




# **Fiscal Year of FY2020**

**(Jan. to Dec. 2020)**

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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”<br/>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 Dec. 2020)</li></ul>   |  |
| Number of Customers        | <ul style="list-style-type: none"><li>• More than 5.5 million</li></ul>  |  |
| Capital Stock              | <ul style="list-style-type: none"><li>• 1.99 billion JPY or 19.2 million USD (USD1=JPY103.50)</li></ul>  |  |
| Number of Employees        | <ul style="list-style-type: none"><li>• 2,619 including 765 regular employees (as of Dec. 31, 2020 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-city, Hyogo Prefecture</li><li>• Kasama-city, Ibaraki Prefecture</li><li>• Sapporo-city, Hokkaido Prefecture</li></ul>   |  |

# 2. Product Category

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



# 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.
- 476 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

- 21 separate volumes for better targeting

## 6. Data Mining and Campaign Management

- Promotions optimized by industry categories for more effectiveness and efficiency



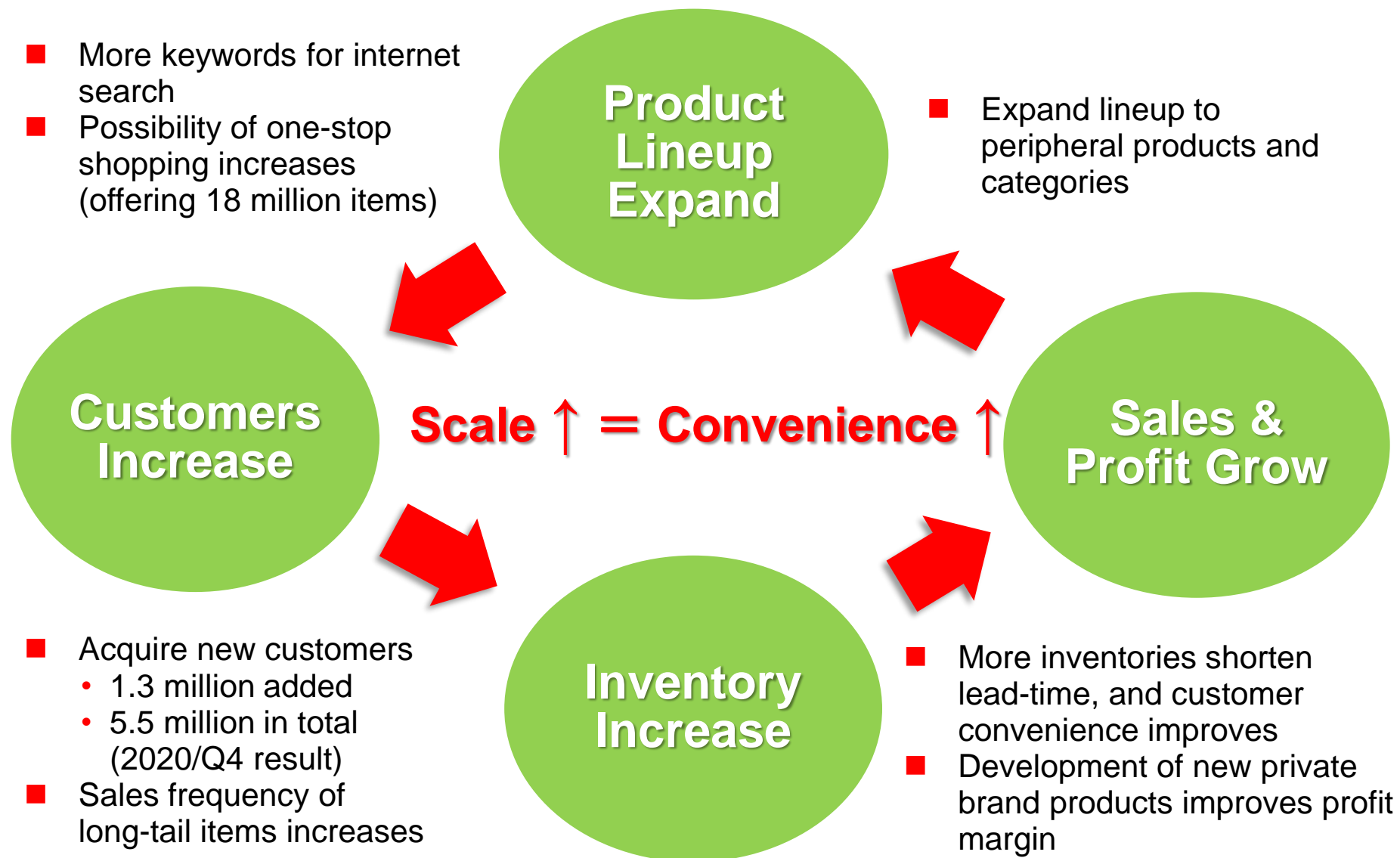
# 5. Procurement

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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's 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>Launched business in China by establishing subsidiary ZORO SHANGHAI</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>  |



## 7-1. (Non-consol.) 2020 Financial Result P/L Outline 1/3

|                       | 2019 Result          |                | 2020 Plan            |                | 2020 Result          |                |        |         |
|-----------------------|----------------------|----------------|----------------------|----------------|----------------------|----------------|--------|---------|
|                       | Amount (million JPY) | Ratio to Sales | Amount (million JPY) | Ratio to Sales | Amount (million JPY) | Ratio to Sales | YonY   | vs Plan |
| Sales                 | 126,543              |                | 150,049              |                | 151,798              |                | +20.0% | +1.2%   |
| Large Corp.           | 20,155               | 15.9%          | 27,244               | 18.2%          | 26,161               | 17.2%          | +29.8% | △4.0%   |
| Gross Profit          | 36,111               | 28.5%          | 43,168               | 28.8%          | 43,475               | 28.6%          | +20.4% | +0.7%   |
| SG&A Exp.             | 19,681               | 15.6%          | 23,917               | 15.9%          | 23,325               | 15.4%          | +18.5% | △2.5%   |
| Operating Income      | 16,430               | 13.0%          | 19,250               | 12.8%          | 20,149               | 13.3%          | +22.6% | +4.7%   |
| Current Income        | 16,444               | 13.0%          | 19,220               | 12.8%          | 20,194               | 13.3%          | +22.8% | +5.1%   |
| Net Income (Tax Rate) | 11,309 (29.9%)       | 8.9%           | 13,339 (30.6%)       | 8.9%           | 13,139 (30.6%)       | 8.7%           | +16.2% | △1.5%   |

## 7-2. (Non-consol.) 2020 Financial Result P/L Outline 2/3 vs. 2019

|                       | 2019 Result (A)  |             | 2020 Result (B)  |             | Difference (B-A) |               |  |
|-----------------------|------------------|-------------|------------------|-------------|------------------|---------------|--|
|                       | Amount (mil.JPY) | Sales Ratio | Amount (mil.JPY) | Sales Ratio |                  |               |  |
| Sales                 | 126,543          | —           | 151,798          | —           | Amount (mil.JPY) | +25,255       | <ul style="list-style-type: none"> <li>monotaro.com: Sales increased due to increases in customer number and to demand for COVID-19 related products, despite decrease in sales per order due mainly to negative impact of COVID-19 (e.g., masks: more than doubled).</li> <li>Large Corp. Business: High growth maintained despite impact of COVID-19 (+29.8% vs. 2019).</li> <li>Royalty income increased.</li> </ul>  |
|                       |                  |             |                  |             | YonY             | +20.0%        |  |
|                       |                  |             |                  |             | Sales Ratio      | —             |  |
| Gross Profit          | 36,111           | 28.5%       | 43,475           | 28.6%       | Amount (mil.JPY) | +7,363        | <ul style="list-style-type: none"> <li>Product GP ratio increased (+0.5pt.: due to product mix improvement and to increase in demand for COVID-19 related products).</li> <li>Royalty income increased.</li> <li>Delivery Cost ratio increased (<math>\Delta</math>0.4pt.: tariff increased in July 2019 and decrease in sales per order).</li> <li>Credit Card Payment Charge ratio increased (<math>\Delta</math>0.1pt.: increase in general individual customers usage).</li> </ul>   |
|                       |                  |             |                  |             | YonY             | +20.4%        |  |
|                       |                  |             |                  |             | Sales Ratio      | +0.1%         |  |
| SG&A Exp.             | 19,681           | 15.6%       | 23,325           | 15.4%       | Amount (mil.JPY) | +3,644        | <ul style="list-style-type: none"> <li>Outsourcing Expense ratio increased (+0.4pt.: due to preparations for new systems launches and to increase in distribution operations caused by increase in orders).</li> <li>Advertising Expense ratio decreased (<math>\Delta</math>0.3pt.: due mainly to decrease in TVCM).</li> <li>Facility Rent Expense ratio decreased (<math>\Delta</math>0.1pt.: due to increase in sales).</li> <li>Depreciation Expense ratio decreased (<math>\Delta</math>0.1pt.: due to increase in sales).</li> <li>Mailing Expense ratio decreased (<math>\Delta</math>0.1pt.: due mainly to decrease in catalog shipping cost ratio).</li> </ul> |
|                       |                  |             |                  |             | YonY             | +18.5%        |  |
|                       |                  |             |                  |             | Sales Ratio      | $\Delta$ 0.2% |  |
| Operating Income      | 16,430           | 13.0%       | 20,149           | 13.3%       | Amount (mil.JPY) | +3,719        | <ul style="list-style-type: none"> <li>Both GP ratio and SG&amp;A Expense ratio improved, and hence Operating Income ratio/sales ratio improved.</li> </ul>  |
|                       |                  |             |                  |             | YonY             | +22.6%        |  |
|                       |                  |             |                  |             | Sales Ratio      | +0.3%         |  |
| Net Income (Tax Rate) | 11,309 (29.9%)   | 8.9%        | 13,139 (30.6%)   | 8.7%        | Amount (mil.JPY) | +1,830        | <ul style="list-style-type: none"> <li>Operating Income ratio increased (+0.3pt.), but Net Income ratio decreased due to Extraordinary Losses incurred (impairment loss on liquidation of Chinese subsidiary: 577 mil. JPY and impairment loss on Indonesian subsidiary: 674 mil. JPY).</li> </ul>   |
|                       |                  |             |                  |             | YonY             | +16.2%        |  |
|                       |                  |             |                  |             | Sales Ratio      | $\Delta$ 0.2% |  |

