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October 28, 2021

To whom it may concern:

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Representative: Shintaro Yamada, Chief Executive Officer
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Notice Regarding Establishment of Subsidiary and Launch of New Business

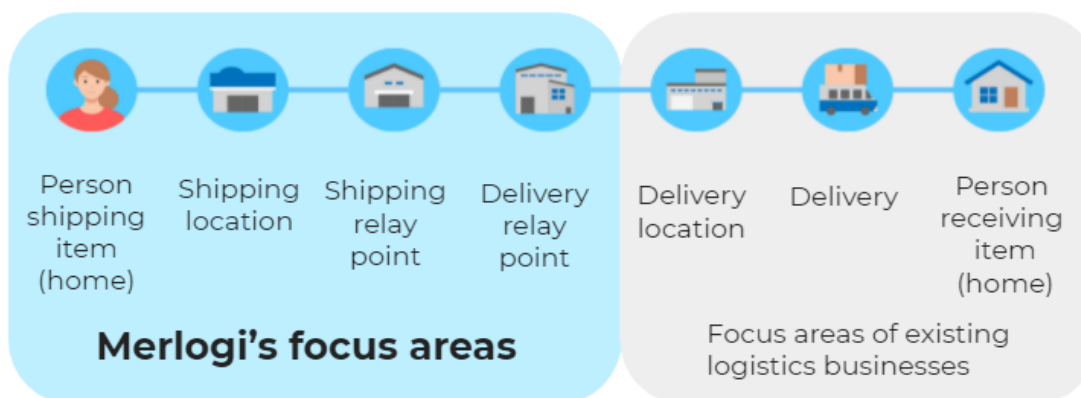
At a meeting of the Board of Directors today, Mercari (the “Company”) resolved to establish a subsidiary for the planning, development, and management of logistics services (Merlogi, Inc.; “Merlogi”), as well as resolved to launch a new business through this subsidiary.

1. Purpose of Establishing this Subsidiary

Mercari Group launched the *Mercari* marketplace app in July 2013 to create a marketplace where individuals can easily, safely, and securely buy and sell items, under the Company’s mission of “create value in a global marketplace where anyone can buy & sell.” The Company continues to aim for further growth, having expanded its user base and exceeded 2 billion listed items¹ by working to improve in-app features and enhance the offline user experience.

Meanwhile, *Mercari*’s expanding gross merchandise volume is placing greater strain on shipment and package pickup operations at post offices and convenience stores each year. The Company has worked to set up unstaffed Mercari Post boxes as a way to lessen the operational load, but it believes that looking towards Mercari Group’s continued growth, the Company will need to build a more sustainable shipping operations framework. Furthermore, while the Company has worked to develop a variety of offline initiatives and ways to simplify how users send packages, shipping remains a complex obstacle for some users, and the Company believes that there is still room to improve the user experience in this regard. At the same time, the Company understands that the situation will require greater consideration for the burden that shipping places on the environment.

With Merlogi, the Company is building a new package pickup and logistics network to address these issues and provide a better user experience while utilizing *Mercari*’s massive item volume and existing infrastructure such as Mercari Post. The Company will develop the business without owning assets such as trucks or warehouses, instead collaborating with logistics partners to fill those needs.



The following are three particular features of the package pickup and distribution network that Merlogi is building. By building its own efficient package pickup and logistics network, the Company will develop services that further improve the experience of Mercari users (packaging-free shipping, etc.).

- 1) Able to achieve efficient area rollout making full use of Mercari Group's data, using empirical data to single out areas with high volumes of items shipped, for example
- 2) Able to maximize package pickup efficiency by utilizing proprietary touchpoints like Mercari Post (now available at approx. 1,000 locations; expected to expand to 8,000 touchpoint locations nationwide by the end of 2024)
- 3) Able to collect items from proprietary touchpoints and consolidate shipments at sorting centers, enabling the Company to provide value-added services (cleaning, repairs, etc.)

Through the Company's new endeavors with Merlogi, Mercari aims to accelerate the formation of a circular economy and further develop Mercari Group.

1. As of Dec. 27, 2020

2. Overview of the Subsidiary to Be Established

(1) Company name	Merlogi, Inc.	
(2) Address	6-10-1 Roppongi, Minato-ku, Tokyo	
(3) Title and name of representatives	Kazuya Nobe, Representative Director & CEO Tomoyuki Shindo, Representative Director & COO	
(4) Business activities	Planning, development, and management of logistics services	
(5) Capital	150 million yen	
(6) Date of establishment	October 28, 2021	
(7) Large shareholders and their stake	Mercari, Inc. 100%	
(8) Relationship between listed company and company	Capital relationship	Wholly-owned subsidiary

concerned	Personnel relationship	Plan to dispatch upper management and employees from Mercari
	Business relationship	N/A

3. Schedule

(1) Date of resolution at the Board of Directors Meeting	October 28, 2021
(2) Date of establishment	October 28, 2021
(3) Start of operations	Within 2021

4. Amounts and details of special expenditure required for the launch of new business

Currently, there are no plans for extraordinary spending for this business.

5. Future outlook

While the Company believes the new business will help improve performance for Mercari Group in the mid-to-long term, the Company believes it will have little impact on performance for this fiscal year.