

The logo for Monotaro, featuring the word "monotaro" in a bold, white, lowercase sans-serif font. The text is centered within a solid red rectangular background.

**monotaro**

**Fiscal Year of FY2021**  
**(Jan. to Dec. 2021)**

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**MonotaRO Co., Ltd.**  
**[www.monotaro.com](http://www.monotaro.com)**

# Business Overview, Features, and Differentiation Strategies

## ■ Main business

- Mail-order sales of indirect materials for factories, construction work, and automobile maintenance to businesses via Internet, etc. (Number of product lineup: Over 18 mil. SKU including 610 thou. SKU available for same-day shipment and 497 thou. SKU in stock).

## ■ Features of Products for Sale

- Variety of products, convenience is more important than price for customers.

## ■ Number of employees (consolidated, as of Dec. 31, 2021)

	Regular employee		Part-time and temporary employee		Total	
Head Office, etc. (MonotaRO JPN)	820	(463)	400	(366)	1,220	(829)
Distribution Center (MonotaRO JPN)	174	(125)	1,514	(1,431)	1,688	(1,556)
Total (MonotaRO JPN)	994	(588)	1,914	(1,797)	2,908	(2,385)

## ■ Main competitors

- Door-to-door tool dealers, hardware stores, auto parts dealers, Internet shopping sites, etc.

## ■ Main customer base

- Manufacturing, construction/engineering, automobile maintenance, etc. (mainly small and medium-sized companies are customers)

## ■ Market size

- 5 to 10 trillion JPY

## ■ Business Strategy

- Differentiating by wide range of products and high searchability by utilizing Internet to achieve economies of scale.
- Acquiring and retaining customers through marketing analysis of accumulated order and customer databases.
- Achieving high productivity by doing much of the work in-house from software development to content creation.



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**2021 Jan. to Dec.  
(Non-consol.) Financial Result Overview**

# (Non-consol.) FY2021 Financial Result P/L Outline 1/3

	2020 Result		2021 Plan		2021 Result			
	Amount (million JPY)	Ratio to Sales	Amount (million JPY)	Ratio to Sales	Amount (million JPY)	Ratio to Sales	YoY	vs Plan
Sales	151,798		186,759		182,472		+20.2%	△2.3%
Large Corp.	25,179	16.6%	34,680	18.6%	35,981	19.7%	+42.9%	+3.7%
Gross Profit	43,475	28.6%	53,852	28.8%	52,527	28.8%	+20.8%	△2.5%
SG&A Exp.	23,325	15.4%	28,810	15.4%	27,993	15.3%	+20.0%	△2.8%
Operating Income	20,149	13.3%	25,041	13.4%	24,533	13.4%	+21.8%	△2.0%
Current Income	20,194	13.3%	25,022	13.4%	24,647	13.5%	+22.0%	△1.5%
Net Income (Tax Rate)	13,139 (30.6%)	8.7%	17,365 (30.6%)	9.3%	17,701 (28.1%)	9.7%	+34.7%	+1.9%

# (Non-consol.) FY2021 Financial Result P/L Outline 2/3 vs. Last Year

	2020 Result (A)		2021 Result (B)		Difference (B-A)		
	Amount (mil.JPY)	Sales Ratio	Amount (mil.JPY)	Sales Ratio			
Sales	151,798	—	182,472	—	Amount (mil.JPY)	+30,674	<ul style="list-style-type: none"> <li>Sales of both monotaro.com and Large Corp. Business grew due to increases in order size and customer number. (+1.27M accounts, 6.77M accounts as of Dec,2021).</li> <li>Large Corp. Business maintained high growth (+42.9%), despite rebound from 2020's deceleration of demand caused by COVID-19.</li> </ul>
					YonY	+20.2%	
					Sales Ratio	—	
Gross Profit	43,475	28.6%	52,527	28.8%	Amount (mil.JPY)	+9,052	<ul style="list-style-type: none"> <li>Product GP ratio decreased (<math>\Delta</math>0.3pt.: sales share of PB/imported product decreased, GP% decrease due to price changes of COVID-19 products, etc.).</li> <li>Royalty income increased.</li> <li>Delivery Cost ratio improved (+0.2pt.: Due to increase in sales per order and to decrease in cash on delivery proportion).</li> </ul>
					YonY	+20.8%	
					Sales Ratio	+0.2%	
SG&A Exp.	23,325	15.4%	27,993	15.3%	Amount (mil.JPY)	+4,668	<ul style="list-style-type: none"> <li>Labor cost ratio decreased (<math>\Delta</math>0.2pt.: Disaster compensation paid in 2020)</li> <li>Facility Rent Expense ratio decreased (<math>\Delta</math>0.1pt.: due to decrease in warehouse rent for usage of backyard as Ibaraki Chuo SC launched).</li> <li>Advertisement cost ratio decreased (<math>\Delta</math>0.1pt.: due to decrease in catalogue production cost ratio)</li> <li>Mailing Exp. ratio decreased (<math>\Delta</math>0.1pt.: due mainly to decrease in catalog shipping cost ratio)</li> <li>Depreciation Exp. ratio increased (+0.2pt.: due to Ibaraki Chuo SC launched).</li> <li>Logistic site launch and Maintenance Cost ratio increased (+0.2pt.: Ibaraki Chuo SC operation preparation costs, etc.).</li> <li>System Usage Cost ratio increased (+0.1pt.: increase in usage of cloud infrastructure).</li> </ul>
					YonY	+20.0%	
					Sales Ratio	$\Delta$ 0.1%	
Operating Income	20,149	13.3%	24,533	13.4%	Amount (mil.JPY)	+4,384	<ul style="list-style-type: none"> <li>Operating income amount and ratio improved due to increase in sales, improvement in GP%, and improvement in SG&amp;A expenses ratio.</li> </ul>
					YonY	+21.8%	
					Sales Ratio	+0.1%	
Net Income (Tax Rate)	13,139 (30.6%)	8.7%	17,701 (28.1%)	9.7%	Amount (mil.JPY)	+4,562	<ul style="list-style-type: none"> <li>Op. Income ratio increased, and Extraordinary Loss incurred in 2020 (Impairment Loss for liquidating and plan revision of oversea subsidiaries) and tax reduction (625 mil. JPY) for Ibaraki Chuo SC investment. Net Income amount and ratio therefore increased.</li> </ul>
					YonY	+34.7%	
					Sales Ratio	+1.0%	

# (Non-consol.) FY2021 Financial Result P/L Outline 3/3 vs. Plan

	2021 Plan (A)		2021 Result (B)		Difference (B-A)		
	Amount (mil.JPY)	Sales Ratio	Amount (mil.JPY)	Sales Ratio			
Sales	186,759	—	182,472	—	Amount (mil.JPY)	△4,287	<ul style="list-style-type: none"> <li>monotaro.com: Not achieved growth included in plan due to new customer acquisition fell behind plan and growth deceleration of demand growth from existing customers in construction, automobile maintenance, and others (including general individual customers).</li> <li>Large Corp. Business: Grew beyond plan (+3.7%).</li> </ul>
					vs Plan	△2.3%	
					Sales Ratio	—	
Gross Profit	53,852	28.8%	52,527	28.8%	Amount (mil.JPY)	△1,325	<ul style="list-style-type: none"> <li>Product GP ratio decreased (△0.3pt.: decrease in GP ratio of domestic product, and decrease in sales share of imported products).</li> <li>Royalty income increased.</li> <li>Delivery Cost ratio improved (+0.1pt.: due to change in share of delivery suppliers and increase in sales per box).</li> </ul>
					vs Plan	△2.5%	
					Sales Ratio	+0.0%	
SG&A Exp.	28,810	15.4%	27,993	15.3%	Amount (mil.JPY)	△817	<ul style="list-style-type: none"> <li>Depreciation Expense ratio decreased (△0.1pt.: launch of new systems delayed).</li> <li>Facility Rent Expense ratio increased (+0.1pt.: due to renting extra warehouses in response to unplanned- temporary increase in product receiving operations and start of external warehouse rentals for large products ahead of plan).</li> </ul>
					vs Plan	△2.8%	
					Sales Ratio	△0.1%	
Operating Income	25,041	13.4%	24,533	13.4%	Amount (mil.JPY)	△508	<ul style="list-style-type: none"> <li>Although the amount of operating income fell short of the plan due to the shortfall in the sales plan, the operating income margin improved as a result of the gross profit margin and improvement in the SG&amp;A ratio as planned.</li> </ul>
					vs Plan	△2.0%	
					Sales Ratio	+0.0%	
Net Income (Tax Rate)	17,365 (30.6%)	9.3%	17,701 (28.1%)	9.7%	Amount (mil.JPY)	+335	<ul style="list-style-type: none"> <li>Despite Operating income below plan, Net income amount and ratio increased due to tax reduction (625mil. JPY) from Ibaraki Chuo SC investment.</li> <li>If tax reduction effect is removed, △290 million JPY and △1.7% against plan.</li> </ul>
					vs Plan	+1.9%	
					Sales Ratio	+0.4%	

# (Non-consol.) Operating Income Change Factors

Op. Income  
(Jan.–Dec. 2020)

Sales increased

Increase of GP%

Improvement of SG&A Exp. Sales Ratio

• Increase of Other Exp. Sales Ratio

• Increase of Depreciation Exp. Sales Ratio

• Improvement of Labor Exp. & Outsourcing Exp. Sales Ratio

• Improvement of Facility Rent Exp. Sales Ratio

• Improvement of Mailing Exp. Sales Ratio

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

Op. Income  
(Jan.–Dec. 2021)

20,149 mil. JPY

+4,072 mil. JPY	<ul style="list-style-type: none"> <li>■ monoaro.com : Despite reversal from last year's sales increase from COVID-19 related product, new customer increased and order size &amp; frequency improved.</li> <li>■ Large Corp. Business : 42.9% growth maintained.</li> </ul>
+267 mil. JPY	<ul style="list-style-type: none"> <li>■ Despite product GP% decreased, delivery cost ratio improved, and amount of royalty income increased.</li> </ul>
+45 mil. JPY	<ul style="list-style-type: none"> <li>■ SG&amp;A Exp. ratio decreased due to following reasons.</li> </ul>
Δ489 mil. JPY	<ul style="list-style-type: none"> <li>• System Usage cost ratio increased due to increase in big data usage</li> <li>• Launching cost of Ibaraki Chuo SC incurred.</li> </ul>
Δ304 mil. JPY	<ul style="list-style-type: none"> <li>• Depreciation Expense ratio increased due to Ibaraki Chuo SC launched.</li> </ul>
+370 mil. JPY	<ul style="list-style-type: none"> <li>• Compensation related COVID-19 paid in last year.</li> </ul>
+252 mil. JPY	<ul style="list-style-type: none"> <li>• Decrease in warehouse rent as Ibaraki Chuo SC launched.</li> </ul>
+133 mil. JPY	<ul style="list-style-type: none"> <li>• Decrease in Catalogue shipment cost ratio.</li> </ul>
+83 mil. JPY	<ul style="list-style-type: none"> <li>• Catalogue related expenses ratio decreased (optimization of issuing cost, and growth in number of catalogue shipped is lower than sales growth).</li> </ul>

24,533 mil. JPY (YoY: +4,384 mil JPY, +21.8%)

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

# (Non-consol.) 2021 Financial Result B/S Outline

	Dec. 2020	Dec. 2021	
	Million JPY	Million JPY	Ratio
Cash	16,691	10,263	10.8%
Accounts Receivable	18,129	22,346	23.5%
Inventory	11,296	14,526	15.3%
Other	5,154	6,447	6.8%
<b>Total Current Asset</b>	<b>51,271</b>	<b>53,583</b>	<b>56.3%</b>
Tangible Fixed Asset(*Note 1)	19,052	28,044	29.5%
Intangible Fixed Assets	4,008	5,507	5.8%
Other	6,629	8,019	8.4%
<b>Total Fixed Asset</b>	<b>29,690</b>	<b>41,571</b>	<b>43.7%</b>
<b>Total Assets</b>	<b>80,962</b>	<b>95,154</b>	

\*Note 1: Increase in Tangible Fixed Asset (after depreciated) from Dec. 2020 to Dec. 2021 by 8,900 mil. JPY includes 3,200 mil. JPY of Ibaraki Chuo SC (launched in Mar. 2021) and 6,100 mil. JPY of Inagawa DC (not launched yet: Construction in Progress).

