

FY2026.6 Q2 Financial Results - Q&A Summary

Consolidated

Q1. You revised your forecast for consolidated core operating profit upward by 4B JPY. Does this only take into account the positive results of the first half of the year?

A1. We increased our forecast in consideration of not only strong first-half performance that exceeded our plans but also additional investments in the second half that intend to extend that trend into Q3 and Q4 as well. The fact that Marketplace initiatives to enhance the product's core experience translated to results earlier than anticipated and that Fintech and US also performed more strongly than expected has guided our plan to actively make investments that will lead to further growth next fiscal year and beyond. As a result, the relationship between first-half and second-half forecasts has changed compared to initial projections.

Q2. You mentioned that you will actively make investments in Q3 and Q4. What specific areas will you invest in? Do you envision a situation where investment funds cannot be fully utilized due to a lack of investment opportunities?

A2. Our policy is to make additional investments into areas that will lead to growth in the next fiscal year and beyond, and we have already planned to invest in several areas. Investment decisions are based on product development and the progress of individual projects, so there is a possibility that some investments may be delayed. However, we will strive to carefully monitor progress to make continuous investments.

Marketplace

Q3. The GMV guidance range is broad—do you see two potential outcomes?

A3. As we see positive results of enhancements to the core product experience, we have also taken into account variable factors that are difficult to predict, such as external factors, and we have chosen the range +5–10% YoY for that reason. While we expect GMV to be centered around growth resulting from enhancements to the core product experience as in Q1 and Q2, we have also experienced unexpected downturns in the past. The GMV guidance range reflects the consideration of multiple factors, including fluctuations in the macroeconomic environment such as interest rate hikes and inflation.

Q4. To what extent did the discontinuation of *Mercari Hallo* affect the upward revision of your guidance?

A4. From the initial planning stage, the impact of *Mercari Hallo* on Marketplace in FY2026.6 was not significant in terms of either revenue or costs, so the discontinuation of *Mercari Hallo* was not a primary factor of the upward revision.

Q5. Can you explain why GMV is doing well from the perspectives of enhancing the product's core experience and marketing? Is it impacted by macro-level factors such as inflation?

A5. Our GMV growth is not due to any single factor; it is a result of the synergy between the accumulation of enhancements to the product's core experience and marketing initiatives. While the GMV growth rate did have some ups and downs from July to December, it is overall on an increasing trend, and we are seeing improvements in various KPIs such as MAU. Regarding macro-level factors, we cannot identify a distinct correlation between these factors and GMV growth, as they could have both a positive and a negative effect on our performance. As such, we cannot make any definitive comments.

Q6. Did any specific category lead GMV growth?

A6. In Q2, we saw growth over a wide range of categories, rather than any specific category or product leading growth. We believe that comprehensive improvements to the user experience led to continued use.

Q7. What specific enhancements did you make to the product's core experience? Do you expect a downturn following the positive effects of Super Mercari Market Days?

A7. In the past, we faced a situation in which there were doubts regarding our safe and secure transaction environment, due to cases of fraudulent use among other factors. As such, we took initiatives to restore trust in the service, such as enhancing our anti-fraud measures, updating our Marketplace Principles, enhancing our authentication services as a measure against counterfeit goods, and building mechanisms to provide aid to users. Additionally, steady improvements to the product, such as improving the login experience and enhancing timeline personalization, led to positive results. Super Mercari Market Days is not merely a short-term boost; new and returning users who began using *Mercari* due to the promotion are continuing to use the service. Therefore, we believe that the effects of Super Mercari Market Days are not entirely temporary.

Q8. To what extent is your Q2 GMV growth attributable to crossborder transactions?

A8. While crossborder transactions are continuing to grow significantly, the primary factor behind our growth in Q2 was the growth of C2C transactions within Japan. We do not disclose specific numbers like the impact of crossborder transactions on growth.

Q9. It appears the take rate is fluctuating compared to FY2025.6. Is that because of Super Mercari Market Days? What is your outlook for the take rate going forward?

A9. In the mid-to-long term, there is a possibility that our view will change due to progress in our ads business among other factors, but in the short term, while there may be some fluctuation on a quarterly basis due to large-scale promotions, we do not expect any major variation.

Fintech

Q10. What is behind the favorable revenue figures for credit services? Is the expansion of outside usage a contributing factor?

A10. The growth of Marketplace is one contributing factor, but the main cause is that the increase of transaction value outside of *Mercari* has driven the growth of credit balance. Another factor is that since we launched *Mercard Gold*, the number of cardholders who use it almost to the same extent as their main card has increased, and looking at transactions inside and outside of *Mercari*, we see that outside transaction value in particular has increased.

Q11. What will be required to further accelerate outside usage of *Mercard* going forward?

A11. In addition to expanding the outside use of *Mercard* alone, in the mid-to-long term, it is crucial to expand the base of users who use *Merpay*, including QR code payments and iD payments, on a daily basis. The growth we have seen thus far has mainly been *Merpay* usage originating from *Mercari* usage. However, to grow even further, our focus will be on securing *Merpay* usage through routes other than *Mercari*. We hope to aim for mid- to long-term growth centered on expanding the foundation of everyday use.

US

Q12. Why did you leave your guidance as is amid favorable GMV growth? Is there any reason to be concerned?

A12. We did not do this because there is any significant reason for concern, but we anticipate facing tougher YoY comparisons from Q3 onwards due to the impact of fee model changes. For starters, we will continue to aim for the significant milestone of achieving positive growth in the full year.

Q13. What is behind favorable GMV growth for US? Is there any particular trait that is driving this figure, such as demand for Japanese character merchandise? Also, is the growth dependent on any particular categories? What is your view of the contribution of external factors and the company's initiatives?

A13. The contribution of the Entertainment & Hobbies category has been significant. However, demand for products is not limited to Japanese character merchandise. US sports trading cards and the growth of hobby categories across the board are also behind US growth. In addition, incremental improvements such as building a safe and secure transaction environment and enhancing our core product have made it easier to capitalize on demand, which is linked to our growth.

Q14. What metrics did you prioritize as CFO to determine that you have found “the path to success” for US?

A14. While the US has large market potential, we still have a lot of work to do in terms of recognition and adoption of our product in the US. As our user base grows, other metrics will in turn improve, so we consider MAU to be a key indicator. As we recover from what had been a long downward trend, we are closely monitoring improvements to QoQ figures in addition to YoY figures.

Disclaimer

This material has been prepared for information purposes and is not intended to solicit readers to purchase securities in the Company. 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. In addition, a portion of the content of the original discussion has been edited for legibility.