

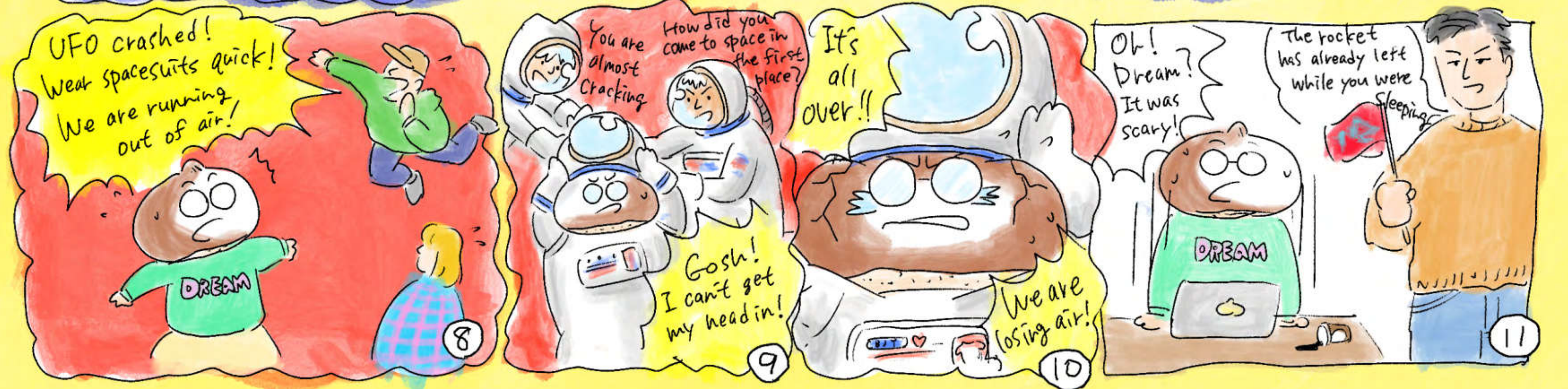


FY2021 3Q ZOZO, Inc. CONSOLIDATED BUSINESS RESULTS

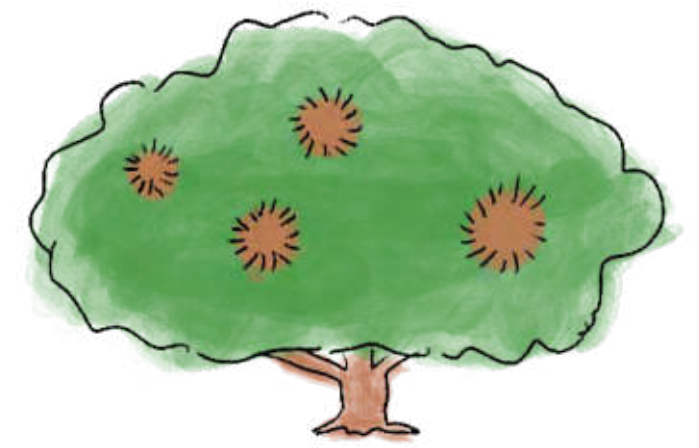


HIGHLIGHTS

FY2021 3Q ZOZO, Inc.
CONSOLIDATED BUSINESS RESULTS



FY2021 3Q HIGHLIGHTS



Gross Merchandise Value **375.5** billion yen
(+23.4% YoY / Achievement rate 79.4%)

Gross Merchandise Value **341.5** billion yen
(excluding other GMV) (+13.6% YoY/Achievement rate 75.8%)

Operating Profit **38.7** billion yen
(+14.8% YoY / Achievement rate 81.1%)

Operating Profit Margin **11.4%**
(+0.2 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	3Q
Gross Merchandise Value	95,330	90,301	118,611	115,194	116,812	112,695	145,999
Gross Merchandise Value (excluding other GMV)	95,330	90,195	115,247	106,999	106,700	102,367	132,519
YoY (%)	19.5%	13.0%	22.2%	17.3%	11.9%	13.5%	15.0%
Net sales	33,674	32,818	41,987	38,922	38,866	37,346	47,565
SG&A	21,860	21,571	25,742	26,714	24,333	23,851	29,656
YoY (%)	18.3%	4.3%	1.4%	25.5%	11.3%	10.6%	15.2%
(%Gross Merchandise Value)	22.9%	23.9%	22.3%	25.0%	22.8%	23.3%	22.4%
Operating profit	10,423	9,482	13,880	10,358	12,591	11,200	14,987
YoY (%)	33.9%	73.4%	126.4%	21.8%	20.8%	18.1%	8.0%
(%Gross Merchandise Value)	10.9%	10.5%	12.0%	9.7%	11.8%	10.9%	11.3%

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

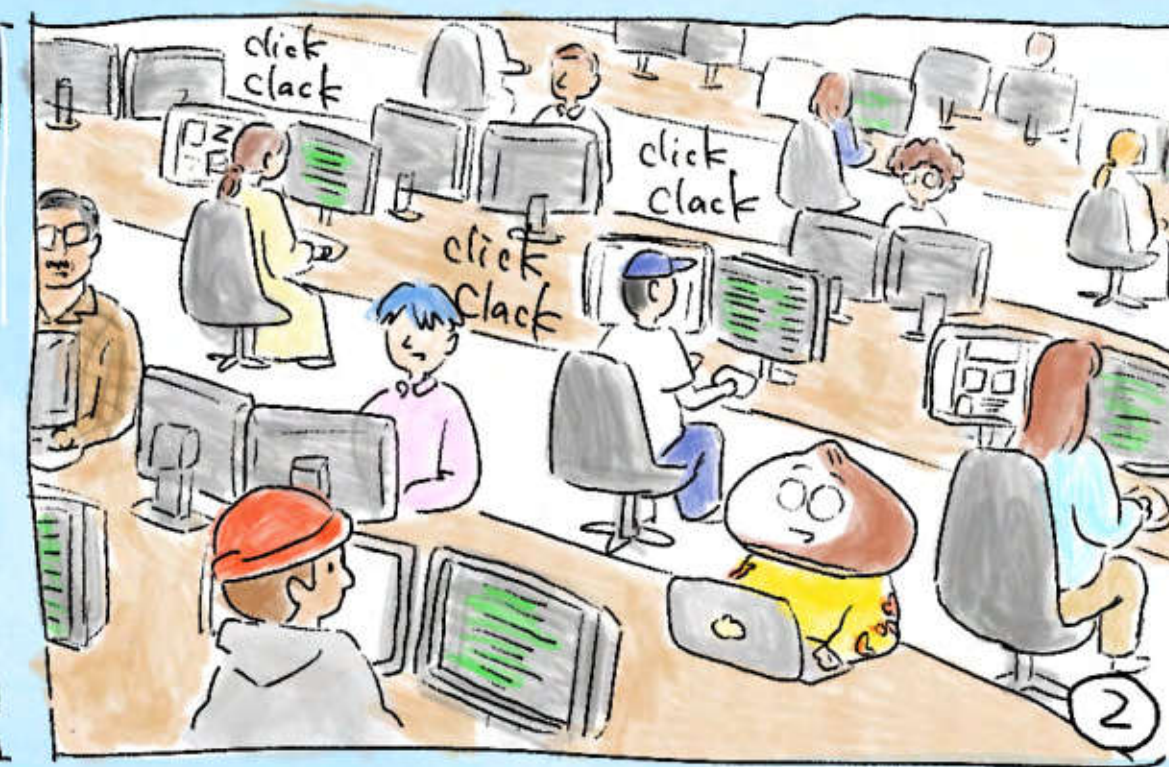
* From the fiscal year ending March 2022, we are disclosing the GMV and net sales in new business segmentation. For detail, please refer "Change of business segments" in P.34.

