



# mercari

## Consolidated Financial Results for the Six Months Ended December 31, 2024 [IFRS]

February 6, 2025

Company name: Mercari, Inc.

Stock exchange listing: Tokyo Stock Exchange

Code number: 4385

URL: <https://about.mercari.com/en/>

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Scheduled date of filing semi-annual securities report: February 14, 2025

Scheduled date of commencing dividend payments: -

Availability of supplementary briefing material on financial results: Available

Schedule of financial results briefing session: Scheduled

(Amounts of less than one million yen are rounded down.)

### 1. Consolidated Financial Results for the Six Months Ended December 31, 2024 (the "Period") (July 1, 2024, to December 31, 2024)

(1) Consolidated Operating Results (cumulative) (% indicates changes from the previous corresponding period.)

|                                       | Revenue         |      | Core operating profit |      | Operating profit |      | Profit          |       |
|---------------------------------------|-----------------|------|-----------------------|------|------------------|------|-----------------|-------|
|                                       | Millions of yen | %    | Millions of yen       | %    | Millions of yen  | %    | Millions of yen | %     |
| Six months ended<br>December 31, 2024 | 94,161          | 1.9  | 11,183                | 28.9 | 11,413           | 45.9 | 7,385           | 63.6  |
| December 31, 2023                     | 92,386          | 10.1 | 8,678                 | 56.0 | 7,821            | 60.6 | 4,513           | 333.8 |

|                                       | Profit attributable to owners of parent |       | Total comprehensive income |       | Basic earnings per share | Diluted earnings per share |
|---------------------------------------|---|-------|----------------------------|-------|--------------------------|----------------------------|
|                                       | Millions of yen                         | %     | Millions of yen            | %     | Yen                      | Yen                        |
| Six months ended<br>December 31, 2024 | 7,384                                   | 62.3  | 7,829                      | 65.0  | 45.02                    | 43.79                      |
| December 31, 2023                     | 4,550                                   | 289.4 | 4,744                      | 369.5 | 27.94                    | 26.74                      |

(Reference) Profit before tax

Six months ended December 31, 2024: ¥12,767 million [59.1%]

Six months ended December 31, 2023: ¥8,025 million [66.2%]

(Note) Core operating profit is calculated by deducting other income and other expenses from operating profit.

### (2) Consolidated Financial Position

|                         | Total assets    | Total equity    | Equity attributable to owners of parent | Ratio of equity attributable to owners of parent to total assets |
|-------------------------|-----------------|-----------------|---|--|
|                         | Millions of yen | Millions of yen | Millions of yen                         | %  |
| As of December 31, 2024 | 505,969         | 80,681          | 80,372                                  | 15.9   |
| As of June 30, 2024     | 501,773         | 72,145          | 71,836                                  | 14.3   |

**English Translation**

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**2. Dividends**

|   | Annual dividends   |                    |                    |          |       |
|---|--------------------|--------------------|--------------------|----------|-------|
|   | 1st<br>quarter-end | 2nd<br>quarter-end | 3rd<br>quarter-end | Year-end | Total |
|   | Yen                | Yen                | Yen                | Yen      | Yen   |
| Fiscal year ended<br>June 30, 2024                | –                  | 0.00               | –                  | 0.00     | 0.00  |
| Fiscal year ending<br>June 30, 2025               | –                  | 0.00               |                    |          |       |
| Fiscal year ending<br>June 30, 2025<br>(Forecast) |                    |                    | –                  | 0.00     | 0.00  |

(Note) Revisions to the forecasts of cash dividends most recently announced: No

**3. Consolidated Financial Results Forecast for the Fiscal Year Ending June 30, 2025 (July 1, 2024, to June 30, 2025)**

(% indicates changes from the previous corresponding period.)

|                                     | Revenue         |         | Core operating profit |         |
|-------------------------------------|-----------------|---------|-----------------------|---------|
|                                     | Millions of yen | %       | Millions of yen       | %       |
| Fiscal year ending<br>June 30, 2025 | 200,000         | 6.7     | 22,000                | 16.6    |
|                                     | to 210,000      | to 12.1 | to 25,000             | to 32.5 |

(Note) Revisions to the forecasts of financial results most recently announced: No

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### \* Notes:

(1) Significant changes in the scope of consolidation during the period: No

(2) Changes in accounting policies and changes in accounting estimates

- 1) Changes in accounting policies required by IFRS: No
- 2) Changes in accounting policies other than 1) above: No
- 3) Changes in accounting estimates: No

