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August 6, 2020

To whom it may concern:

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Notice Regarding Differences Between Full-Year Consolidated and Non-Consolidated Earnings Forecasts for FY2020.6 and Actual Results

Mercari, Inc. (the "Company") announces that differences arose between the Company's full-year consolidated and non-consolidated earnings forecasts for FY2020.6 announced on April 30, 2020, and the actual results announced today.

1. Difference Between Full-Year Consolidated Earnings Forecast for FY2020.6 and Actual Results (July 1, 2019–June 30, 2020)

	Net sales	Operating profit	Ordinary profit	Net profit attributable to shareholders of the parent company
Forecast made on April 30, 2020 (A)	Millions of yen 73,000–75,000	Millions of yen -25,000–-23,000	Millions of yen -25,000–-23,000	Millions of yen -27,600–-26,100
Actual results (B)	76,275	-19,308	-19,391	-22,772
Difference (B-A)	1,275–3,275	3,691–5,691	3,608–5,608	3,327–4,827
Difference (%)	+1.7%–+4.5%	-	-	-

Reference: Previous year's actual results (FY2019.6)	Millions of yen 51,683	Millions of yen -12,149	Millions of yen -12,171	Millions of yen -13,764

Reason for the Difference

In regard to consolidated net sales, the spread of COVID-19 in Q4 was accompanied by increased demand for online shopping in Mercari JP and US, and did not carry the major negative impact expected for Merpay, given that its business is centered around offline payments. As a result, the actual results exceeded the previous forecast.

Additionally, in regard to consolidated operating profit, consolidated ordinary profit, and net profit attributable to shareholders of the parent company, the Company moved to control investment, mainly in promotion costs, and further cut costs across the Mercari Group due to the impact of COVID-19. As a result of this and the increase in net sales, the actual results exceeded the previous forecast.

2. Difference Between Full-Year Non-Consolidated Earnings Forecast for FY2020.6 and Actual Results (July 1, 2019–June 30, 2020)

	Net sales	Operating profit	Ordinary profit	Net profit
Forecast made on April 30, 2020 (A)	Millions of yen 57,000–58,000	Millions of yen 8,000–10,000	Millions of yen 7,900–9,900	Millions of yen -30,600–-29,100
Actual results (B)	58,744	11,655	11,550	-28,014
Difference (B-A)	744–1,744	1,655–3,655	1,650–3,650	1,085–2,585
Difference (%)	+1.3%–+3.1%	+16.6%–+45.7%	+16.7%–+46.2%	-
Reference: Previous year's actual results (FY2019.6)	Millions of yen 46,254	Millions of yen 7,135	Millions of yen 7,090	Millions of yen -5,046

Reason for the Difference

In regard to non-consolidated net sales, the impact of COVID-19 in Q4 caused increased demand for online shopping. As a result, the actual results exceeded the previous forecast.

Additionally, in regard to operating profit, ordinary profit, and net profit, the Company moved to control investment, mainly in promotion costs, and further cut costs due to the impact of COVID-19. As a result of this and the increase in net sales, the actual results exceeded the previous forecast.