	Dec. 2020	Dec. 2021	
	Million JPY	Million JPY	Ratio
<b>Liabilities</b>			
Accounts Payable	11,165	13,969	14.7%
Short-term Debt & etc. (*Note 2)	—	—	0.0%
Others	10,644	8,882	9.3%
<b>Total Current Liabilities</b>	<b>21,810</b>	<b>22,852</b>	<b>24.0%</b>
<b>Total Long term Liabilities</b>	<b>11,013</b>	<b>11,641</b>	<b>12.2%</b>
<b>Total Liabilities</b>	<b>32,823</b>	<b>34,493</b>	<b>36.2%</b>
<b>Net Assets</b>			
Shareholder's Equity	48,066	60,561	63.6%
Others	72	99	0.1%
<b>Total Net Assets</b>	<b>48,138</b>	<b>60,661</b>	<b>63.8%</b>
<b>Total Liabilities &amp; Net Assets</b>	<b>80,962</b>	<b>95,154</b>	

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





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**2021 Jan. to Dec.  
(Consol.) Financial Result Overview**

# (Consolidated) 2021 Financial Result P/L Outline 1/2

	2020 Result		2021 Plan		2021 Result			
	Amount (million JPY)	Ratio to Sales	Amount (million JPY)	Ratio to Sales	Amount (million JPY)	Ratio to Sales	YonY	vs Plan
Sales	157,337		194,220		189,731		+20.6%	△2.3%
Gross Profit	44,694	28.4%	55,565	28.6%	54,045	28.5%	+20.9%	△2.7%
SG&A Exp.	25,086	15.9%	30,887	15.9%	29,916	15.8%	+19.3%	△3.1%
Operating Income	19,607	12.5%	24,678	12.7%	24,129	12.7%	+23.1%	△2.2%
Current Income	19,671	12.5%	24,738	12.7%	24,302	12.8%	+23.5%	△1.8%
Net Income (Tax Rate)	13,473 (30.8%)	8.6%	17,067 (31.0%)	8.8%	17,340 (28.5%)	9.1%	+28.7%	+1.6%
Net Income attributable to owners of the parent	13,771	8.8%	17,273	8.9%	17,552	9.3%	+27.5%	+1.6%

# (Consolidated) 2021 Financial Result P/L Outline 2/2

## ■ NAVIMRO (South Korea)

- Sales grew over 20% from 2020 by expanding customer base, product line-up and items in stock.
- Op. Income grew by over 40% from last year, but. GP% negative affected by hiking sourcing prices.

	2020. Result			2021 Plan			2021. 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	5,140	+14.0%	+17.7%	6,350	+23.4%	+23.4%	6,640	+29.1%	+4.6%	+21.8%	△1.3%
Op.Income	100	+552.7%	+574.3%	170	+59.4%	+59.4%	160	+54.7%	△3.0%	+46.0%	△8.4%
Net Income x Share(*1)	100	+334.6%	+348.9%	150	+46.4%	+46.4%	160	+47.1%	+0.5%	+38.8%	△5.2%

## ■ MONOTARO INDONESIA (Indonesia)

- Sales went below plan due to both customer acquisition and first order rate are below plan.
- Sales plan not achieved, but loss was almost within plan through SG&A expenses management.

	2020. Result			2021 Plan			2021. 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	370	△3.5%	+0.5%	680	+84.2%	+84.2%	390	+6.2%	△42.3%	+2.1%	△44.6%
Op.Income	△310	—	—	△300	—	—	△260	—	—	—	—
Net Income x Share(*1)	△180	—	—	△130	—	—	△130	—	—	—	—

## ■ IB MONOTARO (India)

- Customer acquisition achieved plan, but. returning rate and cancellation rate are below plan due to logistics disruption caused by COVID-19.
- Improvement measures for cause of returning and cancellation ,COD delivery, are under progress.

	2020. Result			2021 Plan			2021. 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)
(* 3) Gross Merch. Value(GMV)	—	—	—	700	(* 2) —	(* 2) —	480	(* 2) —	△31.6%	(* 2) —	△35.3%
(* 3) Sales	—	—	—	420	(* 2) —	(* 2) —	310	(* 2) —	△25.9%	(* 2) —	△29.9%
Op.Income	—	—	—	△190	—	—	△220	—	—	—	—
Net Income x Share(*1)	—	—	—	△70	—	—	△90	—	—	—	—

\*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.

\*3: Only commission portion of sales by sellers in marketplace is recognized as sales.

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

# (Consolidated) 2021 Financial Result B/S Outline

	Dec. 2020	Dec. 2021	
	Million JPY	Million JPY	Ratio
<b>Assets</b>			
Cash	18,843	12,379	12.9%
Accounts Receivable	18,267	22,565	23.6%
Inventory	11,874	15,431	16.1%
Other	5,278	6,710	7.0%
<b>Total Current Asset</b>	<b>54,264</b>	<b>57,086</b>	<b>59.6%</b>
Tangible Fixed Asset	19,086	28,105	29.3%
Intangible Fixed Assets	4,829	6,332	6.6%
Other	3,081	4,264	4.5%
<b>Total Fixed Asset</b>	<b>26,998</b>	<b>38,702</b>	<b>40.4%</b>
<b>Total Assets</b>	<b>81,263</b>	<b>95,789</b>	

	Dec. 2020	Dec. 2021	
	Million JPY	Million JPY	Ratio
<b>Liabilities</b>			
Accounts Payable	11,643	14,562	15.2%
Short-term Debt & etc.	—	—	0.0%
Others	10,898	9,261	9.7%
<b>Total Current Liabilities</b>	<b>22,542</b>	<b>23,824</b>	<b>24.9%</b>
<b>Total Long term Liabilities</b>	<b>11,062</b>	<b>11,681</b>	<b>12.2%</b>
<b>Total Liabilities</b>	<b>33,604</b>	<b>35,505</b>	<b>37.1%</b>
<b>Net Assets</b>			
Shareholder's Equity	46,805	59,133	61.7%
Others	852	1,150	1.2%
<b>Total Net Assets</b>	<b>47,658</b>	<b>60,283</b>	<b>62.9%</b>
<b>Total Liabilities &amp; Net Assets</b>	<b>81,263</b>	<b>95,789</b>	

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

# (Consolidated) 2021 Financial Result C/F Outline

	2020 Result	2021 Result
	Million JPY	Million JPY
<b>Cash Flow from Operating Activity</b>		
Net Income before Tax	19,473	24,260
Increase or Decrease in Accounts Receivable ( $\Delta$ = increase)	$\Delta$ 3,753	$\Delta$ 4,287
Increase or Decrease in Inventory ( $\Delta$ = increase)	$\Delta$ 240	$\Delta$ 3,528
Increase or Decrease in Accounts Payable ( $\Delta$ = decrease)	1,784	2,901
Tax payment	$\Delta$ 4,799	$\Delta$ 7,091
Others	2,804	3
Total	15,269	12,258
<b>Cash Flow from Investing Activity</b>		
Acquisition of Tangible Assets	$\Delta$ 7,639	$\Delta$ 9,647
Acquisition of Intangible Assets	$\Delta$ 1,472	$\Delta$ 2,354
Others	96	(*Note) $\Delta$ 2,287
Total	$\Delta$ 9,015	$\Delta$ 14,290
<b>Cash Flow from Financing Activity</b>		
Long-term Loans Payable	9,000	0
Repayments of Long-term Loans	$\Delta$ 2,498	0
Repayments of Lease Obligations	$\Delta$ 683	$\Delta$ 667
Cash Dividends Paid	$\Delta$ 3,975	$\Delta$ 5,214
Others	$\Delta$ 68	115
Total	1,773	$\Delta$ 5,766
Currency Exchange Adjustment	$\Delta$ 6	99
Net Increase or Decrease in Cash and Cash Equivalent ( $\Delta$ = decrease)	8,021	$\Delta$ 7,699
Cash and Cash Equivalent at Beginning of Period	10,746	18,767
Cash and Cash Equivalent at End of Period	18,767	11,068

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



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**2022 Jan. to Dec.  
Business Plan & Strategy**

# 2022 Plan & Strategy: (Non-consol.) P/L Plan 1/2

	2021 Result		2022 Plan		
	Amount (mil.JPY)	Ratio to Sales	Amount (mil.JPY)	Ratio to Sales	YonY
Sales	182,472		216,505		+18.7%
Large Corp.	35,981	19.7%	48,920	22.6%	+36.0%
Gross Profit	52,527	28.8%	61,866	28.6%	+17.8%
SG&A Exp.	27,993	15.3%	36,848	17.0%	+31.6%
Operating Income	24,533	13.4%	25,018	11.6%	+2.0%
Current Income	24,647	13.5%	24,998	11.5%	+1.4%
Net Income (Tax Rate)	17,701 (28.1%)	9.7%	17,321 (29.1%)	8.0%	Δ2.1%

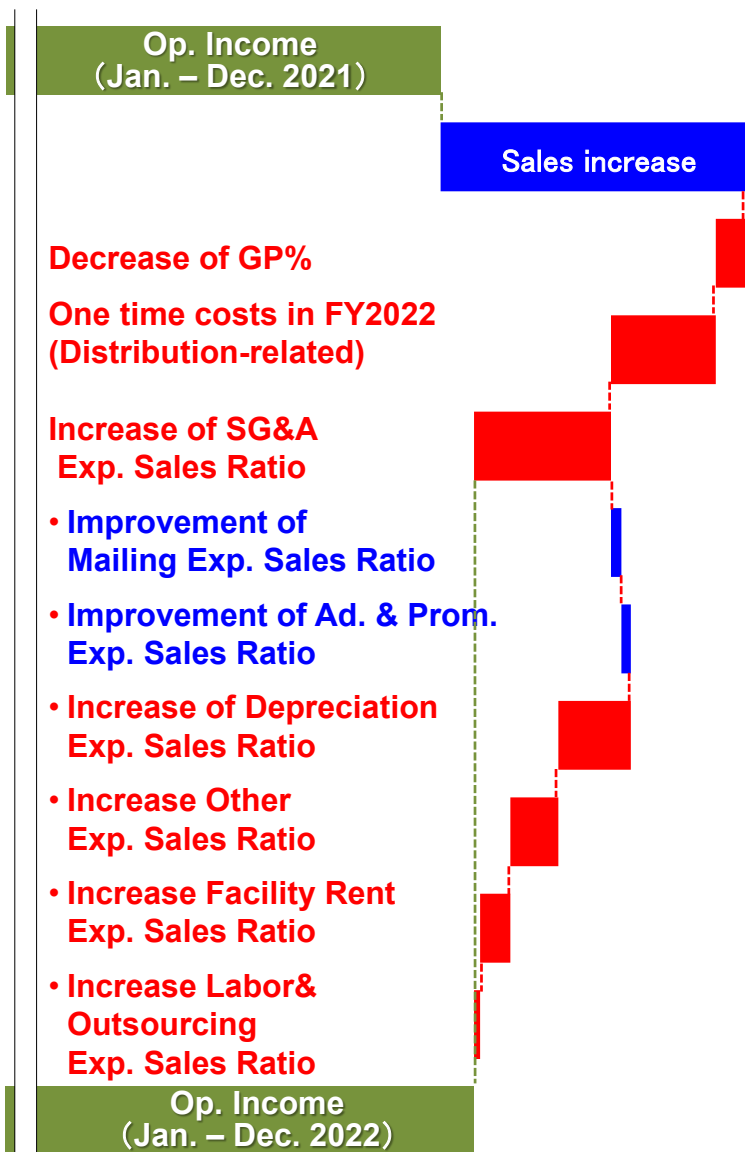
	2022 Jan.- Jun. Plan			2022 Jul.- Dec. Plan		
	Amount (mil.JPY)	Ratio to Sales	YonY	Amount (mil.JPY)	Ratio to Sales	YonY
Sales	104,617		+18.3%	111,888		+19.0%
Large Corp.	23,227	22.2%	+35.7%	25,693	23.0%	+36.2%
Gross Profit	29,794	28.5%	+16.1%	32,072	28.7%	+19.4%
SG&A Exp.	17,756	17.0%	+30.6%	19,091	17.1%	+32.6%
Operating Income	12,037	11.5%	Δ0.3%	12,980	11.6%	+4.2%
Current Income	12,028	11.5%	Δ0.8%	12,970	11.6%	+3.5%
Net Income (Tax Rate)	8,349 (30.6%)	8.0%	Δ0.6%	8,972 (27.7%)	8.0%	Δ3.5%

