# Quarter 2, FY2024

(Jan. to Jun. 2024)

MonotaRO Co., Ltd
www.monotaro.com

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# Business Overview, Features, and Differentiation Strategies

- Main business
  - Electronic Commerce of indirect materials for factories, construction work, and automotive related businesses. (number of product lineup about 22.9 mil. SKU including 659 thou. SKU available for same-day shipment and 568 thou. SKU in stock).
- Features of Products for Sale
  - Variety of products, convenience is more important than price for customers.
- Number of employees (consolidated, as of Jun. 30, 2024)

| | Regular employee | | Part-time and temporary employee | | Total | |
|---|---|---|---|---|---|---|
| Head Office, etc. (MonotaRO JPN) | 1,180 | (661) | 446 | (398) | 1,626 | (1,059) |
| Distribution Center (MonotaRO JPN) | 225 | (166) | 1,617 | (1,499) | 1,842 | (1,665) |
| Total (MonotaRO JPN) | 1,405 | (827) | 2,063 | (1,897) | 3,468 | (2,724) |

- Main competitors
  - Door-to-door tool dealers, hardware stores, auto parts dealers, Internet shopping sites, etc.
- Main customer base
  - Manufacturing, construction/engineering, automotive related, etc. (mainly small and medium-sized companies are customers).
- Market size
  - 5 to 10 trillion JPY
- Business Strategy
  - Differentiating by wide range of products and high searchability by utilizing Internet to achieve economies of scale.
  - Acquiring and retaining customers through marketing analysis of accumulated orders and customer databases.
  - Achieving high productivity by doing much of work in-house from software development to content creation.

# 2024 Jan. to Jun.
# (Non-consol.) Financial Result Overview

2024 FH Non-consol.

# Financial Result P/L Outline 1/3

| | 2023FH Result | | 2024FH Plan | | 2024FH Result | | | |
|---|---|---|---|---|---|---|---|---|
| | Amount (mil. JPY) | Sales Ratio | Amount (mil. JPY) | Sales Ratio | Amount (mil. JPY) | Sales Ratio | YonY | vs Plan |
| Sales | 119,347 | | 133,176 | | 133,531 | | +11.9% | +0.3% |
| Enterprise Bus. | 31,993 | 26.8% | 41,228 | 31.0% | 41,131 | 30.8% | +28.6% | △0.2% |
| Gross Profit | 36,174 | 30.3% | 39,841 | 29.9% | 39,706 | 29.7% | +9.8% | △0.3% |
| SG&A Exp. | 20,250 | 17.0% | 22,113 | 16.6% | 21,200 | 15.9% | +4.7% | △4.1% |
| Operating Income | 15,923 | 13.3% | 17,727 | 13.3% | 18,505 | 13.9% | +16.2% | +4.4% |
| Current Income | 16,097 | 13.5% | 17,741 | 13.3% | 18,655 | 14.0% | +15.9% | +5.2% |
| Net Income (Tax Rate) | 11,205 (30.4%) | 9.4% | 12,339 (30.4%) | 9.3% | 12,944 (30.4%) | 9.7% | +15.5% | +4.9% |

2024 FH Non-consol.

# Financial Result P/L Outline 2/3 vs. Last Year

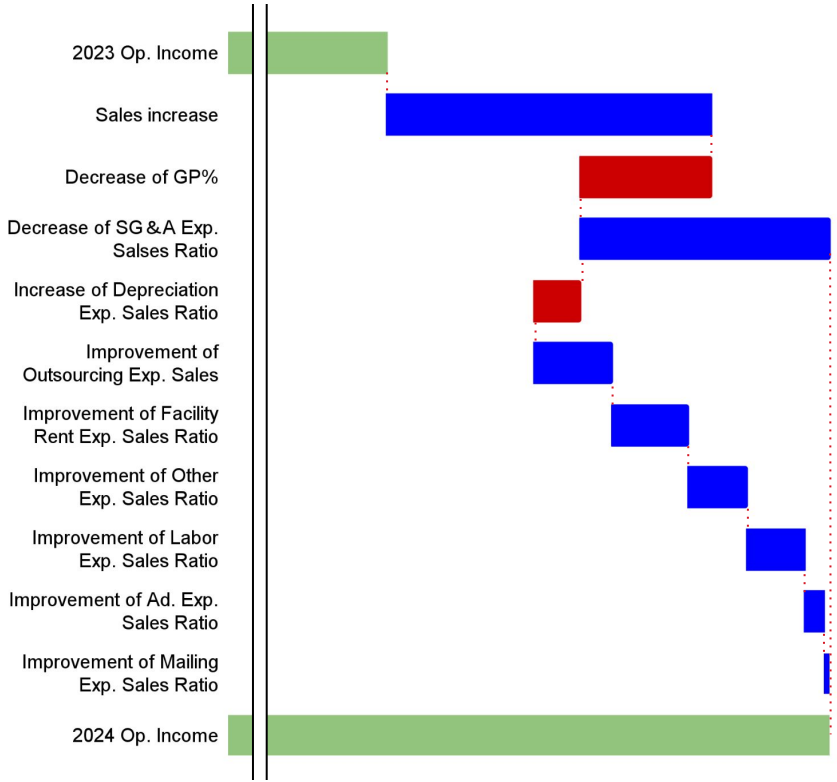
| | 2023FH Result (A) | | 2024FH Result (B) | | Difference (B-A) | | |
|---|---|---|---|---|---|---|---|
| | Amount (mil.JPY) | Sales Ratio | Amount (mil.JPY) | Sales Ratio | | | |
| Sales | 119,347 | — | 133,531 | — | Amount (mil.JPY) | +14,183 | ■ monotaro.com: grew due to increases in both number of orders and unit price per order.<br>■ Enterprise Business: Grew highly YoY (+28.6%) due mainly to increases in number of customers placing orders.<br>■ Royalty income: decreased YoY. |
| | | | | | YonY | +11.9% | |
| | | | | | Sales Ratio | - | |
| Gross Profit | 36,174 | 30.3% | 39,706 | 29.7% | Amount (mil.JPY) | +3,531 | ■ Product GP% decreased (△0.5pt.: due to change in product mix and decline in profit ratio of imported products resulting from depreciation of JPY).<br>■ Royalty income: decreased YoY.<br>■ Other COGS ratio improved (+0.1pt.) |
| | | | | | YonY | +9.8% | |
| | | | | | Sales Ratio | △0.6% | |
| SG&A Exp. | 20,250 | 17.0% | 21,200 | 15.9% | Amount (mil.JPY) | +950 | ■ Outsourcing Exp. ratio decreased (△0.4pt.: Sales per box increased, increase in productivity, etc.).<br>■ Facility Rent Exp. ratio decreased (△0.3pt.: due to end of lease contract for Amagasaki DC, sales increase, etc.).<br>■ Other Exp. ratio decreased (△0.3pt.: Incurred one time cost last year for launching Inagawa DC Phase 2 in Apr. 2023, etc.).<br>■ Labor Exp. ratio decreased (△0.3pt.: Sales per box increased, increase in productivity etc.).<br>■ Ad. Exp. ratio decreased (△0.1pt.: decrease in listing ad. expense ratio, etc.).<br>■ Depreciation Exp. ratio increased (+0.2pt.: Phase 2 of Inagawa DC launched in Apr. 2023, etc.). |
| | | | | | YonY | +4.7% | |
| | | | | | Sales Ratio | △1.1% | |
| Operating Income | 15,923 | 13.3% | 18,505 | 13.9% | Amount (mil.JPY) | +2,581 | ■ GP ratio decreased (△0.6pt.), but SG&A Exp. ratio decreased (△1.1pt.) and Operating Income ratio improved (+0.6pt.). |
| | | | | | YonY | +16.2% | |
| | | | | | Sales Ratio | +0.6% | |
| Net Income (Tax Rate) | 11,205 (30.4%) | 9.4% | 12,944 (30.4%) | 9.7% | Amount (mil.JPY) | +1,739 | ■ Operating Income grew by 16.2% and Net Income amount increased by +15.5%. |
| | | | | | YonY | +15.5% | |
| | | | | | Sales Ratio | +0.3% | |

2024 FH Non-consol.

# Financial Result P/L Outline 3/3 vs. Plan

| | 2024FH Plan (A) | | 2024FH Result (B) | | Difference (B-A) | | |
|---|---|---|---|---|---|---|---|
| | Amount (mil.JPY) | Sales Ratio | Amount (mil.JPY) | Sales Ratio | | | |
| Sales | 133,176 | — | 133,531 | — | Amount (mil.JPY) | +354 | ■ monotaro.com: slightly higher than plan.<br>■ Enterprise Business: went below plan (△0.2%) .<br>■ Royalty income: higher than plan. |
| | | | | | vs Plan | +0.3% | |
| | | | | | Sales Ratio | - | |
| Gross Profit | 39,841 | 29.9% | 39,706 | 29.7% | Amount (mil.JPY) | △134 | ■ Product GP ratio decreased (△0.3pt.: due to change in product mix, decrease in sales share of PB products, and depreciation of JPY).<br>■ Royalty income: increased than planned. |
| | | | | | vs Plan | △0.3% | |
| | | | | | Sales Ratio | △0.2% | |
| SG&A Exp. | 22,113 | 16.6% | 21,200 | 15.9% | Amount (mil.JPY) | △913 | ■ Other Exp. ratio decreased (△0.3pt.: decreases in system usage fees, etc.).<br>■ Ad. & Prom. Exp. ratio decreased (△0.2pt.: due to decrease in listing ad cost, flyer cost, etc.).<br>■ Labor Exp. ratio decreased (△0.1pt.: due to DC productivity improved, difference in number of employees, etc.).<br>■ Facility Rent Exp. ratio decreased (△0.1pt.: due to estimation variance of external warehouse rent, etc.).<br>■ Outsourcing Exp. ratio decreased (△0.1pt.: due to decrease in temporary system engineer cost, etc.). |
| | | | | | vs Plan | △4.1% | |
| | | | | | Sales Ratio | △0.7% | |
| Operating Income | 17,727 | 13.3% | 18,505 | 13.9% | Amount (mil.JPY) | +778 | ■ Despite decrease in gross profit ratio (△0.2 pt.), Operating Income increased (+4.4%) due to decrease in SG&A expenses. |
| | | | | | vs Plan | +4.4% | |
| | | | | | Sales Ratio | +0.6% | |
| Net Income (Tax Rate) | 12,339 (30.4%) | 9.3% | 12,944 (30.4%) | 9.7% | Amount (mil.JPY) | +605 | ■ Due to increase in Operating Income than plan, Net Income amount increased (+4.9%). |
| | | | | | vs Plan | +4.9% | |
| | | | | | Sales Ratio | +0.4% | |

