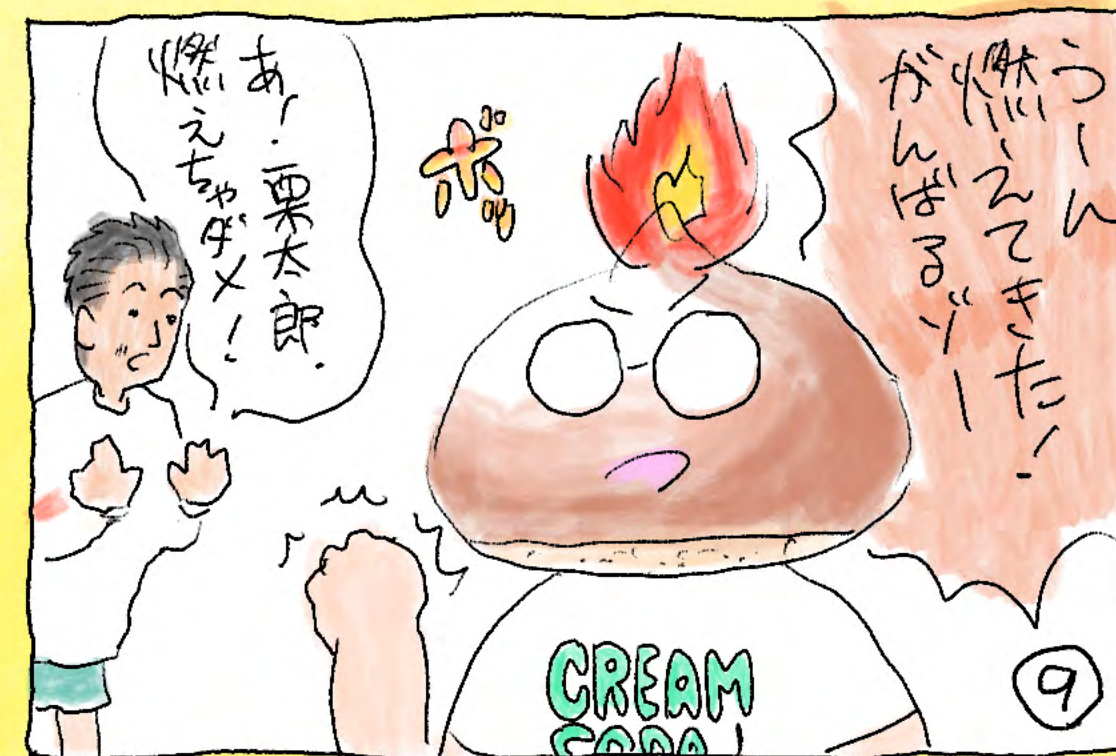
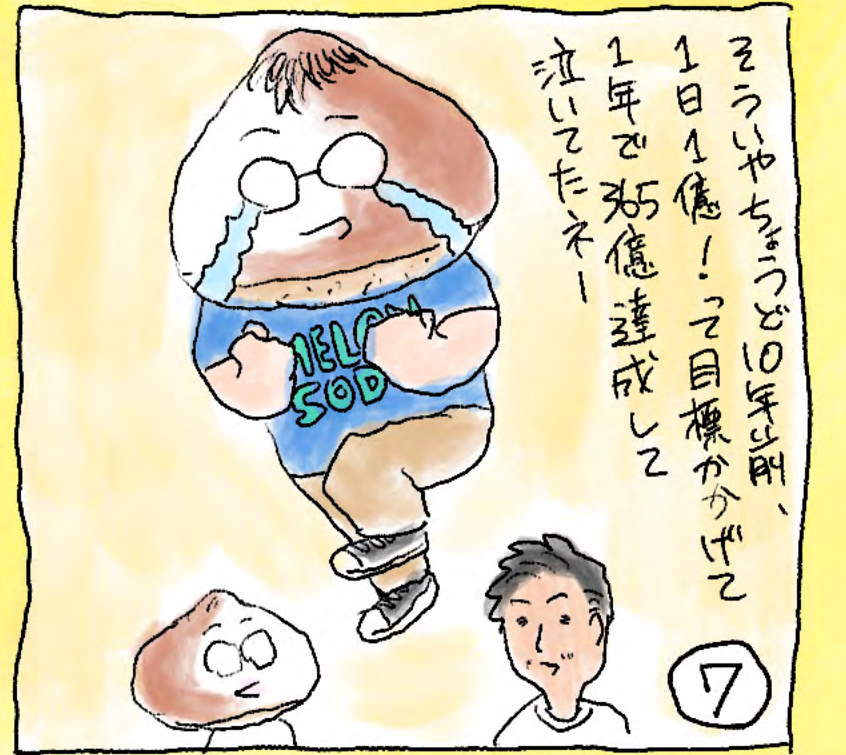
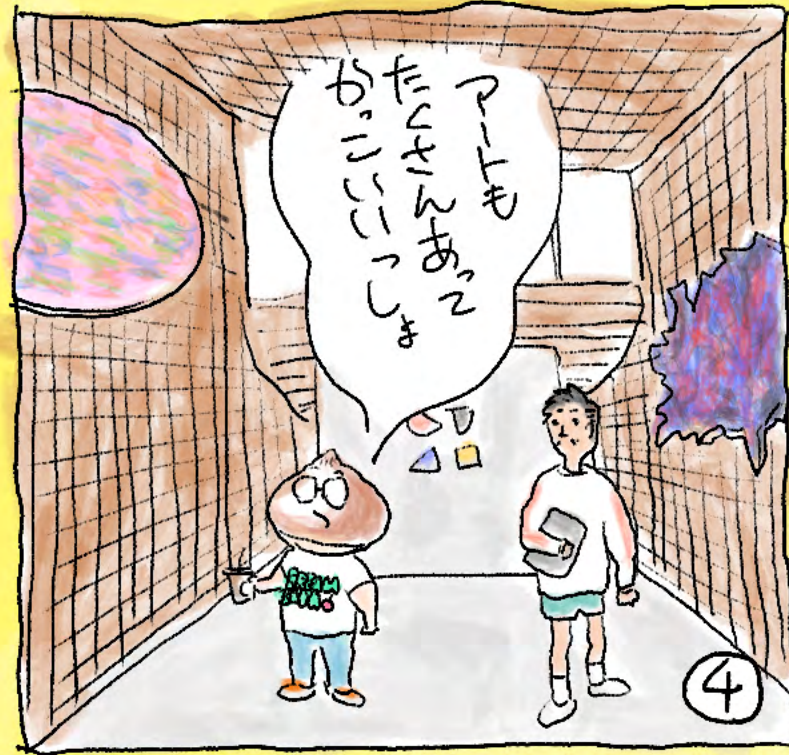
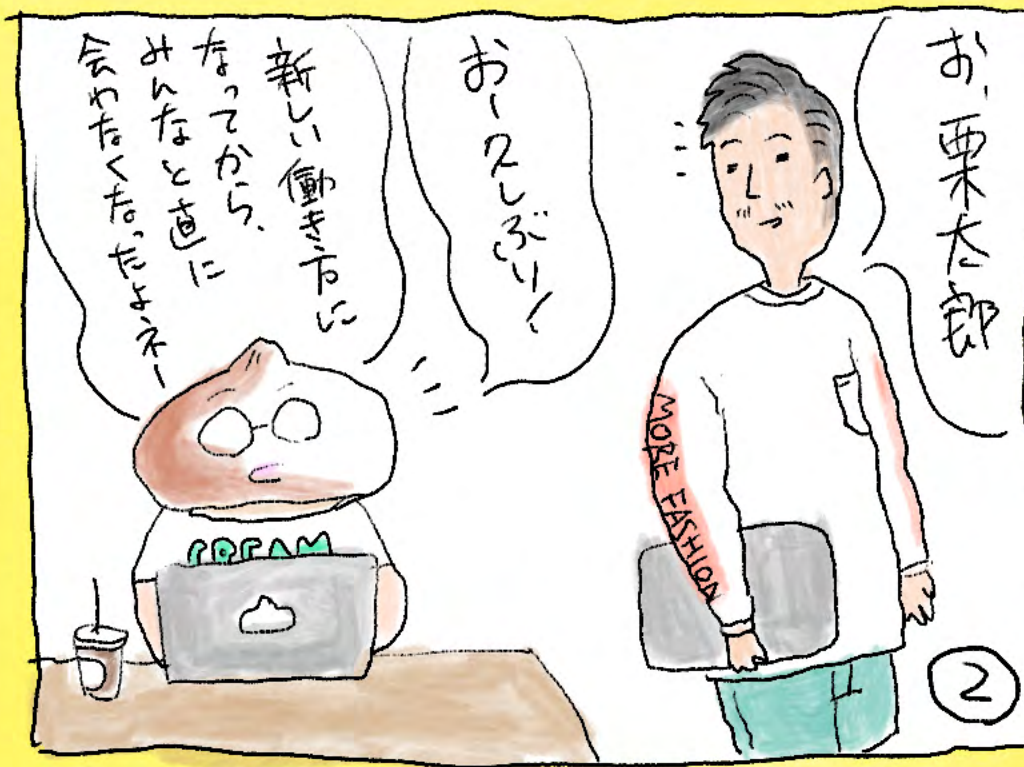


