

# p-ban.com Corp. | 3559 TSE Prime

## Going from a platform for receiving and placing printed circuit board orders to a one-stop shop that supports the manufacturing process

For some time now, the manufacturing industry has been calling for digital transformation, and the printed circuit board (PCB) ordering platform that p-ban.com Corp. started when it was founded in 2002 has been recognized as an innovative service. The company has grown its market share, especially in the prototype and small-lot areas, but has run into a roadblock and is now working to overcome this and get back on a growth trajectory. The next few years will be a critical time for the company to move into its next stage of growth.

FY	Net sales (¥mn)	YoY (%)	OP (¥mn)	YoY (%)	RP (¥mn)	YoY (%)	NP (¥mn)	YoY (%)	EPS (¥)	DPS (¥)
FY19/3	2,107	5.6	298	4.2	300	3.1	236	6.8	107	10
FY20/3	2,133	1.2	247	-17.1	232	-22.7	112	-52.5	25	5
FY21/3	1,989	-6.8	205	-17.0	210	-9.5	143	27.7	32	8
FY22/3	1,933	-2.8	198	-3.4	199	-5.2	137	-4.2	29	8
FY23/3	2,015	4.2	183	-7.6	182	-8.5	93	-32.1	20	8
FY24/3	2,221	10.2	145	-20.8	145	-20.3	100	7.5	22	

Source: Compiled by SIR from the company IR material.

### Summary

In the PCB industry, where customized design is the norm, the online service that the company started was revolutionary in that it enabled customers to provide detailed instructions online, from design to delivery. At the time, quotations varied depending on whether the industry was in its peak or off season, order volume, and specifications, and there was no transparency in pricing, necessitating in-person negotiations between the manufacturer and the customer. Because of this, the online service the company launched was groundbreaking and became popular in the prototyping and small-lot production areas, where speed and convenience are important. On the other hand, the company's businesses with large and medium-sized companies with high transaction volumes have been limited, and it has yet to achieve a breakthrough despite gradually expanding its business with these companies in recent years.

To address this issue, the company launched its EMS service in 2019. This is a contract manufacturing service for mass production, where customers can have electronic components mounted on a substrate and assembled into a chassis. However, the global shortage of semiconductors and electronic components that came about shortly after the launch severely hampered the launch of the EMS business, and as shown in the table above, the company posted lower sales and profits from FY21/3 to FY22/3.

### Medium-term management plan shifting toward proactive growth investment

The company formulated a long-term management plan covering three terms (three years per term, nine years in total) in 2022. It revised its profit plan in May 2023, making the management decision to make the first term a foundation-building term rather than a profit-focused one, in order to implement its "structure x people"

## Full Report



### Focus Point

Leading B2B e-commerce platform provider of printed circuit board (PCB) and EMS online services, with its own unique supply chain, targeting higher penetration with large enterprise customers.

### Key Indicators

Share price (9/27)	461
YH (23/3/24)	574
YL (23/9/11)	448
10YH (19/12/26)	1,839
10YL (23/9/11)	448
Shrs out. (mn shrs)	4.925
Mkt cap (¥ bn)	2.30
EV (¥ bn)	1.58
Equity ratio	80.6%
FY24/3 P/E (CE)	21.0x
23/3 EV/EBITDA	7.8x
FY23/3 P/B (act)	2.1x
FY23/3 ROE (act)	7.35%
FY23/3 DY (CE)	1.74%

### Stock Price Chart 52 Weeks



Source: Trading view

### Team Coverage

research@sessapartners.co.jp

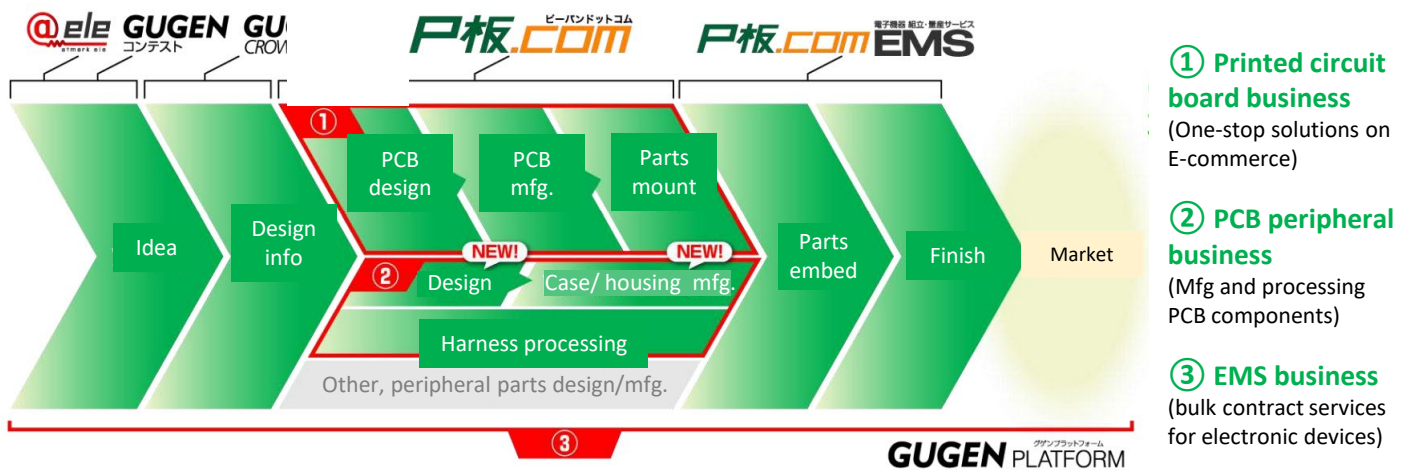


strategy and accelerate business growth through proactive investment in human resources. At the same time, it shifted to an ambitious plan, branding its EMS service as S-GOK and focusing on offering customer-oriented services ranging from design to application development on top of manufacturing.

**Company overview**

p-ban.com provides a B2B one-stop solution platform for the design, manufacture, and assembly of printed circuit boards (PCBs), operating the PCB ordering e-commerce site p-ban.com while maintaining a fabless operation by collaborating with factories in Japan and overseas. The B2B platform lowers overhead costs, reducing manpower by using its in-house ordering system. The company provides high-quality products and services at competitive prices and boosts customer satisfaction by offering unique value-add and free user-friendly services, thereby building a repeat customer base and a unique supply chain. As a pioneer, the company has become the de facto standard.

The company's mission is to "innovate the development environment," and its vision is to "build the GUGEN platform, i.e. create services that enable anyone to easily bring their ideas to life". The Japanese word "GUGEN" means to bring something to life, and the area outlined in red below shows the company's key service areas.



- ① Printed circuit board business  
(One-stop solutions on E-commerce)
- ② PCB peripheral business  
(Mfg and processing PCB components)
- ③ EMS business  
(bulk contract services for electronic devices)

**Printed circuit board design service**  
(including free CAD tools and resources)

Designs PCB layout data from electronic circuit schematic diagrams

Schematic data is made into PCB mfg. data.

**Printed circuit board manufacturing service**

Removes unnecessary copper from the substrate and manufactures according to design data

Manufactured based on PCB mfg. data.