# Operating Income Change Factors



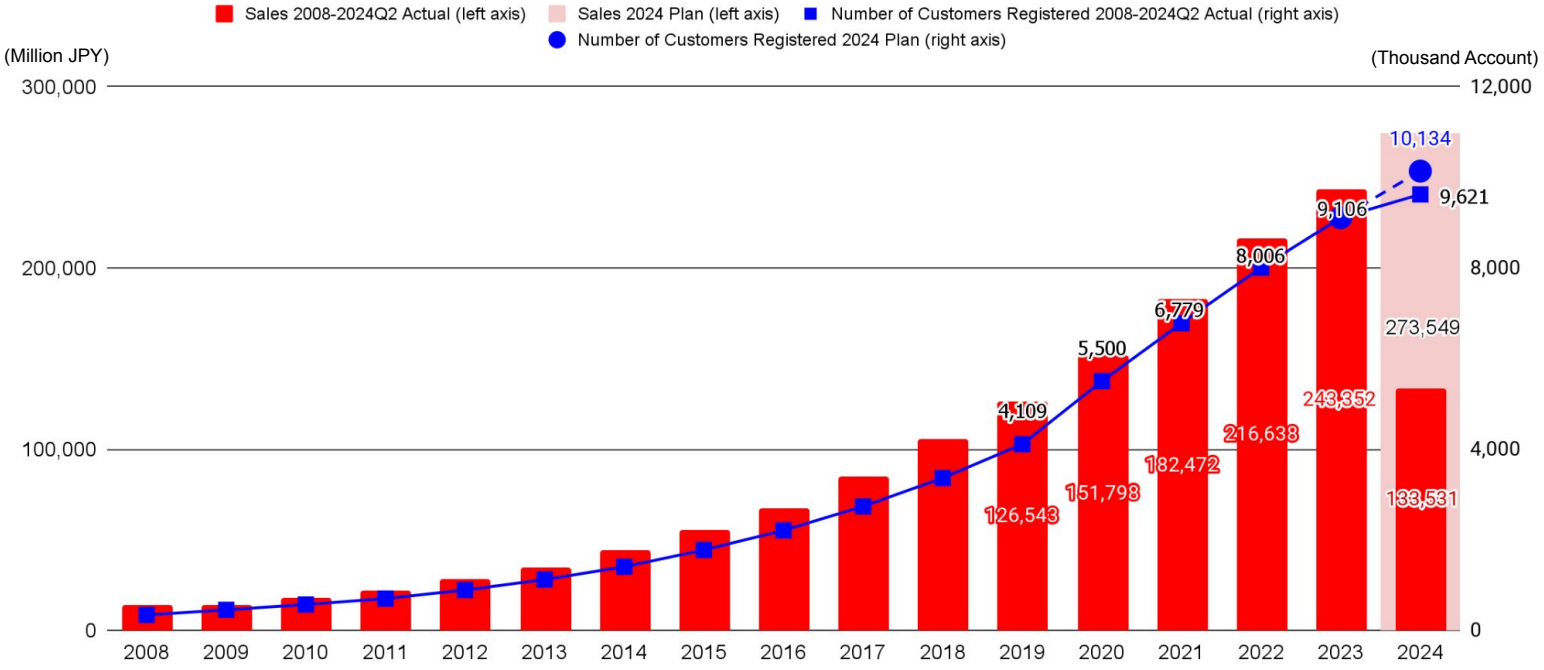

2023FH Op. Income：15,923 mil. JPY

| | | |
|---|---|---|
| +1,892 mil.JPY | | ■ monotaro.com：Increase in size and number of orders.<br>■ Enterprise Business：Maintained high growth due mainly to increase in number of customer. |
| △767 mil.JPY | | ■ Products GP% decreased due mainly to change in product mix.<br>■ Royalty income decreased. |
| +1,456 mil.JPY | | ■ SG&A Exp. ratio improved from 2023. |
| | △265 mil.JPY | ・Launch of Inagawa DC Phase 2 in April 2023, etc. |
| | +453 mil.JPY | ・Sales per box increased, increase in productivity etc. |
| | +442 mil.JPY | ・End of lease contract for Amagasaki DC, decrease in sales ratio due to sales increase, etc. |
| | +343 mil.JPY | ・Incurred one time cost last year for launching Inagawa DC Phase 2 in Apr. 2023, etc. |
| | +339 mil.JPY | ・Sales per box increased, increase in productivity etc. |
| | +108 mil.JPY | ・Decrease in listing ad. cost ratio, etc. |
| | +37 mil.JPY | ・Decrease in paper sent, etc. |

2024FH Op. Income：18,505 mil. JPY（YoY：+2,581 mil.JPY, +16.2%）

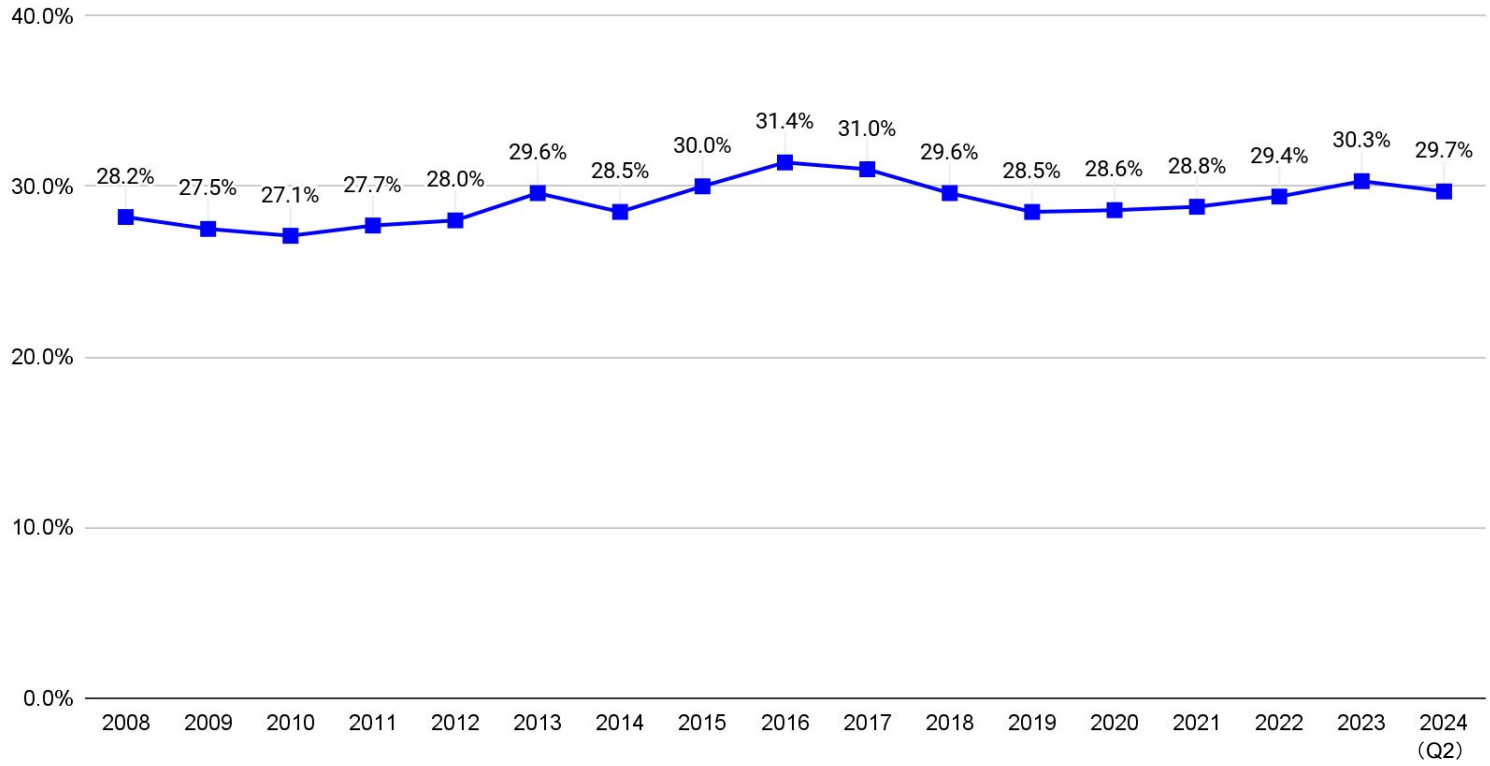
※ Amounts are effects on Operating Income by changes of rates, not actual amounts.

# Non-consol. Progress - Sales & Customer

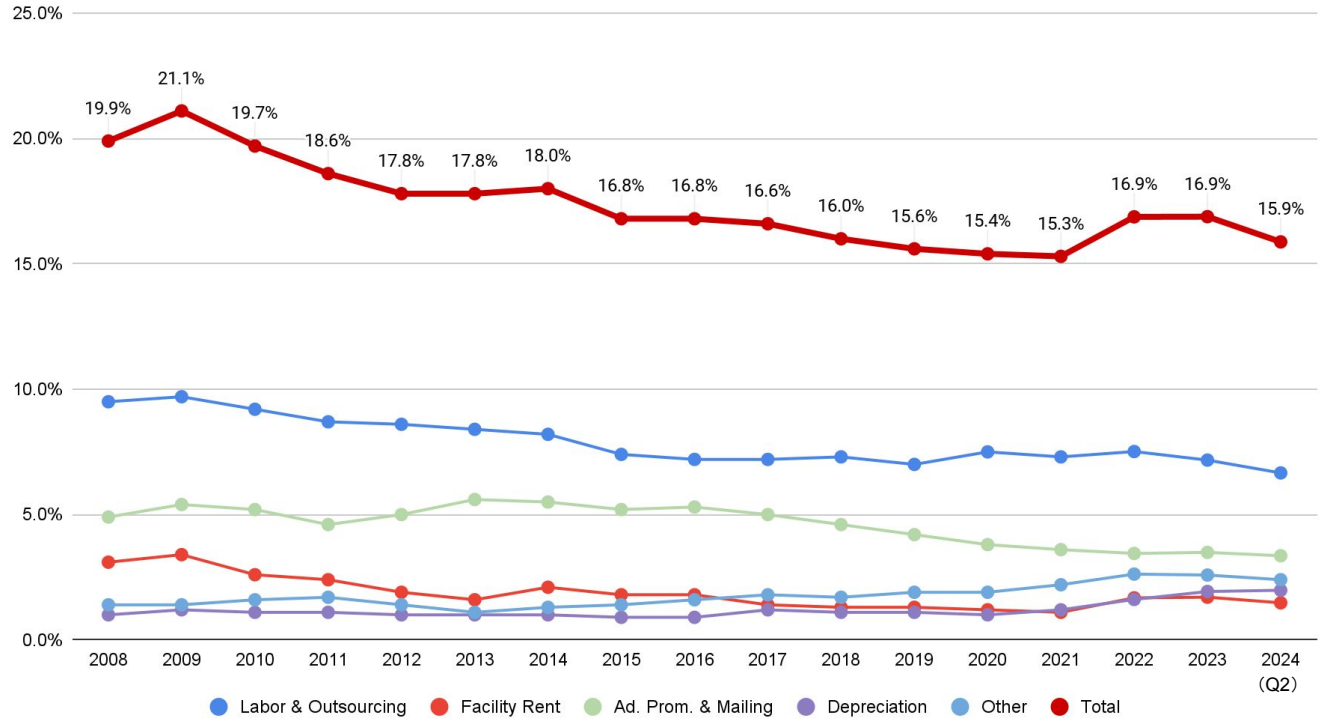



| | Dec. 2023 | | Jun. 2024 | | Dec. 2024 (Plan) | |
|---|---|---|---|---|---|---|
| Number of Registered Customers | 9,106,521 | +1,100,027 (vs. Dec.2022) | 9,621,608 | +515,087 (vs. Dec.2023) | 10,134,252 | +1,027,731 (vs. Dec.2023) |