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

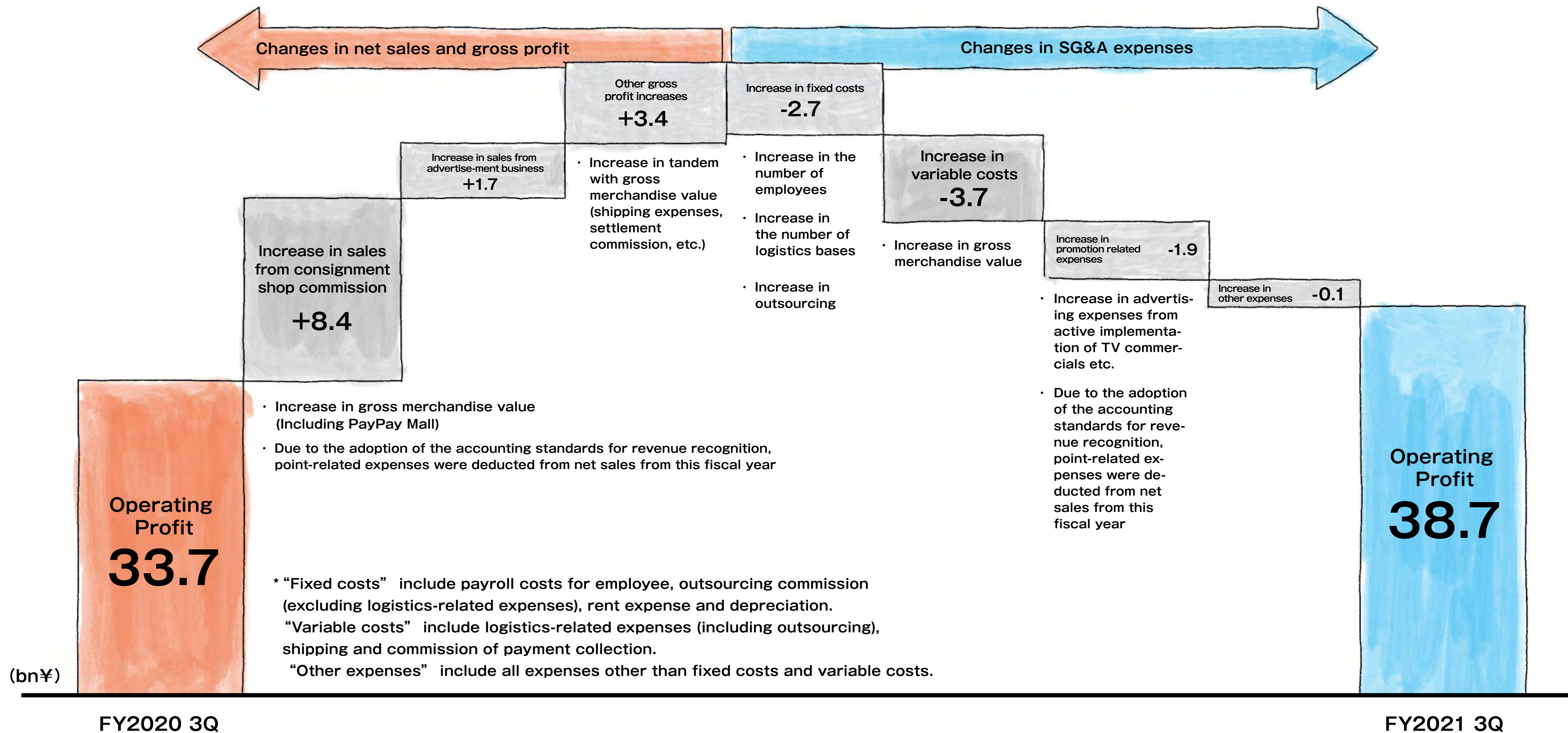
Until the fiscal year ended March 2021, points-related expenses, which had been recorded in SG&A expenses, were reduced from sales in the respective businesses, and the results are disclosed as net sales.

BUSINESS RESULTS

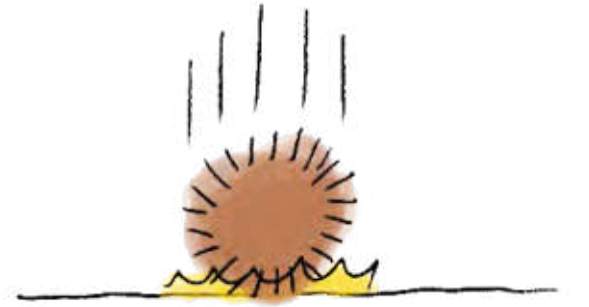
FY2021 3Q 2020, Inc.
CONSOLIDATED BUSINESS RESULTS



INCREASE-DECREASE ANALYSIS OF OPERATING PROFIT (YOY COMPARISON)



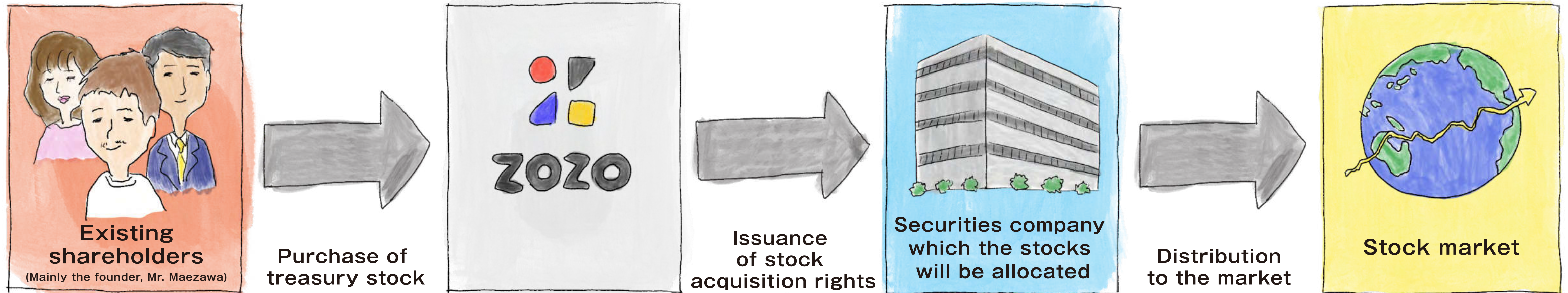
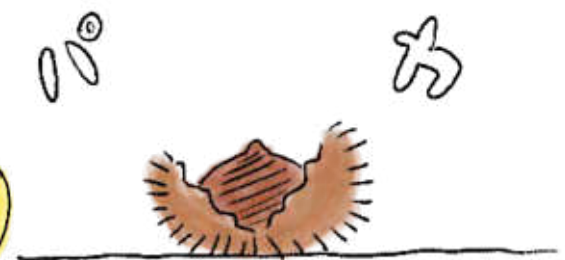
CONSOLIDATED BALANCE SHEET



(million¥)

	FY2020 (as of March 31, 2021)	FY2021 3Q (as of December 31, 2021)		FY2020 (as of March 31, 2021)	FY2021 3Q (as of December 31, 2021)
Current assets	99,796	95,035	Current liabilities	65,180	66,725
Cash and deposits	61,648	50,937	Short-term borrowing	20,000	20,100
Merchandise and finished products	1,792	2,050	Noncurrent liabilities	4,968	5,732
Noncurrent assets	25,860	24,677	Total liabilities	70,149	72,457
Tangible assets	12,019	11,673	Shareholders' equity	55,651	47,268
Intangible assets	2,915	2,560	Treasury stock	-24,146	-44,784
Investments and other assets	10,925	10,443	Total net assets	55,507	47,255
Total assets	125,656	119,713	Total liabilities and net assets	125,656	119,713

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

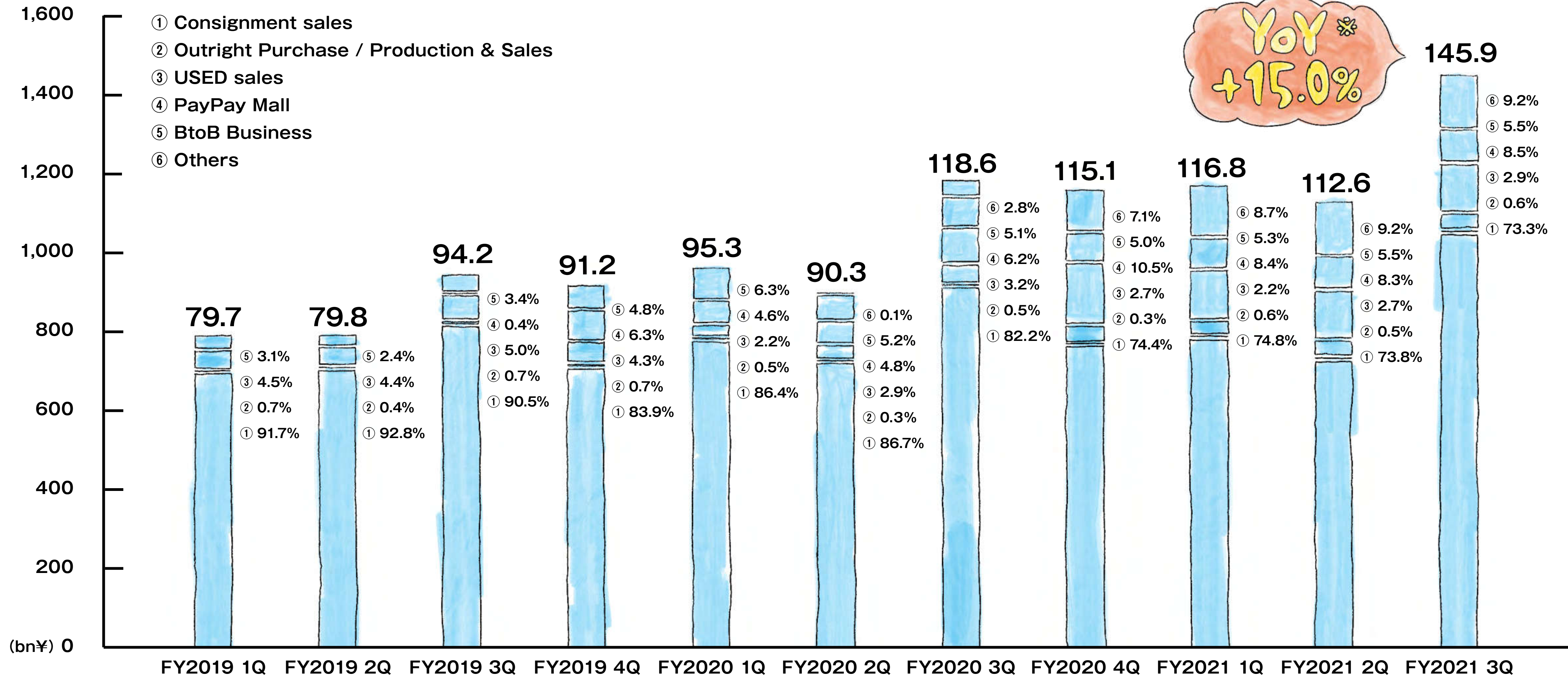
We are considering to move to the new market segments (Prime Market) of the Tokyo Stock Exchange that is scheduled to open in April 2022.

