



FY2022 3Q 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

FY20223Q ZOZO, Inc. CONSOLIDATED BUSINESS RESULTS



FY2022 3Q HIGHLIGHTS

The Company achieved a record high in both Gross Merchandise Value and operating profit, building on the strong performance seen in the first half of the fiscal year.

Overview

○ Gross Merchandise Value : 406,497 million yen (+8.3%,YoY)

○ Gross Merchandise Value (excluding other GMV) : 372,022 million yen (+8.9%,YoY)

The YoY growth of more than 10% has continued due to the ZOZOTOWN business exceeding its plan.

The measures to attract and promote customers have proven effective, resulting in the highest quarterly results of the year on a year-over-year basis.

○ Operating Profit : 44,635 million yen (+15.1%,YoY)

The YoY growth of more than 10% has continued.

Although the expenses for measures to attract and promote customers increased 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, especially variable costs.

Gross Merchandise Value

○ ZOZOTOWN BUSINESS

Gross Merchandise Value : 324,498 million yen (+12.1%,YoY)

Consignment sales : 309,188 million yen (+11.4%,YoY)

Outright Purchase / Production & Sales : 3,564 million yen (+65.9%,YoY)

USED sales : 11,746 million yen (+20.1%,YoY)

○ Yahoo! JAPAN Shopping* : 35,668 million yen (+13.0%,YoY)

○ BtoB Business : 11,855 million yen (-42.0%,YoY)

○ Others* : 34,475 million yen

○ Average Order Value : 8,961 yen (+4.3%,YoY)

○ Average Retail Price : 4,438 yen (+6.5%,YoY)

* 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 eCommerce 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.



I heard ZOZO staff can visit!



Oh, that's fantastic!



FY2022 3Q HIGHLIGHTS

Profitability

- Operating profit margin* (to the total gross merchandise value) : 12.0% (11.4% for FY2021 3Q)
 - ・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, 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 to attract customers, measures such as the point promotion program.

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

Topic

- The Company launched "elove by ZOZO", a new content platform on ZOZOTOWN that provides sustainable-related information on fashion. (November 2022)
- The Company received the highest rating of "Gold" in the "PRIDE Index 2022", which evaluates LGBTQ+ initiatives in the workplace, for the second consecutive year. (November 2022)
- The Company started "niaulab TV by ZOZO," a YouTube channel that shares videos on fashion styling. (November 2022)
- The Company opened its first physical store, "niaulab by ZOZO", offering an ultimate personalized-styling service for finding your "style" in Omotesando, Tokyo. Within the first three days, the store received over 20,000 applications. (December 2022)
- ZOZOCOSME' s "AR makeup" menu now supports the foundations. Users can use it in combination with ZOZOGLASS, which makes online cosmetics shopping more convenient. (December 2022)



BUSINESS RESULTS

FY2022 3Q ZOZO, Inc. CONSOLIDATED BUSINESS RESULTS



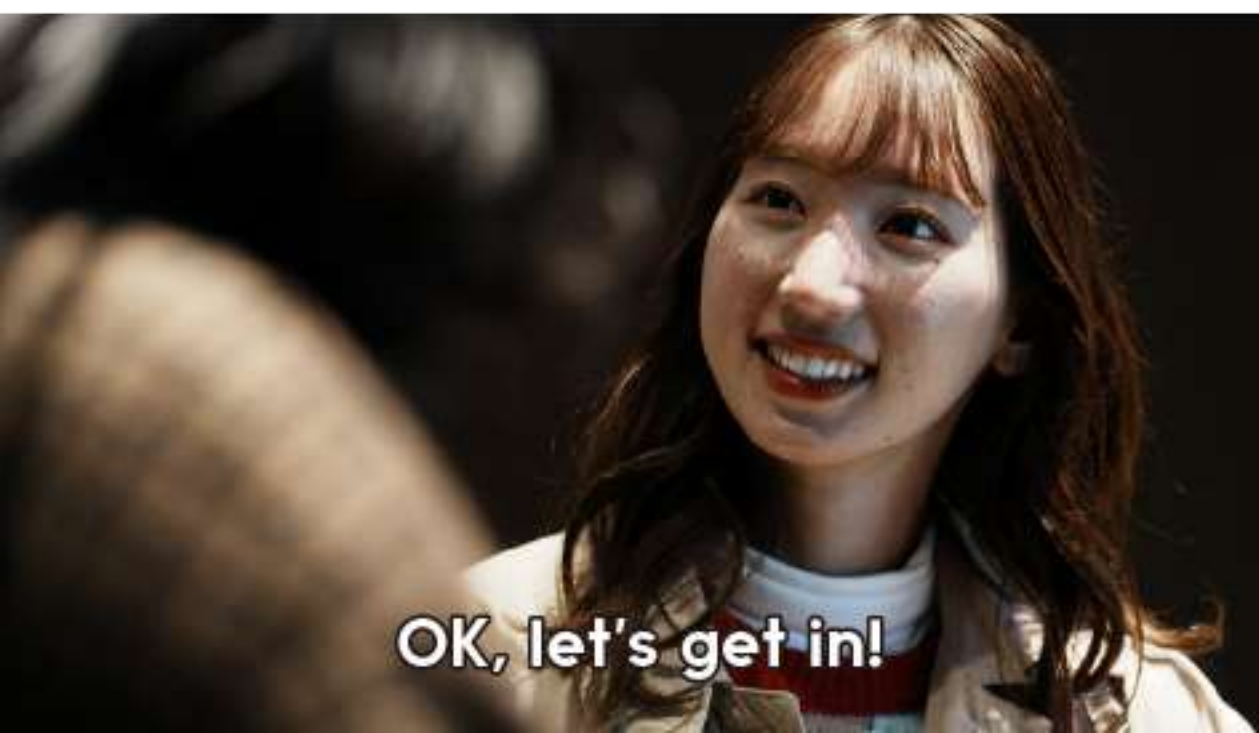
It's just a short walk from
Omotesando station!



I'm getting so excited!



This neon sign is cool!



OK, let's get in!



Hina, Yuti! Welcome to niaulab!



It's been a while, Chopo!

OVERVIEW OF THE FY2022 3Q

(million¥)

	FY2021 3Q	FY2022 3Q	YoY	Revised Plan (As of Jan 31, 2023)	Achievement Rate(%)
Gross Merchandise Value	375,506	406,497	8.3%	543,800	74.8%
Gross Merchandise Value (excluding other GMV)	341,587	372,022	8.9%	495,800	75.0%
Net sales	123,778	136,467	10.3%	181,300	75.3%
Gross profit	116,620	127,660	9.5%	-	-
(% to the Gross Merchandise Value)	34.1%	34.3%	0.2%	-	-
SG&A	77,841	83,024	6.7%	-	-
(% to the Gross Merchandise Value)	22.8%	22.3%	-0.5%	-	-
Operating profit	38,779	44,635	15.1%	55,000	81.2%
(% to the Gross Merchandise Value)	11.4%	12.0%	0.6%	11.1%	-
Ordinary profit	38,756	44,872	15.8%	55,200	81.3%
Profit attributable to owners of parent	26,653	31,213	17.1%	38,400	81.3%

* % 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.

* Please note that the "Notice concerning revision of consolidated business forecast and year-end dividend" was released on January 31, 2023.
The figures mentioned above reflect these revisions.



* Our team of professional stylists will suggest outfits at the actual niaub.

OVERVIEW OF EACH QUARTER



(million¥)

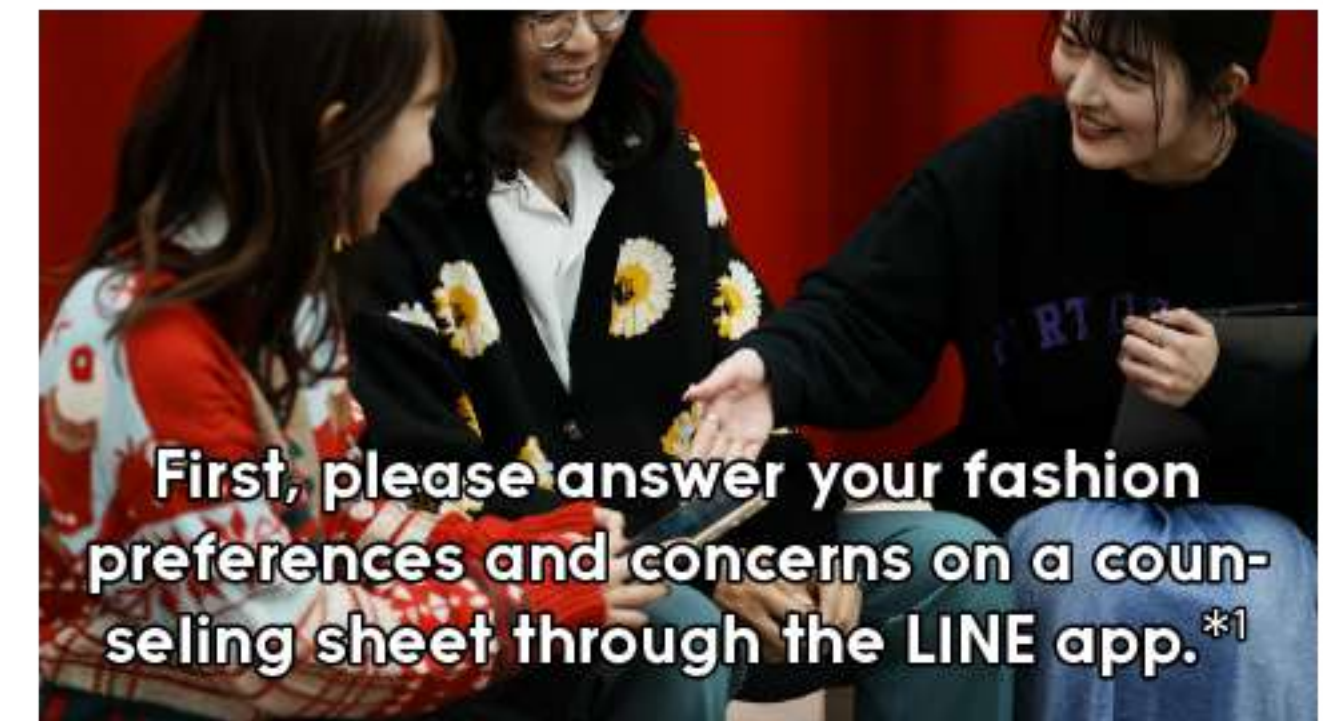
	FY2021				FY2022		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Gross Merchandise Value	116,812	112,695	145,999	133,369	127,928	123,210	155,358
Gross Merchandise Value (excluding other GMV)	106,700	102,367	132,519	120,587	115,948	111,533	144,540
YoY (%)	11.9%	13.5%	15.0%	12.7%	8.7%	9.0%	9.1%
Net sales	38,866	37,346	47,565	42,420	42,590	41,176	52,699
SG&A	24,333	23,851	29,656	28,675	26,028	25,667	31,328
YoY (%)	11.3%	10.6%	15.2%	7.3%	7.0%	7.6%	5.6%
(% to the Gross Merchandise Value)	22.8%	23.3%	22.4%	23.8%	22.4%	23.0%	21.7%
Operating profit	12,591	11,200	14,987	10,876	14,312	12,897	17,425
YoY (%)	20.8%	18.1%	8.0%	5.0%	13.7%	15.2%	16.3%
(% to the Gross Merchandise Value)	11.8%	10.9%	11.3%	9.0%	12.3%	11.6%	12.1%

* % 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.



Please have a seat here!



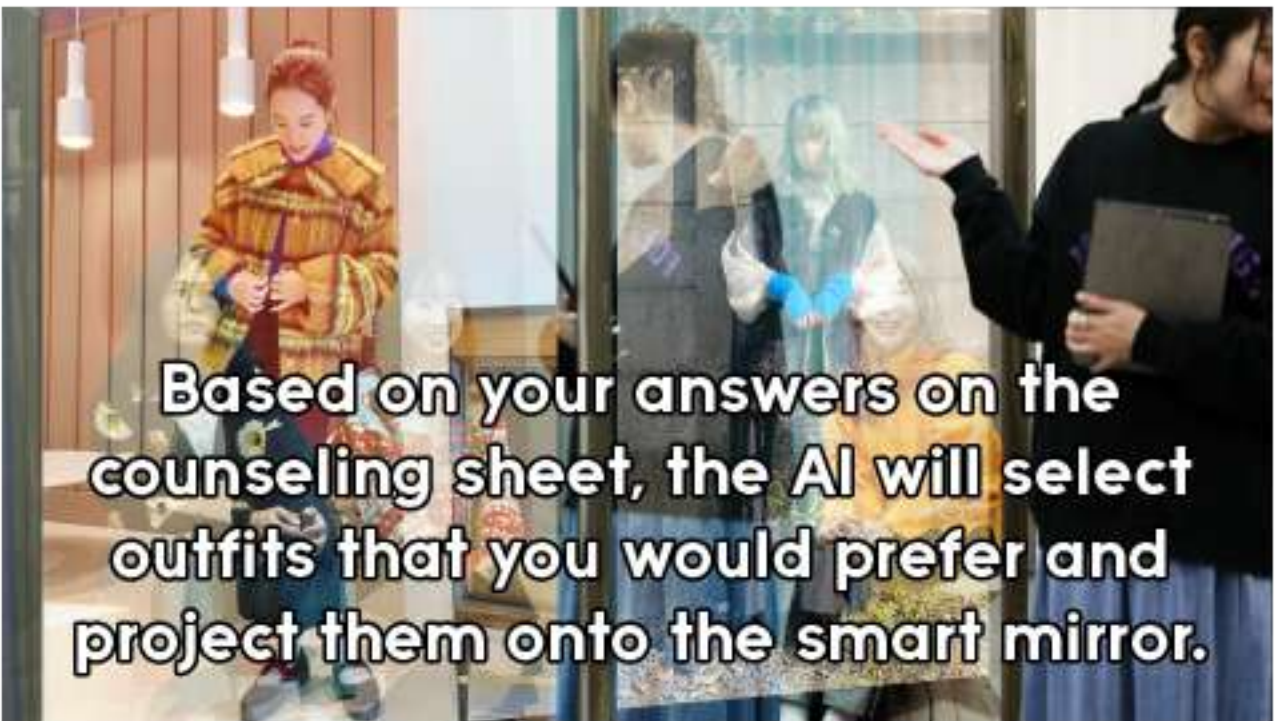
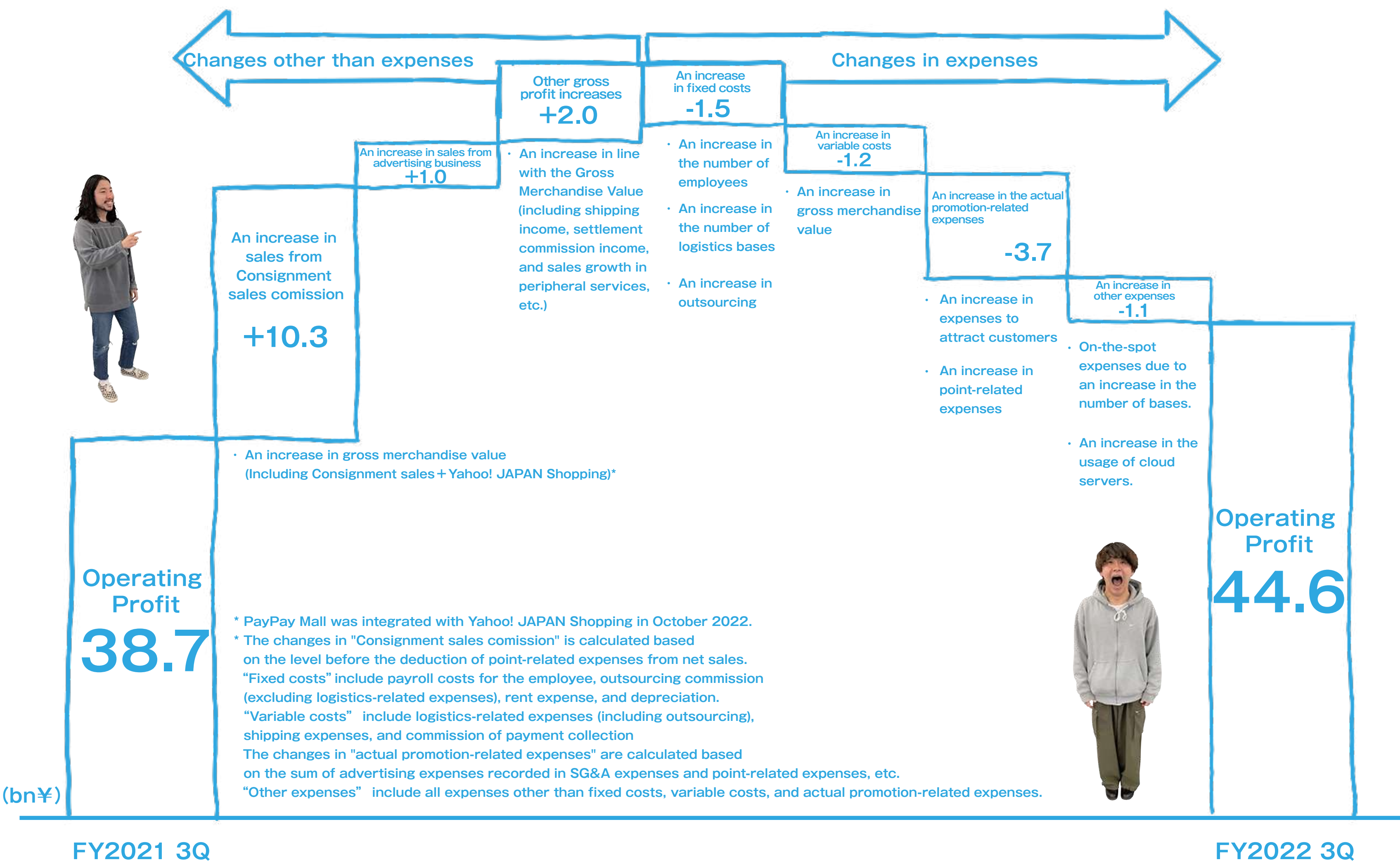
First, please answer your fashion preferences and concerns on a counseling sheet through the LINE app.*1




