FY2022.6 Q2
PRESENTATION MATERIAL
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New Management Execution Structure
Strengthed the Management Structure

- Starting in Jan. 2022, strengthened the management structure for further growth of Mercari Group.
- Will accelerate global expansion and strengthen synergy among businesses in the Japan Region.

Global Expansion

- Hirohisa Tamonoki
  Senior Vice President, Global Expansion
- John Lagerling
  Senior Vice President, Global Strategy / CEO of Mercari, Inc. (US)
- Shintaro Yamada
  Representative Director, CEO

Japan Region

- Naoki Aoyagi
  Senior Vice President, Japan / CEO of Mercoid, Inc.
Mercari Group Structure

- Created the new Japan Region designation to accelerate synergy between businesses.
- Planning to further promote marketing plans, product updates, and strengthening of the security environment across the Japan Region.

Mercari, Inc.

Established Activities: February 1, 2013
Planning, development, and operation of the Mercari marketplace app
Representative Representative of Mercari JP: Shintaro Yamada
Representative of Mercari JP: Jeff LeBeau

Mercari Group Structure

Mercari, Inc. (US)
Established Activities: January 2014
Planning, development, and operation of the US version of Mercari
Representative: John Lagerling

Souzoh, Inc.
Established Activities: January 28, 2021
Planning, development, and management of internet services
Representative: Yuki Ishikawa

Merlogi, Inc.
Established Activities: October 28, 2021
Planning, development, and management of logistics services
Representative: Tomoyuki Shindo

Merpay, Inc.
Established Activities: November 20, 2017
Financial-related businesses
Representative: Masato Yamamoto

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
Established the ESG Committee

- Established an ESG committee to advise the company's Senior Executive Committee, which carries out management discussions and decision-making for Mercari Group.
- Appointed Mercari CEO Shintaro Yamada as chairperson.
- Involved company officers in business-related management decisions from an ESG perspective, allowing Mercari to balance its businesses and ESG initiatives with respect to the company's materiality, in an effort to ensure a structure that will allow Mercari to swiftly implement and promote these initiatives.

ESG Committee Structure
## ESG—Initiatives in Q2 for Each Material Topic

<table>
<thead>
<tr>
<th>Material Topic</th>
<th>Initiatives in Q2</th>
</tr>
</thead>
</table>
| 1. Creating a Circular Economy/Mitigating Climate Change        | ● Submitted a commitment letter to SBT (Science Based Targets)\(^1\)  
● Launched a limited-time “Sustaina Store,” which allows people to experience sustainability through buying used items                                                                                     |
| 2. Diversity & Inclusion                                         | ● Awarded Gold on the “PRIDE Index 2021,” which recognizes companies for their work on LGBTQ+ initiatives  
● Started the “Mercari Restart Program,” aimed at helping people return to the workforce after pausing their careers to focus on such things as childcare or nursing care |
| 3. Local Empowerment                                             | ● Kicked off the full rollout of Mercari Shops, a service that helps businesses start offering online sales and establish their own online shops  
● Helped the town of Yamada (Iwate Prefecture) open an online shop on Mercari Shops and start listing the equipment of a closed school (a first in Japan)  
● Formed partnership agreements between Souzoh and the communities of Unzen and Hokuto                                                                 |
| 4. Safe, Secure, and Fair Transactions                           | ● Entered a comprehensive partnership agreement with USJ to build an environment for safe and secure transactions  
● Entered a comprehensive partnership agreement with 7-Eleven, FamilyMart, and Lawson to build an environment for safe and secure transactions  
● Welcomed the Japan Association of Music Enterprises to Mercari’s Intellectual Property Protection Program                                                                                     |
| 5. Corporate Governance/Compliance                              | ● Reorganized the company’s authority rules based on our new management structure                                                                                                                                 |

\(^1\) Greenhouse gas emission reduction targets to be set by companies for the next 5-15 years, consistent with the levels required by the Paris Agreement.
ESG—Revitalizing Local Communities Through Mercari Shops

- Helping to revitalize local communities, promote the circular economy, and address social problems through Mercari Shops.
  - Approx. 60% of shipped items are from outside of Japan’s major cities\(^1\).
  - Began working with local governments\(^2\) to provide support for businesses, etc. that have not been able to utilize e-commerce in the past.
  - Will expand initiatives to circulate equipment from closed schools to other communities in Japan, like the town of Yamada, Iwate Prefecture, which is the first municipality to use Mercari Shops to list items from a closed school.

