

The main promotional image features a woman on the left and a man on the right, both looking towards the camera. They are set against a background of blurred city lights at night. The title "Romantic Nishi-Chiba" is written in a large, white, cursive font across the center. Below the title, the tagline "A story that can never be calculated" is written in a smaller, white, sans-serif font.

Romantic Nishi-Chiba

A story that can never be calculated

A smaller version of the main promotional image is positioned at the bottom of the page, showing the woman and man leaning on a railing.

FY2022 1Q ZOZO, Inc. CONSOLIDATED BUSINESS RESULTS

※This is a work of fiction. It is not related to any real person or organization.
Masks are removed only during filming to prevent COVID-19 infection.

Financial results material drama

HIGHLIGHTS

FY2022 1Q ZOZO, Inc. CONSOLIDATED BUSINESS RESULTS



FY2022 1Q HIGHLIGHTS

Gross Merchandise Value

127.9 billion yen

(+9.5% YoY / Achievement rate 23.5%)

Gross Merchandise Value

(excluding other GMV)

115.9 billion yen

(+8.7% YoY/Achievement rate 23.4%)

Operating Profit

14.3 billion yen

(+13.7% YoY / Achievement rate 27.8%)

Operating Profit Margin

12.3%

(+0.5 points YoY)

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

OVERVIEW OF EACH QUARTER



(million¥)

	FY2021				FY2022
	1Q	2Q	3Q	4Q	1Q
Gross Merchandise Value	116,812	112,695	145,999	133,369	127,928
Gross Merchandise Value (excluding other GMV)	106,700	102,367	132,519	120,587	115,948
YoY (%)	11.9%	13.5%	15.0%	12.7%	8.7%
Net sales	38,866	37,346	47,565	42,420	42,590
SG&A	24,333	23,851	29,656	28,675	26,028
YoY (%)	11.3%	10.6%	15.2%	7.3%	7.0%
(% to the Gross Merchandise Value)	22.8%	23.3%	22.4%	23.8%	22.4%
Operating profit	12,591	11,200	14,987	10,876	14,312
YoY (%)	20.8%	18.1%	8.0%	5.0%	13.7%
(% to the Gross Merchandise Value)	11.8%	10.9%	11.3%	9.0%	12.3%

* % to the Gross Merchandise Value is represented in percentages after dividing by the gross merchandise value (excluding other GMV).