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%.

※As it was disclosed in JPX website on January 11, 2022, we met the criteria for the prime market and chose it.

GROSS MERCHANDISE VALUE (QUARTERLY)



* 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

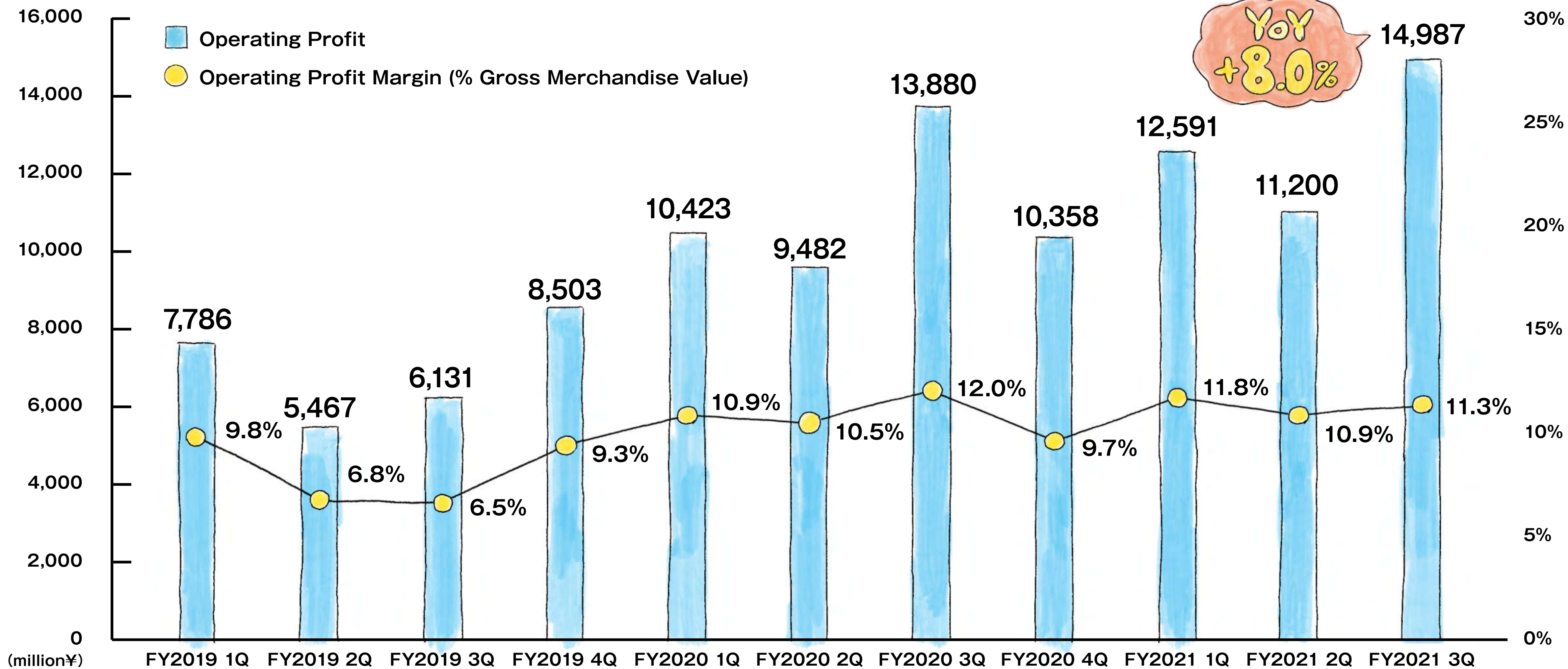


(million¥)

	FY2020 3Q		FY2021 3Q		YOY	Increase / decrease factors
	Amount	%Gross Merchandise Value	Amount	%Gross Merchandise Value	%Gross Merchandise Value	
Payroll and staff costs(*)	19,400	6.5%	21,631	6.3%	-0.2%	
Payroll costs for employee	7,392	2.5%	8,906	2.6%	0.1%	Transition of the number of employees on consolidated basis: FY2020 3Q 1,280 → FY2021 3Q 1,381
Logistics-Related Expenses (Including Outsourcing)	12,008	4.0%	12,724	3.7%	-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)	3,667	1.2%	4,387	1.3%	0.1%	
Shipping	20,393	6.8%	23,359	6.8%	0.0%	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	8,105	2.7%	8,206	2.4%	-0.3%	Decrease in expenses from the change of vendor
Promotion related expenses	5,134	1.7%	7,128	2.1%	0.4%	
Advertising	3,706	1.2%	7,128	2.1%	0.9%	Implemented proactive measures to attract customers such as TV commercials, and Web and SNS advertising.
Reward points related expenses	1,428	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	3,740	1.2%	4,295	1.3%	0.1%	Increase in the number of logistics bases
Depreciation	1,502	0.5%	1,436	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	274	0.1%	303	0.1%	0.0%	
Stock Compensation Expenses	31	0.0%	77	0.0%	0.0%	
Others	6,924	2.3%	7,014	2.1%	-0.2%	Decrease in expenses due to the change of packaging materials (cardboard for delivery)
Total SG&A	69,174	23.0%	77,841	22.8%	-0.2%	