# 2022 Plan & Strategy: (Non-consol.) P/L Plan 2/2 vs. 2021

	2021 Result (A)		2022 Plan (B)		Difference (B-A)		
	Amount (mil.JPY)	Sales Ratio	Amount (mil.JPY)	Sales Ratio			
Sales	182,472	—	216,505	—	Amount (mil.JPY)	+34,033	<ul style="list-style-type: none"> <li>Customer base expansion (New customer acquisition plan: 1.31 million account)</li> <li>Large Corp. Business sales increase (+36.0%: expansion for customer, account, usage per account)</li> </ul>
					YonY	18.7%	
					Sales Ratio	—	
Gross Profit	52,527	28.8%	61,866	28.6%	Amount (mil.JPY)	+9,339	<ul style="list-style-type: none"> <li>Product GP rate decrease (<math>\Delta</math>0.4pt.: Decrease in sales share of imported products, JPY depreciation in foreign exchange market).</li> <li>Royalty income increase.</li> <li>Delivery cost &amp; procurement cost ratio improve(+0.1pt.: due to change of delivery supplier's composition and efficiency improvement by OMS).</li> </ul>
					YonY	+17.8%	
					Sales Ratio	$\Delta$ 0.2%	
SG&A Exp.	27,993	15.3%	36,848	17.0%	Amount (mil.JPY)	+8,855	<ul style="list-style-type: none"> <li>Distribution one time costs due to relocation from Amagasaki DC to Inagawa DC, etc. (+1.0pt.)</li> <li>Increase SG&amp;A ratio excluding one-time distribution-related costs (+0.7pt.)                             <ul style="list-style-type: none"> <li>Increase in depreciation ratio (+0.5pt.: due to launch of Inagawa DC and new systems PIM/OMS).</li> <li>Increase in Other Expense ratio (+0.1pt.: increase in costs of cloud infrastructure &amp; new system usages).</li> <li>Increase in Facility Rent Exp. ratio (+0.1pt: due to start of operations at Inagawa DC).</li> <li>Increase in labor and outsourcing cost ratio (+0.0pt.: securing of human resources)</li> <li>Decrease in communication expenses (<math>\Delta</math>0.1pt: increase in flyers cost, but decrease in other expenses including catalogs shipment cost).</li> <li>Decrease in Adv. expense ratio (<math>\Delta</math>0.1pt.: decrease catalog production cost ratio)</li> </ul> </li> </ul>
					YonY	+31.6%	
					Sales Ratio	+1.7%	
Operating Income	24,533	13.4%	25,018	11.6%	Amount (mil.JPY)	+485	<ul style="list-style-type: none"> <li>Operating Income increase. But Operating Income growth rate is far behind from sales growth rate due to GP rate decrease and SG&amp;A ratio for sales increase.</li> </ul>
					YonY	+2.0%	
					Sales Ratio	$\Delta$ 1.8%	
Net Income (Tax Rate)	17,701 (28.1%)	9.7%	17,321 (29.1%)	8.0%	Amount (mil.JPY)	$\Delta$ 380	<ul style="list-style-type: none"> <li>Asset retirement loss in Amagasaki DC incurred as Extra ordinary loss(559 mil. JPY).</li> <li>Tax reduction (+625 mil. JPY) received in 2021. Net income increase (+245 mil. JPY +1.4%) excluding effect of 2021's tax reduction.</li> </ul>
					YonY	$\Delta$ 2.1%	
					Sales Ratio	$\Delta$ 1.7%	



# 2022 Plan & Strategy: (Non-consol.) Operating Income Change Factors



**24,533 mil. JPY**

<b>+4,576 mil. JPY</b>	<ul style="list-style-type: none"> <li>■ monotaro.com:New customer acquisition (Plan: 1.31 mil. account).</li> <li>■ Large Corp. Business: +36.0% growth maintained.</li> </ul>
<b>△458 mil. JPY</b>	<ul style="list-style-type: none"> <li>■ Product GP% decrease due to decreased of sales share of imported products and JPY depreciation in foreign exchange.(Ratio for sales:△0.2pt)</li> </ul>
<b>△2,083 mil. JPY</b>	<ul style="list-style-type: none"> <li>■ One time costs for relocation from Amagasaki DC to Inagawa DC.(Ratio for sales:+1.0pt)</li> </ul>
<b>△1,550 mil. JPY</b>	<ul style="list-style-type: none"> <li>■ SG&amp;A ratio increased due to following reasons.(Ratio for sales:+0.7pt)</li> </ul>
<b>+156 mil. JPY</b>	<ul style="list-style-type: none"> <li>• Ratio of costs concerning sending flyers increases, but other cost ratios including sending catalogue decreases.(Ratio for sales:△0.1pt).</li> </ul>
<b>+142 mil. JPY</b>	<ul style="list-style-type: none"> <li>• Cost ratio for issuing catalogue decreases (Ratio for sales:△0.1pt).</li> </ul>
<b>△1,095 mil. JPY</b>	<ul style="list-style-type: none"> <li>• Increase in depreciation expenses rate for sales due to launch of Inagawa DC and new system (PIM,OMS) (Ratio for sales:+0.5pt).</li> </ul>
<b>△371 mil. JPY</b>	<ul style="list-style-type: none"> <li>• Increase in cloud infrastructure usage, OMS usage fee and facility maintenance cost of Kasama DC. (Ratio for sales:+0.1pt).</li> </ul>
<b>△294 mil. JPY</b>	<ul style="list-style-type: none"> <li>• Facility Rent Expense ratio increases due to Inagawa DC launch (Ratio for sales:+0.1pt).</li> </ul>
<b>△88 mil. JPY</b>	<ul style="list-style-type: none"> <li>• Increase Labor &amp; Outsourcing Expense ratio increases due to securing employees for company's operation (Ratio for sales:+0.0pt)</li> </ul>

**25,018mil. JPY (YoY: +485mil. JPY, +2.0%)**

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

# 2022 Plan & Strategy: Distribution-related cost Plan and Projection

- 2022 Distribution-related cost plan and projections for 2023 and 2024.
  - Sales ratio of logistics-related cost for FY2022 increases to 8.0% from 6.5% in FY2021
    - One time cost of distribution-related costs for relocating Amagasaki DC to Inagawa DC is 1.0% of sales.
    - Distribution-related costs incurred in normal operations (normal costs) are 7.0% of sales.
  - By increasing sales and expanding operation of highly productive Inagawa DC, aiming to decrease distribution-related costs ratio in FY2024 below FY2021 level.

Launch of new logi.-center	—		Ibaraki Chuo		Inagawa Phase 1						Inagawa Phase 2		—
	2020		2021		2022						2023		2024
	Result		Result		Plan						Proj		Proj
	Amount (mil.JPY)	Sales Ratio	Amount (mil.JPY)	Sales Ratio	Normal cost		One-time cost (*1)		Total		Amount (mil.JPY)	Amount (mil.JPY)	
Amount (mil.JPY)					Sales Ratio	Amount (mil.JPY)	Sales Ratio	Amount (mil.JPY)	Sales Ratio				
Sales	151,798	—	182,742	—	216,505	—	216,505	—	216,505	—	—	—	
Depreciation	950	0.6%	1,459	0.8%	2,320	1.1%	98	0.0%	2,418	1.1%	(*) 3,044	(*) 3,247	
Labor& Outsourcing	5,433	3.6%	6,486	3.6%	7,841	3.6%	326	0.2%	8,168	3.8%	—	—	
Facility rent	1,661	1.1%	1,652	0.9%	2,263	1.0%	1,077	0.5%	3,340	1.5%	(*) 3,409	(*) 3,422	
Other	1,669	1.1%	2,193	1.2%	2,782	1.3%	581	0.3%	3,363	1.6%	—	—	
Total	9,714	6.4%	11,792	6.5%	15,207	7.0%	2,083	1.0%	17,291	8.0%	—	—	

\*1: One-time cost to be incurred for transfer of logistics functions from Amagasaki DC to Inagawa DC in FY2022.

\*2: Forecast based on leasing and investment plans as of January 2022 (subject to change in future).

# 2022 Plan & Strategy: Distribution-related cost Reconsideration

- Reviewed Distribution-related costs for improving accuracy administration of logistics operation.
  - Reorganized and reviewed following three expenses related to distributions.

Account	Change over view
Depreciation Exp.	• Added depreciation expenses of structure category of asset.
Labor & Outsourcing Exp.	• Added social security cost of part-time employees
Other Exp.	• Added maintenance costs associated with logistics

## ■ Before Change

	2019 Result				2020 Result				2021 Result			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Sales	29,879	30,684	32,505	33,473	35,585	37,066	38,196	40,950	44,393	44,055	44,858	49,166
Depreciation	159	224	227	225	223	224	228	231	273	361	365	369
Labor & Outsourcing	965	1,017	1,082	1,085	1,107	1,331	1,335	1,354	1,468	1,531	1,507	1,610
Facility rent	343	368	383	392	412	408	414	414	438	420	387	396
Other	272	300	328	316	338	363	368	389	482	445	473	491
Total	1,740	1,911	2,021	2,019	2,082	2,328	2,346	2,389	2,663	2,758	2,734	2,868
(Sales Ratio)	5.8%	6.2%	6.2%	6.0%	5.9%	6.3%	6.1%	5.8%	6.0%	6.3%	6.1%	5.8%

## ■ After Change

	2019 Result				2020 Result				2021 Result			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Sales	29,879	30,684	32,505	33,473	35,585	37,066	38,196	40,950	44,393	44,055	44,858	49,166
Depreciation	170	235	238	235	234	235	238	242	288	385	390	394
Labor & Outsourcing	1,031	1,072	1,158	1,161	1,177	1,405	1,404	1,446	1,561	1,615	1,606	1,703
Facility rent	344	369	384	394	415	411	417	416	441	422	389	398
Other	309	337	373	357	375	409	436	448	565	528	545	553
Total	1,855	2,015	2,155	2,148	2,202	2,461	2,497	2,553	2,856	2,952	2,931	3,051
(Sales Ratio)	6.2%	6.6%	6.6%	6.4%	6.2%	6.6%	6.5%	6.2%	6.4%	6.7%	6.5%	6.2%

# 2022 Plan & Strategy: Domestic Business 1/2

- BtoB Online E-commerce (monotaro.com)
  - Expanding Customer Base and Improving Customer Lifetime Value
    - Planning to acquire 1.31 mil. new accounts in FY2022 (FY2021 result: 1.27 mil.)
    - Testing and optimizing online (SEM, SEO) and offline customer acquisition from the perspective of balancing customer lifetime value and acquisition cost.
  - Expanding Existing Customers' Sales
    - Increasing existing customers' usage by reducing "time to find," "time to purchase," and "time to wait for products" (by improving search functions, increasing number of products for sale, and increasing number of inventory items).
    - Promoting personalization of product search results and recommendation displays.
- System Connection with Large Corporations (Large Corporation Business)
  - 2021 Result:
    - Strengthening organization (establishment of Enterprise Business Dept.) successfully worked. Despite deceleration of demand during COVID-19 in 2020, high sales growth (+42.9%) maintained and grew above plan (+3.7%).
  - 2022 Plan:
    - Sales growth is planned to be 36.0% as strengthening efforts maintained to increase number of corporation connected and to expand usage after connection.

2020 Result			2021 Result				2022 Plan		
Mil. JPY	YoY	/Total Sales	Mil. JPY	YoY	vs. Plan	/Total Sales	Mil. JPY	YoY	/Total Sales
25,179	+29.5%	16.6%	35,981	+42.9%	+3.7%	19.7%	48,920	+36.0%	22.6%
			Dec. 2020 End Result		Dec. 2021 End Result				
			No. Corp.	No. Corp.	vs Dec. 2020 End		Remarks		
Total number of corporation			1,237	1,812	+575				
One Source			14	14	0				
One Source Lite			692	1,149	+457		583 considering		

# 2022 Plan & Strategy: Domestic Business 2/2

## ■ Consulting/Royalty Business

- Parent company Grainger's Zoro business (US & UK) attained sales growth and profit improvement even in continuing to strengthen business (high SG&A Exp. incurred). Royalty income in 2021 increased from 2020 and plan.
- Royalty income in 2022 plan to be increased from 2021.

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

- Continuing to strengthen and to secure talents working on SEM and SEO to acquire business customers, improving the accuracy of search functions to make products "easy to find," and continuously improve sales website to make it "easy to use."
- Personalization of product search results and recommendation displays.
  - Search results are currently displayed by customers grouped based on industry. Working on segmentation (personalization) to level of individual customer.
  - Personalization of recommendations is currently available on certain pages. Testing is on progress in multiple channel to deploy recommendations.
  - Working also on real-time personalization of search results and recommendations display.

## ■ New IT Platform for Advanced Supply Chain

- Order Management System (OMS)
  - Launched in Jan. 2022.
  - Reducing "Time to Wait for Product Arrivals" by optimizing delivery methods and routes, and reducing delivery and distribution-related costs by reducing splits of shipment and leveling operational loads (in 2022, delivery cost efficiencies are expected to be about  $\Delta 0.1\%$  of sales).
- Product Information Management (PIM)
  - Preparation is ongoing and to be launched in 2022Q1.
  - Through cost-efficient experience of "One-stop Shopping" in procurement operation, expand usage of existing customers.

