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# mercari

## Notice of the 12th Annual General Meeting of Shareholders

### Mercari, Inc.

Securities code: 4385

**Date and Time:**

Wednesday, September 25, 2024, at 10:00 a.m. (JST)  
(Attendees will be able to login from 9:30 a.m. onwards)

**Meeting Format:**

Exclusively online general meeting of shareholders

Notes:

There will be no venue for shareholders to visit in person.

There is no need to apply in advance to attend this exclusively online general meeting of shareholders.

**Proposal:**

Election of Twelve (12) Directors

**Deadlines:**

- Deadline for receiving shareholder questions in advance  
5:00 p.m. (JST) on Tuesday, September 17, 2024
- Deadline for advance exercise of voting rights in writing  
7:00 p.m. (JST) on Tuesday, September 24, 2024
- Deadline for advance exercise of voting rights via the internet  
7:00 p.m. (JST) on Tuesday, September 24, 2024

Please be aware that there will be no gifts prepared for the shareholders who attend this meeting.

## A Message to Our Shareholders

In the fiscal year ended June 2024, we further strengthened the profitability of our Japan Region businesses, centered on Marketplace and Fintech. We firmly promoted management that consciously balanced growth and profitability while taking on bold challenges in anticipation of the future, such as by releasing new services. In the 16 months since *Mercard* was launched in November 2022, we have issued over 3.4 million cards. Much like *Mercard*, the Mercari bitcoin trading service, which in the past year became No. 1 in the bitcoin trading industry in terms of new cryptoasset accounts opened, has also successfully expanded



Group synergy. *Mercari Hallo*, a new business that we anticipate will support steady future growth, had a smooth launch in March 2024, reaching 5 million registered users in its first three months of service. However, there is still work for us to do on the growth of the business. The GMV growth rate of Marketplace fell below the target we set for the full year, and in our US business, we were unable to achieve our goal of getting back on track for growth.

Mercari Group's mission is "Circulate all forms of value to unleash the potential in all people." I believe that by circulating all forms of value, not just physical goods and money, we can create opportunities for anyone to realize their dreams and contribute to society and the people around them. Moreover, I would like Mercari to become a company that unleashes the potential in all people around the world. In addition to the stable growth of our existing businesses, we will realize strong growth as a group by continuing to take on bold challenges in several new and strengthened areas that are showing growth potential and by coming together to improve our corporate value in the mid-to-long term. We will move forward with developing our organization by creating a borderless organization where talent from all over the world can thrive, as well as by strengthening our corporate governance.

To that end, we ask you, our shareholders, for your continued support and encouragement.

Shintaro Yamada, Representative Executive Officer and CEO

Securities code: 4385

Date of sending by postal mail: September 6, 2024

Start date of measures for electronic provision: August 29, 2024

To our shareholders:

Shintaro Yamada  
Director, Representative Executive Officer and CEO  
**Mercari, Inc.**  
6-10-1 Roppongi, Minato-ku, Tokyo

## Notice of the 12th Annual General Meeting of Shareholders

We are pleased to announce that the 12th Annual General Meeting of Shareholders of Mercari, Inc. (the “Company”) will be held as indicated below.

**This General Meeting of Shareholders will be held in the form of a general meeting of shareholders without a fixed location (“exclusively online general meeting of shareholders”). We ask shareholders to attend via the internet. Please be aware that there will be no venue to visit in person.**

When convening this General Meeting of Shareholders, the Company takes measures to provide information that constitutes the content of Reference Documents for the General Meeting of Shareholders and other documents (items for which the measures for providing information in electronic format will be taken; hereinafter, also referred to as “items subject to measures for electronic provision”) in electronic format and posts this information on the following websites. Please access any of these websites by using the corresponding address shown below to review the information.

### The Company’s website:

<https://about.mercari.com/en/ir/stock/shareholdermeeting/>

### Website for posted Shareholder Meeting Materials:

<https://d.sokai.jp/4385/teiji/>(in Japanese)

### Tokyo Stock Exchange website:

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

\* Access the Tokyo Stock Exchange website by using the address shown above, enter “Mercari” in “Issue name (company name)” or the Company’s securities code “4385” in “Code,” and click “Search.” Then, click “Basic information” and select “Documents for public inspection/PR information.” Under “Filed information available for public inspection,” click “Click here for access” under “[Notice of General Shareholders Meeting/Informational Materials for a General Shareholders Meeting].”

If you are not attending the meeting, you may exercise your voting rights via the internet, etc. or in writing. Please review the Reference Documents for the General Meeting of Shareholders and exercise your voting rights in advance.

**1. Date and Time:** Wednesday, September 25, 2024, at 10:00 a.m. (JST)

If the meeting cannot be held at the above-mentioned date and time due to network outages or other technical difficulties, the Company will postpone it to Thursday, September 26, 2024, at 10:00 a.m. (JST).

**2. Meeting Format:**

The meeting will be held without a fixed location (exclusively online general meeting of shareholders).

Please attend via the Shareholder Meeting Portal: <https://web.sharely.app/ci> (in Japanese).

For details such as the system requirements and procedures required to attend, please refer to “Guide to Exclusively Online General Meeting of Shareholders” and “Guide to Exercise of Voting Rights.”

**3. Purpose of the Meeting**

**Matters to be reported**

1. The Business Report, the Consolidated Financial Statements for the 12th fiscal year (from July 1, 2023, to June 30, 2024), and the results of audits of the Consolidated Financial Statements by the Independent Auditor and the Audit Committee
2. The Non-consolidated Financial Statements for the 12th fiscal year (from July 1, 2023, to June 30, 2024)

**Matters to be resolved**

**Proposal:** Election of Twelve (12) Directors

**4. Matters Decided upon Convocation**

- (1) The communication method used to send and receive information during the proceedings of this General Meeting of Shareholders shall be via the internet.
- (2) In the event shareholders exercise their voting rights in advance via the internet, etc. or in writing, but then attend this General Meeting of Shareholders and exercise their voting rights again, the vote cast at this General Meeting of Shareholders shall be deemed valid. In the event that shareholders do not exercise their voting rights at this General Meeting of Shareholders, the vote cast in advance via the internet, etc. or in writing shall be deemed valid.
- (3) At the beginning of this General Meeting of Shareholders, a resolution shall be made to the effect that, if proceedings of this General Meeting of Shareholders are significantly hampered by technical difficulties such as a network outage, the chairperson of the meeting may decide to postpone or adjourn the meeting. If the chairperson of the meeting decides on a postponement or adjournment based on this resolution, the Company shall hold the postponed meeting or continuation of the adjourned meeting of this General Meeting of Shareholders from 10:00 a.m. (JST) on Thursday, September 26, 2024. In such cases, the Company will promptly notify shareholders via the Company’s website\*, and shareholders will be asked to attend the postponed meeting or the continuation of the adjourned meeting in accordance with the “Guide to Exclusively Online General Meeting of Shareholders.”
- (4) Among items subject to measures for electronic provision, the following items are not provided in the documents delivered to shareholders who have requested the delivery of paper-based documents as provided for by the provisions of laws and regulations and the provisions of the Articles of Incorporation of the Company. The Audit Committee and Independent Auditors have audited the documents subject to audits, including the following items.
  - Business Report
    - Assets and profit (loss), Main business, Major offices, Employees, Major lenders, Other significant matters pertaining to the current condition of the Group, Stock acquisition rights, Independent Auditor, System to ensure the appropriateness of business operations and the status of its implementation, and Policy on determination of dividends of surplus and others

- Consolidated Financial Statements  
Consolidated Statement of Changes in Equity and Notes to Consolidated Financial Statements
- Non-consolidated Financial Statements  
Non-consolidated Balance Sheet, Non-consolidated Statement of Income, Non-consolidated Statement of Changes in Equity, and Notes to Non-consolidated Financial Statements
- Audit Report  
The Independent Auditor's Audit Report on the Consolidated Financial Statements, the Independent Auditor's Audit Report on the Non-consolidated Financial Statements, and the Audit Committee's Audit Report

- (5) If any changes are made to items subject to measures for electronic provision, a notice of the changes and the details of the items before and after the changes will be posted on the Company's website\*, the website for posted Shareholder Meeting Materials, and the Tokyo Stock Exchange website.
- (6) If any changes are made regarding the operation of this General Meeting of Shareholders, such information will be posted on the Company's website\*.
- (7) Please note that this General Meeting of Shareholders will be conducted in Japanese.

**\*The Company's website:**

<https://about.mercari.com/en/ir/stock/shareholdermeeting/>

The Company has considered the method of holding this General Meeting of Shareholders and has decided to hold this General Meeting of Shareholders fully online for the following reasons:

**1. Ensuring equal participation opportunities**

By providing equal opportunities to all shareholders, regardless of their location or whether they have time to spare, we expect to promote the exercise of shareholder rights and facilitate dialogue.

**2. Equality among attending shareholders**

By choosing a fully online General Meeting of Shareholders instead of a hybrid format, which often creates a sense of imbalance or inequality between shareholders who attend the General Meeting of Shareholders online and those who attend in person, such as with respect to the Q&A session and other matters, we can conduct the General Meeting of Shareholders in a more equal manner for attending shareholders.

**3. Avoiding physical limitations**

Even if the number of shareholders increases significantly, we can avoid the limitations of venue capacity and provide equal opportunities for participation in the General Meeting of Shareholders by holding the General Meeting of Shareholders online.

**4. Support from shareholders**

At the General Meeting of Shareholders held in September 2021, the proposal to amend the Articles of Incorporation to allow for a fully online shareholders' meeting was approved and adopted with approximately 92.2% in favor, and in the survey conducted after last year's fully online General Meeting of Shareholders, the majority of responses from shareholders continued to be positive.

**5. Efficient operations of the meeting**

Choosing a fully online General Meeting of Shareholders will make the operation of the General Meeting of Shareholders more efficient, mainly as expenses related to arranging and setting up the venue will not be necessary.

## Guide to Exclusively Online General Meeting of Shareholders

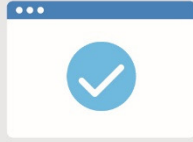
### STEP 1

Access the Shareholder Meeting Portal



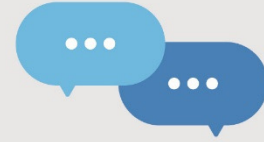
### STEP 2

Log in to the Shareholder Meeting Portal



### STEP 3

Ask a question in advance  
(Deadline: 5:00 p.m. (JST) on Tuesday, September 17)



## Before the General Meeting of Shareholders begins

This General Meeting of Shareholders will be held exclusively online. (Please be aware that there will be no venue for shareholders to visit in person.) While viewing the event as it is streamed in real time on the Shareholder Meeting Portal, attendees can also ask questions, propose motions, and exercise their voting rights. Because attendance at this General Meeting of Shareholders (“attendance”) will take place exclusively via the internet, those wishing to attend the meeting are asked to check the procedure explained from this page onwards before doing so (attendees are not required to apply in advance).

## Attendance

### 1. How to access the meeting

(1) Please access the Shareholder Meeting Portal.

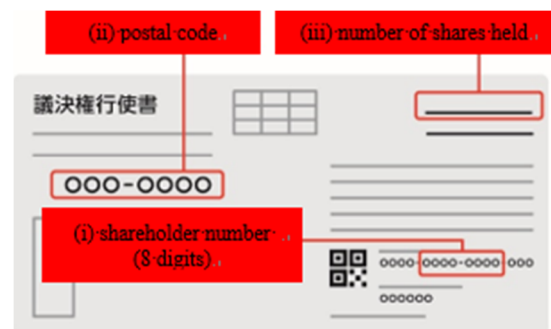


<https://web.sharely.app/ci>

(2) Please have your voting form at hand, and check your (i) shareholder number, (ii) postal code\*, and (iii) number of shares held.

(\*) Please be aware that the postal number will be that of the address at which you were registered with the securities company as of June 30, 2024.

- Videos on each of the procedures are also available for you to view. <https://merc.li/hRyjpDTNa>



(ii) postal code .

(ii) number of shares held .

