

ZOZO opens its first-ever physical store in Omotesando, with ultimate personalized-styling service “niaulab by ZOZO”

~ Offering exclusive experience free of charge by a hybrid of ZOZO’s unique AI
and the expertise of professional stylists ~



ZOZO, Inc. (headquartered in Chiba City, Chiba Prefecture, Representative Director, President & CEO: SAWADA Kotaro), which operates the fashion e-commerce ZOZOTOWN, announces the opening of its first-ever physical store (*1), where provides an opportunity to find “your style” through the ultimate personalized-styling service “niaulab by ZOZO” (hereinafter referred to as “niaulab”) on Friday, December 16th in Omotesando under the concept of “it makes you smile when you find your style.” niaulab will be a physical store that does not sell clothing but offers exclusive experiences free of charge with the entire store space reserved only for one customer with a time slot of more than two hours. Entry for niaulab will commence as of its opening on Friday, December 16th. Furthermore, prior to the store opening, ZOZO will start a YouTube channel “niaulab TV by ZOZO” (hereinafter referred to as “niaulab TV”) and share the first video at 7 pm on Friday, November 18th.

■ Exploring and Interpreting “style” is the key to increasing the company’s growth and fulfilling customer needs.

ZOZO has opened ZOZOTOWN back in when online shopping was yet standard, and has been taking on various challenges until it has grown to service with over 10 million current annual purchasers (*2) and aiming to provide even more customer-friendly services. ZOZO will explore principles of styles that match each person as a solution to deliver joy every day and to everyone with the power of fashion and technology unique to the company, as it added a new phrase “Explore your style. Make you delighted.” to its management strategy in May this year, which marks ZOZO’s 25th anniversary of foundation (*3).

According to the “Awareness Survey on Fashion” (*4) conducted on ZOZOTOWN, it shows 92% of the respondents think it is important for them how nice they look in their outfits. On the other hand, 82% of the respondents out of even ZOZOTOWN users who are more likely being into fashion have some sort of concerns when they either buy new items or think of outfit ideas, such as they are not quite sure what would really look good on them best, or they tend to go with accustomed fashion, not challenging new fashion. Also, 79% of the respondents have their interests to use personal styling services. And noteworthy, 89% of the respondents in their teens or 20s, known to be Generation Z, have their interests in personal styling services (*5).

According to the survey results, a lot of people are not simply looking for clothes but clothes that look good on them. Although clarifying the idea of style matches is not easy as there are countless and limitless ways to interpret and define one's fashion styles that match or look good on them, ZOZO believes that clarifying this is the key to further growth of its business and niaulab would be a service in high demand for the customers. While the term "personal styling service" itself may have been familiar to some but a few, niaulab will offer ultimate personalized-styling service free of charge, that anyone can try out more casually.

■ **ZOZO to the place "for" fashion, from the place "to buy" fashion, through exploration of styles.**

Henceforth, ZOZO will leverage the knowledge gained through niaulab to other services such as ZOTOTOWN and WEAR, such by styling recommendations for each customer, and improving the convenience of services. Furthermore, it could expect to come up with more opportunities for fashion even in a virtual world or develop our business overseas once having found out the theory of the styles.

ZOZO, with its management strategy "More Fashion × Better Fashion Tech ~ Explore your style. Make you delighted ~." will deliver delightful styles to all fashion enthusiasts by exploring it with this new service - evolving ZOZO to the place "for" fashion, from the place "to buy" fashion, and working towards realizing our corporate philosophy, "Inspire the world. Deliver joy every day."

<Three features of niaulab>

1. Exclusive experience with the entire space fully reserved only for one customer with a time slot of two hours and more.



The physical store in Omotesando, with the concept "Step into a fitting room" welcomes customers with a curation of 700 items and more from ZOTOTOWN every day and anytime, to provide a new style. The store opens with a time slot of more than two hours for one customer only by reservation. The service sequence goes from a professional stylist working on personal styling, makeup and a photoshoot by professionals as well, and the customer leaves the store with a photo and a little card with styling tips written. All of these exclusive services are offered free of charge.

2. Outfit-matching by ZOZO's unique niaulab AI

niaulab AI constructed and learned from approximately 13 million outfits on the outfit-sharing app "WEAR" advises three outfits for customers' preference estimated based on a short form filled out prior to visit. niaulab AI utilizes researches by ZOZO Research (*6).

3. Styling by a professional stylist

Professional stylists rich in experience in prints and advertisements style customers. A stylist conducts a little casual interview with customers and determines their ideals or concerns while referencing niaulab AI's outfit proposal. niaulab offers stylings made by a hybrid of niaulab AI's technology and expertise of the stylist.

(*1) The first store opening apart from temporary stores such as pop-up stores.

(*2) Total number of active members and guest purchasers who made at least one purchase between 1st October 2021 and 30th September, 2022.

(*3) Press release on 18th May, 2022 "ZOZO added 'Explore your style. Make you delighted.' to its management strategy marking the 25th anniversary of founding."

(*4) Conducted a survey of ZOTOTOWN users on their attitudes towards fashion (70,293 respondents, response period: 6th ~ 8th September

2022).

(*5) An attached appendix: Consumer Survey on Fashion for reference.

(*6) A research institute for quantifying and scientifically exploring fashion, founded in 2018 with a mission "To quantify fashion"

<About ultimate personalized-styling service "niaulab by ZOZO">

■ Name: niaulab by ZOZO

■ Overview: Ultimate personalized-styling service offering exclusive experiences by a hybrid of niaulab AI and the expertise of professional stylists.

■ Address: Espoir Omotesando building 1st basement, Jingumae 4-25-15, Shibuya, Tokyo.

■ Opening date: Friday, December 16th, 2022

■ Entry date: Friday, December 16th, 2022

■ URL: <https://niaulab.com/>

■ Service sequence:

1. Enter a drawing through LINE app
2. Elected customer fills out short questionnaire about concerns and preference for fashion
3. Visit the store at allocated date and time slot, get styled by niaulab AI and a stylist
4. Pick a favorite styling, and have a photoshoot with professional makeup on

*A card with styling tips written will be handed at the end of the service.

<About YouTube channel "niaulab TV by ZOZO">

■ Channel Name: niaulab TV by ZOZO

■ Overview: YouTube channel shares videos about fashion style. ZOZO's staff, who are passionate about fashion, introduce and advise style tips and how-tos in original content. The channel starts with videos such as "styling catalog" and "what's in my bag," and even shares videos in collaboration with brands and some projects utilizing ZOZO's big data for future planning.

■ Release date: 7 pm on Friday, 18th November

■ URL: <https://www.youtube.com/channel/UCY3GAhz3uFomVm5nPgMWdPw>

<About ZOZO, Inc.>

ZOZO, Inc. owns and operates ZOZOTOWN, Japan's largest fashion e-commerce. Housed within ZOZOTOWN are category specialized malls such as ZOZOCOSME and ZOZOSHOES; ZOZOUSED, a second-hand clothing fashion mall; ZOZOVILLA, a section dedicated to luxury & designer brands; WEAR, a SNS for sharing stylings and outfits, and more - various services for fashion lovers; ZOZOMO, OMO solutions; Made by ZOZO, production support service. ZOZO has also developed technology devices for body measurement, such as the ZOZOSUIT, ZOZOMAT, and ZOZOGLASS. In addition, ZOZO offers ZOZOFIT, a body management service as a new business utilizing the ZOZOSUIT technology available only in the U.S.