



Quarter 2, FY2023

(Jan. to Jun. 2023)

MonotaRO Co., Ltd
www.monotaro.com

- Main business
 - Electronic Commerce of indirect materials for factories, construction work, and automotive related businesses. (number of product lineup over 20 mil. SKU including 615 thou. SKU available for same-day shipment and 519 thou. SKU in stock).
- Features of Products for Sale
 - Variety of products, convenience is more important than price for customers.
- Number of employees (consolidated, as of Jun. 30, 2023)

	Regular employee		Part-time and temporary employee		Total	
Head Office, etc. (MonotaRO JPN)	1,113	(610)	489	(409)	1,602	(1,019)
Distribution Center (MonotaRO JPN)	201	(147)	1,535	(1,447)	1,736	(1,594)
Total (MonotaRO JPN)	1,314	(757)	2,024	(1,856)	3,338	(2,613)

- Main competitors
 - Door-to-door tool dealers, hardware stores, auto parts dealers, Internet shopping sites, etc.
- Main customer base
 - Manufacturing, construction/engineering, automotive related, etc. (mainly small and medium-sized companies are customers).
- Market size
 - 5 to 10 trillion JPY
- Business Strategy
 - Differentiating by wide range of products and high searchability by utilizing Internet to achieve economies of scale.
 - Acquiring and retaining customers through marketing analysis of accumulated orders and customer databases.
 - Achieving high productivity by doing much of work in-house from software development to content creation.

2023 Jan. to Jun.
(Non-consol.) Financial Result Overview

Financial Result P/L Outline 1/3

	2022FH Result		2023FH Plan		2023FH Result			
	Amount (mil. JPY)	Sales Ratio	Amount (mil. JPY)	Sales Ratio	Amount (mil. JPY)	Sales Ratio	YoY	vs Plan
Sales	105,653		123,309		119,347		+13.0%	△3.2%
Large Corp.	23,636	22.4%	33,254	27.0%	31,993	26.8%	+35.4%	△3.8%
Gross Profit	30,708	29.1%	36,572	29.7%	36,174	30.3%	+17.8%	△1.1%
SG&A Exp.	17,167	16.2%	21,142	17.1%	20,250	17.0%	+18.0%	△4.2%
Operating Income	13,540	12.8%	15,429	12.5%	15,923	13.3%	+17.6%	+3.2%
Current Income	13,690	13.0%	15,408	12.5%	16,097	13.5%	+17.6%	+4.5%
Net Income (Tax Rate)	9,493 (30.6%)	9.0%	10,696 (30.6%)	8.7%	11,205 (30.4%)	9.4%	+18.0%	+4.8%

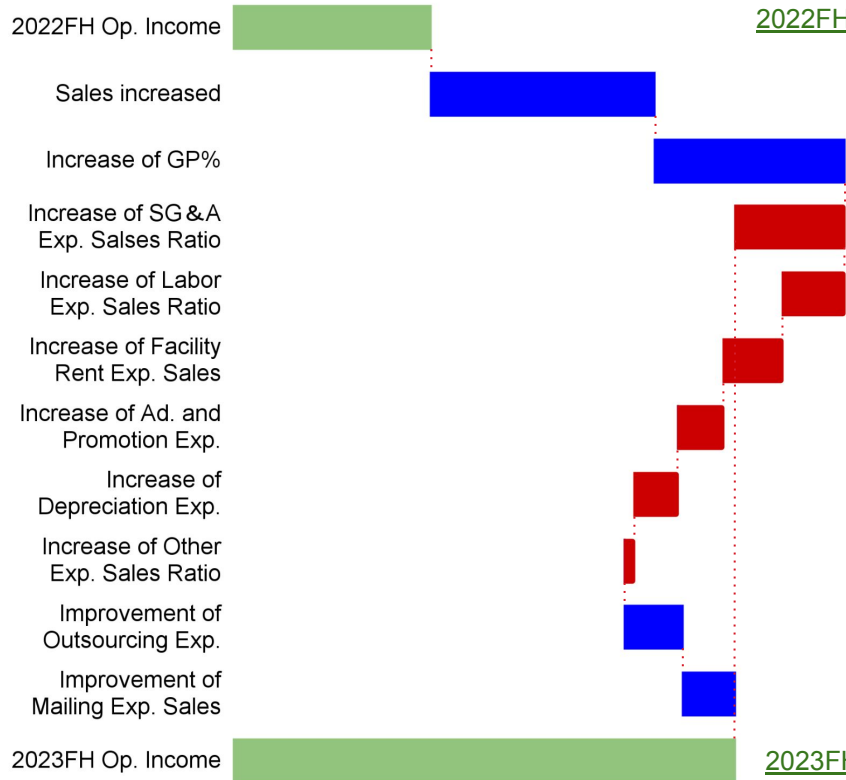
Financial Result P/L Outline 2/3 vs. FH Last Year

	2022FH Result (A)		2023FH Result (B)		Difference (B-A)		
	Amount (mil.JPY)	Sales Ratio	Amount (mil.JPY)	Sales Ratio			
Sales	105,653	—	119,347	—	Amount (mil.JPY)	+13,694	<ul style="list-style-type: none"> monotaro.com: grew due to increases in size and number of orders. Large Corp. Business: maintained high growth rate from 2022FH (+35.4%) due mainly to increases in numbers of customers acquired and customers placing orders. Royalty income: decreased.
					YoY	+13.0%	
					Sales Ratio	-	
Gross Profit	30,708	29.1%	36,174	30.3%	Amount (mil.JPY)	+5,466	<ul style="list-style-type: none"> Product GP% increased (+0.7pt.: though sales share of Large Corporate Business increased and GP% of imported products decreased due to yen depreciation, GP% of domestic products increased due to price adjustment, etc.). Delivery cost ratio improved (+0.6pt.: due to improvement in delivery cost ratio resulting from increase in order amount per box and improvement in importing cost). Royalty income: decreased.
					YoY	+17.8%	
					Sales Ratio	+1.2%	
SG&A Exp.	17,167	16.2%	20,250	17.0%	Amount (mil.JPY)	+3,082	<ul style="list-style-type: none"> Labor Exp. ratio increased (+0.4pt.: due to salary increase and paying bonus to part-time employees, etc.). Facility Rent Exp. ratio increased (+0.4pt.: due to launch of Inagawa DC, etc.). Ad. & Promotion Exp. ratio increased (+0.3pt.: due to increase in flyers for existing customers, etc.). Depreciation Exp. ratio increased (+0.3pt.: due to launch of Inagawa DC, etc.). Other Exp. ratio increased (+0.1pt.: increase in system usage cost, etc.). Outsourcing Exp. ratio decreased (Δ0.4pt.: sales per box increased, and as result number of boxes shipped did not increase as much as sales growth, etc.). Mailing Exp. ratio decreased (Δ0.3pt.: due to decrease in catalog shipping cost, etc.).
					YoY	+18.0%	
					Sales Ratio	+0.8%	
Operating Income	13,540	12.8%	15,923	13.3%	Amount (mil.JPY)	+2,383	<ul style="list-style-type: none"> SG&A Expense ratio increased (+0.8pt.); however, GP ratio improved (+1.2pt.), and hence Operating Income ratio increased (+0.5pt.).
					YoY	+17.6%	
					Sales Ratio	+0.5%	
Net Income (Tax Rate)	9,493 (30.6%)	9.0%	11,205 (30.4%)	9.4%	Amount (mil.JPY)	+1,711	<ul style="list-style-type: none"> Net Income amount increased YoY +18.0%. Net Income ratio increased by 0.4pt. due to increase in Operating Income ratio (+0.5 pt.) .
					YoY	+18.0%	
					Sales Ratio	+0.4%	

Financial Result P/L Outline 3/3 vs. Plan

	2023FH Plan (A)		2023FH Result (B)		Difference (B-A)		
	Amount (mil.JPY)	Sales Ratio	Amount (mil.JPY)	Sales Ratio			
Sales	123,309	—	119,347	—	Amount (mil.JPY)	Δ3,962	<ul style="list-style-type: none"> monotaro.com: went below plan due mainly to lower number of customers who placed orders than plan. Large Corp. Business: went below plan (Δ3.8%) due mainly to particular companies' numbers of order went below plan. Royalty income: lower than plan.
					vs Plan	Δ3.2%	
					Sales Ratio	-	
Gross Profit	36,572	29.7%	36,174	30.3%	Amount (mil.JPY)	Δ397	<ul style="list-style-type: none"> Product GP ratio increased (+0.4pt.: GP% of both domestic and imported products improved). Delivery Cost ratio improved (+0.5pt.: due to increase in order amount per box and improvement in importing cost). Royalty income: lower than plan.
					vs Plan	Δ1.1%	
					Sales Ratio	+0.6%	
SG&A Exp.	21,142	17.1%	20,250	17.0%	Amount (mil.JPY)	Δ891	<ul style="list-style-type: none"> Other Exp. ratio decreased (Δ0.4pt.: decreases in facilities maintenance cost, equipment and consumable costs, system usage cost, and packing cost, etc.). Outsourcing Exp. ratio decreased (Δ0.2pt.: cost of temporary staff at DC decreased due to decrease in number of boxes, and cost of system development outsource decreased, etc.). Labor Exp. ratio increased (+0.1pt.: due to paying bonus to part-time employees, etc.). AD & promotion Exp ratio increased (+0.3pt.: due to increase in number of flyers for existing customers, etc.).
					vs Plan	Δ4.2%	
					Sales Ratio	Δ0.1%	
Operating Income	15,429	12.5%	15,923	13.3%	Amount (mil.JPY)	+494	<ul style="list-style-type: none"> Sales not reached plan, but GP% and SG&A Exp.% improved. Operating Income, therefore, went beyond plan (+3.2%).
					vs Plan	+3.2%	
					Sales Ratio	+0.8%	
Net Income (Tax Rate)	10,696 (30.6%)	8.7%	11,205 (30.4%)	9.4%	Amount (mil.JPY)	+508	<ul style="list-style-type: none"> Due to increase in Operating Income, Net Income amount went beyond plan (+4.8%) and Net Income ratio improved (+0.7pt.).
					vs Plan	+4.8%	
					Sales Ratio	+0.7%	

