

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



# HIGHLIGHTS



ZOZO has been a component of the Nikkei Stock Average since April 2024!  
We are not satisfied with that and keep striving to grow.





# FY2023 HIGHLIGHTS

**Achieved full-year plan for GMV (excluding other GMV) and operating profit**  
**Record highs in both GMV and operating profit**

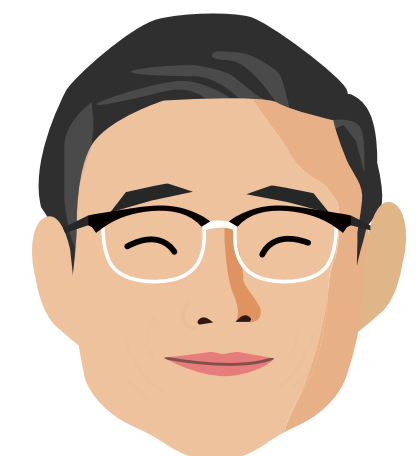
## Overview

- **Gross Merchandise Value : 574,373 million yen (+5.5%,YoY)**  
Gross Merchandise Value (excluding other GMV) : 536,907 million yen (+7.1%,YoY)  
Achieved the plan. ZOZOTOWN business fell short of the plan due to continued harsh weather conditions, but Yahoo! Shopping significantly exceeded the plan.
- **Operating Profit : 60,079 million yen (+6.5%,YoY)**  
Achieved the plan. Although some costs exceeded the plan, cost reductions in shipping expenses and cost controls were successful in conjunction with higher shipping unit prices.

## Results by business segment

- **ZOZOTOWN BUSINESS**  
Gross Merchandise Value : 464,734 million yen (+6.7%,YoY)  
Consignment sales : 442,214 million yen(+6.6%,YoY)  
Outright Purchase / Production & Sales : 4,429 million yen (-6.3%,YoY)  
USED sales : 18,090 million yen (+12.7%,YoY)
- **LY Corporation Commerce\*** : 57,696 million yen (+15.7%,YoY)
- **BtoB Business** : 14,477 million yen (-7.7%,YoY)
- **Others\*** : 37,465 million yen
- **Average Order Value** : 8,735 yen (+5.2%,YoY)
- **Average Retail Price** : 4,003 yen (+0.4%,YoY)
- **Advertising business**  
Net sales : 9,737 million yen (+25.3%,YoY)

Although the climate for our business remained harsh throughout the year, we were able to achieve our forecast for GMV (excluding other GMV), which is directly related to revenue, thanks to efficient promotional investments. Although some expenses exceeded the plan, operating income also achieved the plan due to the effect of controlling other expenses.



\* "Yahoo! Shopping" and "Yahoo! Auctions" are combined in "LY Corporation Commerce".

\* 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 HIGHLIGHTS

## Profitability

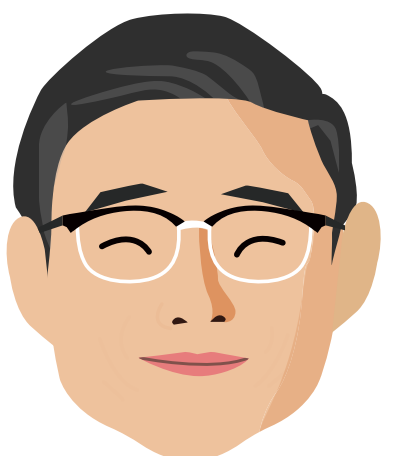
- Operating profit margin (to the total gross merchandise value) : 11.2%(11.3% for FY2022)
  - Factors improving profitability : A growth of the advertising business and a decline in shipping expenses ratio due to higher order value.
  - Factors worsening profitability : Rent and depreciation expenses related to the new distribution center began to be recorded.

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

## Topics

- "ASEA 2024 Presented by ZOZOTOWN", the first award led by ZOZOTOWN, will be held for the first time in Japan on April 10th. (February 2024)
- Repurchased of treasury stock (March 2024)
- ZOZOUSED opened a store on Yahoo! Auction (March 2024)
- Became Nikkei Stock Average component (April 2024)
- ZOZOTOWN has introduced "Slow Delivery" service on a trial basis., starting in April 2024 (April 2024)
- ZOZOTOWN's same-day delivery service will also cover Hokkaido/Kyushu/Southeast/Northern Japan/Hokuriku areas (April 2024)
- Obtained certification under the Eco-First System by the Ministry of the Environment (April 2024)

The same-day delivery service will cover 38 prefectures with this area expansion. We will respond to a variety of delivery needs by offering Slow Delivery as well.





# Action to Implement Management that is Conscious of Cost of Capital and Stock Price

## Background and Current Issues

As for profit return to shareholders, our group has the basic policy for deliberating and implementing profit return by balancing internal reserve through comprehensive consideration of the followings: business performance, financial status, future business and investment plans.

We re-examined based on the analysis of current situation and future forecasts, as requested by Tokyo Stock Exchange, Inc. in the “Action to Implement Management that is Conscious of Cost of Capital and Stock Price” announced on March 31, 2023.

The Group’s target ROE has a lower limit of 30%, but the results for the fiscal years ended March 31, 2023 and 2024 were both higher, at 60.1% and 55.0%, respectively.

On the other hand, our group’s equity capital has been increasing due to the accumulation of internal reserve, and in consideration of future business and investment plans, etc., it is expected that ROE and other indicators of return on capital will gradually deteriorate.





# **Action to Implement Management that is Conscious of Cost of Capital and Stock Price**

## **Response Policy and Goals**

**We deemed that maintaining the current level of consolidated dividend payout ratio will lower capital efficiency in the future. Thus, we set out a policy to return surplus funds to shareholders more proactively than ever before.**

**In addition to raising the consolidated dividend payout ratio, we will consider the share repurchases on an ongoing basis, taking into account stock liquidity and stock price conditions.**

**Our goal is to maintain a total return ratio, including share buybacks, of more than 80% on 5-year average over the medium to long term(average of approximately 5 years after the fiscal year ended March 31, 2024).**

**In addition to increasing dividends and share buybacks, we will also explore fundamental initiatives to achieve capital returns exceeding the cost of capital consistently, to attain sustainable growth of the company.**



# Action to Implement Management that is Conscious of Cost of Capital and Stock Price

## Specific measures

The initiatives decided on October 31, 2023 were implemented as follows,

### (1) Raise the consolidated dividend payout ratio

Raise the consolidated dividend payout ratio target from 50% to 70%

Dividend per share for the fiscal year ended March 31, 2024 (planned)\* End of second quarter: 49 yen Year-end: 55 yen Total: 104 yen  
Dividend payout ratio (planned)\* 70.2%

\*The "Notice concerning revision of year-end dividend forecast" was disclosed on April 30, 2024. The above figures are after reflecting the revision.

### (2) Repurchase of own shares

- Total number of acquired shares : 3,129,900 shares
- Total amount to be paid of acquisition : 9,999,443,450 yen

Period of acquisition: November 1, 2023 to March 4, 2024 (Delivery date basis)

### (3) Cancellation of treasury stock

Cancelled of 11,170,104 shares (3.58% of the total number of shares outstanding before the cancellation)

Date of the cancellation: November 9, 2023

# BUSINESS RESULTS



ZOZUSED has opened a store on Yahoo! Auctions since March 2024! Please check it out! \*The results of Yahoo! Auction are included in "LY Corporation Commerce".







# OVERVIEW OF THE FY2023

(million¥)

	FY2022	FY2023	YoY	Target	Achievement Rate(%)
Gross Merchandise Value	544,317	574,373	5.5%	580,800	98.9%
Gross Merchandise Value (excluding other GMV)	501,108	536,907	7.1%	535,200	100.3%
Net sales	183,423	197,016	7.4%	200,700	98.2%
Gross profit	171,341	183,147	6.9%	-	-
(% to the Gross Merchandise Value)	34.2%	34.1%	-0.1%	-	-
SG&A	114,920	123,067	7.1%	-	-
(% to the Gross Merchandise Value)	22.9%	22.9%	0.0%	-	-
Operating profit	56,421	60,079	6.5%	60,000	100.1%
(% to the Gross Merchandise Value)	11.3%	11.2%	-0.1%	11.2%	-
Ordinary profit	56,716	59,764	5.4%	60,000	99.6%
Profit attributable to owners of parent	39,526	44,341	12.2%	42,000	105.6%

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



# OVERVIEW OF EACH QUARTER

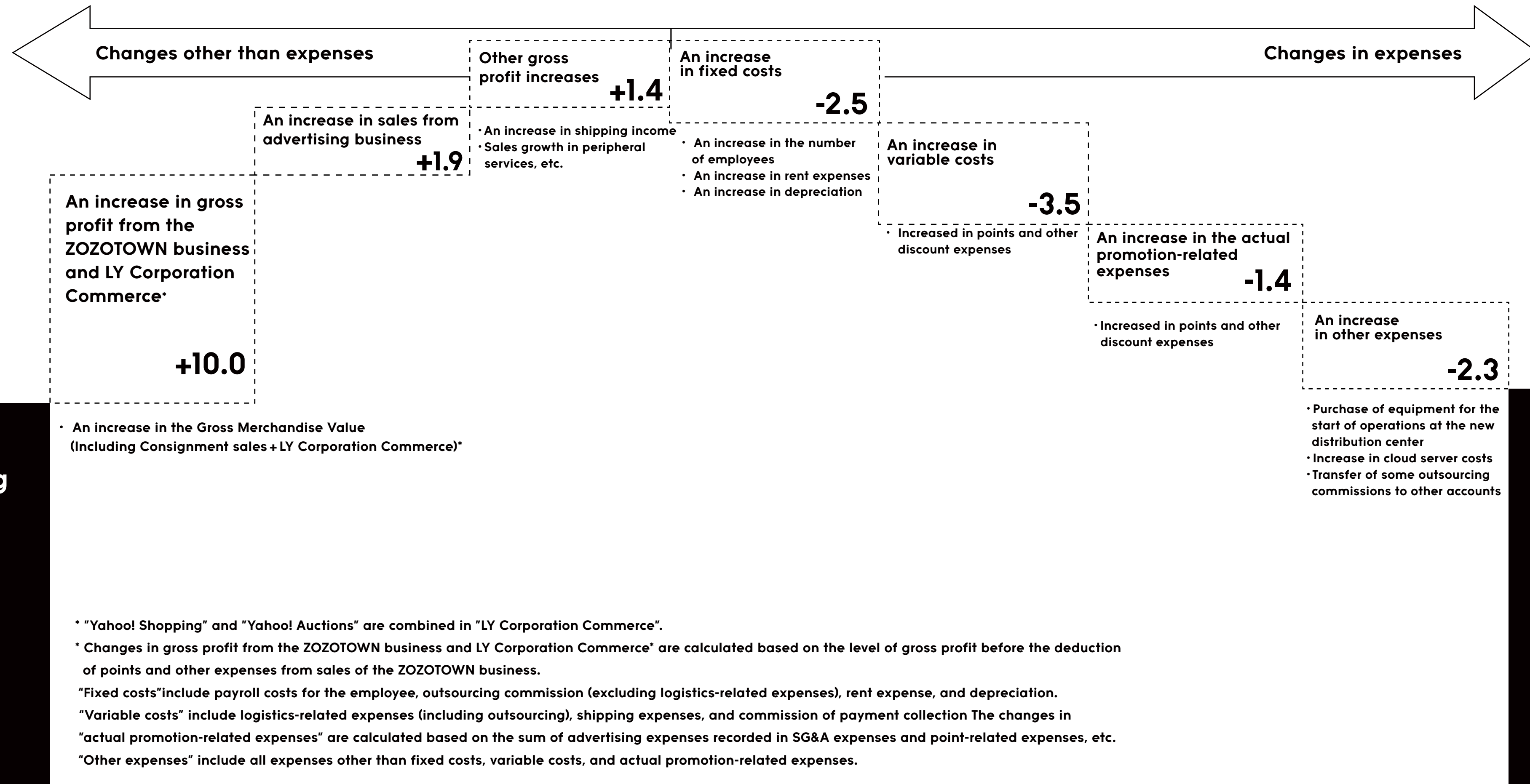
(million¥)

	FY2022				FY2023			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Gross Merchandise Value	127,928	123,210	155,358	137,820	131,920	126,870	168,354	147,227
Gross Merchandise Value (excluding other GMV)	115,948	111,533	144,540	129,085	123,327	118,317	157,851	137,411
YoY (%)	8.7%	9.0%	9.1%	7.0%	6.4%	6.1%	9.2%	6.4%
Net sales	42,590	41,176	52,699	46,956	45,871	44,345	57,351	49,448
SG&A	26,028	25,667	31,328	31,895	27,182	28,100	36,332	31,452
YoY (%)	7.0%	7.6%	5.6%	11.2%	4.4%	9.5%	16.0%	-1.4%
(% Gross Merchandise Value)	22.4%	23.0%	21.7%	24.7%	22.0%	23.8%	23.0%	22.9%
Operating profit	14,312	12,897	17,425	11,785	15,862	13,068	16,767	14,381
YoY (%)	13.7%	15.2%	16.3%	8.4%	10.8%	1.3%	-3.8%	22.0%
(% Gross Merchandise Value)	12.3%	11.6%	12.1%	9.1%	12.9%	11.0%	10.6%	10.5%

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



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



(bn¥)

FY2022

FY2023

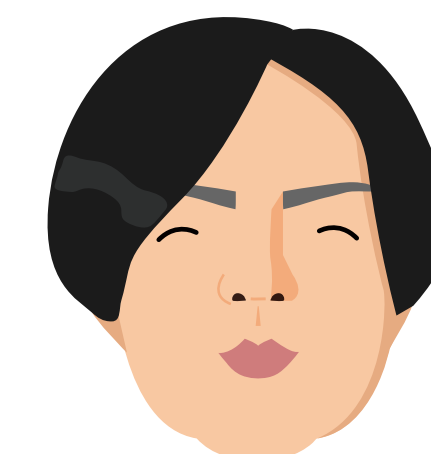


# CONSOLIDATED BALANCE SHEET

(million¥)

	<b>FY2022</b> (as of March 31, 2023)	<b>FY2023</b> (as of March 31, 2024)		<b>FY2022</b> (as of March 31, 2023)	<b>FY2023</b> (as of March 31, 2024)
<b>Current assets</b>	<b>123,493</b>	<b>123,137</b>	<b>Current liabilities</b>	<b>72,204</b>	<b>68,261</b>
Cash and deposits	69,126	64,747	Short-term borrowing	20,400	20,000
Merchandise and finished products	3,155	3,784	Non-current liabilities	6,844	8,856
<b>Non-current assets</b>	<b>32,248</b>	<b>38,724</b>	<b>Total liabilities</b>	<b>79,048</b>	<b>77,117</b>
Tangible assets	18,796	24,660	Shareholders' equity	76,771	84,572
Intangible assets	2,381	2,611	Treasury stock	-44,558	-11,627
Investments and other assets	11,070	11,452	<b>Total net assets</b>	<b>76,693</b>	<b>84,744</b>
<b>Total assets</b>	<b>155,742</b>	<b>161,862</b>	<b>Total liabilities and net assets</b>	<b>155,742</b>	<b>161,862</b>

The purchase of treasury stock was completed as planned on March 4, 2024.





