

**FY2023 1Q ZOZO,Inc.  
CONSOLIDATED BUSINESS RESULTS**



With an  
easy-to-understand  
explanation  
by CFO Yanagisawa  
and VP of IR!

# HIGHLIGHTS



This is Yanagisawa, CFO of ZOZO, Inc. I will provide you with an explanation of the key points for this fiscal year. I am from Tokyo, and my hobbies include running marathons, cars, traveling, and relaxing in saunas.





# FY2023 1Q HIGHLIGHTS

The Company achieved record results in both Gross Merchandise Value and operating profit for the first quarter, while increased opportunities to go out boosted the sales at the physical stores.

## Overview

- Gross Merchandise Value : 131,920 million yen (+3.1%,YoY)

Gross Merchandise Value (excluding other GMV) : 123,327 million yen (+6.4%,YoY)

All businesses generally progressed as planned. Inventory supply to the Company increased amid solid sales at the brands' physical stores.

- Operating Profit : 15,862 million yen (+10.8%,YoY)

Operating profit increased by more than 10% for an increase in gross profit due to growth in the Gross Merchandise Value and advertising business, and a decrease in shipping expenses resulting from an increase in the average order value.

## Gross Merchandise Value

- ZOZOTOWN BUSINESS

Gross Merchandise Value : 108,275 million yen (+7.2%,YoY)

Consignment sales : 103,228 million yen(+6.6%,YoY)

Outright Purchase / Production & Sales : 1,212 million yen (+24.7%,YoY)

USED sales : 3,834 million yen (+17.5%,YoY)

- Yahoo! JAPAN Shopping\* : 11,607 million yen (+3.4%,YoY)

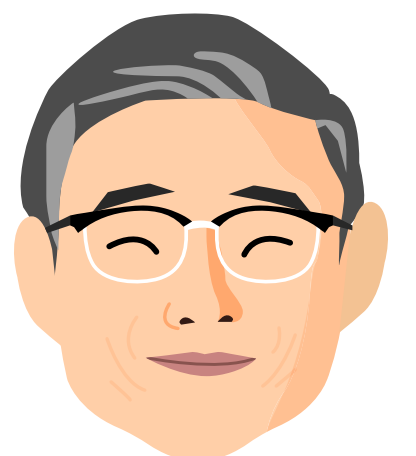
- BtoB Business : 3,443 million yen (-6.4%,YoY)

- Others\* : 8,593 million yen

- Average Order Value : 8,177 yen (+6.2%,YoY)

- Average Retail Price : 3,726 yen (+4.9%,YoY)

The Gross Merchandise Value was in line with the plan, and operating profit exceeded the plan.



\* PayPay Mall was integrated with Yahoo! JAPAN Shopping in October 2022.

\* From the 2nd quarter of the fiscal year ended March 2021, GMV from the e-commerce website run by our consolidated subsidiary, "yutori, Inc.", stores contracting ZOZO option at Yahoo! JAPAN Shopping, ZOZOMO, and ZOZOSUIT (for paid sales) are recorded.

ZOZO Option : Option contracts which enables fashion category stores outside of ZOZOTOWN Yahoo! JAPAN Shopping, to participate in special events produced by ZOZO and get benefits from sales support.

ZOZOMO : The system which enables ZOZOTOWN users to place a layaway order of the merchandise at the physical stores.



# FY2023 1Q HIGHLIGHTS

## Profitability

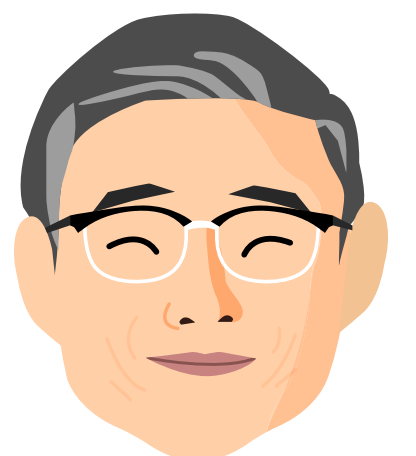
- Operating profit margin (to the total gross merchandise value) : 12.9% (12.3% for FY2022 1Q)
  - Factors improving profitability : An improvement of gross profit margin due to a higher proportion of businesses with high gross profit margins in the Gross Merchandise Value, growth of the advertising business, and a decline in shipping expenses ratio due to higher order value.
  - Factors worsening profitability : An increase in expenses to attract customers and expenses for the point program.

\*Operating profit margin is calculated by dividing operating profit by the Gross Merchandise Value (excluding other GMV).

## Topics

- FAANS, the supporting tool for shop staff, which is deployed within ZOZOMO, is now being offered to adidas Japan K.K.  
We started to support their e-commerce website through the tool. (May 2023).
- The Company transitioned from a company with an Audit and Supervisory Board to a company with an Audit and Supervisory Committee upon approval at the 25th Ordinary General Meeting of Shareholders held on June 28, 2023.  
The total number of Directors became 11 (including 6 Outside Directors), and 5 women were appointed. (June 2023)
- Four new Executive Officers were appointed as of June 28, 2023 (June 2023).

The ratio of Outside Directors exceeds the majority, and the ratio of female Directors is now 45%.

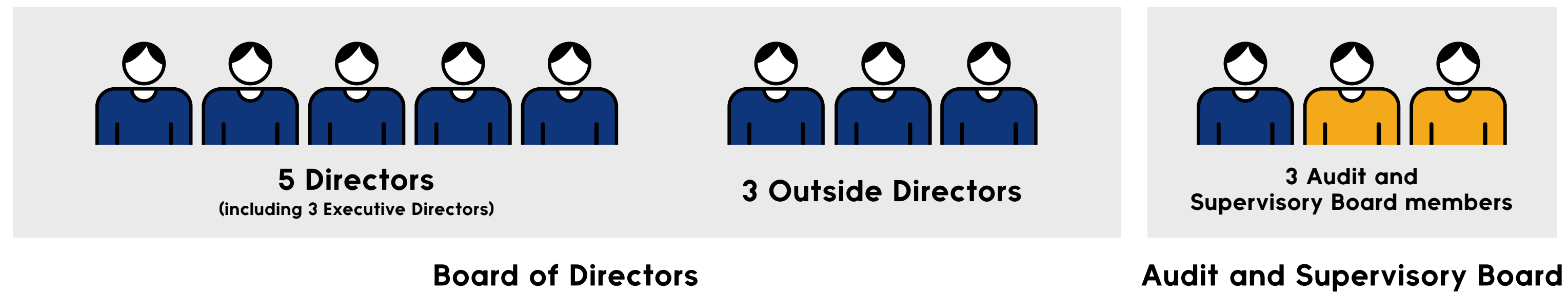




# Initiatives for the governance

Effective June 28, 2023, the Company transitioned from a company with an Audit and Supervisory Board to a company with an Audit and Supervisory Committee. Accordingly, Directors and Audit and Supervisory Board members resigned, and new Directors were appointed.

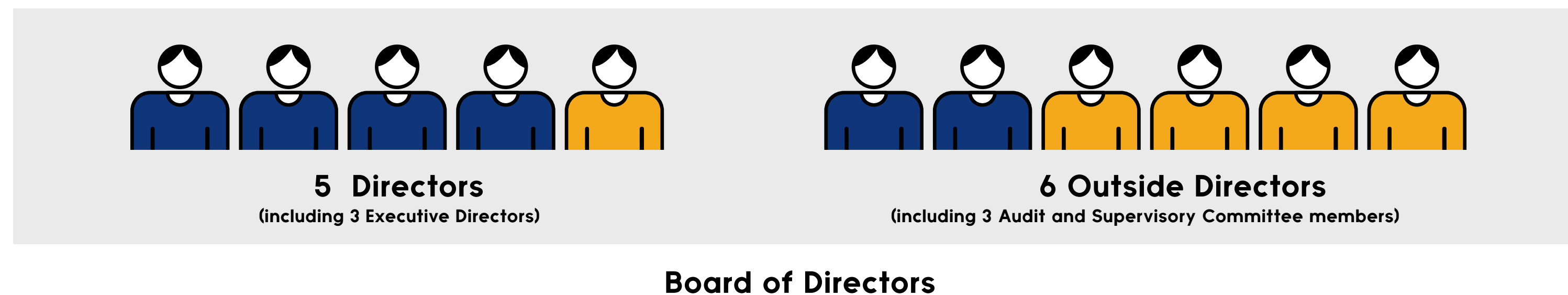
## A company with an Audit and Supervisory Board



**Ratio of Outside Directors : 37.5% (3/8)**  
**Ratio of female Officers : 18.1% (2/11)**

\*including Audit and Supervisory Board members

## A company with an Audit and Supervisory Committee (After June 28, 2023)



**Ratio of Outside Directors : 54.5% (6/11)**  
**Ratio of female Directors : 45.4% (5/11)**

# BUSINESS RESULTS



My nickname is “Cobain”. Mr. Shimizu, one of our Executive Officers, gave it to me! I recently had a baby, and I’m currently juggling childcare responsibilities.





# OVERVIEW OF THE FY2023 1Q

(million¥)

	FY2022 1Q	FY2023 1Q	YoY	Target	Achievement Rate(%)
Gross Merchandise Value	127,928	131,920	3.1%	580,800	22.7%
Gross Merchandise Value (excluding other GMV)	115,948	123,327	6.4%	535,200	23.0%
Net sales	42,590	45,871	7.7%	200,700	22.9%
Gross profit	40,341	43,044	6.7%	-	-
(% to the Gross Merchandise Value)	34.8%	34.9%	0.1%	-	-
SG&A	26,028	27,182	4.4%	-	-
(% to the Gross Merchandise Value)	22.4%	22.0%	-0.4%	-	-
Operating profit	14,312	15,862	10.8%	60,000	26.4%
(% to the Gross Merchandise Value)	12.3%	12.9%	0.6%	11.2%	-
Ordinary profit	14,296	15,943	11.5%	60,000	26.6%
Profit attributable to owners of parent	9,960	11,204	12.5%	42,000	26.7%

\* The percentages are calculated by dividing each item by the Gross Merchandise Value (excluding other GMV).



# OVERVIEW OF EACH QUARTER

(million¥)

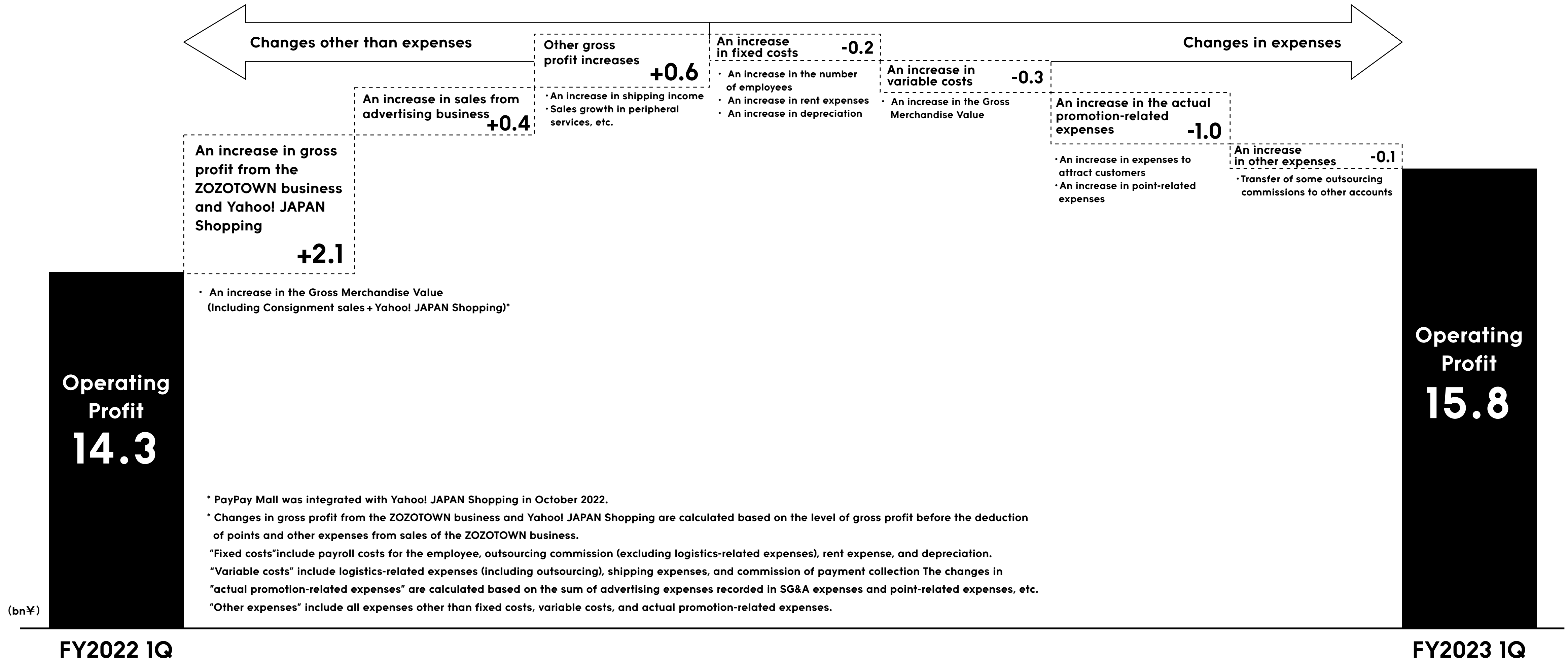
	FY2022				FY2023
	1Q	2Q	3Q	4Q	1Q
Gross Merchandise Value	127,928	123,210	155,358	137,820	131,920
Gross Merchandise Value (excluding other GMV)	115,948	111,533	144,540	129,085	123,327
YoY (%)	8.7%	9.0%	9.1%	7.0%	6.4%
Net sales	42,590	41,176	52,699	46,956	45,871
SG&A	26,028	25,667	31,328	31,895	27,182
YoY (%)	7.0%	7.6%	5.6%	11.2%	4.4%
(% to the Gross Merchandise Value)	22.4%	23.0%	21.7%	24.7%	22.0%
Operating profit	14,312	12,897	17,425	11,785	15,862
YoY (%)	13.7%	15.2%	16.3%	8.4%	10.8%
(% to the Gross Merchandise Value)	12.3%	11.6%	12.1%	9.1%	12.9%

\* The percentages are calculated by dividing each item by the Gross Merchandise Value (excluding other GMV).





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



• An increase in the Gross Merchandise Value (Including Consignment sales + Yahoo! JAPAN Shopping)\*

\* PayPay Mall was integrated with Yahoo! JAPAN Shopping in October 2022.  
 \* Changes in gross profit from the ZOZOTOWN business and Yahoo! JAPAN Shopping are calculated based on the level of gross profit before the deduction of points and other expenses from sales of the ZOZOTOWN business.  
 "Fixed costs" include payroll costs for the employee, outsourcing commission (excluding logistics-related expenses), rent expense, and depreciation.  
 "Variable costs" include logistics-related expenses (including outsourcing), shipping expenses, and commission of payment collection. The changes in "actual promotion-related expenses" are calculated based on the sum of advertising expenses recorded in SG&A expenses and point-related expenses, etc.  
 "Other expenses" include all expenses other than fixed costs, variable costs, and actual promotion-related expenses.

