



Quarter 1, FY2023

(Jan. to Mar. 2023)

MonotaRO Co., Ltd
www.monotaro.com

- Main business
 - Electronic Commerce of indirect materials for factories, construction work, and automotive related businesses. (number of product lineup over 19 mil. SKU including 610 thou. SKU available for same-day shipment and 514 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 Mar. 31, 2023)

	Regular employee		Part-time employee and temporary staff		Total	
Head Office, etc. (MonotaRO JPN)	1,082	(572)	472	(402)	1,554	(974)
Distribution Center (MonotaRO JPN)	208	(151)	1,518	(1,427)	1,726	(1,578)
Total (MonotaRO JPN)	1,290	(723)	1,990	(1,829)	3,280	(2,552)

- Main competitors
 - Door-to-door tool dealers, hardware stores, auto parts dealers, Internet shopping sites, etc.
- Main customer base
 - Manufacturing, construction/engineering, automotive related, 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 orders and customer databases.
 - Achieving high productivity by doing much of work in-house from software development to content creation.

2023 Jan. to Mar.
(Non-consol.) Financial Result Overview

Financial Result P/L Outline 1/3

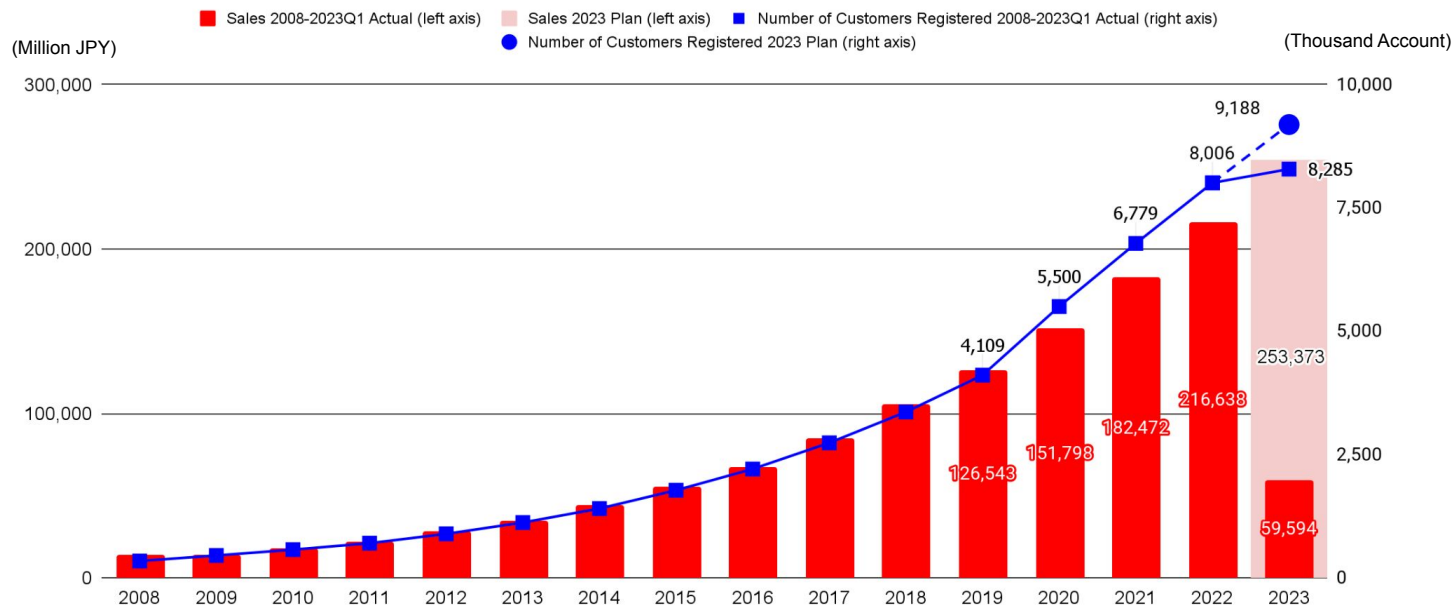
	2022Q1 Result		2023Q1 Plan		2023Q1 Result			
	Amount (mil. JPY)	Sales Ratio	Amount (mil. JPY)	Sales Ratio	Amount (mil. JPY)	Sales Ratio	YoY	vs Plan
Sales	52,687		61,365		59,594		+13.1%	△2.9%
Large Corp.	11,942	22.7%	16,684	27.2%	15,970	26.8%	+33.7%	△4.3%
Gross Profit	15,050	28.6%	18,120	29.5%	18,090	30.4%	+20.2%	△0.2%
SG&A Exp.	8,184	15.5%	10,412	17.0%	9,806	16.5%	+19.8%	△5.8%
Operating Income	6,866	13.0%	7,707	12.6%	8,284	13.9%	+20.6%	+7.5%
Current Income	6,936	13.2%	7,697	12.5%	8,358	14.0%	+20.5%	+8.6%
Net Income (Tax Rate)	4,806 (30.7%)	9.1%	5,343 (30.6%)	8.7%	5,830 (30.2%)	9.8%	+21.3%	+9.1%

Financial Result P/L Outline 2/3 vs. Last Year

	2022Q1 Result (A)		2023Q1 Result (B)		Difference (B-A)		
	Amount (mil.JPY)	Sales Ratio	Amount (mil.JPY)	Sales Ratio			
Sales	52,687	—	59,594	—	Amount (mil.JPY)	+6,907	<ul style="list-style-type: none"> ■ Sales of monotaro.com grew due to increases in order amount and frequency. ■ Large Corp. Business maintained high growth rate from last year (+33.7%). ■ Royalty income increased (depreciation of JPY contributed).
					YoY	+13.1%	
					Sales Ratio	-	
Gross Profit	15,050	28.6%	18,090	30.4%	Amount (mil.JPY)	+3,039	<ul style="list-style-type: none"> ■ Product GP% increased (+1.0pt.: due to changes in sales prices since 2022Q2 and reviewing timing & period for sale campaigns; nevertheless, imported products GP% decreased due to JPY depreciation). ■ Delivery cost ratio improved (+0.8pt.: due to increase in order amount per box, improve delivery efficiency by OMS, and ease pressure on importing cost).
					YoY	+20.2%	
					Sales Ratio	+1.8%	
SG&A Exp.	8,184	15.5%	9,806	16.5%	Amount (mil.JPY)	+1,622	<ul style="list-style-type: none"> ■ Facility Rent Exp. ratio increased (+0.9pt.: due to launch of Inagawa DC, etc.). ■ Depreciation Exp. ratio increased (+0.4pt.: due to launches of Inagawa DC and PIM, etc.). ■ Labor Exp. ratio increased (+0.4pt.: salary increased, etc.). ■ Other Exp. ratio increased (+0.1pt.: increase in system usage and utility costs, etc.). ■ Outsourcing Exp. ratio decreased (Δ0.2pt.: sales per box increased, and hence number of boxes shipped (i.e., volume) went below degree of decrease in sales, etc.). ■ Ad. & Promotion Exp. ratio decreased (Δ0.2pt.: due to catalog suspension, etc.). ■ Mailing Exp. ratio decreased (Δ0.5pt.: decrease in catalog shipping cost for new and existing customers, etc.).
					YoY	+19.8%	
					Sales Ratio	+1.0%	
Operating Income	6,866	13.0%	8,284	13.9%	Amount (mil.JPY)	+1,417	<ul style="list-style-type: none"> ■ SG&A Expense ratio increased (+1.0pt.); however, GP ratio improved (+1.8pt.), and hence Operating Income ratio increased (+0.9pt.).
					YoY	+20.6%	
					Sales Ratio	+0.9%	
Net Income (Tax Rate)	4,806 (30.7%)	9.1%	5,830 (30.2%)	9.8%	Amount (mil.JPY)	+1,023	<ul style="list-style-type: none"> ■ Net Income amount increased YoY +21.3%. Net Income ratio increased by 0.7pt. due to increase in Operating Income ratio (+0.9 pt.) .
					YoY	+21.3%	
					Sales Ratio	+0.7%	

