Consolidated Financial Results for the second quarter (semi-annual period) of the fiscal year ending March 31, 2027 〔JGAAP〕

October 29, 2026

Company name:	ZOZO, Inc.	Listed stock exchanges	Tokyo
Code	3092	URL	https://corp.zozo.com/en
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Scheduled date to file the semi-annual financial report	November 13, 2026	Scheduled date of dividend payment	November 30, 2026
Supplementary material for quarterly financial results	: Yes		
Quarterly results briefing	: Yes (For analysts and institutional investors)		

(Rounded down to million yen)

1. Consolidated business results for the six-month period of the fiscal year ending March 31, 2027 (April 1, 2026 to September 30, 2026)

(1) Consolidated business results

(Percentages indicate YoY changes)

	Net sales		Operating profit		Adjusted EBITA		Ordinary profit		Semi-annual profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six-month period of fiscal year ending March 31, 2027	110,642	5.1	32,825	5.6	34,614	5.1	32,871	6.6	21,751	3.5
Six-month period of fiscal year ended March 31, 2026	105,249	6.5	31,074	2.0	32,920	7.6	30,826	1.0	21,006	-0.6

(Note)

1. Comprehensive income — Six-month period of fiscal year ending March 2027: 21,330 Million yen (-3.6%); Six-month period of fiscal year ended March 2026: 22,128 Million yen (5.3%)

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)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six-month period of fiscal year ending March 31, 2027	24.74	-
Six-month period of fiscal year ended March 31, 2026	23.68	-

(Note)

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

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
Six-month period of fiscal year ending March 31, 2027	174,892	92,112	52.7
Fiscal year ended March 31, 2026	198,260	106,789	53.9

(Reference)

Equity attributable to owners of parent — Six-month period of fiscal year ending March 31, 2027: 92,112 Million yen; Fiscal year ended March 31, 2026: 106,789 Million yen

2. Dividends

	Annual dividends				
	End of Q1	End of Q2	End of Q3	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2026	-	19.00	-	20.00	39.00
Fiscal year ending March 31, 2027	-	20.00			
Fiscal year ending March 31, 2027 (Forecast)			-	20.00	40.00

(Note)
Revisions to the most recently announced dividends forecasts: None

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)
Revisions to the most recently announced earnings forecast: None

※ Notes

(1) Significant changes in the scope of consolidation during the six-month period of the current fiscal year : Yes

New 1 HIGH LINK, INC. Exclusion -

(2) Application of particular accounting procedures to the preparation of semi-annual consolidated financial statements : None

(3) Changes in accounting policies, changes in accounting estimates, and retrospective restatement

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 Retrospective restatement : None

(4) Number of issued shares (Common stock)

① Number of issued shares at the end of the period (including treasury shares)

② Number of treasury shares at the end of the period

③ Average number of shares during the period (six-month period)

Q2 of fiscal year ending March 2027	892,032,372Shares	Fiscal year ended March 2026	892,032,372Shares
Q2 of fiscal year ending March 2027	23,517,646Shares	Fiscal year ended March 2026	7,707,341Shares
Q2 of fiscal year ending March 2027	879,347,164Shares	Q2 of fiscal year ended March 2026	886,956,679Shares

※ Review of the second quarter (semi-annual period) 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 six-month period ended September 30, 2026, (3) Explanation of consolidated earnings forecast and other forward-looking statements" on page 13 for the assumptions underlying the forecast and cautionary statements regarding the use of the forecast.

-The Company group is scheduling a financial results briefing for institutional investors and analysts on October 29, 2026. The Company group 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 six-month period ended September 30, 2026

(1) Overview of business results

Business results for the current fiscal year

[Table 1] YoY comparison

(Unit: Million yen)

	Six-month period of previous fiscal year (April 1 to September 30, 2025)		Six-month period of current fiscal year (April 1 to September 30, 2026)		YoY change
Gross merchandise value	312,473	(106.8%)	309,433	(100.0%)	-1.0%
Gross merchandise value (excluding other GMV)	292,687	(100.0%)	309,290	(100.0%)	5.7%
Net sales	105,249	(36.0%)	110,642	(35.8%)	5.1%
Gross profit	98,448	(33.6%)	102,756	(33.2%)	4.4%
Operating profit	31,074	(10.6%)	32,825	(10.6%)	5.6%
Adjusted EBITA (Note) 2	32,920	(11.2%)	34,614	(11.2%)	5.1%
Ordinary profit	30,826	(10.5%)	32,871	(10.6%)	6.6%
Semi-annual profit attributable to owners of parent	21,006	(7.2%)	21,751	(7.0%)	3.5%

(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)

Under the corporate philosophy of "Inspire the world. Deliver joy every day.," the Company group mainly operates Japan's largest fashion e-commerce website, "ZOZOTOWN." In April 2026, the Company group announced its Medium-Term Business Plan, under which it aims to achieve Adjusted EBITA of 90.0 billion yen in the fiscal year ending March 31, 2030 through business expansion in the three domains of "More Fashion," "Near Fashion," and "Global."

