




Quarter 1, FY2021
(Jan. to Mar. 2021)

MonotaRO Co., Ltd.
www.monotaro.com

1. Company Profile

MonotaRO means	<ul style="list-style-type: none">• Maintenance, Repair, and Operation• “The sufficient number of products” in Japanese• Like “Momotaro,” fight against unfair-old distribution system	 <p>Image of “Momotaro” in Japanese folk tale</p>
MonotaRO Business	<ul style="list-style-type: none">• Providing MRO products through Internet and catalogs, targeting small to mid-sized domestic manufacturers, which are not treated well by conventional retailers.	
MRO products	<ul style="list-style-type: none">• Cutting tools/Safety products/Bearings/Fasteners/Industrial equipment (number of product SKU 18 million as of Mar. 2021)	
Number of Customers	<ul style="list-style-type: none">• More than 5.8 million	
Capital Stock	<ul style="list-style-type: none">• 1.99 billion JPY or 18.0 million USD (USD1=JPY110.71)	
Number of Employees	<ul style="list-style-type: none">• 2,739 including 803 regular employees (as of Mar. 31, 2021 consolidated)	
Head Office	<ul style="list-style-type: none">• Amagasaki-city, Hyogo Prefecture	
Major Logistic Centers	<ul style="list-style-type: none">• Amagasaki Distribution Center, Hyogo Prefecture• Kasama Distribution Center, Ibaraki Prefecture• Hokkaido Distribution Center, Hokkaido Prefecture• Ibaraki Chuo Satellite Center, Ibaraki Prefecture	

2. Product Category

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



3. Strength

After (MonotaRO)



One-Price Policy

- Same price to all customers on web site.
- Customers trust in open, fair, and proper prices and are free from bothers in asking quotes every time.

Efficient Sales through Internet

- Sales through internet, realizing economies of scale.
- Efficient promotions leveraging IT.

Database Marketing

- Replace sales representatives by utilizing huge data and with advanced database marketing.

Product Availability

- Selling more than 18 million items; 610 thousand items are available for same day shipment.
- 489 thousand items out of “same day shipment products” are in inventory.

Private Brand and Direct Import Products

- Importing competitive products directly from overseas.
- Providing optimal selection of products including private brand, so that customers can choose the best one out of huge variety to meet their needs.

Before (Conventional Suppliers)

- Different and unclear price to each customer

- Labor oriented, small and localized markets

- Sales based on experience of sales representatives

- Limited product availabilities

- Sell mainly expensive national brand products

4. Marketing

1. Customer Acquisition

- Search engine marketing (SEO and paid search)
- Sending direct e-mail, flyers, and faxes to prospects
- Broadcasting CM

2. Website

- Recommendations and personalized contents

3. Direct e-mail, Flyers, and Faxes

- Semi-personalized contents

4. Direct Mail Flyers

- Small batches of on-demand printed flyers with DTP

5. Catalog

- 23 separate volumes for better targeting

6. Data Mining and Campaign Management

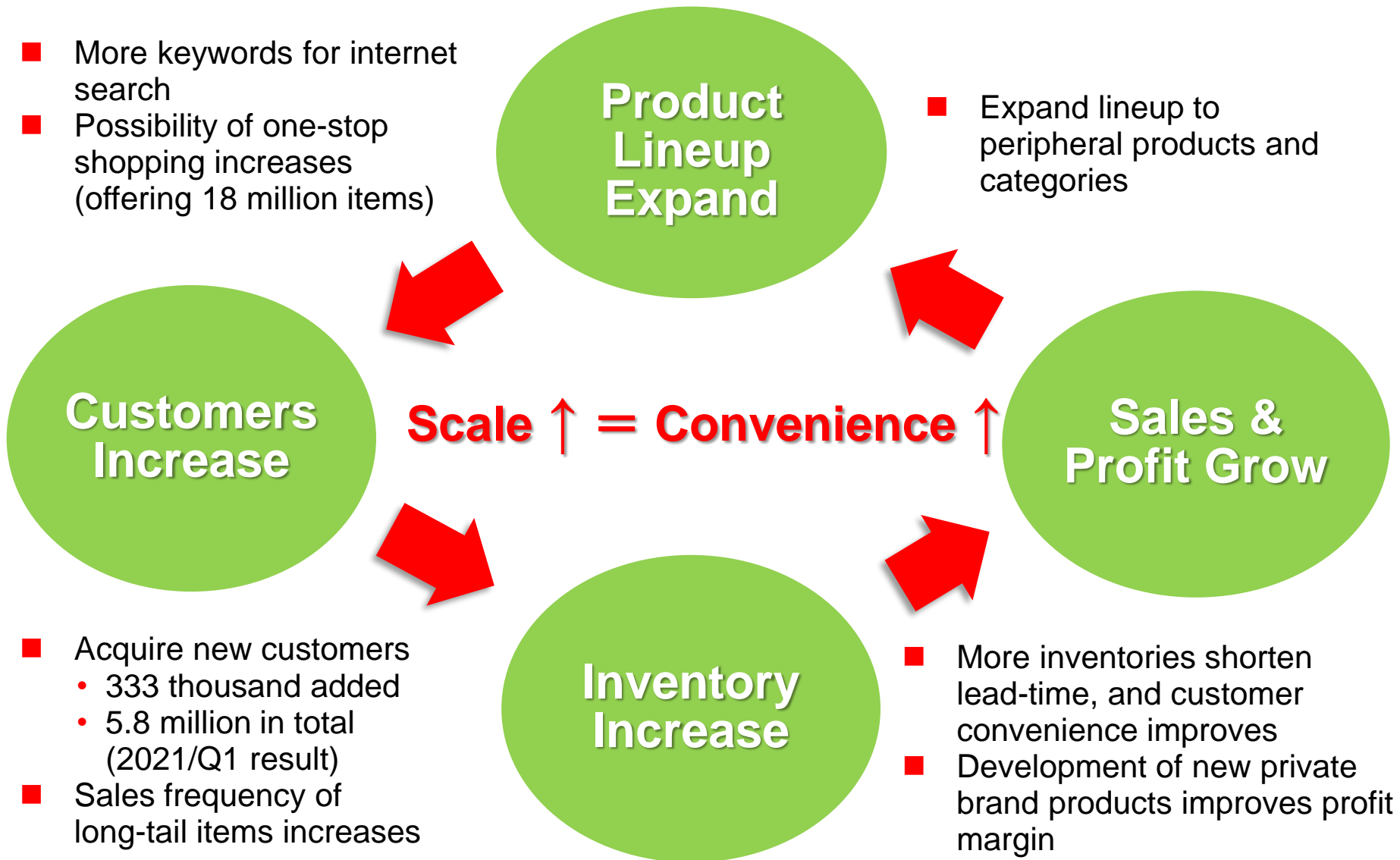
- Promotions optimized by industry categories for more effectiveness and efficiency



5. Procurement

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

7-1. (Non-consol.) 2021Q1 Financial Result P/L Outline 1/3

	Jan.-Mar. 2020 Result		Jan.-Mar. 2021 Plan		Jan.-Mar. 2021 Result			
	Amount (million JPY)	Ratio to Sales	Amount (million JPY)	Ratio to Sales	Amount (million JPY)	Ratio to Sales	YonY	vs Plan
Sales	35,585		44,931		44,393		+24.8%	△1.2%
Large Corp.	6,448	18.1%	8,352	18.6%	9,190	20.7%	+42.5%	+10.0%
Gross Profit	10,171	28.6%	12,948	28.8%	12,951	29.2%	+27.3%	+0.0%
SG&A Exp.	5,531	15.5%	7,022	15.6%	6,858	15.5%	+24.0%	△2.3%
Operating Income	4,640	13.0%	5,925	13.2%	6,092	13.7%	+31.3%	+2.8%
Current Income	4,633	13.0%	5,919	13.2%	6,155	13.9%	+32.8%	+4.0%
Net Income (Tax Rate)	3,231 (30.3%)	9.1%	4,108 (30.6%)	9.1%	4,268 (30.6%)	9.6%	+32.1%	+3.9%

