



# 3Q FY2020 ZOZO, Inc. CONSOLIDATED BUSINESS RESULTS

# HIGHLIGHTS



3Q FY2020 ZOZO, Inc.  
CONSOLIDATED BUSINESS RESULTS

# FY2020 3Q HIGHLIGHTS

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## Overview

- Gross Merchandise Value : 304,243 million yen (+19.8%,Yoy)
- Operating Profit : 33,785 million yen (+74.3%,Yoy)

Both GMV and operating profit are the highest ever for quarterly financial results

## Gross Merchandise Value

### ○ ZOZOTOWN BUSINESS

- Gross Merchandise Value : 266,845 million yen (+9.2%,Yoy)
  - Consignment Business : 258,067 million yen (+11.0%,Yoy)
  - Purchased Stock Business : 228 million yen (+37.1%,Yoy)
  - ZOZUSED Business : 8,549 million yen (-27.6%,Yoy)

- PayPay Mall : 16,129 million yen ( - )
- Private Brand Business : 186 million yen (-79.8%,Yoy)
- MSP Business : 983 million yen (+121.9%,Yoy)
- BtoB Business : 16,629 million yen (+117.9%,Yoy)
- Others\* : 3,469 million yen ( - )
- Average Order Value : 8,516 yen (-5.1%,Yoy)
- Average Retail Price : 4,301 yen (-4.5%,Yoy)

\*From this third quarter, GMV for ZOZO Option stores at PayPay Mall are recorded.

ZOZO Option: Option contracts which enables fashion category stores outside of ZOZOTOWN PayPay Mall, to participate special events produced by ZOZO and enjoy merits such as sales support



# FY2020 3Q HIGHLIGHTS

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## Profitability

- Operating profit margin\* (to the total gross merchandise value) : 11.2% (7.6% for FY2019 3Q)
  - ・Factors improving profitability : Improvement of gross profit margin due to a decrease in discounting costs such as ZOZOARIGATO etc., a decrease in promotion related expenses, and decreases in PB related costs and on-the spot expenses.
  - ・Factors worsening profitability : An increase in packing and freight ratio to the gross merchandise value, due to decreases in the average order value.

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

## Topic

- New TV commercial “ZOZOTOWN is the place to buy clothing ver.”, “ZOZOWEEK ver.” (November 2020), and “ZOZOSALE ver.” (January 2021)
- Provision of 11,756 pieces of sanitization hand gel to 445 apparel companies, as a social support activity through charity T-shirt sales on ZOZOTOWN (November 2020)
- Donation of 5.5 million yen from charity activities through the PGA Tour “ZOZO CHAMPIONSHIP @ SHERWOOD” (December 2020)



# BUSINESS RESULTS



3Q FY2020 ZOZO, Inc.  
CONSOLIDATED BUSINESS RESULTS

# OVERVIEW OF THE FY2020 3Q

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(million¥)

	FY2019 3Q	FY2020 3Q	YoY	Target *	Progress Rate(%)
Gross Merchandise Value	253,867	304,243	19.8%	387,300	78.6%
Gross Merchandise Value (excluding other GMV)	253,867	300,774	18.5%	-	-
Net sales	91,887	108,480	18.1%	143,700	75.5%
Gross profit	83,934	102,960	22.7%	-	-
(%Gross Merchandise Value)	33.1%	34.2%	1.1%	-	-
SG&A	64,549	69,174	7.2%	-	-
(%Gross Merchandise Value)	25.4%	23.0%	-2.4%	-	-
Operating profit	19,385	33,785	74.3%	39,500	85.5%
(%Gross Merchandise Value)	7.6%	11.2%	3.6%	10.2%	-
Ordinary profit	19,224	33,891	76.3%	39,500	85.8%
Profit attributable to owners of parent	12,172	23,725	94.9%	27,600	86.0%

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

\* The company made a timely disclosure "Notice concerning revision of consolidated business forecast and year-end dividend" on January 29, 2021.  
The numbers of the original forecasts are the numbers before therevision.

# OVERVIEW OF EACH QUARTER

(million¥)

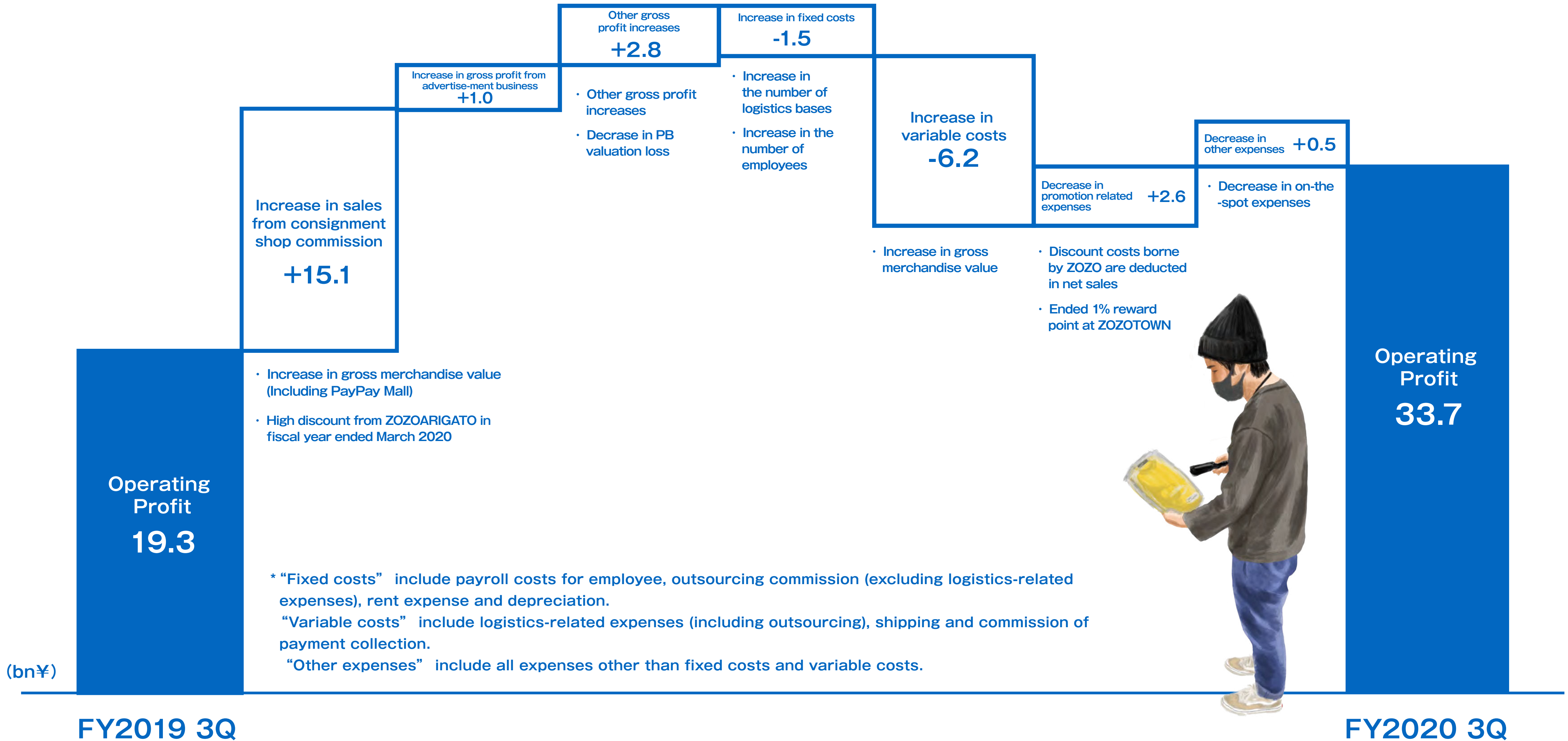
	FY2019				FY2020		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
<b>Gross Merchandise Value</b>	<b>79,743</b>	<b>79,845</b>	<b>94,278</b>	<b>91,218</b>	<b>95,330</b>	<b>90,301</b>	<b>118,611</b>
Gross Merchandise Value (excluding other GMV)	79,743	79,845	94,278	91,218	95,330	90,195	115,247
YoY (%)	13.1%	12.6%	0.3%	3.2%	19.5%	13.0%	22.2%
<b>Net sales</b>	<b>28,197</b>	<b>29,045</b>	<b>34,645</b>	<b>33,629</b>	<b>33,674</b>	<b>32,818</b>	<b>41,987</b>
<b>SG&amp;A</b>	<b>18,483</b>	<b>20,683</b>	<b>25,382</b>	<b>21,283</b>	<b>21,860</b>	<b>21,571</b>	<b>25,742</b>
YoY (%)	0.6%	0.6%	18.1%	12.7%	18.3%	4.3%	1.4%
(%Gross Merchandise Value)	23.2%	25.9%	26.9%	23.3%	22.9%	23.9%	22.3%
<b>Operating profit</b>	<b>7,786</b>	<b>5,467</b>	<b>6,131</b>	<b>8,503</b>	<b>10,423</b>	<b>9,482</b>	<b>13,880</b>
YoY (%)	32.6%	30.8%	-42.0%	69.3%	33.9%	73.4%	126.4%
(%Gross Merchandise Value)	9.8%	6.8%	6.5%	9.3%	10.9%	10.5%	12.0%

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

•Growth acceleration factor of the gross merchandise value : stabilization of new users acquired during the first half, an increase of visits by existing users.  
Positive factors (digital shift) continues to exceed negative factors (lowering demand) of COVID-19.

•Operating profit improving factors : increase of gross profit in tandem with growth of the gross merchandise value, decrease in the number of discount measures, a decrease in promotion related expenses,  
a decrease in logistics-related expenses ratio from operation efficiency improvement inside warehouses

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



\* "Fixed costs" include payroll costs for employee, outsourcing commission (excluding logistics-related expenses), rent expense and depreciation.  
 "Variable costs" include logistics-related expenses (including outsourcing), shipping and commission of payment collection.  
 "Other expenses" include all expenses other than fixed costs and variable costs.

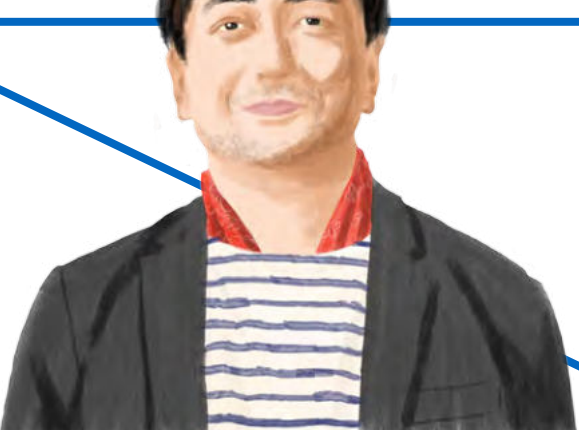




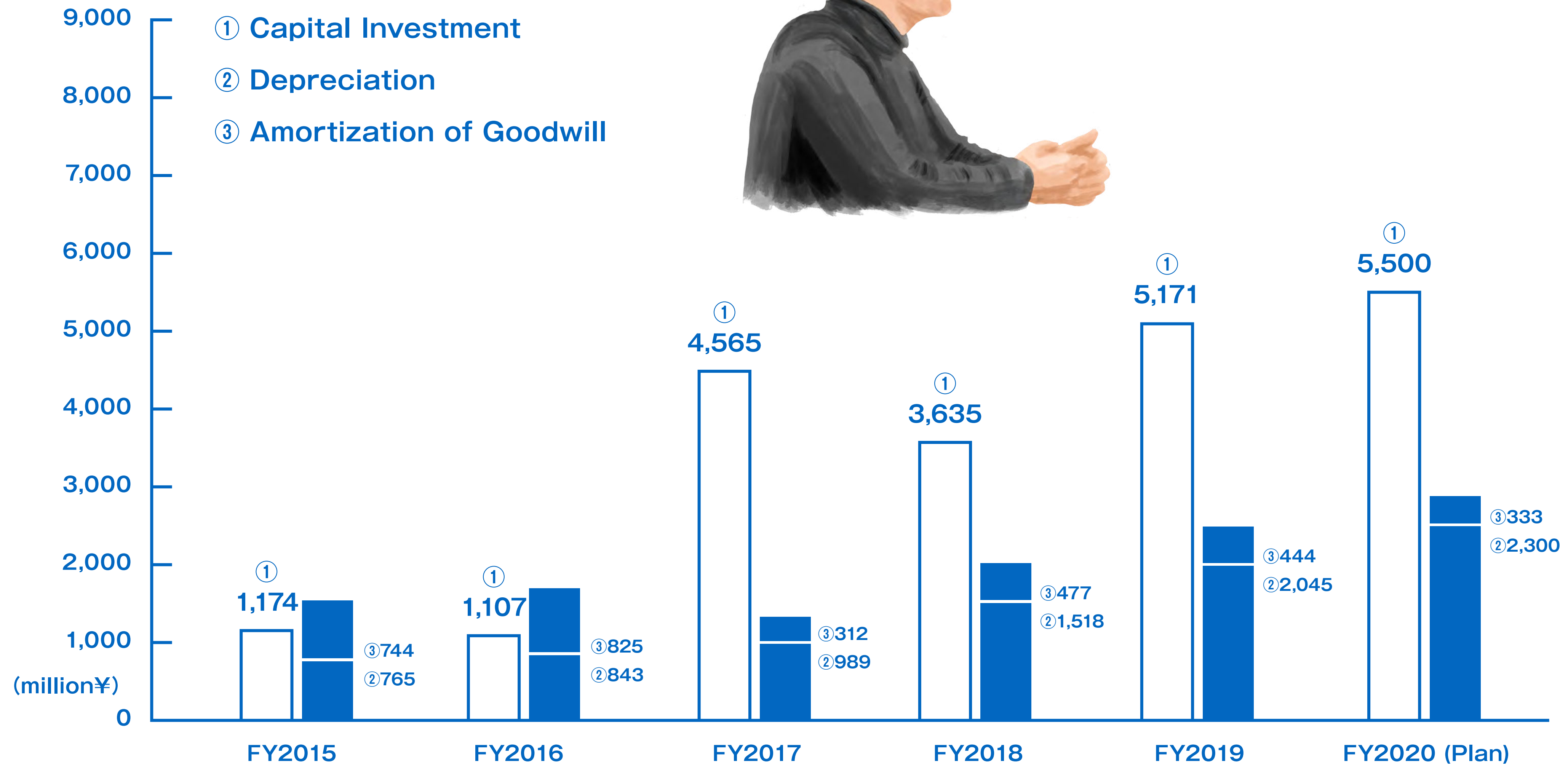
# CONSOLIDATED BALANCE SHEET

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(million¥)