# CASH FLOWS

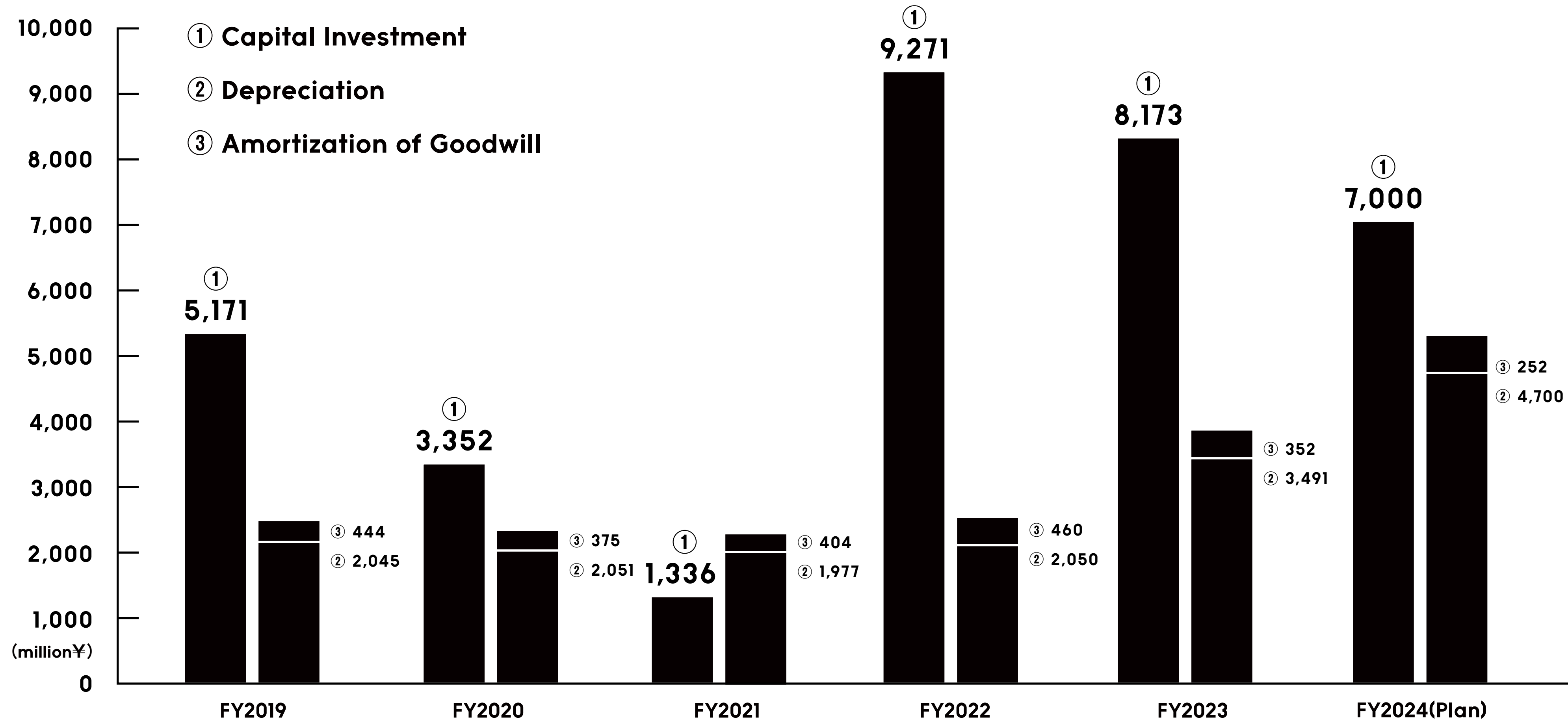
(million¥)

	FY2022	FY2023	YoY	Reason for change
Cash flows from operating activities	36,671	42,589	5,917	
Cash flows from investing activities	-10,588	-9,879	708	Expenditures for opening a new distribution base in both the previous and current fiscal years
Cash flows from financing activities	-17,738	-37,138	-19,399	Outflows through the acquisition of treasury stock
Cash and cash equivalents at the end of the year	74,145	69,748	-4,396	

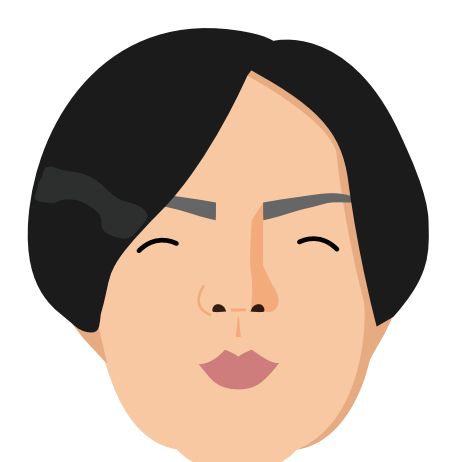




# CAPITAL INVESTMENT



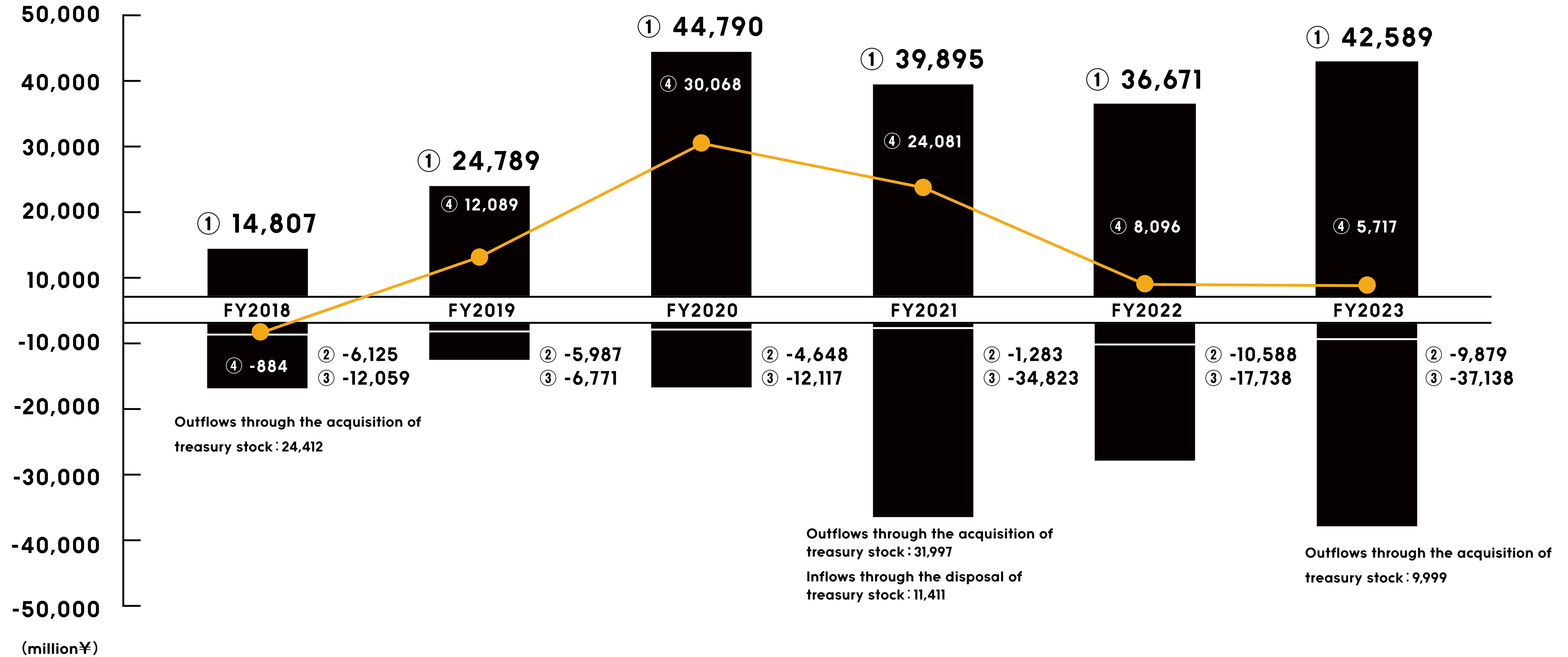
In the fiscal year ended March 31, 2024, we continued to invest in newly opened logistics bases from the previous year. In the fiscal year ending March 31, 2025, we will continue to invest in some of our existing logistics bases to reduce manpower and automate logistics operations.





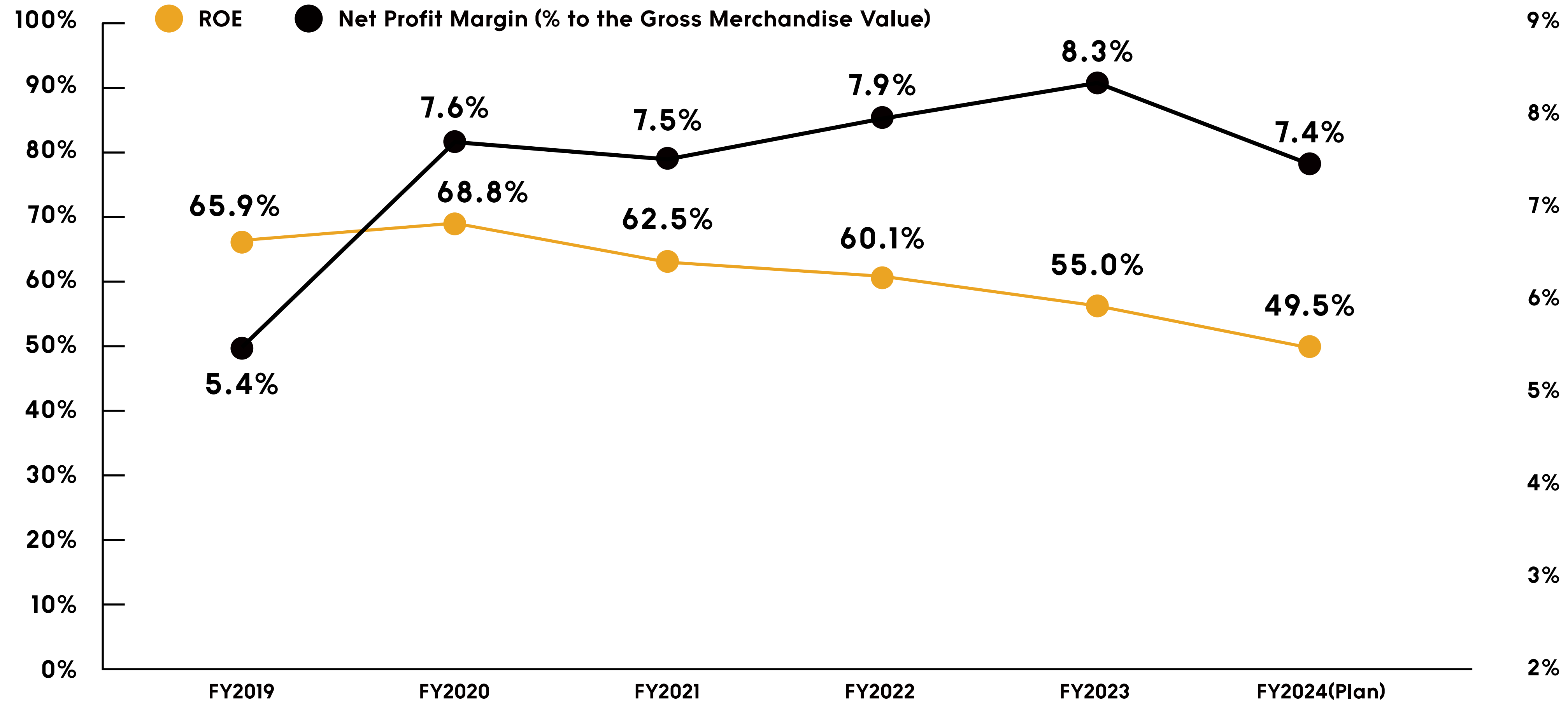
# CASH FLOWS

- 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

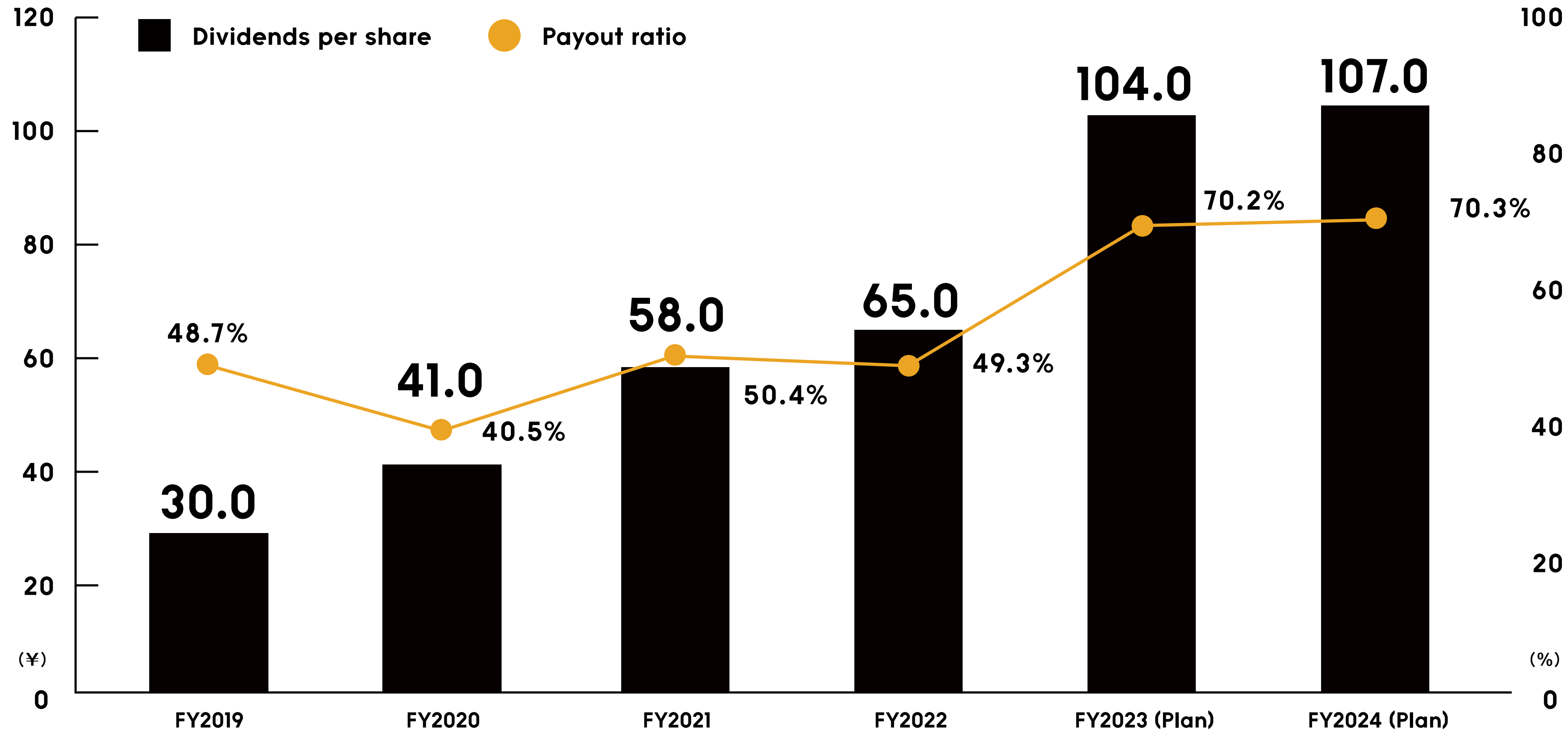


\* Net profit margins are calculated by dividing net profit by the Gross Merchandise Value (excluding other GMV).

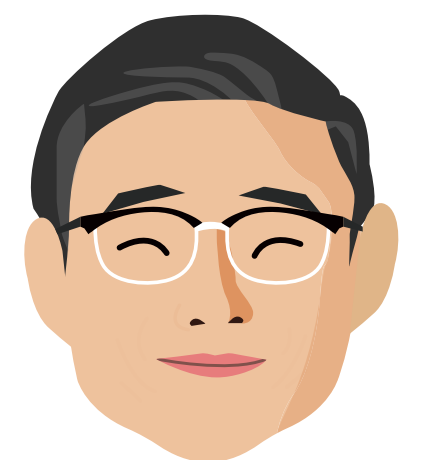
\* The "Notice concerning revision of year-end dividend forecast" was disclosed on April 30, 2024. The above figures are after reflecting the revision.



# DIVIDENDS PER SHARE AND PAYOUT RATIO



As disclosed today, we plan to increase the year-end dividend per share by 6 yen for the fiscal year ended March 31, 2024. As a result, the full-year dividend per share is expected to be 104 yen, with a payout ratio of 70.2%.