7-2. (Non-consol.) 2021Q1 Financial Result P/L Outline 2/3 vs.Last Year

	2020Q1 Result (A)		2021Q1 Result (B)		Difference (B-A)		
	Amount (mil.JPY)	Sales Ratio	Amount (mil.JPY)	Sales Ratio			
Sales	35,585	—	44,393	—	Amount (mil.JPY)	+8,807	<ul style="list-style-type: none"> Sales of both monotaro.com and Large Corp. Business grew due to increases in sales per order and in customer number. Large Corp. Business started recovering from effects of COVID-19 in Dec. 2020 and maintained high growth (+42.5%). Royalty income increased.
					YonY	+24.8%	
					Sales Ratio	—	
Gross Profit	10,171	28.6%	12,951	29.2%	Amount (mil.JPY)	+2,779	<ul style="list-style-type: none"> Product GP ratio increased (+0.3pt.: due to increase in GP% of NB/domestic product, to increase in sales share of PB/imported product, and to strong JPY/COGS base, despite higher sales share of Large Corp. Bus.). Royalty income increased. Delivery Cost ratio stays at same level as 2020Q1.
					YonY	+27.3%	
					Sales Ratio	+0.6%	
SG&A Exp.	5,531	15.5%	6,858	15.5%	Amount (mil.JPY)	+1,327	<ul style="list-style-type: none"> Labor Expense Ratio decreased (Δ0.2pt.: due mainly to sales increase). Facility Rent Expense ratio decreased (Δ0.1pt.: due to decrease in outside warehouse rent as Ibaraki Chuo SC launched). Advertising Expense ratio decreased (Δ0.1pt.: due mainly to decrease in catalog production cost ratio). Mailing Expense ratio decreased (Δ0.1pt.: due mainly to decrease in catalog shipping cost ratio). Logistic Equipment Cost ratio increased (+0.2pt.: due to preparation for launching Ibaraki Chuo SC). Outsourcing Expense ratio increased (+0.2pt.: due to increase in hourly wage of temporary staff for logistic operations), etc.
					YonY	+24.0%	
					Sales Ratio	+0.0%	
Operating Income	4,640	13.0%	6,092	13.7%	Amount (mil.JPY)	+1,452	<ul style="list-style-type: none"> GP ratio improved, and hence Operating Income ratio/sales ratio improved.
					YonY	+31.3%	
					Sales Ratio	+0.7%	
Net Income (Tax Rate)	3,231 (30.3%)	9.1%	4,268 (30.6%)	9.6%	Amount (mil.JPY)	+1,037	<ul style="list-style-type: none"> Operating Income ratio increased (+0.7pt.), but Net Income ratio remains at +0.5pt. due to increase in corporate tax rate (resulted from negative adjustment of FY2019 tax reflected in 2020Q1 result).
					YonY	+32.1%	
					Sales Ratio	+0.5%	

7-3. (Non-consol.) 2021Q1 Financial Result P/L Outline 3/3 vs.Plan

	2020Q1 Plan (A)		2021Q1 Result (B)		Difference (B-A)		
	Amount (mil.JPY)	Sales Ratio	Amount (mil.JPY)	Sales Ratio			
Sales	44,931	—	44,393	—	Amount (mil.JPY)	△537	<ul style="list-style-type: none"> monotaro.com: Although recovering from effects of COVID-19, plan not attained. Large Corp. Business: Recovered from COVID-19 in Dec. 2020 and, not affected by state of emergency declared in Jan. 2021, went beyond sales growth projected in plan (+10.0%). Royalty amount went beyond plan.
					vs Plan	△1.2%	
					Sales Ratio	—	
Gross Profit	12,948	28.8%	12,951	29.2%	Amount (mil.JPY)	+3	<ul style="list-style-type: none"> Product GP ratio stays at same level as plan (although Large Corp. Business sales share increased and domestic product GP% decreased, imported products GP% increased). Royalty income increased. Delivery Cost ratio improved (+0.3pt.: due to increase in sales per order).
					vs Plan	+0.0%	
					Sales Ratio	+0.4%	
SG&A Exp.	7,022	15.6%	6,858	15.5%	Amount (mil.JPY)	△163	<ul style="list-style-type: none"> Outsourcing Expense ratio decreased (△0.3pt.: due to decrease in load of logistic operation per order resulted from higher sales per order). Depreciation Expense ratio increased (+0.1pt.: due to launch of new Ibaraki Chuo SC ahead of original schedule). Facility Rent Expense ratio increased (+0.1pt.: due to renting extra warehouses in response to unplanned-temporary increase in arrivals of products in DC), etc.
					vs Plan	△2.3%	
					Sales Ratio	△0.1%	
Operating Income	5,925	13.2%	6,092	13.7%	Amount (mil.JPY)	+166	<ul style="list-style-type: none"> Both GP ratio and SG&A Expense ratio improved; therefore, Operating Income ratio/sales ratio improved.
					vs Plan	+2.8%	
					Sales Ratio	+0.5%	
Net Income (Tax Rate)	4,108 (30.6%)	9.1%	4,268 (30.6%)	9.6%	Amount (mil.JPY)	+159	<ul style="list-style-type: none"> Operating Income ratio increased (+0.5pt.), and ratio of Net Income increased by same degree.
					vs Plan	+3.9%	
					Sales Ratio	+0.5%	

7-4. (Non-consol.) 2021Q1 Financial Result B/S Outline

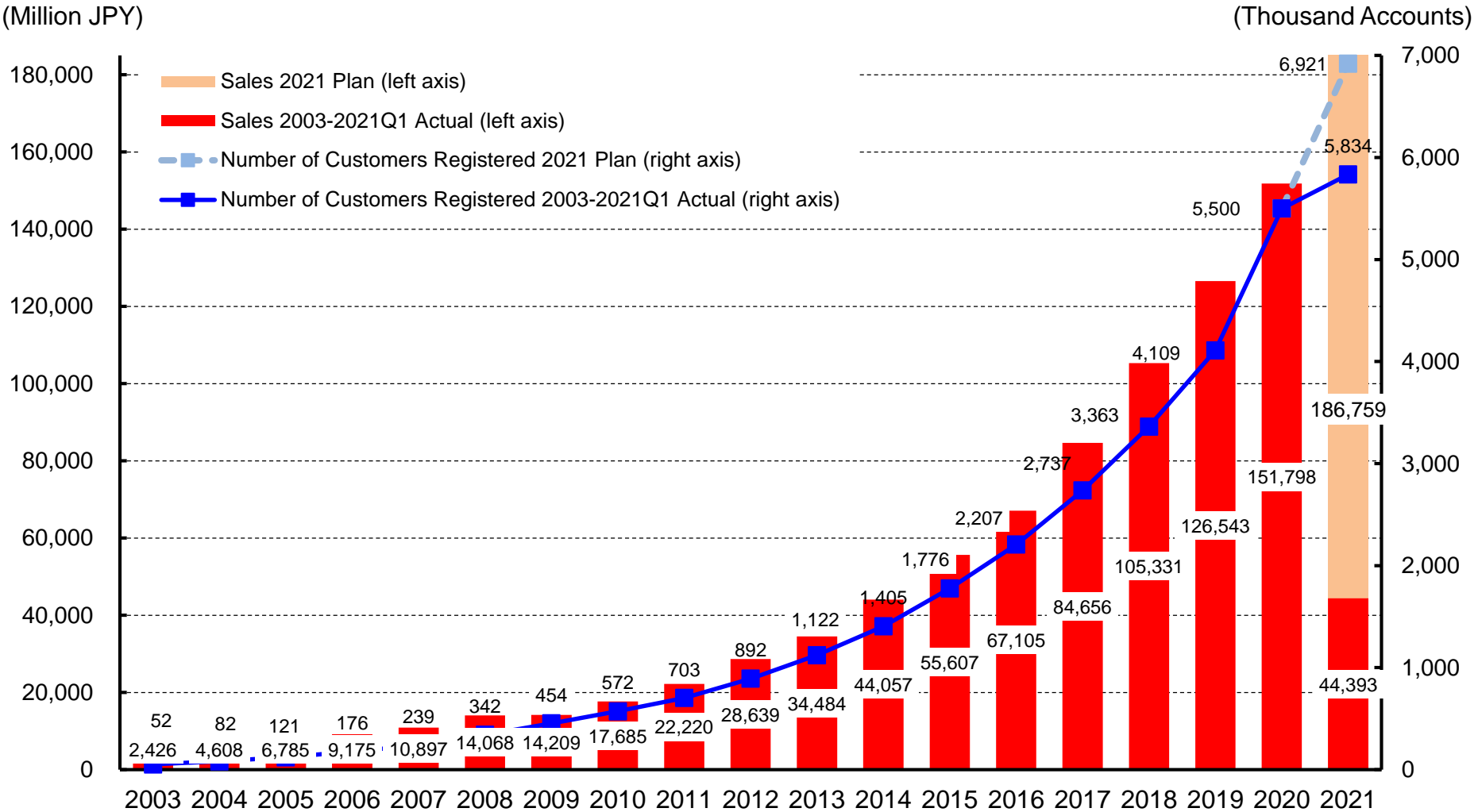
		Mar. 2020	Dec. 2020	Mar. 2021	
		Million JPY	Million JPY	Million JPY	Ratio
Assets					
	Cash	8,378	16,691	7,457	9.0%
	Accounts Receivable	16,323	18,129	20,325	24.6%
	Inventory	10,589	11,296	11,935	14.5%
	Other	4,625	5,154	5,087	6.2%
Total Current Asset		39,917	51,271	44,805	54.2%
	Tangible Fixed Asset (*Note 1)	12,349	19,052	26,219	31.7%
	Intangible Fixed Assets	3,297	4,008	4,760	5.8%
	Other	5,708	6,629	6,808	8.2%
Total Fixed Asset		21,355	29,690	37,787	45.8%
Total Assets		61,273	80,962	82,592	

*Note 1: Increase in Tangible Fixed Asset from Mar. 2020 to Mar. 2021 by 13,800 mil. JPY includes 7,400 mil. JPY of Ibaraki Chuo SC (launched in Mar. 2021) and 6,700 mil. JPY of Inagawa DC (not launched yet: Construction in Progress).

