

mercari

For New Investors

As of end of Jan. 2025





**Go
Bold**

In order to create innovation with a big impact on the world, everyone takes on bold challenges and learns from many failures.



**All for
One**

With the whole team working together and all members working to their highest potential, the team can achieve large missions that one person alone cannot.



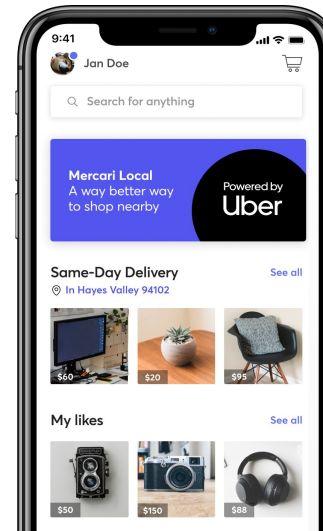
**Be
a Pro**

All members take ownership of their work as professionals in their field, learn every day, and commit to showing results.

Marketplace

Fintech

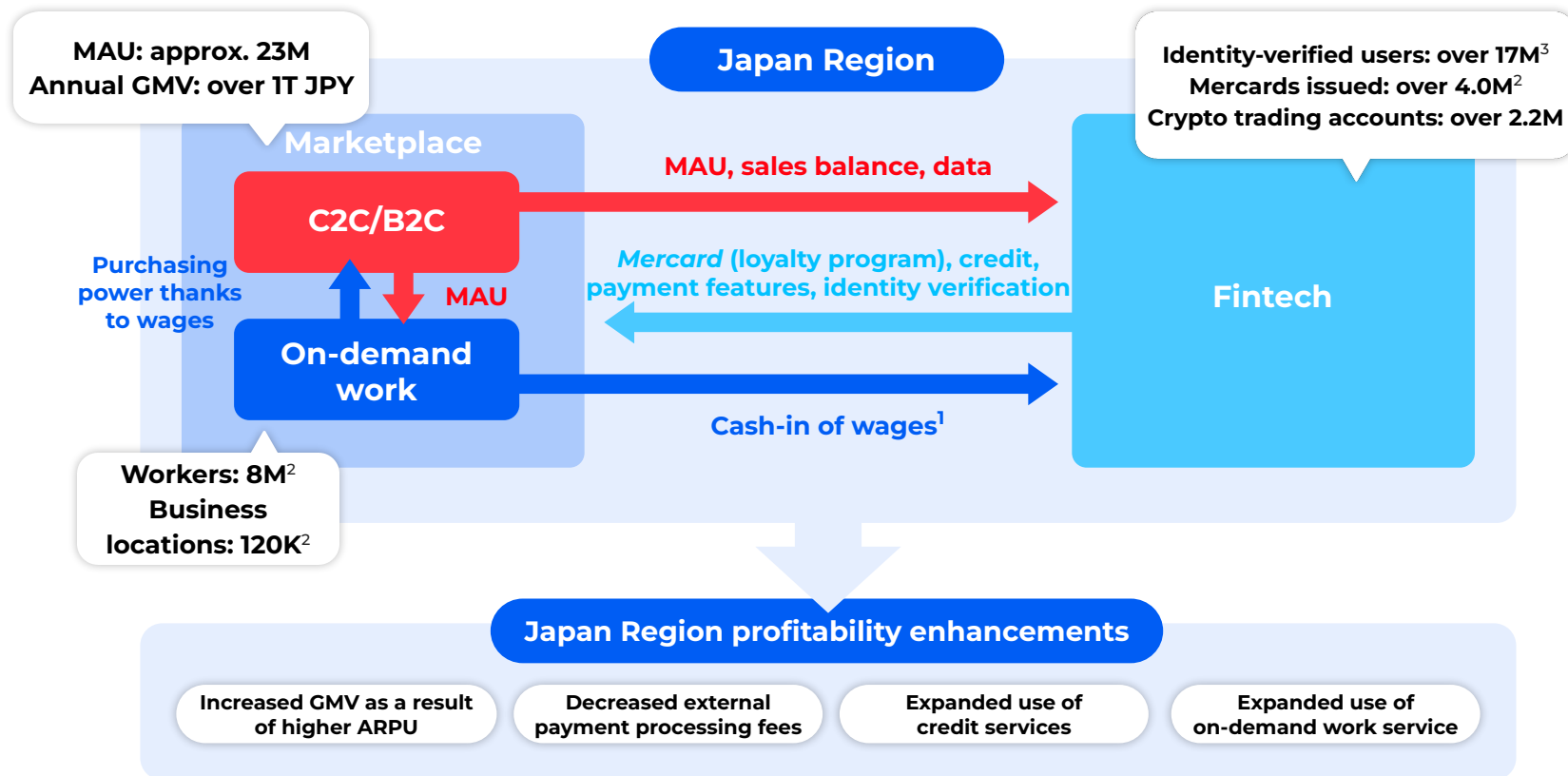
US



Japan Region—Group Synergy Overview

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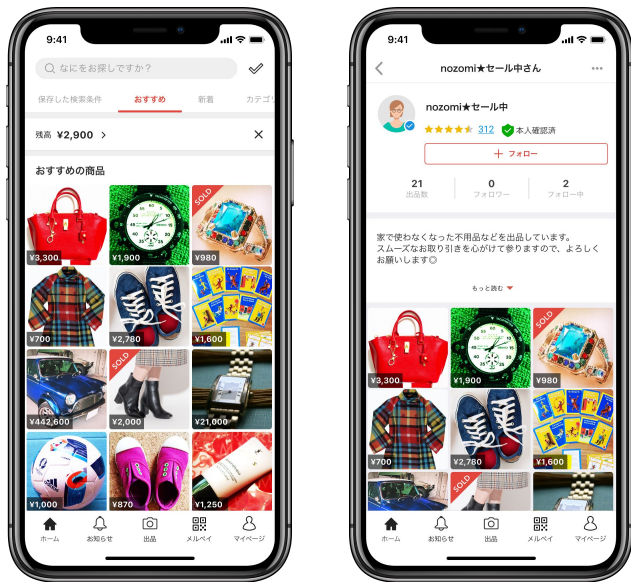
Financial Results Presentation Material



