



MonotaRO Co., Ltd.

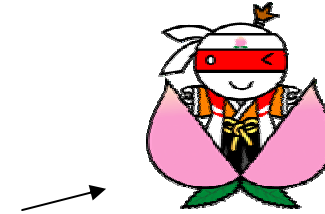
FY 2011

1 – 1 Company profile

MonotaRO Co., Ltd.

MonotaRO means

- 1) Maintenance, Repair & Operation
- 2) “The sufficient numbers of products” in Japanese
- 3) Fight with unfair old distribution system as “Momotaro”

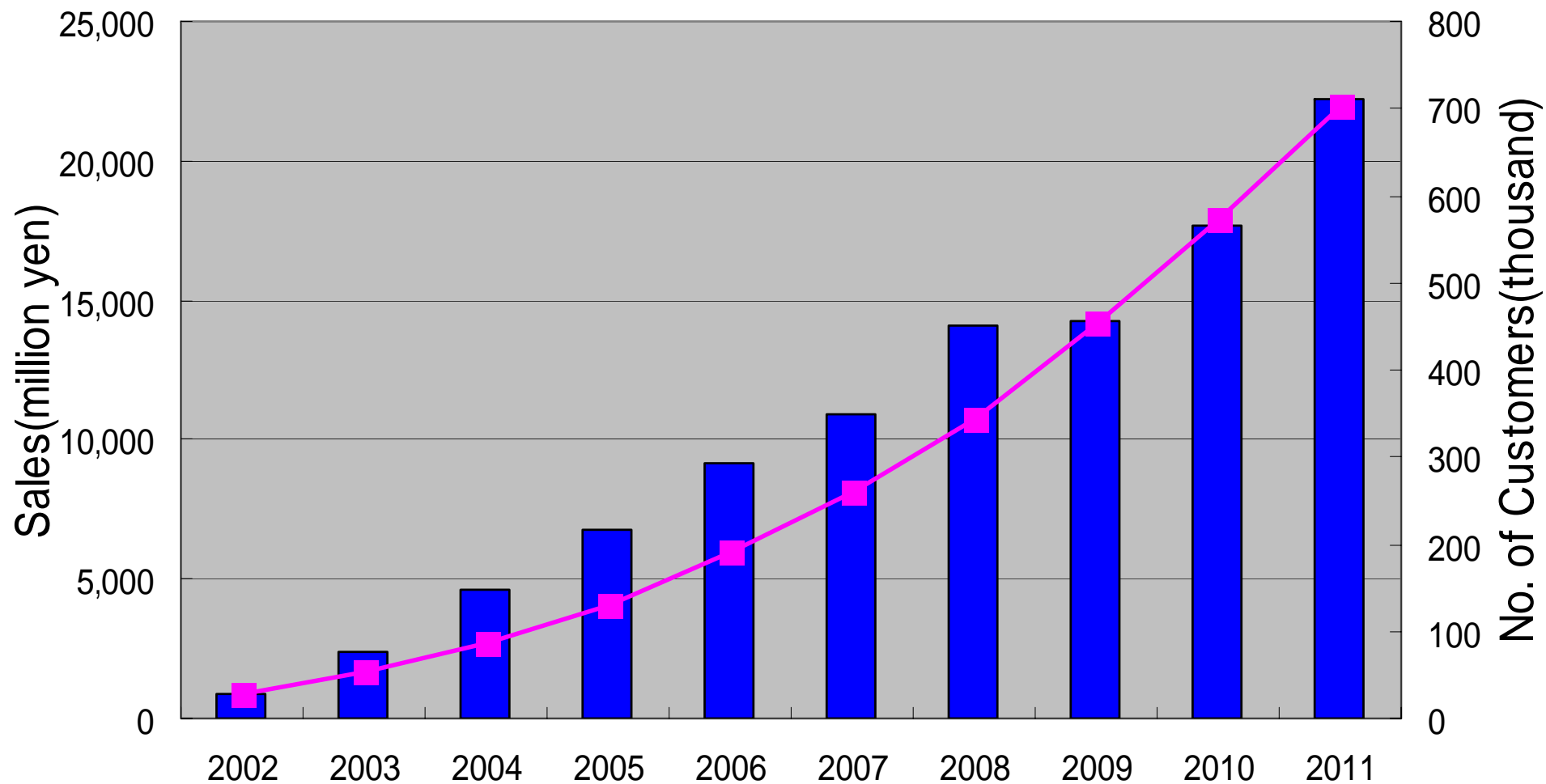


Overview: MonotaRO provides MRO products through Internet and catalogs, targeting small and mid-sized domestic manufacturing companies which aren't treated well by conventional tool retailers

