



Financial results for May-2026 (Q2)

zig-zag, Inc.
Tokyo Stock Exchange (Growth Market) : 340A
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Financial Highlights

Financial Highlights

Q2 Performance

Q2 Financial Performance Progress largely in line with initial plans

- Revenue 680M JPY (YOY -1% / budgetary progress 42%)
- Operating income 110M JPY (YOY -32% / budgetary progress 36%)

Regional Trends

Trends by Region Sales to North America slowed as anticipated, but Asia is growing

- The temporary sales slowdown due to changes in U.S. tariff policy (mid-Q2) has been factored into the plan.
- While the ratio of North America within the total GMV declined, Asia continued to grow.

Future Outlook

Future Outlook Full-year forecast remains: Increase in both revenue and profit

- Revenue temporarily slowed, but we continued growth investment. Operating income and Net income decreased.
- We expect increased revenue and profit for the full fiscal year.



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Service Outlook

~ We don't just "Sell Overseas,"
we "Create Global Fans" ~

What we do?

Simplify cross-border EC with a single line of JavaScript tag,
connecting your e-commerce site with customers around the world

Japanese EC Shop



Overseas Customers



Connect customers and shops
comfortably around the world

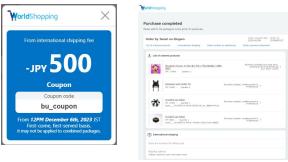
WorldShopping and WorldShopping BIZ are a Cross-Border EC Platform where both services work together to provide value

WorldShopping
For Overseas Customers
Purchasing Agent Solutions

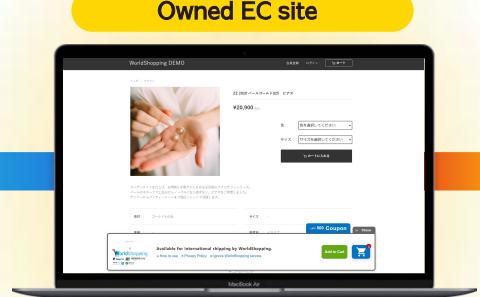
Safe
Secure
Simple

Easy, safe, and secure purchase of products from EC site that do not support overseas sales

- Various payment methods and multiple international shipping options UI/UX that is distinctly different from conventional complicated import agency services.
- Safe and secure service with UI/UX that is differentiated from conventional complicated import agency services.
- Exclusive coupons for overseas customers and the ability to combine products from different shops into one package.
- Save on shopping with exclusive international coupons, combined shipping of items from different shops, and more.



Owned EC site



WorldShopping BIZ
For EC Shops
Overseas Sales Solution

Shopping Cart for Overseas
International Payment
Fraudulent Payment Prevention

Multilingual Customer Support
Overseas Shipping

Adding JS tag* quickly transforms a domestic EC site into an international one

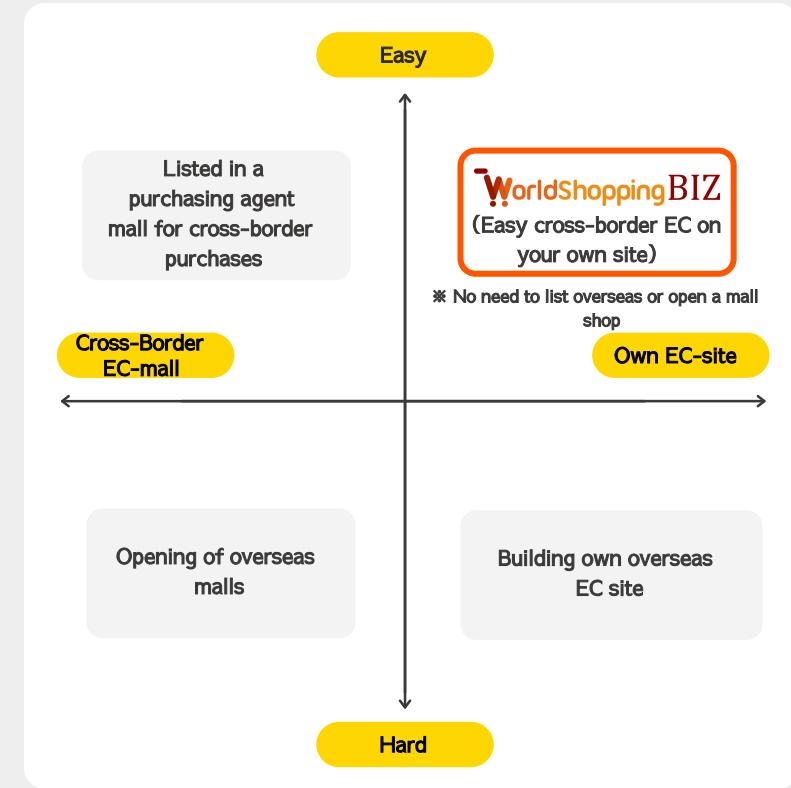
- We provide a cart function exclusively for overseas customers, various types of overseas payments, CS support, overseas shipping, and prevention of unauthorized payments.
- No-code control of overseas sales availability by product and by country (patented)
- Dashboard for sales support, access/purchase analysis, overseas
- Provides access/purchase analysis and overseas sales promotion functions on a sales support dashboard.



* JS: JavaScript, a programming language that controls the behavior of a web page.

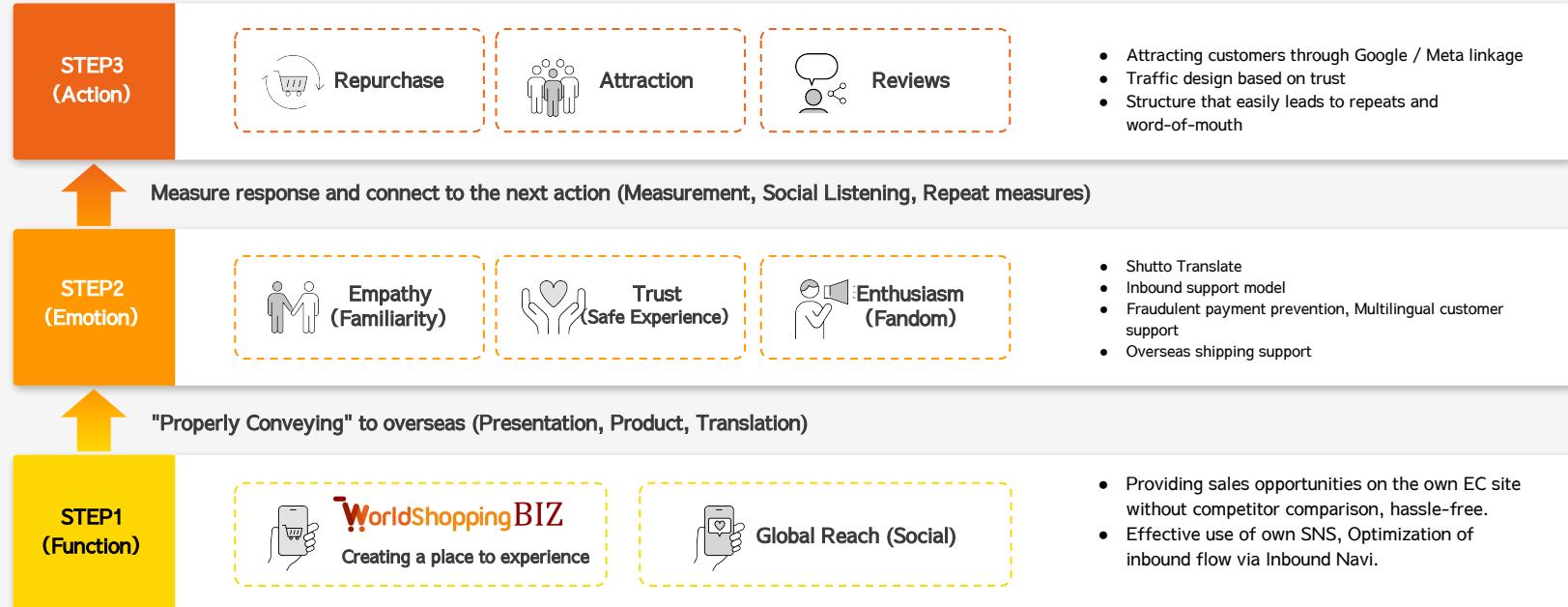
Unique position realizing cross-border e-commerce "easily" on "your own site".

