

Consolidated Financial Results

for the fiscal year ended March 31, 2026 [JGAAP]

April 30, 2026

Company name: ZOZO, Inc. Listed stock exchanges Tokyo
 Code 3092 URL <https://corp.zozo.com/en>
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 Scheduled date of the General Meeting of Shareholders June 29, 2026 Scheduled date of dividend payment June 11, 2026
 Scheduled date to file the annual security report June 8, 2026
 Supplementary materials for the financial results : Yes
 Results briefing : Yes (For analysts and institutional investors)

(Rounded down to million yen)

1. Consolidated business results for the fiscal year ended March 31, 2026 (April 1, 2025 to March 31, 2026)

(1) Consolidated business results

(Percentages indicate YoY changes)

	Net sales		Operating profit		EBITDA		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2026	228,373	7.2	69,366	7.1	76,924	10.2	69,261	6.7	47,926	5.7
Fiscal year ended March 31, 2025	213,131	8.2	64,756	7.8	69,788	8.7	64,888	8.6	45,346	2.3

(Note)

1. Comprehensive income Fiscal year ended March 2026 51,025 Million yen (11.4%)
Fiscal year ended March 2025 45,806 Million yen (2.2%)

2. EBITDA = Operating profit + stock compensation expenses + depreciation + amortization of goodwill

	Earnings per share	Diluted earnings per share	ROE	ROA	Operating profit margin
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2026	54.11	-	46.6	35.9	30.4
Fiscal year ended March 31, 2025	50.90	-	49.4	37.1	30.4

(Note)

- Fully diluted earnings per share are not presented because there were no dilutive potential shares.
- On April 1, 2025, the Company conducted a three-for-one stock split of common stock. Earnings per share have been calculated on the assumption that the stock split was implemented at the beginning of the previous fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Fiscal year ended March 31, 2026	198,260	106,789	53.9	120.76
Fiscal year ended March 31, 2025	187,810	98,719	52.6	110.81

(Reference) Shareholders' equity Fiscal year ended March 31, 2026 106,789 Million yen
Fiscal year ended March 31, 2025 98,719 Million yen

(Note) On April 1, 2025, the Company conducted a three-for-one stock split of common stock. Net assets per share have been calculated on the assumption that the stock split was implemented at the beginning of the previous fiscal year.

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Ending balance of cash and cash equivalents
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended March 31, 2026	52,531	-28,897	-45,830	69,422
Fiscal year ended March 31, 2025	60,114	-6,285	-32,081	91,486

2. Dividends

	Annual dividends					Total dividend	Payout ratio (consolidated)	Dividends on equity (consolidated)
	End of Q1	End of Q2	End of Q3	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 31, 2025	-	53.00	-	54.00	107.00	31,774	70.1	34.6
Fiscal year ended March 31, 2026	-	19.00	-	20.00	39.00	34,488	72.1	33.7
Fiscal year ending March 31, 2027 (Forecast)	-	20.00	-	20.00	40.00		71.2	

(Note) On April 1, 2025, the Company conducted a three-for-one stock split of common stock. Dividends for the fiscal year ended March 31, 2025 are presented based on the actual dividend amounts prior to the stock split.

3. Consolidated earnings forecast for the fiscal year ending March 31, 2027 (April 1, 2026, to March 31, 2027)

(Percentages indicate YoY changes)

	Net sales		Operating profit		Adjusted EBITA		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	yen
Full year	241,900	5.9	74,400	7.3	77,900	7.2	74,400	7.4	49,700	3.7	56.20

(Note) Adjusted EBITA = Operating profit + amortization of goodwill (including amortization of intangible assets recognized through purchase price allocation (PPA)) + M&A-related expenses (including advisory fees and due diligence costs)

※ Notes

- (1) Significant changes in the scope of consolidation during the current fiscal year : Yes
- New LYST LTD Exclusion -
Zozo U.K. Limited

(2) Changes in accounting policies and changes or restatement of accounting estimates

- ① Changes in accounting policies caused by the revision of accounting standards : None
- ② Changes in accounting policies other than ① : None
- ③ Changes in accounting estimates : None
- ④ Restatement of revisions : None

(3) Number of shares outstanding (Common stock)

- ① Year-end shares outstanding (including treasury shares)
- ② Number of year-end treasury shares
- ③ Average number of shares during the period

Fiscal year ended March 31, 2026	892,032,372Shares	Fiscal year ended March 2025	901,422,543Shares
Fiscal year ended March 31, 2026	7,707,341Shares	Fiscal year ended March 2025	10,560,621Shares
Fiscal year ended March 31, 2026	885,648,046Shares	Fiscal year ended March 2025	890,870,670Shares

(Note) On April 1, 2025, the Company conducted a three-for-one stock split of common stock. Shares outstanding (common stock) have been calculated on the assumption that the stock split was implemented at the beginning of the previous fiscal year.

※ Review of the consolidated financial statements by a certified public accountant or auditing firm: None

※ Explanations and other special notes concerning the appropriate use of earnings forecast

-The earnings forecast and other statements related to the future contained in this material are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Actual results may differ materially from the earnings forecast due to various factors. Please refer to "1. Qualitative information on results for the fiscal year ended March 31, 2026, (4) Outlook" on page 14 for the assumptions underlying the forecast and cautionary statements regarding the use of the forecast.

-We are scheduling a financial results briefing for institutional investors and analysts on April 30, 2026. We will post the content of the briefing and the materials used on the day on its website promptly after the briefing.

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1. Qualitative information on results for the fiscal year ended March 31, 2026

(1) Overview of business results

Business results for the current fiscal year

[Table 1] YoY comparison

(Unit: Million yen)

	Previous fiscal year (April 1, 2024 to March 31, 2025)		Current fiscal year (April 1, 2025 to March 31, 2026)		YoY basis
Gross merchandise value	614,361	(106.9%)	666,035	(103.1%)	8.4%
Gross merchandise value (excluding other GMV)	574,666	(100.0%)	646,162	(100.0%)	12.4%
Net sales	213,131	(37.1%)	228,373	(35.3%)	7.2%
Gross profit	198,312	(34.5%)	213,000	(33.0%)	7.4%
Operating profit	64,756	(11.3%)	69,366	(10.7%)	7.1%
EBITDA (Note) 2	69,788	(12.1%)	76,924	(11.9%)	10.2%
Ordinary profit	64,888	(11.3%)	69,261	(10.7%)	6.7%
Profit attributable to owners of parent	45,346	(7.9%)	47,926	(7.4%)	5.7%

(Note)

1. Figures in parentheses are percentages of gross merchandise value (excluding other GMV)

2. EBITDA = Operating profit + stock compensation expenses + depreciation + amortization of goodwill

Under the corporate philosophy of “Inspire the world. Deliver joy every day.,” we mainly operate the following businesses: the largest fashion e-commerce website in Japan, “ZOZOTOWN,” and an outfit-sharing app, “WEAR by ZOZO.”