**FY2021 1Q ZOZO, Inc. CONSOLIDATED BUSINESS RESULTS**



# HIGHLIGHTS

FY2021 1Q 2020 Inc.  
CONSOLIDATED BUSINESS RESULTS



# FY2021 1Q HIGHLIGHTS

**Gross Merchandise Value** **116.8** billion yen  
( +22.5% YoY / Achievement rate 24.7% )

**Gross Merchandise Value** **106.7** billion yen  
(excluding other GMV) ( +11.9% YoY/Achievement rate 23.7% )

**Operating Profit** **12.5** billion yen  
( +20.8% YoY / Achievement rate 26.3% )

**Operating Profit Margin** **11.8%**  
( +0.9 points YoY )

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

# OVERVIEW OF EACH QUARTER

(million¥)

	FY2020				FY2021
	1Q	2Q	3Q	4Q	1Q
<b>Gross Merchandise Value</b>	<b>95,330</b>	<b>90,301</b>	<b>118,611</b>	<b>115,194</b>	<b>116,812</b>
Gross Merchandise Value (excluding other GMV)	<b>95,330</b>	<b>90,195</b>	<b>115,247</b>	<b>106,999</b>	<b>106,700</b>
YoY (%)	<b>19.5%</b>	<b>13.0%</b>	<b>22.2%</b>	<b>17.3%</b>	<b>11.9%</b>
<b>Net sales</b>	<b>33,674</b>	<b>32,818</b>	<b>41,987</b>	<b>38,922</b>	<b>38,866</b>
<b>SG&amp;A</b>	<b>21,860</b>	<b>21,571</b>	<b>25,742</b>	<b>26,714</b>	<b>24,333</b>
YoY (%)	<b>18.3%</b>	<b>4.3%</b>	<b>1.4%</b>	<b>25.5%</b>	<b>11.3%</b>
(%Gross Merchandise Value)	<b>22.9%</b>	<b>23.9%</b>	<b>22.3%</b>	<b>25.0%</b>	<b>22.8%</b>
<b>Operating profit</b>	<b>10,423</b>	<b>9,482</b>	<b>13,880</b>	<b>10,358</b>	<b>12,591</b>
YoY (%)	<b>33.9%</b>	<b>73.4%</b>	<b>126.4%</b>	<b>21.8%</b>	<b>20.8%</b>
(%Gross Merchandise Value)	<b>10.9%</b>	<b>10.5%</b>	<b>12.0%</b>	<b>9.7%</b>	<b>11.8%</b>

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

\* From the fiscal year ending March 2022, we are disclosing the GMV and net sales in new business segmentation. For detail, please refer "Change of business segments" in P.34.

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

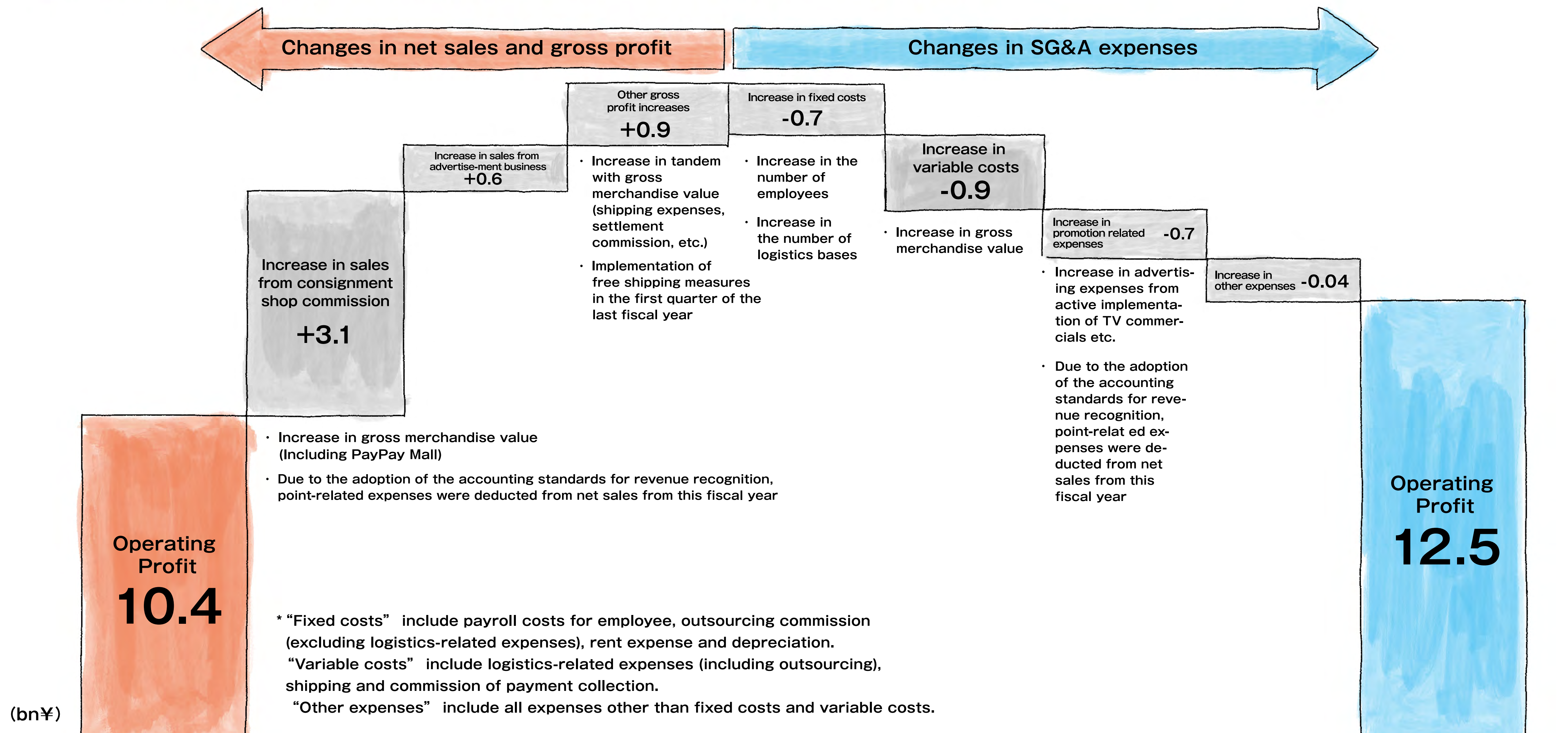
Until the fiscal year ended March 2021, points-related expenses, which had been recorded in SG&A expenses, were reduced from sales in the respective businesses, and the results are disclosed as net sales.

