

FY2023.6 Q3

Presentation Material

mercari

Group Mission



**Circulate all forms of value
to unleash the potential in all people**

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Summary

FY2023.6 Q3—Progress & Highlights

Consolidated

- To maximize Group synergy, we expanded investment in *Mercard* and launched a service that allows users to buy and sell bitcoin from within *Mercari*.
- Thanks to thorough investment discipline throughout the entire Group, our ongoing efforts to review costs, and increased profitability due to such things as a return to normal levels of fraudulent use cases, in Q3, operating income was 5.6B JPY, an increase of +8.6B JPY YoY, netting the Group a fourth consecutive quarterly operating profit.

Marketplace

- YoY GMV growth rate stalled temporarily at +8% due to such things as reconsidering some development plans. Adjusted¹ operating margin significantly surpassed the target to reach 48% thanks to thorough investment discipline and reviewing costs.
- Acquisition of new users progressed favorably, and MAU increased by 730K QoQ to reach 22.26M, a new quarterly record.

Fintech

- Credit service businesses led growth this quarter. Both credit balance and collection rate grew steadily.
- Number of Mercards issued grew favorably, with more than 650K cards issued by the end of March. Due to investments, recorded an unadjusted¹ operating loss in Q3.
- On March 9, launched a service for buying and selling bitcoin. Within two weeks of the full release of the service, more than 100K new accounts had been created.

US

- The online reuse markets continued to face headwinds stemming from the pressure of inflation, resulting in GMV growth landing at -14% YoY.
- Concentrated on product initiatives focused mainly on promoting purchasing. Succeeded at largely reducing adjusted operating loss as a result of lowered cost for leaner business management.

1 FY2023.6 Q3—KPI Summary

Marketplace	Fintech	US
<p>GMV¹</p> <p>254.6 billion JPY</p> <p>YoY +8%</p>	<p>Merpay Users³</p> <p>15.12 million</p>	<p>GMV¹</p> <p>258 million USD</p> <p>YoY -14%</p>
<p>Adjusted Operating Margin²</p> <p>48%</p> <p>(YoY +18 ppts)</p>	<p>Credit Balance⁴</p> <p>103.7 billion JPY</p>	<p>MAU⁶</p> <p>5.01 million</p> <p>(YoY -11%)</p>
	<p>Collection Rate⁵</p> <p>98.1%</p>	

1. Aggregate transaction value after adjusting for cancellations; the value for Marketplace aggregates C2C and B2C figures

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

3. As of March 31, 2023, the aggregated number of unique users who had registered for *Merpay Electronic Money*, set up *Virtual Card*, or applied for *Mercard*, or who had used *Merpay QR Code Payments*, *Online Payments*, or *Merpay Smart Payments* (lump-sum payment or fixed-amount payment), etc.

4. *Merpay Smart Payments* (lump-sum payment or fixed-amount payment) and *Smart Money* credit balance as of March 31, 2023 (excludes debt converted into bankruptcy reorganization debt)

5. 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 and fixed-amount payment) and *Smart Money* billed in the past 11 months (excludes bankruptcy reorganization debt)

6. Quarterly average number of users who browsed our service (app or web) at least once during a given month

1

FY2023.6 Q3—Consolidated Net Sales & Operating Income by Business

(Billion JPY)

Segment		FY2022.6 Q3		FY2023.6 Q3		YoY	
		Net Sales/ External Net Sales	Operating Income/ Adjusted Operating Income	Net Sales/ External Net Sales	Operating Income/ Adjusted Operating Income	Net Sales/ External Net Sales (%)	Operating Income/ Adjusted Operating Income (%)
Japan Region		26.4	3.9	31.4	9.6	+19%	+146%
Marketplace		22.6	4.1 / 6.7	26.3	9.7 / 12.5	+16%	+138%/+87%
Fintech		6.4 / 3.7	-0.1 / -2.7	7.8 / 5.0	-0.08 / -2.8	+23%/+34%	-
US	J-GAAP (Billion JPY)	10.7	-5.1	11.0	-1.3	+3%	-
	US GAAP (Million USD)	92	-43 / -40	83	-10 / -5	-10%	-
Other		1.8	0.3	1.8	0.2	-3%	-17%
Adjustments		-0.5	-2.0	-0.7	-2.9	-	-
Consolidated		38.5	-2.9	43.6	5.6	+13%	-

FY2023.6
Financial Forecast

FY2023.6 Full-Year Financial Forecast

- **Consolidated:** Net sales of 170.0B JPY, operating income of 13.5B JPY
- **Marketplace:** GMV YoY +9%, adjusted operating margin of 42%
- **US:** GMV YoY around -12%

Q4/Full-Year Forecast

Consolidated

Looking ahead to further growth next fiscal year and beyond, we will strengthen efforts to increase GMV and net sales, such as initiatives to acquire new users and strengthen listings in Marketplace, initiatives to acquire *Mercard* cardholders in Fintech, and initiatives to maximize Group synergy spanning Japan Region. As a result, we expect the amount of Group investment to increase in Q4 compared to Q3, but we forecast that profitability will increase for the year due to thorough investment discipline and management consciously balancing growth and profitability.

Marketplace

We forecast that the YoY GMV growth rate will improve in Q4 as we mainly see the full-year effects of the investment policy updates and prioritized investments made in FY2022.6 Q4. We expect to expand investments to maximize group synergy through collaboration with Fintech and initiatives that were effective in Q3, leading to increased investment amounts in Q4, but we expect to achieve our target full-year adjusted operating income set at the beginning of FY2023.6 by a large margin. We have adjusted our full-year targets set at the beginning of the fiscal year to +9% YoY for GMV and 42% for adjusted operating margin.

Fintech

We expect the investment amount to increase in Q4 compared to Q3 due to investing in initiatives to acquire *Mercard* cardholders and promote its use, as well as to popularize our service enabling users to buy bitcoin within *Mercari*, in order to maximize Group synergy, while also strengthening profitability centered on fixed-amount payment.

US

We will make selective investments to minimize operating loss in response to continued uncertainty in the business environment due to factors such as inflation. We forecast that GMV growth will remain negative in Q4 due to headwinds facing the online reuse market. Taking these conditions into consideration, we have adjusted our full-year target GMV growth rate to around -12% YoY.

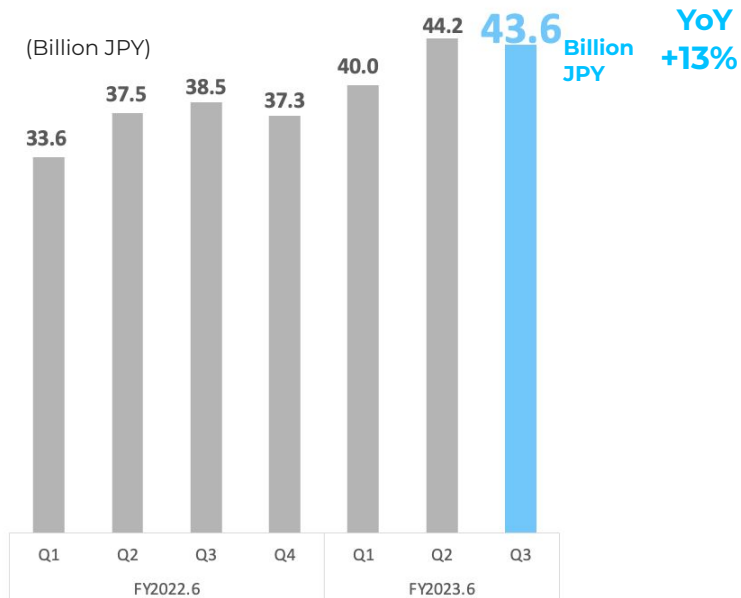
FY2023.6 Q3
Financial Highlights

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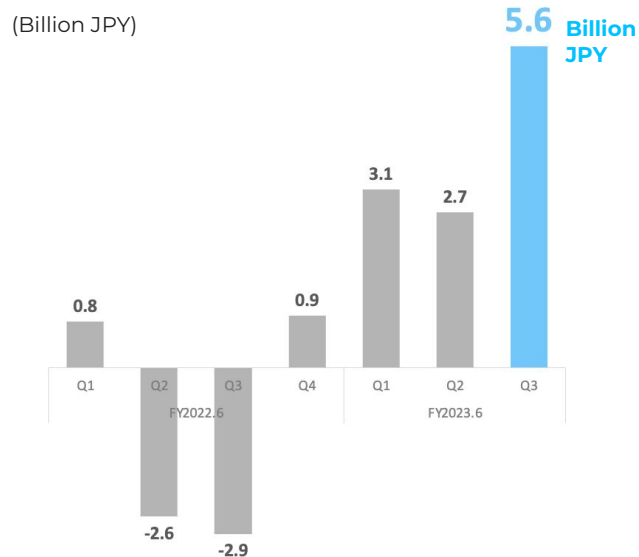
Financial Highlights—Consolidated Net Sales & Operating Income

- Thanks to Group-wide efforts to strengthen our profit base, we recorded our highest-ever quarterly operating income
- The success of fraud countermeasures saw the amount of impact resulting from fraudulent use return to levels that existed before the sudden rise in cases

Net Sales



Operating Income

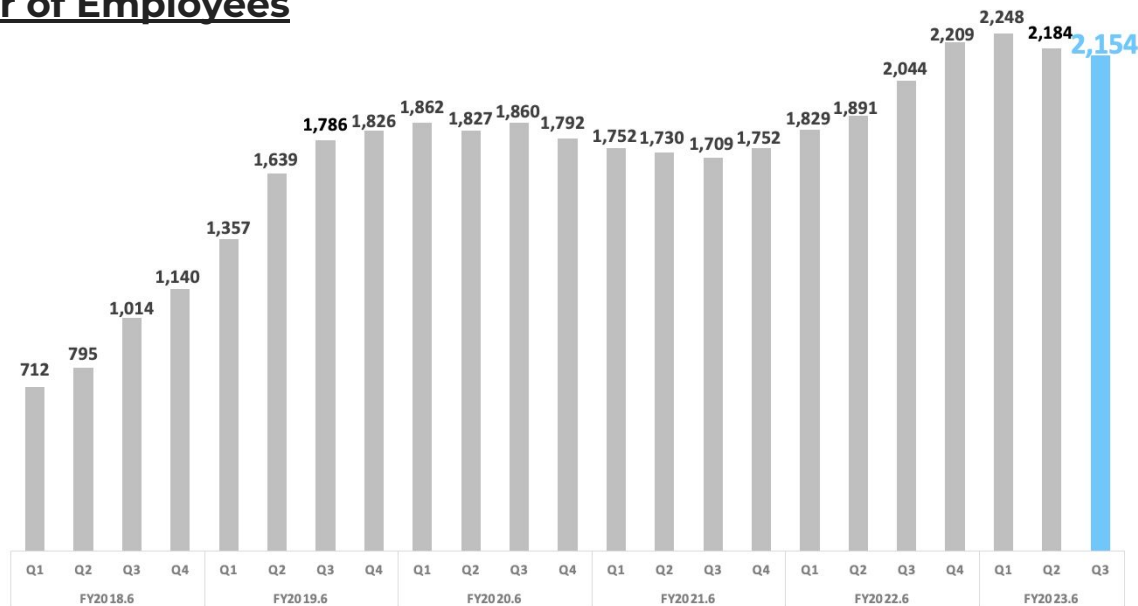


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The Talent Supporting Mercari's Growth

