

# MonotaRO Co., Ltd.

FY2013\_1Q  
(Jan. to Mar., 2013)

# 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 3,000,000 products)

# of customers: 946,000 and more throughout Japan

Date of foundation: October 19, 2000

Full-scale operation start date: November 13, 2001

Capital stock: 1.80 billion yen or 18.2million dollars (U\$1=JPY99)

# of employees: 565 including regular employees 161 (Mar.2012)

Address/Distribution base: GLP Amagasaki 3F, Nishimukojima-cho, Amagasaki-city, Hyogo 660-0857



## 2-1. 2013\_Q1 Financial Result – P/L (MonotaRO Non-consolidated)

	2012_1Q Result		2013_1Q Result		
	Amount	Ratio to	Amount	Ratio to	Y on Y
	(million Yen)	Sales	(million Yen)	Sales	
Sales	6,667		7,739		16.1%
Gross Profit	1,851	27.8%	2,385	30.8%	28.8%
Fixed Expense	1,198	18.0%	1,397	18.1%	16.6%
Operating Income	653	9.8%	987	12.8%	51.2%
Current Income	651	9.8%	989	12.8%	51.8%
Net Income	372	5.6%	686	8.9%	84.5%



## 2-2. 2013\_1Q Financial Result - B/S (MonotaRO Non-consolidated)

	Mar.	Dec.	Mar. 2013			Mar.	Dec.	Mar. 2013	
	2012	2012	(Y M)	Ratio		2012	2012	(Y M)	Ratio
<b>Assets</b>					<b>Liabilities</b>				
Cash	1,003	2,786	2,223	20.3%	Accounts Payable	2,037	2,153	2,201	20.1%
Accounts Receivable	2,644	2,855	3,030	27.7%	Short-term Debt	1,300	1,300	1,300	11.9%
Inventory	2,769	3,135	2,996	27.3%	Others	971	2,065	1,251	11.4%
Others	1,274	1,169	1,166	10.6%	<b>Total Current Liabilities</b>	<b>4,308</b>	<b>5,519</b>	<b>4,752</b>	<b>43.4%</b>
<b>Total Current Assets</b>	<b>7,692</b>	<b>9,946</b>	<b>9,417</b>	<b>85.9%</b>	<b>Long term Liabilities</b>	<b>99</b>	<b>96</b>	<b>148</b>	<b>1.4%</b>
Tangible Fixed Assets	198	171	168	1.5%	<b>Total Liabilities</b>	<b>4,408</b>	<b>5,616</b>	<b>4,900</b>	<b>44.7%</b>
Intangible Fixed Assets	615	762	773	7.1%	<b>Net Assets</b>				
Others	292	291	599	5.5%	Shareholder's Equity	4,334	5,488	5,995	54.7%
<b>Total Fixed Assets</b>	<b>1,106</b>	<b>1,226</b>	<b>1,540</b>	<b>14.1%</b>	Stock Option	55	68	62	0.6%
<b>Total Assets</b>	<b>8,798</b>	<b>11,172</b>	<b>10,958</b>		<b>Total Net Assets</b>	<b>4,389</b>	<b>5,556</b>	<b>6,057</b>	<b>55.3%</b>
					<b>Total Liabilities &amp; Net Assets</b>	<b>8,798</b>	<b>11,172</b>	<b>10,958</b>	

## 2-3. 2013\_1Q Financial Result - Outline (MonotaRO Non-consolidated)

### Sales

- Keeping on the plan.
- Customers' demand is still weak and existing customers' growth is weak
- New customer acquisition is strong.

