

2025 Mercari CEO and Shareholder Dialogue

In September 2025, Mercari's Representative Executive Officer and CEO Shintaro Yamada held dialogues with several of Mercari's major shareholders, other institutional investors, and securities analysts. As we place great importance on fair disclosure and strive to enhance the fairness and transparency of our IR activities, we have compiled and disclosed a summary of these interviews below.

Consolidated

Q. Your guidance for FY2026.6 seems rather conservative. How do you view this?

A. Instead of a short-term growth rate, for FY2026.6, we decided to prioritize strengthening our organizational foundation and investing in the core experience of our product for growth in FY2027.6 and beyond. It will take time to enhance safety and security and to organize the base features of easy listing, shipping, and buying, but we believe this investment will link directly to future growth. Currently, we are taking inventory of our work processes under the concept of becoming an AI-Native company and moving ahead to improve productivity as a whole by using AI. Specifically with regard to the core experience, I think that we will be able to move forward with product developments that conventionally would have required us to allocate significant resources, such as multilingual support. In FY2025.6, we disclosed our business forecast for the first time, but did not achieve our goal for top-line growth. We have reflected this in the business forecast for FY2026.6, but we will solidify our mid-term foundation for growth while leveraging AI and without slowing the decision-making speed of our operations. Furthermore, with regard to our core operating profit, because we made significantly more progress than expected in FY2025.6, which was the first year of the mid-term policy that we disclosed at the beginning of FY2025.6, our forecast for FY2026.6 seems conservative, but there have been no changes to our mid-term policy, and our guidance reflects this.

Q. What is your stance on M&As?

A. We believe that M&As are one effective way of creating sustainable growth in the medium term. We also believe that M&As are not to be done purely as a way of buying profits; we see them as a method of adding a product that will generate synergy with our existing businesses, mainly Marketplace. M&As may become an option in areas like crossborder transactions or B2C that have strong synergy and the potential to expand our top line or profit multiple times over, but we will consider them carefully, envisioning how they would integrate with the user experience of our existing businesses after the M&A.

Q. What is your approach to cash flows?

A. In Fintech, our credit business operates under a business model of accumulating credit premised on future financing, so in the expansion phase, the free cash flow is negative. Free cash flow is negative on a consolidated basis as well, as Fintech has a significant impact. However, this is taken into account in our plans as the nature of the business, and we will

improve this cash flow as revenue expands in the long term. What's important is simultaneously growing the top line and profit; we are currently shifting from a phase of making advance investments and prioritizing the top line to a phase of accumulating profit and growing sustainably.

Q. How do you perceive Mercari's stock price?

A. Stock prices are determined by the market, but we do take it very seriously that our current stock price is lower than the IPO stock price. We will emphasize enhancing our corporate value from a mid- to long-term perspective and focus on true growth. For the time being, we will follow our disclosed mid-term policy for FY2027.6 and show results through top-line growth associated with increased profitability. Furthermore, we expect retained earnings to become positive in FY2026.6. For cash other than necessary internal reserves, while investments in growth areas are still our top priority, we will fairly weigh shareholder returns, such as stock buybacks, as investment options and consider capital allocation that will contribute to long-term profit growth.

Q. How do you operate your governance structure?

A. Based on such things as the central idea and roadmap approved by the Board of Directors, our governance operates using a tree structure in which supervision and execution are separated and the execution side makes day-to-day decisions. This structure ensures that decision-making is done as a corporate body, rather than solely by me in my role as CEO.

Q. As CEO, how do you spend your time? How do you split your work between Japan and the US?

A. In regard to the US business, as CEO, I have redefined the US business's value proposition and am working hands-on to eliminate fraud and improve the core product experience. To do so, I frequently travel to the US and dedicate time to discussions with US leadership and explanations at all-hands meetings. For our Japan business, I am involved in Group-wide strategy planning, such as formulating our roadmap, but I leave day-to-day execution to the head of our Japan business. I work to leverage the Japan business's expertise in our US business and vice-versa, and I am flexible regarding continuing to hold these positions concurrently in the future. If necessary, I view focusing on the Japan business as one option, but I am currently prioritizing the assessment of the US business's growth potential first-hand.

Marketplace

Q. What do you believe is the main factor slowing the GMV growth rate? What initiatives are you considering for growth going forward?

