

mercari

Consolidated Financial Results for the Three Months Ended September 30, 2024 [IFRS]

November 5, 2024

Company name: Mercari, Inc.

Stock exchange listing: Tokyo Stock Exchange

Code number: 4385

URL: <https://about.mercari.com/en/>

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Scheduled date of commencing dividend payments: -

Availability of supplementary briefing material on financial results: Available

Schedule of financial results briefing session: None

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Three Months Ended September 30, 2024 (the "Period") (July 1, 2024, to September 30, 2024)

(1) Consolidated Operating Results (cumulative) (% indicates changes from the previous corresponding period.)

	Revenue		Core operating profit		Operating profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended September 30, 2024	44,924	1.5	4,098	(13.1)	4,347	(2.9)	3,036	7.9
September 30, 2023	44,271	11.2	4,716	81.5	4,477	73.7	2,814	407.0

	Profit attributable to owners of parent		Total comprehensive income		Basic earnings per share	Diluted earnings per share
	Millions of yen	%	Millions of yen	%	Yen	Yen
Three months ended September 30, 2024	2,933	4.4	2,098	(34.9)	17.90	17.44
September 30, 2023	2,811	346.4	3,221	179.8	17.27	16.54

(Reference) Profit before tax

Three months ended September 30, 2024: ¥5,584 million [22.0%]

Three months ended September 30, 2023: ¥4,577 million [80.8%]

(Note) Core operating profit is calculated by deducting other income and other expenses from operating profit.

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets
	Millions of yen	Millions of yen	Millions of yen	%
As of September 30, 2024	484,669	74,585	74,177	15.3
As of June 30, 2024	501,773	72,145	71,836	14.3

English Translation

This is a translation of the original release in Japanese. In the event of any discrepancy, the original release in Japanese shall prevail.

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended June 30, 2024	Yen —	Yen 0.00	Yen —	Yen 0.00	Yen 0.00
Fiscal year ending June 30, 2025	—				
Fiscal year ending June 30, 2025 (Forecast)		0.00	—	0.00	0.00

(Note) Revisions to the forecasts of cash dividends most recently announced: No

3. Consolidated Financial Results Forecast for the Fiscal Year Ending June 30, 2025 (July 1, 2024, to June 30, 2025)

(% indicates changes from the previous corresponding period.)

	Revenue		Core operating profit	
	Millions of yen	%	Millions of yen	%
Fiscal year ending June 30, 2025	200,000	6.7	22,000	16.6
	to 210,000	to 12.1	to 25,000	to 32.5

(Note) Revisions to the forecasts of financial results most recently announced: No

English Translation

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* Notes:

(1) Significant changes in the scope of consolidation during the period: No

(2) Changes in accounting policies and changes in accounting estimates

- 1) Changes in accounting policies required by IFRS: No
- 2) Changes in accounting policies other than 1) above: No
- 3) Changes in accounting estimates: No

(3) Total number of issued shares (common stock)

1) Total number of issued shares at the end of the Period (including treasury shares):

September 30, 2024:	164,028,578 shares
June 30, 2024:	163,889,610 shares

2) Total number of treasury shares at the end of the Period:

September 30, 2024:	226 shares
June 30, 2024:	196 shares

3) Average number of shares during the Period:

Three months ended September 30, 2024:	163,935,390 shares
Three months ended September 30, 2023:	162,737,420 shares

* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or audit firms: No

* Explanation of the proper use of financial results forecast and other notes

(Notice concerning forward-looking statements)

The forward-looking statements, including the financial results forecast, contained in these materials are based on information currently available to the Company and certain assumptions deemed reasonable by the Company. As such, they do not constitute guarantees by the Company of future performance. Details concerning the forward-looking statements are stated in “1. Overview of Operating Results, etc. (3) Explanation of Consolidated Financial Results Forecasts and Other Forward-looking Statements” on page 4 of the Appendix.

English Translation

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1. Overview of Operating Results, etc.

Forward-looking matters described in the text were judged as of September 30, 2024.

