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August 6, 2020

To whom it may concern:

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Notice Regarding Introduction of Share Options (Stock Acquisition Rights) to Directors and Senior Vice Presidents

Mercari, Inc. (the "Company") announces that, at the meeting of the board of directors held today, it resolved (a) to introduce stock acquisition rights as a share option (the "Share Option") for directors (excluding outside directors; hereinafter the same) and senior vice presidents of the Company and (b) to submit a proposal relating to the introduction of the Share Options to directors (the "Proposal") at the 8th Annual General Meeting of Shareholders to be held on September 25, 2020.

I. Purpose and Reason for the Introduction of the Share Option

Mercari, one of Japan's largest marketplace apps, was launched in July 2013, with the goal of becoming a global marketplace where everyone can easily and securely buy and sell new and used items. The Company has worked to improve the features of its app, such as escrow payment, *Mercari Shipping*, and AI listing/barcode listing, and also promoted offline measures such as *Mercari Workshops*, to educate people on how to use the app, and selling packaging materials. As a result, the service now has approximately 17.45 million monthly users and an annual transaction volume exceeding 600 billion yen, and the cumulative number of listed items of the service exceeded 1.5 billion in January 2020. The service has grown into the largest marketplace app in Japan over the past 7 years since the service launched.

In addition, *Merpay*, which is a mobile payment platform launched in February 2019, has strengthened profitability and synergy with Mercari JP by providing next-generation financial services. Mercari US aims to differentiate itself from competitors as the easiest and safest marketplace app. The Company aims to even more strongly establish its three pillars of Mercari JP, Merpay, and Mercari US.

In continuing such challenges and realizing the growth of the corporate value of the Mercari Group in the mid/long term, the Company resolved to introduce the Share Option to directors and senior vice presidents as a form of incentive remuneration, linking remuneration to shareholder value and investing in "people" to maximize directors' and senior vice presidents' performance and motivate them to contribute to the Company. In this way, it aims to enable more appropriate risk taking.

While it was resolved at the 5th Annual General Meeting of Shareholders held on September 29, 2017, that the aggregate remuneration payable to all directors shall be no more than 2,000 million yen per year (provided, however, that this does not include the portion of employee's salary for directors who concurrently serve as employees), the Company will request shareholders' approval (a) to allot stock acquisition rights in the form of the Share Option to directors, as incentive remuneration towards realizing the growth of the corporate value in the mid/long term, and (b) to set 2,000 million yen as a remuneration

limitation with respect to such stock acquisition rights, separate from the aforementioned director's remuneration limitations.

In introducing the Share Option, the Company will submit the Proposal after consulting with the Nomination and Remuneration Advisory Committee, of which a majority is outside directors, in order to ensure the appropriateness of the remuneration plan and levels for directors, and the independence, objectivity, and transparency of the process for determining remunerations.

If the proposed directors appointments are approved at the 8th Annual General Meeting of Shareholders, two directors will be eligible for the Share Option. Please refer to the "Notice regarding the Selection of Candidates for Directors and Senior Vice Presidents" separately announced today for details regarding the proposed director appointments.

II. Stock Acquisition Rights as the Share Options for Directors

(Hereinafter, the director eligible for the Share Option is referred to as the "Director")

1. Class and Number of Shares Subject to the Share Option

   The class of shares to be allotted upon exercise of the Share Option shall be shares of common stock of the Company, with the number of shares of the Company to be allotted upon exercise of the Share Option limited to a total of 1 million shares.

2. Number of Share Options

   The number of the Share Options to be issued shall be limited to a total of 1 million Share Options. The number of shares to be allotted upon exercise of a single Share Option (the "Number of Allotted Shares"; in this section II the same) shall be one (1); provided, however, that the Number of Allotted Shares might be adjusted by the following formula in the event of a split or consolidation of shares of common stock.

$$\begin{array}{l}\text{Number of Allotted}\\ \text{Shares after Adjustment}\end{array} = \begin{array}{l}\text{Number of Allotted}\\ \text{Shares before Adjustment}\end{array} \times \begin{array}{l}\text{Share Split or Share}\\ \text{Consolidation Ratio}\end{array}$$

   If it is appropriate to adjust the Number of Allotted Shares because of an issuance or disposal of the shares through the shareholder allocation, an allotment of shares without contribution, a merger, a share exchange, a company split, and/or other reasons deemed necessary, the Company shall adjust the Number of Allotted Shares appropriately. In the case that the Company adjusts the Number of Allotted Shares, the number of shares to be allotted upon exercise of the Share Option also shall be adjusted accordingly.

3. Amount to be Paid for Issuance of the Share Option

   No cash payment is required for issuance of the Share Options. The Share Options are allotted as consideration for the performance of duties, and the issuance thereof does not constitute an issuance under advantageous conditions.

4. Amount to be Paid upon Exercise of the Share Options

   The amount to be paid upon exercise of each Share Option (the "Exercise Price") shall be one (1) yen per share. The amount to be paid for the Share Option upon the exercise thereof shall be the amount obtained by multiplying the Exercise Price and the number of shares to be acquired upon exercise of the single Share Option.

5. Period during which the Share Options may be Exercised

The period shall be from September 25, 2023 to September 24, 2030.

6. Conditions to Exercise the Share Options

(1) The Director may exercise the Share Option from the day following the date on which the condition that the Market Capitalization of the Company (calculated by the following formula; hereinafter the same) exceeds 1 trillion yen on each day of a certain 5 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; provided, however, that if it is appropriate to adjust the Market Capitalization because of a merger, company split, share split or consolidation, issuance or disposal of shares, and/or other reasons deemed necessary, the Company shall, upon the resolution of the board of directors, adjust the Market Capitalization appropriately to the reasonable extent.