# Non-consol. Progress - Gross Profit Ratio



# Non-consol. Progress - SG&A Expense Ratio




| Expense Breakdown | | |
|---|---|---|
| | 2023FH Result | 2024FH Result |
| Labor | 4.6% | 4.3% |
| Outsourcing | 2.7% | 2.3% |
| Facility Rent | 1.8% | 1.5% |
| Ad & Promotion | 3.3% | 3.2% |
| Mailing | 0.2% | 0.1% |
| Depreciation | 1.8% | 2.0% |
| Others | 2.7% | 2.4% |
| Total | 17.0% | 15.9% |

# Distribution-related Cost

- Distribution-related Cost sales ratio 2024FH: 6.8%
  - 0.9pt. lower than 2023FH Result.
    - Labor and outsourcing expense ratio decreased: △0.5pt. (increase in sales per box resulted in decrease in number of box handled per sale, productivity improved, etc.).
    - Facility rent expense ratio decreased: △0.3pt. (lease contract for Amagasaki DC ended, sales increased, etc.).
    - Other expense ratio decreased: △0.2pt. (incurred preparation cost for launching Inagawa DC phase 2 in Apr. 2023, etc.).
    - Depreciation expense ratio increased: +0.1pt. (Inagawa DC Phase 2 launched in Apr. 2023, etc.).
  - 0.2pt. lower than Plan.
    - Other expense ratio decreased: △0.1pt. (decrease in equipment costs at DC, etc.).
    - Facility rent expense ratio decreased: △0.1pt. (estimation variance of external warehouse rent, etc.).
    - Labor & Outsourcing ratio decreased: △0.1pt. (almost as planned)

| | 2023FH Result | | 2024FH Plan | | 2024FH Result | | | |
|---|---|---|---|---|---|---|---|---|
| | Amount (mil.JPY) | Sales Ratio | Amount (mil.JPY) | Sales Ratio | Amount (mil.JPY) | Sales Ratio | YonY | vs Plan |
| Sales (Non-consol.) | 119,347 | | 133,176 | | 133,531 | | +11.9% | +0.3% |
| Depreciation | 1,427 | 1.2% | 1,761 | 1.3% | 1,738 | 1.3% | +21.8% | △1.3% |
| Labor & Outsourcing | 4,092 | 3.4% | 3,952 | 3.0% | 3,924 | 2.9% | △4.1% | △0.7% |
| Facility Rent | 1,917 | 1.6% | 1,842 | 1.4% | 1,732 | 1.3% | △9.7% | △6.0% |
| Others | 1,726 | 1.4% | 1,734 | 1.3% | 1,648 | 1.2% | △4.5% | △4.9% |
| Total | 9,163 | 7.7% | 9,290 | 7.0% | 9,044 | 6.8% | △1.3% | △2.6% |

2024 FH Non-consol.

# Financial Result B/S Outline

| | Jun. 2023 | Dec. 2023 | Jun. 2024 | |
|---|---|---|---|---|
| | mil. JPY | mil. JPY | mil. JPY | Ratio |
| Assets | | | | |
| Cash | 10,995 | 17,995 | 21,444 | 16.0% |
| Accounts Receivable | 28,015 | 28,802 | 31,187 | 23.2% |
| Inventory | 19,561 | 17,513 | 18,601 | 13.8% |
| Other | 7,485 | 8,089 | 8,619 | 6.4% |
| Total Current Assets | 66,059 | 72,400 | 79,854 | 59.4% |
| Tangible Fixed Asset | 35,667 | 38,335 | 37,456 | 27.9% |
| Intangible Fixed Assets | 6,536 | 6,263 | 6,266 | 4.7% |
| Other | 11,305 | 10,332 | 10,786 | 8.0% |
| Total Fixed Assets | 53,510 | 54,931 | 54,509 | 40.6% |
| Total Assets | 119,569 | 127,332 | 134,363 | |

| | Jun. 2023 | Dec. 2023 | Jun. 2024 | |
|---|---|---|---|---|
| | mil. JPY | mil. JPY | mil. JPY | Ratio |
| Liabilities | | | | |
| Accounts Payable | 17,236 | 16,304 | 17,902 | 13.3% |
| Short-term Debt, etc. | 4,500 | 4,500 | 2,250 | 1.7% |
| Others | 11,217 | 14,267 | 12,918 | 9.6% |
| Total Current Liabilities | 32,953 | 35,072 | 33,071 | 24.6% |
| Total Long term Liabilities | 5,253 | 4,006 | 4,069 | 3.0% |
| Total Liabilities | 38,207 | 39,079 | 37,141 | 27.6% |
| Net Assets | | | | |
| Shareholder's Equity | 81,334 | 88,225 | 97,194 | 72.3% |
| Others | 28 | 28 | 28 | 0.0% |
| Total Net Assets | 81,362 | 88,253 | 97,222 | 72.4% |
| Total Liabilities & Net Assets | 119,569 | 127,332 | 134,363 | |

(*Note) Short-term Debt, etc. includes short-term debt & current portion of long-term debt.

# 2024 Jan. to Jun.
# (Consol.) Financial Result Overview

# Financial Result P/L Outline 1/3

| | 2023FH Result | | 2024FH Plan | | 2024FH Result | | | |
|---|---|---|---|---|---|---|---|---|
| | Amount (mil. JPY) | Sales Ratio | Amount (mil. JPY) | Sales Ratio | Amount (mil. JPY) | Sales Ratio | YonY | vs Plan |
| Sales | 124,400 | | 139,015 | | 139,397 | | +12.1% | +0.3% |
| Gross Profit | 37,198 | 29.9% | 41,057 | 29.5% | 40,788 | 29.3% | +9.7% | △0.7% |
| SG&A Exp. | 21,820 | 17.5% | 24,034 | 17.3% | 23,059 | 16.5% | +5.7% | △4.1% |
| Operating Income | 15,377 | 12.4% | 17,022 | 12.2% | 17,729 | 12.7% | +15.3% | +4.2% |
| Current Income | 15,529 | 12.5% | 17,024 | 12.2% | 17,872 | 12.8% | +15.1% | +5.0% |
| Net Income (Tax Rate) | 10,621 (31.6%) | 8.5% | 11,622 (31.7%) | 8.4% | 12,161 (31.7%) | 8.7% | +14.5% | +4.6% |
| Net Income attributable to owners of the parent | 10,878 | 8.7% | 11,923 | 8.6% | 12,495 | 9.0% | +14.9% | +4.8% |

# Financial Result P/L Outline 2/3

## NAVIMRO (South Korea)

- Accelerated large corporation business, which has much room for growth.
- Improving repeat rate of order by expanding products for customers in manufacturing industry.

| | 2023FH Result | | | 2024FH Plan | | | 2024FH Result | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Amount (mil.JPY) | YonY | YonY (Local Currency) | Amount (mil.JPY) | YonY | YonY (Local Currency) | Amount (mil.JPY) | YonY | vs Plan | YonY (Local Currency) | vs Plan (Local Currency) |
| Sales | 4,280 | +17.5% | +12.4% | 4,900 | +14.5% | +10.9% | 4,880 | +14.1% | △0.4% | +5.5% | △4.9% |
| Op.Income | 0 | △90.2% | △90.6% | △70 | — | — | △70 | — | — | — | — |
| Net Income x Share (*1) | △0 | — | — | △80 | — | — | △80 | — | — | — | — |

## MONOTARO INDONESIA (Indonesia)

- Sales growth was higher than plan due to increase in number of existing customers who regularly purchase indirect materials.
- Expanding number of products handled and promoting linkage of inventory information with suppliers in order to realize one-stop shopping

| | 2023FH Result | | | 2024FH Plan | | | 2024FH Result | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Amount (mil.JPY) | YonY | YonY (Local Currency) | Amount (mil.JPY) | YonY | YonY (Local Currency) | Amount (mil.JPY) | YonY | vs Plan | YonY (Local Currency) | vs Plan (Local Currency) |
| Sales | 420 | +47.8% | +41.2% | 520 | +23.3% | +19.3% | 590 | +38.4% | +12.3% | +29.8% | +8.8% |
| Op.Income | △140 | — | — | △180 | — | — | △150 | — | — | — | — |
| Net Income x Share (*1) | △80 | — | — | △90 | — | — | △80 | — | — | — | — |

*1: Calculated by multiplying Net Income by Share Ratio at the end of each fiscal year for reference.
*2: Sales and profit/loss less than 10 million JPY are rounded down as shown in explanation material in Japanese language.

# Financial Result P/L Outline 3/3

## IB MonotaRO (India)

- Sales are slightly above Plan. Focused on consumables sales contributed to improvement in repeat rate, but average order unit price declined.
- Continuing to aim to acquire corporate customers with high Lifetime Value.

| | 2023FH Result | | | 2024FH Plan | | | 2024FH Result | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Amount (mil.JPY) | YonY | YonY (Local Currency) | Amount (mil.JPY) | YonY | YonY (Local Currency) | Amount (mil.JPY) | YonY | vs Plan | YonY (Local Currency) | vs Plan (Local Currency) |
| Gross Merchandise Value(*3) | 660 | +37.2% | +24.9% | 620 | △5.2% | △1.3% | 650 | △1.8% | +3.6% | △5.0% | △3.7% |
| Sales(*3) | 430 | +33.2% | +21.3% | 400 | △8.0% | △4.2% | 440 | +2.1% | +11.0% | △1.2% | +3.1% |
| Op.Income | △380 | — | — | △440 | — | — | △530 | — | — | — | — |
| Net Income x Share(*1) | △200 | — | — | △230 | — | — | △280 | — | — | — | — |

*1: Calculated by multiplying Net Income by Share Ratio at the end of each fiscal year for reference.
*2: Sales and profit/loss less than 10 million JPY are rounded down as shown in explanation material in Japanese language.
*3: Only commission portion of sales by sellers in marketplace is recognized as sales.

