



Fiscal Year of 2024

(Jan. to Dec. 2024)

MonotaRO Co., Ltd
www.monotaro.com

- 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 | YoY | 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 ^(*) (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 (Δ = increase) | Δ 2,808 | Δ 4,214 |
| Increase or Decrease in Inventory (Δ = increase) | 781 | Δ 1,768 |
| Increase or Decrease in Accounts Payable (Δ = decrease) | 1,345 | 2,780 |
| Tax payment | Δ 8,049 | Δ 10,530 |
| Increase or Decrease in Accrued Consumption Taxes (Δ = decrease) | 1,747 | Δ 50 |
| Others (*1) | 1,270 | Δ 489 |
| Total | 29,932 | 28,662 |
| Cash Flow from Investing Activity | | |
| Acquisition of Tangible Assets | Δ 5,852 | Δ 1,320 |
| Acquisition of Intangible Assets | Δ 2,107 | Δ 2,178 |
| Others | Δ 441 | Δ 83 |
| Total | Δ 8,401 | Δ 3,582 |
| Cash Flow from Financing Activity | | |
| Repayments of Long-term Debt | Δ 4,715 | Δ 4,722 |
| Cash Dividends Paid | Δ 7,451 | Δ 8,444 |
| Others | 461 | Δ 172 |
| Total | Δ 11,705 | Δ 13,339 |
| Currency Exchange Adjustment | 42 | 176 |
| Net Increase or Decrease in Cash and Cash Equivalent (Δ = 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

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 | YoY | 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% |

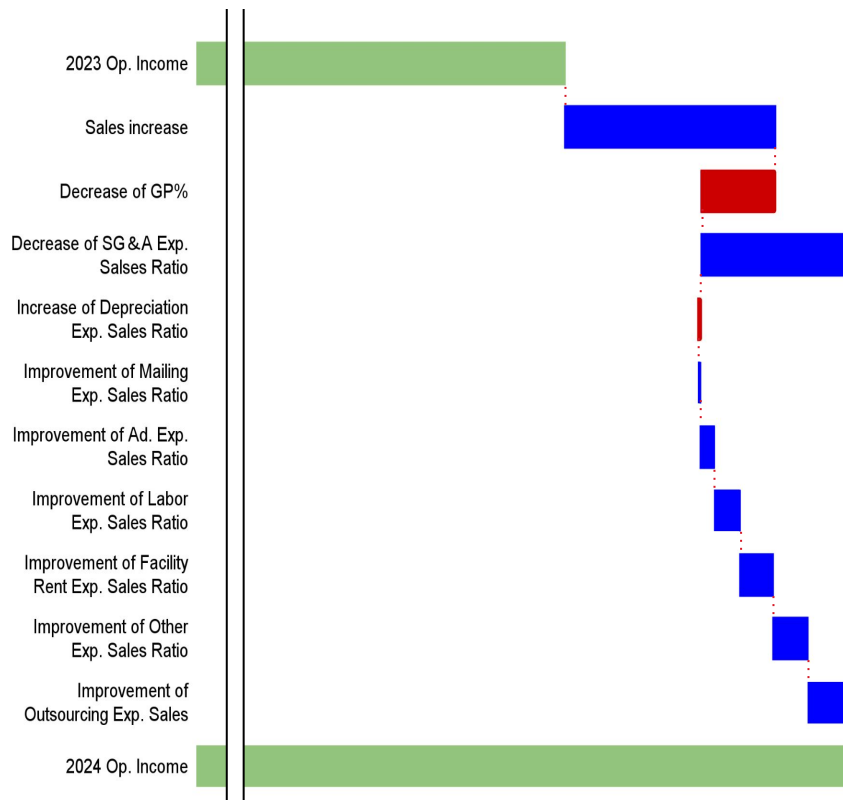
Financial Result P/L Outline 2/3 vs. Last Year

| | 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 | <ul style="list-style-type: none"> 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 | <ul style="list-style-type: none"> Product GP% decreased ($\Delta 0.7$pt.: 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 | $\Delta 0.5$ % | |
| SG&A Exp. | 41,084 | 16.9% | 43,591 | 15.8% | Amount (mil.JPY) | +2,506 | <ul style="list-style-type: none"> Outsourcing Exp. ratio decreased ($\Delta 0.3$pt.: Sales per box increased, increase in productivity, etc.). Other Exp. ratio decreased ($\Delta 0.3$pt.: 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 ($\Delta 0.2$pt.: Due to end of lease contract for Amagasaki DC, sales increase, etc.). Labor Exp. Ratio decreased ($\Delta 0.2$pt.: increases in sales per box, increase in productivity, etc.). Ad. & Prom. Exp. Ratio decreased ($\Delta 0.1$pt.: 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 | $\Delta 1.1$ % | |
| Operating Income | 32,675 | 13.4% | 38,550 | 14.0% | Amount (mil.JPY) | +5,875 | <ul style="list-style-type: none"> GP ratio decreased ($\Delta 0.5$pt.), but SG&A Exp. ratio also decreased ($\Delta 1.1$pt.), 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 | <ul style="list-style-type: none"> 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 | <ul style="list-style-type: none"> monotaro.com: Higher than plan. Enterprise Business: Went below plan ($\Delta 0.3\%$). Royalty income: Higher than plan. |
| | | | | | vs Plan | +0.9% | |
| | | | | | Sales Ratio | - | |
| Gross Profit | 82,231 | 30.1% | 82,141 | 29.8% | Amount (mil.JPY) | $\Delta 89$ | <ul style="list-style-type: none"> Product GP ratio decreased ($\Delta 0.4\text{pt.}$: Due to change in product mix, decrease in sales share of PB products, etc.). Royalty income: Increased compared to plan. |
| | | | | | vs Plan | $\Delta 0.1\%$ | |
| | | | | | Sales Ratio | $\Delta 0.3\%$ | |
| SG&A Exp. | 45,273 | 16.6% | 43,591 | 15.8% | Amount (mil.JPY) | $\Delta 1,682$ | <ul style="list-style-type: none"> Other Exp. ratio decreased ($\Delta 0.3\text{pt.}$: Decreases in system usage fees, tax estimation difference etc.). Ad. & Prom. Exp. ratio decreased ($\Delta 0.2\text{pt.}$: Due to decrease in cost of flyers for dormant customers, etc.). Labor Exp. ratio decreased ($\Delta 0.1\text{pt.}$: Due to difference in number of employees, etc.). Facility Rent Exp. ratio decreased ($\Delta 0.1\text{pt.}$: Due to estimation variance of external warehouse rent cost, etc.). |
| | | | | | vs Plan | $\Delta 3.7\%$ | |
| | | | | | Sales Ratio | $\Delta 0.8\%$ | |
| Operating Income | 36,957 | 13.5% | 38,550 | 14.0% | Amount (mil.JPY) | +1,592 | <ul style="list-style-type: none"> Despite decrease in gross profit ratio ($\Delta 0.3\text{pt.}$), 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 | <ul style="list-style-type: none"> 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 | <ul style="list-style-type: none"> monotaro.com : Increase in size and number of orders. Enterprise Business : Maintained high growth. Royalty: Increased from 2023. |
| △1,544 mil. JPY | <ul style="list-style-type: none"> 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 | <ul style="list-style-type: none"> 2024 SG&A Exp. ratio was lower than 2023. |
| △66 mil. JPY | <ul style="list-style-type: none"> Launch of Inagawa DC Phase 2 in April 2023, etc. |
| +46 mil. JPY | <ul style="list-style-type: none"> Decrease in sending paper cost, etc. |
| +285 mil. JPY | <ul style="list-style-type: none"> Decrease in flyer and listing Ad. costs, etc. |
| +546 mil. JPY | <ul style="list-style-type: none"> Sales per box increased, increase in productivity, etc. |
| +691 mil. JPY | <ul style="list-style-type: none"> 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 | <ul style="list-style-type: none"> End of lease contract for Amagasaki DC, decrease in sales ratio due to sales increase, etc. |
| +801 mil. JPY | <ul style="list-style-type: none"> 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: $\Delta 0.4$ pt. (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: $\Delta 0.2$ pt. (end of lease contract for Amagasaki DC, decrease in sales ratio due to sales increase, etc.).
 - Other expense ratio decreased: $\Delta 0.1$ pt. (decrease in packing cost ratio due to increase in sales per box, etc.).
 - 0.2pt. lower than Plan.
 - Facility Rent expense ratio decreased: $\Delta 0.1$ pt. (variance in rental expenses for external warehouses).
 - Other expense ratio decreased: $\Delta 0.1$ pt. (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 | YoY | 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% | $\Delta 2.5\%$ |
| Labor & Outsourcing | 8,019 | 3.3% | 8,056 | 2.9% | 8,026 | 2.9% | +0.1% | $\Delta 0.4\%$ |
| Facility Rent | 3,665 | 1.5% | 3,694 | 1.4% | 3,479 | 1.3% | $\Delta 5.1\%$ | $\Delta 5.8\%$ |
| Others | 3,242 | 1.3% | 3,580 | 1.3% | 3,430 | 1.2% | +5.8% | $\Delta 4.2\%$ |
| Total | 18,026 | 7.4% | 18,922 | 6.9% | 18,435 | 6.7% | +2.3% | $\Delta 2.6\%$ |