1. Aim to encourage circulation through seamless integration of wages
2. As of September 30, 2024
3. As of December 31, 2024

Marketplace—Mercari (C2C/B2C) Overview

- Japan's largest marketplace app, with an MAU of approx. 23 million users
- Enables anyone to list items easily, and buyers to enjoy the feeling of hunting for treasure as they search for lucky finds
- Provides a safe, secure, and convenient UI/UX with an escrow system and various affordable shipping options, including anonymous shipping



- Service launch: July 2013 (C2C); October 2021 (B2C)
- Operating systems: Android and iOS (Can also be accessed through web browsers)
- Revenue structure: After the transaction is complete, the seller is charged a service fee of 10% of the listing price

Marketplace—Major Events

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- **Mercari launch**
- **First TV commercial**
- **Establishment of customer service office**

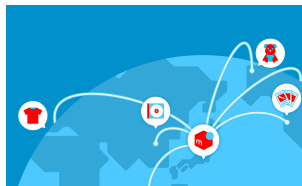
Aired *Mercari's* first TV commercial nationwide, increasing recognition and expanding the user base

- **Anonymous shipping**

Began anonymous shipping with RakuRaku Mercari Shipping

- **Crossborder transactions**

Launched crossborder transactions, enabling buyers overseas to purchase items from *Mercari* through proxy services



- **Mercari Shops**

Launched a B2C service that allows anyone to easily establish their own online shop



- **Direct crossborder transactions**

Enabled buyers overseas to purchase items listed in Japan directly through the web version of *Mercari*

FY2014.6

FY2015.6

FY2016.6

FY2017.6

FY2020.6

FY2021.6

FY2022.6

FY2024.6

FY2025.6

- **Introduction of selling fee (10%)**
- **RakuRaku Mercari Shipping**

Became the first marketplace app to offer a shipping service with flat-rate shipping across the country in partnership with YAMATO TRANSPORT CO., LTD.



- **RakuRaku Mercari Shipping for Oversized Items (now TanoMer Shipping)**

In partnership with YHC, launched a service enabling users to ship large items anonymously without having to pack the items

- **YuYu Mercari Shipping**

Launched a service with flat-rate shipping across the country in partnership with JAPAN POST Co., Ltd.

- **Monthly deferred payment (now lump-sum payment)**

- **Yu-Packet Post**

Launched a service enabling users to anonymously ship items from mailboxes in partnership with JAPAN POST Co., Ltd.



- **Eco Mercari Shipping**

Launched a service with flat-rate shipping across the country that reduces the delivery and environmental burden by using drop-off delivery

- **Mercari Hallo**

Launched on-demand work service *Mercari Hallo*

Marketplace—*Mercari's* Strengths

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1

Overwhelmingly broad user base

- Boasts a user base of approx. 23M people across the country and of all ages
- Offers a cross-category marketplace with a wide variety of items

2

Highly convenient UI/UX utilizing technology

- Features a highly convenient UI/UX utilizing technology such as AI, including listing simplification and recommendation features to support purchases

3

Safe and secure usage environment

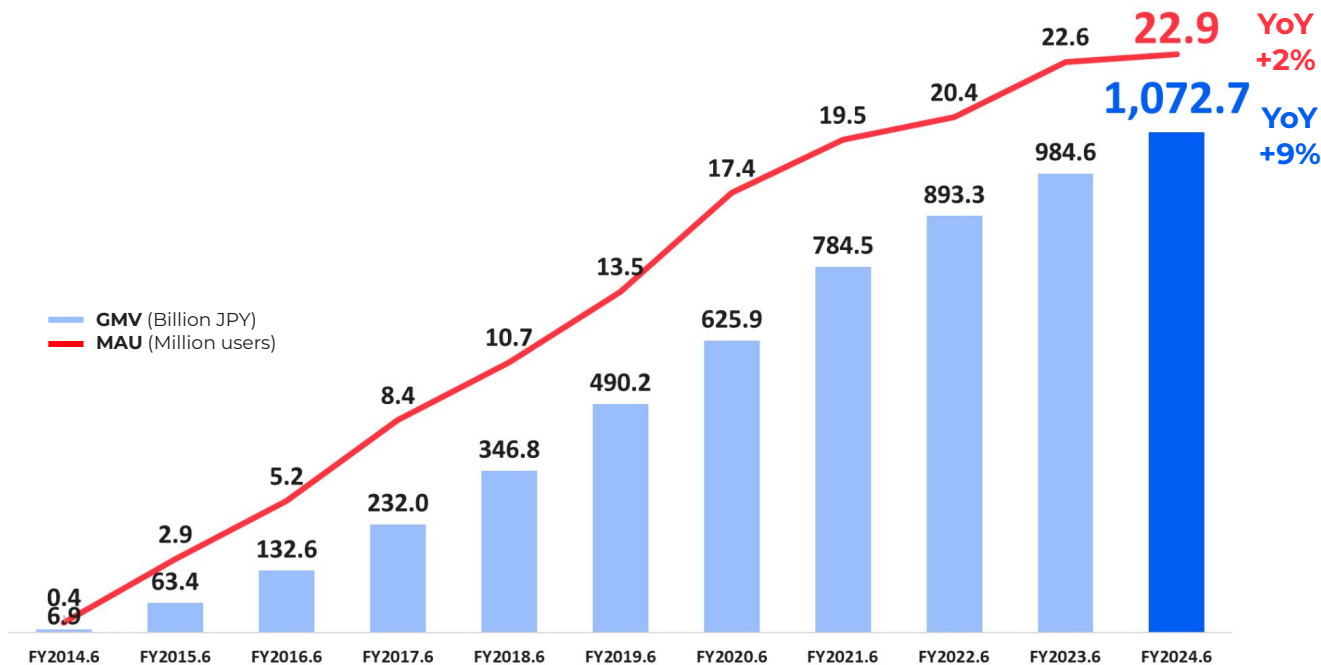
- Focuses on providing a safe and secure environment, with features such as escrow payment¹, anonymous shipping, and passkeys²

