

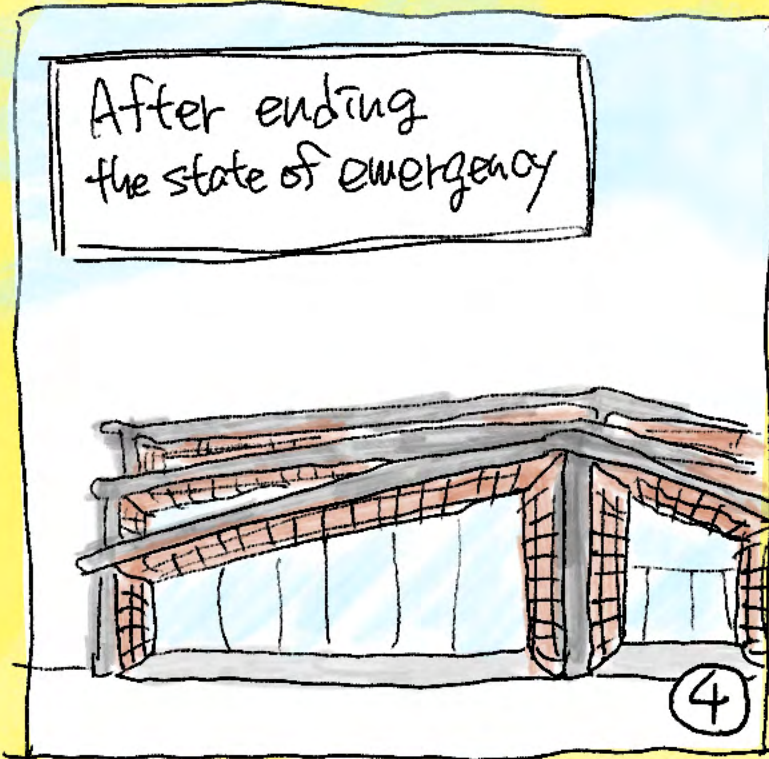
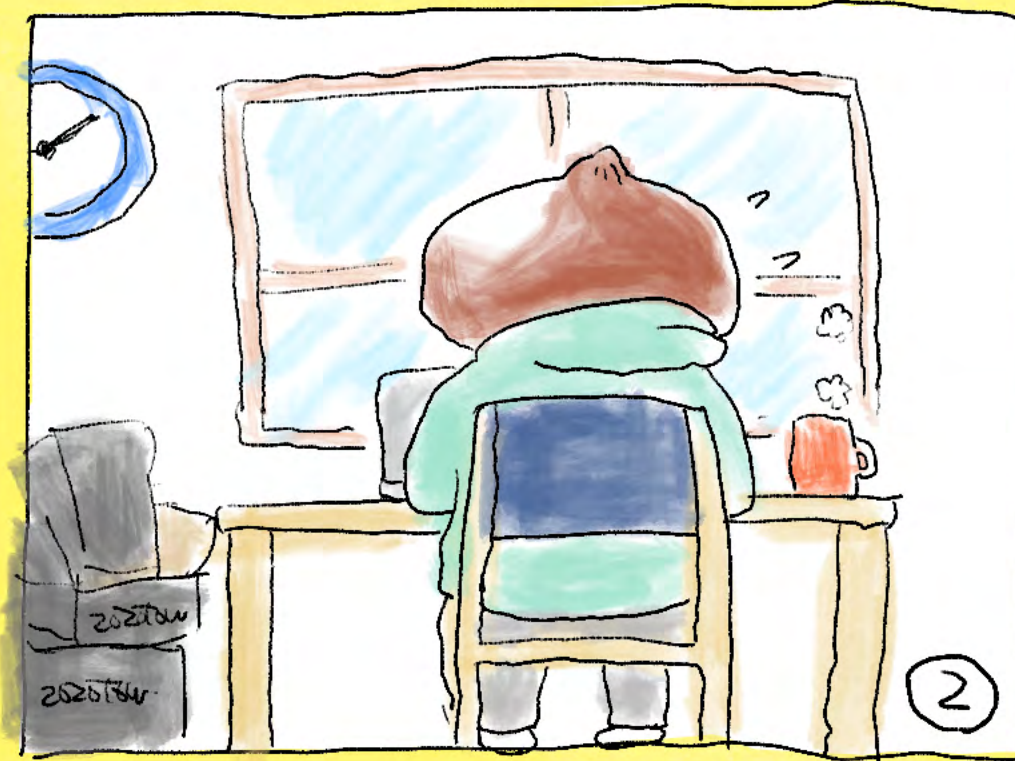
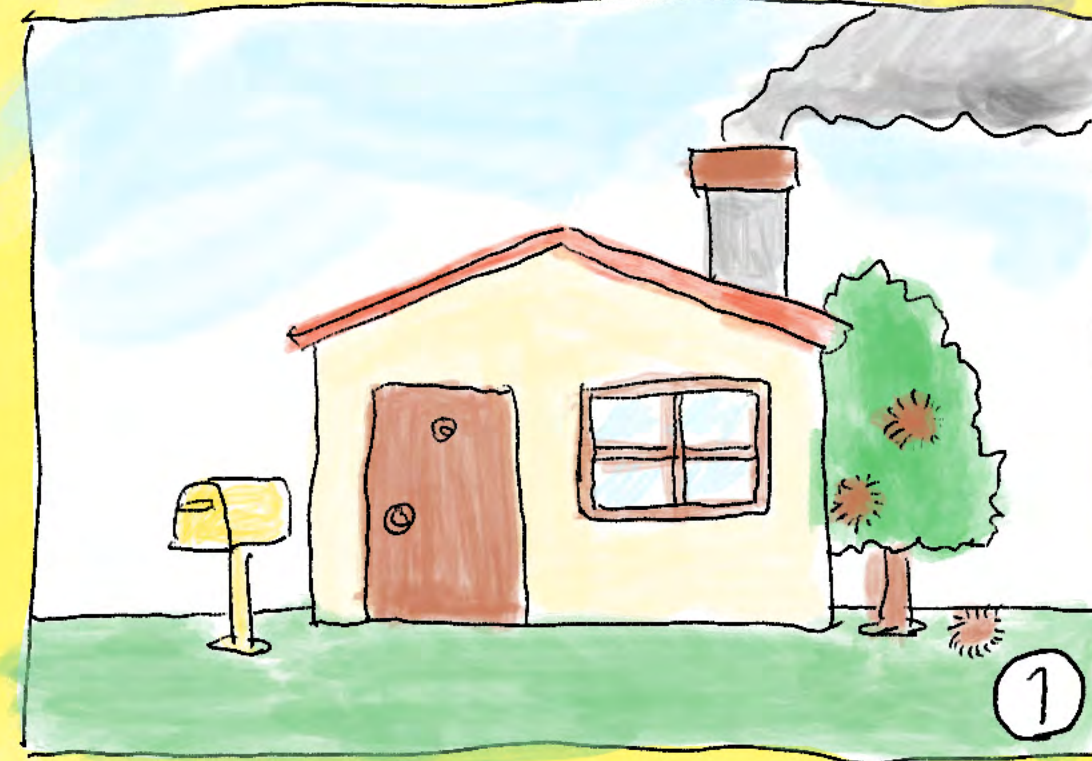
絵:モジ(社歴15年) 原作:社内の日常より抜粋

FY2021 2Q ZOZO, Inc. CONSOLIDATED BUSINESS RESULTS



HIGHLIGHTS

FY2021 2Q ZOZO Inc.
CONSOLIDATED BUSINESS RESULTS



FY2021 2Q HIGHLIGHTS

Gross Merchandise Value **229.5** billion yen
(+23.6% YoY / Achievement rate 48.5%)

Gross Merchandise Value **209.0** billion yen
(excluding other GMV) (+12.7% YoY/Achievement rate 46.4%)

Operating Profit **23.7** billion yen
(+19.5% YoY / Achievement rate 49.8%)

