




**Quarter 3, FY2021**  
**(Jan. to Sep. 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 Sep. 2021)</li></ul>	
Number of Customers	<ul style="list-style-type: none"><li>• More than 6.4 million</li></ul>	
Capital Stock	<ul style="list-style-type: none"><li>• 2.0 billion JPY or 17.8 million USD (USD1=JPY111.92)</li></ul>	
Number of Employees	<ul style="list-style-type: none"><li>• 2,846 including 948 regular employees (as of Sep. 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>• 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.
- 489 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



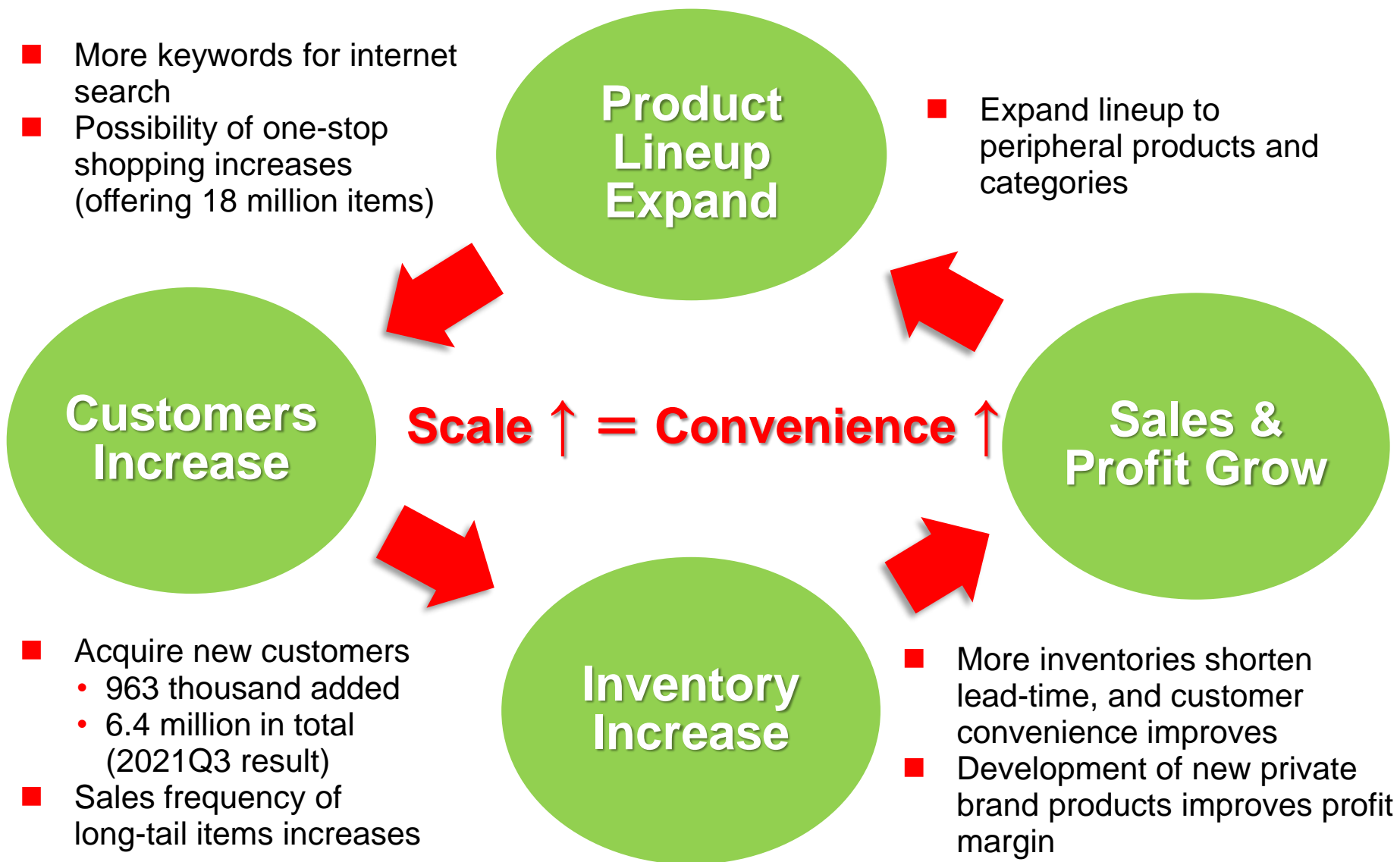


# 5. Procurement

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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.) 2021Q3 Financial Result P/L Outline 1/3

	Jan. – Sep. 2020 Result		Jan. – Sep. 2021 Plan		Jan. – Sep. 2021 Result			
	Amount (million JPY)	Ratio to Sales	Amount (million JPY)	Ratio to Sales	Amount (million JPY)	Ratio to Sales	YoY	vs Plan
Sales	110,848		136,858		133,306		+20.3%	△2.6%
Large Corp.	17,907	16.2%	25,250	18.5%	25,843	19.4%	+44.3%	+2.3%
Gross Profit	31,723	28.6%	39,516	28.9%	38,420	28.8%	+21.1%	△2.8%
SG&A Exp.	16,945	15.3%	21,172	15.5%	20,584	15.4%	+21.5%	△2.8%
Operating Income	14,777	13.3%	18,343	13.4%	17,835	13.4%	+20.7%	△2.8%
Current Income	14,803	13.4%	18,329	13.4%	17,919	13.4%	+21.0%	△2.2%
Net Income (Tax Rate)	9,915 (30.6%)	8.9%	12,722 (30.6%)	9.3%	12,407 (30.7%)	9.3%	+25.1%	△2.5%

\* Note: Large Corp. Sales in Jan. – Sep. 2020 is corrected.

# 7-2. (Non-consol.) 2021Q3 Financial Result P/L Outline 2/3 vs. Last Year

	20 Jan.- Sep. Result (A)		21 Jan.- Sep. Result (B)		Difference (B-A)		
	Amount (mil.JPY)	Sales Ratio	Amount (mil.JPY)	Sales Ratio			
Sales	110,848	—	133,306	—	Amount (mil.JPY)	+22,458	<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 (+44.3%), and this included rebound from last year's deceleration of demand caused by COVID-19.</li> </ul>
					YonY	+20.3%	
					Sales Ratio	—	
Gross Profit	31,723	28.6%	38,420	28.8%	Amount (mil.JPY)	+6,696	<ul style="list-style-type: none"> <li>Product GP ratio decreased (<math>\Delta</math>0.3pt.: Large Corp. Business sales share increased, sales share of PB/imported product decreased, and GP ratio of BP/domestic product decreased).</li> <li>Royalty income increased.</li> <li>Delivery Cost ratio improved (+0.2pt.: due to increase in sales per order).</li> </ul>
					YonY	+21.1%	
					Sales Ratio	+0.2%	
SG&A Exp.	16,945	15.3%	20,584	15.4%	Amount (mil.JPY)	+3,638	<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>System Usage Cost ratio increased (+0.1pt.: increase in usage of big data).</li> <li>Depreciation Expense ratio increased (+0.2pt.: due to Ibaraki Chuo SC launched).</li> <li>Facility Rent Expense ratio decreased (<math>\Delta</math>0.1pt.: due to decrease in warehouse rent for usage of backyard as Ibaraki Chuo SC launched).</li> <li>Mailing Expense ratio decreased (<math>\Delta</math>0.1pt.: due mainly to decrease in catalog shipping cost ratio), etc.</li> </ul>
					YonY	+21.5%	
					Sales Ratio	+0.1%	
Operating Income	14,777	13.3%	17,835	13.4%	Amount (mil.JPY)	+3,058	<ul style="list-style-type: none"> <li>GP ratio improved, and hence Operating Income ratio/sales ratio improved.</li> </ul>
					YonY	+20.7%	
					Sales Ratio	+0.1%	
Net Income (Tax Rate)	9,915 (30.6%)	8.9%	12,407 (30.7%)	9.3%	Amount (mil.JPY)	+2,491	<ul style="list-style-type: none"> <li>Operating Income ratio increased, and Extraordinary Loss incurred in Q3 last year (523 million JPY Impairment Loss for liquidating subsidiary in China). Net Income ratio therefore increased (+0.4pt.).</li> </ul>
					YonY	+25.1%	
					Sales Ratio	+0.4%	