Operating Income Change Factors



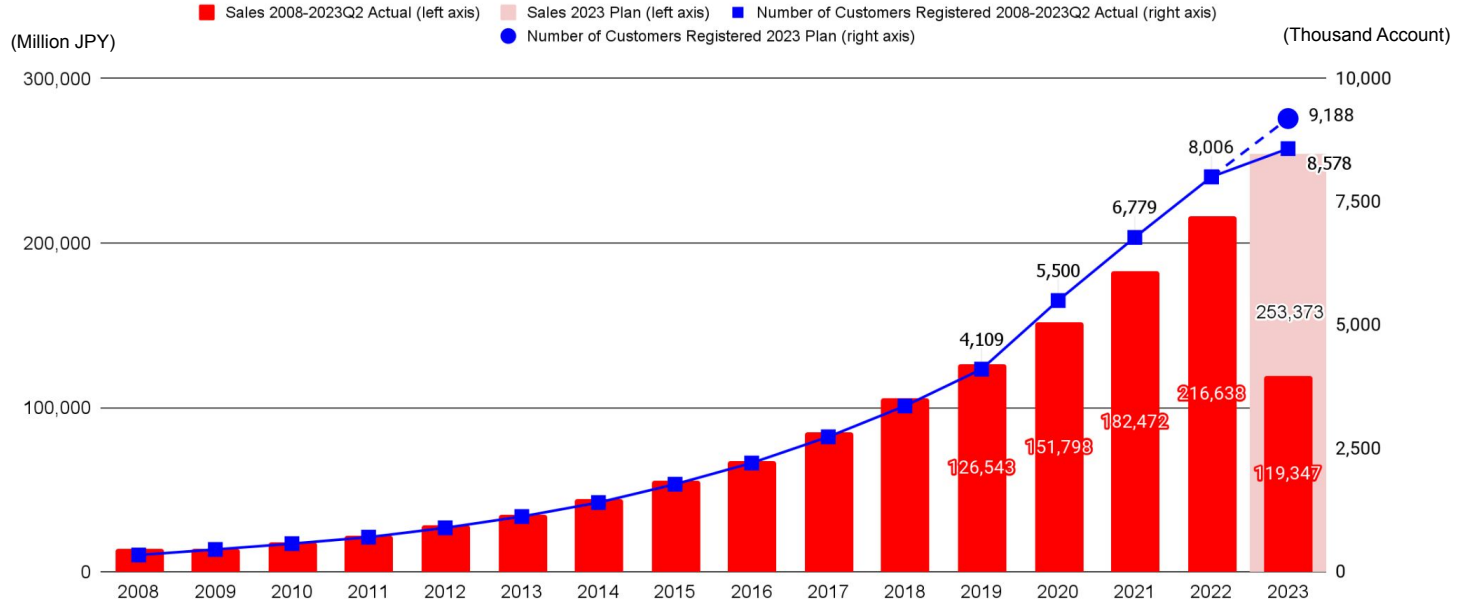
2022FH Op. Income: 13,540 mil. JPY

+1,755 mil. JPY	<ul style="list-style-type: none"> monotaro.com: grew in size and number of orders. Large Corp. Business: maintained high growth rate.
+1,486 mil. JPY	<ul style="list-style-type: none"> Product GP% increased due mainly to GP% of domestic products increased. Royalty income decreased. Delivery cost ratio and import cost ratio improved.
Δ 858 mil. JPY	<ul style="list-style-type: none"> SG&A ratio increased due to following reasons.
Δ 486 mil. JPY	<ul style="list-style-type: none"> Salary increase and provided bonus for part-time employees, etc.
Δ 465 mil. JPY	<ul style="list-style-type: none"> Launched Inagawa DC, etc.
Δ 352 mil. JPY	<ul style="list-style-type: none"> Increase in number of flyers for existing customers, etc.
Δ 344 mil. JPY	<ul style="list-style-type: none"> Launched Inagawa DC, etc.
Δ 77 mil. JPY	<ul style="list-style-type: none"> Increase in system usage cost, etc.
+455 mil. JPY	<ul style="list-style-type: none"> Sales per box increased, and number of boxes shipped did not increase as much as sales growth, etc.
+412 mil. JPY	<ul style="list-style-type: none"> Decrease in catalog shipping cost, etc.

2023FH Op. Income: 15,923 mil. JPY

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

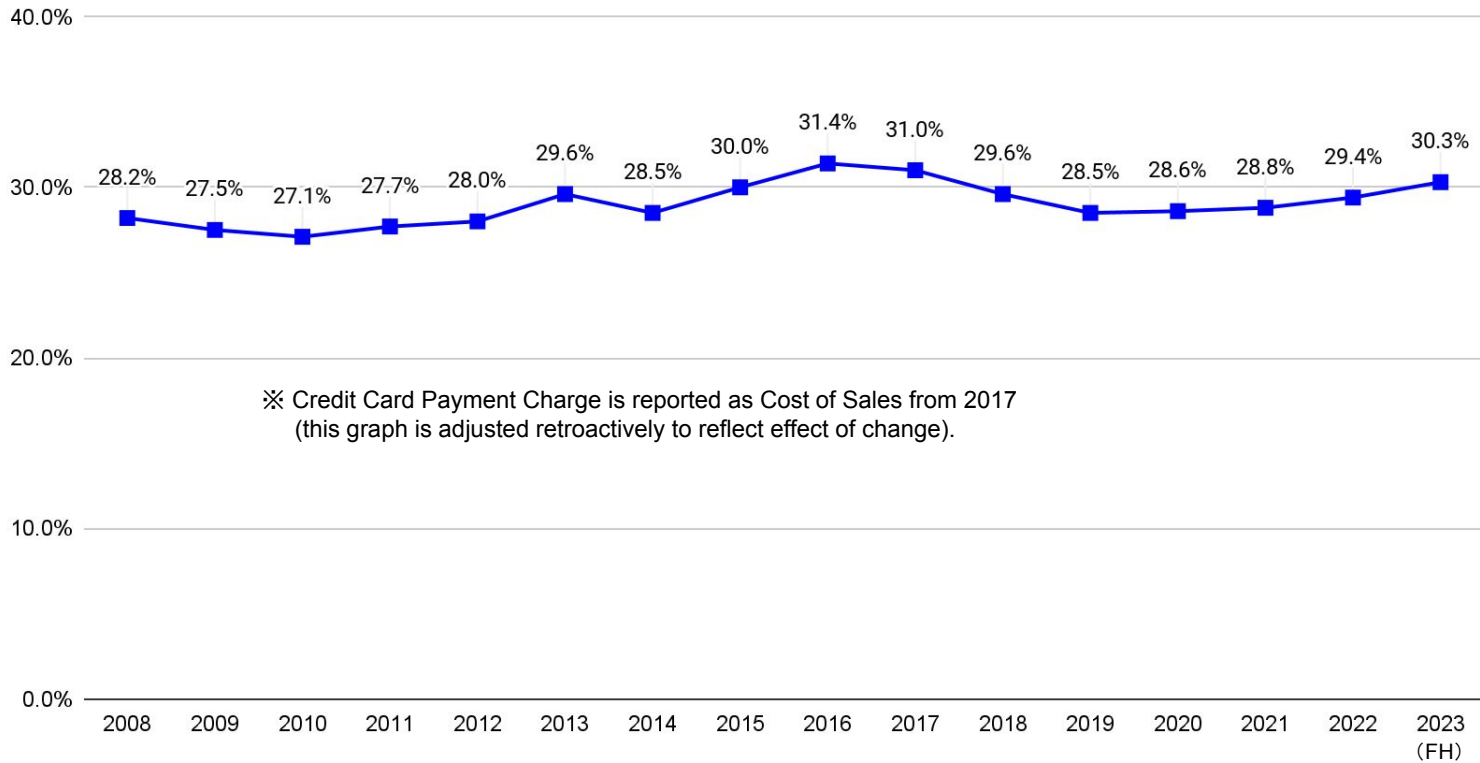
Non-consol. Progress - Sales & Customer



	Dec. 2022		Jun. 2023		Dec. 2023 (Plan)	
Number of Registered Customers	8,006,494	+1,227,175	8,578,358	+571,864	9,188,494	+1,182,000
		(vs. Dec.2021)		(vs. Dec.2022)		(vs. Dec.2022)

