

Dear All,

**Notice Concerning Controlling Shareholders, etc.**

ZOZO, Inc. (hereinafter, referred to as "ZOZO") hereby announces the following notice concerning controlling shareholders, etc. of ZOZO's parent company, Z Holdings Corporation (hereinafter, referred to as "ZHD").

1. Trade names, etc. of the parent company, controlling shareholder (excluding parent company) and other associated company and its parent company

(As of March 31, 2020)

Name	Relationship	Percentage of voting rights (%)			Financial instruments exchanges, etc. where issued share certificates are listed
		Direct ownership	Indirect ownership	Total	
SoftBank Group Corp.	Parent company	0.00	50.10	50.10	First Section of the Tokyo Stock Exchange
SoftBank Group Japan Corporation	Parent company	0.00	50.10	50.10	—
SoftBank Corp.	Parent company	0.00	50.10	50.10	First Section of the Tokyo Stock Exchange
Shiodome Z Holdings Co., Ltd.	Parent company	0.00	50.10	50.10	—
Z Holdings Corporation	Parent company	50.10	0.00	50.10	First Section of the Tokyo Stock Exchange

2. Name of the company having the most significant influence on the listed company from among parent companies and its reason

(1) Name

Z Holdings Corporation

(2) Reason

ZHD is the direct parent company of ZOZO, with holdings of 50.10% voting rights to ZOZO's shares outstanding.

3. Positioning of the listed company within the corporate group of the parent company, etc., and other relationships with the parent company, etc.

(1) Relationship with the parent company

Through a tender offer to ZOZO's shares by ZHD on November 13, 2019, ZHD acquired 50.10% of ZOZO's shares and became the parent company on November 20, 2019. Between ZOZO and ZHD and SoftBank Group (hereinafter, referred to as "SBG"), there are business transactions such as a) payment of shop opening commission at PayPay Mall operated by Yahoo Japan Corporation, a subsidiary of ZHD, b) send users to ZOZOTOWN from services offered by ZHD and SBG including

“Yahoo!JAPAN”, c) payment from SBG for placing advertisement at ZOZO’s services, etc.

SBG, SoftBank Group Japan Corporation and SoftBank Corp., all the parent companies of ZHD, hold ZOZO’s shares indirectly through ZHD, thus they became parent company as well on November 20, 2020. Furthermore, Shidome Z Holdings Co., Ltd. (hereinafter, referred to as “SZHD”) became a parent company of ZOZO on December 18, 2019 through indirect holdings, as SZHD became the parent company of ZHD from change in the largest and major shareholder of ZHD announced on the same day.

(2) Ensuring independence from parent companies, etc.

ZOZO have called on two persons as director from ZHD, and is receiving advice and recommendations from them for business operations based on rich experience and broad knowledge cultivated in the Internet service industry. Regarding ensuring independence from parent companies, the followings are clearly stated: a) ZOZO is able to make management decisions without operational restriction from the parent company, b) respect management decisions of ZOZO on matters relating to employment, human resources and working conditions, c) directors from the parent company shall not participate in the resolutions of special interests at the Board of Directors etc. Through these restrictions and regulations, we believe that the independence from parent companies is ensured to a certain extent.

4. Matters concerning transactions with controlling shareholders etc.

Matters concerning transactions with controlling shareholders etc. are as follows (including excerpts from “Notice of Convocation of the 22<sup>nd</sup> Ordinary General Meeting of Shareholders” announced on June 5, 2020):

a. Increase merchandise value at ZOZOTOWN PayPay Mall Shop

We opened a ZOZOTOWN shop at PayPay Mall operated by Yahoo Japan Corporation on December 17, 2019. ZOZOTOWN PayPay Mall Shop started well, but we think that there is still a sufficient room for growth. We will increase the merchandise value as an eCommerce site covering a wide range of the user base by expanding the functions of ZOZOTOWN PayPay Mall Shop nearly to those of ZOZOTOWN.

b. Introduce the payment service PayPay at ZOZOTOWN

We will introduce, popularize, and promote PayPay, the payment service provided by Yahoo Japan Corporation, at ZOZOTOWN. We expect acquisition of users from the customer base of PayPay while intending to further increase usability, including the PayPay bonus, which is granted as a result of payments in PayPay, usable even at ZOZOTOWN.

c. Send users to ZOZOTOWN from services offered by ZHD and SBG

Users have been sent from services offered by ZHD and SBG, including Yahoo!JAPAN, which has users differing from existing ZOZOTOWN user attributes. We will acquire users differing from existing ZOZOTOWN user attributes through the measure.

d. Share development resources

We will accelerate the pace and quality of development by sharing the technical capabilities of engineers of ZHD and that of engineers of ZOZO.

5. Implementation of measures to protect minority shareholders in transactions etc. with controlling shareholders

We have established the "Rules for Maintenance of Fairness in Transactions with the Parent Company Group" as a guideline for measures to protect minority shareholders when conducting transactions with controlling shareholders, and we operate in accordance with these rules.

In transactions with controlling shareholders, etc., ZOZO shall comply with laws and regulations, and shall not conduct transactions under unfairly favorable or disadvantageous conditions compared with the same, or similar transactions conducted with third parties. ZOZO shall reasonably determine the terms and conditions of contracts and market prices in the same manner as in transactions with other companies, and will conduct transactions after thoroughly examining such transactions are permissible and their conditions, etc. so as not to unduly harm the rights of minority shareholders.