During the six-month period of the current fiscal year, the domestic fashion market remained relatively firm, supported by improvements in employment and income conditions. However, the outlook remains uncertain due to persistent inflation, climate change, geopolitical risks, and other factors.

Under these circumstances, the Company group has continued to focus on making ZOZOTOWN, the core business in the "More Fashion" domain, even more attractive to both users and brands, with the aim of increasing the number of unique users and improving the conversion rate (the purchasing rate of unique users). Specifically, to maximize sales, the Company group strengthened customer traffic by airing TV commercials and increasing web advertising during the "ZOZOWEEK" sale event (11 days from May 14 to 24, 2026, and 10 days from September 18 to 27, 2026) and the summer sale (from June 17, 2026 to August 30, 2026). In addition, to meet the diversifying needs of users, the Company group continued to expand its lineup of new brands across a wide range of genres and strengthen item categories.

Furthermore, with the aim of providing solutions centered on helping users find their "style" by addressing the upstream of purchasing behavior, the Company group launched "Lab-kun, ZOZO's outfit recommendation AI," as an official LINE account in April 2026, leveraging the extensive fashion-related data it has accumulated over the years. Through AI-powered outfit recommendations, the Company group supports users in selecting outfits for everyday wear and expects to generate new traffic to ZOZOTOWN by establishing LINE, with its large user base, as a new customer touchpoint. Since its launch, the Company group has continued to expand and improve its features based on usage patterns and feedback.

In addition, in September 2026, the Company group launched a new personalized styling feature on the outfit-sharing app "WEAR by ZOZO," offering an integrated experience from assessment and recommendations to explanations and virtual try-on. Based on the results of the "Core Style Finder," which helps users identify their fashion preferences, the new feature recommends outfits using items available on ZOZOTOWN and also enables virtual try-on powered by generative AI.

Sales of LY Corporation Commerce (combined sales of "Yahoo! JAPAN Shopping" and "Yahoo! JAPAN Auction"), another core business in the "More Fashion" domain, have continued to grow steadily, driven by the retention of customers acquired through the previous fiscal year, efforts by LY Corporation, which operates these platforms, to drive traffic to

them, and promotional campaigns such as "Serious ZOZO Festival" (12 days in total: April 19, May 30, June 21, July 10 to 12, July 31 to August 2, and September 11 to 13, 2026).
In the "Near Fashion" domain, the Company group acquired HIGH LINK, INC. (hereinafter, referred to as "High Link"), the operator of the comprehensive fragrance platform "Coloria," as a wholly owned subsidiary in April 2026, and has consolidated its financial results since May 2026. The Company group has been working to create synergies, including by directing existing ZOZOTOWN users to High Link's services.
In the "Global" domain, the Company group continues to position LYST LTD (hereinafter, referred to as "LYST") as a core business and aims to achieve step-change growth in the global market.
Consequently, the gross merchandise value in the six-month period of the current fiscal year was 309,433 million yen (-1.0% YoY), and the gross merchandise value (excluding other GMV) was 309,290 million yen (+5.7% YoY). Total gross merchandise value, including other GMV, decreased year on year. This was due to the discontinuation, at the end of September 2025, of recording the gross merchandise value from stores under ZOZO Option contracts on Yahoo! JAPAN Shopping under the "Others" category. However, the gross merchandise value excluding other GMV was largely in line with plan.
Net sales were 110,642 million yen (+5.1% YoY), and gross profit was 102,756 million yen (+4.4% YoY). The gross profit ratio to the gross merchandise value (excluding other GMV) (gross profit margin) was 33.2%, a decrease of 0.4 percentage points from the same period of the previous fiscal year.
As for net sales, the year-on-year growth rate was lower than that of gross merchandise value (excluding other GMV), mainly due to changes in the business mix resulting from one additional month of LYST consolidation compared with the same period of the previous fiscal year, as well as strengthened discounting and point-award campaigns, primarily on ZOZOTOWN, which are deducted from net sales. LYST operates a performance-based commission business model under which it earns commissions from partner brands listing their products on its platform, Lyst. Compared with the Consignment sales and LY Corporation Commerce businesses, LYST has a lower commission rate relative to gross merchandise value. The primary factors behind the decline in the gross profit margin were the same as those described under net sales.
Selling, general, and administrative expenses were 69,930 million yen (+3.8% YoY). The ratio to the gross merchandise value (excluding other GMV) was 22.6%, a decrease of 0.4 percentage points compared with the same period of the previous fiscal year. The major factors behind the changes in individual expense items are as follows. The following percentages of gross merchandise value are calculated by dividing each SG&A expense by the gross merchandise value (excluding other GMV).

