



January 31, 2023

Dear All,

Notice concerning revision of consolidated business forecast and year-end dividend

In light of the recent trend in business performance, ZOZO, Inc. made a resolution at the Board of Directors held today to revise its consolidated business forecast of the fiscal year ending March 31, 2023 (April 1, 2022 to March 31, 2023) and dividend per share, which was announced on April 27, 2022. Details are as follows:

1. Revisions to consolidated business forecast for the fiscal year ending March 31, 2023 (April 1, 2022 to March 31, 2023)

| | Consolidated net sales | Consolidated operating profit | Consolidated ordinary profit | Profit attributable to owners of parent | Consolidated net profit per share |
|--|------------------------|-------------------------------|------------------------------|---|-----------------------------------|
| | Million yen | Million yen | Million yen | Million yen | Yen |
| Previous forecast (A) | 181,300 | 51,500 | 51,500 | 35,900 | 119.74 |
| Revised forecast (B) | 181,300 | 55,000 | 55,200 | 38,400 | 128.07 |
| Variance in amount (B- A) | 0 | 3,500 | 3,700 | 2,500 | |
| Variance in percentage (%) | 0.0% | 6.8% | 7.2% | 7.0% | |
| (Ref.) Previous fiscal year results (FYE March 2022) | 166,199 | 49,656 | 49,655 | 34,492 | 115.02 |

(Reasons for the revision)

In the fiscal year ending March 2023, as the spread of COVID-19 is slowing down, our business performance has been favorable due to good demand for fashion and apparel products, as a result of the recovery of people's mobility. In addition, significant cost reductions continue to occur due to internal efforts and changes in customer purchasing trends. On the other hand, in the fourth quarter of the current fiscal year, we are also looking at investments for sustainable growth in the next fiscal year and beyond.

Given this situation, we have upwardly revised the consolidated business forecasts of the fiscal year ending March 2023. While gross merchandise value, gross merchandise value (excluding other GMV), and consolidated net sales remain unchanged from the initial plan, operating profit is expected to be 55,000 million yen, exceeding the initial plan of 51,500 million yen (operating profit margin to the gross merchandise value (excluding other GMV) is 10.4%). Net profit attributable to owners of parent is expected to exceed the initial target of 35,900 million yen to 38,400 million yen.

2. Revisions of the year-end dividend

| | Annual dividends | | |
|--|------------------|----------|----------|
| | End of Q2 | Year-end | Total |
| Previous forecast (Announced on April 27, 2022) | 24.00yen | 36.00yen | 60.00yen |
| Revised forecast | | 41.00yen | 65.00yen |
| Current fiscal year results | 24.00yen | | |
| Previous fiscal year results (FYE March 2022) | 22.00yen | 36.00yen | 58.00yen |

(Reasons for the revision)

As for the profit return to shareholders, our group has the basic policy for deliberating and implementing profit return by balancing internal reserve through comprehensive consideration of the followings: business performance, financial status, future business and investment plans. Specifically, we set a consolidated payout ratio target of approximately 50%.

In the “Consolidated Financial Results For the fiscal year ended March 31, 2022 [JGAAP] ” which was announced on April 27, 2022, we had forecasted 60 yen per share for year-end dividend. However, we have revised this dividend to 65 yen per share after comprehensive consideration of business performance of this fiscal year, future business and investment plans, and other factors.

We will continue to enhance corporate value and reinforce financial structure and decide the amount of internal reserve and profit return by taking future business expansion etc. into consideration.

(NOTE) Forecast figures in this document are based on judgments from information available as of the date of the announcement of this document. Actual results may differ from these forecasts due to various uncertainties.

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