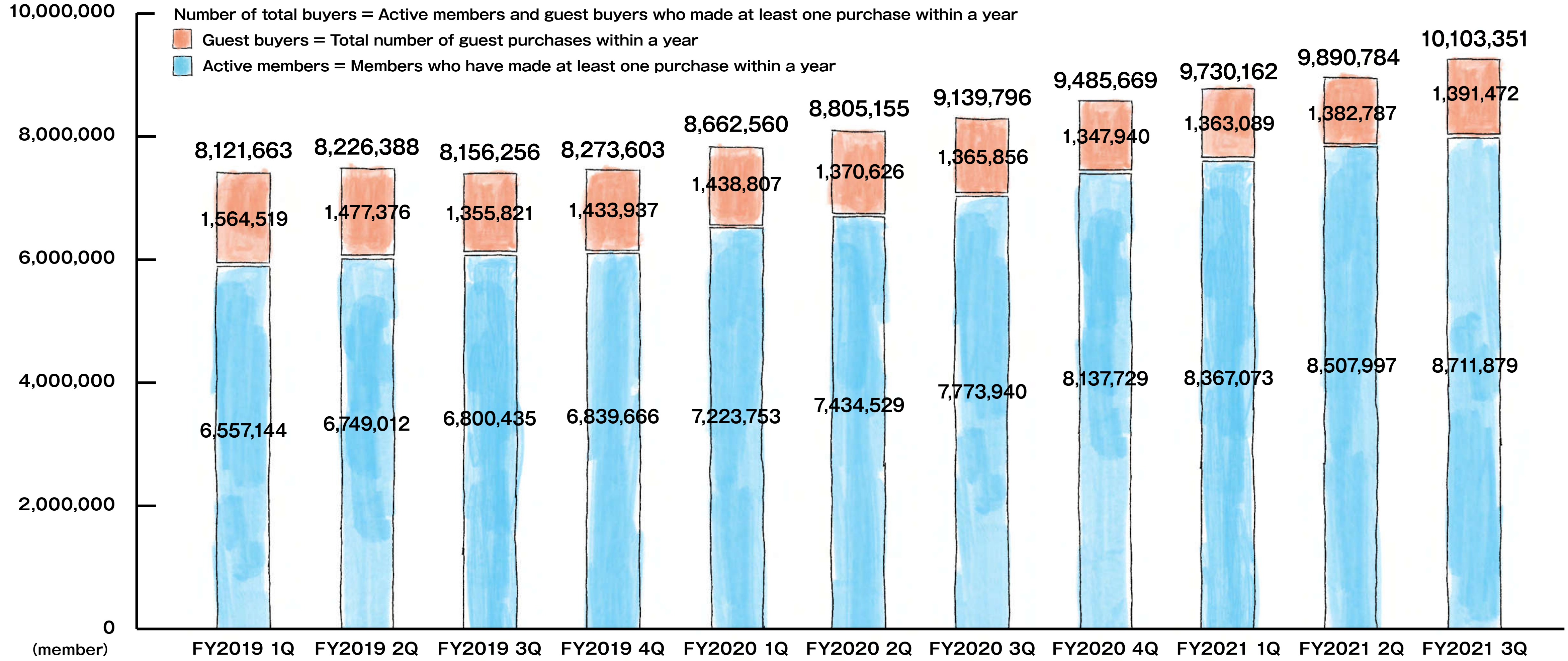
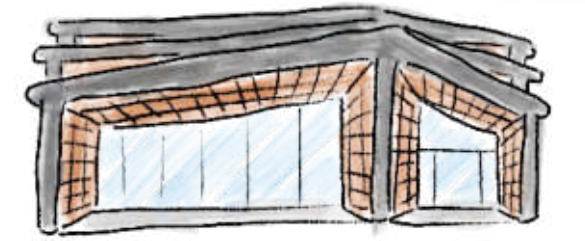
* Payroll includes directors' remuneration, employee salaries, bonus, legal welfare expenses, welfare expenses, retirement benefits cost, provision for employee bonus, expenses of company pension premium, subcontracting payroll, a portion of expenses at logistics centers operation. "Employee" includes 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)



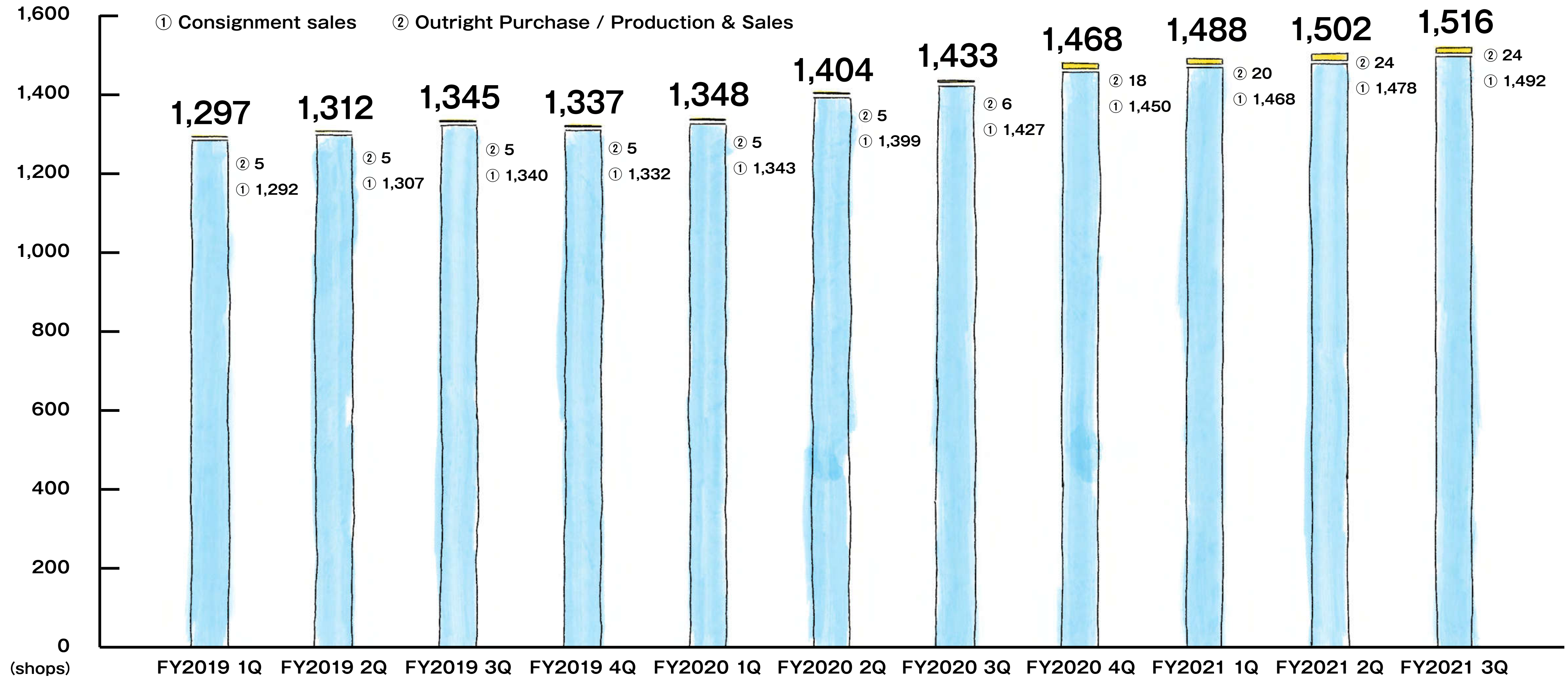
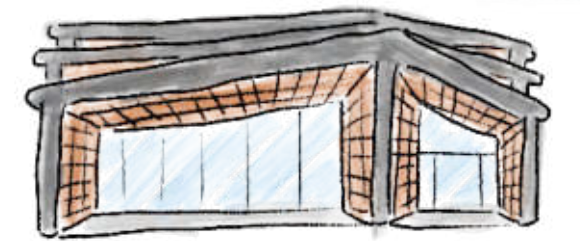
* Operating profit margins are calculated by operating profit divided by gross merchandise value (excluding other GMV).

NUMBER OF TOTAL BUYERS



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

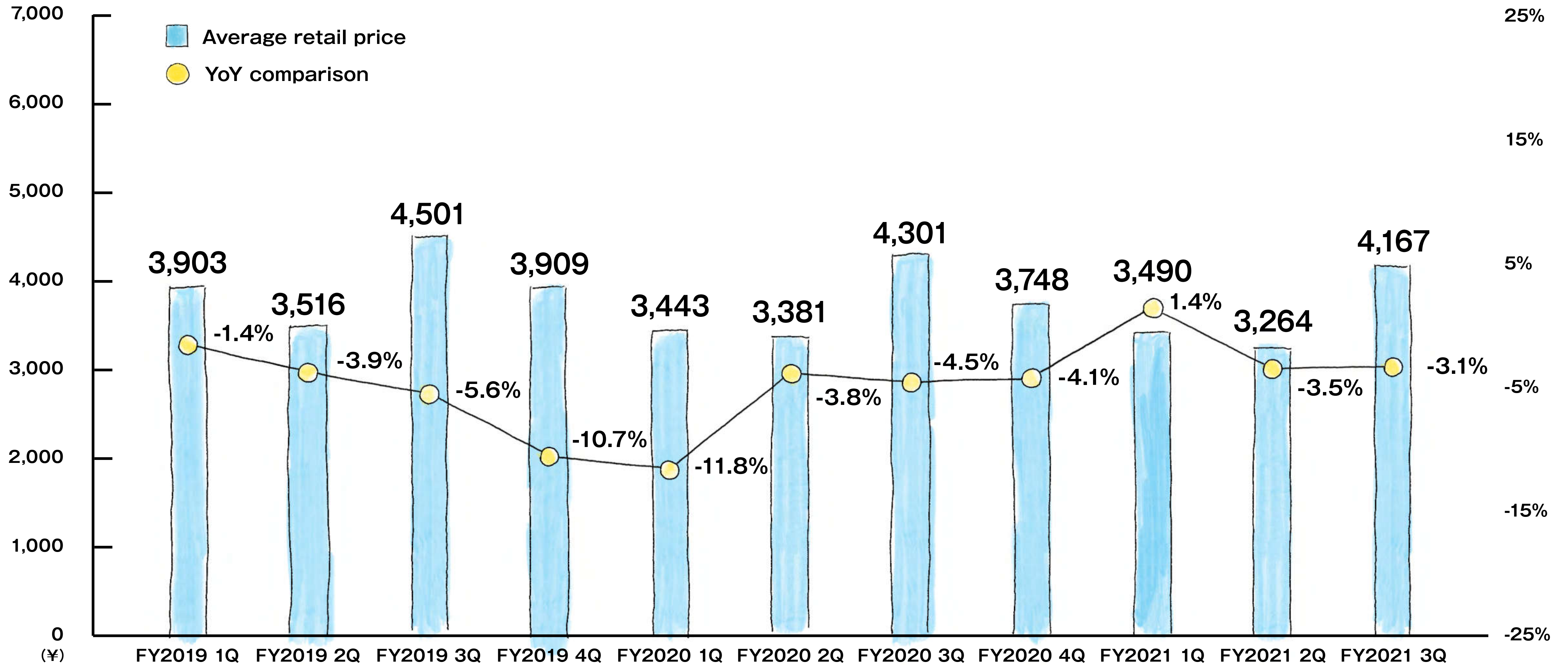
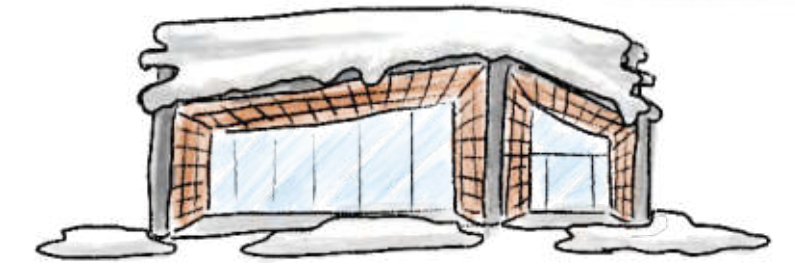
NUMBER OF SHOPS ON ZOZOTOWN



