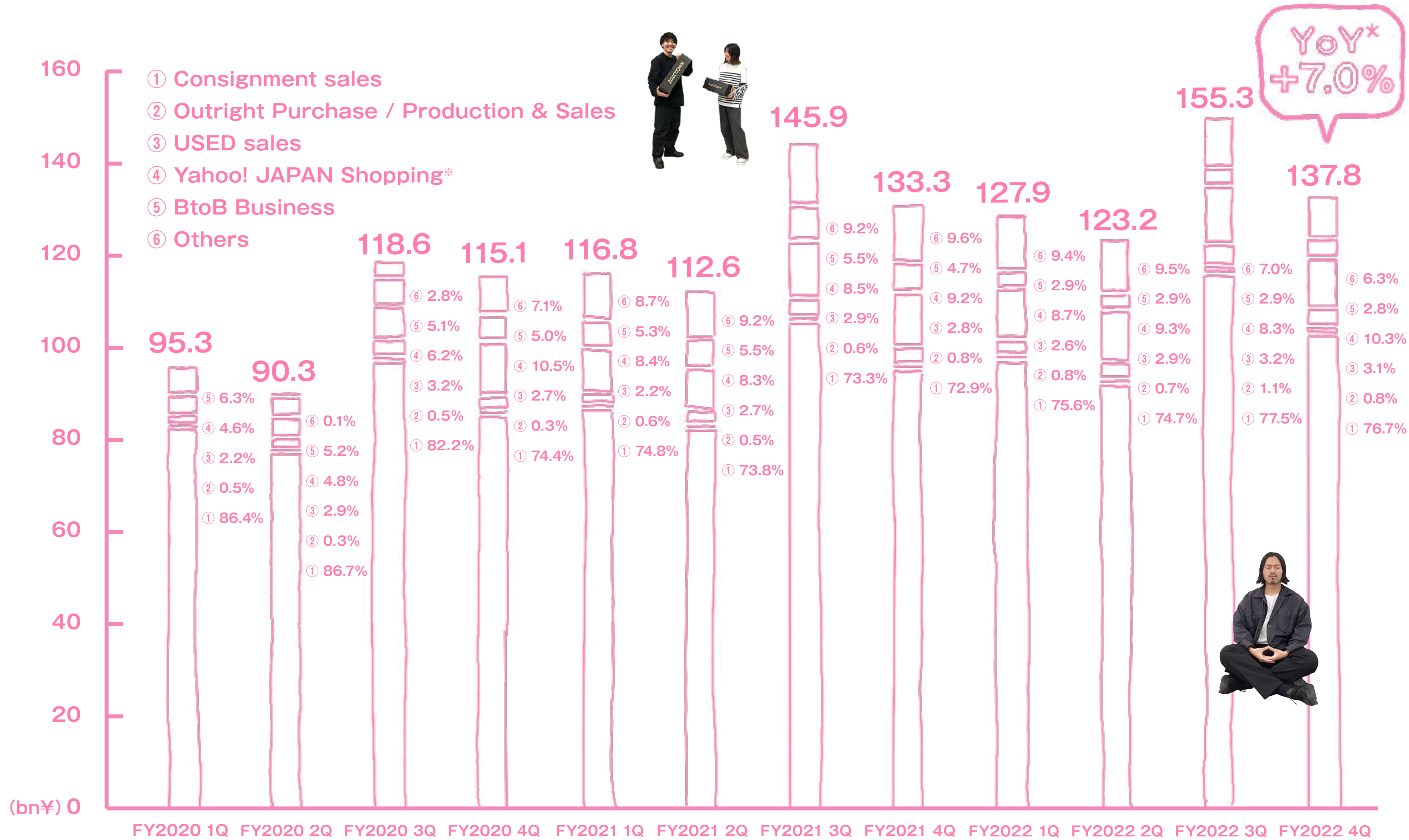
The Gross Merchandise Value of new shops opened in FY2022 ZOZOTOWN Business : ¥3.6 billion  
(accounts for 0.8% of the Gross Merchandise Value)



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



# GROSS MERCHANDISE VALUE(QUARTERLY)



You are so reliable, Daitaku!



I heard that we can take a tour of the ZOZOSTUDIO currently being constructed across the street from our office. Shall we go together?



Yes, sure!

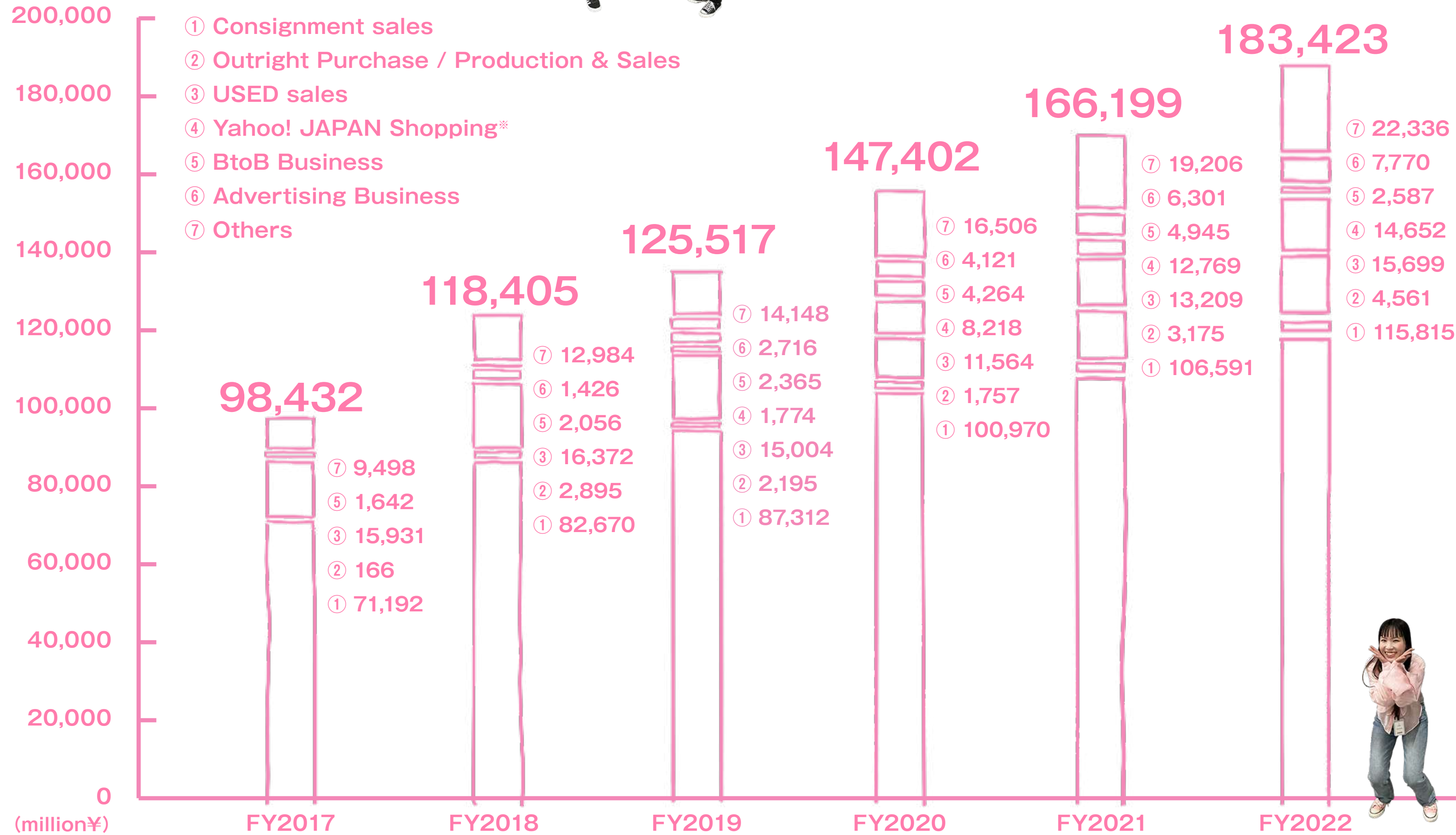


\* PayPay Mall was integrated with Yahoo! JAPAN Shopping in October 2022.

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



# NET SALES



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

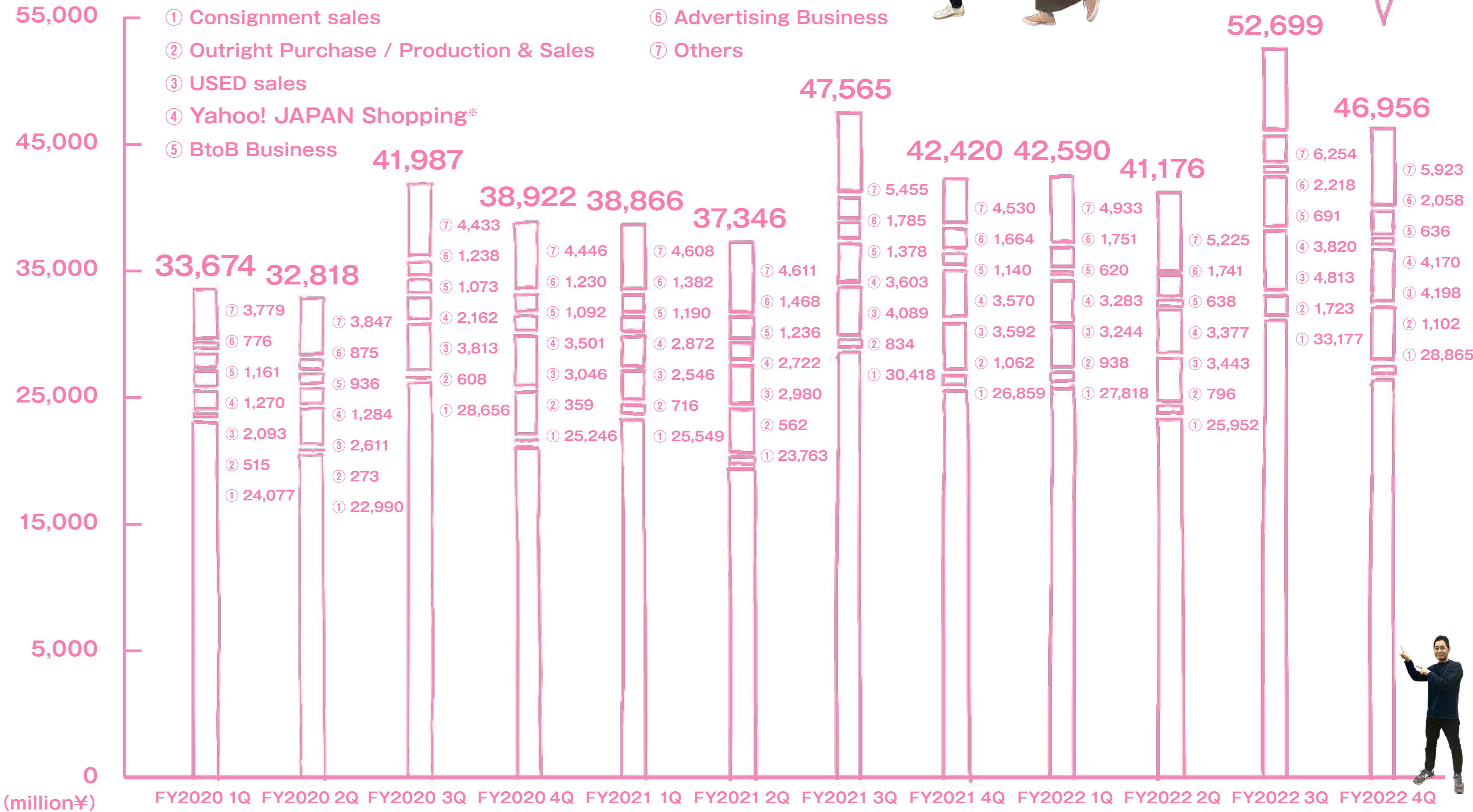
\* Effective from the fiscal year ended March 2022, we have adopted the new accounting standards for revenue recognition. Point-related expenses, which had been recorded in SG&A expenses until the fiscal year ended March 2021, are reduced from sales in the respective businesses, and the results are disclosed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