(3) Total number of issued shares (common stock)

1) Total number of issued shares at the end of the Period (including treasury shares):

|                    |                    |
|--------------------|--------------------|
| December 31, 2024: | 164,228,182 shares |
| June 30, 2024:     | 163,889,610 shares |

2) Total number of treasury shares at the end of the Period:

|                    |            |
|--------------------|------------|
| December 31, 2024: | 226 shares |
| June 30, 2024:     | 196 shares |

3) Average number of shares during the Period:

|                                     |                    |
|-------------------------------------|--------------------|
| Six months ended December 31, 2024: | 164,019,580 shares |
| Six months ended December 31, 2023: | 162,899,642 shares |

\* Consolidated Financial Results for the Six Months Ended December 31, 2024, are exempt from review conducted by certified public accountants or audit firms.

\* Explanation of the proper use of financial results forecast and other notes  
(Notice concerning forward-looking statements)

The forward-looking statements, including the financial results forecast, contained in these materials are based on information currently available to the Company and certain assumptions deemed reasonable by the Company. As such, they do not constitute guarantees by the Company of future performance. Details concerning the forward-looking statements are stated in “1. Overview of Operating Results, etc. (3) Explanation of Consolidated Financial Results Forecasts and Other Forward-looking Statements” on page 4 of the Appendix.

## English Translation

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## 1. Overview of Operating Results, etc.

Forward-looking matters described in the text were judged as of December 31, 2024.

### (1) Overview of Operating Results for the Period

The Group has set its Group mission as “Circulate all forms of value to unleash the potential in all people,” and is currently working to achieve it. For the current fiscal year, the Group has set range-based targets, aiming for full-year consolidated revenue in the range of ¥200,000 million to ¥210,000 million and core operating profit in the range of ¥22,000 million to ¥25,000 million. To that end, the Group will expand its business operations with a focus on the creation of Group synergy based on policies for achieving top-line growth that will lead to increased profits.

For the Marketplace domain, the Group has been working to achieve stable growth in C2C by implementing product initiatives such as AI/LLM-based UI/UX innovations and enhancements to high-price categories, in conjunction with initiatives aimed at achieving strong growth in the high-growth areas of crossborder transactions, B2C, and *Mercari Hallo*. For the six months ended December 31, 2024, the GMV <sup>(Note 1)</sup> for the Marketplace domain was ¥553.7 billion, up 5% year-on-year, and adjusted core operating margin <sup>(Note 2)</sup> was 38% inclusive of the investment in *Mercari Hallo*. This was due to the effect of product initiatives, including a revamped home screen, despite the temporary impact of fraudulent use and high temperatures in October delaying the start of winter item sales.

In the Fintech domain, operations have shifted to a phase of continuously increasing profit through steady accumulation of credit balance. By promoting management with a profit-generating mindset, core operating profit in the six months ended December 31, 2024, amounted to ¥1.6 billion. Amid credit balance <sup>(Note 3)</sup> growing to ¥213.3 billion, driven by the expansion of the customer base owing to highly user-friendly services, the collection rate <sup>(Note 4)</sup> maintained a high level of 99.3% as a result of strict credit control, etc. that utilizes the Group’s unique AI credit check and realized sound growth.

As a result of the above, Japan Region reported revenue of ¥72,856 million (up 7.9% year-on-year) and segment profit of ¥16,581 million (up 16.1% year-on-year) for the six months ended December 31, 2024.

In the US, fee model changes the Group has been working on to get back on track for growth have not had the expected effect due to the increased burden on buyers. As a result, in the six months ended December 31, 2024, GMV for the *Mercari* business in the US decreased 21% year-on-year to \$368 million (¥55.6 billion; the exchange rate conversion is the total of the amounts calculated for each month using the average rate during the month), and revenue was ¥18,598 million (down 16.1% year-on-year). However, the Group achieved a monthly profit in December by promoting further revenue improvements in order to achieve the goal of breaking even, which has led to an improvement in segment loss to ¥1,368 million (compared to a segment loss of ¥2,137 million in the corresponding period of the previous fiscal year). Under the new management structure with Group CEO Yamada also serving as US CEO, the fee model has changed to one where the seller pays the majority of the fees beginning in January 2025, and the Group will continue to work on returning to a growth trajectory and breaking even in the current fiscal year.