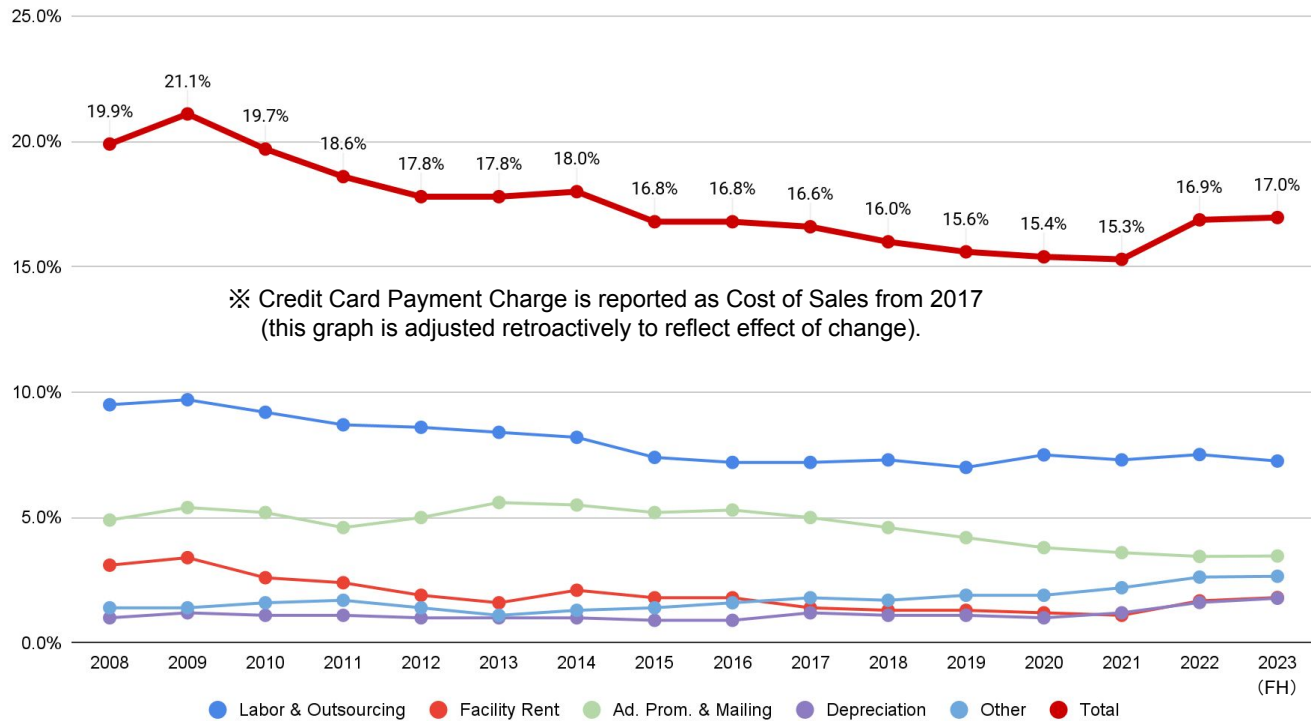
※ After pandemic of COVID19, customer registration by general consumers increased rapidly, but it is expected to decrease YoY in 2023, so number of new customer acquisition is expected to decrease YoY. For corporate customers, there is slight increase plan in YoY basis.

Non-consol. Progress - Gross Profit Ratio



※ Credit Card Payment Charge is reported as Cost of Sales from 2017 (this graph is adjusted retroactively to reflect effect of change).

Non-consol. Progress - SG&A Expense Ratio



Expense Breakdown		
	2022FH Result	2023FH Result
Labor	4.2%	4.6%
Outsourcing	3.1%	2.7%
Facility Rent	1.4%	1.8%
Ad & Promotion	3.0%	3.3%
Mailing	0.5%	0.2%
Depreciation	1.5%	1.8%
Others	2.6%	2.7%
Total	16.2%	17.0%

Distribution-related Cost

- Distribution-related Cost sales ratio 2023FH: 7.5%
 - 0.2pt. higher than 2022FH Result.
 - Facility rent expense ratio increased: +0.3pt. (Inagawa DC launched, etc.).
 - Depreciation expense ratio increased: +0.2pt. (Inagawa DC launched, etc.).
 - Labor and outsourcing expense ratio decreased: Δ 0.2pt. (increase in sales per box resulted in decrease in number of box handled per sale, productivity of Inagawa DC improved, etc.).
 - Other expense ratio decreased: Δ 0.1pt. (preparation cost for launching Inagawa DC phase 2 was lower than that for Inagawa DC phase 1 last year, etc.).
 - 0.4pt. lower than plan.
 - Other expense ratio decreased: Δ 0.3pt. (DC facility maintenance postponed to Q3 or later, and difference in estimation of equipment and packing costs, etc.).
 - Labor and outsourcing expense ratio decreased: Δ 0.1pt. (increase in sales per box resulted in decrease in number of box handled per sale, etc.).

	2022FH Result		2023FH Plan		2023FH Result			
	Amount (mil.JPY)	Sales Ratio	Amount (mil.JPY)	Sales Ratio	Amount (mil.JPY)	Sales Ratio	YonY	vs Plan
Sales (Non-consol.)	105,653		123,309		119,347		+13.0%	Δ 3.2%
Depreciation	1,044	1.0%	1,455	1.2%	1,427	1.2%	+36.6%	Δ 2.0%
Labor & Outsourcing	3,827	3.6%	4,375	3.5%	4,092	3.4%	+6.9%	Δ 6.5%
Facility Rent	1,323	1.3%	1,955	1.6%	1,917	1.6%	+44.9%	Δ 1.9%
Others	1,530	1.4%	1,936	1.6%	1,529	1.3%	Δ 0.1%	Δ 21.0%
Total	7,726	7.3%	9,722	7.9%	8,966	7.5%	+16.0%	Δ 7.8%

Financial Result B/S Outline

	Jun. 2022	Dec. 2022	Jun. 2023			Jun. 2022	Dec. 2022	Jun. 2023	
	mil. JPY	mil. JPY	mil. JPY	Ratio		mil. JPY	mil. JPY	mil. JPY	Ratio
Assets					Liabilities				
Cash	4,217	7,318	10,995	9.2%	Accounts Payable	15,986	14,961	17,236	14.4%
Accounts Receivable	25,420	26,108	28,015	23.4%	Short-term Debt & etc.	2,250	4,500	4,500	3.8%
Inventory	16,841	18,319	19,561	16.4%	Others	10,337	10,623	11,217	9.4%
Other	7,189	7,726	7,485	6.3%	Total Current Liabilities	28,573	30,084	32,953	27.6%
Total Current Assets	53,669	59,472	66,059	55.2%	Total Long term Liabilities	9,390	7,059	5,253	4.4%
Tangible Fixed Asset	35,527	34,818	35,667	29.8%	Total Liabilities	37,963	37,144	38,207	32.0%
Intangible Fixed Assets	6,180	6,291	6,536	5.5%	Net Assets				
Other	9,903	10,198	11,305	9.5%	Shareholder's Equity	67,220	73,603	81,334	68.0%
Total Fixed Assets	51,610	51,309	53,510	44.8%	Others	95	33	28	0.0%
Total Assets	105,279	110,781	119,569		Total Net Assets	67,316	73,637	81,362	68.0%
					Total Liabilities & Net Assets	105,279	110,781	119,569	

(*Note) Short-term Debt & etc. includes short-term debt & current portion of long-term debt.

2023 Jan. to Jun.
(Consol.) Financial Result Overview

Financial Result P/L Outline 1/3

	2022FH Result		2023FH Plan		2023FH Result			
	Amount (mil. JPY)	Sales Ratio	Amount (mil. JPY)	Sales Ratio	Amount (mil. JPY)	Sales Ratio	YoY	vs Plan
Sales	109,863		128,696		124,400		+13.2%	△3.3%
Gross Profit	31,508	28.7%	37,759	29.3%	37,198	29.9%	+18.1%	△1.5%
SG&A Exp.	18,371	16.7%	22,859	17.8%	21,820	17.5%	+18.8%	△4.5%
Operating Income	13,136	12.0%	14,899	11.6%	15,377	12.4%	+17.1%	+3.2%
Current Income	13,319	12.1%	14,878	11.6%	15,529	12.5%	+16.6%	+4.4%
Net Income (Tax Rate)	9,122 (31.5%)	8.3%	10,167 (31.7%)	7.9%	10,621 (31.6%)	8.5%	+16.4%	+4.5%
Net Income attributable to owners of the parent	9,317	8.5%	10,400	8.1%	10,878	8.7%	+16.7%	+4.6%

■ NAVIMRO (South Korea)

- Sales kept double-digit growth YonY due to increase in large corp. orders, etc., but not attained plan due to severe economy.
- Preparation costs incurred for launch of new DC in July 2023.
- Aiming to improve GP% by strengthening procurement, flexible price adjustment, etc.