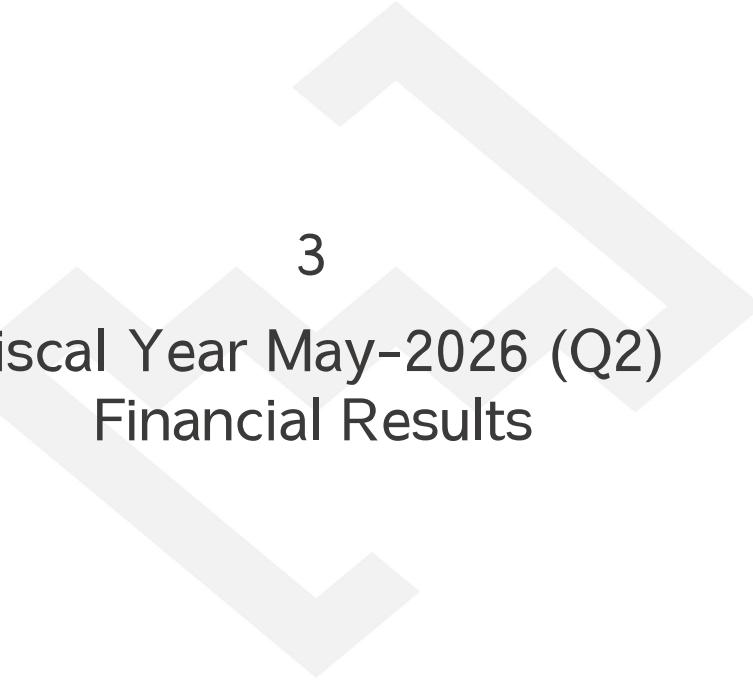
By enabling the company's own EC site for global sales without listing products on external marketplaces, we provide: (1) Sales opportunities without being compared side-by-side with competitors' products, and (2) A hassle-free experience.



Our Philosophy

A 3-layer structure to build fans globally via Owned EC and nurture relationships



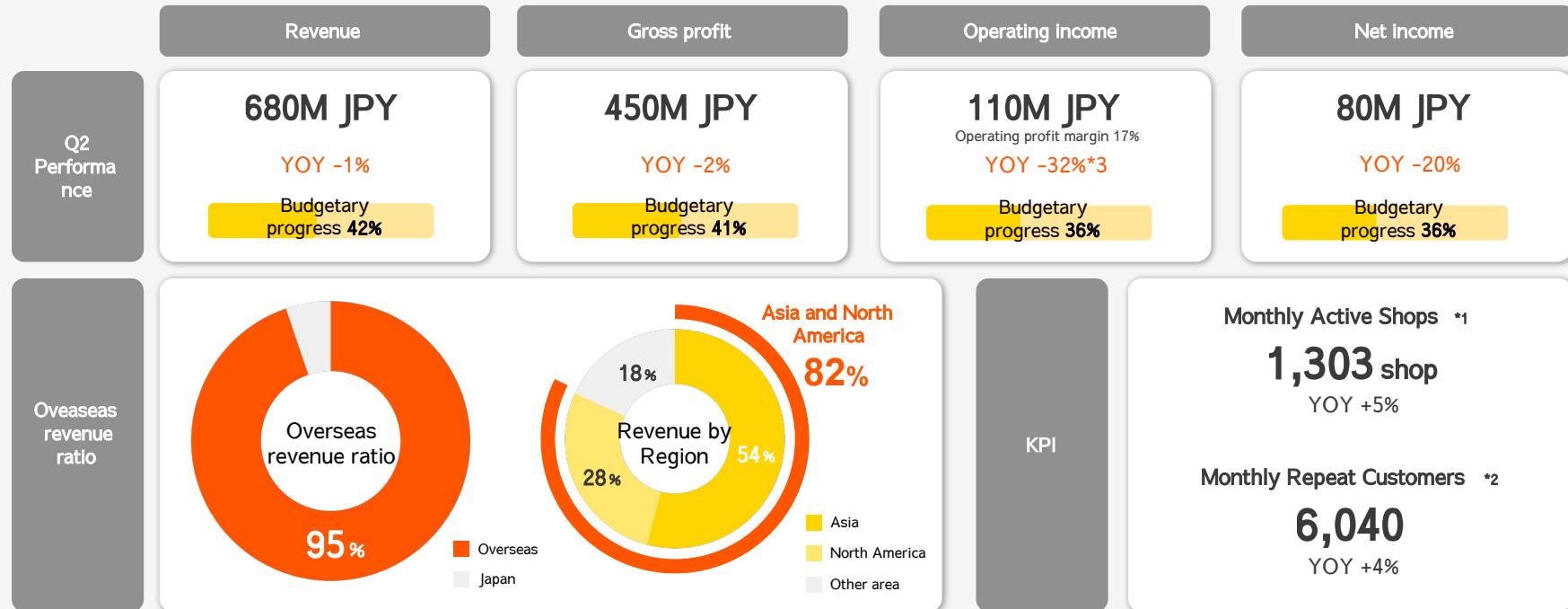


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Fiscal Year May-2026 (Q2) Financial Results

Fiscal Year May-2026 (Q2) Highlights

Incorporated the temporary decline in consumer confidence due to changes in U.S. tariff policy until the middle of the second quarter.



*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 decreased due to continued investment despite temporary revenue slowdown; profit increase expected for the full year.

Revenue and Operating income Performance

While growth speed slowed temporarily due to U.S. tariff impact, revenue continues to grow. Achieved profitability while making upfront investments.

Revenue Growth

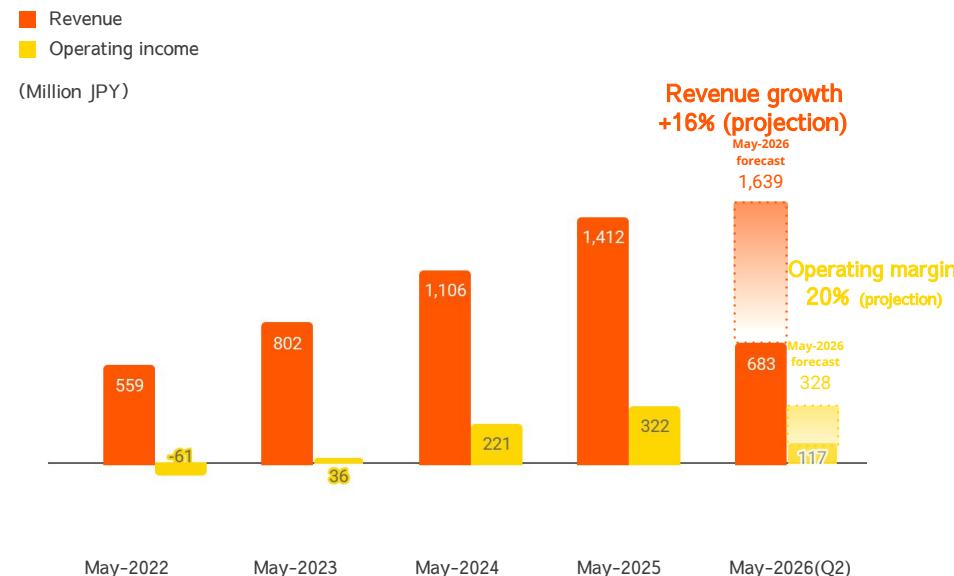
Revenue growth: +16% (May-2026 projection)