Hello, Hina! We will choose your outfits and do your makeup! *2

*Note1: At the actual niulab, you will apply through the niulab LINE app, and after confirming your selection, you will answer your fashion concerns and preferences in advance on the counseling sheet through the app. *Note2: Our team of professional stylists and hair and makeup artists will be available at the actual niulab.

INCREASE-DECREASE ANALYSIS OF OPERATING PROFIT(YOY COMPARISON)

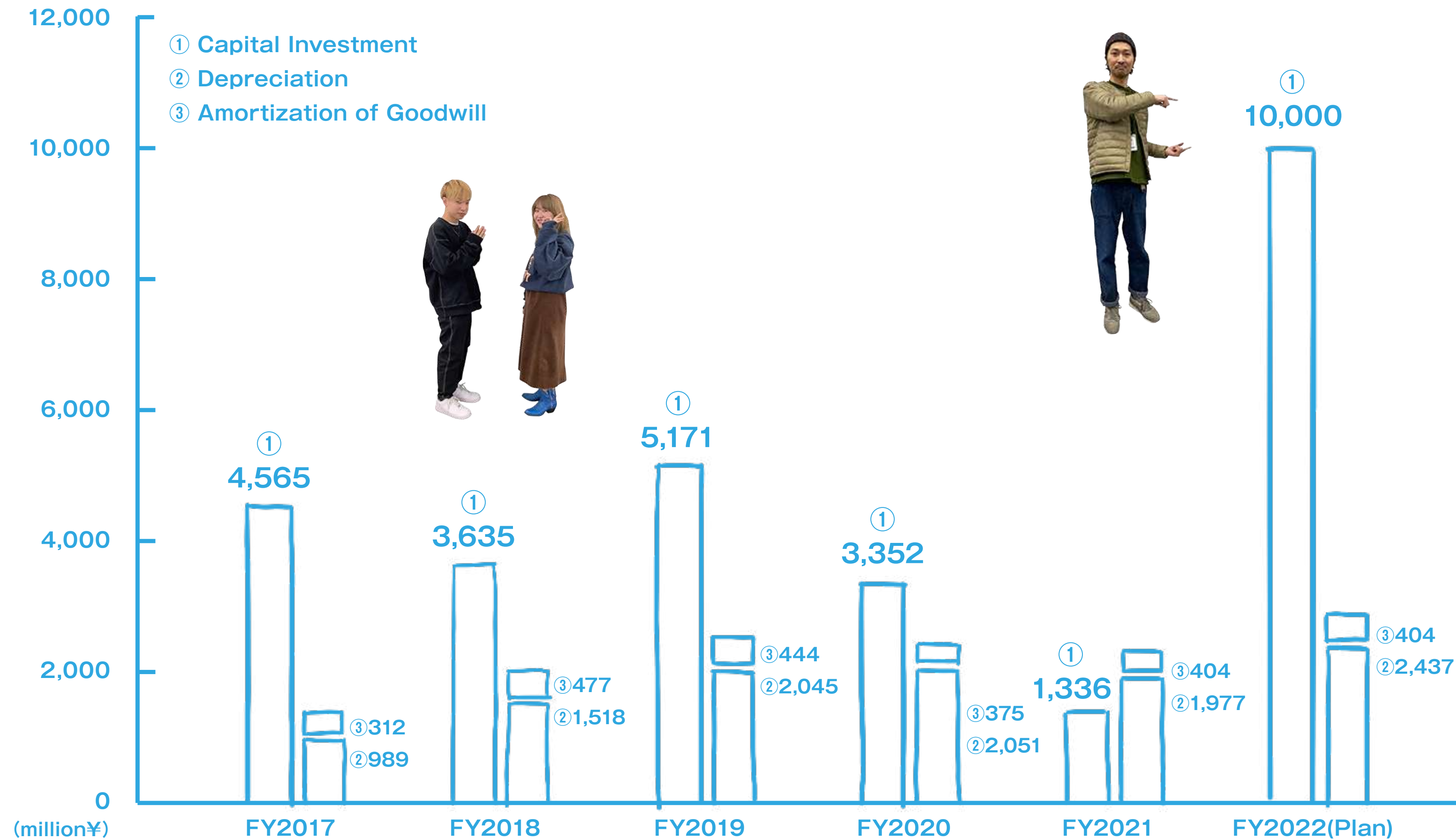


CONSOLIDATED BALANCE SHEET

				(million¥)	
	FY2021 (as of March 31, 2022)	FY2022 3Q (as of December 31, 2022)		FY2021 (as of March 31, 2022)	FY2022 3Q (as of December 31, 2022)
					
Current assets	102,305	115,692	Current liabilities	66,172	68,678
Cash and deposits	65,520	66,018	Short-term borrowing	20,200	20,400
Merchandise and finished products	2,060	3,101	Noncurrent liabilities	6,005	6,575
Noncurrent assets	24,971	28,067	Total liabilities	72,177	75,253
Tangible assets	11,284	16,790	Shareholders' equity	55,100	68,435
Intangible assets	2,621	2,578	Treasury stock	-44,784	-44,558
Investments and other assets	11,065	8,698	Total net assets	55,099	68,507
Total assets	127,276	143,760	Total liabilities and net assets	127,276	143,760

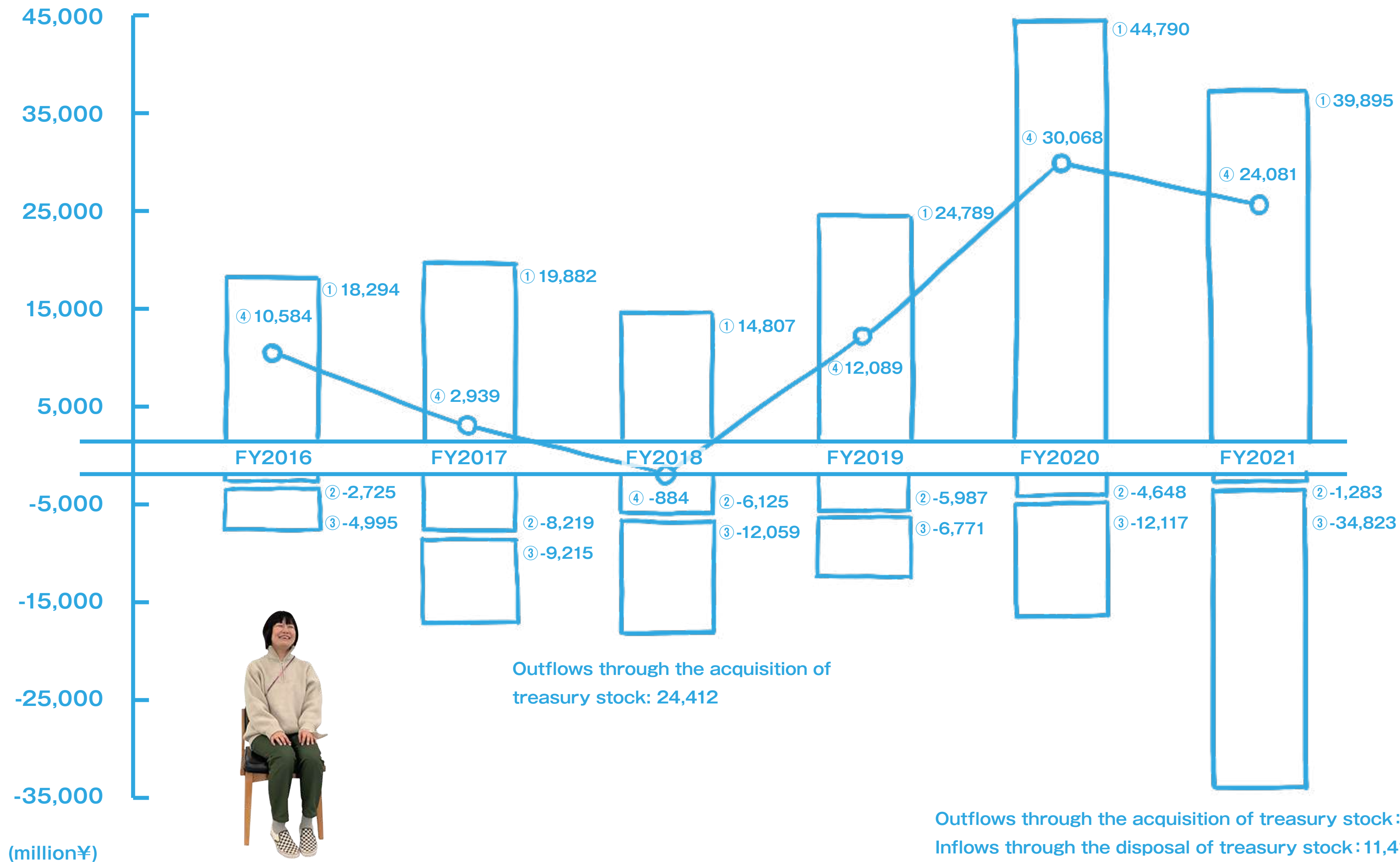


CAPITAL INVESTMENT

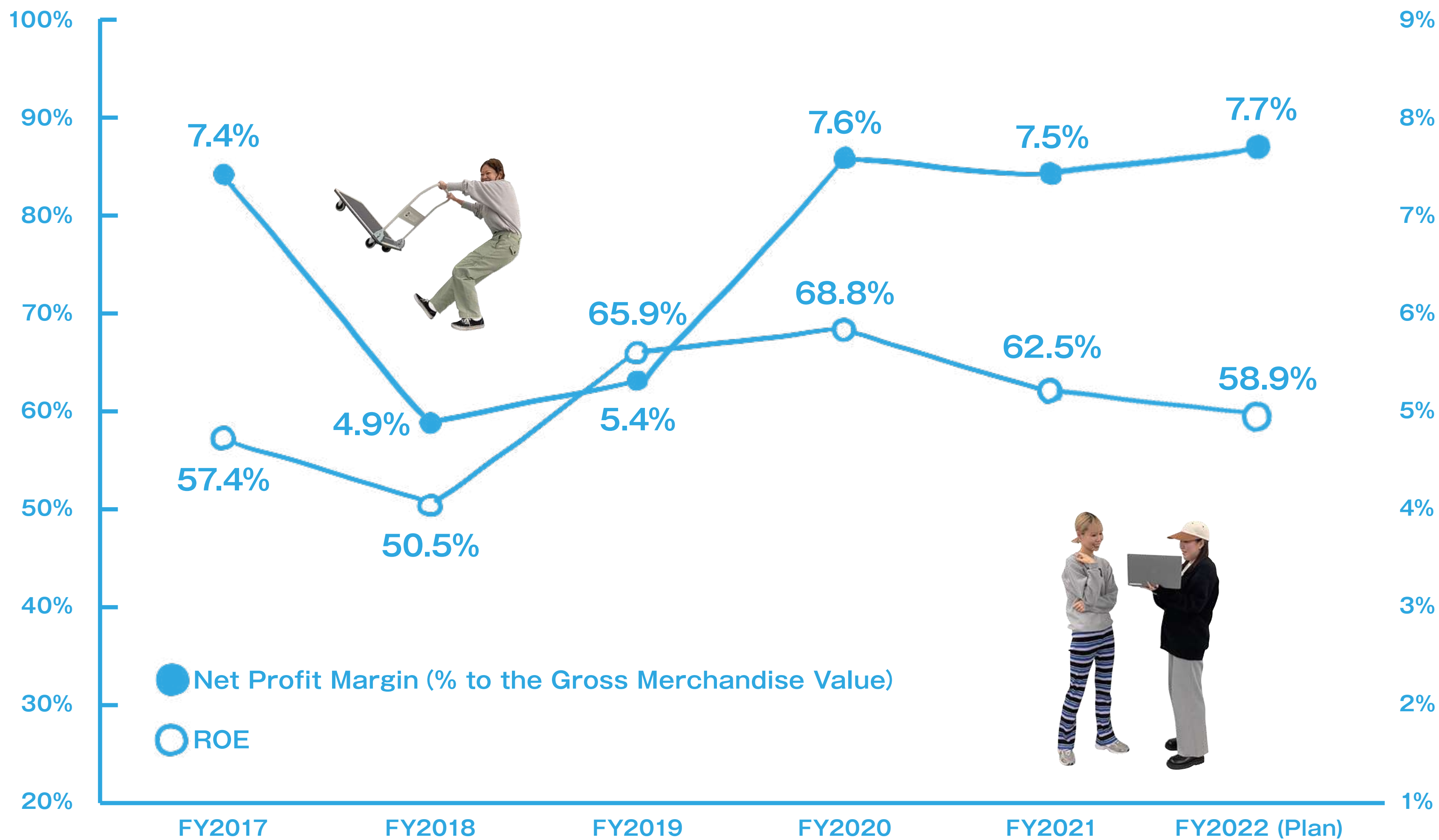


CASH FLOWS

- 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



ROE AND NET PROFIT MARGIN



* Net Profit margin is calculated by net profit divided by the gross merchandise value (excluding other GMV).
* Please note that the "Notice concerning revision of consolidated business forecast and year-end dividend" was released on January 31, 2023. The figures mentioned above reflect these revisions.



I think this one is the best!