# BUSINESS RESULTS

FY2021 1Q ZOZO Inc.  
CONSOLIDATED BUSINESS RESULTS



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



FY2020 1Q

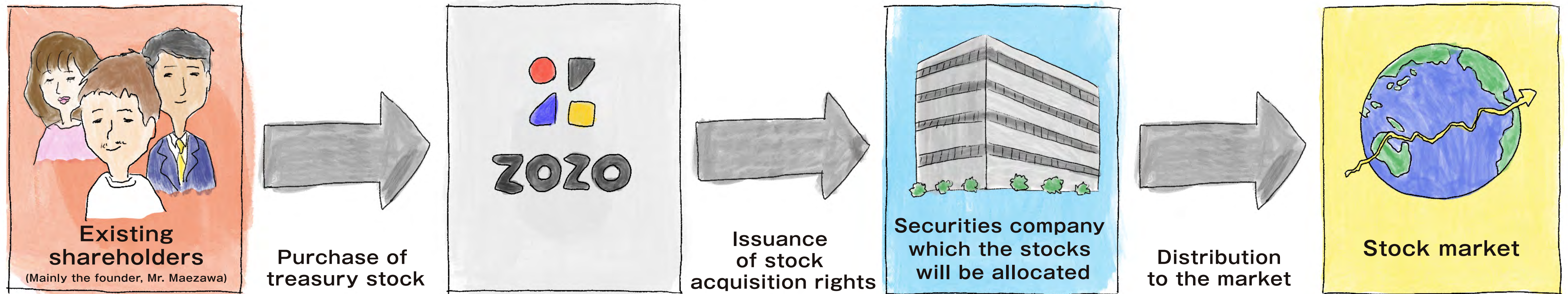
FY2021 1Q

# CONSOLIDATED BALANCE SHEET

(million¥)

	<b>FY2020</b> (as of March 31, 2021)	<b>FY2021 1Q</b> (as of June 30, 2021)		<b>FY2020</b> (as of March 31, 2021)	<b>FY2021 1Q</b> (as of June 30, 2021)
<b>Current assets</b>	<b>99,796</b>	<b>60,877</b>	<b>Current liabilities</b>	<b>65,180</b>	<b>56,207</b>
Cash and deposits	61,648	27,034	Short-term borrowing	20,000	20,000
Merchandise and finished products	1,792	2,223	Noncurrent liabilities	4,968	5,126
<b>Noncurrent assets</b>	<b>25,860</b>	<b>24,848</b>	<b>Total liabilities</b>	<b>70,149</b>	<b>61,333</b>
Tangible assets	12,019	12,010	Shareholders' equity	55,651	24,445
Intangible assets	2,915	2,790	Treasury stock	-24,146	-56,143
Investments and other assets	10,925	10,048	<b>Total net assets</b>	<b>55,507</b>	<b>24,392</b>
<b>Total assets</b>	<b>125,656</b>	<b>85,726</b>	<b>Total liabilities and net assets</b>	<b>125,656</b>	<b>85,726</b>

# OUTLINE OF INITIATIVES TO COMPLY WITH THE NEW TSE MARKET SEGMENTS (PRIME MARKET)



Date of acquisition: May 25, 2021  
 Total number of shares acquired: 8,544,000 shares  
 Ratio to the number of shares issued: Approx. 2.7%  
 Method of acquisition: ToSTNeT-3

Date of resolution to determine conditions: May 27, 2021  
 Total number of issuable shares: 6,780,000 shares  
 Ratio to the number of shares issued: Approx. 2.2%  
 Date of Allotment: June 15, 2021  
 Exercise period of stock acquisition rights:  
 June 16 2021 to June 15, 2023

We are considering to move to the new market segments (Prime Market) of the Tokyo Stock Exchange that is scheduled to open in April 2022.

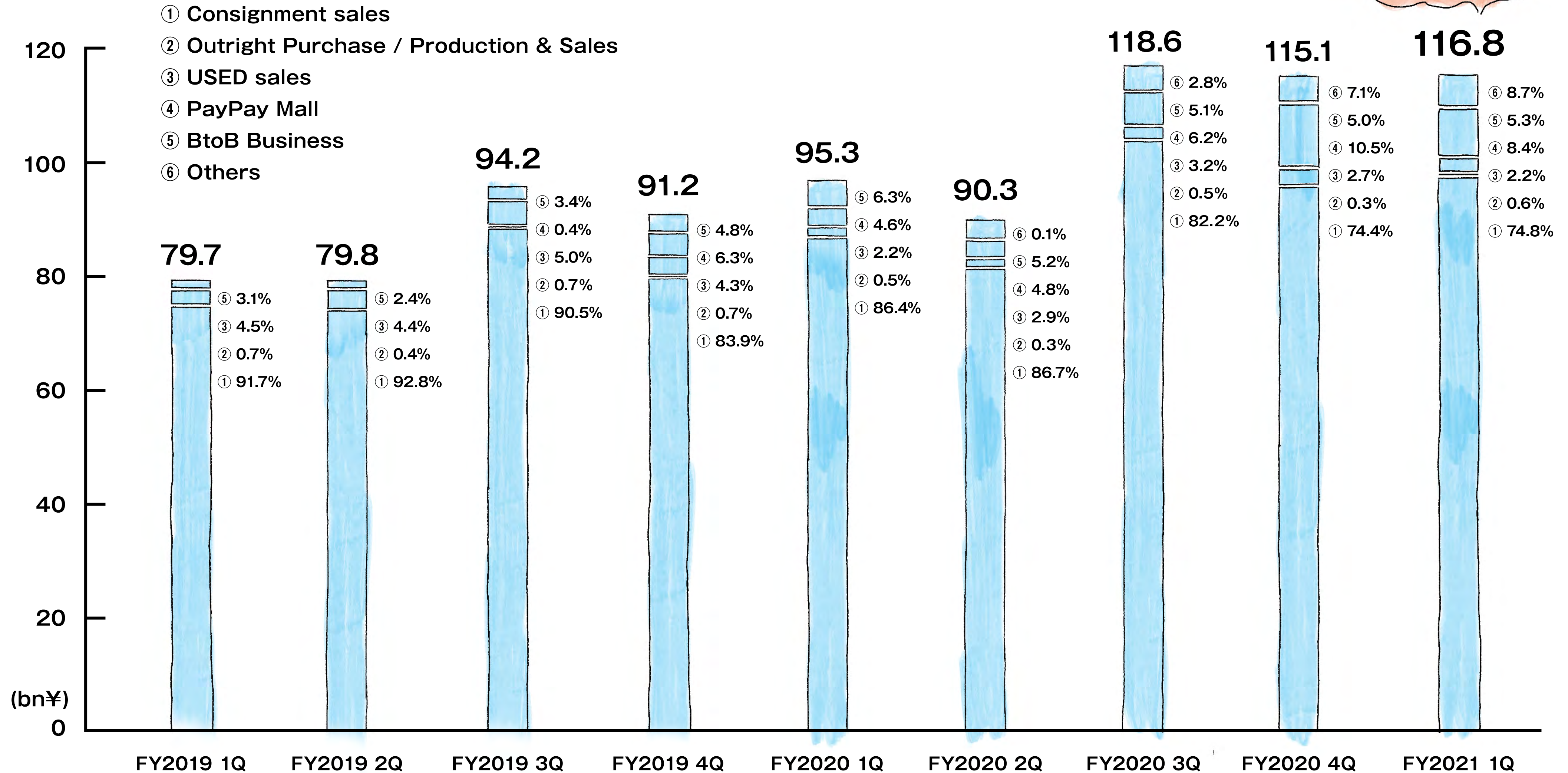
We are implementing the above measures in order to meet one of the requirements of the Prime Market; the ratio of tradable shares must be at least 35%.

When the distribution to the market is completed, the ratio of tradable shares is expected to exceed 35%.



# GROSS MERCHANDISE VALUE(QUARTERLY)

YoY \*  
+11.9%



\* YoY are calculated with GMV excluding "⑥ Others".

\* From the fiscal year ending March 2022, we are disclosing the GMV and net sales in new business segmentation. For detail, please refer "Change of business segments" in P.34. Figures in above are after the change.