Financial Result P/L Outline 3/3 vs. Plan

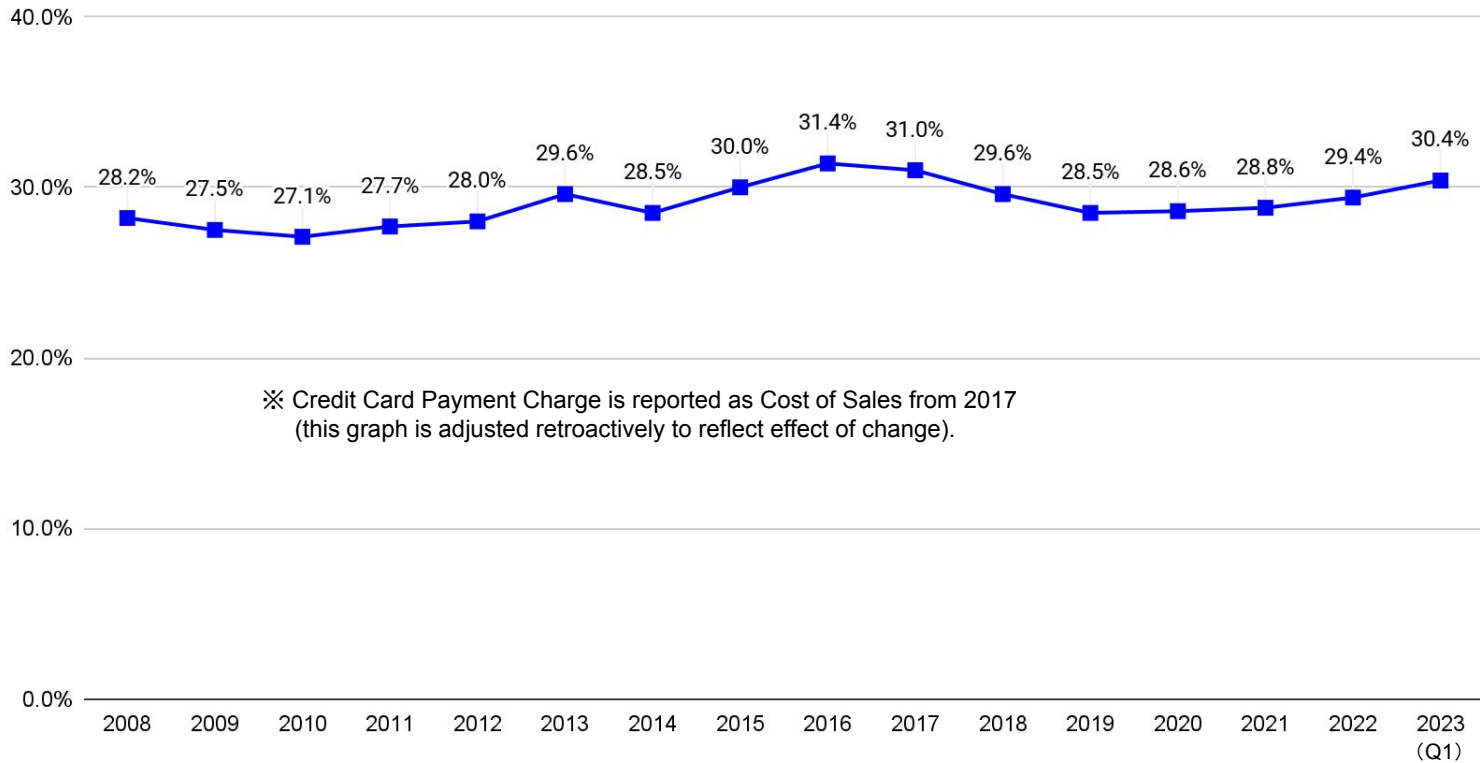
	2023Q1 Plan (A)		2023Q1 Result (B)		Difference (B-A)		
	Amount (mil.JPY)	Sales Ratio	Amount (mil.JPY)	Sales Ratio			
Sales	61,365	—	59,594	—	Amount (mil.JPY)	△1,770	<ul style="list-style-type: none"> monotaro.com: Grew below planned. Large Corp. Business: Grew below planned (△4.3%). Royalty income: Amount received decreased.
					vs Plan	△2.9%	
					Sales Ratio	-	
Gross Profit	18,120	29.5%	18,090	30.4%	Amount (mil.JPY)	△29	<ul style="list-style-type: none"> Product GP ratio increased (+0.3pt.: GP% of domestic products increased). Delivery Cost ratio improved (+0.6pt.: due to increase in order amount per box and due to ease pressure on importing cost).
					vs Plan	△0.2%	
					Sales Ratio	+0.9%	
SG&A Exp.	10,412	17.0%	9,806	16.5%	Amount (mil.JPY)	△606	<ul style="list-style-type: none"> Other Exp. ratio decreased (△0.4pt.: system usage cost, maintenance cost, equipment cost, consumable expenses, and packing cost decreased, etc.). Outsourcing Exp. ratio decreased (△0.3pt.: DC temporary staff decreased due to decrease in number of boxes, etc.). Labor Exp. ratio increased (+0.1pt.: due to sales plan not achieved, etc.). AD & promotion Exp ratio increased (+0.2pt.: due to increase in number of flyers, and due to ratio of exp. increase along with lower sales, etc.).
					vs Plan	△5.8%	
					Sales Ratio	△0.5%	
Operating Income	7,707	12.6%	8,284	13.9%	Amount (mil.JPY)	+576	<ul style="list-style-type: none"> Sales landed below plan, but GP% improved and SG&A Exp. lower than plan. Operating Income, therefore, grew (+7.5%).
					vs Plan	+7.5%	
					Sales Ratio	+1.3%	
Net Income (Tax Rate)	5,343 (30.6%)	8.7%	5,830 (30.2%)	9.8%	Amount (mil.JPY)	+486	<ul style="list-style-type: none"> Due to increase in Operating Income, Net Income amount went beyond plan (+9.1%) and Net Income ratio improved (+1.1pt.).
					vs Plan	+9.1%	
					Sales Ratio	+1.1%	



	Dec. 2022		Mar. 2023		Dec. 2023 (Plan)	
Number of Registered Customers	8,006,494	+1,227,175	8,285,645	+279,151	9,188,494	+1,182,000

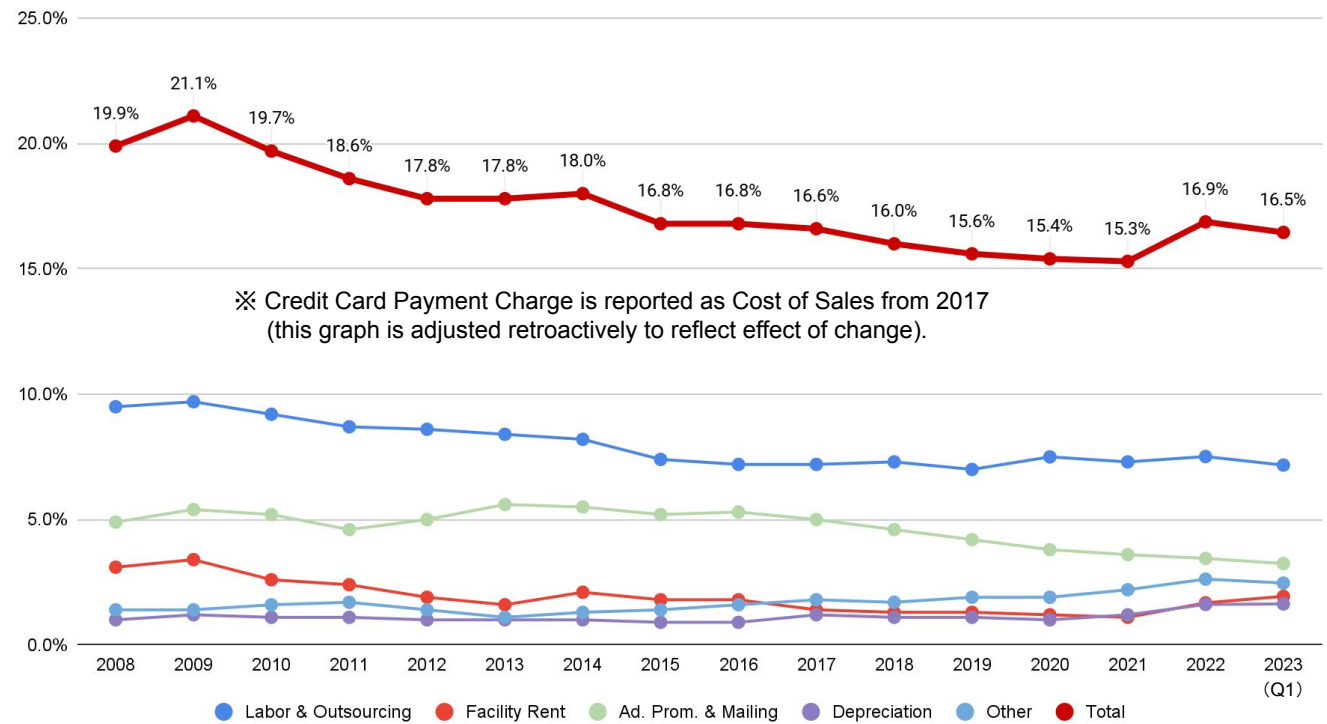
※ After pandemic of COVID19, customer registration by general consumers increased rapidly, but it is expected to decrease YoY in 2023, so number of new customer acquisition is expected to decrease YoY. For corporate customers, there is slight increase plan in YoY basis.

Progress - Gross Profit Ratio



※ Credit Card Payment Charge is reported as Cost of Sales from 2017 (this graph is adjusted retroactively to reflect effect of change).