# NET SALES(QUARTERLY)



YoY  
+10.7%

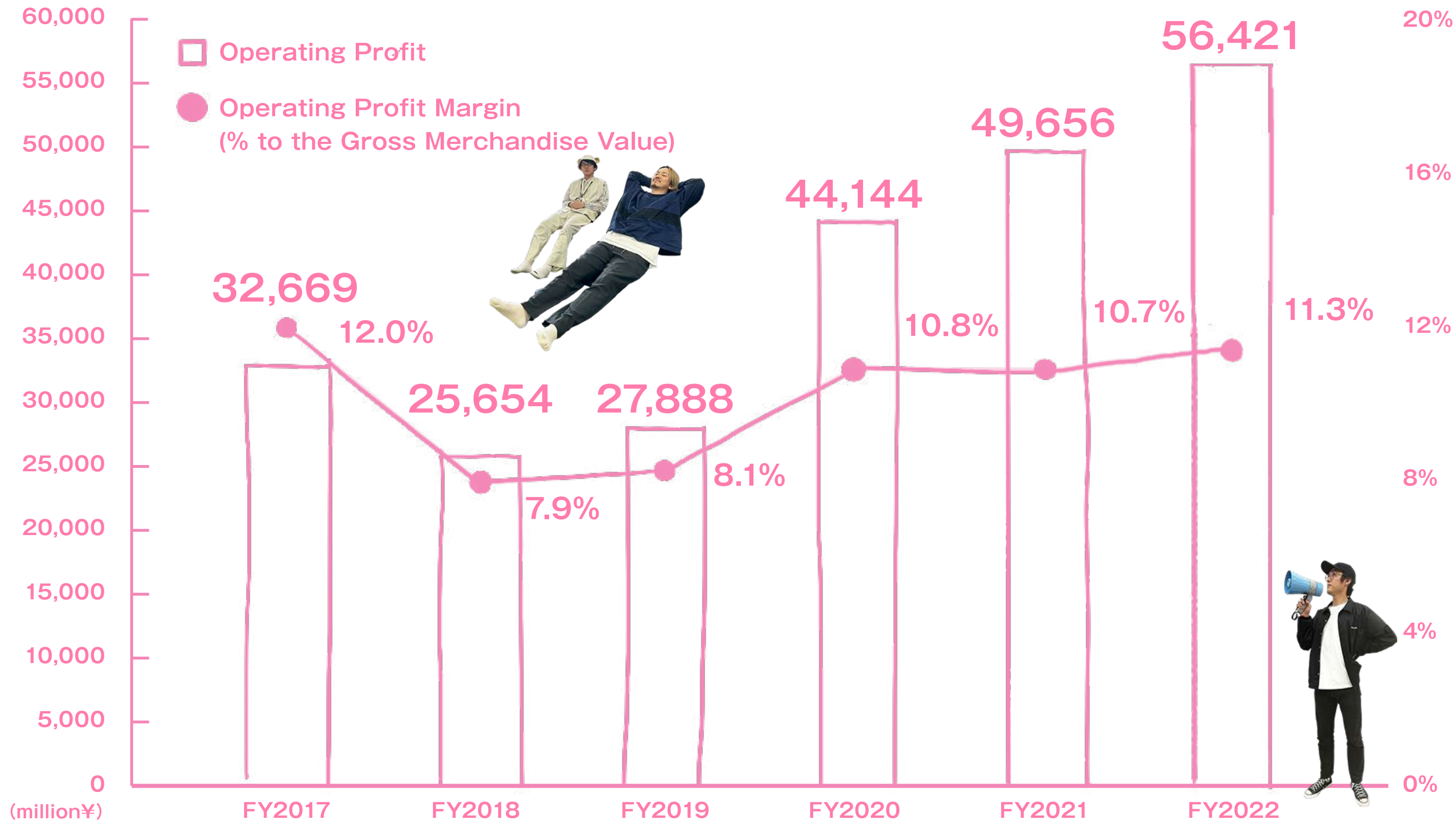


\* PayPay Mall was integrated with Yahoo! JAPAN Shopping in October 2022.

\* Effective from the fiscal year ended March 2022, we have adopted the new accounting standards for revenue recognition. Point-related expenses, which had been recorded in SG&A expenses until the fiscal year ended March 2021, are 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 dividing operating profit by the Gross Merchandise Value (excluding other GMV)





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



(million¥)

	FY2021		FY2022		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(*)	30,173	6.5%	31,372	6.3%	-0.2%	
Payroll costs for employee	13,052	2.8%	14,326	2.9%	0.1%	Transition of the number of employees on consolidated basis: FY2021 4Q 1,411 → FY2022 4Q 1,538
Logistics-Related Expenses (Including Outsourcing)	17,121	3.7%	17,046	3.4%	-0.3%	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)	6,037	1.3%	6,774	1.4%	0.1%	An increase in outsourcing of system development, maintenance, etc.
Shipping	31,380	6.8%	32,421	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	10,978	2.4%	11,877	2.4%	0.0%	
Advertising	9,876	2.1%	12,314	2.5%	0.4%	Expenses for ZOZOGLASS decreased. An increase in the measures to attract customers through TV commercials and web advertising.
Rent expense	5,728	1.2%	6,076	1.2%	0.0%	An increase in a distribution center (resumption of the lease at the warehouse CHIBA 3 from April 2022).
Depreciation	1,977	0.4%	2,050	0.4%	0.0%	
Amortization of goodwill	404	0.1%	460	0.1%	0.0%	
Stock Compensation Expenses	86	0.0%	114	0.0%	0.0%	
Others	9,873	2.1%	11,457	2.3%	0.2%	An Increase in cloud server usage for the system replacement. Purchase of equipment due to an increase in the distribution centers. (1Q,4Q)
<b>Total SG&amp;A</b>	<b>106,516</b>	<b>23.0%</b>	<b>114,920</b>	<b>22.9%</b>	<b>-0.1%</b>	

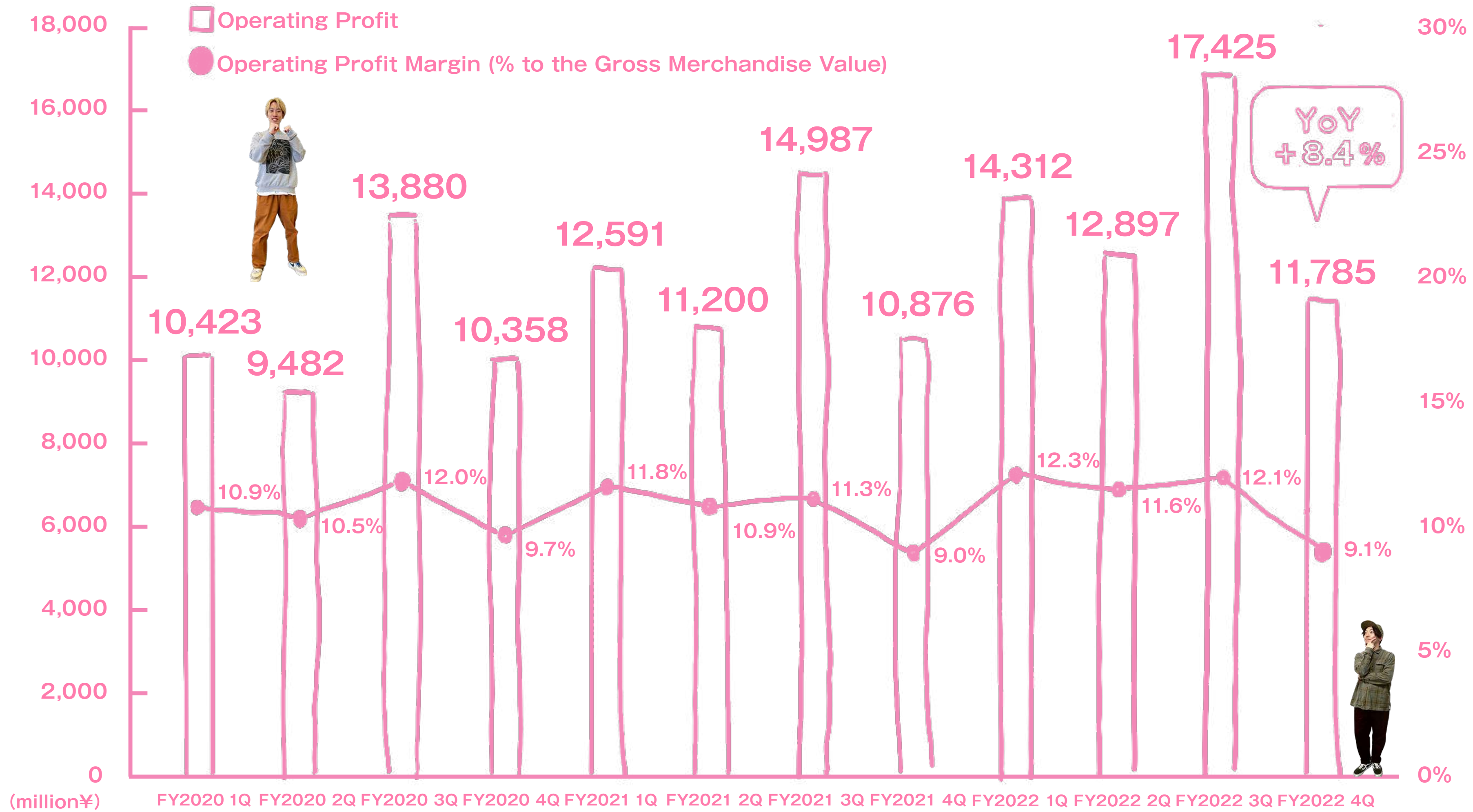


\* Payroll includes directors' remuneration, employee salaries, bonuses, legal welfare expenses, welfare expenses, retirement benefits cost, provision for employee bonuses, expenses of company pension premium, subcontracting payroll, a portion of expenses at logistics centers operation. "Employee" includes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