### Gross Profit

- Keeping on the plan
- not affected weak yen yet

### Fixed Cost

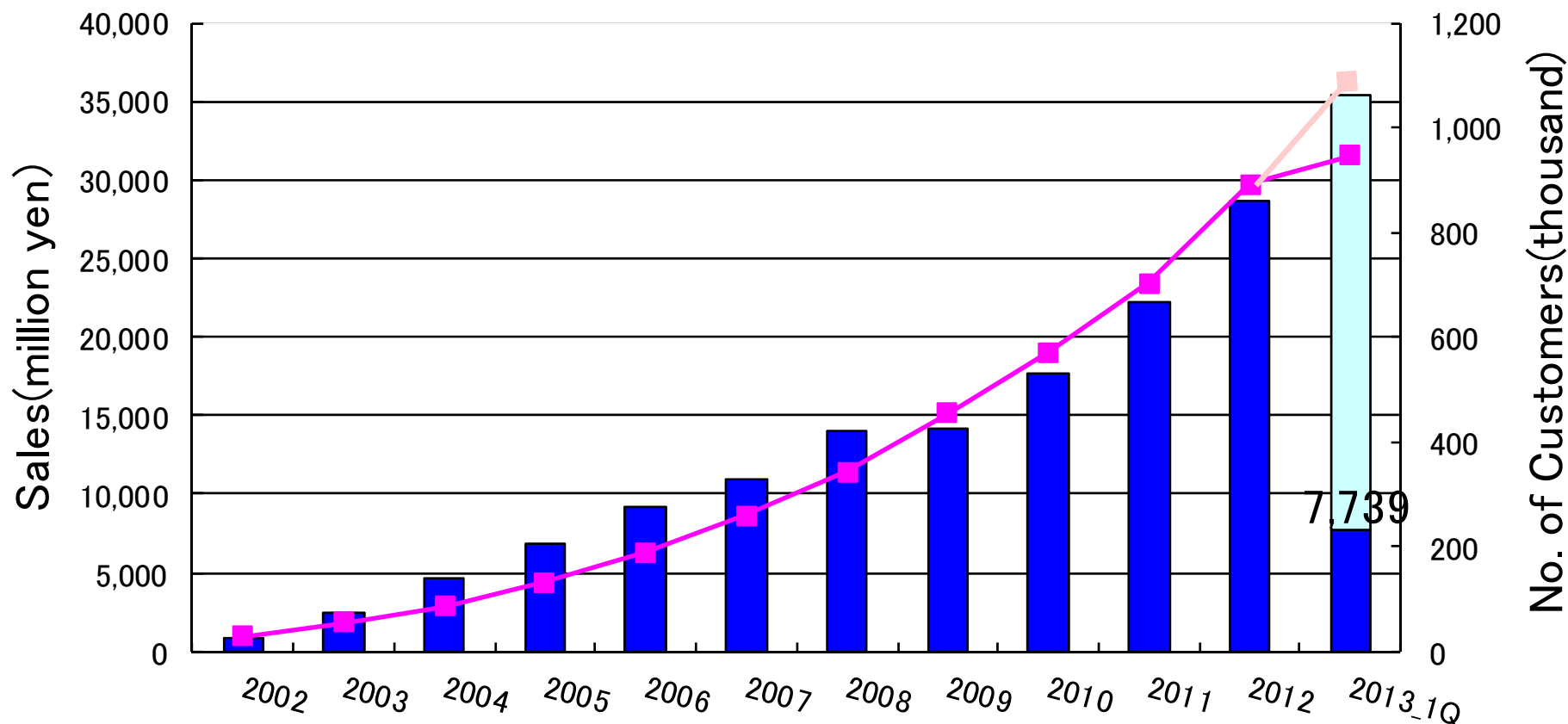
- Cost ratio to sales up by 0.1% or less from the 1Q, 2012.  
Keeping on the plan  
Aggressive investment to promotion.

### Extraordinary Income

- record Yen140m from the transfer of K-engine share.



