




**Quarter 2, FY2021**  
**(Jan. to Jun. 2021)**

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**MonotaRO Co., Ltd.**  
**[www.monotaro.com](http://www.monotaro.com)**

# 1. Company Profile

MonotaRO means	<ul style="list-style-type: none"><li>• Maintenance, Repair, and Operation</li><li>• “The sufficient number of products” in Japanese</li><li>• Like “Momotaro,” fight against unfair-old distribution system</li></ul>	 <p>Image of “Momotaro” in Japanese folk tale</p>
MonotaRO Business	<ul style="list-style-type: none"><li>• Providing MRO products through Internet and catalogs, targeting small to mid-sized domestic manufacturers, which are not treated well by conventional retailers.</li></ul>	
MRO products	<ul style="list-style-type: none"><li>• Cutting tools/Safety products/Bearings/Fasteners/Industrial equipment (number of product SKU 18 million as of Jun. 2021)</li></ul>	
Number of Customers	<ul style="list-style-type: none"><li>• More than 6.1 million</li></ul>	
Capital Stock	<ul style="list-style-type: none"><li>• 2.0 billion JPY or 18.0 million USD (USD1=JPY110.58)</li></ul>	
Number of Employees	<ul style="list-style-type: none"><li>• 2,806 including 883 regular employees (as of Jun. 30, 2021 consolidated)</li></ul>	
Head Office	<ul style="list-style-type: none"><li>• Amagasaki-city, Hyogo Prefecture</li></ul>	
Major Distribution Centers	<ul style="list-style-type: none"><li>• Amagasaki Distribution Center, Hyogo Prefecture</li><li>• Kasama Distribution Center, Ibaraki Prefecture</li><li>• Hokkaido Distribution Center, Hokkaido Prefecture</li><li>• Ibaraki Chuo Satellite Center, Ibaraki Prefecture</li></ul>	

# 2. Product Category

- Safety Protection, Working Clothes, Safety Shoes
- Logistics / Storage / Packing Supplies / Tapes
- Safety Supplies, Safety Signs
- Office Supplies
- Office Furniture / Lighting / Cleaning Supplies
- Cutting Tools, Abrasives
- Measuring, Surveying Supplies
- Hand Tools / Power Tools, Pneumatics Tools
- Spray, Oil, Grease / Paint / Adhesion, Repair / Welding
- Piping, Plumbing Parts / Pumps / Pneumatic, Hydraulic Equipment, Hose
- Mechanical Parts / Casters
- Control Equipment / Solder, Anti-static Supplies
- Construction Hardware, Building Materials, Interior Painting Supplies
- Air Conditioning, Electric Facilities / Electric Materials
- Screws, Bolts, Nails / Materials
- Automobile Supplies
- Truck Supplies
- Motorcycle Supplies
- Bicycle Supplies
- Laboratory / Clean Room Supplies
- Kitchen Equipment / Store Supplies
- Agricultural Materials, Gardening Supplies
- Medical, Nursing Supplies



# 3. 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 more than 18 million items; 610 thousand items are available for same day shipment.
- 479 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

# 4. 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

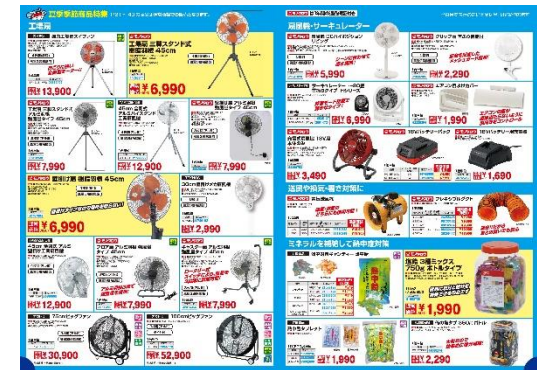
- Small batches of on-demand printed flyers with DTP

## 5. Catalog

- 23 separate volumes for better targeting

## 6. Data Mining and Campaign Management

- Promotions optimized by industry categories for more effectiveness and efficiency

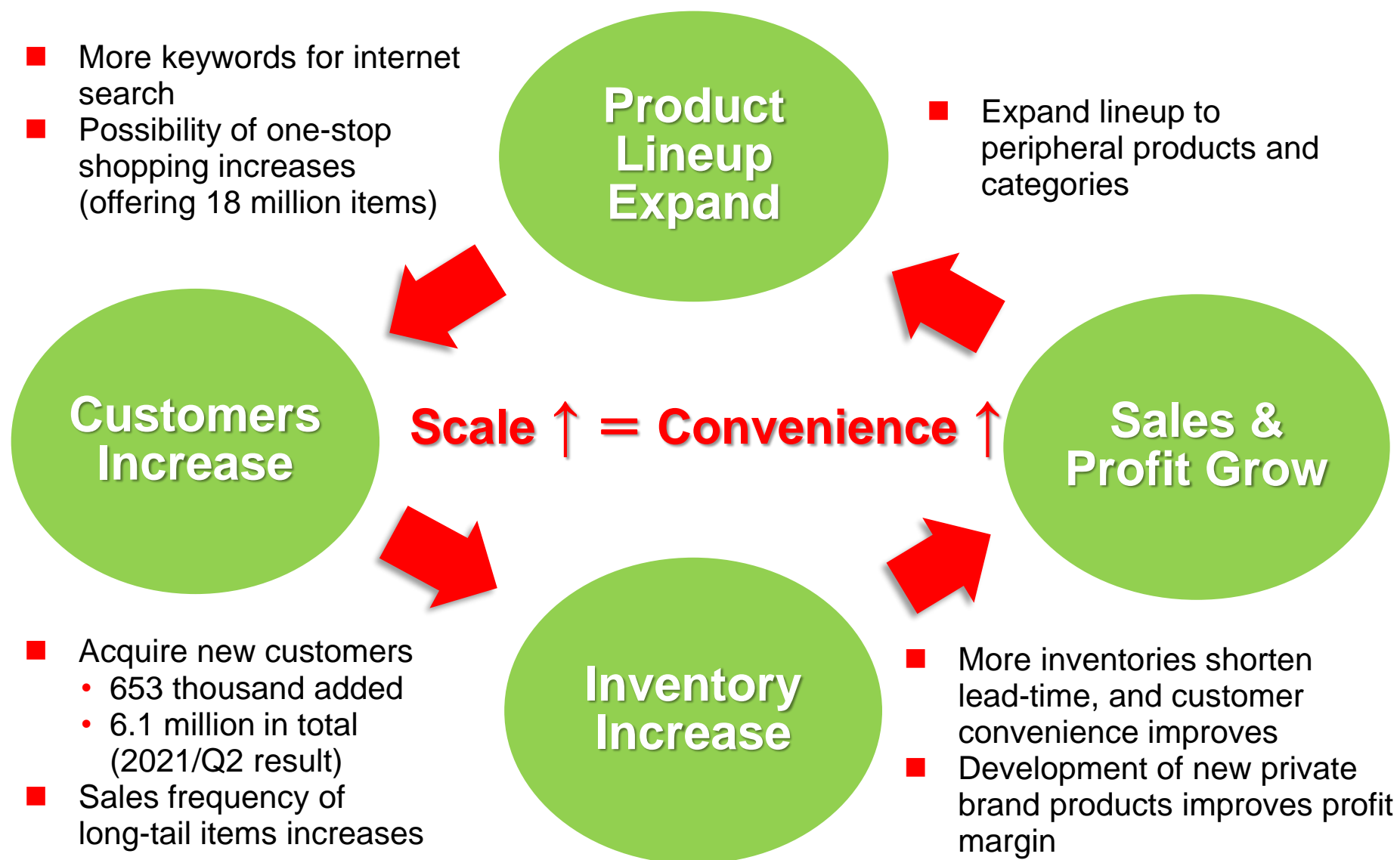


# 5. Procurement

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- 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

# 6-1. Growth - Development Cycle



## 6-2. Growth - Industrial Beachhead Expansion

2002	<ul style="list-style-type: none"><li>Started with small-to-mid sized manufacturing companies, iron works, metal works, and machine assembly companies</li></ul>
2008	<ul style="list-style-type: none"><li>Entered automotive aftermarket</li></ul>
2009	<ul style="list-style-type: none"><li>Entered independent contractor market</li></ul>
2010	<ul style="list-style-type: none"><li>Introduced laboratory products</li><li>Started US business with providing consulting service to Zoro Tools</li><li>Business with large corporations started to grow</li></ul>
2011	<ul style="list-style-type: none"><li>Established Tagajyo Distribution Center in Miyagi Prefecture</li></ul>
2013	<ul style="list-style-type: none"><li>Started South Korean business by establishing subsidiary NAVIMRO</li></ul>
2014	<ul style="list-style-type: none"><li>Established Amagasaki Distribution Center in Hyogo Prefecture</li><li>Expanded product lineup: agricultural equipment and kitchen equipment</li><li>Introduced “MonotaRO One Source” procurement system for large corporations</li></ul>
2015	<ul style="list-style-type: none"><li>Introduced medical &amp; nursing care equipment category</li></ul>
2016	<ul style="list-style-type: none"><li>Started Indonesian business by acquiring majority (51%) of PT MONOTARO INDONESIA and consolidated to MonotaRO Group in Q4</li></ul>
2017	<ul style="list-style-type: none"><li>Established Kasama Distribution Center in Ibaraki Prefecture</li><li>Introduced simplified and easy-installation system “MonotaRO One Source Lite” for large corporations</li><li>Closed Tagajyo Distribution Center</li><li>Established Hokkaido Distribution Center</li></ul>
2018	<ul style="list-style-type: none"><li>Established real shop in Saga Prefecture for demonstration experiment</li><li>Number of Accounts exceeded 3.3 million</li><li>Product lineup SKU exceeded 17 million</li></ul>
2019	<ul style="list-style-type: none"><li>Product lineup SKU exceeded 18 million</li><li>Completed 2nd phase expansion of facilities at Kasama Distribution Center</li></ul>
2020	<ul style="list-style-type: none"><li>Number of Large Corporation Business customers exceeded one thousand</li></ul>
2021	<ul style="list-style-type: none"><li>Started Indian business in Jan. (IB MONOTARO, consolidated subsidiary)</li><li>Established Ibaraki Chuo Satellite Center</li></ul>



