Fiscal Year of 2024

(Jan. to Dec. 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 over 24,750 thou. SKU including 714 thou. SKU available for same-day shipment and 626 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 Dec. 31, 2024)

	Regular employee		Part-time and temporary employee		Total	
Head Office, etc. (MonotaRO JPN)	1,194	(678)	435	(391)	1,629	(1,069)
Distribution Center (MonotaRO JPN)	238	(173)	1,620	(1,491)	1,858	(1,664)
Total (MonotaRO JPN)	1,432	(851)	2,055	(1,882)	3,487	(2,733)

- 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).
- Market Size
  - 8 to 10 trillion JPY
- Business Strategy
  - Gaining market share through pursuit of customer convenience by enhancing our competitive advantages: merchandising, marketing/sales, supply chain, operations, software, data/algorithms.

2024 Jan. to Dec.
(Consol.) Financial Result Overview

Financial Result P/L Outline

	2023 Result		2024 Plan		2024 Result			
	Amount (mil. JPY)	Sales Ratio	Amount (mil. JPY)	Sales Ratio	Amount (mil. JPY)	Sales Ratio	YonY	vs Plan
Sales	254,286		286,570		288,119		+13.3%	+0.5%
Gross Profit	75,964	29.9%	84,990	29.7%	84,420	29.3%	+11.1%	△0.7%
SG&A Exp.	44,654	17.6%	49,169	17.2%	47,353	16.4%	+6.0%	△3.7%
Operating Income	31,309	12.3%	35,820	12.5%	37,066	12.9%	+18.4%	+3.5%
Current Income	31,538	12.4%	35,835	12.5%	37,320	13.0%	+18.3%	+4.1%
Net Income (*1) (Tax Rate)	21,264 (30.9%)	8.4%	24,565 (31.4%)	8.6%	25,726 (30.8%)	8.9%	+21.0%	+4.7%
Net Income attributable to owners of the parent	21,813	8.6%	25,096	8.8%	26,338	9.1%	+20.7%	+4.9%

*1: In 2023 results, Goodwill Impairment of 665 million JPY concerning subsidiary in India incurred in consolidated financial statements.

Financial Result B/S Outline

		Dec. 2023	Dec. 2024	
		mil. JPY	mil. JPY	Ratio
Assets				
	Cash	18,644	30,727	21.2%
	Accounts Receivable	29,349	33,569	23.1%
	Inventory	18,875	20,661	14.2%
	Others	8,417	9,158	6.3%
Total Current Assets		75,286	94,116	64.9%
	Tangible Fixed Assets	39,561	37,305	25.7%
	Intangible Fixed Assets	6,359	6,516	4.5%
	Others	7,144	7,090	4.9%
Total Fixed Assets		53,065	50,911	35.1%
Total Assets		128,352	145,028	

		Dec. 2023	Dec. 2024	
		mil. JPY	mil. JPY	Ratio
Liabilities				
	Accounts Payable	17,052	19,825	13.7%
	Short-term Debt & etc. (*1)	4,942	430	0.3%
	Others	14,995	16,205	11.2%
Total Current Liabilities		36,989	36,461	25.1%
Total Long term Liabilities		4,380	4,300	3.0%
Total Liabilities		41,369	40,761	28.1%
Net Assets				
Shareholder's Equity		86,028	103,260	71.2%
Others		954	1,006	0.7%
Total Net Assets		86,982	104,267	71.9%
Total Liabilities & Net Assets		128,352	145,028	

*1: Short-term Debt & etc. includes short-term debt & current portion of long-term debt.

Financial Result C/F Outline

	2023 Result	2024 Result
	mil. JPY	mil. JPY
Cash Flow from Operating Activity		
Net Income before Tax	30,770	37,173
Depreciation	4,876	5,760
Increase or Decrease in Accounts Receivable (△ = increase)	△2,808	△4,214
Increase or Decrease in Inventory (△ = increase)	781	△1,768
Increase or Decrease in Accounts Payable (△ = decrease)	1,345	2,780
Tax payment	△8,049	△10,530
Increase or Decrease in Accrued Consumption Taxes (△ = decrease)	1,747	△50
Others (*1)	1,270	△489
Total	29,932	28,662
Cash Flow from Investing Activity		
Acquisition of Tangible Assets	△5,852	△1,320
Acquisition of Intangible Assets	△2,107	△2,178
Others	△441	△83
Total	△8,401	△3,582
Cash Flow from Financing Activity		
Repayments of Long-term Debt	△4,715	△4,722
Cash Dividends Paid	△7,451	△8,444
Others	461	△172
Total	△11,705	△13,339
Currency Exchange Adjustment	42	176
Net Increase or Decrease in Cash and Cash Equivalent (△ = decrease)	9,867	11,916
Cash and Cash Equivalent at Beginning of Period	8,586	18,454
Cash and Cash Equivalent at End of Period	18,454	30,370

*1: In 2023 results, Goodwill Impairment of 665 million JPY concerning subsidiary in India incurred in consolidated financial statements.

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

2024 Result Non-consol.

Financial Result P/L Outline 1/3

	2023 Result		2024 Plan		2024 Result			
	Amount (mil. JPY)	Sales Ratio	Amount (mil. JPY)	Sales Ratio	Amount (mil. JPY)	Sales Ratio	YonY	vs Plan
Sales	243,352		273,549		276,100		+13.5%	+0.9%
Enterprise Bus.	67,327	27.7%	86,382	31.6%	86,083	31.2%	+27.9%	△0.3%
Gross Profit	73,759	30.3%	82,231	30.1%	82,141	29.8%	+11.4%	△0.1%
SG&A Exp.	41,084	16.9%	45,273	16.6%	43,591	15.8%	+6.1%	△3.7%
Operating Income	32,675	13.4%	36,957	13.5%	38,550	14.0%	+18.0%	+4.3%
Current Income	32,891	13.5%	36,984	13.5%	38,805	14.1%	+18.0%	+4.9%
Net Income (Tax Rate)	22,072 (28.9%)	9.1%	25,714 (30.4%)	9.4%	25,984 (29.6%)	9.4%	+17.7%	+1.1%

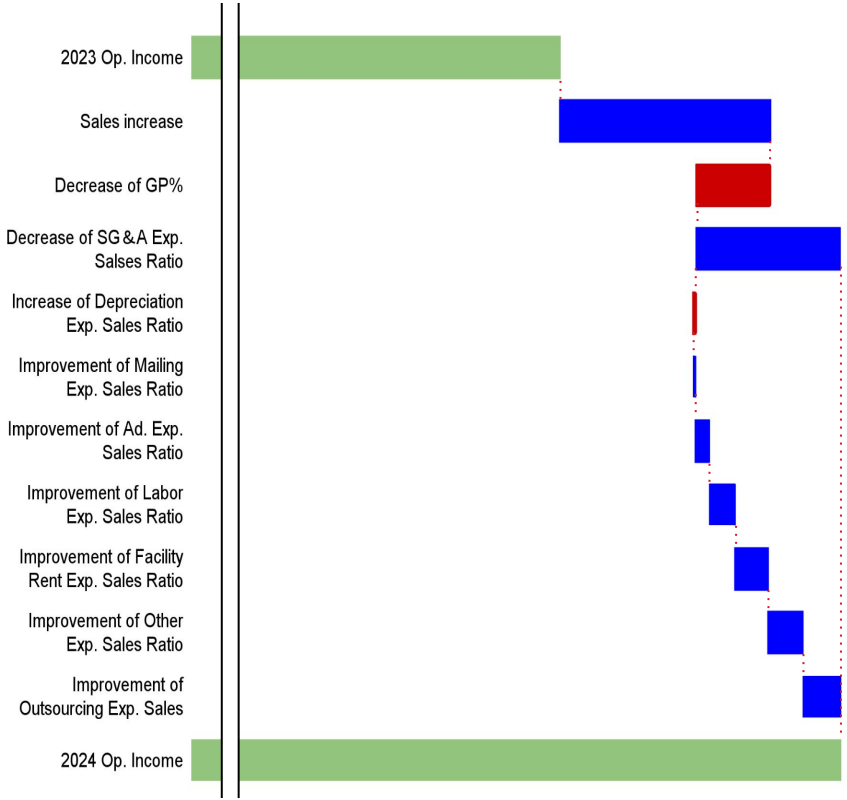
Financial Result P/L Outline 2/3 vs. Last Year

	2023 Result (A)		2024 Result (B)		Difference (B-A)		
	Amount (mil.JPY)	Sales Ratio	Amount (mil.JPY)	Sales Ratio			
Sales	243,352	—	276,100	—	Amount (mil.JPY)	+32,748	■ monotaro.com: Grew due to increases in both number of orders and unit price per order. ■ Enterprise Business: Grew highly (YoY +27.9%), mainly due to increases in number of customers placing orders. ■ Royalty income: Increased YoY.
					YonY	+13.5%	
					Sales Ratio	-	
Gross Profit	73,759	30.3%	82,141	29.8%	Amount (mil.JPY)	+8,381	■ Product GP% decreased (△0.7pt.: Due to change in product mix and decline in profit ratio of imported products resulting from depreciation of JPY). ■ Royalty income: Increased YoY. ■ Cash on delivery and other COGS ratio improved (+0.1pt.)
					YonY	+11.4%	
					Sales Ratio	△0.5%	
SG&A Exp.	41,084	16.9%	43,591	15.8%	Amount (mil.JPY)	+2,506	■ Outsourcing Exp. ratio decreased (△0.3pt.: Sales per box increased, increase in productivity, etc.). ■ Other Exp. ratio decreased (△0.3pt.: Decrease in equipment and supplies expenses due to rebound of cost increase in 2023 resulting from relocating head office and from launching Inagawa DC Phase 2. Decrease in packing cost ratio due to increase in sales per box, etc.). ■ Facility Rent Exp. ratio decreased (△0.2pt.: Due to end of lease contract for Amagasaki DC, sales increase, etc.). ■ Labor Exp. Ratio decreased (△0.2pt.: increases in sales per box, increase in productivity, etc.). ■ Ad. & Prom. Exp. Ratio decreased (△0.1pt.: Decrease in flyer and listing ad. cost ratio, etc.). ■ Depreciation Exp. ratio increased (+0.1pt.: Launch of Inagawa DC Phase 2 in April 2023, etc.).
					YonY	+6.1%	
					Sales Ratio	△1.1%	
Operating Income	32,675	13.4%	38,550	14.0%	Amount (mil.JPY)	+5,875	■ GP ratio decreased (△0.5pt.), but SG&A Exp. ratio also decreased (△1.1pt.), which resulted into Operating Income ratio improved (+0.6pt.).
					YonY	+18.0%	
					Sales Ratio	+0.6%	
Net Income (Tax Rate)	22,072 (28.9%)	9.1%	25,984 (29.6%)	9.4%	Amount (mil.JPY)	+3,912	■ Operating Income grew by 18.0% YoY. ■ Impairment loss on shares in overseas consolidated subsidiaries (1,763 million JPY) was recorded as extraordinary loss in non-consolidated income (already recorded in consolidated income when loss of overseas consolidated subsidiaries was recorded), and Net Income increased by 17.7% YoY.
					YonY	+17.7%	
					Sales Ratio	+0.3%	

