



Financial result for May-2026 (Q1)

zig-zag, Inc.

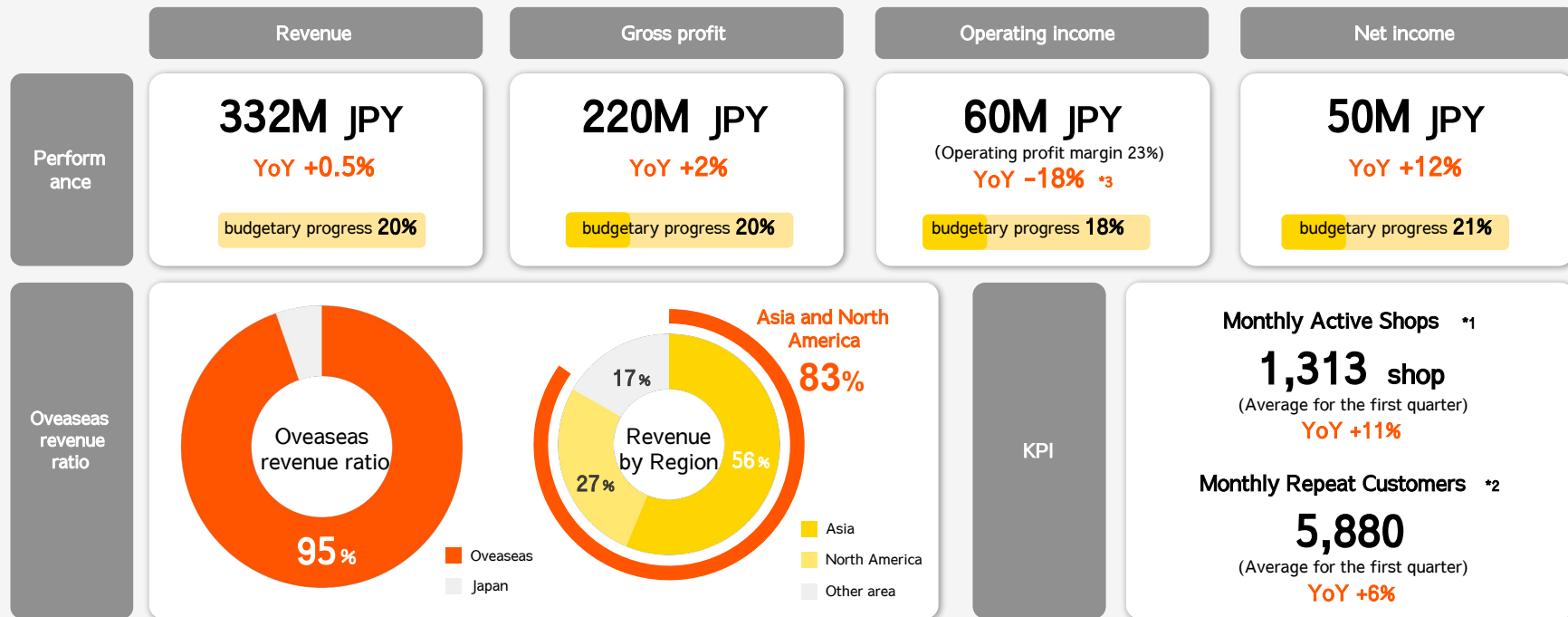
October-2025



Fiscal Year May-2026 (Q1) Highlights

First quarter results were generally in line with forecasts.

Full-year forecasts incorporate a temporary decline in consumer confidence due to changes in U.S. tariff policy.



*1 Number of shops with overseas sales in the current month (monthly average per quarter) among shops that have activated WorldShopping BIZ

*2 Number of customers who have made multiple purchases in a given shop in the past 12 months (monthly average per quarter)

*3 Profit amount decreases due to continued investment despite temporary slowdown in sales; profit increase expected for the full year

Financial highlights

Sales growth continues despite a temporary slowdown in the pace due to the impact of U.S. tariffs.
Achieved profitability while making upfront investments.

Revenue growth

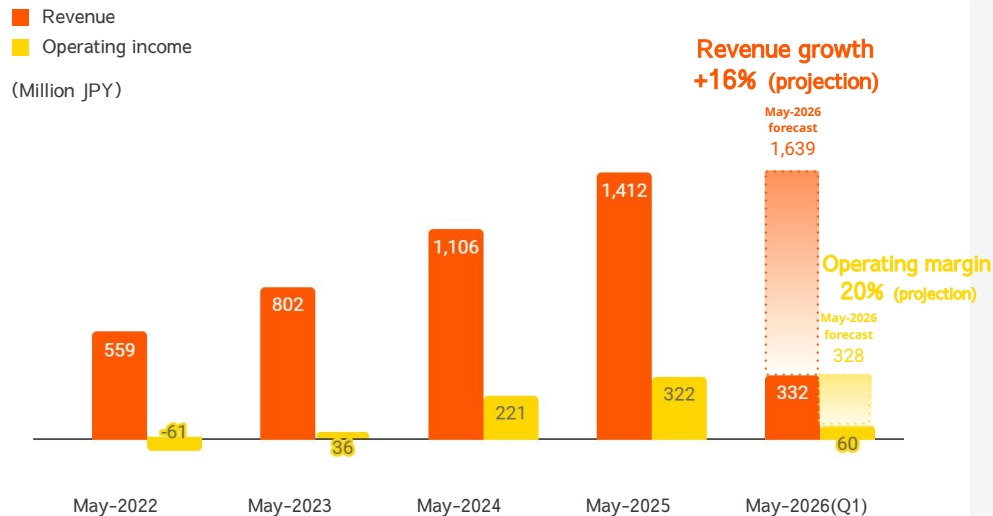
Revenue growth rate : +16% (May-2026 projection)

Stable growth by expanding the number of shop and @shop sales after the installation of WorldShopping BIZ.
Temporary impact of U.S. tariffs has been factored in.

Stable profitability

Operating margin : 20% (May-2026 projection)

