

FY2021.6 Q3

PRESENTATION MATERIAL

JAN.2021–MAR.2021

mercari

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- **Mercari JP**
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FY2021.6 Q3 Summary

1 FY2021.6 Q3 Progress & Highlights

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Consolidated

JP and US GMV grew steadily. Investment has resumed to achieve sustainable growth and maximize future profits. Although there is uncertainty about the future due to COVID-19, we expect JP and US GMV growth rate to bottom out in FY2021.6 Q4–FY2022.6 Q1 and continue to grow in FY2022.6.

Mercari JP

Acquisition of new users progressed steadily, mainly through marketing initiatives. Generally on track for +20% or higher GMV growth and 30% or higher adjusted operating margin¹. Will promote collaboration with other companies and implement growth measures for post-COVID-19.

Merpay

Continued to strengthen earnings with fixed-amount payment. Launched an identity verification method using JPKI² (a payment-industry first) and a virtual card, continuing efforts to create a safe & secure environment for users and expand usage opportunities.

Mercari US

Strengthening our marketing initiatives boosted awareness and continued strong GMV growth. Complete adoption of PPF throughout Q3 improved the profit structure.

1. Operating margin after excluding internal transactions with Merpay (outsourced payment processing fees)

2. Public identity verification service under Japan's Individual Number Card system. Allows identity verification to be completed online, based on the Act on Prevention of Transfer of Criminal Proceeds

1 FY2021.6 Q3 KPI Summary

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Consolidated

Net Sales

28.6 billion JPY
(YoY +41%)

Operating Income

0.1 billion JPY
(YoY +6.5 billion JPY)

Mercari JP

GMV¹

YoY **+27%**

Adjusted Operating Margin

34% (YoY +4ppts)

Merpay

Number of Users²

Over 10 million³

Mercari US

GMV¹

YoY **+99%**

MAU⁴

5.1 million (YoY +50%)

1. Aggregated transaction value after cancellation.

2. Aggregated number of unique users registered for *Merpay Electronic Money*, or used either *QR Code Payments*, *Online Payments*, or *Merpay Smart Payments* (lump-sum payment & fixed-amount payment)

3. As of April 21, 2021. The number as of the end of March 2021 was 9.8 million.

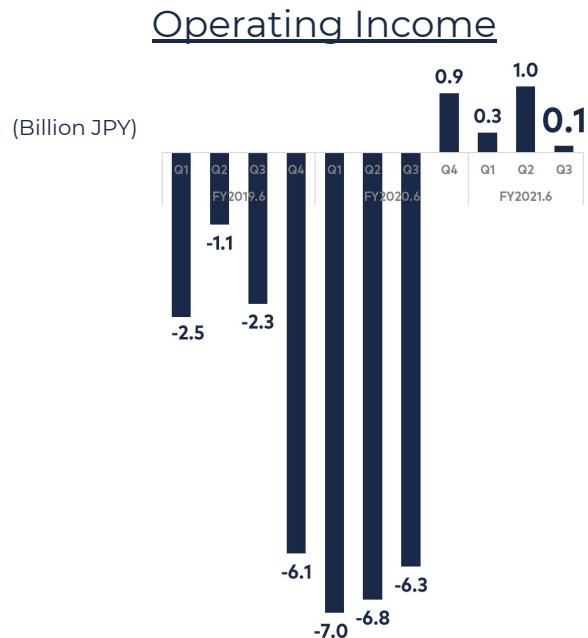
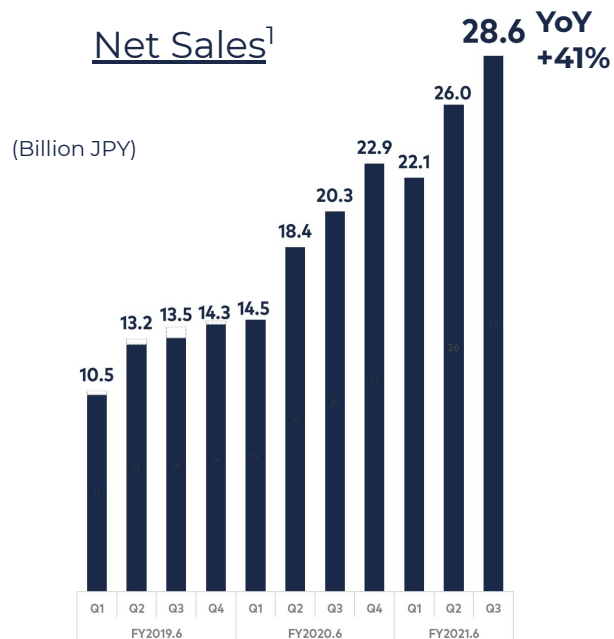
4. Quarterly average number of users who browsed our service (app and web) at least once in a given month.

FY2021.6 Q3 Financial Highlights

2 Financial Highlights—Consolidated Q3 Net Sales and Operating Income

mercari

- Consolidated net sales reached a record high due to continuous growth in JP and US, as well as an approximate 1.5 times (10%→15%) YoY increase in take rate for Mercari US



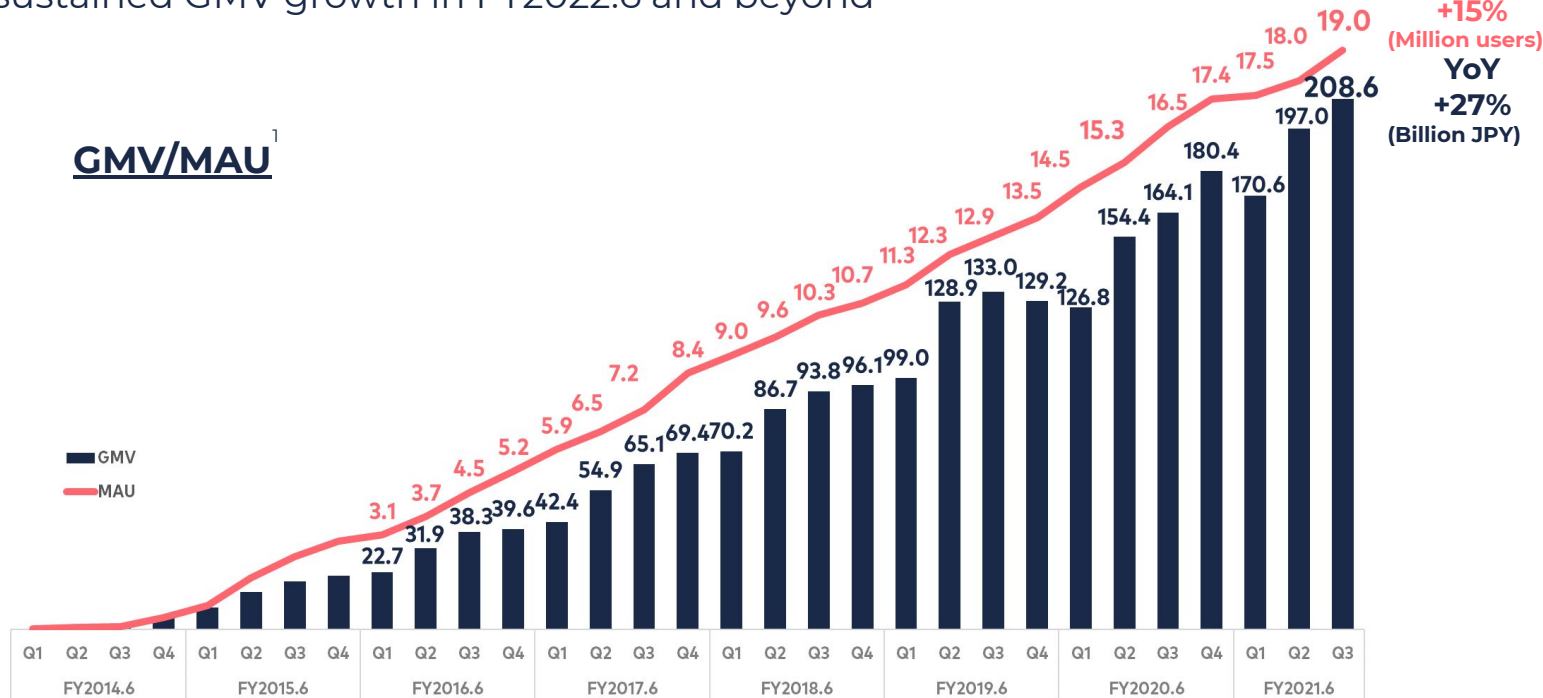
1. Numbers are rounded down to the billion, and coupon amount for FY2020.6 Q1–FY2021.6 Q2 is indicated as zero.

