



# **START TODAY CO.,LTD.**

**FY2009**

**April 1, 2009 – March 31, 2010**

**Consolidated Business Results**

# 1. Business Performance

Business Performance



## FY2009 Highlights

### 1. Achieved “1 DAY 1 MILLION” in a year of challenges

Achieved target net sales, operating income, and transaction value

- Net sales: ¥17,159 million (+60.4% year-on-year)
- Operating income: ¥3,236 million (+47.0% year-on-year)
- Transaction value: ¥37,054 million (+69.2% year-on-year)

### 2. Total Members Surpass 2.0 Million, Record Growth in Active Members

Implementation of one-year free shipment campaign and large-scale promotion led to huge membership

- Number of members: 2,028,707 (+763,229 quarter-on-quarter)
- Number of active members: 801,486 (+365,031 quarter-on-quarter)

### 3. 65 New Shop Openings for FY2009

- 1Q: 6 shops 2Q: 23 shops 3Q: 19 shops 4Q: 17 shops
- Breakdown of 4Q
- January: 3 shops February: 4 shops March: 10 shops
- Breakdown by business:
  - Store Planning & Development Business: 5 shops
  - Store Operating & Administration Business: 12 shops (1 shop closed)

### 4. Start of E-Commerce (EC) Support of Five Apparel Brands per Year

- And A Web Shop: June 3, 2009
- HYSTERIC GLAMOUR ONLINE SHOP: June 16, 2009
- ISETAN MENS ONLINE SHOP: September 4, 2009
- UNITED ARROWS LTD. ONLINE SHOP: September 15, 2009
- ONWARD CROSSET: December 1, 2009

### 5. Opened a new mall called “ZOZOVILLA” that sells luxury brand items

- “UNDERCOVER” which is popular in Japan and abroad, and was launched by Undercover Co., Ltd.
  - : Opened on January 30, 2010.
- Multi-label shop launched in London by Comme des Garçons.
  - “DOVER STREET MARKET: Opened March 15, 2010.



# 1. Business Performance

Business Performance



## Overview of FY2009

( ¥ million )

| Item             | FY2009 | FY2008 | YoY change (%) | Reasons for increase/decrease  |
|------------------|--------|--------|----------------|--|
| Net sales        | 17,159 | 10,696 | +60.4%         | • Transaction value: ¥37.05 billion (+69.2% YoY)<br>• Improved commission rate due to increasing new shops |
| Operating income | 3,236  | 2,201  | +47.0%         | —  |
| Ordinary income  | 3,247  | 2,220  | +46.2%         | Receipt of interest  |
| Net income       | 1,859  | 1,270  | +46.3%         | —  |

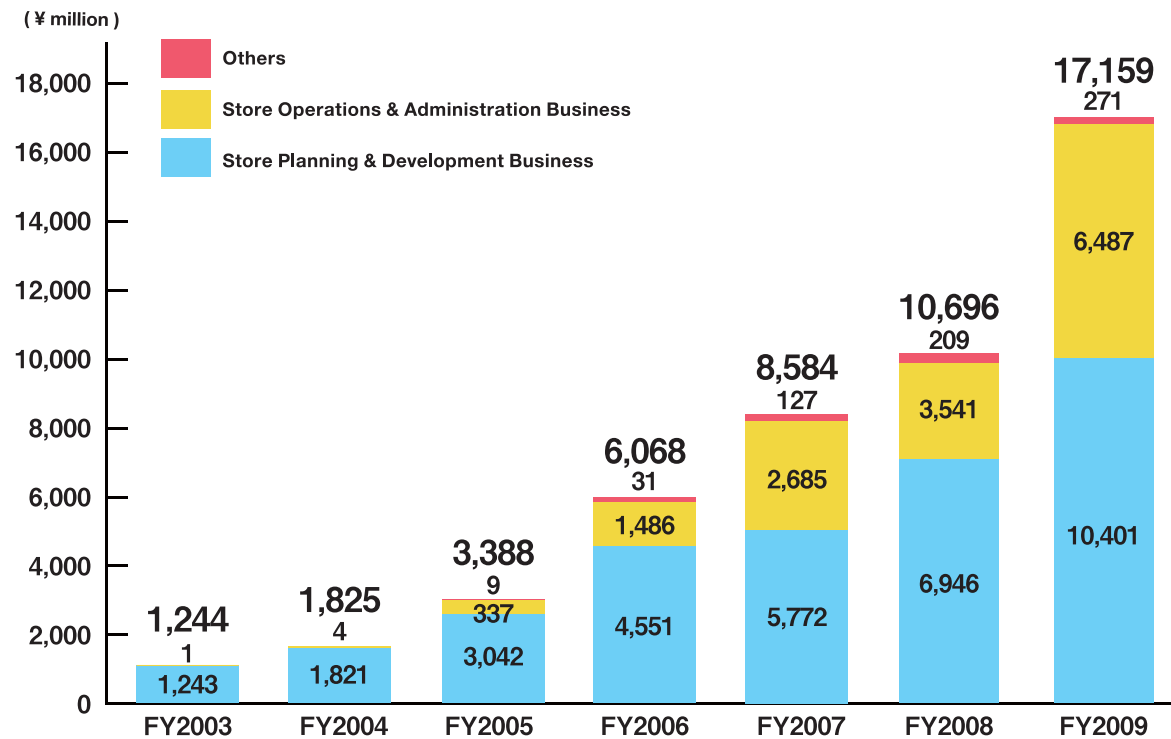


# 1. Business Performance

Business Performance



## Net Sales



**Achieved full-year target for net sales**

- Significant growth of 60.4% from the previous fiscal year
- Store Planning & Development Business: +49.7% year on year
- Store Operations & Administration Business: +83.2% year on year

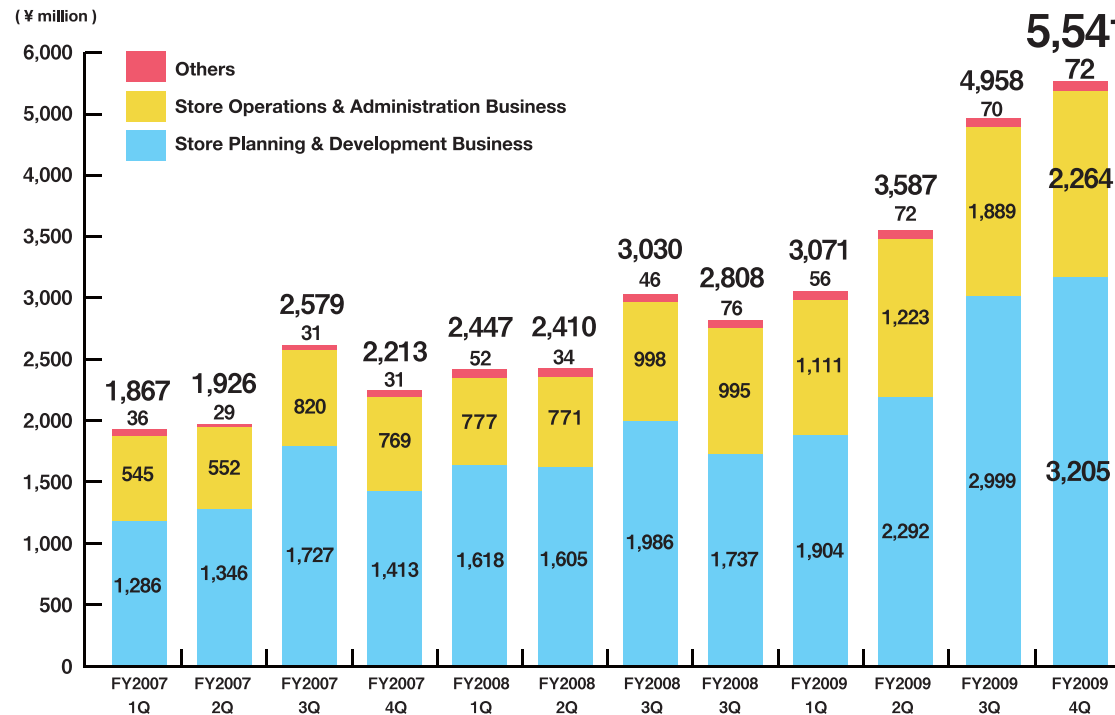


# 1. Business Performance

Business Performance



## Net Sales (Quarterly)



### Record quarterly sales achieved

- Year-on-year comparison
  - Store Planning & Development Business: +84.6%
  - Store Operations & Administration Business: +127.5%
- Improved commission rate due to increasing new shops
  - Average of 1Q: 23.7%
  - Average of 2Q: 24.2%
  - Average of 3Q: 24.4%
  - Average of 4Q: 24.8%
  - Average of FY2009: 24.4%



