

1Q FY03/21 Financial Results Presentation

CROOZ

CROOZ, Inc.

TSE JASDAQ Standard; Code 2138

Key strategies for CROOZ

- 1 Make SHOPLIST a brand that represents fast fashion e-commerce
- 2 Invest in new businesses to create second and third core businesses after SHOPLIST
- 3 Adopt two-pronged strategy for new businesses: (1) new launches within group, and (2) M&A
- 4 100 managers x JPY10.0bn business*
- 5 Make investments to maximize sales so long as this does not push operating profit or net profit into the red

Key strategy for SHOPLIST

Key strategy	Make SHOPLIST a brand that represents fast fashion e-commerce			
Medium- to long-term targets	Annual sales JPY 100.0 bn	Annual unique purchasers 5 mn	Average annual spend per user JPY 20,000	Annual frequency of purchases per user 4 times
Q1 FY03/21	JPY 24.5 bn (FY03/20 result)	1.79 mn	JPY 13,459 *	2.43 times *

* Figures are updated at the end of each fiscal year. Figures for Q1 FY03/21 are as of end-March 2020.

Consolidated results summary

(million yen)

	Q1 FY03/20	Q1 FY03/21	YoY
Transaction value	8,495	8,694	+2.3%
Sales	8,144	8,704	+6.9%
Operating profit	(347)	625	—
EBITDA	(221)	725	—

Segment results summary

(million yen)

	Q1 FY03/20		Q1 FY03/21	
	Sales	Operating profit	Sales	Operating profit
SHOPLIST Business	6,239	(17)	6,572	585
IT Businesses	571	75	584	99
Advertising Agency Businesses	754	19	723	40
Investment Businesses	61	(17)	51	(30)
Media Businesses	112	(155)	298	41
Other Businesses	405	(252)	473	(112)

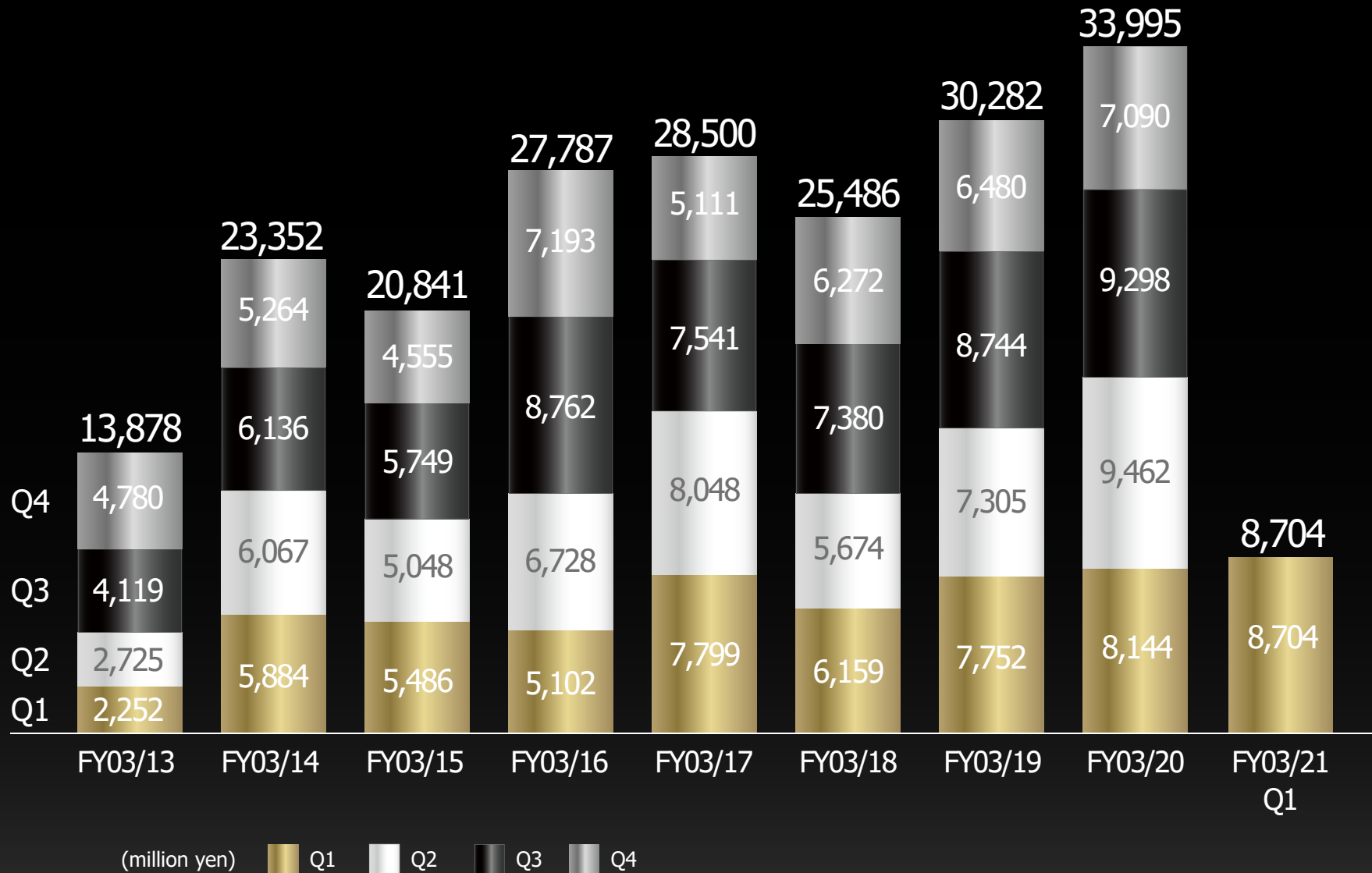
* As of FY03/20 "Advertising Agency Business" and "Investment Business", as of FY03/20 Q4 "Media Business" which were previously grouped under "Other Businesses" have been separated due to being recognized as important segments.