Stable growth by expanding the number of shops 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)

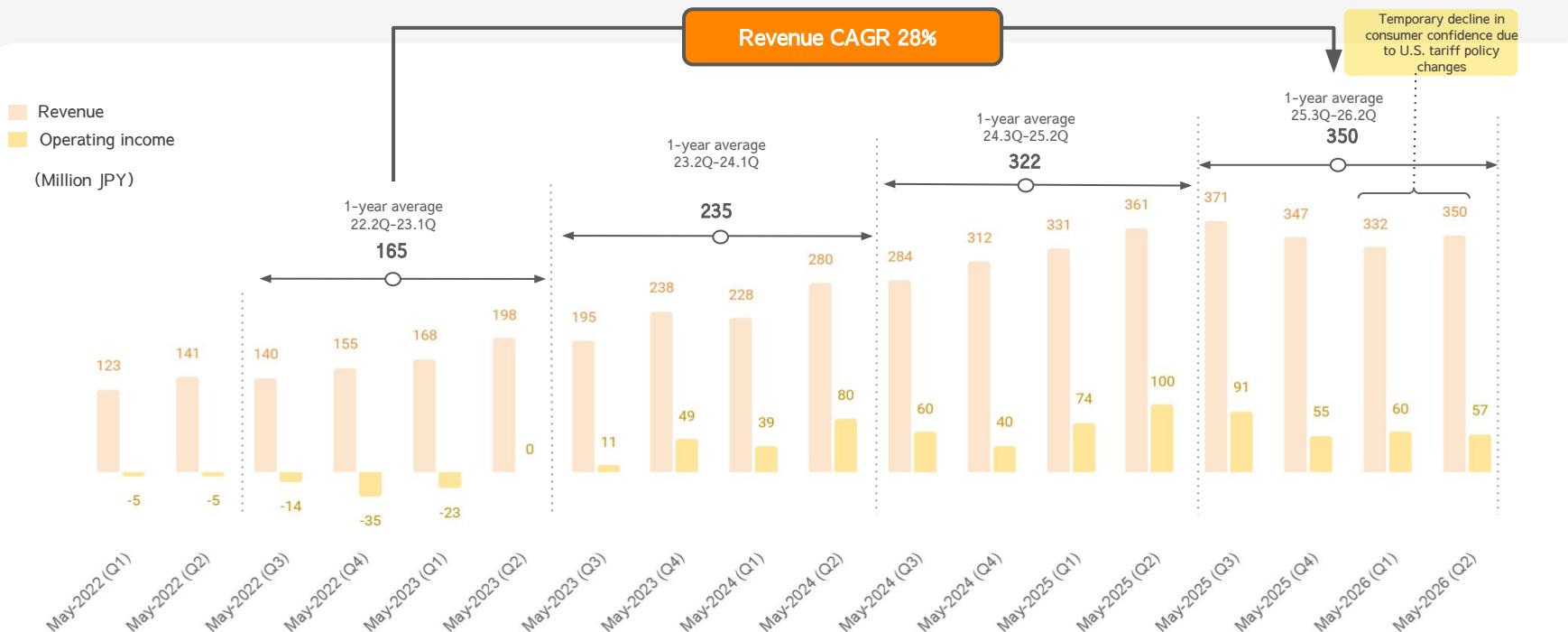
Surpassed the break-even point in May-2023. We are executing medium-term growth investments while maintaining profitability. Further profit growth is expected through revenue expansion.



Revenue Growth Rate

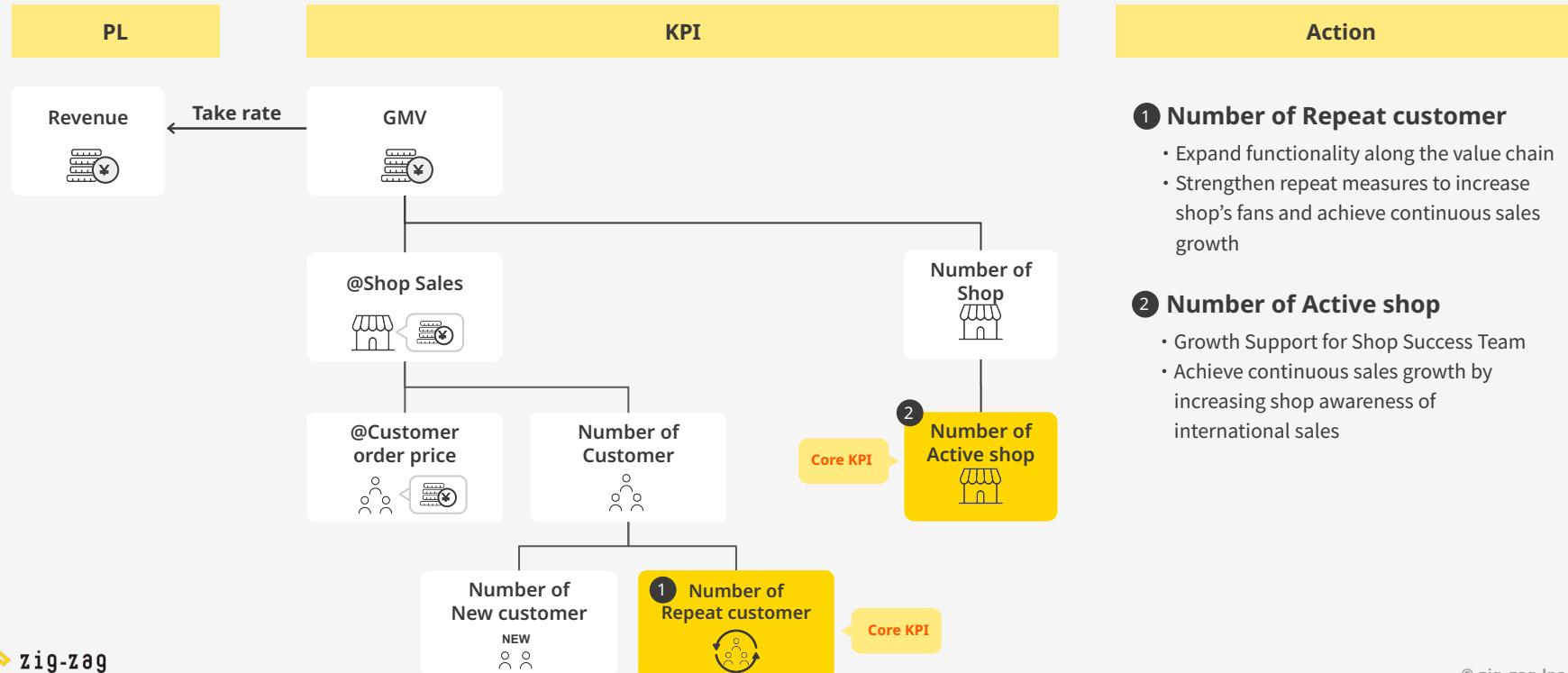
Maintain high revenue growth rate and stable operating income.