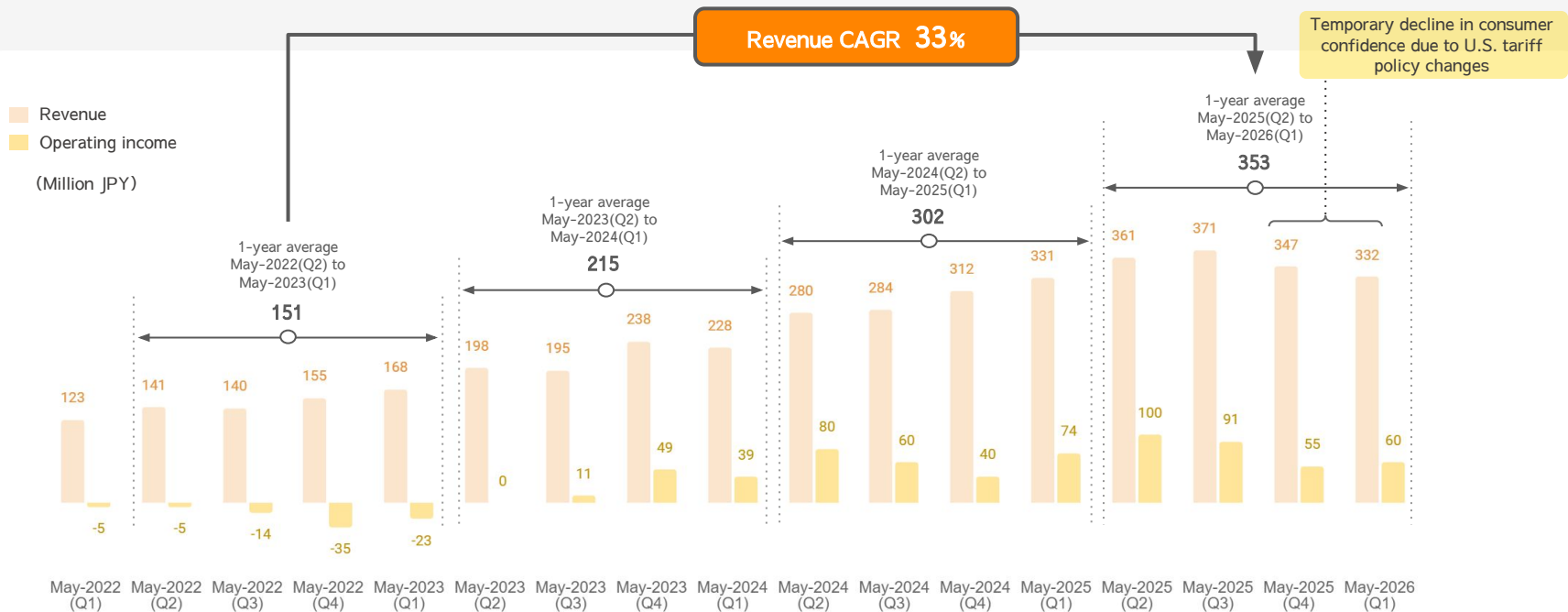
Surpassed the break-even point in May-2023, achieving both revenue growth and profitability. Further profit growth is expected in the future through revenue expansion.



Financial Highlights

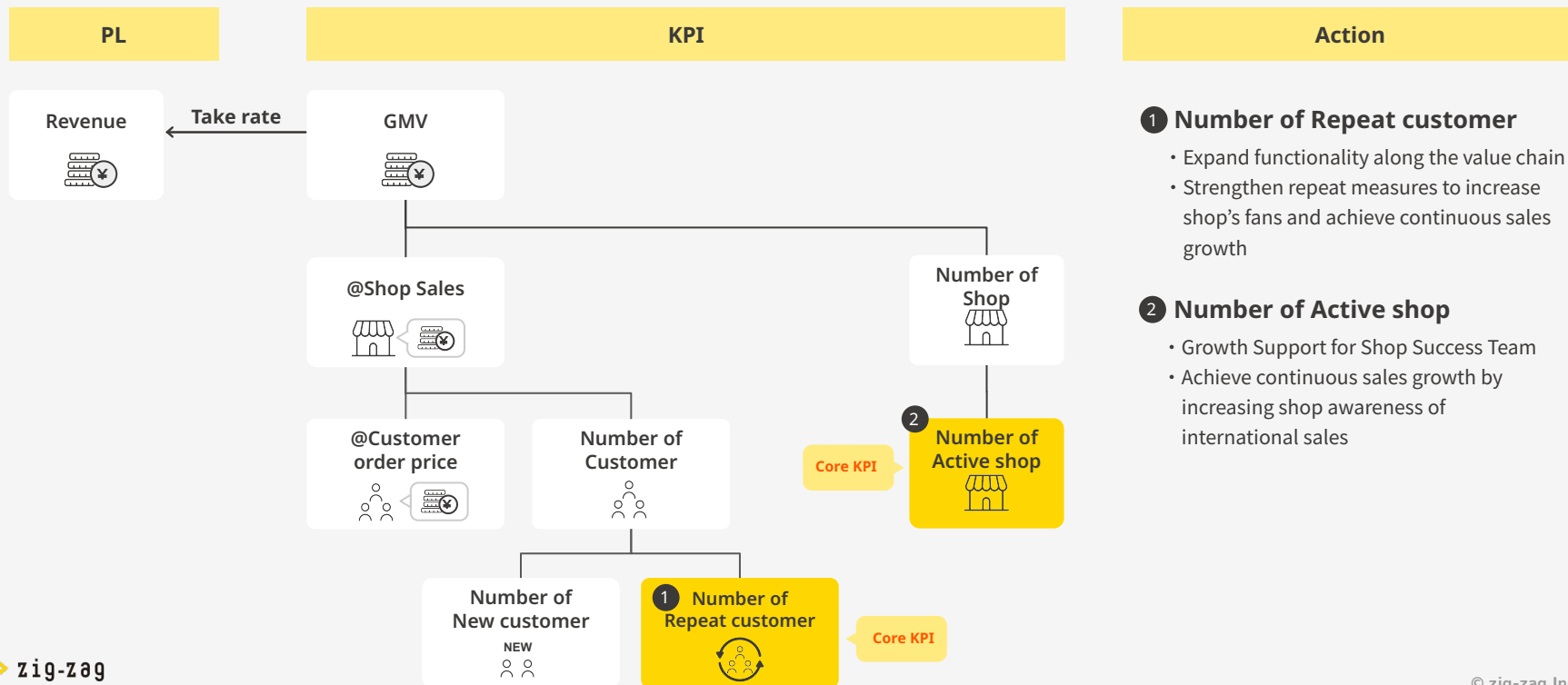
Maintain high revenue growth rate and stable operating income

Stable growth continues, although quarterly revenue fluctuate depending on the timing of merchant goods launches



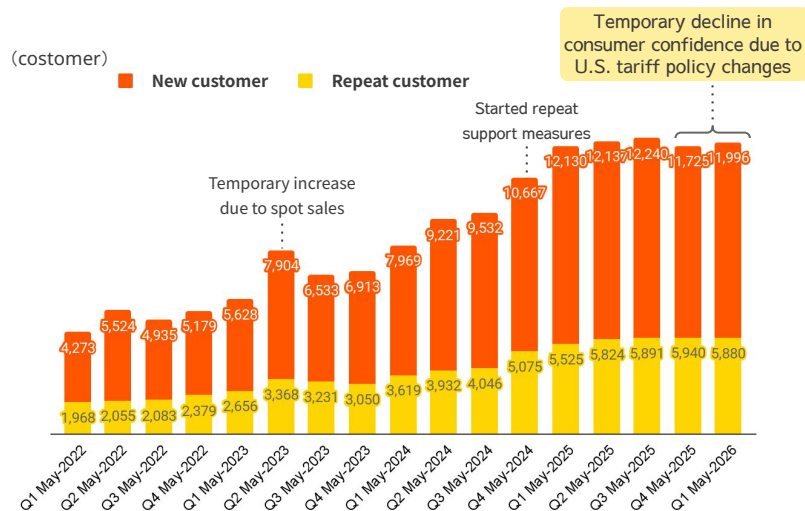
PL and KPI tree

Focus on the number of repeat customers and active shops in order to increase the number of shop's fans and increase the number of shops engaged in international sales.