As a result, for the six months ended December 31, 2024, the Group recorded revenue of ¥94,161 million (1.9% increase year-on-year), operating profit of ¥11,413 million (45.9% increase year-on-year), and profit attributable to owners of parent of ¥7,384 million (62.3% increase year-on-year).

(Note 1) GMV (Gross Merchandise Value) is the total value of merchandise sold during a specified period. GMV for Marketplace does not include GMV for *Mercari Hallo*.

(Note 2) Refers to figures after deducting internal transactions between Marketplace and Fintech (outsourced payment processing fees).

(Note 3) *Merpay Smart Payments* (lump-sum payment, fixed-amount payment, and installment payment) and *Merpay Smart Money* credit balance as of December 31, 2024 (excludes debt converted into bankruptcy reorganization debt, etc.).

(Note 4) Average aggregated rate of the quarterly cumulative collections completed within the past 11 months compared to the amount of *Merpay Smart Payments* (lump-sum payment and fixed-amount payment) and *Merpay Smart Money* billed in the past 11 months (excludes debt converted into bankruptcy reorganization debt, etc.).

## (2) Overview of Financial Position for the Period

## 1) Assets, liabilities, and equity

## (Assets)

Assets as of December 31, 2024, increased by ¥4,196 million from the end of the previous fiscal year to ¥505,969 million.

The main reasons for any increases and decreases are as follows.

- The main reasons for any increases and decreases in cash and cash equivalents are outlined in the “Overview of cash flows for the period” section below.
- Trade and other receivables increased by ¥26,517 million compared to the end of the previous fiscal year, primarily due to an increase in the use of *Merpay Smart Payments* (lump-sum payment, fixed-amount payment, and installment payment).
- Guarantee deposits decreased by ¥19,280 million from the end of the previous fiscal year, primarily due to the return of deposits for *Merpay*.

## (Liabilities)

Liabilities as of December 31, 2024, decreased by ¥4,339 million from the end of the previous fiscal year to ¥425,287 million.

The main reasons for any increases and decreases are as follows.

- Borrowings (current liabilities) increased by ¥8,320 million from the end of the previous fiscal year, primarily due to changes in the liquidation of receivables for lump-sum payment and fixed-amount payment.
- Bonds and borrowings (non-current liabilities) decreased by ¥22,264 million from the end of the previous fiscal year, primarily due to the redemption of bonds.
- Deposits received increased by ¥6,686 million from the end of the previous fiscal year, primarily due to higher spending on *Mercari* and *Merpay*.
- Income taxes payable increased by ¥3,330 million from the end of the previous fiscal year, primarily due to an increase in profit before tax.

## (Equity)

Equity as of December 31, 2024, increased by ¥8,536 million from the end of the previous fiscal year to ¥80,681 million.

The main reasons for any increases and decreases are as follows.

- Share capital increased by ¥525 million from the end of the previous fiscal year following the issuance of new shares.
- Capital surplus increased by ¥515 million from the end of the previous fiscal year following the issuance of new shares and share-based payment transactions.
- Retained earnings increased by ¥7,380 million from the end of the previous fiscal year primarily due to the recording of profit attributable to owners of parent.

## 2) Overview of cash flows for the period

Cash and cash equivalents (hereinafter referred to as “cash”) for the six months ended December 31, 2024, decreased by ¥8,057 million from the end of the previous fiscal year and amounted to ¥183,941 million as of December 31, 2024.

The status of cash flows and their contributing factors for the six months ended December 31, 2024, are as follows.

## (Cash flows from operating activities)

Cash provided by operating activities amounted to ¥6,995 million. This is primarily attributable to profit before tax of ¥12,767 million, gain on redemption of bonds of ¥1,113 million, an increase in

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trade and other receivables of ¥26,521 million, an increase in deposits received of ¥6,950 million, an increase in deposits paid of ¥3,522 million, income taxes paid of ¥1,503 million, and a decrease in guarantee deposits (proceeds from return of deposits) of ¥19,280 million.

### (Cash flows from investing activities)

Cash used in investing activities amounted to ¥952 million. This is primarily attributable to purchase of property, plant and equipment of ¥150 million, purchase of investment securities of ¥388 million, and payments of leasehold and guarantee deposits of ¥539 million.

### (Cash flows from financing activities)

Cash used in financing activities amounted to ¥13,641 million. This is primarily attributable to a net increase (decrease) in short-term borrowings of ¥(826) million, proceeds of ¥14,000 million from long-term borrowings, and redemption of bonds and repayments of long-term borrowings of ¥26,251 million.

