



# Romantic Nishi-Chiba

— A story that can never be calculated —

**FY2022 1Q ZOZO, Inc. CONSOLIDATED BUSINESS RESULTS**

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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

The Company achieved record results in both Gross Merchandise Value and operating profit for the first quarter, although the recovery of people's mobility boosted the physical store sales.

## Overview

○ Gross Merchandise Value : 127,928 million yen (+9.5%,YoY)

○ Gross Merchandise Value (excluding other GMV) : 115,948 million yen (+8.7%,YoY)

More than 10% YoY growth has been achieved in the ZOZOTOWN business and PayPay mall.  
Active measures to attract and promote customers led to an increase in traffic, which helped boost sales.

○ Operating Profit : 14,312 million yen (+13.7%,YoY)

Operating profit grew by more than 10% on a YoY basis.  
Although the advertising activities, such as the point promotion program, were conducted more actively on a YoY basis, operating profit increased due to a rise in gross profit resulting from growth in the Gross Merchandise Value and cost reductions.

## Gross Merchandise Value

○ ZOZOTOWN BUSINESS

Gross Merchandise Value : 101,043 million yen (+11.5%,YoY)

Consignment sales : 96,807 million yen (+10.8%,YoY)

Outright Purchase / Production & Sales : 972 million yen (+34.9%,YoY)

USED sales : 3,263 million yen (+26.4%,YoY)

○ PayPay Mall : 11,227 million yen (+14.5%,YoY)

○ BtoB Business : 3,677 million yen (-41.1%,YoY)

○ Others\* : 11,979 million yen

○ Average Order Value : 7,699 yen (+2.6%,YoY)

○ Average Retail Price : 3,552 yen (+1.8%,YoY)

\* From the 2nd quarter of the fiscal year ended March 2021, GMV from the eCommerce website run by our consolidated subsidiary, "yutori, Inc.", ZOZO Option stores at PayPay Mall, and ZOZOMO, are recorded.

ZOZO Option: Option contracts which enables fashion category stores outside of ZOZOTOWN PayPay Mall, 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.



# FY2022 1Q HIGHLIGHTS



## Profitability

○ Operating profit margin\* (to the total gross merchandise value) : 12.3% (11.8% for FY2021 1Q)

- ・Factors improving profitability : Improvement of gross profit margin due to an increase in the composition ratio of businesses that have a high gross profit margin to the Gross Merchandise Value, a decline in logistics-related expenses ratio due to the improvement of operational efficiency in logistics bases, and a decline in shipping expenses ratio due to higher order value.
- ・Factors worsening profitability : An increase in expenses for measures to attract customers, such as the point promotion program, an increase in expenses for others due to on-the-spot expenses associated with an increase in the number of bases, and an increase in cloud server usage.

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

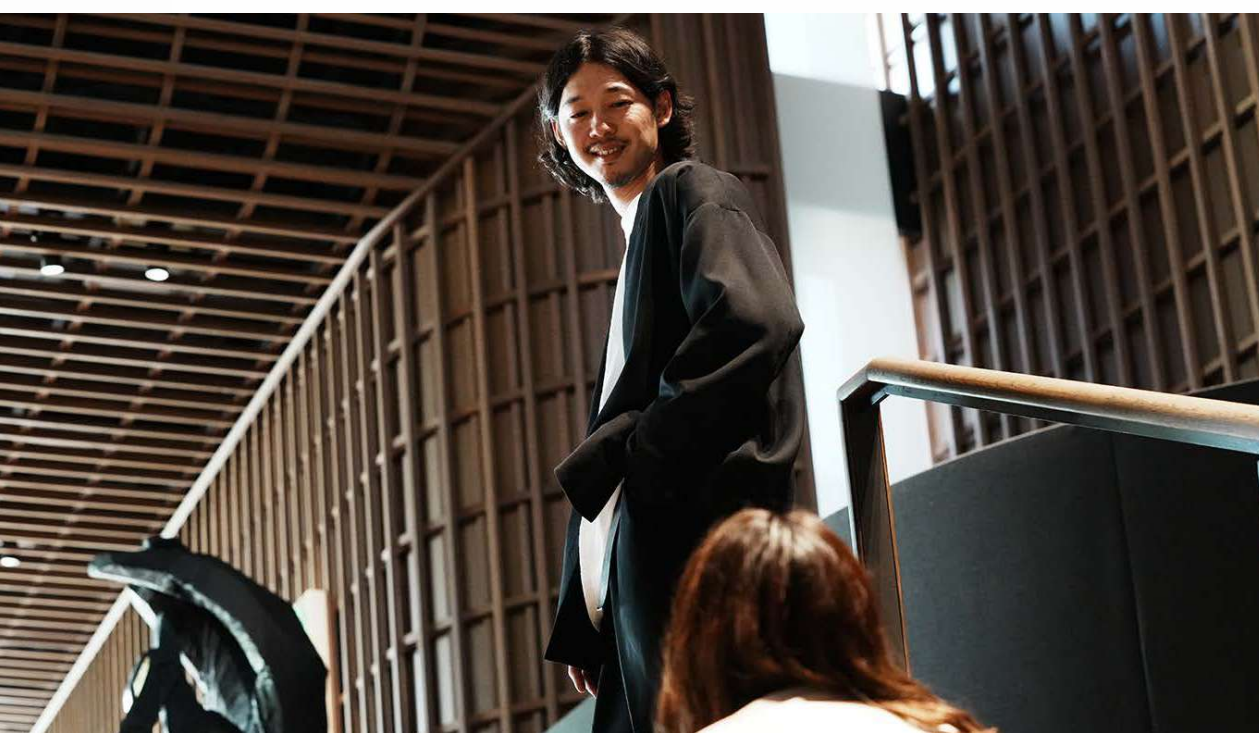
## Topic

- As the Company enters its 25th year in business, we implemented a new management strategy, "Explore your style. Make you delighted.". (May 2022)
- ZOZOTOWN's same-day delivery service was expanded to the northern Kanto area. (May 2022)
- The Company announced that the PGA TOUR "ZOZO CHAMPIONSHIP" 2022 tournament will be held with spectators. (May 2022)
- Our distribution center, ZOZOBASE TSUKUBA 2, introduced 100% of its electricity from renewable energy sources.
- More than 70% of the electricity consumed at the Company's bases is now renewable energy sources. (June 2022)
- WEAR and PayPay Flea Market will collaborate to offer a new function that allows users to easily sell and purchase items posted on WEAR as a fashion-specific social commerce service. (June 2022)
- The Company established a new "Integrated Report Portal" on the corporate website that integrates financial and non-financial information. (July 2022)



# BUSINESS RESULTS

FY2022 1Q ZOZO, Inc. CONSOLIDATED BUSINESS RESULTS



# OVERVIEW OF THE FY2022 1Q



(million¥)

|  | FY2021 1Q | FY2022 1Q | YoY   | Target  | Achievement Rate(%) |
|--|-----------|-----------|-------|---------|---------------------|
| Gross Merchandise Value                          | 116,812   | 127,928   | 9.5%  | 543,800 | 23.5%               |
| Gross Merchandise Value<br>(excluding other GMV) | 106,700   | 115,948   | 8.7%  | 495,800 | 23.4%               |
| Net sales  | 38,866    | 42,590    | 9.6%  | 181,300 | 23.5%               |
| Gross profit                                     | 36,924    | 40,341    | 9.3%  | -       | -                   |
| (%Gross Merchandise Value)                       | 34.6%     | 34.8%     | 0.2%  | -       | -                   |
| SG&A   | 24,333    | 26,028    | 7.0%  | -       | -                   |
| (% to theGross Merchandise Value)                | 22.8%     | 22.4%     | -0.4% | -       | -                   |
| Operating profit                                 | 12,591    | 14,312    | 13.7% | 51,500  | 27.8%               |
| (% to theGross Merchandise Value)                | 11.8%     | 12.3%     | 0.5%  | 10.4%   | -                   |
| Ordinary profit                                  | 12,534    | 14,296    | 14.1% | 51,500  | 27.8%               |
| Profit attributable to<br>owners of parent       | 8,731     | 9,960     | 14.1% | 35,900  | 27.7%               |

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

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



# 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<br>(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.



A woman with brown hair, wearing a white lab coat over a light blue shirt, holds a blue triangular object. She is standing in front of a large, textured, golden-brown wall. To her right, a large, vibrant red flower is visible. The text "(今日からスタートだ)" is overlaid at the bottom of the image.

# CONSOLIDATED BALANCE SHEET

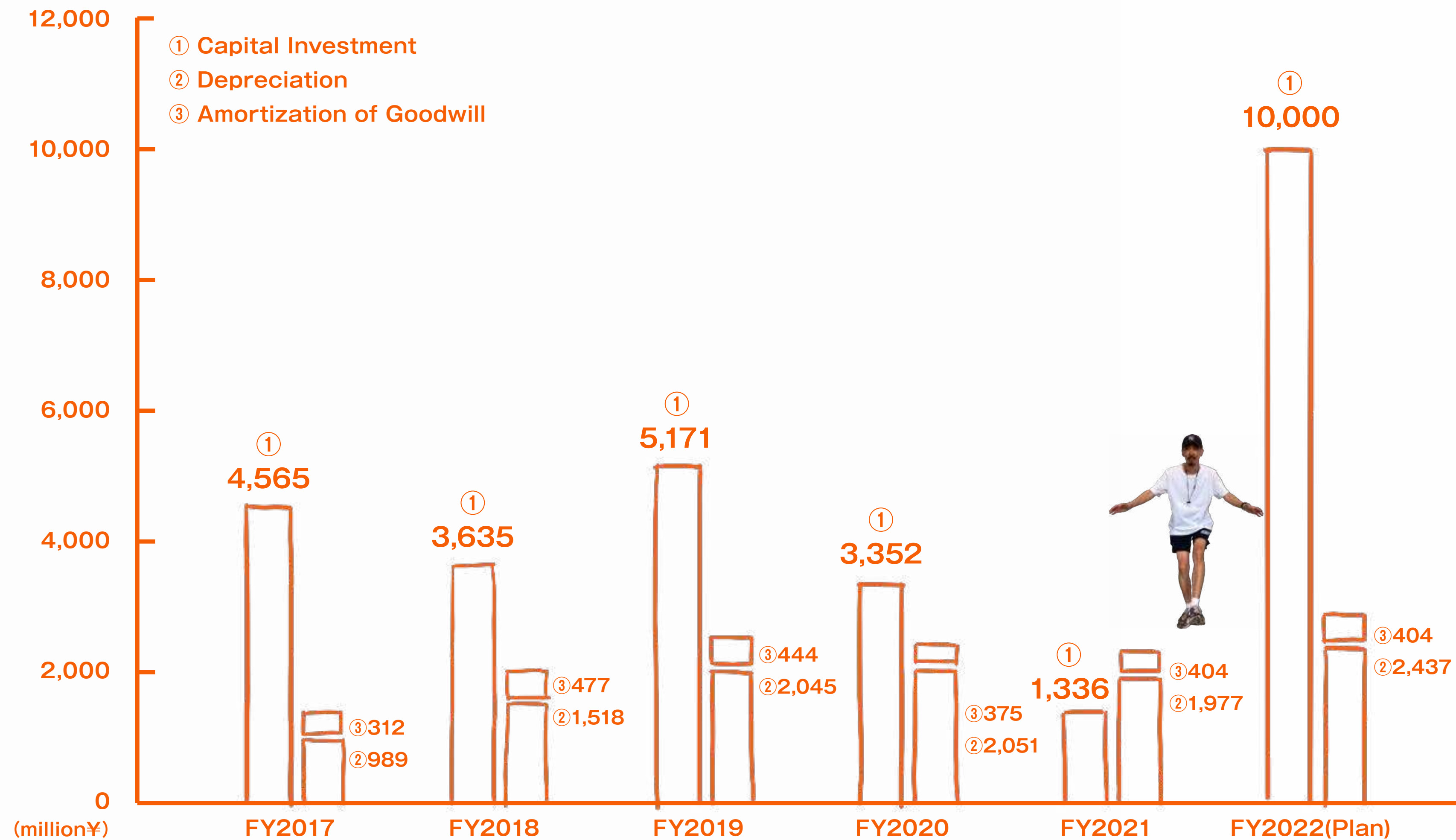


|  | FY2021<br>(as of March 31, 2022) | FY2022 1Q<br>(as of June 30, 2022) |                                  | FY2021<br>(as of March 31, 2022) | FY2021 1Q<br>(as of June 30, 2022) |
|---|----------------------------------|------------------------------------|----------------------------------|----------------------------------|------------------------------------|
| Current assets  | 102,305                          | 94,819                             | Current liabilities              | 66,172                           | 59,074                             |
| Cash and deposits   | 65,520                           | 56,426                             | Short-term borrowing             | 20,200                           | 20,200                             |
| Merchandise and finished products   | 2,060                            | 2,837                              | Noncurrent liabilities           | 6,005                            | 6,343                              |
| Noncurrent assets   | 24,971                           | 24,990                             | Total liabilities                | 72,177                           | 65,418                             |
| Tangible assets   | 11,284                           | 12,009                             | Shareholders' equity             | 55,100                           | 54,290                             |
| Intangible assets   | 2,621                            | 2,507                              | Treasury stock                   | -44,784                          | -44,784                            |
| Investments and other assets  | 11,065                           | 10,473                             | Total net assets                 | 55,099                           | 54,391                             |
| Total assets  | 127,276                          | 119,810                            | Total liabilities and net assets | 127,276                          | 119,810                            |



