

mercari

Presentation Material

FY2025.6 Q3

The script for this presentation will cover Mercari, Inc.'s FY2025.6 Q3 financial results.



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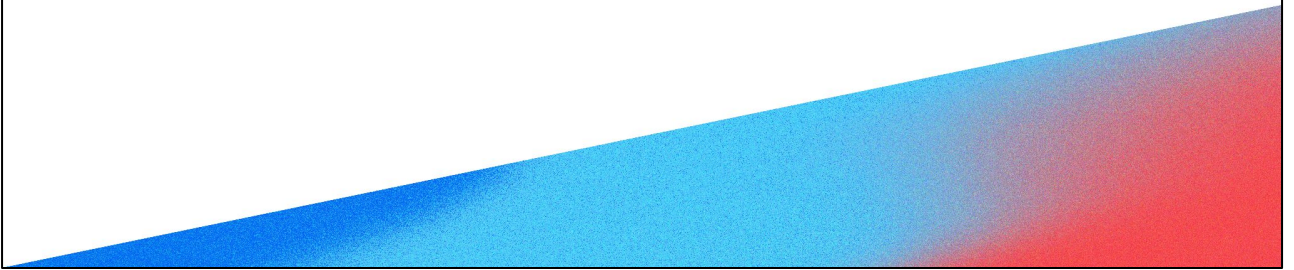
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FY2025.6 Q3 Financial Overview



1 Consolidated Highlights

Objectives Raised at Start of FY2025.6

Consolidated Results Forecast (Full Year)

Revenue	Core operating profit ¹
200.0–210.0 B JPY	22.0–25.0 B JPY

Group Policy/Major Initiatives

- Essentially aim for top-line growth that will lead to increased profits
- Expand businesses centered around Group synergy
- Expecting buildup of core operating profit to be larger in H2

Q3 Highlights

Achieved a core operating profit of 8.8B (+85% YoY), breaking our record for a second consecutive quarter. In addition to steady profit growth in Japan Region, the US business recorded a core operating profit of 1.3B JPY and successfully broke even in cumulative Q3. Revenue for both Marketplace and US fell below expectations at 49.9B JPY (+3% YoY).

The results forecast for the full year remains unchanged as we aim for a core operating profit of 22.0–25.0B JPY. Hurdles to achieving revenue have increased even more, but we are working to make further improvements such as updating our product.

1. Core operating profit is defined as IFRS operating profit excluding other income/expenses, etc.

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This page shows the consolidated highlights for FY2025.6 Q3.

Core operating profit in Q3 increased by 85% YoY to 8.8B JPY, breaking our record for a second consecutive quarter.

In addition to Japan Region achieving steady growth, the US business recorded a core operating profit of 1.3 billion JPY and successfully broke even in cumulative Q3. However, revenue for both Marketplace and US fell below expectations, landing at 49.9B JPY, an increase of 3% YoY.

Regarding the consolidated results forecast for the full year, core operating profit in cumulative Q3 was 19.9B JPY. However, in Q4 the target core operating profit remains unchanged at 22.0B–25.0B JPY because of Fintech's plans for marketing initiatives toward growth in the next fiscal year and the lack of temporary factors such as refunds in the US.

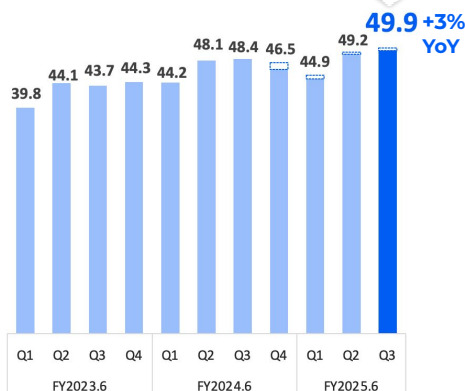
While the hurdles to achieving revenue have increased even more, we are working to make further improvements such as by updating our product.

1 Consolidated Results (Quarterly)—Achieved Record Profit^{mercari} for a Second Consecutive Quarter

Revenue

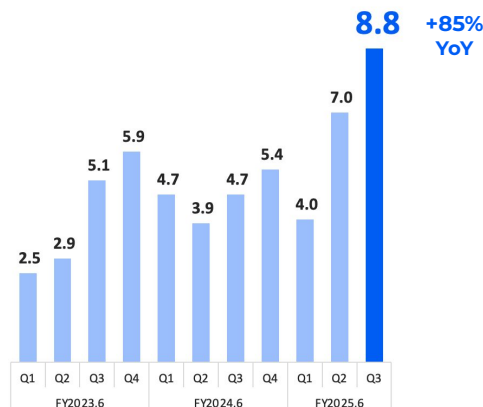
(Billion JPY)

Impact of a change in accounting methods such that a portion of point-related expenses is now deducted from revenue figures.¹
(Impact in Q3 was 440M JPY, YoY growth before deductions: +4%)



Core Operating Profit²

(Billion JPY)



1. In compliance with accounting standards, from FY2024.6 Q4, a portion of point-related expenses (attributed to advertising costs) are deducted from revenue figures.

2. Core operating profit is defined as IFRS operating profit excluding other income/expenses, etc.

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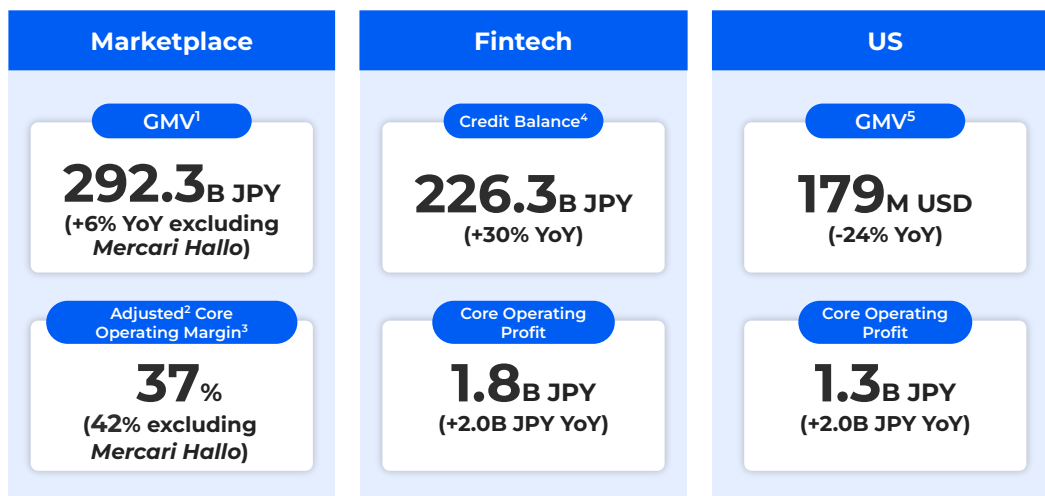
Consolidated revenue was 49.9B JPY, increasing by +3% YoY. However, the pre-deduction growth rate for revenue was +4% YoY due to a change in accounting methods where a portion of point-related expenses are deducted from revenue since FY2024.6 Q4 for Marketplace and since FY2025.6 Q3 for Fintech.

Under the objective raised at the beginning of the current fiscal year, “aim essentially for top-line growth associated with increased profitability,” investment and cost efficiency made steady progress, and as a result, core operating profit was 8.8B JPY, +85% YoY.

In the Marketplace business, investment continued in high growth areas such as *Mercari Hallo*, B2C, and crossborder transactions, and it is believed that the profitability of the C2C business is further improving. As the Fintech business transitions to a phase of increasing profit, interest income is growing steadily, owing to the credit balance obtained from the accumulation of credit balance due to disciplined investment. Notwithstanding the effect of temporary factors, the US business will break even in cumulative Q3 as a result of strengthening the core product and continuously implementing cost cutting.