	2022FH Result			2023FH Plan			2023FH 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	3,640	+15.4%	+11.6%	4,450	+22.2%	+19.7%	4,280	+17.5%	Δ3.8%	+12.4%	Δ6.1%
Op.Income	70	Δ20.5%	Δ23.1%	Δ0	—	—	0	Δ90.2%	—	Δ90.6%	—
Net Income x Share(*1)	70	Δ11.0%	Δ14.0%	Δ10	—	—	Δ0	—	—	—	—

■ MONOTARO INDONESIA (Indonesia)

- Whereas sales not reached plan, promoted acquisition of business customers through online and inside sales.
- Most of sales are orders currently from Jakarta and surrounding areas, and with aim of expanding business in other areas, opened office in Surabaya, second largest city in Indonesia.

	2022FH Result			2023FH Plan			2023FH 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	290	+64.4%	+45.3%	470	+63.1%	+57.6%	420	+47.8%	Δ9.4%	+41.2%	Δ10.4%
Op.Income	Δ130	—	—	Δ100	—	—	Δ140	—	—	—	—
Net Income x Share(*1)	Δ60	—	—	Δ50	—	—	Δ80	—	—	—	—

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

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

■ IB MonotaRO (India)

- Sales fell short of plan, but grew significantly YoY.
- Continuing to expand products expected to be sold with high demand, and improving repeat order ratio.
- Aiming to improve GP% by selecting segment to focus on based upon analysis of sales and profits per product category and sales area to achieve both sales increase and gross profit margin improvement.

	2022FH Result			2023FH Plan			2023FH Result				
	Amount (mil.JPY)	YoY	YoY (Local Currency)	Amount (mil.JPY)	YoY	YoY (Local Currency)	Amount (mil.JPY)	YoY	vs Plan	YoY (Local Currency)	vs Plan (Local Currency)
Gross Merchandise Value (*3)	480	+152.5%	+127.7%	670	+38.8%	+33.9%	660	+37.2%	△1.1%	+24.9%	△6.7%
Sales (*3)	320	+154.9%	+132.8%	450	+39.3%	+34.3%	430	+33.2%	△4.3%	+21.3%	△9.7%
Op.Income	△290	—	—	△380	—	—	△380	—	—	—	—
Net Income x Share (*1)	△140	—	—	△190	—	—	△200	—	—	—	—

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

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

*3: Only commission portion of sales by sellers in marketplace is recognized as sales.

Financial Result B/S Outline

	Jun. 2022	Dec. 2022	Jun. 2023	
	mil. JPY	mil. JPY	mil. JPY	Ratio
Assets				
Cash	5,843	8,887	12,402	10.3%
Accounts Receivable	25,769	26,512	28,537	23.6%
Inventory	17,977	19,585	20,835	17.3%
Others	7,514	8,060	7,834	6.5%
Total Current Assets	57,105	63,045	69,610	57.6%
Tangible Fixed Assets	35,615	35,046	36,799	30.5%
Intangible Fixed Assets	7,076	7,093	7,386	6.1%
Others	6,199	6,551	6,950	5.8%
Total Fixed Assets	48,890	48,691	51,136	42.4%
Total Assets	105,996	111,737	120,746	

	Jun. 2022	Dec. 2022	Jun. 2023	
	mil. JPY	mil. JPY	mil. JPY	Ratio
Liabilities				
Accounts Payable	16,536	15,667	17,926	14.8%
Short-term Debt & etc.	2,267	4,772	4,784	4.0%
Others	10,802	11,135	11,881	9.8%
Total Current Liabilities	29,606	31,575	34,592	28.6%
Total Long term Liabilities	9,467	7,539	5,767	4.8%
Total Liabilities	39,074	39,115	40,360	33.4%
Net Assets				
Shareholder's Equity	65,616	71,789	79,095	65.5%
Others	1,305	832	1,290	1.1%
Total Net Assets	66,921	72,621	80,385	66.6%
Total Liabilities & Net Assets	105,996	111,737	120,746	

(*Note) Short-term Debt & etc. includes short-term debt & current portion of long-term debt.

Financial Result C/F Outline

	2022FH Result	2023FH Result
	mil. JPY	mil. JPY
Cash Flow from Operating Activity		
Net Income before Tax	13,317	15,527
Depreciation	1,610	2,165
Increase or Decrease in Accounts Receivable (Δ = increase)	Δ 3,171	Δ 1,984
Increase or Decrease in Inventory (Δ = increase)	Δ 2,450	Δ 1,167
Increase or Decrease in Accounts Payable (Δ = decrease)	1,924	2,218
Tax payment	Δ 3,860	Δ 4,245
Increase or Decrease in Accrued Consumption Taxes (Δ = decrease)	Δ 253	477
Others	715	625
Total	7,832	13,616
Cash Flow from Investing Activity		
Acquisition of Tangible Assets	Δ 8,341	Δ 2,956
Acquisition of Intangible Assets	Δ 1,421	Δ 1,233
Others	(*Note) Δ 1,291	Δ 525
Total	Δ 11,054	Δ 4,714
Cash Flow from Financing Activity		
Repayments of Long-term Debt	—	Δ 2,250
Repayments of Lease Obligations	Δ 17	Δ 3
Cash Dividends Paid	Δ 2,833	Δ 3,477
Others	Δ 72	354
Total	Δ 2,923	Δ 5,375
Currency Exchange Adjustment	67	53
Net Increase or Decrease in Cash and Cash Equivalent (Δ = decrease)	Δ 6,077	3,579
Cash and Cash Equivalent at Beginning of Period	11,068	8,586
Cash and Cash Equivalent at End of Period	4,991	12,165

*Note: Invested in Aldagram Inc. etc.

2023 Jan. to Jun.
Business Plan & Strategy

Non-consol. P/L Plan Outline

	2022 Result		2023 Plan		
	Amount (mil.JPY)	Sales Ratio	Amount (mil.JPY)	Sales Ratio	YoY
Sales	216,638		253,373		17.0%
Large Corp.	50,027	23.1%	69,250	27.3%	38.4%
Gross Profit	63,643	29.4%	75,672	29.9%	18.9%
SG&A Exp.	36,558	16.9%	42,711	16.9%	16.8%
Operating Income	27,085	12.5%	32,960	13.0%	21.7%
Current Income	27,239	12.6%	32,918	13.0%	20.8%
Net Income (Tax Rate)	19,044 (27.8%)	8.8%	23,283 (29.2%)	9.2%	22.3%

Consolidated P/L Plan 1/2

	2022 Result		2023 Plan		
	Amount (mil.JPY)	Sales Ratio	Amount (mil.JPY)	Sales Ratio	YonY
Sales	225,970		265,195		17.4%
Gross Profit	65,437	29.0%	78,288	29.5%	19.6%
SG&A Exp.	39,224	17.4%	46,258	17.4%	17.9%
Operating Income	26,213	11.6%	32,030	12.1%	22.2%
Current Income	26,398	11.7%	31,986	12.1%	21.2%
Net Income (Tax Rate)	18,194 (28.8%)	8.1%	22,347 (30.1%)	8.4%	22.8%
Net Income attributable to owners of the parent	18,658	8.3%	22,789	8.6%	22.1%

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%

Consolidated P/L Plan 2/2

■ NAVIMRO (South Korea)

	2022 Result			2023 Plan		
	Amount (mil.JPY)	YonY	YonY (Local Currency)	Amount (mil.JPY)	YonY	YonY (Local Currency)
Sales	8,030	+21.0%	+14.1%	9,530	+18.7%	+18.7%
Op.Income	190	+17.9%	+11.2%	70	△63.1%	△63.1%
Net Income x Share (*1)	190	+22.5%	+15.6%	50	△73.4%	△73.4%

■ MONOTARO INDONESIA (Indonesia)

	2022 Result			2023 Plan		
	Amount (mil.JPY)	YonY	YonY (Local Currency)	Amount (mil.JPY)	YonY	YonY (Local Currency)
Sales	730	+84.5%	+59.6%	1,150	+57.9%	+57.9%
Op.Income	△250	—	—	△170	—	—
Net Income x Share (*1)	△130	—	—	△80	—	—

■ IB MONOTARO (India)

	2022 Result			2023 Plan		
	Amount (mil.JPY)	YonY	YonY (Local Currency)	Amount (mil.JPY)	YonY	YonY (Local Currency)
(*3) Gross Merchandise Value	1,040	+116.1%	+92.9%	1,640	+57.6%	+57.6%
(*3) Sales	690	+120.2%	+96.6%	1,130	+63.4%	+63.4%
Op.Income	△730	—	—	△750	—	—
Net Income x Share (*1)	△360	—	—	△370	—	—

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

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

*3: Only commission portion of sales by sellers in marketplace is recognized as sales.