**PCB component assembly service**

Electronic components mounted on board by hand and by machine mounting

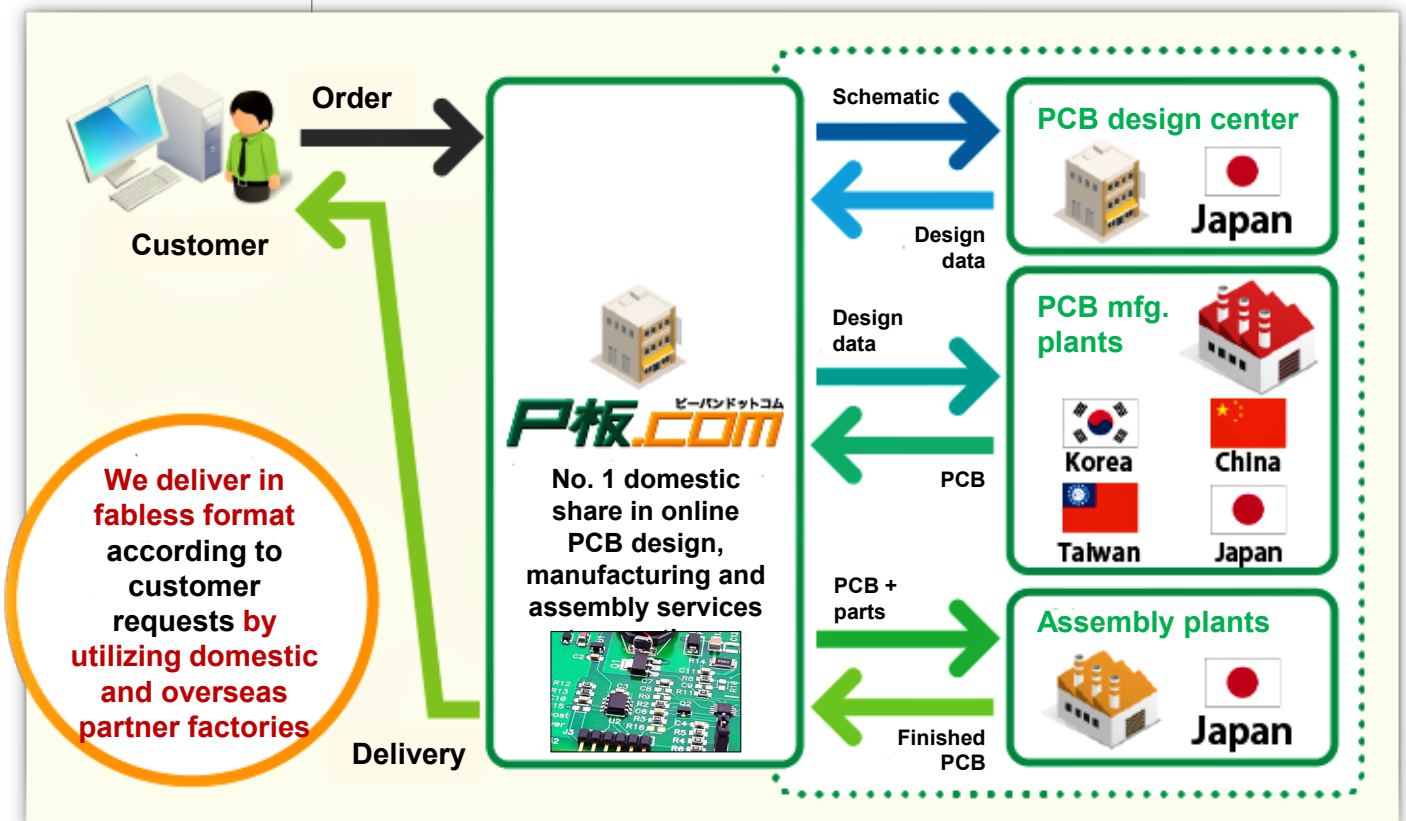
Components are soldered on to PCBs.

Source: IR results briefing materials.

**Business Model**

**Leading share in Japan for online PCB design, manufacturing, and assembly services**

According to the company, the biggest bottleneck for emerging electronics development companies is the high initial cost of manufacturing printed circuit boards. p-ban.com has been able to offer zero initial cost deals to customers by panelizing different orders on a single array to efficiently use materials. In addition, another key feature is that it is the first in the industry to introduce the 1-Click Quote system, which instantaneously provides users with a quote and delivery date when they click on their preferred conditions. The partner PCB manufacturing plants ensure thorough quality control through UL certification, ISO9001, and ISO14001-compliant production systems, and periodic self-inspections. Furthermore, the company publishes its own standards in accordance with the industry organization, the Japan Electronics Packaging and Circuits Association (JPCA) and the international standard IPC, on its website. Before manufacturing, specialize staff from p-ban.com and each factory carefully double-check design data to prevent problems, which have garnered positive feedback from customers. In addition, the company has received inquiries from major corporations, government agencies, and renowned universities thanks to its mass production system and ability to handle advanced specifications.



**p-ban.com Strengths**

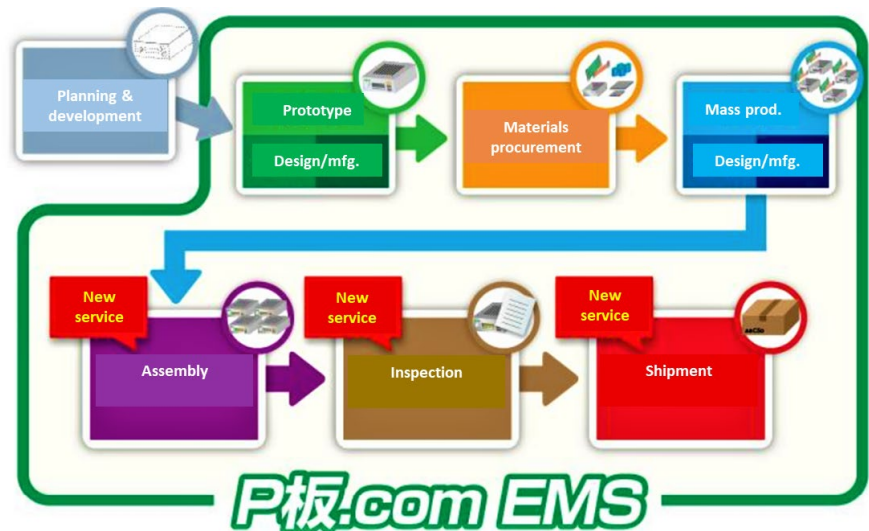
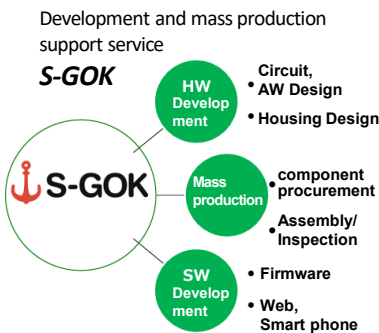
- **Niche Top:** Overwhelming share in venture business prototype printed circuit boards
- **Convenience:** Orders can be placed 24/h, 365 days a year
- **Reliability:** Maintains a 99% on-time delivery rate
- **High quality:** High-quality products and services backed by ISO9001 certification
- **Multiple offerings:** Handles rigid substrates, flexible substrates, metal heat dissipation substrates, harnesses, and housings that can support next-generation 5G/IoT/EV etc.
- **Fables:** Maintains high returns on capital through fables management
- **Customer base:** Transaction experience with 28,000 companies

**EMS business**

Launched in December 2019, the EMS business is positioned as the second pillar of the company, and offers synergies by leveraging its own user database consisting of 58,000 engineers in Japan, which was built through the PCB service business. In August 2023, the company rebranded the EMS business as S-GOK, a development and mass production support service, to provide a one-stop system for mass production. This service provides comprehensive support for customer manufacturing, covering hardware development, including electrical circuit design and housing design; mass production manufacturing, including materials procurement, manufacturing, assembly, and inspection; and application development for the internet and smart phones. While the EMS business to date had focused on manufacturing, S-GOK is a service that covers both the hardware and software areas to help customers create products and services.

