



August 13, 2021

Dear All,

**Notice Concerning Company Split (simplified absorption-type company split) with a wholly owned subsidiary (ZOZO Technologies, Inc.) and change of trade name of the split company**

ZOZO, Inc. (hereinafter, referred to as the "Company") made a resolution at the Board of Directors held today, to implement a company split (hereinafter referred to as the "Company Split") in which all businesses except for R&D of technologies, of ZOZO Technologies, Inc. (hereinafter, referred to as "ZOZOTECH"), a wholly owned subsidiary of the Company, will be split off and succeeded to the Company, and to change the trade name of ZOZOTECH to "ZOZO NEXT, Inc." as follows. Since the Company Split is the simplified absorption-type company split between the Company and its wholly owned subsidiary, information and details disclosed are omitted partially.

**1. Purpose of the Company Split**

The Company Split will be implemented in order to consolidate all divisions except for the technology R&D division, of ZOZOTECH which operates the services and develops technology of the Company group, to the Company. The integration of our planning and ZOZOTECH's development departments will strengthen the cooperation and realize faster decision-making and business development, thereby improving our service level and increasing corporate values of our group.

**2. Detail of the Company Split**

(1) Outline of the Company Split

① Schedule of the Company Split

Date of resolution by the Board of Directors (each company) August 13, 2021

Conclusion of the Absorption-type Company Split Agreement (each company) August 13, 2021

Effective date of the Absorption-type Company Split October 1, 2021 (planned)

(NOTE) The Company Split is a simplified split that meets the requirements of Article 796, paragraph 2 of the Companies Act from the perspective of the Company, and a short-form split that meets the requirements of Article 784, paragraph 1 of the Companies Act from the perspective of ZOZOTECH. Accordingly, neither of the two companies will hold a shareholders' meeting to gain approval for the Company Split.

② Method of the Company Split

This is an absorption-type company split with ZOZOTECH as a split company and the Company as a succeeding company.

③ Details of allotment related to the Company Split

Since the Company owns all the issued shares of ZOZOTECH, shares and other compensation shall not be allotted or delivered by the Company Split.

④ Handling of stock acquisition rights and bonds with stock acquisition rights upon the Company Split

Not applicable.

⑤ Increase or decrease in capital stock due to the Company Split

There is no change in capital stock due to the Company Split.

⑥ Rights and obligations to be succeeded by the succeeding company

The Company shall succeed assets and liabilities related to all businesses except for the R&D of technologies, of ZOZOTECH as of the effective date, to the extent stipulated in the absorption-type company split agreement.

⑦ Prospects of paying debt obligations

The Company considers that there is no problem in the probability of fulfillment of the obligations to be borne by the Company after the effective date of the Company Split.

(2) Outline of the company parties to the Company Split

Item	Succeeding company (As of August 13, 2021)	Split company (As of August 13, 2021)
① Name	ZOZO, Inc.	ZOZO Technologies, Inc.
② Location	15-16 Midori-cho 1-chome, Inage-ku, Chiba-shi, Chiba	15-16 Midori-cho 1-chome, Inage-ku, Chiba-shi, Chiba
③ Title/Name of Representative	Representative Director, President & CEO Kotaro Sawada	CEO Tatsuya Kubota
		CINO (Chief Innovation Officer) Yuki Kanayama
④ Business	Operation of ZOZOTOWN, a fashion eCommerce website etc.	Development of ZOZO Group services and new businesses, R&D mainly operated by ZOZO Research
⑤ Amount of Capital	1,359 million yen	280 million yen
⑥ Date of establishment	May 21, 1998	December 22, 2000
⑦ Number of outstanding shares	311,644,285 shares	43,291 shares
⑧ Fiscal year end	March 31	March 31
⑨ Major shareholders and percentage of shares (NOTE) 1, 2	Z Intermediate Holdings Corporation 50.09%	ZOZO, Inc. 100.00%
	Yusaku Maezawa 13.61%	
	The Master Trust Bank of Japan, Ltd. (Trust Account) 3.09%	
	Custody Bank of Japan, Ltd. (Trust Account) 1.77%	
	JP MORGAN CHASE BANK 385632 0.92%	
⑩ Financial position and operating results	Fiscal year ended March 2021 (Consolidated)	Fiscal year ended March 2021 (Non-consolidated)
Net assets	55,507 million yen	6,730 million yen
Total assets	125,656 million yen	9,410 million yen
Net assets per share	181.53 yen	217,383.59 yen
Net sales	147,402 million yen	10,199 million yen
Operating profit	44,144 million yen	1,270 million yen
Ordinary profit	44,386 million yen	1,367 million yen
Profit attributable to owners of parent	30,932 million yen	942 million yen (Net Profit)
Net profit per share	109.05 yen	21,767.18 yen

(Note)

1. Major shareholders and percentage of shares are based on the shareholders' register as of March 31, 2021.
2. Treasury stock is excluded for calculating the percentages of shares.

(3) Outline of business division subject to the Company Split

① Description of business division subject to the Company Split

The division operates and develops technologies for the existing services of our group in ZOZOTECH.

② Operating results of the division to be split

Since the net sales of ZOZOTECH are recorded based on gross merchandise value of the Company, there are no operating results of the division.

③ Items and amounts of assets and liabilities to be split (as of June 30, 2021)

Assets		Liabilities	
Current assets	1,581 million yen	Current liabilities	832 million yen
Non-current assets	2,835 million yen	Non-current liabilities	699 million yen
Total	4,417 million yen	Total	1,531 million yen

(NOTE) The amounts of assets and liabilities to be split shall be determined by the above amounts and the amount of increase or decrease up to the day before the effective date of the Company Split.

(4) Post-Company Split status

There is no change in the Company's name, location, title and name of the representative, business, capital stock, and fiscal year end after the Company Split. After the Company Split, the split company will change its trade name to "ZOZO NEXT, Inc." (The partial amendment of the articles of incorporation regarding the change of trade name was approved at the extraordinary general meeting of shareholders of ZOZOTECH held today) and promote R&D of technologies, and product development together with other overseas subsidiaries within our group.

(5) Future outlook

The Company Split will be implemented between the Company and its wholly owned subsidiary, and the effect on the Company's consolidated business results is immaterial.

(Reference) Forecast of consolidated business results for the fiscal year ending March 31, 2022 (Announced on April 27, 2021) and consolidated financial results for the previous fiscal year

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Net profit per share
	Million yen	Million yen	Million yen	Million yen	Yen
Forecasts for the Fiscal Year Ending March 31, 2022	162,600	47,800	47,800	33,300	109.05
Results for the Fiscal Year Ended March 31, 2021	147,402	44,144	44,386	30,932	101.30

DISCLAIMER:

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