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**

■ 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% | Δ7.8% | +3.7% | Δ10.7% |
| Op.Income | Δ110 | — | — | Δ10 | — | — | Δ120 | — | — | — | — |
| Net Income x Share(*1) | Δ120 | — | — | Δ30 | — | — | Δ150 | — | — | — | — |

■ 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% | Δ1.2% | +25.0% | Δ4.3% |
| Op.Income | Δ330 | — | — | Δ320 | — | — | Δ300 | — | — | — | — |
| Net Income x Share(*1) | Δ160 | — | — | Δ160 | — | — | Δ150 | — | — | — | — |

*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.

■ 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) | YoY | YoY (Local Currency) | Amount (mil.JPY) | YoY | YoY (Local Currency) | Amount (mil.JPY) | YoY | vs Plan | YoY (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% | Δ8.9% | Δ2.1% | Δ14.4% |
| Sales(*2) | 790 | +15.4% | +13.3% | 930 | +17.2% | +17.2% | 930 | +17.3% | +0.1% | +10.2% | Δ5.9% |
| Op.Income | Δ790 | — | — | Δ800 | — | — | Δ1,010 | — | — | — | — |
| Net Income x Share(*1) | Δ410 | — | — | Δ410 | — | — | Δ550 | — | — | — | — |

*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 | YoY |
| 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% |

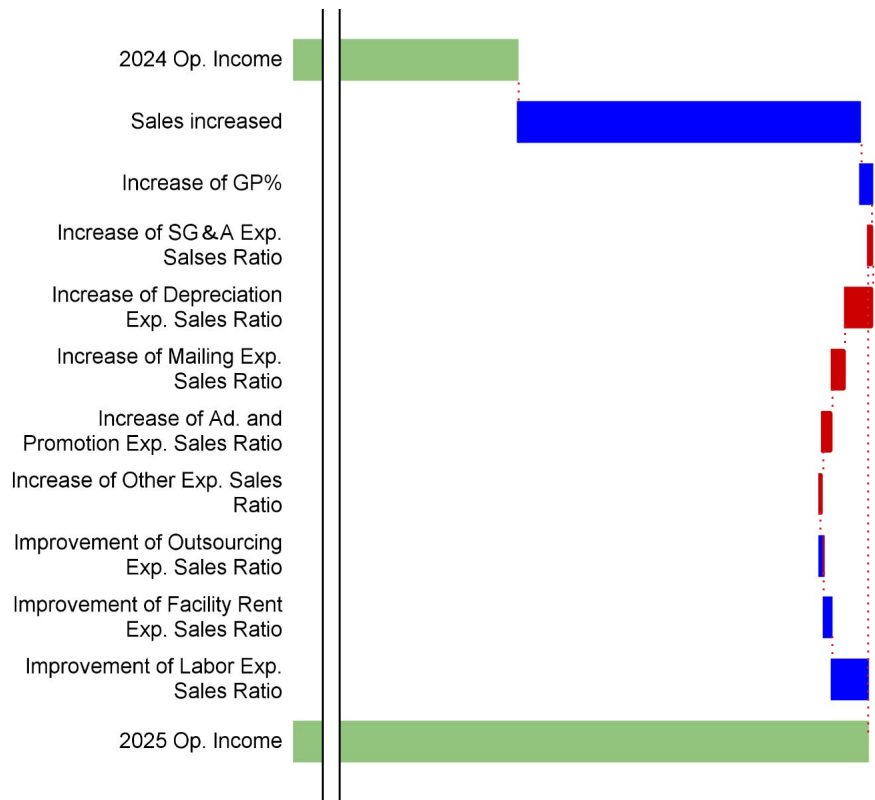
| | 2025 Jan.- Jun. Plan | | | 2025 Jul.- Dec. Plan | | |
|--------------------------|----------------------|-------------|-------|----------------------|-------------|-------|
| | Amount (mil.JPY) | Sales Ratio | YoY | Amount (mil.JPY) | Sales Ratio | YoY |
| Sales (*1) | 153,296 | | 14.8% | 161,579 | | 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 | <ul style="list-style-type: none"> 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 | <ul style="list-style-type: none"> Product GP% decreases (Δ0.2pt.: 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 | <ul style="list-style-type: none"> Labor Exp. ratio decreases (Δ0.2pt: Improvement in logistics department due to increase in sales per box shipped, etc.). Facility Rent Exp. ratio decreases (Δ0.1pt: Decrease in distribution-related rent expenses ratio to sales due to higher sales, etc.). Depreciation Exp. ratio increases (+0.1pt.: Early amortization of OMS). <ul style="list-style-type: none"> 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 | <ul style="list-style-type: none"> 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 | <ul style="list-style-type: none"> 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 | <ul style="list-style-type: none"> monotaro.com: Sales per order and order count increases. Enterprise Business: Maintain high growth rate. |
| +196 mil.JPY | <ul style="list-style-type: none"> Product GP% decreases due to product mix. Delivery cost ratios improves. Royalty income increases. |
| Δ80 mil.JPY | <ul style="list-style-type: none"> SG&A ratio increases due to following reasons. |
| Δ445 mil.JPY | <ul style="list-style-type: none"> Due to early amortization of OMS, etc. |
| Δ198 mil.JPY | <ul style="list-style-type: none"> Due to shipping of catalogs, etc. |
| Δ155 mil.JPY | <ul style="list-style-type: none"> Due to publication of catalogs, etc. |
| Δ41 mil.JPY | <ul style="list-style-type: none"> Due to increase in cardboard costs, etc. |
| +69 mil.JPY | <ul style="list-style-type: none"> Outsourcing Expense increases; however, sale ratio decreases due to higher sales. |
| +126 mil.JPY | <ul style="list-style-type: none"> 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 | <ul style="list-style-type: none"> Increase in sales per box shipped, etc. |