However, the semiconductor and electronic component shortages that began in 2020 have hampered component procurement, creating a challenging environment for the company, which does not carry inventory. In order to strengthen its component procurement capabilities, the company is working to enhance its partnerships with component manufacturers that have mass production capabilities. Unlike PCBs, which are mainly used for prototype development, this service targets medium- and large-sized companies looking for mass production. Accordingly, being able to procure components stably will be an essential factor for this service.

In addition, unlike the online marketing capabilities the company developed with its PCB business, it will need to build in-person sales capabilities as well as a sales network. For this reason, the company is also hiring people who are well-versed in the industry and can quickly produce results.



**Features of S-GOK**

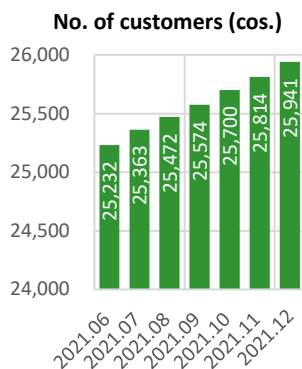
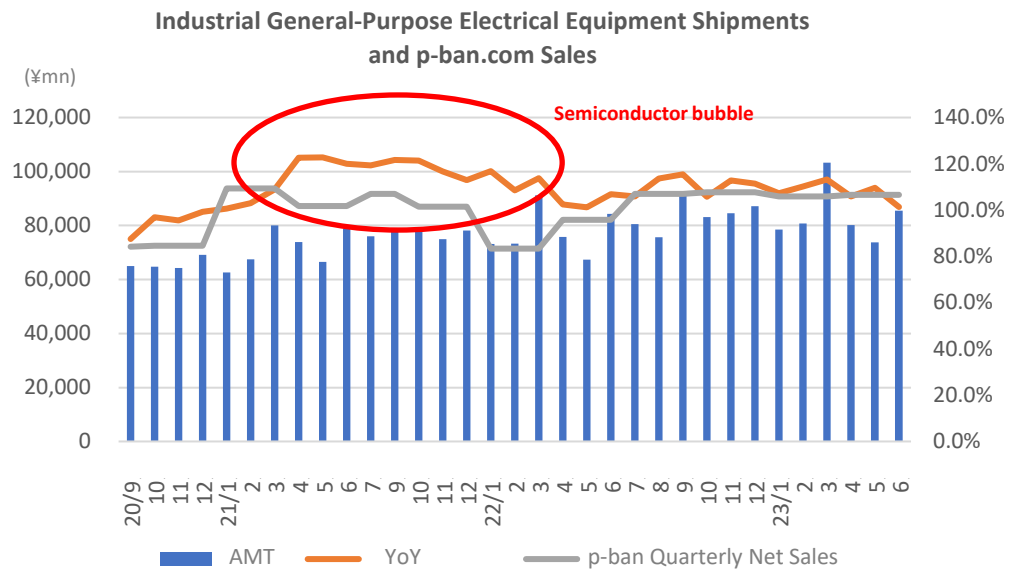
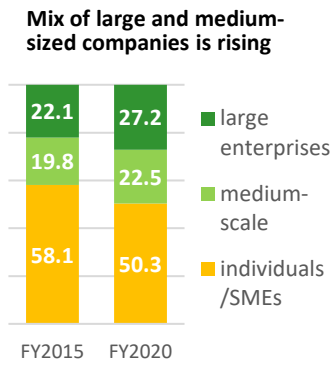
- Hardware and software development capabilities
- One-stop outsourcing from prototyping to commercialization and mass production
- Extensive procurement network
- Utilization of global supply chain
- Support for major projects

**Customer benefits**

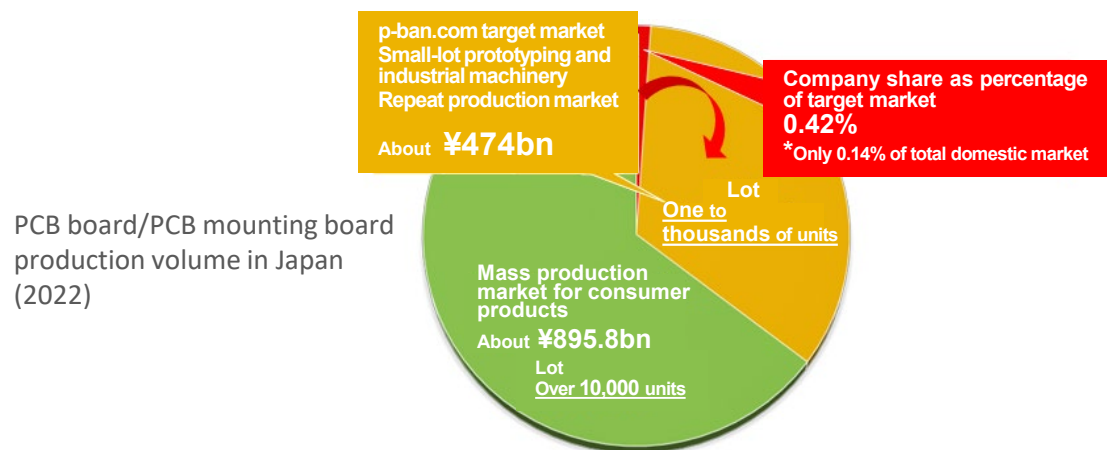
- Accelerate product commercialization
- Achieve mass production and promote business
- Minimize internal resources
- Single point of contact for purchasing
- Avoid capital investment risk

Market Environment

Shipments for industrial electronic equipment have remained stable since the semiconductor bubble period, moving up YoY. Quarterly sales at p-ban.com have also trended similarly since 2H FY2022, but negative growth continued for about six months during the semiconductor bubble in 2021 owing to difficulties in procuring electronic components. This was a time when the company's strength of not carrying inventory backfired, and although the situation is now normalizing, the company sees this as a management issue going forward.



The main target of the company's mainstay PCB manufacturing services is the prototype market, where small-lot orders of 1 to several thousand units are placed. The figure below shows the size of the prototype market and other markets in Japan, and the company's share of the prototype and small-lot production market is only 0.42% of the approximately ¥475 bn market in 2022. There are many PCB manufacturers in Japan and overseas, and most of them do not have a platform, but some of them have set up websites for online orders and are selling their products at low prices. Forty percent of the company's new customers come from word-of-mouth and referrals from existing users, which helps to keep acquisition costs low, but the pace of growth has been slow.