## 7-3. (Non-consol.) 2021Q3 Financial Result P/L Outline 3/3 vs. Plan

	21 Jan.- Sep. Plan (A)		21 Jan.- Sep. Result (B)		Difference (B-A)		
	Amount (mil.JPY)	Sales Ratio	Amount (mil.JPY)	Sales Ratio			
Sales	136,858	—	133,306	—	Amount (mil.JPY)	△3,552	<ul style="list-style-type: none"> <li>monotaro.com: Not achieved growth included in plan due to new customer acquisition fell behind plan and growth deceleration of demand growth from existing customers in construction, automobile maintenance, and others (including general individual customers).</li> <li>Large Corp. Business: Grew beyond plan (+2.3%).</li> </ul>
					vs Plan	△2.6%	
					Sales Ratio	—	
Gross Profit	39,516	28.9%	38,420	28.8%	Amount (mil.JPY)	△1,095	<ul style="list-style-type: none"> <li>Product GP ratio decreased (△0.3pt.: due to increase in sales share of Large Corp. Business, decrease in GP ratio of domestic product, and decrease in sales share of imported products).</li> <li>Royalty income increased.</li> <li>Delivery Cost ratio improved (+0.1pt.: due to increase in sales per order).</li> </ul>
					vs Plan	△2.8%	
					Sales Ratio	△0.1%	
SG&A Exp.	21,172	15.5%	20,584	15.4%	Amount (mil.JPY)	△587	<ul style="list-style-type: none"> <li>System Usage Cost and Depreciation Expense ratios decreased (△0.2pt.: 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> </ul>
					vs Plan	△2.8%	
					Sales Ratio	△0.1%	
Operating Income	18,343	13.4%	17,835	13.4%	Amount (mil.JPY)	△508	<ul style="list-style-type: none"> <li>Despite decrease in GP ratio, decrease in SG&amp;A Exp. ratio and hence Operating Income ratio/sales is equal to plan.</li> </ul>
					vs Plan	△2.8%	
					Sales Ratio	+0.0%	
Net Income (Tax Rate)	12,722 (30.6%)	9.3%	12,407 (30.5%)	9.3%	Amount (mil.JPY)	△315	<ul style="list-style-type: none"> <li>Net Income ratio is equal to plan as Operating Income ratio is equal to plan.</li> </ul>
					vs Plan	△2.5%	
					Sales Ratio	+0.0%	

## 7-4. (Non-consolidated) 2021Q3 Financial Result B/S Outline

	Sep. 2020	Dec. 2020	Sep. 2021	
	Million JPY	Million JPY	Million JPY	Ratio
<b>Assets</b>				
Cash	13,823	16,691	6,831	7.8%
Accounts Receivable	16,851	18,129	21,067	24.2%
Inventory	12,132	11,296	14,325	16.4%
Other	4,877	5,154	5,691	6.5%
<b>Total Current Asset</b>	<b>47,684</b>	<b>51,271</b>	<b>47,917</b>	<b>55.0%</b>
Tangible Fixed Asset (*Note 1)	17,787	19,052	26,855	30.8%
Intangible Fixed Assets	3,859	4,008	5,348	6.1%
Other	5,412	6,629	7,047	8.1%
<b>Total Fixed Asset</b>	<b>27,059</b>	<b>29,690</b>	<b>39,250</b>	<b>45.0%</b>
<b>Total Assets</b>	<b>74,744</b>	<b>80,962</b>	<b>87,167</b>	

\*Note 1: Increase in Tangible Fixed Asset (after depreciated) from Sep. 2020 to Sep. 2021 by 9,000 mil. JPY includes 3,200 mil. JPY of Ibaraki Chuo SC (launched in Mar. 2021) and 6,100 mil. JPY of Inagawa DC (not launched yet: Construction in Progress).

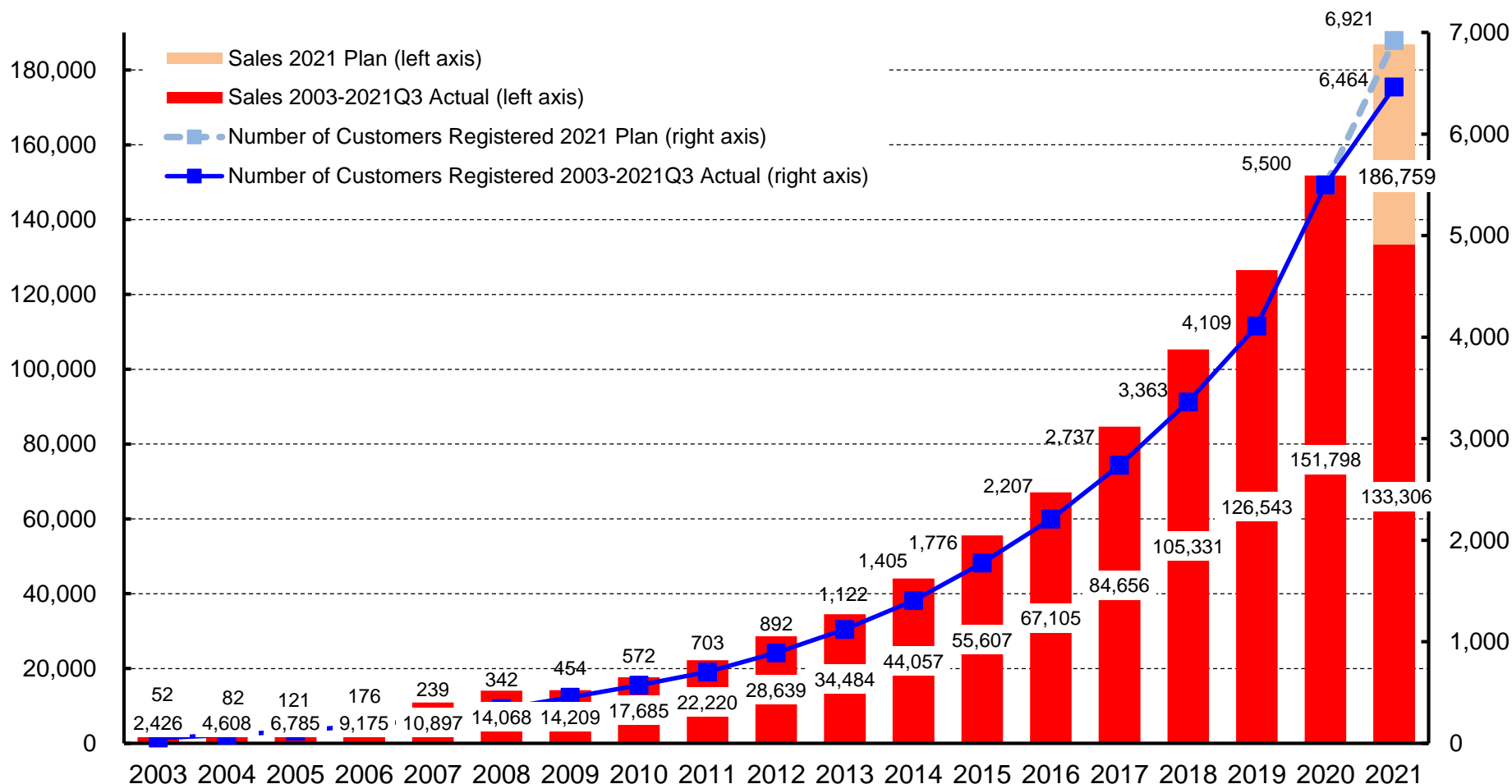
	Sep. 2020	Dec. 2020	Sep. 2021	
	Million JPY	Million JPY	Million JPY	Ratio
<b>Liabilities</b>				
Accounts Payable	10,634	11,165	12,732	14.6%
Short-term Debt & etc. (*Note 2)	—	—	—	0.0%
Others	8,541	10,644	7,586	8.7%
<b>Total Current Liabilities</b>	<b>19,175</b>	<b>21,810</b>	<b>20,319</b>	<b>23.3%</b>
<b>Total Long term Liabilities</b>	<b>10,665</b>	<b>11,013</b>	<b>11,491</b>	<b>13.2%</b>
<b>Total Liabilities</b>	<b>29,841</b>	<b>32,823</b>	<b>31,810</b>	<b>36.5%</b>
<b>Net Assets</b>				
Shareholder's Equity	44,840	48,066	55,267	63.4%
Others	62	72	90	0.1%
<b>Total Net Assets</b>	<b>44,903</b>	<b>48,138</b>	<b>55,357</b>	<b>63.5%</b>
<b>Total Liabilities &amp; Net Assets</b>	<b>74,744</b>	<b>80,962</b>	<b>87,167</b>	