In the current fiscal year, the domestic fashion market remained relatively firm, supported by improvements in employment and income conditions. However, it continues to face risks of weakened consumer sentiment due to persistent inflation and the effects of climate change. Furthermore, geopolitical risks and fluctuations in foreign exchange rates have increased the uncertainty of the global economy, and the outlook remains unpredictable.

Under these circumstances, our group has been focusing on making ZOZOTOWN even more attractive to both users and brands with the goal of increasing the number of unique users and improving the conversion rate (the purchasing rate of unique users). So that we can maximize sales of ZOZOTOWN, we ran TV commercials and web advertising for the sale event “ZOZOWEEK” (11 days in total, from May 15 to 25, 15 days in total, from October 31 to November 9, and November 12 to 16, 2025), the summer sale period (from June 25 to August 31, 2025), the Black Friday event (11 days in total, from November 20 to 30, 2025), and the winter sale period (from January 1 to February 23, 2026), to boost customer traffic. In addition, we continued to proactively welcome new brands in a wide range of genres to meet the diversifying needs of users. As an initiative to strengthen a specific category, we have been focusing on “ZOZOCOSME.” As a value-added service unique to the Company, we aim to offer solutions that help users discover their “style” by addressing the upstream of purchasing behavior. To this end, we are developing a proprietary AI agent that leverages the extensive fashion-related data we have accumulated over the years.

Sales of LY Corporation Commerce (combined sales of “Yahoo! JAPAN Shopping” and “Yahoo! JAPAN Auction”) have been growing steadily due to customer attraction efforts by LY Corporation which operates those malls, and the promotion activities such as “Serious ZOZO Festival” (17 days in total, May 17 to 18, June 15, July 26 to 27, September 20 to 21, October 19, November 29 to 30, December 14 and 21, 2025, January 1 and 25, February 15, and March 21 to 22, 2026), as well as the retention of new customers acquired up to the previous fiscal year.

As part of our global expansion, we acquired all shares of LYST LTD (hereinafter “LYST”), the operator of the fashion shopping platform “Lyst,” on April 18, 2025, making it a wholly owned subsidiary. LYST has been consolidated into our financial reporting since May 2025. Going forward, we will position LYST as a central pillar and aim for discontinuous growth in the global market.

Consequently, the gross merchandise value in the current fiscal year was 666,035 million yen (+8.4% YoY), and the gross merchandise value (excluding other GMV) was 646,162 million yen (+12.4% YoY). Net sales were 228,373 million yen

(+7.2% YoY), and gross profit was 213,000 million yen (+7.4% YoY). The gross profit ratio to the gross merchandise value (excluding other GMV) (gross profit margin) was 33.0%, a decrease of 1.5% from the previous fiscal year.

With respect to gross merchandise value for the fourth quarter, customer traffic remained strong and inventory for the sale event was ample, resulting in strong performance in sales during the winter sale period. As a result, we achieved growth sufficient to offset the shortfall as of the end of the third quarter, and combined results for the ZOZOTOWN business and LY Corporation Commerce exceeded the plan. On the other hand, LYST fell short of the plan due to sluggish conditions in the luxury market, particularly in Europe and the United States, as well as changes in U.S. tariff policies. As a result, overall results fell short of the plan.

As for net sales, the YoY growth rate was lower than that of the gross merchandise value (excluding other GMV), mainly due to the change in business composition resulting from the consolidation of LYST. LYST operates a business model in which it earns performance-based commissions from partner brands that list their items on the LYST platform. Compared to Consignment sales and LY Corporation Commerce, LYST has a lower commission rate on gross merchandise value. As mentioned in the sales part, the main factor in the decreased gross profit margin was due to the change in business composition resulting from the consolidation of LYST.

Selling, general, and administrative expenses were 143,634 million yen (+7.5% YoY). The ratio to the gross merchandise value (excluding other GMV) was 22.2%, a decrease of 1.0% compared with the previous fiscal year. With the consolidation of LYST, gross merchandise value increased. However, LYST operates under an affiliate-based business model, which does not incur logistics-related expense, shipping expense, or commission of payment collection. Additionally, rent expense and other operating costs are limited. As a result, the consolidated SG&A-to-GMV ratio has generally declined. The major factors behind the changes in individual expense items are as follows. All the percentages of the gross merchandise value are calculated by dividing each SG&A expense by the gross merchandise value (excluding other GMV):

Increasing (worsening) factors

1. Amortization of goodwill as a percentage of gross merchandise value rose by 0.4%, due to the consolidation of LYST.
2. Advertising expense as a percentage of gross merchandise value rose by 0.3%, due to advertising expenses incurred by LYST (of which advertising expenses account for a large proportion of its SG&A expenses) and an increase in web advertising expenses for ZOZOTOWN, etc.

Decreasing (improving) factors

1. Shipping expense as a percentage of gross merchandise value declined by 0.6%, due to the expansion of the scope of consolidation, and improved economic terms with the delivery outsourcing partner from October 2025, following initiatives to improve delivery efficiency.
2. Logistics-related expense as a percentage of gross merchandise value declined by 0.5%, due to the expansion of the scope of consolidation and improvements in operational efficiency at logistics centers, etc.
3. Commission of payment collection as a percentage of gross merchandise value declined by 0.2%, due to the expansion of the scope of consolidation.
4. Rent expense as a percentage of gross merchandise value declined by 0.2%, due to the expansion of the scope of consolidation.

Consequently, EBITDA of the current fiscal year was 76,924 million yen (+10.2% YoY), and the EBITDA margin was 11.9% of the gross merchandise value (excluding other GMV), a decrease of 0.2% compared with the previous fiscal year.

Operating profit was 69,366 million yen (+7.1% YoY), Ordinary profit was 69,261 million yen (+6.7% YoY), and profit attributable to owners of parent was 47,926 million yen (+5.7% YoY).

In the current fiscal year, the Company decided to discontinue the businesses in which the ZOZO Group places orders for and produces merchandise, including MS (Multi-Size), as well as the business that supports the production of branded merchandise (Made by ZOZO), following a comprehensive review of their future business prospects. As a result, the Company recorded extraordinary losses totaling 727 million yen, consisting of an impairment loss on non-current assets of

329 million yen and a loss on business liquidation of 397 million yen.