# Financial Result B/S Outline

| | Jun. 2023 | Dec. 2023 | Jun. 2024 | |
|---|---|---|---|---|
| | mil. JPY | mil. JPY | mil. JPY | Ratio |
| **Assets** | | | | |
| Cash | 12,402 | 18,644 | 21,883 | 16.2% |
| Accounts Receivable | 28,537 | 29,349 | 31,822 | 23.6% |
| Inventory | 20,835 | 18,875 | 20,079 | 14.9% |
| Others | 7,834 | 8,417 | 9,048 | 6.7% |
| Total Current Assets | 69,610 | 75,286 | 82,833 | 61.4% |
| Tangible Fixed Assets | 36,799 | 39,561 | 38,640 | 28.6% |
| Intangible Fixed Assets | 7,386 | 6,359 | 6,365 | 4.7% |
| Others | 6,950 | 7,144 | 7,064 | 5.2% |
| Total Fixed Assets | 51,136 | 53,065 | 52,070 | 38.6% |
| Total Assets | 120,746 | 128,352 | 134,904 | |

| | Jun. 2023 | Dec. 2023 | Jun. 2024 | |
|---|---|---|---|---|
| | mil. JPY | mil. JPY | mil. JPY | Ratio |
| **Liabilities** | | | | |
| Accounts Payable | 17,926 | 17,052 | 18,727 | 13.9% |
| Short-term Debt, etc. | 4,784 | 4,942 | 2,690 | 2.0% |
| Others | 11,881 | 14,995 | 13,692 | 10.1% |
| Total Current Liabilities | 34,592 | 36,989 | 35,110 | 26.0% |
| Total Long term Liabilities | 5,767 | 4,380 | 4,497 | 3.3% |
| Total Liabilities | 40,360 | 41,369 | 39,608 | 29.4% |
| **Net Assets** | | | | |
| Shareholder's Equity | 79,095 | 86,028 | 94,571 | 70.1% |
| Others | 1,290 | 954 | 723 | 0.5% |
| Total Net Assets | 80,385 | 86,982 | 95,295 | 70.6% |
| Total Liabilities & Net Assets | 120,746 | 128,352 | 134,904 | |

(*Note) Short-term Debt, etc. includes short-term debt & current portion of long-term debt.

# Financial Result C/F Outline

| | 2023FH Result | 2024FH Result |
|---|---|---|
| | mil. JPY | mil. JPY |
| Cash Flow from Operating Activity | | |
| Net Income before Tax | 15,527 | 17,815 |
| Depreciation | 2,165 | 2,823 |
| Increase or Decrease in Accounts Receivable (△ = increase) | △1,984 | △2,430 |
| Increase or Decrease in Inventory (△ = increase) | △1,167 | △1,098 |
| Increase or Decrease in Accounts Payable (△ = decrease) | 2,218 | 1,623 |
| Tax payment | △4,245 | △5,720 |
| Increase or Decrease in Accrued Consumption Taxes (△ = decrease) | 477 | △873 |
| Others | 625 | △807 |
| Total | 13,616 | 11,333 |
| Cash Flow from Investing Activity | | |
| Acquisition of Tangible Assets | △2,956 | △863 |
| Acquisition of Intangible Assets | △1,233 | △1,026 |
| Others | △525 | 323 |
| Total | △4,714 | △1,566 |
| Cash Flow from Financing Activity | | |
| Repayments of Long-term Debt | △2,250 | △2,250 |
| Cash Dividends Paid | △3,477 | △3,974 |
| Others | 351 | △149 |
| Total | △5,375 | △6,374 |
| Currency Exchange Adjustment | 53 | 36 |
| Net Increase or Decrease in Cash and Cash Equivalent (△ = decrease) | 3,579 | 3,428 |
| Cash and Cash Equivalent at Beginning of Period | 8,586 | 18,454 |
| Cash and Cash Equivalent at End of Period | 12,165 | 21,883 |

# 2024 Jan. to Jun.
# Business Plan & Strategy

# Non-consolidated P/L Plan Outline

| | 2023 Result | | 2024 Plan | | |
|---|---|---|---|---|---|
| | Amount (mil.JPY) | Sales Ratio | Amount (mil.JPY) | Sales Ratio | YonY |
| Sales | 243,352 | | 273,549 | | 12.4% |
| Enterprise Bus. | 67,327 | 27.7% | 86,382 | 31.6% | 28.3% |
| Gross Profit | 73,759 | 30.3% | 82,231 | 30.1% | 11.5% |
| SG&A Exp. | 41,084 | 16.9% | 45,273 | 16.6% | 10.2% |
| Operating Income | 32,675 | 13.4% | 36,957 | 13.5% | 13.1% |
| Current Income | 32,891 | 13.5% | 36,984 | 13.5% | 12.4% |
| Net Income (Tax Rate) | 22,072 (28.9%) | 9.1% | 25,714 (30.4%) | 9.4% | 16.5% |

# Consolidated P/L Plan Outline 1/2

| | 2023 Result | | 2024 Plan | | |
|---|---|---|---|---|---|
| | Amount (mil.JPY) | Sales Ratio | Amount (mil.JPY) | Sales Ratio | YonY |
| Sales | 254,286 | | 286,570 | | 12.7% |
| Gross Profit | 75,964 | 29.9% | 84,990 | 29.7% | 11.9% |
| SG&A Exp. | 44,654 | 17.6% | 49,169 | 17.2% | 10.1% |
| Operating Income | 31,309 | 12.3% | 35,820 | 12.5% | 14.4% |
| Current Income | 31,538 | 12.4% | 35,835 | 12.5% | 13.6% |
| Net Income<br>(Tax Rate) | 21,264<br>(30.9%) | 8.4% | 24,565<br>(31.4%) | 8.6% | 15.5% |
| Net Income attributable to owners of the parent | 21,813 | 8.6% | 25,096 | 8.8% | 15.1% |

If consolidated financial forecast is expected to exceed by one of following ranges from disclosed consolidated financial forecast, revised forecast is disclosed.
Sales (consolidated): ±5% • Operating Income (consolidated): ±10% • Current Income (consolidated): ±10% • Net Income Attributable to Owners of Parent: ±10%

# Consolidated P/L Plan Outline 2/2

■ NAVIMRO (South Korea)

| | 2023 Result | | | 2024 Plan | | |
|---|---|---|---|---|---|---|
| | Amount (mil.JPY) | YonY | YonY(Local Currency) | Amount (mil.JPY) | YonY | YonY (Local Currency) |
| Sales | 9,300 | +15.8% | +9.4% | 10,800 | +16.1% | +16.1% |
| Op.Income | △110 | — | — | △10 | — | — |
| Net Income x Share (*1) | △120 | — | — | △30 | — | — |

■ MONOTARO INDONESIA (Indonesia)

| | 2023 Result | | | 2024 Plan | | |
|---|---|---|---|---|---|---|
| | Amount (mil.JPY) | YonY | YonY (Local Currency) | Amount (mil.JPY) | YonY | YonY (Local Currency) |
| Sales | 970 | +34.2% | +28.4% | 1,280 | +30.7% | +30.7% |
| Op.Income | △330 | — | — | △320 | — | — |
| Net Income x Share (*1) | △160 | — | — | △160 | — | — |

■ IB MONOTARO (India)

| | 2023 Result | | | 2024 Plan | | |
|---|---|---|---|---|---|---|
| | Amount (mil.JPY) | YonY | YonY (Local Currency) | Amount (mil.JPY) | YonY | YonY (Local Currency) |
| (*2) Gross Merchandise Value | 1,240 | +19.6% | +17.5% | 1,420 | +14.3% | +14.3% |
| (*2) Sales | 790 | +15.4% | +13.3% | 930 | +17.2% | +17.2% |
| Op.Income | △790 | — | — | △800 | — | — |
| Net Income x Share (*1) | △410 | — | — | △410 | — | — |

*1: Calculated by multiplying Net Income by Share Ratio at the end of each fiscal year for reference.
*2: Only commission portion of sales by sellers in marketplace is recognized as sales.
*3: Sales and profit/loss less than 10 million JPY are rounded down as shown in explanation material in Japanese language.

# Domestic Business 1/4

■ Market Analysis by Customer Size and MonotaRO's Current Status

| | Customer Size | MonotaRO's Situation | Next Strategy | State of Progress |
|---|---|---|---|---|
| monotaro.com / Enterprise Business | **Micro**<br>(Sole Proprietorship, General Consumers, Other) | • 2023 Sales share: about 10%<br>• 2023 Sales YonY growth: about 0% | • Optimizing direct marketing based upon expected LTV. | • Improved convenience through introduction of package drop service. |
| | **Small**<br>(Legal Entity with Sales < 2 bil. JPY, about 4.5 mil. corps.) | • 2023 Sales share: about 40%<br>• 2023 Sales YonY growth: about 9%<br>• Corp. registration % (*1): about 30% | • Acquiring new corp. customers through more elaborated direct marketing based upon expected LTV.<br>• Strengthening personalized/ integrated marketing to increase purchases by existing customers. | • Improving understanding of expectation of customers' LTV by their types and status.<br>• Increasing flyers to acquire new customers based on new updated list (from Aug.).<br>• Released new sales promotion platform in May and planning to expand activities. |
| | **Mid**<br>(Legal Entity with Sales < 30 bil. JPY, about 60,000 corps.) | • 2023 Sales share: about 25%<br>• 2023 Sales YonY growth: about 15%<br>• Corp. registration % (*1) is high about 80%, and penetration rate of bases (*2) is about 20%.<br>• About 2.3K corps are connected to enterprise system. | • Strengthening measures to acquire new users within companies (e.g. flyers).<br>• Increasing user's spending.<br>– Strengthening marketing and site promotion functions to reach end users. | • Starting sending flyers to increase penetration of locations within companies (from August).<br>• Implementing promotions in procurement system to increase frequency of order.<br>• Planning to strengthen sales activities to expand new system linkage in future. |
| | **Large**<br>(Sales > 30 bil. JPY, about 6,000 corps.) | • 2023 Sales share: about 25%<br>• 2023 Sales YonY growth: about 25%<br>• Corp. registration % (*1) is over 90%, and penetration rate of bases (*2) is about 9%.<br>• About 1K corps are connected to enterprise system. | • Strengthening sales team structure to acquire new large customers.<br>• Developing effective sales frameworks based on understanding of procurement process. | • Improving accuracy of corporation's potential uses.<br>• New acquisition of huge accounts progressed as planned.<br>• Developing sales activity frameworks to increase penetration rate of bases. |

* 1: Corp. Registration rate = corporate customers having at least one person who has MonotaRO account.
* 2: Penetration rate = Percentage of business offices and sites that have at least one person holding account with MonotaRO among those of company.