1. A system in which Mercari acts as a go-between between the seller and buyer in transactions on *Mercari* to prevent disputes

2. A password-less biometric authentication feature that enables users not only to use a highly safe authentication method, but also to avoid having to configure biometric authentication for each device.

Marketplace—GMV¹/MAU²

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1. Aggregate transaction value after adjusting for cancellations. Figures do not include *Mercari Hallo*.
2. Quarterly average number of users who browsed our service (app or web) at least once during a given month

Marketplace—Crossborder Transactions

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- As a result of focusing on crossborder transactions as an area to enhance, increased the number of partner companies to 70 (as of June 30, 2024)
- Popular categories include categories related to character merchandise, trading cards, and apparel

Countries/Regions With the Highest Transaction Amounts¹

- | | |
|-----------|--------------|
| 1. China | 4. Hong Kong |
| 2. Taiwan | 5. Singapore |
| 3. US | 6. Korea |

Partner Companies²

BEENOS Inc. (Buyee, Shopee)
SIG Service INC. (doorzo)
Leyifan Inc.

Top 10 Categories¹

1. Character Merchandise
2. Trading Cards
3. Women's Fashion (Bags)
4. Figurines & Action Figures
5. Men's Fashion (Jackets & Outerwear)
6. Toys
7. CDs
8. Cameras
9. Celebrity Merchandise
10. Video Games

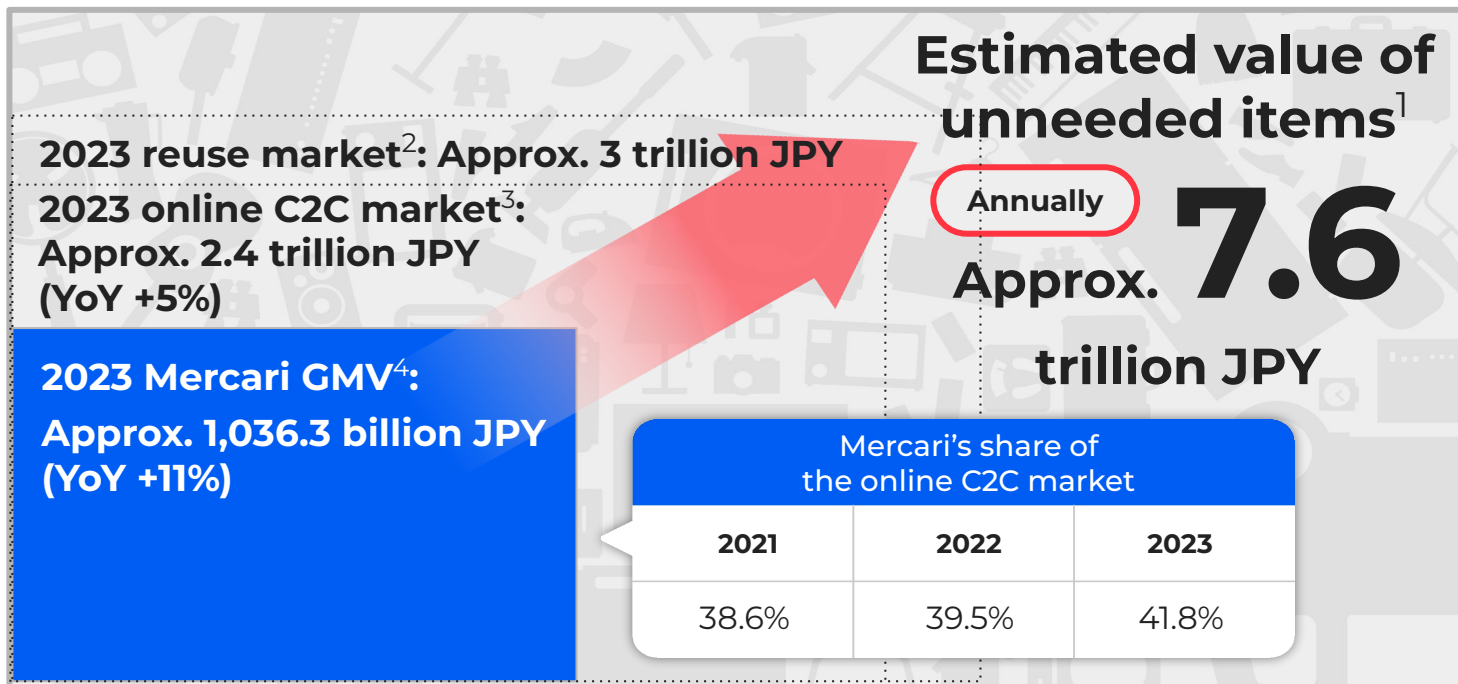
1. Based on transactions through Mercari's proxy services such as Buyee between January 1, 2024, and June 30, 2024