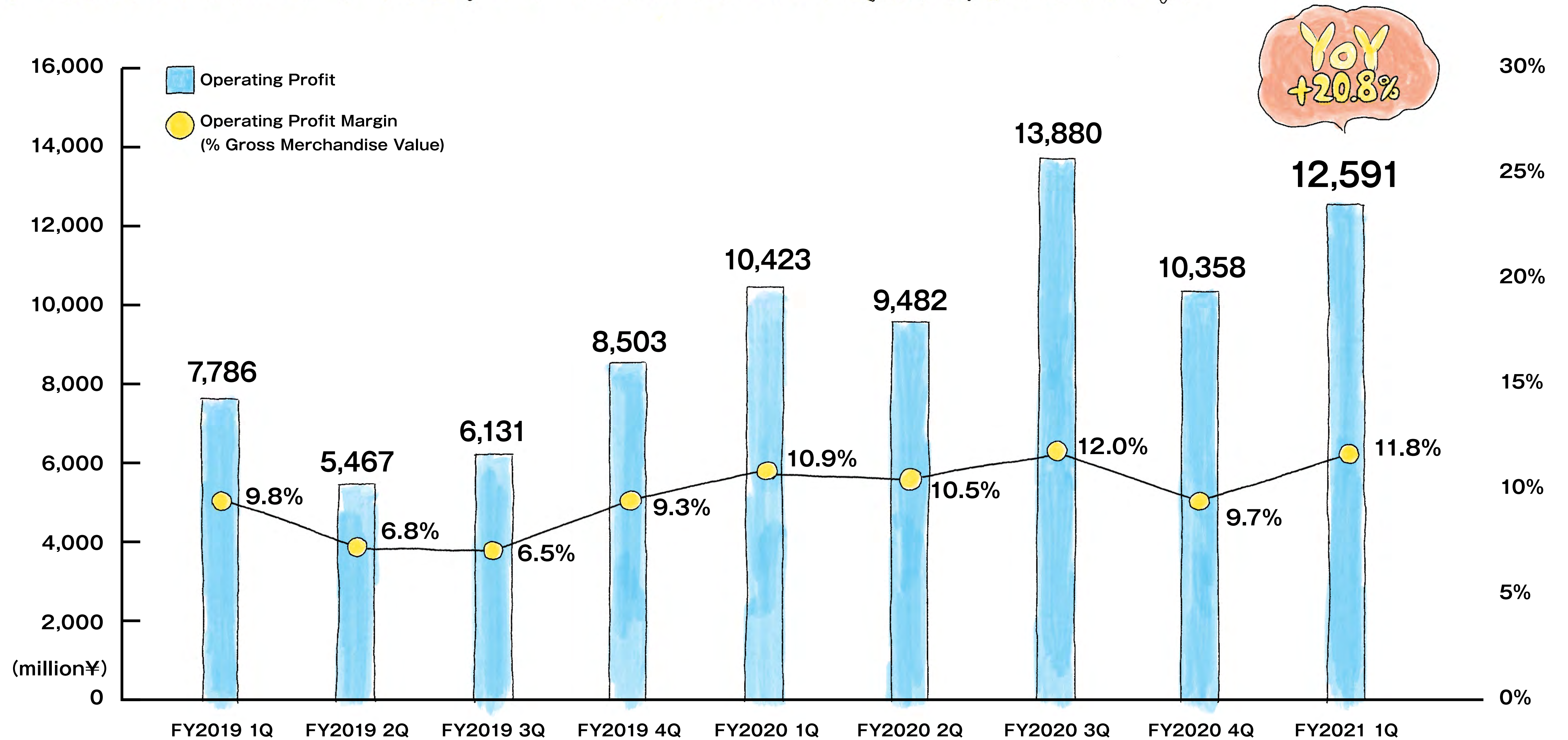
# SELLING, GENERAL AND ADMINISTRATIVE(SG&A) EXPENSES

(million¥)

	FY2020 1Q		FY2021 1Q		YOY	Increase decrease factors
	Amount	%Gross Merchandise Value	Amount	%Gross Merchandise Value	%Gross Merchandise Value	
Payroll and staff costs(*)	6,465	6.8%	6,883	6.5%	-0.3%	
Payroll costs for employee	2,409	2.5%	2,831	2.7%	0.2%	Transition of the number of employees on consolidated basis: FY2020 1Q 1,209 → FY2021 1Q 1,331
Logistics-Related Expenses (Including Outsourcing)	4,056	4.3%	4,051	3.8%	-0.5%	Last fiscal year: confusion from large volume of arrival of goods due to COVID-19 Current fiscal year: efficient operation without any major confusion
Outsourcing Commission (Excluding Logistics-Related Expenses)	1,197	1.3%	1,429	1.3%	0.0%	
Shipping	6,655	7.0%	7,597	7.1%	0.1%	Same-day delivery resumed in the current fiscal year, which was paused in the last fiscal year
Commission of Payment collection	2,561	2.7%	2,580	2.4%	-0.3%	Decrease in expenses from the change of vendor
Promotion related expenses	1,075	1.1%	1,796	1.7%	0.6%	
Advertising	619	0.7%	1,796	1.7%	1.0%	Deployed active user attraction measures such as TV commercials Distribution of ZOZOGLASS free-of-charge
Reward points related expenses	455	0.5%	-	-	-	Deduction from net sales instead of recording to the SG&A expense, due to the adoption of the accounting standards for revenue recognition
Rent expense	1,232	1.3%	1,431	1.3%	0.0%	
Depreciation	553	0.6%	454	0.4%	-0.2%	Undepreciated expenses of the old office were recorded as extraordinary loss in the 4th quarter of the last fiscal year
Amortization of goodwill	81	0.1%	101	0.1%	0.0%	
Stock Compensation Expenses	0	0.0%	13	0.0%	0.0%	
Others	2,035	2.1%	2,043	1.9%	-0.2%	Decrease in expenses due to the change of packaging materials (cardboard for delivery)
<b>Total SG&amp;A</b>	<b>21,860</b>	<b>22.9%</b>	<b>24,333</b>	<b>22.8%</b>	<b>-0.1%</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).

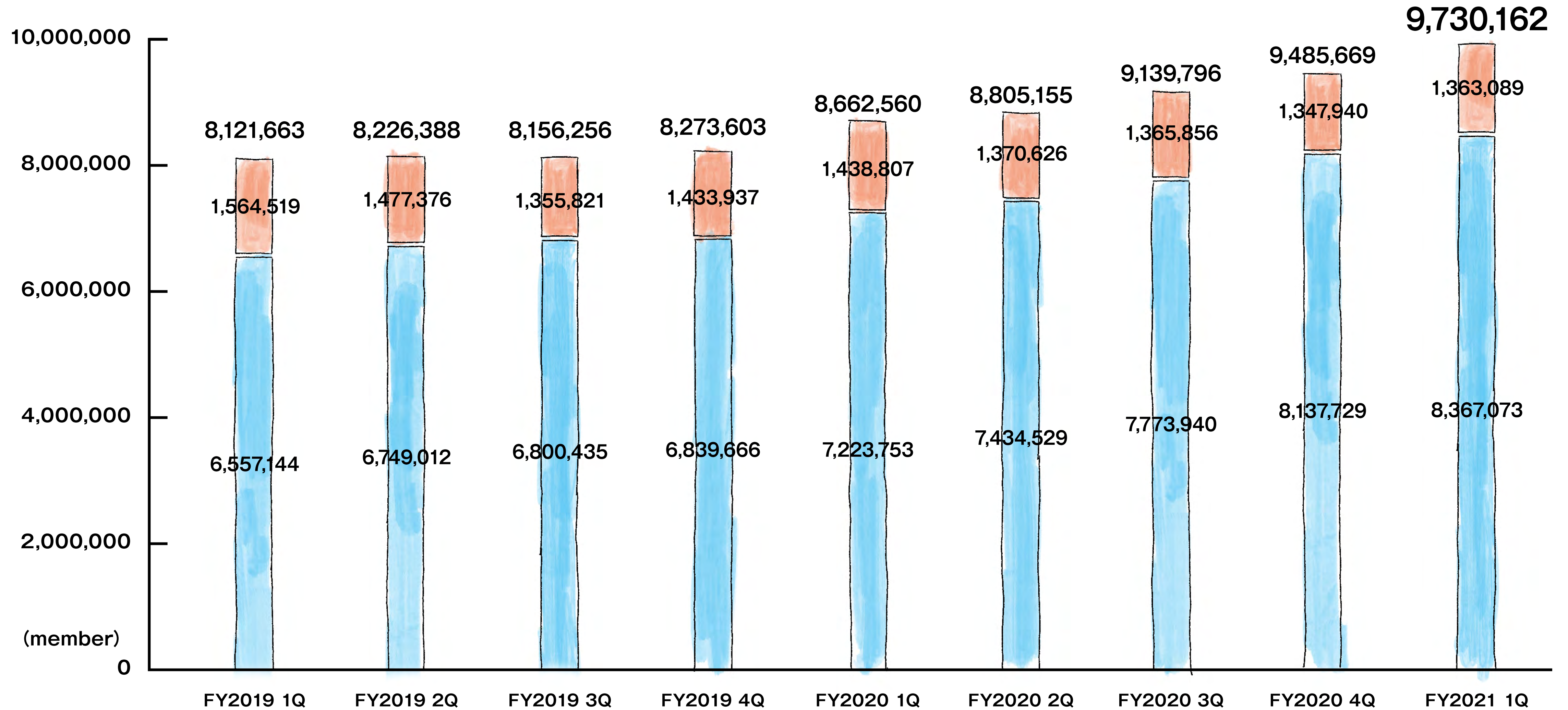
# OPERATING PROFIT AND OPERATING PROFIT MARGIN (QUARTERLY)