# 7-3. (Non-consol.) 2020 Financial Result P/L Outline 3/3 vs. Plan

|                       | 2020 Plan (A)    |             | 2020 Result (B)  |             | Difference (B-A) |                |   |
|-----------------------|------------------|-------------|------------------|-------------|------------------|----------------|---|
|                       | Amount (mil.JPY) | Sales Ratio | Amount (mil.JPY) | Sales Ratio |                  |                |   |
| Sales                 | 150,049          | —           | 151,798          | —           | Amount (mil.JPY) | +1,749         | <ul style="list-style-type: none"> <li>monotaro.com: Increases in general individual customers and in demand for COVID-19 related products.</li> <li>Large Corp. Business: Decline in economic activities due to COVID-19 (<math>\Delta 4.0\%</math> vs. plan).</li> <li>Royalty income increased.</li> </ul>   |
|                       |                  |             |                  |             | vs Plan          | 1.2%           |   |
|                       |                  |             |                  |             | Sales Ratio      | —              |   |
| Gross Profit          | 43,168           | 28.8%       | 43,475           | 28.6%       | Amount (mil.JPY) | +307           | <ul style="list-style-type: none"> <li>Product GP ratio increased (+0.1pt.: increase in sales ratio of imported products and decrease in Large Corp. Business sales share: 18.2% to 17.2%).</li> <li>Royalty income increased.</li> <li>Delivery Cost ratio increased (<math>\Delta 0.4\text{pt.}</math>: decrease in sales per order)</li> <li>Credit Card Payment Charge ratio increased (<math>\Delta 0.1\text{pt.}</math>: increase in general individual customers usage).</li> </ul>  |
|                       |                  |             |                  |             | vs Plan          | +0.7%          |   |
|                       |                  |             |                  |             | Sales Ratio      | $\Delta 0.2\%$ |   |
| SG&A Exp.             | 23,917           | 15.9%       | 23,325           | 15.4%       | Amount (mil.JPY) | $\Delta 592$   | <ul style="list-style-type: none"> <li>Outsourcing Expense ratio increased (+0.3pt.: due to increase in preparation for new system launches and to increase in distribution operations caused by higher number of orders)</li> <li>Depreciation Expense ratio decreased (<math>\Delta 0.2\text{pt.}</math>: due to delays in new systems launches).</li> <li>System Utilization Cost ratio decreased (<math>\Delta 0.2\text{pt.}</math>: due to delays in new systems launches).</li> <li>Labor Expense ratio decreased (<math>\Delta 0.1\text{pt.}</math>: plan of recruitment not attained).</li> <li>Advertising Expense ratio decreased (<math>\Delta 0.1\text{pt.}</math>: due to no TVCM broadcasted).</li> <li>Travel Cost ratio decreased (<math>\Delta 0.1\text{pt.}</math>: due to decrease in domestic and overseas business trips), etc.</li> </ul> |
|                       |                  |             |                  |             | vs Plan          | $\Delta 2.5\%$ |   |
|                       |                  |             |                  |             | Sales Ratio      | $\Delta 0.5\%$ |   |
| Operating Income      | 19,250           | 12.8%       | 20,149           | 13.3%       | Amount (mil.JPY) | +899           | <ul style="list-style-type: none"> <li>GP ratio decreased; however, SG&amp;A Expense ratio improved. Operating Income ratio/sales ratio therefore improved.</li> </ul>  |
|                       |                  |             |                  |             | vs Plan          | +4.7%          |   |
|                       |                  |             |                  |             | Sales Ratio      | +0.5%          |   |
| Net Income (Tax Rate) | 13,339 (30.6%)   | 8.9%        | 13,139 (30.6%)   | 8.7%        | Amount (mil.JPY) | $\Delta 200$   | <ul style="list-style-type: none"> <li>Operating Income ratio increased (+0.5pt.), but amount and ratio of Net Income decreased due to Extraordinary Losses incurred (impairment loss on liquidation of Chinese subsidiary: 577 mil. JPY and impairment loss on Indonesian subsidiary: 674 mil. JPY).</li> </ul>  |
|                       |                  |             |                  |             | vs Plan          | $\Delta 1.5\%$ |   |
|                       |                  |             |                  |             | Sales Ratio      | $\Delta 0.2\%$ |   |

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

Op. Income  
FY2019

16,430 mil.JPY

Sales Increase

+3,279mil.JPY

- monotaro.com: Sales increased due to increases in customer number and in demand for COVID-19 related products, despite decrease in sales per order due mainly to negative impact of COVID-19.
- Large corp. business: High growth maintained despite COVID-19.

Improvement of GP Ratio

+157mil.JPY

- GP Ratio increased due to higher product gross profit margin and royalties, despite higher shipping expense, credit card payment expense, and large corp. business sales ratios.

Improvement of SG&A  
Expense Sales Ratio

+283mil.JPY

- SG&A ratio improved due to followings.

• Increase of Outsourcing  
Exp. Sales Ratio

△597mil.JPY

- Preparations for launch of new systems (OMS & PIM) and increase in distribution operations due to increase in number of orders caused increase in Outsourcing Expense ratio.

• Increase of Labor  
Exp. Sales Ratio

△46mil.JPY

- Labor Expense ratio increased due to implementation of COVID-19 related allowances (Labor Expense ratio excluding allowances: △0.1% vs. FY2019).

• Increase of Other  
Exp. Sales Ratio

△28mil.JPY

- System Usage Cost ratio increased due to start of telecommuting work and to increase in data utilized.

• Improvement of Ad. &  
Prom. Exp. Sales Ratio

+550mil.JPY

- Advertising Expense ratio decreased due mainly to decrease in TVCM.

• Improvement of Facility  
Rent Exp. Sales Ratio

+166mil.JPY

- Facility Rent Expense ratio decreased due to sales increase.

• Improvement of Depreciation  
Exp. Sales Ratio

+138mil.JPY

- Depreciation Expense ratio decreased due to sales increase.

• Improvement of Mailing  
Exp. Sales Ratio

+101mil.JPY

- Mailing Expense ratio decreased due mainly to decrease in catalog shipping cost ratio.

Op. Income  
FY2020

20,149 mil.JPY (YonY: +3,719 mil.JPY, +22.6%)

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

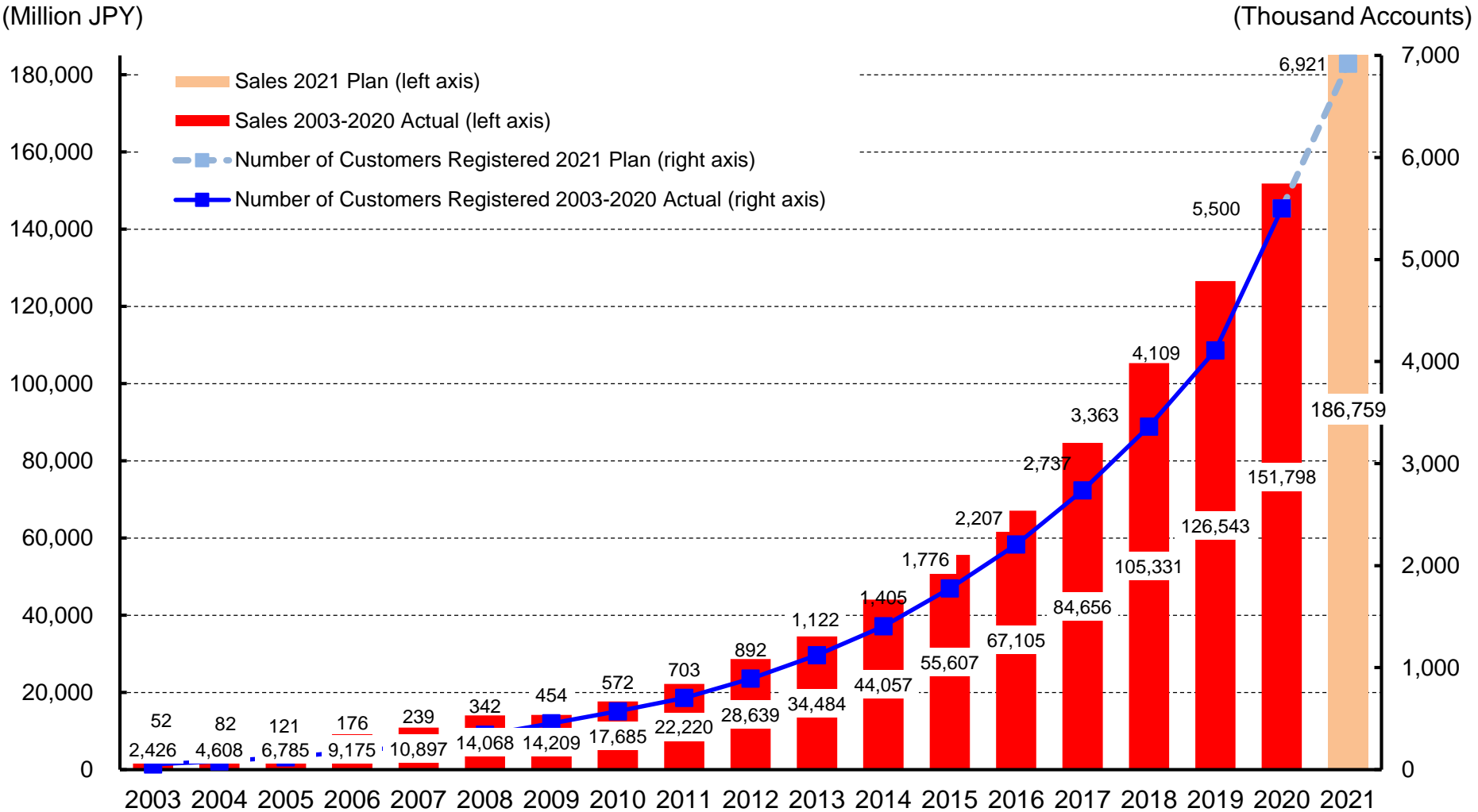
## 7-5. (Non-consol.) 2020 Financial Result B/S Outline

|                     |                         | Dec.<br>2019 | Dec.<br>2020 |       |
|---------------------|-------------------------|--------------|--------------|-------|
|                     |                         | Million JPY  | Million JPY  | Ratio |
| Assets              |                         |              |              |       |
|                     | Cash                    | 9,958        | 16,691       | 20.6% |
|                     | Accounts Receivable     | 14,376       | 18,129       | 22.4% |
|                     | Inventory               | 11,094       | 11,296       | 14.0% |
|                     | Other                   | 4,485        | 5,154        | 6.4%  |
| Total Current Asset |                         | 39,914       | 51,271       | 63.3% |
|                     | Tangible Fixed Asset    | 12,023       | 19,052       | 23.5% |
|                     | Intangible Fixed Assets | 2,919        | 4,008        | 5.0%  |
|                     | Other                   | 5,748        | 6,629        | 8.2%  |
| Total Fixed Asset   |                         | 20,691       | 29,690       | 36.7% |
| Total Assets        |                         | 60,605       | 80,962       |       |

|                                |                        | Dec.<br>2019 | Dec.<br>2020 |       |
|--------------------------------|------------------------|--------------|--------------|-------|
|                                |                        | Million JPY  | Million JPY  | Ratio |
| Liabilities                    |                        |              |              |       |
|                                | Accounts Payable       | 9,446        | 11,165       | 13.8% |
|                                | Short-term Debt & etc. | 2,498        | —            | 0.0%  |
|                                | Others                 | 7,479        | 10,644       | 13.1% |
| Total Current Liabilities      |                        | 19,424       | 21,810       | 26.9% |
| Total Long term Liabilities    |                        | 2,180        | 11,013       | 13.6% |
| Total Liabilities              |                        | 21,604       | 32,823       | 40.5% |
| Net Assets                     |                        |              |              |       |
| Shareholder's Equity           |                        | 38,955       | 48,066       | 59.4% |
| Others                         |                        | 44           | 72           | 0.1%  |
| Total Net Assets               |                        | 39,000       | 48,138       | 59.5% |
| Total Liabilities & Net Assets |                        | 60,605       | 80,962       |       |