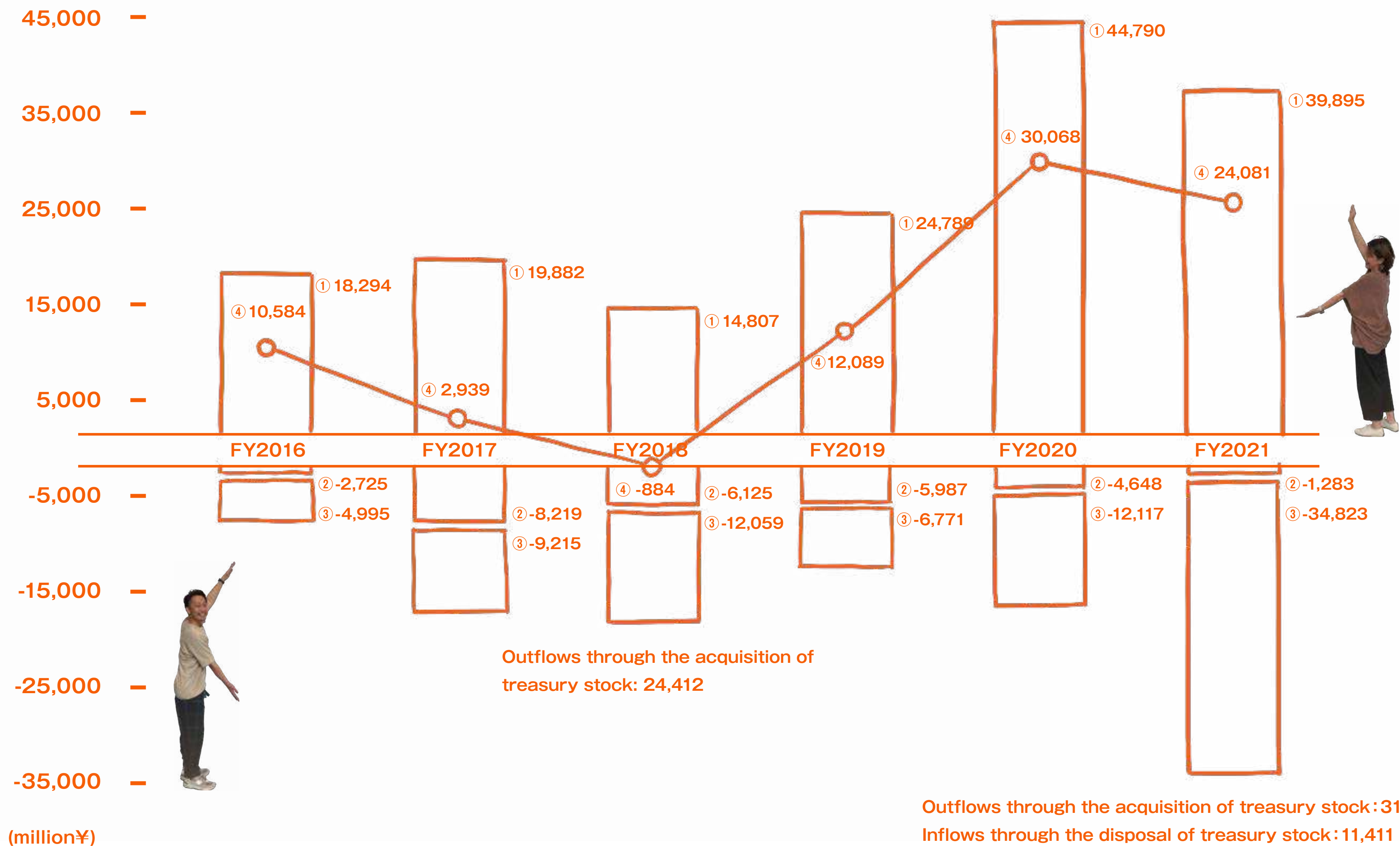
※当社は、人事のことを「人自」、仕事のことを「自事」と表記しております。

# CAPITAL INVESTMENT



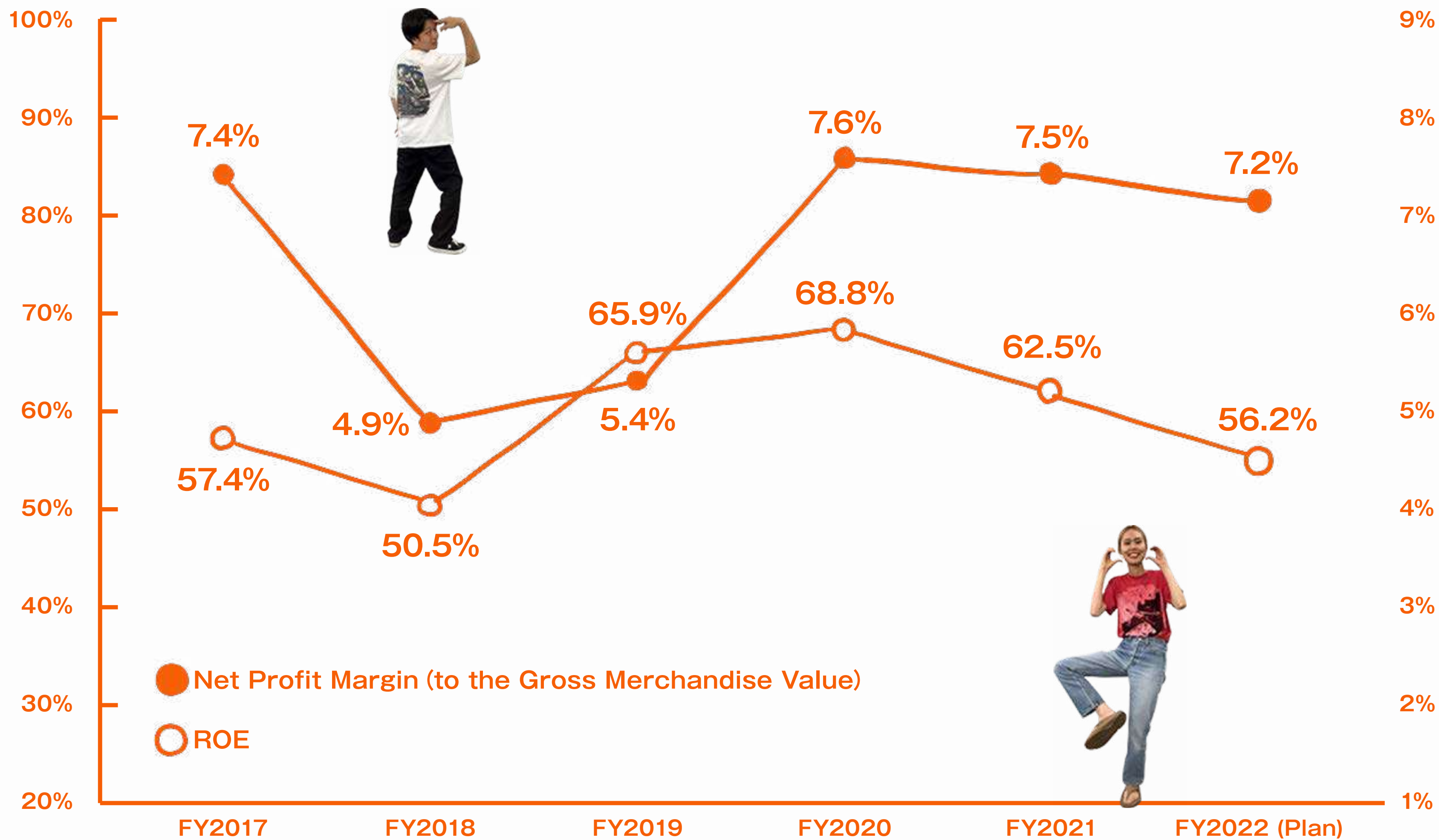
# CASH FLOWS

- 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



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# ROE AND NET PROFIT MARGIN

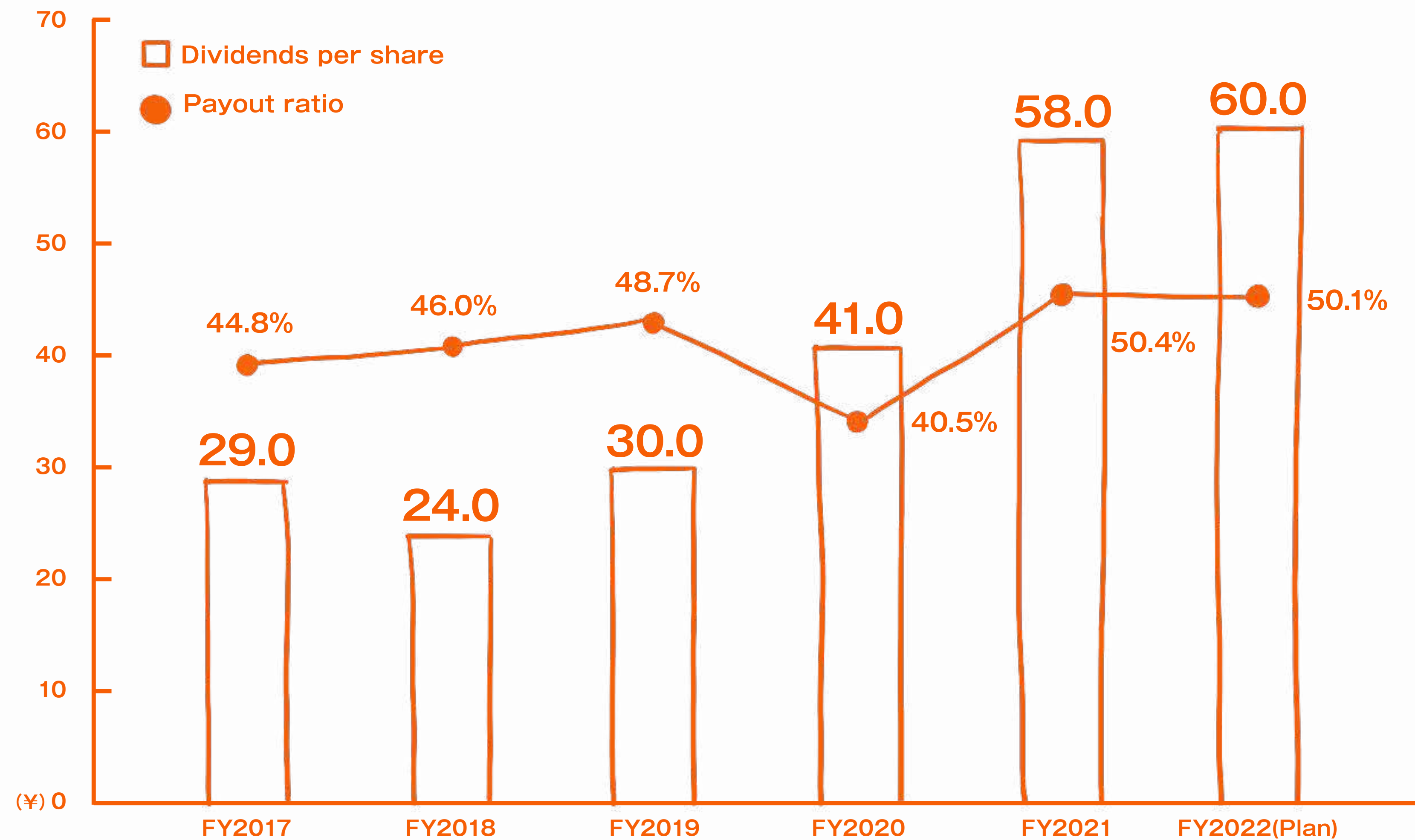


\* Net Profit margin is calculated by net profit divided by the gross merchandise value (excluding other GMV).