Consolidated balance sheet summary

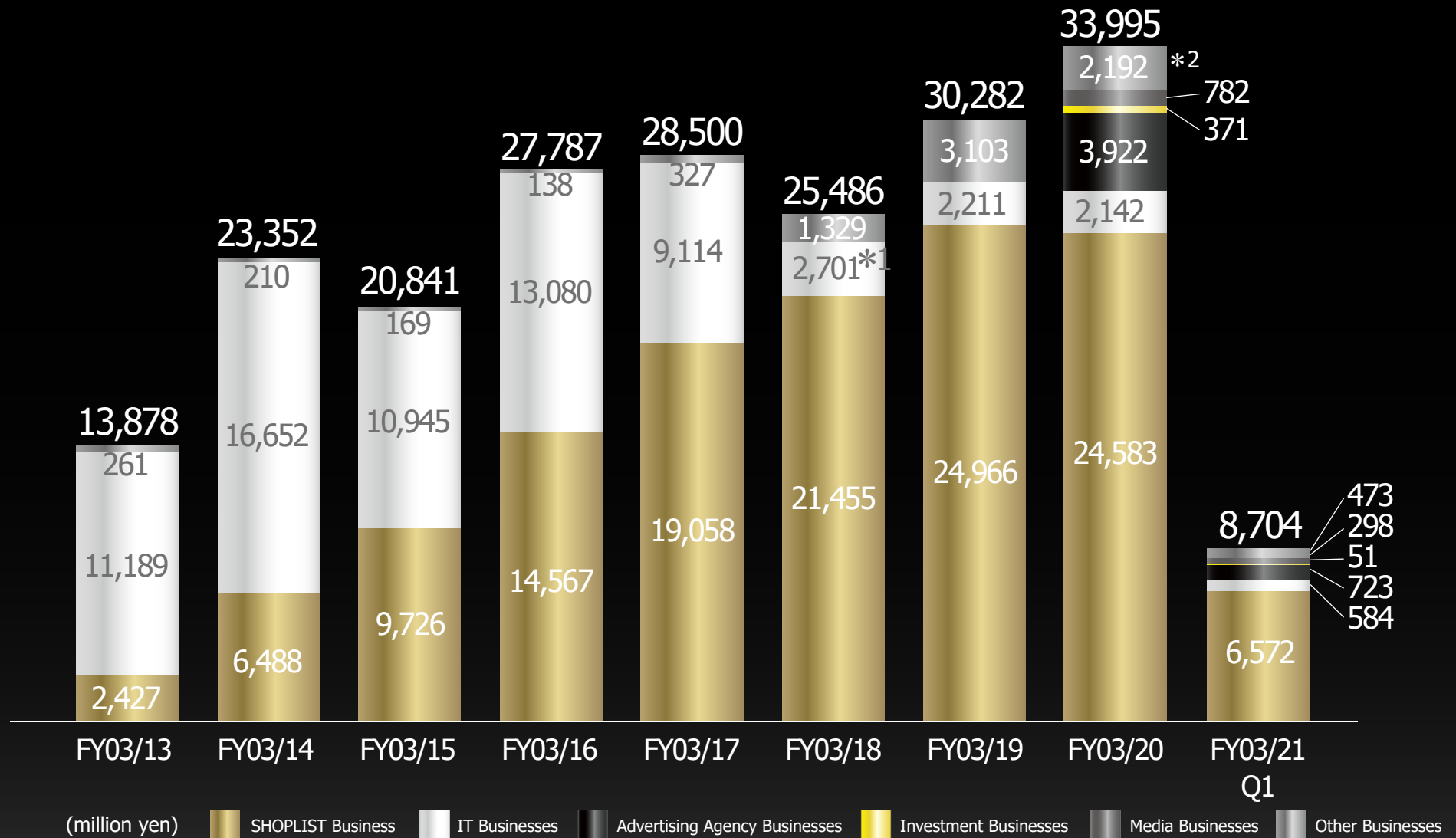
(million yen)

