

FY2020.6 Q2

# **PRESENTATION MATERIAL**

OCT.2019–DEC.2019

mercari

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# Summary

# 1 FY2020.6 Business Objectives and Q2 Summary

## FY2020.6 Business Objectives Disclosed at Earnings Results Meeting for FY2019.6 Q4

Consolidated: Establish the 3 pillars of Mercari JP, Merpay, and Mercari US in this crucial year to set the foundation to achieve the mission with continuous investment for further growth

Mercari JP: Grow further by expanding listing

Merpay: Obtain an unchallenged position in the cashless market

Mercari US: Achieve monthly GMV of 100 million USD



## Progress and Highlights in Q2

**Mercari JP: Focused on optimizing balance between listing and buying. Steadily increased number of listers**

**Merpay: Continued to focus on *Merpay Smart Payments*. Prepared to bring Merpay to the next phase of business**

**Mercari US: Maintained high top-line growth, yet achieving monthly GMV of 100 million USD this FY is challenging**

# 1 FY2020.6 Q2 (October–December) Q2 KPI Summary

## Consolidated

**GMV<sup>1, 2, 3</sup>**

**168.3** billion JPY  
(YoY +21%)

**Net Sales<sup>4</sup>**

**18.4** billion JPY  
(YoY +39%)

**Operating  
Income**

**-6.8** billion JPY  
(YoY -5.7 billion yen)

## Mercari JP

**GMV<sup>1, 2, 3</sup>**

YoY **+20%**

**Adjusted Operating Margin**

**32%** (YoY +7ppts)

## Merpay

**Number of Users<sup>5</sup>**

**5 million**

**Number of Merchants<sup>6</sup>**

**1.7 million**

## Mercari US

**GMV<sup>1</sup>**

YoY **+46%**

**MAU<sup>7</sup>**

**2.9+ million**

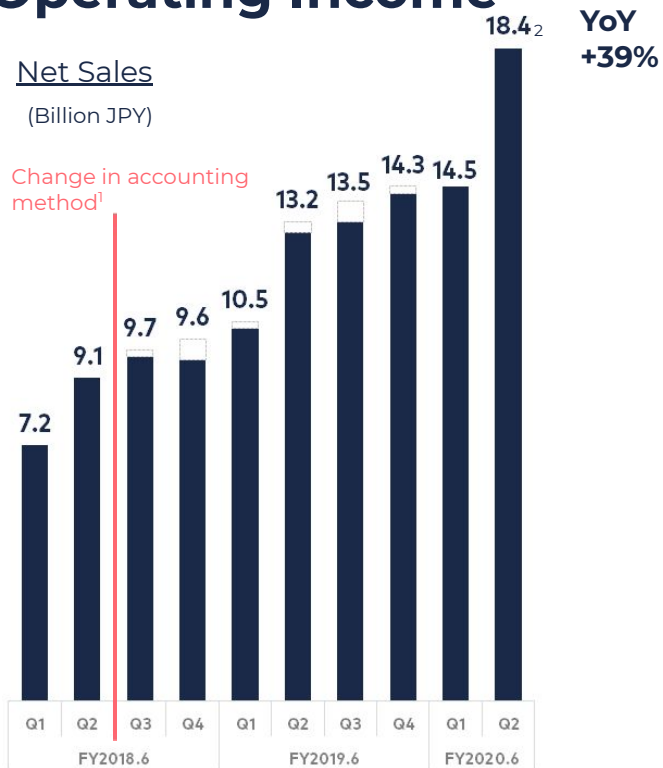
1. Aggregated transaction value after cancellation 2. Merpay excluded 3. CARTUNE included 4. Merpay included 5. Aggregated number of unique users registered for *Merpay Electronic Money*, or used either *QR Code Payments*, *Online Payments*, or *Merpay Smart Payments* (formerly *Merpay Deferred Payments*) as of October 2019; more than 6 million users registered as of January 25th  
6. Merchants scheduled to implement Merpay included 7. MAU as of December 2019 excluding Web

# Financial Highlights

## 2 Financial Highlights—(Consolidated) Q2 Net Sales and Operating Income

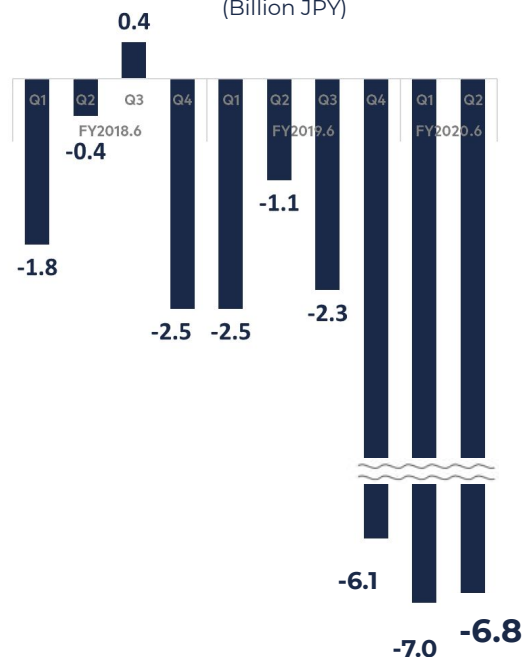
### Net Sales

(Billion JPY)



### Operating Income

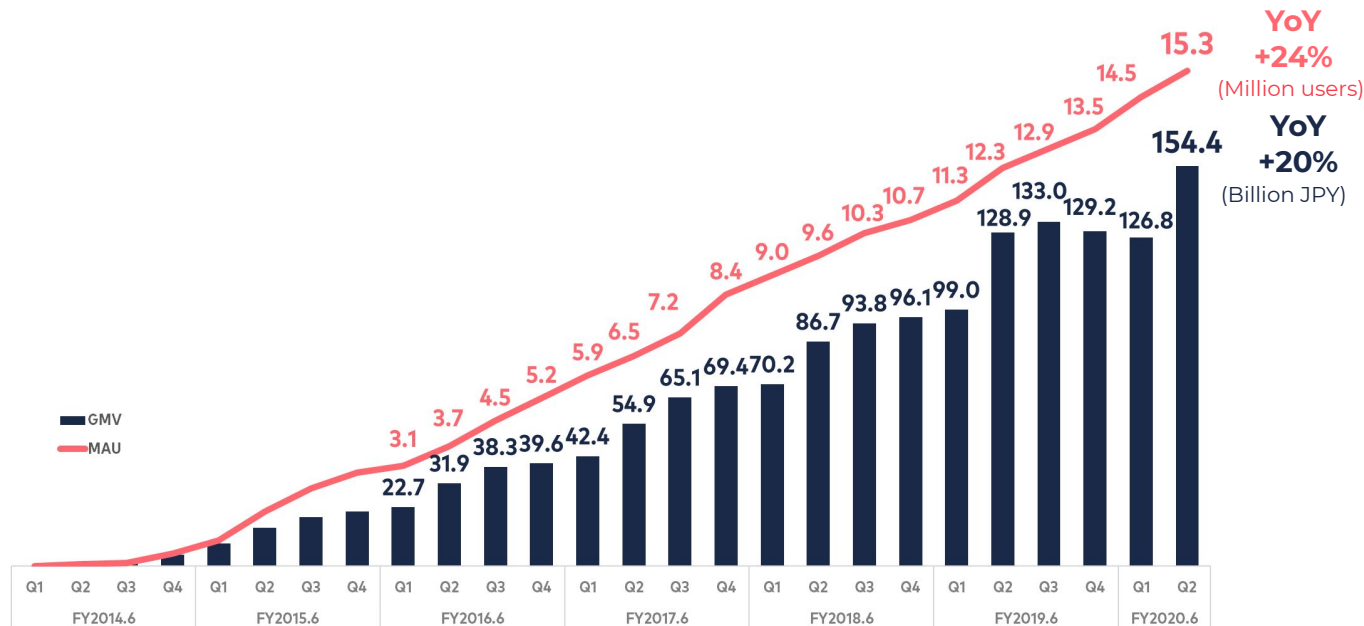
(Billion JPY)



- Under the former user policy, costs related to discount coupons were included as part of promotion costs. Since we changed the user policy, costs related to discount coupons are deducted from net sales after January 2018.
- Numbers are rounded down to the billion, and coupon amount for FY2020.6 Q1-Q2 is indicated as zero.

## 2 Mercari JP

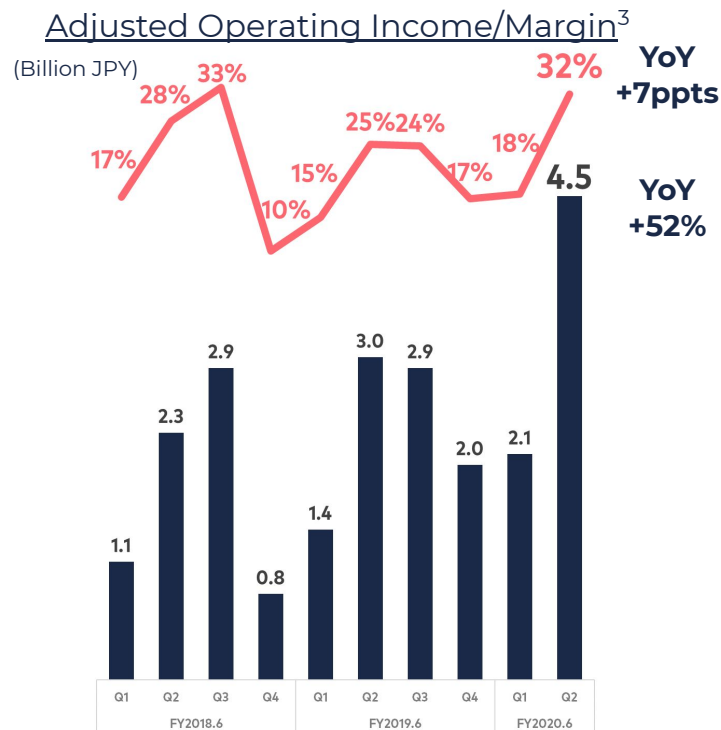
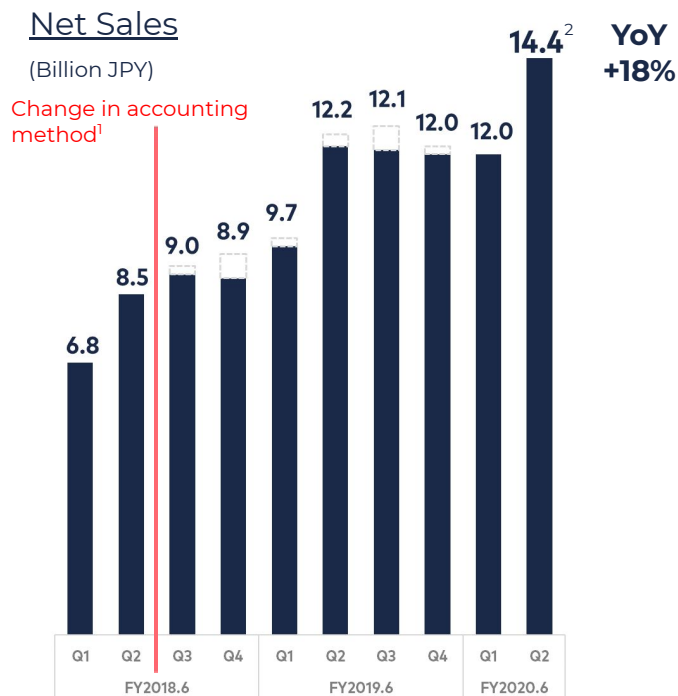
- Achieved record-high quarterly GMV with a large increase QoQ (+27.6 billion JPY)
- Recorded GMV YoY growth rate of only +20% due to the warm winter and strong CRM initiatives last year
- Likely to recover starting from Q3 by optimizing balance between listing and buying
- Adjusted full-year GMV YoY growth rate target to +mid-20% range as original +30% range is unlikely at the current rate





## 2 Mercari JP—Q2 Net Sales and Adjusted Operating Income

- Record-high net sales and adjusted operating income in Q2



1. Under the former user policy, costs related to discount coupons were included as part of promotion costs.

Since we changed the user policy, costs related to discount coupons are deducted from net sales after January 2018.

