

Dear All,

**Notice Concerning Group Organizational Restructure  
(Absorption-type Company Split between Subsidiaries and Absorption-type Merger with Subsidiary)**

ZOZO, nc. (hereinafter, referred to as the “Company”) made a resolution at the Board of Directors held on December 13, 2019, to restructure the group organization among the Company and its wholly-owned subsidiaries as the parties (hereinafter, referred to as the “Reorganization”).

Since the Reorganization will be implemented among the Company and its wholly-owned subsidiaries as the parties, information and details disclosed are omitted partially.

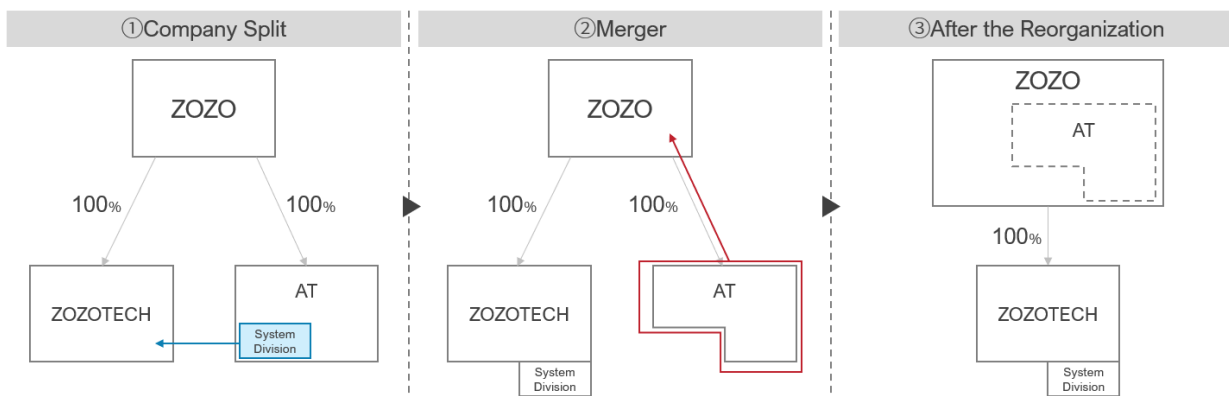
**1. Purpose of the Reorganization**

The Reorganization aims to further improve the corporate value of the entire group, by consolidating the system development function of aratana inc. (hereinafter, referred to as “AT”), which provides eCommerce related technology services and apparel eCommerce website construction services to its business partners, with ZOZO Technologies, nc. (hereinafter, referred to as "ZOZOTECH"), which operates the services and develops the technologies of the Company group, for concentrating system development resources of the group; and by consolidating the business operation function of AT to the Company, each of which enables the Company to realize proposition of more comprehensive apparel eCommerce solutions to business partners, and enhancement of customer support function.

**2. Outline of the Reorganization**

AT’s system division will be transferred to ZOZOTECH in which AT is the split company and ZOZOTECH is the succeeding company (hereinafter, referred to as the “Company Split”). On the same day, an absorption-type merger with the Company being the surviving company and AT being the dissolving company (hereinafter, referred to as the “Merger”) will be implemented.

**※ Diagram of the Reorganization**



### 3. 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)	December 13, 2019
Date of signing the Company Split Agreement (each company)	December 13, 2019
Date of approval by the shareholders' meeting (ZOZOTECH)	January 23, 2020
Effective date	April 1, 2020 (Planned)

(Note) The Company Split is a simplified split pursuant to Article 784, paragraph 2 of the Companies Act from the perspective of AT. Accordingly, AT will not hold a shareholders' meeting in order to gain approval for the Company Split.

##### ② Method of the Company Split

The Company Split is an absorption-type company split with ZOZOTECH as a succeeding company and AT as a split company.

##### ③ Details of allotment related to the Company Split

Shares and other assets shall not be allotted 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 succeeding company will inherit the assets, obligations, contracts and other rights and obligations related to the system development of AT (which is the split company) as of the effective date, to the extent stipulated in the Company Split Agreement.

##### ⑦ Prospect of fulfillment of obligations

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

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

Item	Succeeding company (As of December 13, 2019)	Split company (As of December 13, 2019)
① Name	ZOZO Technologies, nc.	aratana inc.
② Location	52-2, Jingumae-5-chome, Shibuya-ku, Tokyo	CARNO MYAZAK 7F, 4 -8-1 Tachibanadorihigashi, Miyazaki-shi, Miyazaki
③ Title/Name of Representative	President and Representative Director Tatsuya Kubota CNO and Representative Director Yuki Kanayama	CEO Shinji Hamauzu
④ Business	System development, web design, CRM, technology development, R&D, etc.	eCommerce website construction, eCommerce related services such as WEB

		marketing etc.
⑤ Capital stock	280 million yen	99 million yen
⑥ Establishment date	December 22, 2000	May 1, 2007
⑦ Number of outstanding shares	43,291 shares	6,672 shares
⑧ Fiscal year end	March 31	March 31
⑨ Major shareholders and percentage of shares	ZOZO, nc. 100%	ZOZO, nc. 100%

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

① Description of business division subject to the Company Split

This division takes the role of system development/operation and technology development in AT.

② Operating results of the divisions to be split

There is no sales etc. as it is a system development business within the group.

③ Items and amounts of assets and liabilities to be split (as of March 31, 2019)

Assets		Liabilities	
Current assets	— million yen	Current liabilities	32 million yen
Fixed assets	1 million yen	Noncurrent liabilities	— million yen
Total	1 million yen	Total	32 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 name, location, title and name of the representative, business, capital stock, and fiscal year end from the Company Split.