Progress - SG&A Expense Ratio



Expense Breakdown		
	2022Q1 Result	2023Q1 Result
Labor	4.1%	4.5%
Outsourcing	2.9%	2.7%
Facility Rent	1.0%	1.9%
Ad & Promotion	3.3%	3.1%
Mailing	0.7%	0.2%
Depreciation	1.2%	1.6%
Others	2.4%	2.5%
Total	15.5%	16.5%

Distribution-related Cost

- Distribution-related Cost sales ratio 2023Q1: 7.5%
 - 1.1pt. higher than 2022Q1 Result.
 - Facility rent expense ratio increased: +0.9pt. (Inagawa DC Phase 1 launched in Apr. 2022, and rent for Amagasaki DC incurred until Mar. 2023, etc.).
 - Depreciation expense ratio increased: +0.4pt. (Inagawa DC Phase 1 launched in Apr. 2022, etc.)
 - Labor and outsourcing expense ratio decreased: Δ 0.2pt. (increase in sales per box resulted in decrease in number of box handled per sale, etc.).
 - Other expense ratio decreased: Δ 0.1pt. (preparation cost for launch of Inagawa DC phase 2 lower than that for Inagawa phase 1, 2022Q1, etc.).
 - 0.4pt. lower than plan.
 - Labor and outsourcing expense ratio decreased: Δ 0.3pt. (increase in sales per box resulted in decrease in number of box handled per sale, etc.).
 - Other expense ratio decreased: Δ 0.3pt. (DC facility maintenance postponed to Q2 or later, etc.).
 - Depreciation expense ratio increased: +0.1pt. (sales ratio increased because sales plan not attained, etc.).

	2022Q1 Result		2023Q1 Plan		2023Q1 Result			
	Amount (mil.JPY)	Sales Ratio	Amount (mil.JPY)	Sales Ratio	Amount (mil.JPY)	Sales Ratio	YonY	vs Plan
Sales (Non-consol.)	52,687		61,365		59,594		+13.1%	Δ 2.9%
Depreciation	392	0.7%	638	1.0%	635	1.1%	+61.8%	Δ 0.5%
Labor & Outsourcing	1,818	3.5%	2,194	3.6%	1,984	3.3%	+9.1%	Δ 9.5%
Facility Rent	435	0.8%	1,043	1.7%	1,034	1.7%	+137.7%	Δ 0.9%
Others	729	1.4%	972	1.6%	795	1.3%	+9.0%	Δ 18.2%
Total	3,376	6.4%	4,849	7.9%	4,450	7.5%	+31.8%	Δ 8.2%

Financial Result B/S Outline

	Mar. 2022	Dec. 2022	Mar. 2023			Mar. 2022	Dec. 2022	Mar. 2023	
	mil. JPY	mil. JPY	mil. JPY	Ratio		mil. JPY	mil. JPY	mil. JPY	Ratio
Assets					Liabilities				
Cash	8,201	7,318	7,477	6.6%	Accounts Payable	16,073	14,961	17,756	15.7%
Accounts Receivable	25,099	26,108	27,917	24.7%	Short-term Debt & etc.	2,250	4,500	4,500	4.0%
Inventory	14,782	18,319	18,517	16.4%	Others	11,075	10,623	10,104	8.9%
Other	6,750	7,726	7,452	6.6%	Total Current Liabilities	29,398	30,084	32,361	28.6%
Total Current Assets	54,834	59,472	61,365	54.2%	Total Long term Liabilities	9,445	7,059	4,781	4.2%
Tangible Fixed Asset	32,741	34,818	35,431	31.3%	Total Liabilities	38,844	37,144	37,142	32.8%
Intangible Fixed Assets	5,568	6,291	6,403	5.7%	Net Assets				
Other	8,319	10,198	9,930	8.8%	Shareholder's Equity	62,526	73,603	75,960	67.1%
Total Fixed Assets	46,629	51,309	51,765	45.8%	Others	93	33	28	0.0%
Total Assets	101,464	110,781	113,131		Total Net Assets	62,620	73,637	75,988	67.2%
					Total Liabilities & Net Assets	101,464	110,781	113,131	

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

2023 Jan. to Mar.
(Consol.) Financial Result Overview

Financial Result P/L Outline 1/2

	2022Q1 Result		2023Q1 Plan		2023Q1 Result			
	Amount (mil. JPY)	Sales Ratio	Amount (mil. JPY)	Sales Ratio	Amount (mil. JPY)	Sales Ratio	YoY	vs Plan
Sales	54,610		63,936		62,014		+13.6%	△3.0%
Gross Profit	15,418	28.2%	18,678	29.2%	18,585	30.0%	+20.5%	△0.5%
SG&A Exp.	8,754	16.0%	11,204	17.5%	10,555	17.0%	+20.6%	△5.8%
Operating Income	6,664	12.2%	7,473	11.7%	8,030	12.9%	+20.5%	+7.5%
Current Income	6,746	12.4%	7,462	11.7%	8,084	13.0%	+19.8%	+8.3%
Net Income (Tax Rate)	4,618 (31.5%)	8.5%	5,105 (31.6%)	8.0%	5,556 (31.3%)	9.0%	+20.3%	+8.8%
Net Income attributable to owners of the parent	4,709	8.6%	5,227	8.2%	5,687	9.2%	+20.8%	+8.8%

Financial Result P/L Outline 2/2

■ NAVIMRO (South Korea)

- Sales grew YoY by expanding number of product lineup and inventory but did not attain plan.
- Sales on credit went well. Orders from large corporate customers increased.

	2022Q1 Result			2023Q1 Plan			2023Q1 Result				
	Amount (mil.JPY)	YoY	YoY (Local Currency)	Amount (mil.JPY)	YoY	YoY (Local Currency)	Amount (mil.JPY)	YoY	vs Plan	YoY (Local Currency)	vs Plan (Local Currency)
Sales	1,690	+12.6%	+11.1%	2,130	+26.0%	+19.5%	2,050	+21.2%	Δ 3.8%	+12.6%	Δ 5.8%
Op.Income	10	Δ 55.1%	Δ 55.7%	40	+131.1%	+119.1%	20	+55.1%	Δ 32.9%	+44.1%	Δ 34.2%
Net Income x Share(*1)	20	Δ 44.8%	Δ 45.6%	30	+60.5%	+52.2%	10	Δ 10.4%	Δ 44.2%	Δ 16.8%	Δ 45.3%

■ MONOTARO INDONESIA (Indonesia)

- Sales slightly lower than plan, but customer base grew steadily as customer acquisition through online and inside sales went well.
- Promoted shorter delivery times, product availability, and more convenience by linking with suppliers' inventory in Indonesia and overseas.

	2022Q1 Result			2023Q1 Plan			2023Q1 Result				
	Amount (mil.JPY)	YoY	YoY (Local Currency)	Amount (mil.JPY)	YoY	YoY (Local Currency)	Amount (mil.JPY)	YoY	vs Plan	YoY (Local Currency)	vs Plan (Local Currency)
Sales	130	+56.7%	+45.1%	230	+68.5%	+53.3%	220	+61.1%	Δ 4.4%	+50.0%	Δ 2.2%
Op.Income	Δ 60	—	—	Δ 50	—	—	Δ 60	—	—	—	—
Net Income x Share(*1)	Δ 30	—	—	Δ 20	—	—	Δ 30	—	—	—	—

■ IB MonotaRO (India)

- Sales below plan but grew much from 2022Q1. Continued to work on high return rate of COD causing high delivery costs and GP deterioration.
- Further strengthened efforts to improve convenience by expanding product lineup available on website, etc.

	2022Q1 Result			2023Q1 Plan			2023Q1 Result				
	Amount (mil.JPY)	YoY	YoY (Local Currency)	Amount (mil.JPY)	YoY	YoY (Local Currency)	Amount (mil.JPY)	YoY	vs Plan	YoY (Local Currency)	vs Plan (Local Currency)
(*2) Gross Merchandise Value	180	+105.8%	+93.9%	300	+66.6%	+54.7%	280	+58.5%	Δ 4.8%	+52.7%	Δ 1.3%
Sales	120	+124.6%	+111.6%	200	+71.9%	+59.6%	180	+53.1%	Δ 11.0%	+47.4%	Δ 7.7%
Op.Income	Δ 140	—	—	Δ 200	—	—	Δ 180	—	—	—	—
Net Income x Share(*1)	Δ 70	—	—	Δ 100	—	—	Δ 100	—	—	—	—

*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.

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

Financial Result B/S Outline

	Mar. 2022	Dec. 2022	Mar. 2023	
	mil. JPY	mil. JPY	mil. JPY	Ratio
Assets				
Cash	10,036	8,887	8,407	7.4%
Accounts Receivable	25,379	26,512	28,343	24.8%
Inventory	15,832	19,585	19,783	17.3%
Other	7,004	8,060	7,798	6.8%
Total Current Asset	58,253	63,045	64,332	56.4%
Tangible Fixed Asset	32,832	35,046	36,233	31.8%
Intangible Fixed Assets	6,422	7,093	7,204	6.3%
Other	4,573	6,551	6,290	5.5%
Total Fixed Asset	43,827	48,691	49,729	43.6%
Total Assets	102,081	111,737	114,061	

	Mar. 2022	Dec. 2022	Mar. 2023	
	mil. JPY	mil. JPY	mil. JPY	Ratio
Liabilities				
Accounts Payable	16,607	15,667	18,381	16.1%
Short-term Debt & etc.	2,250	4,772	4,813	4.2%
Others	11,509	11,135	10,911	9.6%
Total Current Liabilities	30,367	31,575	34,107	29.9%
Total Long term Liabilities	9,507	7,539	5,259	4.6%
Total Liabilities	39,874	39,115	39,366	34.5%
Net Assets				
Shareholder's Equity	61,001	71,789	74,003	64.9%
Others	1,205	832	691	0.6%
Total Net Assets	62,206	72,621	74,695	65.5%
Total Liabilities & Net Assets	102,081	111,737	114,061	