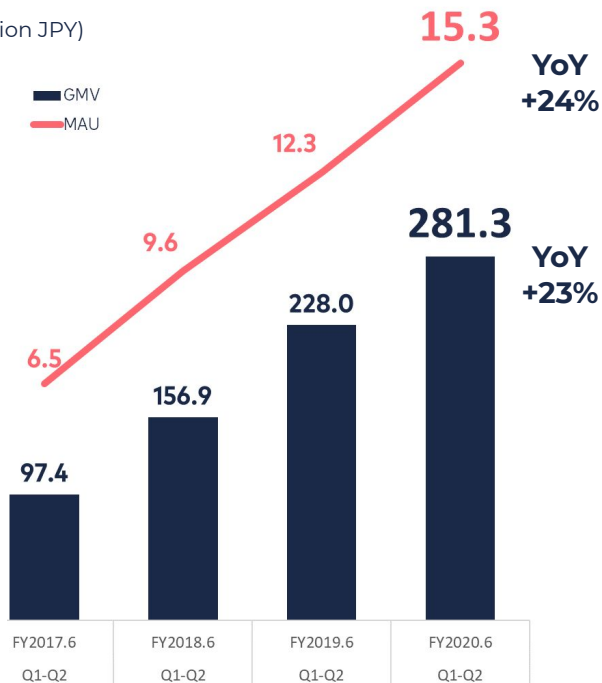
2. Numbers are rounded down to the billion, and coupon amount for FY2020.6 Q1–Q2 is indicated as zero.

3. Graph reflects retroactive adjustment made from FY2019.6 Q3 to the amount before recording internal transactions between Mercari and Merpay as a result of transferring settlement to Merpay (outsourced payment processing fees)

## 2 Mercari JP—Q2 Aggregated Key Financial Indicators

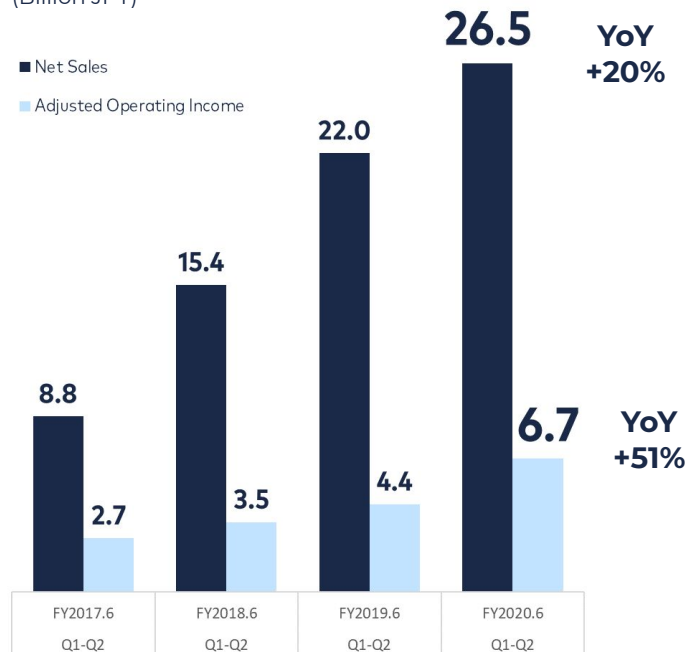
### GMV/MAU

(Billion JPY)



### Net Sales/Adjusted Operating Income<sup>1</sup>

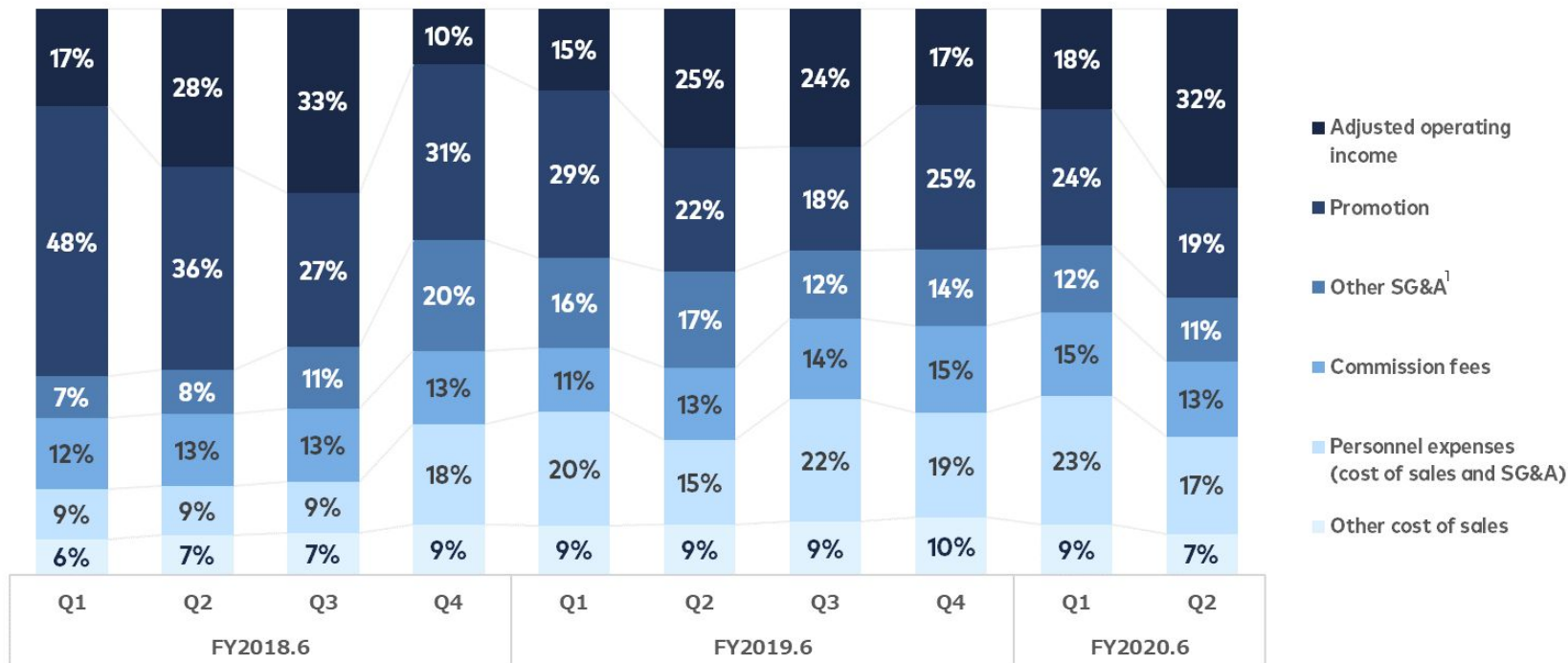
(Billion JPY)



<sup>1</sup> Graph reflects retroactive adjustment made from FY2019.6 Q3 to the amount before recording internal transactions between Mercari and Merpay as a result of transferring settlement to Merpay (outsourced payment processing fees)

## 2 Mercari JP—Cost Structure against Net Sales

- Achieved adjusted operating margin of 32% with disciplined investment



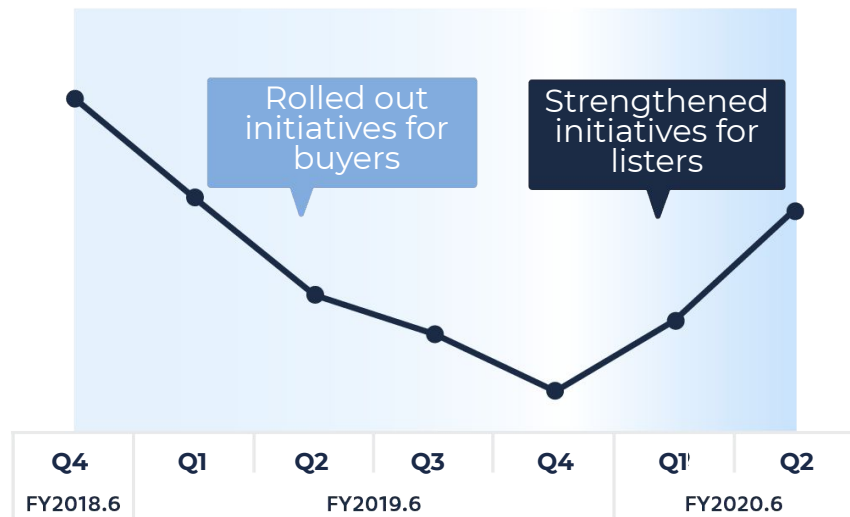
1. Outsourcing expenses, rent, and taxes and dues