1 FY2025.6 Q3—KPI Summary

Financial Results Presentation Material



1. Aggregate transaction value after adjusting for cancellations (includes transaction value of "Mercari NFT" and data transmission costs)

2. Profit after deduction of internal transactions with Marketplace/Fintech (outsourced payment processing fees)

3. Core operating profit and core operating margin are defined as IFRS operating profit excluding other income/expenses, etc.

4. *Merpay Smart Payments* (lump-sum payment, fixed-amount payment, or installment payment) and *Smart Money* credit balance at the end of the quarter (excludes debt converted into bankruptcy reorganization debt)

5. Aggregate transaction value after adjusting for cancellations

1 Marketplace—Summary

FY2025.6 Business Objectives

- Aim for a GMV growth rate of around +10% YoY and an adjusted¹ core operating margin² of 37–42% through strong growth of crossborder transactions and B2C, in addition to steady growth of the C2C business
- *Mercari Hallo*: Establish an environment enabling the service to be used across the country and aim to become the number-one service in Japan in the medium term

Mainly due to the effects of our product strategies, GMV grew steadily to 292.3B JPY (+6% YoY). Achieving our target GMV growth rate for the full year will be very challenging, but we will continue to work on improving growth.

We held advertising promotions for such things as the Super Mercari Market large-scale marketing campaign, and adjusted core operating margin was 37% (or 42% excluding *Mercari Hallo*). Our full-year targets remain unchanged.

At the end of March, *Mercari Hallo* ended its no merchant fee promotion and began charging for the service.

1. Profit after deduction of internal transactions with Marketplace/Fintech (outsourced payment processing fees)
2. Core operating profit is defined as IFRS operating profit excluding other income/expenses, etc.

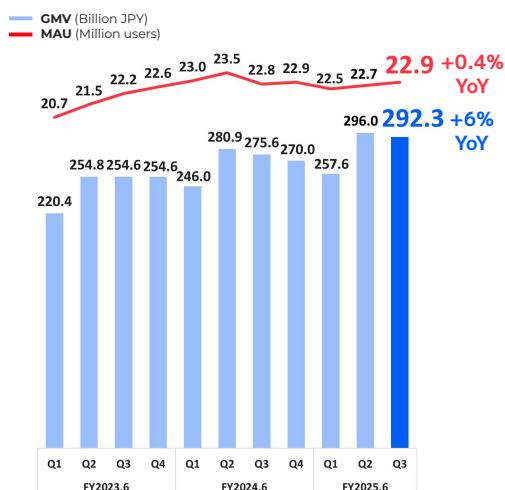
For Marketplace, compared to last year, which had one extra business day on account of the leap year, GMV was 292.3B JPY (+6% YoY) due to implementing effective marketing initiatives while also focusing on product strategies. GMV growth rate fell below the target raised at the start of FY2025.6, and achieving our full-year target will be very challenging. However, we will continue to work to raise the level of GMV through product strategies.

We also held the large-scale marketing campaign Super Mercari Market from February 27 to March 18. In association with this promotion, advertising costs increased, and adjusted core operating margin was 37% (or 42% excluding *Mercari Hallo*). However, our target for the full year remains unchanged and we aim to achieve it.

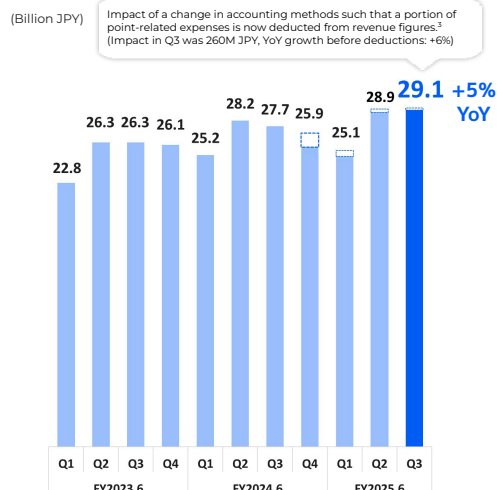
Mercari Hallo ended its no merchant fee promotion at the end of March 2025 and began charging for the service in April 2025.

1 Marketplace—Results (Quarterly)

GMV¹/MAU²



Revenue



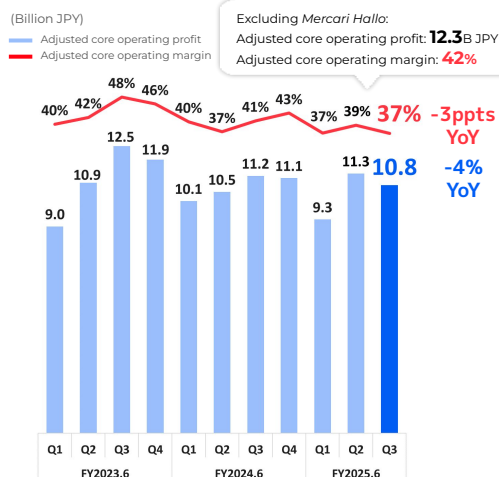
1. Aggregate transaction value after adjusting for cancellations (includes transaction value of Mercari NFT and data transmission costs); does not include Mercari Hallo
 2. Quarterly average number of users who browsed our service (app or web) at least once during a given month
 3. In compliance with accounting standards, from FY2024.6 Q4, a portion of point-related expenses (attributed to advertising costs) are deducted from revenue figures.

GMV was 292.3B JPY, +6% YoY.

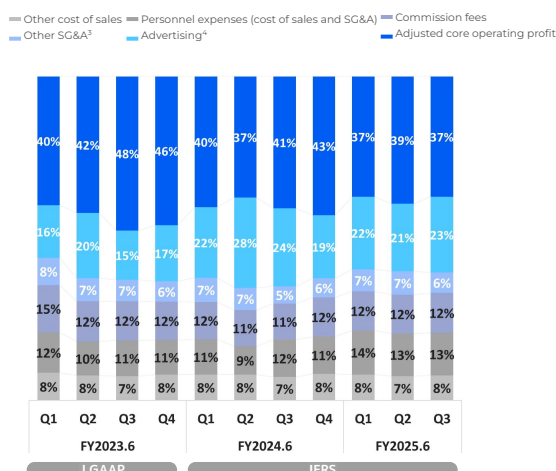
Starting from FY2024.6 Q4, we have changed accounting methods such that a portion of point-related expenses is now deducted from revenue. As a result, the YoY growth rate for Q3 was 5%. Furthermore, excluding the effects of this change, the YoY growth rate was 6%.

1 Marketplace—Results (Quarterly)

Adjusted¹ Core Operating Profit²/Margin



Profit and Cost Composition



1. Profit after deduction of internal transactions with Fintech (outsourced payment processing fees)
2. Core operating profit is defined as IFRS operating profit excluding other income/expenses, etc.
3. Outsourcing expenses, land rent, and depreciation, etc.
4. In accordance with accounting standards, starting in FY2024.6 Q4, a portion of point-related expenses (attributed to advertising costs) are deducted from revenue figures and advertising costs

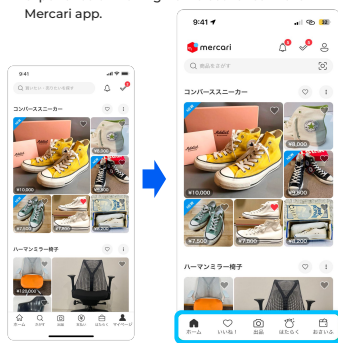
In Q3, in addition to the implementation of large-scale marketing initiatives and despite investment in *Mercari Hallo*, adjusted core operating profit was 10.8B JPY, and adjusted core operating margin was 37%, which is within the full-year goal. Excluding *Mercari Hallo*, adjusted core operating profit was 12.3B JPY and adjusted core operating margin was 42%.