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

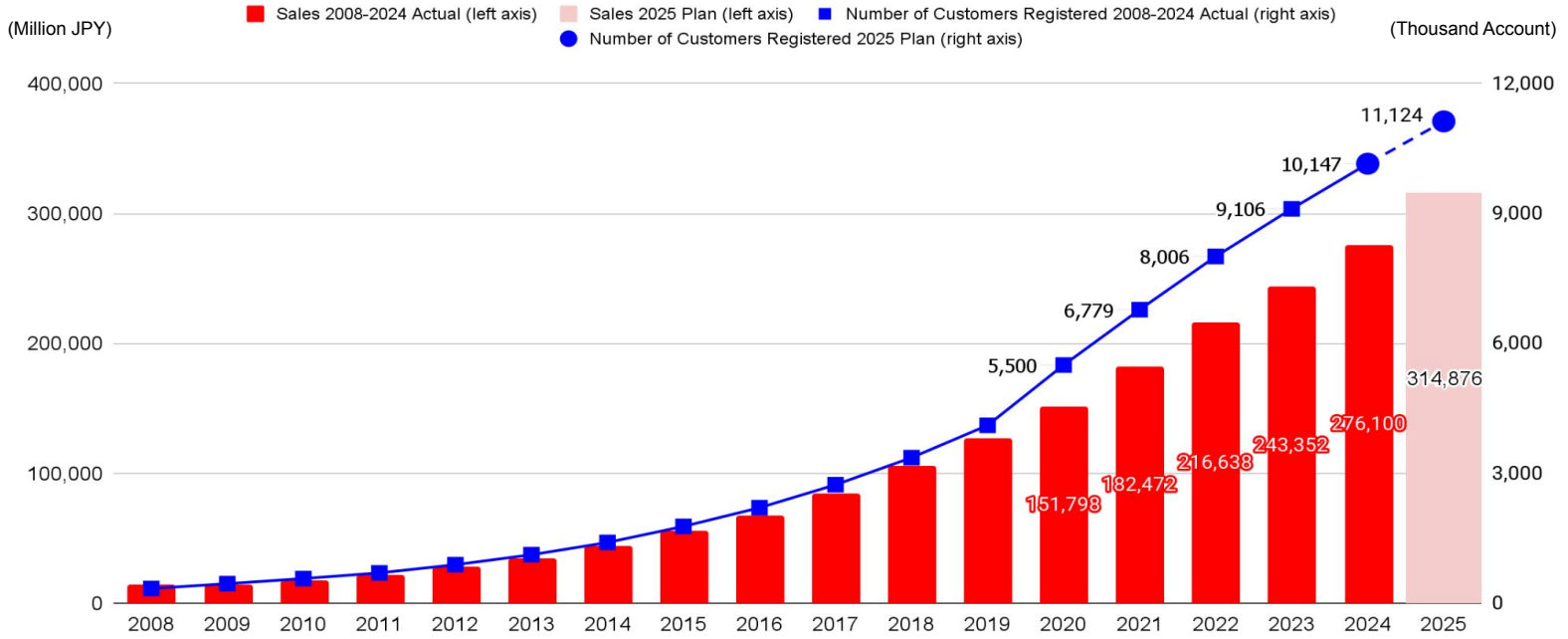
*: Amounts are effects on Operating Income by changes of rates, not actual amounts.

Distribution-related Cost

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

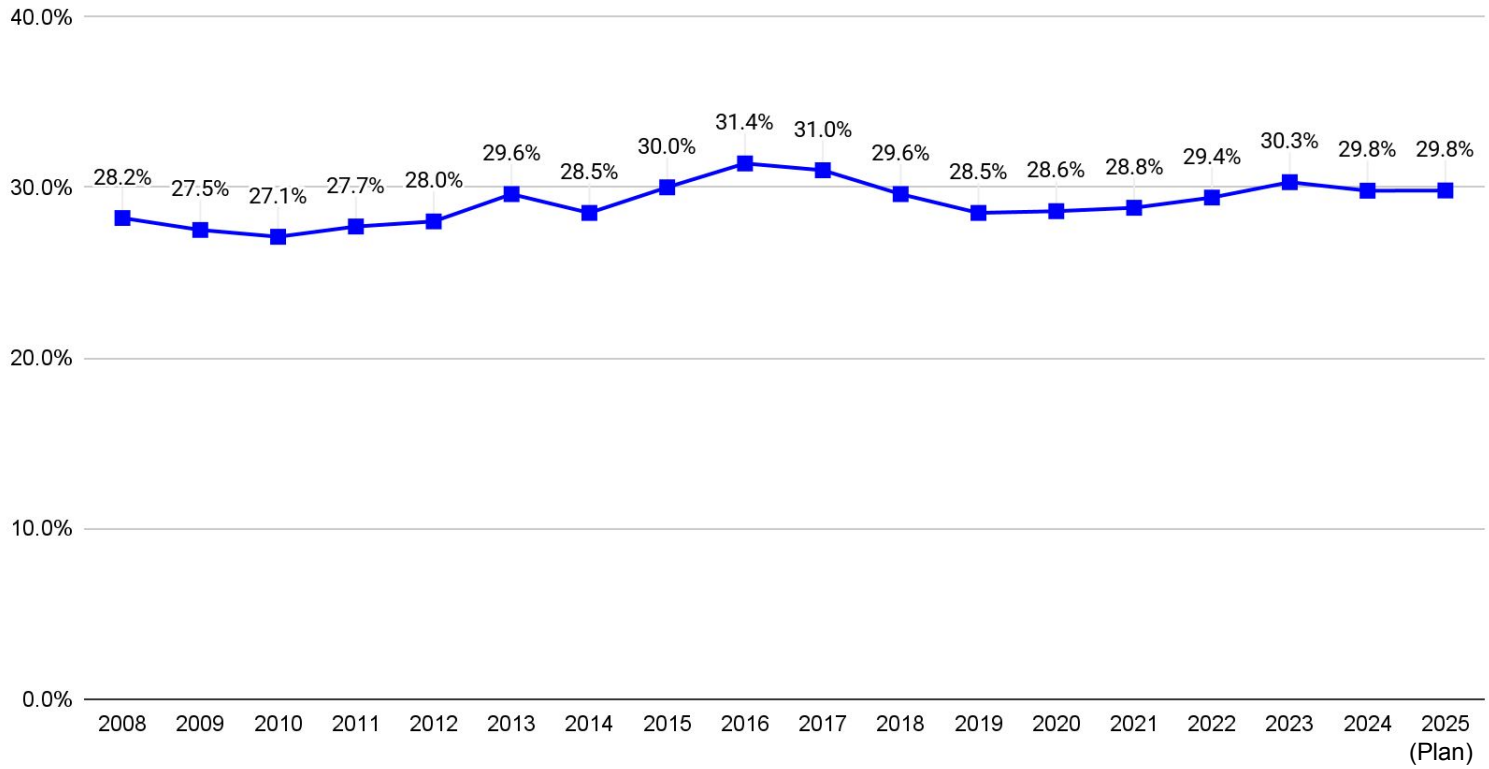
| | 2023 | | 2024 | | | | | | 2025 | | | | | |
|---------------------|---------------------|----------------|---------------------|----------------|---------------------|----------------|---------------------|----------------|---------------------|----------------|---------------------|----------------|---------------------|----------------|
| | 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

