




MonotaRO Business

MonotaRO Co., Ltd.
www.monotaro.com

1. Company Profile

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| MonotaRO means | <ul style="list-style-type: none">• Maintenance, Repair, and Operation• “The sufficient number of products” in Japanese• Like “Momotaro,” fight against unfair-old distribution system |  <p>Image of “Momotaro” in Japanese folk tale</p> |
| MonotaRO Business | <ul style="list-style-type: none">• Providing MRO products through Internet and catalogs, targeting small to mid-sized domestic manufacturers, which are not treated well by conventional retailers. | |
| MRO products | <ul style="list-style-type: none">• Cutting tools/Safety products/Bearings/Fasteners/Industrial equipment (number of product SKU 23.7 million) | |
| Number of Customers | <ul style="list-style-type: none">• More than 9.8 million | |
| Capital Stock | <ul style="list-style-type: none">• 2,042 million JPY | |
| Number of Employees | <ul style="list-style-type: none">• 3,473 including 1,432 regular employees (as of Sep. 30, 2024 consolidated) | |
| Head Office | <ul style="list-style-type: none">• Kita-ku Osaka-shi | |
| Major Distribution Centers | <ul style="list-style-type: none">• Kasama Distribution Center, Ibaraki Prefecture• Ibaraki Chuo Satellite Center, Ibaraki Prefecture• Inagawa Distribution Center, Hyogo Prefecture | |

2. Strength

After (MonotaRO)



One-Price Policy

- Same price to all customers on web site.
- Customers trust in open, fair, and proper prices and are free from bothers in asking quotes every time.

Efficient Sales through Internet

- Sales through internet, realizing economies of scale.
- Efficient promotions leveraging IT.

Database Marketing

- Replace sales representatives by utilizing huge data and with advanced database marketing.

Product Availability

- Selling about 23.7 million items; 681 thousand items are available for same day shipment.
- 591 thousand items out of “same day shipment products” are in inventory.

Private Brand and Direct Import Products

- Importing competitive products directly from overseas.
- Providing optimal selection of products including private brand, so that customers can choose the best one out of huge variety to meet their needs.

Before (Conventional Suppliers)

- Different and unclear price to each customer

- Labor oriented, small and localized markets

- Sales based on experience of sales representatives

- Limited product availabilities

- Sell mainly expensive national brand products

3. Marketing

1. Customer Acquisition

- Search engine marketing (SEO and paid search)
- Sending direct e-mail, flyers, and faxes to prospects
- Broadcasting CM