# 2022 Plan & Strategy: Logistics 1/2

## ■ FY2022 Distribution-related cost plan

### • 2022FY total

	2021 Result		2022 Plan		
	Amount (mil.JPY)	Sales Ratio	Amount (mil.JPY)	Sales Ratio	YoY
Sales (Non-consol.)	182,473		216,505		+18.7%
Depreciation	1,459	0.8%	2,418	1.1%	+65.7%
Labor & Outsourcing	6,486	3.6%	8,168	3.8%	+25.9%
Facility rent	1,652	0.9%	3,340	1.5%	+102.2%
Other	2,193	1.2%	3,363	1.6%	+53.3%
Total	11,792	6.5%	17,291	8.0%	+46.6%

### • 1stH & 2ndH (Distribution-related cost total)

	2022 Jan. - Jun Plan			2022 Jul. - Dec Plan		
	Amount (mil.JPY)	Sales Ratio	YoY	Amount (mil.JPY)	Sales Ratio	YoY
Sales (Non-consol.)	104,617		+18.3%	111,888		+19.0%
Depreciation	1,061	1.0%	+57.5%	1,356	1.2%	+72.8%
Labor & Outsourcing	3,942	3.8%	+24.5%	4,225	3.8%	+27.3%
Facility rent	1,439	1.4%	+66.6%	1,901	1.7%	+141.2%
Other	1,676	1.6%	+53.1%	1,687	1.5%	+53.5%
Total	8,119	7.8%	+40.0%	9,171	8.2%	+53.1%

### • 1stH & 2ndH (One-time cost total)

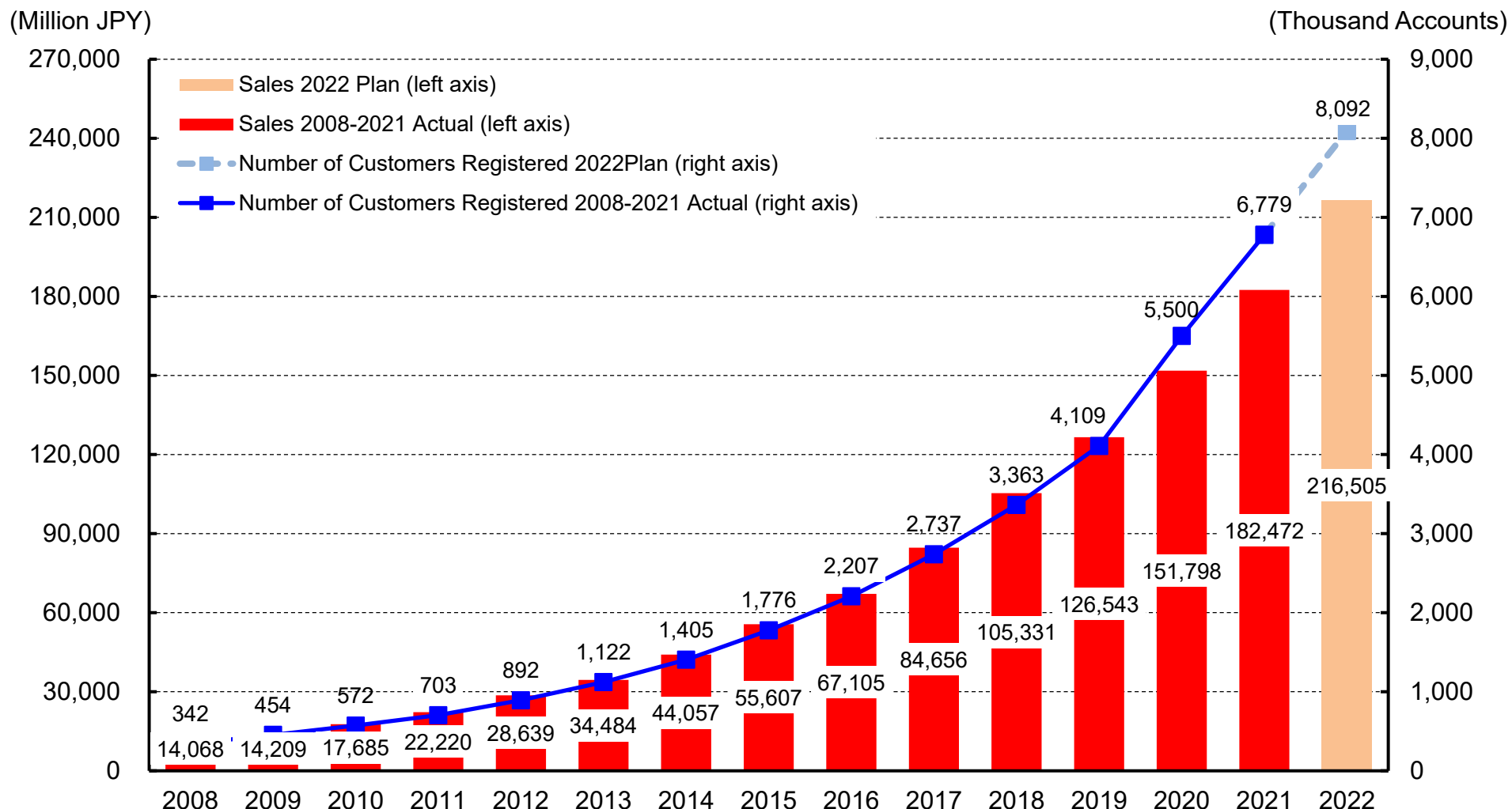
	2022 Jan. - Jun Plan			2022 Jul. - Dec Plan		
	Amount (mil.JPY)	Sales Ratio	YoY	Amount (mil.JPY)	Sales Ratio	YoY
Sales (Non-consol.)	104,617		+18.3%	111,888		+19.0%
Depreciation	32	0.0%	—	65	0.1%	—
Labor & Outsourcing	100	0.1%	—	225	0.2%	—
Facility rent	626	0.6%	—	451	0.4%	—
Other	216	0.2%	—	364	0.3%	—
Total	976	0.9%	—	1,107	1.0%	—

# 2022 Plan & Strategy: Logistics 2/2

## ■ New Distribution Base Expansion Update

Name		Inagawa DC		Tokyo Area New DC
Address		Inagawa-cho, Kawabe-gun, Hyogo Prefecture		Tokyo/Kanto Area
Floor Size		Total about 189,000 m <sup>2</sup>		Under planning
Inventory Capa.		Total 600K SKU		Under planning
Start Operation		Phase 1 Plan Apr. 2022	Phase 2 Plan 2023Q2	Planned in 2025
Shipping Capacity		About 90K lines/day	About 90K lines/day added (180K lines in total/day)	Under planning
Invest/ Rent	Land	_____		Under planning
	Constr.	Add. construction about 1.9 bil. JPY, restoration about 1.4 bil. JPY (examining)		
	Rent	Ph.1, 4.5 Floors and hazardous material warehouse: about 22.5 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 7.9 bil. JPY (under examining)	_____	
_____		About 7.6 bil. JPY (under examining)		
Remark		1st year: Starting to lease 4.5 to 5.0 floor and hazardous material warehouse. 2nd year: One floor added for total 5.5 to 6.0 floors to be leased. Portion of rent expense was incurred from December 2021		—
Progress Status		Construction completed in November 2021 Installation of equipment in progress		—
Picture				—

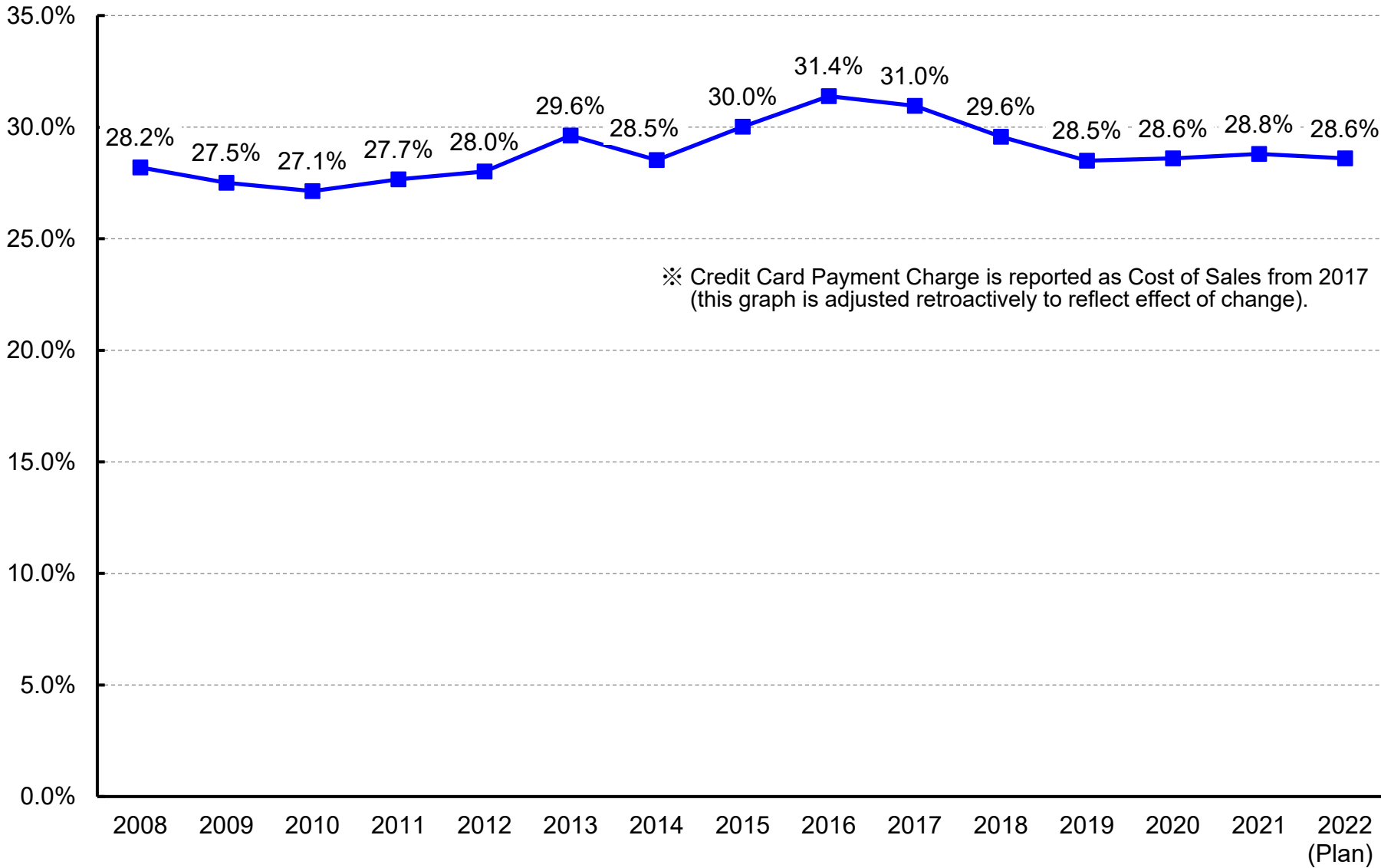
# 2022 Plan & Strategy: (Non-consol.) Progress - Sales & Customer



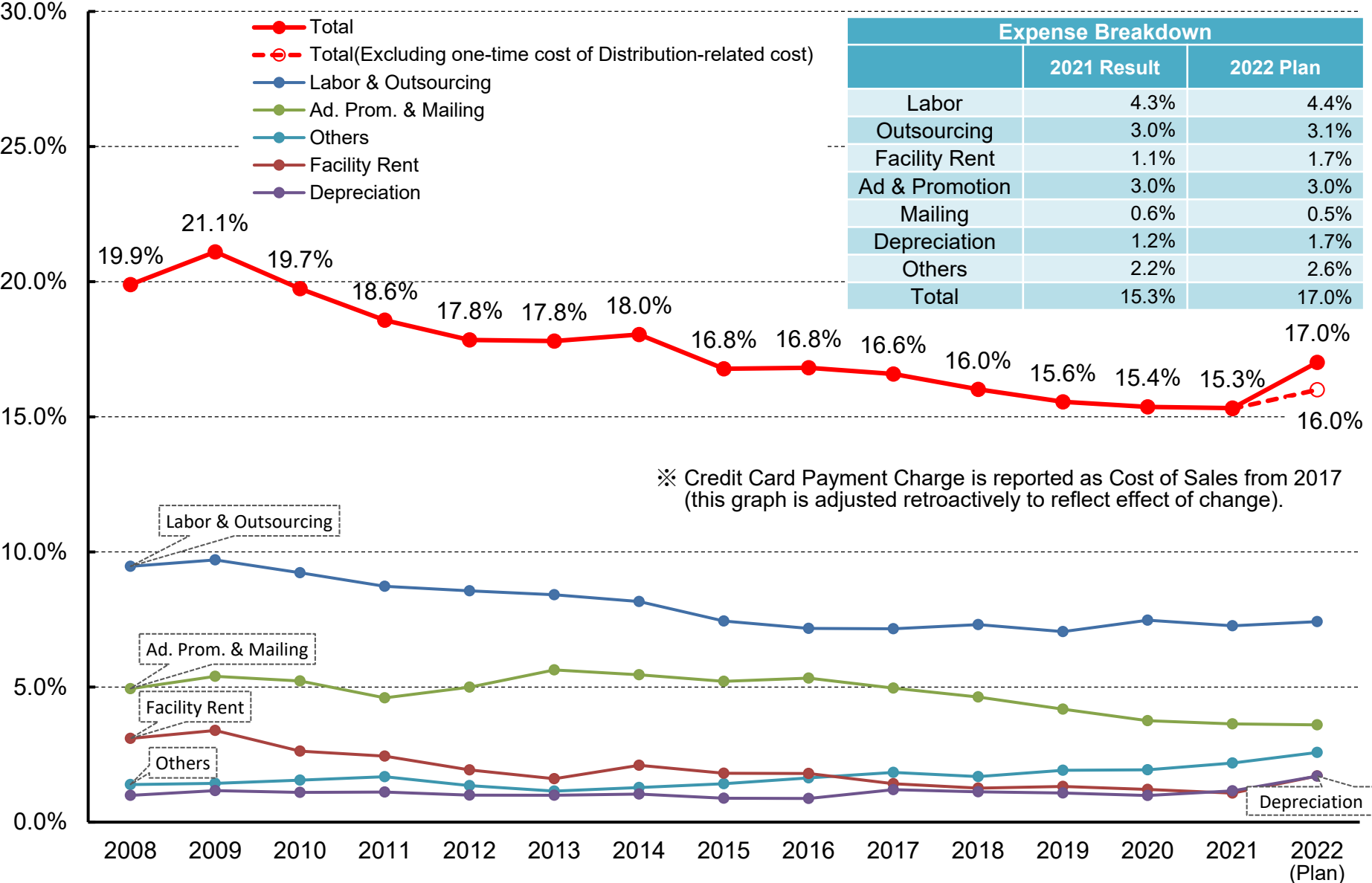
	Dec. 2020	Dec. 2021		Dec. 2022 (Plan)	
Number of Customers (Registered Accounts)	5,500,774	6,779,319	<b>+1,278,545 (vs. Dec. 2020)</b>	8,092,319	<b>+1,313,000 (vs. Dec. 2021)</b>



# 2022 Plan & Strategy: (Non-consolidated) Progress - Gross Profit



# 2022 Plan & Strategy: (Non-consolidated) Progress - SG&A Expense



# 2022 Plan & Strategy: P/L Plan Outline Overseas Subsidiary

## ■ NAVIMRO (South Korea)

- Achieving sales growth through customer expansion by increasing product line-up and stock.
- Increasing profit beyond sales growth rate by expanding PB sales.