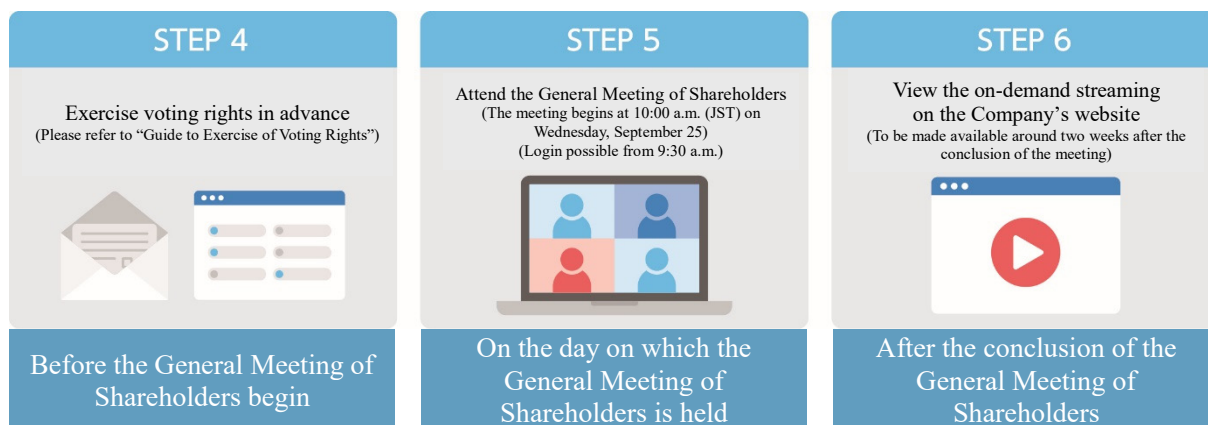
議決権行使書

000-0000

(i) shareholder number .  
(8 digits) .

0000 0000-0000 000  
000000

## Guide to the General Meeting of Shareholders

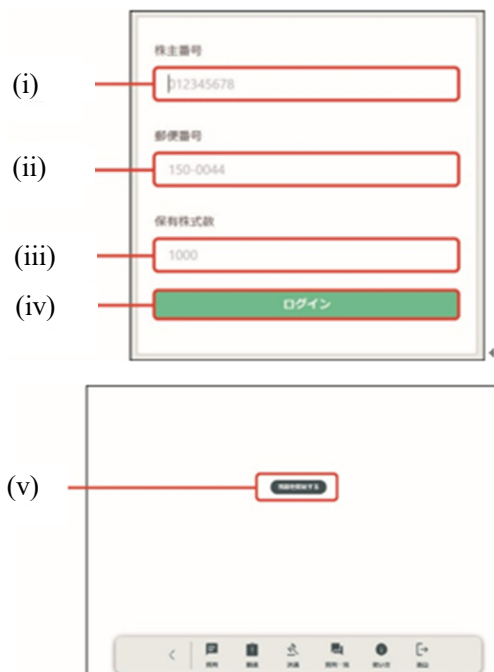


(3) After entering the (i) shareholder number, (ii) postal code, and (iii) number of shares held provided on the voting form, select the (iv) “Login” button.

(4) After logging in, the screen to the right will be displayed. Please select (v) “Begin viewing.” Please check that the audio is working properly by clicking the headphone symbol shown on the lower part of the screen.



Please wait until the meeting begins at 10:00 a.m. (JST) on Wednesday, September 25, 2024.



(i) 株主番号  
12345678

(ii) 郵便番号  
150-0044

(iii) 保有株式数  
1000

(iv) ログイン

(v) 開始視聴

## 2. How to exercise your voting rights

Attending shareholders may exercise their voting rights on the day the meeting is held from the time at which this General Meeting of Shareholders begins to the time at which matters to be resolved are voted on.

- (1) After following the procedure described in “1. How to access the meeting,” a menu will be shown in the lower part of the screen. Please select the “Vote” button.
- (2) For each matter to be resolved, please select either “Approve,” “Oppose,” or “Abstain.”
- (3) After selecting a button for each of the matters to be resolved, please select the “Send” button at the bottom of the screen.

### 3. Procedure for submitting questions in advance

- Shareholders may send questions about the purpose of this General Meeting of Shareholders ahead of the meeting.  
Acceptance period: By 5:00 p.m. (JST) on Tuesday, September 17, 2024
- Questions can be sent using the “Ask a Question in Advance” button on the screen displayed after logging in to the Shareholder Meeting Portal, or by using the following URL.  
Form for asking a question in advance: <https://merc.li/bXXqSTdka> (in Japanese)
- Matters in which shareholders are deemed to have a high level of interest will be addressed at this General Meeting of Shareholders.
- Even shareholders who are not attending on the day of the meeting may send questions in advance.



### 4. Procedure for submitting questions and proposing motions on the day the meeting is held

Attending shareholders may ask questions or propose motions on the day the meeting is held by entering text on the attendance screen explained on the preceding page. At this General Meeting of Shareholders, questions may be supplemented by audio (speech) for questions received on the day the meeting is held (“supplementary speech”).

#### (1) Questions on the day of the meeting

- The content of questions is restricted to the purpose of this General Meeting of Shareholders.
- Questions at this General Meeting of Shareholders are limited to one question per submission, with a length of no more than 200 characters, and no more than three may be submitted per person. In the event that multiple questions are sent in one submission, a response may only be given to the first question.
- There are limits on the time allocated to the Q&A session, so it may not be possible to respond to all questions. In addition, if there are a large number of questions, the Company will take and respond to questions using a random selection method that eliminates arbitrariness. Your understanding in this matter is appreciated.

#### (2) Audio supplementation for questions on the day of the meeting

- In order to use supplementary speech, the shareholder must be using a device with a microphone.
- Shareholders wishing to make use of supplementary speech should insert “Supplementary speech requested” at the beginning of their question before submitting it.
- During the Q&A session, shareholders who have requested supplementary speech will be contacted by the administrative office via chat, which will appear on the screen being viewed by the shareholder. Please watch out for this chat window.
- When it is your turn for Q&A, you will be informed by the administrative office, so please select the unmute button on your screen. After selecting the unmute button, please use speech to supplement the text entered for your question.
- Supplementary speech is intended to be used to supplement questions that have been sent on the day of the meeting. Please refrain from using supplementary speech to ask questions other than the ones sent via text on the day.

#### (3) Motions

- Depending on the way the chairperson organizes proceedings, motions may be submitted together to the assembly up to the point at which matters to be resolved are voted on.


#### (4) Others

- For details on how to use the Shareholder Meeting Portal, please refer to the following URL.  
Shareholder Meeting-Related Materials: <https://merc.li/3sMjjNU6a> (in Japanese)





## 1. Notes on attending the General Meeting of Shareholders

- To attend this General Meeting of Shareholders, you must be a shareholder of the Company.
  - There is no need to apply in advance.
  - During the Q&A session of this General Meeting of Shareholders, supplementary speech may be used in addition to the text of questions sent. Shareholders wishing to make use of supplementary speech must have access to a microphone, and should ensure that they have made preparations in this regard.
  - Sharing the login information for attendance (shareholder number, postal code, and number of shares held) with a third party and photographing, audio recording, video recording, disclosure, public distribution, etc. of the proceedings of this General Meeting of Shareholders are prohibited.
  - In the event of a network outage or other technical difficulties, live streaming and audio of the General Meeting of Shareholders could be disrupted or temporarily suspended. Please note that the Company shall not be held liable for any disadvantages suffered by shareholders attending the General Meeting of Shareholders due to such technical issues.
  - If the Company deems it necessary, the content of this General Meeting of Shareholders could be changed or canceled.
  - If any of the following events occur, the implementation of supplementary speech may be discontinued either partly or completely.
    - Cases where the voice of the shareholder cannot be heard properly due to network outages or other technical difficulties
    - Cases of system malfunction
    - Other cases where it is difficult to implement supplementary speech during questions
  - Even if attending on the day of the meeting, shareholders are requested to exercise their voting rights in advance considering the possibility of network outages or other technical difficulties.
  - This General Meeting of Shareholders will be conducted in Japanese.
  - If you have questions about viewing the meeting or the system, please contact the “Inquiries desk” below or the “Shareholder Meeting-Related Materials” on the previous page.
  - Please refer to the following website for recommended system requirements for attending the General Meeting of Shareholders. In addition, shareholders should note that they are responsible for all costs related to communications equipment and communications charges associated with attendance.
 
- Recommended system requirements: <https://merc.li/SyQ3mypRa> (in Japanese)
- If conditions going forward result in changes regarding the operation of the General Meeting of Shareholders, the Company will notify shareholders via the Company’s website below, which you are asked to check before the meeting.

The Company’s website can be found here:

<https://about.mercari.com/en/ir/stock/shareholdermeeting/>



## 2. Proxy attendance

Shareholders wishing to attend by proxy must delegate their authority to one other shareholder with voting rights in the Company. Shareholders wishing to do this must submit the following to the Company in advance by postal mail.

- (i) A letter of proxy (including the seal of the mandator)
- (ii) A copy of the voting form of the mandator

Please download the template for the letter of proxy from the above-mentioned “Shareholder Meeting-Related Materials” on page 6.

- Address: Roppongi Hills Mori Tower 18th Floor, 6-10-1 Roppongi, Minato-ku, Tokyo, 106-6118  
Attn: Shareholder Meeting Administrative Office, Mercari, Inc.
- Deadline for submissions: Must be received by 7:00 p.m. (JST) on Wednesday, September 18, 2024

### 3. Treatment of advance exercise of voting rights

If a shareholder who exercised their voting rights in advance either via the internet, etc. or in writing attends the meeting on the day, the prior exercise of voting rights shall be deemed void once the Company confirms that the shareholder has exercised their voting rights during the meeting.

If the Company cannot confirm that a shareholder in attendance has exercised their voting rights during the meeting, their advance exercise of voting rights shall be deemed valid.

### 4. Summary of details of the policy on measures concerning failure of the method of communication used to send and receive information in the proceedings of this General Meeting of Shareholders

- We will use a system from a provider with an extensive track record in live streaming.
- During live streaming, we will have main and backup devices in place.
- The system consists of multiple dual-setups for main and backup streaming.
- We have arranged for capacity that is more than sufficient to support all shareholders wishing to attend.
- To prevent network outages, we have put in place multiple internet lines.
- We have prepared a manual that provides specific actions to be taken in the event of network outages or other technical difficulties and have prepared responses tailored to different types of network outages.
- At the beginning of this General Meeting of Shareholders, a resolution shall be made to the effect that, if proceedings of this General Meeting of Shareholders are significantly hampered by technical difficulties such as a network outage, the chairperson of the meeting may decide to postpone or adjourn the meeting. If a postponement or adjournment of this General Meeting of Shareholders is decided based on this resolution, the Company shall announce that fact on its website\* as soon as possible.
- If the Company is unable to hold the General Meeting of Shareholders due to network outages or other technical difficulties, or if significant problems occur with regard to the proceedings, the Company shall postpone the General Meeting of Shareholders to the following alternate date and time (including a postponed meeting or continuation of an adjourned meeting).



\*The Company's website can be found here:

<https://about.mercari.com/en/ir/stock/shareholdermeeting/>

Alternate date and time: 10:00 a.m. (JST) on Thursday, September 26, 2024  
(attendees will be able to login from 9:30 a.m. (JST) onwards)

### 5. Summary of details of the policy regarding consideration of the interests of shareholders who have difficulties in using the internet as a method of communication for transmitting and receiving information with regard to the proceedings of this General Meeting of Shareholders

Shareholders who have difficulty using the internet are asked to exercise their voting rights in advance by postal mail. Please refer to the "Guide to Exercise of Voting Rights" section below for the procedure.

## Inquiries Desk

If you have questions about attendance, asking questions in advance, or other procedures, please ensure that you have your voting form at hand and contact one of the following:

### Inquiries up to the day before the meeting is held

#### 1. System-related inquiries (login, viewing, questions, motions, asking questions in advance, etc.)

Please inquire via the Company's IR website\*.

- \* The Company's IR website can be found here: <https://about.mercari.com/en/contact/ir/>  
When using the inquiry form, please ensure that you enter your shareholder number in the message field before sending.



#### 2. Loss of login information or voting form

Shareholders who have lost their login information (shareholder number, postal code, number of shares held) or voting form are requested to contact the following point of contact.

- Until Tuesday, September 17, 2024  
Mitsubishi UFJ Trust and Banking Corporation, Stock Transfer Agency  
Phone number: 0120-232-711  
Business hours: 9:00 a.m. to 5:00 p.m. (JST; not available on Saturdays, Sundays, and national holidays)
- From Wednesday, September 18 to 5:00 p.m. (JST) on Tuesday, September 24, 2024  
Please inquire via the Company's IR website\*.

### Inquiries on the day on which the meeting is held

If you have questions on how to operate the system, such as logging in or watching the video, please inquire via the contact details given below.

Sharely Co., Ltd.