2. List of partner companies (available only in Japanese): <https://help.jp.mercari.com/guide/articles/1476/>

Marketplace App Market Data

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- Mercari's GMV share continues to grow in the expanding online C2C market



- 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.
- Source: Ministry of Economy, Trade and Industry (published September 25, 2024) "Results of FY2023 E-Commerce Market Survey Compiled." Includes the C2C EC market, such as marketplace apps and online auctions, and the B2C market for used items (both brick and mortar shops and online shops)
- Source: Ministry of Economy, Trade and Industry (published September 25, 2024) "Results of FY2023 E-Commerce Market Survey Compiled." Includes B2B and B2C transactions, in addition to C2C transactions.
- Source: Company materials; C2C and B2C GMV from January 2023 to December 2023

Marketplace—Overview of *Mercari Hallo* (On-Demand Work Service)

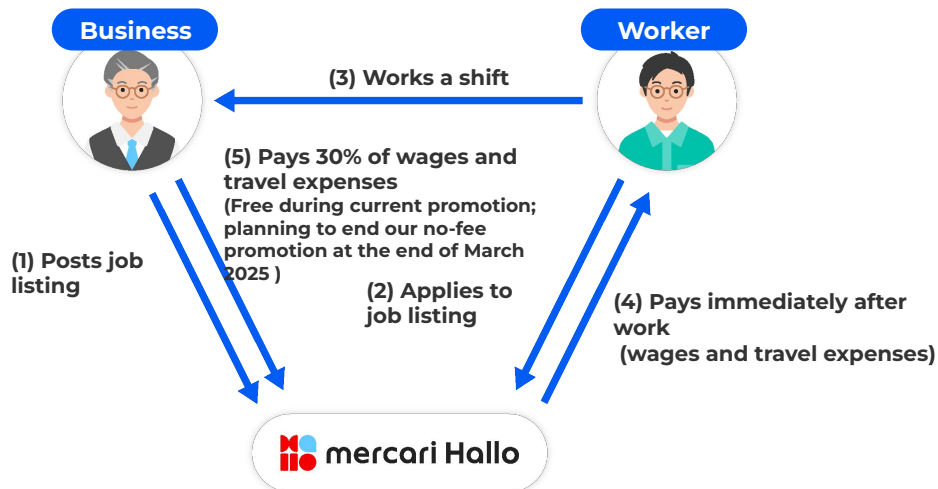
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Background of growing need for on-demand work

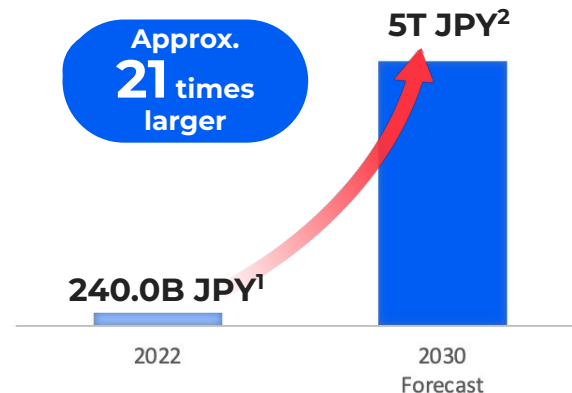
- Diversification of work style needs following COVID-19 pandemic
- Labor shortages due to shrinking population and aging society
- Demand for additional income sources due to price hikes

What makes on-demand work unique

- Shifts as short as one hour or one day
- No résumé or interview needed
- Wages are received immediately after work is done



Potential On-Demand Work Market Size¹



1. Gross transaction volume estimated by Mercari based on the total revenue of the one-off job listing information service market, short-term job talent referral service market, and talent matching service market published by a research agency

2. Projections show that the on-demand work market will expand in the mid-to-long term by acquiring a portion of the part-time job market and temporary employee market, as well as uncovering potential markets. The size of these potential markets is calculated assuming that, of the 24,933.6 billion JPY total pay received by workers other than full-time employees (such as part-time workers) in 2022 (as published by the National Tax Agency in the results of their FY2022 Statistical Survey of Actual Status for Salary in the Private Sector), 20% of the existing part-time job market and temporary employee market will become part of the on-demand work market.