* 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

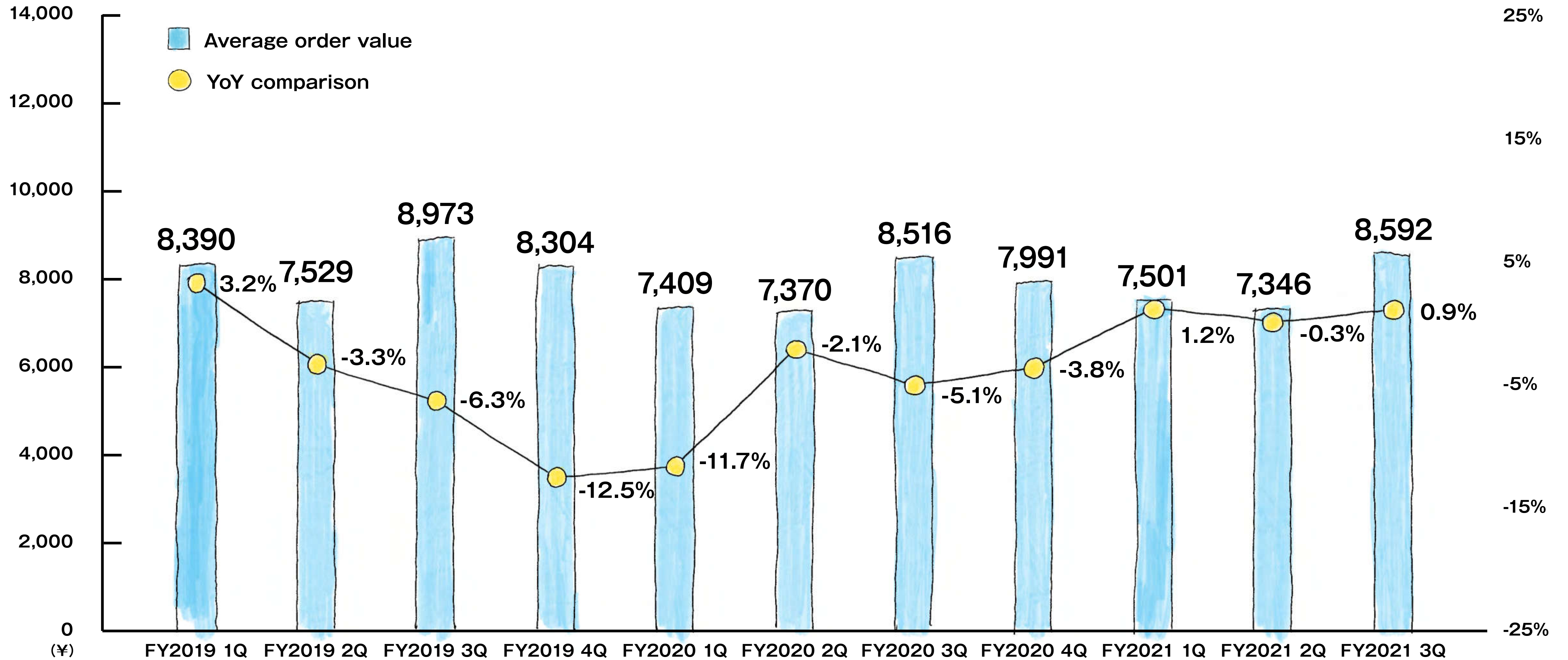
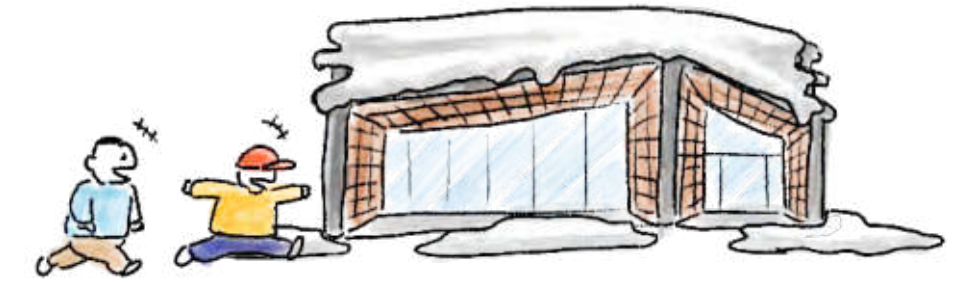


* The numbers of average retail price are averages calculated from combined results of the ZOZOTOWN business.

* 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

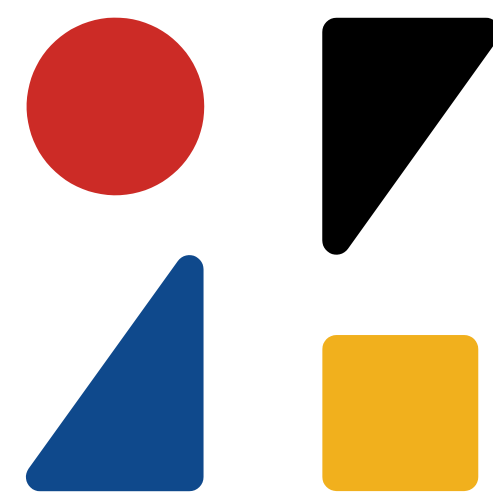


	FY2021 Plan*	YoY
Gross Merchandise Value	472.8 billion yen	12.7%
Gross Merchandise Value (excluding other GMV)	450.4 billion yen	10.5%
Net sales	162.6 billion yen	10.3%
Operating profit	47.8 billion yen	8.3%
Operating Profit Margin (% Gross Merchandise Value)	10.6%	—
Ordinary profit	47.8 billion yen	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

1

**Introduction of a
newly appointed executive officer**

2

ZOZOBASE TSUKUBA 3

3

Current situation of ZOZOCOSME

1

**Introduction of a
newly appointed executive officer**

Executive Officer

CHRISTINE EDMAN

EC Business Division /
Category Promotion Division /
ZOZOVILLA



2

ZOZOBASE TSUKUBA 3



ZOZOBASE TSUKUBA 3

Property Name : PROLOGIS TSUKUBA 3

Address : 34 Miyukigaoka Tsukuba-City, Ibaraki

Site area : Approximately 68,500m²

Building overview : 5 stories above ground / Total floor area 137,000m²

Lease start date : February 2023 (Plan)

Operation start date : August 2023 (Plan)

Access : 2.4km from Kenkyu Gakuen Station (5 min by car)

2.5km from ZOZOBASE TSUKUBA 1 (5 min by car)

10km from ZOZOBASE TSUKUBA 2 (18 min by car)