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

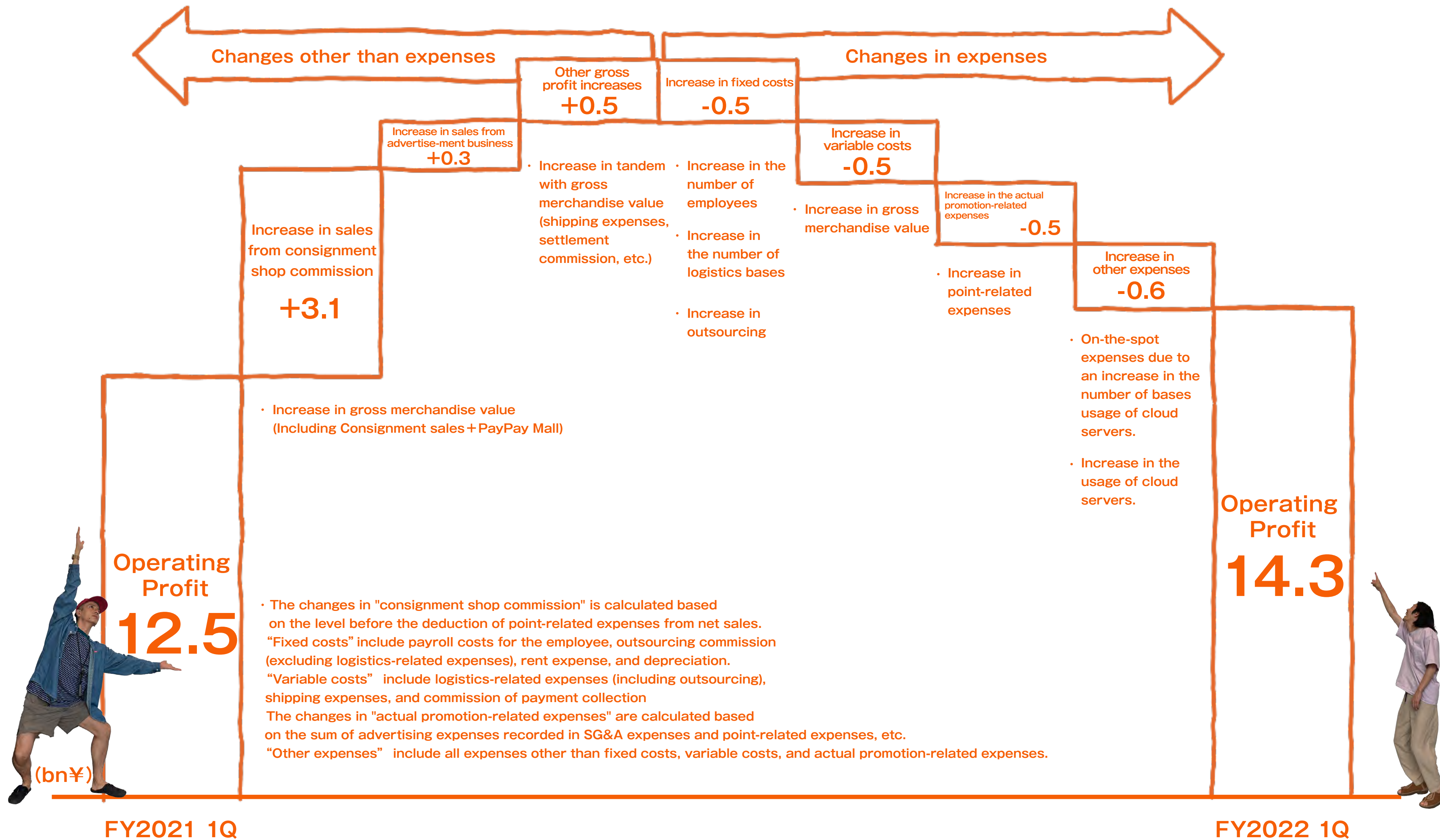


BUSINESS RESULTS

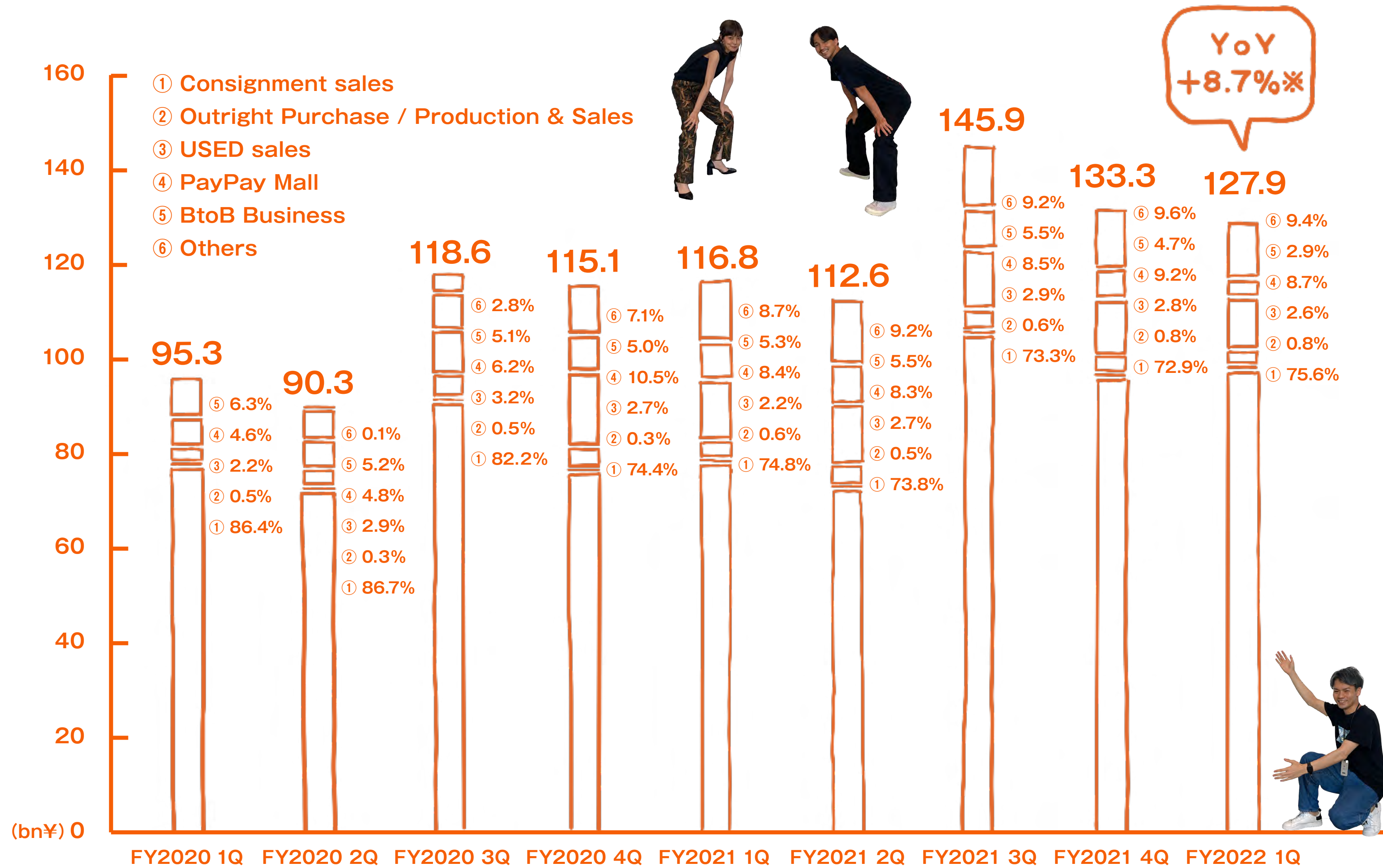
FY2022 1Q ZOZO, Inc. CONSOLIDATED BUSINESS RESULTS



INCREASE-DECREASE ANALYSIS OF OPERATING PROFIT(YOY COMPARISON)



GROSS MERCHANDISE VALUE(QUARTERLY)





* YoY is the comparison of GMV excluding "⑥ Others"

SELLING, GENERAL AND ADMINISTRATIVE(SG&A)EXPENSES (Cumulative amount as of FY2022 1Q)



(million¥)

	FY2021 1Q		FY2022 1Q		YoY	Increase / decrease factors
	Amount	%Gross Merchandise Value	Amount	%Gross Merchandise Value	%Gross Merchandise Value	
Payroll and staff costs(*)	6,883	6.5%	7,132	6.2%	-0.3%	
Payroll costs for employee	2,831	2.7%	3,115	2.7%	0.0%	Transition of the number of employees on consolidated basis: FY2021 1Q 1,331 → FY2022 1Q 1,466
Logistics-Related Expenses (Including Outsourcing)	4,051	3.8%	4,016	3.5%	-0.3%	Efficient operations were continued with an increase in inventory storage capacity due to the re-leasing of the warehouses of CHIBA 3.
Outsourcing Commission (Excluding Logistics-Related Expenses)	1,429	1.3%	1,646	1.4%	0.1%	An increase in outsourcing of system development, maintenance, etc.
Shipping	7,597	7.1%	7,996	6.9%	-0.2%	The shipping expenses ratio to the Gross Merchandise Value declined due to higher order value compared to the previous year.
Commission of Payment collection	2,580	2.4%	2,733	2.4%	0.0%	
Advertising	1,796	1.7%	1,721	1.5%	-0.2%	Expenses for ZOZOGLASS decreased. The booking method for TV commercials and other expenses to attract customers for the summer sale differs between the previous year and the current year. Previous year (sale start: 6/18): All expenses were booked in the 1Q. Current year (sale start 6/24): expenses are separately booked in the 1Q and 2Q
Rent expense	1,431	1.3%	1,514	1.3%	0.0%	An increase in a distribution center (resumption of the lease at the warehouse CHIBA 3 from April 2022).
Depreciation	454	0.4%	465	0.4%	0.0%	
Amortization of goodwill	101	0.1%	106	0.1%	0.0%	
Stock Compensation Expenses	13	0.0%	10	0.0%	0.0%	
Others	2,043	1.9%	2,702	2.3%	0.4%	Purchase of equipment due to an increase in the distribution centers. An increase in communication expenses due to an increase in cloud servers.
Total SG&A	24,333	22.8%	26,028	22.4%	-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).