Marketplace—Strengths of *Mercari Hallo* (On-Demand Work Service)

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1

Multi-generation base of 23 million users across Japan

- Our partners can acquire effective crew from the ranks of approximately 23 million potential users (17 million verified) across Japan
- Through surveys¹, we have confirmed that there is interest in on-demand work from *Mercari* users across a wide range of age demographics

2

Pay, Buy, Sell, Work: four actions, one app

- We aim to provide an experience that allows users to use their wages earned at *Mercari Hallo* to make purchases within and outside of *Mercari*, and also allows them to make *Merpay* repayments seamlessly
- It's easy to use the service because it inherits the Identity verification information and banking information registered on *Mercari*

3

Safe and secure usage environment

- Mercari has built trust as a prime listed company and with a track record of operating a safe and secure marketplace for over 10 years
- In addition to screening job listings both before they are posted and whenever they are updated, we have implemented a faster risk detection system leveraging AI

¹ A survey of *Mercari* users (men and women ages 18 to 69) revealed that many users across a wide range of age demographics either had experience with on-demand work or lacked experience with on-demand work but had a high level of interest (according to Mercari research)

Fintech—Major Events

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- **No-contact service
iD Payments/QR Code
Payments**

- **Send/receive**

Enables users to send their *Merpay* balance/points to family and friends

- **Merpay Smart
Payments
(fixed-amount)**

Allows for fixed-amount payments, whereby users pay in installments from the following month onwards

- **Merpay Smart Money**

A small-sum loan service that utilizes *Mercari* usage history to determine a user's interest rate and borrowing limit



- **Cryptoasset
trading
service**

Enables users to buy and sell bitcoin from the *Mercari* app

- **Bitcoin/Ethereum
savings feature**



FY2019.6

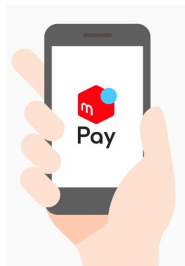
FY2021.6

FY2022.6

FY2023.6

FY2024.6

FY2025.6



- **Merpay Smart
Payments
(lump-sum)**

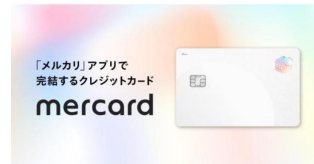
Allows users to defer payment for items

- **Identity verification
using Japan's
Individual Number
Card (JPKI)**



- **Mercard**

A comprehensive, flexible credit card that allows users to do everything right from the *Mercari* app and offers up to 4% points back.



- **Bitcoin payments
within *Mercari***

Enables users to use bitcoin to pay for items purchased on *Mercari*

- **Ethereum trading**

Enables users to buy and sell ethereum through the cryptoasset trading service

1

Collaboration with Marketplace

- Utilizes *Mercari*'s user base of more than 23 million users (including more than 16 million identity-verified users)
- Leverages sales balance on *Mercari*, which has an annual GMV on the scale of 1 trillion JPY, as a cash-in source for the *Merpay* wallet

2

Unique credit

- Utilizes *Mercari* usage history and AI technology to offer appropriate credit to each user based on their most recent *Mercari* usage
- Realizes a high credit collection rate thanks to the unique credit system

3

High identity verification rate

- Offers a safe and secure usage environment thanks to a high identity verification rate of over 90%
- Enables users who have verified their identity to seamlessly begin using other Mercari Group services

Fintech—Aims and Features of *Mercard*

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Aims of *Mercard*

1

Strengthen Fintech profitability

As *Mercard* is used more and more both in and outside of *Mercari*, the profitability of our credit business will increase.

2

Promote the further growth of Marketplace GMV

The loyalty program encourages the actions of paying, buying, and selling within Mercari's ecosystem.

3

Reduce external processing fees within Marketplace

As *Mercard* is increasingly used on *Mercari*, external payment processing fees will be reduced and overall Group profitability will increase.

4

Promote circulation that includes primary distribution

We will promote the creation of a circular economy through collaborative initiatives with manufacturers and retailers.

Five Major Features of *Mercard*

Unique credit system based on behavior history on *Mercari* and *Merpay*

Users who have already verified their identity can apply for a card in as little as a minute using the *Mercari* app

