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December 17, 2020

To whom it may concern:

Company Name: Mercari, Inc.
Representative: Shintaro Yamada, Chief Executive Officer
Code: 4385; TSE Mothers
Enquiries: Jun Yokota, SVP of Corporate
Phone: +81-3-6804-6907

Notice Regarding Establishment of Subsidiary and Launch of New Business

Mercari, Inc. (the "Company") hereby announces that at a meeting of the Board of Directors held today, the Company resolved to establish a subsidiary and to launch a new business through this subsidiary.

1. Purpose of Establishing this Subsidiary and Launching the New Business

Mercari Group is currently building a strong and solid foundation on which to accomplish our mission and establish Mercari JP, Merpay, and Mercari US as the three pillars of the group.

Mercari Group launched the marketplace app *Mercari* in July 2013, aiming to create a marketplace where individuals can easily, safely, and securely buy and sell items, under its mission of "create value in a global marketplace where anyone can buy & sell." In the roughly seven years since the start of its service, the Company has sought to improve in-app features and user experience online, growing to approximately 17.5 million monthly users and over 600 billion yen in gross merchandise value.

The Company has continued to search for a means to further accelerate growth of the Mercari JP and Merpay business, and now, the Company has decided to establish Souzoh, Inc. (provisional name; "Souzoh"), which will plan, develop, and manage new businesses aimed to encourage broader use of the Company's services and achieve its mission of "create value in a global marketplace where anyone can buy & sell." In this way, the Company will bring together talent, set up a conducive environment, and focus concentrated efforts on the creation of new business. Yuki Ishikawa, Suguru Namura, and Shintaro Yamada are slated for appointment as Representative Director & CEO, Director & CTO, and Director, respectively.

It should be noted that the Company dissolved its subsidiary "Souzoh, Inc." during the 2019 fiscal year. (See Notice of dissolution and liquidation of consolidated subsidiary, and recording of extraordinary losses, dated June 13, 2019, for more information.) The Company will now establish a new Souzoh, however, to plan, develop, and manage those Mercari-related businesses which could become the Company's next core business in the mid-to-long term.

The Company believes the challenges undertaken by Souzoh will contribute to the group's further expansion and development.

2. Overview of the subsidiary to be established

(1) Company name	Souzoh, Inc. (planned)	
(2) Address	6-10-1 Roppongi, Minato-ku, Tokyo	
(3) Title and name of representative	Yuki Ishikawa, Representative Director & CEO	
(4) Business activities	Planning, development, and management of internet services	
(5) Capital	100 million yen	
(6) Date of establishment	January 28, 2021 (planned)	
(7) Large shareholders and their stake	Mercari, Inc., 100%	
(8) Relationship between listed company and company concerned	Capital relationship	Wholly-owned subsidiary
	Personnel relationship	Plan to dispatch upper management and employees from Mercari
	Business relationship	N/A

3. Schedule

(1) Date of resolution at the board of directors' meeting	December 17, 2020
(2) Date of establishment	January 28, 2021 (planned)
(3) Start of operations	Within 2021 (planned)

4. Amounts and details of special expenditure required for the launch of new business

Currently, there are no plans to spend specially for this business.

5. Future outlook

While the Company believes the new business will help improve performance for Mercari Group in the mid-to-long term, the Company is still investigating its impact on performance for this fiscal year. The Company will disclose this impact as soon as possible, should such disclosure be deemed necessary.