■ Current Issues of Sales, BtoB Online E-commerce (monotaro.com)

		Current Issue	Action in Response					
Number of Customers Placing Order	Number of Customers	<ul style="list-style-type: none"> Expanding acquisition of customers with high lifetime value (LTV) 	<div style="border: 1px solid black; padding: 5px;"> <p style="text-align: center; background-color: #0056b3; color: white; margin: 0;">Allocating resources based upon LTV</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="background-color: #fff9c4; padding: 5px;">Sent to prospective business customers (with high expected LTV)</td> <td style="background-color: #0056b3; color: white; padding: 5px;">Flyer (offline)</td> </tr> <tr> <td style="background-color: #fff9c4; padding: 5px;">Customer segment perspective</td> <td rowspan="2" style="background-color: #0056b3; color: white; padding: 5px;">SEM (online)</td> </tr> <tr> <td style="background-color: #fff9c4; padding: 5px;">+ Product category perspective</td> </tr> </table> </div>	Sent to prospective business customers (with high expected LTV)	Flyer (offline)	Customer segment perspective	SEM (online)	+ Product category perspective
	Sent to prospective business customers (with high expected LTV)	Flyer (offline)						
Customer segment perspective	SEM (online)							
+ Product category perspective								
Active Ratio	<ul style="list-style-type: none"> Accelerating new customer usage growth Reactivating customers with low-frequency of order 	<ul style="list-style-type: none"> Enhancing communication after acquisition. 						
Sales per Customer	Order Frequency	<ul style="list-style-type: none"> Growing, but growth rate declining. 	<div style="border: 1px solid black; padding: 5px;"> <p style="text-align: center; background-color: #0056b3; color: white; margin: 0;">Expanding inventory items (Shortening waiting time)</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="background-color: #fff9c4; padding: 5px; border: 1px solid black;">Implementing appropriate campaigns</div> <div style="background-color: #ff9800; padding: 5px; border: 1px solid black;">Sending personalized flyer (Offline development)</div> <div style="border: 1px dashed gray; padding: 5px; background-color: #e0e0e0;"> <p style="text-align: center; margin: 0;">Online</p> <div style="background-color: #0056b3; color: white; padding: 2px; margin: 2px;">Improving search function</div> <div style="border: 1px solid red; padding: 2px; margin: 2px;">Improving recommendation function (Experience · Cognition)</div> </div> </div> </div>					
	Amount per Order	<ul style="list-style-type: none"> Decrease in number of product types ordered Inflation gives negative impact. Decrease in number of orders per product type 		<ul style="list-style-type: none"> Strengthening product procurement (finding optimal price including various conditions such as delivery date). Offering competitive selling prices based on target GP to maintain (price reviewed every three months). 				

■ System Connection with Large Corporations (Large Corporation Business)

Acquiring New Customers			Expanding Customers' Usage						
<ul style="list-style-type: none"> • Holding seminars, including in-house ones, on improving productivity of indirect material procurement. • There is large potential need for this service, and proposing connection with corporations expected to significantly improve productivity in indirect materials procurement process through adoption of this service. 			<ul style="list-style-type: none"> • Communicating with procurement department managers and new users in corporate customers to achieve rapid usage growth. • Strengthening support for corporate customers to improve efficiency in procurement of indirect materials by enhancing customer support functions. • Promoting usage of service within client corporate customers through holding meetings at management level. 						
2022FH Result			2023FH Plan			2023FH Result			
Mil. JPY	YonY	/Total Sales	Mil. JPY	YonY	/Total Sales	Mil. JPY	YonY	vs Plan	/Total Sales
23,636	+38.1%	22.4%	33,254	+40.7%	27.0%	31,993	+35.4%	Δ3.8%	26.8%
			Dec. 2022 End Result		Jun. 2023 End Result				
			No. Corp.		No. Corp.		vs Dec. 2022 End	Remark	
Total number of corporations (ONE SOURCE / ONE SOURCE Lite)			(*) 2,521 (1,847)		(*) 3,084 (2,355)		+563 (+508)	849 considering	

* Note : Number of active corporations on Dec.2022 and Jun. 2023.

■ Royalty Business

	2023FH
Target Business (Grainger's Zoro business in US & UK)	<ul style="list-style-type: none"> • In US, FH sales grew at slower pace than expected given macro-related factors impacting Zoro, resulting in YonY decline in operating profit.
Royalty Income	<ul style="list-style-type: none"> • Received amount in FH declined YonY and from plan.

■ Difference in 2023FH SG&A Expenses from Plan

SG&A Decreasing Factor	Amount
<ul style="list-style-type: none"> Decrease in SG&A expenses due to decline in sales (Decrease in Labor Expense, Outsourcing Expense, Packaging Costs, etc., as sales declined) 	About Δ170 mil. JPY
<ul style="list-style-type: none"> Decrease in number of boxes shipped due to sales price adjustment (price increase) (Decrease in Labor Expense and Outsourcing Expense due to decrease in operations at distribution bases) 	About Δ230 mil. JPY
<ul style="list-style-type: none"> Actions postponed to 2023Q3 or later (System consulting/outsourcing, purchase of logistics supplies and equipment, logistics facility maintenance and repairment) 	About Δ110 mil. JPY
<ul style="list-style-type: none"> Decrease in SG&A expense below plan (Logistics-related costs) (Logistics equipment repairment and building management expenses not incurred, decrease in rents for external warehouses, etc.) 	About Δ370 mil. JPY
<ul style="list-style-type: none"> Decrease in SG&A expense below plan (other than Logistics-related costs) (Decrease in outsourced system development costs, cloud service costs, system usage costs, recruitment costs, etc.) 	About Δ450 mil. JPY
<ul style="list-style-type: none"> Implementation of measures decided (Increase in advertising expenses due to sending more flyers to existing customers, etc.) 	About +270 mil. JPY
<ul style="list-style-type: none"> Paid bonus to part-time employees. 	About +170 mil. JPY
Total	About Δ890 mil. JPY


* Note: Figures less than 10 million JPY are rounded as shown in explanation material in Japanese language.

■ Logistic Center Information

Name		Started Operation	Shipping Capacity (line / day)	Inventory Capacity (SKU)	Remark
Amagasaki Distribution Center (DC) * Operation closed.		Jul. 2014	60,000	300,000	<ul style="list-style-type: none"> Operation stopped in Oct. 2022 after functions transferred to Inagawa DC. Integrated into the Inagawa DC in Dec. 2022 (lease contract ended in Mar. 2023). Land and building leased.
Kasama DC		Mar. 2017	100,000	350,000	<ul style="list-style-type: none"> Introduced auto-guided vehicle robot for picking. Operation on one floor. Land and building owned.
Ibaraki Chuo Sattletile Center		Feb. 2021	30,000	20,000 ~ 30,000	<ul style="list-style-type: none"> Main function is backyard. Shipping function is also available, and auto-guided vehicle robot used for picking. Land and building owned.
Inagawa DC	Phase1	Apr. 2022	90,000	300,000	<ul style="list-style-type: none"> Functions transferred from Amagasaki DC (Phase 1). Auto-guided vehicle robot is used. Operation on multiple floors. <ul style="list-style-type: none"> - Receiving: 1st floor, Picking: 2nd & 4th floor, Shipping: 3rd floor, Backyard: 5th floor, Receiving/shipping of long/heavy items: 6th floor, etc. Land and building leased.
	Phase2	Apr. 2023	90,000	300,000	
	Total	-	180,000	600,000	
New DC in Tokyo Area * Scheduled to start operation.		2027 (Planning)	200,000 ~ 300,000 (under consideration)	500,000 (under consideration)	<ul style="list-style-type: none"> Technology different from currently used will be introduced. Plan is being adjusted in response to rising construction costs (timing of starting operations is also being reviewed). Land and building planned to be owned.

Headquarter Relocation

- Headquarter to be moved from Amagasaki to Osaka/Umeda in Nov. 2023

Current Issue	New Headquarter	
<ul style="list-style-type: none"> • Increased number of employees, working at various locations. 	<ul style="list-style-type: none"> ▶ • Headquarter functions in Amagasaki City, Hyogo Prefecture and two offices in Osaka/Umeda area are integrated. ▶ • Free-address seating and sufficient meeting space. ▶ • Attractive location directly connected to JR Osaka Station, which has access to over 10 train lines. 	 <p data-bbox="1387 762 1742 784">JP Tower Osaka (new location of HQ)</p>
<ul style="list-style-type: none"> • Chronic shortage of meeting rooms. 		
<ul style="list-style-type: none"> • Difficulty in communication among employees. 		
<ul style="list-style-type: none"> • Occurrence of various work styles such as remote work. 		
<ul style="list-style-type: none"> • Securing human resources 		

Aiming for sustainable growth in environment where serendipity is easily generated.

Cost impact of relocation is small in 2023.