## (3) Explanation of Consolidated Financial Results Forecasts and Other Forward-looking Statements

Toward achieving the Group mission, the Group's policy is essentially to aim for top-line growth that will lead to increased profits. For the fiscal year ending June 30, 2025, consolidated revenue is forecast to be between ¥200,000 million and ¥210,000 million (up 6.7–12.1% year-on-year) and consolidated core operating profit between ¥22,000 million and ¥25,000 million (up 16.6–32.5% year-on-year).

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**2. Condensed Semi-Annual Consolidated Financial Statements and Primary Notes****(1) Condensed Semi-Annual Consolidated Statement of Financial Position**

(Millions of yen)

|                                 | As of June 30, 2024 | As of December 31, 2024 |
|---------------------------------|---------------------|-------------------------|
| <b>Assets</b>                   |                     |                         |
| <b>Current assets</b>           |                     |                         |
| Cash and cash equivalents       | 191,998             | 183,941                 |
| Trade and other receivables     | 195,437             | 221,954                 |
| Deposits paid                   | 3,764               | 7,263                   |
| Other financial assets          | 1,543               | 1,843                   |
| Other current assets            | 9,289               | 10,080                  |
| <b>Total current assets</b>     | <b>402,033</b>      | <b>425,084</b>          |
| <b>Non-current assets</b>       |                     |                         |
| Property, plant and equipment   | 1,472               | 1,417                   |
| Right-of-use assets             | 3,477               | 2,956                   |
| Intangible assets               | 570                 | 611                     |
| Deferred tax assets             | 8,350               | 7,363                   |
| Guarantee deposits              | 81,612              | 62,331                  |
| Other financial assets          | 3,268               | 5,265                   |
| Other non-current assets        | 988                 | 938                     |
| <b>Total non-current assets</b> | <b>99,739</b>       | <b>80,885</b>           |
| <b>Total assets</b>             | <b>501,773</b>      | <b>505,969</b>          |



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(Millions of yen)

|  | As of June 30, 2024 | As of December 31, 2024 |
|--|---------------------|-------------------------|
| <b>Liabilities and equity</b>                  |                     |                         |
| <b>Liabilities</b>                             |                     |                         |
| <b>Current liabilities</b>                     |                     |                         |
| Trade and other payables                       | 21,560              | 23,273                  |
| Borrowings                                     | 65,668              | 73,989                  |
| Lease liabilities                              | 1,163               | 1,022                   |
| Income taxes payable                           | 1,433               | 4,763                   |
| Deposits received                              | 201,121             | 207,808                 |
| Other financial liabilities                    | 1,363               | 1,586                   |
| Other current liabilities                      | 10,232              | 8,376                   |
| <b>Total current liabilities</b>               | <u>302,543</u>      | <u>320,821</u>          |
| <b>Non-current liabilities</b>                 |                     |                         |
| Bonds and borrowings                           | 124,263             | 101,999                 |
| Lease liabilities                              | 2,214               | 1,848                   |
| Provisions                                     | 382                 | 383                     |
| Deferred tax liabilities                       | 95                  | 95                      |
| Other non-current liabilities                  | 127                 | 139                     |
| <b>Total non-current liabilities</b>           | <u>127,084</u>      | <u>104,466</u>          |
| <b>Total liabilities</b>                       | <u>429,627</u>      | <u>425,287</u>          |
| <b>Equity</b>                                  |                     |                         |
| Share capital                                  | 47,349              | 47,874                  |
| Capital surplus                                | 50,192              | 50,707                  |
| Retained earnings                              | (29,125)            | (21,744)                |
| Treasury shares                                | (0)                 | (0)                     |
| Other components of equity                     | 3,422               | 3,535                   |
| <b>Equity attributable to owners of parent</b> | <u>71,836</u>       | <u>80,372</u>           |
| <b>Non-controlling interests</b>               | <u>308</u>          | <u>308</u>              |
| <b>Total equity</b>                            | <u>72,145</u>       | <u>80,681</u>           |
| <b>Total liabilities and equity</b>            | <u>501,773</u>      | <u>505,969</u>          |

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(2) Condensed Semi-Annual Consolidated Statement of Profit or Loss and Condensed Semi-Annual  
Consolidated Statement of Comprehensive Income  
(Condensed Semi-Annual Consolidated Statement of Profit or Loss)