Monthly Repeat customers *1

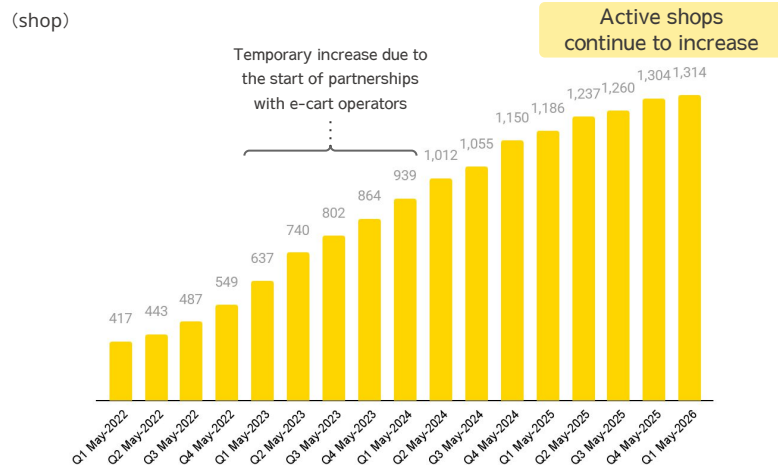
- Decrease in Q4 May-2025 due to lower consumer confidence caused by the change in U.S. tariff policy, but this is expected to be a temporary trend



*1 Number of customers who have made multiple purchases in a given shop in the past 12 months (monthly average per quarter)

Monthly Active shop *2

- Increased number of WorldShopping BIZ shop through a partnership with EC-cart platformers
- Active stores are continuously increasing, and there is no change in the increasing trend of shops engaging in cross-border EC.



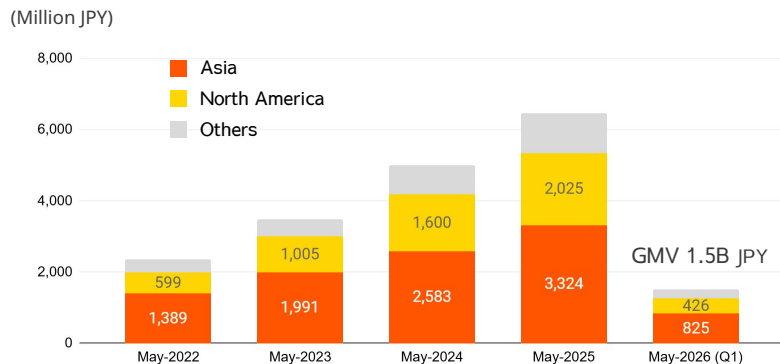
*2 Number of shops with overseas sales in the current month (monthly average per quarter) among shops that have adopted WorldShopping BIZ

Details of GMV

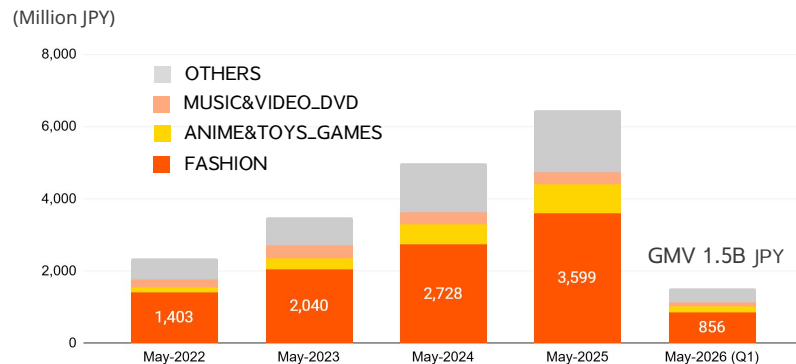
U.S. tariffs will slow the growth of sales to North America, but growth is expected to be stable
ANIME&TOYS_GAMES category will be affected, but we expect this to be a temporary impact as demand in the entertainment sector remains strong.

- In the Asian market, demand is growing due to the popularity of fashion and household goods.
- In the North American market, the fashion needs of Asian consumers living in North America as well as local consumers are being met.
- Demand for entertainment products such as animation and artist goods is strong among overseas customers and is expected to continue to grow in the future.

