



FY2011

April 1,2011- March 31,2012

Consolidated Business Results

Business Performance



FY2011 Highlights

1. Transaction value increased 43.2% year on year. Net sales also marked the highest value.

- Transaction value : ¥ 81,814 million (+ 43.2 % year on year)
- Net sales : ¥ 31,806 million (+ 33.6 % year on year)
- Operating profit : ¥ 7,704 million (+ 31.7 % year on year)

2. Total acquired members and active members both significantly exceeded the target.

- Members : 4,675,834 (FY2010: + 1,542,743)
- Active members : 1,961,018 (FY2010 : + 744,320)

3. 139 new store openings

Number of stores as of March 31, 2012

- Consignment Sales : 347 stores (FY2010 : + 149 stores)
- Purchased Stock : 42 stores (FY2010 : - 8 stores)

4. B to B Business supported the opening of 7 stores throughout the year.

- Number of stores as of March 31, 2012 : 21

5. Market division has been transferred to the First Section of the Tokyo Stock Exchange, Inc.

- Effective : February 29, 2012





Overview of FY2011

(¥ million)

Item	FY2011	FY2010	YoY Change (%)	Target	Percent completion
Transaction Value	81,814	57,131	+ 43.2%	84,000	97.4%
Net sales	31,806	23,801	+ 33.6%	32,200	98.8%
Operating profit	7,704	5,851	+ 31.7%	8,560	90.0%
Recurring profit	7,617	5,865	+ 29.9%	8,570	88.9%
Net income	4,634	3,103	+ 49.3%	4,800	96.5%



Transaction Value

Transaction value for FY2011: ¥81.8billion

Consignment transaction value for FY2011: ¥62.6 billion

BtoB business transaction value for FY2011: ¥7.3 billion

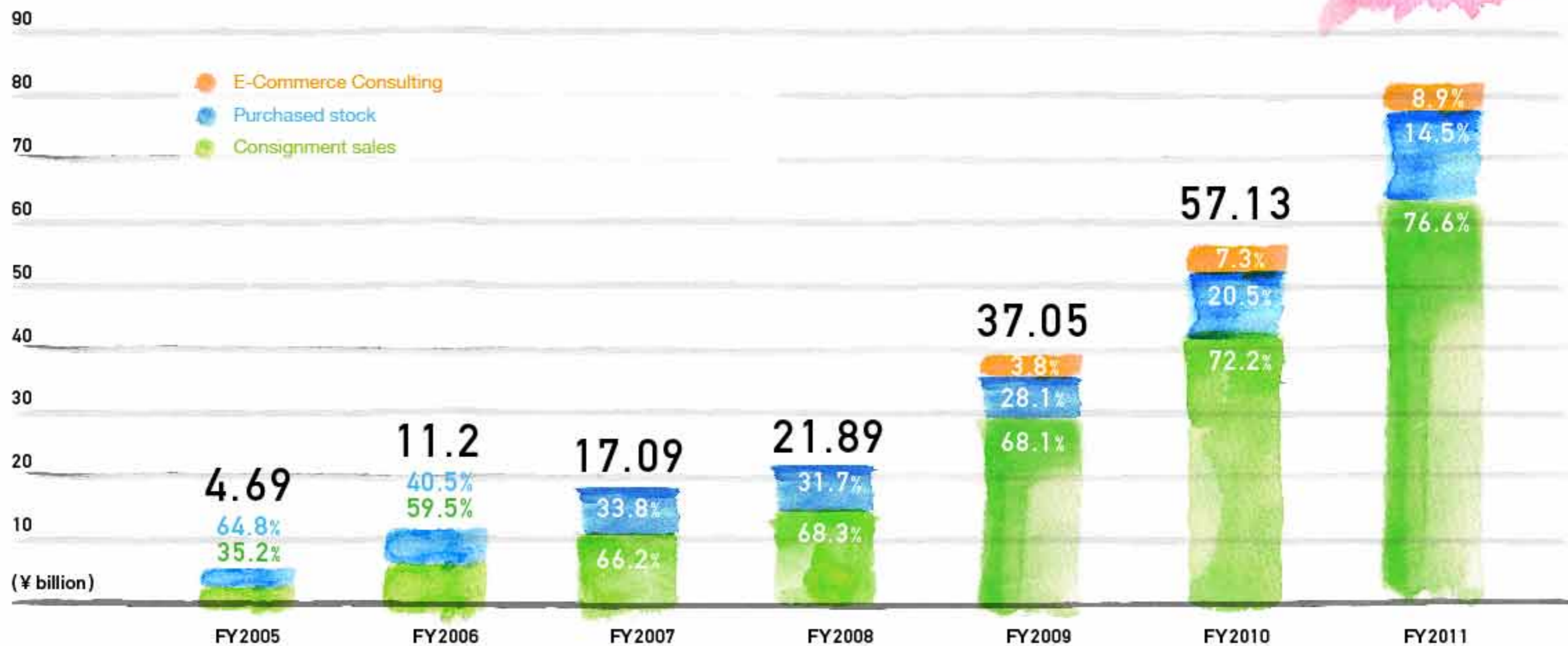
+ 43.2 % year on year

Gross transaction value of new shops for FY2011

• ZOZOTOWN: ¥6.2 billion, 7.7 % of the transaction value

• BtoBbusiness : ¥0.4 billion, 0.5 % of the transaction value

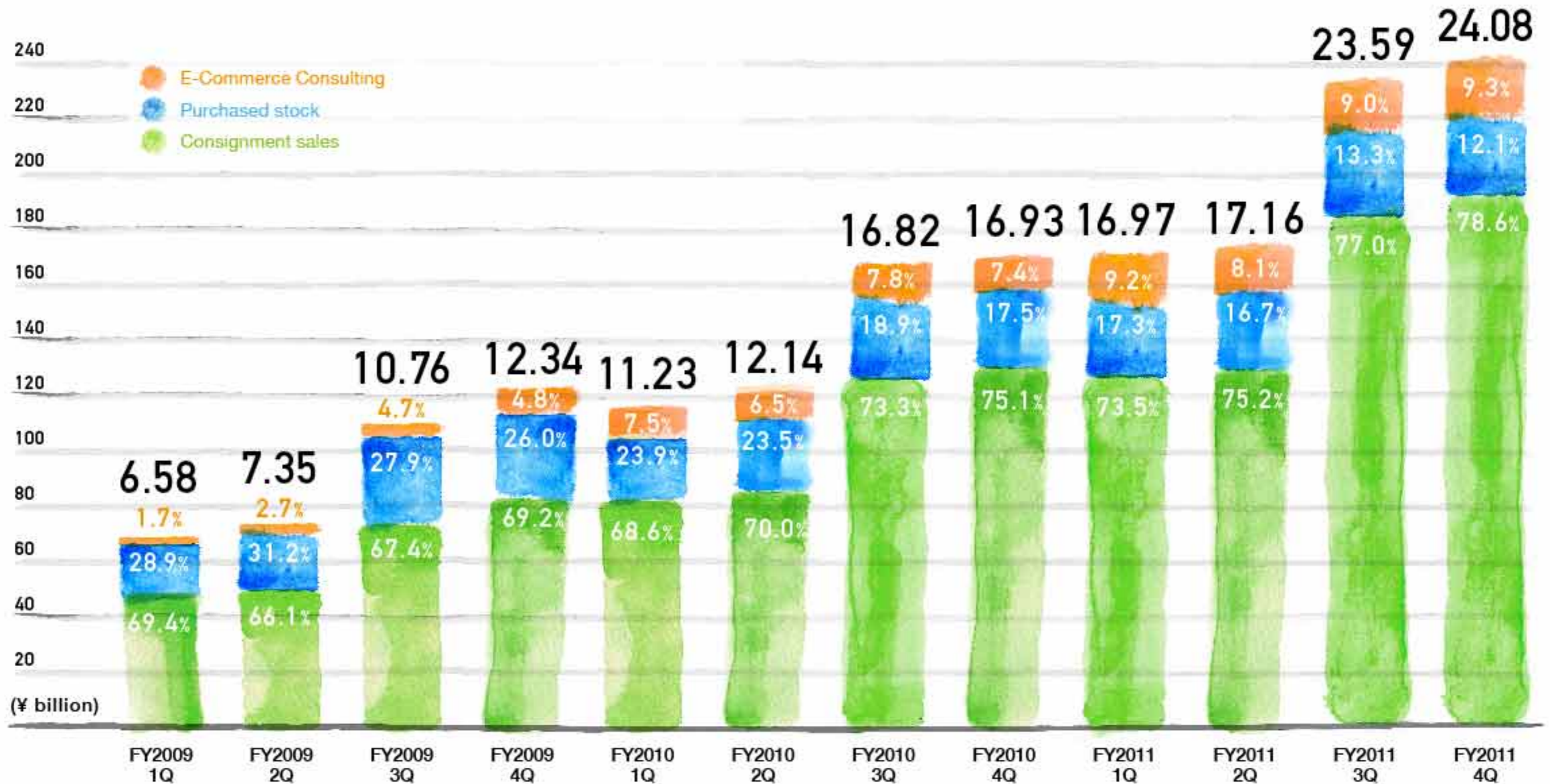
81.81





Transaction Value (Quarterly)