### 3-1. Our Progress -Sales & Customers (MonotaRO Non-Consolidated)



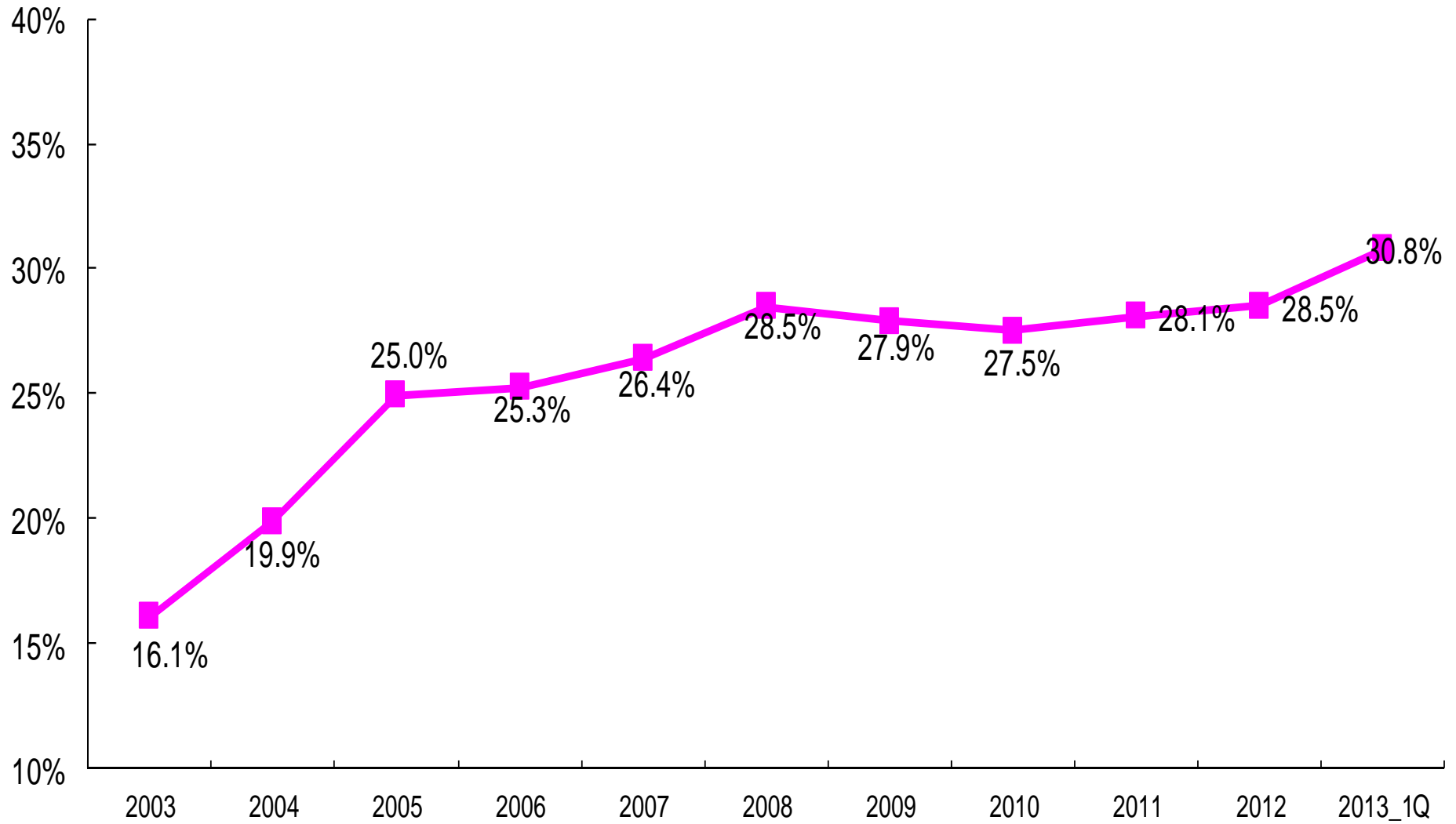
No. of Customer (Registered Accounts)