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

# 7-5. (Non-consolidated) Progress - Sales & Customer

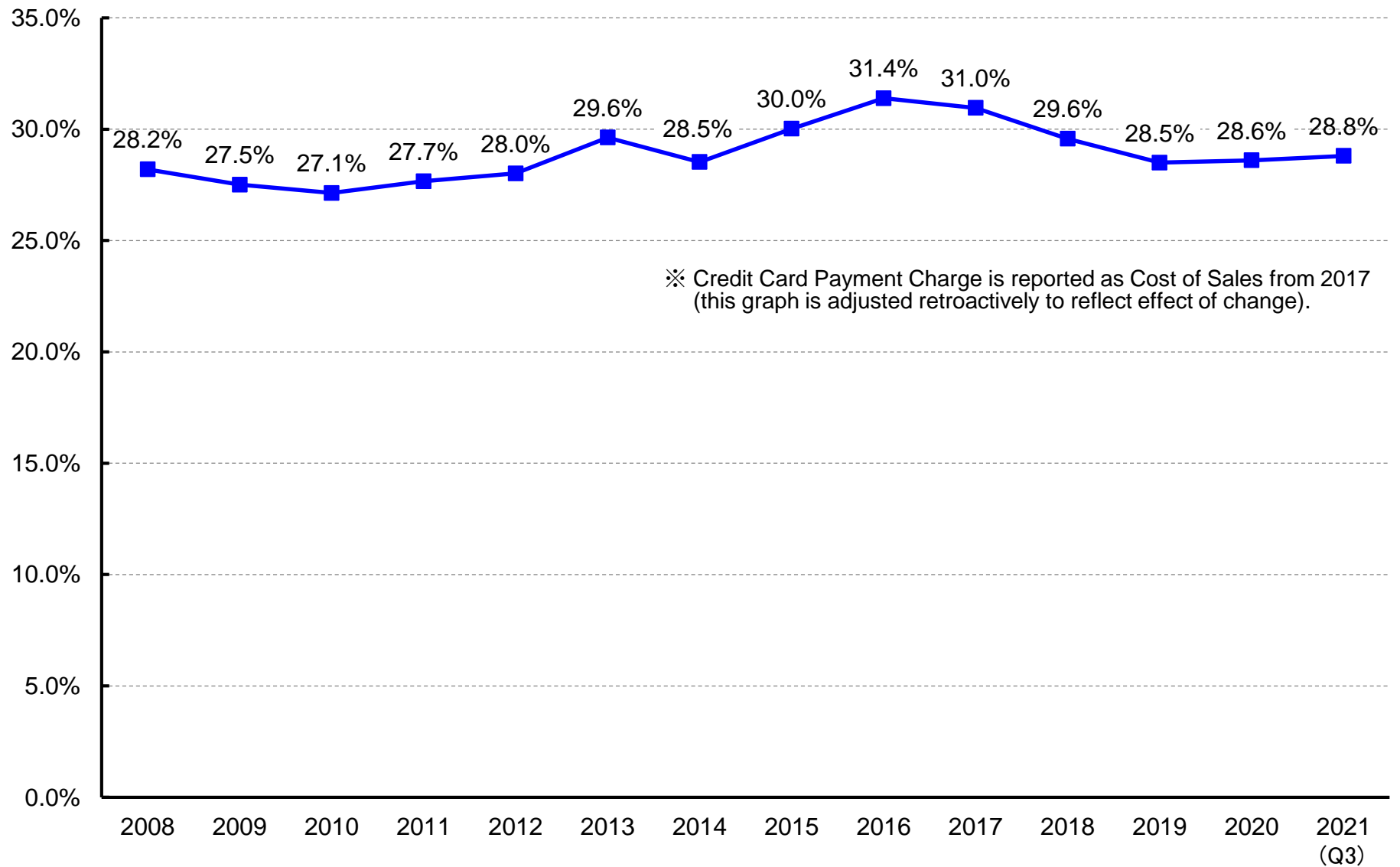
(Million JPY)

(Thousand Accounts)



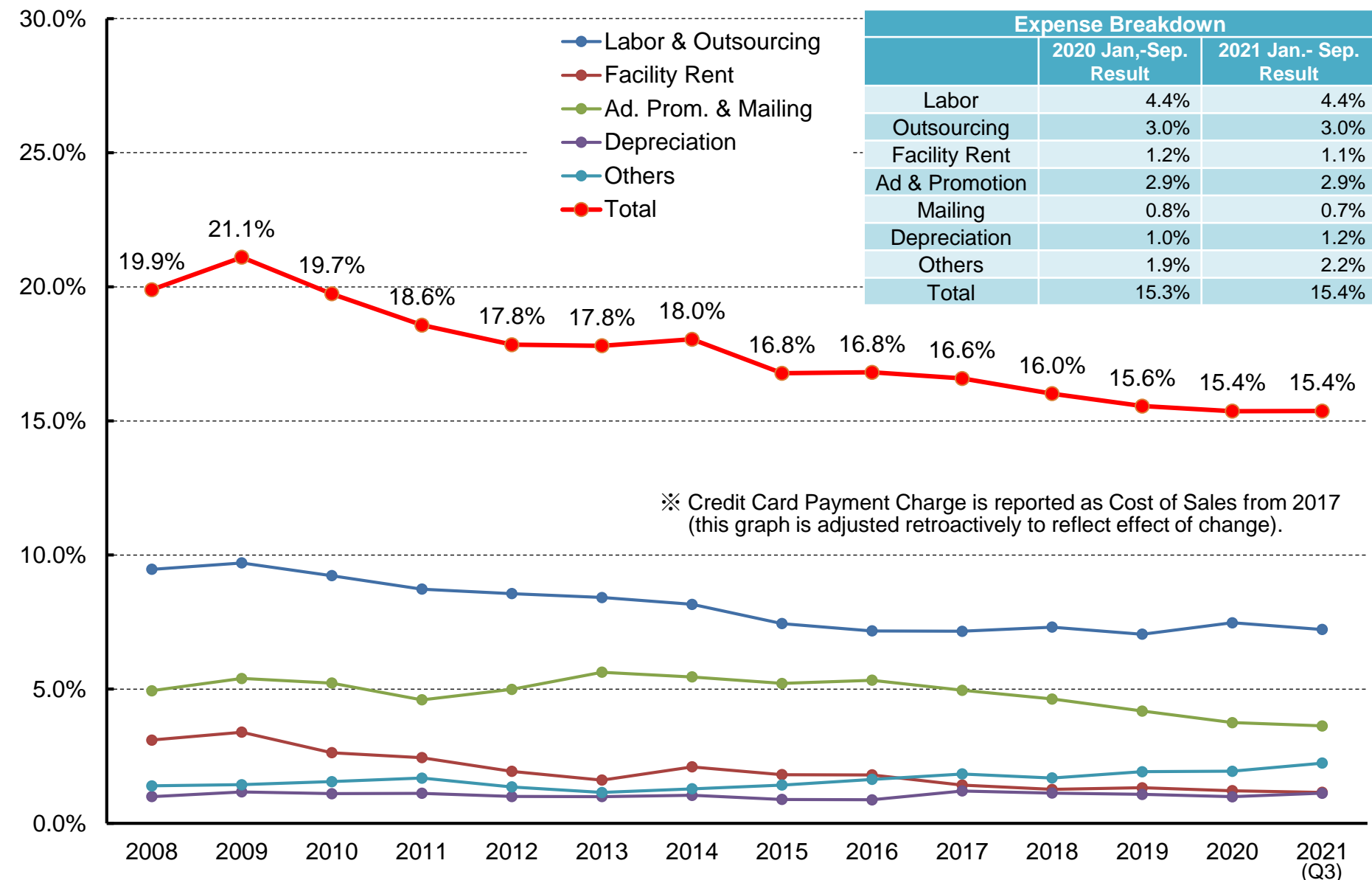
	Dec. 2020	Sep. 2021	Dec. 2021 (Plan)
Number of Customers (Registered Accounts)	5,500,774	6,464,179	6,921,874
		<b>+963,405 (vs. Dec. 2020)</b>	<b>+1,421,100 (vs. Dec. 2020)</b>