Flexible control of repayment date and timing

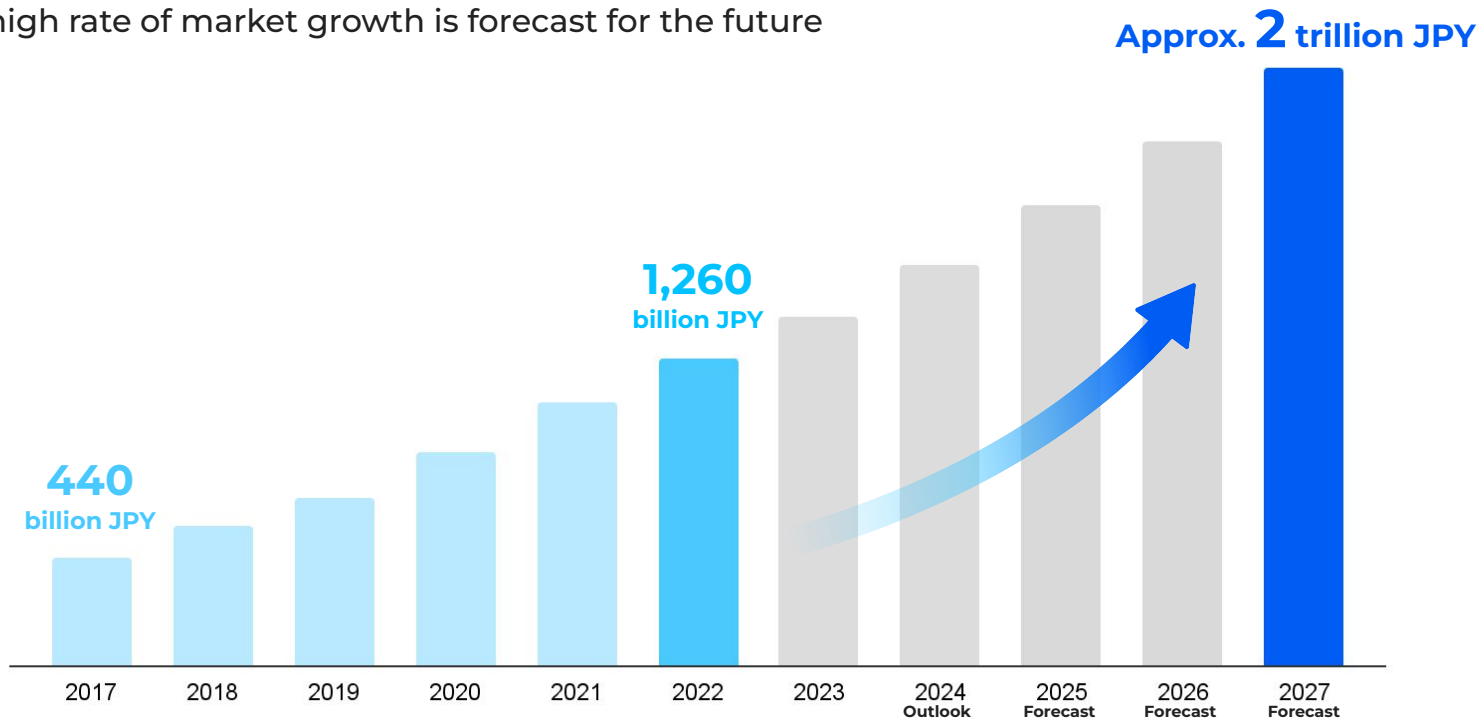
Numberless card and a safe and secure design with all settings configured entirely using the *Mercari* app

Point-back rate that increases through the actions of paying, buying, and selling
(1-4% point-back rate within *Mercari*)

Fintech—Credit Volume of Deferred Payment in the EC Market¹

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

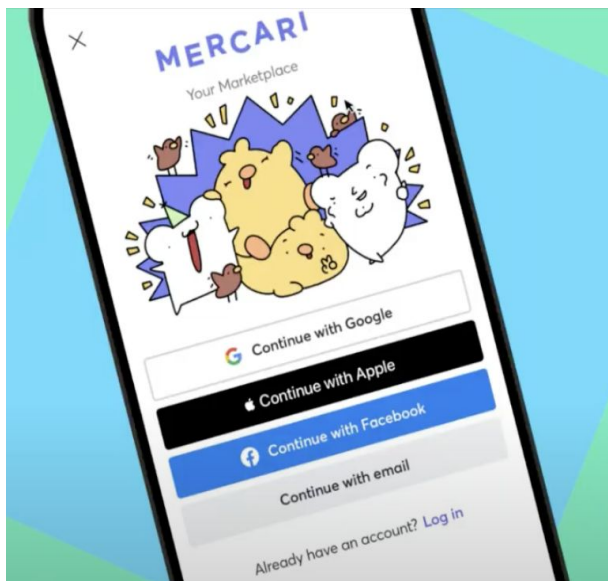


1. Source: E-commerce Payment Services (Payment Gateway) Market in Japan: Key Research Findings 2024. Survey by Yano Research Institute
(note: based on the transaction amount of deferred payment service providers)

US—Mercari (US) Overview

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- Launched the year after Mercari's founding as our first step in aiming to create value in a global marketplace
- Holds a unique position in the US market as a cross-category service with a variety of delivery options



- Service launch: September 2014
- Operating systems: Android and iOS
(Can also be accessed through web browsers)
- Revenue structure: After the transaction is complete, the seller is charged a selling fee of 10% of the item price and buyer-paid shipping, and the buyer is charged a buyer protection fee of 3.6% of the item price and buyer-paid shipping

US—Major Events

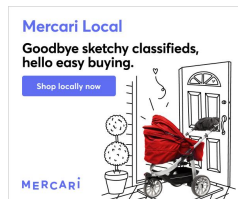
- **Service launch**

- **Localization of management structure**

John Lagerling, former CEO of Mercari, Inc. (US), joined Mercari Group

- **Diversification of shipping methods**

Launched *Mercari Local*, a contactless same-day pickup and delivery service, nationwide in partnership with Uber



- **Enhancement of AI usage**

Launched *Merchat AI*, a new shopping assistant powered by ChatGPT

- **Launch of crossborder transactions with Mercari in Japan**

FY2014.6

FY2016.6

FY2017.6

FY2018.6

FY2021.6

FY2023.6

FY2024.6

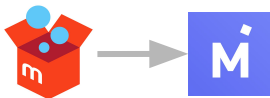
FY2025.6

- **Introduction of fees**

Launched a model in which sellers pay 10% of transaction amount as a selling fee

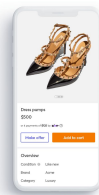
- **Rebranding**

Carried out rebranding and an app redesign as a step toward localization

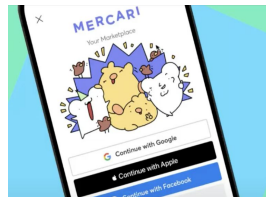


- **Launch of deferred payment service**

Launched deferred payment (BNPL) service with Zip (later launched BNPL service with PayPal in 2022)