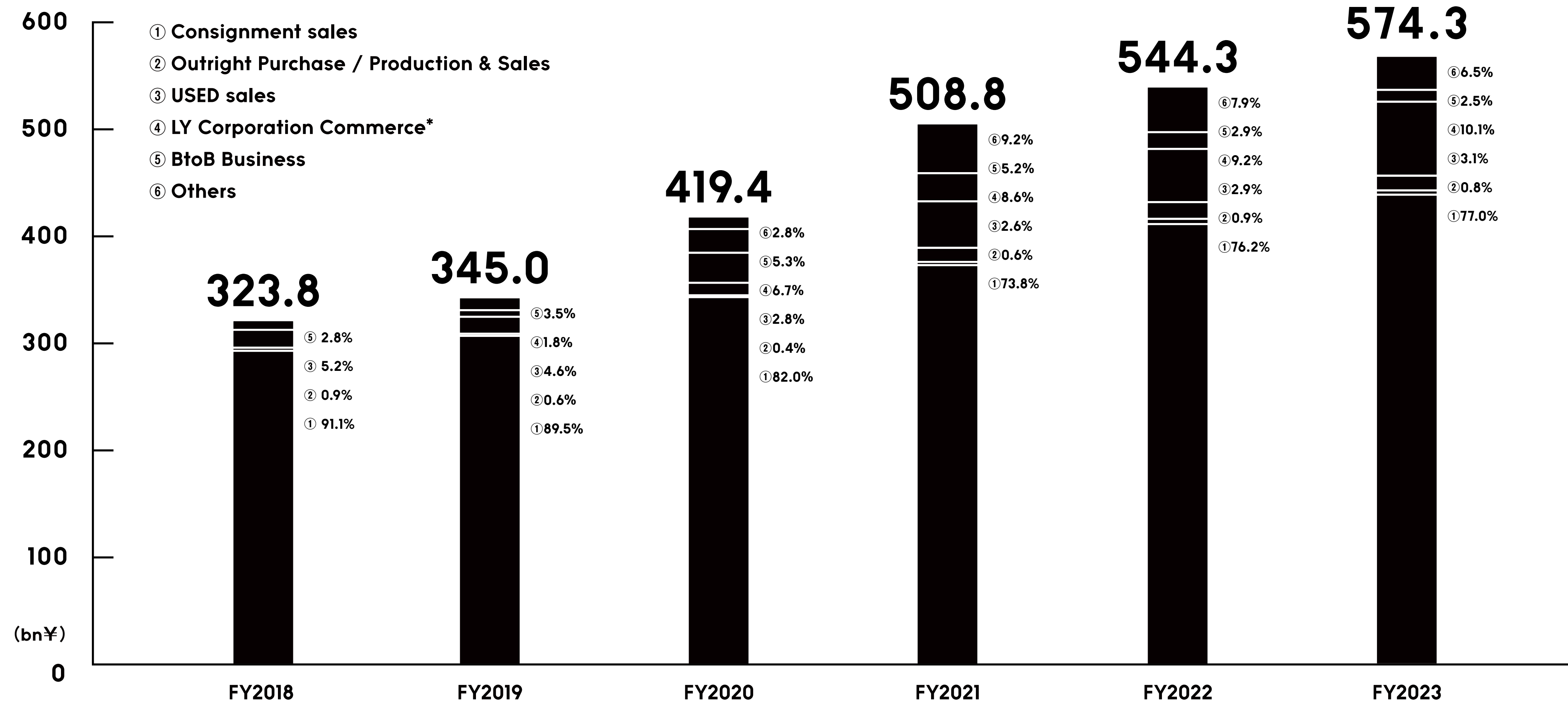


\* The "Notice concerning revision of year-end dividend forecast" was disclosed on April 30, 2024. The above figures are after reflecting the revision.



# GROSS MERCHANDISE VALUE

The Gross Merchandise Value of new shops opened in FY2023 (ZOZOTOWN Business)  
 FY2023 : 6.4 billion yen (accounts for 1.4% of the Gross Merchandise Value)



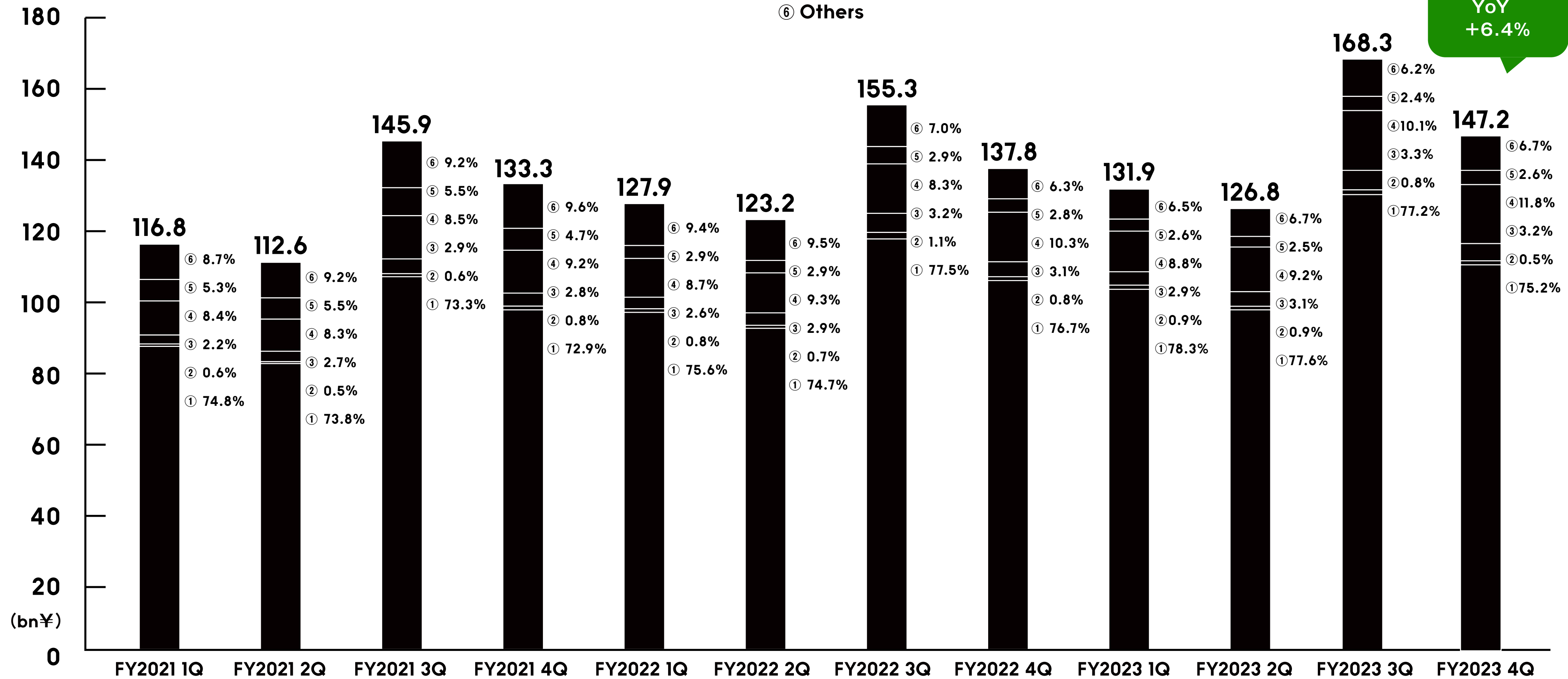
\* "Yahoo! Shopping" and "Yahoo! Auctions" are combined in "LY Corporation Commerce".





# GROSS MERCHANDISE VALUE (QUARTERLY)

- ① Consignment sales
- ② Outright Purchase / Production & Sales
- ③ USED sales
- ④ LY Corporation Commerce\*
- ⑤ BtoB Business
- ⑥ Others



YoY\*  
+6.4%

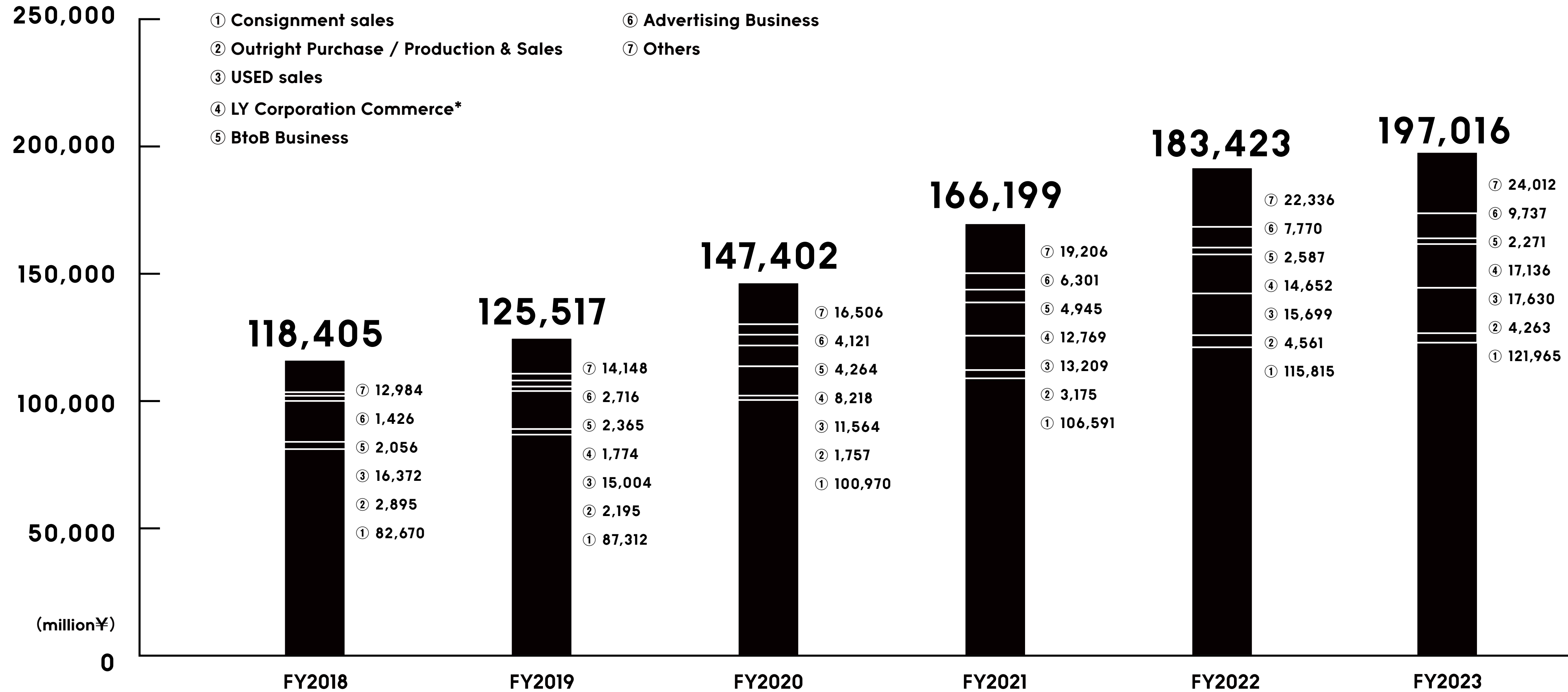
Although the ZOTOWN business remained sluggish due to a warm winter and delayed spring, LY Corporation Commerce\* continued to strongly grow thanks to a major promotion in Yahoo! Shopping.



\* "Yahoo! Shopping" and "Yahoo! Auctions" are combined in "LY Corporation Commerce".  
\* YoY is the comparison of GMV excluding "⑥ Others"



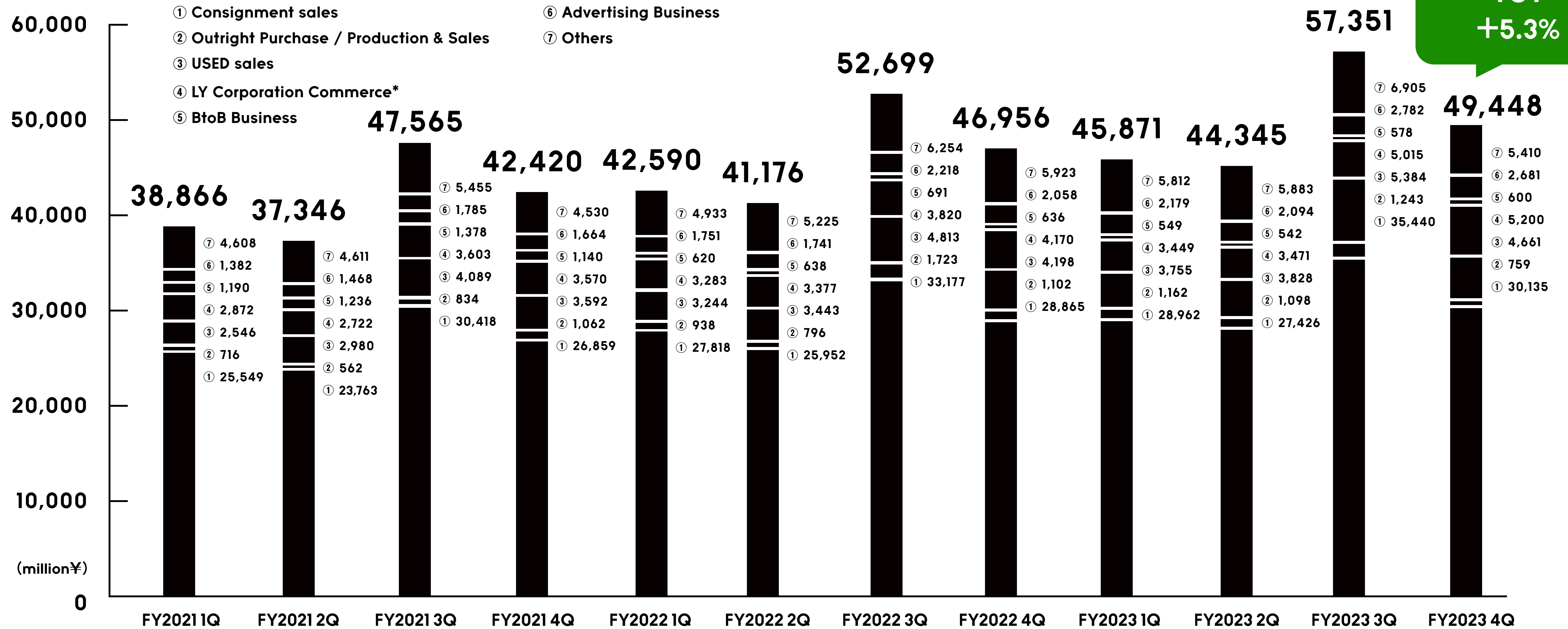
# NET SALES



\* "Yahoo! Shopping" and "Yahoo! Auctions" are combined in "LY Corporation Commerce".



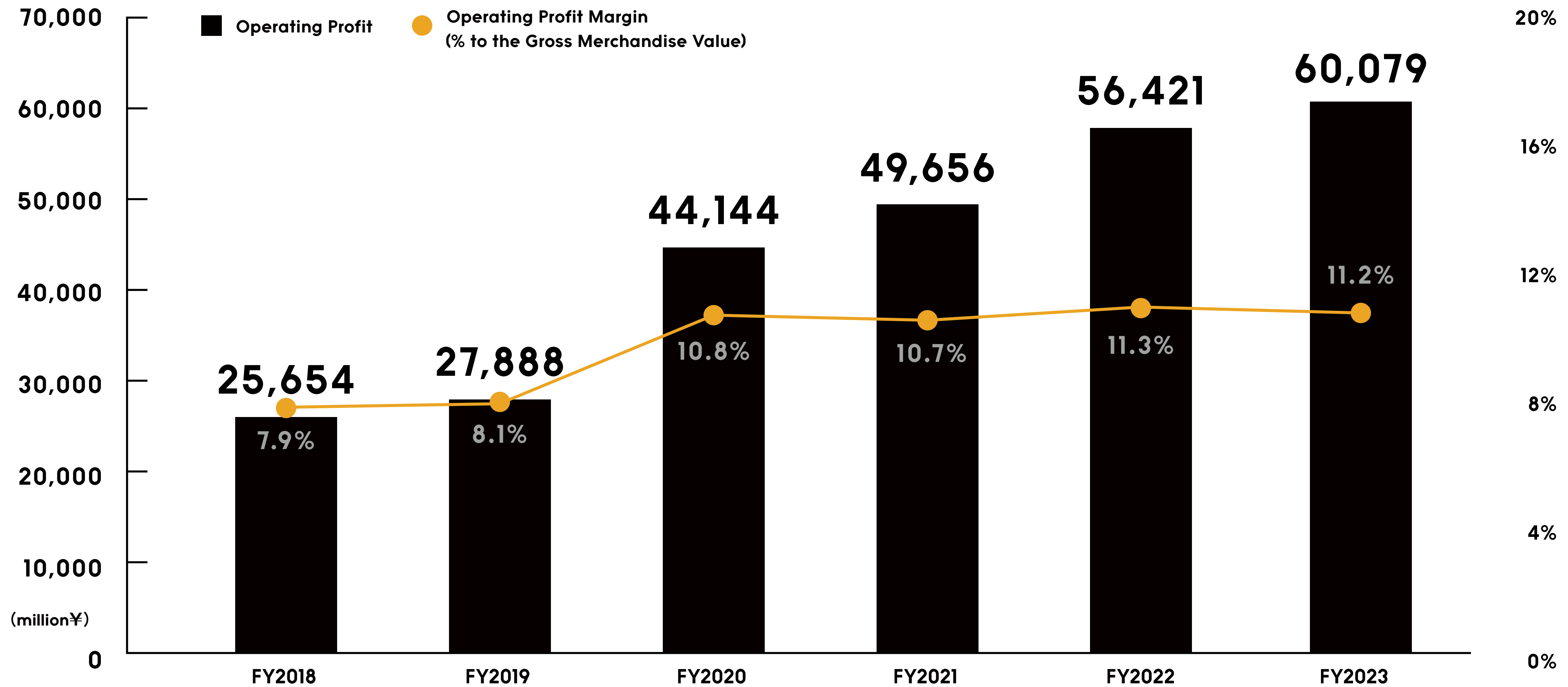
# NET SALES (QUARTERLY)



\* "Yahoo! Shopping" and "Yahoo! Auctions" are combined in "LY Corporation Commerce".