# Domestic Business 2/4

■ Measures to Improve Service Level of Logistic by Strengthening Cooperation with Yamato Transport

| | | | |
|---|---|---|---|
| Matter to solve | • “Would like to make sure that items ordered during work hours today will be ready for work tomorrow.“ | • “Would like to receive products needed for job at right time to use it.” | • “Would like to receive products when away from office or home.” |
| Solution | • Extension of cutoff time for same day shipment. | • Able to specify delivery date and time.<br> | • Introducing package drop service.<br> |
| Customer assumed | • Customers ordering items for work after 3:00 p.m. | • Customers who are in construction and manufacturing industries and who need to receive products at specific time. | • Customers (especially sole proprietors and general consumers) who are often away during day. |
| Details of Initiatives | • 2024Q3: Extension of shipping cutoff time for same day shipping to 5:00 p.m. will start in South Kanto area.<br>• Subsequently, regions to be covered will gradually be expanded. | • July 2024: Delivery date and time can be specified on website of Yamato Transport after product is shipped from MonotaRO’s distribution centers.<br>• 2025Q1: Allowing customers to specify delivery date and time at MonotaRO’s website when placing orders. | • November 2023: Started service in some areas (14 prefectures, corporations/ sole proprietors only)<br>• June 2024: Renewed service (expansion nationwide expansion and to general consumers). |

# Domestic Business 3/4

## BtoB Online E-commerce (monotaro.com)

| Acquiring New Customers | Expanding Existing Customers' Sales |
|---|---|
| ・Strengthened acquisition of high LTV customers through enhanced search advertising, and sales from new customer achieved plan (2024FH).<br>・Renewing customer lists and expanded scope of flyers for new customers (from Aug.) | ・Elaborated LTV for each purchase stage of existing customers, and planning measures to promote personalization and integrated marketing according to stage. Started to operate integrated sales promotion platform in May.<br>・Confirmed effects of measures, which was started in 2023, for reactivating dormant customers and retaining reactivated customers.<br>・Various measures underway to improve service level of logistics. |

## System Connection with Large Corporations (Enterprise Business)

| Acquiring New Customers | Expanding Customers' Usage |
|---|---|
| ・Understanding of each company potential with accuracy.<br>・Number of negotiations and contracts of very large corp. progressed as planned.<br>・New customers' sale did not reach plan, and continuing to develop frameworks of business activities for increasing penetration rate of bases after concluding contracts with new customers. | ・Establishing frameworks of sales activities to increase base penetration rate and number of users (holding exhibitions in customers' locations, etc.).<br>・Testing is underway to realize one-to-one marketing.<br>・Various measures underway to improve service level of logistics. |

| 2023 Jan.-Jun. Result | | | 2024 Jan.-Jun. Plan | | | **2024 Jan.-Jun. Result** | | | |
|---|---|---|---|---|---|---|---|---|---|
| Mil. JPY | YonY | /Total Sales | Mil. JPY | YonY | /Total Sales | Mil. JPY | YonY | vs Plan | /Total Sales |
| 31,993 | +35.4% | 26.8% | 41,228 | +28.9% | 31.0% | 41,131 | +28.6% | △0.2% | 30.8% |

| | Dec. 2023 End Result | Jun. 2024 End Result | | |
|---|---|---|---|---|
| | No. Corp. | No. Corp. | vs Dec. 2023 End | Remark |
| Total number of corporations (ONE SOURCE / ONE SOURCE Lite) | (*) 3,578 (2,827) | (*) 3,724 (2,924) | +146 (+97) | 133 considering |

* Note：Number of active corporations in Dec.2023 and Jun. 2024.

## Royalty Business

| | **2024Q2 and FH** |
|---|---|
| Target Business (Grainger's Zoro business in US & UK) | ・U.S. sales grew by 6.9% from 2023FH, but both gross profit % and operating profit % declined. |
| Royalty Income | ・Amount received in 2024Q2 decreased from 2023Q2 but exceeded Plan. |

# Domestic Business 4/4

■ Difference in 2024FH SG&A Expenses from Plan

| | SG&A Decreasing Factor | Amount |
|---|---|---|
| Decrease in Expenses Other than Logistic Expense (except for expenses delayed) | ・Decrease in SG&A from Plan<br>- Estimated differences in system usage costs, IT development costs (capitalization of in-house development), allowance for doubtful accounts ratio, etc. | About △440 mil. JPY |
| Decrease in Logistic Expense (except for expenses delayed) | ・Decrease in SG&A from Plan<br>- Variance in estimates of external warehouse rent, equipment cost, and maintenance and repair costs, etc. | About △210 mil. JPY |
| Decrease in Ad.& Promotion Expense | ・Decrease in listing ad. and flyer (mainly for existing customers). | About △170 mil. JPY |
| Delayed to Q3 or later | ・Delayed to Q3 or later (implementation timing shifted)<br>- System usage costs, education and training costs, recruitment costs, logistic system maintenance costs, etc. | About △70 mil. JPY |
| Total | | About △910 mil. JPY |

* Amounts less than 10 million JPY are rounded down as shown in explanation material in Japanese language.

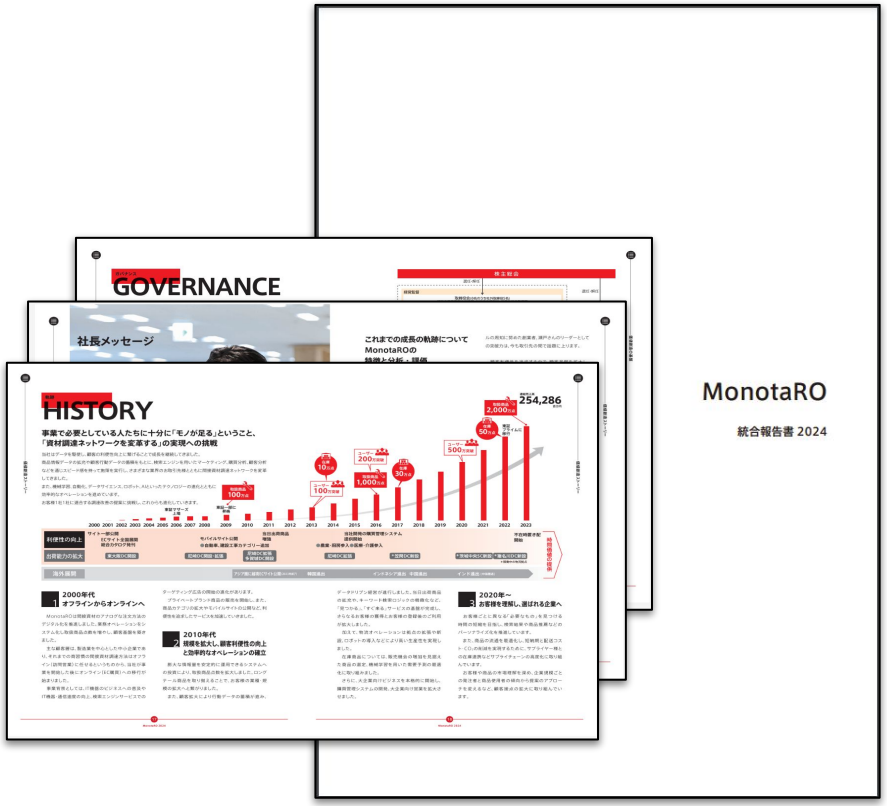
# Sustainability

# Status Update

| | | | Action in 2024 (incl. plan) |
|---|---|---|---|
| Prioritized Action Areas | Environment | Reduction of CO2 emissions as measure against climate change | ・CO2 emissions calculation for 2023 completed. Third-party assurance verification underway.<br>・Introduction of GHG calculation tools (prevention of impersonalization and streamlining of calculation).<br>・Implemented round use of containers for imported products. |
| | | Proposal and development of environment-conscious products | ・Began selling closed-recycled cardboard under MonotaRO brand.<br>・In-house exhibition of environmentally friendly products was held in May with cooperation of four manufacturers.<br>・Improve site navigation to increase user recognition of environmentally friendly products (planned) |
| | | Realization of resource-recycling model | ・Definition of recycling of unwanted materials (including waste) is being developed.<br>・Survey is underway to determine whether waste disposal companies recycle waste. |
| | Social | Responsible Sourcing and Human Rights | ・Continuing to collect procurement guideline endorsement and self-inspection questionnaires from suppliers.<br>・As monitoring evaluation for compliance with procurement guidelines, audit criteria, targets, and methods are being researched and studied.<br>・Conducted sustainability audit at suppliers' factories in presence of our company as reference. We shared audit results with suppliers and requested them to make improvements. |
| | | Diversity and Inclusion | ・Promoting hiring and employment of people with disabilities, and supporting their retention and response flow is under development.<br>・Internal event "D&I Week" was held in May. Held seminars and roundtable on childcare, career design, employment of people with disabilities, balancing work and nursing care, etc. |
| Disaster Responses | | | ・On Jan. 2, immediately after Noto Peninsula Earthquake 2024, as per request from Ministry of Economy, Trade and Industry (METI), we supplied materials to disaster areas with cooperation of many people, including MonotaRO staff, suppliers, delivery companies, ministries, and local governments.<br>・Received appreciation letter from METI for above in Jun. |

