



LOCONDO.jp

# COMPANY INTRODUCTION

JADE GROUP, Inc.

[Updated] 2023.06.01

## Innovation to the industry and freedom to customers

Yusuke Tanaka, founder of JADE GROUP, first met with Zappos, the 1<sup>st</sup> shoe EC in the world, while he was studying MBA course in the US. When he came back to Japan, he co-founded JADE GROUP in Japan from 2010 in order to expand the great service with free shipping & return shipping service in Japan.

Before JADE GROUP, many companies couldn't start the similar service because the break-even point of shoe EC is too high; 10 billion JPY (\$100 Million). As expected, JADE GROUP had suffered from many financial crisis between 2010 and 2015, but became profitable in 2016 and went to Tokyo Growth market (IPO) in 2017.

What JADE GROUP has learned and realized is that JADE GROUP has to provide “innovational service” not only to customers but to shops/brands in order to realize free and fun shopping.

Why? The reason is that in Japan, consignment contract is common, and therefore, JADE GROUP has to increase brands' inventory cycle in order to have more inventories in its warehouse. The solution of increasing the inventory cycle is “inventory sharing (inventory centralization)” not only among various EC malls but among EC mall, offline stores and wholesales.

JADE GROUP continues to provide innovation to the fashion industry and free & fun shopping to customers.

# CEO & founder: Yusuke Tanaka

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2003: After graduation of Hitotsubashi university in Japan, joined McKinsey & Company Japan as a management consultant.

2007: Became Manager of retail and consumer packaged goods group at McKinsey.

2009: Graduated fulltime MBA course at UC Berkeley (Haas School of Management) in the US.

2011: Co-founded JADE GROUP and became CEO from 2012.

2017: JADE GROUP went public at Tokyo Growth Market (IPO)



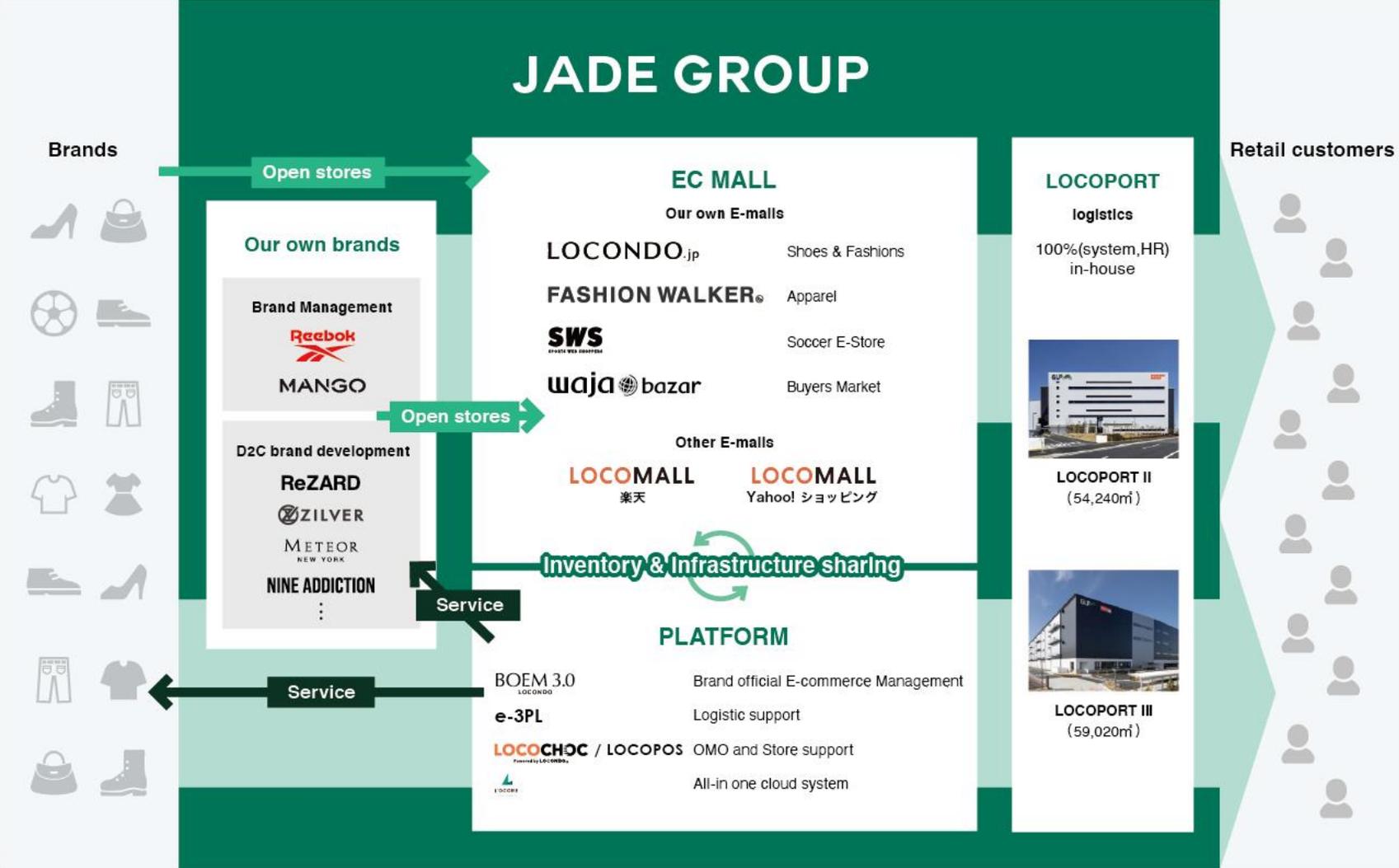
## Service video of LOCONDO (YouTube)