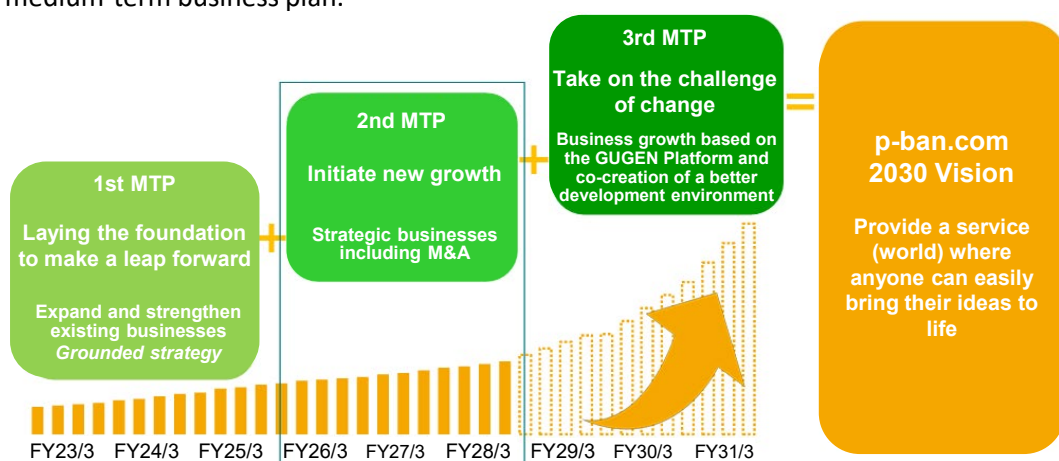


Source: Compiled by SIR from the company IR briefing materials.

**Medium-Term Management Plan**

The company is revamping its online ordering procedures to improve user-friendliness, and is aiming to expand sales by not only accepting system orders but also by digging deeper into customer needs. Specifically, the company renewed the user interface of its website in December 2022. In addition, to meet the needs of large and medium-sized companies, the company introduced a feature for issuing environmental documents and inspection certificates online, and enhanced DX functionality to boost the user experience.

In 2022, p-ban.com formulated a long-term plan (nine years through FY2031/3) aimed at fulfilling its corporate mission and three-year medium-term management plans for achieving the long-term plan. The company has established a stable business model by building Japan's first PCB ordering platform, and although it has established itself as a niche leader in small-lot prototyping, it now faces the issue of growth. It plans to boost its long-term growth potential by implementing each of the measures outlined in the medium-term business plan.



Source: Compiled by SIR from the company IR briefing material.

**First Medium-Term Management Plan (FY23/3 - FY25/3)**

The first phase was designated as a period for laying the foundation to make a leap forward, in which the company will expand and strengthen its existing businesses. Deepening the customer base by revamping the online system and incorporating DX function and expanding the customer base in the EMS business, as mentioned above, are positioned as growth drivers.

In addition, the company incorporated the nurturing of new businesses as a priority measure in preparation for the second medium-term management plan. It already has plans to offer parts inventory management services, and is also looking into collaborating with strategic partners for other businesses.

p-ban.com is proactively hiring to get these new endeavors off the ground. Under the original earnings plan formulated in 2022, the company planned to grow both sales and profits with an eye on meeting the Prime Market continued listing criteria, but was concerned that the plan would be half-baked if it limited investment. By transferring to the Standard Market (discussed below on p. 8), it became easier for the company to proactively invest in growth without being concerned about meeting the Prime Market continued listing criteria in the near term. The company carried out its personnel recruitment plan ahead of schedule and revised its earnings plan for the first phase as follows (2023/5/23). It plans to increase employee headcount from 30 at the end of March 2023 to 40 by the end of FY24/3.

**Revised First Medium-Term Earnings Plan**

(¥bn)	FY23/3		FY24/3 Plan		FY25/3 Plan	
	Initial CE	Act	Old	New	Old	New
Net sales	2.13	2.01	2.42	2.22	2.68	2.44
Operating profit	0.23	0.18	0.22	0.14	0.28	0.2
Net profit	0.16	0.09	0.16	0.1	0.2	0.14

Source: Compiled by SIR from the company IR briefing material.

**FY2023/3 Full-year earnings results**

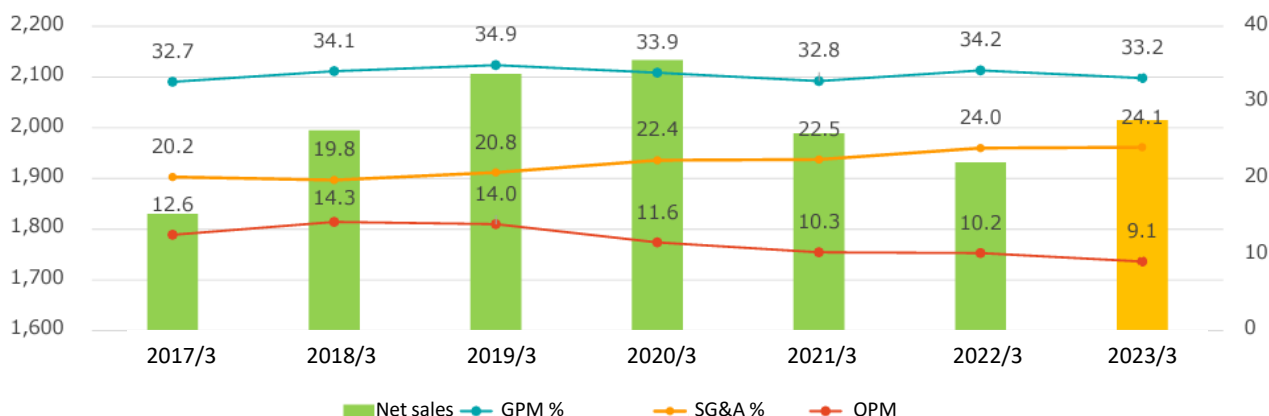
In FY2023/3, net sales rose 4.3% YoY to ¥2015 mn while operating profit fell 7.5% YoY to ¥182 mn. The drop in operating profit was primarily attributed to a 4.9% increase in SG&A expenses, but also to personnel investments and aggressive sales promotions as economic activity returned to normal. The 32.4% drop in net income was driven by a reversal of deferred tax assets.

(Unit: ¥mn)	FY22/3 act	Comp. %	FY23/3 act	Comp. %	YoY %
Net sales	1,932	-	2,015	-	+4.3%
Gross profit	660	34.2%	668	33.2%	+1.2%
SG&A expenses	462	23.9%	485	24.1%	+4.9%
Operating profit	197	10.2%	182	9.1%	△7.5%
Net profit	137	7.1%	92	4.6%	△32.4%

One distinctive feature of the company's earnings results is that its gross profit margin has always remained in the low 30% range. This is because the company's ordering platform provides a fixed profit margin when providing a quote, regardless of the exchange rate or high raw material prices, so that the costs are automatically passed on to the customer and changes in the external environment are not reflected in the gross profit margin. Normally, when costs rise, customers would either cut back on orders or go to other suppliers, but net sales only fell 2.9% YoY in FY22/3, when manufacturing costs rose sharply, and rose 4.3% YoY in FY23/3, as mentioned above. The minimal impact on sales may be a characteristic of the prototype and small-lot production market.

(Unit: ¥mn)

**Net sales (bar chart) & Profit margin Trends %**



### FY2024/3 Forecast

As mentioned on page 7, the company expects sales to rise 10.2% YoY to ¥2,221 mn and operating profit to fall 20.7% YoY to ¥145 mn in FY24/3. Although SG&A expenses will increase by ¥97 mn as a result of personnel investments, it expects to offset half of the increase with the boost in sales.

