



April 25, 2019

Dear All,

### **Notice Concerning the Recording of Extraordinary Loss**

ZOZO, Inc. (hereinafter, referred to as the "Company") made a resolution at the special meeting of the Board of Directors held on April 25, 2019, to record extraordinary loss for the Fiscal Year Ended March 31, 2019. Details are set out below:

#### **1. Detail of Extraordinary Loss**

From revisiting the overseas business expansion of the Private Brand (hereinafter, referred to as the "PB"), the Company decided to withdraw from its overseas operation. Due to this decision, the Company recorded 98 million yen of impairment loss on non-current assets, 691 million yen of valuation loss on inventory and 822 million yen of loss on liquidation of businesses in consolidated accounting. In non-consolidated accounting, the Company recorded 1,954 million yen of loss on valuation of stocks of sales subsidiaries of the PB, ZOZO Germany GmbH and ZOZO APPAREL USA, Inc., and 760 million yen of loss on business of subsidiaries and affiliates. These losses in non-consolidated accounting were eliminated in consolidated accounting and had no impact on the Company's consolidated financial results.

#### **2. Impact to the Consolidated Financial Results**

The impact from abovementioned matters is reflected to the "Consolidated Financial Results for the Fiscal Year Ended March 31, 2019 [JGAAP]" disclosed today.

**DISCLAIMER:**

This document is summary translation of Japanese version. All readers are recommended to refer the original Japanese version for complete information. In the event of any discrepancy, errors and/or omissions, the Japanese version shall prevail.