ZOZOBASE つくば3

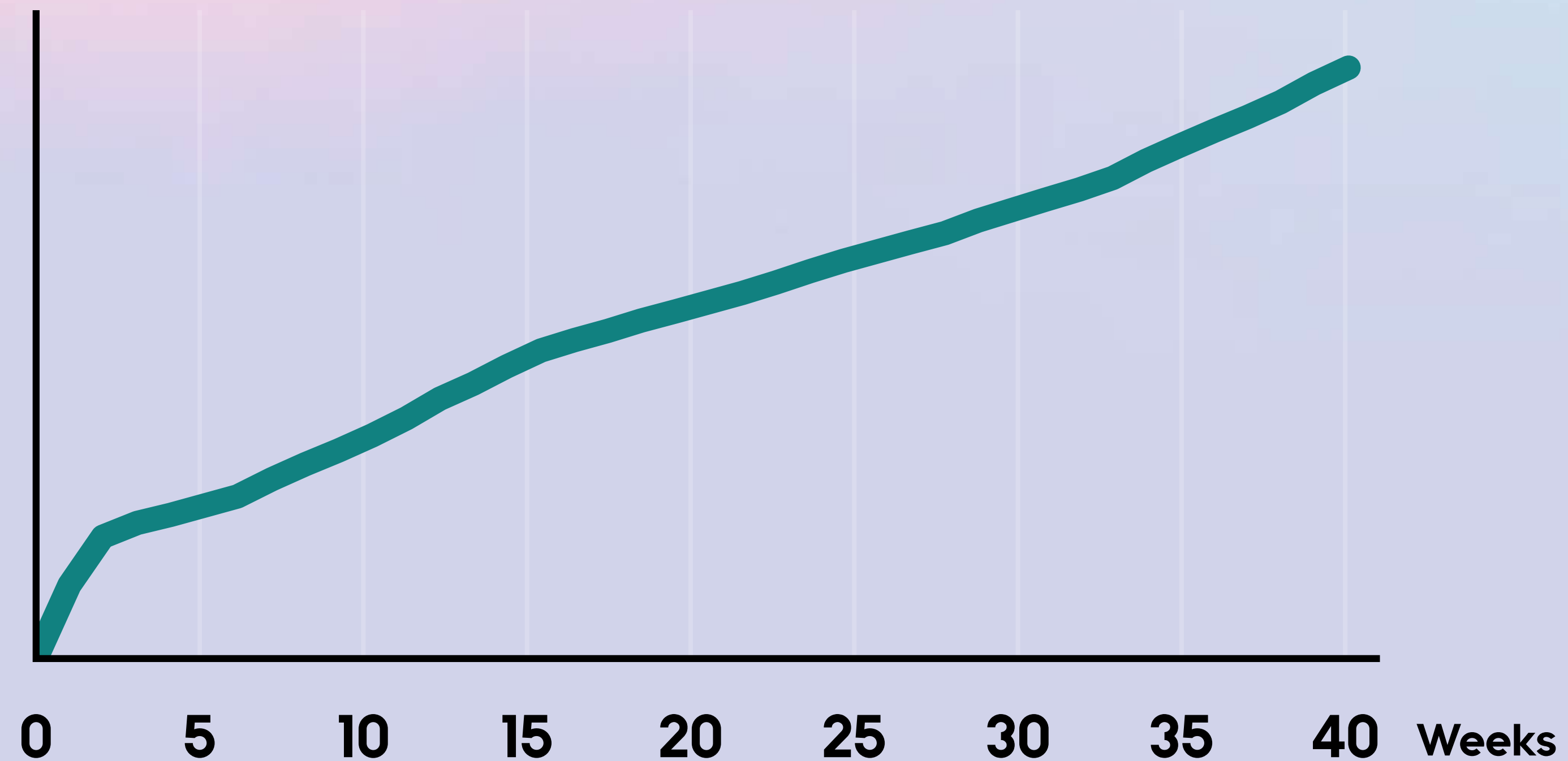


3

Current situation of ZOZOCOSME

The number of new buyers of ZOZOCOSME is continuously increasing

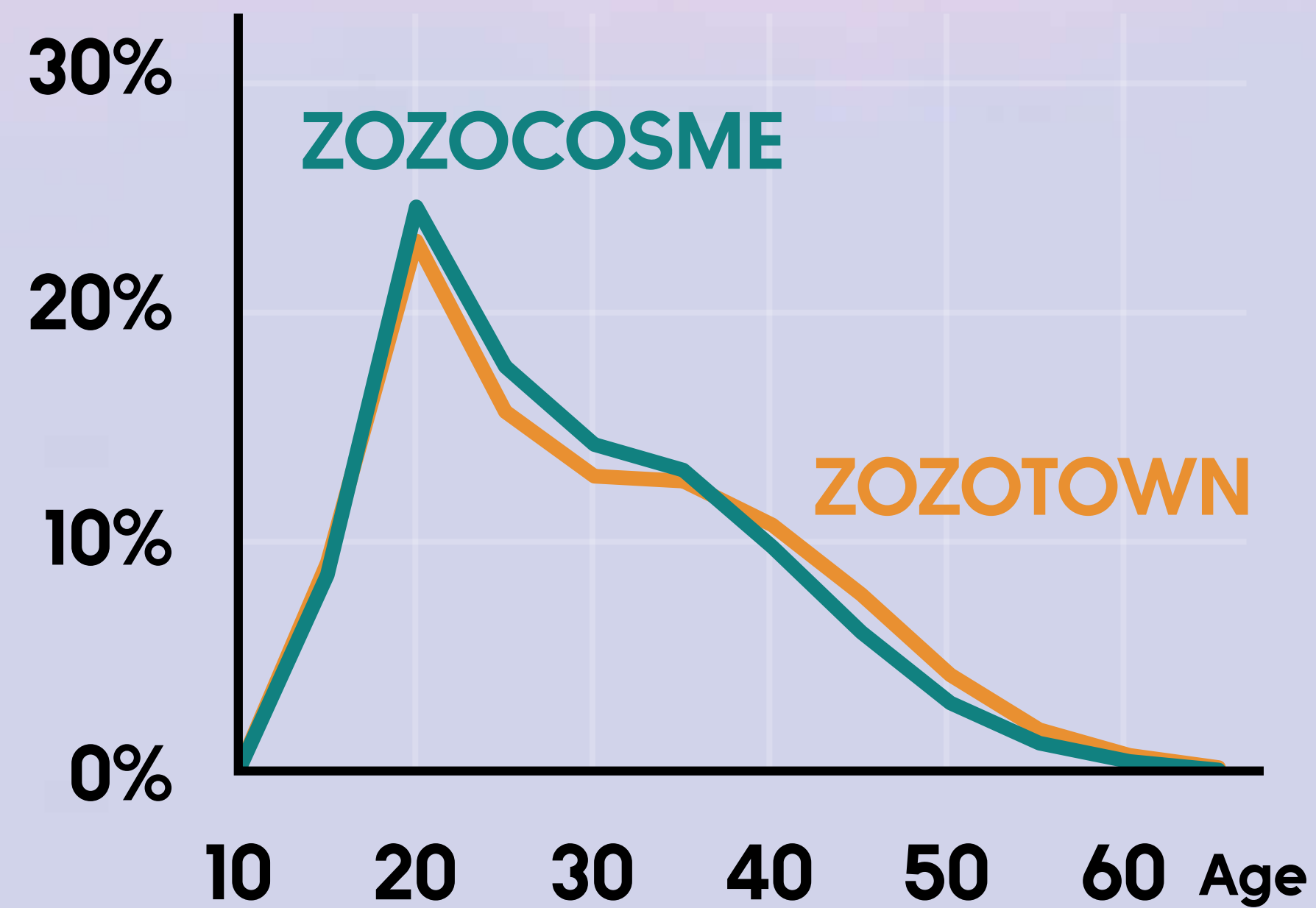
The accumulated number of new buyers



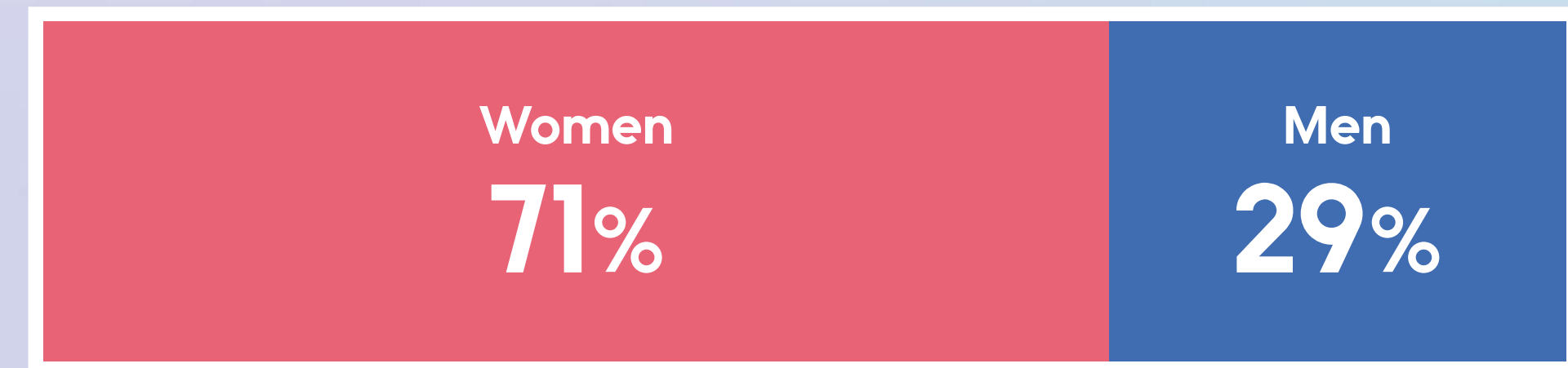
Source: From sales data (March 18 ~ December 12, 2021)