# 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		FY2023		YoY	Increase / decrease factors
	Amount	% to the Gross Merchandise Value	Amount	% to the Gross Merchandise Value	% to the Gross Merchandise Value	
<b>Payroll and staff costs(*)</b>	<b>31,372</b>	<b>6.3%</b>	<b>33,357</b>	<b>6.2%</b>	<b>-0.1%</b>	
<b>Payroll costs for employee</b>	<b>14,326</b>	<b>2.9%</b>	<b>14,300</b>	<b>2.7%</b>	<b>-0.2%</b>	Transition of the number of employees on consolidated basis: FY2022 1,538 → FY2023 1,681
<b>Logistics-Related Expenses (Including Outsourcing)</b>	<b>17,046</b>	<b>3.4%</b>	<b>19,056</b>	<b>3.5%</b>	<b>0.1%</b>	Decreased in operational efficiency at distribution centers due to increased inventory supply and worsening inventory turnover due to warm winter (2H)
<b>Outsourcing Commission (Excluding Logistics-Related Expenses)</b>	<b>6,774</b>	<b>1.4%</b>	<b>6,615</b>	<b>1.2%</b>	<b>-0.2%</b>	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.
<b>Shipping</b>	<b>32,421</b>	<b>6.5%</b>	<b>33,439</b>	<b>6.2%</b>	<b>-0.3%</b>	The ratio of shipping expenses to the Gross Merchandise Value decreased due to the impact of higher order value.
<b>Commission of Payment collection</b>	<b>11,877</b>	<b>2.4%</b>	<b>12,360</b>	<b>2.3%</b>	<b>-0.1%</b>	
<b>Advertising</b>	<b>12,314</b>	<b>2.5%</b>	<b>12,050</b>	<b>2.2%</b>	<b>-0.3%</b>	Cost control was implemented in conjunction with point measures and other measures that are not included in SG&A expenses. Ratio of SG&A expenses to GMV declined in 2023 due to an increase in the amount of investment in point-of-sale programs.
<b>Rent expense</b>	<b>6,076</b>	<b>1.2%</b>	<b>7,332</b>	<b>1.4%</b>	<b>0.2%</b>	An increase in a logistics center (Started the lease of IBARAKI 4 from March 2023)
<b>Depreciation</b>	<b>2,050</b>	<b>0.4%</b>	<b>3,491</b>	<b>0.7%</b>	<b>0.3%</b>	Increase in the number of distribution centers (depreciation on almost all facilities began in November 2023)
<b>Amortization of goodwill</b>	<b>460</b>	<b>0.1%</b>	<b>352</b>	<b>0.1%</b>	<b>0.0%</b>	
<b>Stock Compensation Expenses</b>	<b>114</b>	<b>0.0%</b>	<b>260</b>	<b>0.0%</b>	<b>0.0%</b>	
<b>Others</b>	<b>11,457</b>	<b>2.3%</b>	<b>13,808</b>	<b>2.6%</b>	<b>0.3%</b>	Large purchase of equipment for new distribution center. 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>114,920</b>	<b>22.9%</b>	<b>123,067</b>	<b>22.9%</b>	<b>0.0%</b>	

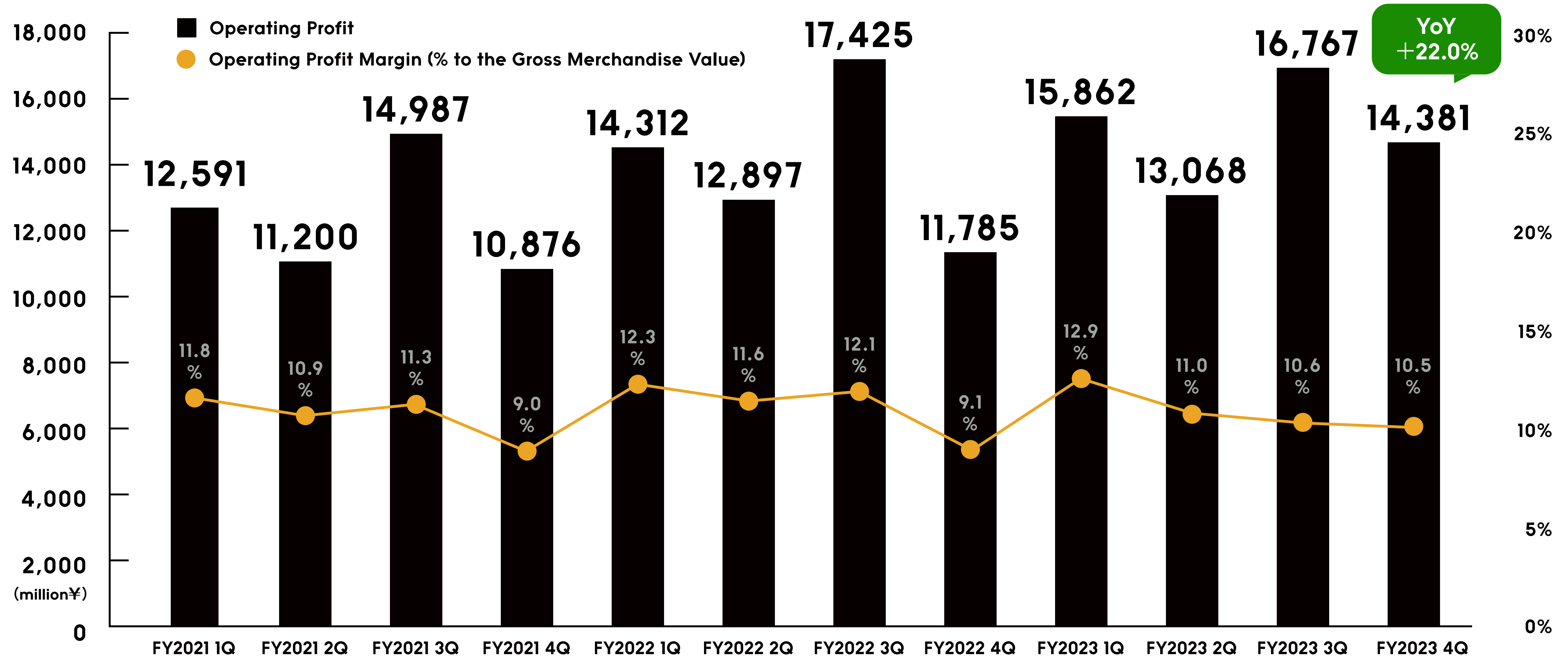
\* Payroll includes directors' remuneration, employee salaries, bonuses, legal welfare expenses, welfare expenses, retirement benefits cost, provision for employee bonuses, expenses of company pension premium, subcontracting payroll, a portion of expenses at logistics centers operation. "Employee" includes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

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





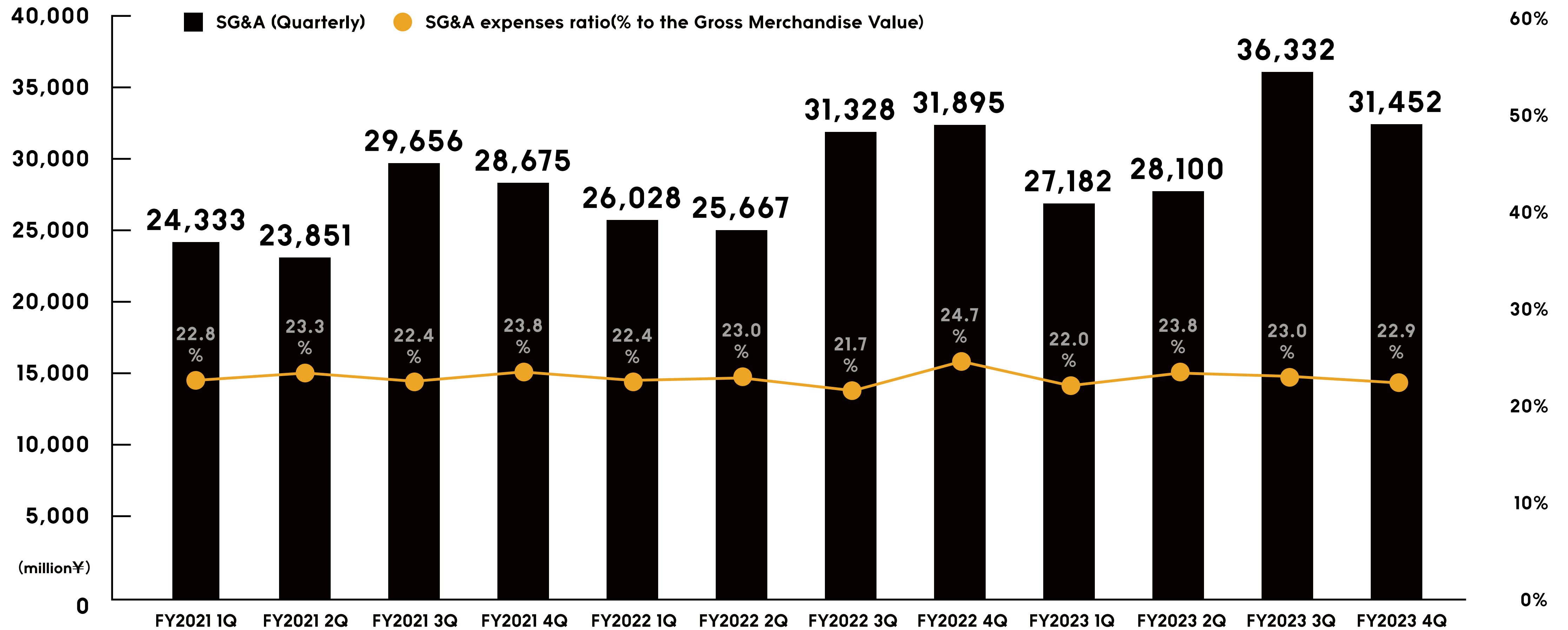
# OPERATING PROFIT AND OPERATING PROFIT MARGIN (QUARTERLY)



\* 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)

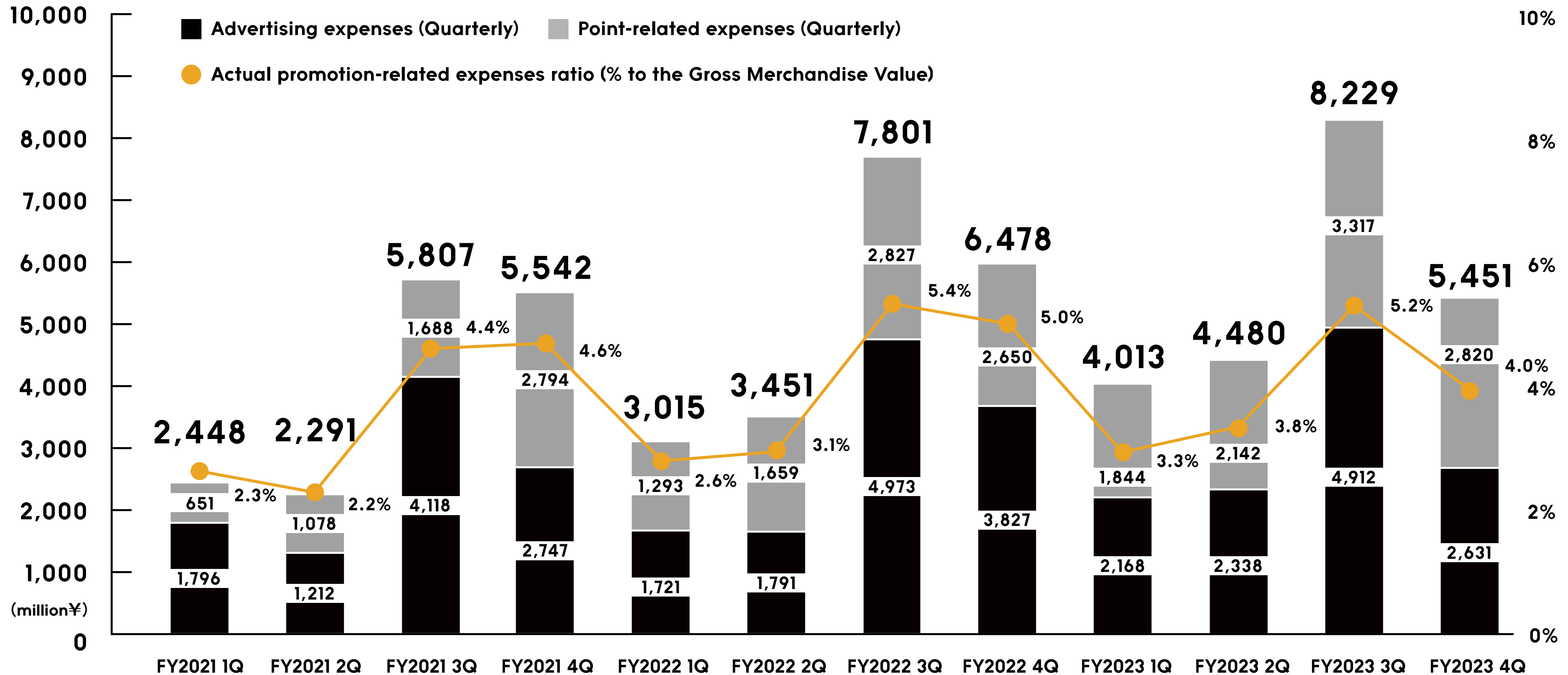


\* SG&A expenses ratio is calculated by dividing related items by the Gross Merchandise Value (excluding other GMV).

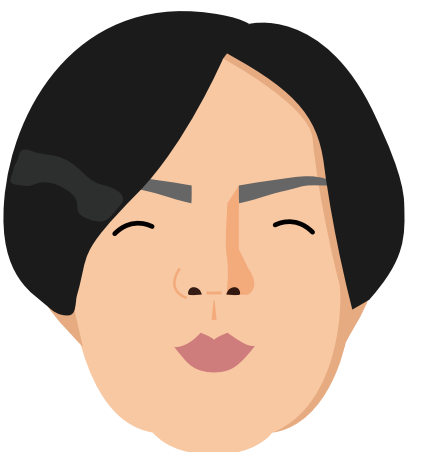


# ACTUAL PROMOTION-RELATED EXPENSES

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



The actual promotion cost ratio for the fiscal year-to-date period was 4.1%, generally in line with the plan.