(Millions of yen)

|  | For the six months<br>ended December 31, 2023 | For the six months<br>ended December 31, 2024 |
|--|---|---|
| Revenue                                      | 92,386  | 94,161  |
| Cost of sales                                | 28,286  | 27,539  |
| Gross profit                                 | 64,100  | 66,621  |
| Selling, general and administrative expenses | 55,421  | 55,438  |
| Other income                                 | 219   | 604   |
| Other expenses                               | 1,076   | 374   |
| Operating profit                             | 7,821   | 11,413  |
| Finance income                               | 437   | 1,579   |
| Finance costs                                | 233   | 224   |
| Profit before tax                            | 8,025   | 12,767  |
| Income tax expense                           | 3,511   | 5,382   |
| Profit                                       | 4,513   | 7,385   |
| Profit attributable to                       |   |   |
| Owners of parent                             | 4,550   | 7,384   |
| Non-controlling interests                    | (37)  | 1   |
| Profit                                       | 4,513   | 7,385   |
| Earnings per share                           |   |   |
| Basic earnings per share (yen)               | 27.94   | 45.02   |
| Diluted earnings per share (yen)             | 26.74   | 43.79   |

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**(Condensed Semi-Annual Consolidated Statement of Comprehensive Income)****(Millions of yen)**

|  | For the six months<br>ended December 31, 2023 | For the six months<br>ended December 31, 2024 |
|--|---|---|
| Profit   | 4,513   | 7,385   |
| Other comprehensive income (after considering tax effects)   |   |   |
| Items that will not be reclassified to profit or loss  |   |   |
| Net gain (loss) on revaluation of financial assets measured at fair value through other comprehensive income | 340   | 809   |
| Items that may be reclassified to profit or loss   |   |   |
| Exchange differences on translation of foreign operations  | (105)   | (139)   |
| Effective portion of change in fair value of cash flow hedges  | (3)   | (226)   |
| Total other comprehensive income (after considering tax effects)   | 231   | 443   |
| Comprehensive income   | 4,744   | 7,829   |
| Comprehensive income attributable to   |   |   |
| Owners of parent   | 4,781   | 7,828   |
| Non-controlling interests  | (36)  | 0   |
| Comprehensive income   | 4,744   | 7,829   |

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(3) Condensed Semi-Annual Consolidated Statement of Changes in Equity  
For the six months ended December 31, 2023

(Millions of yen)

|   | Equity attributable to owners of parent |                 |                   |                 | Other components of equity |   |
|---|---|-----------------|-------------------|-----------------|----------------------------|---|
|   | Share capital                           | Capital surplus | Retained earnings | Treasury shares | Share acquisition rights   | Exchange differences on translation of foreign operations |
| Balance as of July 1, 2023                                    | 45,596                                  | 49,706          | (42,777)          | (0)             | 2,272                      | 694   |
| Profit  |   |                 | 4,550             |                 |                            |   |
| Other comprehensive income                                    |   |                 |                   |                 |                            | (105)   |
| Comprehensive income  | —                                       | —               | 4,550             | —               | —                          | (105)   |
| Issuance of shares  | 1,104                                   | (530)           |                   |                 | (453)                      |   |
| Purchase of treasury shares                                   |   |                 |                   | (0)             |                            |   |
| Share-based payment transactions                              |   | 846             |                   |                 | 544                        |   |
| Transfer from other components of equity to retained earnings |   |                 | 175               |                 |                            |   |
| Total transactions with owners                                | 1,104                                   | 316             | 175               | (0)             | 91                         | —   |
| Balance as of December 31, 2023                               | 46,700                                  | 50,022          | (38,051)          | (0)             | 2,363                      | 588   |

|   | Equity attributable to owners of parent  |       |       |   |                           |              |
|---|--|-------|-------|---|---------------------------|--------------|
|   | Other components of equity   |       |       | Total equity attributable to owners of parent | Non-controlling interests | Total equity |
| Effective portion of change in fair value of cash flow hedges | Net gain (loss) on revaluation of financial assets measured at fair value through other comprehensive income | Total |       |   |                           |              |
| Balance as of July 1, 2023                                    | 159  | (305) | 2,821 | 55,346  | 313                       | 55,659       |
| Profit  |  |       |       | 4,550   | (37)                      | 4,513        |
| Other comprehensive income                                    | (3)  | 340   | 55    | 230   | 0                         | 231          |
| Comprehensive income  | (3)  | 340   | 55    | 4,781   | (36)                      | 4,744        |
| Issuance of shares  |  |       | (453) | 121   |                           | 121          |
| Purchase of treasury shares                                   |  |       |       | (0)   |                           | (0)          |
| Share-based payment transactions                              |  |       | 544   | 1,390   |                           | 1,390        |
| Transfer from other components of equity to retained earnings |  | (175) | (175) | —   |                           | —            |
| Total transactions with owners                                | —  | (175) | (84)  | 1,511   | —                         | 1,511        |
| Balance as of December 31, 2023                               | 156  | (140) | 2,968 | 61,639  | 276                       | 61,915       |