		Mar. 2020	Dec. 2020	Mar. 2021	
		Million JPY	Million JPY	Million JPY	Ratio
Liabilities					
	Accounts Payable	10,795	11,165	14,051	17.0%
	Short-term Debt & etc. (*Note 2)	1,498	—	—	0.0%
	Others	6,898	10,644	7,328	8.9%
Total Current Liabilities		19,192	21,810	21,379	25.9%
Total Long term Liabilities		1,705	11,013	11,152	13.5%
Total Liabilities		20,897	32,823	32,532	39.4%
Net Assets					
Shareholder's Equity		40,324	48,066	49,975	60.5%
Others		50	72	84	0.1%
Total Net Assets		40,375	48,138	50,059	60.6%
Total Liabilities & Net Assets		61,273	80,962	82,592	

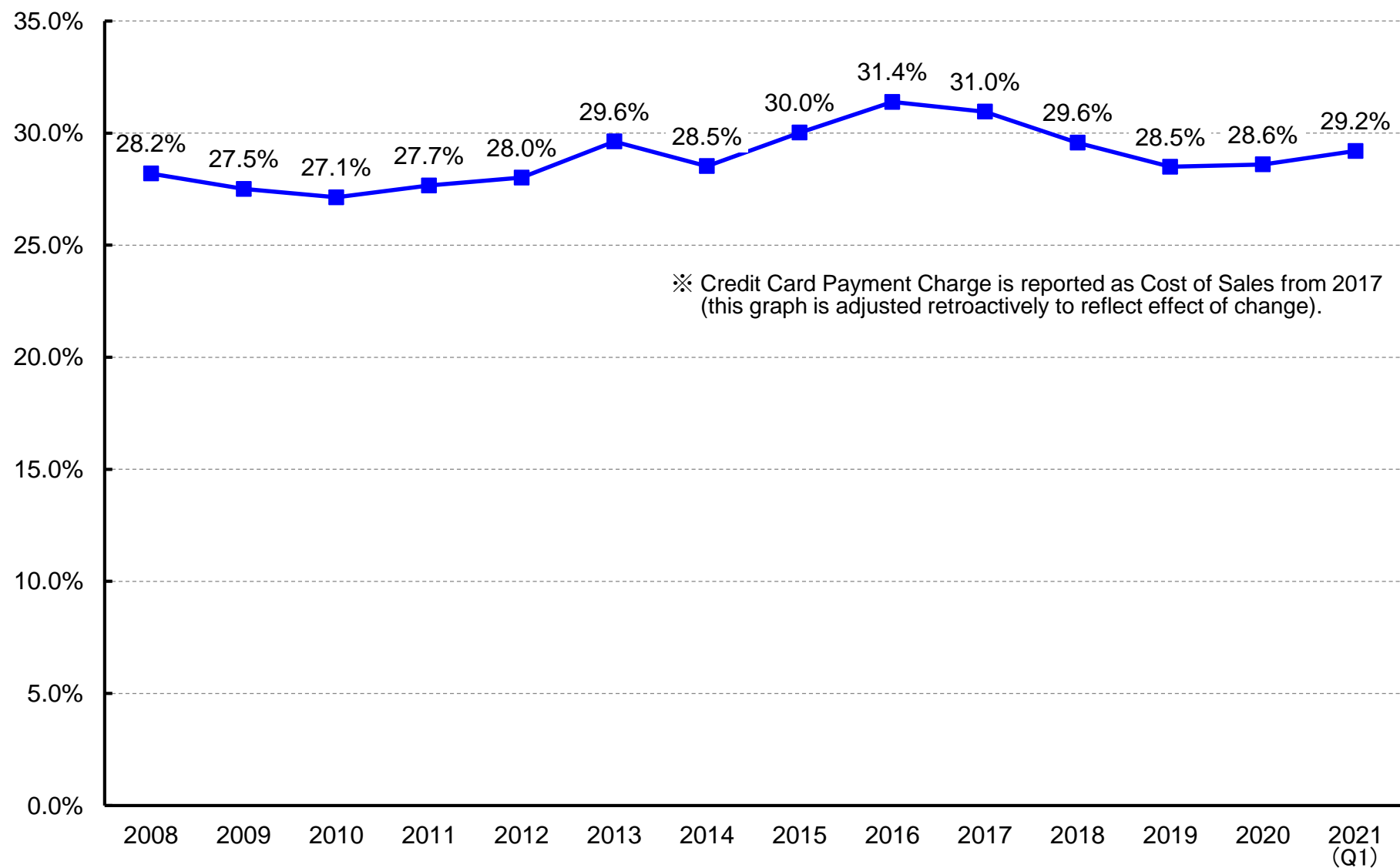
*Note 2: Short-term Debt & etc. includes short-term debt & current portion of long-term debt.