- Headcount decreased slightly QoQ due to the continuation of a selective hiring policy
- Will carry out aggressive hiring, mainly in engineering positions, for growth in the next fiscal year and beyond

Number of Employees



Marketplace—FY2023.6 Q3 Progress

Business Objectives at the Start of FY2023.6

Aim to achieve full-year GMV YoY growth of +10–15% and adjusted operating margin of 30–35% by increasing the number of listings through strengthened collaboration between the C2C and B2C business areas

While GMV growth rate temporarily slowed to YoY +8% due to reconsidering some development plans among other factors, we achieved a record-high adjusted operating margin of 48% as a result of thorough investment discipline and cutting costs

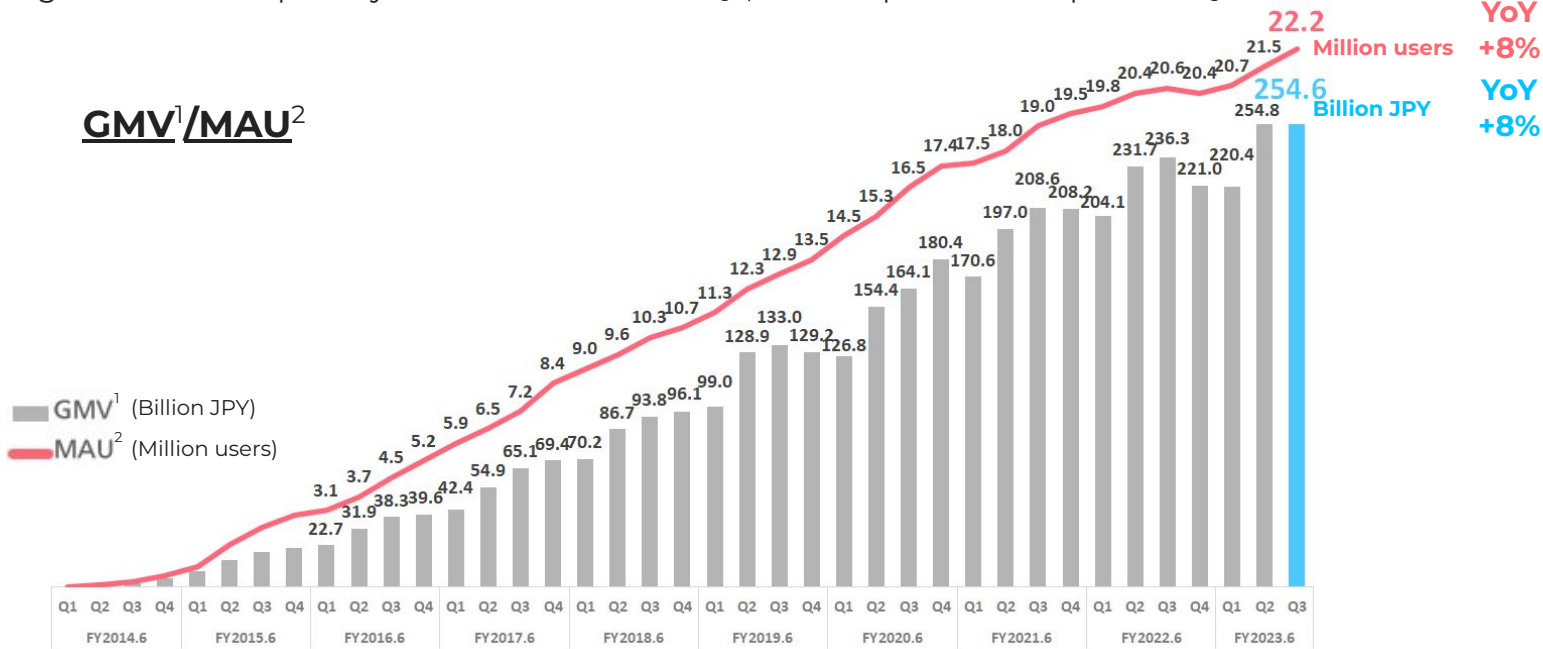
- Focused on initiatives for acquiring new users and encouraging new users to list items, and continued to drive product improvements to enhance user-friendliness
- In the B2C business, focused on product improvements and made progress in initiatives to increase the number of listings, such as acquiring reuse/outlet business operators and promoting API integration

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Marketplace—GMV/MAU

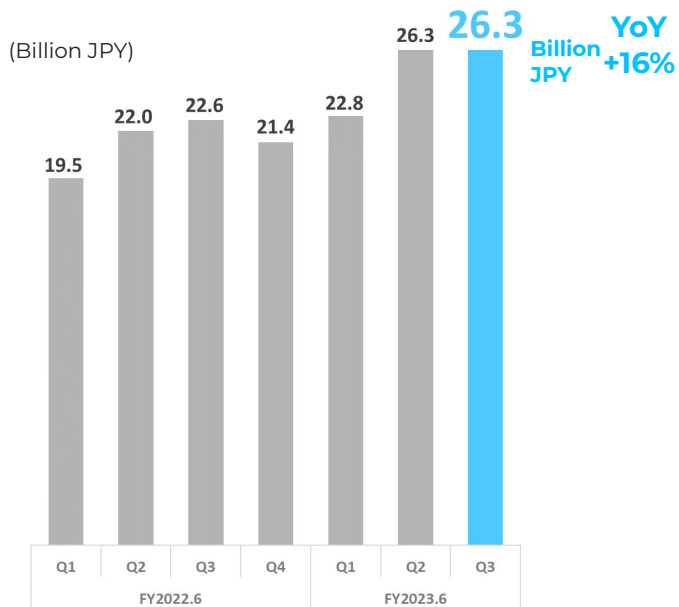
- As a result of focusing on initiatives for acquiring new users and encouraging new users to list items, MAU grew by 730 thousand QoQ to a record high of 22.2 million
- GMV growth rate temporarily slowed to YoY +8% in Q3, but is expected to improve in Q4

GMV¹/MAU²

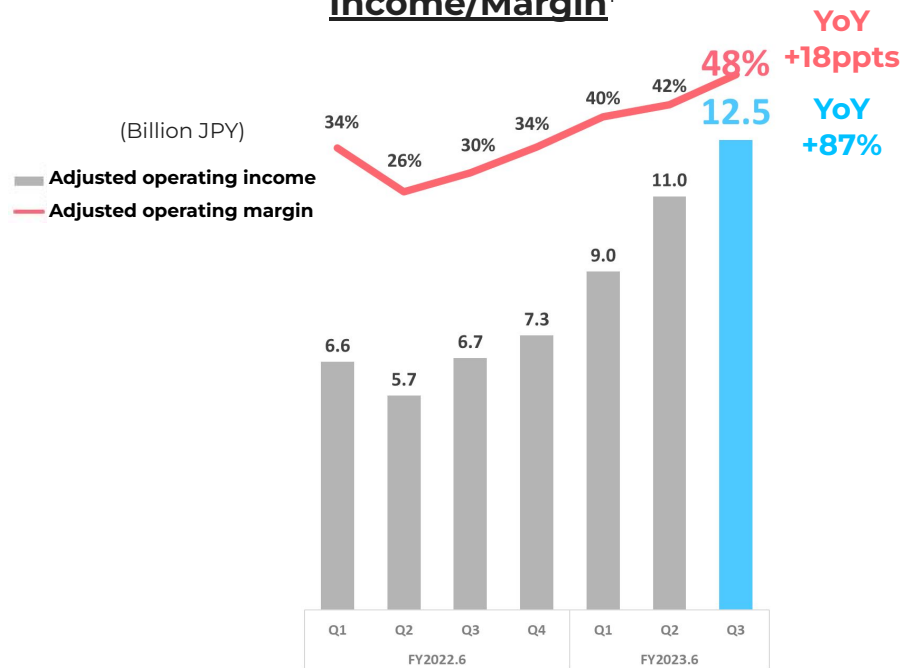


Marketplace—FY2023.6 Q3 Progress

Net Sales



Adjusted Operating Income/Margin¹

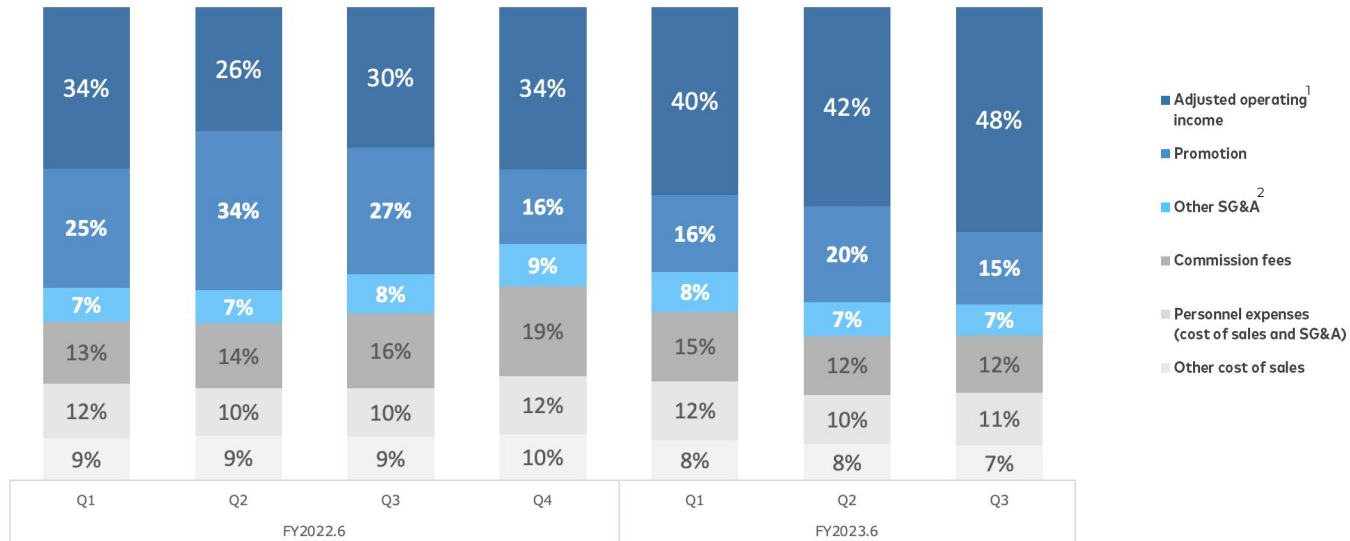


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Marketplace—Cost Structure Against Net Sales

- Promotion cost ratio decreased YoY as a result of carefully selected investments in areas such as new user acquisition and listing promotion where effects steadily accumulate
- Adjusted operating margin¹ increased to 48% as a result of thorough investment discipline and reviewing costs

Financial Results Presentation Material



3 Fintech—FY2023.6 Q3 Progress

Business Objectives at the Start of FY2023.6

Promote circular finance by strengthening Group synergy

Credit service led growth, while credit balance¹ and collection rate² both saw steady gains. The number of newly acquired *Mercard* users and the number of accounts created for a service launched on March 9 that allows account holders to buy and sell bitcoin were both favorable.