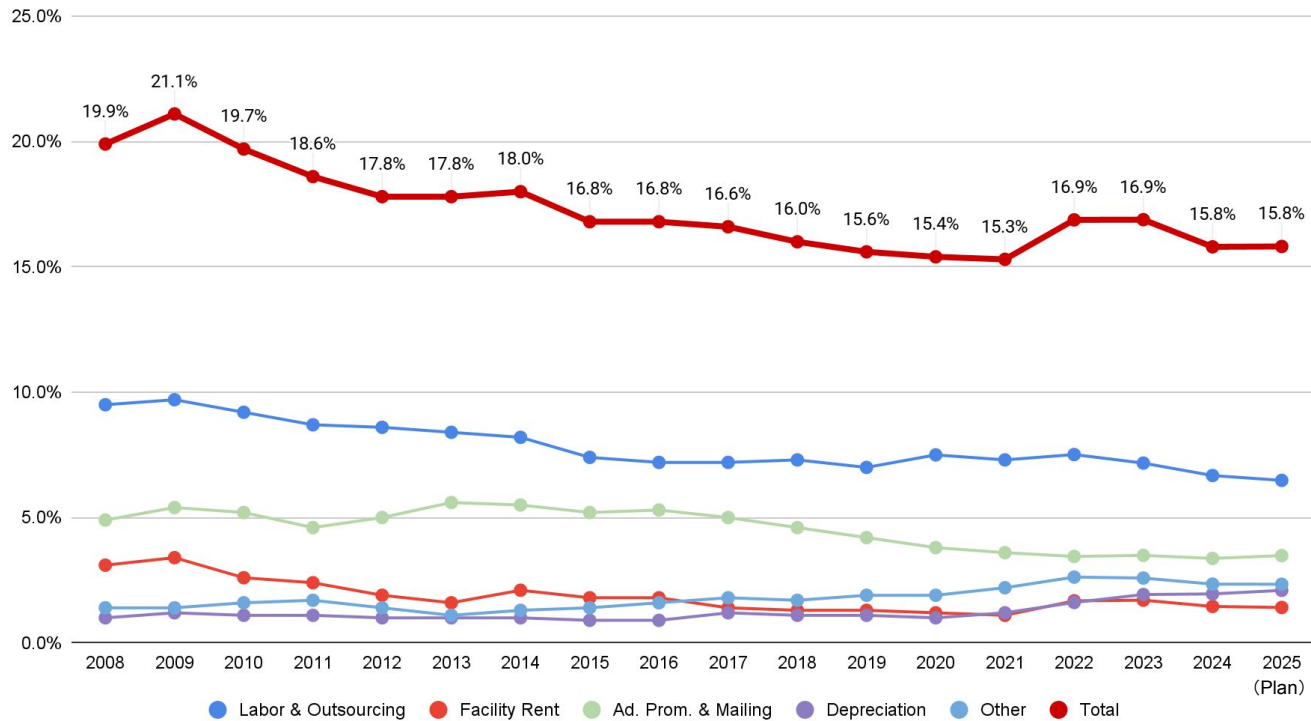


| | Dec. 2023 | | Dec. 2024 | | Dec. 2025 (Plan) | |
|---|-----------|----------------|-----------|----------------|------------------|----------------|
| Number of Registered Customers (thousand account) | 9,106.5 | +1,100.1 | 10,147.2 | +1,040.7 | 11,124.0 | +976.8 |
| | | (vs. Dec.2022) | | (vs. Dec.2023)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

■ 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 |
|---------------------|--|---|---|---|
| Enterprise Business | monoaro.com Micro (Sole Proprietorship, General Consumers, Other) | <ul style="list-style-type: none"> • 2024 Sales share: 10% (Δ 1pt.) • 2024 Sales YoY growth: 1% (+3pt.) | <ul style="list-style-type: none"> • Demand temporarily increased for emergency products due to impact of alert over risk of Nankai Trough megaquake, etc. | <ul style="list-style-type: none"> • Optimizing direct marketing based upon expected LTV. |
| | Small (Legal Entity with Sales < 2 bil. JPY etc., about 4.5 mil. corps.) | <ul style="list-style-type: none"> • 2024 Sales share: about 39% (Δ 1pt.) • 2024 Sales YoY growth: 10% (±0pt.) • Corp. registration rate (*2): about 25% | <ul style="list-style-type: none"> • 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). | <ul style="list-style-type: none"> • 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. |
| | Mid (Legal Entity with Sales < 30 bil. JPY etc., about 60,000 corps.) | <ul style="list-style-type: none"> • 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%. | <ul style="list-style-type: none"> • 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.) | <ul style="list-style-type: none"> • 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.) | <ul style="list-style-type: none"> • 2024 Sales share: 29% (+3pt.) • 2024 Sales YoY growth: 25% (Δ 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. | <ul style="list-style-type: none"> • 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. | <ul style="list-style-type: none"> • 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.

■ BtoB Online E-commerce (monotaro.com)

| Acquiring New Customers | Expanding Existing Customers' Sales |
|---|--|
| <ul style="list-style-type: none"> 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. | <ul style="list-style-type: none"> 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 |
|--|--|
| <ul style="list-style-type: none"> 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. | <ul style="list-style-type: none"> 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% | Δ0.3% | 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) | <ul style="list-style-type: none"> Sales in US grew from 2023. OP higher than 2023 and plan. | <ul style="list-style-type: none"> Sales growth (daily basis) expected to be double digits. |
| Royalty Income | <ul style="list-style-type: none"> Amount received increased from 2023 and plan. | <ul style="list-style-type: none"> Amount to receive planned to be higher than 2024. |

■ 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 | <div data-bbox="527 382 956 644" data-label="Image"> </div> <ul style="list-style-type: none"> Started in following area (area coverage rate of approx. 50%). <ul style="list-style-type: none"> – Sep. 2024: Started in South Kanto – Dec. 2024: Started in Kansai Started activities for customer recognition from Nov. 2024 <ul style="list-style-type: none"> – TV Commercial in Kansai from Jan. 2025 | <div data-bbox="1232 382 1657 644" data-label="Image"> </div> <ul style="list-style-type: none"> Customers can specify delivery date & time via Yamato Transport website after shipment from distribution center (Since Jul. 2024). |
| Next action | <ul style="list-style-type: none"> 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). | <ul style="list-style-type: none"> 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. |

■ 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 | <ul style="list-style-type: none"> 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 | <ul style="list-style-type: none"> 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 | <ul style="list-style-type: none"> 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 | <ul style="list-style-type: none"> 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 | <ul style="list-style-type: none"> 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 | | | <ul style="list-style-type: none"> Disclosed data on prevention of bribery and corruption. Disclosed sustainability and human rights policies. |
| Action in Disaster Occurrence | | | <ul style="list-style-type: none"> 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**

