



Quarter 3, FY2023

(Jan. to Sep. 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 20 mil. SKU including 650 thou. SKU available for same-day shipment and 537 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 Sep. 30, 2023)

| | Regular employee | | Part-time and temporary employee | | Total | |
|------------------------------------|------------------|-------|----------------------------------|---------|-------|---------|
| Head Office, etc. (MonotaRO JPN) | 1,117 | (604) | 473 | (395) | 1,590 | (999) |
| Distribution Center (MonotaRO JPN) | 209 | (158) | 1,536 | (1,447) | 1,745 | (1,605) |
| Total (MonotaRO JPN) | 1,326 | (762) | 2,009 | (1,842) | 3,335 | (2,604) |

- 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 Sep.
(Non-consol.) Financial Result Overview

Financial Result P/L Outline 1/3

| | Jan.-Sep. 2022 Result | | Jan.-Sep. 2023 Plan | | Jan.-Sep. 2023 Result | | | |
|--------------------------|-----------------------|-------------|----------------------|-------------|-----------------------|-------------|--------|---------|
| | Amount (mil. JPY) | Sales Ratio | Amount (mil. JPY) | Sales Ratio | Amount (mil. JPY) | Sales Ratio | YoY | vs Plan |
| Sales | 159,405 | | 185,908 | | 179,373 | | +12.5% | △3.5% |
| Large Corp. | 36,116 | 22.7% | 50,026 | 26.9% | 48,709 | 27.2% | +34.9% | △2.6% |
| Gross Profit | 46,582 | 29.2% | 55,363 | 29.8% | 54,389 | 30.3% | +16.8% | △1.8% |
| SG&A Exp. | 26,610 | 16.7% | 31,818 | 17.1% | 30,485 | 17.0% | +14.6% | △4.2% |
| Operating Income | 19,971 | 12.5% | 23,545 | 12.7% | 23,904 | 13.3% | +19.7% | +1.5% |
| Current Income | 20,192 | 12.7% | 23,513 | 12.6% | 24,127 | 13.5% | +19.5% | +2.6% |
| Net Income (Tax Rate) | 13,421 (30.6%) | 8.4% | 16,323 (30.6%) | 8.8% | 16,773 (30.2%) | 9.4% | +25.0% | +2.8% |

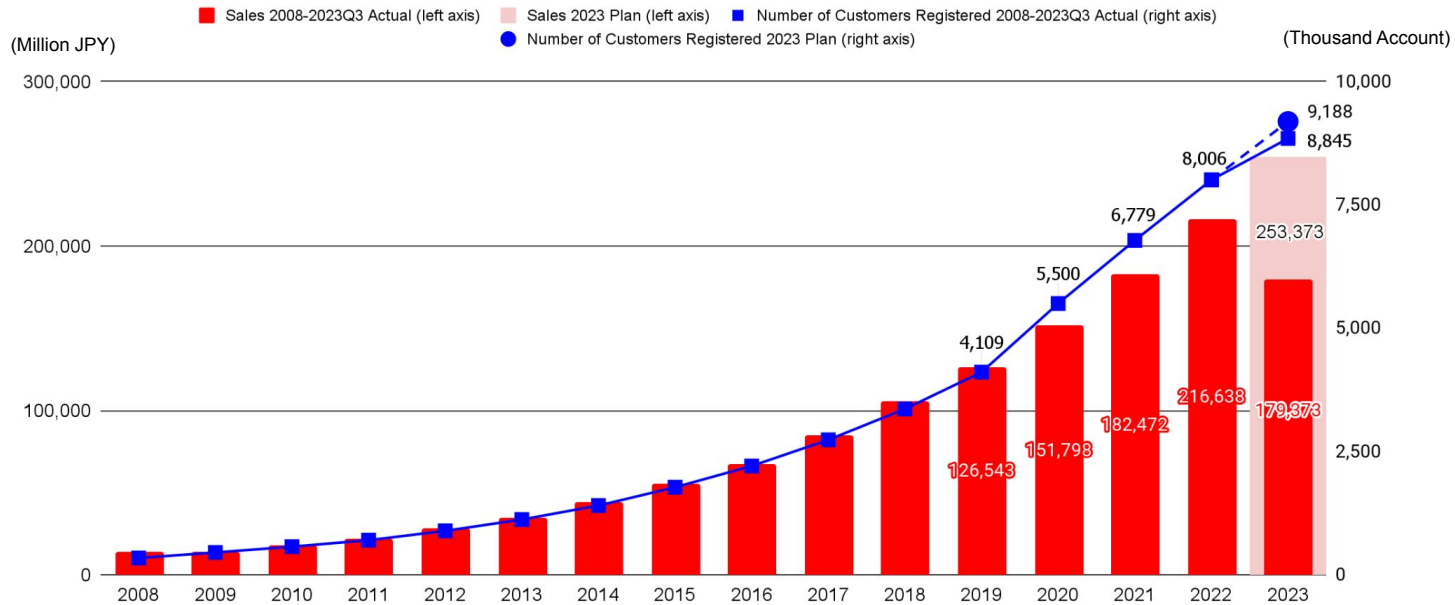
Financial Result P/L Outline 2/3 vs. Last Year