# 1. Business Performance

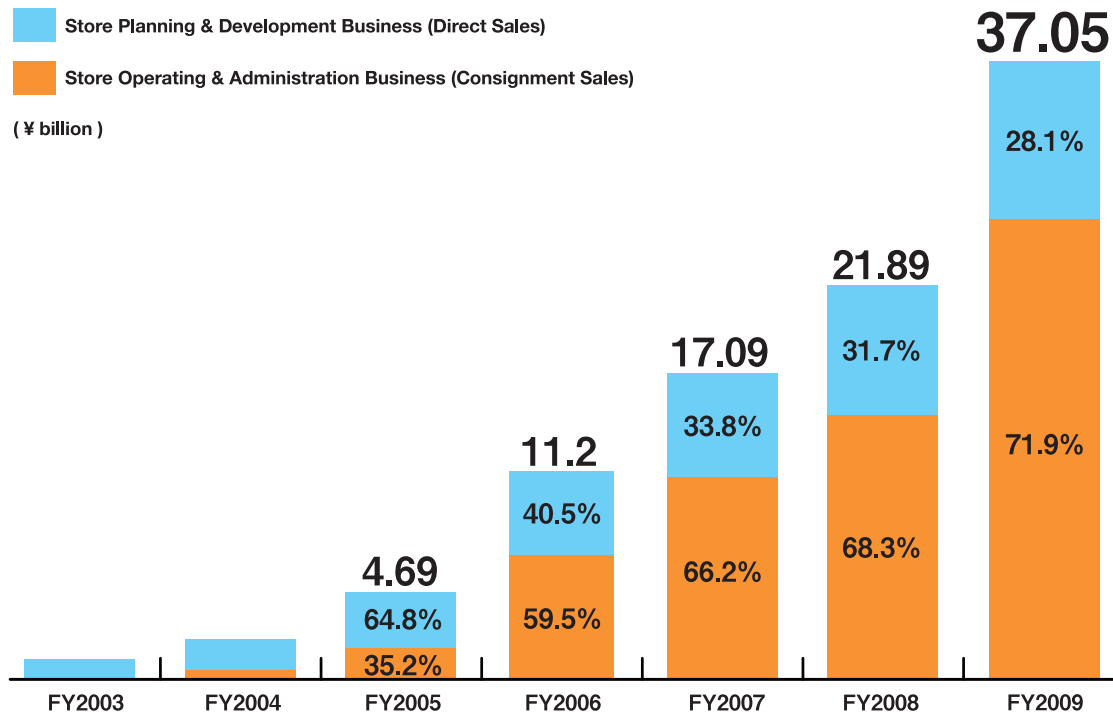
Business Performance



## Transaction Value

Total transaction value for FY2009: ¥37.05 billion

Commission transaction value for FY2009: ¥26.65 billion



**Achieved full-year target for transaction value as well**

- B to B transaction value for FY2009 (including commission transaction value): ¥1.41 billion (+¥0.6 billion compared to the first three quarters')
- Total transaction value of new stores for FY2009: approx. ¥4.41 billion (+¥2.19 billion compared to the first three quarters') 12.5% of transaction value (excluding B to B transaction) (+3.1% compared to the first three quarters')



# 1. Business Performance

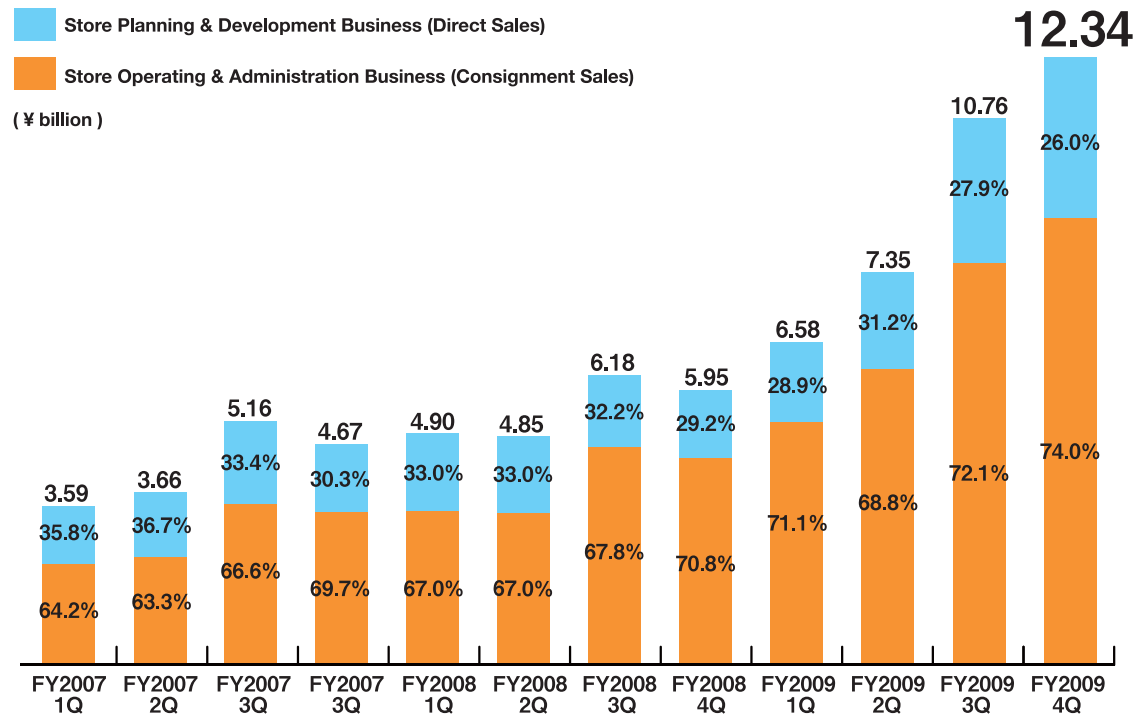
Business Performance



## Transaction Value (Quarterly)

Total transaction value for the fourth quarter of FY2009: ¥12.34 billion

Commission transaction value for the fourth quarter of FY2009: ¥9.14 billion



## Record transaction value

- +¥6.39 billion (+107.5%)  
year-on-year growth

- Record transaction value achieved due to active new shop openings, large-scale promotion, winter sale, etc.



# 1. Business Performance

Business Performance



## Selling, General and Administrative Expenses

( ¥ million )

| Item                                 | FY2009 Full-year |         | FY2008 Full-year |         | YoY change (% Sales) | FY2009 4Q |         | FY2009 3Q |         | % Sales | Reasons for increase/decrease                          |
|--------------------------------------|------------------|---------|------------------|---------|----------------------|-----------|---------|-----------|---------|---------|--|
|                                      | amount           | % sales | amount           | % sales |                      | amount    | % sales | amount    | % sales |         |  |
| <b>Total SG&amp;A</b>                | 7,135            | 41.6%   | 4,277            | 40.0%   | + 1.6%               | 2,337     | 42.2%   | 2,048     | 41.3%   | + 0.9%  | —  |
| <b>Personnel expenses</b>            | 1,248            | 7.3%    | 880              | 8.2%    | − 0.9%               | 459       | 8.3%    | 269       | 5.4%    | + 2.9%  | —  |
| <b>Shipping &amp; transportation</b> | 990              | 5.8%    | 534              | 5.0%    | + 0.8%               | 335       | 6.1%    | 254       | 5.1%    | + 1.0%  | —  |
| <b>Payment collection fees</b>       | 799              | 4.7%    | 499              | 4.7%    | 0.0%                 | 284       | 5.1%    | 215       | 4.3%    | + 0.8%  | —  |
| <b>Advertising &amp; promotion</b>   | 1,021            | 6.0%    | 388              | 3.6%    | + 2.4%               | 293       | 5.3%    | 423       | 8.5%    | − 3.2%  | Active sales promotion measures, including TVCMs.      |
| <b>Outsourcing fees</b>              | 327              | 1.9%    | 334              | 3.1%    | − 1.2%               | 89        | 1.6%    | 97        | 2.0%    | − 0.4%  | Decrease in fixed rate (System maintenance cost, etc.) |
| <b>Others</b>                        | 2,746            | 16.0%   | 1,639            | 15.3%   | + 0.7%               | 874       | 15.8%   | 787       | 15.9%   | − 0.1%  | Outsourced personnel cost +1.7%                        |