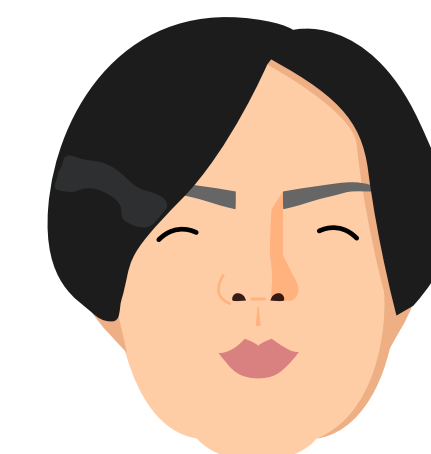


# CONSOLIDATED BALANCE SHEET

(million¥)

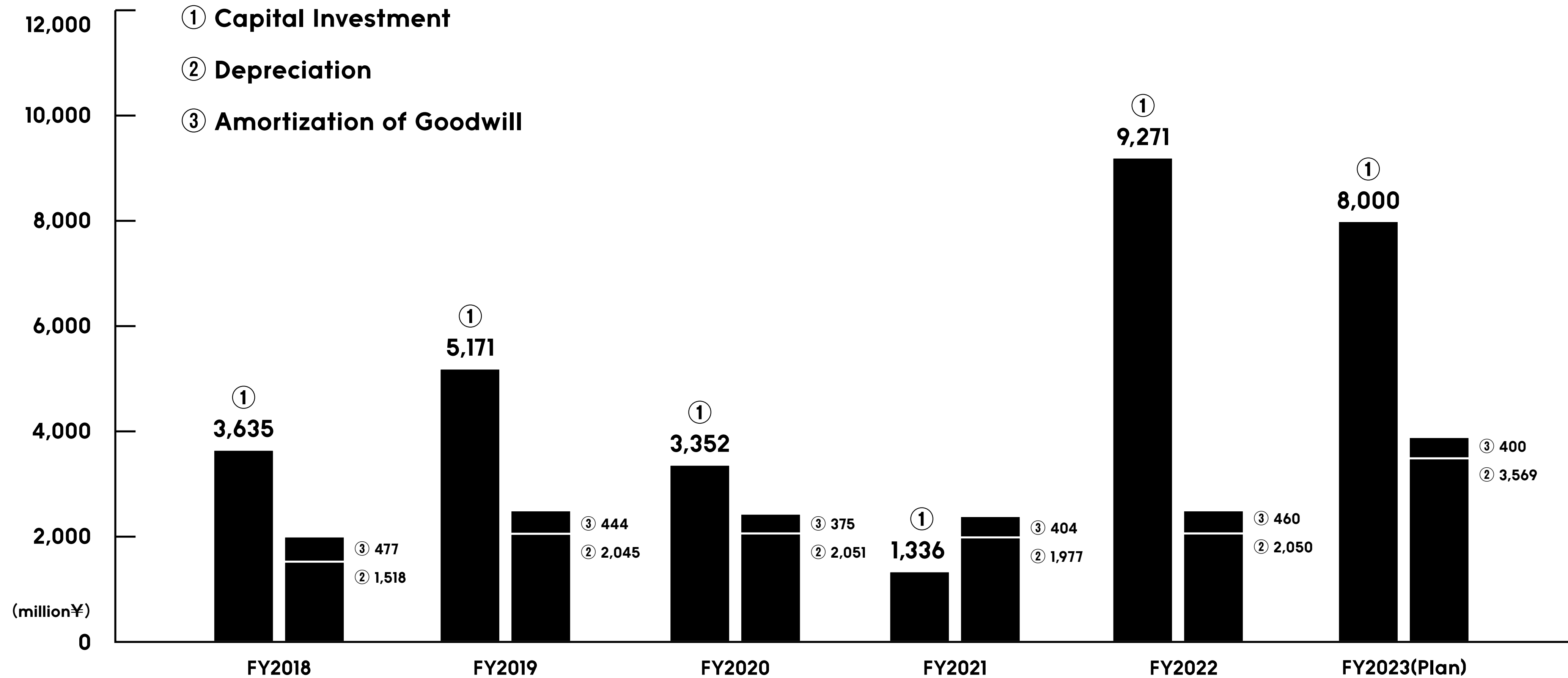
	<b>FY2022</b> (as of March 31, 2023)	<b>FY2023 1Q</b> (as of June 30, 2023)		<b>FY2022</b> (as of March 31, 2023)	<b>FY2023 1Q</b> (as of June 30, 2023)
<b>Current assets</b>	<b>123,493</b>	<b>111,860</b>	<b>Current liabilities</b>	<b>72,204</b>	<b>61,943</b>
Cash and deposits	69,126	54,861	Short-term borrowing	20,400	20,400
Merchandise and finished products	3,155	3,707	Non-current liabilities	6,844	7,116
<b>Non-current assets</b>	<b>32,248</b>	<b>32,994</b>	<b>Total liabilities</b>	<b>79,048</b>	<b>69,060</b>
Tangible assets	18,796	20,265	Shareholders' equity	76,771	75,702
Intangible assets	2,381	2,455	Treasury stock	-44,558	-44,558
Investments and other assets	11,070	10,272	<b>Total net assets</b>	<b>76,693</b>	<b>75,794</b>
<b>Total assets</b>	<b>155,742</b>	<b>144,854</b>	<b>Total liabilities and net assets</b>	<b>155,742</b>	<b>144,854</b>

Property, plant, and equipment increased due to steady investment in the new logistics center, which is scheduled to start operation in August.

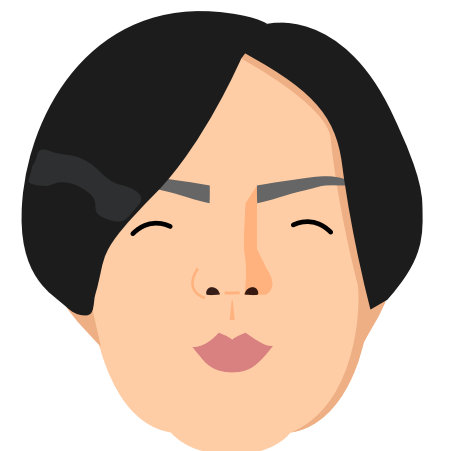




# CAPITAL INVESTMENT



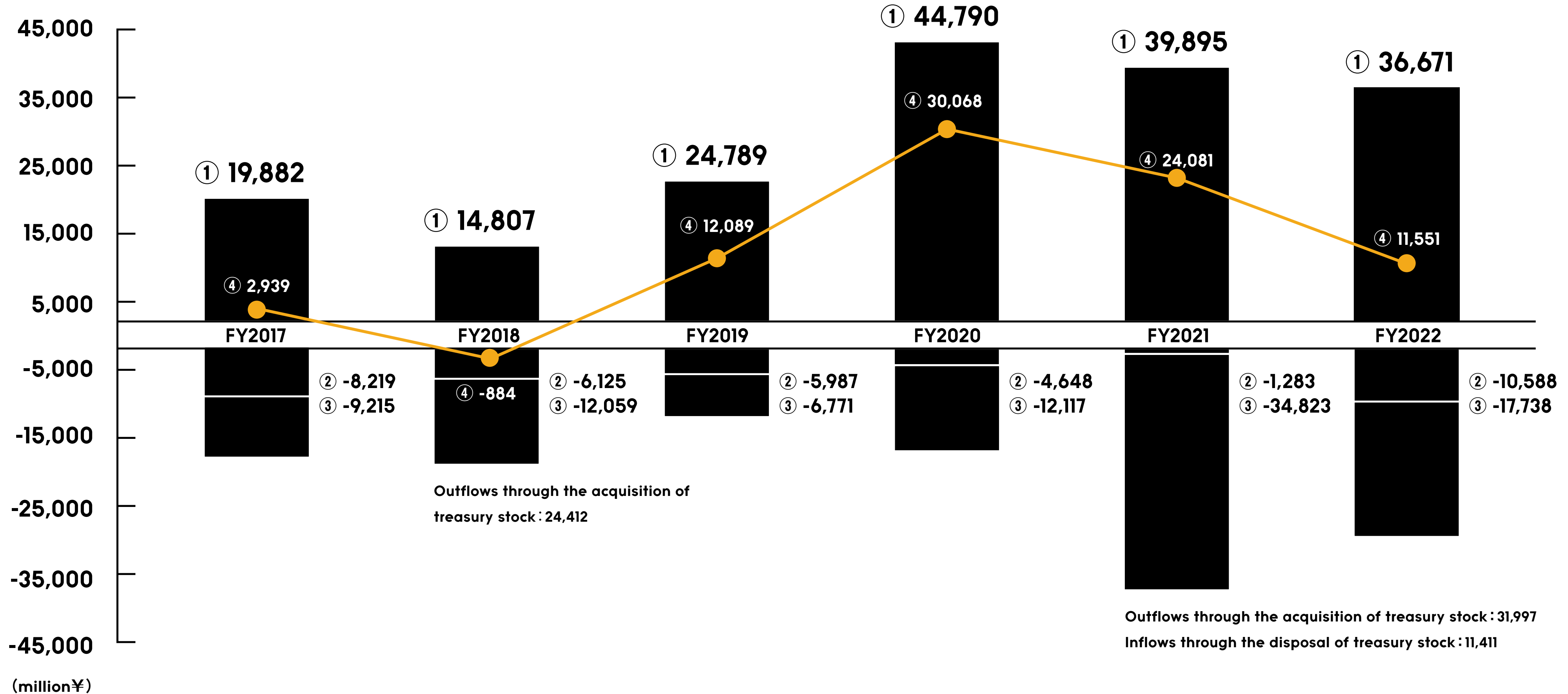
As of the end of 1Q, capital investment is proceeding as planned.





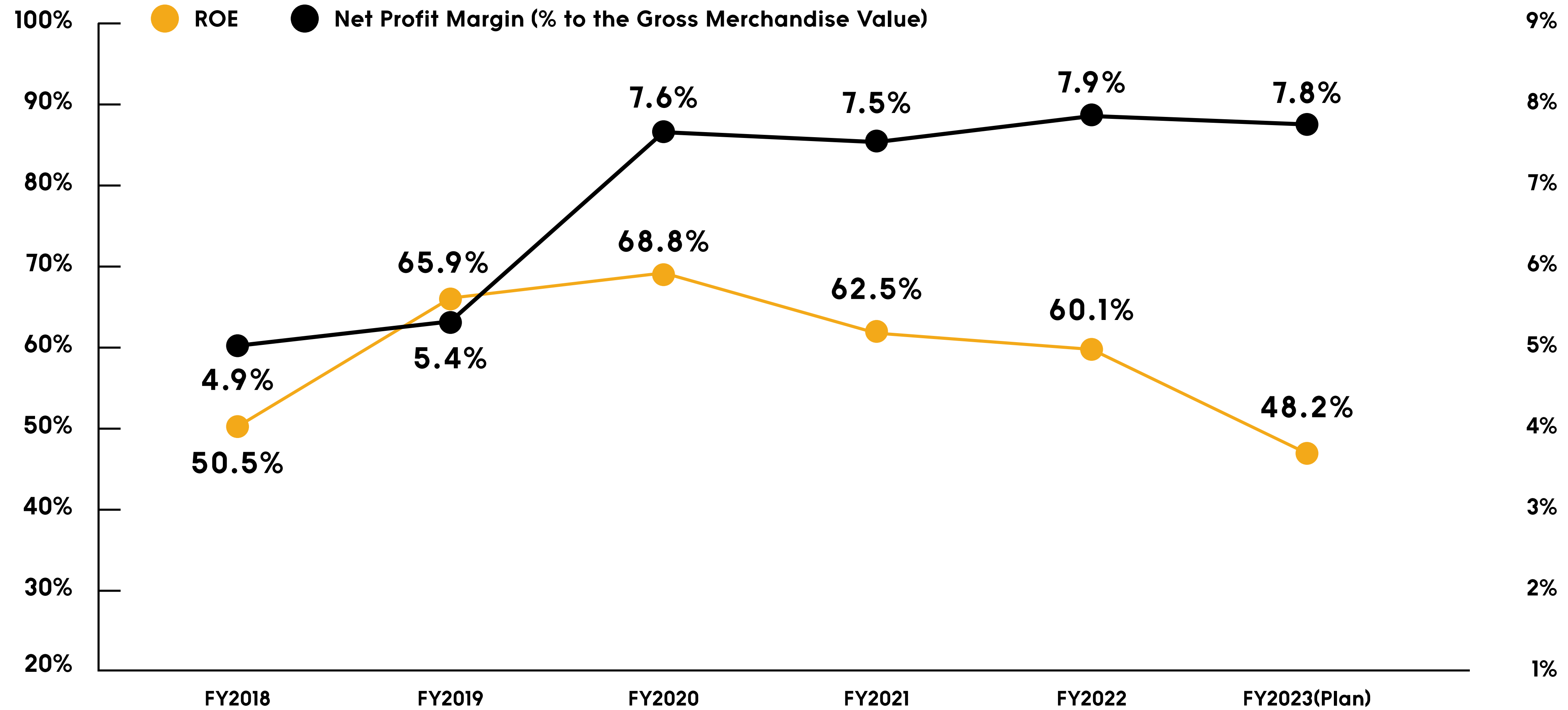
# CASH FLOWS

- ① Cash flows from operating activities
- ② Cash flows from investing activities
- ③ Cash flows from financing activities
- ④ Substantial free cash flows
- (① + ② - Expenditure from dividends)





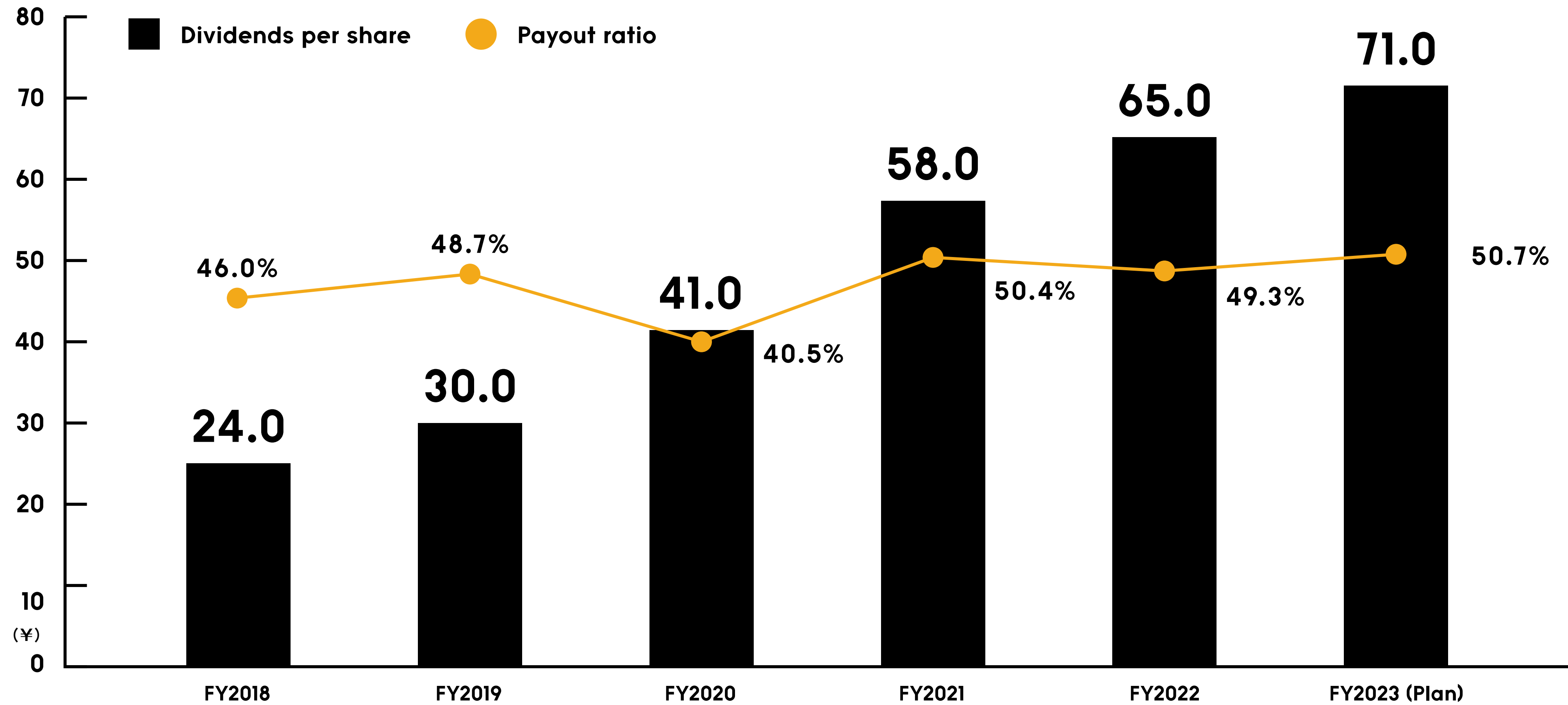
# ROE AND NET PROFIT MARGIN



\* Net profit margins are calculated by dividing net profit by the Gross Merchandise Value (excluding other GMV).