Phone number: +81-3-6683-7661

Business hours: from 9:00 a.m. on the day on which this General Meeting of Shareholders is held to the conclusion of the General Meeting of Shareholders

## Guide to Exercise of Voting Rights

### Guidance for Advance Exercise of Voting Rights

Shareholders attending the General Meeting of Shareholders are also requested to exercise their voting rights in advance considering the possibility of network outages or other technical difficulties.

#### Advance exercise of voting rights via the internet

Please access the website for exercising voting rights printed on the voting form and enter your approval or disapproval for each proposal by following the instructions provided on the next page.

**Deadline:** 7:00 p.m. (JST) on Tuesday, September 24, 2024



#### Advance exercise of voting rights in writing

Please indicate your approval or disapproval for each proposal on the voting form and return it to the Company by mail so that it arrives before the deadline. If there is no indication of approval or disapproval for a proposal, it shall be treated as an indication of approval for the Company's proposal.

**Deadline:** 7:00 p.m. (JST) on Tuesday, September 24, 2024



#### Electronic voting platform

Shareholders registered in the name of a trust and custody bank, etc. (including standing proxies) may use the electronic voting platform operated by ICJ, Inc., provided that they have already filed applications for the use of the said platform.

\* In the event that you exercise your voting rights diversely, please notify the Company at least three days prior to the General Meeting of Shareholders stating your intention of diverse exercise and the reasons for doing so.

### Details Concerning the Handling of Voting Rights When Attending the Meeting

If you attend the General Meeting of Shareholders, your voting rights will be treated as below:

Up to the day before the General Meeting of Shareholders	On the day on which the General Meeting of Shareholders is held	Treatment of exercise of voting rights
Voting rights exercised in advance	Voting rights exercised (*)	Exercise of voting rights on the day of the meeting deemed valid (exercise in advance deemed void)
	Voting rights not exercised	Voting rights exercised in advance deemed valid
Voting rights not exercised in advance	Voting rights exercised (*)	Exercise of voting rights on the day of the meeting deemed valid
	Voting rights not exercised	Abstention

(\*) Proposals for which approval or disapproval is not indicated (including those for which voting rights were exercised in advance) will count as abstentions, so shareholders exercising voting rights on the day of the General Meeting of Shareholders are asked to indicate approval or disapproval for the proposal.

## Guide to Exercise of Voting Rights via the Internet

### Method 1: Scanning your QR Code®

1. Please scan the QR Code® (\*) located on the bottom right of your voting form.



(\*) “QR Code” is a registered trademark of DENSO WAVE INCORPORATED.

2. Indicate your approval or disapproval by following the instructions on the screen.

### Method 2: Entering your login ID and temporary password

Website for exercising voting rights:

<https://evote.tr.mufg.jp/> (in Japanese)

1. Please access the website for exercising voting rights.
2. Enter the login ID and temporary password printed on your voting form.
3. Indicate your approval or disapproval by following the instructions on the screen.

### How to indicate your approval or disapproval

If using the smartphone site

会社提案の全ての議案を賛成とされる場合



会社提案の議案について個別に賛否を入力される場合



- ✓ Press [1] if you wish to approve all of the Company's proposals.
- ✓ Press [2] if you wish to approve or disapprove of individual proposals.

If using the desktop site

●会社提案の全ての議案を賛成とされる場合 [1] [確認画面へ](#)

●会社提案の議案について個別に賛否を入力される場合 [2] [賛否行使画面へ](#)

議案の内容をご覧になる場合は、[こちら](#) をクリックしてください。

If you need instructions regarding how to operate your personal computer/smartphone/mobile phone in order to exercise your voting rights via the internet, please call the phone number on the right.



Mitsubishi UFJ Trust and Banking Corporation,  
Stock Transfer Agency (Help Desk)  
**0120-173-027**  
(Toll free only from Japan / Business hours: 9:00  
a.m. to 9:00 p.m. (JST))

### Notes

- If you exercise your voting rights both in writing and via the internet, the latter will prevail regardless of the date and time the written form was received by the Company.
- If you exercise your voting rights via the internet multiple times, only your last vote will be treated as valid.
- Connection fees payable to the providers and communication expenses payable to telecommunication carriers when accessing the website for exercising voting rights will be borne by the shareholders.

## Reference Documents for the General Meeting of Shareholders

### **Proposal: Election of Twelve (12) Directors**

The term of office of all ten (10) Directors will expire at the conclusion of this General Meeting of Shareholders. Regarding the candidates for the Board of Directors, the Company proposes the election of twelve (12) new Directors based on the decisions of the Nominating Committee.

The candidates for Directors are as provided in pages 14 to 28.

### **Basic Policy on the Composition of the Board of Directors (Article 10 of the Corporate Governance Guidelines)**

In promoting management aimed at the Group's sustainable growth and enhancement of corporate value, our basic policy is to structure the Board of Directors in consideration of the balance of knowledge, experience, and abilities necessary to realize highly effective supervision of management by the Board of Directors and to ensure the diversity of the Board of Directors as a whole.

In order to enhance the effectiveness of the supervisory function of the Board of Directors, the majority of Directors shall be Outside Directors, and business executors (Executive Officers) shall be included among the Directors.

To ensure that the Board of Directors functions in the most effective and efficient manner, the appropriate number of Directors shall be between 8 and 14.

### **Policies for the election of Directors**

The Company selects candidates for Directors who are deemed suitable for the position in accordance with the basic policy given above.

In selecting candidates for Directors, we choose candidates who possess the core qualities (core skills) necessary to lead management in achieving the Group's mission, "Circulate all forms of value to unleash the potential in all people." Additionally, we expect these candidates to possess the expertise and experience required to engage in discussions concerning major directions associated with key management policies and strategies, and priority areas essential for achieving the mission from various perspectives.

The core skills required of all candidates for Directors are presented below.

Item	Overview
Leadership	Has demonstrated outstanding leadership in various aspects, including the presentation and dissemination of vision, organizational transformation, and business growth, in organizational management for corporations, law and accounting firms, government agencies, or other entities
Shared belief in the achievement of the mission and willingness to contribute	Has strong interest and shared belief in the Mercari Group mission, and willingness to contribute to the enhancement of corporate value through its achievement
Compatibility with culture/values	Aligns with Mercari Group's culture and upholds a mindset and principles of behavior that embody Mercari's three values
Integrity and high ethical standards	Has strong ethical standards and is capable of performing duties with utmost integrity (sincerity and honesty) in all situations and circumstances

In relation to expertise and experience, the following specific criteria are outlined to ensure a diverse range of viewpoints within the Board of Directors as a whole. This enables the Board of Directors to effectively supervise operations, adapting to the evolving business environment.

- The Group requires “Corporate management,” “Sustainability,” “Human resources & organizational culture development,” “Corporate governance,” and “Policy/public relations” to achieve sustainable growth and increase corporate value through appropriate collaboration with stakeholders to solve social issues.
- The Group requires “Global business” and “Innovation/technology” from the perspective of encouraging the creation of new markets and services to achieve its mission.
- The Group requires “Finance/accounting” and “Risk management/compliance” from the perspective of promoting fair corporate activities that lead to earning the trust of society while supporting active and sound risk-taking.

Specific requirements for expertise and experience in each category are as follows.

Expertise and experience	Specific requirements
Corporate management	<ul style="list-style-type: none"> <li>• Experience and knowledge as a director, manager (CEO, CFO, etc.), or other top management position</li> </ul>
Global business	<ul style="list-style-type: none"> <li>• Experience in and knowledge of global expansion of services and products, global operations in global companies, global expansion through M&amp;As, etc.</li> </ul>
Innovation/technology	<ul style="list-style-type: none"> <li>• Experience in and knowledge of creating and innovating business models to solve social issues</li> <li>• Experience in and knowledge of the latest technological trends in the digital domain, AI, Web 3.0, etc.</li> </ul>
Sustainability	<ul style="list-style-type: none"> <li>• Experience in promoting medium- to long-term sustainability-related initiatives at companies, international organizations, NGOs, etc.</li> <li>• Extensive experience in and knowledge of areas related to the Company’s materiality (material topics to take on to realize the Company’s long-term vision)</li> </ul>
Finance/accounting	<ul style="list-style-type: none"> <li>• Experience in planning, implementing, and supporting corporate capital policies, fundraising, and financial restructuring</li> <li>• Experience as a CPA engaged in financial statement audits and internal control audits</li> </ul>
Human resources & organizational culture development	<ul style="list-style-type: none"> <li>• Experience playing a leading role in leadership development and human resources development at the senior management level, etc., organizational design, and building, establishing, and transforming corporate culture</li> </ul>
Corporate governance	<ul style="list-style-type: none"> <li>• Extensive knowledge of corporate governance</li> <li>• Experience participating in leading the design of management compensation plans and review of succession plans for CEOs, etc.</li> </ul>
Risk management/compliance	<ul style="list-style-type: none"> <li>• Extensive experience in and knowledge of enterprise risk management and crisis management</li> <li>• Extensive experience in and knowledge of initiatives to thoroughly ensure compliance with laws, regulations, and corporate ethics in an organized manner</li> </ul>
Policy/public relations	<ul style="list-style-type: none"> <li>• Experience in policy, legal, and other types of rulemaking for social and economic issues</li> </ul>

The candidates for Directors of the Company:

Candidate No.	Name	Current position and responsibility in the Company			
1.	Shintaro Yamada	Director, Representative Executive Officer and CEO, Chairperson of the Board of Directors, member of the Nominating Committee, and member of the Compensation Committee	R		
2.	Fumiaki Koizumi	Director, President	R		
3.	Sayaka Eda	Director, Executive Officer, Senior Vice President of Corporate, Chief Financial Officer	R		
4.	Mayumi Tochinoki	Director Member of the Audit Committee	R		
5.	Makiko Shinoda	Outside Director Chairperson of the Compensation Committee and member of the Nominating Committee	R	O	I
6.	Takuya Kitagawa	Outside Director Member of the Compensation Committee	R	O	I
7.	Daiken Tsunoda	Outside Director Chairperson of the Audit Committee	R	O	I
8.	Kazuhiko Toyama	Outside Director Chairperson of the Nominating Committee and member of the Compensation Committee	R	O	I
9.	Shiho Konno	–	N	O	I
10.	Kumi Fujisawa	–	N	O	I
11.	Mayumi Umezawa	–	N	O	I
12.	Kikka Hanazawa	–	N	O	I

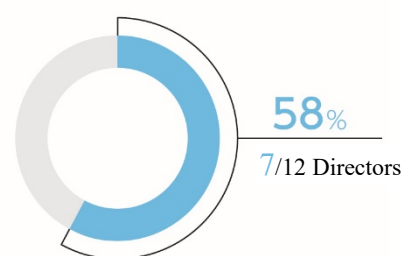
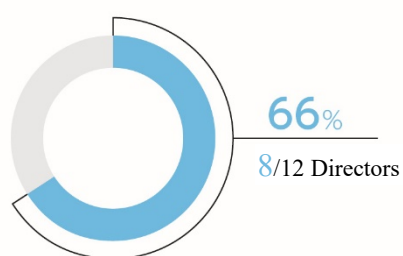
Guide to abbreviations:

- R: Re-appointment
- N: New appointment
- O: Outside Director
- I: Independent Director



■ Ratio of independent Outside Directors to all Directors

■ Ratio of female Directors to all Directors



Skills matrix:

Name	Expertise and experience								
	Corporate management	Global business	Innovation/technology	Sustainability	Finance/accounting	Human resources & organizational culture development	Corporate governance	Risk management/compliance	Policy/public relations
Shintaro Yamada	•	•	•	•		•	•		
Fumiaki Koizumi	•			•	•	•			•
Sayaka Eda	•				•		•		
Mayumi Tochinoki					•			•	
Makiko Shinoda	•			•	•	•	•		
Takuya Kitagawa		•	•	•		•			
Daiken Tsunoda							•	•	
Kazuhiko Toyama	•		•				•	•	•
Shiho Konno							•	•	•
Kumi Fujisawa	•	•	•		•		•		
Mayumi Umezawa					•		•	•	
Kikka Hanazawa	•	•		•					

The table above outlines the categories of expertise and experience that each candidate is especially expected to demonstrate in accordance with their respective roles. However, it does not encompass all of the knowledge and experience held by each candidate.

