

Consolidated Financial Results for the First Nine Months of Fiscal Year Ending December 31, 2024 (Nine Months Ended September 30, 2024)

 Company name: **MonotaRO Co., Ltd.**

Stock code: 3064

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Scheduled date of dividend payments: -

Supplementary materials: Yes Investors meeting: No

Listing: Tokyo Stock Exchange, Prime Market

 URL: <https://www.monotaro.com>

(Figures are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Nine Months Ended September 30, 2024

(January 1, 2024 – September 30, 2024)

(1) Consolidated results of operations

(Percentages show the change from the same period of previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended Sep. 30, 2024	211,509	13.0	27,040	18.0	27,134	17.2	18,886	16.8
Nine months ended Sep. 30, 2023	187,223	12.8	22,919	18.6	23,145	18.3	16,171	23.3

Note: Comprehensive income: Nine months ended Sep. 30, 2024: 18,295 million yen (14.4%)

Nine months ended Sep. 30, 2023: 15,989 million yen (21.4%)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended Sep. 30, 2024	38.01	38.01
Nine months ended Sep. 30, 2023	32.54	32.54

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of Sep. 30, 2024	132,248	96,837	72.7
As of Dec. 31, 2023	128,352	86,982	67.3

Reference: Shareholders' equity Sep. 30, 2024: 96,157 million yen Dec. 31, 2023: 86,433 million yen

2. Dividends

	Dividends per share				
	1Q-end	2Q-end	3Q-end	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended Dec. 31, 2023	-	8.00	-	8.00	16.00
Year ending Dec. 31, 2024 (actual)	-	9.00	-	-	-
Year ending Dec. 31, 2024 (forecast)	-	-	-	10.00	19.00

Note: Amendments to dividend forecast compared with the most recent disclosure: None

3. Consolidated Forecasts for the Fiscal Year Ending December 31, 2024 (January 1, 2024 – December 31, 2024)

(Percentages show the change from the same period of previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	286,570	12.7	35,820	14.4	35,835	13.6	25,096	15.1	50.51

Note: Revision of consolidated forecast during this quarter: None

4. Others

(1) Changes in the number of material subsidiaries resulting in changes in scope of consolidation during the nine-month period ended September 30, 2024: None

(2) Application of special accounting methods for the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting principles and estimates, or retrospective restatements:

1) Changes in accounting principles caused by the revision of accounting standards: None

2) Changes in accounting principles other than mentioned in 1): None

3) Changes in estimates: None

4) Retrospective restatements: None

(4) Number of shares outstanding (common shares)

1) Number of shares outstanding at the end of period (including treasury stock)

Sep. 30, 2024:	501,351,000 shares	Dec. 31, 2023:	501,351,000 shares
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2) Number of treasury stock at the end of period

Sep. 30, 2024:	4,444,238 shares	Dec. 31, 2023:	4,444,396 shares
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3) Average number of shares outstanding during the period

Nine months ended Sep. 30, 2024:	496,891,814 shares	Nine months ended Sep. 30, 2023:	496,904,987 shares
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Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

*** Cautionary statement with respect to forward-looking statements**

The forecasts above are based on the judgments made in accordance with information currently available. Forecasts therefore include risks and uncertainties. Actual figures may differ from these forecasts due to subsequent changes in the circumstances.

1. Qualitative Information on the Consolidated Financial Statements

(1) Qualitative Information Regarding Consolidated Results of Operations

The Japanese economy during the first nine months of the fiscal year ending December 31, 2024, generally continued to be unpredictable with concerns about the impact of the yen's continued depreciation and the economy due to the prolonged situation involving Russia and Ukraine and tension in the Middle East in addition to rising energy and raw material prices, although there have been indications of a gradual recovery driven by the normalization of social and economic activities and improvements in employment and income conditions.

In this economic environment, we have continually concentrated on acquiring new customers aggressively mainly through internet advertisements (paid listings) and internet search engine optimization (SEO), which can improve our website's position on the search engines. We also conducted promotion activities including using e-mail and mailing flyers with optimized product listings for each customer, daily special prices, and broadcasted TV commercials to enhance our visibility much further.

