

Dear All,

Notice Concerning Revision of Consolidated Business Forecast for Fiscal Year Ended March 31, 2020

ZOZO, Inc. (hereinafter, referred to as the “Company”) made a resolution at the Board of Directors held April 22, 2020, to revise its consolidated business forecast for the fiscal year ended March 31, 2020 (April 1, 2019 to March 31, 2020), which was disclosed on April 25, 2019.

1. Revision of the consolidated business forecast for the fiscal year ended March 31, 2020 (April 1, 2019 to March 31, 2020)

	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
Previously forecast(A)	136,000	32,000	32,000	22,500	73.70 yen
Revised forecast (B)	125,500	27,800	27,600	18,000	58.96 yen
Variance in amount (B-A)	-10,500	-4,200	-4,400	-4,500	
Variance in percentage (%)	-7.7%	-13.1%	-13.8%	-20.0%	
(Ref.) Previous fiscal year results (FYE March 2019)	118,405	25,654	25,717	15,985	52.20 yen

(Reasons for revision)

During the fiscal year ended March 31, 2020, sales and profits increased YoY until the first half of the fiscal year; however, the Company posted YoY decline in profits for the cumulative third quarter. This was due to sluggish consumer spending derive from saving trend after the consumption tax hike, unseasonable weather, including the landing of large typhoons and the impact of record warm winter and as a result, sales of high-priced seasonal merchandise remained sluggish. In the fourth quarter, the situation remains unchanged where the warm winter continued, and sales of winter merchandise continued to be sluggish. Consequently, consolidated net sales are expected to underperform the consolidated business forecast. The Company group put effort into hold down SG&A expenses, including the curbing of inefficient promotions, however, due to the shortfall of the consolidated net sales, consolidated operating profit, consolidated ordinary profit, and profit attributable to owners of parent are expected to underperform the forecast as well. Based on the above, the Company revised the consolidated business forecast for the fiscal year ended March 31, 2020 as described above.

(NOTE) The forecast figures in this document are based on information available as of the date of this disclosure. Actual results may differ due to various uncertainties.

DISCLAIMER:

This document is summary translation of Japanese version. All readers are recommended to refer the original Japanese version for complete information. In the event of any discrepancy, errors and/or omissions, the Japanese version shall prevail.