Operating Profit Margin **11.4%**
(+0.7 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	2Q
Gross Merchandise Value	95,330	90,301	118,611	115,194	116,812	112,695
Gross Merchandise Value (excluding other GMV)	95,330	90,195	115,247	106,999	106,700	102,367
YoY (%)	19.5%	13.0%	22.2%	17.3%	11.9%	13.5%
Net sales	33,674	32,818	41,987	38,922	38,866	37,346
SG&A	21,860	21,571	25,742	26,714	24,333	23,851
YoY (%)	18.3%	4.3%	1.4%	25.5%	11.3%	10.6%
(%Gross Merchandise Value)	22.9%	23.9%	22.3%	25.0%	22.8%	23.3%
Operating profit	10,423	9,482	13,880	10,358	12,591	11,200
YoY (%)	33.9%	73.4%	126.4%	21.8%	20.8%	18.1%
(%Gross Merchandise Value)	10.9%	10.5%	12.0%	9.7%	11.8%	10.9%

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

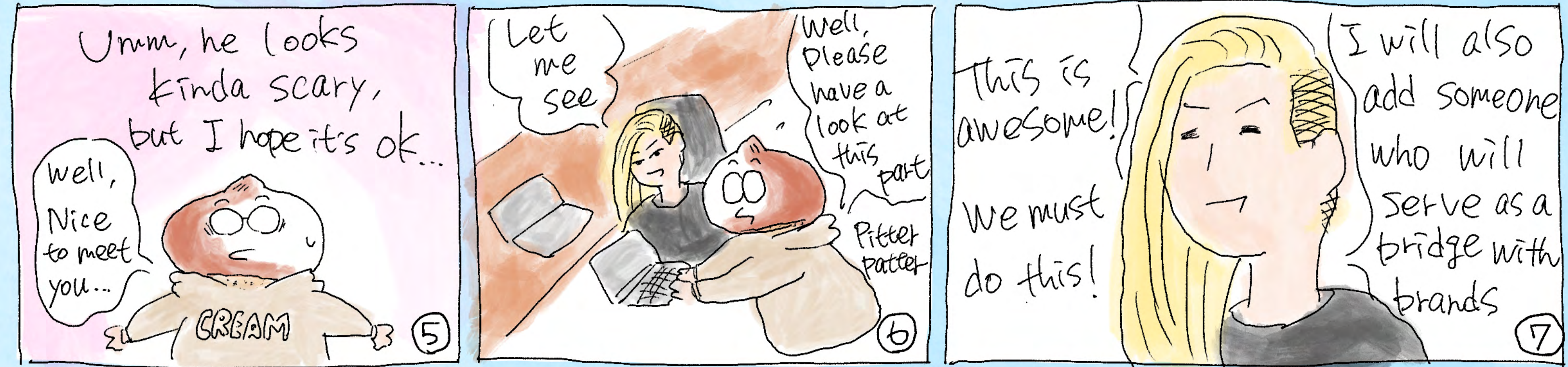
* From the fiscal year ending March 2022, we are disclosing the GMV and net sales in new business segmentation. For detail, please refer "Change of business segments" in P.36.

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

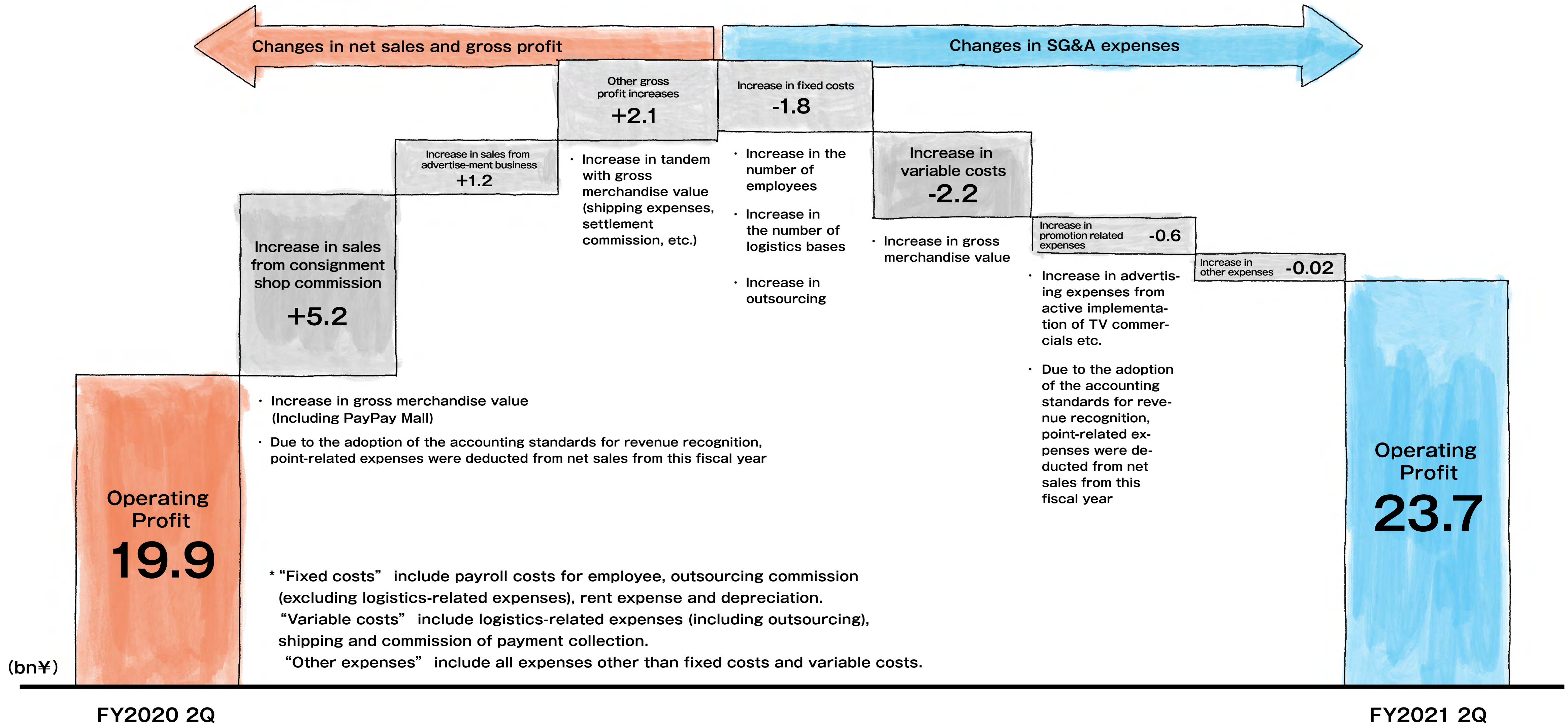
Until the fiscal year ended March 2021, points-related expenses, which had been recorded in SG&A expenses, were reduced from sales in the respective businesses, and the results are disclosed as net sales.

BUSINESS RESULTS

FY2021 2Q ZOZO Inc.
CONSOLIDATED BUSINESS RESULTS



INCREASE-DECREASE ANALYSIS OF OPERATING PROFIT(YOY COMPARISON)



- Increase in gross merchandise value (Including PayPay Mall)
- Due to the adoption of the accounting standards for revenue recognition, point-related expenses were deducted from net sales from this fiscal year

- Increase in tandem with gross merchandise value (shipping expenses, settlement commission, etc.)

- Increase in the number of employees
- Increase in the number of logistics bases
- Increase in outsourcing

- Increase in gross merchandise value

- Increase in advertising expenses from active implementation of TV commercials etc.
- Due to the adoption of the accounting standards for revenue recognition, point-related expenses were deducted from net sales from this fiscal year

* "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

(million¥)

	FY2020 (as of March 31, 2021)	FY2021 2Q (as of September 30, 2021)		FY2020 (as of March 31, 2021)	FY2021 2Q (as of September 30, 2021)
Current assets	99,796	80,390	Current liabilities	65,180	56,334
Cash and deposits	61,648	47,810	Short-term borrowing	20,000	20,119
Merchandise and finished products	1,792	2,132	Noncurrent liabilities	4,968	5,315
Noncurrent assets	25,860	24,685	Total liabilities	70,149	61,650
Tangible assets	12,019	11,769	Shareholders' equity	55,651	43,471
Intangible assets	2,915	2,657	Treasury stock	-24,146	-45,048
Investments and other assets	10,925	10,258	Total net assets	55,507	43,425
Total assets	125,656	105,076	Total liabilities and net assets	125,656	105,076