Moreover, quarterly costs and the resulting operating profit will fluctuate and will not necessarily be fixed. The figures will vary due to the implementation timing of product strategies and whether there is a marketing initiatives in place and its content, as well as the flexibility of management decisions in response to users' reactions to these strategies. Therefore, we are executing a planning strategy focused on the full year.

1 Marketplace—Product Initiatives

Continued Home Screen Updates

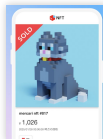
- Simplified app operation by revamping the top and bottom tabs.
- Aiming to improve purchase rate, promoted a recommendations feature to encourage the user experience of making new discoveries in the Mercari app.



Expanded Business Categories

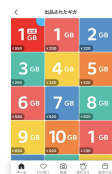
Digital Content

- Launched the NFT marketplace "Mercari NFT" aiming to circulate all forms of value.



Mobile Data (Giga)

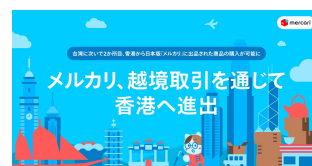
- Aiming to improve Group LTV¹, launched a feature² that allows anyone to buy and sell mobile data for the first time ever in Japan.



Expanded High Growth Areas

Crossborder Transactions

- Launched "Mercari Global Shipping,"³ to allow lower-cost shipping for crossborder transactions for Taiwan.
- Started direct crossborder transactions⁴ in Hong Kong through Mercari.⁵



1. Life Time Value

2. Only data usage to be used with Mercari Mobile can be bought and sold; available only to users who have applied for Mercari Mobile

3. Launched on March 7, 2025

4. People overseas register as Mercari users, which allows them to purchase items in their local language and with prices shown in the local currency, while sales and payments are handled through a third-party company, creating a smooth user experience

5. Launched on May 7, 2025

In FY2025.6, we are working to grow GMV by updating our product, and to that end we promoted various product initiatives in Q3.

We continued to make updates to the Home screen, which we revamped in Q2, and aiming to make the app easier for our users to navigate, we redesigned the tabs on the top and bottom of our interface.

We redesigned the top tabs to simplify the UI together while working to eliminate the complexity of the app resulting from offering a product with a long list of features. We also aimed to simplify the experiences of buying and selling, reduced the number of icons on the lower tab, redesigned the upper tabs, and simplified the UI.

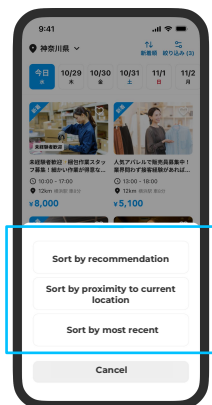
In addition, to encourage discovery as part of the *Mercari* user experience, we improved our algorithm as it regards the recommendation feature and item display in an effort to improve the purchase rate. Furthermore, to create a marketplace that circulates all forms of value and not just physical items, we have expanded the categories of our business by making transactions using non-fungible tokens (NFTs) and mobile data possible.

In the fast-growing area of crossborder transactions, we launched *Global Mercari Shipping* to allow more economically priced shipping aimed at stimulating crossborder transactions for Taiwan. We will also launch direct crossborder transactions service in Hong Kong aiming for further growth.

1 Marketplace—On-Demand Work

Enhanced Job Listing Search Features

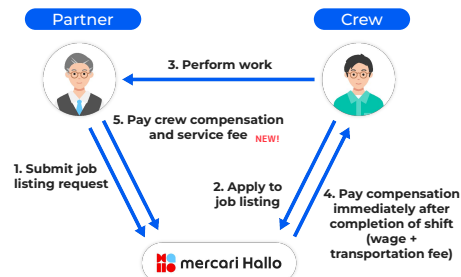
- To improve the usability of our service, we expanded the features for sorting job listings.¹ By adding more search exclusion keywords, we made it possible to customize our search feature in response to the needs of crew members.



1. Feature that allows listings to be sorted by proximity to current location, most recent, and recommended

Started Charging Merchant Fees

- Even as we start charging merchant fees from April, we have succeeded in the initial stage at minimizing the number of partners who left the service and have made solid progress on acquiring new partners.



A year has passed since we launched *Mercari Hallo*, our on-demand work business, and since that time, the numbers of both crew members and partner businesses have grown steadily.

As a way of enhancing the job listing search features of our product, we have expanded the features available for users to sort listings: proximity to current location, most recent, and recommended. In addition to this, we have added a feature that allows crew to exclude keywords from their searches and tailor the search feature to their needs, which also marks solid progress on our goal to improving the UI/UX, thereby making it possible for crew to customize the search feature according to their needs and making solid progress on improving the UI/UX as a result.

In addition, against a backdrop of solid growth of the service, we ended our no-fee promotion and began charging partners for our service on April 1, 2025. In the initial phase, we have kept the number of partners who left the service within our target and have also made solid progress on acquiring new partners.

1 Fintech—Summary

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FY2025.6 Business Objectives

Transition to a phase of continuously increasing profit through steady accumulation of credit balance; aim for core operating profit¹ of 3.0B JPY or higher

Recorded a core operating profit of 1.8B JPY (+2.0B JPY YoY) driven by the steady growth of credit balance for fixed-amount payment, achieving our target for the full year as of the nine months ended March 31, 2025.

Released *Mercard Gold* to enhance cardholder loyalty and maximize transaction volume.² Although a reflection of the initial velocity of the release, the response has been favorable, such as the expansion of *Mercard* usage inside and outside of *Mercari*.

In Q4, core operating profit is projected to fall below the level seen in Q3 since the last quarter of FY2025 is marked as a period of growth investment toward the next fiscal year onward. However, we will not be changing our business objectives for the full year.

1. Core operating profit is defined as IFRS operating profit excluding other income/expenses, etc.
2. Launched on March 17, 2025

In Fintech, we recorded a core operating profit of 1.8B JPY (+2.0B JPY YoY) driven by the steady growth of credit balance for fixed-amount payment, achieving our target for the full year of 3.4B JPY cumulative up to Q3.

As a new initiative, we launched *Mercard Gold* with the goals of enhancing cardholder loyalty and maximizing transaction volume. Although a reflection of the initial velocity of the release, the response has been favorable, such as the expansion of *Mercard* usage inside and outside of *Mercari*.

In Q4, core operating profit is projected to fall below the level seen in Q3 since the last quarter of FY2025 is marked as a period of growth investment toward the next fiscal year onward. However, we will not be changing our business objectives for the full year.