**▶ Career summary and positions held in the Company**

- Aug. 2001 Established Unoh Inc., Representative Director
- Feb. 2005 Trade name of Unoh Inc. changed to Unoh Co., Ltd.
- Sept. 2010 General Manager of Zynga Japan K.K.
- June 2012 Established suadd K.K., Representative Director (current position)
- Feb. 2013 Established Kouzoh Inc. (currently the Company), Representative Director and President
- Mar. 2014 Director of Mercari, Inc. (US) (current position)
- Apr. 2017 Representative Director and Chairman of the Board, Chief Executive Officer of the Company
- Sept. 2019 Representative Director, Chief Executive Officer of the Company
- July 2021 Representative and Administrative Officer of YAMADA Shintaro D&I Foundation (current position)
- Sept. 2023 Director, Representative Executive Officer and CEO of the Company (current position)

**▶ Significant concurrent positions**

Director of Mercari, Inc. (US)

**▶ Reasons for nomination**

Since the Company's founding in February 2013, Shintaro Yamada has launched the *Mercari* C2C marketplace and, as the Representative Director, has overseen both its global development and the overall management of the Mercari Group's business. As Representative Executive Officer and CEO, he has overseen the management of the entire Group since September 2023. The Company has therefore nominated him as a candidate for Director, expecting that he will contribute to strengthening the supervising and decision-making functions of the Board of Directors of the Company by promoting coordination between the Board of Directors and the execution of business.



**Number of Board of Directors meetings attended:**  
12/12

**Number of Nominating Committee meetings attended:**  
8/8

**Number of Compensation Committee meetings attended:**  
8/8

**Number of the Company's shares owned:**  
39,058,207 shares

**Number of shares to be issued upon exercise of the Company's stock acquisition rights owned:**  
123,162 shares

**▶ Career summary and positions held in the Company**

- Apr. 2003    Joined Daiwa Securities SMBC Co. Ltd. (currently Daiwa Securities Co. Ltd.)  
Dec. 2006    Joined mixi, Inc. (currently MIXI, Inc.)  
June 2008    Director of mixi, Inc.  
Dec. 2013    Joined the Company  
Mar. 2014    Director and Head of Corporate Division of the Company  
Apr. 2017    Director, Chief Operating Officer, and Head of Corporate Division of the Company  
Aug. 2019    CEO of Kashima Antlers F.C. Co., Ltd. (current position)  
Sept. 2019    Director, President of the Company (current position)  
Mar. 2022    Director of Japan Professional Football League (J.League) (part-time) (current position)

**▶ Significant concurrent positions**

CEO of Kashima Antlers F.C. Co., Ltd.

**▶ Reasons for nomination**

Since joining the Company in 2013, Fumiaki Koizumi has driven the organizational enhancement of the Corporate Division, and since his appointment as Director of the Company, while leading the management of the Company as a whole, he has worked hard especially in the fields of public relations, corporate communications, sustainability, etc. He also manages Kashima Antlers F.C. Co., Ltd. The Company has therefore nominated him as a candidate for Director, expecting that he will draw on his abundant experience and track record to contribute to strengthening the supervising and decision-making functions of the Board of Directors of the Company.



**Number of Board of Directors meetings attended:**  
**12/12**

**Number of the Company's shares owned:**  
**1,265,560 shares**

**Number of shares to be issued upon exercise of the Company's stock acquisition rights owned:**  
**797,869 shares**

**▶ Career summary and positions held in the Company**

- Apr. 2006    Joined Goldman Sachs Japan Co., Ltd.  
Nov. 2017    Managing Director of Goldman Sachs Japan Co., Ltd.  
Jan. 2021    Vice President, Chief Financial Officer of the Company  
Jan. 2021    Director of Merpay, Inc. (current position)  
July 2022    Vice President of Corporate, Chief Financial Officer of the Company  
Jan. 2023    Senior Vice President of Corporate, Chief Financial Officer of the Company  
Sept. 2023    Director, Executive Officer, Senior Vice President of Corporate, Chief Financial Officer of the Company (current position)

**▶ Significant concurrent positions**

Director of Merpay, Inc.

**▶ Reasons for nomination**

Since joining the Company, Sayaka Eda has led the enhancement of the Group's management system as CFO by utilizing her extensive experience in financial institutions and her profound insights in the fields of finance, corporate governance, etc. Furthermore, as the Executive Officer in charge of corporate affairs, she is responsible for supporting the business growth of the Corporate Division. The Company has therefore nominated her as a candidate for Director, expecting that she will contribute to strengthening the supervising and decision-making functions of the Board of Directors of the Company by promoting coordination between the Board of Directors and the execution of business.



**Number of Board of Directors meetings attended:**  
**9/9**

**Number of the Company's shares owned:**  
**25,001 shares**

**Number of shares to be issued upon exercise of the Company's stock acquisition rights owned:**  
**18,568 shares**

**▶ Career summary and positions held in the Company**

- Sept. 1991 Joined Deloitte & Touche LLP
- Oct. 1995 Joined J.P. Morgan Securities Asia Ltd. (currently JPMorgan Securities Japan Co., Ltd.)
- Mar. 2003 Head of Internal Audit Department of JPMorgan Securities Japan Co., Ltd.
- June 2007 Head of Compliance Testing Group in Asian Region of JPMorgan Securities.
- Mar. 2013 Head of Compliance and Risk Assessment in Asian Region of JPMorgan Securities.
- Sept. 2013 Executive Officer, Chief Administrative Officer, and Chief Compliance Officer of Standard & Poor's Ratings Japan K.K. (currently S&P Global Ratings Japan Inc.)
- Jan. 2019 Vice President, Head of Internal Audit Office of the Company
- Sept. 2019 Standing Audit and Supervisory Board Member of the Company
- Sept. 2019 Audit and Supervisory Board Member of Merpay, Inc. (current position)
- Apr. 2021 Audit and Supervisory Board Member of Mercoin, Inc. (current position)
- Sept. 2023 Director of the Company (current position)
- June 2024 Outside Director (Audit and Supervisory Committee Member) of ENEOS Holdings, Inc. (current position)

**▶ Significant concurrent positions**

- Audit and Supervisory Board Member of Merpay, Inc.
- Audit and Supervisory Board Member of Mercoin, Inc.
- Outside Director (Audit and Supervisory Committee Member) of ENEOS Holdings, Inc.

**▶ Reasons for nomination**

Mayumi Tochinoki possesses abundant knowledge in the fields of accounting, internal audit, and compliance gained through her experience in internal audit and compliance departments within an accounting firm and the finance industry. In addition, she has provided appropriate and valuable advice and suggestions on the building of an internal control system and risk management as both an Audit and Supervisory Board Member and Director of the Company. The Company has therefore nominated her as a candidate for Director, expecting that she will contribute to strengthening the supervising and decision-making functions of the Board of Directors of the Company.



**Number of Board of Directors meetings attended:**  
**12/12**

**(Note: Includes the number of times she attended Board of Directors meetings as an Audit and Supervisory Board Member.)**

**Number of Audit Committee meetings attended:**  
**11/11**

**Number of the Company's shares owned:**  
**2,013 shares**

**Number of shares to be issued upon exercise of the Company's stock acquisition rights owned:**  
**0 shares**

Candidate  
No.  
5

**Makiko Shinoda**

Date of birth: March 1, 1968



▶ **Career summary and positions held in the Company**

- Apr. 1991    Joined The Long-Term Credit Bank of Japan, Limited (currently SBI Shinsei Bank, Limited)
- Sept. 1998    Joined McKinsey & Company, Inc.
- Oct. 2002    Joined Novartis Pharma K.K.
- July 2007    Head of Finance for Nestlé Nutrition K.K.
- Dec. 2008    Director & CFO of Tokyo Itoi Shigesato Office (currently Hobonichi Co., Ltd.)
- Mar. 2020    Director at YeLL Inc. (current position)
- Sept. 2020    Outside Director of the Company (current position)

▶ **Significant concurrent positions**

Director at YeLL Inc.

▶ **Reasons for nomination and overview of expected role**

Makiko Shinoda possesses specialized knowledge and extensive experience in diversity & inclusion, sustainability, finance, etc., which she draws upon to provide appropriate and valuable advice and suggestions for the management of the Company. The Company has therefore nominated her as a candidate for Outside Director, expecting that she will contribute to strengthening the supervising and decision-making functions of the Board of Directors of the Company.



**Tenure as Outside Director:**

**4 years**

**Number of Board of Directors meetings attended:**

**12/12**

**Number of Nominating Committee meetings attended:**

**8/8**

**Number of Compensation Committee meetings attended:**

**8/8**

**Number of the Company's shares owned:**

**0 shares**

**Number of shares to be issued upon exercise of the Company's stock acquisition rights owned:**

**598 shares**

**▶ Career summary and positions held in the Company**

- Sept. 2012 Joined Rakuten, Inc. (currently Rakuten Group, Inc.)
- Apr. 2013 Executive Officer, Head of Behavior Insight Strategy Office of Data Intelligence Supervisory Department of Rakuten, Inc.
- Sept. 2017 Director of Rakuten Data Marketing, Inc.
- Sept. 2018 Co-founder and Director, Public Interest Incorporated Association Well-being for Planet Earth (current position)
- Jan. 2019 Managing Executive Officer, Chief Data Officer of Technology Division of Rakuten, Inc.
- Aug. 2023 President and Director of QuEra Computing Inc. (current position)
- Sept. 2023 Outside Director of the Company (current position)

**▶ Significant concurrent positions**

President and Director of QuEra Computing Inc.

**▶ Reasons for nomination and overview of expected role**

Takuya Kitagawa possesses specialized expertise in areas of technology, including artificial intelligence (AI) and data science. He possesses extensive experience and profound insights acquired through his endeavors in creating new businesses and addressing social issues through the utilization of AI and data, which he draws upon to provide appropriate and valuable advice and suggestions for the management of the Company as an Outside Director. The Company has therefore nominated him as a candidate for Outside Director, expecting that he will contribute to strengthening the supervising and decision-making functions of the Board of Directors of the Company.



**Tenure as Outside Director:**  
**1 year**

**Number of Board of Directors meetings attended:**  
**9/9**

**Number of Compensation Committee meetings attended:**  
**8/8**

**Number of the Company's shares owned:**  
**0 shares**

**Number of shares to be issued upon exercise of the Company's stock acquisition rights owned:**  
**598 shares**



▶ **Career summary and positions held in the Company**

- Apr. 1994 Admitted to the Tokyo Bar Association  
Joined Mori Sogo (currently Mori Hamada & Matsumoto)
- Jan. 2001 Partner of Mori Sogo
- Mar. 2003 Founder and Partner of Nakamura & Tsunoda (currently Nakamura, Tsunoda & Matsumoto)
- June 2005 Outside Corporate Auditor of INES Corporation
- Apr. 2008 Outside Corporate Auditor of Mitsui Sumitomo Insurance Group Holdings, Incorporated (currently MS&AD Insurance Group Holdings, Inc.)
- Apr. 2010 Outside Director of MS&AD Insurance Group Holdings, Inc.
- Apr. 2014 Outside Director of Culture Convenience Club Co., Ltd. (current position)
- June 2016 Outside Director of Eisai Co., Ltd.
- Aug. 2021 Outside Director (Member of the Audit and Supervisory Committee) of Sumitomo Mitsui Banking Corporation (current position)
- Sept. 2021 Outside Audit and Supervisory Board Member of the Company
- Apr. 2023 Daiken Tsunoda Law Office (current position)
- Sept. 2023 Outside Director of the Company (current position)

▶ **Significant concurrent positions**

- Daiken Tsunoda Law Office
- Outside Director (Member of the Audit and Supervisory Committee) of Sumitomo Mitsui Banking Corporation
- Outside Director of Culture Convenience Club Co., Ltd.

▶ **Reasons for nomination and overview of expected role**

Daiken Tsunoda possesses professional expertise in the fields of corporate legal affairs and corporate governance. He also possesses extensive knowledge and profound insight in the fields of risk management and compliance, cultivated through his experience as an outside officer of listed companies, which he draws upon to provide appropriate and valuable advice and suggestions for the management of the Company. The Company has therefore nominated him as a candidate for Outside Director, expecting that he will contribute to strengthening the supervising and decision-making functions of the Board of Directors of the Company.