(¥mn)	FY23/3 act	FY24/3 CE	YoY
Net sales	2,015	2,221	10.2%
Gross profit	668	727	8.9%
SG&A expenses	485	582	20.0%
Operating profit	182	145	-20.7%
Net profit	92	100	8.2%

### FY2024/3 1Q earnings results

In the 1Q earnings announcement on August 10, sales were up 6.5% YoY to ¥470 mn and operating profit was down 4.9% YoY to ¥30 million. Sales rose YoY as the external environment loosened up after a challenging 1Q FY23/3 caused by component supply issues. Operating profit fell only slightly despite upfront costs from accelerated personnel hiring, thanks in part to the boost in sales. The company's progress toward its full-year forecasts was 21.2% for net sales and 21.4% for operating profit, a good start for a business that is seasonally weighed toward 2H.

(¥mn)	FY23/3 Q1	FY24/3 Q1	YoY %	FY24/3 CE	Progress %
Net sales	441	470	6.5%	2,221	21.2%
Gross profit	149	155	3.8%	727	21.3%
SG&A expenses	118	125	6.1%	582	21.5%
Operating profit	31	30	-4.9%	145	20.7%
Net profit	20	19	-4.7%	100	19.0%

### From Prime Market to Standard Market

On May 12, the company announced its decision to move from the Prime Market to the Standard Market. It had not met the criteria for tradable share market capitalization for some time, and had been aiming to conform to the Prime Market criteria based on its long-term growth strategy. However, the schedule for conforming to the TSE's published criteria was set for March 2025, and the company moved forward with its decision as it believed the short time frame for conformance might cause concerns for existing shareholders.

### Conforming to all continued listing criteria for the Standard Market

Item	Company Status (2023/3/31)	Listing Maintenance Standards	conformance
Number of shareholders*1	4,247 persons	400 persons	Conformed
Number of shares traded	23,332 unit	2,000 unit	Conformed
Tradable share market capitalization	¥1.25 bn	¥1.0 bn	Conformed
Ratio of tradable shares	47.3%	25.0%	Conformed
Monthly average trading volume*2	1,672 unit	10 unit	Conformed
Net assets*3	¥1,231 mn	Positive net assets	Conformed

\*1 Number of shareholders, number of tradable shares, tradable share market capitalization, and tradable share ratio are calculated based on the company's share distribution information according to the TSE as of the March 31, 2023 base date.

\*2 Monthly average trading volume is the company's estimate calculated by dividing the total trading volume in 2H 2022 (July-December) by 6

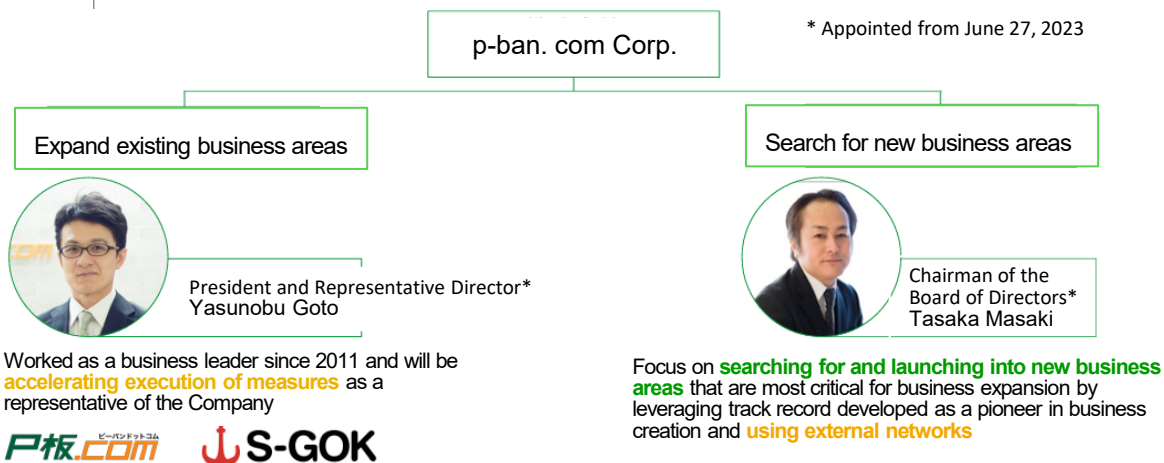
\*3 Calculated based on "Financial Results for the Fiscal Year Ended March 31, 2023 [Japanese GAAP] (Non-consolidated)"



### New management team

At the annual general meeting of shareholders held in late June, the company appointed Mr. Goto, who has been a core member of the company since its pioneering days as COO and General Manager of the Sales Division, as the new President and Representative Director. Mr. Tasaka, the founder of the company, will serve as Chairman of the Board to promote a new stage of growth by leveraging his outside network, including for launching new businesses and forming business partnerships. This appointment was discussed by the Nomination and Compensation Committee, chaired by an outside director and consisting of a majority of outside directors, and reported to the Board of Directors.

<b>New Representative Director</b>	<b>Yasunobu Goto</b>
Date of Birth	Born on February 11, 1977
Description	2004.11 Joined the company
	2011.04 COO (Chief Operating Officer)
	2015.06 Director and COO, Director of Marketing and Sales
	2018.04 Director and COO, General Manager of Sales Division
	2021.06 Director and COO, General Manager of Sales Division and In charge of business divisions
	2023.06 Representative Director of the Company (current position)
Number of shares owned	50,176 shares



### Corporate governance system

The company has a transparent governance structure for a company with 30 officers and employees. Three of the six directors are internal, and half (three) are outside directors who also serve as members of the Audit and Supervisory Committee. The Nomination and Compensation Committee is chaired by an outside director and consists of three outside directors and one internal director. This system enables management decisions to be made without relying solely on the leadership of the founder.

In 2022, the company established its Sustainability Committee, and in 2023, it announced its endorsement of the TCFD recommendations, and disclosed the risks and opportunities based on the framework. Opportunities include contributing to the development of equipment as hardware to address climate change from a manufacturing perspective, and the company has a strong sense of commitment to solving social issues.

### Balance sheet and financial performance

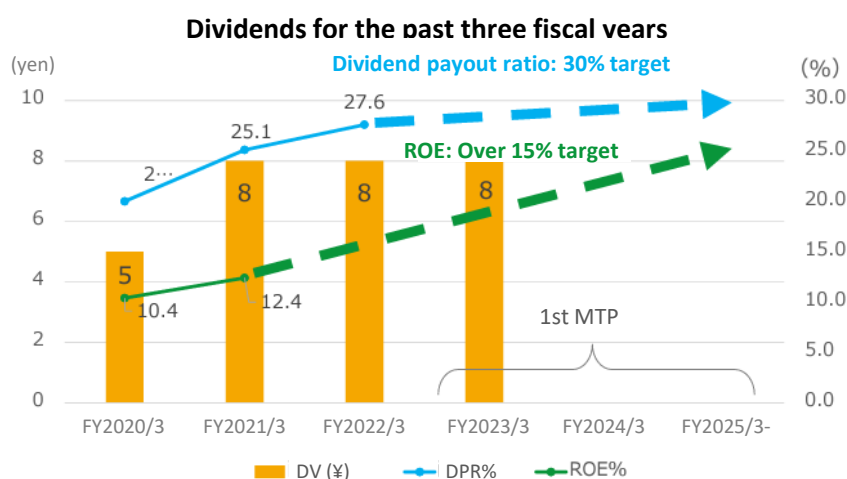
Having a fabless operation, the company does not need to make large capital investments and is therefore debt free. Its equity ratio has always been around 80%, and it expects its ROE to come in at 8.2% in FY24/3, which is about average for the Prime Market. While the company's capital efficiency is better compared to the average equity ratio of about 50% in the manufacturing industry, its ROE currently lags behind that of other e-commerce companies. As a niche leader, it is difficult to make direct comparisons with other companies, not to mention the fact that the company is making upfront investments, but its management has set an ROE target of 12% in its medium-term management plan. The company's ROE was 12% in FY21/3, prior to the component supply shortage, and it will not be difficult to achieve this target once the personnel investments run their course and the company reaps the benefits of these investments.