ZOZOTOWN



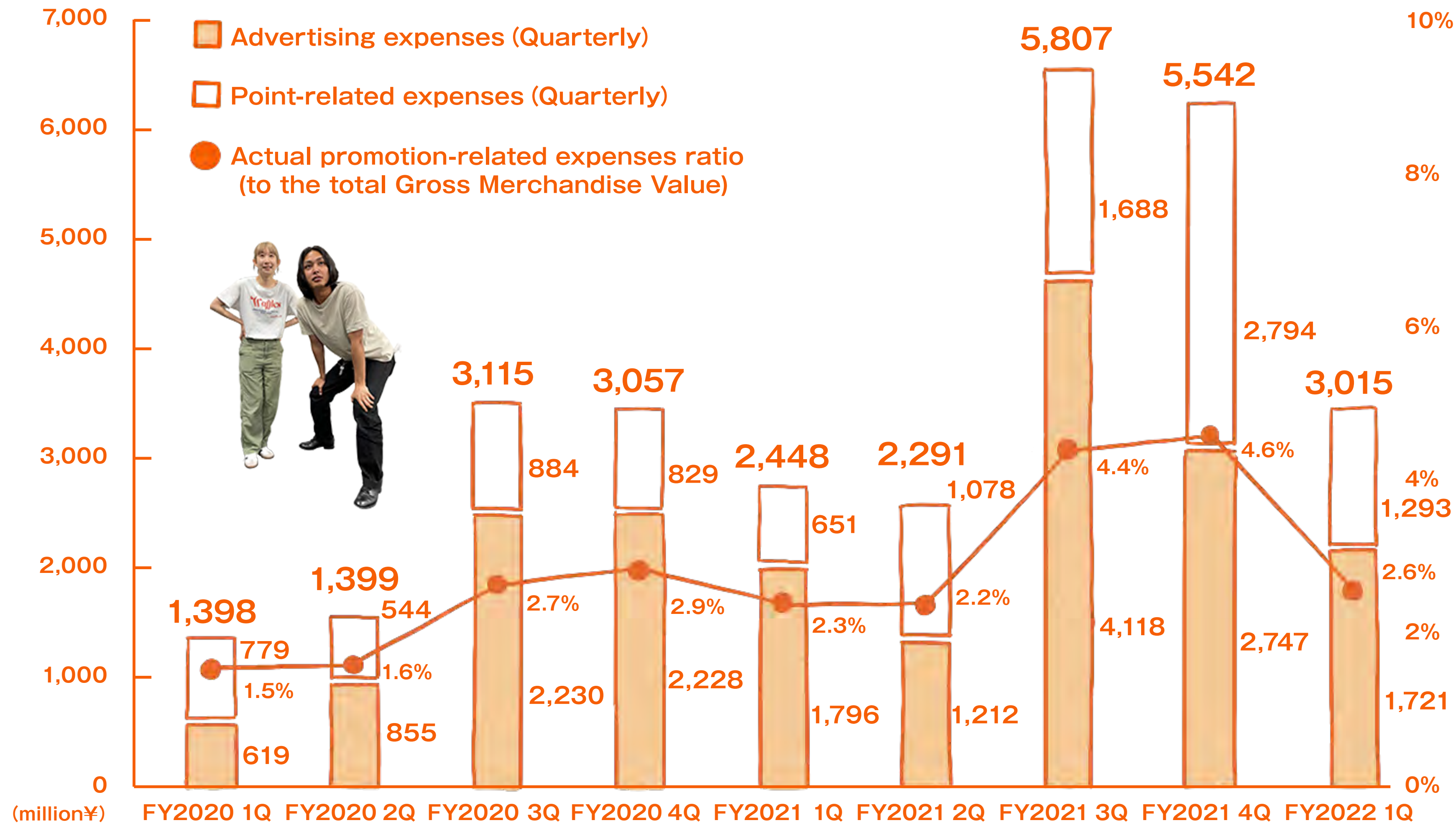
その服、どうしたの?



大切なハワイの友達からもらった

Actual promotion-related expenses (Quarterly)

Actual promotion-related expenses: The sum of advertising expenses and point-related expenses

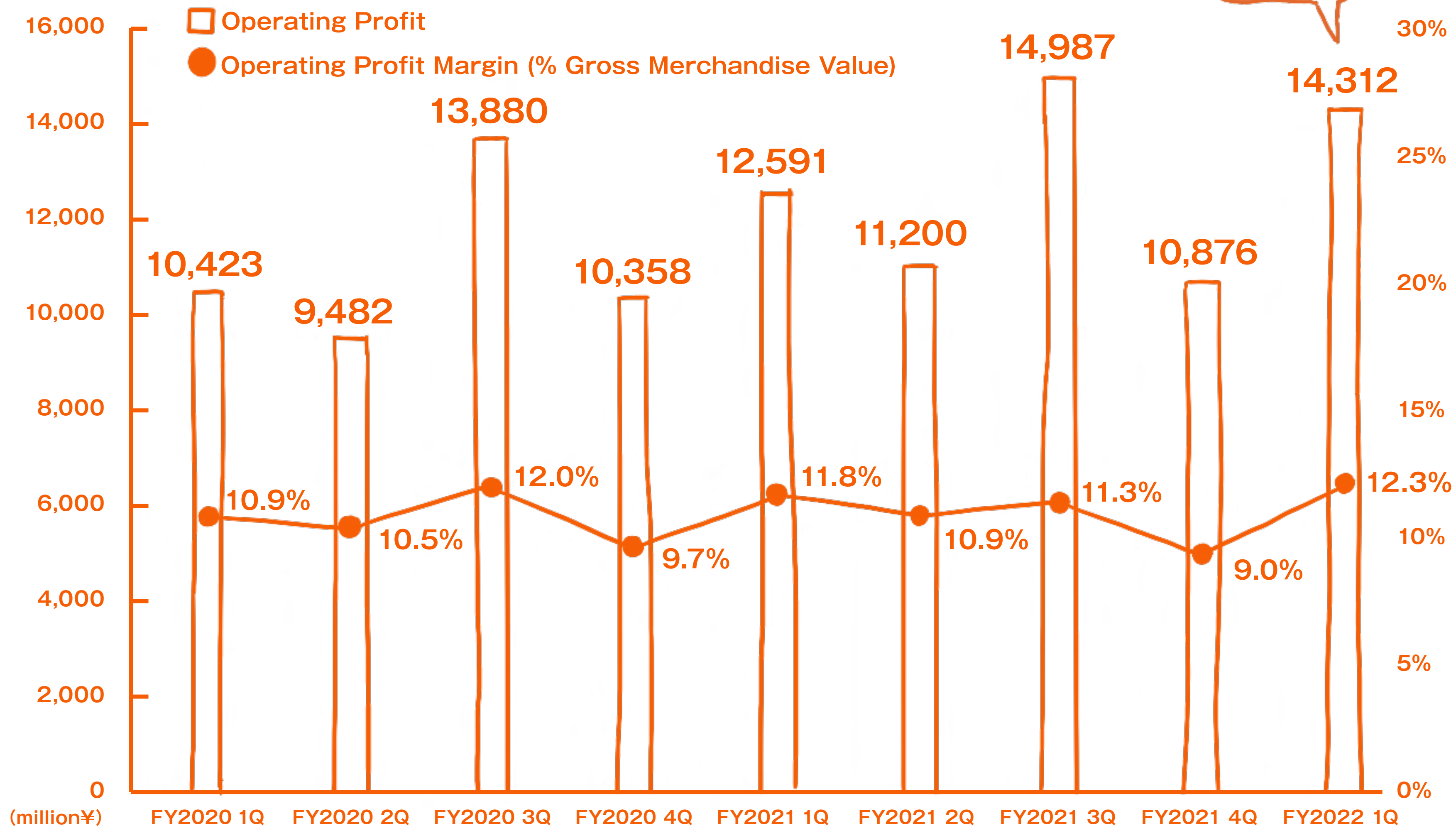


The actual promotion-related expenses ratio is calculated by the actual promotion-related expenses divided by the Gross Merchandise Value (excluding other GMV)