**Tenure as Outside Director:**  
1 year

**Number of Board of Directors meetings attended:**  
12/12

**(Note: Includes the number of times he attended Board of Directors meetings as an Audit and Supervisory Board Member.)**

**Number of Audit Committee meetings attended:**  
11/11

**Number of the Company's shares owned:**  
0 shares

**Number of shares to be issued upon exercise of the Company's stock acquisition rights owned:**  
598 shares





▶ **Career summary and positions held in the Company**

- Apr. 1985    Joined Boston Consulting Group
- Apr. 1986    Participated in the establishment of Corporate Direction Inc.
- Apr. 2001    Representative Director and President of Corporate Direction Inc.
- Apr. 2007    Representative Director, CEO of Industrial Growth Platform, Inc.
- June 2016    Outside Director of Panasonic Corporation (currently Panasonic Holdings Corporation) (current position)
- June 2017    Outside Director of Tokyo Electric Power Company Holdings, Inc.
- Oct. 2020    Chairman of Industrial Growth Platform, Inc. IGPI Group (current position)
- Dec. 2020    Representative Director, President of Japan Platform of Industrial Transformation, Inc. (current position)
- May 2022    Chairman of General Incorporated Association Japan Association of Corporate Directors (current position)
- June 2023    Outside Director of KURODA PRECISION INDUSTRIES LTD. (current position)
- Sept. 2023    Outside Director of the Company (current position)

▶ **Significant concurrent positions**

Chairman of Industrial Growth Platform, Inc. IGPI Group  
 Representative Director, President of Japan Platform of Industrial Transformation, Inc.  
 Outside Director of Panasonic Holdings Corporation  
 Outside Director of KURODA PRECISION INDUSTRIES LTD.

▶ **Reasons for nomination and overview of expected role**

Kazuhiko Toyama possesses extensive knowledge and profound insight as a manager of corporate restructuring consulting firms, as well as a specialist in corporate governance. He also possesses extensive experience acquired through his endeavors in promoting innovation to address social issues, which he draws upon to provide appropriate and valuable advice and suggestions for the management of the Company. The Company has therefore nominated him as a candidate for Outside Director, expecting that he will contribute to strengthening the supervising and decision-making functions of the Board of Directors of the Company.



**Tenure as Outside Director:**

**1 year**

**Number of Board of Directors meetings attended:**

**8/9**

**Number of Nominating Committee meetings attended:**

**8/8**

**Number of Compensation Committee meetings attended:**

**8/8**

**Number of the Company's shares owned:**

**0 shares**

**Number of shares to be issued upon exercise of the Company's stock acquisition rights**

**owned:**

**598 shares**

**▶ Career summary and positions held in the Company**

- Apr. 1991 Registered with Daiichi Tokyo Bar Association
- June 2005 Audit and Supervisory Board Member of Yahoo Japan Corporation (currently LY Corporation)
- Mar. 2008 Auditor of Advanced Softmaterials Inc. (currently ASM Inc.)
- June 2014 Member of the Committee on Realization of a Gender-Equal Society at the Japan Federation of Bar Associations (current position)
- Aug. 2014 Auditor of Japan Corporate Governance Network
- Mar. 2015 Shiho Konno Habataki Law Office (current position)
- June 2015 Outside Director of Watami Co., Ltd.
- June 2016 External Director of Kakaku.com, Inc.
- June 2017 Outside Director of Alfresa Holdings Corporation
- June 2018 Outside Audit & Supervisory Board Member of Shinsei Bank, Limited (currently SBI Shinsei Bank, Limited)
- June 2018 Member of the Board of Monex Group, Inc.
- June 2021 Outside Director of LIXIL Corporation (current position)
- Mar. 2022 Outside Audit & Supervisory Board Member of Pegasus Tech Holdings, Inc. (current position)

**▶ Significant concurrent positions**

Shiho Konno Habataki Law Office  
Outside Director of LIXIL Corporation

**▶ Reasons for nomination and overview of expected role**

Shiho Konno possesses professional expertise in the fields of corporate legal affairs and corporate governance. She also possesses extensive knowledge and profound insight in the fields of risk management and compliance, cultivated through her experience as an outside officer of listed companies. The Company has therefore nominated her as a candidate for Outside Director, expecting that she will draw on her knowledge and experience to contribute to strengthening the supervising and decision-making functions of the Board of Directors of the Company.



**Tenure as Outside Director:**  
– years

**Number of Board of Directors meetings attended:**  
-/-

**Number of the Company's shares owned:**  
**0 shares**

**Number of shares to be issued upon exercise of the Company's stock acquisition rights owned:**  
– shares



▶ **Career summary and positions held in the Company**

- Apr. 1989    Joined KOKUSAI Investments Trust Management Co., Ltd.
- Sept. 1991    Joined Schroder Investment Management (Japan) Limited
- Apr. 1995    Representative Director of IFIS JAPAN LTD.
- June 2004    Vice Chairman of the Investment Trusts Association, Japan (current position)
- June 2011    Governor of the Japan Securities Dealers Association (current position)
- June 2013    Outside Director of the Shizuoka Bank, Ltd.
- Aug. 2013    Representative Director of SophiaBank Co., Ltd.
- June 2014    Outside Member of the Board of Toyota Tsusho Corporation
- May 2016    Outside Director, Member of the Board of Creek & River Co., Ltd.
- Jan. 2021    Outside Director of CellSource Co., Ltd. (current position)
- Dec. 2021    Outside Director of Net Protections Holdings, Inc. (current position)
- Apr. 2022    Chairperson of Institute for International Socio-Economic Studies (current position)
- Oct. 2022    Outside Director of Shizuoka Financial Group, Inc. (current position)

▶ **Significant concurrent positions**

- Outside Director of CellSource Co., Ltd.
- Outside Director of Net Protections Holdings, Inc.
- Outside Director of Shizuoka Financial Group, Inc.

▶ **Reasons for nomination and overview of expected role**

As the manager of an investment trust evaluation company and a think tank, Kumi Fujisawa possesses extensive experience in promoting innovation to address social issues. She also possesses extensive experience and profound insight in global business, corporate governance, and other fields, cultivated through her experience as an outside officer of listed companies. The Company has therefore nominated her as a candidate for Outside Director, expecting that she will draw on her knowledge and experience to contribute to strengthening the supervising and decision-making functions of the Board of Directors of the Company.



**Tenure as Outside Director:**

– years

**Number of Board of Directors meetings attended:**

-/-

**Number of the Company's shares owned:**  
500 shares

**Number of shares to be issued upon exercise of the Company's stock acquisition rights owned:**  
– shares



▶ **Career summary and positions held in the Company**

- Oct. 2002    Joined the Tokyo office of Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC)
- May 2006    Registered as a certified public accountant
- July 2006    Umezawa Accountant Office (currently Mayumi Umezawa CPA Office) (current position)
- May 2007    Joined McDonald's Company (Japan), Ltd.
- Feb. 2012    Finance Manager of Disney Store Department at The Walt Disney Company (Japan) Ltd.
- July 2016    Representative Director of Accounting Labo (currently Accounting Labo Co., Ltd.) (current position)
- July 2016    Outside Audit & Supervisory Board Member of Retty Inc.
- Dec. 2017    Non-executive Director (Audit & Supervisory Board Member) of Retty Inc.
- Nov. 2019    Supervisory Director of Japan Hotel REIT Investment Corporation (current position)
- Apr. 2021    Outside Director of Wellness Communications Corporation
- Mar. 2022    Outside Director (Audit and Supervisory Committee Member) of ROYAL HOLDINGS Co., Ltd. (current position)



**Tenure as Outside Director:**  
– years

**Number of Board of Directors meetings attended:**  
-/-

**Number of the Company's shares owned:**  
**0 shares**

**Number of shares to be issued upon exercise of the Company's stock acquisition rights owned:**  
– shares

▶ **Significant concurrent positions**

Mayumi Umezawa CPA Office  
Representative Director of Accounting Labo Co., Ltd.  
Supervisory Director of Japan Hotel REIT Investment Corporation  
Outside Director (Audit and Supervisory Committee Member) of ROYAL HOLDINGS Co., Ltd.

▶ **Reasons for nomination and overview of expected role**

Mayumi Umezawa possesses professional expertise in the fields of finance and accounting through her work as a certified public accountant and in corporate accounting and finance departments. She also possesses profound insight into the fields of risk management, compliance, and corporate governance cultivated through her experience as an outside officer at listed companies. The Company has therefore nominated her as a candidate for Outside Director, expecting that she will draw on her knowledge and experience to contribute to strengthening the supervising and decision-making functions of the Board of Directors of the Company.



▶ **Career summary and positions held in the Company**

- Apr. 1991 General Manager, Itochu Fashion System Co., Ltd. New York office
- Apr. 1995 Vice President of Marketing, Cygne Designs, Inc.
- Apr. 1998 CEO of CYGNE INTERNATIONAL
- Dec. 2002 Director of Strategic Planning, Link Theory Holdings Co., Ltd.
- Apr. 2007 CEO of VPL
- Apr. 2011 President of Fashion Girls for Humanity (current position)
- Jan. 2022 Co-founder of Yabbey (current position)
- Mar. 2023 Director of Columbia University (current position)

▶ **Significant concurrent positions**

—

▶ **Reasons for nomination and overview of expected role**

Kikka Hanazawa possesses extensive experience in business management, primarily in the US, tackling social issues through businesses. She also possesses profound insight into the field of sustainability through her work operating multiple non-profits and launching philanthropic activities. The Company has therefore nominated her as a candidate for Outside Director, expecting that she will draw on her knowledge and experience to contribute to strengthening the supervising and decision-making functions of the Board of Directors of the Company.



**Tenure as Outside Director:**  
— years

**Number of Board of Directors meetings attended:**  
-/-

**Number of the Company's shares owned:**  
**0 shares**

**Number of shares to be issued upon exercise of the Company's stock acquisition rights owned:**  
— shares

- (Notes) 1. Daiken Tsunoda is an Outside Director (Member of the Audit and Supervisory Committee) of Mercari's major partner financial institution Sumitomo Mitsui Banking Corporation, but because he is not an executive director of said company, there is no special interest between him and the Company. In addition, Shiho Konno was an outside Audit & Supervisory Board Member of Mercari's major partner financial institution SBI Shinsei Bank, Limited until June 2022, but because she was not an executive director of said company, there is no special interest between her and the Company. There is no special interest between the other candidates and the Company.
2. Makiko Shinoda, Takuya Kitagawa, Daiken Tsunoda, Kazuhiko Toyama, Shiho Konno, Kumi Fujisawa, Mayumi Umezawa, and Kikka Hanazawa are candidates for Outside Director.
3. If this proposal is accepted, then committee compositions and chairpersons shall be as follows.
- Nominating Committee: Kazuhiko Toyama (Chairperson), Takuya Kitagawa, Kikka Hanazawa, Shintaro Yamada
  - Compensation Committee: Makiko Shinoda (Chairperson), Kazuhiko Toyama, Kumi Fujisawa, Shintaro Yamada
  - Audit Committee: Daiken Tsunoda (Chairperson), Mayumi Tochinoki, Shiho Konno, Mayumi Umezawa
4. The Company has entered into agreements, in accordance with Article 427, paragraph (1) of the Companies Act, with Mayumi Tochinoki, Makiko Shinoda, Takuya Kitagawa, Daiken Tsunoda, and Kazuhiko Toyama to limit their liabilities to compensate damages under Article 423, paragraph (1) of the same Act. The limitation on liability to compensate damages under such agreement is set out to be the amount provided for in Article 425, paragraph (1) of the same Act. If they are elected as Directors, the Company plans to renew the aforementioned limited liability agreements with them. Furthermore, if the election of Shiho Konno, Kumi Fujisawa, Mayumi Umezawa, and Kikka Hanazawa as Directors is approved, the Company plans to enter into the same limited liability agreement with each of them.
5. The Company has entered into a directors and officers liability insurance policy with an insurance company as provided for in Article 430-3, paragraph (1) of the Companies Act. All candidates elected as Directors will be covered under the terms of this insurance policy. In the event that those insured, including Directors of the Company, incur losses arising from responsibilities related to the execution of their duties, or from claims being pursued in relation to said responsibilities, they shall be reimbursed under the terms of the policy. However, to ensure the appropriateness of the execution of duties of officers, the policy stipulates that insurance payments shall not be made under certain circumstances, such as in cases of malicious intent or gross negligence.

Furthermore, the Company intends to renew it under the same terms and conditions during the Directors' terms of office.

6. The Company has submitted notification to Tokyo Stock Exchange, Inc. to designate all candidates for Outside Director as independent officers provided under the regulations of Tokyo Stock Exchange, Inc.

# Business Report (From July 1, 2023, to June 30, 2024)

## 1. Current Condition of the Group

### (1) Status of operations for the fiscal year ended June 30, 2024

#### (i) Business progress and results

During the fiscal year ended June 30, 2024, the Group worked to accelerate the growth of existing businesses and create new businesses in order to achieve the Group mission, “Circulate all forms of value to unleash the potential in all people.” As a result, the Group achieved record-high revenue and operating profit on a consolidated basis. In new businesses, it was a year of significant growth for each service, with the launch of *Mercari Hallo*, an on-demand work service, in March 2024, and the number of issued *Mercards*, the credit card service launched in November 2022, surpassing 3.4 million cards.