	FY2019 (as of March 31, 2020)	FY2020 (as of December 31, 2020)		FY2019 (as of March 31, 2020)	FY2020 (as of December 31, 2020)
<b>Current assets</b>	<b>70,429</b>	<b>90,634</b>	<b>Current liabilities</b>	<b>56,126</b>	<b>63,859</b>
Cash and deposits	33,602	42,609	Short-term borrowing	22,000	20,000
Merchandise and finished products	1,664	1,829	Noncurrent liabilities	3,525	4,158
<b>Noncurrent assets</b>	<b>23,756</b>	<b>25,848</b>	<b>Total liabilities</b>	<b>59,651</b>	<b>68,017</b>
Tangible assets	10,493	12,442	Shareholders' equity	34,616	48,444
Intangible assets	2,968	3,036	Treasury stock	-24,412	-24,146
Investments and other assets	10,295	10,369	<b>Total net assets</b>	<b>34,534</b>	<b>48,464</b>
<b>Total assets</b>	<b>94,186</b>	<b>116,482</b>	<b>Total liabilities and net assets</b>	<b>94,186</b>	<b>116,482</b>

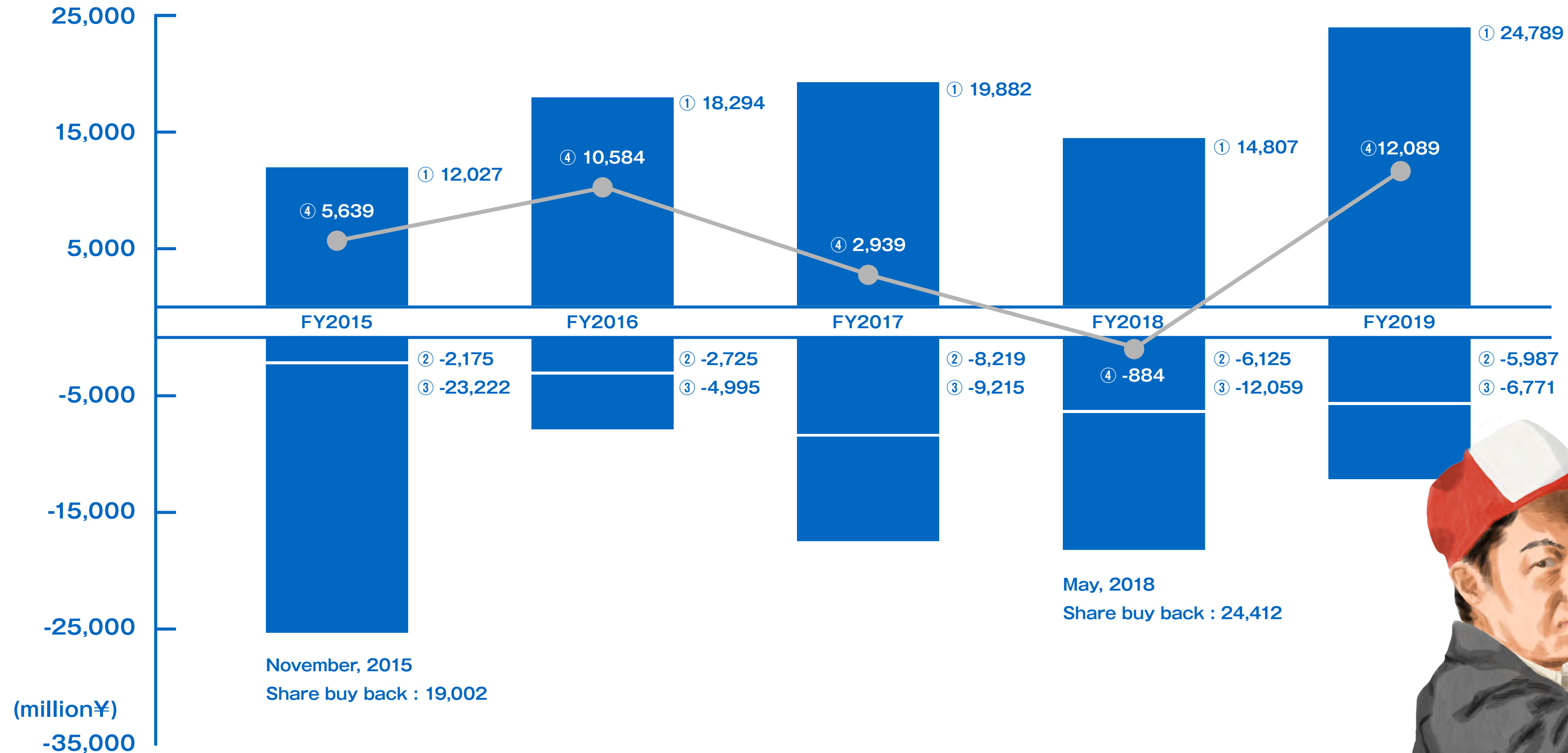
# CAPITAL INVESTMENT



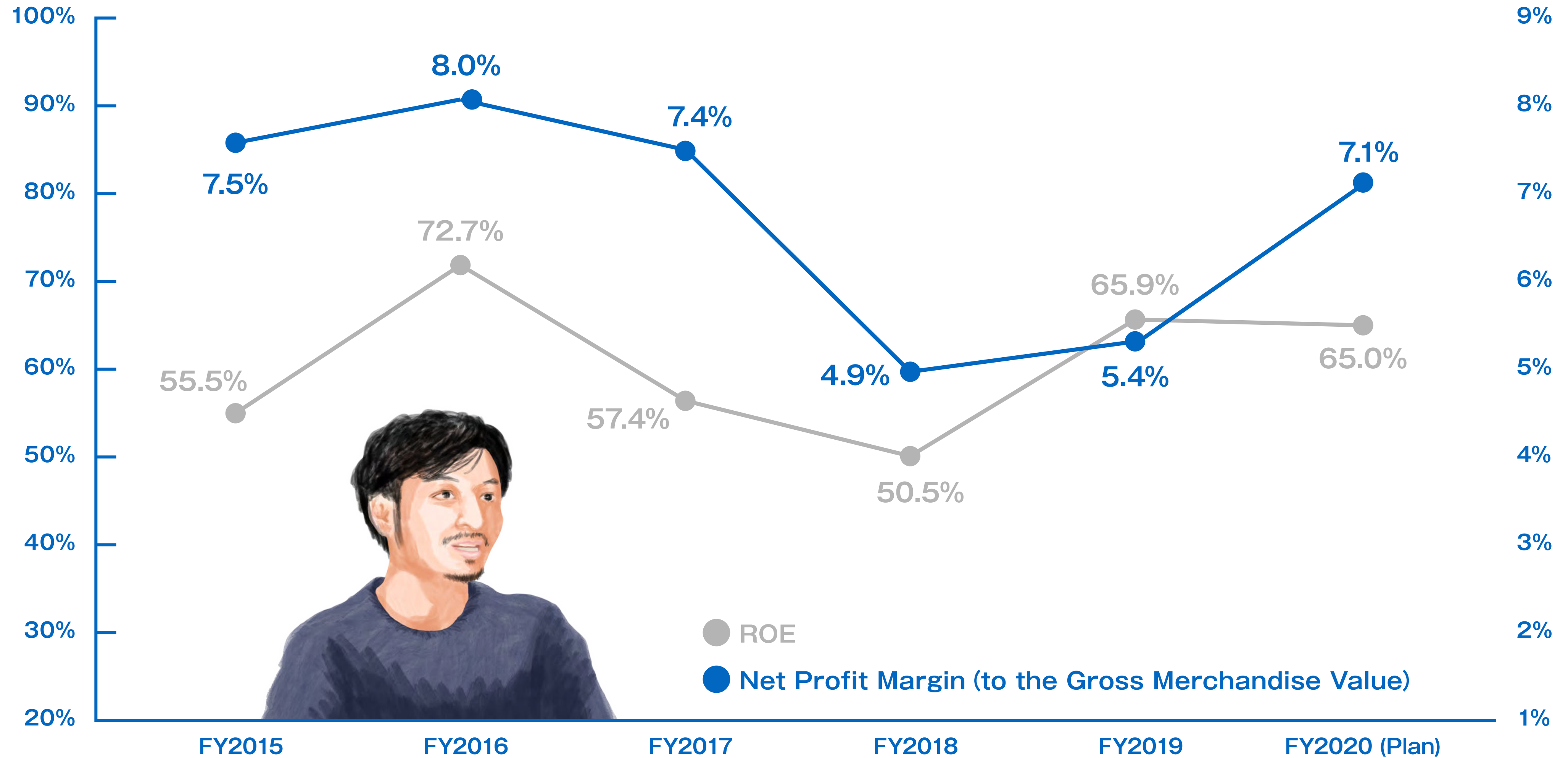
# CASH FLOWS

- ① Cash flows from operating activities
- ② Cash flows from investing activities

- ③ Cash flows from financing activities
- ④ Substantial free cash flows
- ① + ② - Expenditure from dividends



# ROE AND NET PROFIT MARGIN

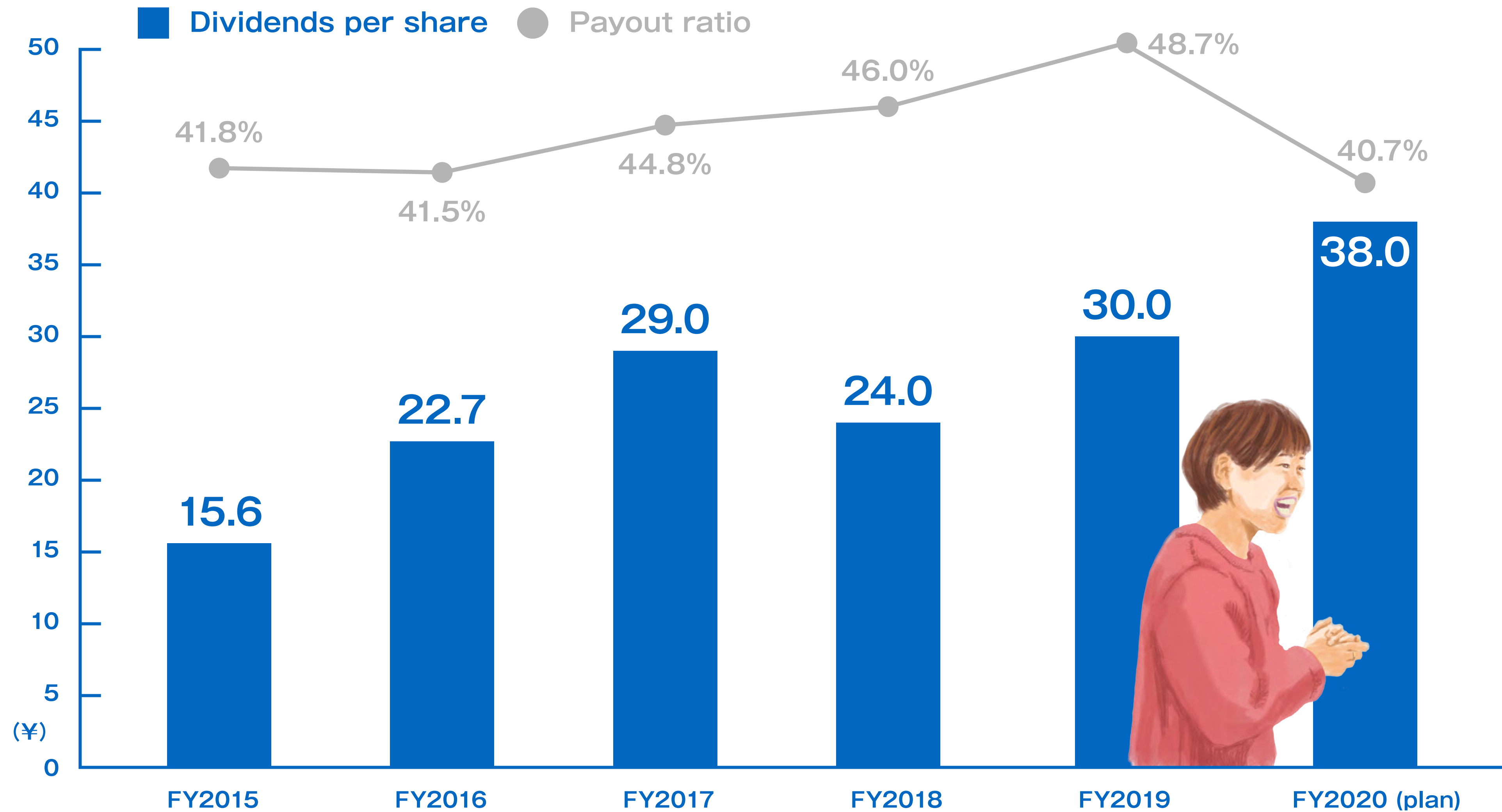


\* The company made a timely disclosure "Notice concerning revision of consolidated business forecast and year-end dividend" on January 29, 2021.

The numbers in above are the numbers after the revision.

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

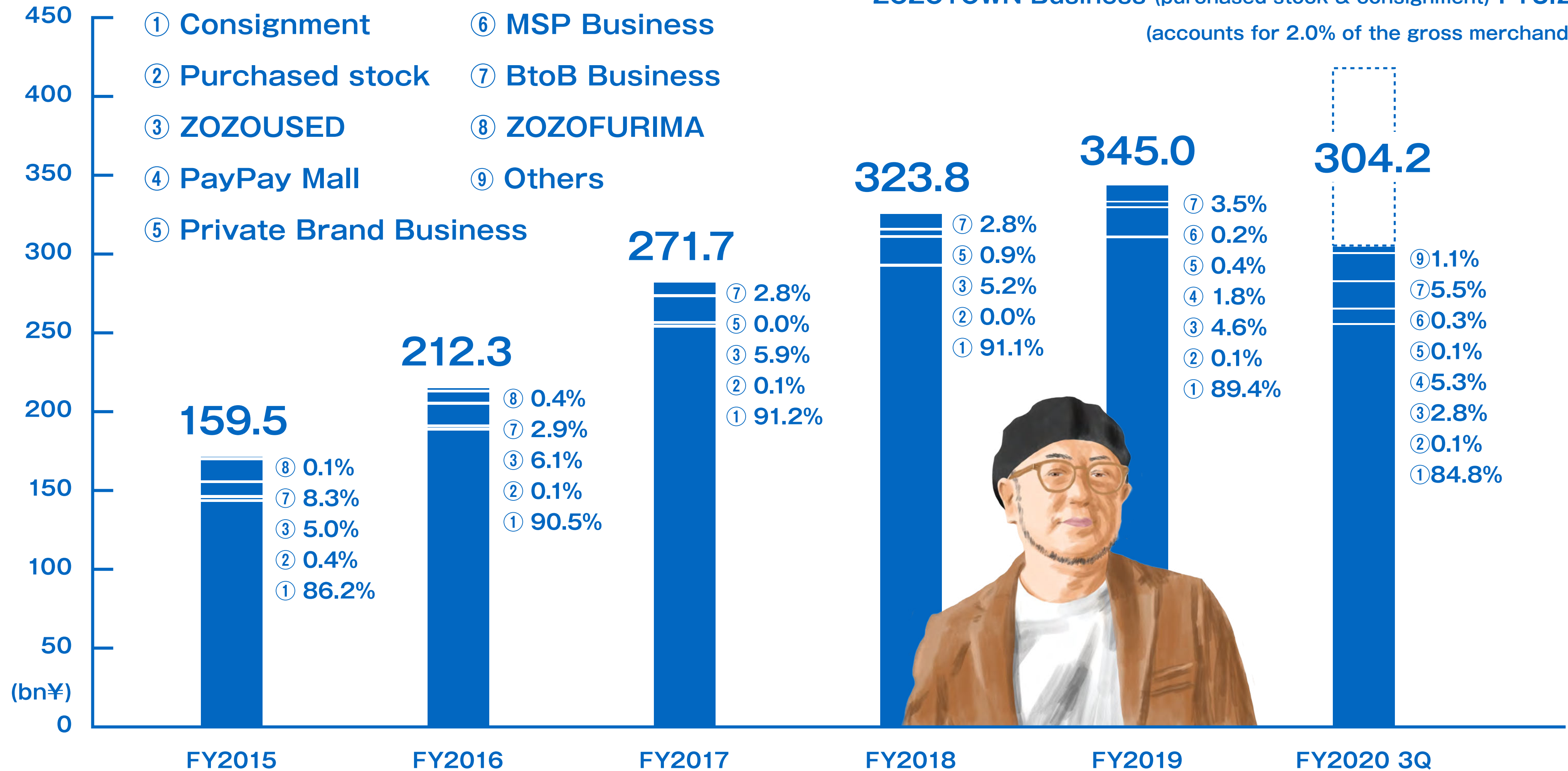
# DIVIDENDS PER SHARE AND PAYOUT RATIO



\* The company made a timely disclosure "Notice concerning revision of consolidated business forecast and year-end dividend" on January 29, 2021.  
The numbers in above are the numbers after the revision.