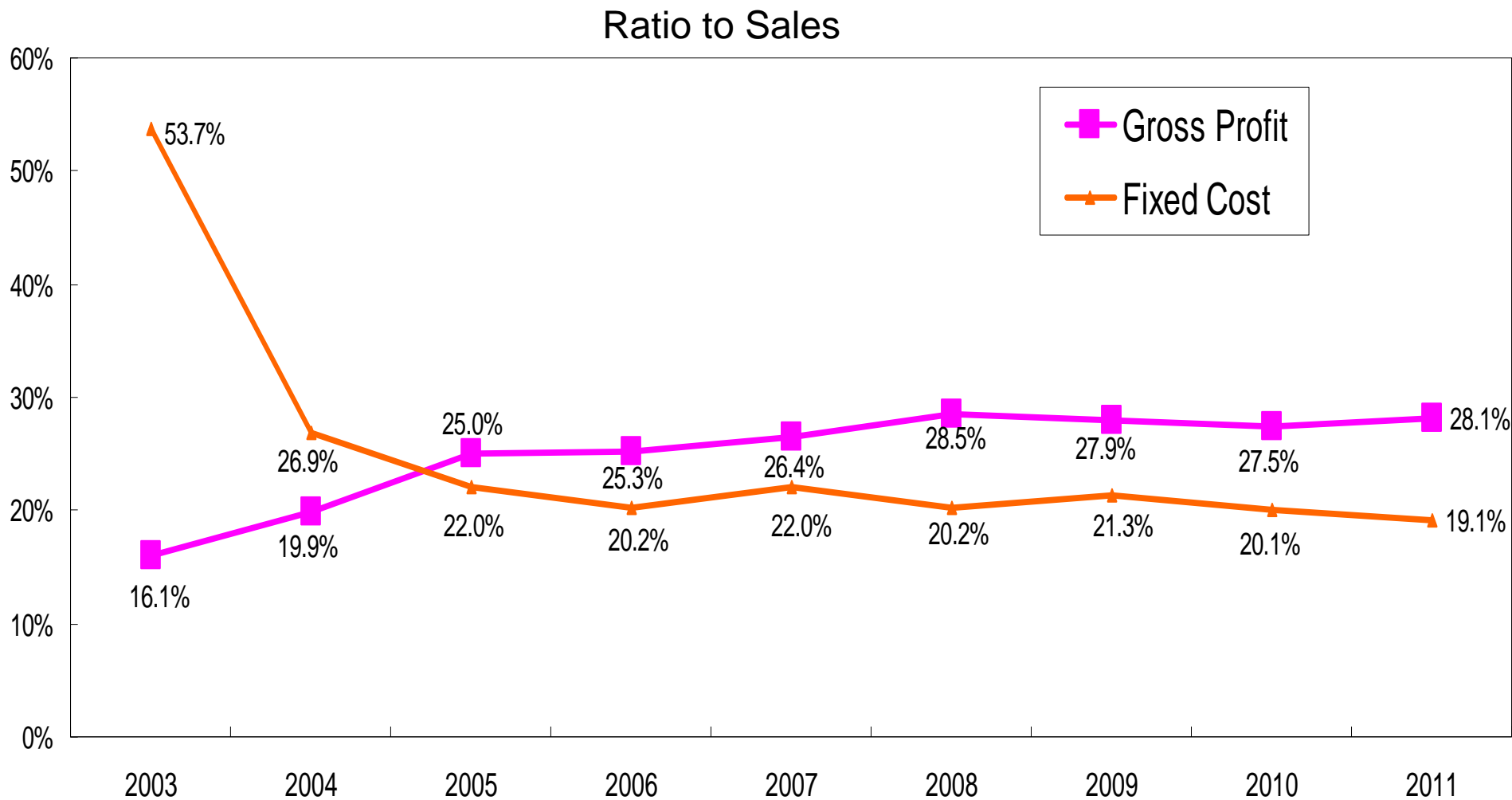
MRO products:	Cutting tools/Safety products/Bearings/Fasteners/ Industrial equipments (We sell more than 1,500,000 products)
# of customers:	703,000 and more throughout Japan
Date of foundation:	October 19, 2000
Full-scale operation start date:	November 13, 2001
Capital stock:	1.72 billion yen or 22.1 million dollars (1\$=78JPY)
# of employees:	416 (Dec.2011)
Address/Distribution base:	GLP Amagasaki 3F, Nishimukojima-cho, Amagasaki-city, Hyogo 660-0857
Stock Listing:	TSE Class1 (Security code:3064)