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

# NUMBER OF TOTAL BUYERS

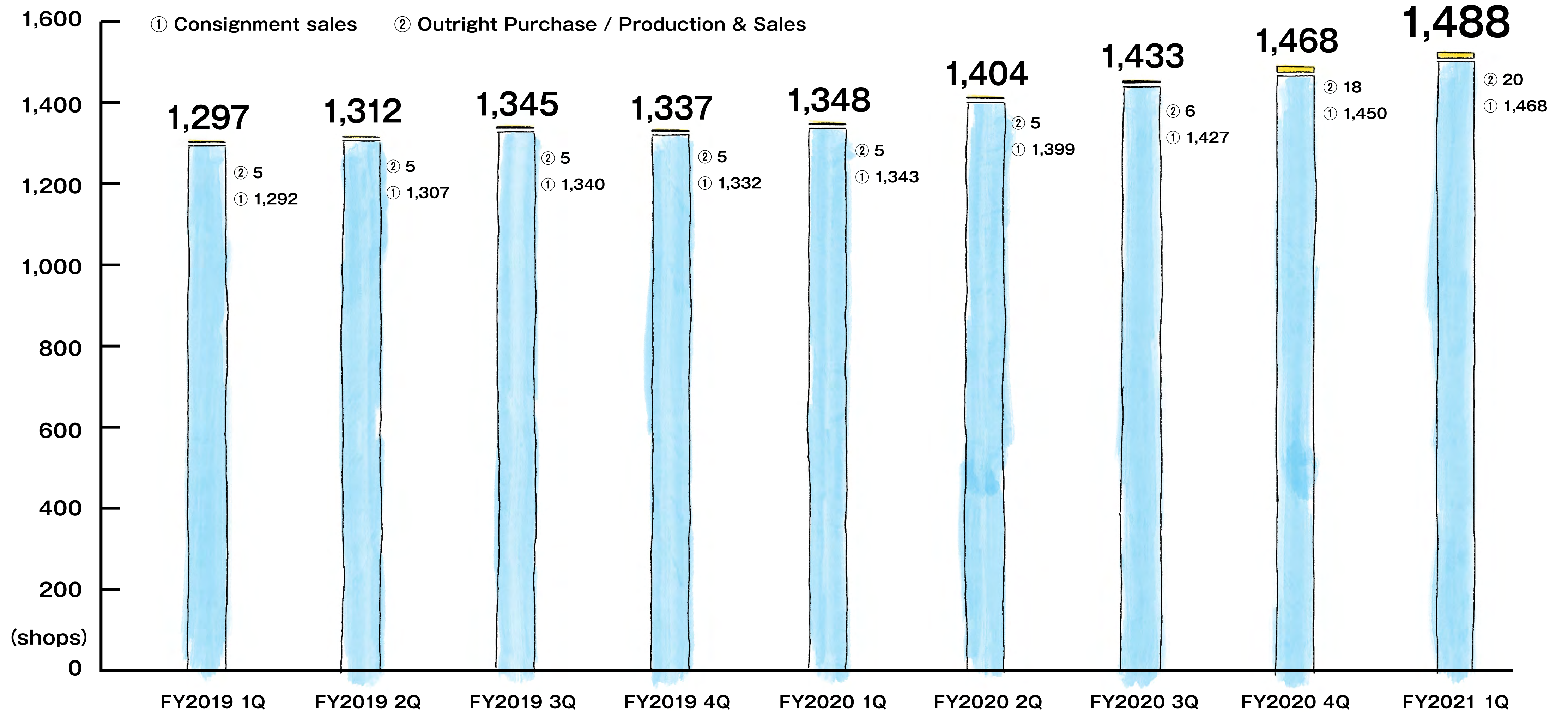
Number of total buyers = Active members and guest buyers who made at least one purchase within a year  
 Guest buyers = Total number of guest purchases within a year  
 Active members = Members who have made at least one purchase within a year



\* Excluding the users only purchased the body measurement device "ZOSUIT" "ZOMAT" and "ZOGLASS"