In the Marketplace domain, the Group strived to focus on top-line growth while continuing disciplined investments as its business policy for the fiscal year under review. Although growth in focus areas, such as crossborder transactions and B2C, and the loyalty program <sup>(Note 1)</sup> contributed to top-line growth, they failed to accelerate growth, and full-year GMV <sup>(Note 2)</sup> amounted to ¥1,072.7 billion (up 9% year-on-year). On the other hand, the Group achieved high profitability, with an adjusted core operating margin <sup>(Note 3)</sup> of 40%, including the investment in *Mercari Hallo*. *Mercari Hallo* got off to a good start, with the number of registered users surpassing 5 million less than three months after launch and the number of partner locations reaching 50,000 nationwide.

In the Fintech domain, the Group focused on acquiring *Mercard* users and aiming to enhance Group synergy as its business policy for the fiscal year under review. The number of cards issued steadily grew, and ARPU within *Mercari* increased by 50% for *Mercard* holders, showing definite progress in the creation of Group synergy. In addition, credit services centered on *Mercard* also grew strongly, raising profitability, and full-year revenue <sup>(Note 3)</sup> continued to grow at a high rate of 51% year-on-year. Amid credit balance <sup>(Note 4)</sup> growing to ¥187.2 billion, driven by the growth of credit services, the collection rate <sup>(Note 5)</sup> improved to 99.2% as a result of strict credit control, etc. that utilizes the Group’s unique AI credit check, and realized sound growth.

As a result of the above, Japan Region reported revenue of ¥138,108 million (up 13.0% year-on-year) and segment profit of ¥30,649 million (down 10.4% year-on-year) for the fiscal year ended June 30, 2024.

In its US business, the Group’s business policy for the fiscal year under review was to aim to get back on track for growth by refining the product to strengthen retention of existing users, as well as to focus on engaging Gen Z for future growth. Despite taking on bold challenges such as product updates including rebranding to attract Gen Z and becoming the first US marketplace to charge zero selling fees, these efforts were unable to return the US business to a growth trajectory due to the significant impact of the external environment, including a period of inflation that has persisted longer than anticipated. As a result, full-year GMV for *Mercari* in the fiscal year under review was US\$913 million (¥136.1 billion, down 10% year-on-year; the exchange rate conversion is the total of the amounts calculated for each month using the average rate during the month) and revenue amounted to ¥43,653 million (down 1.8% year-on-year). Based on these conditions, the Group conducted a review of marketing expenses and implemented a reorganization. As a result, segment loss improved significantly to ¥5,293 million (versus a loss of ¥8,758 million in the corresponding period of the previous fiscal year).

As a result, for the fiscal year ended June 30, 2024, the Group recorded revenue of ¥187,407 million (9.0% increase year-on-year), operating profit of ¥17,486 million (6.7% increase year-on-year), and profit attributable to owners of parent of ¥13,461 million (2.7% increase year-on-year).

- (Notes)
1. The loyalty program is a point-back rewards program that depends on *Mercard* usage. The regular point-back rate is 1% but can be increased to as high as 4% for transactions within *Mercari* by taking pay, buy, and sell actions (cross-use).
  2. GMV (Gross Merchandise Value) is the total value of merchandise sold during a specified period.
  3. Refers to figures after deducting internal transactions between Marketplace and Fintech (outsourced payment processing fees).
  4. *Merpay Smart Payments* (lump-sum and fixed-amount payment) and *Merpay Smart Money* credit balance as of June 30, 2024 (excludes debt converted into bankruptcy reorganization debt, etc.).

5. 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 debt converted into bankruptcy reorganization debt, etc.).

(ii) Capital investments

Total capital expenditure undertaken during the fiscal year ended June 30, 2024, amounted to ¥153 million (including intangible assets), which was mainly allocated for the purchase of office equipment for the Company's head office, etc. Total capital expenditure does not include investment in right-of-use assets.

There have been no disposals or sales of major facilities during the fiscal year under review.

(iii) Financing

Funds continued to be raised through liquidation of receivables of a consolidated subsidiary. Items accounted for as financial transactions due to liquidation of receivables were short-term borrowings of ¥64,788 million and long-term borrowings of ¥47,490 million.

(iv) Business transfer, absorption-type company split, or incorporation-type company split

Not applicable.

(v) Acquisitions of other companies' businesses

Not applicable.

(vi) Successions of rights or duties related to the businesses of other legal entities, etc. due to absorption-type merger or absorption-type company split

The Company absorbed and merged with Souzoh, Inc. on April 1, 2024.

(vii) Acquisitions and disposals of stock, other equities, and stock acquisition rights in other companies

Not applicable.



## (2) Major subsidiaries

Name	Capital stock	Percentage of voting rights held by the Company	Main business
Mercari, Inc. (US)	US\$633,511 thousand	100%	Planning, development, and management of the <i>Mercari</i> (US) C2C marketplace
Merpay, Inc.	¥100 million	100%	Planning, development, and management of financial-related business, including funds transfer operations
Kashima Antlers F.C. Co., Ltd.	¥2,257 million	71.2%	1. Management of the Kashima Antlers professional soccer team 2. Planning and management of various entertainment, such as soccer games and other sporting events 3. Management of sports facilities such as soccer stadiums
Mercoin, Inc.	¥100 million	100%	Planning, development, and operation of services related to cryptoassets and blockchain technology
Mercari Software Technologies India Private Limited	INR31 million	99.9%	Development of internet services

## (3) Issues to be addressed

### (i) Ensuring the safety and soundness of services

The increasing prevalence of e-commerce services and social media, as well as ever-more sophisticated fraudulent use associated therewith, appear to be giving rise to further mounting societal demands with respect to maintaining the safety of internet-based services. In order to provide a platform for carrying out safe and secure transactions, the Group regards ensuring the safety and soundness of its services as its most important challenge, and continually engages in efforts to safeguard personal information and combat infringement of intellectual property rights.

### (ii) Developing talent

Mercari believes that in order to continue its sustainable growth as a company, it is necessary to create an environment where people with diverse perspectives and skills can work together comfortably, and to continue to strengthen the foundations of innovation. The Group promotes inclusion and diversity (I&D) by sharing its thoughts on I&D with the public in its I&D Statement and by raising the percentage of women in managerial positions. The Group will continue its efforts to produce new leaders who will steer the growth of the Group by proactively selecting and promoting talented people.

### (iii) Enhancing technological strengths

As a provider of services over the internet, the Group recognizes the importance of managing its business in a manner that ensures consistent operations of systems involved in providing its services. The Group will persist with efforts to ensure system stability in part by reinforcing server equipment to better handle the increasing traffic to its services associated with the increasing number of listed items, and also by installing parallel processing systems in order to distribute processing loads.

In addition, the Group will focus on investing in advanced technologies to further improve the user experience. For instance, the Group will promote efforts geared toward heightening service convenience as well as maintaining and enhancing service safety and soundness through artificial intelligence (AI)/large language models (LLM) and machine learning technologies using massive data sets encompassing past transaction histories and rating information.

(iv) Addressing overseas expansion

The Group has also promoted overseas expansion such as by entering the US market in 2014 and by starting crossborder sales of items listed on the *Mercari* marketplace in Japan to overseas buyers in 2019. In its US business, the Group is reviewing its cost structure and business strategy with the aim of getting back on track for growth. Crossborder sales are steadily expanding, and the number of crossborder e-commerce businesses with which the Group is partnered is growing, reaching buyers in more than 110 countries and regions around the world. Going forward, the Group will continue to identify market opportunities with the aim of expanding its business on a global scale.

(v) Strengthening corporate governance

The Group has set forth the mission of improving enterprise value through working to enhance its management supervision function and its internal control function while practicing strict compliance management as its basic policy on corporate governance. In order to meet the trust of all stakeholders, going forward, the Group will work to improve the efficiency and transparency of management, maximize enterprise value, and achieve sustainable growth and development.

Following the approval obtained at the 11th Annual General Meeting of Shareholders held on September 28, 2023, the Company transitioned to a Company with Three Committees (Nominating Committee, Compensation Committee, and Audit Committee). By further clarifying the separation of the supervisory and executive functions through this transition, the Group will establish a structure that strengthens the supervisory function of the Board of Directors while enabling the executive function to make prompt and resolute decisions and promote business.

(vi) Enhancing internal management systems and practicing strict compliance

The Group believes that securing and developing the talent that will facilitate the Group's growth and practicing strict compliance are important management issues, in order to pursue its further business expansion, fulfill its social responsibilities, and strive to achieve sustainable growth and improvement in enterprise value. In addition to hiring talent with high levels of expertise and abundant experience in fields such as internal auditing, legal affairs, financial affairs, accounting, and information security, the Group will practice strict compliance while further strengthening internal management systems by implementing awareness-raising activities and training activities for employees on a continual basis.

(vii) Strengthening financial discipline

In order to achieve continued growth and expansion, the Group must further enhance and expand its revenue base and increase its capabilities to secure financing leveraging increased profits. The Group will build on this base by managing its three main businesses (Marketplace, Fintech, and US) in a manner that balances growth and profitability, including disciplined investment with an awareness of priorities.

## 2. Current Condition of the Company

### (1) Status of stock (as of June 30, 2024)

- (i) Shares authorized 459,250,000 shares
- (ii) Shares issued 163,889,610 shares

- (Notes)
1. The total number of issued shares has increased by 103,654 shares due to issuance of new shares related to Restricted Stock Units (RSU) on August 15, 2023, pursuant to a resolution of the Board of Directors on July 3, 2023.
  2. The total number of issued shares has increased by 112,712 shares due to issuance of new shares related to Restricted Stock Units (RSU) on November 15, 2023, pursuant to a decision of the Representative Executive Officer as delegated by resolution of the Board of Directors on October 13, 2023.
  3. The total number of issued shares has increased by 108,207 shares due to issuance of new shares related to Restricted Stock Units (RSU) on February 15, 2024, pursuant to a decision of the Representative Executive Officer as delegated by resolution of the Board of Directors on January 19, 2024.
  4. The total number of issued shares has increased by 105,057 shares due to issuance of new shares related to Restricted Stock Units (RSU) on May 15, 2024, pursuant to a decision of the Representative Executive Officer as delegated by resolution of the Board of Directors on April 1, 2024.
  5. The total number of issued shares has increased by 994,382 shares due to stock acquisition rights exercised during the fiscal year ended June 30, 2024.

(iii) Number of shareholders 87,357

(iv) Major shareholders

Name of shareholder	Number of shares held (Shares)	Ratio of shareholding
Shintaro Yamada	39,058,207	23.83%
The Master Trust Bank of Japan, Ltd. (Trust Account)	14,621,400	8.92%
Hiroshi Tomishima	8,110,900	4.95%
Custody Bank of Japan, Ltd. (Trust Account)	7,116,500	4.34%
suadd K.K.	6,567,000	4.01%
OASIS JAPAN STRATEGIC FUND LTD.	6,500,000	3.97%
DAIWA CM SINGAPORE LTD- NOMINEE ROBERT LUKE COLLICK	3,711,800	2.26%
BNYM SA/NV FOR BNYM FOR BNYM GCM CLIENT ACCTS M ILM FE	2,810,713	1.72%
UBS AG LONDON A/C IPB SEGREGATED CLIENT ACCOUNT	2,588,774	1.58%
HSBC HONG KONG-TREASURY SERVICES A/C ASIAN EQUITIES DERIVATIVES	1,815,981	1.11%

(Note) Ratio of shareholding is calculated after subtracting treasury stock (196 shares).

(2) Status of Company Officers

(i) Status of Directors and Executive Officers

a Status of Directors (as of June 30, 2024)

Name	Position	Responsibilities	Major concurrent positions outside the Company
Shintaro Yamada	Director	Chairperson of the Board of Directors Member of the Nominating Committee Member of the Compensation Committee	Director of Mercari, Inc. (US)
Fumiaki Koizumi	Director, President	–	CEO of Kashima Antlers F.C. Co., Ltd.
Sayaka Eda	Director	–	Director of Merpay, Inc.
Mayumi Tochinoki	Director	Member of the Audit Committee	Audit and Supervisory Board Member of Merpay, Inc. Audit and Supervisory Board Member of Mercoin, Inc. Outside Director (Audit and Supervisory Committee Member) of ENEOS Holdings, Inc.
Makiko Shinoda	Outside Director	Chairperson of the Compensation Committee Member of the Nominating Committee	Director at YeLL Inc.
Masayuki Watanabe	Outside Director	Member of the Nominating Committee	Outside Director of Timee, Inc.
Takuya Kitagawa	Outside Director	Member of the Compensation Committee	President and Director of QuEra Computing Inc.
Daiken Tsunoda	Outside Director	Chairperson of the Audit Committee	Attorney at Law, Daiken Tsunoda Law Office Outside Director of Culture Convenience Club Co., Ltd. Outside Director (Member of the Audit and Supervisory Committee) of Sumitomo Mitsui Banking Corporation
Kazuhiko Toyama	Outside Director	Chairperson of the Nominating Committee Member of the Compensation Committee	Chairman of Industrial Growth Platform, Inc. IGPI Group Representative Director, President of Japan Platform of Industrial Transformation, Inc. Outside Director of Panasonic Holdings Corporation Outside Director of KURODA PRECISION INDUSTRIES LTD.
Fumiyuki Fukushima	Outside Director	Member of the Audit Committee	Audit & Supervisory Board Member of Findy Inc. Audit and Supervisory Board Member of Kashima Antlers F.C. Co., Ltd. Outside Director (Audit and Supervisory Committee Member) of Chatwork Co., Ltd.