Increasing (worsening) factors

1. Advertising expenses as a percentage of gross merchandise value rose by 0.2 percentage points due to one additional month of LYST consolidation, the commencement of consolidation of High Link, and increased web advertising costs and other related expenses for ZOZOTOWN.
2. Amortization of goodwill as a percentage of gross merchandise value rose by 0.2 percentage points due to one additional month of LYST consolidation and the commencement of consolidation of High Link.

Decreasing (improving) factors

1. Shipping expense as a percentage of gross merchandise value declined by 0.5 percentage points, due to the 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 0.2 percentage points, due to the improvements in operational efficiency at logistics centers, etc.

Consequently, Adjusted EBITA of the six-month period of the current fiscal year was 34,614 million yen (+5.1% YoY), and the Adjusted EBITA margin was 11.2% of the gross merchandise value (excluding other GMV), remaining at the same level as the same period of the previous fiscal year. Operating profit was 32,825 million yen (+5.6% YoY), ordinary profit

was 32,871 million yen (+6.6% YoY), and semi-annual profit attributable to owners of parent was 21,751 million yen (+3.5% YoY).

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

[Table 2]YoY comparison by business segment

By business segment	Six-month period of previous fiscal year (April 1 to September 30, 2025)			Six-month period of current fiscal year (April 1 to September 30, 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	235,614	75.4	72,575	245,886	79.5	75,571	4.4	4.1
(Outright purchase/ production & sales)	1,596	0.5	1,514	1,524	0.5	1,467	-4.5	-3.1
(Consignment sales)	224,964	72.0	62,373	234,501	75.8	64,580	4.2	3.5
(USED sales)	9,052	2.9	8,687	9,859	3.2	9,523	8.9	9.6
LY Corporation Commerce	34,448	11.0	10,558	38,469	12.4	11,932	11.7	13.0
LYST	18,633	6.0	2,467	21,618	7.0	2,980	16.0	20.8
BtoB business	3,991	1.3	660	3,316	1.1	576	-16.9	-12.7
Advertising business	-	-	5,462	-	-	5,781	-	5.8
Subtotal excluding others	292,687	93.7	91,723	309,290	100.0	96,842	5.7	5.6
Others	19,785	6.3	13,525	143	0.0	13,800	-99.3	2.0
Total	312,473	100.0	105,249	309,433	100.0	110,642	-1.0	5.1

① ZOZOTOWN business

The ZOZOTOWN business consists of three business forms: "Outright purchase / production and sales," "Consignment sales," and "USED sales." "Outright purchase / production and sales" is a business model under which the Company group purchases merchandise, bears inventory risk, and sells the merchandise. This includes purchasing fashion merchandise from brands, as well as merchandise ordered by the Company group (e.g., MS (Multi-Size), a business model discontinued at the end of the previous fiscal year). Under "Consignment sales," the Company group holds merchandise from brands as consignment inventory and sells it on a consignment basis. Under "USED sales," the Company group primarily purchases used fashion merchandise from individual users and resells it. This business is positioned as a value-added service to encourage purchases of new merchandise.

The Company group recognizes that expanding the number of buyers and increasing the usage rate of ZOZOTOWN in fashion consumption are the key factors in achieving sustainable growth. To realize this, the Company group is working on creating a site that is attractive to both users and brands.

Trends in major KPIs for the ZOZOTOWN business are as follows.

(Number of shops, etc.)

[Table 3] 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	1,681	1,686	1,712	1,710	1,714	1,726	-	-
Outright purchase/production & sales	29	28	25	21	21	17	-	-
Consignment sales	1,652	1,658	1,687	1,689	1,693	1,709	-	-
Number of brands (Note) 1	9,208	9,215	11,193	11,247	11,548	11,599	-	-

(Note)

1. Numbers as of the end of the quarterly accounting period are shown.

The number of new shops opened during the second quarter of the current fiscal year was 36 (a net increase of 12), while the number of new shops opened during the six-month period of the current fiscal year was 65 (a net increase of 16). Major new shops include "DoCLASSE," a fashion brand targeting adults in their 40s and 50s, and "SABON," an Israeli cosmetics brand specializing in body care and bath products, among others.

(Number of annual buyers)

[Table 4] 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	12,365,080	12,529,665	12,809,389	13,173,445	13,415,786	13,555,784	-	-
(YoY)	574,811	658,821	751,663	956,407	1,050,706	1,026,119	-	-
(QoQ)	148,042	164,585	279,724	364,056	242,341	139,998	-	-
Number of active members (Note) 1, 3, 4	11,587,777	11,803,843	12,119,711	12,479,312	12,716,094	12,841,096	-	-
(YoY)	668,092	775,139	907,719	1,075,921	1,128,317	1,037,253	-	-
(QoQ)	184,386	216,066	315,868	359,601	236,782	125,002	-	-
Number of guest buyers (Note) 1, 4	777,303	725,822	689,678	694,133	699,692	714,688	-	-
(YoY)	-93,281	-116,318	-156,056	-119,514	-77,611	-11,134	-	-
(QoQ)	-36,344	-51,481	-36,144	4,455	5,559	14,996	-	-

(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 is the sum of active members and guest buyers who made at least 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. Figures exclude buyers of "LY Corporation Commerce," "LYST," and "BtoB business."