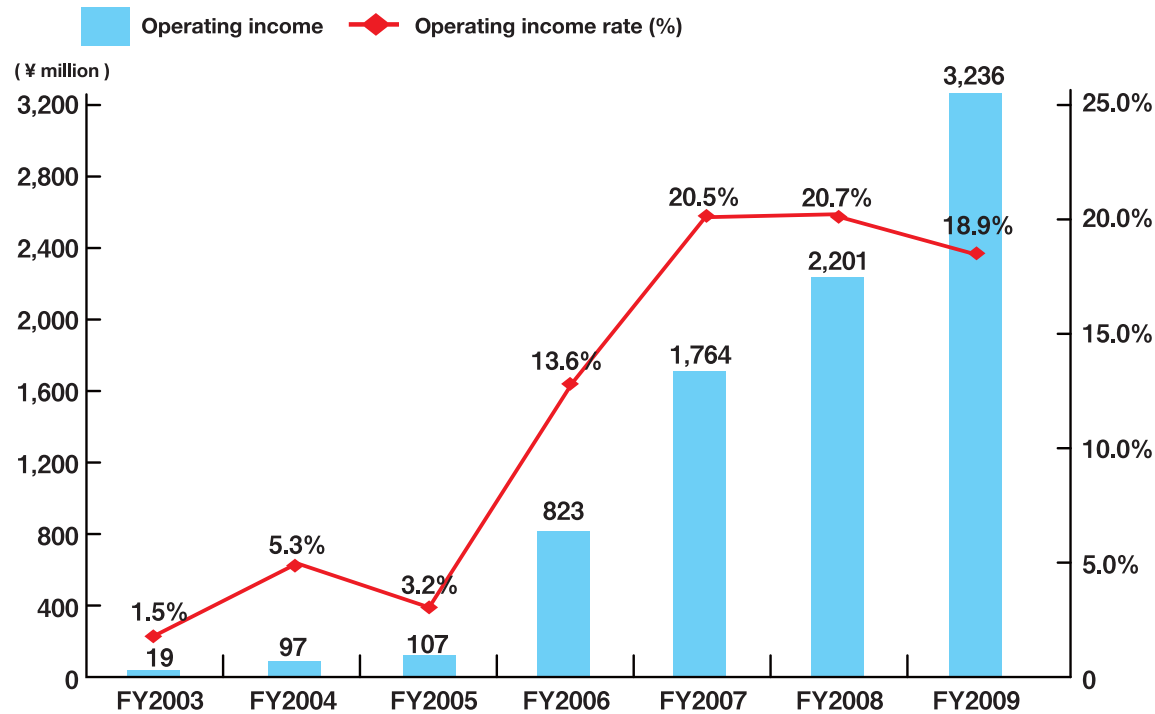


# 1. Business Performance

Business Performance



## Operating Income and Operating Income Rate



**Achieved full-year forecast for operating income as well**

- Year-on-year growth: 47.0%

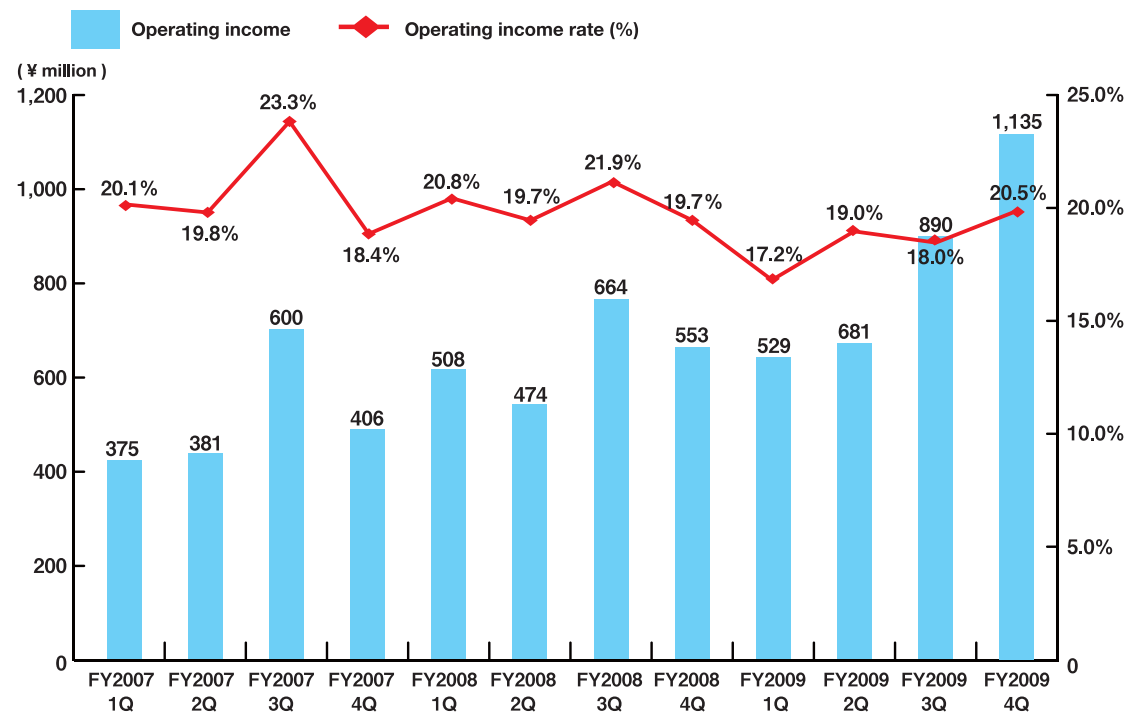


# 1. Business Performance

Business Performance



## Operating Income and Operating Income Rate (Quarterly)



Achieved record quarterly operating income as well



# 1. Business Performance

Business Performance



## Cash Flows

( ¥ million )

| Item                                       | FY2009 | FY2008 | YoY   | Reasons for increase/decrease |
|--|--------|--------|-------|-------------------------------|
| Cash flows from operating activities       | 2,461  | 1,265  | 1,196 | —                             |
| Cash flows from investing activities       | — 101  | — 316  | 215   | —                             |
| Cash flows from financing activities       | — 306  | — 228  | — 78  | —                             |
| Cash and cash equivalents at end of period | 7,160  | 5,113  | 2,047 | —                             |

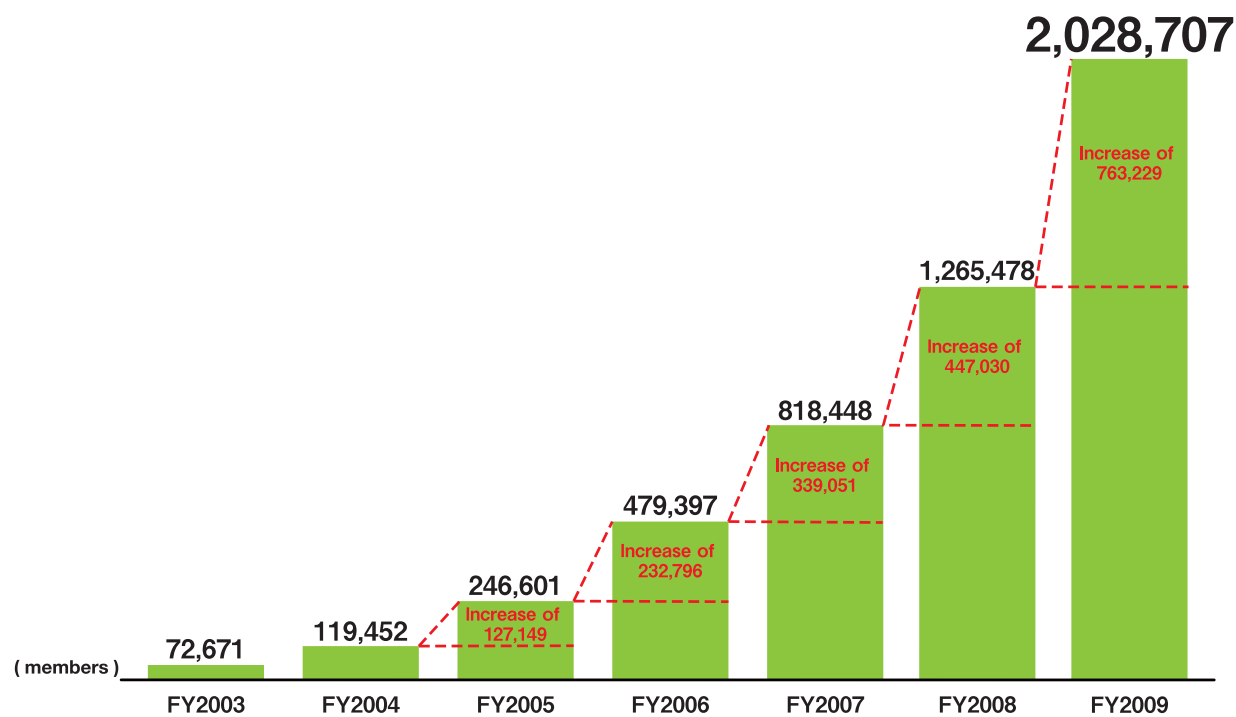


## 2. Achievement Transition

Fact data analysis



### Number of Members



**Total members surpass 2.0 million**

- Target membership level for full year achieved  
60.3% compared with the previous year end
- Implementation of large-scale promotion led to a huge increase in membership