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

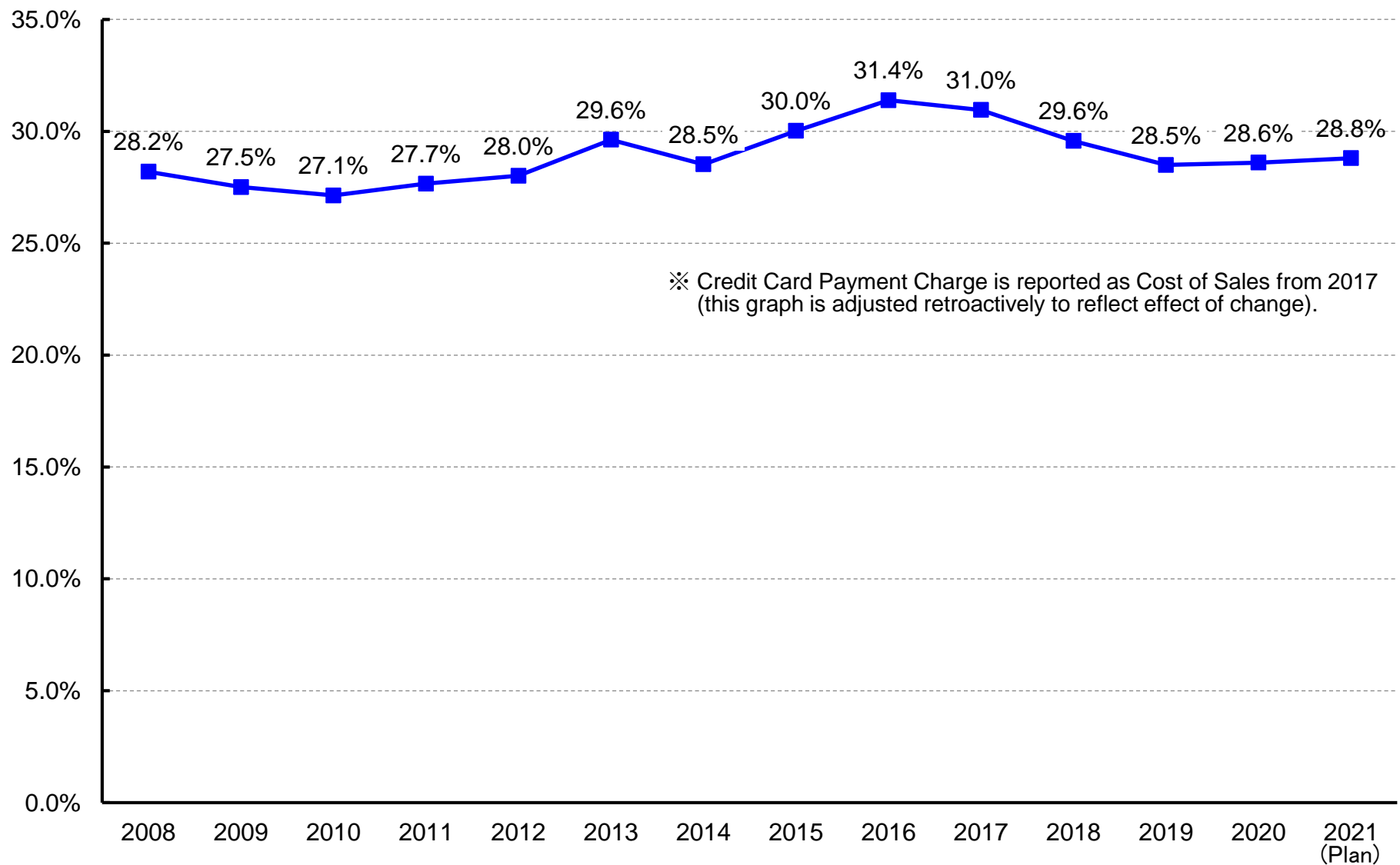
# 7-6. (Non-consol.) Progress - Sales & Customer



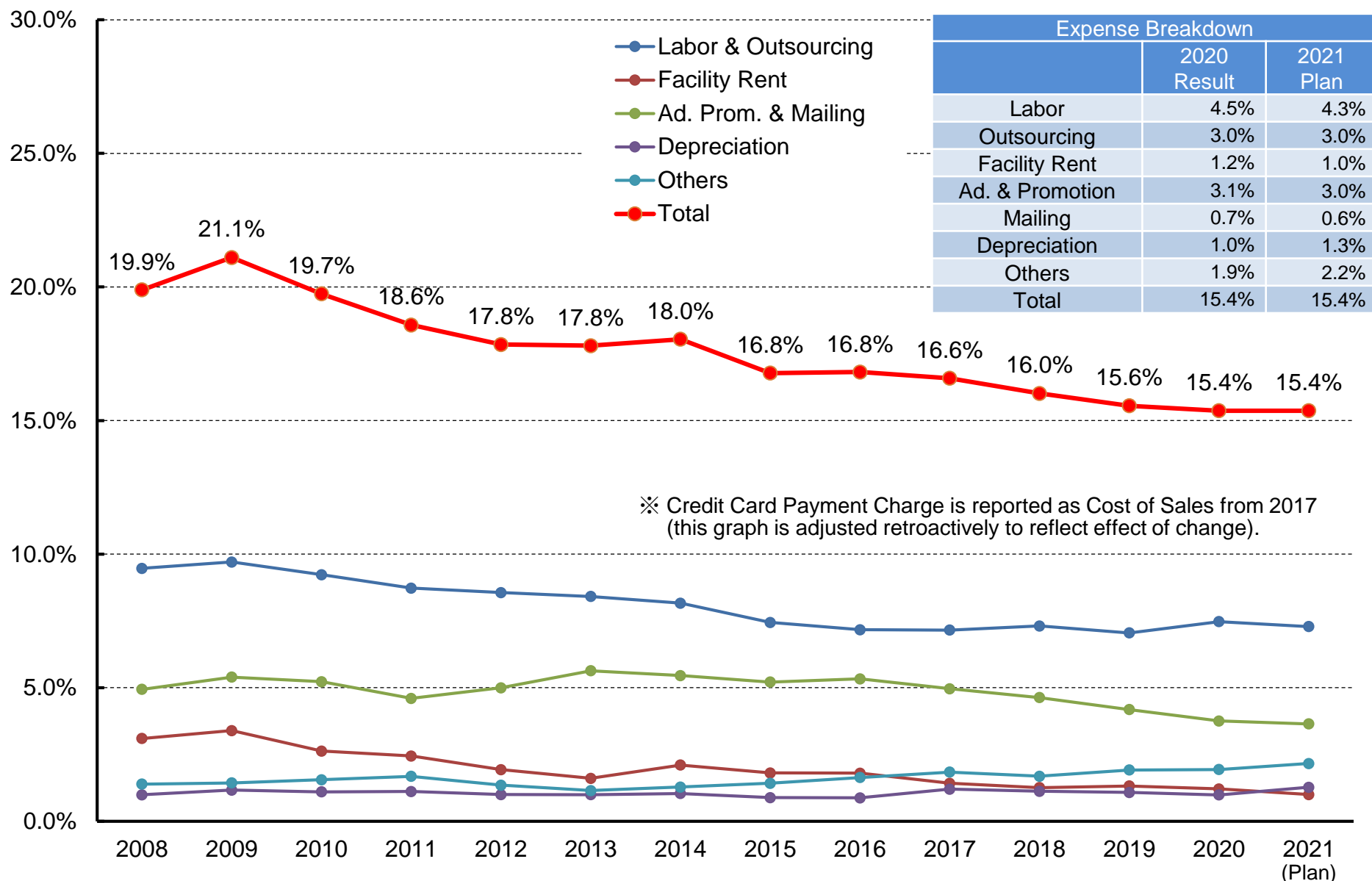
|   | Dec. 2019 | Dec. 2020                  | Dec. 2021 (Plan)           |
|---|-----------|----------------------------|----------------------------|
| Number of Customers (Registered Accounts) | 4,109,701 | 5,500,774                  | 6,921,874                  |
|   |           | +1,391,073 (vs. Dec. 2019) | +1,421,100 (vs. Dec. 2020) |



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



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



## 8-1. (Consol.) 2020 Financial Result P/L Outline 1/2

|   | 2019 Result          |                | 2020 Plan            |                | 2020 Result          |                |        |         |
|---|----------------------|----------------|----------------------|----------------|----------------------|----------------|--------|---------|
|   | Amount (million JPY) | Ratio to Sales | Amount (million JPY) | Ratio to Sales | Amount (million JPY) | Ratio to Sales | YonY   | vs Plan |
| Sales   | 131,463              |                | 156,468              |                | 157,337              |                | +19.7% | +0.6%   |
| Gross Profit                                    | 37,095               | 28.2%          | 44,653               | 28.5%          | 44,694               | 28.4%          | +20.5% | +0.1%   |
| SG&A Exp.                                       | 21,256               | 16.2%          | 26,084               | 16.7%          | 25,086               | 15.9%          | +18.0% | △3.8%   |
| Operating Income                                | 15,839               | 12.0%          | 18,569               | 11.9%          | 19,607               | 12.5%          | +23.8% | +5.6%   |
| Current Income                                  | 15,887               | 12.1%          | 18,584               | 11.9%          | 19,671               | 12.5%          | +23.8% | +5.8%   |
| Net Income (Tax Rate)                           | 10,751 (30.9%)       | 8.2%           | 12,703 (31.6%)       | 8.1%           | 13,473 (30.8%)       | 8.6%           | +25.3% | +6.1%   |
| Net Income attributable to owners of the parent | 10,984               | 8.4%           | 12,997               | 8.3%           | 13,771               | 8.8%           | +25.4% | +6.0%   |

## 8-2. (Consol.) 2020 Fin. Result P/L Outline 2/2 Overseas Subsidiary

### ■ NAVIMRO (South Korea)

- Due to economic deterioration, sales below plan, but profit went far beyond plan by increasing sales of PB products, etc.
- Through increases in numbers of total item and inventory item, expanding sales.

|                         | 2019 Result      |        |                       | 2020 Plan        |         |                       | 2020 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                   | 4,510            | +13.5% | +21.8%                | 5,400            | +19.7%  | +20.5%                | 5,140            | +14.0%  | △4.8%   | +17.7%                | △2.3%                    |
| Op.Income               | 10               | —      | —                     | 80               | +412.6% | +415.9%               | 100              | +552.7% | +27.3%  | +574.3%               | +30.7%                   |
| Net Income x Share (*1) | 20               | —      | —                     | 90               | +285.3% | +287.8%               | 100              | +334.6% | +12.8%  | +348.9%               | +15.8%                   |

### ■ MONOTARO INDONESIA (Indonesia)

- Sales decreased about to 50% of plan due to COVID-19 and to not achieved customer acquisition target; however, Op. Loss was kept within plan by controlling SG&A Expense.
- Despite MonotaRO (non consolidated basis) incurred impairment loss (674 mil. JPY), continuing to work on Indonesian business.

|                         | 2019 Result      |        |                       | 2020 Plan        |        |                       | 2020 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                   | 380              | +46.8% | +48.7%                | 750              | +96.6% | +94.1%                | 370              | △3.5% | △50.9%  | +0.5%                 | △48.2%                   |
| Op.Income               | △290             | —      | —                     | △310             | —      | —                     | △310             | —     | —       | —                     | —                        |
| Net Income x Share (*1) | △130             | —      | —                     | △140             | —      | —                     | △180             | —     | —       | —                     | —                        |

### ■ ZORO SHANGHAI (China)

- Liquidation resolved on September 18, 2020, and liquidation procedures are in progress.

|                         | 2019 Result      |       |                       | 2020 Plan        |         |                       | 2020 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                   | 60               | (*) — | (*) —                 | 250              | +317.5% | +322.8%               | 70               | +21.6% | △70.9%  | +24.0%                | △70.7%                   |
| Op.Income               | △320             | —     | —                     | △450             | —       | —                     | △280             | —      | —       | —                     | —                        |
| Net Income x Share (*1) | △210             | —     | —                     | △300             | —       | —                     | △220             | —      | —       | —                     | —                        |

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

\*2: Business launched in June 2018.