2 Mercari JP—GMV/MAU

mercari

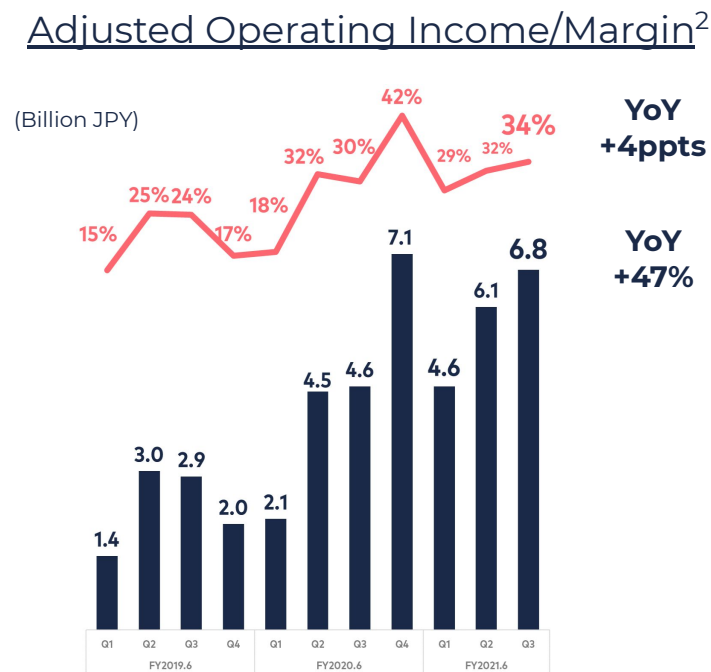
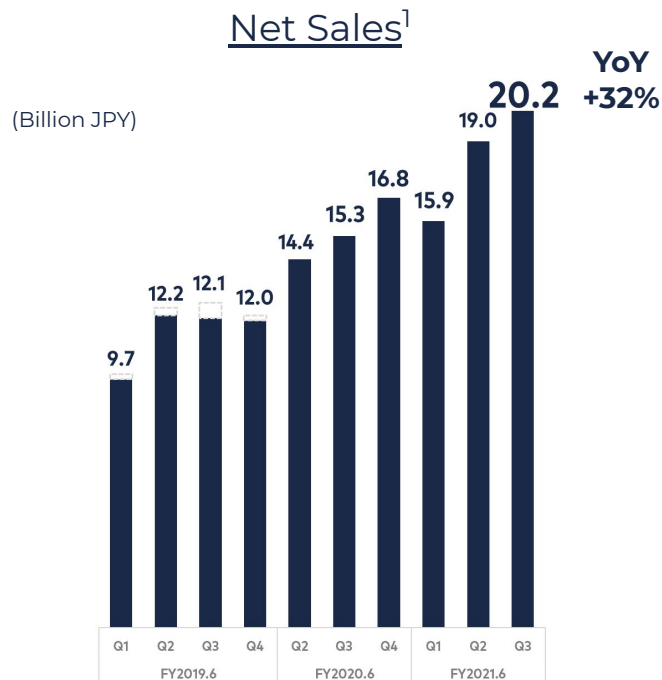
- New user acquisition progressed steadily in order to achieve sustained GMV growth in FY2022.6 and beyond

GMV/MAU¹



1. Quarterly average number of users who browsed our service (app and web) more than a few times during a given month.

2 Mercari JP—Net Sales and Adjusted Operating Income mercari



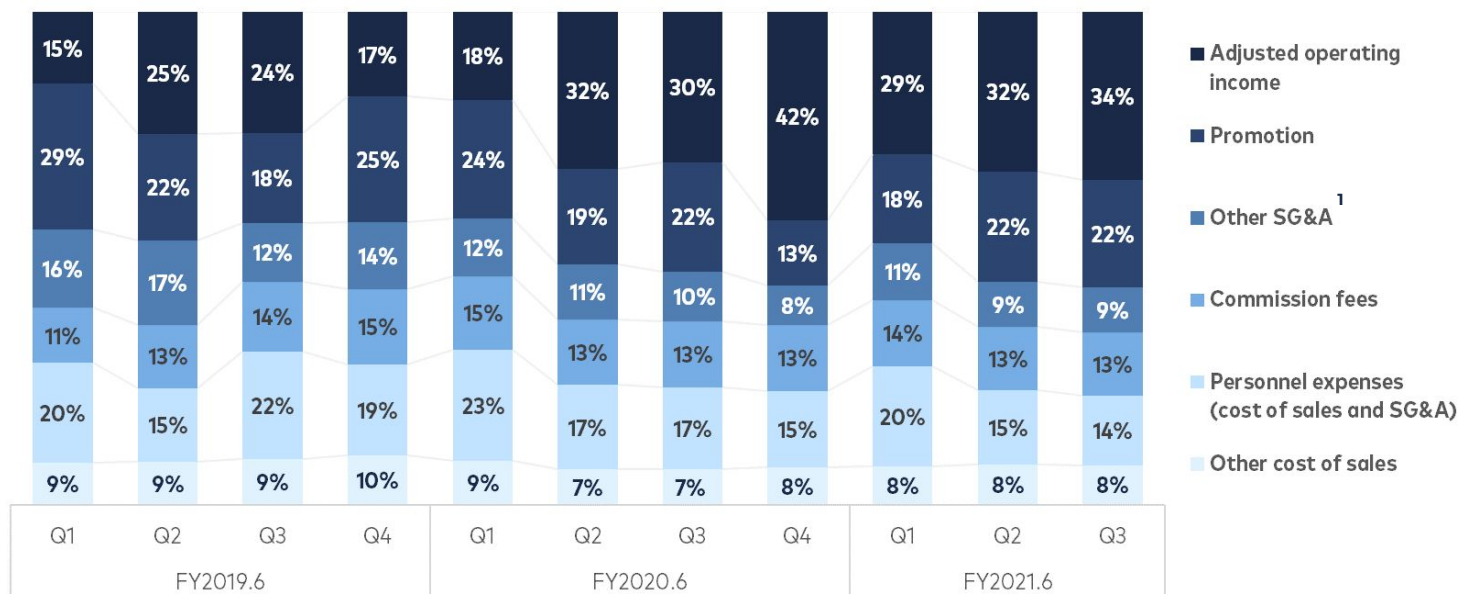
1. Numbers are rounded down to the billion, and coupon amount for FY2020.6 Q1–FY2021.6 Q3 is indicated as zero.

2. Transferring settlement to Merpay entails internal transactions between Mercari and Merpay (outsourced payment processing fees). This graph reflects retroactive adjustment from FY2019.6 Q3, made to the amount prior to recording these internal transactions.

2 Mercari JP—Cost Structure against Net Sales

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- No significant change from Q2
- Will continue to build a stable profit foundation on continuous GMV growth



1. Outsourcing expenses, rent, and taxes & dues

2 FY2021.6 Full-Year and Q4 Earnings Forecast

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FY2021.6 Full-Year Earnings Forecast

- **Consolidated**—Net sales: 103.0–106.0 billion JPY
Operating loss: ▲1.5–1.5 billion JPY
- **Mercari JP**—Net sales: 73.5–76.5 billion JPY (+25–30% YoY)
Adjusted operating margin: 29–31%

Q4 Earnings Forecast

Consolidated

With the rapid acceleration of GMV growth in FY2020.6 Q4 due to COVID-19, we expect the growth rate of Mercari JP and US to temporarily decelerate. Despite uncertainty about COVID-19, we will continue to invest with an emphasis on maximizing future profits. Predicting steady growth in FY2022.6 and beyond after bottoming out in FY2021.6 Q4–FY2022.6 Q1.

Mercari JP

The YoY GMV growth rate in Q4 is expected to slow down temporarily due to the significant growth as a result of COVID-19 in the previous year (Q4 GMV growth rate +4–21%). Will aggressively invest in promotion in FY2021.6 Q4 for sustainable growth, but we expect adjusted operating margin of around 30% for the full year.

Merpay

In order to strengthen earnings, which is the policy for this fiscal year, we plan to invest in Q4 on the same scale as in Q3, focusing on fixed-amount payment.

Mercari US

Since Mercari US saw a larger impact from COVID-19 than Mercari JP last Q4, we expect its YoY GMV growth rate to temporarily slow down next quarter. However, our stance remains the same, as we plan to invest in marketing as well as hiring of engineering talent to continue to improve the product.