¥mn,%	FY2018/3	FY2019/3	FY2020/3	FY2021/3	FY2022/3	FY2023/3
Total net sales	1,995	2,107	2,133	1,989	1,933	2,015
Operating profit	286	298	247	205	198	183
OPM	14.3	14.1	11.6	10.3	10.2	9.1
DOE	69.79	74.60	77.92	77.42	80.91	80.62
ROE	32.19	25.86	10.40	12.39	11.03	7.35
Payout ratio	10.0	9.3	20.5	26.6	28.5	39.8
Dividend per share (¥)	10.00	10.00	5.00	8.00	8.00	8.00

### Shareholder returns

The company's shareholder return policy is to maintain a stable dividend payout ratio of around 30%. In FY23/3, net income fell 32% YoY owing to the reversal of deferred tax assets, but the company maintained its dividend of ¥8 per share from the previous year, which brought the dividend payout ratio to approximately 41%. Going forward, the company aims to achieve ROE of over 15% by paying dividends in line with profit growth.

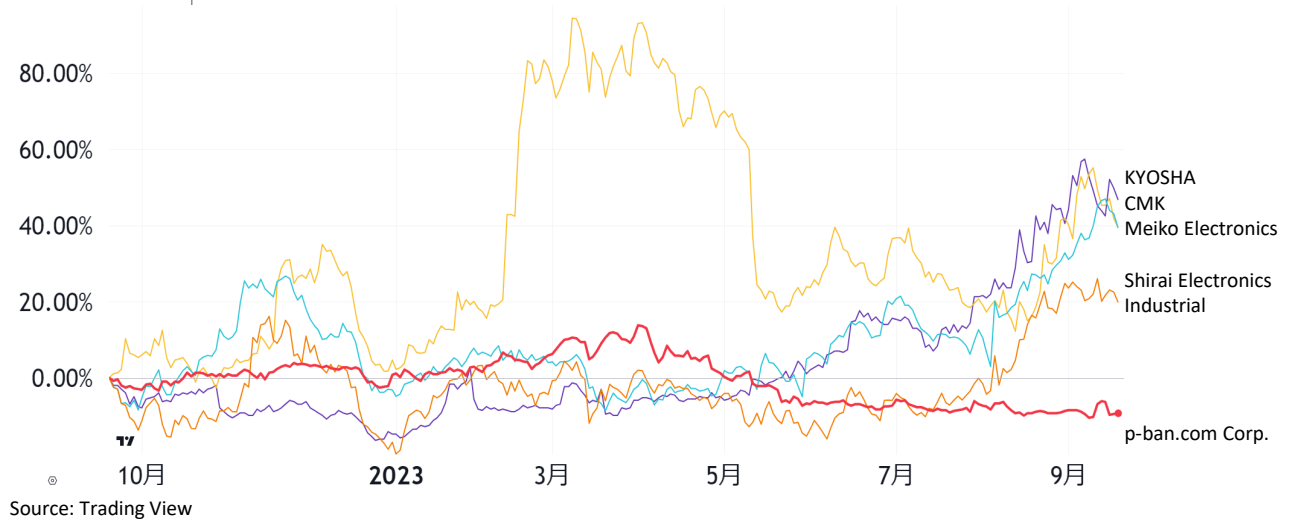
Furthermore, the company does not have manufacturing facilities and its business model tends to accumulate internal reserves, so it has been repurchasing shares in accordance with its circumstances. In FY2023/3, the company repurchased ¥130 mn shares, exceeding its net income for the year.



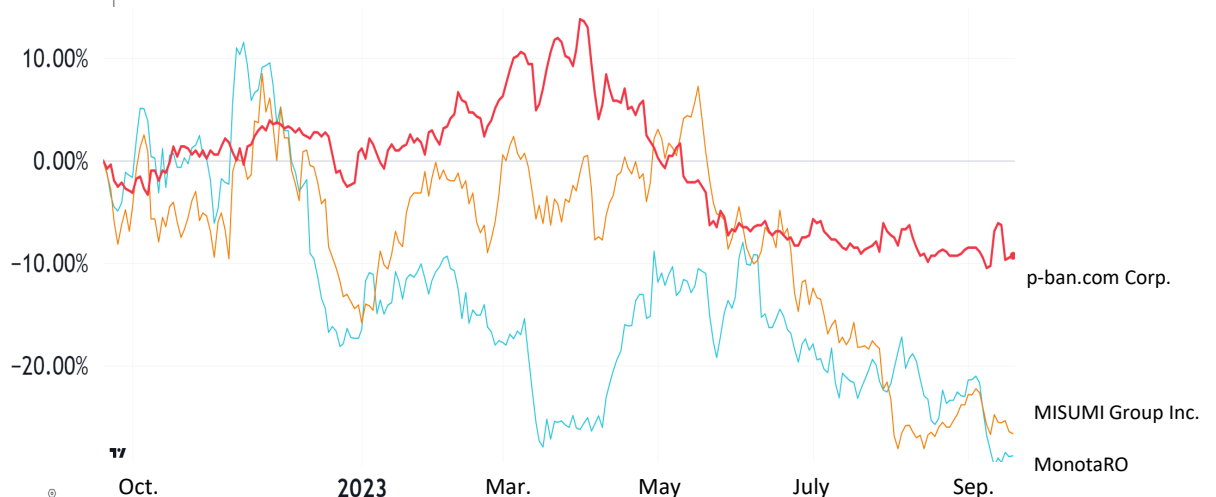
Source: Compiled by SIR from the company IR briefing materials.

Share Price Insight

It is difficult to identify comparable companies to p-ban.com. Although the company deals in PCBs as its main product line, its business model differs from that of a manufacturer, and thus its earnings trends are different. In addition, its earnings performance does not match the global supply and demand for electronic components, as its main focus is on the small-lot and prototype markets. The chart below shows the comparative share price charts of Meiko, CMK, Shirai Electronics, and Kyosha, which are the four listed PCB manufacturers. The share prices of the four manufacturers have risen in tandem with the TOPIX since their earnings announcement in May, but the company's share price has been left behind.



Next is a comparison with B2B e-commerce platforms Misumi Group Inc. and MonotaRO. In contrast to the aforementioned PCB manufacturers, the share prices of both companies have significantly underperformed since May. While Misumi Group Inc. has its own individual factors such as weak demand from China and other overseas markets, MonotaRO is expecting record profits for this fiscal year (FY2023/12), and the price performance makes little sense from an earnings perspective. Foreigners have been actively buying Japanese stocks since May 2023, mainly focusing on highly liquid, low-priced large-cap stocks rather than growth stocks, suggesting that short-term investors have similarly shifted their purchases to large-cap stocks. Although these two companies are not in the same business field as p-ban, they have similarities as platformers as opposed to manufacturers, and may be positioned as B2B players in the market. However, given that p-ban downwardly revised its medium-term earnings plan, it is difficult to see a scenario where the company's share price outperforms the market from a momentum perspective.