[Table2] Comparison with the consolidated earnings forecast

(Unit: Million yen)

	Current fiscal year (consolidated earnings forecast)		Current fiscal year (Results)		Comparison to the earnings forecast
Gross merchandise value	673,900	(103.1%)	666,035	(103.1%)	-1.2%
Gross merchandise value (excluding other GMV)	653,700	(100.0%)	646,162	(100.0%)	-1.2%
Net sales	231,500	(35.4%)	228,373	(35.3%)	-1.4%
Operating profit	69,200	(10.6%)	69,366	(10.7%)	0.2%
EBITDA (Note 2)	76,700	(11.7%)	76,924	(11.9%)	0.3%
Ordinary profit	69,100	(10.6%)	69,261	(10.7%)	0.2%
Profit attributable to owners of parent	47,800	(7.3%)	47,926	(7.4%)	0.3%

(Note)

1. Figures in parentheses are percentages of gross merchandise value (excluding other GMV)
2. EBITDA = Operating profit + stock compensation expenses + depreciation + amortization of goodwill

Compared to the earnings forecast disclosed on July 31, 2025, gross merchandise value, gross merchandise value (excluding other GMV), and net sales fell short of the plan by 1.2%, 1.2%, and 1.4% respectively. The main factors include the negative impact of unfavorable weather conditions during the second and third quarters of the current fiscal year in the ZOZOTOWN business, as well as LYST falling short of the plan due to sluggish conditions in the luxury market, particularly in Europe and the United States, and changes in U.S. tariff policies. As a result, gross merchandise value and gross merchandise value (excluding other GMV) fell short of the plan, and net sales also fell short of the plan in line with this. For the profit part, operating profit, EBITDA, ordinary profit, and profit attributable to owners of parent exceeded 0.2%, 0.3%, 0.2% and 0.3%, respectively. With respect to operating profit, the plan was achieved due to the effects of various cost control measures, including a reduction in logistics-related expense (as a percentage of GMV) resulting from improved operational efficiency through the optimization of inventory storage volumes at logistics centers, as well as a reduction in shipping expense (as a percentage of GMV) due to improved economic terms with the delivery outsourcing partner from October 2025, which had not been anticipated at the time of plan formulation. As a result, EBITDA and ordinary profit exceeded the plan. In addition, profit attributable to owners of parent exceeded the plan, despite the recording of extraordinary losses associated with the decision to discontinue the production business, supported by the application of tax credits under the wage increase tax incentive system and other factors.

Since our group is a single segment of the e-commerce business, information by segment is omitted. However, the performance of each business segment within the single segment is shown below.

[Table 3] YoY comparison by business segment

By business segment	Previous fiscal year (April 1, 2024 to March 31, 2025)			Current fiscal year (April 1, 2025 to March 31, 2026)			Merchandise Value YoY (%)	Net sales YoY (%)
	Merchandise value (Million yen)	Composition (%)	Net sales (Million yen)	Merchandise Value (Million yen)	Composition (%)	Net sales (Million yen)		
ZOZOTOWN Business	491,943	80.1	151,977	516,613	77.5	157,416	5.0	3.6
(Outright purchase/ production & sales)	3,692	0.6	3,484	2,795	0.4	2,630	-24.3	-24.5
(Consignment Sales)	468,606	76.3	129,651	492,743	73.9	134,673	5.2	3.9
(USED Sales)	19,643	3.2	18,841	21,074	3.2	20,113	7.3	6.8
LY Corporation Commerce	69,610	11.3	21,329	78,926	11.9	24,179	13.4	13.4
LYST	-	-	-	42,245	6.3	5,776	-	-
BtoB business	13,112	2.1	2,145	8,377	1.3	1,325	-36.1	-38.2
Advertising business	-	-	11,209	-	-	11,884	-	6.0
Subtotal excluding Others	574,666	93.5	186,660	646,162	97.0	200,581	12.4	7.5
Others	39,695	6.5	26,470	19,872	3.0	27,791	-49.9	5.0
Total	614,361	100.0	213,131	666,035	100.0	228,373	8.4	7.2

① ZOZOTOWN business

The ZOZOTOWN Business consists of three business forms: “Outright purchase/production & sales,” “Consignment sales,” and “USED sales.” In Outright purchase/production & sales, we purchase inventory, bear inventory risks, and make sales. This corresponds to purchasing fashion merchandise from each brand, or ordering merchandise by our group, such as MS (Multi-Size), etc. In Consignment sales, we deal in consignment inventories of merchandise from each brand and sell them on a consignment basis. In USED sales, we mainly buy and sell used fashion-related merchandise from individual users, and it is positioned as a value-added service to promote the purchase of new merchandise.

We recognize that increasing the number of buyers and the usage rate of ZOZOTOWN in fashion consumption are the key factors in achieving sustainable growth. To realize this, we are working on creating a website that is attractive to both users and brands.

The transition of major KPIs for the ZOZOTOWN Business is as follows.

(Number of shops, etc.)

[Table 4] Changes in the number of shops and brands

	Previous fiscal year				Current fiscal year			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Shops in ZOZOTOWN (Note) 1	1,605	1,621	1,656	1,649	1,681	1,686	1,712	1,710
Outright purchase/production & sales (Note) 2	29	31	30	29	29	28	25	21
Consignment sales	1,576	1,590	1,626	1,620	1,652	1,658	1,687	1,689
Number of brands (Note) 1, 2	9,194	9,128	9,162	9,049	9,208	9,215	11,193	11,247

(Note)

- Numbers as of the end of the quarterly accounting period are shown.
- Private brand “ZOZO” and “Multi-size” are not included.

The number of new shops opened in the current fiscal year was 151 (a net increase of 61), while the number of new shops opened during the fourth quarter of the current fiscal year was 27 (a net decrease of 2). Major new shops include the outdoor brand “SALOMON,” “sanrio house,” a brand supervised by Sanrio Company, Ltd. and developed by MASH Style Lab Co.,Ltd., and “TAKARAJIMASHA STORE,” an apparel shop operated by TAKARAJIMASHA, Inc.

While the opening of new shops progressed largely in line with the plan, the number of shops decreased compared with the previous quarter due to a high number of shop closures resulting from brand discontinuations and other factors.

(Number of annual buyers)

[Table 5] Changes in the number of annual buyers

	Previous fiscal year				Current fiscal year			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Number of annual buyers (Note) 1, 2, 4	11,790,269	11,870,844	12,057,726	12,217,038	12,365,080	12,529,665	12,809,389	13,173,445
(YoY)	319,677	318,080	366,768	535,820	574,811	658,821	751,663	956,407
(QoQ)	109,051	80,575	186,882	159,312	148,042	164,585	279,724	364,056
Number of active members (Note) 1, 3, 4	10,919,685	11,028,704	11,211,992	11,403,391	11,587,777	11,803,843	12,119,711	12,479,312
(YoY)	567,434	512,794	472,746	613,394	668,092	775,139	907,719	1,075,921
(QoQ)	129,688	109,019	183,288	191,399	184,386	216,066	315,868	359,601
Number of guest buyers (Note) 1, 4	870,584	842,140	845,734	813,647	777,303	725,822	689,678	694,133
(YoY)	-247,757	-194,714	-105,978	-77,574	-93,281	-116,318	-156,056	-119,514
(QoQ)	-20,637	-28,444	3,594	-32,087	-36,344	-51,481	-36,144	4,455

(Note)

1. The calculation period is the most recent one-year period prior to the end of the accounting periods.
2. The number of annual buyers includes the sum of active members and guest buyers who made more than one purchase within the past year from each quarter.
3. The number of active members represents the number of members who have made at least one purchase within the past year.
4. Buyers of "LY Corporation Commerce", "LYST," and "BtoB business" are not included.