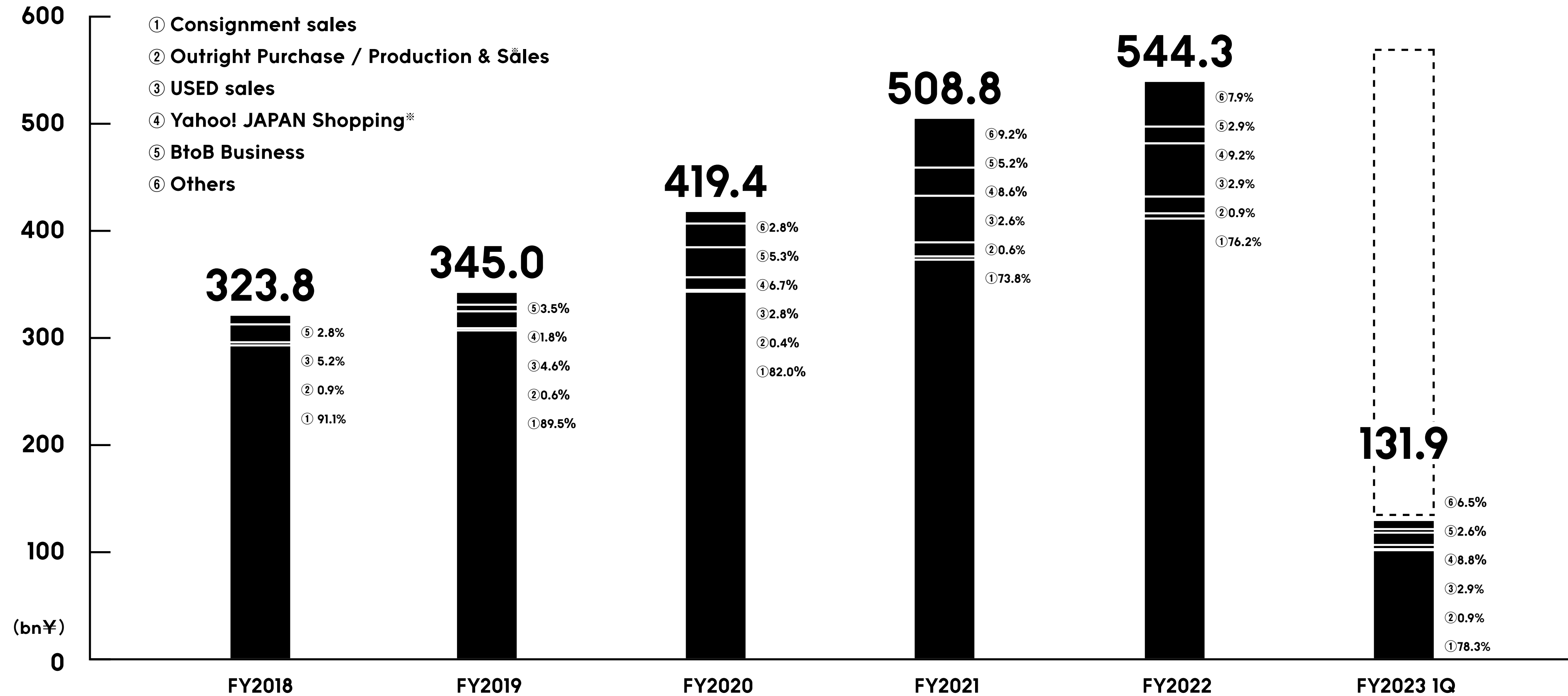
# DIVIDENDS PER SHARE AND PAYOUT RATIO





# GROSS MERCHANDISE VALUE

The Gross Merchandise Value of new shops opened in FY2023 1Q (ZOZOTOWN Business)  
 FY2023 1Q: 0.3 billion (accounts for 0.3% of the Gross Merchandise Value)

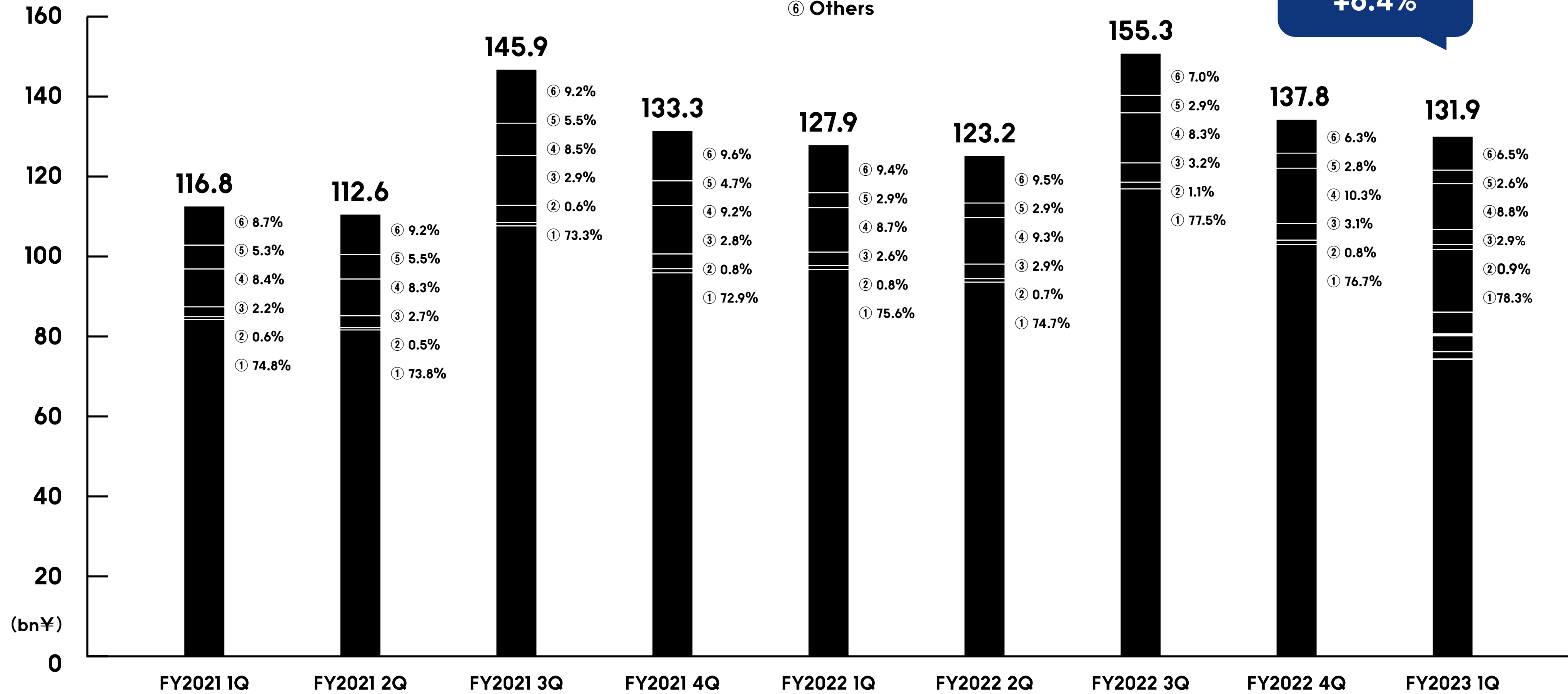


\* PayPay Mall was integrated with Yahoo! JAPAN Shopping in October 2022.



# GROSS MERCHANDISE VALUE (QUARTERLY)

- ① Consignment sales
- ② Outright Purchase / Production & Sales
- ③ USED sales
- ④ Yahoo! JAPAN Shopping\*
- ⑤ BtoB Business
- ⑥ Others



YoY\*  
+6.4%

We wanted a bit more initial response to the sale.



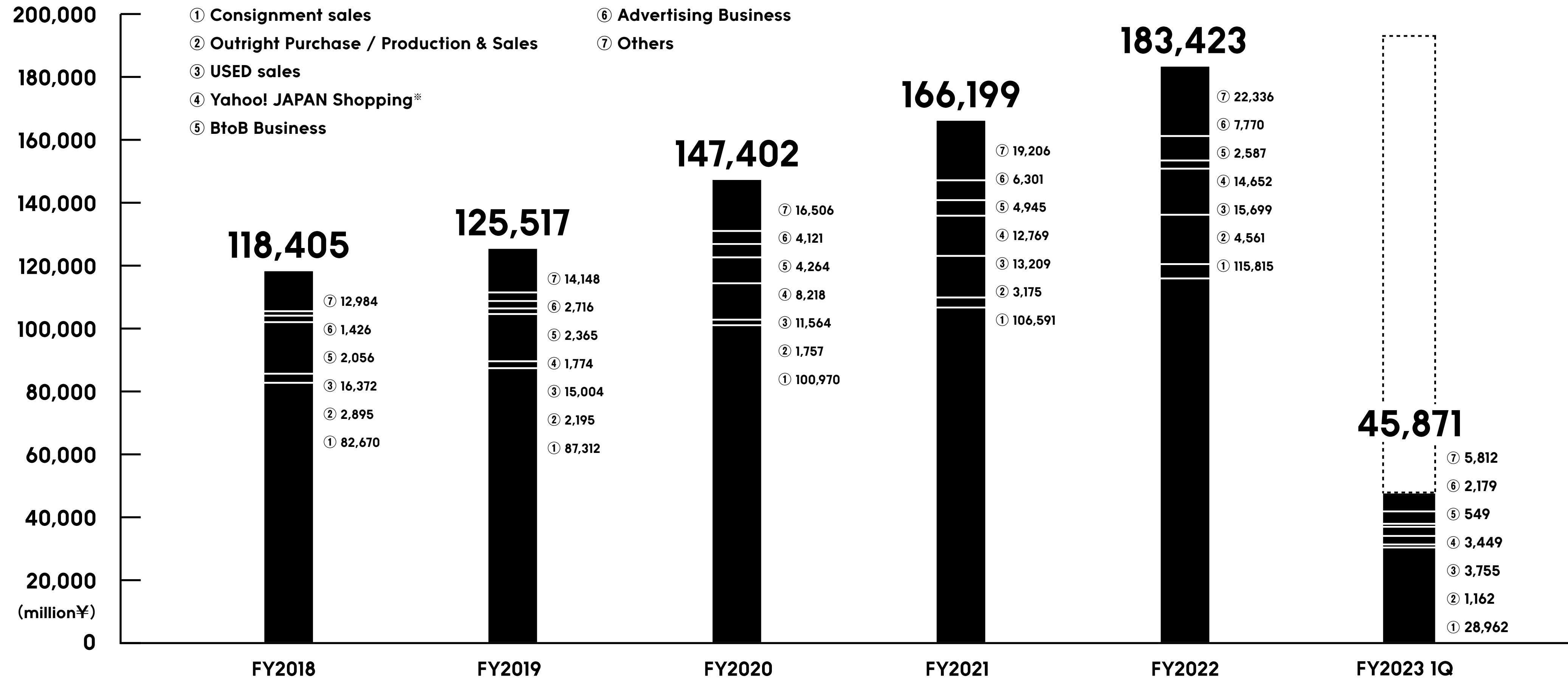
\* PayPay Mall was integrated with Yahoo! JAPAN Shopping in October 2022.

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





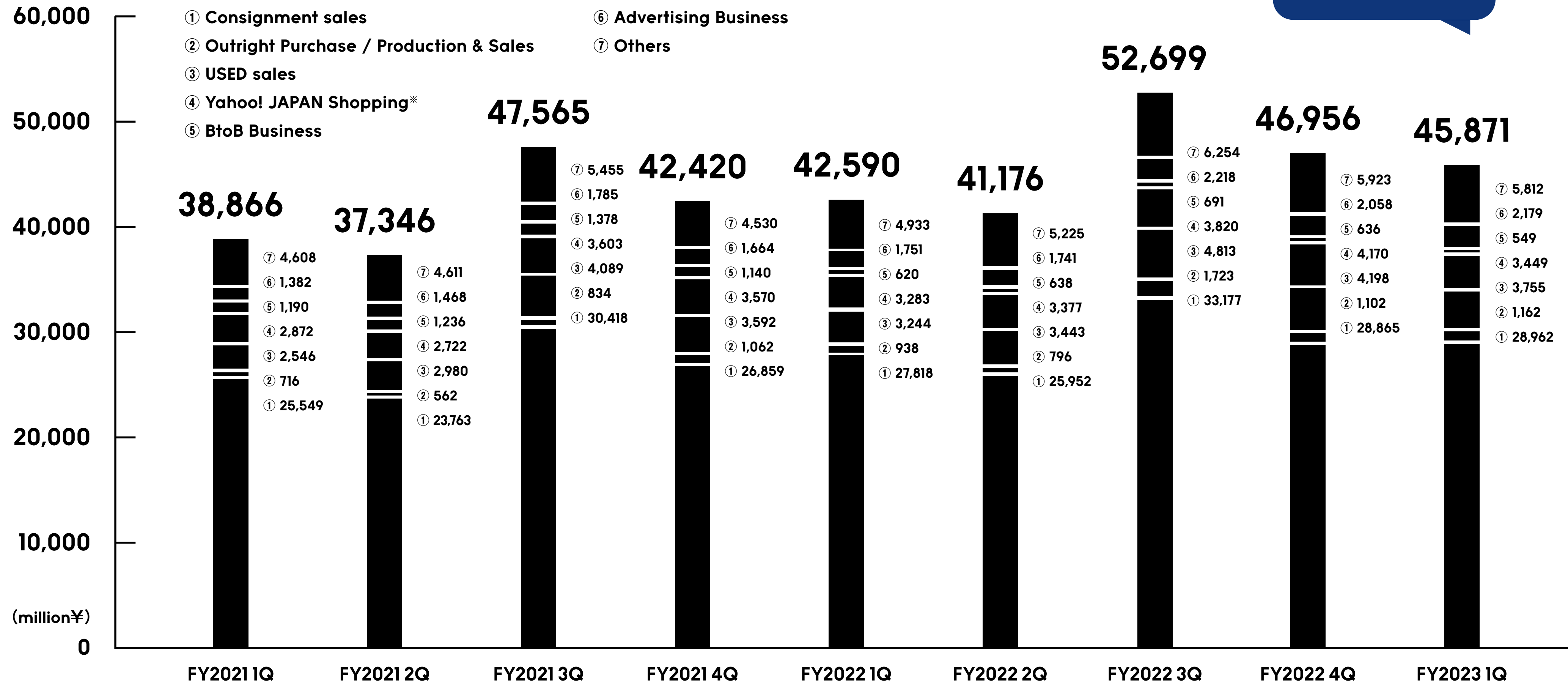
# NET SALES



\* PayPay Mall was integrated with Yahoo! JAPAN Shopping in October 2022.



# NET SALES (QUARTERLY)



YoY  
+7.7%

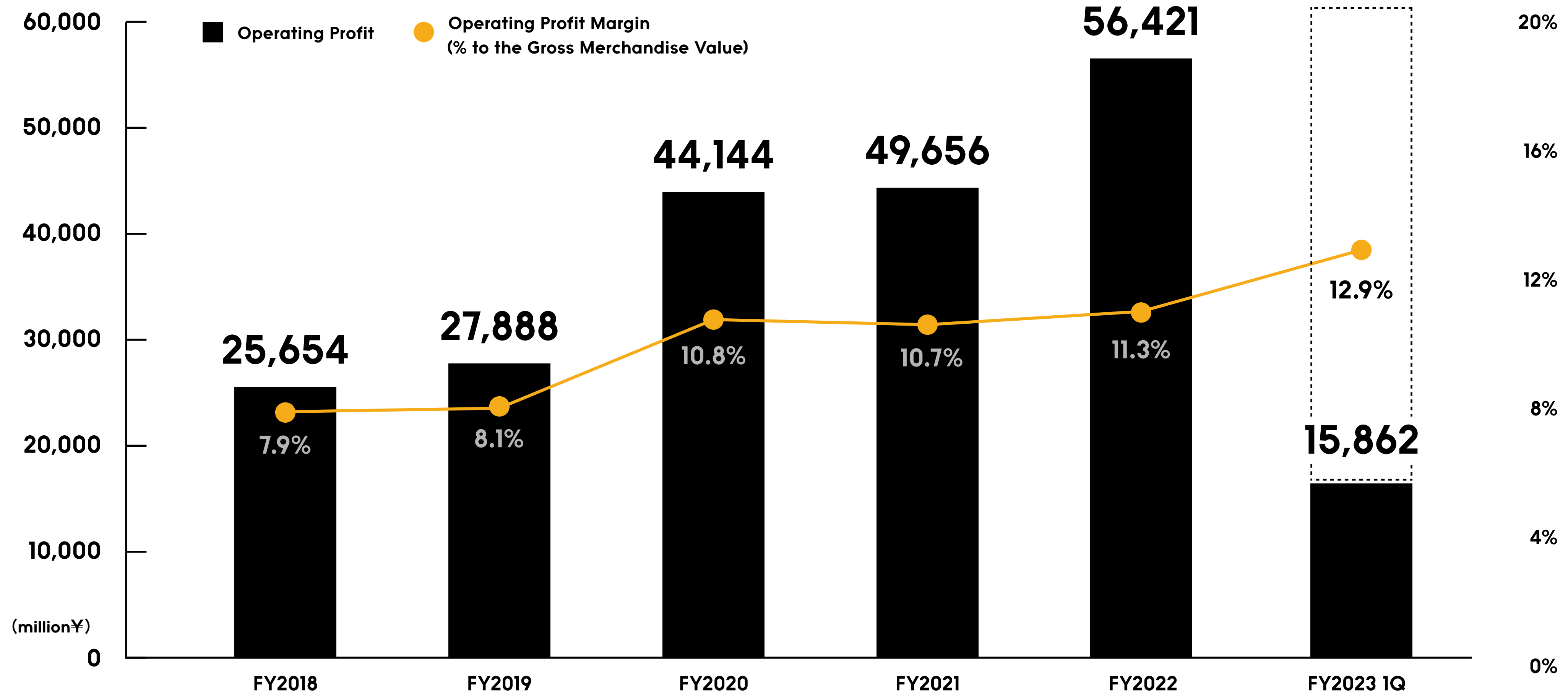
Sales in the advertising business are particularly strong. In addition, test operations for a new advertising menu were conducted in 1Q.



