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July 25, 2019

To whom it may concern:

Company Name: Mercari, Inc.
Representative: Shintaro Yamada, Chief Executive Officer
Code: 4385; TSE Mothers
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Notice of Reporting Extraordinary Losses in Non-Consolidated Financial Statements

Mercari, Inc. reported extraordinary losses (losses on valuation of stocks of subsidiaries and affiliates) in the non-consolidated business results for the fiscal year ending June 30, 2019 as follows.

1. Details of the extraordinary losses

Mercari, of all the stocks of subsidiaries and affiliates it owns, wrote off losses on its subsidiaries' shares, of which the evaluation significantly dropped (this is mainly in Mercari, Inc, a subsidiary in the US), and reported 10,372 million yen in losses on valuation of stocks of subsidiaries and affiliates incurred mainly in the US business as extraordinary losses in the non-consolidated financial results for the fiscal year ending June 30, 2019.

2. Forecast

Given that the above-mentioned extraordinary losses will be offset in the consolidated financial statements, they will have no impact on the consolidated profits and losses. The impact on the non-consolidated profits and losses is described in the Notice Regarding Full-Year Earnings Forecasts for the Fiscal Year Ending June 30, 2019.