During the second 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 was attributable to the retention of new members acquired through the previous fiscal year, as well as steady progress in acquiring new members through web advertising and initiatives within ZOZOTOWN. In particular, in September, holding ZOZOWEEK, which the Company group had decided not to hold in the same period of the previous fiscal year, contributed to new member acquisition, among other factors. However, the quarter-on-quarter increase in the number of active members moderated compared with the previous fiscal year through the first quarter of the current fiscal year, partly due to the impact of strengthened web advertising and referral campaigns in the same period of the previous fiscal year.

(Annual purchase amount and annual purchase pieces)

[Table 5] 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	42,861	42,404	41,771	41,323	40,900	40,951	-	-
(YoY)	-0.2%	-1.8%	-3.5%	-3.8%	-4.6%	-3.4%	-	-
(QoQ)	-0.2%	-1.1%	-1.5%	-1.1%	-1.0%	0.1%	-	-
Annual purchase pieces (Total) (Note) 1, 2, 3	10.8	10.7	10.6	10.6	10.5	10.5	-	-
(YoY)	-1.0%	-2.1%	-3.2%	-2.9%	-3.0%	-2.5%	-	-
(QoQ)	-0.4%	-0.7%	-1.1%	-0.7%	-0.6%	-0.2%	-	-

(Note)

1. The calculation period is the most recent one-year period prior to the end of the accounting periods.
2. Per active member.
3. Figures exclude buyers of "LY Corporation Commerce," "LYST," and "BtoB business."
4. The amounts are in yen.

During the second quarter of the current fiscal year, the annual purchase amount (Total) and annual purchase pieces (Total) decreased YoY. The main factor was an increase in the proportion of new members, driven by the continued steady acquisition of new members since the previous fiscal year. At ZOZOTOWN, members with shorter membership histories generally tend to have lower annual purchase amounts and purchase fewer items. On the other hand, compared with the previous quarter, the annual purchase amount increased slightly, while annual purchase pieces decreased slightly, remaining largely flat overall. This was because the quarter-on-quarter increase in the number of annual buyers moderated

compared with the previous fiscal year through the first quarter of the current fiscal year, resulting in no significant change in the proportion of new members.

(Average retail price, etc.)

[Table 6] 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	3,744	3,584	4,277	3,974	3,682	3,640	-	-
(YoY)	1.2%	-1.2%	-2.1%	-1.6%	-1.7%	1.6%	-	-
Average order value (Note) 1, 2, 3	8,543	8,183	9,328	8,864	8,506	8,388	-	-
(YoY)	2.4%	-0.2%	-1.0%	-1.3%	-0.4%	2.5%	-	-
Average purchase pieces per order (Note) 1, 2	2.28	2.28	2.18	2.23	2.31	2.30	-	-
(YoY)	1.1%	1.1%	1.1%	0.3%	1.2%	0.9%	-	-
Number of shipments (Note) 1, 2	14,242,174	13,924,003	16,230,382	14,620,850	14,814,900	14,291,323	-	-
(YoY)	3.3%	3.4%	4.6%	9.2%	4.0%	2.6%	-	-

(Note)

1. Figures are based on quarterly accounting periods.
2. Figures exclude buyers of "LY Corporation Commerce," "LYST," and "BtoB business."
3. The amounts are in yen.

During the second quarter of the current fiscal year, list prices of new fall/winter items increased moderately YoY, while overall price levels of new merchandise remained generally in line with the same period of the previous fiscal year. Under these circumstances, the average retail price increased YoY due to a decline in the average discount rate, despite a slight increase in the proportion of sale items following ZOZOWEEK in September, among other factors. In addition, more frequent implementation of the free-shipping measure for orders of 12,000 yen or more compared with the same period of the previous fiscal year led to a higher attach rate (number of items purchased per order), among other factors. As a result, the average order value increased at a higher rate than the average retail price.

i. Outright purchase/production & sales

In the six-month period of the current fiscal year, the merchandise value was 1,524 million yen (-4.5% YoY), accounting for 0.5% of the gross merchandise value (0.5% in the same period of the previous fiscal year). Net sales were 1,467 million yen (-3.1% YoY). As of the end of September 2026, the number of shops opened on ZOZOTOWN for Outright purchase/production & sales was 17 (21 as of the end of June 2026).

ii. Consignment sales

In the six-month period of the current fiscal year, the merchandise value was 234,501 million yen (+4.2% YoY), accounting for 75.8% of the gross merchandise value (72.0% in the same period of the previous fiscal year). Net sales (consignment sales commission) were 64,580 million yen (+3.5% YoY). As of the end of September 2026, the number of shops opened on ZOZOTOWN for consignment sales was 1,709 (1,693 as of the end of June 2026).

iii. USED sales

In the six-month period of the current fiscal year, the merchandise value was 9,859 million yen (+8.9% YoY), accounting for 3.2% of the gross merchandise value (2.9% in the same period of the previous fiscal year). Net sales were 9,523 million yen (+9.6% YoY).