# OPERATING PROFIT AND OPERATING PROFIT MARGIN(QUARTERLY)

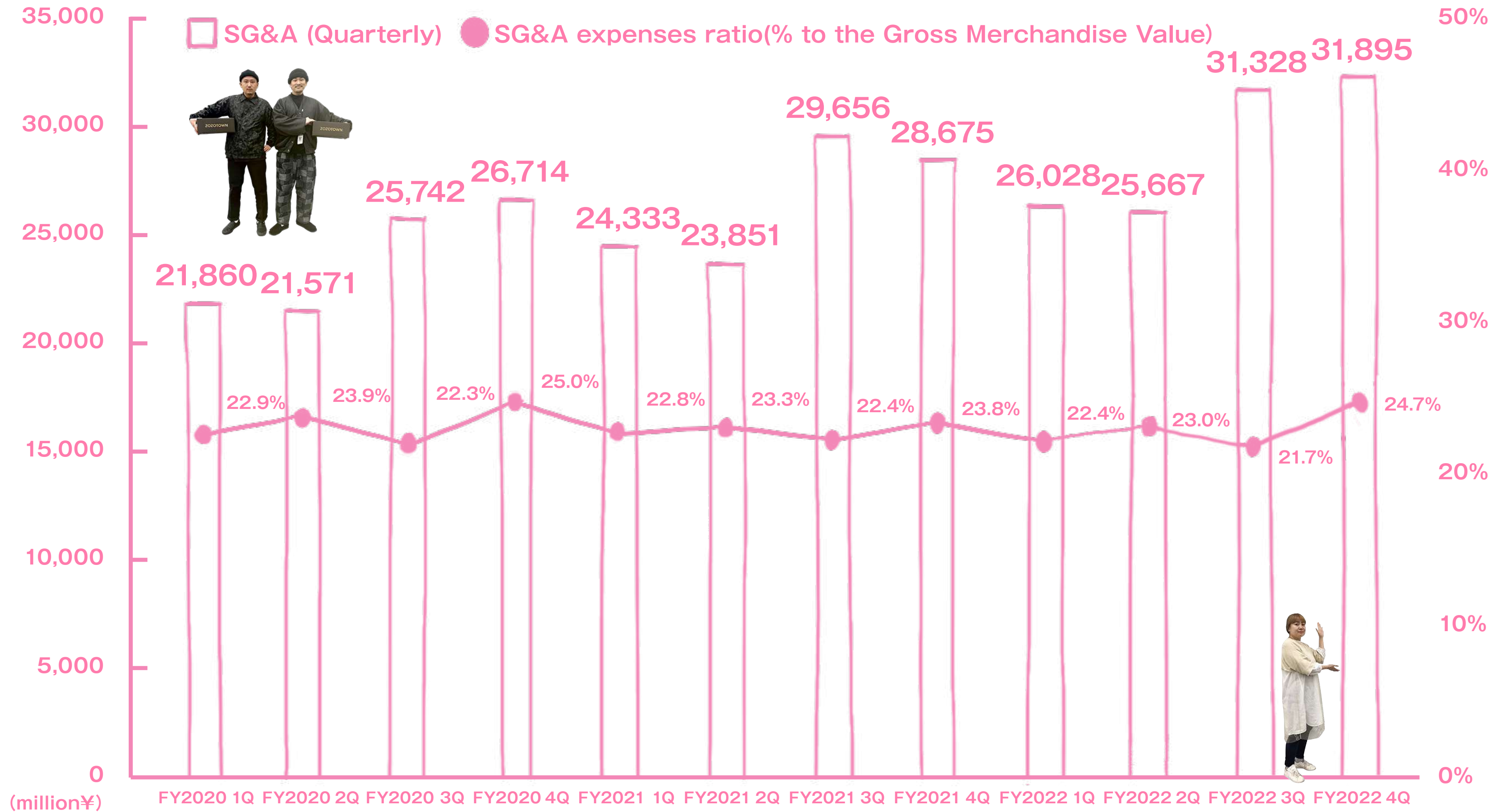


\* Operating profit margins are calculated by dividing operating profit by the Gross Merchandise Value (excluding other GMV)





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

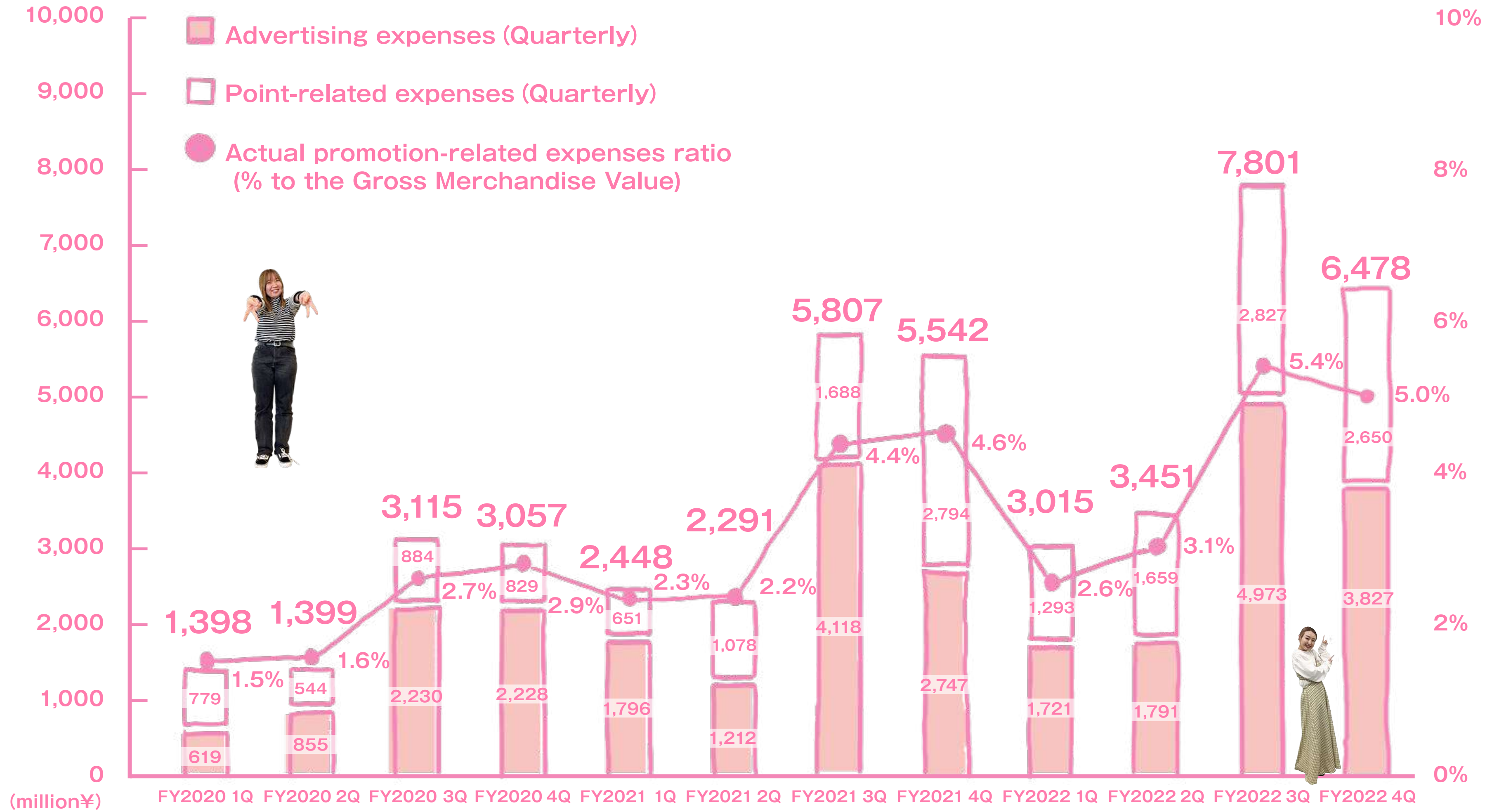


\* SG&A expenses ratio is calculated by dividing related items by the Gross Merchandise Value (excluding other GMV).  
 \* Effective from the fiscal year ended March 2022, we have adopted the new accounting standards for revenue recognition. Point-related expenses, which had been recorded in SG&A expenses until the fiscal year ended March 2021, are reduced from sales in the respective businesses, and the results are disclosed as net sales.