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For the six months ended December 31, 2024

(Millions of yen)

|   | Equity attributable to owners of parent |                 |                   |                 | Other components of equity |   |
|---|---|-----------------|-------------------|-----------------|----------------------------|---|
|   | Share capital                           | Capital surplus | Retained earnings | Treasury shares | Share acquisition rights   | Exchange differences on translation of foreign operations |
| Balance as of July 1, 2024  | 47,349                                  | 50,192          | (29,125)          | (0)             | 1,613                      | 1,308   |
| Profit  |   |                 | 7,384             |                 |                            |   |
| Other comprehensive income  |   |                 |                   |                 |                            | (139)   |
| Comprehensive income  | –                                       | –               | 7,384             | –               | –                          | (139)   |
| Issuance of shares  | 525                                     | 208             |                   |                 | (731)                      |   |
| Purchase of treasury shares   |   |                 |                   | (0)             |                            |   |
| Share-based payment transactions  |   | 446             |                   |                 | 397                        |   |
| Transfer from other components of equity to retained earnings           |   |                 | (3)               |                 |                            |   |
| Redemption of convertible-bond-type bonds with stock acquisition rights |   | (139)           |                   |                 |                            |   |
| Total transactions with owners  | 525                                     | 515             | (3)               | (0)             | (334)                      | –   |
| Balance as of December 31, 2024   | 47,874                                  | 50,707          | (21,744)          | (0)             | 1,279                      | 1,169   |

|   | Equity attributable to owners of parent  |      |       |   |                           |              |
|---|--|------|-------|---|---------------------------|--------------|
|   | Other components of equity   |      | Total | Total equity attributable to owners of parent | Non-controlling interests | Total equity |
| Effective portion of change in fair value of cash flow hedges           | Net gain (loss) on revaluation of financial assets measured at fair value through other comprehensive income |      |       |   |                           |              |
| Balance as of July 1, 2024  | 531  | (32) | 3,422 | 71,836  | 308                       | 72,145       |
| Profit  |  |      |       | 7,384   | 1                         | 7,385        |
| Other comprehensive income  | (225)  | 809  | 444   | 444   | (1)                       | 443          |
| Comprehensive income  | (225)  | 809  | 444   | 7,828   | 0                         | 7,829        |
| Issuance of shares  |  |      | (731) | 2   |                           | 2            |
| Purchase of treasury shares   |  |      |       | (0)   |                           | (0)          |
| Share-based payment transactions  |  |      | 397   | 843   |                           | 843          |
| Transfer from other components of equity to retained earnings           |  | 3    | 3     | –   |                           | –            |
| Redemption of convertible-bond-type bonds with stock acquisition rights |  |      |       | (139)   |                           | (139)        |
| Total transactions with owners  | –  | 3    | (331) | 707   | –                         | 707          |
| Balance as of December 31, 2024   | 306  | 780  | 3,535 | 80,372  | 308                       | 80,681       |

English Translation

This is a translation of the original release in Japanese. In the event of any discrepancy, the original release in Japanese shall prevail.

(4) Condensed Semi-Annual Consolidated Statement of Cash Flows

(Millions of yen)

