



ZOZO

# 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

Gross Merchandise Value

**544.3** billion yen

( +7.0% YoY / Achievement rate 100.1% )

Gross Merchandise Value

(excluding other GMV)

**501.1** billion yen

( +8.4% YoY/Achievement rate 101.1% )

Operating Profit

**56.4** billion yen

( +13.6% YoY / Achievement rate 102.6% )

Operating Profit Margin

**11.3%**

( +0.6 points YoY )

\*Operating profit margin is calculated by dividing operating profit 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

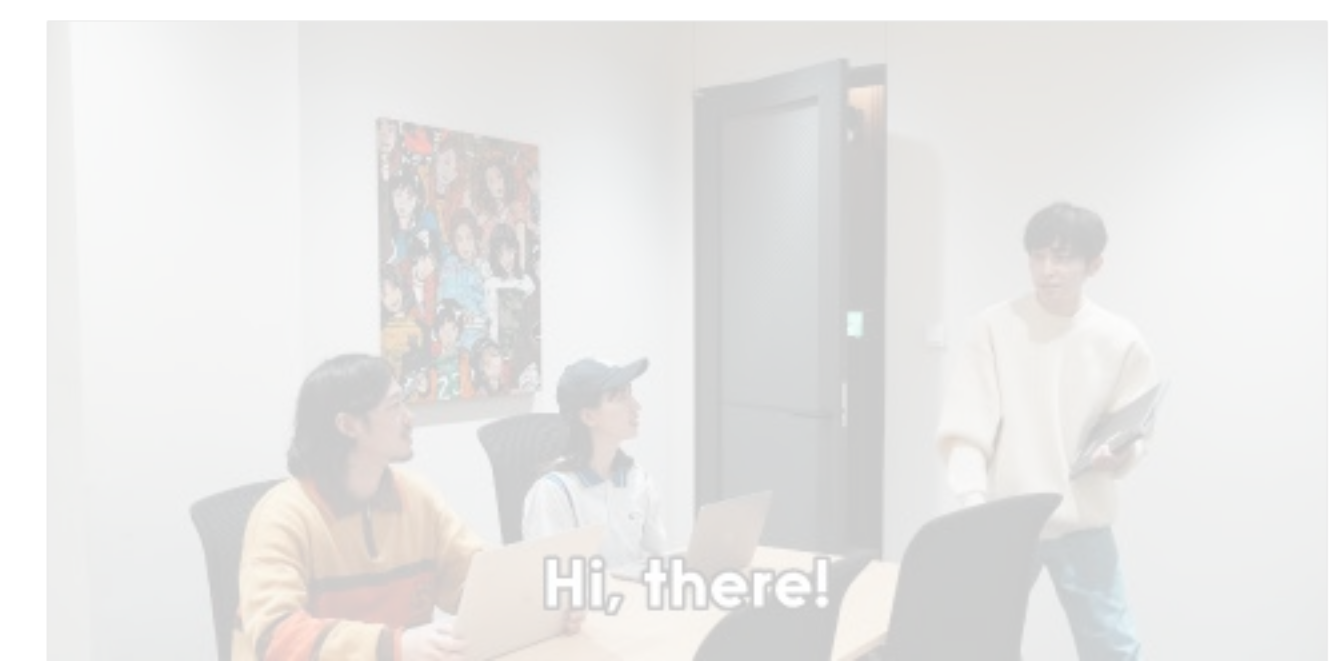


(million¥)

	FY2021				FY2022			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	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%

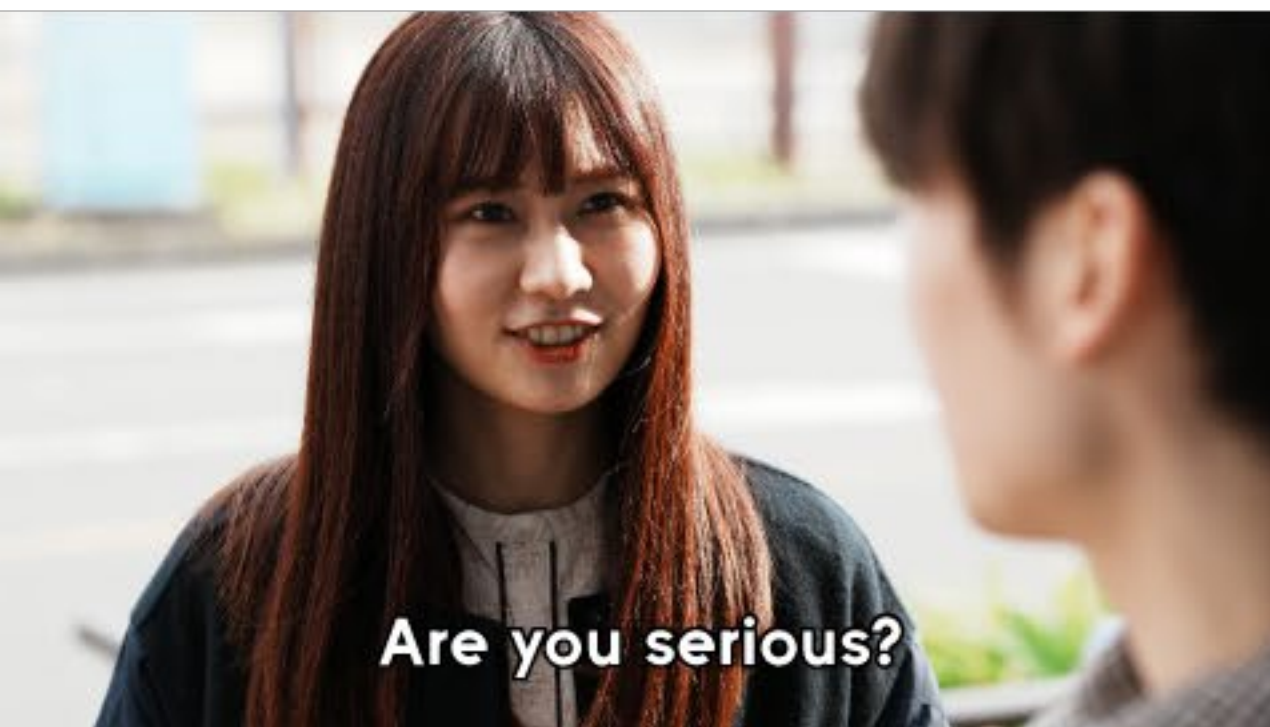
\* The percentages are calculated by dividing each item by the Gross Merchandise Value (excluding other GMV).

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

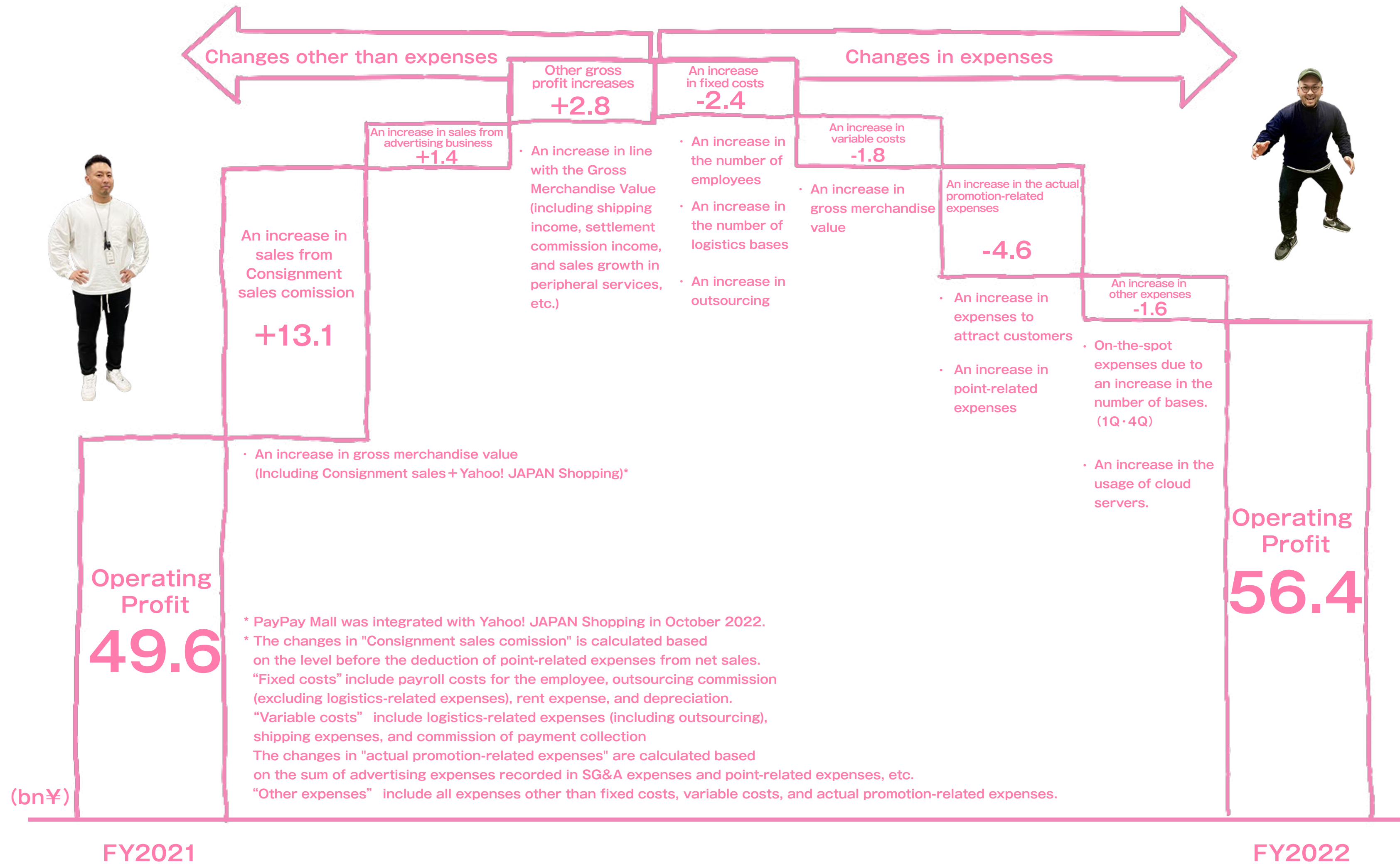


# BUSINESS RESULTS

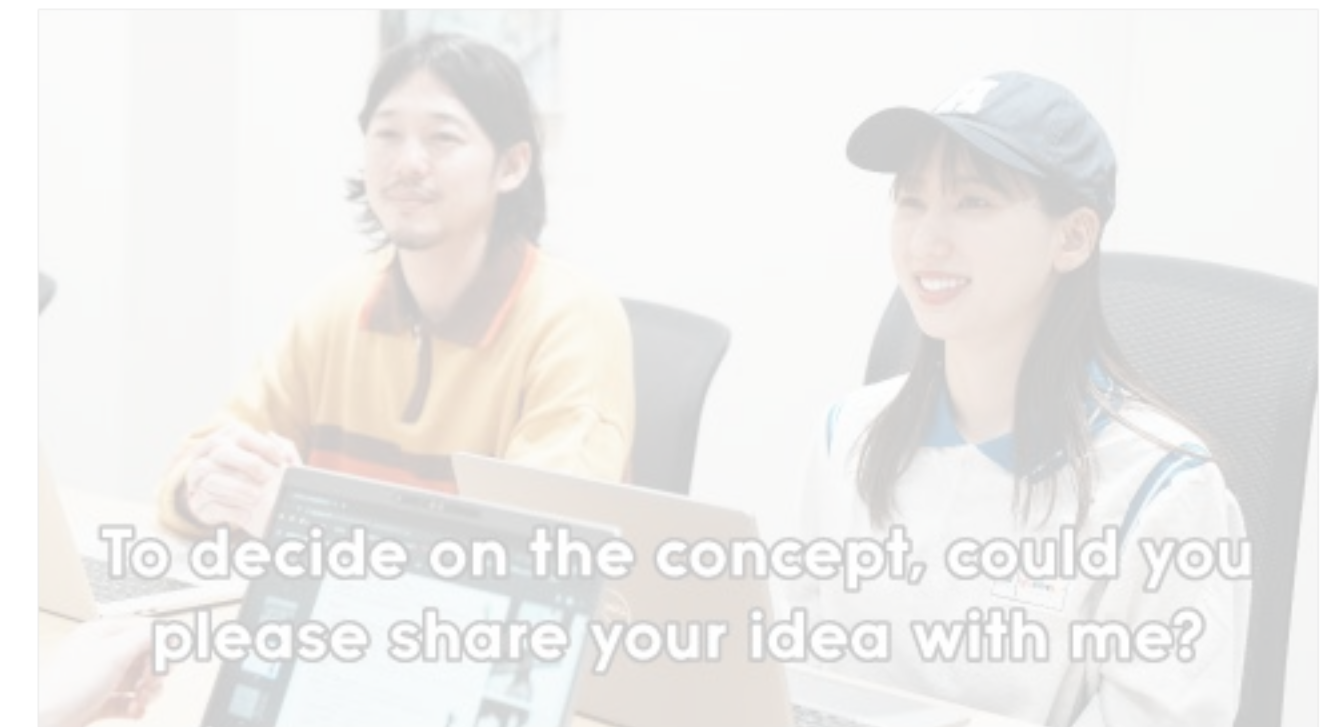
FY2022 ZOZO, Inc. CONSOLIDATED BUSINESS RESULTS



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



\* PayPay Mall was integrated with Yahoo! JAPAN Shopping in October 2022.  
 \* The changes in "Consignment sales commission" is calculated based on the level before the deduction of point-related expenses from net sales.  
 "Fixed costs" include payroll costs for the employee, outsourcing commission (excluding logistics-related expenses), rent expense, and depreciation.  
 "Variable costs" include logistics-related expenses (including outsourcing), shipping expenses, and commission of payment collection  
 The changes in "actual promotion-related expenses" are calculated based on the sum of advertising expenses recorded in SG&A expenses and point-related expenses, etc.  
 "Other expenses" include all expenses other than fixed costs, variable costs, and actual promotion-related expenses.

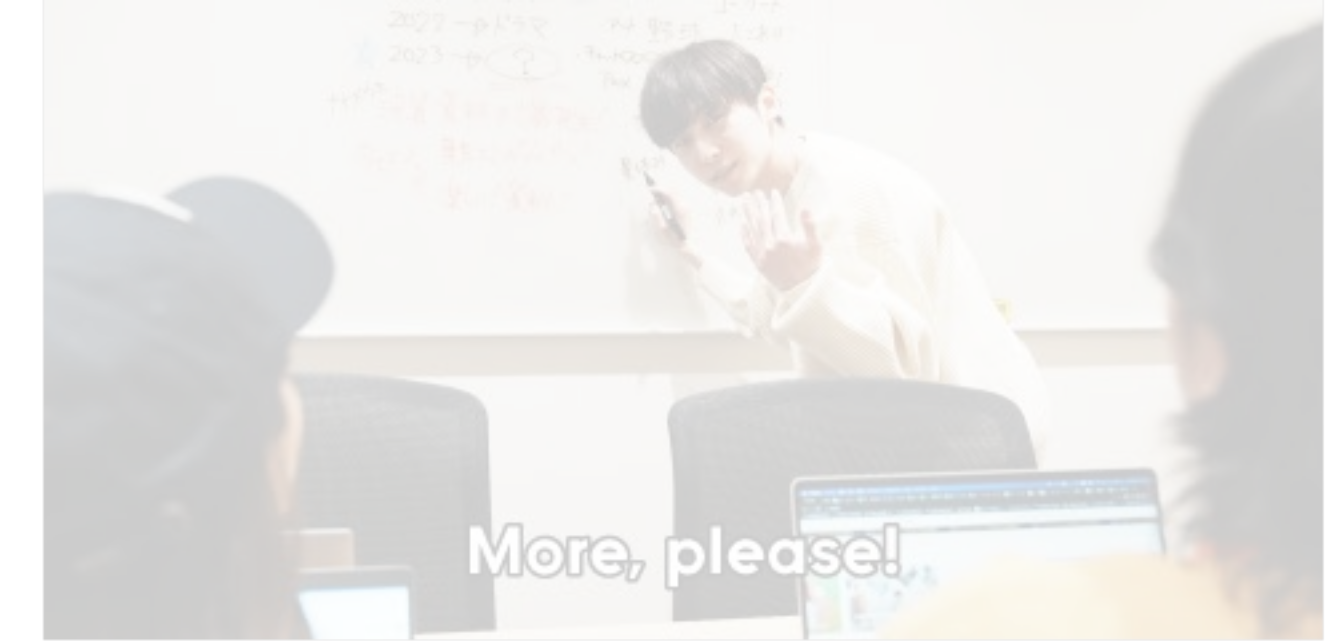


# CASH FLOWS

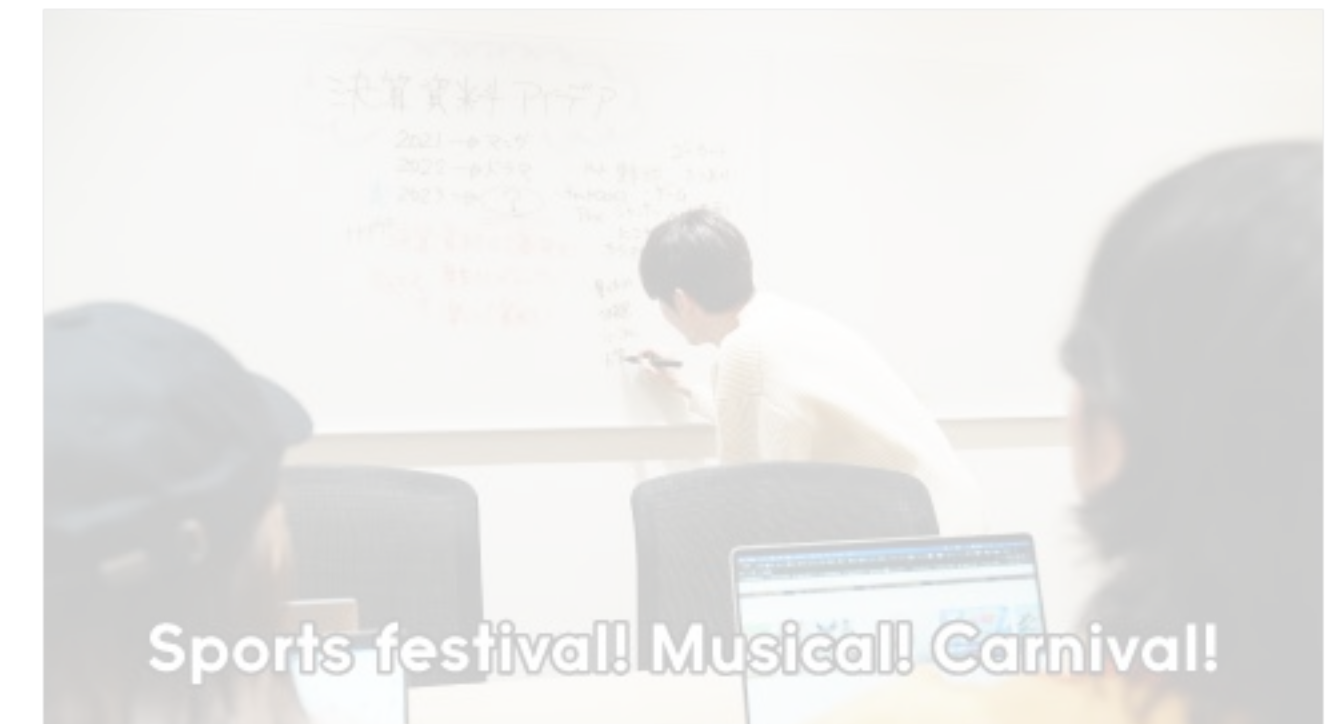


(million¥)