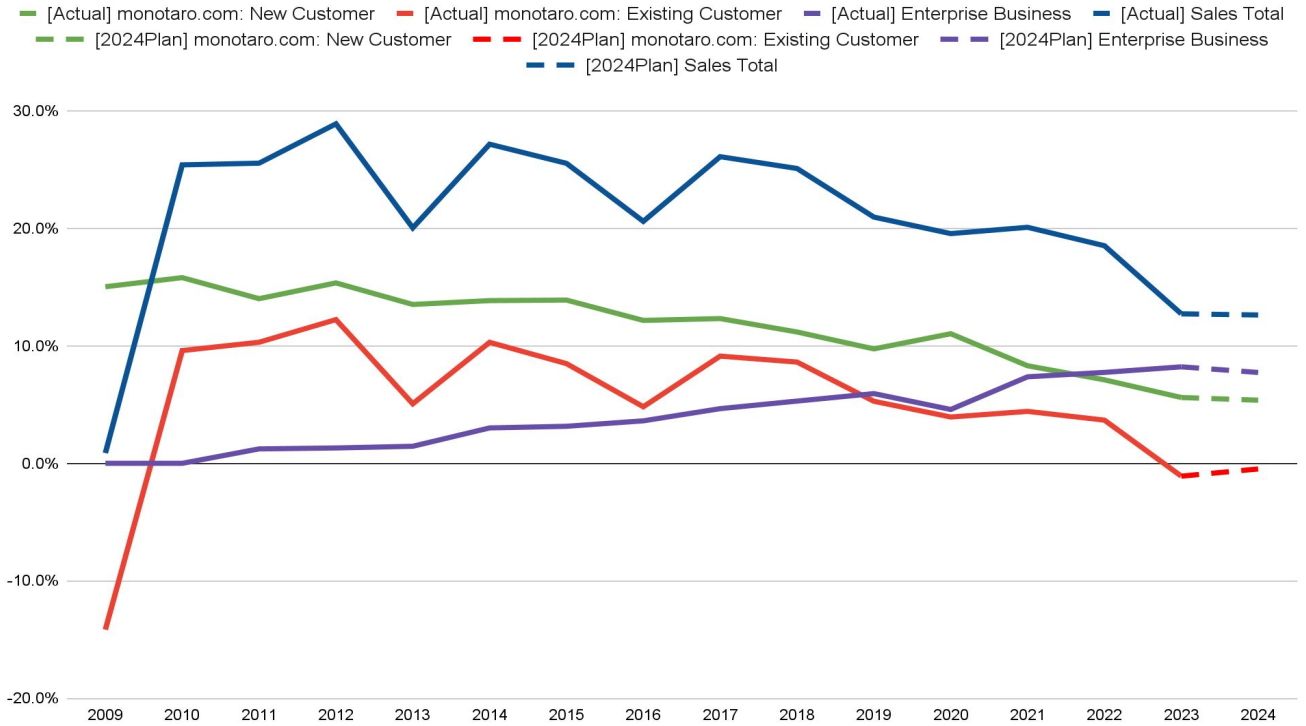
# Reference

# Integrated Report




- On July 24, 2024, MonotaRO's first "Integrated Report 2024" prepared and disclosed.:
  - Where Report is disclosed (IR site): https://corp.monotaro.com/ir/library/library_11.html
    * Japanese version (English language report will be prepared and disclosed in late September)
- Contents:
  - Introduction: Greetings from Chairman of the Board, Representative Executive Officer, etc.
  - What is MonotaRO
  - Value Creation Story
  - Value Creation in Practice
  - Foundations of Value Creation
  - Financial & Corporate Information

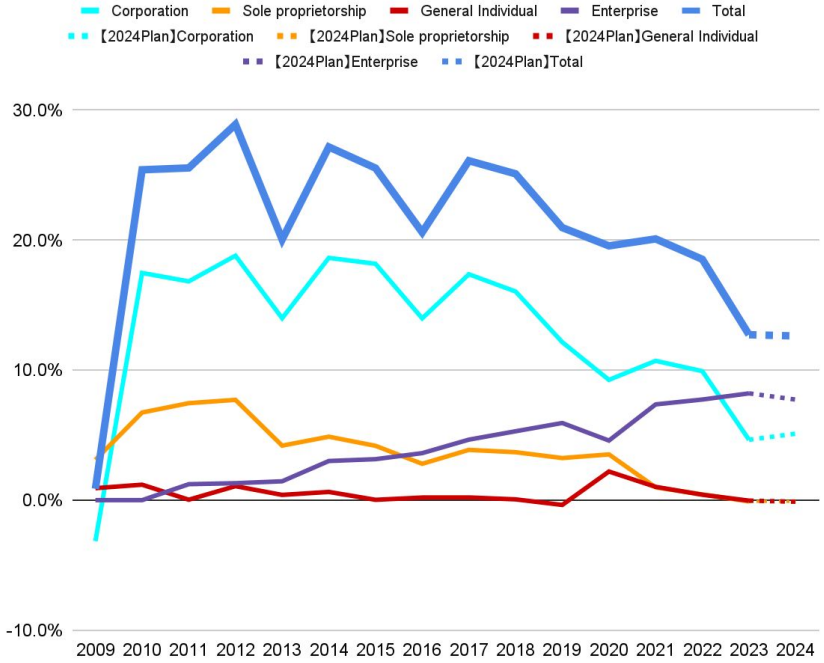
# Non-consol. Fiscal Yr. Sales Growth (Service Channel Contribution)



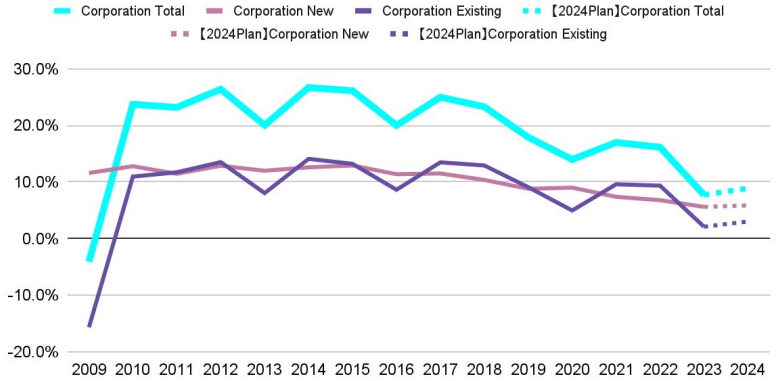

* Note 1: Fiscal year contributions of every channel to total sales growth from previous year is organized and shown based on status as of end of 2023.
* Note 2: “monotaro.com: New Customer” indicates contribution of sales from customers acquired each fiscal year, and “monotaro.com: Existing Customer” indicates contribution of sales from customers acquired before corresponding year.
* Note 3: Previously, orders placed via monotaro.com by customers of Enterprise Business were classified as sales of "Enterprise Business” (due to past sales management classifications), but from 2024 disclosure materials, they are reclassified as sales of "monotaro.com" following accounting system replacement in 2023 (impact on growth rate is negligible).

# Non-consol. Year Sales Growth (Corporate New & Existing)

Sales Total Growth
(Contributions of monotaro.com Corp Customer., Enterprise, monotaro.com Sole Proprietorship and General Individual)



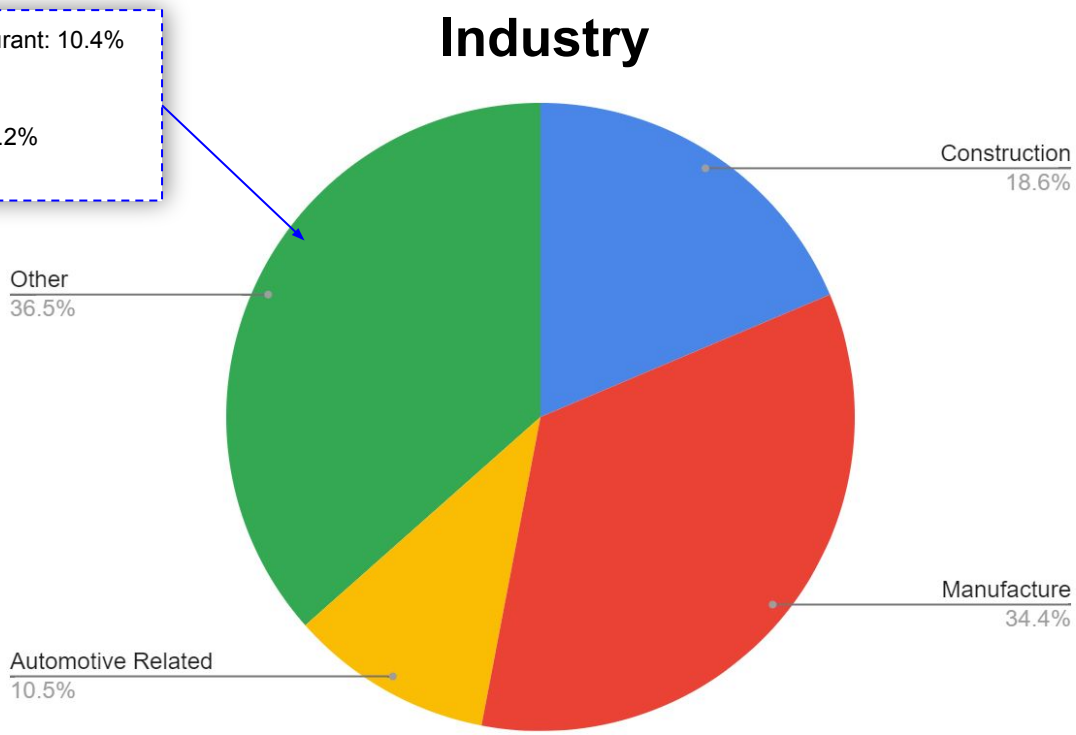

Sales Growth of monotaro.com Corp. Customer
(Contributions of New and Existing Customers)




- Growth contribution and growth of corporate customers on monotaro.com
  - Of overall sales growth (12.3% in 2023 result and 12.4% planned in 2024), Total sales growth contribution from corporate customers on monotaro.com is approximately 5% both in 2023 result and 2024 plan. Due to increasing growth contribution from high-growth of Enterprise business, growth contribution from monotaro.com appears to be relatively decreasing (left graph).
  - Sales growth for monotaro.com's corporate customers in 2023 was approximately 8%, and 2024 is approximately 9% (graph above).

