

Notice of Convocation of the 28th Ordinary General Meeting of Shareholders

Event overview

●Date and time

1:00 p.m. (JST), Monday, June 29, 2026

*You will be able to log in from around 12:30 p.m. (JST) on the day of the General Meeting of Shareholders.

●Location

The General Meeting of Shareholders will be held as a virtual-only meeting with no physical venue designated.

*Please note that the meeting will be conducted entirely online. There will be no physical venue for in-person attendance.

*For details regarding online participation, the exercise of voting rights, and other relevant matters, please refer to "Guide to the Virtual-Only General Meeting of Shareholders" beginning on page 9.

Matters to be resolved

Proposal 1 Election of eight Directors (excluding those who are Audit and Supervisory Committee Members)

Proposal 2 Proposal for determination of compensation, etc. for Directors

(excluding those who are Audit and Supervisory Committee Members and non-executive Directors)

(grant of performance-linked restricted stock)

ZOZO, Inc. Securities Code:3092





Dear Shareholders,

1-15-16 Midori-cho, Inage-ku, Chiba-shi, Chiba

ZOZO, Inc.

Representative Director,
President & CEO

Kotaro Sawada

Notice of Convocation of the 28th Ordinary General Meeting of Shareholders

Thank you very much for your continued support.

We are pleased to announce that we will hold the 28th Ordinary General Meeting of Shareholders as follows.

For the convocation of the General Meeting of Shareholders, electronic provision measures are taken. The matters subject to electronic provision measures are posted as the Notice of Convocation of the 28th Ordinary General Meeting of Shareholders on our website.

Our website

<https://corp.zozo.com/en/ir-info/shareholders-info/shareholders-meeting/>



The matters subject to electronic provision measures are posted on the website mentioned above and the websites listed in Section 4, "Websites where matters subject to electronic provision measures are posted." Please access the websites to confirm the matters. The websites may be temporarily inaccessible mainly because of periodic maintenance. When it is inaccessible, please confirm the matters on other websites or re-access the websites after a short while.

Shareholders may participate in the General Meeting of Shareholders virtually using the internet-based method described below. The meeting will be held without a designated physical venue. Please participate virtually via the internet in accordance with the guide below.

Shareholders who do not participate in the General Meeting of Shareholders on the day may exercise their voting rights via the internet or in writing. Please review Reference Materials for the General Meeting of Shareholders posted in the matters subject to electronic provision measures and exercise voting rights by 5:00 p.m. JST on Friday, June 26, 2026, either by mail using the voting rights exercise form or via the internet (In the case of submission by mail, the form must be received by the date and time specified above) in accordance with the “Guidance on the exercise of voting rights” below.

Yours sincerely,

Content

1. Date and time	1:00 p.m. JST, Monday, June 29, 2026 (Login available from: 12:30 p.m.) The General Meeting of Shareholders is rescheduled to 1:00 p.m. JST, Tuesday, June 30, 2026, if the Company is unable to hold the meeting on the above-mentioned date and time mainly due to communication failure.		
2. Location	Virtual-only General Meeting of Shareholders The General Meeting of Shareholders will be held without a designated physical venue. Regarding the virtual participation method, please refer to the “Guide to the Virtual-only General Meeting of Shareholders” described below. *There is no physical venue as the General Meeting of Shareholders will be held entirely online.		
3. Agenda	Reporting matters - Report on the content of the Business Report, the Consolidated Financial Statements, and the audit results of the Accounting Auditor and the Audit and Supervisory Committee for the Consolidated Financial Statements for the 28th Term (from April 1, 2025 to March 31, 2026) - Report on the content of the Financial Statements for the 28th Term (from April 1, 2025 to March 31, 2026) Resolution matters <table border="0"> <tr> <td style="vertical-align: top; padding-right: 20px;">Proposal</td><td> - Election of eight Directors (excluding those who are Audit and Supervisory Committee Members) - Proposal for determination of compensation, etc. for Directors (excluding those who are Audit and Supervisory Committee Members and non-executive Directors) (grant of performance-linked restricted stock) </td></tr> </table>	Proposal	- Election of eight Directors (excluding those who are Audit and Supervisory Committee Members) - Proposal for determination of compensation, etc. for Directors (excluding those who are Audit and Supervisory Committee Members and non-executive Directors) (grant of performance-linked restricted stock)
Proposal	- Election of eight Directors (excluding those who are Audit and Supervisory Committee Members) - Proposal for determination of compensation, etc. for Directors (excluding those who are Audit and Supervisory Committee Members and non-executive Directors) (grant of performance-linked restricted stock)		

4. Websites where matters subject to electronic provision measures are posted

No. of items	Name of websites and URL		Access method
1	Our website https://corp.zozo.com/en/ir-info/shareholders-info/shareholders-meeting/		Please see the Notice of Convocation of the 28 th Ordinary General Meeting of Shareholders
2	Listed Company Search (Tokyo Stock Exchange) https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show		Please search by entering the issuer's name (company name) or code, and select Basic Information and Documents for Public Inspection/PR Information.
3	Kabunushi Soukai Portal (Sumitomo Mitsui Trust Bank) https://www.soukai-portal.net		Please scan the QR code included in the enclosed voting rights exercise form or enter your ID and initial password.

5. Matters subject to electronic provision measures

Our company (hereinafter referred to as the "Company"), in accordance with the provisions of applicable laws and regulations as well as its Articles of Incorporation, has not included the following matters, which are required to be stated in the documents for electronic provision, in the written documents delivered to shareholders who have requested physical delivery, as these matters are posted on the website specified in "4. Websites where matters subject to electronic provision measures are posted." Please note that the Audit and Supervisory Committee and the Accounting Auditor have audited the documents subject to audit, including the following matters.

① The following items on the Business Report

Stock acquisition rights of the Company

Company systems and policies

② The following items on financial statements

Balance sheet

Income statement

Statement of changes in net assets

Notes to the financial statements

Accounting Auditor's Audit Report

Audit and Supervisory Committee's Audit Report

③ The following items on the consolidated financial statements

Consolidated balance sheet

Consolidated income statement

Consolidated statement of changes in net assets

Notes to the consolidated financial statements

Accounting Auditor's Audit Report

6. Dividends of surplus

In accordance with the provisions of Article 459, Paragraph 1 of the Companies Act, the Company has included a provision in its Articles of Incorporation that allows the Company to pay dividends from surplus by a resolution of the Board of Directors. Based on this provision in the Articles of Incorporation, the Company's Board of Directors, at its meeting held on May 19, 2026, resolved to pay year-end dividends for the 28th fiscal term (from April 1, 2025 to March 31, 2026) as follows. Please refer to our IR website for details.

1. Year-end dividend: 20 yen per share
(The annual dividend per share is 39 yen, including the interim dividend of 19 yen per share)
2. Effective date and commencement date of payment: June 11, 2026

End

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\*If you participate in the General Meeting of Shareholders on the day, we apologize for the inconvenience, but please log in to the virtual participation system using the designated ID and password in accordance with the guide below.

\*The exercise of voting rights by proxy is limited to cases where one shareholder who holds voting rights and attends the General Meeting of Shareholders on the day is appointed as proxy. For details regarding the proxy form and other required documents, please refer to the guide below.

\*If there are any revisions to the matters subject to electronic provision measures, the details of such revisions, including their effective date and the content before and after the changes, will be posted on the websites listed in Section 4, "Websites where matters subject to electronic provision measures are posted."

## Guidance on the exercise of voting rights



### **When you exercise voting rights by attending the virtual-only General Meeting of Shareholders**

Please refer to “Guide to the Virtual-Only General Meeting of Shareholders” provided later, before attending the virtual-only General Meeting of Shareholders.

Date of the General Meeting of Shareholders

Monday, June 29, 2026  
1:00 p.m. JST



### **When you exercise your voting rights via the internet**

Please follow the instructions for exercising voting rights via the internet on the next page to indicate whether you are “in favor of” or “opposed to” the proposal.

Voting Deadline

Friday, June 26, 2026  
Until 5:00 p.m. JST

Please refer to the next page  
for details



### **When you exercise your voting rights by mail**

Please indicate “in favor of” or “opposed to” for the proposal on the enclosed voting rights exercise form and submit it without putting a stamp. If there is no indication of your “in favor of” or “opposed to” for the proposal on the voting rights exercise form, it will be regarded as an indication of “in favor of.”

Voting Deadline

Friday, June 26, 2026  
Must be received  
by 5:00 p.m. JST

\*If both internet-based and mail-based votes arrive on the same day, the internet-based vote will be considered valid.  
In addition, if you submit your vote multiple times, the last vote received will be regarded as valid.

\*The Electronic Voting Platform, which is operated and managed by ICJ, Inc., is also available for you as a method of exercising voting rights.

## How to exercise your voting rights via the internet

Internet exercise deadline  
5:00 p.m., Friday, June 26, 2026

### How to exercise voting rights via smartphone, etc.

1 Scan the QR code on the voting rights exercise form.



\*The QR code is a registered trademark of  
DENSO WAVE INCORPORATED.

2 Tap the "Exercise Voting Rights"  
button on the top of the page of the  
Kabunushi Soukai Portal.



3 The Smart Voting page will be  
displayed. After that, follow the  
instructions on the screen and  
indicate whether you are "in favor  
of" or "opposed to" the proposal.



### How to exercise voting rights via PC, etc.

Please access the following URL and enter the page with the login ID/password stated in the voting rights exercise form. After logging in, follow the instructions on the screen to indicate whether you are "in favor of" or "opposed to" the proposal.

Kabunushi Soukai Portal: <https://www.soukai-portal.net>

You can use Voting Rights Exercise website as well: <https://www.web54.net>

### Guide for submitting questions in advance

**Deadline to submit questions in advance: Friday, June 19, 2026, 5:00 p.m.**

For the General Meeting of Shareholders, we will receive questions in advance about the proposals from shareholders through Kabunushi Soukai Portal. Among questions we receive, those likely to attract significant interest from shareholders will be raised at the General Meeting of Shareholders. In the same way as the above-mentioned method of exercising voting rights, please access the Kabunushi Soukai Portal and tap/click the button "Questions in advance," and then the page "Input questions in advance" is presented. After that, please enter questions according to the guide on the screen.

\*Please note that we will not respond to individual questions.

### Note

- If you wish to change your voting details after exercising your voting rights, you will be required to enter the "Voting Rights Exercise Code" and "password" stated in the voting rights exercise form.
- If you exercise your voting rights both in writing and via the internet, the voting rights exercised via the internet will be deemed valid. In addition, if you exercise your voting rights multiple times via the internet, we will regard the last vote as valid.

### Inquiries

Sumitomo Mitsui Trust Bank,  
Limited. Securities Agent Web  
Support Desk

**0120-652-031**

(9:00 a.m. JST to 9:00 p.m. JST)



Please also  
check the Q&A.

# Guide to the Virtual-Only General Meeting of Shareholders

■ Overview of the virtual-only General Meeting of Shareholders

No physical venue has been designated for the General Meeting of Shareholders, and shareholders will participate in the General Meeting of Shareholders by accessing the “Shareholders-only website” via the internet and completing shareholder authentication with ID and password for virtual participation. Shareholders may view the proceedings of the General Meeting of Shareholders in real time via the live stream using the method shown below. They may also have an opportunity to ask questions and exercise voting rights. Any changes in the operation of the virtual-only General Meeting of Shareholders, including emergency situations, such as system failure and responses to changes in circumstances, will be announced on our website (<https://corp.zozo.com/en/ir-info/>), so please check the website accordingly.

■ Environment required for virtual participation

Shareholders are required to prepare the following environment for participation in the General Meeting of Shareholders.

Personal computer

|         | Windows                                                         | Mac                                                     |
|---------|-----------------------------------------------------------------|---------------------------------------------------------|
| OS      | Windows 10<br>Windows 11                                        | macOS, latest version                                   |
| Browser | Google Chrome, latest version<br>Microsoft Edge, latest version | Google Chrome, latest version<br>Safari, latest version |

Smartphone

|         | iPhone                 | Android                       |
|---------|------------------------|-------------------------------|
| OS      | iOS, latest version    | Android OS, latest version    |
| Browser | Safari, latest version | Google Chrome, latest version |



Sharely Co., Ltd. has not verified operation in environments other than those listed above.

Shareholders are responsible for preparing their own internet access environment in order to participate in the General Meeting of Shareholders. Communication charges for online participation shall be borne by the shareholders. Even if shareholders are unable to participate in the General Meeting of Shareholders due to issues with their internet connection or communication environment, including problems with the PCs or smartphones used by them, the Company shall not be liable for such failure. Please note this in advance.

## ◆Method for virtual participation

### Access to “Shareholders-only website”



Please access the “Shareholders-only website” described below and log in to the Company’s designated virtual participation system using the ID and password stated in the “Notice of the method for participating in the virtual-only General Meeting of Shareholders” enclosed in the Notice of Convocation.

#### < Shareholders-only website >

<https://web.sharely.app/login/zozo-28>



The website may also be accessed using the QR code included in the “Notice of the method for participating in the virtual-only General Meeting of Shareholders” enclosed in the Notice of Convocation.

Meeting time: 1:00 p.m., Monday, June 29, 2026  
(Distribution start time: 12:30 p.m. (JST))

(Note) Only shareholders listed in the Company’s shareholder register as of March 31, 2026, are eligible to attend this virtual-only General Meeting of Shareholders. Attendance by persons other than such shareholders is not permitted.

## ■Guide to participation by proxy

Shareholders wishing to participate by proxy are requested to appoint one shareholder attending the General Meeting of Shareholders on the day as their proxy in accordance with applicable laws and regulations and the Articles of Incorporation. If you plan to attend the General Meeting of Shareholders through a proxy, you are required to submit documentation proving the proxy’s authority to the Company in advance of the meeting. Please send the following documents to us prior to the meeting date.

(Required documents)

Letter of proxy

Identification documents of the delegator

(Delivery address)

In the case of e-mail

corporate-homu-block@zozo.com (Reception: Corporate Legal Section, Legal Department)

In the case of mail

1-15-16 Midori-Cho, Inage-ku, Chiba-shi, Chiba Prefecture 263-0023

To Corporate Legal Section, Legal Department, ZOZO, Inc.

(Deadline for submission)

5:00 p.m. JST, Monday, June 22, 2026 (The documents must be received by this date and time)

(Note)

Please state the names of both the shareholder and the proxy holder, as well as the address recorded in the shareholder registry, in the letter of proxy. As the Company may contact you, please inform us of the phone number or e-mail address where we can reach you during the day. If there are any deficiencies in the documents, we may not be able to accept them as a valid delegation.

■Methods for asking questions and their handling

Please use the Company's designated virtual participation system on the day of the General Meeting of Shareholders when you wish to ask questions.

【How to register】

- Please enter the ID/password stated in the "Notice of the method for participating in the virtual-only General Meeting of Shareholders" enclosed in the Notice of Convocation on the shareholders-only website and log in to the Company's designated virtual participation system.
- Please click the "Question" button at the lower part of the screen of the virtual participation system and after entering your questions about the matters related to the agenda for the General Meeting of Shareholders, click the "Send" button.

Questions from shareholders are limited to matters related to the agenda for the General Meeting of Shareholders. The number of characters per question shall be up to 400 characters. In case there are many questions from shareholders, the matters considered to be highly related to the agenda for the General Meeting of Shareholders and to be of interest to the shareholders may be prioritized for response, so please note this in advance. The Company may compulsorily terminate communication with shareholders based on the judgment of the chair or the secretariat under instructions from the chair when it is determined that repeated or continuous submission of similar content or repeated submission of inappropriate content, such as personal attacks, interfere with the smooth proceedings of the meeting or the stable operation of the system, so please note this in advance.

#### ■Questions in advance

Apart from the questions asked on the day of the General Meeting of Shareholders, shareholders may submit questions in advance via the Kabunushi Soukai Portal.

Reception Period: From 10:00 a.m. on Thursday, June 11, 2026 to 5:00 p.m. on Friday, June 19, 2026

Please note that questions will be limited to matters related to the agenda of the General Meeting of Shareholders. We may publish the questions you submitted, along with our responses, on our website (as indicated below) in advance of the General Meeting of Shareholders. Additionally, please note that we plan to address questions of particular interest to shareholders, including those published in advance, during the General Meeting of Shareholders. However, we may not be able to respond to all questions and are unable to provide individual replies. We appreciate your understanding in this regard.

<The Company's website>

<https://corp.zozo.com/ir-info/shareholders-info/shareholders-meeting/>

#### 【How to register】

- Please access the Kabunushi Soukai Portal stated below.

<Kabunushi Soukai Portal>

<https://www.soukai-portal.net>

The portal may also be accessed using the QR code provided in the voting rights exercise form enclosed in the Notice of Convocation.

- Please enter the login ID/password stated in the “Notice of the Method for Participating in the Virtual-only General Meeting of Shareholders” enclosed in the Notice of Convocation.
- Please click the button “Questions in advance” on the top page.
- The “Input Questions in Advance” page will appear. After that, please enter questions according to the guide on the page.

\* The number of characters per question shall be up to 400.



#### ■Procedures for submitting motions and their handling

Shareholders wishing to submit a motion are requested to use the Company's designated virtual participation system.

Whether a motion will be accepted depends on its content. The Company may compulsorily terminate communication with shareholders based on the judgment of the chair or the secretariat under instructions from the chair when it is determined that repeated or continuous submission of similar motions, repeated submission of inappropriate content, such as personal attacks, interfere with the smooth proceedings of the meeting or the stable operation of the system, please note this in advance.

##### 【How to register】

- Please enter the ID/password stated in the "Notice of the method for participating in the virtual-only General Meeting of Shareholders" enclosed in the Notice of Convocation on the shareholders-only website and log in to the Company's designated virtual participation system.
- Please click the "Motion" button at the lower part of the screen of the virtual participation system.
- Please select the type of the motion and, after entering the required matters, click the "Send" button.

#### ■Method for exercising voting rights

Shareholders may exercise voting rights via the virtual participation system after viewing the content of the proceedings on the day of the General Meeting of Shareholders. If voting rights are exercised multiple times during the reception period, only the last exercise of voting rights shall be treated as valid.

##### 【How to register】

- Please enter the ID/password stated in the "Notice of the method for participating in the virtual-only General Meeting of Shareholders" enclosed in the Notice of Convocation on the shareholders-only website designated by the Company and log in to the Company's designated virtual participation system.
- Please click the "Resolution" button at the lower part of the screen of the virtual participation system.
- Please select "in favor of" or "opposed to" for each proposal and then click the "Send" button.

■ Handling of voting rights exercised in advance

In cases where shareholders exercise voting rights via the internet or in writing in advance and participate virtually on the date of the General Meeting of Shareholders, the prior exercise of voting rights shall be deemed invalid if it is confirmed that voting rights were exercised on the day of the meeting. In cases where shareholders exercise voting rights in advance and participate virtually on the day of the General Meeting of Shareholders, but it is not confirmed that voting rights were exercised on the day of the meeting, the prior exercise of voting rights shall remain valid. In cases where voting rights are not exercised in advance and, although shareholders log in on the day of the General Meeting of Shareholders, it is not confirmed that voting rights were exercised on the day of the meeting, such shareholders shall be deemed to have abstained from voting.

■ Policy for countermeasures against communication failure

The Company will take countermeasures against communication failures within a reasonable range in holding the General Meeting of Shareholders. At the opening of the General Meeting of Shareholders, a resolution will be adopted authorizing the chair to determine the postponement or continuation of the General Meeting of Shareholders when communication failures result in a material disruption to the proceedings. If the chair determines the postponement or continuation of the meeting according to the resolution, a postponed or continuing meeting of the General Meeting of Shareholders will be held at 1:00 p.m., Tuesday, June 30, 2026. If communication failures make it impossible to adopt the above resolution and consequently it is impossible to start the meeting, the General Meeting of Shareholders will be held at 1:00 p.m., Tuesday, June 30, 2026. If there are any matters to be communicated to shareholders, such as a method of holding the postponed or continued General Meeting of Shareholders in the above case and responses to other emergencies and changes of circumstances, details will be posted on the website below, and shareholders are requested to check the website accordingly.

<The Company's website>

<https://corp.zozo.com/en/ir-info/>

■ Policy for protecting the rights and interests of shareholders having problems using the internet

Shareholders who have difficulty using the Internet are requested to exercise voting rights in advance in writing (by mail).

■Other notes

(i) It is prohibited to share the URL or ID and password for virtual participation with third parties and record or disclose the proceedings of the General Meeting of Shareholders.

(ii) The content of the General Meeting of Shareholders may be changed or canceled in part when the Company determines that such change or cancellation is unavoidable. The postponement or continuation may be determined by the chair after approval from the General Meeting of Shareholders.

(iii) Japanese is the only language available for the General Meeting of Shareholders and the virtual participation system.

(iv) Subtitles will be displayed during the live stream. Please note in advance that, as these are real-time subtitles, there may be a delay compared to the actual audio, and the accuracy and completeness of the subtitles are not guaranteed.

■Contact:

The Company accepts inquiries by phone. Please contact the following with the “Notice of the method for participating in the virtual-only General Meeting of Shareholders” on hand if you have any questions regarding participation.

<Inquiries about the virtual General Meeting of Shareholders in general>

Sumitomo Mitsui Trust Bank, virtual General Meeting of Shareholders support dial

Phone: 0120-782-041 (Reception hours: 9:00–17:00 except for Saturday, Sunday, and holidays)

The Company does not handle the following inquiries, so please note this in advance.

(i) ID/password for participation

\*If you happen to lose your ID or password for attending the meeting, please contact the inquiry desk above to request reissuance. Please note that reissuance may take some time.

(ii) Inquiries about the method for connecting to the internet and functions of your PCs/smartphones

(iii) Inquiries about problems, such as inaccessibility, delays, audio trouble, and failure of voting caused by problems with the shareholder’s environment on the day of the General Meeting of Shareholders

\*For inquiries about the system, please see the following.

<System and technical inquiries about virtual participation on the day of the General Meeting of Shareholders>

\*The Company will establish a dedicated call center on Monday, June 29, 2026. Please call the following phone number.

Sharely Co., Ltd., phone: 03-6683-7661 (Reception hours: from one hour before the start of the General Meeting of Shareholders until one hour after its conclusion)

# Reference Materials



# Reference Materials for the General Meeting of Shareholders

## Proposals and reference materials

|            |                                                                                               |
|------------|-----------------------------------------------------------------------------------------------|
| Proposal 1 | Election of eight Directors (excluding those who are Audit and Supervisory Committee Members) |
|------------|-----------------------------------------------------------------------------------------------|

The terms of office of all Directors (excluding those who are Audit and Supervisory Committee Members; the same applies hereinafter in this proposal) of the Board of Directors (eight members) will expire at the conclusion of this General Meeting of Shareholders. Therefore, the Company proposes the election of eight Directors. The candidates for Director were determined by the Board of Directors based on the recommendations of the Nomination and Remuneration Consultatory Committee, which is chaired by an independent Outside Director. Additionally, the Audit and Supervisory Committee confirmed discussions of the Nomination and Remuneration Consultatory Committee and determined that the procedure was appropriate for nominating Director candidates, and there were no particular matters on which the Audit and Supervisory Committee expressed an opinion pursuant to Article 342-2, Paragraph 4 of the Companies Act.

Director candidates are as follows:

| Candidate Number | Name            | Gender | Current Position and Responsibilities in the Company | Attendance at Board Meetings (Current Fiscal Year) |             |
|------------------|-----------------|--------|------------------------------------------------------|----------------------------------------------------|-------------|
| 1                | Kotaro Sawada   | Male   | Representative Director, President & CEO             | 15 out of 15                                       | Re-election |
| 2                | Koji Yanagisawa | Male   | Director, Executive Vice President, and CFO          | 15 out of 15                                       | Re-election |
| 3                | Fuminori Hirose | Male   | Director, and COO                                    | 15 out of 15                                       | Re-election |
| 4                | Makoto Hide     | Male   | Director                                             | 15 out of 15                                       | Re-election |
| 5                | Yuko Nagata     | Female | Director                                             | 14 out of 15                                       | Re-election |
| 6                | Taro Saito      | Male   | Outside Director                                     | 15 out of 15                                       | Re-election |

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|   |               |        |                  |              |             |
|---|---------------|--------|------------------|--------------|-------------|
| 7 | Takako Kansai | Female | Outside Director | 15 out of 15 | Re-election |
|---|---------------|--------|------------------|--------------|-------------|

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|   |               |      |                  |              |             |
|---|---------------|------|------------------|--------------|-------------|
| 8 | Takuya Oikawa | Male | Outside Director | 15 out of 15 | Re-election |
|---|---------------|------|------------------|--------------|-------------|

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# Kotaro Sawada (Re-election)

December 15, 1970



## Career History, Status, Responsibilities, and Important Concurrent Posts

April 1994 Joined NTT Data Corporation  
 April 1998 Joined NTT Data Institute of Management Consulting, Inc.  
 June 2005 Joined SKYLIGHT CONSULTING Inc.  
 May 2008 Representative Director, Start Today Consulting Co., Ltd.  
 June 2013 Director of the Company  
 April 2017 Responsible for the Company's Marketing Division  
 May 2019 Responsible for the Company's ZOZOTOWN business  
 September 2019 Representative Director, President & CEO of the Company (current post)  
 August 2022 Representative Director & CEO, ZOZO NEXT, Inc. (current post)

Number of  
Company  
Shares Held 242,700  
shares

Important concurrent post  
 Representative Director & CEO, ZOZO NEXT, Inc.

## Reasons for nomination as a Director candidate

Mr. Sawada has been nominated for re-election as Director because he has been involved in important business execution, management decision-making, and supervision as the person responsible for the Marketing Division, as well as serving as a Representative Director of a subsidiary since joining the Company. In addition, he has served as the Company's representative since September 2019 and has worked to ensure prompt and flexible decision-making in business operations. As he is well suited to contribute to the future growth of the group and the realization of the Company's philosophy, the Company continues to nominate him as a candidate for Director.

## Koji Yanagisawa (Re-election)

May 19, 1971



### Career History, Status, Responsibilities, and Important Concurrent Posts

April 1995 Joined the Fuji Bank, Ltd. (currently Mizuho Bank, Ltd.)  
 May 1999 Joined NTT Data Institute of Management Consulting, Inc.  
 May 2005 Joined Mizuho Securities Co., Ltd.  
 February 2006 Full-time Audit and Supervisory Board Member of the Company  
 June 2008 Director and General Manager of the Business Administration Division of the Company  
 April 2009 Director and CFO of the Company  
 December 2015 Outside Director, COLOPL, Inc. (current post)  
 April 2017 Director, Executive Vice President, and CFO of the Company (current post)  
 April 2022 Chairman, ZOZO Apparel USA, Inc. (current post)  
 August 2022 Director, ZOZO NEW ZEALAND LIMITED (current post)  
 April 2025 Director, ZOZO U.K. LIMITED (current post)  
 April 2025 Director, LYST LTD (current post)

Number of  
Company  
Shares Held 494,700  
shares

Important concurrent post  
 Outside Director, COLOPL, Inc.  
 Chairman, ZOZO Apparel USA, Inc.  
 Director, ZOZO NEW ZEALAND LIMITED  
 Director, ZOZO U.K. LIMITED  
 Director, LYST LTD

#### Reasons for nomination as a Director candidate

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Mr. Yanagisawa has strengthened the Company's managerial foundation by overseeing general corporate management functions, including accounting, finance, IR, legal matters, risk management, corporate governance, and M&As. In addition, he executes business operations as Director and Executive Vice President. Accordingly, the Company continues to nominate him as a candidate for Director in the expectation that he will continue contributing from a broad perspective as a member of the Board of Directors.