7-5. (Non-consol.) Progress - Sales & Customer

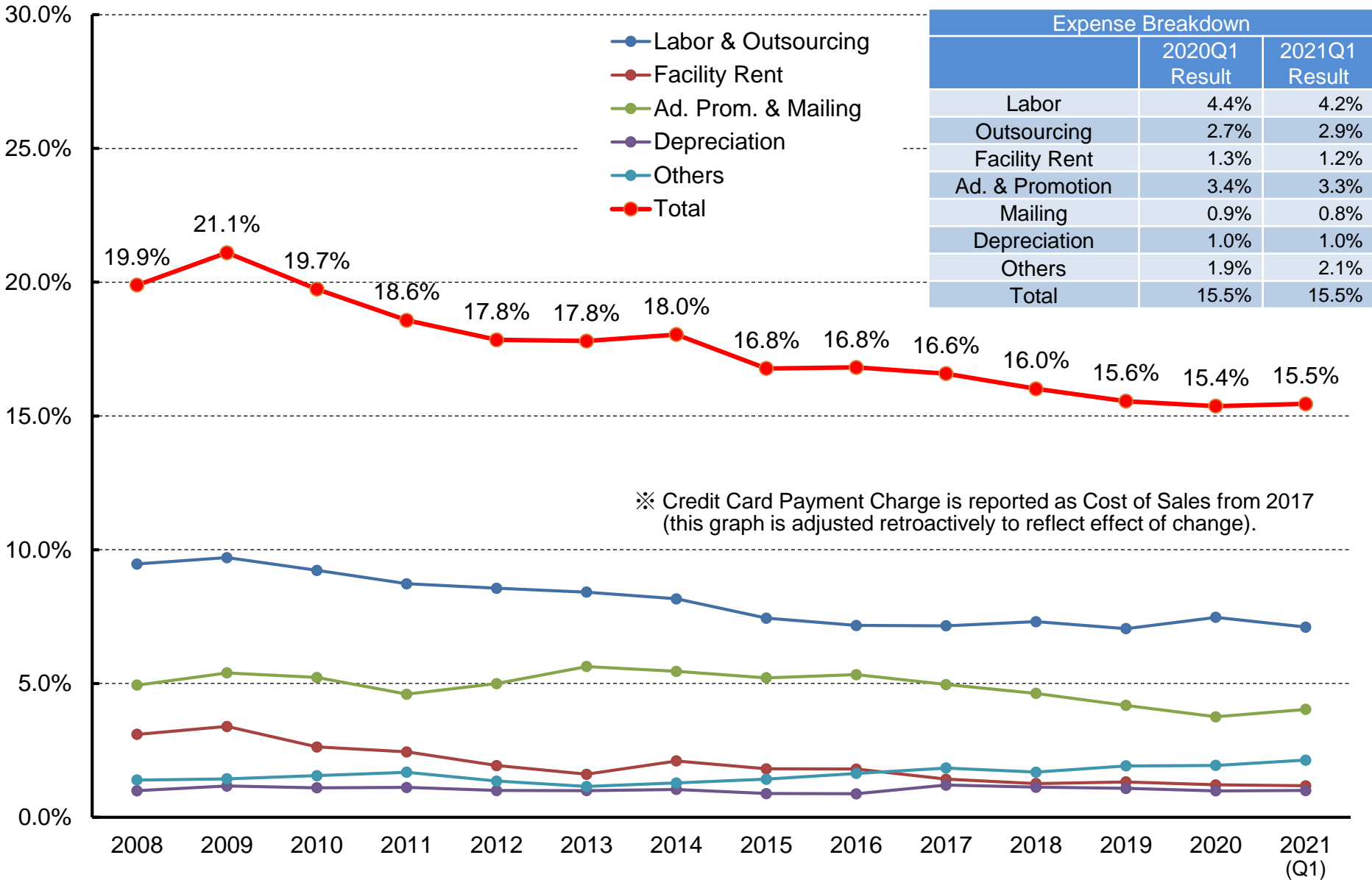


	Dec. 2020	Mar. 2021	Dec. 2021 (Plan)
Number of Customers (Registered Accounts)	5,500,774	5,834,594	6,921,874
		+333,820 (vs. Dec. 2020)	+1,421,100 (vs. Dec. 2020)

7-6. (Non-consol.) Progress - Gross Profit



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



8-1. (Consol.) 2021Q1 Financial Result P/L Outline 1/2

	Jan.-Mar. 2020 Result		Jan.-Mar. 2021 Plan		Jan.-Mar. 2021 Result			
	Amount (million JPY)	Ratio to Sales	Amount (million JPY)	Ratio to Sales	Amount (million JPY)	Ratio to Sales	YonY	vs Plan
Sales	36,933		46,523		46,017		+24.6%	△1.1%
Gross Profit	10,470	28.4%	13,318	28.6%	13,311	28.9%	+27.1%	△0.1%
SG&A Exp.	5,965	16.2%	7,506	16.1%	7,301	15.9%	+22.4%	△2.7%
Operating Income	4,504	12.2%	5,812	12.5%	6,009	13.1%	+33.4%	+3.4%
Current Income	4,506	12.2%	5,829	12.5%	6,083	13.2%	+35.0%	+4.4%
Net Income (Tax Rate)	3,103 (31.1%)	8.4%	4,017 (31.1%)	8.6%	4,195 (31.0%)	9.1%	+35.2%	+4.4%
Net Income attributable to owners of the parent	3,166	8.6%	4,064	8.7%	4,240	9.2%	+33.9%	+4.3%

8-2. (Consol.) 2021Q1 Fin. Result P/L Outline 2/2 Overseas Subsidiary

■ NAVIMRO (South Korea)

- Sales plan attained due to new customer acquisition (plan attained) and increase in numbers of inventory and total items.
- Profit plan attained due to improvements in GP% (higher PB sales) and in SG&A%.

	2020Q1 Result			2021Q1 Plan			2021Q1 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	1,220	+10.3%	+18.5%	1,410	+15.8%	+16.6%	1,500	+22.9%	+6.1%	+17.8%	+1.0%
Op.Income	20	—	—	10	△30.9%	△30.5%	30	+74.6%	+152.8%	+67.2%	+140.6%
Net Income x Share(*1)	20	—	—	10	△36.2%	△35.8%	30	+68.3%	+163.7%	+61.2%	+151.0%

■ MONOTARO INDONESIA (Indonesia)

- New customer acquisition and sales decreased from last year due to rebound of unusually higher customer acquisition and demand expansion in 2020Q1 (effect of COVID-19) and due to effect of system replacement in Dec. 2020. Sales plan not achieved, but loss is about within plan.

	2020Q1 Result			2021Q1 Plan			2021Q1 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	120	+51.7%	+53.7%	110	△9.6%	△5.9%	80	△29.3%	△21.8%	△27.4%	△22.9%
Op.Income	△80	—	—	△70	—	—	△60	—	—	—	—
Net Income x Share(*1)	△40	—	—	△30	—	—	△30	—	—	—	—

■ IB MONOTARO (India)

- Sales plan not attained due to higher ratio of cancellation and returns of orders (cancellations and returns tend to improve). Loss is about within plan.

	2020Q1 Result			2021Q1 Plan			2021Q1 Result				
	Amount (mil.JPY)	YonY	YonY (Local Currency)	Amount (mil.JPY)	YonY	YonY (Local Currency)	Amount (mil.JPY)	YonY	vs Plan	YonY (Local Currency)	vs Plan (Local Currency)
Gross Merchandise Value	—	—	—	100	(*) —	(*) —	80	(*) —	△17.8%	(*) —	△20.6%
Sales	—	—	—	60	—	—	50	—	△17.1%	—	△19.9%
Op.Income	—	—	—	△40	—	—	△40	—	—	—	—
Net Income x Share(*1)	—	—	—	△10	—	—	△10	—	—	—	—

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

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

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

8-3. (Consol.) 2021Q1 Financial Result B/S Outline

	Mar. 2020	Dec. 2020	Mar. 2021	
	Million JPY	Million JPY	Million JPY	Ratio
Assets				
Cash	9,273	18,843	9,988	12.0%
Accounts Receivable	16,480	18,267	20,475	24.6%
Inventory	11,041	11,874	12,592	15.1%
Other	4,754	5,278	5,238	6.3%
Total Current Asset	41,550	54,264	48,294	58.0%
Tangible Fixed Asset	12,379	19,086	26,253	31.6%
Intangible Fixed Assets	3,445	4,829	5,613	6.7%
Other	2,751	3,081	3,040	3.7%
Total Fixed Asset	18,575	26,998	34,907	42.0%
Total Assets	60,126	81,263	83,201	

	Mar. 2020	Dec. 2020	Mar. 2021	
	Million JPY	Million JPY	Million JPY	Ratio
Liabilities				
Accounts Payable	11,182	11,643	14,496	17.4%
Short-term Debt & etc.	1,498	—	—	0.0%
Others	7,072	10,898	7,582	9.1%
Total Current Liabilities	19,754	22,542	22,078	26.5%
Total Long term Liabilities	1,741	11,062	11,214	13.5%
Total Liabilities	21,495	33,604	33,293	40.0%
Net Assets				
Shareholder's Equity	38,365	46,805	48,686	58.5%
Others	265	852	1,221	1.5%
Total Net Assets	38,630	47,658	49,908	60.0%
Total Liabilities & Net Assets	60,126	81,263	83,201	

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

8-4. (Consol.) 2021Q1 Financial Result C/F Outline

		Jan. – Mar. 2020 Result	Jan. – Mar. 2021 Result
		Million JPY	Million JPY
Cash Flow from Operating Activity			
	Net Income before Tax	4,506	6,077
	Increase or Decrease in Accounts Receivable (Δ = increase)	$\Delta 2,021$	$\Delta 2,200$
	Increase or Decrease in Inventory (Δ = increase)	486	$\Delta 696$
	Increase or Decrease in Accounts Payable (Δ = decrease)	1,381	2,838
	Tax payment	$\Delta 2,633$	$\Delta 4,000$
	Others	855	$\Delta 816$
	Total	2,576	1,201
Cash Flow from Investing Activity			
	Acquisition of Tangible Assets	$\Delta 572$	$\Delta 6,360$
	Acquisition of Intangible Assets	$\Delta 281$	$\Delta 916$
	Others	59	(*Note) $\Delta 1,657$
	Total	$\Delta 795$	$\Delta 8,934$
Cash Flow from Financing Activity			
	Long-term Loans Payable	—	—
	Repayments of Long-term Loans	$\Delta 1,000$	—
	Repayments of Lease Obligations	$\Delta 657$	$\Delta 662$
	Cash Dividends Paid	$\Delta 1,842$	$\Delta 2,339$
	Others	—	212
	Total	$\Delta 3,500$	$\Delta 2,789$
Currency Exchange Adjustment		$\Delta 92$	71
Net Increase or Decrease in Cash and Cash Equivalent (Δ = decrease)		$\Delta 1,812$	$\Delta 10,451$
Cash and Cash Equivalent at Beginning of Period		10,746	18,767
Cash and Cash Equivalent at End of Period		8,933	8,316