During the fourth quarter of the current fiscal year, the number of annual buyers increased, resulting from an increase in the number of active members YoY and QoQ. The growth in the number of active members is due to the retention of new members acquired up to the previous fiscal year, as well as steady progress in new customer acquisition through web advertising and in-site initiatives on ZOTOTOWN. Increased investment in web advertising and referral campaigns YoY contributed to growth in the number of new members. In addition, increased investment in point-awarding initiatives aimed at re-engaging inactive members has also proven effective in converting inactive members into active users.

(Annual purchase amount and annual purchase pieces)

[Table 6] Changes in the annual purchase amount and annual purchase pieces

	Previous fiscal year				Current fiscal year			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Annual purchase amount (Total) (Note) 1, 2, 3, 4	42,947	43,171	43,307	42,953	42,861	42,404	41,771	41,323
(YoY)	1.4%	1.8%	1.9%	0.3%	-0.2%	-1.8%	-3.5%	-3.8%
(QoQ)	0.3%	0.5%	0.3%	-0.8%	-0.2%	-1.1%	-1.5%	-1.1%
Annual purchase pieces (Total) (Note) 1, 2, 3	10.9	11.0	11.0	10.9	10.8	10.7	10.6	10.6
(YoY)	1.2%	2.0%	1.6%	0.0%	-1.0%	-2.1%	-3.2%	-2.9%
(QoQ)	0.6%	0.4%	0.0%	-1.0%	-0.4%	-0.7%	-1.1%	-0.7%

(Note)

1. The calculation period is the most recent one-year period prior to the end of the accounting periods.
2. Indexes for each active member.
3. Buyers of "LY Corporation Commerce", "LYST," and "BtoB business" are not included.
4. The amounts are in yen.

During the fourth quarter of the current fiscal year, the annual purchase amount (Total) and annual purchase pieces (Total) decreased YoY and QoQ. The main factor was an increase in the proportion of new members, driven by steady growth in new member acquisition in each quarter of the current fiscal year. (Generally, members with shorter membership histories have lower annual purchase amounts and fewer purchase pieces.)

(Average retail price, etc.)

[Table 7] Changes in the average retail price, average order value, average purchase pieces per order and number of shipments

	Previous fiscal year				Current fiscal year			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Average retail price (Note) 1, 2, 3 (YoY)	3,698 -0.7%	3,629 1.1%	4,369 0.2%	4,038 0.9%	3,744 1.2%	3,584 -1.2%	4,277 -2.1%	3,974 -1.6%
Average order value (Note) 1, 2, 3 (YoY)	8,343 2.0%	8,196 3.8%	9,422 3.3%	8,980 2.8%	8,543 2.4%	8,183 -0.2%	9,328 -1.0%	8,864 -1.3%
Average purchase pieces per order (Note) 1, 2 (YoY)	2.26 2.8%	2.26 2.7%	2.16 3.1%	2.22 1.9%	2.28 1.1%	2.28 1.1%	2.18 1.1%	2.23 0.3%
Number of shipments (Note) 1, 2 (YoY)	13,788,498 4.1%	13,471,252 2.8%	15,518,943 3.5%	13,393,189 0.7%	14,242,174 3.3%	13,924,003 3.4%	16,230,382 4.6%	14,620,850 9.2%

(Note)

1. Figures are based on quarterly accounting periods.
2. Buyers of "LY Corporation Commerce," "LYST," and "BtoB business" are not included.
3. The amounts are in yen.

During the fourth quarter of the current fiscal year, while list prices of new items stabilized at prior-year levels, the average retail price declined YoY due to an increase in the proportion of sale items, reflecting the strong performance during the winter sale event. In addition, as the proportion of sale items increased, the attach rate rose and the number of items purchased per order increased; however, the negative impact from the decline in the average retail price outweighed these effects, resulting in a decline in the average order value. Regarding the free-shipping measure for orders of 12,000 yen or more, while the level of investment was lower than the same quarter of the previous year, it was implemented effectively, with no negative impact on the number of items per order.

i. Outright Purchase/Production & Sales

In the current fiscal year, the merchandise value was 2,795 million yen (-24.3% YoY), accounting for 0.4% of the gross merchandise value (0.6% in the previous fiscal year). Net sales were 2,630 million yen (-24.5% YoY). As of the end of March 2026, the number of shops opened on ZOZOTOWN for Outright purchase/production & sales was 21 (25 as of the end of December 2025).

ii. Consignment Sales

In the current fiscal year, the merchandise value was 492,743 million yen (+5.2% YoY), accounting for 73.9% of the gross merchandise value (76.3% in the previous fiscal year). Net sales (consignment sales commission) were 134,673 million yen (+3.9% YoY). As of the end of March 2026, the number of shops opened on ZOZOTOWN for consignment sales was 1,689 (1,687 as of the end of December 2025).

iii. USED Sales

In the current fiscal year, the merchandise value was 21,074 million yen (+7.3% YoY), accounting for 3.2% of the gross merchandise value (3.2% in the previous fiscal year). Net sales were 20,113 million yen (+6.8% YoY).

② LY Corporation Commerce

LY Corporation Commerce is the combined sales of Yahoo! JAPAN Shopping and Yahoo! JAPAN Auction. We opened the ZOZOTOWN store on Yahoo! JAPAN Shopping, an online shopping mall, and the ZOZOUSUED store on Yahoo! JAPAN Auction, an online auction service, in March 2024. In the current fiscal year, the merchandise value was 78,926 million yen (+13.4% YoY), accounting for 11.9% of the gross merchandise value (11.3% in the previous fiscal year). Net sales (consignment sales commission) were 24,179 million yen (+13.4% YoY).

③ LYST

LYST operates a business model in which it earns performance-based commissions from partner brands that list their items on the fashion shopping platform "Lyst". LYST has been included in the consolidated group since May 2025. In the current fiscal year, the merchandise value was 42,245 million yen, accounting for 6.3% of the gross merchandise value. Net sales were 5,776 million yen.

④ BtoB business

The BtoB business model includes building and operating brands' e-commerce websites and providing logistics services. In the current fiscal year, the merchandise value was 8,377 million yen (-36.1% YoY), accounting for 1.3% of the gross merchandise value (2.1% in the previous fiscal year). Net sales (consignment sales commission) were 1,325 million yen (-38.2% YoY). As of the end of March 2026, the number of consigned websites was 29 (28 as of the end of December 2025).

⑤ Advertising business

The advertising business is a business model that generates advertising revenue by providing advertising space to client brands by utilizing the user base of ZOZOTOWN and WEAR by ZOZO. In the current fiscal year, net sales were 11,884 million yen (+6.0% YoY).