## 7-1. (Non-consol.) 2021Q2 Financial Result P/L Outline 1/3

	Jan. – Jun. 2020 Result		Jan. – Jun. 2021 Plan		Jan. – Jun. 2021 Result			
	Amount (million JPY)	Ratio to Sales	Amount (million JPY)	Ratio to Sales	Amount (million JPY)	Ratio to Sales	YoY	vs Plan
Sales	72,651		90,742		88,448		+21.7%	△2.5%
Large Corp.	12,173	16.8%	16,635	18.3%	17,811	20.1%	+46.3%	+7.1%
Gross Profit	20,661	28.4%	26,202	28.9%	25,664	29.0%	+24.2%	△2.1%
SG&A Exp.	11,089	15.3%	13,965	15.4%	13,592	15.4%	+22.6%	△2.7%
Operating Income	9,572	13.2%	12,237	13.5%	12,071	13.6%	+26.1%	△1.4%
Current Income	9,586	13.2%	12,226	13.5%	12,120	13.7%	+26.4%	△0.9%
Net Income (Tax Rate)	6,662 (30.5%)	9.2%	8,487 (30.6%)	9.4%	8,401 (30.6%)	9.5%	+26.1%	△1.0%

# 7-2. (Non-consol.) 2021Q2 Financial Result P/L Outline 2/3 vs. Last Year

	20 Jan.- Jun. Result (A)		21 Jan.- Jun. Result (B)		Difference (B-A)		
	Amount (mil.JPY)	Sales Ratio	Amount (mil.JPY)	Sales Ratio			
Sales	72,651	—	88,448	—	Amount (mil.JPY)	+15,796	<ul style="list-style-type: none"> <li>Sales of both monotaro.com and Large Corp. Business grew due to increases in order size, order frequency, and customer number. Large Corp. Business maintained high growth (+46.3%) reflecting rebound from last year's decline caused by COVID-19.</li> </ul>
					YonY	+21.7%	
					Sales Ratio	—	
Gross Profit	20,661	28.4%	25,664	29.0%	Amount (mil.JPY)	+5,002	<ul style="list-style-type: none"> <li>Product GP ratio stays at same level as 2020FH (though Large Corp. Business sales share increased, sales share of PB/imported product increased, and JPY/ COGS base stayed strong).</li> <li>Royalty income increased.</li> <li>Delivery Cost ratio improved (+0.3pt.: due to increase in sales per order).</li> </ul>
					YonY	+24.2%	
					Sales Ratio	+0.6%	
SG&A Exp.	11,089	15.3%	13,592	15.4%	Amount (mil.JPY)	+2,502	<ul style="list-style-type: none"> <li>Logistic Site Launch and Maintenance Cost ratio increased (+0.2pt.: due to launch of Ibaraki Chuo SC and maintenance cost ratio increased).</li> <li>Outsourcing Expense ratio increased (+0.1pt.: due to increase in hourly wage of temporary staff for logistic operations in Q1).</li> <li>System Usage Cost ratio increased (+0.1pt.: increase in usage of big data).</li> <li>Depreciation Expense ratio increased (+0.1pt.: due to Ibaraki Chuo SC launched).</li> <li>Labor Expense Ratio decreased (Δ0.2pt.: due mainly to Disaster Allowance paid last year).</li> <li>Facility Rent Expense ratio decreased (Δ0.1pt.: due to decrease in warehouse rent as Ibaraki Chuo SC launched).</li> <li>Advertising Expense ratio decreased (Δ0.1pt.: due to efficiency improvement of catalog production cost).</li> <li>Mailing Expense ratio decreased (Δ0.1pt.: due mainly to decrease in catalog shipping cost ratio), etc.</li> </ul>
					YonY	+22.6%	
					Sales Ratio	+0.1%	
Operating Income	9,572	13.2%	12,071	13.6%	Amount (mil.JPY)	+2,499	<ul style="list-style-type: none"> <li>GP ratio improved, and hence Operating Income ratio/sales ratio improved.</li> </ul>
					YonY	+26.1%	
					Sales Ratio	+0.4%	
Net Income (Tax Rate)	6,662 (30.5%)	9.2%	8,401 (30.6%)	9.5%	Amount (mil.JPY)	+1,738	<ul style="list-style-type: none"> <li>As Operating Income ratio increased, Net Income ratio increased almost to same degree (+0.3pt.).</li> </ul>
					YonY	+26.1%	
					Sales Ratio	+0.3%	

# 7-3. (Non-consol.) 2021Q2 Financial Result P/L Outline 3/3 vs.Plan

	21 Jan.- Jun. Plan (A)		21 Jan.- Jun. Result (B)		Difference (B-A)		
	Amount (mil.JPY)	Sales Ratio	Amount (mil.JPY)	Sales Ratio			
Sales	90,742	—	88,448	—	Amount (mil.JPY)	△2,294	<ul style="list-style-type: none"> <li>monotaro.com: Despite recovery from effects of COVID-19 mainly in manufacturing customers, growth included in plan not attained.</li> <li>Large Corp. Business: Recovered from COVID-19 and grew beyond growth plan (+7.1%).</li> </ul>
					vs Plan	△2.5%	
					Sales Ratio	—	
Gross Profit	26,202	28.9%	25,664	29.0%	Amount (mil.JPY)	△538	<ul style="list-style-type: none"> <li>Product GP ratio decreased (△0.1pt.: due to increase in sales share of Large Corp. Business, decrease in GP% of domestic product and increase in sales of domestic product).</li> <li>Royalty income increased.</li> <li>Delivery Cost ratio improved (+0.1pt.: due to increase in sales per order).</li> </ul>
					vs Plan	△2.1%	
					Sales Ratio	+0.1%	
SG&A Exp.	13,965	15.4%	13,592	15.4%	Amount (mil.JPY)	△372	<ul style="list-style-type: none"> <li>Outsourcing Expense ratio decreased (△0.2pt.: due to decrease in load of logistic operation per order resulted from higher sales per order).</li> <li>System Usage Cost and Depreciation Expense ratios decreased (△0.1pt.: launch of new systems delayed).</li> <li>Facility Rent Expense ratio increased (+0.1pt.: due to renting extra warehouses in response to unplanned-temporary increase in product receiving operations and start of external warehouse rentals for large products ahead of plan).</li> <li>Actual sales lower than plan, etc.</li> </ul>
					vs Plan	△2.7%	
					Sales Ratio	0.0%	
Operating Income	12,237	13.5%	12,071	13.6%	Amount (mil.JPY)	△166	<ul style="list-style-type: none"> <li>GP ratio and hence Operating Income ratio/sales ratio improved, but planned Operating Income amount not attained due to decrease in Sales.</li> </ul>
					vs Plan	△1.4%	
					Sales Ratio	+0.1%	
Net Income (Tax Rate)	8,487 (30.6%)	9.4%	8,401 (30.6%)	9.5%	Amount (mil.JPY)	△86	<ul style="list-style-type: none"> <li>Operating Income ratio increased (+0.1pt.), and ratio of Net Income increased by same degree, but amount plan not attained.</li> </ul>
					vs Plan	△1.0%	
					Sales Ratio	+0.1%	

# 7-4. (Non-consolidated) Operating Income Change Factors

Op. Income  
(Jan.-Jun. 2020)

Sales increased

Increase of GP%

Increase of SG&A Expense  
Sales Ratio

- Increase of Other Exp. Sales Ratio
- Increase of Depreciation Exp. Sales Ratio
- Increase of Outsourcing Exp. Sales Ratio
- Improvement of Mailing Exp. Sales Ratio
- Improvement of Ad. & Prom. Exp. Sales Ratio
- Improvement of Facility Rent Exp. Sales Ratio
- Improvement of Labor Exp. Sales Ratio

Op. Income  
(Jan.-Jun. 2021)

9,572 mil. JPY

+2,081 mil. JPY	<ul style="list-style-type: none"> <li>■ Sales of both monotaro.com and Large Corp. Business grew due to increases in order size, order frequency, and customer number.</li> <li>■ Large Corp. Business maintained high growth reflecting rebound from last year's decline caused by COVID-19.</li> </ul>
+510 mil. JPY	<ul style="list-style-type: none"> <li>■ Product GP% stayed at same level as last year.</li> <li>■ Royalty amount increased.</li> <li>■ Shipping and handling cost ratio decreased.</li> </ul>
Δ92 mil. JPY	<ul style="list-style-type: none"> <li>■ SG&amp;A ratio increased due to following reasons.</li> </ul>
Δ265 mil. JPY	<ul style="list-style-type: none"> <li>• Increases in System Usage Cost ratio resulted from increase in big data usage, in Launch Preparation Costs ratio for Ibaraki Chuo Satellite Center, and in Distribution Maintenance Cost ratio</li> </ul>
Δ108 mil. JPY	<ul style="list-style-type: none"> <li>• Launch of Ibaraki Chuo SC resulted in increase in Depreciation Expense ratio.</li> </ul>
Δ70 mil. JPY	<ul style="list-style-type: none"> <li>• Hourly wage of temporary staff for logistic operations increased.</li> </ul>
+44 mil. JPY	<ul style="list-style-type: none"> <li>• Due mainly to decrease in catalog shipping cost ratio.</li> </ul>
+51 mil. JPY	<ul style="list-style-type: none"> <li>• Due mainly to efficiency improvement of catalog production cost ratio.</li> </ul>
+96 mil. JPY	<ul style="list-style-type: none"> <li>• Decrease in warehouse rent due to launched of Ibaraki Chuo SC, whose main task is backyard.</li> </ul>
+160 mil. JPY	<ul style="list-style-type: none"> <li>• Due mainly to Disaster Allowance paid last year.</li> </ul>

12,071 mil. JPY (YoY: +2,499 mil. JPY, +26.1%)

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

# 7-5. (Non-consolidated) 2021Q2 Financial Result B/S Outline

	Jun. 2020	Dec. 2020	Jun. 2021	
	Million JPY	Million JPY	Million JPY	Ratio
<b>Assets</b>				
Cash	10,027	16,691	8,146	9.3%
Accounts Receivable	17,314	18,129	20,694	23.6%
Inventory	11,734	11,296	13,977	16.0%
Other	4,405	5,154	5,787	6.6%
<b>Total Current Asset</b>	<b>43,481</b>	<b>51,271</b>	<b>48,605</b>	<b>55.5%</b>
Tangible Fixed Asset (*Note 1)	13,873	19,052	26,748	30.6%
Intangible Fixed Assets	3,536	4,008	5,103	5.8%
Other	5,764	6,629	7,066	8.1%
<b>Total Fixed Asset</b>	<b>23,174</b>	<b>29,690</b>	<b>38,918</b>	<b>44.5%</b>
<b>Total Assets</b>	<b>66,656</b>	<b>80,962</b>	<b>87,524</b>	

\*Note 1: Increase in Tangible Fixed Asset (after depreciated) from Jun. 2020 to Jun. 2021 by 12,800 mil. JPY includes 6,900 mil. JPY of Ibaraki Chuo SC (launched in Mar. 2021) and 6,200 mil. JPY of Inagawa DC (not launched yet: Construction in Progress).