	Q4 FY03/20	Q1 FY03/21	YoY
Current assets	20,835	22,167	6.4%
Cash and deposits	13,532	14,259	5.4%
Non-current assets	4,943	5,067	2.5%
Goodwill	468	262	−44.0%
Total assets	25,947	27,398	5.6%
Current liabilities	6,430	7,627	18.6%
Non-current liabilities	11,243	11,192	−0.5%
Total liabilities	17,674	18,819	6.5%
Total net assets	8,273	8,579	3.7%

Sales trends



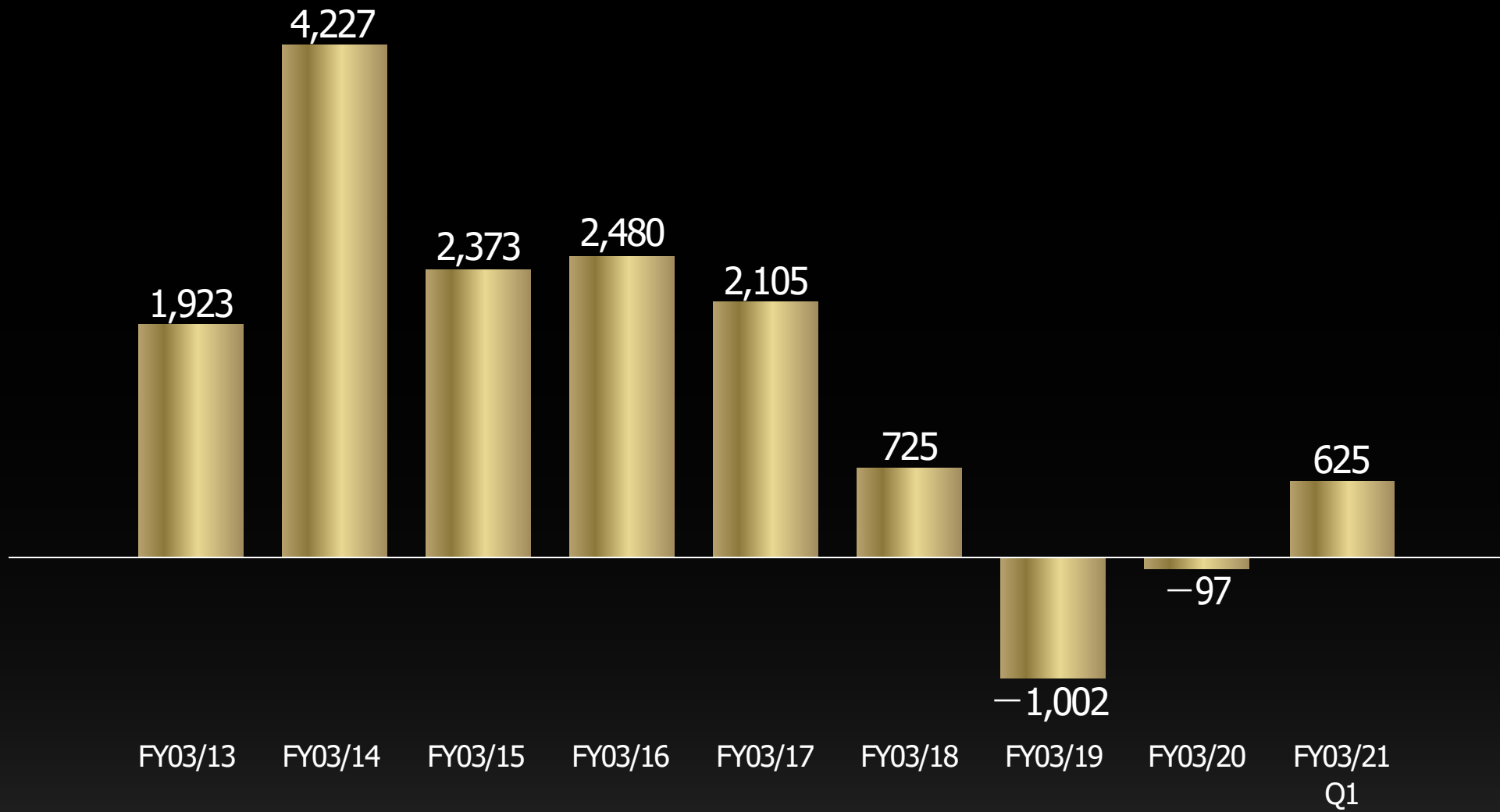
Sales trends (by segment)