You can see summary of LOCONDO services at the YouTube video below.  
(This video was made in 2017, so some info is not updated…)



<https://www.youtube.com/watch?v=ZU8uE800PR4>

# Business Summary



# Business model “ecosystem” that consists of the 3 businesses

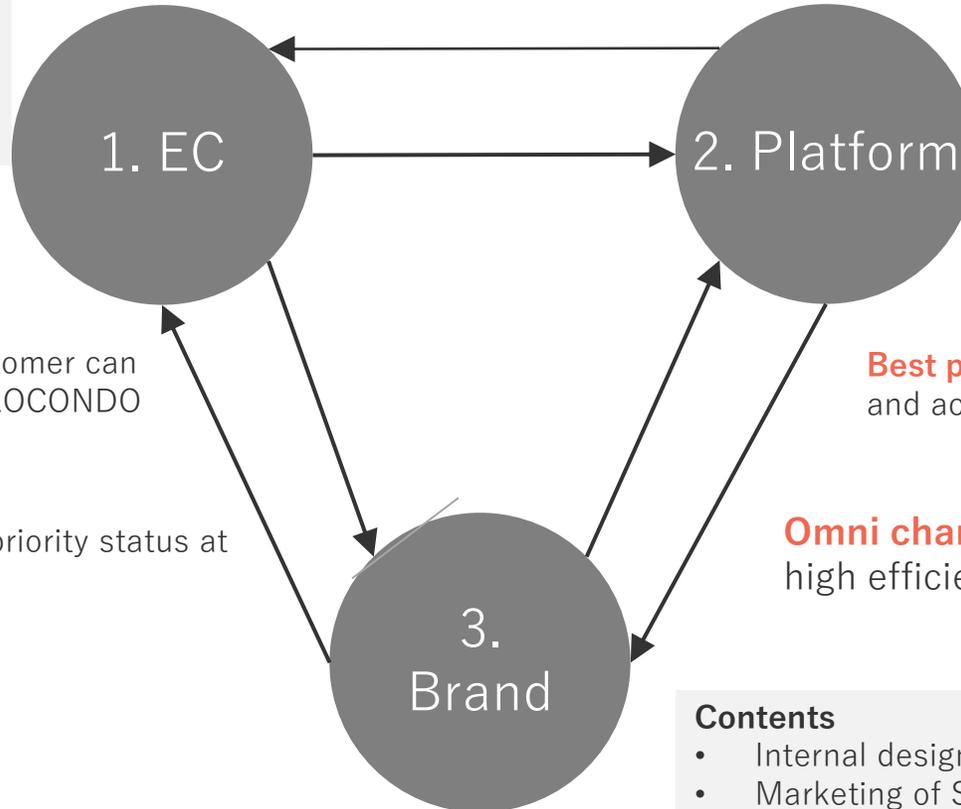
JADE GROUP has 3 businesses **connected complementary** and the ecosystem creates our own **competitiveness**.