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

Financial Result C/F Outline

	2022Q1 Result	2023Q1 Result
	mil. JPY	mil. JPY
Cash Flow from Operating Activity		
Net Income before Tax	6,745	8,084
Depreciation	672	990
Increase or Decrease in Accounts Receivable (Δ = increase)	Δ 2,799	Δ 1,830
Increase or Decrease in Inventory (Δ = increase)	Δ 354	Δ 205
Increase or Decrease in Accounts Payable (Δ = decrease)	2,022	2,724
Tax payment	Δ 3,879	Δ 4,240
Increase or Decrease in Accrued Consumption Taxes (Δ = decrease)	734	785
Others	67	332
Total	3,208	6,640
Cash Flow from Investing Activity		
Acquisition of Tangible Assets	Δ 2,090	Δ 846
Acquisition of Intangible Assets	Δ 361	Δ 563
Others	Δ 176	158
Total	Δ 2,627	Δ 1,251
Cash Flow from Financing Activity		
Repayments of Long-term Debt	–	Δ 2,250
Repayments of Lease Obligations	Δ 12	Δ 4
Cash Dividends Paid	Δ 2,833	Δ 3,450
Others	–	43
Total	Δ 2,846	Δ 5,661
Currency Exchange Adjustment	25	Δ 16
Net Increase or Decrease in Cash and Cash Equivalent (Δ = decrease)	Δ 2,240	Δ 289
Cash and Cash Equivalent at Beginning of Period	11,068	8,586
Cash and Cash Equivalent at End of Period	8,828	8,297

2023 Jan. to Mar.
Business Plan & Strategy

Non-consol. P/L Plan

	2022 Result		2023 Plan		
	Amount (mil.JPY)	Sales Ratio	Amount (mil.JPY)	Sales Ratio	YonY
Sales	216,638		253,373		17.0%
Large Corp.	50,027	23.1%	69,250	27.3%	38.4%
Gross Profit	63,643	29.4%	75,672	29.9%	18.9%
SG&A Exp.	36,558	16.9%	42,711	16.9%	16.8%
Operating Income	27,085	12.5%	32,960	13.0%	21.7%
Current Income	27,239	12.6%	32,918	13.0%	20.8%
Net Income (Tax Rate)	19,044 (27.8%)	8.8%	23,283 (29.2%)	9.2%	22.3%

	2023 Jan.- Jun. Plan			2023 Jul.- Dec. Plan		
	Amount (mil.JPY)	Sales Ratio	YonY	Amount (mil.JPY)	Sales Ratio	YonY
Sales	123,309		16.7%	130,064		17.2%
Large Corp.	33,254	27.0%	40.7%	35,996	27.7%	36.4%
Gross Profit	36,572	29.7%	19.1%	39,100	30.1%	18.7%
SG&A Exp.	21,142	17.1%	23.2%	21,568	16.6%	11.2%
Operating Income	15,429	12.5%	14.0%	17,531	13.5%	29.4%
Current Income	15,408	12.5%	12.5%	17,509	13.5%	29.2%
Net Income (Tax Rate)	10,696 (30.6%)	8.7%	12.7%	12,587 (28.1%)	9.7%	31.8%

Consolidated PL Plan 1/2

	2022 Result		2023 Plan		
	Amount (mil.JPY)	Sales Ratio	Amount (mil.JPY)	Sales Ratio	YonY
Sales	225,970		265,195		17.4%
Gross Profit	65,437	29.0%	78,288	29.5%	19.6%
SG&A Exp.	39,224	17.4%	46,258	17.4%	17.9%
Operating Income	26,213	11.6%	32,030	12.1%	22.2%
Current Income	26,398	11.7%	31,986	12.1%	21.2%
Net Income (Tax Rate)	18,194 (28.8%)	8.1%	22,347 (30.1%)	8.4%	22.8%
Net Income attributable to owners of the parent	18,658	8.3%	22,789	8.6%	22.1%

	2023 Jan.- Jun. Plan			2023 Jul.- Dec. Plan		
	Amount (mil.JPY)	Sales Ratio	YonY	Amount (mil.JPY)	Sales Ratio	YonY
Sales	128,696		17.1%	136,499		17.6%
Gross Profit	37,759	29.3%	19.8%	40,529	29.7%	19.5%
SG&A Exp.	22,859	17.8%	24.4%	23,398	17.1%	12.2%
Operating Income	14,899	11.6%	13.4%	17,131	12.6%	31.0%
Current Income	14,878	11.6%	11.7%	17,108	12.5%	30.8%
Net Income (Tax Rate)	10,167 (31.7%)	7.9%	11.4%	12,180 (28.8%)	8.9%	34.3%
Net Income attributable to owners of the parent	10,400	8.1%	11.6%	12,389	9.1%	32.6%

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%

Consolidated PL Plan 2/2

■ NAVIMRO (South Korea)

	2022 Result			2023 Plan		
	Amount (mil.JPY)	YonY	YonY (Local Currency)	Amount (mil.JPY)	YonY	YonY (Local Currency)
Sales	8,030	+21.0%	+14.1%	9,530	+18.7%	+18.7%
Op.Income	190	+17.9%	+11.2%	70	△63.1%	△63.1%
Net Income x Share (*1)	190	+22.5%	+15.6%	50	△73.4%	△73.4%

■ MONOTARO INDONESIA (Indonesia)

	2022 Result			2023 Plan		
	Amount (mil.JPY)	YonY	YonY (Local Currency)	Amount (mil.JPY)	YonY	YonY (Local Currency)
Sales	730	+84.5%	+59.6%	1,150	+57.9%	+57.9%
Op.Income	△250	—	—	△170	—	—
Net Income x Share (*1)	△130	—	—	△80	—	—

■ IB MONOTARO (India)

	2022 Result			2023 Plan		
	Amount (mil.JPY)	YonY	YonY (Local Currency)	Amount (mil.JPY)	YonY	YonY (Local Currency)
(*2) Gross Merchandise Value	1,040	+116.1%	+92.9%	1,640	+57.6%	+57.6%
(*2) Sales	690	+120.2%	+96.6%	1,130	+63.4%	+63.4%
Op.Income	△730	—	—	△750	—	—
Net Income x Share (*1)	△360	—	—	△370	—	—

*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.

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

■ BtoB Online E-commerce (monotaro.com)

Acquiring New Customers	Expanding Existing Customers' Sales
<ul style="list-style-type: none"> Both online acquisition measures (SEM, SEO) and offline acquisition measures (sending flyers to prospective businesses customers) were implemented while confirming rationality based on customer lifetime value expectations. Optimizing allocation of advertising based on effectiveness. Optimizing content and timing of post-registration communication to increase lifetime value of new customers through stabilizing use and increasing usage amount, leading to future sales growth. 	<ul style="list-style-type: none"> Since effectiveness of flyers has been recognized, content of flyers has been expanded and personalized for further improvement of appropriateness of recommended products, and campaign was optimized. Analyzing behavior of customers having not used service for long period of time and considering improving communication to encourage customers to resume using service, etc. Considering and implementing measures for customers grouped based on frequency of use.

■ System Connection with Large Corporations (Large Corporation Business)

Acquiring New Customers	Expanding Customers' Usage
<ul style="list-style-type: none"> Holding seminars on improving productivity of indirect material procurement including in-house seminars. Started transactions not just with linked systems, but with other companies' purchasing management systems, and business talks are in progress. 	<ul style="list-style-type: none"> Promoting further communication with procurement department management and new users in company to grow utilization quickly. Enhancing customer support functions to strengthen support for customers to improve efficiency in indirect materials procurement.

2022Q1 Result			2023Q1 Plan			2023Q1 Result			
Mil. JPY	YoY	/Total Sales	Mil. JPY	YoY	/Total Sales	Mil. JPY	YoY	vs Plan	/Total Sales
11,942	+35.3%	22.7%	16,684	+39.7%	27.2%	15,970	+33.7%	Δ4.3%	26.8%
				Dec. 2022 End Result	Mar. 2023 End Result				
				No. Corp.	No. Corp.	vs Dec. 2022 End	Remarks		
Total number of corporations (ONE SOURCE / ONE SOURCE Lite)				(*) 2,521(1,847)	(*) 2,775(2,071)	+254(+224)	808 considering		

* Note: Number of active corporations on Dec.2022 and Mar. 2023.

■ Royalty Business

	2023Q1
Target Business (Grainger's Zoro business in US & UK)	<ul style="list-style-type: none"> US sales grew 13.5% from 2022Q1 (business day basis). Sales below plan due to slower non-core B2C business.
Royalty Income	<ul style="list-style-type: none"> Increased YoY, but not attained plan.

