



May 19, 2026

Dear All,

Notice Concerning the Revision of the Restricted Stock Compensation Plan

At the Board Meeting held today, ZOZO, Inc. (hereinafter referred to as the "Company") resolved to submit a proposal (hereinafter referred to as the "Proposal") regarding the revision of the restricted stock compensation plan (hereinafter referred to as the "Plan") to the 28th Annual General Meeting of Shareholders scheduled to be held on June 29, 2026 (hereinafter referred to as the "Shareholders Meeting"), as described below.

1. Reason for the revision of the Plan

The Plan is a compensation plan under which the Company grants restricted stock to its Directors (excluding non-executive Directors, including Directors who are Audit and Supervisory Committee Members and Outside Directors; hereinafter referred to as the "Eligible Directors") for the purpose of providing medium- to long-term incentives to enhance the corporate value of the Group sustainably and promoting further value sharing between the Eligible Directors and the Company's shareholders.

Under the Plan, at the 25th Annual General Meeting of Shareholders held on June 28, 2023, the Company obtained approval to grant restricted stock to Eligible Directors within a separate compensation framework from that for cash remuneration and bonuses approved at the same meeting, 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 the Shareholders Meeting 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).

The revision of the Plan is subject to the approval of the Company's Shareholders Meeting.

2. Summary of the revised Plan

(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 Consultative 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.

⑤ 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.

(Reference)

If this Proposal is approved, the Company plans to allot restricted stock to its Executive Officers after the conclusion of the Shareholders Meeting. 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.

DISCLAIMER:

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