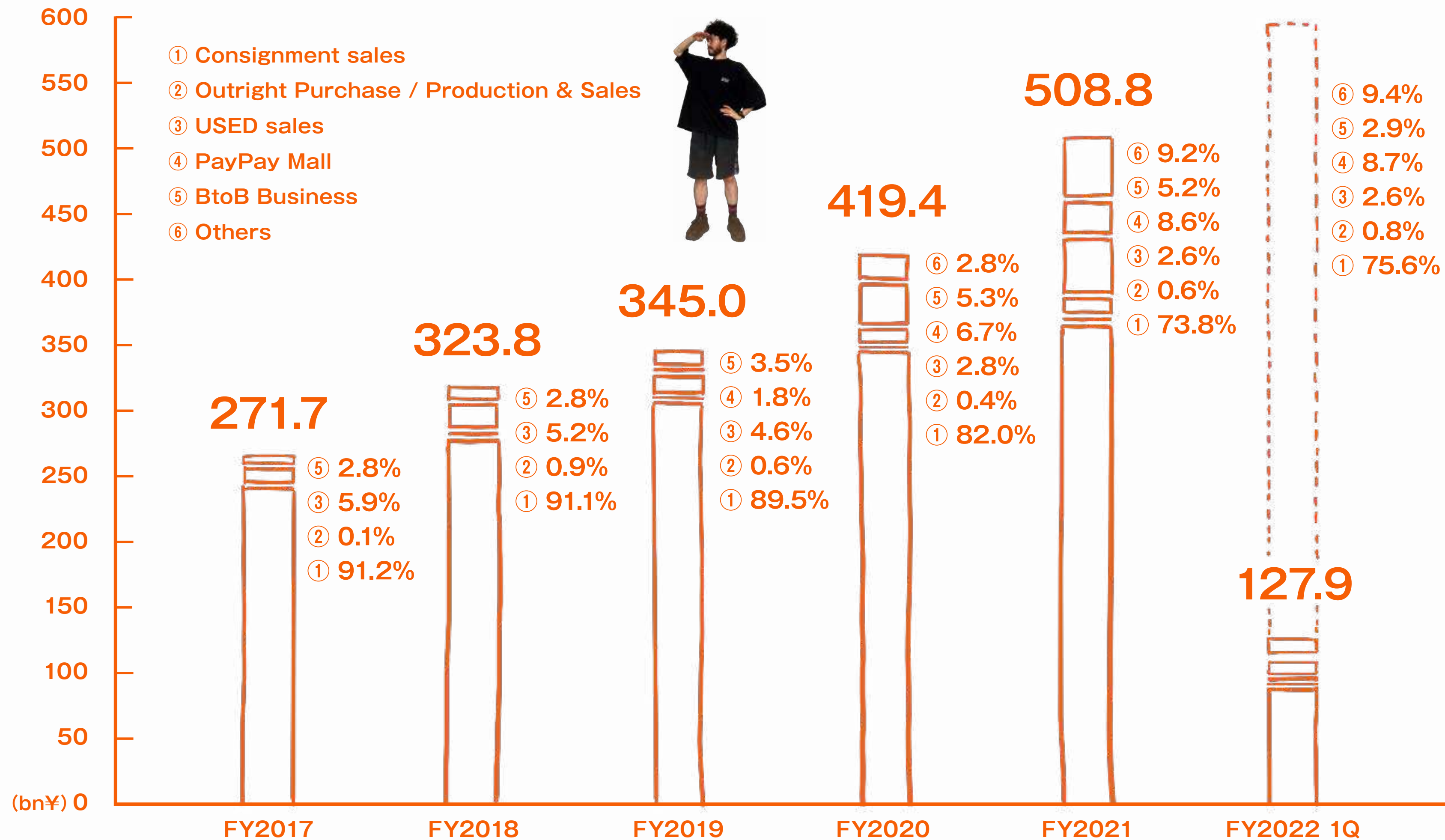
※当社は、人事のごとき「人自」、仕事のごとき「自事」と表記しております。

# DIVIDENDS PER SHARE AND PAYOUT RATIO

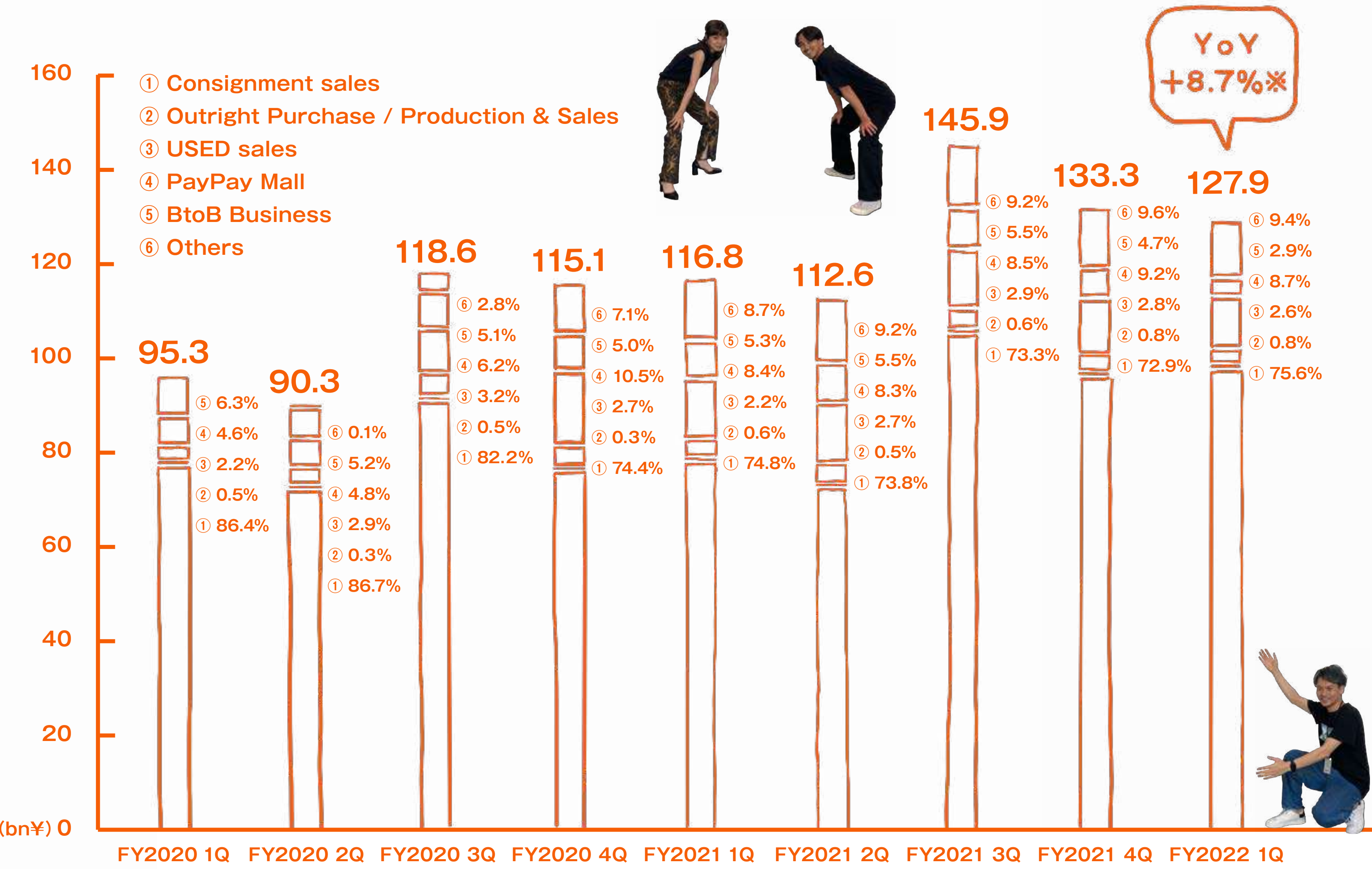


# GROSS MERCHANDISE VALUE

Gross merchandise value of new shops opened in FY2022 1Q ZOZOTOWN Business : ¥0.1 billion  
(accounts for 0.1% of the gross merchandise value)



# GROSS MERCHANDISE VALUE(QUARTERLY)



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



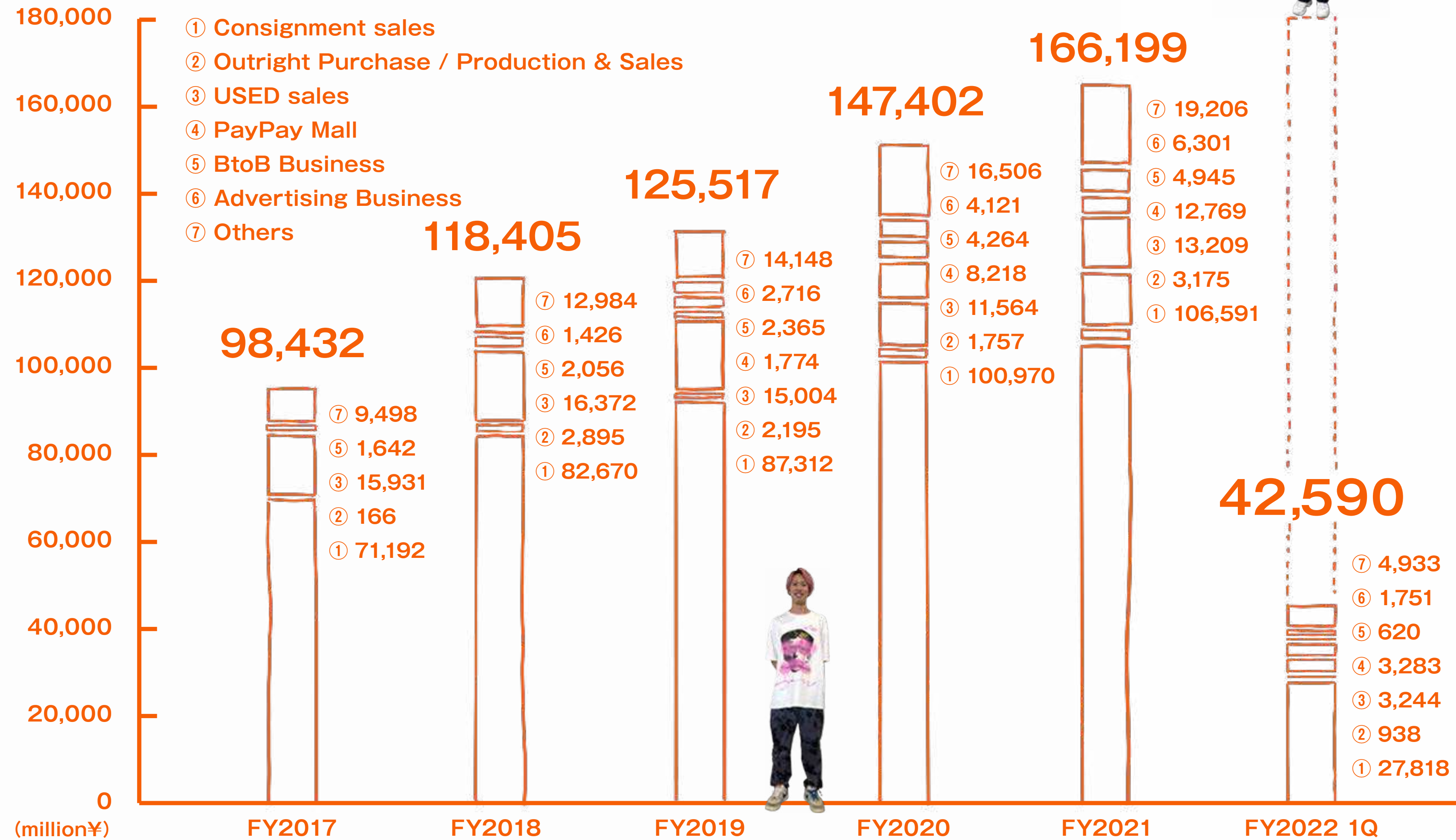
あっつくてからかったんだよねえ



でしょうね~



# NET SALES



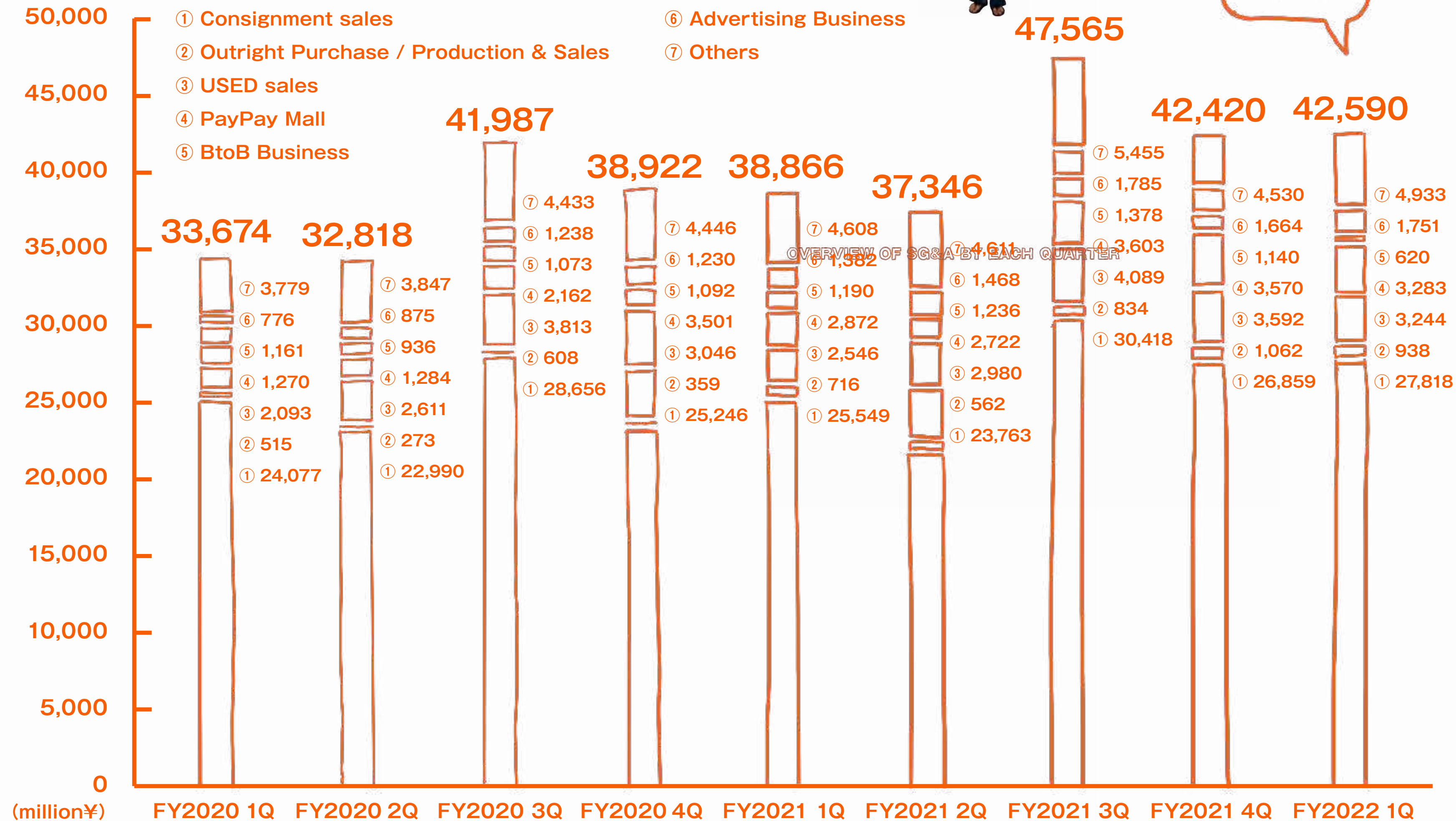
\* Effective from the fiscal year ended March 2022, we have adopted the new accounting standards for revenue recognition. Until the fiscal year ended March 2021, points-related expenses, which had been recorded in SG&A expenses, were reduced from sales in the respective businesses, and the results are disclosed as net sales.



# NET SALES(QUARTERLY)

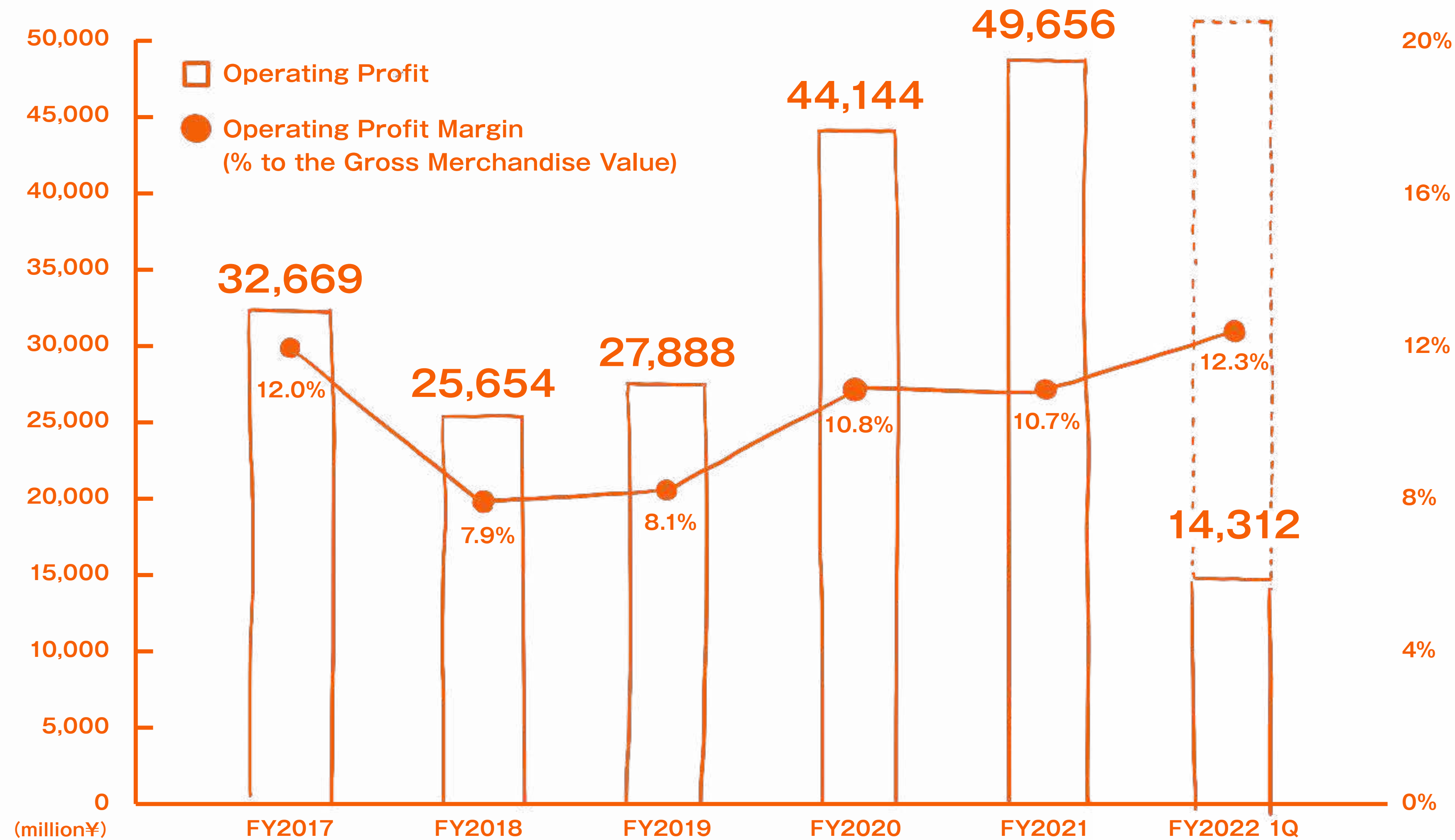


YoY  
+9.6%



\* Effective from the fiscal year ended 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.