(1) Overview of Operating Results for the Period

The Group has set its Group mission as “Circulate all forms of value to unleash the potential in all people,” and is currently working to achieve it. For the current fiscal year, the Group has set range-based targets, aiming for full-year consolidated revenue in the range of ¥200,000 million to ¥210,000 million and core operating profit in the range of ¥22,000 million to ¥25,000 million. To that end, the Group will expand its business operations with a focus on the creation of Group synergy based on policies for achieving top-line growth that will lead to increased profits.

For the Marketplace domain, the Group has been working to achieve stable growth in C2C by implementing product initiatives such as AI/LLM-based UI/UX innovations and strengthening high-price categories, in conjunction with initiatives aimed at achieving strong growth in the high-growth areas of crossborder transactions, B2C, and *Mercari Hallo*. For the three months ended September 30, 2024, the GMV ^(Note 1) for the Marketplace domain was ¥257.6 billion, up 5% year-on-year, and adjusted core operating margin ^(Note 2) was 37% inclusive of the investment in *Mercari Hallo*. This was due to the limited success of product updates in C2C, despite achieving steady growth in the high-growth areas. *Mercari Hallo*, which started in March 2024, grew its number of registered users to over 8 million, and the number of partner locations reached 120,000 nationwide.

In the Fintech domain, operations have shifted to a phase of continuously increasing profit through steady accumulation of credit balance. By promoting management with a revenue-generating mindset, core operating profit in the three months ended September 30, 2024, amounted to ¥414 million. Amid the credit balance ^(Note 3) growing to ¥200.0 billion, driven by the growth of credit services, which is a pillar in revenue generation, the collection rate ^(Note 4) maintained a high level of 99.22% as a result of strict credit control, etc. that utilizes the Group’s unique AI credit check, and realized sound growth. As it is important to strengthen good credit, initiatives were implemented to expand use of credit, such as starting payment installment plans.

As a result of the above, Japan Region reported revenue of ¥34,123 million (up 7.2% year-on-year) and segment profit of ¥7,074 million (down 4.6% year-on-year) for the three months ended September 30, 2024.

In the US, fee model changes the Group has been working on to return to a growth trajectory have not had the expected effect. In addition, the external environment has also had an impact due to ongoing inflation and other factors. As a result, in the three months ended September 30, 2024, GMV for the *Mercari* business in the US decreased 16% year-on-year to \$193 million (¥28.9 billion; the exchange rate conversion is the total of the amounts calculated for each month using the average rate during the month), revenue was ¥9,380 million (down 15.3% year-on-year), and segment loss was ¥857 million (versus a segment loss of ¥699 million in the corresponding period of the previous fiscal year). In consideration of such challenging business conditions, Shintaro Yamada, the Group’s CEO, has decided to serve concurrently as the CEO in the US from January 2025. The Group will consider strategies for returning to a growth trajectory, while continuing the current measures, and continue to aim to break even in the current fiscal year.

As a result, for the three months ended September 30, 2024, the Group recorded revenue of ¥44,924 million (1.5% increase year-on-year), operating profit of ¥4,347 million (2.9% decrease year-on-year), and profit attributable to owners of parent of ¥2,933 million (4.4% increase year-on-year).

(Note 1) GMV (Gross Merchandise Value) is the total value of merchandise sold during a specified period. GMV for the Marketplace does not include GMV for *Mercari Hallo*.

(Note 2) Refers to figures after deducting internal transactions between Marketplace and Fintech (outsourced payment processing fees).

(Note 3) *Merpay Smart Payments* (lump-sum and fixed-amount payment) and *Merpay Smart Money* credit balance as of September 30, 2024 (excludes debt converted into bankruptcy reorganization debt, etc.).

(Note 4) Average aggregated rate of the quarterly cumulative collections completed within the past 11 months compared to the amount of *Merpay Smart Payments* (lump-sum payment and fixed-amount payment) and *Merpay Smart Money* billed in the past 11 months (excludes debt converted into bankruptcy reorganization debt, etc.).

(2) Overview of Financial Position for the Period

1) Assets, liabilities, and equity

(Assets)

Assets as of September 30, 2024, decreased by ¥17,103 million from the end of the previous fiscal year to ¥484,669 million.

The main reasons for any increases and decreases are as follows.