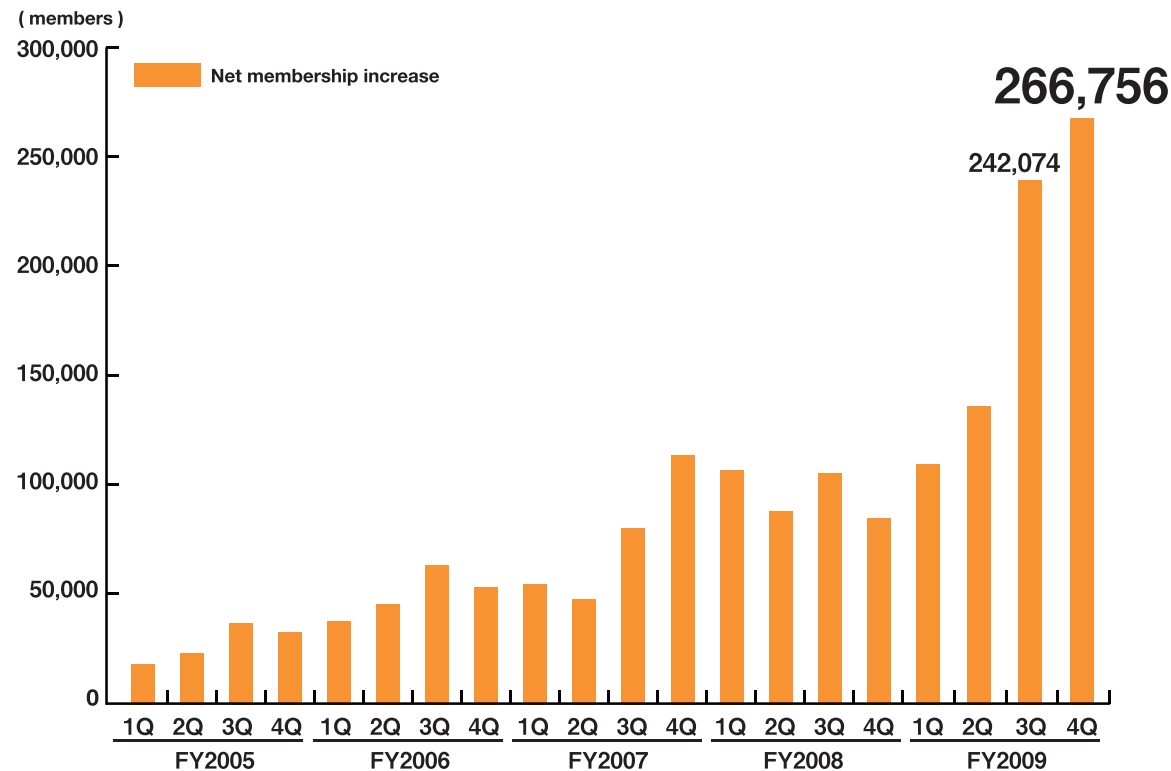


## 2. Achievement Transition

Fact data analysis



### Net Increase in Active Members (Quarterly)



Implementation of large-scale promotion led to huge increase in membership

- 55% of new members acquired in 4Q become active members



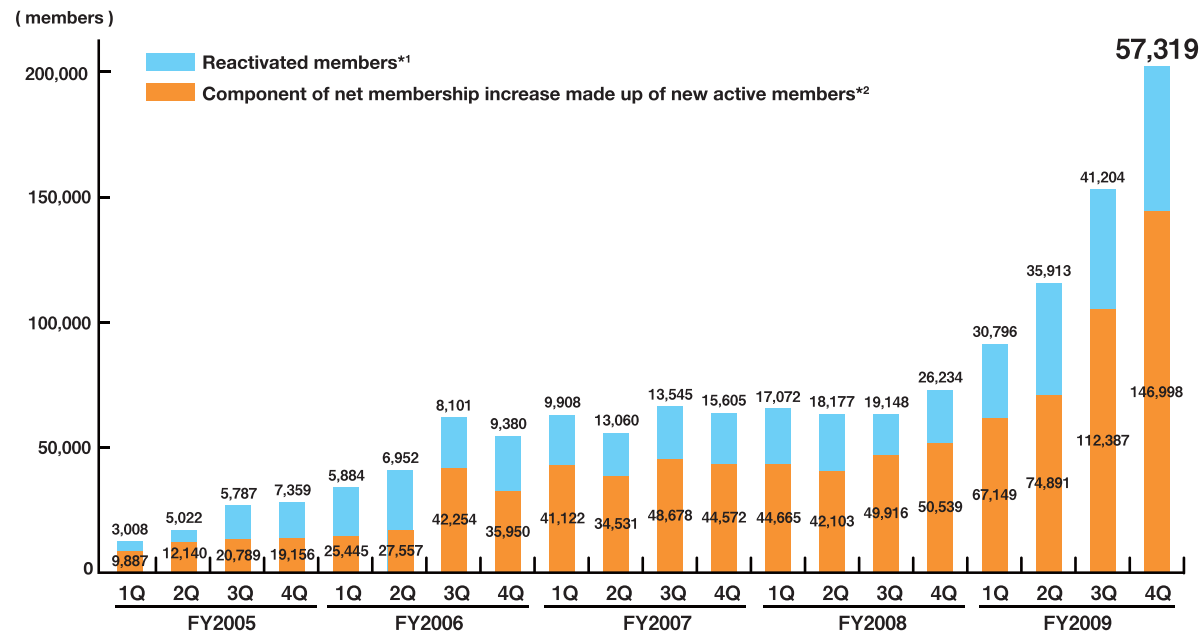
## 2. Achievement Transition

Fact data analysis



### Net Increase in Active Members (Quarterly)

Active members = Members who had purchased more than once during the past year



**Record growth in both new and reactivated membership**

Synergy of effective advertising and promotion measures and improved item supplies led to successful acquisition of huge number of new members and reactivated members.

\*1

Reactive A:

1. Conducted membership registration before one year prior to current quarter
2. No transaction history in past year
3. Reactivated membership in current quarter

Reactive B:

1. Conducted membership registration within one year prior to current quarter
2. No transaction history in past year
3. Reactivated membership in current quarter

\*2

1. Conducted new membership registration in current quarter
2. Reactivated membership in current quarter



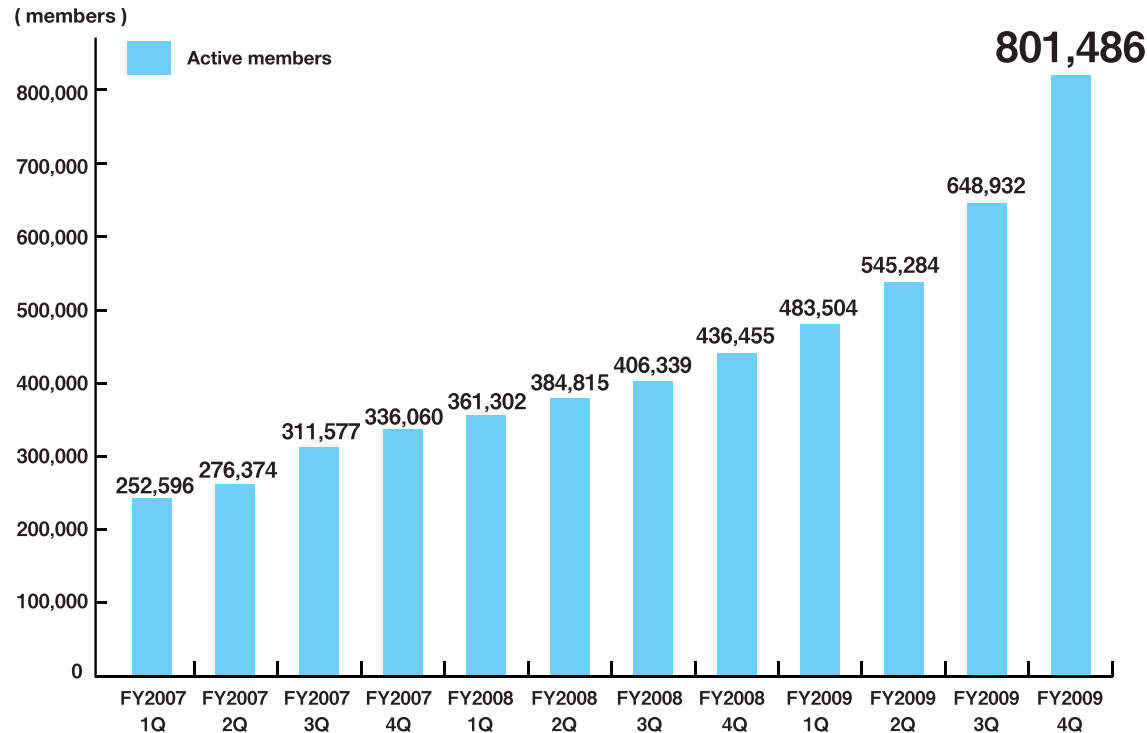
## 2. Achievement Transition

Fact data analysis



### Number of Active Members

Active members = Members who had purchased more than once per year



**Record growth in active members continues from the previous quarter**

- Number of active members increases by 365,031 members year-on-year (+152,554 quarter-on-quarter)



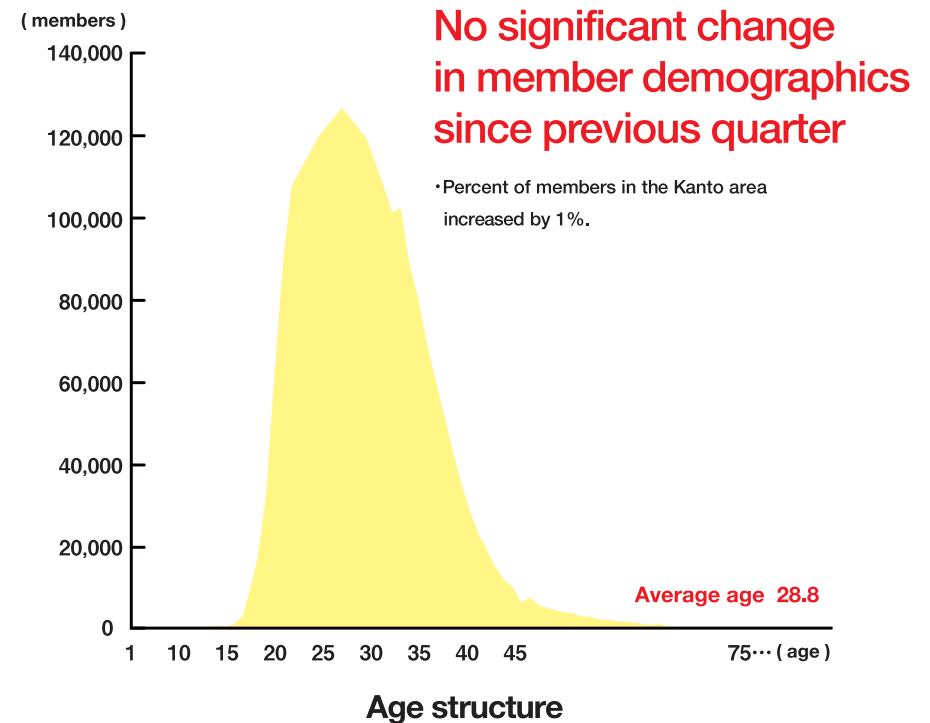
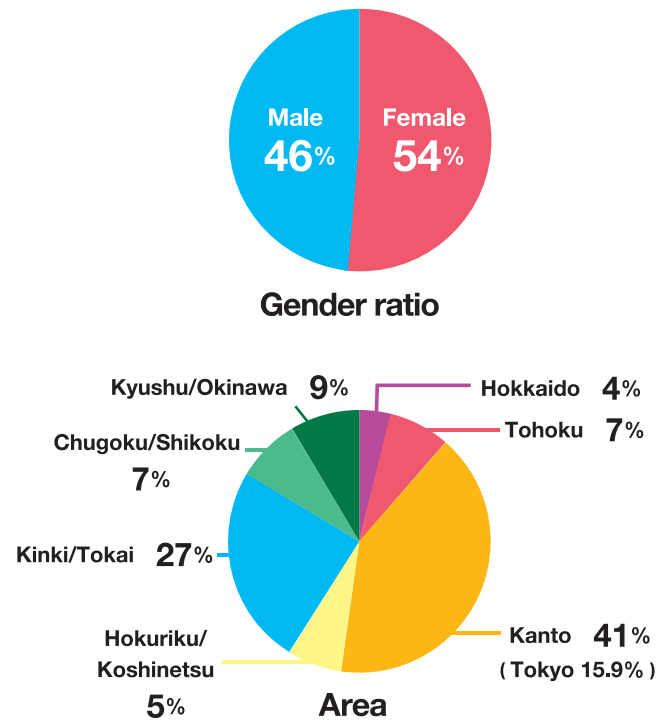
## 2. Achievement Transition

