

Consolidated Financial Results

for the third quarter of the fiscal year ending March 31, 2026 [JGAAP]

January 30, 2026

Company name:	ZOZO, Inc.	Listed stock exchanges	Tokyo
Code	3092	URL	https://corp.zozo.com/en/
Representative	Representative Director, President & CEO	Kotaro Sawada	
Contact person	Director, Executive Vice President & CFO	Koji Yanagisawa	(TEL) 043(213)5171
Scheduled date of dividend payment	-		
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 third quarter of the fiscal year ending March 31, 2026 (April 1, 2025 to December 31, 2025)

(1) Consolidated business results (cumulative)

(Percentages indicate YoY changes)

	Net sales		Operating profit		EBITDA		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Third quarter of fiscal year ending March 31, 2026	171,805	6.7	54,921	6.1	60,677	9.5	54,702	5.5	36,976	2.9
Third quarter of fiscal year ended March 31, 2025	161,076	9.2	51,761	13.3	55,421	14.5	51,829	12.9	35,943	10.7

(Note)

1. Comprehensive income	Third quarter of fiscal year ending March 2026	38,430 Million yen	(6.7%)
	Third quarter of fiscal year ended March 2025	36,013 Million yen	(10.3%)

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

	Earnings per share	Diluted earnings per share
	Yen	Yen
Third quarter of fiscal year ending March 31, 2026	41.73	-
Third quarter of fiscal year ended March 31, 2025	40.35	-

(Note)

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

(2) Consolidated financial position

	Total assets	Net assets	Equity Ratio
	Million yen	Million yen	%
Third quarter of fiscal year ending March 31, 2026	187,629	95,575	50.9
Fiscal year ended March 31, 2025	187,810	98,719	52.6

(Reference) Shareholders' equity	Third quarter of fiscal year ending March 2026	95,575 Million yen	
	Fiscal year ended March 31, 2025	98,719 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, 2025	-	53.00	-	54.00	107.00
Fiscal year ending March 31, 2026	-	19.00	-		
Fiscal year ending March 31, 2026 (Forecast)				20.00	39.00

(Note)

1. Revisions to the dividends forecasts most recently announced: None

2. On April 1, 2025, the Company conducted a three-for-one stock split of common stock. The amount of annual dividends for the fiscal year ending March 31, 2026 (forecast) is presented on a post-stock-split basis.

3. Consolidated business forecasts for the fiscal year ending March 31, 2026 (April 1, 2025 to March 31, 2026)

(Percentages indicate YoY changes)

	Net sales		Operating profit		EBITDA		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	yen
Fiscal year ending March 31, 2026	231,500	8.6	69,200	6.9	76,700	9.9	69,100	6.5	47,800	5.4	53.66

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

※ Notes

- (1) Significant changes in the scope of consolidation during the consolidated cumulative third quarter of the current fiscal year : Yes

New LYST LTD
ZOZO U.K. LIMITED Exclusion -

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

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

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

- (4) Number of shares outstanding (Common stock)

① Year-end shares outstanding (including treasury stock)	Q3 of fiscal year ending March 2026	892,032,372Shares	Fiscal year ended March 2025	901,422,543Shares
② Number of year-end treasury shares	Q3 of fiscal year ending March 2026	7,707,341Shares	Fiscal year ended March 2025	10,560,621Shares
③ Average number of shares during the period (cumulative)	Q3 of fiscal year ending March 2026	886,079,464Shares	Q3 of fiscal year ended March 2025	890,873,519Shares

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

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

※ Explanations and other special notes concerning the appropriate use of business performance forecasts

(Regarding the review of the quarterly consolidated financial statements by a certified public accountant or auditing firm)

The Company plans to disclose the quarterly financial statements with the review report after the review is completed. Scheduled date of disclosure: February 12, 2026

-The business forecasts 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 these forecasts due to various factors. Please refer to "1. Qualitative information on results for the third quarter ended December 31, 2025, (3) Explanation of consolidated business forecast and other forward-looking statements" on page 12 for the assumptions underlying the forecasts and cautionary statements regarding the use of the forecasts.

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

-The quarterly consolidated financial statements are prepared in accordance with Article 4, Paragraph 1 of the Rules for Preparing Quarterly Financial Statements, etc., of the Tokyo Stock Exchange, as well as the accounting standards for quarterly financial statements generally accepted in Japan (with certain disclosures omitted in accordance with Article 4, Paragraph 2 of the Rules for Preparing Quarterly Financial Statements, etc.).