Stable growth continues, although revenue fluctuates depending on the timing of merchant goods launches. In the current fiscal year, a recovery trend is seen from the latter half of Q2.



PL and KPI tree

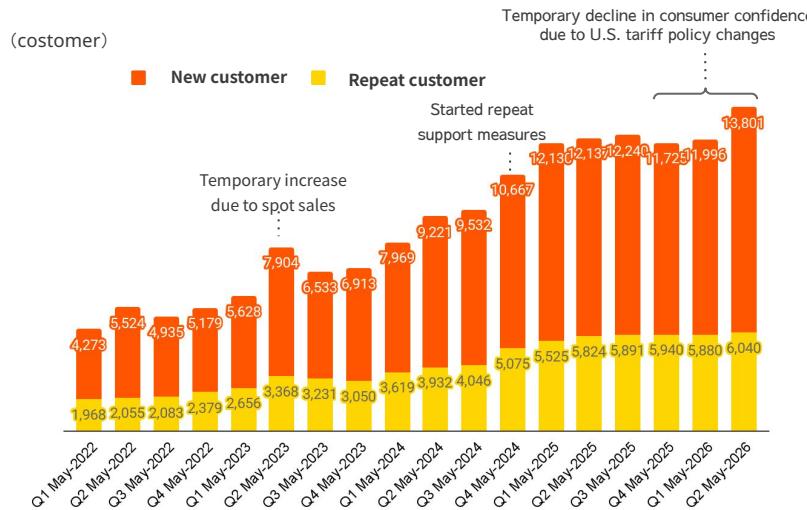
Focus on the number of repeat customers and active shops in order to increase the number of shop's fans and increase the number of shops engaged in international sales.



Core KPI Repeat Customers • Active Shops

Monthly Repeat Customers *1

- Decrease from Q4 May-2025 to Q2 May-2026 due to lower consumer confidence caused by the change in U.S. tariff policy, but this is expected to be a temporary trend.

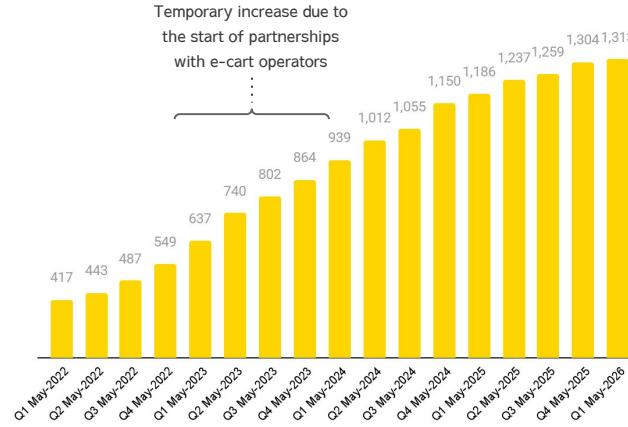


*1 Number of customers who have made multiple purchases in a given shop in the past 12 months (monthly average per quarter)

Monthly Active Shops *2

- Continuous growth year-on-year. Q2 May-2026 was flat due to release trends.

(Shops)



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

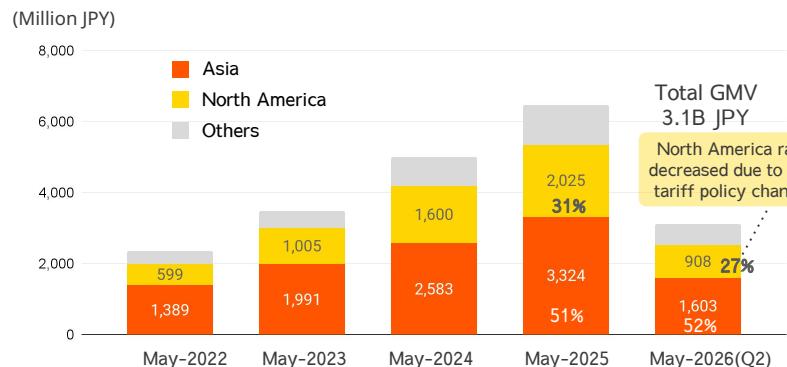
Breakdown of sales (GMV)

U.S. tariffs will slow the growth of sales to North America, but stable growth is expected.

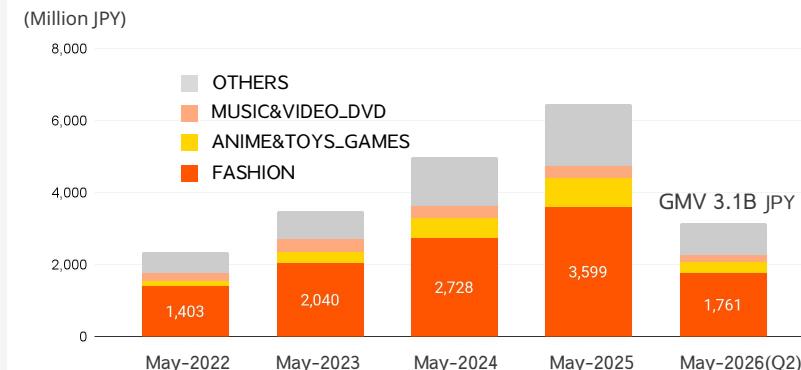
ANIME & TOYS_GAMES category will be affected, but we expect this to be a temporary impact as demand in the entertainment sector remains strong.

- 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 is strong among overseas customers and is expected to continue to grow.