## 7-6. (Non-consolidated) Progress - Gross Profit





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



## 8-1. (Consolidated) 2021Q3 Financial Result P/L Outline 1/2

	Jan. – Sep. 2020 Result		Jan. – Sep. 2021 Plan		Jan. – Sep. 2021 Result			
	Amount (million JPY)	Ratio to Sales	Amount (million JPY)	Ratio to Sales	Amount (million JPY)	Ratio to Sales	YoY	vs Plan
Sales	114,837		142,213		138,450		+20.6%	△2.6%
Gross Profit	32,601	28.4%	40,748	28.7%	39,511	28.5%	+21.2%	△3.0%
SG&A Exp.	18,233	15.9%	22,684	16.0%	21,970	15.9%	+20.5%	△3.2%
Operating Income	14,368	12.5%	18,064	12.7%	17,541	12.7%	+22.1%	△2.9%
Current Income	14,405	12.5%	18,111	12.7%	17,668	12.8%	+22.6%	△2.4%
Net Income (Tax Rate)	9,999 (30.3%)	8.7%	12,496 (31.0%)	8.8%	12,142 (31.2%)	8.8%	+21.4%	△2.8%
Net Income attributable to owners of the parent	10,191	8.9%	12,647	8.9%	12,291	8.9%	+20.6%	△2.8%

## 8-2. (Consolidated) 2021Q3 Financial Result P/L Outline 2/2

### ■ NAVIMRO (South Korea)

- Customer acquisition plan attained, but first order & repeat rates below plan, so sales below plan.
- GP% decreased due to hike of product sourcing prices, and hence profit plan not attained.

	2020 Jan.– Sep. Result			2021 Jan.–Sep. Plan			2021 Jan.– Sep. 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	3,680	+11.4%	+16.9%	4,630	+25.8%	+24.4%	4,730	+28.6%	+2.2%	+20.0%	△3.5%
Op.Income	70	—	—	120	+67.7%	+65.8%	110	+61.5%	△3.7%	+50.7%	△9.1%
Net Income x Share(*1)	60	—	—	120	+77.5%	+75.5%	100	+59.0%	△2.6%	+48.4%	△8.1%

### ■ MONOTARO INDONESIA (Indonesia)

- Sales went below last year and plan due to customer acquisition below plan and to COVID-19.
- Sales plan not achieved, but loss was almost within plan.

	2020 Jan.– Sep. Result			2021 Jan.–Sep. Plan			2021 Jan.– Sep. 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	270	+2.7%	+6.8%	440	+59.8%	+59.8%	270	△0.8%	△37.9%	△3.4%	△39.6%
Op.Income	△230	—	—	△220	—	—	△200	—	—	—	—
Net Income x Share(*1)	△110	—	—	△100	—	—	△100	—	—	—	—

### ■ IB MONOTARO (India)

- Sales plan not achieved over 30% due to low repeat rate of existing customers and COVID-19.
- Loss kept within plan despite Sales plan not achieved.
- Improvements of order cancellations caused by supply chain quality and COD are underway.

	2020 Jan.– Sep. Result			2021 Jan.–Sep. Plan			2021 Jan.– Sep. 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	—	—	—	460	(* 2) —	(* 2) —	300	(* 2) —	△33.4%	(* 2) —	△36.1%
Sales	—	—	—	270	(* 2) —	(* 2) —	190	(* 2) —	△28.6%	(* 2) —	△31.5%
Op.Income	—	—	—	△140	—	—	△140	—	—	—	—
Net Income x Share(*1)	—	—	—	△50	—	—	△50	—	—	—	—

\*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) 2021Q3 Financial Result B/S Outline

	Sep. 2020	Dec. 2020	Sep. 2021	
	Million JPY	Million JPY	Million JPY	Ratio
<b>Assets</b>				
Cash	14,556	18,843	8,900	10.2%
Accounts Receivable	16,962	18,267	21,264	24.3%
Inventory	12,601	11,874	15,136	17.3%
Other	4,950	5,278	5,894	6.7%
<b>Total Current Asset</b>	<b>49,070</b>	<b>54,264</b>	<b>51,195</b>	<b>58.5%</b>
Tangible Fixed Asset	17,844	19,086	26,919	30.7%
Intangible Fixed Assets	3,963	4,829	6,167	7.0%
Other	2,999	3,081	3,289	3.8%
<b>Total Fixed Asset</b>	<b>24,807</b>	<b>26,998</b>	<b>36,376</b>	<b>41.5%</b>
<b>Total Assets</b>	<b>73,877</b>	<b>81,263</b>	<b>87,572</b>	

	Sep. 2020	Dec. 2020	Sep. 2021	
	Million JPY	Million JPY	Million JPY	Ratio
<b>Liabilities</b>				
Accounts Payable	11,006	11,643	13,152	15.0%
Short-term Debt & etc.	—	—	—	0.0%
Others	8,724	10,898	7,875	9.0%
<b>Total Current Liabilities</b>	<b>19,731</b>	<b>22,542</b>	<b>21,027</b>	<b>24.0%</b>
<b>Total Long term Liabilities</b>	<b>10,718</b>	<b>11,062</b>	<b>11,572</b>	<b>13.2%</b>
<b>Total Liabilities</b>	<b>30,450</b>	<b>33,604</b>	<b>32,600</b>	<b>37.2%</b>
<b>Net Assets</b>				
Shareholder's Equity	43,223	46,805	53,873	61.5%
Others	204	852	1,099	1.3%
<b>Total Net Assets</b>	<b>43,427</b>	<b>47,658</b>	<b>54,972</b>	<b>62.8%</b>
<b>Total Liabilities &amp; Net Assets</b>	<b>73,877</b>	<b>81,263</b>	<b>87,572</b>	

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

## 8-4. (Consolidated) 2021Q3 Financial Result C/F Outline

	Jan. – Sep. 2020	Jan. – Sep. 2021
	Result	Result
	Million JPY	Million JPY
<b>Cash Flow from Operating Activity</b>		
Net Income before Tax	14,353	17,641
Increase or Decrease in Accounts Receivable ( $\Delta$ = increase)	$\Delta$ 2,497	$\Delta$ 2,994
Increase or Decrease in Inventory ( $\Delta$ = increase)	$\Delta$ 1,060	$\Delta$ 3,255
Increase or Decrease in Accounts Payable ( $\Delta$ = decrease)	1,194	1,506
Tax payment	$\Delta$ 4,804	$\Delta$ 7,086
Others	2,124	173
Total	9,309	5,985
<b>Cash Flow from Investing Activity</b>		
Acquisition of Tangible Assets	$\Delta$ 6,389	$\Delta$ 8,200
Acquisition of Intangible Assets	$\Delta$ 1,045	$\Delta$ 1,845
Others	$\Delta$ 9	(*Note) $\Delta$ 1,662
Total	$\Delta$ 7,445	$\Delta$ 11,708
<b>Cash Flow from Financing Activity</b>		
Long-term Loans Payable	9,000	—
Repayments of Long-term Loans	$\Delta$ 2,498	—
Repayments of Lease Obligations	$\Delta$ 668	$\Delta$ 664
Cash Dividends Paid	$\Delta$ 3,970	$\Delta$ 5,209
Others	$\Delta$ 68	115
Total	1,794	$\Delta$ 5,758
Currency Exchange Adjustment	$\Delta$ 47	54
Net Increase or Decrease in Cash and Cash Equivalent ( $\Delta$ = decrease)	3,611	$\Delta$ 11,427
Cash and Cash Equivalent at Beginning of Period	10,746	18,767
Cash and Cash Equivalent at End of Period	14,358	7,339

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

## 9-1. 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.	25,179	16.6%	34,680	18.6%	+37.7%
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%

\* Note: Large Corp. Sales in 2020 Result is corrected.



## 9-2. 2021 Strategy & Plan: (Consolidated) P/L Plan Outline

	2020 Result		2021 Plan		
	Amount (mil.JPY)	Ratio to Sales	Amount (mil.JPY)	Ratio to Sales	YonY
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%

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

### ■ NAVIMRO (South Korea)

- Increasing sales +20% vs. 2020 by expanding customer base and item & inventory.
- Op. Income is currently decreasing due to lower GP% caused by increase in sourcing price.

	2020 Result			2021 Plan		
	Amount (mil.JPY)	YonY	YonY (local Currency)	Amount (mil.JPY)	YonY	YonY (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, but due to COVID-19 re-expansion and customer acquisition plan not attained, sales is lower than plan.