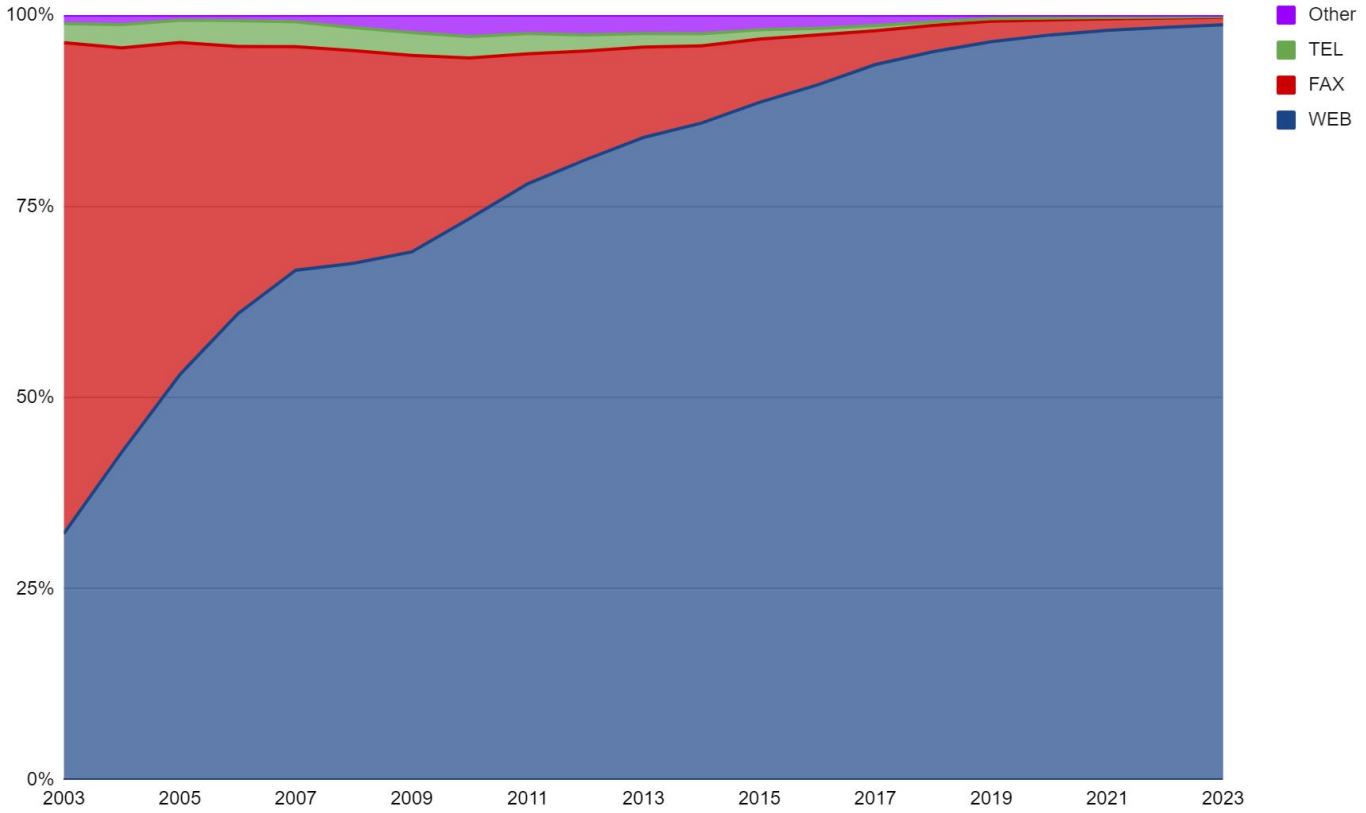
# Non-consol. Customer Demographics

- Wholesale, Retail, Restaurant: 10.4%
- Education：2.4%
- Agriculture：2.2%
- Social security/welfare：1.2%
- Medical：1.1%



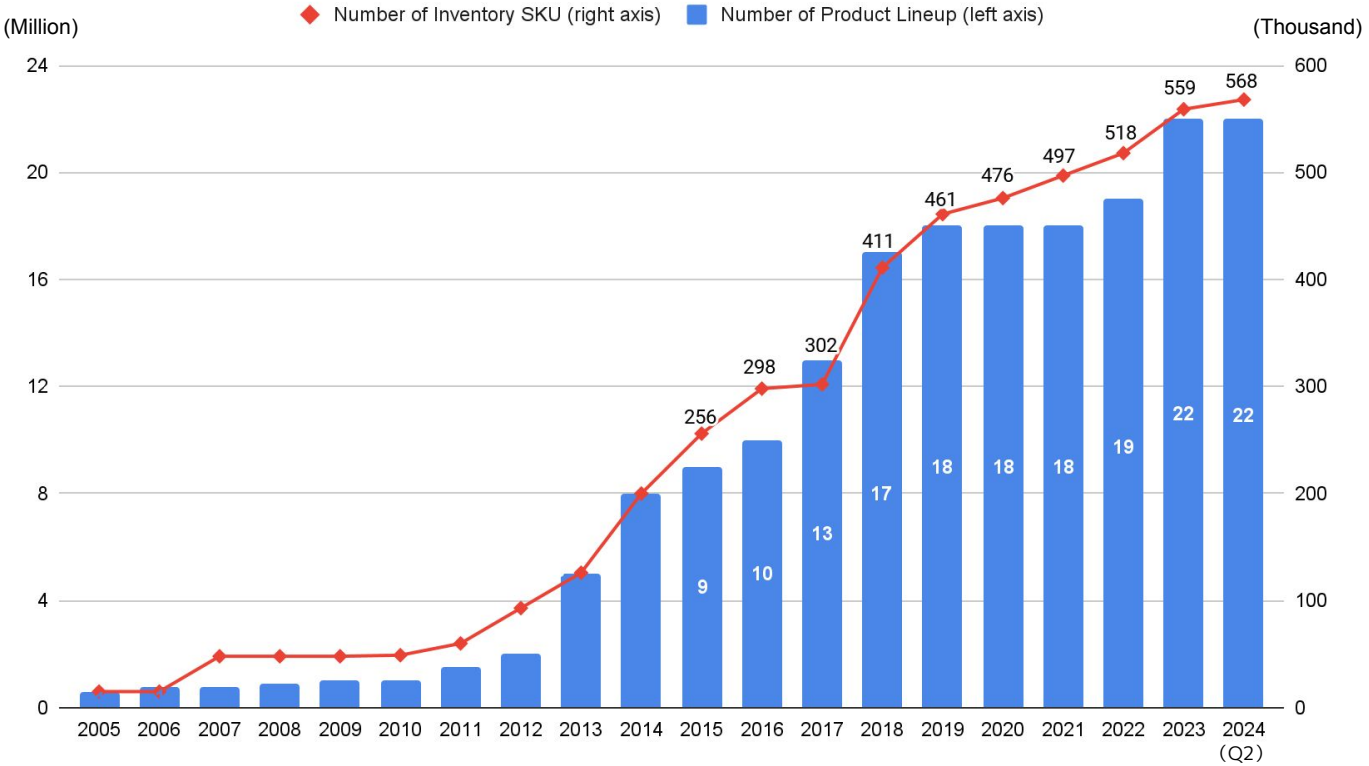

Ratio by sales amount in 2023
(Sales of monotaro.com excluding Enterprise Business)