GMV by Region



GMV by Shop category

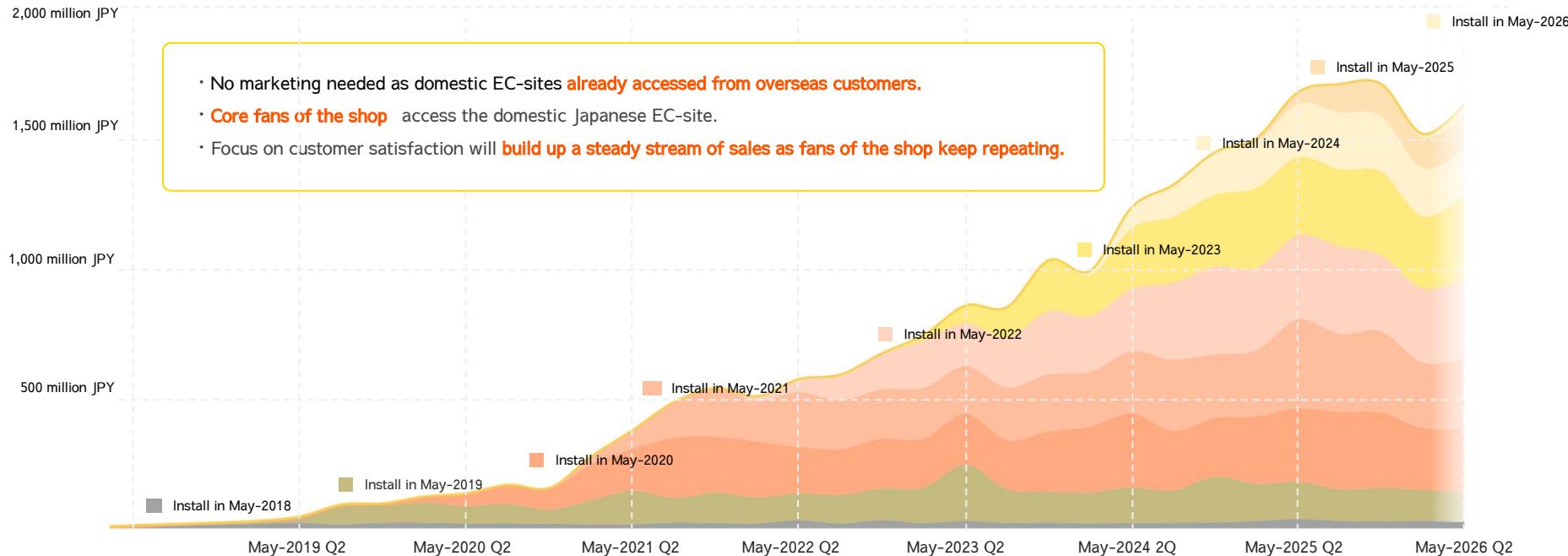


Accumulation of GMV*

Business model that builds up sales per shop

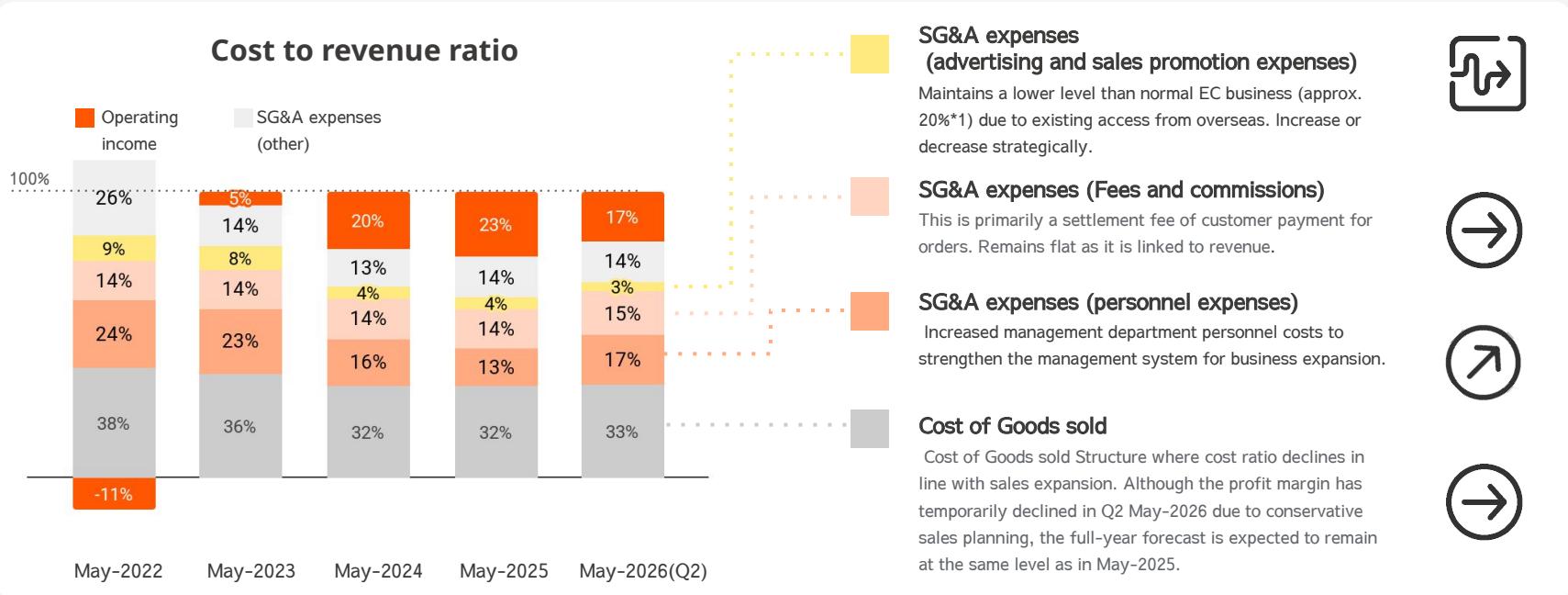
Quarterly GMV breakdown by year in which "WorldShoppingBIZ" was installed

*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.



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

Budgetary progress

(Million JPY)	May-2026 Q2 actual	May-2026 forecast	budgetary progress
Revenue	683	1,639	42%
Operating income	117	328	36%
Operating margin	17%	20%	-3pt
Ordinary income	124	328	38%
Net income	85	240	36%

Revenue

- Revenue Expect growth in @shop sales through an increase in WorldShopping BIZ shops and repeat customers.
- Full-year forecasts incorporate a temporary decline in consumer confidence due to U.S.
- tariff policy changes. Q2 results were generally in line with forecasts.

Operating Income

- Operating income In May-2026, we will manage operations with an awareness of the balance between upfront investment and profitability for long-term growth. We expect to achieve an operating margin of 20% while strengthening products for inbound travelers and marketing.
- Q2 results were generally in line with forecasts.

Ordinary/Net Income

- Ordinary Income / Net Income One-time expenses recorded in the previous year related to overseas taxation were reduced (+12 million JPY in 1Q). This will be utilized as investment capacity.



4

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}

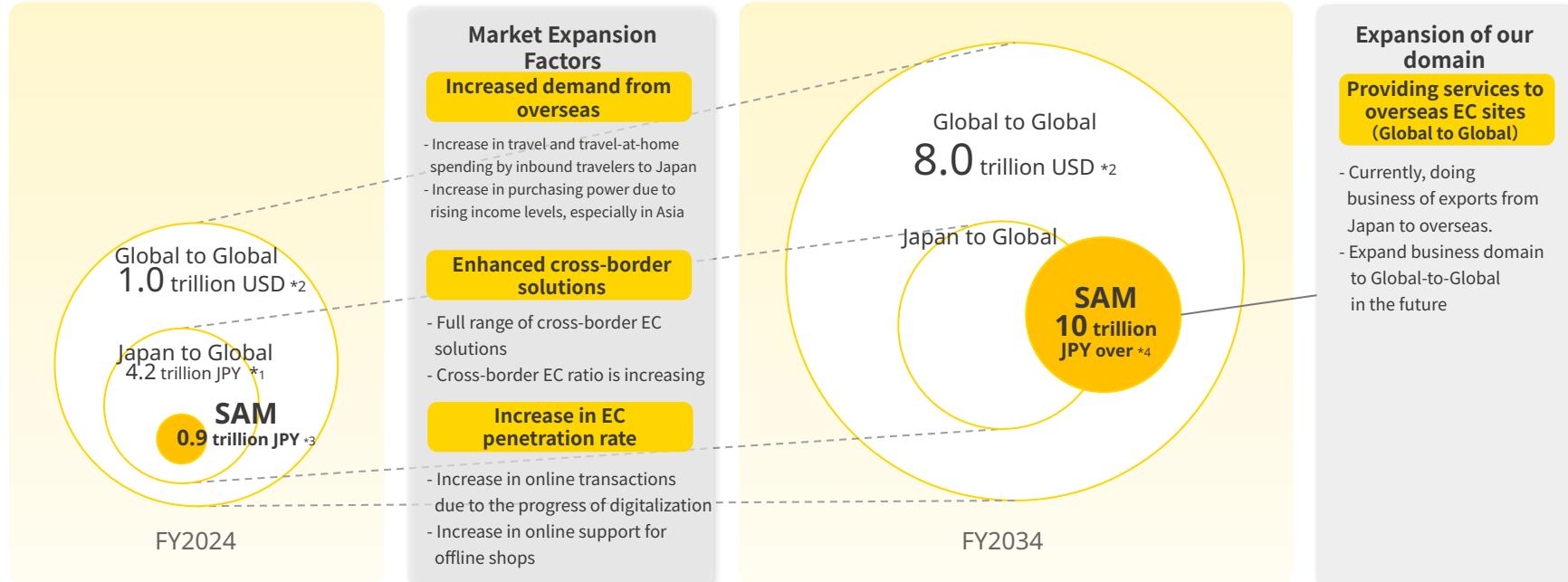
*1 Domestic EC market 22 trillion yen (B to C retail 15.2 trillion yen + C to C retail 2.5 trillion yen + B to B retail 4.2 trillion yen) x Overseas access ratio 2-8% = 440 billion yen - 1.8 trillion yen

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/2025/08/20250826005/20250826005-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 grow 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

Approach to inbound travelers

Current

Before Travel

Media and SNS in country of departure

Information on before travel is mostly collected through travel media and social networking sites in the traveler's country of origin.