■ **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

■ 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

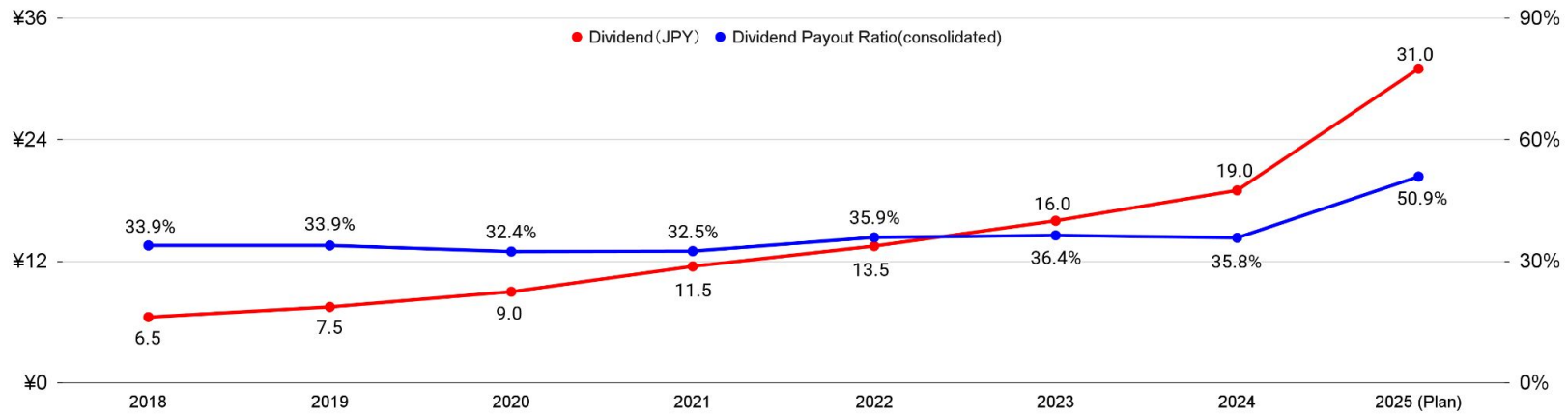
Dividend

■ 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).

(Dividend)

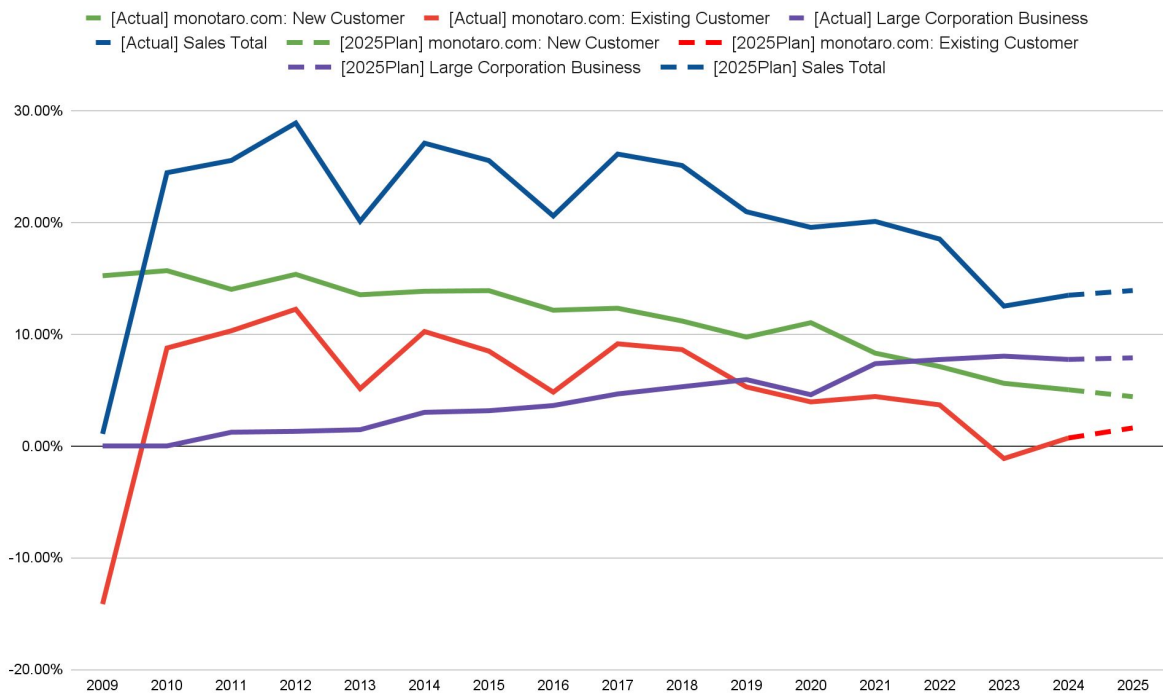
(Dividend Payout Ratio)



- 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

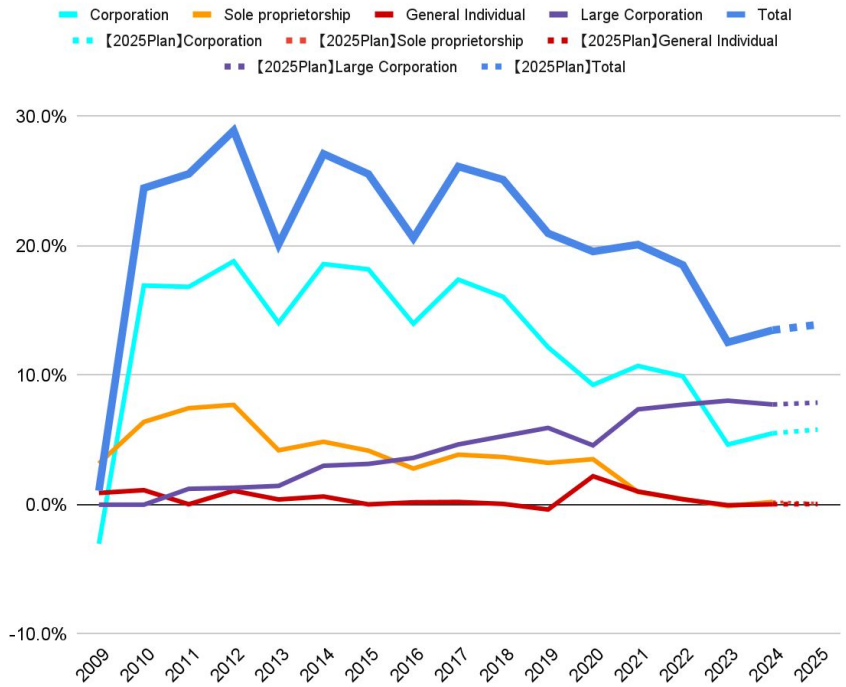
Non-consol. Fiscal Yr. Sales Growth (Service Channel Contribution)



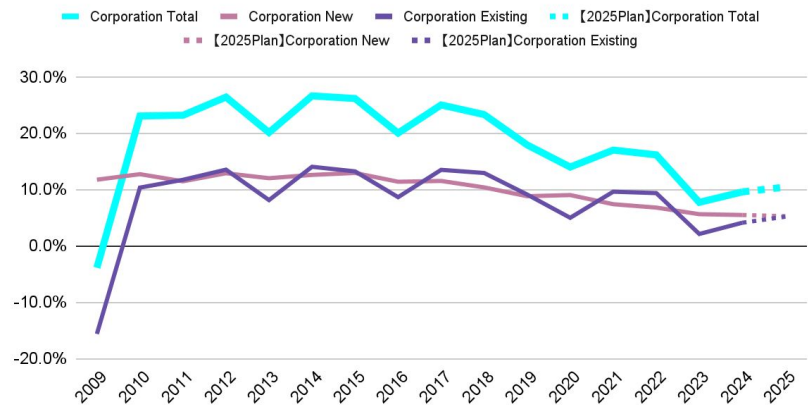
*: Fiscal year contributions of every channel to total sales growth from previous year is organized and shown based on status as of end of 2024.
 *: "monotaro.com: New Customer" indicates contribution of sales from customers acquired each fiscal year, and "monotaro.com: Existing Customer" indicates contribution 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).