# 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 dividing the actual promotion-related expenses by the Gross Merchandise Value (excluding other GMV)





# OVERVIEW OF SG&A BY EACH QUARTER

(million¥)

	FY2021								FY2022							
	1Q		2Q		3Q		4Q		1Q		2Q		3Q		4Q	
	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	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%	9,513	7.4%
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%	4,804	3.7%
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%	4,709	3.6%
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%	1,750	1.4%
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%	8,139	6.3%
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%	3,004	2.3%
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%	3,827	3.0%
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%	1,530	1.2%
Depreciation	454	0.4%	478	0.5%	503	0.4%	541	0.4%	465	0.4%	473	0.4%	515	0.4%	595	0.5%
Amortization of goodwill	101	0.1%	100	0.1%	101	0.1%	101	0.1%	106	0.1%	106	0.1%	124	0.1%	123	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%	33	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%	3,377	2.6%
<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>	<b>31,895</b>	<b>24.7%</b>

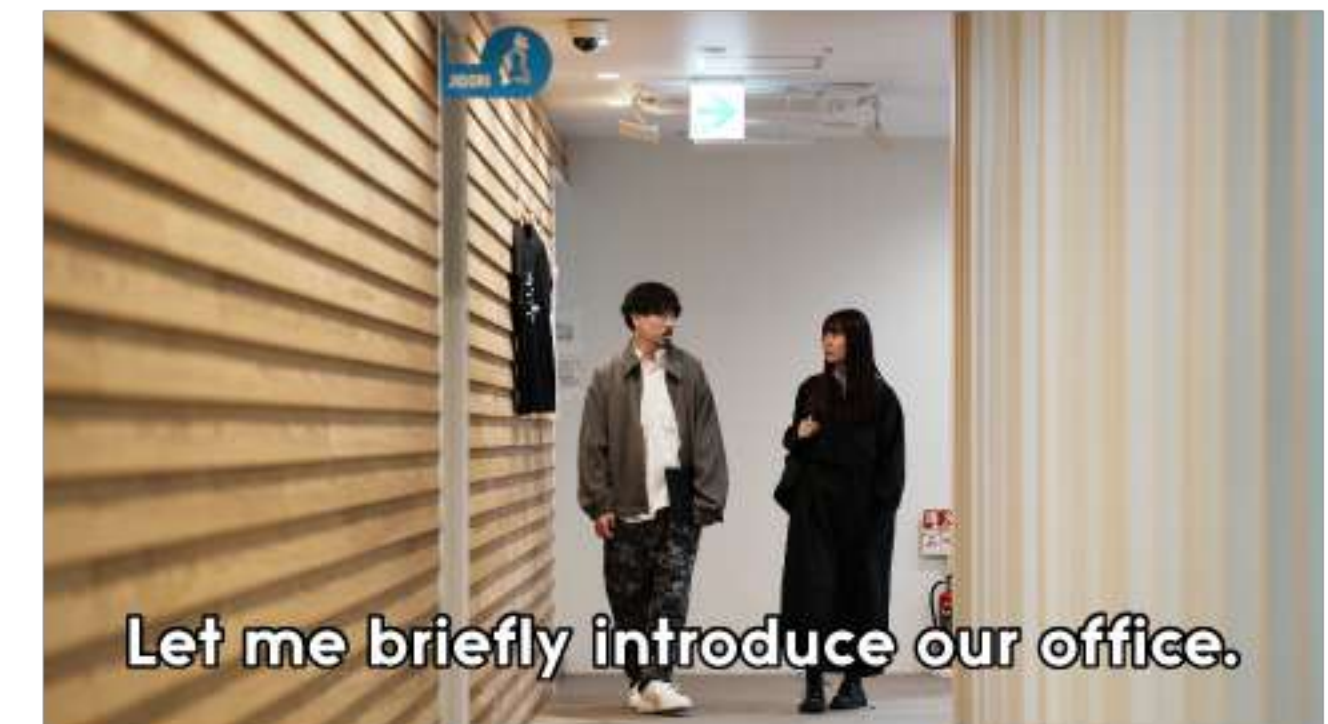
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 \* The percentages to the Gross Merchandise Value are calculated by dividing each expense by the Gross Merchandise Value (excluding other GMV).  
 \* Effective from the fiscal year ending March 2022, we have adopted the new accounting standards for revenue recognition.



I'm Anaconda from CS Planning Department.



Ana...I'm so excited to be a part of a team!



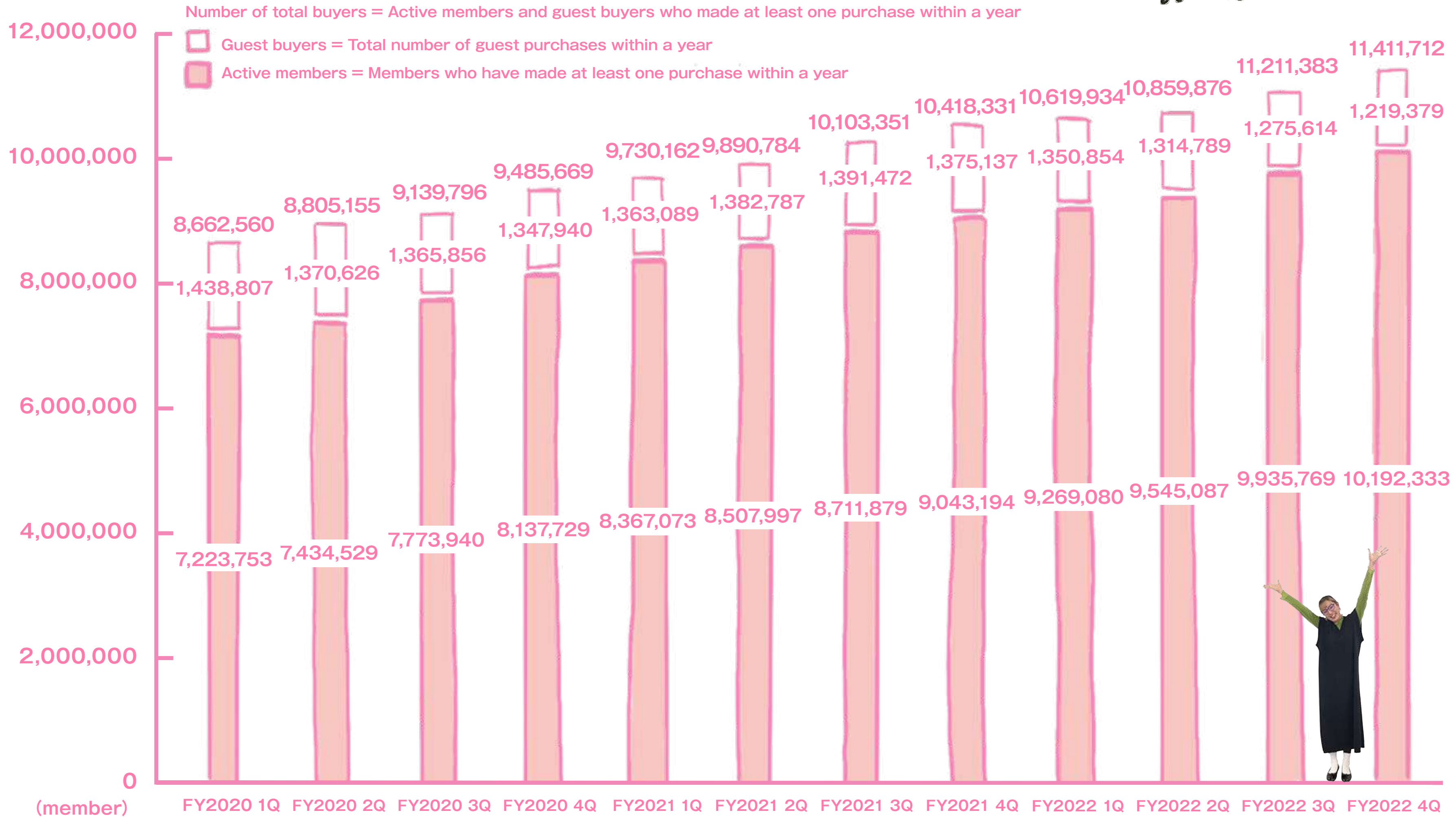
Let me briefly introduce our office.



The Miyazaki office is designed to resemble a single city.



# NUMBER OF TOTAL BUYERS



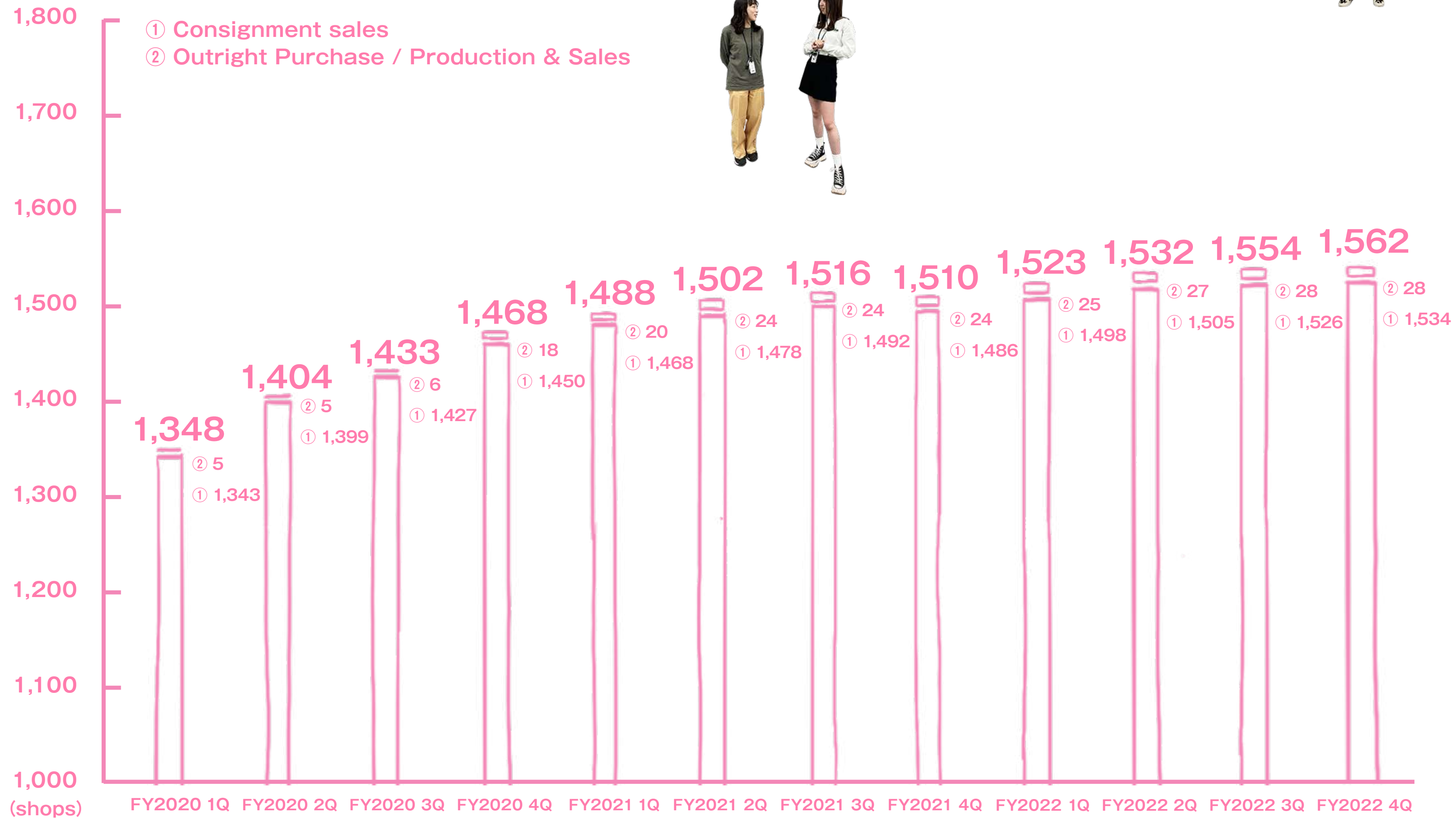
\* The results are only from the ZOZOTOWN business (<https://zozo.jp>). Yahoo! JAPAN Shopping is not included.

