

Financial Results for FY2022.6 Q4 - Q&A Summary

Consolidated

Q1. As CEO, what are your thoughts on Mercari's stock price?

A1. Stock prices are determined by various factors including the external environment, one example of which is the impact on growth stocks triggered by rising US interest rates. Factors like these are not necessarily within the Company's control. On the other hand, in response to this uncertain environment, the Company updated its investment discipline policies and achieved a consolidated operating profit in FY2022.6 Q4. Regardless of the external environment, I believe what we must do as a company is make good investments and secure profit-earning opportunities. I continue to believe that we have excellent business potential, and I intend to return profits to shareholders through maximizing future profits while maintaining a balance between growth and earnings.

Q2. What is the status of Mercari's global expansion, following the US market?

A2. We are currently at the stage of conducting market research on a wide range of topics and areas, with nothing definitive now. Basically, I can say that we are not considering any sudden, large investments, but instead plan to start small. However, other companies have taken a hit in stock price as well, so we are not ruling out the possibility of bold investments or M&A should the right opportunities arise.

Q3. In the future, particularly as it relates to new businesses, there could be some benefit to developing services under a different brand name in the name of increasing users and transactions among the younger generation. Is Mercari looking to consolidate the brand under the Mercari banner, or are you open to being more flexible with the branding?

A3. With the increased importance of things like ESG and SDGs, Mercari aims to make a positive impact on the world through our business growth, and as a result realize a circular economy. Our goal is to make ourselves indispensable in this sense. We believe that by having all businesses, including any new businesses, contribute to the achievement of our mission under the Mercari brand, the entire Group can become an entity that is essential for various stakeholders.

Marketplace

Q4. How much do you expect B2C to contribute to your three-year CAGR growth target of 15% for Marketplace's GMV? What progress have you made in your B2C product development roadmap?

A4. While we plan to aim for growth in both C2C and B2C as a single marketplace going forward, even looking at B2C alone the number of shops is steadily increasing. However, we believe it will take some time for the rising number of shops to help us reach a certain scale of growth, so we cannot provide a three-year forecast for GMV growth rate of only B2C at this time. It also has been less than a year since the full rollout, and we know that Mercari Shops is still lacking some features as a B2C service, so we are currently working on completing basic features. We hope to leverage the knowledge and technology that we have

accumulated from our C2C users to provide business owners and producers with an easy-to-sell experience and thereby realize further growth.

US

Q5. In FY2022.6, GMV growth was slow. Are there any indications that Mercari US is on a path toward profitability?

A5. We saw substantial growth in FY2021.6, but in FY2022.6 we felt the impact of inflation, unprecedented world events, and other such factors, resulting in negative GMV growth. It is crucial for us to continue to carefully monitor how long the impact of these changes will continue. We believe that there is currently substantial room for growth in the US market, and on that premise we conducted hiring and implemented marketing in order to improve brand awareness. Depending on the business environment going forward, it may be necessary for us to look at scenarios for becoming more profitable by further reducing costs and controlling investment. However, we believe that our current mid-term potential is very high, and we are keeping a close watch over the situation and examining our levels of investment.

Disclaimer

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