Sustainability

Progress on Sustainability in 2023Q2

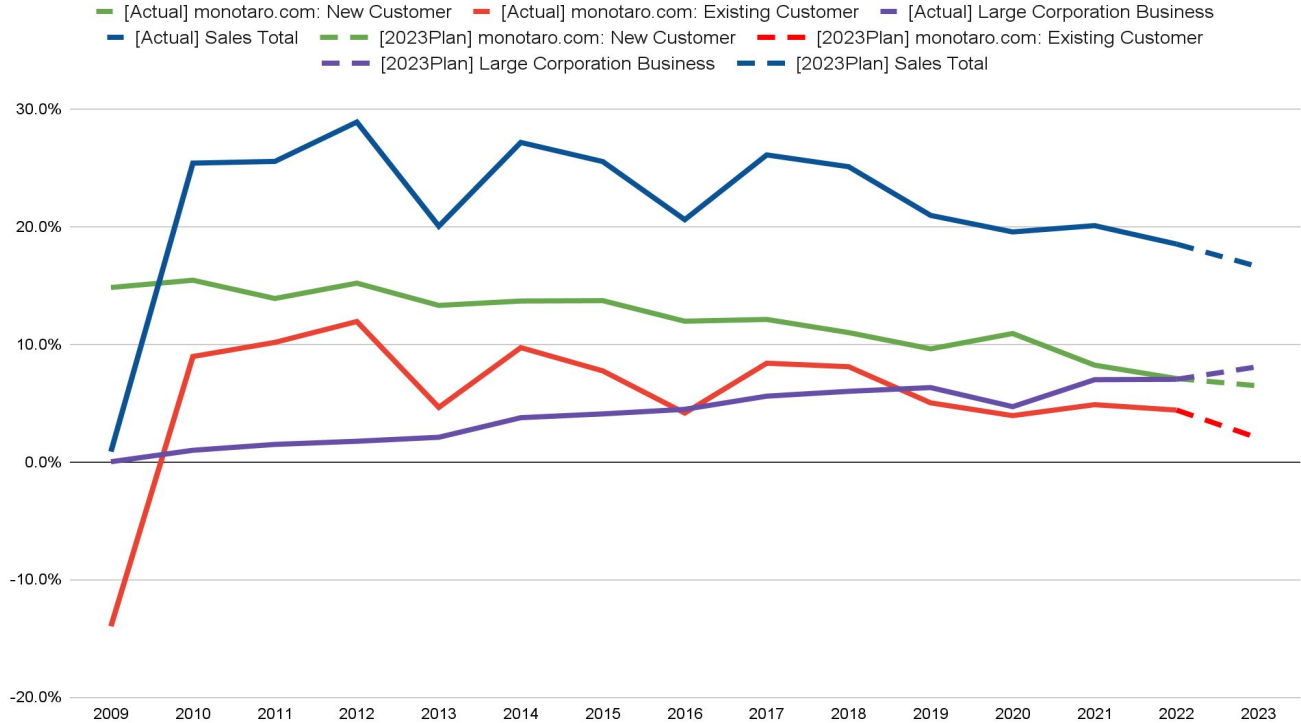
		Initiatives as of 2023Q1	Progress in 2023Q2
Environment	Reduction of CO2 emissions as measure against climate change	• Electricity consumed at Kasama DC and Ibaraki Chuo SC was substantially renewable energy sources.	• Electricity consumed at the Inagawa DC is also to be switched to substantially renewable energy sources.
		• Applied heat-insulating paint to roof of Kasama DC. Temperatures inside DCs lowered.	• Applying heat-insulating paint at Ibaraki Chuo SC.
		• Reduced electricity consumption by optimizing compressor pressure.	• Optimized lighting in the AGV operation area at Inagawa DC.
	Realization of resource-recycling model through recycling activities and waste reductions	• Kasama DC and Ibaraki Chuo SC started using some products that are no longer be sold due to exterior damage, etc. as in-house consumables.	• Worked with suppliers to reduce number of products damaged during transportation. • Reduction of expired products by optimizing inventory volume.

Reference

- Sustainability Page: <https://corp.monotaro.com/en/ir/sustainability/index.html>
- Environmental : https://corp.monotaro.com/en/ir/sustainability/sustainability_02.html
- Social : https://corp.monotaro.com/en/ir/sustainability/sustainability_03.html
- Governance : <https://corp.monotaro.com/en/ir/cg/index.html>

Reference

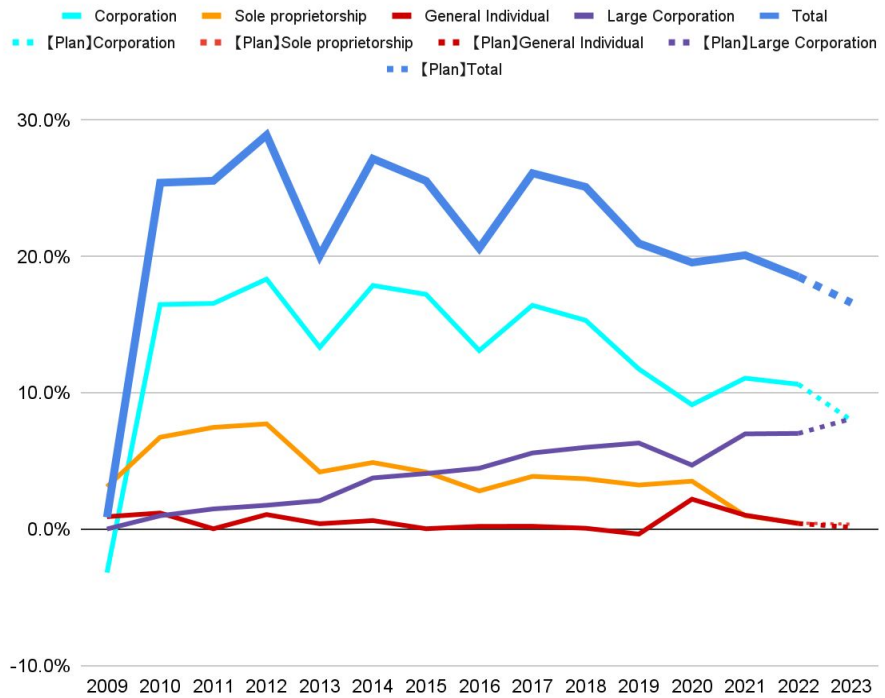
Non-consol. Fiscal Yr. Sales Growth (Service Channel Contribution)



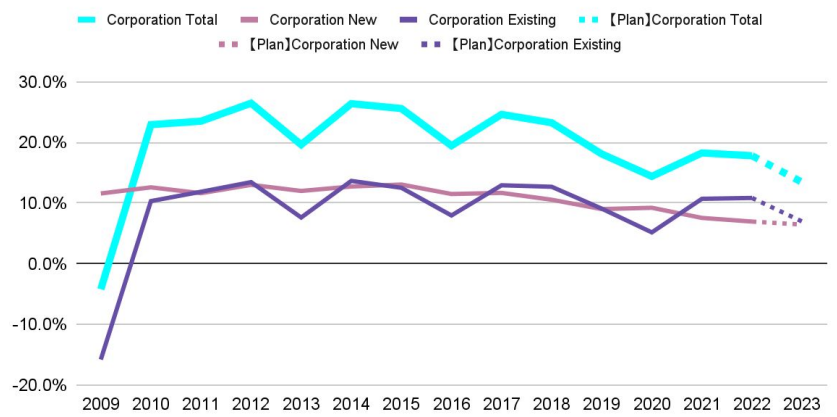
* Note 1: Fiscal year contributions of every channel to total sales growth from previous year is organized and shown based on status as of end of 2022.
 * Note 2: "monotaro.com: New Customer" indicates contribution of sales from customers acquired each fiscal year, and "monotaro.com: Existing Customer" indicates contribution of sales from customers acquired before corresponding year.

Non-consol. Year Sales Growth (Corporate New & Existing)

Sales Total Growth
(Contributions of monotaro.com Corp Customer., Large Corp., monotaro.com Sole Proprietorship and General Individual)



Sales Growth of monotaro.com Corp. Customer
(Contributions of New and Existing Customers)

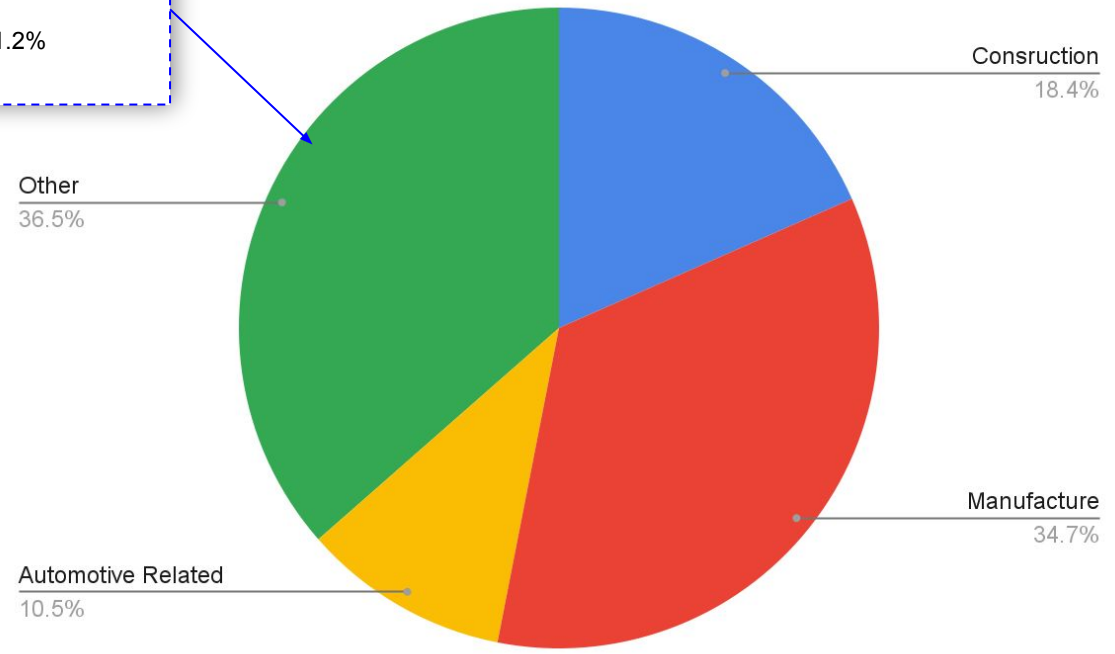


- Growth contribution and growth of corporate customers on monotaro.com
 - Of overall sales growth (18.7% in 2022 and 17.0% in 2023 plan), Total sales growth contribution from corporate customers on monotaro.com is approximately 10% in 2022 and 8% in 2023 plan. Due to increasing growth contribution from high-growth of large corporation business, growth contribution from monotaro.com appears to be relatively decreasing (left graph).
 - Sales growth for monotaro.com's corporate customers in 2022 was approximately 18%, and plan for 2023 is approximately 13% (graph above).