- Credit services led growth this quarter mainly with fixed-amount payments. Sound growth continued, with credit balance exceeding 100.0B JPY and the collection rate continuing to rise.
- Currently a point of focus, the number of *Mercards* issued grew at a good pace in Q3, surpassing 650,000 cards issued as of March 31, 2023. Trends show that ARPU³ continues to be higher after users obtain a *Mercard*. We will keep promoting the acquisition of cardholders and the use of *Mercard* within the *Mercari* marketplace.
- Started a service that allows users to buy and sell bitcoin from within the *Mercari* marketplace. Within two weeks of the full release of the service, users had created more than 100,000 new accounts.

1. *Merpay Smart Payments* (lump-sum and fixed-amount payment) and *Merpay Smart Money* credit balance as of March 31, 2023 (excludes debt converted into bankruptcy reorganization debt)

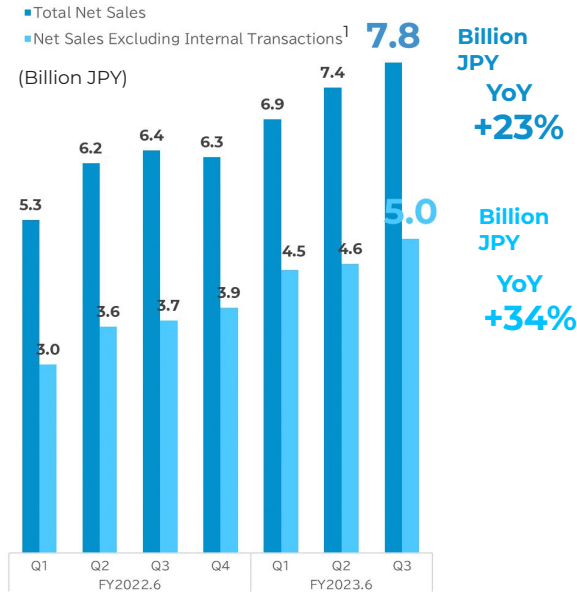
2. Average aggregated rate of the quarterly cumulative collections completed within the past 11 months compared to the amount of *Merpay Smart Payments* (lump-sum payment and fixed-amount payment) and *Merpay Smart Money* billed in the past 11 months (excludes bankruptcy reorganization debt)

3. ARPU: Average revenue per user

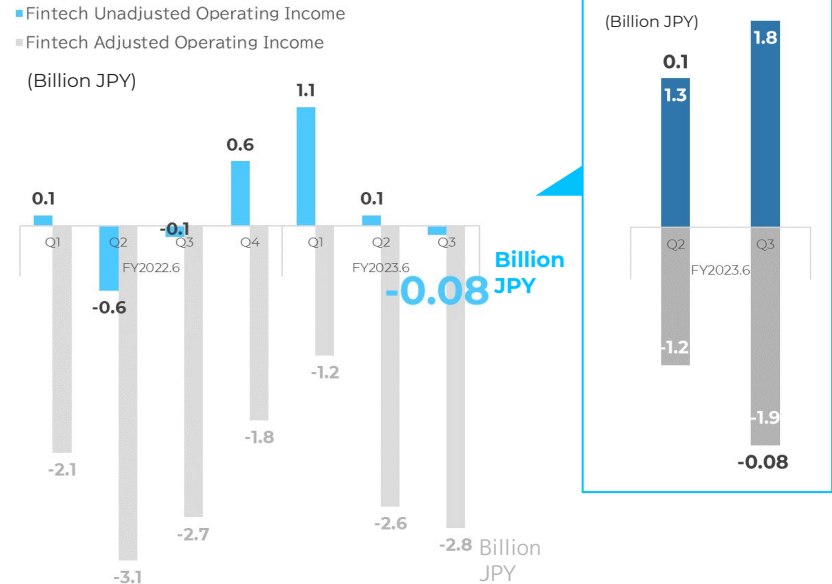
Fintech—Net Sales and Adjusted/Unadjusted Operating Income

- Saw progress in the use of credit services mainly for fixed-amount payments, resulting in a favorable increase of net sales
- While we saw continued improvement in the profitability of existing services, recorded an unadjusted operating loss in Q3 due to investment in *Mercard*

Net Sales



Adjusted/Unadjusted Operating Income²



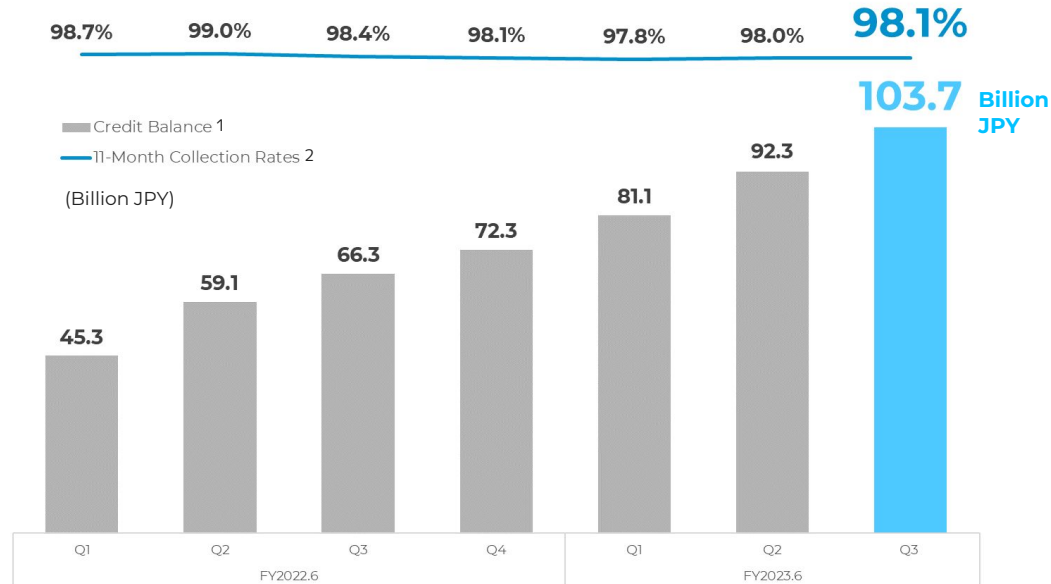
1. Net sales and operating income after deduction of internal transactions between Marketplace and Fintech (outsourced payment processing fees)

2. Adjusted: Figures after adjustment exclude internal transactions between Marketplace and Fintech (outsourced payment processing fees); unadjusted: Figures before adjustment include internal transactions between Marketplace and Fintech (outsourced payment processing fees)

3. Investment in new services: For management accounting purposes, total of costs related to promotions to acquire Mercard users and point returns related to Mercard usage; profit mainly from existing services: Unadjusted operating profit minus the amount invested in new services

Fintech—Credit Balance and Collection Rate of Credit Services

- With *Mercard* usage in addition to the favorable expansion of existing services, credit balance exceeded 100M JPY for credit balance
- Amid the growth of credit balance, collection rate have also stabilized. We will strive to maintain a high collection rate through the ongoing enhancement of credit accuracy for the Group's unique form of credit logic
- In order to ensure the stability of long-term financing, we will receive external ratings for receivables and further expand sales channels to financial institutions

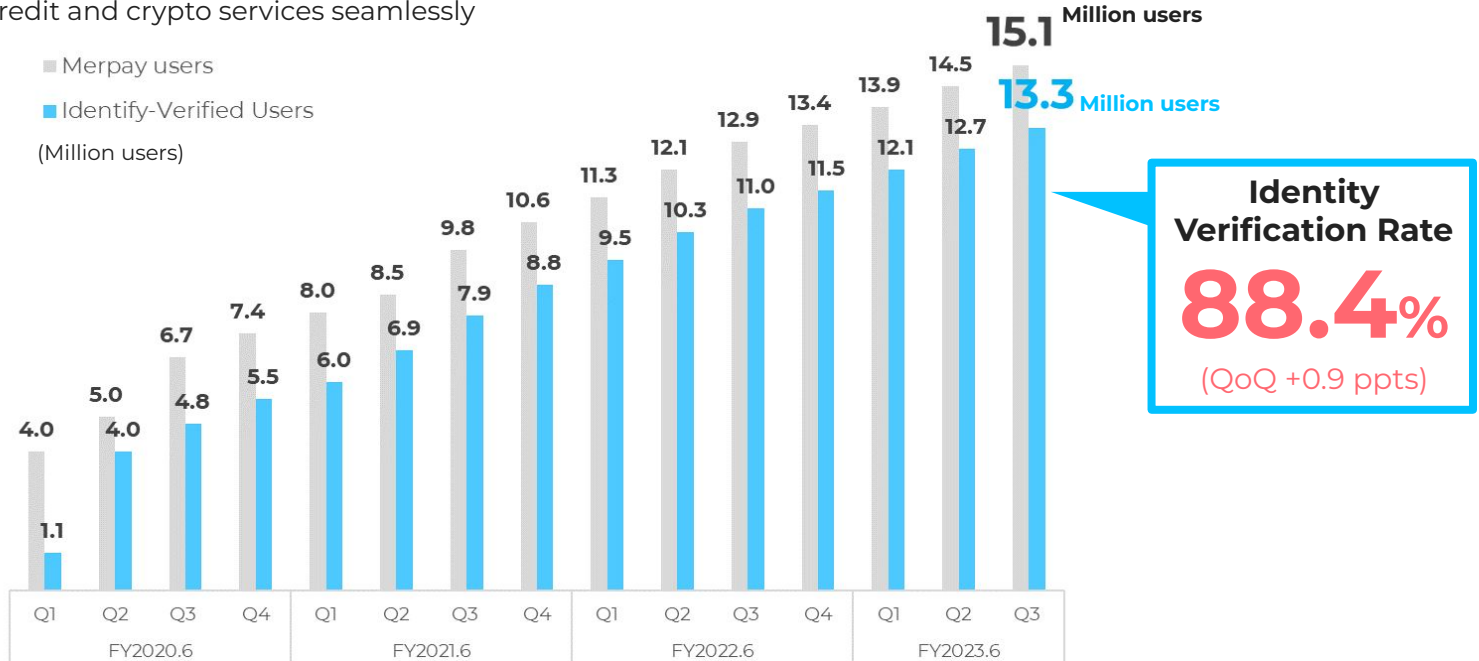


1. *Merpay Smart Payments* (lump-sum and fixed-amount payment) and *Merpay Smart Money* credit balance as of March 31, 2023 (excludes debt converted into bankruptcy reorganization debt, etc.)
 2. Average aggregated rate of the quarterly cumulative collections completed within the past 11 months compared 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 bankruptcy reorganization debt)