## Fuminori Hirose (Re-election)

August 17, 1977



### Career History, Status, Responsibilities, and Important Concurrent Posts

|                |                                                                                                                                                      |
|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------|
| April 2001     | Joined The Dai-Ichi Kangyo Bank Ltd. (currently Mizuho Bank, Ltd.)                                                                                   |
| August 2005    | Joined Nikko Cordial Securities Inc. (currently SMBC Nikko Securities Inc.)                                                                          |
| May 2007       | Head of Internal Audit Office of the Company                                                                                                         |
| August 2010    | General Manager of Business Administration Division of the Company                                                                                   |
| April 2012     | General Manager of EC Business Division of the Company                                                                                               |
| July 2017      | General Manager of Business Administration Division of the Company                                                                                   |
| May 2019       | Executive Officer and General Manager of the Business Administration Division of the Company                                                         |
| July 2019      | Outside Audit and Supervisory Board Member, KOKOPELLI Inc. (current post)                                                                            |
| July 2020      | Executive Officer and General Manager of EC Business Division of the Company<br>Executive Officer of MSP Product Development Division of the Company |
| September 2020 | Director, yutori, Inc. (current post)                                                                                                                |
| February 2021  | Executive Officer of Category Promotion Division of the Company                                                                                      |
| June 2021      | Director, and COO of the Company (current post)                                                                                                      |
| December 2023  | Outside Director, HUPRO, Inc. (current post)                                                                                                         |

|                                     |                   |
|-------------------------------------|-------------------|
| Number of<br>Company<br>Shares Held | 180,150<br>shares |
|-------------------------------------|-------------------|

August 2025 Chairman and General Manager, NANTONG ZHUOTENG INFORMATION TECHNOLOGY CO., LTD (current post)

Important concurrent post

Outside Audit and Supervisory Board Member, KOKOPELLI Inc.

Director, yutori, Inc.

Chairman and General Manager, NANTONG ZHUOTENG INFORMATION TECHNOLOGY CO., LTD

Reasons for nomination as a Director candidate

Since joining the Company, Mr. Hirose has served as Head of the Internal Audit Office, Executive Officer and General Manager of the Business Administration Division, and Executive Officer and General Manager of the EC Business Division. He has a wide range of experience and knowledge, including the Company's business operations, corporate management, and risk management, and he has contributed to the Company's business growth as Director, and COO of the Company since June 2021. Accordingly, the Company continues to nominate him as a candidate for Director in the expectation that he will contribute to enhancing the Company's corporate value.

# Makoto Hide (Re-election)

January 23, 1979

Career History, Status, Responsibilities, and Important Concurrent Posts

March 2002 Joined Yahoo Japan Corporation (currently LY Corporation)  
April 2018 EVP, Corporate Officer, President of Business Promotion Group, Commerce Company, Yahoo Japan Corporation (currently LY Corporation)  
March 2021 Director, Ikyu Corporation  
April 2022 EVP, Managing Corporate Officer, President of Business Promotion Office, CEO Business Promotion Office, President of Commerce Group, Yahoo Japan Corporation (currently LY Corporation)  
August 2023 Chairman of the Board, Ikyu Corporation (current post)  
October 2023 Executive Corporate Officer, Commerce Domain Lead, LY Corporation (current post)  
June 2024 Director of the Company (current post)  
August 2025 Outside Director, ASKUL Corporation (current post)  
September 2025 Director, BEENOS Inc. (current post)

Important concurrent post

Executive Corporate Officer, Commerce Domain Lead, LY Corporation (current post)  
Outside Director, ASKUL Corporation



Number of  
Company  
Shares Held -

#### Reasons for nomination as a Director candidate

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Mr. Hide has extensive experience and a broad perspective cultivated through business operations in the internet service industry and corporate management within the parent company group. Accordingly, the Company continues to nominate him as a candidate for Director in order to continue leveraging his expertise in the management of the group.



## Yuko Nagata (Re-election)

November 22, 1978



### Career History, Status, Responsibilities, and Important Concurrent Posts

April 2003 Business Promotion Division, Corporate Planning Department, NTT FACILITIES, INC.  
 May 2004 Ynot Inc. (Later, absorbed by Rakuten, Inc.)  
 June 2005 Business Manager of Gift Service Business, Rakuten, Inc.  
 May 2011 e-business manager of Professional Production Division, NIHON L'ORÉAL K.K.  
 April 2018 CEO's Business Promotion Office, Yahoo Japan Corporation  
 April 2022 Corporate Officer, Co-CEO, and General Manager of Business Development Division, Z Holdings Corporation (currently LY Corporation)  
 April 2023 EVP, Corporate Officer, General Manager of Marketing Division, Yahoo Japan Corporation (currently LY Corporation)  
 June 2023 Director of the Company (current post)  
 April 2026 Corporate Officer, Cross-Commerce Marketing SBU Lead, LY Corporation (current post)

Number of  
Company  
Shares Held -

### Important concurrent post

Corporate Officer, Cross-Commerce Marketing SBU Lead, LY Corporation

### Reasons for nomination as a Director candidate

Ms. Nagata has extensive experience and a broad perspective cultivated in the internet service and cosmetics industry. Accordingly, the Company continues to nominate her as a candidate for Director in order to continue leveraging her experience and insights in the management of the group.

## Taro Saito (Re-election)

November 24, 1972



### Career History, Status, Responsibilities, and Important Concurrent Posts

April 1995 Joined DENTSU INC.  
 May 2005 Established dof Inc., Director  
 June 2009 President and Representative Director, dof Inc. (current post)  
 June 2019 Outside Director, for Startups, Inc. (current post)  
 June 2020 Outside Director of the Company (current post)

Number of  
Company  
Shares Held -

Important concurrent post  
 President and Representative Director, dof Inc.  
 Outside Director, for Startups, Inc.

### Reasons for nominating as an Outside Director candidate and an expected role

Based on Mr. Saito's extensive experience and broad insight in branding and communication design, the Company requests his election as Outside Director so that he may continue to supervise the Company's management and contribute to strengthening corporate governance by providing advice on the Company's overall management. In addition, he is expected to supervise management and strengthen corporate governance, mainly by advising on the formulation of management strategies and decision-making on business execution, leading the nomination/remuneration decision-making process, and overseeing conflicts of interest.

## Takako Kansai (Re-election)

April 1, 1979



### Career History, Status, Responsibilities, and Important Concurrent Posts

April 2001    Joined Nikkei Business Publications, Inc.  
September 2004    Joined KBMJ, Inc. (currently Appirits Inc.)  
August 2008    Joined User Local, Inc.  
September 2012    Established Zaim Inc. (currently Kufu Company Inc.),  
Representative Director  
November 2018    Director, Da Vinci Studio Co., Ltd. (currently Kufu  
Company Inc.)  
May 2023    Representative Executive Officer, Kufu Company Inc.  
(currently Kufu Company Holdings Inc.)  
June 2023    Outside Director of the Company (current post)  
July 2023    Representative Director, Kufu AI Studio Inc. (currently  
Kufu Company Inc.)  
December 2024    CSO, Kufu Company Holdings Inc. (current post)  
January 2026    Representative Director, Fushigi Inc. (current post)

Number of  
Company  
Shares Held    -

Important concurrent post  
CSO, Kufu Company Holdings Inc.  
Representative Director, Fushigi Inc.

Reasons for nominating as an Outside Director candidate and an expected role

Based on Ms. Kansai's extensive experience and broad insight in both business operations and technology in the internet service industry, the Company requests her election as Outside Director so that she may supervise the Company's management and contribute to strengthening corporate governance by providing advice on the Company's overall management. In addition, she is expected to supervise management and strengthen corporate governance, mainly by advising on the formulation of management strategies and decision-making regarding business execution, participating in the nomination/remuneration decision-making process, and overseeing conflicts of interest.

# Takuya Oikawa (Re-election)

August 28, 1965



## Career History, Status, Responsibilities, and Important Concurrent Posts

April 1988    Joined Digital Equipment Corporation Japan  
 October    Joined Microsoft Co., Ltd. (currently Microsoft Japan Co.,  
 1997        Ltd.)  
 October    Joined Google Japan Inc. (currently Google Japan G.K.)  
 2006  
 October    Joined Increments Inc. (currently Qiita Inc.)  
 2015  
 January    Established Tably Inc., Representative Director (current  
 2019        post)  
 June 2024   Outside Director of the Company (current post)

Number of  
Company  
Shares Held    -

Important concurrent post  
 Representative Director, Tably Inc.

## Reasons for nominating as an Outside Director candidate and an expected role

Based on Mr. Oikawa's extensive experience and broad insight concerning product management and engineering in IT and internet-related systems, the Company requests his election as Outside Director so that he may supervise the Company's management and contribute to strengthening corporate governance by providing advice on the Company's overall management. In addition, he is expected to supervise management and strengthen corporate governance, mainly by providing advice on the formulation of management strategies and decision-making on business execution, participating in the nomination/remuneration decision-making process, and overseeing conflicts of interest.

(Note)

1. There are no particular conflicts of interest between the candidates for Director and the Company.
2. Mr. Makoto Hide is an Executive Corporate Officer, Commerce Domain Lead of LY Corporation, which has a business relationship with the Company related to opening stores at Yahoo! JAPAN Shopping and advertising, as well as transactions related to user referral, and also competes in the Fashion e-commerce Business.
3. "Career History, Status, Responsibilities, and Important Concurrent Posts" of Mr. Makoto Hide includes positions and responsibilities of the current or the last ten years of business execution at our parent company, LY Corporation.
4. Ms. Yuko Nagata is a Corporate Officer, Head of Cross-Commerce Marketing SBU of LY Corporation, which has a business relationship with the Company related to opening stores at Yahoo! JAPAN Shopping and advertising, as well as transactions related to user referral, and also competes in the Fashion e-commerce Business.
5. "Career History, Status, Responsibilities, and Important Concurrent Posts" of Ms. Yuko Nagata includes positions and responsibilities of the current or the last ten years of business execution at our parent company, LY Corporation.
6. Mr. Taro Saito, Ms. Takako Kansai, and Mr. Takuya Oikawa are candidates for Outside Directors. The Company designated those candidates as independent officers and submitted notification thereof to the Tokyo Stock Exchange. If the election of those candidates is approved, the Company will appoint them as independent officers and submit notification thereof to the Tokyo Stock Exchange.
7. Mr. Taro Saito's term in office as Outside Director of the Company will be 6 years upon the end of this General Meeting.
8. Ms. Takako Kansai's term in office as Outside Director of the Company will be 3 years upon the end of this General Meeting.
9. Mr. Takuya Oikawa's term in office as Outside Director of the Company will be 2 years upon the end of this General Meeting.
10. None of Mr. Taro Saito, Ms. Takako Kansai, and Mr. Takuya Oikawa is an executive or an officer of a business having specified ties to the Company or has been an executive or an officer of a business having specified ties to the Company within the past ten years.
11. None of Mr. Taro Saito, Ms. Takako Kansai, and Mr. Takuya Oikawa plans to receive, or has received within the past two years, large sums of money or other assets from the Company or a business having specified ties to the Company.
12. None of Mr. Taro Saito, Ms. Takako Kansai, and Mr. Takuya Oikawa is a spouse, relative within three degrees of consanguinity, or party in a similar relationship to an executive or an officer of the Company or a business having specified ties to the Company.
13. None of Mr. Taro Saito, Ms. Takako Kansai, and Mr. Takuya Oikawa was a business executive of a joint-stock company from which the Company has succeeded rights or obligations within the past two years through merger, spin-off and absorption, spin-off as a new organization, or transfer of business, immediately before such merger, etc.
14. Under the provisions of Article 427, Paragraph 1 of the Companies Act and the Articles of Incorporation of the Company, the Company concluded contracts with Mr. Makoto Hide, Ms. Yuko Nagata, Mr. Taro Saito, Ms. Takako Kansai, and Mr. Takuya Oikawa limiting their liability for damages as stipulated in Article 423,

Paragraph 1 of that Act, and will continue such agreements, should these re-elections be approved. Under the said contracts, the liability for damages of those Directors would be limited to the maximum amount prescribed by laws and regulations.

15. The Company will enter into a liability insurance policy for Directors and Officers, which is stipulated in Article 430-3, Paragraph 1, of the Companies Act, with an insurance company to cover litigation expenses and damages borne by the insured persons arising from third-party claims, shareholder derivative actions, and actions brought by the Company. If this proposal is approved, the candidates will be included among the insured persons under the relevant insurance policy.

Proposal 2

Proposal for determination of compensation, etc. for Directors (excluding those who are Audit and Supervisory Committee Members and non-executive Directors) (grant of performance-linked restricted stock)

The Company has established and implemented a performance-linked restricted stock compensation plan for its Executive Directors (hereinafter referred to as the “Plan”). As the compensation framework for the Plan, at the 25th Annual General Meeting of Shareholders held on June 28, 2023, the Company obtained approval to grant restricted stock to Directors (excluding Directors who are Audit and Supervisory Committee Members and non-executive Directors, including Outside Directors; hereinafter referred to as the “Eligible Directors”) within a separate compensation framework from that for cash remuneration and cash bonuses approved at the same Annual General Meeting of Shareholders, with an annual maximum of 864 million yen and 576,000 shares (in each case excluding the employee salary portion for Directors concurrently serving as employees).

In order to further strengthen the incentive function of the Plan and thereby enhance the certainty of achieving the Medium-Term Business Plan, the Company intends to increase the current compensation limit under the Plan. Accordingly, the Company plans to seek approval of the proposal from shareholders at this General Meeting of Shareholders to set the maximum annual amount of restricted stock compensation for Eligible Directors at 1,152 million yen and the maximum number of shares of common stock to be issued or disposed of by the Company at 2,304,000 shares per year (in each case excluding the employee salary portion for Directors concurrently serving as employees). However, such compensation amount is intended, in principle, to be granted in a lump sum to the Eligible Directors in the first fiscal year of the four-fiscal-year evaluation period for performance indicators, etc. under the Plan, in an amount corresponding to compensation for the execution of duties over the four fiscal years. In addition, for any Eligible Director who assumes office during the four-fiscal-year evaluation period for performance indicators, etc., the Company intends to grant in a lump sum an amount corresponding to compensation for the execution of duties for the period from the time of such appointment until the end of the final fiscal year of such four-fiscal-year evaluation period.

The current number of Directors eligible under the Plan is three. If proposal 1 is approved as originally proposed, the number of Eligible Directors will remain three. The Plan is not intended for Directors who are Audit and Supervisory Committee Members or non-executive Directors, including Outside Directors.

The details of the revised Plan are as follows.

1. Method of issuance or disposal of restricted stock

Under the Plan, the issuance or disposal of restricted stock to Eligible Directors will, in principle, be conducted by granting in a lump sum in the first fiscal year the restricted stock corresponding to the evaluation period of four fiscal years. Such issuance or disposal shall be carried out based on a resolution of the Board of Directors, by issuing or disposing of the Company’s common stock as compensation to the Eligible Directors without requiring payment of money or contribution of assets in kind.

2. Maximum number and amount of restricted stock to be granted to Eligible Directors

Under the Plan, the total number of the Company’s common stock to be issued or disposed of to Eligible



Directors shall not exceed 2,304,000 shares per year (provided, however, that in the event that, after the date of approval of this proposal, a stock split of the Company's common stock (including allotment of common stock without contribution), a consolidation of shares, or any other event requiring adjustment of the maximum number of shares to be issued or disposed of as restricted stock occurs, such maximum number may be adjusted reasonably). The total amount of restricted stock compensation to be granted to Eligible Directors shall not exceed 1,152 million yen per year (excluding the employee salary portion for Directors concurrently serving as employees). In principle, the Company intends to grant in a lump sum in the first fiscal year the Company's common stock corresponding to compensation for the four-fiscal-year evaluation period; accordingly, on a practical basis, the annual grant is expected to be within 576,000 shares and 288 million yen.

No payment of money is required for the issuance or disposal of such common stock; however, the amount of compensation for each Eligible Director shall be determined based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of the resolution of the Board of Directors relating to such issuance or disposal (or, if no transaction is executed on such day, the closing price on the most recent preceding trading day).

The specific timing and allocation for each Eligible Director shall be determined by the Board of Directors, taking into account deliberations by the Nomination and Remuneration Consultatory Committee.

### 3. Outline of restricted stock to be granted to Eligible Directors

In issuing or disposing of the Company's common stock under the Plan, the Company shall enter into a restricted stock allotment agreement with each Eligible Director (hereinafter referred to as the "Allotment Agreement"), which shall include, in substance, the following provisions.

#### (1) Transfer restriction period

(i) Eligible Directors who are in office in the first fiscal year of the evaluation period for performance indicators, etc. shall not transfer, create a security interest in, or otherwise dispose of the shares granted under the Plan (hereinafter referred to as the "Allotted Shares") during the period from the date of allotment of such shares until the date falling four years thereafter (hereinafter referred to as the "Corresponding Date").

(ii) Eligible Directors who assume office during the four-fiscal-year evaluation period shall not transfer, create a security interest in, or otherwise dispose of the Allotted Shares during the period from the date of allotment of such shares until the Corresponding Date (the periods set forth in (i) and (ii) above shall hereinafter be referred to as the "Transfer Restriction Period," and such restriction shall hereinafter be referred to as the "Transfer Restrictions").

#### (2) Release of the Transfer Restrictions

The Company shall, on the condition that an Eligible Director has continuously held the position of Director of the Company during the Transfer Restriction Period, determine the ratio for the release of the Transfer Restrictions based on the degree of achievement of performance targets, including the Company's TSR (Total Shareholder Return) growth rate relative to the growth rate of TOPIX, the Company's Adjusted EBITA (operating profit + amortization of goodwill, etc. recognized through M&A + M&A-related expenses (including advisory fees and due diligence costs)), evaluation scores from ESG rating agencies designated by the Company, and other performance

targets predetermined by the Board of Directors of the Company. At the expiration of the Transfer Restriction Period, the Company shall lift the Transfer Restrictions on the number of shares held by such Eligible Director at that time, calculated by multiplying the number of such shares by the ratio for the release of the Transfer Restrictions (any fraction of less than one share shall be rounded down). However, if an Eligible Director resigns from the position of Director of the Company during the Transfer Restriction Period for reasons deemed justifiable by the Board of Directors of the Company, the number of Allotted Shares for which the Transfer Restrictions are to be lifted and the timing of such release shall be adjusted reasonably as necessary.

(3) Acquisition of the Allotted Shares without consideration

The Company shall acquire without consideration the Allotted Shares for which the Transfer Restrictions are not to be lifted in accordance with (2) above. In addition, if an Eligible Director resigns from the position of Director of the Company prior to the expiration of the Transfer Restriction Period for reasons other than those deemed justifiable by the Board of Directors of the Company, or if certain other events occur with respect to the Eligible Director, the Company shall automatically acquire all or part of the Allotted Shares without consideration. With respect to the Allotted Shares for which the Transfer Restrictions have been lifted in accordance with (2) above, if, after such release, it is found that certain events have occurred, such as an error in the figures used as the basis for calculating the ratio for the release of the Transfer Restrictions, and the Company deems it appropriate, the Eligible Director shall return to the Company, without consideration, all or part of such Allotted Shares or cash, etc. equivalent thereto.

(4) Provisions regarding organizational restructuring, etc.

Notwithstanding the provisions of (1) above, if, during the Transfer Restriction Period, a merger agreement under which the Company is to be dissolved, a share exchange agreement or share transfer plan under which the Company becomes a wholly owned subsidiary, or any other matters relating to certain organizational restructuring, etc. are approved at the Company's General Meeting of Shareholders (or, if such approval is not required at the Company's General Meeting of Shareholders, at a meeting of the Board of Directors), the Company shall reasonably adjust, as necessary, the number of Allotted Shares for which the Transfer Restrictions are to be lifted and the timing of such release, and shall acquire without consideration the Allotted Shares for which the Transfer Restrictions have not been lifted.

4. Other matters to be determined by the Board of Directors

Any other matters shall be determined by the Board of Directors of the Company and shall be included in the Allotment Agreement.

5. Reasons why the grant of restricted stock is considered appropriate

The grant of restricted stock pursuant to this proposal is intended to provide medium- to long-term incentives for the sustainable enhancement of the corporate value of the group, while further promoting value sharing between the Eligible Directors and the Company's shareholders. At the Board Meeting held on June 28, 2023, the Company established a policy for determining the details of individual compensation, etc. for Directors, the outline of which is described in the Business Report under "4. Matters regarding Board Members." If this proposal is approved as

originally proposed, the Company plans to revise such policy so that it will be consistent with the approved contents, and this proposal is necessary for determining the details of individual compensation, etc. for Directors in accordance with the revised policy. In addition, assuming that the maximum number of shares available under the Plan is granted in a lump sum during the four-fiscal-year evaluation period, the dilution ratio relative to the total number of issued shares as of the end of the current fiscal year would be approximately 0.26%, which is considered limited. Accordingly, the Board of Directors has determined that the grant of restricted stock pursuant to this proposal is appropriate.

(Reference)

If this proposal is approved, the Company plans to allot restricted stock to its Executive Officers after the conclusion of this General Meeting of Shareholders. Such allotment of restricted stock to Executive Officers is expected to be conducted by granting monetary compensation claims to the eligible persons as compensation, and having such persons contribute the entire amount of such claims as assets in kind in exchange for the issuance or disposal of the Company's common stock.

(Reference) Skill matrix of Directors

(1) Expertise, knowledge, and experience expected to contribute to addressing current and future management challenges in light of the Company's business environment, and the reasons therefor

|                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Corporate management/Management strategy | Under our corporate philosophy, "Inspire the world. Deliver joy every day," the Company aims to achieve sustainable growth and medium-to long-term enhancement of corporate value through value creation that combines fashion and technology. The Board of Directors is an organ that makes decisions on important management issues and supervises the execution of duties of Directors and, while responding to the expectations of various stakeholders, including shareholders, in order to achieve the value creation that meets the management strategy of the Company, evaluates the adequacy of the management strategy and places importance on the skills necessary to appropriately supervise its implementation.                                                                                 |
| Finance/Accounting                       | In order to increase corporate value, the Company is making efforts to achieve capital-efficient management through growth investment and the implementation of capital policies. In addition, the Company's basic policy regarding shareholder returns is to determine and implement shareholder return measures while maintaining a balance with internal reserves, taking into account changes in business performance, financial conditions, future business and investment plans, etc. In order to appropriately make these decisions and carry out supervision, specialized knowledge and experience in finance and accounting are regarded as important skills.                                                                                                                                        |
| Organization/ Human resources            | We regard the individuality and abilities of each employee as the source of value creation and promote the creation of an organization where diverse talent can thrive. We believe that creating value while allowing employees to grow autonomously and build relationships of trust with their peers and society will lead to the realization of our corporate philosophy and sustainable growth. To achieve these goals, we position knowledge and experience in organization and human resources as important skills in order to appropriately supervise organizational development, evaluation systems, and the cultivation of corporate culture.                                                                                                                                                        |
| Corporate Governance                     | The Company recognizes the importance of the soundness, transparency, compliance, efficiency, and promptness of management and aims to build a management system that achieves continuous enhancement of corporate value by appropriately controlling management risks. To achieve this, we are promoting the enhancement of the corporate governance system centered on the Board of Directors and the Audit and Supervisory Committee. The Board of Directors appropriately supervises the implementation status of the risk management systems and compliance measures proposed and reported to the Board, and reviews and improves them as necessary. From this perspective, we position knowledge and experience in corporate governance, including risk management and compliance, as important skills. |

|                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|-------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ESG/Sustainability            | Under our sustainability statement, "Fashion Connects and Leads us to a Sustainable Future," we aim to harness the power of fashion and technology to solve the planet's social and environmental challenges in innovative ways together with everyone involved. In addition, we have set priority issues in each aspect of environment, society, and governance and are working to solve them through our business activities. In order to appropriately make these decisions and supervise them, we position knowledge and experience in ESG and sustainability as important skills.                                                                                                                              |
| Marketing strategy            | Based on our corporate philosophy, management strategy, sustainability statement, and ZOZO's uniqueness, we aim to become a company recognized as "the place for fashion" and an infrastructure that supports the growth of the fashion industry. In addition, in order to acquire a wider user base and increase the frequency of purchases per person, we are promoting the improvement of value as a preferred platform by creating a variety of customer contact points centered on fashion. In order to appropriately make these decisions and carry out supervision, knowledge and experience in marketing strategies, including brand strategy and promotional measures, are positioned as important skills. |
| IT (AI/Security)              | We aim to create value by combining fashion and technology. To achieve this, it is essential to evaluate the validity of IT investment and technology strategies, including the use of AI, and to ensure that information assets are appropriately protected from threats and that security management is implemented to support the provision of safe and secure services. For this reason, we position the following as important skills: the ability to make decisions based on practical experience as engineers in technology development and system construction, the ability to assess the strategy and risks of AI utilization, and the ability to oversee and manage cybersecurity risks..                 |
| EC platform business strategy | In addition to retaining existing users, we aim to expand our business by acquiring new customer segments, expanding categories, and enhancing the value of user experience through the use of data and technology. In order to appropriately make these decisions and carry out supervision, we position knowledge and experience in e-commerce platform business strategy, such as the ability to design customer segments, the ability to build new customer acquisition strategies, and the strategic use of data analysis, as important skills cultivated through experience in e-commerce platform operations.                                                                                                |
| Business development/M&A      | In addition to growing our existing business, we aim to expand our business areas and revenue opportunities. To achieve this, it is important to promote business development and M&A and to make decisions and exercise appropriate oversight while comprehensively considering alignment with the growth strategy, financial impact, and risks. Therefore, we position knowledge and experience in business development and M&A as important skills.                                                                                                                                                                                                                                                              |

|                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|--------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Global management/business                 | We aim to promote business development in overseas markets and create value through the use of technology. In overseas business, it is necessary to operate by utilizing the management resources of the entire group based on the market characteristics, competitive environments, legal restrictions, etc. of each country and region. In order to appropriately make these decisions and carry out supervision, we position knowledge and experience in global management and business as important skills. |
| Power to generate imagination and creation | “Power to generate imagination and creation” represents the concepts of “imagination” (SOZO) and “creation” (SOZO), from which the company name “ZOZO” is derived. It expresses the power to create new value and culture, as well as excitement and surprise that inspire people.                                                                                                                                                                                                                              |

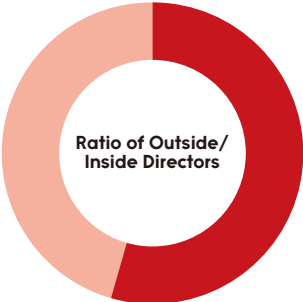
(2) Expertise, knowledge, and experience of each Director

|                  |                                             | ① Important expertise, knowledge and experience for decision-making and monitoring of the Board of Directors |                    |                              |                      |                    |                    |                  | ② Important expertise, knowledge and experience in responding to current and future management issues |                          |                            |                                            |
|------------------|---------------------------------------------|--------------------------------------------------------------------------------------------------------------|--------------------|------------------------------|----------------------|--------------------|--------------------|------------------|-------------------------------------------------------------------------------------------------------|--------------------------|----------------------------|--------------------------------------------|
| Name             | Title                                       | Corporate Management/Management strategy                                                                     | Finance/Accounting | Organization/Human resources | Corporate Governance | ESG/Sustainability | Marketing strategy | IT (AI/Security) | EC platform business strategy                                                                         | Business development/M&A | Global management/business | Power to generate imagination and creation |
| Kotaro Sawada    | Representative Director, President, and CEO | ●                                                                                                            |                    | ●                            | ●                    | ●                  | ●                  | ●                | ●                                                                                                     | ●                        |                            | ●                                          |
| Koji Yanagisawa  | Director, Executive Vice President, and CFO | ●                                                                                                            | ●                  |                              | ●                    | ●                  |                    |                  |                                                                                                       | ●                        | ●                          | ●                                          |
| Fuminori Hirose  | Director, and COO                           | ●                                                                                                            | ●                  |                              | ●                    | ●                  |                    |                  | ●                                                                                                     | ●                        |                            | ●                                          |
| Makoto Hide      | Director                                    | ●                                                                                                            |                    | ●                            |                      |                    | ●                  | ●                | ●                                                                                                     | ●                        |                            | ●                                          |
| Yuko Nagata      | Director                                    | ●                                                                                                            |                    |                              |                      |                    | ●                  |                  | ●                                                                                                     |                          | ●                          | ●                                          |
| Taro Saito       | Outside Director                            | ●                                                                                                            |                    | ●                            |                      | ●                  | ●                  |                  |                                                                                                       |                          | ●                          | ●                                          |
| Takako Kansai    | Outside Director                            | ●                                                                                                            |                    | ●                            |                      |                    |                    | ●                |                                                                                                       | ●                        |                            | ●                                          |
| Takuya Oikawa    | Outside Director                            | ●                                                                                                            |                    | ●                            |                      |                    |                    | ●                |                                                                                                       |                          | ●                          | ●                                          |
| Hiroko Igarashi  | Audit and Supervisory Committee Member      |                                                                                                              | ●                  |                              | ●                    |                    |                    |                  |                                                                                                       |                          |                            | ●                                          |
| Junko Utsunomiya | Audit and Supervisory Committee Member      |                                                                                                              |                    |                              | ●                    |                    |                    |                  |                                                                                                       | ●                        | ●                          | ●                                          |
| Kumiko Nishiyama | Audit and Supervisory Committee Member      |                                                                                                              | ●                  |                              | ●                    | ●                  |                    |                  |                                                                                                       |                          |                            | ●                                          |

(Note)

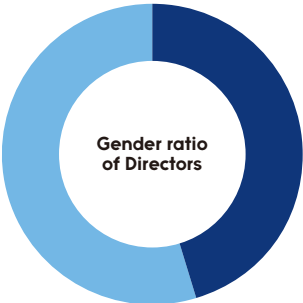
The above table does not show all the knowledge and experience of each Director.