\* 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		2Q		3Q		4Q	
	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	Amount	% to the Gross Merchandise Value
<b>Payroll and staff costs(*)</b>	7,132	6.2%	6,955	6.2%	7,771	5.4%	9,513	7.4%	7,562	6.1%	7,731	6.5%	9,248	5.9%	8,815	6.4%
Payroll costs for employee	3,115	2.7%	3,111	2.8%	3,295	2.3%	4,804	3.7%	3,353	2.7%	3,413	2.9%	3,523	2.2%	4,009	2.9%
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%	4,317	3.6%	5,724	3.6%	4,806	3.5%
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%	1,585	1.3%	1,685	1.1%	1,752	1.3%
<b>Shipping</b>	7,996	6.9%	7,708	6.9%	8,577	5.9%	8,139	6.3%	7,920	6.4%	7,880	6.7%	9,302	5.9%	8,337	6.1%
Commission of Payment collection	2,733	2.4%	2,710	2.4%	3,428	2.4%	3,004	2.3%	2,921	2.4%	2,777	2.3%	3,598	2.3%	3,061	2.2%
<b>Advertising</b>	1,721	1.5%	1,791	1.6%	4,973	3.4%	3,827	3.0%	2,168	1.8%	2,338	2.0%	4,912	3.1%	2,631	1.9%
<b>Rent expense</b>	1,514	1.3%	1,513	1.4%	1,517	1.0%	1,530	1.2%	1,568	1.3%	1,880	1.6%	1,969	1.2%	1,914	1.4%
<b>Depreciation</b>	465	0.4%	473	0.4%	515	0.4%	595	0.5%	522	0.4%	626	0.5%	1,062	0.7%	1,279	0.9%
<b>Amortization of goodwill</b>	106	0.1%	106	0.1%	124	0.1%	123	0.1%	96	0.1%	96	0.1%	96	0.1%	62	0.0%
Stock Compensation Expenses	10	0.0%	35	0.0%	35	0.0%	33	0.0%	33	0.0%	74	0.1%	83	0.1%	69	0.1%
<b>Others</b>	2,702	2.3%	2,714	2.4%	2,663	1.8%	3,377	2.6%	2,797	2.3%	3,110	2.6%	4,373	2.8%	3,527	2.6%
<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>	<b>28,100</b>	<b>23.8%</b>	<b>36,332</b>	<b>23.0%</b>	<b>31,452</b>	<b>22.9%</b>

Due to the difference in the amount of year-end bonus, the ratio of personnel expenses to GMV in the 4Q accounting period was lower than in the same period of the previous year. Also, the ratio of advertising expenses to GMV was reduced as a result of lower investment in measures to attract customers compared to the previous year.



\* 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).

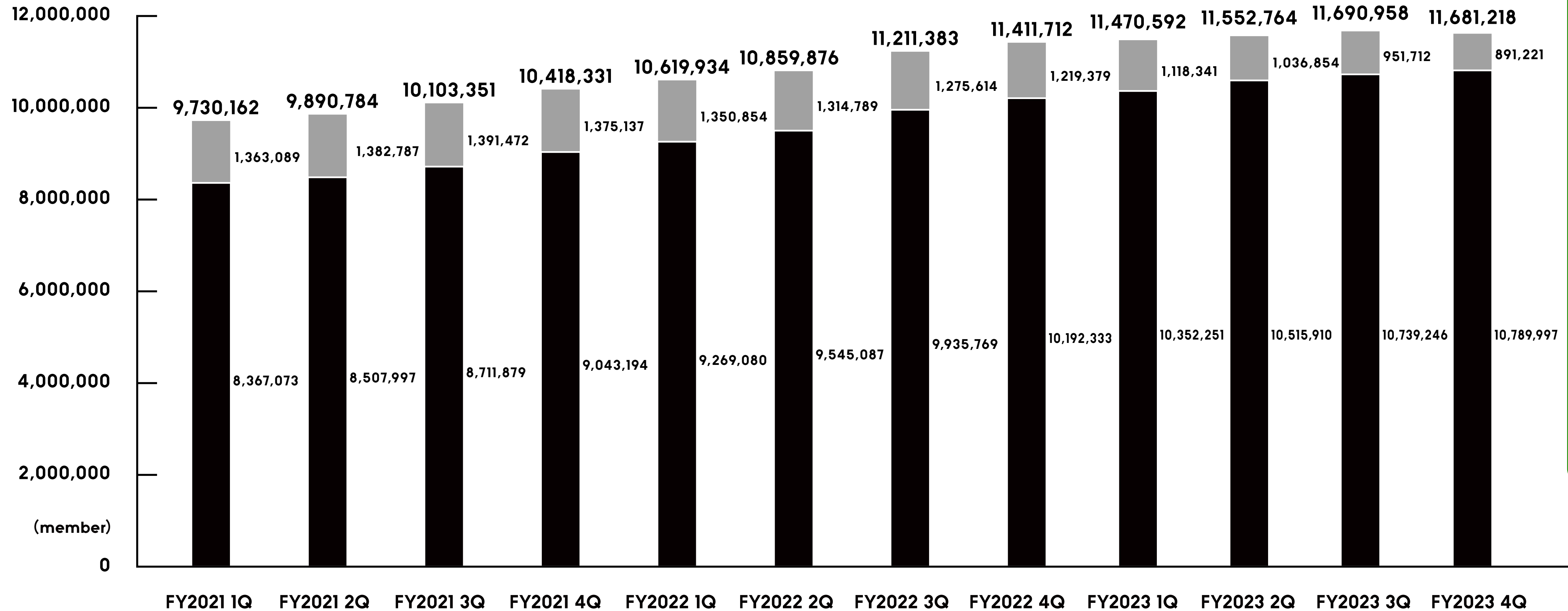


# NUMBER OF TOTAL BUYERS

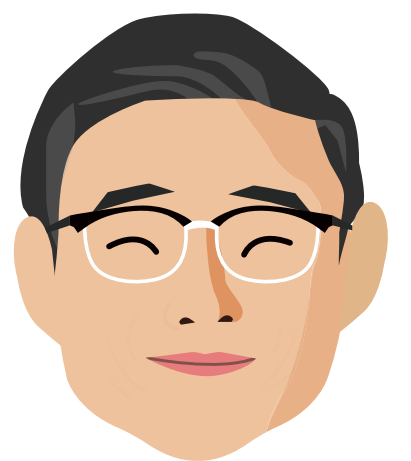
Number of total buyers = Active members and guest buyers who made at least one purchase within a year

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

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



Active membership growth was lower than expected. This was due to the impact of climate effects, which did not stimulate demand and resulted in weak new member acquisitions.



\* The results are only from the ZOZOTOWN business (<https://zozo.jp>). LY Corporation Commerce\* is not included.

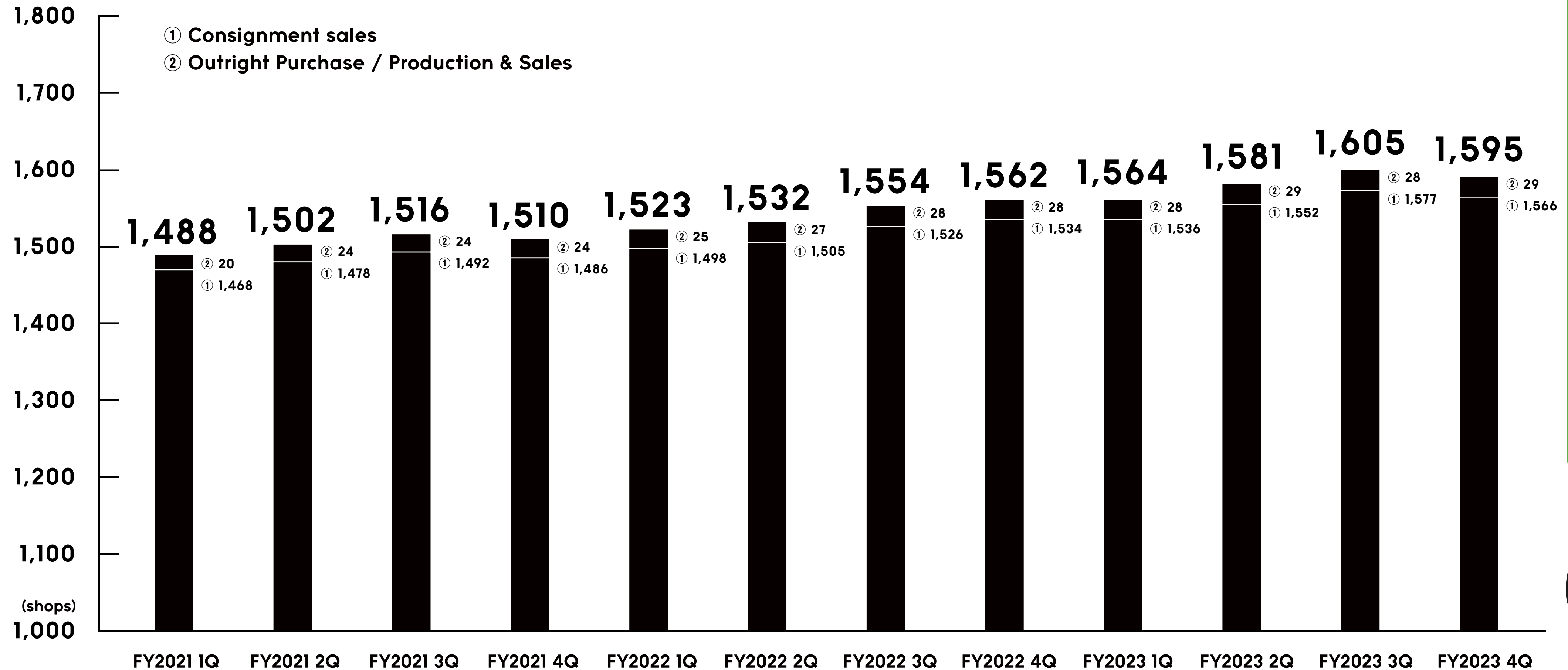
\* "Yahoo! Shopping" and "Yahoo! Auctions" are combined in "LY Corporation Commerce".

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





# NUMBER OF SHOPS ON ZOZOTOWN



In the 4Q, the number of stores opened was in line with the plan, but the number of stores decreased slightly due to the large number of closures by the consolidation or disappearance of brands.



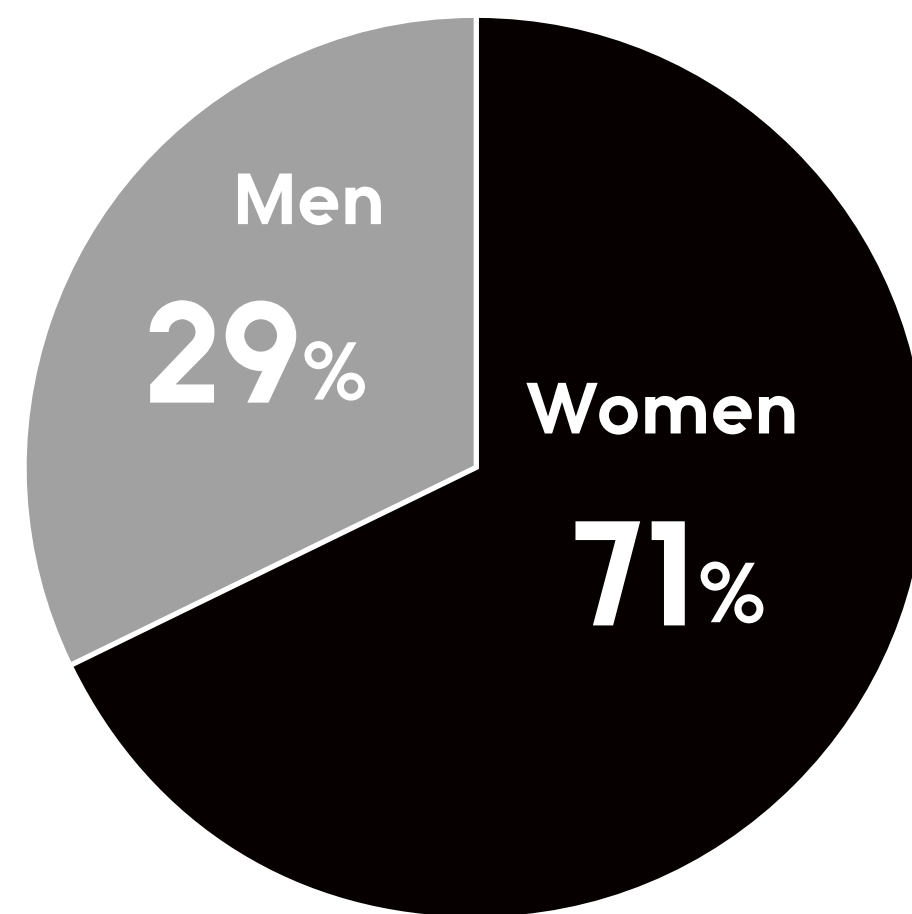
\* Shops of the private brand "ZOZO" and "Multi-Size" are not included to the number of shops.



