

## FY2026.6 Q3 Financial Results - Q&A Summary

### Consolidated

**Q1. What specific initiatives are you planning to strengthen investment for in Q4, and what is your aim? Can these investments be carried out according to your plans? Also, what cost items do you expect to increase, how much risk is there of not achieving your investments, and how do you view investment levels for FY2027.6?**

A1. In planning our investments for Q4, we have calculated detailed amounts for each area of investment, and the overall amount is expected to increase significantly compared to Q1–Q3. We have formulated our revised consolidated results forecast based on these plans, but as the execution of these investments is influenced by user reactions, effects of promotions, and other factors, investment amounts may vary somewhat.

One of the major initiatives planned for Marketplace is Super Mercari Market Days. To date, we have carried out this initiative at a pace of twice per year, and we place emphasis on offering an improved core experience to our users to boost retention, rather than merely temporarily increasing product awareness or traffic. Additionally, we will carry out PoCs to enhance the product's core experience with the aim of accelerating growth in FY2027.6 and beyond. In crossborder transactions, which are a mid-term focus area, we are in the phase of considering optimal expansion methods and ROI feasibility through marketing PoCs in various regions; this is also an area of large investment.

We will also invest in branding to enhance our user base as we look ahead to growth in FY2027.6 and beyond. Branding investments aimed not only at existing users but also dormant users are an area in which we expect to see effects in the mid-to-long term rather than short-term returns.

In Fintech, we will carry out investments to expand the range of *Merpay* users, in addition to promoting user acquisition in spring, the season of new beginnings in Japan, which is a period of high demand for the credit card business.

In terms of cost items we will record, the costs that will become apparent in the short term will mainly be promotion costs, but there is a possibility that some promotions will be recorded as sales allowance; cost items will vary depending on the type of initiative. As the majority of large-scale marketing investments in H2 are expected to be carried out in Q4, Q3 saw minimal investments, meaning that the increase in costs compared to Q3 will look large. But as we explained at the beginning of the financial results presentation, we expect to significantly achieve our initial plans for profit amount over the full year. We are currently formulating our plans for FY2027.6 and beyond, and will explain them in our full-year financial results announcement.

**Q2. Given how the first three quarters have gone, are there any changes to your approach to capital allocation, including stock buybacks, disclosed in FY2025.6 Q4?**

A2. There are no changes to our policy regarding capital allocation as disclosed previously. Our policy is to allocate generated profits to options that will contribute to long-term business growth, and we are continuously carrying out discussions within the company.

## **Marketplace**

**Q3. In FY2026.6, your growth rate has accelerated every quarter; do you believe you can continue to aim for double-digit growth in FY2027.6?**

A3. We place emphasis on achieving continued growth and will aim to formulate execution plans aiming for double-digit growth in FY2027.6 and beyond as well. We plan to disclose our plans for FY2027.6 in our full-year financial results announcement.

**Q4. What is behind the acceleration of GMV growth, including categories other than Entertainment & Hobbies, in Q3? Is the strong growth in Entertainment & Hobbies due to crossborder transactions?**

A4. While Entertainment & Hobbies is achieving relatively strong growth, other categories, such as Fashion, are growing favorably as well. The growth rate of crossborder transactions is higher than that of C2C and performing well, but at present crossborder transactions are still small in scale compared to Marketplace as a whole, and the C2C area is driving overall growth. We believe that our continued focus on improving the core experience has contributed to maintaining and improving user retention rates and active rates, and as a result, GMV growth is accelerating.

**Q5. Can you explain the monthly trends seen in Q3? Is the growth rate accelerating?**

A5. We do not disclose our monthly GMV, but there were no significant fluctuations between months in Q3; we generally maintained the same level as our December growth rate (+17% YoY). While we did not carry out any large-scale marketing initiatives in Q3, we believe that improvements to the user experience gradually took root, leading to increased awareness and use.

**Q6. Can you tell us what effect the Super Mercari Market Days campaign in December had on acquiring new users and securing the return of previous users, and what user retention has been like since then?**

A6. We have confirmation that the users who returned to *Mercari* due to the Super Mercari Market Days campaign in December are still active users in Q3. Going forward, we will focus on making further improvements to the user experience to improve user retention.

**Q7. MAU growth was low at +4% YoY compared to +16% YoY for GMV growth. What do you think is behind the rapid growth of GMV, and do you think inflation is a factor?**

A7. Increased MAU, transaction frequency, and AOV all contributed fairly equally to the GMV growth in Q3. While inflation may have had some effect, AOV was continuing to slowly rise before the effects of inflation came to light, so we do not consider recent inflation to be a major factor of GMV growth.

## **Fintech**

**Q8. What is driving the increase in payments outside the *Mercari* app, and what initiatives are you working on to promote usage outside the *Mercari* app?**

A8. Since launching *Mercard Gold*, there have been more incentives aimed at increasing usage outside of *Mercari*, centered around receiving points back from purchases. We have also continued to make improvements to usability, which has increased usage outside of the app particularly among our loyal user base.

**Q9. The YoY improvement of core operating profit is larger than the same for adjusted core operating profit. Does this mean that users are making more payments within *Mercari* than outside of *Mercari*?**

A9. Adjusted core operating profit excludes fees related to payment processing services outsourced between Marketplace and Fintech. For Fintech, fee revenue for Marketplace is excluded from core operating profit. The difference in the year-on-year improvement referenced in your question reflects the YoY increase in the selling fees subject to this adjustment, indicating that fee revenue from internal transactions has increased. Since only revenue is subject to adjustment and related costs are not, profit did not fully reflect the underlying business performance. As a result, we have discontinued internal transaction adjustments (with disclosure in the data sheet to continue through FY2026.6 Q4). Also, as stated on page 16 of the Presentation Material for FY2026.6 Q2, payment volume outside *Mercari* is growing strongly and now exceeds the growth rate of payments within *Mercari*.

## **US**

**Q10. The Entertainment & Hobbies category is growing strongly. How sustainable is this growth in the next fiscal year and beyond?**

A10. The Entertainment & Hobbies category is performing strongly within Japan and in the US, with a more pronounced impact in the US. While there is some short-term volatility, we expect further growth in this category globally going forward and will aim for sustained GMV growth. As we mentioned at the start of the fiscal year, the Fashion category is also an area of focus, and we will work on reducing the impact of volatility in specific categories.

**Q11. What factors are driving weaker MAU growth compared to Japan Business? Is there any indication of a recovery heading into the next fiscal year?**

A11. In the US, we are targeting GMV growth through enhancements to the product's core experience and select marketing strategies. We are seeing positive signs, including MAU returning to positive YoY growth in Q3. MAU is still recovering after a large drop over the

past year, and as a result, the YoY growth rate is low. However, there has been an increase not only in activity from existing users but also in the return of users who once left the service, and we believe that MAU can steadily grow through continued improvements.

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