	2021 Result			2022 Plan		
	Amount (mil.JPY)	YoY	YoY (Local Currency)	Amount (mil.JPY)	YoY	YoY (Local Currency)
Sales	6,640	+29.1%	+21.8%	7,880	+18.6%	+18.6%
Op.Income	160	+54.7%	+46.0%	230	+39.3%	+39.3%
Net Income x Share (*1)	160	+47.1%	+38.8%	210	+34.6%	+34.6%

## ■ MONOTARO INDONESIA (Indonesia)

- To focus on high lifetime value customers, reviewing acquisition methods and measures to increase usage and expand business.
- Continuing to expand product line-up for acceleration of sales increase.

	2021 Result			2022 Plan		
	Amount (mil.JPY)	YoY	YoY (Local Currency)	Amount (mil.JPY)	YoY	YoY (Local Currency)
Sales	390	+6.2%	+2.1%	540	+37.4%	+32.2%
Op.Income	△260	—	—	△220	-	-
Net Income x Share (*1)	△130	—	—	△110	-	-

## ■ IB MONOTARO (India)

- Opening additional warehouses in key areas throughout year (currently 1, 3 added, and 4 in total) for improving order to delivery lead time and delivery costs. Aiming to achieve sales growth over 200% YoY by increasing shipments from own warehouses (and reducing ratio of marketplace sales).

	2021 Result			2022 Plan		
	Amount (mil.JPY)	YoY	YoY (Local Currency)	Amount (mil.JPY)	YoY	YoY (Local Currency)
(* 2) Gross Merch. Value(GMV)	480	—	—	1,530	+218.6%	+214.4%
(* 2) Sales	310	—	—	1,140	+263.8%	+259.0%
Op.Income	△220	—	—	△560	-	-
Net Income x Share (*1)	△90	—	—	△270	-	-

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

\*2: Only commission portion of sales by sellers in marketplace is recognized as sales.

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

# 2022 Plan & Strategy: (Consolidated) P/L Plan Outline

	2021 Result		2022 Plan		
	Amount (mil.JPY)	Sales Ratio	Amount (mil.JPY)	Sales Ratio	YoY
Sales	189,731		226,073		+19.2%
Gross Profit	54,045	28.5%	63,934	28.3%	+18.3%
SG&A Exp.	29,916	15.8%	39,554	17.5%	+32.2%
Operating Income	24,129	12.7%	24,380	10.8%	+1.0%
Current Income	24,302	12.8%	24,392	10.8%	+0.4%
Net Income (Tax Rate)	17,340 (28.5%)	9.1%	16,697 (29.9%)	7.4%	△3.7%
Net Income attributable to owners of the parent	17,552	9.3%	17,067	7.5%	△2.8%

	2022 Jan. - Jun Plan			2022 Jul. - Dec Plan		
	Amount (mil.JPY)	Sales Ratio	YoY	Amount (mil.JPY)	Sales Ratio	YoY
Sales	108,983		+18.6%	117,089		+19.6%
Gross Profit	30,726	28.2%	+16.4%	33,208	28.4%	+20.1%
SG&A Exp.	19,023	17.5%	+31.2%	20,530	17.5%	+33.2%
Operating Income	11,702	10.7%	△1.6%	12,677	10.8%	+3.7%
Current Income	11,713	10.7%	△2.2%	12,679	10.8%	+2.8%
Net Income (Tax Rate)	8,027 (31.5%)	7.4%	△2.7%	8,669 (28.4%)	7.4%	△4.6%
Net Income attributable to owners of the parent	8,204	7.5%	△1.7%	8,862	7.6%	△3.7%

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

# 2022 Plan & Strategy: New Executive Officers

## Newly appointed Executive Officers

Executive Officer	<b>Sakuya Tamura</b>
Dept. in charge	<ul style="list-style-type: none"> <li>Supply Chain Management Dept.</li> <li>Customer Support Dept.</li> </ul>
Background	
Apr,2007	Joined Boston Consulting Group
Apr,2010	Joined GE Healthcare Japan Corporation
Mar,2020	Joined MonotaRO
Apr,2021	General Manager, Supply Chain Dept.
Executive Officer	<b>Taisuke Fukawa</b>
Dept. in charge	<ul style="list-style-type: none"> <li>IT Dept.</li> <li>EC System Engineering Dept.</li> </ul>
Background	
Apr,2001	Joined A&I System Co., Ltd. (current LAC Co., Ltd.)
Sep,2009	Joined Oisix ra daichi Inc.
Oct,2019	Joined MonotaRO
Jan,2021	General Manager, EC System Engineering Dept.

## New Member

	Name	Dept. in charge
President & CEO	<b>Masaya Suzuki</b>	
Deputy President	<b>Masato Kubo</b>	<ul style="list-style-type: none"> <li>Merchandising Dept.</li> <li>Merchandise Development Dept.</li> <li>Enterprise Business Dept.</li> </ul>
Executive Vice President	<b>Masaaki Hashihara</b>	<ul style="list-style-type: none"> <li>Marketing Dept.</li> <li>CX Management Dept.</li> </ul>
Senior Executive Officer	<b>Tetsuya Koda</b>	<ul style="list-style-type: none"> <li>Administration Dept..</li> </ul>
Executive Officer	<b>Hiroki Yoshino</b>	<ul style="list-style-type: none"> <li>Logistics Dept.</li> </ul>
Executive Officer	<b>Hidetoshi Taura</b>	<ul style="list-style-type: none"> <li>Global Business Dept.</li> </ul>
Executive Officer	<b>Taisuke Fukawa</b>	<ul style="list-style-type: none"> <li>IT Dept.</li> <li>EC System Engineering Dept.</li> </ul>
Executive Officer	<b>Sakuya Tamura</b>	<ul style="list-style-type: none"> <li>Supply Chain Management Dept.</li> <li>Customer Support Dept.</li> </ul>

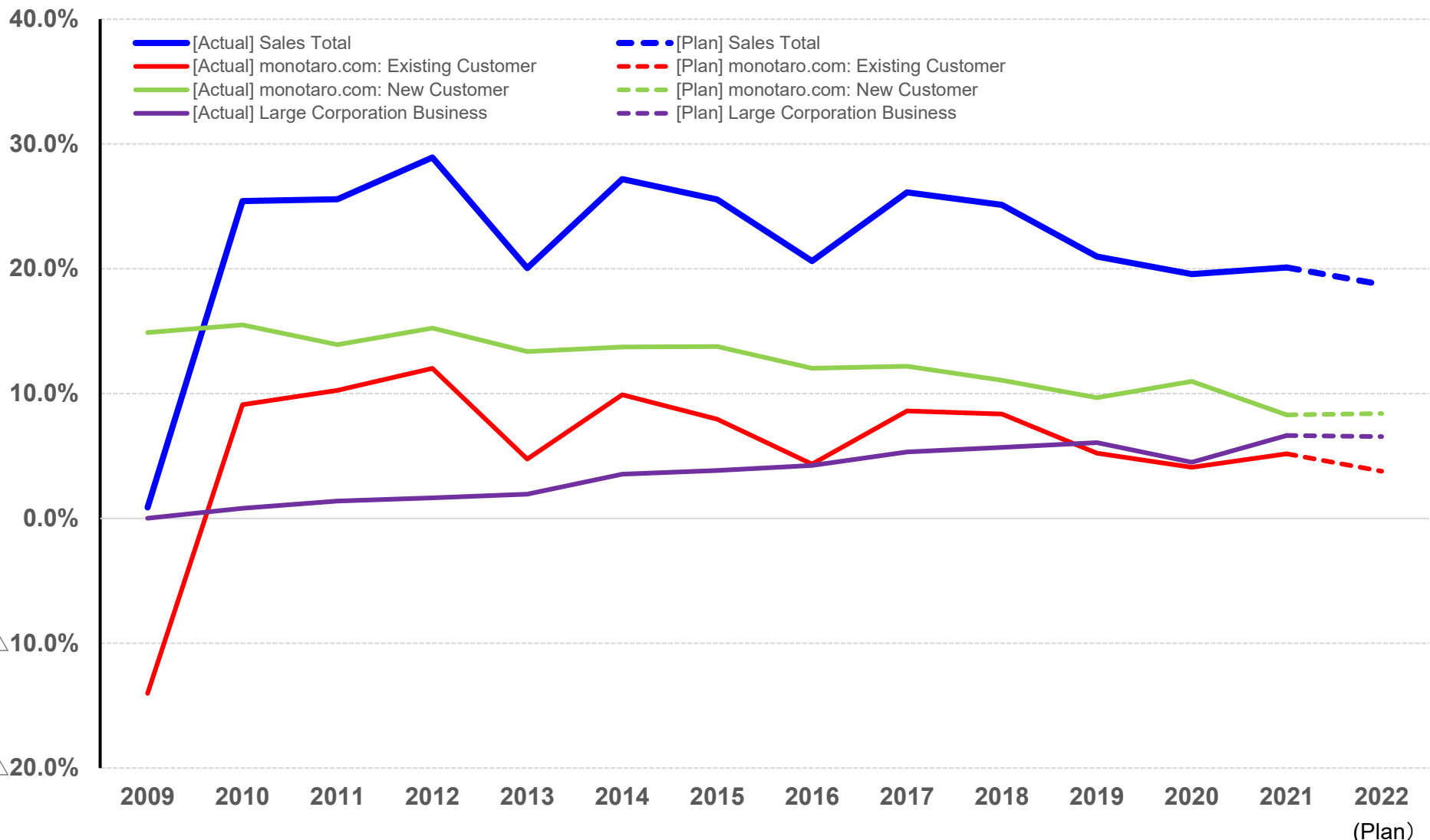
※Scheduled to be submitted to the Board of Directors meeting held in March 2022.