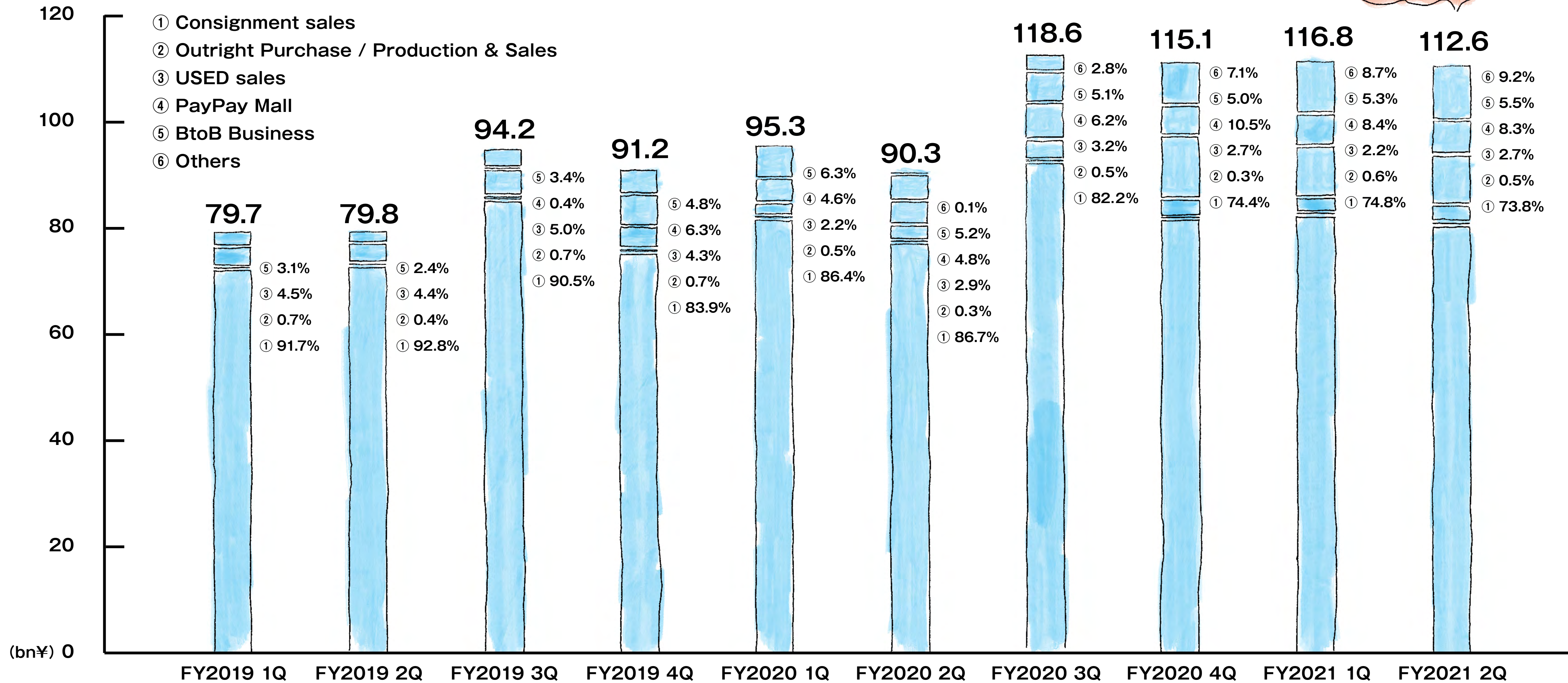
CASH FLOWS

(million¥)

	FY2020 2Q	FY2021 2Q	YoY	Reason for change
Cash flows from operating activities	15,663	15,278	-384	Increase in income taxes paid
Cash flows from investing activities	-1,463	-558	905	Expenses for expansion of the new office and logistics warehouse
Cash flows from financing activities	-7,530	-28,571	-21,040	Gains and losses from purchase and disposal of treasury stock
Cash and cash equivalents at the end of the year	40,270	47,810	7,540	

GROSS MERCHANDISE VALUE(QUARTERLY)

YoY
+13.5%



* 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.36. Figures in above are after the change.

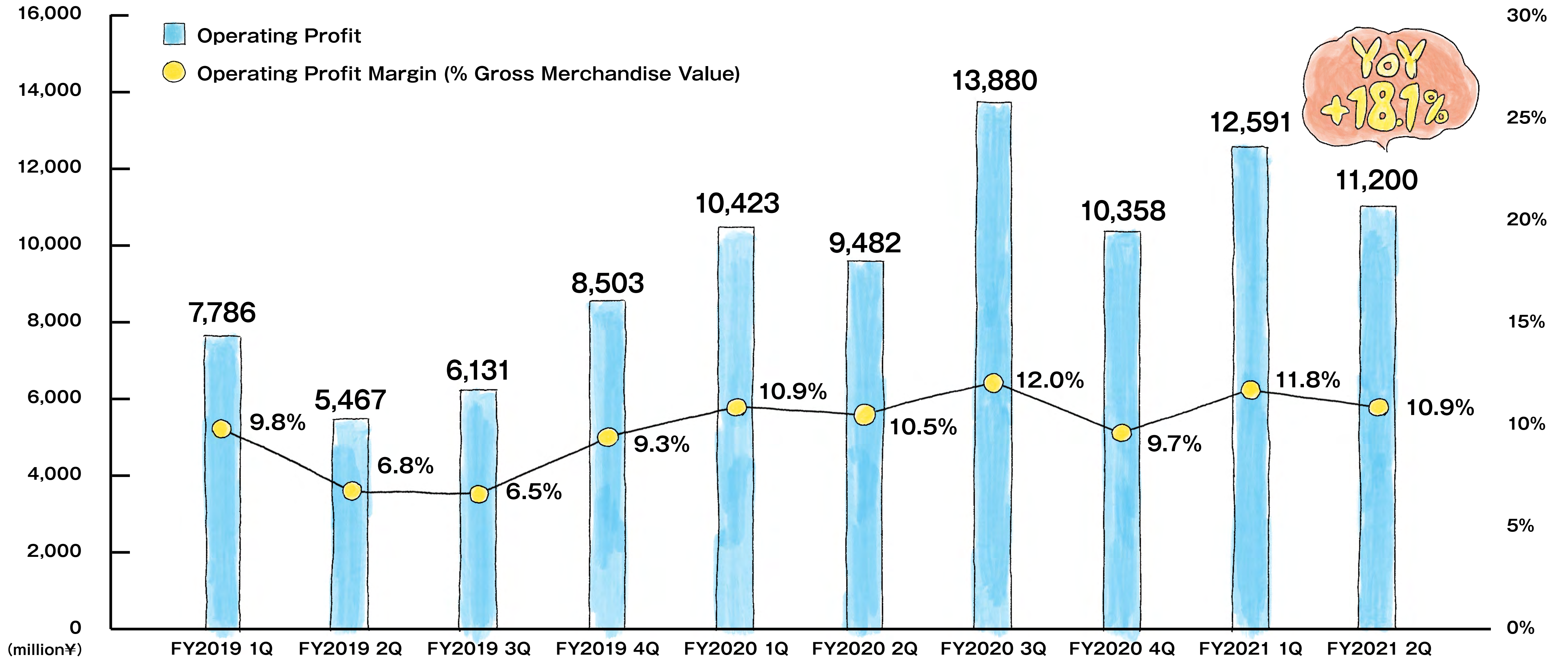
SELLING, GENERAL AND ADMINISTRATIVE(SG&A) EXPENSES

(million¥)