# GROSS MERCHANDISE VALUE

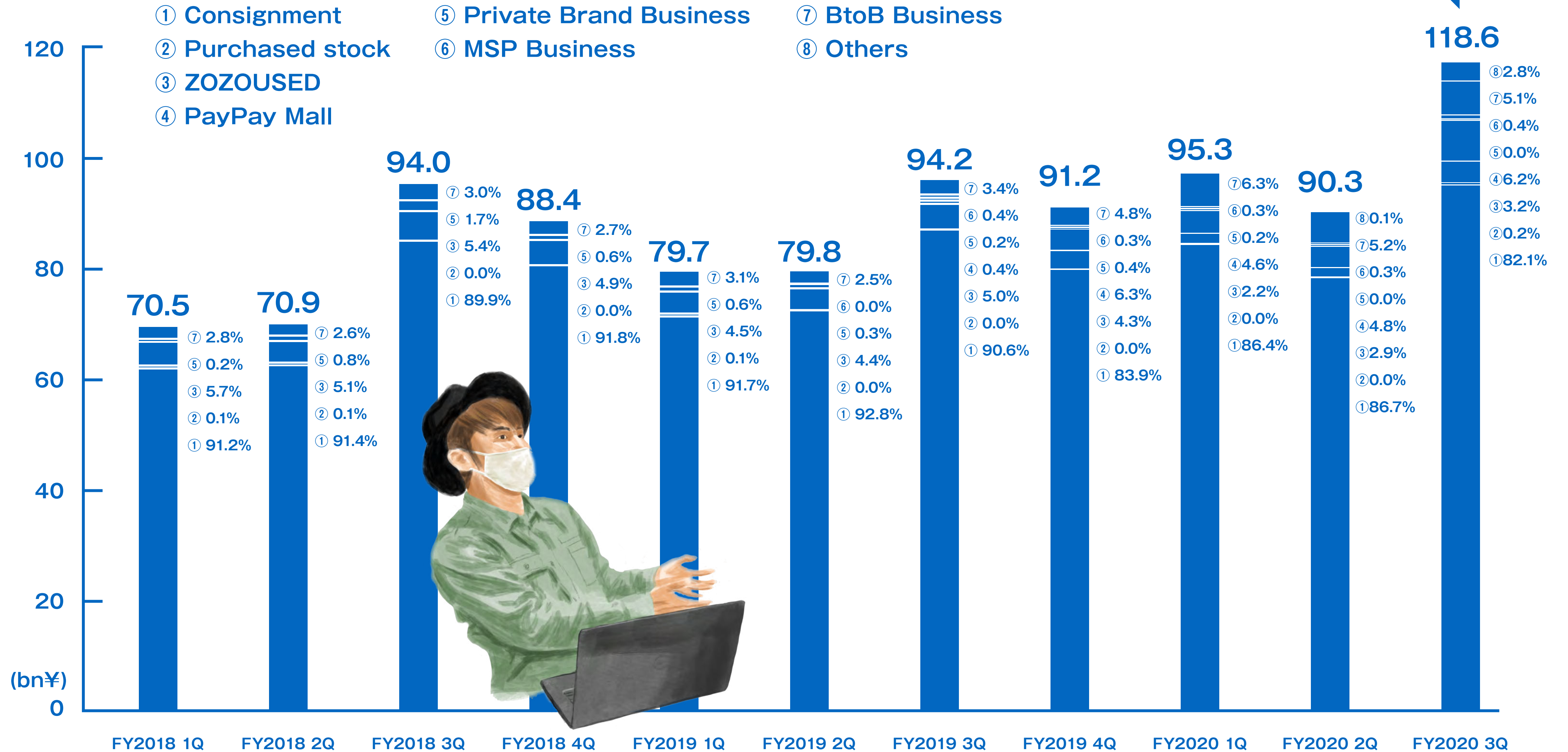
Gross merchandise value of new shops opened in FY2020 3Q  
 ZOZOTOWN Business (purchased stock & consignment) : ¥5.2 billion  
 (accounts for 2.0% of the gross merchandise value)



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

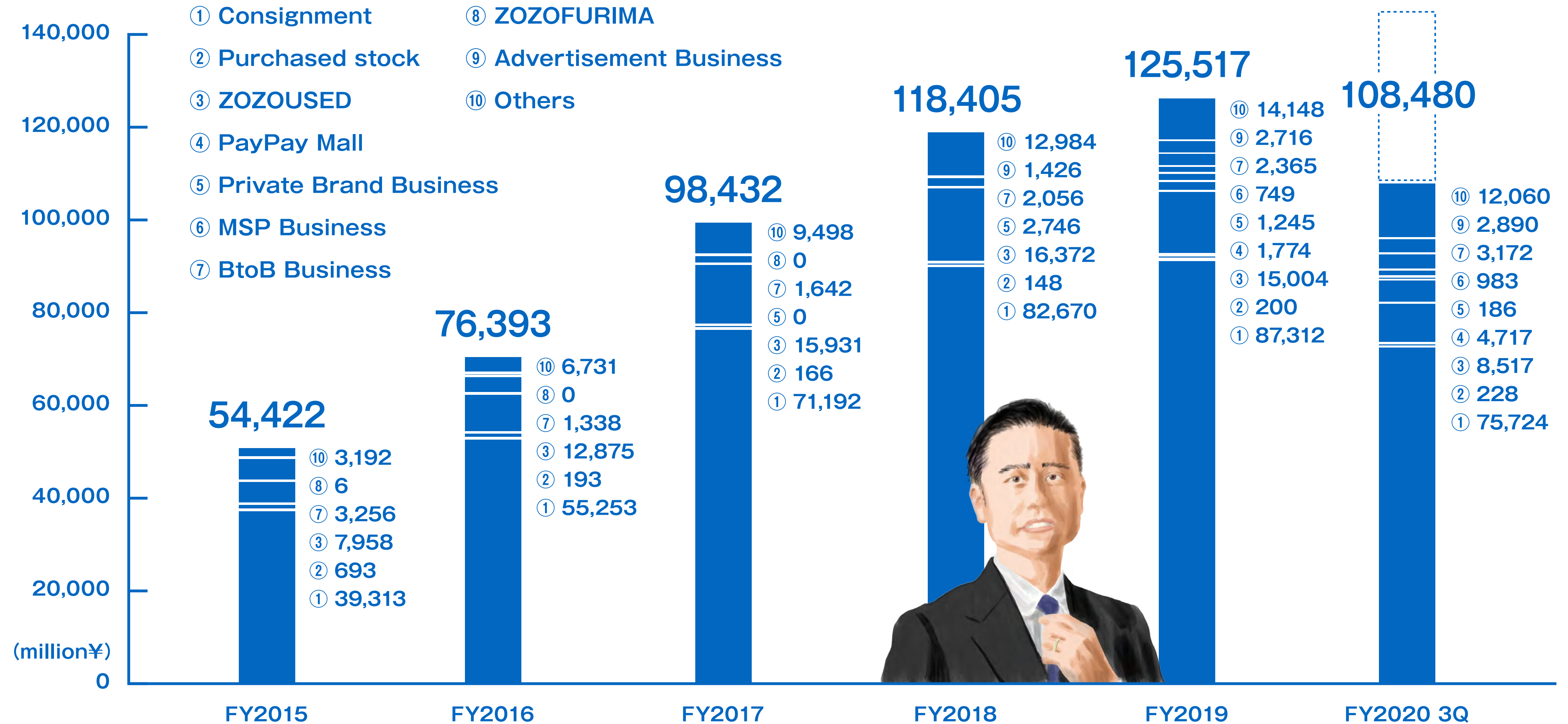
# GROSS MERCHANDISE VALUE(QUARTERLY)

YoY  
+22.2%\*



\* YoY are calculated with GMV excluding " ⑧ Others".

# NET SALES

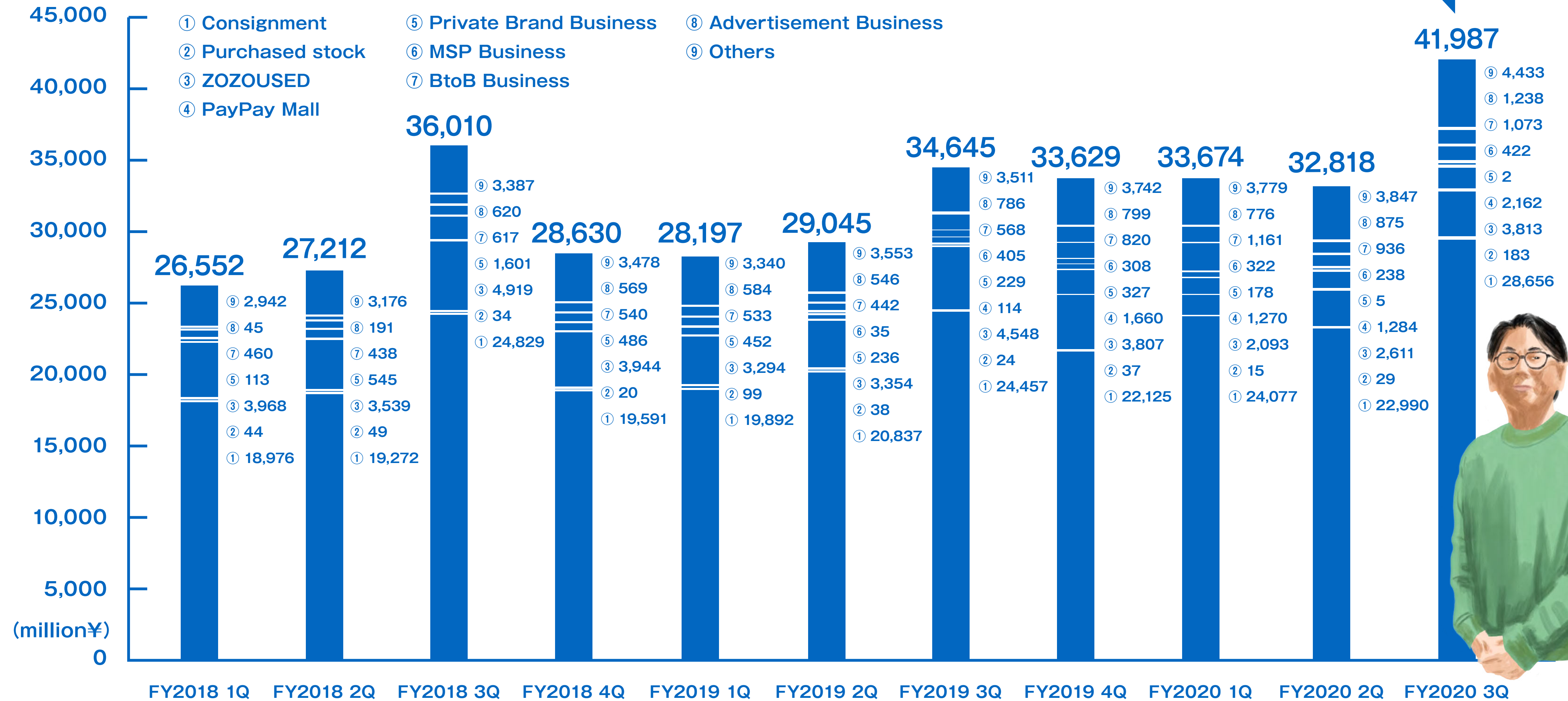


\* ZOZO FURIMA Business ended on June 30, 2017.