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

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

	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 (Tax Rate)	13,139 (30.6%)	8.7%	17,365 (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 (Tax Rate)	8,487 (30.6%)	9.4%	+27.4%	8,878 (30.6%)	9.2%	+37.1%

9-2. (Consol.) 2021 Business Plan P/L Outline

	2020 Result		2021 Plan			
	Amount (mil.JPY)	Ratio to Sales	Amount (mil.JPY)	Ratio to Sales	YonY	
Sales	157,337		194,220		+23.4%	
Gross Profit	44,694	28.4%	55,565	28.6%	+24.3%	
SG&A Exp.	25,086	15.9%	30,887	15.9%	+23.1%	
Operating Income	19,607	12.5%	24,678	12.7%	+25.9%	
Current Income	19,671	12.5%	24,738	12.7%	+25.8%	
Net Income (Tax Rate)	13,473 (30.8%)	8.6%	17,067 (31.0%)	8.8%	+26.7%	
Net Income attributable to owners of the parent	13,771	8.8%	17,273	8.9%	+25.4%	
	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 (Tax Rate)	8,330 (31.0%)	8.8%	+29.8%	8,737 (31.0%)	8.7%	+23.9%
Net Income attributable to 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%

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

- BtoB Online E-commerce (monotaro.com)
 - Expanding Customer Base and Improving Customer Lifetime Value
 - Acquired 333 thou. new accounts in 2021Q1 (FY2021 plan: 1.42 mil.).
 - Continuing to focus on BtoB business and to work on “Innovating Business Procurement Network.”
 - Improving “Customer Lifetime Value” (appropriate resource allocation for product listing ads 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 adjusted 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

- 2021Q1 Result
 - Demands from large corp. customers recovered from COVID-19 in Dec. 2020 (below plans in Apr. – Nov. 2020, above plan in Dec. 2020). Sales plan for 2021 reflects growth observed in Jan. 2021.
 - Sales in 2021Q1 grew beyond growth reflected in plan due mainly to higher sales per order.

2020Q1 Result			2021Q1 Plan			2021Q1 Result			
Mil. JPY	YonY	/Total Sales	Mil. JPY	YonY	/Total Sales	Mil. JPY	vs. Plan	YonY	/Total Sales
6,448	40.4%	18.1%	8,352	+29.5%	18.6%	9,190	+42.5%	+10.0%	20.7%

	Dec. 2020 End Result		Mar. 2021 End Result			
	No. Corp.		No. Corp.		vs Dec. 2020 End	Remarks
Total number of corporations	1,237		1,400		+163	
One Source	14		14		+0	2 considering
One Source Lite	(*Note) 692		824		+132	436 considering

*Note: Correction of 2020Q4 result: 2020Q4 result was stated as 744 corp. in “Presentation Material for FY2020 Result” disclosed on Feb. 2, 2021; however, 692 corp. is correct number.

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

■ Consulting/Royalty Business

- Parent company Grainger's Zoro business (US & UK) sustains sales growth while improving GP and SG&A Expense ratios.
- Royalty income in 2021Q1 increased from 2020Q1 and plan.

■ Strengthening Marketing and System Development Skills based on Data Science

- Expanding customer acquisition through SEM (allocating resources for maximizing customer lifetime value) and SEO (timely and accurate response to changes in search engine algorithms).
- Expanding usages by existing customers through improving "easiness of finding" products (improving search functions for showing search results and recommendations for each individual customer) and improving the "easy to use" of sales sites (continuous sales site improvement through dialogues with customers).

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

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

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

■ Distribution-related Cost Ratio 2021Q1 Result: 6.0%

- vs. 2020Q1: +0.1 pt.
 - Facility Rent Expense ratios decreased (due to sales increase and to launch of Ibaraki Chuo SC), but Labor & Outsourcing Expense ratio (due to higher hourly wage rate of temporally staff) and Other Expense ratio (due mainly to preparation for launching Ibaraki Chuo SC) increased.
- vs. Plan: Δ 0.1 pt.
 - Increases in Depreciation Expense ratio (due to launch of new Ibaraki Chuo SC ahead of original schedule) and in Facility Rent Expense ratio (due to renting extra warehouses in response to unplanned-temporary increase in arrival of products), but more decrease in Labor and Outsourcing Expenses ratios (due to decrease in load of logistic operations per order resulted from higher sales per order).




■ Inventory

- As of Mar. 31, 2021: 489 thou. items.
- Plan at Dec. 31, 2021: 480 thou. items.
 - Including review of inventory items for changes in demand (about 50 thou. items).

	2020Q1 Result		2021Q1 Plan		2021Q1 Result			
	Amount (mil.JPY)	Ratio to Sales	Amount (mil.JPY)	Ratio to Sales	Amount (mil.JPY)	Ratio to Sales	YonY	vs Plan
Sales (Non Consolidated)	35,585		44,931		44,393		+24.8%	Δ 1.2%
Depreciation	223	0.6%	232	0.5%	273	0.6%	+22.1%	+17.4%
Labor & Outsourcing	1,107	3.1%	1,608	3.6%	1,468	3.3%	+32.7%	Δ 8.7%
Facility Rent	412	1.2%	419	0.9%	438	1.0%	+6.3%	+4.6%
Others	338	1.0%	479	1.1%	482	1.1%	+42.6%	+0.5%
Total	2,082	5.9%	2,740	6.1%	2,663	6.0%	+27.9%	Δ 2.8%

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

■ 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 49,000㎡	Total about 162,000㎡	
Inventory Capa.		20K-30K SKU, high demand products	Total 500K SKU	
Start Operation		Mar. 2021	Phase 1 Plan Apr. 2022	Phase 2 Plan 2023Q3
Shipping Capacity		About 30K lines/day	About 90K lines/day	About 90K lines/day added (180K lines in total/day)
Invest/ Rent	Land	About 1.3 bil. JPY	_____	
	Constr.	About 6.1 bil. JPY	Add. construction about 1.2 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.)	
			_____	Ph.2: 1 Floor added: about 4.5 bil. JPY (2022-2031 including common service exp.)
	Facility	About 1.8 bil. JPY	About 8.0 bil. JPY (under examining)	_____
_____			About 6.6 bil. JPY (under examining)	
Remark		Main function is backyard. Having also function of shipping high-demand products.	Starting to rent 4 floors & hazardous goods warehouse in 2022. From 2023, 1 floor added and total 5 floors rented.	
Progress Status		Launched (March 2021)	Building under construction	
Picture		<div><p>Completion Photo</p></div>	<div><div><p>Completion Image</p></div><div><p>Progress Status</p></div></div>	

9-7. 2021 Strategy & Plan: P/L Plan Outline Overseas Subsidiary

■ NAVIMRO (South Korea)

- Increasing sales +20% vs. 2020 by expanding customer base and item & inventory number.
- 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)

- Planned to grow from 2020 much affected by COVID-19, but recovery seems slow.
- 2021 is year of fresh start toward profitability by recovering Indonesian business.

	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)