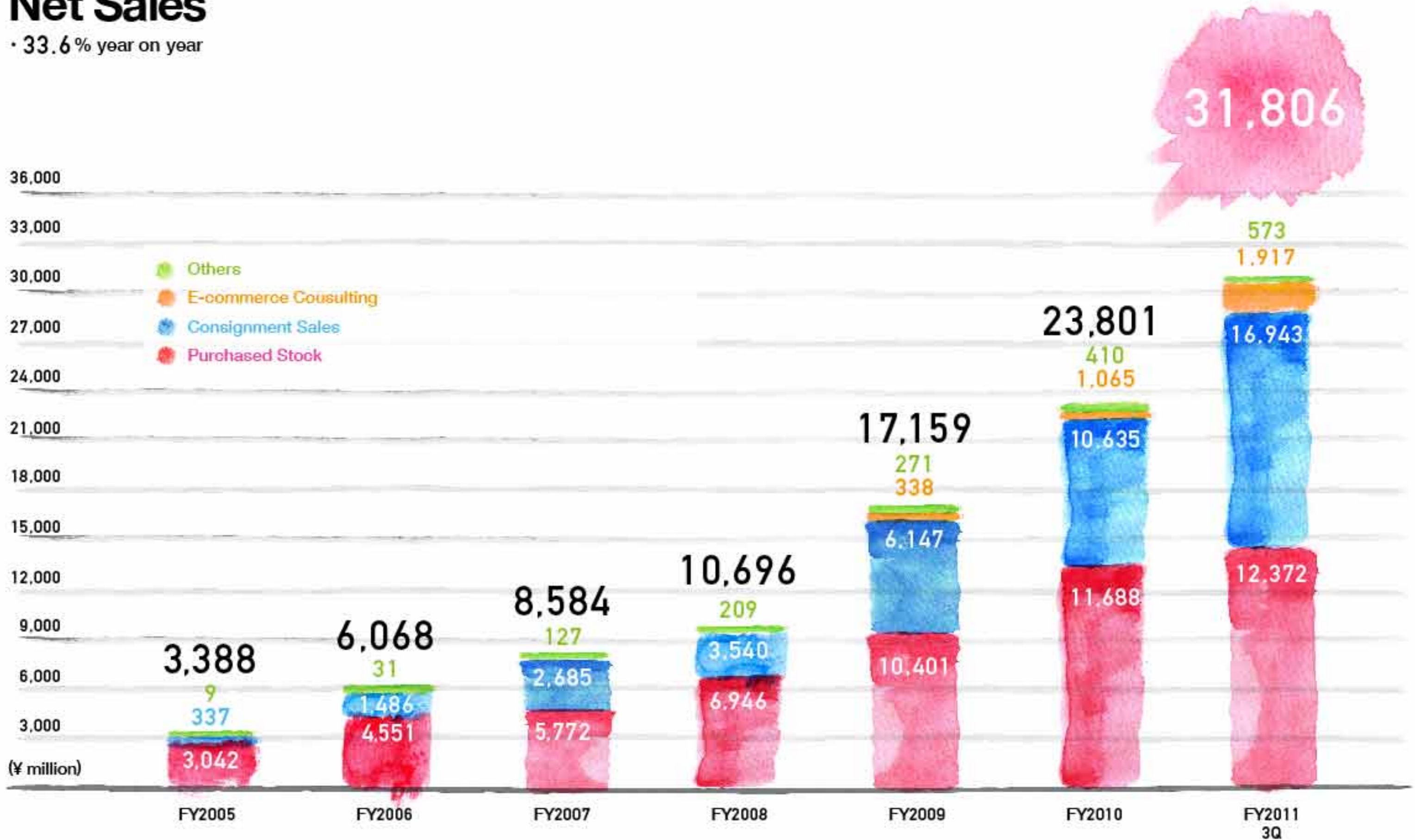
•+¥ 7.14 billion (+ 42.2%) year on year





Net Sales

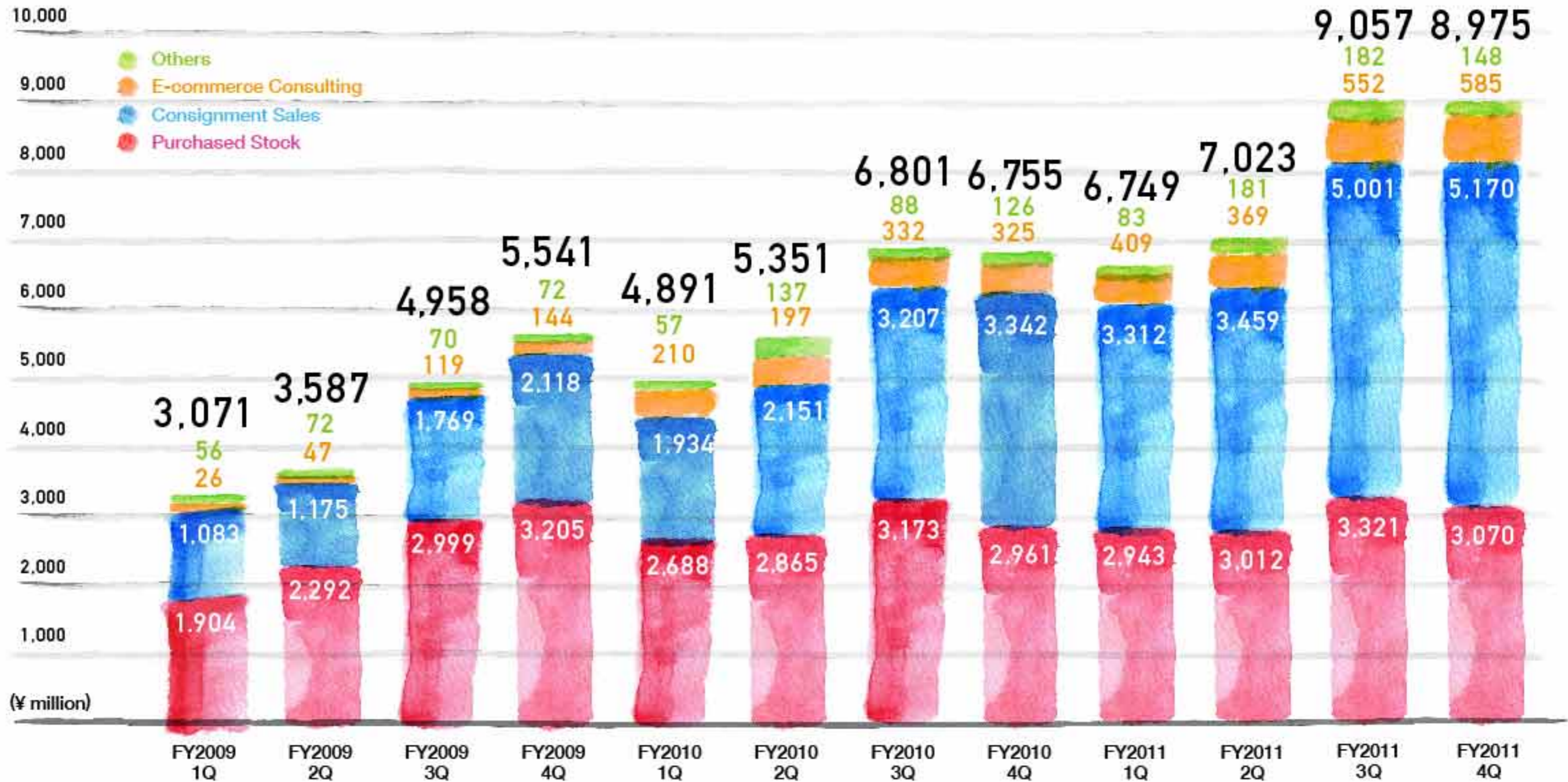
• 33.6% year on year





Net Sales (Quarterly)

• Consignment Sales: + 54.7% , E-commerce Consulting + 79.9% year on year





Selling, General and Administrative (SG&A) Expenses



(¥ million)

Item	FY2011			FY2010			YoY change	
	Amount	% Transaction value	% of total	Amount	% Transaction value	% of total	% Transaction value (PPS)	% of total (PPS)
Payroll	3,017	3.7	18.2	2,032	3.6	19.4	0.1	-1.2
Shipping	2,232	2.7	13.5	1,367	2.4	13.1	0.3	0.4
Payment collection	1,773	2.2	10.7	1,191	2.1	11.4	0.1	-0.7
Advertising	2,219	2.7	13.4	2,459	4.3	23.5	-1.6	-10.1
point sales promotion	2,667	3.3	16.1	810	1.4	7.7	1.8	8.4
Outsourcing	1,473	1.8	8.9	574	1.0	5.5	0.8	3.4
Others	3,164	3.9	19.1	2,040	3.6	19.5	0.3	-0.4
Total SG&A	16,548	20.2	100	10,475	18.3	100	1.9	-

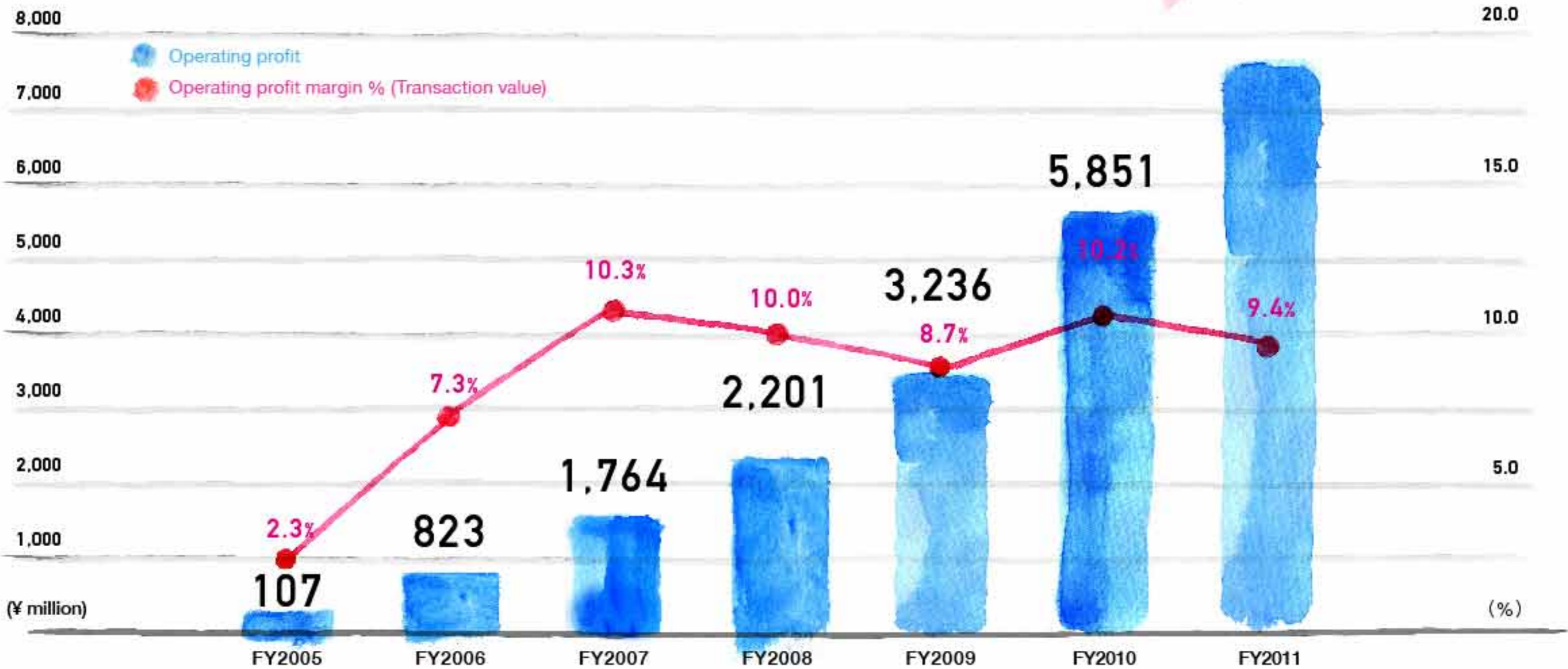
*Payroll includes subcontracting payroll.