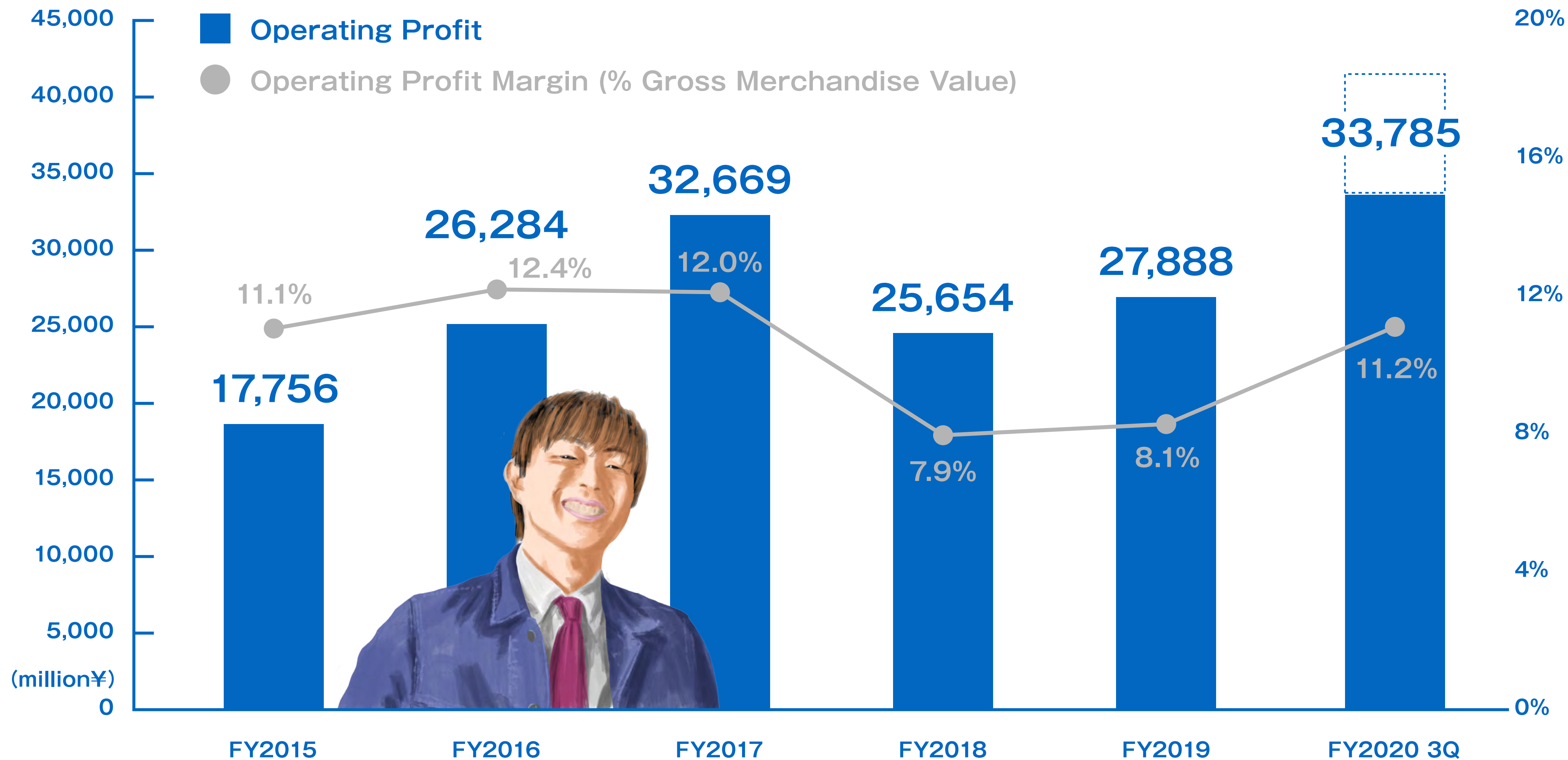


# NET SALES(QUARTERLY)

YoY  
+21.2%



# OPERATING PROFIT AND OPERATING PROFIT MARGIN



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

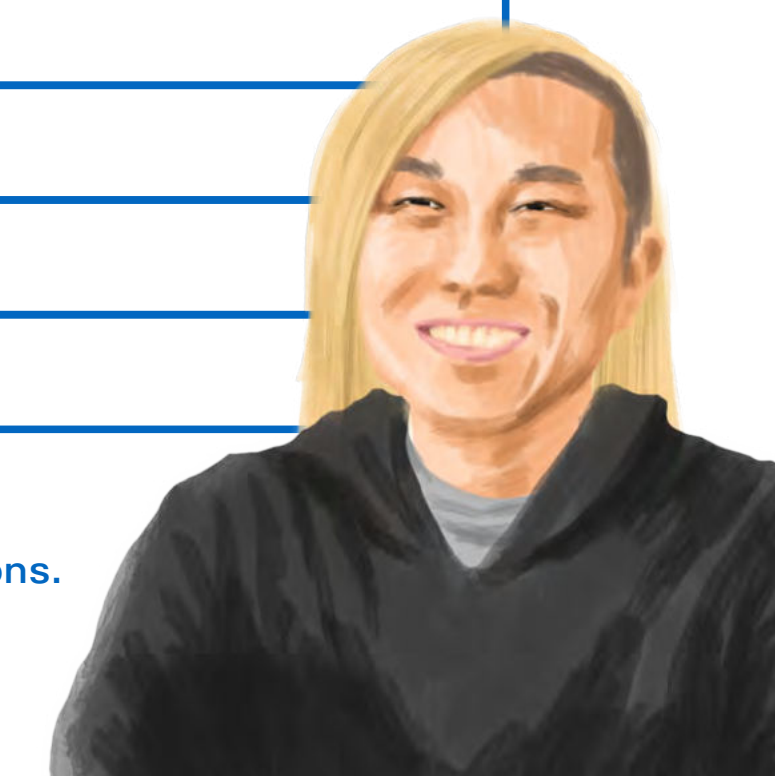
# SELLING, GENERAL AND ADMINISTRATIVE(SG&A) EXPENSES

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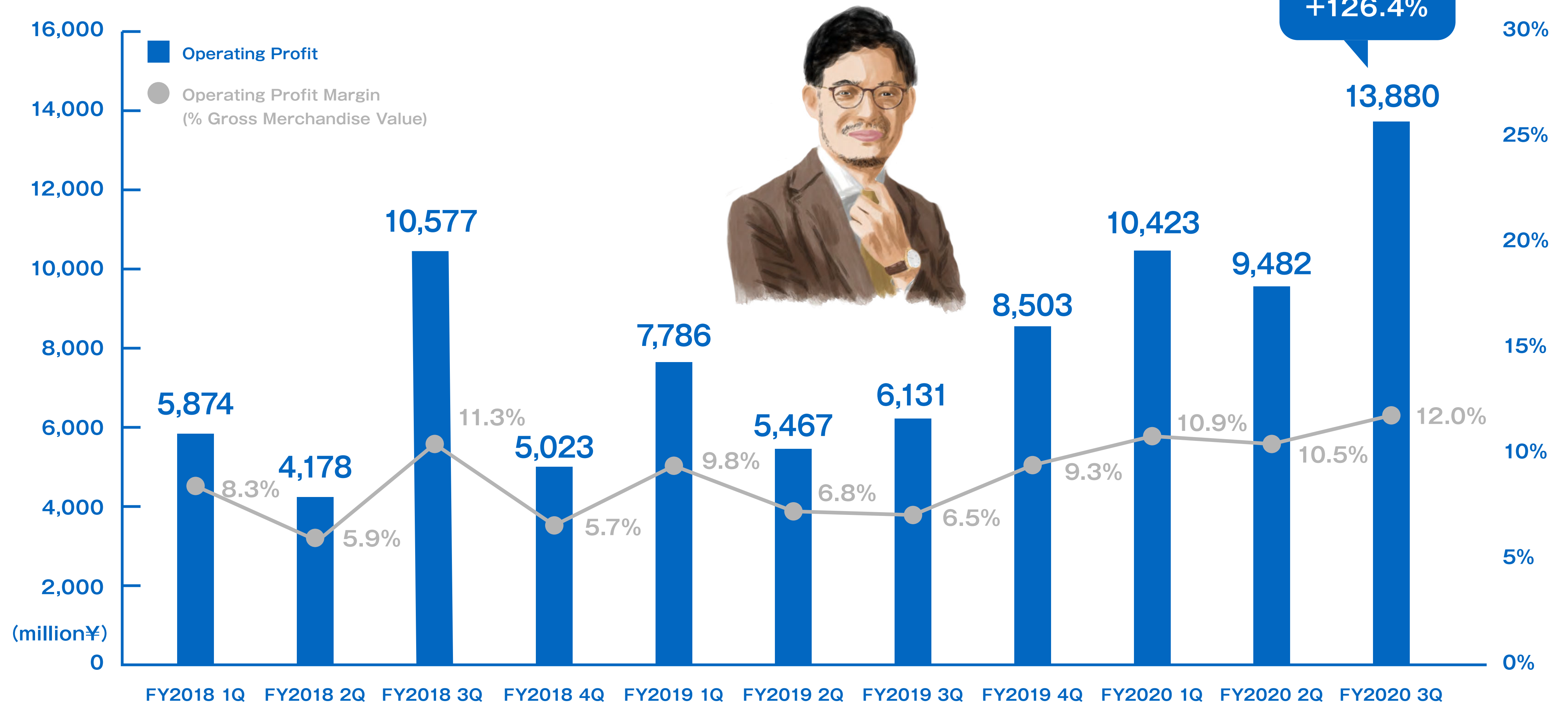
(million¥)

	FY2019 3Q		FY2020 3Q		YOY	Increase decrease factors
	Amount	%Gross Merchandise Value	Amount	%Gross Merchandise Value	%Gross Merchandise Value	
Payroll and staff costs(*)	17,228	6.8%	19,400	6.5%	-0.3%	
Payroll costs for employee	6,265	2.5%	7,392	2.5%	0.0%	Transition of the number of employees on consolidated basis: FY2019 3Q 1,161 → FY2020 3Q 1,280
Logistics-Related Expenses (Including Outsourcing)	10,962	4.3%	12,008	4.0%	-0.3%	Operation efficiency improvements inside warehouses
Outsourcing Commission (Excluding Logistics-Related Expenses)	3,318	1.3%	3,667	1.2%	-0.1%	
Shipping	16,184	6.4%	20,393	6.8%	0.4%	Increase in ratio due to a decrease in the average order value (Increase in the discount sales ratio to the gross merchandise value and the reverse impact from ZOZOARIGATO in the previous fiscal year)
Commission of Payment collection	7,080	2.8%	8,105	2.7%	-0.1%	
Promotion related expenses	7,788	3.1%	5,134	1.7%	-1.4%	
Advertising	4,288	1.7%	3,706	1.2%	-0.5%	Decrease in on-the-spot initiatives (Sponsorship of Basquiat Exhibition, free distribution of ZOZOHEAT)
Reward points related expenses	3,499	1.4%	1,428	0.5%	-0.9%	Ended 1% reward point (April 2020~) Decrease in the number of reward point programs
Rent expense	3,709	1.5%	3,740	1.2%	-0.3%	Cancellation of logistic bases. Limited time free-rent of Chiba 5, the logistic base which started its operation from March 2020
Depreciation	1,410	0.6%	1,502	0.5%	-0.1%	
Amortization of goodwill	362	0.1%	274	0.1%	0.0%	
Stock Compensation Expenses	-103	0.0%	31	0.0%	0.0%	
Others	7,572	3.0%	6,924	2.3%	-0.7%	Decrease in on-the-spot expenses
<b>Total SG&amp;A</b>	<b>64,549</b>	<b>25.4%</b>	<b>69,174</b>	<b>23.0%</b>	<b>-2.4%</b>	

\* Payroll includes directors' remuneration, employee salaries, bonus, legal welfare expenses, welfare expenses, retirement benefits cost, provision for employee bonus, expenses of company pension premium, subcontracting payroll, a portion of expenses at logistics centers operation. "Employee" includes directors and employees, "Logistics-Related Expenses" includes part-timers, dispatched workers(subcontracting payroll) and substantial personnel expenses within outsourcing commission of staff working for logistics operations.  
\* Numbers of % Gross Merchandise Value are calculated by each expense divided by gross merchandise value (excluding other GMV).

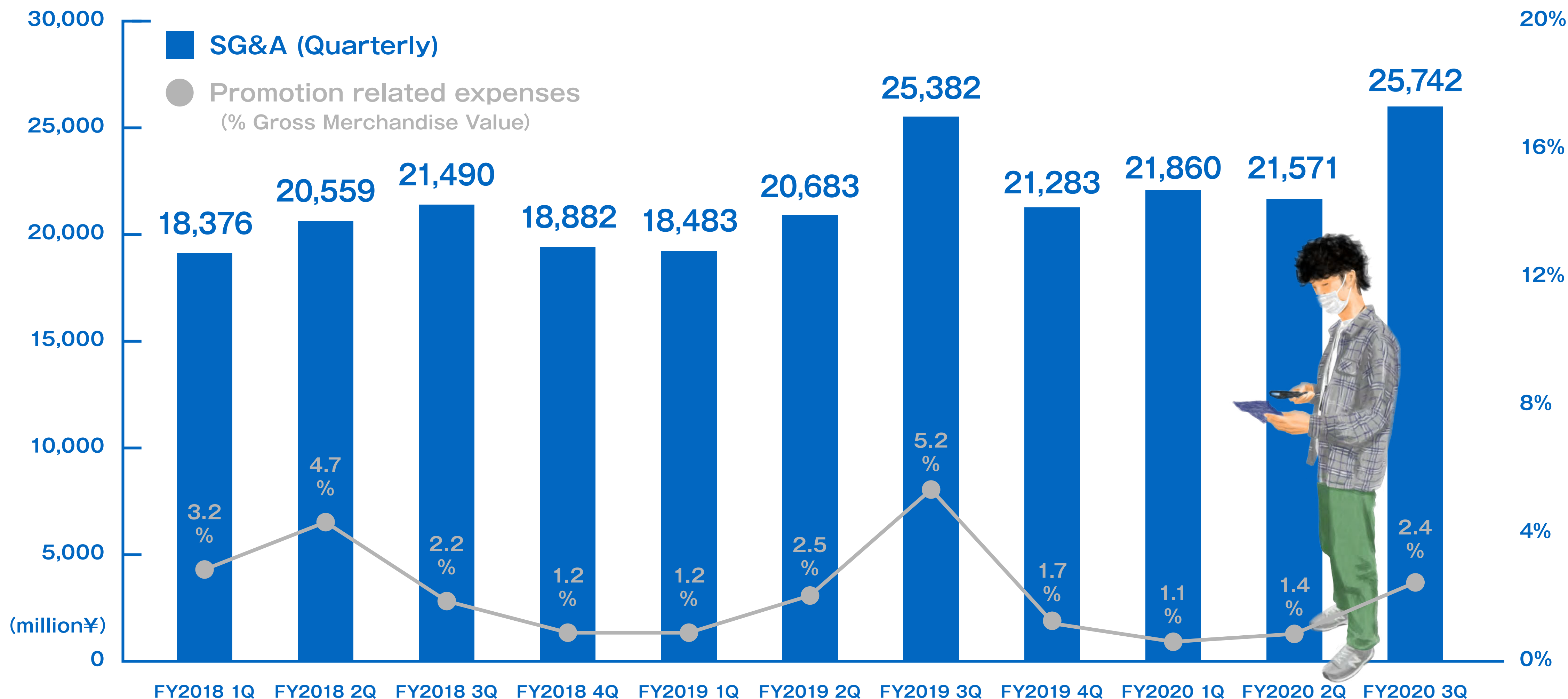


# OPERATING PROFIT AND OPERATING PROFIT MARGIN (QUARTERLY)



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

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



※ Promotion related expenses ratios are calculated by related items divided by gross merchandise value (excluding other GMV).