	FY2020 2Q		FY2021 2Q		YOY	Increase decrease factors
	Amount	%Gross Merchandise Value	Amount	%Gross Merchandise Value	%Gross Merchandise Value	
Payroll and staff costs(*)	12,760	6.9%	13,770	6.6%	-0.3%	
Payroll costs for employee	4,894	2.6%	5,606	2.7%	0.1%	Transition of the number of employees on consolidated basis : FY2020 2Q 1,265 → FY2021 2Q 1,359
Logistics-Related Expenses (Including Outsourcing)	7,866	4.2%	8,164	3.9%	-0.3%	Previous fiscal year: (1st quarter) Disruptions caused by the large volume of inventory received (2nd quarter) Efficiency reduced due to tight storage space for inventories. Current fiscal year: There were no major disruptions and operated efficiently. *Expanded logistics bases in the third quarter of the previous fiscal year
Outsourcing Commission (Excluding Logistics-Related Expenses)	2,347	1.3%	2,929	1.4%	0.1%	
Shipping	13,197	7.1%	15,084	7.2%	0.1%	Packaging and freight to the gross merchandise value remained at the same level as the previous fiscal year, as there was no significant decline in order value.
Commission of Payment collection	5,026	2.7%	5,059	2.4%	-0.3%	Decrease in expenses from the change of vendor
Promotion related expenses	2,355	1.3%	3,009	1.4%	0.1%	
Advertising	1,475	0.8%	3,009	1.4%	0.6%	Deployed active user attraction measures such as TV commercials Distribution of ZOZOGLASS free-of-charge
Reward points related expenses	880	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	2,224	1.2%	2,863	1.4%	0.2%	Increase in the number of logistics bases
Depreciation	1,004	0.5%	932	0.4%	-0.1%	Undepreciated expenses of the old office were recorded as extraordinary loss in the 4th quarter of the last fiscal year
Amortization of goodwill	175	0.1%	201	0.1%	0.0%	
Stock Compensation Expenses	18	0.0%	51	0.0%	0.0%	
Others	4,321	2.3%	4,281	2.0%	-0.3%	Decrease in expenses due to the change of packaging materials (cardboard for delivery)
Total SG&A	43,431	23.4%	48,184	23.0%	-0.4%	

* 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, full employees and personnel engaged in operations other than logistics operation, "Logistics-Related Expenses" includes part-timers, dispatched workers(subcontracting payroll) and substantial personnel expenses within outsourcing commission of staff working for logistics operations. * Numbers of % Gross Merchandise Value are calculated by each expense divided by gross merchandise value (excluding other GMV).

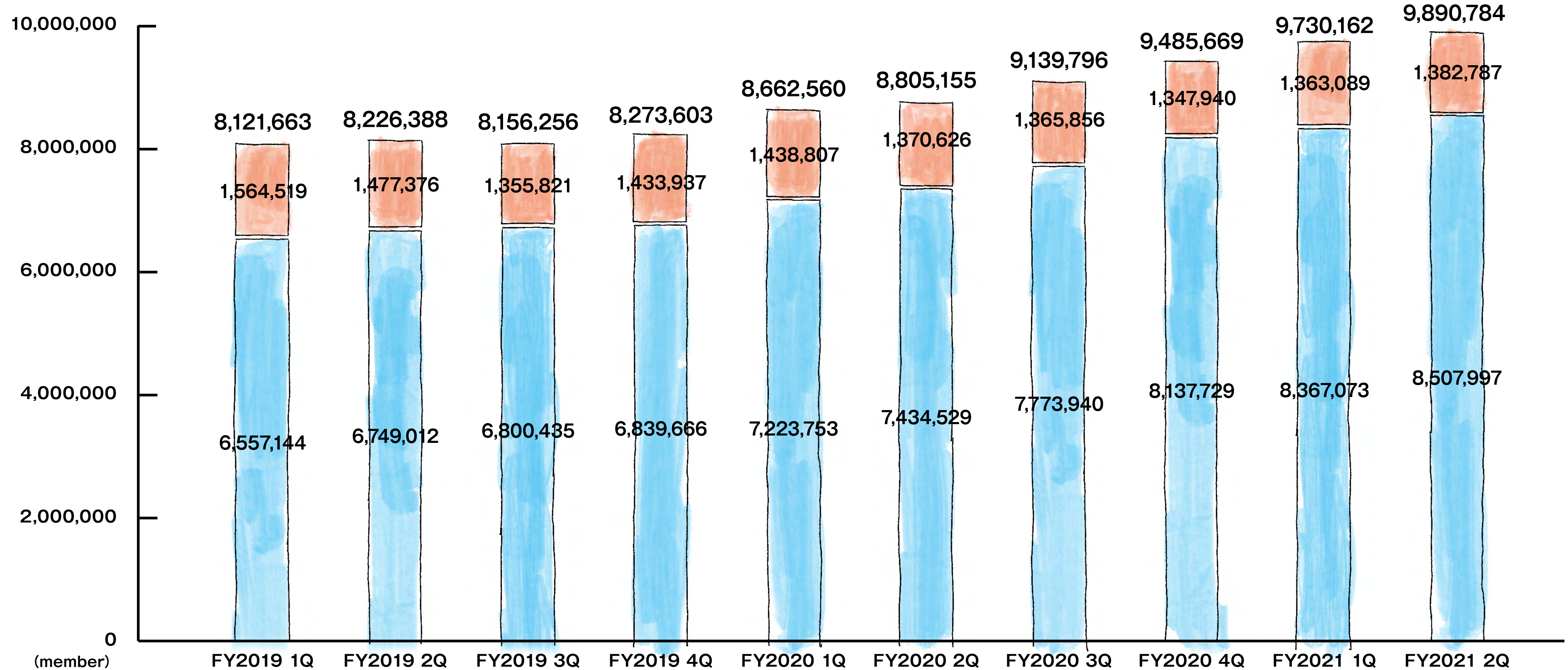
OPERATING PROFIT AND OPERATING PROFIT MARGIN(QUARTERLY)



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

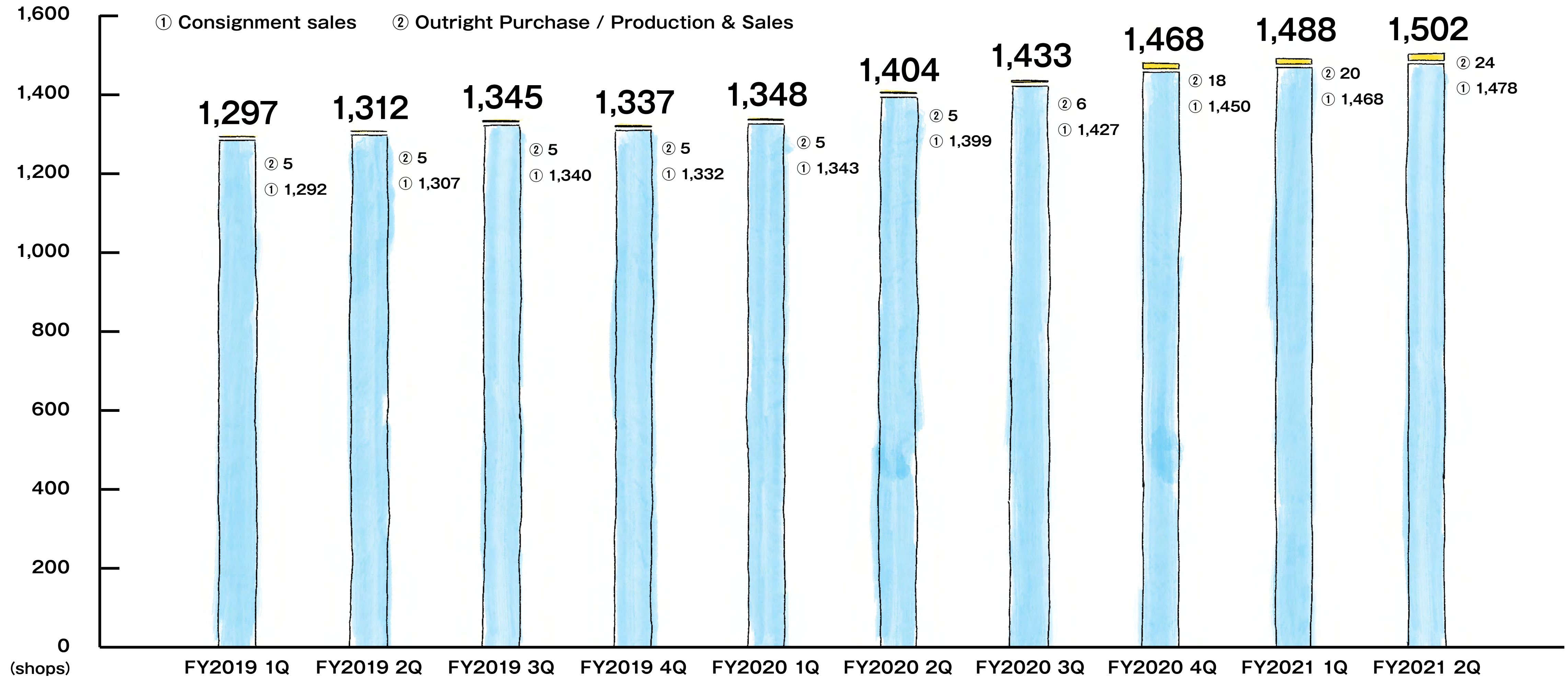
NUMBER OF TOTAL BUYERS

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 "ZOZGLASS"
 * PayPay Mall is not included.