	2020 Result			2021 Plan		
	Amount (mil.JPY)	YonY	YonY (local Currency)	Amount (mil.JPY)	YonY	YonY (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.
- Sales in Q3 is far lower than plan; however, new customer acquisition tend to increase.

	2020 Result			2021 Plan		
	Amount (mil.JPY)	YonY	YonY (local Currency)	Amount (mil.JPY)	YonY	YonY (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: 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.

## 9-4. 2021 Strategy & Plan: Domestic Business (1)

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

- Expanding Customer Base and Improving Customer Lifetime Value
  - Acquired 963 thou. of new accounts 2021Q3 cumulative, but plan not attained.
  - Continuing to improve accuracy of SEM and planning to test off-line marketing, which allows highly accurate contact with targeted customers who are with high lifetime value.
  - Also optimizing acquisition costs based on lifetime value.
- Expanding Existing Customers' Sales
  - For increasing existing customers' usage by reducing "time to find," "time to purchase," and "time to wait for products" (by improving search functions, increasing number of products for sale, and increasing number of inventory items).
  - Promote the personalization of product search results and recommendation displays.

### ■ System Connection with Large Corporations (Large Corporation Business)

- 2021Q3 Cumulative Result
  - Strengthening organization (establishment of Enterprise Business Dept.) was successful, and number of corporations connected, order value, and order frequency were all strong.
  - Despite deceleration of demand during COVID-19 last year, 2021Q3 cumulative sales grew beyond plan (+44.3% YoY, +2.3% vs. plan).

2020 Jan.- Sep. Result			2021 Jan.-Sep. Plan			2021 Jan.- Sep. Result			
Mil. JPY	YoY	/Total Sales	Mil. JPY	YoY	/Total Sales	Mil. JPY	YoY	vs. Plan	/Total Sales
17,907	+28.5%	16.2%	25,250	+41.0%	18.5%	25,843	+44.3%	+2.3%	19.4%
		Dec. 2020 End Result			Sep. 2021 End Result				
		No. Corp.			No. Corp.	vs Dec. 2020 End	Remarks		
Total number of corporations		1,237			1,685	+448			
One Source		14			14	+0	1 considering		
One Source Lite		692			1,056	+364	594 considering		

\* Note: Large Corp. Sales in 2020 Jan. - Sep. Result is corrected.

## 9-5. 2021 Strategy & Plan: Domestic Business (2)

### ■ Consulting/Royalty Business

- Parent company Grainger's Zoro business (US & UK) is in strengthening process (incurring high SG&A Expenses) including expanding number of items sold (8 mil. as of 2021Q3) but achieved sales growth and profit improvement.
- Royalty income in 2021Q3 cumulative increased from last year 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 improve sales website to make it "easier to use." Improving marketing capabilities further.
- 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, and recommendations of complementary product appearing when products are moved to procurement basket was started.
  - Working also on real-time personalization of search results and recommendations display.

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

- Product Information Management System (PIM)
  - Project is on schedule for launching System in early 2022.
  - Increasing sales of existing customers through cost-efficient expansion of "One-stop Shopping," reducing workload and cost of obtaining product information.
- Order Management System (OMS)
  - Project is on schedule for launching System in early 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.

# 9-6. 2021 Strategy & Plan: Domestic Business (3)

- Risks concerned in and after 2021Q4.
  - Following external factors became apparent in FY2021 so far and will continue to affect MonotaRO's performance in and after 2021Q4.
  - Addressing risk of opportunity loss, GP% decrease, and SG&A Exp. increase in and after 2021Q4.

Risk Concerned	External Factor	Effect	Countermeasures
Opportunity Loss	Decline in product supply caused by shortages of energy in manufacturing countries, semiconductor, etc.	Increase in order cancellation due to increase in stock-out products	Strengthening product sourcing
Decrease in GP%	Price hikes in raw material and crude oil	Increase in sourcing price and cost	Strengthening sourcing optimization
	Weak JPY in foreign exchange		
	Increase in import cost (shortage of shipping container, etc.)		Increase in loading efficiency
Increase in SG&A Expense	Difficulty in hiring part-timer	Increase in Labor Expense	Enhancing automated operation

## 9-7. 2021 Strategy & Plan: Logistics (1)

### ■ Distribution-related Cost Ratio 2021Q3 Cumulative Result: 6.1%

- Same level as last year.
  - Increase in Depreciation Expense Ratio and decrease in Facility Rent Expense ratio due to launch of Ibaraki Chuo SC.
- Same level as Plan.
  - Despite increase in Depreciation Expense ratio (Ibaraki Chuo SC launched one month ahead of plan), decrease in Labor & Outsourcing Expense ratio (decrease in logistics operations relative to sales due to increase of order unit price).

### ■ Inventory



- As of Sep. 30, 2021: 489 thou. Items (newly adopted: 40 thou. and removed: 30 thou.).
- Forecast at Dec. 31, 2021: 489 thou. items.

	2020 Jan.- Sep. Result		2021 Jan.- Sep. Plan		2021 Jan.- Sep. 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)	110,848		136,858		133,306		+20.3%	△2.6%
Depreciation	676	0.6%	978	0.7%	1,000	0.8%	+47.8%	+2.2%
Labor & Outsourcing	3,774	3.4%	4,749	3.5%	4,507	3.4%	+19.4%	△5.1%
Facility Rent	1,236	1.1%	1,185	0.9%	1,247	0.9%	+0.9%	+5.2%
Others	1,070	1.0%	1,403	1.0%	1,401	1.1%	+31.0%	△0.1%
Total	6,757	6.1%	8,316	6.1%	8,156	6.1%	+20.7%	△1.9%