# Status of Businesses

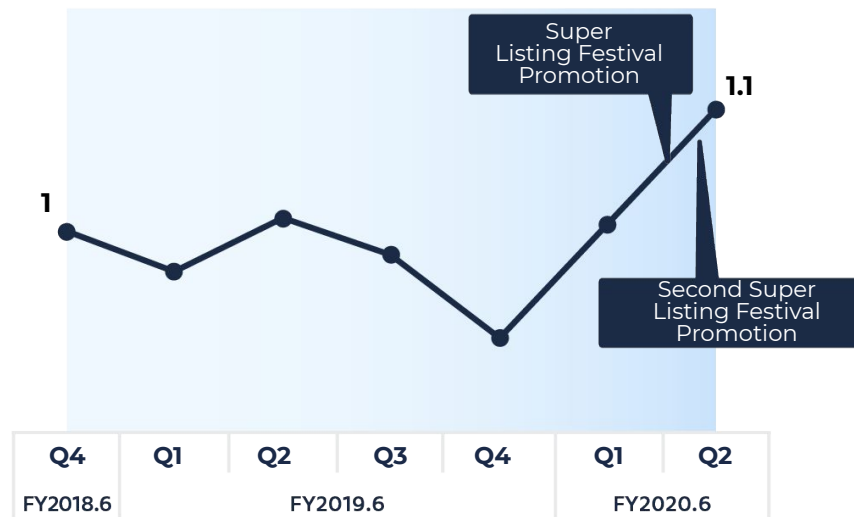
### 3 Mercari JP—Optimizing Balance between Listing and Buying

- In FY2019.6, increased the number of buyers by strengthening initiatives for buyers
- Since FY2020 Q1, have sustained growth by optimizing balance between listing and buying

**Lister/Buyer Ratio**














**New Lister Index**  
Benchmark against FY2018 Q4



### 3 Mercari and Merpay—Q2 Key Promotions

- Launched promotions by collaborating between Mercari and Merpay
- Maximized impact by optimizing balance between listing and buying on *Mercari*

Period	October	November		December
 <b>mercari</b> Name of promotion	 <b>Listing</b> Super Listing Festival	 <b>Listing</b> Second Super Listing Festival	 <b>Buying</b> Merpay Smart Payments	 <b>Buying</b> Just Buy It! Merpay Smart Payments
 <b>Pay</b> Name of promotion	 <b>User Acquisition</b> Super Listing Festival	 <b>User Acquisition</b> Second Super Listing Festival/ Recommend Merpay	 <b>Payment</b> Merpay Smart Payments	 <b>User Acquisition</b> Recommend Merpay  <b>Payment</b> Merpay Smart Payments

- Super Listing Festival: Mercari sales fee refund promotion to promote listing on *Mercari* and acquire new *Merpay* users
- Recommend Merpay: Referral promotion to acquire new *Merpay* users
- Merpay Smart Payments: Point-back campaign to promote *Merpay Smart Payments* (deferred payment) and buying on *Mercari*
- Just Buy It!: Point-back campaign to promote buying on *Mercari*

### 3 Mercari JP—Offline UX Enhancement

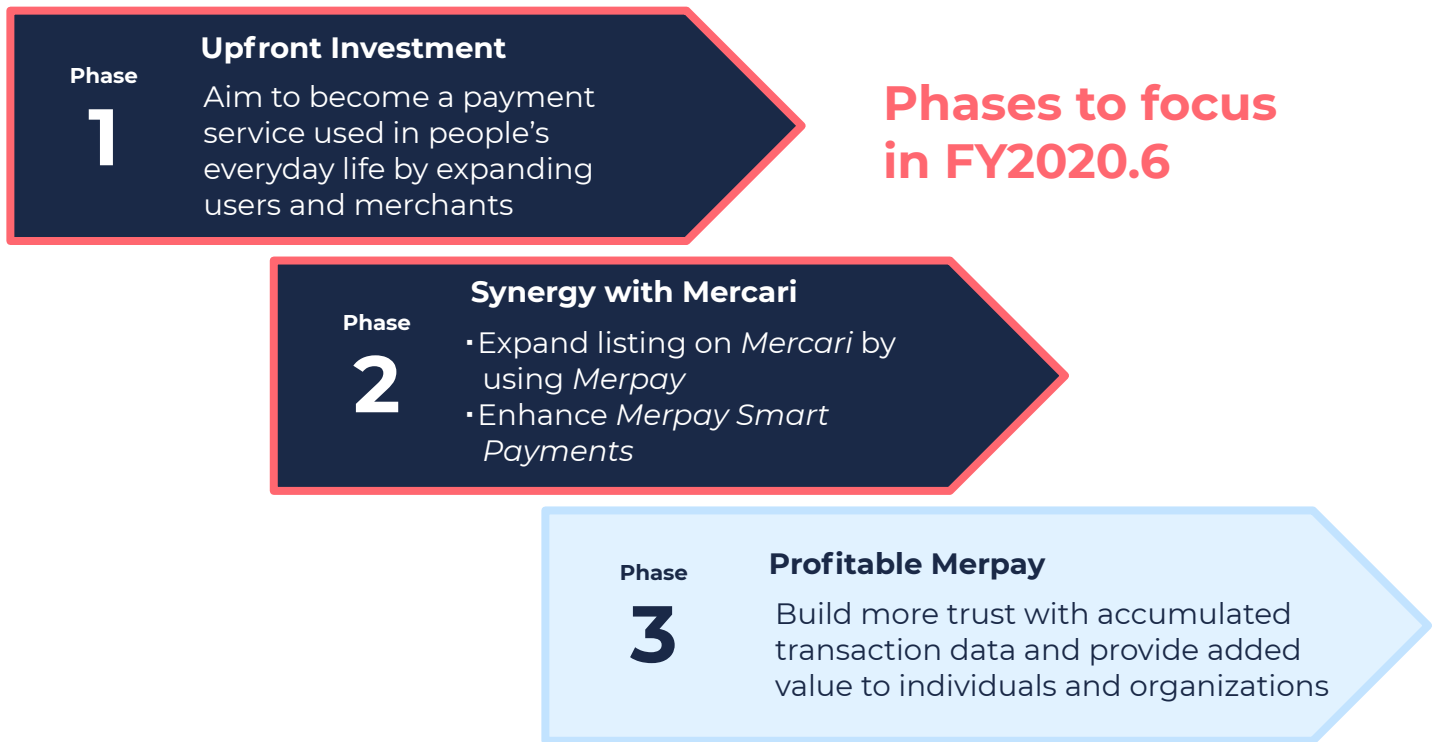
#### Mercari Workshops

- Increased the number of participants approx. **eightfold** in Q2 compared to Q1
- Approx. 80% of participants listed an average of 7 items on *Mercari* within 7 days after the workshop<sup>1</sup>
- Will also hold Mercari Workshops on YouTube to efficiently increase the number of participants



1. Figures at the end of December 2019

### 3 Merpay—Business Objectives





### 3 Merpay—Merger with Origami<sup>1</sup> and Business Alliance with Shinkin Central Bank (SCB)

#### Objective

- Acquire *Origami Pay* merchants, mainly regional SMBs (minimal overlap with *Merpay* merchants)
- Leverage SCB's nationwide network to empower local economies and promote the cashless movement



1. There will be an announcement followed by a transition period for Origami's users and merchants.

2. Some Shinkin banks may not participate.

### 3 Merpay—Merger with Origami

#### - Turning Origami's Services Profitable Quickly



- Integrate the *Origami Pay* service into *Merpay*<sup>1</sup>, and reduce costs redundant with Merpay
- Will see one-off costs due to the merger, but it will not generate additional loss for Merpay in FY2020.6 Q4 and beyond

**Increase  
number of  
merchants  
Increase  
revenue from  
fees**

Take in Origami's existing  
merchants and accelerate  
acquisition of new merchants

**Optimize user  
acquisition**

Control promotional  
costs by integrating  
services

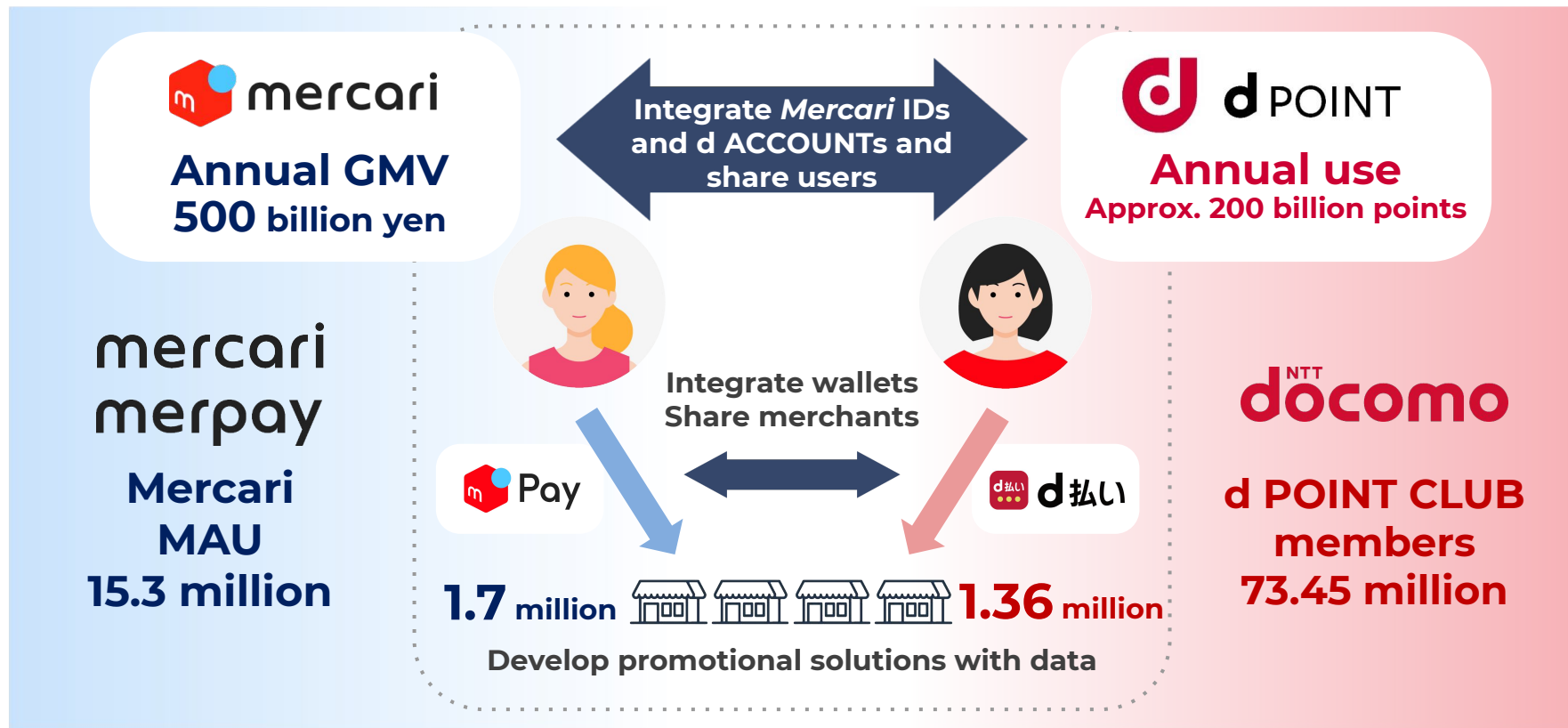
**Streamline  
SG&A quickly**

Reduce fixed costs by  
streamlining organization,  
consolidating offices, etc.