⑥ Others

The segment for "Others" within the gross merchandise value includes 1) the merchandise value of the stores that contracted "ZOZO Option" (recording ended as of September 30, 2025) in the fashion category excluding ZOZOTOWN on Yahoo! JAPAN Shopping (service that enables those stores to get benefits from sales support such as participation in the special events by the Company), 2) the merchandise value of the e-commerce site of the Company's consolidated subsidiary, 3) the merchandise value from ZOZOMO, the system to support for sending customers to the physical stores from ZOZOTOWN, and 4) the merchandise value of "ZOZOSUIT" which is sold for a fee in the U.S. The merchandise value in the current fiscal year was 19,872 million yen (-49.9% YoY), accounting for 3.0% of the gross merchandise value (6.5% in the previous fiscal year). As to sales of "Others", sales from businesses related to ZOZOTOWN (shipping income and settlement commission income, etc.), and sales related to the gross merchandise value (Others), which is mentioned above, are included. In the current fiscal year, net sales were 27,791 million yen (+5.0% YoY).

(2) Overview of financial position for the current fiscal year

Overview of total assets, liabilities, and net assets

(Unit: Million yen)

	Previous fiscal year	Current fiscal year	Increase/ decrease rate
Total assets	187,810	198,260	5.6%
Liabilities	89,090	91,470	2.7%
Net assets	98,719	106,789	8.2%

(Total assets)

Total assets amounted to 198,260 million yen, an increase of 10,450 million yen (+5.6% from the previous fiscal year end). Current assets decreased by 17,080 million yen, or 11.6%, compared with the previous fiscal year end, amounted to 130,314 million yen. Major components are a decrease of 22,069 million yen in cash and deposits, an increase of 3,894 million yen in accounts receivable, and an increase of 891 million yen in merchandise etc. Non-current assets increased by 27,530 million yen, or 68.1%, compared with the previous fiscal year end, amounted to 67,946 million yen. Major components are an increase of 1,483 million yen in property, plant, and equipment, an increase of 25,152 million yen in intangible assets.

(Liabilities)

Liabilities amounted to 91,470 million yen, an increase of 2,379 million yen (+2.7% from the previous fiscal year end). Current liabilities increased by 844 million yen, or 1.1%, compared with the previous fiscal year end, amounted to 80,672 million yen. Major components are an increase of 2,124 million yen in deposits received for consignment sales, an increase of 815 million yen in accounts payable, a decrease of 827 million yen in income taxes payable, and a decrease of 714 million yen in provision for bonuses. Non-current liabilities increased by 1,535 million yen, or 16.6%, and amounted to 10,797 million yen, compared with the previous fiscal year end. Major components are an increase of 188 million yen in asset retirement obligations, an increase of 363 million yen in retirement benefit liability, and an increase of 536 million yen in deferred tax liabilities.

(Net assets)

Net assets amounted to 106,789 million yen, an increase of 8,070 million yen (+8.2% from the previous fiscal year end). Major components are a decrease of 10,001 million yen due to the acquisition of treasury stock, an increase of 47,926 million yen due to the recognition of profit attributable to owners of parent, and a decrease of 32,837 million yen due to cash dividends.

(3) Overview of cash flows for the current fiscal year

Overview of cash flows

Cash and cash equivalents ("cash") at the end of the current fiscal year amounted to 69,422 million yen, an increase of 22,064 million yen from the previous fiscal year end.

Descriptions of each cash flow are as follows:

	Previous fiscal year	Current fiscal year	(Unit: Million yen) Increase/ decrease rate
Cash flows from operating activities	60,114	52,531	-12.6%
Cash flows from investing activities	-6,285	-28,897	359.8%
Cash flows from financing activities	-32,081	-45,830	42.9%

(Cash flows from operating activities)

The net cash provided by operating activities was 52,531 million yen. This was mainly driven by profit before income taxes of 68,477 million yen, while negative factors included an increase in accounts receivable of 1,539 million yen, an increase in inventories of 883 million yen, a decrease in accrued consumption taxes of 2,232 million yen, and income tax payments of 21,657 million yen.

(Cash flows from investing activities)

The net cash used in investing activities was 28,897 million yen. This was mainly due to purchases of property, plant and equipment of 4,823 million yen, acquisitions of intangible assets 2,226 million yen, and payments for acquisition of shares of a subsidiary resulting in changes in the scope of consolidation of 21,807 million yen.

(Cash flows from financing activities)

The net cash used in financing activities was 45,830 million yen. This was mainly due to payments for acquisition of treasury stock of 10,001 million yen and the dividend payments of 32,834 million yen.

(4) Outlook

Outlook for the next fiscal year

[Table 8] Consolidated earnings forecast

(Unit: Million yen)

	Current fiscal year (April 1, 2025 to March 31, 2026)		Next fiscal year (April 1, 2026 to March 31, 2027)		YoY
Gross merchandise value	666,035	(103.1%)	679,600	(100.1%)	2.0%
Gross merchandise value (excluding other GMV)	646,162	(100.0%)	678,600	(100.0%)	5.0%
Net sales	228,373	(35.3%)	241,900	(35.6%)	5.9%
Operating profit	69,366	(10.7%)	74,400	(11.0%)	7.3%
Adjusted EBITA (Note 2)	72,697	(11.3%)	77,900	(11.5%)	7.2%
Ordinary profit	69,261	(10.7%)	74,400	(11.0%)	7.4%
Profit attributable to owners of parent	47,926	(7.4%)	49,700	(7.3%)	3.7%

(Note)

1. Figures in parentheses are percentages of gross merchandise value (excluding other GMV)

2. Adjusted EBITA = Operating profit + amortization of goodwill (including amortization of intangible assets recognized through purchase price allocation (PPA)) + M&A-related expenses (including advisory fees and due diligence costs)

The domestic fashion e-commerce market in Japan, where our group primarily operates, remains at a relatively low level in terms of EC penetration compared to more advanced markets such as the United States, Europe, China, and South Korea.

Although tailwinds for e-commerce have reached a plateau, we expect the market to continue expanding at a moderate pace, and recognize that it is currently growing at an annual rate of approximately 3%.

Amid such a market environment, the Company remains committed to further enhancing the appeal of its platform for both users and brands. By doing so, we aim to steadily expand gross merchandise value and net sales, and achieve growth in line with overall market growth.

The Company group adopted EBITDA as a management indicator to present its underlying earnings power by excluding the impact of amortization of goodwill and other amortization related to M&A. At the same time, the Company group consistently makes capital investments in logistics centers and investments in internally developed software. In this context, the Company group recognizes that depreciation and amortization associated with these investments are essential costs for business operations.

In light of this, and in order to more appropriately present the Company group's underlying earnings power in a manner that reflects its actual business conditions, the Company group has decided to adopt "Adjusted EBITA" as a new indicator, under which adjustments are limited to amortization of goodwill and intangible assets arising from M&A, as well as acquisition-related costs.