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

	2024 Plan (A)		2024 Result (B)		Difference (B-A)		
	Amount (mil.JPY)	Sales Ratio	Amount (mil.JPY)	Sales Ratio			
Sales	273,549	—	276,100	—	Amount (mil.JPY)	+2,551	■ monotaro.com: Higher than plan. ■ Enterprise Business: Went below plan (△0.3%) . ■ Royalty income: Higher than plan.
					vs Plan	+0.9%	
					Sales Ratio	-	
Gross Profit	82,231	30.1%	82,141	29.8%	Amount (mil.JPY)	△89	■ Product GP ratio decreased (△0.4pt.: Due to change in product mix, decrease in sales share of PB products, etc.). ■ Royalty income: Increased compared to plan.
					vs Plan	△0.1%	
					Sales Ratio	△0.3%	
SG&A Exp.	45,273	16.6%	43,591	15.8%	Amount (mil.JPY)	△1,682	■ Other Exp. ratio decreased (△0.3pt.: Decreases in system usage fees, tax estimation difference etc.). ■ Ad. & Prom. Exp. ratio decreased (△0.2pt.: Due to decrease in cost of flyers for dormant customers, etc.). ■ Labor Exp. ratio decreased (△0.1pt.: Due to difference in number of employees, etc.). ■ Facility Rent Exp. ratio decreased (△0.1pt.: Due to estimation variance of external warehouse rent cost, etc.).
					vs Plan	△3.7%	
					Sales Ratio	△0.8%	
Operating Income	36,957	13.5%	38,550	14.0%	Amount (mil.JPY)	+1,592	■ Despite decrease in gross profit ratio (△0.3 pt.), Operating Income increased (+4.3%) due to decrease in SG&A expenses ratio.
					vs Plan	+4.3%	
					Sales Ratio	+0.5%	
Net Income (Tax Rate)	25,714 (30.4%)	9.4%	25,984 (29.6%)	9.4%	Amount (mil.JPY)	+270	■ Operating profit increased by 1,592 million JPY from plan, but loss on impairment of shares in consolidated overseas subsidiaries was recorded as extraordinary loss (1,763 million JPY), so net profit for period increased by 270 million JPY (+1.1% compared to plan).
					vs Plan	+1.1%	
					Sales Ratio	+0.0%	

Operating Income Change Factors



2023 Op. Income：32,675 mil. JPY

+4,397 mil.JPY		■ monotaro.com：Increase in size and number of orders. ■ Enterprise Business：Maintained high growth. ■ Royalty: Increased from 2023.
△1,544 mil.JPY		■ Products GP% decreased due to change in product mix and decline in profit ratio of imported products resulting from depreciation of JPY.
+3,022 mil.JPY		■ 2024 SG&A Exp. ratio was lower than 2023.
	△66 mil.JPY	・Launch of Inagawa DC Phase 2 in April 2023, etc.
	+46 mil.JPY	・Decrease in sending paper cost, etc.
	+285 mil.JPY	・Decrease in flyer and listing Ad. costs, etc.
	+546 mil.JPY	・Sales per box increased, increase in productivity, etc.
	+691 mil.JPY	・Decrease in packing cost ratio due to increase in sales per box. Incurred higher computer-related cost last year for relocating head office, etc.
	+719 mil.JPY	・End of lease contract for Amagasaki DC, decrease in sales ratio due to sales increase, etc.
	+801 mil.JPY	・Sales per box increased, increase in productivity, etc.

2024 Op. Income：38,550 mil. JPY（YonY: +5,875 mil. JPY, +18.0%）

*1: Amounts are effects on Operating Income by changes of rates, not actual amounts.

Distribution-related Cost vs. Last Year / vs. Plan

- Distribution-related Cost sales ratio 2024: 6.7%
  - 0.7pt. lower than 2023 Result.
    - Labor and outsourcing expense ratio decreased: △0.4pt. (while wages increased, increase in sales per box resulted in decrease in number of box handled per sales, productivity of Inagawa DC improved, etc.).
    - Facility Rent expense ratio decreased:△0.2pt. (end of lease contract for Amagasaki DC, decrease in sales ratio due to sales increase, etc.).
    - Other expense ratio decreased: △0.1pt. (decrease in packing cost ratio due to increase in sales per box, etc.).
  - 0.2pt. lower than Plan.
    - Facility Rent expense ratio decreased: △0.1pt. (variance in rental expenses for external warehouses).
    - Other expense ratio decreased: △0.1pt. (variance in estimated utilities at DCs, etc.).

	2023 Result		2024 Plan		2024 Result			
	Amount (mil.JPY)	Sales Ratio	Amount (mil.JPY)	Sales Ratio	Amount (mil.JPY)	Sales Ratio	YonY	vs Plan
Sales (Non-consol.)	243,352		273,549		276,100		+13.5%	+0.9%
Depreciation	3,098	1.3%	3,590	1.3%	3,499	1.3%	+13.0%	△2.5%
Labor & Outsourcing	8,019	3.3%	8,056	2.9%	8,026	2.9%	+0.1%	△0.4%
Facility Rent	3,665	1.5%	3,694	1.4%	3,479	1.3%	△5.1%	△5.8%
Others	3,242	1.3%	3,580	1.3%	3,430	1.2%	+5.8%	△4.2%
Total	18,026	7.4%	18,922	6.9%	18,435	6.7%	+2.3%	△2.6%

Financial Result B/S Outline

		Dec. 2023	Dec. 2024	
		mil. JPY	mil. JPY	Ratio
Assets				
	Cash	17,995	29,981	20.8%
	Accounts Receivable	28,802	32,981	22.9%
	Inventory	17,513	19,298	13.4%
	Other	8,089	8,704	6.0%
Total Current Assets		72,400	90,966	63.0%
	Tangible Fixed Asset	38,335	36,250	25.1%
	Intangible Fixed Assets	6,263	6,419	4.4%
	Other	10,332	10,668	7.4%
Total Fixed Assets		54,931	53,337	37.0%
Total Assets		127,332	144,304	

		Dec. 2023	Dec. 2024	
		mil. JPY	mil. JPY	Ratio
Liabilities				
	Accounts Payable	16,304	19,016	13.2%
	Short-term Debt & etc.	4,500	—	0.0%
	Others	14,267	15,367	10.6%
Total Current Liabilities		35,072	34,383	23.8%
Total Long term Liabilities		4,006	4,129	2.9%
Total Liabilities		39,079	38,513	26.7%
Net Assets				
Shareholder's Equity		88,225	105,762	73.3%
Others		28	28	0.0%
Total Net Assets		88,253	105,790	73.3%
Total Liabilities & Net Assets		127,332	144,304	

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

2024 Jan. to Dec.
(Overseas Subsidiaries)
Financial Result Overview

Overseas Subsidiaries Financial Result P/L Outline 1/2

NAVIMRO (South Korea)

- Enterprise business, which has large room for growth, expanded.
- Focused on acquiring corporate customers with high lifetime value and with credit for deferred payment, but sales from small- and medium-sized corporate customers fell short of plan.
- Although Op. Income is negative, Operating Cash Flow is positive excluding depreciation of distribution center launched in 2023.

	2023 Result			2024 Plan			2024 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	9,300	+15.8%	+9.4%	10,800	+16.1%	+16.1%	9,950	+7.1%	△7.8%	+3.7%	△10.7%
Op.Income	△110	—	—	△10	—	—	△120	—	—	—	—
Net Income x Share (*1)	△120	—	—	△30	—	—	△150	—	—	—	—

MONOTARO INDONESIA (Indonesia)

- Number of corporate customers who purchase products on regular basis is increasing.
- In order to realize one stop shopping, expanding product SKU, and promoting inventory synchronization with suppliers.

	2023 Result			2024 Plan			2024 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	970	+34.2%	+28.4%	1,280	+30.7%	+30.7%	1,260	+29.1%	△1.2%	+25.0%	△4.3%
Op.Income	△330	—	—	△320	—	—	△300	—	—	—	—
Net Income x Share (*1)	△160	—	—	△160	—	—	△150	—	—	—	—

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

Overseas Subsidiaries Financial Result P/L Outline 2/2

IB MonotaRO (India)

- Sales plan not attained; however, repeat rate of order improved due to focus on sales of consumables.
- Acquired corporate customers with high lifetime value in commercial and industrial areas, and ratio of corporate customers with large scale increased.
- Established three new logistics sites in 2024 for shortening lead time (currently five logistics sites are in operation).

	2023 Result			2024 Plan			2024 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 (*2)	1,240	+19.6%	+17.5%	1,420	+14.3%	+14.3%	1,300	+4.1%	△8.9%	△2.1%	△14.4%
Sales (*2)	790	+15.4%	+13.3%	930	+17.2%	+17.2%	930	+17.3%	+0.1%	+10.2%	△5.9%
Op.Income	△790	—	—	△800	—	—	△1,010	—	—	—	—
Net Income x Share (*1)	△410	—	—	△410	—	—	△550	—	—	—	—

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

2025 Jan. to Dec.
Business Plan & Strategy

Consolidated P/L Plan Outline

	2024 Result		2025 Plan		
	Amount (mil.JPY)	Sales Ratio	Amount (mil.JPY)	Sales Ratio	YonY
Sales	288,119		328,173		13.9%
Gross Profit	84,420	29.3%	96,841	29.5%	14.7%
SG&A Exp.	47,353	16.4%	53,841	16.4%	13.7%
Operating Income	37,066	12.9%	43,000	13.1%	16.0%
Current Income	37,320	13.0%	43,026	13.1%	15.3%
Net Income	25,726	8.9%	29,832	9.1%	16.0%
(Tax Rate)	(30.8%)		(30.6%)		
Net Income attributable to owners of the parent	26,338	9.1%	30,284	9.2%	15.0%

	2025 Jan.- Jun. Plan			2025 Jul.- Dec. Plan		
	Amount (mil.JPY)	Sales Ratio	YonY	Amount (mil.JPY)	Sales Ratio	YonY
Sales	159,579		14.5%	168,594		13.4%
Gross Profit	46,806	29.3%	14.8%	50,034	29.7%	14.7%
SG&A Exp.	26,874	16.8%	16.5%	26,967	16.0%	11.0%
Operating Income	19,932	12.5%	12.4%	23,067	13.7%	19.3%
Current Income	19,937	12.5%	11.6%	23,089	13.7%	18.7%
Net Income	13,652	8.6%	12.3%	16,179	9.6%	19.3%
(Tax Rate)	(31.5%)			(29.9%)		
Net Income attributable to owners of the parent	13,899	8.7%	11.2%	16,385	9.7%	18.4%