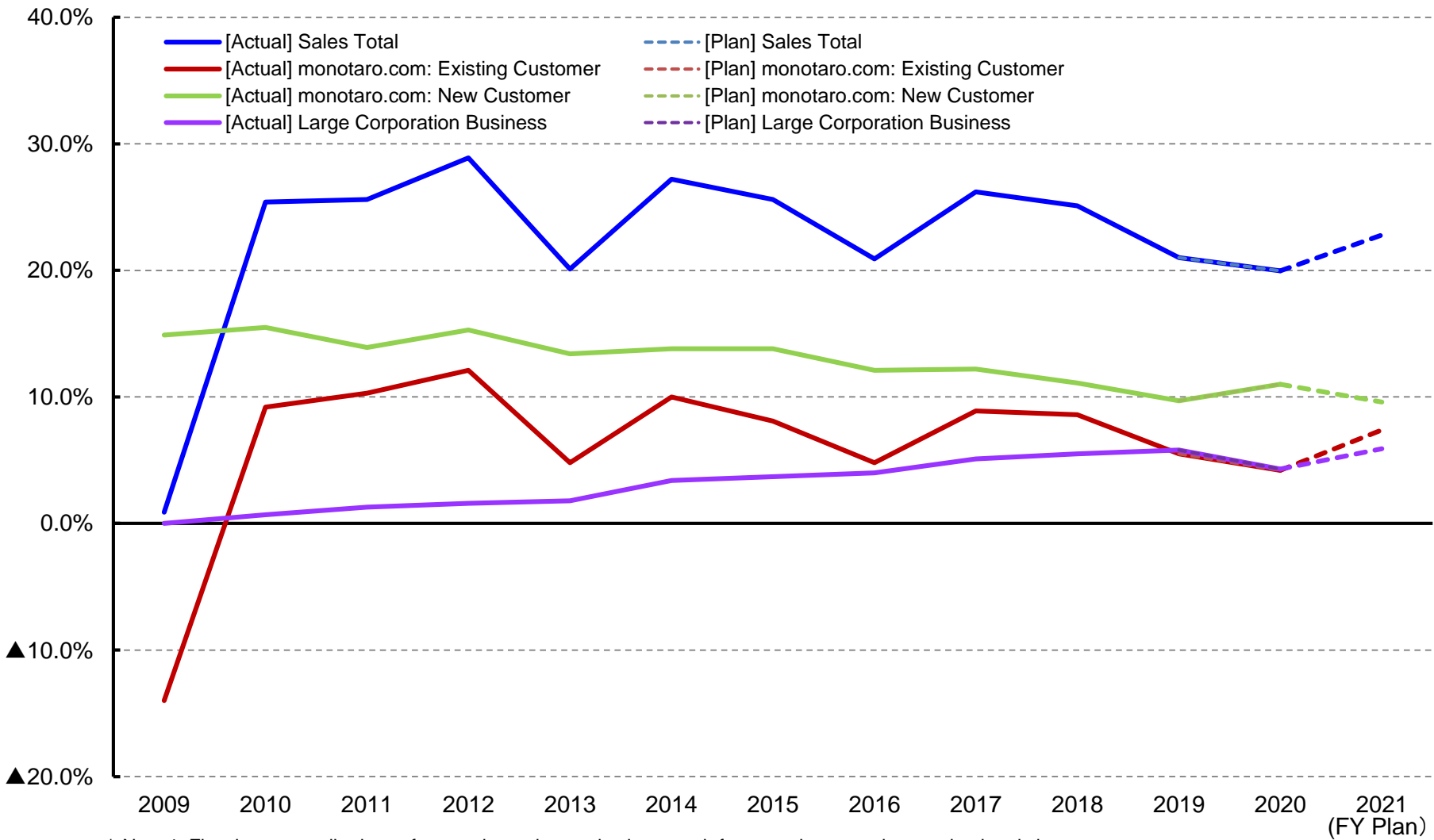


# 9-8. 2021 Strategy & Plan: Logistics (2)

## ■ New Distribution Base Expansion Update

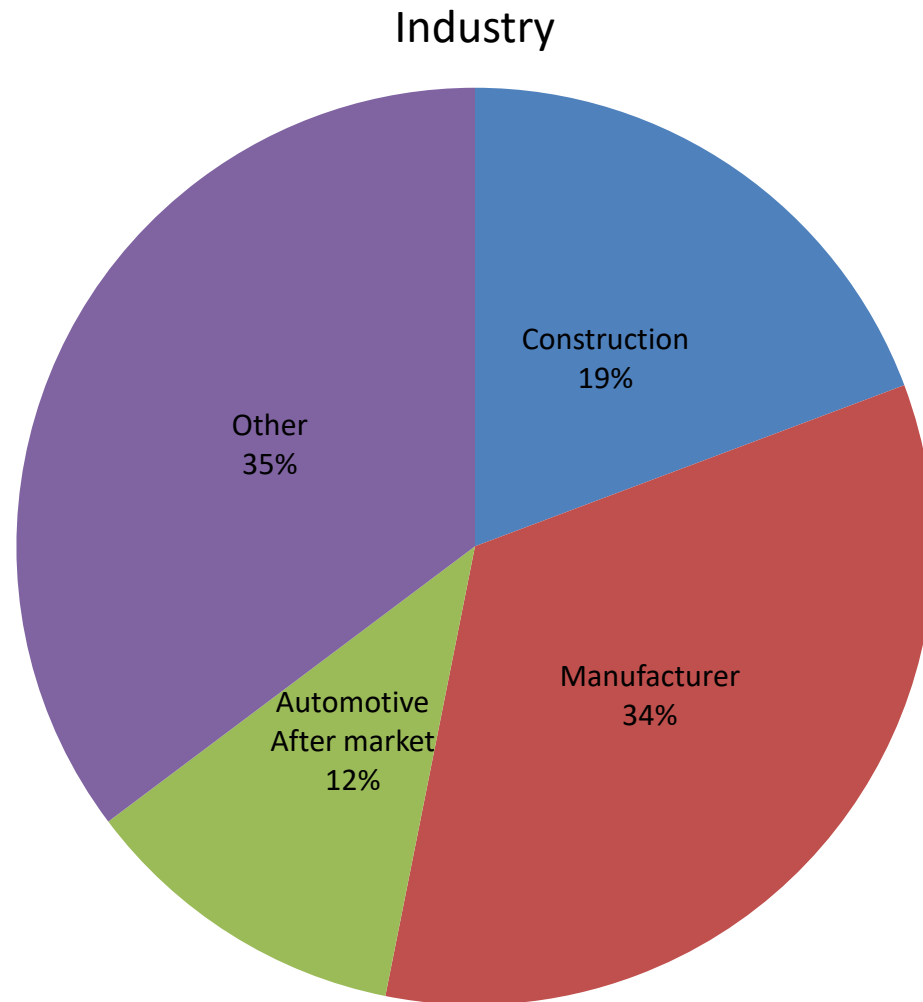
Name		Ibaraki Chuo SC	Inagawa DC	
Address		Ibaraki-machi, Higashi Ibaraki-gun, Ibaraki Prefecture	Inagawa-cho, Kawabe-gun, Hyogo Prefecture	
Floor Size		About 49,000m <sup>2</sup>	Total about 178,800m <sup>2</sup>	
Inventory Capa.		20K-30K SKU, high demand products	Total 500K SKU	
Start Operation		Mar. 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 1.9 bil. JPY, restoration about 1.4 bil. JPY (examining)	
	Rent	_____	Ph.1, 4.5 Floors: about 21.5 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 4.5 floors & hazardous goods warehouse in 2022. From 2023, 1 floor added and total 5.5 floors rented. Starting incurring and recording portion of rent in December 2021.	
Progress Status		Launched (March 2021)	Building under construction	
Picture		 <p>Completion Photo</p>	 <p>Progress Status</p>	

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



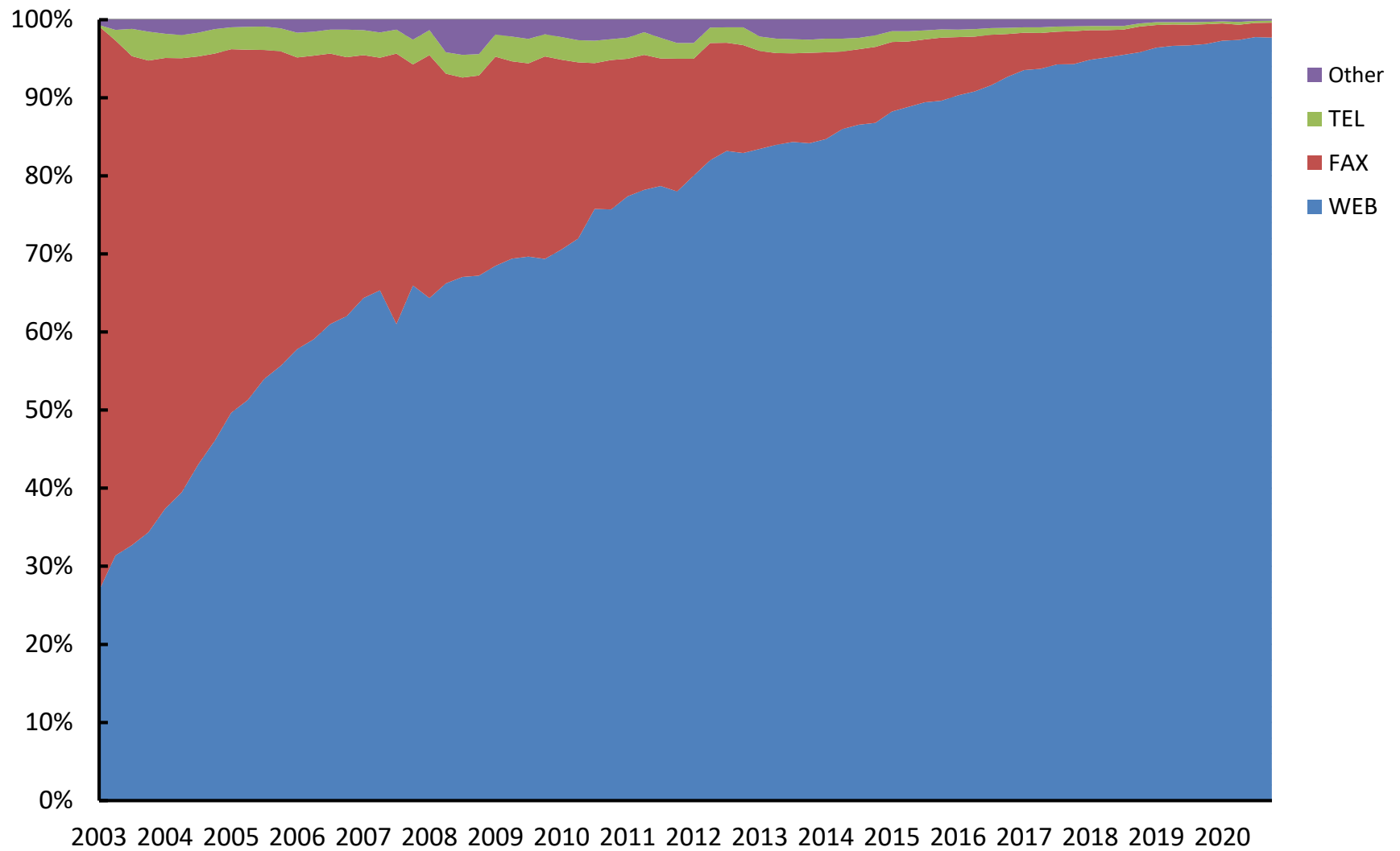
\* Note 1: Fiscal year contributions of every channel to total sales growth from previous year is organized and shown.  
 \* Note 2: "monotaro.com: New Customer" indicates contribution of sales from customers acquired each fiscal year, and "monotaro.com: Existing Customer" indicates contribution of sales from customers acquired before corresponding year (definitions of new customer in previous page are different from definition of new customer on this page).  
 \* Note 3: Corrections of Sales of Large Corp. Business in "Notice: Regarding Correction of Presentation Materials First and Second Quarters of 2021 (Oct. 29, 2021)" do not affect graph above.