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1. Qualitative information on results for the third quarter ended December 31, 2025

(1) Overview of business results

Business results for the current fiscal year

[Table 1] YoY comparison

(Unit: Million yen)

	Consolidated cumulative third quarter of previous fiscal year (April 1 to December 31, 2024)		Consolidated cumulative third quarter of current fiscal year (April 1 to December 31, 2025)		YoY basis
Gross merchandise value	461,171	(106.8%)	502,972	(104.1%)	9.1%
Gross merchandise value (excluding other GMV)	431,914	(100.0%)	483,138	(100.0%)	11.9%
Net sales	161,076	(37.3%)	171,805	(35.6%)	6.7%
Gross profit	150,062	(34.7%)	160,377	(33.2%)	6.9%
Operating profit	51,761	(12.0%)	54,921	(11.4%)	6.1%
EBITDA (Note) 2	55,421	(12.8%)	60,677	(12.6%)	9.5%
Ordinary profit	51,829	(12.0%)	54,702	(11.3%)	5.5%
Profit attributable to owners of parent	35,943	(8.3%)	36,976	(7.7%)	2.9%

(Note)

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

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

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

During the consolidated cumulative third quarter of the current fiscal year, the domestic fashion market remained relatively firm, supported by improvements in employment and income conditions. However, it continues to face risks of weakened consumer sentiment due to persistent inflation and the effects of climate change. Furthermore, geopolitical risks and fluctuations in foreign exchange rates have increased the uncertainty of the global economy, and the outlook remains unpredictable. Under these circumstances, our group has been focusing on making ZOZOTOWN even more attractive to both users and brands with the goal of increasing the number of unique users and improving the conversion rate (the purchasing rate of unique users). So that we can maximize sales of ZOZOTOWN, we ran TV commercials and web advertising for the sale event “ZOZOWEEK” (11 days in total, from May 15 to 25, 15 days in total, from October 31 to November 9, and November 12 to 16, 2025), summer sale period (June 25 to August 31, 2025), and the Black Friday event (11 days in total, from November 20 to 30, 2025), to boost customer traffic. In addition, we continued to proactively welcome new brands in a wide range of genres to meet the diversifying needs of users. As an initiative to strengthen a specific category, we have been focusing on “ZOZOCOSME.” As a value-added service unique to the Company, we aim to offer solutions that help users discover their “style” by addressing the upstream of purchasing behavior. To this end, we are developing a proprietary AI agent that leverages the extensive fashion-related data we have accumulated over the years.

Sales of LY Corporation Commerce (combined sales of “Yahoo! JAPAN Shopping” and “Yahoo! JAPAN Auction”) have been growing steadily due to customer attraction efforts by LY Corporation which operates those malls, and the promotion activities such as “Serious ZOZO Festival” (12 days in total, May 17 to 18, June 15, July 26 to 27, September 20 to 21, October 19, November 29 to 30, December 14 and 21, 2025), as well as the retention of new customers acquired in the previous consolidated fiscal year.

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

Consequently, the gross merchandise value in the consolidated cumulative third quarter of the current fiscal year was 502,972 million yen (+9.1% YoY), and the gross merchandise value (excluding other GMV) was 483,138 million yen

(+11.9% YoY). Net sales were 171,805 million yen (+6.7% YoY), and gross profit was 160,377 million yen (+6.9% YoY). The gross profit ratio to the gross merchandise value (excluding other GMV) (gross profit margin) was 33.2%, a decrease of 1.5% from the same period of the previous fiscal year.

As for gross merchandise value, the YoY growth rate fell short of plan due to a decline in demand caused by persistently high temperatures in the second quarter consolidated accounting period and sluggish sales of fall/winter items in the third quarter consolidated accounting period, as the effectiveness of certain sale events fell short of expectations despite proactive promotional activities amid a high prior-year comparable.

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

As mentioned in the sales part, the main factor in the decreased gross profit margin was due to the change in business composition ratio resulting from the consolidation of LYST.