GMV by Region



GMV by Shop category

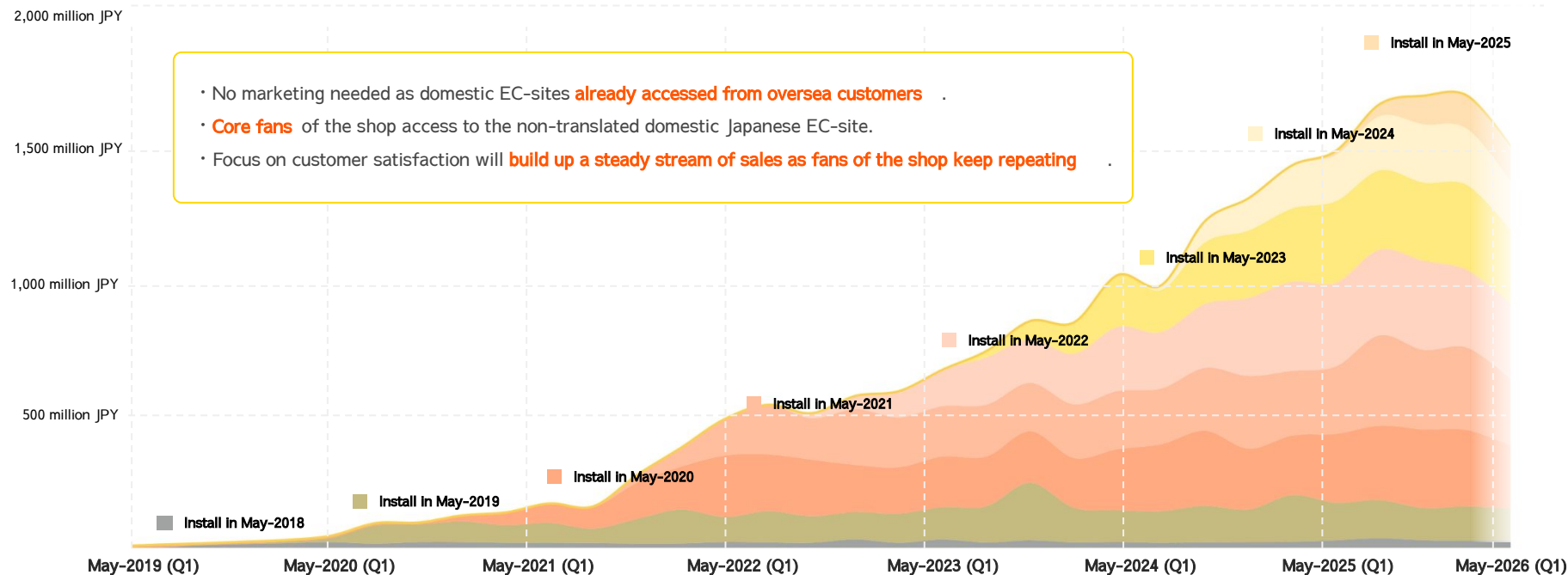


Accumulation of GMV*

Business model that builds up sales per shop

Quarterly GMV breakdown by year in which "WorldShoppingBIZ" was installed

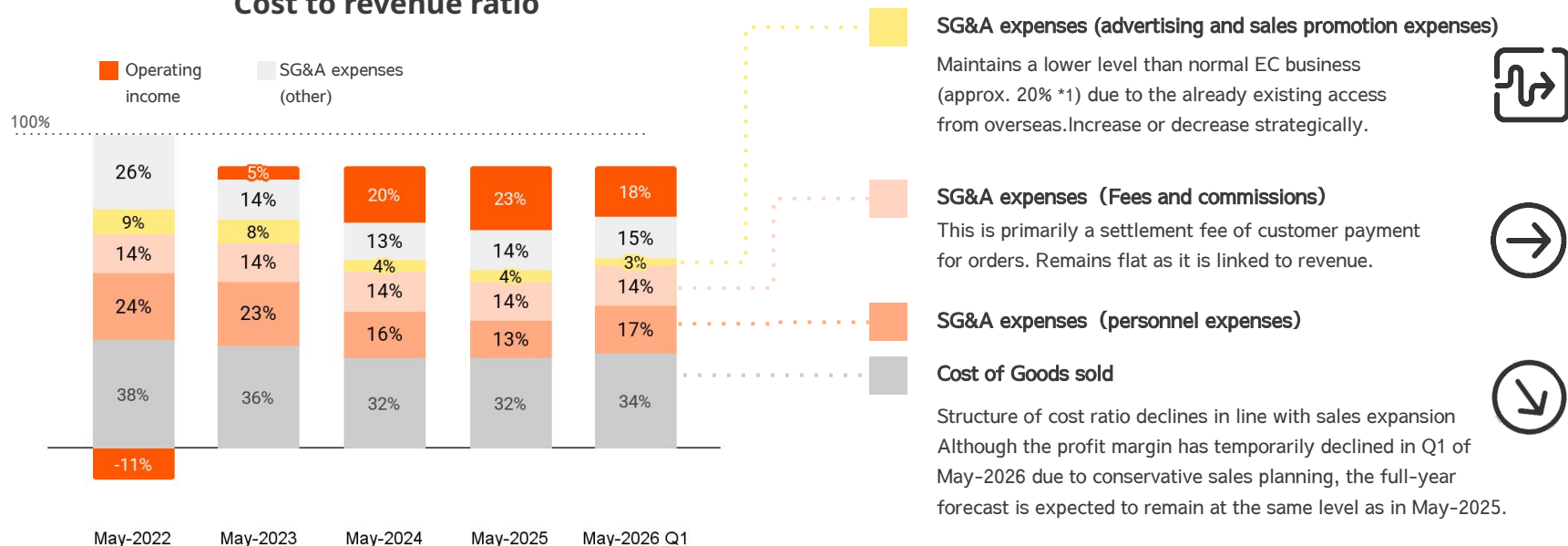
*Total settlement amount of "WorldShopping" on a shipment basis, billing amount of "WorldShoppingBIZ" and other sales



Cost structure

Business model that does not require large advertising and sales promotion costs relative to revenue.
Profitability continuously improves as revenue scale expands.

Cost to revenue ratio



*1 2025/01/15 EC no Mikata <https://ecnomikata.com/ecnews/45738/>

Forecast of financial results

(Million JPY)	May-2026 Q1 actual	May-2026 forecast	budgetary progress
Revenue	332	1,639	20%
Operating income	60	328	18%
Operating margin	18%	20%	-2pt
Ordinary income	73	328	22%
Net income	50	240	21%

Revenue

- Expect growth in @shop sales at shops through an increase in the number of WorldShopping BIZ shop and its repeat customers.
- Full-year forecasts incorporate a temporary decline in consumer confidence due to a change in U.S. tariff policy. Q1 results were generally in line with forecasts.

Operating income

- In May-2026, we will manage its operations with an awareness of the balance between upfront investment and profitability for long-term growth, expecting to achieve an operating margin of 20% while strengthening its products for inbound traveler and its ability to attract customers, including marketing.
- Q1 results were generally in line with forecasts.

Ordinary Income/Net Income

- One-time expenses recorded in the previous year related to overseas taxation were reduced (+12 million JPY).
- As a result, profits are increasing at a faster pace than forecasted and are being utilized as investment capacity.

A large, light gray zig-zag graphic that serves as a background for the title. It consists of several connected line segments forming a continuous, stylized path.

Growth strategy

Size of the market where
foreigners who are fans of Japan
" want to buy but can't "
through Japanese e-commerce.

Approx. **880** billion yen ^{*1}

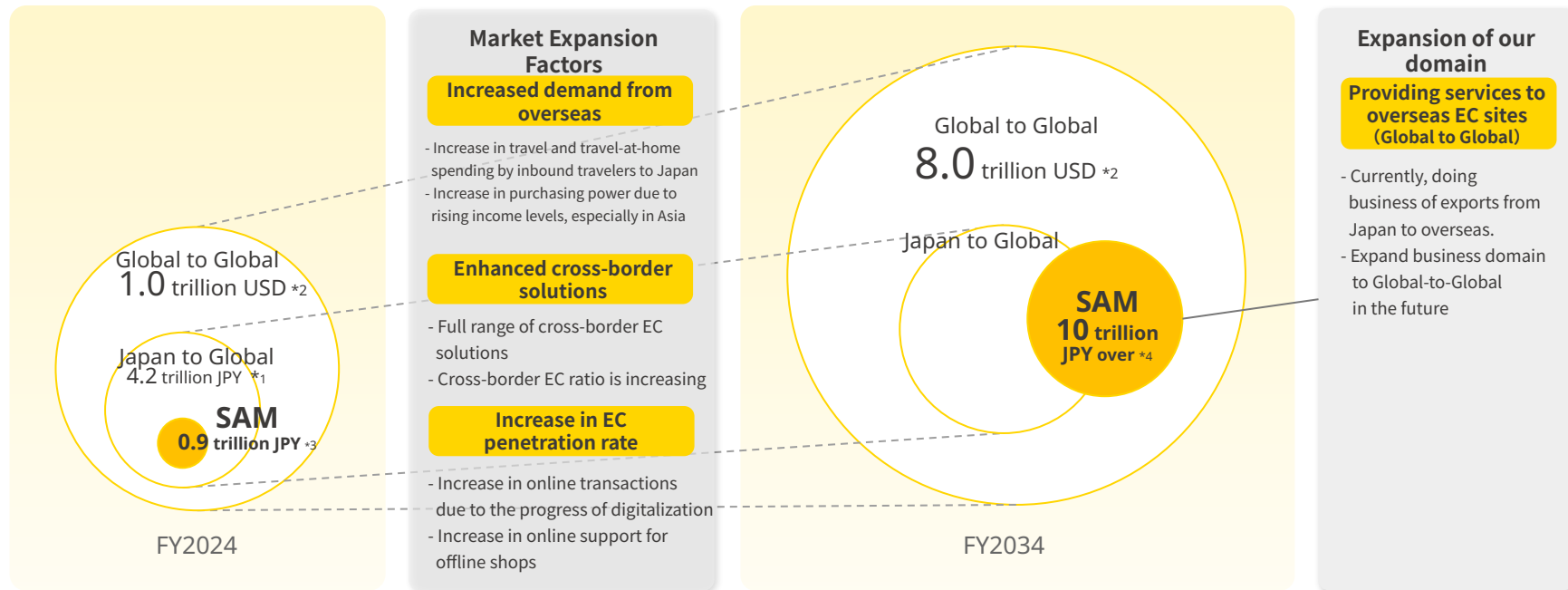
^{*1} Domestic EC market 22 trillion yen (B to C retail 15.2 trillion yen + C to C retail 2.5 trillion yen + B to B retail 4.2 trillion yen) x Overseas access ratio 2-8% = 440 billion yen - 1.8 trillion yen

Source) Domestic EC market: Ministry of Economy, Trade and Industry's Ordinance on Electronic Commerce Market Survey for Fiscal Year 2024.