	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	



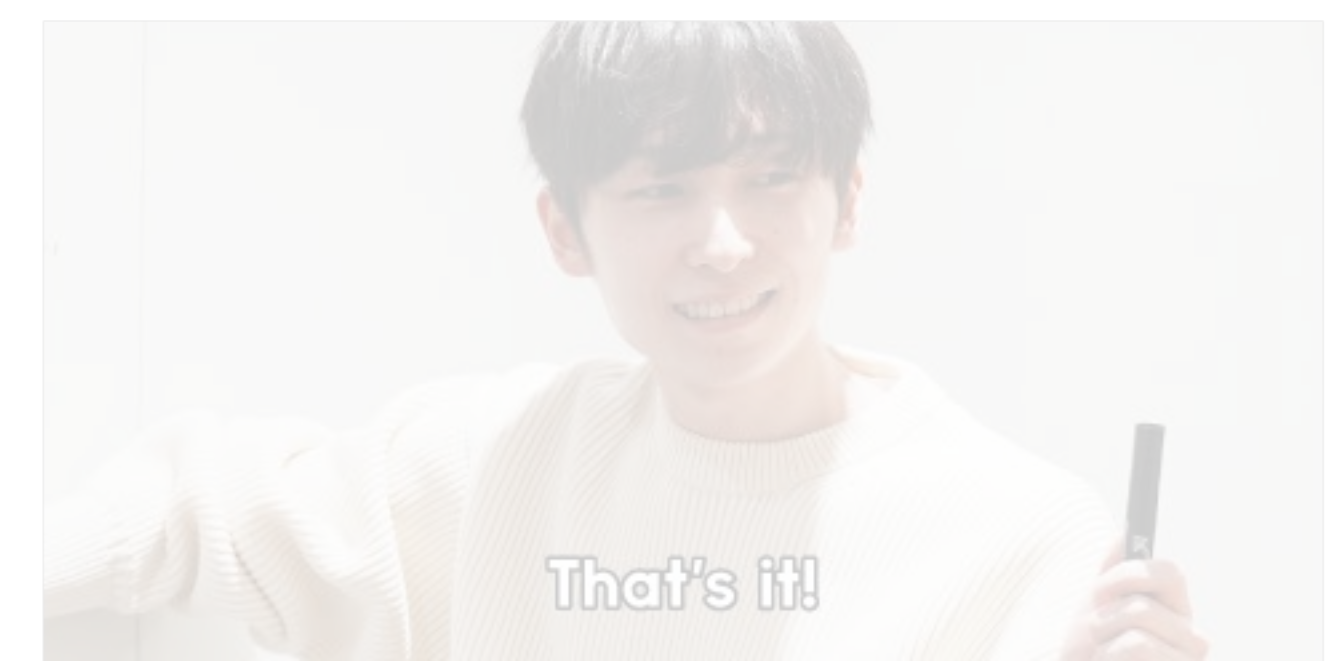
More, please!



Sports festival! Musical! Carnival!

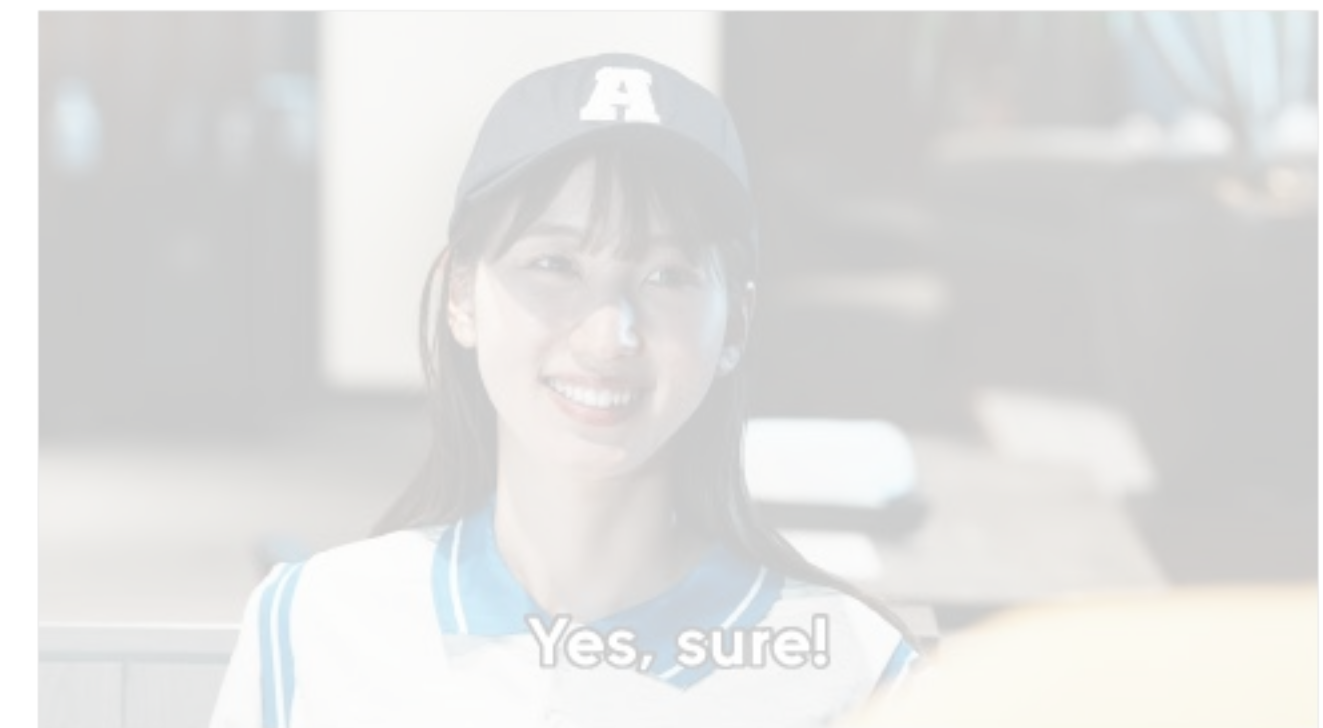
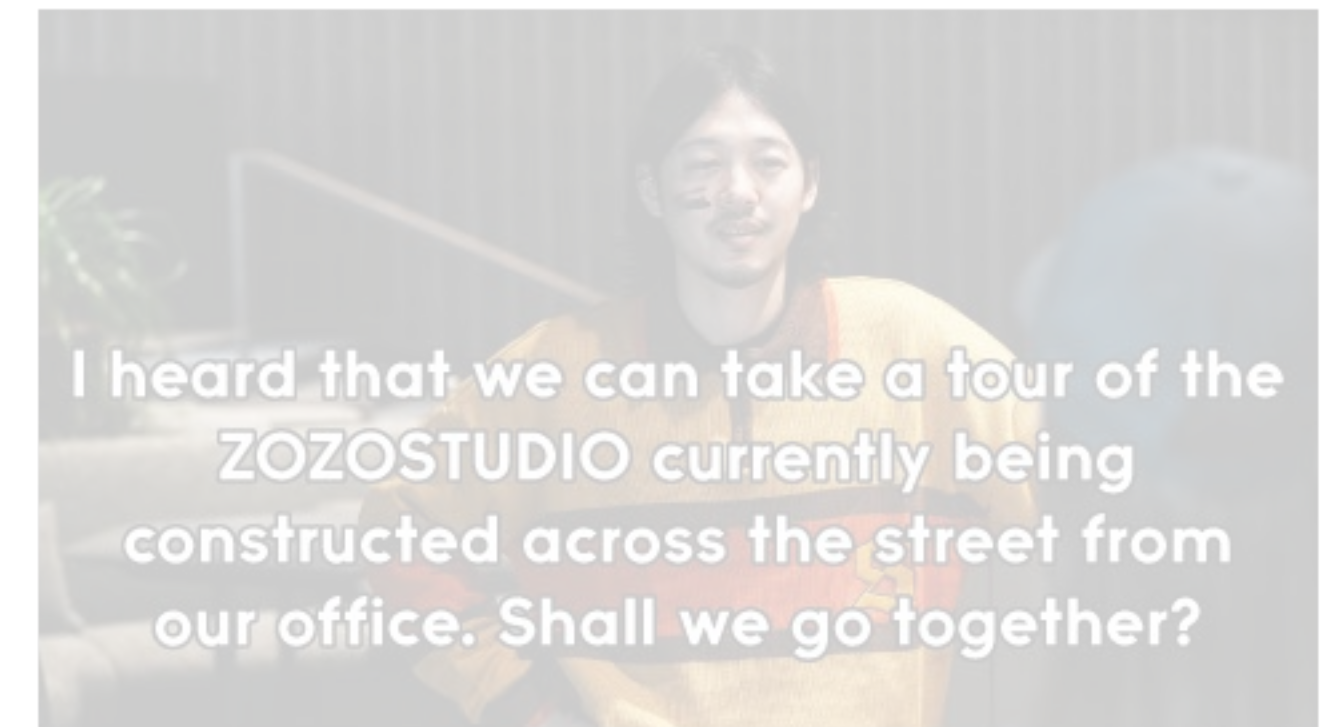
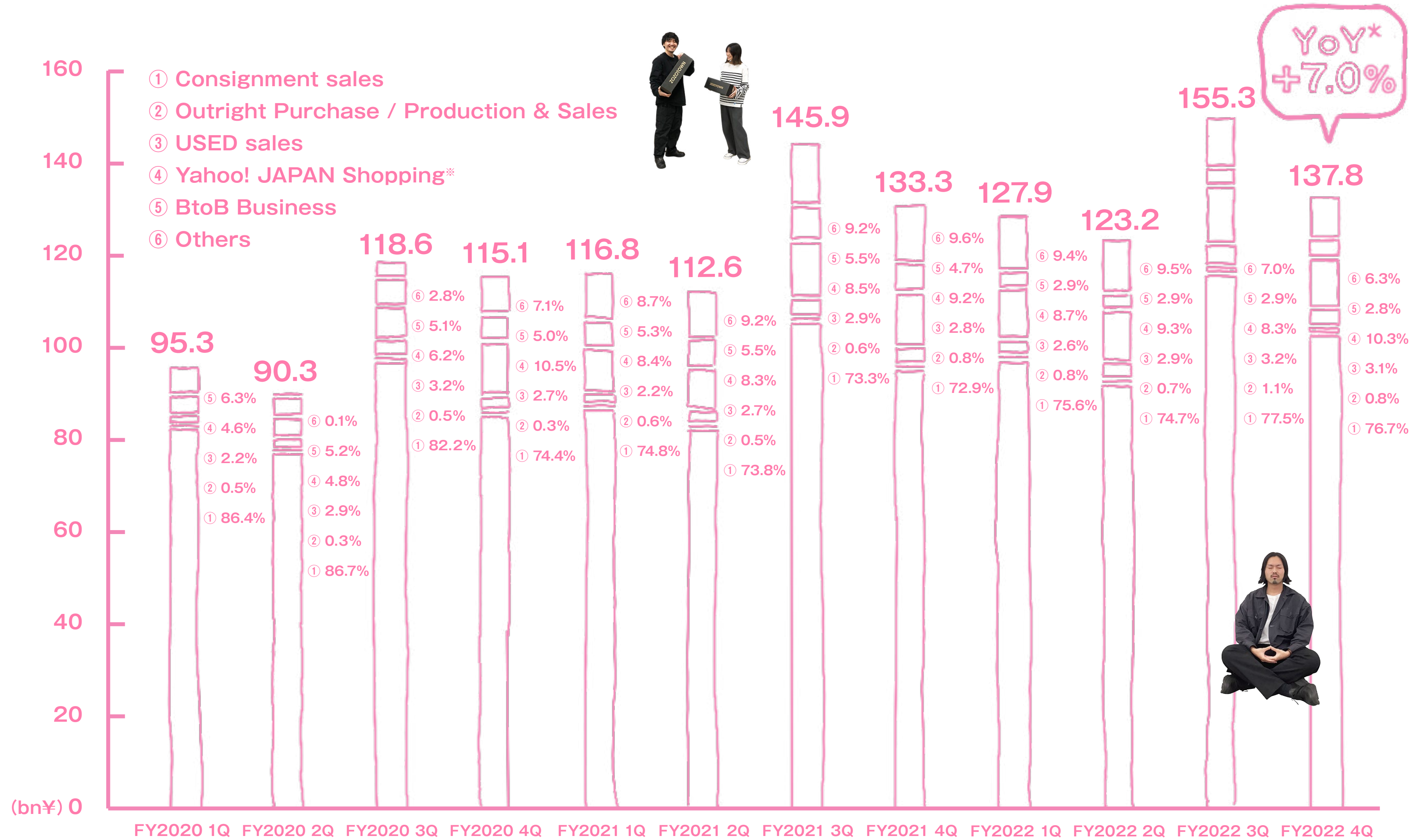


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That's it!

# 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)



(million¥)

	FY2021		FY2022		YoY	Increase / decrease factors
	Amount	% to the Gross Merchandise Value	Amount	% to the Gross Merchandise Value	% to the Gross Merchandise Value	
<b>Payroll and staff costs(*)</b>	<b>30,173</b>	<b>6.5%</b>	<b>31,372</b>	<b>6.3%</b>	<b>-0.2%</b>	
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).



# OVERVIEW OF SG&A BY EACH QUARTER

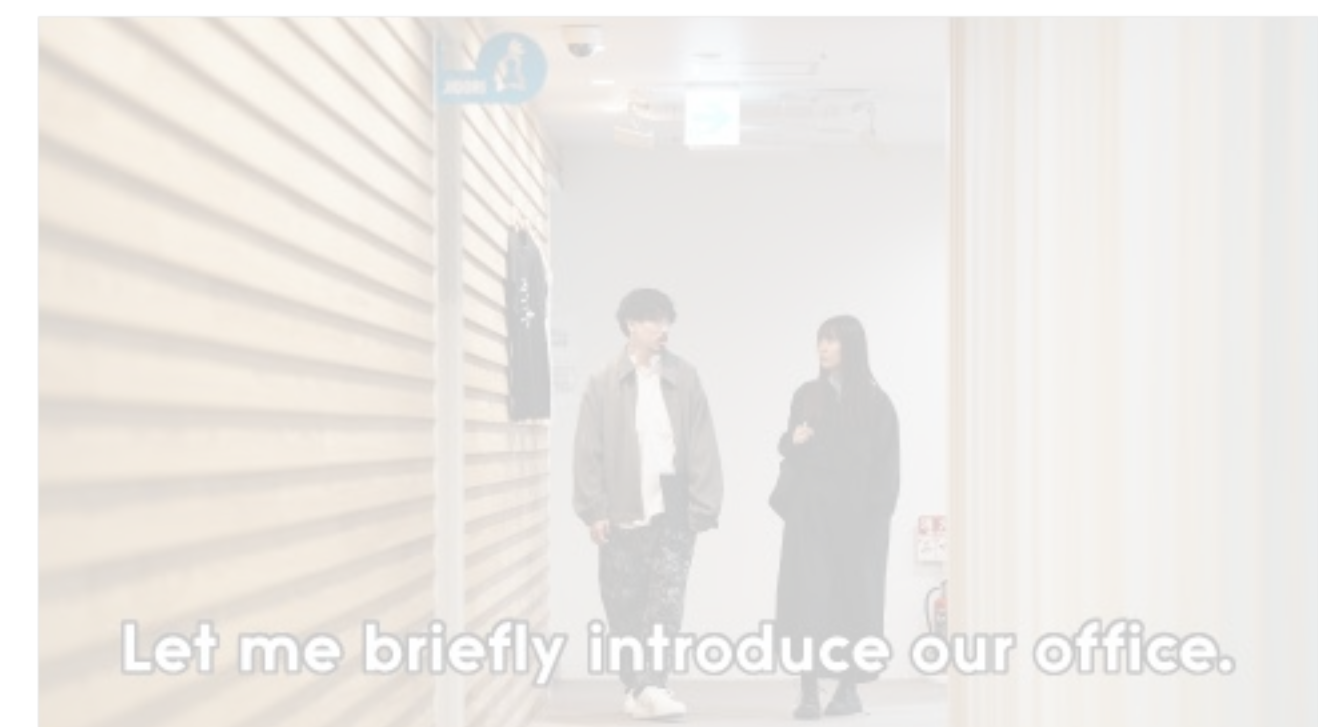
(million¥)

	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>

\* 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.