In addition, as a medium-term profit target, we have set Adjusted EBITA of 90.0 billion yen for the fiscal year ending March 31, 2030. We will focus on three areas centered on the fashion market in Japan and overseas: the "More Fashion" domain for existing domestic businesses, the "Near Fashion" domain for new domestic businesses, and the "Global" domain for overseas operations.

The breakdown of our gross merchandise value forecast by business segment for the next fiscal year is as follows:

[Table 9] Gross Merchandise value forecast by business segment

By business segment	Current fiscal year (April 1, 2025 to March 31, 2026)		Next fiscal year (April 1, 2026 to March 31, 2027)		YoY
	Merchandise value (Million yen)	Ratio (%)	Merchandise value (Million yen)	Ratio (%)	
ZOZOTOWN Business	516,613	77.5	538,400	79.4	4.2%
(Outright Purchase/Production & Sales)	2,795	0.4	3,200	0.5	14.5%
(Consignment Sales)	492,743	73.9	512,700	75.6	4.1%
(USED Sales)	21,074	3.2	22,500	3.3	6.8%
LY Corporation Commerce	78,926	11.9	86,600	12.7	9.7%
LYST	42,245	6.3	46,500	6.8	10.1%
BtoB Business	8,377	1.3	7,100	1.0	-15.3%
Subtotal excluding Others	646,162	97.0	678,600	99.9	5.0%
Others	19,872	3.0	1,000	0.1	-95.0%
Total	666,035	100.0	679,600	100.0	2.0%

With respect to the “More Fashion” domain for existing domestic businesses, centered on the ZOZOTOWN business and LY Corporation Commerce, we will further strengthen our e-commerce infrastructure as the foundation for growth. For the ZOZOTOWN Business, we will aim to grow the gross merchandise value by “increasing the number of buyers” and “increasing ZOZOTOWN utilization rate in fashion-related consumption.” Specifically, we will expand the range of items, brands, and categories to meet users’ diversifying needs and promote the development of unique and value-added services. For LY Corporation Commerce, we will aim to expand the range of items, brands, and categories linked to ZOZOTOWN and value-added services. We will also continue to promote the acquisition of new customer segments different from existing ZOZOTOWN members through marketing initiatives by LY Corporation.

In the “Near Fashion” domain for new domestic businesses, we will aim to create new profit growth drivers in peripheral fashion areas, targeting services with high affinity to ZOZOTOWN users. In addition to in-house business development, we intend to actively utilize M&A. As announced on April 30, 2026, the Company has acquired all shares of HIGH LINK, INC., which operates “Coloria,” a comprehensive fragrance platform, and has made it a wholly owned subsidiary. Accordingly, HIGH LINK, INC. will be included in the scope of consolidation from May 2026, and its gross merchandise value and net sales are scheduled to be recorded under the “Others.”

In the “Global” domain, we will steadily promote expansion into global markets, centered on technology, with a primary focus on Europe and the United States, where we operate LYST and the body measurement service “ZOZOFIT.” With regard to net sales, we expect growth to be in line with the growth rate of gross merchandise value (excluding other GMV). On the other hand, for LYST overseas, we expect a decline in the gross profit margin due to a focus on initiatives aimed at transforming its business model.

As for general and administrative expenses, we expect an increase in variable costs associated with the expansion of gross merchandise value, as well as an increase in depreciation due to the introduction of new material handling equipment at existing logistics centers. On the other hand, as a result of initiatives to improve delivery efficiency, we expect a reduction in shipping expense (as a percentage of GMV) from October 2025, following improved economic terms with the delivery outsourcing partner. As a result, the SG&A expense ratio (to GMV) is expected to decline from the current fiscal year.

Consequently, the operating profit margin and Adjusted EBITA margin for the next fiscal year are expected to exceed those of the current fiscal year, and we will maintain steady profit growth.

2. Basic principles for selecting accounting standards

Our policy is to prepare consolidated financial statements in accordance with Japanese GAAP, taking into consideration the comparability of data across periods and between companies. As for the potential application of IFRS, we intend to respond appropriately after carefully assessing various domestic and international circumstances.

3. Consolidated financial statements

(1) Consolidated balance sheet

(Unit: Million yen)

	Previous fiscal year (As of March 31, 2025)	Current fiscal year (As of March 31, 2026)
Assets		
Current assets		
Cash and deposits	91,486	69,416
Accounts receivable-trade	49,453	53,348
Merchandise	2,605	3,496
Raw materials and supplies	44	37
Others	3,805	4,014
Total current assets	147,394	130,314
Non-current assets		
Property, plant and equipment		
Buildings	16,346	17,860
Accumulated depreciation	-4,621	-6,252
Buildings, net	11,724	11,607
Vehicles	39	39
Accumulated depreciation	-12	-19
Vehicles, net	26	19
Tools, furniture and fixtures	22,723	23,067
Accumulated depreciation	-11,170	-13,701
Tools, furniture, and fixtures, net	11,553	9,366
Construction in progress	2,143	5,937
Total property, plant and equipment	25,447	26,930
Intangible assets		
Goodwill	668	21,812
Software	1,520	3,496
Customer related asset	-	1,846
Others	1,248	1,434
Total intangible assets	3,437	28,589
Investments and other assets		
Investment securities	931	1,010
Deferred tax assets	6,167	6,298
Others	4,431	5,117
Total investments and other assets	11,530	12,425
Total non-current assets	40,415	67,946
Total assets	187,810	198,260

(Unit: Million yen)

	Previous fiscal year (As of March 31, 2025)	Current fiscal year (As of March 31, 2026)
Liabilities		
Current liabilities		
Accounts payable-trade	189	242
Deposits received for consignment sales	28,850	30,975
Accounts payable-other	8,070	8,885
Short-term borrowings	20,000	20,000
Income taxes payable	12,423	11,596
Provision for bonuses	3,033	2,319
Provision for bonuses for directors	73	62
Provision for loss on business liquidation	-	224
Provision for loss on liquidation of affiliates	-	0
Others	7,187	6,363
Total current liabilities	79,828	80,672
Non-current liabilities		
Retirement benefit liability	4,787	5,151
Asset retirement obligations	4,339	4,528
Provision for loss on liquidation of affiliates	126	125
Deferred tax liabilities	-	536
Others	9	457
Total non-current liabilities	9,262	10,797
Total liabilities	89,090	91,470
Net assets		
Shareholders' equity		
Capital stock	1,359	1,359
Capital surplus	1,521	1,328
Retained earnings	106,787	111,393
Treasury stock	-11,581	-11,039
Total shareholders' equity	98,087	103,042
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	80	116
Deferred gains or losses on hedges	-9	4
Foreign currency translation adjustment	171	3,161
Accumulated remeasurements of defined benefit plans	389	464
Total accumulated other comprehensive income	632	3,747
Stock acquisition rights	0	-
Total net assets	98,719	106,789
Total liabilities and net assets	187,810	198,260