<https://www.meti.go.jp/press/2025/03/202503061005/2025031001-a.pdf>

Overseas access ratio: Results of our survey using the access analysis tool (Similarweb) for EC site activating WorldShopping BIZ

Cross-border EC is expected to growth 8-fold in 10 years.



*1 Cross-border EC sales from Japan to China and the U.S. (based on estimates for 2023 from the Ministry of Economy, Trade and Industry's FY2024 Digital Transaction Environment Improvement Project).

*2 Expert Market Research (estimated figures in 2025)

*3 2024 Domestic EC market 22 trillion yen (B to C retail 15.2 trillion yen + C to C retail 2.5 trillion yen + B to B retail 4.2 trillion yen) x Overseas access ratio 2-8% = 440 billion yen - 1.8 trillion yen

*4 Japan to Global (2024 SAM x 8 times = 7 trillion yen) plus a portion of Global to Global (assumed to be 0.5% of 8.0 trillion USD)

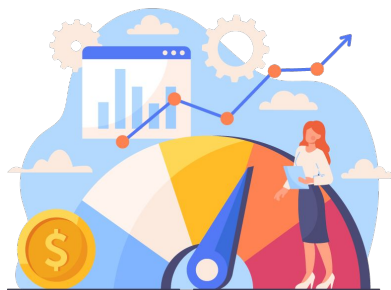
SAM: serviceable addressable market

Growth strategy roadmap

Establish a cross-border EC model from Japan to the rest of the world by promoting refinement and data utilization in response to customer needs. Utilize accumulated assets to expand services to overseas EC shops (Global to Global model)

Japan to Global

Product Brush Up



Maximize LTV by absorbing shop and customer needs, improving UX, and smoothly connecting with them. Accumulation of purchase data.

AI, through technology
Sales optimization and operational efficiency



Utilize AI and technology to optimize recommendations, channel construction, and reach methods based on customer needs, purchasing trends, and other data. Improve efficiency of customer support and logistics operations

Global to Global

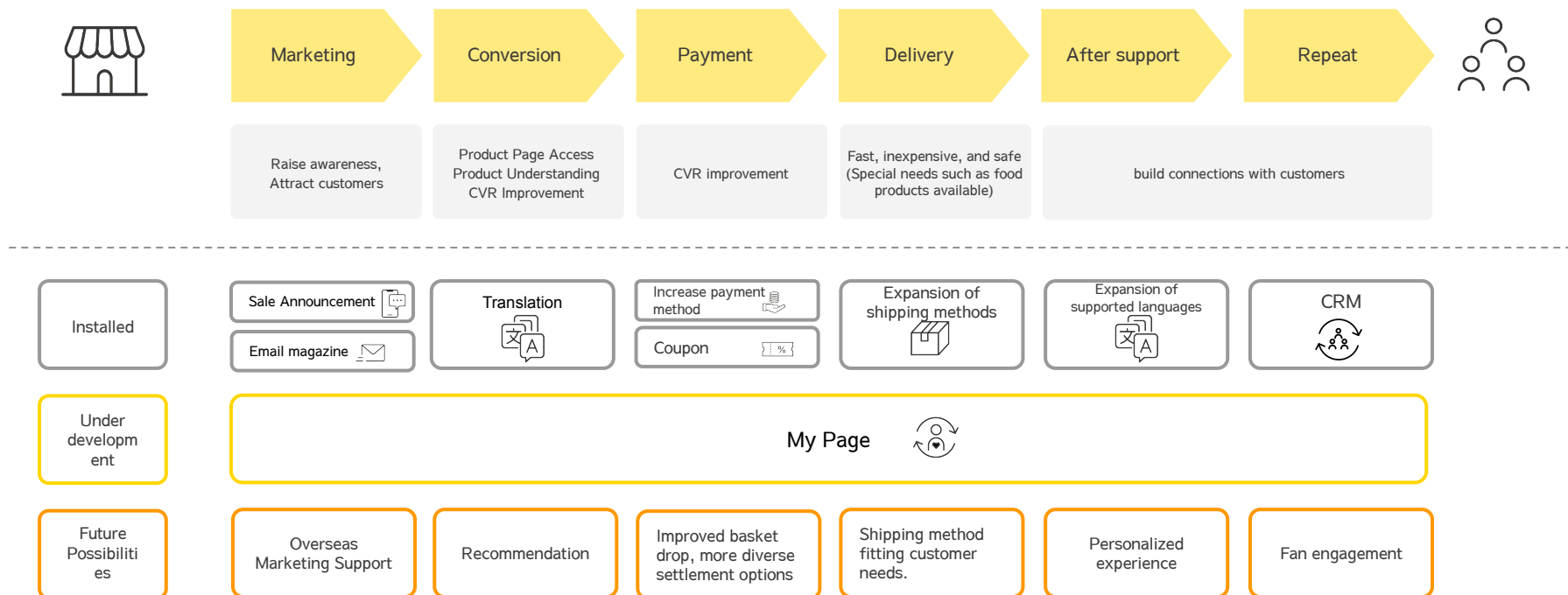
Expanding our overseas bases
from Global to Global