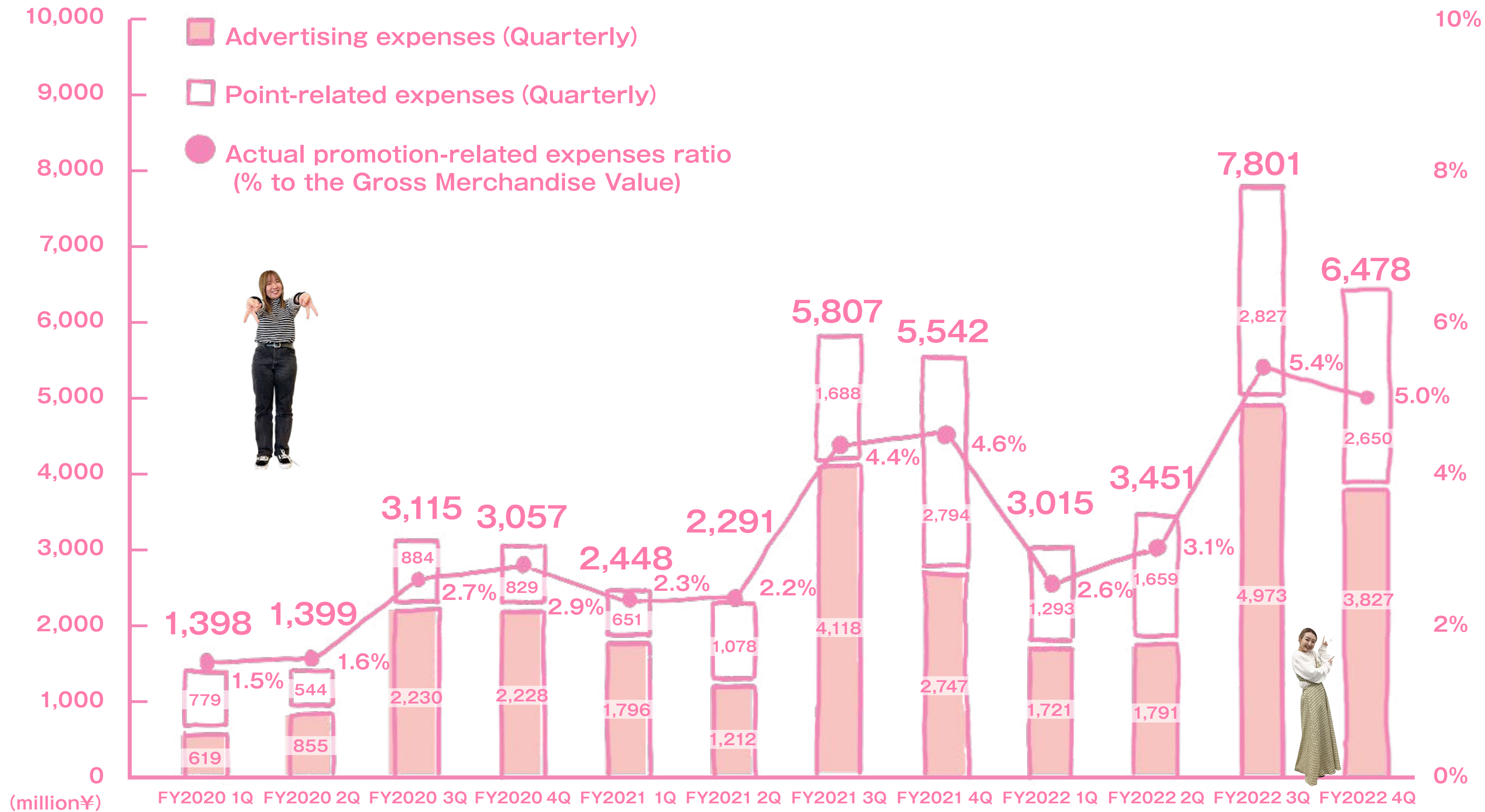
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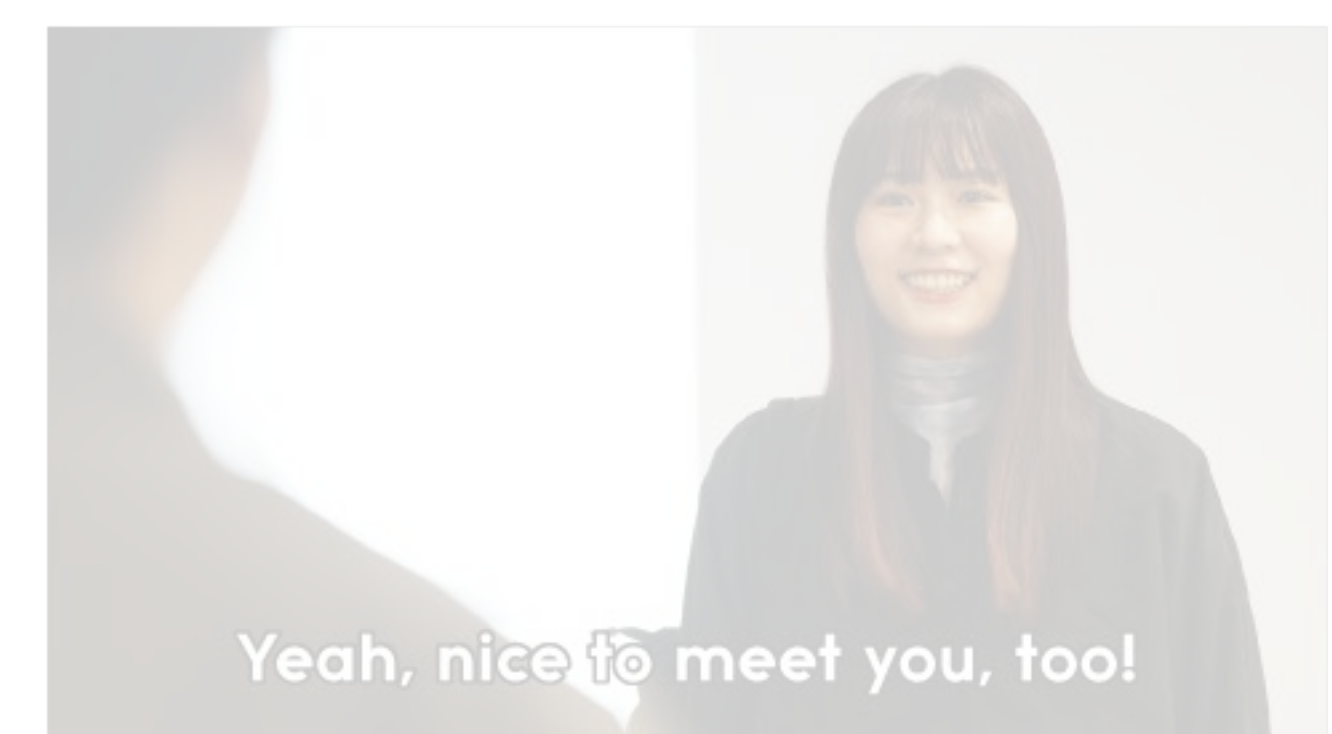
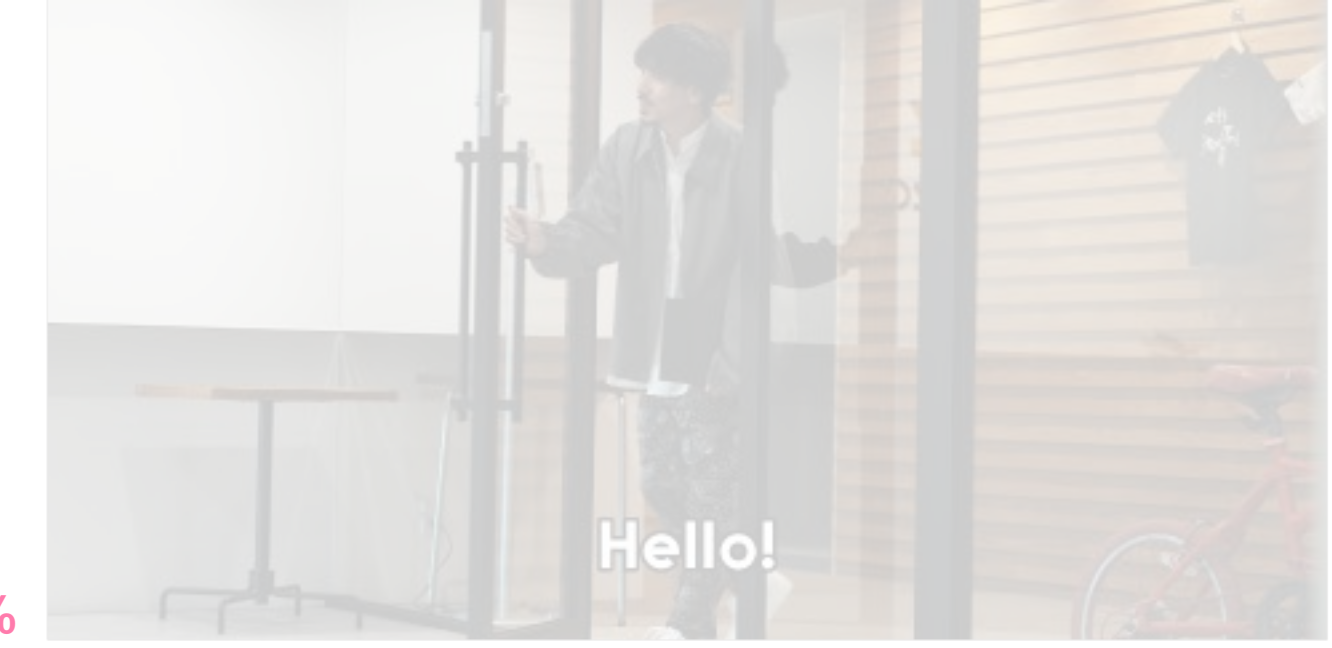


# Actual promotion-related expenses (QUARTERLY)

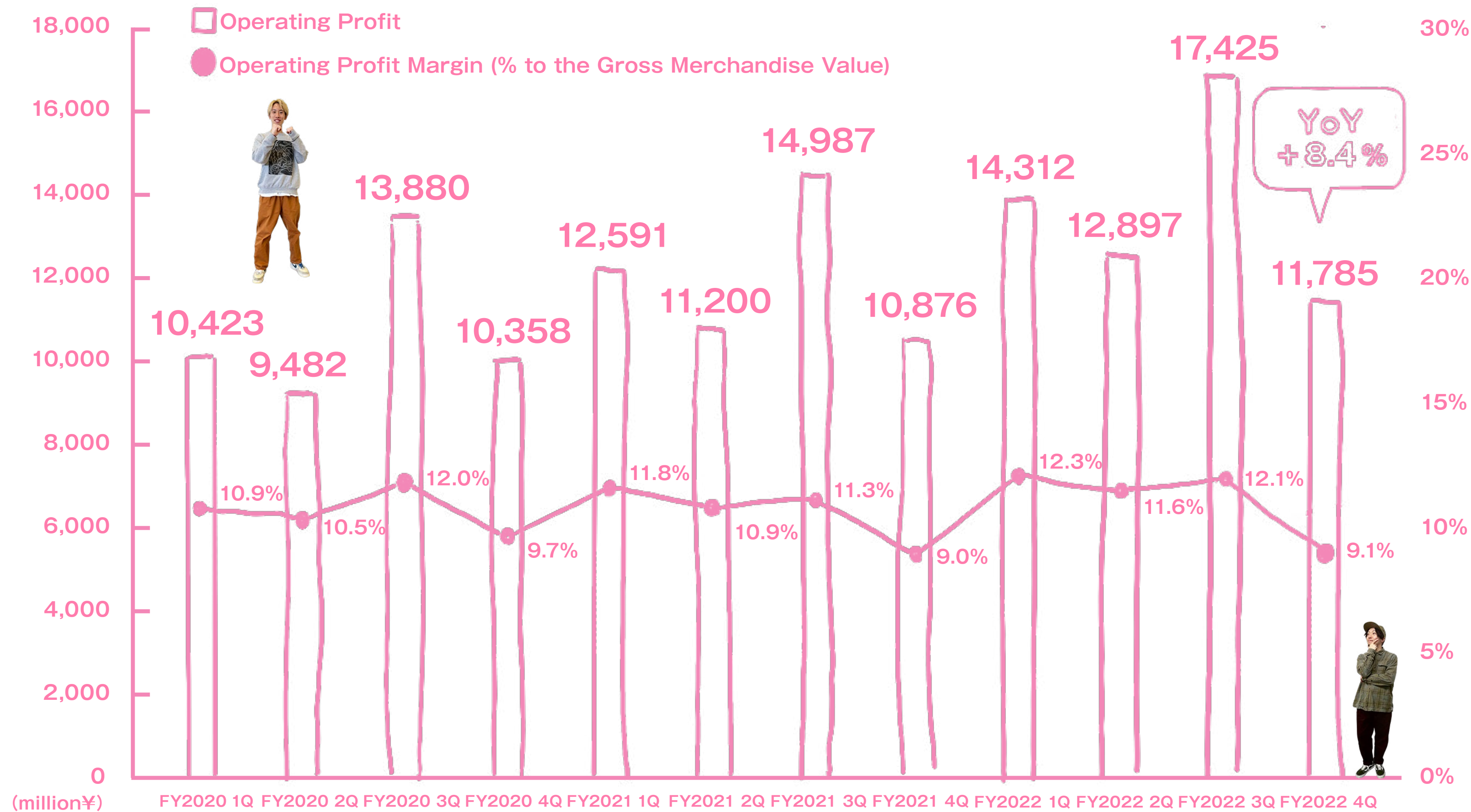
Actual promotion-related expenses: The sum of advertising expenses and point-related expenses



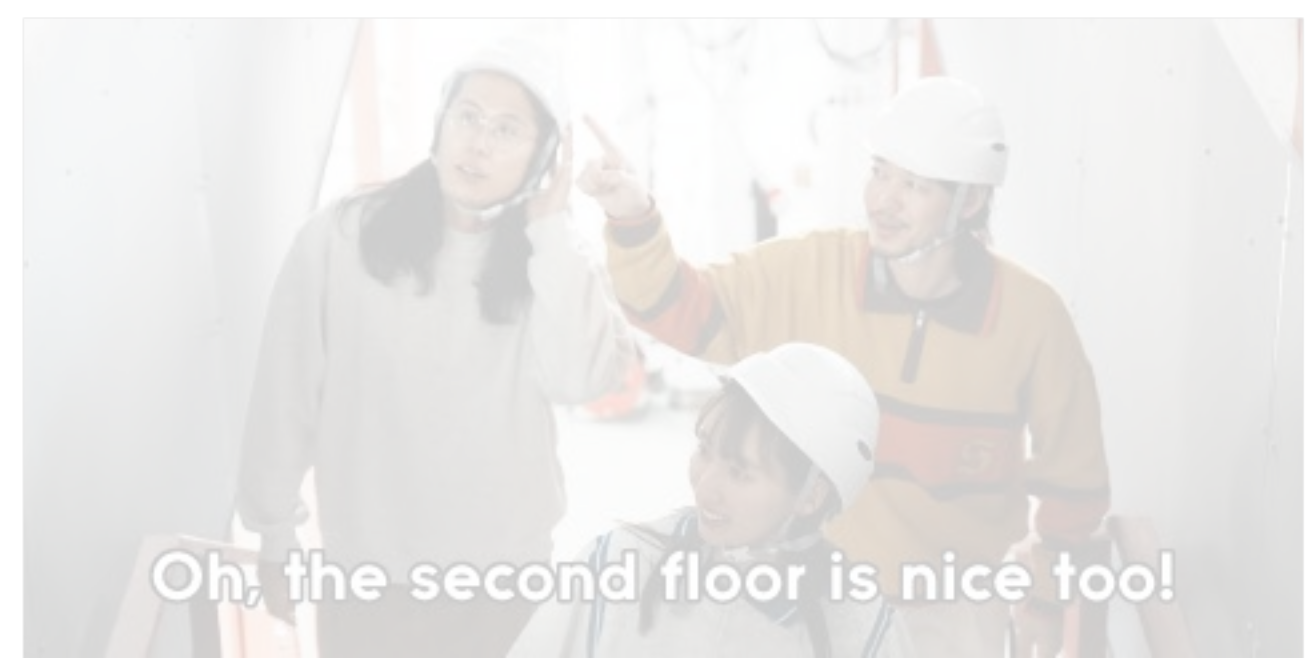
\* The actual promotion-related expenses ratio is calculated by dividing the actual promotion-related expenses by the Gross Merchandise Value (excluding other GMV)