\* PayPay Mall was integrated with Yahoo! JAPAN Shopping in October 2022.



# OPERATING PROFIT AND OPERATING PROFIT MARGIN



\* Operating profit margins are calculated by dividing operating profit by the Gross Merchandise Value (excluding other GMV)

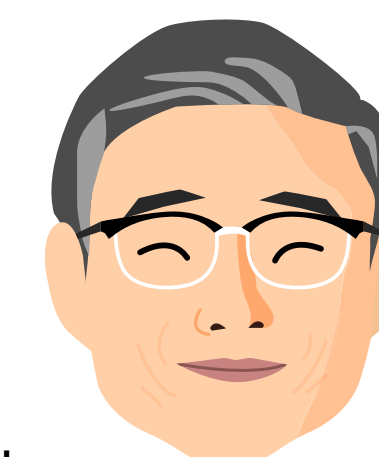


# SELLING, GENERAL AND ADMINISTRATIVE(SG&A) EXPENSES

(million¥)

	FY2022 1Q		FY2023 1Q		YoY	Increase / decrease factors
	Amount	% to the Gross Merchandise Value	Amount	% to the Gross Merchandise Value	% to the Gross Merchandise Value	
Payroll and staff costs(*)	7,132	6.2%	7,562	6.1%	-0.1%	
Payroll costs for employee	3,115	2.7%	3,353	2.7%	0.0%	Transition of the number of employees on consolidated basis : FY2022 1Q 1,466 → FY2023 1Q 1,645
Logistics-Related Expenses (Including Outsourcing)	4,016	3.5%	4,208	3.4%	-0.1%	
Outsourcing Commission (Excluding Logistics-Related Expenses)	1,646	1.4%	1,591	1.3%	-0.1%	A decrease due to the transfer of accounts Some expenses that were recognized as outsourcing commissions in the previous fiscal year are now recognized as others
Shipping	7,996	6.9%	7,920	6.4%	-0.5%	The ratio of shipping expenses to the Gross Merchandise Value decreased due to the impact of higher order value
Commission of Payment collection	2,733	2.4%	2,921	2.4%	0.0%	
Advertising	1,721	1.5%	2,168	1.8%	0.3%	An increase in the measures to attract customers through web advertising Recognition of expenses related to the advertising expenses for ZOZOFIT and niaulab
Rent expense	1,514	1.3%	1,568	1.3%	0.0%	An increase in a logistics center (Started the lease of IBARAKI 4 from March 2023)
Depreciation	465	0.4%	522	0.4%	0.0%	
Amortization of goodwill	106	0.1%	96	0.1%	0.0%	
Stock Compensation Expenses	10	0.0%	33	0.0%	0.0%	
Others	2,702	2.3%	2,797	2.3%	0.0%	An increase due to the transfer of accounts Some expenses that were recognized as outsourcing commissions in the previous fiscal year are now recognized as others
<b>Total SG&amp;A</b>	<b>26,028</b>	<b>22.4%</b>	<b>27,182</b>	<b>22.0%</b>	<b>-0.4%</b>	

The decrease in the ratio of shipping expenses to the Gross Merchandise Value (excluding other GMV) is expected to continue in 2Q.

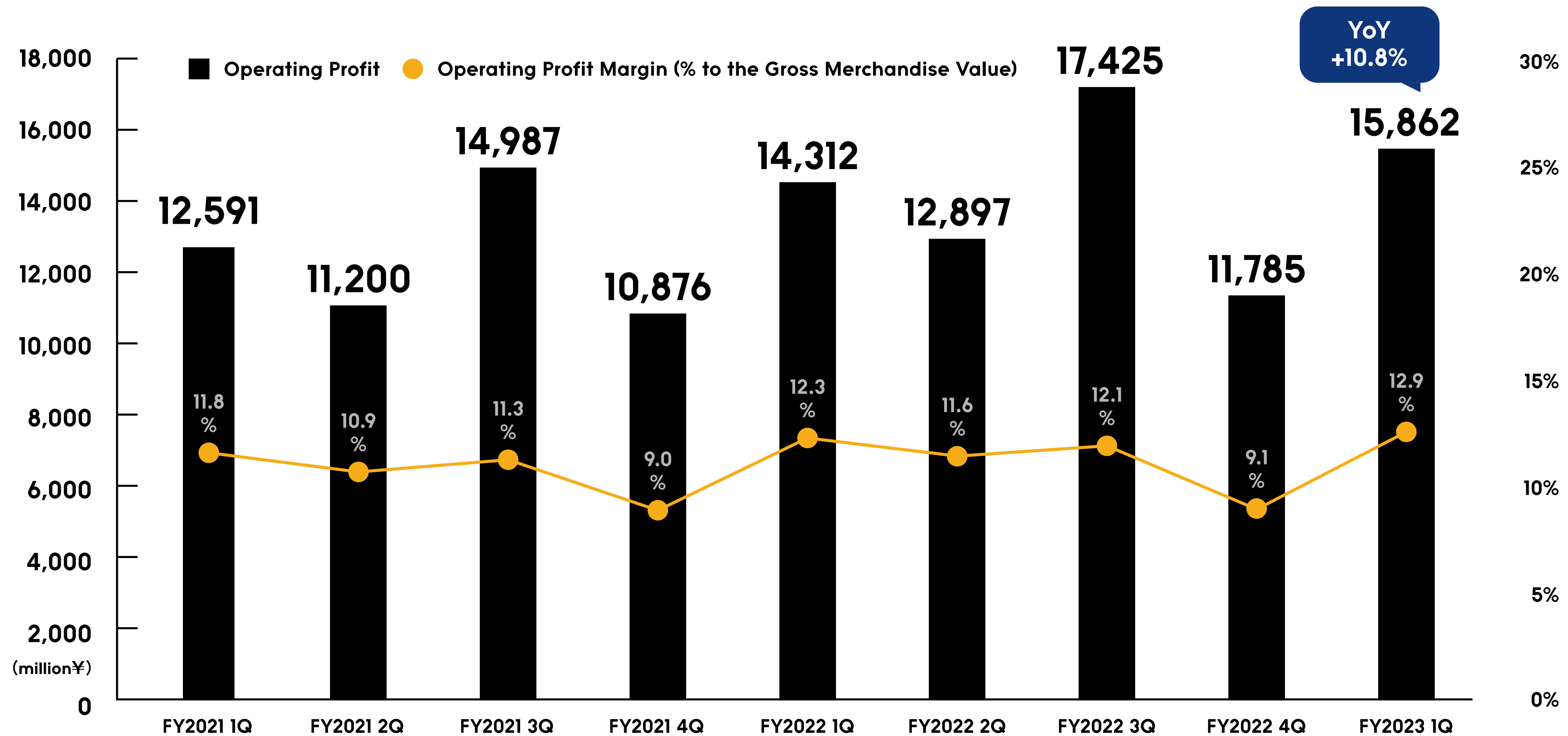


\* Payroll includes directors' remuneration, employee salaries, bonuses, legal welfare expenses, welfare expenses, retirement benefits cost, provision for employee bonuses, expenses of company pension premium, subcontracting payroll, a portion of expenses at logistics centers operation. "Employee" includes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

\* The percentages to the Gross Merchandise Value are calculated by dividing each expense by the Gross Merchandise Value (excluding other GMV).



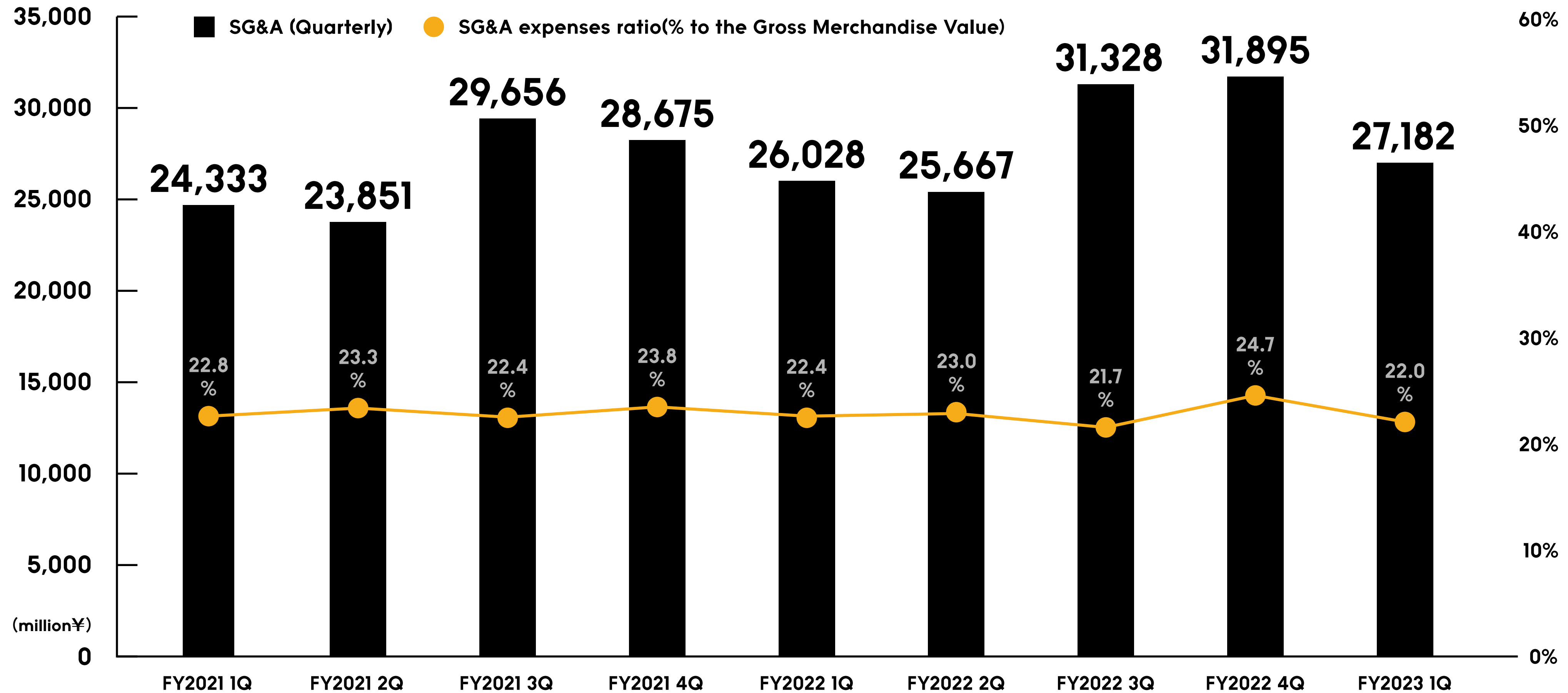
# OPERATING PROFIT AND OPERATING PROFIT MARGIN (QUARTERLY)



\* Operating profit margins are calculated by dividing operating profit by the Gross Merchandise Value (excluding other GMV)



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

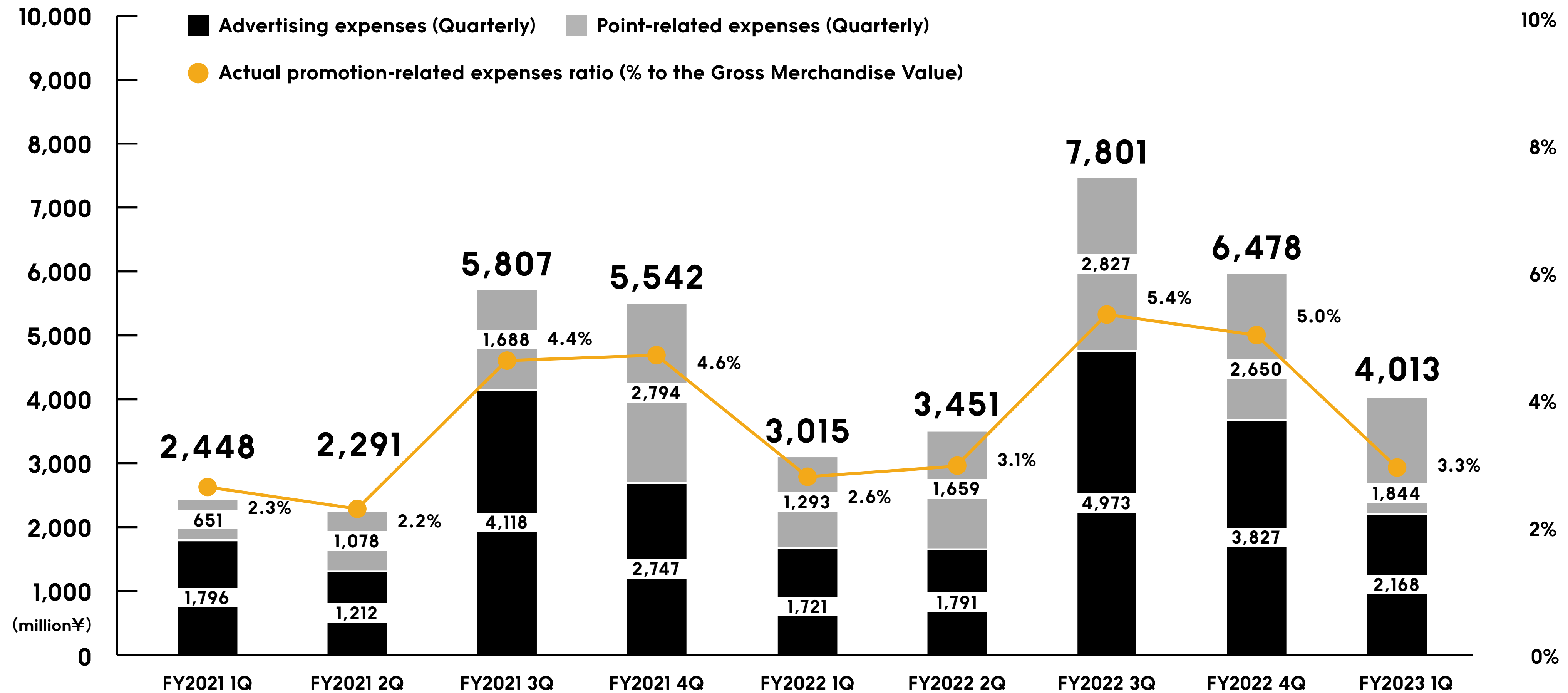


\* SG&A expenses ratio is calculated by dividing related items by the Gross Merchandise Value (excluding other GMV).



# ACTUAL PROMOTION-RELATED EXPENSES

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



Point programs and web advertising increased compared to the same quarter of the previous fiscal year.



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



# OVERVIEW OF SG&A BY EACH QUARTER

(million¥)

	FY2022								FY2023	
	1Q		2Q		3Q		4Q		1Q	
	Amount	% to the Gross Merchandise Value	Amount	% to the Gross Merchandise Value	Amount	% to the Gross Merchandise Value	Amount	% to the Gross Merchandise Value	Amount	% to the Gross Merchandise Value
<b>Payroll and staff costs(*)</b>	<b>7,132</b>	<b>6.2%</b>	<b>6,955</b>	<b>6.2%</b>	<b>7,771</b>	<b>5.4%</b>	<b>9,513</b>	<b>7.4%</b>	<b>7,562</b>	<b>6.1%</b>
Payroll costs for employee	3,115	2.7%	3,111	2.8%	3,295	2.3%	4,804	3.7%	3,353	2.7%
Logistics-Related Expenses (Including Outsourcing)	4,016	3.5%	3,844	3.4%	4,476	3.1%	4,709	3.6%	4,208	3.4%
Outsourcing Commission (Excluding Logistics-Related Expenses)	1,646	1.4%	1,657	1.5%	1,720	1.2%	1,750	1.4%	1,591	1.3%
<b>Shipping</b>	<b>7,996</b>	<b>6.9%</b>	<b>7,708</b>	<b>6.9%</b>	<b>8,577</b>	<b>5.9%</b>	<b>8,139</b>	<b>6.3%</b>	<b>7,920</b>	<b>6.4%</b>
Commission of Payment collection	2,733	2.4%	2,710	2.4%	3,428	2.4%	3,004	2.3%	2,921	2.4%
<b>Advertising</b>	<b>1,721</b>	<b>1.5%</b>	<b>1,791</b>	<b>1.6%</b>	<b>4,973</b>	<b>3.4%</b>	<b>3,827</b>	<b>3.0%</b>	<b>2,168</b>	<b>1.8%</b>
<b>Rent expense</b>	<b>1,514</b>	<b>1.3%</b>	<b>1,513</b>	<b>1.4%</b>	<b>1,517</b>	<b>1.0%</b>	<b>1,530</b>	<b>1.2%</b>	<b>1,568</b>	<b>1.3%</b>
<b>Depreciation</b>	<b>465</b>	<b>0.4%</b>	<b>473</b>	<b>0.4%</b>	<b>515</b>	<b>0.4%</b>	<b>595</b>	<b>0.5%</b>	<b>522</b>	<b>0.4%</b>
Amortization of goodwill	106	0.1%	106	0.1%	124	0.1%	123	0.1%	96	0.1%
Stock Compensation Expenses	10	0.0%	35	0.0%	35	0.0%	33	0.0%	33	0.0%
<b>Others</b>	<b>2,702</b>	<b>2.3%</b>	<b>2,714</b>	<b>2.4%</b>	<b>2,663</b>	<b>1.8%</b>	<b>3,377</b>	<b>2.6%</b>	<b>2,797</b>	<b>2.3%</b>
<b>Total SG&amp;A</b>	<b>26,028</b>	<b>22.4%</b>	<b>25,667</b>	<b>23.0%</b>	<b>31,328</b>	<b>21.7%</b>	<b>31,895</b>	<b>24.7%</b>	<b>27,182</b>	<b>22.0%</b>

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

"Employee" includes directors, full-time 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.