During Travel

Spending by Inbound travelers to Japan

8 trillion JPY *1

Inbound industry will be the Japan's second largest export industry after automobiles at 12 trillion yen, the Japanese government is focusing on the industry



After Travel

After Travel is separated from During Travel where no service exists to connect them smoothly.

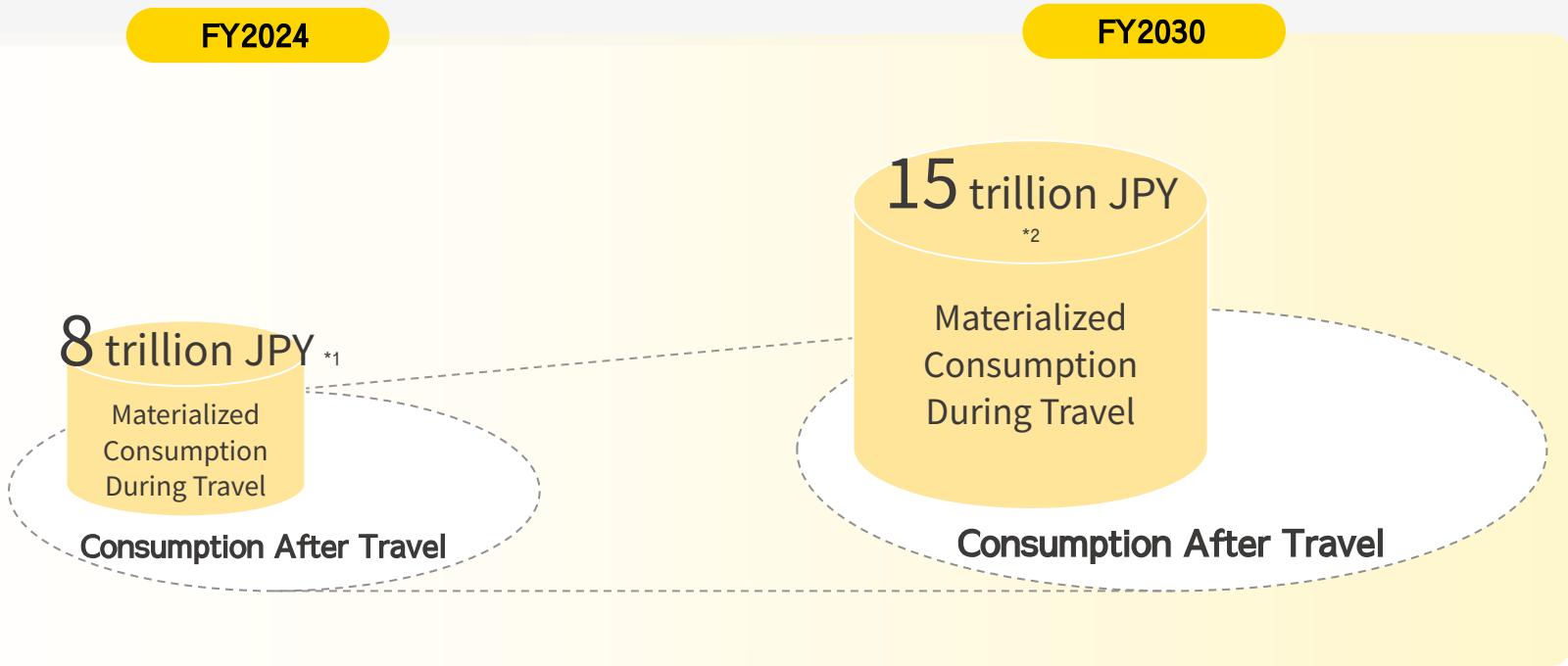
Our Target

Providing comprehensive support for inbound travel to Japan, including "before travel, during travel and after travel"

*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"

Growth strategy / Expansion of functions along the value chain

Expand functionality along the value chain to connect shops and customers



Marketing

Conversion

Payment

Delivery

After support

Repeat

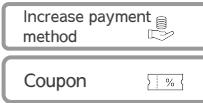
Raise awareness,
Attract customers

Product Page Access
Product Understanding
CVR Improvement

CVR improvement

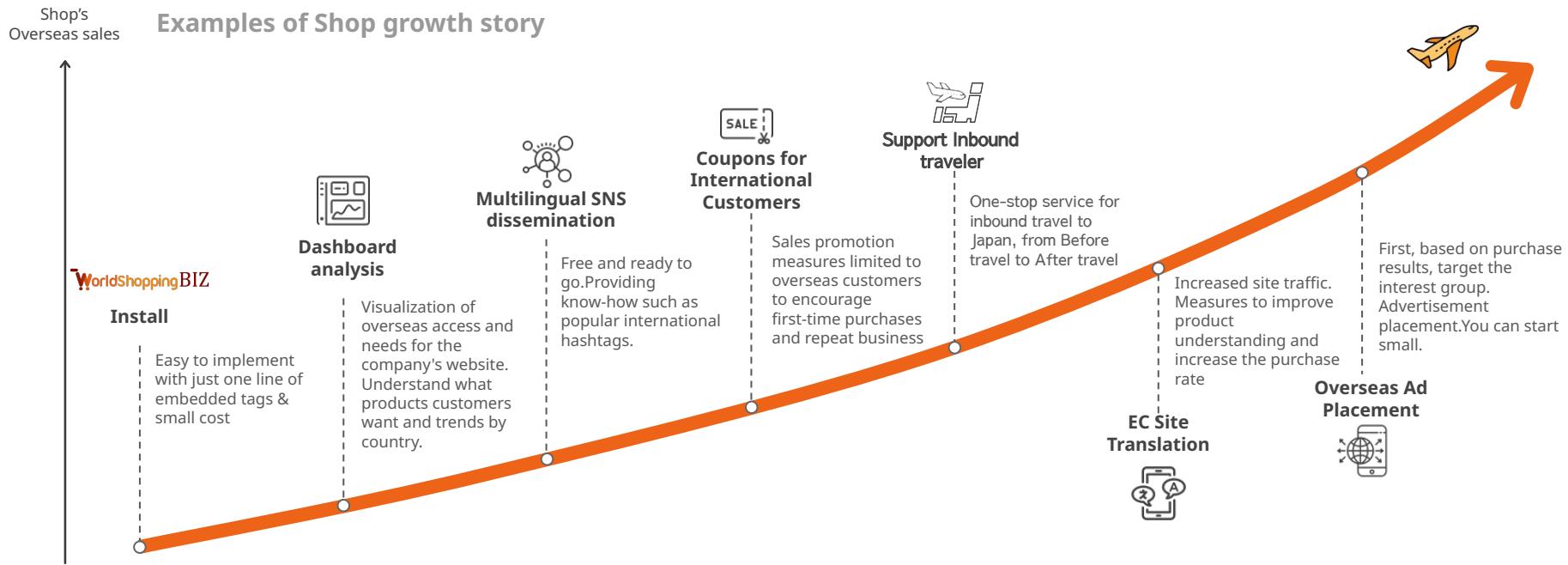
Fast, inexpensive, and safe
(Special needs such as food products available)

build connections with customers



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.