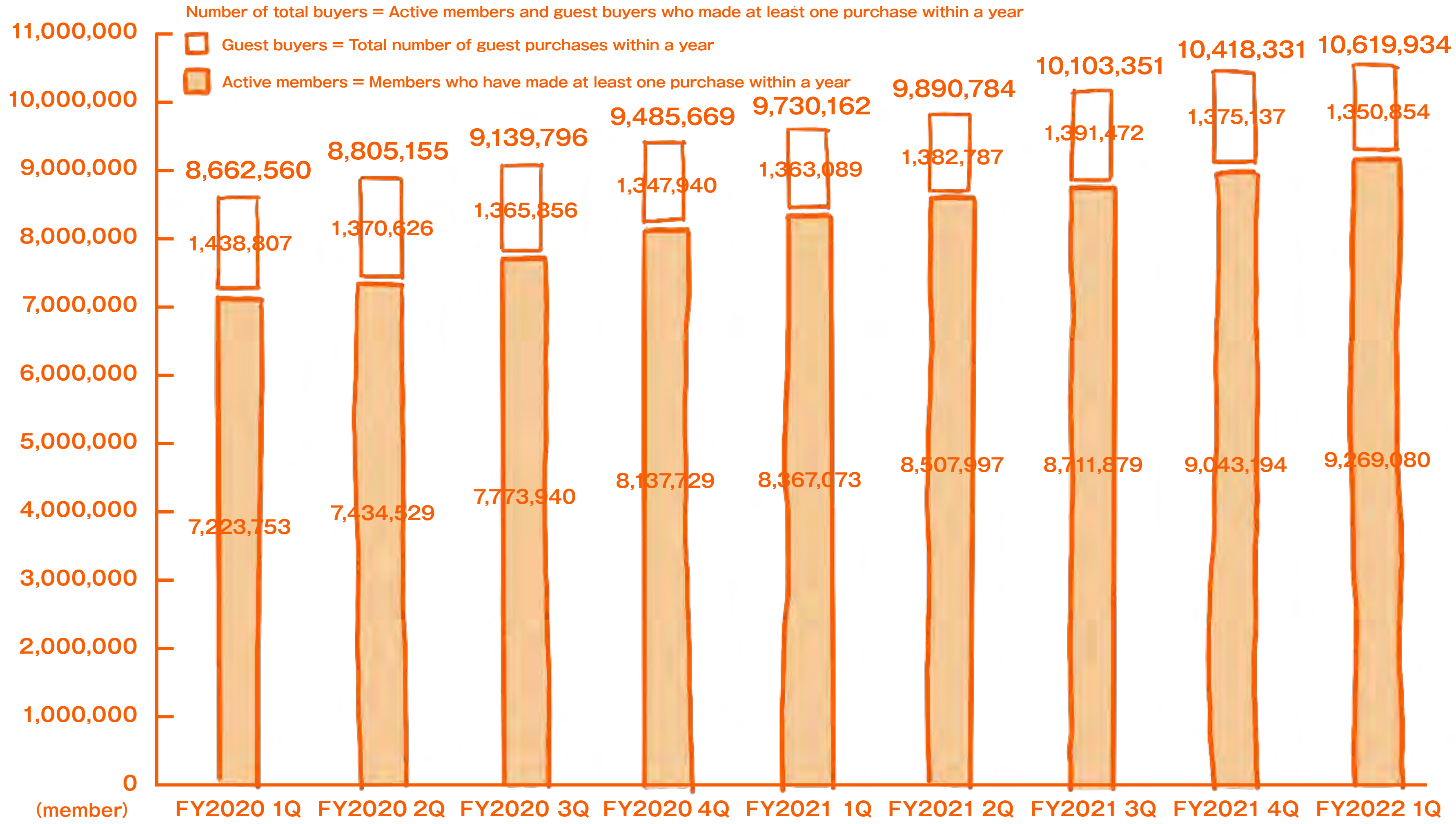
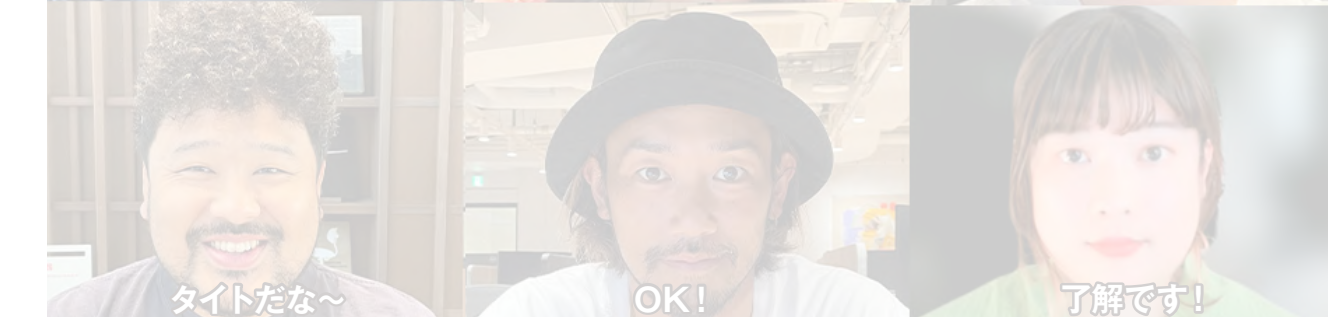
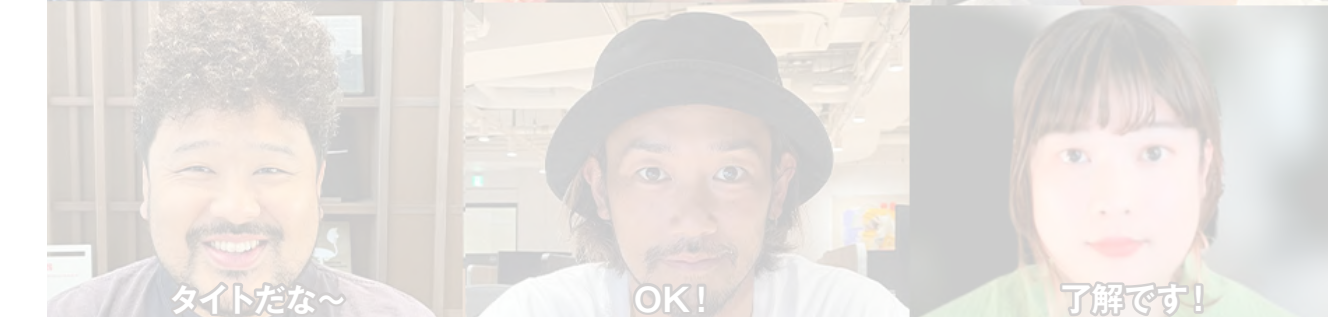
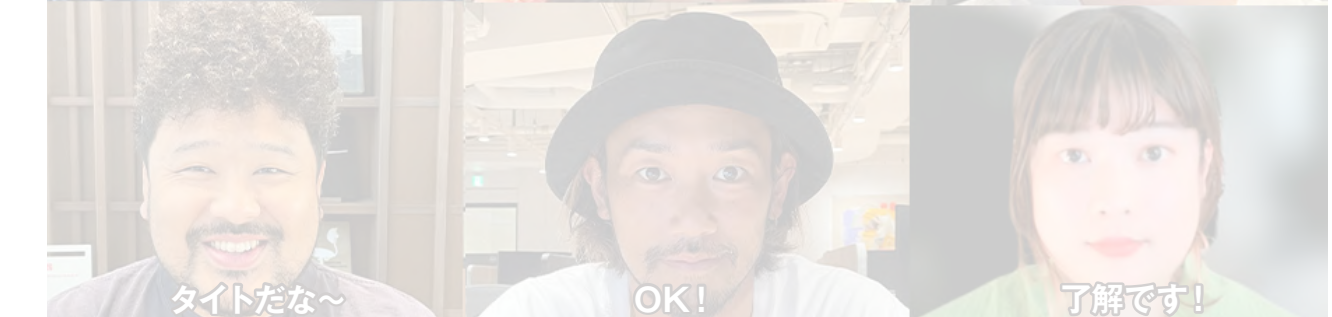