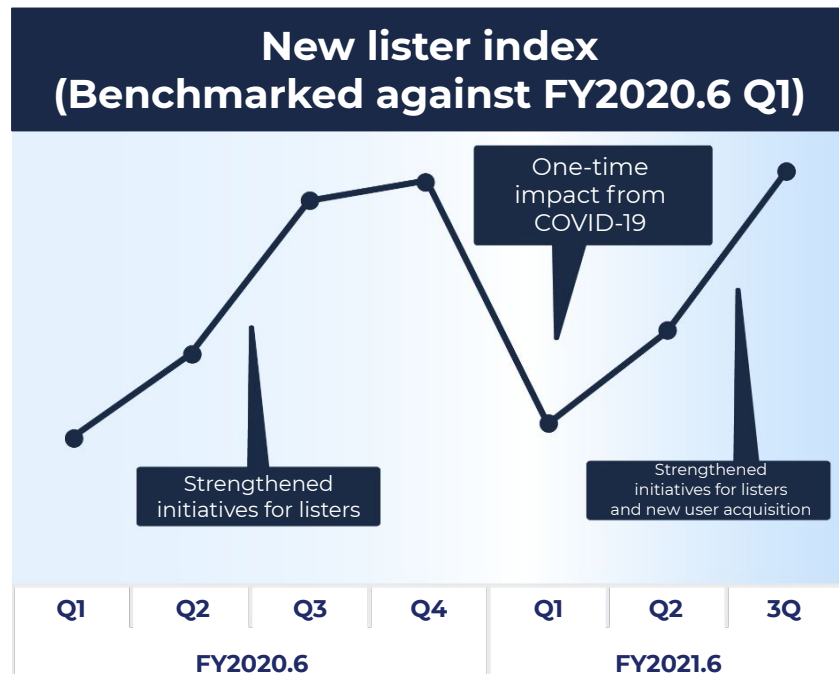
FY2021.6 Q3

Status of Businesses

3 Mercari JP—Optimizing the Balance Between Listers and Buyers

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- Improved the balance between listers and buyers while steadily attracting new listers



3 Mercari JP—Maximizing Promotion Effects

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- Maximized the effectiveness of promotions by implementing seasonal campaigns to attract new users and encourage listing and buying

	Jan	Feb	Mar
Initiatives	<div>User Acquisition</div> <div>Listing</div>	<div>User Acquisition</div> <div>Listing</div>	<div>Buying</div>
Promotion Content	 <p>Fresh Start with Mercari: New Year Promo (Invitation Campaign)</p>	 <p>Gift for New Mercari Users (Invitation Campaign)</p>	 <p>Start Your New Life with Mercari: Lottery Promo</p>

3 Mercari JP—For Sustainable Growth after COVID-19 mercari

- Strengthened offline initiatives for sustainable growth after COVID-19 by collaborating with other companies

Collaboration with Other Companies

- Collaborated with the large chain of repair shops MISTER MINIT to conduct a proof-of-concept trial for a listing, packaging, and shipping support service
- Along with an increase in the number of visitors to MISTER MINIT, the number of new registrations on Mercari also increased above expectations

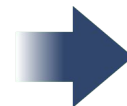


Offline Initiatives

• Mercari Workshops (Number of locations)



400
As of Mar. 2021

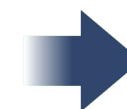


2,000
As of Dec. 2021 (expected)

• Mercari Post (Number of units installed)



140
As of Mar. 2021



2,000–
3,000
As of Dec. 2021 (expected)

3 Merpay—Current Focus Areas

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Payment

- Providing a virtual card in addition to iD payment and code payment

iD Payment

Hold your phone
over a reader



Code Payment

Scan a code



NEW

Virtual Card¹

Input a number



Credit

- Lump-sum payment:
Defers payment to the following month
- Fixed-amount payment:
Pay in installments over several months

Lump-Sum Payment

Pay for everyday
purchases all at once
the following month



Fixed-Amount Payment

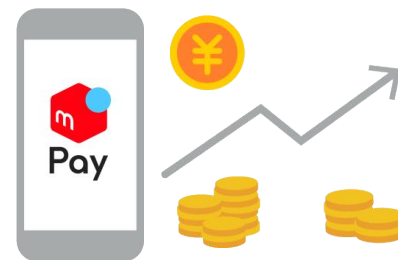
Treat yourself now and pay
over several months at a
fixed amount of your choice



Growing Wallet

- Started services allowing users to
use their *Merpay* balance for
asset management and more

Asset Management



1. Launched March 8, 2021. Usable at online stores where Mastercard is accepted, excluding websites outside Japan, transportation-use IC card charging sites, brick-and-mortar stores, and whenever paying for public utilities, other monthly payments, and contract renewal fees.

3 Merpay Users¹

mercari

- The number of users has steadily increased since the service started, exceeding 10 million as of April 21, 2021



Pay

Merpay Users

Over 10 million users

1. Aggregated number of unique users registered for Merpay Electronic Money, or used either QR Code Payments, Online Payments, or Merpay Smart Payments (lump-sum payment and fixed-amount payment)

3 Merpay—Strengthening UX

mercari

- Redesigned the My Page screen to make it easier to see the *Merpay* balance and *Merpay Smart Payments* usage

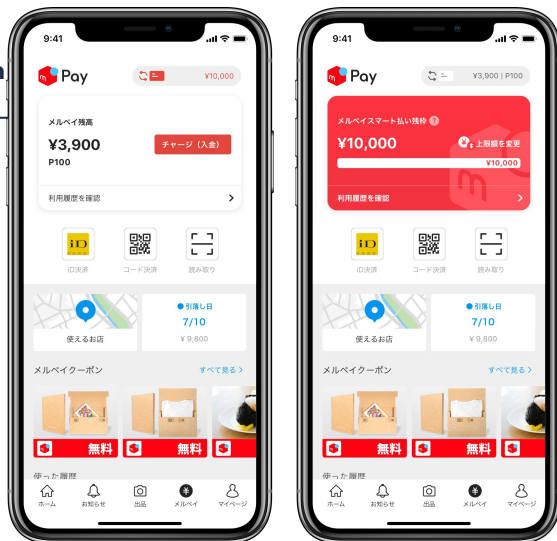


3 Merpay—Strengthened Earnings (Credit)

mercari

- Made healthy progress on the number of fixed-amount payment users
- Worked to improve UI/UX by redesigning the *Merpay* home screen and expanding the fixed-amount payment service's maximum number of individual payments and maximum usage amount

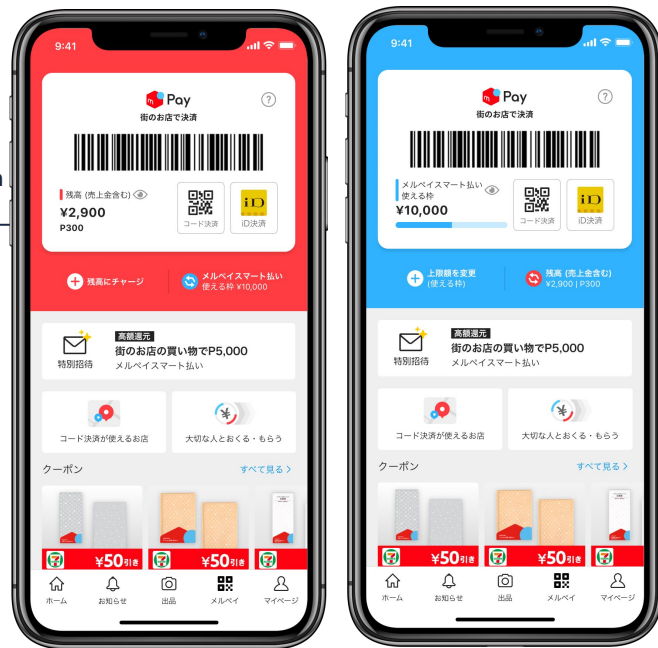
Home Screen
(BEFORE)



Balance

Merpay Smart
Payments

Home Screen
(AFTER)



Balance

Merpay Smart
Payments

3 Merpay—Progress on eKYC

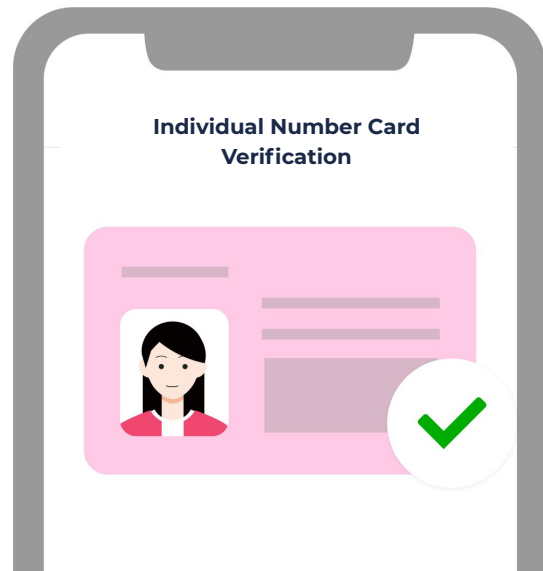
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- Launched an identity verification method that uses JPKI, a first in the payment industry
- The number of verified *Merpay* users¹ has exceeded 8 million; more than 80% of *Merpay* users have now completed identity verification
- This led to *Merpay* becoming the industry's first payment service allowed to resume bank connections