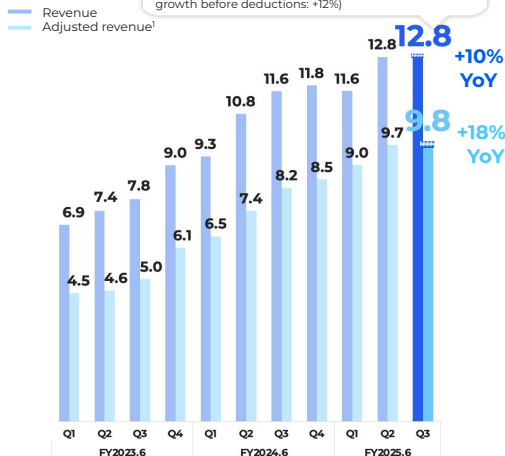
1 Fintech—Results (Quarterly)

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Revenue

(Billion JPY)

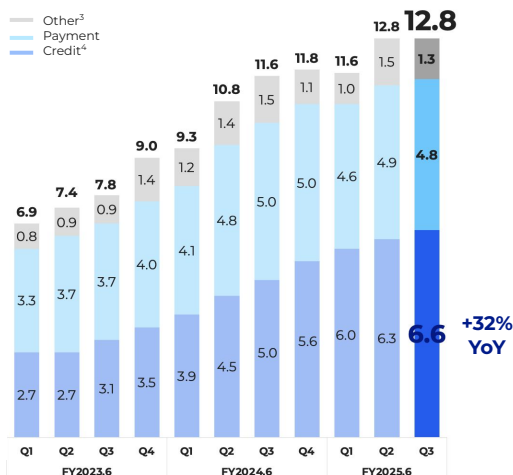
Impact of a change in accounting methods such that a portion of point-related expenses is now deducted from revenue figures:² (Impact in Q3 was 150M JPY, YoY growth before deductions: +12%)



Breakdown of Revenue

(Billion JPY)

Other²
Payment
Credit⁴



1. Revenue after deduction of internal transactions with Marketplace/Fintech (outsourced payment processing fees)

2. In compliance with accounting standards, from FY2025.6 Q3, a portion of point-related expenses (attributed to advertising costs) are deducted from revenue figures.

3. Includes revenue of Mercari, Inc., bank withdrawal fees, expiration and seizure of sales balance, and Mercari reissuance fees, etc.

4. The annual effective interest rate for new credit of fixed-amount payment was revised to 18% effective January 1, 2025

Our focus area of credit continues to see a high rate of growth at +32% YoY, which drove revenue of 12.8B JPY, a +10% YoY gain.

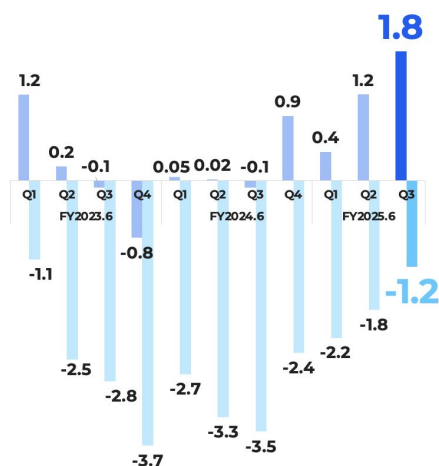
1 Fintech—Results (Quarterly)

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Core Operating Profit¹

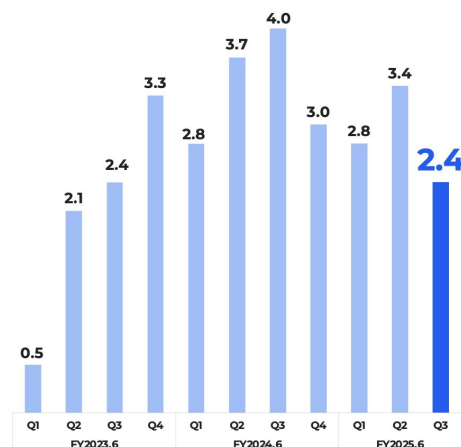
(Billion JPY)

Core operating profit
Adjusted core operating profit²



Advertising Costs

(Billion JPY)



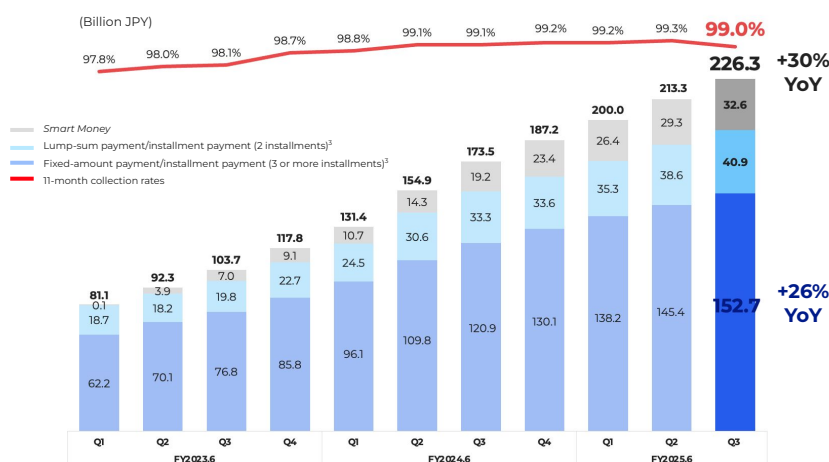
1. Core operating profit is defined as IFRS operating profit excluding other income/expenses, etc.
2. Profit after deduction of internal transactions with Marketplace/Fintech (outsourced payment processing fees).

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Core operating profit was 1.8B JPY, the highest amount to date. Advertising costs decreased QoQ, but our object for Q4 onward is to strengthen growth investment toward the next fiscal year.

1 Fintech—Expansion of Credit Balance

Credit Balance¹ and Collection Rates²



1. Merpay Smart Payments (lump-sum payment, fixed-amount payment, or installment payment) and Smart Money credit balance at the end of the quarter (excludes debt converted into bankruptcy reorganization debt)

2. Weighted average rate of the quarterly cumulative collections completed within the past 11 months compared to the amount of Merpay Smart Payments (lump-sum payment, fixed-amount payment, and installment payment) and Smart Money billed in the past 11 months (excludes bankruptcy reorganization debt)

3. Installment payment (two-installment payment only) can be used without incurring fees, so credit balance is disclosed together with lump-sum payment, which does not generate interest income. However, installment payment of three or more installments does generate interest income (annual rate 15.0%), and therefore, credit balance is disclosed together with fixed-amount payment.

Credit balance has grown to 226.3B JPY led by the +26% YoY increase of Fintech's twin revenue bases of fixed-amount payment and installment payment. In the latter half of 2024, collection rates fell following changes to the credit line of some cardholders. However, we believe that the effects will be temporary because measures were taken swiftly.

1 Fintech—Product Initiatives

Launched *Mercard Gold* card

- The *Mercard Gold* card offers higher-value incentives than the standard *Mercard*, such as up to 2% points back on purchases made outside of the *Mercari* app. Mercari aims to promote *Mercard Gold* as the user's primary card for purchases both inside and outside the *Mercari* app.



Added a New Cryptocurrency

- To further encourage the adoption of cryptocurrency in Japan, we have added XRP to the *Mercari* app.¹ XRP has the fourth largest price by market cap² among the world's cryptocurrencies.



1. Launched April 24, 2025

2. Reference: CoinMarketCap "Today's Cryptocurrency Prices by Market Cap" (retrieved April 21, 2025)

Aiming to further grow our Fintech business, we have worked on various product initiatives in Q3.

Since entering the credit card market in Q2 of FY2023.6, we have made steady progress toward our goals ("Strengthen the profitability of our Fintech business," "Further grow Marketplace GMV," and "Reduce payment fees in the marketplace app") to expand the creation of Group synergy.

Our recently-launched *Mercard Gold* offers higher-value incentives than the standard *Mercard*, such as up to 2% points back on purchases made outside of the *Mercari* app. Mercari aims to promote *Mercard Gold* as the user's primary card for purchases both inside and outside the *Mercari* app.

Additionally, to further encourage the adoption of cryptocurrency in Japan, we have added XRP to the *Mercari* app. XRP has the fourth largest price by market cap among the world's cryptocurrencies.