② LY Corporation Commerce

LY Corporation Commerce is the combined sales of Yahoo! JAPAN Shopping and Yahoo! JAPAN Auction. Yahoo! JAPAN

Shopping, an online shopping mall, and Yahoo! JAPAN Auction, an online auction service, are both operated by LY Corporation. The Company group operates the ZOZOTOWN store on Yahoo! JAPAN Shopping and, since March 2024, the ZOZOUSED store on Yahoo! JAPAN Auction. In the six-month period of the current fiscal year, the merchandise value was 38,469 million yen (+11.7% YoY), accounting for 12.4% of the gross merchandise value (11.0% in the same period of the previous fiscal year). Net sales (consignment sales commission) were 11,932 million yen (+13.0% 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." It has been included in the scope of consolidation since May 2025. In the six-month period of the current fiscal year, the merchandise value was 21,618 million yen (+16.0% YoY), accounting for 7.0% of the gross merchandise value (6.0% in the same period of the previous fiscal year). Net sales were 2,980 million yen (+20.8% YoY).

④ BtoB business

The BtoB business model includes building and operating brands' e-commerce websites and providing logistics services. In the six-month period of the current fiscal year, the merchandise value was 3,316 million yen (-16.9% YoY), accounting for 1.1% of the gross merchandise value (1.3% in the same period of the previous fiscal year). Net sales (consignment sales commission) were 576 million yen (-12.7% YoY). As of the end of September 2026, the number of consigned websites was 28 (29 as of the end of June 2026).

⑤ Advertising business

The advertising business is a business model that generates advertising revenue by providing advertising space to client companies, including partner brands, mainly by utilizing the user reach of ZOZOTOWN and WEAR by ZOZO. In the six-month period of the current fiscal year, net sales were 5,781 million yen (+5.8% YoY).

⑥ Others

The segment for "Others" within the gross merchandise value includes 1) the merchandise value of the stores that contracted for "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 benefit from sales support such as participation in the Company's promotional events), 2) the merchandise value from ZOZOMO, the system that supports directing customers from ZOZOTOWN to physical stores, 3) the merchandise value of "ZOZOSUIT" sold for a fee in the U.S., and 4) merchandise value from High Link. Only online sales of High Link's private-label products and fragrance products sold in smaller portions are included in the merchandise value. The merchandise value in the six-month period of the current fiscal year was 143 million yen, accounting for 0.0% of the gross merchandise value (6.3% in the same period of the previous fiscal year). Net sales (Others) include sales from businesses related to ZOZOTOWN (shipping income, settlement commission income, etc.), sales related to the gross merchandise value (Others) described above, and sales from High Link's businesses other than its online sales business. Net sales (Others) in the six-month period of the current fiscal year totaled 13,800 million yen (+2.0% YoY).

(2) Overview of financial position

① Overview of total assets, liabilities, and net assets

(Unit: Million yen)

	Previous fiscal year	Six-month period of current fiscal year	Increase/ decrease rate
Total assets	198,260	174,892	-11.8%
Liabilities	91,470	82,780	-9.5%
Net assets	106,789	92,112	-13.7%

(Total assets)

Total assets amounted to 174,892 million yen, a decrease of 23,367 million yen (-11.8% from the previous fiscal year end). Current assets decreased by 28,090 million yen (21.6%) from the previous fiscal year end to 102,223 million yen. This was mainly due to a decrease of 36,125 million yen in cash and deposits and a decrease of 4,395 million yen in accounts receivable. Non-current assets increased by 4,723 million yen (7.0%) from the previous fiscal year end to 72,669 million yen. This was mainly due to an increase of 1,460 million yen in property, plant and equipment, an increase of 2,733 million yen in goodwill, and a decrease of 115 million yen in investments and other assets.

(Liabilities)

Liabilities amounted to 82,780 million yen, a decrease of 8,690 million yen (-9.5% from the previous fiscal year end). Current liabilities decreased by 9,354 million yen (11.6%) from the previous fiscal year end to 71,317 million yen. This was mainly due to a decrease of 4,544 million yen in deposits received for consignment sales, a decrease of 809 million yen in income taxes payable, and a decrease of 2,167 million yen in provision for bonuses. Non-current liabilities increased by 664 million yen (6.2%) from the previous fiscal year end to 11,462 million yen. This was mainly due to an increase of 337 million yen in retirement benefit liability and an increase of 5 million yen in asset retirement obligations.