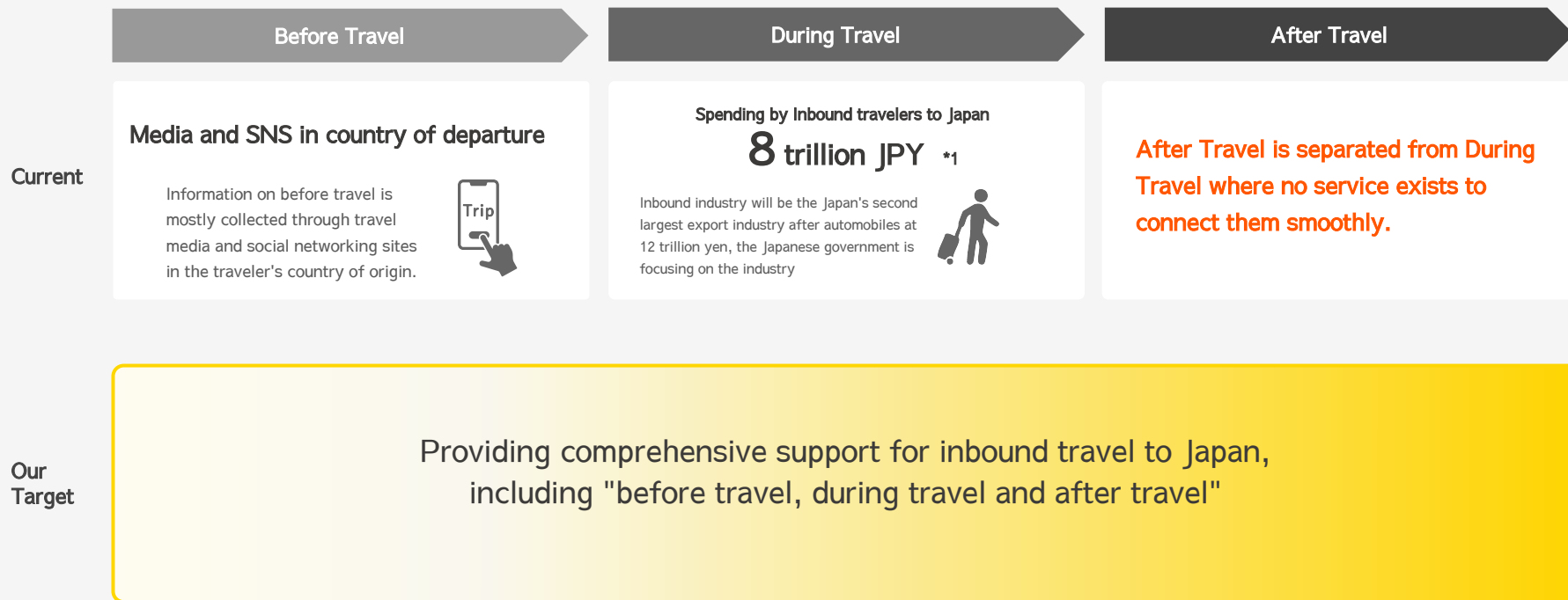
After establishing a cross-border EC model from Japan to the world, After establishing a cross-border EC model from Japan to the rest of the world, we developed our overseas bases. Provide cross-border EC functions to overseas EC shops and connect them with customers.

Growth strategy / Expansion of functions along the value chain

Expand functionality along the value chain to connect shops and customers



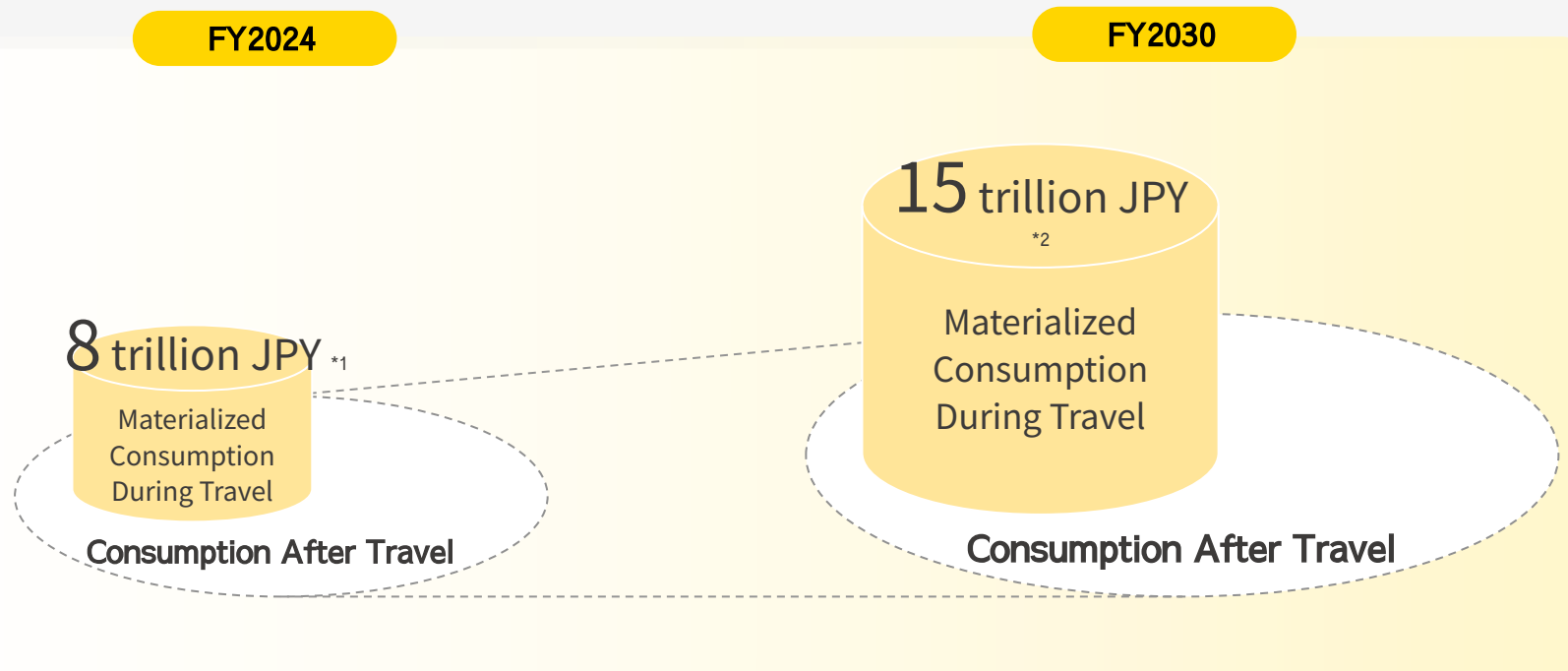
Approach to inbound travelers



*1 : Japan Tourism Agency, "Survey of Inbound Consumption Trends (2024)"

Inbound to Japan Market Size

Consumption by visitors to Japan is expected to continue to grow substantially. The increase in the number of fans of Japan will expand consumption after travel that occurs after returning home.



*1 Japan Tourism Agency, "Survey of Inbound Consumption Trends (2024)"

*2 Japan Tourism Agency "Basic Plan for the Promotion of Tourism Nation

Launched a new service for inbound travel to Japan

Provides comprehensive support for inbound travel to Japan, from Google Map optimization to repeat purchases on cross-border EC, maximizing the ability of shops to serve overseas customers.

Before Travel

Information gathering and planning



"Inbound Navi"

to realize the "see before you visit" concept.

Batch posting of shop information in English on major platforms such as Google Maps

Visualization of inbound demand through overseas ranking measurement tools

Promotion of word-of-mouth and reviews by foreign visitors to Japan

During Travel

Experience/Shopping



"In-Travel Click"

Shopping without luggage

QR codes installed in real shops

Swipe-type LP to product page
Click to buy during the travel

Products are shipped directly to your home overseas
(realization of "hands-free travel")



New

"Inbound Swip"

swipe type landing page

After Travel

Look back and repurchase



"WorldShopping BIZ"

Keep shopping after you return home

Handling all aspects of cross-border EC, including order acceptance, customer support, and delivery

Repeat purchases are available after returning home.

Enhancing the traveler's shopping experience

Launches "Inbound Swipe," a swipe-type LP

Solves issues for retailers and foreign visitors to Japan by creating an easy-to-understand lead

Enhanced "travel-naka" shopping experience

In-Travel Click

- QR codes placed in shops for foreign visitors to Japan.
- Click to buy, and the goods will be sent directly to your home overseas.
- Realizing the "hands-free travel"



New

Inbound Swipe

- There was no easy-to-understand navigation for foreign visitors to Japan.
- Provide a system that allows shops to easily create LPs (Reinforcement of "In-Travel Click")



Scan QR codes placed in stores to display swipe-type LPs that work well with mobile devices



Touch products and keep traveling without luggage. Leading the repeat shopping after the travel.