\* PayPay Mall is not included

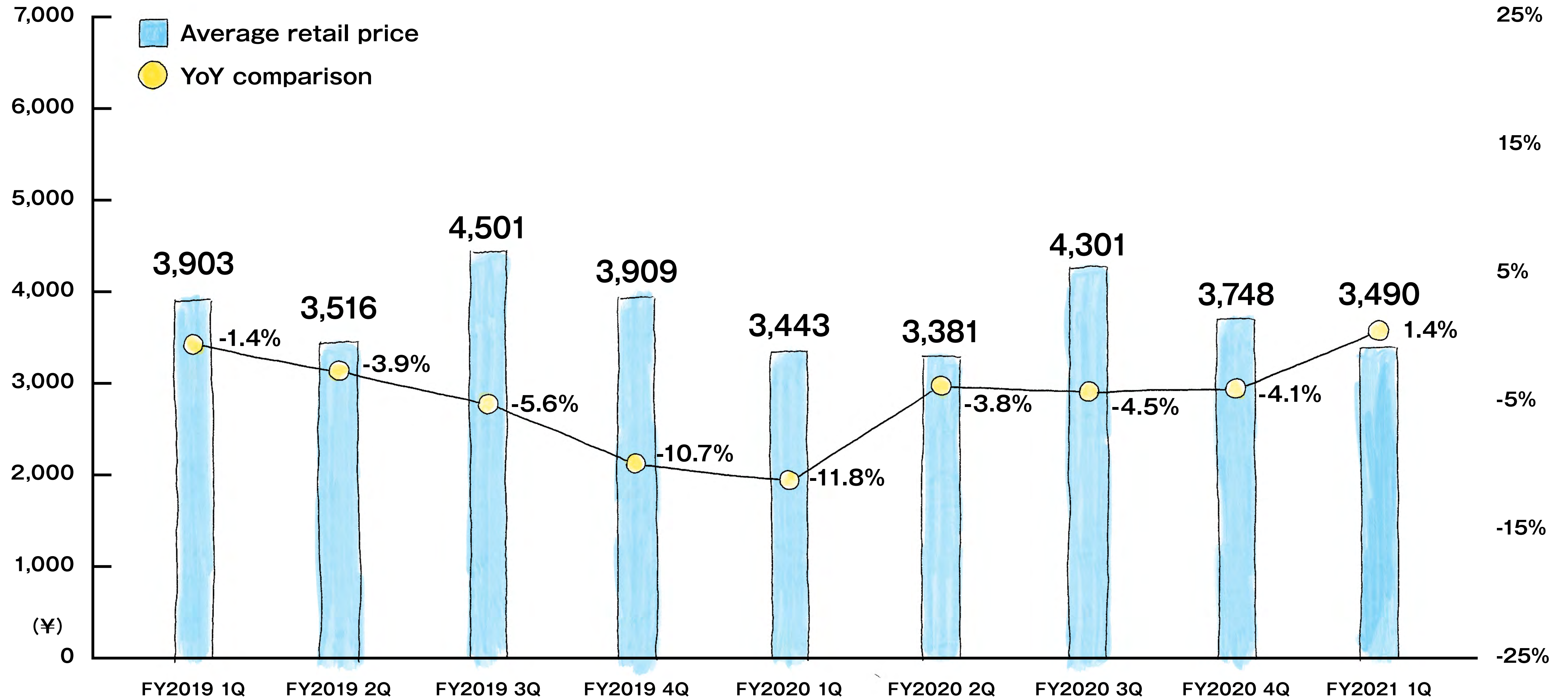
# NUMBER OF SHOPS ON ZOZOTOWN



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

# AVERAGE RETAIL PRICE

Average retail price =  
Gross Merchandise Value / Number of pieces

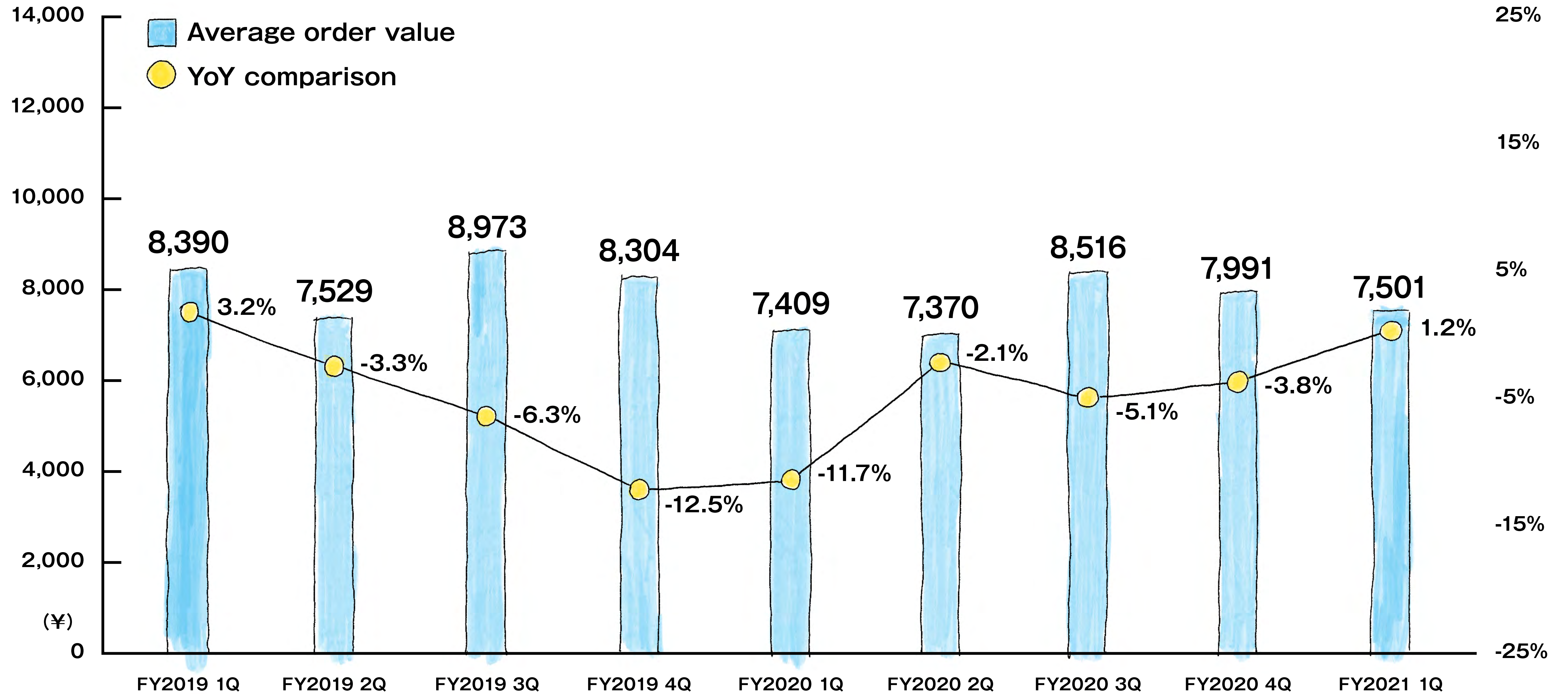


\* The numbers of average retail price are averages calculated from combined results of the ZOZOTOWN business

\* PayPay Mall is not included

# AVERAGE ORDER VALUE

Average order value = Gross Merchandise Value / Number of shipments



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

\* PayPay Mall is not included

# CONSOLIDATED BUSINESS FORECAST AND DIVIDEND FORECAST FOR FY2021

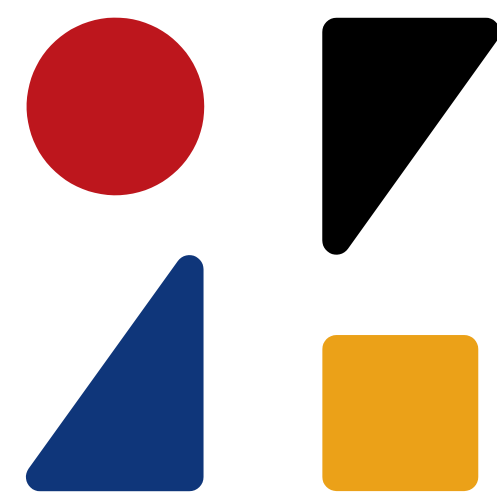
	FY2021 Plan*	YoY
Gross Merchandise Value	472.8 billion yen	12.7%
Gross Merchandise Value (excluding other GMV)	450.4 billion yen	10.5%
Net sales	162.6 billion yen	10.3%
Operating profit	47.8 billion yen	8.3%
Operating Profit Margin (% Gross Merchandise Value)	10.6%	—
Ordinary profit	47.8 billion yen	7.7%
Profit attributable to owners of parent	33.3 billion yen	7.7%
Net profit per share	109.05 yen	—
Estimated dividends per share (Plan)	55 yen	—

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

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

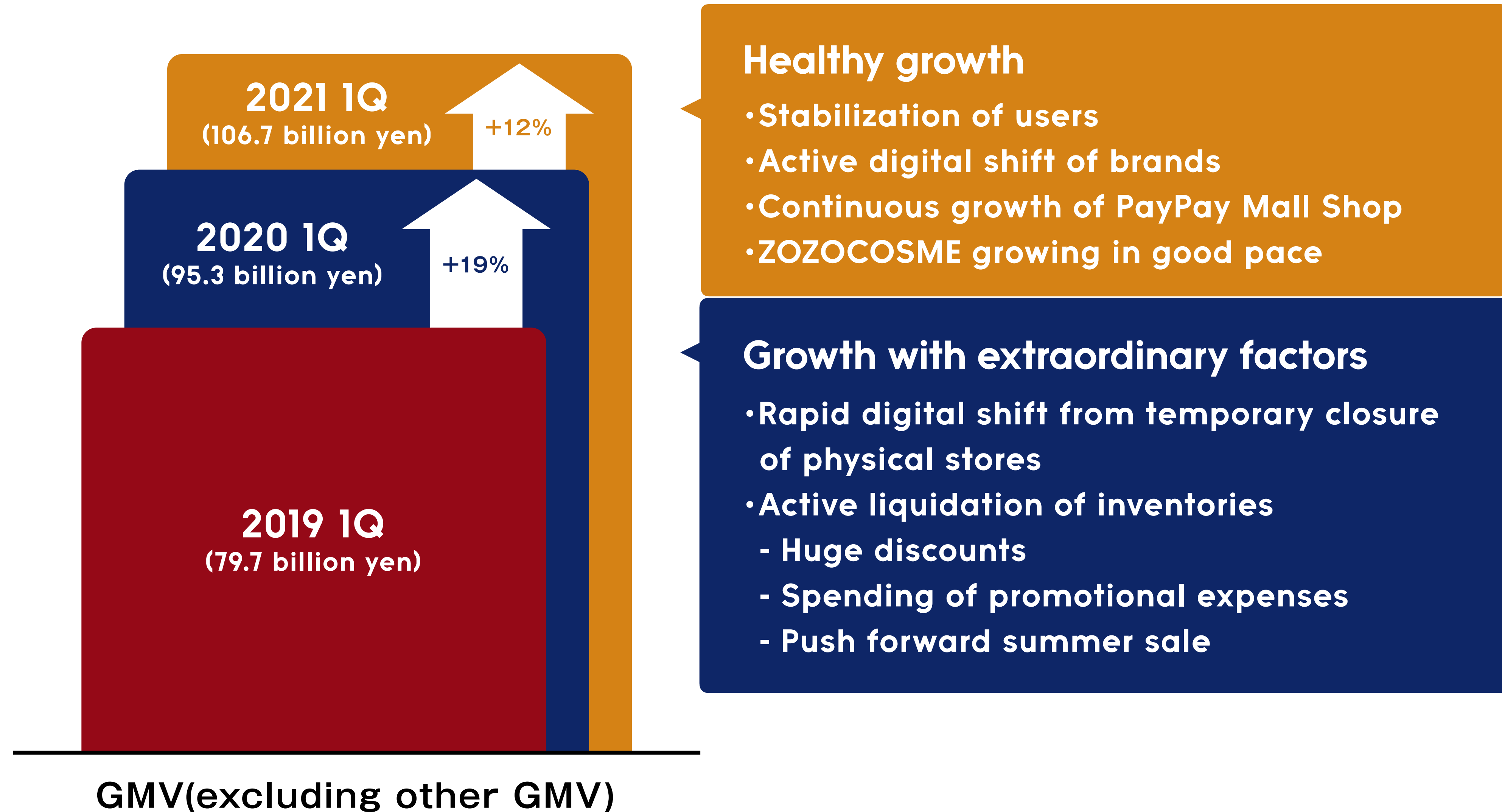
Until the fiscal year ended March 2021, points-related expenses, which had been recorded in SG&A expenses, were reduced from sales in the respective businesses, and the results are disclosed as net sales.





