



January 29, 2021

Dear All,

Notice concerning revision of consolidated business forecast and year-end dividend

In light of the recent trend in business performance, ZOZO, Inc. made a resolution at the Board of Directors held today to revise its consolidated business forecast of the fiscal year ending March 31, 2021 (April 1, 2020 to March 31, 2021) and dividend per share, which was announced on July 30, 2020. Details are as follows:

1. Revisions to consolidated business forecast for the fiscal year ending March 31, 2021 (April 1, 2020 to March 31, 2021)

	Consolidated net sales	Consolidated operating profit	Consolidated ordinary profit	Profit attributable to owners of parent	Consolidated net profit per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecast (A)	143,700	39,500	39,500	27,600	90.40
Revised forecast (B)	145,000	41,500	41,600	28,500	93.34
Variance in amount (B- A)	1,300	2,000	2,100	900	
Variance in percentage (%)	0.9%	5.1%	5.3%	3.3%	
(Ref.) Previous fiscal year result (FYE March 2020)	125,517	27,888	27,644	18,804	61.60

(Reasons for the revision)

In the fiscal year ending March 2021, business is growing steadily from positive factors from COVID-19: an increase in new user acquisition due to the digital shift and active promotion by apparel companies at our website, exceeding impacts from negative factors: lowering in demand of fashion/apparel items due to the voluntary ban of going out. As for the fourth quarter, we are planning to make investment for continuous growth from the next fiscal year onward.

Given this situation, we have upwardly revised the consolidated business forecasts of the fiscal year ending March 2021.

Gross merchandise value is expected to exceed the initial target of 387,300 million yen to 409,000 million yen (of which, other GMV is 7,000 million yen) and net sales is expected to exceed the initial target of 143,700 million yen to 145,000 million yen. Operating profit is expected to exceed the initial target of 39,500 million yen (operating profit margin to the gross merchandise value is 10.2%) to 41,500 million yen. Net profit attributable to owners of parent is expected to exceed the initial target of 27,600 million yen to 28,500 million yen.

2. Revisions of the year-end dividend

	Annual dividends		
	End of Q2	Year-end	Total
Previous forecast (Announced on July 30, 2020)	15.00yen	22.00yen	37.00yen
Revised forecast		23.00yen	38.00yen
Current fiscal year results	15.00yen		
Previous fiscal year results (FYE March 2020)	12.00yen	18.00yen	30.00yen

(Reasons for the revision)

As for profit return to shareholders, our group has the basic policy for deliberating and implementing profit return by balancing internal reserve through comprehensive consideration of the followings: business performance, financial status, future business and investment plans. Specifically, we set a consolidated payout ratio target of approximately 40%

In the "Notice concerning announcement of consolidated business forecast and dividends forecast for fiscal year ending March 31, 2021" which was announced on July 30, 2020, we had forecasted 37 yen per share for year-end dividend.

However, we have revised this dividend to 38 yen per share after comprehensive consideration of business performance of this fiscal year, future business and investment plans, and other factors.

We will continue to enhance corporate value and reinforce financial structure, and decide the amount of internal reserve and profit return by taking future business expansion etc. into consideration.

(NOTE) Forecast figures in this document are based on judgments from information available as of the date of the announcement of this document. Actual results may differ from these forecasts due to various uncertainties.

DISCLAIMER:

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