A. There were multiple factors, but we believe that the main cause of the growth rate slowing down in FY2025.6 Q4 was that we dedicated resources to preparing initiatives regarding safety and security, such as the full coverage support program launched in July 2025, and were temporarily unable to carry out initiatives that would directly contribute to GMV. In terms of product initiatives, we did see the effects of improvements to the home screen, but we believe that there are still many areas that we can work on, such as personalization and multilingual support. In FY2026.6, we will focus on enhancing the product's core experience. We will work to simplify listing, shipping, and purchasing and carry out safety and security-related initiatives

such as enhancing item appraisal as our top priority, all while enhancing crossborder transactions and B2C to grow Marketplace GMV.

Q. How do you view the balance between GMV growth rate and profitability?

A. Premised on achieving a core operating profit with a CAGR of 25% or higher, which is Mercari Group's profit target in our mid-term policy, we will aim for GMV growth as a driver of revenue growth. In the last few years, we have not invested enough in core product experiences such as safety and security or listing, shipping, and purchasing, and unfortunately, that has led to a slowdown in GMV growth rate and deterioration of the user experience. To fix this, we will allocate human resources to enhance the product's core experience in both our Japan and US businesses. We have launched an AI Task Force of approximately 100 people to review our operations and services, and by leveraging AI to both improve cost efficiency and enhance core features, we will work to improve GMV growth rate and profitability.

Q. How much room is there to grow Mercari's MAU of 23 million?

A. Considering Japan's population, we believe that there is still significant room for growth. By strengthening safety and security to eliminate bad experiences such as fraudulent use, we will reduce instances of users leaving the platform. At the same time, we also believe that we can continue to grow MAU by investing in the product's core experience such as listing, shipping, and purchasing to simplify the transaction experience.

Q. You mentioned enhancing safety and security as the key to reaccelerating GMV growth. What specific initiatives do you have planned? How will those contribute to enhancing the user experience and growing GMV?

A. As our basic strategy, we will promote the two pillars of thoroughly eliminating fraudulent users and providing thorough aid for users. Although Marketplace is large in scale and it can take time for initiatives to show results, we are confident that steadily implementing these measures will enhance user trust in Mercari as a safe and secure place to transact, reduce churn, expand the items bought and sold on the service, and ultimately drive steady GMV growth.

Q. What is the growth potential of crossborder transactions?

A. With regard to crossborder transactions, entertainment categories such as anime, gaming, and pop idols are highly popular, and items unique to Japan that cannot be purchased elsewhere are growing substantially. Up until recently, we had provided *Mercari's* item listings exclusively via external partners such as Buyee. However, in Taiwan and Hong Kong we have started direct crossborder transactions, which has enabled us to improve our UI/UX in line with the user experience and hold local promotional campaigns, expanding our margin for growth. There remain issues such as tariff risk, but we believe that by advancing direct crossborder transactions, we will foster growth in the mid-to-long term. In addition, we will strengthen the partnerships we have with companies holding inventory in entertainment category items located in Japan, and we will grow both B2C and crossborder sales by supporting these company's sales to users overseas.

Q. What are the winning strategies and growth potential of *Mercari Hallo*?

A. We believe these to be the creation of strong synergy that results from leveraging *Mercari's* 23M MAU and circulating the actions of “earning” and “using” within the *Mercari* ecosystem. In addition to currently being able to acquire crew for a low cost, we will be able to provide the experience of utilizing funds earned on *Mercari Hallo* within the *Mercari* ecosystem seamlessly by leveraging the Banking-as-a-Service model through a partnership with Minna Bank, Ltd. In doing so, we aim to activate our entire ecosystem.

Since it will take a certain amount of time to acquire partners, we will also leverage external partnerships, and instead of aiming to be a number-one provider for only a short period, we will first improve our product steadily and strive to establish ourselves in a firm position in the market.

Fintech

Q. What is your take on the profitability and the investment phase of Fintech?

A. Fintech is already in profitable territory, and is at a stage where it is expanding while accumulating profit. We remain disciplined in expanding the number of *Mercard* holders and are also investing in products that will increase ARPU, such as *Mercard Gold*. Currently, we have issued more than five million Mercards, and considering the numbers of our user base, we have yet to reach saturation and believe that we will see steady growth going forward.