- The main reasons for any increases and decreases in cash and cash equivalents are outlined in the Overview of cash flows for the period section below.
- Trade and other receivables increased by ¥11,145 million compared to the end of the previous fiscal year, primarily due to an increase in use of *Merpay Smart Payments* (lump-sum payment and fixed-amount payment).
- Deposits paid increased by ¥3,477 million from the end of the previous fiscal year following the increase in the placement of deposits.

(Liabilities)

Liabilities as of September 30, 2024, decreased by ¥19,543 million from the end of the previous fiscal year to ¥410,084 million.

The main reasons for any increases and decreases are as follows.

- Borrowings (current liabilities) decreased by ¥4,829 million from the end of the previous fiscal year, primarily due to changes in the liquidation of receivables for lump-sum payments and fixed-amount payments.
- Bonds and borrowings (non-current liabilities) decreased by ¥14,207 million from the end of the previous fiscal year, primarily due to the redemption of bonds.
- Deposits received increased by ¥1,733 million from the end of the previous fiscal year, primarily due to higher spending on *Mercari* and *Merpay*.

(Equity)

Equity as of September 30, 2024, increased by ¥2,439 million from the end of the previous fiscal year to ¥74,585 million.

The main reasons for any increases and decreases are as follows.

- Share capital increased by ¥146 million from the end of the previous fiscal year following the issuance of new shares.
- Capital surplus increased by ¥128 million from the end of the previous fiscal year following the issuance of new shares and share-based payment transactions.
- Retained earnings increased by ¥2,941 million from the end of the previous fiscal year due to the recording of net profit attributable to owners of parent.

2) Overview of cash flows for the period

Cash and cash equivalents (hereinafter referred to as “cash”) for the three months ended September 30, 2024, decreased by ¥29,854 million from the end of the previous fiscal year and amounted to ¥162,143 million as of September 30, 2024.

The status of cash flows and their contributing factors for the three months ended September 30, 2024, are as follows.

(Cash flows from operating activities)

Cash used in operating activities amounted to ¥8,718 million. This is primarily attributable to profit before tax of ¥5,584 million, gain on redemption of bonds of ¥1,113 million, an increase in trade and other receivables of ¥11,166 million, an increase in deposits received of ¥3,576 million, an increase in deposits paid of ¥3,569 million, and income taxes paid of ¥1,532 million.

(Cash flows from investing activities)

Cash used in investing activities amounted to ¥190 million. This is primarily attributable to purchase of property, plant and equipment of ¥92 million.

English Translation

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(Cash flows from financing activities)

Cash used in financing activities amounted to ¥18,413 million. This is primarily attributable to net increase (decrease) in short-term borrowings of ¥(9,356) million, proceeds of ¥13,800 million from long-term borrowings, and redemption of bonds and repayments of long-term borrowings of ¥22,574 million.

(3) Explanation of Consolidated Financial Results Forecasts and Other Forward-looking Statements

Toward achieving the Group mission, the Group's policy is essentially to aim for top-line growth that will lead to increased profits. For the fiscal year ending June 30, 2025, consolidated revenue is forecast to be between ¥200,000 million and ¥210,000 million (up 6.7–12.1% year-on-year) and consolidated core operating profit between ¥22,000 million and ¥25,000 million (up 16.6–32.5% year-on-year).

English Translation

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2. Condensed Quarterly Consolidated Financial Statements and Primary Notes**(1) Condensed Quarterly Consolidated Statement of Financial Position**

(Millions of yen)

	As of June 30, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and cash equivalents	191,998	162,143
Trade and other receivables	195,437	206,582
Deposits paid	3,764	7,241
Other financial assets	1,543	982
Other current assets	9,289	8,772
Total current assets	402,033	385,722
Non-current assets		
Property, plant and equipment	1,472	1,457
Right-of-use assets	3,477	3,297
Intangible assets	570	643
Deferred tax assets	8,350	7,816
Guarantee deposits	81,612	81,607
Other financial assets	3,268	3,166
Other non-current assets	988	955
Total non-current assets	99,739	98,946
Total assets	501,773	484,669

English Translation

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(Millions of yen)