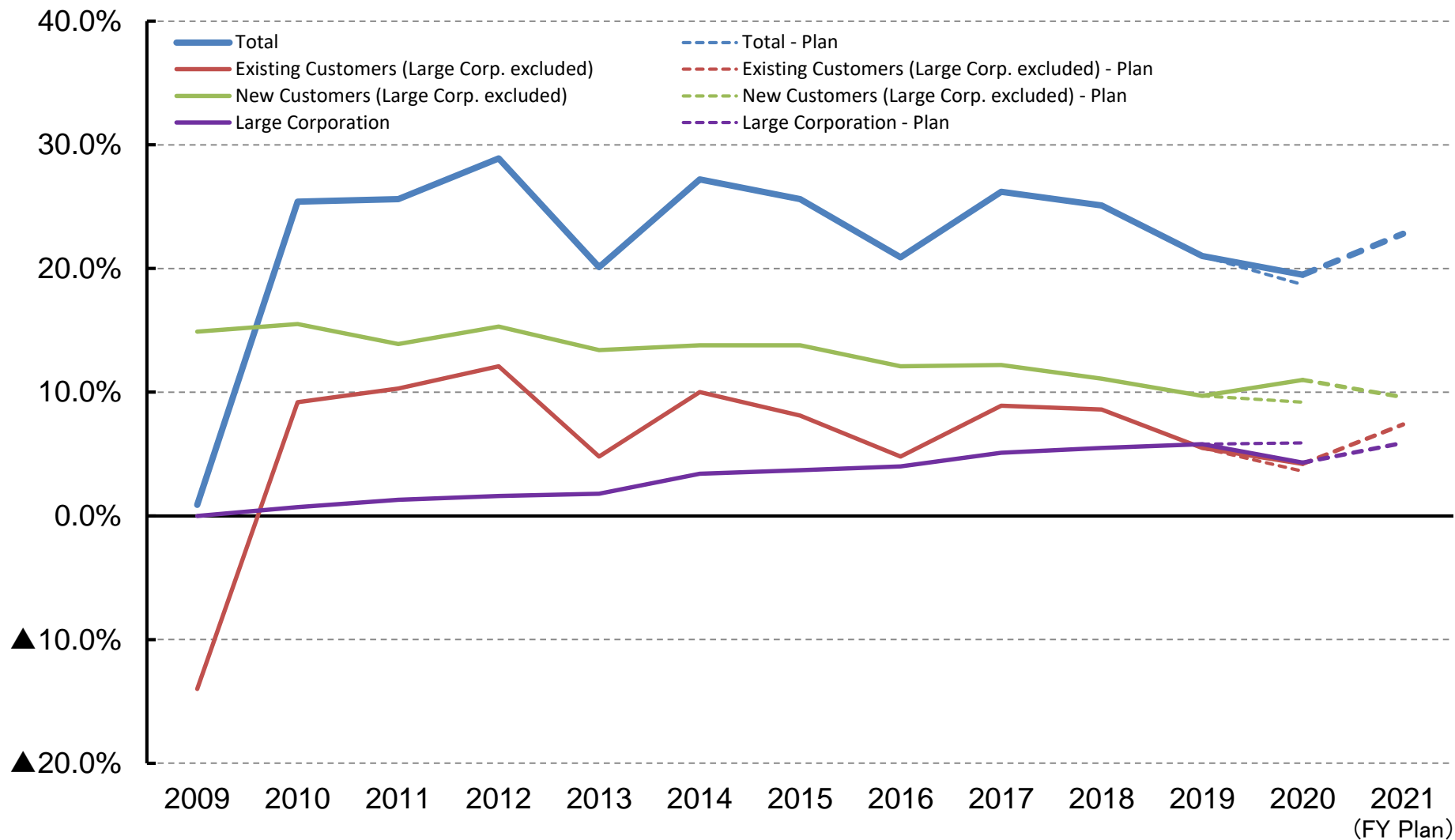
- At Dec. 31, 2020, only Balance Sheet consolidated (investment resolved in Sep. 2020).
- Started business as subsidiary in Jan. 2021.

	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.

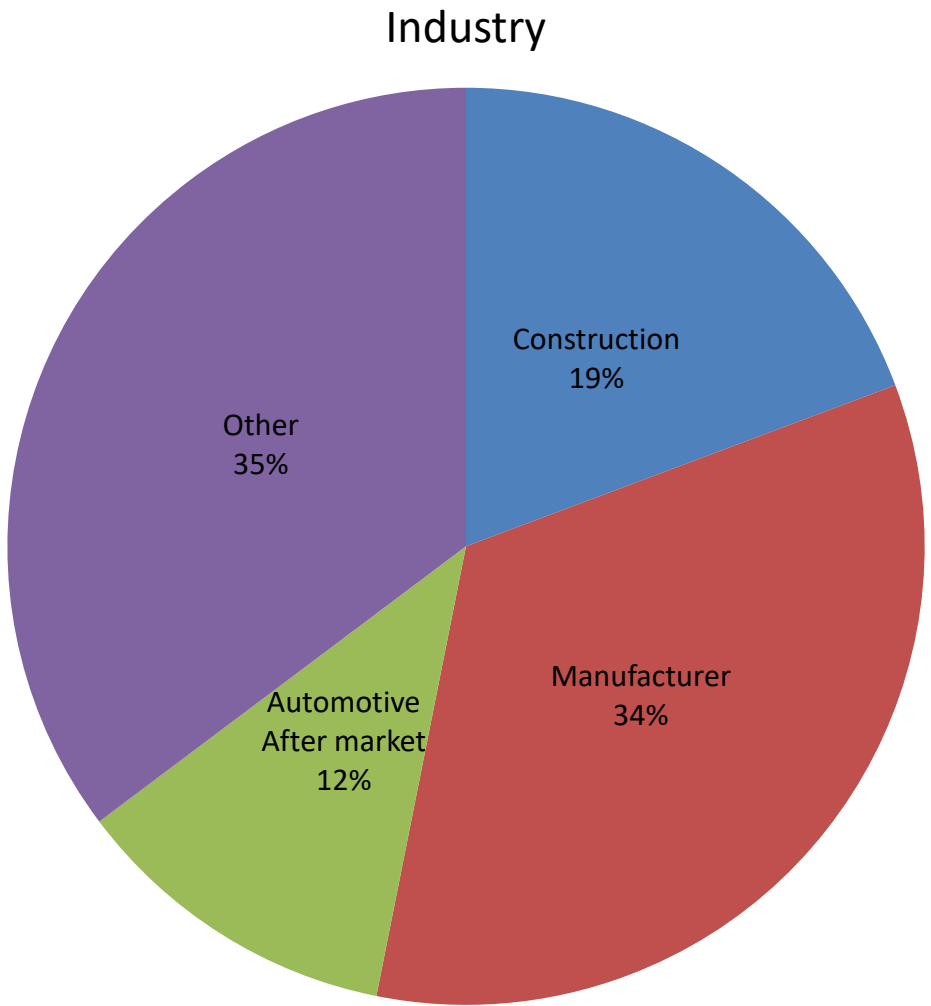
Note: Sales and profit/loss less than 10 million JPY are rounded down as shown in explanation material in Japanese language.

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



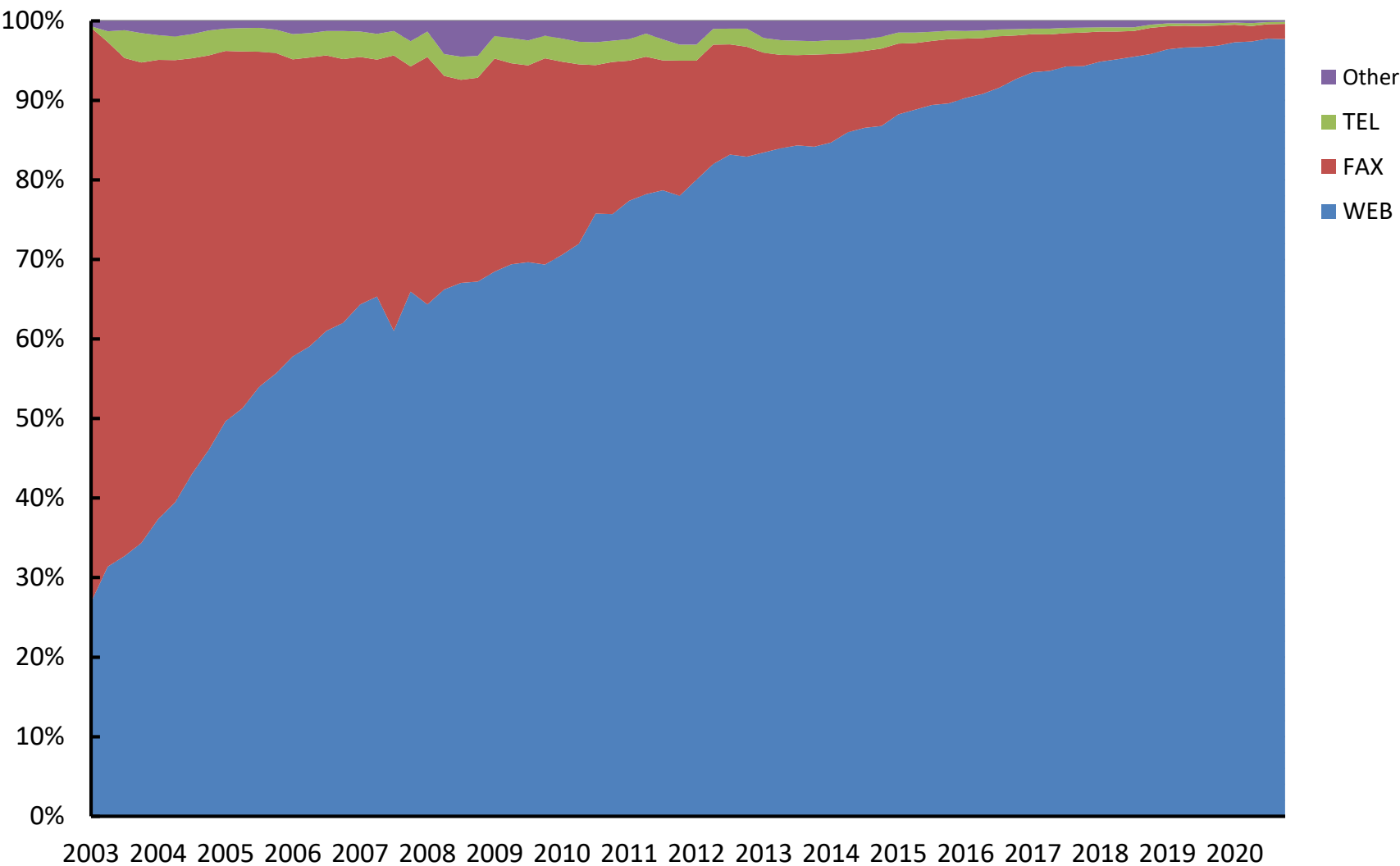
* 1: Contribution of each channel to growth of sales total in years above.
* 2: Large Corporation includes both new and existing customers.