**Simple KYC using official identification
(Individual Number Card)**

A first in the payment industry

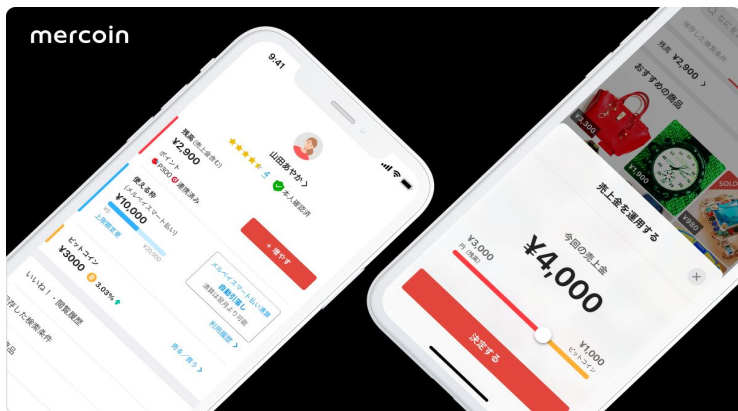


1. Number of users whose identities have been verified using eKYC, JPKI, or bank connections.

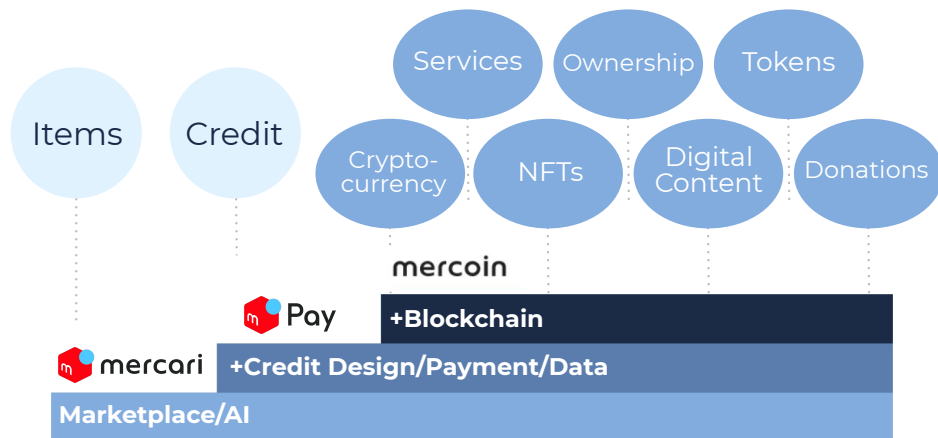
3 Mercoin—Established

- Planning new ways to use cryptoassets as part of the “Growing Wallet,” such as a feature whereby users can receive sales money in bitcoin
- Will provide credit, cryptocurrency, and asset management functions in one wallet
- Aiming to build a stable NFT marketplace
- Aiming to create a new kind of UX that enables anyone to go beyond possessions and money, to easily exchange anything of value they hold using blockchain technologies that can realize the potential of the value exchange research being done by Mercari R4D

Product Image



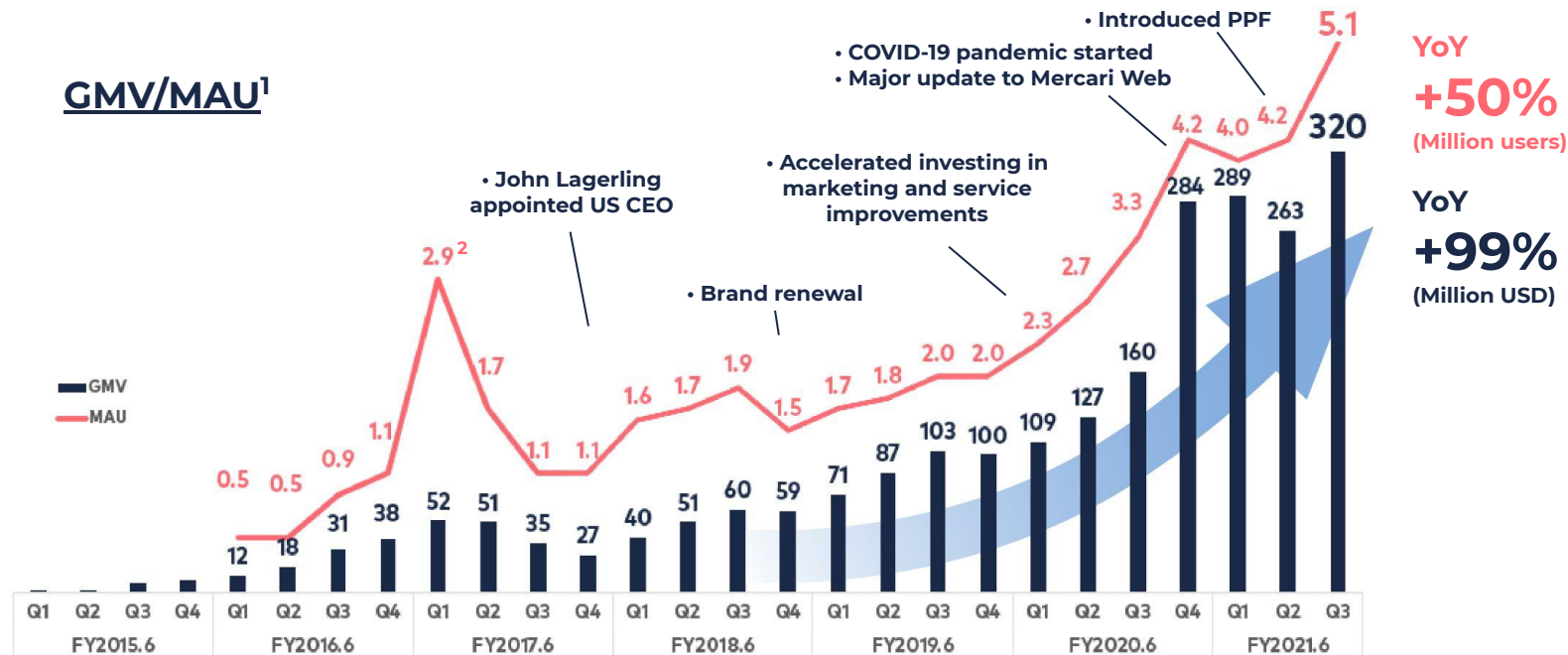
Aim



3 Mercari US

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- Due to marketing initiatives and product feature improvements, continued strong GMV growth of +99% YoY
- Will continue to invest in top-line growth, while monitoring the post-COVID-19 landscape



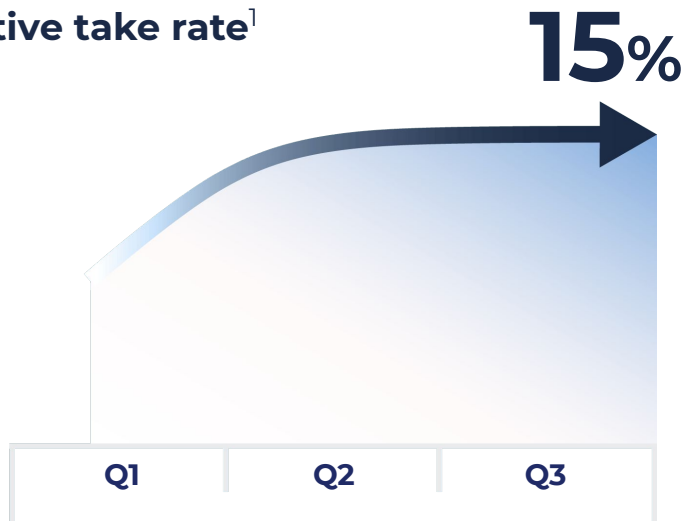
1. Quarterly average number of users who browsed our service (app and web) at least once in a given month.

2. Invitation campaigns brought in new users, but many left the service due to product deficiencies and issues with the customer service system. Based on this experience, we focused on changing marketing methods, strengthening the product, and enhancing customer service.

3 Mercari US—Enhance Revenue for Further Growth mercari

- With the complete adoption of PPF throughout Q3, the take rate improved to 15%
- Improved profit structure, with March seeing the business temporarily operating at a profit
- However, it's too early to expect to remain consistently profitable as we will continue to prioritize investing for top-line growth

Effective take rate¹



Sales fee 10%

PPF 2.9% + \$0.30

+

Instant Pay,
Authentication,
etc.