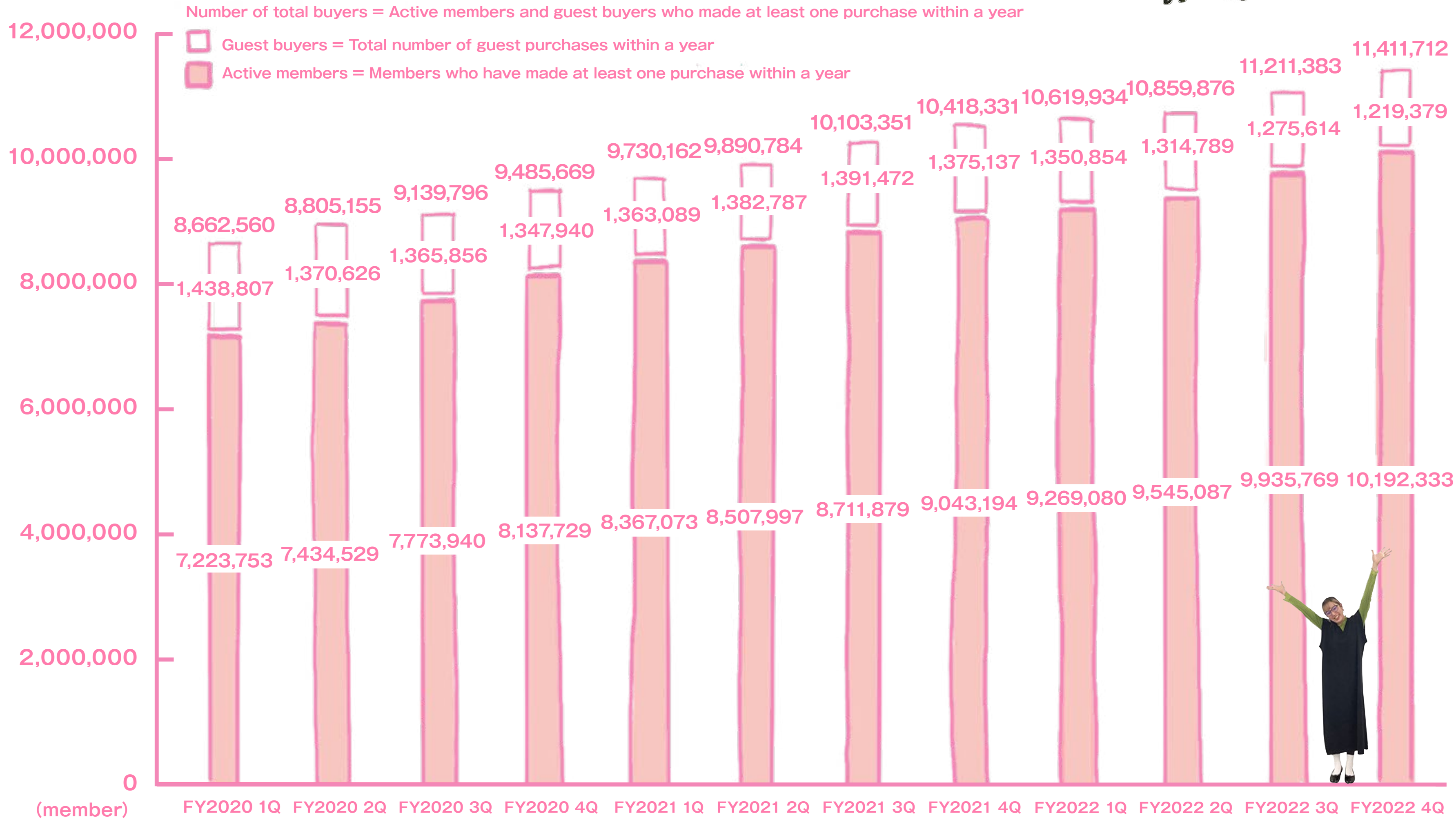
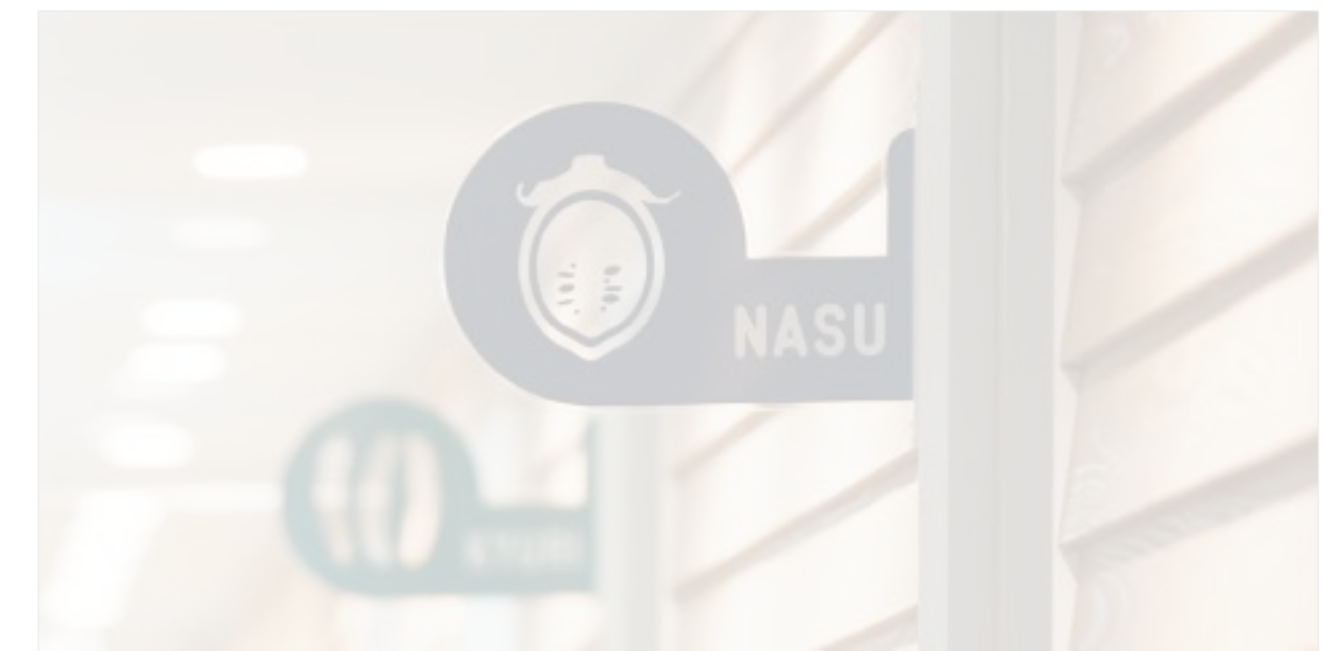
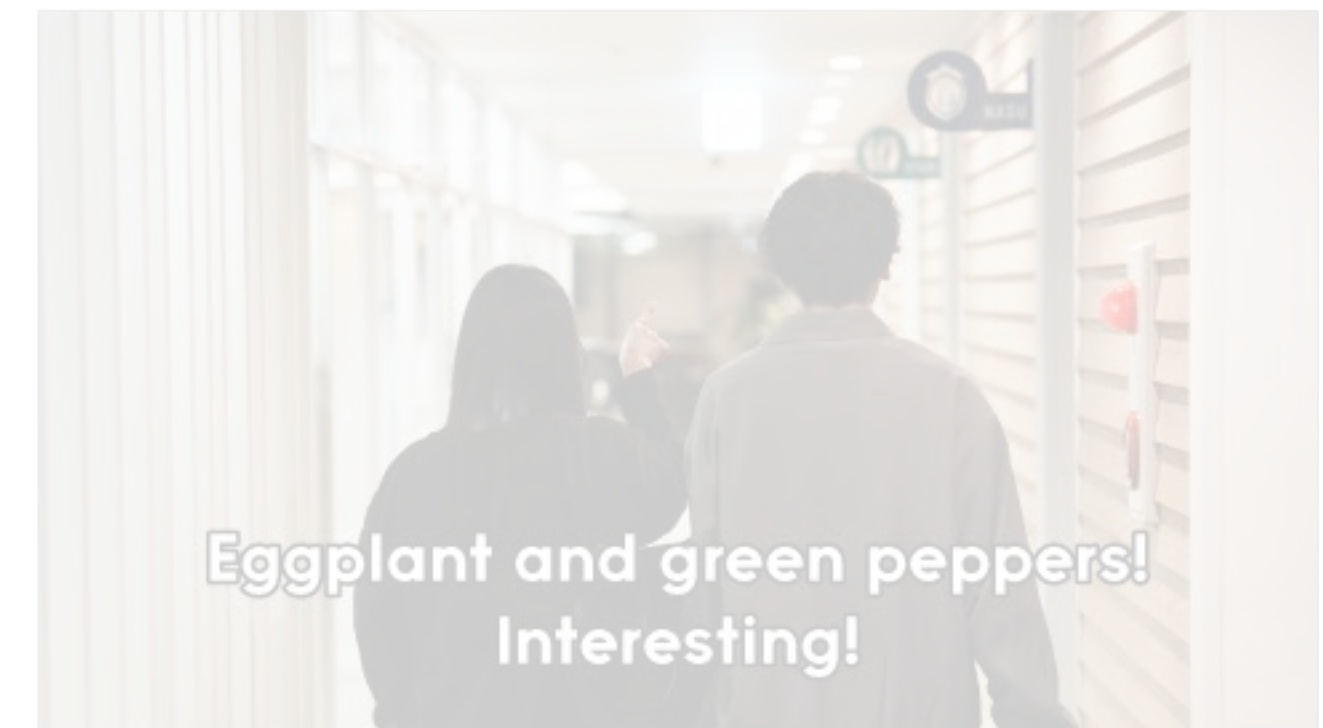
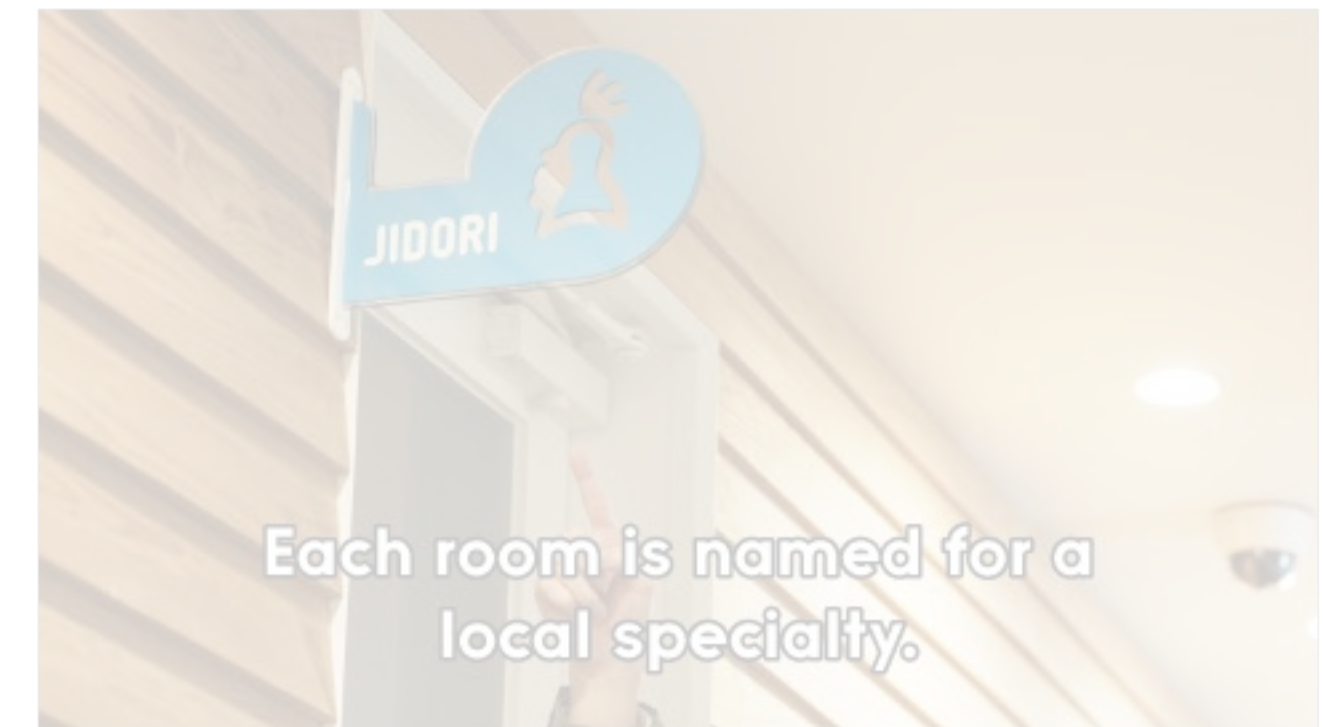
# OPERATING PROFIT AND OPERATING PROFIT MARGIN(QUARTERLY)



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



# NUMBER OF TOTAL BUYERS

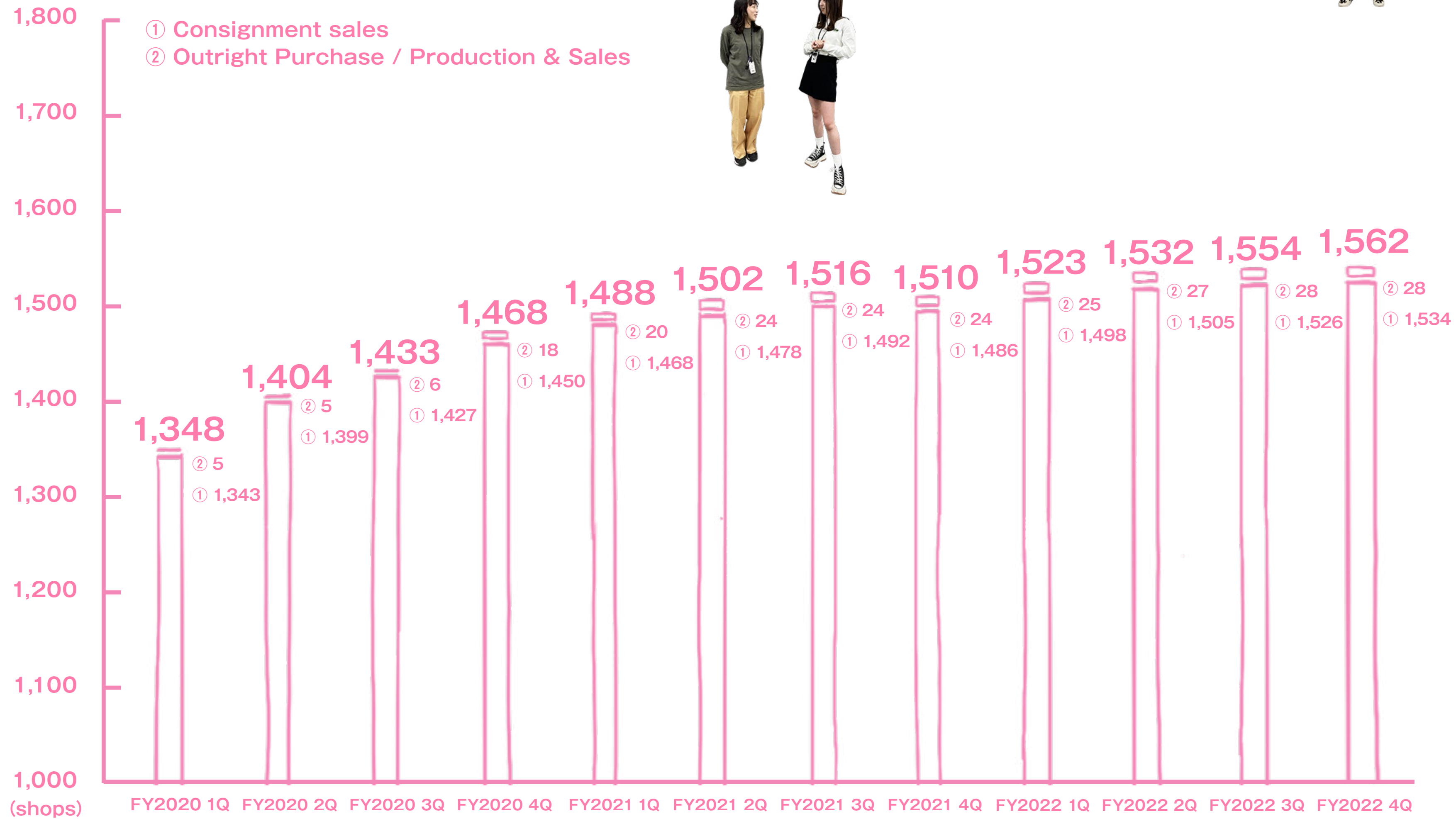


\* The results are only from the ZOZOTOWN business (<https://zozo.jp>). Yahoo! JAPAN Shopping is not included.

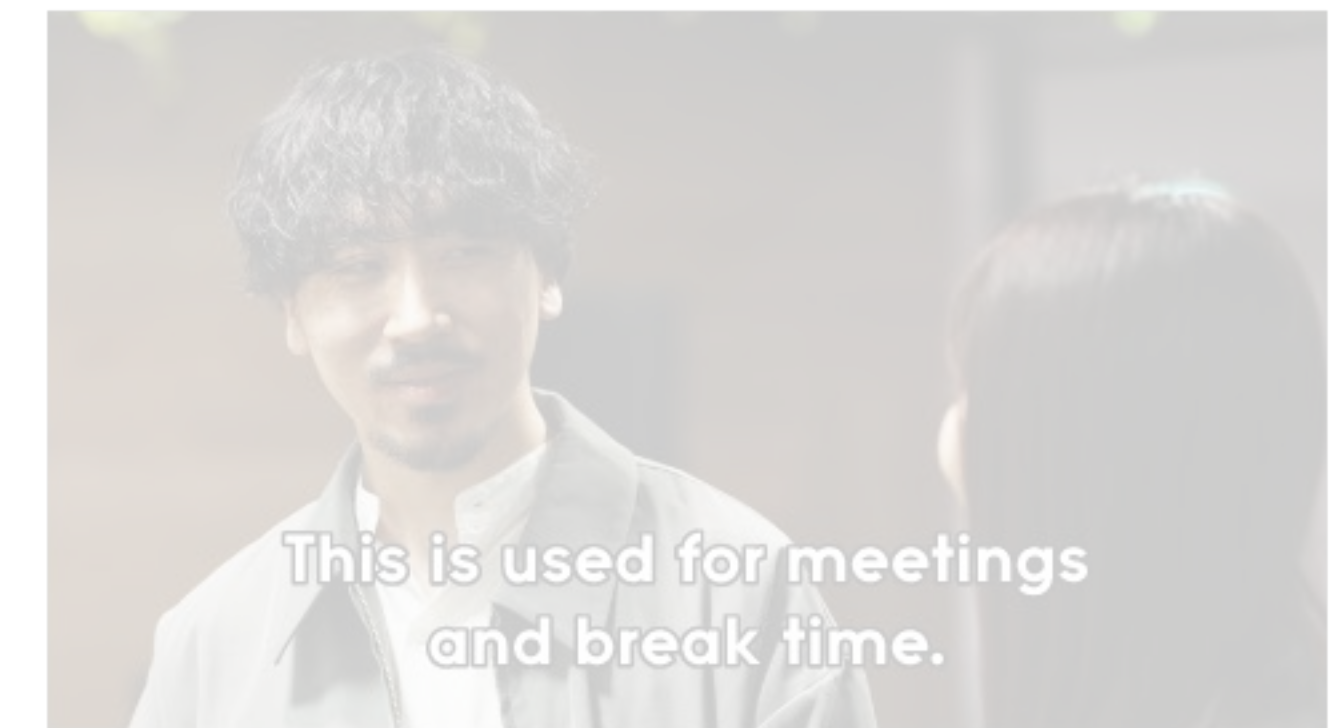
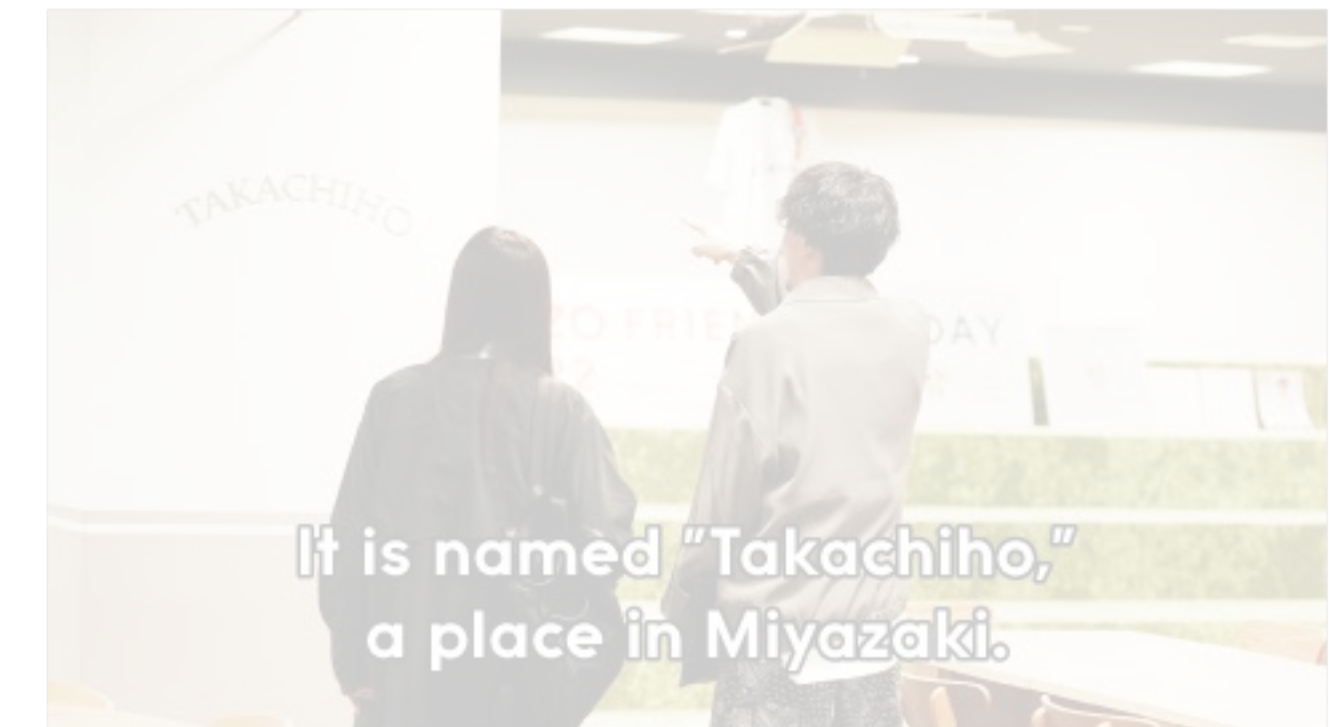
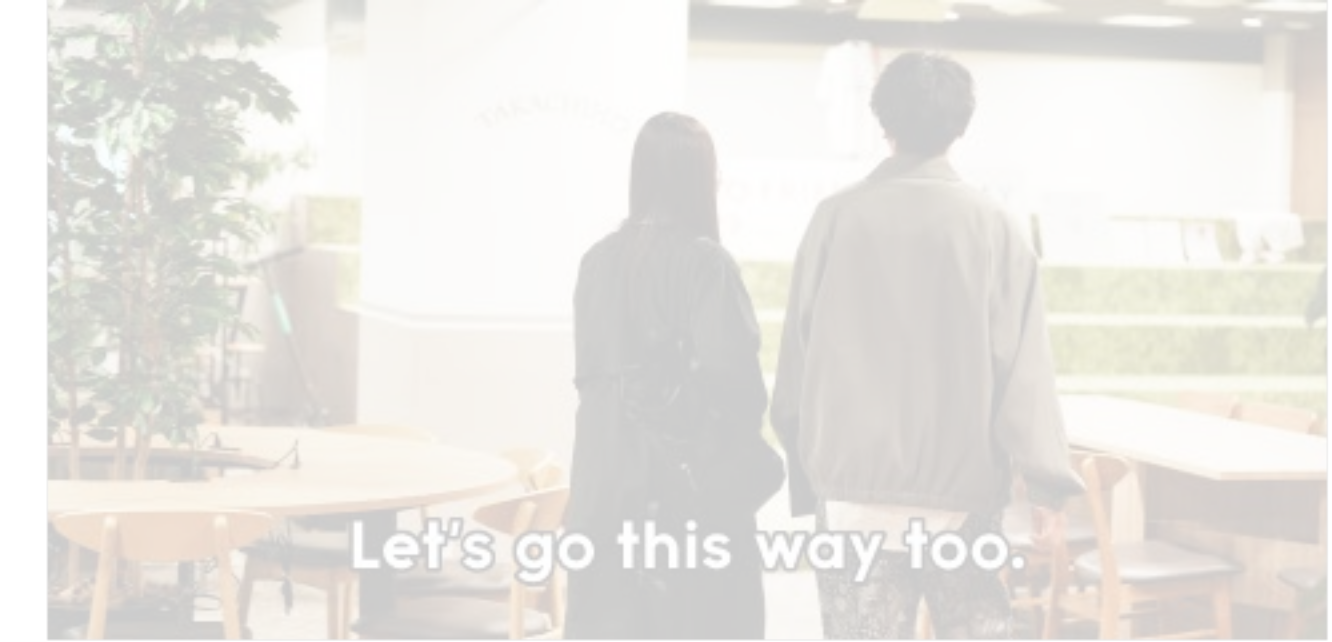
\* PayPay Mall was integrated with Yahoo! JAPAN Shopping in October 2022.

