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To whom it may concern:

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Notice Regarding Full-Year Consolidated and Non-Consolidated Earnings Forecasts for FY2021.6

Although Mercari, Inc. has previously elected not to disclose its full-year earnings forecast for the year ending June 30, 2021, the Company would now like to announce that it expects an increase of 10% YoY in net sales and a deviation of 30% or more in its forecast for operating income and subsequent reporting items.

1. Full-Year Consolidated Earnings Forecast for FY2021.6 (July 1 2020–June 30, 2021)

	Net sales	Operating profit	Ordinary profit	Net profit attributable to shareholders of the parent company
Previous year's actual results (FY2020.6)	Millions of yen 76,275	Millions of yen -19,308	Millions of yen -19,391	Millions of yen -22,772
Forecast	103,000– 106,000	-1,500– 1,500	-1,600– 1,400	0– 2,100
Difference	+26,725– +29,725	+17,808– +20,808	+17,791– +20,791	+22,772– +24,872
Difference (%)	+35.0%– +39.0%	-	-	-

Consolidated full-year forecast

The Company anticipates a YoY increase in consolidated net sales for the period attributable to stable and sustained growth for Mercari JP, the introduction of revenue from increased new user numbers following the growth in recognition of Mercari US and the introduction of payment processing fees, and growth centered on Merpay's credit business.

In addition to forecasting an increase in net sales, the Company predicts smaller loss in YoY consolidated operating profit and consolidated ordinary profit due to efforts to control investment in the first half of the year,

centered on advertising and promotional expenses, as well as improvements in the earnings foundation of its businesses.

Smaller loss YoY was also predicted for net profit attributable to shareholders of the parent company, due to not only the improvement in profit mentioned above, but also 6,942 million yen recorded primarily from the sale of investment securities.

2. Full-Year Non-Consolidated Earnings Forecast for FY2021.6 (July 1, 2020–June 30, 2021)

	Net sales	Operating profit	Ordinary profit	Net profit
Previous year's actual results (FY2020.6)	Millions of yen 58,744	Millions of yen 11,655	Millions of yen 11,550	Millions of yen -28,014
Forecast	73,500– 76,500	12,500– 15,500	12,400– 15,400	6,000– 8,000
Difference	+14,756– +17,756	+845– +3,845	+850– +3,850	+34,014– +36,014
Difference (%)	% +25.1– +30.2	% +7.3– +33.0	% +7.4– +33.3	% -

Non-consolidated full-year forecast

Non-consolidated net sales for the year are predicted to grow YoY due to increased listing and steady growth in new users.

The Company anticipates non-consolidated operating profit and non-consolidated ordinary profit will reach even greater profitability this year, as despite resuming investment in the second half to maximize sustained growth and future profit, the increase in net sales is forecast to overtake total investment.

As disclosed separately today in “Notice Regarding Recording of Extraordinary Losses in Non-Consolidated Earnings,” the Company recorded impairment for shares of a Mercari Group affiliate, resulting in an extraordinary loss of 7,822 million yen on valuation of those shares. Since the Company recorded 36,935 million yen in valuation loss on affiliate shares in the previous accounting year, however, the Company predicts reduced full-year non-consolidated loss. The extraordinary loss will not be included in the consolidated financial results and will have no impact on consolidated profit or loss.