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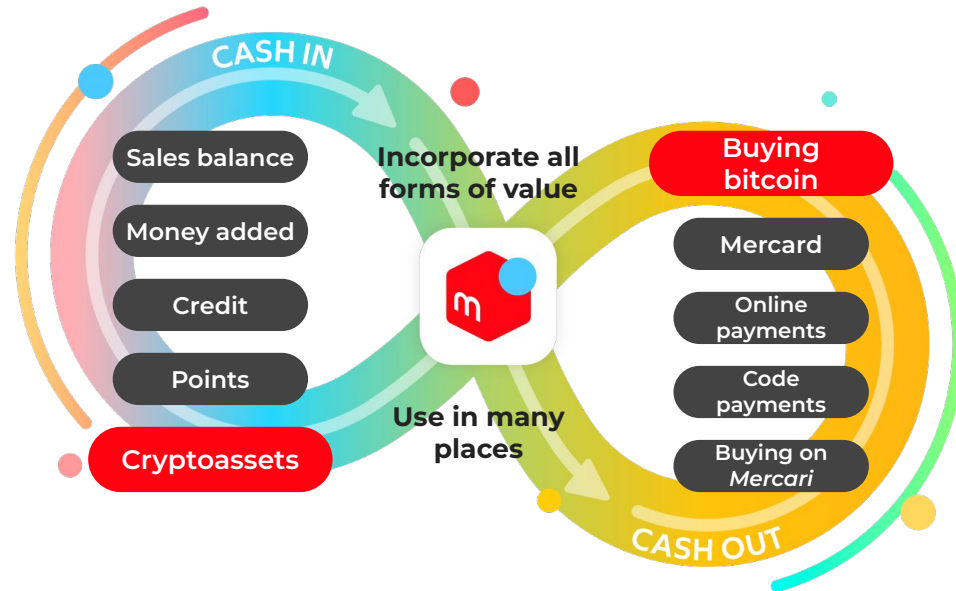
Fintech—Number of Users/Verified Users

- The number of both users and verified users continued to increase. The percentage of verified users also grew steadily to 88.4%
- Increasing the number of verified users also contributes to business growth since being verified allows users to start using credit and crypto services seamlessly



Fintech—Started a Service That Allows Users to Buy and Sell Bitcoin From Within the Mercari Marketplace¹

- By providing a new UX that allows users to use their sales balance to engage in asset management, we have added cryptoassets to the forms of value that can be circulated on Mercari.
- In Japan, there are a total of 6.4 million accounts for trading cryptoassets², and even though an average of 60,000 accounts³ are created each month, within two weeks of the full release⁴, our service exceeded 100,000 new accounts
- First, we will aim to spread use of the service mainly among the casual user segment, people who have never bought bitcoin before



1. Start of service: March 9, 2023

2. Source: Japan Virtual and Crypto assets Exchange Association, Monthly Cryptoasset Transaction Data (January 2023)

3. Source: Japan Virtual and Crypto assets Exchange Association, Monthly Cryptoasset Transaction Data (average of February 2022–January 2023)

4. Full release of service: March 16, 2023

US—FY2023.6 Q3 Progress

Business Objectives at the Start of FY2023.6

- Focus on product initiatives to promote selling and buying
- Expecting YoY GMV growth of +0–10%

In light of the challenging business environment, we lowered costs in favor of more lean business management and reduced adjusted operating loss to 5 million USD, down 35 million USD YoY.

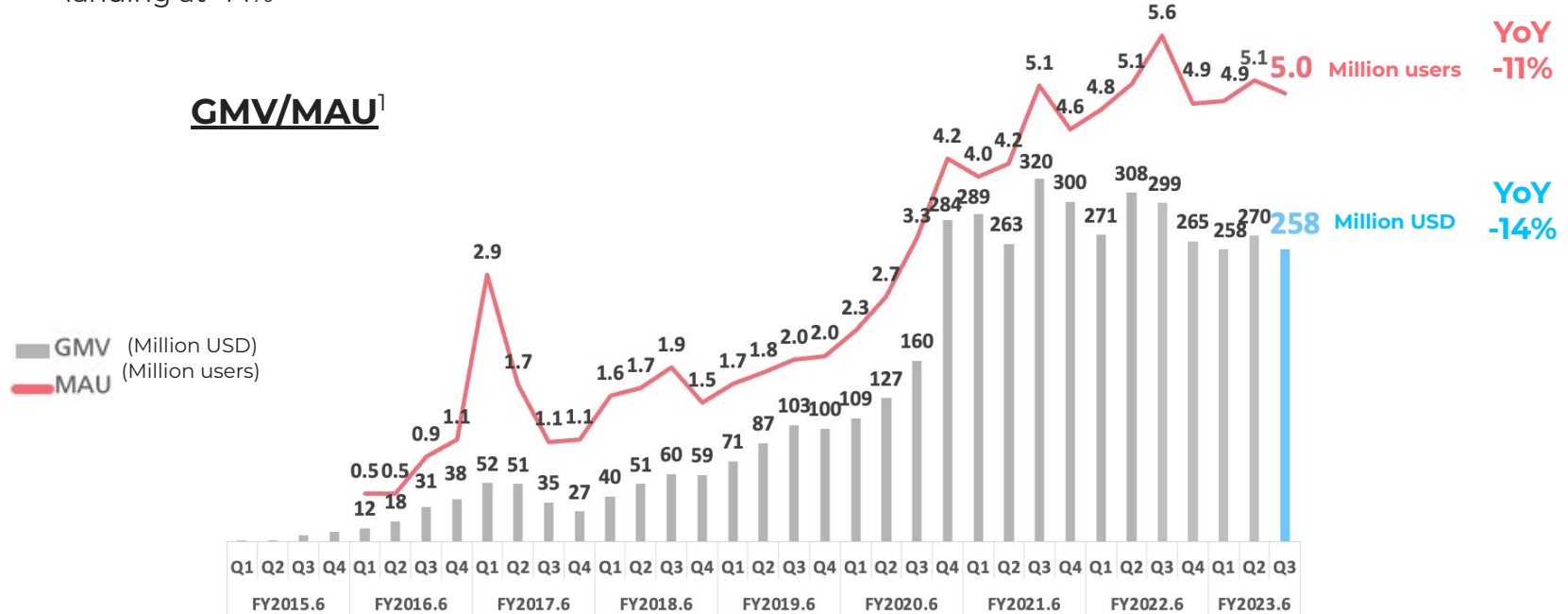
We continued to focus on product initiatives and developing mid-term growth strategies.

- The number of listings remained stable due to continuous improvements made to the product as we strive to be “the easiest and safest selling app.”
- In Q3, we continued to implement initiatives mainly geared at promoting purchases. These included reduced shipping costs for small packages and adding a feature that allows gift cards from other companies to be used on Mercari.

US—FY2023.6 Q3 GMV/MAU

- High inflation and rising interest rates continue to present issues for the online reuse market. With consumer spending prioritized on necessities and aggressive discounting in primary distribution, the company also took a significant hit, with purchase numbers slowing down and YoY GMV growth rate landing at -14%

GMV/MAU¹

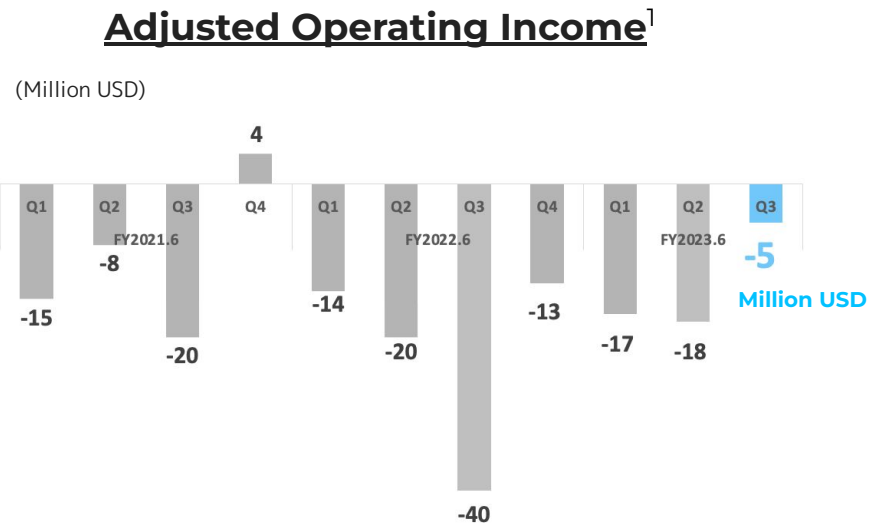
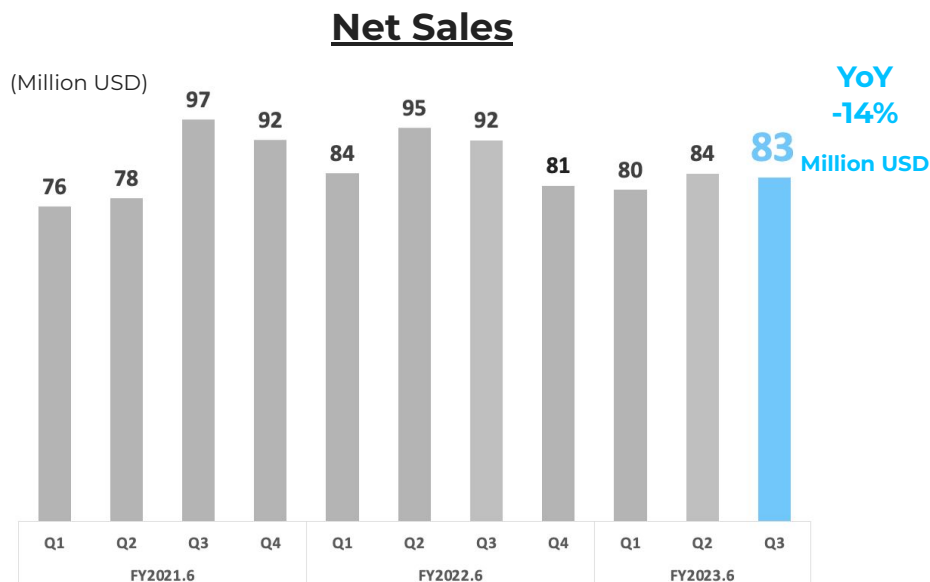


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US—Net Sales/Adjusted Operating Profit (US GAAP/Quarter)

- Adjusted operating loss decreased due to a review of expenses in order to achieve more robust management