**Sharing inventories:** Sell offline inventories at EC

**Sharing infrastructure:** Share logistic & IT infrastructure and realize low-cost & high-quality operation

## Contents

- High recognition as **free return shipping EC**
- Many assortments of ladies' shoes



## Contents

- **Omni store** IT & logistic platform
- **Total solution** that can realize perfect DX through all distribution channels

**Only at Locondo:** Customer can buy the brand only at LOCONDO

**Branding:** Enjoy priority status at LOCONDO

**Best practice:** Build success stories and accelerate others to join

**Omni channel & DX:** Realize high efficiency to the brand.

## Contents

- Internal design & **high-speed** production.
- Marketing of SNS, especially **YouTube**

## Growth driven by the structure

- In-house operation enables us to realize state of art, agile and the best practice at marketing, inventory management and service originality

## OMO support

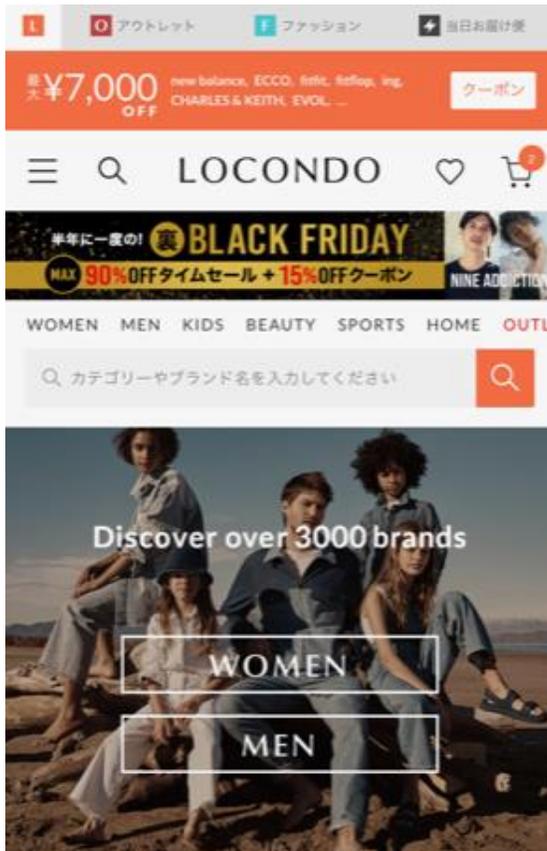
- Supporting creating EC site, efficient inventory management between EC and store (OMO), and professional operation to the enterprises who has less capability at EC or OMO

## Smooth PMI

- Our full-line in-house platform for OMO/EC operation enables us to realize the smooth PMI (complete M&A immediately) and efficient operation (both at operation and financial) at post merger

# 1. EC MALL Business

JADE GROUP has own EC mall (LOCONDO, FASHION WALKER, SWS and waja) and stores in other companies' EC mall such as Rakuten and Yahoo! Promote business expansion by “increase in number of members” through effective web advertising operations and “increase in the product lineup” including category expansion



LOCONDO.jp



FASHION WALKER



LOCOMALL Rakuten



LOCOMALL Yahoo!

# 1. EC MALL – LOCONDO.jp –

## 1 Can try fashion at EC



FREE size exchange and return (some exceptions).

Customers can try items at home for 21 days.

**Even though customers can return easily, our return rate (February, 2023) is 21% because we show detail data for size at LOCONDO.jp**

## 2 Various shipping services



Various shipping services such as **(1) Same day (2) Next day, (3) Don't hurry up**

Customers can receive the same amount of points with the shipping fee if they buy 8,000 JPY or more.