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)



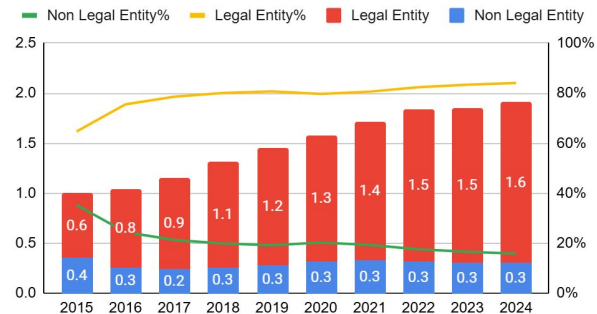
Sales Growth of monotaro.com Corp. Customer
(Contributions of New and Existing Customers)



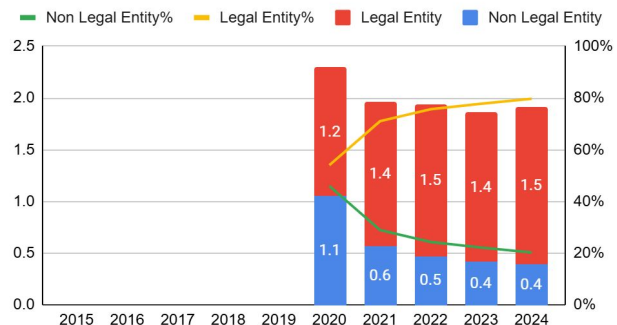
- Growth contribution and growth of corporate customers on monotaro.com
 - Of overall sales growth (13.5% in 2024 result and 14.0% planned in 2025), Total sales growth contribution from corporate customers on monotaro.com is approximately 6% both in 2024 result and 2025 plan (left graph).
 - Sales growth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

Non-consol. Sales Growth & Registered Year

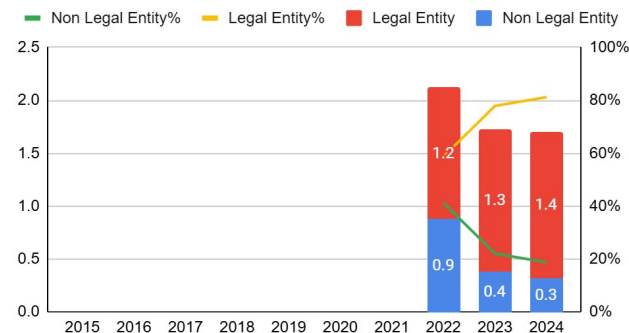
Customers registered in 2015



Customers registered in 2020



Customers registered in 2022

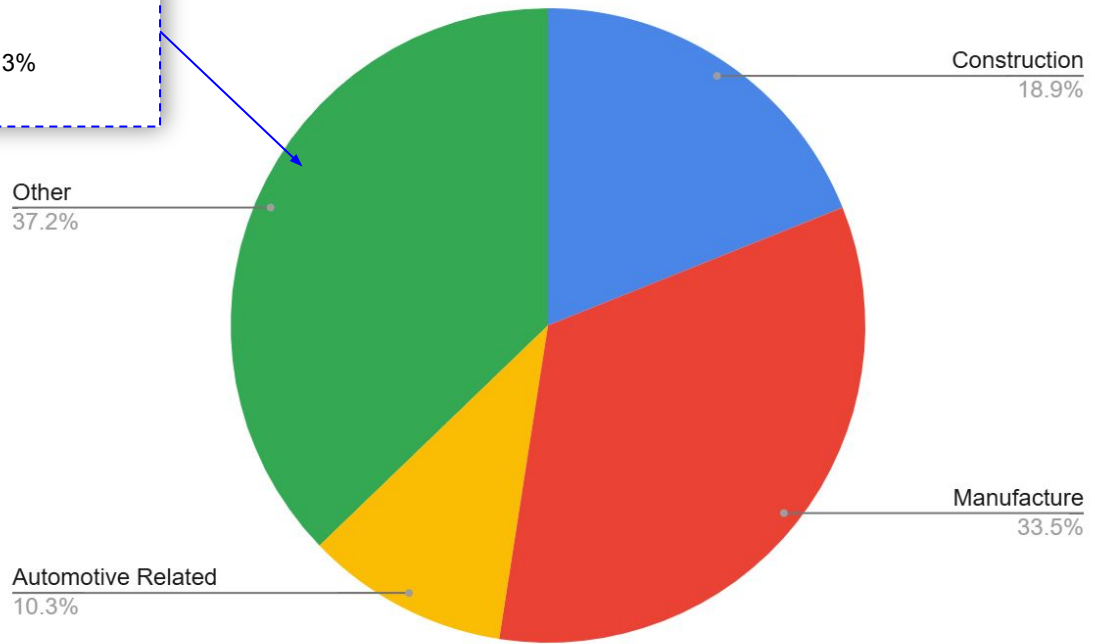


*:Bar chart (left axis) shows sales growth of customers registered in 2015 (10 years passed) and in 2020 (5 years passed) and in 2022 (3 years passed) comparing with sales of customers registered in 2015 by setting 2015 sales as '1'. Bar chart consists of legal entity and non legal entity. Line chart (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).