# Corporate Governance Highlights



● Outside Directors  
**54.5%** (6 in total)

● Inside Directors  
**45.5%** (5 in total)



● Female Directors  
**45.5%** (5 in total)

● Male Directors  
**54.5%** (6 in total)



● Outside Directors  
**60.0%** (3 in total)

● Inside Directors  
**40.0%** (2 in total)



## (Reference) Evaluation of the effectiveness of the Board of Directors

The Board of Directors of the Company annually evaluates its effectiveness by analyzing and verifying items regarding the purposes, agenda items, composition, deliberations, and operations of and the framework supporting the Board of Directors, and based on the results thereof, the Board of Directors is identifying issues and implementing measures. Based on the Board's activities during the current fiscal year, the results of analysis and evaluation of the effectiveness of the Board of Directors are as follows:

### 1. Method of evaluating the effectiveness of the Board of Directors

After distributing a questionnaire concerning the effectiveness of the Board of Directors to all Directors and compiling and analyzing the responses, the Board of Directors discussed the challenges and measures for further improvement of the effectiveness of the Board of Directors.

### 2. Summary of the results of analysis and evaluation

Through a questionnaire to all Directors in terms of the purposes, agenda items, composition, deliberations, and operations of the Board of Directors, it has been confirmed that the Board was generally evaluated highly across all categories.

With respect to issues identified in the previous fiscal year's effectiveness evaluation, the need for better alignment between management and supervisory functions regarding the medium- to long-term management strategy, enhancement of monitoring items and supervisory structures, and more substantive discussions at the Nomination and Remuneration Consultatory Committee regarding the CEO succession plan linked to the medium- to long-term management strategy were identified.

In response to these issues, certain improvements were confirmed as a result of our efforts to date, such as enhanced discussions regarding the medium- to long-term management strategy, development of a shared understanding among Directors in terms of the appropriate supervisory function of the Board of Directors, and a review of the skills required of Directors.

In addition, issues were raised regarding the content and method of effective training for Directors. Furthermore, to further improve effectiveness, in order to have better discussions about medium- to long-term management strategy and management challenges, constructive opinions were expressed about further enhancement of information provided to Directors and the way discussions should be conducted for making better use of the knowledge and expertise of Outside Directors.

### 3. For the future

At the Board Meeting held in March 2026, based on the above analysis and evaluation results, the Board of Directors engaged in active discussions to further enhance its effectiveness.

As a result, it was confirmed that the Company would enhance the information provided to Directors and update the themes, frequency, and methods of discussions in order to hold more substantive discussions about medium- to long-term management strategy and management challenges while making the best use of the knowledge and expertise of Outside Directors.

Based on this policy, we will continue to implement operational improvements in order to further enhance the effectiveness of the Board of Directors and corporate value.

# Business Report



# Business Report for the 28<sup>th</sup> Fiscal Year

From April 1, 2025, to March 31, 2026

## 1. Matters concerning the current status of the corporate group

### (1) Progress of business operation and its results

[Table 1] YoY comparison

(Unit: Million yen)

|                                               | Previous fiscal year<br>(April 1, 2024 to March 31, 2025) |          | Current fiscal year<br>(April 1, 2025 to March 31, 2026) |          | YoY basis |
|-----------------------------------------------|-----------------------------------------------------------|----------|----------------------------------------------------------|----------|-----------|
| Gross merchandise value                       | 614,361                                                   | (106.9%) | 666,035                                                  | (103.1%) | 8.4%      |
| Gross merchandise value (excluding other GMV) | 574,666                                                   | (100.0%) | 646,162                                                  | (100.0%) | 12.4%     |
| Net sales                                     | 213,131                                                   | (37.1%)  | 228,373                                                  | (35.3%)  | 7.2%      |
| Gross profit                                  | 198,312                                                   | (34.5%)  | 213,000                                                  | (33.0%)  | 7.4%      |
| Operating profit                              | 64,756                                                    | (11.3%)  | 69,366                                                   | (10.7%)  | 7.1%      |
| EBITDA (Note) 2                               | 69,788                                                    | (12.1%)  | 76,924                                                   | (11.9%)  | 10.2%     |
| Ordinary profit                               | 64,888                                                    | (11.3%)  | 69,261                                                   | (10.7%)  | 6.7%      |
| Profit attributable to owners of parent       | 45,346                                                    | (7.9%)   | 47,926                                                   | (7.4%)   | 5.7%      |

(Note)

1. Figures in parentheses are percentages of gross merchandise value (excluding other GMV)

2. EBITDA = Operating profit + stock compensation expenses + depreciation + amortization of goodwill

Under the corporate philosophy of “Inspire the world. Deliver joy every day.,” we mainly operate the following businesses: the largest fashion e-commerce website in Japan, “ZOZOTOWN,” and an outfit-sharing app, “WEAR by ZOZO.”

In the current fiscal year, the domestic fashion market remained relatively firm, supported by improvements in employment and income conditions. However, it continues to face risks of weakened consumer sentiment due to persistent inflation and the effects of climate change. Furthermore, geopolitical risks and fluctuations in foreign exchange rates have increased the uncertainty of the global economy, and the outlook remains unpredictable. Under these circumstances, our group has been focusing on making ZOZOTOWN even more attractive to both users and brands with the goal of increasing the number of unique users and improving the conversion rate (the purchasing rate of unique users). So that we can maximize sales of ZOZOTOWN, we ran TV commercials and web advertising for the sale event “ZOZOWEEK” (11 days in total, from May 15 to 25, 15 days in total, from October 31 to November 9, and November 12 to 16, 2025), the summer sale period (from June 25 to August 31, 2025), the Black Friday event (11 days in total, from November 20 to 30, 2025), and the winter sale period (from January 1 to February 23, 2026), to boost customer traffic. In addition, we continued to proactively welcome new brands in a

wide range of genres to meet the diversifying needs of users. As an initiative to strengthen a specific category, we have been focusing on “ZOZOCOSME.” As a value-added service unique to the Company, we aim to offer solutions that help users discover their “style” by addressing the upstream of purchasing behavior. To this end, we are developing a proprietary AI agent that leverages the extensive fashion-related data we have accumulated over the years.

Sales of LY Corporation Commerce (combined sales of “Yahoo! JAPAN Shopping” and “Yahoo! JAPAN Auction”) have been growing steadily due to customer attraction efforts by LY Corporation which operates those malls, and the promotion activities such as “Serious ZOZO Festival” (17 days in total, May 17 to 18, June 15, July 26 to 27, September 20 to 21, October 19, November 29 to 30, December 14 and 21, 2025, January 1 and 25, February 15, and March 21 to 22, 2026), as well as the retention of new customers acquired up to the previous fiscal year. As part of our global expansion, we acquired all shares of LYST LTD (hereinafter “LYST”), the operator of the fashion shopping platform “Lyst,” on April 18, 2025, making it a wholly owned subsidiary. LYST has been consolidated into our financial reporting since May 2025. Going forward, we will position LYST as a central pillar and aim for discontinuous growth in the global market.

Consequently, the gross merchandise value in the current fiscal year was 666,035 million yen (+8.4% YoY), and the gross merchandise value (excluding other GMV) was 646,162 million yen (+12.4% YoY). Net sales were 228,373 million yen (+7.2% YoY), and gross profit was 213,000 million yen (+7.4% YoY). The gross profit ratio to the gross merchandise value (excluding other GMV) (gross profit margin) was 33.0%, a decrease of 1.5% from the previous fiscal year.

With respect to gross merchandise value for the fourth quarter, customer traffic remained strong and inventory for the sale event was ample, resulting in strong performance in sales during the winter sale period. As a result, we achieved growth sufficient to offset the shortfall as of the end of the third quarter, and combined results for the ZOZOTOWN business and LY Corporation Commerce exceeded the plan. On the other hand, LYST fell short of the plan due to sluggish conditions in the luxury market, particularly in Europe and the United States, as well as changes in U.S. tariff policies. As a result, overall results fell short of the plan.

As for net sales, the YoY growth rate was lower than that of the gross merchandise value (excluding other GMV), mainly due to the change in business composition resulting from the consolidation of LYST. LYST operates a business model in which it earns performance-based commissions from partner brands that list their items on the LYST platform. Compared to Consignment sales and LY Corporation Commerce, LYST has a lower commission rate on gross merchandise value.

As mentioned in the sales part, the main factor in the decreased gross profit margin was due to the change in business composition resulting from the consolidation of LYST.

Selling, general, and administrative expenses were 143,634 million yen (+7.5% YoY). The ratio to the gross merchandise value (excluding other GMV) was 22.2%, a decrease of 1.0% compared with the previous fiscal year. With the consolidation of LYST, gross merchandise value increased. However, LYST operates under an affiliate-based business model, which does not incur logistics-related expense, shipping expense, or commission of payment collection. Additionally, rent expense and other operating costs are limited. As a result, the consolidated SG&A-to-GMV ratio has generally declined. The major factors behind the changes in individual expense items are as follows. All the percentages of the gross merchandise value are calculated by dividing each SG&A expense by

the gross merchandise value (excluding other GMV):

Increasing (worsening) factors

1. Amortization of goodwill as a percentage of gross merchandise value rose by 0.4%, due to the consolidation of LYST.
2. Advertising expense as a percentage of gross merchandise value rose by 0.3%, due to advertising expenses incurred by LYST (of which advertising expenses account for a large proportion of its SG&A expenses) and an increase in web advertising expenses for ZOZOTOWN, etc.

Decreasing (improving) factors

1. Shipping expense as a percentage of gross merchandise value declined by 0.6%, due to the expansion of the scope of consolidation, and improved economic terms with the delivery outsourcing partner from October 2025, following initiatives to improve delivery efficiency.
2. Logistics-related expense as a percentage of gross merchandise value declined by 0.5%, due to the expansion of the scope of consolidation and improvements in operational efficiency at logistics centers, etc.
3. Commission of payment collection as a percentage of gross merchandise value declined by 0.2%, due to the expansion of the scope of consolidation.
4. Rent expense as a percentage of gross merchandise value declined by 0.2%, due to the expansion of the scope of consolidation.

Consequently, EBITDA of the current fiscal year was 76,924 million yen (+10.2% YoY), and the EBITDA margin was 11.9% of the gross merchandise value (excluding other GMV), a decrease of 0.2% compared with the previous fiscal year. Operating profit was 69,366 million yen (+7.1% YoY), Ordinary profit was 69,261 million yen (+6.7% YoY), and profit attributable to owners of parent was 47,926 million yen (+5.7% YoY).

In the current fiscal year, the Company decided to discontinue the businesses in which the ZOZO group places orders for and produces merchandise, including MS (Multi-Size), as well as the business that supports the production of branded merchandise (Made by ZOZO), following a comprehensive review of their future business prospects. As a result, the Company recorded extraordinary losses totaling 727 million yen, consisting of an impairment loss on non-current assets of 329 million yen and a loss on business liquidation of 397 million yen.



[Table2] Comparison with the consolidated earnings forecast

|                                               | Current fiscal year<br>(consolidated earnings forecast) |          | Current fiscal year<br>(Results) |          | (Unit: Million yen)<br>Comparison to<br>the earnings<br>forecast |
|-----------------------------------------------|---------------------------------------------------------|----------|----------------------------------|----------|------------------------------------------------------------------|
| Gross merchandise value                       | 673,900                                                 | (103.1%) | 666,035                          | (103.1%) | -1.2 %                                                           |
| Gross merchandise value (excluding other GMV) | 653,700                                                 | (100.0%) | 646,162                          | (100.0%) | -1.2 %                                                           |
| Net sales                                     | 231,500                                                 | (35.4%)  | 228,373                          | (35.3%)  | -1.4 %                                                           |
| Operating profit                              | 69,200                                                  | (10.6%)  | 69,366                           | (10.7%)  | 0.2 %                                                            |
| EBITDA (Note 2)                               | 76,700                                                  | (11.7%)  | 76,924                           | (11.9%)  | 0.3 %                                                            |
| Ordinary profit                               | 69,100                                                  | (10.6%)  | 69,261                           | (10.7%)  | 0.2 %                                                            |
| Profit attributable to owners of parent       | 47,800                                                  | (7.3%)   | 47,926                           | (7.4%)   | 0.3 %                                                            |

(Note)

1. Figures in parentheses are percentages of gross merchandise value (excluding other GMV)

2. EBITDA = Operating profit + stock compensation expenses + depreciation + amortization of goodwill

Compared to the earnings forecast disclosed on July 31, 2025, gross merchandise value, gross merchandise value (excluding other GMV), and net sales fell short of the plan by 1.2%, 1.2%, and 1.4% respectively. The main factors include the negative impact of unfavorable weather conditions during the second and third quarters of the current fiscal year in the ZOZOTOWN business, as well as LYST falling short of the plan due to sluggish conditions in the luxury market, particularly in Europe and the United States, and changes in U.S. tariff policies. As a result, gross merchandise value and gross merchandise value (excluding other GMV) fell short of the plan, and net sales also fell short of the plan in line with this.

For the profit part, operating profit, EBITDA, ordinary profit, and profit attributable to owners of parent exceeded 0.2%, 0.3%, 0.2% and 0.3%, respectively. With respect to operating profit, the plan was achieved due to the effects of various cost control measures, including a reduction in logistics-related expense (as a percentage of GMV) resulting from improved operational efficiency through the optimization of inventory storage volumes at logistics centers, as well as a reduction in shipping expense (as a percentage of GMV) due to improved economic terms with the delivery outsourcing partner from October 2025, which had not been anticipated at the time of plan formulation. As a result, EBITDA and ordinary profit exceeded the plan. In addition, profit attributable to owners of parent exceeded the plan, despite the recording of extraordinary losses associated with the decision to discontinue the production business, supported by the application of tax credits under the wage increase tax incentive system and other factors.

Since our group is a single segment of the e-commerce business, information by segment is omitted. However, the performance of each business segment within the single segment is shown below.

[Table 3] YoY comparison by business segment

| By business segment                    | Previous fiscal year<br>(April 1, 2024 to March 31, 2025) |                    |                            | Current fiscal year<br>(April 1, 2025 to March 31, 2026) |                    |                            | Merchandise Value<br>YoY (%) | Net sales<br>YoY (%) |
|----------------------------------------|-----------------------------------------------------------|--------------------|----------------------------|----------------------------------------------------------|--------------------|----------------------------|------------------------------|----------------------|
|                                        | Merchandise value<br>(Million yen)                        | Composition<br>(%) | Net sales<br>(Million yen) | Merchandise value<br>(Million yen)                       | Composition<br>(%) | Net sales<br>(Million yen) |                              |                      |
| ZOZOTOWN Business                      | 491,943                                                   | 80.1               | 151,977                    | 516,613                                                  | 77.5               | 157,416                    | 5.0                          | 3.6                  |
| (Outright purchase/production & sales) | 3,692                                                     | 0.6                | 3,484                      | 2,795                                                    | 0.4                | 2,630                      | -24.3                        | -24.5                |
| (Consignment sales)                    | 468,606                                                   | 76.3               | 129,651                    | 492,743                                                  | 73.9               | 134,673                    | 5.2                          | 3.9                  |
| (USED Sales)                           | 19,643                                                    | 3.2                | 18,841                     | 21,074                                                   | 3.2                | 20,113                     | 7.3                          | 6.8                  |
| LY Corporation Commerce                | 69,610                                                    | 11.3               | 21,329                     | 78,926                                                   | 11.9               | 24,179                     | 13.4                         | 13.4                 |
| LYST                                   | —                                                         | —                  | —                          | 42,245                                                   | 6.3                | 5,776                      | —                            | —                    |
| BtoB business                          | 13,112                                                    | 2.1                | 2,145                      | 8,377                                                    | 1.3                | 1,325                      | -36.1                        | -38.2                |
| Advertising business                   | —                                                         | —                  | 11,209                     | —                                                        | —                  | 11,884                     | —                            | 6.0                  |
| Subtotal excluding Others              | 574,666                                                   | 93.5               | 186,660                    | 646,162                                                  | 97.0               | 200,581                    | 12.4                         | 7.5                  |
| Others                                 | 39,695                                                    | 6.5                | 26,470                     | 19,872                                                   | 3.0                | 27,791                     | -49.9                        | 5.0                  |
| Total                                  | 614,361                                                   | 100.0              | 213,131                    | 666,035                                                  | 100.0              | 228,373                    | 8.4                          | 7.2                  |

① ZOZOTOWN business

The ZOZOTOWN Business consists of three business forms: “Outright purchase/production & sales,” “Consignment sales,” and “USED sales.” In Outright purchase/production & sales, we purchase inventory, bear inventory risks, and make sales. This corresponds to purchasing fashion merchandise from each brand, or ordering merchandise by our group, such as MS (Multi-Size), etc. In Consignment sales, we deal in consigned inventory of merchandise from each brand and sell them on a consignment basis. In USED sales, we mainly buy and sell used fashion-related merchandise from individual users, and it is positioned as a value-added service to promote the purchase of new merchandise.

We recognize that increasing the number of buyers and the usage rate of ZOZOTOWN in fashion consumption are the key factors in achieving sustainable growth. To realize this, we are working on creating a website that is attractive to both users and brands.

The transition of major KPIs for the ZOZOTOWN Business is as follows.



(Number of shops, etc.)

[Table 4] Changes in the number of shops and brands

|                                               | Previous fiscal year |       |       |       | Current fiscal year |       |        |        |
|-----------------------------------------------|----------------------|-------|-------|-------|---------------------|-------|--------|--------|
|                                               | Q1                   | Q2    | Q3    | Q4    | Q1                  | Q2    | Q3     | Q4     |
| Shops in ZOZOTOWN (Note) 1                    | 1,605                | 1,621 | 1,656 | 1,649 | 1,681               | 1,686 | 1,712  | 1,710  |
| Outright purchase/production & sales (Note) 2 | 29                   | 31    | 30    | 29    | 29                  | 28    | 25     | 21     |
| Consignment sales                             | 1,576                | 1,590 | 1,626 | 1,620 | 1,652               | 1,658 | 1,687  | 1,689  |
| Number of brands (Note) 1, 2                  | 9,194                | 9,128 | 9,162 | 9,049 | 9,208               | 9,215 | 11,193 | 11,247 |

(Note)

1. Numbers as of the end of the quarterly accounting period are shown.

2. Private brand "ZOZO" and "Multi-size" are not included.

The number of new shops opened in the current fiscal year was 151 (a net increase of 61), while the number of new shops opened during the fourth quarter of the current fiscal year was 27 (a net decrease of 2). Major new shops include the outdoor brand "SALOMON," "sanrio house," a brand supervised by Sanrio Company, Ltd. and developed by MASH Style Lab Co.,Ltd., and "TAKARAJIMASHA STORE," an apparel shop operated by TAKARAJIMASHA, Inc.

While the opening of new shops progressed largely in line with the plan, the number of shops decreased compared with the previous quarter due to a high number of shop closures resulting from brand discontinuations and other factors.

(Number of annual buyers)

[Table 5] Changes in the number of annual buyers

|                                            | Previous fiscal year |            |            |            | Current fiscal year |            |            |            |
|--------------------------------------------|----------------------|------------|------------|------------|---------------------|------------|------------|------------|
|                                            | Q1                   | Q2         | Q3         | Q4         | Q1                  | Q2         | Q3         | Q4         |
| Number of annual buyers<br>(Note) 1, 2, 4  | 11,790,269           | 11,870,844 | 12,057,726 | 12,217,038 | 12,365,080          | 12,529,665 | 12,809,389 | 13,173,445 |
| (YoY)                                      | 319,677              | 318,080    | 366,768    | 535,820    | 574,811             | 658,821    | 751,663    | 956,407    |
| (QoQ)                                      | 109,051              | 80,575     | 186,882    | 159,312    | 148,042             | 164,585    | 279,724    | 364,056    |
| Number of active members<br>(Note) 1, 3, 4 | 10,919,685           | 11,028,704 | 11,211,992 | 11,403,391 | 11,587,777          | 11,803,843 | 12,119,711 | 12,479,312 |
| (YoY)                                      | 567,434              | 512,794    | 472,746    | 613,394    | 668,092             | 775,139    | 907,719    | 1,075,921  |
| (QoQ)                                      | 129,688              | 109,019    | 183,288    | 191,399    | 184,386             | 216,066    | 315,868    | 359,601    |
| Number of guest buyers<br>(Note) 1, 4      | 870,584              | 842,140    | 845,734    | 813,647    | 777,303             | 725,822    | 689,678    | 694,133    |
| (YoY)                                      | -247,757             | -194,714   | -105,978   | -77,574    | -93,281             | -116,318   | -156,056   | -119,514   |
| (QoQ)                                      | -20,637              | -28,444    | 3,594      | -32,087    | -36,344             | -51,481    | -36,144    | 4,455      |

(Note)

1. The calculation period is the most recent one-year period prior to the end of the accounting periods.
2. The number of annual buyers includes the sum of active members and guest buyers who made more than one purchase within the past year from each quarter.
3. The number of active members represents the number of members who have made at least one purchase within the past year.
4. Buyers of "LY Corporation Commerce", "LYST," and "BtoB business" are not included.

During the fourth quarter of the current fiscal year, the number of annual buyers increased, resulting from an increase in the number of active members YoY and QoQ. The growth in the number of active members is due to the retention of new members acquired up to the previous fiscal year, as well as steady progress in new customer acquisition through web advertising and in-site initiatives on ZOZOTOWN. Increased investment in web advertising and referral campaigns YoY contributed to growth in the number of new members. In addition, increased investment in point-awarding initiatives aimed at re-engaging inactive members has also proven effective in converting inactive members into active users.

(Annual purchase amount and annual purchase pieces)

[Table 6] Changes in the annual purchase amount and annual purchase pieces

|                                                        | Previous fiscal year |        |        |        | Current fiscal year |        |        |        |
|--------------------------------------------------------|----------------------|--------|--------|--------|---------------------|--------|--------|--------|
|                                                        | Q1                   | Q2     | Q3     | Q4     | Q1                  | Q2     | Q3     | Q4     |
| Annual purchase amount<br>(Total)<br>(Note) 1, 2, 3, 4 | 42,947               | 43,171 | 43,307 | 42,953 | 42,861              | 42,404 | 41,771 | 41,323 |
| (YoY)                                                  | 1.4%                 | 1.8%   | 1.9%   | 0.3%   | -0.2%               | -1.8%  | -3.5%  | -3.8%  |
| (QoQ)                                                  | 0.3%                 | 0.5%   | 0.3%   | -0.8%  | -0.2%               | -1.1%  | -1.5%  | -1.1%  |
| Annual purchase pieces<br>(Total)<br>(Note) 1, 2, 3    | 10.9                 | 11.0   | 11.0   | 10.9   | 10.8                | 10.7   | 10.6   | 10.6   |
| (YoY)                                                  | 1.2%                 | 2.0%   | 1.6%   | 0.0%   | -1.0%               | -2.1%  | -3.2%  | -2.9%  |
| (QoQ)                                                  | 0.6%                 | 0.4%   | 0.0%   | -1.0%  | -0.4%               | -0.7%  | -1.1%  | -0.7%  |

(Note)

1. The calculation period is the most recent one-year period prior to the end of the accounting periods.
2. Indexes for each active member.
3. Buyers of "LY Corporation Commerce", "LYST," and "BtoB business" are not included.
4. The amounts are in yen.

During the fourth quarter of the current fiscal year, the annual purchase amount (Total) and annual purchase pieces (Total) decreased YoY and QoQ. The main factor was an increase in the proportion of new members, driven by steady growth in new member acquisition in each quarter of the current fiscal year. (Generally, members with shorter membership histories have lower annual purchase amounts and fewer purchase pieces.)

(Average retail price, etc.)

