

Dear All,

Notice concerning revision of year-end dividend forecast and decision of dividend from surplus (interim dividend)

ZOZO, Inc. made a resolution at the Board of Directors held today to revise its dividend forecast per share for the fiscal year ending March 31, 2024, and payment of the dividends from surplus with the record date of September 30, 2023.

1. Reasons for the revision of year-end dividend forecast and dividend from surplus (interim dividend)

As for 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.

We re-examined based on the analysis of current situation and future forecasts, based on a request by Tokyo Stock Exchange, Inc. in the “Action to Implement Management that is Conscious of Cost of Capital and Stock Price” announced on March 31, 2023.

Our group has been maintaining high return on equity however, we deemed maintaining the current level of consolidated dividend payout ratio will lower capital efficiency in the future. Thus, we set out a policy to actively return surplus funds more to our shareholders. Specifically, we will raise the consolidated dividend payout ratio target from current 50% to 70%.

We had forecasted 71 yen per share for year-end dividend in the “Consolidated Financial Results For the Fiscal Year Ended March 31, 2023 [JGAAP]” however, based on the change of policy described above, we have revised to 98 yen per share.

Also, as for the interim dividend, we revised to 49 yen per share.

We will continue to maintain healthy financial position as well as to further improve corporate value, and decide the amount of internal reserve and profit return by taking future business expansion, etc. into consideration.

2. Details of the revision of year-end dividend forecast

	Annual dividends (yen)		
	End of Q2	Year-end	Total
Previous forecast (Announced on April 27, 2023)	28.00	43.00	71.00
Revised forecast		49.00	98.00
Current fiscal year results	49.00		
Previous fiscal year results (FYE March 2023)	24.00	41.00	65.00

2. Details of the dividend from surplus (interim dividend)

	Amount resolved	Most recent dividend forecast (announced on April 27, 2023)	Previous year results (FYE March 31, 2023)
Record date	September 30, 2023	Same as left	September 30, 2022
Dividends per share	49.00 yen	28.00 yen	36.00 yen
Total dividends	14,703 million yen	-	7,196 million yen
Effective date	November 27, 2023	-	November 28, 2022
Dividend resource	Retained earnings	-	Retained earnings

3. Future policy

Today, we resolved the repurchase of own shares from November 1, 2023 to March 1, 2024, with total amount of repurchase price of 10 billion yen (maximum), and with total number of repurchase of 5 million shares (maximum). After repurchasing with maximum amount or number of shares, return on equity of the ongoing fiscal year is expected to be 53.1% (For detail, please see the timely disclosure titled “Notice concerning repurchase of own shares (Repurchase of own shares under the provisions of the Articles of Incorporation pursuant to Article 459, Paragraph 1 of the Companies Act)” disclosed today).

If there are surplus funds in the future, we will consider the ongoing repurchase of own shares, taking into account the liquidity and stock price situation. Our goal is to maintain a total return ratio of generally over 80% on a 5-year average. In addition to increasing dividends and share buybacks, we will also explore fundamental initiatives to achieve capital returns exceeding the cost of capital consistently, to attain sustainable growth of the company.

DISCLAIMER:

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