The composition rate of women, and 20s and 30s is higher than that of whole ZOZOTOWN

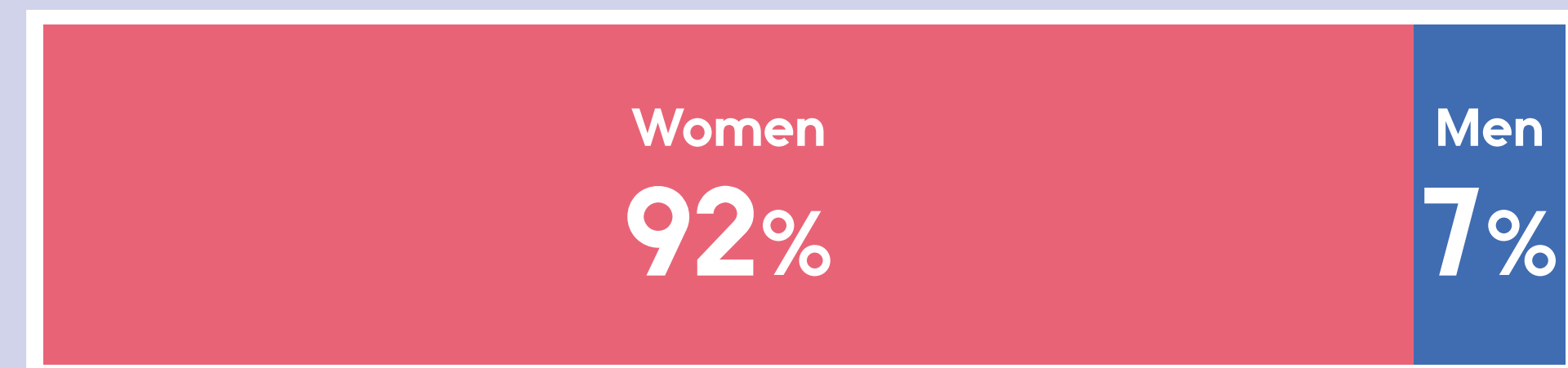
Composition rate



ZOZOTOWN

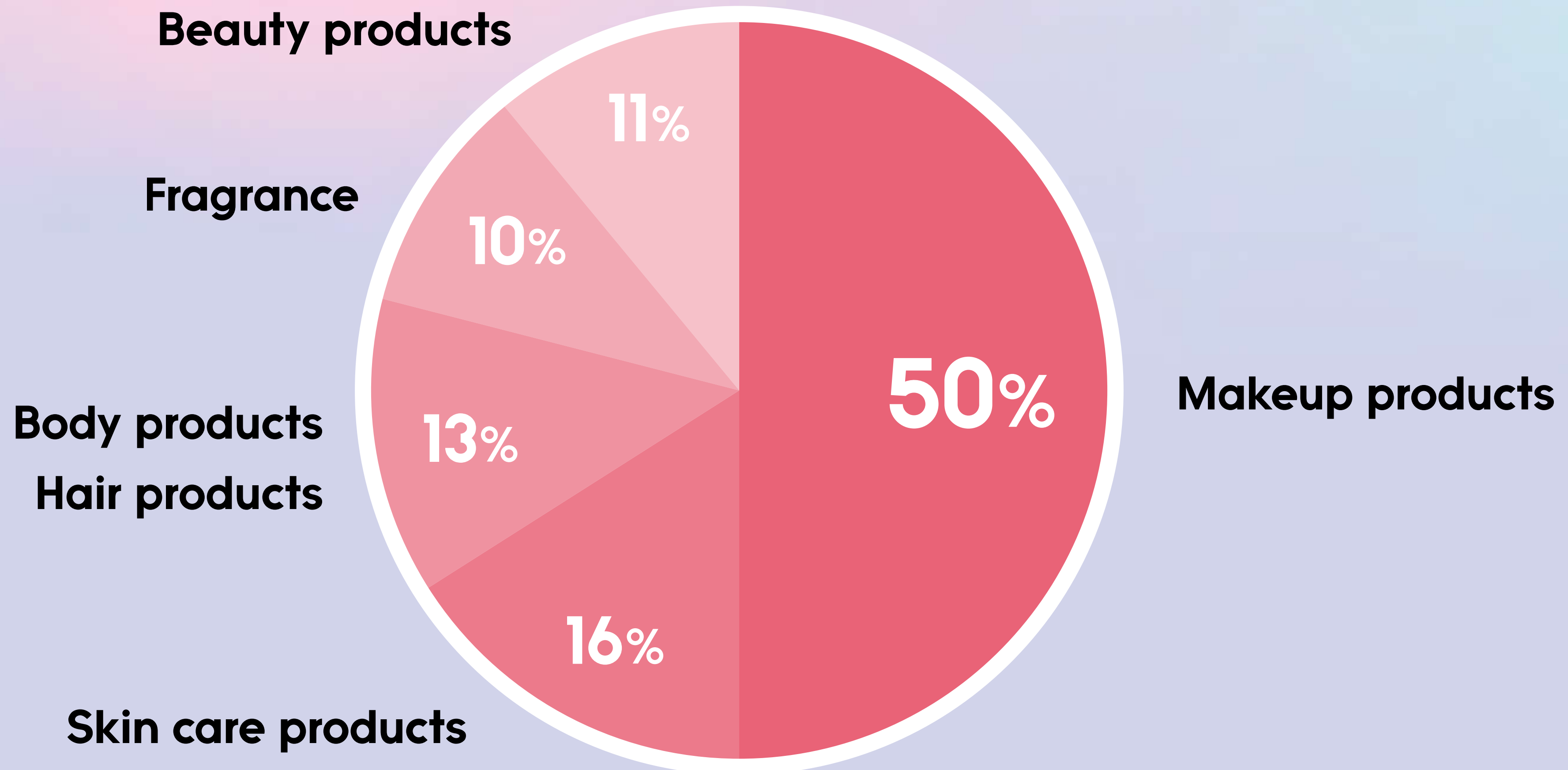


ZOZOCOSME



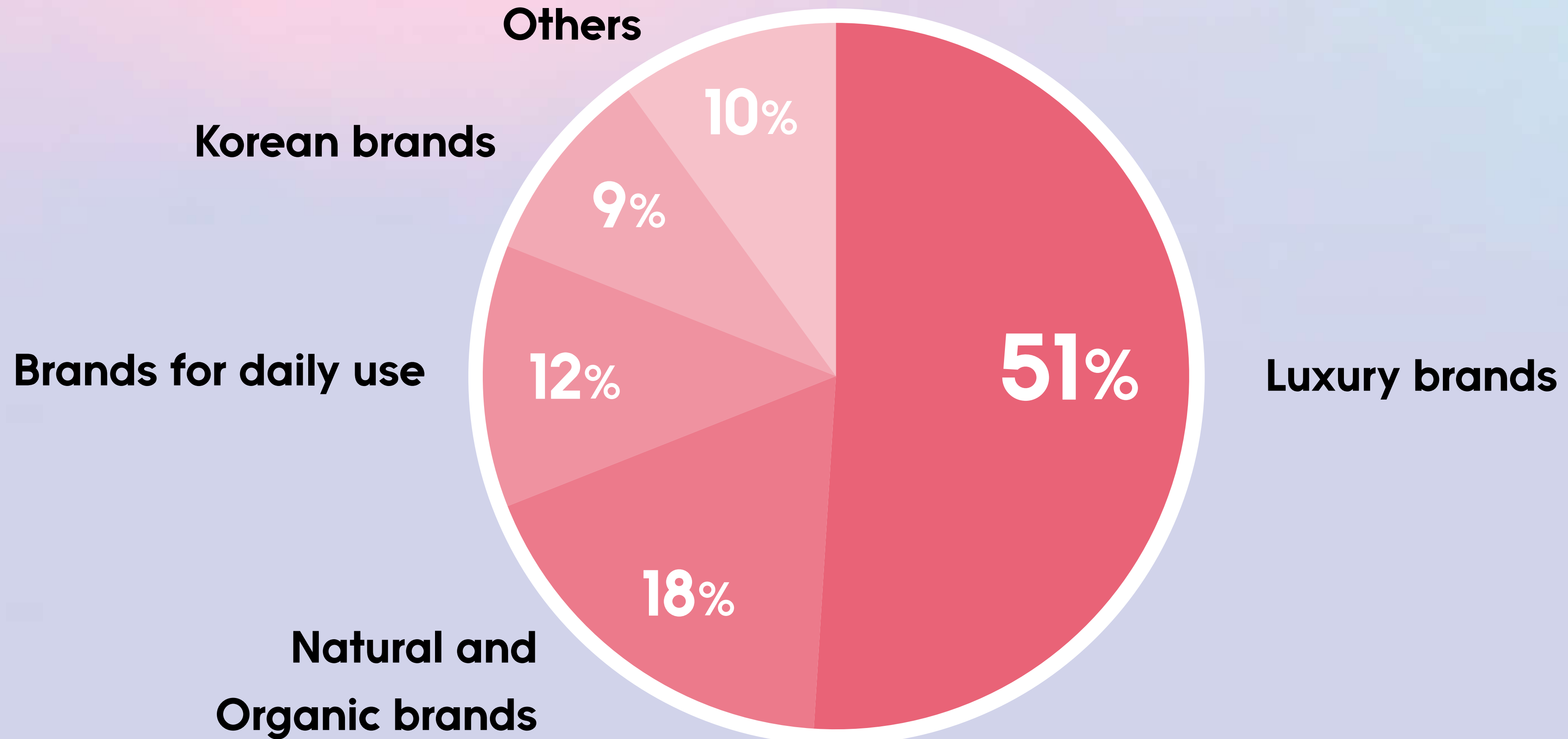
Source: From sales data (March 18 ~ November 15, 2021)

Makeup products have the majority in the category composition



Source: From sales data (October 1~November 15, 2021)

Luxury brands have the majority in the sales composition



Source: From sales data (November 2021)

Target sampling

We include product samples in the shipping package

We put the product samples into the special pouch at ZOZOBASE

This is often conducted for the PR activity to promote new products

In some cases, about 10% of the customers who received the sample products visited the brand's shop in 2 weeks



We put sample products into the special pouch and deliver it with other items