Operating Profit and Operating Profit Margin (% Transaction value)

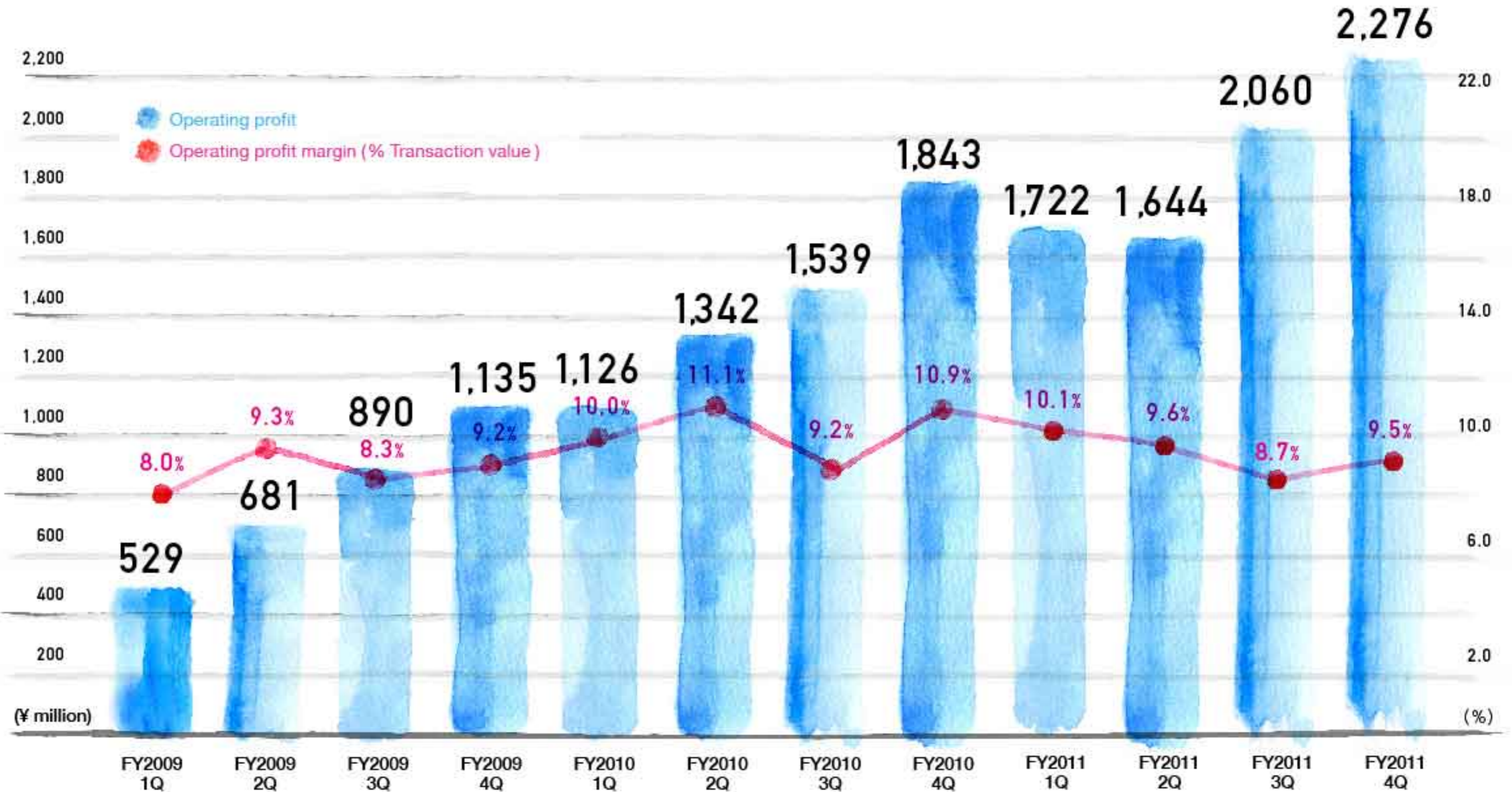
• Operating profit : + 31.7 % year on year

7,704





Operating Profit and Operating Profit Margin (Quarterly)





Cash Flows



(¥ million)

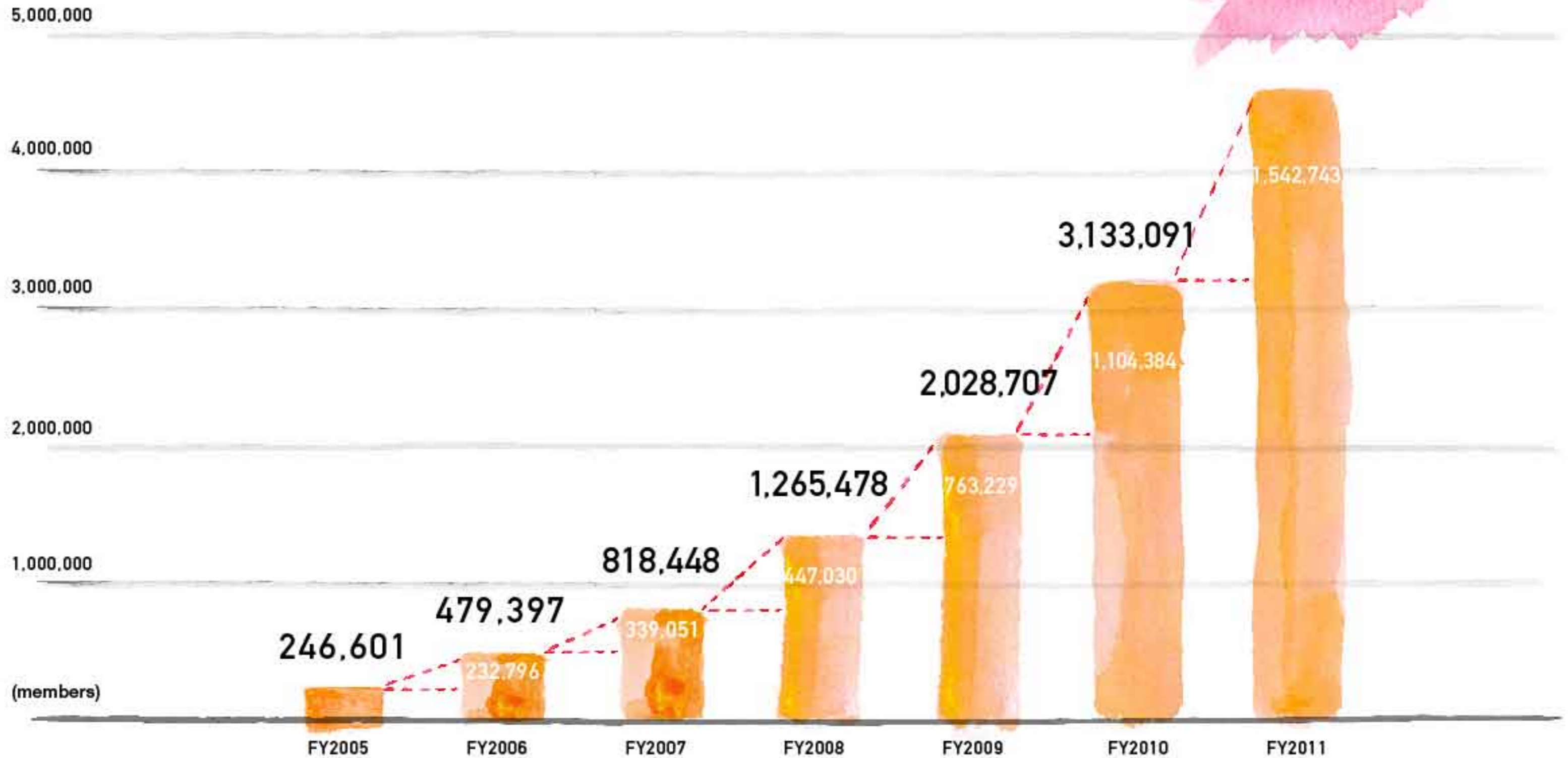
Item	FY2011	FY2010	YoY	Reasons for the change
Cash flows from operating activities	5,222	3,935	1,287	Increase of net income and tax payment
Cash flows from investing activities	-1,220	-586	-634	Acquisition of additional shares of an affiliate (Crown Jewel Co.,Ltd)
Cash flows from financing activities	-157	-462	304	Dividend payment
Cash and cash equivalents at end of year	13,888	10,039	3,848	—

Fact Data Analysis



Total Members

• New members for FY2011 : 1,542,743 members
• + 49.2% members year on year

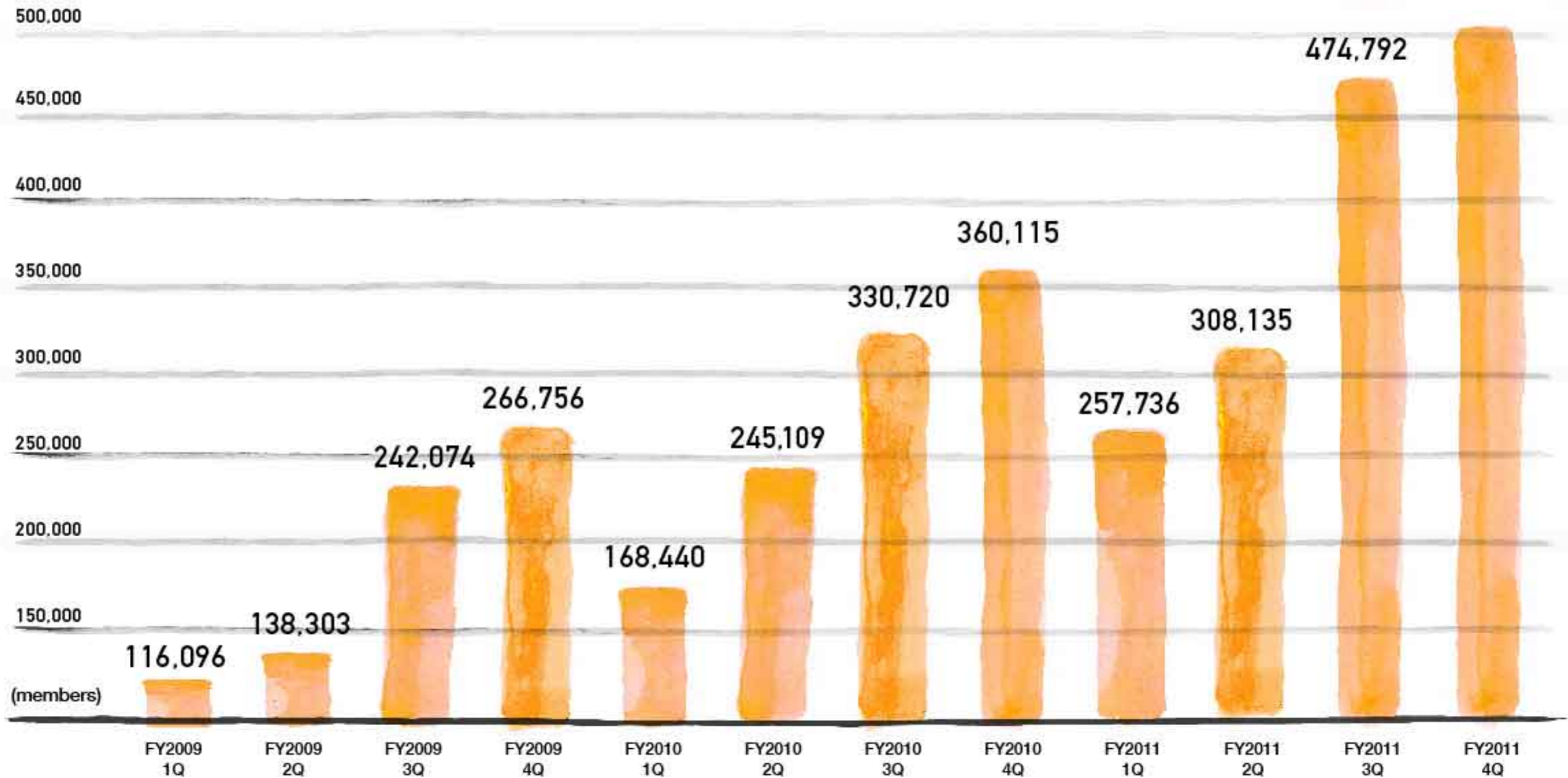




New Members (Quarterly)