Non-consol. Customer Demographics

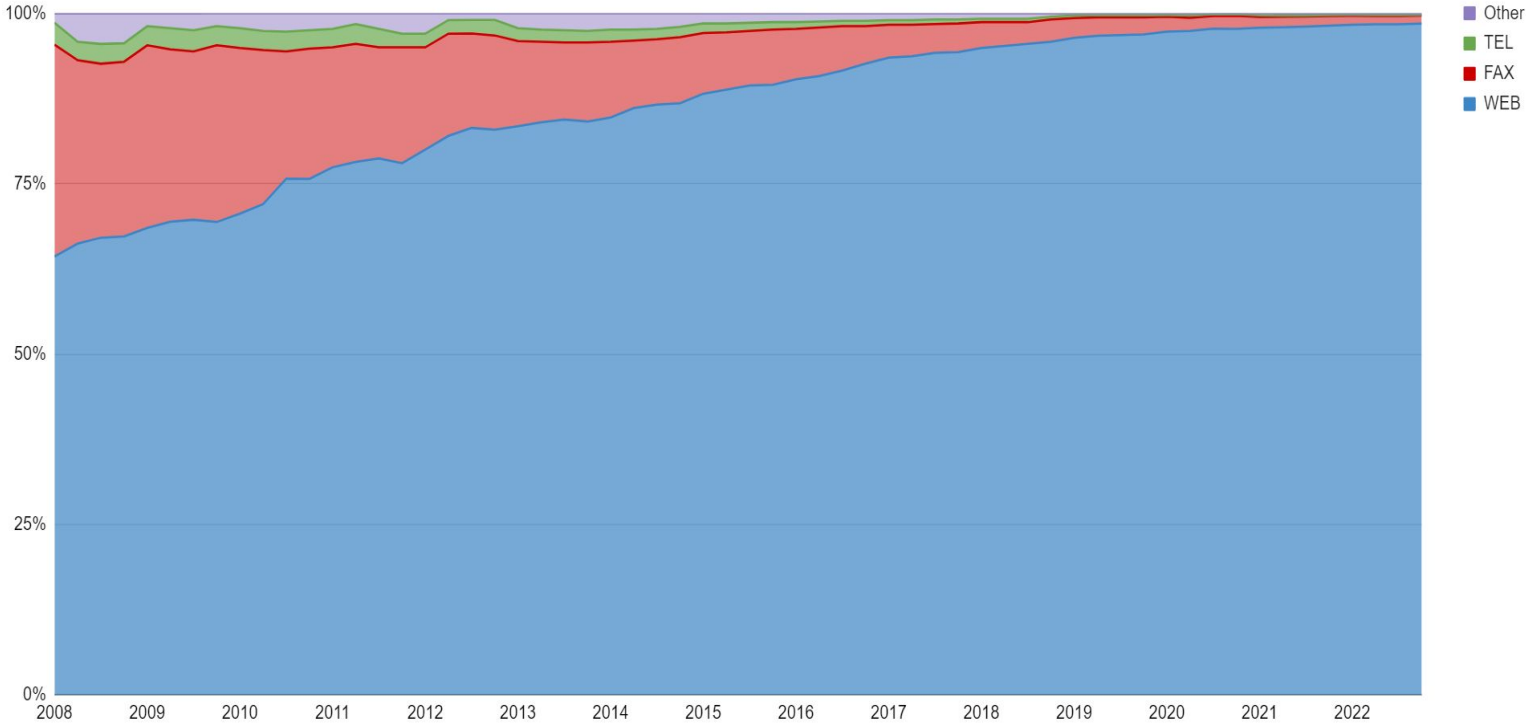
Industry

- Wholesale, Retail, Restaurant: 10.2%
- Education: 2.3%
- Agriculture: 2.2%
- Social security/welfare: 1.2%
- Medical: 1.2%

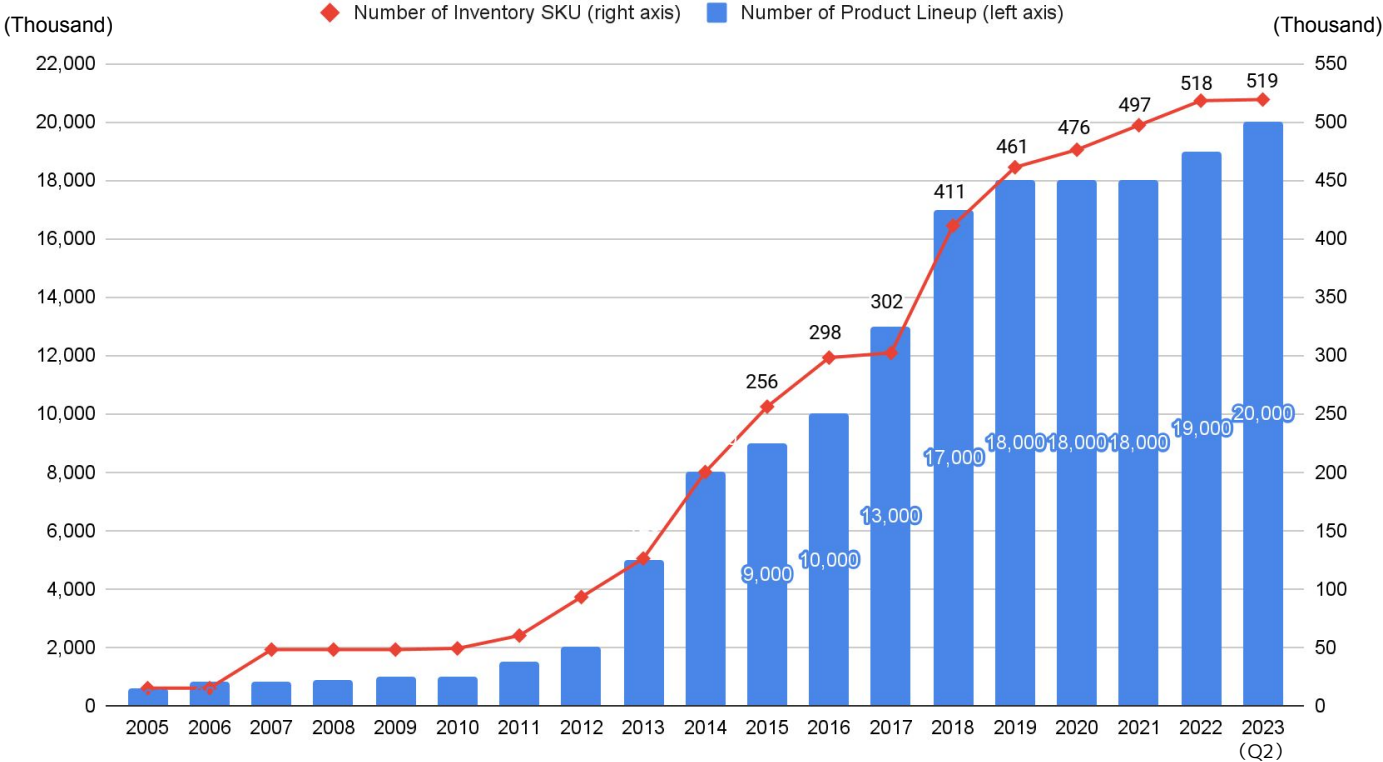


Ratio by sales amount in 2022
(Sales of monotaro.com excluding sales Large Corp. Business)