Special feature of "Apparel and Cosmetics"

We introduced brands' latest trend in the video

The sales of featured items increased by more than 40% on a weekly basis

We arranged it with consideration for compatibility between apparel and cosmetic brands



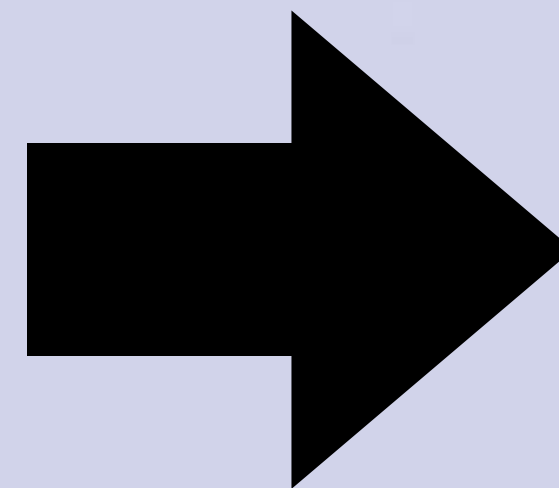
The number of brand is continuously increasing

As of launch

(2021.3)

566

brands



Present

(2021.12)

677

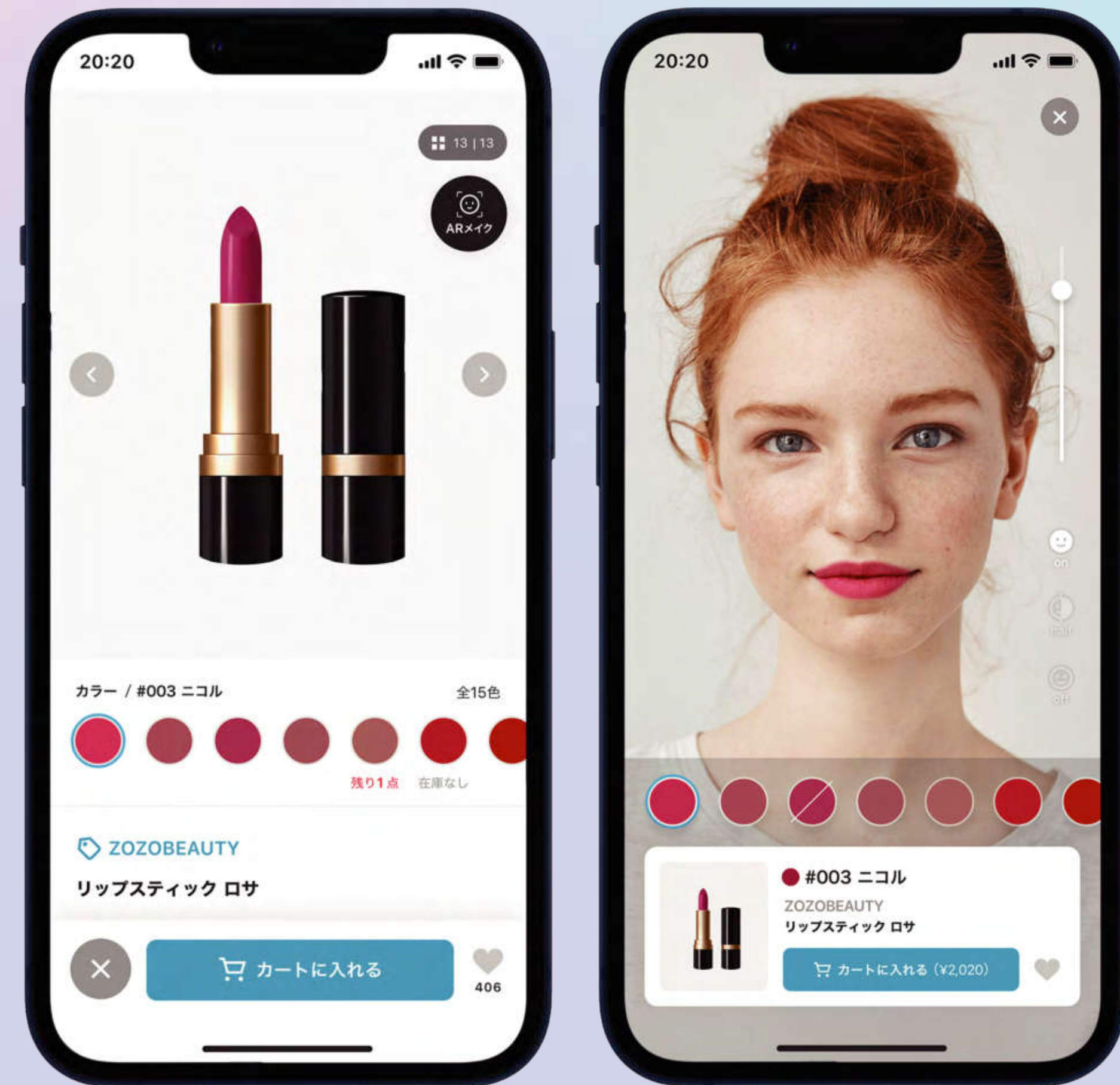
brands

AR makeup menu is scheduled to be released

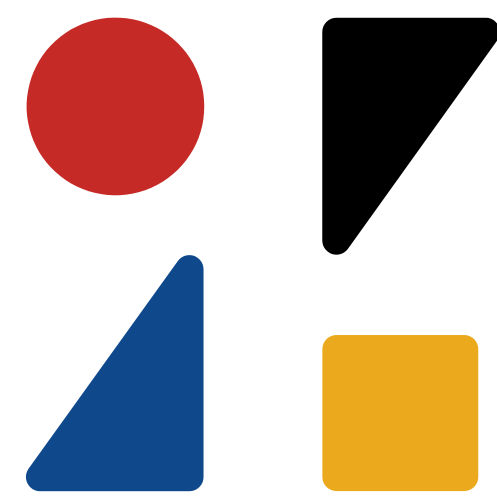
Several brands' products will be available on the menu at the time of launch

This enables users to experience AR makeup on their face with one tap

Users can have an image of the product color on their face by adjusting virtual color and ON/OFF switch of makeup



The information or numbers on this page is subject to change



ZOZO