\* 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.



Let's go this way too.



It is named "Takachiho," a place in Miyazaki.



This is used for meetings and break time.

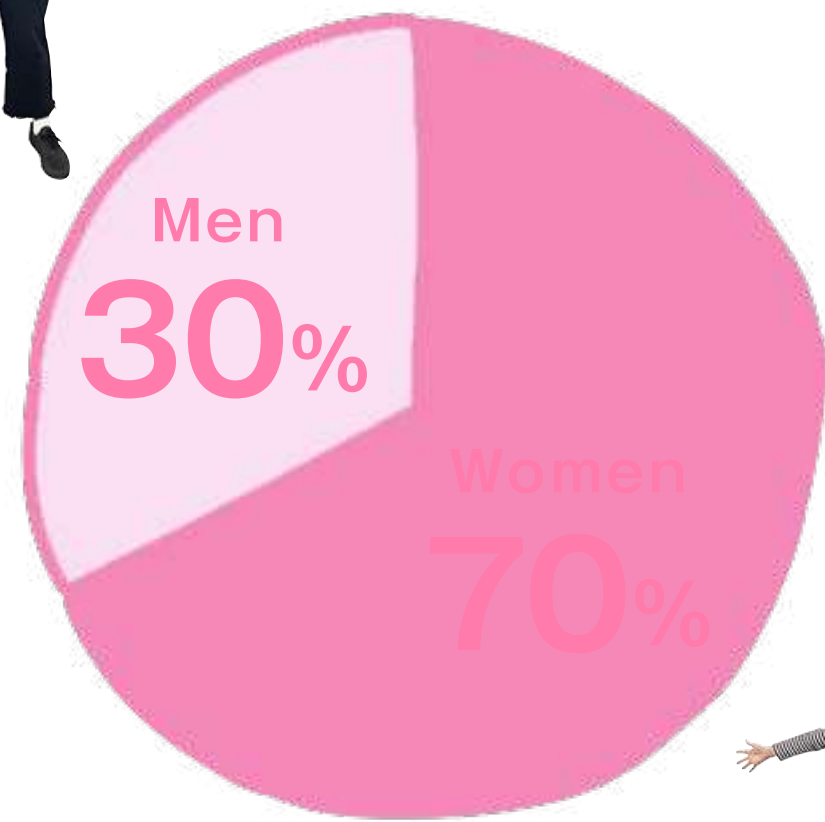


It will be a pleasure to work here every day.