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

## 8-3. (Consol.) 2020 Financial Result B/S Outline

|                     |                         | Dec.<br>2019 | Dec.<br>2020 |       |
|---------------------|-------------------------|--------------|--------------|-------|
|                     |                         | Million JPY  | Million JPY  | Ratio |
| Assets              |                         |              |              |       |
|                     | Cash                    | 11,155       | 18,843       | 23.2% |
|                     | Accounts Receivable     | 14,472       | 18,267       | 22.5% |
|                     | Inventory               | 11,563       | 11,874       | 14.6% |
|                     | Other                   | 4,581        | 5,278        | 6.5%  |
| Total Current Asset |                         | 41,771       | 54,264       | 66.8% |
|                     | Tangible Fixed Asset    | 12,048       | 19,086       | 23.5% |
|                     | Intangible Fixed Assets | 3,084        | 4,829        | 5.9%  |
|                     | Other                   | 2,787        | 3,081        | 3.8%  |
| Total Fixed Asset   |                         | 17,920       | 26,998       | 33.2% |
| Total Assets        |                         | 59,691       | 81,263       |       |

|                                |                        | Dec.<br>2019 | Dec.<br>2020 |       |
|--------------------------------|------------------------|--------------|--------------|-------|
|                                |                        | Million JPY  | Million JPY  | Ratio |
| Liabilities                    |                        |              |              |       |
|                                | Accounts Payable       | 9,829        | 11,643       | 14.3% |
|                                | Short-term Debt & etc. | 2,498        | —            | 0.0%  |
|                                | Others                 | 7,644        | 10,898       | 13.4% |
| Total Current Liabilities      |                        | 19,973       | 22,542       | 27.7% |
| Total Long term Liabilities    |                        | 2,205        | 11,062       | 13.6% |
| Total Liabilities              |                        | 22,179       | 33,604       | 41.4% |
| Net Assets                     |                        |              |              |       |
| Shareholder's Equity           |                        | 37,062       | 46,805       | 57.6% |
| Others                         |                        | 450          | 852          | 1.0%  |
| Total Net Assets               |                        | 37,512       | 47,658       | 58.6% |
| Total Liabilities & Net Assets |                        | 59,691       | 81,263       |       |

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

## 8-4. (Consol.) 2020 Financial Result C/F Outline

|   |  | 2019 Result             | 2020 Result             |
|---|--|-------------------------|-------------------------|
|   |  | Million JPY             | Million JPY             |
| <b>Cash Flow from Operating Activity</b>                                    |  |                         |                         |
|   | Net Income before Tax  | 15,568                  | 19,473                  |
|   | Increase or Decrease in Accounts Receivable ( $\Delta$ = increase) | $\Delta 2,927$          | $\Delta 3,753$          |
|   | Increase or Decrease in Inventory ( $\Delta$ = increase)           | $\Delta 1,593$          | $\Delta 240$            |
|   | Increase or Decrease in Accounts Payable ( $\Delta$ = decrease)    | 1,523                   | 1,784                   |
|   | Tax payment  | $\Delta 4,948$          | $\Delta 4,799$          |
|   | Others   | ( <sup>*1</sup> ) 1,441 | ( <sup>*2</sup> ) 2,804 |
|   | Total  | 9,064                   | 15,269                  |
| <b>Cash Flow from Investing Activity</b>                                    |  |                         |                         |
|   | Acquisition of Tangible Assets                                     | $\Delta 1,055$          | $\Delta 7,639$          |
|   | Acquisition of Intangible Assets                                   | $\Delta 1,361$          | $\Delta 1,472$          |
|   | Others   | $\Delta 1,349$          | 96                      |
|   | Total  | $\Delta 3,765$          | $\Delta 9,015$          |
| <b>Cash Flow from Financing Activity</b>                                    |  |                         |                         |
|   | Long-term Loans Payable  | —                       | 9,000                   |
|   | Repayments of Long-term Loans                                      | $\Delta 2,000$          | $\Delta 2,498$          |
|   | Repayments of Lease Obligations                                    | $\Delta 1,499$          | $\Delta 683$            |
|   | Cash Dividends Paid  | $\Delta 3,478$          | $\Delta 3,975$          |
|   | Others   | 415                     | $\Delta 68$             |
|   | Total  | $\Delta 6,562$          | 1,773                   |
| Currency Exchange Adjustment  |  | $\Delta 29$             | $\Delta 6$              |
| Net Increase or Decrease in Cash and Cash Equivalent ( $\Delta$ = decrease) |  | $\Delta 1,293$          | 8,021                   |
| Cash and Cash Equivalent at Beginning of Period                             |  | 12,040                  | 10,746                  |
| Cash and Cash Equivalent at End of Period                                   |  | 10,746                  | 18,767                  |

\*1: Including Depreciation added back.

\*2: Including Depreciation and Impairment Loss added back.



## 9-1. (Non-consol.) 2021 Business Plan: Outline P/L

|                          | 2020 Result       |                | 2021 Plan         |                |        |
|--------------------------|-------------------|----------------|-------------------|----------------|--------|
|                          | Amount (mil.JPY)  | Ratio to Sales | Amount (mil.JPY)  | Ratio to Sales | YonY   |
| 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<br>(Tax Rate) | 13,139<br>(30.6%) | 8.7%           | 17,365<br>(30.6%) | 9.3%           | +32.2% |

|                          | 2021 Q1-2 Plan (Jan. - Jun.) |                |        | 2021 Q3-4 Plan (Jul. - Dec.) |                |        |
|--------------------------|------------------------------|----------------|--------|------------------------------|----------------|--------|
|                          | Amount (mil.JPY)             | Ratio to Sales | YonY   | Amount (mil.JPY)             | Ratio to Sales | YonY   |
| Sales                    | 90,742                       |                | +24.9% | 96,016                       |                | +21.3% |
| Large Corp.              | 16,635                       | 18.3%          | +36.7% | 18,045                       | 18.8%          | +29.0% |
| Gross Profit             | 26,202                       | 28.9%          | +26.8% | 27,649                       | 28.8%          | +21.2% |
| SG&A Exp.                | 13,965                       | 15.4%          | +25.9% | 14,845                       | 15.5%          | +21.3% |
| Operating Income         | 12,237                       | 13.5%          | +27.8% | 12,803                       | 13.3%          | +21.0% |
| Current Income           | 12,226                       | 13.5%          | +27.5% | 12,795                       | 13.3%          | +20.6% |
| Net Income<br>(Tax Rate) | 8,487<br>(30.6%)             | 9.4%           | +27.4% | 8,878<br>(30.6%)             | 9.2%           | +37.1% |

## 9-2. (Non-consol.) 2021 Business Plan: Outline P/L vs. 2020

|                       | 2020 Result (A)  |             | 2021 Plan (B)    |             | Difference (B-A) |         |  |
|-----------------------|------------------|-------------|------------------|-------------|------------------|---------|--|
|                       | Amount (mil.JPY) | Sales Ratio | Amount (mil.JPY) | Sales Ratio |                  |         |  |
| Sales                 | 151,798          | —           | 186,759          | —           | Amount (mil.JPY) | +34,960 | <ul style="list-style-type: none"> <li>Customer base expands (new customers acquisition plan: 1.42 mil.).</li> <li>Large Corp. Business sales increases (+32.6% vs. FY2020 results: increases in number of locations used by connected corps. and in usage per account).</li> <li>Royalty income increases.</li> </ul>   |
|                       |                  |             |                  |             | YonY             | 23.0%   |  |
|                       |                  |             |                  |             | Sales Ratio      | —       |  |
| Gross Profit          | 43,475           | 28.6%       | 53,852           | 28.8%       | Amount (mil.JPY) | +10,376 | <ul style="list-style-type: none"> <li>Product GP ratio stays at same level as FY2020 (due to optimizations of sourcing and selling price and to FX, despite decrease in imported product sales ratio and increase in Large Corp. Bus. sales ratio).</li> <li>Royalty income increases.</li> <li>Delivery Cost ratio improves (+0.1pt.: due to increase in sales per order).</li> </ul>  |
|                       |                  |             |                  |             | YonY             | +23.9%  |  |
|                       |                  |             |                  |             | Sales Ratio      | +0.2%   |  |
| SG&A Exp.             | 23,325           | 15.4%       | 28,810           | 15.4%       | Amount (mil.JPY) | +5,485  | <ul style="list-style-type: none"> <li>Labor Expense ratio decreases (<math>\Delta 0.2</math>pt.: due to COVID - 19 related allowances implemented in FY2020).</li> <li>Facility Rent Expense ratio decreases (<math>\Delta 0.2</math>pt.: due to decrease in external warehouses rent due to launch of Ibaraki Chuo SC).</li> <li>Depreciation Expense ratio increases (+0.3pt.: due to launches of Ibaraki Chuo SC and of new systems).</li> <li>Other Expense ratio increases (+0.3pt.: due to increase in system usage cost caused by launch of new systems, to increase in packaging materials costs caused by launch of Ibaraki Chuo SC, etc.).</li> <li>Increase in sales lowers SG&amp;A Expenses ratio as whole.</li> </ul> |
|                       |                  |             |                  |             | YonY             | +23.5%  |  |
|                       |                  |             |                  |             | Sales Ratio      | +0.0%   |  |
| Operating Income      | 20,149           | 13.3%       | 25,041           | 13.4%       | Amount (mil.JPY) | +4,891  | <ul style="list-style-type: none"> <li>Operating Income ratio/sales ratio improves due to improvement of GP ratio.</li> </ul>  |
|                       |                  |             |                  |             | YonY             | +24.3%  |  |
|                       |                  |             |                  |             | Sales Ratio      | +0.1%   |  |
| Net Income (Tax Rate) | 13,139 (30.6%)   | 8.7%        | 17,365 (30.6%)   | 9.3%        | Amount (mil.JPY) | +4,226  | <ul style="list-style-type: none"> <li>Decrease in Extraordinary Losses (577 mil. JPY impairment loss for liquidation of Chinese subsidiary and 674 mil. JPY impairment loss for Indonesian subsidiary incurred in FY2020).</li> </ul>   |
|                       |                  |             |                  |             | YonY             | +32.2%  |  |
|                       |                  |             |                  |             | Sales Ratio      | +0.6%   |  |

## 9-3. 2021 Strategy & Plan: Domestic Business (1)

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

- Expanding Customer Base and Improving Customer Lifetime Value
  - Planning to acquire 1.42 mil. new accounts in FY2021 (FY2020 result: 1.39 mil.).
  - Continuing to focus on BtoB business and to work on “Innovating Business Procurement Network.”
  - Improving “Customer Lifetime Value” (by allocating resources appropriately based on product search and purchasing trends).
- Expanding Existing Customers’ Sales
  - Expanding “One Stop Shopping” (accelerating increasing number of items by introducing Product Information Management System/PIM).
  - Reducing “Time to Find Products” (by improving product search and recommendation functions by customer attributes).
  - Reducing “Time to Wait for Product Arrivals” (by introducing Order Management System/OMS and by developing logistic bases).

### ■ System Connection with Large Corporations

- 2019 & 2020 Result and 2021 Plan
  - FY2020 sales increased by 29.8% from FY2019, but not attain plan (due to decline in economic activities caused by COVID-19). Sales in recovering trend since Q4, FY2020.
  - FY2021 sales plan: +32.6% vs. FY2020 (working to expand usage of connected corps. and acquire large corp. customers).

| 2019 Result |        |              | 2020 Result |        |         |              | 2021 Plan |        |              |
|-------------|--------|--------------|-------------|--------|---------|--------------|-----------|--------|--------------|
| Mil. JPY    | YonY   | /Total Sales | Mil. JPY    | YonY   | vs Plan | /Total Sales | Mil. JPY  | YonY   | /Total Sales |
| 20,155      | +48.2% | 15.9%        | 26,161      | +29.8% | △4.0%   | 17.2%        | 34,680    | +32.6% | 18.6%        |

|                              | Dec. 2019 End Result |  | Dec. 2020 End Result |                  |         |
|------------------------------|----------------------|--|----------------------|------------------|---------|
|                              | No. Corp.            |  | No. Corp.            | vs Dec. 2019 End | Remarks |
| Total number of corporations | 817                  |  | 1,237                | +420             | —       |
| One Source                   | 14                   |  | 14                   | +0               | 2       |
| One Source Lite              | 363                  |  | 744                  | +381             | 457     |

## 9-4. 2021 Strategy & Plan: Domestic Business (2)

### ■ Consulting/Royalty Business

- Parent company Grainger's Zoro business (US & UK) achieved continuous growth while improving GP ratio and SG&A Expense ratio, and Royalty income in FY2020 increased from FY2019 and plan.
- Zoro business expected to continue to grow sales and to improve GP ratio and SG&A Expense ratio in FY2021, and plan of Royalty Income increases from FY2020.

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

- Recruiting of data-scientists and IT engineers at both Amagasaki/Hyogo and Tokyo offices below plan. Continuing to work on recruiting data-scientists and IT engineers.
- Satellite office opened in Umeda, Osaka in January 2021. Personnel in Data Marketing Dept., EC Engineering Dept., and part of IT Dept. are to work at this office.