■ Business Environment and Impact on MonotaRO

Topics		Business Environment	Impact on MonotaRO
Macro Environment		<ul style="list-style-type: none"> Prices rose rapidly (BtoB stands out more than BtoC). Supply chain disruptions settled down. Service industry is getting better due to easing of infection control measures for COVID-19 and demand for reopening. Requests for higher delivery charges being made from delivery providers. 	<ul style="list-style-type: none"> Adjusting selling prices every quarter, which used to be done when catalog was issued (from now on, some are adjusted at any time as needed). Order per box increased and hence improved delivery cost ratio. Ratio of general individual consumers in newly acquired customers remains high. Timing and range of delivery charge increases not yet forecasted.
Sales	monotaro.com	<ul style="list-style-type: none"> Business confidence in manufacturing sector deteriorated due to declining demand domestic and abroad. In inflationary environment, momentum to raise wages is growing, but SMEs' remaining capabilities are limited in contrast with large corporates. 	<ul style="list-style-type: none"> Sales from existing customers in MonotaRO's three main industries (manufacturing, construction, and automotive-related) are lower than last year. Sales growth rate for products such as power tools tend to be low. Lower demand from customers with light usage.
	Large Corporate	<ul style="list-style-type: none"> Increasing raw material costs are passed on to prices. Business confidence in manufacturing sector is not good. 	<ul style="list-style-type: none"> Increase portion of purchase price passed on to sales price. Demands from some particular customers are weaker than planned; however, not perceive any change in business environment.
Gross Profit		<ul style="list-style-type: none"> Import costs (container freight, etc.) are easing. Depreciation of JPY eased from last fall. 	<ul style="list-style-type: none"> Import costs are down YoY. Impact of JPY depreciation remains (due to time lag between receipt and shipment of products).

■ Present Situation of Sales and Next Strategy

Customer Type			Present Situation	Next Action
Common Issue			<ul style="list-style-type: none"> Increased sales prices for maintaining gross margins in anticipation of increases in purchase prices. Slowdown in economic activities among manufacturing customers. 	<ul style="list-style-type: none"> Optimizing sales price in line with pace of purchase price increases.
monotaro.com	New Customer		<ul style="list-style-type: none"> Online marketing (SEM・SEO) is main means of new customer acquisition, but sending flyers to prospective business customers. Rate of individual consumers stays high in new customer acquisitions. 	<ul style="list-style-type: none"> Optimizing resource allocation based on expected lifetime value. Optimizing number and timing of post-registration communications to promote growth in usage.
	Existing Customer	High Frequency Customer	<ul style="list-style-type: none"> Order amount and frequency are growing. 	<ul style="list-style-type: none"> Expanding product lineups and inventory. Improving personalization of search results. Improving further product recommendations at monotaro.com.
		Low Frequency Customer	<ul style="list-style-type: none"> Number of customers placing orders is low. Promotions were more frequent to new customers and high frequency customers than to low-frequency customers. 	<ul style="list-style-type: none"> Strengthening sending of personalized flyers. Implementing measures, in accordance with frequency of use and intervals, to increase usage and stimulate start of re-use.
	Large Corporate Customer		<ul style="list-style-type: none"> Sales of some large corporate customers at beginning of year deviated from plan. 	<ul style="list-style-type: none"> Sales in March in line with plan. With awareness kept on future trends, implementing measures based upon each customer's business and growth stage.

■ Factor and Amount in Decrease of 2023Q1 SG&A Expenses vs. Plan


SG&A Decreasing Factor	Amount
<ul style="list-style-type: none"> Decrease in SG&A expenses due to decline in sales (Decrease in Labor Expense, Outsourcing Expense, Packaging costs, etc., as sales declined) 	About Δ80mil. JPY
<ul style="list-style-type: none"> Decrease in number of boxes handled due to sales price adjustment (sales price increase) (Decrease in Labor Expense and Outsourcing Expense due to decrease in operations at distribution bases) 	About Δ130mil. JPY
<ul style="list-style-type: none"> Actions postponed to 2023Q2 or later (System maintenance, consulting/outsourcing, purchase of logistics supplies and equipment, logistics facility maintenance to incurred later) 	About Δ130mil. JPY
<ul style="list-style-type: none"> Decrease in SG&A expenses from plan due to other reasons (Decrease in system development outsourcing, logistics facility maintenance and building management expenses yet to be incurred, decrease in system usage fees, etc.) 	About Δ300mil. JPY
<ul style="list-style-type: none"> Implementation of measures decided in 2023Q1 (Increase in advertising expenses due to sending more flyers to existing customers, etc.) 	About +40mil. JPY
Total	About Δ600mil. JPY

* Note: Figures less than 10 million JPY are rounded as shown in explanation material in Japanese language.

Distribution Center Situation

■ New Distribution Base Expansion

Name		Inagawa DC		Tokyo Area New DC
Address		Inagawa-cho, Kawabe-gun, Hyogo Prefecture		Ibaraki Prefecture
Floor Size		Total about 194,000 m ²		Under planning
Inventory Capa.		Total 600K SKU		About 500K SKU (Under planning)
Start Operation		Phase 1 Launched Apr. 2022	Phase 2 Launch planned Apr. 2023	Planned in 2026
Shipping Capacity		About 90K lines/day	About 90K lines/day added (180K lines in total/day)	About 200 ~ 300K lines / day (Under planning)
Invest / Rent	Land	_____		Total about 40 bil. JPY <div style="border: 1px dashed black; padding: 5px; display: inline-block;"> • Construction of DC will be completed in 2026Q1. </div>
	Constr.	Add construction about 1.9 bil. JPY, restoration about 1.4 bil. JPY (under examining)		
	Rent	Phase1 4.5 to 5.0 floors・hazardous warehouse : about 22.5 bil. JPY (2021~2031 including common service expense)		
		_____	Phase2 1 floor added about 5.3 bil. JPY (2022-2031 including common service exp.)	
Facility	About 7.9 bil. JPY(under examining)	_____		

Remark		2022: Started to lease 4.5 to 5.0 floors and hazardous material warehouse. 2023: One floor added for total 5.5 to 6.0 floors to be leased.		—
Picture				—

Sustainability

Status of Action

			Action as 2023Q1	Action Planned
Prioritized Action Areas	Environment	Reduction of CO2 emissions as measure against climate change	<ul style="list-style-type: none"> Completed having CO2 emissions in 2021 verified by third-party. In terms of GHG emissions (Scope 1 + Scope 2), by 2030, aiming to reduce GHG emissions by 50% from 2020 level. Disclosed impact of climate change-related risks and opportunities on Company's business activities, earnings, etc., based on TCFD recommendation. 	<ul style="list-style-type: none"> Third-party verification of CO2 emissions in 2022. Studying introduction of renewable energy at Inagawa DC and new DC in Ibaraki Prefecture. Applying heat-insulating paint on the roof of Ibaraki Chuo SC (scheduled for Jun. 2023).
		Proposal and development of environment-conscious products	<ul style="list-style-type: none"> Supported customers to work on environmental consideration through efficient indirect material procurement. On Oct. 27, 2022, monotaro.com launched special page on environment-conscious products, and environment-conscious attributes added to narrow down searches. Six environmental certifications such as "Green Purchasing" and "Eco Mark" defined as ecological products. 	<ul style="list-style-type: none"> Proposing products based on analysis of customers' usage. Developing PB taking environment into consideration.
		Realization of resource-recycling model	<ul style="list-style-type: none"> At Kasama DC and Ibaraki Chuo SC, items that became unsellable due to exterior damages were used as internal consumption items. 	<ul style="list-style-type: none"> Formulating and implementing waste reduction plan, recycling promotion plan, and thorough waste separation plan.
	Social	Responsible Sourcing and Human Rights	<ul style="list-style-type: none"> Formulated and disclosed policies and guidelines for cooperation with business partners regarding sustainable procurement (procurement considering sustainability/ human rights and global environment), referring to public guidelines and expert opinions 	<ul style="list-style-type: none"> Distributing procurement guidelines to business partners and requesting their endorsement. Requesting, conducting, and analyzing self-assessment questionnaires from business partners. Designing audit process and improving support for compliance.
		Diversity and Inclusion	<ul style="list-style-type: none"> Obtained ERUBOSHI certification (3 stars, Feb. 2022). Obtained KURUMIN certification (Mar. 2023). Established hourly paid holiday system. Established new career design leave (allowing employees to take leave for purpose of studying at universities, etc.). Established Family Support Leave (leave for childcare, nursing care, and infertility treatment is available). Established Accumulated Paid Leave (employees can use paid leave accrued for two years for childcare, nursing care, and infertility treatment). Expanded eligibility for use of short-time work system and flex work system (can be taken for infertility treatment, and maximum period of use for nursing care and illness reasons, and term expanded to 10 years). 	<ul style="list-style-type: none"> Continuing to study and introducing systems to motivate diverse employees to work, and providing operational support. Obtaining and disclosing relevant public certifications to raise awareness of Company's initiatives and utilize them in employee recruitment.
Continuing	Governance	Training on Corporate Ethics	<ul style="list-style-type: none"> In 2022Q4, training on anti-bribery, business conduct guidelines, and handling of personal information conducted. As number of employees increases with company growth, emphasizing motivating employees to act based on strong sense of ethics. 	<ul style="list-style-type: none"> Continuing to raise employee awareness of corporate ethics through implementation and further improvement of training programs such as one at time of hiring and ongoing training.

- Sustainability website updated
 - Organized disclosures into “environmental,” “social,” and “governance.”
 - Disclosure based on “TCFD recommendations,” “ESG data collection” are also newly disclosed.
 - Continuing to enhance information and develop disclosures.