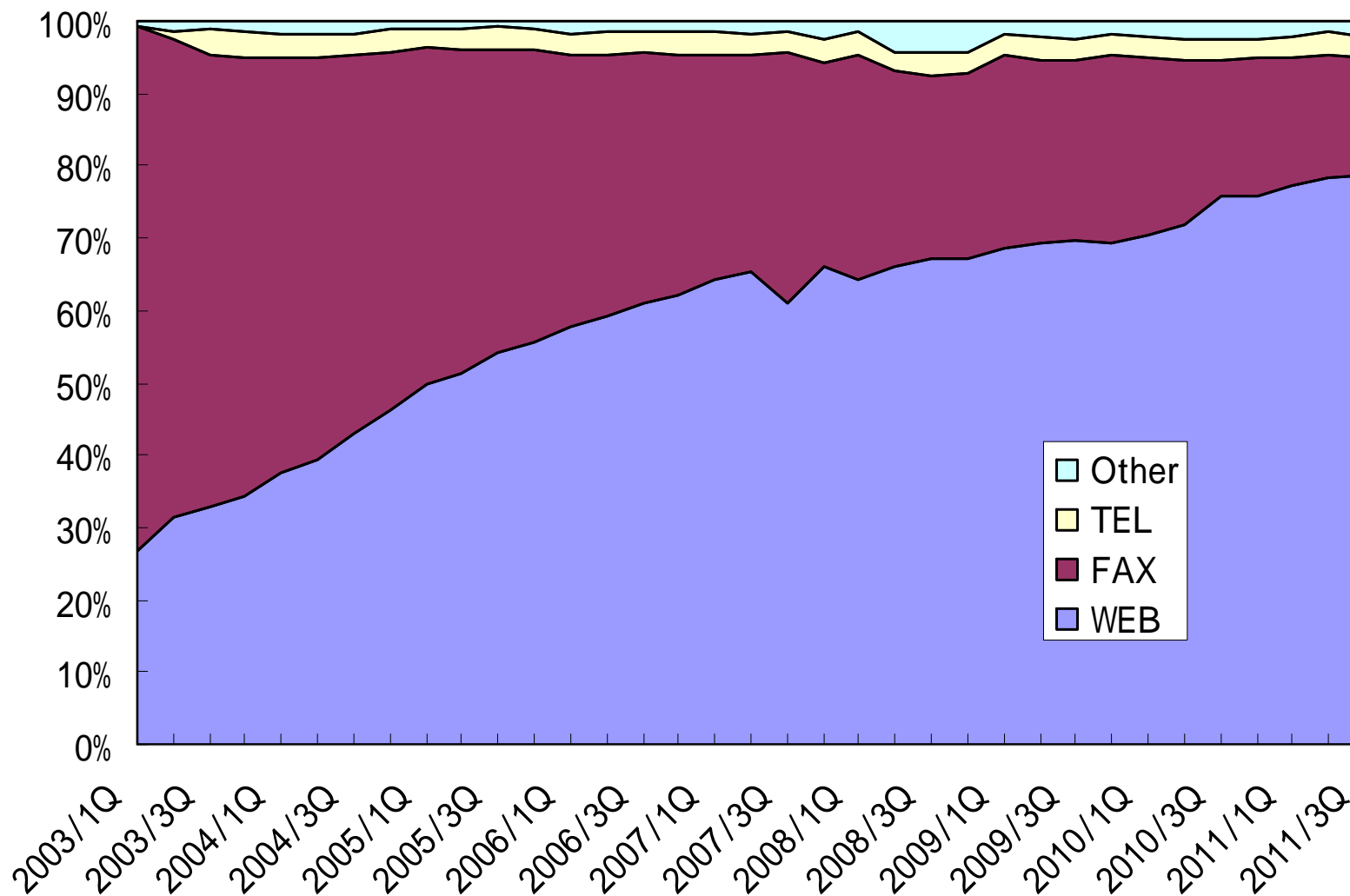
2-1. Our Progress -Sales & Customers



2-2. Our Progress -Gross Profit & Fixed Cost



3. Our Customer – Internet PO Ratio



4. Our Marketing

1. Customer Acquisition (10,000 accounts/month)

- Sending Direct Mail Fliers and Faxes to Prospect Lists
- Paid Search with Bid-Optimization Tool