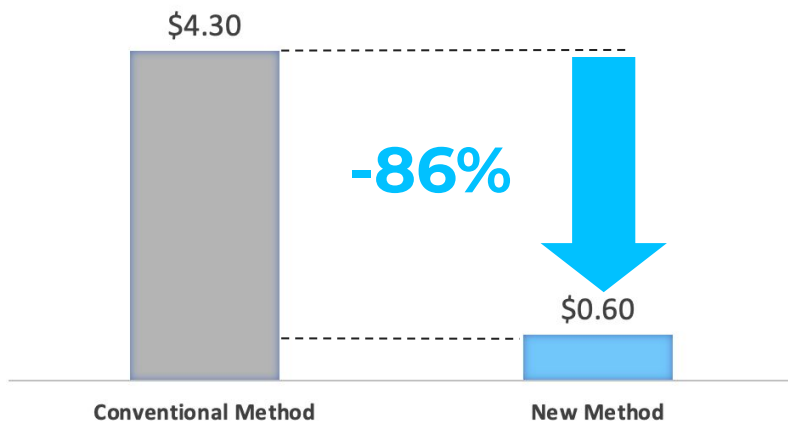
Financial Results Presentation Material



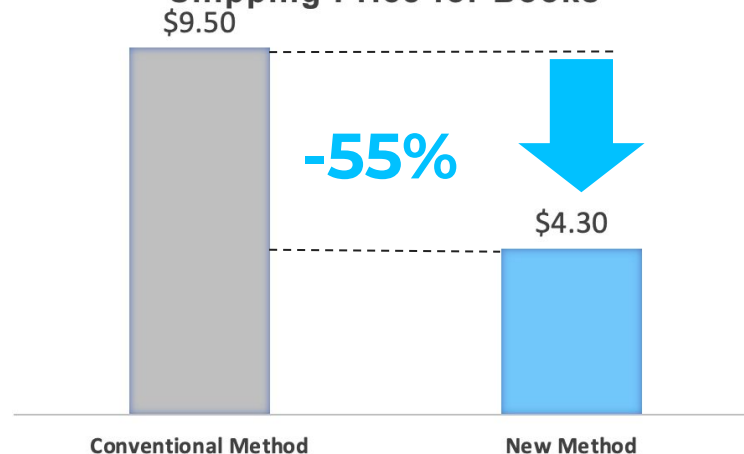
3 US—Progress of Major Initiatives

- Continued to release measures that promote purchases
 - Through partnership with USPS, significantly reduced shipping costs for small packages such as books and trading cards
 - Aiming to further increase transaction frequency in areas like the above where C2C transactions are more prevalent

Shipping Price for Trading Cards¹



Shipping Price for Books²



1. Began offering service on April 4, 2023. Comparison between shipping costs for trading cards with a weight limit of 1 oz.

2. Began offering service on March 15, 2023. Comparison between shipping costs for books with a weight limit of 1 lb.

ESG

ESG—Mercari's Five Material Topics

- Mercari contributes to resolving environmental issues through our business, aims to help people share the earth's limited resources across generations, and seeks to create a planet-positive world where people can continue to create new value
- We have defined the following five topics as our materiality, as they relate to creating value to contribute to resolving social and environmental issues and creating the management foundation necessary for continuous growth

1

Creating a Circular Economy/ Mitigating Climate Change

We will continue to pursue our idea of planet positive, where Mercari not only minimizes its environmental burden but helps solve environmental issues through its business and creates a circular economy where our finite resources are used sparingly.

2

Diversity & Inclusion

We tackle structural discrimination and inequality issues by building a work environment where people of all backgrounds can achieve their maximum potential. We also strive to realize a service accessible to all.

3

Local Empowerment

By finding solutions to issues unique to regions across the country, we aim to contribute to local economies and empower individuals and businesses.

4

Safe, Secure, and Fair Transactions

We strive to provide a platform for secure and fair transactions so our users, merchants, and business partners feel at ease using our services.

5

Corporate Governance and Compliance

We aim to establish a sound and transparent internal decision-making process to earn the trust of not only our users and business partners, but society as a whole.

4 ESG—Recognition of Our Efforts

- Our [FY2022.6 Sustainability Report](#) was selected as one of the “Most-improved Integrated Reports” by GPIF’s asset managers entrusted with domestic equity investment
- We became the first Japanese company to receive EDGE Assess certification, a global gender equality certification
- Our efforts to reduce waste and promote reuse by enabling regional organizations to sell items discarded as oversize garbage online were selected as one of the FY2022 Regional Revitalization Public–Private Partnership Best Practices



[FY2022.6 Sustainability Report](#) selected as one of the “Most-improved Integrated Reports”



Became the first Japanese company to receive EDGE Assess certification, a global gender equality certification



Selected as one of the FY2022 Regional Revitalization Public–Private Partnership Best Practices

Appendix

5

Updating Policies to Adapt to Changes in the Business Environment

- Updated our management policy and investment policy in the second half of FY2022.6

	Through FY2022.6 H1	From FY2022.6 H2
Mid-term objectives	<ul style="list-style-type: none"> Work with external partners to create an ecosystem that leads the move to a circular economy Establish a borderless organization where talent from all over the world can thrive Promote further global expansion 	
View of profitability	<ul style="list-style-type: none"> Prioritize strong top-line growth 	<ul style="list-style-type: none"> Aim to balance growth and profitability
Investment policy	<ul style="list-style-type: none"> Invest aggressively in areas that contribute to mid- to long-term growth 	<ul style="list-style-type: none"> Clarify priorities and make investments in areas that will have steadily accumulating results in order to achieve mid- to long-term growth Consider necessary investments in Fintech to maximize future profits

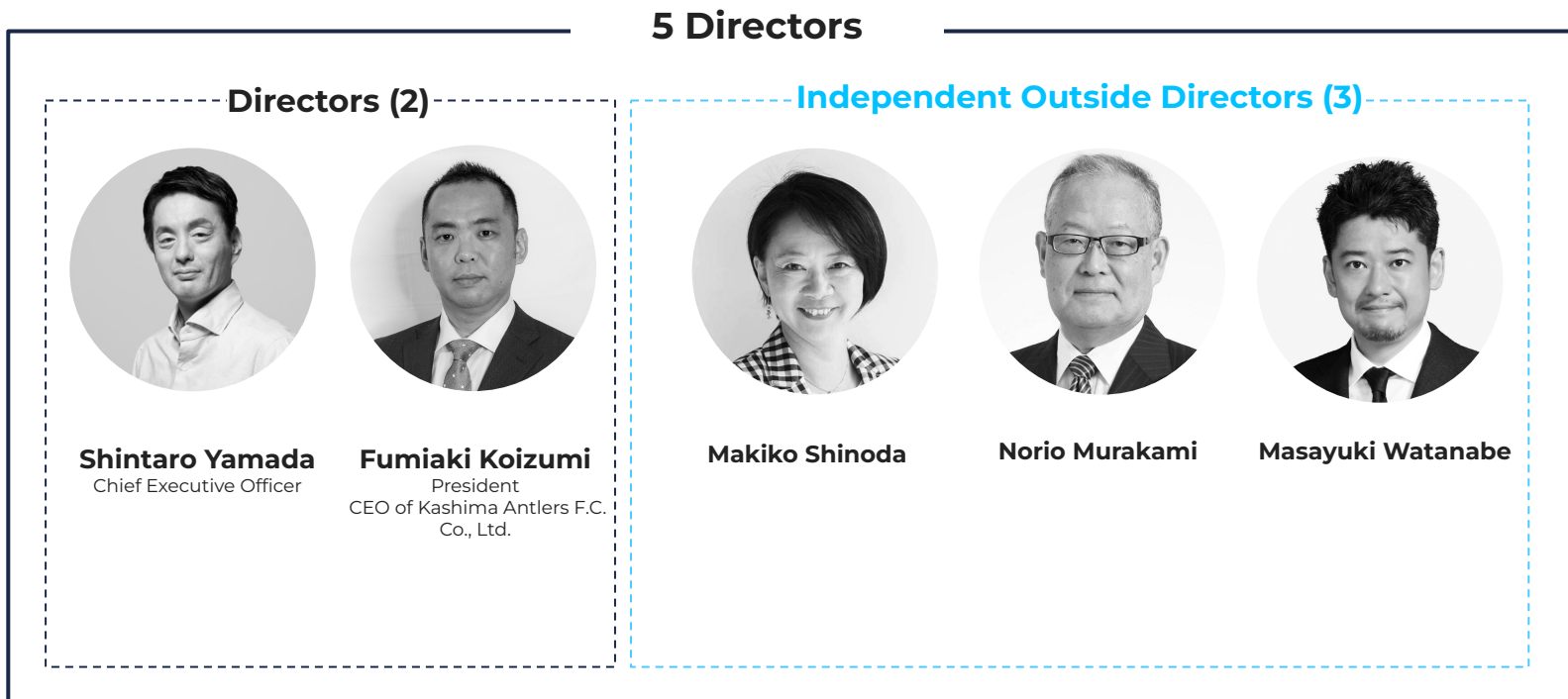
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Investment Policy and Details by Business

	Through FY2022.6 H1	From FY2022.6 H2
	Investment policy and main investments	Investment policy and main investments
Marketplace	<p>Aim for strong GMV growth and invest aggressively in areas that immediately bolster GMV</p> <ul style="list-style-type: none"> • Acquiring new users • Encouraging listing and buying • Acquiring shops 	<p>Clarify priorities and make disciplined investments in areas that will have steadily accumulating results while aiming to balance growth and profits</p> <ul style="list-style-type: none"> • Acquiring new users • Carrying out marketing and enhancing the product to encourage listing
Fintech	<p>Aim to establish a profit base by encouraging use of <i>Merpay</i> by <i>Mercari</i> users and growing the credit business</p> <ul style="list-style-type: none"> • Carrying out promotions for <i>Merpay Smart Payments</i> (fixed-amount payment) • Promoting identity verification 	<p>Aim to create Group synergy and further enhance profitability by investing in the credit business to a disciplined extent</p> <ul style="list-style-type: none"> • Enhancing convenience of credit services and enhancing the accuracy of AI credit • Acquiring users in the credit card business • Promotion of a service that allows users to buy and sell bitcoin within <i>Mercari</i>.
US	<p>Invest aggressively in mainly marketing, prioritizing improving brand awareness and strong GMV growth</p> <ul style="list-style-type: none"> • Carrying out branding advertisements • Carrying out CRM initiatives with immediate effects • Carrying out product initiatives mainly focused on simplifying listing 	<p>Fine-tune the product to encourage both listing and buying to achieve mid- to long-term growth</p> <ul style="list-style-type: none"> • Enhance the product to simplify listing and encourage buying • Strengthen incentives and BNPL options to encourage repeat purchases

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



Strong Governance Structure (Independent Outside Directors)



Makiko Shinoda



**Norio
Murakami**

Background



Masayuki Watanabe

- 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 Hobonichi Co., Ltd.
- Director of YeLL Inc. (current position)