# OPERATING PROFIT AND OPERATING PROFIT MARGIN





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



# 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%                    | <br>Transition of the number of employees on consolidated basis: FY2021 1Q 1,331 → FY2022 1Q 1,466<br>Efficient operations were continued with an increase in inventory storage capacity due to the re-leasing of the warehouses of CHIBA 3.                    |
| Payroll costs for employee                                    | 2,831     | 2.7%                     | 3,115     | 2.7%                     | 0.0%                     |  |
| Logistics-Related Expenses (Including Outsourcing)            | 4,051     | 3.8%                     | 4,016     | 3.5%                     | -0.3%                    |  |
| 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



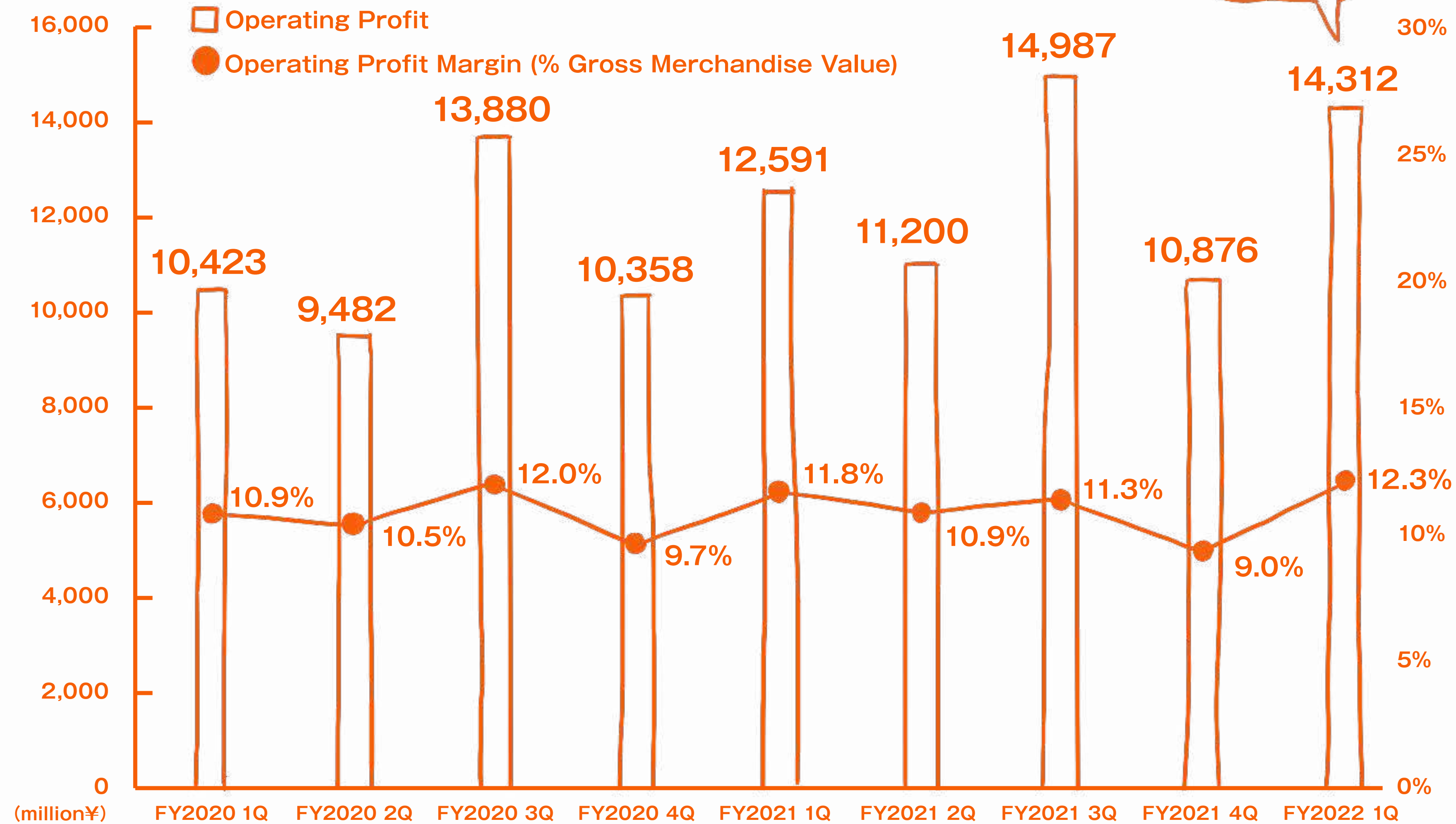
その服、どうしたの?



大切なハワイの友達からもらった

# 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).



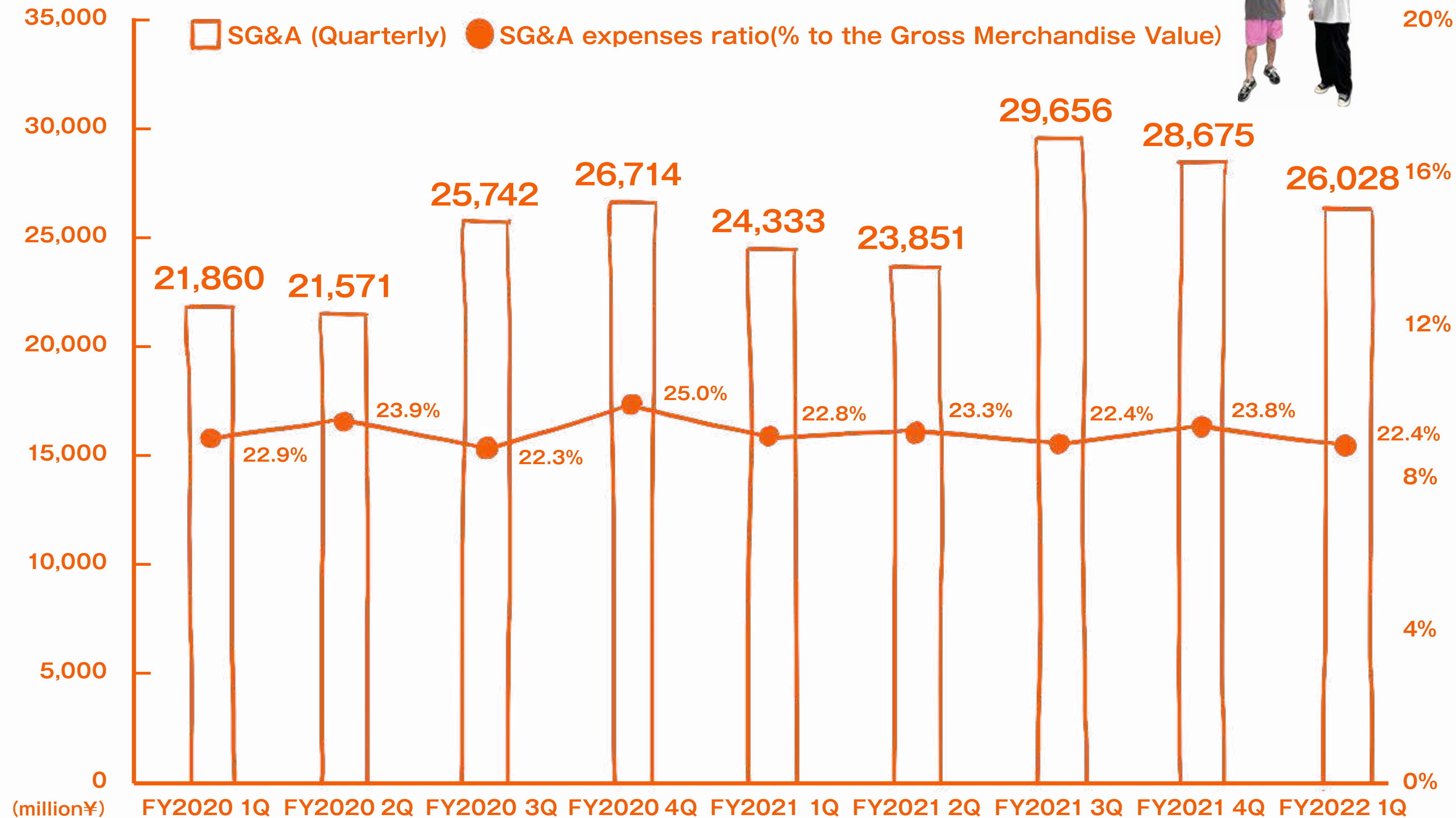
もっと似合うのあるんじゃないかな?



何、そのトゲトゲした言い方!



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

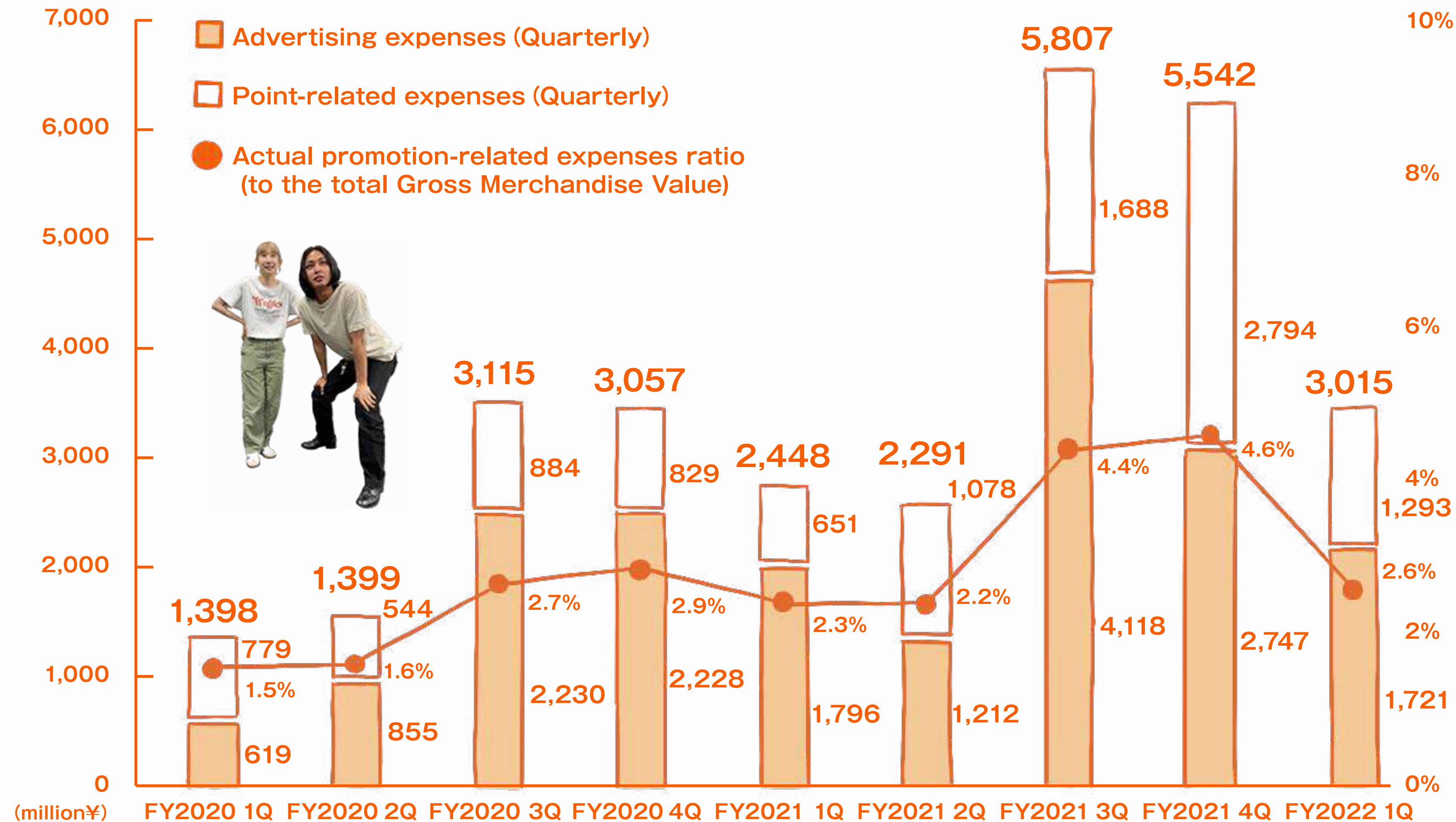


\* SG&A expenses ratio is calculated by related items divided by the gross merchandise value (excluding other GMV).  
 \* Effective from the fiscal year ended March 2022, we have adopted the new accounting standards for revenue recognition. Until the fiscal year ended March 2021, points-related expenses, which had been recorded in SG&A expenses, were reduced from sales in the respective businesses, and the results are disclosed as net sales.