Selling, general, and administrative expenses were 105,455 million yen (+7.3% YoY). The ratio to the gross merchandise value (excluding other GMV) was 21.8%, a decrease of 1.0% compared with the same period of the previous fiscal year. With the consolidation of LYST, gross merchandise value increased. However, LYST operates under an affiliate-based business model, which does not incur logistics-related expense, shipping expense, or commission of payment collection. Additionally, rent expense and other operating costs are limited. As a result, the consolidated SG&A-to-GMV ratio has generally declined. The major factors behind the changes in individual expense items are as follows. All the percentages of the gross merchandise value are calculated by dividing each SG&A expense by the gross merchandise value (excluding other GMV):

Increasing (worsening) factors

1. Amortization of goodwill as a percentage of gross merchandise value rose by 0.3%, due to the consolidation of LYST.
2. Advertising expense as a percentage of gross merchandise value rose by 0.2%, due to advertising expenses incurred by LYST (of which advertising expenses account for a large proportion of its SG&A expenses) and an increase in web advertising expenses for ZOZOTOWN, etc.

Decreasing (improving) factors

1. Shipping expense as a percentage of gross merchandise value declined by 0.7%, due to the expansion of the scope of consolidation, and improved economic terms with the delivery outsourcing partner starting in October 2025, following initiatives to improve delivery efficiency.
2. Logistics-related expense as a percentage of gross merchandise value declined by 0.5%, due to the expansion of the scope of consolidation and improvements in operational efficiency at logistics centers, etc.
3. Commission of payment collection as a percentage of gross merchandise value declined by 0.2%, due to the expansion of the scope of consolidation.
4. Rent expense as a percentage of gross merchandise value declined by 0.2%, due to the expansion of the scope of consolidation.

Consequently, the EBITDA of the consolidated cumulative third quarter of the current fiscal year was 60,677 million yen (+9.5% YoY), and the EBITDA margin was 12.6% of the gross merchandise value (excluding other GMV), a decrease of 0.2% compared with the same period of the previous fiscal year. Operating profit was 54,921 million yen (+6.1% YoY), Ordinary profit was 54,702 million yen (+5.5% YoY), and profit attributable to owners of parent was 36,976 million yen (+2.9% YoY).

During the consolidated cumulative third quarter of the current fiscal year, the Company decided to discontinue the businesses in which the ZOZO Group places orders for and produces merchandise, including MS (Multi-Size), as well as

the business that supports the production of branded merchandise (Made by ZOZO), following a comprehensive review of their future business prospects. As a result, the Company recorded extraordinary losses totaling 707 million yen, consisting of an impairment loss on non-current assets of 326 million yen and a loss on business liquidation of 380 million yen.

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

[Table 2] YoY comparison by business segment

By segment	Consolidated cumulative third quarter of previous fiscal year (April 1 to December 31, 2024)			Consolidated cumulative third quarter of current fiscal year (April 1 to December 31, 2025)			Merchandise Value YoY (%)	Net sales YoY (%)
	Merchandise value (Million yen)	Compositi on (%)	Net sales (Million yen)	Merchandise Value (Million yen)	Compositi on (%)	Net sales (Million yen)		
ZOZOTOWN Business	371,667	80.6	115,366	387,015	77.0	118,823	4.1	3.0
(Outright purchase/ production & sales)	3,026	0.7	2,876	2,300	0.5	2,188	-24.0	-23.9
(Consignment Sales)	354,104	76.7	98,562	369,196	73.4	101,769	4.3	3.3
(USED Sales)	14,535	3.2	13,927	15,519	3.1	14,865	6.8	6.7
LY Corporation Commerce	50,156	10.9	15,365	57,890	11.5	17,732	15.4	15.4
LYST	-	-	-	31,908	6.3	4,384	-	-
BtoB business	10,090	2.2	1,642	6,323	1.3	991	-37.3	-39.6
Advertising business	-	-	8,534	-	-	8,944	-	4.8
Subtotal excluding Others	431,914	93.7	140,909	483,138	96.1	150,877	11.9	7.1
Others	29,256	6.3	20,166	19,834	3.9	20,928	-32.2	3.8
Total	461,171	100.0	161,076	502,972	100.0	171,805	9.1	6.7

① ZOZOTOWN business

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

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

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

(Number of shops, etc.)

[Table 3] Changes in the number of shops and brands

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

(Note)

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

2. Private brand “ZOZO” and “Multi-size” are not included.

The number of new shops opened during the third quarter consolidated accounting period of the current fiscal year was 46 (a net increase of 26), while the number of new shops opened during the consolidated cumulative third quarter of the current fiscal year was 124 (a net increase of 63). Major new shops include “MUSINSA,” one of Korea’s leading fashion platforms; “Toys”R”Us” and “Babies”R”Us,” comprehensive specialty retailers for toys and baby products; and “ANDWANG,” an apparel brand that is popular particularly among younger consumers. In addition, the number of brands increased significantly following the opening of MUSINSA.