Q. How are you working to expand credit and credit balance?

A. We aren't looking to grant large sums of credit initially, but rather to expand credit limits based on users' usage history on *Mercari*. By steadily accumulating credit balance associated with the improvement of collection rates, we aim to further expand mainly through the increased usage of *Mercard*.

Q. What are your policies regarding cryptoassets?

A. We plan for Mercoin to start a partnership with Coincheck, Inc. going forward. In addition to bitcoin, ethereum, and XRP, which our company already offers, we will increase the cryptoassets that can be traded on our platform and forecast contributing to profitability by expanding the number of transactions.

Q. Do you have any mid-term target values?

A. Fintech is at a stage of continuously building profit. First, we are aiming to achieve a core operating profit of 10.0B JPY or higher in FY2027.6, which has been disclosed as part of our mid-term policy. We believe the business has potential, including for new areas such as cryptoassets and NFTs, and we will expand on this while also leveraging partnerships with external partners.

US

Q. MAU is falling. Will you be able to get users who have left the platform to come back? Are you going to spend funds to accomplish this?

A. In order to bring users back to the platform, it's vital for us to strengthen our core user experience by eliminating fraudulent users and improving the UI/UX of our products, so rather than investing in marketing, we are focused on improving our products. Since I assumed the position of US CEO in January 2025, I've become doubly aware that the increase of fraudulent use is directly linked to poor user experiences and churning, and have been working on eliminating both fraudulent buyers and sellers to prioritize safety and security. In addition, re-examining the procedures for listing, shipping, and buying, which are the core experiences of the product, will link to users continuing to use the platform and at the same time contribute to the return of inactive users. By strengthening our measures against fraud and simplifying our UI/UX, we will reduce negative user experiences and promote the improvement of our retention rate.

Q. Is investment in the core product really linked to the improvement of GMV in the US? Also, is there a concern that strengthening safety and security could increase costs?

A. Our product in the US has become complex, and the fraud that has exploited the gaps in our product is linked to users leaving the platform. Simplifying the product and preventing fraudulent use with appropriate measures leads to the suppression of churning. We do not associate safety and security with increased costs, but rather we believe that enhancing the trust of the community and activating transactions will have an impact that outweighs any increase in costs.

Q. As CEO, shouldn't you focus on Japan?

A. What is important is to see how much output we can achieve this fiscal year. We are taking a flexible approach, so if the US market grows, then we focus on the US, but if it doesn't grow, then we will shift our focus back to Japan. I am also considering eventually leaving the US operations in the hands of talented management when the time is right, while retaining a certain level of strength and being involved in the business myself.

Q. What will your policy be after achieving the goal of breaking even?

A. In January of 2025, I became the CEO of Mercari US, and we redefined our value proposition. We focused on improving the core features of the product and eliminating fraud. We also changed our service fee structure. The GMV growth rate is still a negative number, but it is improving, and we believe that if things continue as they have, we will achieve positive growth. Rather than being satisfied with that, we are aiming for large growth in the mid-to-long term, and we want to see that there is potential for the US to achieve successful growth that is of the same scale as our Japan business. First, we have to determine how far we can stretch our capabilities. If this proves to be difficult, we are also considering the option of working with other companies.

Q. What are the reasons for risks and growth involved in continuing to pursue product improvement?

A. After we temporarily saw significant growth due to COVID-19, negative top-line growth continued for a number of years after economic activities returned to normal, and the layers of new initiatives that we applied did not ultimately improve the situation. However, since last year, we have been focused on improving our core experience and eliminating fraudulent users, and our growth rate is now improving. Even under our current revenue structure, we are

making a profit, but we have no intention of being satisfied with 0 to 10% growth and are aiming for significant growth in the mid-to-long term.

Q. What strategies do you have in mind for tackling a competitive environment and expanding your market share?

A. In FY2026.6, we will focus on the fashion categories, which have the highest GMV share. Since competing with other players in the same area is unavoidable, in addition to thoroughly enhancing the ease of use of our product, we will distinguish ourselves by offering competitive shipping plans and a proof of concept for a fashion exchange program. In doing so, we will increase the satisfaction levels of both listers and buyers.

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