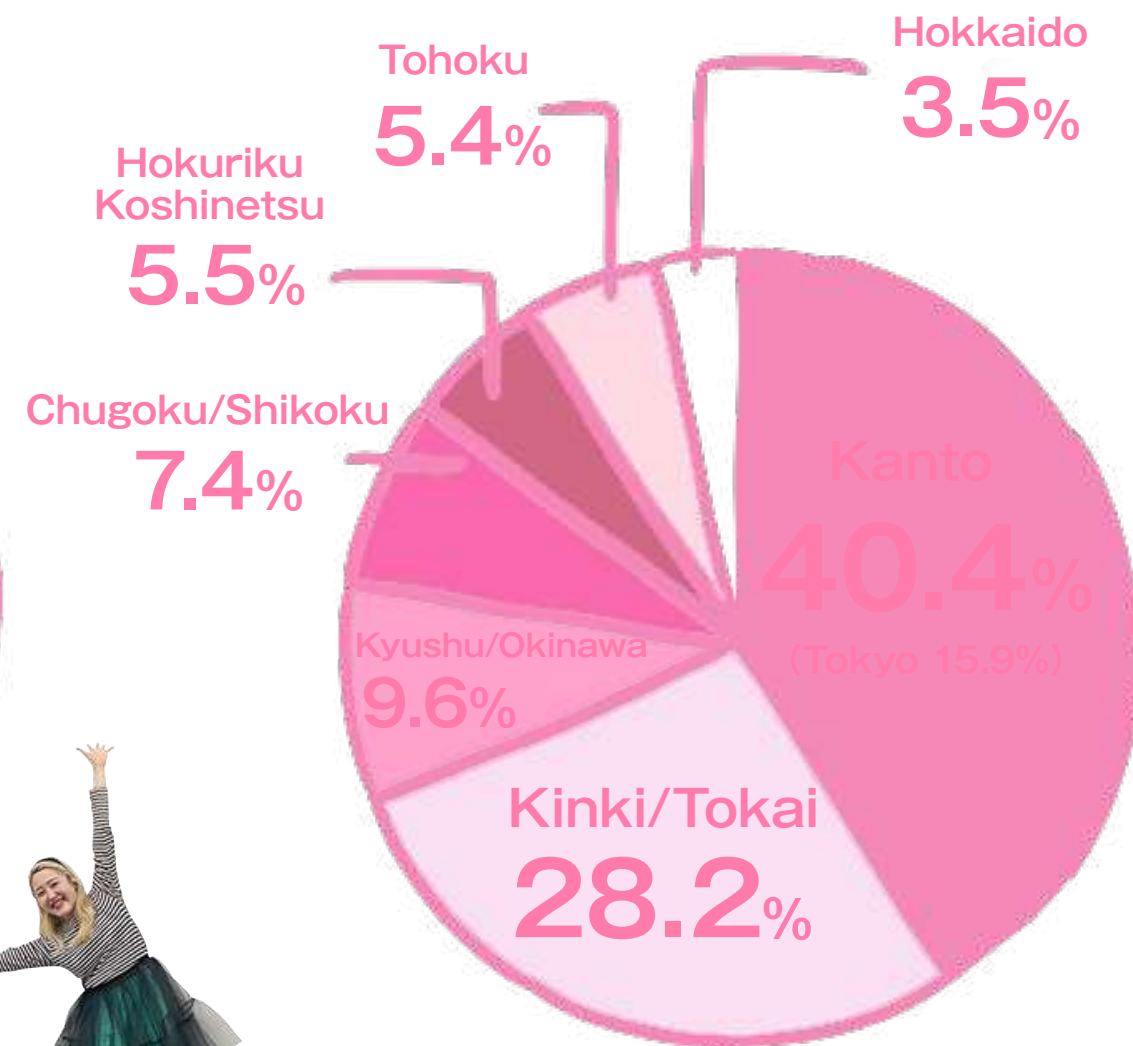


# ACTIVE MEMBER DISTRIBUTION

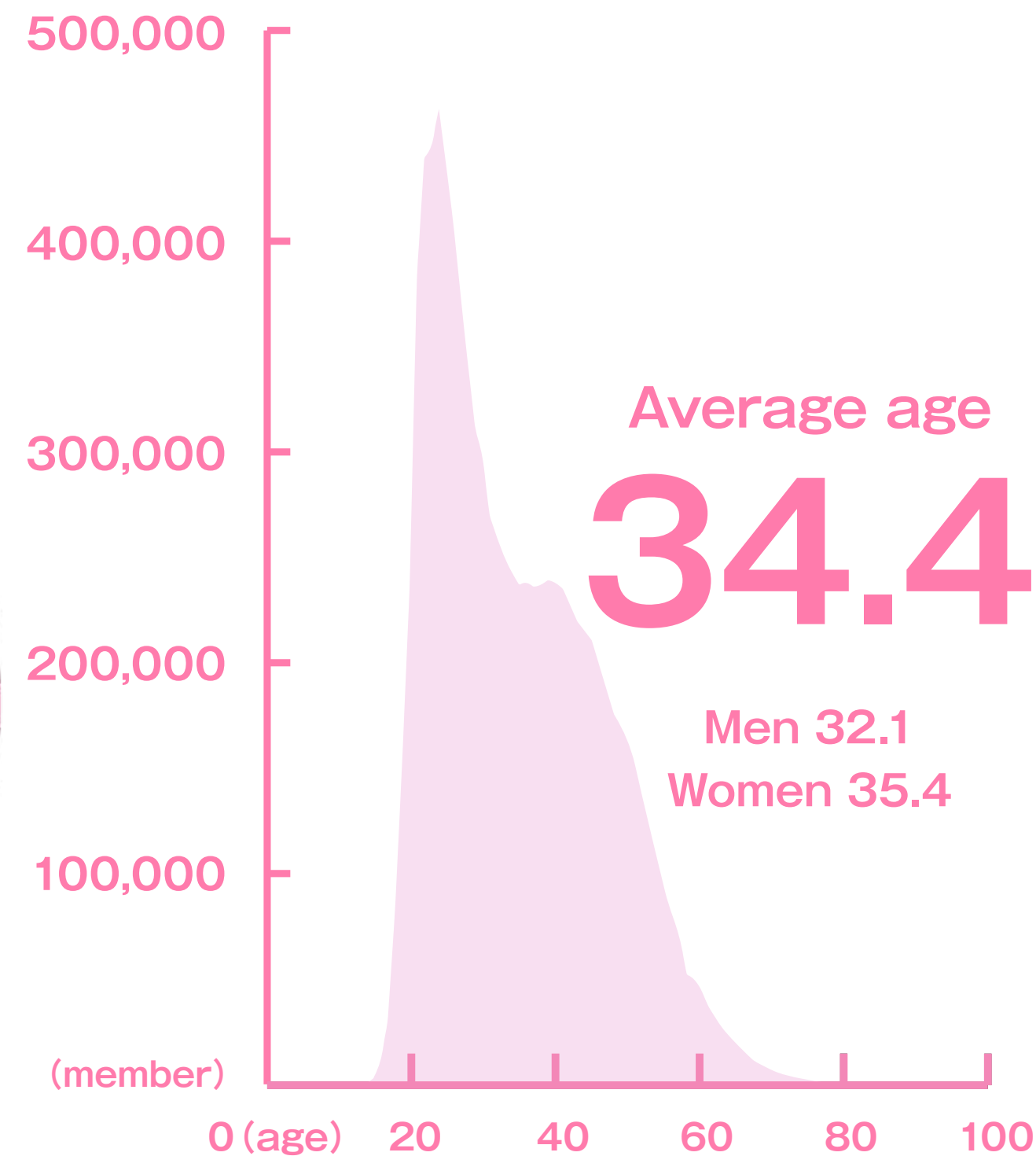
## Gender ratio



## Geographical distribution



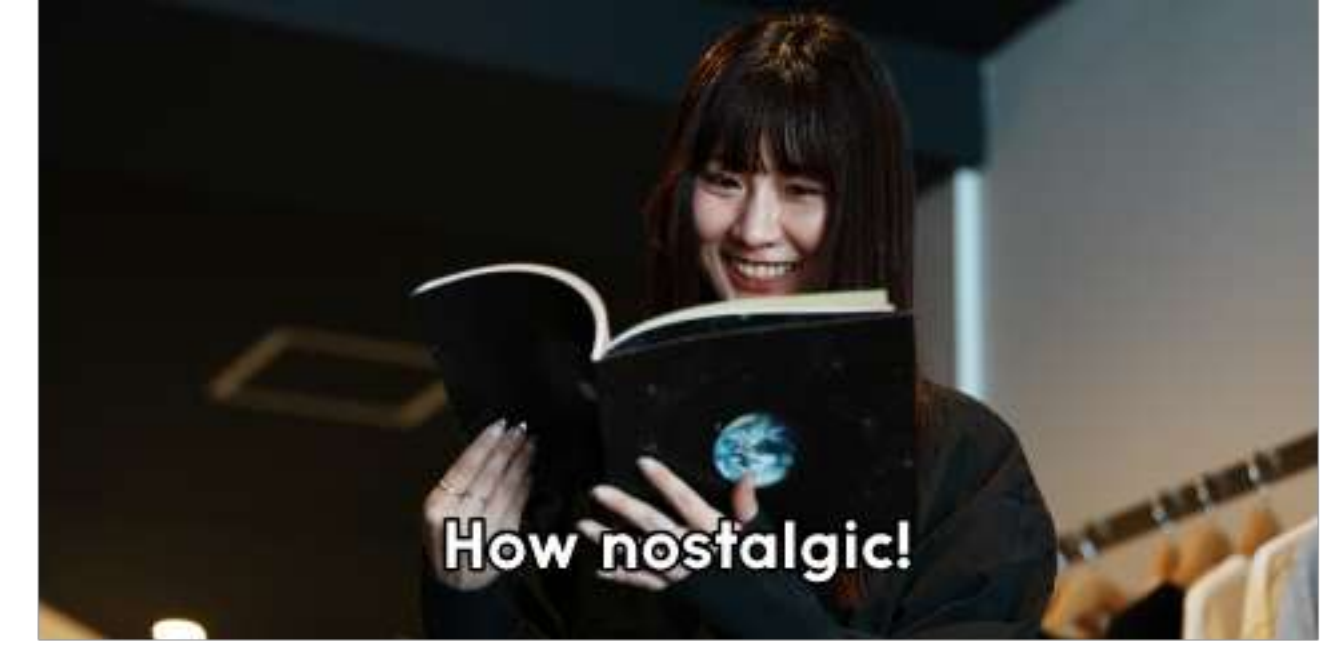
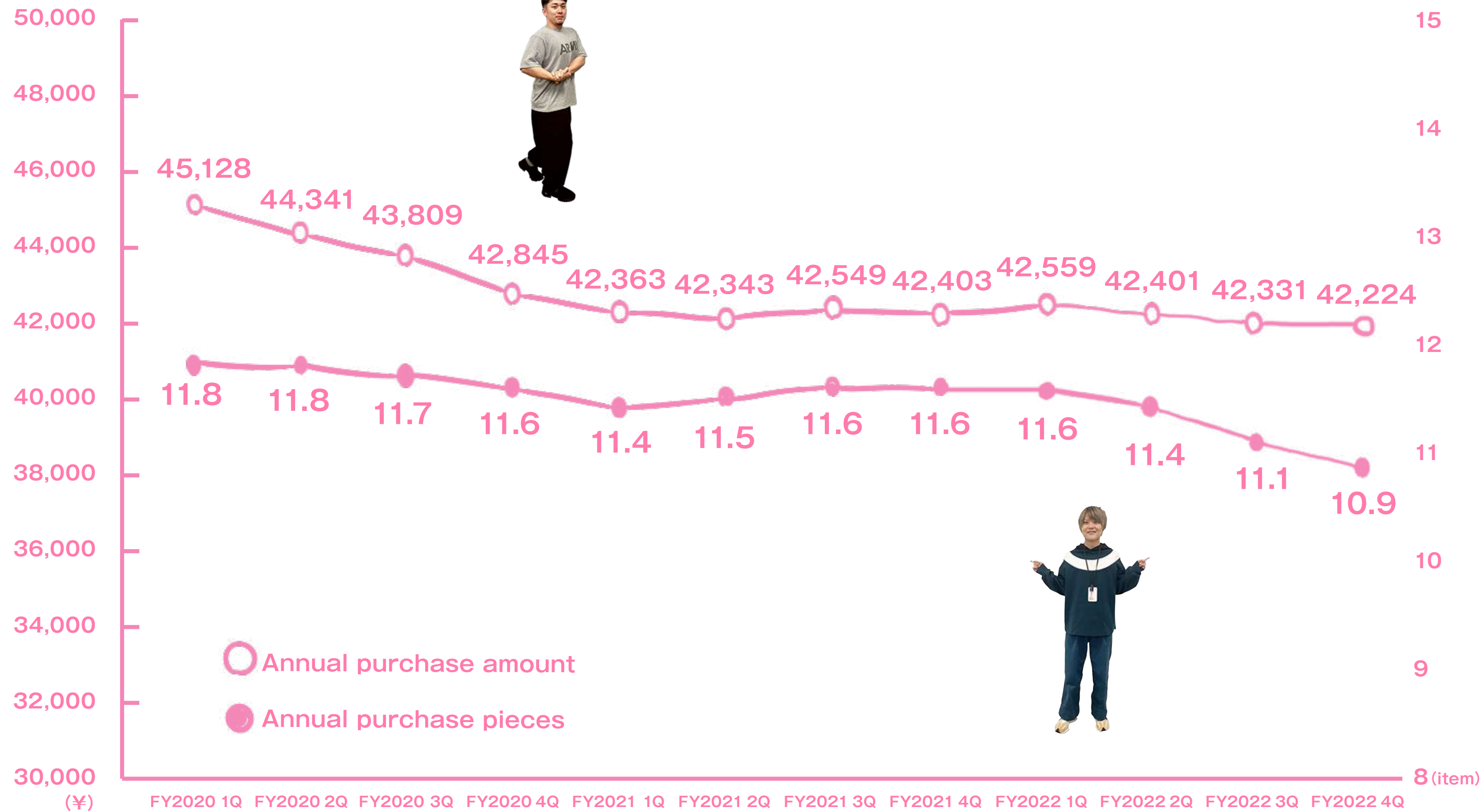
## Age distribution



\* The shown data on Active Member Distribution is only based on the numbers from the ZOZOTOWN business (<https://zozo.jp>). Yahoo! JAPAN Shopping is not included.  
\* PayPay Mall was integrated with Yahoo! JAPAN Shopping in October 2022.



# ANNUAL PURCHASE AMOUNT AND PIECES PER ACTIVE MEMBER



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

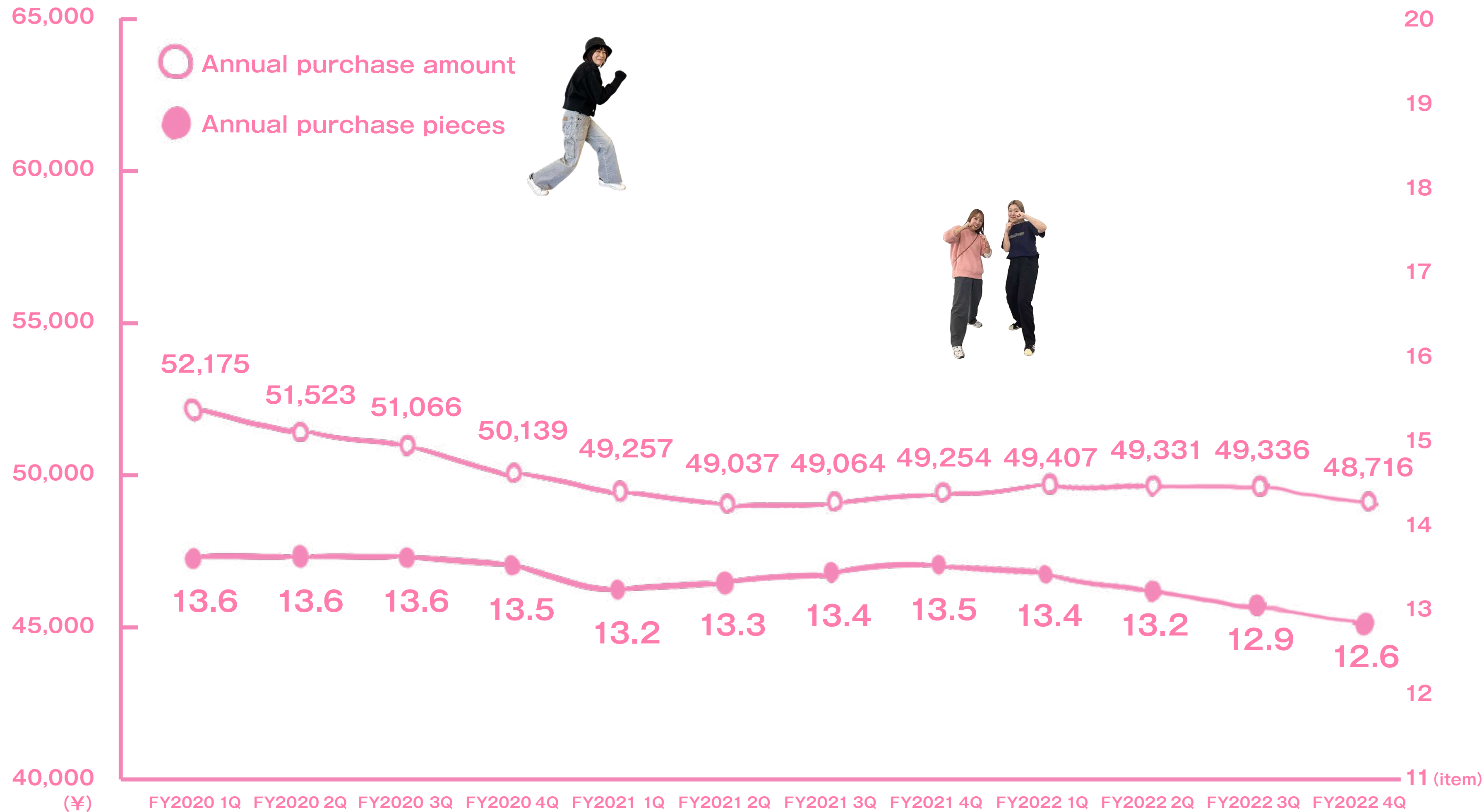
\* PayPay Mall was integrated with Yahoo! JAPAN Shopping in October 2022.