[Table 7] Changes in the average retail price, average order value, average purchase pieces per order and number of shipments

|                                                     | Previous fiscal year |            |            |            | Current fiscal year |            |            |            |
|-----------------------------------------------------|----------------------|------------|------------|------------|---------------------|------------|------------|------------|
|                                                     | Q1                   | Q2         | Q3         | Q4         | Q1                  | Q2         | Q3         | Q4         |
| Average retail price<br>(Note) 1, 2, 3              | 3,698                | 3,629      | 4,369      | 4,038      | 3,744               | 3,584      | 4,277      | 3,974      |
| (YoY)                                               | -0.7%                | 1.1%       | 0.2%       | 0.9%       | 1.2%                | -1.2%      | -2.1%      | -1.6%      |
| Average order value<br>(Note) 1, 2, 3               | 8,343                | 8,196      | 9,422      | 8,980      | 8,543               | 8,183      | 9,328      | 8,864      |
| (YoY)                                               | 2.0%                 | 3.8%       | 3.3%       | 2.8%       | 2.4%                | -0.2%      | -1.0%      | -1.3%      |
| Average purchase<br>pieces per order (Note)<br>1, 2 | 2.26                 | 2.26       | 2.16       | 2.22       | 2.28                | 2.28       | 2.18       | 2.23       |
| (YoY)                                               | 2.8%                 | 2.7%       | 3.1%       | 1.9%       | 1.1%                | 1.1%       | 1.1%       | 0.3%       |
| Number of shipments<br>(Note) 1, 2                  | 13,788,498           | 13,471,252 | 15,518,943 | 13,393,189 | 14,242,174          | 13,924,003 | 16,230,382 | 14,620,850 |
| (YoY)                                               | 4.1%                 | 2.8%       | 3.5%       | 0.7%       | 3.3%                | 3.4%       | 4.6%       | 9.2%       |

(Note)

1. Figures are based on quarterly accounting periods.

2. Buyers of "LY Corporation Commerce", "LYST," and "BtoB business" are not included.

3. The amounts are in yen.

During the fourth quarter of the current fiscal year, while list prices of new items stabilized at prior-year levels, the average retail price declined YoY due to an increase in the proportion of sale items, reflecting the strong performance during the winter sale event. In addition, as the proportion of sale items increased, the attach rate rose and the number of items purchased per order increased; however, the negative impact from the decline in the average retail price outweighed these effects, resulting in a decline in the average order value. Regarding the free-shipping measure for orders of 12,000 yen or more, while the level of investment was lower than the same quarter of the previous year, it was implemented effectively, with no negative impact on the number of items per order.

i. Outright purchase/production & sales

In the current fiscal year, the merchandise value was 2,795 million yen (-24.3% YoY), accounting for 0.4% of the gross merchandise value (0.6% in the previous fiscal year). Net sales were 2,630 million yen (-24.5% YoY). As of the end of March 2026, the number of shops opened on ZOZOTOWN for Outright purchase/production & sales was 21 (25 as of the end of December 2025).

ii. Consignment sales

In the current fiscal year, the merchandise value was 492,743 million yen (+5.2% YoY), accounting for 73.9% of the gross merchandise value (76.3% in the previous fiscal year). Net sales (consignment sales commission) were 134,673 million yen (+3.9% YoY). As of the end of March 2026, the number of shops opened on ZOZOTOWN for consignment sales was 1,689 (1,687 as of the end of December 2025).

iii. USED Sales

In the current fiscal year, the merchandise value was 21,074 million yen (+7.3% YoY), accounting for 3.2% of the gross merchandise value (3.2% in the previous fiscal year). Net sales were 20,113 million yen (+6.8% YoY).

② LY Corporation Commerce

LY Corporation Commerce is the combined sales of Yahoo! JAPAN Shopping and Yahoo! JAPAN Auction. We opened the ZOZOTOWN store on Yahoo! JAPAN Shopping, an online shopping mall, and the ZOZOUSUED store on Yahoo! JAPAN Auction, an online auction service, in March 2024. In the current fiscal year, the merchandise value was 78,926 million yen (+13.4% YoY), accounting for 11.9% of the gross merchandise value (11.3% in the previous fiscal year). Net sales (consignment sales commission) were 24,179 million yen (+13.4% YoY).

③ LYST

LYST operates a business model in which it earns performance-based commissions from partner brands that list their items on the fashion shopping platform “Lyst”. LYST has been included in the consolidated group since May 2025. In the current fiscal year, the merchandise value was 42,245 million yen, accounting for 6.3% of the gross merchandise value. Net sales were 5,776 million yen.

④ BtoB business

The BtoB business model includes building and operating brands' e-commerce websites and providing logistics services. In the current fiscal year, the merchandise value was 8,377 million yen (-36.1% YoY), accounting for 1.3% of the gross merchandise value (2.1% in the previous fiscal year). Net sales (consignment sales commission) were 1,325 million yen (-38.2% YoY). As of the end of March 2026, the number of consigned websites was 29 (28 as of the end of December 2025).

⑤ Advertising business

The advertising business is a business model that generates advertising revenue by providing advertising space to client brands by utilizing the user base of ZOZOTOWN and WEAR by ZOZO. In the current fiscal year, net sales were 11,884 million yen (+6.0% YoY).

## ⑥ Others

The segment for “Others” within the gross merchandise value includes 1) the merchandise value of the stores that contracted “ZOZO Option”(recording ended as of September 30, 2025) in the fashion category excluding ZOZOTOWN on Yahoo! JAPAN Shopping (service that enables those stores to get benefits from sales support such as participation in the special events by the Company), 2) the merchandise value of the e-commerce site of the Company’s consolidated subsidiary, 3) the merchandise value from ZOZOMO, the system to support for sending customers to the physical stores from ZOZOTOWN, and 4) the merchandise value of “ZOZOSUIT” which is sold for a fee in the U.S. The merchandise value in the current fiscal year was 19,872 million yen (-49.9% YoY), accounting for 3.0% of the gross merchandise value (6.5% in the previous fiscal year). As to sales of “Others”, sales from businesses related to ZOZOTOWN (shipping income and settlement commission income, etc.), and sales related to the gross merchandise value (Others), which is mentioned above, are included. In the current fiscal year, net sales were 27,791 million yen (+5.0% YoY).

## (2) Status of capital investment

In the current fiscal year, in order to cope with the increase in the gross merchandise value, we added logistics-related equipment. Total capital investment amounted to 7,050 million yen.

## (3) Status of financing activities

The main funding source for the current fiscal year was short-term borrowings from financial institutions for refinancing. The balance of short-term borrowings at fiscal year-end was 20,000 million yen. Additionally, in March 2026, we entered into a syndicated commitment line agreement with three banks to improve financial flexibility and stability.

## (4) Issues to be addressed

The group recognizes the following as key management issues: ① further growth of ZOZOTOWN and the creation of new revenue pillars beyond ZOZOTOWN, ② enhancement of services and controlling cost increases through the utilization of AI, and ③ responses to medium- to long-term risks, including uncertainties in the external environment.

### ① Further growth of ZOZOTOWN and the creation of new revenue pillars beyond ZOZOTOWN

In its consolidated financial results for the fiscal year ended March 31, 2026, the group announced its Medium-Term Business Plan targeting Adjusted EBITA (Operating profit + amortization of goodwill (including amortization of intangible assets recognized through purchase price allocation (PPA)) + M&A-related expenses (including advisory fees and due diligence costs)) of 90.0 billion yen for the fiscal year ending March 31, 2030.

The group positions its existing domestic businesses, including ZOZOTOWN, as the “More Fashion” domain; businesses in fashion-adjacent domestic markets targeted for future expansion as the “Near Fashion” domain; and businesses centered on LYST and ZOZOFIT aimed at expanding earnings in North America and Europe as the “Global” domain. The group aims to achieve Adjusted EBITA of 80.0 billion yen in the “More Fashion” domain, and 5.0 billion yen each in the “Near Fashion” and “Global” domains, for a total of 90.0 billion yen across all businesses

in the fiscal year ending March 31, 2030.

In the “More Fashion” domain centered on ZOZOTOWN, the group will strengthen initiatives aimed at providing unique added value to both users and brands through measures such as accelerating the acquisition of new users, proactively attracting new brands, and leveraging the extensive data held by ZOZO.

In the “Near Fashion” domain, the group views in-house development, business alliances, and capital alliances as drivers of earnings growth, and aims to contribute to earnings by offering multiple services beyond ZOZOTOWN that offer purchasing experiences in fashion-adjacent areas likely to resonate with ZOZOTOWN users.

In the “Global” domain, the group intends to expand overseas earnings primarily in North America and Europe by leveraging ZOZO’s technologies. In addition to enhancing the functionality of ZOZOFIT, which is primarily offered in the United States, and expanding its geographic reach, the group also aims to generate earnings contributions from LYST, which became a consolidated subsidiary in May 2025, by utilizing ZOZO’s expertise and know-how.

② Enhancement of services and controlling cost increases through the utilization of AI

The group believes that it is necessary to promote the utilization of advanced technologies such as AI in order to provide new value with greater speed and precision in response to increasingly diversified and sophisticated user needs.

By incorporating the latest technologies, including AI agents, into existing services, the group aims to dramatically improve service quality and customer experience while promoting operational automation to control and optimize increases in operating costs and various expenses, thereby establishing a resilient business foundation.

③ Responses to medium- to long-term risks, including uncertainties in the external environment

The group recognizes that building a flexible management foundation is essential amid increasing uncertainties in the external environment, including the manifestation of geopolitical risks and labor shortages caused by population decline.

In addition to strengthening its risk management structure, the group will identify market changes at an early stage and accelerate decision-making through the utilization of data, thereby minimizing downside risks and aiming to achieve stable and continuous value provision and earnings generation even under uncertain business conditions.

(5) Financial performance highlights

| Segment                                                  | FY2022<br>25 <sup>th</sup> term | FY2023<br>26 <sup>th</sup> term | FY2024<br>27 <sup>th</sup> term | FY2025<br>28 <sup>th</sup> term<br>(Current fiscal year) |
|----------------------------------------------------------|---------------------------------|---------------------------------|---------------------------------|----------------------------------------------------------|
| Net sales<br>(million yen)                               | 183,423                         | 197,016                         | 213,131                         | 228,373                                                  |
| Ordinary profit<br>(million yen)                         | 56,716                          | 59,764                          | 64,888                          | 69,261                                                   |
| Profit attributable to owners<br>of parent (million yen) | 39,526                          | 44,341                          | 45,346                          | 47,926                                                   |
| Earnings per share<br>(yen)                              | 43.94                           | 49.40                           | 50.90                           | 54.11                                                    |
| Total assets<br>(million yen)                            | 155,742                         | 161,862                         | 187,810                         | 198,260                                                  |
| Net assets<br>(million yen)                              | 76,693                          | 84,744                          | 98,719                          | 106,789                                                  |

(Note)

1. Earnings per share are calculated based on the weighted average number of shares.
2. On April 1, 2025, the Company conducted a three-for-one stock split of common stock. Earnings per share have been calculated on the assumption that the stock split was implemented at the beginning of each fiscal year.



(6) Major business (As of March 31, 2026)

| Business                | Operations and services description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ZOZOTOWN Business       | <p>ZOZOTOWN business consists of Outright purchase/production &amp; sales, Consignment sales, and USED sales.</p> <p>(Outright purchase/production &amp; sales)</p> <p>The group purchases and sells fashion items while bearing the inventory risk. This category includes businesses that purchase fashion items from various brands and the business that sells items while holding our own inventory, such as MS (multi-size).</p> <p>(Consignment sales)</p> <p>Each brand opens its store in ZOZOTOWN as a tenant, while the group manages each store and stores and sells items on a consignment basis through its logistics centers. Key differences from outright purchase operations include: (1) tenants are required to conduct basic merchandising activities themselves; (2) the consignment sales model allows the Company to avoid inventory risk; and (3) net sales from this business are recorded as “consignment sales commissions,” which represent handling fees for sold items.</p> <p>(USED sales)</p> <p>This is a secondary distribution business style in which the group purchase and sell secondhand/vintage fashion items from/to individual users, etc., while holding inventory.</p> |
| LY Corporation Commerce | <p>The Company opened the ZOZOTOWN Yahoo! JAPAN Shopping store operated by LY Corporation, as well as the ZOZOUSUED Yahoo! JAPAN Auction store, an online auction service operated by the same company, through which items are sold.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| LYST                    | <p>LYST operates a performance fee-based business model under which it receives commission fees from partner retailers that list their items on the fashion shopping platform “Lyst.”</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| BtoB Business           | <p>The Company provides various on-demand fulfillment services, such as developing e-commerce websites for apparel brands, design and production, distribution support, and marketing assistance. The net sales from this business are also recorded as consignment sales commissions, which are handling fees for sold items.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Advertising Business    | <p>Utilizing our extensive user base, such as ZOZOTOWN and WEAR by ZOZO, the Company provides advertising spaces for partner brands to earn advertising revenue.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Others                  | <p>This is the business associated with the ZOZOTOWN business (e.g., shipping income, settlement commission income, etc.). Additionally, it includes gross</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

|  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|--|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p>merchandise value from the stores using ZOZO Option (a service that enables stores in the fashion category, excluding ZOZOTOWN, on Yahoo! JAPAN Shopping, to benefit from sales support such as participation in special feature plans implemented on Yahoo! JAPAN Shopping based on our proposal), sales from “ZOZOMO,” a system that sends customers from ZOZOTOWN to offline stores, and paid sales of “ZOZOSUIT” in the United States. The ZOZO Option contract was terminated in September 2025.</p> |
|--|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

(7) Situation of significant parent company and subsidiaries

① Relationship with parent company

| Company Name                        | Amount of Capital<br>(Million yen) | Voting rights in the Company | Major Business                                                                                                                                                    |
|-------------------------------------|------------------------------------|------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| SoftBank Group Corp.                | 238,772                            | 51.9% (51.9%)                | Holding company                                                                                                                                                   |
| SoftBank Group Japan Corporation    | 188,798                            | 51.9% (51.9%)                | Holding company                                                                                                                                                   |
| SoftBank Corp.                      | 244,355                            | 51.9% (51.9%)                | Provision of mobile communication services, sale of mobile devices, provision of fixed-line communication services, and provision of internet connection services |
| A Holdings Corporation              | 100                                | 51.9% (51.9%)                | Holding company                                                                                                                                                   |
| LY Corporation                      | 252,134                            | 51.9% (51.9%)                | Development of internet advertising business, e-commerce business, and membership service business, as well as business management of group companies             |
| Z Intermediate Holdings Corporation | 1                                  | 51.9% (—)                    | Holding company                                                                                                                                                   |

(Note)

1. "Voting rights in the Company" is the total ratio of voting rights owned by each company directly and indirectly. The figures in parentheses indicate the ratio of voting rights owned indirectly.
2. The direct parent company of the Company is Z Intermediate Holdings Corporation, holding 458,858,700 shares (51.9% of the voting rights) of the Company.

i. The provisions of the contracts related to the significant financial and business policies that the Company entered with the parent company

In order to realize the goal of increasing the corporate value of both companies while taking into consideration the minority shareholders of the Company, the two companies have formed a capital alliance with the aim of building a stable business alliance based on this capital alliance. Specifically, the two companies have entered into a business alliance for the expansion and evolution of their fashion e-commerce businesses, including the transfer of users from the media of LY Corporation to ZOZOTOWN and the opening of ZOZOTOWN store in Yahoo! JAPAN Shopping and Yahoo! JAPAN Auction in LY Corporation Commerce that LY Corporation operates. The Company has established the "Guideline to ensure the fairness of transactions with the parent company

group” and makes decisions independently of the parent company in accordance with the guideline to prevent any harm to the Company's interests.

ii. Matters regarding transactions with the parent company

a. Matters which the Company gave attention to for preventing harm to the Company's interests in making the relevant transactions

The Company engages in transactions with the parent company. In making the relevant transactions, like other transactions, the terms of the relevant transactions are fairly and appropriately determined, taking into account the terms and size of transactions to protect minority shareholders.

b. The Board of Directors' determination as to whether the transaction is not detrimental to the interests of the Company and the reasons for such determination

The Company has established a “Guideline to ensure the fairness of transactions with the parent company group,” and in accordance with the guideline, the Company makes decisions independently of the parent company, ensuring fairness in consideration of the interests of minority shareholders and making decisions through multifaceted discussions. Therefore, the Company believes that such transactions, etc., will not be detrimental to the interests of the Company.

c. Opinions of Outside Directors that differ from the judgment of the Board of Directors

Not applicable

② Status of significant subsidiaries

| Company Name    | Amount of Capital<br>(Million yen) | % of Voting Rights | Major Business                                                |
|-----------------|------------------------------------|--------------------|---------------------------------------------------------------|
| ZOZO NEXT, Inc. | 280                                | 100.0%             | Creation of new businesses and research and development (R&D) |
| LYST LTD        | 13                                 | 100.0%             | Operation of an online fashion platform                       |

(Note)

1. There are no subsidiaries that fall under the category of specified wholly owned subsidiaries.
2. The Company established ZOZO U.K. LIMITED pursuant to a resolution of the Board of Directors dated April 9, 2025, and through such company acquired all shares of LYST LTD on the same date and included it within the scope of consolidation.

(8) Main locations of businesses, etc. (As of March 31, 2026)

① ZOZO, Inc.

|                             |                                              |
|-----------------------------|----------------------------------------------|
| Headquarters                | Inage-ku, Chiba-city, Chiba                  |
| Logistics center (ZOZOBASE) | Narashino-city, Chiba, Tsukuba-city, Ibaraki |

② Subsidiaries

|                 |                             |
|-----------------|-----------------------------|
| ZOZO NEXT, Inc. | Inage-ku, Chiba-city, Chiba |
| LYST LTD        | United Kingdom, London      |

(Note) The Company established ZOZO U.K. LIMITED pursuant to a resolution of the Board of Directors dated April 9, 2025, and through such company acquired all shares of LYST LTD on the same date and has included it within the scope of consolidation.

(9) Status of employees, etc. (As of March 31, 2026)

① Number of employees in the group

|                                                            |               |
|------------------------------------------------------------|---------------|
| Number of employees                                        | 1,894         |
| Increase/decrease from the end of the previous fiscal year | Increase: 133 |

(Note)

1. The figures include full-time employees and associate employees.
2. Average number of contingent workers during the period (5,434 part-time workers, temporary workers, etc.) is not included in the figure.

② Number of employees of the Company

| Number of employees | Increase/decrease from the end of the previous fiscal year | Average age | Average length of service | Average annual salary | YoY change rate in average annual salary |
|---------------------|------------------------------------------------------------|-------------|---------------------------|-----------------------|------------------------------------------|
| 1,662               | Decrease of 2                                              | 34.7        | 7.5 years                 | 8,558,000 yen         | 18.6%                                    |

(Note)

1. The figure reflects the number of people employed by the Company (including those transferred from other companies to the Company but excluding those transferred from the Company to other companies). The average number of contingent workers during the period (5,432) (which includes part-time workers, temporary workers, etc.) is not included.
2. Average annual salary includes bonuses and non-standard wages, but excludes stock compensation expenses related to stock options and restricted stock.

③ The proportion of female workers in managerial posts, the percentage of male workers taking parental leave, and the wage variance between male workers and female workers

| Proportion of female workers in managerial posts (%) (Note) 1 | Percentage of male workers taking parental leave (%) (Note) 2 |                                   | Wage variance between male workers and female workers (%) (Note) 1 |                                   |                                                  |
|---------------------------------------------------------------|---------------------------------------------------------------|-----------------------------------|--------------------------------------------------------------------|-----------------------------------|--------------------------------------------------|
|                                                               | Permanent workers                                             | Part-time, and fixed-term workers | All workers                                                        | Of all workers, permanent workers | Of all workers, part-time and fixed-term workers |
| 26.0                                                          | 87.9                                                          | 33.3                              | 52.2                                                               | 79.0                              | 89.5                                             |

(Note)

1. It is based on the provision of the Act on the Promotion of Women's Participation and Advancement in the Workplace (Act No. 64 of 2015)
2. It indicates the percentage of taking parental leave stipulated in Article 71-6, Paragraph 1, of the Ordinance for Enforcement of the Act on the Welfare of Workers Who Take Care of Children or Other Family Members, including Child Care and Family Care Leave (Ordinance of the Ministry of Labor No. 25 of 1991) based on the provision of the Act on the Welfare of Workers Who Take Care of Children or Other Family Members including Child Care and Family Care Leave (Ordinance of the Ministry of Labor No. 76 of 1991).

④ Initiatives to enhance employee engagement

The Company has introduced an engagement survey, "Wevox" (an employee engagement measurement and support tool provided by Atræ, Inc.), as a monitoring indicator to enhance engagement that promotes the growth of both individuals and the organization. The Company has maintained an overall engagement score at a level higher than the average engagement score of companies utilizing Wevox.

Engagement score: 80 (industry average score: 73)

(10) Major banks (as of March 31, 2026)

| Name of Bank                        | Outstanding Debt   |
|-------------------------------------|--------------------|
| Sumitomo Mitsui Banking Corporation | 17,500 million yen |
| Keiyo Bank, Ltd.                    | 2,000 million yen  |
| Kansai Mirai Bank, Limited          | 500 million yen    |

(11) Other significant matters regarding the current status of the corporate group

The Company established ZOZO U.K. LIMITED pursuant to a resolution of the Board of Directors dated April 9, 2025, and has included it within the scope of consolidation.

In addition, at the Board Meeting held on March 31, 2026, the Company resolved to acquire all shares of HIGH LINK, INC. (hereinafter referred to as “High Link”) and make it a subsidiary. Based on such resolution, the Company entered into a share transfer agreement on the same date and acquired all shares on April 16, 2026.

High Link operates “Coloria,” a comprehensive fragrance platform with the mission of “Color the world with fragrance.” The Company decided to acquire High Link as a new initiative in order to expand into the fragrance market and accelerate business development in fashion-adjacent areas by incorporating sales methods such as subscription services.

For details regarding the share acquisition, please refer to the “Notes to significant subsequent events” in the Notes to the Consolidated Financial Statements.



## 2. Matters regarding company stocks

(1) Total number of authorized shares 3,605,690,172 shares

(2) Total number of issued shares 892,032,372 shares

(3) Number of shareholders 25,893

### (4) Composition of major shareholders

| Name of Shareholder                                               | Ownership in ZOZO              |                               |
|-------------------------------------------------------------------|--------------------------------|-------------------------------|
|                                                                   | Number of Shares Held (shares) | Percentage of Shares Held (%) |
| Z Intermediate Holdings Corporation                               | 458,858,700                    | 51.9 %                        |
| THE MASTER TRUST BANK OF JAPAN, Ltd. (Trust Account)              | 106,874,600                    | 12.1 %                        |
| Custody Bank of Japan, Ltd. (Trust Account)                       | 41,589,700                     | 4.7 %                         |
| STATE STREET BANK AND TRUST COMPANY 505001                        | 16,208,067                     | 1.8 %                         |
| JPMorgan Securities Japan Co., Ltd.                               | 15,575,787                     | 1.8 %                         |
| STATE STREET BANK AND TRUST COMPANY 505103                        | 12,548,669                     | 1.4 %                         |
| Yusaku Maezawa                                                    | 11,910,441                     | 1.3 %                         |
| THE CHASE MANHATTAN BANK, N.A. LONDONSECS LENDING OMNIBUS ACCOUNT | 8,211,008                      | 0.9 %                         |
| BNYM SA/NV FOR BNYM FOR BNYM GCM CLIENT ACCTS M ILM FE            | 7,067,858                      | 0.8 %                         |
| RBC IST 15 PCT NON LENDING ACCOUNT - CLIENT ACCOUNT               | 6,904,047                      | 0.8 %                         |

(Note)

1. Treasury shares held by the Company (7,707,341 shares) are excluded from the above major shareholders.
2. The percentage of shares held is calculated without treasury shares.

(5) Shares granted to officers of the Company in exchange for their execution of duties during the current fiscal year

No shares were granted to the officers of the Company as compensation during the fiscal year

(6) Other significant matters related to shares

At the Board Meeting held on March 14, 2025, the Company resolved to conduct a three-for-one stock split of common stock, effective April 1, 2025. In conjunction with this, pursuant to Article 184, Paragraph 2 of the Companies Act, the Company amended the Articles of Incorporation to increase the total number of authorized shares. As a result, the total number of authorized shares increased to 2,318,330,172, and the total number of issued shares increased to 600,948,362 shares.

In addition, pursuant to the resolution of the Board of Directors dated April 30, 2025, the Company resolved to acquire its own shares in accordance with Article 156 of the Companies Act, as applied mutatis mutandis pursuant to Article 165, Paragraph 3 of the same Act, and to cancel treasury shares pursuant to Article 178 of the Companies Act. As a result, the total number of issued shares decreased by 9,390,171 shares.

### 3. Stock acquisition rights of the Company

(1) Stock acquisition rights held by officers of the Company and issued in consideration of the execution of duties  
Not applicable

(2) Stock acquisition rights issued to employees in consideration of the execution of duties during the current fiscal year  
Not applicable

(3) Other important matters concerning stock acquisition rights, etc.  
Not applicable

#### 4. Matters regarding Board Members

##### (1) List of Directors (As of March 31, 2026)

| Name                | Position and Responsibilities                                     | Other Concurrent Job Titles                                                                                                                                                                                                                                               |
|---------------------|-------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Kotaro Sawada       | Representative Director,<br>President, and CEO                    | Representative Director, President & CEO of ZOZO NEXT, Inc.                                                                                                                                                                                                               |
| Koji<br>Yanagisawa  | Director, Executive Vice<br>President, and CFO                    | Outside Director of COLOPL, Inc.<br>Chairman of ZOZO Apparel USA, Inc.<br>Director of ZOZO NEW ZEALAND LIMITED<br>Director of ZOZO U.K. LIMITED<br>Director of LYST LTD                                                                                                   |
| Fuminori<br>Hirose  | Director, and COO                                                 | Outside Audit and Supervisory Board Member of KOKOPELLI Inc.<br>Director of yutori, Inc.<br>Chairman and General Manager, NANTONG ZHUOTENG INFORMATION TECHNOLOGY CO., LTD                                                                                                |
| Makoto Hide         | Director                                                          | Executive Corporate Officer, Commerce Domain Lead of LY Corporation<br>Outside Director of ASKUL Corporation                                                                                                                                                              |
| Yuko Nagata         | Director                                                          | Corporate Officer, Cross-Commerce Marketing SBU Lead of LY Corporation                                                                                                                                                                                                    |
| Taro Saito          | Director                                                          | President and Representative Director of dof Inc.<br>Outside Director of for Startups, Inc.                                                                                                                                                                               |
| Takako<br>Kansai    | Director                                                          | CSO of Kufu Company Holdings Inc.<br>Representative Director of Fushigi Inc.                                                                                                                                                                                              |
| Takuya Oikawa       | Director                                                          | Representative Director of Tably Inc.                                                                                                                                                                                                                                     |
| Hiroko Igarashi     | Director (Full-time Audit<br>and Supervisory<br>Committee Member) | —                                                                                                                                                                                                                                                                         |
| Junko<br>Utsunomiya | Director (Audit and<br>Supervisory Committee<br>Member)           | Managing partner of Utsunomiya Shimizu & Haruki Law Office<br>Outside Director (Audit and Supervisory Committee Member) of RAKSUL INC.<br>Outside Director of HEIWA REAL ESTATE CO., LTD.<br>Outside Director (Audit and Supervisory Committee Member) of PeptiDream Inc. |
| Kumiko<br>Nishiyama | Director (Audit and<br>Supervisory Committee<br>Member)           | Head of Nishiyama Certified Public Accountant Office                                                                                                                                                                                                                      |

(Note)

1. Three Directors, Mr. Taro Saito, Ms. Takako Kansai and Mr. Takuya Oikawa are Outside Directors. The Company designated all three of them as independent officers under the provisions of Tokyo Stock Exchange, Inc. and has notified the Tokyo Stock Exchange thereof.
2. Three Directors who are Audit and Supervisory Committee Members; Ms. Hiroko Igarashi, Ms. Junko Utsunomiya, and Ms. Kumiko Nishiyama, are Outside Directors serving as Audit and Supervisory Committee Members. The Company designated all three of them as independent officers under the provisions of Tokyo Stock Exchange, Inc. and has notified the Tokyo Stock Exchange thereof.
3. Ms. Hiroko Igarashi and Ms. Kumiko Nishiyama, Directors for the Audit and Supervisory Committee, are certified public accountants. They possess considerable expertise in finance and accounting.
4. The Company has a full-time Audit and Supervisory Committee Member to strengthen the audit and supervisory function by improving the collection of information and enhancing audit effectiveness through close coordination with the Internal Audit Office.