**FY2025.6
Business
Objectives**
Commit to breaking even and aim to get back on track for growth

Significantly improved core operating profit to 1.3B JPY and successfully broke even in cumulative Q3 due to the optimization of marketing expenses, various cost reductions associated with strengthening the core product, and such things as refunds and other temporary factors¹

GMV growth rate improved by 3ppts QoQ to -24% YoY as a result of the success of the new fee model² increasing AOV³; aiming for continued improvement as we work to get back on track for growth

Expecting core operating profit in Q4 to be lower than levels in Q3 due to Q4 being the low season and the lack of such things as refunds and other temporary factors, but there are no changes to our objective of aiming to break even for the full year

1. Improvements due to temporary factors comprise approximately half of the 1.3B JPY core operating profit in FY2025.6 Q3
2. Launched on January 6, 2025
3. Average order value

In our US business, we significantly improved core operating profit to 1.3B JPY and successfully broke even in FY2025.6 Q3 due to the optimization of marketing expenses, various cost reductions associated with strengthening the core product (shipping compensation costs, costs related to fraudulent usage, etc.), and such things as refunds and other temporary factors.

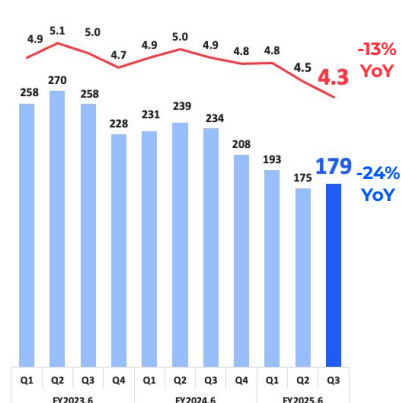
GMV growth rate improved by 3ppts QoQ to -24% YoY as a result of increased AOV and other factors due to the success of the new fee model. We will aim for continued improvement as we work to get back on track for growth.

We anticipate that core operating profit in Q4 will be lower than levels in Q3 due to Q4 being the low season and the lack of such things as refunds and other temporary factors, but there are no changes to our objective of aiming to break even for the full year.

1 US—Results (IFRS¹/Quarterly)

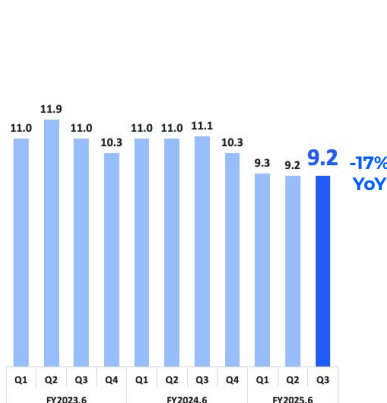
GMV²/MAU³

— GMV (Million USD)
— MAU (Million users)



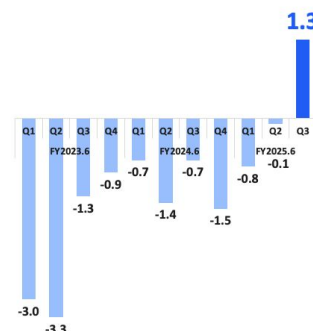
Revenue

(Billion JPY)



Core Operating Profit⁴

(Billion JPY)



1. Transitioned to IFRS notation starting FY2025.6
 2. Aggregate transaction value after adjusting for cancellations
 3. Quarterly average number of users who browsed our service (app or web) at least once during a given month
 4. Core operating profit is defined as IFRS operating profit excluding other income/expenses, etc.

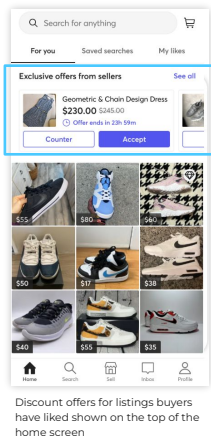
While the negative GMV growth has continued, we are beginning to see signs of improvement thanks to the new fee model and other factors. Core operating profit improved significantly by 1.3B JPY (+2.0B yen YoY), enabling us to break even in cumulative Q3.

MAU decreased YoY due to strengthened measures to prevent fraudulent use and other factors. However, the percentage of fraudulent accounts is also on a decreasing trend. We will continue to focus on improving our core product and ensuring a safe and secure usage environment and aim to expand our user base going forward.

1 US—Core Product Updates

Improvements to the Listing/Buying Experience

- Updated the search algorithm to display listings from sellers with high ratings at the top of search results; saw initial improvements to indicators such as display count as well as a decrease in cancellation rate
- Enhanced the seller experience by making items sell more easily, with changes such as displaying discount offers on the top of the home screen



Enhancements to Measures to Address Fraudulent Usage

- Strengthened authentication, including KYC¹, when listing items or using the message feature
- Suspended use of the public comment feature and restricted the direct message feature in order to limit inappropriate comments and spam



1. Know your customer (KYC): Identity verification carried out by asking users to submit identification documents

This page shows examples of updates we've made to our core product.

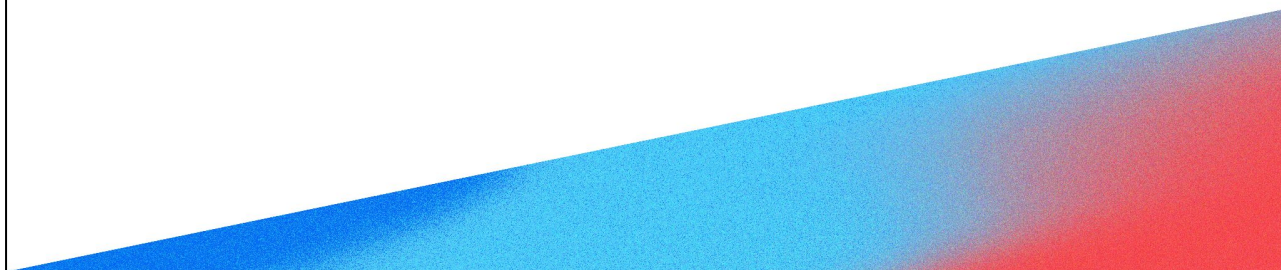
As part of our efforts to improve the listing and buying experience, we updated the search algorithm to display listings from sellers with high ratings at the top of search results. The initial results have shown improvements to indicators such as display count, as well as a decrease in cancellation rate.

We have also enhanced the seller experience by making items sell more easily, with changes such as displaying discount offers for listings buyers have liked on the top of the home screen.

We strengthened authentication, including KYC, for users listing items or sending messages (chat or direct message). Additionally, we suspended use of the public comment feature and restricted the direct message feature in order to limit inappropriate comments and spam. These changes contribute to reducing costs related to fraudulent usage, in addition to creating a safer and more secure usage environment.

We will continue to strengthen our initiatives to address fraudulent usage, such as enhancing KYC, in Q4 and beyond.