Ref. 2. (Non-consol.) Customer Demographics

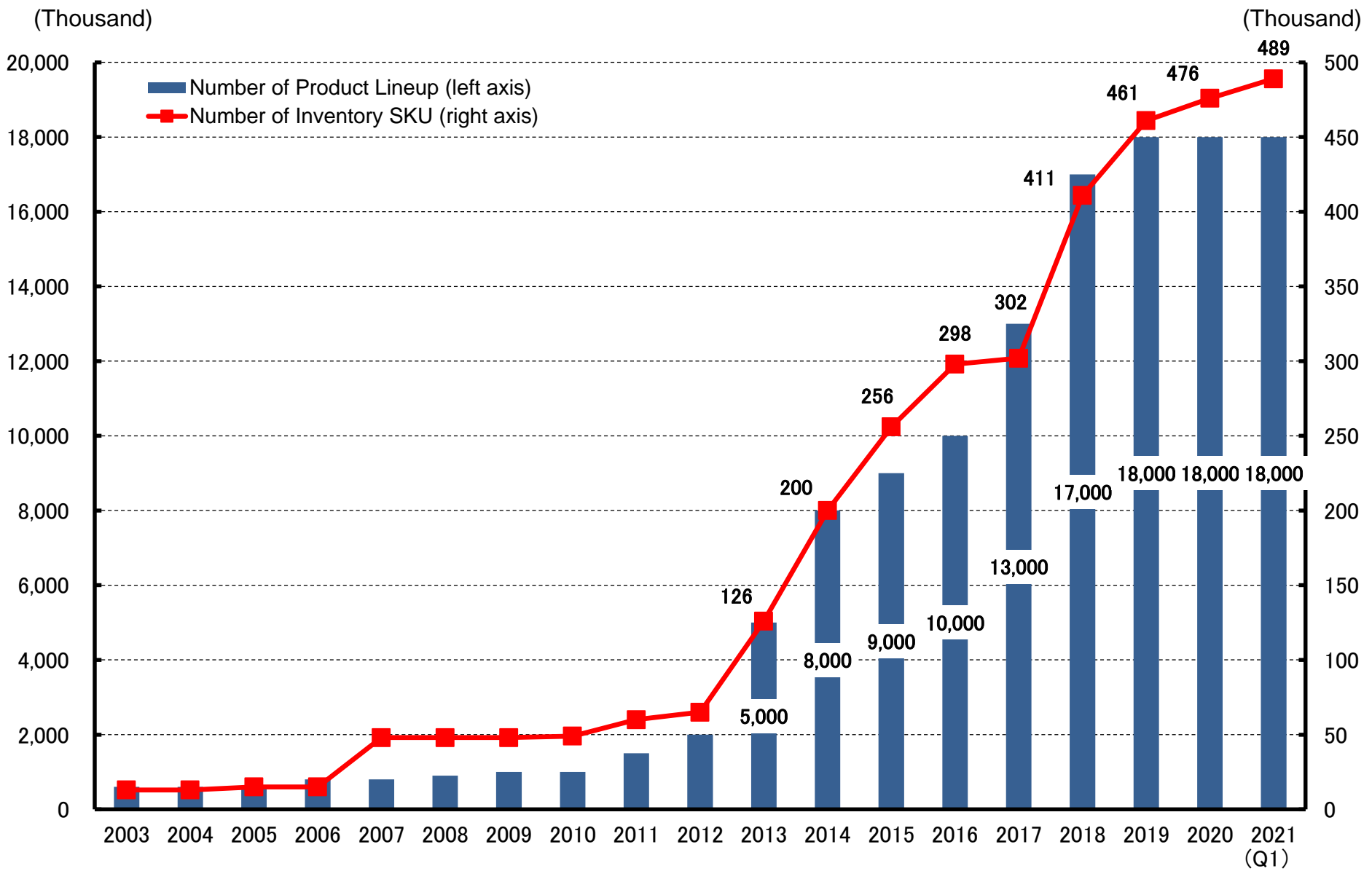


Ratio by sales amount in 2020
(Sales through Shopping website-excluding sales through API connection)

Ref. 3. (Non-consol.) Internet PO Ratio



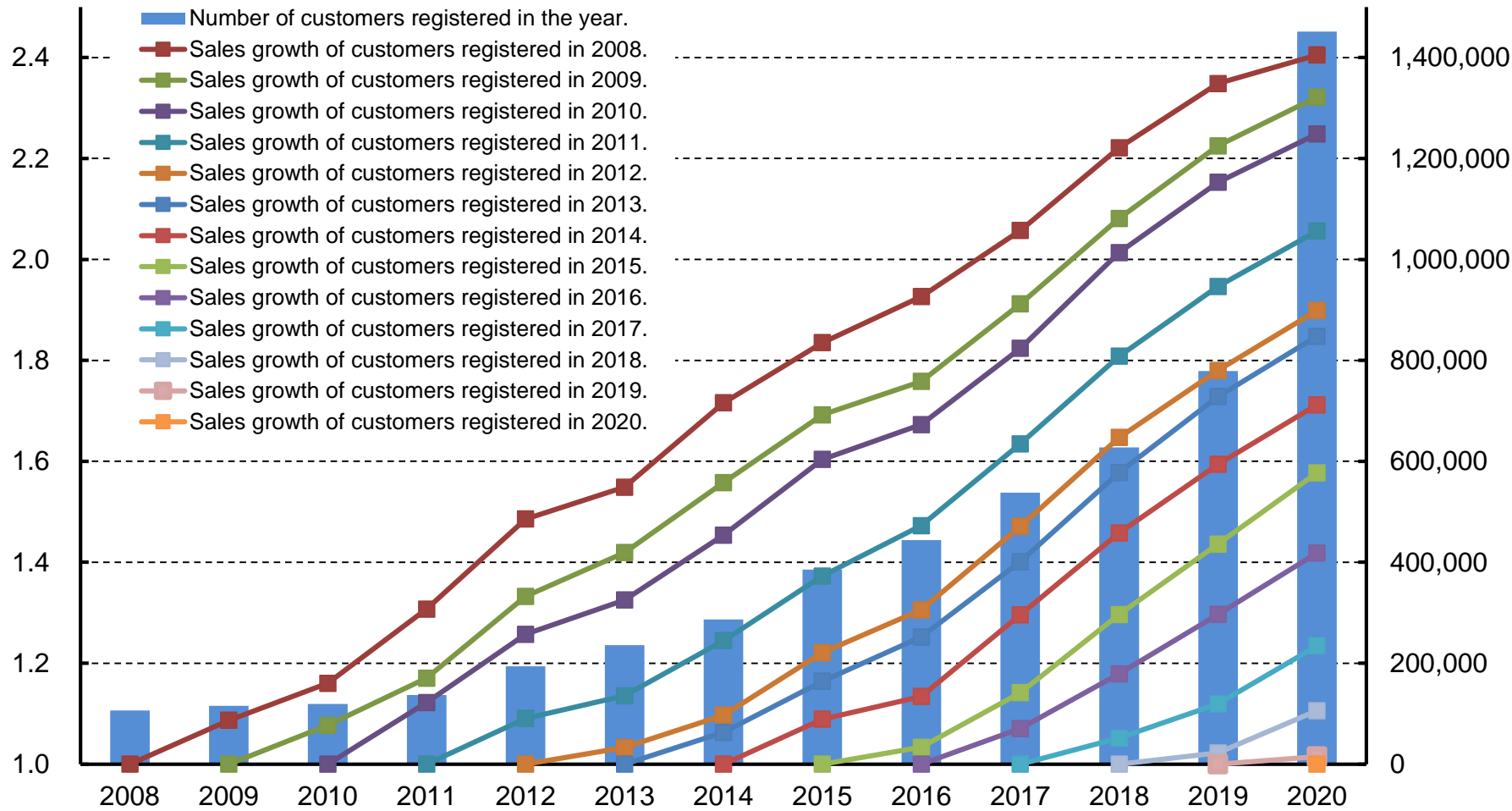
Ref. 4. (Non-consol.) Product Lineup & Inventory