The screenshot displays the 'Sustainability' page of the Monotaro website. The page is organized into several sections, each with a red dot icon indicating updates. The main content area lists the following categories:

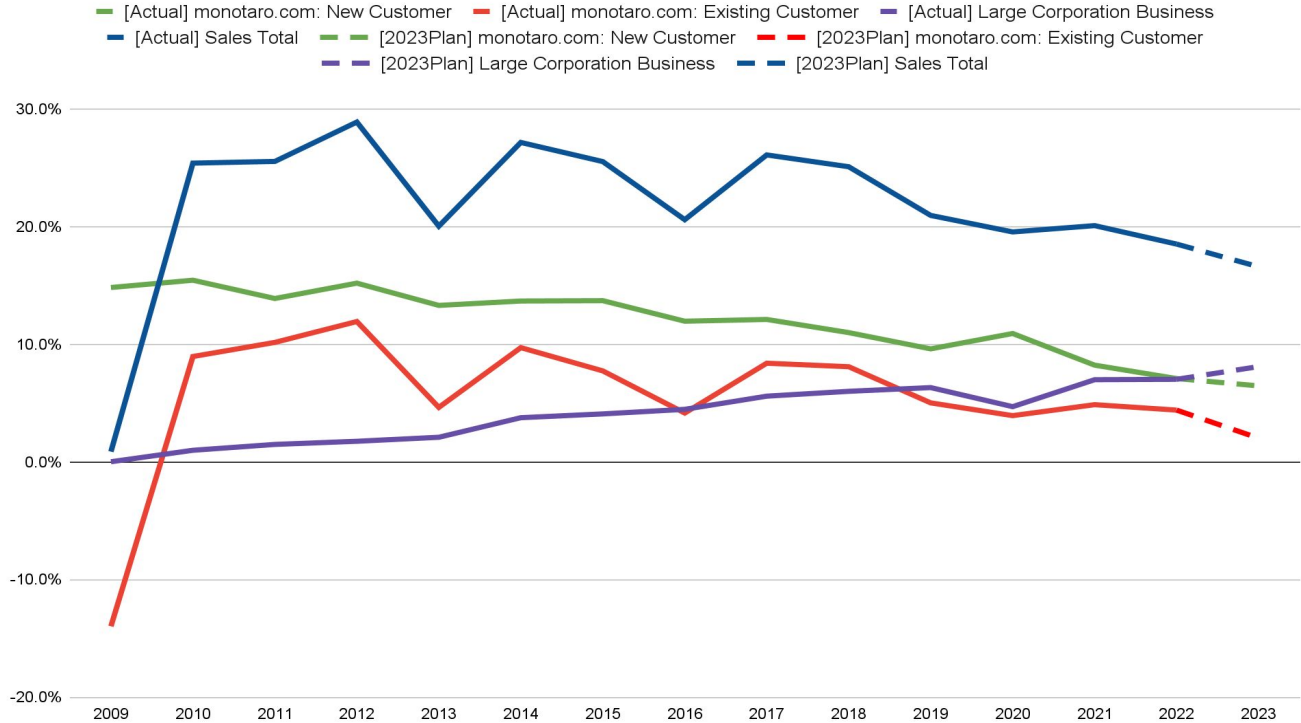
- Policy**: Our Policy, CEO Message, and Structure for Promoting and Implementing ESG are posted on this page.
- Environmental**: Reduction of GHG emissions, Recycling activities and waste reductions, and Proposal and development of environment-conscious are posted on this page.
- Social**: Diversity & Inclusion and Supplier Code of Conduct are posted on this page.
- Governance**: Commitment to Corporate Governance and Ethics are posted on this page.
- Disclosure based on TCFD recommendations**: Reporting based on the Task Force on Climate-related Financial Disclosures (TCFD) recommendations.
- ESG data**: Data on human resource and environmental performance and other relevant topics.

A navigation menu on the right side of the page includes links for 'Investors', 'Recruit', and '日本語'. Below the menu, a 'Sustainability' dropdown menu is visible, listing the following items:

- Policy
- Environmental(Environment)
- Social
- Governance
- Disclosure based on TCFD recommendations
- ESG data

Reference

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

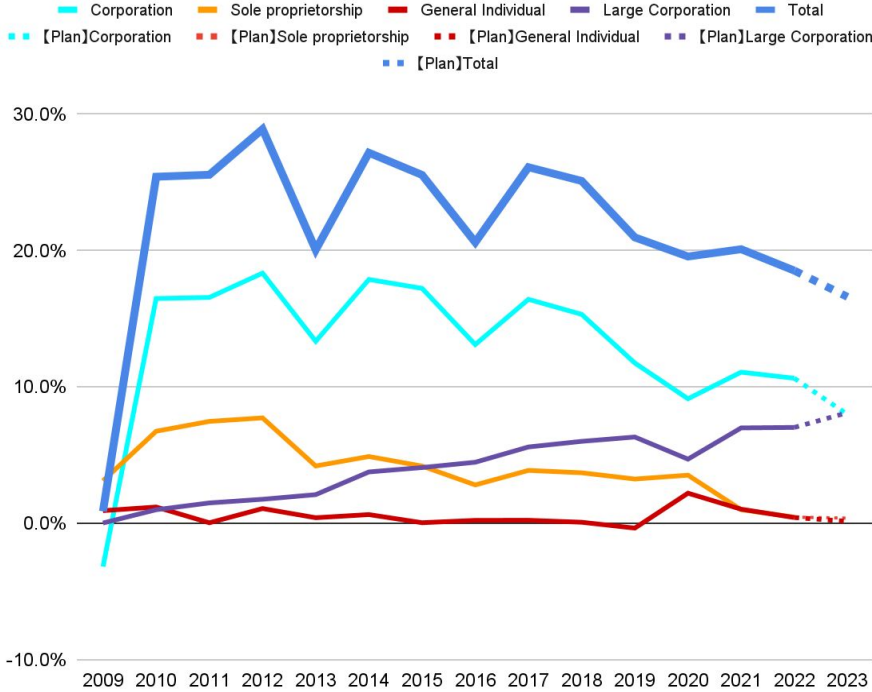


* Note 1: Fiscal year contributions of every channel to total sales growth from previous year is organized and shown based on status as of end of 2022.

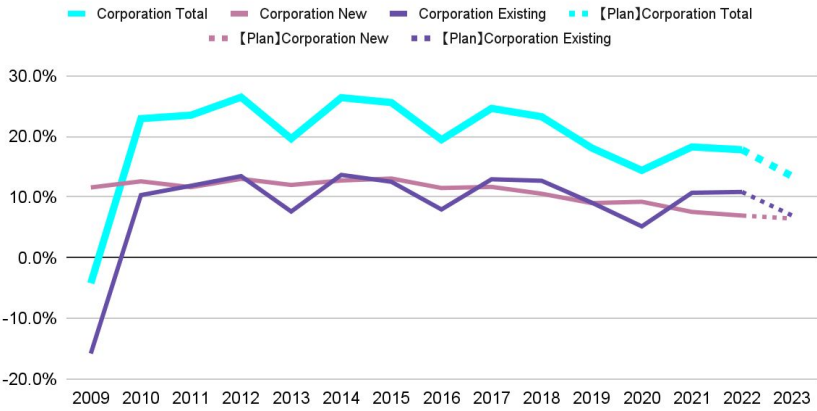
* Note 2: "monotaro.com: New Customer" indicates contribution of sales from customers acquired each fiscal year, and "monotaro.com: Existing Customer" indicates contribution of sales from customers acquired before corresponding year.

Non-consol. Year Sales Growth (Corporate New & Existing)

Sales Total Growth
(Contributions of monotaro.com Corp Customer., Large Corp., monotaro.com Sole Proprietorship and General Individual)



Sales Growth of monotaro.com Corp. Customer
(Contributions of New and Existing Customers)

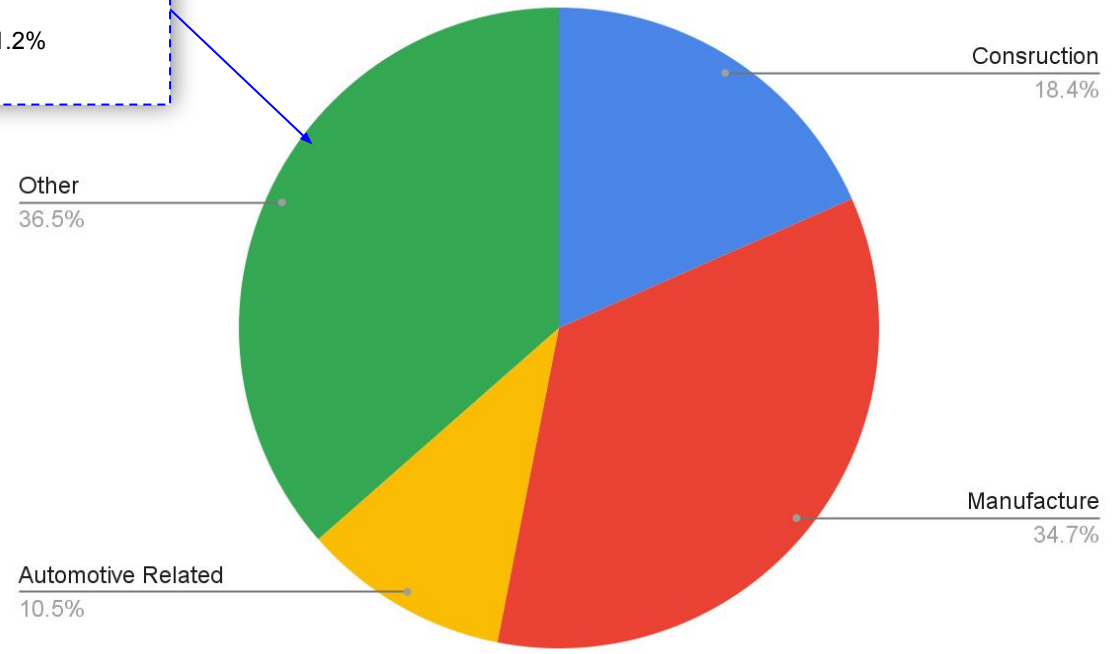


- Growth contribution and growth of corporate customers on monotaro.com
 - Of overall sales growth (18.7% in 2022 and 17.0% in 2023 plan), Total sales growth contribution from corporate customers on monotaro.com is approximately 10% in 2022 and 8% in 2023 plan. Due to increasing growth contribution from high-growth of large corporation business, growth contribution from monotaro.com appears to be relatively decreasing (as shown in left).
 - Sales growth for monotaro.com's corporate customers in 2022 was approximately 18%, and plan for 2023 is approximately 13% (graph above).