(Number of annual buyers)

[Table 4] Changes in the number of annual buyers

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

(Note)

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

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

(Annual purchase amount and annual purchase pieces)

[Table 5] Changes in the annual purchase amount and annual purchase pieces

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

(Note)

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

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

(Average retail price, etc.)

[Table 6] Changes in the average retail price, average order value, and number of shipments

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

(Note)

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

During the third quarter consolidated accounting period of the current fiscal year, while list prices of new products stabilized at prior-year levels, the average retail price declined YoY due to an increase in the proportion of items sold on sale. In addition, as the proportion of items sold on sale increased, the attach rate rose and the number of items purchased per order increased; however, the negative impact from the decline in the average retail price outweighed these effects, resulting in a decline in the average order value. The level of investment in the free-shipping measure—offering free shipping for purchases of 12,000 yen or more—was in line with the prior year, and the impact of this measure on increasing the number of items per order remained limited.

i. Outright Purchase/Production & Sales

In the consolidated cumulative third quarter of the current fiscal year, the merchandise value was 2,300 million yen (-24.0% YoY), accounting for 0.5% of the gross merchandise value (0.7% in the same period of the previous fiscal year). Net sales were 2,188 million yen (-23.9% YoY). As of the end of December 2025, the number of shops opened on ZOZOTOWN for Outright purchase/production & sales was 25 (28 as of the end of September 2025).

ii. Consignment Sales

In the consolidated cumulative third quarter of the current fiscal year, the merchandise value was 369,196 million yen (+4.3% YoY), accounting for 73.4% of the gross merchandise value (76.7% in the same period of the previous fiscal year). Net sales (consignment sales commission) were 101,769 million yen (+3.3% YoY). As of the end of December 2025, the number of shops opened on ZOZOTOWN for consignment sales was 1,687 (1,658 as of the end of September 2025).

iii. USED Sales

In the consolidated cumulative third quarter of the current fiscal year, the merchandise value was 15,519 million yen (+6.8% YoY), accounting for 3.1% of the gross merchandise value (3.2% in the same period of the previous fiscal year). Net sales were 14,865 million yen (+6.7% YoY).

② LY Corporation Commerce

LY Corporation Commerce is the combined sales of Yahoo! JAPAN Shopping and Yahoo! JAPAN Auction. We opened the ZOZOTOWN store on Yahoo! JAPAN Shopping, an online shopping mall, and the ZOZOUSUED store on Yahoo! JAPAN Auction, an online auction service, in March 2024. In the consolidated cumulative third quarter of the current fiscal year, the merchandise value was 57,890 million yen (+15.4% YoY), accounting for 11.5% of the gross merchandise value

(10.9% in the same period of the previous fiscal year). Net sales (consignment sales commission) were 17,732 million yen (+15.4% YoY).

③ LYST

LYST operates a business model in which it earns performance-based commissions from partner brands that list their products on the fashion shopping platform “Lyst”. LYST has been included in the consolidated group since May 2025. In the consolidated cumulative third quarter of the current fiscal year, the merchandise value was 31,908 million yen, accounting for 6.3% of the gross merchandise value. Net sales were 4,384 million yen.

④ BtoB business

The BtoB business model includes building and operating brands' e-commerce websites and providing logistics services. In the consolidated cumulative third quarter of the current fiscal year, the merchandise value was 6,323 million yen (-37.3% YoY), accounting for 1.3% of the gross merchandise value (2.2% in the same period of the previous fiscal year). Net sales (consignment sales commission) were 991 million yen (-39.6% YoY). As of the end of December 2025, the number of consigned websites was 28 (29 as of the end of September 2025).

⑤ Advertising business

The advertising business is a business model that generates advertising revenue by providing advertising space to client brands by utilizing the user reach base of ZOZOTOWN and WEAR by ZOZO. In the consolidated cumulative third quarter of the current fiscal year, net sales were 8,944 million yen (+4.8% YoY).