• +39,4% year on year

502,080

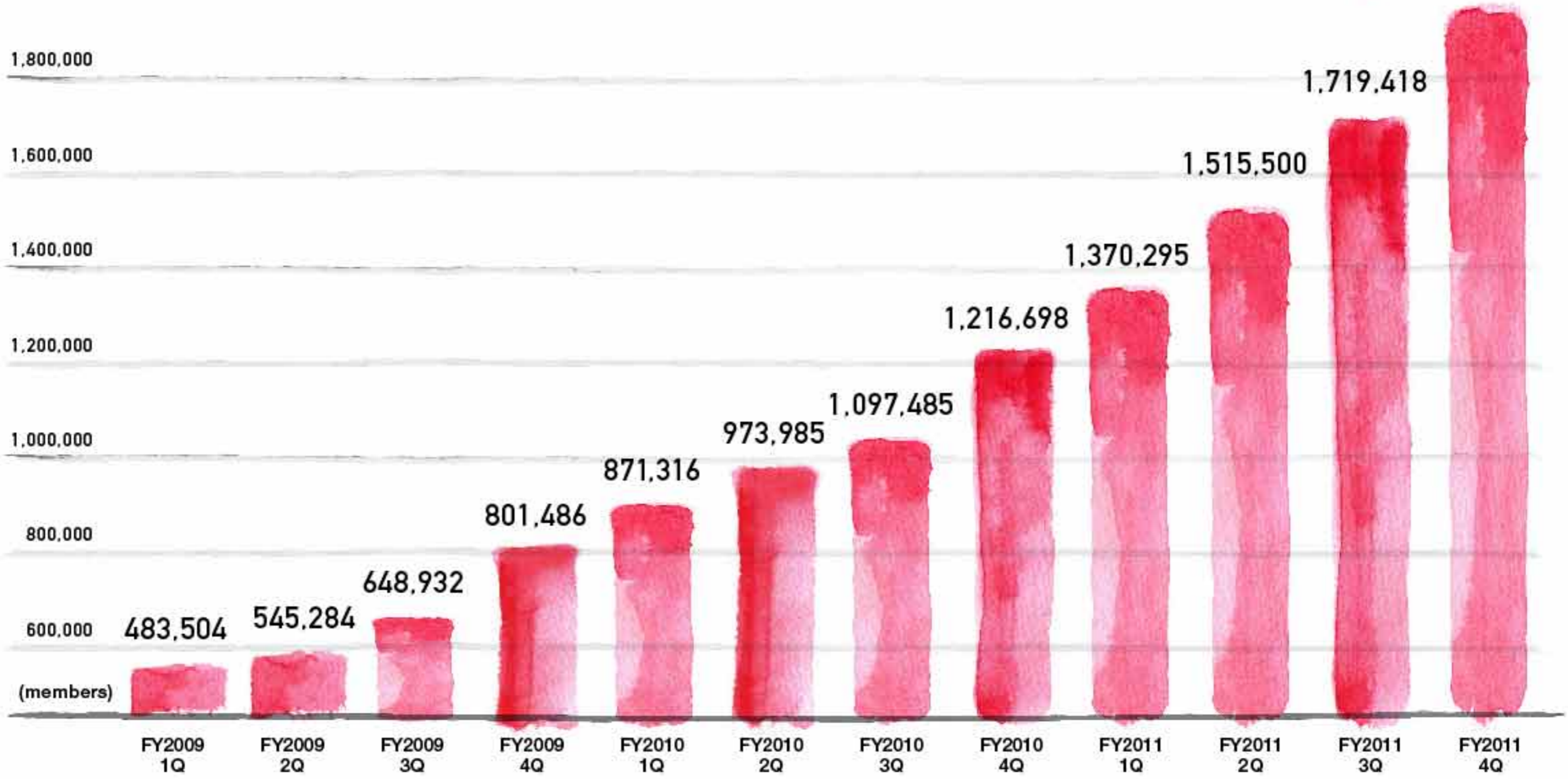




Active Members (Quarterly)

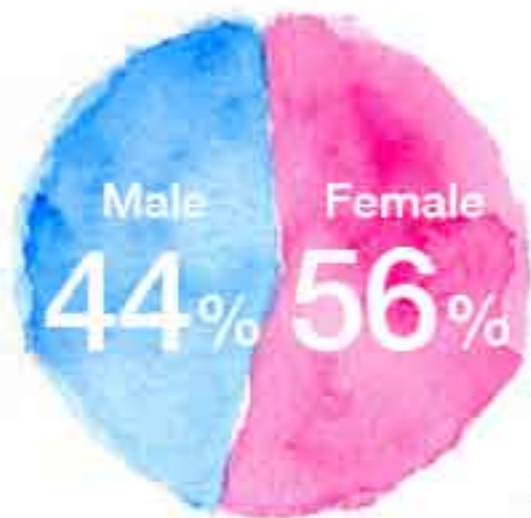
Active members = Members who have made at least one purchase within a year

+ 744,320 members year on year (+ 241,600 members quarter on quarter)