# 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)



# OVERVIEW OF SG&A BY EACH QUARTER

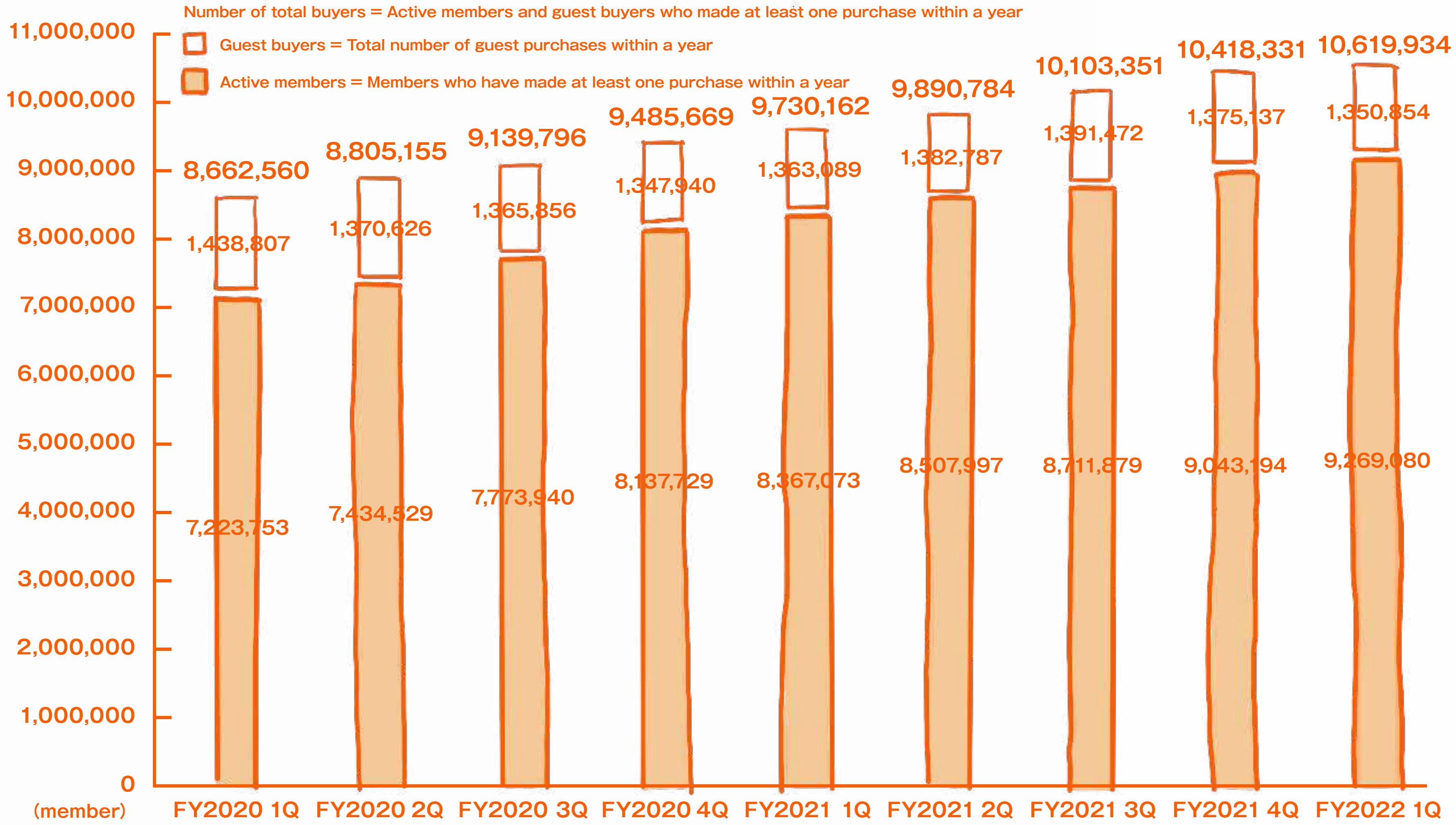
(million¥)

|   | FY2021 |                          |        |                          |        |                          |        |                          | FY2022 |                          |
|---|--------|--------------------------|--------|--------------------------|--------|--------------------------|--------|--------------------------|--------|--------------------------|
|   | 1Q     |                          | 2Q     |                          | 3Q     |                          | 4Q     |                          | 1Q     |                          |
|   | Amount | %Gross Merchandise Value | Amount | %Gross Merchandise Value | Amount | %Gross Merchandise Value | Amount | %Gross Merchandise Value | Amount | %Gross Merchandise Value |
| Payroll and staff costs(*)                                    | 6,883  | 6.5%                     | 6,887  | 6.7%                     | 7,860  | 5.9%                     | 8,542  | 7.1%                     | 7,132  | 6.2%                     |
| Payroll costs for employee                                    | 2,831  | 2.7%                     | 2,774  | 2.7%                     | 3,300  | 2.5%                     | 4,146  | 3.4%                     | 3,115  | 2.7%                     |
| Logistics-Related Expenses (Including Outsourcing)            | 4,051  | 3.8%                     | 4,112  | 4.0%                     | 4,559  | 3.4%                     | 4,396  | 3.6%                     | 4,016  | 3.5%                     |
| Outsourcing Commission (Excluding Logistics-Related Expenses) | 1,429  | 1.3%                     | 1,499  | 1.5%                     | 1,458  | 1.1%                     | 1,649  | 1.4%                     | 1,646  | 1.4%                     |
| Shipping  | 7,597  | 7.1%                     | 7,486  | 7.3%                     | 8,275  | 6.2%                     | 8,021  | 6.7%                     | 7,996  | 6.9%                     |
| Commission of Payment collection                              | 2,580  | 2.4%                     | 2,478  | 2.4%                     | 3,146  | 2.4%                     | 2,771  | 2.3%                     | 2,733  | 2.4%                     |
| Advertising   | 1,796  | 1.7%                     | 1,212  | 1.2%                     | 4,118  | 3.1%                     | 2,747  | 2.3%                     | 1,721  | 1.5%                     |
| Rent expense  | 1,431  | 1.3%                     | 1,432  | 1.4%                     | 1,432  | 1.1%                     | 1,432  | 1.2%                     | 1,514  | 1.3%                     |
| Depreciation  | 454    | 0.4%                     | 478    | 0.5%                     | 503    | 0.4%                     | 541    | 0.4%                     | 465    | 0.4%                     |
| Amortization of goodwill                                      | 101    | 0.1%                     | 100    | 0.1%                     | 101    | 0.1%                     | 101    | 0.1%                     | 106    | 0.1%                     |
| Stock Compensation Expenses                                   | 13     | 0.0%                     | 38     | 0.0%                     | 25     | 0.0%                     | 9      | 0.0%                     | 10     | 0.0%                     |
| Others  | 2,043  | 1.9%                     | 2,237  | 2.2%                     | 2,733  | 2.1%                     | 2,858  | 2.4%                     | 2,702  | 2.3%                     |
| Total SG&A  | 24,333 | 22.8%                    | 23,851 | 23.3%                    | 29,656 | 22.4%                    | 28,675 | 23.8%                    | 26,028 | 22.4%                    |

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



# NUMBER OF TOTAL BUYERS

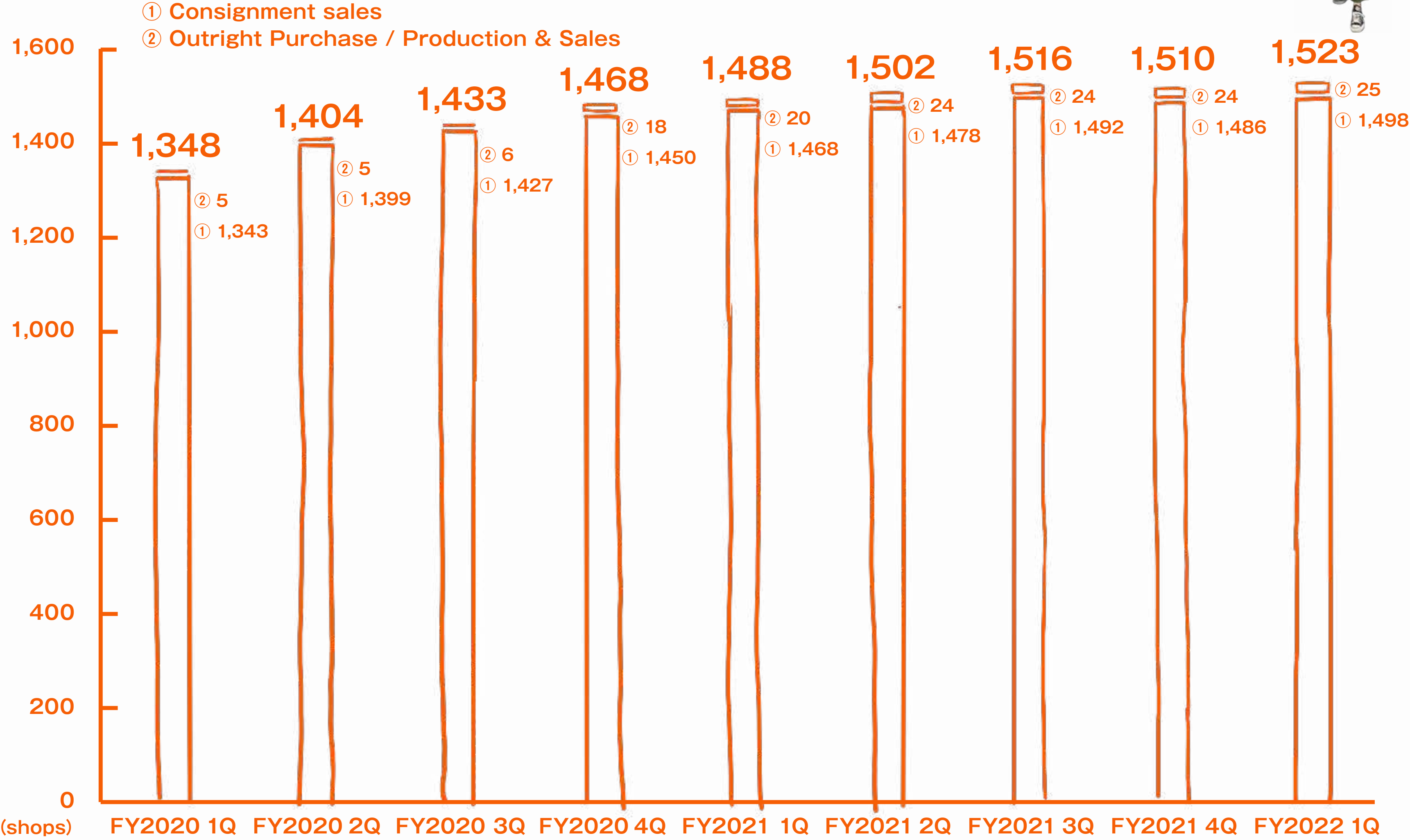


\* Excluding the users only purchased the body measurement device “ZOZOSUIT” “ZOZOMAT” and “ZOZOGLASS”

\* PayPay Mall is not included.



# NUMBER OF SHOPS ON ZOZOTOWN

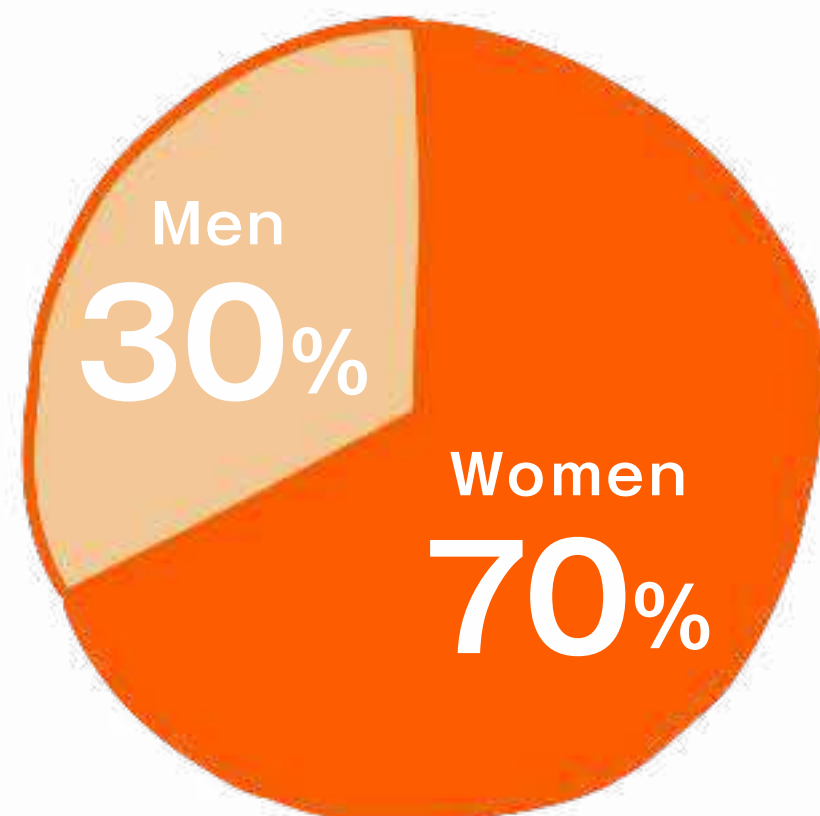


\* Shops of the private brand "ZOZO" and "Multi-Size" are not included to the number of shops.