Fact data analysis



### Member Demographics

(As of March 31, 2010)



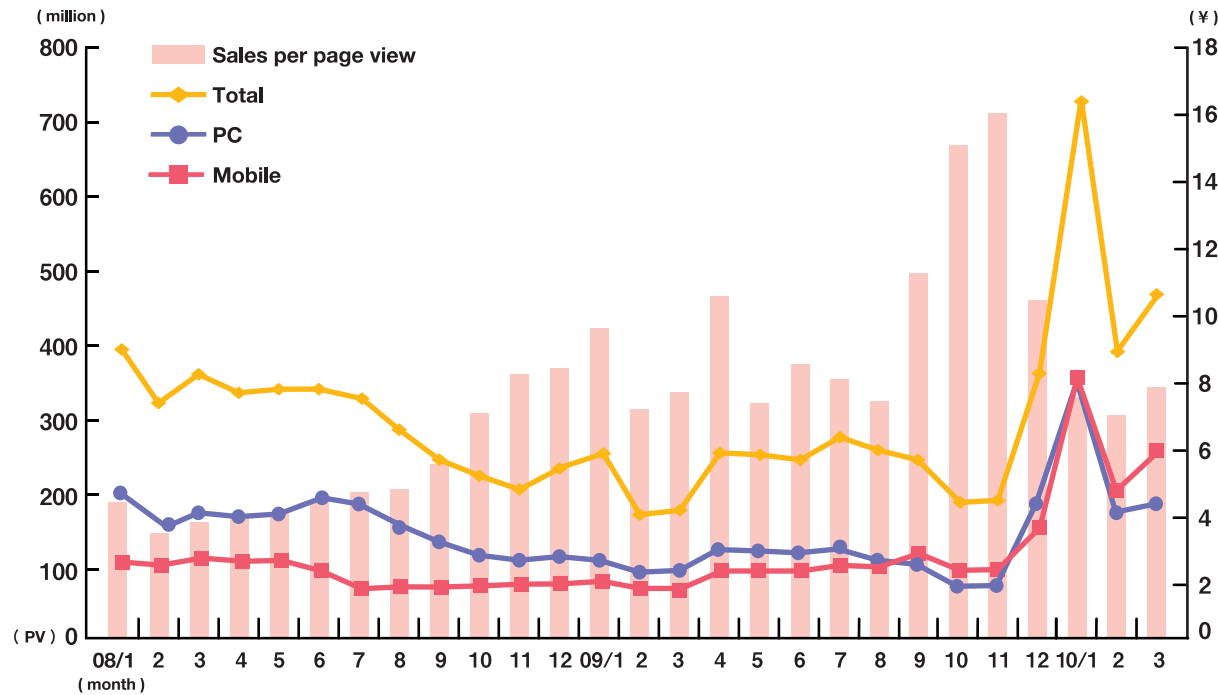


# 2. Achievement Transition

Fact data analysis



## Page Views per Month



Page views up for both PC and mobile in January thanks to winter sale

- Increased in page views for both PC and mobile as a result of aggressive mobile advertising measures for winter sale.



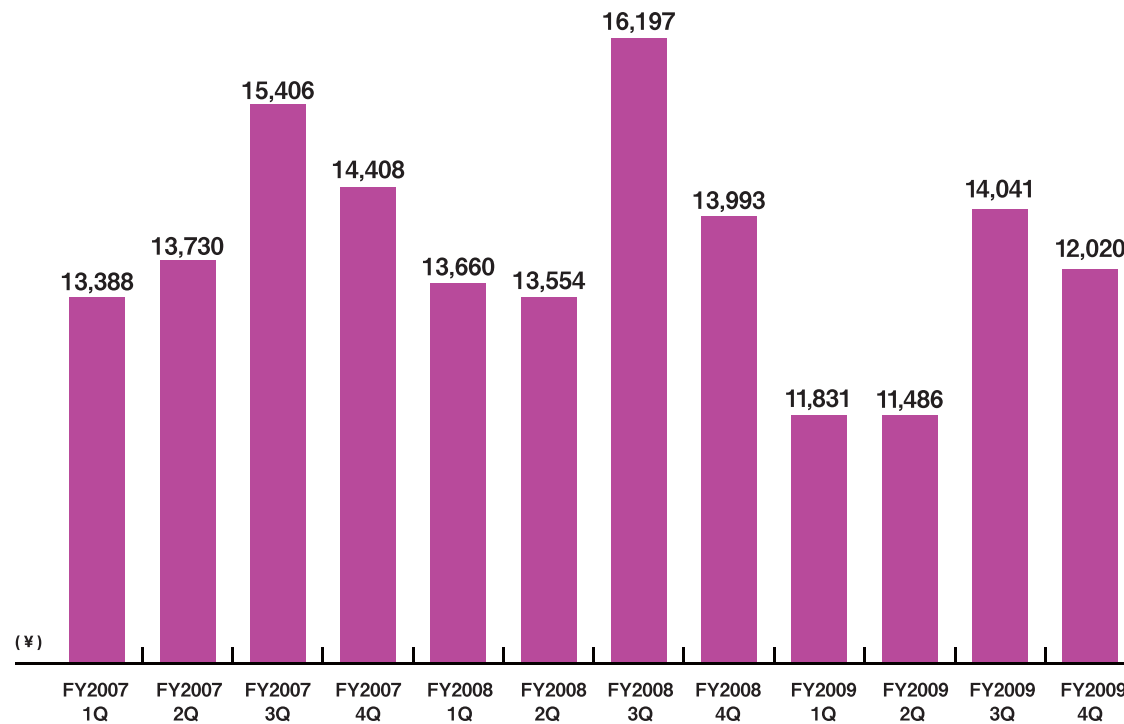
## 2. Achievement Transition

Fact data analysis



### Average Shipping Value (Quarterly)

Average Shipping Value: Transaction value of EC Business ÷ Number of shipments



**Average shipping value was down on same period last year**

- Average shipping value was down slightly because the free shipment offer that commenced in April 1, 2009 attracted purchasers of low-value items
- Proportion of purchases of ¥10,000 or less
  - End of 1Q of FY2009 period: 54.2%
  - End of 2Q of FY2009 period: 55.7%
  - End of 3Q of FY2009 period: 41.1%
  - End of 4Q of FY2009 period: 53.3%
- Product unit value
  - End of FY2008 period: ¥8,186
  - End of 1Q of FY2009 period: ¥7,463
  - End of 2Q of FY2009 period: ¥7,574
  - End of 3Q of FY2009 period: ¥9,712
  - End of FY2009 period: ¥7,454

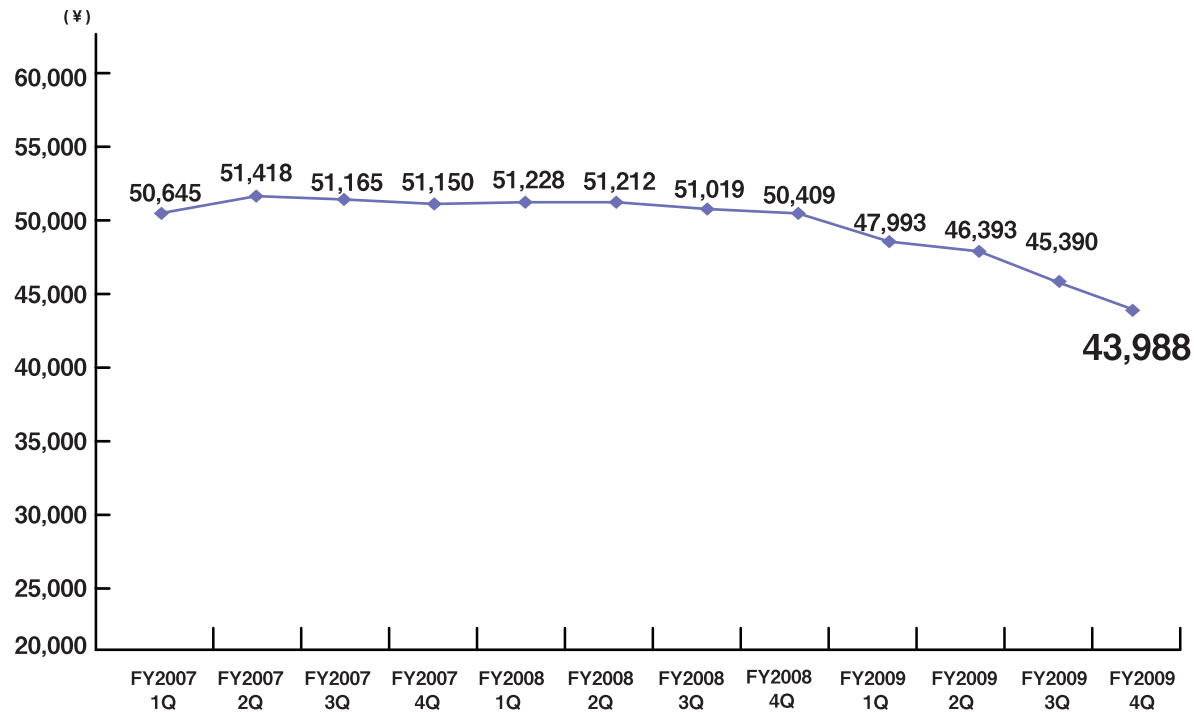


## 2. Achievement Transition

Fact data analysis



### Yearly average purchased price per active member



**Average yearly purchases per member was the lowest due to recent rapid increase in active members**

- New active members and reactivated members 4Q new active members and reactivated members: 25.5%  
(Annual purchase amount: ¥17,892)  
Other active members: 74.5%  
(Annual purchase amount: ¥52,916)