(2) Consolidated statement of income and consolidated statement of comprehensive income

Consolidated statement of income

(Unit: Million yen)

	Previous fiscal year (April 1, 2024 to March 31, 2025)	Current fiscal year (April 1, 2025 to March 31, 2026)
Net sales	213,131	228,373
Cost of sales	14,819	15,372
Gross profit	198,312	213,000
Selling, general and administrative expenses		
Outsourcing expenses	10,661	11,544
Packing and transportation expenses	37,363	37,861
Payment collection commissions	13,127	13,458
Advertising expenses	13,340	17,107
Payroll and allowances	18,834	20,788
Provision for bonuses	2,995	2,302
Provision for bonuses for directors	91	62
Retirement benefit expenses	829	719
Share-based compensation expenses	288	-29
Depreciation	4,491	5,293
Amortization of goodwill	251	2,294
Others	31,279	32,230
Total selling, general and administrative expenses	133,556	143,634
Operating profit	64,756	69,366
Non-operating income		
Interest income	66	159
Received rent	2	3
Operations support fee	5	5
Income from recycling	53	58
Subsidy income	15	50
Gain on unused points	145	147
Others	20	25
Total non-operating income	309	450
Non-operating expenses		
Interest expenses	126	256
Rent expenses	2	2
Commission expenses	1	41
Foreign exchange losses	2	210
Loss on investments in partnership	44	45
Total non-operating expenses	177	555
Ordinary profit	64,888	69,261

(Unit: Million yen)

	Previous fiscal year (April 1, 2024 to March 31, 2025)	Current fiscal year (April 1, 2025 to March 31, 2026)
Extraordinary income		
Gain on sale of non-current assets	6	1
Gain on liquidation of affiliates	61	-
Total extraordinary income	68	1
Extraordinary losses		
Loss on sale and disposal of non-current assets	107	58
Impairment loss	-	329
Loss on business liquidation	-	397
Loss on liquidation of affiliates	138	-
Total extraordinary loss	246	785
Profit before income taxes	64,710	68,477
Income taxes-current	19,792	20,815
Income taxes-deferred	-429	-265
Total income taxes	19,363	20,550
Net profit	45,346	47,926
Profit attributable to owners of parent	45,346	47,926

Consolidated statement of comprehensive income

(Unit: Million yen)

	Previous fiscal year (April 1, 2024 to March 31, 2025)	Current fiscal year (April 1, 2025 to March 31, 2026)
Net profit	45,346	47,926
Other comprehensive income		
Valuation difference on available-for-sale securities	-9	35
Deferred gains or losses on hedges	-63	14
Foreign currency translation adjustment	-16	2,973
Adjustments for retirement benefits	550	75
Total other comprehensive income	460	3,098
Comprehensive income	45,806	51,025
(Comprehensive income attributable to)		
Comprehensive profit attributable to owners of the parent	45,806	51,025

(3) Consolidated statements of changes in net assets

Previous fiscal year (April 1, 2024, to March 31, 2025)

(Unit: Million yen)

	Shareholders' equity					Accumulated other comprehensive income	
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges
Balance as of April 1, 2024	1,359	1,328	93,512	-11,627	84,572	90	54
Changes during the previous fiscal year							
Cash dividends			-32,071		-32,071		
Profit attributable to owners of parent			45,346		45,346		
Purchase of treasury stock				-0	-0		
Disposal of treasury stock		193		46	239		
Cancellation of treasury stock					-		
Transfer from retained earnings to capital surplus					-		
Net changes in items other than shareholders' equity						-9	-63
Total changes during the previous fiscal year	-	193	13,275	45	13,514	-9	-63
Balance as of March 31, 2025	1,359	1,521	106,787	-11,581	98,087	80	-9

	Accumulated other comprehensive income			Stock acquisition rights	Total net assets
	Foreign currency translation adjustments	Accumulated remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance as of April 1, 2024	187	-161	171	0	84,744
Changes during the previous fiscal year					
Cash dividends					-32,071
Profit attributable to owners of parent					45,346
Purchase of treasury stock					-0
Disposal of treasury stock					239
Cancellation of treasury stock					-
Transfer from retained earnings to capital surplus					-
Net changes in items other than shareholders' equity	-16	550	460	-0	460
Total changes during the previous fiscal year	-16	550	460	-0	13,974
Balance as of March 31, 2025	171	389	632	0	98,719

Current fiscal year (from April 1, 2025 to March 31, 2026)

(Unit: Million yen)

	Shareholders' equity					Accumulated other comprehensive income	
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges
Balance as of April 1, 2025	1,359	1,521	106,787	-11,581	98,087	80	-9
Changes during the current fiscal year							
Cash dividends			-32,837		-32,837		
Profit attributable to owners of parent			47,926		47,926		
Purchase of treasury stock				-10,001	-10,001		
Disposal of treasury stock		-140		7	-132		
Cancellation of treasury stock		-10,535		10,535	-		
Transfer from retained earnings to capital surplus		10,483	-10,483		-		
Net changes in items other than shareholders' equity						35	14
Total changes during the current fiscal year	-	-193	4,605	542	4,954	35	14
Balance as of March 31, 2026	1,359	1,328	111,393	-11,039	103,042	116	4

	Accumulated other comprehensive income			Stock acquisition rights	Total net assets
	Foreign currency translation adjustments	Accumulated remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance as of April 1, 2025	171	389	632	0	98,719
Changes during the current fiscal year					
Cash dividends					-32,837
Profit attributable to owners of parent					47,926
Purchase of treasury stock					-10,001
Disposal of treasury stock					-132
Cancellation of treasury stock					-
Transfer from retained earnings to capital surplus					-
Net changes in items other than shareholders' equity	2,989	75	3,115	-0	3,115
Total changes during the current fiscal year	2,989	75	3,115	-0	8,070
Balance as of March 31, 2026	3,161	464	3,747	-	106,789

(4) Consolidated statements of cash flows

(Unit: Million yen)