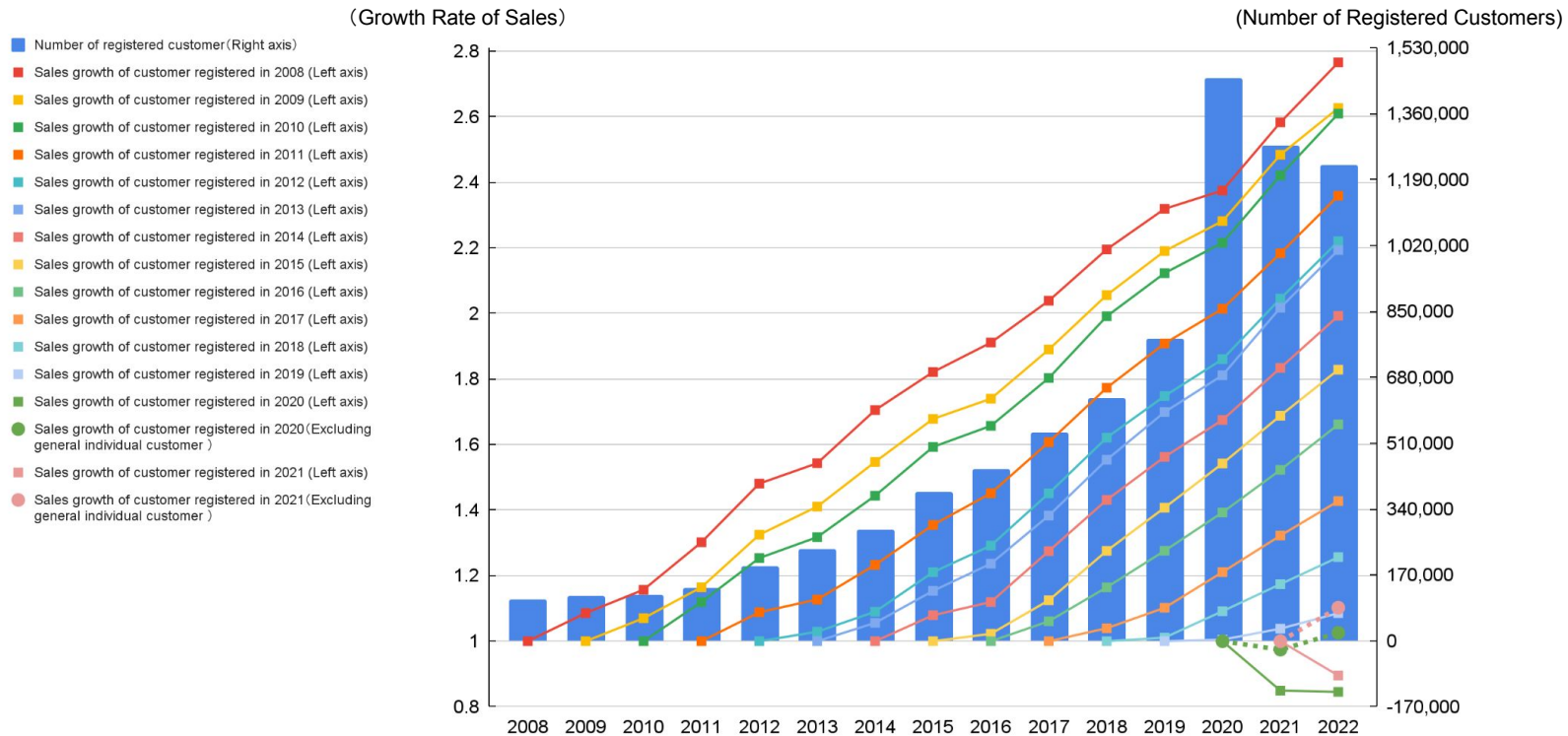
Non-consol. Internet Purchase Order Ratio



Non-consol. Product Lineup & Inventory



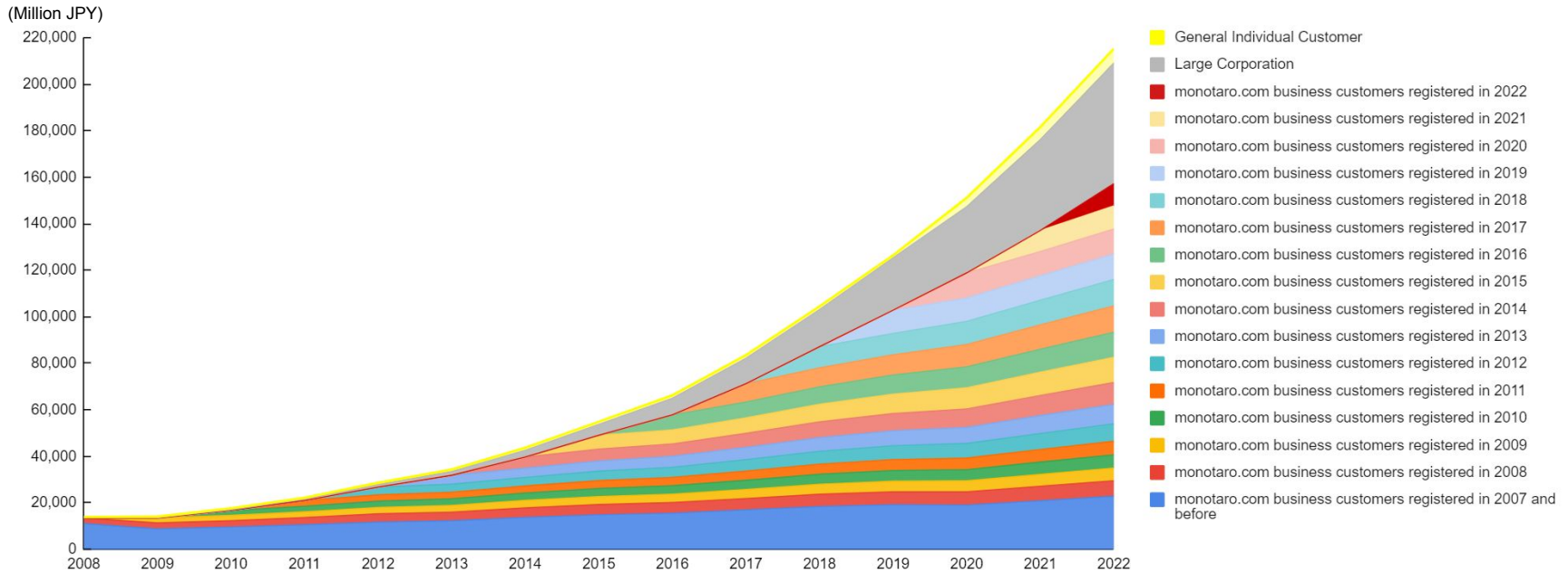
Non-consol. Customer Growth by Year Registered



* 1: Above number of 'monotaro.com' registered customers and sales growth are updated retroactively at the end of 2022 (large corporate sales and sales for customers who switched to procurement system for large corporation business are not included).

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

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 end of 2022.
 * 2 : Sales of 'Large corporation' are total sales of large corporation customers based upon updated customer status at end of 2022.
 * 3 : Sales of 'General individual customers' are total sales of monotaro.com's general individual customers and of IHC MonotaRO based upon updated customer status at end of 2022 (IHC MonotaRO was closed and integrated into monotaro.com).

Shareholder Benefit

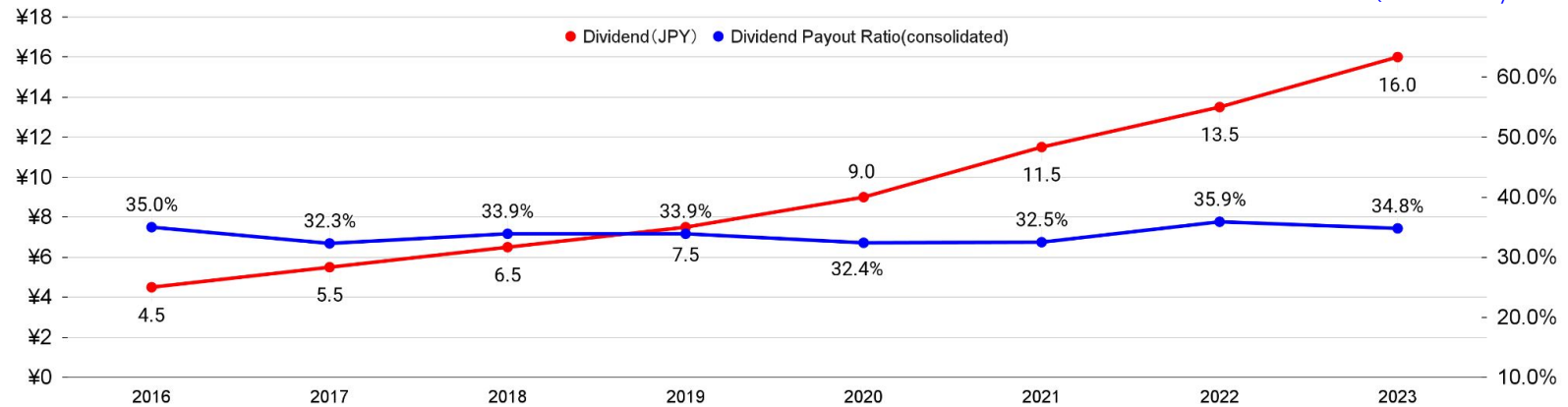
Dividend & Shareholder Benefit

■ Dividend

- Dividend Policy : Distributing dividend consistent with stable and ongoing growth.
- 2022 Dividend (actual): 13.50 JPY/share (6.50 JPY/share interim/actual, 7.00 JPY/share fiscal year end/actual).
- 2023 Dividend (plan): 16.00 JPY/share (8.00 JPY/share interim/actual, 8.00 JPY/share fiscal year end/plan).

(Dividend)

(Dividend Payout Ratio)



■ 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)

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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