Market Capitalization = (Total number of outstanding shares 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

(*) Both shall be numerical values on each day of the aforementioned consecutive 5 business days.

(2) The Director may, to the extent that each condition stipulated in the following Items is fulfilled, exercise the Share Option only during the period (each period includes the first day and the last day of this period; hereinafter the same in this Paragraph) from the day following the date on which the condition is fulfilled to the expiration date of the period stipulated in Paragraph 5 and up to the number stipulated in the following Items (provided, however, that if the board of directors of the Company deems legitimate, the Director may exercise the Share Option). If there is any fraction less than one (1) share with respect to the number of the exercisable Share Options obtained in accordance with the following Items, (a) the number of the Share Options which may be exercised during the period shall be rounded down to the nearest whole number and (b) the number of the Share Options which may be exercised during the period stipulated in Item (iii) shall be the total of all fractions rounded down in accordance with (a) above and the number of Share Options obtained in accordance with such Item:

(i) If the Director continuously holds a position of director of the Company until the conclusion of the Annual General Meeting of Shareholders for the last business year which ends within 3 years from the allotment date:
a third of the total number of allotted Share Options;

(ii) If the Director continuously holds a position of director of the Company until the conclusion of the Annual General Meeting of Shareholders for the last business year which ends within 4 years from the allotment date:
a third of the total number of allotted Share Options; and

(iii) If the Director continuously holds a position of director of the Company until the conclusion of the Annual General Meeting of Shareholders for the last business year which ends within 5 years from the allotment date:
a third of the total number of allotted Share Options.

7. Restrictions on Acquisition of the Share Options by Transfer

Acquiring the Share Options by means of transfer shall require the approval of the board of

directors of the Company.

8. Other Matters concerning the Share Option

Other matters concerning the Share Option shall be determined by the board of directors of the Company.

III. Stock Acquisition Rights as the Share Options for Senior Vice Presidents

(Hereinafter, the senior vice president who is eligible for the Share Option is referred to as the "SVP")

1. Class and Number of Shares Subject to the Share Option

The class of shares to be allotted upon exercise of the Share Option shall be shares of common stock of the Company, with the number of shares of the Company to be allotted upon exercise of the Share Option limited to a total of 1 million shares.

2. Number of Share Options

The number of the Share Options to be issued shall be limited to a total of 1 million Share Options. The number of shares to be allotted upon exercise of a single Share Option (the "Number of Allotted Shares"; in this section III the same) shall be one (1); provided, however, that the Number of Allotted Shares might be adjusted by the following formula in the event of a split or consolidation of shares of common stock.

$$\begin{array}{l}\text{Number of Allotted}\\ \text{Shares after Adjustment}\end{array} = \begin{array}{l}\text{Number of Allotted}\\ \text{Shares before Adjustment}\end{array} \times \begin{array}{l}\text{Share Split or Share}\\ \text{Consolidation Ratio}\end{array}$$

If it is appropriate to adjust the Number of Allotted Shares because of an issuance or disposal of the shares through the shareholder allocation, an allotment of shares without contribution, a merger, a share exchange, a company split, and/or other reasons deemed necessary, the Company shall adjust the Number of Allotted Shares appropriately. In the case that the Company adjusts the Number of Allotted Shares, the number of shares to be allotted upon exercise of the Share Option also shall be adjusted accordingly.

3. Amount to be Paid for Issuance of the Share Option

No cash payment is required for issuance of the Share Options. The Share Options are allotted as consideration for the performance of duties, and the issuance thereof does not constitute an issuance under advantageous conditions.

4. Amount to be Paid upon Exercise of the Share Options

The amount to be paid upon exercise of each Share Option (the "Exercise Price") shall be one (1) yen per share. The amount to be paid for the Share Option upon the exercise thereof shall be the amount obtained by multiplying the Exercise Price and the number of shares to be acquired upon exercise of the single Share Option.

5. Period during which the Share Options may be Exercised

The period shall be from June 1, 2022 to December 31, 2025.

6. Conditions to Exercise the Share Options

(1) The SVP may exercise the Share Option only if the SVP, until the exercise, continuously holds a position of senior vice president of the Company; provided, however, that if the board of directors of the Company deems legitimate, the SVP may exercise the Share Option.

(2) The SVP may exercise the Share Option only during the period (each period includes the first day and the last day of this period; hereinafter the same in this Paragraph) and up to the number, both of which are stipulated in the following Items. If there is any fraction less than one (1) share with respect to the number of the exercisable Share Options obtained in accordance with the following Items, (a) the number of the Share Options which may be exercised during the period shall be rounded down to the nearest whole number and (b) the number of the Share Options which may be exercised during the period stipulated in Item (vii) shall be the total of all fractions rounded down in accordance with (a) above and the number of the Share Options obtained in accordance with such Item:

(i) From June 1, 2022 to December 31, 2022:
a fourth of the total number of allotted Share Options;

(ii) From December 1, 2022 to December 31, 2022:
an eighth of the total number of allotted Share Options;

(iii) From June 1, 2023 to December 31, 2023:
an eighth of the total number of allotted Share Options;

(iv) From December 1, 2023 to December 31, 2023:
an eighth of the total number of allotted Share Options;

(v) From June 1, 2024 to December 31, 2024:
an eighth of the total number of allotted Share Options;

(vi) From December 1, 2024 to December 31, 2024:
an eighth of the total number of allotted Share Options; and

(vii) From June 1, 2025 to December 31, 2025:
an eighth of the total number of allotted Share Options.

7. Restrictions on Acquisition of the Share Options by Transfer

Acquiring the Share Options by means of transfer shall require the approval of the board of directors of the Company.

8. Other Matters concerning the Share Option

Other matters concerning the Share Option shall be determined by the board of directors of the Company.