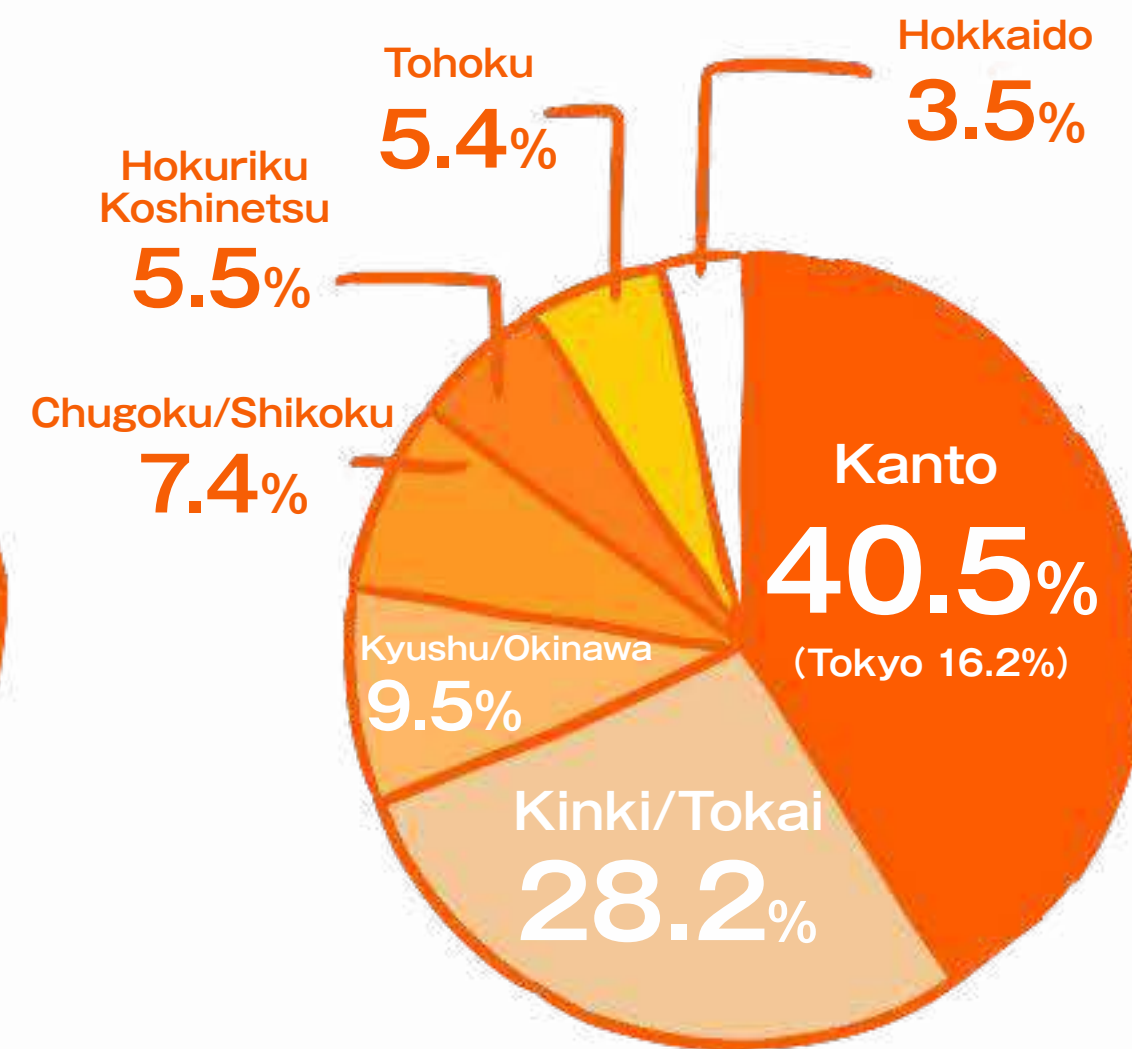


# ACTIVE MEMBER DISTRIBUTION

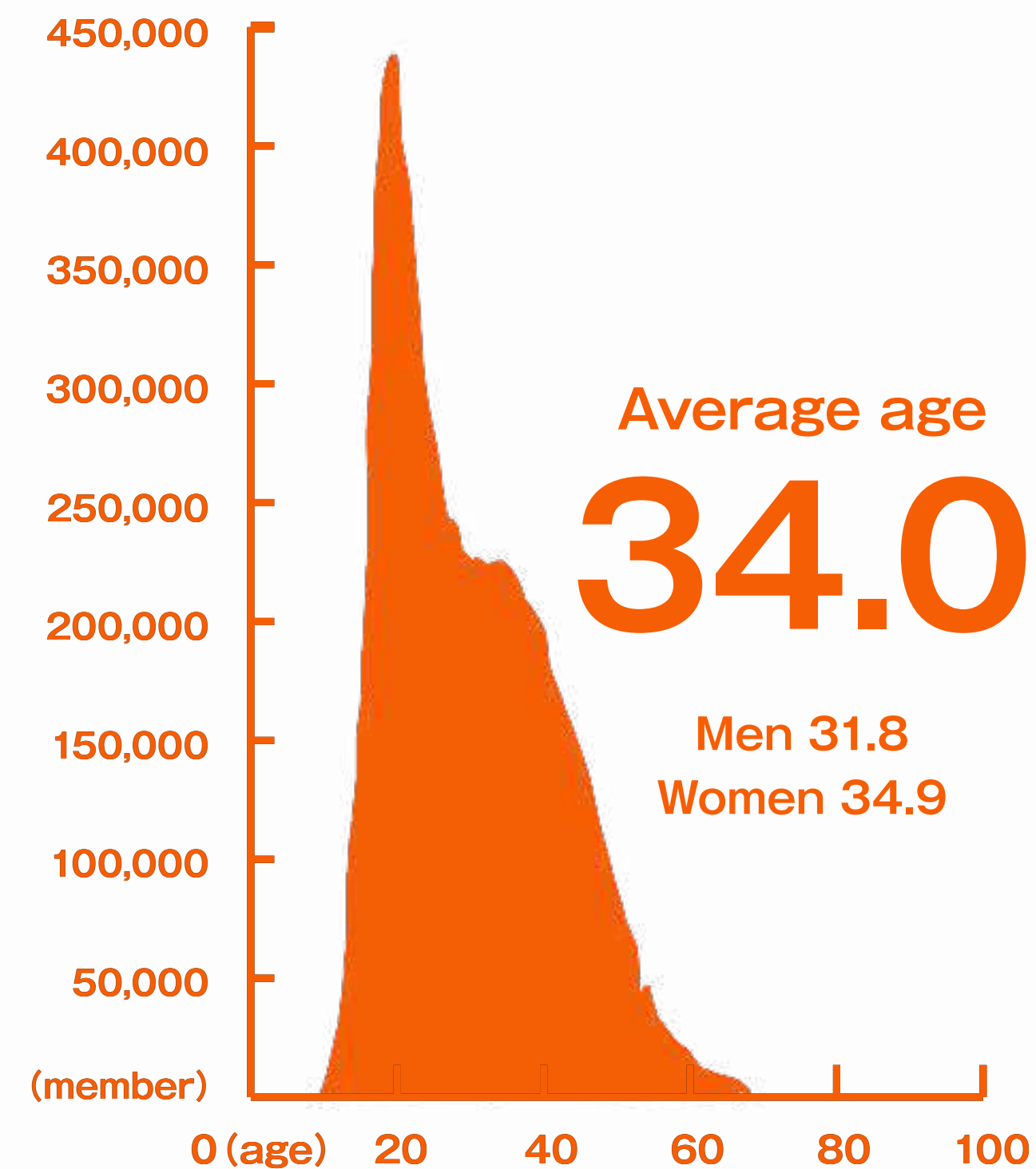
## Gender ratio



## Geographical distribution



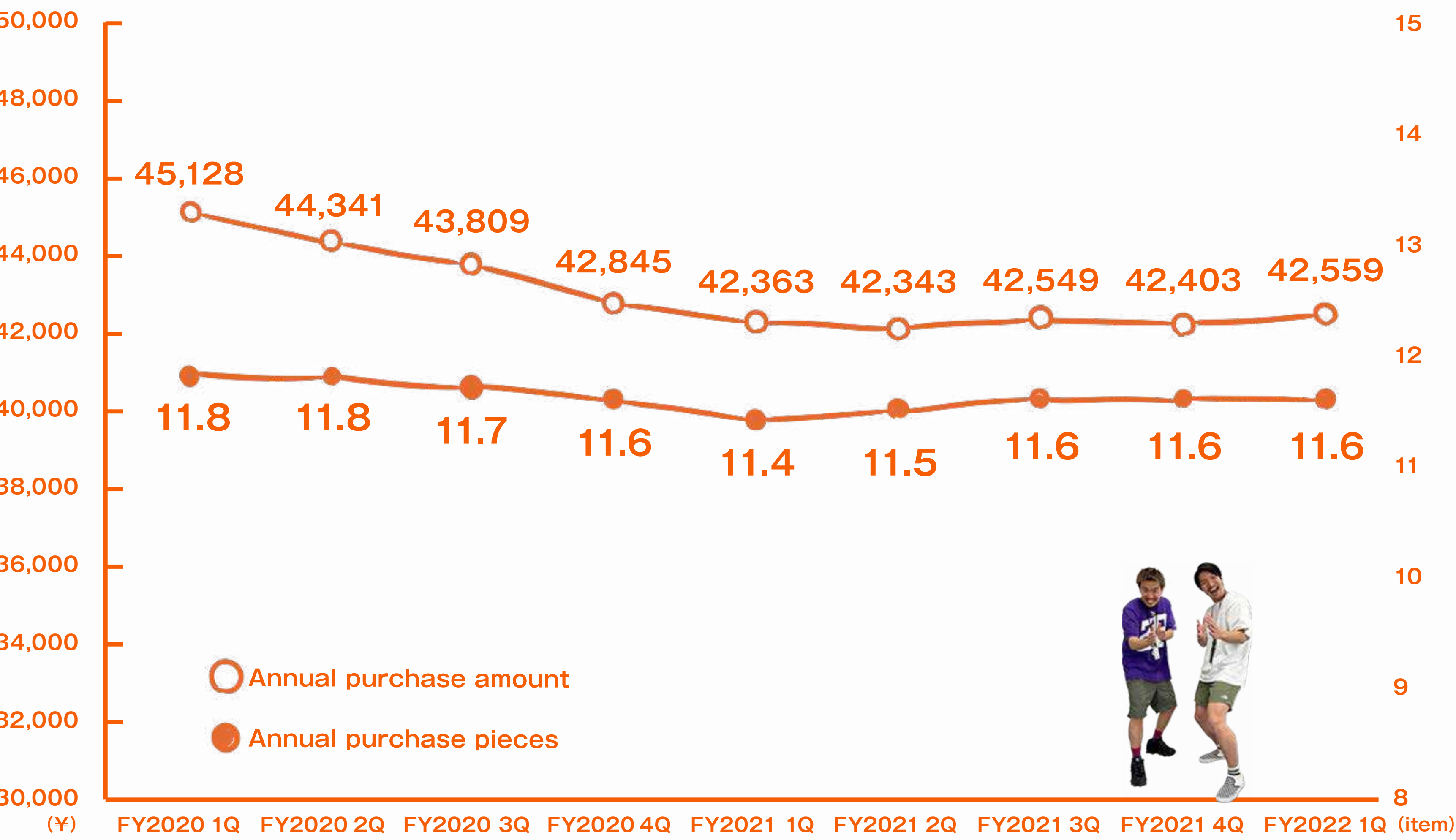
## Age distribution



\* PayPay Mall is not included



# ANNUAL PURCHASE AMOUNT AND PIECES PER ACTIVE MEMBER

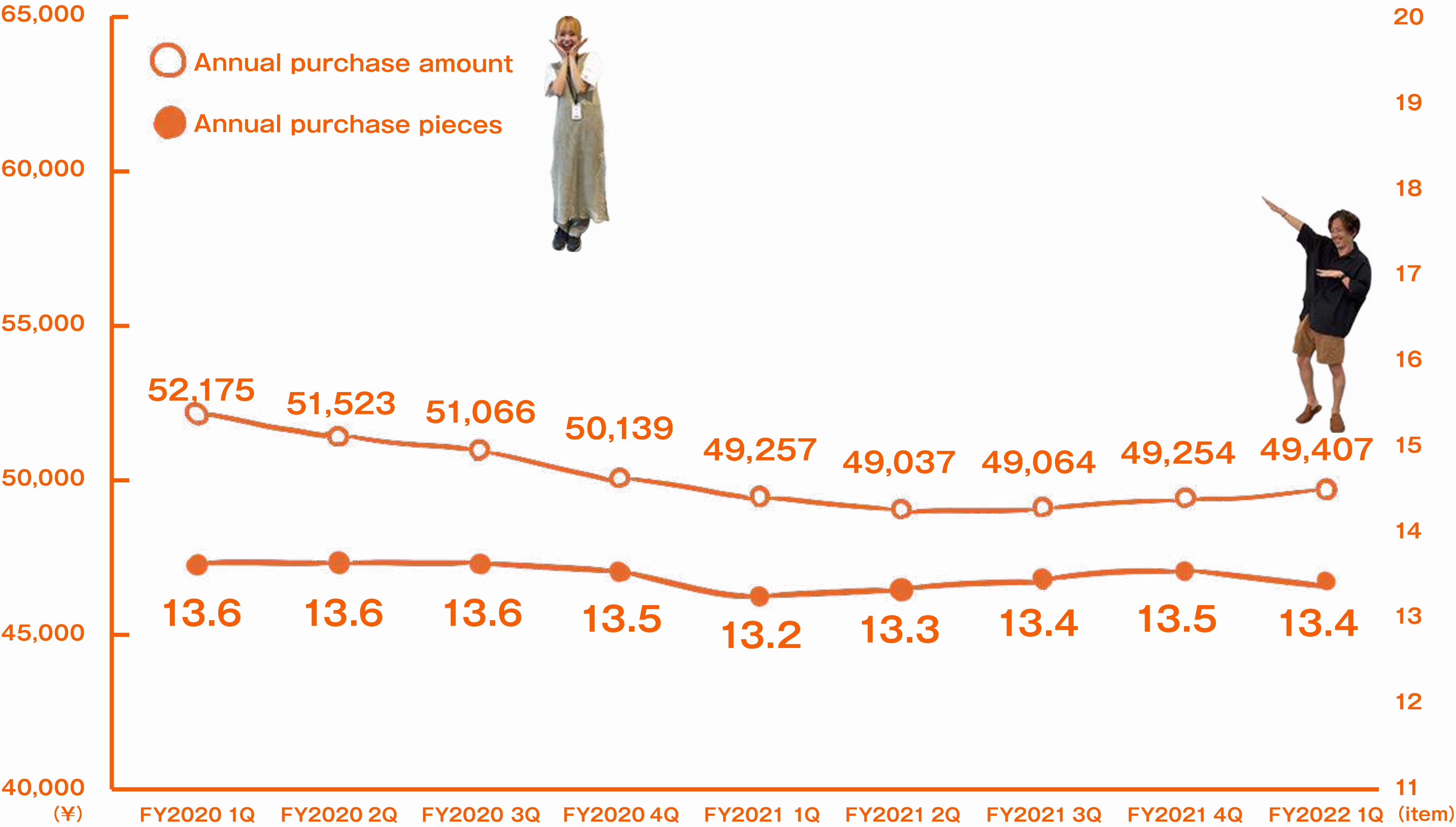


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\* PayPay Mall is not included.



# ANNUAL PURCHASE AMOUNT AND PIECES PER EXISTING ACTIVE MEMBER

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

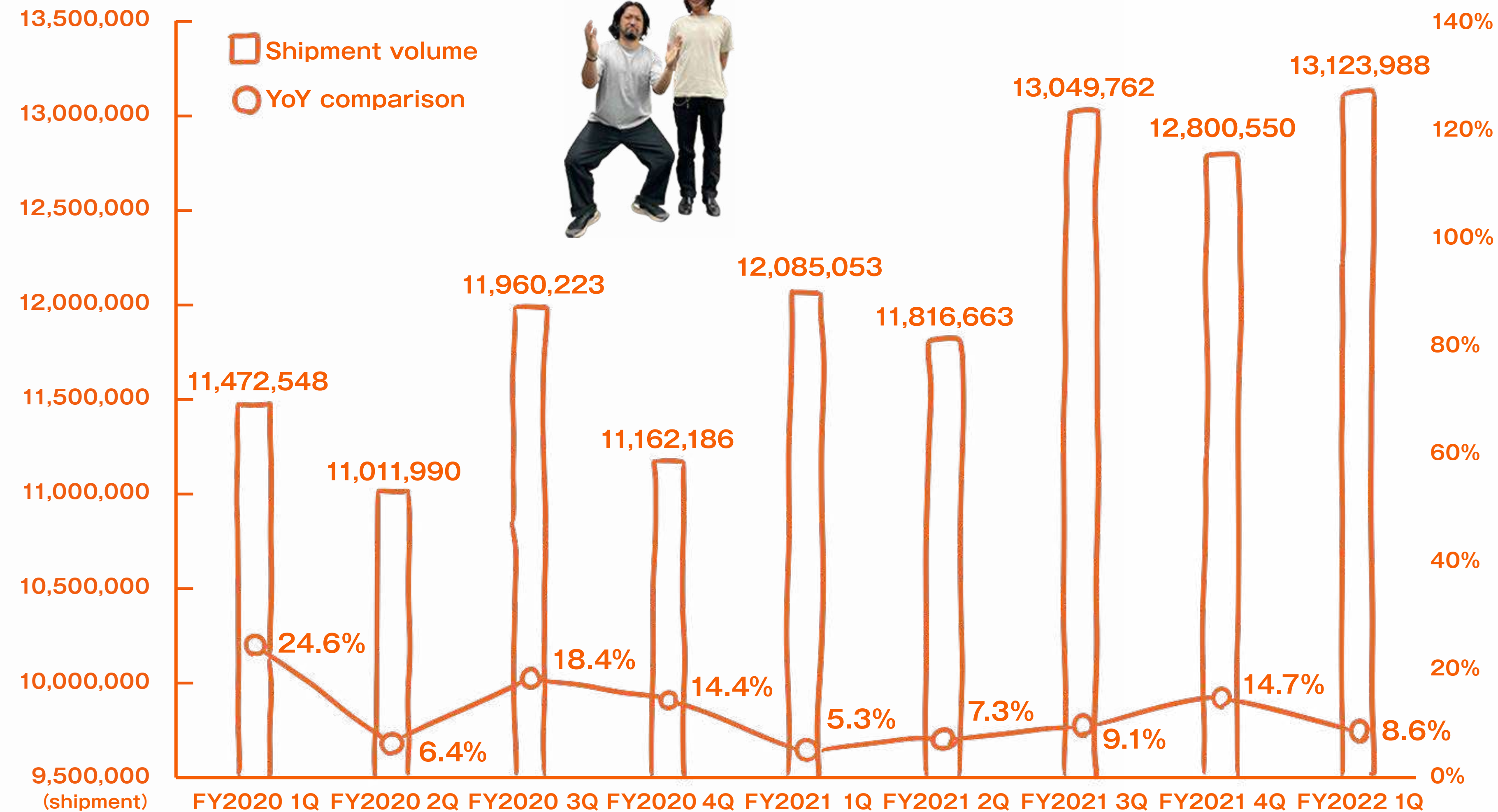


\* Excluding the users only purchased the body measurement device “ZOZOSUIT” “ZOZOMAT” and “ZOZOGLASS”

\* PayPay Mall is not included.