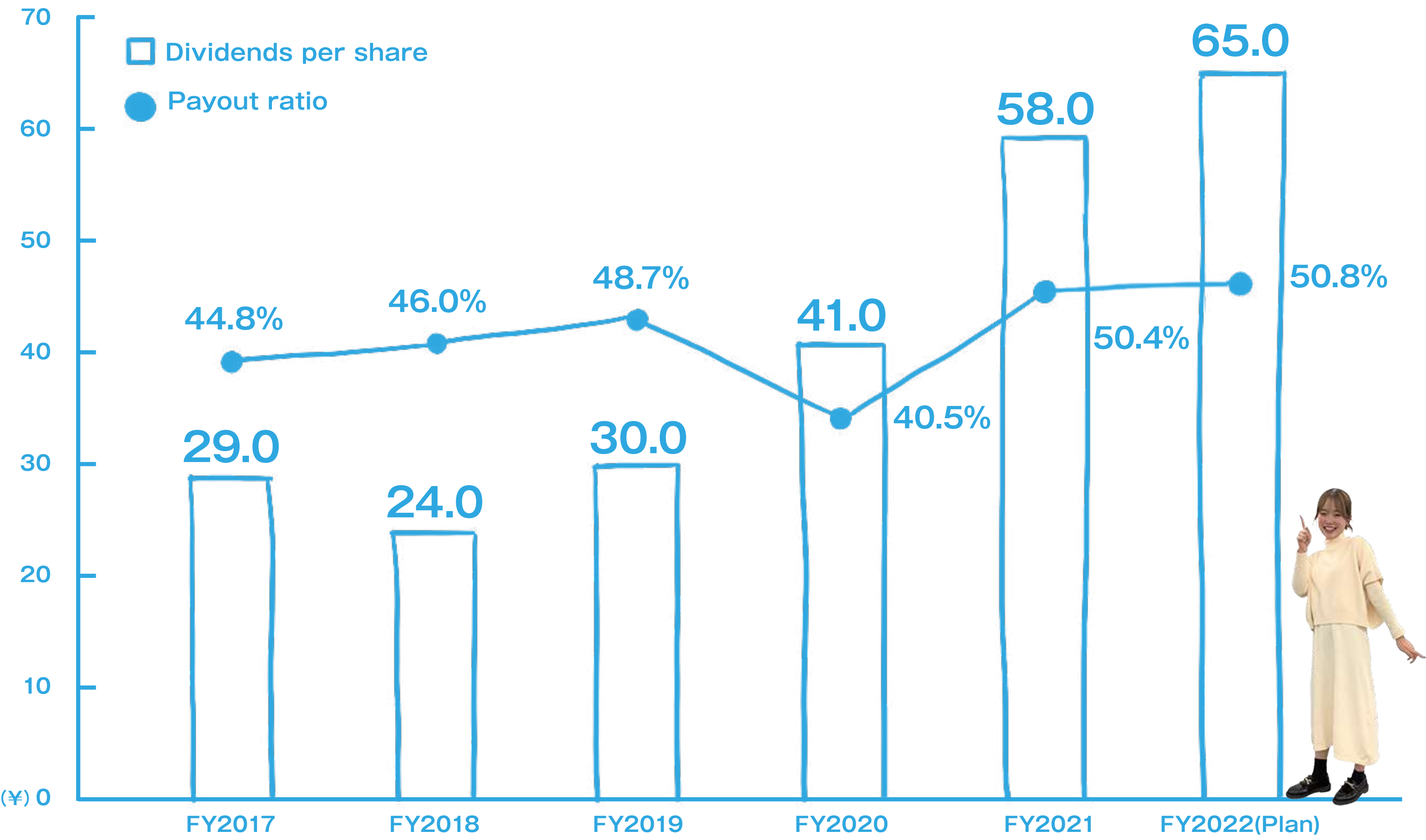


Then let's do your hair and makeup!*



*Note: Our team of professional hair and makeup artists will be available at the actual niaulab.

DIVIDENDS PER SHARE AND PAYOUT RATIO

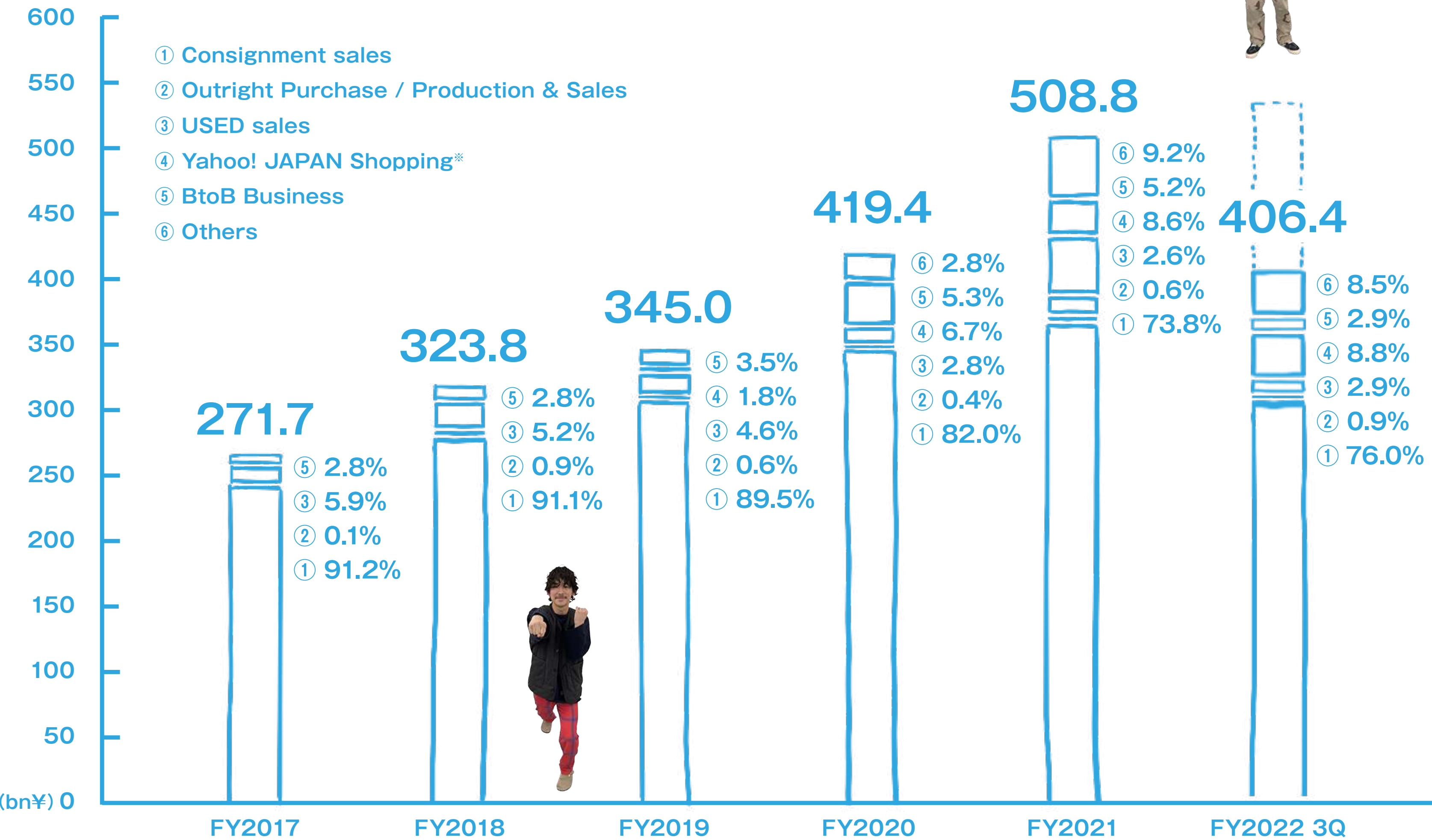


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GROSS MERCHANDISE VALUE

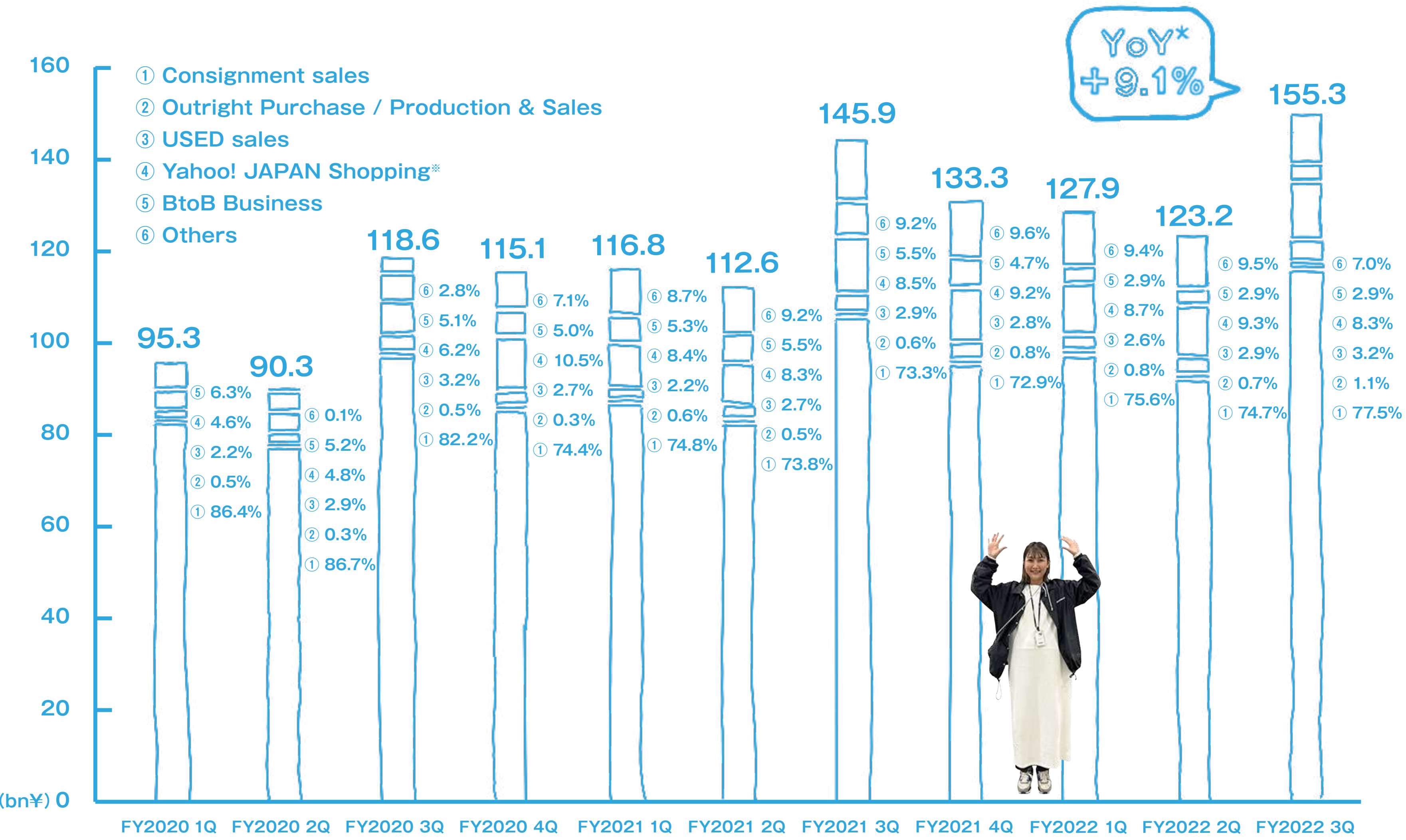
Gross merchandise value of new shops opened in FY2022 3Q ZOZOTOWN Business : ¥2.0 billion
(accounts for 0.6% of the gross merchandise value)



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



GROSS MERCHANDISE VALUE(QUARTERLY)

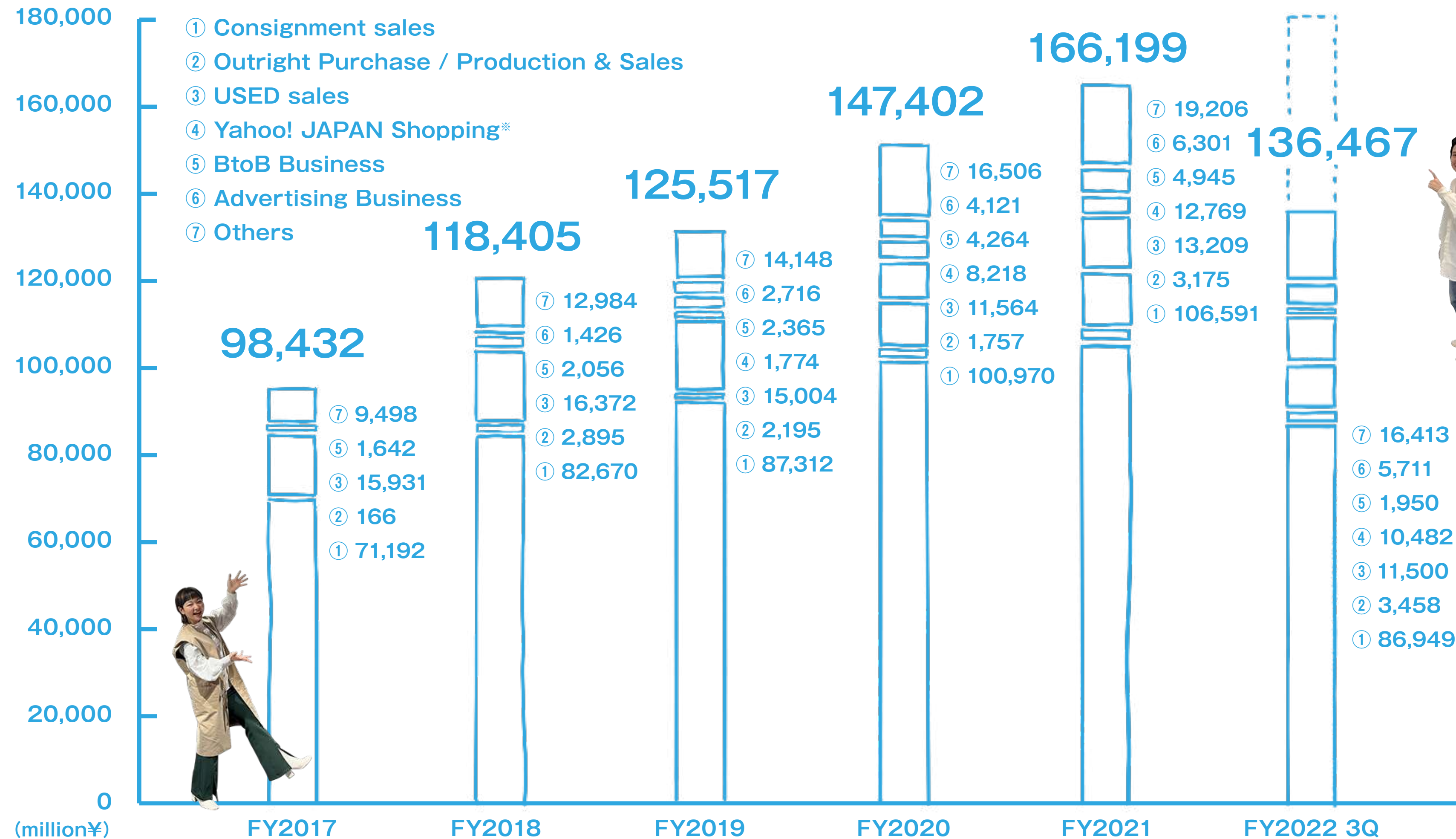


* PayPay Mall was integrated with Yahoo! JAPAN Shopping in October 2022.
* YoY is the comparison of GMV excluding "⑥ Others"



*At the actual niaulap, there is a professional photo shoot service available, where a photographer will take pictures of you in your newly styled outfits.