[Year on year comparison]

4Q new active members and reactivated members: 17.6%  
(Annual purchase amount: ¥18,937)  
Other active members: 82.4%  
(Annual purchase amount: ¥55,720)

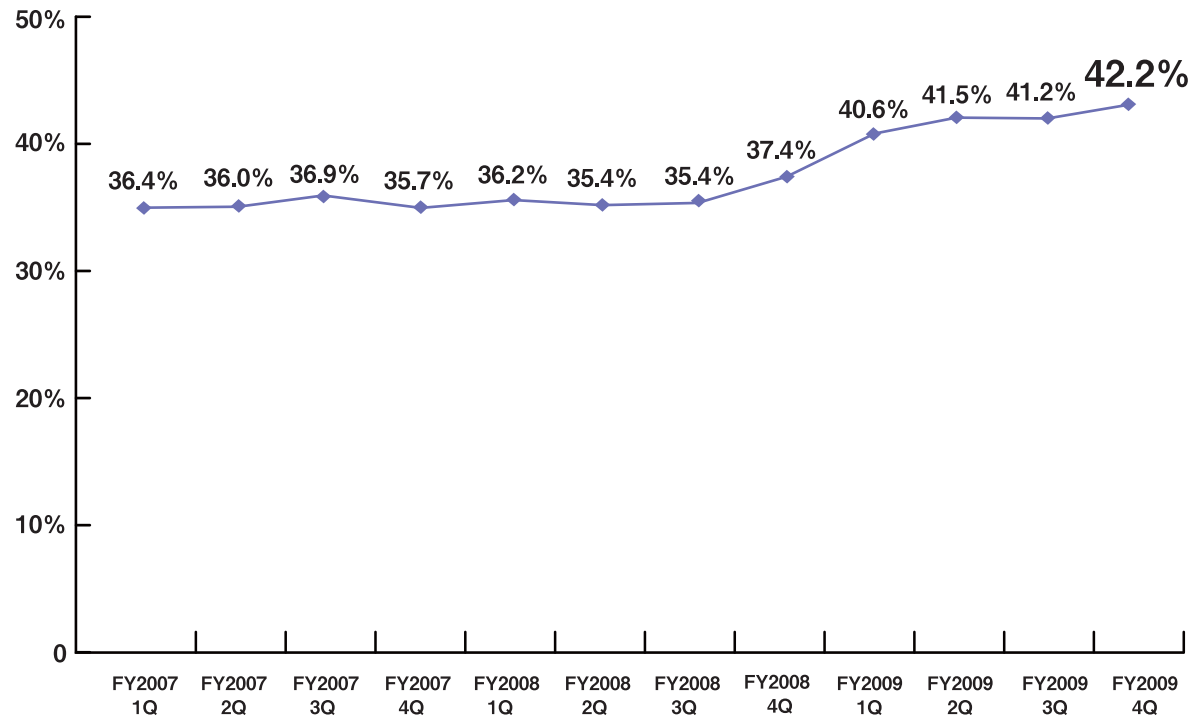


## 2. Achievement Transition

Fact data analysis



### Purchase rate<sup>\*2</sup> of existing active members<sup>\*1</sup>



Both number of existing active members and purchase rate of the members were steadily increasing

\*1

Existing active members: other than new active and reactivated members

\*2

Purchase rate of existing active members  
= Number of existing active members who purchased in current quarter ÷ Number of existing active members

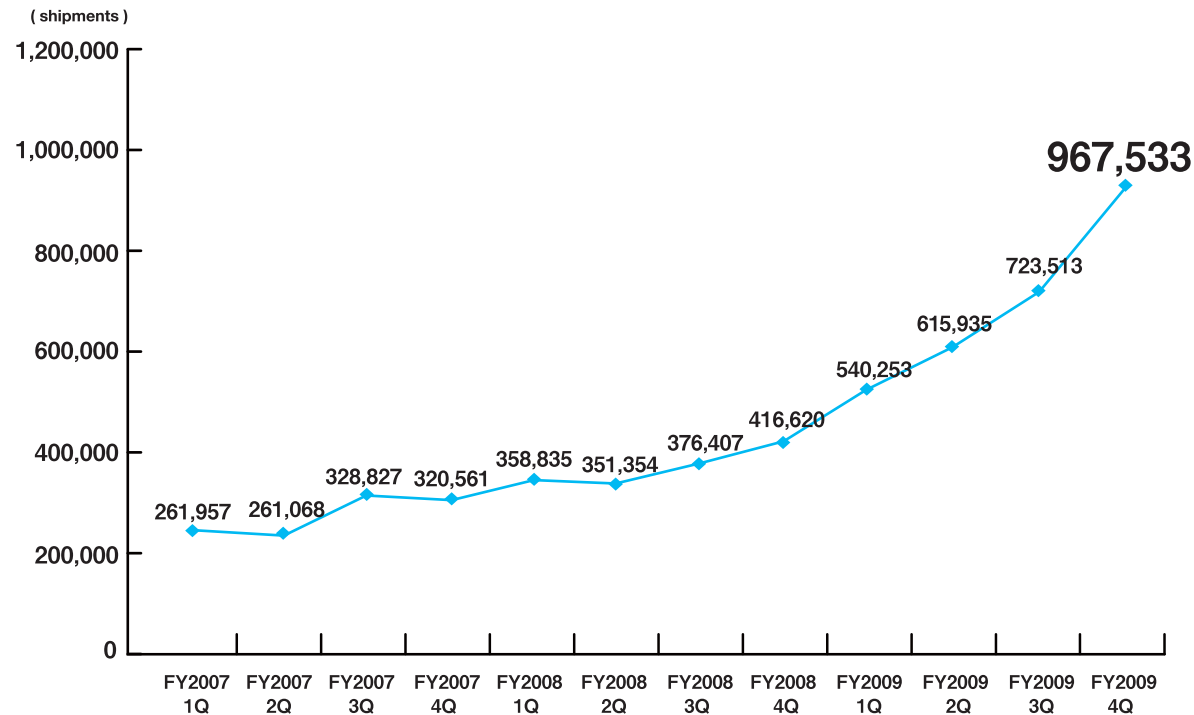


## 2. Achievement Transition

Fact data analysis



### Number of Shipping



**Number of shipments  
beats last year's record  
continues from  
previous quarter**

- +132.2% year-on-year
- Encouraged customers' desire to purchase
  - One-year free shipment campaign
  - Increasing new shops
  - Encouraged more rearrival shipments



## 2. Achievement Transition

Fact data analysis



### Summary

#### Record high

- Net sales
- Transaction value
- Operating income
- Number of members
- Number of new members
- Number of new active members
- Number of recitative members
- Number of active members
- Number of shipping

#### Record low

- Yearly average purchased price per active member



### 3. Forecast Highlights for FY2010



## Consolidated Business Forecasts for FY2010

|                           |                | YoY (%) |
|---------------------------|----------------|---------|
| Net sales                 | ¥23.00 billion | 34.0    |
| Operating income          | ¥4.60 billion  | 42.2    |
| Ordinary income           | ¥4.61 billion  | 42.0    |
| Net income                | ¥2.58 billion  | 38.8    |
| Net income per share      | ¥7,053,57      | –       |
| Dividend per share (plan) | ¥1,750         | –       |

| Breakdown of Sales | Segment                                   |                                       | YoY (%)        |
|--------------------|---|---------------------------------------|----------------|
|                    | EC business                               | Store Planning & Development Business | ¥11.91 billion |
|                    | Store Operation & Administration Business | ¥10.88 billion*                       | 67.8           |
|                    | Others                                    | ¥0.20 billion                         | – 26.2         |
|                    | <b>Total</b>                              | <b>¥23.00 billion</b>                 | <b>34.0</b>    |

\*Include Manufacturer EC Support Business



# Future strategies



START TODAY CO.,LTD.





After “1 Day 1 Million” in a year of challenges,  
new challenge has come into view...

**A year of revolution**

**“555 Revolution.”**

**Industry  
Revolution**

**Consumer  
Revolution**

**Start Today  
Revolution**





## Store Operation & Administration Business

**Target of Transaction Value: ¥40,900 million (+62.0% year-on-year)**

### Commencement of partial operation of inventory-linked system

- Evaluating implementation as first business initiative during the first quarter.
- Plan to commence partial linking to tenant-side inventory (warehouses, retail shops), and not only for inventory in ZOZO.
- By increasing efficiency of inventory management, reduce lost opportunities and fix inadequate matching of supply and demand.
- Even if ZOZO does not have inventory, possible to continue sales at ZOZO sites as long as tenant side has inventory somewhere.

### Portion of brands handled by Store Planning and Development Businesses moved to tenants

- Improve satisfaction of members by reducing inventory risk and expanding the number of brands that were not handled by purchasing alone.
- Increase amount of inventory and aim to expand scale of brand.

