



To Investors:

September 23, 2020

MonotaRO Co., Ltd.  
(Code No. 3064 TSE 1<sup>st</sup>)  
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### **Notice of Change in Subsidiaries (Dissolution and Liquidation)**

MonotaRO Co., Ltd. (hereinafter “the Company”) announces that the Board of Directors, at the meeting held on September 18, 2020, has resolved to dissolve and liquidate its subsidiary ZORO Shanghai Co., Ltd..

#### 1. Reasons for dissolution

The Company established ZORO Shanghai Co., Ltd. (hereinafter “ZSH”) in China in 2018, and since then, the Company has been engaged in the business of selling industrial indirect materials through the Internet to businesses users in the country. ZSH's performance has, however, continued to fall short of the business plan. Since there is no prospect of a turnaround in the future, the Company has decided to dissolve ZSH from the perspective of appropriate allocation of resources in MonotaRO Group’s management.

#### 2. Overview of the subsidiary to be dissolved

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(1) Company Name	ZORO Shanghai Co., Ltd.		
(2) Location	Shanghai, People’s Republic of China		
(3) Representative	Dongcan Yu		
(4) Description of Business	Planning, purchasing, and selling of indirect materials for factories		
(5) Capital	55 million RMB (about 906 million JPY)		
(6) Date of Establishment	February 2018		
(7) Major Shareholders and Ownership Percentage	MonotaRO Co., Ltd. (the Company) 66%, Sumitomo Corporation 34%		
(8) Relationship between the Company (Listed Company) and the Subsidiary	Capital	ZSH is the Company’s consolidated subsidiary	
	Personnel	Director and executive officers, three in total, of the Company concurrently serve as chairman and directors of ZSH.	
	Business	The Company sells to and consigns business to ZSH.	
	Status of Relationship with Related Parties	ZSH is a consolidated subsidiary of the Company and is a related party of the Company.	
(9) Business results and financial positions of ZSH for the last three fiscal years			
Financial Period	Fiscal Yr. Dec. 2017	Fiscal Yr. Dec. 2018	Fiscal Yr. Dec. 2019
Net Assets	— million JPY	149 million JPY	374 million JPY
Total Assets	— million JPY	172 million JPY	435 million JPY
Sales	— million JPY	10 million JPY	82 million JPY
Operating Income	— million JPY	△181 million JPY	△327 million JPY
Ordinary Income	— million JPY	△180 million JPY	△320 million JPY
Net Income	— million JPY	△180 million JPY	△320 million JPY

\*1: The figures for operating results and financial position have been converted into Japanese Yen based on the exchange rate for each fiscal year.

\*2: “△” above means negative.

#### Disclaimer

This is an English translation of the captioned notice.

This translation is prepared and provided for the purpose of the reader’s convenience.

All readers are recommended to refer to the original version in Japanese language of the notice for complete information.

### 3. Schedule

The liquidation is expected to be completed upon completion of the necessary procedures in accordance with local laws. The specific date of completion of the liquidation is not yet determined at this time.

### 4. Prospect of effect

The effect on consolidated financial performance of the Company for the current fiscal year is expected to be small.

End of Notice

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