Appendix



2 Board of Directors Structure

- Appointing Outside Directors with a wealth of knowledge and experience in a variety of areas to realize a transparent and highly diverse organization



**Makiko Shinoda**

Chair of the
Compensation
Committee

**Takuya Kitagawa****Daiken Tsunoda**

Chair of the Audit
Committee

Background

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

- Managing Executive Officer, Chief Data Officer of Technology Division of Rakuten, Inc.
- Director of Rakuten Data Marketing, Inc.
- Co-founder and Director, Public Interest Well-being for Planet Earth Foundation (current position)
- President and Director, QuEra Computing (current position)

- Partner of Mori Sogo (Now: Mori Hamada & Matsumoto)
- Partner of Nakamura & Tsunoda (currently Nakamura, Tsunoda & Matsumoto)
- Outside Corporate Auditor of INES Corporation
- Outside Corporate Auditor and Outside Director of Mitsui Sumitomo Insurance Group Holdings, Incorporated (currently MS&AD Insurance Group Holdings, Inc.)
- Outside Director of Culture Convenience Club Co., Ltd. (current position)
- Outside Director of Eisai Co., Ltd.
- Outside Director (Member of the Audit and Supervisory Committee) of Sumitomo Mitsui Banking Corporation (Audit & Supervisory Committee Member) (current position)
- Established Daiken Tsunoda Law Office, Lawyer (current position)

Reasons for Selection as Outside Directors

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

- Knowledge in technology areas such as AI and data science
- Profound insight in the use of AI and data for business creation and social issues

- Strong insight in the areas of corporate law and corporate governance
- Extensive knowledge and profound insight in the fields of risk management and compliance



Kazuhiko Toyama
Chair of the Nominating
Committee



Shiho Konno



Kumi Fujisawa

Background

- Boston Consulting Group
- Representative Director and President of Corporate Direction Inc.
- Senior Representative Director (COO) of Industrial Revitalization Corporation of Japan
- Representative Director, CEO of Industrial Growth Platform, Inc.
- Outside Director of Panasonic Corporation (currently Panasonic Holdings Corporation) (current position)
- Outside Director of Tokyo Electric Power Company Holdings, Inc.
- Chairman of Industrial Growth Platform, Inc. IGPI Group (current position)
- Outside Director of Kuroda Precision Industries Ltd. (current position)
- Representative Director, Chairman of Japan Platform of Industrial Transformation, Inc. (current position)
- Audit and Supervisory Board Member of Yahoo Japan Corporation (currently LY Corporation)
- Auditor of Advanced Softmaterials Inc. (currently ASM Inc.)
- Member of the Committee on Realization of a Gender-Equal Society at the Japan Federation of Bar Associations (current position)
- Auditor of Japan Corporate Governance Network
- Shiho Konno Habataki Law Office, Lawyer (current position)
- Outside Director of Watami Co., Ltd.
- Outside Director of Kakaku.com, Inc.
- Outside Director of Alfresa Holdings Corporation
- Outside Audit & Supervisory Board Member of Shinsei Bank, Limited (currently SBI Shinsei Bank, Limited)
- Member of the Board of Monex Group, Inc.
- Outside Director of LIXIL Corporation (current position)
- Outside Audit & Supervisory Board Member of Pegasus Tech Holdings, Inc. (current position)
- Joined KOKUSAI Investments Trust Management Co., Ltd.
- Joined Schroder Investment Management (Japan) Limited
- Representative Director of IFIS JAPAN LTD.
- Vice Chair of the Investment Trusts Association, Japan (current position)
- Governor of the Japan Securities Dealers Association (current position)
- Outside Director of The Shizuoka Bank, Ltd.
- Outside Director of the Board of Toyota Tsusho Corporation
- Outside Director, Member of the Board of Creek & River Co., Ltd.
- Outside Director of CellSource Co., Ltd. (current position)
- Outside Director of Net Protections Holdings, Inc. (current position)
- Chairperson of Institute for International Socio-Economic Studies (current position)
- Outside Director of Shizuoka Financial Group, Inc. (current position)

Reasons for Selection as Outside Directors

- Extensive knowledge and deep insight in the areas of management and corporate governance
- Deep experience in promoting innovation to solve social issues
- Specialized expertise in the fields of corporate legal affairs and corporate governance
- Extensive knowledge and profound insight in the fields of risk management and compliance
- Extensive experience in promoting innovation to address social issues
- Extensive expertise and profound insight in global business, corporate governance, and other fields



Mayumi Umezawa



Kikka Hanazawa

Background

- Joined the Tokyo office of Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC)
- Umezawa Accountant Office (currently Mayumi Umezawa CPA Office) (current position)
- Joined McDonald's Company (Japan), Ltd.
- Finance Manager of Disney Store Department at The Walt Disney Company (Japan) Ltd.
- Director of Accounting Labo (currently Accounting Labo Co., Ltd.) (current position)
- Outside Audit & Supervisory Outside Director (Audit and Supervisory Committee Member) of Retty Inc.
- Supervisory Director of Japan Hotel REIT Investment Corporation (current position)
- Outside Director of Wellness Communications Corporation
- Outside Director (Audit and Supervisory Committee Member) of ROYAL HOLDINGS Co., Ltd. (current position)

- General Manager, Itochu Fashion System Co., Ltd. New York office
- Vice President of Marketing, Cygne Designs, Inc.
- CEO of CYGNE INTERNATIONAL
- Director of Strategic Planning, Link Theory Holdings Co., Ltd
- CEO of VPL
- President of Fashion Girls for Humanity (current position)
- Co-founder of Yabbey (current position)
- Director of Columbia University (current position)

Reasons for Selection as Outside Directors

- Specialized expertise in the fields of finance and accounting
- Profound insight into the fields of risk management, compliance, and corporate governance

- Extensive experience in business management, primarily in the US, tackling social issues through businesses
- Profound expertise in the field of sustainability

2 Financial Policies

Financial Results Presentation Material

Consolidated	<ul style="list-style-type: none"> Essentially strengthen our capital through top-line growth that will lead to increased profits Diversify debt financing methods, lengthen financing periods, and spread out repayment periods to strengthen our financial foundation <ul style="list-style-type: none"> In February 2025, will receive an investment-grade rating of BBB- (positive) from Rating and Investment Information (R&I) Continue to watch market trends; manage and finance capital flexibly while also examining the status of the market
Fintech	<ul style="list-style-type: none"> Promote non-recourse¹ receivable liquidation as our basic financing policy Maintain/enhance our collection rate Strengthen balance sheet management through asset and liability management (ALM)²
Approach to Shareholder Returns	<ul style="list-style-type: none"> For the foreseeable future, we will strive for growth investment and to retain our internal reserves At present, our retained earnings is negative, and we are not legally able to pay dividends, so we do not have plans to pay dividends

1. A method of financing in which the amount collected from the credit is the only source of repayment, and the repayment obligation is not borne by Mercari
 2. A method of managing risks by comprehensively looking at assets and liabilities

2 Major Itemization of Consolidated BS

- We will continue to leverage various methods of financing and appropriately control our balance sheet to maintain a sound financial foundation

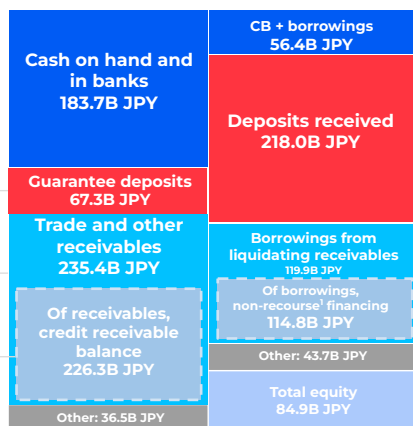
Financial Results Presentation Material

Mainly deposits related to user funds

With regard to preservation of user funds, we act in accordance with laws regarding funds transfer services, etc., by depositing funds to the authorities and concluding a Guarantee Contract for Security Deposits for Providing Funds Transfer Services with financial institutions

Mainly credit from transactions within Mercari, items under "Trade accounts receivable", items under "Allowance for doubtful accounts", etc.

Credit balance from Merpay's credit services



Total assets at end of FY2025.6 Q3: **523.0B JPY**

Convertible bonds and long-term borrowings

Long-term borrowings, including convertible bonds but excluding funds financed by liquidating receivables. In September 2024, purchased approximately 21B JPY worth of the total 50B JPY euro-yen denominated convertible bonds issued in July 2021 (25B JPY maturing in 2026, 25B JPY maturing in 2028)

Mainly Mercari sales balance (including US) and wallet balance from users adding funds from banks

Funds financed by liquidating receivables

Liquidated lump-sum payment and fixed-amount payment receivables for Merpay Smart Payments. Starting FY2023.6, we have carried out non-recourse¹ financing for a portion of liquidated receivables.