| | Jan.-Sep. 2022 Result (A) | | Jan.-Sep. 2023 Result (B) | | Difference (B-A) | | |
|-----------------------|---------------------------|-------------|---------------------------|-------------|------------------|---------|---|
| | Amount (mil.JPY) | Sales Ratio | Amount (mil.JPY) | Sales Ratio | | | |
| Sales | 159,405 | — | 179,373 | — | Amount (mil.JPY) | +19,968 | <ul style="list-style-type: none"> monotaro.com: grew due to increases in size and number of orders. Large Corp. Business: maintained high growth rate from 2022 (+34.9%) due mainly to increases in numbers of customers acquired and customers unit price. Royalty income: decreased. |
| | | | | | YonY | +12.5% | |
| | | | | | Sales Ratio | - | |
| Gross Profit | 46,582 | 29.2% | 54,389 | 30.3% | Amount (mil.JPY) | +7,807 | <ul style="list-style-type: none"> Product GP% increased (+0.7pt.: though sales share of Large Corporate Business increased and GP% of imported products decreased due to yen depreciation, GP% of domestic products increased due to price adjustment, etc.). Delivery cost ratio improved (+0.7pt.: due to improvement in delivery cost ratio resulting from increase in order amount per box and improvement in importing cost and improvement in cash on delivery and credit card fees as sales ratio). Royalty income: decreased. |
| | | | | | YonY | +16.8% | |
| | | | | | Sales Ratio | +1.1% | |
| SG&A Exp. | 26,610 | 16.7% | 30,485 | 17.0% | Amount (mil.JPY) | +3,874 | <ul style="list-style-type: none"> Ad. & Promotion Exp. ratio increased (+0.4pt.: due to increase in flyers for existing customers, etc.). Labor Exp. ratio increased (+0.3pt.: due to salary increase and paying bonus to part-time employees, etc.). Depreciation Exp. ratio increased (+0.3pt.: due to launch of Inagawa DC, etc.). Facility Rent Exp. ratio increased (+0.2pt.: due to launch of Inagawa DC, etc.). Outsourcing Exp. ratio decreased (Δ0.5pt.: sales per box increased, and as result number of boxes shipped did not increase as much as sales growth, etc.). Mailing Exp. ratio decreased (Δ0.3pt.: due to decrease in catalog shipping cost, etc.). Other Exp. ratio decreased (Δ0.1pt.: increase in system usage cost, but decrease in equipment expenses for distribution center etc.). |
| | | | | | YonY | +14.6% | |
| | | | | | Sales Ratio | +0.3% | |
| Operating Income | 19,971 | 12.5% | 23,904 | 13.3% | Amount (mil.JPY) | +3,933 | <ul style="list-style-type: none"> SG&A Expense ratio increased (+0.3pt.); however, GP ratio improved (+1.1pt.), and hence Operating Income ratio increased (+0.8pt.). |
| | | | | | YonY | +19.7% | |
| | | | | | Sales Ratio | +0.8% | |
| Net Income (Tax Rate) | 13,421 (30.6%) | 8.4% | 16,773 (30.2%) | 9.4% | Amount (mil.JPY) | +3,352 | <ul style="list-style-type: none"> Net Income amount increased YoY +25.0%. Net Income ratio increased by 1.0pt. due to increase in Operating Income ratio (+0.8pt.). |
| | | | | | YonY | +25.0% | |
| | | | | | Sales Ratio | +1.0% | |