|  | For the six months<br>ended December 31, 2023 | For the six months<br>ended December 31, 2024 |
|--|---|---|
| <b>Cash flows from operating activities</b>                  |   |   |
| Profit before tax  | 8,025   | 12,767  |
| Depreciation and amortization                                | 1,161   | 869   |
| Gain on redemption of bonds                                  | –   | (1,113)                                       |
| Interest and dividend income                                 | (437)   | (465)   |
| Interest expenses  | 89  | 116   |
| Decrease (increase) in trade and other receivables           | (38,978)                                      | (26,521)                                      |
| Change in deposits paid                                      | (474)   | (3,522)                                       |
| Increase (decrease) in trade and other payables              | 1,658   | 1,760   |
| Change in deposits received                                  | 20,004  | 6,950   |
| Other  | 226   | (2,118)                                       |
| Subtotal   | (8,725)                                       | (11,278)                                      |
| Interest received  | 429   | 470   |
| Interest paid  | (89)  | (116)   |
| Change in guarantee deposits                                 | (15,000)                                      | 19,280  |
| Income taxes paid  | (6,213)                                       | (1,503)                                       |
| Income taxes refund  | –   | 125   |
| Other  | 19  | 16  |
| Net cash provided by (used in) operating activities          | (29,579)                                      | 6,995   |
| <b>Cash flows from investing activities</b>                  |   |   |
| Purchase of investment securities                            | (1,026)                                       | (388)   |
| Purchase of property, plant and equipment                    | (34)  | (150)   |
| Proceeds from refund of leasehold and guarantee deposits     | 525   | –   |
| Payments of leasehold and guarantee deposits                 | –   | (539)   |
| Other  | 265   | 125   |
| Net cash provided by (used in) investing activities          | (270)   | (952)   |
| <b>Cash flows from financing activities</b>                  |   |   |
| Net increase (decrease) in short-term borrowings             | (21,238)                                      | (826)   |
| Proceeds from issuance of bonds and long-term borrowings     | 36,000  | 14,000  |
| Redemption of bonds and repayments of long-term borrowings   | (440)   | (26,251)                                      |
| Proceeds from issuance of shares                             | 120   | 2   |
| Repayments of lease liabilities                              | (758)   | (566)   |
| Net cash provided by (used in) financing activities          | 13,683  | (13,641)                                      |
| Effect of exchange rate changes on cash and cash equivalents | (483)   | (458)   |
| Net increase (decrease) in cash and cash equivalents         | (16,648)                                      | (8,057)                                       |
| Cash and cash equivalents at the beginning of period         | 201,822                                       | 191,998                                       |
| Cash and cash equivalents at the end of period               | 185,173                                       | 183,941                                       |

English Translation

This is a translation of the original release in Japanese. In the event of any discrepancy, the original release in Japanese shall prevail.

(5) Notes to the Condensed Semi-Annual Consolidated Financial Statements

Segment information

(1) Overview of reportable segments

Financial information for the Group's operating segments separated according to business segment is available. This information is subject to periodic review in order to allow the Board of Directors and the Executive Committee to determine the distribution of management resources and to evaluate business results. The Group classifies the reportable segments as "Japan Region," for which the Group operates its core business of the *Mercari* marketplace in Japan, and "US," for which the Group operates the *Mercari* (US) marketplace app in the United States of America. The Group also proposes and determines Group strategies along these segment lines.

Note that the principal information included in each reportable segment is as follows.

|              |             |   |
|--------------|-------------|---|
| Japan Region | Marketplace | Operation of a marketplace app in Japan                       |
|              | Fintech     | Payment-, finance-, and cryptoasset-related business in Japan |
| US           | Marketplace | Operation of a marketplace app in the US                      |

(2) Information regarding profit or loss by reportable segments

Profit by reportable segment is based on operating profit.

Intersegment revenue is based on actual market price.

For the six months ended December 31, 2023

(Millions of yen)

|  | Reportable segments |         |        | Other<br>(Note 1) | Total  | Adjustments | Consolidated |
|--|---------------------|---------|--------|-------------------|--------|-------------|--------------|
|  | Japan<br>Region     | US      | Total  |                   |        |             |              |
| Revenue                                  |                     |         |        |                   |        |             |              |
| Marketplace                              | 53,549              | 22,171  | 75,721 | –                 | 75,721 | –           | 75,721       |
| Fintech                                  | 13,999              | –       | 13,999 | –                 | 13,999 | –           | 13,999       |
| Other                                    | –                   | –       | –      | 2,665             | 2,665  | –           | 2,665        |
| Total                                    | 67,548              | 22,171  | 89,720 | 2,665             | 92,386 | –           | 92,386       |
| Revenue from contracts<br>with customers | 59,364              | 22,171  | 81,536 | 2,665             | 84,201 | –           | 84,201       |
| Revenue from other<br>sources            | 8,184               | –       | 8,184  | –                 | 8,184  | –           | 8,184        |
| Total                                    | 67,548              | 22,171  | 89,720 | 2,665             | 92,386 | –           | 92,386       |
| Revenue from external<br>customers       | 67,548              | 22,171  | 89,720 | 2,665             | 92,386 | –           | 92,386       |
| Intersegment revenue                     | –                   | –       | –      | 596               | 596    | (596)       | –            |
| Total                                    | 67,548              | 22,171  | 89,720 | 3,261             | 92,982 | (596)       | 92,386       |
| Segment profit (loss)                    | 14,281              | (2,137) | 12,144 | (76)              | 12,067 | (4,246)     | 7,821        |
| Finance income                           | –                   | –       | –      | –                 | –      | –           | 437          |
| Finance costs                            | –                   | –       | –      | –                 | –      | –           | 233          |
| Profit before tax                        | –                   | –       | –      | –                 | –      | –           | 8,025        |