# OVERVIEW OF SG&A BY EACH QUARTER



(million¥)

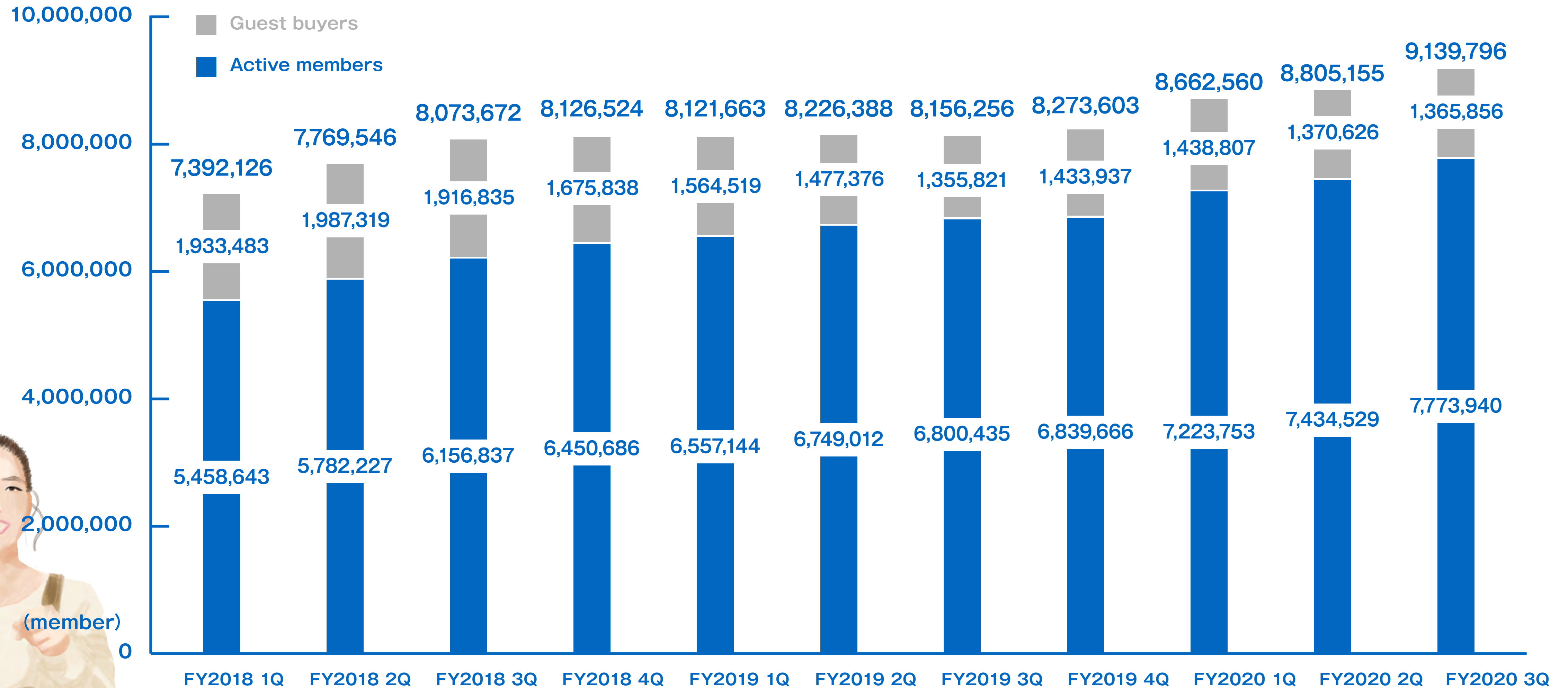
	FY2019								FY2020					
	1Q		2Q		3Q		4Q		1Q		2Q		3Q	
	Amount	%Gross Merchandise Value	Amount	%Gross Merchandise Value	Amount	%Gross Merchandise Value	Amount	%Gross Merchandise Value	Amount	%Gross Merchandise Value	Amount	%Gross Merchandise Value	Amount	%Gross Merchandise Value
Payroll and staff costs(*)	5,219	6.5%	5,515	6.9%	6,493	6.9%	6,091	6.7%	6,465	6.8%	6,294	7.0%	6,639	5.8%
Payroll costs for employee	1,940	2.4%	2,017	2.5%	2,307	2.4%	2,152	2.4%	2,409	2.5%	2,484	2.8%	2,497	2.2%
Logistics-Related Expenses (Including Outsourcing)	3,278	4.1%	3,498	4.4%	4,185	4.4%	3,939	4.3%	4,056	4.3%	3,809	4.2%	4,141	3.6%
Outsourcing Commission (Excluding Logistics-Related Expenses)	1,023	1.3%	1,112	1.4%	1,182	1.3%	1,233	1.4%	1,197	1.3%	1,149	1.3%	1,320	1.1%
Shipping	5,011	6.3%	5,511	6.9%	5,661	6.0%	5,808	6.4%	6,655	7.0%	6,542	7.3%	7,195	6.2%
Commission of Payment collection	2,243	2.8%	2,286	2.9%	2,550	2.7%	2,445	2.7%	2,561	2.7%	2,464	2.7%	3,078	2.7%
Promotion related expenses	927	1.2%	1,994	2.5%	4,866	5.2%	1,556	1.7%	1,075	1.1%	1,279	1.4%	2,779	2.4%
Advertising	378	0.5%	339	0.4%	3,571	3.8%	524	0.6%	619	0.7%	855	0.9%	2,230	1.9%
Reward points related expenses	548	0.7%	1,655	2.1%	1,294	1.4%	1,032	1.1%	455	0.5%	424	0.5%	548	0.5%
Rent expense	1,169	1.5%	1,203	1.5%	1,335	1.4%	1,310	1.4%	1,232	1.3%	992	1.1%	1,515	1.3%
Depreciation	442	0.6%	412	0.5%	555	0.6%	635	0.7%	553	0.6%	450	0.5%	497	0.4%
Amortization of goodwill	140	0.2%	139	0.2%	82	0.1%	82	0.1%	81	0.1%	93	0.1%	99	0.1%
Stock Compensation Expenses	-6	0.0%	-93	-0.1%	-3	0.0%	-5	0.0%	0	0.0%	17	0.0%	13	0.0%
Others	2,312	2.9%	2,601	3.3%	2,658	2.8%	2,123	2.3%	2,035	2.1%	2,285	2.5%	2,602	2.3%
<b>Total SG&amp;A</b>	<b>18,483</b>	<b>23.2%</b>	<b>20,683</b>	<b>25.9%</b>	<b>25,382</b>	<b>26.9%</b>	<b>21,283</b>	<b>23.3%</b>	<b>21,860</b>	<b>22.9%</b>	<b>21,571</b>	<b>23.9%</b>	<b>25,742</b>	<b>22.3%</b>

\* Payroll includes directors' remuneration, employee salaries, bonus, legal welfare expenses, welfare expenses, retirement benefits cost, provision for employee bonus, expenses of company pension premium, subcontracting payroll, a portion of expenses at logistics centers operation. "Employee" includes directors and employees, "Logistics-Related Expenses" includes part-timers, dispatched workers(subcontracting payroll) and substantial personnel expenses within outsourcing commission of staff working for logistics operations.

\* Numbers of % Gross Merchandise Value are calculated by each expense divided by gross merchandise value (excluding other GMV).

# NUMBER OF TOTAL BUYERS

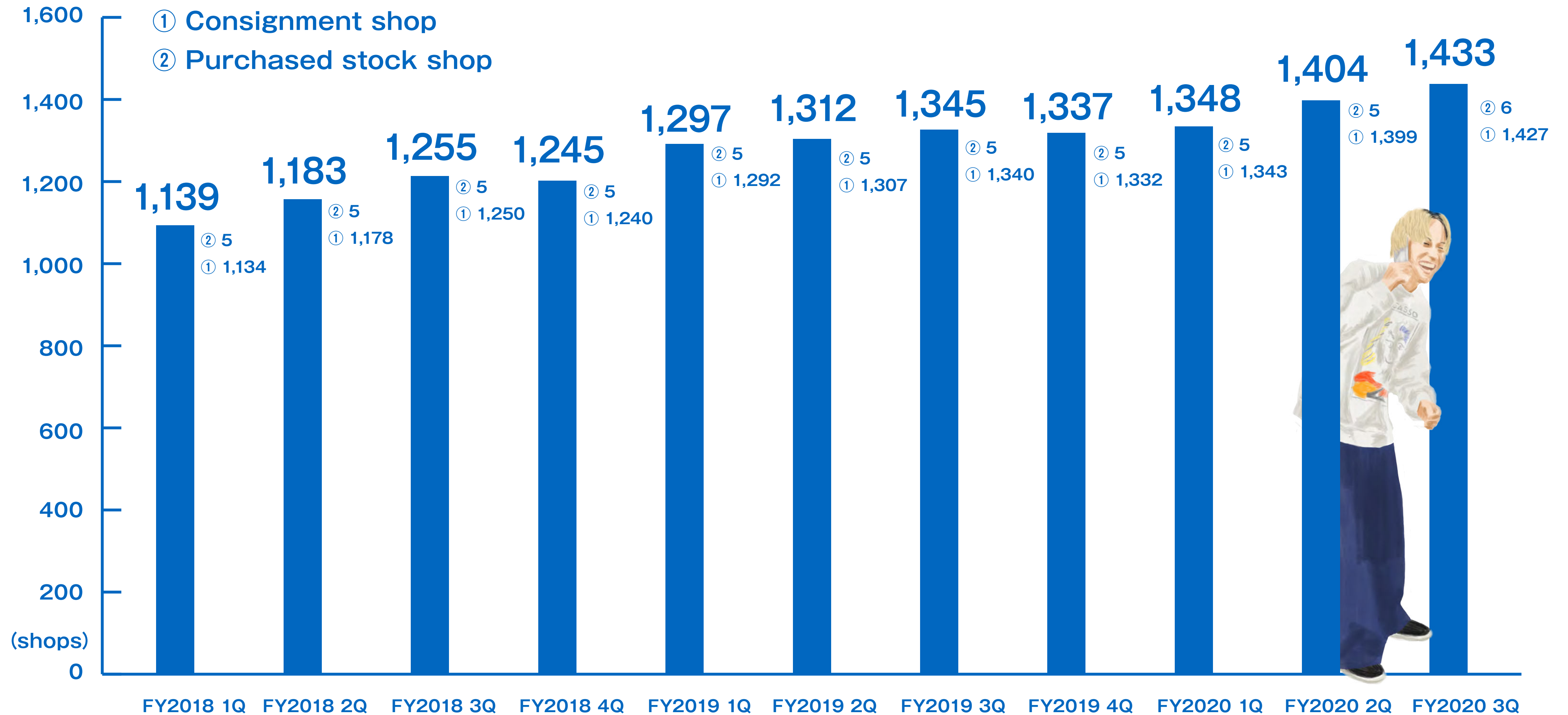
Number of total buyers = Active members and guest buyers who made at least one purchase within a year  
 Guest buyers = Total number of guest purchases within a year  
 Active members = Members who have made at least one purchase within a year



(member)

\* Excluding the users only purchased the body measurement device "ZOZOSUIT" and "ZOZOMAT"  
 \* PayPay Mall is not included

# NUMBER OF SHOPS ON ZOZOTOWN

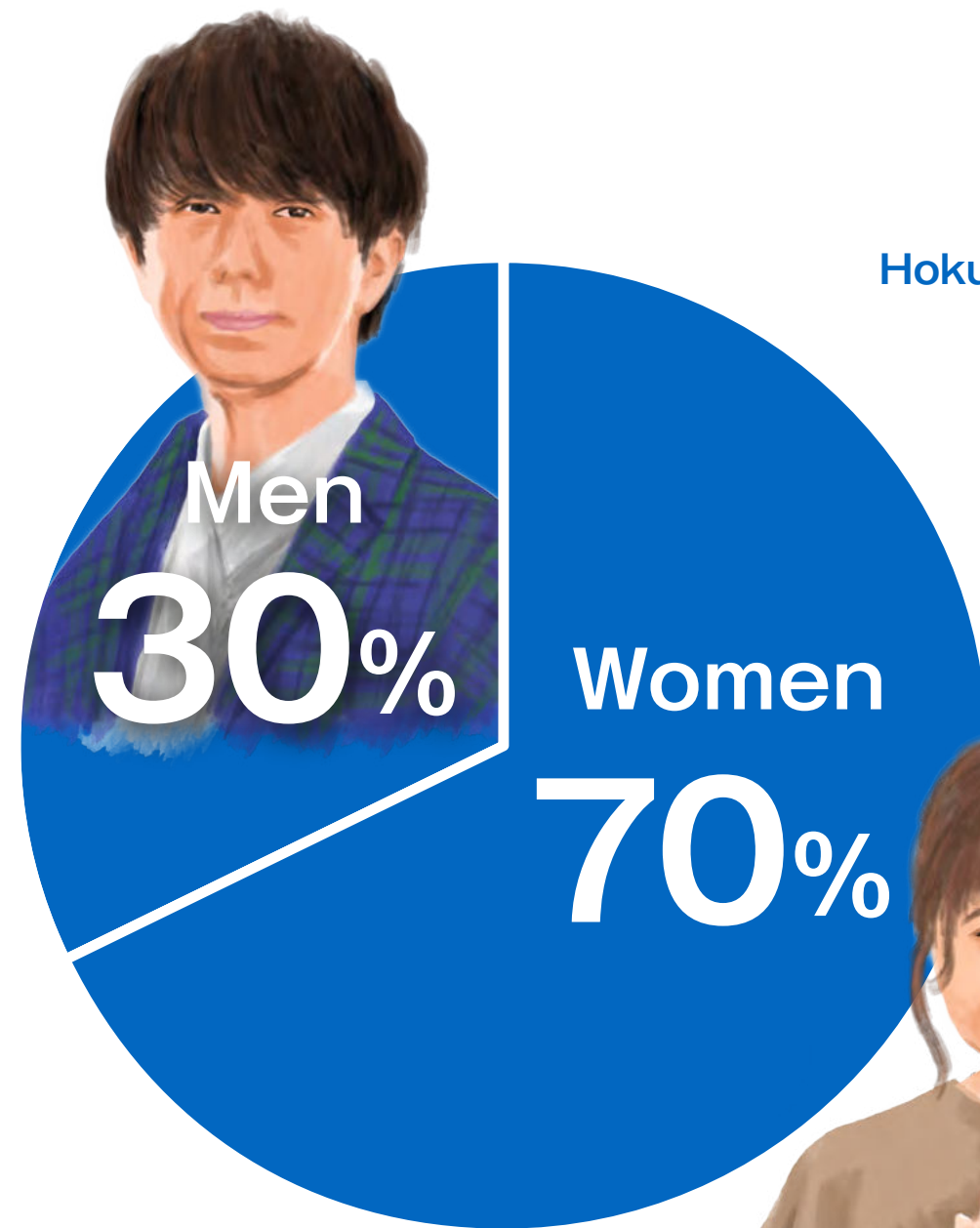


\* Shops of the private brand "ZOZO" and "Multi-Size" are not included to the number of shops