1. There will be an announcement followed by a transition period for Origami's users and merchants.

### 3 Merpay—Enhance Synergy with Mercari (1)

- Provide a New Customer Experience to Further Accelerate Growth



### 3 Merpay—Enhance Synergy with Mercari (2)

- Initiatives to be Realized by the Business Alliance with DOCOMO



### 3 Merpay—Enhance Synergy with Mercari (3)

















#### Impact of Business Alliances with DOCOMO and SCB and Merger with Origami

##### Impact on Mercari

- Focus on collaborative efforts with DOCOMO for buying initiatives, and optimize promotional costs while increasing focus on listing initiatives
- Leverage DOCOMO and SCB's networks and strengthen offline listing initiatives (Mercari Workshops, etc.)

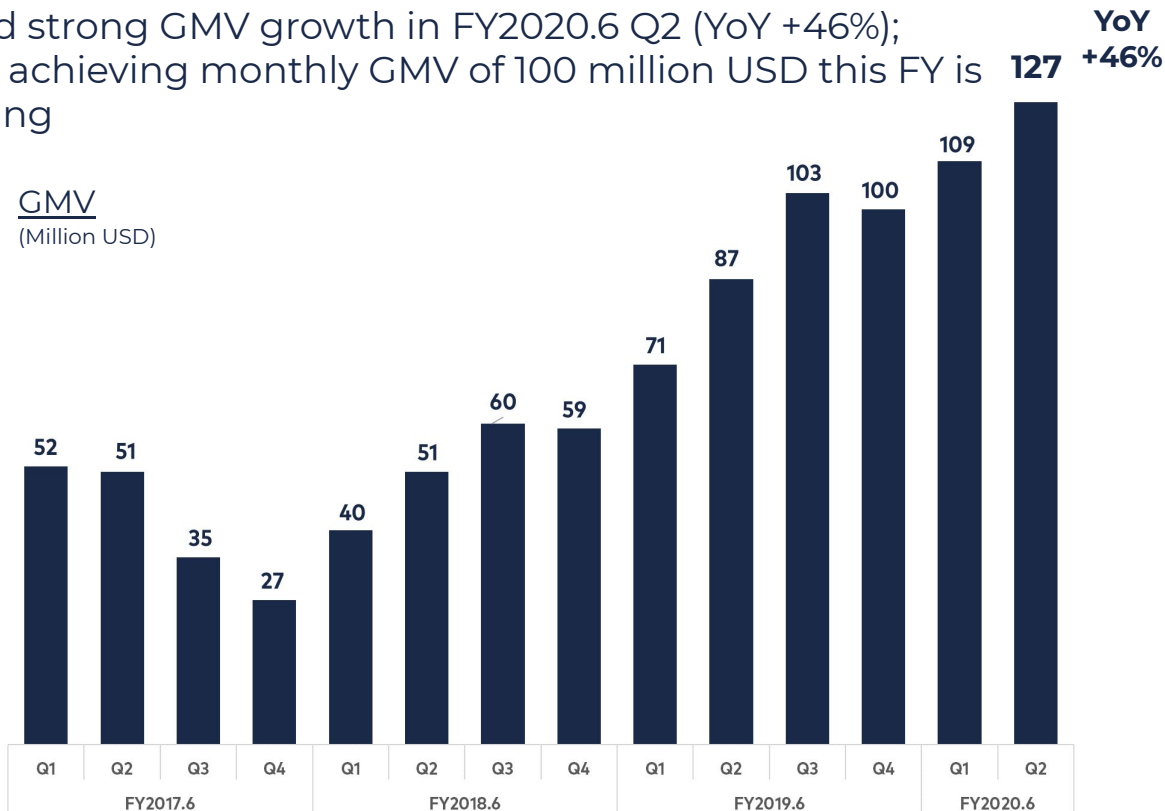
##### Impact on Merpay

- User acquisition: Reduce promotional costs by taking in DOCOMO and Origami users effectively
- Merchant acquisition: Add existing DOCOMO and Origami merchants. Going forward, leverage DOCOMO and SCB's networks and stop independent acquisition of SMB merchants for Merpay
- Fixed costs: Limit hiring activities and strengthen control over headcount

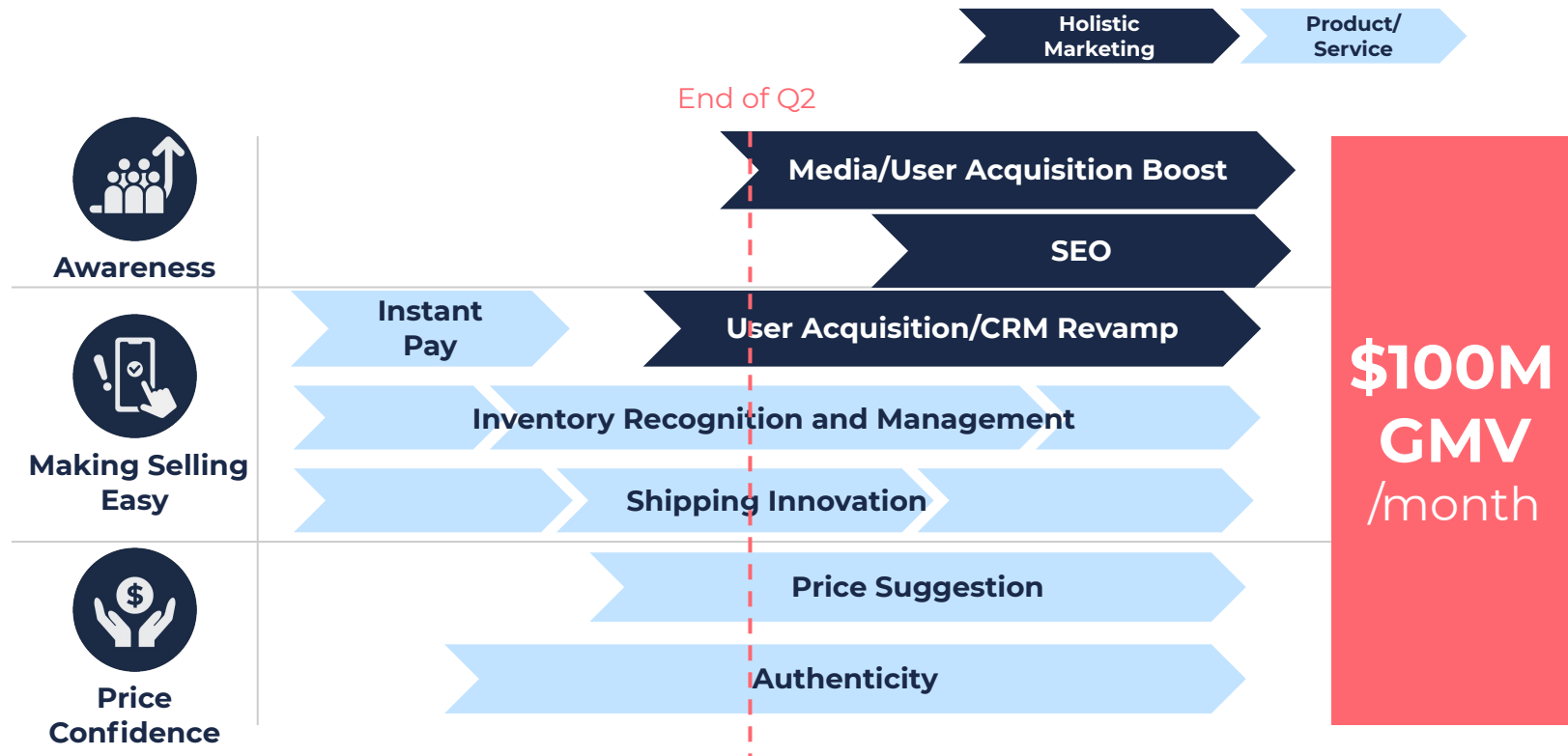
	 mercari	 Pay
<b>User acquisition</b> (shared IDs, etc.)	 	  
<b>Listing initiatives</b> (Mercari Workshops)	 	
<b>Buying</b> (d POINT usage/ marketing initiatives)		
<b>Payment</b> (mobile payment integration)		
<b>Merchants</b> (merchant acquisition)		  
<b>Data utilization</b>		

### 3 Mercari US

- Sustained strong GMV growth in FY2020.6 Q2 (YoY +46%); however, achieving monthly GMV of 100 million USD this FY is challenging



### 3 Mercari US—Roadmap



# 3 Mercari US—Three Big Opportunities (1)

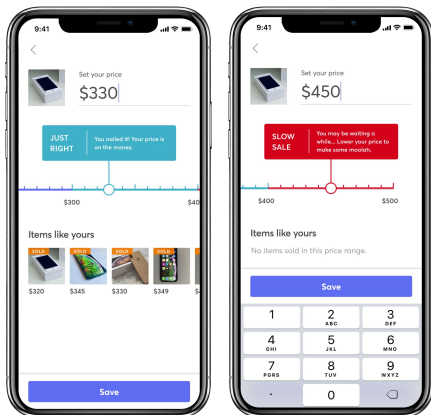


## Price Confidence

Create a marketplace where more people can sell easily by strengthening trust when listing and proposing easy-to-sell price

## Price Suggest

- Achieved increased Sell Through Rate<sup>1</sup>
- Suggests prices to help items sell
- Rolled out to 100%

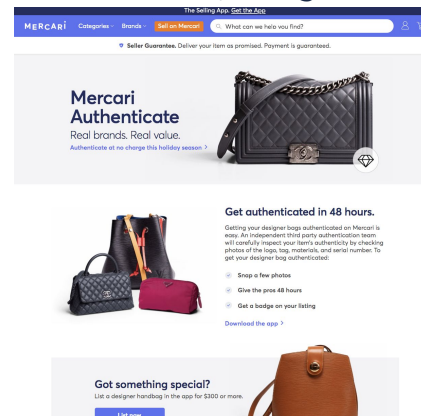
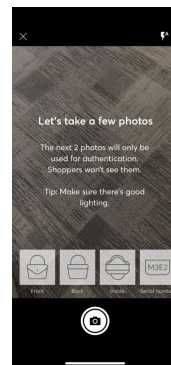


1. Ratio of listed items sold
2. Function to charge sellers is to be implemented

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## Authenticity

- Contributed to higher AOV and Sell Through Rate<sup>1</sup>
- Remotely authenticates handbags via 3rd party
- Authentications done within 48 hours
- Available for items over \$300; charges<sup>2</sup> sellers \$15





### 3 Mercari US—Three Big Opportunities (2)



#### Awareness

Further boost brand awareness, which has continued to improve

#### Marketing Campaigns

- Steadily built brand awareness/competitive differentiation
- Ready to boost media/user acquisition



#### Making Selling Easy

Further strengthen listings and logistics to serve a growing user base and marketplace variety

#### More shipping options: \$2.99/4oz label

- Introduced cheaper shipping for small items (0 to 4oz)
- About 20% of all listings are created with this class



**Ship something small.  
For \$2.99.**

Introducing cheaper shipping  
for those it'sy bitsy things.