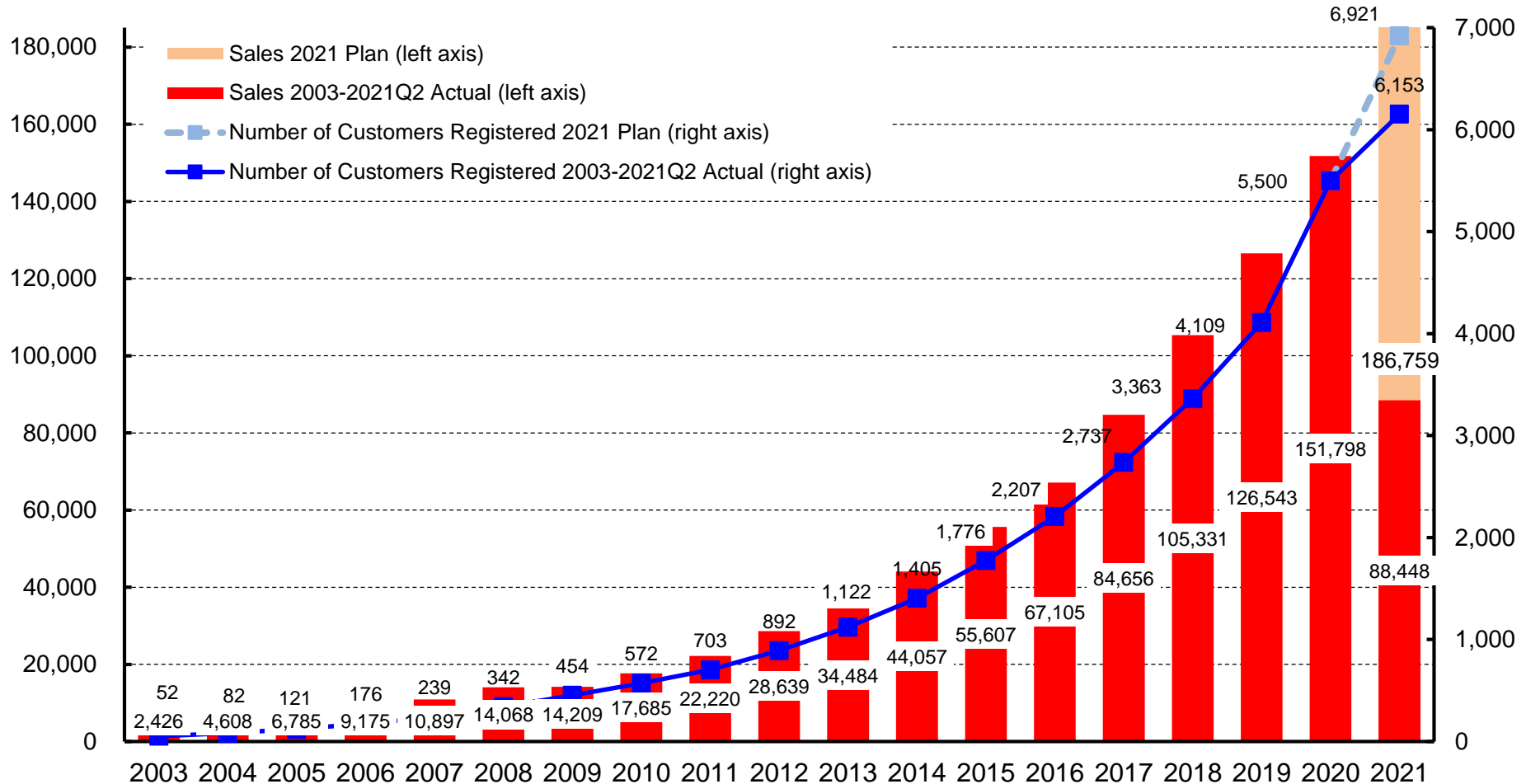
	Jun. 2020	Dec. 2020	Jun. 2021	
	Million JPY	Million JPY	Million JPY	Ratio
<b>Liabilities</b>				
Accounts Payable	11,142	11,165	13,540	15.5%
Short-term Debt & etc. (*Note 2)	1,498	—	—	0.0%
Others	8,595	10,644	8,457	9.7%
<b>Total Current Liabilities</b>	<b>21,236</b>	<b>21,810</b>	<b>21,997</b>	<b>25.1%</b>
<b>Total Long term Liabilities</b>	<b>1,671</b>	<b>11,013</b>	<b>11,328</b>	<b>12.9%</b>
<b>Total Liabilities</b>	<b>22,907</b>	<b>32,823</b>	<b>33,325</b>	<b>38.1%</b>
<b>Net Assets</b>				
Shareholder's Equity	43,695	48,066	54,118	61.8%
Others	53	72	80	0.1%
<b>Total Net Assets</b>	<b>43,749</b>	<b>48,138</b>	<b>54,198</b>	<b>61.9%</b>
<b>Total Liabilities &amp; Net Assets</b>	<b>66,656</b>	<b>80,962</b>	<b>87,524</b>	

\* Note 2: Short-term Debt & etc. includes short-term debt & current portion of long-term debt.

# 7-6. (Non-consolidated) Progress - Sales & Customer

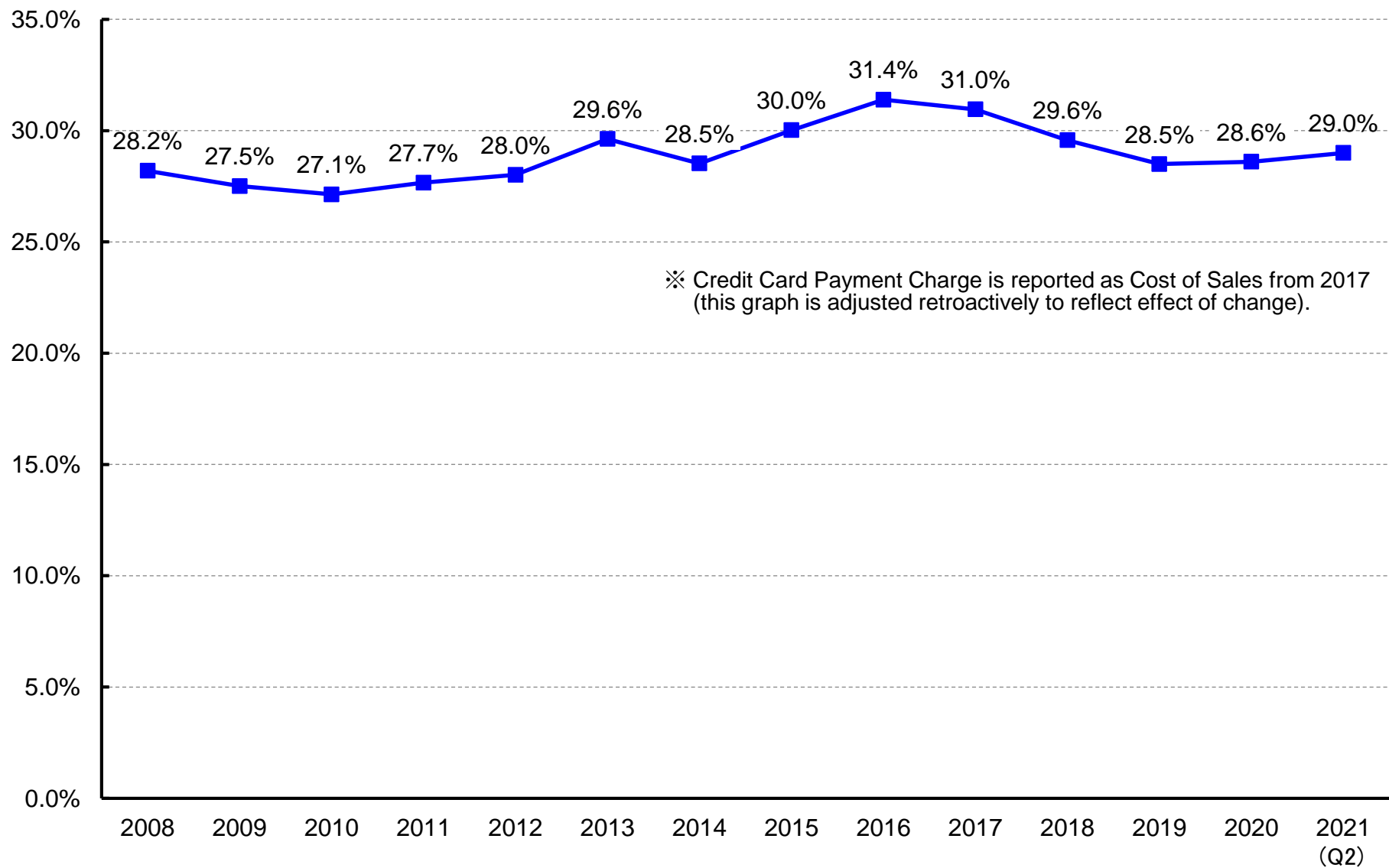
(Million JPY)

(Thousand Accounts)