*: 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%

Non-consol. P/L Plan Outline 1/2

	2024 Result		2025 Plan		
	Amount (mil.JPY)	Sales Ratio	Amount (mil.JPY)	Sales Ratio	YonY
Sales (*1)	276,100		314,876		14.0%
Enterprise Bus. (*1)	86,083	31.2%	107,761	34.2%	25.2%
Gross Profit	82,141	29.8%	93,873	29.8%	14.3%
SG&A Exp.	43,591	15.8%	49,792	15.8%	14.2%
Operating Income	38,550	14.0%	44,080	14.0%	14.3%
Current Income	38,805	14.1%	44,120	14.0%	13.7%
Net Income (Tax Rate)	25,984 (29.6%)	9.4%	30,926 (29.9%)	9.8%	19.0%

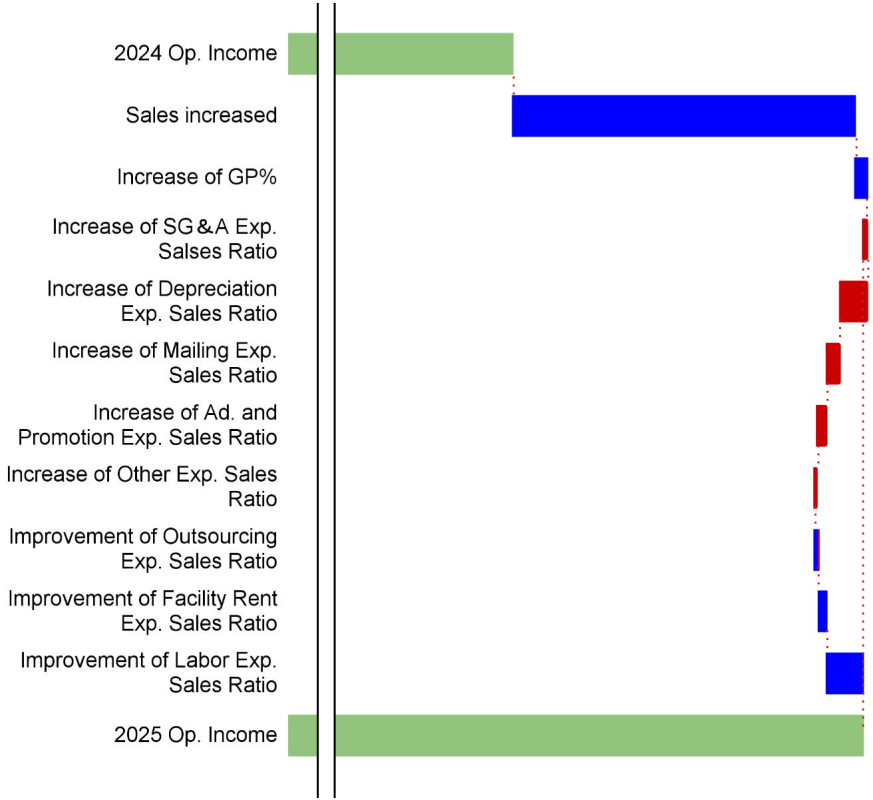
	2025 Jan.- Jun. Plan			2025 Jul.- Dec. Plan		
	Amount (mil.JPY)	Sales Ratio	YonY	Amount (mil.JPY)	Sales Ratio	YonY
Sales (*1)	153,296		14.8%	161,579		13.3%
Enterprise Bus. (*1)	51,950	33.9%	26.3%	55,810	34.5%	24.2%
Gross Profit	45,418	29.6%	14.4%	48,454	30.0%	14.2%
SG&A Exp.	24,887	16.2%	17.4%	24,905	15.4%	11.2%
Operating Income	20,531	13.4%	10.9%	23,549	14.6%	17.5%
Current Income	20,551	13.4%	10.2%	23,569	14.6%	17.0%
Net Income (Tax Rate)	14,266 (30.6%)	9.3%	10.2%	16,659 (29.3%)	10.3%	27.8%

*1: Considering number of business days (120/124 days in 1st. Half/2nd Half 2024 and 119/122 days in 1st Half/2nd Half 2025).

Non-consol. P/L Plan Outline 2/2 vs. 2024 Results

	2024 Result (A)		2025 Plan(B)		Difference (B-A)		
	Amount (mil.JPY)	Sales Ratio	Amount (mil.JPY)	Sales Ratio			
Sales	276,100	—	314,876	—	Amount (mil.JPY)	+38,775	■ monotaro.com: Continue to acquire new customers and increase sales per customer. ■ Enterprise Business: +25.2%. Aim to expand number of new companies connected to procurement management system, and to increase number of customers we acquire. Increase sales personnels and strengthen sales activities to locations with low penetration.
					YonY	+14.0%	
					Sales Ratio	-	
Gross Profit	82,141	29.8%	93,873	29.8%	Amount (mil.JPY)	+11,731	■ Product GP% decreases (△0.2pt.: Downtrend remains due to product mix. Working on improving Product GP in second half of fiscal year through refinement of sales prices, etc.). ■ Delivery & other COGS ratios improves (+0.1pt.: Improve shipping rates due to increased sales per box) ■ Royalty income increases.
					YonY	+14.3%	
					Sales Ratio	+0.0%	
SG&A Exp.	43,591	15.8%	49,792	15.8%	Amount (mil.JPY)	+6,201	■ Labor Exp. ratio decreases (△0.2pt: Improvement in logistics department due to increase in sales per box shipped, etc.). ■ Facility Rent Exp. ratio decreases (△0.1pt: Decrease in distribution-related rent expenses ratio to sales due to higher sales, etc.). ■ Depreciation Exp. ratio increases (+0.1pt.: Early amortization of OMS). • Given change in circumstances after launching OMS, decided to retire OMS based on judgment in-house system leads to future business development and cost reductions. Early amortization be recognized. ■ Ad. Prom. Exp. ratio increases (+0.1pt.: Resuming catalog production cost).
					YonY	+14.2%	
					Sales Ratio	+0.0%	
Operating Income	38,550	14.0%	44,080	14.0%	Amount (mil.JPY)	+5,530	■ Sales growth is +14.0%, while both GP% and SG&A% are almost flat YoY, as result, operating profit margin is +14.3%.
					YonY	+14.3%	
					Sales Ratio	+0.0%	
Net Income (Tax Rate)	25,984 (29.6%)	9.4%	30,926 (29.9%)	9.8%	Amount (mil.JPY)	+4,941	■ Net income margin improved (+0.4pt.), as previous year had recorded loss on valuation of stocks of overseas subsidiaries (1,763 million JPY).
					YonY	+19.0%	
					Sales Ratio	+0.4%	

Operating Income Change Factors



2024 Op. Income：38,550 mil. JPY

+5,414 mil.JPY	■ monotaro.com: Sales per order and order count increases. ■ Enterprise Business: Maintain high growth rate.
+196 mil.JPY	■ Product GP% decreases due to product mix. ■ Delivery cost ratios improves. ■ Royalty income increases.
△80 mil.JPY	■ SG&A ratio increases due to following reasons.
△445 mil.JPY	・Due to early amortization of OMS, etc.
△198 mil.JPY	・Due to shipping of catalogs, etc.
△155 mil.JPY	・Due to publication of catalogs, etc.
△41 mil.JPY	・Due to increase in cardboard costs, etc.
+69 mil.JPY	・Outsourcing Expense increases; however, sale ratio decreases due to higher sales.
+126 mil.JPY	・Facility rent sales ratio decreases due to sales increase, etc. (HQ rent increases by contract term; however, sales ratio of warehouse rent decreases due to higher sales).
+563 mil.JPY	・Increase in sales per box shipped, etc.

2025 Op. Income：44,080 mil. JPY（YonY: +5,530 mil. JPY, +14.3%）

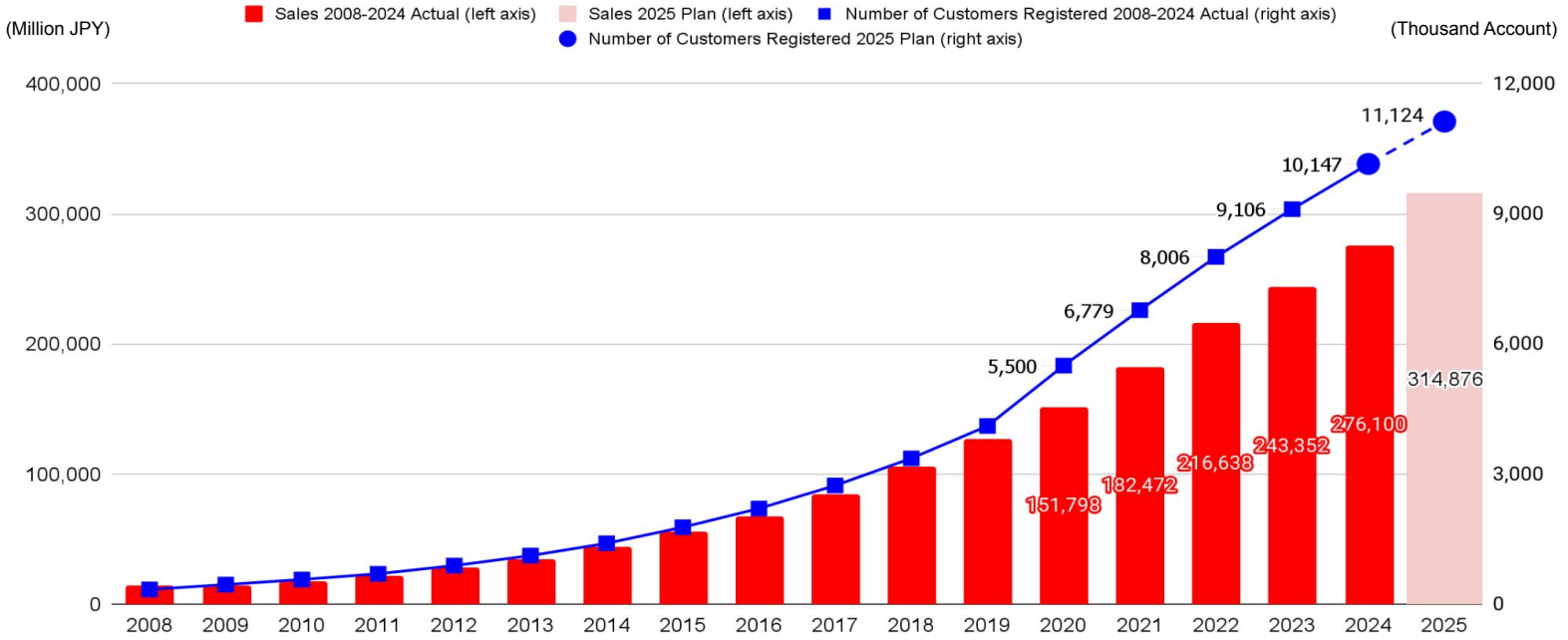
*: Amounts are effects on Operating Income by changes of rates, not actual amounts.