	As of June 30, 2024	As of September 30, 2024
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	21,560	21,681
Borrowings	65,668	60,838
Lease liabilities	1,163	1,171
Income taxes payable	1,433	1,686
Deposits received	201,121	202,855
Other financial liabilities	1,363	1,484
Other current liabilities	10,232	7,634
Total current liabilities	302,543	297,352
Non-current liabilities		
Bonds and borrowings	124,263	110,056
Lease liabilities	2,214	2,023
Provisions	382	383
Deferred tax liabilities	95	95
Other financial liabilities	—	43
Other non-current liabilities	127	130
Total non-current liabilities	127,084	112,731
Total liabilities	429,627	410,084
Equity		
Share capital	47,349	47,495
Capital surplus	50,192	50,320
Retained earnings	(29,125)	(26,184)
Treasury shares	(0)	(0)
Other components of equity	3,422	2,547
Equity attributable to owners of parent	71,836	74,177
Non-controlling interests	308	407
Total equity	72,145	74,585
Total liabilities and equity	501,773	484,669

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(2) Condensed Quarterly Consolidated Statement of Profit or Loss and Condensed Quarterly Consolidated Statement of Comprehensive Income
(Condensed Quarterly Consolidated Statement of Profit or Loss)

(Millions of yen)

	For the three months ended September 30, 2023	For the three months ended September 30, 2024
Revenue	44,271	44,924
Cost of sales	13,963	13,602
Gross profit	30,308	31,322
Selling, general and administrative expenses	25,591	27,224
Other income	209	552
Other expenses	448	303
Operating profit	4,477	4,347
Finance income	217	1,358
Finance costs	117	121
Profit before tax	4,577	5,584
Income tax expense	1,762	2,547
Profit	2,814	3,036
Profit attributable to		
Owners of parent	2,811	2,933
Non-controlling interests	3	102
Profit	2,814	3,036
Earnings per share		
Basic earnings per share (yen)	17.27	17.90
Diluted earnings per share (yen)	16.54	17.44

English Translation

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(Condensed Quarterly Consolidated Statement of Comprehensive Income)**(Millions of yen)**

	For the three months ended September 30, 2023	For the three months ended September 30, 2024
Profit	2,814	3,036
Other comprehensive income (after considering tax effects)		
Items that will not be reclassified to profit or loss		
Net gain (loss) on revaluation of financial assets measured at fair value through other comprehensive income	(10)	7
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	229	(434)
Effective portion of change in fair value of cash flow hedges	187	(511)
Total other comprehensive income (after considering tax effects)	406	(938)
Comprehensive income	3,221	2,098
Comprehensive income attributable to		
Owners of parent	3,214	1,999
Non-controlling interests	6	98
Comprehensive income	3,221	2,098

English Translation

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(3) Condensed Quarterly Consolidated Statement of Changes in Equity
For the three months ended September 30, 2023

(Millions of yen)

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	
					Share acquisition rights	Exchange differences on translation of foreign operations
Balance as of July 1, 2023	45,596	49,706	(42,777)	(0)	2,272	694
Profit			2,811			
Other comprehensive income						229
Comprehensive income	—	—	2,811	—	—	229
Issuance of shares	168	168				
Purchase of treasury shares				(0)		
Other changes		427			159	
Total transactions with owners	168	595	—	(0)	159	—
Balance as of September 30, 2023	45,764	50,302	(39,966)	(0)	2,431	923

	Equity attributable to owners of parent					
	Other components of equity			Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Effective portion of change in fair value of cash flow hedges	Net gain (loss) on revaluation of financial assets measured at fair value through other comprehensive income	Total			
Balance as of July 1, 2023	159	(305)	2,821	55,346	313	55,659
Profit				2,811	3	2,814
Other comprehensive income	184	(10)	403	403	3	406
Comprehensive income	184	(10)	403	3,214	6	3,221
Issuance of shares				336		336
Purchase of treasury shares				(0)		(0)
Other changes			159	587		587
Total transactions with owners	—	—	159	923	—	923
Balance as of September 30, 2023	344	(316)	3,384	59,483	319	59,803

English Translation

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For the three months ended September 30, 2024