### Development of new sector

- Plan to open tenant stores in ZOZOVILLA.
- Expand types of items handled by opening new stores Develop brands with different targets than those of ZOZOTOWN, such as female-office-worker style so called “OL-type style”, Ginza-type ladies style, and gal-type girls style. (i.e., existing ZOZO shops aquagirl and IENA for OL-type style, MIDWEST and ESTNATION for Ginza-type style, and SHEL'TTER for gal-type style).

# Business Plan for FY2010



## Store Planning & Development Business

**Target of Transaction Value: ¥11,000 million (+9.8% year-on-year)\***

\*Calculation based on merchandise sales only.

### Develop and cultivate up-and-coming brands

• Focus on discovering, cultivating and delivering promising brands, and expand scale of each brand.

### Strengthen overseas transactions

- Create an exclusive block for overseas transactions.
- Steadily carry out expansion starting with asos/DOVER STREET MARKET which was opened in the previous fiscal year.

### Improve gross margin rate by strengthening MD

- Communicate more closely with brand side, and focus on supplying more subscription sales and rearrivals of hot-selling products, reproduction, and accepting more orders.
- Curb inventory risk and promote efficient sales.
- Maintain and increase gross margin rate by implementing flexible and strategic sales.



# Business Plan for FY2010



## Manufacturer EC Support Business (B to B Business)

Target of Transaction Value: **¥3,600 million (+154.9% year-on-year)**

### FY2009 results

Commissioned companies: **6** Acquired members: **125,199** Active members: **65,227**

- Rapid increase in number of members and active members. Business results are moving favorably and are on track.
- EC Support Business portion is not added to number of members and active members for ZOZO overall.

### Business scale at new stores is equivalent to previous fiscal year actual results

- SHIPS Co., Ltd.'s our EC opening is scheduled (for June).
- Developing business in a wide range of fashion sectors including major overseas companies.
- Currently maintain contact with multiple companies, several for which probability is quite high.

### Strengthen support for existing support sites

- Establish block dedicated to EC support within the Store Operation & Administration Business.
- Support strengthening of MD through close communication with brand side.





## Transaction Value Target by Member Category

### ZOZO members

Existing members: ¥33.5 billion + New members: ¥18.4 billion = ¥51.9 billion

(Please refer to page 29.)

(Please refer to page 30.)

+

Manufacturer EC members: ¥3.6 billion

( Please refer to page 27.)



**¥55.5 billion**

# Business Plan for FY2010



## Transaction Value Target: Existing Members **¥33.5 billion**

|  |   |  |   |  |
|--|---|--|---|--|
| Number of existing active members: 576,813 (Table I-G) | × | Annual purchase amount per member: ¥58,075 (Table I-H) | = | approx. ¥33.5 billion (excluding B to B) |
|--|---|--|---|--|

Table I

| Items  | Fiscal year when new members acquired |         |         |         |               |           | Notes  |
|--|---------------------------------------|---------|---------|---------|---------------|-----------|--|
|  | FY2009                                | FY2008  | FY2007  | FY2006  | Before FY2006 | Total     |  |
| A Members acquired (include withdrawn members) | 780,795                               | 460,965 | 353,293 | 235,570 | 251,357       | 2,081,975 |  |
| B Number of active members                     | 447,159                               | 138,476 | 99,614  | 68,320  | 49,615        | 803,184   |  |
| C Active rate (%)                              | 57.3                                  | 30.0    | 28.2    | 29.0    | 19.7          | 38.6      | Stable movement since year after acquisition |
| D Annual purchase amount per member (¥)        | 27,362                                | 57,406  | 62,095  | 72,130  | 79,767        | 43,895    | Increase since year after acquisition        |
| E Total purchase amount (¥ million)            | 12,235                                | 7,949   | 6,186   | 4,928   | 3,958         | 35,256    |  |

**FY2009  
Results**

|   |         |         |        |        |        |         |                                    |
|---|---------|---------|--------|--------|--------|---------|------------------------------------|
| F Estimated active rate (%)             | 33.5    | 25.3    | 25.5   | 26.6   | 18.1   | 27.7    | F = C × (1)                        |
| G Number of active members              | 261,919 | 116,560 | 90,157 | 62,585 | 45,592 | 576,813 | G = A × F                          |
| H Annual purchase amount per member (¥) | 48,658  | 59,420  | 62,195 | 74,207 | 78,389 | 58,075  | H = D × (2) * Total amount = I / G |
| I Total purchase amount (¥ million)     | 12,737  | 6,922   | 5,604  | 4,641  | 3,594  | 33,498  | I = G × H                          |

\*Purchase amount does not include B to B transactions.

Table II

|     | Items  | 1st - 2nd year | 2nd - 3rd year | 3rd - 4th year | 4th - 5th year | 5th year and after | Notes  |
|-----|--|----------------|----------------|----------------|----------------|--------------------|--|
| YoY | (1) Change rate of estimated active rate (%) | 59%            | 84%            | 91%            | 92%            | 92%                | Significant decrease in year after acquisition, but stable movement from second year |
|     | (2) Annual purchase amount per person (%)    | 178%           | 103%           | 100%           | 103%           | 99%                | Increase since year after acquisition  |

\*Calculation of change rate of active rate for years elapsed and year-on-year annual purchase amount per person is based on average for past three years.

**FY2010  
Estimates**



# Business Plan for FY2010



## Transaction Value Target: New Members **¥18.4 billion**

|   |   |                            |   |  |   |  |
|---|---|----------------------------|---|--|---|--|
| Number of new members acquired: 150 million | × | Estimated Active Rate: 44% | × | Annual purchase amount per member: ¥28,000 | = | <b>¥18.4 billion</b><br>(excluding B to B transaction) |
|---|---|----------------------------|---|--|---|--|

## New Member Target: 150 million

|   | As of April 20, 2010 | April 2009 | April 2008 | Notes   |
|---|----------------------|------------|------------|---|
| Members acquired (person)                         | 29,730               | 35,547     | 31,326     | -   |
| Advertising and sales promotion costs (¥ million) | 32                   | 50         | 29         | -   |
| Member acquisition unit cost (¥)                  | 1,078                | 1,422      | 937        | •Member acquisition will be made more efficient in third quarter of 2011<br>•No decrease of efficiency in acquisition due to discontinuation of free shipping |

|   | FY2010 Estimate | FY2009  | FY2008  | FY2007  | Notes  |
|---|-----------------|---------|---------|---------|--|
| Net increase in members                           | 1,500,000       | 763,229 | 447,030 | 339,051 | -  |
| Advertising and sales promotion costs (¥ million) | 2,100           | 1,034   | 403     | 378     | •Investment of ¥2.1 billion in advertising and sales promotion |
| Member acquisition unit cost (¥)                  | 1,400           | 1,355   | 903     | 1,115   | •Member acquisition unit cost is conservative.                 |

## Estimated Active Rate: 44%, Annual purchase amount per person: ¥28,000

|                                | As of April 20, 2010 | April 2009 | April 2008 | Notes  |
|--------------------------------|----------------------|------------|------------|--|
| Average delivery unit cost (¥) | 13,655               | 12,487     | 13,503     | Significant recovery of average shipping unit cost due to discontinuation of free shipping |

|                                       | FY2010 Estimate | FY2009 | FY2008 | FY2007 | Notes   |
|---------------------------------------|-----------------|--------|--------|--------|---|
| Active rate (%)                       | 44%             | 57%    | 47%    | 55%    | •Estimated active ratio and Annual purchase amount per person are conservative. |
| Annual purchase amount per person (¥) | 28,000          | 27,379 | 32,310 | 34,103 |   |



# Business Plan for FY2010



## Working toward “Fashion EC” = “START TODAY” Entering into second-hand market

### Cooperation with Crown Jewel, Inc.

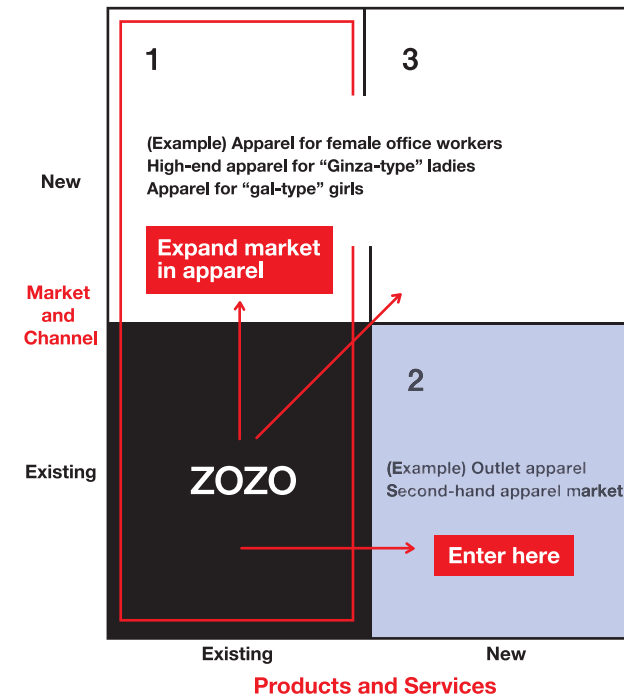
•Investment with Crown Jewel, Inc., a subsidiary of CyberAgent that operates an auction site “CROWN JEWEL,” specializing in popular fashion items.

### Expand market in apparel industry

•Use our know-how cultivated in apparel EC business and Crown Jewel’s know-how gained in the apparel auction business, and promote development of business in the second-hand apparel market.

### Advantage of capital tie-up

- Develop business in second-hand market at sites other than ZOZO.
- Expect effect of enclosing customers through “Buy at ZOZO, Sell at ZOZO.”
- Crown Jewel specializes in fashion and handles similar brands, so it is easy to match to existing ZOZO members and also possible to send customers from ZOZO.