Distribution-related Cost

- Distribution-related Cost sales ratio 2025: 6.3%
  - 0.4pt. lower than 2024 Result.
    - Depreciation expense ratio decreases: △0.2pt. (due mainly to sales increase.).
    - Facility Rent expense ratio decreases: △0.2pt. (due mainly to sales increase.).
    - Labor & Outsourcing expense ratio decreases: △0.1pt. (increase in sales per box resulted in decrease in number of box handled per sale, etc.).

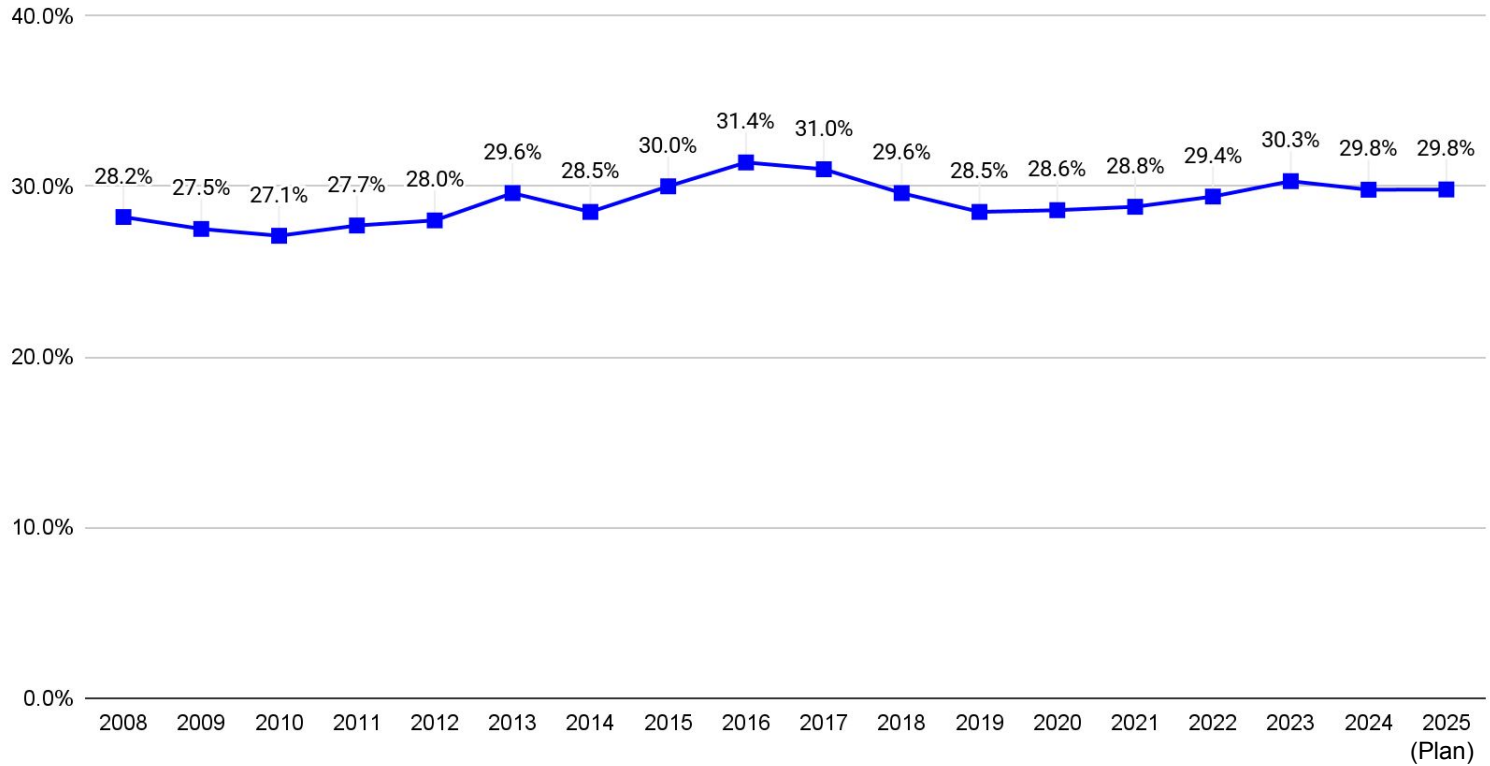
	2023		2024						2025					
	Year Result		First Half Result		Second Half Result		Year Result		First Half Plan		Second Half Plan		Year Plan	
	Amount (mil.JPY)	Sales Ratio	Amount (mil.JPY)	Sales Ratio	Amount (mil.JPY)	Sales Ratio	Amount (mil.JPY)	Sales Ratio	Amount (mil.JPY)	Sales Ratio	Amount (mil.JPY)	Sales Ratio	Amount (mil.JPY)	Sales Ratio
Sales (Non-consol.)	243,352		133,531		142,569		276,100		153,296		161,579		314,876	
Depreciation	3,098	1.3%	1,738	1.3%	1,761	1.2%	3,499	1.3%	1,781	1.2%	1,819	1.1%	3,601	1.1%
Labor & Outsourcing	8,019	3.3%	3,924	2.9%	4,101	2.9%	8,026	2.9%	4,380	2.9%	4,486	2.8%	8,866	2.8%
Facility Rent	3,665	1.5%	1,732	1.3%	1,746	1.2%	3,479	1.3%	1,792	1.2%	1,788	1.1%	3,581	1.1%
Others	3,242	1.3%	1,648	1.2%	1,781	1.2%	3,430	1.2%	1,965	1.3%	1,964	1.2%	3,930	1.2%
Total	18,026	7.4%	9,044	6.8%	9,391	6.6%	18,435	6.7%	9,919	6.5%	10,059	6.2%	19,979	6.3%

Non-consol. Progress - Sales & Customer

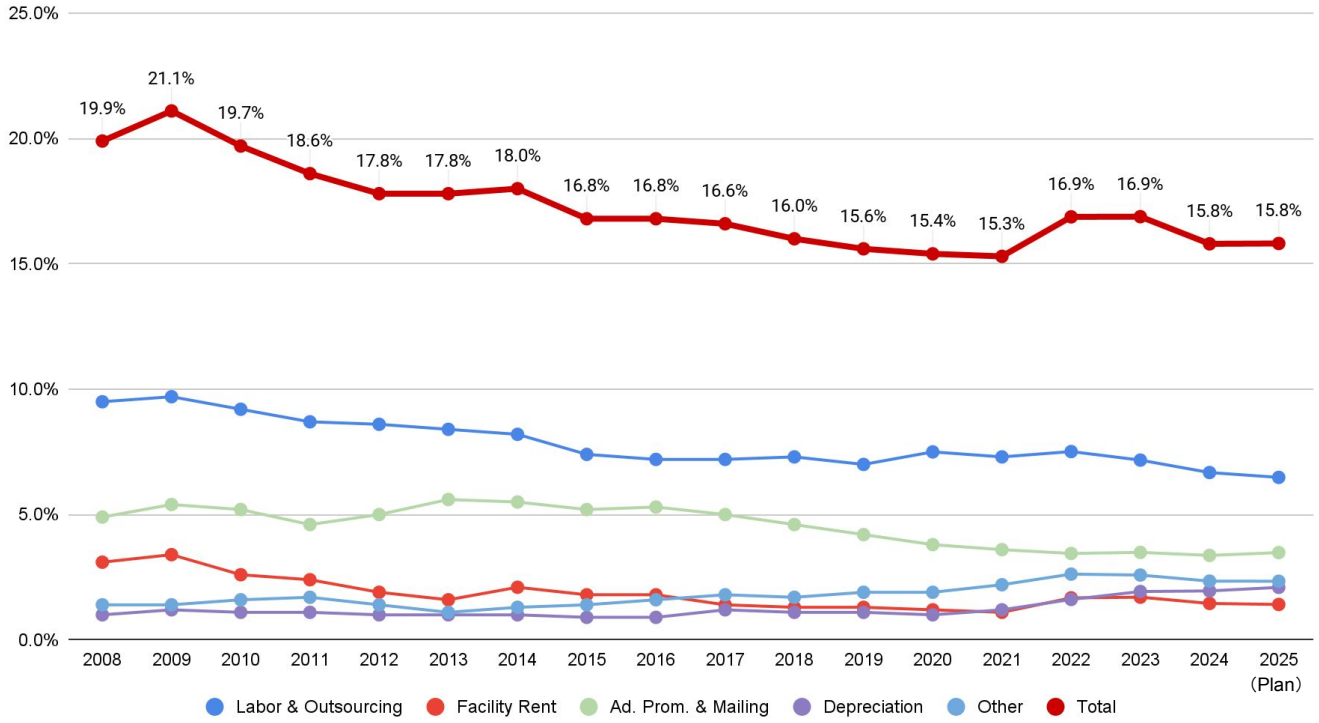


	Dec. 2023		Dec. 2024		Dec. 2025 (Plan)	
Number of Registered Customers (thousand account)	9,106.5	+1,100.1 (vs. Dec.2022)	10,147.2	+1,040.7 (vs. Dec.2023)	11,124.0	+976.8 (vs. Dec.2024)

Non-consol. Progress - Gross Profit Ratio



Non-consol. Progress - SG&A Expense Ratio



Expense Breakdown		
	2024 Result	2025 Plan
Labor	4.4%	4.2%
Outsourcing	2.3%	2.3%
Facility Rent	1.5%	1.4%
Ad & Promotion	3.2%	3.3%
Mailing	0.2%	0.2%
Depreciation	2.0%	2.1%
Others	2.3%	2.3%
Total	15.8%	15.8%

Domestic Business 1/3

Market Analysis by Customer Size and MonotaRO's Current Status

Approach:

- Micro-Mid: Based upon LTV calculations, maximizing acquisition of new customers, retaining acquired customers, and increasing LTV of retained customers.
- Mid-Large: Expanding new companies linked to procurement management system and acquiring end users through penetrating bases/increasing order size.