Growth strategy roadmap

Promote product refinement based on customer needs and data-driven initiatives. In the medium- to long-term, we aim to expand beyond "Japan to Global" to "Global to Global."





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Topics

Response to US Tariff Policy Changes

Speedy response to external environmental changes (elimination of U.S. de minimis tax exemption) to reduce anxiety for overseas customers.

Environment

External Environment: Elimination of U.S. de minimis rule
(August 2025)

→ Anxiety about increased burden on U.S. customers.

Response

Our Response Prompt system modification
(September 2025).

→ Started supporting DDP*2 via ECMS.

Response from Delivery Carriers

→ EMS (Japan Post)	Suspended acceptance
ECMS	DDU*1 acceptance suspended

Impact on Customers

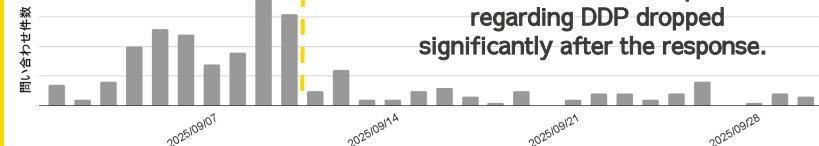
- Initially, WorldShopping only supported DDU, making the affordable ECMS option unavailable.
- Anxiety due to the total payment amount being undetermined until the arrival of goods.

Impact on Customers

- Selection of cheaper carriers (ECMS) restored.
- Total payment amount confirmed before shipping, improving transparency.

DDP-related inquiries

ECMS DDP support completed



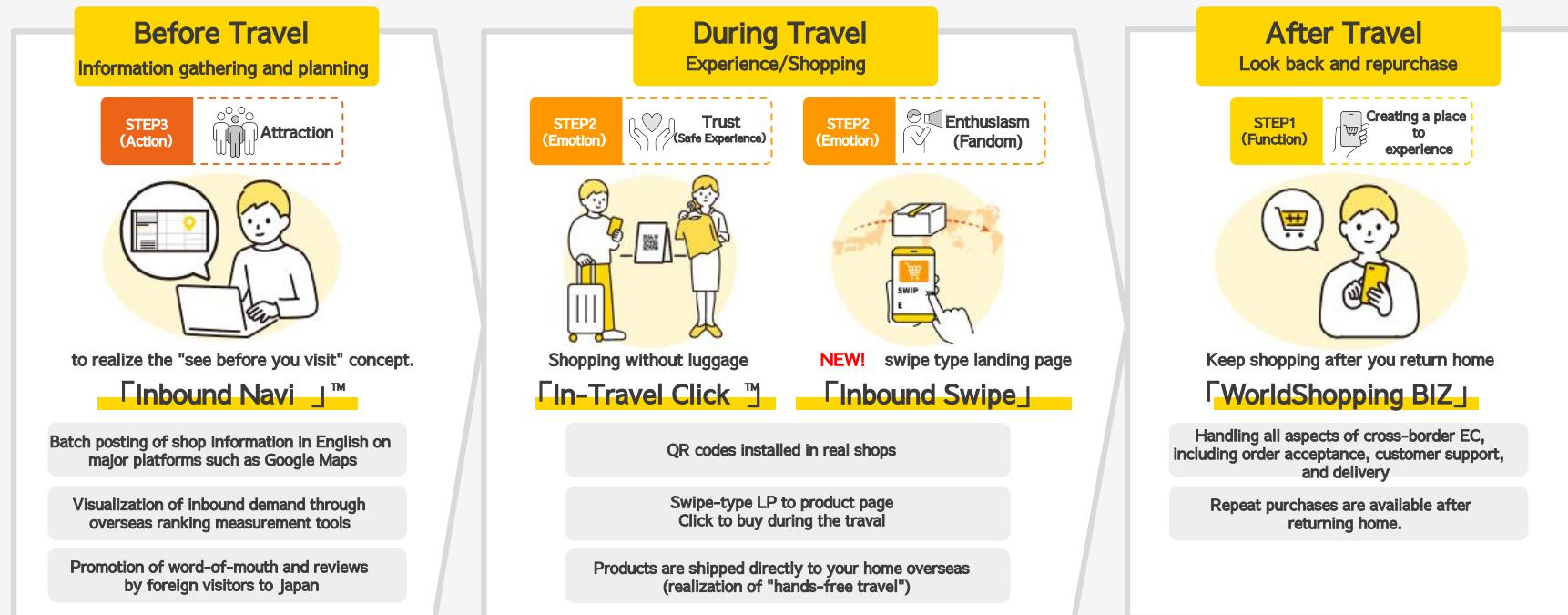
Outcome Customer inquiries regarding DDP dropped significantly after the response.

*1 DDU: Duties paid on delivery. Customers pay duties upon receipt of goods.

*2 DDP: Duties prepaid. Customers pay duties at the time of order.

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.



※1 : Source: Japan Tourism Agency, "The 4th Tourism Nation Promotion Basic Plan"

Partnership for Deploying the Inbound Support Model

STEP3
(Action)

Attraction

Partnerships with BEYOND and JTB BÓKUN to support "Inbound Navi" introduction and accelerate inbound support.

WorldShoppingBIZ × BEYOND

Alliance with BEYOND Built a cooperative system for regional expansion.

Promote regional revitalization and the expansion of inbound demand through the nationwide adoption of "Inbound Navi".



Supporting the introduction of "Inbound Navi" to regional stores and tourist spots through BEYOND's strong network with local governments. Promoting regional revitalization.