5. The Executive Officers who do not hold Director positions as of March 31, 2026, are listed below.

| Name             | Position and Responsibilities |                                                                                                                                                                            |
|------------------|-------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Toshiaki Shimizu | Executive Officer             | Executive Officer of Corporate Identity and HR Division                                                                                                                    |
| Takao Yamasaki   | Executive Officer             | Executive Officer of AI/Analytics Division, Marketing Division, USED Business Division and Marketplace Business Division                                                   |
| Masahiro Tashiro | Executive Officer             | Executive Officer of EC Management Division, Fulfillment Division, Hospitality Division and ZOZOTOWN Backend Development Division                                          |
| Yosuke Odaka     | Executive Officer             | Executive Officer of Business Development and Operations Division                                                                                                          |
| Utahiro Inui     | Executive Officer             | Global Business Division and Global Product Development Division                                                                                                           |
| Naotoshi Seo     | Executive Officer             | Executive Officer of Brand Solution Development Division, Data / AI System Division, Global Product Development Division, EC Platform Development Division and IT Division |
| Yuki Hashimoto   | Executive Officer             | Executive Officer of ZOZOTOWN Development Division and Quality Assurance Division                                                                                          |
| Akio Kazama      | Executive Officer             | Executive Officer of Brand Solution Division, Corporate Planning Office, and Communication Design Division                                                                 |

(2) Summary of the contract for limitation of liability

The Company has entered into agreements with non-executive Directors, Outside Directors, and Audit and Supervisory Committee Members to limit the liability for damage stipulated in Article 423, Paragraph 1, of the Companies Act to the limit set forth in laws and regulations in the event they have acted in good faith and have committed no gross negligence in accordance with the provisions of Article 427, Paragraph 1, of the Companies Act.

(3) Summary of the directors and officers liability insurance policy

The Company maintains a directors and officers liability insurance policy, which is stipulated in Article 430-3, Paragraph 1, of the Companies Act. The insurance policy covers Directors who are not Audit and Supervisory Committee Members, Directors who are Audit and Supervisory Committee Members, Executive Officers, and managerial employees of the Company and its subsidiaries, and insurance premiums of all insured persons are borne by the Company. The insurance policy will cover litigation expenses and compensation for damage brought against the insured person during the insurance period.

However, in order to ensure that the insured's proper execution of his/her duties is not impaired, certain exclusions apply, such as coverage not being available in the case of damage caused by an act committed by the insured with the knowledge that the act was in violation of the law.

(4) Matters regarding remuneration/compensation, etc., for Board Members

① Matters concerning the policy for determining the remuneration/compensation for individual Directors.

The Company established the following policy for determining the details of remuneration/compensation for individual Directors, etc. at the Board Meeting held on June 28, 2023.

i. Purposes of remuneration/compensation

Remuneration/compensation for Directors consists of fixed remuneration (cash remuneration) and performance-linked compensation (cash bonus remuneration/stock compensation). The purpose of our remuneration/compensation system is to promote the sustainable and medium- to long-term enhancement of our corporate value and to function as a sound incentive. Based on our management strategy, compensation is provided in accordance with efforts and achievements related to the attainment of short-term as well as medium- to long-term performance goals and the enhancement of corporate value.

ii. Level of remuneration/compensation

After establishing a group of peer companies as a benchmark for remuneration/compensation, a certain level and composition of remuneration/compensation are prepared so that the Company can ensure and retain excellent human resources over competitors in terms of business and recruiting under the assumption that the remuneration/compensation is attractive for current and prospective officers and their candidates.

iii. Composition of remuneration/compensation

The ratio of performance-linked compensation exceeds the percentage of fixed remuneration, and among the performance-linked compensation, the proportion of stock compensation shall be more than cash bonus.

a. Cash remuneration

Fixed remuneration is determined according to the title and duty of the eligible Directors and paid during their term of office.

b. Cash bonus (short-term incentive remuneration)

Cash bonus represents the performance-linked compensation based on the achievement of the short-term performance goal for each fiscal year, and gross merchandise value, an indicator of business growth potential, as well as consolidated operating profit, an indicator of profitability, are designated as criteria for the payment of remuneration. A specific payment amount is determined based on the achievement of a performance goal set out in the single-year plan and the title and duty of the eligible Directors and periodically paid during the term of office.

c. Stock compensation (medium- to long-term incentive compensation)

Stock compensation, which represents performance-linked compensation to incentivize management focused on the medium- to long-term enhancement of corporate value and shareholder value through stock with transfer restrictions, is granted to the eligible Directors. The ratio for the release of the transfer restrictions is determined based on the Company's stock price growth rate relative to the stock price growth rates of a benchmark peer group of approximately 27 companies, consolidated operating profit, and ESG evaluation scores over a three-year performance period. In principle, a fixed number of shares corresponding to the position and responsibilities is

granted in a lump sum at the beginning of the first fiscal year of the three-year performance period.

iv. Matters concerning the determination of the details of remuneration/compensation for respective Directors  
The Nomination and Remuneration Consultatory Committee examines the draft and its consistency with the policy for the determination from various perspectives. The Board of Directors also believes that the draft complies with the policy for determination and fundamentally respects a report from the committee.

v. Other significant matters concerning the determination of the remuneration/compensation of respective Directors

For stock compensation, provisions are in place under which the Company may acquire all or part of the shares allocated to the eligible Directors without consideration in the event that an eligible Director resigns before the expiration of the transfer restriction period for reasons other than those deemed justifiable by the Board of Directors, or in other cases where certain events, such as specific illegal acts, occur with respect to the eligible Director. In addition, provisions require the eligible Directors to return all or part of the shares allocated to them or cash equivalent thereto to the Company without consideration when certain events are identified, including errors in the figures providing a basis for calculating the ratio for the release of the transfer restrictions, if the Company determines that such return is appropriate.

The amount of remuneration for each Director who is a member of the Audit and Supervisory Committee is determined by the discussion among the Audit and Supervisory Committee Members, within the limit of the total amount of remuneration resolved at the General Meeting of Shareholders.

② Matters concerning resolutions on remuneration/compensation of Directors adopted by the General Meeting of Shareholders

The resolution was adopted at the 25th Ordinary General Meeting of Shareholders held on June 28, 2023, to set the cash remuneration for Directors who are not Audit and Supervisory Committee Members at 800 million yen or less per year (among this, a portion for Outside Directors amounts to 50 million yen or less per year. The annual remuneration excludes a portion of employee salary of Director-employees) within the limit of remuneration for Directors approved by resolution of the General Meeting of Shareholders. At the end of the General Meeting of Shareholders, the number of Directors totaled eight (among this, the number of Outside Directors totaled three). Separately from the relevant cash remunerations, the resolution was adopted to set stock compensation for Directors (excluding Directors who are Audit and Supervisory Committee Members and non-executive Directors including Outside Directors) at 864 million yen or less per year and the limit on the number of shares to be issued at 576,000 shares or less per year (provided, however, that such number shall be reasonably adjusted in accordance with stock splits, etc.). At the end of the General Meeting of Shareholders, the number of Directors (excluding Directors who are Audit and Supervisory Committee Members and non-executive Directors including Outside Directors) totaled three.

Remuneration for Directors who are Audit and Supervisory Committee Members is determined at 70 million yen or less per year. At the end of the General Meeting of Shareholders, the number of Directors who are Audit and Supervisory Committee Members totaled three.

③ Matters concerning delegation of determination of the content of remuneration/compensation for individual Directors

In the Company, remuneration/compensation of individual Directors is discussed by the Nomination and Remuneration Consultatory Committee, which mainly consists of Outside Directors, and it is determined upon the resolution by the Board of Directors, taking into account a report from the committee.



④ Total amount of remuneration/compensation, etc., paid to Directors

| Position                                                                                   | Total Amount of Remuneration/ Compensation, etc. paid (Million yen) | Amount of Remuneration/ Compensation, etc., paid per type (Million yen) |                                 |                  | The Number of Directors |
|--------------------------------------------------------------------------------------------|---------------------------------------------------------------------|-------------------------------------------------------------------------|---------------------------------|------------------|-------------------------|
|                                                                                            |                                                                     | Fixed remuneration                                                      | Performance-linked compensation |                  |                         |
|                                                                                            |                                                                     |                                                                         | Monetary remuneration           |                  |                         |
|                                                                                            |                                                                     | Base Remuneration                                                       | Cash Bonus                      | Restricted stock |                         |
| Directors (Excluding Audit and Supervisory Committee Members) (of which Outside Directors) | 82<br>(21)                                                          | 165<br>(21)                                                             | 58<br>(－)                       | -141<br>(－)      | 6<br>(3)                |
| Directors who are Audit and Supervisory Committee Members (of which Outside Directors)     | 32<br>(32)                                                          | 32<br>(32)                                                              | －<br>(－)                        | －<br>(－)         | 3<br>(3)                |

(Note)

1. As of the end of current fiscal year, the Company has eight Directors (including three Outside Directors) and three Directors who are Audit and Supervisory Committee Members (including three Outside Directors). The difference from the number of recipients stated above is due to the presence of two Directors who do not receive remuneration/compensation.
2. Content of the performance indicators selected as a basis for calculating bonuses includes gross merchandise value and consolidated operating profit. These performance indicators were selected because the Company focuses on gross merchandise value and consolidated operating profit as an indicator showing the growth and profitability of the businesses of the group.
3. Compensation in the performance-linked restricted stock is granted to Directors (excluding those who are Audit and Supervisory Committee Members) as non-monetary rewards. The performance indicators used as the basis for calculating the amount of restricted stock are "stock price growth rate", "consolidated operating profit", and "ESG evaluation Score". The reason for selecting "stock price growth rate" is to provide an incentive for the sustained improvement of the Company's corporate value and to further advance value sharing with the Company's shareholders. The reason for selecting "consolidated operating profit" is that the Company places importance on consolidated operating profit as an indicator of the profitability of the group business. The reason for selecting "ESG evaluation Score" is to provide an incentive for the promotion of ESG management.
4. Performance-linked compensation in the table of restricted stock includes a reversal of compensation amounting to -320 million yen due to forfeiture prior to vesting.
5. The actual performance indicators for the current fiscal year selected as the basis for calculating performance-linked compensation are as follows.

|                                                  | Actual Performance Indicators |
|--------------------------------------------------|-------------------------------|
| Gross Merchandise Value (excluding GMV (Others)) | 646,162 million yen           |
| Consolidated operating profit                    | 69,366 million yen            |
| Stock price growth rate                          | 123.7%                        |
| ESG evaluation score                             | AAA                           |

(Note) The actual ESG evaluation score is based on the evaluation results of MSCI Inc.'s ESG ratings.

(5) Matters regarding the Outside Officers

① Relationship between the Company and other major entities where some members hold positions concurrently  
Mr. Taro Saito, Director, is President and Representative Director of dof Inc. and Outside Director of for Startups, Inc.

There are no capital or business relationships between the Company and either dof Inc. or for Startups, Inc.

Ms. Takako Kansai, Director, is CSO of Kufu Company Holdings Inc., and Representative Director, Fushigi Inc.

There are no capital or business relationships between the Company and either Kufu Company Holdings Inc. or Fushigi Inc.

Mr. Takuya Oikawa, Director, is the Representative Director of Tably Inc.

There are no capital or business relationships between the Company and Tably Inc.

Ms. Junko Utsunomiya, Director for the Audit and Supervisory Committee, is Managing partner of Utsunomiya Shimizu & Haruki Law Office, Outside Director of HEIWA REAL ESTATE CO., LTD., Director (Audit and Supervisory Committee Member) of RAKSUL INC. and PeptiDream Inc.

There is a business relationship between RAKSUL INC. and the Company in terms of transactions for the purchase of merchandise, but the amount of such transactions is negligible.

There are no capital ties or business relationships between the Company and Utsunomiya Shimizu & Haruki Law Office, HEIWA REAL ESTATE CO., LTD., or PeptiDream Inc.

Ms. Kumiko Nishiyama, Director for the Audit and Supervisory Committee, is Head of Nishiyama Certified Public Accountant Office.

There are no capital ties or business relationships between the Company and Nishiyama Certified Public Accountant Office.

② Performance reviews for the current fiscal year

| Name (position)                                                       | Summary of duties executed regarding attendance status, statements made, and roles expected of Outside Directors                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-----------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Taro Saito<br>( Director )                                            | He attended 15 out of 15 Board Meetings held during the current fiscal year, where he made appropriate comments. He has extensive experience and broad insight in branding and communication design; he has played an appropriate role in supervising and advising the Company's business execution by making proactive statements from this perspective at Board Meetings.                                                                                                                                                                                                                                                     |
| Takako Kansai<br>( Director )                                         | She attended 15 out of 15 Board Meetings held during the current fiscal year, where she made appropriate comments. She has extensive experience and broad insight in internet services and technology; she has played an appropriate role in supervising and advising the Company's business execution by making proactive statements from this perspective at Board Meetings.                                                                                                                                                                                                                                                  |
| Takuya Oikawa<br>( Director )                                         | He attended 15 out of 15 Board Meetings held during the current fiscal year, where he made appropriate comments. He has extensive experience and broad insight in product management and engineering in IT and internet-related systems; he has played an appropriate role in supervising and advising the Company's business execution by making proactive statements from this perspective at Board Meetings.                                                                                                                                                                                                                 |
| Hiroko Igarashi<br>(Director/Audit and Supervisory Committee Member)  | She attended 15 out of 15 Board Meetings held during the current fiscal year, where she made appropriate comments. She has extensive experience and broad insight in finance and accounting. As a certified public accountant, she has played an appropriate role in supervising and advising the Company's business execution by making proactive statements from this perspective at the Board Meetings.<br>Also, she attended 14 out of 14 meetings of the Audit and Supervisory Committee held during the current fiscal year, where she exchanged opinions on audit results and discussed important audit-related matters. |
| Junko Utsunomiya<br>(Director/Audit and Supervisory Committee Member) | She attended 15 out of 15 Board Meetings held during the current fiscal year, where she made appropriate comments. She has extensive experience and broad insight legal and compliance matters. As an attorney, she has played an appropriate role in supervising and advising the Company's business execution by making proactive statements from this perspective at Board Meetings.<br>Also, she attended 14 out of 14 meetings of the Audit and Supervisory Committee held during the current fiscal year, where she exchanged opinions on audit results and discussed important audit-related matters.                    |

|                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|---------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Kumiko Nishiyama<br/>(Director/Audit and<br/>Supervisory Committee<br/>Member)</p> | <p>She attended 15 out of 15 Board Meetings held during the current fiscal year, where she made appropriate comments. She has extensive experience and broad insight in sustainability matters. As and certified public accountant, she has played an appropriate role in supervising and advising the Company's business execution by making proactive statements from this perspective at the Board Meetings.</p> <p>Also, she attended 14 out of 14 meetings of the Audit and Supervisory Committee held during the current fiscal year, where she exchanged opinions on audit results and discussed important audit-related matters.</p> |
|---------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

## 5. Accounting Auditor

### (1) Name of the Accounting Auditor

Deloitte Touche Tohmatsu LLC

### (2) Amount of remuneration paid to Accounting Auditor for the current fiscal year

|                                                                                                                              |    |             |
|------------------------------------------------------------------------------------------------------------------------------|----|-------------|
| ① Amount of remuneration, etc. paid to the Accounting Auditor for the current fiscal year                                    | 59 | million yen |
| ② Total amount of monetary and other property benefits payable by the Company and its subsidiaries to the Accounting Auditor | 59 | million yen |

### (Note)

1. After obtaining necessary materials and receiving reports from Directors, related internal sections, and the Accounting Auditor, as well as confirming matters such as the implementation of the audit plan and audit activities in the previous fiscal year and the appropriateness of the estimated remuneration for the current fiscal year, the Audit and Supervisory Committee has judged the level of remuneration of the Accounting Auditor to be appropriate and has consented thereto pursuant to Article 399, Paragraph 1 of the Companies Act.
2. Since the audit agreement concluded between the Company and the Accounting Auditor does not differentiate clearly between amounts of remuneration for auditing pursuant to the Companies Act and auditing pursuant to the Financial Instruments and Exchange Act, it would not be possible to differentiate these practically as well, the total amount of these is indicated as the amount of remuneration for this fiscal year.

### (3) Matters regarding the audit of subsidiaries

The company's overseas subsidiary, LYST LTD, is audited by an audit firm other than the Company's accounting auditor.

### (4) Summary of agreements limiting liability

Article 37 of the Articles of Incorporation provides that the Company and the Accounting Auditor may enter into an agreement to limit liability for damages as provided in Article 423, Paragraph 1 of the Companies Act pursuant to Article 427, Paragraph 1 of the said Act, but the Company has not entered into a liability limitation agreement.

### (5) Policy on decisions on dismissal or non-reappointment of the Accounting Auditor

When the Audit and Supervisory Committee has determined that the Accounting Auditor's execution of its duties would be impeded or it is necessary for any other reason, the Company shall, through a resolution of the Audit and Supervisory Committee, determine the details of the agenda of the General Meeting of Shareholders to resolve the dismissal or non-reappointment of the Accounting Auditor.

Specifically, if the Accounting Auditor meets any of the descriptions below and that there is no prospect of appropriate improvement, the Company shall, through a resolution of the Audit and Supervisory Committee, submit to the General Meeting of Shareholders a resolution on the dismissal or non-reappointment of the Accounting Auditor.

- ① When it has been subjected to disciplinary action or disposition by regulators for violation of laws or regulations, including the Companies Act and the Certified Public Accountants Act
- ② When it has been judged to meet any of the descriptions enumerated under Article 340, Paragraph 1 of the Companies Act
- ③ When it has been judged that it would be inadequate or inappropriate for it to carry out auditing of the Company in consideration of matters such as the quality of auditing by the Accounting Auditor, its quality control, its independence, or other overall capabilities
- ④ When it is determined to be necessary for any other reason

## 6. Company systems and policies

(1) As a system for ensuring the propriety of business operations pursuant to the provisions of the Companies Act and the enforcement regulations thereto, the Company has established a “Basic Policy on Internal Control Systems,” through a resolution of the Board of Directors. This policy is outlined below.

① Systems to ensure that the execution of duties of the Company’s Board of Directors and employees is in compliance with laws, regulations, and the Articles of Incorporation

i. To ensure that the execution of duties of the Company’s Board of Directors and employees is in compliance with laws and regulations as well as conforming to corporate ethics and fulfilling their social responsibilities, the Company has established and maintains a Compliance Committee, chaired by the President and Representative Director, to deliberate on important compliance-related matters. The Company strives to develop and maintain its compliance systems to prevent acts in violation of laws, regulations, acts that could constitute violations and inappropriate transactions, and to enhance the system for legal and regulatory compliance of Company Directors and employees.

ii. An internal whistleblowing system (helpline) is established to enable Company Directors and employees to report matters such as acts that they suspect may be in violation of laws, regulations, internal rules, in order to discover and rectify any inappropriate acts quickly. Matters reported to the helpline are investigated by the Compliance Committee, and when it is clear that rectification is necessary, the Compliance Committee swiftly decides on corrective and preventive measures and implements them.

iii. The Company takes necessary measures to prevent a person from being treated disadvantageously for making such report as set forth in the preceding paragraph.

iv. The Internal Audit Office examines the compliance system, investigates any issues with respect to laws, regulations, or the Articles of Incorporation, and reports its findings to the Board of Directors and the Audit and Supervisory Committee.

v. The Board of Directors reviews the compliance system periodically to identify any issues and make relevant improvements.

vi. The Audit and Supervisory Committee audits this internal control system in light of its efficacy and functions and strives swiftly to identify and rectify any issues.

② Systems related to the storage and management of information on the execution of duties of Company Directors

i. Regarding the storage and management of information related to the execution of duties by the Company’s Directors, in accordance with pertinent laws and regulations and various internal regulations, the information will

be recorded in documents or in electromagnetic media, and managed and stored appropriately.

ii. The Company's Audit and Supervisory Committee Members can view such information at any time.

③Guidelines and other systems related to the management of risks of losses by the Company

i. The person responsible for the supervision of risk management in the Company is the President and Representative Director. Accordingly, Directors, Executive Officers and General Managers of each division identify and assess various risks based on the Risk Management Guideline and take measures as necessary in advance to avoid, mitigate, or transfer risks.

ii. The Internal Audit Office audits the state of risk management in each organization and reports on its findings to the Board of Directors and the Audit and Supervisory Committee.

iii. The Board of Directors periodically reviews the risk management system to identify issues and make appropriate improvements.

④System for ensuring that Company Directors' duties are executed efficiently

i. The roles and responsibilities of Directors and individual sections are defined clearly through the establishment of provisions such as the Board of Directors Guideline, Organizational Guideline, Guideline on Division of Responsibilities, and Job Authority Guideline. In addition, the Board of Directors Guideline specifies matters that should be submitted to the Board of Directors and the scope of decisions that each Director may make as a system to ensure that the duties of Directors are executed efficiently.

ii. The President and Representative Director drafts annual management plans based on the Budget Management Guideline and obtains the approval from the Board of Directors. Directors in charge of individual sections make decisions on practical measures and efficient business execution systems for their sections, based on the plan.

iii. The President and Representative Director reports periodically to the Board of Directors on the progress of the annual management plan. The Board of Directors analyzes any impediments to implemented measures and efficient business execution systems and seeks to make necessary improvements.

⑤Systems for ensuring the propriety of the business operations of the group of companies consisting of the Company and its subsidiaries.

i. One or more of the Directors or Audit and Supervisory Board Members of a subsidiary shall be dispatched from the Company, to monitor and supervise, or audit, the execution of duties of subsidiary Directors. The Corporate Division and the Finance and Accounting Division oversee the subsidiary's business operation, compliance systems, risk management systems, and other matters related to the business administration of the subsidiary, pursuant to



the Subsidiary Management Guideline. While respecting the autonomy of subsidiary management, the Company receives periodic reports on the state of subsidiary business, and approval is obtained from the Company as appropriate regarding important matters.

ii. The Internal Audit Office implements internal auditing of the state of management of the Company subsidiaries and subsidiary business activities.

⑥ Systems for employees to assist the duties of the Audit and Supervisory Committee and matters related to ensuring the efficacy of the employees, and matters concerning independence from Directors (excluding Directors who are Audit and Supervisory Committee Members)

i. When an Audit and Supervisory Committee Member has requested the assignment of one or more employees to assist in his or her duties, the Board of Directors may, through discussion with the Audit and Supervisory Committee Member, appoint such employees to assist the Audit and Supervisory Committee Member. Authority to direct such employees shall be delegated to the Audit and Supervisory Committee Members during the period of such assistance as specified by the Audit and Supervisory Committee Members and said employees should not be subject to instruction or orders from Directors (excluding Directors who are Audit and Supervisory Committee Members) during the period.

ii. The prior consent of the Audit and Supervisory Committee Members shall be required before any personnel transfer, HR evaluation, or disciplinary action regarding an employee assisting an Audit and Supervisory Committee Member.

⑦ Systems for reporting by group Directors (excluding Directors who are Audit and Supervisory Committee Members of the Company) and employees to the Audit and Supervisory Committee Members, and other systems related to reporting to the Audit and Supervisory Committee Member

i. Group Directors (excluding Directors who are Audit and Supervisory Committee Members of the Company) and employees shall report to the Audit and Supervisory Committee Members, pursuant to laws, regulations, and internal rules, on matters that could cause serious harm to the Company, matters recognized to be improper acts or serious violations of laws, regulations, or the Articles of Incorporation, important matters to be submitted to the Board of Directors and decisions of the Board, important accounting policies or accounting standards and changes therein, the state of implementation of internal auditing, important monthly reports and other important matters.

ii. The Company shall take necessary measures to prevent group Directors and employees from being treated disadvantageously by making the report as mentioned in the preceding paragraph.

⑧ Other systems to ensure the efficacy of auditing by the Audit and Supervisory Committee Members

i. To ascertain the state of important decision-making processes and execution of duties, the Audit and Supervisory Committee Members may attend the Board Meetings, Management Meetings, and other important meetings, view important documents related to business execution, such as applications for approval, and demand explanation of matters from Directors and employees.

ii. Audit and Supervisory Committee Members shall ensure the efficacy of audits through autonomy and authority pursuant to the Audit and Supervisory Committee Guideline and the Audit and Supervisory Committee Auditing Standards, as well as managing systems for effective auditing in close cooperation with the Internal Audit Office and the Accounting Auditor.

iii. The President and Representative Director shall have a meeting periodically with the Audit and Supervisory Committee to exchange opinions and maintain close communication regarding topics that the Company should address, the state of maintenance of the environment for auditing by the Audit and Supervisory Committee Members, important topics related to auditing, and other matters.

iv. Payment shall be made promptly in response to procedures for advance payment or reimbursement of costs arising in the execution of the duties of the Audit and Supervisory Committee Members and other demands for payment of costs or obligations arising in the execution of their duties.

⑨ Systems for exclusion of antisocial forces

The Company shall eliminate any relations with antisocial forces or groups that pose threats to social order or sound business activities and resolutely resist, systemically, any improper demands or similar matters in cooperation with outside experts, including the police or legal advisors.

⑩ Systems for ensuring the reliability of financial reporting

To ensure the reliability of financial reporting, systems shall be developed, maintained, and operated to ensure the effective functioning of internal controls related to financial reporting.

(2) Overview of the state of systems to ensure the appropriateness of business operations

① State of operation of compliance systems

The Company has established Compliance Committee Guidelines, and the Compliance Committee holds meetings quarterly, in accordance with the provisions of the guidelines. The system has been developed and is operated in order to ensure compliance with the Company's social responsibility, corporate philosophy, basic human rights policy, internal guidelines, laws and regulations, and various other provisions. Furthermore, the Committee also holds meetings at other times as necessary. In addition, Helpline Guidelines have been established that prohibit the disadvantageous treatment of whistleblowers and efforts are made to ensure compliance with laws and regulations, prevent improper acts, and promptly detect any such cases. A contact point (Helpline) that includes

the involvement of the Compliance Committee, the Audit and Supervisory Committee, and outside attorneys has been established and is in operation, and all employees are notified of it through the Company intranet. In addition, contact points, including the involvement of the Company's Compliance Committee, have been established for subsidiaries as a part of efforts to enhance compliance throughout the entire group.

②State of operation of guidelines on the management of risks of losses and other systems

The Risk Management Guideline and Information System Management Guideline have been established; the Company operates a risk management system pursuant to these rules. As a part of these efforts, information security training has been provided once for officers and employees, intended to help prevent inappropriate information management and leakage of confidential information.

③State of operation of systems intended to ensure the efficient execution of duties of Directors

Pursuant to the Board of Directors Guideline, regular meetings of the Board of Directors are held monthly, and extraordinary meetings are held as necessary. These meetings are conducted to make decisions on important matters related to management, such as matters specified in laws, regulations, management policies, and budgeting, and to enable mutual oversight of execution of duties through close communication among Directors.

④State of operation of systems intended to ensure the appropriate operation of the group of companies consisting of the Company and its subsidiaries

One or more Directors or Audit and Supervisory Board Members are dispatched from the Company to each subsidiary, to enable appropriate management of subsidiary business operations. In addition, subsidiaries submit to the Company reports and requests for approval on matters that require prior approval under the group's authority approval standards.

⑤State of operation of the Internal Audit Office

Based on audit plans formulated by the Internal Audit Office, an internal audit was conducted at each section of the Company and subsidiaries regarding the state of risk management and business execution. Results were reported to the President and Representative Director, the Board of Directors, and the Audit and Supervisory Committee as appropriate. In addition, information was exchanged with the full-time Audit and Supervisory Committee Member.