- Hitachi Electronics Corporation (now Hitachi Kokusai Electric Inc.)
- Chairman Emeritus of Google Japan, Inc. (currently Google Japan G.K.)
- External Director, V-cube, Inc. (current position)
- External Director, Weathernews Inc.
- Chairman and Representative Director, ENERES Co., Ltd.
- Outside Director, CellSource Corporation (current position)

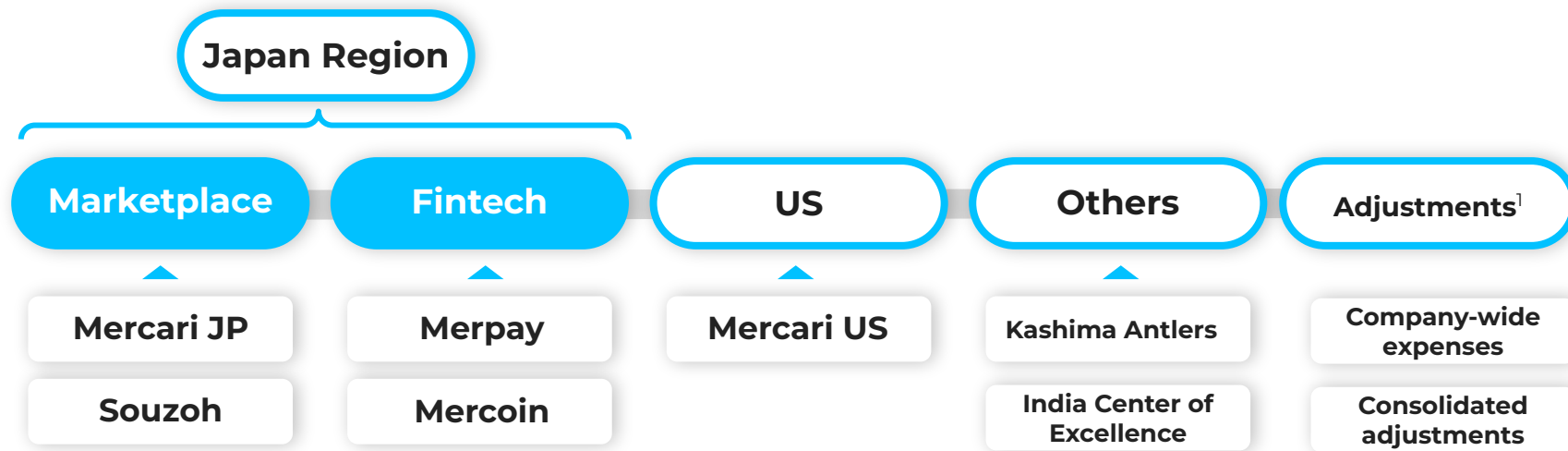
- McKinsey & Company, Inc.
- Co-founder of DeNA Co., Ltd.
- CEO of Quipper Ltd.
- Director of FOODCODE, LTD. (current position)

Reasons for Selection
as Outside Directors

- Professional knowledge and deep experience in D&I, ESG, finance, etc.
- Management experience and technical knowledge of global companies
- Knowledge of global expansion of business in tech companies

5 Change in Business Segments

- As of this fiscal year, we have changed the reporting segments to Japan Region and US
- Going forward, we will use the Marketplace and Fintech domains to explain and disclose business results for Japan Region



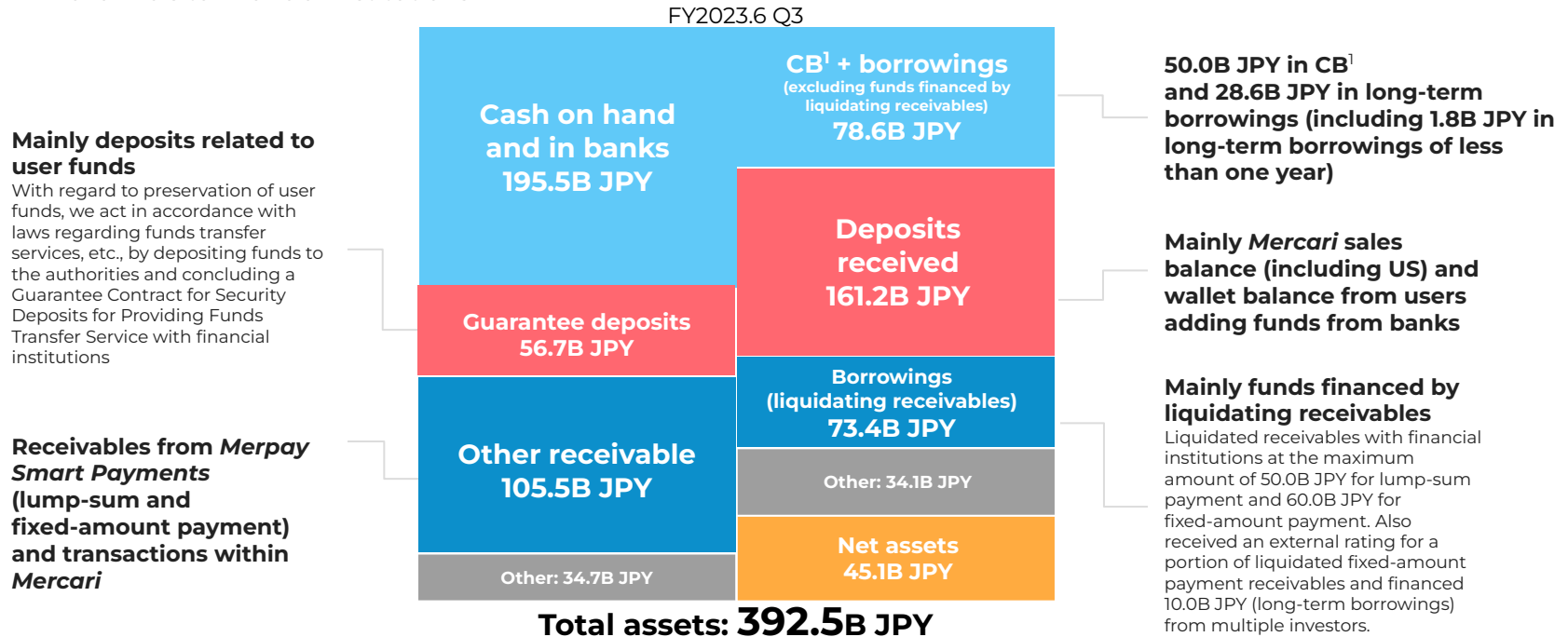
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Consolidated BS

(Million JPY)	FY2021.6 Q4	FY2022.6 Q4	FY2023.6 Q3
Total current assets	227,926	303,396	327,005
Cash and cash equivalents	171,463	211,406	195,555
Other receivable	47,001	80,287	105,565
Total fixed assets	34,603	36,466	65,589
Guarantee deposits	26,767	26,774	56,773
Total assets	262,529	339,862	392,594
Total liabilities	222,516	301,864	347,448
Other payables	17,775	18,217	19,900
Deposits received	117,099	139,094	161,202
Short-term debt	19,602	54,254	63,473
Long-term debt ¹	51,547	27,097	38,630
Convertible-bond-type bonds with stock acquisition rights	-	50,000	50,000
Total net assets	40,013	37,998	45,146
Total liabilities and net assets	262,529	339,862	392,594

Major Itemization of Consolidated BS

- We will continue to leverage various methods of financing and appropriately control our balance sheet to support business growth while maintaining a sound financial foundation
- To ensure the stability of long-term financing, we will receive external ratings for receivables and further expand sales channels to financial institutions



(Million JPY)	FY2022.6 Q3(Jan-Mar)	FY2023.6 Q2(Oct-Dec)	FY2023.6 Q3(Jan-Mar)
Net sales	38,510	44,256	43,628
	YoY	+34.2%	+13.3%
EBITDA ¹	-2,702	2,934	5,880
	<i>Margin (%)</i>	-7.0%	13.5%
Operating income	-2,911	2,713	5,696
	<i>Margin (%)</i>	-7.6%	13.1%
Net profit(loss) attributable to owners	-4,980	790	3,853
	<i>Margin (%)</i>	-12.9%	8.8%

(Million JPY)	FY2022.6 Q3(Jan-Mar)	FY2023.6 Q2(Oct-Dec)	FY2023.6 Q3(Jan-Mar)
GMV	236,399	254,844	254,656
YoY	N/A	+10.0%	+7.7%
Net sales	22,637	26,310	26,367
as % of GMV	9.6%	10.3%	10.4%
Operating income	4,110	8,319	9,769
Margin (%)	18.2%	31.6%	37.0%
Adjusted operating income ¹	6,715	11,092	12,529
Margin (%)	29.7%	42.2%	47.5%

(Million JPY)		FY2022.6 Q3(Jan-Mar)	FY2023.6 Q2(Oct-Dec)	FY2023.6 Q3(Jan-Mar)
Unadjusted	Fintech net sales	6,401	7,430	7,846
	YoY	N/A	+19.8%	+22.6%
	Fintech operating income	-171	131	-87
Adjusted	Fintech net sales	3,796	4,658	5,085
	YoY	N/A	+28.5%	+34.0%
	Fintech operating income	-2,776	-2,641	-2,847

(Million USD)	FY2022.6 Q3(Jan-Mar)	FY2023.6 Q2(Oct-Dec)	FY2023.6 Q3(Jan-Mar)
GMV	299	270	258
YoY	-6.3%	-12.4%	-13.9%
Net sales	92	84	83
as % of GMV	30.8%	31.2%	32.4%
Operating income	-43	-22	-10
Margin (%)	-47.4%	-27.1%	-12.0%
Adjusted operating income ²	-40	-18	-5
Margin (%)	-43.8%	-22.5%	-7.0%