JTB + BÓKUN

体験アクティビティ予約管理システム

Activity Booking &
Inventory Management

WorldShoppingBIZ

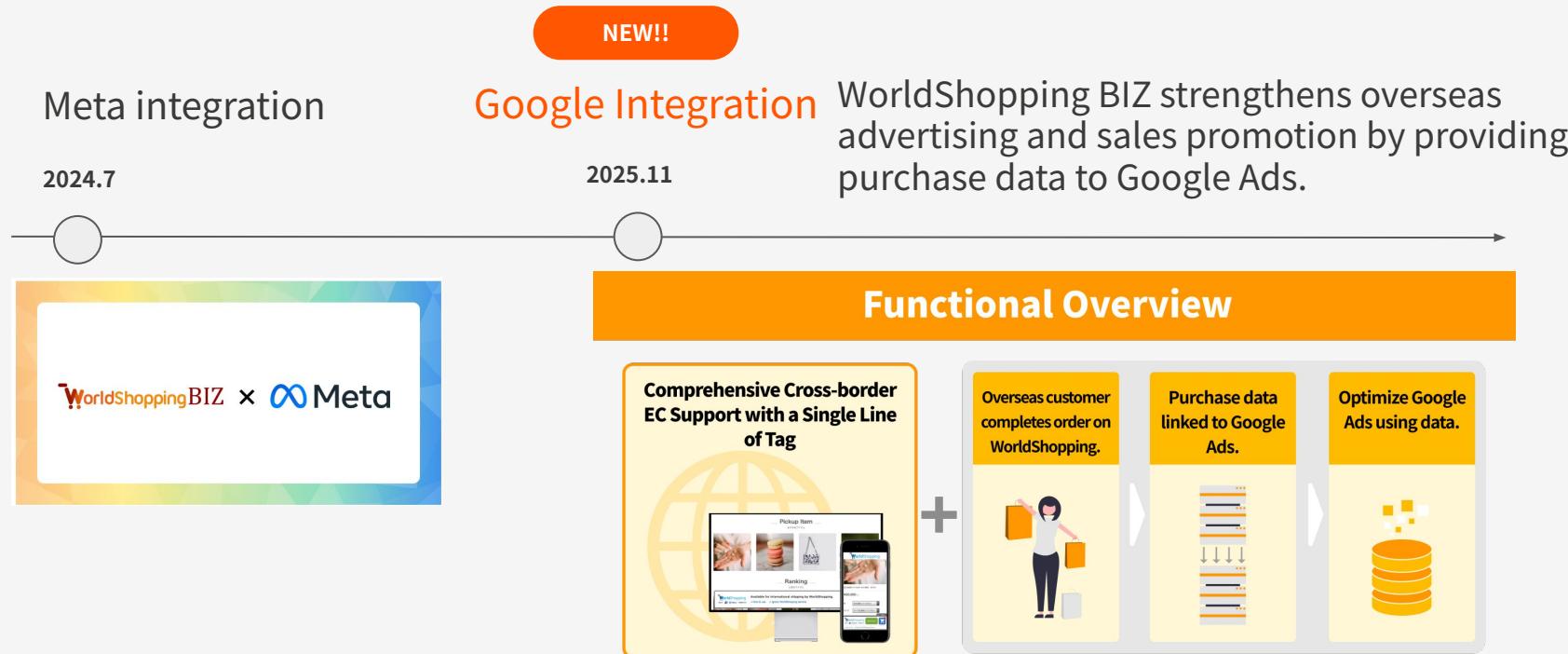
Comprehensive Cross-border EC Support with a Single Tag

Promote inbound consumption by connecting experiences to purchases through the nationwide adoption of "Inbound Navi".

JTB BÓKUN provides an activity reservation/ inventory management system. Collaborating to support the introduction of "Inbound Navi" utilizing their extensive operator network.



Started service enabling efficient ad delivery via machine learning by providing purchase data to Google Ads (following Meta integration).





Established a proven track record with Meta Ads. With the ability to now provide conversion data to Google Ads, the options for leveraging advertising are expanding.

Meta Ads

Daytona International Co., Ltd.

Cross-border EC sales via Meta Ads increased 9.2x in one year!

What are the key points for effective ad operations discovered through rigorous testing!?

WorldShoppingBIZ

Sales via Meta Ads grew significantly at Daytona International.

Category	YoY Growth
Purchase amount via Meta Ads	9.2x
Purchase amount on WorldShopping	1.8x

※Created based on values measured via UTM parameters in the Shop Dashboard.

Meta Ads

Laugh Valley Co.,Ltd.

Cross-border EC sales from Hong Kong & Taiwan increased over 5x via Meta Ads!

WorldShoppingBIZ

Sales Change in Hong Kong & Taiwan Before and After Using Meta Ads

Region	Month	Approx. MoM Increase
Hong Kong	Oct	Approx. 5x MoM
Taiwan	Oct	Approx. 6x MoM

※ Calculated based on values measured in the WorldShopping BIZ Shop Dashboard.

Establishment of Taiwan Subsidiary



Targeting Taiwan (2nd largest shipping destination) as a key market. Establishing a local entity in March 2026.

Subsidiary Overview

Name	吉克查克股份有限公司 Zig-Zag Taiwan Co.,Ltd.
Location	Taipei, Taiwan
Establishment	March 2026 (Planned)
Shareholding	100% owned by the Company
Purpose	<p>Positioned Taiwan, our 2nd largest shipment destination, as a key market and established a local base to further support shops' customer acquisition.</p> <ul style="list-style-type: none"> • Build local marketing structure as part of value chain expansion. • Deepen local research/customer insights to feed back to shops. • Agile deployment of Meta/Google integrations and inbound measures.

6

Answers to preliminary questions

※Thank you very much for your questions. Similar questions will be answered together.

Answers to preliminary questions (Assumptions for Earnings Forecasts)

Question 1.

The earnings forecast for this fiscal year seems to intentionally lower the growth rate to reflect the impact of U.S. tariff policy. What are the assumptions?

Answer 1.

Starting from the fourth quarter of the fiscal year ending May 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, demand is solid, and we believe the impact of the decline in consumer confidence will be temporary.

However, we expect it will take a certain period for this trend to recover, and **we conservatively forecast sales for the first quarter and part of the second quarter of the fiscal year ending May 2026.**

First and second quarter results have been generally in line with our plans.

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

Question 2.

The elimination of the U.S. de minimis tax exemption was scheduled for 2027 but was brought forward to August 2025. Was there an impact on performance?

Answer 2.

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

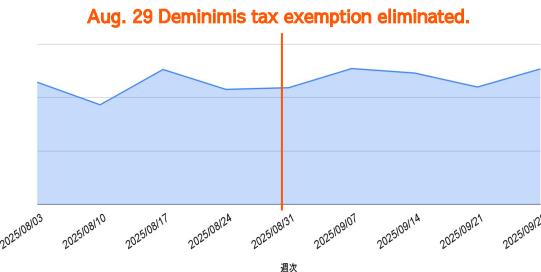
This system was eliminated ahead of schedule on August 29, 2025, due to a sudden change in U.S. policy. We rapidly introduced a system allowing U.S. customers to pre-pay duties (DDP) to alleviate anxiety.

There was no change in the order situation before and after the removal, and demand remained stable.

This is because a slowdown had already occurred in the previous Q4, and our customers are "fan customers" for whom the impact was limited.

Reference:

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



Answers to preliminary questions (Regarding KPI Progress)

Question 3.

Please provide an update on measures to increase repeat customers and active shops.

Answer 3.

To increase the number of repeat customers, we are strengthening customer pathways by utilizing "Google Ads Integration" to link purchase data and the "Inbound Support Model" to connect in-trip touchpoints to post-trip cross-border EC use. Additionally, we are improving engagement through product enhancements based on customer feedback.

Meanwhile, to increase the number of active shops, we are driving adoption through continued partnerships with cart providers by promoting our strength: the ability to "maintain the worldview of the owned EC site."

Furthermore, we are committed to maximizing shop GMV through support from our Shop Success Team, effective dashboard utilization, and feature improvements driven by shop feedback.

Answers to preliminary questions (Taiwan Subsidiary & Strategy)

Question 4.

I would like to ask about the establishment of the Taiwan subsidiary and the mid-to-long-term location strategy. Specifically, regarding the role of the subsidiary in "Japan to Global" and the strategy for "Global to Global" considering geopolitical risks.

Answer 4.

Regarding the Taiwan market, it is our 2nd largest shipping destination after the U.S. as of Q2, and we position it as a priority market. We expect growth from the expansion of the cross-border EC market and strong inbound tourism.

The role of the local subsidiary is to strengthen marketing functions by capturing local customer insights. Specifically, through stronger cooperation with Meta/Google and inbound measures, we will contribute to maximizing GMV for Japanese EC operators.

Regarding "Global to Global" expansion and location strategy, we are currently carefully considering optimal business models and areas. We recognize geopolitical risks as a significant management issue and intend to build a flexible structure that does not rely overly on specific regions.

Handling of this document

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- 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.