	Customer size (*1) (Market size: approx. 8-10 trillion JPY)	MonotaRO's situation ( ) is change from end of 2023	Looking back on 2024	Strategies for 2025
monoaro.com	**Micro** (Sole Proprietorship, General Consumers, Other)	• 2024 Sales share: 10% (△1pt.) • 2024 Sales YoY growth: 1% (+3pt.)	• Demand temporarily increased for emergency products due to impact of alert over risk of Nankai Trough megaquake, etc.	• Optimizing direct marketing based upon expected LTV.
	Small (Legal Entity with Sales < 2 bil. JPY etc., about 4.5 mil. corps.)	• 2024 Sales share: about 39% (△1pt.) • 2024 Sales YoY growth: 10% (±0pt.) • Corp. registration rate (*2): about 25%	• Increased active customers through measures to reactivate dormant customers. • Renewed customer list and strengthened acquisition and retention of new customers based on expected LTV (e.g. flyers from Aug.) • Released sales promotion system that enables more advanced integrated marketing and personalization (May).	• Strengthening measures to acquire new customers and retaining existing customers by improving each channel and sales promotion base. • Creating sales spaces (e.g. catalogues) aimed at re-accelerating sales growth from first-time purchases for existing customers, for whom growth rates have been declining since 2023.
Enterprise Business	**Mid** (Legal Entity with Sales < 30 bil. JPY etc., about 60,000 corps.)	• 2024 Sales share: about 22% (±0pt.) • 2024 Sales YoY growth: 15% (+1pt.) • Sales via procurement management system: about 30% • Corp. registration rate (*2) is high about 85%, while penetration rate of bases (*3) is about 20%.	• Updated customer list and started measures to acquire new bases and customers and retain them (start to send flyers and insidesales from Aug.). • Restarted sales activities to expand system linkage (from Dec.) .	• Strengthening measures to acquire new customers and retaining existing customers by improving each channel and sales promotion base. • Strengthening sales activities for Mid customers to immigrate to system connection.
	Large (Legal Entity with Sales > 30 bil. JPY etc., about 6,500 corps.)	• 2024 Sales share: 29% (+3pt.) • 2024 Sales YoY growth: 25% (△1pt.) • Sales via procurement management system: about 90% • Corp. registration rate (*2) is over 90%, while penetration rate of bases (*3) is about 10%. • About 1K corps are connected to system.	• Improved accuracy of corporations and its locations' potential opportunities. • Strengthened sales system has led to new system connection with 50 companies of sales over 100 bil. JPY (went beyond plan). • On-site sales activity trials began.	• Continuing activities to acquire company with new system connection. • Strengthening on-site sales activities targeting high-potential locations. • Developing services for enterprise customers (e.g. specification of delivery date & time, etc.).

* : Update from 2024 version: expanding data source and refining definition (discontinuous of business and corporate number, detailed examination of data on business organisations other than corporations).
*1: Customer size are for customers as of end of 2024.
*2: Rate of corporate customers having at least one person who has MonotaRO account.
*3: Percentage of business offices and sites that have at least one person holding account with MonotaRO among those of company.

Domestic Business 2/3

BtoB Online E-commerce (monotaro.com)

Acquiring New Customers	Expanding Existing Customers' Sales
・Obtaining renewed potential customer list and utilizing list to acquire new customers with high expected LTV. ・Promoting customer acquisition by utilizing new sales promotion platform system.	・Improving retention rate by utilizing new sales promotion platform system. ・Strengthening sales growth of existing customers by enhancing merchandising (catalogs, etc.), aiming to re-accelerate sales growth from products firstly purchased by such existing customers.

System Connection with Large Corporations (Enterprise Business)

Acquiring New Customers	Expanding Customers' Usage
・Developing sales activities targeting Mid/Large sized customers for promoting system connection. ・Continuing to hold seminars and other opportunities for contacting with large-scale customers.	・Strengthening on-site sales activities for high-potential customers' sites. ・Developing services for large customers (efforts to strengthen delivery services, such as specification of delivery dates, etc.).

2023 Result			2024 Result				2025 Plan		
Mil. JPY	YonY	/Total Sales	Mil. JPY	YonY	vs Plan	/Total Sales	Mil. JPY	YonY	/Total Sales
67,327	+34.6%	27.7%	86,083	+27.9%	△0.3%	31.2%	107,761	+25.2%	34.2%

	Dec. 2023 End Result	Dec. 2024 End Result	
	No. Corp.	No. Corp.	vs Dec. 2023 End
Total number of corporations (ONE SOURCE / ONE SOURCE Lite)	(*1)3,578 (2,827)	(*1) 3,845 (2,994)	+267 (+167)

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

Royalty Business

	2024 Result	2025 Plan
Target Business (Grainger's Zoro business in US & UK)	・Sales in US grew from 2023. ・OP higher than 2023 and plan.	・Sales growth (daily basis) expected to be double digits.
Royalty Income	・Amount received increased from 2023 and plan.	・Amount to receive planned to be higher than 2024.

Domestic Business 3/3

■ Actions to Improve Customer Fulfillment

	Order cut-off time extension for same-day shipping (3:00 p.m. ⇒ 5:00 p.m.)	Specification of delivery date & time
Action	 Extending cut-off time for same-day shipping to 5:00 p.m. ・Started in following area (area coverage rate of approx. 50%). – Sep. 2024: Started in South Kanto – Dec. 2024: Started in Kansai ・Started activities for customer recognition from Nov. 2024 – TV Commercial in Kansai from Jan. 2025	 Easily able to specify delivery date via link in email notifying delivery schedule. ・Customers can specify delivery date & time via Yamato Transport website after shipment from distribution center (Since Jul. 2024).
Next action	・Extend order cut-off time for same-day shipping nationwide, excluding some regions (to be implemented by end of 2025). ・Expand customer recognition via ads in media (TV/Radio/Internet).	・Allowing customers to specify delivery date & time on our website when placing orders. ・Developing services for customers connected to procurement management system, who have higher demand for specifying delivery date.

International Subsidiary

NAVIMRO (South Korea)

- Increasing sales of web-order business.
- Increasing operational level of new DC by increasing logistic volume through sales growth.

	2024 Result			2025 Plan		
	Amount (mil. JPY)	YonY	YonY (Local Currency)	Amount (mil. JPY)	YonY	YonY (Local Currency)
Sales	9,950	+7.1%	+3.7%	10,570	+6.2%	+6.2%
Op. Income	△120	–	–	△0	–	–
Net Income × Share (*1)	△150	–	–	△10	–	–

MONOTARO INDONESIA (Indonesia)

- Sales grow by 40% from previous year due to expansion of new customer by strengthening direct sales and to large customer expansion, which has been in full progress since 2024.
- Establishing new logistics site on island of Kalimantan for expanding business areas.

	2024 Result			2025 Plan		
	Amount (mil. JPY)	YonY	YonY (Local Currency)	Amount (mil. JPY)	YonY	YonY (Local Currency)
Sales	1,260	+29.1%	+25.0%	1,770	+40.6%	+40.6%
Op. Income	△300	–	–	△260	–	–
Net Income × Share (*1)	△150	–	–	△150	–	–

IB MONOTARO (India)

- Transitioning business to focused segments in first half 2025, and fully expand its business from second half, but annual sales will remain flat.
- Strengthening insidesales for customers who have registered but not yet made use of service.
- Starting delivery by own tracks to differentiate Company from others.

	2024 Result			2025 Plan		
	Amount (mil. JPY)	YonY	YonY (Local Currency)	Amount (mil. JPY)	YonY	YonY (Local Currency)
Gross Merchandise Value (*2)	1,300	+4.1%	△2.1%	1,260	△2.3%	△2.3%
Sales (*2)	930	+17.3%	+10.2%	940	+0.7%	+0.7%
Op. Income	△1,010	–	–	△810	–	–
Net Income × Share (*1)	△550	–	–	△470	–	–

*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.
*: Sales and profit/loss less than 10 million JPY are rounded down as shown in explanation material in Japanese language.

Sustainability

Status Update

			Action in 2024
Prioritized Action Areas	Environment	Reduction of CO2 emissions as measure against climate change	・Calculated CO2 emissions and received third-party assurance report for 2023 (Market-base and Location-base). ・Introduced GHG calculation tools (to rationalize calculation). ・Implemented round use of containers for imported products.
		Proposal and development of environment-conscious products	・Disclosed 10 environmental labels. ・Began selling closed-recycled cardboard under MonotaRO brand. ・Held in-house exhibition of environmentally friendly products with cooperation of four manufacturers in May, 2024.
		Realization of resource-recycling model	・Developed definition of recycling of unneeded materials (including waste) for future progress update. ・Carried out survey to waste disposal companies regarding their recycling performance.
	Social	Sustainable procurement	・Distributed procurement guidelines to approximately 2,500 transaction counterparts. Collecting procurement guideline endorsement and self-inspection questionnaires from approx. 80% of them. ・Audit criteria, objectives, and methods are researched and examined in order to monitor evaluation for compliance with procurement guidelines. ・Conducted sustainability audit at suppliers' factories in presence of our company. ・Shared audit results with suppliers and requested them to make improvements.
		Diversity and Inclusion	・Implemented measures to promote employment of persons with disabilities at head office. Established Reasonable Accommodation Consultation Desk. ・Implemented, analyzed, and reported employee engagement survey and internal D&I awareness survey. ・Conducted D&I promotion week, mental health seminars, brief sessions to promote use of babysitting assistance, and regular childcare round-table discussions.
Governance & Policies			・Disclosed data on prevention of bribery and corruption. ・Disclosed sustainability and human rights policies.
Action in Disaster Occurrence			・When torrential rains occurred in Noto Peninsula in Sep., we supplied disaster relief supplies in cooperation with Ishikawa Prefecture and Ministry of Economy, Trade and Industry.

Action to Implement Management that is Conscious of Cost of Capital and Stock Price

Capital Allocation 1/2

Targets for Mid-to-Long-Term Sales and Profit Growth

We will achieve the following mid-to-long-term goals by evolving our business model for domestic and international sale of indirect materials through Internet and developing necessary services to advance this evolution:

- Sales growth: Over 15% YoY
- Profits growth: Growth that outpaces sales growth

To expand business in domestic and international market, we will invest in technological and operational innovation.

Mid-to-Long-Term Target of ROE Based on Cost of Equity That is Expected by Investors

For the calculation of our cost of equity, we use both the "CAPM Method" and the "Earnings Yield Method" reflecting the return that investors expect from our company. Our cost of equity is calculated to be approximately 7% under the "CAPM Method," and approximately 17% under the "Earnings Yield Method," based on the current stock price and PER levels, and assuming a mid-to-long-term growth rate of 15% expected by investors. Based on this, we aim to achieve:

- ROE level of 30% or higher

Capital Allocation 2/2

Growth Investment and Shareholder Return Policy

We classify growth-investment types into (1) capacity expansion in current domain areas, (2) share gains by enhancing functionality in current domain areas, (3) obtaining of new technologies, (4) accelerating overseas expansion of our business model, (5) gaining new competitive advantages by expanding value proposition in procurement process, (6) addressing potential obsolescence of competitiveness due to new technologies.

Among these, we basically use debt to fund investments in (1) capacity expansion in current domain areas, such as investments in distribution centers, since return on investment is relatively predictable.