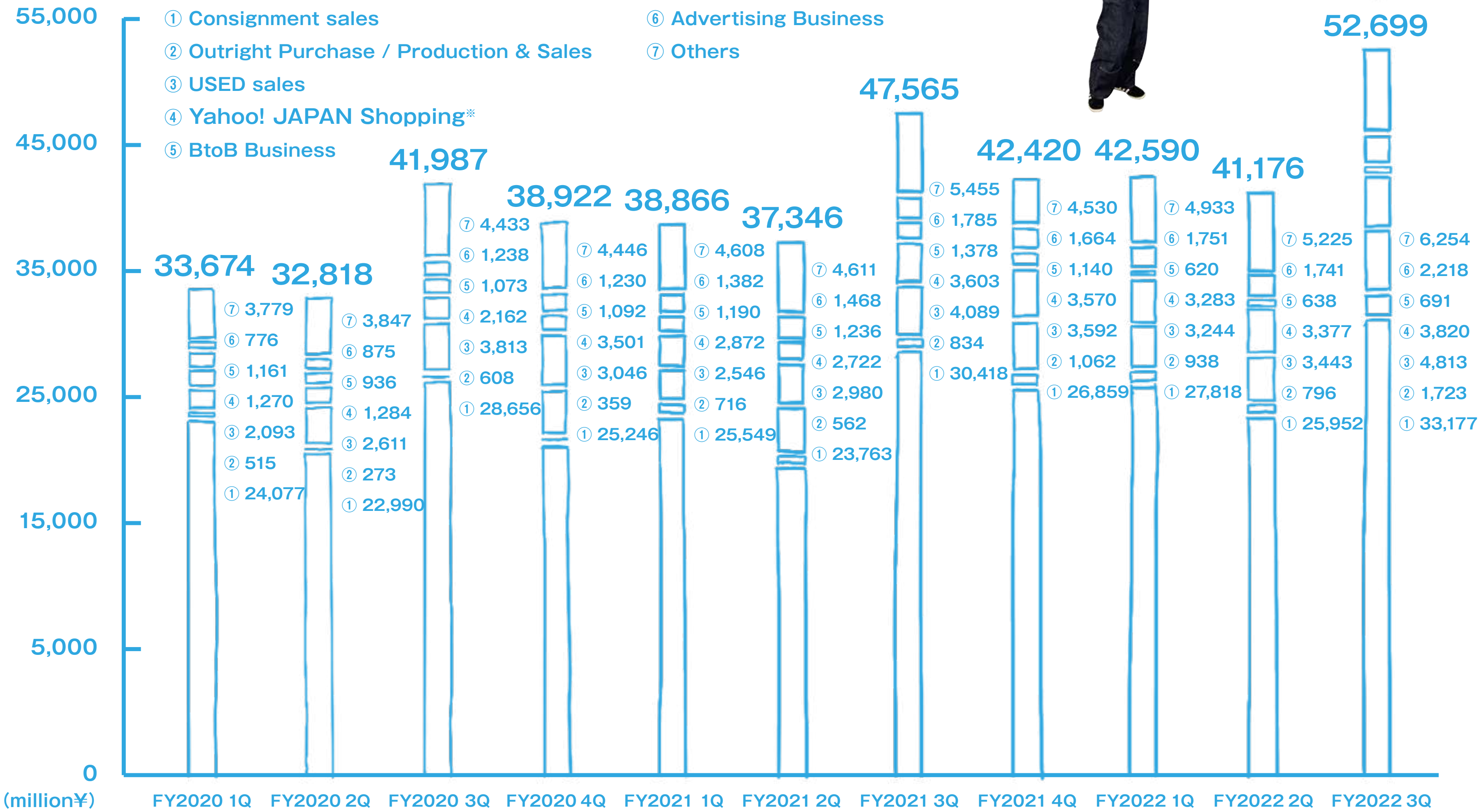
NET SALES



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

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

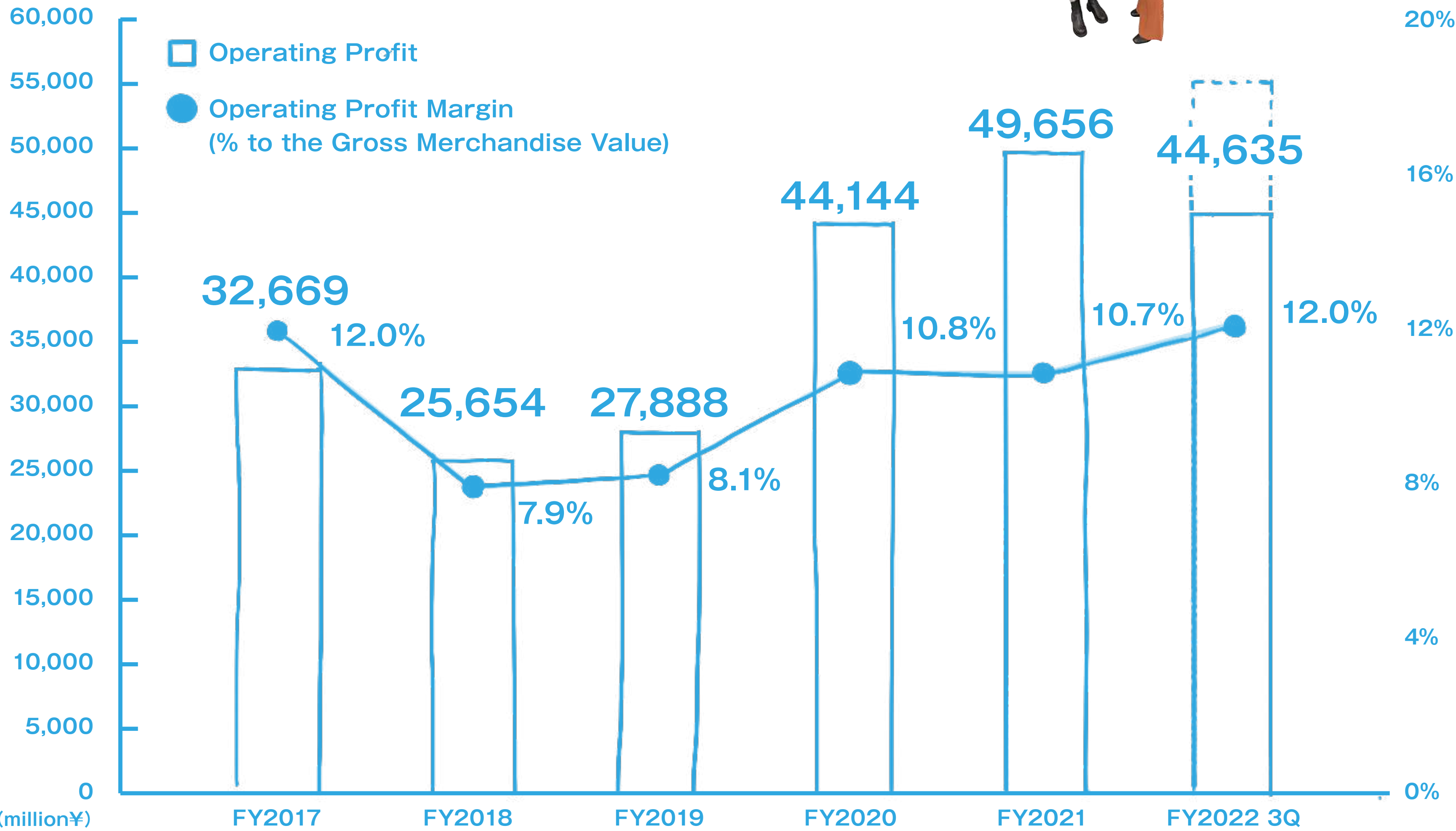
NET SALES(QUARTERLY)



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* Effective from the fiscal year ended March 2022, we have adopted the new accounting standards for revenue recognition. Point-related expenses, which had been recorded in SG&A expenses until the fiscal year ended March 2021, are 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).
* Please note that the "Notice concerning revision of consolidated business forecast and year-end dividend" was released on January 31, 2023. The figures mentioned above reflect these revisions.



SELLING, GENERAL AND ADMINISTRATIVE(SG&A)EXPENSES (Cumulative amount as of FY2022 3Q)

(million¥)

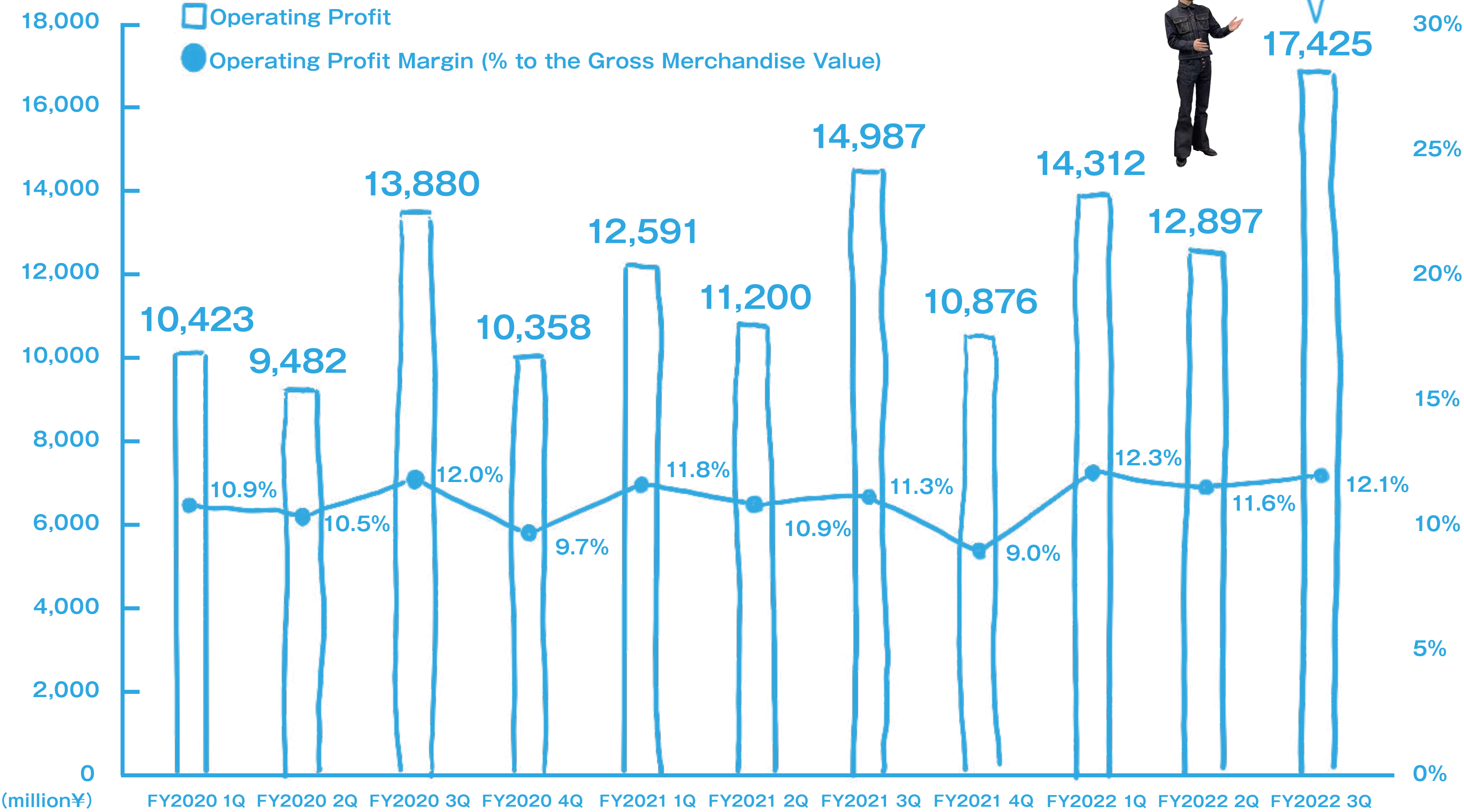
	FY2021 3Q		FY2022 3Q		YoY	Increase / decrease factors
	Amount	% to the Gross Merchandise Value	Amount	% to the Gross Merchandise Value	% to the Gross Merchandise Value	
Payroll and staff costs(*)	21,631	6.3%	21,859	5.9%	-0.4%	
Payroll costs for employee	8,906	2.6%	9,521	2.6%	0.0%	Transition of the number of employees on consolidated basis: FY2021 3Q 1,381 → FY2022 3Q 1,513
Logistics-Related Expenses (Including Outsourcing)	12,724	3.7%	12,337	3.3%	-0.4%	Efficient operations 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)	4,387	1.3%	5,024	1.4%	0.1%	An increase in outsourcing of system development, maintenance, etc.
Shipping	23,359	6.8%	24,282	6.5%	-0.3%	The ratio of shipping expenses to the Gross Merchandise Value decreased due to the optimization of the cardboard box size and other materials used for delivery, and the influence of higher order value that exceeded the effect of cost increases resulting from the implementation of fuel surcharges.
Commission of Payment collection	8,206	2.4%	8,872	2.4%	0.0%	
Advertising	7,128	2.1%	8,486	2.3%	0.2%	Expenses for ZOZOGLASS decreased. An increase in the measures to attract customers through web commercials or advertising.
Rent expense	4,295	1.3%	4,546	1.2%	-0.1%	An increase in a distribution center (resumption of the lease at the warehouse CHIBA 3 from April 2022).
Depreciation	1,436	0.4%	1,454	0.4%	0.0%	
Amortization of goodwill	303	0.1%	337	0.1%	0.0%	
Stock Compensation Expenses	77	0.0%	81	0.0%	0.0%	
Others	7,014	2.1%	8,080	2.2%	0.1%	An Increase in cloud server usage for the system replacement. Purchase of equipment due to an increase in the distribution centers. (1Q)
Total SG&A	77,841	22.8%	83,024	22.3%	-0.5%	

* 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 % to the Gross Merchandise Value are calculated by each expense divided by gross merchandise value (excluding other GMV).