#### 4. The Merger

(1) Outline of the Merger

① Schedule of the Merger

Date of resolution of the Board of Directors (each company)	December 13, 2019
Date of signing the Merger Agreement (each company)	December 13, 2019
Effective date	April 1, 2020 (Planned)

(NOTE) The Merger is a simplified merger pursuant to Article 796, the main clause of paragraph 2 of the Companies Act from the perspective of the Company, and a short-form merger pursuant to Article 784, the main clause of paragraph 1 of the Companies Act from the perspective of AT. Accordingly, neither of the two companies will hold a shareholders' meeting in order to gain approval for the Merger.

② Method of the Merger

The Merger is an absorption-type merger with the Company as the surviving company and AT as the dissolving company.

③ Details of allotment related to the Merger

Shares and other assets shall not be allotted by the Merger.

④ Handling of stock acquisition rights and bonds with stock acquisition rights in the Merger

Not applicable.

(2) Overview of the company parties to the Merger

tem	Surviving company (As of December 13, 2019)	Dissolving company (As of December 13, 2019)												
① Name	ZOZO, nc.	aratana inc.												
② Location	2-6-1 Nakase, Mihama-ku, Chiba-shi, Chiba	CARNO MYAZAK 7F, 4 -8-1 Tachibanadorihigashi, Miyazaki-shi, Miyazaki												
③ Title/Name of Representative	Representative Director, Kotaro Sawada President & CEO	CEO Shinji Hamauzu												
④ Business	Operation of ZOTOTOWN, a fashion eCommerce website etc.	eCommerce website construction, eCommerce related services such as WEB marketing etc.												
⑤ Capital stock	1,359 million yen	99 million yen												
⑥ Establishment date	May 21, 1998	May 1, 2007												
⑦ Number of outstanding shares	311,644,285 shares	6,672 shares												
⑧ Fiscal year end	March 31	March 31												
⑨ Major shareholders and percentage of shares (Note) 1, 2	<table border="0"> <tr> <td>Yusaku Maezawa</td> <td>21.61%</td> </tr> <tr> <td>Mizuho Trust &amp; Banking Co., Ltd.</td> <td>8.77%</td> </tr> <tr> <td>Securities Administration Disposal Trust 0700082</td> <td></td> </tr> <tr> <td>J.P.MORGAN BANK LUXEMBOURG S.A. 1300000 (Standing proxy) Mizuho Bank, Ltd., Settlement &amp; Clearing Services Department</td> <td>5.36%</td> </tr> <tr> <td>MORGAN STANLEY &amp; CO. INTERNATIONAL PLC (Standing proxy) Morgan Stanley MUFG Securities, Co., Ltd.</td> <td>2.51%</td> </tr> <tr> <td>ML FOR CLENT GENERAL OMN NON COLLATERAL NON TREATY-PB (Standing proxy) Merrill Lynch Japan Securities Co., Ltd.</td> <td>2.36%</td> </tr> </table>	Yusaku Maezawa	21.61%	Mizuho Trust & Banking Co., Ltd.	8.77%	Securities Administration Disposal Trust 0700082		J.P.MORGAN BANK LUXEMBOURG S.A. 1300000 (Standing proxy) Mizuho Bank, Ltd., Settlement & Clearing Services Department	5.36%	MORGAN STANLEY & CO. INTERNATIONAL PLC (Standing proxy) Morgan Stanley MUFG Securities, Co., Ltd.	2.51%	ML FOR CLENT GENERAL OMN NON COLLATERAL NON TREATY-PB (Standing proxy) Merrill Lynch Japan Securities Co., Ltd.	2.36%	ZOZO, nc. 100%
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⑩ Financial Position and	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2019												

operating results	(Consolidated)	(Non-consolidated)
Net assets	22,656 million yen	1,228 million yen
Total assets	78,961 million yen	1,511 million yen
Net assets per share	73.85 yen	184,071.76 yen
Net sales	118,405 million yen	1,248 million yen
Operating profit	25,654 million yen	88 million yen
Ordinary profit	24,265 million yen	214 million yen
Profit attributable to owners of parent	15,985 million yen	271 million yen (Net income)
Net income per share	52.20 yen	40,763.78 yen

(Note)

1 Major shareholders and percentage of shares are based on the shareholders' register as of September 30, 2019.

2 As described in the "Announcement of Results of Tender Offer for Shares of the Company by Z Holdings Corporation and Changes in Parent Companies and the Largest and Major shareholders" disclosed on November 14, 2019, as a result of the Tender Offer, the parent companies and the largest and major shareholders of the Company have been changed from November 20, 2019 (the commencement date of settlement of the Tender Offer). For detail, please refer to the said timely disclosure.

(3) Post-Merger status

There is no change in the name, location, title and name of the representative, business, capital stock and fiscal year end of the surviving company after the Absorption-type Merger.

(4) Future Outlook

The Reorganization is implemented by the Company and its wholly-owned subsidiaries, 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, 2020 (Announced on April 25, 2019) and Consolidated Financial Results for the Previous Fiscal Year

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Net income per share
Forecasts for the Fiscal Year Ending March 31, 2020	Million yen 136,000	Million yen 32,000	Million yen 32,000	Million yen 22,500	Yen 73.70
Results for the Fiscal Year Ended March 31, 2019	118,405	25,654	25,717	15,985	52.20

DSCLAMER:

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.