Deliver to 228 countries worldwide. International shipping and customer support will be handled by zig-zag.



Inbound Swipe Application Examples

Providing a system that allows foreign visitors to Japan to shop smoothly using QR codes in stores.
Fostering long-term relationships that continue even after returning home while realizing hands-free shopping.



Effects of introduction

Successfully created contacts with foreign visitors to Japan after their return home
Fostering long-term relationships through travel

Before Travel



Information gathering and planning

During Travel

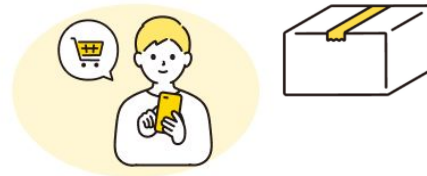


Scan QR codes in shops when visiting Japan



Swipe-type LP for easy shopping

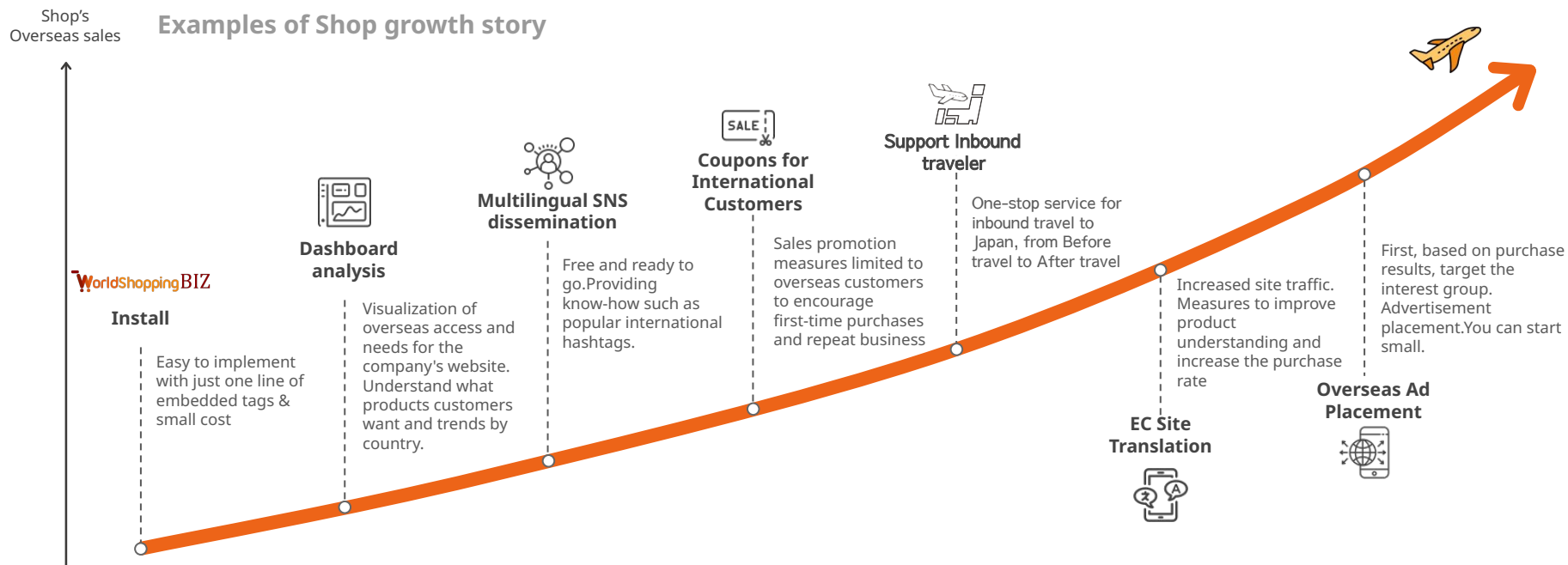
After Travel



Products shipped directly to your home overseas. Opportunity to nurture long-term relationships that continue even after the travel

Shop Growth Story

Overseas sales comes up immediately after installation by converting existing access into sales.
That experience will leads shop to a cycle for taking action for growth resulting even better performance.



Go To Market in mid- to long-term

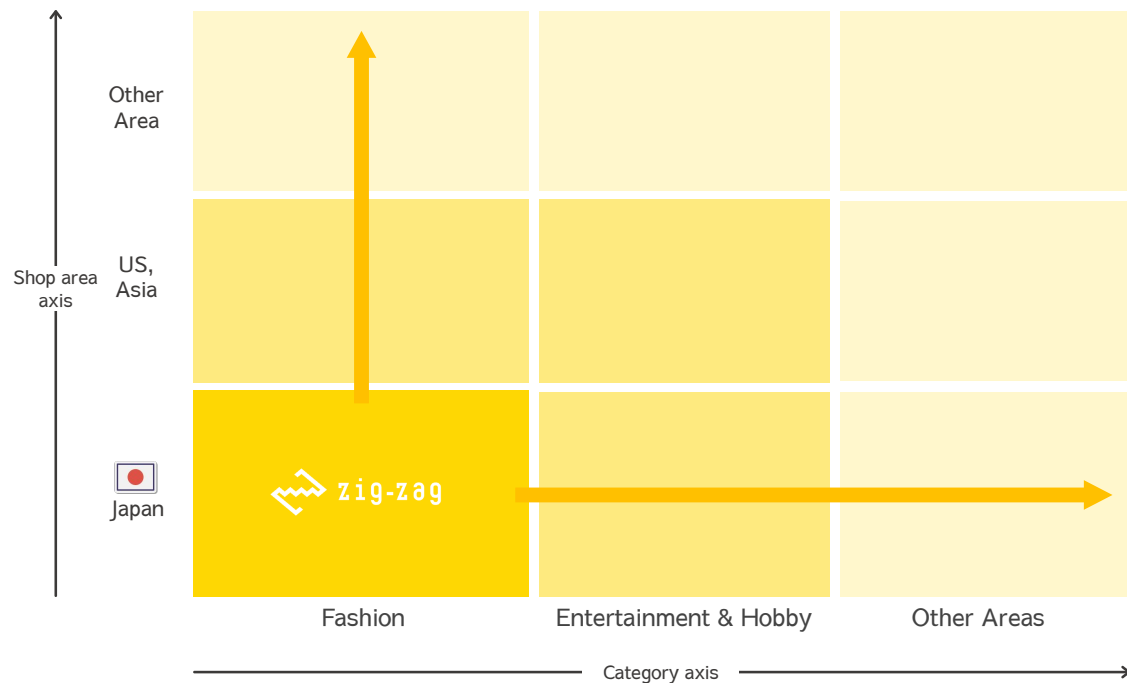
Strengthening the entertainment market, Developing overseas e-commerce site

Category axis

In Japan, we will strengthen the Japanese entertainment and hobby-related markets that are popular overseas.

Shop area axis

The company will support not only the overseas sales of Japanese e-commerce site, but also the overseas sales of overseas e-commerce site (sales to countries other than their own). Not only from Japan to the world (Japan to Global), but also from the world to the world (Global to Global)



Answers to preliminary questions

*Thank you very much for your questions. Similar questions will be answered together.
We appreciate your kind understanding in advance.

Answers to preliminary questions (Assumptions for Earnings Forecasts)

| Question 1.