Dec., 2012 892,162    ⇒    Mar., 2013 946,431



## 3-2. Our Progress -Gross Profit (MonotaRO Non-Consolidated)

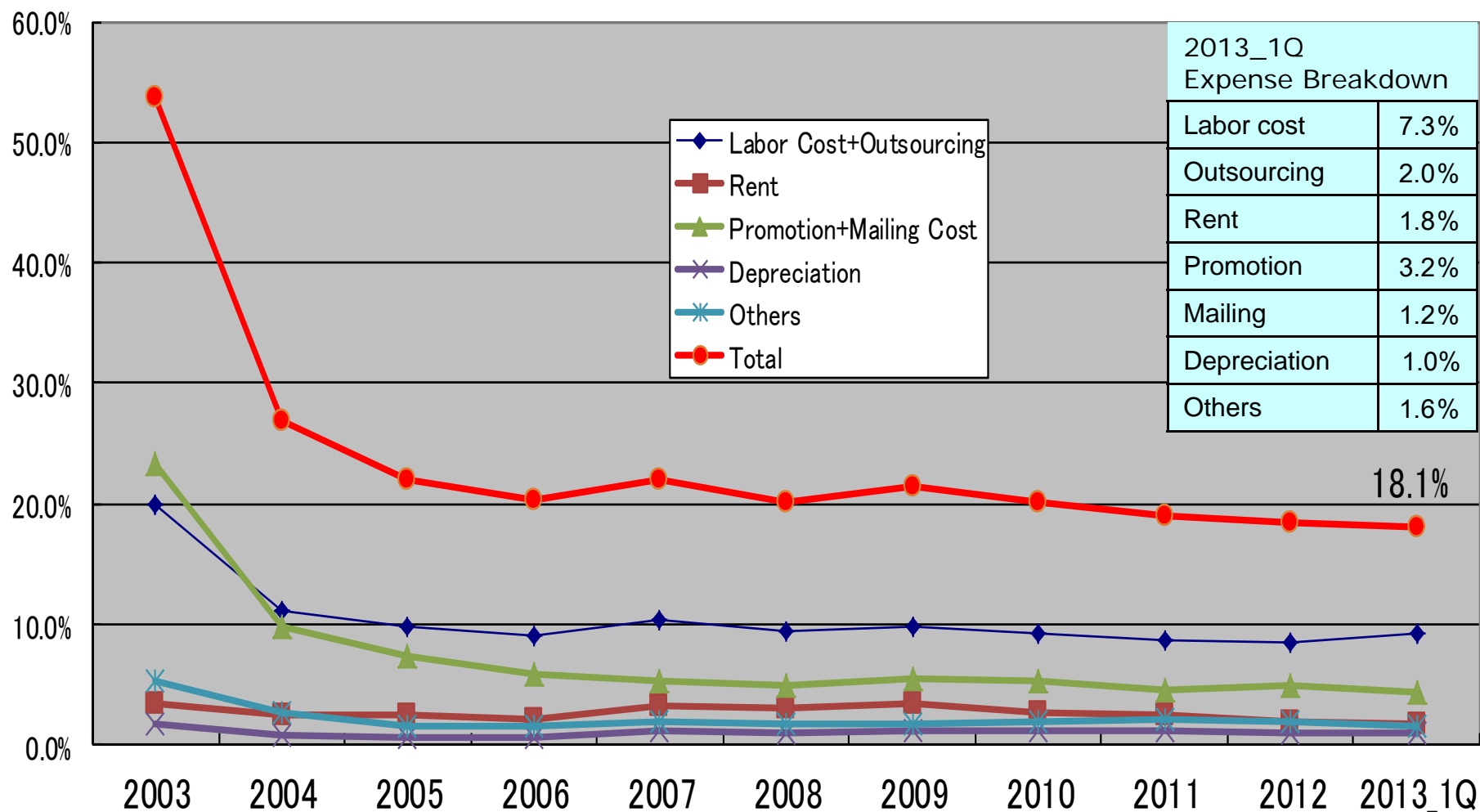
Ratio to Sales





### 3-3. Our Progress -Fixed Cost (MonotaRO Non-Consolidated)

Ratio to Sales





## 4-1. FY2013 Plan

### Consolidated

Yen (million)	FY2012 Result		FY2013 Forecast		
	Amount	Ratio to sales	Amount	Ratio to sales	Y on Y
Sales	28,742		35,333		22.9%
Gross Profit	8,234	28.6%	10,582	30.0%	28.5%
Fixed Expense	5,308	18.5%	6,536	18.5%	23.1%
Operating Income	2,925	10.2%	4,046	11.5%	38.3%
Current Income	2,941	10.2%	4,046	11.5%	37.6%
Net Income	1,689	5.9%	2,407	6.8%	42.5%

### Non-Consolidated

Yen (million)	MonotaRO, Japan		Subsidiary, Korea	
	Amount	Ratio to sales	Amount	Ratio to sales
Sales	35,143		190	
Gross Profit	10,560	30.0%	22	11.7%
Fixed Expense	6,307	17.9%	229	120.2%
Operating Income	4,253	12.1%	-206	-108.5%
Current Income	4,253	12.1%	-206	-108.5%
Net Income	2,613	7.4%	-206	-108.5%

## 4-2. FY2013 Strategy-Update

- **Overseas expansion**

- founded a subsidiary in Korea in Jan., 2013

- started business in Korea in Apr. 1, 2013

- **Expansion of Product line-up and Availability**

- Product line-up **2million** sku at Dec., 2012 to **3million** sku at Feb., 2013

- 3.5million** sku by the end of 2013

- 700K raw materials, pneumatic, hydraulics, electrical parts and so on were newly introduced.