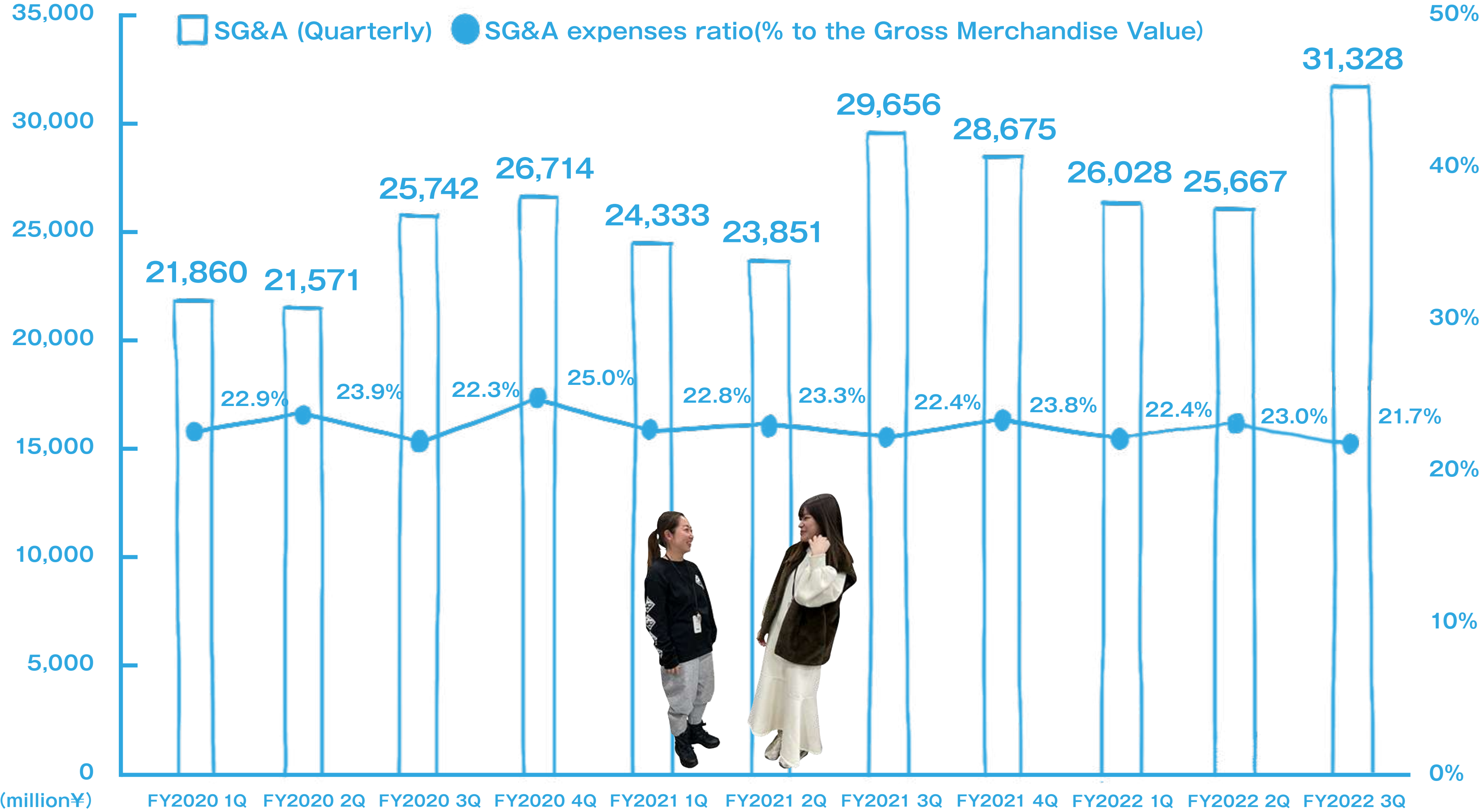
OPERATING PROFIT AND OPERATING PROFIT MARGIN(QUARTERLY)



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



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



You want this?

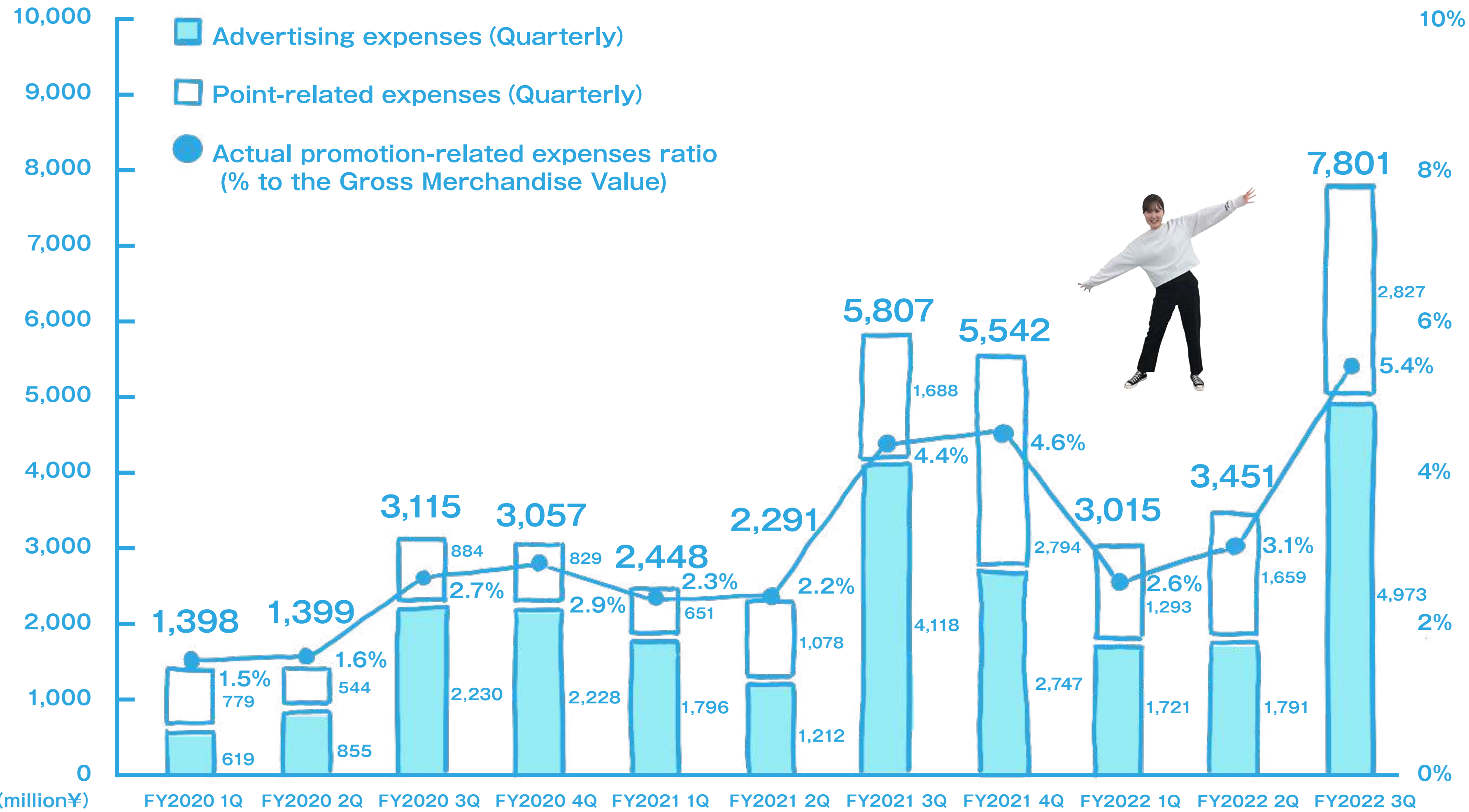


Here you are!



Actual promotion-related expenses (QUARTERLY)

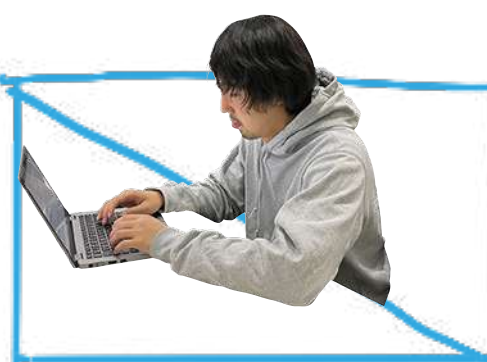
Actual promotion-related expenses: The sum of advertising expenses and point-related expenses



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

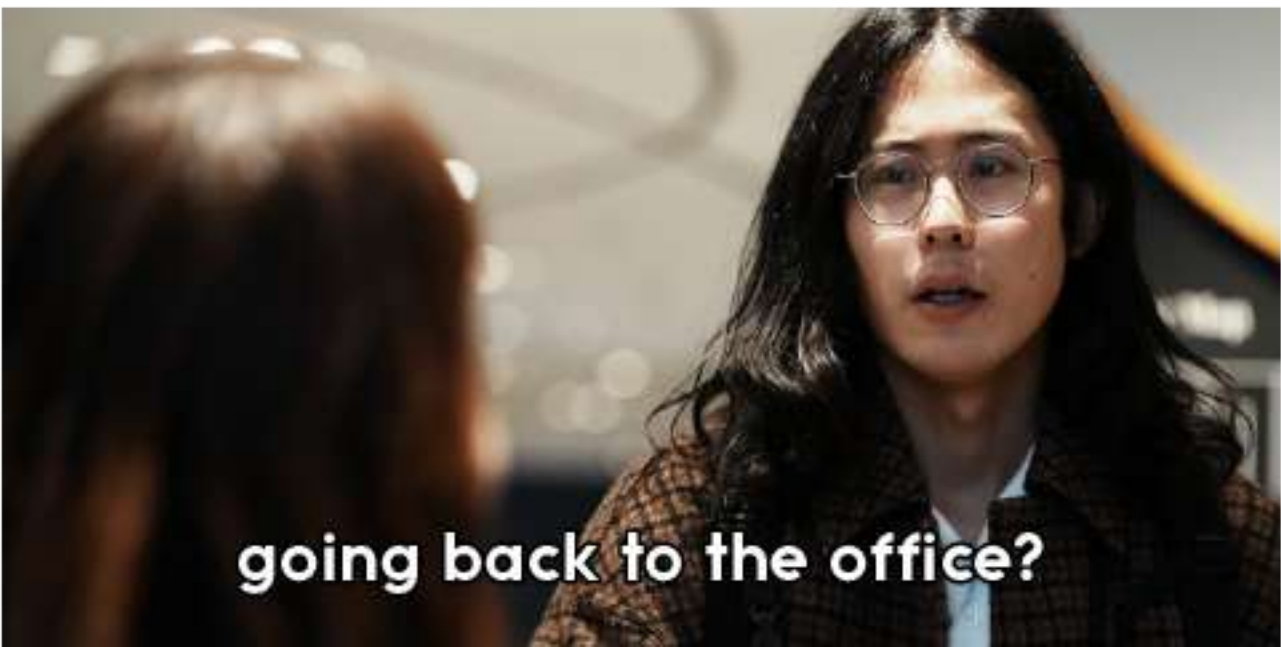


OVERVIEW OF SG&A BY EACH QUARTER

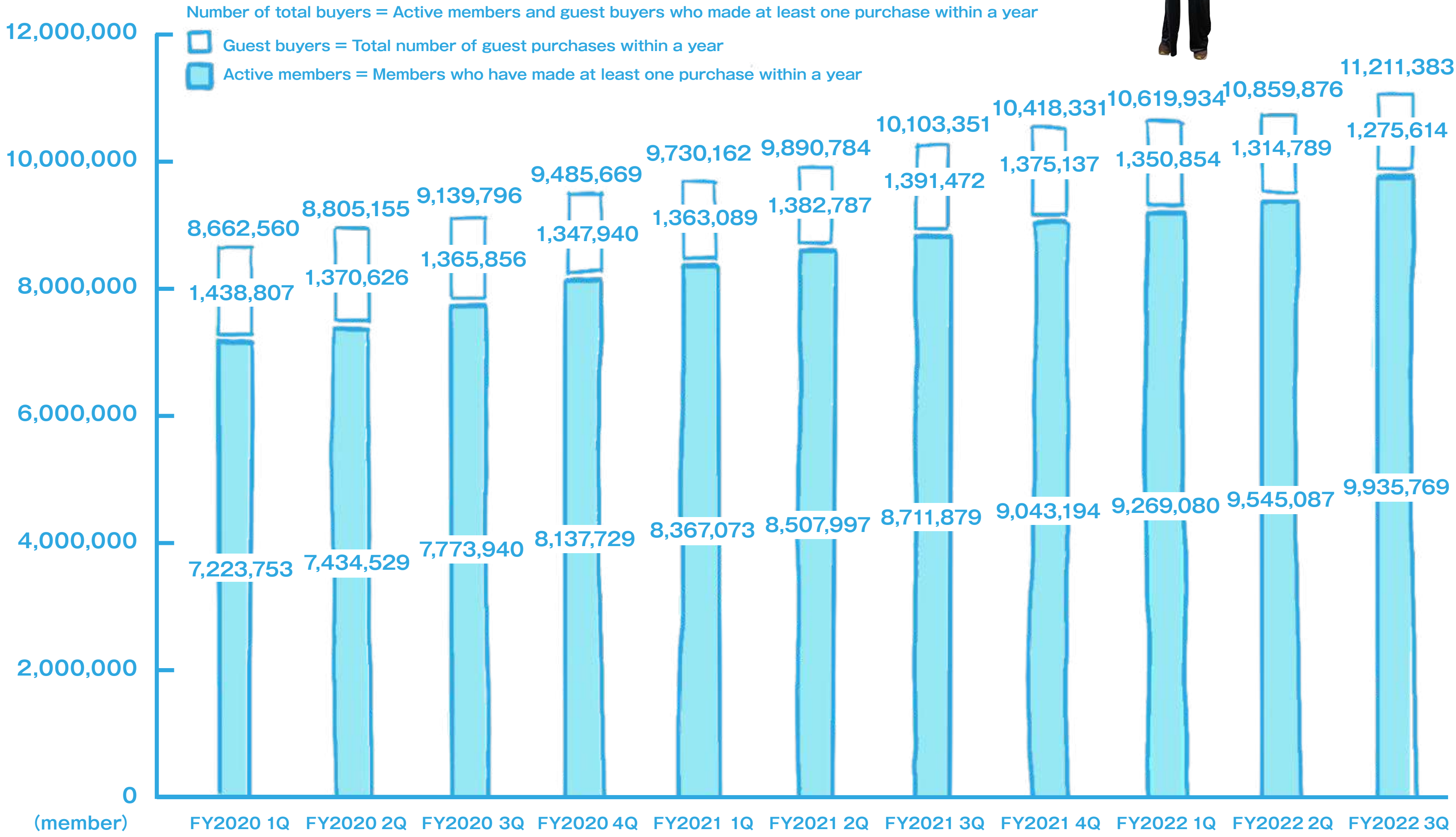
	FY2021								FY2022					
	1Q		2Q		3Q		4Q		1Q		2Q		3Q	
	Amount	% to the Gross Merchandise Value	Amount	% to the Gross Merchandise Value	Amount	% to the Gross Merchandise Value	Amount	% to the Gross Merchandise Value	Amount	% to the Gross Merchandise Value	Amount	% to the Gross Merchandise Value	Amount	% to the 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%	6,955	6.2%	7,771	5.4%
Payroll costs for employee	2,831	2.7%	2,774	2.7%	3,300	2.5%	4,146	3.4%	3,115	2.7%	3,111	2.8%	3,295	2.3%
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%	3,844	3.4%	4,476	3.1%
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%	1,657	1.5%	1,720	1.2%
Shipping	7,597	7.1%	7,486	7.3%	8,275	6.2%	8,021	6.7%	7,996	6.9%	7,708	6.9%	8,577	5.9%
Commission of Payment collection	2,580	2.4%	2,478	2.4%	3,146	2.4%	2,771	2.3%	2,733	2.4%	2,710	2.4%	3,428	2.4%
Advertising	1,796	1.7%	1,212	1.2%	4,118	3.1%	2,747	2.3%	1,721	1.5%	1,791	1.6%	4,973	3.4%
Rent expense	1,431	1.3%	1,432	1.4%	1,432	1.1%	1,432	1.2%	1,514	1.3%	1,513	1.4%	1,517	1.0%
Depreciation	454	0.4%	478	0.5%	503	0.4%	541	0.4%	465	0.4%	473	0.4%	515	0.4%
Amortization of goodwill	101	0.1%	100	0.1%	101	0.1%	101	0.1%	106	0.1%	106	0.1%	124	0.1%
Stock Compensation Expenses	13	0.0%	38	0.0%	25	0.0%	9	0.0%	10	0.0%	35	0.0%	35	0.0%
Others	2,043	1.9%	2,237	2.2%	2,733	2.1%	2,858	2.4%	2,702	2.3%	2,714	2.4%	2,663	1.8%
Total SG&A	24,333	22.8%	23,851	23.3%	29,656	22.4%	28,675	23.8%	26,028	22.4%	25,667	23.0%	31,328	21.7%

* 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 % to the 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.