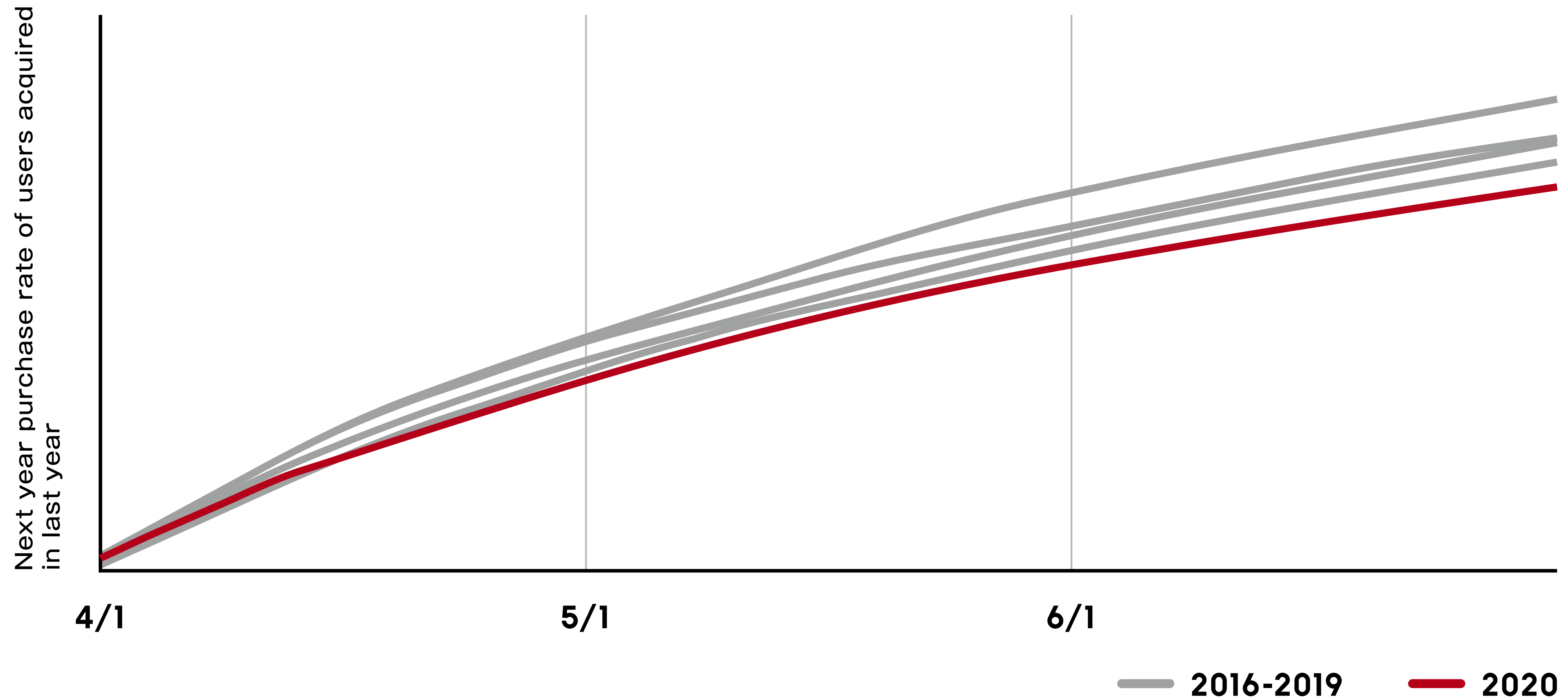
**ZOZO**

# Comparison with last year



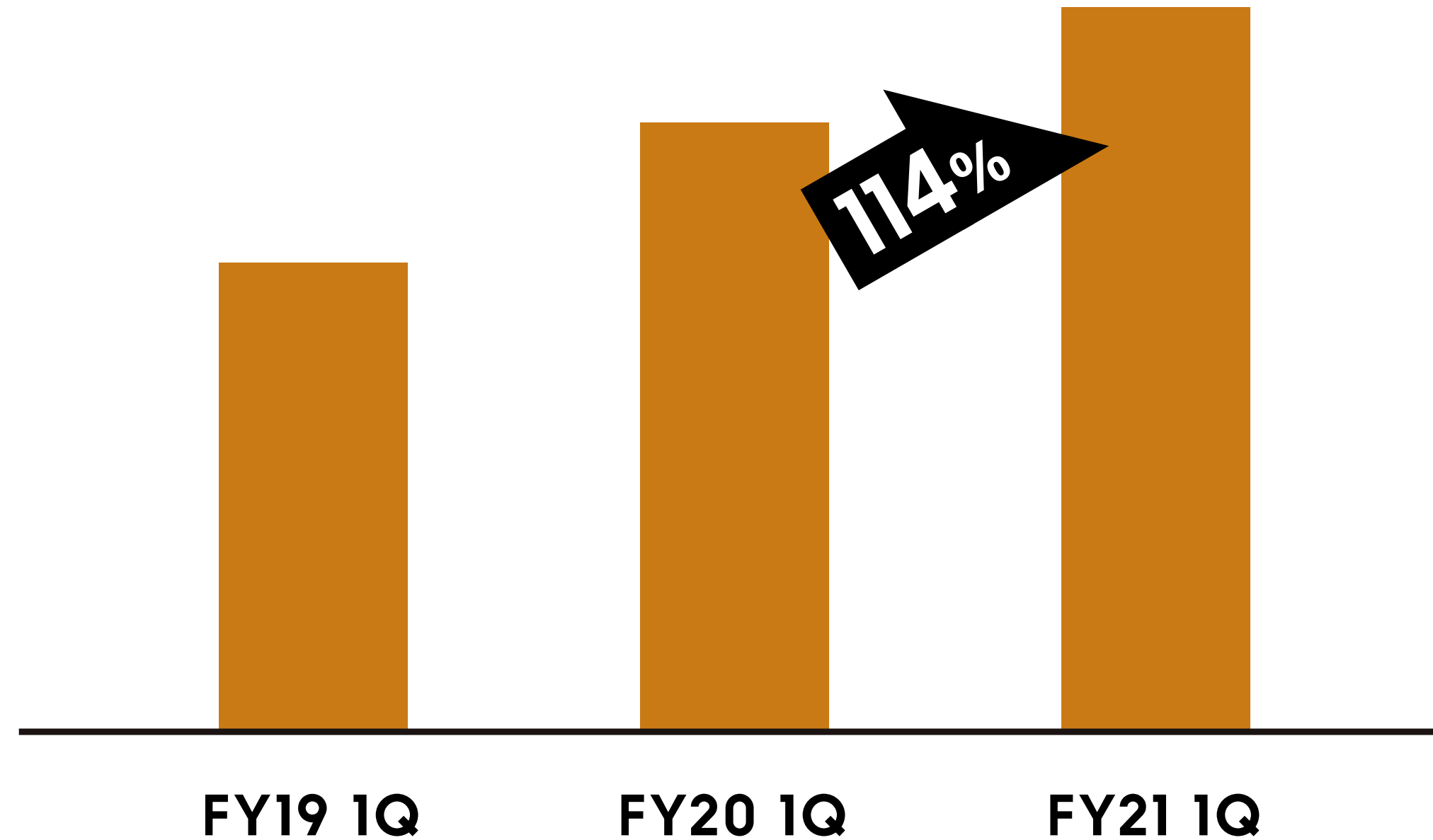
# Stabilization of users

Active rate of users acquired in FY2020 is progressing in similar pace as past years.