(Notes) 1. The "Other" column includes business segments that are not included in the reportable segments, such as the sports business.

- Adjustments for segment profit (loss) mainly consist of general and administrative expenses that are not attributable to reportable segments.
- For "US," the amount of delivery revenue is recognized at the full amount of consideration received from the customer, which is recorded as ¥12,755 million.
- "Revenue from external customers" includes revenue from contracts with customers and revenue from other sources. Revenue from other sources is primarily interest revenue in accordance with IFRS 9 "Financial Instruments" (hereinafter, "IFRS 9"), which was ¥8,050 million. In addition, Mercoin, Inc. operates as a cryptoasset exchange service provider. For sales transactions conducted using cryptoassets, the amounts were accounted for as derivatives in accordance with IFRS 9, and the associated revenue amounted to ¥133 million.

English Translation

This is a translation of the original release in Japanese. In the event of any discrepancy, the original release in Japanese shall prevail.

For the six months ended December 31, 2024

(Millions of yen)

|  | Reportable segments |         |        | Other<br>(Note 1) | Total  | Adjustments | Consolidated |
|--|---------------------|---------|--------|-------------------|--------|-------------|--------------|
|  | Japan<br>Region     | US      | Total  |                   |        |             |              |
| Revenue                                  |                     |         |        |                   |        |             |              |
| Marketplace                              | 54,060              | 18,598  | 72,659 | –                 | 72,659 | –           | 72,659       |
| Fintech                                  | 18,795              | –       | 18,795 | –                 | 18,795 | –           | 18,795       |
| Other                                    | –                   | –       | –      | 2,706             | 2,706  | –           | 2,706        |
| Total                                    | 72,856              | 18,598  | 91,455 | 2,706             | 94,161 | –           | 94,161       |
| Revenue from contracts<br>with customers | 59,921              | 18,598  | 78,520 | 2,706             | 81,227 | –           | 81,227       |
| Revenue from other<br>sources            | 12,934              | –       | 12,934 | –                 | 12,934 | –           | 12,934       |
| Total                                    | 72,856              | 18,598  | 91,455 | 2,706             | 94,161 | –           | 94,161       |
| Revenue from external<br>customers       | 72,856              | 18,598  | 91,455 | 2,706             | 94,161 | –           | 94,161       |
| Intersegment revenue                     | –                   | –       | –      | 776               | 776    | (776)       | –            |
| Total                                    | 72,856              | 18,598  | 91,455 | 3,483             | 94,938 | (776)       | 94,161       |
| Segment profit (loss)                    | 16,581              | (1,368) | 15,213 | 67                | 15,280 | (3,867)     | 11,413       |
| Finance income                           | –                   | –       | –      | –                 | –      | –           | 1,579        |
| Finance costs                            | –                   | –       | –      | –                 | –      | –           | 224          |
| Profit before tax                        | –                   | –       | –      | –                 | –      | –           | 12,767       |

- (Notes) 1. The “Other” column includes business segments that are not included in the reportable segments, such as the sports business.
2. Adjustments for segment profit (loss) mainly consist of general and administrative expenses that are not attributable to reportable segments.
3. For “US,” the amount of delivery revenue is recognized at the full amount of consideration received from the customer, which is recorded as ¥10,749 million.
4. “Revenue from external customers” includes revenue from contracts with customers and revenue from other sources. Revenue from other sources is primarily interest revenue in accordance with IFRS 9, which was ¥12,038 million. In addition, Mercoin, Inc. operates as a cryptoasset exchange service provider. For sales transactions conducted using cryptoassets, the amounts were accounted for as derivatives in accordance with IFRS 9, and the associated revenue amounted to ¥896 million.

Notes on going concern assumption

Not applicable.