2. Website

- Recommendations and Personalized Content

3. Direct email Fliers and Faxes

- Semi-Personalized Content



4. Direct Mail Flyers

- Small Batches of On-Demand Printed Fliers with DTP

5. Catalog

- Split Catalog into 7 in 2011 for better targeting



6. Data Mining & Campaign Management Solution

5. Our Procurement

- **Direct Import Goods** **18.3% of Sales**
- **Private Label Brand Goods** **27.4% of Sales**

- **Direct Import and/or Private Label Brand** **30.2% of Sales**
(FY2011)

Implication of Direct import and Private Label Brand Goods

- Higher Margin (by 25%)
- Lower Inventory Turnover
- Unique Competitive Advantage

Promotion Strategy

- Trade Down from National Brand.



6-1. Our Growth- Industrial Beach Head Strategy

1. 2002 Start with Mid to Small Manufacturing
 - Iron Works
 - Metal Working
 - Machine Assembly
2. 2008 Automotive After Market
3. 2009 Independent Contractor Market
 - Tools & Hardware
 - Plumbing & Electric Works
 - Household Durable Goods and Building Material
4. 2010 Laboratory Products to enter large account
5. 2011 Small Retail Customers

Found K-engine to provide building material to Mid to Small house builders.

Common Market Concept: Under-Served Market



6-2. Our Growth – 2012 Emphasis

1. Private Label Brand
2. New Development of Data Mining
3. Trial of Inside Sales
4. Penetration to Large Corporation
5. More Availability of Products
 - 80,000 SKU Inventory
 - 2 million SKU on line.