- Inventory **93K** sku at Dec., 2012 to **100K** sku at Apr., 2013

- 130K** sku by the end of 2013

- **Private Label Brand**

- Continuous expansion

- PB/Direct import product sales ratio is slightly down compared to the previous quarter due to the more expansion of whole product line up

- Introduction and expansion of PB/Direct import products are successfully in progress.

- **API connection with Large size companies**

- 1Q, 2013 sales was increased by 64% from 1Q, 2012

## 5-1.2013\_1Q Financial Result-P/L (Consolidated)

(m yen)	2012_1Q	2013_1Q	
	Amount	Amount	Ratio
Sales	6,686	7,739	
Gross Profit	1,867	2,385	30.8%
Fixed Cost	1,208	1,431	18.5%
Operating Income	658	954	12.3%
Current Income	657	956	12.4%
Net Income	375	658	8.5%

## 5-2.2013\_1Q Financial Result-B/S (Consolidated)

	Mar.2012	Dec.2012	Mar.2013	
	M Yen	M Yen	M Yen	Ratio
<b>Asset</b>				
CASH	1,127	2,925	2,516	23.0%
Accounts Receivable	2,652	2,868	3,030	27.7%
Inventory	2,769	3,147	3,003	27.4%
Others	1,273	1,167	1,169	10.7%
<b>Total Current Asset</b>	<b>7,822</b>	<b>10,109</b>	<b>9,720</b>	<b>88.8%</b>
Tangible Fixed Asset	198	171	186	1.7%
Intangible Fixed Asset	615	762	773	7.1%
Others	222	221	262	2.4%
<b>Total Fixed Assets</b>	<b>1,036</b>	<b>1,156</b>	<b>1,222</b>	<b>11.2%</b>
<b>Total Assets</b>	<b>8,858</b>	<b>11,265</b>	<b>10,942</b>	