Ref. 5. (Non-consol.) Sales Growth by Registered Year

(Growth Rate of Sales)

(Number of Registered Customers)

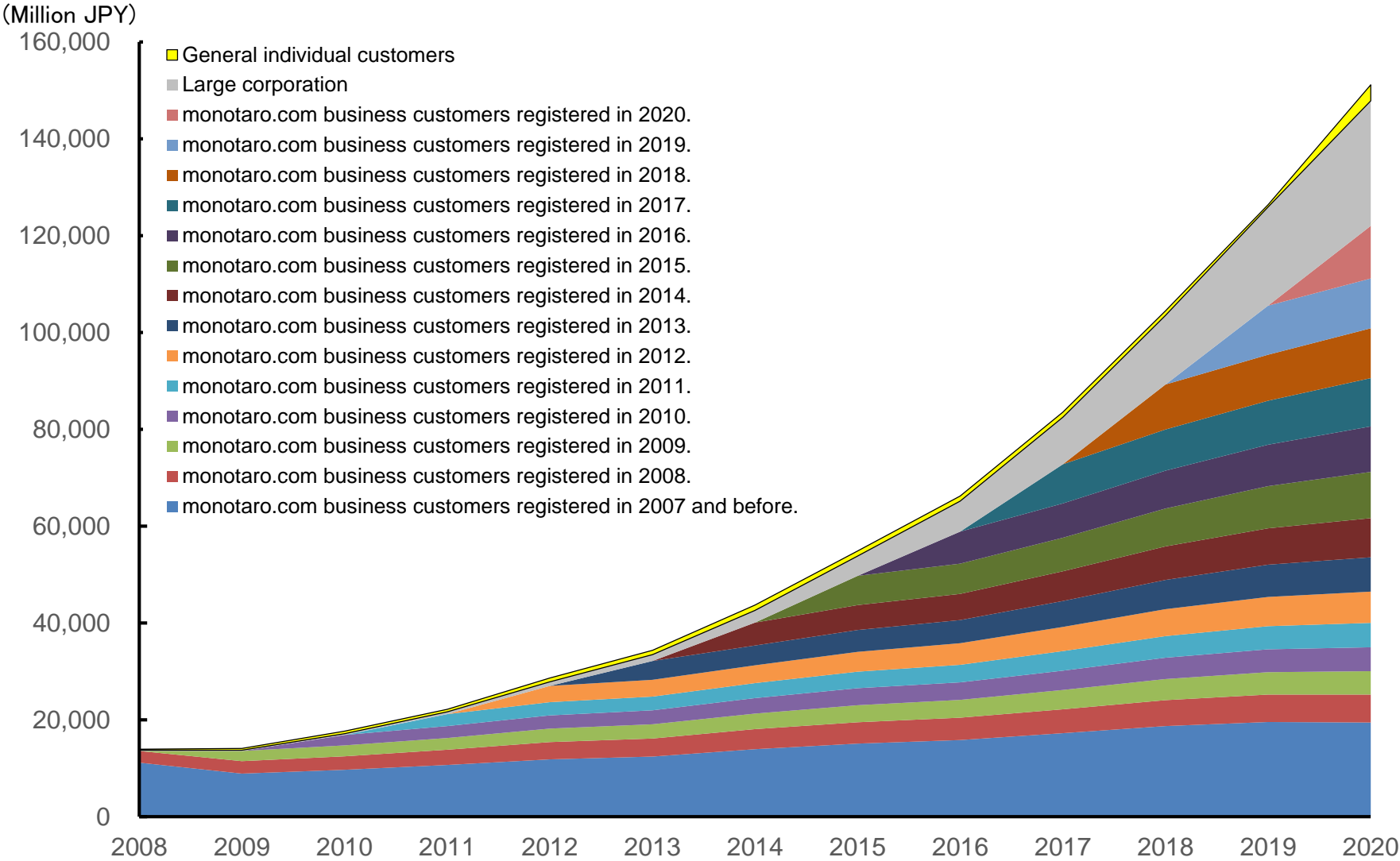


* 1: Bar chart (right axis) shows number of 'monotaro.com' customers registered in each year.

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

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

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

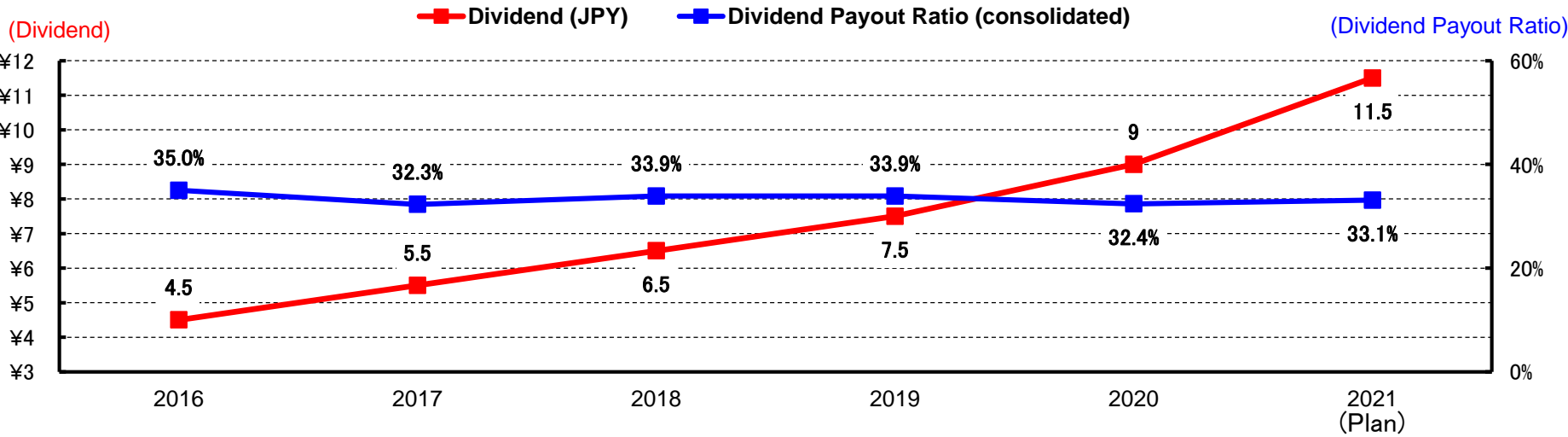


* 1: Sales of 'monotaro.com business customers' are sales of monotaro.com's business customers organized retroactively for each registration year based upon updated customer status at the end of 2020.
* 2: Sales of 'Large corporation' is total sales of large corporation customers based upon updated customer status at the end of 2020.
* 3: Sales of 'General individual customers' is total sales of monotaro.com's general individual customers and of IHC MonotaRO based upon updated customer status at the end of 2020 (IHC MonotaRO was closed and integrated into monotaro.com).

Dividend & Shareholder Benefit

■ Dividend

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



※ Amounts in graph above are based on share splits including one implemented on Apr. 1, 2021.

■ Shareholders' Benefit

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

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

Other MRO Market Players

Upper: Sales Lower: Operating Income		Fiscal Year					Change
		2007	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	430,000	+14.1%
		11,518	15,383	17,997	12,091	10,000	△13.2%
Trusco (9830) - (D)	Wholesaler	134,430	195,096	214,297	220,674	213,404	+58.7%
		9,120	14,276	14,364	13,797	11,017	+20.8%
Misumi (9962) - (M)	Retailer	126,668	312,969	331,936	313,337	309,000	+143.9%
		16,317	34,848	31,874	23,640	27,000	+65.5%
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	39,145	△24.0%
		1,343	728	928	836	190	△85.9%
Sugimoto (9932) - (M)	Wholesaler Retailer	41,461	44,315	45,417	43,890	40,365	△2.6%
		2,292	2,461	2,870	2,528	2,070	△9.7%
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	5,093	△33.4%
		190	92	80	17	△54	—
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 Apr. 29, 2021.



Cautionary Statement concerning Forward-looking Statements

This presentation may include forward-looking statements relating to our future plans, forecasts, objectives, expectations, and intentions. Actual results may differ materially for a wide range of possible reasons. In light of the many risks and uncertainties, you are advised not to put undue reliance on these statements.

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