\(^1\) Survey period: August 1, 2021–August 31, 2021. Definition of urban areas: Tokyo and surrounding areas (Tokyo, Kanagawa, Chiba, Saitama), Aichi, Osaka

\(^2\) Funabashi, Seto, Yamada, Unzen, Hokuto, etc.
Summary
# FY2022.6 Q2 Progress & Highlights

## Consolidated
- Promoted the establishment of a business foundation that enables mid- to long-term growth with actions that include strengthening our management structure and recruiting aggressively.
- Progress toward the initial targets of GMV +20% or higher YoY (JP/US) and adjusted operating margin\(^1\) of 30% or higher (JP) is behind schedule, but there is no change to the initial targets at the moment.
- Continued to promote identity verification and product development to further establish a safe and secure usage environment that will contribute to future growth.

<table>
<thead>
<tr>
<th>Mercari JP</th>
<th>Merpay</th>
<th>Mercari US</th>
</tr>
</thead>
<tbody>
<tr>
<td>GMV achieved a new record and continues to grow at a high rate</td>
<td>The outstanding balance of fixed-amount payments exceeded 35 billion JPY and is growing steadily</td>
<td>Thanks to strategic marketing initiatives carried out in the holiday season, MAU increased, and as a result the GMV growth rate was +17% YoY</td>
</tr>
<tr>
<td>Promoted services that can be easily and securely used by a wide range of generations through personalization and web enhancement</td>
<td>Aiming for continuous growth using Merpay’s original and unique credit</td>
<td>Achieved a record high 5.3 million MAU for a single month in December</td>
</tr>
</tbody>
</table>

### Souzoh
- Strongly increased the number of shops and listings after the full rollout on Oct. 7
- Proactively implemented marketing initiatives to maximize the selling experience

### Merlogi
- Established Merlogi in Oct. 2021
- Began a POC using Mercari Post in Tokyo’s Setagaya ward

### Mercoin
- Cryptoassets: Working to acquire the license for handling cryptoassets with the goal of starting the business in FY2023.6
- NFT: Aiming to use blockchain technology in 2022 or after

### Kashima Antlers
- For the 30th anniversary year, promoted the new management vision, “Vision KA41,” that was updated for the first time in 10 years

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\(^1\) Amount before recording internal transactions between Mercari and Merpay as a result of transferring settlement to Merpay (outsourced payment processing fees)
## FY2022.6 Q2 KPI Summary

### Consolidated

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
<th>Change (YoY)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>¥37.5 billion JPY</td>
<td>+44%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>¥2.6 billion JPY</td>
<td>-3.6 billion JPY</td>
</tr>
</tbody>
</table>

### Mercari JP

- **GMV\(^1\)**
  - YoY +15%
- **Adjusted Operating Margin**
  - 26% (YoY -7 ppts)

### Merpay

- **Number of Users\(^2\)**
  - 12.1 million

### Mercari US

- **GMV\(^1\)**
  - YoY +17%
- **MAU\(^3\)**
  - 5.1 million (YoY +21%)

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1. Aggregated transaction value after adjusting for cancellations (the GMV of Mercari JP does not include the GMV of Mercari Shops)
2. Aggregated number of unique users who have registered for Merpay Electronic Money or used QR Code Payments, Online Payments, or Merpay Smart Payments (lump-sum payment or fixed-amount payment), etc.
3. Quarterly average number of users who browsed our service (app or web) at least once during a given month.

Excluding the impact of changes to accounting policies on sales.
FY2022.6 Q2
Financial Highlights
Financial Highlights - Consolidated Net Sales & Operating Income

- In addition to the steady growth of the three pillars, net sales increased mainly due to the impact of the change in accounting policy\(^1\) for new sales recognition of Mercari US.
  - Excluding the impact of the change in accounting policy, which was 5.9 billion JPY, sales in Q2 were 31.6 billion JPY (YoY +22%).
- Recorded a consolidated operating loss as a result of strengthening investment in marketing that will contribute to the future growth of each business.