⑥ Others

The segment for “Others” within the gross merchandise value includes 1) the merchandise value of the stores that contracted “ZOZO Option”(recording ended as of September 30, 2025) in the fashion category excluding ZOZOTOWN on Yahoo! JAPAN Shopping (service that enables those stores to get benefits from sales support such as participation in the special events by the Company), 2) the merchandise value from ZOZOMO, the system to support for sending customers to the physical stores from ZOZOTOWN, and 3) the merchandise value of “ZOZOSUIT” which is sold for a fee in the U.S. The merchandise value in the consolidated cumulative third quarter of the current fiscal year was 19,834 million yen (-32.2%), accounting for 3.9% of the gross merchandise value (6.3% in the same period of the previous fiscal year). As to sales of “Others”, sales from businesses related to ZOZOTOWN (shipping income and settlement commission income, etc.), and sales related to the gross merchandise value (Others), which is mentioned above, are included. In the consolidated cumulative third quarter of the current fiscal year, net sales were 20,928 million yen (+3.8% YoY).

(2) Overview of financial position

Overview of total assets, liabilities, and net assets

(Unit: Million yen)

	Previous consolidated fiscal year	Third quarter consolidated accounting period	Increase/ decrease rate
Total assets	187,810	187,629	-0.1%
Liabilities	89,090	92,054	3.3%
Net assets	98,719	95,575	-3.2%

(Total assets)

Total assets amounted to 187,629 million yen, a decrease of 180 million yen (-0.1% from the previous consolidated fiscal year end). Current assets decreased by 26,168 million yen, or 17.8%, compared with the previous consolidated fiscal year end, amounted to 121,226 million yen. Major components are a decrease of 45,039 million yen in cash and deposits, an increase of 667 million yen in merchandise, an increase of 17,168 million yen in accounts receivable, etc. Non-current assets increased by 25,987 million yen, or 64.3%, compared with the previous consolidated fiscal year end, amounted to 66,403 million yen. Major components are an increase of 1,431 million yen in property, plant, and equipment, an increase of 20,913 million yen in goodwill, and a decrease of 208 million yen in investments and other assets, etc.

(Liabilities)

Liabilities amounted to 92,054 million yen, an increase of 2,963 million yen (+3.3% from the previous consolidated fiscal year end). Current liabilities increased by 1,343 million yen, or 1.7%, compared with the previous consolidated fiscal year end, amounted to 81,172 million yen. Major components are an increase of 9,161 million yen in deposits received for consignment sales, a decrease of 5,766 million yen in income taxes payable, and a decrease of 2,823 million yen in provision for bonuses, etc. Non-current liabilities increased by 1,619 million yen, or 17.5%, and amounted to 10,881 million yen compared with the previous consolidated fiscal year end. Major components are an increase of 153 million yen in asset retirement obligations and an increase of 396 million yen in retirement benefit liability, etc.

(Net assets)

Net assets amounted to 95,575 million yen, a decrease of 3,143 million yen (-3.2% from the previous consolidated fiscal year end). Major components are an increase of 36,976 million yen due to the recognition of profit attributable to owners of parent, and a decrease of 32,837 million yen due to cash dividends.

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

There is no change in the consolidated business forecast announced on July 31, 2025

2. Consolidated financial statements

(1) Quarterly consolidated balance sheet

(Unit: Million yen)

	Previous consolidated fiscal year (As of March 31, 2025)	Third quarter consolidated accounting period of current fiscal year (As of December 31, 2025)
Assets		
Current assets		
Cash and deposits	91,486	46,446
Accounts receivable-trade	49,453	66,621
Merchandise	2,605	3,273
Raw materials and supplies	44	48
Others	3,805	4,835
Total current assets	147,394	121,226
Non-current assets		
Property, plant and equipment	25,447	26,879
Intangible assets		
Goodwill	668	21,582
Others	2,769	6,619
Total intangible assets	3,437	28,201
Investments and other assets	11,530	11,322
Total non-current assets	40,415	66,403
Total assets	187,810	187,629
Liabilities		
Current liabilities		
Accounts payable-trade	189	220
Deposits received for consignment sales	28,850	38,012
Short-term borrowings	20,000	20,000
Income taxes payable	12,423	6,657
Provision for bonuses	3,033	210
Provision for bonuses for directors	73	72
Provision for loss on business liquidation	-	320
Others	15,257	15,678
Total current liabilities	79,828	81,172
Non-current liabilities		
Retirement benefit liability	4,787	5,183
Asset retirement obligations	4,339	4,493
Provision for loss on liquidation of affiliates	126	126
Others	9	1,078
Total non-current liabilities	9,262	10,881
Total liabilities	89,090	92,054

(Unit: Million yen)