I believe you have dared to lower the growth rate in your forecast for this fiscal year to reflect the impact of the U.S. tariff policy, but what assumptions are you making?

| Answer 1.

Starting from the fourth quarter of the fiscal year ending May 31, 2025, we have seen the effects of a decline in consumer confidence among our overseas customers. Since our customers are mainly fan customers who go out of their way to visit Japanese-language e-commerce sites to purchase the products they want, the demand is firm, and we believe the impact of the decline in consumer confidence will be temporary. However, we expect it will take a certain period of time for this trend to recover, and we **conservatively forecast sales not only for the first quarter of the fiscal year ending May 31, 2026, but also for the middle of the second quarter.**

First quarter results have been generally in line with our plans and are within our expectations.

Answers to preliminary questions (U.S. de minimis tax exemption)

Question 2.

At the time of the last earnings announcement, the elimination of the U.S. de minimis tax exemption was scheduled for 2027, but was brought forward to August 2025. How do you see this affecting your business performance?

Answer 2.

The impact of the elimination of the de minimis tax exemption is limited.

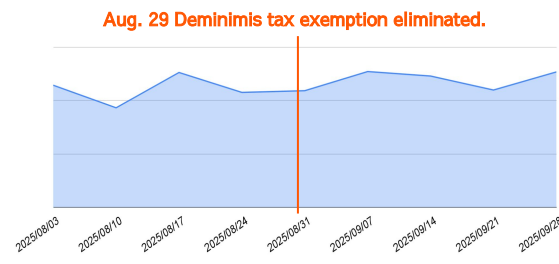
This system was eliminated ahead of schedule on August 29, 2025 due to a sudden change in U.S. policy. In order to alleviate the concerns of our U.S. customers, we have rapidly introduced a system that allows customers to pre-pay duties on orders for shipments to the U.S.

There was no change in the order situation before and after the removal of de minimis duty, and demand from overseas customers remained stable. This is due to the fact that a slowdown in demand had already occurred in the fourth quarter of the previous fiscal year and there was no further negative impact, as well as the fact that our customers are fans who go out of their way to visit Japanese-language e-commerce sites to purchase products they want, and the impact of the removal of de minimis duty was limited.

We will continue to monitor the situation and improve our services so that our overseas customers can use our services with peace of mind.

Reference:

Before and after the removal of de minimis duty
Orders from the U.S. (weekly)



Answers to preliminary questions (Competitive Environment)

Question 3.

Most recently, CtoC platforms have announced services for overseas markets. Is there any change in the competitive environment?

Answer 3.

WorldShopping BIZ, which we provide, has established a **unique position of being able to realize cross-border EC "easily" on an "in-house EC site,"** and is **clearly separated from the mall-type services provided by CtoC platforms, so the competitive environment has not changed.**

Cross-border EC will continue to grow over the medium to long term, and many more businesses are expected to enter the market in the future. As a result, interest in Japan from overseas is expected to increase further. We will continue to aim for business growth while further refining our established unique position.

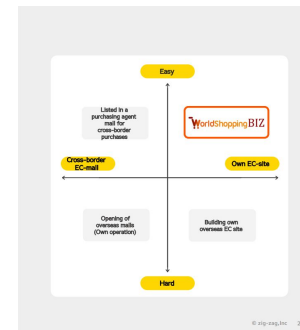
Reference:

Business Strategies and Growth Opportunities P.23

https://ssl4.eir-parts.net/doc/340A/ir-material_for_fiscal_ym/183014/00.pdf

Positioning

Unique position realizing
cross-border e-commerce
"easily" on "your own site".



zig-zag

Answers to preliminary questions (Competitive Environment)

Question 4.

Regarding the partnerships with e-commerce cart providers since the past, are there competitors in those partnerships as well?

Answer 4.

Some e-commerce site building platform providers (e-commerce cart providers) offer services similar to ours. This is supported by some cross-border mall-type services, but there are limitations in terms of smoothness and brand experience, such as the fact that the purchase experience is not completed on the brand's own e-commerce site and requires transfer to an external mall to register as a member.

Our service is highly regarded for the fact that overseas customers who visit our site do not leave the site and become fans of the shop. Because of this differentiating factor backed by our service philosophy, there has been no change in the competitive environment since the past.

We will continue to expand our business through cooperation with EC cart operators.

Reference:

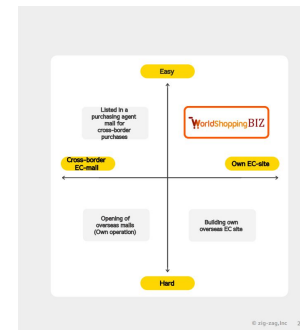
Business Strategies and Growth Opportunities P.23

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Positioning

Unique position realizing
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zig-zag



| Question 5.

What are the following points regarding the Global to Global model?

- Specific timeline for overseas expansion
- Priority countries
- Human resources and possible business alliances for overseas expansion

| Answer 5.

Our "Global to Global" concept is based on the know-how, systems, and networks we have cultivated through our "Japan to Global" (cross-border EC support from Japan) to date, and provides a mechanism for overseas EC businesses to sell from their home countries to other countries.

The specifics of the development and timing of the new locations have not been announced at this time, but will be announced when the time is right to disclose them.

The product platform is being built with an eye toward global expansion, and while new store sales and logistics bases will be required in each country, a large percentage of other functions can be shared.

| Question 6.

What percentage of the possible markets do you aim to acquire in the future, taking into account the competitive environment?
Is there a time frame for achieving this goal?

| Answer 6.

We do not disclose specific indicators regarding the percentage of the market acquisition. On the other hand, our current GMV of 6.4 billion yen (actual results for the fiscal year ending May 2025) is still only a small portion of the 0.9 trillion yen (in 2024) market size that is available for acquisition.

We will continue to achieve business growth by strengthening our unique position in the cross-border EC market, which is expected to grow in the future, by enabling "easy" cross-border EC on our "own EC site".

| Question 7.

I look forward to your company's growth, but what measures are you taking to avoid being TOB?
I would like to know why your company went through a stock split so soon after going public.

| Answer 7.

Regarding TOB:

At this time, we are not implementing any specific measures to respond to TOB, as the founder owns a certain percentage of shares. Aiming to maximize corporate value over the medium to long term, we will continue to manage the company in a manner that will earn the trust of investors.

Regarding stock splits:

After listing, the Tokyo Stock Exchange sent a message regarding the reduction of the investment unit. We implemented the stock split in order to create opportunities for more people to become aware of our services that address Japan's social issues and to broaden our investor base.

Handling of this document

- This material has been prepared for the purpose of providing information on the Company and is not intended as a solicitation to buy shares issued by the Company.
- This material contains forward-looking statements. These forward-looking statements are based on information available to the Company at the time of preparation of this material, but the accuracy, reasonableness, and appropriateness of such information has not been fully verified. Therefore, they are not guarantees of future results and involve risks and uncertainties. Please note that actual results may differ materially from those projected in the forward-looking statements due to changes in the environment and other factors. Factors that may affect the actual results described above include, but are not limited to, domestic and international economic conditions and trends in our related industries.
- This material contains information about other companies, including information about our competitive environment, industry trends and general changes in social structure.