(Net assets)

Net assets amounted to 92,112 million yen, a decrease of 14,677 million yen (-13.7% from the previous fiscal year end). This was mainly due to an increase of 21,751 million yen from the recognition of semi-annual profit attributable to owners of parent, a decrease of 19,165 million yen from the repurchase of shares, and a decrease of 17,686 million yen from cash dividends.

② Overview of cash flows

Cash and cash equivalents at the end of the six-month period of the current fiscal year decreased by 36,113 million yen from the end of the previous fiscal year to 33,308 million yen.

The status of each cash flow and the factors contributing to the changes are as follows.

(Unit: Million yen)

	Six-month period of previous fiscal year	Six-month period of current fiscal year	Increase/ decrease rate
Cash flows from operating activities	17,246	21,502	24.7%
Cash flows from investing activities	-25,945	-9,643	-62.8%
Cash flows from financing activities	-28,772	-47,952	66.7%

(Cash flows from operating activities)

The net cash provided by operating activities was 21,502 million yen. This was mainly driven by profit before income taxes of 32,828 million yen, while negative factors included a decrease in deposits received for consignment sales of 4,544 million yen, a decrease in provision for bonuses of 2,165 million yen, and income tax payments of 10,952 million yen.

(Cash flows from investing activities)
The net cash used in investing activities was 9,643 million yen. This was mainly due to purchases of property, plant and equipment of 3,473 million yen, and payments for acquisition of shares of a subsidiary resulting in changes in the scope of consolidation of 4,599 million yen.

(Cash flows from financing activities)
The net cash used in financing activities was 47,952 million yen. This was mainly due to the dividend payments of 17,684 million yen, and payments for share repurchases of 19,165 million yen.

(3) Explanation of consolidated earnings forecast and other forward-looking statements

There is no change in the consolidated earnings forecast announced on April 30, 2026.

2. Semi-annual consolidated financial statements

(1) Semi-annual consolidated balance sheet

(Unit: Million yen)

	Previous fiscal year (As of March 31, 2026)	Six-month period of current fiscal year (As of September 30, 2026)
Assets		
Current assets		
Cash and deposits	69,416	33,291
Accounts receivable-trade	53,348	48,952
Merchandise	3,496	4,197
Raw materials and supplies	37	56
Others	4,014	15,725
Total current assets	130,314	102,223
Non-current assets		
Property, plant and equipment	26,930	28,391
Intangible assets		
Goodwill	21,812	24,545
Others	6,777	7,422
Total intangible assets	28,589	31,967
Investments and other assets	12,425	12,310
Total non-current assets	67,946	72,669
Total assets	198,260	174,892
Liabilities		
Current liabilities		
Accounts payable-trade	242	544
Deposits received for consignment sales	30,975	26,430
Short-term borrowings	20,000	20,001
Income taxes payable	11,596	10,786
Provision for bonuses	2,319	152
Provision for bonuses for directors	62	54
Provision for loss on liquidation of affiliates	0	0
Provision for loss on business liquidation	224	224
Others	15,249	13,123
Total current liabilities	80,672	71,317
Non-current liabilities		
Retirement benefit liability	5,151	5,488
Asset retirement obligations	4,528	4,533
Provision for loss on liquidation of affiliates	125	125
Others	993	1,315
Total non-current liabilities	10,797	11,462
Total liabilities	91,470	82,780

(Unit: Million yen)

	Previous fiscal year (As of March 31, 2026)	Six-month period of current fiscal year (As of September 30, 2026)
Net assets		
Shareholders' equity		
Capital stock	1,359	1,359
Capital surplus	1,328	1,328
Retained earnings	111,393	114,578
Treasury stock	-11,039	-28,480
Total shareholders' equity	103,042	88,785
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	116	105
Deferred gains or losses on hedges	4	-6
Foreign currency translation adjustment	3,161	2,781
Accumulated remeasurements of defined benefit plans	464	445
Total accumulated other comprehensive income	3,747	3,326
Total net assets	106,789	92,112
Total liabilities and net assets	198,260	174,892

(2) Semi-annual consolidated statement of income and semi-annual consolidated statement of comprehensive income

Semi-annual consolidated statement of income

(Unit: Million yen)