⑥State of execution of duties of Audit and Supervisory Committee Members

The Audit and Supervisory Committee Members attend Board Meetings and Management Meetings, which consist of Directors and other officers, and engage in periodic discussions with the President and Representative Director. In addition, the efficacy of the audit is secured through the results of auditing by the Internal Audit Office, and audits are conducted in accordance with the Audit and Supervisory Committee Auditing Standards and audit plans.

(3) Basic policy on company control

The Company has not established any particular basic policies concerning the controller who decides on the

Company's financial and business policies.

(4) Policy on determination of cash dividends, etc.

The group believes that generating profits more than capital costs will satisfy all stakeholders, including shareholders, by increasing corporate value. The basic policy on the distribution of earnings to shareholders is to determine and implement shareholder returns based on a comprehensive assessment of business performance trends, financial condition, and future business and investment plans while maintaining a balance with internal reserves. Specifically, the Company aims to retain internal reserves to support the continued growth and development of its businesses while maintaining a return on equity (ROE) at approximately 30%, and to proactively return to shareholders any profits generated in excess of that level, taking into account the need to improve liquidity.

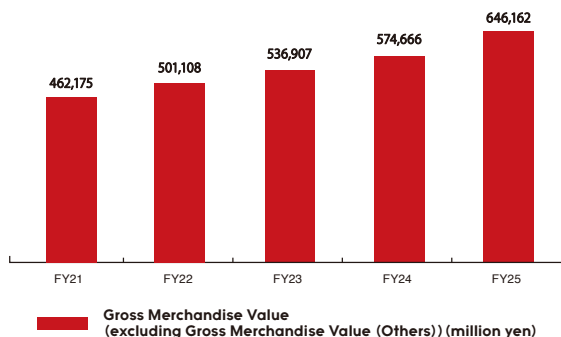
The Company's basic policy on dividends of surplus is either once per fiscal year, at the end of the year, or twice per fiscal year, including interim dividends, and the decision-making body for these dividends of surplus is the Board of Directors.

Pursuant to its Articles of Incorporation, the Company may determine matters such as dividends of surplus by resolution of the Board of Directors, rather than by resolution of the General Meeting of Shareholders, unless otherwise provided by laws and regulations.

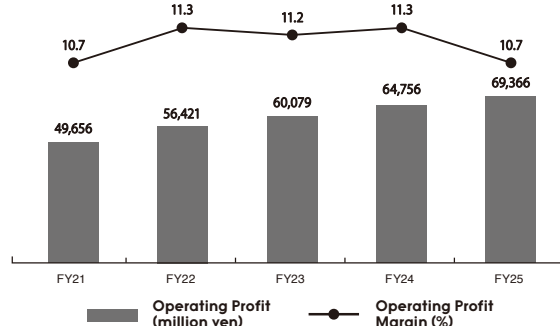
For the current fiscal year, a year-end dividend will be 20.00 yen per share, based on a consolidated dividend payout ratio target of 70%. We plan to pay an annual dividend of 40.00 yen per share for the next fiscal year, based on a payout ratio of 70%.

# Financial Highlights (Consolidated)

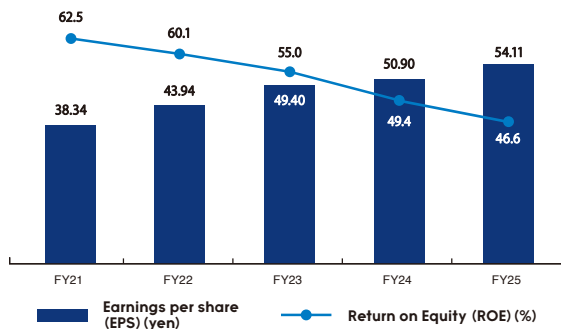
**Gross Merchandise Value**  
(excluding Gross Merchandise Value (Others))



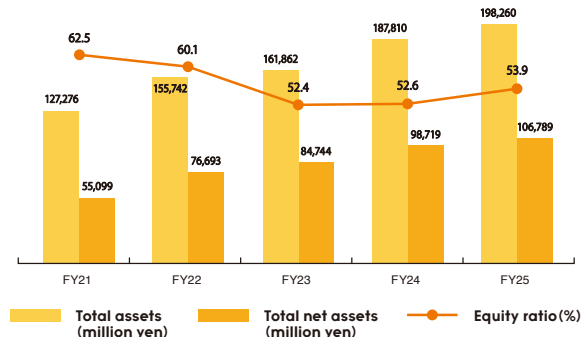
**Operating Profit, Operating Profit Margin**  
(% of the Gross Merchandise Value)



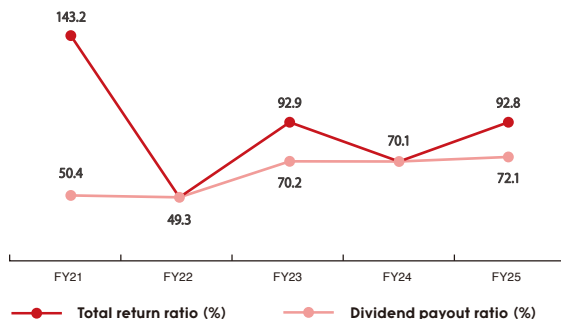
**Earnings per share (EPS), Return on equity (ROE)**



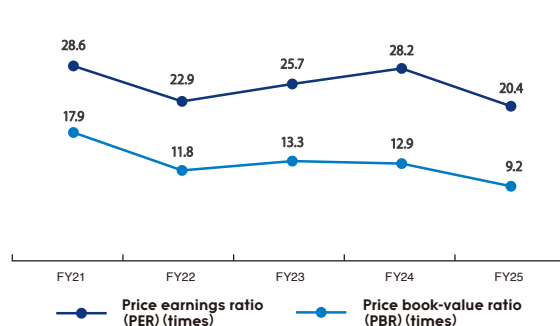
**Total assets, Total net assets, Equity ratio**



**Total return ratio, Dividend payout ratio**



**Price earnings ratio (PER), Price book-value ratio (PBR)**



\*As the Company conducted a three-for-one stock split of its common stock effective April 1, 2025, earnings per share have been calculated on the assumption that the stock split was implemented at the beginning of the fiscal year ended March 31, 2022.



**Sustainability**

zozo zo

# “Fashion Connects and Leads us to a Sustainable Future.”

Under the sustainability statement “Fashion Connects and Leads us to a Sustainable Future.”, the Company is advancing four key actions based on the identified materialities.

Together with our stakeholders, we will continue striving to contribute to a sustainable society.



# Sustainability Four Key Actions and Materiality

| Sustainability Four Key Actions | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Materiality                                                                                                                                                                                                                                                                                                                                         |
|---------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1                               | <p>Providing the sustainable and unexpected services through co-creation with our business partners</p> <p>We aim to solve environmental and social issues by providing safe, secure, sustainable, and exciting services. To achieve this, we leverage technology and work in collaboration and co-creation with all stakeholders, including our business partners.</p>                                                                                                       | <ul style="list-style-type: none"> <li>● Reinforce ties with consumers</li> <li>● Collaboration and co-creation with business partners</li> <li>● Responsible use of Artificial Intelligence</li> <li>● Provide safe and secure products and services</li> <li>● Ethical advertising operations</li> <li>● Improvement of animal welfare</li> </ul> |
| 2                               | <p>Creating workplaces and communities where everyone can live authentically with joy through the promotion of DE&amp;I</p> <p>We aim to create a fair and just world where everyone is respected, and can live with joy. To achieve this, we promote a diverse and inclusive work environment, contribute to local community revitalization and next-generation support through collaboration with stakeholders, especially those in industry, government, and academia.</p> | <ul style="list-style-type: none"> <li>● Improve employee engagement</li> <li>● Promote diversity, equity and inclusion</li> <li>● Reinforce human resources development</li> <li>● Respect human rights</li> <li>● Reinforce cooperation with local communities and development of the next-generation people</li> </ul>                           |
| 3                               | <p>Contributing to a vibrant and sustainable planet by reducing negative impacts on the environment</p> <p>We aim to build a sustainable environment by working with stakeholders to address environmental issues and minimize the negative impact of our business on nature.</p>                                                                                                                                                                                             | <ul style="list-style-type: none"> <li>● Improvement of product transportation efficiency</li> <li>● Promote 3Rs for products for sale and packaging materials</li> <li>● Address climate change</li> <li>● Address biodiversity</li> <li>● Water resource conservation</li> </ul>                                                                  |
| 4                               | <p>Maintaining and improving sound management and a strong administrative structure by strengthening governance</p> <p>We strive to maintain and enhance a sound and flexible administrative structure. We also aim to ensure highly transparent, effective, and responsive management, by strengthening corporate governance, risk management, privacy protection, and other key functions.</p>                                                                              | <ul style="list-style-type: none"> <li>● Reinforce Corporate Governance</li> <li>● Reinforce data privacy security</li> <li>● Reinforce anti-corruption</li> </ul>                                                                                                                                                                                  |

\*In 2022, the ZOZO Group identified its materialities together with internal and external stakeholders, and in 2024 reviewed both the materialities and the four key actions.



# ZOZO's sustainability initiatives

## 1. Initiatives to address climate change

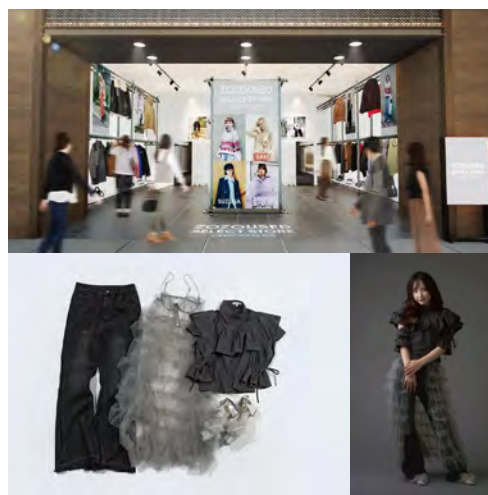
The Company has announced its “2030 Carbon Neutral Declaration,” under which it aims to reduce its greenhouse gas emissions (Scope 1 and 2) to net zero by 2030. In addition, the Company is taking a phased approach toward achieving “net zero” by 2050 for greenhouse gas emissions generated indirectly across the entire supply chain (Scope 3).

### Introduction of 100% renewable energy



In FY2025, the Company introduced 100% renewable energy at all of its business locations. As a result, the Company achieved a reduction of approximately 13,500 tons of CO<sub>2</sub> emissions annually. The energy introduced mainly consists of renewable energy derived from solar power and accompanied by non-fossil certificates with tracking attributes. Going forward, the Company will consider the introduction of renewable energy with higher environmental value, as well as initiatives that contribute to energy conservation, in order to further accelerate its decarbonization efforts.

### Fashion circulation through ZOZOUSUED



“ZOZOUSUED,” a fashion zone for secondhand branded clothing, contributes to reducing environmental impact through clothing circulation by promoting secondhand fashion as an accessible fashion choice. In FY2025, ZOZOUSUED promoted the unique appeal of secondhand clothing through initiatives such as “ZOZOUSUED SELECT STORE,” which shares styling inspiration curated by guest selectors, and participation in offline events. In addition, the Company actively carried out awareness-building activities that combine a passion for fashion with efforts to address social issues, including support for students creating upcycled works using secondhand clothing that did not meet sales standards, thereby expanding awareness of the service.

## 2. Initiatives to realize diversity, equity & inclusion

The Company promotes diversity management and is working to create an environment in which everyone can work in their own way.

### Support for the next generation



The Company provides on-site classes focused on career education and inquiry-based learning in order to provide children with opportunities to broaden their future career options. In FY2025, the cumulative number of participating schools reached 179. In addition, the Company made donations totaling 13 million yen to Tsukuba City in Ibaraki Prefecture and Miyazaki City in Miyazaki Prefecture, where the Company has operational bases, as well as to National University Corporation, Chiba University, with which the Company has entered into a comprehensive partnership agreement. These donations are being used to enhance inquiry-based learning and internship-style training programs at elementary and junior high schools.

### DE&I promotion activities

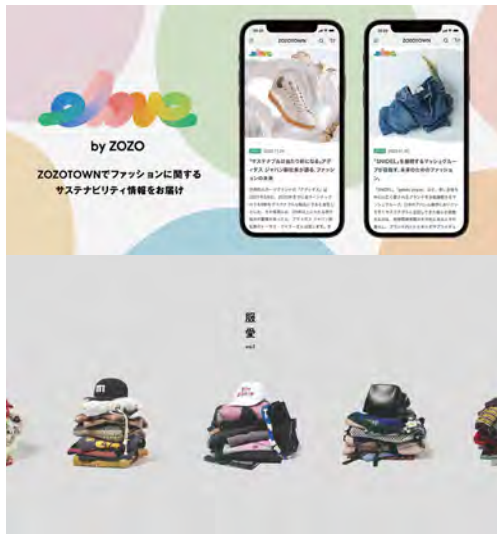


The Company promotes DE&I that respects diverse individuality with the aim of realizing a society in which everyone can live as their true selves. In FY2025, the Company supported “Tokyo Pride 2025 Youth Pride” and, in collaboration with GIVENCHY BEAUTY, proposed makeup and styling that help LGBTQ+ individuals become who they want to be. In addition, at “ZOZOSTUDIO COFFEE,” located across from the Company’s headquarters, the Company displayed a carefully selected collection of picture books themed around “being yourself” and “thinking of others” as an opportunity to encourage reflection on diversity. The Company also continues to implement awareness initiatives for employees, including e-learning programs. These initiatives have been highly recognized externally. The Company received Gold certification for the fifth consecutive year and Rainbow certification for the second consecutive year under the “PRIDE Index,” which recognizes initiatives supporting LGBTQ+ inclusion. In addition, the Company was recognized as a “Best Workplace,” the highest rating in the “D&I AWARD 2025,” for the fourth consecutive year.

# Initiatives with stakeholders

To realize the sustainability statement, the Company promotes co-creation and collaboration with all stakeholders toward a sustainable society.

## Outreach through elove by ZOZO



Through “elove by ZOZO,” a permanent content initiative on ZOZOTOWN aimed at “updating the fashion shopping experience,” the Company promotes sustainable ways to enjoy fashion by proposing sustainable choices and lifestyle tips. In FY2025, the Company enhanced content such as interviews with brands actively engaged in sustainability initiatives and introductions to products designed with environmental and social considerations in mind. In addition, going beyond perspectives at the time of purchase, the Company focused on sharing information that encourages customers to “love and wear each item for longer” through ZOZO’s unique perspective, including proposals for repairs and styling ideas for wearing items in different ways. Furthermore, as part of its support for the next generation, the Company carried out awareness activities for a wide range of audiences, including coverage of sustainability projects in collaboration with universities and vocational schools.

## Sustainability awareness initiatives with brand companies

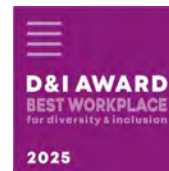


The Company actively engages in sustainability awareness initiatives together with its business partners, including brand companies operating their stores on ZOZOTOWN, and promotes co-creation across the fashion industry to raise awareness of sustainability. As a specific initiative, the Company collaborates with DAYTONA INTERNATIONAL Co.,Ltd on the “connect project,” which organizes awareness events primarily for local communities and younger generations, as well as plans and sells products with lower environmental impact. In addition, the Company held “elove store by ZOZOTOWN” in Omotesando as a venue where consumers could experience the appeal of fashion items selected from a sustainable perspective.

# External evaluation

The Company’s sustainability initiatives have been highly recognized by ESG rating organizations in Japan and overseas. The Company has been selected as a constituent of all six ESG indexes for Japanese equities adopted by the Government Pension Investment Fund (GPIF) (as of March 2026). In addition, the Company received the highest “AAA” rating in the MSCI ESG Ratings for the second consecutive year. The Company was also selected for the highest “A List” rating for the second consecutive year in the climate change survey conducted by CDP, which operates a global environmental disclosure system.

## ESG Evaluations and Certifications Obtained in FY2025



For more information on sustainability initiatives, please scan the QR code below.



Sustainability



elove by ZOZO



External  
evaluation





# Financial Statements



# Balance sheet

(As of March 31, 2026)

(Unit: Million yen)

| Account                               | Amount  | Account                                               | Amount  |
|---------------------------------------|---------|-------------------------------------------------------|---------|
| <b>(Assets)</b>                       |         | <b>(Liabilities)</b>                                  |         |
| <b>Current assets</b>                 | 123,623 | <b>Current liabilities</b>                            | 78,809  |
| Cash and deposits                     | 64,179  | Accounts payable -trade                               | 239     |
| Accounts receivable -trade            | 51,095  | Deposits received for consignment sales               | 30,975  |
| Merchandise                           | 3,484   | Accounts payable -others                              | 8,449   |
| Raw materials and supplies            | 35      | Accrued expenses                                      | 1,093   |
| Advance payments                      | 163     | Short-term borrowings                                 | 20,000  |
| Prepaid expenses                      | 2,050   | Income taxes payable                                  | 11,584  |
| Short-term loans                      | 122     | Consumption taxes payable                             | 2,240   |
| Others                                | 2,492   | Advance received                                      | 813     |
| <b>Non-current assets</b>             | 72,800  | Deposits received                                     | 171     |
| <b>Property, plant and equipment</b>  | 26,298  | Provision for bonuses                                 | 2,074   |
| Buildings                             | 11,017  | Provision for bonuses for Directors                   | 58      |
| Vehicles                              | 16      | Provision for loss on business liquidation            | 219     |
| Tools, furniture and fixtures         | 9,329   | Provision for loss on liquidation of affiliates       | 0       |
| Construction in progress              | 5,934   | Others                                                | 890     |
| <b>Intangible assets</b>              | 3,360   | <b>Non-current liabilities</b>                        | 10,242  |
| Trademark rights                      | 11      | Provision for retirement benefits                     | 5,698   |
| Software                              | 2,224   | Asset retirement obligations                          | 4,409   |
| Others                                | 1,124   | Provision for loss on liquidation of affiliates       | 125     |
| <b>Investments and other assets</b>   | 43,141  | Others                                                | 9       |
| Investment securities                 | 804     | <b>Total liabilities</b>                              | 89,052  |
| Shares of subsidiaries and affiliates | 29,554  | <b>(Net assets)</b>                                   |         |
| Deposit                               | 4,225   | <b>Shareholders' equity</b>                           | 107,249 |
| Long-term loans receivable            | 1,519   | <b>Capital stock</b>                                  | 1,359   |
| Deferred tax assets                   | 6,605   | <b>Capital surplus</b>                                | 1,328   |
| Others                                | 433     | Legal capital surplus                                 | 1,328   |
|                                       |         | <b>Retained earnings</b>                              | 115,601 |
|                                       |         | Other Retained earnings                               | 115,601 |
|                                       |         | Retained earnings carried forward                     | 115,601 |
|                                       |         | <b>Treasury stock</b>                                 | -11,039 |
|                                       |         | <b>Valuation and translation adjustments</b>          | 121     |
|                                       |         | Valuation difference on available-for-sale securities | 116     |

|                     |         |                                         |         |
|---------------------|---------|-----------------------------------------|---------|
|                     |         | Deferred gains or losses on hedges      | 4       |
|                     |         | <b>Total net assets</b>                 | 107,371 |
| <b>Total assets</b> | 196,423 | <b>Total liabilities and net assets</b> | 196,423 |

# Income statement

(From April 1, 2025 to March 31, 2026)

(Unit: Million yen)

| Account                                             | Amount |         |
|-----------------------------------------------------|--------|---------|
| <b>Net sales</b>                                    |        | 221,893 |
| <b>Cost of sales</b>                                |        | 15,342  |
| <b>Gross profit</b>                                 |        | 206,551 |
| <b>Selling, general and administrative expenses</b> |        | 133,005 |
| <b>Operating profit</b>                             |        | 73,546  |
| <b>Non-operating income</b>                         |        |         |
| Interest income                                     | 180    |         |
| Income from recycling                               | 58     |         |
| Subsidy income                                      | 10     |         |
| Gain on unused points                               | 147    |         |
| Operations support fee                              | 163    |         |
| Received rent                                       | 3      |         |
| Others                                              | 14     | 577     |
| <b>Non-operating expenses</b>                       |        |         |
| Interest expenses                                   | 194    |         |
| Rent expenses                                       | 2      |         |
| Foreign exchange losses                             | 183    |         |
| Commission expenses                                 | 41     |         |
| Loss on investments in partnerships                 | 45     | 466     |
| <b>Ordinary profit</b>                              |        | 73,657  |
| <b>Extraordinary income</b>                         |        |         |
| Gain on sale of non-current assets                  | 1      | 1       |
| <b>Extraordinary losses</b>                         |        |         |
| Loss on sale and disposal of non-current assets     | 57     |         |
| Loss on valuation of investments in affiliates      | 74     |         |
| Impairment loss                                     | 192    |         |
| Loss on business liquidation                        | 369    | 693     |
| <b>Profit before income taxes</b>                   |        | 72,965  |
| Income taxes – current                              | 20,804 |         |
| Income taxes – deferred                             | 57     | 20,861  |
| <b>Net Profit</b>                                   |        | 52,103  |



# Statement of changes in net assets

(From April 1, 2025 to March 31, 2026)

(Unit: Million yen)

|                                                      | Shareholders' equity |                       |                       |                       |                                                              |                |
|------------------------------------------------------|----------------------|-----------------------|-----------------------|-----------------------|--------------------------------------------------------------|----------------|
|                                                      | Capital stock        | Capital surplus       |                       |                       | Retained earnings                                            | Treasury stock |
|                                                      |                      | Legal capital surplus | Other capital surplus | Total capital surplus | Other retained earnings<br>Retained earnings carried forward |                |
| Balance as of April 1, 2025                          | 1,359                | 1,328                 | 193                   | 1,521                 | 106,818                                                      | △11,581        |
| Changes during the current fiscal year               |                      |                       |                       |                       |                                                              |                |
| Cash dividends                                       |                      |                       |                       |                       | △32,837                                                      |                |
| Net profit                                           |                      |                       |                       |                       | 52,103                                                       |                |
| Purchase of treasury stock                           |                      |                       |                       |                       |                                                              | △10,001        |
| Disposal of treasury stock                           |                      |                       | △140                  | △140                  |                                                              | 7              |
| Cancellation of treasury stock                       |                      |                       | △10,535               | △10,535               |                                                              | 10,535         |
| Transfer from retained earnings to capital surplus   |                      |                       | 10,483                | 10,483                | △10,483                                                      |                |
| Net changes in items other than shareholders' equity |                      |                       |                       |                       |                                                              |                |
| Total changes during the current fiscal year         | —                    | —                     | △193                  | △193                  | 8,782                                                        | 542            |
| Balance as of March 31, 2026                         | 1,359                | 1,328                 | —                     | 1,328                 | 115,601                                                      | △11,039        |

|                                        | Shareholders' equity       | Valuation and translation adjustments                 |                                    |                                             | Stock acquisition rights | Total net assets |
|----------------------------------------|----------------------------|-------------------------------------------------------|------------------------------------|---------------------------------------------|--------------------------|------------------|
|                                        | Total shareholders' equity | Valuation difference on available-for-sale securities | Deferred gains or losses on hedges | Total valuation and translation adjustments |                          |                  |
| Balance as of April 1, 2025            | 98,118                     | 80                                                    | △9                                 | 71                                          | 0                        | 98,189           |
| Changes during the current fiscal year |                            |                                                       |                                    |                                             |                          |                  |
| Cash dividends                         | △32,837                    |                                                       |                                    |                                             |                          | △32,837          |
| Net profit                             | 52,103                     |                                                       |                                    |                                             |                          | 52,103           |
| Purchase of treasury                   | △10,001                    |                                                       |                                    |                                             |                          | △10,001          |

|                                                      |         |     |    |     |    |         |
|------------------------------------------------------|---------|-----|----|-----|----|---------|
| stock                                                |         |     |    |     |    |         |
| Disposal of treasury stock                           | △132    |     |    |     |    | △132    |
| Cancellation of treasury stock                       | —       |     |    |     |    | —       |
| Transfer from retained earnings to capital surplus   | —       |     |    |     |    | —       |
| Net changes in items other than shareholders' equity |         | 35  | 14 | 50  | △0 | 50      |
| Total changes during the current fiscal year         | 9,131   | 35  | 14 | 50  | △0 | 9,181   |
| Balance as of March 31, 2026                         | 107,249 | 116 | 4  | 121 | —  | 107,371 |

## Notes to the financial statements

Notes to the going concern assumption

Not applicable.

Notes to significant accounting policies

1. Valuation standards and methods for securities

(1) Shares of subsidiaries and affiliates

Stated at cost determined by the moving-average method.

(2) Available-for-sale securities

Securities other than shares, etc. without market quotations

Stated at market value (unrealized gains or losses are reported as a separate component of net assets, and the cost of securities sold is determined by the moving-average method).

Shares, etc. without market quotations

Stated at cost determined by the moving-average method.

2. Valuation standards and methods for derivative financial instruments

Stated at market value.

3. Valuation standards and methods for inventories

(1) Merchandise

Stated at cost determined by the first-in, first-out method (method of writing down book value due to declines in profitability).

In addition, write-downs are made in accordance with the prescribed standards of ZOZO, Inc. (hereinafter referred to as the "Company").

(2) Raw materials and supplies

Stated at cost determined by the weighted average method (method of writing down book value due to declines in profitability).

In addition, write-downs are made in accordance with the Company's prescribed standards.

#### 4. Depreciation and amortization methods for non-current assets

##### (1) Property, plant, and equipment (excluding lease assets)

The declining-balance method is used. However, buildings (excluding facilities attached to buildings), facilities attached to buildings, and structures acquired on or after April 1, 2016, are depreciated using the straight-line method.

The useful lives of major assets are as follows:

Buildings: 3-38 years

Vehicles: 6 years

Tools, furniture and fixtures: 3-20 years

##### (2) Intangible assets (excluding lease assets)

The straight-line method is used.

Trademark rights are amortized over 10 years, patent rights are amortized over 7 to 8 years, and software (for internal use) is amortized over the period of internal use (5 years).

##### (3) Lease assets

Lease assets related to finance lease transactions that do not transfer ownership

Leased assets are depreciated over the lease period with a residual value of zero.

#### 5. Accounting standards for allowances

##### (1) Provision for bonuses

To account for bonus payments to employees, the amount attributable to the current fiscal year is recorded based on the estimated payment amount.

##### (2) Provision for bonuses for Directors

To account for bonuses to Directors, the amount attributable to the current fiscal year is recorded based on the estimated amount of bonuses to be paid.

##### (3) Provision for retirement benefits

To account for the payment of retirement benefits to employees, provision for retirement benefits is recorded based on the estimated amount of retirement benefit obligations as of the end of the current fiscal year.

The following methods are used to account for retirement benefits and related expenses.

##### (i) Method of attributing projected retirement benefits to periods

The estimated amount of retirement benefits is attributed to each period based on the benefit formula basis.

##### (ii) Amortization period of actuarial gains and losses and prior service costs

Prior service cost is amortized using the straight-line method over a fixed number of years within the average

remaining service period of employees (9 years) at the time the cost is incurred.

Actuarial differences are amortized using the straight-line method over a fixed number of years (nine years), which fall within the average remaining service period of employees at the time of occurrence, and are recognized as expenses from the following fiscal year.

(4) Provision for loss on business liquidation

To account for the estimated losses associated with business liquidation, a provision has been recorded based on the estimated amount of such losses.

