

Dear All,

Notice Concerning Controlling Shareholders, etc.

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

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

(As of March 31, 2021)

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

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

Name: Z Holdings Corporation

Reason: Two directors are dispatched to ZOZO, and that has significant influence on ZOZO's decision making.

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

(1) Relationship with the parent company

Through a tender offer to ZOZO’s shares by ZHD on November 13, 2019, ZHD acquired 50.10% of ZOZO’s shares and became the parent company on November 20, 2019. Between ZOZO and ZHD and SoftBank Group (hereinafter, referred to as “SBG”), there are business transactions such as a) payment of shop opening commission at PayPay Mall operated by Yahoo Japan Corporation, a

subsidiary of ZHD, b) sending users to ZOZOTOWN from services offered by ZHD and SBG including "Yahoo!JAPAN", c) payment from SBG for placing advertisement at ZOZO's services, etc.

On February 26, 2021, LINE Corporation (currently A Holdings Corporation, hereinafter, referred to as "AHD") became our parent company, as it became a parent company of ZHD, our parent company.

Due to this, Shiodome Z Holdings is no longer qualified as a parent company of ZOZO on the same day. LINE Corporation changed its corporate name to AHD on February 28, 2021.

In addition, on March 16, 2021, ZHD, our parent company, transferred all of ZOZO's shares held by ZHD through contribution in kind, to its wholly-owned subsidiary Z Intermediate Holdings G.K.

(currently Z Intermediate Holdings Corporation, hereinafter, referred to as "ZIHD"); As such, ZIHD became our parent company and the largest shareholder, who is a major shareholder. Z

Intermediate Holdings G.K. reorganized to business corporation on March 23, 2021.

(2) Ensuring independence from parent companies, etc.

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

4. Matters concerning transactions with controlling shareholders etc.

Matters concerning transactions with controlling shareholders etc. are as follows (including excerpts from "Notice of Convocation of the 23rd Ordinary General Meeting of Shareholders" announced on June 2, 2021):

a. Increase the GMV at ZOZOTOWN PayPay Mall Shop

We opened a ZOZOTOWN shop at PayPay Mall operated by Yahoo Japan Corporation on December 17, 2019. ZOZOTOWN PayPay Mall Shop started well, but we think that there is still room for growth. We will increase the GMV by adding the functions that ZOZOTOWN has to ZOZOTOWN PayPay Mall Shop and make it more useful for a wide range of users.

b. Expand the payment service PayPay at ZOZOTOWN

On August 20, 2020, we introduced the payment service PayPay operated by Yahoo Japan Corporation to ZOZOTOWN, expecting to have new users from the user base of PayPay. In addition, we will further improve the usability of the site by making the PayPay Bonus which is rewarded when using PayPay, usable at ZOZOTOWN as well.

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

Users who differ in user attribute from existing users of ZOZOTOWN are sent to ZOZOTOWN from the services of ZHD and the SBG, including Yahoo!JAPAN. This allows ZOZOTOWN to acquire new users with different attribute from existing ZOZOTOWN users.

d. Share development resources

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

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

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

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