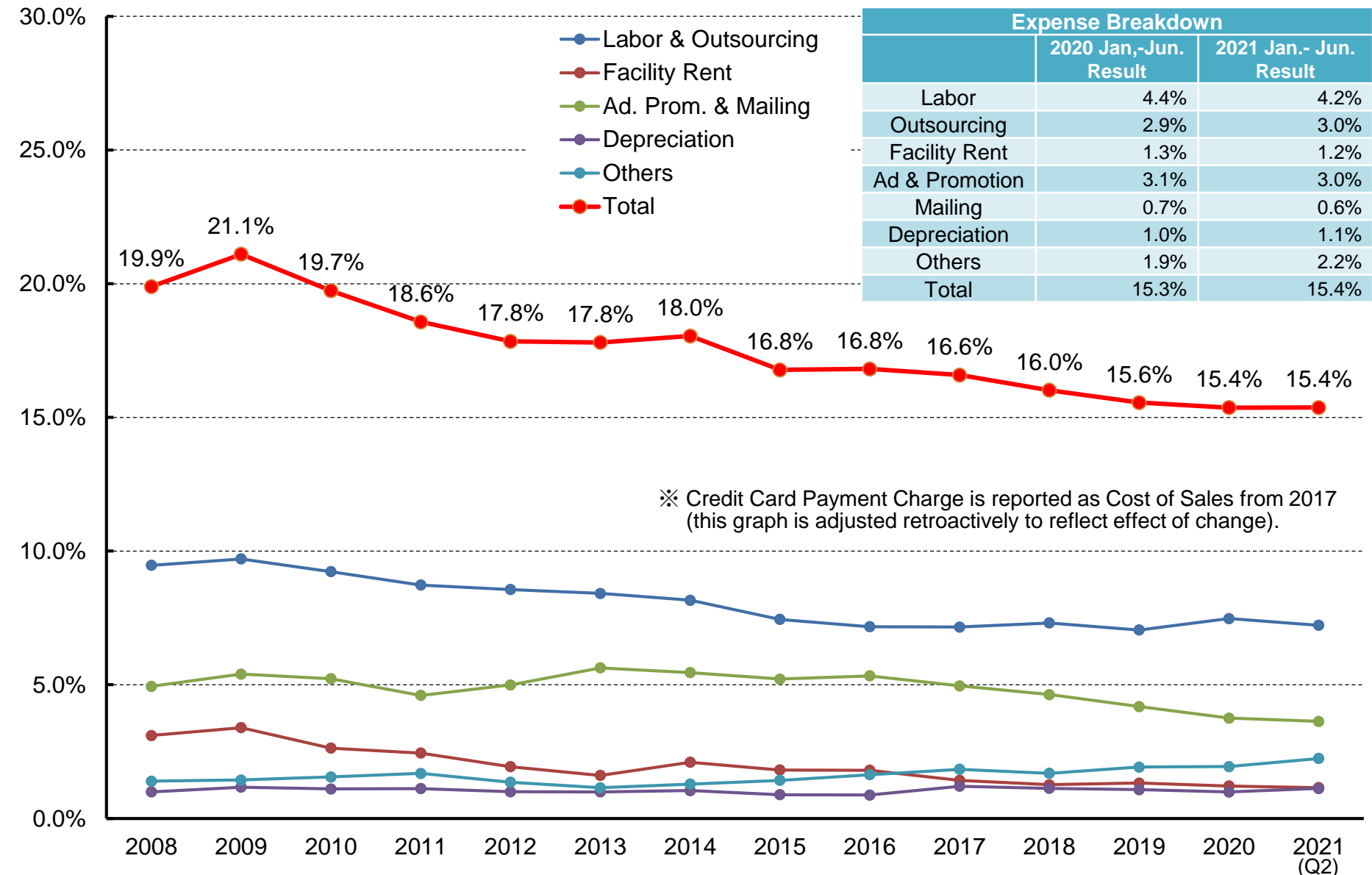


	Dec. 2020	Jun. 2021		Dec. 2021 (Plan)	
Number of Customers (Registered Accounts)	5,500,774	6,153,878	<b>+653,104 (vs. Dec. 2020)</b>	6,921,874	<b>+1,421,100 (vs. Dec. 2020)</b>

# 7-7. (Non-consolidated) Progress - Gross Profit



# 7-8. (Non-consolidated) Progress - SG&A Expense





## 8-1. (Consolidated) 2021Q2 Financial Result P/L Outline 1/2

	Jan. – Jun. 2020 Result		Jan. – Jun. 2021 Plan		Jan. – Jun. 2021 Result			
	Amount (million JPY)	Ratio to Sales	Amount (million JPY)	Ratio to Sales	Amount (million JPY)	Ratio to Sales	YoY	vs Plan
Sales	75,281		94,133		91,868		+22.0%	△2.4%
Gross Profit	21,241	28.2%	26,987	28.7%	26,399	28.7%	+24.3%	△2.2%
SG&A Exp.	11,922	15.8%	14,945	15.9%	14,501	15.8%	+21.6%	△3.0%
Operating Income	9,318	12.4%	12,041	12.8%	11,898	13.0%	+27.7%	△1.2%
Current Income	9,342	12.4%	12,075	12.8%	11,973	13.0%	+28.2%	△0.8%
Net Income (Tax Rate)	6,419 (31.3%)	8.5%	8,330 (31.0%)	8.8%	8,249 (31.0%)	9.0%	+28.5%	△1.0%
Net Income attributable to owners of the parent	6,540	8.7%	8,427	9.0%	8,344	9.1%	+27.6%	△1.0%

## 8-2. (Consolidated) 2021Q2 Financial Result P/L Outline 2/2

### ■ NAVIMRO (South Korea)

- Customer acquisition plan attained, but repeat rate plan not attained. Sales slightly short of plan.
- Profit result went far higher than plan as SG&A Expenses well controlled.

	2020 Jan.– Jun. Result			2021 Jan.–Jun. Plan			2021 Jan.– Jun. 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	2,410	+7.1%	+14.7%	2,990	+24.4%	+23.1%	3,150	+31.0%	+5.4%	+21.9%	△1.0%
Op.Income	40	–	–	60	+36.3%	+35.0%	90	+90.8%	+40.0%	+77.6%	+31.5%
Net Income x Share(*1)	40	–	–	60	+23.2%	+22.0%	80	+75.0%	+42.0%	+62.8%	+33.4%

### ■ MONOTARO INDONESIA (Indonesia)

- Site speed improvement and SEM measures worked; however, re-expansion of COVID-19 effect became significant.
- Sales fell short of plan, but loss was almost within plan.

	2020 Jan.– Jun. Result			2021 Jan.–Jun. Plan			2021 Jan.– Jun. 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	190	+23.9%	+28.9%	230	+21.0%	+22.6%	170	△9.4%	△25.1%	△10.6%	△27.1%
Op.Income	△160	–	–	△150	–	–	△140	–	–	–	–
Net Income x Share(*1)	△70	–	–	△60	–	–	△70	–	–	–	–

### ■ IB MONOTARO (India)

- Despite decreases in order cancellations and returns due to improvement of supply chain quality, sales plan not attained due to re-expanding impact of COVID-19.
- Sales fell short of plan, but loss was almost within plan.

	2020 Jan.– Jun. Result			2021 Jan.–Jun. Plan			2021 Jan.– Jun. Result				
	Amount (mil.JPY)	YonY	YonY (Local Currency)	Amount (mil.JPY)	YonY	YonY (Local Currency)	Amount (mil.JPY)	YonY	vs Plan	YonY (Local Currency)	vs Plan (Local Currency)
Gross Merchandise Value	–	–	–	260	(* 2)–	(* 2)–	190	(* 2)–	△25.8%	(* 2)–	△28.8%
Sales	–	–	–	150	(* 2)–	(* 2)–	120	(* 2)–	△17.7%	(* 2)–	△21.0%
Op.Income	–	–	–	△90	–	–	△80	–	–	–	–
Net Income x Share(*1)	–	–	–	△30	–	–	△20	–	–	–	–

\*1: Calculated by multiplying Net Income by Share Ratio at the end of each fiscal year for reference.

\*2: YonY comparison is not presented since Indian business was launched in Jan. 2021.

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

## 8-3. (Consolidated) 2021Q2 Financial Result B/S Outline

	Jun. 2020	Dec. 2020	Jun. 2021	
	Million JPY	Million JPY	Million JPY	Ratio
<b>Assets</b>				
Cash	10,804	18,843	10,504	11.9%
Accounts Receivable	17,443	18,267	20,885	23.7%
Inventory	12,202	11,874	14,739	16.7%
Other	4,533	5,278	5,949	6.8%
<b>Total Current Asset</b>	<b>44,984</b>	<b>54,264</b>	<b>52,077</b>	<b>59.1%</b>
Tangible Fixed Asset	13,922	19,086	26,809	30.4%
Intangible Fixed Assets	3,693	4,829	5,934	6.7%
Other	2,806	3,081	3,293	3.7%
<b>Total Fixed Asset</b>	<b>20,422</b>	<b>26,998</b>	<b>36,036</b>	<b>40.9%</b>
<b>Total Assets</b>	<b>65,407</b>	<b>81,263</b>	<b>88,114</b>	

	Jun. 2020	Dec. 2020	Jun. 2021	
	Million JPY	Million JPY	Million JPY	Ratio
<b>Liabilities</b>				
Accounts Payable	11,479	11,643	14,047	15.9%
Short-term Debt & etc.	1,498	—	—	0.0%
Others	8,756	10,898	8,730	9.9%
<b>Total Current Liabilities</b>	<b>21,733</b>	<b>22,542</b>	<b>22,777</b>	<b>25.8%</b>
<b>Total Long term Liabilities</b>	<b>1,718</b>	<b>11,062</b>	<b>11,398</b>	<b>12.9%</b>
<b>Total Liabilities</b>	<b>23,451</b>	<b>33,604</b>	<b>34,176</b>	<b>38.8%</b>
<b>Net Assets</b>				
Shareholder's Equity	41,679	46,805	52,800	59.9%
Others	275	852	1,137	1.3%
<b>Total Net Assets</b>	<b>41,955</b>	<b>47,658</b>	<b>53,938</b>	<b>61.2%</b>
<b>Total Liabilities &amp; Net Assets</b>	<b>65,407</b>	<b>81,263</b>	<b>88,114</b>	

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

## 8-4. (Consolidated) 2021Q2 Financial Result C/F Outline

	Jan. – Jun. 2020	Jan. – Jun. 2021
	Result	Result
	Million JPY	Million JPY
<b>Cash Flow from Operating Activity</b>		
Net Income before Tax	9,343	11,957
Increase or Decrease in Accounts Receivable ( $\Delta$ = increase)	$\Delta 2,977$	$\Delta 2,610$
Increase or Decrease in Inventory ( $\Delta$ = increase)	$\Delta 662$	$\Delta 2,843$
Increase or Decrease in Accounts Payable ( $\Delta$ = decrease)	1,668	2,387
Tax payment	$\Delta 2,632$	$\Delta 4,005$
Others	1,586	$\Delta 414$
Total	6,325	4,471
<b>Cash Flow from Investing Activity</b>		
Acquisition of Tangible Assets	$\Delta 2,368$	$\Delta 8,358$
Acquisition of Intangible Assets	$\Delta 665$	$\Delta 1,435$
Others	202	(*Note) $\Delta 1,786$
Total	$\Delta 2,831$	$\Delta 11,580$
<b>Cash Flow from Financing Activity</b>		
Repayments of Long-term Loans	$\Delta 1,000$	—
Repayments of Lease Obligations	$\Delta 661$	$\Delta 661$
Cash Dividends Paid	$\Delta 1,864$	$\Delta 2,359$
Others	$\Delta 68$	128
Total	$\Delta 3,594$	$\Delta 2,892$
Currency Exchange Adjustment	$\Delta 35$	81
Net Increase or Decrease in Cash and Cash Equivalent ( $\Delta$ = decrease)	$\Delta 135$	$\Delta 9,918$
Cash and Cash Equivalent at Beginning of Period	10,746	18,767
Cash and Cash Equivalent at End of Period	10,610	8,849

\*Note: Including cash invested in overseas subsidiaries deposited to time deposit.

# 9-1. 2021 Strategy & Plan: Domestic Business (1)

## ■ BtoB Online E-commerce (monotaro.com)

- Expanding Customer Base and Improving Customer Lifetime Value
  - Acquired over 650 thou. New accounts in 2021FH (as planned).
  - Appropriately allocating marketing resources to listing ads based upon trends in product search and purchasing behavior, targeting business customers with high lifetime value.
  - Ratio of general individual customers entered downward trend.
- Expanding Existing Customers' Sales
  - Increase orders from existing customers by expanding number of total lineup (“one-stop shopping”) based upon highly accurate search functions (shortening “finding time”).
  - Progressing development for personalization of product search results and of recommendation displays.