With respect to dividends, we will implement:

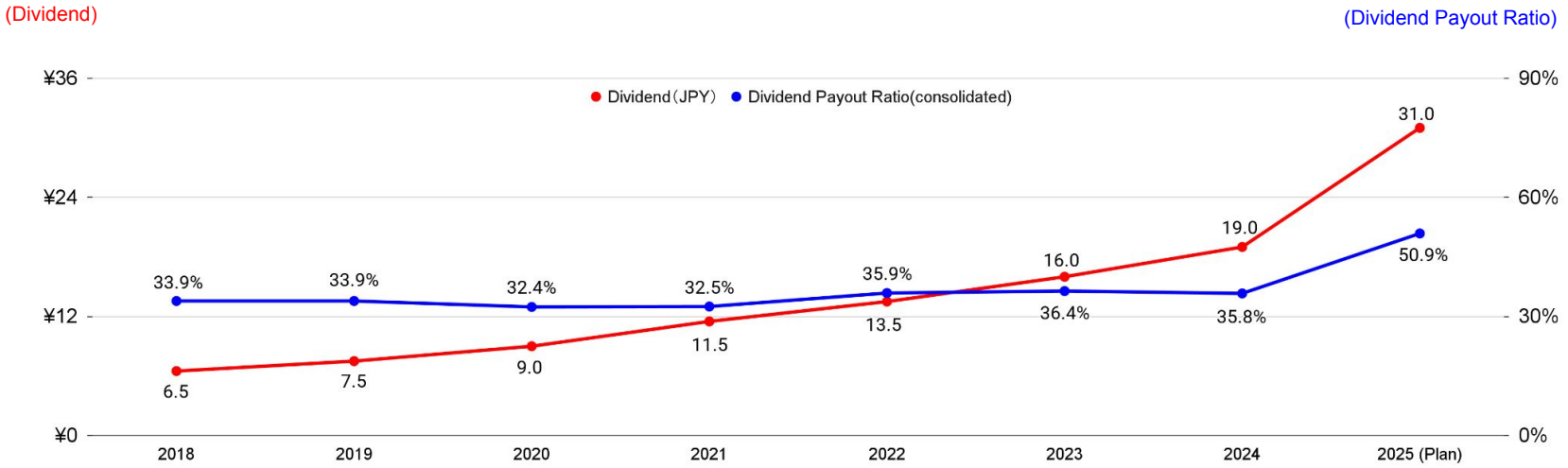
- 50% or higher payout ratio based on net income attributable to owners of the parent

We use remaining cash to growth investments to achieve sales growth YoY exceeding 15% and profit growth exceeding sales growth, while aiming at ROE level of 30% or higher. If we can not use it for the above growth investments, we may use it for shareholder returns through share buybacks.

Shareholder Return

Dividend

- Dividend
  - Dividend Policy : Distributing dividend consistent with stable and ongoing growth (before 2024).
    Aiming to maintain dividend payout ratio of 50% or higher based on net income attributable to owners of the parent (after 2025).
  - 2024 Dividend (forecast): 19.00 JPY/share (9.00 JPY/share interim/actual, 10.00 JPY/share fiscal year end/forecast).
  - 2025 Dividend (plan): 31.00 JPY/share (15.00 JPY/share interim/plan, 16.00 JPY/share fiscal year end/plan).

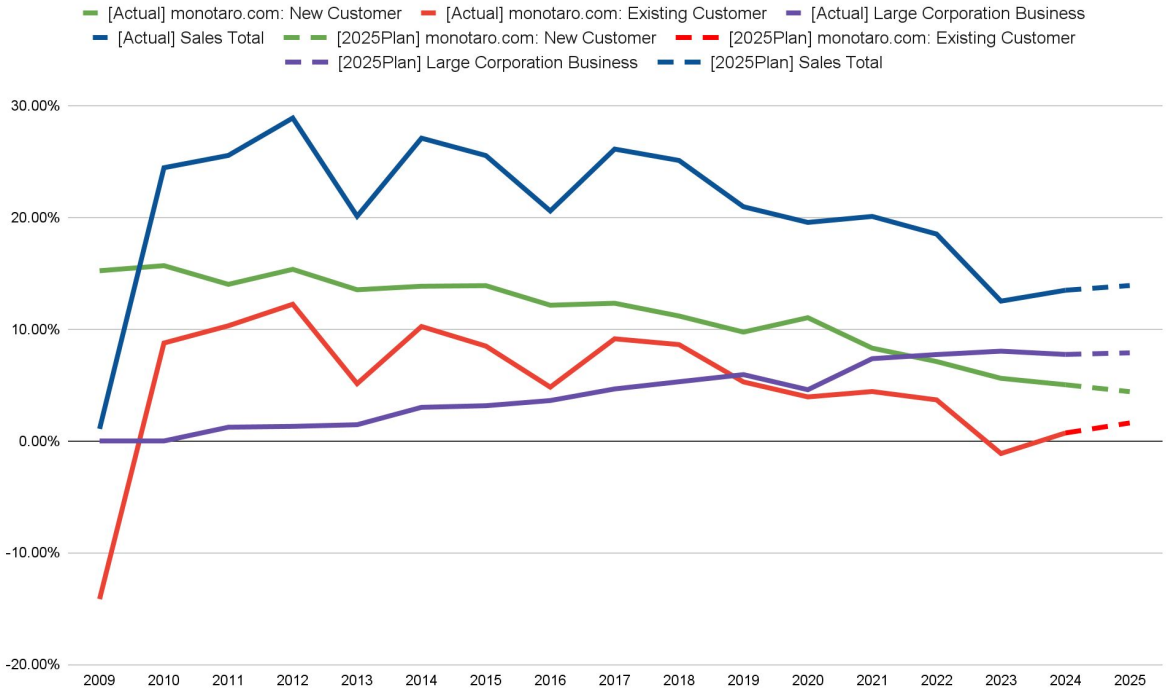


Abolishment of Shareholder Benefit Program

- Abolishment of Shareholder Benefits Program
  - In light of the approach to ensuring fair profit returns to our shareholders, we have determined that it is appropriate to focus solely on profit distribution through dividends, alongside increasing the dividend payout ratio. As such, we have decided to abolish the shareholder benefits program.
- Timing of Abolishment of Shareholder Benefits Program
  - Shareholder benefits program will be abolished following final implementation, which will be granted to shareholders listed on our shareholder registry as of December 31, 2024, who have held one or more units (100 shares) for at least six months.
  - Please note that no shareholder benefits will be offered based on shareholder registry as of December 31, 2025.

Reference

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

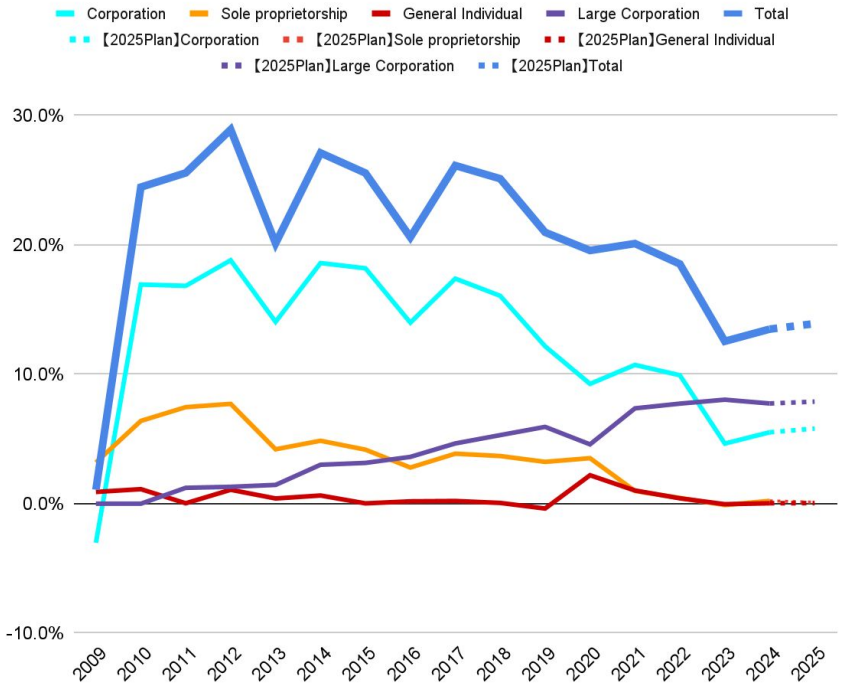


*: Fiscal year contributions of every channel to total sales growth from previous year is organized and shown based on status as of end of 2024.
*: “monotaro.com: New Customer” indicates contribution of sales from customers acquired each fiscal year, and “monotaro.com: Existing Customer” indicates contribution of sales from customers acquired before corresponding year.
*: Previously, orders placed via monotaro.com by customers of Large Corp.Business were classified as sales of "Large Corp. 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).

Reference

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

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

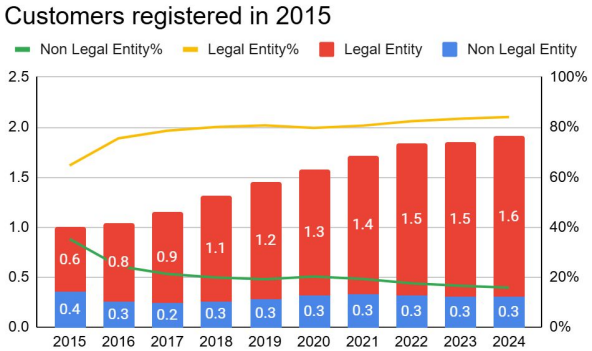


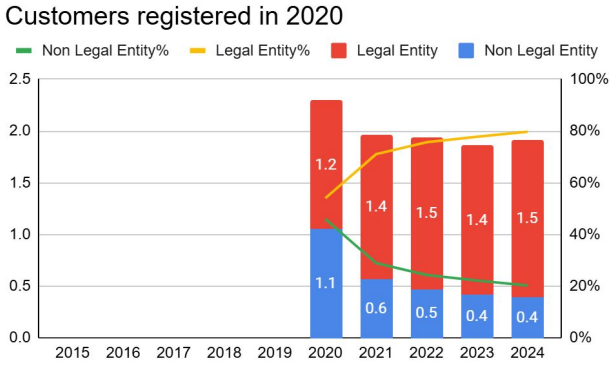
Sales Growth of monotaro.com Corp. Customer
(Contributions of New and Existing Customers)

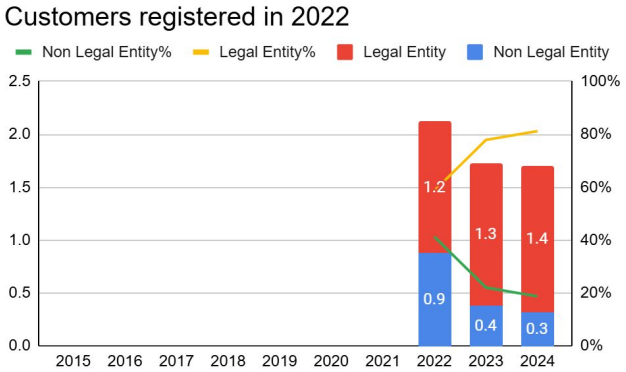


- Growth contribution and growth of corporate customers on monotaro.com
  - Of overall sales growth (13.5% in 2024 result and 14.0% planned in 2025), Total sales growth contribution from corporate customers on monotaro.com is approximately 6% both in 2024 result and 2025 plan (left graph).
  - Sales growth for monotaro.com's corporate customers in 2024 was approximately 10%, and 2025 is approximately 10% (graph above).