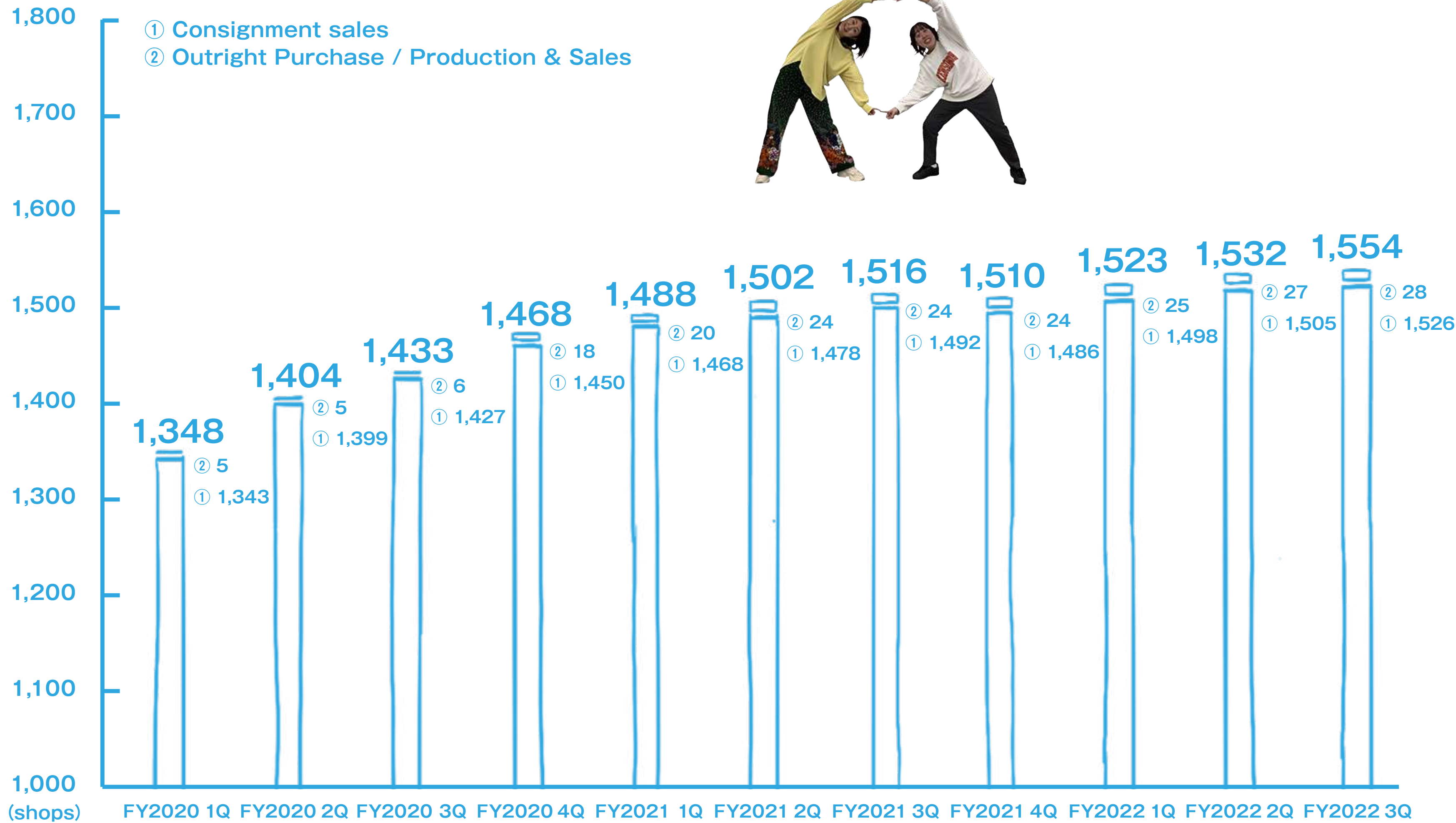
NUMBER OF TOTAL BUYERS



* 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 SHOPS ON ZOZOTOWN

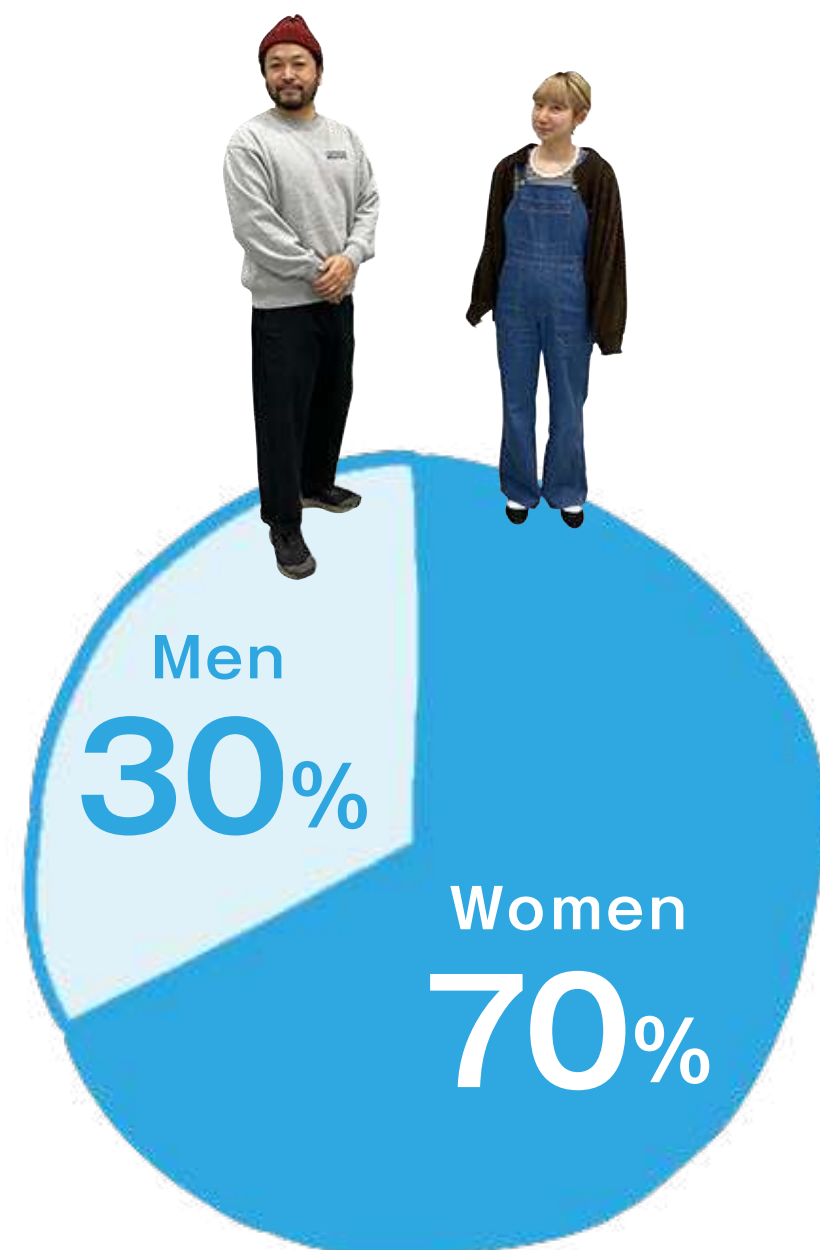


* Shops of the private brand "ZOZO" and "Multi-Size" are not included to the number of shops.