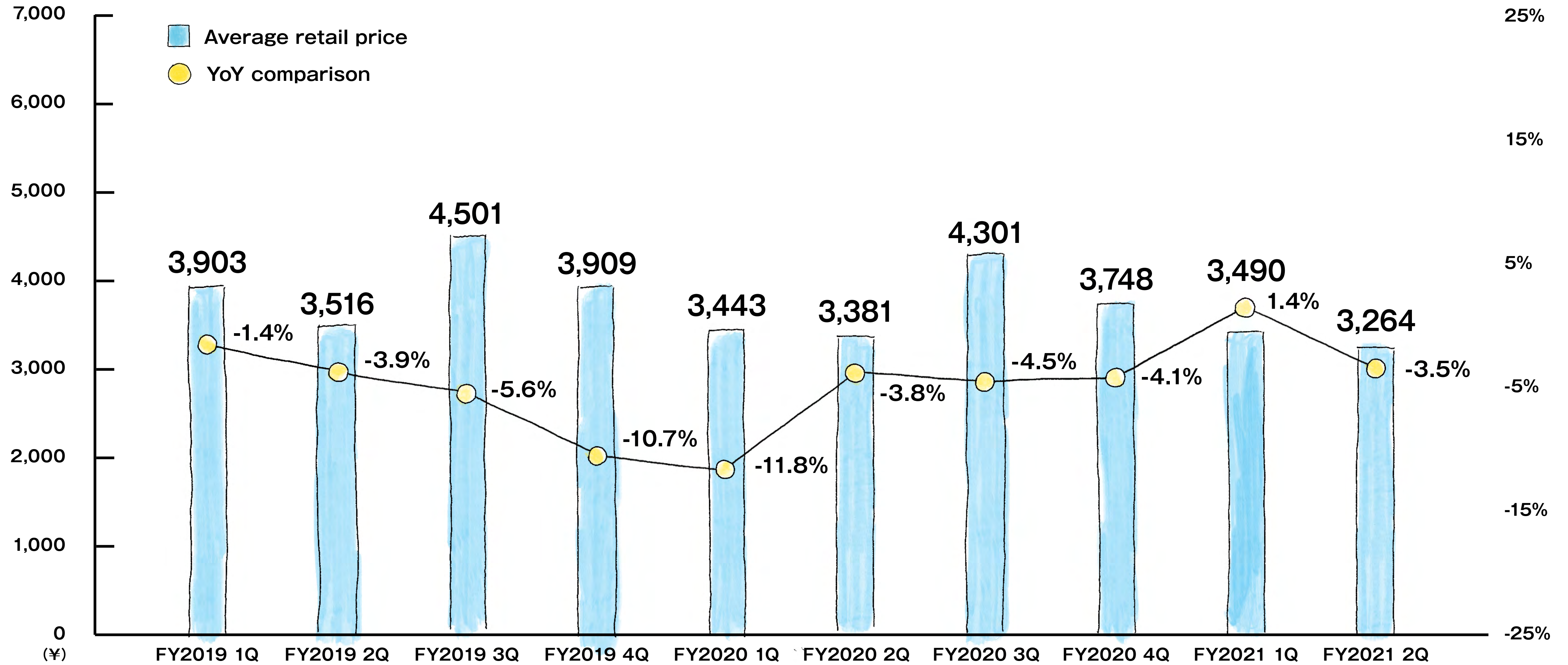
NUMBER OF SHOPS ON ZOZOTOWN



* 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

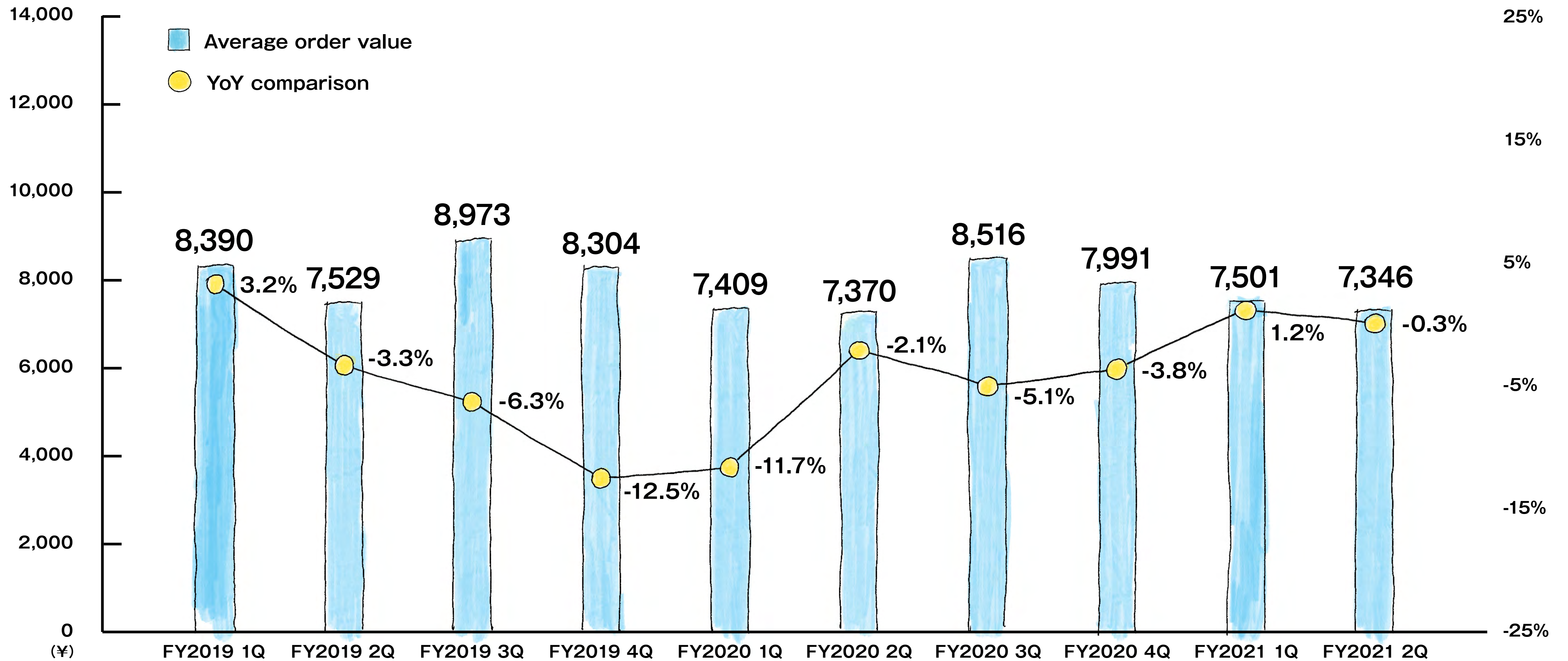


* The numbers of average retail price are averages calculated from combined results of the ZOZOTOWN business.

* 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.

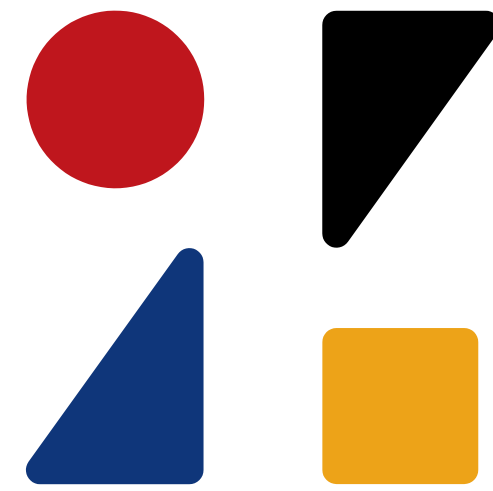
CONSOLIDATED BUSINESS FORCAST AND DIVIDEND FORECAST FOR FY2021

	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).