## 3 Concierge



Our fulltime concierge help all the customers' questions by our original chat system.

They help customers by working together with our logistics, sourcing & studio staff.

# 1. EC MALL – LOCONDO.jp –

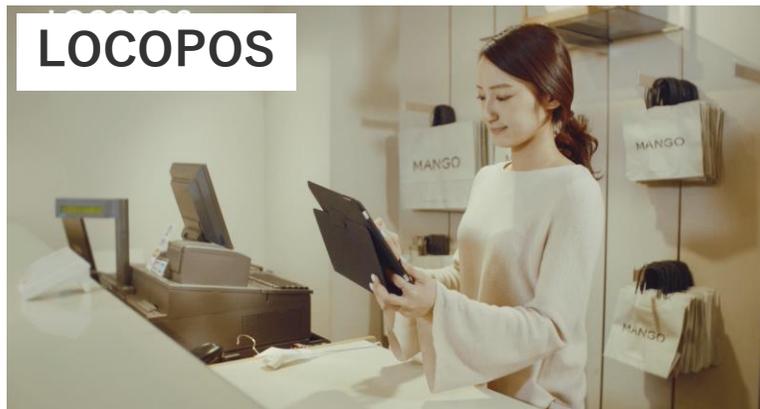
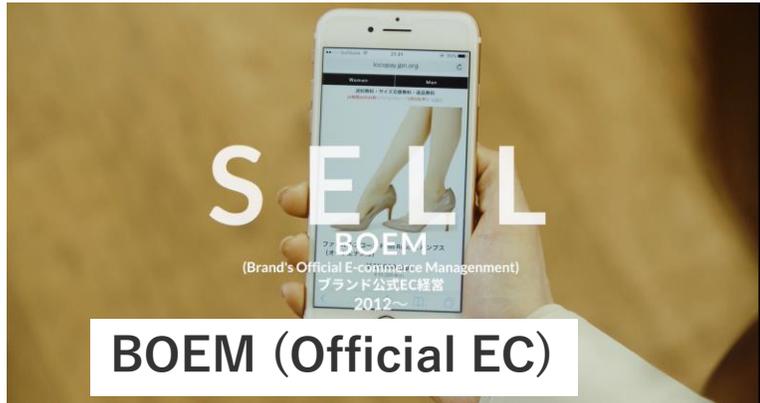
30-40 ladies in the city area is the core customer segment at LOCONDO. Average price is 7,000 JPY (\$70); the price is higher than that of other EC malls

The screenshot displays the LOCONDO.jp website interface. At the top, an orange banner features a 'WEEKLY COUPON' for a maximum of ¥9,000 OFF, with a list of brands including adidas, HUNTER, ECCO, RUCO LINE, EVOL, RABOKIGOSHI works, ing, and FABBYFABBY. A '期間限定クーポン' (Limited Time Coupon) is also advertised, valid until June 21st at 23:59. The main navigation bar includes the LOCONDO logo and links to OUTLET (LOCOLET), FASHION WALKER, and 2 O'CLOCK. Utility icons for a guide, contact, user profile, heart, and shopping cart are present. A blue promotional banner for '夏の先行SALE' (Summer Pre-Sale) offers up to 90% off. Below this, a navigation menu lists categories like WOMEN, MEN, GIRLS, BOYS, BEAUTY, SPORTS, HOME, and OUTLET. A search bar is located to the right of the menu. The main content area features a large banner for 'RUCOLINE 2021 SUMMER COLLECTION' with a 'MAX 30% OFF' sale. The banner includes the 'agile by RUCOLINE' logo and a photograph of a woman in athletic wear.

## 2. PLATFORM

Providing various systems and services that enable centralization of inventories and integration of digital information through DX (Digital Transformation)

Promoting "ALL-IN-ONE Package" implementing all the services below and bring perfect omni strategy.



# 3. BRAND

There are two major brand businesses, the “brand management business”, which is mainly developed as an exclusive agency or as the licensee for overseas brands, and the “D2C (Direct To Consumer) brand development business,” which is developed in-house in collaboration with influencers.