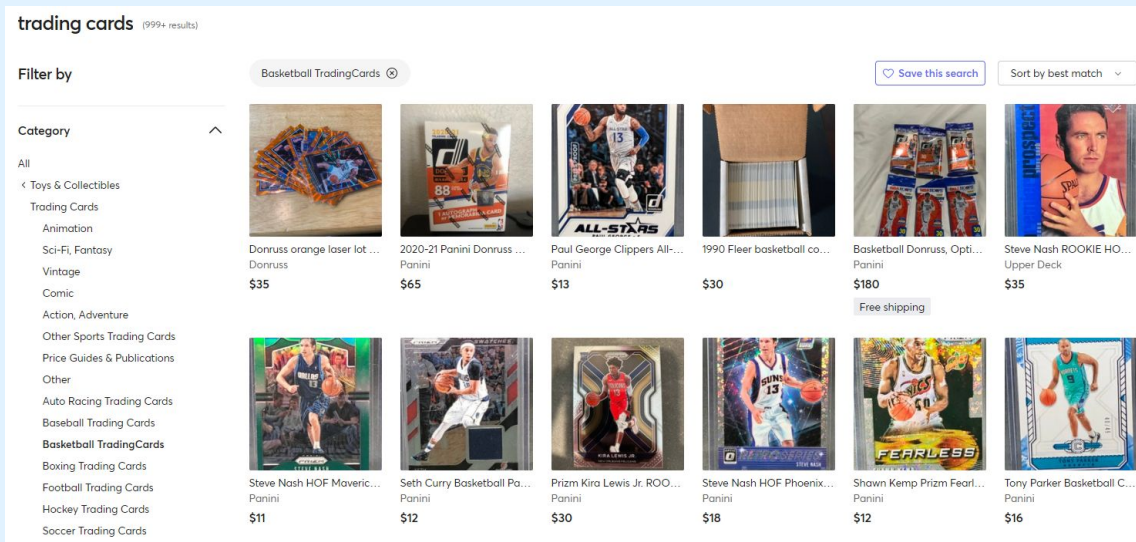
1. For illustrative purposes only

3 Mercari US—Ease of Use

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Search & Item Category Expansion

- Simplified listing and search functions to support category expansion
- Added nearly 700 new categories to better meet specific needs of users as a cross-category marketplace



3 Mercari US—Marketing Initiatives

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Marketing

- Strengthened marketing initiatives, including a new branding campaign to boost awareness. This included TV ad placement during Super Bowl LV, seen by approx. 100 million viewers.



Video: <https://www.youtube.com/watch?v=TOPtyCavYVI>

Brand Awareness¹

- Brand awareness improved, bringing our awareness in line with other players in the industry.



¹. Graph for illustrative purposes only

Becoming Essential to the Creation of the Circular Economy

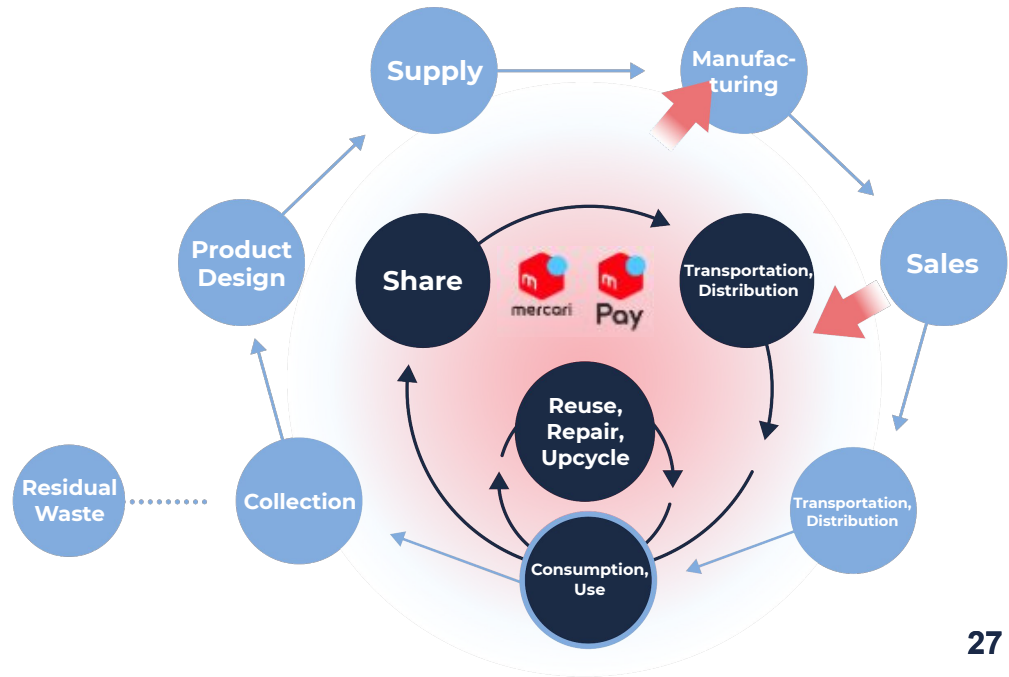
4 Medium-Term Vision

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Build a circular economy by integrating primary and secondary distribution

- Provide primary distribution players (manufacturers, retailers, etc.) with a secondary distribution player's (Mercari's) user purchasing and preference data, enabling primary distribution players to utilize data in product development, optimize processes from production to sale, and accurately forecast demand

The circular economy Mercari strives for



4 Creating a Circular Economy

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Initiatives to become a marketplace essential to society

Taking action based on our Marketplace Principles: Collaborating with stakeholders

Marketplace Principles

In January 2021, formulated Marketplace Principles through discussions in the “Experts Committee on the Ideal Form of a Marketplace.” Through these three principles, we aim to be a **diverse and free marketplace that everyone can comfortably participate in.**

Our 3 Principles

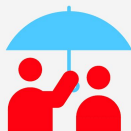
安全であること
(Safe)



信頼できること
(Trustworthy)



人道的であること
(Humane)



Comprehensive Partnership with Fast Retailing

By working closely together to provide warnings around the release of specific new products and handle counterfeit products, we aim to **prevent confusion among both Mercari users and Fast Retailing customers and create a safer and more secure platform for transactions.**



The full Marketplace Principles can be found on Mercari's corporate site: <https://about.mercari.com/en/principles/>

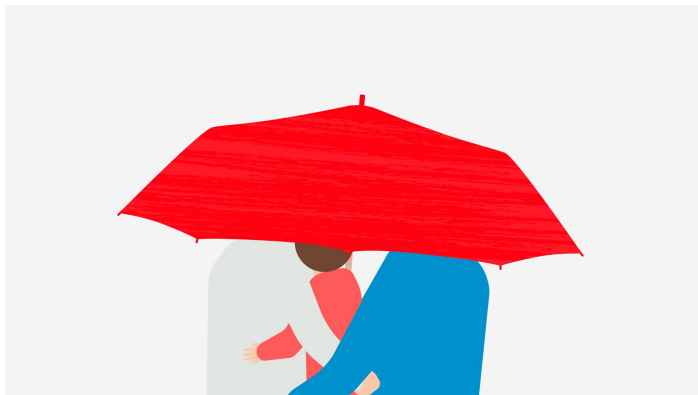
4 Creating a Circular Economy

Initiatives to become a marketplace essential to society

Taking action based on our Marketplace Principles: Collaborating with stakeholders

Cooperation with Rights Holders Through our Rights Protection Program

We published a page on our website regarding the Rights Protection Program, which simplifies the process for rights holders to request takedowns of any items on *Mercari* that infringe on their rights.



METI Product Safety Award

We received a Product Safety Award from the Ministry of Economy, Trade and Industry for initiatives including our Recalled Items Program, in which we work with manufacturers and importers to quickly notify users of product safety information.



4 Creating a Circular Economy

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Initiatives to become a marketplace essential to society

Efforts to create a better society using our business assets

Support for Areas Affected by the 2011 Tohoku Earthquake

We took on our own unique initiatives to support reconstruction of areas affected by the 2011 Tohoku Earthquake, such as holding Mercari Workshops in these areas and **adding them to the list of potential recipients in the Mercari Donation feature.**



Business Partnership with Nippon Foundation

We formed a business partnership to build and promote a system for donations using the assets held by both Mercari and Nippon Foundation, and will **aim to create a world where anyone and everyone can make a difference.**



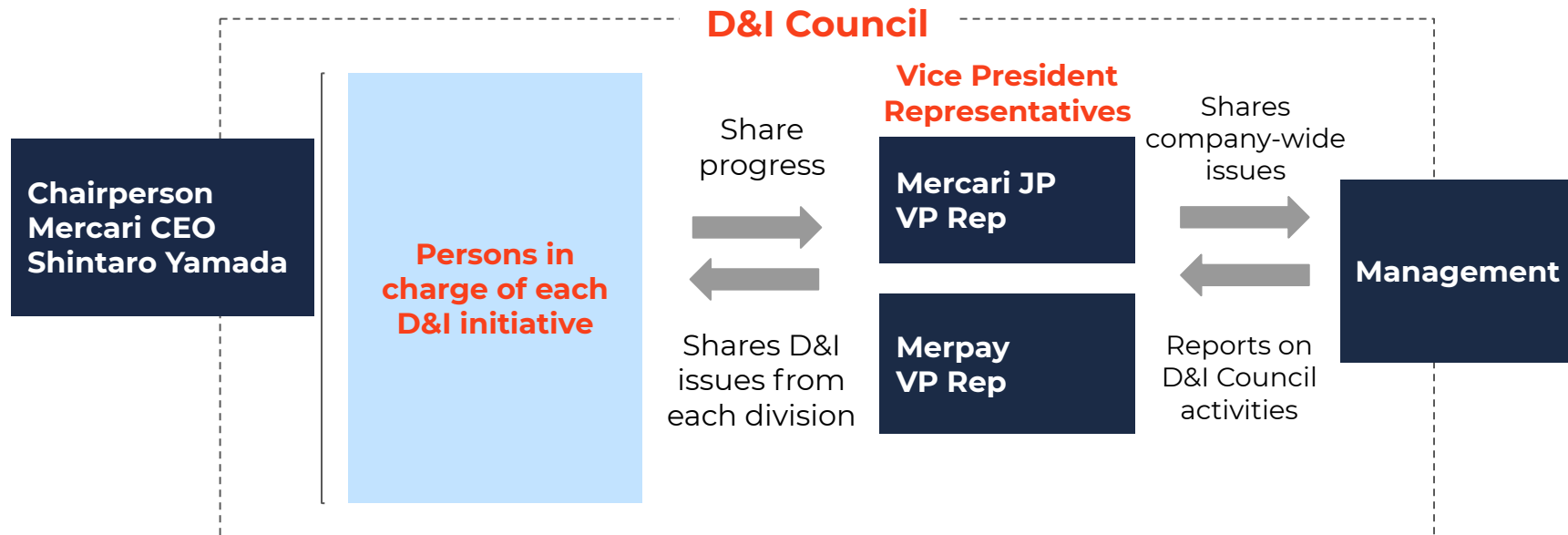
4 Creating a Circular Economy

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Promoting Diversity & Inclusion both inside and outside the company