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ZOZO

3 pillars of the strategy

1

Basic strategy on how to expand ZOZOTOWN

Increase traffic from other than “BUY”

2

How to increase revenue points other than eCommerce

Step into the “Production Support”

3

How to expand in overseas

Try “technology licensing sales”

↑ Domestic ↓

Overseas

1

**Increase traffic from
other than “BUY”**

1 Increase traffic from other than "BUY": ZOZOMO, the ZOZO's OMO platform



It is now possible to check the stock status of products at physical stores and layaway order on ZOZOTOWN.

Available at UNITED ARROWS, SHIPS, nano·universe etc., from November



Check stock status and press the button to place a layaway order.



Find a store where you can receive them



Check store details and request a layaway



FAANS

Staffs at physical stores can keep the products for the customers, with ZOZO's original staff-only application.

FAANS, ZOZO's original staff-only application, is provided to the staffs at physical store for free.



To confirm a layaway order, scan the list or code



Scan the customer's ZOZOTOWN code



Confirm the details of the layaway order and hand over the products

2

Step into the
“Production Support”

Hankyu

×

YOUR
BRAND
PROJECT

Powered by ZOZO

11.17 WED - 11.22 MON

in Hankyu Umeda Main Store 9F Festival Plaza



ZOZO x Influencers x Hankyu Umeda Main Store

13 Popular
D2C Brands

Planning

Production
Control

Inventory

Sales

← Planning and production control by ZOZO and influencers →

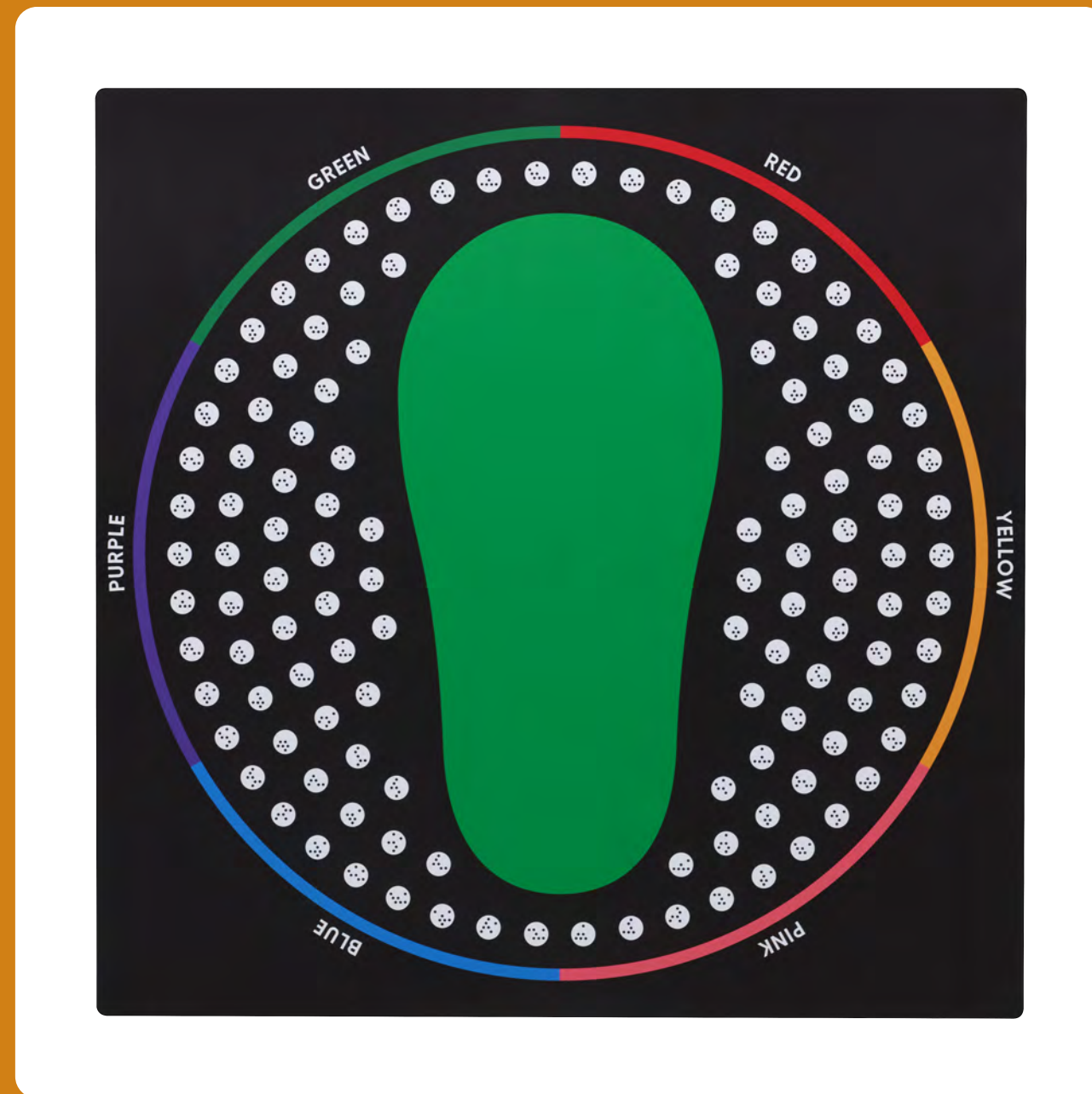
Sales through EC and physical stores



3

Try “technology licensing sales”