Non-consol. Customer Demographics

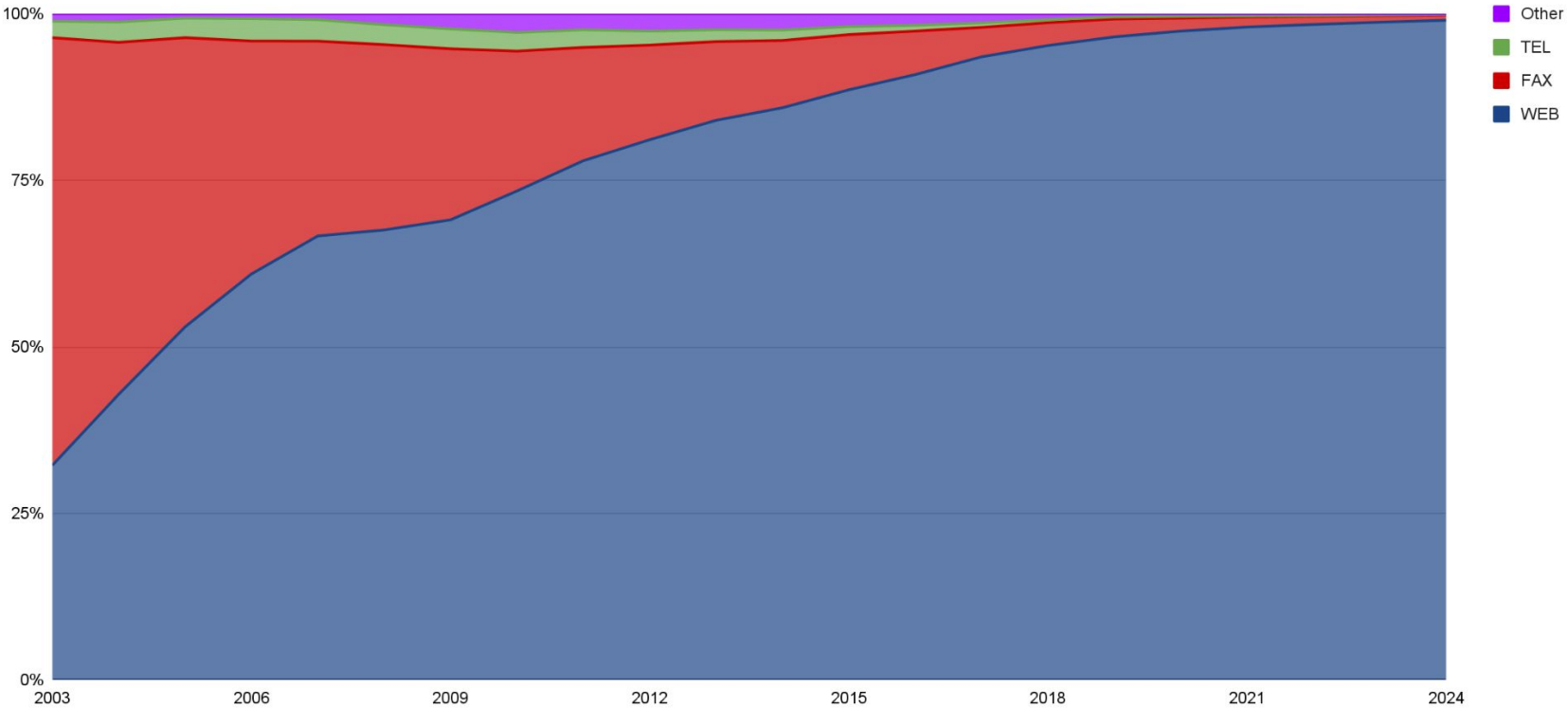
Industry

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

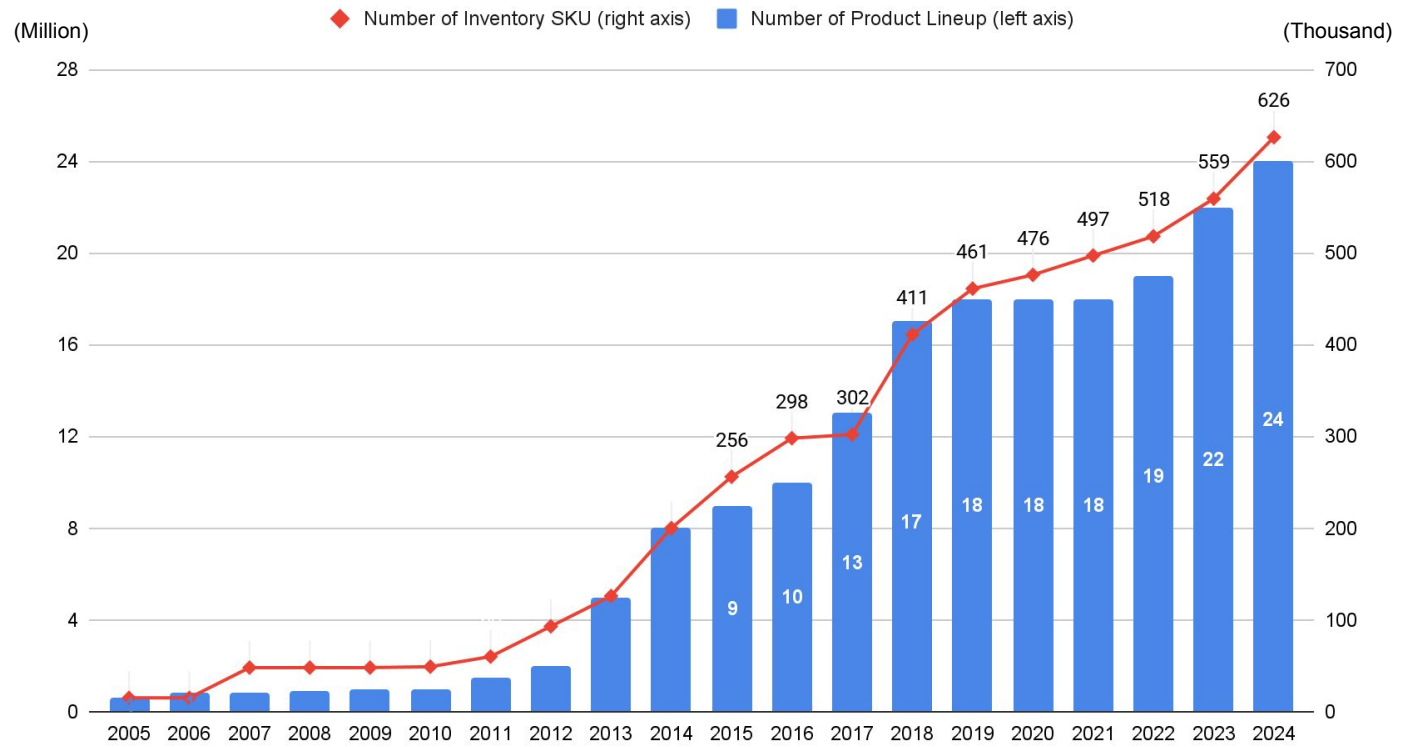


Ratio by sales amount in 2024
(Sales of monotaro.com excluding sales Large Corp. Business)

Non-consol. Internet Purchase Order Ratio



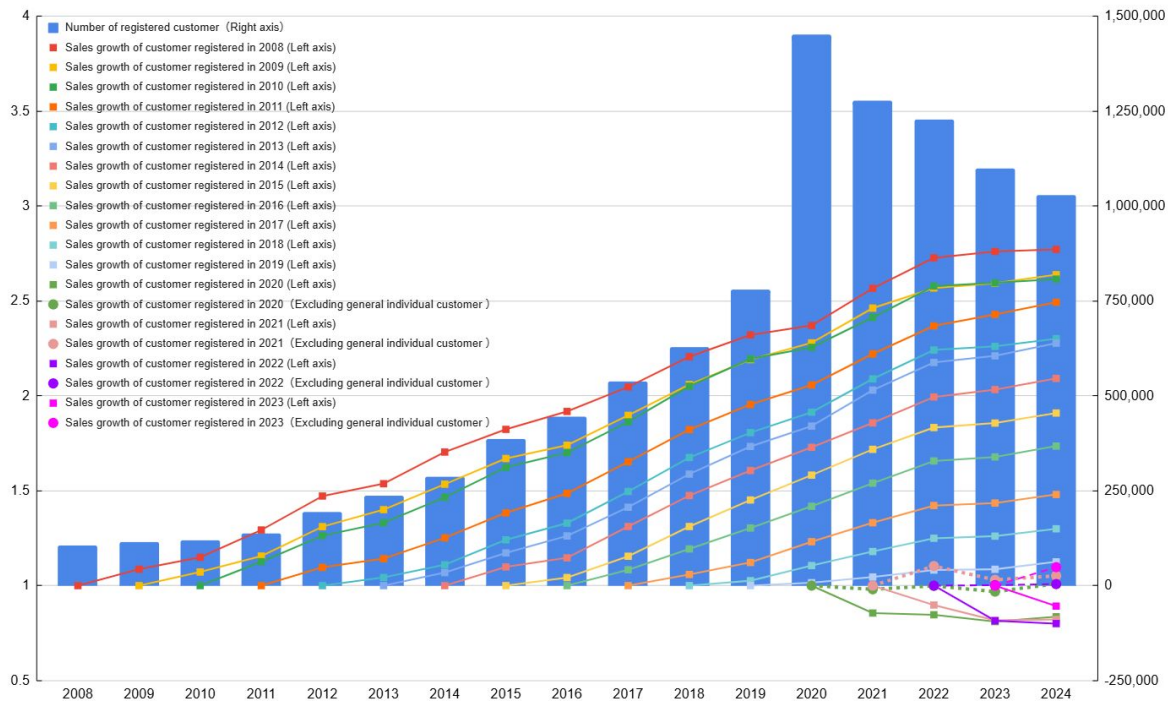
Non-consol. Product Lineup & Inventory



Non-consol. Customer Growth by Year Registered

(Growth Rate of Sales)