[Tell me more](#)

# Appendix

## 4 Proven Management Committed to Driving Innovation (Inside Directors)



**Shintaro Yamada**

**CEO**

Background

**Unoh** **zynga**  
(Social Gaming)  
Founder



**Fumiaki Koizumi**

**President**

**mixi** **Daiwa**  
(SNS) **Securities**  
CFO



**Yuki Hamada**

**CINO<sup>1</sup>**

**CYBRIDGE**  
サイブリッジ  
(Internet Media)  
Founder



**John Lagerling**

**CBO and US CEO**

Background

**facebook** **Google**  
VP of Business  
Development,  
Mobile and  
Product Partnerships  
Senior Director,  
Android Global  
Partnership



**Naoki Aoyagi**

**Merpay CEO**

**GREE**  
(Gaming)  
CFO  
GREE International Inc.  
CEO



**Hirohisa Tamonoki**

**Mercari Japan CEO**

**animate** **LAB**  
(Internet Media)  
Vice President

1. Chief Innovation Officer

## 4 Strong Governance Structure (Independent Outside Directors)



**Ken Takayama**

### 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. (current position)
- Outside Board Member of MEDIA DO HOLDINGS Co., Ltd. (current position)

### Reasons for Selection as Outside Directors

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

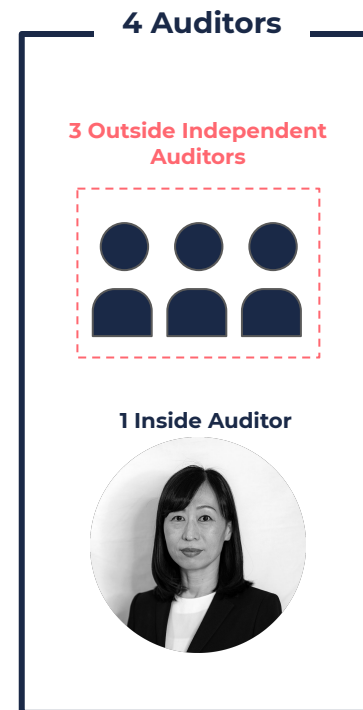
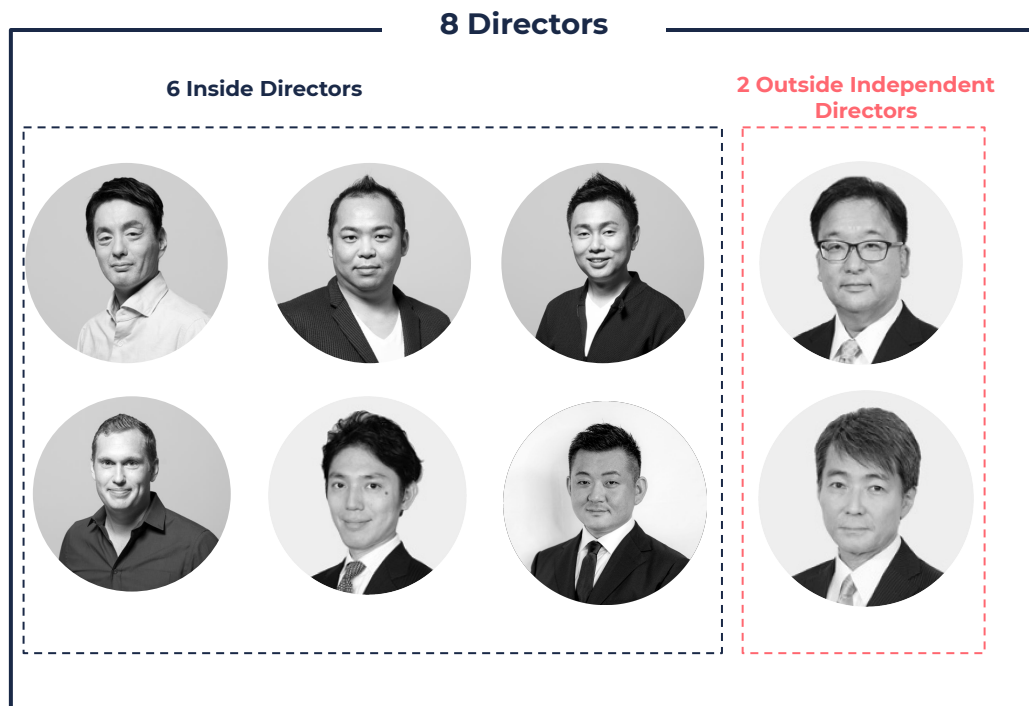


**Masashi Namatame**

- 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.
- Executive Officer of Tokio Marine Holdings, Inc. (current position)

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

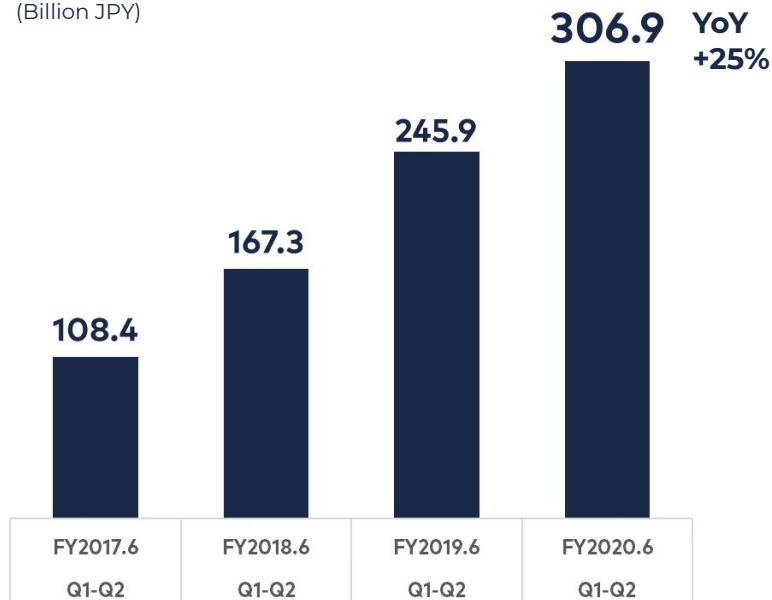
## 4 Governance Structure



## 4 Financial Highlights (Consolidated)— Q2 Cumulative Key Financial Indicators

### GMV

(Billion JPY)

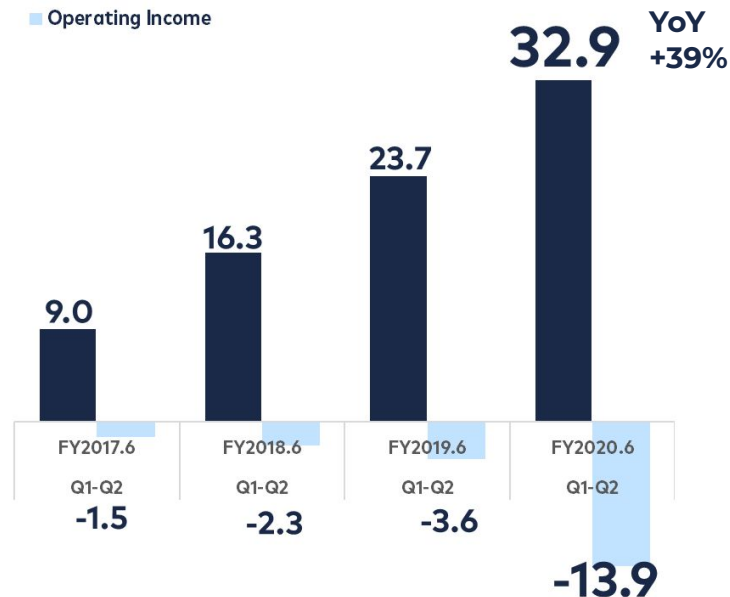


### Net Sales/Operating Income

(Billion JPY)

■ Net Sales

■ Operating Income



## 4 Consolidated P&L—Quarterly

(Million JPY)	FY2019.6 Q2(Oct-Dec)	FY2020.6 Q1(Jul-Sep)	FY2020.6 Q2(Oct-Dec)	Growth	
				YoY	QoQ
GMV	138,876	138,596	168,352	+21%	+21%
Net sales	13,235	14,548	18,445	+39%	+27%
EBITDA	-841	-6,692	-6,508	N/A	N/A
Margin (%)	-6.4%	-46.0%	-35.3%	-	-
Operating income	-1,140	-7,010	-6,895	N/A	N/A
Margin (%)	-8.6%	-48.2%	-37.4%	-	-
Loss attributable to owners of parent	-1,587	-7,113	-6,990	N/A	N/A

1. Operating income + Depreciation and Goodwill amortization

## 4 Consolidated BS

(Million JPY)	FY2019.6 Q2(Oct-Dec)	FY2020.6 Q1(Jul-Sep)	FY2020.6 Q2(Oct-Dec)
Total current assets	114,840	163,679	158,899
Cash and cash equivalents	104,704	137,946	111,351
Total fixed assets	6,180	14,308	27,376
Total assets	121,020	177,988	186,275
Total liabilities	61,651	131,653	145,165
Other payables <sup>1</sup>	7,709	15,748	18,380
Deposits received <sup>1</sup>	26,811	53,447	62,686
Short-term debt <sup>2</sup>	8,495	1,178	1,095
Long-term debt	14,950	51,181	50,914
Total net assets	59,369	46,335	41,110

1. A part of liabilities to users, which has been recorded as Other payables, is recorded as Deposits received retroactively for FY2019.6 Q1 in order to better reflect the actual business activities.