# Non-consol. Internet Purchase Order Ratio

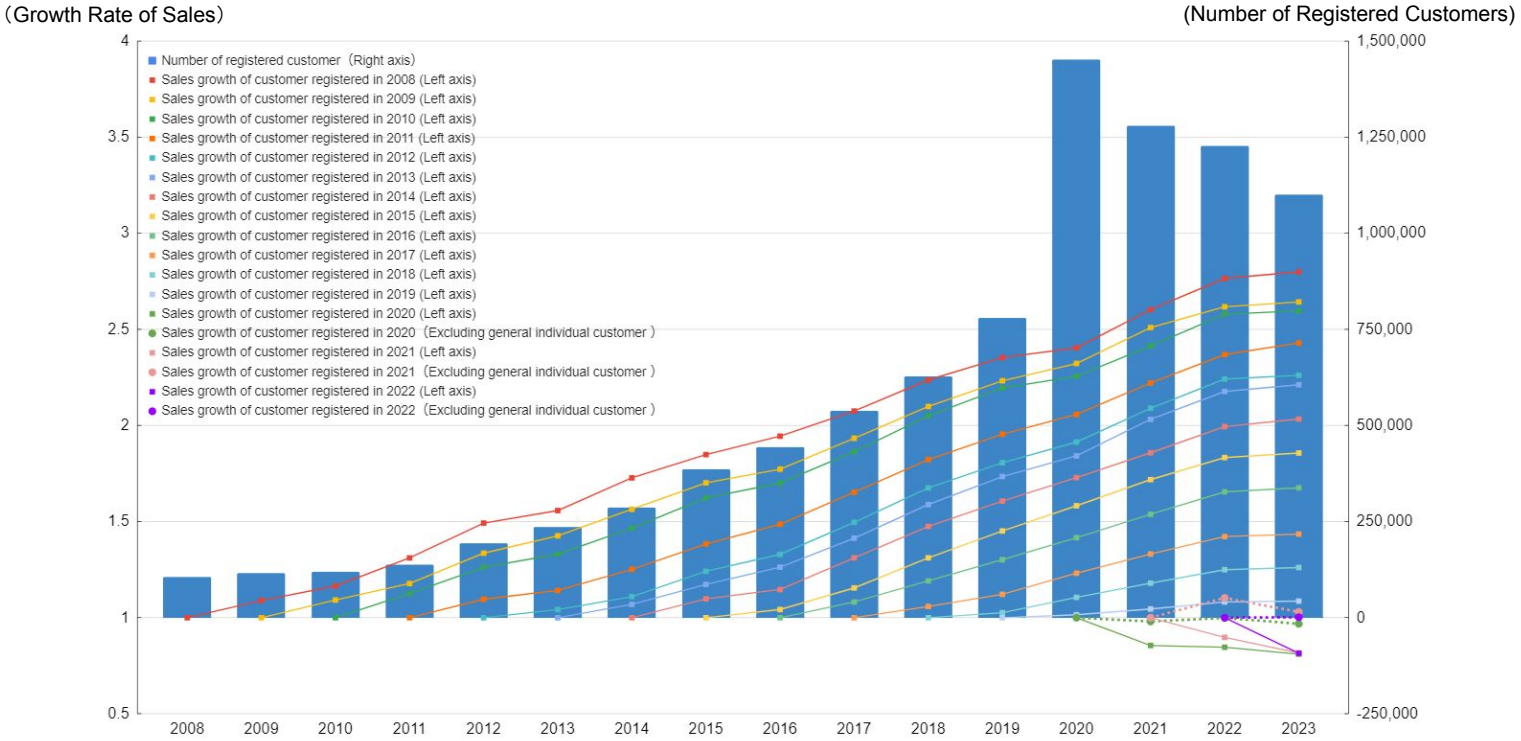


Reference

# Non-consol. Product Lineup & Inventory

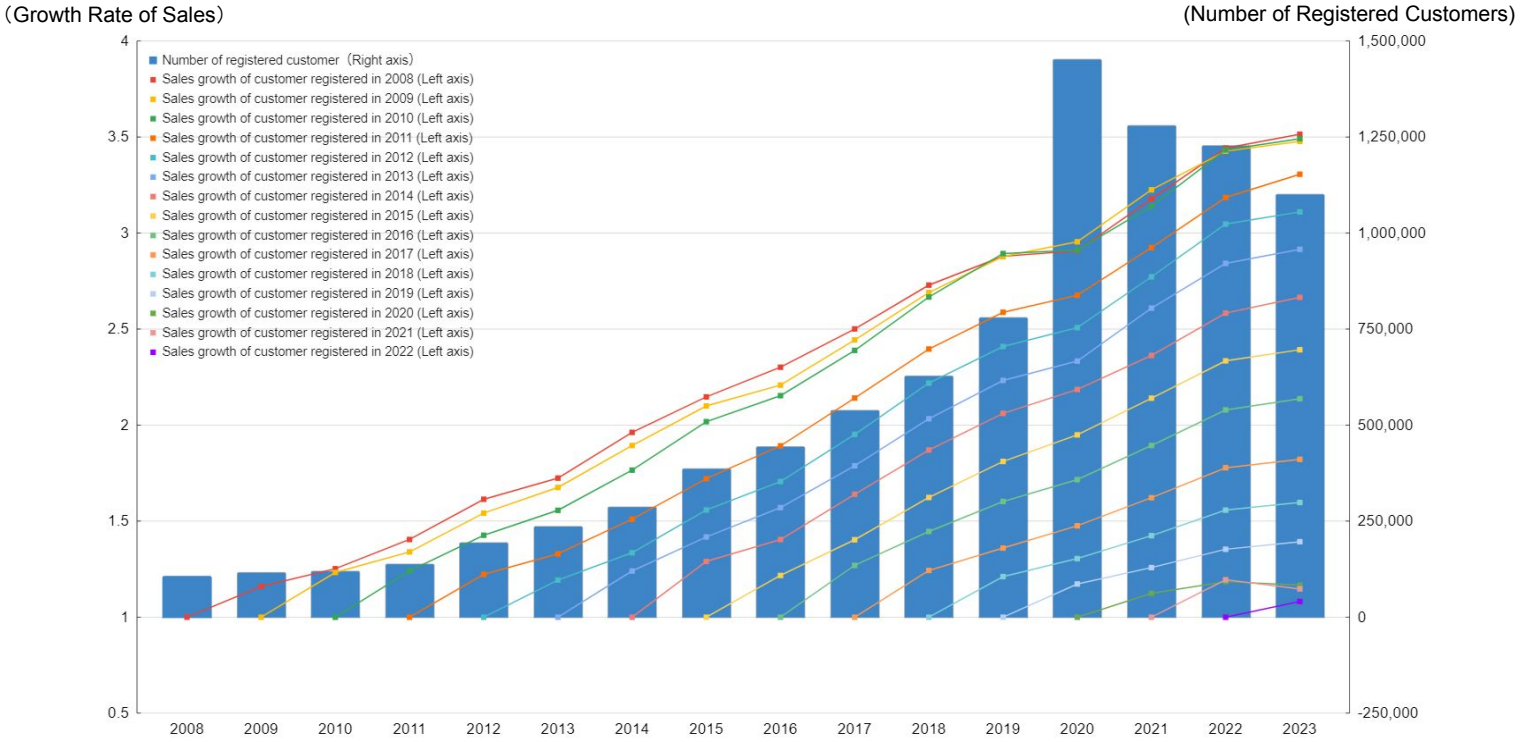


# Non-consol. Customer Growth by Year Registered




* Note 1: Above number of ‘monotaro.com’ registered customers and sales growth are updated retroactively at the end of 2023 (Enterprise Bus. sales and sales for customers who switched to procurement system for Enterprise Bus. business are not included).
* Note 2: Line chart (left axis) shows sales growth ratio of customers registered each year by setting sales in registered year as ‘1.’

# Non-consol. Customer Growth by Year Registered (Corp.)

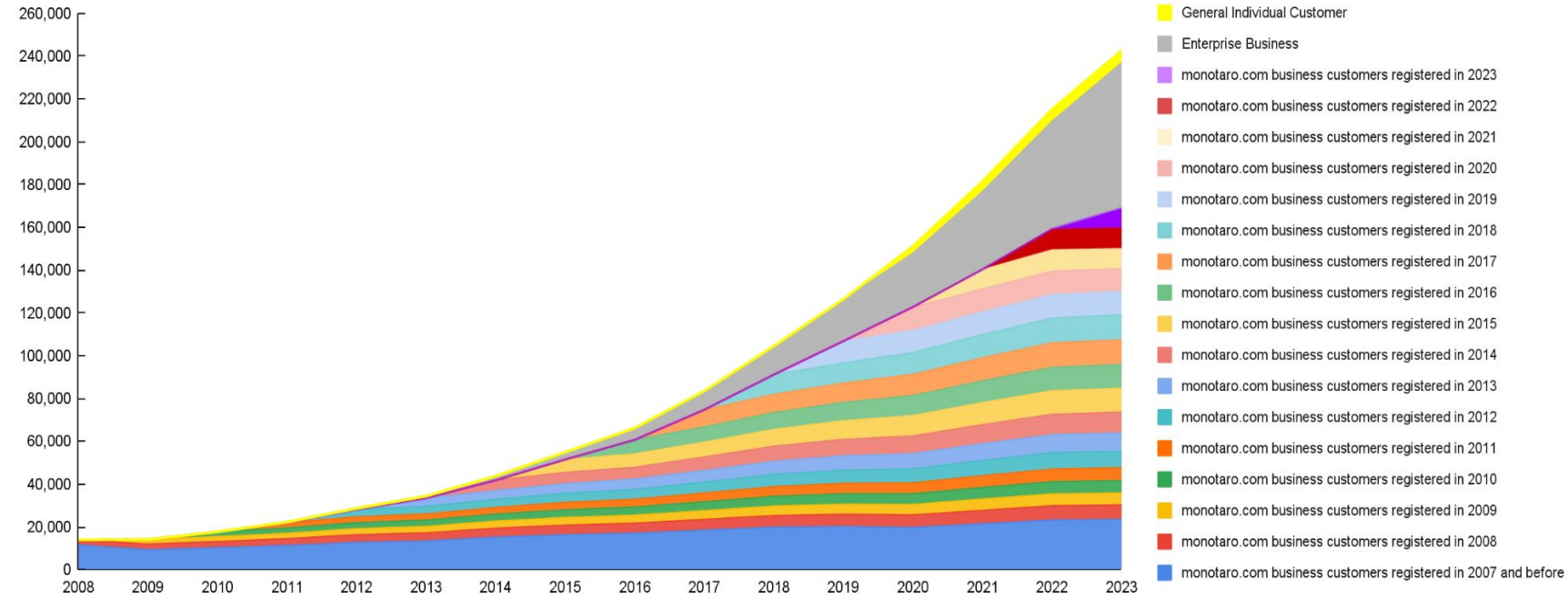



* Note 1: Above number of ‘monotaro.com’ registered customers and sales growth are updated retroactively at the end of 2023 (Enterprise Bus. sales and sales for customers who switched to procurement system for Enterprise Bus. business are not included).
* Note 2: Line chart (left axis) shows sales growth ratio of customers registered each year by setting sales in registered year as ‘1.’
* Note 3: Bar chart is number of new customers acquired that includes those other than corporate customers.

Reference

# Non-consol. Sales Trend by Registered Year

(Million JPY)



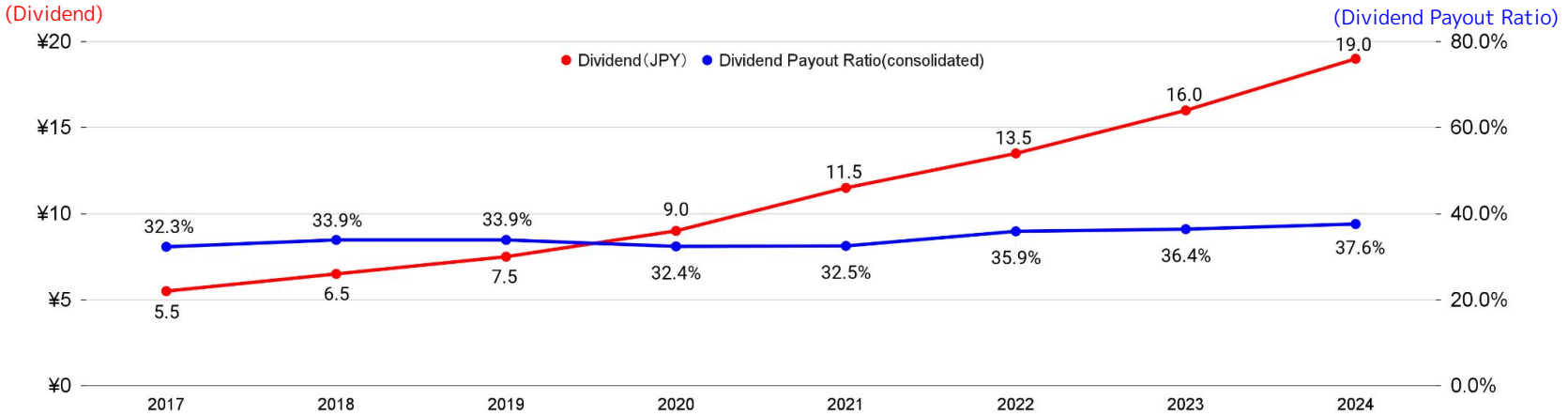

* Note 1: Sales of 'monotaro.com business customers' are sales of monotaro.com's business customers organized retroactively for each registration year based upon updated customer status at end of 2023.
* Note 2: Sales of 'Enterprise Bus.' are total sales of enterprise customers based upon updated customer status at end of 2023.
* Note 3: Sales of 'General individual customers' are total sales of monotaro.com's general individual customers and of IHC MonotaRO based upon updated customer status at end of 2023 (IHC MonotaRO was closed and integrated into monotaro.com).

# Shareholder Benefit

# Dividend & Shareholder Benefit

## Dividend

- Dividend Policy : Distributing dividend consistent with stable and ongoing growth.
- 2023 Dividend (actual): 16.00 JPY/share (8.00 JPY/share interim/actual, 8.00 JPY/share fiscal year end/actual).
- 2024 Dividend (plan): 19.00 JPY/share (9.00 JPY/share interim/actual, 10.00 JPY/share fiscal year end/plan).




## Shareholders' Benefit

- Shareholders having held one or more unit (100 shares) of MonotaRO share for 6 months or longer on continuous basis as of Dec. 31 are eligible for benefit.
- Eligible shareholders can choose products from MonotaRO's private brand as benefit, and amount of benefit varies in accordance with holding period (as in right chart).

| Holding Period | Amount Benefit |
|---|---|
| 6 months or more | 3,000 JPY (excl. tax) |
| 3 years or more | 5,000 JPY (excl. tax) |
| 5 years or more | 7,000 JPY (excl. tax) |

Cautionary Statement concerning Forward-looking Statements

This presentation may include forward-looking statements relating to our future plans, forecasts, objectives, expectations, and intentions. Actual results may differ materially for a wide range of possible reasons. In light of the many risks and uncertainties, you are advised not to put undue reliance on these statements.

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