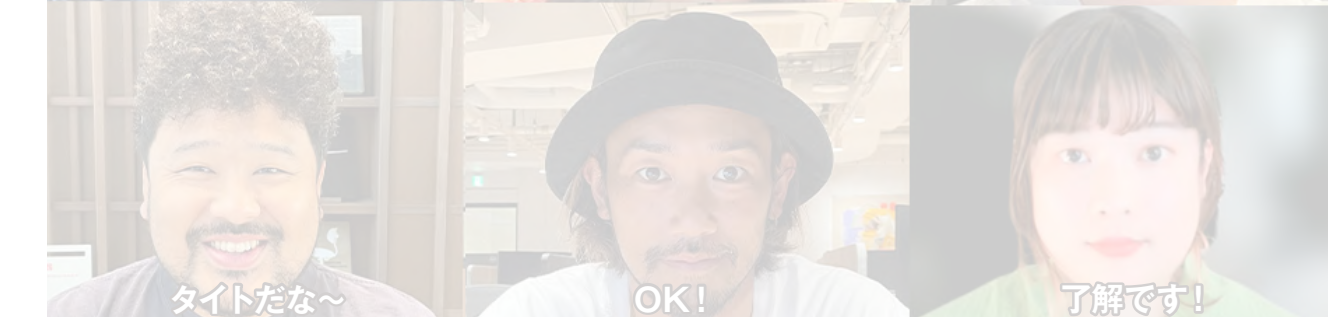
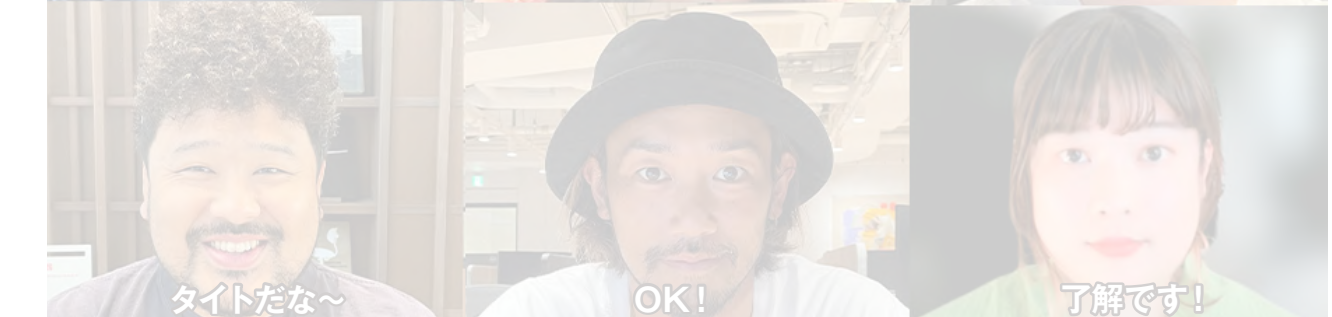
OPERATING PROFIT AND OPERATING PROFIT MARGIN(QUARTERLY)