(Number of Registered Customers)



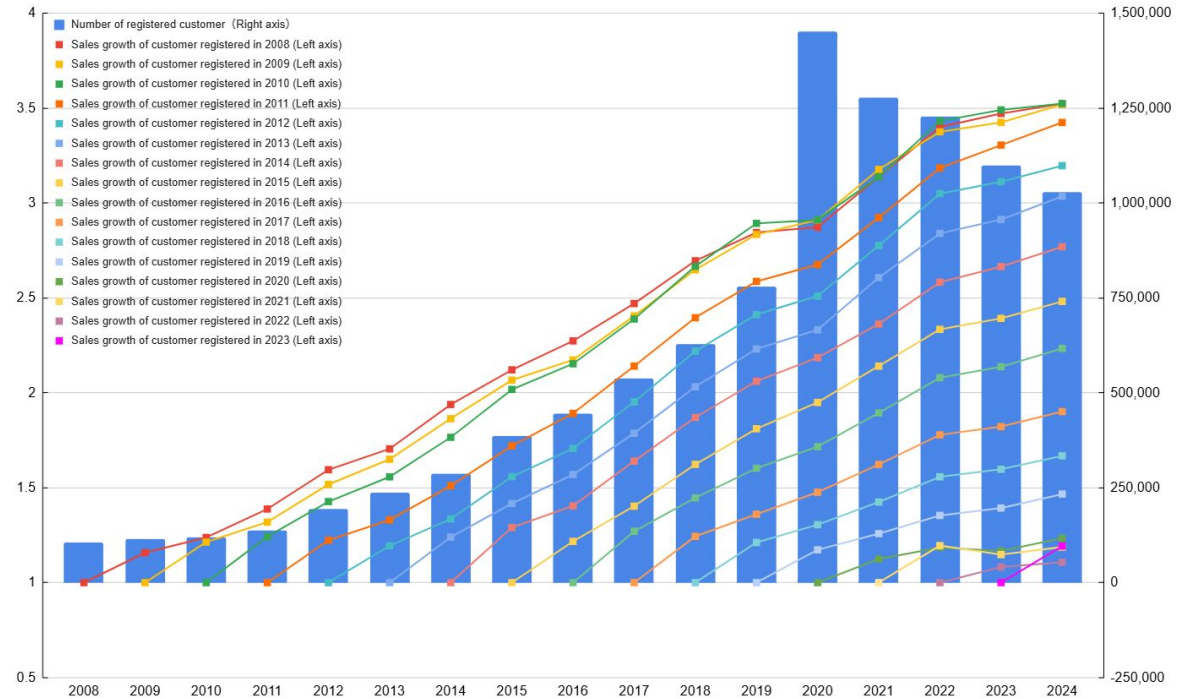
*: Above number of 'monotaro.com' registered customers and sales growth are updated retroactively at end of 2024 (large corporate sales and sales for customers who switched to procurement system for enterprise business are not included).

*: 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.)

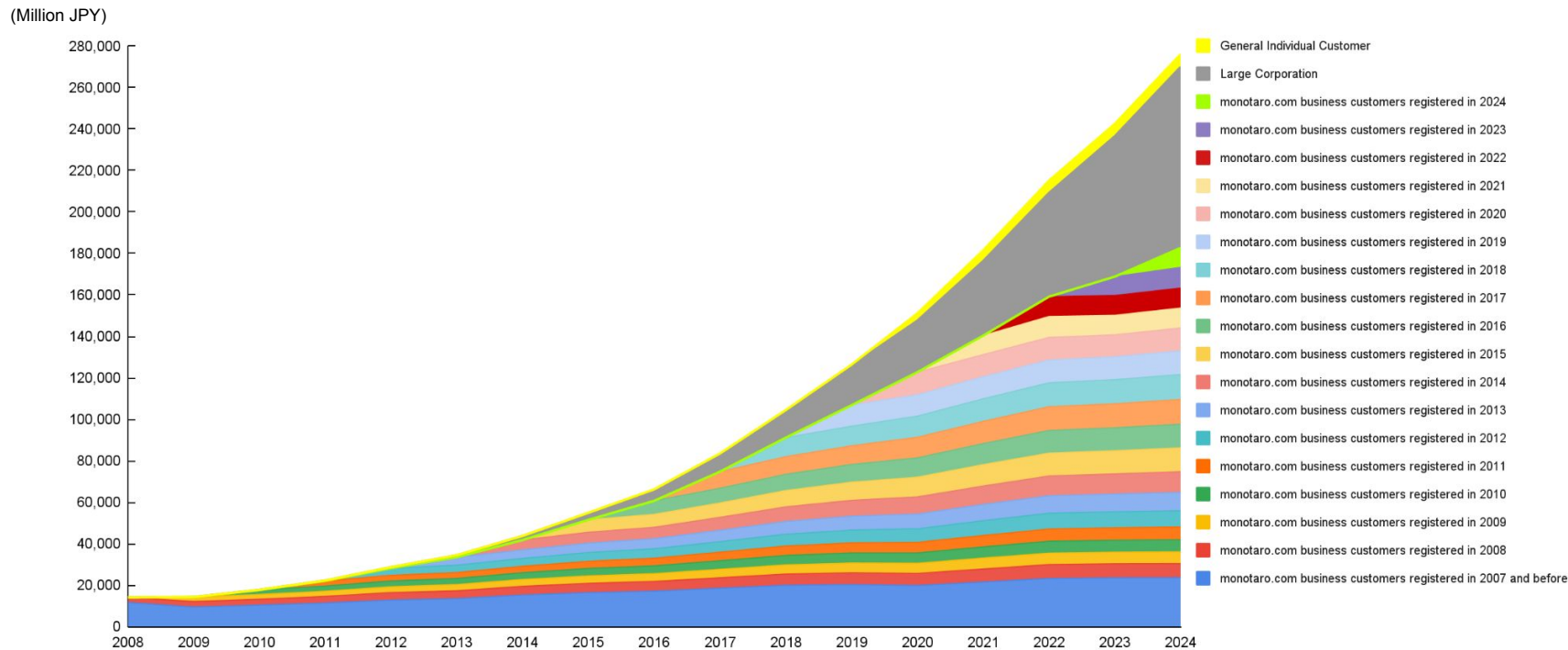
(Growth Rate of Sales)

(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



*: 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).

| | 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 m ² | approx. 49,000 m ² | approx. 194,000 m ² | approx. 75,000 m ² |
| 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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