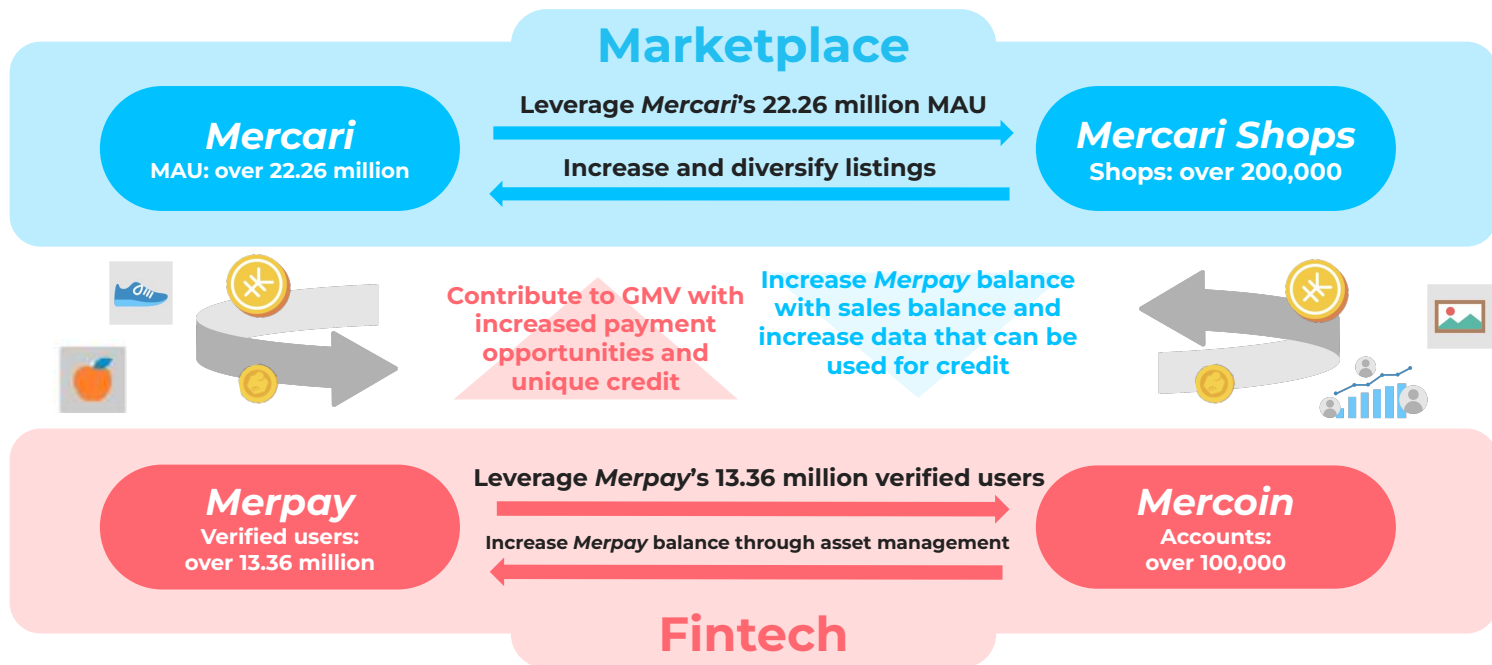
1. Based on US GAAP. Different in booking method from the figures of Mercari US included in Consolidated PL (J GAAP)

2. Adjusted operating profit after non-cash items (i.e., stock-based compensation and depreciation) are deducted

5

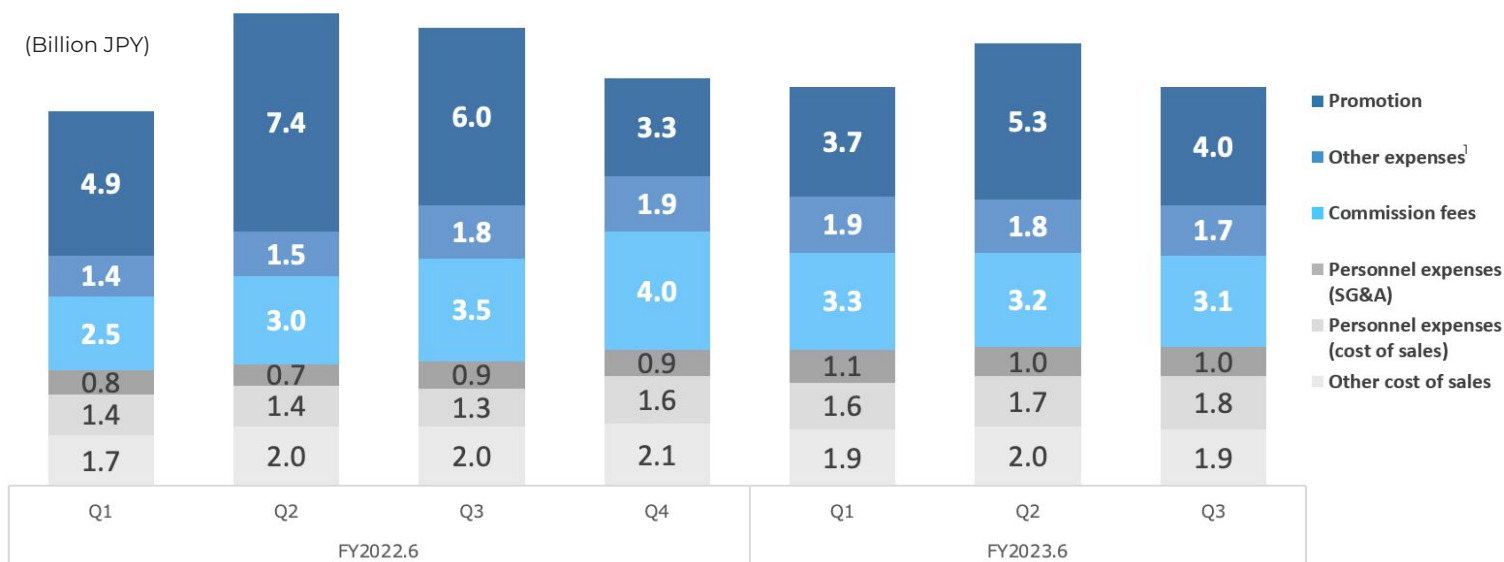
Japan Region—Sustainable Growth by Creating Group Synergy

- Bring Marketplace (C2C/B2C) and Fintech together to promote efficient and effective product UI/UX improvements and marketing
- Create an ecosystem that circulates credit, NFTs, cryptoassets, and all forms of value, not just physical things and money



5 Marketplace—Q3 Cost Structure

- Advertising costs decreased YoY as a result of carefully selected investments in areas such as new user acquisition and listing promotion where effects steadily accumulate



5

Marketplace/US—Q3 (Jan–Mar)—Category Shift

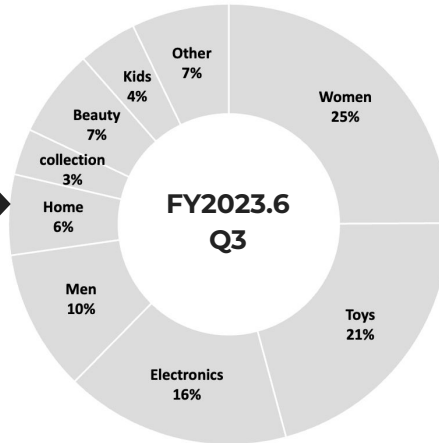
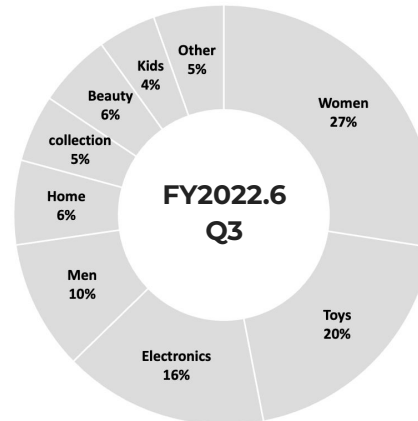
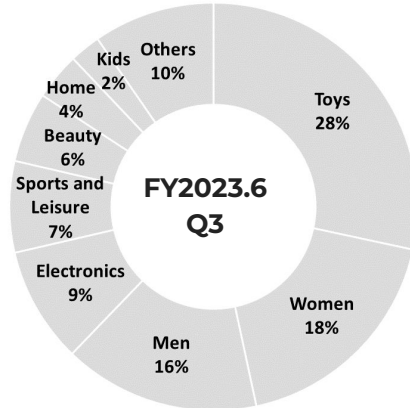
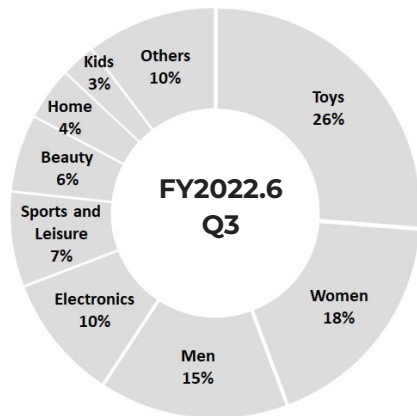
- In the Marketplace domain, Toys categories like trading cards led to YoY growth
- In the US domain, the Toys category grew slightly and the Women's Fashion category shrunk slightly, but there were no major changes



Marketplace

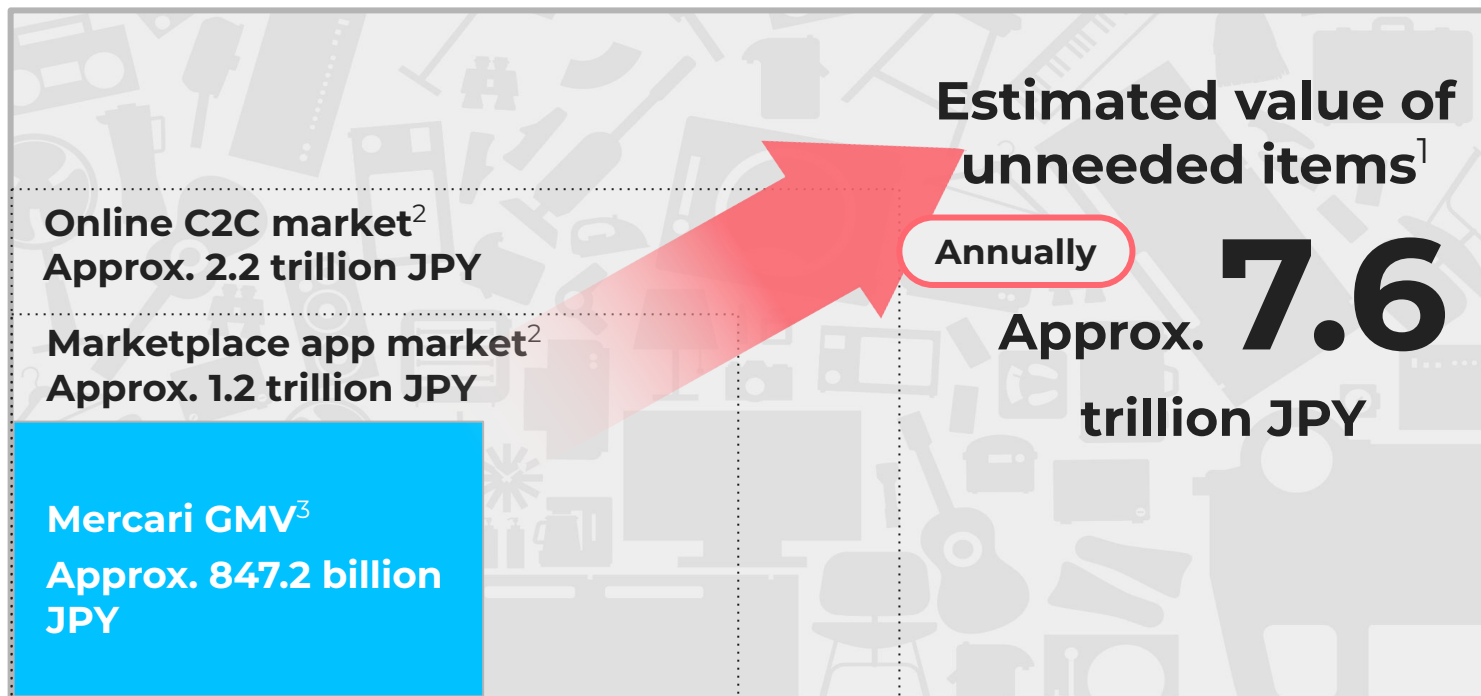


US



5 Marketplace App Market Data

- Mercari holds an approximate 70% GMV share in the expanding marketplace app market in Japan



1. Source: Ministry of Economy, Trade and Industry (April 2017, April 2018). The total market size of sales of secondhand goods in stores, sales of secondhand goods online, auctions, etc. Excludes automobiles, motorcycles, and motor scooters.

