

Japan start-up Mercari soars in first day of Tokyo trade

June 19 2018



Chairman Shintaro Yamada (front 3rd L) and president Fumiaki Koizumi (front 3rd R) of Mercari, a Japanese flea market app, pose with other officers at the Tokyo Stock Exchange to celebrate their company's debut

Flea market app Mercari soared Tuesday as it debuted on the Tokyo Stock Exchange, a major success for a rare Japanese "unicorn"—a start-up valued over \$1 billion.

The company initially priced its stock at 3,000 yen (\$27.30) a share, at the top of a prospective range.

But that price was quickly surpassed on Tuesday, with shares trading at around 5,300 yen at the close, valuing the firm at over 700 billion yen (\$6.37 billion).

"Mercari got off to a flying start" with investors impressed by its successful business model, Shinichi Yamamoto, a broker at Okasan Securities, told AFP.

The online marketplace, started in 2013, allows users to buy and sell everything from clothes and electronic goods to event tickets.

Payment is not validated until the purchased item is received by the buyer, which has reassured users wary of buying second-hand goods online.

Mercari has attracted international attention for its steady growth. It says it has around one million products on sale on any given day and generates \$100 million a month in transactions globally.

"We felt it was the right moment to go public," founder Shintaro Yamada said at a press conference on Tuesday afternoon.

The app has tapped into a relatively new but vibrant market in Japan for second-hand goods, which has also seen success for bricks-and-mortar stores specialising in used books and electronics.

Yamada has said the idea for the app came to him as he travelled abroad and saw the appetite for used goods and the power of mobile shopping.

"Things that don't have value for oneself have a lot for others and our goal is to become an international marketplace," Yamada added Tuesday.

"We'll feel that we succeeded when the platform is not only a success in the United States but at an global level."

Mercari has already begun expanding overseas, launching in the United States in 2014 and in Britain in 2017, and is expected to plough some of the funds raised by its share offering into further international expansion.

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