- (Notes) 1. Makiko Shinoda, Masayuki Watanabe, Takuya Kitagawa, Daiken Tsunoda, Kazuhiko Toyama, and Fumiyuki Fukushima are Outside Directors. The required notification pertaining to independent officers has been submitted to Tokyo Stock Exchange, Inc. for all Outside Directors.
2. Audit Committee Member Fumiyuki Fukushima is a certified public accountant and has extensive knowledge in finance and accounting.
3. The Company has elected Mayumi Tochinoki and Fumiyuki Fukushima as Standing Members of the Audit Committee in order to ensure and improve the Audit Committee's auditing functions by effectively receiving reports from the Internal Audit Office, etc. and collaborating with the Independent Auditors.

b Status of Executive Officers (as of June 30, 2024)

Name	Position and responsibilities	Major concurrent positions outside the Company
Shintaro Yamada	Representative Executive Officer and CEO	Director of Mercari, Inc. (US)
Sayaka Eda	Executive Officer, Senior Vice President of Corporate, Chief Financial Officer	Director of Merpay, Inc.
John Lagerling	Executive Officer, Senior Vice President of Global Strategy	CEO of Mercari, Inc. (US)
Masato Yamamoto	Executive Officer, Senior Vice President of Japan Region, Chief Executive Officer (Marketplace)	Director of Merpay, Inc. Director of Mercoin, Inc.
Shuji Kawano	Executive Officer, Senior Vice President of Management Strategy	-

- (Notes) 1. Representative Executive Officer Shintaro Yamada and Executive Officer Sayaka Eda are concurrently serving as Directors of the Company.
2. Changes in Executive Officers during the fiscal year under review are as follows:
- (i) Naoki Aoyagi resigned as Executive Officer on December 31, 2023.
  - (ii) Hirohisa Tamonoki resigned as Executive Officer on March 31, 2024.
  - (iii) Masato Yamamoto assumed office as Executive Officer on January 1, 2024.

(ii) Summary of details of limited liability agreement

The Company has entered into agreements, in accordance with Article 427, paragraph (1) of the Companies Act, with all Outside Directors and non-executive director Mayumi Tochinoki to limit their liabilities to compensate damages under Article 423, paragraph (1) of the same Act. The limitation on liability to compensate damages under such agreement is set out to be the amount provided for in Article 425, paragraph (1) of the same Act.

(iii) Overview of directors and officers liability insurance policy contents

The Company has entered into a directors and officers liability insurance policy with an insurance company, as provided for in Article 430-3, paragraph (1) of the Companies Act, which provides coverage for the Directors, Executive Officers, Audit and Supervisory Board Members, and Vice Presidents of the Company and its subsidiaries (however, this does not include Mercari, Inc. (US)). In the event that those insured incur losses arising from responsibilities related to the execution of their duties, or from claims being pursued in relation to said responsibilities, they shall be reimbursed under the terms of the policy. However, to ensure the appropriateness of the execution of duties of officers, the policy stipulates that insurance payments shall not be made under certain circumstances, such as in cases of malicious intent or gross negligence.

Moreover, the insurance premiums for this policy are paid by the Company in full, and there is, in effect, no burden on the insured themselves.

(iv) Compensation, etc. for Directors and Executive Officers

a. Policy for Determining the Details of Compensation for Individual Directors and Officers

The Company's Compensation Committee established the following policy for determining the individual compensation for Directors and Executive Officers. The individual compensation details for this fiscal year were deliberated and decided by the Compensation Committee, taking into account the decision policy, research conducted by external experts on compensation, and the responsibilities involved, all in accordance with procedures that ensure objectivity and transparency, thus leading to the conclusion that they align with this decision policy.

■ Basic Policy

To achieve our mission of “Circulate all forms of value to unleash the potential in all people,” Mercari Group (the “Group”) aims to contribute to a society where individuals can realize what they want to do by creating a circular economy based on our values of Go Bold, All for One, and Be a Pro.

To earn the trust of our stakeholders, achieve sustainable growth, and enhance our corporate value over the mid-to-long term, we believe it is essential to design and operate an appropriate Director/Officer Compensation plan as part of a corporate governance structure that enhances objectivity, fairness, and transparency in management and promotes proactive and sound risk-taking. In light of the above, we have established the following basic policy on Director/Officer compensation to achieve our mission.

#### Basic Policy for Compensation

- Must create strong motivation for management to encourage them to take on bold challenges and to maintain their drive to do so
- Must encourage all management to commit to achieving the mission and to share the same perspective as stakeholders
- Must attract highly skilled professionals who will take ownership and responsibility for the management of the Group

#### ■ Compensation Levels

The compensation levels of Directors and Executive Officers are set at reasonable levels to attract and motivate excellent human resources, while reflecting the size of their missions and their individual performance for Executive Officers. Specifically, we select a group of compensation benchmark companies based on objective domestic and international compensation level data provided by external professional organizations, and after comparison and verification, we set the levels to be sufficient, appropriate, and competitive. In addition, in order to maintain an effective compensation plan that takes into account changes in the external environment and market trends, compensation levels are regularly checked and verified, and the Compensation Committee reviews them in a timely and appropriate manner.

#### ■ Compensation Structure

##### Compensation for Executive Officers (including those with additional duties as Directors)

Considering that the main responsibility of Executive Officers is to formulate and drive mid- to long-term global growth strategies, and with a view to securing excellent human resources from a global perspective, compensation consists of 1-yen stock options and phantom stock as mid- to long-term incentive compensation, in addition to base compensation in cash. Regarding the 1-yen stock options and phantom stock, appropriate restrictions and conditions are set to provide incentives that encourage appropriate risk-taking by linking shareholder value and compensation while maximizing the Executive Officer's performance and willingness to contribute. In addition, to emphasize motivation for mid- to long-term efforts to achieve the Group's mission of "Circulate all forms of value to unleash the potential in all people" and to realize a circular economy beyond that mission, the proportion of mid- to long-term incentive compensation to total compensation is increased, and the ratio of base compensation to mid- to long-term incentive compensation is set at 1:2 in principle.

##### Types and Overview of Compensation for Executive Officers

Type of Compensation	Overview
Base compensation	<ul style="list-style-type: none"> <li>• Paid to Executive Officers in recognition of their responsibilities, abilities, achievements, and contributions to the Company</li> </ul>
Mid- to long-term incentive compensation (1-yen stock options and phantom stock)	<ul style="list-style-type: none"> <li>• Paid as mid- to long-term incentive compensation to maximize performance and willingness to contribute by investing in people and to encourage more appropriate risk-taking by linking shareholder value to compensation as the Group continues to take on challenges and achieve mid- to long-term enhancement in corporate value</li> </ul>

### Compensation for Directors (excluding those with additional duties as Executive Officers)

Considering that the main duty of Directors is to supervise the management of the Group as a whole, and to encourage Directors to have the shareholder's perspective and strengthen the supervisory function from a mid- to long-term perspective, compensation consists of two types; base compensation in cash and stock compensation (1-yen stock options).

#### Types and Overview of Compensation for Directors

Type of Compensation	Overview
Base compensation	<ul style="list-style-type: none"><li>• Paid to Directors in recognition of their responsibilities</li></ul>
Stock compensation (1-yen stock options)	<ul style="list-style-type: none"><li>• Paid with the aim of strengthening the supervisory function and enabling them to share profits with shareholders from a mid- to long-term perspective as the Group continues to take on challenges and achieve mid- to long-term enhancement in corporate value</li></ul>

#### ■ Compensation Determination Process

As a Company with Three Committees (Nominating Committee, Compensation Committee, and Audit Committee), we have established a Compensation Committee in which a majority of the members, including the Chair, are Independent Outside Directors to ensure objectivity and transparency in determining compensation.

#### ■ Forfeiture of Compensation

For the purpose of ensuring diligent and honest management, in the event serious improprieties such as misconduct or violation of laws occur during the tenure of Directors and Executive Officers, the Company may forfeit the unvested compensation (malus) or request a return of paid compensation (clawback) after the Compensation Committee deliberates on the matter.

#### ■ Stock Ownership Guideline

The Company recommends that Executive Officers hold Company shares equivalent to at least one times the value of their base compensation within four years of assuming office, for the purpose of sharing profits with shareholders from a mid- to long-term perspective.

b. Total amount of compensation, etc. for the fiscal year ended June 30, 2024

1. Before transitioning to a Company with Three Committees (Nominating Committee, Compensation Committee, and Audit Committee) (from July to September 2023)

Category	Total amount of compensation, etc. (Millions of yen)	Total amount of compensation, etc. by type (Millions of yen)		Number of recipients
		Fixed compensation	Stock options with stock price conditions	
Directors (excluding Outside Directors)	84	5	78	2
Outside Directors	7	7	–	3
Audit and Supervisory Board Members (excluding Outside Audit and Supervisory Board Members)	12	12	–	1
Outside Audit and Supervisory Board Members	6	6	–	2
Total	110	32	78	8

- (Notes)
- Following the resolution passed at the 11th Annual General Meeting of Shareholders held on September 28, 2023, the Company transitioned from a company with an audit and supervisory board to a Company with Three Committees (Nominating Committee, Compensation Committee, and Audit Committee). The table above shows the compensation of officers and the total number of officers in the Company before the Company transitioned to a Company with Three Committees (Nominating Committee, Compensation Committee, and Audit Committee).
  - Directors' compensation, etc. does not include the amount paid as salary for employees to those Directors concurrently serving as employees.
  - The total compensation, etc. for Outside Directors includes amounts of compensation, etc. applicable during the term of office of one Outside Director who resigned effective as of the conclusion of the 11th Annual General Meeting of Shareholders held on September 28, 2023.
  - For stock options with stock price conditions, the amount stated is the amount of expenses recorded for the fiscal year under review.
  - At the 5th Annual General Meeting of Shareholders held on September 29, 2017, it was resolved that the annual compensation, etc. for Directors would be less than or equal to ¥2,000 million (however, this figure does not include salary paid as an employee of the Company). The number of officers to whom this resolution applied was six (6) Directors (including two (2) Outside Directors).
  - At the 8th Annual General Meeting of Shareholders held on September 25, 2020, it was resolved that the upper limit of compensation, etc. relating to the stock acquisition rights as stock options with stock price conditions (the "Stock Options") to be granted to Directors (excluding Outside Directors) shall be ¥2,000 million. The number of officers to whom this resolution applied was two (2) Directors.
  - At the 5th Annual General Meeting of Shareholders held on September 29, 2017, it was resolved that the annual compensation, etc. for Audit and Supervisory Board Members shall be less than or equal to ¥100 million. The number of officers to whom this resolution applied was three Audit and Supervisory Board Members (including three Outside Audit and Supervisory Board Members).



2. After transitioning to a Company with Three Committees (Nominating Committee, Compensation Committee, and Audit Committee) (from October 2023 to June 2024)

Category	Total amount of compensation, etc. (Millions of yen)	Total amount of compensation, etc. by type (Millions of yen)					Number of recipients
		Fixed compensation	Variable compensation			Other	
		Base compensation	Stock options with stock price conditions	Stock compensation-type stock options (1-yen stock options)	Phantom stock		
Directors (excluding Outside Directors)	111	39	71	–	–	–	2
Outside Directors	74	66	–	7	–	–	6
Executive Officers	771	120	161	189	298	0	7
Total	956	226	233	197	298	0	15

- (Notes)
1. The above include the two Executive Officers who resigned their positions this fiscal year.
  2. Executive Officers who concurrently serve as Directors are listed under the Executive Officer category.
  3. For stock options with stock price conditions, stock compensation-type stock options (1-yen stock options), and phantom stock, the amounts stated are the amounts of expenses recorded for the fiscal year under review.
  4. Other shows the amount equivalent to fringe benefits paid to two Executive Officers.

c. Matters related to performance-linked compensation, etc.