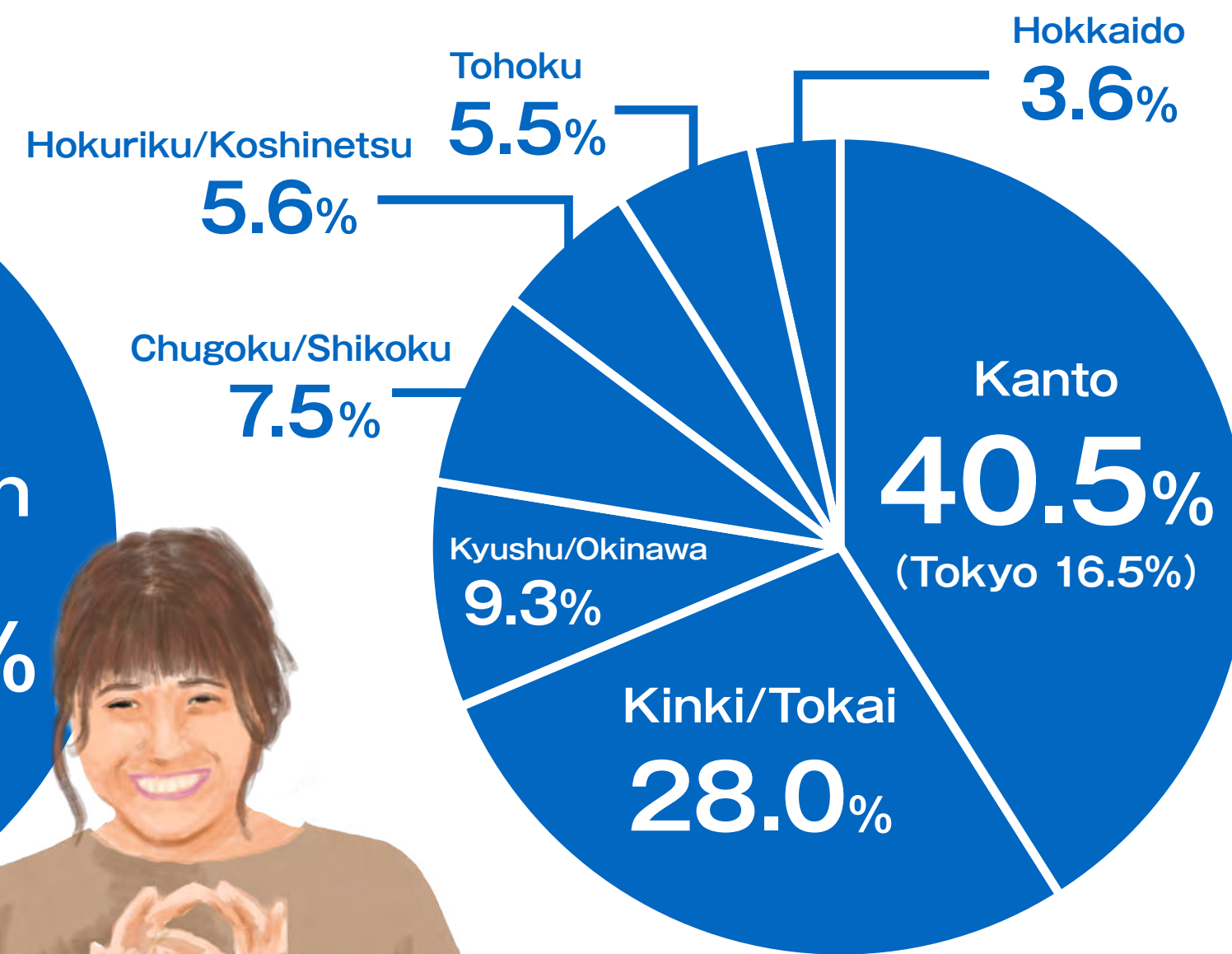


# ACTIVE MEMBER DISTRIBUTION

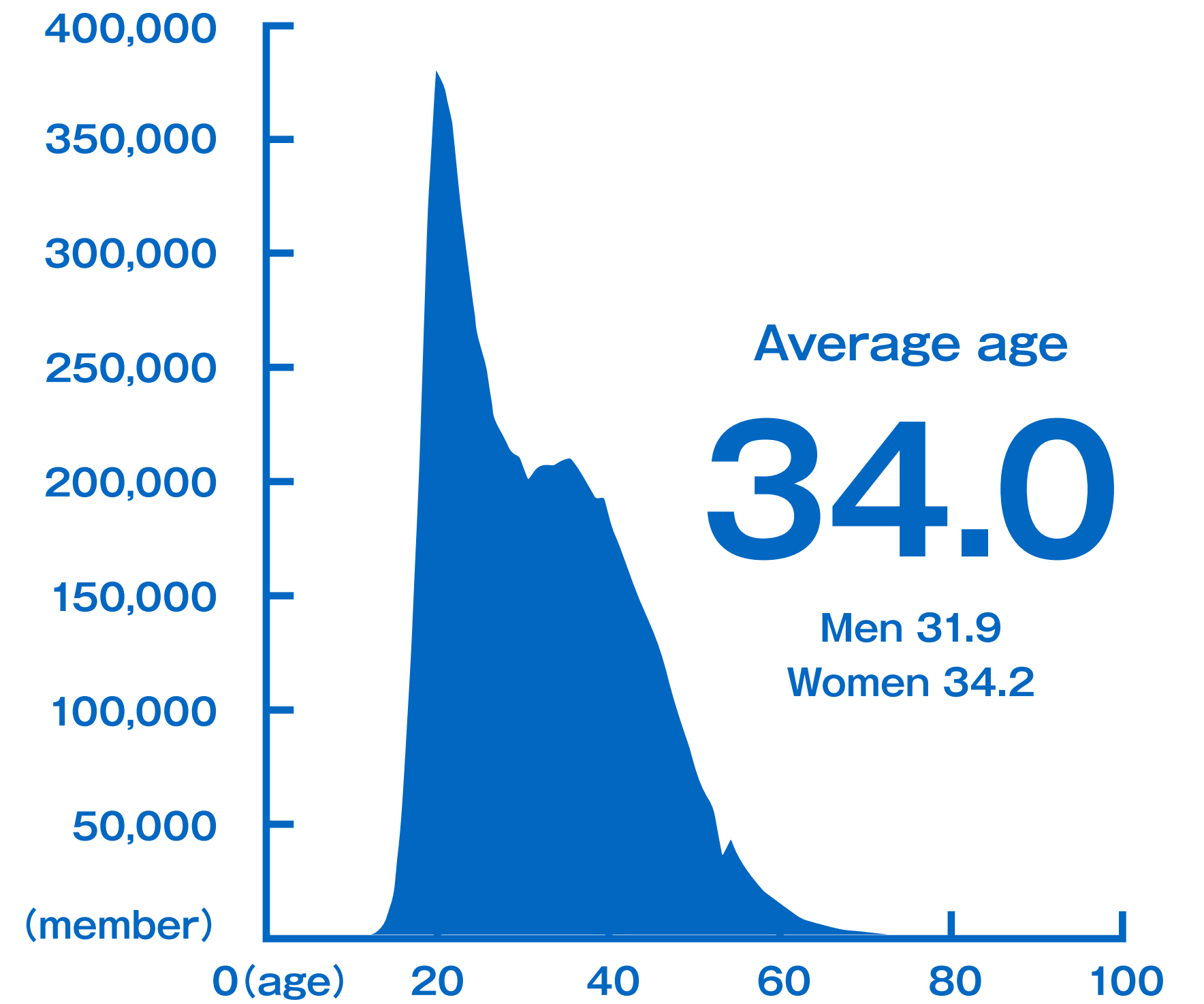
## Gender ratio



## Geographical distribution

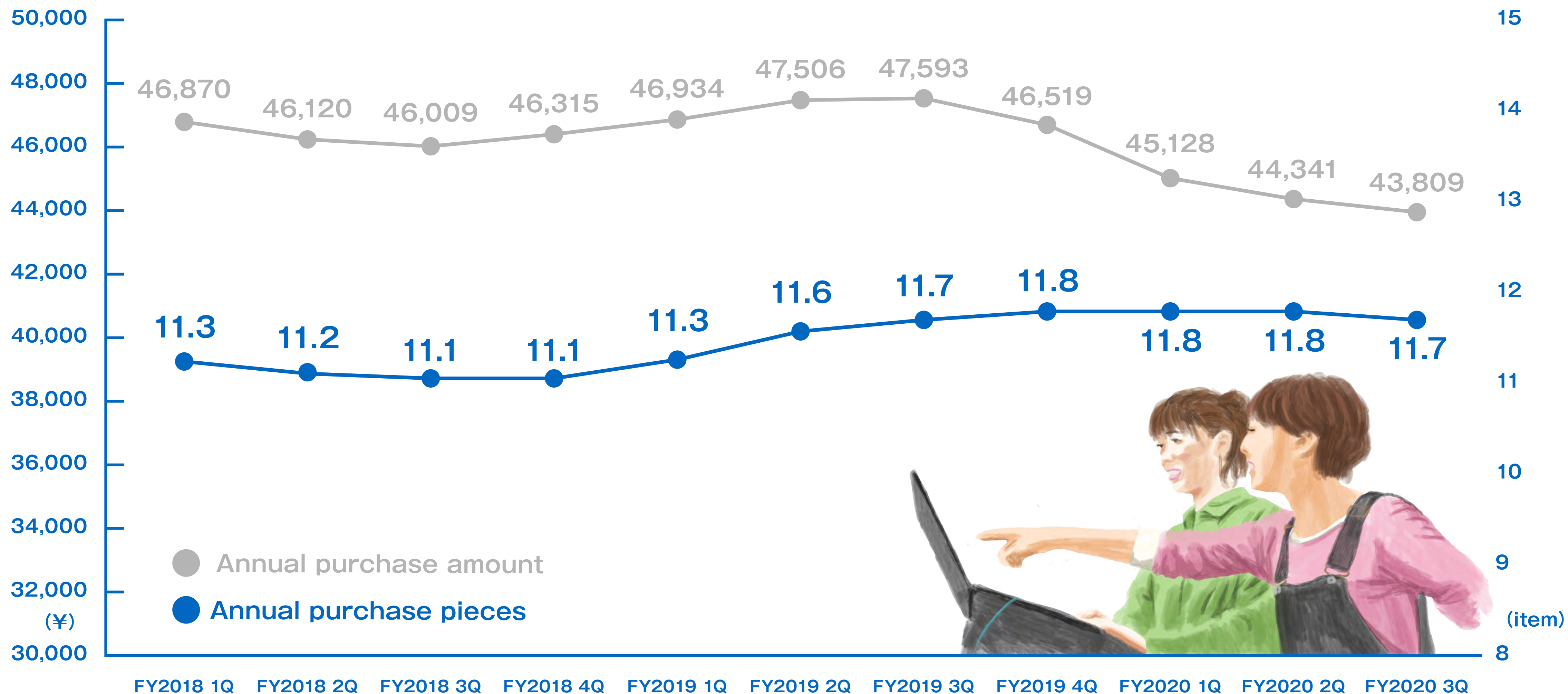


## Age distribution



\* PayPay Mall is not included

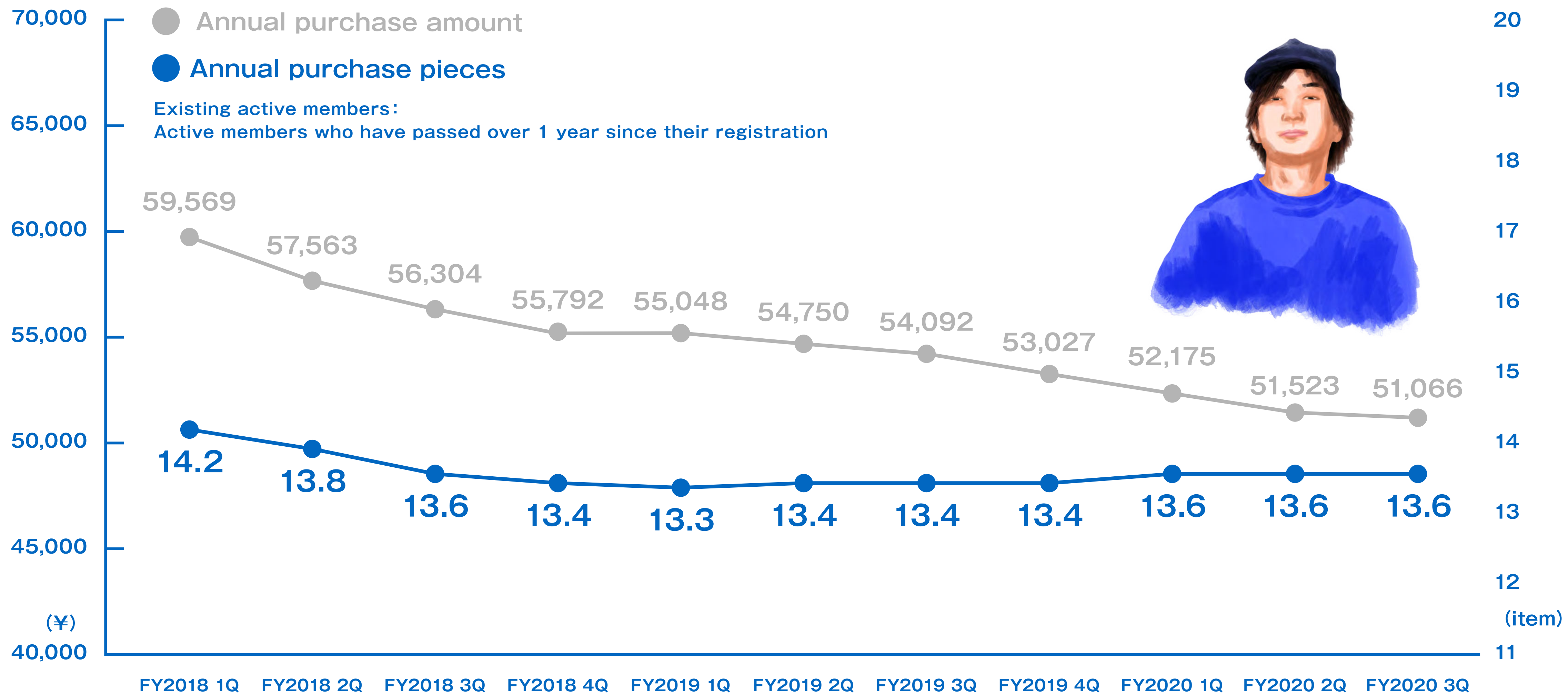
# ANNUAL PURCHASE AMOUNT AND PIECES PER ACTIVE MEMBER



\* Excluding the users only purchased the body measurement device "ZOZOSUIT" and "ZOZOMAT"  
 \* PayPay Mall is not included