Non-consol. Sales Growth & Registered Year





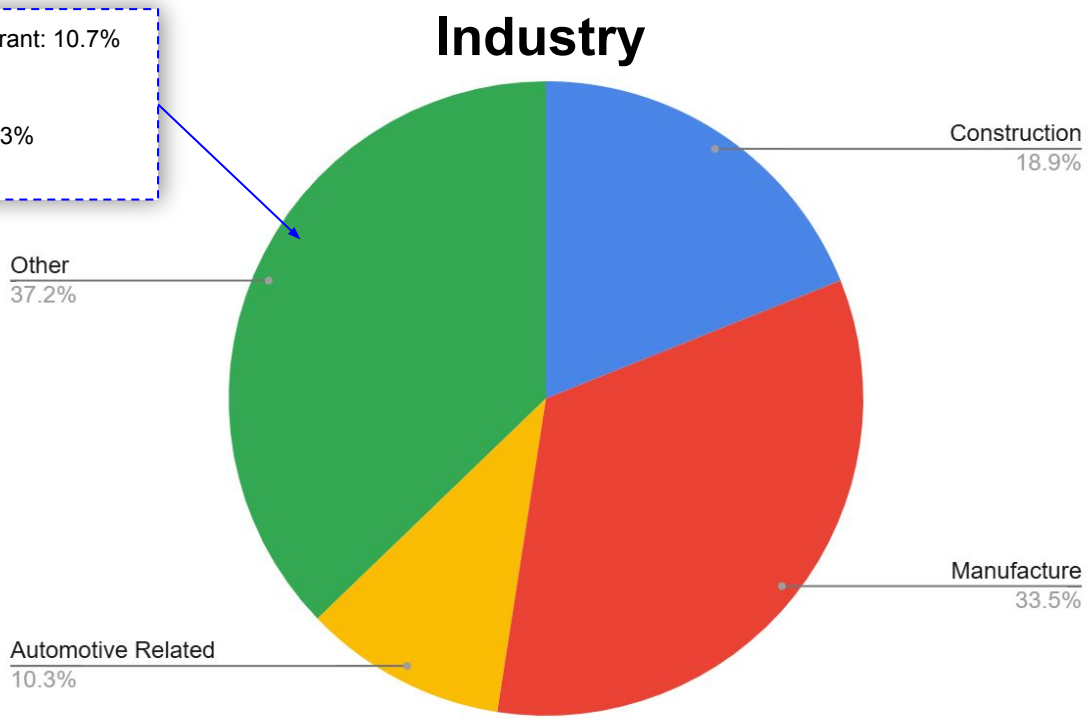


*:Bar chart (left axis) shows sales growth of customers registered in 2015 (10 years passed) and in 2020 (5 years passed) and in 2022 (3 years passed) comparing with sales of customers registered in 2015 by setting 2015 sales as '1'. Bar chart consists of legal entity and non legal entity. Line chart (right axis) shows sales ratio of legal entity and non legal entity in each year.
*:Above history of sales through 'monotaro.com' is updated retroactively at end of 2024 (large corporate sales and sales for customers who switched to procurement management system are not included).

Reference

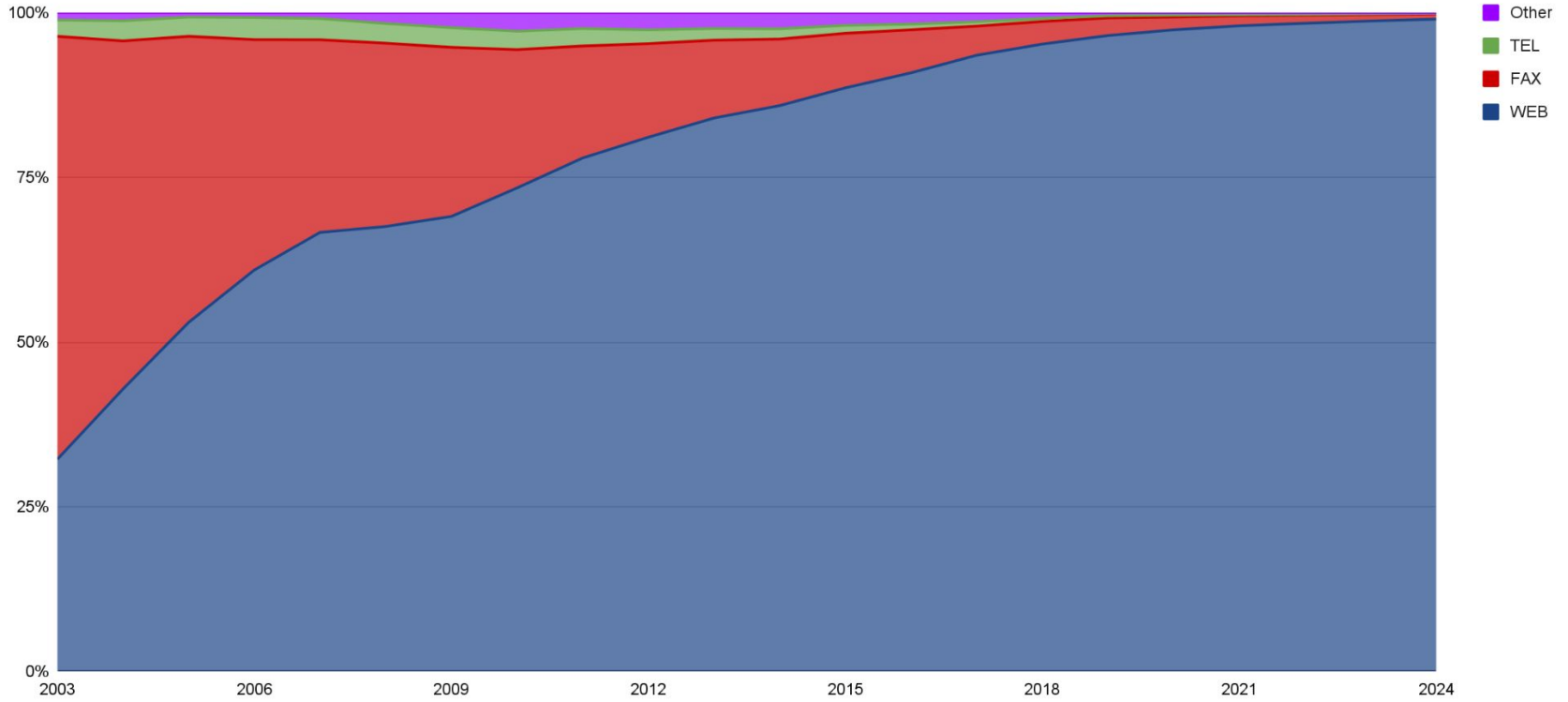
Non-consol. Customer Demographics

- Wholesale, Retail, Restaurant: 10.7%
- Education：2.5%
- Agriculture：2.1%
- Social security/welfare：1.3%
- Medical：1.1%

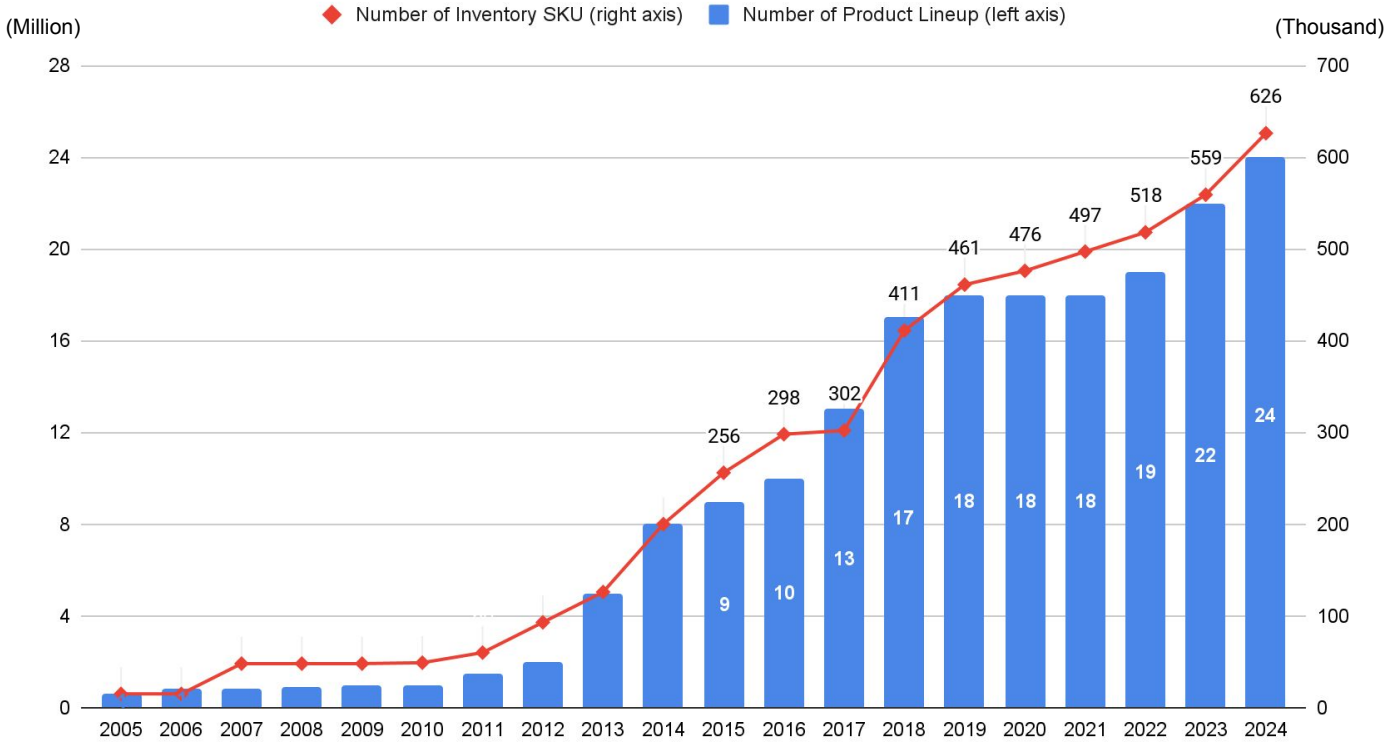


Ratio by sales amount in 2024
(Sales of monotaro.com excluding sales Large Corp. Business)