<table>
<thead>
<tr>
<th>Net Sales</th>
<th>Operating Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>YoY</td>
<td></td>
</tr>
<tr>
<td>+44%</td>
<td>-2.6</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>(Billion JPY)</th>
<th>(Billion JPY)</th>
</tr>
</thead>
<tbody>
<tr>
<td>37.5</td>
<td>3.6</td>
</tr>
<tr>
<td>33.6</td>
<td>0.9</td>
</tr>
<tr>
<td>14.5</td>
<td>1.0</td>
</tr>
<tr>
<td>5.9</td>
<td>0.1</td>
</tr>
<tr>
<td>31.6</td>
<td>0.8</td>
</tr>
</tbody>
</table>

\(1\). Due to the adoption of the new sales recognition standards under J GAAP, as of FY2022.6 Q1-Q2 Mercari US shipping revenue and costs are to be calculated based on gross results instead of net results. Net sales increased mainly due to this change. The gross results for Mercari US are nearly double those of the net results.
Talent Supporting Mercari’s Growth

- Continued to hire aggressively and steadily increased our headcount.
Steadily expanded the user base through the acquisition of new users and CRM initiatives to revitalize existing users, resulting in GMV achieving a new record in Q2.

GMV growth rate was lower than expected due to a decrease in the number of listings and purchase frequency as a result of the end of the state of emergency in October.
The adjusted operating margin was flat QoQ as a result of continued aggressive investment in expanding the user base, the source of sustainable growth.

Will continue to further strengthen investments that will contribute to future growth.

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**Net Sales**

(Billion JPY)

- Q1 FY2020: 12.0
- Q2 FY2020: 14.4
- Q3 FY2020: 15.3
- Q4 FY2020: 16.8
- Q1 FY2021: 15.0
- Q2 FY2021: 20.2
- Q3 FY2021: 19.8
- Q4 FY2021: 19.4
- Q1 FY2022: 21.8
- Q2 FY2022: 16.1

**Adjusted Operating Income/Margin**

(Billion JPY)

- Q1 FY2020: 4.5
- Q2 FY2020: 4.6
- Q3 FY2020: 4.6
- Q4 FY2020: 6.1
- Q1 FY2021: 6.8
- Q2 FY2021: 6.6
- Q3 FY2021: 5.1
- Q4 FY2021: 5.6

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1. From FY2022 Q1, to compare business results (YoY) exclusively for C2C transactions, the net sales shown here represent only the C2C results.
Mercari JP—Cost Structure Against Net Sales

- No major changes QoQ.
- Advertising expense ratio increased YoY due to aggressive investment in Q2 to acquire new users for mid- to long-term growth.

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1. Outsourcing expenses, rent, and taxes & dues

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1. Adjusted operating income
2. Promotion
3. Other SG&A
4. Commission fees
5. Personnel expenses (cost of sales and SG&A)
6. Other cost of sales
Mercari JP—Evolution of Personalization

- To increase ARPU, we developed real-time personalization that displays engaging content for each individual user.
- As a result, the purchase ratio of items recommended on the home screen continues to improve.

To increase ARPU, we developed real-time personalization that displays engaging content for each individual user. As a result, the purchase ratio of items recommended on the home screen continues to improve.
To diversify the user base and improve UX, we continued to add features to Web that were only available on the app previously.

As a result, the rate of new buyers from Web and the ratio of GMV coming from Web have both increased.

**Improved Functionality**

1. **Enhanced search functionality**
   - Display keyword suggestions
   - Sort by recommended order

2. **Enhanced payment options**
   - Support for coupon use

3. **Personalization**
   - Display recommended items on the home screen

**Ratio of GMV from Web**

- **Q1 FY2020.6**: 3%
- **Q2 FY2021.6**: 8%
Mercari JP—Entering the NFT Market

- Started the new service “Pacific League Exciting Moments β” in partnership with Pacific League Marketing Corporation, allowing users to purchase video content as our first step to entering the NFT market.
- Plan to launch new features that use blockchain technology starting in 2022 or after.

1st STEP
Sell digital content ahead of the future popularization of NFTs

2nd STEP
Leverage blockchain technology to provide content management, resale features, etc.