## ■ System Connection with Large Corporations

- 2021 FH Result
  - Number of corporations connected, order value, and order frequency were all strong.
  - Despite reactionary increase from demand during COVID-19 in last year, 2021FH sales grew beyond plan (+46.3% YoY, +7.1% vs. plan).

2020 Jan.- Jun. Result			2021 Jan.-Jun. Plan			2021 Jan.- Jun. Result			
Mil. JPY	YoY	/Total Sales	Mil. JPY	YoY	/Total Sales	Mil. JPY	vs. Plan	YoY	/Total Sales
12,173	+31.1%	16.8%	16,635	+36.7%	18.3%	17,811	+46.3%	+7.1%	20.1%

	Dec. 2020 End Result		Jun. 2021 End Result		
	No. Corp.		No. Corp.	vs Dec. 2020 End	Remarks
Total number of corporations	1,237		1,549	+312	
One Source	14		14	+0	1 considering
One Source Lite	692		950	+258	587 considering

## 9-2. 2021 Strategy & Plan: Domestic Business (2)

### ■ Consulting/Royalty Business

- Parent company Grainger's Zoro business (US & UK) is working on sales growth (product lineup expanded to 7.5 mil.) and profit improvement (campaigns selected based on sales growth effect).
- Royalty income in 2021FH increased from 2020FH and plan.

### ■ Strengthening Marketing and System Development Skills based on Data Science

- Continuing to strengthen and to secure human resources to work on SEM and SEO to acquire business customers, improve the accuracy of search functions to make products "easy to find," and continuously improve sales website to make it "easier to use."
- Personalization of product search results and recommendation displays.
  - Search results are currently displayed by customers grouped based on industry. Working on segmentation (personalization) to level of individual customers (planned in 2022).
  - Personalization of recommendations is currently available on certain pages. Working on expanding number of recommendations displayed.
  - Working also on real-time personalization of search results and recommendations display.
- Data scientists, engineers, and others working on above are working at Umeda Satellite Office (Osaka) and Tokyo office (Akasaka).

### ■ New IT Platform for Advanced Supply Chain (installation project in progress)

- Product Information Management System (PIM)
  - Launch of system re-scheduled (beginning of 2022).
  - Through cost-efficient expansion of "One-stop Shopping," increasing sales of existing customers and expanding new customer acquisition.
- Order Management System (OMS)
  - Launch of system re-scheduled (beginning of 2022).
  - With function of selecting optimal shipment methods in various situations, reducing "Time to Wait for Product Arrivals."
  - With function of leveling load of shipment operations and reducing splits of shipments in same order, "Minimizing Delivery and Distribution related Costs."
  - Responding to increasing number of orders from customers and orders & deliveries.

## 9-3. 2021 Strategy & Plan: (Non-consol.) P/L Plan Outline

	2020 Result		2021 Plan		
	Amount (mil.JPY)	Ratio to Sales	Amount (mil.JPY)	Ratio to Sales	YoY
Sales	151,798		186,759		+23.0%
Large Corp.	26,161	17.2%	34,680	18.6%	+32.6%
Gross Profit	43,475	28.6%	53,852	28.8%	+23.9%
SG&A Exp.	23,325	15.4%	28,810	15.4%	+23.5%
Operating Income	20,149	13.3%	25,041	13.4%	+24.3%
Current Income	20,194	13.3%	25,022	13.4%	+23.9%
Net Income (Tax Rate)	13,139 (30.6%)	8.7%	17,365 (30.6%)	9.3%	+32.2%

## 9-4. 2021 Strategy & Plan: (Consolidated) P/L Plan Outline

	2020 Result		2021 Plan		
	Amount (mil.JPY)	Ratio to Sales	Amount (mil.JPY)	Ratio to Sales	YoY
Sales	157,337		194,220		+23.4%
Gross Profit	44,694	28.4%	55,565	28.6%	+24.3%
SG&A Exp.	25,086	15.9%	30,887	15.9%	+23.1%
Operating Income	19,607	12.5%	24,678	12.7%	+25.9%
Current Income	19,671	12.5%	24,738	12.7%	+25.8%
Net Income (Tax Rate)	13,473 (30.8%)	8.6%	17,067 (31.0%)	8.8%	+26.7%
Net Income attributable to owners of the parent	13,771	8.8%	17,273	8.9%	+25.4%

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%



# 9-5. 2021 Strategy & Plan: (Overseas Subsidiary) P/L Plan Outline

## ■ NAVIMRO (South Korea)

- Increasing sales +20% vs. 2020 by expanding customer base and item & inventory number.
- Profit stays higher than plan up to Q2.

	2020 Result			2021 Plan		
	Amount (mil.JPY)	YoY	YoY (local Currency)	Amount (mil.JPY)	YoY	YoY (local Currency)
Sales	5,140	+14.0%	+17.7%	6,350	+23.4%	+23.4%
Op.Income	100	+552.7%	+574.3%	170	+59.4%	+59.4%
Net Income x Share(*1)	100	+334.6%	+348.9%	150	+46.4%	+46.4%

## ■ MONOTARO INDONESIA (Indonesia)

- Planned to grow from 2020 when business was affected by COVID-19.
- Effects of COVID-19 is re-expanding in 2021Q2.

	2020 Result			2021 Plan		
	Amount (mil.JPY)	YoY	YoY (local Currency)	Amount (mil.JPY)	YoY	YoY (local Currency)
Sales	370	△3.5%	+0.5%	680	+84.2%	+84.2%
Op.Income	△310	—	—	△300	—	—
Net Income x Share(*1)	△180	—	—	△130	—	—

## ■ IB MONOTARO (India)

- Started business as subsidiary in Jan. 2021.
- Supply chain continuously improved for increasing completion ratio of order to delivery.

	2020 Result			2021 Plan		
	Amount (mil.JPY)	YoY	YoY (local Currency)	Amount (mil.JPY)	YoY	YoY (local Currency)
Gross Merchandise Value	—	—	—	700	(* 2) —	(* 2) —
Sales	—	—	—	420	(* 2) —	(* 2) —
Op.Income	—	—	—	△190	—	—
Net Income x Share(*1)	—	—	—	△70	—	—

\*1: Calculated by multiplying Net Income by Share Ratio at the end of each fiscal year for reference.

\*2: YoY comparison is not presented since Indian business was launched in Jan. 2021.

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

## 9-6. 2021 Strategy & Plan: Logistics (1)

### ■ Distribution-related Cost Ratio 2021FH Result: 6.1%

- Same level as 2020FH:
  - Increase in Depreciation Expense Ratio and decrease in Facility Rent Expense ratio due to launch of Ibaraki Chuo SC.
- vs. Plan:  $\Delta 0.1$  pt.
  - Increase in Facility Rent Expense Ratio ratio (due to renting extra warehouses in response to unplanned-temporary increase in product receiving operations and start of external warehouse rentals for large products ahead of plan), but decrease in personnel cost and outsourcing cost rate (decrease in logistics operations relative to sales due to increase in order unit price).




### ■ Inventory

- As of Jun. 30, 2021: 479 thou. items.
- Plan at Dec. 31, 2021: 480 thou. items.
  - Including review of inventory items for changes in demand (about 50 thou. items).

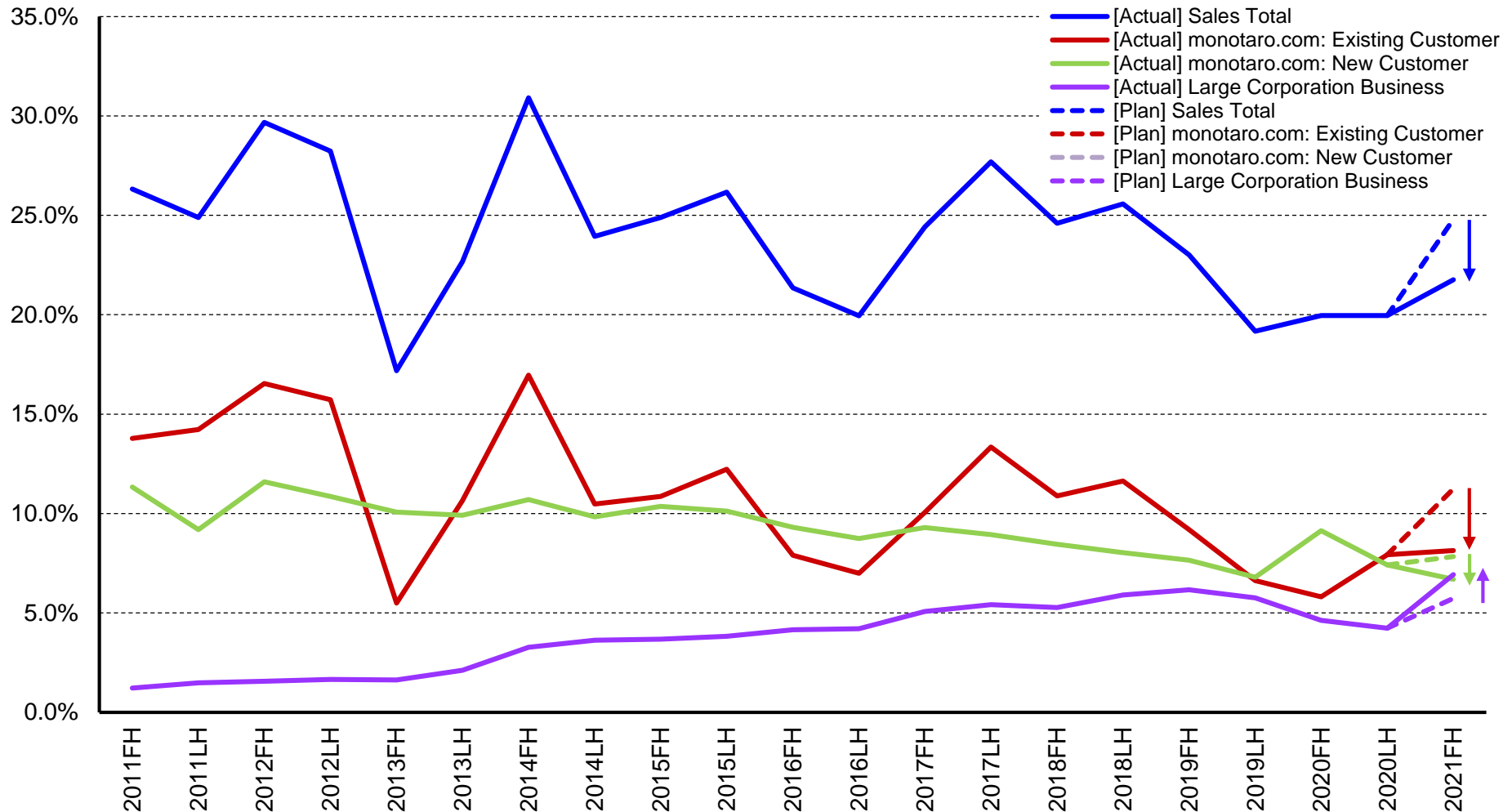
	2020 Jan.- Jun. Result		2021 Jan.- Jun. Plan		2021 Jan.- Jun. Result			
	Amount (mil.JPY)	Ratio to Sales	Amount (mil.JPY)	Ratio to Sales	Amount (mil.JPY)	Ratio to Sales	YonY	vs Plan
Sales (Non Consolidated)	72,651		90,742		88,448		+21.7%	$\Delta 2.5\%$
Depreciation	448	0.6%	600	0.7%	634	0.7%	+41.4%	+5.6%
Labor & Outsourcing	2,438	3.4%	3,211	3.5%	3,000	3.4%	+23.0%	$\Delta 6.6\%$
Facility Rent	821	1.1%	827	0.9%	859	1.0%	+4.6%	+3.9%
Others	702	1.0%	953	1.1%	928	1.0%	+32.2%	$\Delta 2.7\%$
Total	4,410	6.1%	5,593	6.2%	5,422	6.1%	+22.9%	$\Delta 3.1\%$