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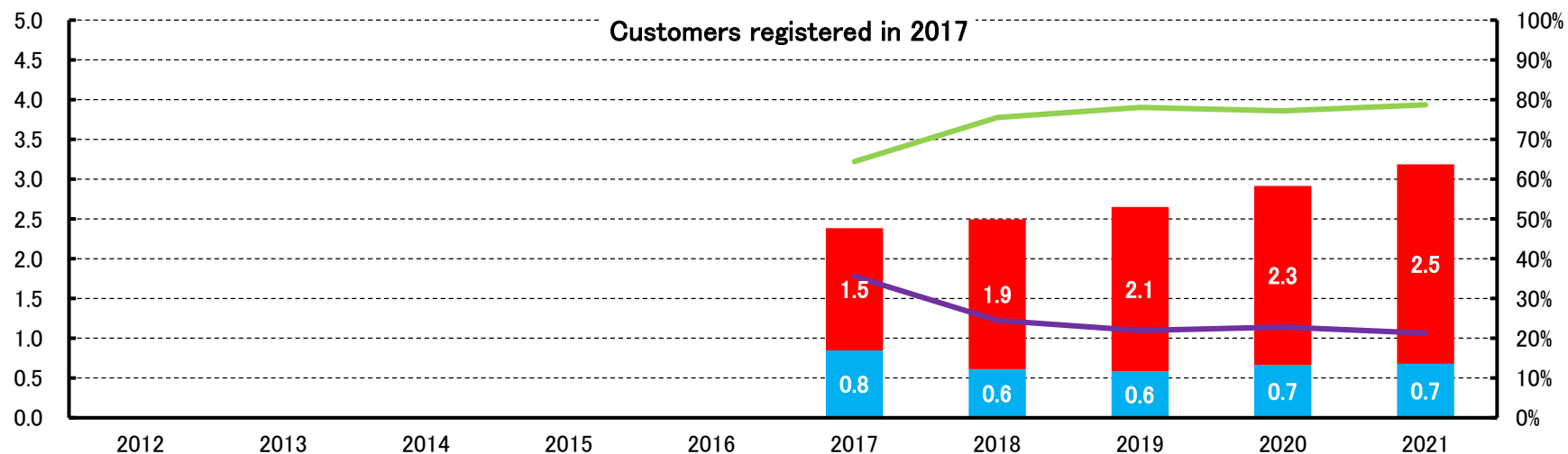
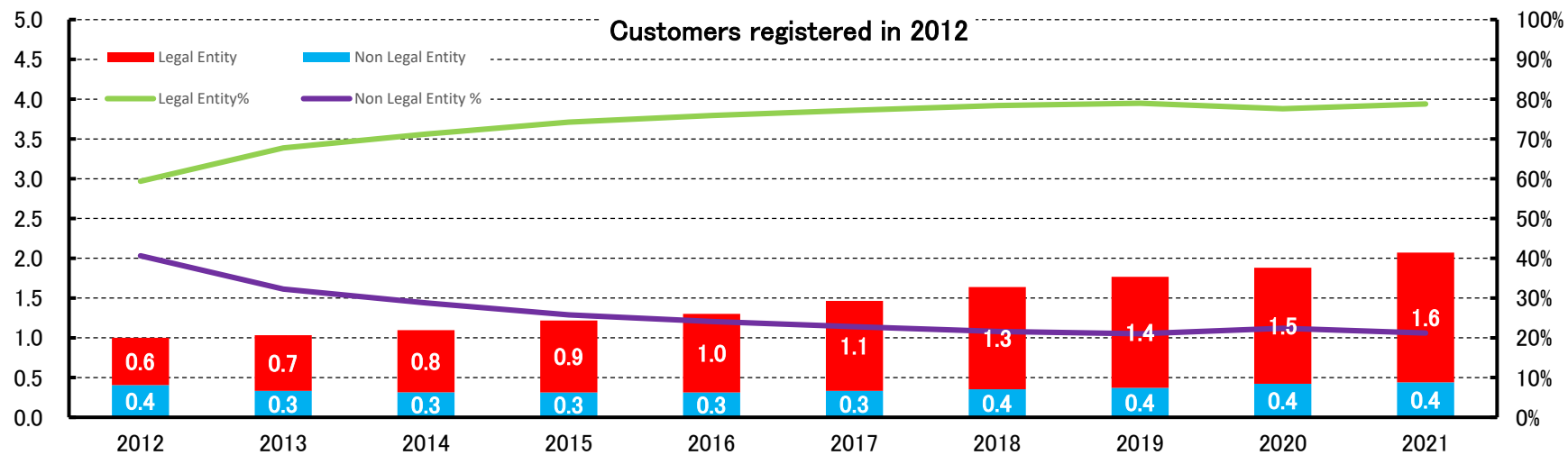
## Reference

# (Non-consol.) Fiscal Yr. Sales Growth (Service Channel Contribution)



\* Note 1: Fiscal year contributions of every channel to total sales growth from previous year is organized and shown.  
 \* Note 2: "monotaro.com: New Customer" indicates contribution of sales from customers acquired each fiscal year, and "monotaro.com: Existing Customer" indicates contribution of sales from customers acquired before corresponding year.

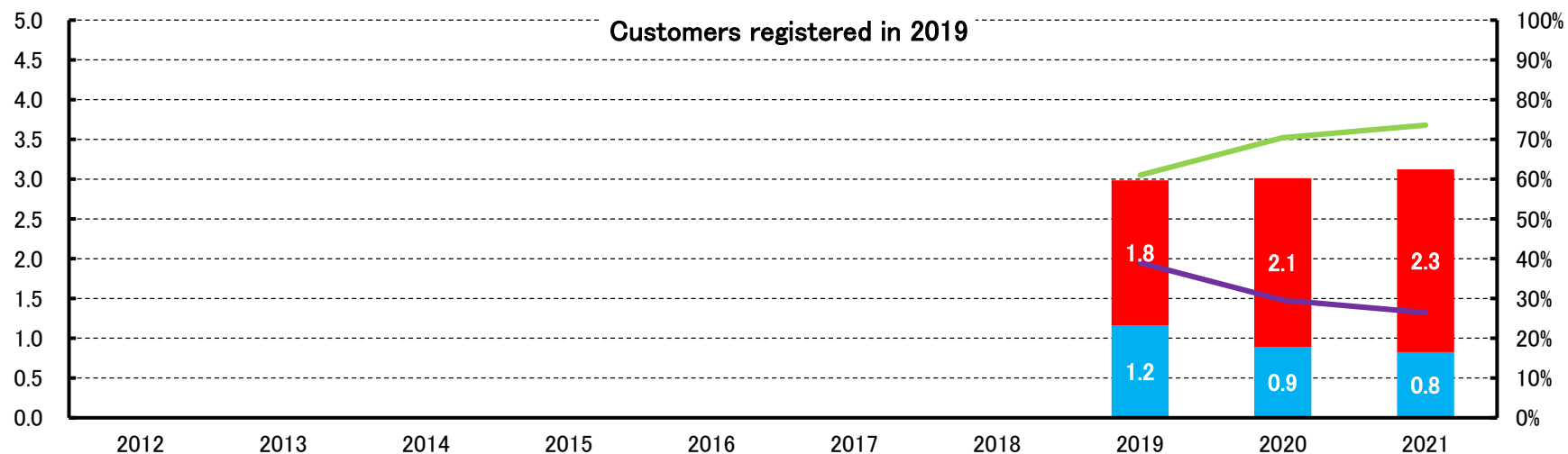
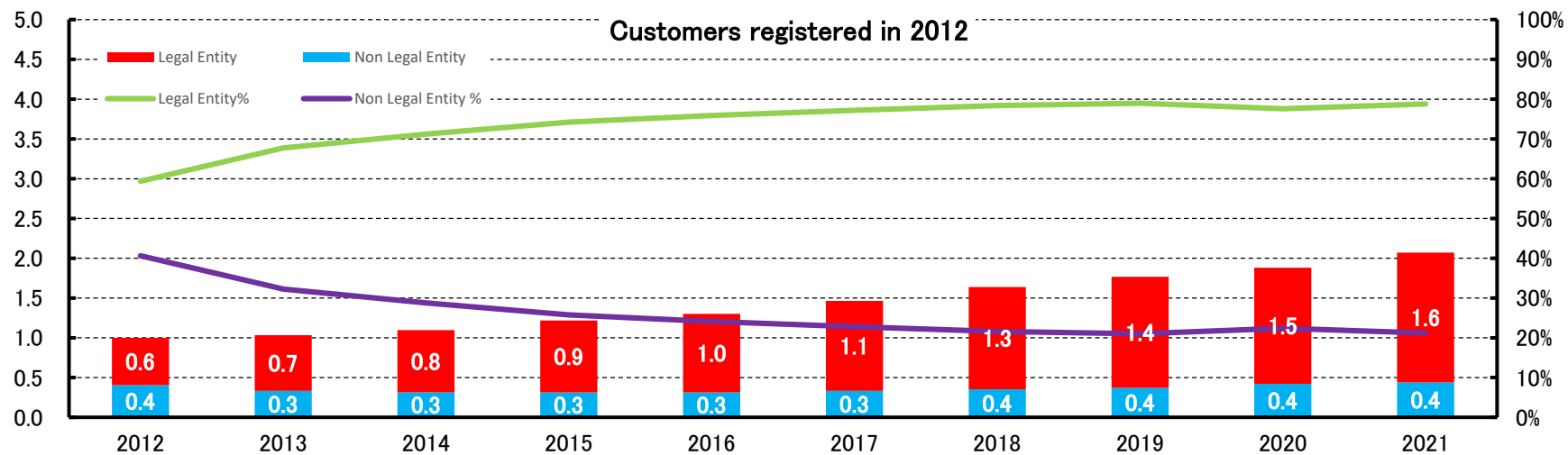
# (Non-consol.) Sales Growth & Registered Year (after 10 & 5 yr.)



\* 1: Bar chart (left axis) shows sales growth of customers registered in 2012 (10 years passed) and in 2017 (5 years passed) comparing with sales of customers registered in 2012 by setting registered year sales as '1'. Bar chart consists of legal entity and non legal entity.  
 \* 2: Line chart (right axis) shows sales ratio of legal entity and non legal entity in each year.  
 \* 3: Above history of sales through 'monotaro.com' is updated retroactively at the end of 2021 (large corporate sales not included).



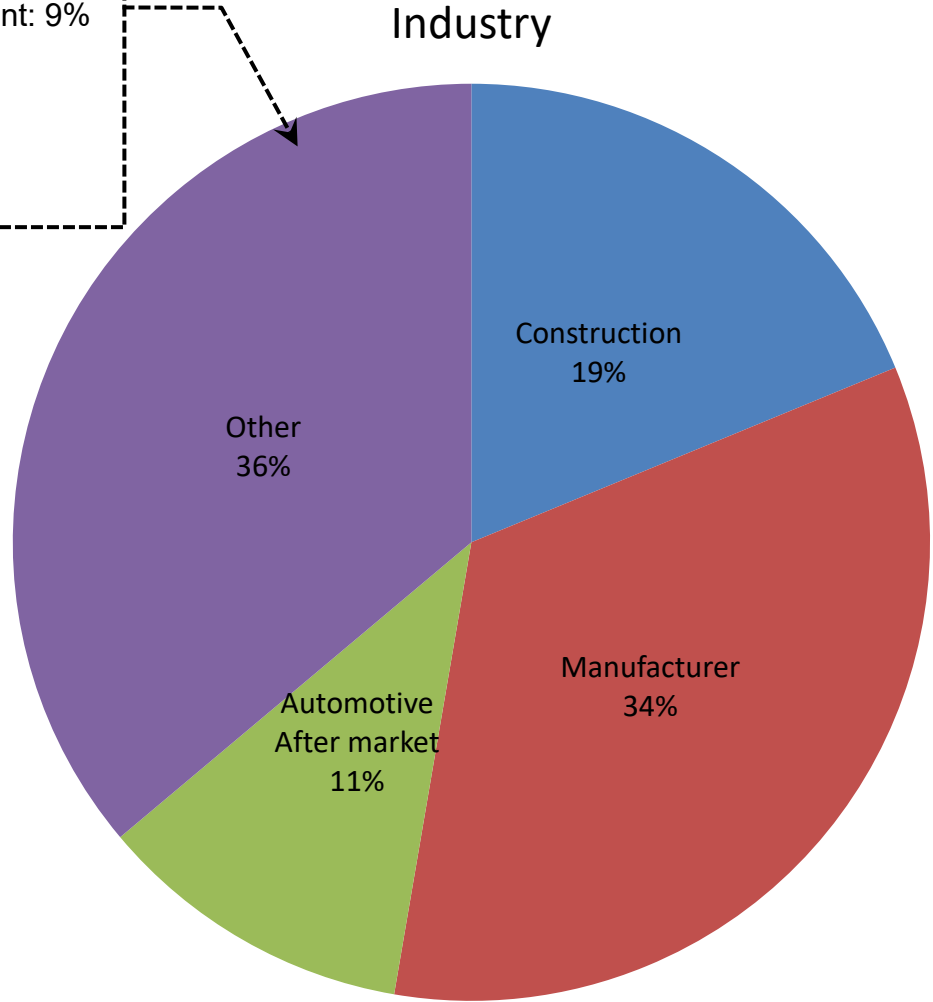
# (Non-consol.) Sales Growth & Registered Year (after 10 & 3 yr.)



\* 1: Bar chart (left axis) shows sales growth of customers registered in 2012 (10 years passed) and in 2019 (3 years passed) comparing with sales of customers registered in 2012 by setting registered year sales as '1'. Bar chart consists of legal entity and non legal entity.  
 \* 2: Line chart (right axis) shows sales ratio of legal entity and non legal entity in each year.  
 \* 3: Above history of sales through 'monotaro.com' is updated retroactively at the end of 2021 (large corporate sales not included).