Established a D&I Council

Established a D&I council directly under CEO's supervision with the purpose of creating an environment where diverse experiences and viewpoints are respected, and aiming to build a competitive team



4 Creating a Circular Economy

Promoting Diversity & Inclusion both inside and outside the company

Aiming to create globally competitive teams

Unconscious Bias Workshop Materials

Published our Unconscious Bias Workshop materials free of charge in order to broadly share our expertise in helping to foster a proper understanding of unconscious bias and promote the acceptance of diversity in Japan.



Engineer Development Program Build@Mercari

Started accepting applications for Build@Mercari, a software engineer development program aimed at supporting minorities within the tech industry.



Appendix

5 Mercari Group



Mercari, Inc.

**Established
Activities**

February 1, 2013

Representative

Planning, development, and operation of the Mercari marketplace app

Shintaro Yamada

MERCARI

Mercari, Inc.
(US)

**Established
Activities** January 2014
Planning, development, and
operation of the US version of
Mercari
Representative John Lagerling

souzoh

Souzoh, Inc.

**Established
Activities** January 28, 2021
Planning, development, and
management of internet
services
Representative Yuki Ishikawa

merpay

Merpay, Inc.

**Established
Activities** November 20, 2017
Financial-related businesses
Representative Naoki Aoyagi

New
mercoin

Mercoin, Inc.

**Established
Activities** April 28, 2021
Cryptoasset- and
blockchain-related services
Representative Naoki Aoyagi



Kashima Antlers
F.C. Co., Ltd.

**Established
Activities** October 1, 1991
Management of a soccer club
Representative Fumiaki Koizumi

5 Board of Directors Structure

- Shifted to a new Board of Directors composition focused on transparency and objectivity in business management, resolved at the General Meeting of Shareholders in September 2020

5 Directors

Directors (2)



**Shintaro Yamada
(Re-appointment)**

Chief Executive Officer



**Fumiaki Koizumi
(Re-appointment)**

President
CEO of Kashima Antlers F.C.
Co., Ltd.

Independent Outside Directors (3)



**Ken Takayama
(Re-appointment)**



**Masashi Namatame
(Re-appointment)**



**Makiko Shinoda
(New appointment)**

5 Strong Governance Structure (Independent Outside Directors)



Ken Takayama



Masashi Namatame



Makiko Shinoda

Background

- The Industrial Bank of Japan, Limited (currently Mizuho Bank, Ltd.)
- Chief Financial Officer of Rakuten, Inc.
- Outside Director of STAR FESTIVAL INC.(current position)
- Outside Director (Audit and Supervisory Committee Member) of TECHMATRIX CORPORATION (current position)
- Outside Director (Audit and Supervisory Committee Member) of Metaps Inc.
- Outside Board Member of MEDIA DO Co., Ltd. (current position)

- The Long-Term Credit Bank of Japan, Limited (currently Shinsei Bank, Limited)
- Executive Director of Morgan Stanley Japan Limited (currently Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.)
- Managing Director of Investment Banking Division, Deutsche Securities Inc. Head of Public Sector Group/Financial Institutions Group
- Head of Business Development of Visa Worldwide Japan Co., Ltd.
- Member of the Board of Directors, Managing Director, BlackRock Japan Co., Ltd. (current position)
- Group Chief Digital Officer, Managing Executive Officer at Tokio Marine Holdings, Inc. (current position)

- The Long-Term Credit Bank of Japan, Limited (currently Shinsei Bank, Limited)
- McKinsey & Company, Inc.
- Novartis Pharma K.K.
- Head of Finance of Nestlé Nutrition K.K.
- Director CFO of Hobonichi Co., Ltd.
- Director of YeLL Inc. (current position)

Reasons for Selection as Outside Directors

- Specialized knowledge and extensive experience in the financial business and managing internet services companies.

- Specialized knowledge and extensive experience in the banking, securities, and investment industries.

- Experience in financial institutions, and specialized knowledge and extensive experience as CFO of business companies
- Extensive experience ranging from large companies to startups

5 Transparent Management

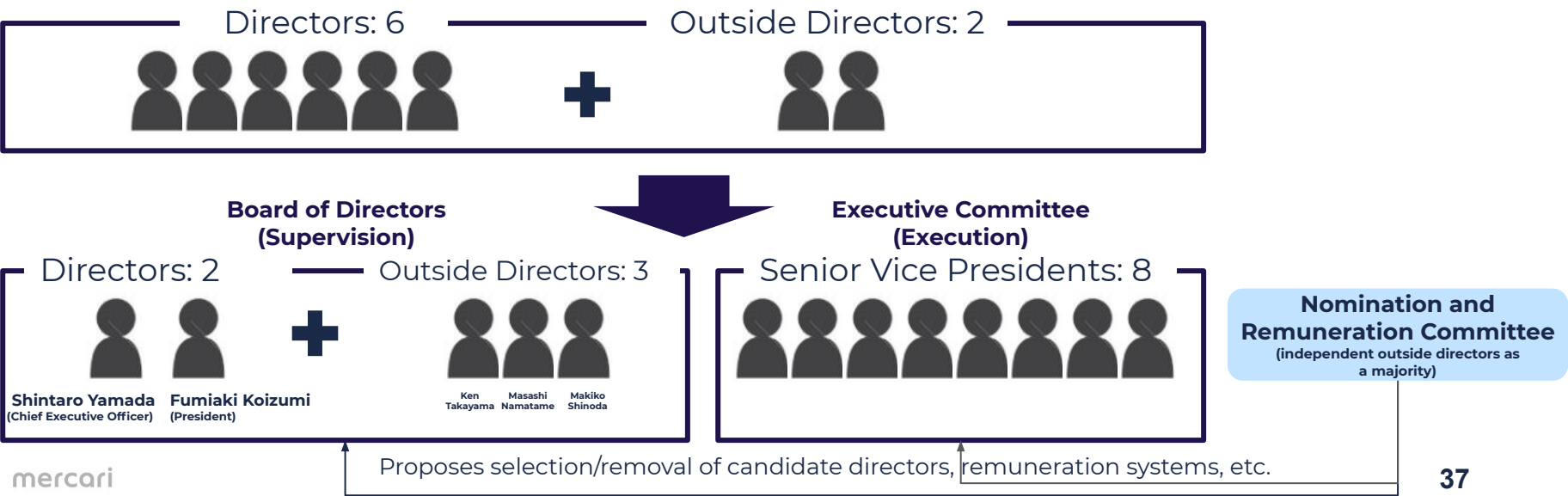
Governance

Separate Supervision and Execution in Business Management

- Revise the board of directors structure, focused on outside directors in particular
- Introduce Senior Vice President system
- Improve agility by turning more authority over to the divisions responsible for business execution
- Disciplinary rules to be drafted by the Nomination and Remuneration Committee, a non-mandatory advisory body

Introduce Incentive Remuneration

- Improve performance by investing in our people and take on appropriate level of risk



5 Research and Development to Achieve Mercari's Mission mercari

Mercari R4D's research and development, creating the future of Mercari

Research and development for Mercari is handled by our R&D organization, Mercari R4D. This name represents not only the research (“R”) done by the organization, but also design, development, deployment, and disruption—the “4 Ds.” Their work focuses on creating the future of Mercari 3–5 years from now.

Research into Quantum Internet

QITF, a research and development consortium represented by R4D's Shota Nagayama, published a **white paper on the road to realizing the quantum internet**, a next-generation communications infrastructure using quantum technology.

Innovation to Solve Social Issues with ELSI Research

We began **collaborative research** with Osaka University's ELSI Center to **formulate R&D processes with adequate consideration for ethical, legal, and social issues (ELSI)**. This research aims to create practical methodologies for corporate research ethics reviews, human resource development, and more.