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

| | Jan.-Sep. 2023 Plan (A) | | Jan.-Sep. 2023 Result (B) | | Difference (B-A) | | |
|-----------------------|-------------------------|-------------|---------------------------|-------------|------------------|--------|---|
| | Amount (mil.JPY) | Sales Ratio | Amount (mil.JPY) | Sales Ratio | | | |
| Sales | 185,908 | — | 179,373 | — | Amount (mil.JPY) | △6,534 | <ul style="list-style-type: none"> monotaro.com: went below plan due mainly to lower sales per customers who placed order. Large Corp. Business: went below plan (△2.6%) due mainly to particular companies' sales went below plan. Royalty income: lower than plan. |
| | | | | | vs Plan | △3.5% | |
| | | | | | Sales Ratio | - | |
| Gross Profit | 55,363 | 29.8% | 54,389 | 30.3% | Amount (mil.JPY) | △973 | <ul style="list-style-type: none"> Product GP ratio increased (+0.5pt.: GP% of both domestic and imported products improved). Delivery Cost ratio improved (+0.4pt.: due to increase in order amount per box and improvement in importing cost). Royalty income: lower than plan. |
| | | | | | vs Plan | △1.8% | |
| | | | | | Sales Ratio | +0.5% | |
| SG&A Exp. | 31,818 | 17.1% | 30,485 | 17.0% | Amount (mil.JPY) | △1,333 | <ul style="list-style-type: none"> Other Exp. ratio decreased (△0.4pt.: decreases in facilities maintenance cost, equipment cost for distribution center, system usage cost, and packing cost, etc.). Outsourcing Exp. ratio decreased (△0.2pt.: cost of temporary staff at DC decreased due to decrease in number of boxes, and cost of system development outsource decreased, etc.). Facility Rent Exp. ratio increased (+0.1pt.: due to lower sales growth than plan). Depreciation Exp. ratio increased (+0.1pt.: due to lower sales growth than plan). Ad. & Prom. Exp. ratio increased (+0.3pt.: due to increase in number of flyers for existing customers, etc.). |
| | | | | | vs Plan | △4.2% | |
| | | | | | Sales Ratio | △0.1% | |
| Operating Income | 23,545 | 12.7% | 23,904 | 13.3% | Amount (mil.JPY) | +359 | <ul style="list-style-type: none"> Sales not reached plan, but GP% and SG&A Exp.% improved. Operating Income, therefore, went beyond plan (+1.5%). |
| | | | | | vs Plan | +1.5% | |
| | | | | | Sales Ratio | +0.6% | |
| Net Income (Tax Rate) | 16,323 (30.6%) | 8.8% | 16,773 (30.2%) | 9.4% | Amount (mil.JPY) | +449 | <ul style="list-style-type: none"> Due to increase in Operating Income, Net Income amount went beyond plan (+2.8%) and Net Income ratio improved (+0.6pt.). |
| | | | | | vs Plan | +2.8% | |
| | | | | | Sales Ratio | +0.6% | |