Normally, comparisons based on profitability and financial performance would be preferred, but profit-based comparisons are unlikely to produce meaningful results in evaluating valuations at a time when the company is making upfront growth investments.

Going forward, the company's catalysts will likely include the steady execution of measures related to the EMS business (S-GOK) in line with the medium-term management plan and the results of these measures.

### Productivity and Profitability Indicator of each company

(¥mn, %)		FY2018	FY2019	FY2020	FY2021	FY2022
<b>PCB makers</b>						
Meiko Electronics 6787	Total net sales	118,910	115,479	119,257	151,275	167,276
	Net sales growth rate	9.6	-2.9	3.3	26.8	10.6
	Operating profit	8,926	5,189	6,657	13,255	9,575
	OPM	7.5	4.5	5.6	8.8	5.7
	ROE	20.24	7.85	12.76	23.16	13.03
	Sales per capita	9.993	9.441	8.692	11.093	14.070
	Operating profit per capita	0.750	0.424	0.485	0.972	0.805
CMK CORPORATION 6958	Total net sales	90,230	82,619	69,967	81,486	83,840
	Net sales growth rate	3.8	-8.4	-15.3	16.5	2.9
	Operating profit	3,767	1,601	-1,676	3,021	2,605
	OPM	4.2	1.9	-2.4	3.7	3.1
	ROE	3.84	-2.17	-3.76	5.53	2.90
	Sales per capita	18.082	17.031	14.106	16.787	18.685
	Operating profit per capita	0.755	0.330	-0.338	0.622	0.581
Shirai Electronics Industrial 6658	Total net sales	28,632	26,135	22,355	29,397	32,864
	Net sales growth rate	0.4	-8.7	-14.5	31.5	11.8
	Operating profit	362	-98	119	1,558	2,833
	OPM	1.3	-0.4	0.5	5.3	8.6
	ROE	-6.85	-18.67	-8.91	42.42	41.94
	Sales per capita	18.295	17.925	17.249	23.294	25.261
	Operating profit per capita	0.231	-0.067	0.092	1.235	2.178
KYOSHA 6837	Total net sales	21,035	19,022	17,334	21,337	24,462
	Net sales growth rate	-1.0	-9.6	-8.9	23.1	14.6
	Operating profit	498	79	98	478	671
	OPM	2.4	0.4	0.6	2.2	2.7
	ROE	4.33	0.02	-2.12	4.31	-6.73
	Sales per capita	15.709	14.943	13.172	15.782	19.081
	Operating profit per capita	0.372	0.062	0.074	0.354	0.523
<b>p-ban.com Corp. 3559</b>	Total net sales	2,107	2,133	1,989	1,933	2,015
	Net sales growth rate	5.6	1.2	-6.8	-2.8	4.2
	Operating profit	298	247	205	198	183
	OPM	14.1	11.6	10.3	10.2	9.1
	ROE	25.86	10.40	12.39	11.03	7.35
	Sales per capita	91.609	88.875	71.036	69.036	69.483
	Operating profit per capita	12.957	10.292	7.321	7.071	6.310
<b>Industrial B2B platformers</b>						
MISUMI Group 9962	Total net sales	331,936	313,337	310,719	366,160	373,151
	Net sales growth rate	6.1	-5.6	-0.8	17.8	1.9
	Operating profit	31,874	23,640	27,199	52,210	46,615
	OPM	9.6	7.5	8.8	14.3	12.5
	ROE	12.29	7.94	7.72	14.67	11.57
	Sales per capita	26.987	25.815	26.598	30.920	31.612
	Operating profit per capita	2.591	1.948	2.328	4.409	3.949
MonotaRO 3064	Total net sales	109,553	131,463	157,337	189,731	225,970
	Net sales growth rate	24.0	20.0	19.7	20.6	19.1
	Operating profit	13,791	15,839	19,607	24,129	26,213
	OPM	12.6	12.0	12.5	12.7	11.6
	ROE	36.09	32.94	32.82	33.05	28.37
	Sales per capita	228.235	229.830	205.669	190.876	177.231
	Operating profit per capita	28.731	27.691	25.630	24.275	20.559

Source: Compiled by SIR from SPEEDA data

## Income Statement

FY	2015/03	2016/03	2017/03	2018/03	2019/03	2020/03	2021/03	2022/03	2023/03	2024/03
¥mn, %	act	act	act	act	act	act	act	act	act	CE
<b>Total Revenue</b>	<b>1,684</b>	<b>1,717</b>	<b>1,831</b>	<b>1,995</b>	<b>2,107</b>	<b>2,133</b>	<b>1,989</b>	<b>1,933</b>	<b>2,015</b>	<b>2,221</b>
Gross Sales	1,684	1,717	1,831	1,995	2,107	2,133	1,989	1,933	2,015	
Total Cost of Sales	1,216	1,243	1,231	1,313	1,371	1,409	1,337	1,272	1,347	
Cost of Sales	1,216	1,243	1,231	1,313	1,371	1,409	1,337	1,272	1,347	
Gross Profit	468	474	600	682	736	725	652	660	668	
Gross Margin	27.8	27.6	32.8	34.2	34.9	34.0	32.8	34.1	33.2	
Selling, General and Administrative Expenses	405	414	370	396	438	478	447	463	485	
<b>Operating Profit</b>	<b>63</b>	<b>60</b>	<b>230</b>	<b>286</b>	<b>298</b>	<b>247</b>	<b>205</b>	<b>198</b>	<b>183</b>	<b>145</b>
Operating Profit Margin	3.7	3.5	12.6	14.3	14.1	11.6	10.3	10.2	9.1	6.5
Non-Operating Income	8	9	4	5	4	5	5	2	2	
Interest and Dividends Income	0	0	0	0	0	0	0	0	0	
Non-Operating Expenses	1	0	13	0	1	20	0	1	3	
Interest Expenses	0	0	0							
<b>Ordinary Profit</b>	<b>71</b>	<b>68</b>	<b>221</b>	<b>291</b>	<b>300</b>	<b>232</b>	<b>210</b>	<b>199</b>	<b>182</b>	<b>145</b>
Ordinary Profit Margin	4.2	4.0	12.1	14.6	14.2	10.9	10.6	10.3	9.0	6.5
Extraordinary Gains/Losses		27	9	24	37	-63	-4		-3	
Extraordinary Gain		28	9	24	37	33				
Extraordinary Loss		1		0	0	96	4		3	
Pretax Profit	71	95	229	315	338	169	206	199	179	
Pretax Profit Margin	4.2	5.5	12.5	15.8	16.0	7.9	10.4	10.3	8.9	
Income Taxes	22	34	70	94	101	57	63	62	86	
Income Taxes - Current	26	48	73	97	107	87	64	61	54	
Income Taxes - Deferred	-4	-14	-2	-3	-6	-29	0	1	33	
<b>Net Profit Attribute to parent company shareholders</b>	<b>49</b>	<b>62</b>	<b>159</b>	<b>221</b>	<b>236</b>	<b>112</b>	<b>143</b>	<b>137</b>	<b>93</b>	<b>100</b>
Net Profit Margin (Attribute to parent company shareholders)	2.9	3.6	8.7	11.1	11.2	5.3	7.2	7.1	4.6	4.5
(Others)										
EBIT	71	95	229	315	338	169	206	199	179	
EBITDA	71	68	239	296	309	261	221	216	203	165
EBITDA Margin	4.2	4.0	13.1	14.8	14.7	12.2	11.1	11.2	10.1	7.4
(Detail of Expenses)										
Total Payroll	148	138	155	169	191	195	213	216	230	
Payroll	148	138	155	169	191	195	213	216	230	
Labor Cost										
Rent Expenses (inc. Lease)										
Advertising Expenses	35	35	20	22	23	30	24	29	28	
Packing, Transportation and Warehousing	15	14	15	17	16	16	18	21	24	
Travel and Communication										
R&D Expenses										
Enterprise Taxes, Taxes and Dues										
Depreciation	8	8	9	10	11	14	16	18	20	
Income Statement (SEC)										
Adjusted Net Profit	49	62	159	221	236	112	143	137	93	

Source: Compiled by SIR from SPEEDA data.