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



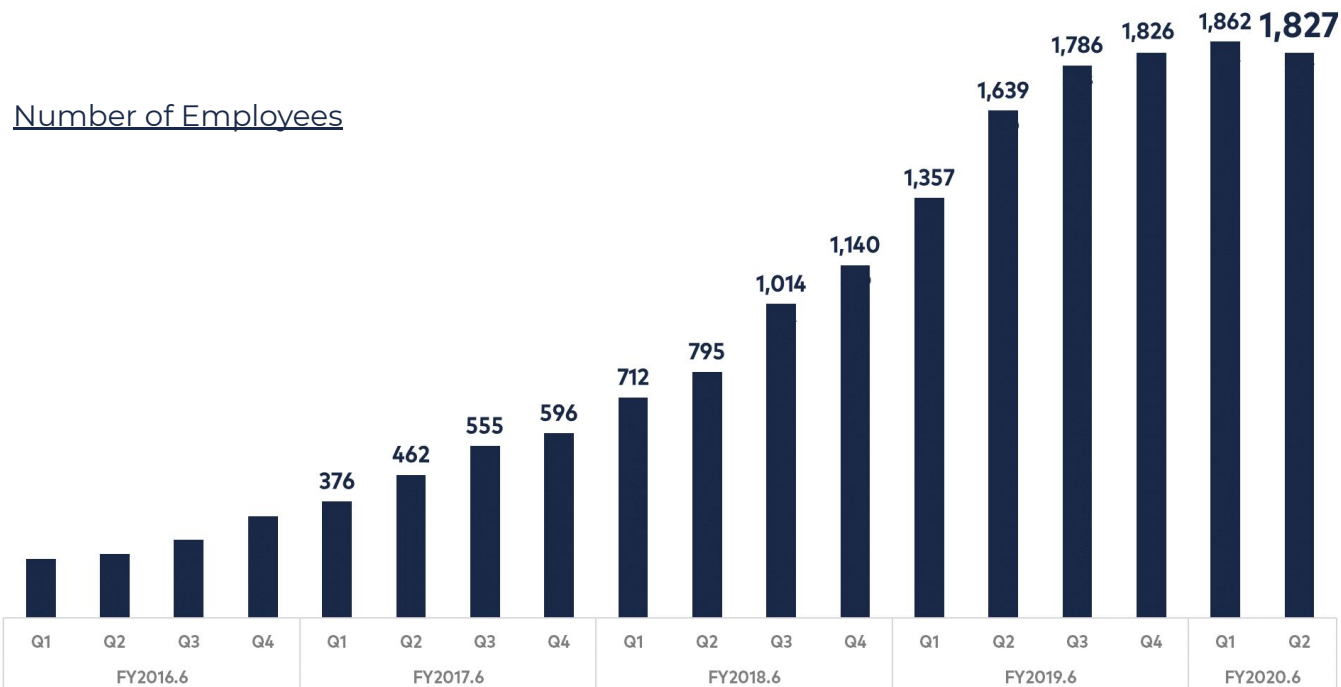
## 4 Mercari JP P&L

(Billion JPY)	FY2019.6 Q2(Oct-Dec)	FY2020.6 Q1(Jul-Sep)	FY2020.6 Q2(Oct-Dec)
GMV	128.9	126.8	154.4
Net sales	12.2	12.0	14.4
<i>as % of GMV</i>	9.5%	9.5%	9.3%
Operating income	3.0	0.7	2.7
<i>Margin(%)</i>	24.7%	6.1%	19.3%
Adjusted operating income <sup>1</sup>	3.0	2.1	4.5
<i>Margin(%)</i>	24.7%	17.8%	31.7%

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

## 4 Talent Supporting Mercari's High Growth

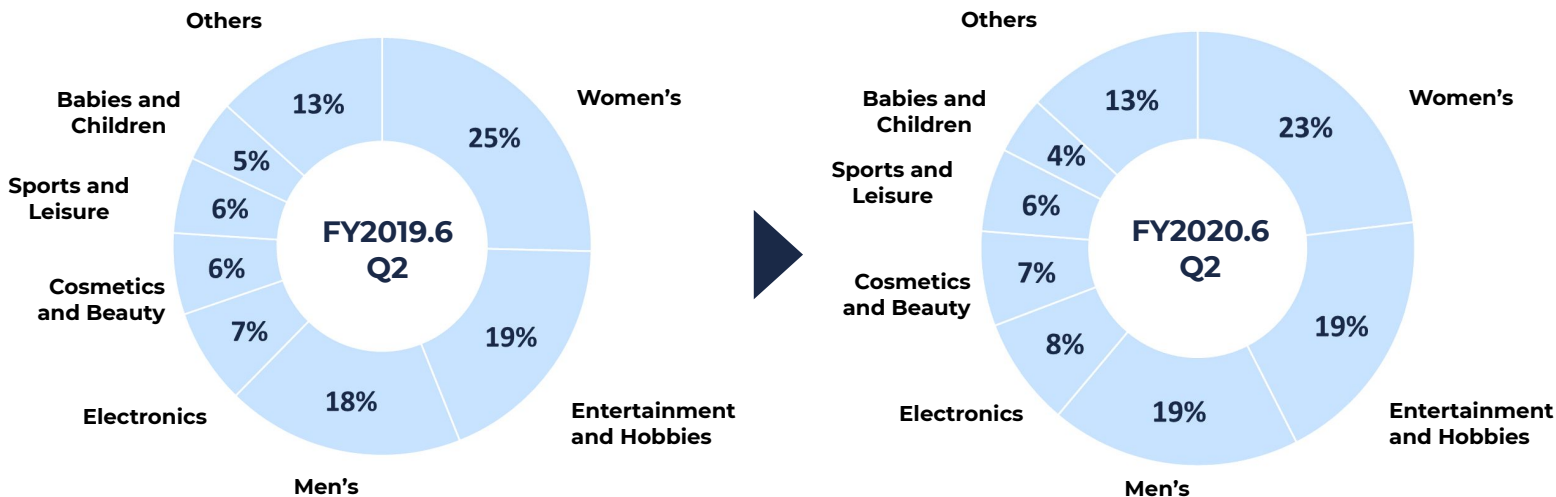
- Continuing to hire highly specialized engineers in FY2020.6



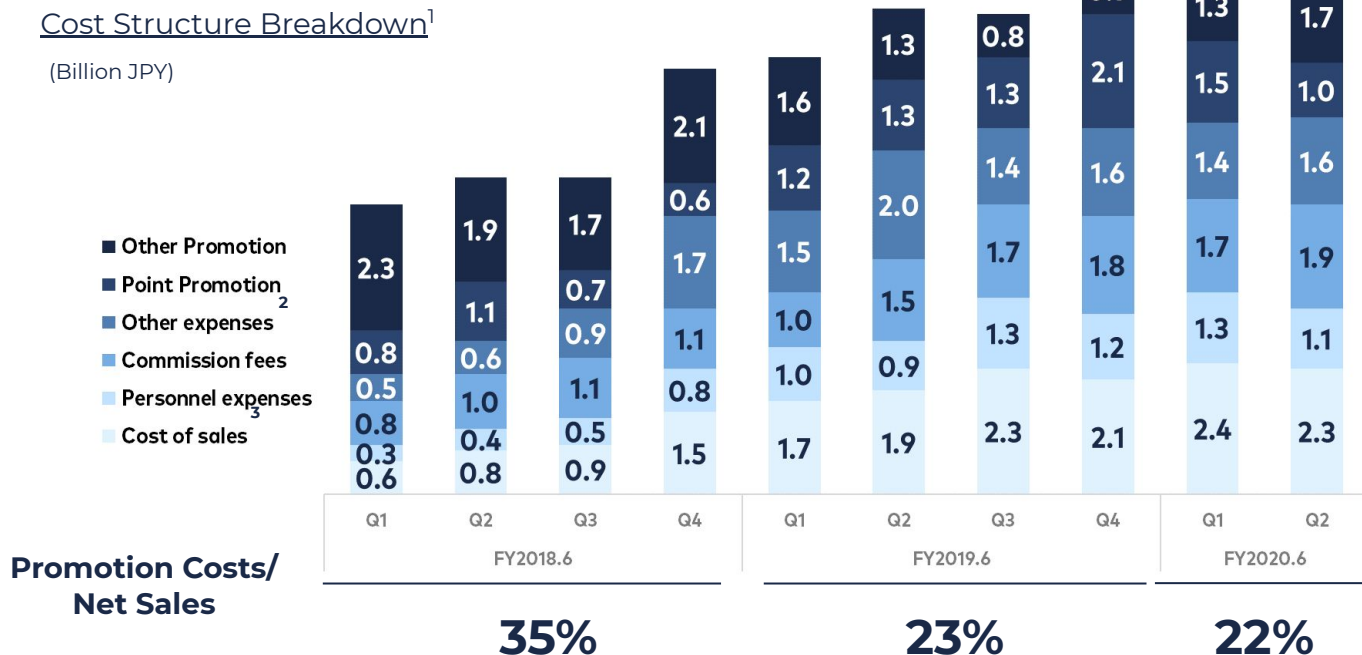
## 4 Mercari JP—Category Breakdown

- Implementation of by-category strategies to increase purchasing unit price and frequency

### GMV Category Breakdown



## 4 Mercari JP—Cost Structure



1. Only a breakdown of cost of sales and sales, general, and administrative expenses, and does not include non-operating and extraordinary profits and losses

2. Outsourcing expenses, rent, taxes and dues

3. Includes engineers' personnel expenses

## 4 Mercari JP—Making Selling Easy: Rebalancing Buying and Listing

Up until FY2019.6



### Buying Initiatives

- TV/Online advertisements
- CRM initiatives
- Improved search
- Recommendation
- Payment method diversification

### Listing Initiatives

- TV/Online advertisements
- AI/Barcode listing
- Collaboration with Yamato Transport/ Japan Post
- Shipment from convenience stores

FY2020.6 and beyond



### Listing initiatives for FY2020.6 and beyond

#### Product Initiatives

- Will It Sell?<sup>1</sup>
- One-tap listing through Merpay (scheduled)