2. Source: "FY2021 E-Commerce Market Survey Report", Ministry of Economy, Trade and Industry (published August 12, 2022). Includes B2B and B2C transactions in addition to C2C transactions.

3. Source: Company materials; C2C GMV from January 2021 to December 2021

Payment

Various payment methods available

iD payment

Hold your phone over a reader



Code payment

Scan the code

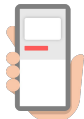


Credit Card



Virtual Card

Input a number



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): 15%



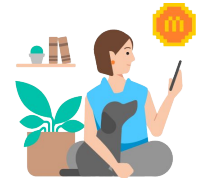
Smart Money

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 bitcoin from within Mercari

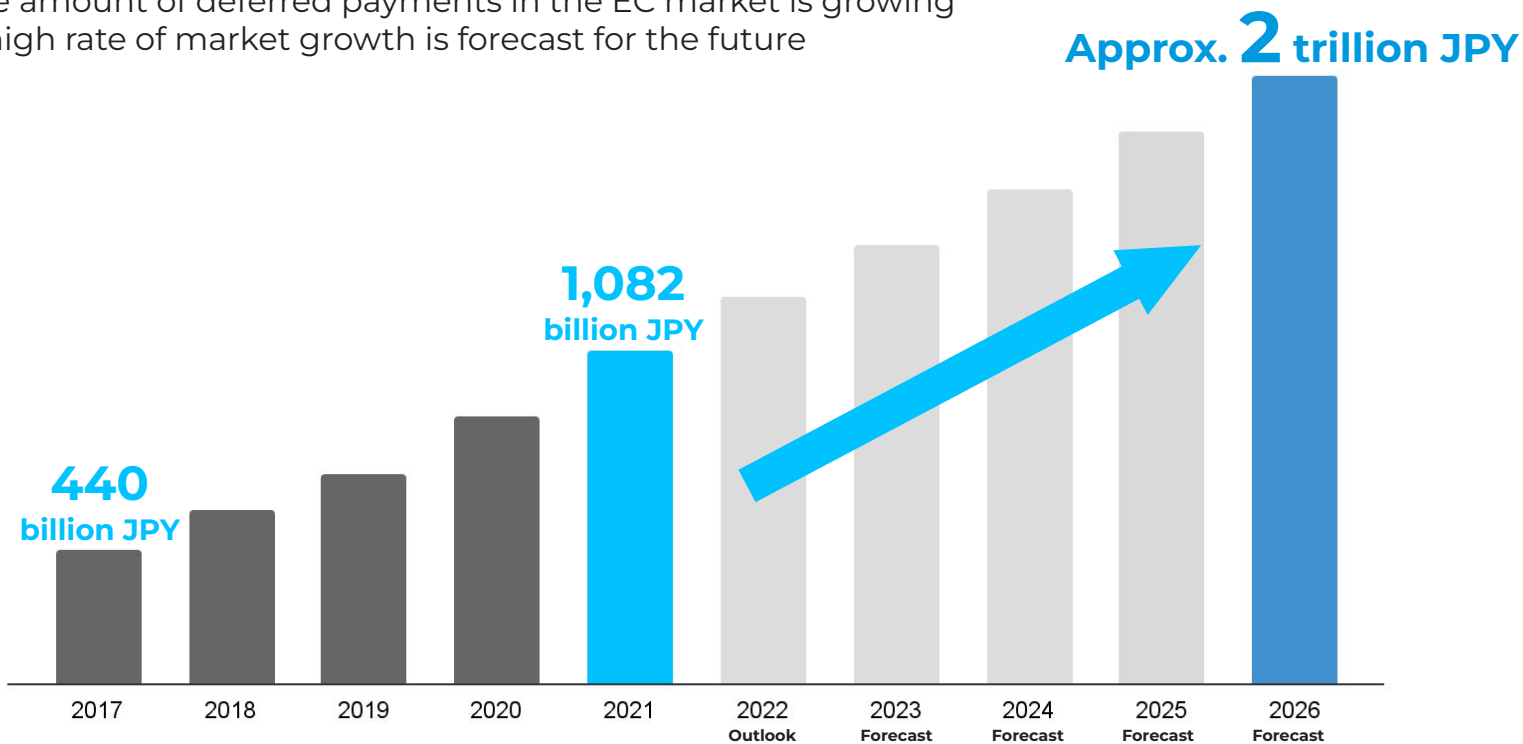
NEW



5

Fintech—Credit Volume of Deferred Payment in the EC Market¹

- The amount of deferred payments in the EC market is growing
- A high rate of market growth is forecast for the future



Fintech—Trends in the Cryptoasset Industry

- The monthly amount of cryptoasset spot transactions in Japan is approximately 500 billion JPY
- However, the percentage of Japan's population that owns cryptoassets is still low compared to other countries, showing large room for growth

Amount of Cryptoasset Spot Transactions in Japan¹

Approx. **500**B JPY per month

Average Number of Accounts Opened Monthly in Japan²

Approx. **60,000** accounts per month

Percentage of Population Owning Cryptoassets by Country³

1. UAE	27.7%
2. Vietnam	20.5%
3. Singapore	13.9%
4. Iran	13.5%
5. USA	13.2%
<hr/>	
69. Japan	1.7%

1. Source: Japan Virtual and Crypto assets Exchange Association, Monthly Cryptoasset Transaction Data (January 2023)

2. Source: Japan Virtual and Crypto assets Exchange Association, Monthly Cryptoasset Transaction Data (average of February 2022–January 2023)

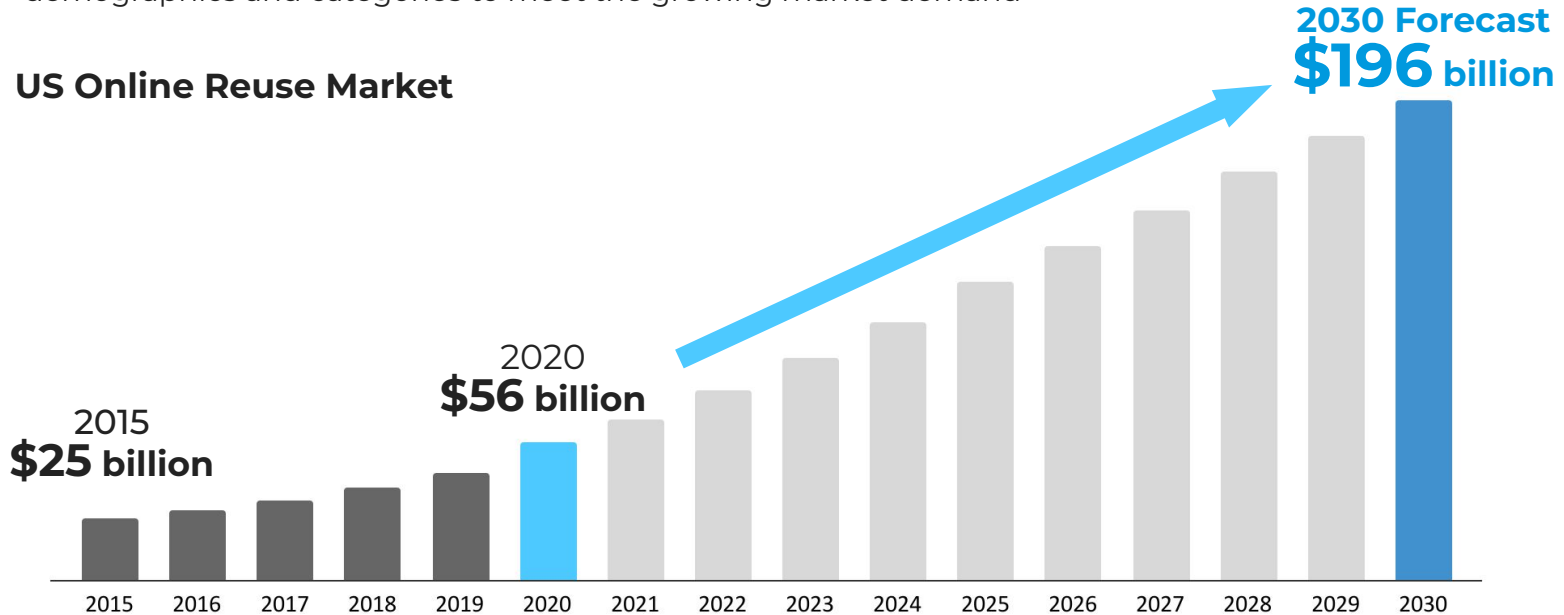
3. Source: TripleA: Cryptocurrency Ownership Data (as of April 3, 2023)

5

US—US Reuse Market

- The US online reuse market has more than doubled since 2015 and is expected to reach approx. 200 billion USD by 2030
- Key categories to watch include apparel and electronics, some of our strongest areas, while the data overall supports our strategy of continuing to strengthen our horizontal marketplace covering a wide range of demographics and categories to meet the growing market demand

US Online Reuse Market

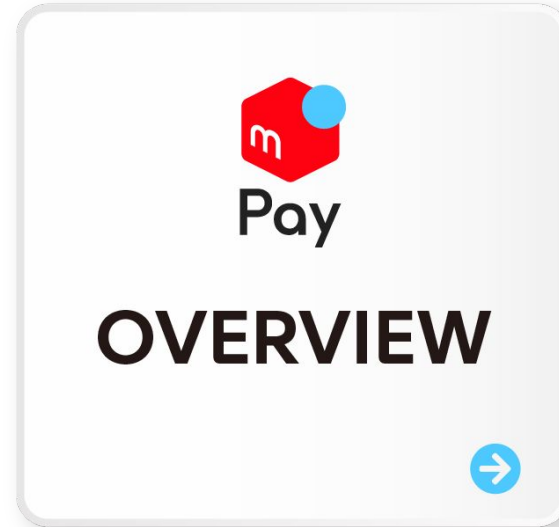


5 For Investors New to Mercari

- Materials that cover basic information regarding Mercari Group



Fact Book link
https://speakerdeck.com/mercari_inc/mercari-fact-book-en



Overview link
https://speakerdeck.com/mercari_inc/merpay-overview-en

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 FY2023.6 Q4 financial results are scheduled to be released at 15:00 or later on August 10.

mercari

Mercari, Inc. TSE: 4385