In addition, in order to achieve a more convenient customer fulfillment service, we expanded our drop-off delivery service, started offering delivery date and time designation services, and extended the order cut-off time for the same day shipping in-stock items in the South Kanto area from 3:00 p.m. to 5:00 p.m.

Furthermore, the total number of our product lineup reached approximately 23.7 million items in total with 591 thousand items in stock available for the same day shipment to meet the increase in demand corresponding to the expansion of our customer base as of the end of the first nine months of the fiscal year ending December 31, 2024.

In addition, in relation to the sales of MRO products to large customers through the integrated purchase systems, both the number of customers and the amount of sales steadily increased.

Consequently, we have successfully obtained 779,932 newly registered accounts for the first nine months of the fiscal year ending December 31, 2024 and the number of registered accounts totaled 9,886,453 as of the end of the first nine months of the fiscal year ending December 31, 2024.

In addition, our subsidiaries such as NAVIMRO, which is our Korean subsidiary, also aggressively engaged in acquiring new customers mainly through paid listings and focused on increasing both their product lineup and the number of products in stock in order to expand their customer base.

All of our efforts mentioned above resulted in net sales of 211,509 million yen (13.0% increase from the same period of the previous fiscal year), operating income of 27,040 million yen (18.0% increase from the same period of the previous fiscal year), ordinary income of 27,134 million yen (17.2% increase from the same period of the previous fiscal year), and net income attributable to owners of the parent of 18,886 million yen, a corresponding 16.8% increase.

(2) Qualitative Information Regarding Consolidated Financial Position

Total assets as of September 30, 2024 (the end of the first nine months of the fiscal year ending December 31, 2024) amounted to 132,248 million yen, an increase of 3,896 million yen from the end of the previous fiscal year. This was attributable to increases of 3,500 million yen and 934 million yen in cash and deposits and notes and accounts receivable-trade, respectively, despite a decrease of 976 million yen in machinery and equipment.

On the other hand, total liabilities as of September 30, 2024 amounted to 35,411 million yen, a decrease of 5,958 million yen from the end of the previous fiscal year. This was due mainly to decreases of 4,504 million yen and 1,969 million yen in long-term loans payable and Income taxes payable, respectively, despite an increase of 1,400 million yen in accounts payable-trade.

Total net assets amounted to 96,837 million yen, an increase of 9,854 million yen from the end of the previous fiscal year. This was due largely to net income attributable to owners of the parent of 18,886 million yen offset by dividend payments of 8,447 million yen for the first nine months of the fiscal year ending December 31, 2024.

As a result, the equity ratio as of September 30, 2024 was 72.7%, up 5.4 percentage points from the end of the previous fiscal year.

(3) Forecast for the Fiscal Year Ending December 31, 2024

Our consolidated financial results for the first nine months of this fiscal year were slightly higher in terms of sales and operating income, ordinary income, and net income attributable to owners of the parent, however, at this point, we do not expect any deviation from our consolidated earnings forecast (full year) for the fiscal year ending December 31, 2024 that meets our disclosure criteria (*).

Therefore, the consolidated forecast for the fiscal year ending December 31, 2024, disclosed on February 2, 2024, has not been changed.

* If the consolidated financial forecast is expected to exceed any one of following ranges from the disclosed consolidated financial forecast, a revised forecast is disclosed.

Net sales (consolidated): $\pm 5\%$, Operating income (consolidated): $\pm 10\%$, Ordinary income (consolidated): $\pm 10\%$, and Net income attributable to owners of the parent: $\pm 10\%$.