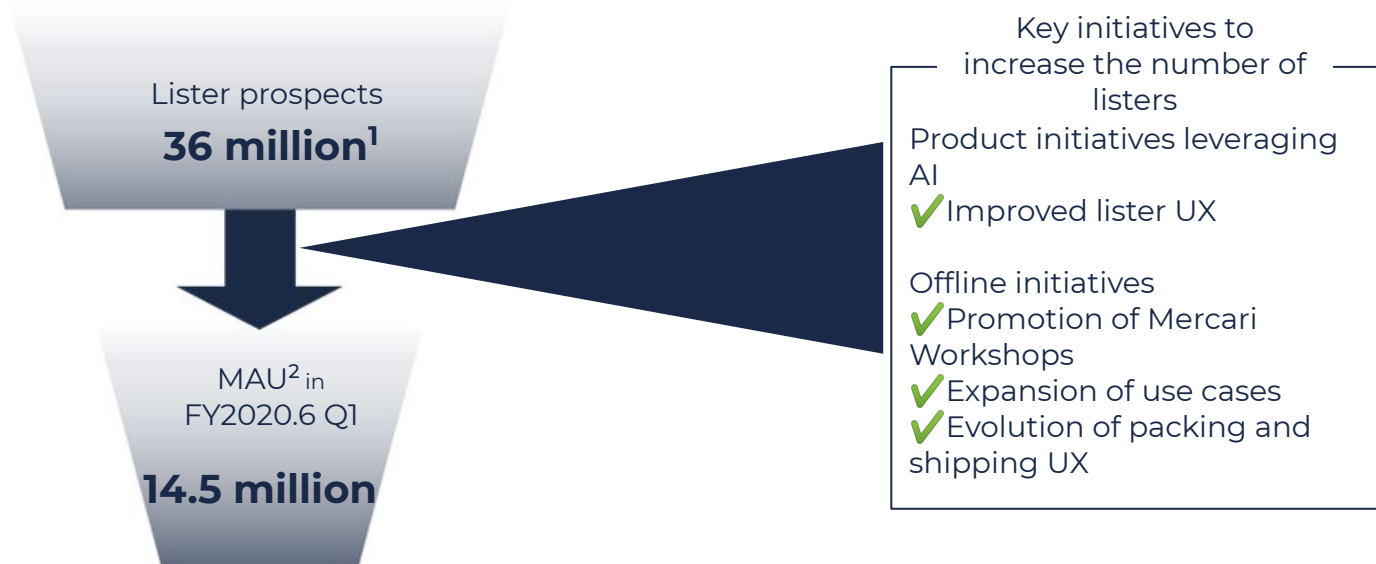
#### Offline Initiatives

- Mercari Workshops
- TsutsuMer Spots
- Selling and giving away of Mercari packaging materials
- Collaboration with external community sites

1. Currently available to some users

## 4 Mercari JP—Making Selling Easy: Listing Growth Potential

- Implement initiatives to increase the number of listers 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.

## 4 Mercari JP—Making Selling Easy: Listing Expansion

User Behaviors	 <b>Find Out About Mercari</b>	 <b>Download App &amp; Register</b>	 <b>List</b>	 <b>Pack &amp; Ship</b>
Actions to be Taken			<ul style="list-style-type: none"> <li>• Even easier listing</li> </ul>	<ul style="list-style-type: none"> <li>• Even easier procurement of packaging materials and shipping</li> </ul>
Online Initiatives	<ul style="list-style-type: none"> <li>• Online advertisements</li> </ul>	<ul style="list-style-type: none"> <li>• Points giveaway with user registration</li> <li>• Referral campaigns</li> </ul>	<ul style="list-style-type: none"> <li>• AI listing</li> <li>• Barcode listing</li> <li>• <i>Will It Sell?</i><sup>1</sup></li> <li>• Points giveaway with listing</li> <li>• <i>One-tap listing through Merpay (scheduled)</i></li> </ul>	<ul style="list-style-type: none"> <li>• Suggesting shipping methods and prices</li> <li>• Selling packaging materials on the Mercari website</li> </ul>
Offline Initiatives	<ul style="list-style-type: none"> <li>• TV commercials</li> <li>• Flyers</li> <li>• <i>Increased exposure of Mercari at convenience stores by selling packaging materials</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>Mercari Workshops</i></li> <li>• <i>Collaboration with external community sites</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>Mercari Workshops</i></li> <li>• <i>Picture-taking areas in laundromats</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>Mercari Workshops</i></li> <li>• <i>TsutsuMer Spots</i></li> <li>• <i>Selling packaging materials</i></li> </ul>

1. Currently available to some users

\* Initiatives already implemented or scheduled to be implemented in FY2020.6 are in red

## 4 Mercari JP—Mercari's Comprehensive Payment Options

Merpay  
Payment by Points  
Merpay Smart  
Payments



Payment by  
Credit Card  
Apple Pay



Convenience Store  
Payment



Mobile Carrier  
Billing



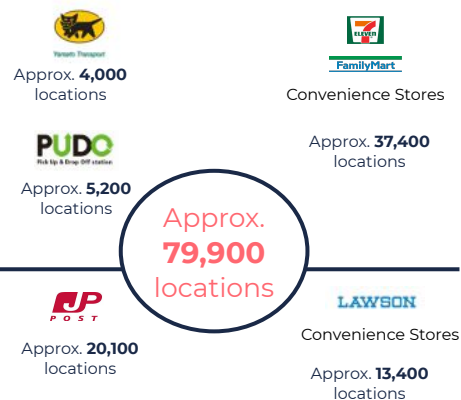
ATM  
(Pay Easy)





## 4 Mercari JP—Stress-Free and Affordable Shipping

### Nationwide Coverage of Last Mile



As of Dec. 2019

### Easy Process with QR Codes<sup>1</sup>

- Anonymous Shipping
- One-Touch Payment



### Affordable Shipping Prices

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RakuRaku Mercari Shipping<sup>2</sup>



Small size <sup>3</sup>	<b>195 JPY</b>	Up to 378 JPY <sup>6</sup>
60 size <sup>4</sup>	<b>700 JPY<sup>5</sup></b>	907 -1,987 JPY <sup>6</sup>
100 size <sup>4</sup>	<b>1,000 JPY<sup>5</sup></b>	1,361 -3,089 JPY <sup>6</sup>

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Yuyu Mercari Shipping<sup>2</sup>



Small size <sup>3</sup>	<b>175 JPY</b>	185 -350 JPY <sup>6</sup>
60 size <sup>4</sup>	<b>700 JPY<sup>5</sup></b>	800 -1,520 JPY <sup>6</sup>
100 size <sup>4</sup>	<b>1,000 JPY<sup>5</sup></b>	1,260 -1,970 JPY <sup>6</sup>

As of Dec. 2019

1. Users can ship an item with a barcode at some shipping outlets.

2. Shipping solutions offered in partnership with Yamato Transport and JP Post.

3. For RakuRaku Mercari Shipping, width less than 2.5 cm. For Yuyu Mercari Shipping, width less than 3.0 cm.

4. Total package size less than 60 cm or 100 cm. Total package size is the sum of the width, depth, and height of the package. RakuRaku Mercari Shipping is also available for over 100 cm.

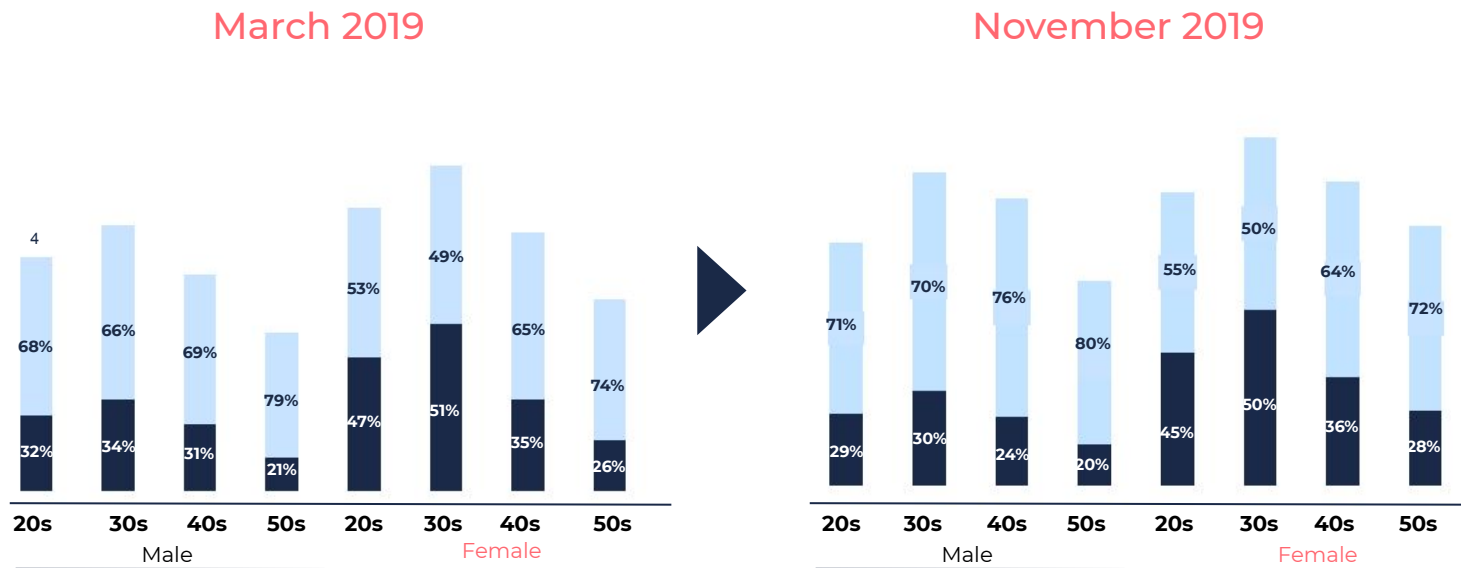
5. Increased shipping price by 100 JPY for 60 size or more effective April 1, 2019.

6. Shipping price depends on quantity and pick-up/drop-off location.

## 4 Mercari JP—Significant Potential to Scale User Base

Untapped Potential to Grow Active Users<sup>1</sup>

■ Active Users<sup>2</sup>  
■ Potential Users<sup>3</sup>



1. Based on online surveys conducted by Macromill, Inc. in March and November 2019 of 6,000 people (between ages 18 and 59). Estimated figures for Active Users and Potential Users have been extrapolated from the survey results assuming a total population of smartphone users (between ages 18 and 59) of 55.17 million users.

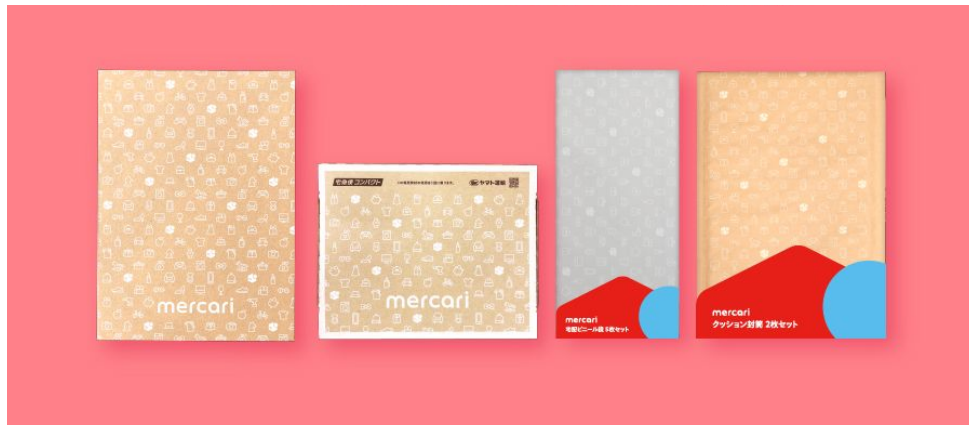
2. Individuals who used *Mercari* within the past month in Macromill's online surveys.