YoY
+13.7%



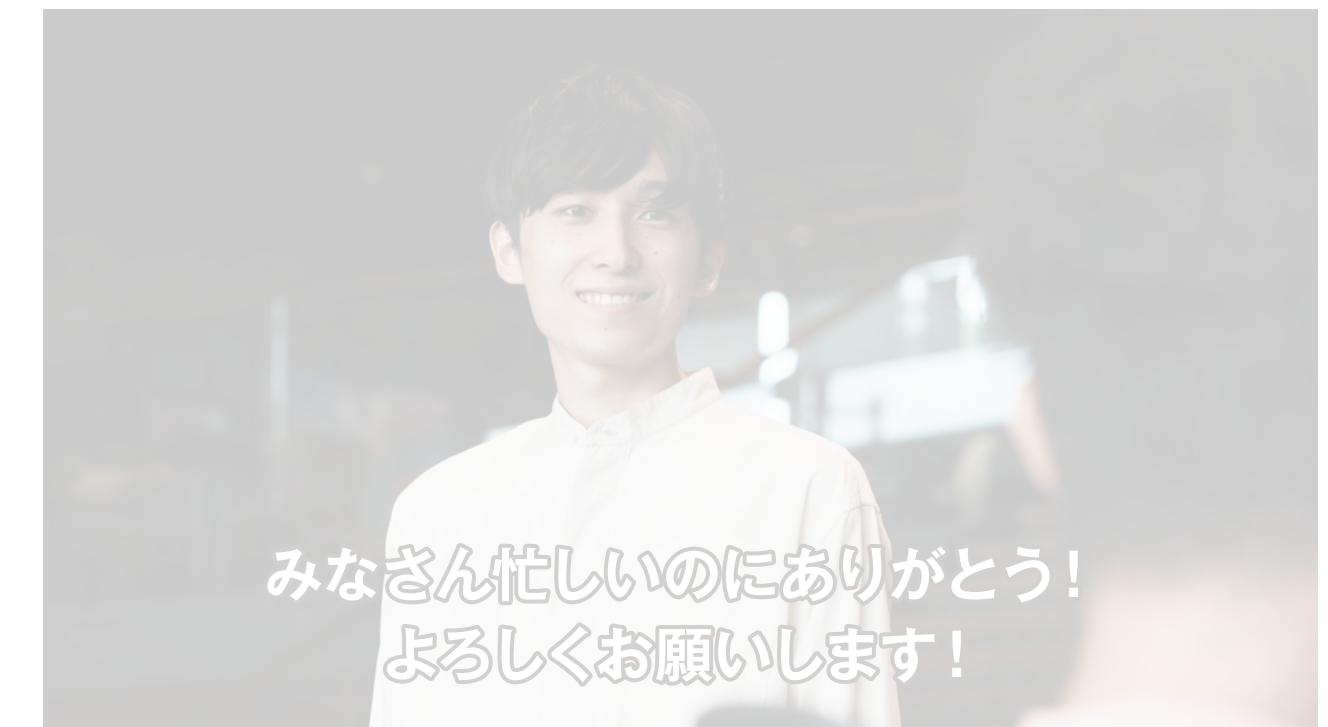
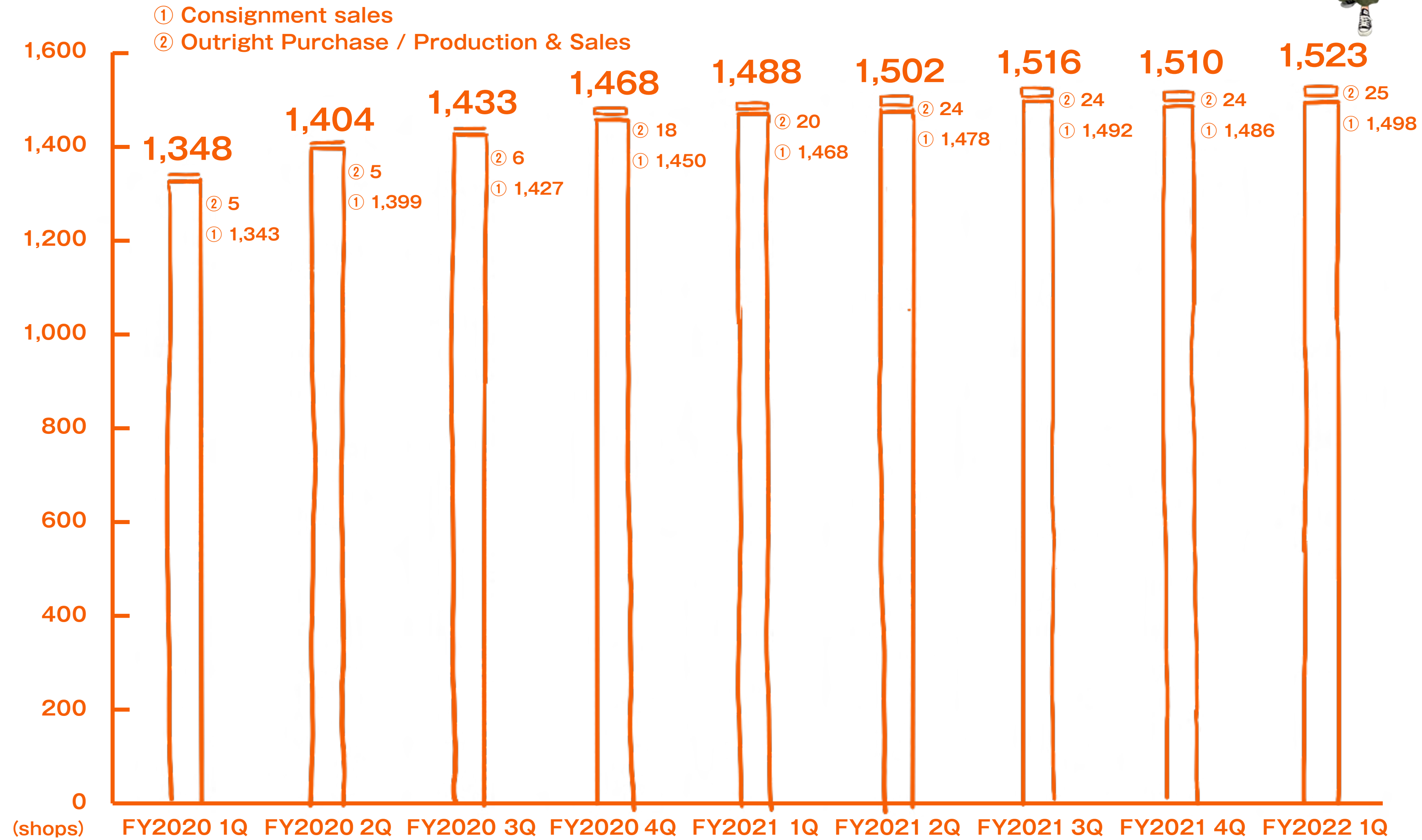
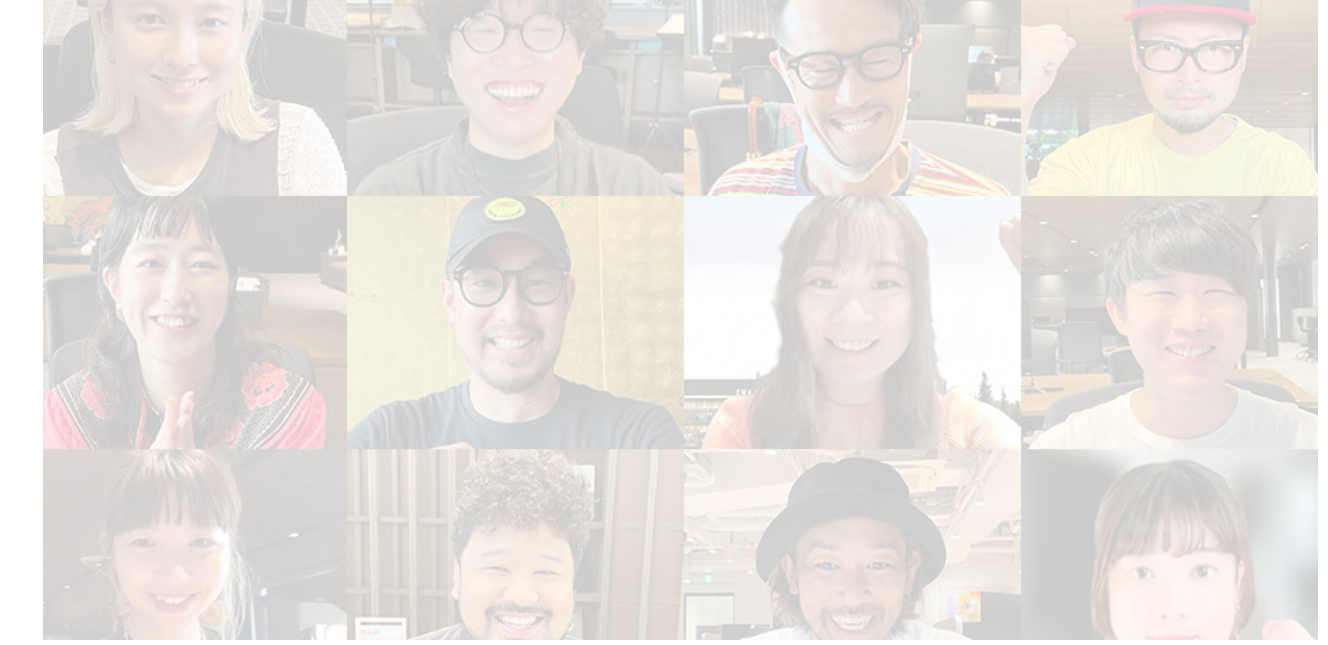
* Operating profit margins are calculated by operating profit divided by gross merchandise value (excluding other GMV).