(5) Provision for loss on liquidation of affiliates

To account for potential losses associated with the liquidation of affiliated companies, a provision is recorded based on the estimated amount of such losses.

6. Accounting policy for revenue and expense recognition

The Company applies the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and the "Guidance on Accounting Standard for Revenue Recognition" (ASBJ Guidance No. 30, March 26, 2021). When control of the promised goods or services is transferred to the customer, the Company recognizes revenue at the amount expected to be received in exchange for them.

The major performance obligations in the Company's principal businesses and the timing at which revenue is recognized are as follows.

(1) Revenue from consignment sales

The Company receives consignment sales commissions from brand partners and keeps their products in the Company's logistics centers as consignment inventory and sells them upon receiving orders from users on the Company's e-commerce website "ZOZOTOWN". Under the consignment agreements between the Company and brand partners, the Company has various performance obligations to them, such as taking custody and storing the products received from brand partners, operating "ZOZOTOWN," selling products to users, providing logistics services related to sales activities, and providing customer service during the sales activities.

In addition, in the BtoB business, which develops and operates brand partners' proprietary e-commerce websites, logistics services, and other services, the Company also has various performance obligations to brand partners related to sales of consigned products.

These various performance obligations do not provide benefits to the customer either on a standalone basis or in combination with other readily available resources. Instead, they represent a series of highly interrelated services that occur as part of the activities involved in selling consigned goods. Accordingly, these performance obligations are treated as a single performance obligation to sell goods to end-users on behalf of the consignor.

The performance obligation is satisfied on the settlement date under the consignment contract with the customer, and therefore, revenue is recognized on that date.

(2) Revenue from sales of purchased merchandise

The Company receives orders from users on the Company's e-commerce website, "ZOZOTOWN." It sells the

purchased merchandise and is obligated to deliver the merchandise to the customers. The Company recognizes revenue at the time of shipment because there is no significant difference between the time of shipment and the time of delivery.

### (3) Revenue from the advertising business

The advertising business is a form of business in which the Company provides advertising space to brand partners and earns advertising revenue through the user base of “ZOZOTOWN” and other platforms. Under the contracts with brand partners, the Company recognizes revenue when its performance obligation is fulfilled by the placement of advertisements. In addition, for advertisements for which the obligation to fulfill the performance obligation is satisfied when a user clicks on the advertisement, revenue is recognized at the time the user clicks on the advertisement.

For transactions in which ZOZO points are awarded to users when they purchase products, the Company identifies this as a separate performance obligation as an option to acquire additional goods or services, and allocates the transaction price to each performance obligation based on the stand-alone selling price. For coupon points by the Company, such as sales promotion points for the purpose of acquiring new customers, the Company deducts the amount equivalent to the points allocated to the purchase of merchandise from the transaction price, in accordance with the provisions for consideration paid to customers in the accounting standards for revenue recognition. For goods expected to be returned, the Company does not recognize revenue but recognizes revenue at the amount of consideration to which the Company expects to be entitled from the sale of the goods. The consideration for the transaction does not include a significant financial component because it is received within one year of satisfying the performance obligation. In addition, delivery activities performed after the user has obtained control over the goods are not identified as performance obligations, in accordance with the alternative treatment of materiality and other matters prescribed in the accounting standard for revenue recognition.

## 7. Other important matters that serve as the basis for the preparation of financial statements

### (1) Accounting treatment for unrecognized actuarial differences in retirement benefits

Accounting treatment for unrecognized actuarial differences related to retirement benefits differs from the accounting treatment applied in the consolidated financial statements.

### (2) Hedge accounting method

#### ① Hedge accounting method

In principle, deferred hedge accounting is used.

If forward exchange contracts meet the requirements of the allocation method, the allocation method is applied.

#### ② Hedging instruments and hedged items

Hedging instruments are forward exchange contracts, and hedged items are mainly monetary debts denominated in foreign currencies.

③ Hedging policy

The Company enters into forward exchange contracts to hedge foreign currency transactions against fluctuations in foreign currency exchange rates.

④ Method of evaluating the effectiveness of hedging

At the inception of the forward exchange contracts, in accordance with the Company's risk management policy, forward exchange contracts with the same amount and maturity date are individually designated for each U.S. dollar-denominated transaction. Accordingly, the correlation arising from subsequent fluctuations in foreign exchange rates is fully maintained, and the assessment of hedge effectiveness at the balance sheet date is therefore omitted.

Notes to balance sheet

1. Accumulated depreciation directly deducted from assets

|                               |                    |
|-------------------------------|--------------------|
| Buildings                     | 5,752 million yen  |
| Vehicles                      | 18 million yen     |
| Tools, furniture and fixtures | 13,456 million yen |

2. Receivables arising from contracts with customers and outstanding contract liabilities

|                                                           |                    |
|-----------------------------------------------------------|--------------------|
| Receivables arising from contracts with customers (Note)1 | 51,095 million yen |
| Contract liabilities (Note) 2                             | 478 million yen    |
| (Note)                                                    |                    |

1. Receivables arising from contracts with customers are included in "Accounts receivable -trade" in the balance sheet.

2. Contract liabilities are included in "Others" under current liabilities in the balance sheet.

3. Monetary receivables from and monetary payables to subsidiaries and affiliates

|                        |                   |
|------------------------|-------------------|
| Short-term receivables | 6,363 million yen |
| Long-term receivables  | 1,561 million yen |
| Short-term payables    | 1,209 million yen |

4. Monetary claims against Directors

|                                   |               |
|-----------------------------------|---------------|
| Monetary claims against Directors | 0 million yen |
|-----------------------------------|---------------|

5. The Company has current account overdraft agreements with three correspondent banks in order to raise working capital efficiently. The following are unused lines of credit based on these agreements as of the end of the current fiscal year.

|                                                                     |                    |
|---------------------------------------------------------------------|--------------------|
| Total amount of current account overdraft limit and loan commitment | 32,500 million yen |
| Outstanding borrowings                                              | 20,000 million yen |
| Unused balance                                                      | 12,500 million yen |

Notes to the income statement

Total amount of operating and non-operating transactions with subsidiaries and affiliates

Operating transactions (income) 1,016 million yen

Operating transactions (expenses) 6,964 million yen

Non-operating transactions (income) 198 million yen

Note to statement of changes in net assets

Number of treasury stock at the end of the current fiscal year Common stock 7,707,341 shares



# Notes to deferred tax accounting

## 1. Significant components of deferred tax assets and liabilities

(Unit: Million yen)

### (Deferred tax assets)

|                                                        |              |
|--------------------------------------------------------|--------------|
| Accrued business tax                                   | 623          |
| Provision for bonuses                                  | 627          |
| Inventories                                            | 234          |
| Advances received                                      | 105          |
| Advance payments                                       | 15           |
| Excess depreciation                                    | 822          |
| Deferred charges                                       | 3            |
| Provision for retirement benefits                      | 1,756        |
| Provision for Directors' retirement benefits           | 2            |
| Asset retirement obligations                           | 1,358        |
| Investments in subsidiaries and affiliates             | 766          |
| Investment securities                                  | 117          |
| Provision for loss on business of affiliated companies | 106          |
| Others                                                 | 920          |
| Total deferred tax assets                              | <u>7,460</u> |

### (Deferred tax liabilities)

|                                                                      |            |
|----------------------------------------------------------------------|------------|
| Valuation difference on available-for-sale securities                | 51         |
| Asset retirement costs corresponding to asset retirement obligations | 786        |
| Deferred gains or losses on hedges                                   | 2          |
| Others                                                               | 14         |
| Total deferred tax liabilities                                       | <u>855</u> |

|                         |              |
|-------------------------|--------------|
| Net deferred tax assets | <u>6,605</u> |
|-------------------------|--------------|

## Notes to lease transactions

### Operating lease transactions

Future minimum lease payments under non-cancelable operating leases

Due within one year 6,124 million yen

Due after one year 9,962 million yen

Total 16,086 million yen

## Notes to transactions with related parties

### Parent and sister companies, etc.

| Type                         | Name of the company, etc. | Percentage of voting rights held | Relationship with related parties                 | Details of transactions                   | Transaction amount (Million yen) | Account title                              | Year-end balance (Million yen) |
|------------------------------|---------------------------|----------------------------------|---------------------------------------------------|-------------------------------------------|----------------------------------|--------------------------------------------|--------------------------------|
| Parent company               | LY Corporation            | 51.9%                            | Acceptance of services                            | Use of payment processing services (Note) | —                                | Accounts receivable                        | 4,832                          |
| Subsidiary of parent company | SB Payment Service Corp.  | —                                | Acceptance of services                            | Use of payment processing services (Note) | —                                | Accounts receivable                        | 31,953                         |
| Subsidiary                   | ZOZO U.K. LIMITED         | 100.0%                           | Capital contribution/<br>Concurrent directorships | Capital contribution (Note 2)             | 27,399                           | Investments in subsidiaries and associates | 27,339                         |

### Transaction terms and policy for determining transaction terms

(Note)

1. Transactions related to accounts receivable are sales transactions to end-users, not to the companies above, and therefore, transaction amounts are not shown.
2. The Company made a capital contribution to, and subscribed for a capital increase of, ZOZO U.K. LIMITED upon its establishment.

### Notes to per share information

1. Net assets per share: 121.42 yen

2. Earnings per share: 58.83 yen

### Notes to significant subsequent events

(Business combination through share acquisition)

This information is omitted as it is identical to the disclosure in the notes to the consolidated financial statements.

### Notes on companies subject to the consolidated dividend regulations

The Company is a company subject to consolidated dividend regulations.

Notes to revenue recognition

Regarding revenue recognition, information is omitted as it is identical to the disclosure in the notes to the consolidated financial statements.

# Consolidated balance sheet

(As of March 31, 2026)

(Unit: Million yen)

| Account                              | Amount  | Account                                               | Amount  |
|--------------------------------------|---------|-------------------------------------------------------|---------|
| <b>(Assets)</b>                      |         | <b>(Liabilities)</b>                                  |         |
| <b>Current assets</b>                | 130,314 | <b>Current liabilities</b>                            | 80,672  |
| Cash and deposits                    | 69,416  | Accounts payable -trade                               | 242     |
| Accounts receivable -trade           | 53,348  | Deposits received for consignment sales               | 30,975  |
| Merchandise                          | 3,496   | Accounts payable -others                              | 8,885   |
| Raw materials and supplies           | 37      | Short-term borrowings                                 | 20,000  |
| Others                               | 4,014   | Income taxes payable                                  | 11,596  |
| <b>Non-current assets</b>            | 67,946  | Provision for bonuses                                 | 2,319   |
| <b>Property, plant and equipment</b> | 26,930  | Provision for bonuses for Directors                   | 62      |
| Buildings                            | 11,607  | Provision for loss on business liquidation            | 224     |
| Vehicles                             | 19      | Provision for loss on liquidation of affiliates       | 0       |
| Tools, furniture and fixtures        | 9,366   | Others                                                | 6,363   |
| Construction in progress             | 5,937   | <b>Non-current liabilities</b>                        | 10,797  |
| <b>Intangible assets</b>             | 28,589  | Retirement benefit liability                          | 5,151   |
| Goodwill                             | 21,812  | Asset retirement obligations                          | 4,528   |
| Software                             | 3,496   | Provision for loss on liquidation of affiliates       | 125     |
| Customer-related assets              | 1,846   | Deferred tax liabilities                              | 536     |
| Others                               | 1,434   | Others                                                | 457     |
| <b>Investments and other assets</b>  | 12,425  | <b>Total liabilities</b>                              | 91,470  |
| Investment securities                | 1,010   | <b>(Net assets)</b>                                   |         |
| Deferred tax assets                  | 6,298   | <b>Shareholders' equity</b>                           | 103,042 |
| Others                               | 5,117   | Capital Stock                                         | 1,359   |
|                                      |         | Capital surplus                                       | 1,328   |
|                                      |         | Retained earnings                                     | 111,393 |
|                                      |         | Treasury stock                                        | -11,039 |
|                                      |         | <b>Accumulated other comprehensive income</b>         | 3,747   |
|                                      |         | Valuation difference on available-for-sale securities | 116     |
|                                      |         | Deferred gains or losses on hedges                    | 4       |

|                     |         |                                         |         |
|---------------------|---------|-----------------------------------------|---------|
|                     |         | Foreign currency translation adjustment | 3,161   |
|                     |         | Remeasurements of defined benefit plans | 464     |
|                     |         | <b>Total net assets</b>                 | 106,789 |
| <b>Total assets</b> | 198,260 | <b>Total liabilities and net assets</b> | 198,260 |

# Consolidated income statement

(From April 1, 2025 to March 31, 2026)

(Unit: Million yen)

| Account                                             | Amount |         |
|-----------------------------------------------------|--------|---------|
| <b>Net sales</b>                                    |        | 228,373 |
| <b>Cost of sales</b>                                |        | 15,372  |
| <b>Gross profit</b>                                 |        | 213,000 |
| <b>Selling, general and administrative expenses</b> |        | 143,634 |
| <b>Operating profit</b>                             |        | 69,366  |
| <b>Non-operating income</b>                         |        |         |
| Interest income                                     | 159    |         |
| Received rent                                       | 3      |         |
| Operations support fee                              | 5      |         |
| Income from recycling                               | 58     |         |
| Subsidy income                                      | 50     |         |
| Gain on unused points                               | 147    |         |
| Others                                              | 25     | 450     |
| <b>Non-operating expenses</b>                       |        |         |
| Interest expenses                                   | 256    |         |
| Rent expenses                                       | 2      |         |
| Commission expenses                                 | 41     |         |
| Foreign exchange losses                             | 210    |         |
| Loss on investments in partnerships                 | 45     | 555     |
| <b>Ordinary profit</b>                              |        | 69,261  |
| <b>Extraordinary income</b>                         |        |         |
| Gain on sale of non-current assets                  | 1      | 1       |
| <b>Extraordinary losses</b>                         |        |         |
| Loss on sale and disposal of non-current assets     | 58     |         |
| Impairment loss                                     | 329    |         |
| Loss on business liquidation                        | 397    | 785     |
| <b>Profit before income taxes</b>                   |        | 68,477  |
| Income taxes - current                              | 20,815 |         |
| Income taxes - deferred                             | -265   | 20,550  |
| <b>Net profit</b>                                   |        | 47,926  |
| <b>Profit attributable to owners of parent</b>      |        | 47,926  |

# Consolidated statement of changes in net assets

(From April 1, 2025 to March 31, 2026)

(Unit: Million yen)

|                                                      | Shareholders' equity |                 |                   |                |                            | Accumulated other comprehensive income                |                                    |
|------------------------------------------------------|----------------------|-----------------|-------------------|----------------|----------------------------|-------------------------------------------------------|------------------------------------|
|                                                      | Capital stock        | Capital surplus | Retained earnings | Treasury stock | Total shareholders' equity | Valuation difference on available-for-sale securities | Deferred gains or losses on hedges |
| Balance as of April 1, 2025                          | 1,359                | 1,521           | 106,787           | △11,581        | 98,087                     | 80                                                    | △9                                 |
| Changes during the current fiscal year               |                      |                 |                   |                |                            |                                                       |                                    |
| Cash dividends                                       |                      |                 | △32,837           |                | △32,837                    |                                                       |                                    |
| Profit attributable to owners of parent              |                      |                 | 47,926            |                | 47,926                     |                                                       |                                    |
| Purchase of treasury stock                           |                      |                 |                   | △10,001        | △10,001                    |                                                       |                                    |
| Disposal of treasury stock                           |                      | △140            |                   | 7              | △132                       |                                                       |                                    |
| Cancellation of treasury stock                       |                      | △10,535         |                   | 10,535         | —                          |                                                       |                                    |
| Transfer from retained earnings to capital surplus   |                      | 10,483          | △10,483           |                | —                          |                                                       |                                    |
| Net changes in items other than shareholders' equity |                      |                 |                   |                |                            | 35                                                    | 14                                 |
| Total changes during the current fiscal year         | —                    | △193            | 4,605             | 542            | 4,954                      | 35                                                    | 14                                 |
| Balance as of March 31, 2026                         | 1,359                | 1,328           | 111,393           | △11,039        | 103,042                    | 116                                                   | 4                                  |

|                                         | Accumulated other comprehensive income   |                                                     |                                              | Stock acquisition rights | Total net assets |
|-----------------------------------------|------------------------------------------|-----------------------------------------------------|----------------------------------------------|--------------------------|------------------|
|                                         | Foreign currency translation adjustments | Accumulated remeasurements of defined benefit plans | Total accumulated other comprehensive income |                          |                  |
| Balance as of April 1, 2025             | 171                                      | 389                                                 | 632                                          | 0                        | 98,719           |
| Changes during the current fiscal year  |                                          |                                                     |                                              |                          |                  |
| Cash dividends                          |                                          |                                                     |                                              |                          | △32,837          |
| Profit attributable to owners of parent |                                          |                                                     |                                              |                          | 47,926           |

|                                                      |       |     |       |    |         |
|------------------------------------------------------|-------|-----|-------|----|---------|
| Purchase of treasury stock                           |       |     |       |    | △10,001 |
| Disposal of treasury stock                           |       |     |       |    | △132    |
| Cancellation of treasury stock                       |       |     |       |    | —       |
| Transfer from retained earnings to capital surplus   |       |     |       |    | —       |
| Net changes in items other than shareholders' equity | 2,989 | 75  | 3,115 | △0 | 3,115   |
| Total changes during the current fiscal year         | 2,989 | 75  | 3,115 | △0 | 8,070   |
| Balance as of March 31, 2026                         | 3,161 | 464 | 3,747 | —  | 106,789 |



# Notes to the consolidated financial statements

Notes to the going concern assumption

Not applicable.

Notes to the basis of presenting consolidated financial statements

## 1. Scope of Consolidation

(1) Number of consolidated subsidiaries and names of consolidated subsidiaries

Number of consolidated subsidiaries: 6

Name of consolidated subsidiaries

ZOZO NEXT, Inc.

ZOZO Apparel USA, Inc.

ZOZO NEW ZEALAND LIMITED

NANTONG ZHUOTENG INFORMATION TECHNOLOGY CO.,LTD

LYST LTD

ZOZO U.K. LIMITED

ZOZO, Inc. (hereinafter referred to as the “Company”) established ZOZO U.K. LIMITED pursuant to a resolution of the Board of Directors dated April 9, 2025, and through such company acquired all shares of LYST LTD on the same date and has included it within the scope of consolidation.

(2) Names of non-consolidated subsidiaries

Number of non-consolidated subsidiaries: 2

Name of non-consolidated subsidiaries

Bespokify (Thailand) Ltd.

BESPOKIFY (VIETNAM) LTD.

(Reason for exclusion from the scope of consolidation)

The non-consolidated subsidiaries are small in size, and their total assets, net sales, net income or loss (the Company's interest share) and retained earnings (the Company's interest share) do not have a material impact on the consolidated financial statements.

## 2. Application of equity method

Names of non-consolidated subsidiaries and affiliates not accounted for by the equity method

Names of major companies

(1) Non-consolidated subsidiaries

Bespokify (Thailand) Ltd.

BESPOKIFY (VIETNAM) LTD.

## (2) Affiliates

yutori, Inc.

(Reason for not applying the equity method)

Non-consolidated subsidiaries and affiliates are small in size, and their total assets, net sales, net income or loss (the Company's interest share) and retained earnings (the Company's interest share) do not have a material impact on the consolidated financial statements and are not significant in the aggregate.

## 3. Fiscal year of consolidated subsidiaries

Of the consolidated subsidiaries, ZOZO Apparel USA, Inc. and NANTONG ZHUOTENG INFORMATION TECHNOLOGY CO.,LTD. have a fiscal year ending December 31. In preparing the consolidated financial statements, provisional financial statements as of the consolidated balance sheet date are used. The fiscal year-end of the other consolidated subsidiaries is the same as that of the Company.

## 4. Matters on accounting policies

### (1) Valuation standards and methods for significant assets

#### ①Valuation standards and methods for securities

Available-for-sale securities

Other than shares, etc. without market quotations

Stated at market value (unrealized gains or losses are reported as a separate component of net assets, and the cost of securities sold is determined by the moving-average method).

Shares, etc. without market quotations

Stated at cost determined by the moving-average method.

#### ②Valuation standards and methods for derivative financial instruments

Stated at market value.

#### ③Valuation standards and methods for inventories

##### (a) Merchandise

Stated at cost determined by the first-in, first-out method (method of writing down book value due to declines in profitability).

In addition, write-downs are made in accordance with ZOZO, Inc. and its subsidiaries' (hereinafter referred to as the "Group") prescribed standards.

##### (b) Raw materials and supplies

Stated at cost determined by the weighted average method (method of writing down book value due to declines in profitability).

In addition, write-downs are made in accordance with the Group's prescribed standards.

(2) Significant depreciation and amortization methods for non-current assets

① Property, plant, and equipment (excluding lease assets)

The declining-balance method is used. However, buildings (excluding facilities attached to buildings), facilities attached to buildings, and structures acquired on or after April 1, 2016, are depreciated using the straight-line method.

The useful lives of major assets are as follows:

Buildings: 2-38 years

Vehicles: 6 years

Tools, furniture and fixtures: 2-25 years

② Intangible assets (excluding lease assets)

The straight-line method is used.

Trademark rights are amortized over 10 years, patent rights are amortized over 7 to 8 years, customer-related assets are amortized over 6 to 8 years, and software (for internal use) is amortized over 5 to 10 years.

③ Lease assets

Lease assets related to finance lease transactions that do not transfer ownership

Leased assets are depreciated over the lease period with a residual value of zero.

(3) Accounting standards for significant allowances

① Allowance for doubtful accounts

In order to account for losses arising from uncollectible receivables, the Group records an estimated uncollectible amount based on the historical default rate for general receivables, and for specific receivables such as doubtful receivables, based on an individual assessment of collectability.

② Provision for bonuses

To account for bonus payments to employees, the amount attributable to the current fiscal year is recorded based on the estimated payment amount.

③ Provision for bonuses for Directors

To account for bonuses to Directors, the amount attributable to the current fiscal year is recorded based on the estimated amount of bonuses to be paid.

④ Provision for loss on business liquidation

To account for the estimated losses associated with business liquidation, a provision has been recorded based on the estimated amount of such losses.

⑤ Provision for loss on liquidation of affiliates

To account for potential losses associated with the liquidation of affiliated companies, a provision is recorded based on the estimated amount of such losses.

#### (4) Hedge accounting method

##### ① Hedge accounting method

In principle, deferred hedge accounting is used.

If forward exchange contracts meet the requirements of the allocation method, the allocation method is applied.

##### ② Hedging instruments and hedged items

Hedging instruments are forward exchange contracts, and hedged items are mainly monetary debts denominated in foreign currencies.

##### ③ Hedging policy

The Group enters into forward exchange contracts to hedge foreign currency transactions against fluctuations in foreign currency exchange rates.

##### ④ Method of evaluating the effectiveness of hedging

At the inception of the forward exchange contracts, in accordance with the Group's risk management policy, forward exchange contracts with the same amount and maturity date are individually designated for each U.S. dollar-denominated transaction. Accordingly, the correlation arising from subsequent fluctuations in foreign exchange rates is fully maintained, and the assessment of hedge effectiveness at the balance sheet date is therefore omitted.

#### (5) Accounting policy for revenue and expense recognition

The Group applies the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and the "Guidance on Accounting Standard for Revenue Recognition" (ASBJ Guidance No. 30, March 26, 2021). When control of the promised goods or services is transferred to the customer, the Group recognizes revenue at the amount expected to be received in exchange for them.

The major performance obligations in the Group's principal businesses and the timing at which revenue is recognized are as follows.

##### ① Revenue from consignment sales

The Company receives consignment sales commissions from brand partners and keeps their products in the Company's logistics centers as consignment inventory and sells them upon receiving orders from users on the Company's e-commerce website "ZOZOTOWN". Under the consignment agreements between the Company and brand partners, the Company has various performance obligations to them, such as taking custody and storing the products received from brand partners, operating "ZOZOTOWN," selling products to users, providing logistics services related to sales activities, and providing customer service during the sales activities.

In addition, in the BtoB business, which develops and operates brand partners' proprietary e-commerce websites, logistics services, and other services, the Company also has various performance obligations to the brand partners

related to sales of consigned products.

These various performance obligations do not provide benefits to the customer either on a standalone basis or in combination with other readily available resources. Instead, they represent a series of highly interrelated services that occur as part of the activities involved in selling consigned goods. Accordingly, these performance obligations are treated as a single performance obligation to sell goods to end-users on behalf of the consignor.

The performance obligation is satisfied on the settlement date under the consignment contract with the customer, and therefore, revenue is recognized on that date.

## ② Revenue from sales of purchased merchandise

The Company receives orders from users on the Company's e-commerce website, "ZOZOTOWN." It sells the purchased merchandise and is obligated to deliver the merchandise to the customers. The Company recognizes revenue at the time of shipment because there is no significant difference between the time of shipment and the time of delivery.

## ③ Revenue from the advertising business

Revenue related to the advertising business mainly consists of advertising revenue from the provision of advertising space on "ZOZOTOWN," as well as affiliate revenue.

The advertising business is a form of business in which the Company provides advertising space to brand partners and earns advertising revenue through the user base of "ZOZOTOWN" and other platforms. Under the contracts with brand partners, the Company recognizes revenue when its performance obligation is fulfilled by the placement of advertisements. In addition, for advertisements for which the obligation to fulfill the performance obligation is satisfied when a user clicks on the advertisement, revenue is recognized at the time the user clicks on the advertisement.

Affiliate revenue is generated through a business model in which users are directed to listed retailers via the LYST website through the display of information such as product prices, and commissions are earned when a product purchase is completed. The Company determines that the relevant performance obligation is satisfied at the time the user completes the purchase of the product, and accordingly recognizes revenue in the amount of commissions calculated by applying a certain commission rate to the transaction price at such time.

For transactions in which ZOZO points are awarded to users when they purchase products, the Company identifies this as a separate performance obligation as an option to acquire additional goods or services, and allocates the transaction price to each performance obligation based on the stand-alone selling price. For coupon points by the Company, such as sales promotion points for the purpose of acquiring new customers, the Company deducts the amount equivalent to the points allocated to the purchase of merchandise from the transaction price, in accordance with the provisions for consideration paid to customers in the accounting standards for revenue recognition. For goods expected to be returned, the Company does not recognize revenue but recognizes revenue at the amount of consideration to which the Company expects to be entitled from the sale of the goods. The consideration for the transaction does not include a significant financial component because it is received within one year of satisfying the performance obligation. In addition, delivery activities performed after the user has obtained control over the goods are not identified as performance obligations, in accordance with the

alternative treatment of materiality and other matters prescribed in the accounting standard for revenue recognition.

(6) Method used to account for the provision of retirement benefits

To account for the payment of retirement benefits to employees, provision for retirement benefits is recorded based on the estimated amount of retirement benefit obligations as of the end of the current fiscal year.

The following are the methods used to account for the provision of retirement benefits and retirement benefit expenses.

① Method of attributing projected retirement benefits to periods

The estimated amount of retirement benefits is attributed to each period based on the benefit formula basis.

② Amortization period of actuarial gains and losses and prior service costs

Prior service cost is amortized using the straight-line method over a fixed number of years within the average remaining service period of employees (9 years) at the time the cost is incurred.

Actuarial differences are amortized using the straight-line method over a fixed number of years (nine years), which fall within the average remaining service period of employees at the time of occurrence, and are recognized as expenses from the following fiscal year.

③ Adoption of the simplified method for small companies, etc.