ZOZO's Fashion Tech



ZOZOMAT

2020.2~

Number of people measured

1.88 million people

Number of people ordered

1.83 million people



ZOZOGLASS

2021.3~

Number of people measured

1.08 million people

Number of people ordered

1.19 million people



ZOZOSUIT

2017.11~

Number of people measured

2.00 million people

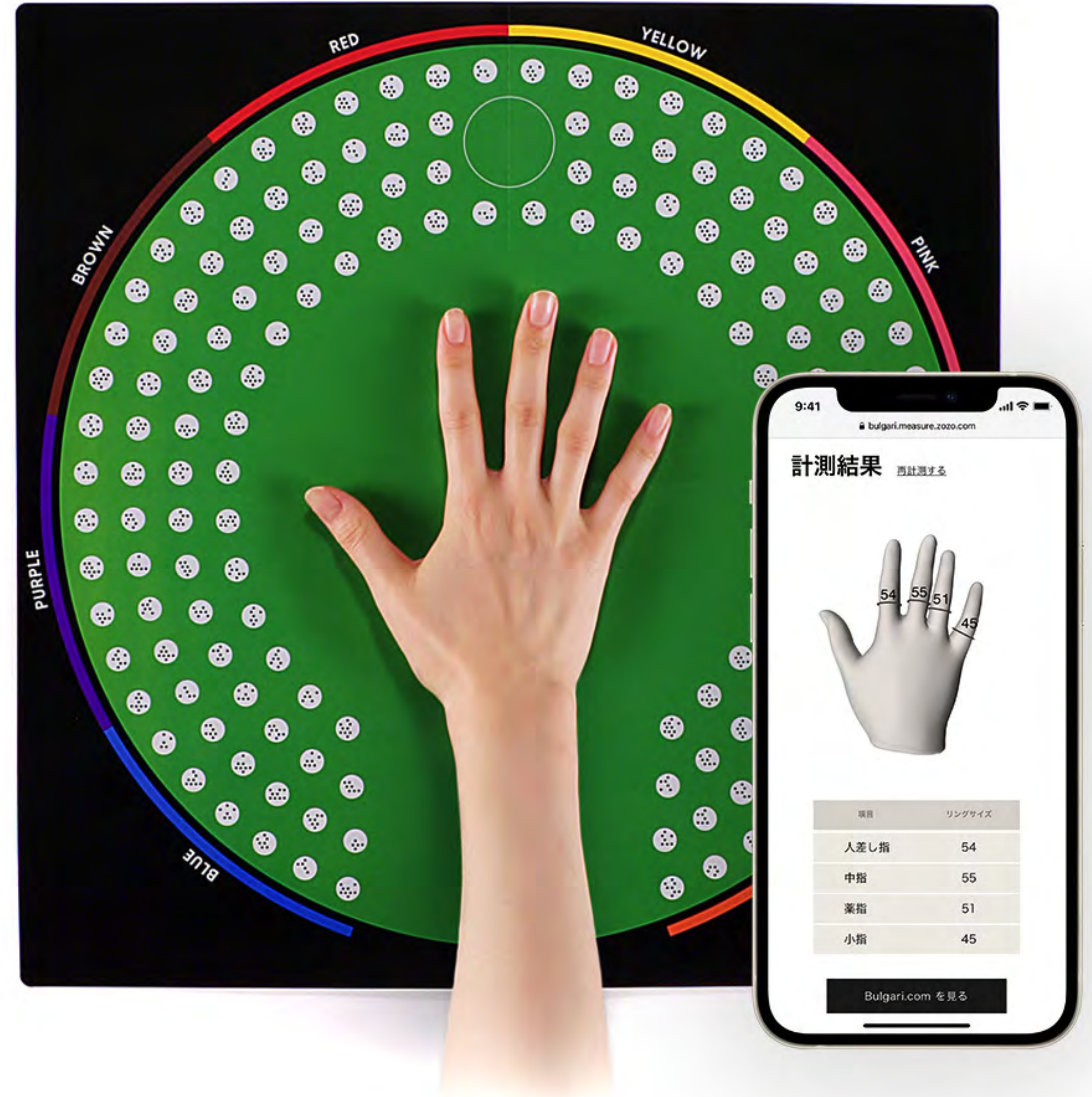
Number of people ordered

2.30 million people

ZOZOMAT for Hands

Recommend the best ring size
based on the shape of your finger

The service is provided through
a web browser instead of
an iOS/Android application



ZOZOMAT
for Hands

BVLGARI

2021.11.9 START (Scheduled)

ZZMFH.001



Sustainability

Fashion Connects and Leads us to a Sustainable Future.

We at ZOZO envision a new era of fashion that will improve our environment and society.

**Harnessing the power of imagination, creativity and innovative technologies,
we will prioritize impact above individual gain.**

**We are committed to solving the challenges our planet faces by connecting people,
technology and fashion in new ways.**

We believe in creating a world where fashion enriches our lives, now and forever.

Four Key Actions to Sustainability

1

Highlight sustainable fashion choices to improve users' experience



2

Create a made-to-order platform for zero waste



3

Promote diversity and inclusion among everyone involved in fashion



4

Contribute to sustainable community development



1 Highlight sustainable fashion choices to improve users' experience



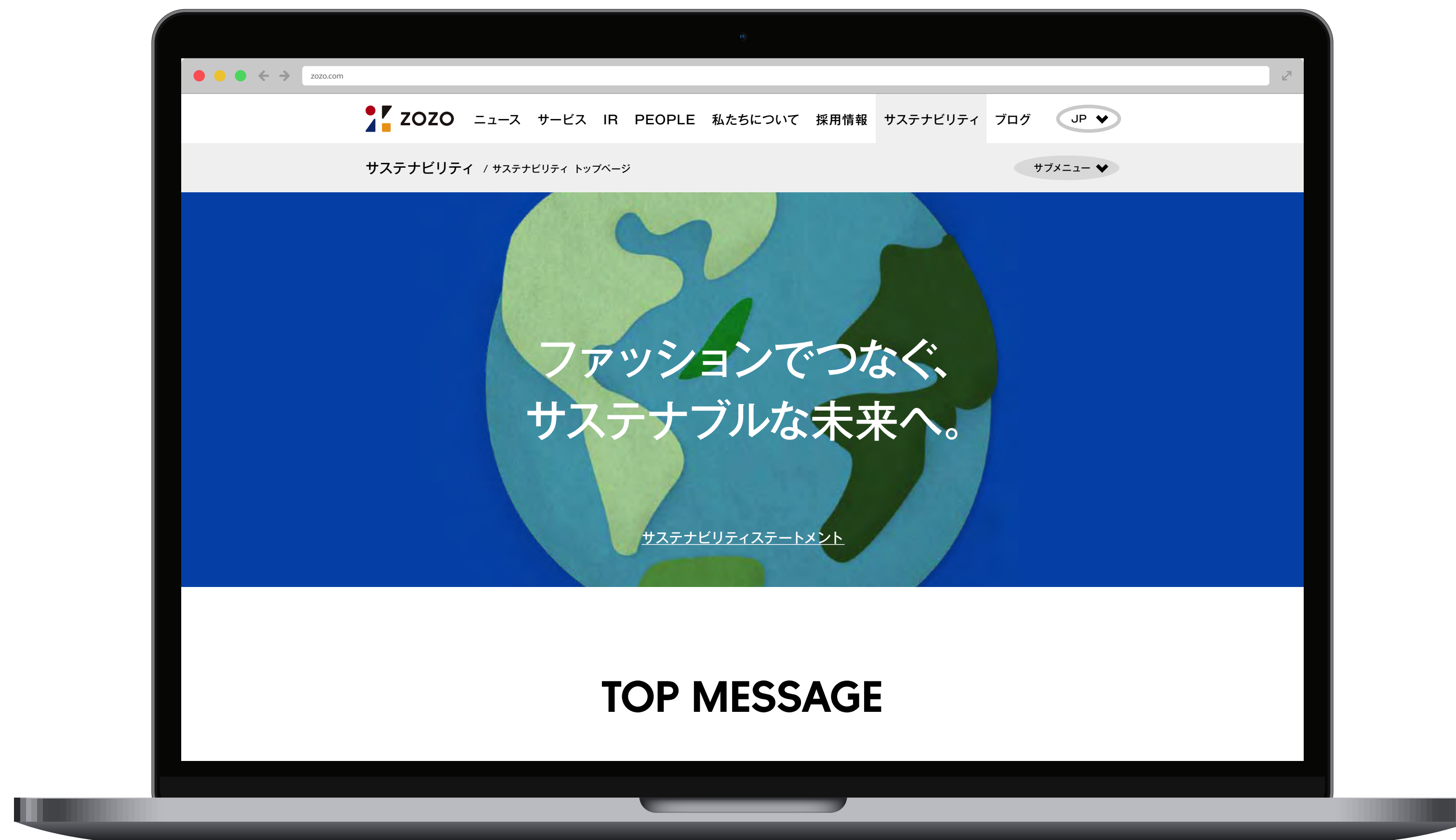
Opened a page of "Fashion and Sustainability" on ZOZOTOWN

<https://zozo.jp/sustainability/>



Posting sustainability information on the corporate website

Basic Policy: Basic Policy on Human Rights (Human Rights Policy)/Basic Policy on the Environment (Environmental Policy)/Governance: Compliance and Information Security
ESG Data Collection·Related Information: Comparison Table for Guidelines (GRI/SASB) / External Evaluation