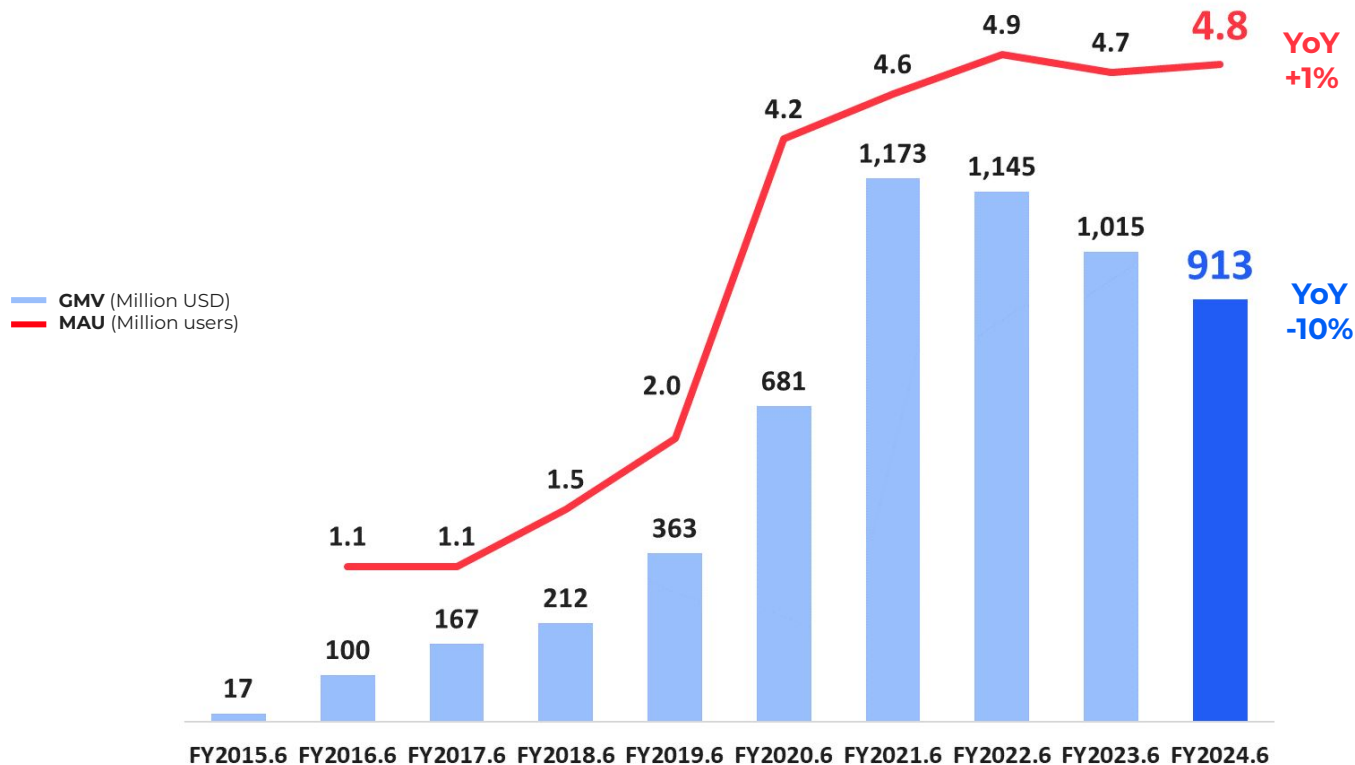
- **Rebranded to a design aimed at Gen Z**



- **Introduction of buyer protection fee**

US—GMV¹/MAU²

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1. Aggregate transaction value after adjusting for cancellations