## Brand Management Business



## D2C Brand Development Business

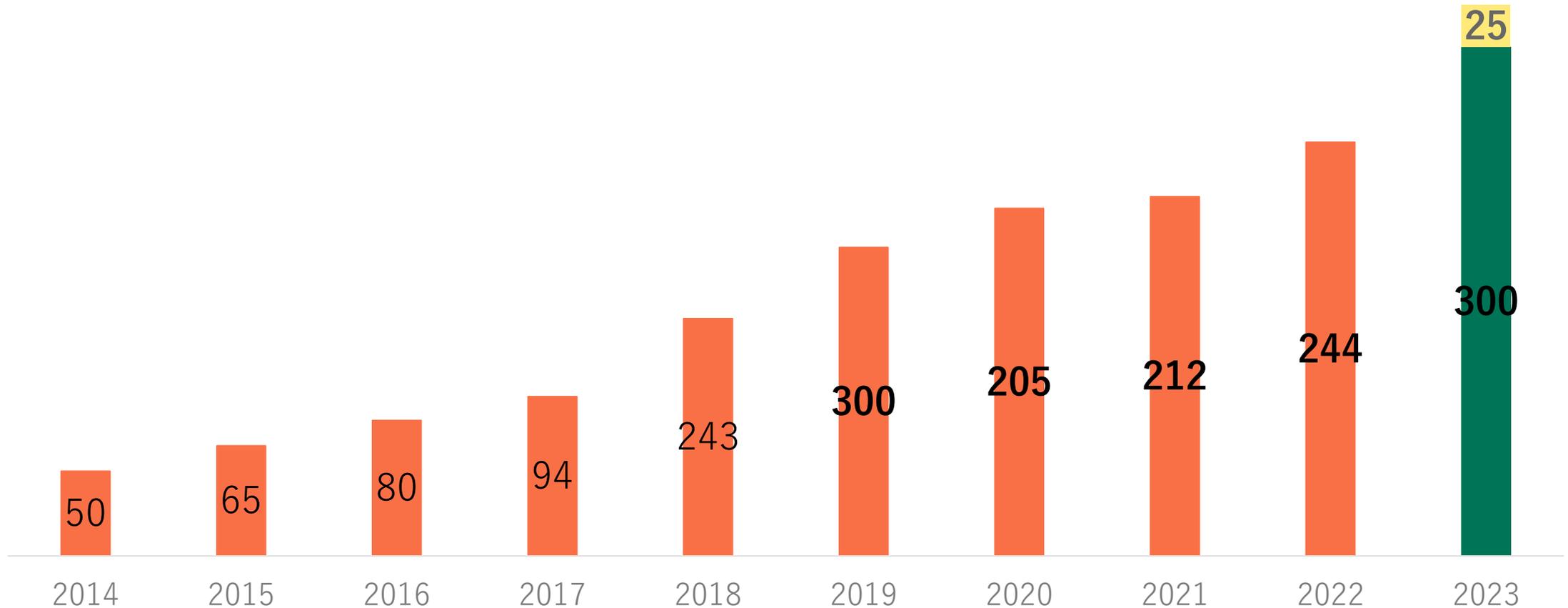


ロコンドチャンネル  
チャンネル登録者数 10.2万人



# GMV Results and plan (unit: JPY 100MM)

GMV has exceeded JPY 20Bn and plan to reach JPY 30Bn in FY23



## Other financial info (February, 2023)

Healthy finance with profit.

EBITDA  
1.2 B JPY

Loan  
0.6B JPY\*

Net asset  
5.9 B JPY

Equity ratio  
58%

\* RBKJ funded from Itochu Corp. Debt-free management substantially

# BOARD members

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JADE GROUP board members are Yusuke Tanaka, CEO, and 3 other outside board members who are professional in legal, technology and finance/SDGs arena. Board enhances governance including BCP (Business Continuity Plan) for various scenarios.

## **Satoshi Hirota**

Lawyer.