Certain consolidated subsidiaries apply the simplified method for the calculation of liabilities for retirement benefits and retirement benefit expenses, using the amount payable at the end of the fiscal year as the liability for retirement benefits.

(7) Standards for translation of assets and liabilities denominated in foreign currencies into Japanese currency

Monetary assets and liabilities denominated in foreign currencies are translated into Japanese yen at the spot exchange rates prevailing on the balance sheet date, with translation differences recognized as gains or losses. Assets and liabilities of overseas subsidiaries, etc. are translated into Japanese yen at the spot exchange rate as of the consolidated balance sheet date, while revenues and expenses are translated at the average exchange rate during the period. The resulting translation differences are included in foreign currency translation adjustments under net assets.

(8) Amortization method and period of goodwill

Goodwill is amortized evenly over a reasonable period of not more than 20 years, based on the period over which the investment effect will be realized for each individual project.

Notes to consolidated balance sheet

1. Accumulated depreciation directly deducted from assets

Buildings 6,252 million yen

Vehicles 19 million yen

Tools, furniture and fixtures 13,701 million yen

2. Balance of receivables and liabilities arising from contracts with customers

Receivables arising from contracts with customers (Note) 1 53,348 million yen

Contract liabilities (Note) 2 515 million yen

(Note)

1. Receivables arising from contracts with customers are included in "Accounts receivable -trade" and "Others" in the consolidated balance sheet.
2. Contract liabilities are included in "Others" under current liabilities in the consolidated balance sheet.

## Notes to the consolidated statement of changes in net assets

### 1. Type and number of issued shares at the end of the current fiscal year

| Type of stock | As of the beginning of the current fiscal year | Increase    | Decrease  | As of the end of the current fiscal year |
|---------------|------------------------------------------------|-------------|-----------|------------------------------------------|
| Common stock  | 300,474,181                                    | 600,948,362 | 9,390,171 | 892,032,372                              |

(Summary of reasons for fluctuation)

(Reason for increase)

Increase due to stock split 600,948,362 shares

(Reason for decrease)

Cancellation of treasury stock based on a resolution of the Board of Directors 9,390,171 shares

### 2. Matters related to treasury stock

| Type of stock | As of the beginning of the current fiscal year | Increase   | Decrease  | As of the end of the current fiscal year |
|---------------|------------------------------------------------|------------|-----------|------------------------------------------|
| Common stock  | 3,520,207                                      | 13,582,905 | 9,395,771 | 7,707,341                                |

(Summary of reasons for fluctuation)

(Reason for increase)

Increase due to stock split 7,040,414 shares

Increase due to acquisition of fractional shares 991 shares

Acquisition of treasury stock based on a resolution of the Board of Directors 6,541,500 shares

(Reason for decrease)

Cancellation of treasury stock based on a resolution of the Board of Directors 9,390,171 shares

Disposal of treasury stock through restricted stock compensation 5,600 shares



### 3. Matters related to dividends

#### (1) Dividends paid

| Resolution                        | Type of shares | Total amount of dividends<br>(Million yen) | Dividend per share<br>(yen) | Record date        | Effective date    |
|-----------------------------------|----------------|--------------------------------------------|-----------------------------|--------------------|-------------------|
| May 16, 2025<br>Board Meeting     | Common stock   | 16,035                                     | 54                          | March 31, 2025     | June 9, 2025      |
| October 31, 2025<br>Board Meeting | Common stock   | 16,802                                     | 19                          | September 30, 2025 | November 25, 2025 |

(Note) On April 1, 2025, the Company conducted a three-for-one stock split of common stock. The dividend with a record date of March 31, 2025, is based on the number of shares before the stock split.

#### (2) Dividends with a record date in the current fiscal year but an effective date in the following fiscal year

| Resolution                    | Type of shares | Source of dividends | Total amount of dividends<br>(Million yen) | Dividend per share (yen) | Record date    | Effective date |
|-------------------------------|----------------|---------------------|--------------------------------------------|--------------------------|----------------|----------------|
| May 19, 2026<br>Board Meeting | Common stock   | Retained earnings   | 17,686                                     | 20                       | March 31, 2026 | June 11, 2026  |

## Notes to financial instruments

### 1. Matters concerning the status of financial instruments

#### (1) Policy on financial instruments

The Group uses its own funds to cover the necessary funds in light of its capital investment plans to conduct its main business, the e-commerce business. Temporary surplus funds are invested in highly secure financial assets to prepare for future business development, to ensure mobility and liquidity, and based on a policy of not investing funds in a manner that would result in a loss of principal.

In light of the business environment, the Group seeks to stabilize fund procurement by entering into overdraft agreements to contribute to the flexible execution of future business operations.

#### (2) Description of financial instruments and those risks

Accounts receivable, which are operating receivables, are exposed to the credit risk of business partners to whom the Group entrusts the collection of sales proceeds.

Operating payables, such as accounts payable, deposits received for consignment sales, and accounts payable-others, are all due within one year.

Short-term borrowings are mainly for the purpose of procuring funds related to working capital.

Derivative transactions consist of forward exchange contracts entered into for the purpose of hedging foreign exchange fluctuation risks associated with foreign currency-denominated operating receivables and payables. For details regarding hedge accounting, including hedging instruments and hedged items, hedging policies, and methods for assessing hedge effectiveness, please refer to "Hedge accounting method" under "Matters on accounting policies" above.

#### (3) Risk management system for financial instruments

① The Group, in accordance with the credit management rules, periodically monitors the status of trade receivables through the Finance and Accounting Division and manages due dates and outstanding balances by counterparty in order to facilitate the early identification and mitigation of collection risks arising from deterioration in financial conditions or other factors.

#### ② Market risk management

The Group periodically monitors the market value and financial conditions of issuers (client companies) of investment securities and continuously reviews its holdings in consideration of future business development and other factors.

#### ③ Management of liquidity risk (risk of being unable to make payments on due dates) related to fund procurement

The Group manages liquidity risk by maintaining liquidity on hand at an amount equivalent to one month's operating payables based on a funding plan prepared at the beginning of each fiscal year by the Corporate Planning Office based on interviews from each department.

(4) Supplementary explanation on fair value of financial instruments

The fair value of financial instruments includes values based on market prices and reasonably calculated values when there is no market price. Since variable factors are incorporated in the calculation of such values, such values may vary due to the adoption of different assumptions and other factors.

(5) Concentration of credit risk

The majority of operating receivables as of the consolidated balance sheet date are due to the top two companies to which the Group has entrusted the collection of sales proceeds.

2. Fair value of financial instruments

The carrying amount on the consolidated balance sheet, fair value, and the difference between those two are as follows.

Cash and deposits, accounts receivable, accounts payable, deposits received for consignment sales, accounts payable-others, income taxes payable, and short-term borrowings are omitted because they are cash, or their fair value approximates their book value due to their short maturities.

(Unit: Million yen)

|                                                     | Carrying amount on<br>the consolidated<br>balance sheet | Fair value | Difference |
|-----------------------------------------------------|---------------------------------------------------------|------------|------------|
| Investment securities                               |                                                         |            |            |
| Shares of subsidiaries and<br>affiliates (Note)2    | 179                                                     | 1,822      | 1,642      |
| Total                                               | 179                                                     | 1,822      | 1,642      |
| Derivative transactions                             |                                                         |            |            |
| Derivatives to which hedge<br>accounting is applied | 7                                                       | 7          | -          |
| Total derivative<br>transactions                    | 7                                                       | 7          | -          |

(Note) Receivables and payables arising from derivative transactions are shown as net amounts, and items that are net liabilities in total are shown with “-”

(Note) 1 Matters related to derivative transactions

Derivative transactions

(1) Derivative transactions for which hedge accounting is not applied

Not applicable

(2) Derivative transactions for which hedge accounting is applied

For derivative transactions to which hedge accounting is applied, the contract amounts or notional principal

amounts as of the consolidated balance sheet date, categorized by hedge accounting method, are as follows.

(Unit: Million yen)

| Hedge accounting method                         | Type of derivative transactions                     | Major hedged items                        | Contract amount, etc. | Contract amount, etc., exceeding 1 year | Fair value |
|-------------------------------------------------|-----------------------------------------------------|-------------------------------------------|-----------------------|-----------------------------------------|------------|
| Allocation method of forward exchange contracts | Forward exchange contracts<br>Purchase contract USD | Foreign currency receivables and payables | 1,996                 | 124                                     | 2,004      |

(Note) 2 Shares and other securities without market quotations are not included in the above table. The carrying amount on the consolidated balance sheet of such financial instruments are as follows.

(Unit: Million yen)

| Category                                | Carrying amount on the consolidated balance sheet |
|-----------------------------------------|---------------------------------------------------|
| Unlisted Stocks                         | 804                                               |
| Shares of non-consolidated subsidiaries | 26                                                |
| Total                                   | 830                                               |

(Note) 3 Scheduled redemption amount of monetary claims after the consolidated balance sheet date

(Unit: Million yen)

|                     | Within 1 year | Over 1 year, within 5 years | Over 5 years, within 10 years | Over 10 years |
|---------------------|---------------|-----------------------------|-------------------------------|---------------|
| Cash and deposits   | 69,416        | —                           | —                             | —             |
| Accounts receivable | 53,348        | —                           | —                             | —             |
| Total               | 122,765       | —                           | —                             | —             |

(Note) 4 Scheduled repayment amount of other interest-bearing liabilities after the consolidated balance sheet date

(Unit: Million yen)

|                       | Within 1 year | Over 1 year, within 2 years | Over 2 years, within 3 years | Over 3 years, within 4 years | Over 4 years, within 5 years | Over 5 years |
|-----------------------|---------------|-----------------------------|------------------------------|------------------------------|------------------------------|--------------|
| Short-term borrowings | 20,000        | —                           | —                            | —                            | —                            | —            |

### 3. Breakdown of the level of fair value concerning financial instruments

The fair value of financial instruments was classified into the following three levels according to the observability and significance of inputs related to the fair value measurement.

Fair value at level 1: Fair value based on market prices of assets or liabilities subject to measurement of fair value formed at active markets, among inputs related to measurement of observable fair value,

Fair value at level 2: Fair value based on inputs related to the measurement of fair value other than inputs at level 1, among inputs related to the measurement of observable fair value

Fair value at level 3: Fair value based on inputs related to the measurement of unobservable fair value

If several inputs are used with a material impact on fair value measurement, fair value is classified as the lowest priority level among the levels that each of these inputs belongs to.

Financial instruments posted at fair value on the consolidated balance sheet

(Unit: Million yen)

| Category                | Fair value |         |         |       |
|-------------------------|------------|---------|---------|-------|
|                         | Level 1    | Level 2 | Level 3 | Total |
| Derivative transactions |            |         |         |       |
| Currencies-related      | —          | 7       | —       | 7     |
| Total liabilities       | —          | 7       | —       | 7     |

(Note) Explanation of valuation methods used for fair value measurement and inputs related to fair value measurement

#### Derivative transactions

The fair value of derivative transactions is calculated based on prices quoted by counterparty financial institutions, etc., as there are no published quoted prices, and is classified as Level 2 fair value.

Financial instruments other than those posted at fair value on the consolidated balance sheet

(Unit: Million yen)

| Category                                                          | Fair value |         |         |       |
|-------------------------------------------------------------------|------------|---------|---------|-------|
|                                                                   | Level 1    | Level 2 | Level 3 | Total |
| Investment securities<br>Shares of subsidiaries and<br>affiliates | 1,822      | —       | —       | 1,822 |
| Total assets                                                      | 1,822      | —       | —       | 1,822 |

(Note) Explanation of valuation methods used for fair value measurement and inputs related to fair value measurement

Investment securities

Listed stocks were evaluated, using the quoted market prices. The fair value was classified as Level 1 fair value because they are traded in active markets.

#### Notes to per share information

1. Net assets per share 120.76 yen
2. Earnings per share 54.11 yen

#### Notes to significant subsequent events

##### (Business combination by acquisition of shares)

At the Board Meeting held on March 31, 2026, the Company resolved to acquire all shares of High Link and to make it a subsidiary, executed a share transfer agreement on the same date, and acquired all shares on April 16.

#### 1. Overview of business combination through share acquisition

##### (1) Purpose of the business combination through share acquisition

Founded in 2017, High Link operates "Coloria", a comprehensive fragrance platform, under the mission of "Color the world with fragrance." By bringing High Link, which operates a business centered on fragrances with high affinity to fashion, into the ZOZO group, the Company aims to expand into the fragrance market and accelerate business development in the "Near Fashion" domain by incorporating sales methods such as subscription services.

##### (2) Counterparty in the share acquisition

Masahiro Nanki, Daiki Okamoto, 10 companies and 3 individuals

##### (3) Name and business description of the acquired company

Company name: HIGH LINK, INC.

Business description: Operation of a comprehensive fragrance platform, "Coloria"

##### (4) Date of business combination

April 30, 2026

##### (5) Legal form of business combination

Acquisition of shares

##### (6) Name of the company after the business combination

HIGH LINK, INC.

##### (7) Number of shares to be acquired and voting rights ratio

Voting rights ratio: 100%

Number of shares: 93,818 shares

##### (8) Basis for determining the acquiring company

This is due to the acquisition of 100% of the voting rights through a share acquisition for cash consideration.

##### (9) Date of agreement execution

March 31, 2026

2. Breakdown of acquisition cost and types of consideration

Consideration for acquisition 4,950 million yen

Advisory and other related fees 40 million yen

Total acquisition cost 4,990 million yen

3. Amount, cause, amortization method, and period of goodwill

The amount, cause, amortization method, and amortization period of goodwill have not yet been determined.

4. Amount and major components of assets and liabilities accepted on the business combination date

The amount and breakdown of assets and liabilities accepted on the business combination date have not yet been determined.

5. Funding and payment method

The acquisition was funded using internal funds.



## Notes to revenue recognition

1. The following is a breakdown of revenue from contracts with customers.

(Unit: Million yen)

|                                           | Revenue from<br>consignment goods | Revenue from sales<br>of purchased<br>merchandise | Revenue from the<br>advertising<br>business and others | Total   |
|-------------------------------------------|-----------------------------------|---------------------------------------------------|--------------------------------------------------------|---------|
| ZOZOTOWN business                         | 134,673                           | 22,743                                            | —                                                      | 157,416 |
| (Outright purchase/production &<br>sales) | —                                 | 2,630                                             | —                                                      | 2,630   |
| (Consignment sales)                       | 134,673                           | —                                                 | —                                                      | 134,673 |
| (USED Sales)                              | —                                 | 20,113                                            | —                                                      | 20,113  |
| LY Corporation Commerce                   | 22,003                            | 2,176                                             | —                                                      | 24,179  |
| LYST                                      | —                                 | —                                                 | 5,776                                                  | 5,776   |
| BtoB business                             | 1,325                             | —                                                 | —                                                      | 1,325   |
| Advertising business                      | —                                 | —                                                 | 11,884                                                 | 11,884  |
| Others                                    | —                                 | —                                                 | 27,791                                                 | 27,791  |
| Revenue from contracts with<br>customers  | 158,001                           | 24,919                                            | 45,452                                                 | 228,373 |
| Sales to external customers               | 158,001                           | 24,919                                            | 45,452                                                 | 228,373 |

## 2. Basic information for understanding revenue from contracts with customers

As described in "Notes to the Consolidated Financial Statements, 4. Matters on accounting policies (5) Accounting standards for revenue and expense recognition".

3. Information about the relationship between the satisfaction of performance obligations under contracts with customers and cash flows from such contracts, and the amount and timing of revenue expected to be recognized from contracts with customers that existed at the end of the current fiscal year and are expected to be recognized in the following fiscal year or later

(1) Receivables and contract liabilities arising from contracts with customers

The balances of receivables and contract liabilities arising from contracts with customers at the beginning and end of the period are as follows.

(Unit: Million yen)

|                                                   | Current fiscal year                            |                                          |
|---------------------------------------------------|------------------------------------------------|------------------------------------------|
|                                                   | Balance as of the beginning of the fiscal year | Balance as of the end of the fiscal year |
| Receivables arising from contracts with customers | 49,454                                         | 53,348                                   |
| Contract liabilities                              | 421                                            | 515                                      |

On the consolidated balance sheet, contract liabilities are included in current liabilities -others. Contract liabilities represent the balance of points granted by the Company for which performance obligations have not been satisfied as of the end of the period. Contract liabilities are reversed upon recognition of revenue. All contract liability balances at the beginning of the period are included in the amount of revenue recognized in the current period.

(2) Transaction prices allocated to remaining performance obligations

The Company and its consolidated subsidiaries have omitted disclosure of the transaction price allocated to remaining performance obligations, as there are no significant contracts expected to have an original contract term exceeding one year, and the practical expedient has been applied. In addition, there are no significant amounts of consideration arising from contracts with customers that are not included in the transaction price.

## Other notes

(Notes on business combinations)

### 1. Overview of business combination through share acquisition

#### (1) Purpose of the business combination through the share acquisition

LYST is a leading global fashion shopping platform featuring over 27,000 brands and more than 97 million SKUs. While we have focused on market expansion through licensing our in-house technology and partnerships with local companies to date, we have decided to take a bold step forward by acquiring LYST to accelerate our growth in the global market. This acquisition is the cornerstone of our international expansion strategy.

#### (2) Counterparty to the share acquisition

Name of the acquired company: LYST LTD

Description of business: Online fashion platform business

#### (3) Date of business combination

April 18, 2025 (deemed acquisition date: April 30, 2025)

#### (4) Legal form of business combination

Acquisition of shares

#### (5) Name of the company after the business combination

LYST LTD

#### (6) Number of shares acquired and voting rights ratio

Number of shares acquired: 58,675,198 shares

Voting rights ratio: 100%

#### (7) Basis for determining the acquiring company

This was due to ZOZO U.K. LIMITED, a consolidated subsidiary newly established by the Company in the United Kingdom for the acquisition of LYST, acquiring 100% of the voting rights through a cash acquisition of shares.

#### (8) Date of agreement execution

April 9, 2025

### 2. Period of operating results of the acquired company included in the consolidated statement of income

From May 1, 2025 to March 31, 2026

### 3. Breakdown of acquisition cost and types of consideration

Consideration for acquisition

22,094 million yen

Acquisition cost

22,094 million yen

4. Description and amount of major acquisition-related costs

Advisory fees and commissions: 1,108 million yen

5. Amount, cause, amortization method, and period of goodwill

(1) Amount of goodwill recognized

20,594 million yen

(2) Cause of recognition

The goodwill was recognized primarily due to the excess earning power expected from future business development.

(3) Method and period of amortization

Straight-line amortization over 10 years

6. Amount and major components of assets and liabilities accepted on the business combination date

Current assets: 2,944 million yen

Non-current assets: 3,955 million yen

Total assets: 6,899 million yen

Current liabilities: 3,922 million yen

Non-current liabilities: 1,476 million yen

Total liabilities: 5,399 million yen

7. Amount allocated to intangible assets other than goodwill, breakdown by major type, and weighted average amortization period

| Type                                             | Amount            | Weighted average<br>amortization period |
|--------------------------------------------------|-------------------|-----------------------------------------|
| Trademark rights                                 | 249 million yen   | 5 years                                 |
| Customer-related<br>assets                       | 1,862 million yen | 8 years                                 |
| In-process research<br>and development<br>assets | 62 million yen    | —                                       |
| Total                                            | 2,174 million yen |                                         |

## Accounting Auditor's Audit Report

(TRANSLATION)

### INDEPENDENT AUDITOR'S REPORT

May 18, 2026

To the Board of Directors of  
ZOZO, Inc.

Deloitte Touche Tohmatsu LLC  
Tokyo office

Designated Engagement Partner,  
Certified Public Accountant:

Atsushi Numata

Designated Engagement Partner,  
Certified Public Accountant:

Hisashi Okuda

#### **Opinion**

Pursuant to the first item, second paragraph of Article 436 of the Companies Act, we have audited the nonconsolidated financial statements of ZOZO, Inc. (the "Company"), namely, the nonconsolidated balance sheet as of March 31, 2026, and the nonconsolidated statement of income and nonconsolidated statement of changes in equity for the 28th fiscal year from April 1, 2025 to March 31, 2026, and the related notes and the accompanying supplemental schedules.

In our opinion, the accompanying nonconsolidated financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2026, and its financial performance for the year then ended in accordance with accounting principles generally accepted in Japan.

#### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Nonconsolidated Financial Statements section of our report. We are independent of the Company in accordance with the provisions of the Code of Professional Ethics in Japan, including the ethical requirements that are relevant to audits of the financial statements of public interest entities, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Other Information**

Management is responsible for the other information. The Audit and Supervisory Committee is responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the other information. The other information comprises the information included in the Business Report and the accompanying supplemental schedules.

Our opinion on the nonconsolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the nonconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the nonconsolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and the Audit and Supervisory Committee for the nonconsolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the nonconsolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of nonconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the nonconsolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

The Audit and Supervisory Committee is responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the nonconsolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the nonconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these nonconsolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the nonconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is

sufficient and appropriate to provide a basis for our opinion.

- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the nonconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate whether the overall presentation and disclosures of the nonconsolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the nonconsolidated financial statements, including the disclosures, and whether the nonconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Audit and Supervisory Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit and Supervisory Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with it all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

#### **Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan**

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the independent auditor's report as required by the Companies Act of Japan for the conveniences of the reader. "The accompanying supplemental schedules" referred to in the "Opinion" section of this English translation are not included in the attached financial documents. In addition, the other information in "the accompanying supplemental schedules" referred to in the "Other Information" section of this English translation is not translated.



## Accounting Auditor's Audit Report (consolidated)

(TRANSLATION)

### INDEPENDENT AUDITOR'S REPORT

May 18, 2026

To the Board of Directors of  
ZOZO, Inc.

Deloitte Touche Tohmatsu LLC  
Tokyo office

Designated Engagement Partner,  
Certified Public Accountant:

Atsushi Numata

Designated Engagement Partner,  
Certified Public Accountant:

Hisashi Okuda

#### **Opinion**

Pursuant to the fourth paragraph of Article 444 of the Companies Act, we have audited the consolidated financial statements of ZOZO, Inc. and its consolidated subsidiaries (the "Group"), namely, the consolidated balance sheet as of March 31, 2026, and the consolidated statement of income and consolidated statement of changes in equity for the fiscal year from April 1, 2025 to March 31, 2026, and the related notes.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2026, and its consolidated financial performance for the year then ended in accordance with accounting principles generally accepted in Japan.

#### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the provisions of the Code of Professional Ethics in Japan, including the ethical requirements that are relevant to audits of the financial statements of public interest entities, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Other Information**

Management is responsible for the other information. The Audit and Supervisory Committee is responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the other information. The other information comprises the information included in the Business Report and the accompanying supplemental schedules.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and the Audit and Supervisory Committee for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

The Audit and Supervisory Committee is responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Group's financial reporting process.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and

appropriate to provide a basis for our opinion.

- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate whether the overall presentation and disclosures of the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit and Supervisory Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit and Supervisory Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with it all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

**Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan**

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the independent auditor's report as required by the Companies Act of Japan for the conveniences of the reader. The other information in "the accompanying supplemental schedules" referred to in the "Other Information" section of this English translation is not translated.

## Audit and Supervisory Committee's Audit Report

### Audit Report

The Audit and Supervisory Committee conducted an audit regarding the execution of duties of Directors during the 28th fiscal year from April 1, 2025 to March 31, 2026. The method and results are reported below.

#### 1. Method and details of auditing

As for the system established in accordance with the provisions of a resolution adopted by the Board of Directors regarding matters stated in Article 399-13, Paragraph 1, Item 1, b and c, and the relevant resolution (internal control system), the Audit and Supervisory Committee periodically received reports about the implementation and operation of the relevant system from Directors and employees and asked them to give explanations and expressed its opinions as necessary. In addition, the committee conducted the audit using the following methods.

(1) The Audit and Supervisory Committee Members attended important meetings in accordance with audit policies and the assignment of duties determined by the committee. Additionally, in cooperation with the Internal Audit Office of ZOZO, Inc. (the "Company"), The Audit and Supervisory Committee Members received reports about matters related to the execution of duties from Directors and employees, asked them to give explanations, inspected important approval documents, and investigated operations and property in the headquarters and major business locations. The members also communicated with and exchanged opinions with Directors and Audit and Supervisory Board Members of important subsidiaries as needed and received business reports from the subsidiaries.

(2) With respect to the matters considered as required under Article 118, Item 5 (a) of the Ordinance for Enforcement of the Companies Act and the judgments and the reasons therefor as stated in (b) of the same item, we reviewed the content based on deliberations at meetings of the Board of Directors and other relevant bodies.

(3) We monitored and verified whether the Accounting Auditor maintained its independence and properly performed its audit, received reports from the Auditor on the status of its duties, and requested explanations as necessary. We also received notification from the Auditor that it has established a system to ensure proper execution of its duties (as stipulated in each item of Article 131 of the Regulation on Corporate Accounting) in accordance with the "Quality Control Standards for Audits" (Business Accounting Council), and requested explanations as necessary.

Based on the above methods, the Audit and Supervisory Committee Members examined the business report and accompanying detailed statements, financial statements (balance sheet, income statement, statement of changes in net assets, and notes to the financial statements) for the current fiscal year as well

as the supplementary schedules and the consolidated financial statements (consolidated balance sheet, consolidated income statement, consolidated statement of changes in net assets, and notes to the consolidated financial statements).

## 2. Results of Audit

### (1) Results of audit of business report etc.

- ① The content of the business report and its supplementary schedules present the state of affairs of the Company pursuant to laws and regulations and the Articles of Incorporation.
- ② With regard to the execution of duties of Directors, no improper conduct or material breach of laws, regulations or the Articles of Incorporation has been identified.
- ③ The details of resolutions approved by the Board of Directors concerning the internal controls system are appropriate. In addition, no matters that require comment have been identified regarding the details in the business report or the execution of duties of Directors regarding the internal controls system.
- ④ As for matters given attention to in order to prevent harm to the Company's interests in transactions with the parent company, as stated in the business report, and the determinations of the Board of Directors and the reasons therefor regarding whether such transactions are detrimental to the interests of the Company, there were no matters to be indicated.

### (2) Results of audit of financial statements and attached detailed statements

The method of audit adopted by the certified public accountant Deloitte Touche Tohmatsu LLC and the results of its audit are considered appropriate.

### (3) Results of audit of consolidated financial statements

The method of audit adopted by the certified public accountant Deloitte Touche Tohmatsu LLC and the results of its audit are considered appropriate.

May 19, 2026

ZOZO, Inc. Audit and Supervisory  
Committee

|                                           |                 |
|-------------------------------------------|-----------------|
| Audit and Supervisory<br>Committee Member | Hiroko Igarashi |
|-------------------------------------------|-----------------|

|                                           |                  |
|-------------------------------------------|------------------|
| Audit and Supervisory<br>Committee Member | Junko Utsunomiya |
|-------------------------------------------|------------------|

|                                           |                  |
|-------------------------------------------|------------------|
| Audit and Supervisory<br>Committee Member | Kumiko Nishiyama |
|-------------------------------------------|------------------|

(Note)

The Audit and Supervisory Committee Members, Ms. Hiroko Igarashi, Ms. Junko Utsunomiya, and Ms. Kumiko Nishiyama, are Outside Directors stipulated in Article 2, Paragraph 15, and Article 331, Paragraph 6, of the Companies Act.

DISCLAIMER:

This document is a summary translation of the Japanese version. Readers are encouraged to refer to the original Japanese version for complete information. The Japanese version shall prevail in the event of any discrepancy, error, or omission.





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