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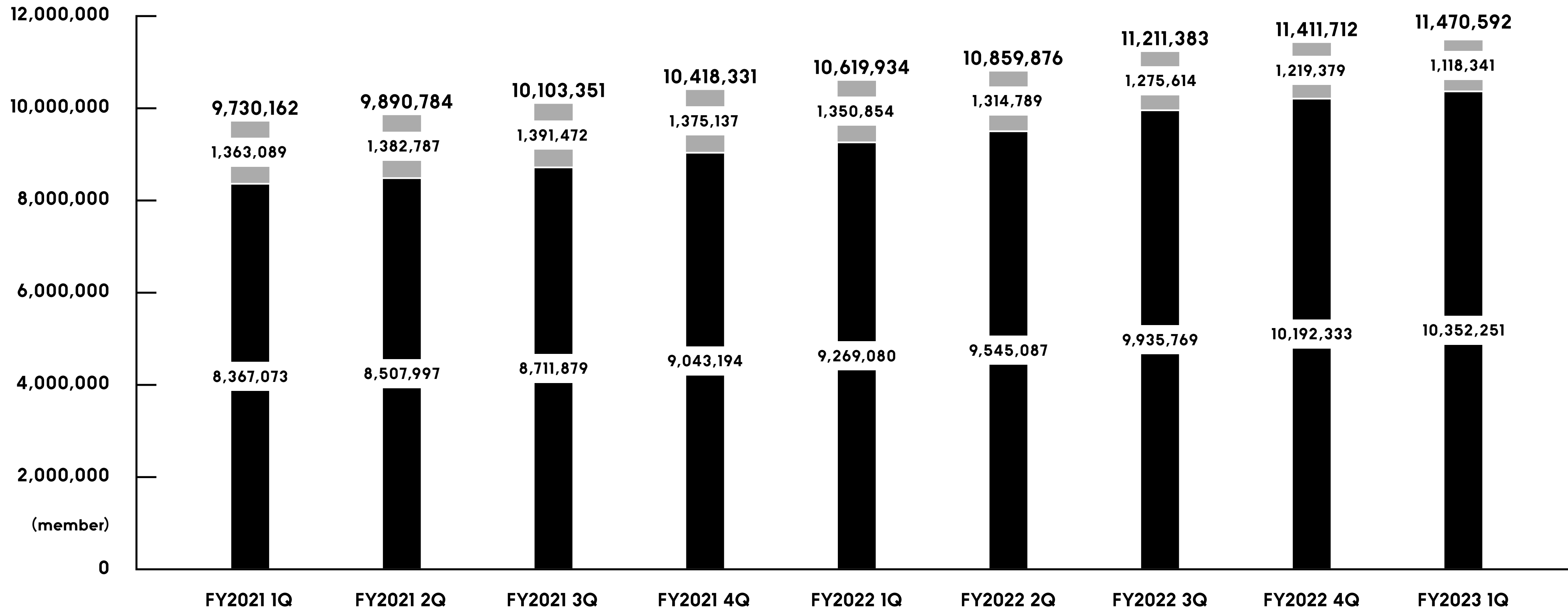


# NUMBER OF TOTAL BUYERS

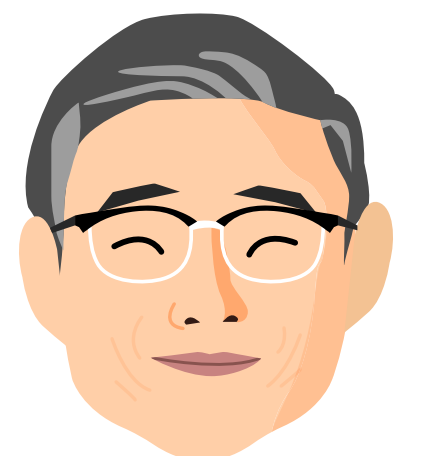
Number of total buyers = Active members and guest buyers who made at least one purchase within a year

■ Guest buyers = Total number of guest purchases within a year

■ Active members = Members who have made at least one purchase within a year



Although the growth in the 1Q was slower than expected, we anticipate a recovery in the 2Q and beyond.



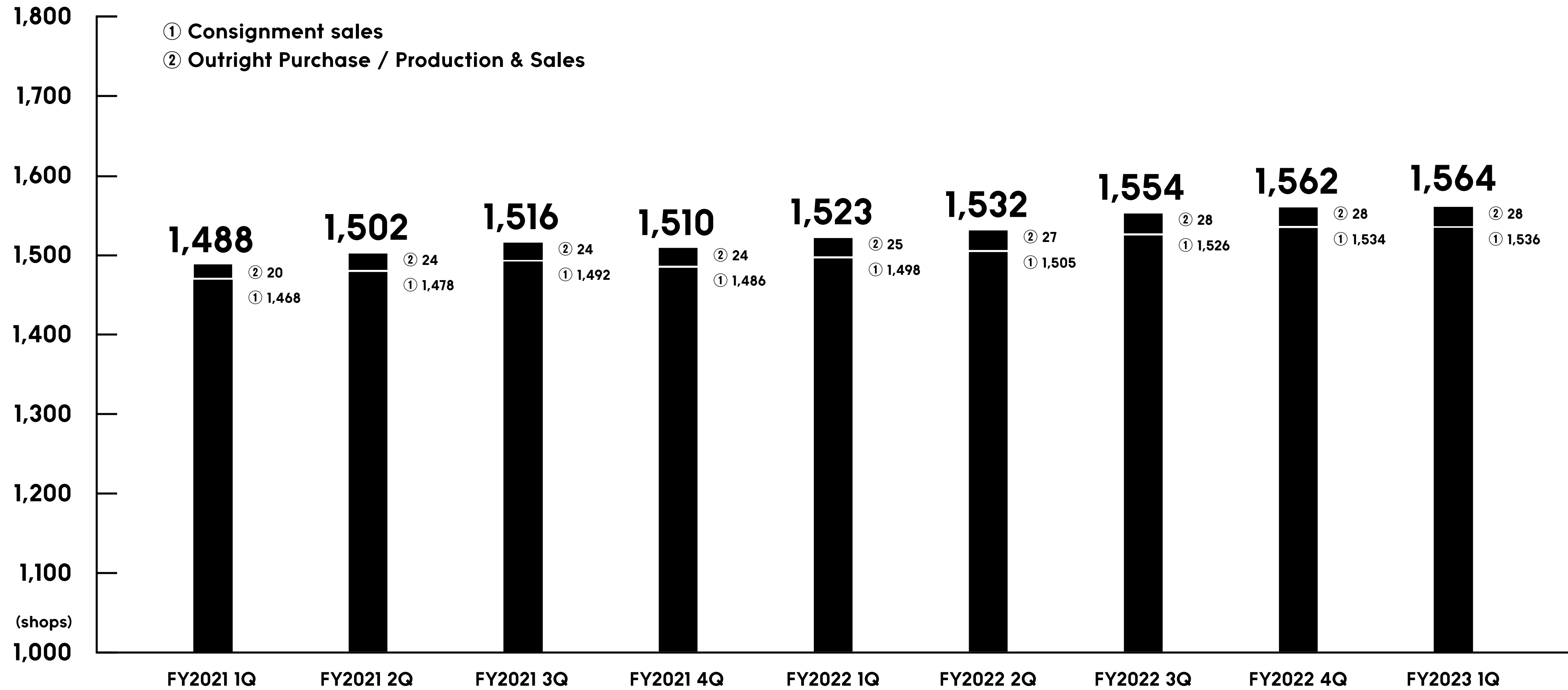
\* The results are only from the ZOZOTOWN business (<https://zozo.jp>). Yahoo! JAPAN Shopping is not included.

\* PayPay Mall was integrated with Yahoo! JAPAN Shopping in October 2022.

\* Excluding the users who only purchased the body measurement device "ZOZOSUIT" "ZOZOMAT" and "ZOZGLASS".



# NUMBER OF SHOPS ON ZOZOTOWN

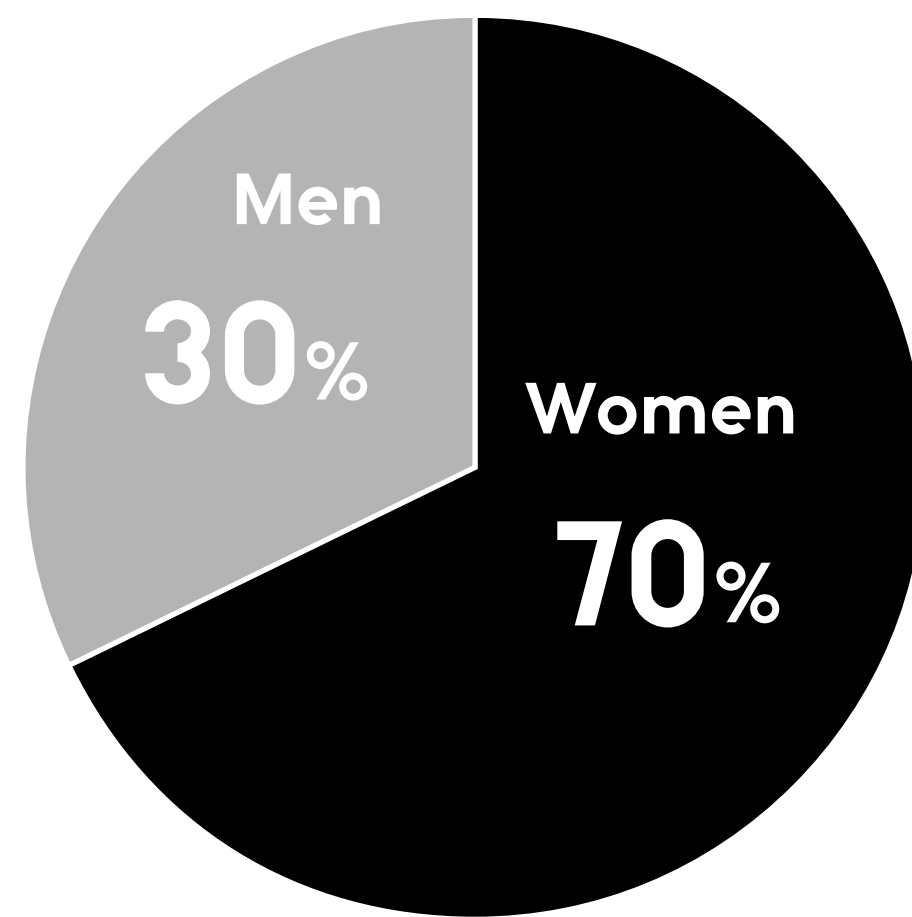


\* Shops of the private brand "ZOZO" and "Multi-Size" are not included to the number of shops.