# NUMBER OF SHIPMENTS

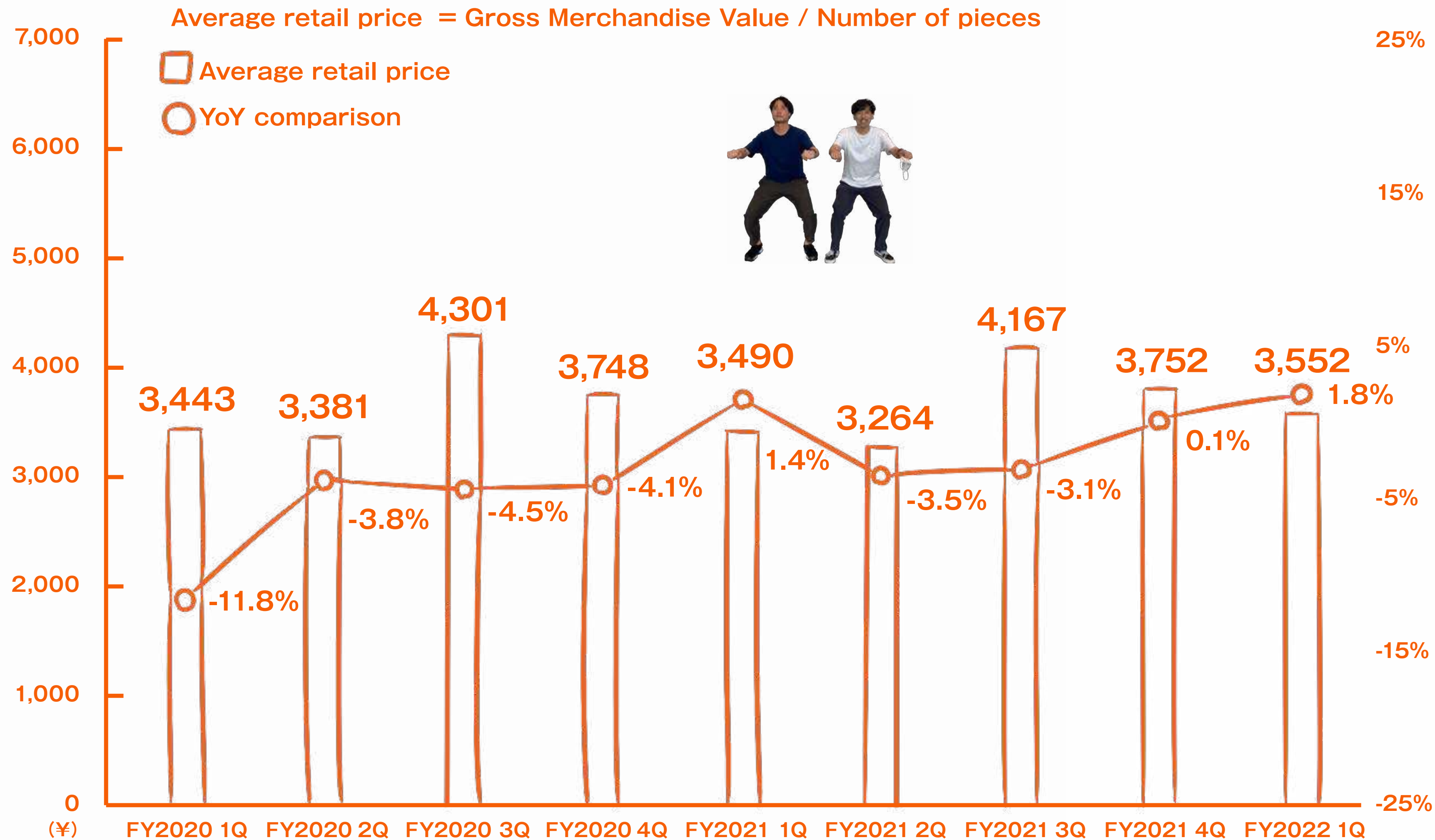


\* Excluding the users only purchased the body measurement device “ZOSUIT” “ZOMAT” and “ZOGGLASS”

\* PayPay Mall is not included \* The numbers of shipments are the combined results of the ZOZOTOWN business.



# AVERAGE RETAIL PRICE



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

\* PayPay Mall is not included.



こんなに受注があるのは



みんなが協力して、ありえないスピードで



販売を開始できたからだよ

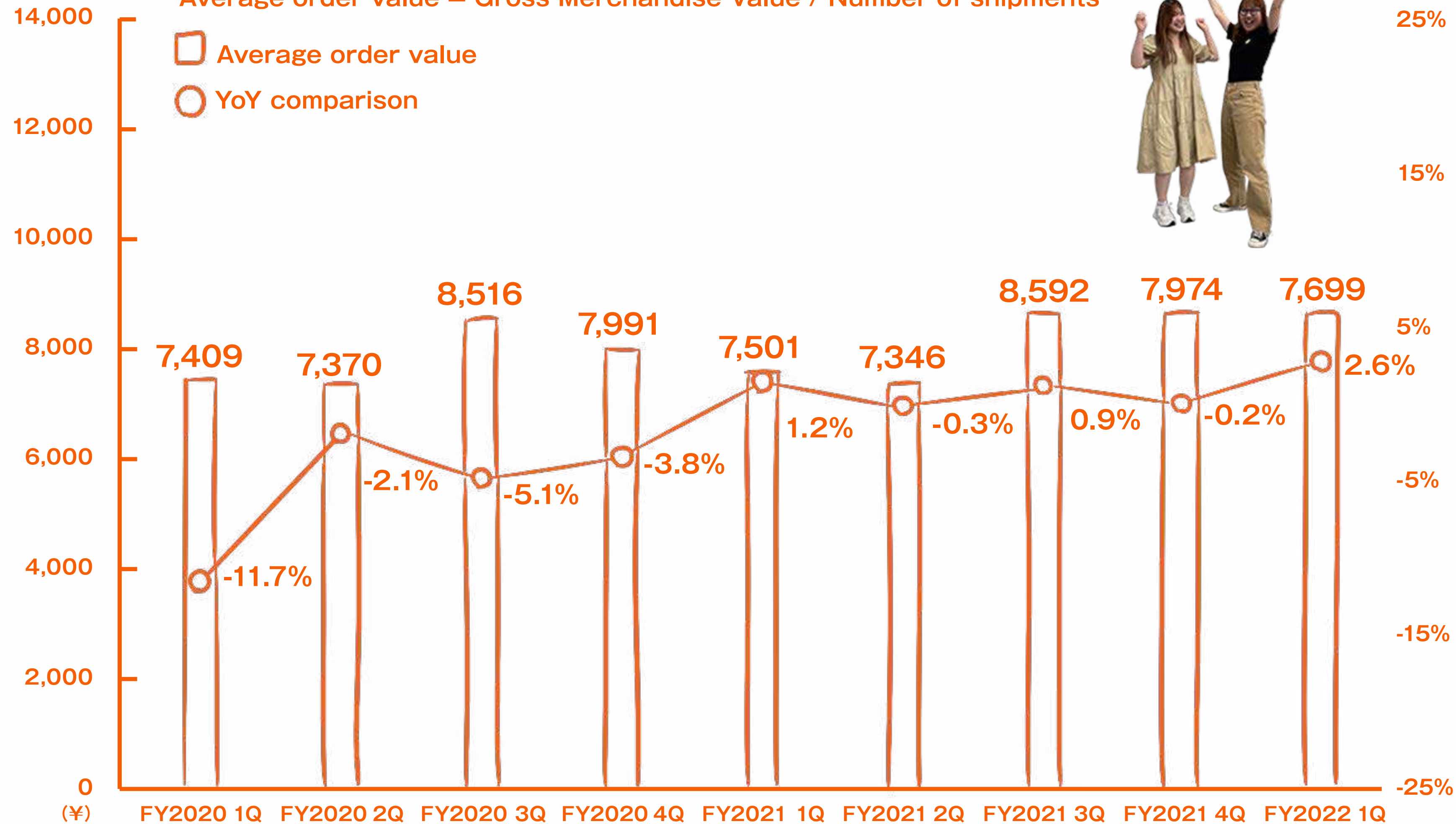


**YANASE** ディレクター  
このチャリティTシャツのおかげで1人でも多くの人が笑顔になってくれるといいね  
Tシャツが届くの楽しみだね

おっ

# 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.



25%

15%

5%

-5%

-15%

-25%



柳瀬さんからもメッセージが来て  
すごく喜んでたよ!



SNSでも話題になってましたね



タイトなスケジュールの中、お疲れ様でした!



ねえ、ひな…。なんか最近冷たくない?

# BUSINESS PLAN FOR FY2022

FY2022 1Q ZOZO, Inc. CONSOLIDATED BUSINESS RESULTS



# CONSOLIDATED BUSINESS FORECAST AND DIVIDEND FORECAST FOR FY2022

|   | FY2022 Plan*      | YoY  |
|---|-------------------|------|
| Gross Merchandise Value                                       | 543.8 billion yen | 6.9% |
| Gross Merchandise Value<br>(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<br>(% 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).



# FY2022 TARGET BY BUSINESS SEGMENT

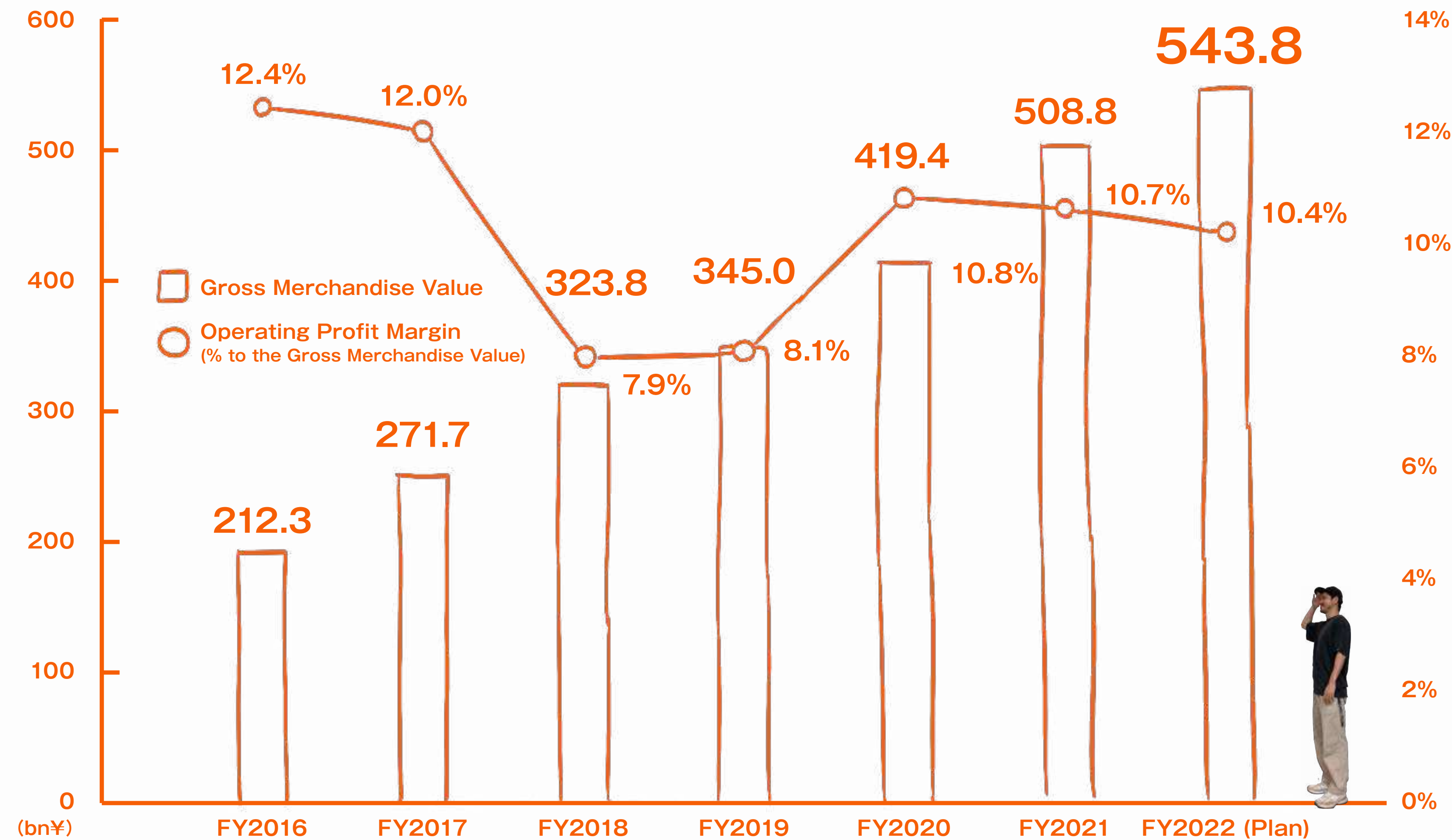
|   | Target for Gross Merchandise Value | YoY    |
|---|------------------------------------|--------|
| ZOZOTOWN Business                             | 423.2 billion yen                  | +8.1%  |
| Outright Purchase/Production & Sales          | 4.0 billion yen                    | +23.7% |
| Consignment sales                             | 404.4 billion yen                  | +7.8%  |
| USED sales                                    | 14.8 billion yen                   | +10.1% |
| PayPay mall                                   | 56.6 billion yen                   | +29.1% |
| BtoB Business                                 | 16.0 billion yen                   | -40.0% |
| Gross Merchandise Value (excluding other GMV) | 495.8 billion yen                  | +7.3%  |
| Others  | 48.0 billion yen                   | +2.8%  |
| Gross Merchandise Value                       | 543.8 billion yen                  | +6.9%  |

|                                 |                   |        |
|---------------------------------|-------------------|--------|
| ZOZOTOWN Business + PayPay mall | 479.8 billion yen | +10.2% |
|---------------------------------|-------------------|--------|

|                        | Target for Net Sales | YoY    |
|------------------------|----------------------|--------|
| Advertisement Business | 7.2 billion yen      | +14.3% |