*1 In November 2016, CROOZ sold the bulk of its IT Businesses operations, retaining only a portion of the business.

*2 As of FY03/20 "Advertising Agency Business" and "Investment Business", as of FY03/20 Q4 "Media Business" which were previously grouped under "Other Businesses" have been separated due to being recognized as important segments.

Operating profit trends



Ultralong objective for CROOZ

Ultralong objective	Expand market cap to JPY1tn by 20XX			
Medium- to long-term targets	SHOPLIST annual sales JPY 100.0 bn	Second and third businesses after SHOPLIST 10	Businesses with sales of JPY1.0bn or more 100	Representative directors 100
Q1 FY03/21	JPY 24.5 bn (FY03/20 result)	0	6 *	24

* Includes businesses expected to generate sales of JPY1.0bn or more over the medium to long term.

Investment strategy concerning new businesses

We will secure further growth for our core business, "SHOPLIST.com by CROOZ," a fashion e-commerce platform. At the same time, we will consider Group synergies while actively conducting investment related to new businesses, including investment aimed at acquiring businesses associated with fashion and e-commerce.

Overview of the CROOZ Group

The CROOZ GROUP comprises the pure holding company CROOZ, Inc., and the present 24 subsidiaries.

E-commerce field	<p>CROOZ SHOPLIST, Inc. Planning, development, and operation of fashion e-commerce platform SHOPLIST.com by CROOZ</p> <p>CROOZ EC Partners, Inc. Solutions business handling e-commerce website system development, contracted operation, fulfilment, etc.</p>
Media field	<p>Rank King, Inc. Planning, development, and operation of e-commerce-related media platform Rank King, etc.</p>
Advertising field	<p>CROOZ Media Partners, Inc. Agency business mainly handling advertising and media</p>
Social games field	<p>StudioZ, Inc. Planning, development, and operation of smartphone games</p>
Investment/ financing field	<p>Sevenwoods Investment, Inc. Investment business focused on domestic and overseas startups</p>

* As of June 30, 2020, CROOZ had also set up 18 other subsidiaries. These are not listed above because the impact and probability of success for these ventures are unclear at present. If there is any progress with related initiatives, we will provide reports through appropriate channels such as press releases and results briefing materials.

* Venture capital funds such as Sevenwoods Investment 1 Limited Partnership etc are excluded from numbers of subsidiaries above.

Glossary

	Meaning / definition
EBITDA	Operating profit that excludes M&A-related goodwill amortization and other non-recurring factors
Annual unique purchasers	The number of unique purchasers that have purchased products from SHOPLIST at least once in the most recent year * If a user purchases items on four separate occasions during the period, that user is still counted as one unique purchaser.
Vision for Continual Evolution	A framework to create the strongest company organization through an ecosystem of people, equipment, and money, and facilitate (1) the creation and growth of next-generation businesses, (2) the development and growth of next-generation managers, and (3) continued development at the pace of a venture company

The CROOZ Group operates in a business environment that is susceptible to major changes, and aggressively engages in new businesses and businesses distinguished by a high degree of novelty.

This makes it difficult to calculate appropriate and reasonable forecasts, and the Group has therefore not disclosed earnings forecasts since FY03/15.

The material herein contains medium- to long-term plans and forecasts made by CROOZ.

The information contained in these pages is not intended to guarantee the future business results of the company and bears certain risks and uncertainties.

As future business results can be affected by various factors and may change from the company outlook, we ask the reader to refrain from relying solely on the information presented herein.