2. Consolidated Quarterly Financial Statements

(1) Consolidated quarterly balance sheets

Accounts	(In millions of yen)	
	As of Dec. 31, 2023	As of Sep. 30, 2024
Assets		
Current assets		
Cash and deposits	18,644	22,144
Notes and accounts receivable-trade	28,443	29,378
Electronically recorded monetary claims	906	1,179
Merchandise	18,182	18,948
Goods in transit	690	782
Supplies	1	0
Accounts receivable-other	7,417	7,157
Other	1,134	1,461
Allowance for doubtful accounts	-134	-140
Total current assets	<u>75,286</u>	<u>80,911</u>
Noncurrent assets		
Property, plant and equipment		
Buildings, net	14,943	14,448
Machinery and equipment, net	14,888	13,912
Leased assets, net	2,389	2,080
Construction in progress	1,076	1,129
Other, net	6,262	6,242
Total property, plant and equipment	<u>39,561</u>	<u>37,812</u>
Intangible assets		
Software	5,883	6,028
Software in progress	301	243
Other	175	162
Total intangible assets	<u>6,359</u>	<u>6,434</u>
Investments and other assets		
Guarantee deposits	3,550	3,415
Other	3,715	3,781
Allowance for doubtful accounts	-120	-107
Total investments and other assets	<u>7,144</u>	<u>7,089</u>
Total noncurrent assets	<u>53,065</u>	<u>51,336</u>
Total assets	<u>128,352</u>	<u>132,248</u>
Liabilities		
Current liabilities		
Accounts payable-trade	17,052	18,452
Short-term borrowings	221	38
Current portion of long-term loans payable	4,721	218
Lease obligations	31	255
Accounts payable-other	5,463	4,689
Income taxes payable	6,063	4,093
Provision for employees' bonuses	345	730
Other	3,093	2,428
Total current liabilities	<u>36,989</u>	<u>30,907</u>
Noncurrent liabilities		
Long-term loans payable	221	218
Lease obligations	616	634
Net defined benefit liability	562	657
Asset retirement obligations	2,903	2,915
Other	77	76
Total noncurrent liabilities	<u>4,380</u>	<u>4,503</u>
Total liabilities	<u>41,369</u>	<u>35,411</u>
Net assets		
Shareholders' equity		
Capital stock	2,042	2,042
Capital surplus	1,027	497
Retained earnings	83,578	94,017
Treasury stock	-619	-747
Total shareholders' equity	<u>86,028</u>	<u>95,809</u>
Accumulated other comprehensive income		
Foreign currency translation adjustment	417	351
Remeasurements of defined benefit plans	-12	-3
Total accumulated other comprehensive income	<u>404</u>	<u>348</u>
Subscription rights to shares	28	28
Non-controlling interests	520	651
Total net assets	<u>86,982</u>	<u>96,837</u>
Total liabilities and net assets	<u>128,352</u>	<u>132,248</u>

(2) Consolidated quarterly statements of (comprehensive) income

Accounts	(In millions of yen)	
	Nine months period ended Sep. 30, 2023	Nine months period ended Sep. 30, 2024
Net sales	187,223	211,509
Cost of sales	131,258	149,517
Gross profit	55,965	61,991
Selling, general and administrative expenses	33,045	34,950
Operating income	22,919	27,040
Non-operating income		
Interest income	19	12
Foreign exchange gains	154	44
Gain on sale of materials	24	33
Other	131	95
Total non-operating income	329	186
Non-operating expenses		
Interest expenses	69	56
Loss on sale of electronically recorded monetary claims	26	31
Other	8	5
Total non-operating expenses	104	93
Ordinary income	23,145	27,134
Extraordinary income		
Gain on sales of fixed assets	—	0
Total extraordinary income	—	0
Extraordinary losses		
Loss on disposal of fixed assets	97	60
Loss on sales of fixed assets	—	86
Total extraordinary losses	97	146
Income before income taxes	23,047	26,987
Income taxes-current	7,109	8,637
-deferred	165	-49
Total income taxes	7,274	8,587
Net income	15,773	18,399
Net income attributable to:		
owners of the parent	16,171	18,886
non-controlling interests	-397	-486
Other comprehensive income		
Foreign currency translation adjustments	209	-110
Remeasurements of defined benefit plans	6	6
Total other comprehensive income	215	-104
Comprehensive income	15,989	18,295
Comprehensive income attributable to:		
owners of the parent	16,342	18,810
non-controlling interests	-352	-514