# GROSS MERCHANDISE VALUE & OPERATING PROFIT MARGIN



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



# REFERENCE DATA

FY2022 1Q ZOZO, Inc. CONSOLIDATED BUSINESS RESULTS



# STATISTICS OF ZOZO

## EMPLOYEES

1,466

(Average age 33.1 years old)

## NUMBER OF BRANDS HANDLED

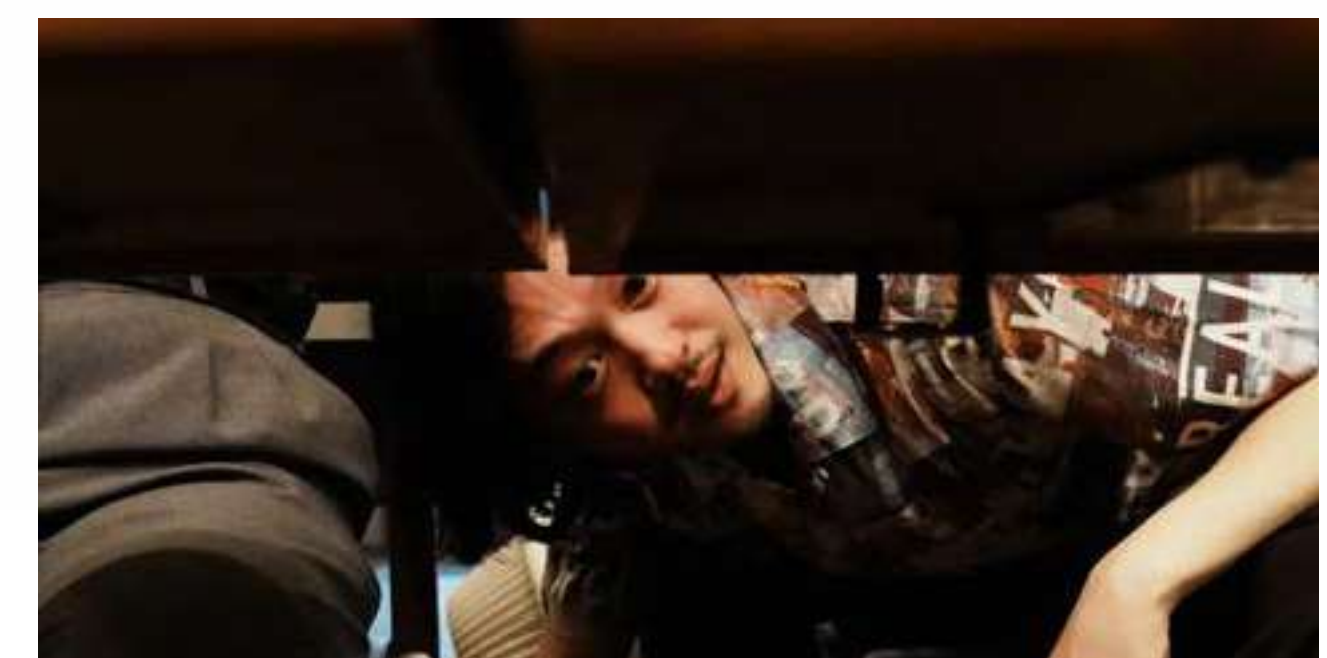
8,512

## SHAREHOLDERS

15,329

## ZOZOTOWN TOTAL BUYERS (1 year basis)

10.6 million



# MAJOR SERVICES



## ZOZOTOWN

Japan's Largest Online Retailer of Apparel and Accessories

- 1,523 stores offering 8,512 brands.
- At any given time, more than 900,000 items are available with an average of 2,600 new items added everyday.
- Systems, design, to fulfillment, all functions are built in house.
- Same-day delivery service/Gift-wrapping service/Deferred payment etc.
- Opened ZOZOTOWN shop on PayPay Mall which is operated by Yahoo Japan Corporation.



## WEAR

Japan's largest outfit posting app

- When uploading outfit pictures, tag each item worn in the look, using information on our data data base.  
The systems allows anyone to search for coordinates and items by various queries.
- Official users who we call WEARISTAs, include popular models, singers, actors and actresses.
- Over 16.0 million downloads
- Now available in all geographic areas.



# DIFFERENCES BETWEEN ZOZOTOWN AND ZOZOTOWN SHOP ON PAYPAY MALL



|                            | ZOZOTOWN   | ZOZOTOWN PayPay Mall Shop  |
|----------------------------|--|--|
| Overview                   | One of the largest fashion e-commerce sites in Japan providing original services specialized in fashion  | E-commerce site for wide range of users also expecting cross-category shopping other than the fashion category |
| Number of shops            | 1,523 (As of June 30, 2022)  | 1,399 (As of June 30, 2022)  |
| Selling items              | Full line-up   | Freely selected by each shop   |
| Detail of consignment      | All the operations needed for EC business such as shooting, measurement, logistics, customer support, operation support etc.                                 | Same as the left   |
| Original services provided | 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   |
| Payment methods            | Credit cards, cash on delivery, convenience store payment, deferred payment, LINE Pay, PayPay  | PayPay, credit cards, cash on delivery   |
| Reward points              | No<br>*ZOZO point of 5% of product price (excluding tax) will be granted only for ZOZOCARD   | PayPay bonus points based on PayPay campaign   |
| Revenue                    | Consignment sales commission from brands   | Same as the left<br>(Commission rate is same as ZOZOTOWN)  |
|                            | Shipping revenue from customers  | Same as the left   |
| Expenses bear by ZOZO      | Shop opening commission  | Yes (rate is undisclosed)  |
|                            | Payment collection commission  | No (yes for only cash on delivery)   |
|                            | Customer attraction cost   | No   |
|                            | Reward points cost   | No   |



# BUSINESS MODEL

## ZOZOTOWN Business

### ○ Outright Purchase / Production & Sales

25 stores are operating on ZOZOTOWN.

In addition to purchasing inventory from brand manufacturers and selling them on ZOZOTOWN, it manufactures and sells merchandise by utilizing the planning abilities of influencers such as brand manufacturers, celebrities etc.  
Sales = Gross merchandise value generated by each store\*

### ○ Consignment Sales

We operate 1,498 shops as consignment businesses.

This business model allows us to carry a certain amount of products from the brands, while giving us low inventory risk.  
Sales = Gross merchandise value of each store × commission rate\*

### ○ USED Sales

We purchase used fashion products from our users, and resell them as a second-hand business.  
Sales = Gross merchandise value\*

\* There are adjustments such as a reduction due to the adoption of the accounting standards for revenue recognition.

## PayPay Mall

Opened ZOZOTOWN shop on PayPay Mall 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 40 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

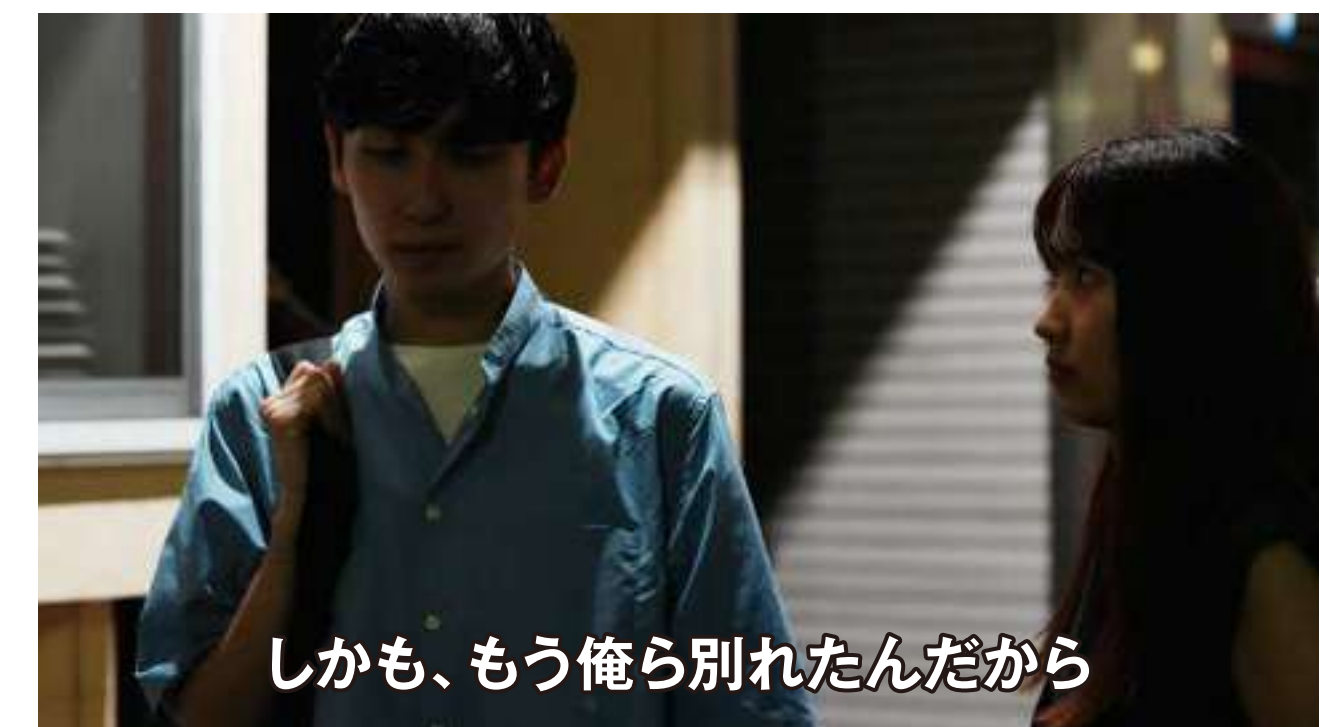
Sales = Commission fee based on the number of shipments and items

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

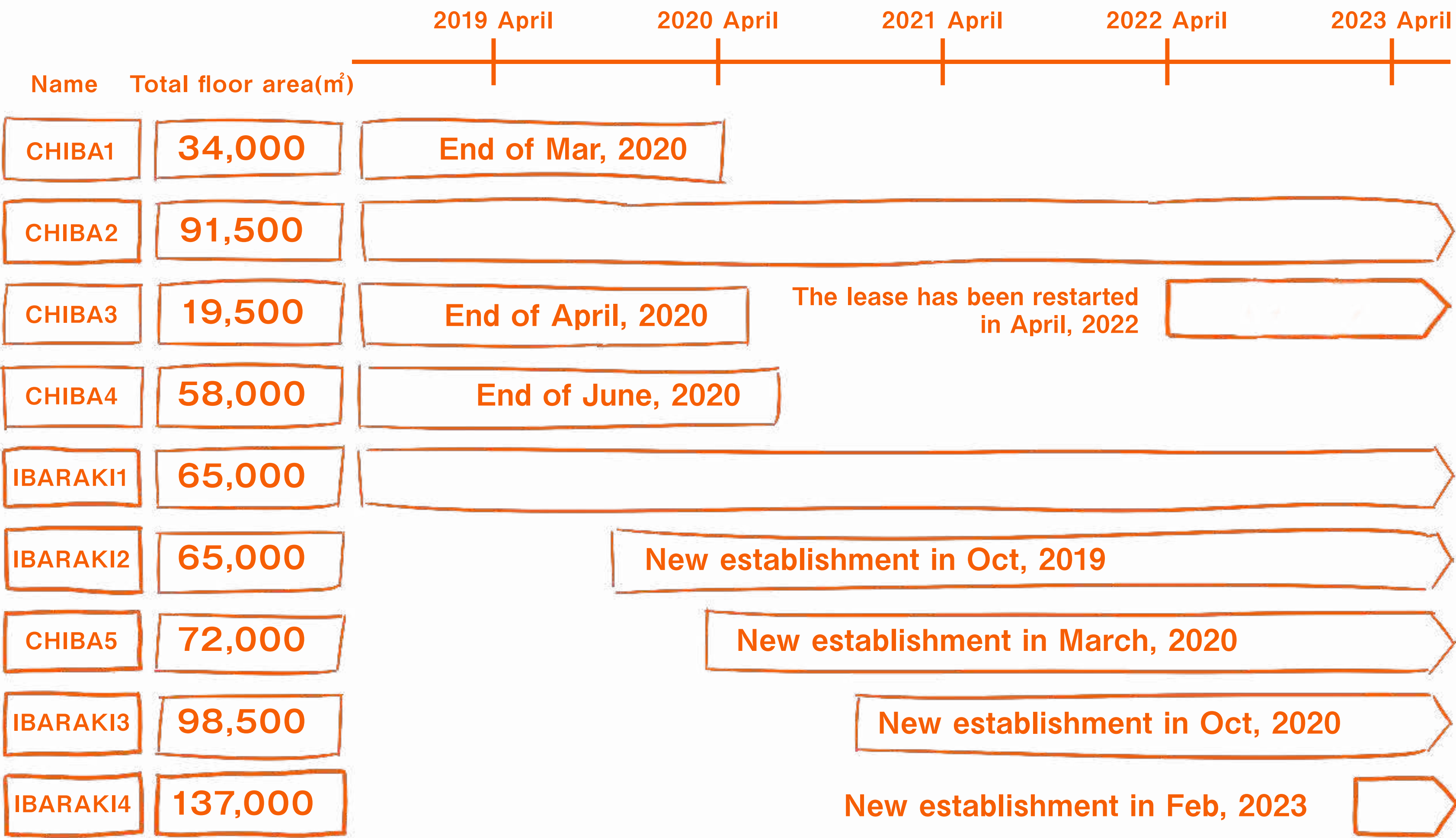
## Advertising Business

Advertisement business will gain advertisement income from client companies including brands by providing advertisement spots utilizing the user base of ZOZOTOWN and WEAR.

Sales = Advertisement income



# LOGISTICS BASES EXPANSION PLAN



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



# APPENDIX

## Introduction of the corporate website <https://corp.zozo.com/en>

The information below is available on our corporate website.

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

<https://corp.zozo.com/en/ir/>

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

<https://corp.zozo.com/en/ir-info/financial-highlights/>

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

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

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

<https://corp.zozo.com/en/sustainability/>

## Introduction of IR Mail

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

\* News and information will be sent through the service provided by Magical Pocket Corporation.

IR Mail Subscription <https://corp.zozo.com/ir-info/mail-magazine/>



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

The business forecasts and the future outlook described in the material  
is based on information currently available.

The forecast includes uncertainties such as sudden changes,  
therefore actual results may differ.







つづく

# あとがき

いつもZOZOを応援してくださる皆さまへ  
私の好きな、会社のカルチャーとスタッフ同士の関係、  
楽しく働く様子をドラマ仕立てで表現しました。

脚本・演出・撮影・キャスト・編集、  
全てZOZOスタッフが自前で作っています。

日々会社で生まれるドラマと、今流行りのドラマを掛け合わせて  
自分自身、ワクワクキュンキュンしながら、関わらせていただいています。

今後の展開はどうなっていくのでしょうか？私も計算できません。笑

乞うご期待ください！！

株式会社ZOZO CI室 れな