Non-consol. Internet Purchase Order Ratio

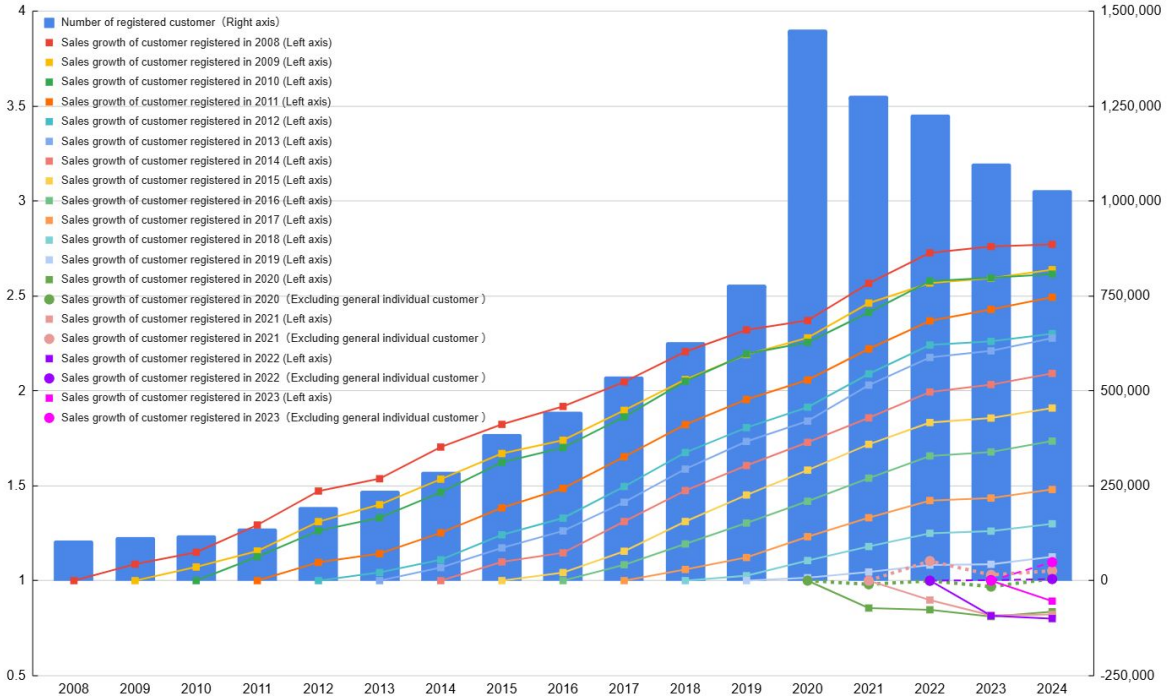


Non-consol. Product Lineup & Inventory



Non-consol. Customer Growth by Year Registered

（Growth Rate of Sales）　　(Number of Registered Customers)

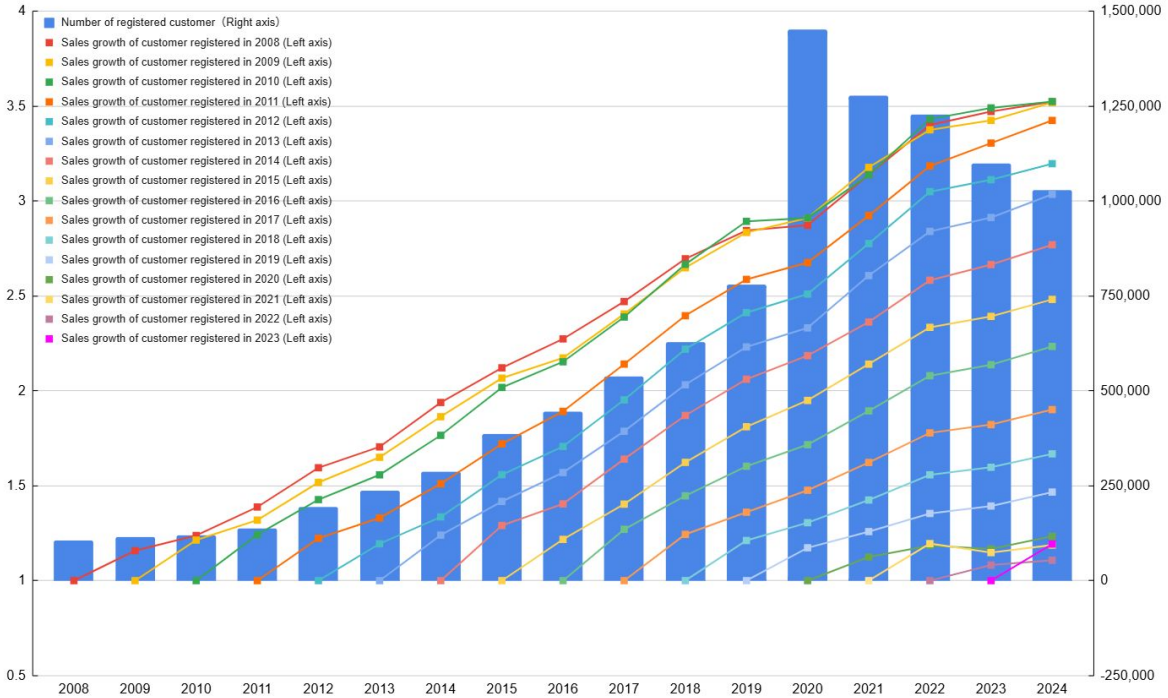


*: Above number of ‘monotaro.com’ registered customers and sales growth are updated retroactively at end of 2024 (large corporate sales and sales for customers who switched to procurement system for enterprise business are not included).
*: Line chart (left axis) shows sales growth ratio of customers registered each year by setting sales in registered year as ‘1.’

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

（Growth Rate of Sales）

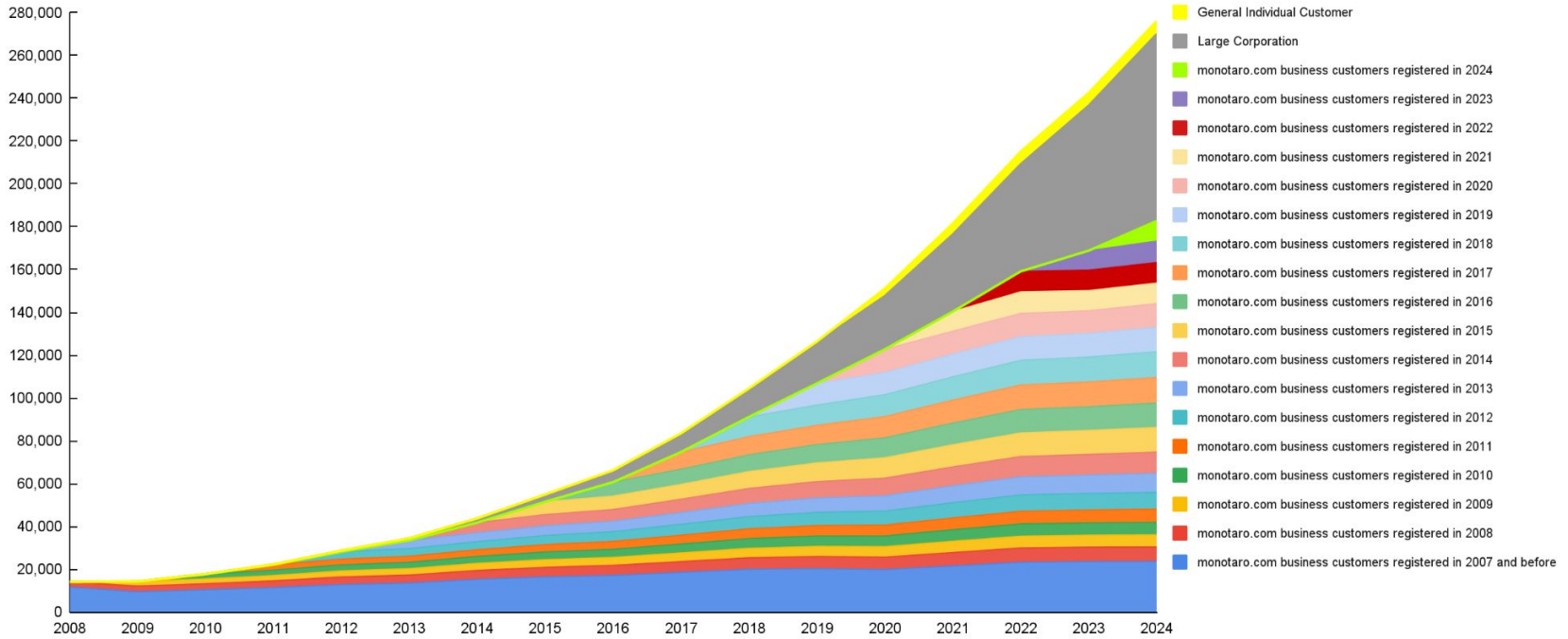
(Number of Registered Customers)



*: Above number of ‘monotaro.com’ registered customers and sales growth are updated retroactively at end of 2024 (large corporate sales and sales for customers who switched to procurement system for enterprise business are not included).
*: Line chart (left axis) shows sales growth ratio of customers registered each year by setting sales in registered year as ‘1.’
*: Bar chart is number of new customers acquired that includes those other than corporate customers.

Non-consol. Sales Trend by Registered Year

(Million JPY)



*: 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 2024.
*: Sales of ‘Large corporation’ are total sales of large corporation customers based upon updated customer status at end of 2024.
*: 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 2024 (IHC MonotaRO was closed and integrated into monotaro.com).

Logistic Sites

	Kasama DC	Ibaraki Chuo SC	Inagawa DC	Mito DC (*)
Exterior Image				
Floor(s)	1 floor	1 floor	6 floors (leased)	4 floors
Total Floor Area	approx. 56,000 ㎡	approx. 49,000 ㎡	approx. 194,000 ㎡	approx. 75,000 ㎡
Operation Time	Mon. - Fri. 24 hr. (Sat. & Sun.9:00-18:00)	Mon. - Fri. 9:00-22:00 (Sat. 9:00-18:00)	Mon. - Fri. 24 hr. (Sat. & Sun.9:00-18:00)	Planning
Inventory Capacity	330 thou. SKU	30 thou. SKU	550 thou. SKU	500 thou. SKU
Shipping Capacity	100 thou. line/ day	30 thou. line/ day	180 thou. line/ day	300 thou. line/ day
When started/ to start shipping	Apr. 2017	Apr. 2021	Phase 1, Apr. 2022 Phase 2, Apr. 2023	May 2028 (planned)

*: Name of distribution center scheduled to start operation in 2028 has been referred to as “Shin Kanto DC” but will be referred to as “Mito DC.”

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 wide range of possible reasons. In light of many risks and uncertainties, you are advised not to put undue reliance on these statements.

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