# 9-7. 2021 Strategy & Plan: Logistics (2)

## ■ New Distribution Base Expansion Update

Name		Ibaraki Chuo SC	Inagawa DC	
Address		Ibaraki-machi, Higashi Ibaraki-gun, Ibaraki Prefecture	Inagawa-cho, Kawabe-gun, Hyogo Prefecture	
Floor Size		About 49,000m <sup>2</sup>	Total about 163,000m <sup>2</sup>	
Inventory Capa.		20K-30K SKU, high demand products	Total 500K SKU	
Start Operation		Mar. 2021	Phase 1 Plan Apr. 2022	Phase 2 Plan 2023Q3
Shipping Capacity		About 30K lines/day	About 90K lines/day	About 90K lines/day added (180K lines in total/day)
Invest/ Rent	Land	About 1.3 bil. JPY	_____	
	Constr.	About 6.1 bil. JPY	Add. construction about 1.4 bil. JPY, restoration about 1.4 bil. JPY (examining)	
	Rent	_____	Ph.1, 4 Floors: about 19.1 bil. JPY (2021-2031 including common service exp.)	
	Facility	About 1.8 bil. JPY	_____	Ph.2: 1 Floor added: about 4.5 bil. JPY (2022-2031 including common service exp.)
Remark		Main function is backyard. Having also function of shipping high-demand products.	Starting to rent 4 floors & hazardous goods warehouse in 2022. From 2023, 1 floor added and total 5 floors rented.	
Progress Status		Launched (March 2021)	Building under construction	
Picture		 <p>Completion Photo</p>	 <p>Completion Image</p>	 <p>Progress Status</p>

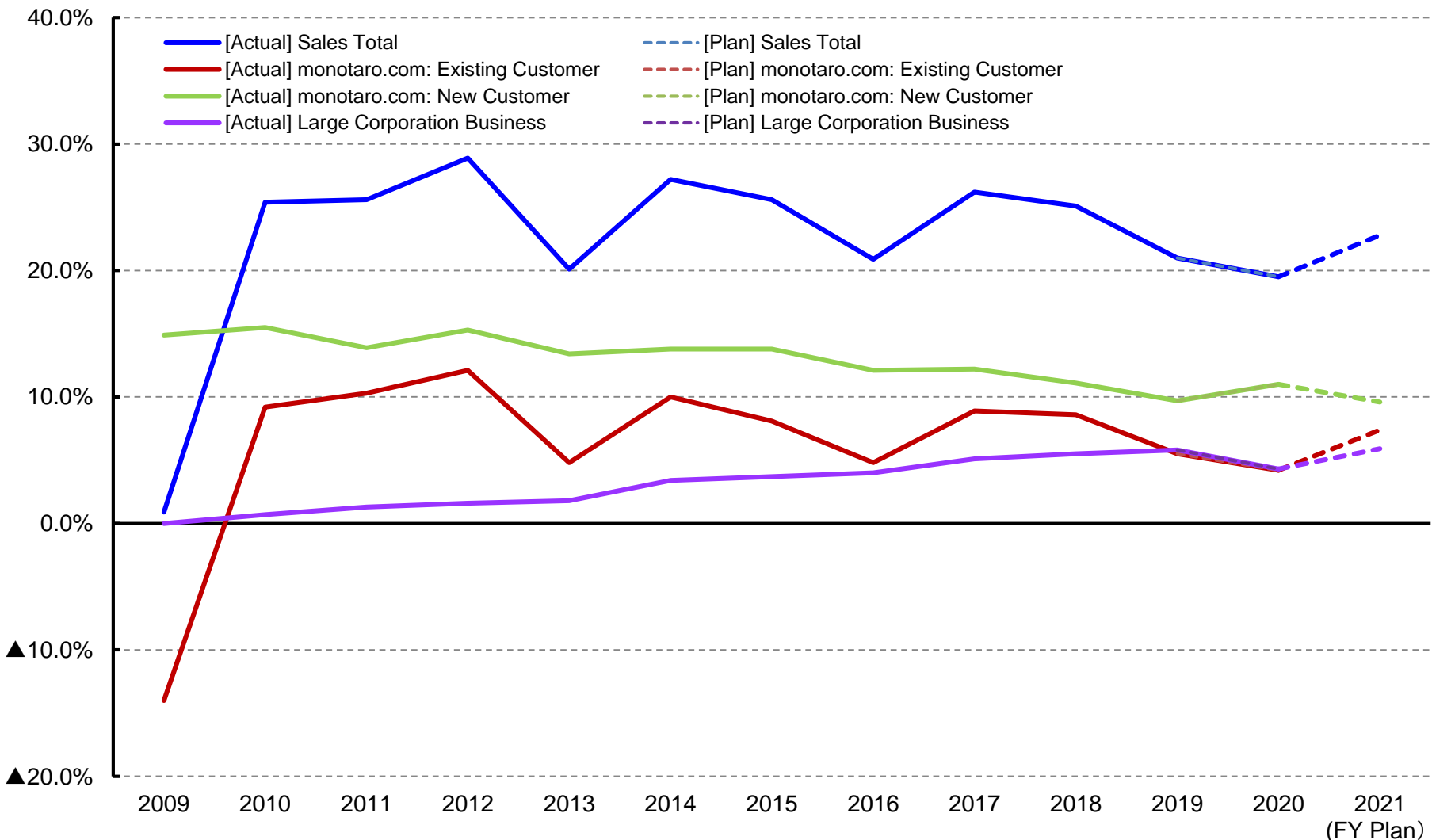
# Ref. 1. (Non-consol.) Half Yr. Sales Growth (Service Channel Contribution)



\* Note 1: Half year (first half and latter half) contribution of every channel to total sales growth from previous year is organized and shown.

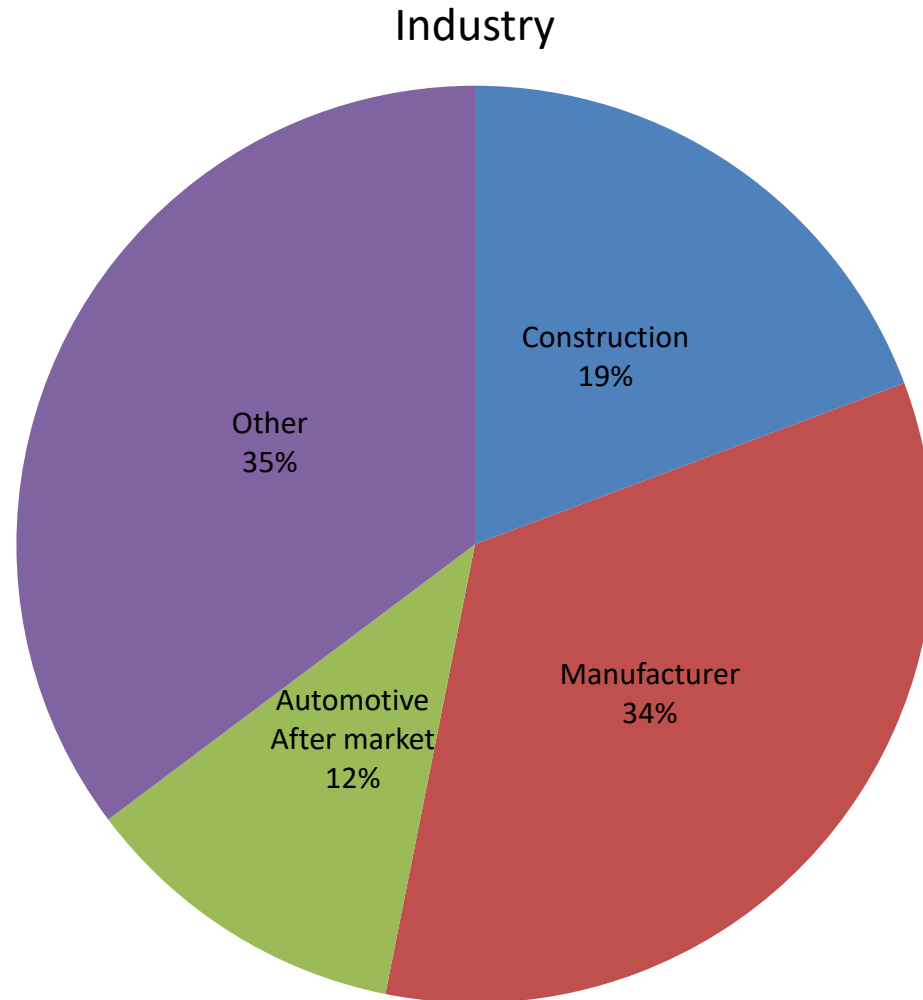
\* Note 2: "monotaro.com: New Customer" indicates contribution of sales from customers acquired each half year, and "monotaro.com: Existing Customer" indicates contribution of sales from customers acquired before corresponding half year. Therefore, sales from customers acquired in first half are included in latter half as sales of "monotaro.com: Existing Customer" not as sales of "monotaro.com: New Customer" (definitions of new customer in "Sales Growth (Service Channel Contribution)" on P.30 of "Presentation Material for FY2020 Results" and on P.27 of "Presentation Material for Q1, 2021," and on next page are fiscal year base, which are different from definition of new customer on this page).