3rd STEP
Create an open marketplace that anyone can easily use to exchange not only goods and credit, but various forms of value through Mercari Group synergy

1. Launched on December 23, 2021
Souzoh—Mercari Shops
Business Condition Good after Full Rollout

- Mercari Shops has been progressing well after all businesses (individuals and companies) were able to open shops starting on Oct. 7.
- Even though the features are limited, KPIs that will lead to future growth, such as the number of shops and listings, increased significantly in Q2 due to proactive marketing initiatives.
- We will continue to aggressively implement marketing initiatives in addition to functional improvements in order to create a selling experience for businesses.

Increasing awareness for businesses

Creating a selling experience

TV Commercial

Promotions
- No selling fees*
- 30–50% points back for buyers

*Up to 100,000 yen in sales
3 Souzoh—Mercari Shops Product Initiatives

- Plan to offer a feature that allows users to create stand-alone websites for their shops outside of the Mercari app.

**Outside the Mercari app**

- Allows users to set up a stand-alone website for their online shop outside of the app as well (To be provided within 2022)

**Inflow from social media**

- Allows users to set up an online shop even without technical knowledge or expertise

**On the Mercari app**

- Displays shop operators' items on the app under the Shop tab and on the search screen

- Using just their smartphones, users can:
  - Manage listings
  - Manage shipping
  - Manage sales

Over 20 million monthly active users on the Mercari app
Merpay—A Single Wallet

- A single wallet for payment, credit, and Growing Wallet.

**Payment**
Various payment methods available: iD payment, code payment, and virtual card

- **Virtual Card**
  - Input a number

- **iD Payment**
  - Hold your phone over a reader

- **Code Payment**
  - Scan the code

**Credit**
Various services that utilize unique credit based on behavior history such as usage history on Mercari

- **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

**Smart Money**
Borrow when needed and repay flexibly; interest rates fluctuate depending on the borrower's usage of Mercari
Merpay—Steady Growth of Fixed-Amount Payment

- Due to our ongoing product improvement and marketing strategies, the outstanding balance for fixed-amount payments has surpassed 35 billion JPY and is growing steadily.
- Raised the limit of liquidated fixed-amount payment receivables (30 billion JPY → 60 billion JPY).
Merpay—Our Unique Brand of Credit

- Utilizing the usage history of Mercari and AI technology, we provide the appropriate amount of credit to users.
- In doing so, we aim to realize a high collection rate and the creation of a safer, more secure environment.

**Usage history**

**Offer the appropriate amount of credit**

**Mercari usage history, etc. + AI technology**

Note: This graph represents one possible example.
### Mercari US—GMV/MAU

- Supported by marketing campaigns in the high-demand holiday season, successfully acquired new users and achieved a record high 5.3 million MAU for a single month in December.
- Due to the increase of MAU and AOV, the GMV growth rate was 17% YoY.

**GMV/MAU**

1. Quarterly average number of users who browsed our service (app or web) at least once during a given month.
Mercari US—Q2 Sales/Adjusted OP (US GAAP)

- Sustained positive YoY sales growth of 22% due to PPF adoption in the middle of FY2021.6 Q2.
- The adjusted operating profit decrease QoQ is mainly due to an increase in promotion costs and labor costs as we have been focusing on hiring.

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1. Adjusted operating profit after non-cash items (i.e., stock-based compensation and depreciation) are deducted.
Mercari US—Holiday Season Marketing Initiatives/Product Updates

- Successfully implemented an online coupon promotional campaign during the holiday season to capture seasonal demand and acquire new users, as well as to activate existing users.
- Although the impact on the total GMV is still small, Mercari Local and BNPL\(^1\) payment service continue to drive transaction volumes of high unit price goods and contribute to new user acquisition.

### Holiday season campaigns

- Implemented daily campaigns specifically for high-demand categories during the holiday season

### Contribution to new user acquisition

- **20%**
  - About 20% of BNPL buyers are first-time Mercari buyers
- **10%**
  - About 10% of new users choose “Mercari Local only” when listing for the first time

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1. BNPL (Buy Now, Pay Later): Service started in September 2021 in partnership with Zip
Mercari US—New Marketing Initiatives

- Aired a new TV commercial tie-up with the movie “Sing 2” in December to improve brand awareness.
- Launched our first pop-up shop on December 29 in San Francisco, targeting shoppers who received unwanted gifts during the holidays and educating them about how easy it is to sell secondhand and unused items, as well as showing them the positive impact reselling has on the planet.