	Six-month period of previous fiscal year (April 1, 2025 to September 30, 2025)	Six-month period of current fiscal year (April 1, 2026 to September 30, 2026)
Net sales	105,249	110,642
Cost of sales	6,800	7,886
Gross profit	98,448	102,756
Selling, general and administrative expenses	67,374	69,930
Operating profit	31,074	32,825
Non-operating income		
Interest income	83	129
Received rent	1	1
Operations support fee	3	3
Income from recycling	26	25
Subsidy income	-	21
Gain on unused points	76	114
Others	11	8
Total non-operating income	202	304
Non-operating expenses		
Interest expenses	145	156
Rent expenses	1	1
Commission expenses	20	1
Foreign exchange losses	238	33
Loss on investment partnerships	44	58
Others	-	7
Total non-operating expenses	449	258
Ordinary profit	30,826	32,871
Extraordinary income		
Gain on sale of non-current assets	0	1
Total extraordinary income	0	1
Extraordinary losses		
Loss on sale and disposal of non-current assets	14	44
Total extraordinary loss	14	44
Semi-annual profit before income taxes	30,812	32,828
Income taxes-current	9,017	10,201
Income taxes-deferred	788	875
Total income taxes	9,805	11,077
Semi-annual net profit	21,006	21,751
Semi-annual profit attributable to owners of parent	21,006	21,751

Semi-annual consolidated statement of comprehensive income

(Unit: Million yen)

	Six-month period of previous fiscal year (April 1, 2025 to September 30, 2025)	Six-month period of current fiscal year (April 1, 2026 to September 30, 2026)
Semi-annual net profit	21,006	21,751
Other comprehensive income		
Valuation difference on available-for-sale securities	-1	-10
Deferred gains or losses on hedges	4	-11
Foreign currency translation adjustment	1,127	-379
Remeasurements of defined benefit plans	-8	-19
Total other comprehensive income	1,122	-421
Semi-annual comprehensive income	22,128	21,330
(Comprehensive income attributable to)		
Semi-annual comprehensive income attributable to owners of the parent	22,128	21,330

(3) Semi-annual consolidated statement of cash flows

(Unit: Million yen)

	Six-month period of previous fiscal year (April 1, 2025 to September 30, 2025)	Six-month period of current fiscal year (April 1, 2026 to September 30, 2026)
Cash flows from operating activities		
Semi-annual profit before income taxes	30,812	32,828
Depreciation	2,528	3,169
Amortization of goodwill	1,006	1,576
Share-based compensation expenses	144	129
Loss (gain) on investment partnerships (- is a gain)	44	58
Loss (gain) on sale and disposal of non-current assets (- is a gain)	14	43
Increase (decrease) in provision for bonuses (- is a decrease)	-2,237	-2,165
Increase (decrease) in provision for bonuses for directors (- is a decrease)	-5	-7
Increase (decrease) in retirement benefit liability (- is a decrease)	230	309
Interest and dividends income	-83	-129
Interest expenses	145	156
Commissions paid	20	1
Foreign exchange losses (gains) (- is a gain)	223	32
Increase (decrease) in notes and accounts receivable-trade (- is an increase)	7,665	4,442
Increase (decrease) in inventories (- is an increase)	-944	-553
Increase (decrease) in prepaid expenses (- is an increase)	-586	-807
Increase (decrease) in accounts payable-trade (- is a decrease)	53	280
Increase (decrease) in deposits received for consignment sales (- is a decrease)	-4,750	-4,544
Increase (decrease) in accounts payable-other (- is a decrease)	-1,924	-1,260
Increase (decrease) in accrued consumption taxes (- is a decrease)	-2,722	-1,121
Others	-552	47
Subtotal	29,081	32,485
Interest and dividends income received	83	129
Interest expenses paid	-145	-158
Income taxes paid	-11,773	-10,952
Net cash provided by (used in) operating activities	17,246	21,502
Cash flows from investing activities		
Purchase of property, plant and equipment	-2,992	-3,473
Purchase of intangible assets	-1,115	-1,175
Proceeds from collection of lease and guarantee deposits	0	1
Payments for lease and guarantee deposits	-2	-184
Purchase of investment securities	-31	-222
Payments for the acquisition of shares of a subsidiary accompanied by a change in the scope of consolidation	-21,807	-4,599
Payments of loans receivable	-0	-
Collection of loans receivable	0	1
Others	4	7
Net cash provided by (used in) investing activities	-25,945	-9,643

(Unit: Million yen)

	Six-month period of previous fiscal year (April 1, 2025 to September 30, 2025)	Six-month period of current fiscal year (April 1, 2026 to September 30, 2026)
Cash flows from financing activities		
Increase in short-term loans payable	43	-
Repayment of short-term loans payable	-669	-52
Repayment of long-term loans payable	-	-60
Commission expenses paid	-20	-1
Repurchase of shares	-10,001	-19,165
Redemption of bonds	-1,979	-
Cash dividends paid	-16,033	-17,684
Others	-111	-10,987
Net cash provided by (used in) financing activities	-28,772	-47,952
Effect of the exchange rate change on cash and cash equivalents	-75	-20
Increase (decrease) in cash and cash equivalents (- is a decrease)	-37,548	-36,113
Cash and cash equivalents at beginning of the fiscal year	91,486	69,422
Cash and cash equivalents at end of the period	53,938	33,308

(4) Notes on semi-annual consolidated financial statements

(Notes on the going concern assumption)

Not applicable.