## Balance Sheet

¥mn, %	2015/03	2016/03	2017/03	2018/03	2019/03	2020/03	2021/03	2022/03	2023/03
<b>Total Assets</b>	<b>502</b>	<b>472</b>	<b>914</b>	<b>1,142</b>	<b>1,378</b>	<b>1,445</b>	<b>1,528</b>	<b>1,608</b>	<b>1,527</b>
Current Assets	448	418	852	1,078	1,195	1,299	1,377	1,420	1,360
Cash Equivalents And Short-term Investments	146	182	593	791	817	988	1,008	1,153	1,052
Cash & Cash Equivalents	146	182	593	791	817	988	1,008	1,153	1,052
Accounts Receivables	256	209	235	259	338	276	327	244	272
Notes Receivable						0			
Other Short-Term Financial Assets				1	1	3	1		5
Inventories	9	11	15	17	34	21	30	15	20
Finished Goods and Merchandise	9	11	15	17	34	21	30	15	20
Prepaid Expenses	35	11	3	2	5	10	11	10	11
Deferred Tax Assets - Current		8	10	12					
Allowance for Doubtful Accounts - Assets	(2)	(7)	(5)	(5)	(1)	(1)	(2)	(2)	(1)
Non-Current Assets	54	54	62	64	183	146	150	188	167
Property, Plant & Equipment (PPE)	6	4	4	4	3	11	12	12	11
Intangible Assets	15	20	28	30	27	42	45	56	53
Investments and Other Assets	33	30	30	30	153	93	93	120	103
Investment Securities (inc. Subsidiaries and Affiliates)								28	40
Investment Securities								28	40
Long-Term Trade Receivables	4	0	0	0	0	0	1	1	2
Long-term Prepaid Expenses					104	5	4	4	3
Deferred Tax Assets - Non-Current	1	1	1	2	20	49	49	48	16
Allowance for Doubtful Accounts - Fixed	(4)	0	0	0	0	0	(1)	(1)	(2)
<b>Total Liabilities</b>	<b>376</b>	<b>284</b>	<b>338</b>	<b>345</b>	<b>351</b>	<b>318</b>	<b>345</b>	<b>307</b>	<b>296</b>
Current Liabilities	361	275	331	336	340	306	330	293	280
Trade Payables	249	197	199	207	198	183	237	201	190
Accounts Payable - Other and Accrued Expenses	44	38	51	43	59	66	44	41	47
Short-Term Debt	30	6							
Current Portion of Long-term Debt	10	6							
Current Portion of Long-Term Borrowings	10	6							
Advances Received				1	0	2	2		
Non-Current Liabilities	14	9	7	9	11	13	14	14	16
Long-Term Debt	9	3							
Long-Term Borrowings	9	3							
Provision for Retirement Benefits	5	6	7	9	11	13	14	14	16
<b>Total Net Assets</b>	<b>127</b>	<b>188</b>	<b>576</b>	<b>797</b>	<b>1,028</b>	<b>1,126</b>	<b>1,183</b>	<b>1,301</b>	<b>1,231</b>
Total Shareholders' Equity	127	188	576	797	1,028	1,126	1,183	1,301	1,231
Shareholders' Equity	127	188	575	797	1,027	1,126	1,183	1,301	1,231
Capital Stock	34	34	148	148	156	161	173	179	179
Capital Surplus			114	114	122	127	139	145	145
Retained Earnings	93	154	314	535	749	839	959	1,057	1,106
Legal Retained Earnings	9	9	9	9	9	9	9	9	9
Treasury Stock						0	(88)	(80)	(199)
Share Warrants			0	0	0	0	0	0	0

Source: Compiled by SIR from SPEEDA data.

## Statements of Cash Flows

¥mn	2015/03	2016/03	2017/03	2018/03	2019/03	2020/03	2021/03	2022/03	2023/03
<b>Cash Flows from Operating Activities</b>	<b>44</b>	<b>48</b>	<b>203</b>	<b>196</b>	<b>14</b>	<b>227</b>	<b>137</b>	<b>229</b>	<b>105</b>
Depreciation and Amortization - CF	8	8	9	10	11	14	16	18	20
Depreciation - CF	8	8	9	10	11	14	16	18	20
Gain/Loss on Sale of PPE		1		0	0		2		3
Interest and Dividends Received - Operating CF	0	0	0	0	0	0	0	0	0
Interest Paid - Operating CF	0	0	0						
<b>Cash Flows from Investing Activities</b>	<b>(24)</b>	<b>17</b>	<b>(8)</b>	<b>12</b>	<b>27</b>	<b>(15)</b>	<b>(23)</b>	<b>(57)</b>	<b>(38)</b>
Payments for Purchases of Securities and Investment Securities								(28)	(15)
Payments for Purchases of Investment Securities								(28)	(15)
Purchases/Sales of PPE	(1)	(1)	(1)	(2)	(1)	(11)	(4)	(2)	(2)
Payments for Purchases of PPE	(1)	(1)	(1)	(2)	(1)	(11)	(4)	(2)	(2)
Purchases/Sales of Intangible Assets	(6)	(13)	(16)	(11)	(8)	(28)	(19)	(26)	(18)
Payments for Purchases of Intangible Assets	(6)	(13)	(16)	(11)	(8)	(28)	(19)	(26)	(18)
<b>Cash Flows from Financial Activities</b>	<b>(48)</b>	<b>(30)</b>	<b>215</b>	<b>(10)</b>	<b>(15)</b>	<b>(41)</b>	<b>(94)</b>	<b>(26)</b>	<b>(169)</b>
Repayments of Short-Term Borrowings		(20)							
Repayments of Long-Term Debt	(24)	(10)	(9)						
Repayments of Long-Term Borrowings	(24)	(10)	(9)						
Proceeds from Issuance of Stock			227	(1)	7	1	24	12	
Redemption/Retirement of Stock						0	(96)		(130)
Cash Dividends Paid	(44)				(22)	(22)	(22)	(38)	(39)
Foreign exchange adjustment	0	0	0	0	0	0	0	0	0
Changes in Cash Flow	(28)	36	411	198	26	171	20	145	(101)
Cash & Cash Equivalent - Beginning	174	146	182	593	791	817	988	1,008	1,153
Cash & Cash Equivalent - Ending	146	182	593	791	817	988	1,008	1,153	1,052
<b>Free Cash Flow (FCF)</b>	<b>20</b>	<b>65</b>	<b>195</b>	<b>208</b>	<b>41</b>	<b>212</b>	<b>114</b>	<b>172</b>	<b>67</b>

Source: Compiled by SIR from SPEEDA data.

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