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

# NUMBER OF SHOPS ON ZOZOTOWN

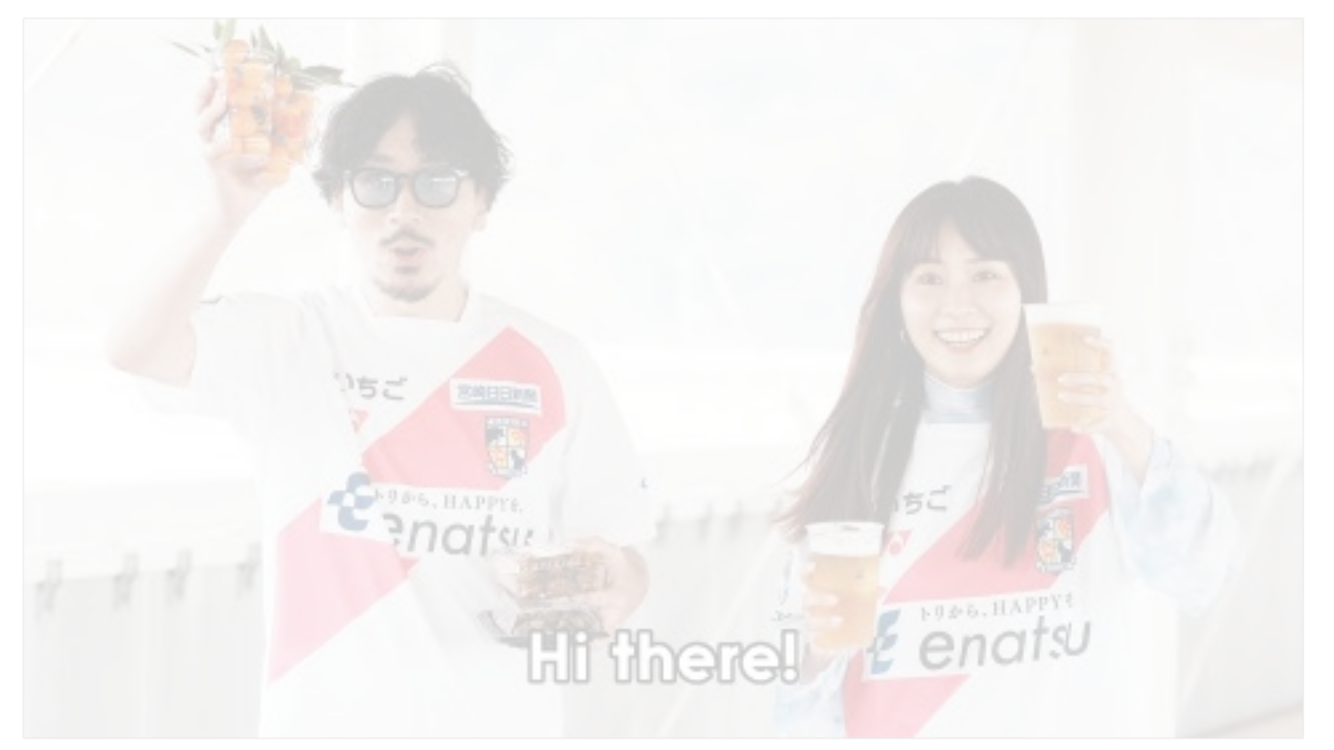
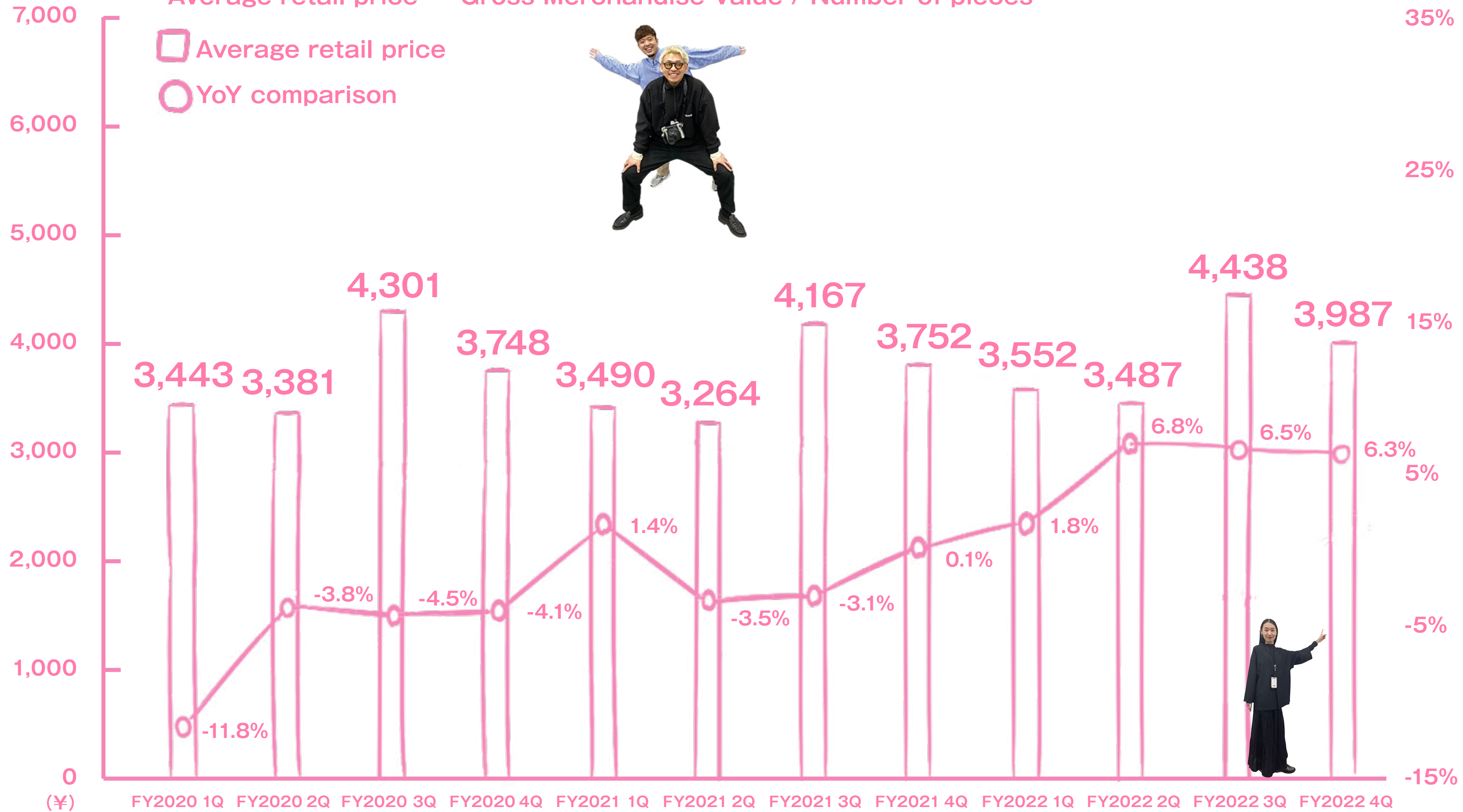


\* Shops of the private brand "ZOZO" and "Multi-Size" are not included to the number of shops.



# AVERAGE RETAIL PRICE

Average retail price = Gross Merchandise Value / Number of pieces



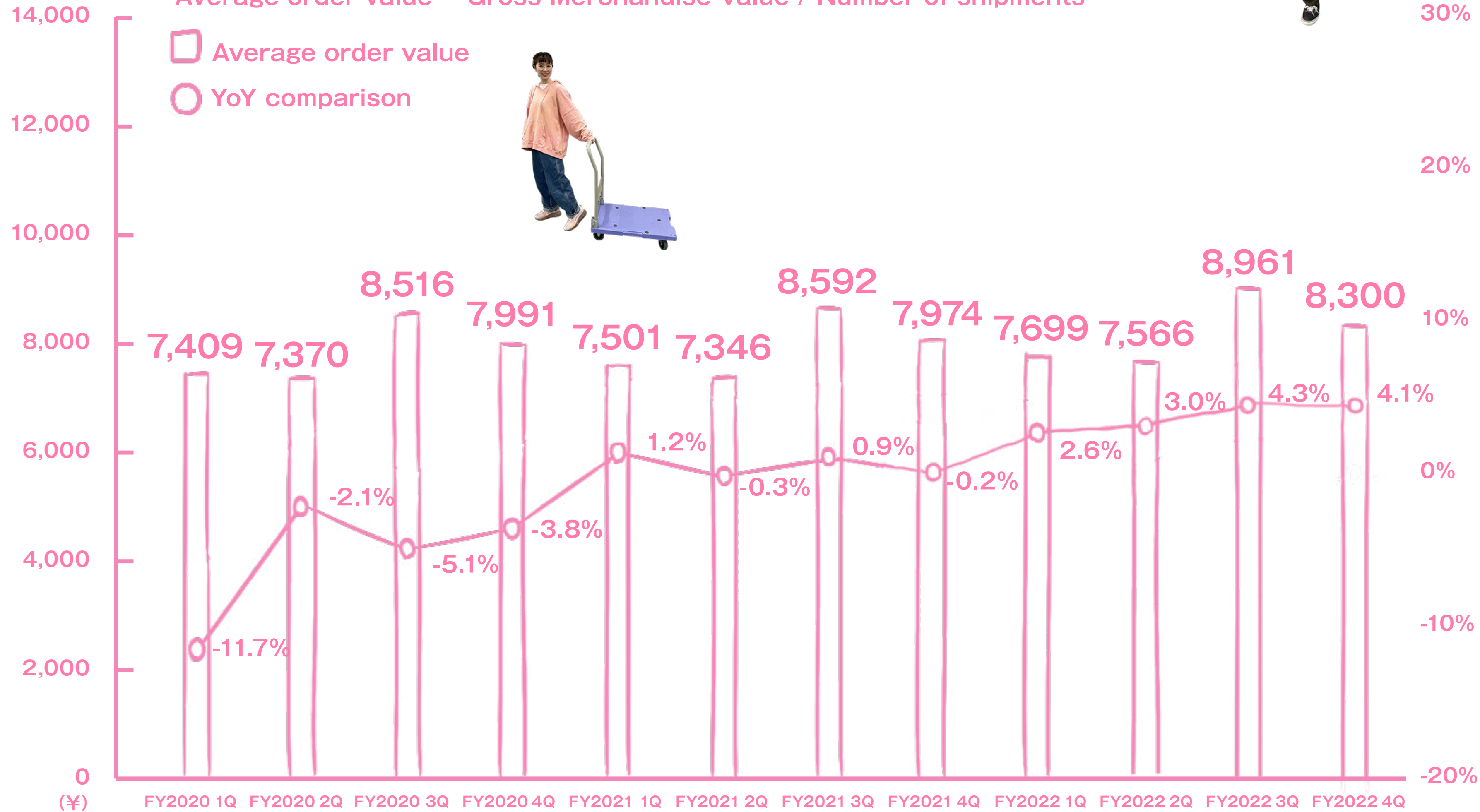
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# AVERAGE ORDER VALUE

Average order value = Gross Merchandise Value / Number of shipments



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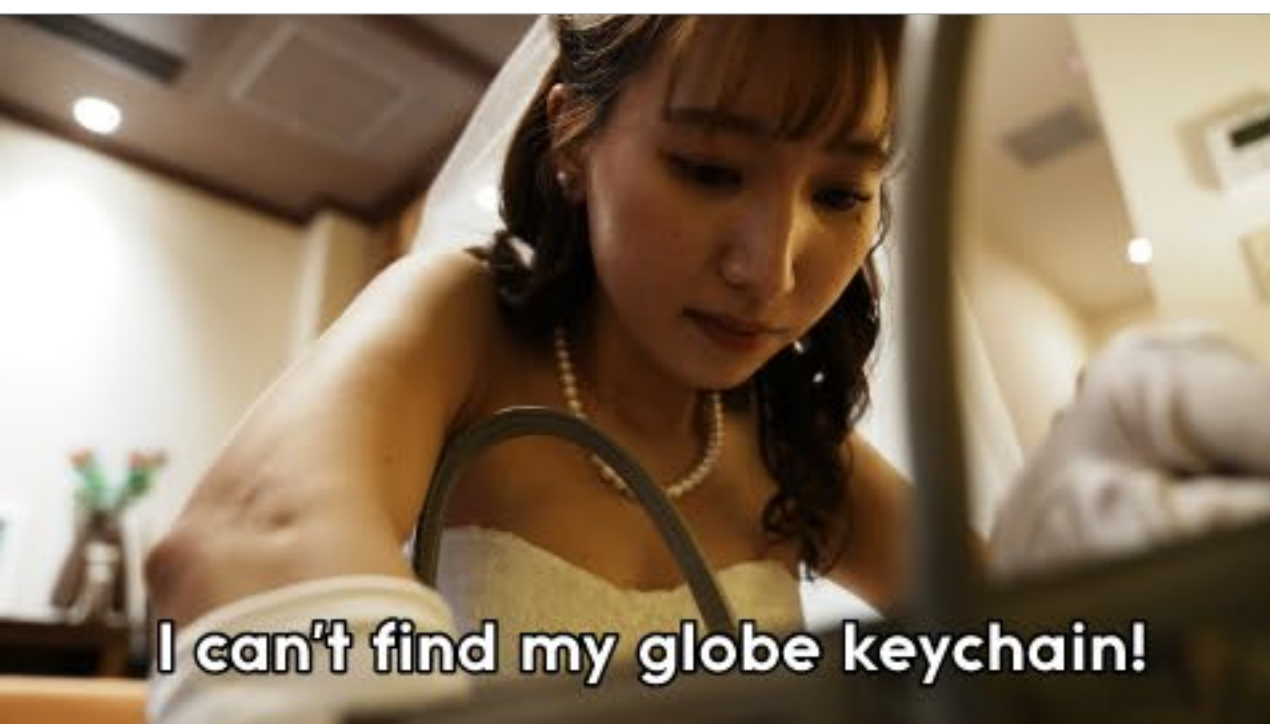
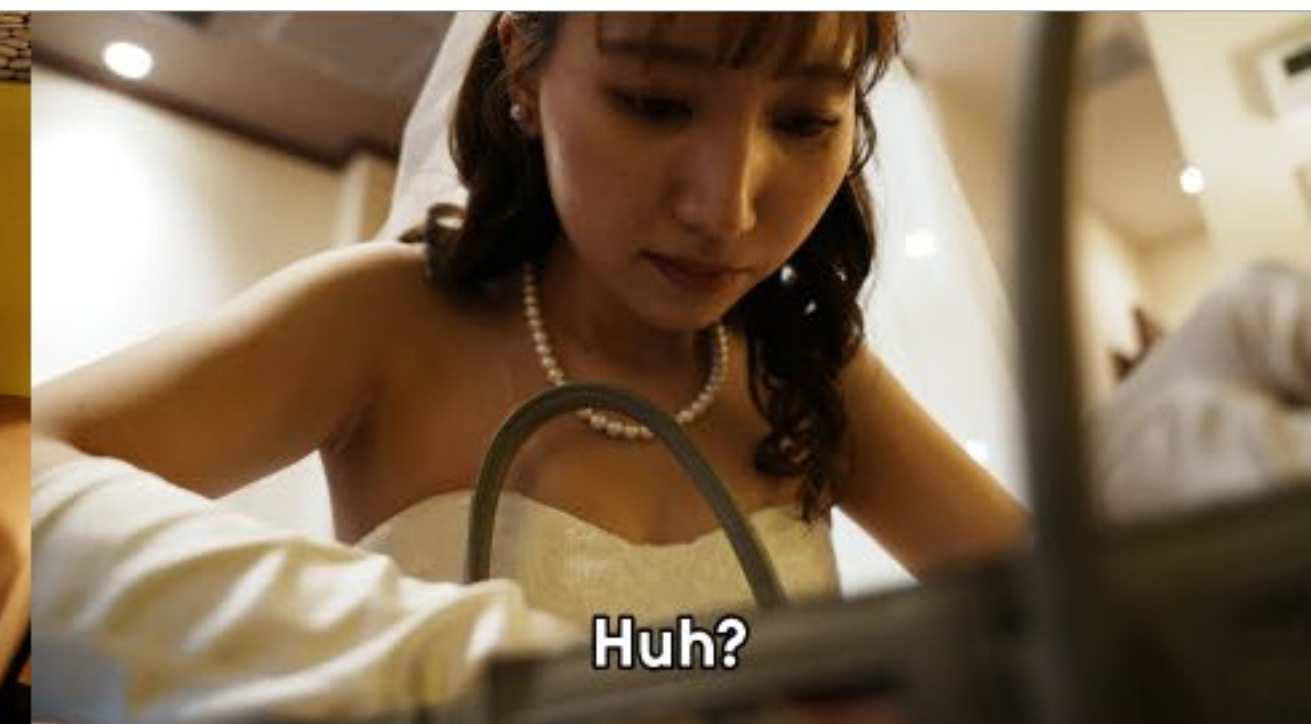
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# BUSINESS PLAN FOR FY2023