	Previous consolidated fiscal year (As of March 31, 2025)	Third quarter consolidated accounting period of current fiscal year (As of December 31, 2025)
Net assets		
Shareholders' equity		
Common stock	1,359	1,359
Capital surplus	1,521	1,328
Retained earnings	106,787	101,823
Treasury stock	-11,581	-11,039
Total shareholders' equity	98,087	93,471
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	80	105
Deferred gains or losses on hedges	-9	16
Foreign currency translation adjustment	171	1,606
Accumulated remeasurements of defined benefit plans	389	375
Total accumulated other comprehensive income	632	2,103
Stock acquisition rights	0	-
Total net assets	98,719	95,575
Total liabilities and net assets	187,810	187,629

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

Quarterly consolidated statement of income

Cumulative consolidated results for the third quarter

(Unit: Million yen)

	Consolidated cumulative third quarter of previous fiscal year (April 1, 2024 to December 31, 2024)	Consolidated cumulative third quarter of current fiscal year (April 1, 2025 to December 31, 2025)
Net sales	161,076	171,805
Cost of sales	11,014	11,428
Gross profit	150,062	160,377
Selling, general and administrative expenses	98,301	105,455
Operating profit	51,761	54,921
Non-operating income		
Interest income	21	83
Received rent	2	2
Operations support fee	4	4
Income from recycling	40	45
Subsidy income	13	10
Gain on unused points	113	112
Others	15	16
Total non-operating income	210	275
Non-operating expenses		
Interest expenses	85	198
Rent expenses	2	2
Commissions expenses	-	20
Foreign exchange losses	10	227
Loss on investments in partnership	44	45
Total non-operating expenses	142	493
Ordinary profit	51,829	54,702
Extraordinary income		
Gain on sale of non-current assets	4	1
Gain on liquidation of affiliates	61	-
Total extraordinary income	66	1
Extraordinary losses		
Loss on sale and disposal of fixed assets	104	46
Impairment loss	-	326
Loss on business liquidation	-	380
Loss on liquidation of affiliates	138	-
Total extraordinary loss	243	753
Profit before income taxes	51,652	53,950
Income taxes-current	14,729	16,152
Income taxes-deferred	979	821
Total income taxes	15,708	16,974
Net profit	35,943	36,976
Net profit attributable to owners of parent	35,943	36,976

Quarterly consolidated statement of comprehensive income
Cumulative consolidated results for the third quarter

(Unit: Million yen)

	Consolidated cumulative third quarter of previous fiscal year (April 1, 2024 to December 31, 2024)	Consolidated cumulative third quarter of current fiscal year (April 1, 2025 to December 31, 2025)
Net profit	35,943	36,976
Other comprehensive income		
Valuation difference on available-for-sale securities	20	24
Deferred gains or losses on hedges	-8	25
Foreign currency translation adjustment	27	1,418
Remeasurements of retirement benefit plans	30	-13
Total other comprehensive income	69	1,454
Quarterly comprehensive income	36,013	38,430
(Comprehensive income attributable to)		
Quarterly comprehensive income attributable to owners of parent	36,013	38,430

(3) Notes on quarterly consolidated financial statements

(Notes on the going concern assumption)

Not applicable.

(Notes on significant changes in shareholders' equity)

(Acquisition of treasury shares)

Based on the resolution of the Board of Directors dated April 30, 2025, the Company acquired 6,541,500 treasury shares. As a result, treasury stock increased by 9,999 million yen during the consolidated cumulative third quarter of the current fiscal year.

(Cancellation of treasury shares)

Based on the resolution of the Board of Directors dated April 30, 2025, the Company cancelled 9,390,171 treasury shares. Accordingly, capital surplus and treasury stock decreased by 10,535 million yen, respectively, during the consolidated cumulative third quarter of the current fiscal year. As a result of the cancellation of treasury shares, the balance of other capital surplus turned negative. Accordingly, the entire negative balance was offset by other retained earnings, and the balance of other capital surplus was reduced to zero.

(Notes on segment information)

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

(Notes on statement of cash flows)

Quarterly consolidated statement of cash flows for the consolidated cumulative third quarter of the current fiscal year has not been prepared. Depreciation and amortization (including amortization related to intangible assets excluding goodwill), and amortization of goodwill for the consolidated cumulative third quarter of the current fiscal year are as follows:

	Consolidated cumulative third quarter of previous fiscal year (April 1, 2024 to December 31, 2024)	Consolidated cumulative third quarter of current fiscal year (April 1, 2025 to December 31, 2025)
Depreciation and amortization	3,253 Million yen	3,912 Million yen
Amortization of goodwill	188 Million yen	1,625 Million yen

DISCLAIMER:

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