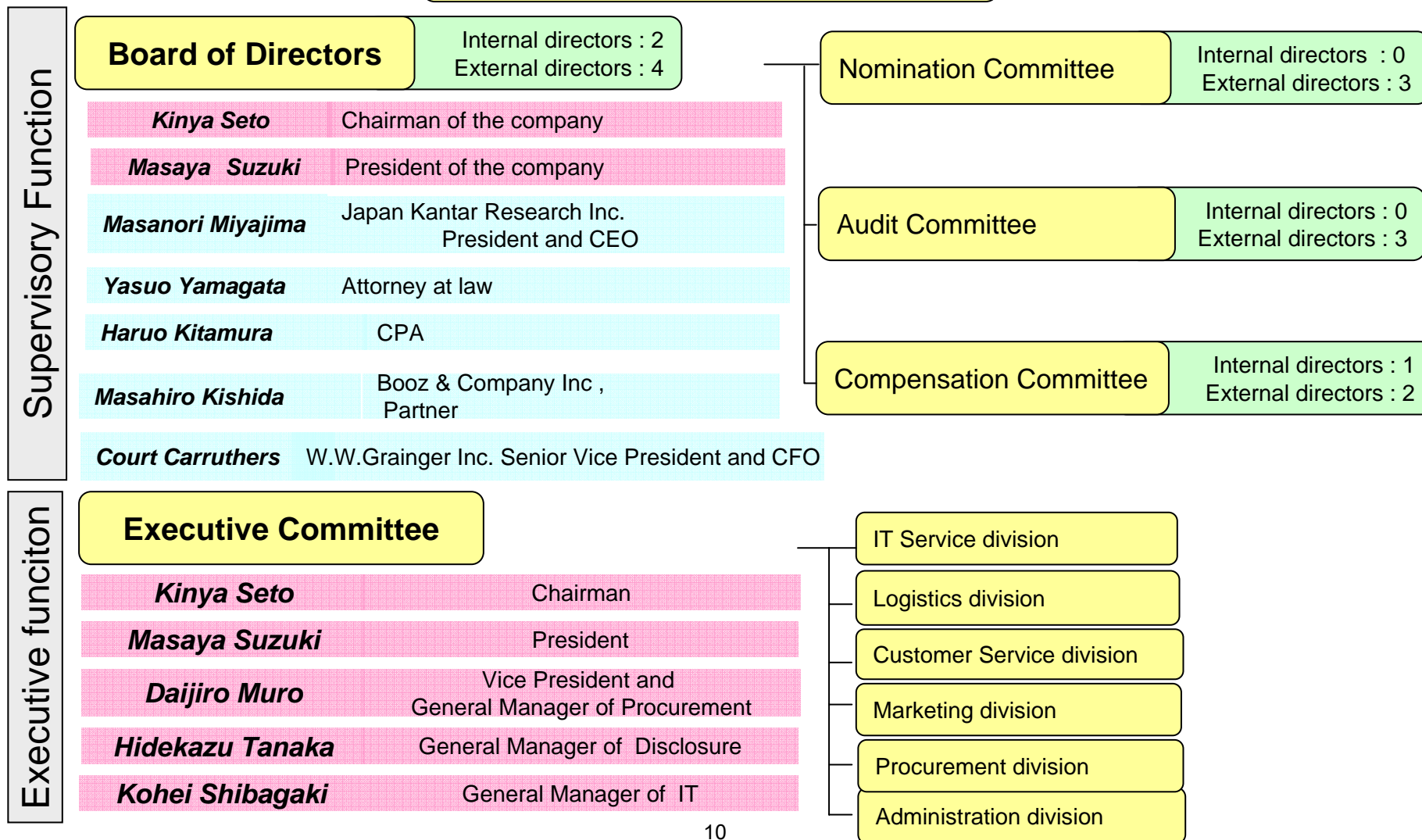
7. Corporate Governance

From May 22, 2012

General Meeting Of Shareholders

name Internal Officer

name External Officer



8-1. Financials FY2011 - Income Statement

	FY2010 (Non-consolidated)		FY2011 (Consolidated)		
	Amount (million)	Ratio to Sales	Amount (million)	Ratio to Sales	Comparison to 2010
Sales	17,685		22,239		25.7%
Gross Profit	4,869	27.5%	6,261	28.1%	28.6%
Fixed Expense	3,561	20.1%	4,251	19.1%	19.4%
Operating Income	1,307	7.4%	2,009	9.0%	53.7%
Ordinary Income	1,325	7.5%	2,045	9.2%	54.2%
Net Income	752	4.2%	1,148	5.2%	52.7%

8-2 Financials FY2011 - Balance Sheet

(Million Yen)		DEC.2010		SEP.2011		
		Amount	Ratio	Amount	Ratio	
Assets	Current Assets		5,841	86.9%	8,044	88.9%
		Cash	1,240	18.4%	1,519	16.8%
		Account Receivable	2,230	33.2%	2,319	25.6%
		Inventory	1,699	25.3%	2,931	32.4%
		Others	671	10.0%	1,273	14.1%
	Fixed Assets		882	13.1%	1,003	11.1%
		tangible fixed assets	162	2.4%	206	2.3%
		intangible fixed assets	530	7.9%	593	6.6%
		Others	189	2.8%	203	2.2%
	Total Assets		6,723	100.0%	9,047	100.0%
Liabilities	Liabilities		3,467	51.6%	4,791	53.0%
		Current Liabilities	3,439	51.2%	4,750	52.5%
		Long term Liabilities	27	0.4%	41	0.5%
Net Worth	Net Worth		3,256	48.4%	4,255	47.0%
		Paid Capital	1,692	25.2%	1,724	19.1%
		Additional Paid-in Capital	497	7.4%	529	5.8%
		Retained Earning	1,120	16.7%	2,025	22.4%
		Others	-54	-0.8%	-23	-0.2%
Total Liabilities and Net Worth		6,723	100%	9,047	100%	

8-3. Financials - Forecast for 2012

(Million Yen)	FY2011 Result		FY2012 Forecast (Consolidated)		
	Amount	Ratio to Sales	Amount	Ratio to Sales	Comparison to 2011
Sales	22,239		27,011		21.5%
Gross Profit	6,261	28.1%	7,570	28.0%	20.9%
Fixed Expense	4,251	19.1%	4,926	18.2%	15.9%
Operating Income	2,009	9.0%	2,643	9.8%	31.5%
Ordinary Income	2,045	9.2%	2,640	9.8%	29.1%
Net Income	1,148	5.2%	1,504	5.6%	31.0%