■ Stock Options with stock price conditions

● Overview of the plan

The Group aims to continue to take on new challenges and realize the growth of its enterprise value over the medium-to-long term. Therefore, based on the resolution of the 8th Annual General Meeting of Shareholders held on September 25, 2020, the Company has granted stock options linked to market capitalization of the Company in October 2020 for the Company's Directors (excluding Outside Directors; the "Eligible Directors") in order to invest in people and maximize their performance and willingness to contribute, as well as to take risks appropriately by linking compensation to increased shareholder value.

● Calculation method for Stock Options with stock price conditions

A. Officers eligible for the provision

Two Eligible Directors of the Company are eligible.

B. Assets to be provided

Stock Options to which shares of the Company's common stock are subject shall be provided. The Stock Options grant the right to acquire one share of common stock of the Company per Stock Option.

C. Number of Stock Options vested

The Company resolved to grant 265,522 Stock Options in total to officers eligible for the provision on October 12, 2020, as the allotment date.

D. Method for calculating the number of Stock Options provided individually

The method for calculating the number of Stock Options provided individually is as follows. The "number of Stock Options provided individually" stated herein means the number of

Stock Options that become exercisable upon achievement of stock price conditions, among Stock Options allotted to each Eligible Director.

Number of Stock Options provided individually = base number of Stock Options by position x provision rate

The provision rate shall be one when the market capitalization of the Company (calculated by the following formula; hereinafter the same) exceeds ¥1 trillion on each day of a certain five consecutive business days (excluding the days on which ordinary transactions of the Company's common stock cannot take place) during the period lasting from the allocation date to September 24, 2030, and otherwise be zero.

Market capitalization = (Total number of issued shares of common stock of the Company\* – Treasury stock held by the Company\*) × Closing price of ordinary transactions of the Company's common stock on the Tokyo Stock Exchange\*

\* All three numbers shall be the numerical values on each day of the aforementioned consecutive five business days.

As the above stock price conditions were met during the fiscal year ended June 30, 2022, the Eligible Directors may, if each condition stipulated in the following Items is fulfilled, exercise the Stock Options during the period (each period includes the first day and the last day of this period) from the day following the date on which the condition is fulfilled to September 24, 2030, and for up to a third of the total number of Stock Options allotted to themselves.

- (a) If the Eligible Directors continuously hold a position of Director of the Company until the conclusion of the General Meeting of Shareholders for the last fiscal year that ends within three years from the allotment date;
- (b) If the Eligible Directors continuously hold a position of Director of the Company until the conclusion of the General Meeting of Shareholders for the last fiscal year that ends within four years from the allotment date; and
- (c) If the Eligible Directors continuously hold a position of Director of the Company until the conclusion of the General Meeting of Shareholders for the last fiscal year that ends within five years from the allotment date.

(v) Outside Directors

a. Major concurrent positions at other organizations and relationships between the Company and such other organizations

1. Masayuki Watanabe is concurrently serving as an Outside Director of Timee, Inc. Although our on-demand work service, *Mercari Hallo*, is in competition with the service provided by Timee, Inc., we have taken necessary measures with Mr. Watanabe for appropriate management of undisclosed information related to this business of the Company and Timee, Inc.
2. Daiken Tsunoda concurrently serves as an Outside Director (and member of the Audit and Supervisory Committee) at Sumitomo Mitsui Banking Corporation. Sumitomo Mitsui Banking Corporation is a major lender for the Company, but all transactions with Sumitomo Mitsui Banking Corporation are carried out under terms equivalent to those for general transactions.
3. The status of other significant concurrent positions is described on page 34 There is no special interest between the Company and any concurrent positions outside the Company.

b. Major activities in the fiscal year ended June 30, 2024

Each Outside Director attended the meetings of the Board of Directors and various committees, and based on the specialized expertise and experience expected of them in their roles, they contributed to strengthening the supervisory and decision-making functions of management.

Name	Attendance	Participation at meetings and overview of duties performed in relation to expected roles for Outside Directors
Makiko Shinoda	Board of Directors meetings (12/12) Nominating Committee meetings (8/8) Compensation Committee meetings (8/8)	At meetings of the Board of Directors, she made appropriate and useful comments, covering topics including supervision of business execution and proposals and advice on overall management, based on her expertise and wealth of experience in areas including diversity and inclusion, sustainability, and finance. She also led discussions in the Compensation Committee as Compensation Committee Chairperson.
Masayuki Watanabe	Board of Directors meetings (12/12) Nominating Committee meetings (8/8)	At meetings of the Board of Directors, he made appropriate and useful comments, covering topics including supervision of business execution and proposals and advice on overall management, based on his knowledge of global business development grounded in his experience in founding and managing tech companies in Japan and overseas. He also actively participated in each of the matters discussed at the Nominating Committee.
Takuya Kitagawa	Board of Directors meetings (9/9) Compensation Committee meetings (8/8)	At meetings of the Board of Directors, he made appropriate and useful comments, covering topics including supervision of business execution and proposals and advice on overall management, based on his expertise and extensive experience in areas of technology such as artificial intelligence (AI) and data science. He also actively participated in each of the matters discussed at the Compensation Committee.
Daiken Tsunoda	Board of Directors meetings (12/12) Audit Committee meetings (11/11)	At meetings of the Board of Directors, he made appropriate and useful comments, covering topics including supervision of business execution and proposals and advice on overall management, based on his extensive knowledge and high-level insight in the areas of risk management and compliance gained through his expertise in corporate legal affairs and corporate governance and his experience as an outside director of a listed company. In addition, he led discussions as the Chairperson of the Audit Committee.
Kazuhiko Toyama	Board of Directors meetings (8/9) Nominating Committee meetings (8/8) Compensation Committee meetings (8/8)	At meetings of the Board of Directors, he made appropriate and useful comments, covering topics including supervision of business execution and proposals and advice on overall management, based on his abundant knowledge and high-level insight as a corporate manager and expert in the area of corporate governance, as well as his extensive experience in promoting innovation to address social issues. In addition, he led discussions as the Chairperson of the Nominating Committee.
Fumiyuki Fukushima	Board of Directors meetings (12/12) Audit Committee meetings (11/11)	At meetings of the Board of Directors, he made appropriate and useful comments, covering topics including supervision of business execution and proposals and advice on overall management, based on his experience in auditing practices as a certified public accountant and his extensive knowledge of accounting and internal controls. He also actively participated in each of the matters discussed at the Audit Committee.

- (Notes)
- Following the resolution passed at the 11th Annual General Meeting of Shareholders held on September 28, 2023, the Company transitioned from a company with an audit and supervisory board to a Company with Three Committees (Nominating Committee, Compensation Committee, and Audit Committee). The status of attendance at each committee meeting after September 28, 2023, is indicated above.
  - Daiken Tsunoda and Fumiyuki Fukushima were both Outside Audit and Supervisory Board Members until the conclusion of the aforementioned General Meeting of Shareholders. The attendance at Board of Directors meetings shown in the table above therefore includes the times they attended as Outside Audit and Supervisory Board Members. Both attended all four of the meetings of the Audit and Supervisory Board held from July to September 2023.
  - For Takuya Kitagawa and Kazuhiko Toyama, the table above shows their attendance at the Board of Directors meetings held after they assumed office as Directors.

## Consolidated Financial Position (as of June 30, 2024)

(Millions of yen)

Item	Amount	Item	Amount
<b>ASSETS</b>		<b>LIABILITIES</b>	
<b>Current assets</b>	<b>402,033</b>	<b>Current liabilities</b>	<b>302,543</b>
Cash and cash equivalents	191,998	Trade and other payables	21,560
Trade and other receivables	195,437	Borrowings	65,668
Deposits paid	3,764	Lease liabilities	1,163
Other financial assets	1,543	Income taxes payable	1,433
Other current assets	9,289	Deposits received	201,121
<b>Non-current assets</b>	<b>99,739</b>	Other financial liabilities	1,363
Property, plant and equipment	1,472	Other current liabilities	10,232
Right-of-use assets	3,477	<b>Non-current liabilities</b>	<b>127,084</b>
Intangible assets	570	Bonds and borrowings	124,263
Deferred tax assets	8,350	Lease liabilities	2,214
Guarantee deposits	81,612	Provisions	382
Other financial assets	3,268	Deferred tax liabilities	95
Other non-current assets	988	Other non-current liabilities	127
		<b>Total liabilities</b>	<b>429,627</b>
		<b>EQUITY</b>	
		<b>Equity attributable to owners of parent</b>	<b>71,836</b>
		Share capital	47,349
		Capital surplus	50,192
		Retained earnings	(29,125)
		Treasury shares	(0)
		Other components of equity	3,422
		<b>Non-controlling interests</b>	<b>308</b>
		<b>Total equity</b>	<b>72,145</b>
<b>Total assets</b>	<b>501,773</b>	<b>Total liabilities and equity</b>	<b>501,773</b>

**Consolidated Statement of Profit or Loss (from July 1, 2023, to June 30, 2024)**

(Millions of yen)

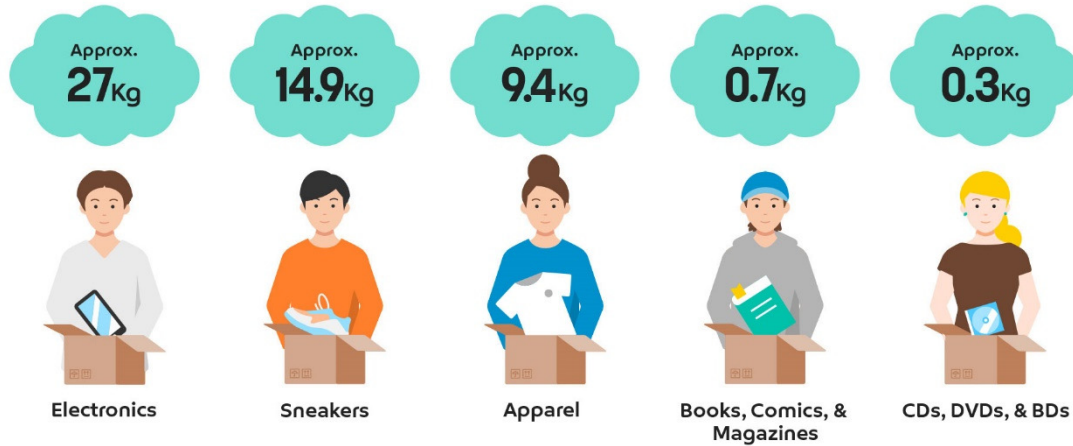
<b>Item</b>	<b>Amount</b>
<b>Revenue</b>	<b>187,407</b>
<b>Cost of sales</b>	<b>57,676</b>
<b>Gross profit</b>	<b>129,730</b>
<b>Selling, general and administrative expenses</b>	<b>110,861</b>
<b>Other income</b>	<b>598</b>
<b>Other expenses</b>	<b>1,981</b>
<b>Operating profit</b>	<b>17,486</b>
<b>Finance income</b>	<b>891</b>
<b>Finance costs</b>	<b>488</b>
<b>Profit before tax</b>	<b>17,889</b>
<b>Income tax expense</b>	<b>4,433</b>
<b>Profit</b>	<b>13,455</b>
<b>Profit attributable to</b>	
<b>Owners of parent</b>	<b>13,461</b>
<b>Non-controlling interests</b>	<b>(6)</b>
<b>Profit</b>	<b>13,455</b>

By encouraging the concept of reuse through transactions on the *Mercari* marketplace app, we are working to create a circular economy where our earth's resources are used sparingly.

### Breakdown of contributions to avoiding greenhouse gases (per transaction) through Mercari transactions

by category

Calculated using CO<sub>2</sub>e as a measure



One action we can take to limit greenhouse gas emissions is to reuse items. Greenhouse gases are emitted in four steps of an item's lifecycle: production, distribution, use, and disposal. By reusing items, we can avoid the production and disposal steps and contribute to reducing emissions. To give one example, reusing a piece of clothing that you no longer use by selling it on Mercari and helping it reach someone who needs it avoids about 9.4 kilograms of greenhouse gas emissions.

Note: For other initiatives and more details about sustainability at Mercari, see the Impact Report scheduled for publication in late September.  
<https://about.mercari.com/en/sustainability/>



GHG emissions of 9.4 kg are equivalent to the amount of emissions from a gasoline-powered automobile when it travels a distance of approximately 60 km.