	Previous fiscal year (April 1, 2024 to March 31, 2025)	Current fiscal year (April 1, 2025 to March 31, 2026)
Cash flows from operating activities		
Profit before income taxes	64,710	68,477
Depreciation	4,491	5,293
Amortization of goodwill	251	2,294
Share-based compensation expenses	288	-29
Loss on business liquidation	-	397
Impairment loss	-	329
Loss on liquidation of affiliates	138	-
Gain on liquidation of affiliates	-61	-
Loss (gain) on investments in partnership (- is a gain)	44	45
Loss (gain) on sale and disposal of non-current assets (- is a gain)	101	56
Increase (decrease) in provision for bonuses (- is a decrease)	1,760	-726
Increase (decrease) in provision for bonuses for directors (- is a decrease)	-22	-10
Increase (decrease) in retirement benefit liability (- is a decrease)	738	472
Interest and dividends income	-66	-159
Interest expenses	126	256
Commissions paid	1	41
Foreign exchange losses (gains) (- is a gain)	1	174
Increase (decrease) in notes and accounts receivable-trade (- is an increase)	-3,664	-1,539
Increase (decrease) in inventories (- is an increase)	1,174	-883
Increase (decrease) in prepaid expenses (- is an increase)	-159	707
Increase (decrease) in accounts payable-trade (- is a decrease)	-70	53
Increase (decrease) in deposits received for consignment sales (- is a decrease)	2,182	2,124
Increase (decrease) in accounts payable-other (- is a decrease)	620	218
Increase (decrease) in accrued consumption taxes (- is a decrease)	286	-363
Increase (decrease) in accrued consumption taxes (- is a decrease)	3,327	-2,232
Others	103	-710
Subtotal	76,305	74,288
Interest and dividends income received	66	159
Interest expenses paid	-129	-258
Income taxes paid	-16,127	-21,657
Net cash provided by (used in) operating activities	60,114	52,531

(Unit: Million yen)

	Previous fiscal year (April 1, 2024 to March 31, 2025)	Current fiscal year (April 1, 2025 to March 31, 2026)
Cash flows from investing activities		
Purchase of property, plant and equipment	-4,799	-4,823
Purchase of intangible assets	-1,486	-2,226
Proceeds from sales of property, plant and equipment	29	6
Payments for asset retirement obligations	-	-40
Payments for lease and guarantee deposits	-41	-3
Proceeds from collection of lease and guarantee deposits	3	71
Purchase of investment securities	-97	-72
Proceeds from liquidation of subsidiaries	107	-
Payments for the acquisition of shares of a subsidiary accompanied by a change in the scope of consolidation	-	-21,807
Payments of loans receivable	-1	-2
Collection of loans receivable	1	2
Others	-0	-0
Net cash provided by (used in) investing activities	-6,285	-28,897
Cash flows from financing activities		
Increase in short-term loans payable	-	45
Repayment of short-term loans payable	-	-699
Commission expenses paid	-1	-41
Redemption of bonds	-	-2,046
Repurchase of shares	-0	-10,001
Cash dividends paid	-32,069	-32,834
Others	-10	-253
Net cash provided by (used in) financing activities	-32,081	-45,830
Effect of the exchange rate change on cash and cash equivalents	-9	131
Increase (decrease) in cash and cash equivalents (- is a decrease)	21,738	-22,064
Cash and cash equivalents at beginning of the fiscal year	69,748	91,486
Cash and cash equivalents at end of the fiscal year	91,486	69,422

(5) Notes on consolidated financial statements

(Notes on the going concern assumption)

Not applicable.

(Notes on segment information)

Previous fiscal year (From April 1, 2024 to March 31, 2025)

Since our group is a single segment of the e-commerce business, information by segment is omitted.

Current fiscal year (From April 1, 2025 to March 31, 2026)

Since our group is a single segment of the e-commerce business, information by segment is omitted.

(Per share data)

Item	Previous fiscal year (April, 2024 to March 31, 2025)	Current fiscal year (April 1, 2025 to March 31, 2026)
Net assets per share	110.81 yen	120.76 yen
Earnings per share	50.90 yen	54.11 yen

(Note)

- Fully diluted earnings per share are not presented because there were no dilutive potential shares.
- On April 1, 2025, the Company conducted a three-for-one stock split of common stock. Net assets per share and earnings per share have been calculated on the assumption that the stock split was implemented at the beginning of the previous fiscal year.
- Earnings per share and the basis for its calculation are as follows:

Item	Previous fiscal year (April 1, 2024 to March 31, 2025)	Current fiscal year (April 1, 2025 to March 31, 2026)
(1) Earnings per share	50.90 yen	54.11 yen
(Basis of calculation)		
Profit attributable to owners of parent (million yen)	45,346	47,926
Amount not attributable to common shareholders (million yen)	-	-
Profit attributable to owners of parent related to common stock (million yen)	45,346	47,926
Weighted average number of common shares outstanding (shares)	890,870,670	885,648,046
Outline of potential shares that were not included in the calculation of diluted earnings per share due to their anti-dilutive effect	<p>Stock acquisition rights by resolution of the Board of Directors on June 25, 2019</p> <p>5th Stock Acquisition Rights Expired due to non-vesting</p> <p>6th Stock Acquisition rights 66 units (Common stock 19,800)</p>	<p>Stock acquisition rights by resolution of the Board of Directors on June 25, 2019</p> <p>The 6th Stock Acquisition Rights expired on June 20, 2025, due to the waiver of rights by the allottees.</p>

(Note) Fully diluted earnings per share are not presented because there were no dilutive potential shares.

(Significant subsequent events)

(Business combination by acquisition of shares)

At the Board of Directors meeting held on March 31, 2026, the Company resolved to acquire all shares of HIGH LINK, INC. (hereinafter referred to as "HIGH LINK") and to make it a subsidiary, executed a share transfer agreement on the same date, and acquired all shares on April 16.

1. Overview of business combination through share acquisition

(1) Purpose of the business combination through share acquisition

Founded in 2017, HIGH LINK operates "Coloria," a comprehensive fragrance platform, under the mission of "Color the world with fragrance."

By bringing HIGH LINK, which operates a business centered on fragrances with high affinity to fashion, into the ZOZO group, the Company aims to expand into the fragrance market and accelerate business development in the "Near Fashion" domain by incorporating sales methods such as subscription services.

(2) Counterparty in the share acquisition

The information will not be disclosed at the request of the selling shareholders.

(3) Name and business description of the acquired company

Company name: HIGH LINK, INC.

Business description: Operation of a comprehensive fragrance platform, "Coloria"

(4) Date of business combination

April 30, 2026

(5) Legal form of business combination

Acquisition of shares

(6) Name of the company after the business combination

HIGH LINK, INC.

(7) Number of shares to be acquired and voting rights ratio

100%

(8) Basis for determining the acquiring company

This is due to the acquisition of 100% of the voting rights through a share acquisition for cash consideration.

(9) Date of agreement execution

March 31, 2026

2. Breakdown of acquisition cost and types of consideration

Consideration for acquisition	4,950 million yen
Advisory and other related fees (approximate amount)	40 million yen
<hr/> Total acquisition cost (approximate amount)	<hr/> 4,990 million yen

3. Amount, cause, amortization method, and period of goodwill

The amount, cause, amortization method, and amortization period of goodwill have not yet been determined.

4. Amount and major components of assets and liabilities accepted on the business combination date

The amount and breakdown of assets and liabilities accepted on the business combination date have not yet been determined.

5. Funding and payment method

The acquisition was funded using internal funds.

DISCLAIMER:

This document is a summary translation of the Japanese version. All readers are recommended to refer to the original Japanese version for complete information. The Japanese version shall prevail in case of any discrepancy, errors, and/or omissions.