NUMBER OF TOTAL BUYERS



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

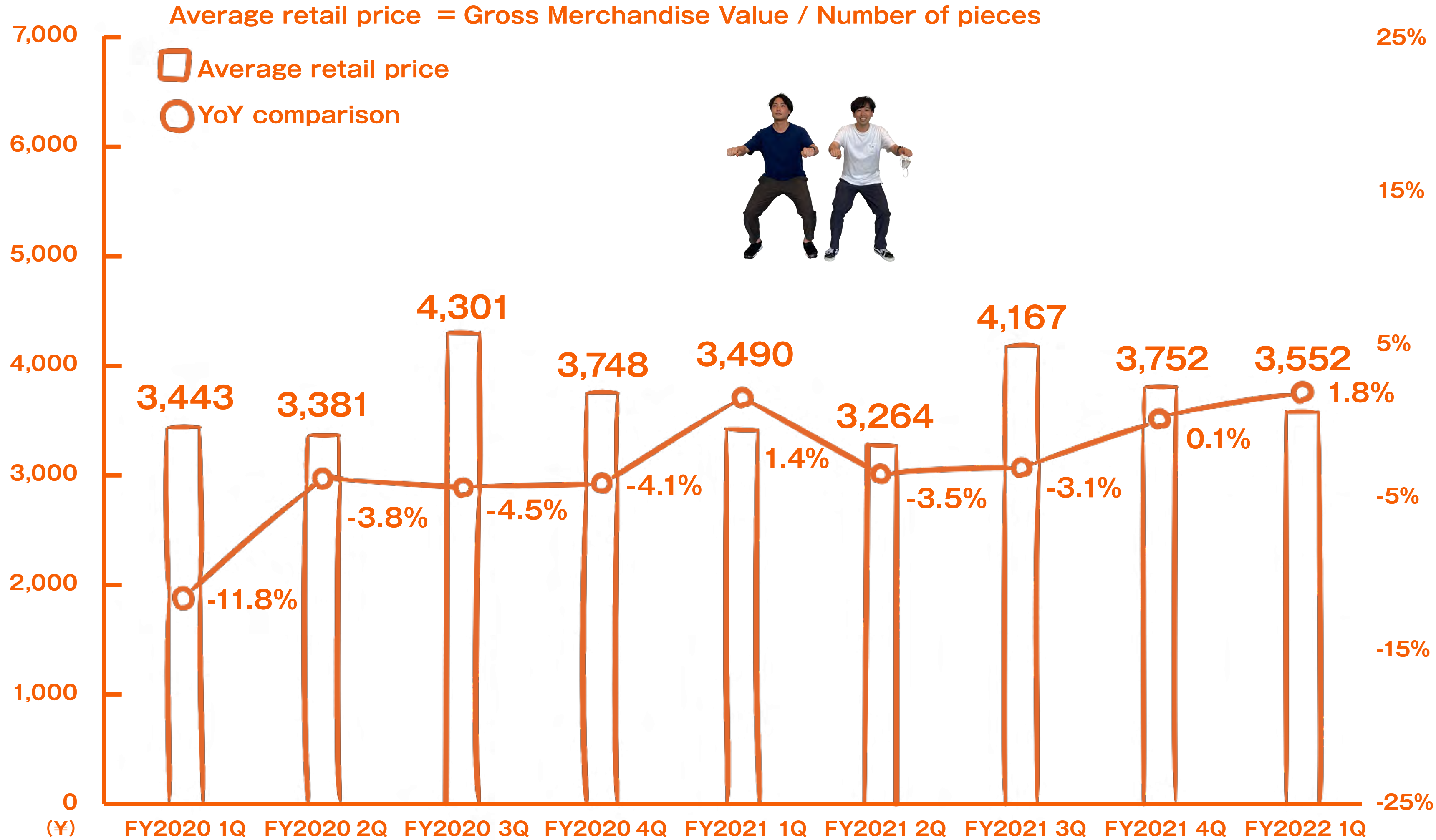
NUMBER OF SHOPS ON ZOZOTOWN



* 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



こんなに受注があるのは

25%



みんなが協力して、ありえないスピードで

15%



販売を開始できたからだよ

-5%

-15%



YANASE ディレクター
このチャリティTシャツのおかげで1人でも多くの人が笑顔になってくれるといいね。Tシャツが届くの楽しみだね。

おっ

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

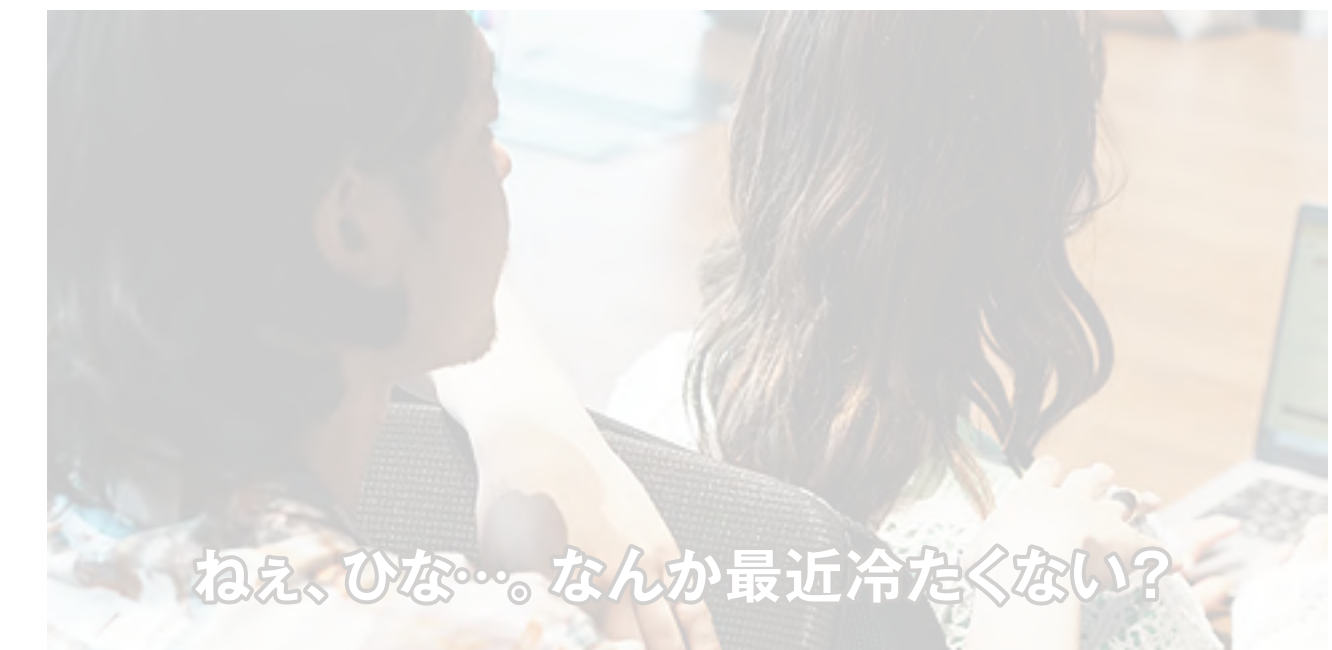
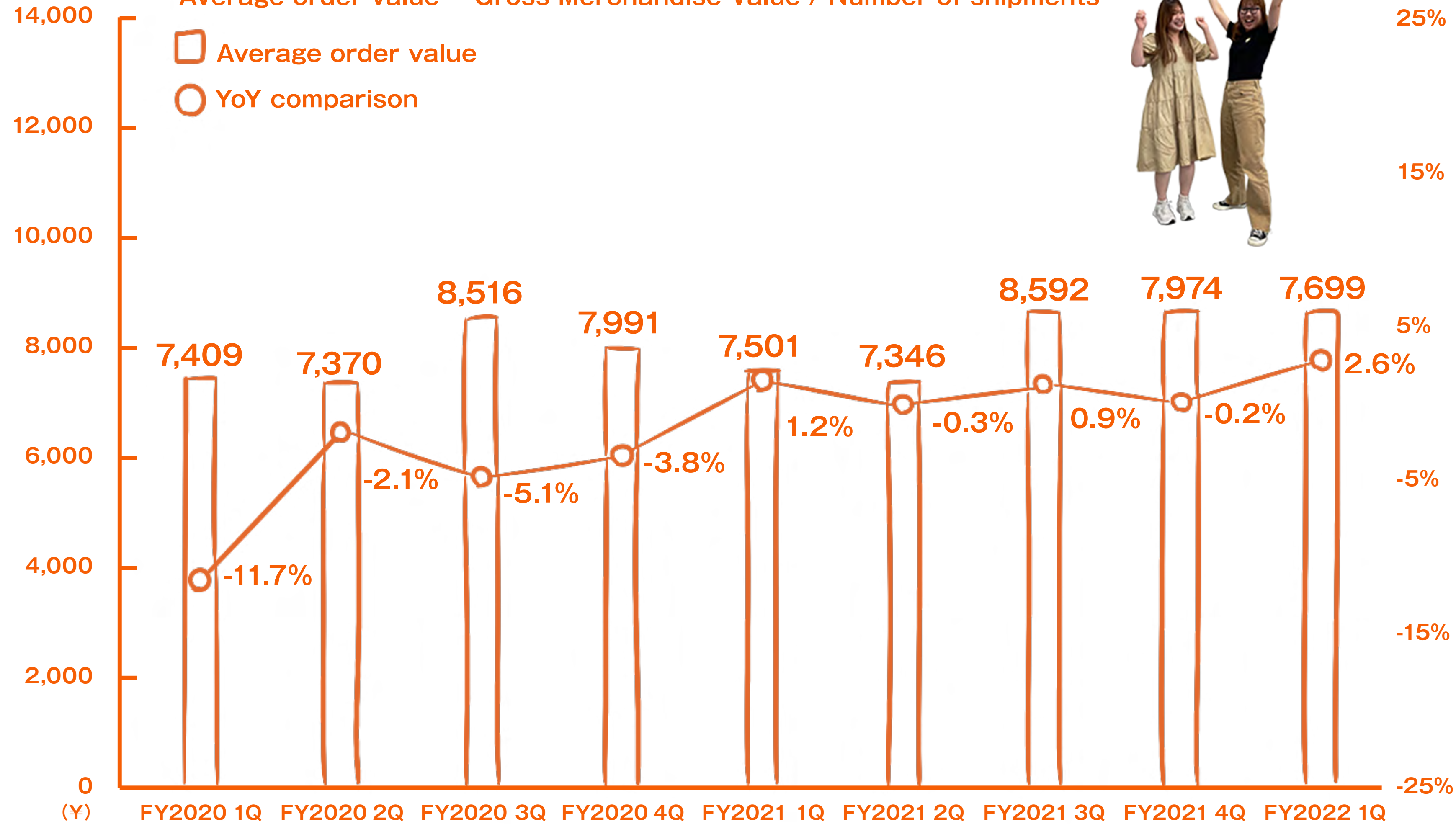
* PayPay Mall is not included.

AVERAGE ORDER VALUE

Average order value = Gross Merchandise Value / Number of shipments

□ Average order value

○ YoY comparison



* 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 FY2022

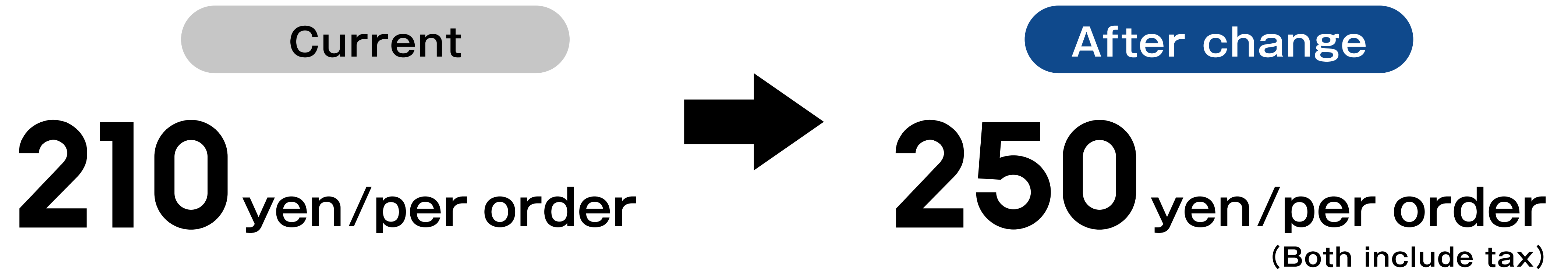
	FY2022 Plan*	YoY
Gross Merchandise Value	543.8 billion yen	6.9%
Gross Merchandise Value (excluding other GMV)	495.8 billion yen	7.3%
Net sales	181.3 billion yen	9.1%
Operating profit	51.5 billion yen	3.7%