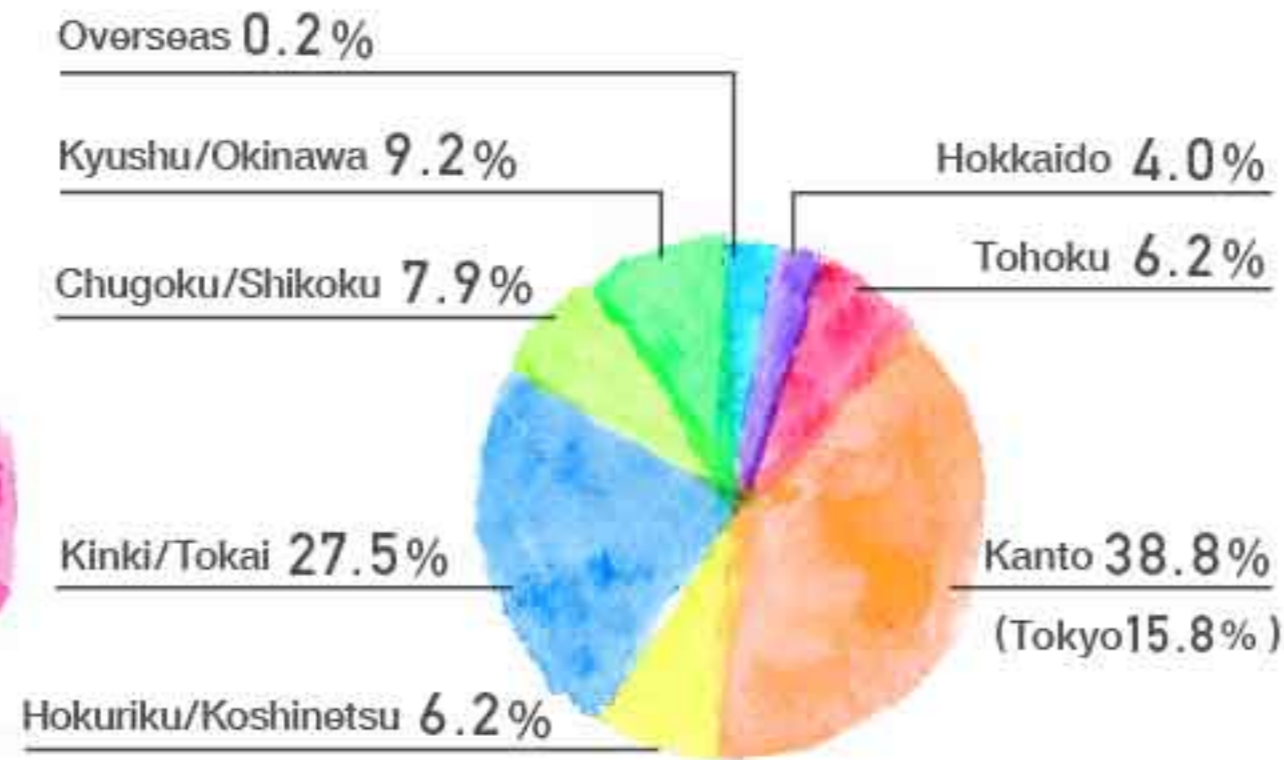




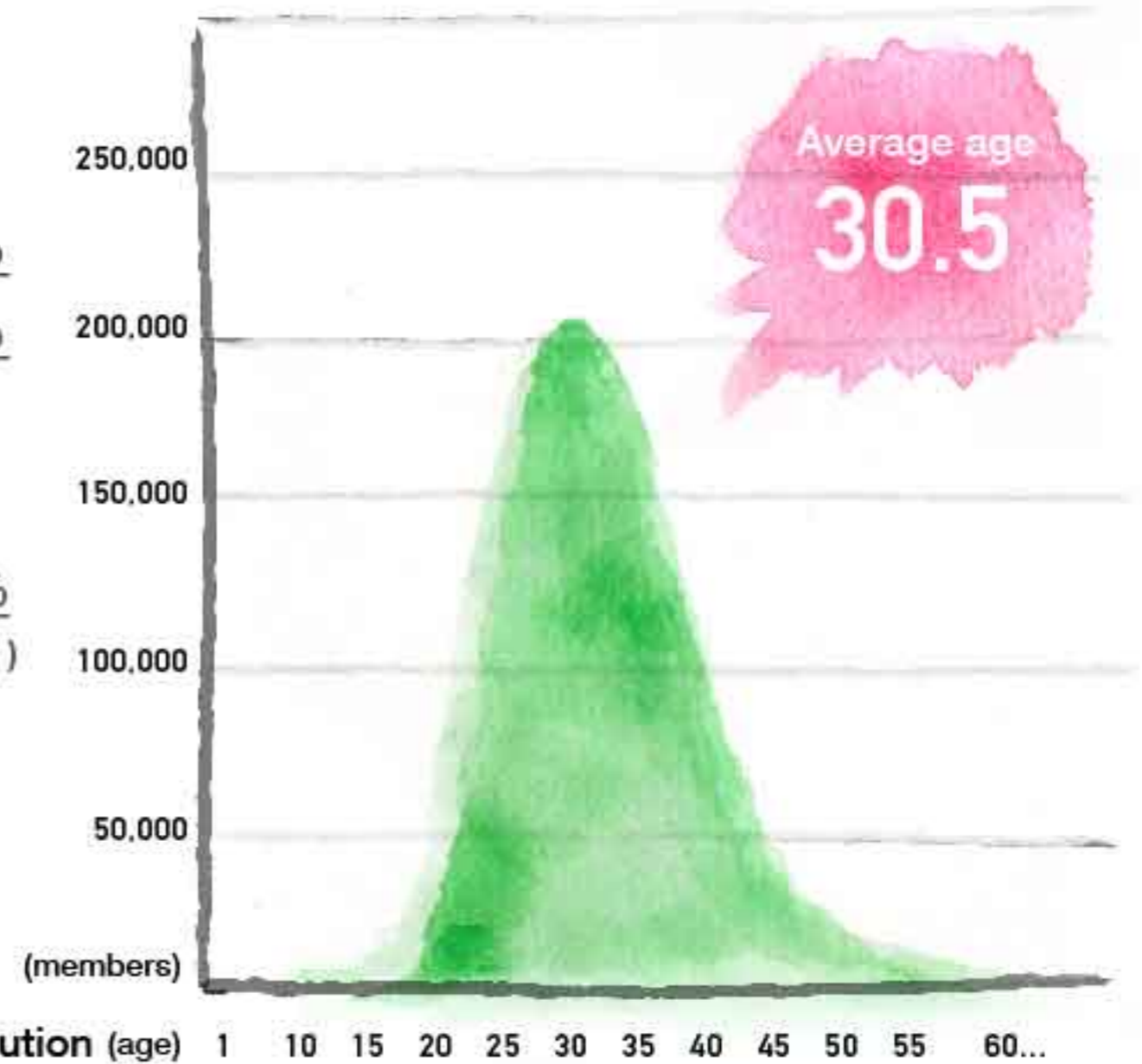
Member Distribution (As of March 31, 2012)



Gender ratio



Geographical distribution



Age distribution (age) 1 10 15 20 25 30 35 40 45 50 55 60... (members)

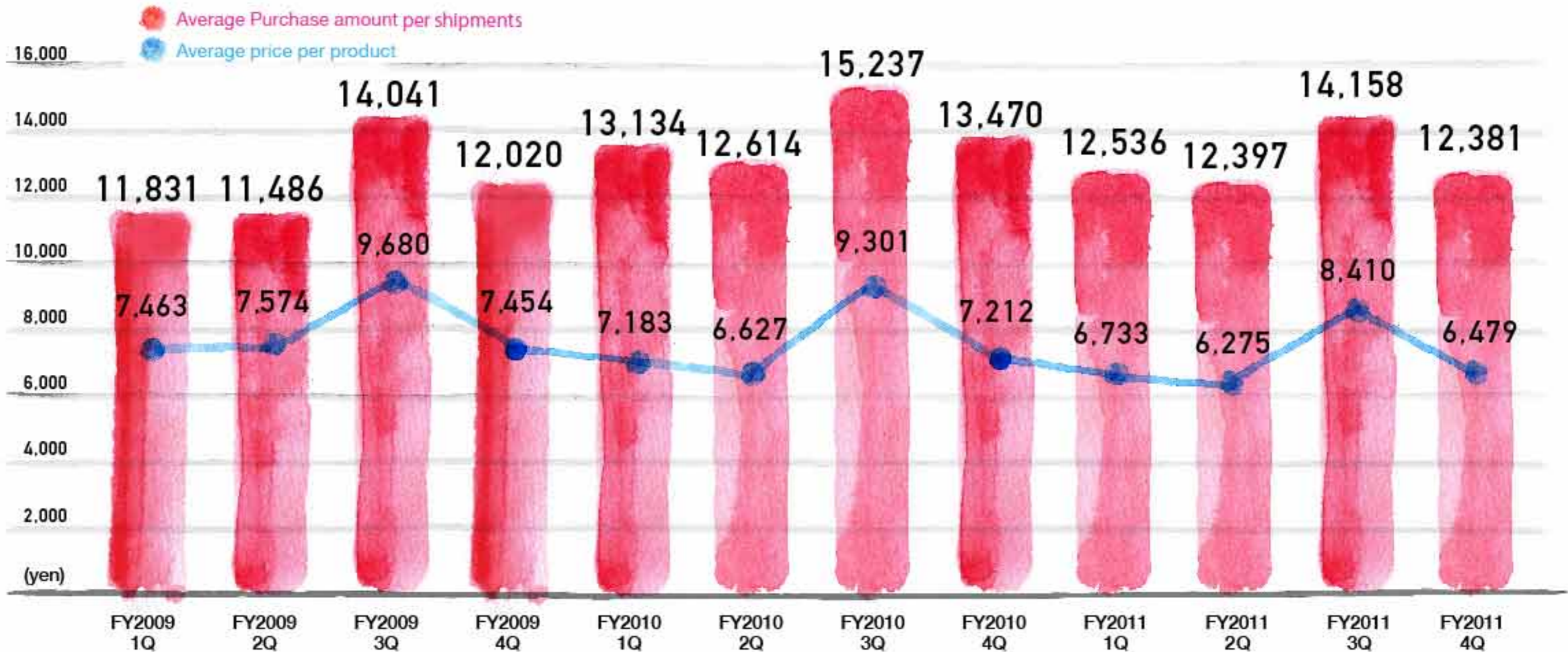


Average Purchase Amount per Shipment and Average Price per Product

Average purchase amount per shipment = Transaction value / Number of shipments

- Average Purchase amount per shipment Q4 FY2011: ¥ 12,381 (-8.1 % year on year)
- Average price per product Q4 FY2011 : ¥ 6,479 (-10.2 % year on year)

* Q1 FY2011 Transaction value and number of shipments for ZOZOTOWN-charity T-shirts are excluded
(Reference: Average purchase amount per shipment including the charity t-shirts: ¥ 11,891/
average price per product: ¥ 6,379)