## Ref. 2. Customer Demographics

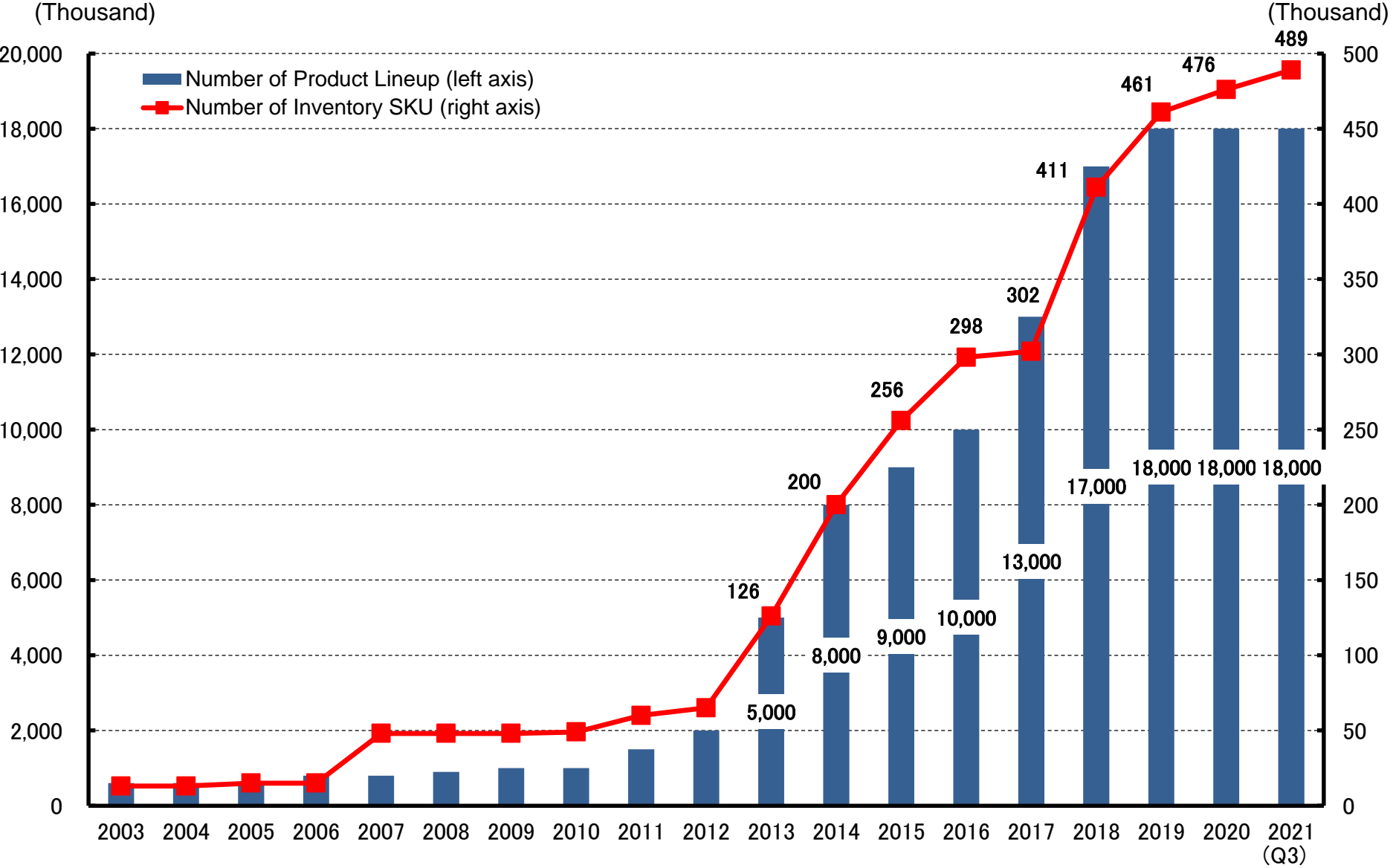


Ratio by sales amount in 2020  
(Sales through Shopping website-excluding sales through API connection)

# Ref. 3. Internet PO Ratio



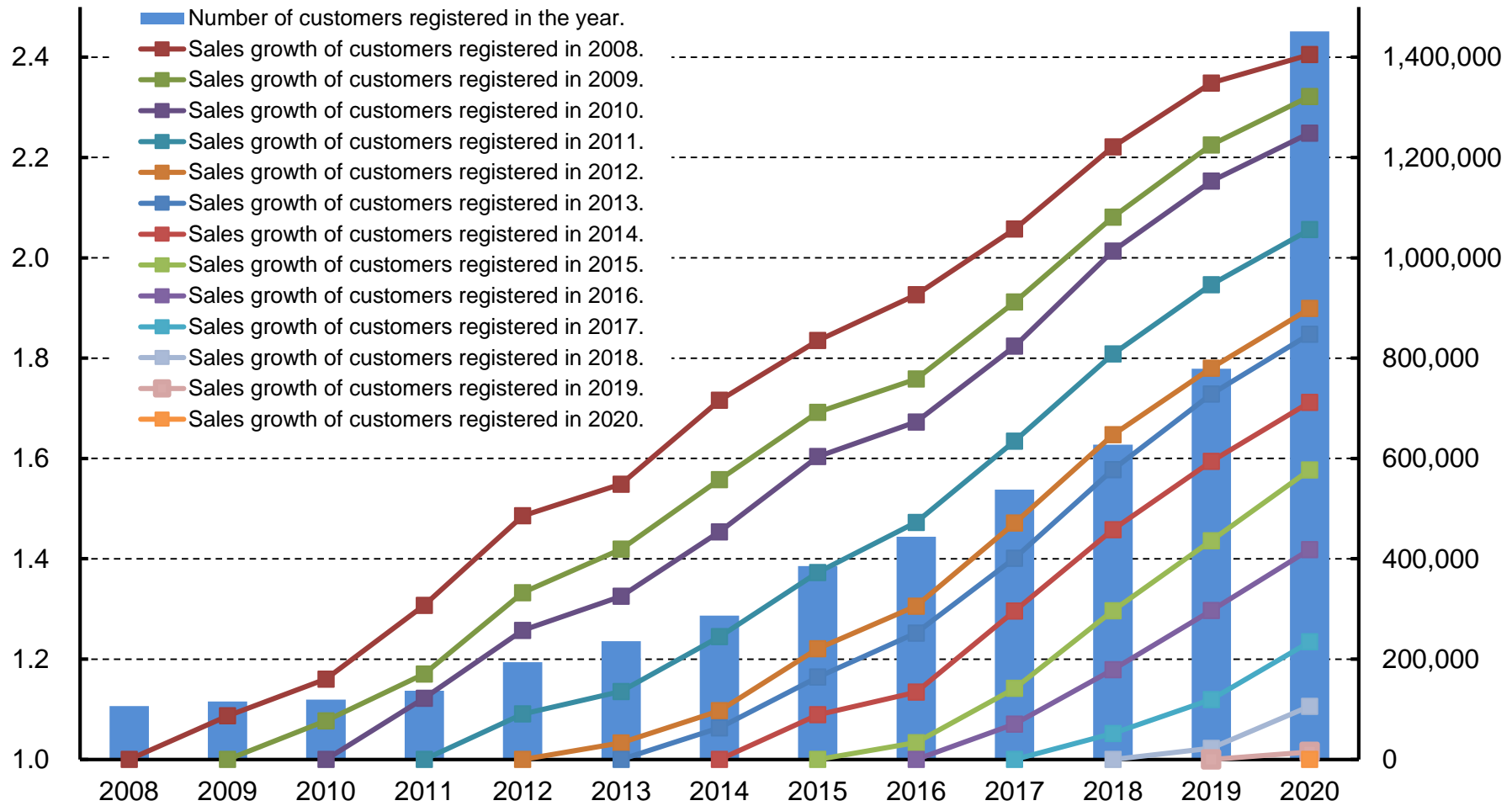
# Ref. 4. Product Lineup & Inventory



# Ref. 5. Registered Customers & Sales Growth by Registered Year

(Growth Rate of Sales)