Non-consol. Customer Demographics

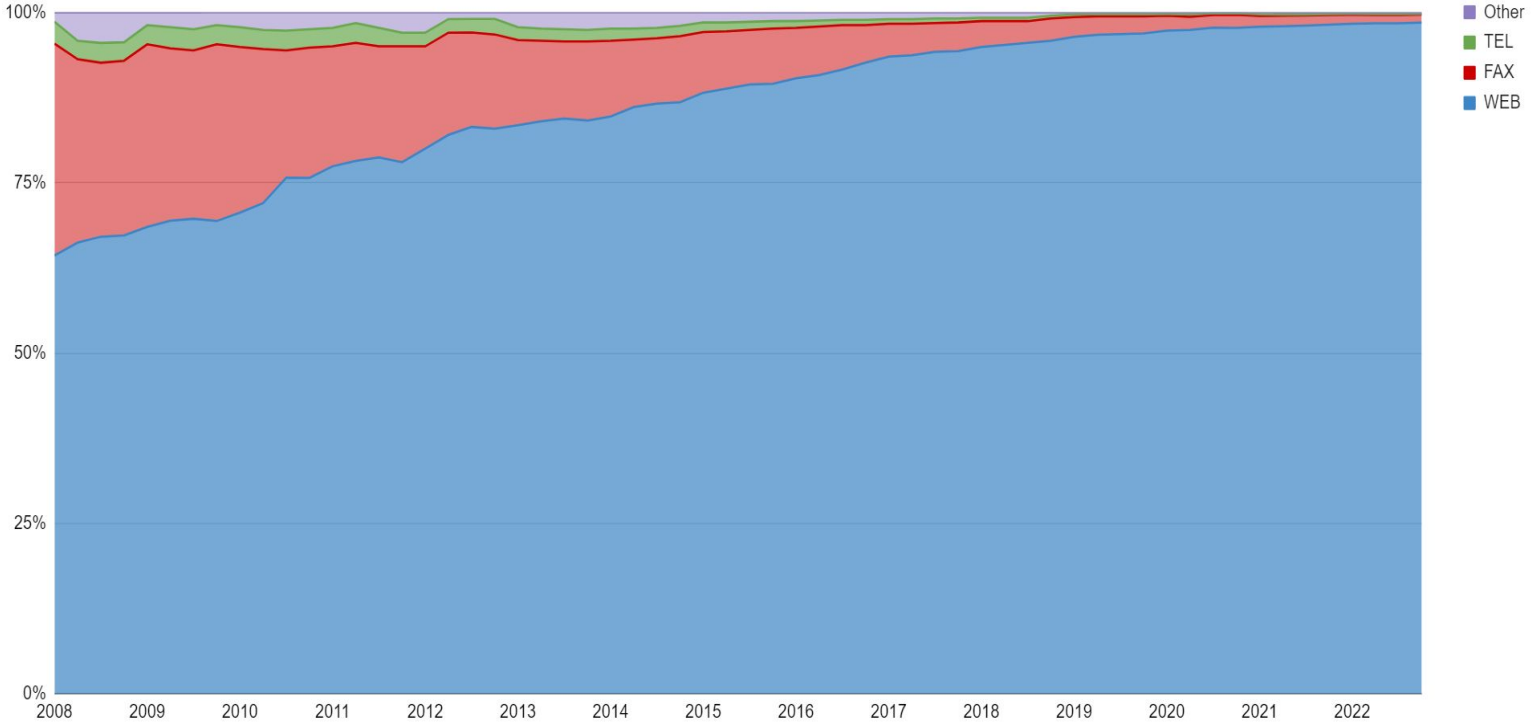
Industry

- Wholesale, Retail, Restaurant: 10.2%
- Education: 2.3%
- Agriculture: 2.2%
- Social security/welfare: 1.2%
- Medical: 1.2%

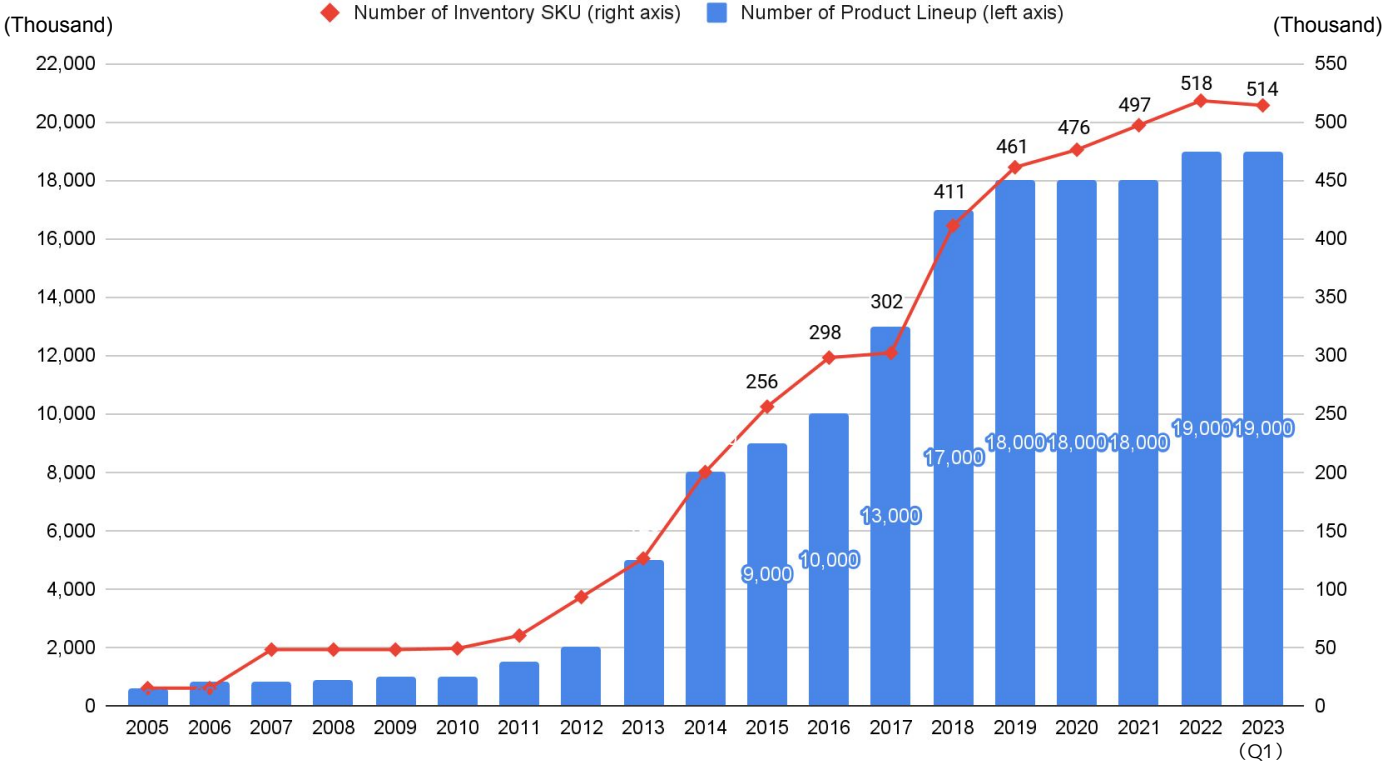


Ratio by sales amount in 2022
(Sales of monotaro.com excluding sales Large Corp. Business)