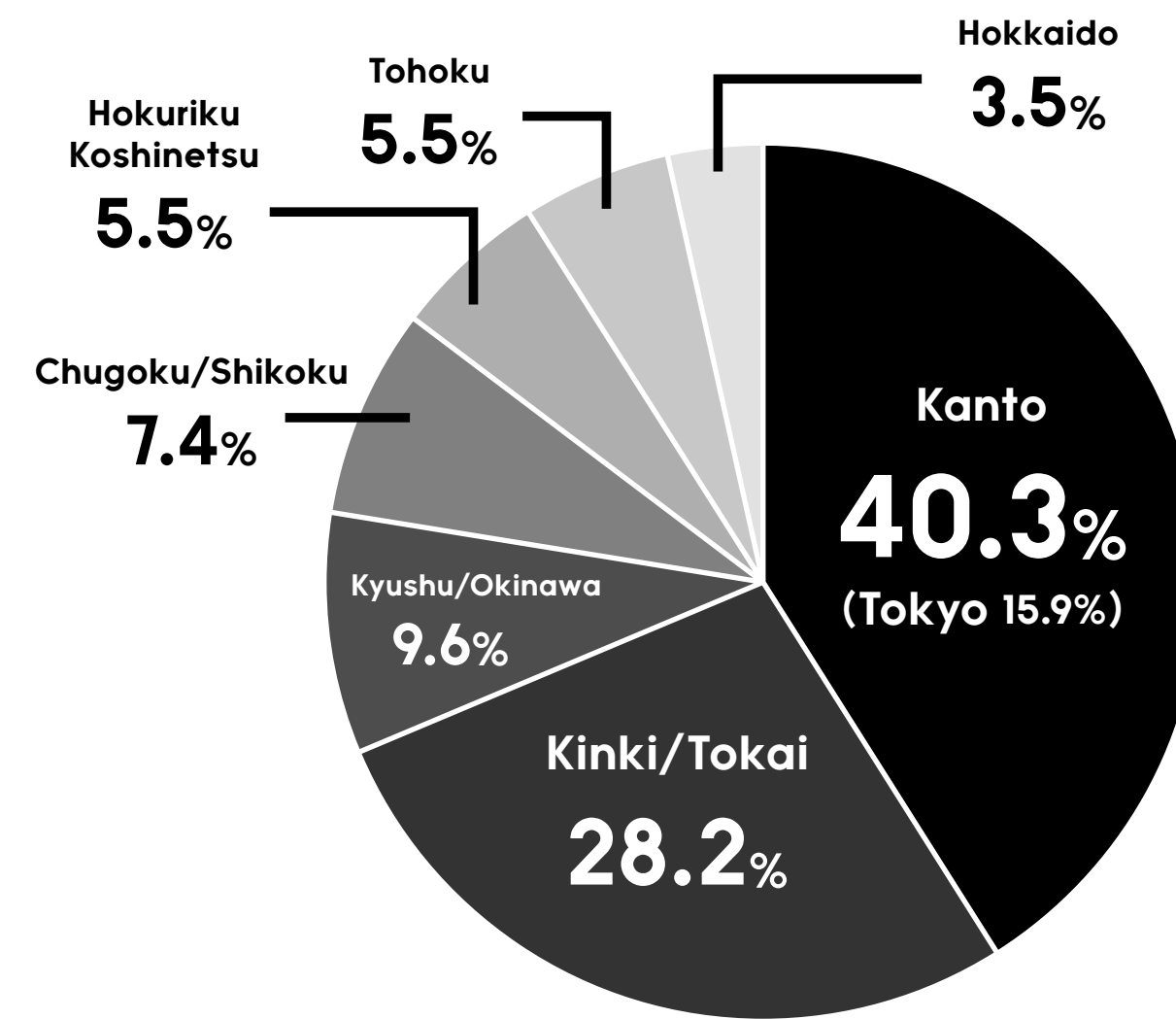


# ACTIVE MEMBER DISTRIBUTION

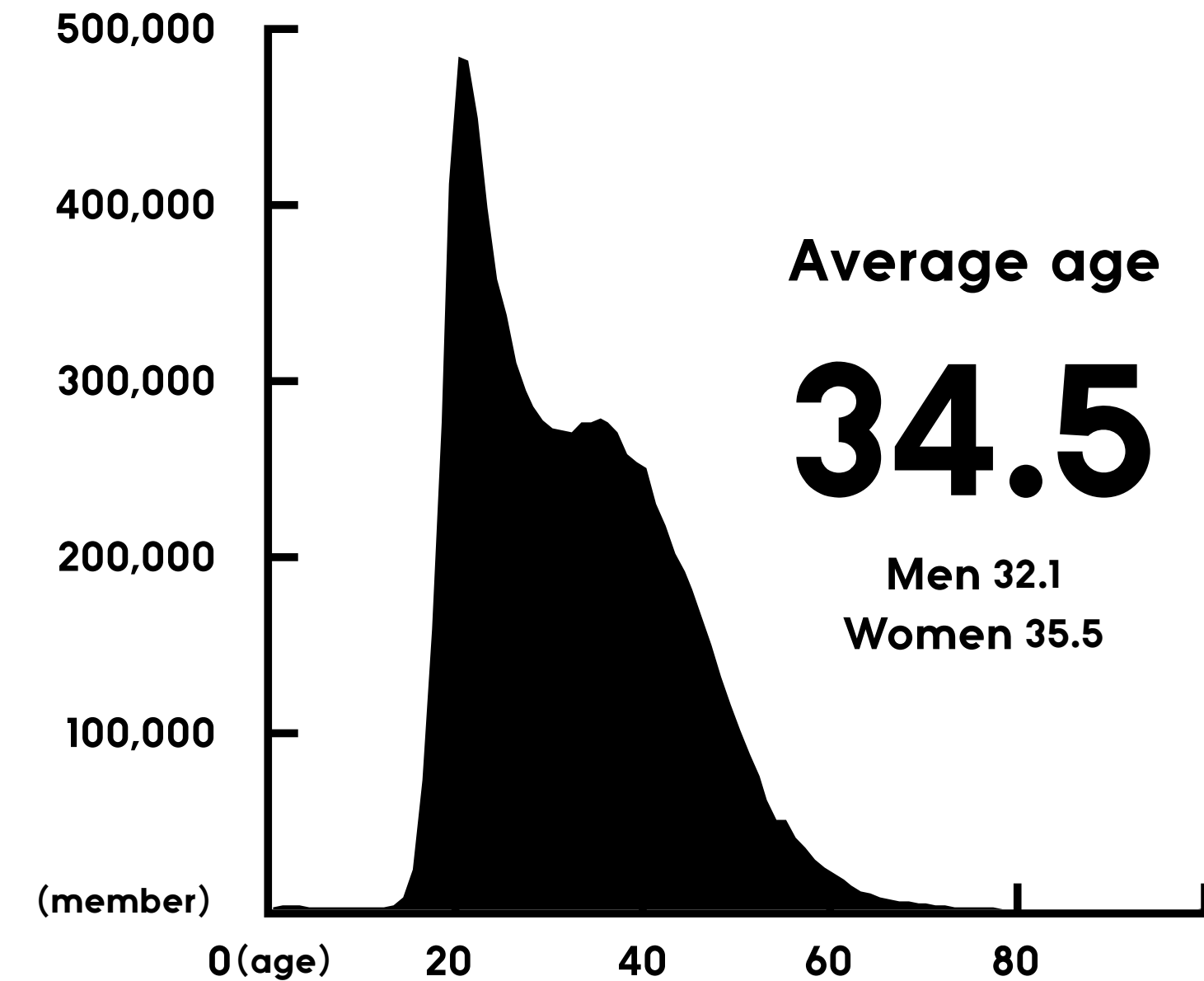
## Gender ratio



## Geographical distribution



## Age distribution

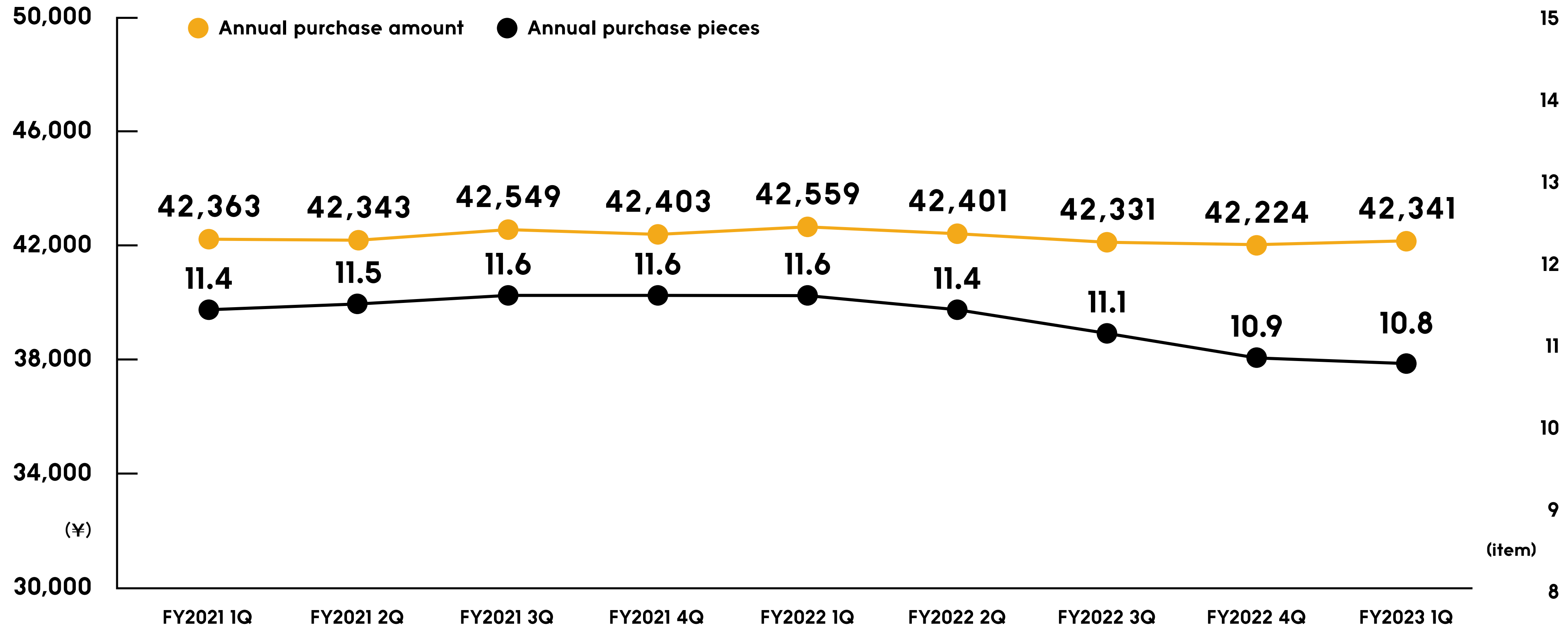


\* The shown data on Active Member Distribution is only based on the numbers from the ZOZOTOWN business (<https://zozo.jp>). Yahoo! JAPAN Shopping is not included.

\* PayPay Mall was integrated with Yahoo! JAPAN Shopping in October 2022.



# ANNUAL PURCHASE AMOUNT AND PIECES PER ACTIVE MEMBER



Despite declining annual purchase pieces due to item price increases, the annual purchase amount increased from the previous quarter.



\* The results are only from the ZOZOTOWN business (<https://zozo.jp>). Yahoo! JAPAN Shopping is not included.

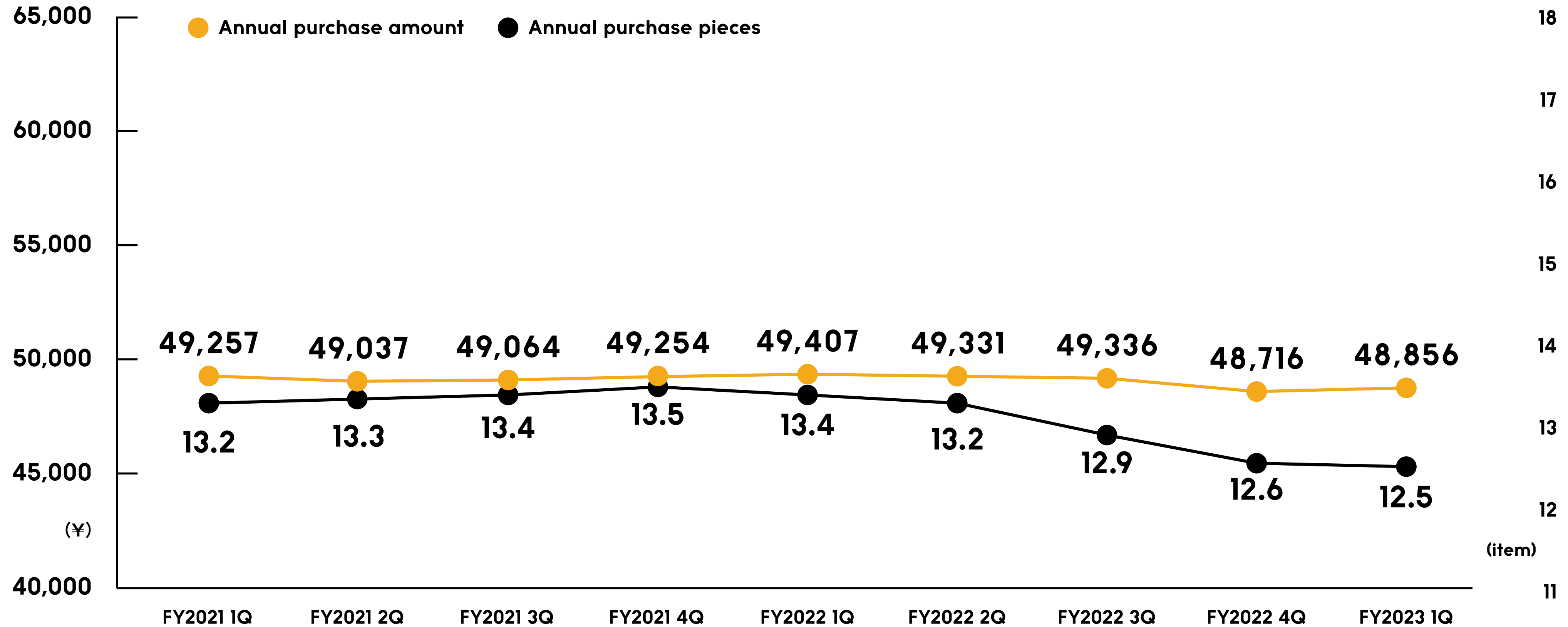
\* PayPay Mall was integrated with Yahoo! JAPAN Shopping in October 2022.

\* Excluding the users who only purchased the body measurement device "ZOZOSUIT" "ZOZOMAT" and "ZOZOGLASS".



# ANNUAL PURCHASE AMOUNT AND PIECES PER EXISTING ACTIVE MEMBER

Existing active members: Active members who have passed over 1 year since their registration



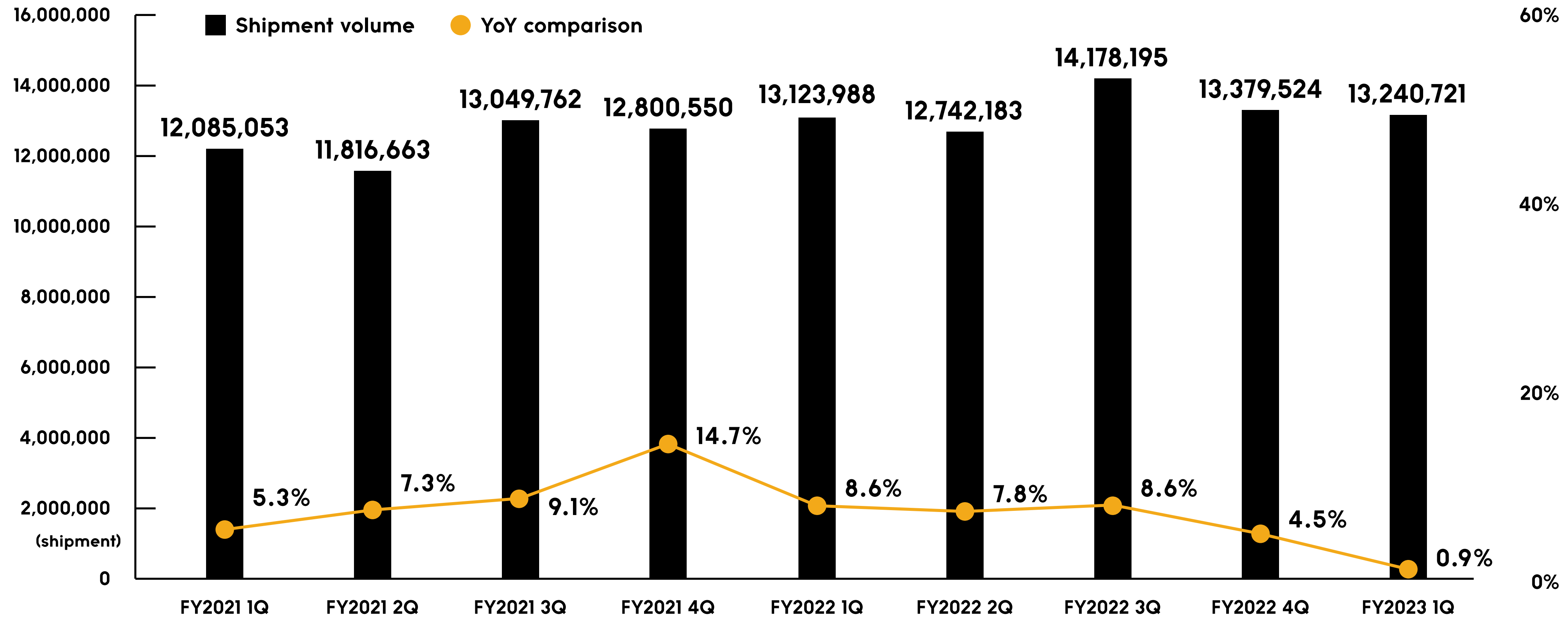
\* The results are only from the ZOZOTOWN business (<https://zozo.jp>). Yahoo! JAPAN Shopping is not included.

\* PayPay Mall was integrated with Yahoo! JAPAN Shopping in October 2022.

\* Excluding the users who only purchased the body measurement device "ZOZOSUIT" "ZOZOMAT" and "ZOZOGLASS".



# NUMBER OF SHIPMENTS



\* The results are only from the ZOZOTOWN business (<https://zozo.jp>). Yahoo! JAPAN Shopping is not included.

\* PayPay Mall was integrated with Yahoo! JAPAN Shopping in October 2022.

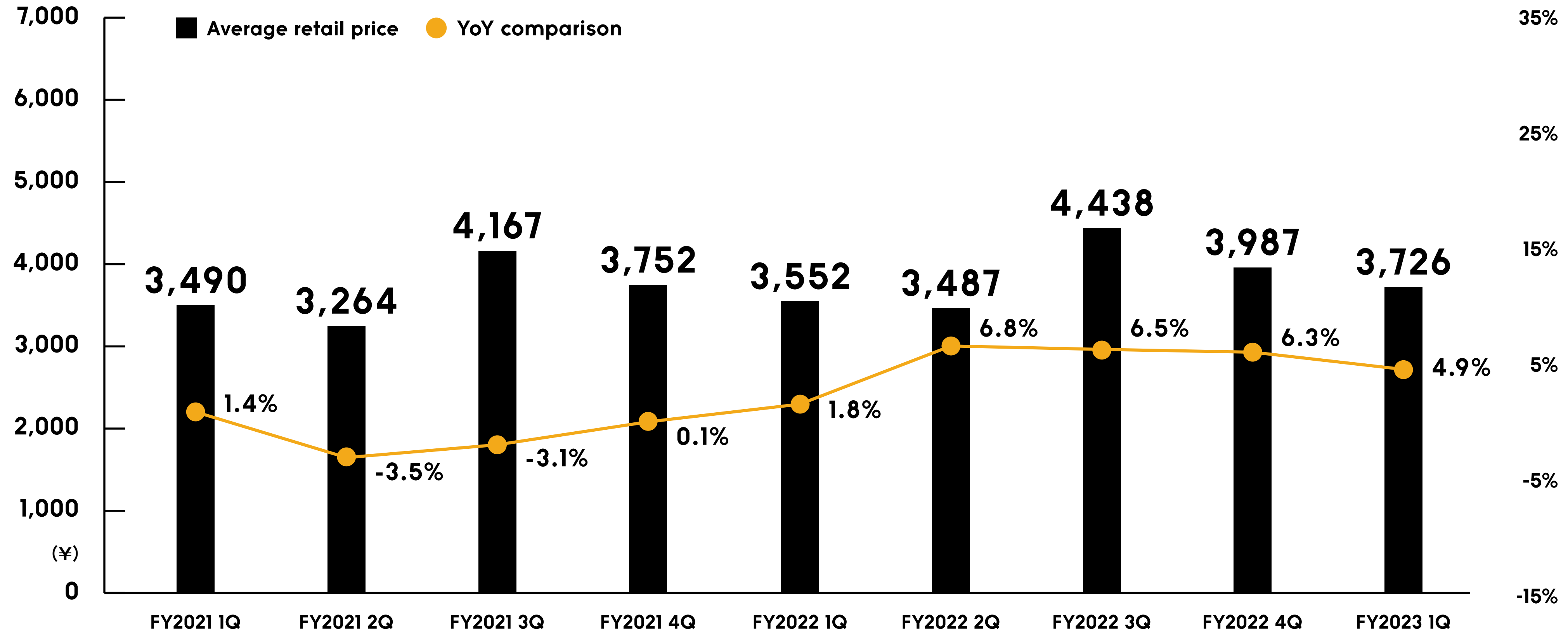
\* Excluding the users who only purchased the body measurement device "ZOZOSUIT" "ZOZOMAT" and "ZOZOGLASS".