# Ref. 2. (Non-consol.) Fiscal Yr. Sales Growth (Service Channel Contribution)



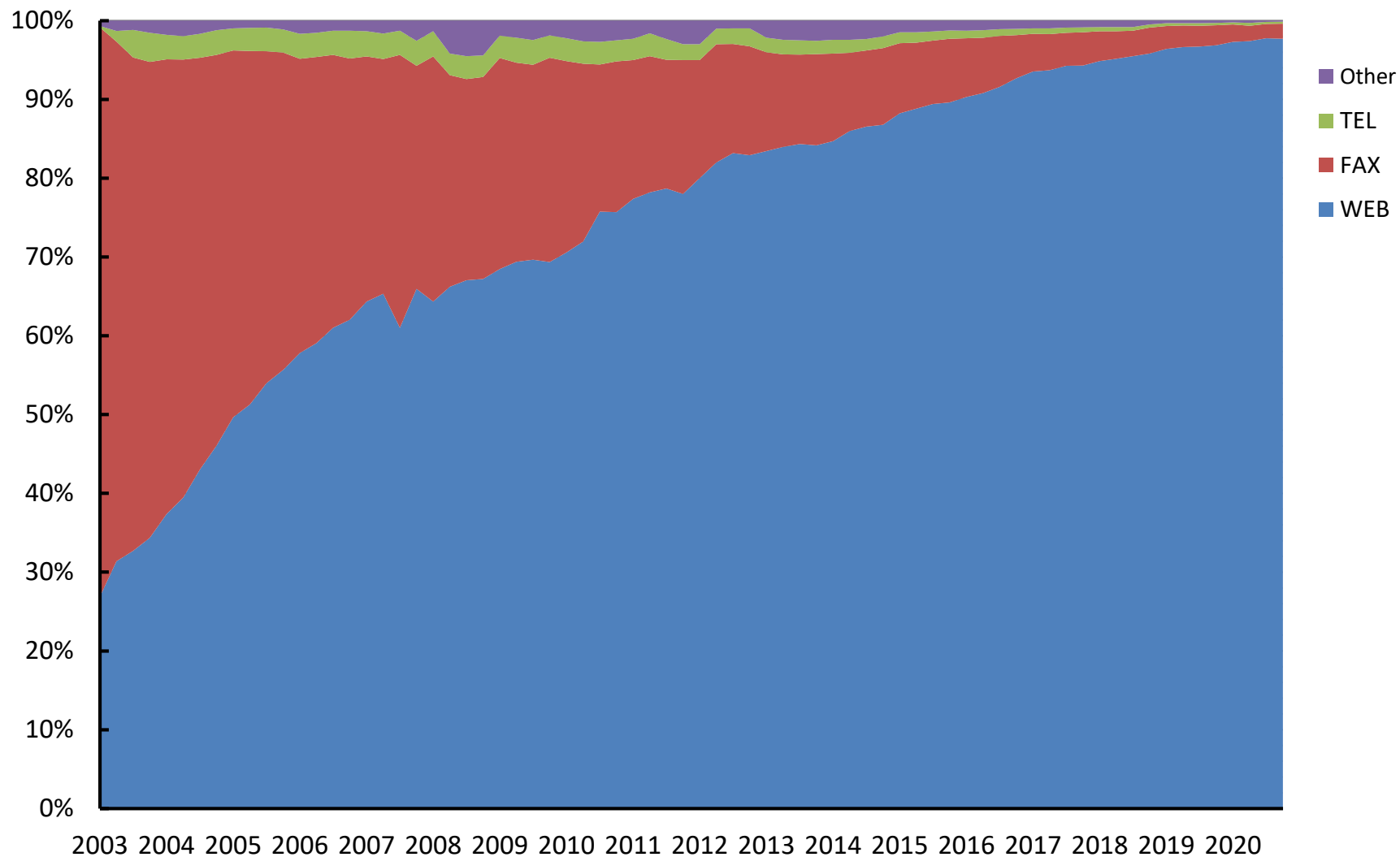
\* Note 1: Fiscal year contributions of every channel to total sales growth from previous year is organized and shown.  
 \* Note 2: "monotaro.com: New Customer" indicates contribution of sales from customers acquired each fiscal year, and "monotaro.com: Existing Customer" indicates contribution of sales from customers acquired before corresponding year (definitions of new customer in previous page are different from definition of new customer on this page).

# Ref. 3. Customer Demographics

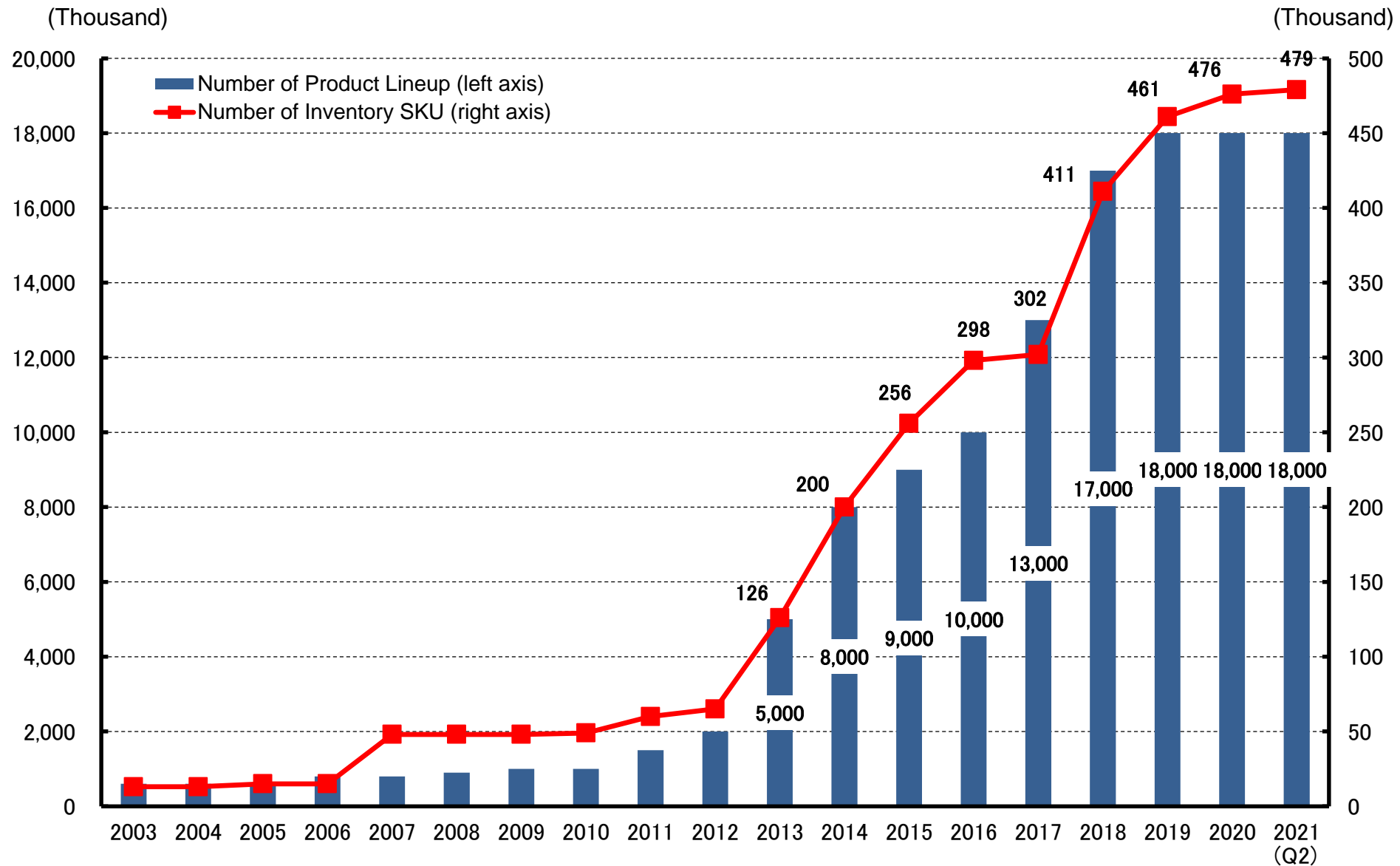


Ratio by sales amount in 2020  
(Sales through Shopping website-excluding sales through API connection)

# Ref. 4. Internet PO Ratio



# Ref. 5. Product Lineup & Inventory

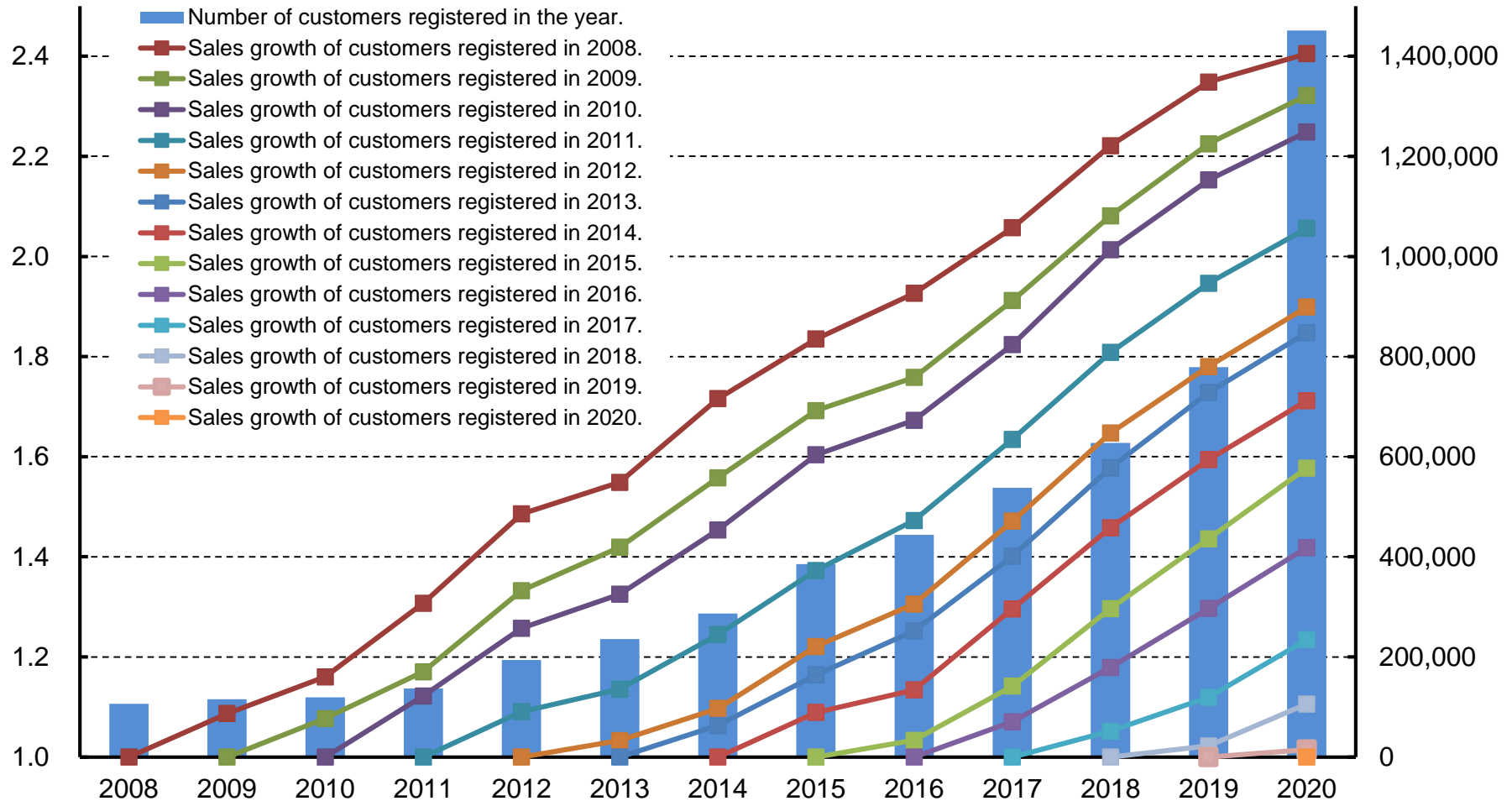




# Ref. 6. Registered Customers & Sales Growth by Registered Year

(Growth Rate of Sales)