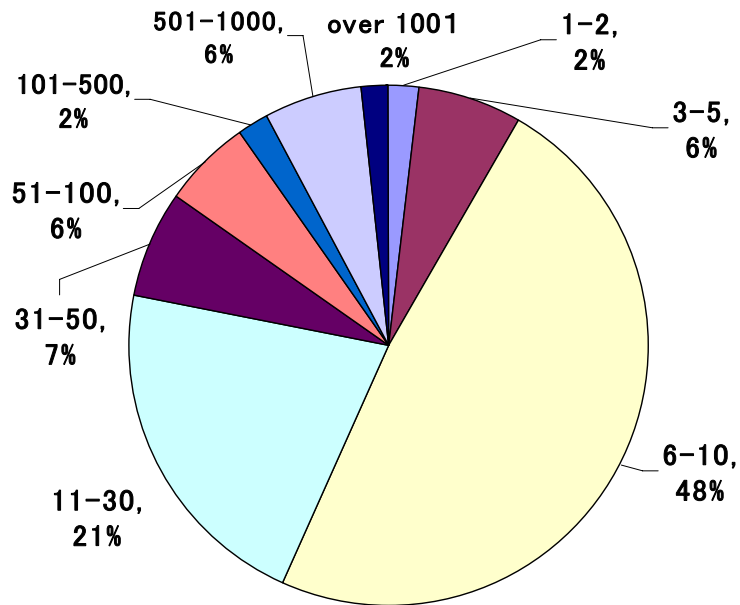
	Mar.2012	Dec.2012	Mar.2013	
	M Yen	M Yen	M Yen	Ratio
<b>Liabilities</b>				
Accounts Payable	2,045	2,178	2,207	20.2%
Short-term Debt	1,300	1,300	1,300	11.9%
Others	994	2,101	1,267	11.6%
<b>Total Current Liabilities</b>	<b>4,339</b>	<b>5,580</b>	<b>4,775</b>	<b>43.6%</b>
Long term Liabilities	99	96	148	1.4%
<b>Total Liabilities</b>	<b>4,439</b>	<b>5,676</b>	<b>4,923</b>	<b>45.0%</b>
<b>Net Assets</b>				
Shareholder's Equity	4,333	5,489	5,969	54.5%
Others	85	99	49	0.5%
<b>Total Net Assets</b>	<b>4,419</b>	<b>5,588</b>	<b>6,018</b>	<b>55.0%</b>
<b>Total Liabilities &amp; Net Assets</b>	<b>8,858</b>	<b>11,265</b>	<b>10,942</b>	

## 5-3.2013\_1Q Financial Result-C/F (Consolidated)

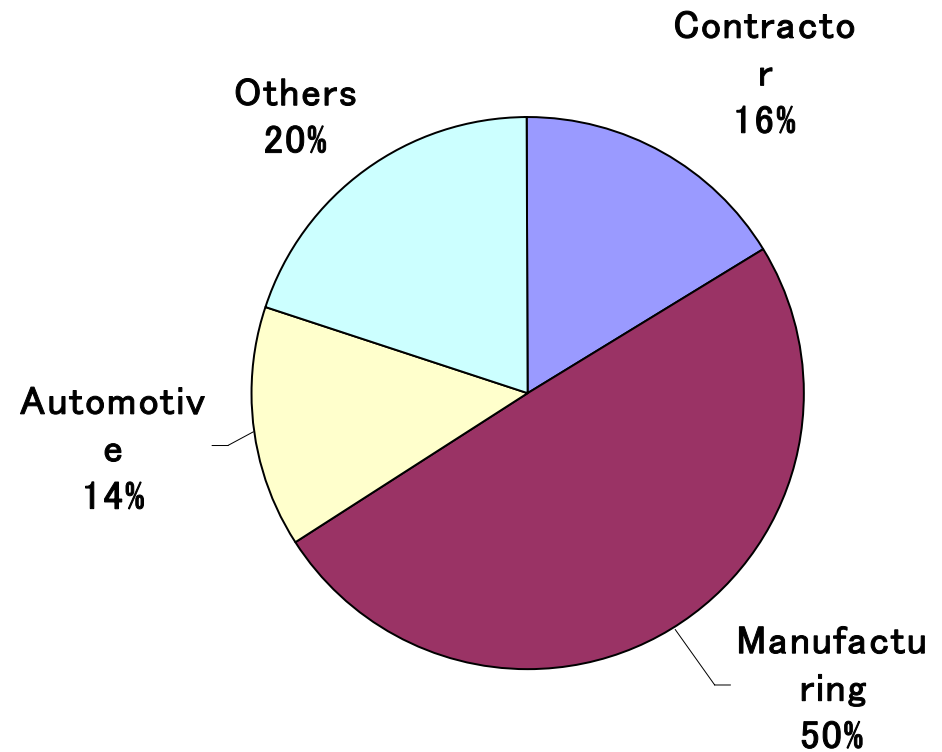
(M Yen)	Jan to Mar, 2012	Jan to Mar, 2013
<b>I Cash Flow from Operating Activity</b>		
Net Income before Tax	657	1,088
Increase or Decrease in Accounts Receivable	-332	-149
Increase or Decrease in Inventory	161	157
Increase or Decrease in Accounts Payable	108	3
Others	-705	-1,275
<b>Total</b>	<b>-110</b>	<b>-175</b>
<b>II Cash Flow from Investing Activity</b>		
Tangible Assets	-7	-28
Intangible Assets	-59	-72
Others	0	-136
<b>Total</b>	<b>-67</b>	<b>-236</b>
<b>III Cash Flow from Financing Activity</b>		
Dividend	-202	-234
Others	-12	39
<b>Total</b>	<b>-215</b>	<b>-194</b>
<b>IV Currency Exchange Adjustment</b>		<b>-2</b>
<b>V Net Increase/Decrease of Cash and Cash Equivalent</b>	<b>-392</b>	<b>-609</b>
<b>VI Cash and Cash Equivalent at the beginning of the period</b>	<b>1,519</b>	<b>2,825</b>
<b>VII Cash and Cash Equivalent at the end of the period</b>	<b>1,127</b>	<b>2,216</b>