5 Research and Development to Achieve Mercari's Mission mercari

Mercari R4D's research and development, creating the future of Mercari

Value Exchange Engineering

In January 2020, we began a five-year collaborative research program on value exchange engineering with The University of Tokyo. This research aims to go beyond existing studies and tackle this topic from many different angles in order to create a world where **people all over the world can exchange value fairly and seamlessly.**



インクルーシブ工学連携研究機構
Research Institute for an Inclusive Society through Engineering

mercari **R4D**

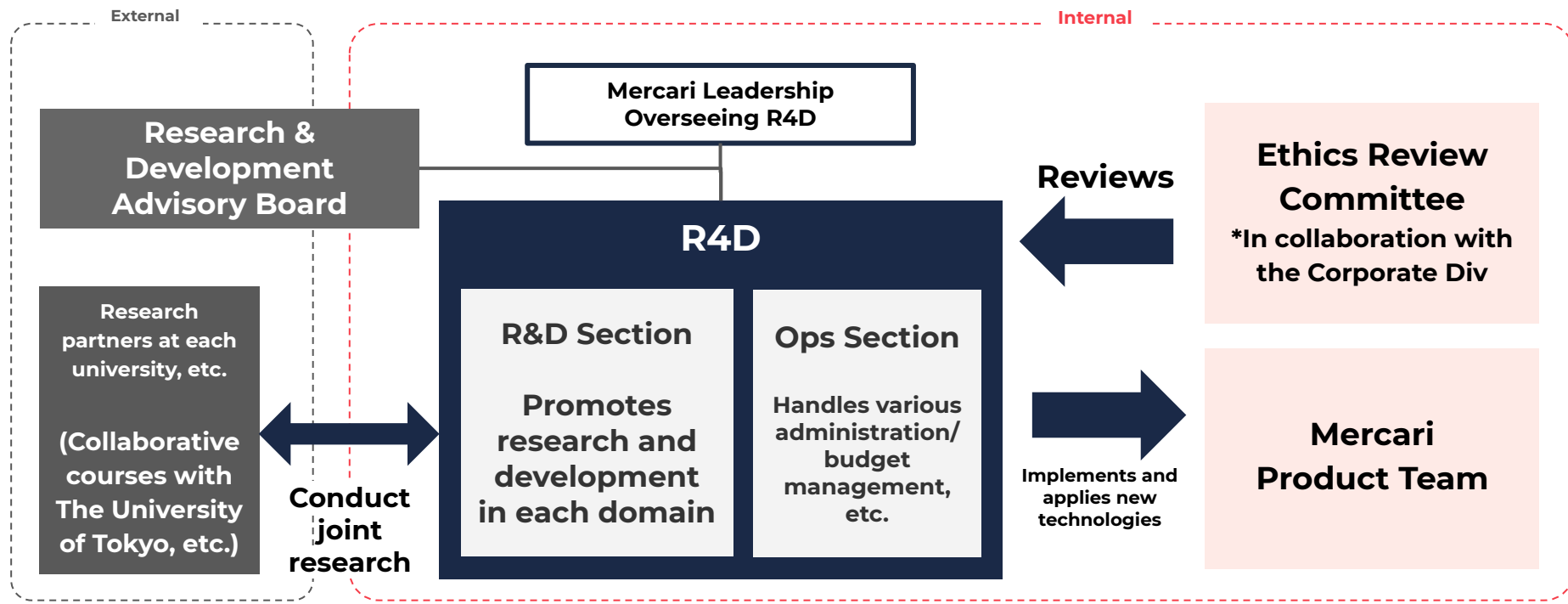
Poimo: Electric Mobility

In collaborative research with The University of Tokyo, we developed an inflatable mobility device that can be used for transportation of people and items. This research aims to increase freedom of movement in society of the future and **support inclusive transportation.**



5 Research and Development to Achieve Mercari's Mission mercari

Mercari R4D's Organizational Structure



5 Research and Development to Achieve Mercari's Mission mercari

Mercari R4D's Research & Development Advisory Board

Established in September 2019 to strengthen R4D's advisory function and decision-making process with regards to R&D, from an external, third-party expert's perspective



Prof. Jun Murai
Father of the Internet in Japan

Professor at Keio University's Faculty of Environment and Information Studies; Dean of the Graduate School of Media and Governance



Prof. Yoshihiro Kawahara
University of Tokyo Professor

Professor at The University of Tokyo Graduate School of Engineering's Department of Electrical Engineering and Information Systems; JST ERATO Project Director; PhD in Information Science and Technology



Masaya Mori
Former Head of the Rakuten
Institute of Technology

Former Executive Officer at Rakuten, Inc. and former head of the Rakuten Institute of Technology. As head of Rakuten Life Tech Lab, he manages research sites worldwide and works on strategy for their AI and data scientists.



Shintaro Yamada

Representative Director,
CEO

**Internal
Members**



Yuki Hamada

Senior Vice President,
Chief Innovation Officer

5 Talent Supporting Mercari's High Growth

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- Developing talent internally and strengthening D&I while resuming hiring

Number of Employees



5 Consolidated P&L

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(Million JPY)	FY2020.6 Q3(Jan-Mar)	FY2021.6 Q2(Oct-Dec)	FY2021.6 Q3(Jan-Mar)	Growth	
				YoY	QoQ
Net sales	20,356	26,057	28,687	+40.9%	+10.1%
EBITDA ¹	-6,173	1,238	357	N/A	++71.2%
Margin (%)	-30.3%	4.8%	1.2%	-	-
Operating income	-6,386	1,006	158	N/A	++84.2%
Margin (%)	-31.4%	3.9%	0.6%	-	-
Loss attributable to owners of parent	-8,108	-169	-535	N/A	N/A

1. Operating income + Depreciation and Goodwill amortization

5 Mercari JP P&L

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(Billion JPY)	FY2020.6 Q3(Jan-Mar)	FY2021.6 Q2(Oct-Dec)	FY2021.6 Q3(Jan-Mar)	Growth	
				YoY	QoQ
GMV	164.1	197.0	208.6	27.1%	5.9%
YoY	+23.4%	+27.5%	+27.1%	-	-
Net sales	15.3	19.0	20.2	32.0%	6.3%
as % of GMV	9.4%	9.7%	9.7%	-	-
Operating income	2.9	3.9	4.6	56.1%	15.7%
Margin(%)	19.3%	21.0%	22.8%	-	-
Adjusted operating income ¹	4.6	6.1	6.8	47.3%	11.8%
Margin(%)	30.5%	32.3%	34.0%	-	-

1. Excludes internal transactions with Merpay (outsourced payment processing fees)

5 Consolidated BS

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(Million JPY)	FY2019.6 Q4	FY2020.6 Q4	FY2021.6 Q3
Total current assets	151,813	169,277	216,089
Cash and cash equivalents	125,578	135,747	171,692
Other receivable	14,176	15,612	40,054
Total fixed assets	11,871	28,736	31,383
Total assets	163,685	198,014	247,473
Total liabilities	112,748	162,645	210,227
Other payables	7,281	16,206	18,420
Deposits received	45,818	83,954	114,260
Short-term debt ¹	1,261	900	12,247
Long-term debt	51,447	51,547	51,246
Total net assets	50,936	35,368	37,246

1. Includes long-term borrowings planned to be repaid within 1 year.

5 FY2021.6 Business Objectives—Summary

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Consolidated:

- Continue to "stay strong" during the COVID-19 pandemic by controlling investment and further cutting costs. In the event of anticipated growth from investment, may prioritize growth, resuming investment and possibly recording loss.
- Improve soundness of service, contribute to society, and evolve into a service beloved by wide groups of people

Mercari JP:

- Integrate primary and secondary distribution to enhance catalog and other features, thereby further strengthening listings
- Amplify impact from business alliances by encouraging purchases using ID integration with DOCOMO, etc.
- Expecting YoY GMV growth rate of +20% or higher and adjusted operating margin of 30% or higher

Merpay:

- Enhance monetization through expansion of credit services such as fixed-amount payment, providing flexibility to users by allowing fixed-amount repayment on a monthly basis
- Further strengthen synergy between Mercari and Merpay through fixed-amount payment and other features

Mercari US:

- Make Mercari an even easier to use marketplace where users can safely sell their items
- Continue to aim for YoY GMV growth rate of +50% or higher while assessing impact from COVID-19

4 Mercari JP—Making Selling Easy: Listing Growth Potential

- Implement initiatives to increase the number of listers and acquire new users in order to sustainably grow Mercari



1. Based on a survey conducted by Dentsu Macromill Insight in April 2019 to 1,260 males and females between ages 18 and 74.

Lister prospects recognize Mercari and have intention to list but have not listed anything yet; does not take into consideration app DL and buying experience.