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

- Product Information Management System (PIM)
  - Planning to go live in 2021 First Half.
  - Through efficient expansion of “One Stop Shopping,” increasing sales of existing customers and minimizing cost of obtaining product information.
  - Preparing product information in multi-languages for international business in future.
- Order Management System (OMS)
  - Planning to go live in 2021 First Half.
  - With function of selecting optimal shipment methods in various situations, reducing “Time to Wait for Product Arrivals” and with function of leveling shipment operations and reducing splits of shipments, minimizing “Delivery and Distribution related Costs.”

## 9-5. 2021 Strategy & Plan: Logistics (1)

- **Distribution-related Cost Ratio FY2020 Result: 6.0%**
  - Decreased/improved by 0.1 pt. vs. FY2019 (Depreciation Expense and Facility Rent Expense ratios decreased due mainly to sales increase).
  - 0.2 pt. higher than plan (higher Labor and Outsourcing Expenses ratios due to increased workload at distribution centers as number of products shipped increased).
- **Inventory**
  - As of Dec. 31, 2020: 476 thou. items.
  - Plan at Dec. 31, 2021: 480 thou. items.
    - Including review of inventory items for changes in demand (about 50 thou. items).

|                             | 2019 Result      |                | 2020 Plan        |                | 2020 Result      |                |        |         |
|-----------------------------|------------------|----------------|------------------|----------------|------------------|----------------|--------|---------|
|                             | Amount (mil.JPY) | Ratio to Sales | Amount (mil.JPY) | Ratio to Sales | Amount (mil.JPY) | Ratio to Sales | YonY   | vs Plan |
| Sales<br>(Non Consolidated) | 126,543          |                | 150,049          |                | 151,798          |                | +20.0% | +1.2%   |
| Depreciation                | 837              | 0.7%           | 939              | 0.6%           | 908              | 0.6%           | +8.5%  | △3.3%   |
| Labor & Outsourcing         | 4,150            | 3.3%           | 4,800            | 3.2%           | 5,128            | 3.4%           | +23.5% | +6.8%   |
| Facility Rent               | 1,487            | 1.2%           | 1,649            | 1.1%           | 1,650            | 1.1%           | +10.9% | +0.1%   |
| Others                      | 1,216            | 1.0%           | 1,385            | 0.9%           | 1,459            | 1.0%           | +20.0% | +5.3%   |
| Total                       | 7,692            | 6.1%           | 8,775            | 5.8%           | 9,147            | 6.0%           | +18.9% | +4.2%   |

## 9-6. 2021 Strategy & Plan: Logistics (2)

### ■ Distribution-related Cost Plan for 2021

- Distribution-related Cost ratio plan: same level as FY2020 results (6.0%).
  - Depreciation Expense ratio +0.1 pt. (Ibaraki Chuo SC launched in April).
  - Facility Rent Expense ratio  $\Delta$ 0.3 pt. (decrease in warehouses rent for backyard as Ibaraki Chuo SC launched).
- Distribution-related Cost ratio plan for 2021 Latter Half: 5.8%).
  - Impact of decrease in outsourcing operations as Ibaraki Chuo SC launched (decreases in Labor & Outsourcing Expense ratio and in Facility Rent Expense ratio) outweighs impact of increase in expenses associated with in-house facilities (increase in Depreciation Expense ratio).
  - Fixed expense ratios decrease as sales increases (sales in Latter Half higher compared to First Half).



|                          | 2020 Result      |                | 2021 Plan        |                |               |
|--------------------------|------------------|----------------|------------------|----------------|---------------|
|                          | Amount (mil.JPY) | Ratio to Sales | Amount (mil.JPY) | Ratio to Sales | YonY          |
| Sales (non-consolidated) | 151,798          |                | 186,759          |                | +23.0%        |
| Depreciation             | 908              | 0.6%           | 1,358            | 0.7%           | +49.5%        |
| Labor & Outsourcing      | 5,128            | 3.4%           | 6,330            | 3.4%           | +23.4%        |
| Facility Rent            | 1,650            | 1.1%           | 1,547            | 0.8%           | $\Delta$ 6.3% |
| Others                   | 1,459            | 1.0%           | 1,897            | 1.0%           | +30.0%        |
| Total                    | 9,147            | 6.0%           | 11,134           | 6.0%           | +21.7%        |

|                          | 2021 Q1-2 Plan (Jan. - Jun.) |                |        | 2021 Q3-4 Plan (Jul. - Dec.) |                |                |
|--------------------------|------------------------------|----------------|--------|------------------------------|----------------|----------------|
|                          | Amount (mil.JPY)             | Ratio to Sales | YonY   | Amount (mil.JPY)             | Ratio to Sales | YonY           |
| Sales (non-consolidated) | 90,742                       |                | +24.9% | 96,016                       |                | +21.3%         |
| Depreciation             | 600                          | 0.7%           | +33.9% | 758                          | 0.8%           | +64.7%         |
| Labor & Outsourcing      | 3,211                        | 3.5%           | +31.7% | 3,118                        | 3.2%           | +15.9%         |
| Facility Rent            | 827                          | 0.9%           | +0.7%  | 720                          | 0.8%           | $\Delta$ 13.1% |
| Others                   | 953                          | 1.1%           | +35.9% | 943                          | 1.0%           | +24.6%         |
| Total                    | 5,593                        | 6.2%           | +26.8% | 5,540                        | 5.8%           | +17.0%         |



# 9-7. 2021 Strategy & Plan: Logistics (3)

## ■ New Distribution Base Expansion Update

| Name (tentative)  |          | 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 162,000m <sup>2</sup>  |  |
| Inventory Capa.   |          | 20K-30K SKU, high demand products  | Total 500K SKU   |  |
| Start Operation   |          | Plan Apr. 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/<br>Rent   | Land     | About 1.3 bil. JPY   | _____  |  |
|                   | Constr.  | About 6.1 bil. JPY   | Add. construction about 1.2 bil. JPY, restoration about 1.4 bil. JPY (examining)   |  |
|                   | Rent     | _____  | Ph.1, 4 Floors: about 18.9 bil. JPY (2021-2031 including common service exp.)  |  |
|                   | Facility | About 1.8 bil. JPY   | _____  | Ph.2: 1 Floor added: about 4.5 bil. JPY (2022-2031including 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   |          | Construction completed (Jan. 18, 2021)   | Building under construction  |  |
| Picture           |          |  <p>Completion Image (Actual Photo)</p> |  <p>Completion Image</p> <p>Progress Status</p> |  |

## 9-8. 2021 Strategy & Plan: P/L Plan Outline Overseas Subsidiary

### ■ NAVIMRO (South Korea)

- Increasing sales by expanding customer base, number of items sold, and inventory.
- Increasing profit (+59% vs. FY2020) by increasing sales of PB products, etc.

|                       | 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(*) | 100              | +334.6% | +348.9%               | 150              | +46.4% | +46.4%                |

### ■ MONOTARO INDONESIA (Indonesia)

- FY2020 sales fell far short of plan (about half) significantly affected by COVID-19.
- FY2021 for fresh start for profitability by recovering business in Indonesia.

|                       | 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(*) | △180             | —     | —                     | △130             | —      | —                     |

### ■ IB MONOTARO (India)

- At Dec. 31, 2020, only Balance Sheet consolidated.
- Starting business as subsidiary in Jan. 2021.

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

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

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

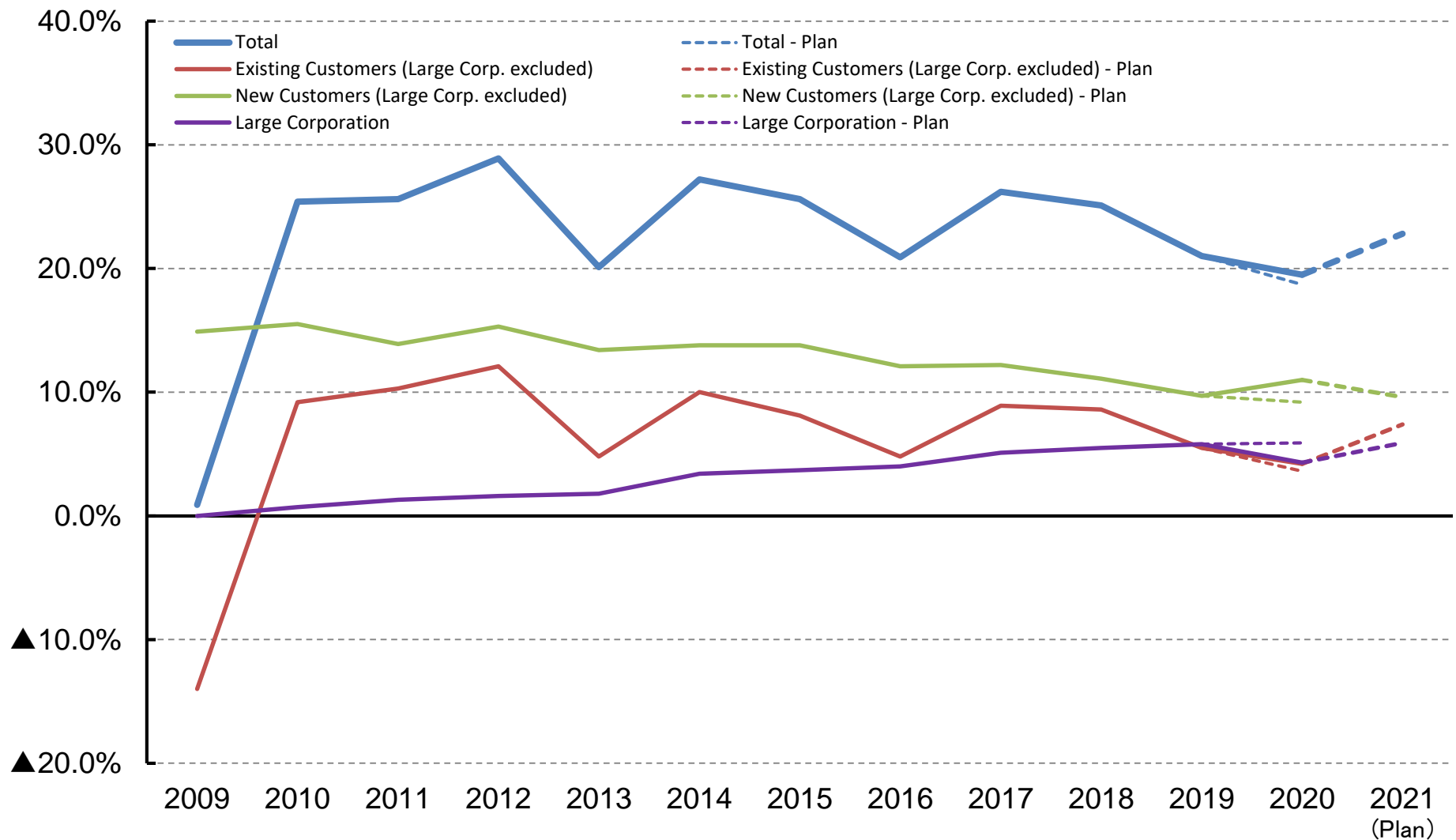
## 9-9. (Consol.) 2021 Business Plan Outline – P/L

|  | 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<br>(Tax Rate)                           | 13,473<br>(30.8%) | 8.6%           | 17,067<br>(31.0%) | 8.8%           | +26.7% |
| Net Income attributable to<br>owners of the parent | 13,771            | 8.8%           | 17,273            | 8.9%           | +25.4% |

|  | 2021 Q1-2 (Jan. - Jun.) |                |        | 2021 Q3-4 (Jul. - Dec.) |                |        |
|--|-------------------------|----------------|--------|-------------------------|----------------|--------|
|  | Amount (mil.JPY)        | Ratio to Sales | YonY   | Amount (mil.JPY)        | Ratio to Sales | YonY   |
| Sales  | 94,133                  |                | +25.0% | 100,086                 |                | +22.0% |
| Gross Profit                                       | 26,987                  | 28.7%          | +27.0% | 28,578                  | 28.6%          | +21.9% |
| SG&A Exp.  | 14,945                  | 15.9%          | +25.3% | 15,942                  | 15.9%          | +21.1% |
| Operating Income                                   | 12,041                  | 12.8%          | +29.2% | 12,636                  | 12.6%          | +22.8% |
| Current Income                                     | 12,075                  | 12.8%          | +29.2% | 12,663                  | 12.7%          | +22.6% |
| Net Income<br>(Tax Rate)                           | 8,330<br>(31.0%)        | 8.8%           | +29.8% | 8,737<br>(31.0%)        | 8.7%           | +23.9% |
| Net Income attributable to<br>owners of the parent | 8,427                   | 9.0%           | +28.9% | 8,845                   | 8.8%           | +22.3% |