Published Sustainability Report



トップメッセージ

サステナブルな未来を ソウゾウし続けます

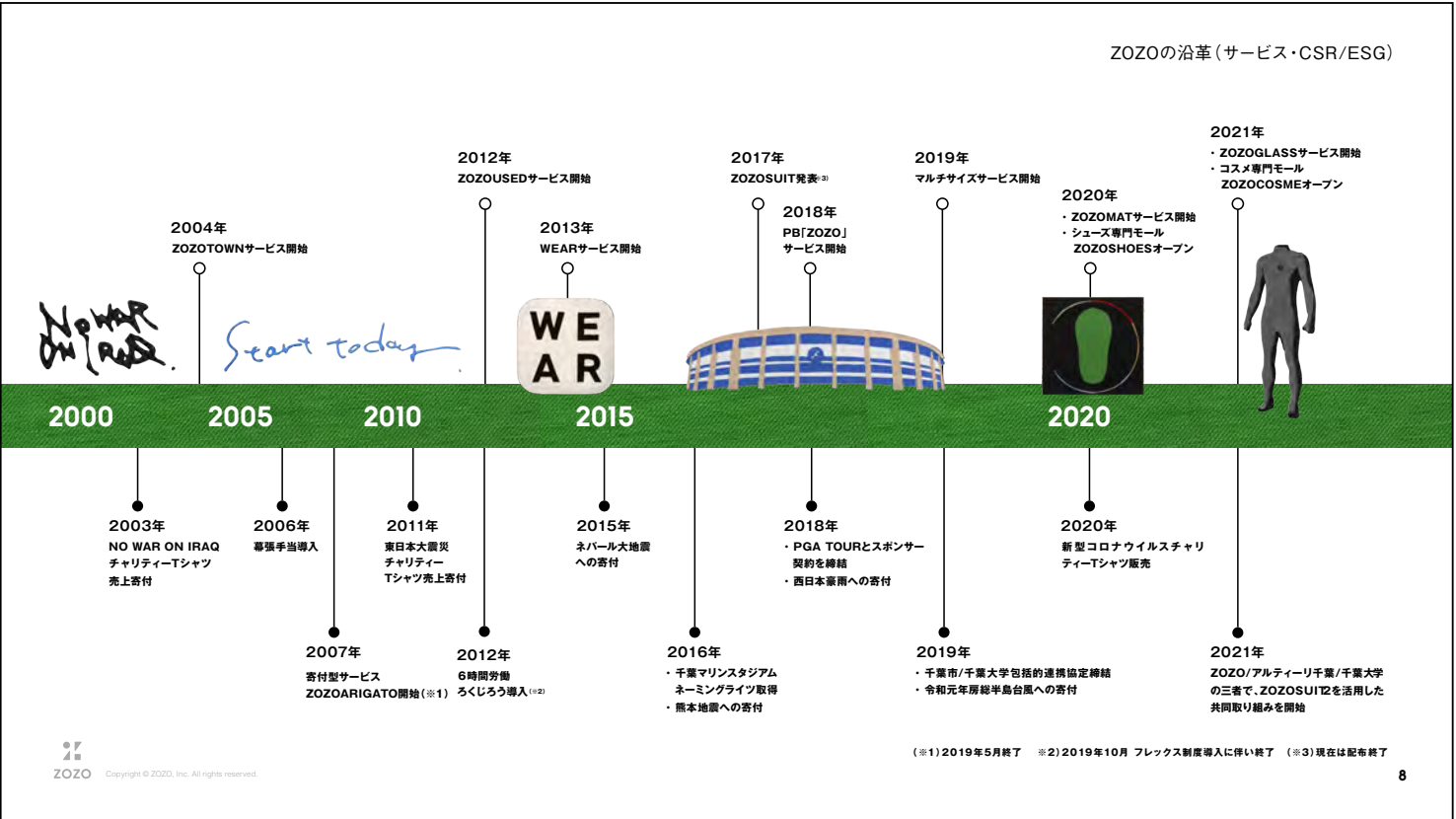
代表取締役社長兼CEO 澤田 宏太郎

新型コロナウイルス感染症により被害を受けた皆様へ、心よりお見舞い申し上げます。また、現場の最前線で対応されている医療従事者の方々をはじめ、関係者の皆様へ深く敬意を表し、感謝申し上げます。

尊い命や健康を失った人、経済的な苦境に追い込まれた人。そして、「カッコよく」コーディネートし出かける楽しみがなくなってしまった人、コロナ禍は私たちが、多くの「笑顔」を奪いました。「世界中をカッコよく、世界中に笑顔を。」を企業理念に掲げる会社として、社会の復興に貢献しなければならぬと、想いを強くしています。

生活者のデジタルシフトが進む中、当社は取引先であるブランド様やヤマト運輸様などと共に、新しいビジネスのあり方を模索してきました。また、お客様へこれまでと変わらずファッションを楽しんでもらうべく、感染対策をおこないながら物流や顧客サービスを止めず、尽力し、導入可能な範囲では積極的に在宅勤務を実施してきました。

私たちが誇るべきは、ファッションを愛し、テクノロジーに精通した1,200名以上の社員がいることです。こんな会社は、世界を驚嘆しても構いません。当社では、経営戦略として掲げている、「MORE FASHION × FASHION TECH」を、社員一人ひとりが楽しく働きながら実行し、企業理念の実現を目指してまいります。



環境への取り組み—サービス

ZOZOTOWNと学ぶ

ファッション サステナビリティ

オーガニックってどういうこと?

ZOZOTOWNにおける取り組み

当社は、「ZOZOTOWN」上でファッションとサステナビリティについて知り、学ぶきっかけとなる特設ページ「ZOZOTOWNと学ぶ ファッションとサステナビリティ」を、2021年10月に公開しました。特設ページでは、サステナビリティについての考え方や、環境や人権に配慮された商品の紹介、ブランド様の活動などを掲載しています。2020年4月に発表した、サステナビリティ領域における4つの重点取り組みの一つ「サステナブルなファッションを選択できる顧客体験の提供」の実現を目指し、様々な取り組みをおこなっています。

働き方と福利厚生

多様な働き方をサポート

当社は、多様性を尊重し、柔軟性をもちながら、「楽しく働く」ための環境づくりに取り組んでいます。その一環として、社員の生活に合わせた働き方ができるようフレックスタイム制度を導入し、一部の部署では、出社日を減らして休日を増やす「週休3日制」も選択できるようにしています。また、コロナ禍においては在宅勤務を推奨し、コロナ禍終息後は、週2社・週3リモートワークという新しい働き方に移行する予定です。

「家族時短」制度の導入

育児や介護などの理由から通常の勤務時間で働くことが難しい場合に利用できる「家族時短」制度を導入しています。家族へのサポートが必要な場合は、1日30分単位から最大2時間の時短勤務制度の利用が可能です。ペットや同居人など社員が「家族」と認識する対象について、利用できる制度です。

地域活性化を目的とした手当

当社は、拠点がある観点から千原・つくば・宮城の地域の活性化を目的に、指定エリア内に住む社員に月3〜5万円の手当を支給しています。この福利厚生制度を多くの社員が利用することで、地域経済への還元や地域の皆様との交流につながっています。「会社に近くに住むことで通勤しやすくなった」「近くに住む社員と交流を持ちやすくなった」という声もあり、現在社員の約7割がこの制度を利用しています(注)。

重点取り組みに関わる社員に聞きました

ステークホルダーの声—社員

重点取り組み① サステナブルなファッションを選択できる顧客体験の提供

サステナブルな商品を選びやすい売り場づくり

私たちが着用する衣類の多くは、環境汚染につながるマイクロファイバーを含んでいますが、その事実を知らない人も多くいます。また、環境に優しい素材でつくられた衣類は比較的少なく、消費者の選択肢は限定的です。私たちはこうした課題の解決の一環を担うべく、「ZOZOTOWN」上でサステナブルな商品を選びやすい売り場づくりを目指しています。まずは、環境や人権に配慮された商品の紹介や、ファッション業界の課題についても学ぶことのできるコンテンツを公開しました。スーパーでオーガニック食品を自由に選べるように、ファッションも自由に選択ができるよう、ZOZOTOWNは新たな顧客体験を提供します。

重点取り組み② 廃棄ゼロを目指す受注生産プラットフォームの構築

新たな生産プラットフォームを開発し「廃棄ゼロ」の世界へ

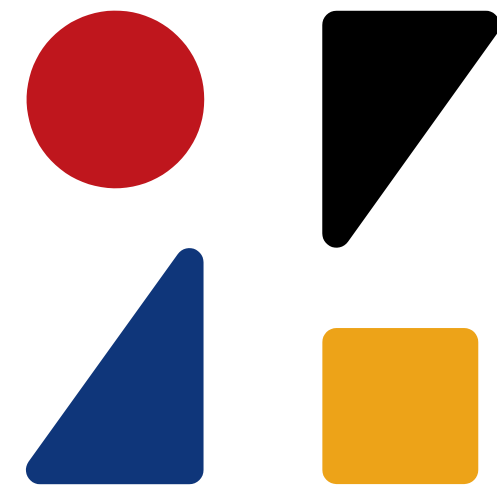
当社は企業理念に「世界中をカッコよく、世界中に笑顔を。」と掲げています。ファッション業界では長らく、大量生産・大量廃棄が問題視されてきましたが、その解決に全力で取り組むことも、当社が考える「カッコよさ」です。現在は「廃棄ゼロ」の世界を見据え、新たに受注生産プラットフォームを開発しています。膨大なデータとオリジナルの計測技術を生かし、お客様に合った商品を注文を受けてから生産する、「MAKE FOR YOU」を世界に広めることで、お客様やブランド様、そして地球も笑顔になれるファッション業界の実現を目指します。サステナブルな社会の実現に向け、ファッションの生産をデジタル化していきます。

ZOZO CHAMPIONSHIP 2021



CONGRATULATIONS
TO OUR 2021 CHAMPION

HIDEKI MATSUYAMA



ZOZO