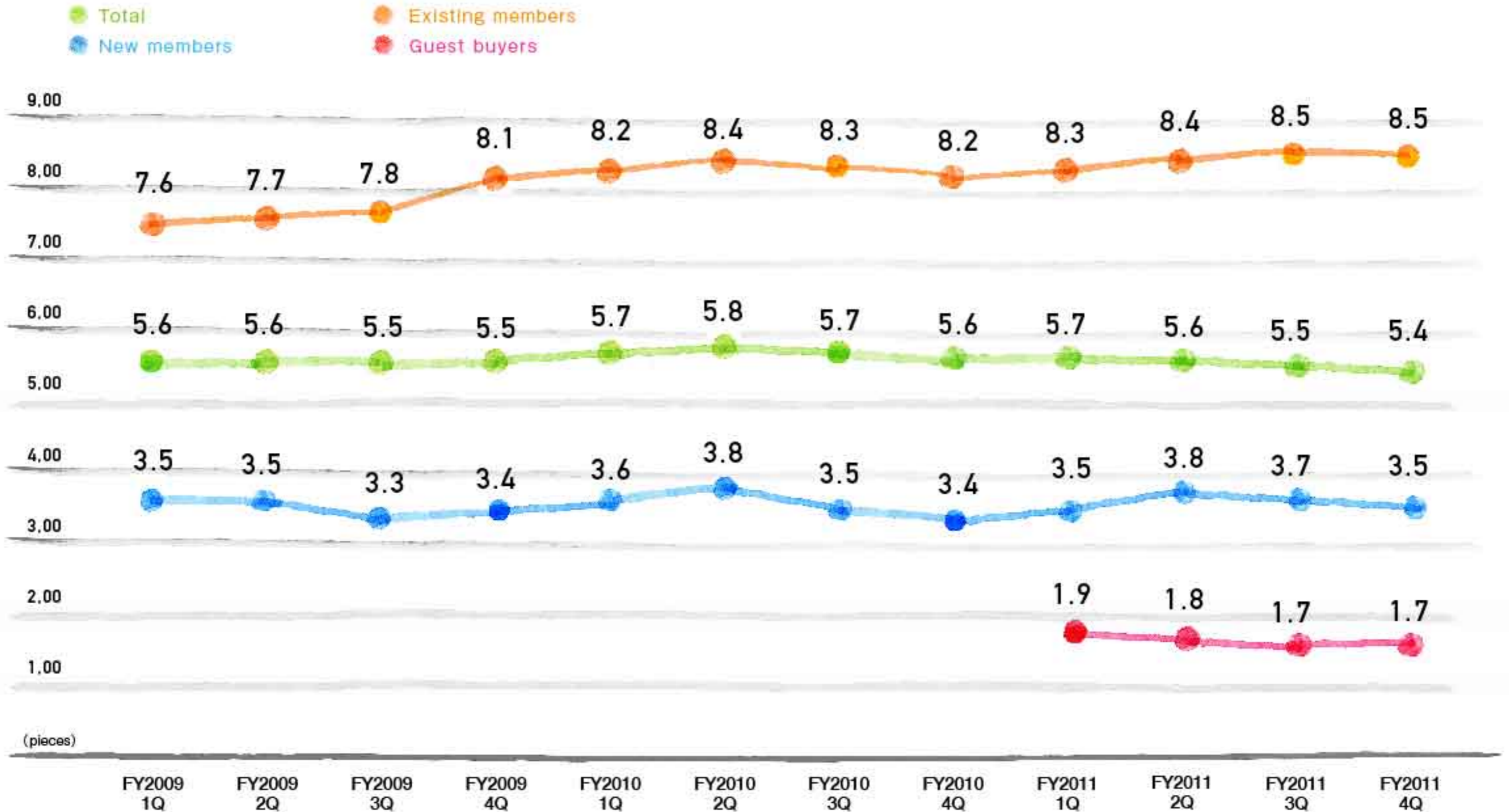


Annual Purchase Amount per Active Member





Annual Purchase Pieces per Active Member

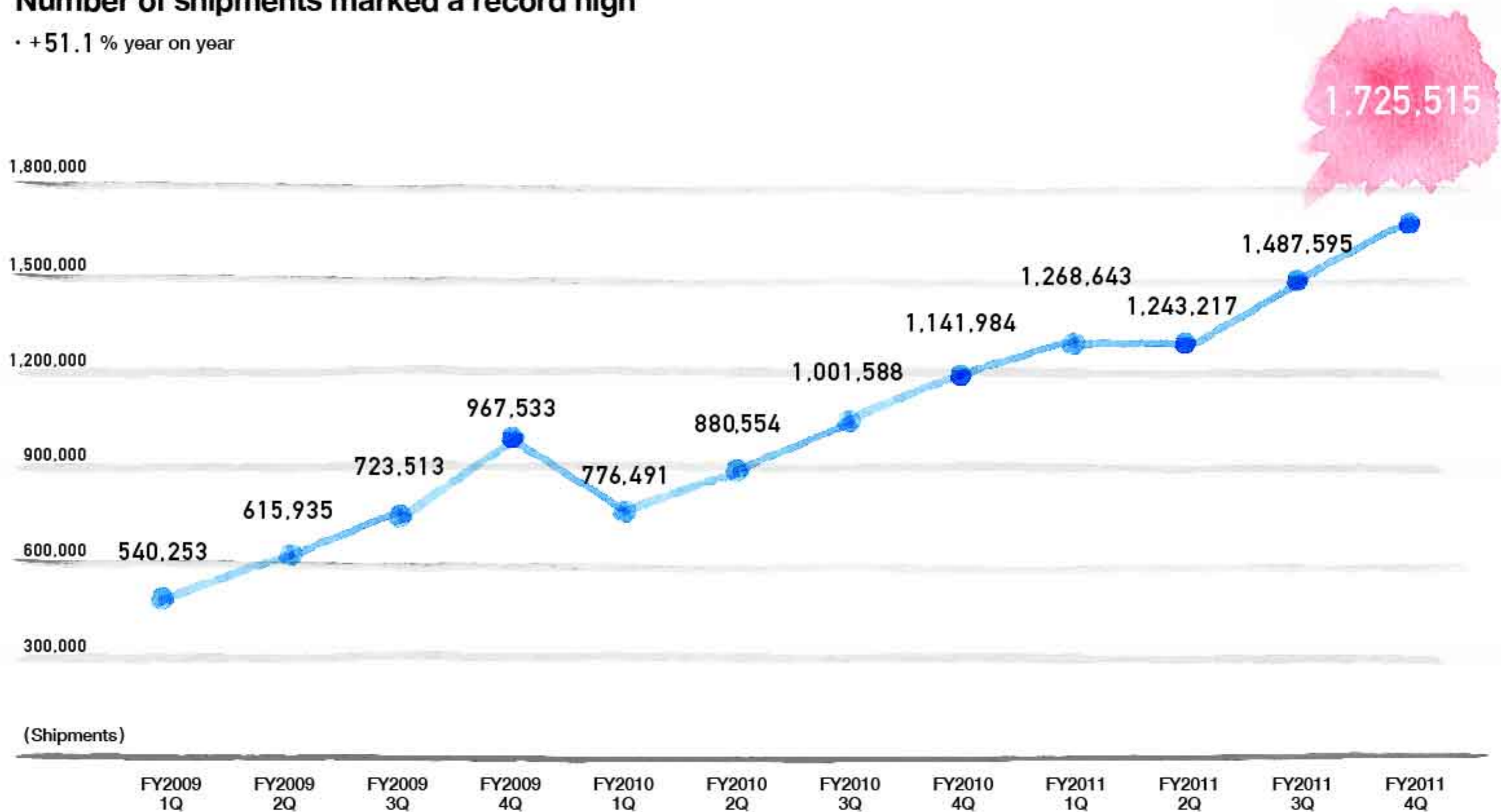




Number of Shipments

Number of shipments marked a record high

• +51.1 % year on year



(Shipments)



Transaction Value Target by Member Type

Transaction Value Target for New Members : ¥ 16.5 billion

New members	FY2011			Difference	FY2010
	Target	Result	(Of which are guest buyers)		
New members (person)	-	1,542,743	(379,203)	-	1,104,375
Active members (person) *	660,000	1,100,213	(379,203)	440,213	662,570
Ratio of active members to new members (%)	-	71.3%	(100.0%)	-	60.0%
Annual purchase amount per member (¥)	25,000	19,555	(12,269)	- 5,445	25,590
Total purchase amount (¥million)	16,500	21,514	(4,652)	5,014	16,955

Transaction Value Target for Existing Members : ¥ 60.0 billion

Existing members	FY2011		Difference	FY2010
	Target	Result		
Total members as of March 31, 2010 (resigned members included)	3,133,360	3,133,360	-	2,081,975
Active members (person) *	904,800	873,355	- 31,445	562,684
Ratio of active members to existing members (%)	28.9%	27.9%	- 1.0%	27.0%
Annual purchase amount per member (¥)	66,313	58,950	- 7,363	62,327
Total purchase amount (¥million)	60,000	51,484	- 8,516	35,070

※ The active members is the numbers of member who made a purchase during FY2010 (including withdrawn members as at FY2010 end)

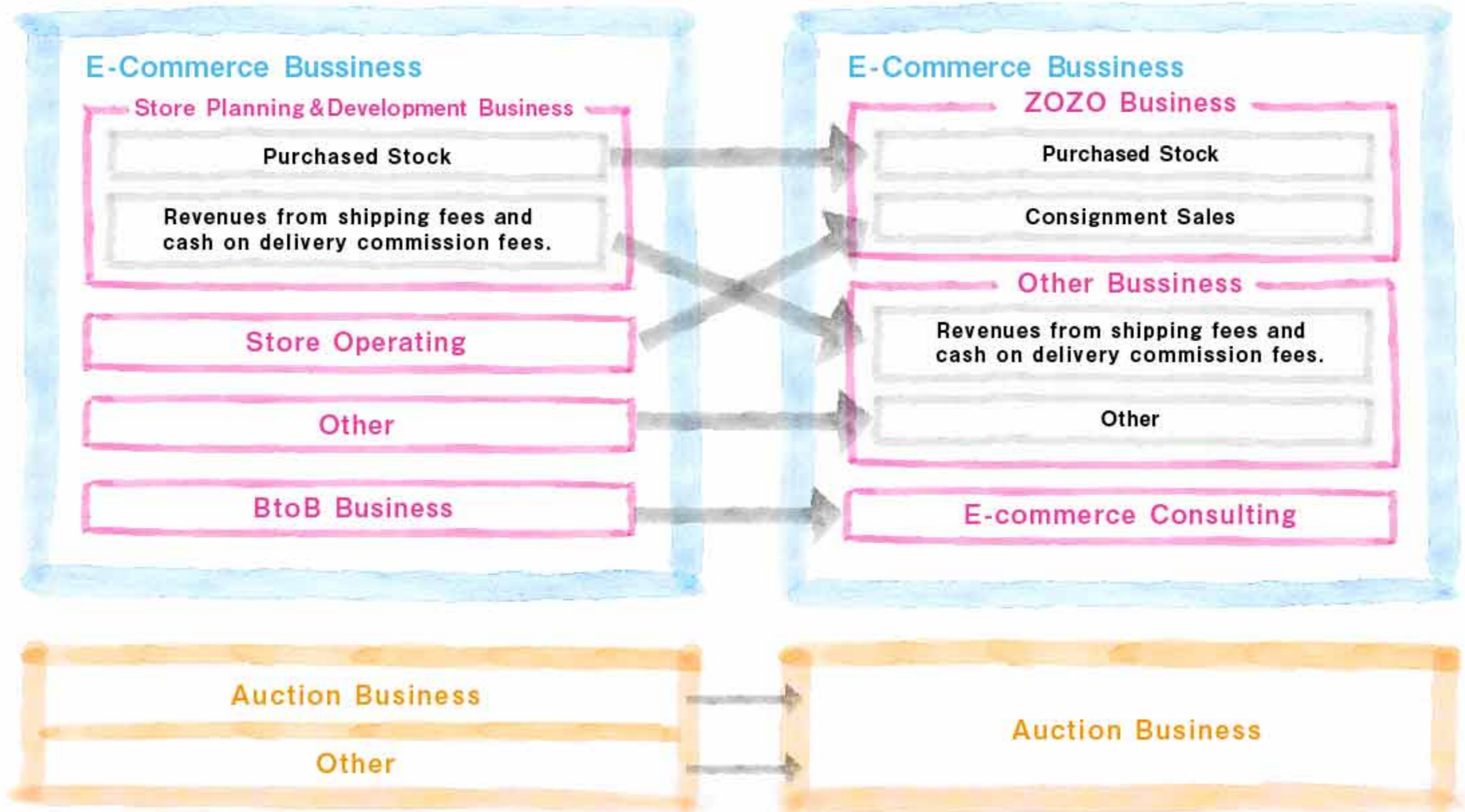
Business Plan for FY2012



Change in Business Segment

FY2011

FY2012

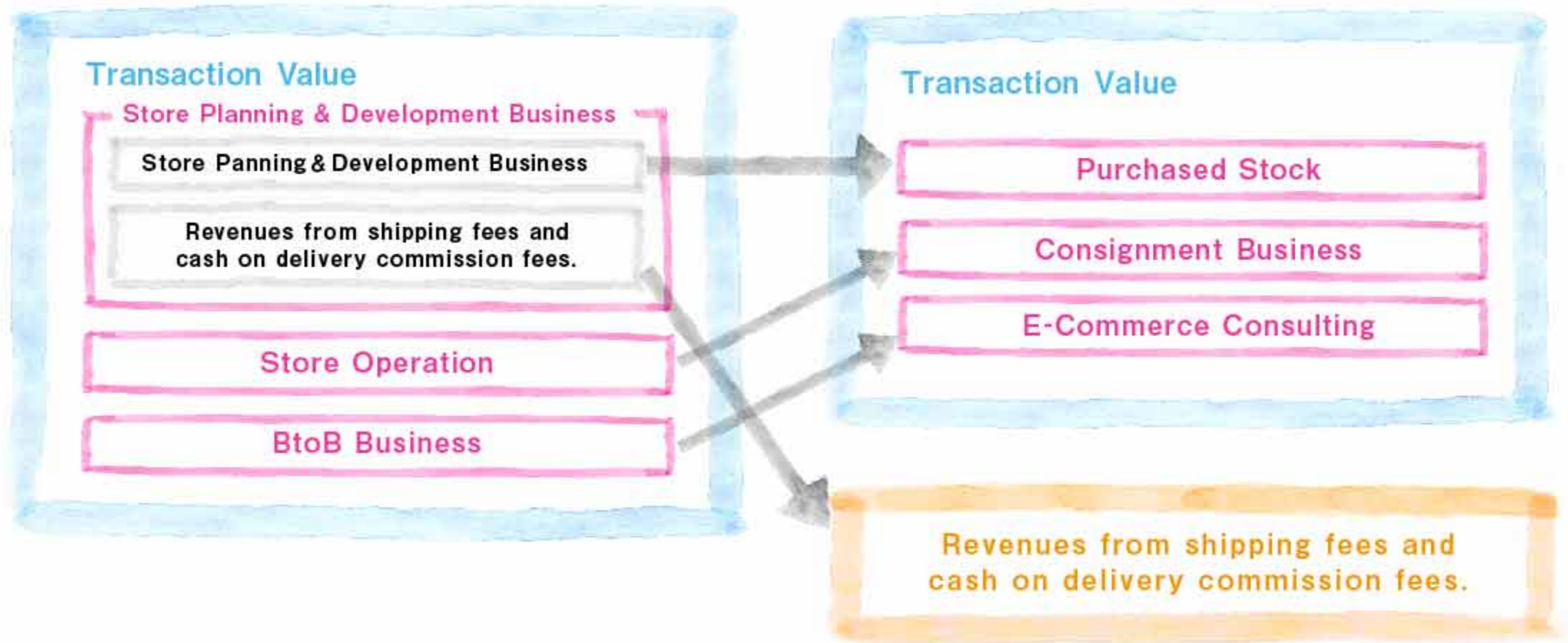




Range Change of Transaction Value

FY2011

FY2012



Starting from FY2012, these will be excluded from the transaction value.