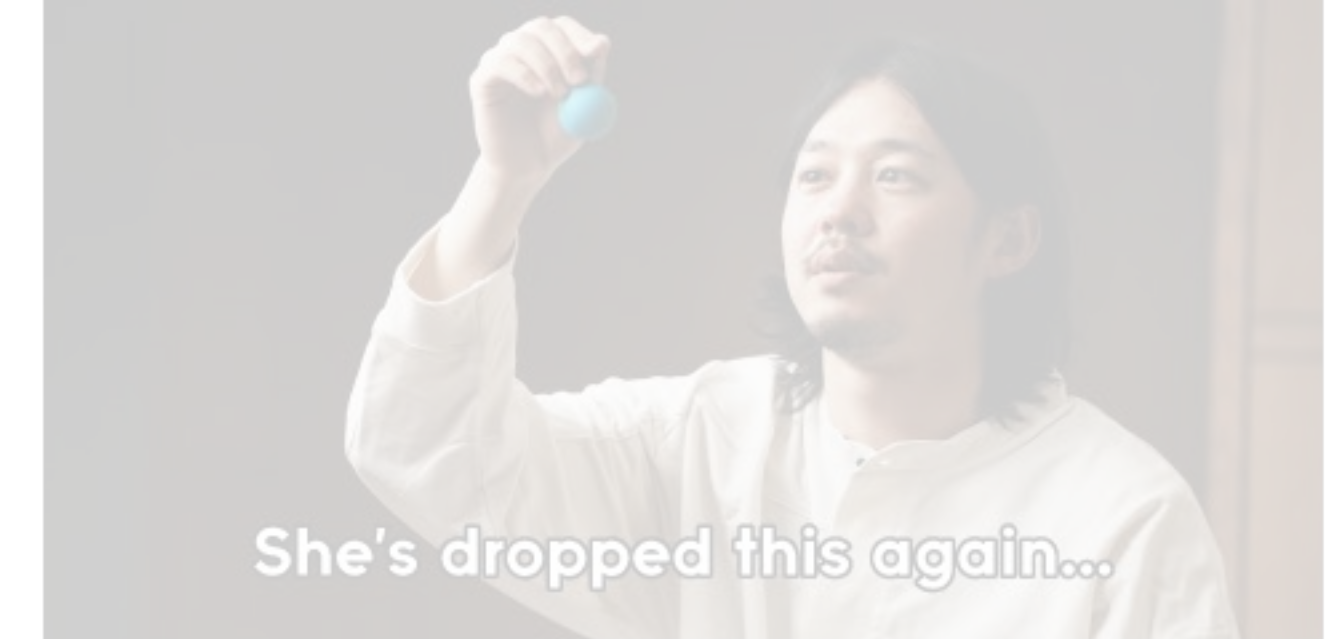
FY2022 ZOZO, Inc. CONSOLIDATED BUSINESS RESULTS



# 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).



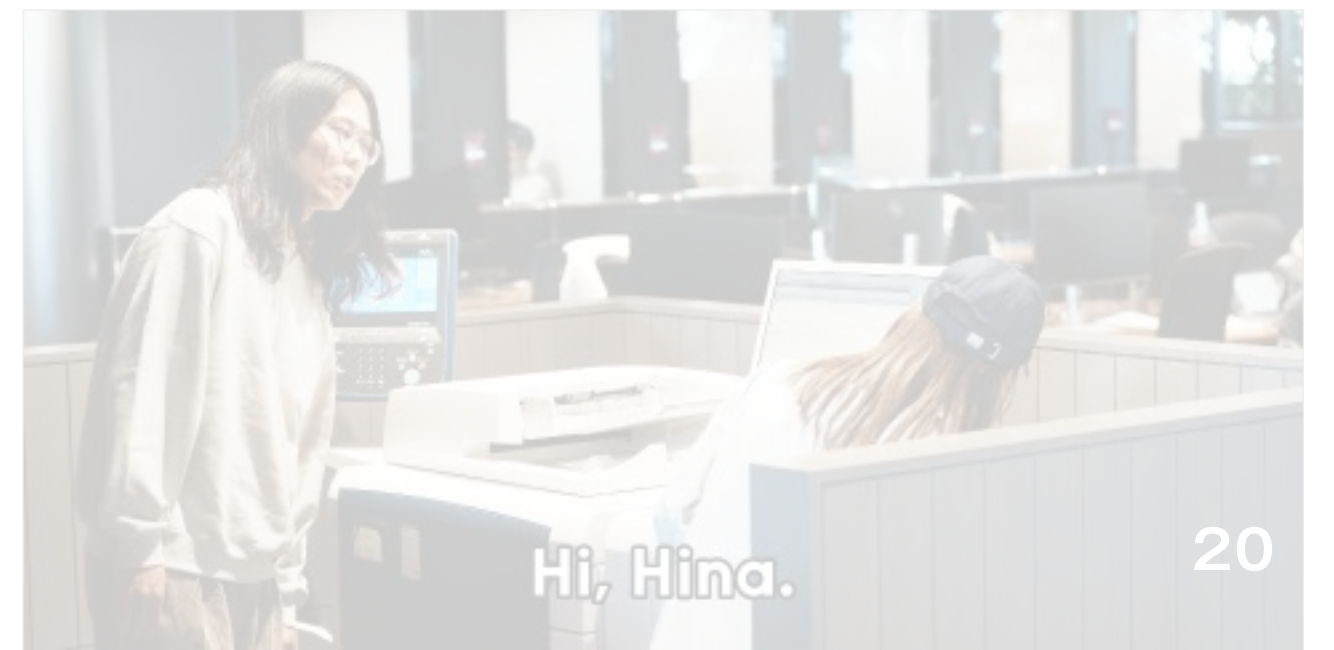
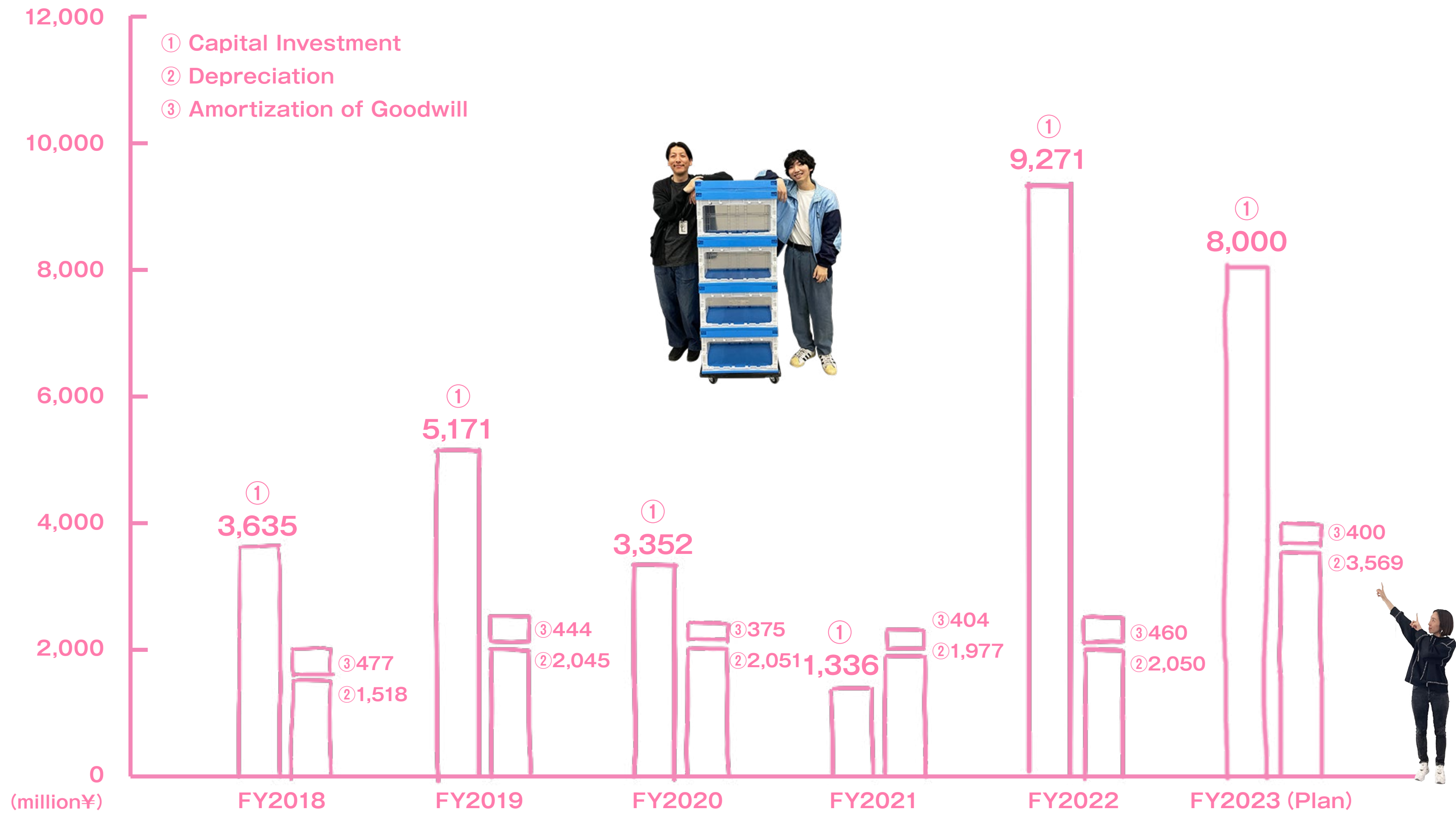
# FY2023 TARGET BY BUSINESS SEGMENT

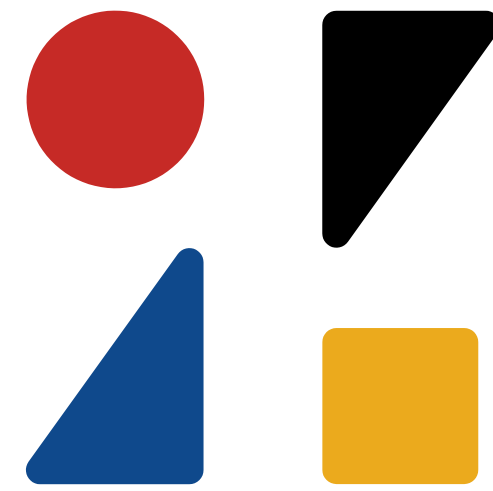
	Target for Gross Merchandise Value	YoY
<b>ZOZOTOWN Business</b>	<b>470.4 billion yen</b>	<b>+8.0%</b>
Outright Purchase/Production & Sales	<b>3.7 billion yen</b>	<b>-21.7%</b>
Consignment sales	<b>449.1 billion yen</b>	<b>+8.3%</b>
USED sales	<b>17.6 billion yen</b>	<b>+9.7%</b>
<b>Yahoo!JAPAN Shopping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

	Target for Net Sales	YoY
<b>Advertising business</b>	<b>9.4 billion yen</b>	<b>+21.0%</b>



# CAPITAL INVESTMENT



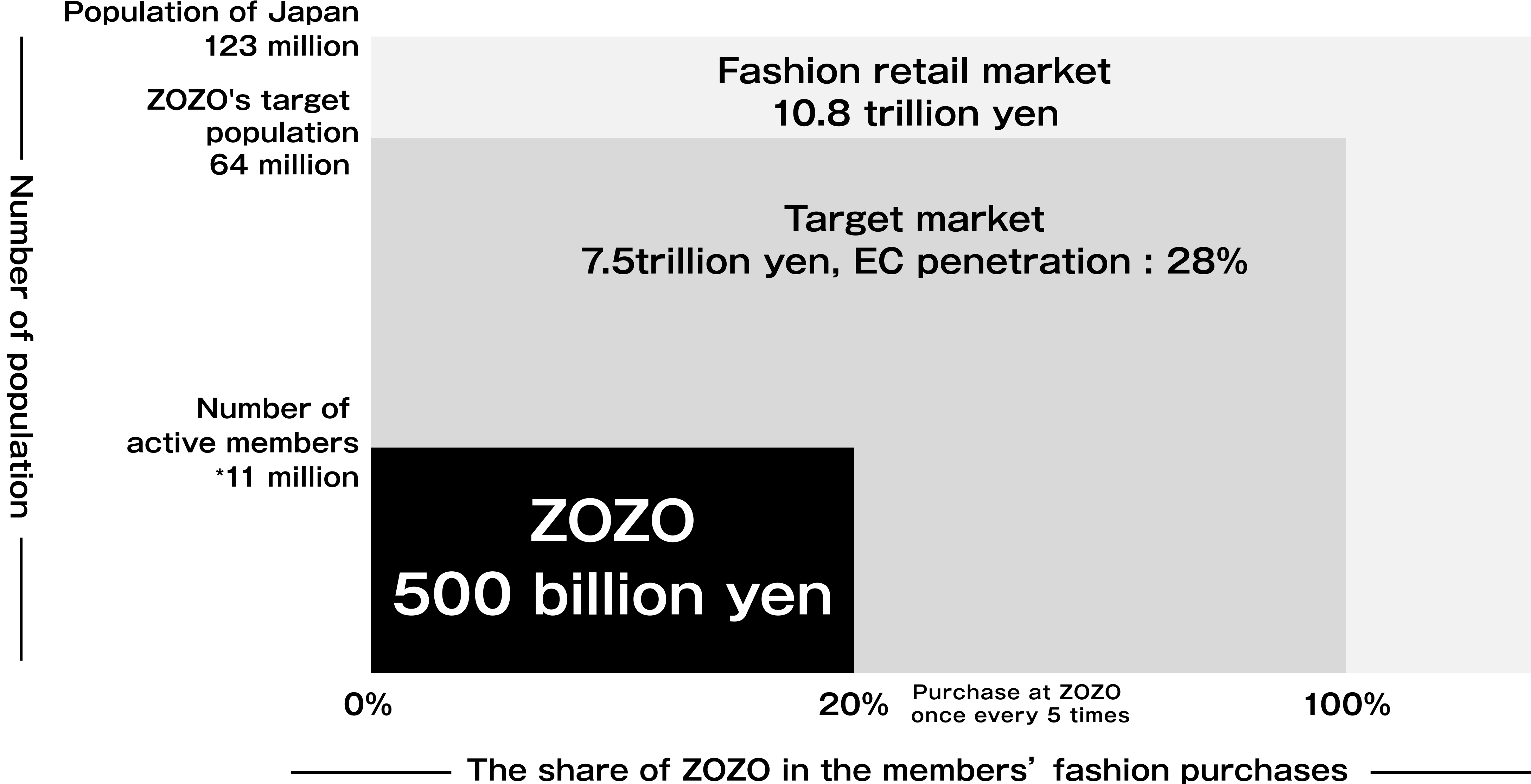


**ZOZO**

# Management plans and future outlook

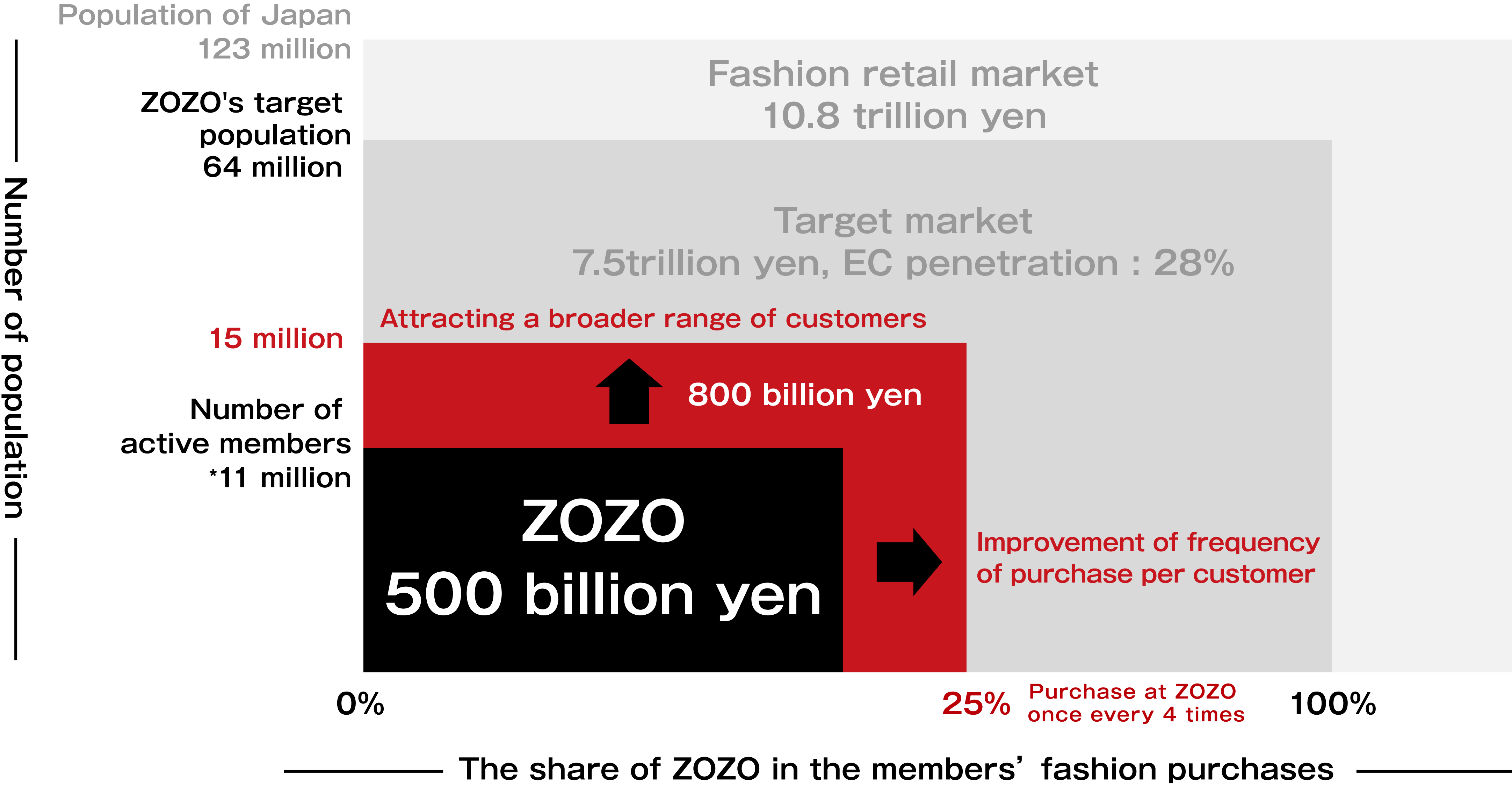
# Current market share in the fashion retail market

Estimated based on Ministry of Internal Affairs and Communications household survey data, e-commerce market research report, and ZOZO's original consumer survey.