If consolidated financial forecast is expected to exceed by one of the 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%

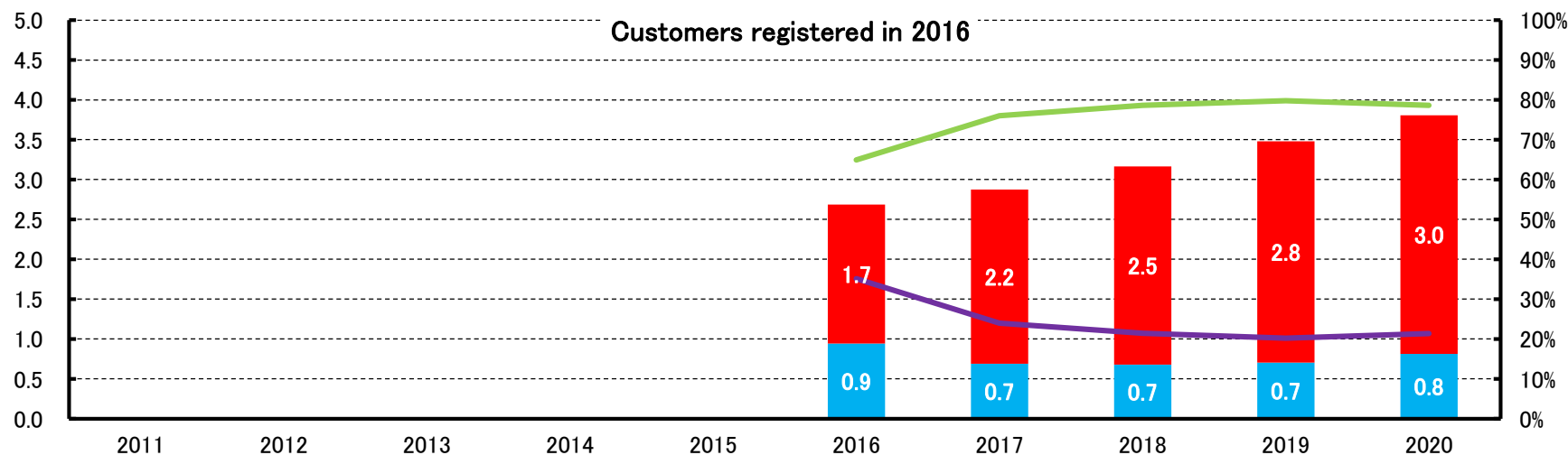
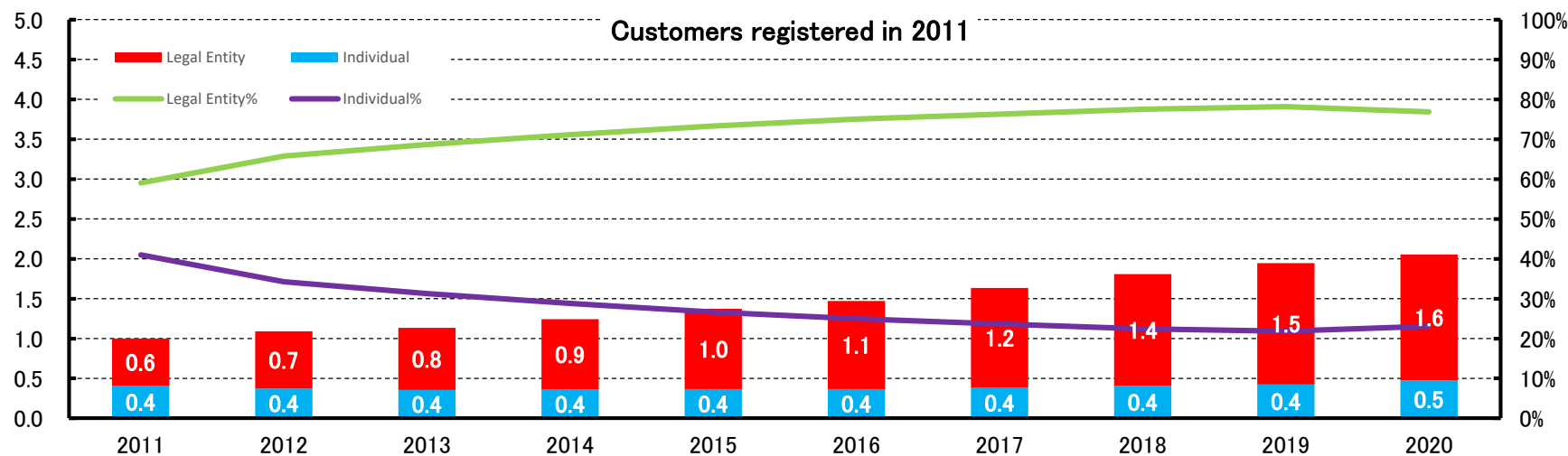
# Ref. 1. (Non-consol.) Sales Growth (Service Channel Contribution)



\* 1: Contribution of each channel to growth of sales total in years above.

\* 2: Large Corporation includes both new and existing customers.

# Ref. 2. (Non-consol.) Sales Growth & Registered Year (after 10 & 5 yr.)

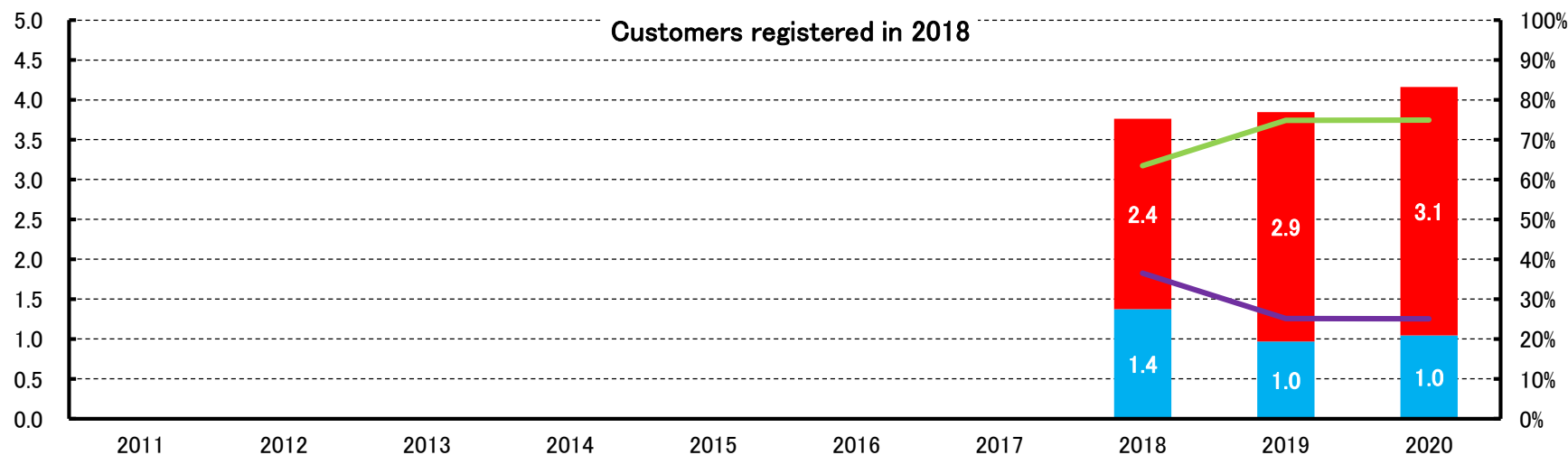
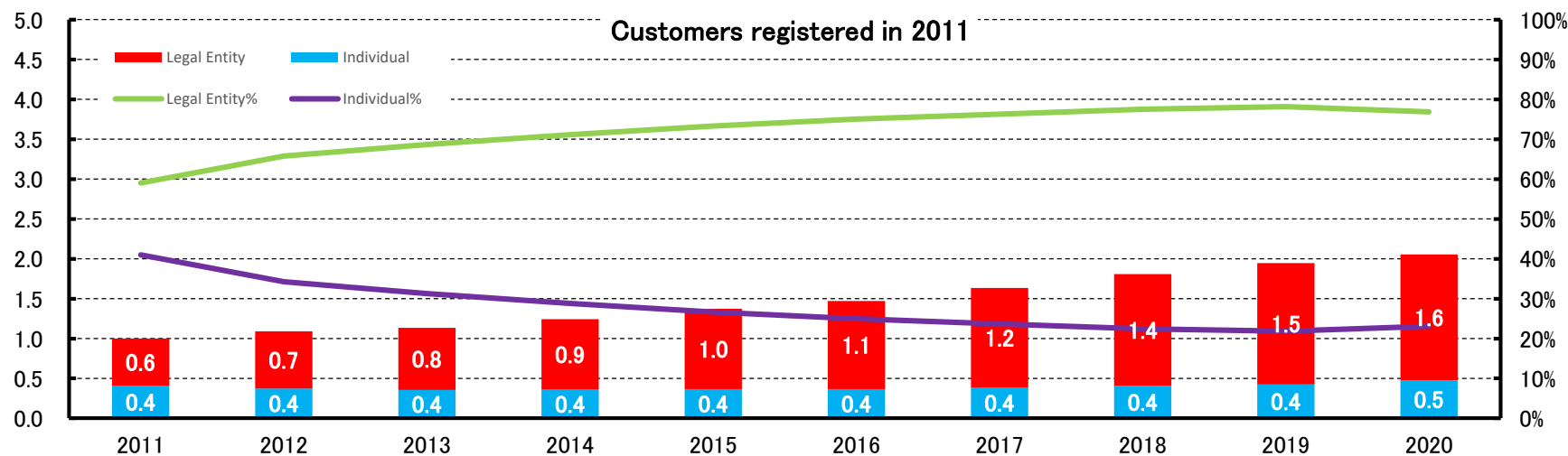


\* 1: Bar chart (left axis) shows sales growth of customers registered in 2011 (10 years passed) and in 2016 (5 years passed) comparing with sales of customers registered in 2011 by setting registered year sales as '1'. Bar chart consists of legal entity and individual customers.

\* 2: Line chart (right axis) shows sales ratio of legal entity and individual customers in each year.

\* 3: Above history of sales through 'monotaro.com' is updated retroactively at the end of 2020 (large corporate sales not included).