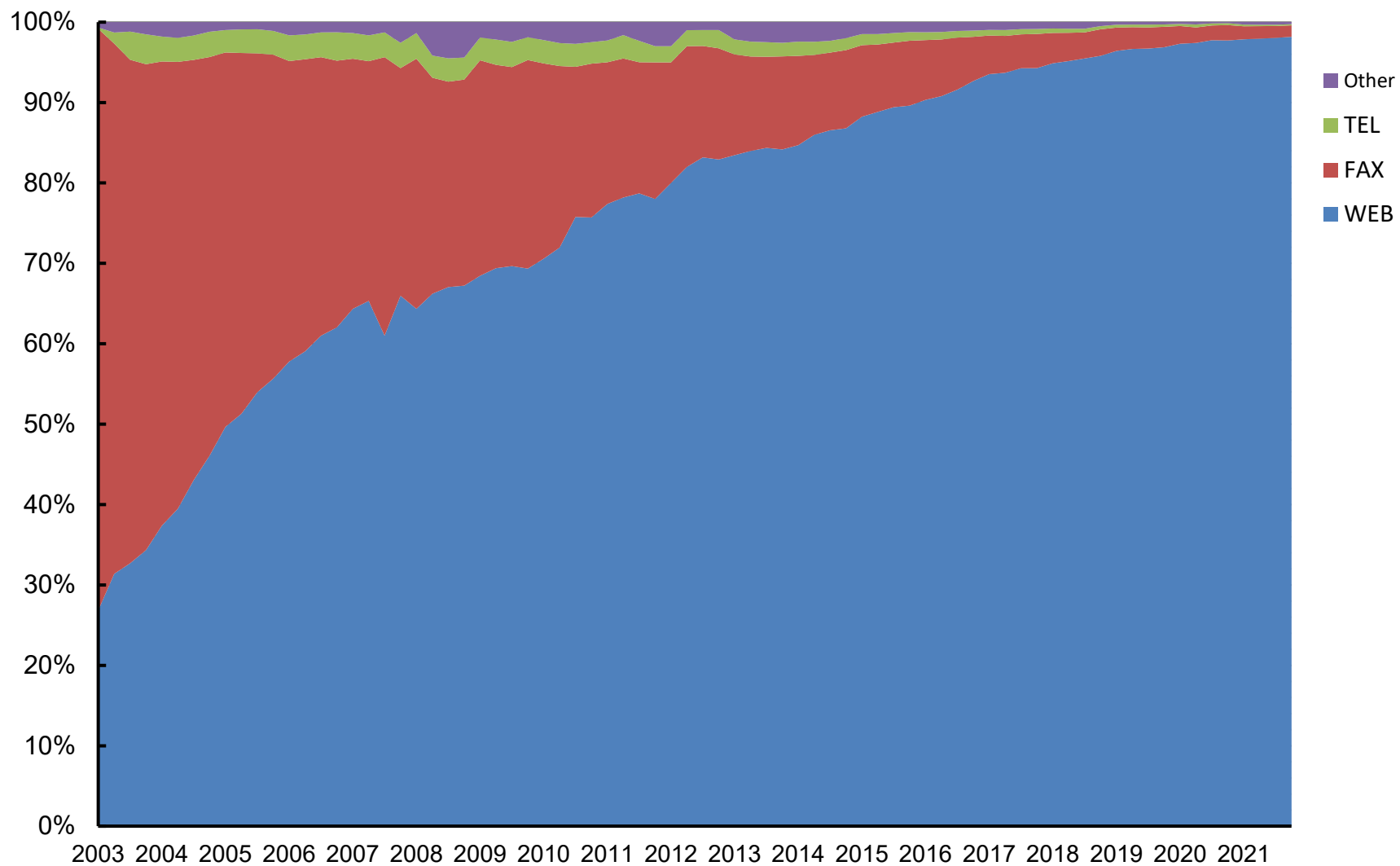
# (Non-consol.) Customer Demographics

- Wholesale, Retail, Restaurant: 9%
- Agriculture: 2%
- Education: 2%
- Medical: 1%
- Social security/welfare: 1%

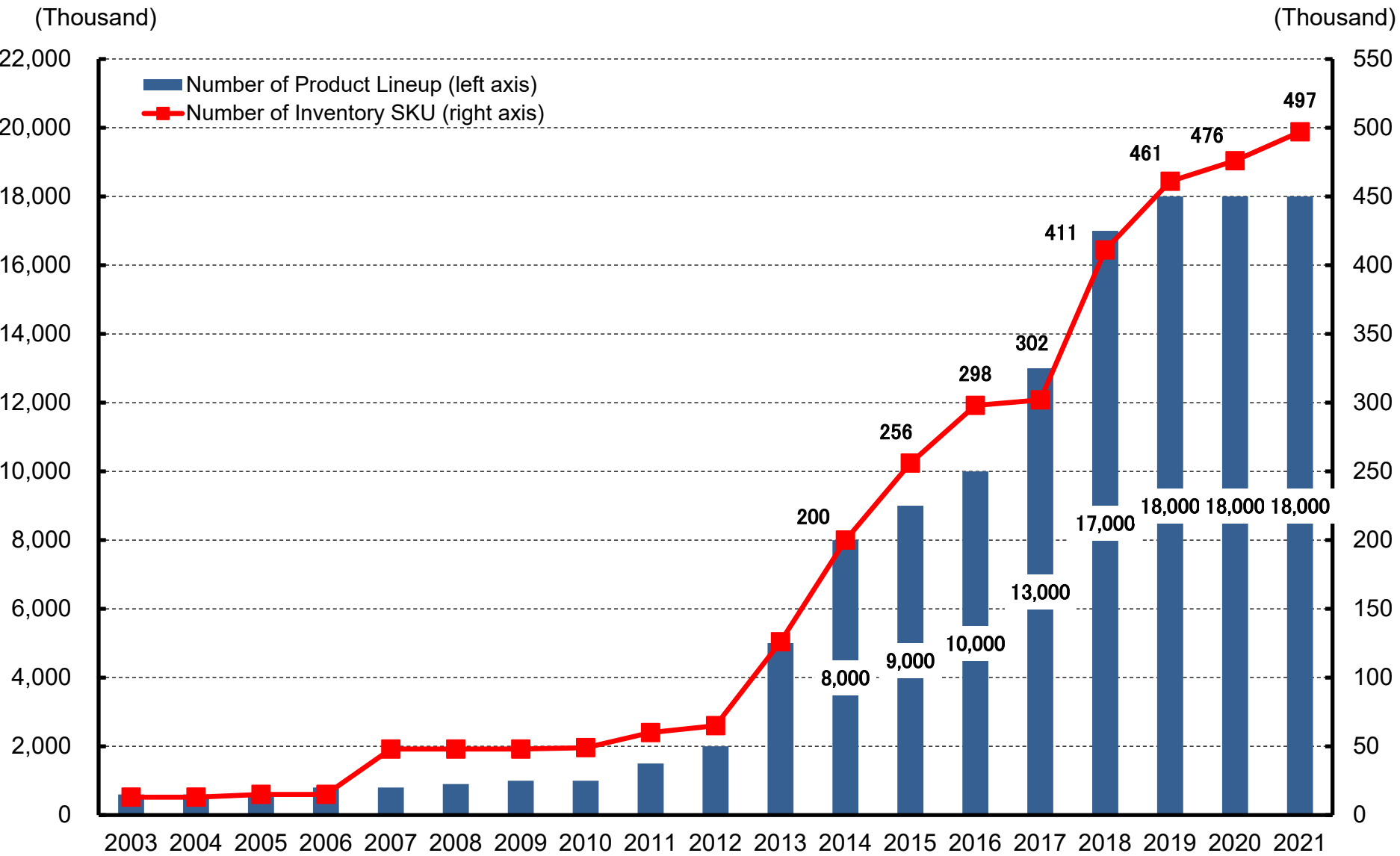


Ratio by sales amount in 2021  
(Sales through Shopping website-excluding sales through API connection)

# (Non-consol.) Internet PO Ratio



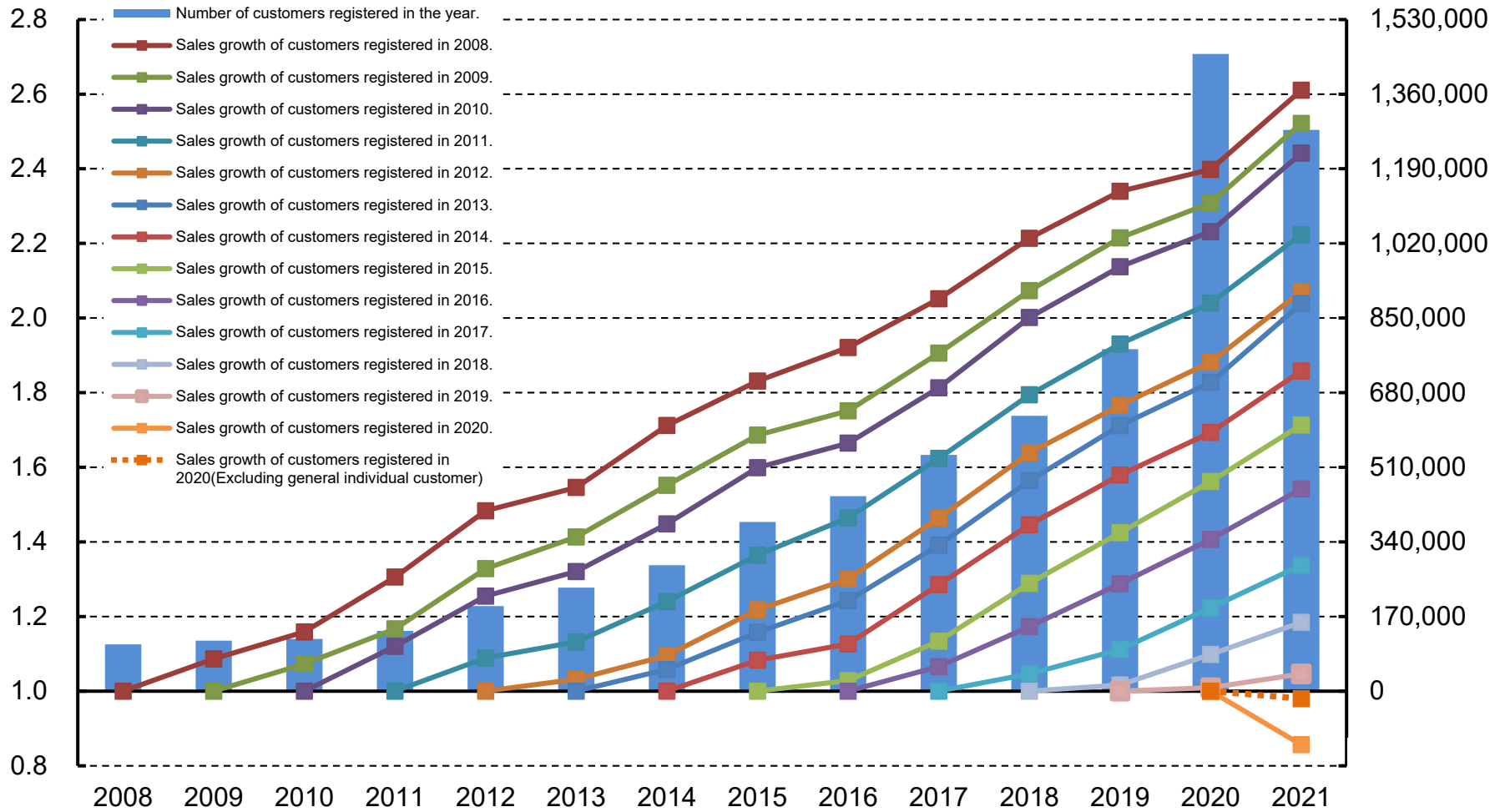
# (Non-consol.) Product Lineup & Inventory



# (Non-consol.) Registered Customers & Sales Growth by Registered Year

(Growth Rate of Sales)

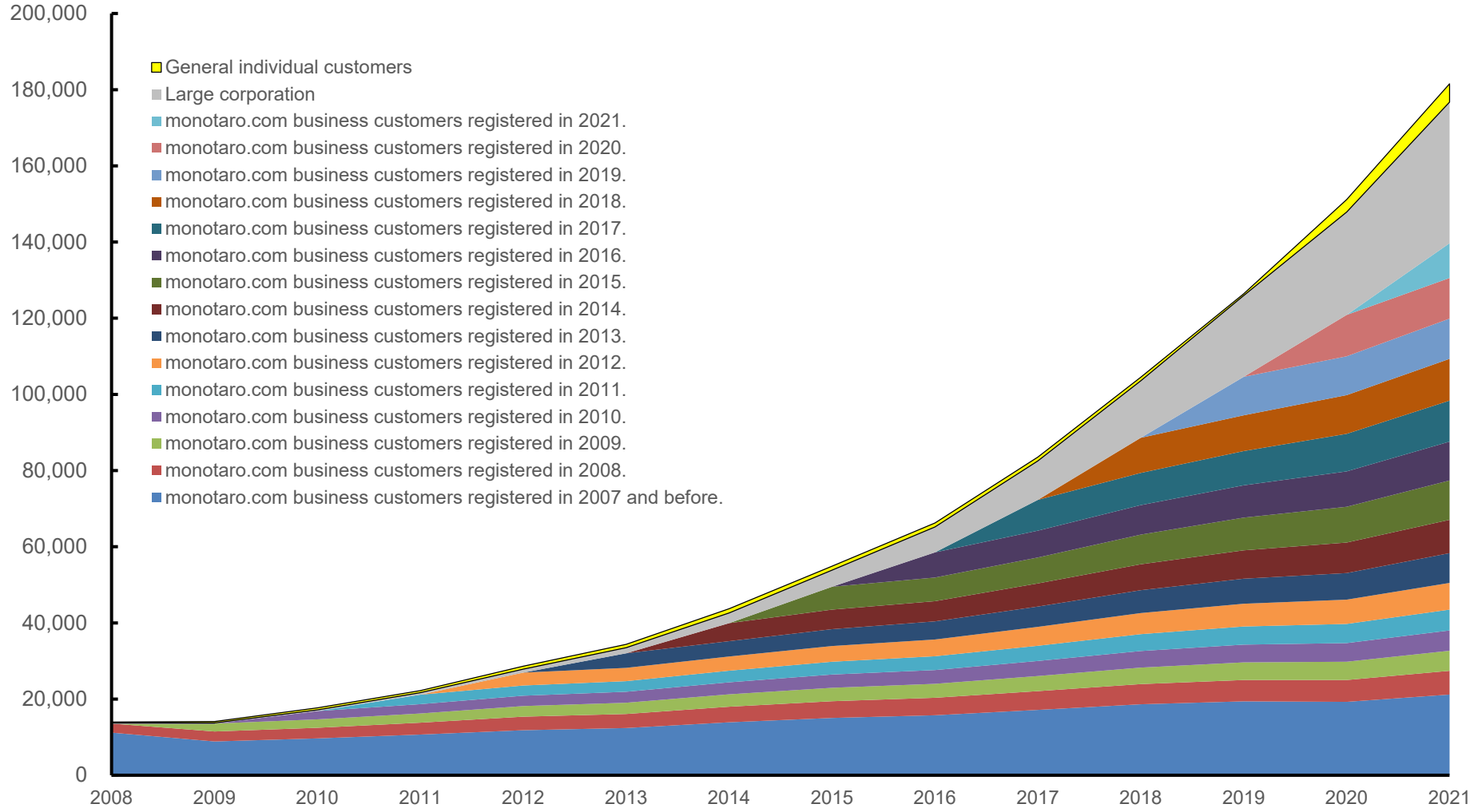
(Number of Registered Customers)



\* 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 2021 (large corporate sales not included).