Consolidated Business Forecast and Dividend Forecast for FY2012

	Business Plan for FY2012	YoY change (%)
Transaction value	¥ 111.5 billion	38.9
Net sales	¥ 41.7 billion	31.1
Operating profit	¥ 10.4 billion	35.5
Recurring profit	¥ 10.4 billion	37.1
Net income	¥ 6.3 billion	37.5
Earning per share	¥ 58.0	—
Dividend per share (estimate)	¥ 15.0	—



Consignment Sales

Transaction Value Target : ¥91,500 million (+46.1% year on year)

- Continue to open new stores and expand fashion territory.
- Renewed the organization of E-Commerce Business Division and enhanced satisfaction of brands in ZOZOTOWN.

Purchased stock

Transaction Value Target : ¥8,500 million (-17.3% year on year)*

- Continue discovering, cultivating and delivering promising brands, expanding scale of each business.

E-Commerce Consulting

Transaction Value Target : ¥11,500 million (+57.0% year on year)

- Continue opening new consignment shops. Several contracts have already been confirmed.
- Enhance the scheme for interlocking actual stores and E-commerce.





Transaction Value Target by Member Category

ZOZO members

Number of estimated active members : 1,182,500 ×
Estimated annual purchase amount per member: ¥57,451 = approx. ¥67.9 billion

Number of estimated new members : 1,075,319 ×
Annual purchase amount per member : ¥23,008 = ¥24.7 billion

Guest buyers : 676,394 ×
Estimated annual purchase amount per guest buyer : ¥10,836 = ¥7.3 billion



E-Commerce Consulting ¥11.5 billion



111.5 billion



Overseas Operations



China

China's business made sales from Japanese fashion items imported from Japan. From now on, we are planning to make sales by consignment from Japanese fashion brands who are developing business in China.

Korea

Establishing a branch office in Korea this fiscal year. Aiming to develop aggressively in Korea to raise awareness of Japanese fashion brands.

Global Website

Sales are running smoothly mainly in Asia. Continue marketing research to develop ZOZOTOWN in different countries.

The background is a watercolor-style wash. The upper portion is dominated by various shades of teal and turquoise, with some darker, more saturated areas. The lower portion transitions into shades of pink and light red, also with some darker, more saturated areas. The overall effect is soft and artistic.

Future Strategies



Mid-to and Long-term Vision

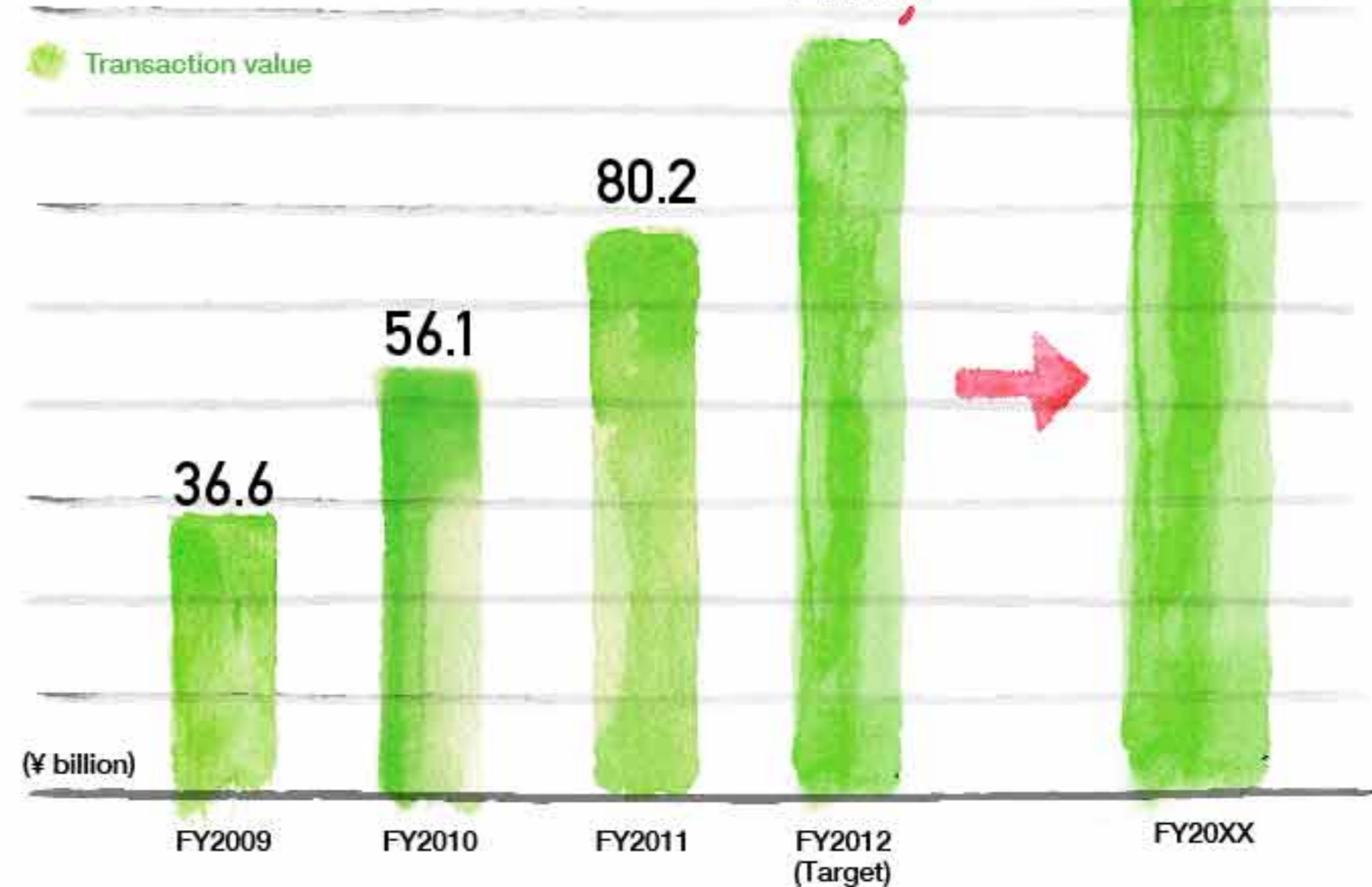
Mid-to and Long-term target of START TODAY

FY20XX term

Transaction value **500** billion
Recurring profit **50** billion



Mid-to and Long-term Target for Transaction Value

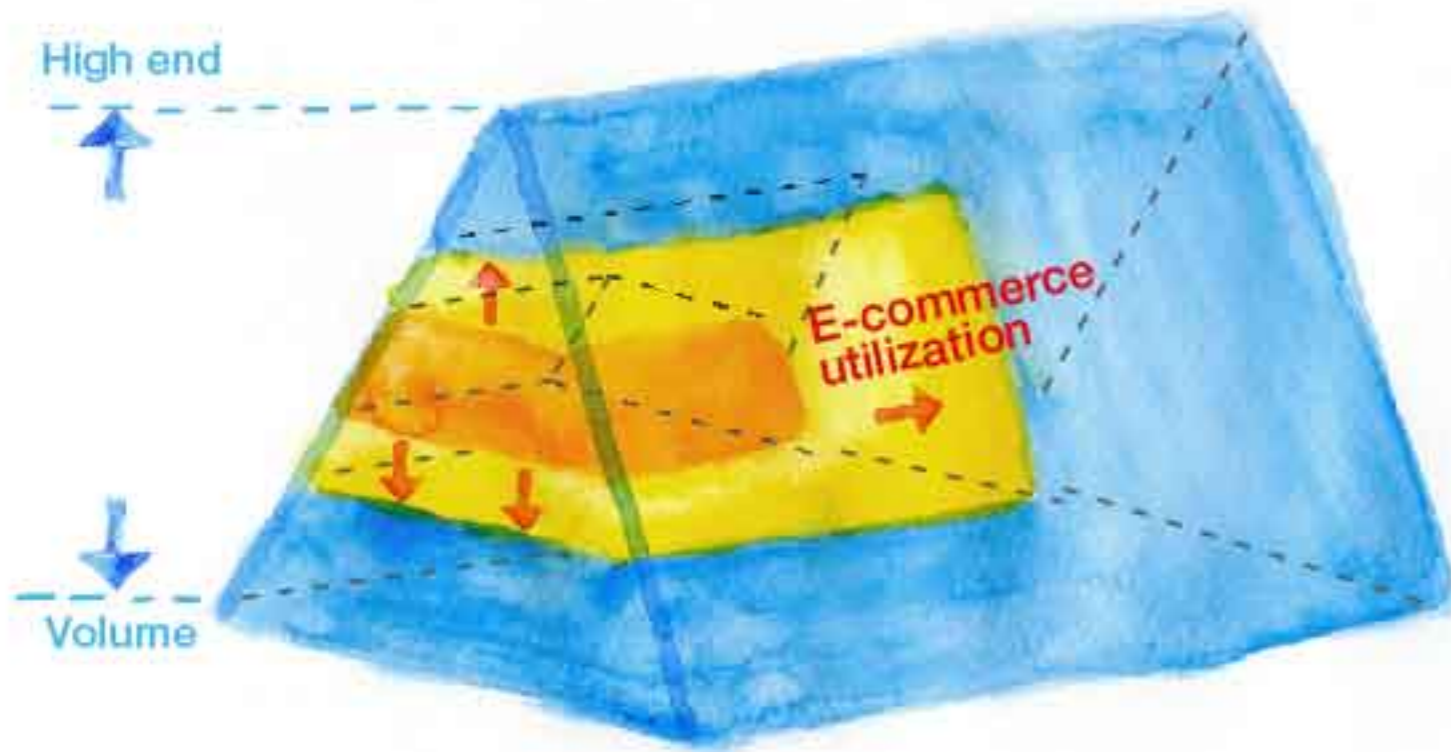




Strategy of Market Expansion

While ZOZOTOWN expansion is promoted focusing on the fashion e-commerce market, we accelerate the development of our business into various fashion areas through e-commerce support.