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



# ANNUAL PURCHASE AMOUNT AND PIECES PER EXISTING ACTIVE MEMBER

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



\* 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 SHIPMENTS



100%



so we signed a club vision promotion partnership agreement with Tegevajaro Miyazaki.



Oh, I see!

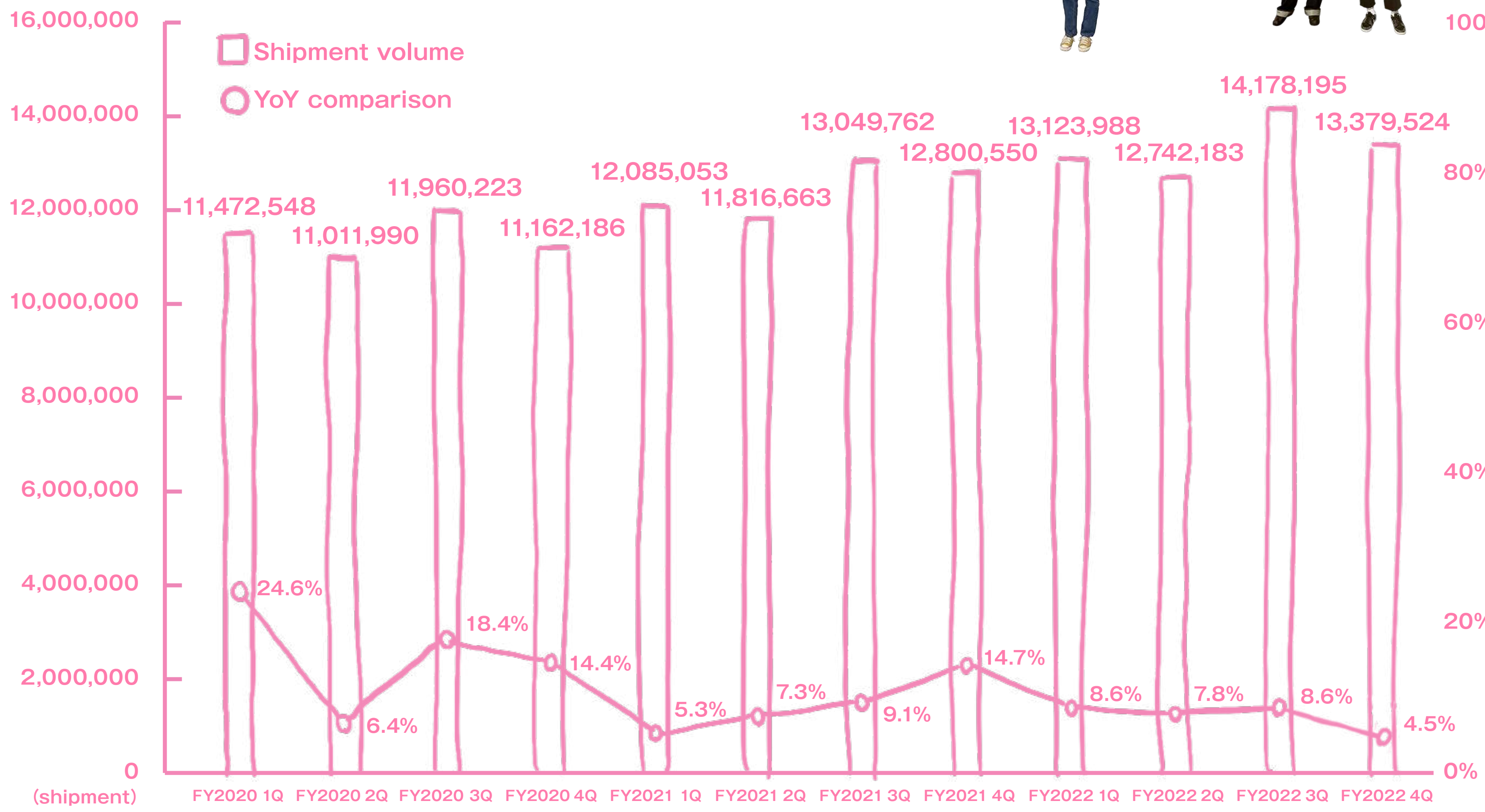


This charcoal-grilled chicken is so tasty.



Oh, can't wait for it!

30



\* 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".



# AVERAGE RETAIL PRICE

Average retail price = Gross Merchandise Value / Number of pieces



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

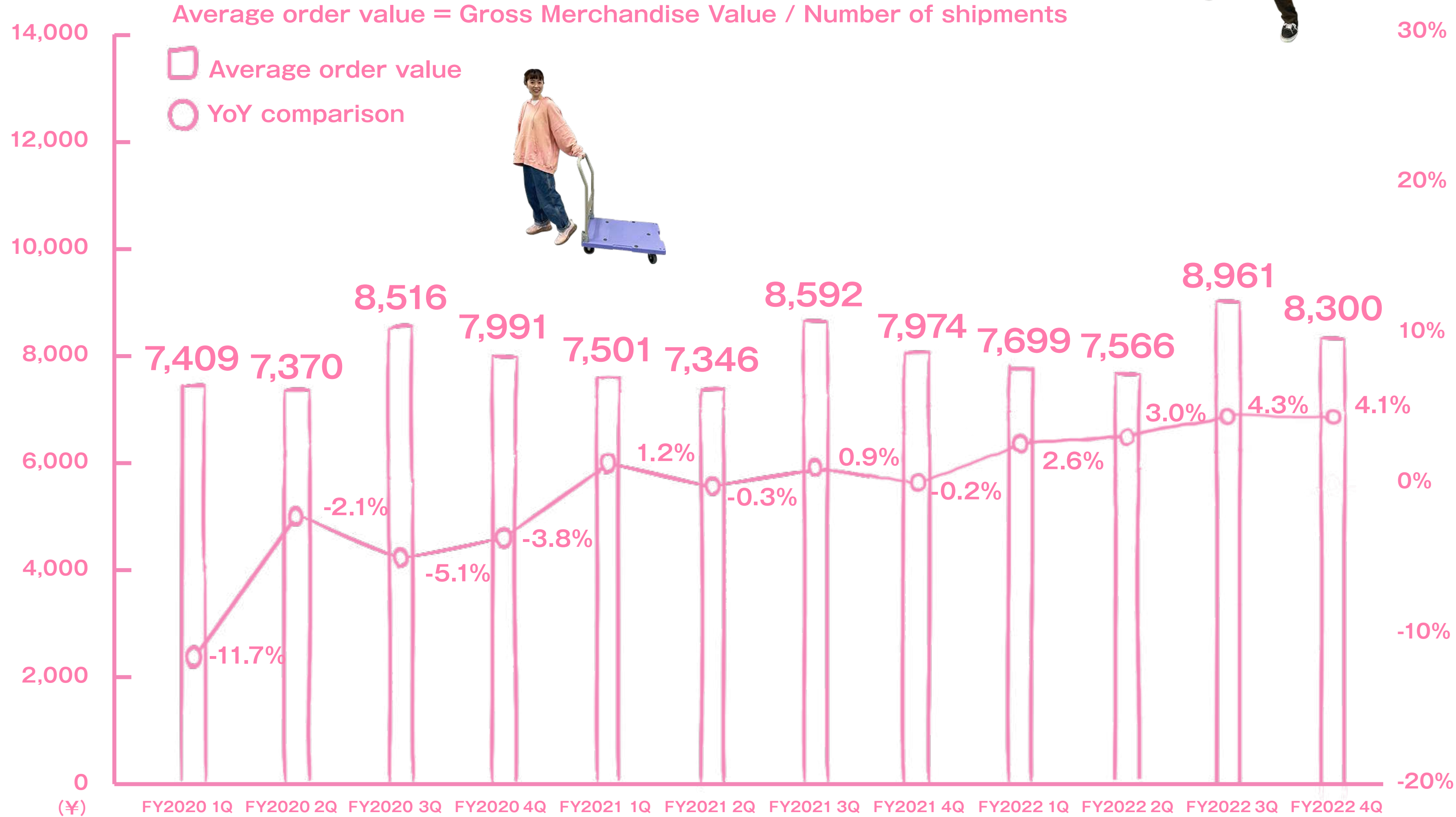
\* PayPay Mall was integrated with Yahoo! JAPAN Shopping in October 2022.

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



# AVERAGE ORDER VALUE

Average order value = Gross Merchandise Value / Number of shipments



30%



20%



10%



0%

-10%

-20%



\* 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".



# BUSINESS PLAN FOR FY2023

FY2022 ZOZO, Inc. CONSOLIDATED BUSINESS RESULTS





# CONSOLIDATED BUSINESS FORECAST AND DIVIDEND FORECAST FOR FY2023

	FY2023 Plan	YoY
Gross Merchandise Value	580.8 billion yen	6.7%
Gross Merchandise Value (excluding other GMV)	535.2 billion yen	6.8%
Net sales	200.7 billion yen	9.4%
Operating profit	60.0 billion yen	6.3%
Operating Profit Margin (% to the Gross Merchandise Value)	11.2%	—
Ordinary profit	60.0 billion yen	5.8%
Profit attributable to owners of parent	42.0 billion yen	6.3%
Net profit per share	140.07 yen	—
Estimated dividends per share (Plan)	71 yen	—