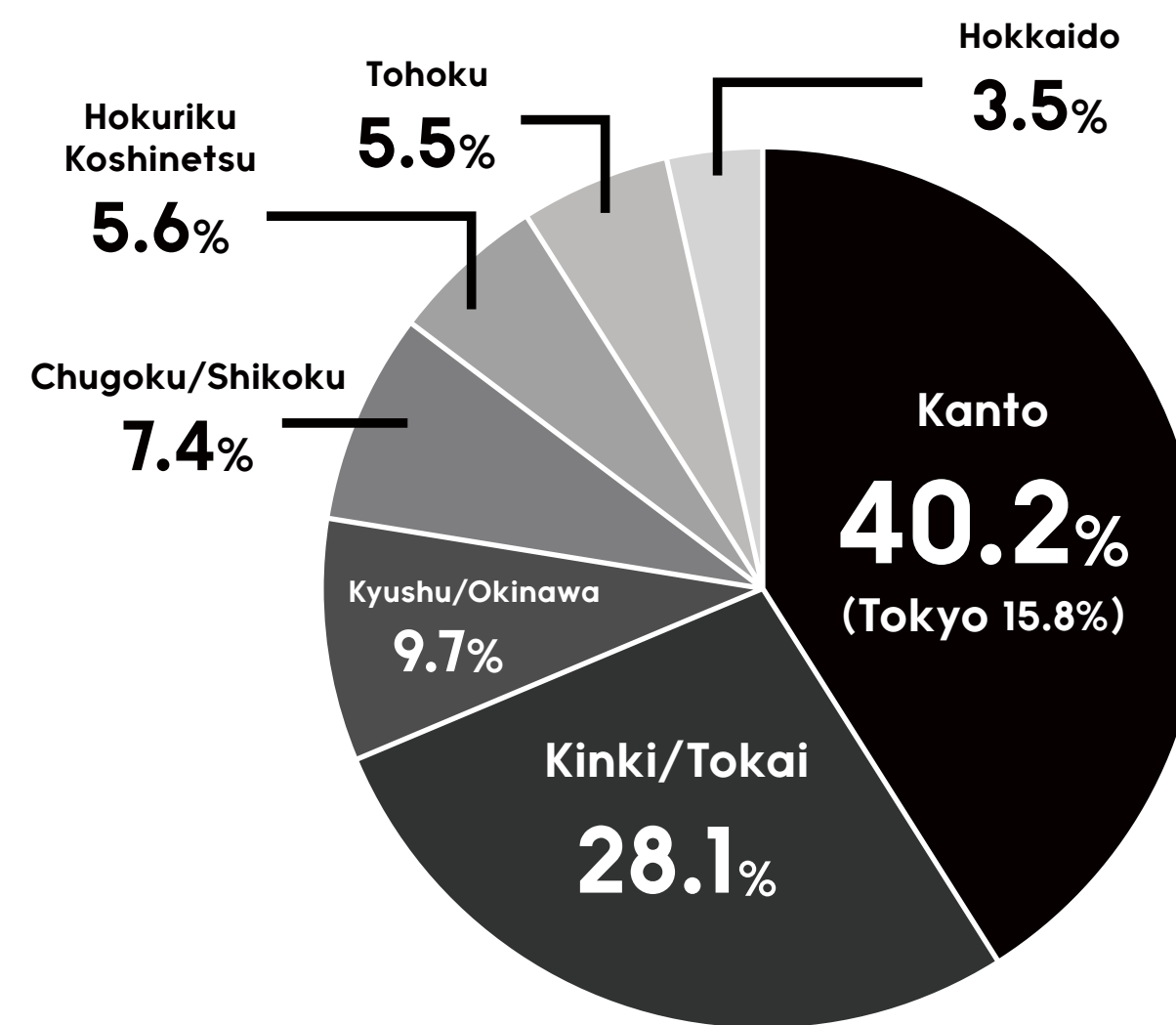


# ACTIVE MEMBER DISTRIBUTION

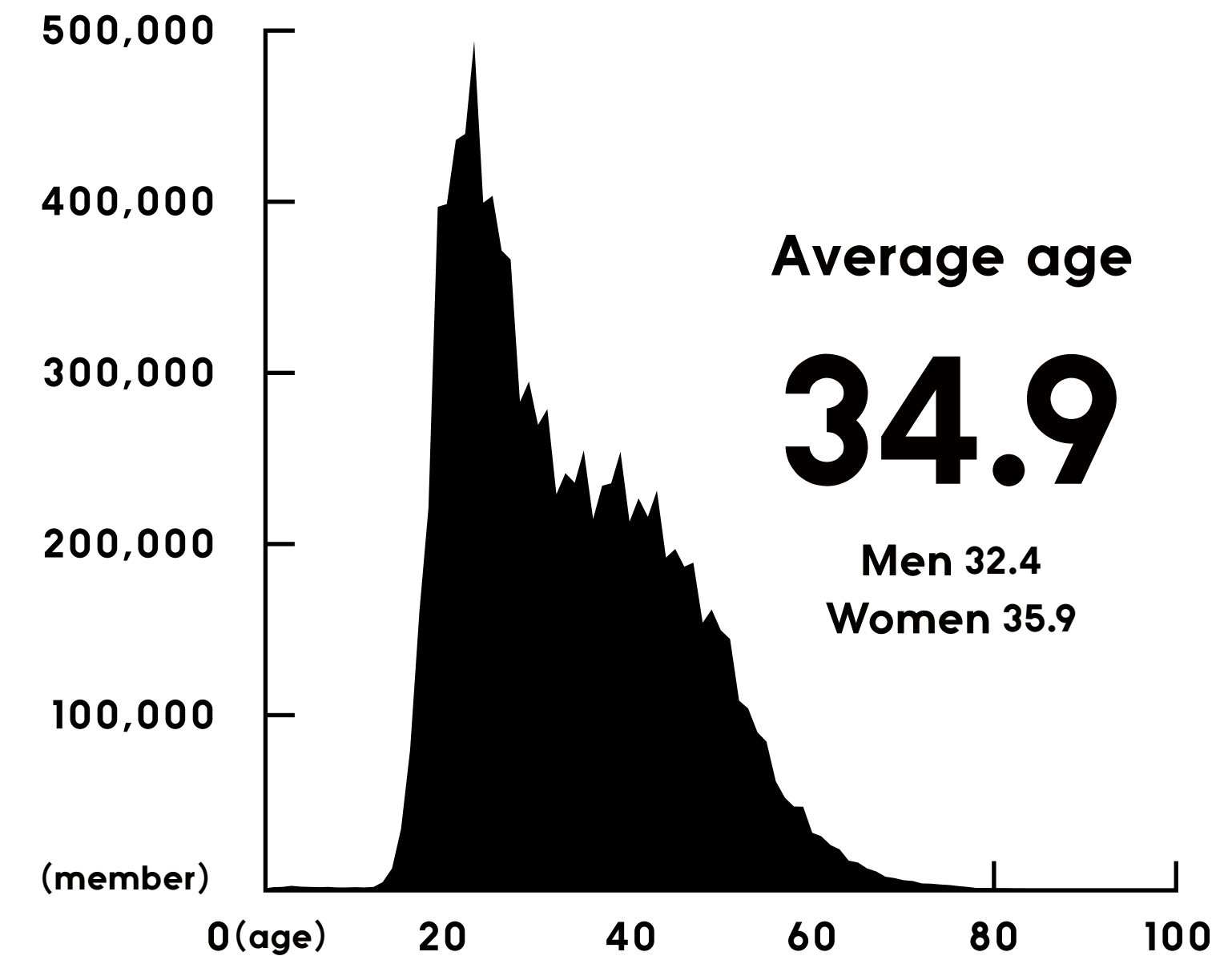
## Gender ratio



## Geographical distribution



## Age distribution

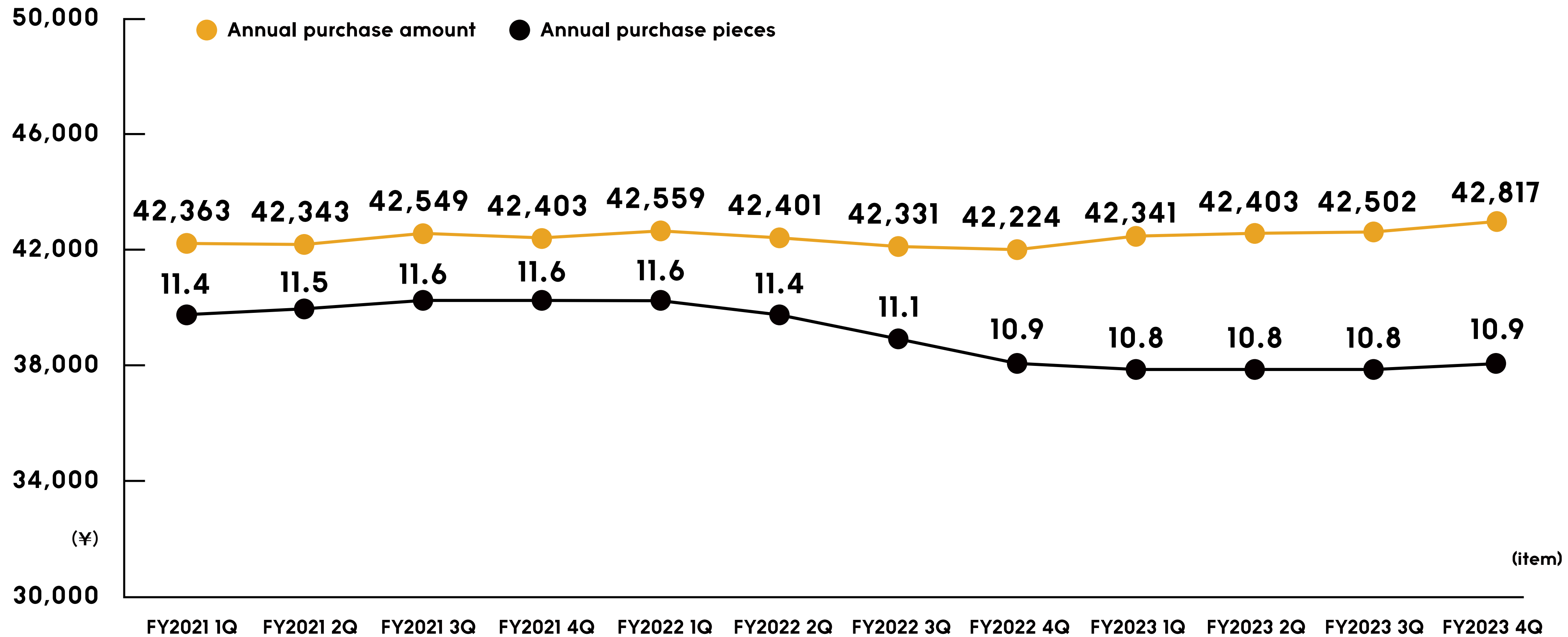


\* The shown data on Active Member Distribution is only based on the numbers from the ZOZOTOWN business (<https://zozo.jp>). LY Corporation Commerce is not included.

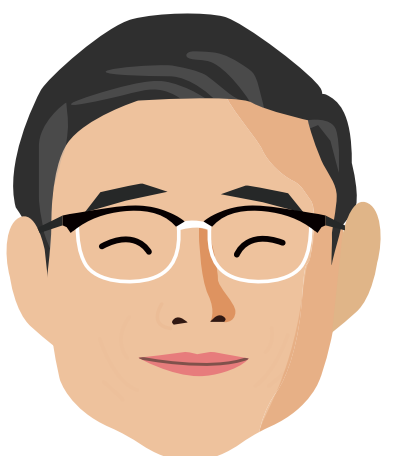
\* "Yahoo! Shopping" and "Yahoo! Auctions" are combined in "LY Corporation Commerce".



# ANNUAL PURCHASE AMOUNT AND PIECES PER ACTIVE MEMBER



The results were almost unchanged from the previous quarter's results.



\* The results are only from the ZOZOTOWN business (<https://zozo.jp>). LY Corporation Commerce is not included.

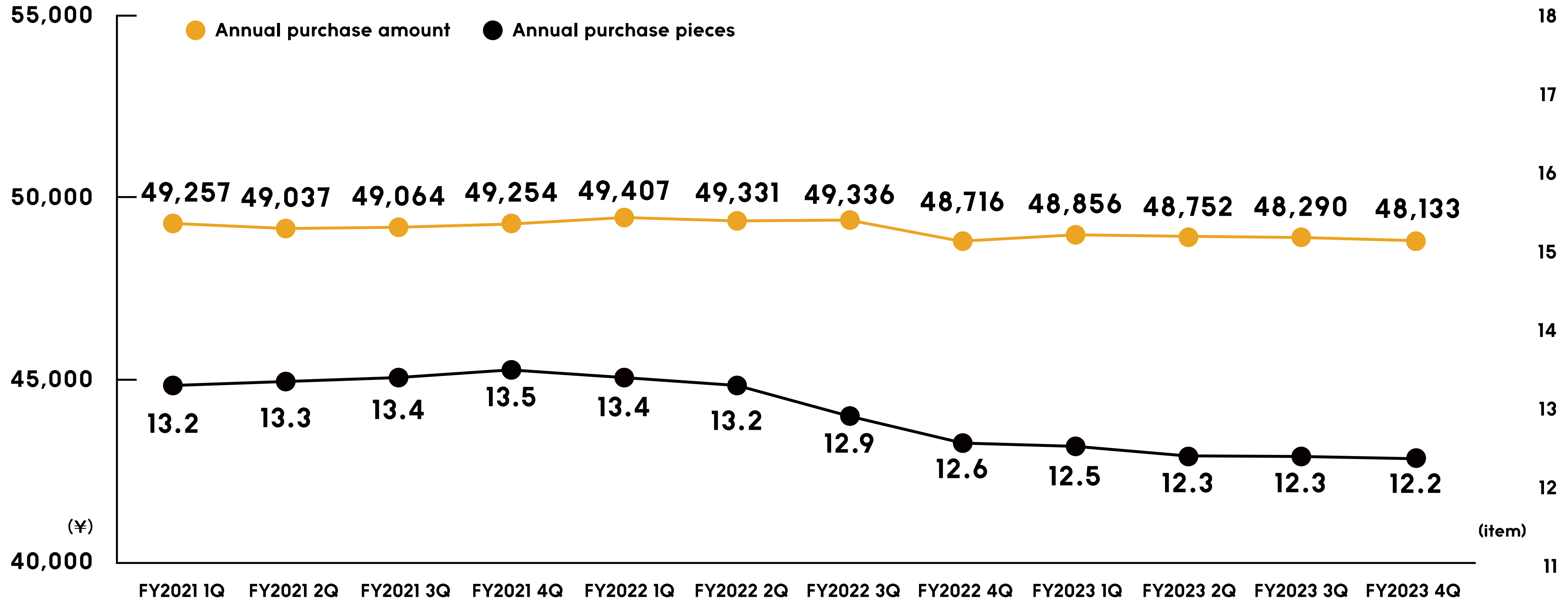
\* "Yahoo! Shopping" and "Yahoo! Auctions" are combined in "LY Corporation Commerce".

\* 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



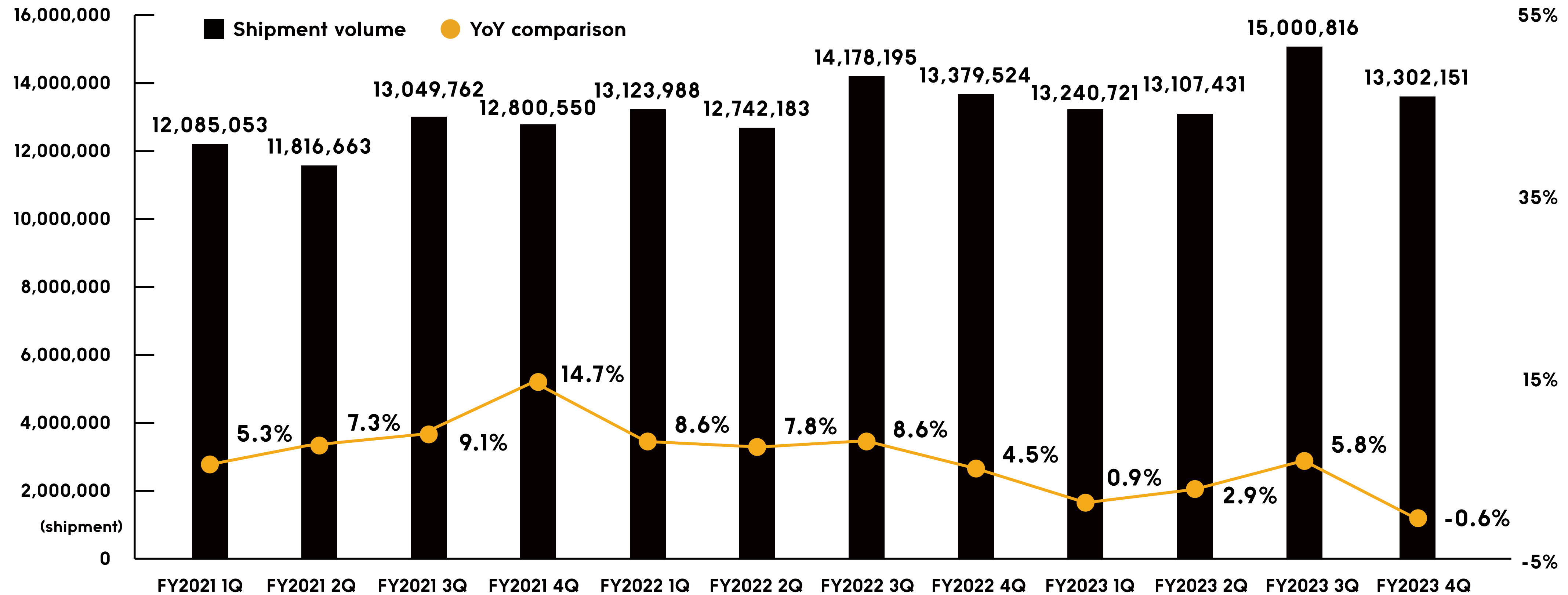
\* The results are only from the ZOZOTOWN business (<https://zozo.jp>). LY Corporation Commerce is not included.

\* "Yahoo! Shopping" and "Yahoo! Auctions" are combined in "LY Corporation Commerce".

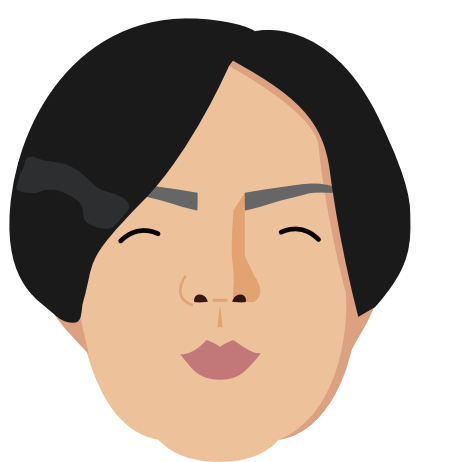
\* Excluding the users who only purchased the body measurement device "ZOZOSUIT" "ZOZOMAT" and "ZOZOGLASS".



# NUMBER OF SHIPMENTS



The mild winter and delayed arrival of spring resulted in a low level of increase in the number of purchasers, and the number of shipments fell below the previous year's results. We will strive to increase the number of shipments from the new fiscal year onward.



\* The results are only from the ZOZOTOWN business (<https://zozo.jp>). LY Corporation Commerce is not included.

\* "Yahoo! Shopping" and "Yahoo! Auctions" are combined in "LY Corporation Commerce".