# AVERAGE RETAIL PRICE

Average retail price

= Gross Merchandise Value of the ZOZOTOWN Business / Number of pieces shipped



Sales of spring and summer items continue into 2Q, with the average retail price likely higher than the previous fiscal year's 2Q.



\* The results are only from the ZOZOTOWN business (<https://zozo.jp>). Yahoo! JAPAN Shopping is not included.

\* PayPay Mall was integrated with Yahoo! JAPAN Shopping in October 2022.

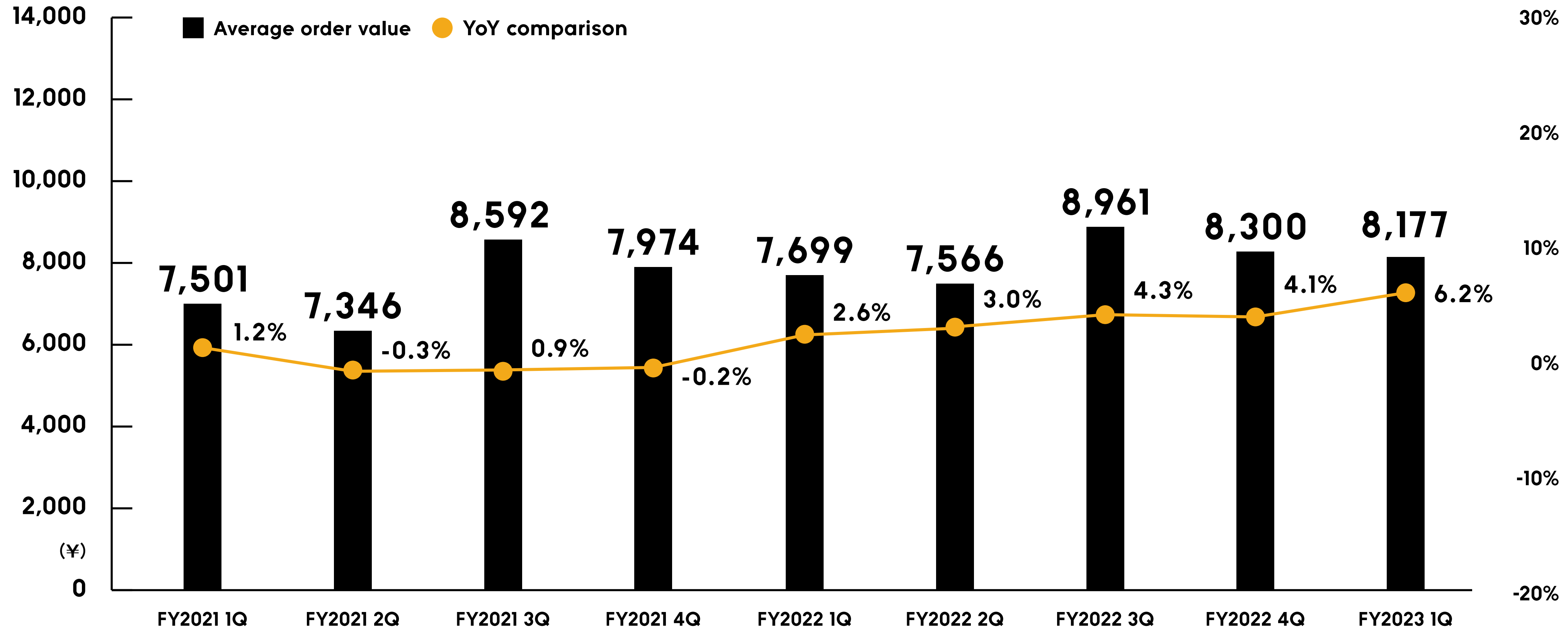
\* Excluding the users who only purchased the body measurement device "ZOZOSUIT" "ZOZOMAT" and "ZOZOGLASS".



# AVERAGE ORDER VALUE

Average order value

= Gross Merchandise Value of the ZOZOTOWN Business / Number of shipments



Increased retail price and purchase pieces per order led to a higher growth rate of average order value.



\* The results are only from the ZOZOTOWN business (<https://zozo.jp>). Yahoo! JAPAN Shopping is not included.

\* PayPay Mall was integrated with Yahoo! JAPAN Shopping in October 2022.

\* Excluding the users who only purchased the body measurement device "ZOZOSUIT" "ZOZOMAT" and "ZOZOGLASS".



# BUSINESS PLAN FOR FY2023



I prefer wearing ISAIA for my suits,  
and I usually go for  
CROCKETT & JONES shoes.





# CONSOLIDATED BUSINESS FORCAST AND DIVIDEND FORECAST FOR FY2023

	FY2023 Plan	YoY
Gross Merchandise Value	580.8 billion yen	6.7%
Gross Merchandise Value (excluding other GMV)	535.2 billion yen	6.8%
Net sales	200.7 billion yen	9.4%
Operating profit	60.0 billion yen	6.3%
Operating Profit Margin (% to the Gross Merchandise Value)	11.2%	—
Ordinary profit	60.0 billion yen	5.8%
Profit attributable to owners of parent	42.0 billion yen	6.3%
Net profit per share	140.07 yen	—
Estimated dividends per share (Plan)	71 yen	—

\* Operating profit margin is calculated by dividing operating profit by the Gross Merchandise Value (excluding other GMV).



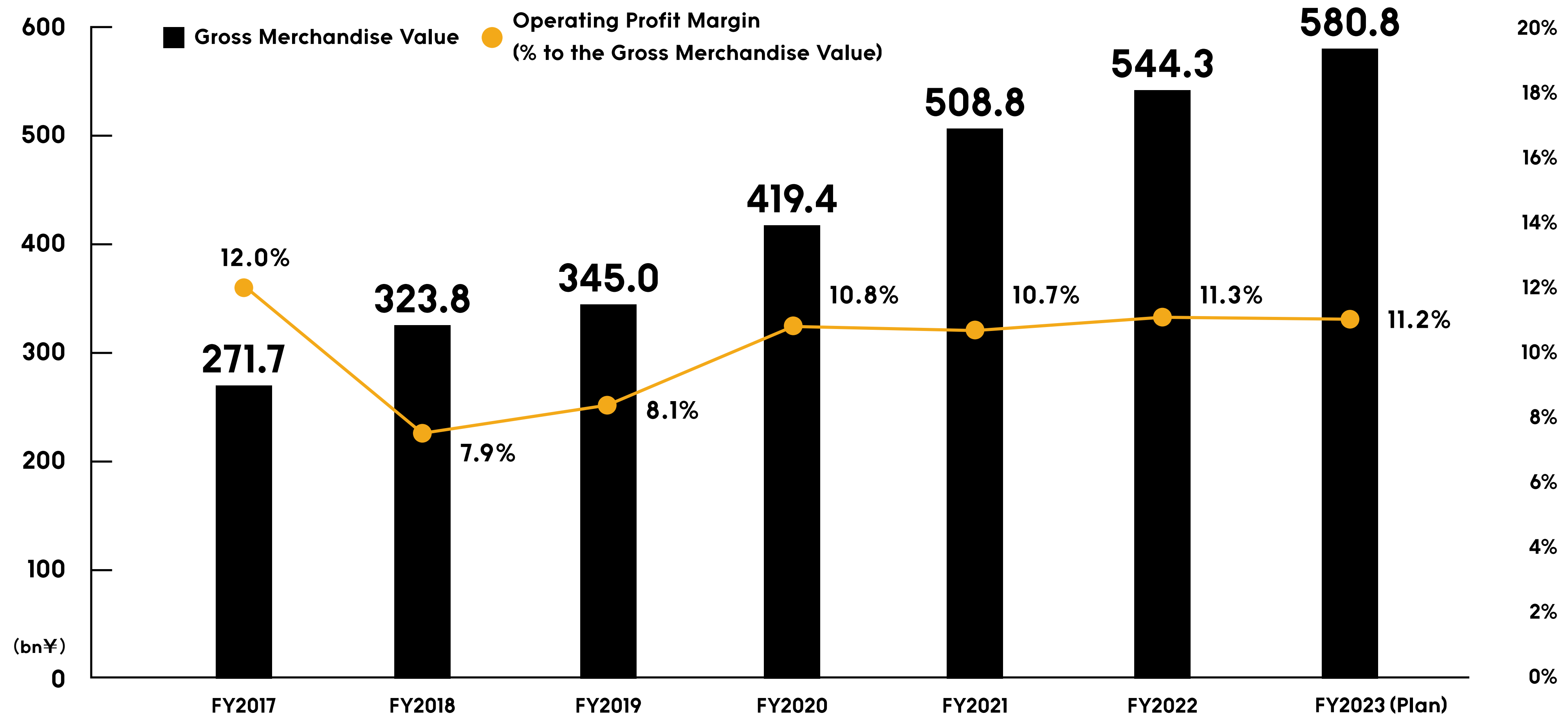
# FY2023 TARGET BY BUSINESS SEGMENT

	Target for Gross Merchandise Value	YoY
<b>ZOZOTOWN Business</b>	<b>470.4 billion yen</b>	<b>+8.0%</b>
Outright Purchase/Production & Sales	<b>3.7 billion yen</b>	<b>-21.7%</b>
Consignment sales	<b>449.1 billion yen</b>	<b>+8.3%</b>
USED sales	<b>17.6 billion yen</b>	<b>+9.7%</b>
<b>Yahoo!JAPAN Shopping</b>	<b>49.8 billion yen</b>	<b>0.0%</b>
<b>BtoB Business</b>	<b>15.0 billion yen</b>	<b>-4.4%</b>
<b>Gross Merchandise Value</b> (excluding other GMV)	<b>535.2 billion yen</b>	<b>+6.8%</b>
<b>Others</b>	<b>45.6 billion yen</b>	<b>+5.5%</b>
<b>Gross Merchandise Value</b>	<b>580.8 billion yen</b>	<b>+6.7%</b>

	Target for Net Sales	YoY
<b>Advertising business</b>	<b>9.4 billion yen</b>	<b>+21.0%</b>



# GROSS MERCHANDISE VALUE & OPERATING PROFIT MARGIN



\* Operating profit margins are calculated by dividing operating profit by the Gross Merchandise Value (excluding other GMV).

# REFERENCE DATA



I recently resumed playing golf for the first time in 15 years. I am having trouble swinging the way I want to.





## STATISTICS OF ZOZO

NUMBER OF EMPLOYEES

**1,645**

(Average age 33.1 years old)

NUMER OF SHAREHOLDERS

**12,571**

NUMBER OF BRANDS HANDLED

**8,981**

ZOZOTOWN TOTAL BUYERS

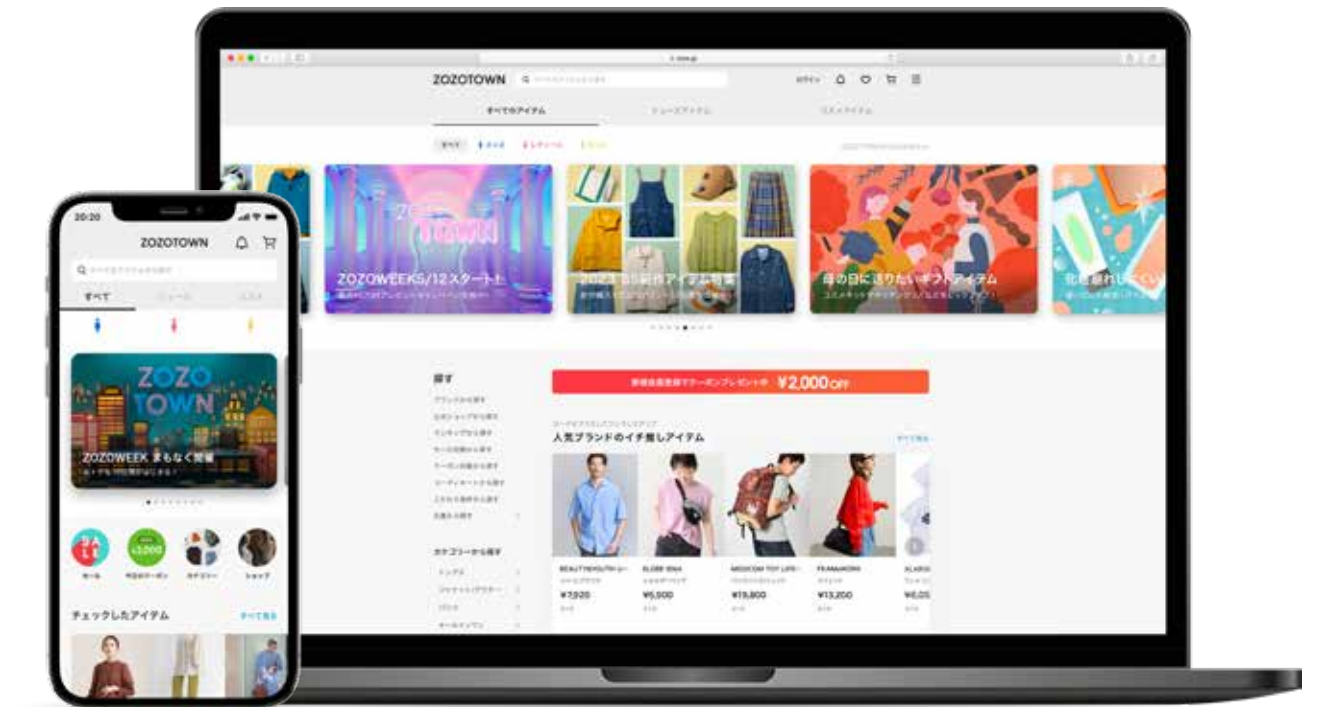
**11.4 million**  
(1 year basis)



# MAJOR SERVICES

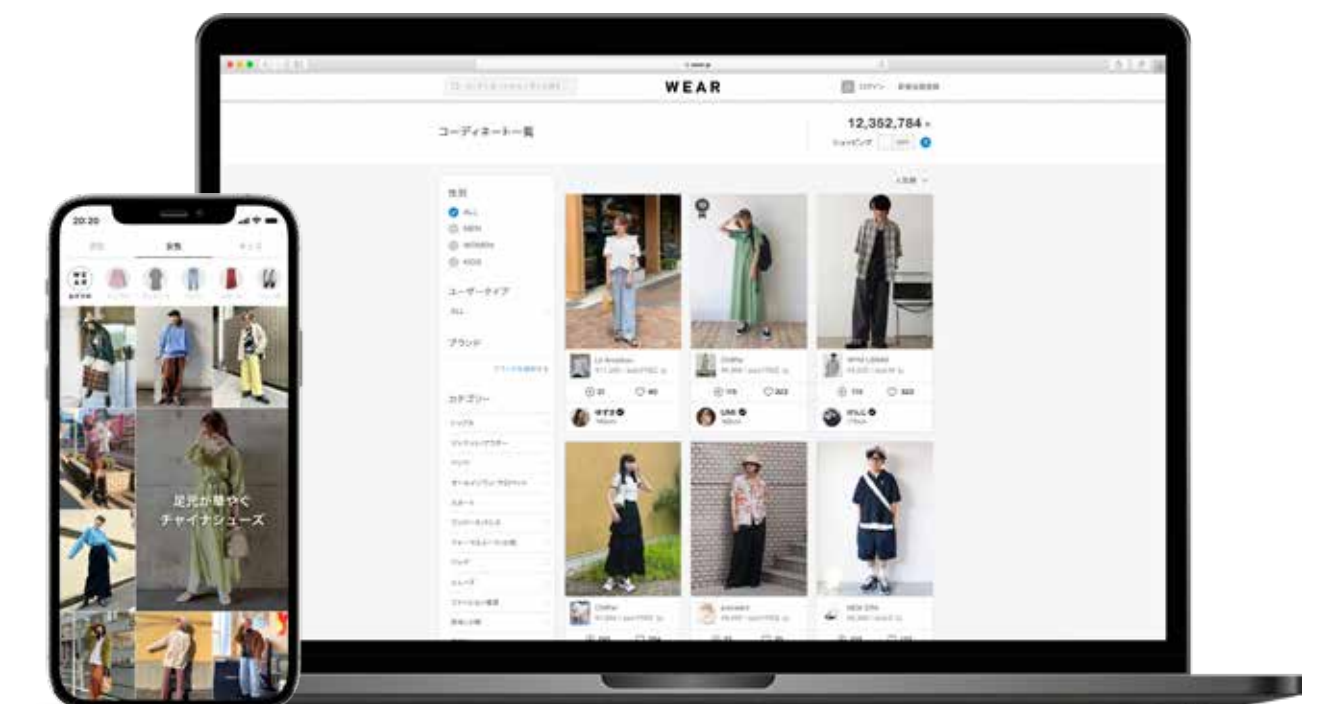
## ZOZOTOWN The largest fashion e-commerce website in Japan

- The Company offers 8,981 brands across 1,564 stores, with more than 950,000 items available at any given time.  
On average, 2,900 new items are added every day.
- All functions from systems design to fulfillment are built in-house.
- Same-day delivery service, gift-wrapping service, deferred payment, etc., are available.
- Opened ZOZOTOWN shop on Yahoo! JAPAN Shopping\*, which is operated by Yahoo Japan Corporation.