TV commercial tie-up with “Sing 2”

Video: https://www.youtube.com/watch?v=4ba8m9dBius

San Francisco pop-up shop

- Open: Dec 29, 2021–Feb 12, 2022
- Customers can receive up to $100 ($30 maximum per item) on the spot via Venmo or PayPal by engaging directly with on-site experts who will assess the value of each item, allowing them to skip the online listing and shipping process.
## H2 Focus Areas

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Consolidated</strong></td>
<td>Create solid results by advancing Global Expansion and generating synergy through enhanced cooperation between our business in the Japan Region</td>
</tr>
<tr>
<td></td>
<td>Continue aggressive investment in H2 to maximize future profits</td>
</tr>
<tr>
<td><strong>Mercari JP</strong></td>
<td>Carry out marketing, online initiatives, and product initiatives while taking into consideration the efficiency of investments, and create a business structure that allows for future growth</td>
</tr>
<tr>
<td></td>
<td>Further establish a safe and secure usage environment</td>
</tr>
<tr>
<td><strong>Merpay</strong></td>
<td>Continue to establish a safe and secure usage environment, as well as take on product enhancements and marketing initiatives to expand the user base for further growth of the credit area leading to enhanced profitability</td>
</tr>
<tr>
<td><strong>Mercari US</strong></td>
<td>Aim for growth by expanding our user base through the leveraging of services like Mercari Local to simplify the listing process, strengthening CRM initiatives, and continuing with marketing in Q3 and beyond</td>
</tr>
</tbody>
</table>
Appendix
Aiming to globalize our business, we have invited a new director with expertise in global management to serve as one of the independent outside directors.

Board of Directors Structure

- **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)
    - Makiko Shinoda (Re-appointment)
    - Norio Murakami (New appointment)
Strong Governance Structure (Independent Outside Directors)

Ken Takayama
- The Industrial Bank of Japan, Limited (currently Mizuho Bank, Ltd.)
- Chief Financial Officer of Rakuten, Inc.
- Outside Director of STAR FESTIVAL INC.
- 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.

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

Norio Murakami
- Hitachi Electronics Corporation (now Hitachi Kokusai Electric Inc.)
- Chairman Emeritus of Google Japan, Inc. (currently Google Japan G.K.)
- External Director, V-cube, Inc. (current position)
- External Director, Weathernews Inc.
- Chairman and Representative Director, ENERES Co., Ltd.
- Outside Director, CellSource Corporation (current position)

Makiko Shinoda

Ken Takayama

Background
- Professional knowledge and deep experience in D&I, ESG, finance, etc.

Reasons for Selection as Outside Directors
- Specialized knowledge and extensive experience in the financial business and managing internet services companies.
- Management experience and technical knowledge of global companies.

Financial Results Presentation Material
## Consolidated BS

<table>
<thead>
<tr>
<th></th>
<th>FY2020.6 Q4</th>
<th>FY2021.6 Q4</th>
<th>FY2022.6 Q2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total current assets</td>
<td>169,277</td>
<td>227,926</td>
<td>272,846</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>135,747</td>
<td>171,463</td>
<td>193,404</td>
</tr>
<tr>
<td>Other receivable</td>
<td>15,612</td>
<td>47,001</td>
<td>70,199</td>
</tr>
<tr>
<td>Total fixed assets</td>
<td>28,736</td>
<td>34,603</td>
<td>54,163</td>
</tr>
<tr>
<td>Total assets</td>
<td>198,014</td>
<td>262,529</td>
<td>327,010</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>162,645</td>
<td>222,516</td>
<td>286,438</td>
</tr>
<tr>
<td>Other payables</td>
<td>16,206</td>
<td>17,775</td>
<td>20,880</td>
</tr>
<tr>
<td>Deposits received</td>
<td>83,954</td>
<td>117,099</td>
<td>137,071</td>
</tr>
<tr>
<td>Short-term debt</td>
<td>900</td>
<td>55,000</td>
<td>40,114</td>
</tr>
<tr>
<td>Long-term debt (^1)</td>
<td>51,547</td>
<td>16,148</td>
<td>26,048</td>
</tr>
<tr>
<td>Convertible-bond-type bonds with stock</td>
<td>-</td>
<td>-</td>
<td>50,000</td>
</tr>
<tr>
<td>Total net assets</td>
<td>35,368</td>
<td>40,013</td>
<td>40,571</td>
</tr>
<tr>
<td>Total liabilities and net assets</td>
<td>198,014</td>
<td>262,529</td>
<td>327,010</td>
</tr>
</tbody>
</table>