Operating Profit Margin (% to the Gross Merchandise Value)	10.4%	—
Ordinary profit	51.5 billion yen	3.7%
Profit attributable to owners of parent	35.9 billion yen	4.1%
Net profit per share	119.74 yen	—
Estimated dividends per share (Plan)	60 yen	—

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



Changes in the shipping policy and an increase in the shipping and other costs

The shipping policy will be changed from orders placed on August 17.



- The Company accepted the implementation of a fuel surcharge on the delivery costs from July.
- The purpose of this change is not only to cover shipping costs but also to prepare for the increases in other costs that have already occurred and cost increases in materials and logistics that are likely to occur in the future.



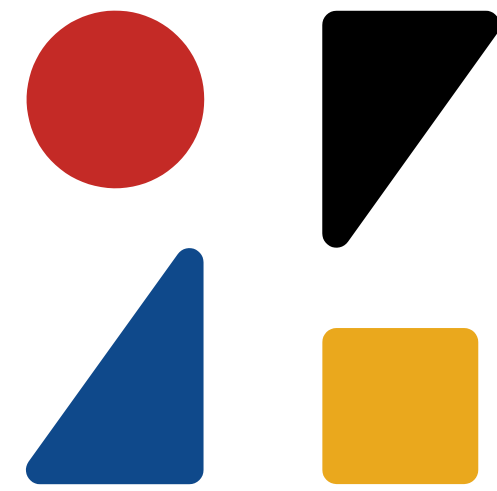
TOPICS

**The Company has published
"Integrated Report Portal"
on the corporate website**

2022.07.27 UPDATE

URL : <https://corp.zozo.com/en/integratedreport/>





ZOZO