3. Individuals who know *Mercari* and did not use *Mercari* within the past month but want to use *Mercari* in the future in Macromill's online surveys.

4. The height of the bar graph indicates the number of active/potential users

## 4 Mercari JP—Offline UX Enhancement

- After starting to sell Mercari packaging materials at 3 major convenience stores (approx. 30,000 locations) in October, expanded to **approx. 40,000 locations**<sup>1</sup> by leveraging various promotions
- Sold approx. 2.3 million sets of packaging materials from October to December
- Under negotiation to explore other options in addition to convenience stores



1. Figures at the end of December 2019

## 4 Mercari JP—Extensive C2C Market Opportunities



1. Source: Ministry of Economy, Trade and Industry (April 2018, May 2019).

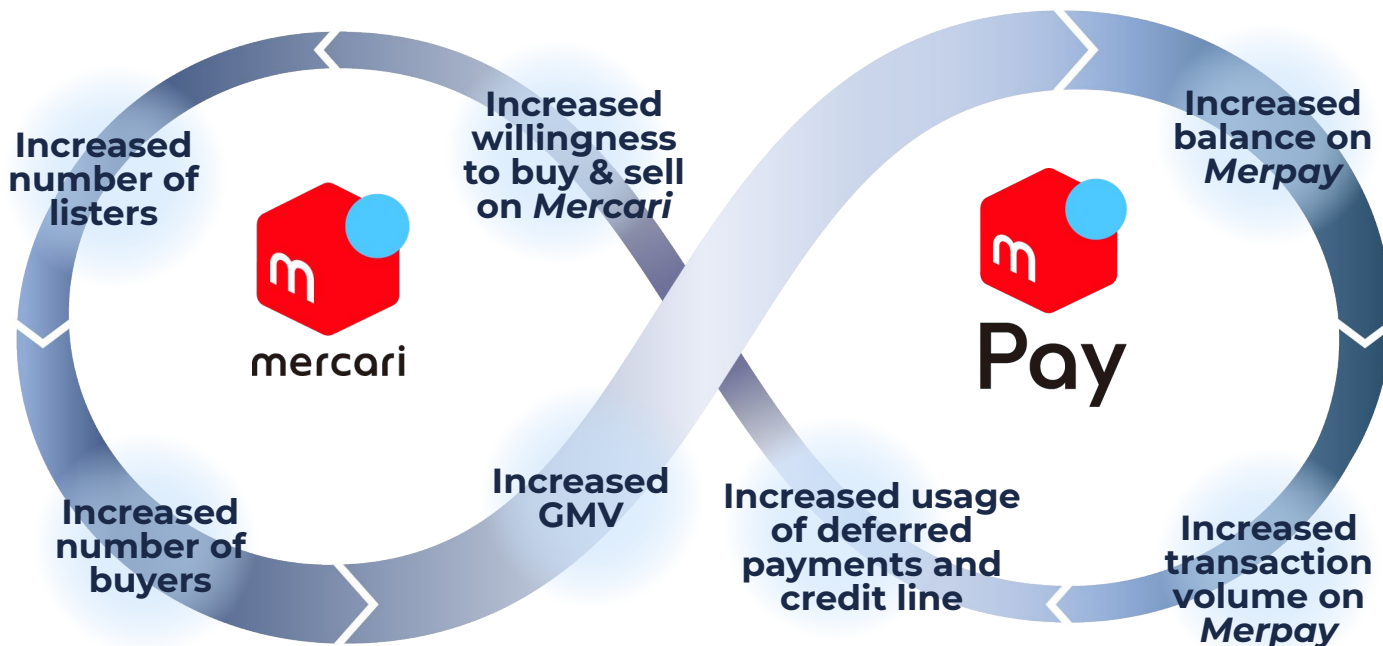
2. Source: Company information. Japan GMV from January to December 2018.

3. Source: Ministry of Economy, Trade and Industry (April 2018). Estimated total value of items described as "items that became no longer needed over the past year."

Excludes aggregate value of automobiles, motorcycles, and motor scooters.

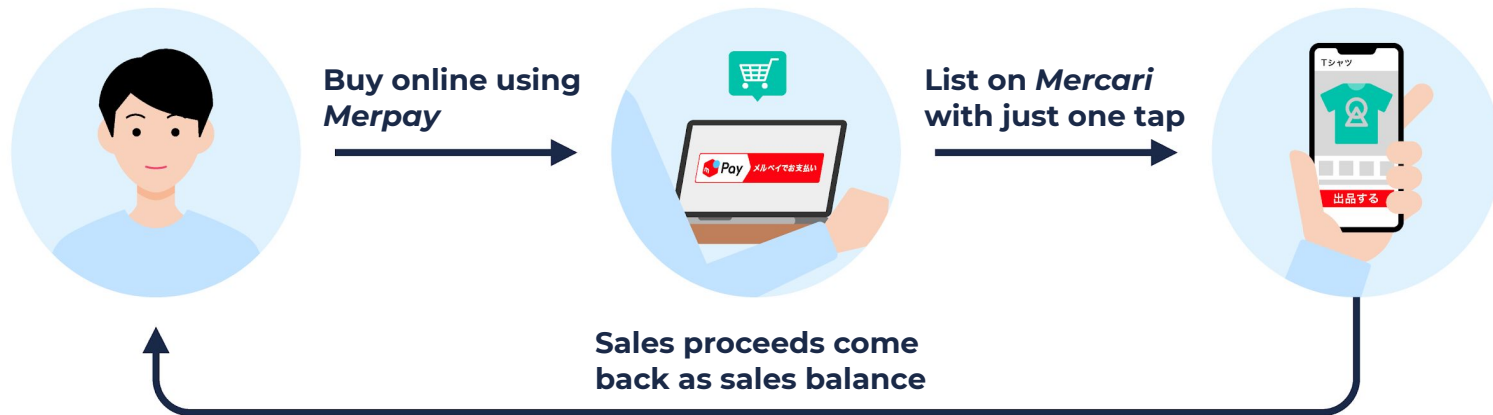
## 4 Merpay—Generating Synergy between Mercari and Merpay

- Monthly GMV of deferred payment users on *Merpay* higher than that of non-users
- New *Mercari* users coming from *Merpay* contribute to increase in GMV



## 4 Merpay—Enhance Synergy (1)

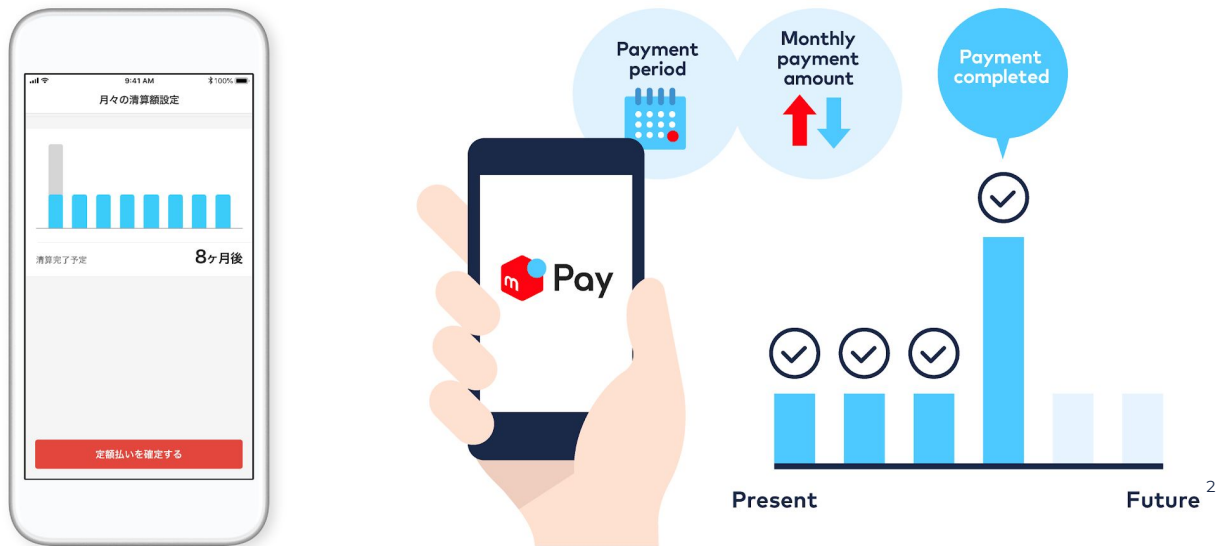
- One-tap easy listing on *Mercari* based on online payment/purchasing history on *Merpay*<sup>1</sup>



1. Scheduled to be introduced in Spring 2020

## 4 Merpay—Enhance Synergy (2)

- Flexible installment payments added to the deferred payment service<sup>1</sup>



1. Scheduled to be introduced in Summer 2020

2. For illustrative purposes only

## 4 Unique Positioning in the US Market

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

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. Some limited goods available for shipping
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



## 4 Mercari US Driven by a Committed Management Team



**John Lagerling**  
CEO and Mercari CBO

facebook Google

Background



**Mok Oh, PhD.**  
CTO

SAMSUNG PayPal



**Germaine Cota**  
CFO

LinkedIn



**Jenny Kim**  
GC

VISA intel

Background



**Scott Levitan**  
CMO

Google



**Shida Schubert**  
VP of Product

Digital Garage



**Sho Masuda**  
VP of Growth

POSHMARK

## 4 Kashima Antlers Joining the Mercari Group

- Kashima Antlers contributing to the further growth of Mercari and Merpay



**Expand  
customer base**

Mutually expanding  
customer base with  
Kashima Antlers

**Improve  
branding**

Leveraging branding of  
Kashima Antlers, the  
leader in J.League

**Create  
business  
opportunities**

Leveraging Mercari's  
know-how in J.League's  
transition period

## 4 Kashima Antlers—Strengthening Business Foundation

- Strengthen business foundation with technology and business operation know-how

### Focus on Digital Strategies

Redesigned official website in September 2019 with a mobile-first design and improved branding. Will further promote CRM with rich content including social media, such as video, and email newsletters while further increasing the maturity of digital marketing.



### Stadium

- Re-entry and Mercari Road  
Increase the number of shops on Mercari Road on game days, and enable electronic ticket holders to leave and re-enter the stadium.
- Adoption of 5G  
Create new UX at Kashima Stadium with the theme of “5G Connected Stadium” leveraging 5G mobile communication systems.



## 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 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.

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**The FY2020.6 Q3 financial results are scheduled to be released at 15:00 or later on April 30, 2020.**