## WEAR The largest outfit-sharing app in Japan

- Users can post their outfits and search from posted outfits, using various filtering options.
- Several celebrities, including Ai Takahashi, Tadanobu Asano, and Kumikki, have participated as official users (WEARISTA).
- Over 16 million downloads have been achieved, and now it is expanding globally.



\* PayPay Mall was integrated with Yahoo! JAPAN Shopping in October 2022.



# DIFFERENCES BETWEEN ZOZOTOWN AND ZOZOTOWN SHOP ON Yahoo! JAPAN Shopping\*

	ZOZOTOWN	ZOZOTOWN Yahoo! JAPAN Shopping* Shop
<b>Overview</b>	One of the largest fashion e-commerce websites in Japan providing original services specialized in fashion	E-commerce website for wide range of users also expecting cross-category shopping other than the fashion category
<b>Number of shops</b>	1,564(As of June 30, 2023)	1,437(As of June 30, 2023)
<b>Selling items</b>	Full line-up	Freely selected by each shop
<b>Detail of consignment</b>	All the operations needed for EC business such as shooting, measurement, logistics, customer support, operation support etc.	Same as the left
<b>Original services provided</b>	Deferred payment, ZOZO Trade-in, same-day delivery, preorder, ZOZOCARD, brand coupons, gift-wrapping service, image search function, ZOZOMAT, ZOZOGLASS etc.	Brand coupons, same-day delivery, preorder
<b>Payment methods</b>	Credit cards, cash on delivery, convenience store payment, deferred payment, LINE Pay, PayPay	PayPay, credit cards, cash on delivery
<b>Reward points</b>	No ZOZO point of 5% of product price (excluding tax) will be granted only for ZOZOCARD	PayPay points based on PayPay campaign
<b>Revenue</b>	Consignment sales commission from brands	Same as the left (Commission rate is same as ZOZOTOWN)
	Shipping revenue from customers	250 yen (including tax)
<b>Expenses borne by ZOZO</b>	Shop opening commission	NO
	Payment collection commission	YES
	Customer attraction cost	YES
	Reward points cost	YES

\* PayPay Mall was integrated with Yahoo! JAPAN Shopping in October 2022.





# BUSINESS MODEL

## ZOZOTOWN Business

### ○ Outright Purchase / Production & Sales

We currently operate 28 stores on ZOZOTOWN.

In addition to purchasing inventory from brand manufacturers, we also manufacture and sell merchandise by utilizing the planning abilities of influencers such as brand manufacturers and celebrities.

### ○ Consignment Sales

We operate 1,536 shops as a consignment business, which allows us to carry a certain amount of products from various brands while minimizing inventory risk.

### ○ USED Sales

We offer a second-hand business by purchasing used fashion products from our users.

## Yahoo! JAPAN Shopping\*

We opened ZOZOTOWN shop on Yahoo! JAPAN Shopping\* which is operated by Yahoo Japan Corporation.

Sales = Gross merchandise value of each store × commission rate

## BtoB Business

We help developing and operating online shop and logistics operations, etc., on behalf of some brands which have stores on ZOZOTOWN.

We currently provide back-end service to 35 stores.

• In the case of providing all services from website development and operation to logistics operations, etc.

Sales = Gross merchandise value of these online shop × Commission rate

• In the case of providing logistics operations service but not website development and operation services

Sales = Commission fee based on the number of shipments and items

Both of the above sales include other sales such as initial shop opening commission, shipping fee etc.

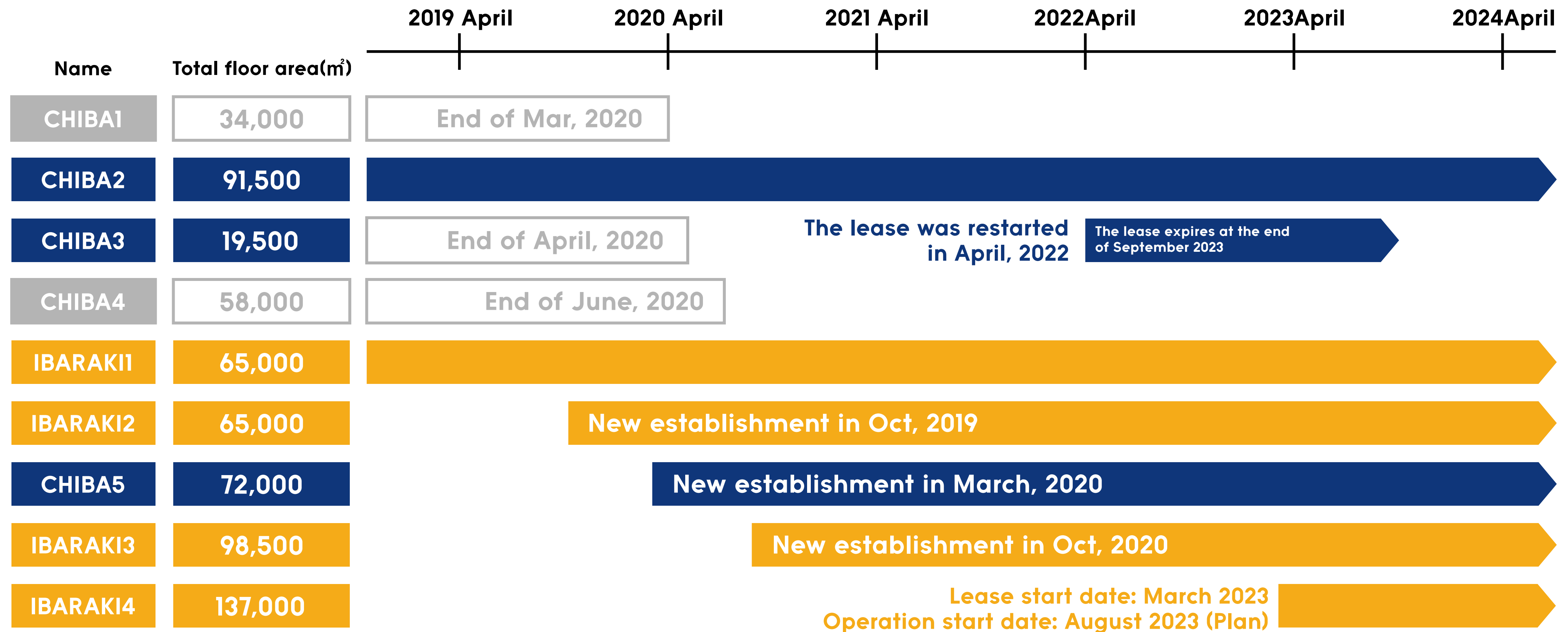
## Advertising Business

The advertising business will generate advertising income from client companies, including brands, by utilizing the user base of ZOZOTOWN and WEAR to provide advertising spots.

\* PayPay Mall was integrated with Yahoo! JAPAN Shopping in October 2022.



# LOGISTICS BASES EXPANSION PLAN



CHIBA2 and IBARAKI1 are warehouses with shipping function and IBARAKI4 will also have the function in the future.



# APPENDIX

## Our corporate website    The information below is available on our corporate website.

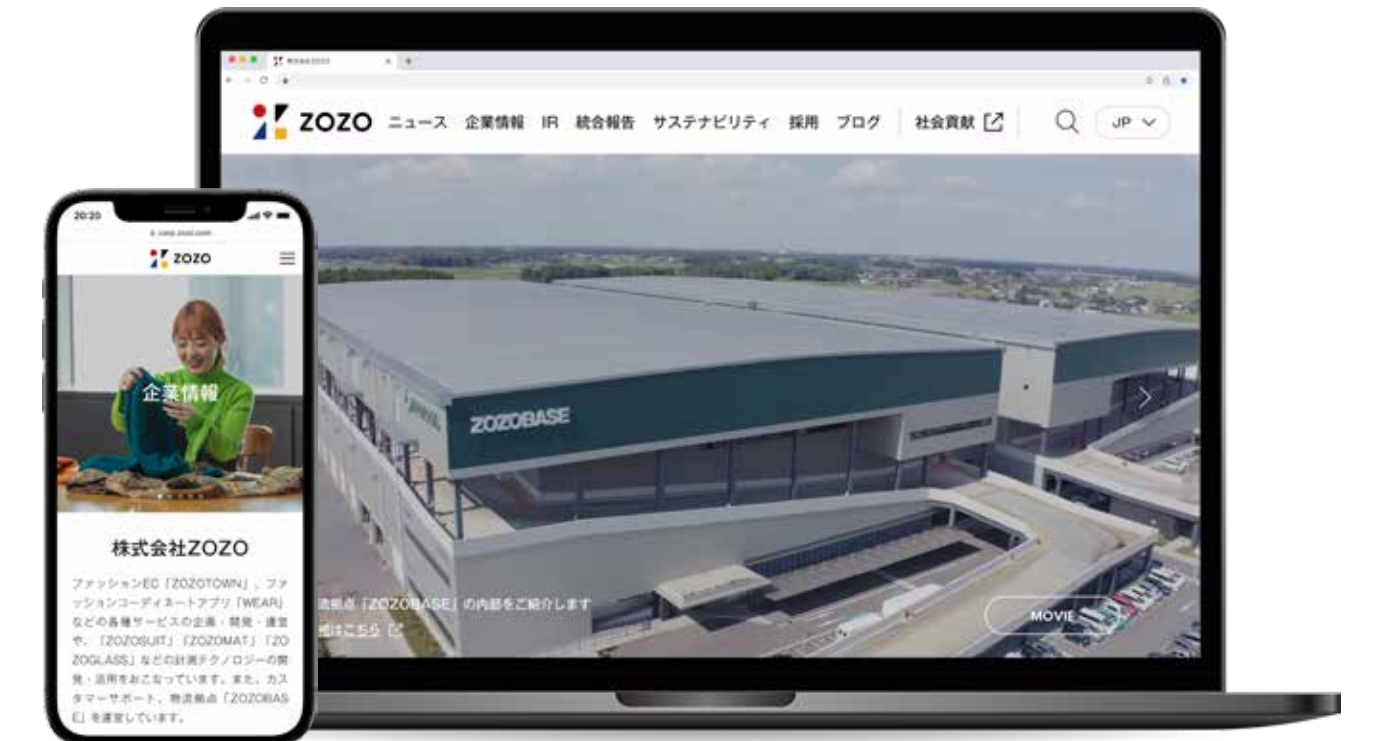
IR News    ... The latest IR information is posted in a timely manner.

Financial Highlights    ... Past financial data is available. Data can be downloaded in excel format.

Integrated Report Portal    ... We are disclosing integrated data on financial and non-financial information.

ESG/CSR    ... We are introducing our initiatives on ESG/CSR

- ESG Data
- External Evaluation



## Subscription of IR Mail

By registering your email address with our IR Mail service, we will send you information related to our IR, such as the latest news releases. If you wish to register, please access the following link.

### IR Mail Subscription



**This material has been created solely for the purpose of introducing the company's business activities and not for soliciting investments.**

**The business forecasts and future outlook described in this material are based on information currently available.**

**Please note that the forecast includes uncertainties such as sudden changes, and actual results may differ.**



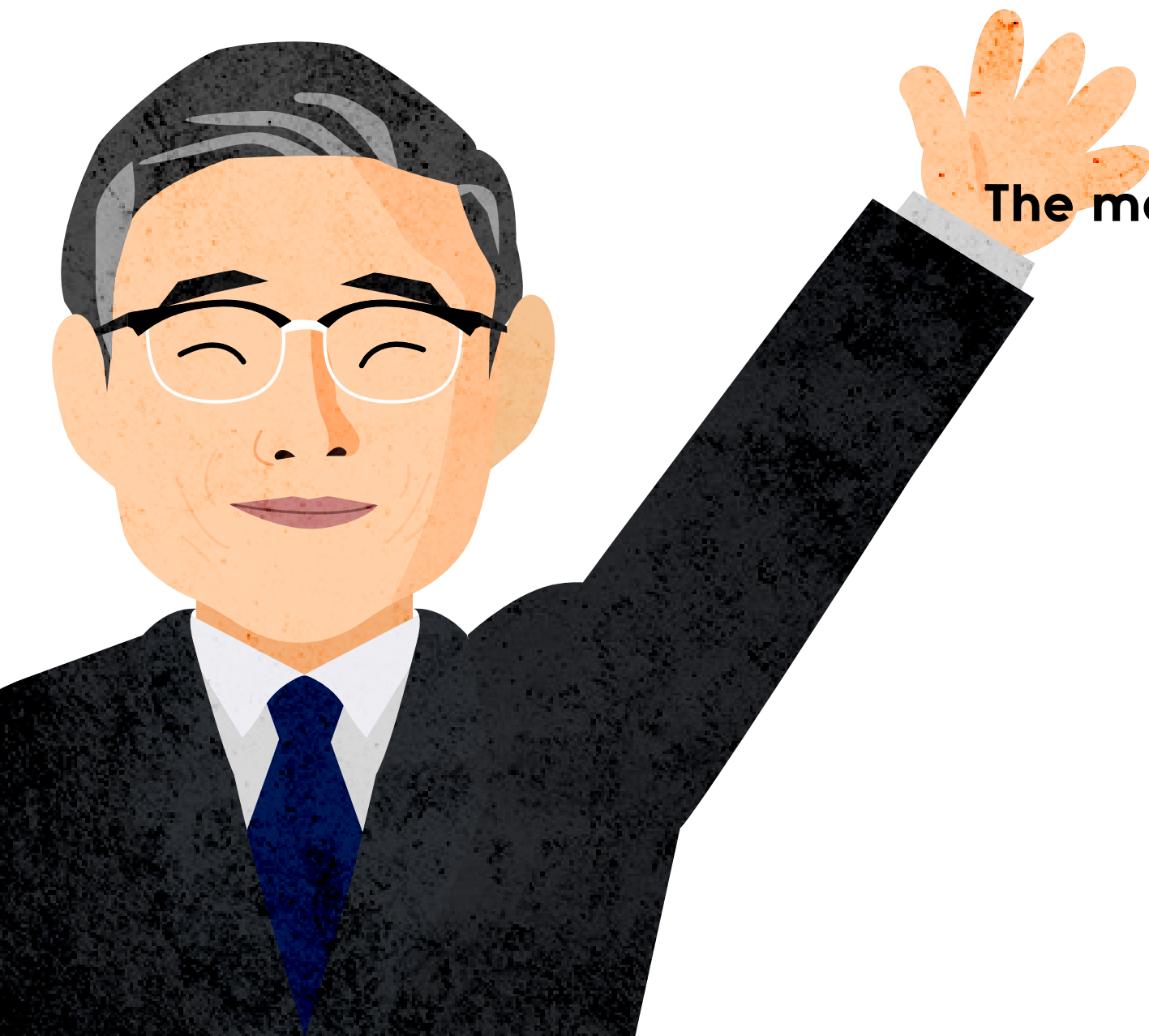
# Postscript

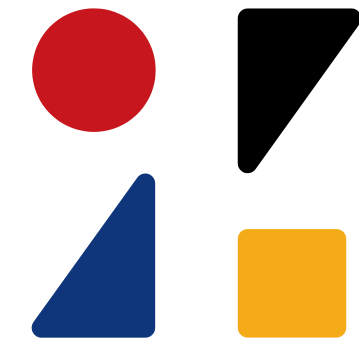
**In the first quarter of this fiscal year,  
we achieved record results in both Gross Merchandise Value and operating profit,  
while increased opportunities to go out boosted the sales at the physical stores  
due to the transition of COVID-19 to the class 5.**

**This was due to increased inventory supply from brands,  
the use of TV commercials and web advertising to attract customers,  
and a reduction in some costs compared to last year's results.**

**The major events in the second quarter include the summer sale in July and August,  
and the start of operations at our new logistics center,  
"TSUKUBA 3" in August. Please look forward to our continued growth.**

\*\*"TSUKUBA 3" is a common name referring to "IBARAKI 4", as shown on page 42 of this material.





**ZOZO**