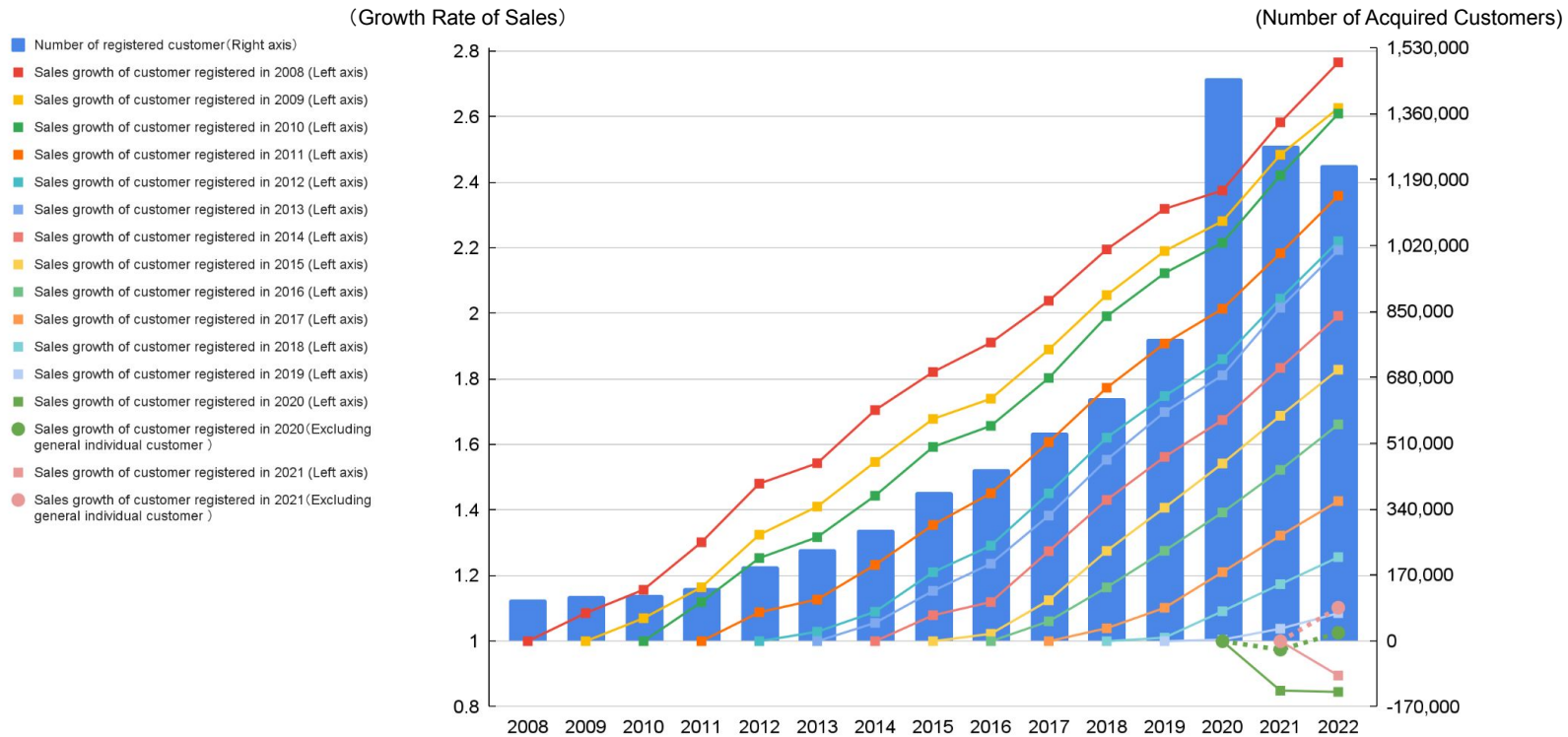
Non-consol. Purchase Order Ratio



Non-consol. Product Lineup & Inventory



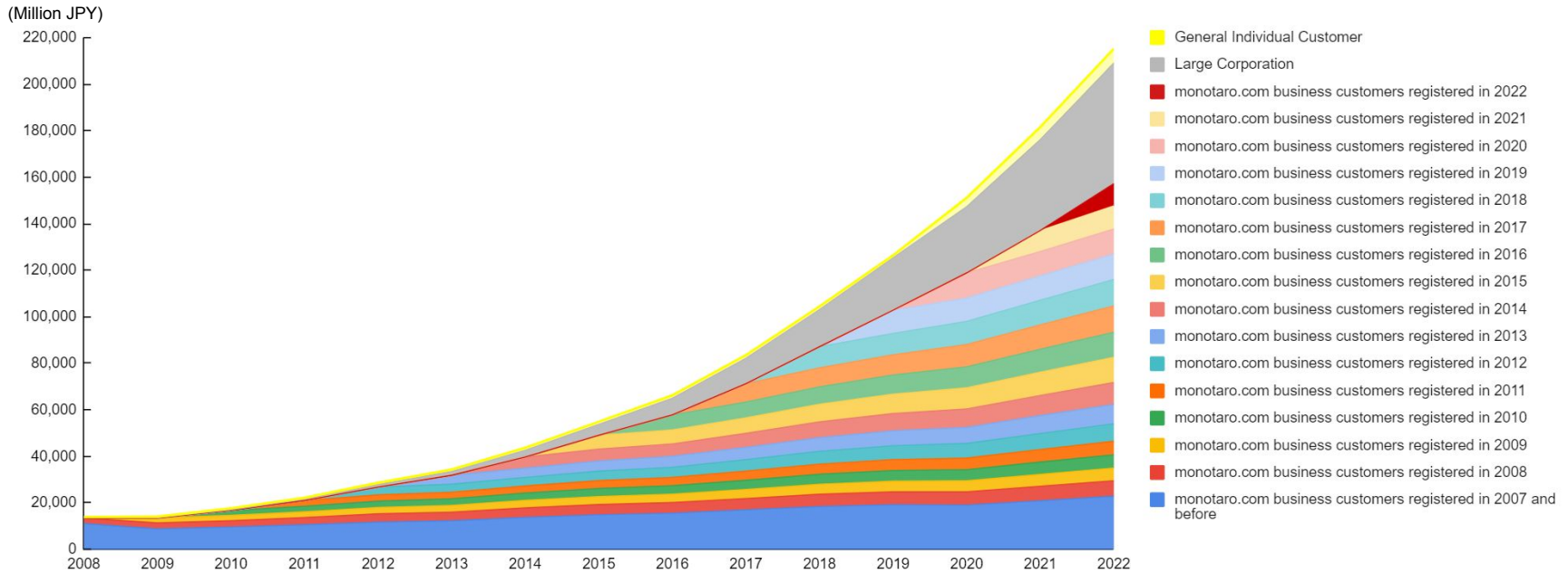
Non-consol. Customer Growth by Year Registered



* 1: Above number of 'monotaro.com' registered customers and sales growth are updated retroactively at end of 2022 (large corporate sales and sales for customers who switched to procurement system for large corporation business are not included).

* 2: Line chart (left axis) shows sales growth rate of customers who registered in respective years by setting sales in registered year as '1.'

Non-consol. Sales Trend by Registered Year



* 1 : Sales of 'monotaro.com business customers' are sales of monotaro.com's business customers organized retroactively by each registration year based upon updated customer status at end of 2022.
 * 2 : Sales of 'Large corporation' is total sales of large corporation customers based upon updated customer status at end of 2022.
 * 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 end of 2022 (IHC MonotaRO was closed and integrated into monotaro.com).

Shareholder Benefit

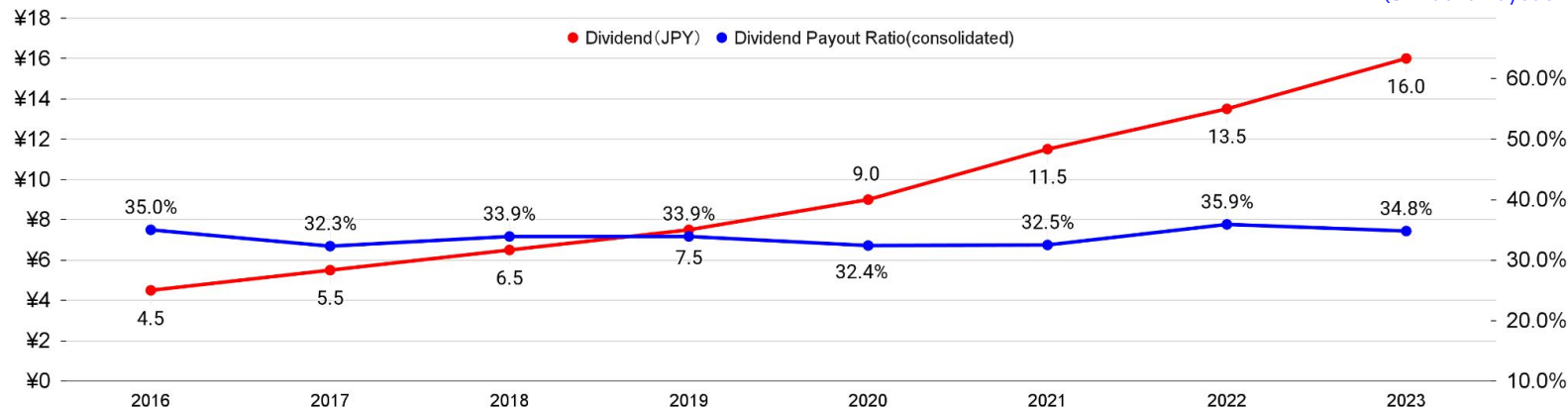
Dividend & Shareholder Benefit

■ Dividend

- Dividend Policy : Distributing dividend consistent with stable and ongoing growth.
- 2022 Dividend (actual): 13.50 JPY/share (6.50 JPY/share interim, 7.00 JPY/share fiscal year end).
- 2023 Dividend (plan): 16.00 JPY/share (8.00 JPY/share interim, 8.00 JPY/share fiscal year end).

(Dividend)

(Dividend Payout Ratio)



■ 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)

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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