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July 30, 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 Acquisition of Kashima Antlers F.C. Co., Ltd. Shares and Making It into a Subsidiary

Mercari, Inc. (the "Company") announced that it passed a resolution to acquire 61.6% of the issued shares (hereinafter, the "shares") of Kashima Antlers F.C. Co., Ltd. (Head Office: Kashima City, Ibaraki; President: Hiroshi Shono), operator of Kashima Antlers, from Nippon Steel Corporation (Head Office: Chiyoda-ku, Tokyo; Representative Director and President: Eiji Hashimoto; hereinafter, "Nippon Steel") at the board of directors' meeting held today and that the Company has concluded the share transfer agreement with Nippon Steel.

1. Reason for acquisition of shares

Kashima Antlers was established in October 1991 as a team in the Japan Professional Football League ("J.League"). The team was initially developed from the Sumitomo Metal Industries Factory Football Club and originates from its hometown in the Rokko area. As one of Asia's leading football/soccer clubs, it boasts the most wins in Japan's three major titles ('J1 League', 'J.League Cup', 'Emperor's Cup All-Japan Soccer Championship Tournament') and became the best club in Asia after winning in the AFC Champions League in 2018.

With a mission to "create value in a global marketplace where anyone can buy & sell," the Company provides a marketplace app *Mercari* that allows users to easily sell and buy unwanted items on their smartphones in Japan and in the US. In February 2019, the Company also launched mobile payment service, *Merpay*.

Kashima Antlers' ambition to aim beyond Japan to become a world leader resonates strongly with the Company, thus the Company has been supporting the team as a sponsor since 2017. However, in order to further strengthen the relationship between Kashima Antlers and the Company, Kashima Antlers has agreed to join the Company's group.

In the years to come, the Company, as a member of the Antlers family, is committed to supporting the further development of Kashima Antlers, a group loved by fans and supporters and is engaged in taking on the world, by utilizing its management expertise while also fully respecting Kashima Antlers' independent club management. Meanwhile, the Company also plans to leverage the strong brand power of Kashima Antlers to boost the Company's brand value and help further expand the user base of *Mercari* and *Merpay*, the services provided by the Company. The Company is also committed to working together with Kashima Antlers as well as Rokko area, hometown of the team, to contribute to local communities and sports activities in an aim to earn the devotion of every single person in the Antlers' family.

As a shareholder of Kashima Antlers F.C. Co., Ltd., the Company will strictly adhere to the rules of J.League and other various regulations established by J.League and Japan Football Association. The Company is also dedicated to continue supporting the club to promote the ideologies and activity plans set by J.League as well as the "J.League 100 Year Plan."

2. Overview of the subsidiary to be transferred

(1) Name	Kashima Antlers F.C. Co., Ltd.	
(2) Address	2887 Aou Higashiyama, Kashima City, Ibaraki	
(3) Position and name of representatives	Hiroshi Shono, President and CEO	
(4) Business activities	1. Management of Kashima Antlers, a professional soccer team 2. Planning and operation of various events such as soccer and other sports competitions 3. Operation of sports facilities such as soccer stadiums	
(5) Capital	1,570 million yen	
(6) Date of establishment	October 1, 1991	
(7) Large shareholders and their stake (As of July 30, 2019)	Nippon Steel Corporation: 59.2% 42 minority shareholders	
(8) Relationship between listed company and company concerned	Capital relationship	Not applicable
	Personnel relationship	Not applicable
	Business relationship	The Company has a sponsorship agreement with Kashima Antlers F.C. Co., Ltd. and conducts transactions under this agreement.

(9) Business performance and financial standing in the last 3 years of the company concerned

Fiscal year	Fiscal year ended Jan 2017	Fiscal year ended Jan 2018	Fiscal year ended Jan 2019
Net assets (millions of yen)	1,878	1,740	2,166
Total assets (millions of yen)	3,021	2,667	3,370
Net assets per share (yen)	59,817	55,426	68,984
Net sales (millions of yen)	5,582	5,228	7,330
Operating profit (millions of yen)	757	- 138	583
Ordinary profit (millions of yen)	795	- 136	587

Current net profit (millions of yen)	610	- 137	425
Current net profit per share (yen)	19,454	- 4,391	13,558
Dividend per share (yen)	-	-	-

3. Overview of the company from where shares are acquired

(1) Name	Nippon Steel Corporation	
(2) Address	2-6-1 Marunouchi, Chiyoda-ku, Tokyo	
(3) Name and position of representative	Eiji Hashimoto, President and CEO	
(4) Business activities	1. Steel manufacturing business (manufacture and sale of steel products) 2. Engineering business 3. Chemical & materials business 4. System solutions business	
(5) Capital	419,524 million yen	
(6) Date of establishment	April 1, 1950	
(7) Net assets (As of March 31, 2019 (consolidated))	3,607,367 million yen	
(8) Total assets (As of March 31, 2019 (consolidated))	8,049,528 million yen	
(9) Large shareholders and their stake (As of March 31, 2019)	Japan Trustee Services Bank, Ltd. (trust account), 5.2% The Master Trust Bank of Japan, Ltd. (trust account), 5.1% Nippon Life Insurance Company (Standing proxy: The Master Trust Bank of Japan, Ltd.), 2.7% Japan Trustee Services Bank, Ltd. (trust account 5), 2.0% Japan Trustee Services Bank, Ltd. (trust account 9), 1.8% Sumitomo Corporation, 1.8% Sumitomo Mitsui Banking Corporation, 1.6% Meiji Yasuda Life Insurance Company (Standing proxy: Trust & Custody Services Bank, Ltd.), 1.5% MUFG Bank, Ltd., 1.5% JP MORGAN CHASE BANK 385151 1.4%	
(10) Relationship between listed company and company concerned	Capital relationship	Not applicable
	Personnel relationship	Not applicable

	Business relationship	Not applicable
	Applicable relationships with related parties	Not applicable

4. Number of shares acquired, acquisition cost, and status of shares owned before and after the acquisition

(1) Number of shares owned before the transfer	0 shares (Number of voting rights: 0) (Percentage of voting rights owned: 0%)
(2) Number of shares acquired	19,335 shares (Number of voting rights: 19,335)
(3) Acquisition cost	Shares in this transaction: 1,588 million yen Advisory fees, etc.: 9 million yen Total (estimated): 1,597 million yen
(4) Number of shares owned after the transfer	19,335 shares (Number of voting rights: 19,335) (Percentage of voting rights owned: 61.6%)

* Nippon Steel plans to acquire the shares of Kashima Antlers F.C. Co., Ltd. by the scheduled transfer date of August 30 from the subsidiaries of Nippon Steel, which own the shares of Kashima Antlers F.C. Co., Ltd., and transfer a total of 19,335 shares to the Company.

5. Schedule

(1) Date of resolution by the board of directors' meeting	July 30, 2019
(2) Stock transfer agreement conclusion date	July 30, 2019
(3) Stock transfer execution date	August 30, 2019 (scheduled)

* This matter is subject to the approval by the Fair Trade Commission.

6. Future outlook

The impact of this matter on financial performance of the current fiscal year is under review. A disclosure will be promptly made at a later date if judged necessary.