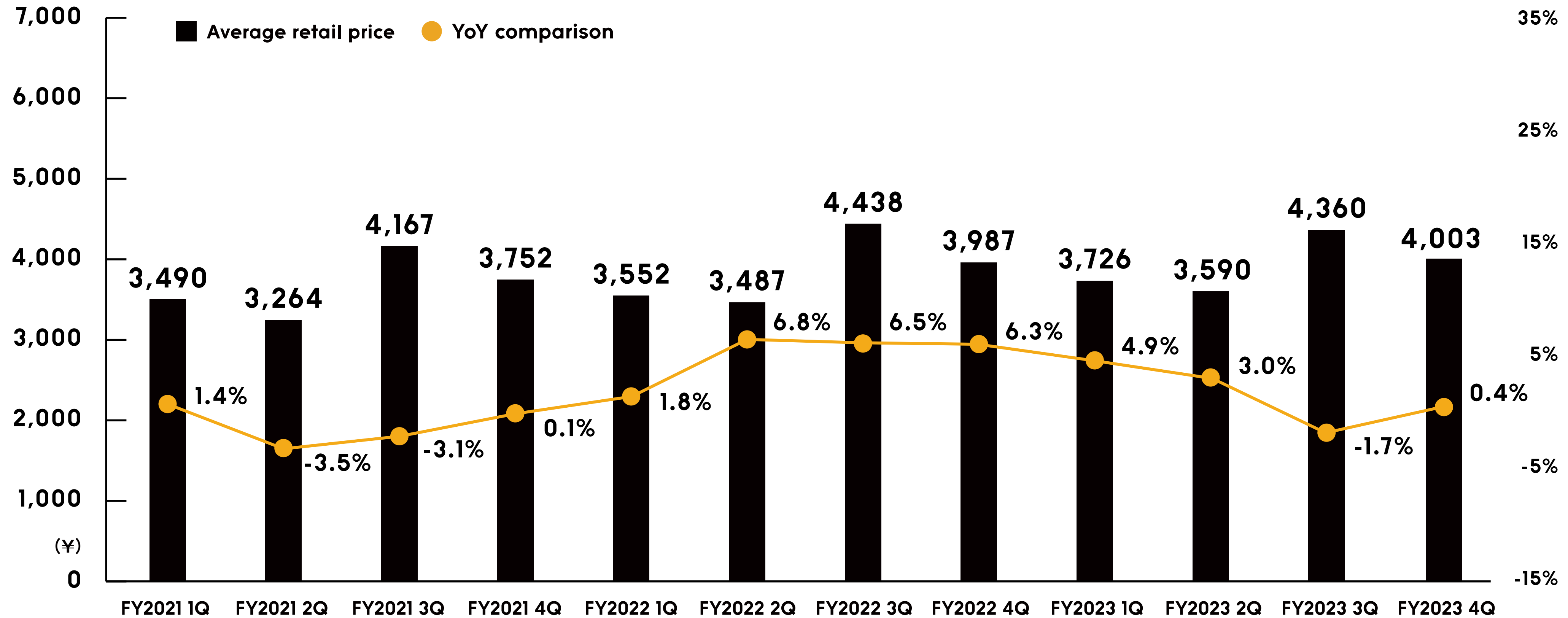
\* Excluding the users who only purchased the body measurement device "ZOZOSUIT" "ZOZOMAT" and "ZOZOGLASS".



# AVERAGE RETAIL PRICE

Average retail price

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



Sales of high-priced items remained sluggish due to the warm winter, and were at the same level as the previous year.



\* The results are only from the ZOZOTOWN business (<https://zozo.jp>). LY Corporation Commerce\* is not included.

\* "Yahoo! Shopping" and "Yahoo! Auctions" are combined in "LY Corporation Commerce".

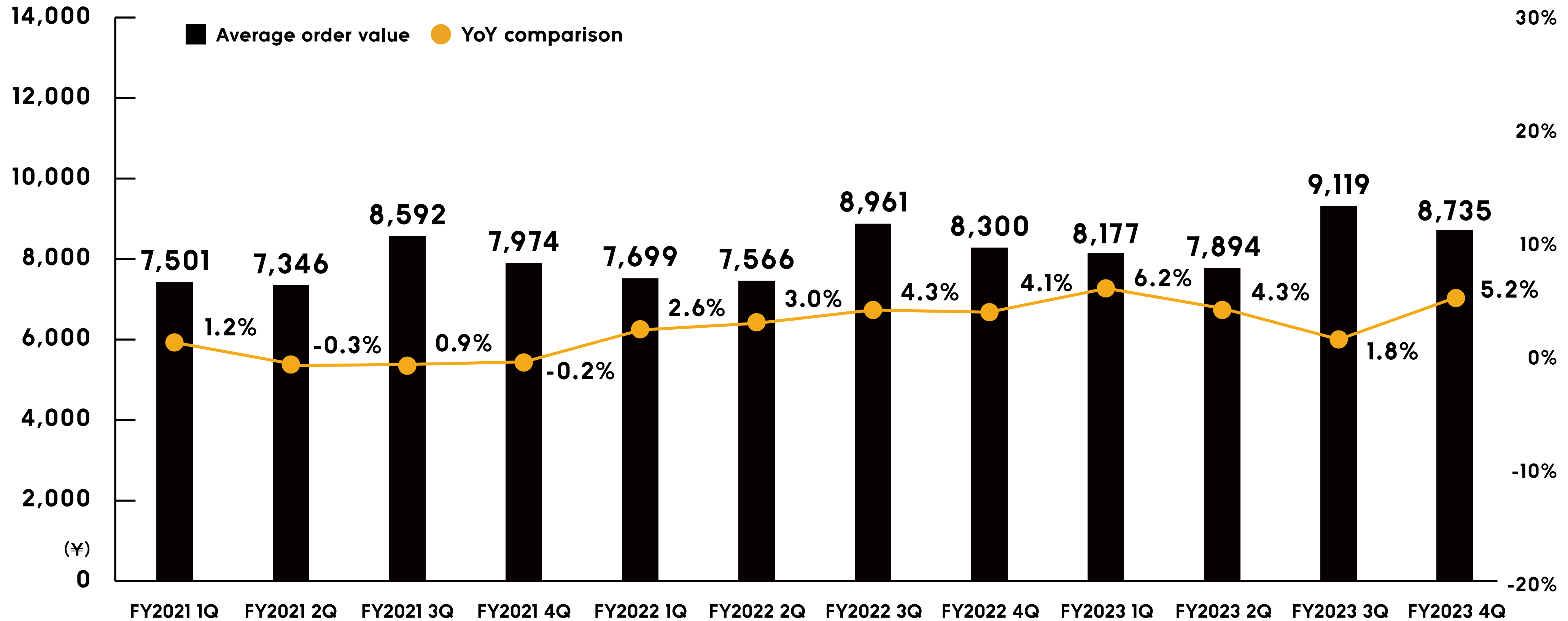
\* Excluding the users who only purchased the body measurement device "ZOZOSUIT" "ZOZOMAT" and "ZOZOGLASS".



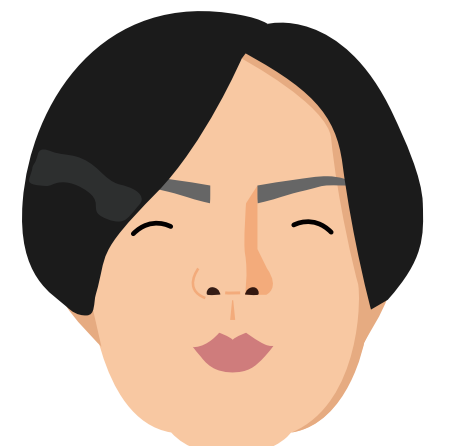
# AVERAGE ORDER VALUE

Average order value

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



The unit price per shipment exceeded the previous year's result due to an increase in the number of combined purchases per order, which was partly due to the effect of the free shipping policy for purchases of 12,000 yen or more.



\* The results are only from the ZOZOTOWN business (<https://zozo.jp>). LY Corporation Commerce\* is not included.

\* "Yahoo! Shopping" and "Yahoo! Auctions" are combined in "LY Corporation Commerce".

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



# BUSINESS PLAN FOR FY2024



On March 15, 2024, which was the day of "multiplied returns, heavenly forgiveness, tiger" I said goodbye to my old wallet and got a new one.





# CONSOLIDATED BUSINESS FORECAST AND DIVIDEND FORECAST FOR FY2024

	FY2024 Plan	YoY
Gross Merchandise Value	609.2 billion yen	6.1%
Gross Merchandise Value (excluding other GMV)	572.2 billion yen	6.6%
Net sales	214.4 billion yen	8.8%
Operating profit	64.2 billion yen	6.9%
Operating Profit Margin (% to the Gross Merchandise Value)	11.2%	—
Ordinary profit	64.2 billion yen	7.4%
Profit attributable to owners of parent	45.2 billion yen	1.9%
Net profit per share	152.21 yen	—
Estimated dividends per share (Plan)	107 yen	—

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

\* The "Notice concerning revision of year-end dividend forecast" was disclosed on April 30, 2024. The above figures are after reflecting the revision.



# FY2024 TARGET BY BUSINESS SEGMENT

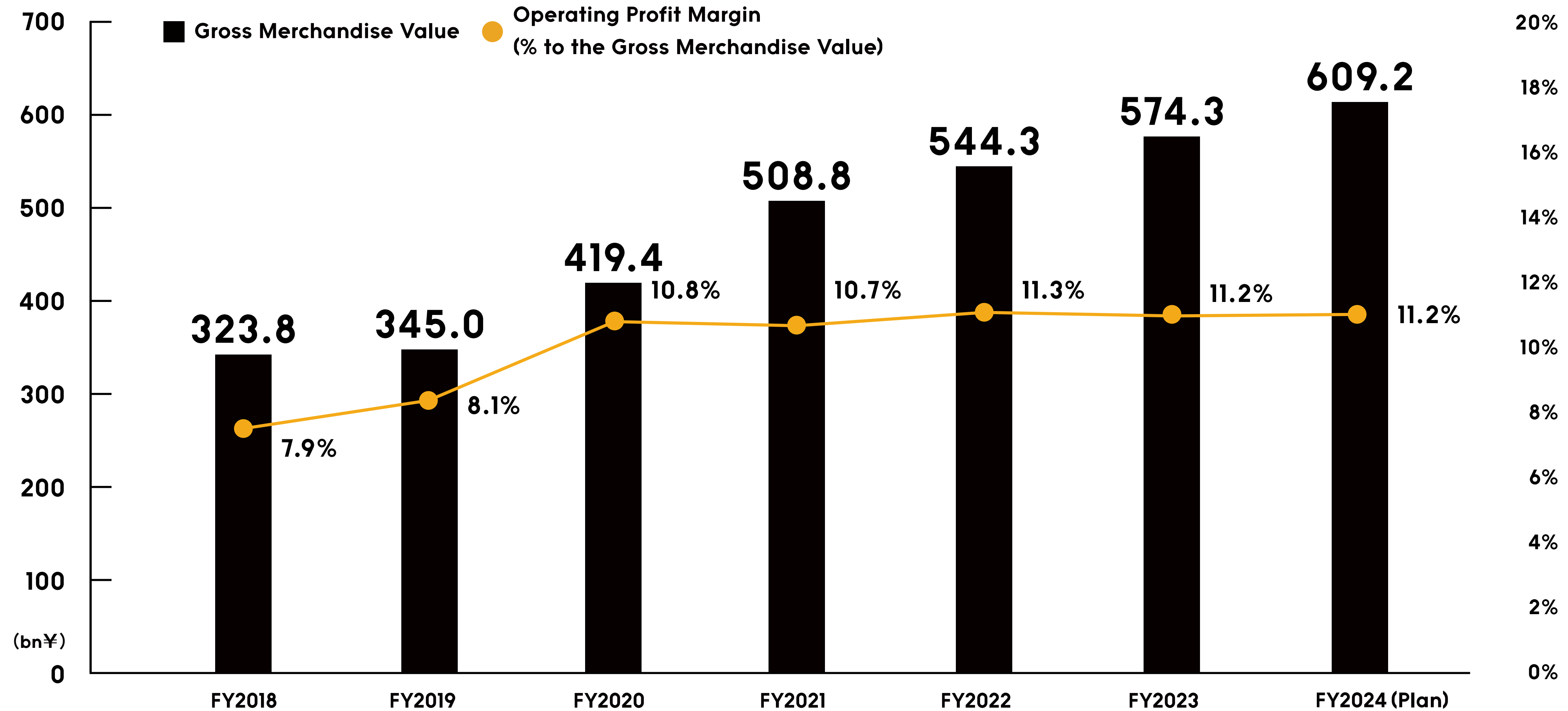
	Target for Gross Merchandise Value	YoY
<b>ZOZOTOWN Business</b>	<b>495.1 billion yen</b>	<b>6.5%</b>
Outright Purchase/Production & Sales	<b>2.6 billion yen</b>	<b>-41.3%</b>
Consignment sales	<b>473.0 billion yen</b>	<b>7.0%</b>
USED sales	<b>19.5 billion yen</b>	<b>7.8%</b>
<b>LY Corporation Commerce*</b>	<b>63.6 billion yen</b>	<b>10.2%</b>
<b>BtoB Business</b>	<b>13.5 billion yen</b>	<b>-6.7%</b>
<b>Gross Merchandise Value</b> (excluding other GMV)	<b>572.2 billion yen</b>	<b>6.6%</b>
<b>Others</b>	<b>37.0 billion yen</b>	<b>-1.2%</b>
<b>Gross Merchandise Value</b>	<b>609.2 billion yen</b>	<b>6.1%</b>

	Target for Net Sales	YoY
<b>Advertising business</b>	<b>11.5 billion yen</b>	<b>18.1%</b>

\* "Yahoo! Shopping" and "Yahoo! Auctions" are combined in "LY Corporation Commerce".



# GROSS MERCHANDISE VALUE & OPERATING PROFIT MARGIN



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

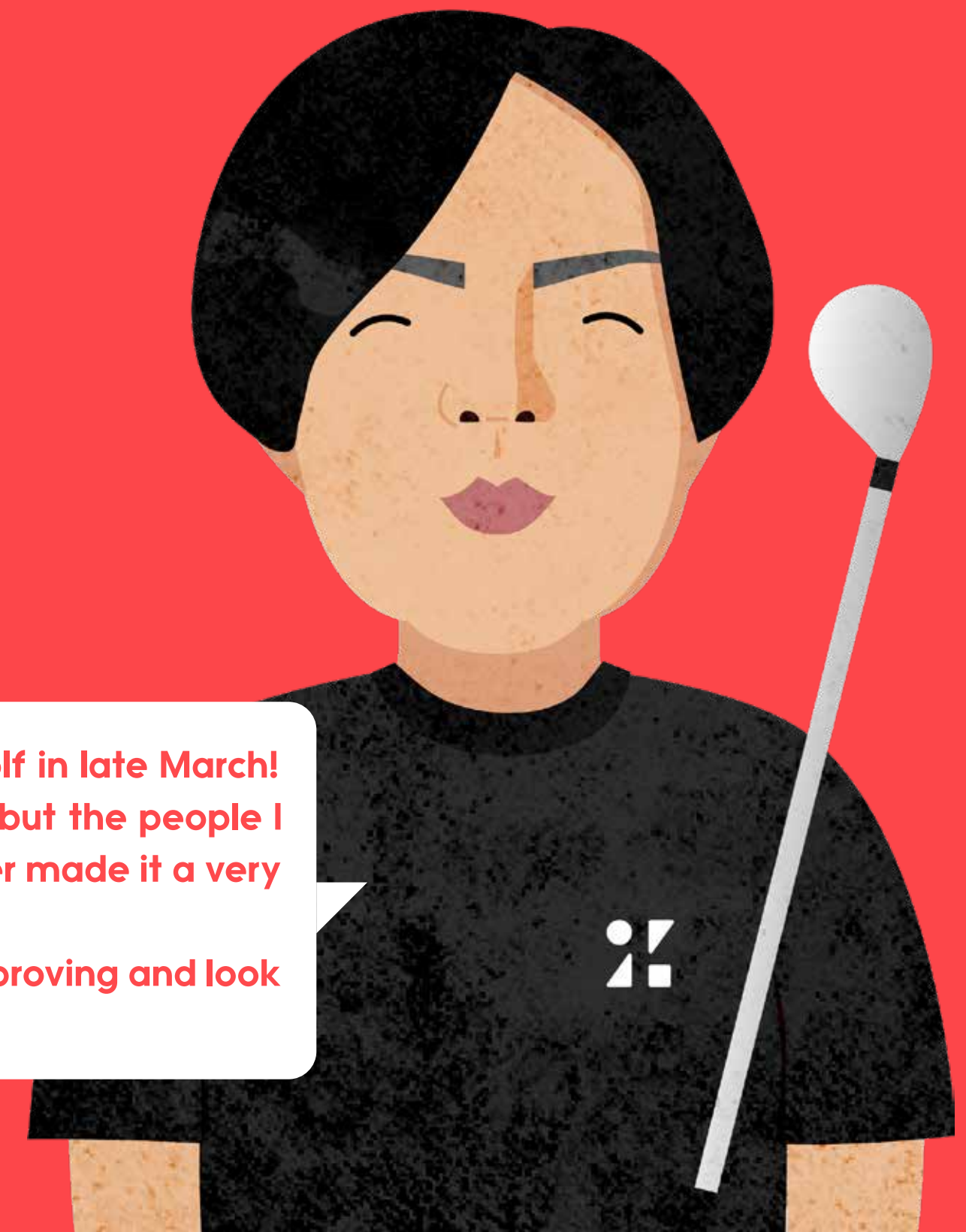


FY2023 | ZOZO, Inc.