\(^1\) Includes long-term borrowings planned to be repaid within 1 year.
### Consolidated P&L

<table>
<thead>
<tr>
<th></th>
<th>FY2021.6 Q2</th>
<th>FY2022.6 Q1</th>
<th>FY2022.6 Q2</th>
<th>Growth</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales</strong></td>
<td>26,057</td>
<td>33,634</td>
<td>37,556</td>
<td>+44.1%</td>
<td>+11.7%</td>
<td></td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>1,238</td>
<td>1,049</td>
<td>-2,431</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Margin (%)</strong></td>
<td>4.8%</td>
<td>3.1%</td>
<td>-6.5%</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td>1,006</td>
<td>849</td>
<td>-2,624</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Margin (%)</strong></td>
<td>3.9%</td>
<td>2.5%</td>
<td>-7.0%</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Loss attributable to owners of parent</strong></td>
<td>-169</td>
<td>-119</td>
<td>-2,609</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
</tbody>
</table>

1. Operating income + Depreciation and Goodwill amortization
# Mercari JP P&L

1. From FY2022 Q1, to compare business results (YoY) exclusively for C2C transactions, the net sales shown here represents only the C2C results.

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

<table>
<thead>
<tr>
<th></th>
<th>FY2021.6 Q2 (Oct-Dec)</th>
<th>FY2022.6 Q1 (Jul-Sep)</th>
<th>FY2022.6 Q2 (Oct-Dec)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GMV</strong></td>
<td>197.0</td>
<td>203.4</td>
<td>226.8</td>
</tr>
<tr>
<td><strong>YoY</strong></td>
<td>27.5%</td>
<td>19.3%</td>
<td>15.1%</td>
</tr>
<tr>
<td><strong>Net sales</strong></td>
<td>19.0</td>
<td>19.4</td>
<td>21.8</td>
</tr>
<tr>
<td><strong>as % of GMV</strong></td>
<td>9.7%</td>
<td>9.6%</td>
<td>9.6%</td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td>3.9</td>
<td>2.8</td>
<td>3.1</td>
</tr>
<tr>
<td><strong>Margin (%)</strong></td>
<td>21.0%</td>
<td>14.7%</td>
<td>14.3%</td>
</tr>
<tr>
<td><strong>Adjusted operating income</strong></td>
<td>6.1</td>
<td>5.1</td>
<td>5.6</td>
</tr>
<tr>
<td><strong>Margin (%)</strong></td>
<td>32.3%</td>
<td>26.2%</td>
<td>25.7%</td>
</tr>
</tbody>
</table>
Mercari US PL

<table>
<thead>
<tr>
<th></th>
<th>FY2021.6 Q2(Oct-Dec)</th>
<th>FY2022.6 Q1(Jul-Sep)</th>
<th>FY2022.6 Q2(Oct-Dec)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GMV (Million USD)</strong></td>
<td>263</td>
<td>271</td>
<td>308</td>
</tr>
<tr>
<td><strong>YoY</strong></td>
<td>107.3%</td>
<td>-6.4%</td>
<td>17.2%</td>
</tr>
<tr>
<td><strong>Net Sales</strong></td>
<td>78</td>
<td>84</td>
<td>95</td>
</tr>
<tr>
<td><strong>as % of GMV</strong></td>
<td>29.7%</td>
<td>31.2%</td>
<td>31.0%</td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td>-11</td>
<td>-16</td>
<td>-23</td>
</tr>
<tr>
<td><strong>Margin (%)</strong></td>
<td>-14.6%</td>
<td>-19.6%</td>
<td>-24.3%</td>
</tr>
<tr>
<td><strong>Adjusted operating income</strong></td>
<td>-8</td>
<td>-14</td>
<td>-20</td>
</tr>
<tr>
<td><strong>Margin (%)</strong></td>
<td>-10.7%</td>
<td>-16.5%</td>
<td>-21.1%</td>
</tr>
</tbody>
</table>