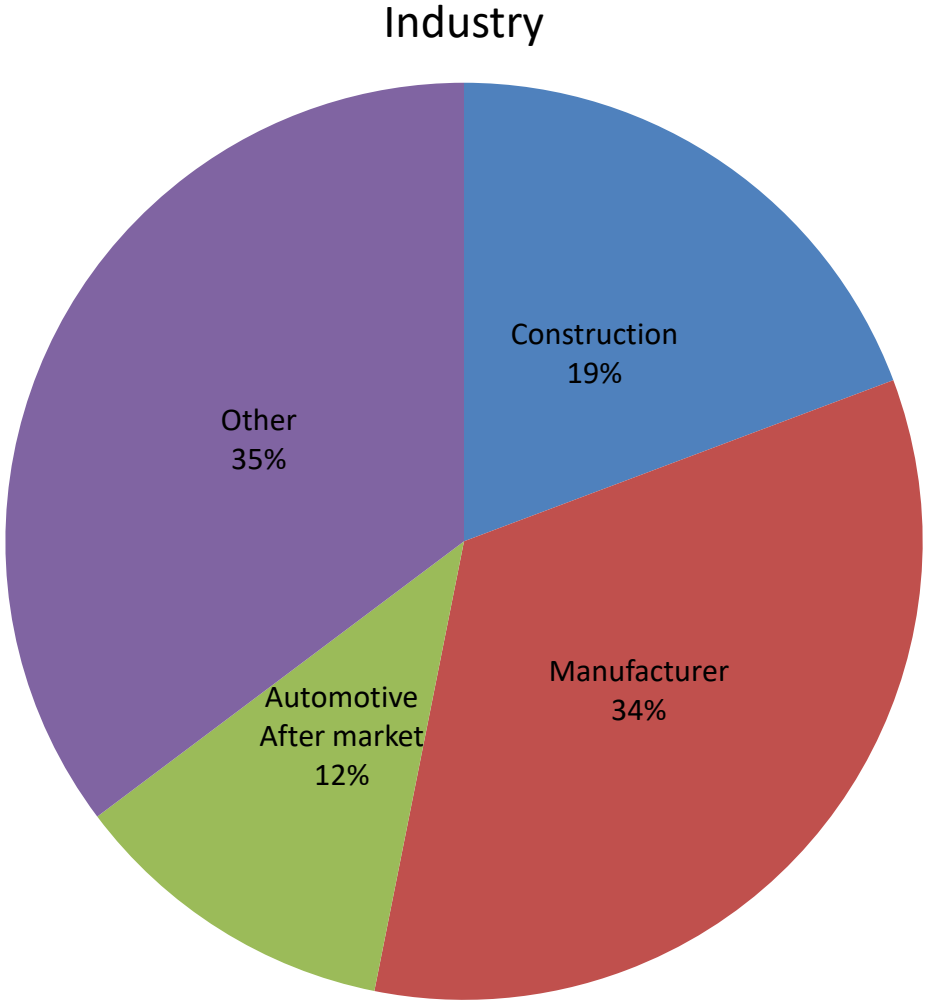
# Ref. 3. (Non-consol.) Sales Growth & Registered Year (after 10 & 3 yr.)



\* 1: Bar chart (left axis) shows sales growth of customers registered in 2011 (10 years passed) and in 2018 (3 years passed) comparing with sales of customers registered in 2011 by setting registered year sales as '1'. Bar chart consists of legal entity and individual customers.  
\* 2: Line chart (right axis) shows sales ratio of legal entity and individual customers in each year.  
\* 3: Above history of sales through 'monotaro.com' is updated retroactively at the end of 2020 (large corporate sales not included).

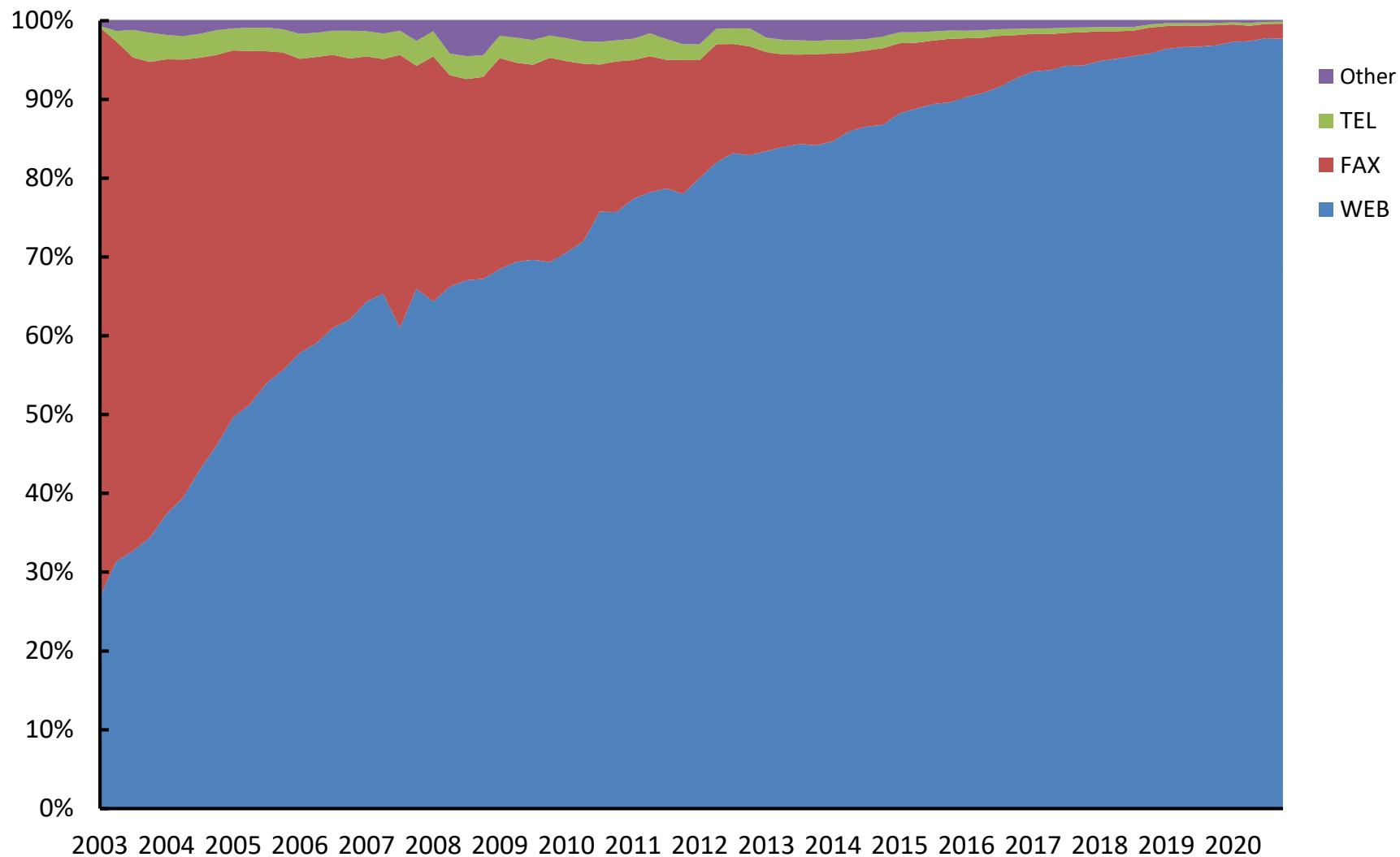


# Ref. 4. (Non-consol.) Customer Demographics

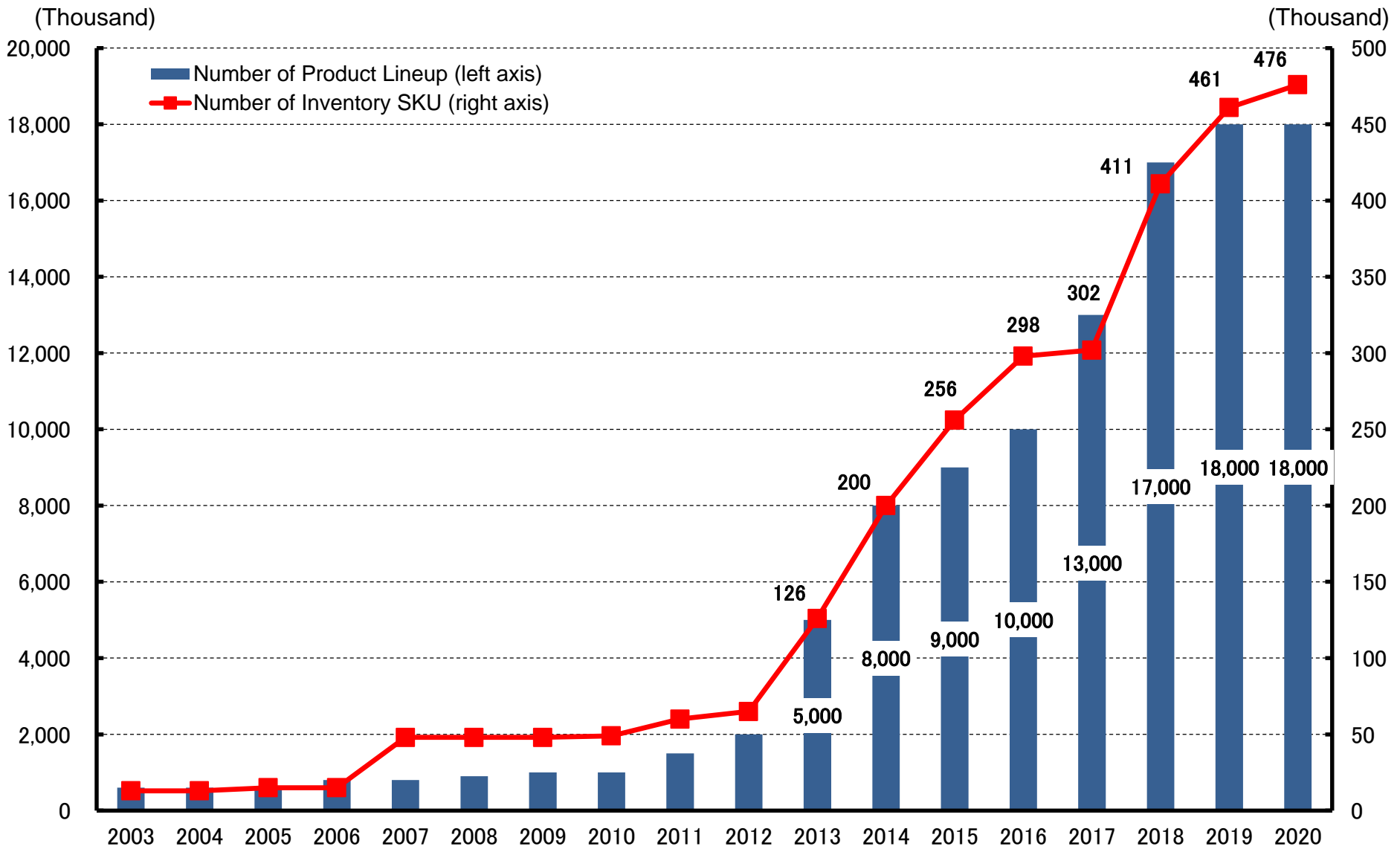


Ratio by sales amount in 2020  
(Sales through Shopping website-excluding sales through API connection)