\*The sum of ZOZOTOWN and ZOZOTOWN on Yahoo! JAPAN Shopping (Members registered at both sites are counted as one member)

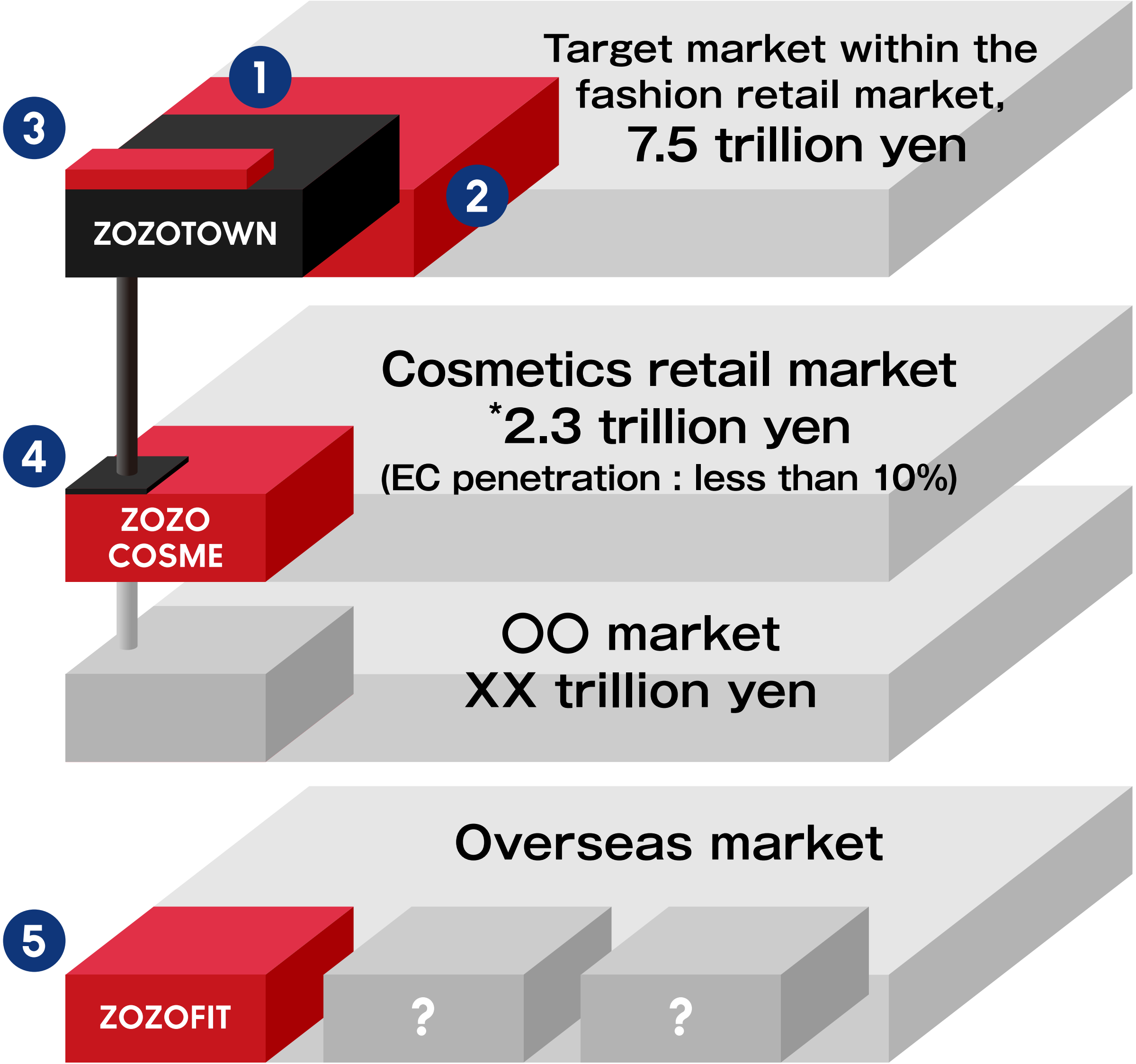
# Potential to gain further market share in the future



\*The sum of ZOZOTOWN and ZOZOTOWN on Yahoo! JAPAN Shopping (Members registered at both sites are counted as one member)



# Future expansion plans

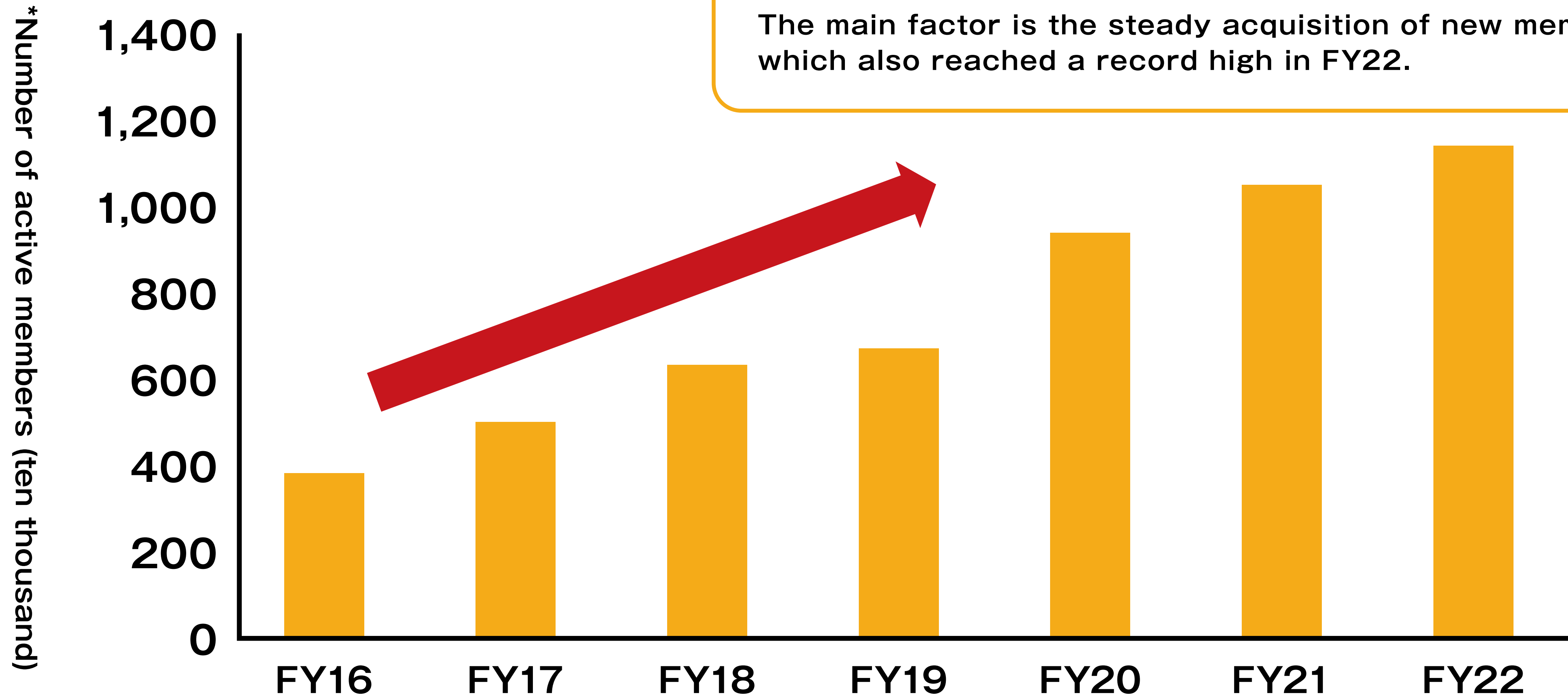


- ① Attracting a broader range of customers
- ② Improvement of frequency of purchase per customer
- ③ Production support
- ④ Expansion of the cosmetics category and its next step
- ⑤ Monetization of technologies

# ① Attracting a broader range of customers (1/2)

**The number of active members is on the rise.**

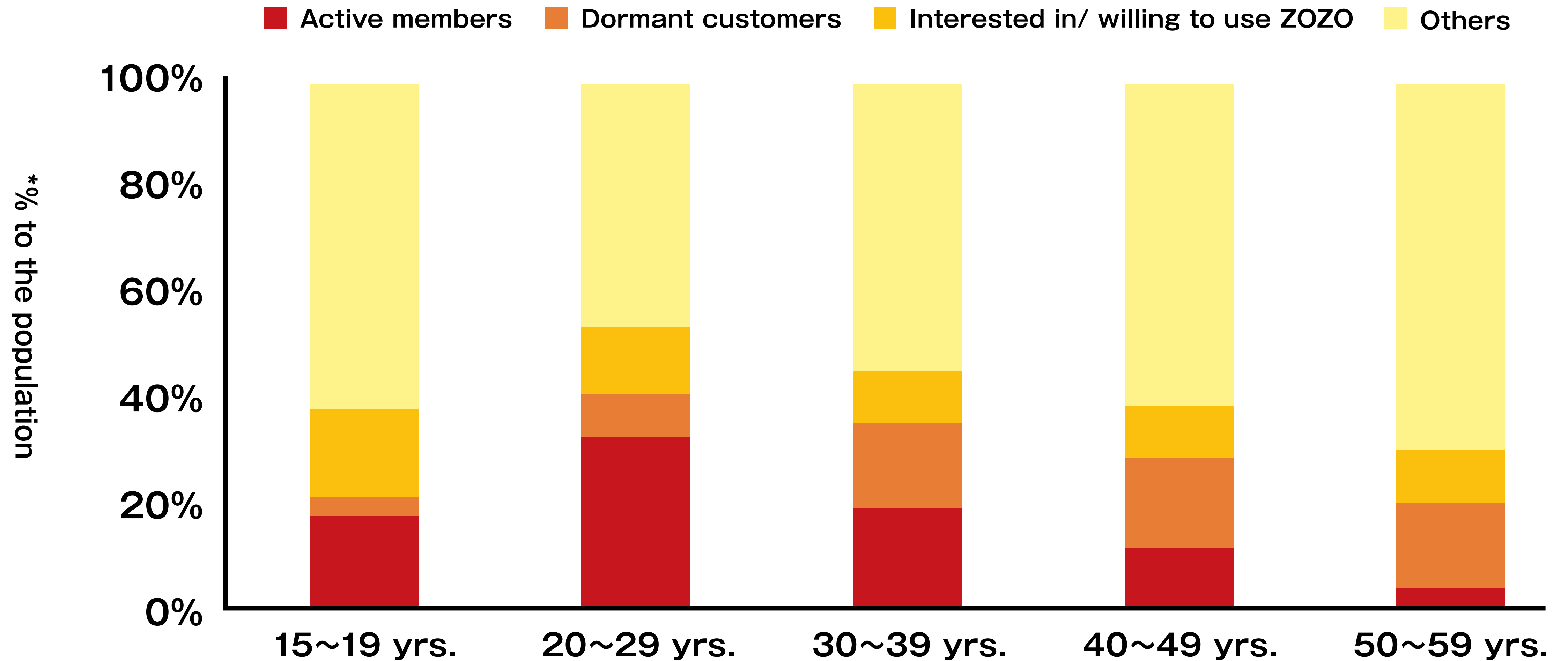
The main factor is the steady acquisition of new members, which also reached a record high in FY22.



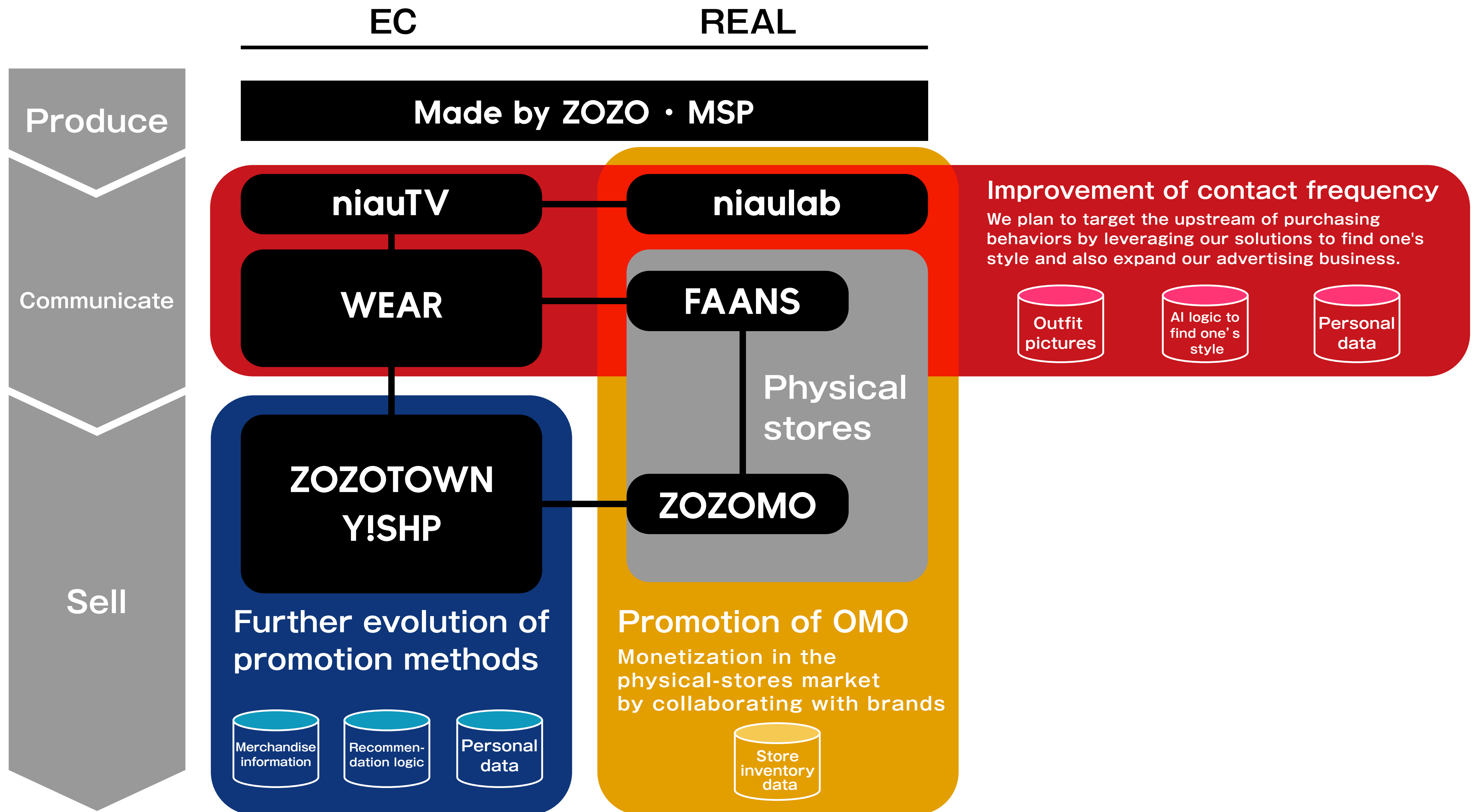
\*The sum of ZOZOTOWN and ZOZOTOWN on Yahoo! JAPAN Shopping (Members registered at both sites are counted as one member)

# ① Attracting a broader range of customers (2/2)

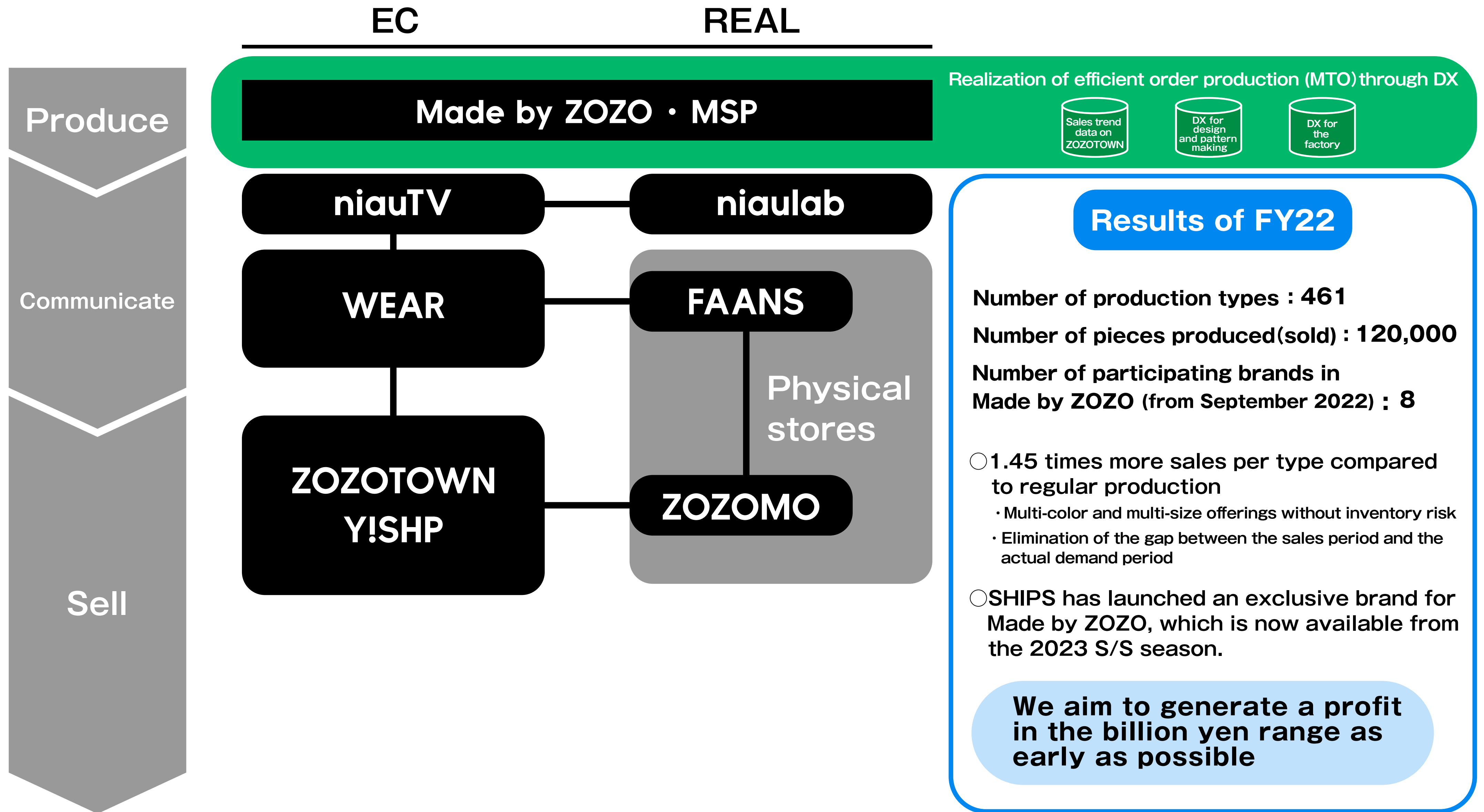
There is still room for growth in each generation. We will break down the target segments into smaller ones and implement acquisition measures with an awareness of the room for growth.