# Reference 1: Customer Demographics

**Size**  
(number of employees)

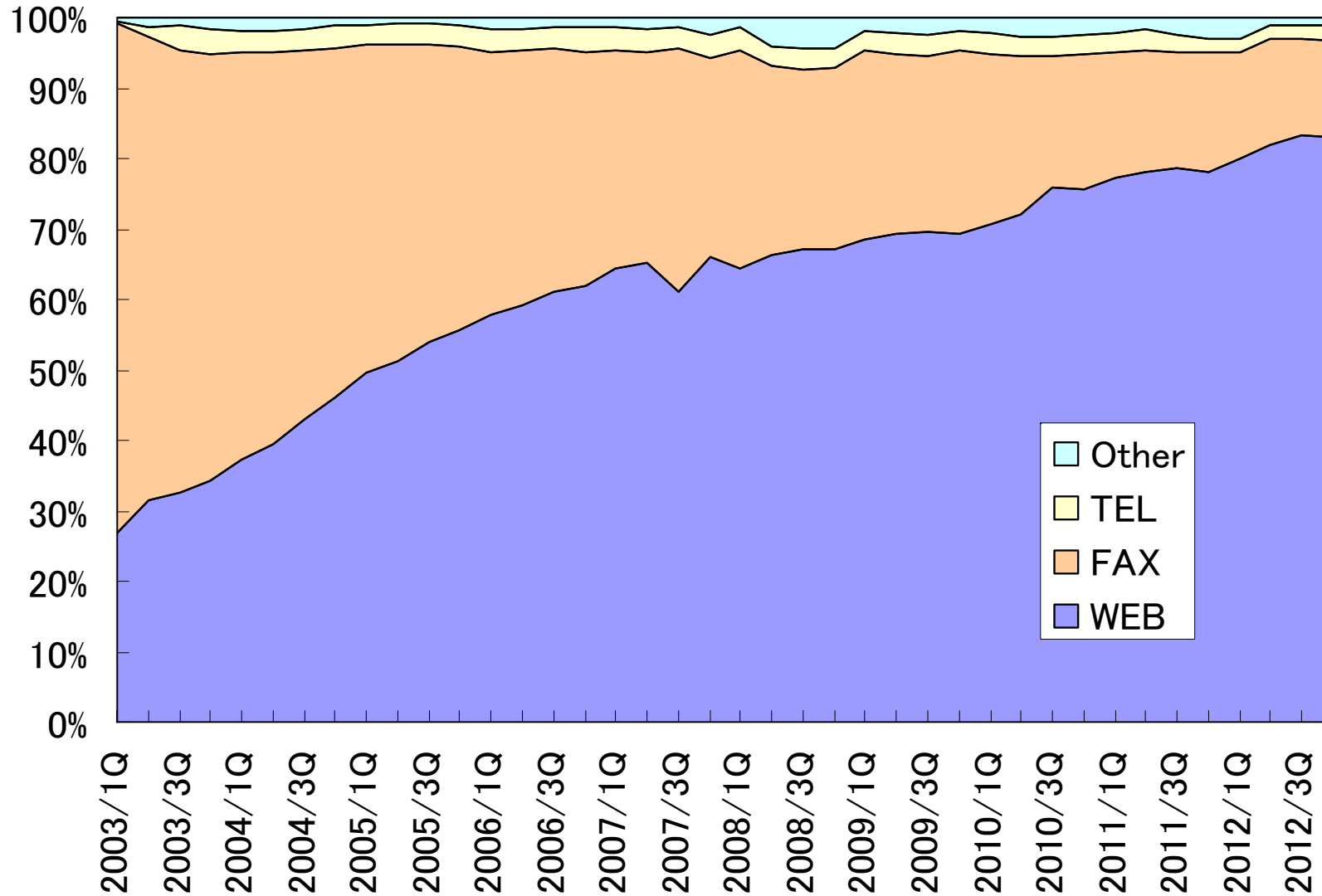


**Industry**



Ratio by sales amount in 2012

# Reference 2 : Internet PO Ratio



# Reference 3 : Other MRO Market Players

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

	W:Wholesaler R:Retailer	Upper : Sales Lower : Operating Profit (Yen MM)						Change 2007 to 2012
		2007	2008	2009	2010	2011	2012(P)	
Yuasa (8074) – (M)	W	468,476	426,262	309,196	355,910	396,732	410,000	-12.5%
		8,254	5,559	204	4,899	6,634	7,500	-9.1%
Yamazen (8051) – (M)	W	376,852	325,947	241,410	323,703	372,830	368,000	-2.3%
		11,518	6,807	836	7,415	10,528	9,500	-17.6%
Trusco (9830) – (M)	W	134,430	119,506	99,201	115,477	129,912	131,000	-2.6%
		9,120	6,489	3,745	5,479	8,369	8,200	-10.1%
Misumi (9962) – (M)	R	126,668	110,041	89,180	121,203	130,212	132,000	4.2%
		16,317	11,016	8,408	15,562	16,646	16,550	1.4%
Nichiden (9902) – (M)	W	92,745	80,741	58,639	79,606	84,687	82,000	-11.6%
		5,533	3,705	1,283	3,451	4,036	3,340	-39.7%
Naito (7624) – (F)	W	51,479	42,454	26,256	35,065	36,837	35,974	-30.1%
		1,343	371	-668	290	269	144	-89.3%
Sugimoto (9932) – (M)	W·R	41,461	34,168	24,724	29,420	30,477	29,000	-30.0%
		2,292	1,227	-84	845	929	730	-68.1%
Toba (7472) – (M)	R	25,800	19,489	11,438	17,581	19,180	20,000	-22.4%
		2,115	1,025	-28	762	1,077	1,100	-48.0%
Uematsu (9914) – (M)	R	7,647	6,470	4,428	5,477	5,933	6,000	-21.5%
		190	0	-161	9	37	46	-75.8%
MonotaRO (3064) – (D)	R	10,897	14,068	14,209	17,685	22,239	28,500	161.5%
		480	1,168	910	1,307	2,009	2,838	591.3%





# Contact Us

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