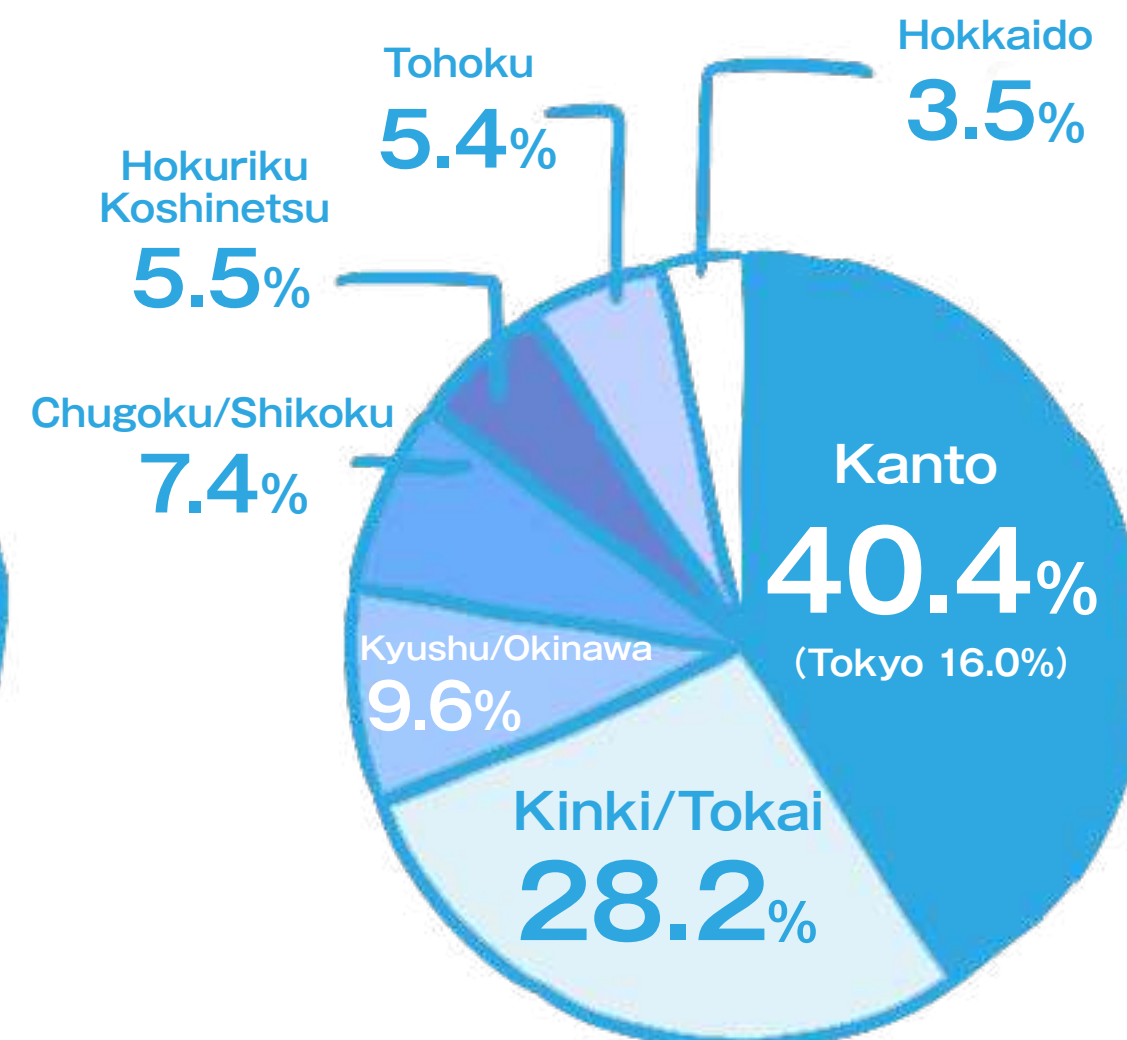


ACTIVE MEMBER DISTRIBUTION

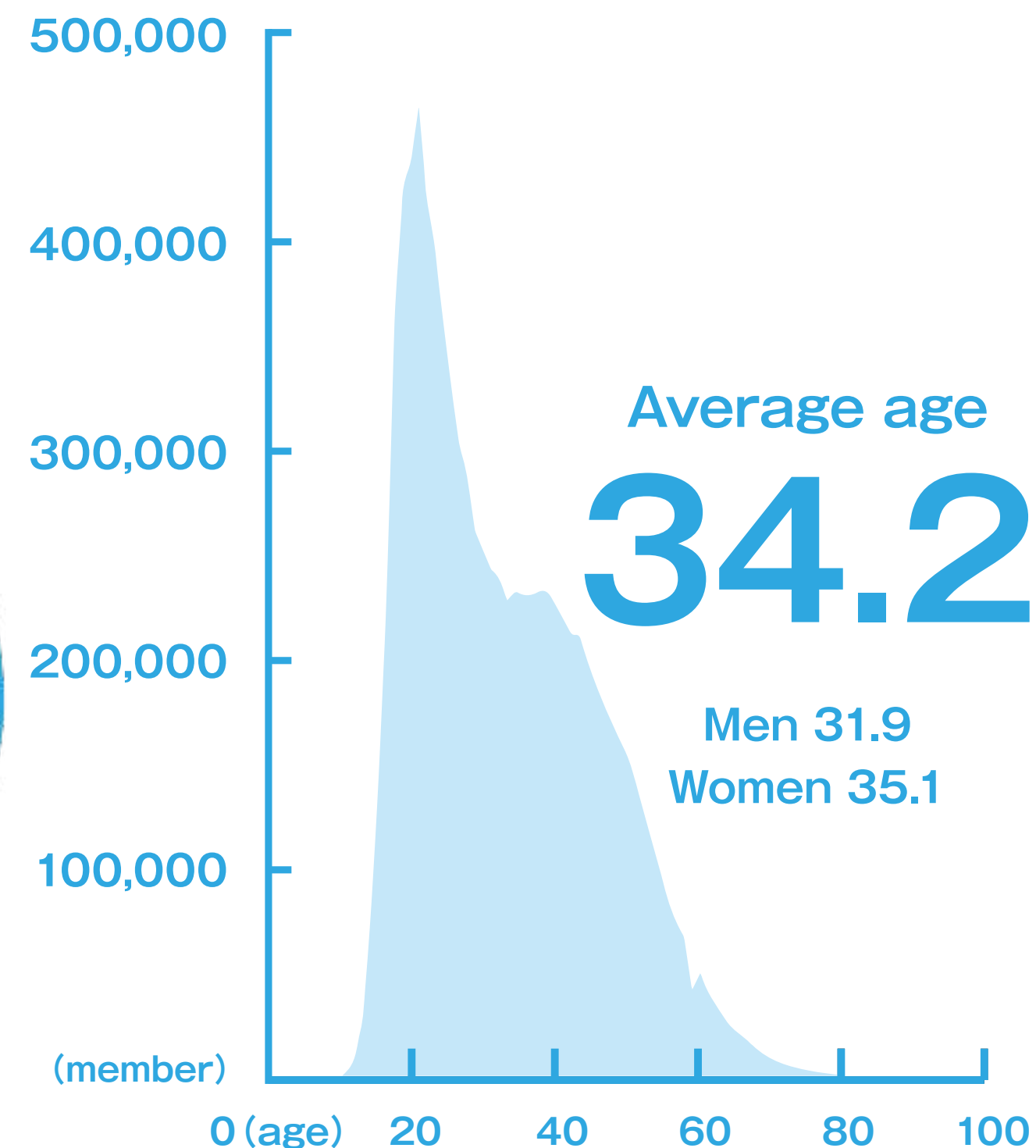
Gender ratio



Geographical distribution



Age distribution

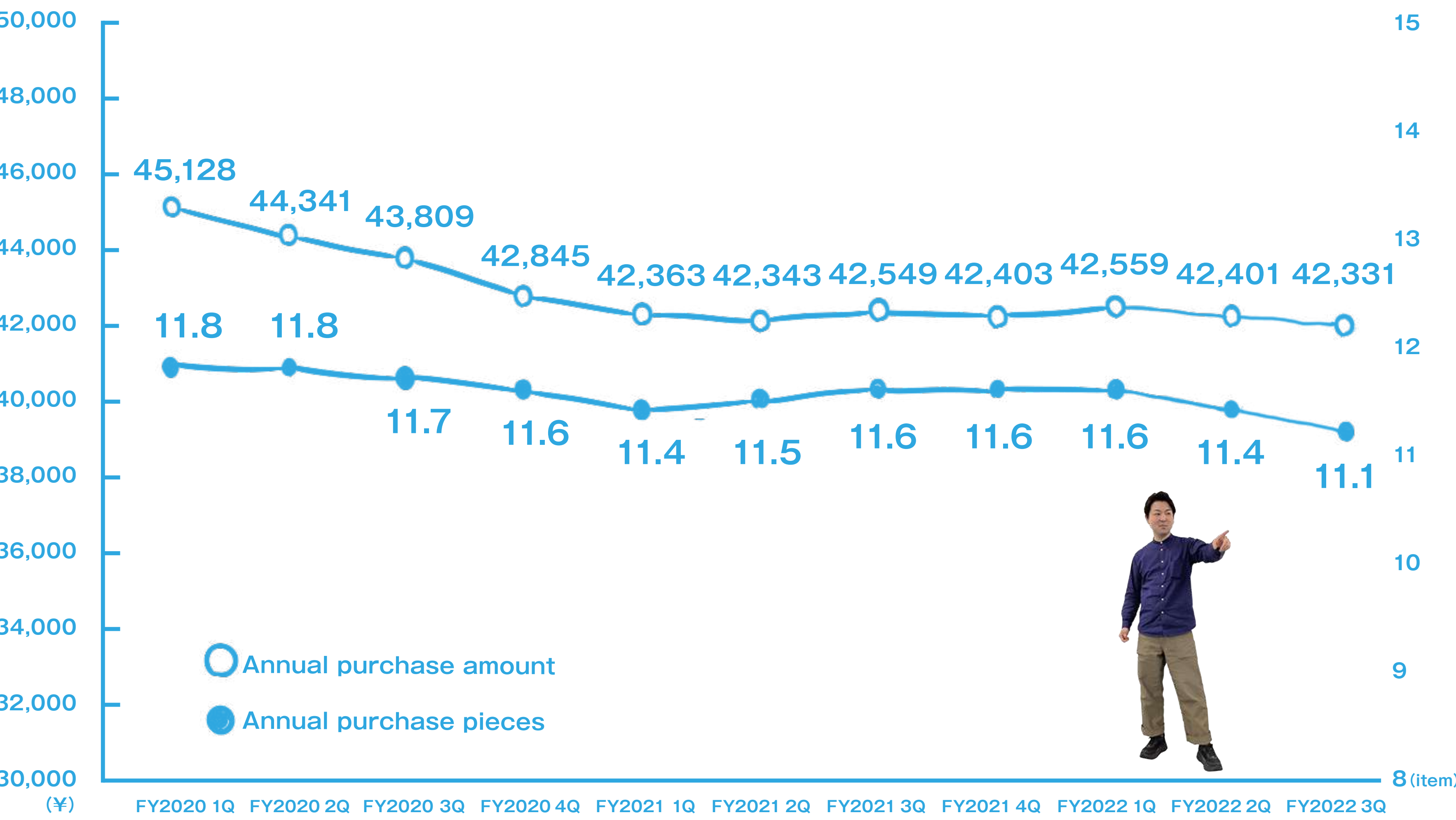


* The shown data on Active Member Distribution is only based on the numbers from the ZOZOTOWN business (<https://zozo.jp>). Yahoo! JAPAN Shopping is not included.

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



ANNUAL PURCHASE AMOUNT AND PIECES PER ACTIVE MEMBER



* 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

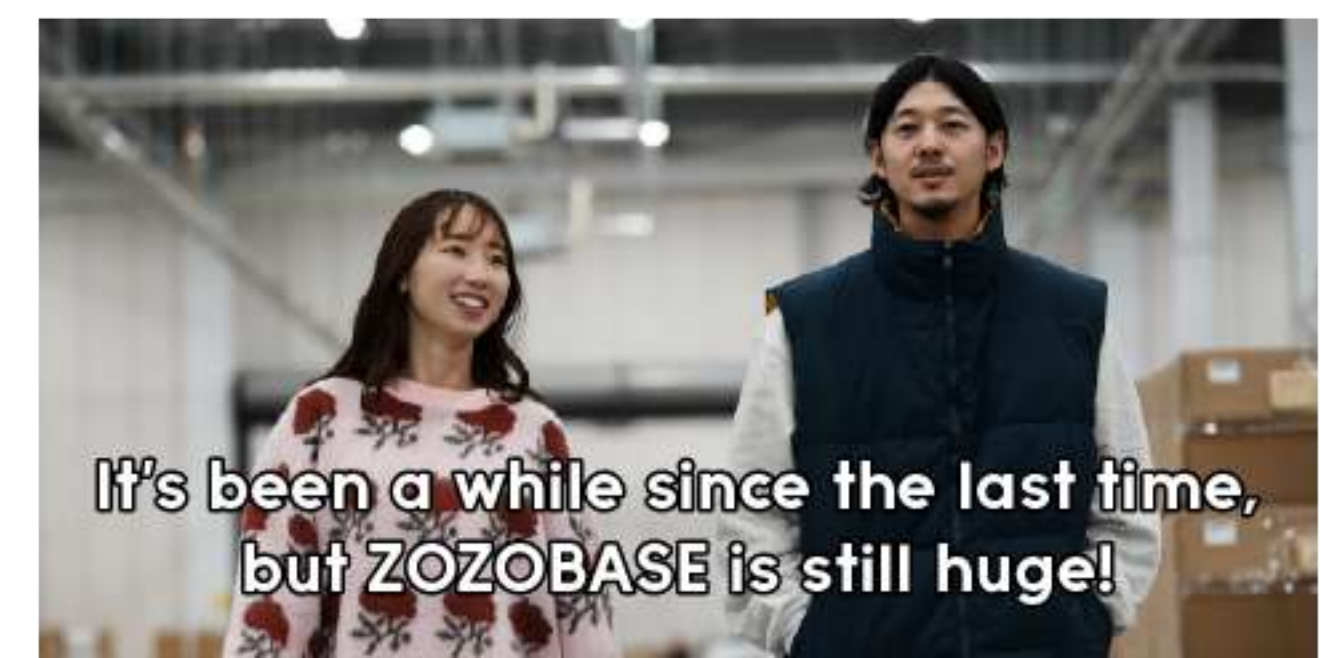
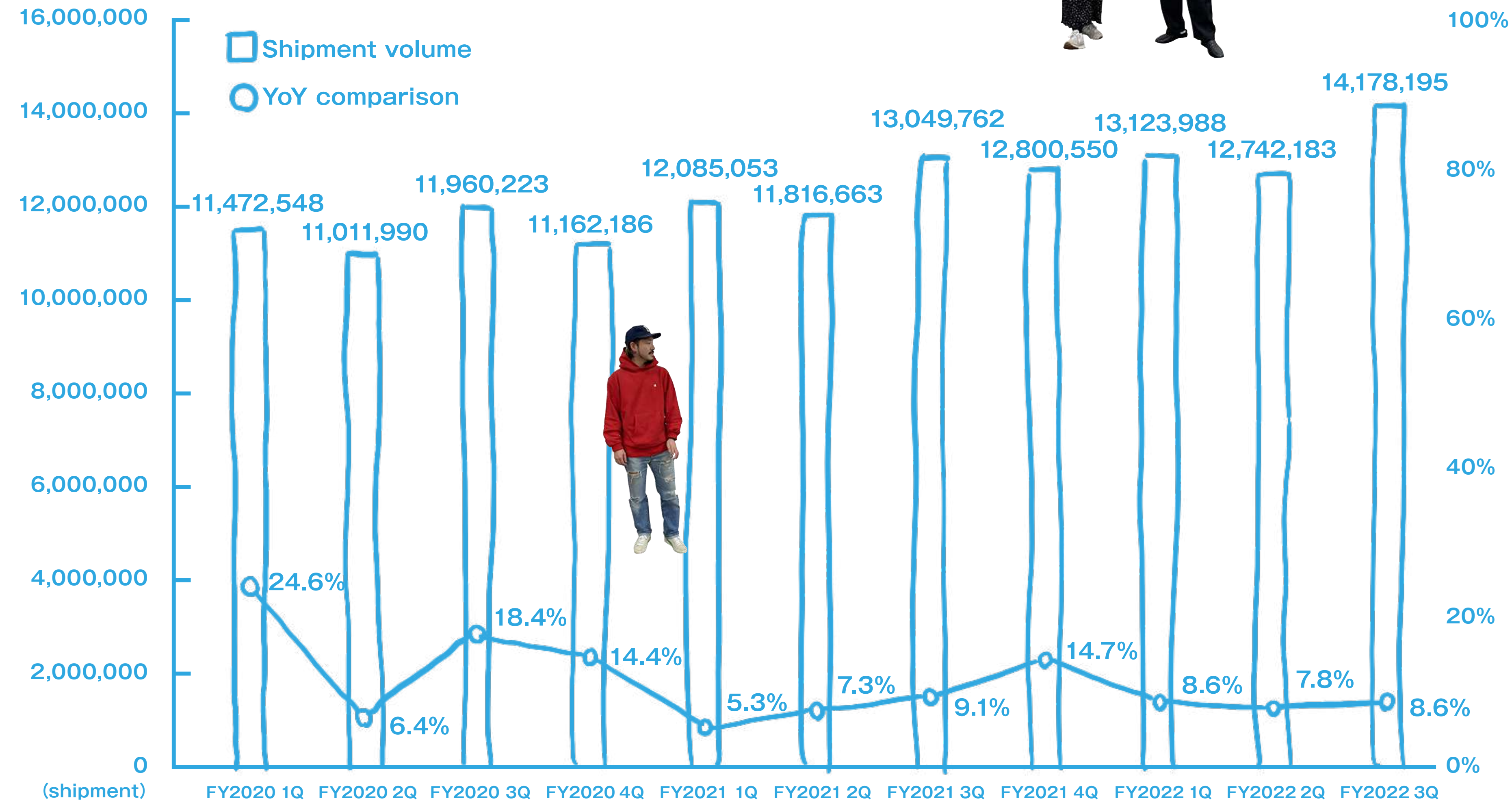
Existing active members: Active members who have passed over 1 year since their registration



* 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

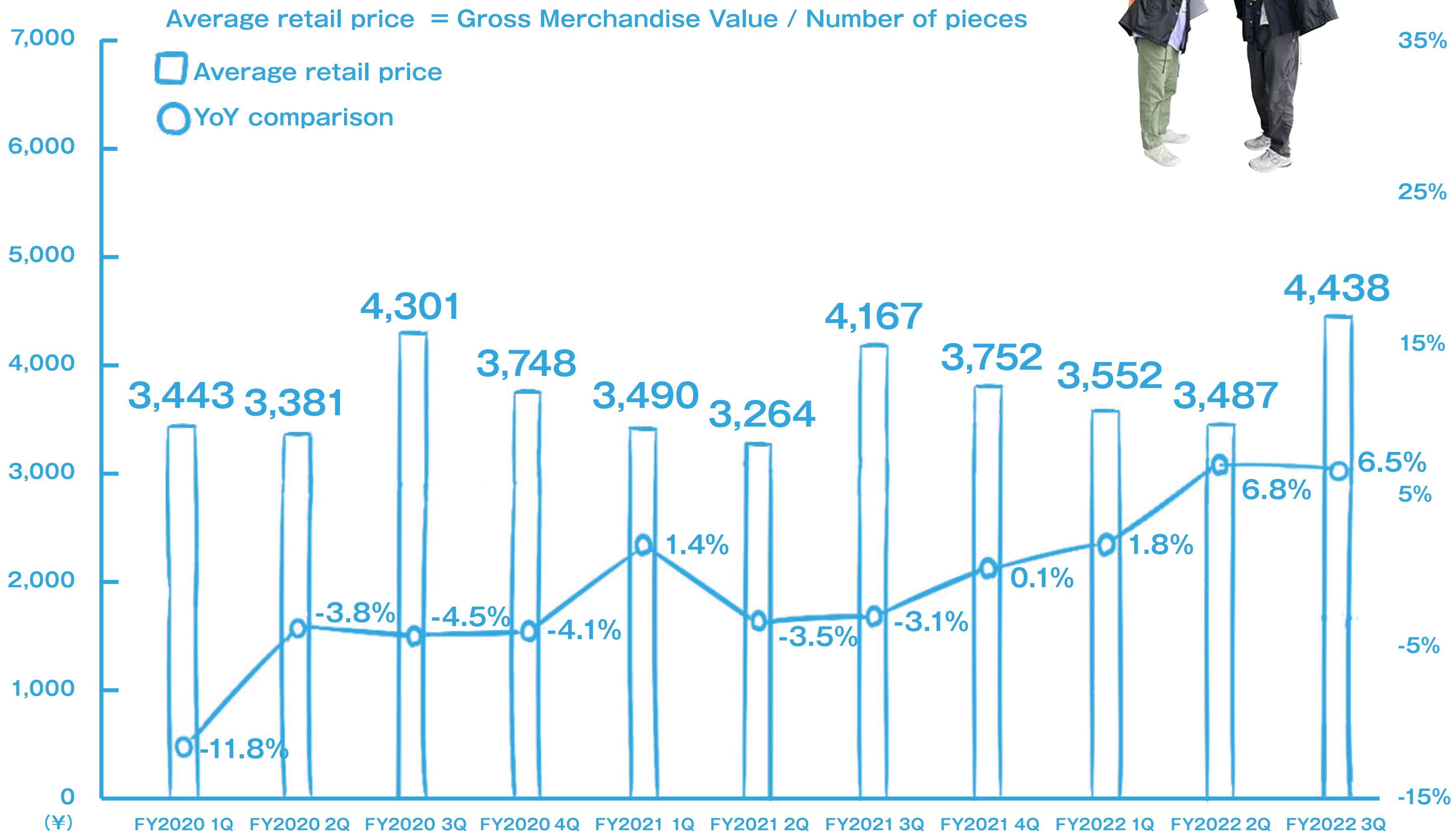


* The results are only from the ZOZOTOWN business (<https://zozo.jp>). Yahoo! JAPAN Shopping is not included.

* 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



* 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”.