# Business Plan for FY2010



## Forecast for FY2010

|                   |                 | YoY change (%) |
|-------------------|-----------------|----------------|
| Net sales         | ¥23,000 million | 34.0           |
| Transaction value | ¥55,500 million | 49.8           |
| Ordinary income   | ¥4,610 million  | 42.0           |

### Breakdown of Transaction Value

|   |                 | YoY change (%) |
|---|-----------------|----------------|
| Store Planning & Development Business     | ¥11,000 million | 9.8            |
| Store Operation & Administration Business | ¥40,900 million | 62.0           |
| Manufacturer EC support business          | ¥3,600 million  | 154.9          |



# Future strategies



## Mid-term Vision

### Mid-term Target of the Company

Transaction value **¥100 billion**  
Ordinary income **¥10 billion**

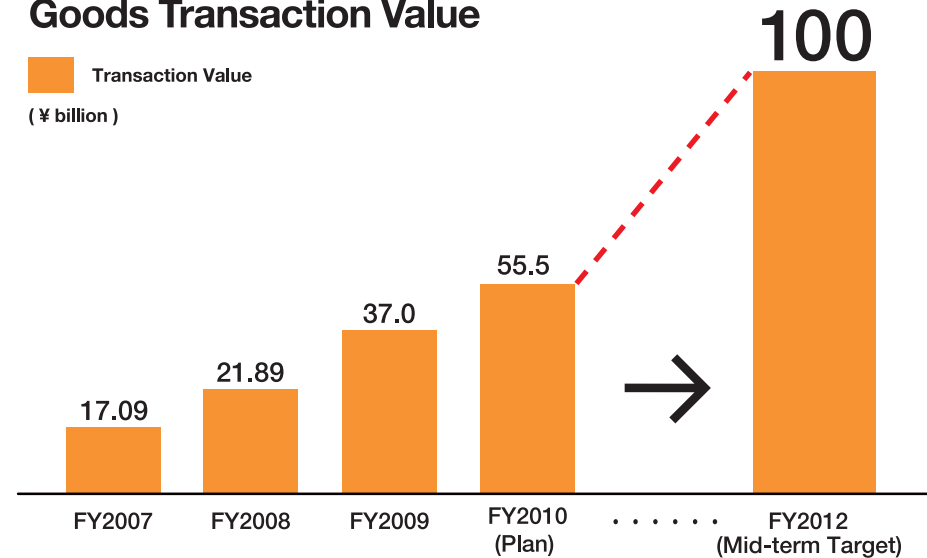
High-Fashion EC  
“ZOZORESORT”



**Fashion EC**  
“START TODAY”

### Mid-term Target for Goods Transaction Value

Transaction Value  
( ¥ billion )

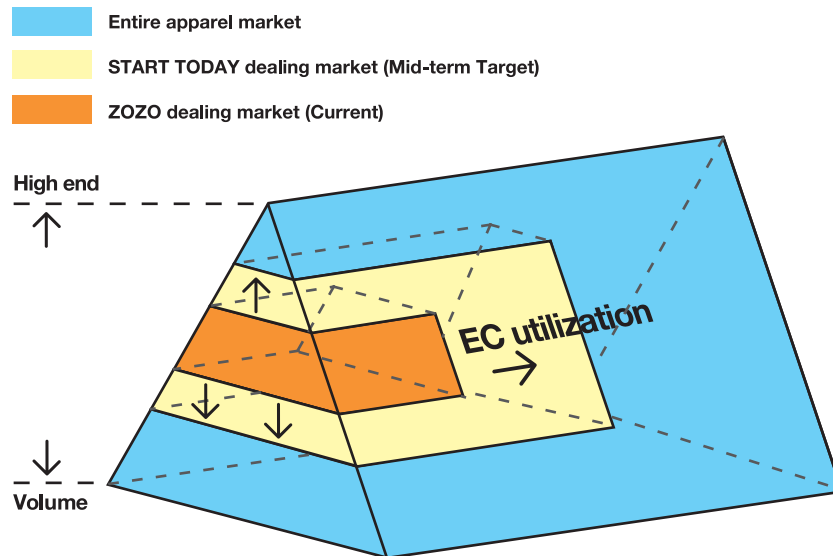


# Future strategies



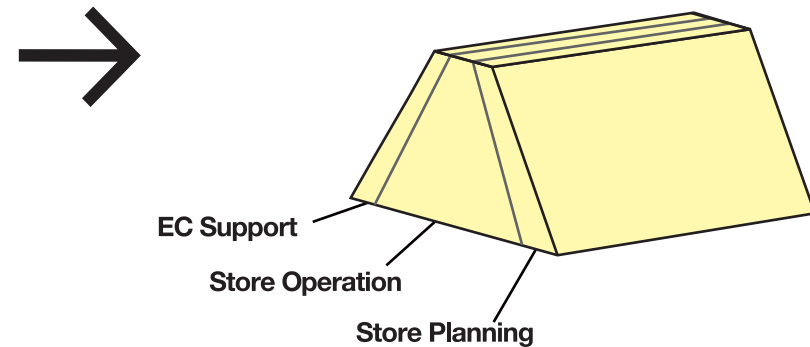
## Strategy of Market Expansion

Not only ZOZORESORT expansion is promoted focusing on the fashion EC market but also expansion to various fashion fields is accelerated through EC support.



Mid-term Target for Goods Transaction Value

**¥100 billion**



# Reference data



START TODAY CO.,LTD.

WB6 WEST 16F 2-6 NAKASE MIHAMA-KU CHIBA 261-7116 JAPAN

# 1. Business Outline

Outline of business



想像 (SOZO : Imagination) & 創造 (SOZO : Creation) + Internet

# ZOZO RESORT

Business Domain: High-sense Fashion

6 Services: Buy, Find, Gather, Decorate, Ask, Convey



# 1. Business Outline

Outline of business



## A summary and a characteristic of each service

### ZOZOTOWN

- The largest hi-sense fashion shopping mall
- System, design, logistics  
— originally developed and operated
- Solid relationship with the brands carried,  
ex) Inventory data connection

### ZOZONAVI

- 4,700 real-life apparel shops introduction
- Electronic Dictionary of fashion information
- Variety of information from shops
- 115,994 patterns of coordinated styles  
recommended by shops
- Induce customers by search navigation services

### ZOZOGALLERY

- PC and mobile wallpaper & screen saver  
download service of popular brands

### ZOZOPEOPLE

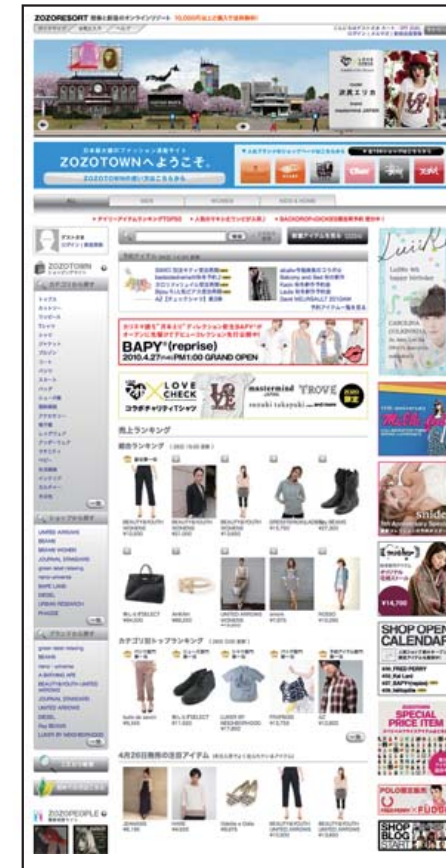
- Website specializing in the distribution  
of information about people, journals and items
- Users can share information among themselves

### ZOZOQ&A

- Everyday problems can be solved in a  
highly responsive way among users

### ZOZOARIGATO

- Posted message contributions



# 1. Business Outline

Outline of business



# 1. Business Outline

Outline of business



## Our Strengths

- **The largest apparel EC in Japan**
- **Dominant position in high-fashion field**
- **Holding of our own EC-related functions: System, Design, Logistics, etc.**
- **Accompanied by original fashion information media**
- **Very loyal members with a fifty-fifty male-to-female ratio**
- **Solid relationship with business partners**





## 2. Structure of corporate profits

Profit Structure



### EC Business

#### Store Planning & Development Business (Direct Sales)

Launched 46 original shops such as “EPROZE” and “QUNIEE” in ZOZOTOWN.  
Purchase and sell inventory from brand manufacturer.

**Sales = Transaction value on each shops**

#### Store Operation & Administration Business (Consignment Sales)

Operating 116 online shops, such as “United Arrows,” “BEAMS,” etc., in ZOZOTOWN:  
On commission basis without any inventory risk.

**Sales = Transaction value on each shops × Commission rate**

#### B to B Business

Manufacturer Site Support: Established a subsidiary Start Today Consulting, Co., Ltd. in May 2008.

**Sales = Transaction value on each manufacture × Commission rate**



## 2. Structure of corporate profits

Profit Structure



### Others

#### Media Business

Advertisement using front pages and search results

**Sales = Advertisement charge**

#### Credit Card Business

Issue “ZOZOCARD” (tied-up with POCKET CARD CO., LTD.)

**Sales = Cashing balance × Commission rate + Shopping amount × Commission rate**

#### Others

Initial store opening charge, paid membership service “ZOZOPREMIUM”, etc.



**This material was made only for understanding the business of the company and not for offering to solicit investment.**

**The future outlook of the business results, etc. described in this material was judged by the company based on the information currently available, and include various uncertainties. Actual results may differ from the future outlook.**