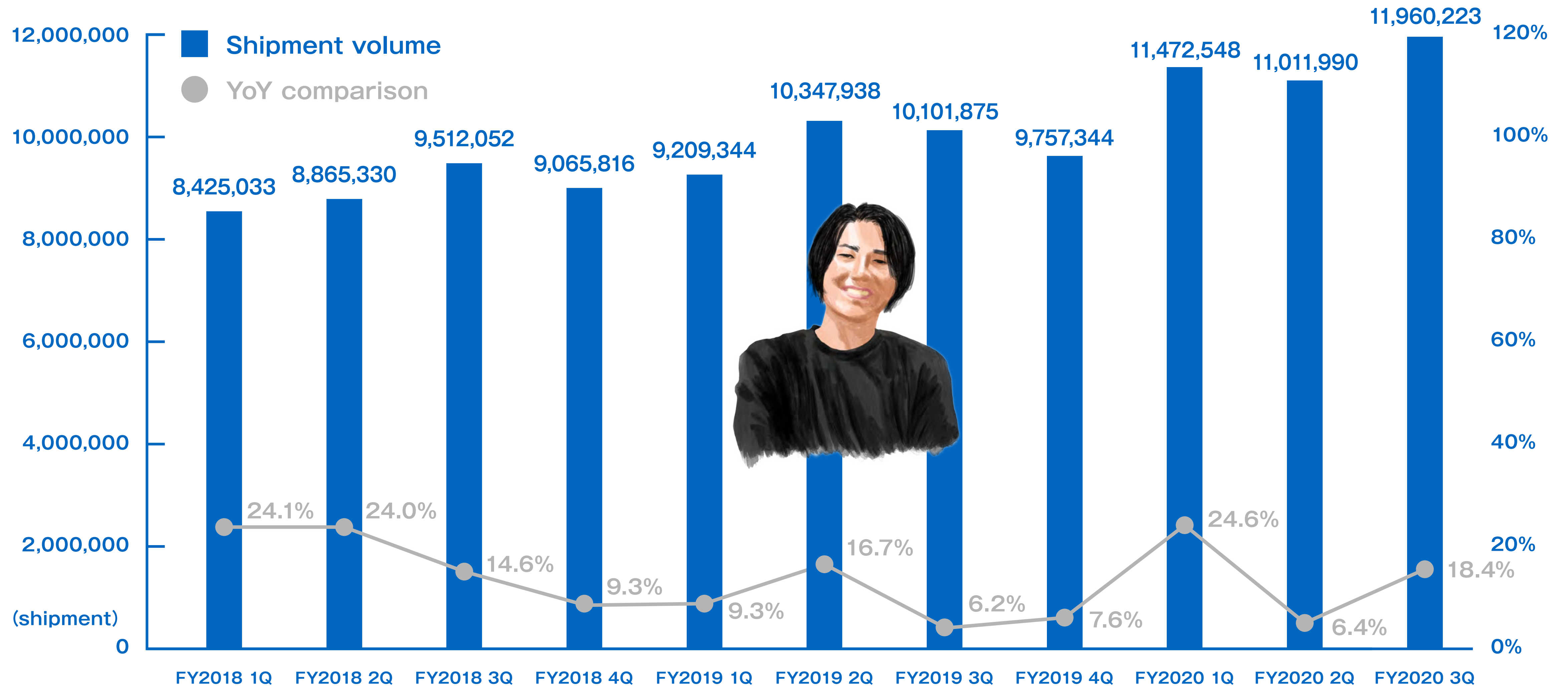
# ANNUAL PURCHASE AMOUNT AND PIECES PER EXISTING ACTIVE MEMBER



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

\* PayPay Mall is not included

# NUMBER OF SHIPMENTS

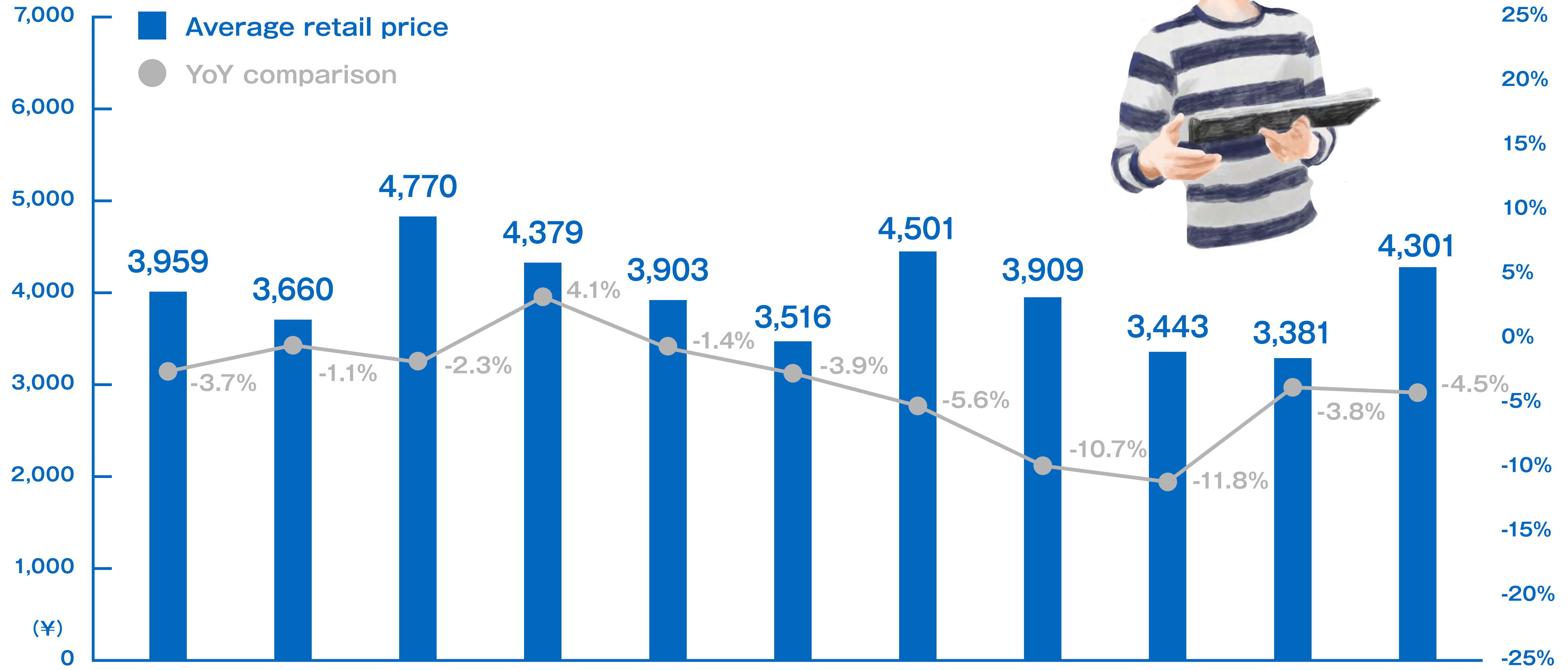


\* Excluding the number of shipments of the body measurement device “ZOZOSUIT” and “ZOZOMAT” only. \* PayPay Mall is not included

\* The numbers of shipments are the combined results of the ZOZOTOWN business, the PB business and the MSP business

# AVERAGE RETAIL PRICE

Average retail price =  
Gross Merchandise Value / Number of pieces



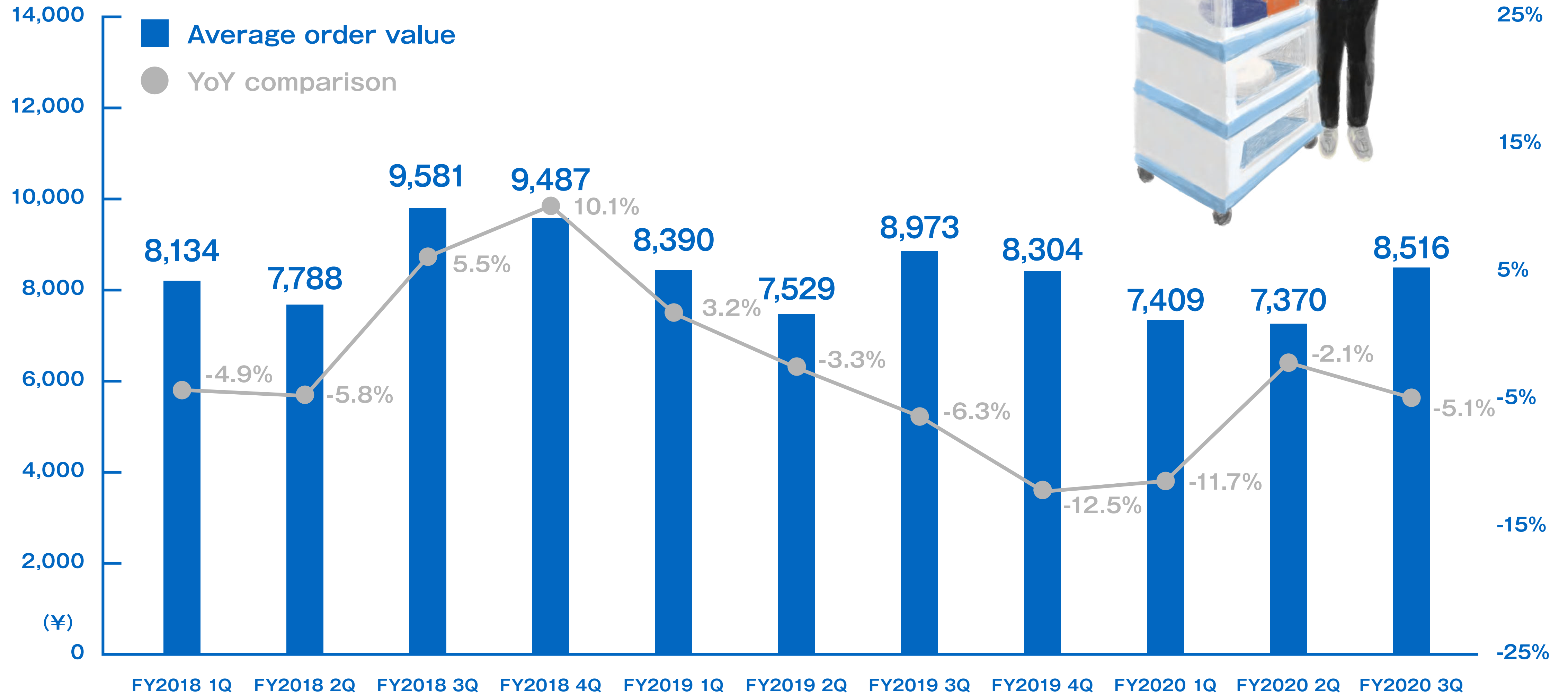
FY2018 1Q FY2018 2Q FY2018 3Q FY2018 4Q FY2019 1Q FY2019 2Q FY2019 3Q FY2019 4Q FY2020 1Q FY2020 2Q FY2020 3Q

\* The numbers of average retail price are averages calculated from combined results of the ZOZOTOWN business, the PB business and the MSP business  
 \* PayPay Mall is not included

# AVERAGE ORDER VALUE

Average order value = Gross Merchandise Value / Number of shipments

30



\* The numbers of Average Order Value are averages calculated from combined results of the ZOZOTOWN business, the PB business and the MSP business

\* PayPay Mall is not included

# BUSINESS PLAN FOR FY2020



3Q FY2020 ZOZO, Inc.  
CONSOLIDATED BUSINESS RESULTS

# CONSOLIDATED BUSINESS FORECAST AND DIVIDEND FORECAST FOR FY2020

	FY2020 Plan*	YoY
Gross Merchandise Value	409.0 billion yen	18.5%
Gross Merchandise Value (excluding other GMV)	402.0 billion yen	16.5%
Net sales	145.0 billion yen	15.5%
Operating profit	41.5 billion yen	48.8%
Operating Profit Margin (% Gross Merchandise Value)	10.3%	—
Ordinary profit	41.6 billion yen	50.5%
Profit attributable to owners of parent	28.5 billion yen	51.6%
Net profit per share	93.3 yen	—
Estimated dividends per share (Plan)	38.0 yen	—



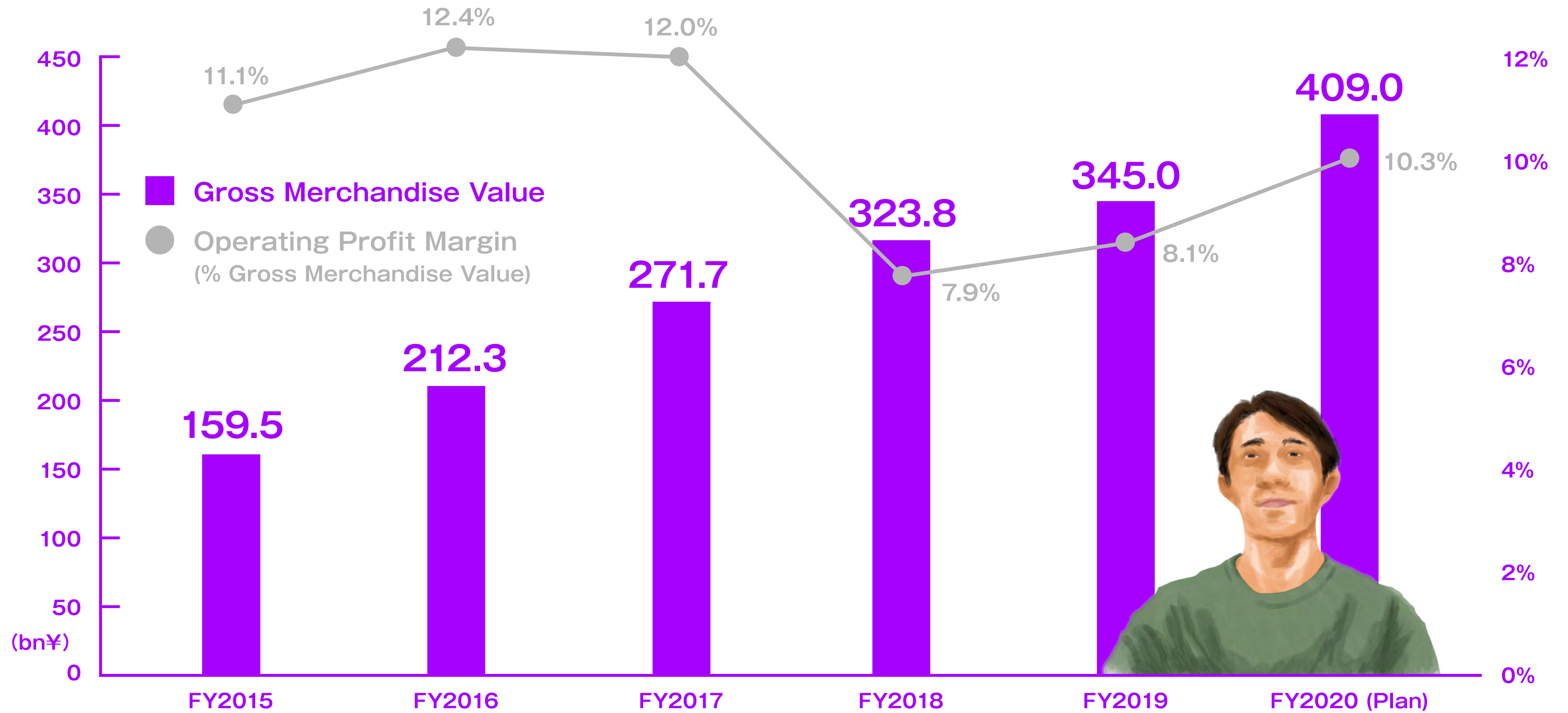
\* The company made a timely disclosure “Notice concerning revision of consolidated business forecast and year-end dividend” on January 29, 2021.