(Notes on significant changes in shareholders' equity)

The Company has been repurchasing its own shares pursuant to the resolution of the Board of Directors adopted on June 16, 2026. During the six-month period of the current fiscal year, treasury stock increased by 19,165 million yen. For details of the repurchase of shares and the cancellation of treasury shares, please refer to "(Significant subsequent events) (Repurchase of shares and cancellation of treasury shares)."

(Notes on segment information)

Disclosure is omitted because the Company group is a single segment of the e-commerce business.

(Matters related to the business combination)

(Business combination by acquisition of shares)

1. Overview of business combination

(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) Name and business description of the acquired company

Company name: HIGH LINK, INC.

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

(3) Date of business combination

April 16, 2026 (deemed acquisition date: April 30, 2026)

(4) Legal form of business combination

Acquisition of shares

(5) Name of the company after the business combination

HIGH LINK, INC.

(6) Number of shares acquired and voting rights ratio

Number of shares acquired: 93,818 shares

Voting rights held: 100%

(7) 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.

(8) Date of agreement execution

March 31, 2026

2. Period of the acquiree's performance included in the consolidated statement of income for the six-month period of the current fiscal year

From May 1, 2026 to September 30, 2026

3. Acquisition cost of the acquired company and breakdown by type of consideration

Consideration for acquisition	Cash	4,950 million yen
Acquisition cost		4,950 million yen

4. Details and amounts of major acquisition-related expenses

Advisory fees and other related costs: 41 million yen

5. Amount, cause, and amortization of goodwill

(1) Amount of goodwill recognized

4,632 million yen

(2) Cause of goodwill

Primarily attributable to the expected future excess earnings derived from anticipated business development.

(3) Amortization method and period

Straight-line amortization over 7 years

6. Amounts of assets and liabilities assumed on the business combination date and their breakdown

Current assets	643 million yen
Non-current assets	617 million yen
Total assets	1,261 million yen
Current liabilities	387 million yen
Non-current liabilities	556 million yen
Total liabilities	943 million yen

7. Amounts allocated to intangible assets other than goodwill, their types, amortization methods and amortization periods

(1) Amounts allocated to intangible assets and their types

Customer-related assets: 538 million yen

(2) Amortization method and period

Straight-line amortization over 5 years

8. Finalization of provisional accounting treatment for business combination

As of the end of the first quarter of the current fiscal year, the identification of identifiable assets and liabilities acquired and the determination of their fair values as of the acquisition date had not yet been completed. Accordingly, the purchase price allocation (PPA) was provisional, and provisional accounting had been applied based on the best available information at that time. However, the PPA was finalized during the six-month period of the current fiscal year.

The finalization of the provisional accounting had no impact on the semi-annual consolidated financial statements.

(Significant subsequent events)

(Repurchase of shares and cancellation of treasury shares)

At the meeting of the Board of Directors held on June 16, 2026, the Company resolved on matters regarding the repurchase of its own shares pursuant to Article 459, Paragraph 1 of the Companies Act, and resolved to cancel treasury shares pursuant to Article 178 of the Companies Act.

1. Reasons for the repurchase of shares and cancellation of treasury shares

On October 31, 2023, the Company announced a new shareholder return policy: "Our goal is to maintain a total return ratio, including share buybacks, of more than 80% on a five-year average basis, beginning with the fiscal year ended March 2024." Since then, the Company has continued to consider the acquisition of its own shares, taking into account factors such as stock liquidity and stock price trends. The Company has decided to conduct the repurchase of shares in order to achieve its total return ratio target. In addition, all treasury shares to be acquired through the repurchase of shares will be cancelled.

2. Details of the repurchase of shares

(1) Class of shares to be acquired	Common stock
(2) Total number of shares to be acquired	Up to 43,000,000 shares (4.86% of the total number of issued shares (excluding treasury shares))
(3) Total amount to be paid for the acquisition	Up to 30,000 million yen
(4) Period of acquisition	June 17, 2026, to December 30, 2026
(5) Method of acquisition	Market purchase on the Tokyo Stock Exchange, Inc.
(6) Repurchase during the six-month period of the current fiscal year	Total number of shares repurchased: 16,911,800 shares Total acquisition cost: 19,165 million yen

3. Details of the cancellation of treasury shares

(1) Class of shares to be cancelled	Common stock
(2) Total number of shares to be cancelled	All treasury shares to be acquired pursuant to 2. above
(3) Scheduled date of cancellation	January 29, 2027

(Note) The total number of shares to be cancelled will be finalized after completion of the repurchase of shares.

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