## **Tomoya Suzuki**

Venture capitalist.

## **Atsuko Ochiai**

Financial expert at Nomura and Goldman Sachs (Tokyo, London and Hong Kong).

Experiences at NGO.

Professional coach.

# JADE GROUP warehouse – LOCONDO –

JADE GROUP rent warehouse from GLP, but manages all the operation in the warehouse by itself; all the stuff is operated by JADE GROUP full-time and part-time staff.

JADE GROUP has 2 warehouses in Yachiyo-shi, Chiba, and those are close; 5 minutes by walking.

The 1<sup>st</sup> one was built in 2020 and the 2<sup>nd</sup> one in 2021. Both are new warehouses against fire, flood and various natural disasters.

It has 110,000 m2 at total.

Around 500 members are working in the new warehouses with new machines & IT systems.



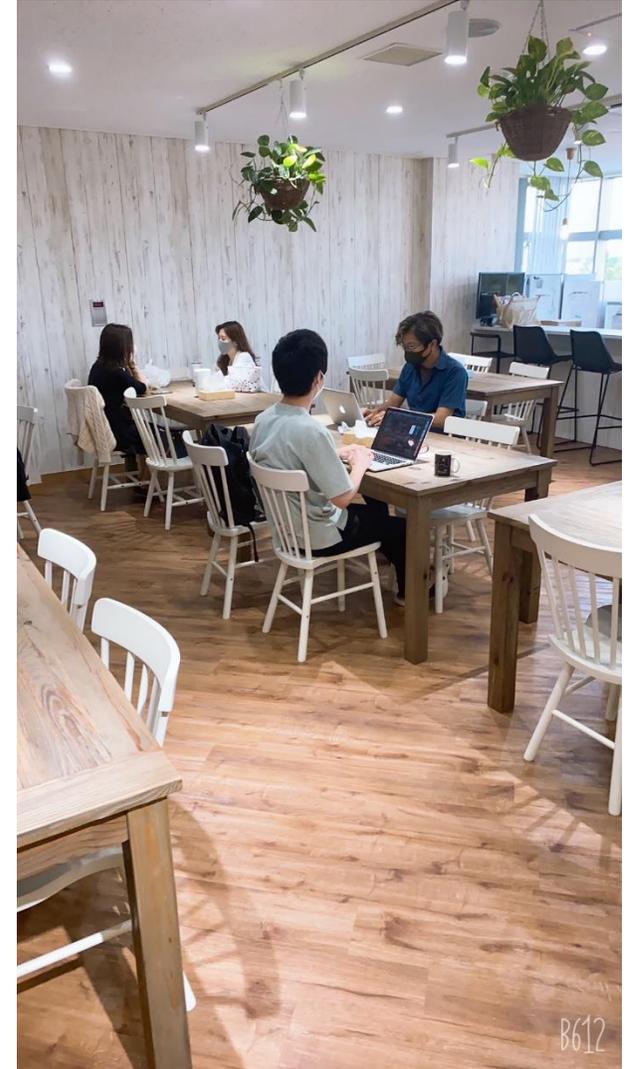
# Internal IT development

JADE GROUP engineers developed not only WMS (Warehouse Management System) in LOCOPORT but all the system such as EC system, admin system and platform services.

JADE GROUP policy is “100% internal development and operation”.

The internal policy (excluding shipping from warehouse to home) enables high quality, low costs and high speed.

Our professional engineers meet brands' various needs.



# Environment for JADE GROUP Team

100 people in the headquarter (Shibuya-ku, Tokyo) and 500 people in LOCOPORT are working for JADE GROUP.

JADE GROUP provides comfortable environment and welfare for the team in order to enable them to provide high satisfaction to customers and brands.



LOCOPORT lunch room

# Community (SDGs) and environment

In the 1<sup>st</sup> floor of LOCOPORT, JADE GROUP has community space for people in Yachiyo-shi.

It has kitchen (IH cooking heater) and it is used for some meetings and various lessons.

In addition, the new warehouses has LED lights and solar power for environment.



LOCOPORT  
community space