1. Based on US GAAP. Different in booking method from the figures of Mercari US included in Consolidate PL (J GAAP).
2. Adjusted operating profit after non-cash items (i.e., stock-based compensation and depreciation) are deducted.
Mercari JP—Q2 Cost Structure

- The increase in promotion costs was due in large part to investments to acquire new users for future growth.

1. Outsourcing expenses, rent, and taxes and dues
Q2 (Oct–Dec)—Category Shift

**Mercari JP**
Toys increased YoY

**Mercari US**
Toys, including trading cards, grew significantly YoY
Merpay—Credit
Volume of Deferred Payment in the EC Market¹

- Amount of deferred payments in the EC market is growing.
- A rate of high market growth is forecast for the future.

1. Source: E-commerce Payment Services (Payment Gateway) Market in Japan: Key Research Findings 2021. Survey by Yano Research Institute (notice: based on the transaction amount of deferred payment service providers)
Mercari US—US Reuse Market

- The US online reuse market has more than doubled since 2015 and is expected to reach approx. 200 billion USD by 2030.
- Key categories to watch include apparel and electronics, some of our strongest areas, while the data overall supports our strategy of continuing to strengthen our horizontal marketplace covering a wide range of demographics and categories to meet the growing market demand.

Source: Mercari US "The Reuse Report"
Aiming for Planet Positive

Contributing to solving environmental issues and helping to share the earth's limited resources among people and every living being on the planet for generations to come.

By carefully using reused items with Mercari, users can contribute to carbon footprint reduction.
### ESG—Goals and Actions for Each Material Topic

<table>
<thead>
<tr>
<th>Material Topic</th>
<th>Goals and Actions</th>
</tr>
</thead>
</table>
| **1  Creating a Circular Economy/Mitigating Climate Change** | ● Maximize our positive impact  
● Minimize our negative impact  
Awareness (ensure consumers know they have options other than throwing things away), education (provide an environment for consumers to learn about sustainable behavior), collaboration (create a circular economy throughout the entire value chain), etc. |
| **2  Diversity & Inclusion**                | ● Pursue ease of use for all users  
● Build an organization that provides fair opportunities to all employees  
Identify needs, improve the development organization, improve features, visualize structural inequalities, and build self-cleansing mechanisms and culture for equality, etc. |
| **3  Local Empowerment**                    | ● Promote local economies and create opportunities for local empowerment  
● Help to resolve issues by empowering individuals and companies  
Enter partnerships with local governments, support local governments through Mercari Donation, etc. |
| **4  Safe, Secure, and Fair Transactions**  | ● Increase the number of users who think of Mercari as a safe, secure, and fair service  
Use technology to create safe and secure mechanisms, update policies to match social changes, create a safe and secure environment with our customer service, etc. |
| **5  Corporate Governance/Compliance**      | ● Build stakeholders' trust in Mercari Group  
● Improve Mercari Group's resilience  
Establish measures and the appropriate structures to handle corporate governance, compliance and risk, security, and data privacy, etc. |
4 For Investors New to Mercari

- Materials that cover basic information regarding Mercari Group

Fact Book link

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

This material has been prepared based on information gathered at the time of its preparation and is not in any way intended as a commitment to future implementation. Also note that information contained herein has not been audited or reviewed by an independent certified public accountant or audit corporation, and includes financial information based on past financial statements or accounting documents as well as management figures not based on financial statements or accounting documents. This document is an English translation of the original Japanese language document and has been prepared solely for reference purposes. No warranties or assurances are given regarding the accuracy or completeness of this English translation. In the event of any discrepancy between this English translation and the original Japanese language document, the original Japanese language document shall prevail in all respects.

The FY2022.6 Q3 financial results are scheduled to be released at 15:00 or later on April 28.