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





# FY2023 TARGET BY BUSINESS SEGMENT



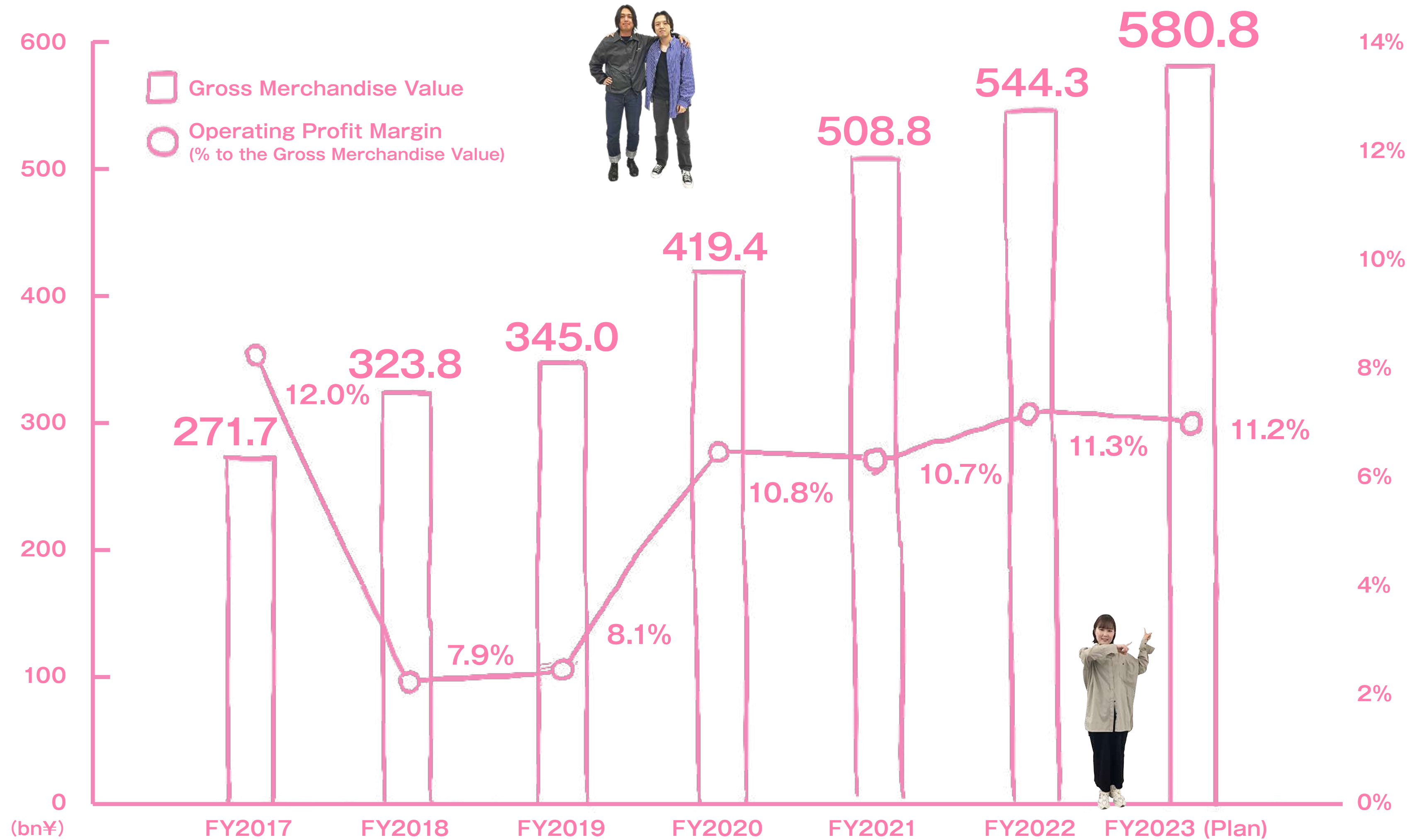
	Target for Gross Merchandise Value	YoY
ZOZOTOWN Business	470.4 billion yen	+8.0%
Outright Purchase/Production & Sales	3.7 billion yen	-21.7%
Consignment sales	449.1 billion yen	+8.3%
USED sales	17.6 billion yen	+9.7%
Yahoo!JAPAN Shopping	49.8 billion yen	0.0%
BtoB Business	15.0 billion yen	-4.4%
Gross Merchandise Value (excluding other GMV)	535.2 billion yen	+6.8%
Others	45.6 billion yen	+5.5%
Gross Merchandise Value	580.8 billion yen	+6.7%

	Target for Net Sales	YoY
Advertising business	9.4 billion yen	+21.0%





# 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

FY2022 ZOZO, Inc. CONSOLIDATED BUSINESS RESULTS





# STATISTICS OF ZOZO



NUMBER OF EMPLOYEES

1,538

(Average age 33.3 years old)

NUMBER OF SHAREHOLDERS

12,895

NUMBER OF BRANDS HANDLED

8,455



ZOZOTOWN TOTAL BUYERS  
(1 year basis)

11.4 million





# MAJOR SERVICES



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

- The Company offers 8,455 brands across 1,562 stores, with more than 950,000 items available at any given time. On average, 2,900 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.
- Opened ZOZOTOWN shop on Yahoo! JAPAN Shopping※, which is operated by Yahoo Japan Corporation.



## 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 16 million downloads have been achieved, and now it is expanding globally.




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






# DIFFERENCES BETWEEN ZOZOTOWN AND ZOZOTOWN SHOP ON Yahoo! JAPAN Shopping\*



	ZOZOTOWN	ZOZOTOWN Yahoo! JAPAN Shopping* Shop
<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>	1,562 (As of March 31, 2023)	1,435 (As of March 31, 2023)
<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, 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
<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	250 yen (including tax)	Same as the left
<b>Expenses bear 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



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





# BUSINESS MODEL



## ZOZOTOWN Business

### ○ Outright Purchase / Production & Sales

We currently operate 28 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.

### ○ Consignment Sales

We operate 1,534 shops as a consignment business, which allows us to carry a certain amount of products from various brands while minimizing inventory risk.

### ○ USED Sales

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



## Yahoo! JAPAN Shopping\*

We opened ZOZOTOWN shop on Yahoo! JAPAN Shopping\* 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 36 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.



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

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



# LOGISTICS BASES EXPANSION PLAN



2019 April      2020 April      2021 April      2022 April      2023 April

Name	Total floor area(m <sup>2</sup> )	Timeline
CHIBA1	34,000	End of Mar, 2020
CHIBA2	91,500	
CHIBA3	19,500	End of April, 2020 The lease has been restarted in April, 2022
CHIBA4	58,000	End of June, 2020
IBARAKI1	65,000	
IBARAKI2	65,000	New establishment in Oct, 2019
CHIBA5	72,000	New establishment in March, 2020
IBARAKI3	98,500	New establishment in Oct, 2020
IBARAKI4	137,000	Lease start date: March 2023 (Plan), Operation start date: August 2023 (Plan)



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



# APPENDIX

## Our corporate website <https://corp.zozo.com/en>

The information below is available on our corporate website.

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

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

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

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

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

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

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

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

## 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 <https://corp.zozo.com/ir-info/mail-magazine/>







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

*Thank you for your continued support.  
How did you like "Romantic Nishi-Chiba"?*

*We would like to thank all the  
people who enjoyed this story,  
the people in the Nishi-Chiba area,  
the participants in the audition and shooting,  
and the ZOZO staff!*

*When I first started making dramas,  
I found it very hard, but now  
I am glad I took on this challenge.*

*We hope you will continue to support ZOZO in the future.*

*Thank you very much for following  
the drama over the past year!*

*Rena, Corporate Identity Office, ZOZO, Inc.*



The theme music "So Romantic" for the drama is now available on YouTube!  
What? You don't want to listen?  
That's fine, but will a Rock Star YANAGISAWA be happy with that?







Bar Chestnut



Hi, Hiro!



Hi, there!



Would you like the usual?



Hey Hiro, what are you having?



This is "Romantic" with chestnut liqueur.



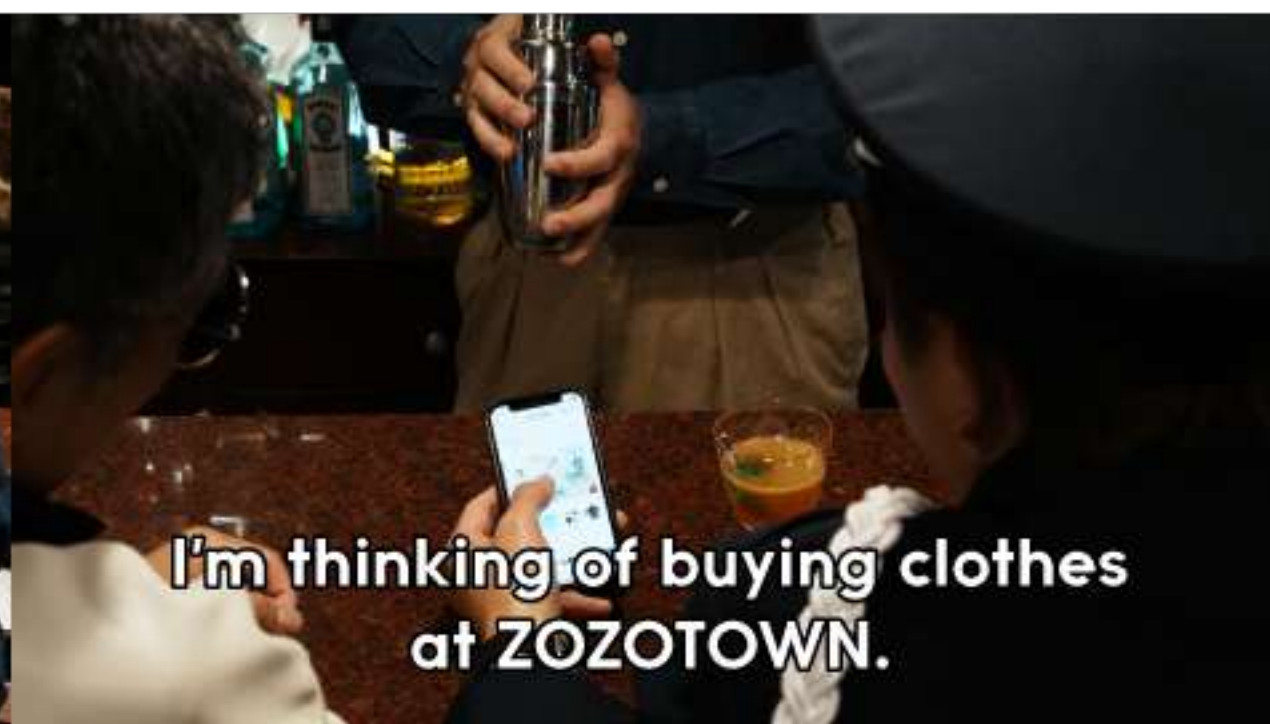
This is very popular with young people.



Sawa, I'll have the same one!



Hey, Yana. Guess what!



I'm thinking of buying clothes at ZOZOTOWN.



Ohhh? Where is that town?



Not sure...I'll check it.





Ohhh, is that around here?



I thought it was in Tokyo.  
Let's check it out!



Ohhh? Speaking of fashion,  
is it only Tokyo?



That could possibly be  
in the black hole!



Ohhh? That's interesting!



We must go to the black hole!



I'll order a chauffeur service,  
let's go in my car!



That's in Nishi-Chiba



Well,



Nishi-Chiba?



It's so "Romantic", isn't it?

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ZOZO