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

(Million JPY)

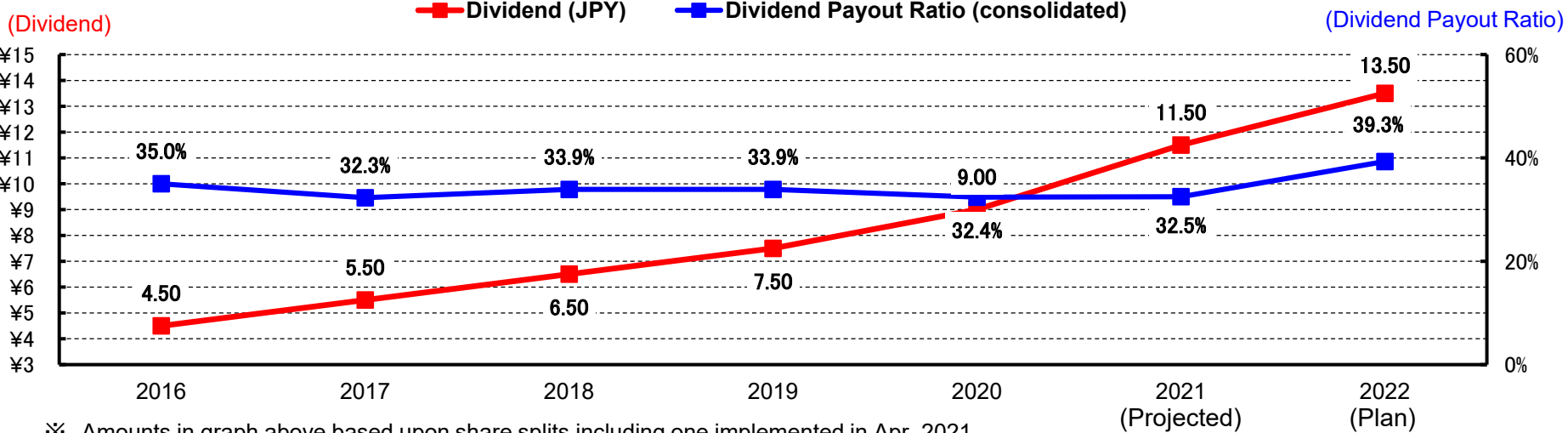


\* 1: Sales of 'monotaro.com business customers' are sales of monotaro.com's business customers organized retroactively for each registration year based upon updated customer status at the end of 2021.  
 \* 2: Sales of 'Large corporation' is total sales of large corporation customers based upon updated customer status at the end of 2021.  
 \* 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 2021 (IHC MonotaRO was closed and integrated into monotaro.com).

# Dividend & Shareholder Benefit

## ■ Dividend

- Dividend Policy: Distributing dividend consistent with stable and ongoing growth.
- 2021 Dividend (Project): 11.50 JPY/share (5.75 JPY/share interim, 5.75 JPY/share fiscal year end).
- 2022 Dividend (Plan): 13.50 JPY/share (6.50 JPY/share interim, 7.00 JPY/share fiscal year end).



※ Amounts in graph above based upon share splits including one implemented in Apr. 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)



# Sustainability (SDGs)






















## Background of project

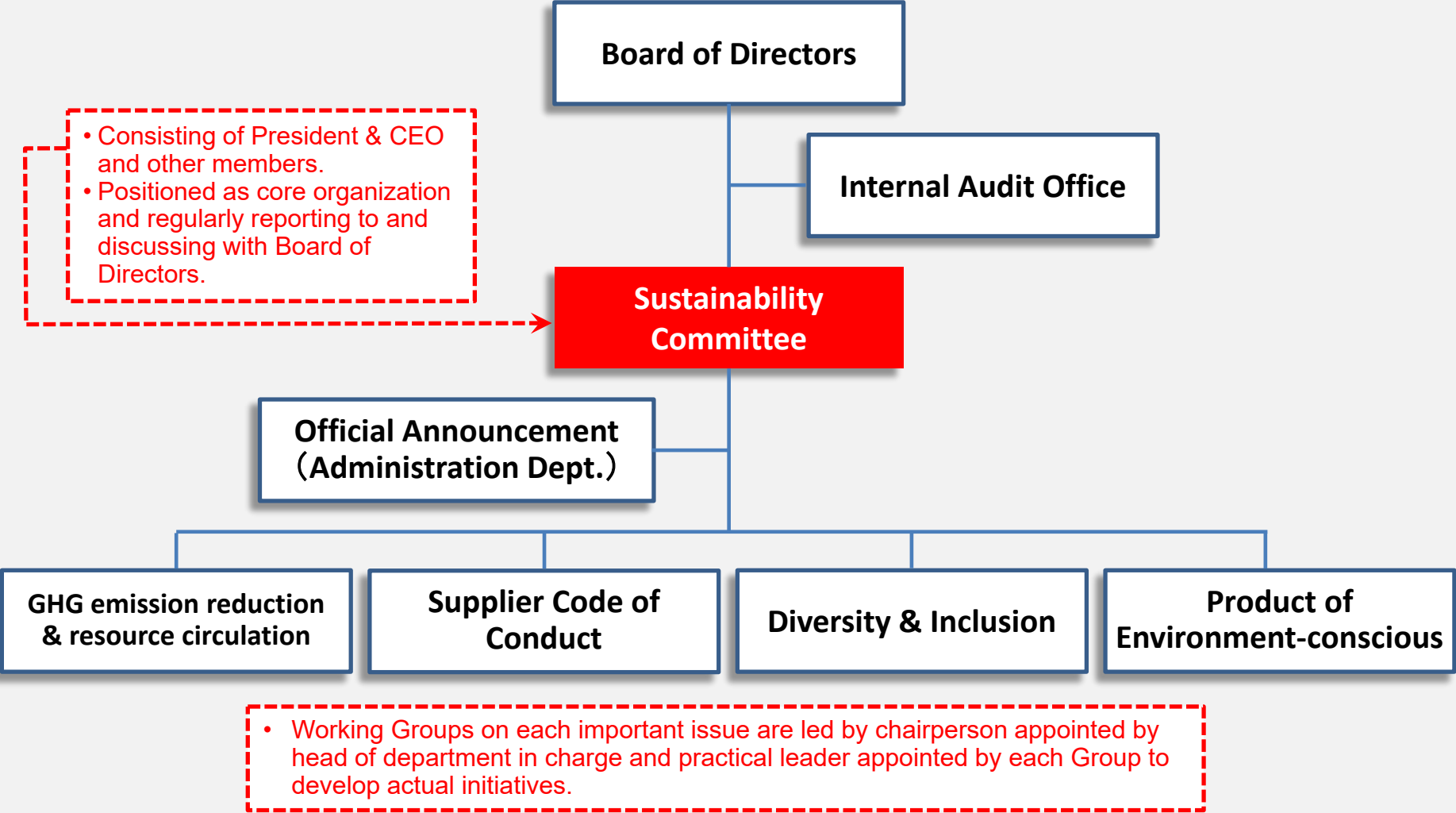
- Growing social interest in SDGs
  - In line with MonotaRO's business expansion, growing social expectations and demands for MonotaRO's initiatives in order to maintain business sustainability.
  - As employee's interest and awareness of SDGs increased, momentum for action was created, and project was launched by volunteer members.

<b>1st Phase Project</b>	<p>【March to July,2021】</p> <ul style="list-style-type: none"><li>• Learned and understood SDGs.</li></ul> <hr/> <p>【Aug to Oct,2021】</p> <ul style="list-style-type: none"><li>• Select and dig deeper into priority issues</li></ul>	<ul style="list-style-type: none"><li>■ <b>Narrowed down themes to be prioritized and clarified overall picture.</b></li></ul>
<b>2nd Phase Project</b>	<ul style="list-style-type: none"><li>■ <b>Clarified tasks and scheduled to achieve concrete results</b><ul style="list-style-type: none"><li>• <b>Establishment of organization (establishment of specialized Sustainability Committee &amp; Working Groups).</b></li><li>• Put priority issues into concrete plans and committed (disclosed) them.</li><li>• Realized specific plans one by one and reported achievements.</li></ul></li></ul>	

# SDGs : Prioritized Action Areas

Prioritized Action Areas	Concept & Strategy, Current Status, Next Action		SDGs 17 Targets		
<b>Reduction of CO2 emissions as measure against climate change</b>	Concept & Strategy	<ul style="list-style-type: none"> <li>Understanding current status of Scope 1, 2 &amp; 3 of carbon dioxide emissions and formulating action plan for continuing to grow business value under climate change risk.</li> </ul>			
	Current Status	<ul style="list-style-type: none"> <li>Started verification of the effects of reducing power consumption by optimizing compressor pressure in MonotaRO's warehouses in Dec. '21.</li> </ul>			
	Next Action	<ul style="list-style-type: none"> <li>Appropriately understanding current situation through measurement of Scope 1-3 and planning to announce roadmap for future in spring of '22.</li> </ul>			
<b>Realization of recycling model of resources through recycling and waste reductions</b>	Concept & Strategy	<ul style="list-style-type: none"> <li>Using technology and strength of operations for reducing packaging materials consumption and slow moving inventory, and then realizing resource recycling model.</li> </ul>			
	Current Status	<ul style="list-style-type: none"> <li>Reducing unnecessary purchases by improving accuracy of demand forecasts.</li> <li>Avoiding inventory disposal through "Limited Stock Sale" pages</li> <li>Recycling packaging materials. Offering toner collection and product repair services.</li> </ul>			
	Next Action	<ul style="list-style-type: none"> <li>Planning to announce roadmap in spring '22 based upon analysis of current situation</li> </ul>			
<b>Responsible Sourcing and Human Rights</b>	Next Action	<ul style="list-style-type: none"> <li>To develop an industrial society considering environment and human rights, formulating own procurement policy and promoting initiatives in working with suppliers.</li> </ul>			
<b>Diversity and Inclusion</b>	Concept & Strategy	<ul style="list-style-type: none"> <li>Becoming company where anyone can demonstrate their abilities and thus play active role if they have enthusiasm and qualifications.</li> <li>Promoting corporate culture that fosters diversity.</li> </ul>			
	Current Status	<ul style="list-style-type: none"> <li>Ratio of male &amp; female employees (full-time) Male: Female 62%: 38%</li> <li>Ratio of female managers: 18.2%</li> <li>Average overtime for all employees: less than 25 hours</li> <li>Supporting maternity &amp; paternity leave by providing roundtable discussions &amp; handbooks.</li> </ul>			
	Next Action	<ul style="list-style-type: none"> <li>Considering and introducing system to prevent employees from leaving or not being hired due to childcare, nursing care, disabilities, language barriers, etc.</li> <li>Stimulating recruitment of employees by obtaining official certification &amp; accreditation. Introducing and implementing training programs for employees.</li> </ul>			
<b>Proposal and development of environment-conscious products</b>	Concept & Strategy	<ul style="list-style-type: none"> <li>Creating MonotaRO's strengths for next generation by providing products and services that promote customers' participation in SDGs.</li> </ul>			
	Next Action	<ul style="list-style-type: none"> <li>Utilizing certification information from third-party organizations</li> <li>Defining MonotaRO standards for environmentally friendly products after conducting interviews with customers.</li> </ul>			

## ■ Organization for realization of sustainability





### 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.

## **Contact Us**

TEL: 81-6-4869-7190

FAX: 81-6-4869-7178

E-mail: [pr@monotaro.com](mailto:pr@monotaro.com)

IR information: <https://corp.monotaro.com/en/ir/index.html>