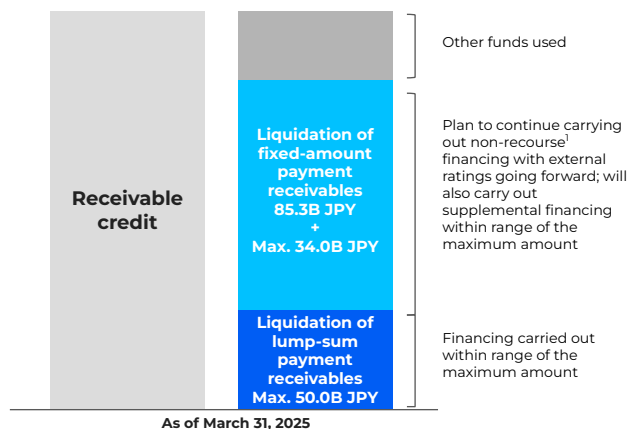
1. A method of financing in which the amount collected from the credit is the only source of repayment, and the repayment obligation is not borne by Mercari

2 Fintech—Approach to Financing for Credit Services

- We plan to expand and diversify financing in sync with the growth of our credit services centered on non-recourse¹ receivable liquidation, in which financing is based on confidence in the actual credit receivable for *Merpay Smart Payments*

Financial Results Presentation Material

- We have received an external rating for *Merpay Smart Payments* fixed-amount payment receivables and carried out non-recourse¹ financing for a total of 85.3B JPY as of the end of FY2025.6 Q3.
- Additionally, we have liquidated receivables in line with the growth of our credit balance per month, with the maximum amount set to 34.0B JPY for fixed-amount payment and 50.0B JPY for lump-sum payment, and improved the efficiency of our funds.



1. A method of financing in which the amount collected from the credit is the only source of repayment, and the repayment obligation is not borne by Mercari

2 ESG—Signed Sustainability-Linked Loan Agreement

mercari

- After obtaining third-party evaluation¹ for our basic sustainability policy and greenhouse gas emissions reduction targets², signed a sustainability-linked loan³ agreement with Mizuho Bank, Ltd.⁴
- This marks Mercari's first case of sustainable finance; we will aim to both contribute to the environment and society through our businesses and enhance our financial structure



1. Obtained third-party evaluation from Japan Credit Rating Agency, Ltd. for conformance with the "Sustainability Linked Loan Principles" and "Green Loan and Sustainability-Linked Loan Guidelines" in March 2025. For details, see the Japan Credit Rating Agency, Ltd. website (<https://www.icr.co.jp/en/>).

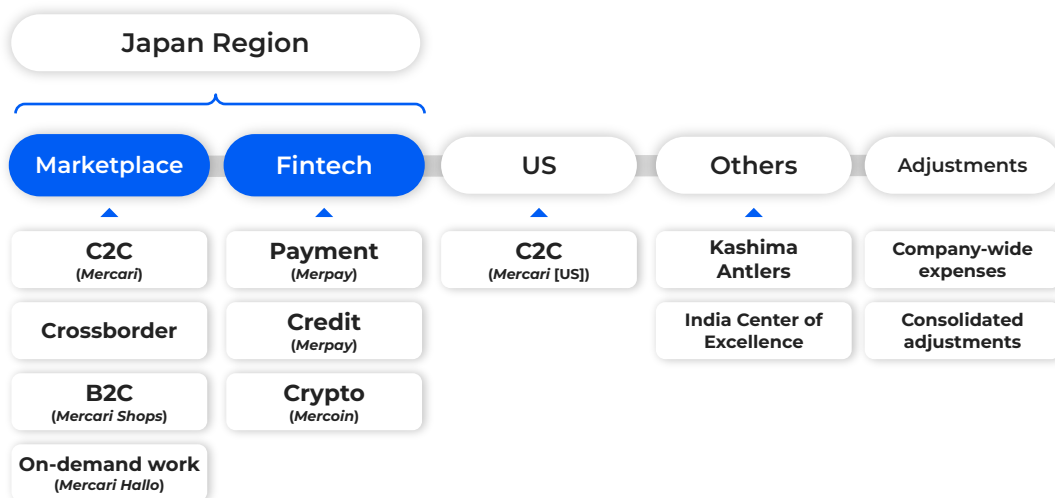
2. Obtained SBT certification for greenhouse gas emissions reduction targets in September 2024. (https://about.mercari.com/en/press/news/articles/20240925_sbt/)

3. A loan in which the financial terms, such as interest rate, are tied to the borrower's progress toward the Sustainability Performance Targets ("SPTs") they have set as part of their ESG strategy. These loans aim to incentivize borrowers to achieve their SPTs and to promote and support economic growth and environmentally and socially sustainable economic activity.

4. This agreement converts Mercari's existing loan from Mizuho Bank to a sustainability-linked loan, with no change in total financing amount or increase in procurement costs. This conversion does not impose any additional constraints on Mercari's use of the funds.

2 Business Segments

Financial Results Presentation Material



2

Mid-Term Objectives of Main Businesses

(Excerpt from FY2024.6 Q4 Presentation Materials)

Group-wide

Mid-Term Objectives

- Work with external partners to realize an ecosystem
- Promote global expansion by growing our US business and strengthening crossborder transactions
- Create a borderless organization where talent from all over the world can thrive and strengthen I&D

Focus Areas

- Strengthen AI/LLM and data infrastructure
- Strengthen our safe and secure usage environment
- Reinforce information security
- Promote I&D
- Expand globally focused on crossborder business

Marketplace

Mid-Term Objectives

- In addition to the stable growth of the C2C business, continue to lead the market with high-level growth of crossborder transactions, B2C, etc.
- Become No. 1 in the on-demand work industry

Focus Areas

- Redesign UI/UX using AI/LLMs
- Strengthen categories with high price ranges
- Enhance crossborder transactions
- Grow B2C
- Expand on-demand work

Fintech

Mid-Term Objectives

- Expand Group synergy
- Lift core operating profit to over 10B JPY and establish Fintech as the second pillar of Mercari Group

Focus Areas

- Expand payments and credit balance focused on the loyalty program
- Maintain and enhance AI credit accuracy and collection rates
- Expand our available cryptoasset types and usage scenarios

US

Mid-Term Objectives

- Engage Gen Z and establish name recognition and the reputation as "the easiest and safest selling app"
- Realize sustainable growth while essentially continuing to break even

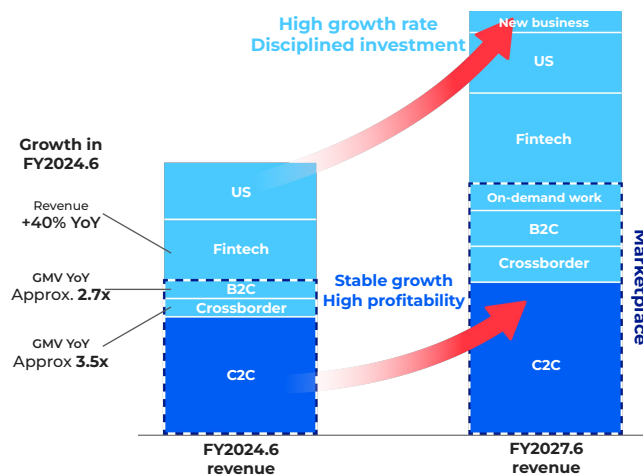
Focus Areas

- Acquire Gen Z users
- Expand crossborder transactions with Japan
- Leverage AI and machine learning to improve UX

2

Aim to Achieve Double-Digit Revenue CAGR FY2024–FY2027 (Excerpt from FY2024.6 Q4 Presentation Materials)