2. Website

- Recommendations and personalized contents

3. Direct e-mail, Flyers, and Faxes

- Semi-personalized contents

4. Direct Mail Flyers

- Small batches of on-demand printed flyers with DTP

5. Data Mining and Campaign Management

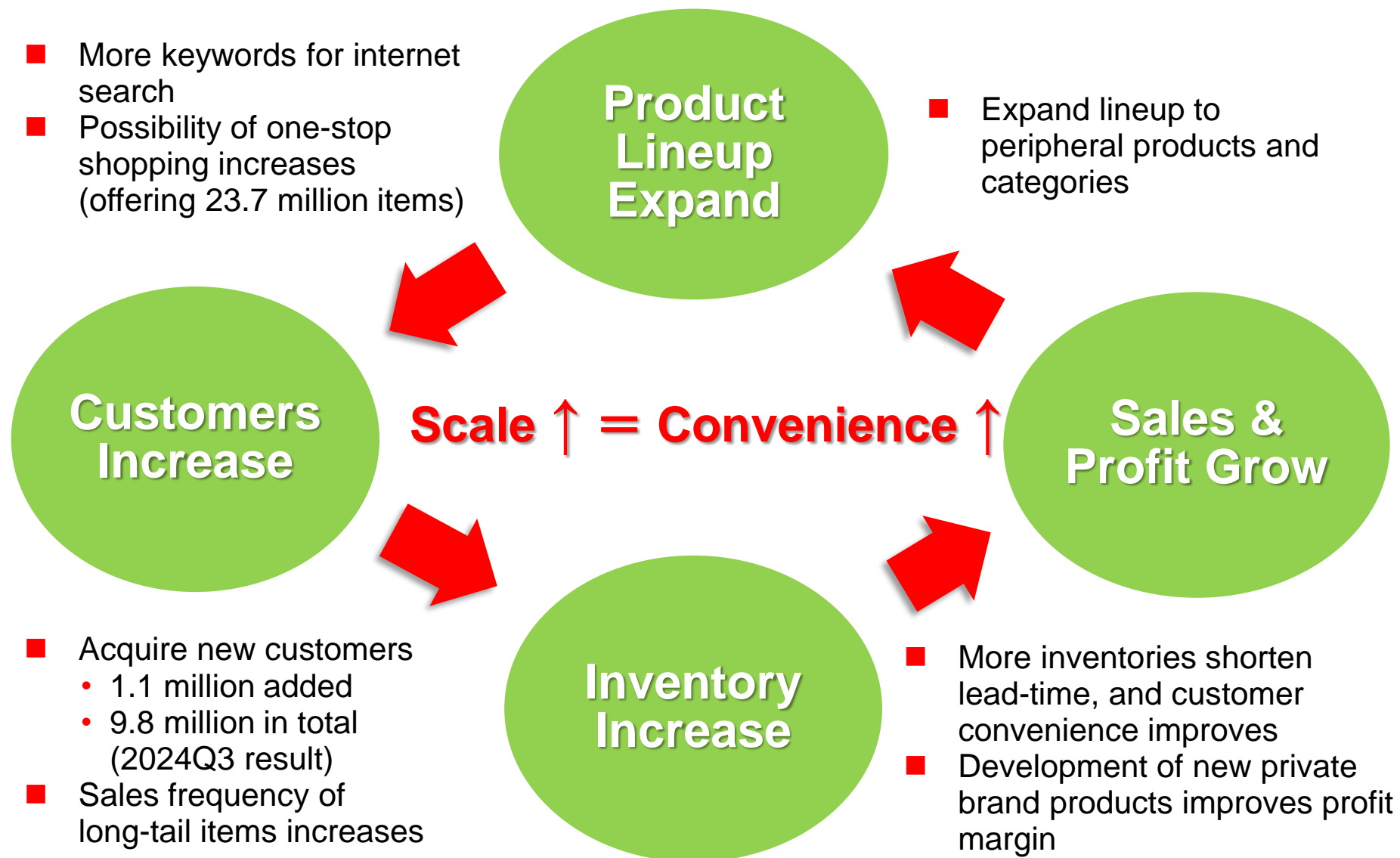
- Promotions optimized by industry categories for more effectiveness and efficiency



4. Procurement

- Enhancement of Product Sources
 - Developing new suppliers and new products through various channels
- Direct Import and Private Brand Product Development
 - Higher margin with national brand quality maintained
 - Unique-competitive advantage

5-1. Growth - Development Cycle



5-2. Growth - Industrial Beachhead Expansion

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| 2002 | <ul style="list-style-type: none">Started with small-to-mid sized manufacturing companies, iron works, metal works, and machine assembly companies |
| 2008 | <ul style="list-style-type: none">Entered automotive aftermarket |
| 2009 | <ul style="list-style-type: none">Entered independent contractor market |
| 2010 | <ul style="list-style-type: none">Introduced laboratory productsStarted US business with providing consulting service to Zoro ToolsBusiness with large corporations started to grow |
| 2011 | <ul style="list-style-type: none">Established Tagajyo Distribution Center in Miyagi Prefecture |
| 2013 | <ul style="list-style-type: none">Started South Korean business by establishing subsidiary NAVIMRO |
| 2014 | <ul style="list-style-type: none">Established Amagasaki Distribution Center in Hyogo PrefectureExpanded product lineup: agricultural equipment and kitchen equipmentIntroduced "MonotaRO One Source" procurement system for large corporations |
| 2015 | <ul style="list-style-type: none">Introduced medical & nursing care equipment category |
| 2016 | <ul style="list-style-type: none">Started Indonesian business by acquiring majority (51%) of PT MONOTARO INDONESIA and consolidated to MonotaRO Group in Q4 |
| 2017 | <ul style="list-style-type: none">Established Kasama Distribution Center in Ibaraki PrefectureIntroduced simplified and easy-installation system "MonotaRO One Source Lite" for large corporationsClosed Tagajyo Distribution Center |
| 2018 | <ul style="list-style-type: none">Established real shop in Saga Prefecture for demonstration experimentProduct lineup SKU exceeded 17 million |
| 2019 | <ul style="list-style-type: none">Product lineup SKU exceeded 18 millionCompleted 2nd phase expansion of facilities at Kasama Distribution Center |
| 2020 | <ul style="list-style-type: none">Number of Large Corporation Business customers exceeded one thousand |
| 2021 | <ul style="list-style-type: none">Started Indian business in Jan. (IB MONOTARO, consolidated subsidiary)Established Ibaraki Chuo Satellite CenterNumber of accounts exceeded 6 million |
| 2022 | <ul style="list-style-type: none">Established Inagawa Distribution Center (Phase 1)Closed Amagasaki Distribution Center |
| 2023 | <ul style="list-style-type: none">Established Inagawa Distribution Center (Phase 2)Product lineup SKU exceeded 20 million |



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