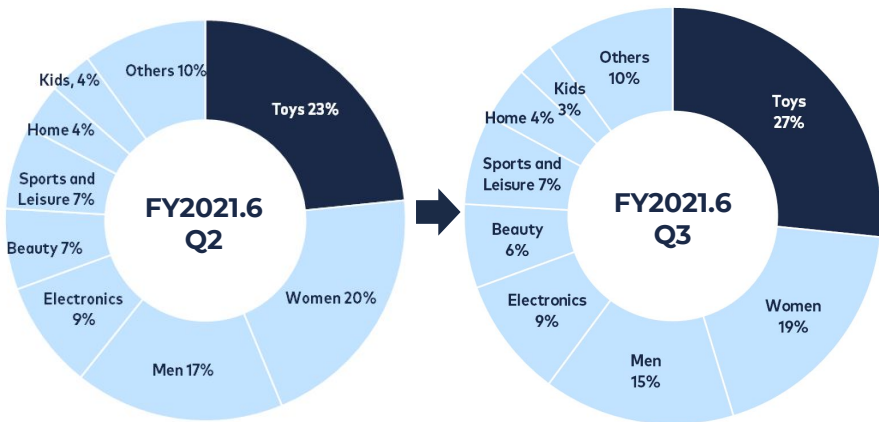
2. Some lister prospects included in MAU.

5 Impact of COVID-19 in Q3 (Jan–Mar)—Category Shift

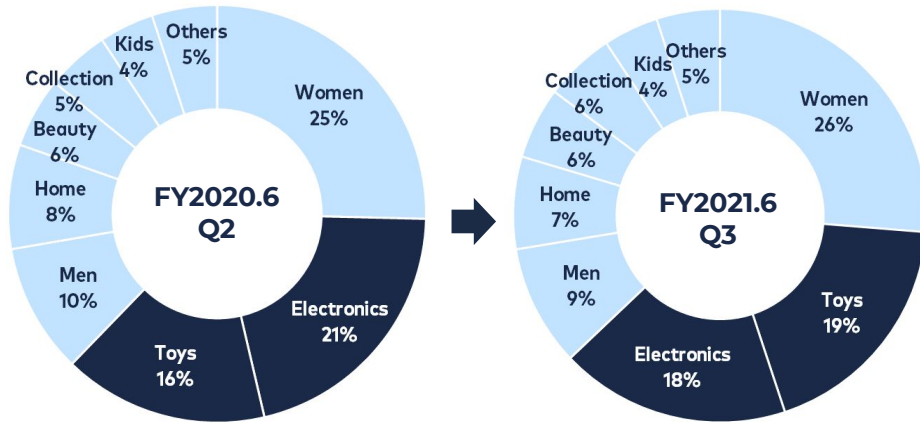
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Saw a QoQ increase in women's apparel due to seasonality while indoor categories continued to stay strong



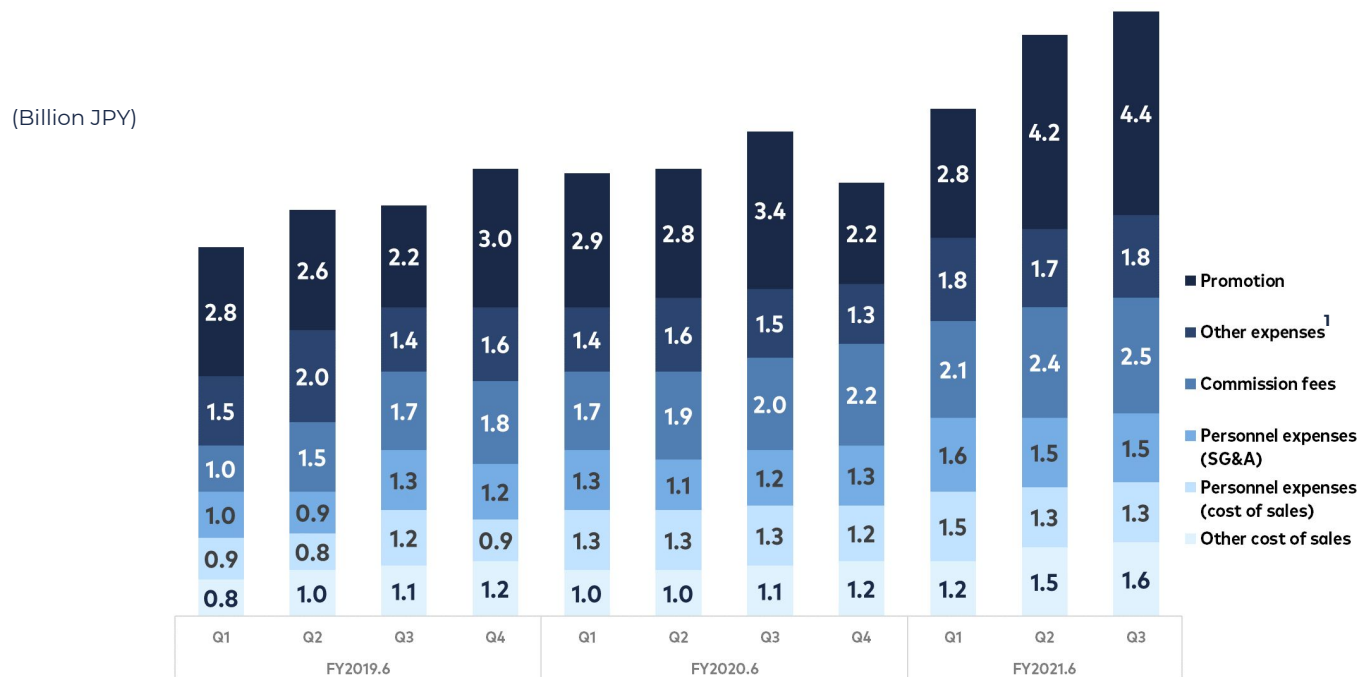
Toys performed well due to an increase in transactions of trading cards, etc.
Decrease in Electronics compared to Q2 due to seasonal factors, etc.



5 Mercari JP—Cost Structure

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- No significant change from Q2
- Will continue to build a stable profit foundation on continuous GMV growth



1. Outsourcing expenses, rent, taxes and dues

4 Unique Positioning in the US Market

	 MARKETPLACE   			 CLASSIFIEDS   			OTHERS 
Mobile First ¹	✓	✗	✓	✓	✓	✗	✗
C2C Focus ²	✓	✗	✓	✓	✓	✗	✗
Cross Category ³	✓	✓	✗	✓	✓	✓	✗
Marketplace Reach (Nationwide)	✓	✓	✓	✓	✓	✗	✓
Everything Ships ⁴	✓	✓	✓	✓	✓	✗	✓
Commission Revenue Model ⁶	✓	✓	✓	✗ ⁵	✓	✗	✓

As defined by Mercari, utilizing the following criteria:

1. Mobile First: services developed for mobile use rather than desktop use
2. C2C Focus: services provided primarily to individual consumers, rather than business-oriented users
3. Cross Category: not only fashion categories but multiple product categories simultaneously accessible via the shopping interface.
4. Everything Ships: desired shipping options are selectable and necessary shipping information easily shared within the shopping interface
5. Available only when shipping is selected
6. Commission Revenue Model: range of payment options, such as credit card, bank transfers, and third-party payment (ex. PayPal), are seamlessly embedded into the shopping interface

5 Kashima Antlers

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- Started 2021 season
- Planning events and merchandise to celebrate the 30th anniversary of the club's founding

Start of 2021 season



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Club's 30th anniversary



30th anniversary site: <https://www.antlers.co.jp/lp/30th/>

3 Established a Subsidiary for New Businesses

- Established a new business to plan, develop, and manage those businesses which could become the Mercari Group's next core business in the mid-to-long term

Company name: Souzoh, Inc.

Business activities: Planning, development, and management of internet services

Capital: 50 million JPY

Investment stake: Wholly-owned subsidiary of Mercari

Start of operations: Within 2021 (planned)

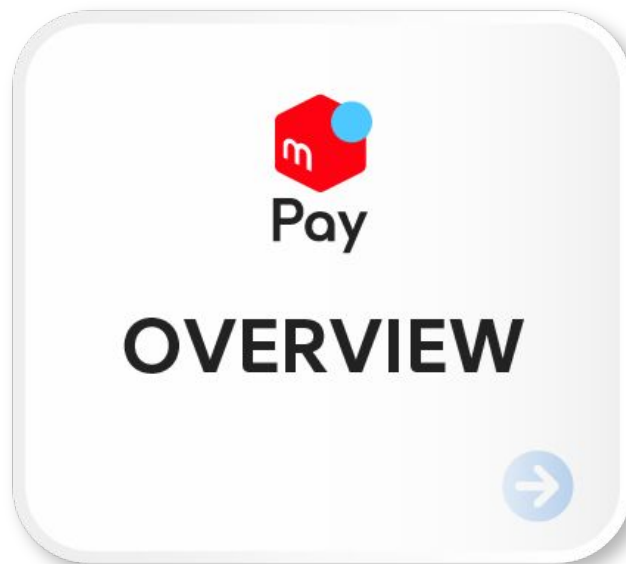
5 For Investors New to Mercari

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- Materials that cover basic information regarding Mercari Group



Fact Book link
https://speakerdeck.com/mercari_inc/mercari-fact-book-en



Overview link
https://speakerdeck.com/mercari_inc/merpay-overview-en

Disclaimer

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The FY2021.6 Q4 financial results are scheduled to be released at 15:00 or later on August 12.

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Mercari, Inc. TSE:4385