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

US—US Reuse Market

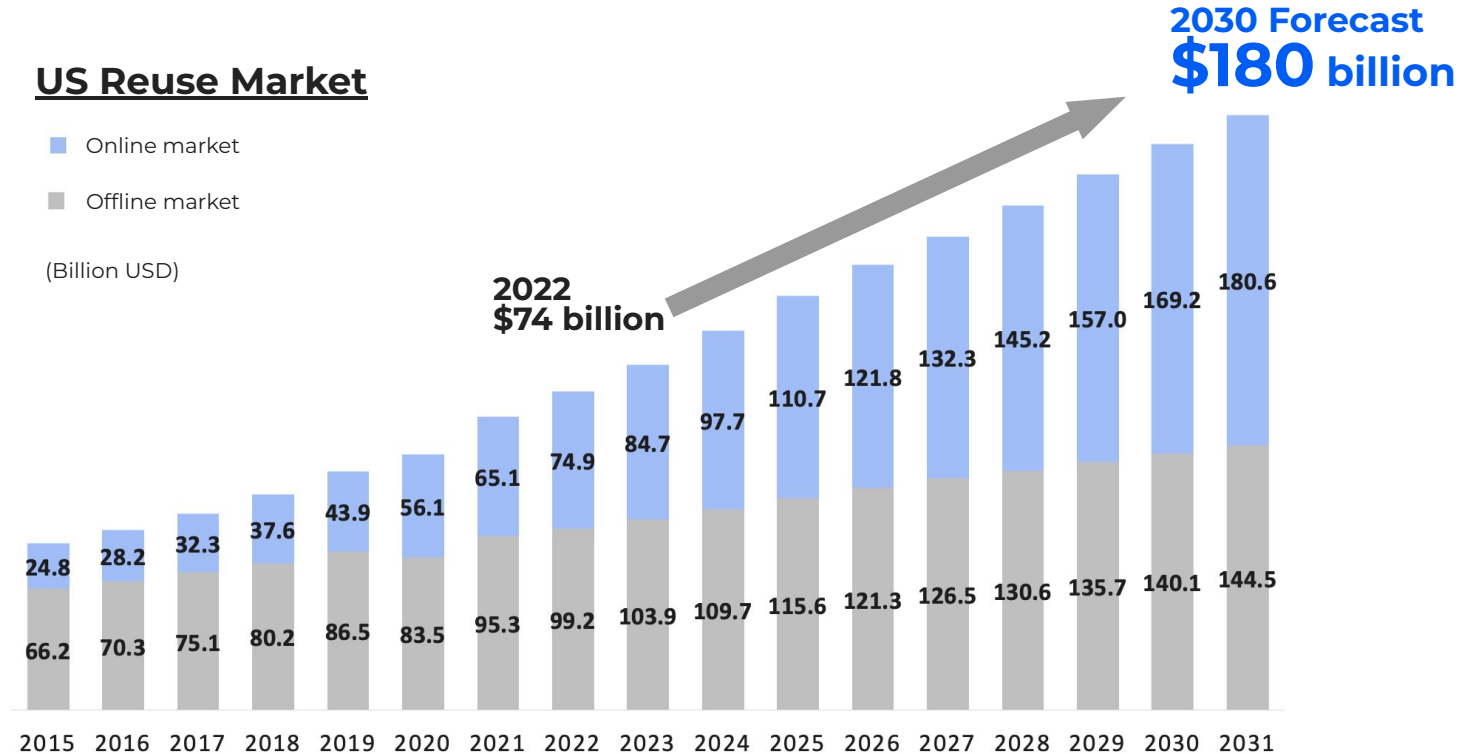
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- The US online reuse market is expected to grow at a pace approximately triple that of the offline market between 2022 and 2031 and overtake the offline market in size in 2026

US Reuse Market

■ Online market
■ Offline market

(Billion USD)

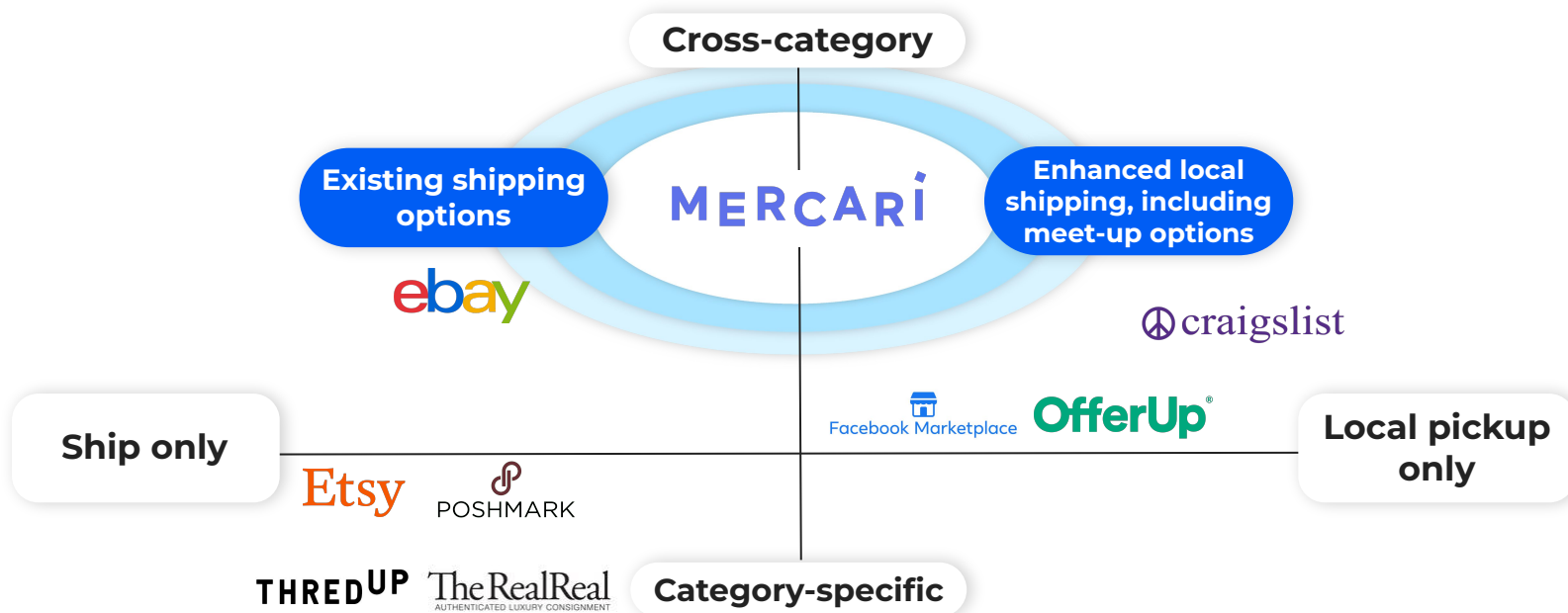


1. Source: Mercari 2023 Reuse Report. The numbers from 2023 and onwards are estimates.

US—Strengths and Market Positioning

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- Aiming to be "the easiest and safest selling app" by providing a variety of delivery options in addition to continuing to pursue ease of use toward establishing a unique position in the US market
- Strengthening regular delivery and expanding transaction methods to enhance convenience, including meet-up options



Disclaimer

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