(Millions of yen)

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	
					Share acquisition rights	Exchange differences on translation of foreign operations
Balance as of July 1, 2024	47,349	50,192	(29,125)	(0)	1,613	1,308
Profit			2,933			
Other comprehensive income						(434)
Comprehensive income	—	—	2,933	—	—	(434)
Issuance of shares	146	27			(171)	
Purchase of treasury shares				(0)		
Share-based payment transactions		239			237	
Transfer from other components of equity to retained earnings			7			
Redemption of convertible-bond-type bonds with stock acquisition rights		(139)				
Total transactions with owners	146	128	7	(0)	66	—
Balance as of September 30, 2024	47,495	50,320	(26,184)	(0)	1,680	874

	Equity attributable to owners of parent					
	Other components of equity			Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Effective portion of change in fair value of cash flow hedges	Net gain (loss) on revaluation of financial assets measured at fair value through other comprehensive income	Total			
Balance as of July 1, 2024	531	(32)	3,422	71,836	308	72,145
Profit				2,933	102	3,036
Other comprehensive income	(507)	7	(934)	(934)	(4)	(938)
Comprehensive income	(507)	7	(934)	1,999	98	2,098
Issuance of shares			(171)	2		2
Purchase of treasury shares				(0)		(0)
Share-based payment transactions			237	477		477
Transfer from other components of equity to retained earnings		(7)	(7)	—		—
Redemption of convertible-bond-type bonds with stock acquisition rights				(139)		(139)
Total transactions with owners	—	(7)	58	340	—	340
Balance as of September 30, 2024	24	(32)	2,547	74,177	407	74,585

English Translation

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(4) Condensed Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	For the three months ended September 30, 2023	For the three months ended September 30, 2024
Cash flows from operating activities		
Profit before tax	4,577	5,584
Depreciation and amortization	603	435
Gain on redemption of bonds	–	(1,113)
Interest and dividend income	(217)	(244)
Interest expenses	45	55
Decrease (increase) in trade and other receivables	(14,230)	(11,166)
Change in deposits paid	(245)	(3,569)
Increase (decrease) in trade and other payables	832	297
Change in deposits received	8,950	3,576
Other	(1,901)	(1,246)
Subtotal	(1,584)	(7,391)
Interest received	216	251
Interest paid	(45)	(55)
Change in guarantee deposits	(5,000)	–
Income taxes paid	(6,128)	(1,532)
Other	9	8
Net cash provided by (used in) operating activities	(12,531)	(8,718)
Cash flows from investing activities		
Purchase of investment securities	(1,019)	–
Purchase of property, plant and equipment	(21)	(92)
Other	180	(98)
Net cash provided by (used in) investing activities	(860)	(190)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(16,087)	(9,356)
Proceeds from issuance of bonds and long-term borrowings	20,950	13,800
Redemption of bonds and repayments of long-term borrowings	(170)	(22,574)
Proceeds from issuance of shares	120	2
Repayments of lease liabilities	(418)	(286)
Net cash provided by (used in) financing activities	4,394	(18,413)
Effect of exchange rate changes on cash and cash equivalents	738	(2,531)
Net increase (decrease) in cash and cash equivalents	(8,259)	(29,854)
Cash and cash equivalents at the beginning of period	201,822	191,998
Cash and cash equivalents at the end of period	193,563	162,143

English Translation

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(5) Notes to the Condensed Quarterly Consolidated Financial Statements

Segment information

(1) Overview of reportable segments

Financial information for Company Group operating segments separated according to business segment is available. This information is subject to periodic review in order to allow the Board of Directors and the Executive Committee to determine the distribution of management resources and to evaluate business results. The Company Group classifies the report segments as “Japan Region,” for which the Company Group operates its core business of the *Mercari* marketplace in Japan, and “US,” for which the Company Group operates the *Mercari* (US) marketplace app in the United States of America. The Company Group also proposes and determines Group strategies along these segment lines.

Note that the principal information included in each report segment is as follows.

Japan Region	Marketplace	Operation of a marketplace app in Japan
	Fintech	Payment-, finance-, and cryptoasset-related business in Japan
US	Marketplace	Operation of a marketplace app in the US

(2) Information regarding profit or loss by reportable segments

Profit by reportable segment is based on operating profit.