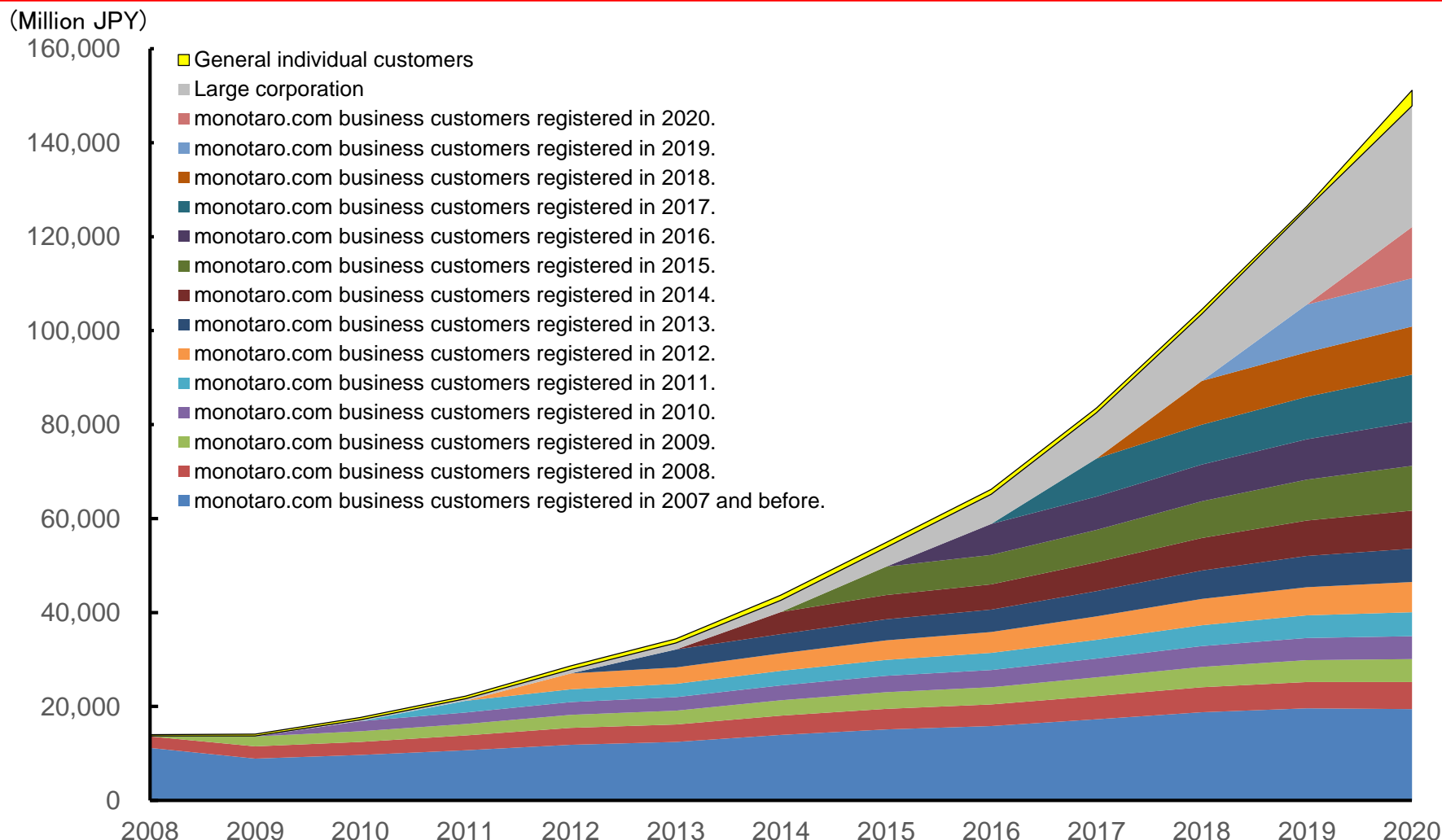
(Number of Registered Customers)



\* 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. 6. (Non-consol.) Sales Trend by Registered Year

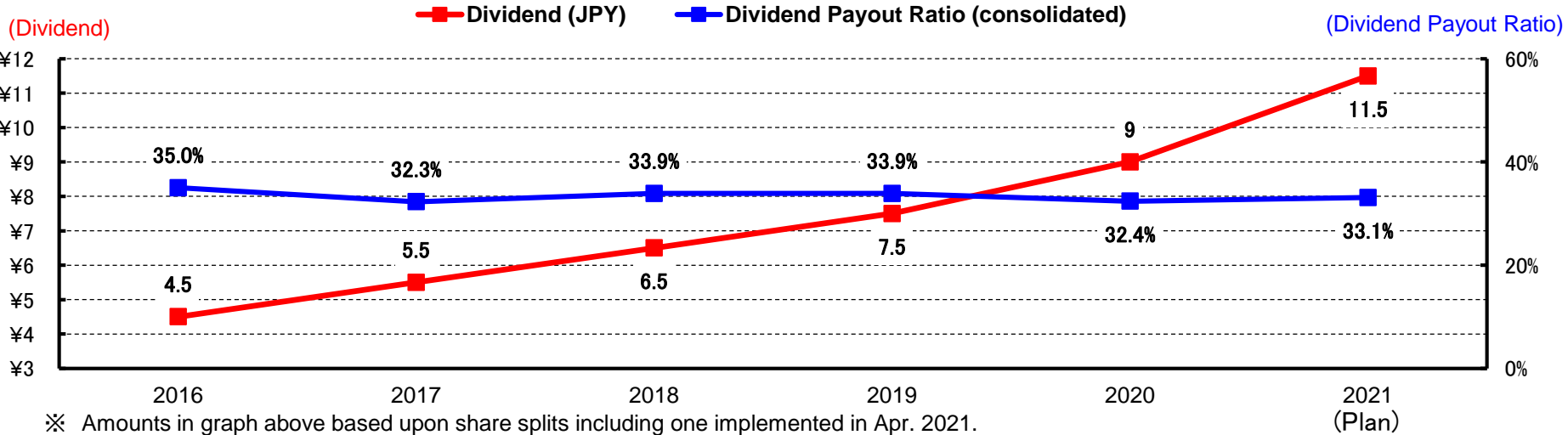


- \* 1: Sales of 'monotaro.com business customers' are sales of monotaro.com's business customers organized retroactively for each registration year based upon updated customer status at the end of 2020.
- \* 2: Sales of 'Large corporation' is total sales of large corporation customers based upon updated customer status at the end of 2020.
- \* 3: Corrections of Sales of Large Corp. Business in "Notice: Regarding Correction Presentation Materials First and Second Quarters of 2021 (Oct. 29, 2021)" do not affect graph above.
- \* 4: Sales of 'General individual customers' is total sales of monotaro.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 monotaro.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%
Yamazaki (8051) - (M)	Wholesaler	376,852	526,364	472,191	434,744	490,000	+30.0%
		11,518	17,997	12,091	11,234	13,000	+12.9%
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	354,000	+179.5%
		16,317	31,874	23,640	27,199	45,500	+178.9%
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	43,500	△15.5%
		1,343	928	836	190	480	△64.3%
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 Oct. 28, 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.

## **Contact Us**

TEL: 81-6-4869-7190

FAX: 81-6-4869-7178

E-mail: [pr@monotaro.com](mailto:pr@monotaro.com)

IR information: <https://corp.monotaro.com/en/ir/index.html>