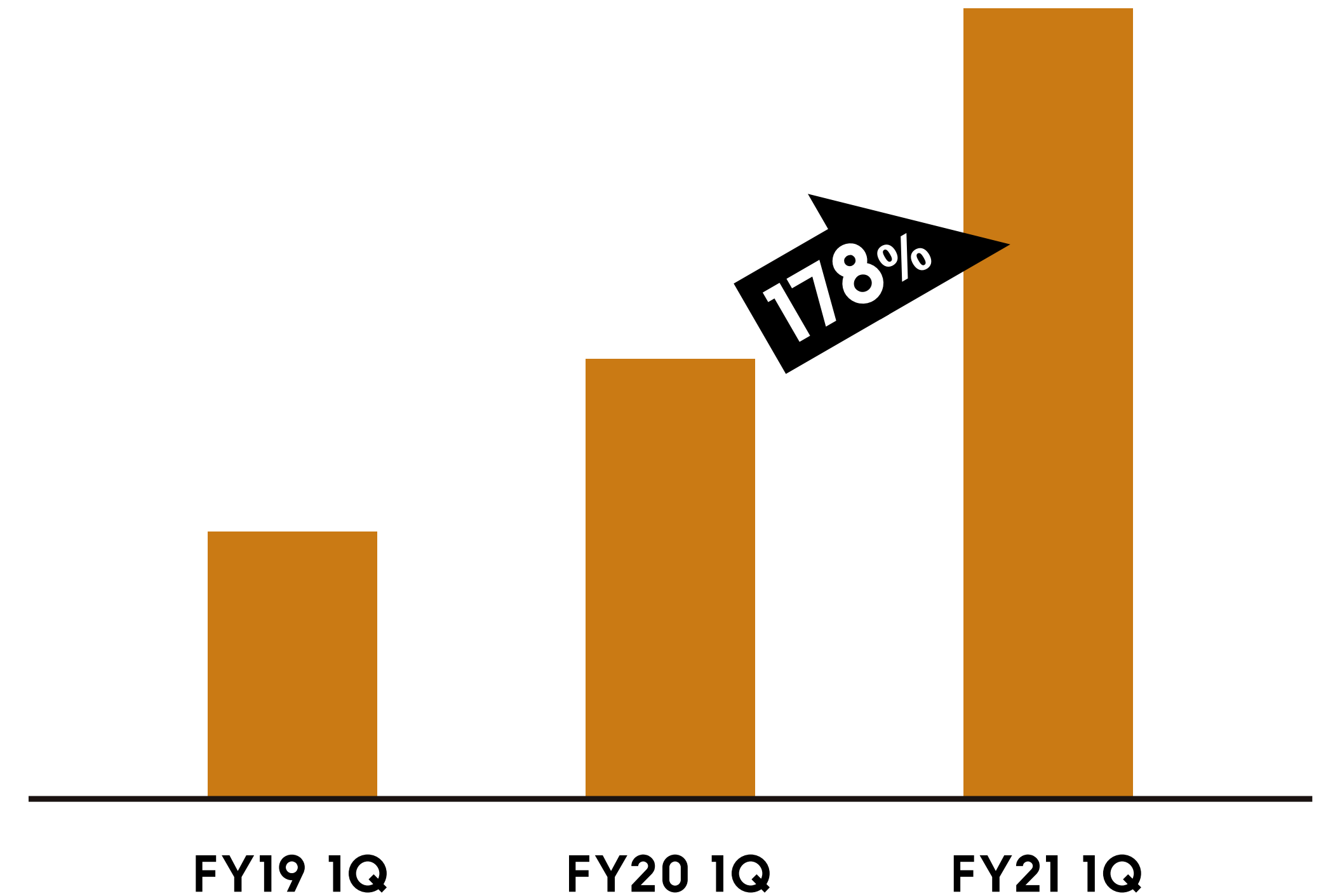
# Active digital shift of brands

Amount of inventories arrived in ZOZO (1Q)



**Expansion of inventories arrived**

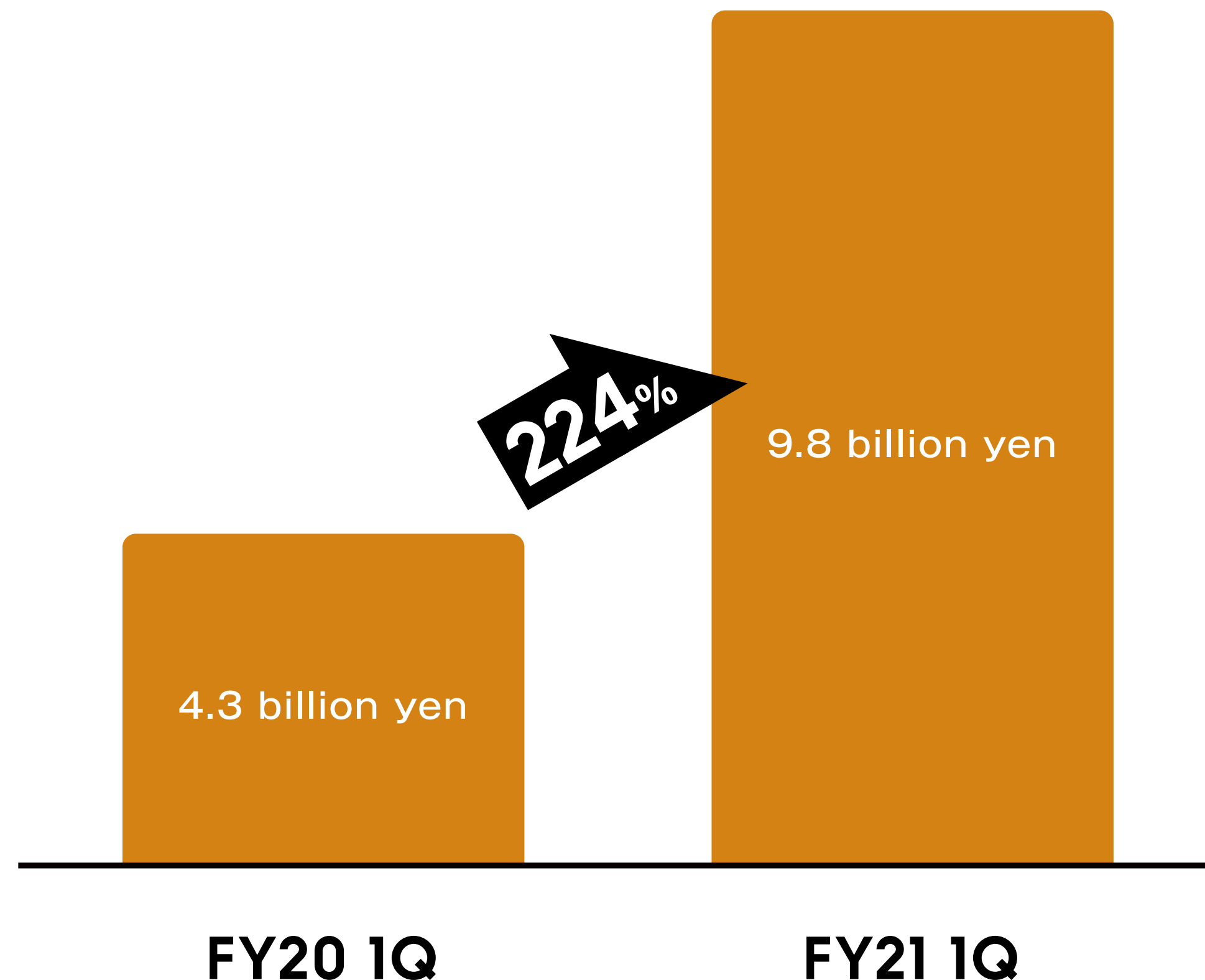
Advertisement sales in ZOZO (1Q)



**Active promotion in ZOZO**

# Continuous growth of PayPay Mall Shop

GMV of ZOZOTOWN PayPay Mall Shop (1Q)



**The momentum from the late last year is continuing, and GMV grew more than a double.**

- Held fashion festival, in addition to Summer PayPay Festival
- With these festivals, we acquired many new users, and they are becoming repeater.

# ZOZOCOSME

Approach 9 million existing users



Guide 9 million active users



Implementation of campaigns such as COSMEWEEK etc.

- About 60% of orders of cosmetics items are ordered with apparel items
- Good sales of makeup items are distinctive

# ZOZOCOSME ZOZOGLASS



Prompt delivery with additional production  
Spreading impact from social media



Increase the number of foundation items covered with ZOZOGLASS

- 1.11 million orders in total
- Purchase rate of foundation items by measured users is twice the rate of not measured users

**ZOZOCOSME** Grand opening of globally renowned brands

**CHANEL**

**2021.7.15 NEW OPEN**



# YOUR BRAND PROJECT



ENOF

SHEER CAMISOLE ONE PIECE

¥16,500



*Penna*

Volume sleeve long one piece

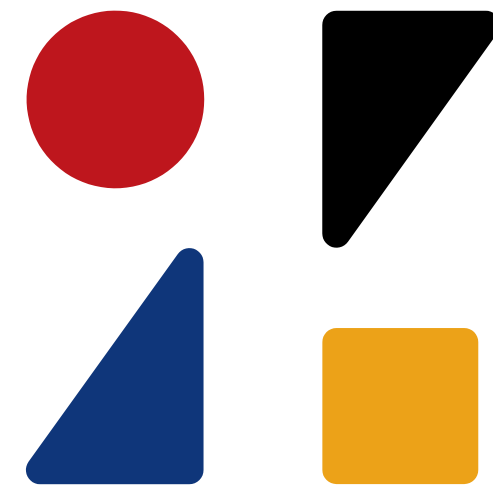
¥15,070

- Short-term made-to-order model (zero inventory), adopting multi-size and the number of orders is growing
- Utilize ZOZO's production platform

# ZOZOBASE Tsukuba 3

Construction will complete in February 2023 and operation will begin in the fall of the same year (Plan).  
With this, 500-to-600-billion-yen GMV can be handled by all logistics bases.





**ZOZO**