35%

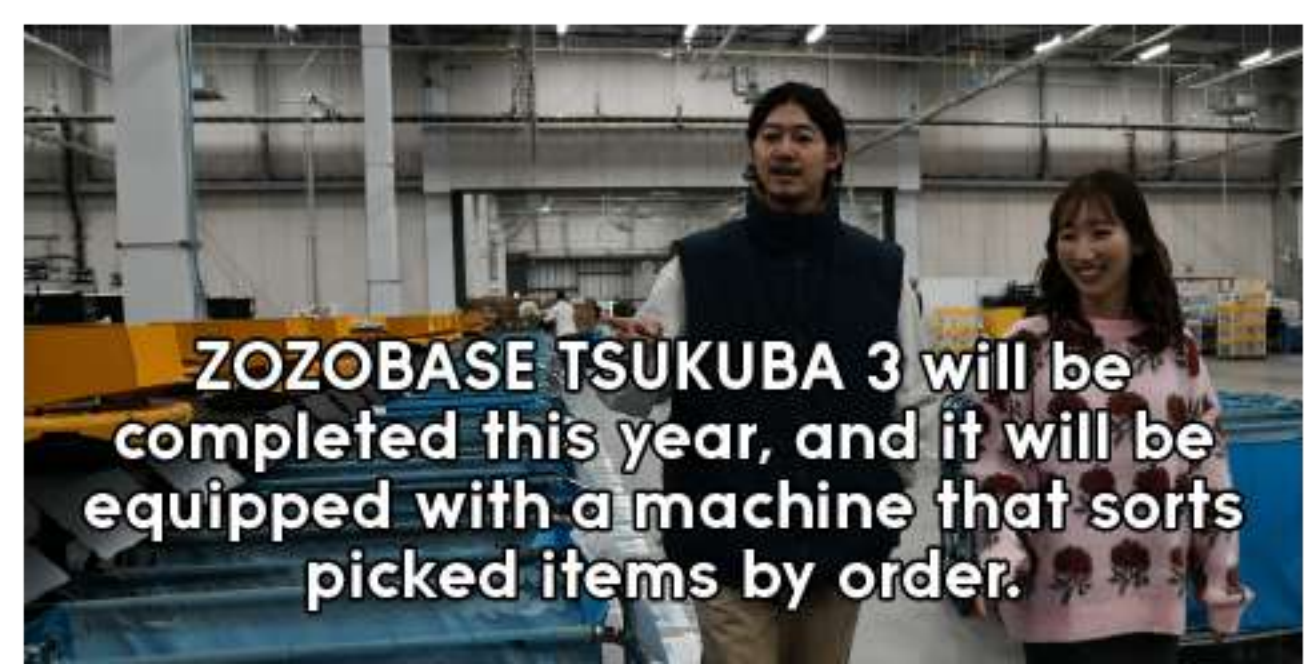
25%

15%

5%

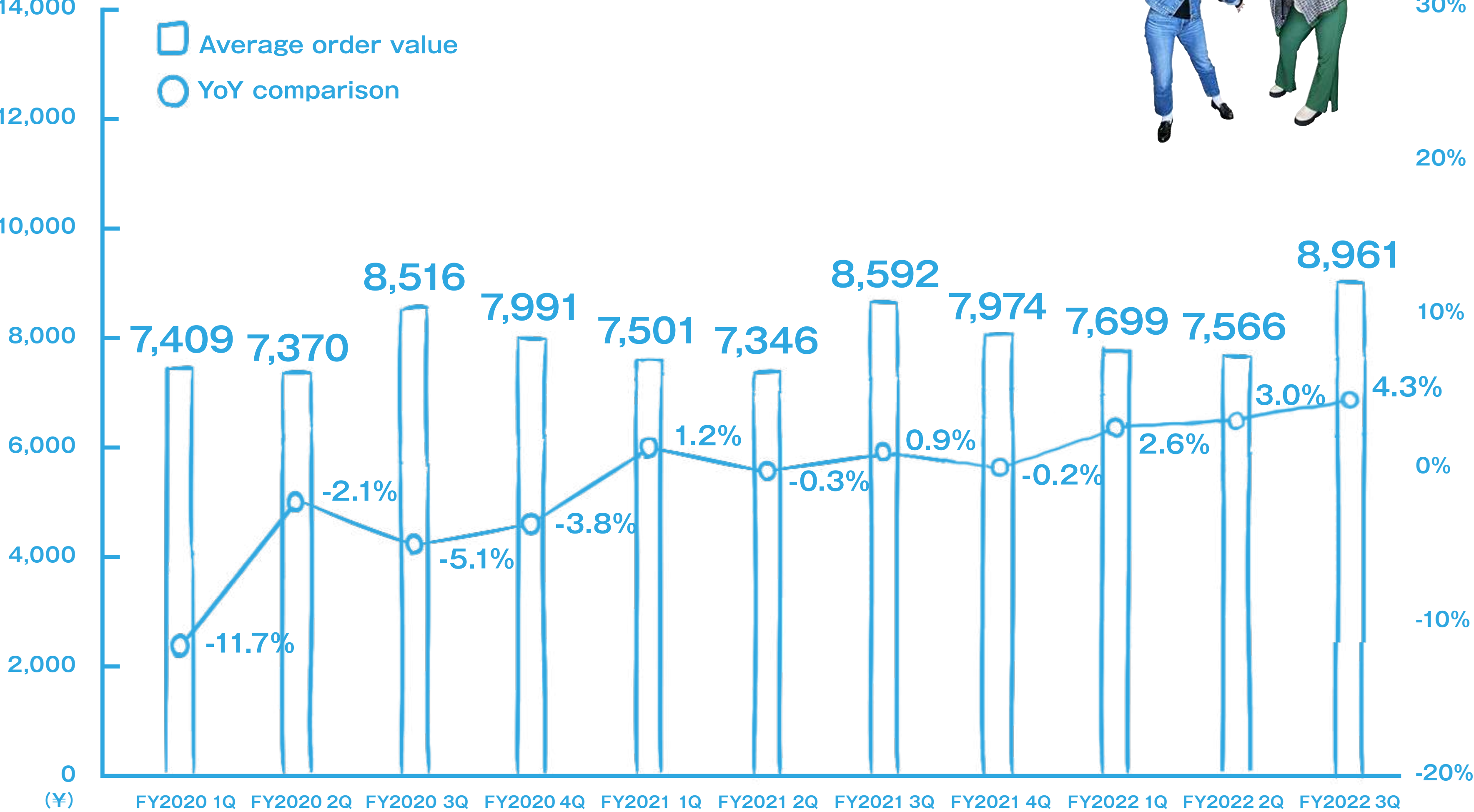
-5%

-15%



AVERAGE ORDER VALUE

Average order value = Gross Merchandise Value / 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”.



30%

20%

10%

0%

-10%

-20%



BUSINESS PLAN FOR FY2022

FY2022 3Q ZOZO, Inc. CONSOLIDATED BUSINESS RESULTS



CONSOLIDATED BUSINESS FORECAST AND DIVIDEND FORECAST FOR FY2022

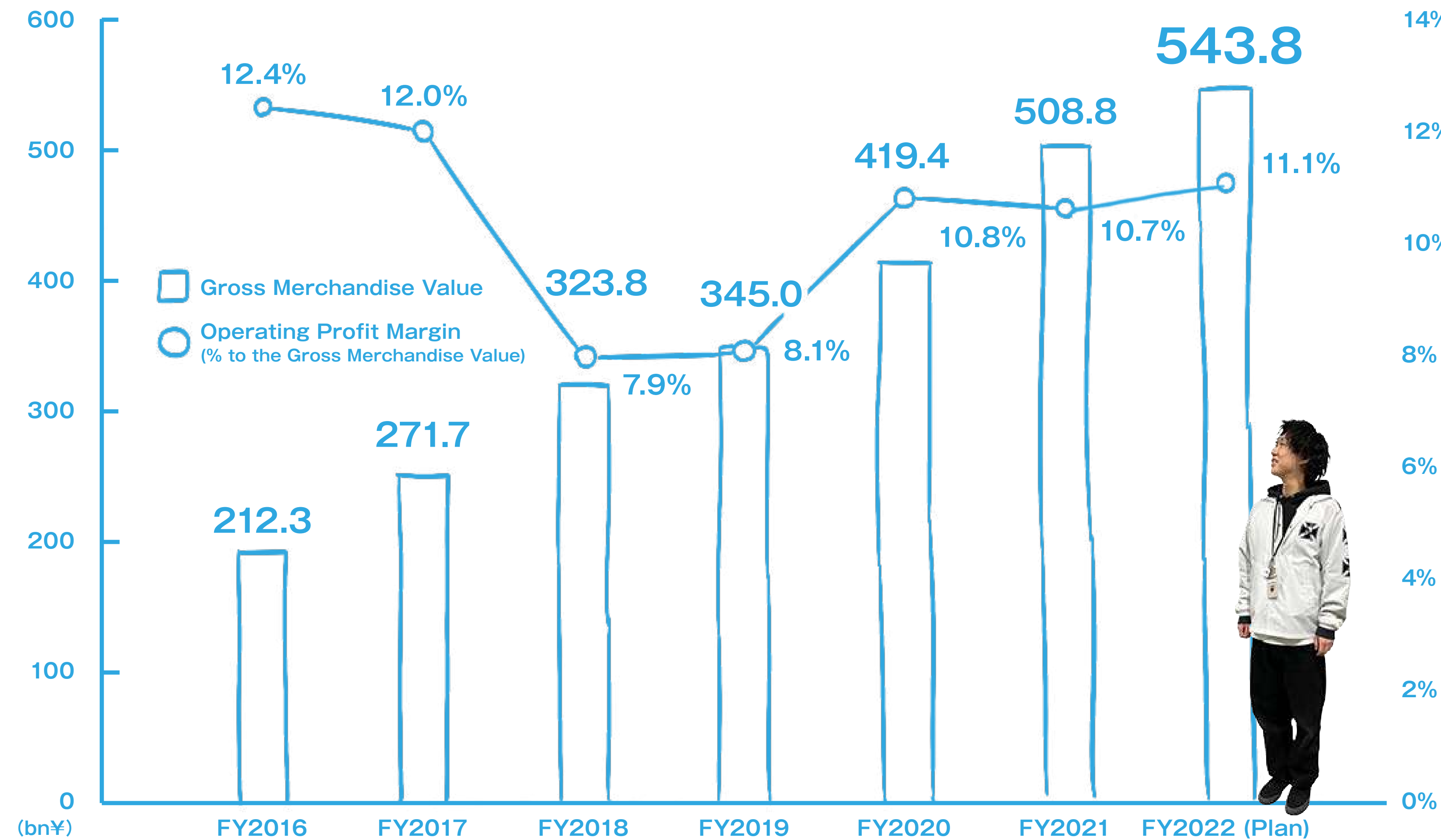
	FY2022 Plan (Revised on January 31, 2023)	YoY
Gross Merchandise Value	543.8 billion yen	6.9%
Gross Merchandise Value (excluding other GMV)	495.8 billion yen	7.3%
Net sales	181.3 billion yen	9.1%
Operating profit	55.0 billion yen	10.8%
Operating Profit Margin (% to the Gross Merchandise Value)	11.1%	—
Ordinary profit	55.2 billion yen	11.2%
Profit attributable to owners of parent	38.4 billion yen	11.3%
Net profit per share	128.07 yen	—
Estimated dividends per share (Plan)	65 yen	—

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

* Please note that the "Notice concerning revision of consolidated business forecast and year-end dividend" was released on January 31, 2023. The figures mentioned above reflect these revisions.



GROSS MERCHANDISE VALUE & OPERATING PROFIT MARGIN



* Operating profit margins are calculated by operating profit divided by gross merchandise value (excluding other GMV).
* Please note that the "Notice concerning revision of consolidated business forecast and year-end dividend" was released on January 31, 2023. The figures mentioned above reflect these revisions.



REFERENCE DATA

FY2022 3Q ZOZO, Inc. CONSOLIDATED BUSINESS RESULTS



STATISTICS OF ZOZO

EMPLOYEES

1,513

(Average age 33.2 years old)

NUMBER OF BRANDS HANDLED

8,545

SHAREHOLDERS

12,217

ZOZOTOWN TOTAL BUYERS (1 year basis)

11.2 million



MAJOR SERVICES



ZOZOTOWN

Japan's Largest Online Retailer of Apparel and Accessories

- 1,554 stores offering 8,545 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 Yahoo! JAPAN Shopping* which is operated by Yahoo Japan Corporation.



WEAR

Japan's largest outfit posting app

- Users can post their outfits, or search from posted outfits, including various filtering options.
- Official users who are called WEARISTAs, include popular models, singers, actors and actresses.
- Over 16.0 million downloads
- Now available in all geographic areas.



* 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
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	1,554 (As of December 31, 2022)	1,420 (As of December 31, 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 ZOZO point of 5% of product price (excluding tax) will be granted only for ZOZOCARD	PayPay points based on PayPay campaign
Revenue	Consignment sales commission from brands	Same as the left (Commission rate is same as ZOZOTOWN)
	Shipping revenue from customers	Same as the left
Expenses bear by ZOZO	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

28 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 1,526 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*



Yahoo! JAPAN Shopping*

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 37 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

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

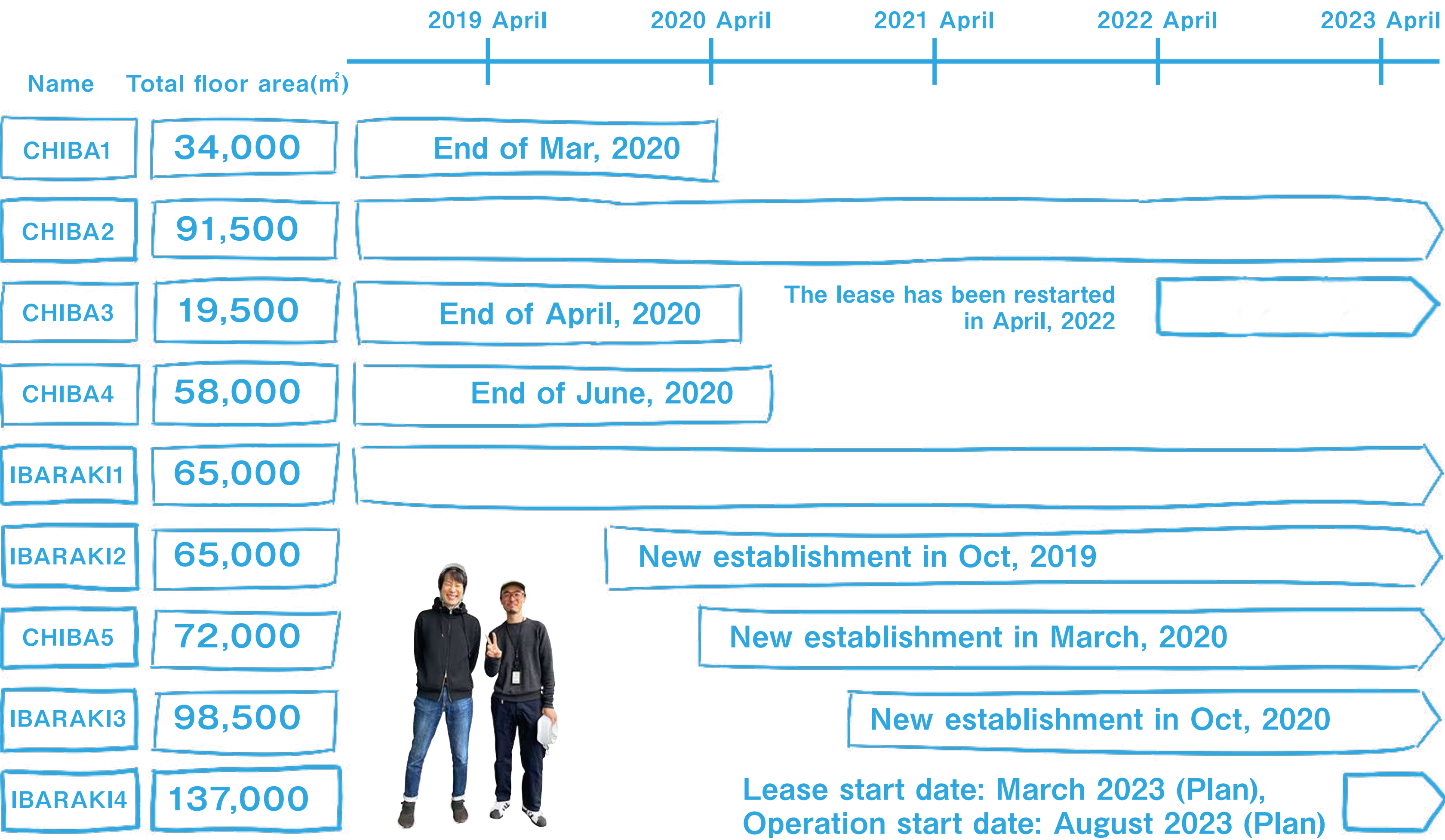
Sales = Advertising income



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

* 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

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 is your precious thing, right?



I really appreciate it, Daitaku!



You are such a kind person.

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.





To be continued...



Postscript

Thank you for your continued support.

Which scene was your favorite in the third episode of "Romantic Nishi-Chiba"?

For me, I particularly enjoyed the scene where Daitaku puts his jacket on Hina's shoulders. I put a lot of "heart-throbbing" moments in this episode, and I'm sure many of you who enjoy dramas and girls' comics have seen similar situations before.

And the next episode is finally the last one! As the creator, I am curious to see how it all unfolds. I hope you will enjoy it!

Rena, Corporate Identity Office, ZOZO, Inc.

*Romantic
Nishi-Chiba*

— A story that can never be calculated —

Auditions for extras!

*No way! We're looking for extras!
The romance never ends, even in the fourth quarter!*



Please scan the QR code to confirm the application guidelines and other detailed information.

<https://forms.gle/XP3hXhZ7YL69U4w78>