Financial Results Presentation Material



Market size of high growth areas

- The US online reuse market is projected to be worth 180B USD in 2030, which is 2.4 times the size of the market in 2022.²
- The deferred payment market for 2027 is projected to be worth 2.4T JPY, which is double the size of the market in 2022.³
- Annual potential size of the on-demand work market is approximately 5T JPY.⁴
- The size of the global crossborder e-commerce market in 2030 is projected to be 7.938T USD, which is 10 times the size of the market in 2021.⁵
- The size of the Japanese B2C e-commerce market in 2030 is projected to be approximately 23.9T JPY, 1.7 times the size of the market in 2022.⁶

Market size of stable growth areas

- Annual potential size of the C2C market (estimated value of unneeded items): Approx 7.6T JPY.⁷

1. The graph is for illustrative purposes only.

2. Source: "Mercari 2023 Reuse Report"

3. Source: Yano Research Institute Ltd. "Online Payment Service Providers 2024 (Survey)," released on April 19, 2024 (Note: Based on the transaction volume of deferred payment service providers)

4. The on-demand work market is expected to expand amid progress to uncover potential markets while capturing a portion of the mid- to long-term part-time and dispatch worker markets. This was calculated based on the hypothesis that within the total amount of salaries in 2022 (24.9336T JPY) for categories other than full-time employees (such as part-time workers) described in "Statistical Survey of Actual Statistics for Salary in the Private Sector in 2022," 20% of existing part-time and dispatch work positions are in the on-demand market.

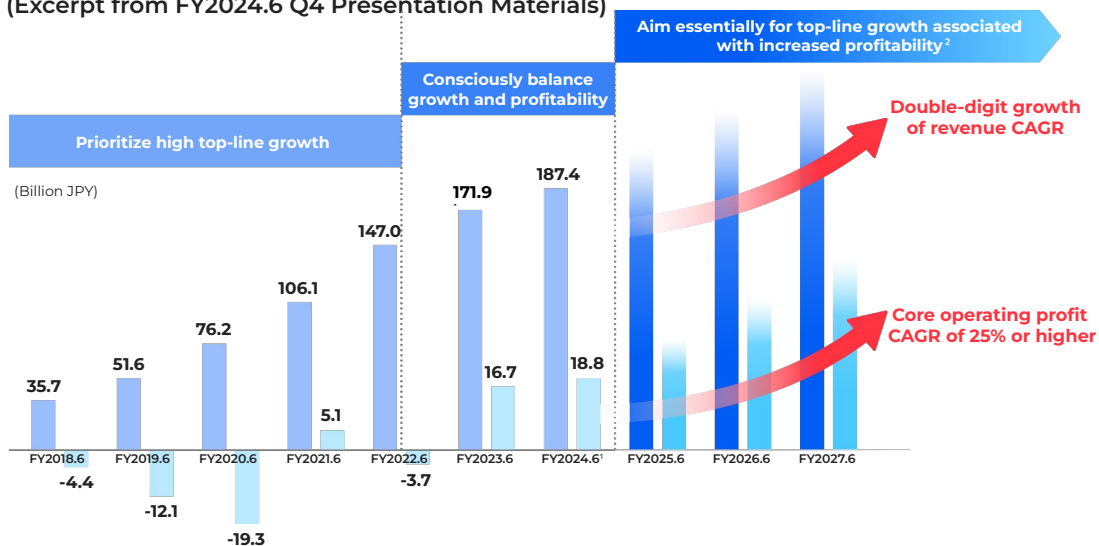
5. Source: "Report on the Results of FY2022 E-Commerce Market Survey" released by the Ministry of Economy, Trade and Industry (METI) on August 31, 2023. Forecast for the expansion of the scale of the global crossborder e-commerce market.

6. Source: "Report on the Results of FY2022 E-Commerce Market Survey" released by the Ministry of Economy, Trade and Industry on August 31, 2023. The 2022 e-commerce adoption rate (91%) in B2C e-commerce for goods was calculated based on the projected EC adoption rate for 2030 (15.6%) outlined in the NLI Research Institute publication "Long-term forecast on commercial facility sales"

7. Source: Ministry of Economy, Trade and Industry (April 2017 and April 2018), total market size including such things as secondhand store sales, online secondhand sales, and auctions. Does not include the sales of automobiles, motorbikes, or moped scooters.

2 Aiming for Core Operating Profit CAGR FY2024–FY2027 of 25% or Higher (Excerpt from FY2024.6 Q4 Presentation Materials)

Financial Results Presentation Material



1. Following the transition to IFRS as of FY2024.6, disclosure is conducted based on IFRS beginning with the business results for FY2023.6.

2. In the event an opportunity arises for significant growth that will contribute to the future growth of the company, a temporary loss may be incurred resulting from making a flexible investment, but the company will explain the investment if this occurs.

(Billion JPY)

Financial Results Presentation Material



1. In accordance with accounting standards, starting in FY2024.6 Q4, a portion of point-related expenses (attributed to advertising costs) are deducted from revenue figures and advertising costs
 2. Outsourcing expenses, land rent and depreciation, etc.

Payment

Various convenient payment methods available

iD payment

Hold your phone over a reader



Code payment

Scan the code



Mercard (Credit card)

Mercard's deferred payment system uses *Smart Payments*. Both the basic Mercard and Mercard Gold are available.



Credit

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

Smart Payments

Lump-Sum Payment

Pay for everyday purchases all at once the following month



Fixed-Amount Payment

Pay over several months at a fixed amount of your choice
Interest rate (annual): 18%¹

Installment Payment

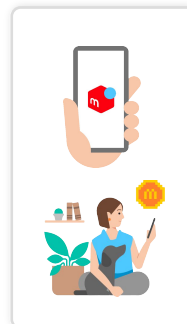
Pay over a number of monthly installments of your choice
Interest rate (annual): 15%²

Smart Money

Borrow when needed and repay flexibly; interest rates fluctuate depending on the borrower's usage of *Mercari*
Interest rate (annual): 3-15%

Asset Management

Service that allows users to buy and sell cryptoassets from within *Mercari*



1. The annual effective interest rate for new claims was revised from 15% to 18% effective January 1, 2025
2. No fees are charged on two-installment payments

- While we aimed to activate transactions by changing to a fee model where the buyer pays fees, the new model showed limited results and had effects such as decreased transactions of high-price-range items, so we carried out further changes to the fee model in January 2025

Financial Results Presentation Material

Through February 2024	From March 2024 (FY2024.6 Q3)	From September 2024 (FY2025.6 Q1)	From January 2025 (FY2025.6 Q3)
<p>Seller pays</p> <ul style="list-style-type: none"> Selling fee: 10% Payment fee: 2.9% + \$0.50 	<p>Buyer pays</p> <ul style="list-style-type: none"> Service fee (Rate depends on category, brand, and other factors) Payment fee: 2.9% + \$0.50 	<p>Buyer pays</p> <ul style="list-style-type: none"> Service fee: 10% Payment fee: 2.9% + \$0.50 	<p>New fee model</p> <p>Seller pays</p> <ul style="list-style-type: none"> Selling fee: 10%¹ <p>Buyer pays</p> <ul style="list-style-type: none"> Buyer protection fee²: 3.6%³

1. 10% of the item price and buyer-paid shipping

2. Fee for a service in which the buyer has access to customer support through the app, website, or phone, and can receive a full refund in the event that the item is different from how it was described in the listing if they contact customer service within 72 hours

3. 3.6% of the item price and buyer-paid shipping

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 FY2025.6 Q4 financial results are scheduled to be released at 15:30 or later on August 5, 2025.

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Mercari, Inc. TSE:4385