## ② Improvement of frequency of purchase per customer



# ③ Production support



EC

REAL

Made by ZOZO · MSP

Realization of efficient order production (MTO) through DX



niauTV

niaulab

WEAR

FAANS

Physical stores

ZOZOTOWN  
Y!SHP

ZOZOMO

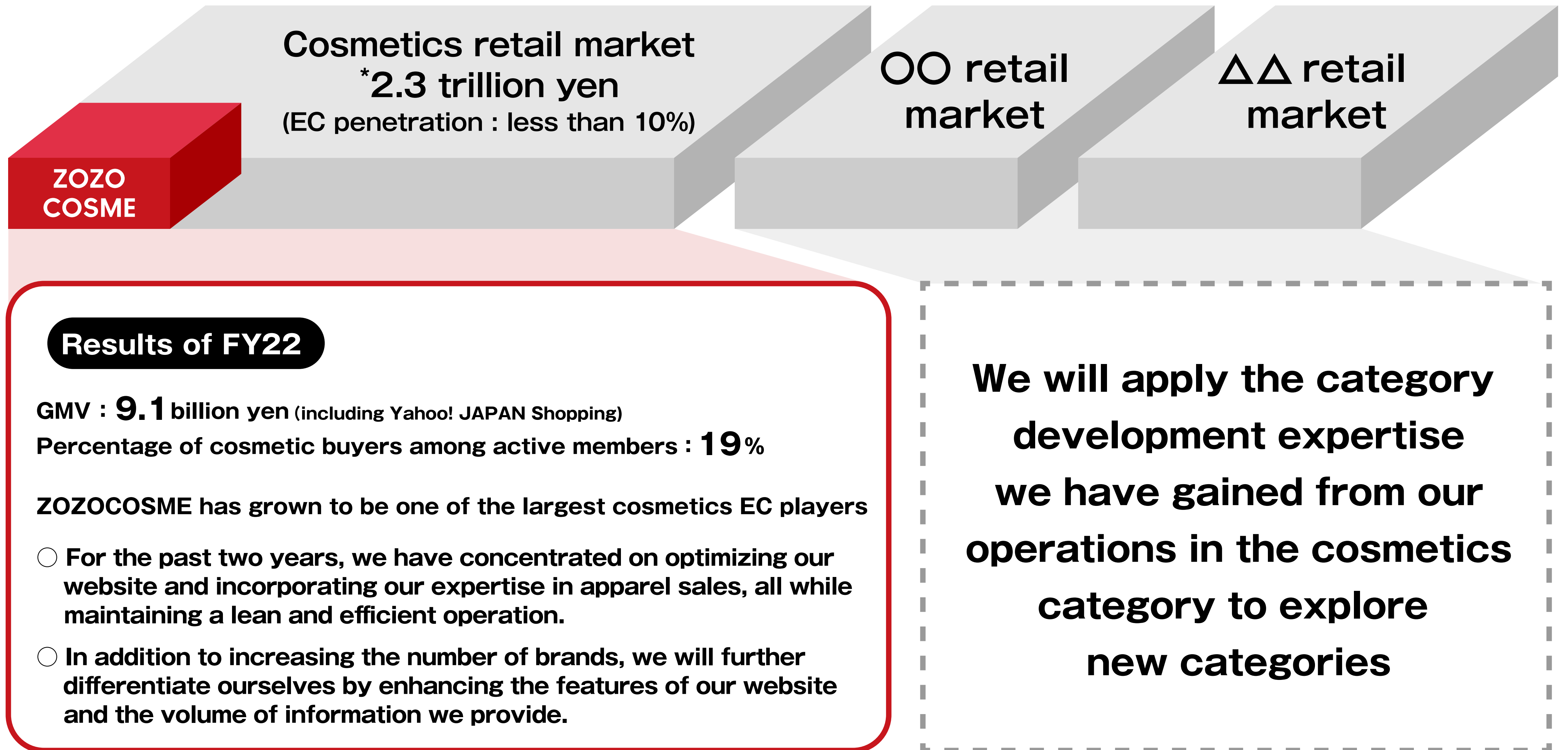
## Results of FY22

- Number of production types : 461
- Number of pieces produced(sold) : 120,000
- Number of participating brands in Made by ZOZO (from September 2022) : 8

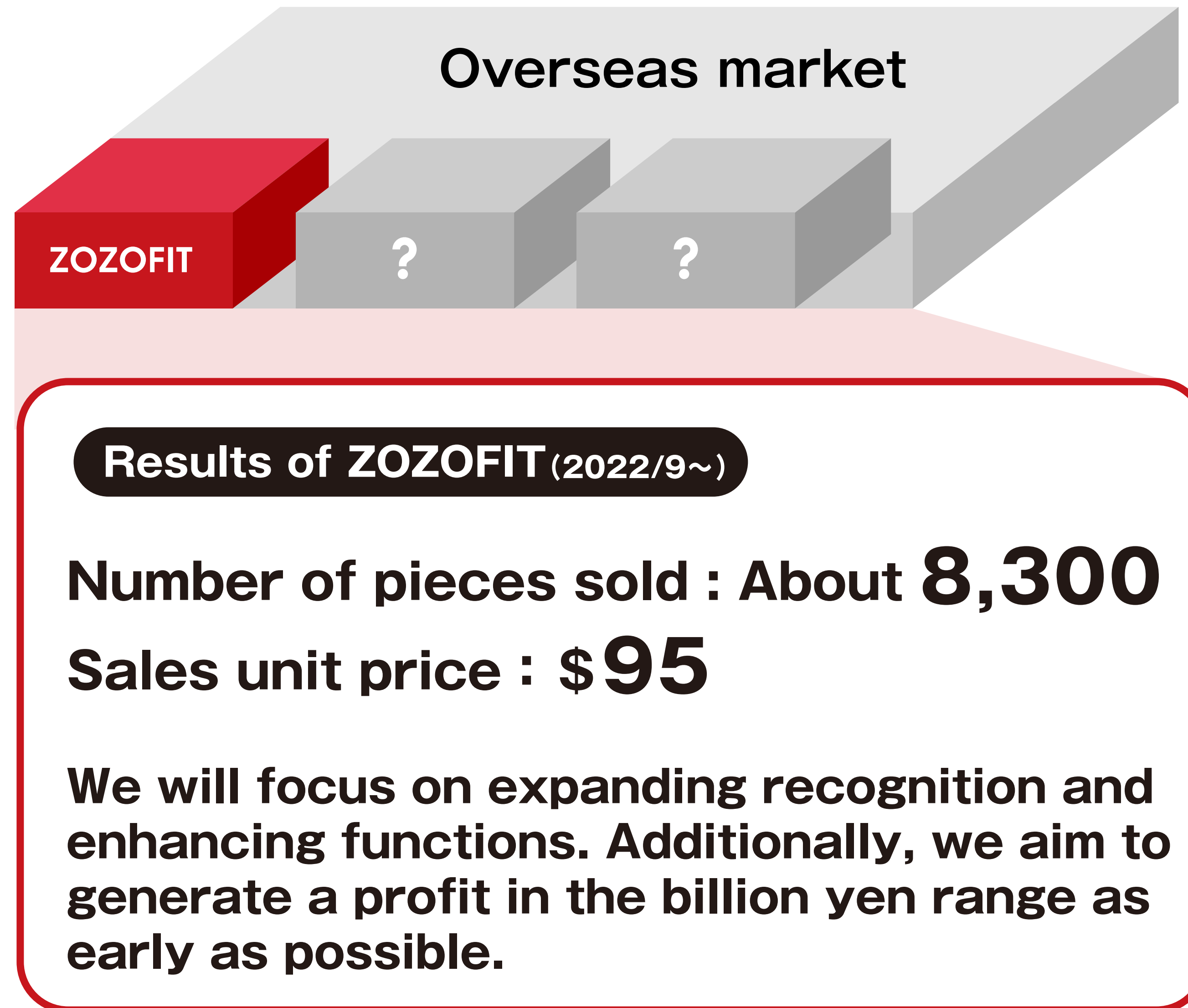
- 1.45 times more sales per type compared to regular production
  - Multi-color and multi-size offerings without inventory risk
  - Elimination of the gap between the sales period and the actual demand period
- SHIPS has launched an exclusive brand for Made by ZOZO, which is now available from the 2023 S/S season.

We aim to generate a profit in the billion yen range as early as possible

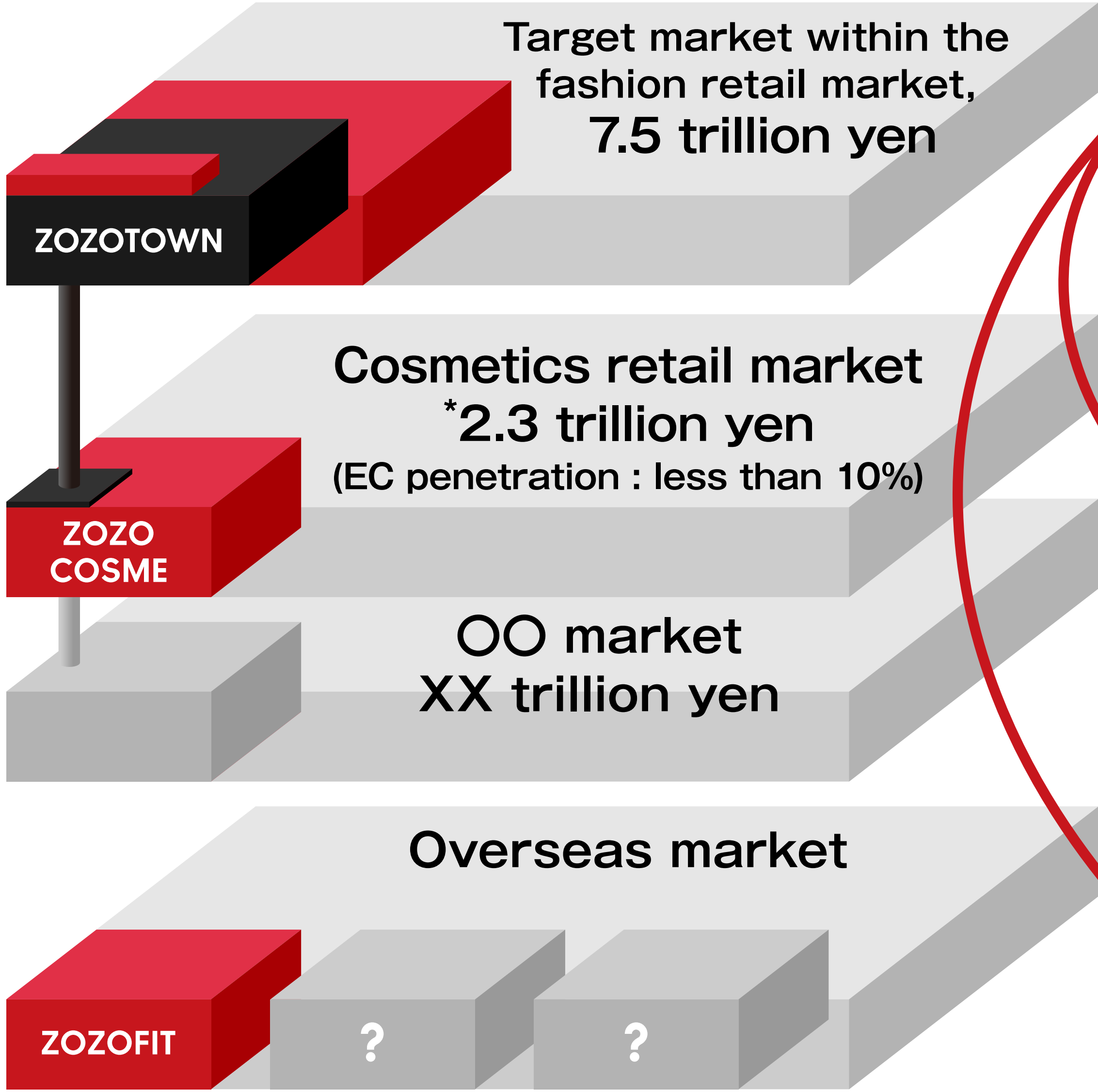
## ④ Expansion of the cosmetics category and its next step



## ⑤ Monetization of technologies



# Summary of future expansion plans



**We will continue to expand customer scale and contact frequency**

“ZOZO as the place “for” fashion” (consumer’s point of view)  
“To be an infrastructure for fashion” (industry’s point of view)

**Promote horizontal category development by leveraging customer scale**

**Promote new market development by leveraging technologies**

\*Yano Research Institute, Ltd. 2022 Cosmetics Marketing Compendium

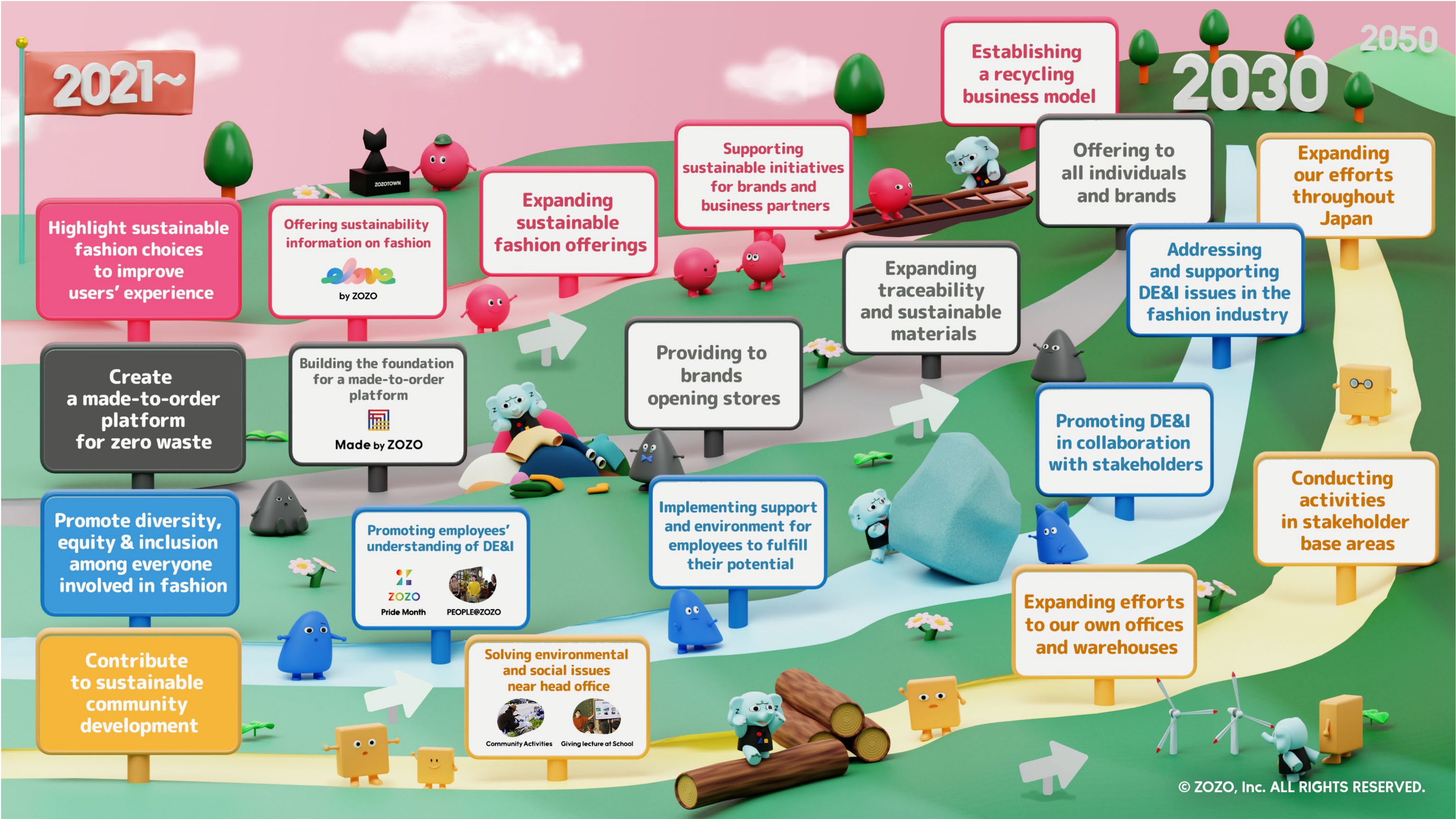


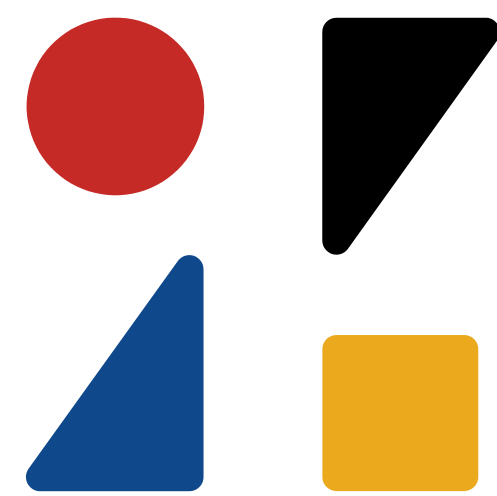
# Sustainability

# Platform Company's Sustainability



# Disclosure and Sustainability Initiatives





**ZOZO**