# REFERENCE DATA



I played my first round of golf in late March!  
The score was not so good, but the people I  
played with, and the weather made it a very  
enjoyable experience.  
I will continue to practice improving and look  
forward to your invitation!





## STATISTICS OF ZOZO

NUMBER OF EMPLOYEES

**1,681**

(Average age 33.8 years old)

NUMER OF SHAREHOLDERS

**12,078**

NUMBER OF BRANDS HANDLED

**9,021**

ZOZOTOWN TOTAL BUYERS

**11.6 million**  
(1 year basis)

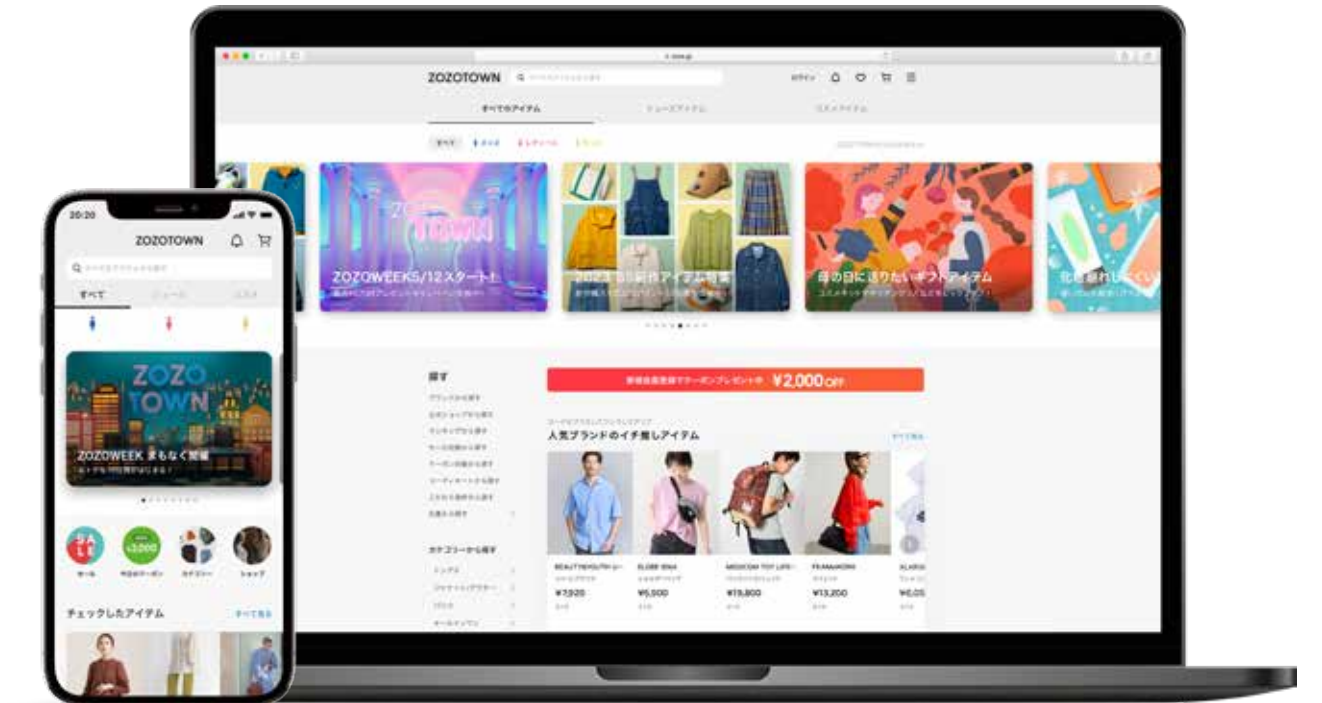




# MAJOR SERVICES

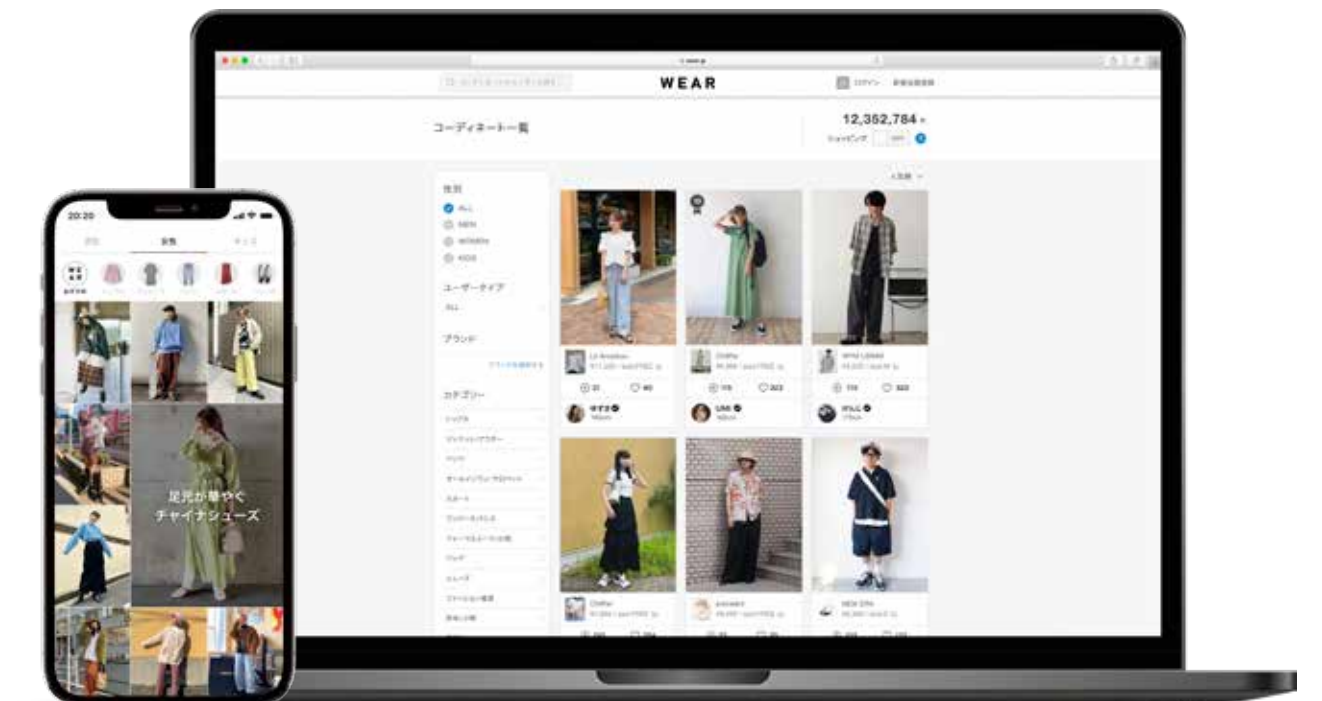
## ZOZOTOWN The largest fashion e-commerce website in Japan

- The Company offers 9,021 brands across 1,595 stores, with more than 1,020,000 items available at any given time.  
On average, 2,600 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 LY Corporation.  
ZOZOUSED has opened a store on Yahoo! Auctions since March 2024.



## 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 17 million downloads have been achieved, and now it is expanding globally.





# 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>	1,595 (As of March 31, 2024)	1,467 (As of March 31, 2024)
<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>	Commission rate stipulated in each contract with brands  330 yen (including tax)	Same as the left (Commission rate is same as ZOZOTOWN)
Consignment sales commission from brands		Same as the left
Shipping revenue from customers		
<b>Expenses borne by ZOZO</b>	Shop opening commission	NO
	Payment collection commission	YES
	Customer attraction cost	YES
	Reward points cost	YES
		Yes (rate is undisclosed)
		No (yes for only cash on delivery)
		No
		No



# BUSINESS MODEL

## ZOZOTOWN Business

### ○ Outright Purchase / Production & Sales

We currently operate 29 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.

Sales = Gross merchandise value generated by each store

### ○ Consignment Sales

We operate 1,566 shops as a consignment business, which allows us to carry a certain amount of products from various brands while minimizing inventory risk.

Sales = Gross merchandise value of each store × commission rate

### ○ USED Sales

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

Sales = Gross merchandise value

## LY Corporation Commerce\*

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

ZOZOUSED has opened a store on Yahoo! Auctions since March 2024.

Sales = Gross merchandise value of each store × commission rate

• For consignment sales merchandise

Sales = Gross merchandise value of each store × commission rate

• For ZOZOUSED merchandise

Sales = Gross merchandise value

\* "Yahoo! Shopping" and "Yahoo! Auctions" are combined in "LY Corporation Commerce".

## 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 32 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.

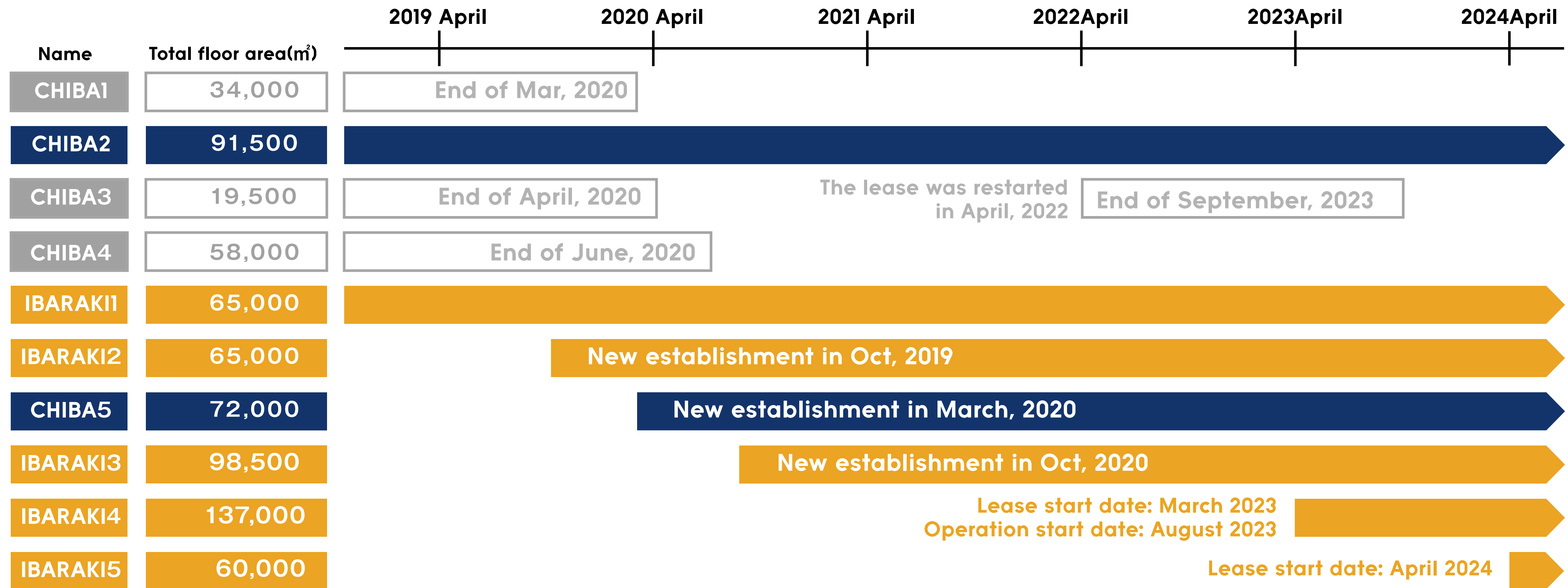
## Advertising Business

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.

Sales = Advertisement income



# LOGISTICS BASES EXPANSION PLAN



CHIBA2, IBARAKI1 and IBARAKI4 are warehouses with shipping function.





# APPENDIX

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

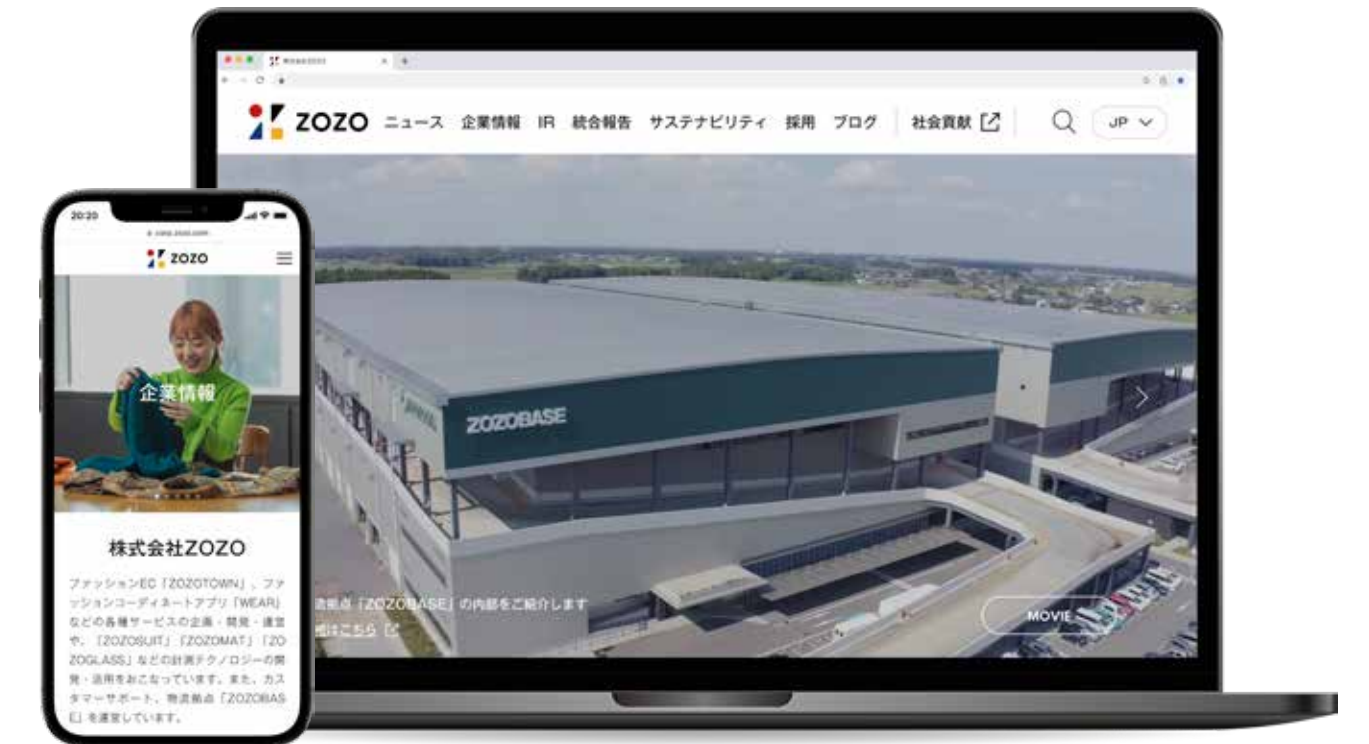
IR News    ... The latest IR information is posted in a timely manner.

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.**

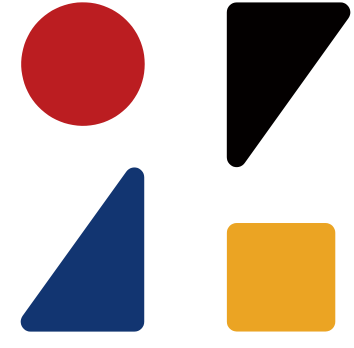
**Please note that the forecast includes uncertainties such as sudden changes, and actual results may differ.**



# Postscript

**Thank you so much for your support!  
By transcribing what we feel in writing,  
we have tried to make our investors feel  
closer to us while deepening  
their understanding of our performance.  
We will continue to strive to achieve  
our plans in the new fiscal year!**





**ZOZO**