(Number of Registered Customers)

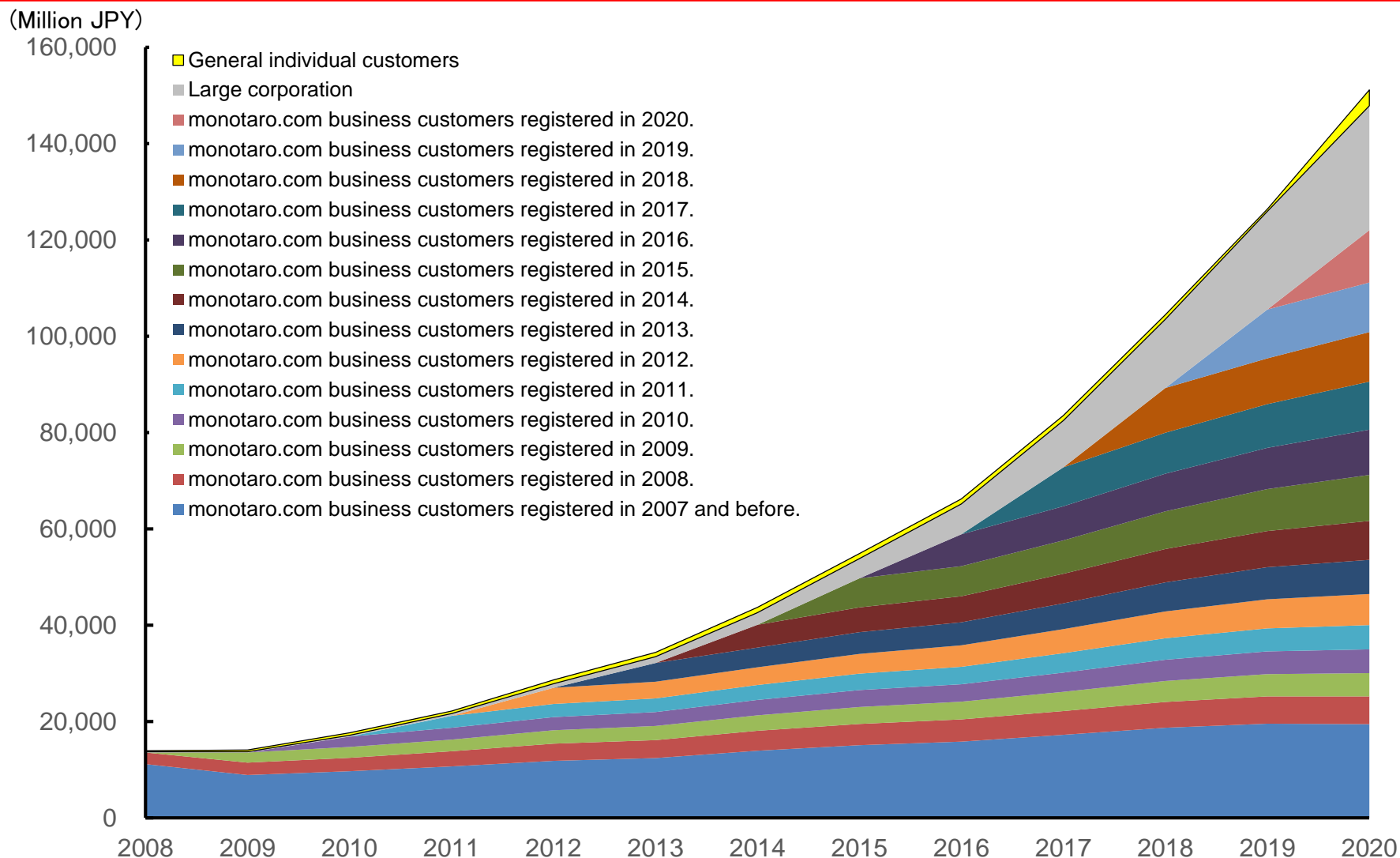


\* 1: Bar chart (right axis) shows number of 'monotaro.com' customers registered in each year.

\* 2: Line chart (left axis) shows sales growth ratio of customers registered each year by setting sales in registered year as '1'.

\* 3: Above number of 'monotaro.com' registered customers and sales growth are updated retroactively at the end of 2020 (large corporate sales not included).

# Ref. 7. (Non-consol.) Sales Trend by Registered Year



\* 1: Sales of 'monotaro.com business customers' are sales of monetaro.com's business customers organized retroactively for each registration year based upon updated customer status at the end of 2020.

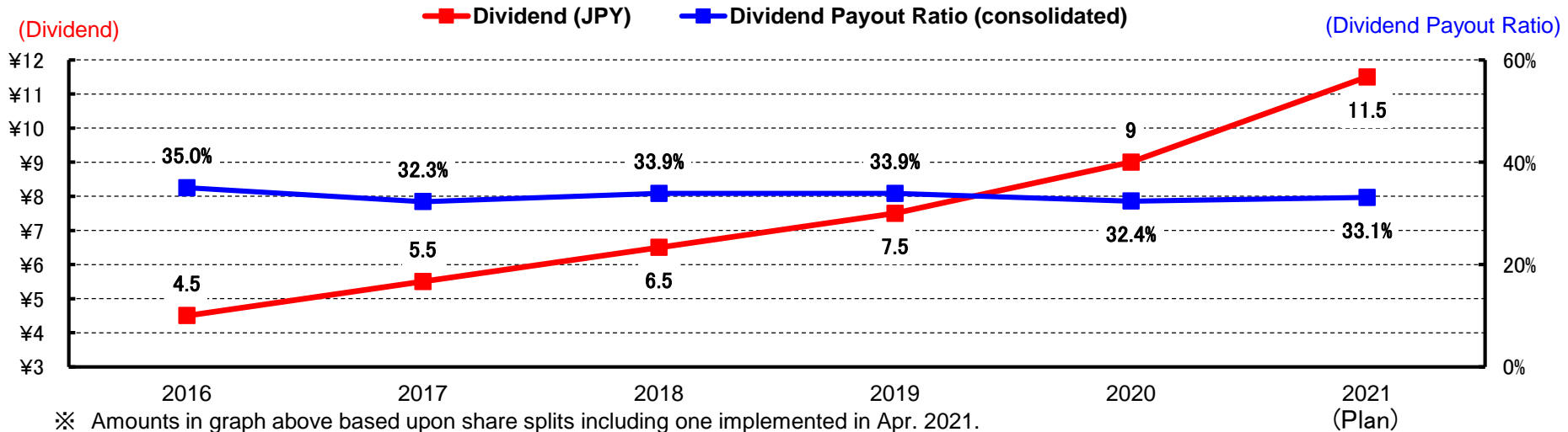
\* 2: Sales of 'Large corporation' is total sales of large corporation customers based upon updated customer status at the end of 2020.

\* 3: Sales of 'General individual customers' is total sales of monetaro.com's general individual customers and of IHC MonotaRO based upon updated customer status at the end of 2020 (IHC MonotaRO was closed and integrated into monetaro.com).

# Dividend & Shareholder Benefit

## ■ Dividend

- Dividend Policy: Distributing dividend consistent with stable and ongoing growth.
- 2020 Dividend (Result): 9 JPY/share (4.25 JPY/share interim, 4.75 JPY/share fiscal year end).
- 2021 Dividend (Plan): 11.5 JPY/share (5.75 JPY/share interim, 5.75 JPY/share fiscal year end).



## ■ Shareholders' Benefit

- Shareholders having held one or more unit (100 shares) of MonotaRO share for 6 months or longer on continuous basis as of Dec. 31 are eligible for benefit.
- Eligible shareholders can choose products from MonotaRO's private brand as benefit, and amount of benefit varies in accordance with holding period (as in right chart).

Holding Period	Amount Benefit
6 months or more	3,000 JPY (excl. tax)
3 years or more	5,000 JPY (excl. tax)
5 years or more	7,000 JPY (excl. tax)

# Other MRO Market Players

Upper: Sales Lower: Operating Income		Fiscal Year					Change
		2007	2018	2019	2020	2021	2007 to 2021
Yuasa (8074) - (M)	Wholesaler	468,476	493,627	491,348	432,185	471,000	+0.5%
		8,254	12,517	11,871	8,983	11,700	+41.7%
Yamazén (8051) - (M)	Wholesaler	376,852	526,364	472,191	434,744	485,000	+28.7%
		11,518	17,997	12,091	11,234	11,500	△0.2%
Trusco (9830) - (D)	Wholesaler	134,430	214,297	220,674	213,404	227,520	+69.2%
		9,120	14,364	13,797	11,017	13,170	+44.4%
Misumi (9962) - (M)	Retailer	126,668	331,936	313,337	310,719	340,000	+168.4%
		16,317	31,874	23,640	27,199	38,000	+132.9%
Nichiden (9902) - (M)	Wholesaler	92,745	124,604	112,334	102,751	110,000	+18.6%
		5,533	6,595	5,154	3,943	3,330	△39.8%
NalTO (7624) - (F)	Wholesaler	51,479	50,014	46,467	39,145	43,000	△16.5%
		1,343	928	836	190	350	△73.9%
Sugimoto (9932) - (M)	Wholesaler Retailer	41,461	45,417	43,890	40,365	43,850	+5.8%
		2,292	2,870	2,528	2,070	2,200	△4.0%
Toba (7472) - (M)	Retailer	25,800	29,066	26,197	25,040	26,500	+2.7%
		2,115	1,895	1,328	1,272	1,390	△34.3%
Uematsu (9914) - (M)	Retailer	7,647	7,157	6,477	5,093	6,000	△21.5%
		190	80	17	-54	20	△89.5%
MonotaRO (3064) - (D)	Retailer	10,897	109,553	131,463	157,337	194,220	+1682.3%
		480	13,790	15,839	19,607	24,678	+5041.3%

\*: (M):Apr.[Year] to Mar.[Year+1], (F):Mar.[Year] to Feb.[Year+1], (D) Jan.[Year] to Dec.[Year]

\*: As of July. 29, 2021.



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

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