## Ref. 5. (Non-consol.) Internet PO Ratio



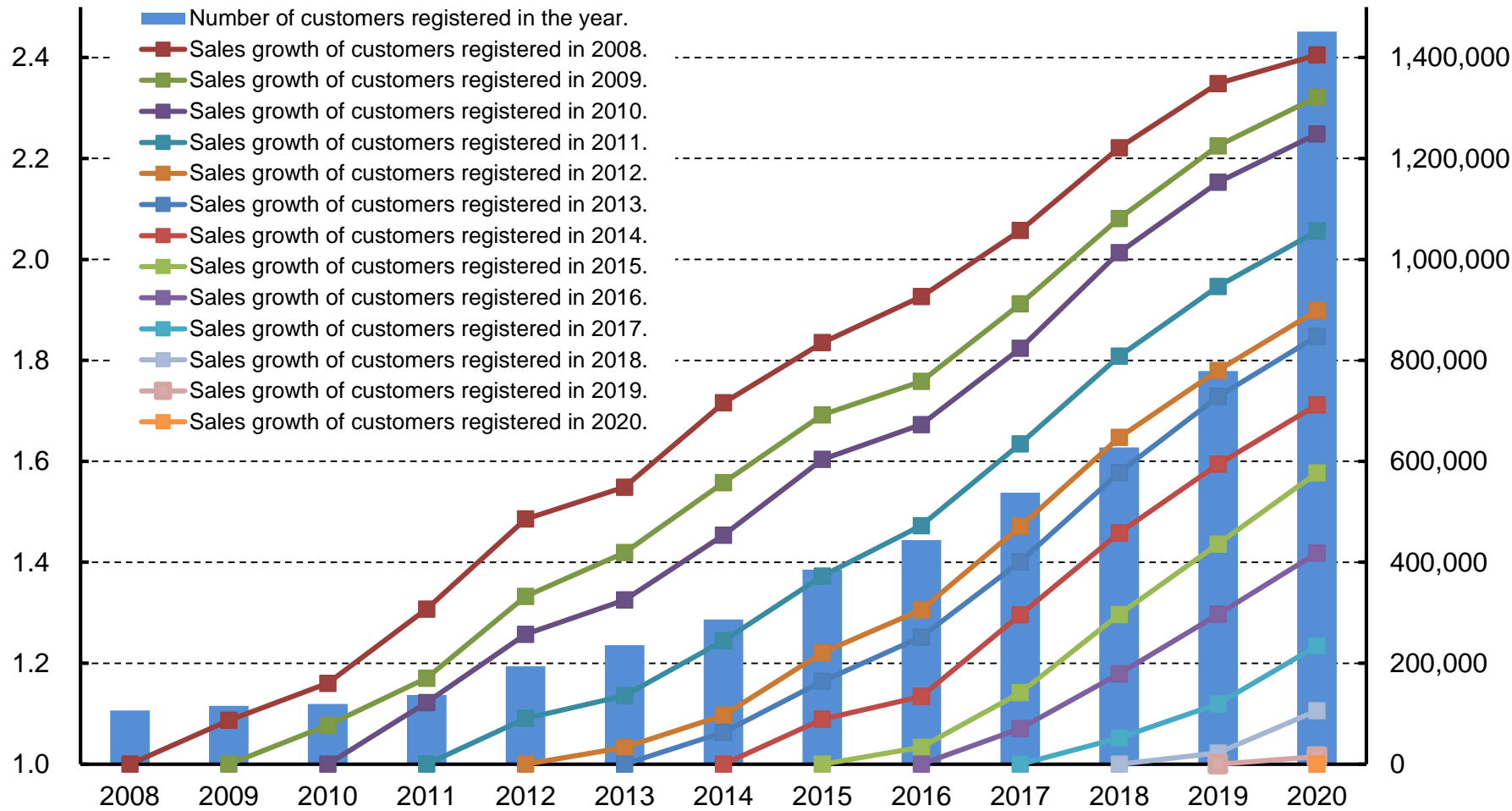
# Ref. 6. (Non-consol.) Product Lineup & Inventory



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

(Growth Rate of Sales)

(Number of Registered Customers)

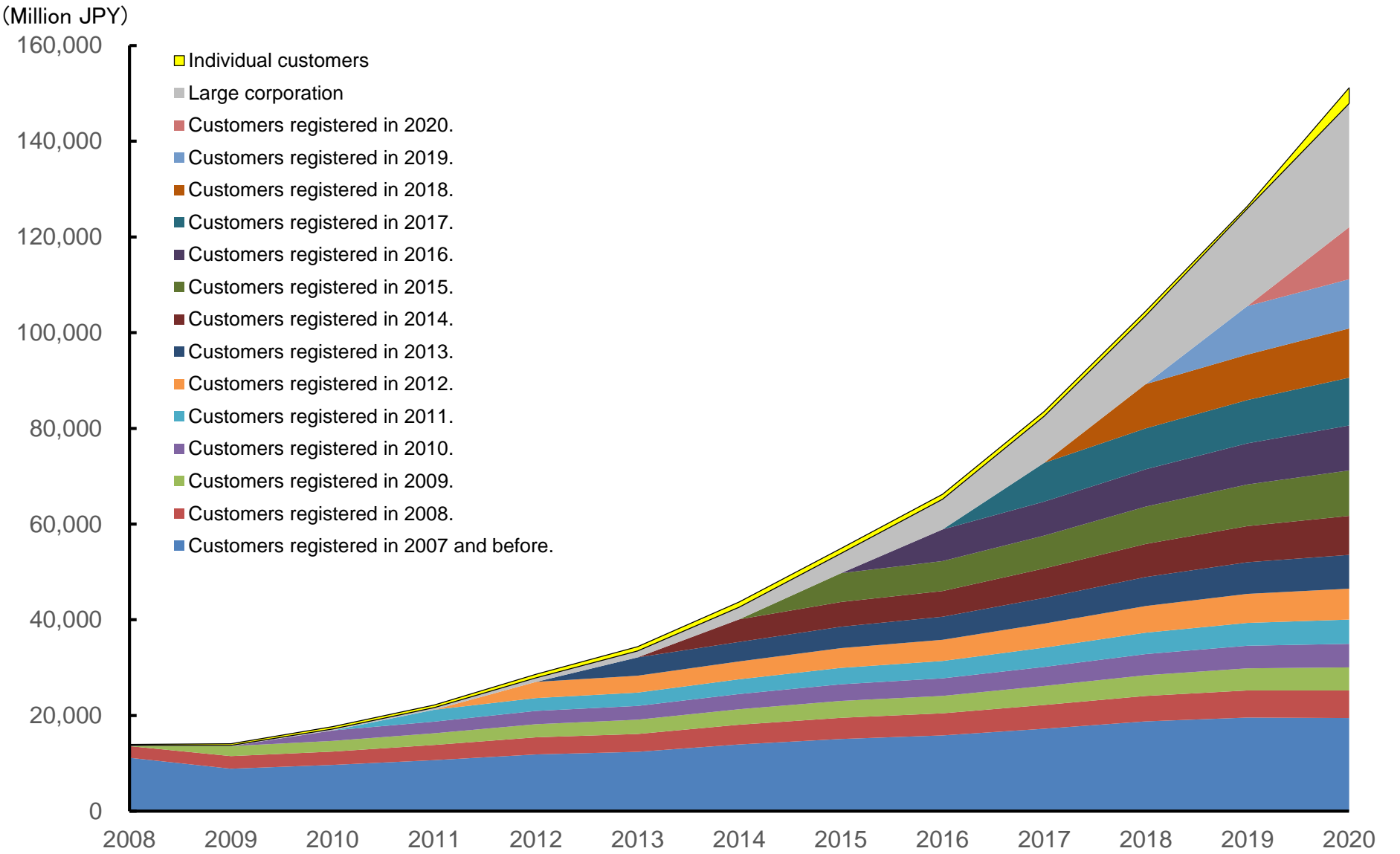


\* 1: Bar chart (right axis) shows number of 'monotaro.com' customers registered in each year based on status at end of 2020.

\* 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).

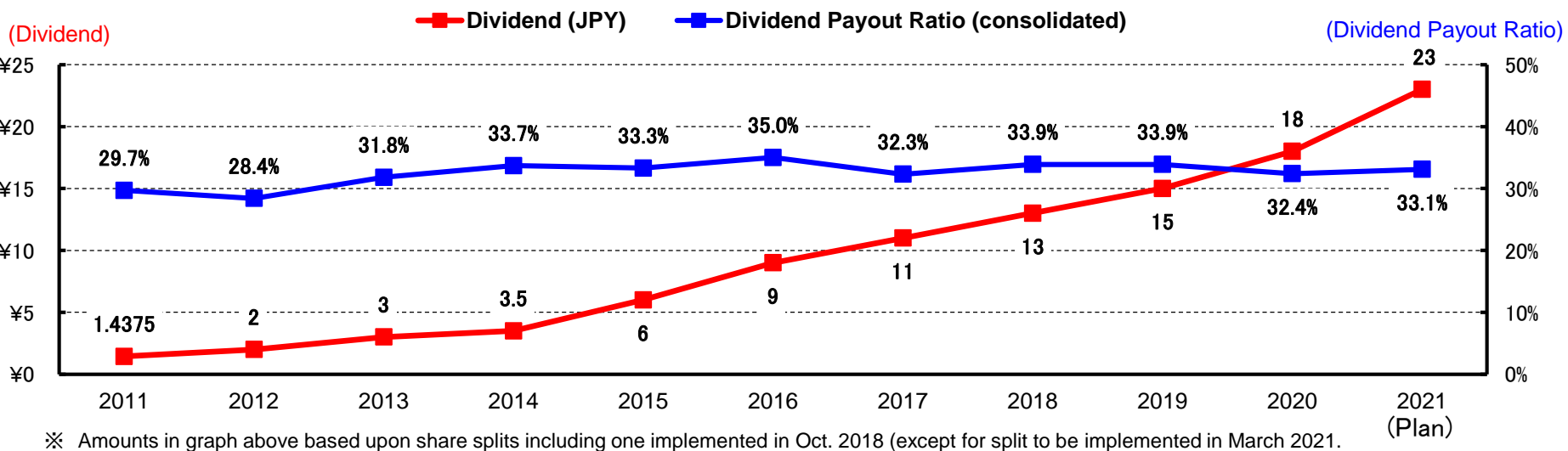
# Ref. 8. (Non-consol.) Sales Trend by Registered Year



# Dividend & Shareholder Benefit

## ■ Dividend

- Dividend Policy: Distributing dividend consistent with stable and ongoing growth.
- 2020 Dividend (Forecast): 18 JPY/share (8.5 JPY/share interim, 9.5 JPY/share fiscal year end).
- 2021 Dividend (Plan): 23 JPY/share (11.5 JPY/share interim, 11.5 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<br>Lower: Operating Income |                        | Fiscal Year |         |         |         |         | Change       |
|---|------------------------|-------------|---------|---------|---------|---------|--------------|
|   |                        | 2007        | 2017    | 2018    | 2019    | 2020    | 2007 to 2020 |
| Yuasa (8074) - (M)                      | Wholesaler             | 468,476     | 461,749 | 493,627 | 491,348 | 450,000 | △3.9%        |
|   |                        | 8,254       | 11,402  | 12,517  | 11,871  | 9,250   | +12.1%       |
| Yamazen (8051) - (M)                    | Wholesaler             | 376,852     | 497,963 | 526,364 | 472,191 | 420,000 | +11.4%       |
|   |                        | 11,518      | 15,383  | 17,997  | 12,091  | 8,000   | △30.5%       |
| Trusco (9830) - (D)                     | Wholesaler             | 134,430     | 195,096 | 214,297 | 220,674 | 211,965 | +57.7%       |
|   |                        | 9,120       | 14,276  | 14,364  | 13,797  | 11,048  | +21.1%       |
| Misumi (9962) - (M)                     | Retailer               | 126,668     | 312,969 | 331,936 | 313,337 | 300,000 | +136.8%      |
|   |                        | 16,317      | 34,848  | 31,874  | 23,640  | 20,900  | +28.1%       |
| Nichiden (9902) - (M)                   | Wholesaler             | 92,745      | 119,712 | 124,604 | 112,334 | 100,000 | +7.8%        |
|   |                        | 5,533       | 6,051   | 6,595   | 5,154   | 3,410   | △38.4%       |
| NaITO (7624) - (F)                      | Wholesaler             | 51,479      | 46,587  | 50,014  | 46,467  | 37,600  | △27.0%       |
|   |                        | 1,343       | 728     | 928     | 836     | 110     | △91.8%       |
| Sugimoto (9932) - (M)                   | Wholesaler<br>Retailer | 41,461      | 44,315  | 45,417  | 43,890  | 39,600  | △4.5%        |
|   |                        | 2,292       | 2,461   | 2,870   | 2,528   | 1,850   | △19.3%       |
| Toba (7472) - (M)                       | Retailer               | 25,800      | 28,500  | 29,066  | 26,197  | 25,000  | △3.1%        |
|   |                        | 2,115       | 1,774   | 1,895   | 1,328   | 1,200   | △43.3%       |
| Uematsu (9914) - (M)                    | Retailer               | 7,647       | 7,125   | 7,157   | 6,477   | 5,000   | △34.6%       |
|   |                        | 190         | 92      | 80      | 17      | -78     | △141.1%      |
| MonotaRO (3064) - (D)                   | Retailer               | 10,897      | 88,347  | 109,553 | 131,463 | 157,337 | +1343.9%     |
|   |                        | 480         | 11,837  | 13,790  | 15,839  | 19,607  | +3984.8%     |

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

\*: As of Feb. 1, 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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