Intersegment revenue is based on actual market price.

For the three months ended September 30, 2023

(Millions of yen)

	Reportable segments			Other (Note 1)	Total	Adjustments	Consolidated
	Japan Region	US	Total				
Revenue							
Marketplace	25,276	11,078	36,354	–	36,354	–	36,354
Fintech	6,562	–	6,562	–	6,562	–	6,562
Other	–	–	–	1,354	1,354	–	1,354
Total	31,838	11,078	42,917	1,354	44,271	–	44,271
Revenue from contracts with customers	28,071	11,078	39,149	1,354	40,504	–	40,504
Revenue from other sources	3,767	–	3,767	–	3,767	–	3,767
Total	31,838	11,078	42,917	1,354	44,271	–	44,271
Revenue from external customers	31,838	11,078	42,917	1,354	44,271	–	44,271
Intersegment revenue	–	–	–	288	288	(288)	–
Total	31,838	11,078	42,917	1,643	44,560	(288)	44,271
Segment profit (loss)	7,418	(699)	6,719	33	6,752	(2,275)	4,477
Finance income	–	–	–	–	–	–	217
Finance costs	–	–	–	–	–	–	117
Profit before tax	–	–	–	–	–	–	4,577

(Notes) 1. The “Other” column includes business segments that are not included in the reportable segments, such as the sports business.

- Adjustments for segment profit (loss) mainly consist of general and administrative expenses that are not attributable to reportable segments.
- For “US,” the amount of delivery revenue is recognized at the full amount of consideration received from the customer, which is recorded as ¥6,174 million.
- “Revenue from external customers” includes revenue from contracts with customers and revenue from other sources. Revenue from other sources is primarily interest revenue in accordance with IFRS 9, which was ¥3,736 million. In addition, Mercoin Inc. operates as a cryptoasset exchange service provider. For sales transactions conducted using cryptoassets, the amounts were accounted for as derivatives in accordance with IFRS 9, and the associated revenue amounted to ¥30 million.

English Translation

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For the three months ended September 30, 2024

(Millions of yen)

	Reportable segments			Other (Note 1)	Total	Adjustments	Consolidated
	Japan Region	US	Total				
Revenue							
Marketplace	25,118	9,380	34,499	—	34,499	—	34,499
Fintech	9,004	—	9,004	—	9,004	—	9,004
Other	—	—	—	1,420	1,420	—	1,420
Total	34,123	9,380	43,504	1,420	44,924	—	44,924
Revenue from contracts with customers	28,025	9,380	37,405	1,420	38,826	—	38,826
Revenue from other sources	6,098	—	6,098	—	6,098	—	6,098
Total	34,123	9,380	43,504	1,420	44,924	—	44,924
Revenue from external customers	34,123	9,380	43,504	1,420	44,924	—	44,924
Intersegment revenue	—	—	—	380	380	(380)	—
Total	34,123	9,380	43,504	1,800	45,305	(380)	44,924
Segment profit (loss)	7,074	(857)	6,217	389	6,607	(2,259)	4,347
Finance income	—	—	—	—	—	—	1,358
Finance costs	—	—	—	—	—	—	121
Profit before tax	—	—	—	—	—	—	5,584

- (Notes) 1. The “Other” column includes business segments that are not included in the reportable segments, such as the sports business.
2. Adjustments for segment profit (loss) mainly consist of general and administrative expenses that are not attributable to reportable segments.
3. For “US,” the amount of delivery revenue is recognized at the full amount of consideration received from the customer, which is recorded as ¥5,522 million.
4. “Revenue from external customers” includes revenue from contracts with customers and revenue from other sources. Revenue from other sources is primarily interest revenue in accordance with IFRS 9, which was ¥5,827 million. In addition, Mercoin, Inc. operates as a cryptoasset exchange service provider. For sales transactions conducted using cryptoassets, the amounts were accounted for as derivatives in accordance with IFRS 9, and the associated revenue amounted to ¥271 million.

Notes on going concern assumption

Not applicable.