- Entire apparel market
- START TODAY dealing market (Mid-to-Long target)
- ZOZO dealing market (Current)



Reference Data



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

(ZOZOTOWN)

ZOZOTOWN <http://zozo.jp/>

- One of Japan's largest online shopping sites for fashion items
389 stores handling 1,818 brands. Always offering more than 130,000 items with more than 3,000 new items a day on average.
- Users can comment on merchandise and share information via social networking sites such as Twitter, Mixi, GREE and Facebook.
- Systems, design, logistics and other e-commerce functions retained in house.

ZOZOVILLA <http://zozo.jp/zozovilla/>

- Online shopping site handling Japanese and international designer brands and luxury brands.
- Based on the visual theme of islands, the uniqueness of each brand is communicated by operating a different store on each island.

ZOZOOUTLET <http://zozo.jp/outlet/>

- Offers items from United Arrows, BEAMS, TSUMORI CHISATO and other popular multi-label stores and brands.





Global Website “ZOZOTOWN.com”

(Global Website IMAGE)

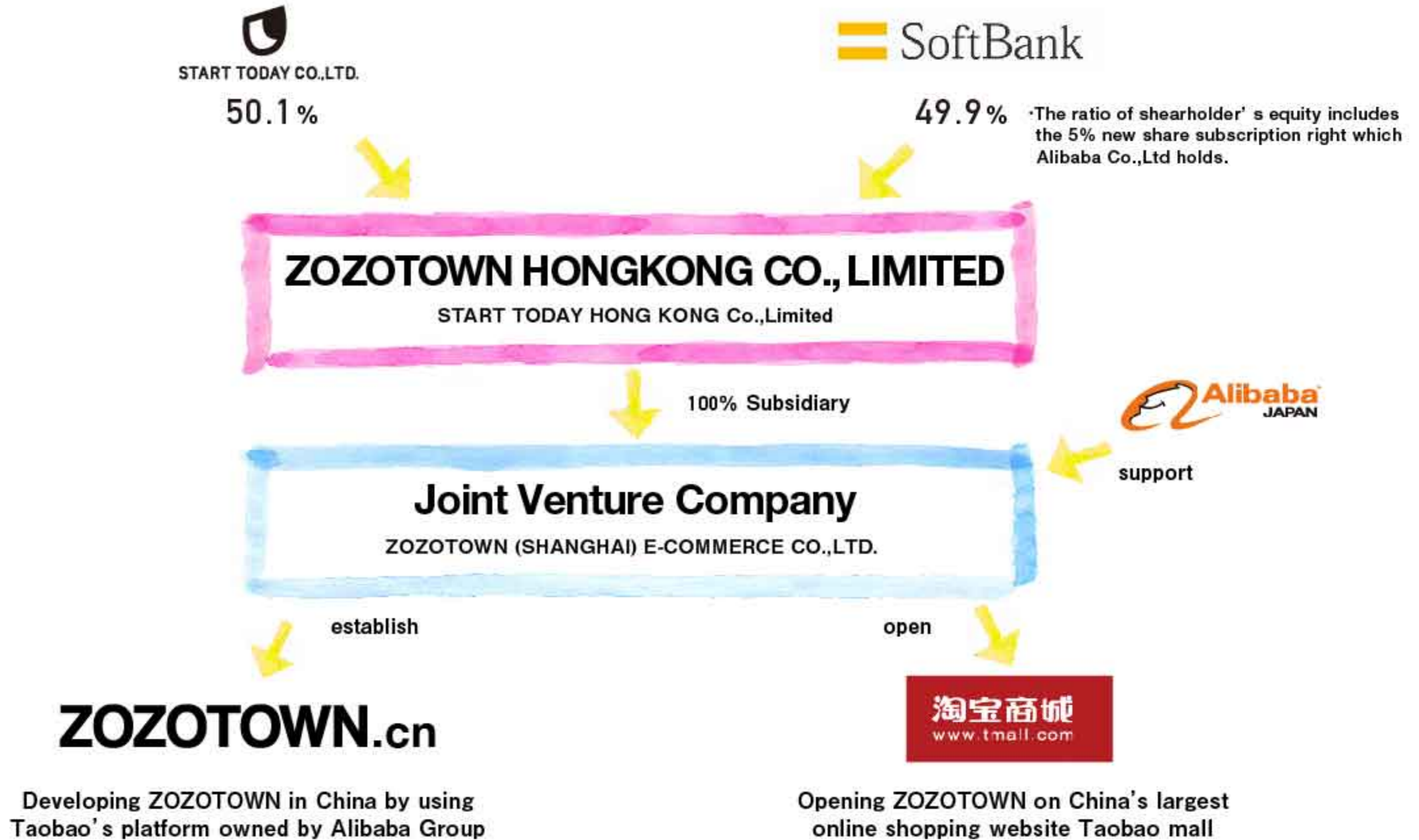


Opened on May, 2011 as a test marketing website to seek the possibility of developing ZOZOTOWN in different countries.

- Available in three different languages (Japanese, Chinese (Traditional), English)
- Number of brands : over 600
- Will be making deliveries to 82 countries worldwide.
- Payment Method: PayPal



Fashion Website Development in China





Grand opening of ZOZOTOWN CHINA

Opened ZOZOTOWN in China' s largest shopping website "Taobao Mall," as well as the grand opening of ZOZOTOWN' s own e-commerce website using the platform of "Taobao."

- Grand opening date: October 31st, 2011
- Number of brands: Approximately 20 brands
- Payment method: Alipay
- Logistics and customer support services are consigned to a partner company.

(ZOZOTOWN.cn)



(ZOZOTOWN.cn opening ceremony commemorative t-shirts)





Developing Fashion E-Commerce Website in Korea

Opening “ZOZOTOWN” under a new category named “JAPAN BRAND” carrying Japanese fashion brands in Korea’ s largest Shopping websites, “eBay Gmarket” and “eBay Auction.”

Website has opened on November of 2011, carrying approximately 120 fashion brands.

A branch office will be established in Korea on April, 2012.

(Gmarket)



(AUCTION)





Acquisition of additional Crown Jewel, Inc. shares (making Crown Jewel a wholly-owned subsidiary)

Crown Jewel, Inc.

Operates an auction site that specializes in highly sensitive fashion.

Crown Jewel has allocated new shares to Start Today on April 15, 2010 in order to reinforce its business operations in apparel's secondary distribution market*.

In order to deliver even greater group synergy, Crown Jewel became a wholly-owned subsidiary of Start Today in June 2011. Together, we will expand our market share and business activities in apparel's secondary distribution market.

*Apparel's secondary distribution market: A secondary distribution market for pre-owned apparel. Consumer trends have diversified, triggering a rise in consumer demand to purchase better products for cheaper prices. Hence this market is expected to undergo further growth.

Company name	Crown Jewel, Inc.
Main business	Auction business
Date established	July 15, 2005
Headquarters	6-7-2 Minami-aoyama, Minato-ku, Tokyo
Representative	President Takeyuki Fukumoto
Capital	99 million yen
Total shares outstanding	31,715 shares
Beginning of the fiscal year	March





A Summary and a Characteristic of Other Services



ZOZOPRESS <http://zozo.jp/zozopress/>

- Fashion news site offering the latest information focusing on three genres, including “casual” and “mode,” for men and women, respectively, in the form of 1-page magazine articles devoted to each genre.

ZOZONAVI <http://navi.zozo.jp/>

- Search site covering over 5,000 apparel stores throughout Japan.

ZOZOGALLERY <http://gallery.zozo.jp/>

- Download services of computer wallpaper and mobile phone standby screen image of popular brands.

ZOZOPEOPLE <http://people.zozo.jp/>

- Social networking service specializing in the distribution of information about people, journals and items.

ZOZOQ&A <http://qa.zozo.jp/>

- A bulletin board where fashion-sensitive people can exchange information through Q&A-style posting.

ZOZOARIGATO <http://arigato.zozo.jp/>

- “Thank you” message posting service to encourage people to express gratitude for the good things in life.
- Every time a “thank you” message is posted, START TODAY donates ¥10 to World Vision Japan, an NGO.





Store Planning & Development Business (Purchased Stock)

Operate 42 stores such as “ZOZOEPROZE” and “ZOZOPHAGGE” in ZOZOTOWN.
Purchase from brand manufacturers and sell.

Sales = Transaction value on each store

Store Operation & Administration Business (Consignment Sales)

Operating 347 online stores, such as “United Arrows”, “BEAMS” in ZOZOTOWN and “MARCJACOBS” in ZOZOVILLA on commission basis without any inventory risk.

Sales = Transaction value of stores × consignment commission rate

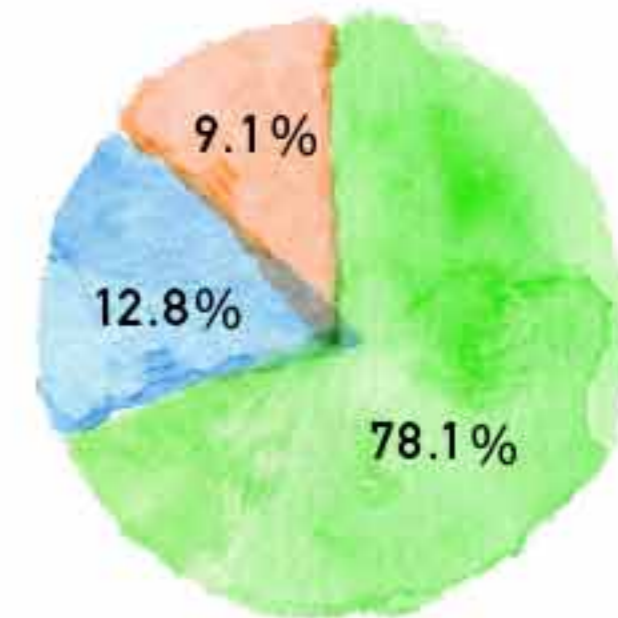
B to B Business

E-Commerce Support Business for Apparel Manufacturers: Established a subsidiary Start Today Consulting, Co., Ltd. in May 2008
Consigning companies: 21 companies

Sales = Transaction value of manufacturers × consignment commission rate

Others

Initial store opening charge, paid membership service “ZOZOPREMIUM”, handling fee of the allied credit card “ZOZOCARD”.



(Transaction value for FY2011)

- Store Planning & Development Business
- Store Operation & Administration Business
- B to B Business

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.