The numbers in above are the numbers after the revision.

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



# GROSS MERCHANDISE VALUE & OPERATING PROFIT MARGIN



\* The company made a timely disclosure "Notice concerning revision of consolidated business forecast and year-end dividend" on January 29, 2021. The numbers in above are the numbers after the revision.

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

# REFERENCE DATA



3Q FY2020 ZOZO, Inc.  
CONSOLIDATED BUSINESS RESULTS



Inspire the world. Deliver joy every day.

# STATISTICS OF ZOZO

## EMPLOYEES

1,280

(Average age 33.5 years old)

## SHARE HOLDERS

22,379

## NUMBER OF BRANDS HANDLED

8,109

## ZOZOTOWN TOTAL BUYERS

(1 year basis)

9.13 million



# MAJOR SERVICES

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

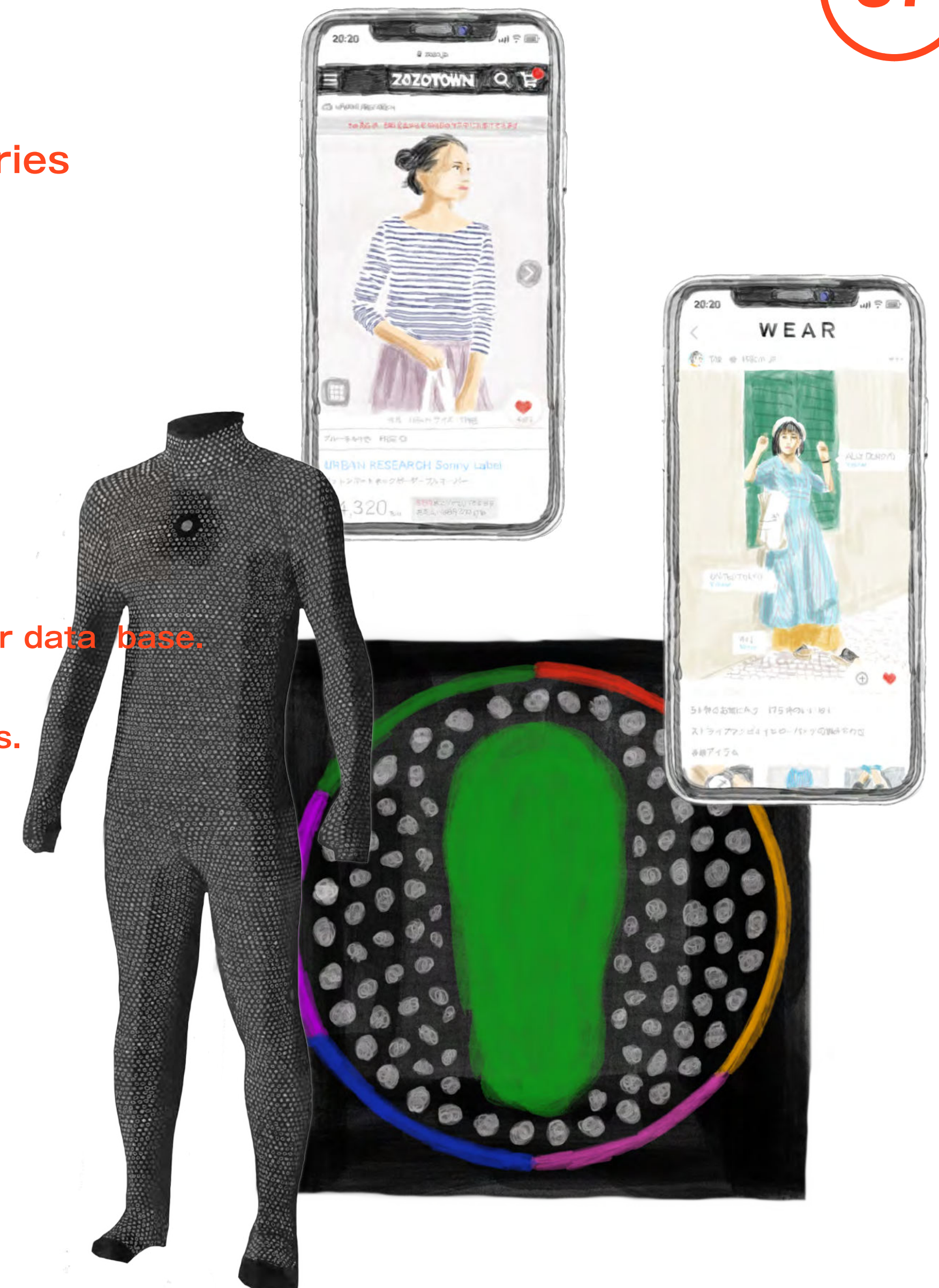
- 1,433 stores offering 8,109 brands.
- At any given time, more than 830,000 items are available with an average of 3,000 new items added everyday.
- Systems, design, to fulfillment, all functions are built in house.
- Same-day delivery service/Gift-wrapping service/Deferred payment etc.
- Opened ZOZOTOWN shop on PayPay Mall which is operated by Yahoo Japan Corporation.

## WEAR Japan's largest fashion coordination app

- When uploading coordinate pictures, tag each item worn in the look, using information on our data base. The systems allows anyone to search for coordinates and items by various queries.
- Official users who we call WEARISTAs, include popular models, singers, actors and actresses.
- Over 15.0 million DL
- Now available in all geographic areas.

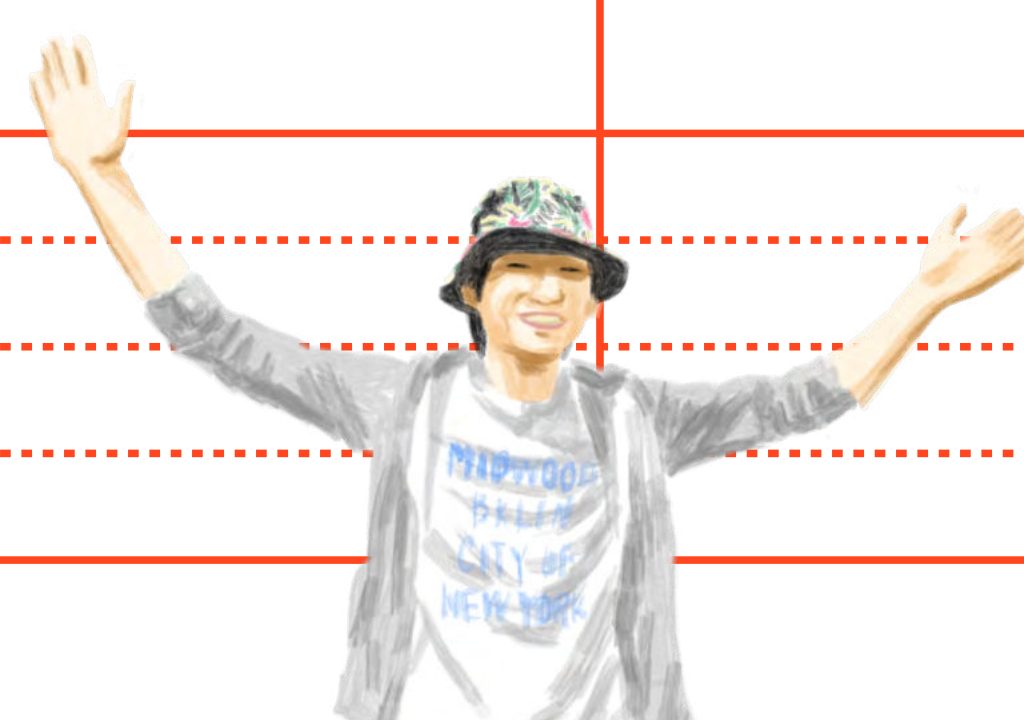
## Private Brand "ZOZO"

- Operates in ZOZOTOWN.
- The brand offers basic items based on individual customer's body size.
- Depending on characteristics of items, sizes are available in either multi-sized or custom made.



# DIFFERENCES BETWEEN ZOZOTOWN AND ZOZOTOWN SHOP ON PAYPAY MALL

	ZOZOTOWN	ZOZOTOWN PayPay Mall Shop
Overview	One of the largest fashion e-commerce sites in Japan providing original services specialized in fashion	E-commerce site for wide range of users also expecting cross-category shopping other than the fashion category
Number of shops	1,433 (As of December 31, 2020)	1,300 (As of December 31, 2020)
Selling items	Full line-up	Freely selected by each shop
Detail of consignment	All the operations needed for EC business such as shooting, measurement, logistics, customer support, operation support etc.	Same as the left
Original services provided	Deferred payment, ZOZO Trade-in, same-day delivery, preorder, ZOZOCARD, brand coupons, gift-wrapping service, image search function etc.	Brand coupons, preorder
Payment methods	Credit cards, cash on delivery, convenience store payment, deferred payment, LINEPay, PayPay	PayPay, credit cards, cash on delivery
Reward points	No *ZOZO point of 5% of product price (excluding tax) will be granted only for ZOZOCARD	PayPay bonus points or T points based on PayPay campaign
Revenue	Consignment sales commission from brands	Commission rate stipulated in each contract with brands
	Shipping revenue from customers	210 yen (including tax)
Expenses bear by ZOZO	Shop opening commission	No
	Payment collection commission	Yes
	Customer attraction cost	Yes
	Reward points cost	Yes



# BUSINESS MODEL

## ZOZOTOWN Business

### ○ Consignment

We operate 1,427 shops as consignment businesses.  
This business model allows us to carry a certain amount of products from the brands, while giving us low inventory risk.  
Sales = Gross merchandise value\*(1) of each store × commission rate

### ○ Purchased Stock

We operate 6 stores within ZOZOTOWN, which offer products we purchase from brands.  
Sales = Gross merchandise value\*(1) generated by each store

### ○ ZOZOUSED Business

We purchase used fashion products from our users, and resell them as a second-hand business.  
Sales = Gross merchandise value\*(1) of purchase stock + Consignment commission of marketplace\*(2)



## PayPay Mall

Opened ZOZOTOWN shop on PayPay Mall which is operated by Yahoo Japan Corporation.  
Sales = Gross merchandise value of each store × commission rate

\*(1) The amounts of gross merchandise value of ZOZOTOWN Business and PB Business for calculating net sales are amounts after deduction of discounts borne by the company

\*(2) Sales of marketplace form ended February 29, 2020

## Private Brand Business

Under the brand name “ZOZO”, it manufactures and sells basic items based on individual customer’s body size. Using data measured by the body measurement device “ZOSUIT” which developed in-house, and sell items at ZOZOTOWN.  
Sales = Gross merchandise value\*(1) of private brand items



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## MSP Business

Manufacture and sell a portion of items from shops with strong user demands, by leveraging the know-how of manufacturing clothes in a variety of sizes which gathered in the company, sales capability and planning ability of shops on ZOZOTOWN.  
Sales = Gross merchandise value of MSP items

## BtoB Business

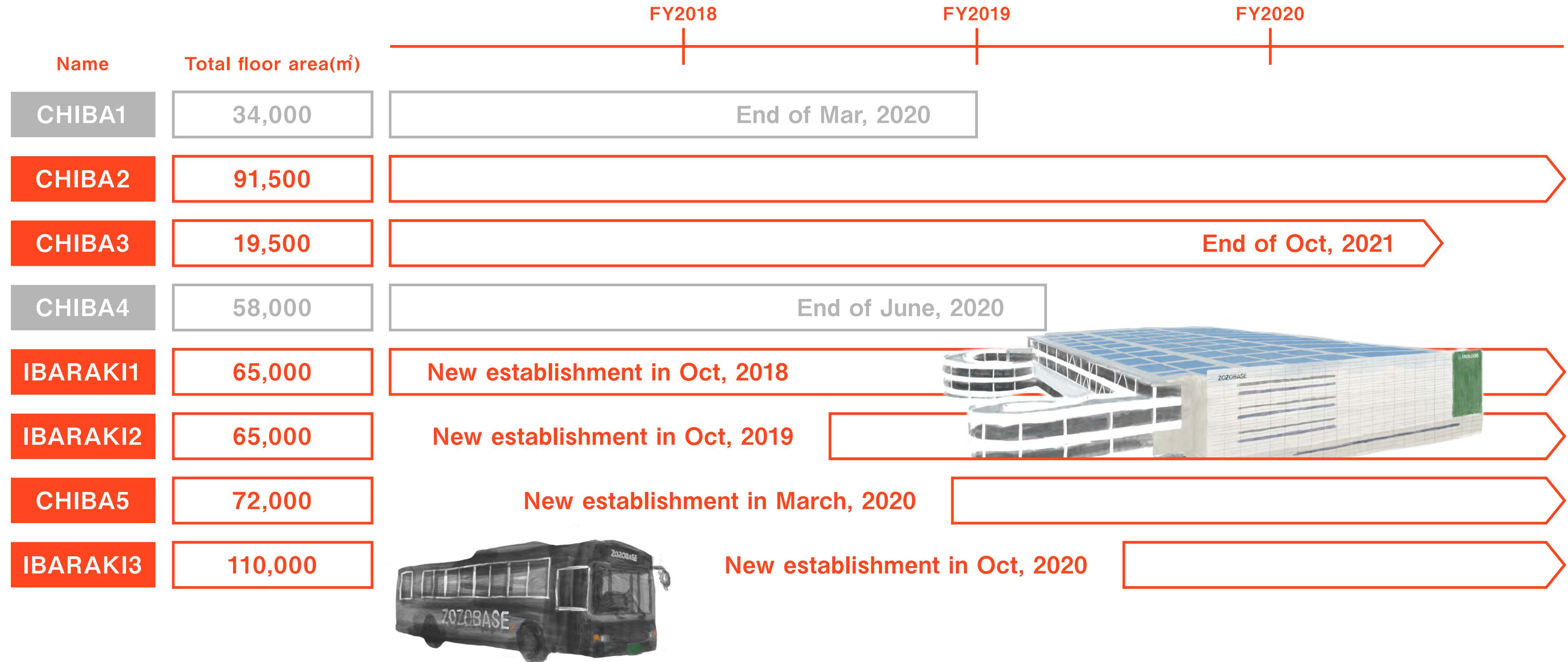
We help develop and operate online shops on behalf of various brands, such as “United Arrows”. We currently provide back-end service to 55 stores.  
Sales = Gross merchandise value of these online shops x commission rate

\* Above sales includes other sales such as initial shop opening commission, shipping income etc.

## Advertisement Business

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

# LOGISTICS BASES EXPANSION PLAN



\* CHIBA2 and IBARAKI1 are warehouses with shipping function



# APPENDIX

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

Information below are available at our IR website. Please kindly confirm.

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

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

**ESG** ... Introducing our initiatives on ESG.

<https://corp.zozo.com/en/ir-info/management-policy/esg/>

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

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

## Introduction of IR Mail

By registering your email address to our IR Mail,  
we will send you information pertain to our IR such as latest news releases.  
If you wish to register, please make access to the following link.

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

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



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

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

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



ZOZO