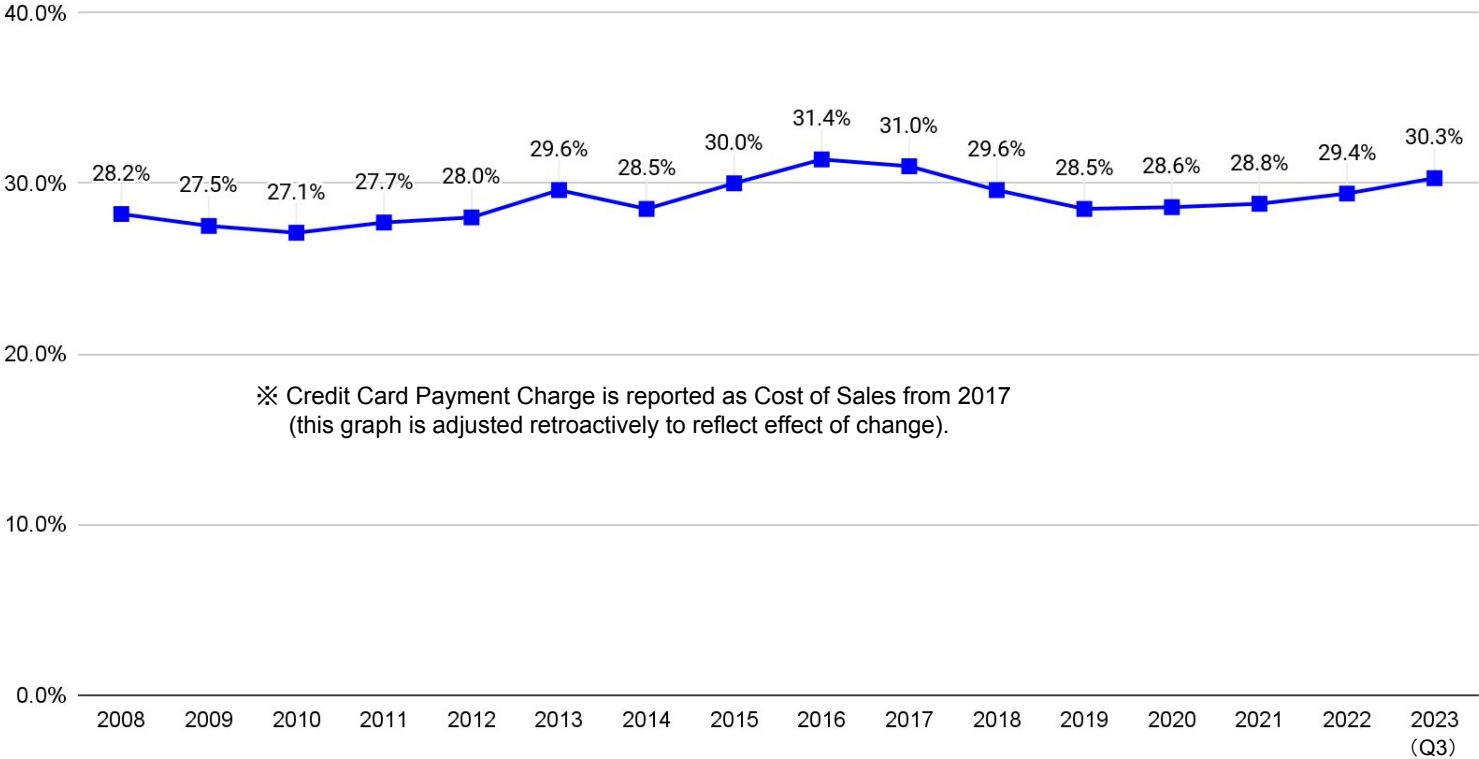
Non-consol. Progress - Sales & Customer



| | Dec. 2022 | | Sep. 2023 | | Dec. 2023 (Plan) | |
|--------------------------------|-----------|----------------|-----------|----------------|------------------|----------------|
| Number of Registered Customers | 8,006,494 | +1,227,175 | 8,845,412 | +838,918 | 9,188,494 | +1,182,000 |
| | | (vs. Dec.2021) | | (vs. Dec.2022) | | (vs. Dec.2022) |

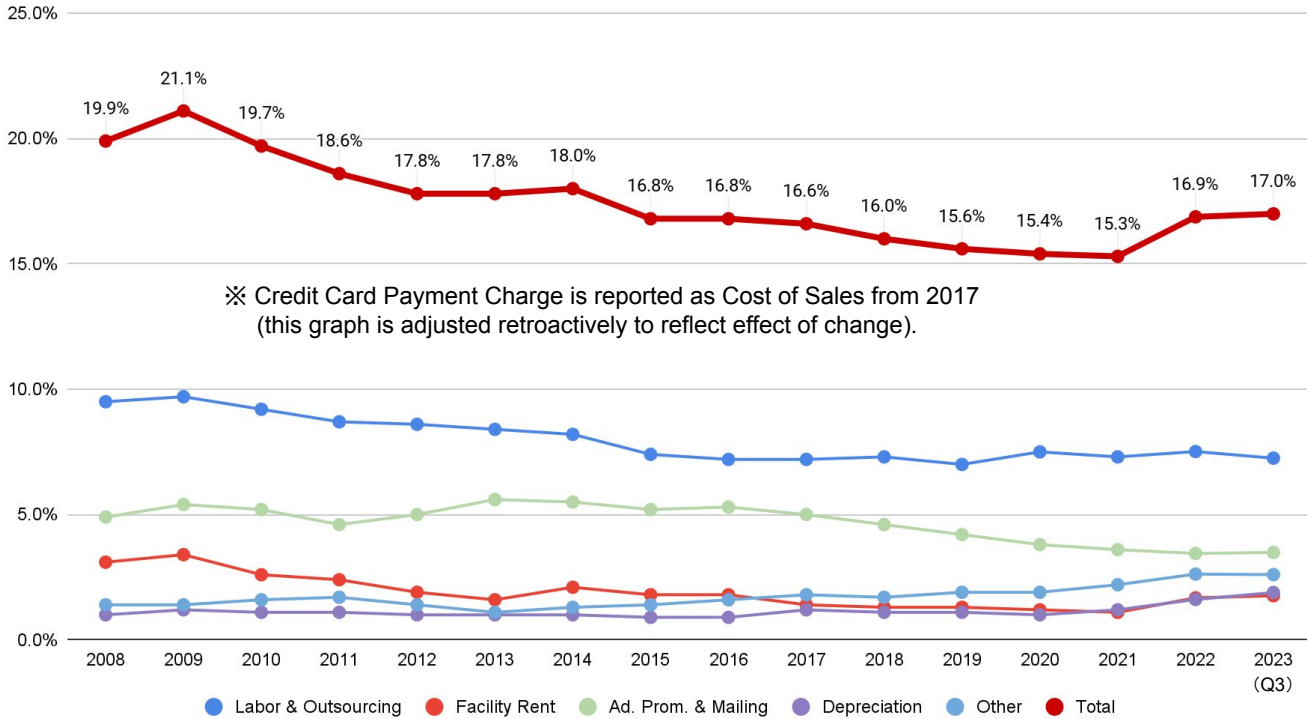
※ After pandemic of COVID19, customer registration by general consumers increased rapidly, but it is expected to decrease YoY in 2023, so number of new customer acquisition is expected to decrease YoY. For corporate customers, there is slight increase plan in YoY basis.

Non-consol. 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).

Non-consol. Progress - SG&A Expense Ratio



| | Jan.-Sep. 2022 Result | Jan.-Sep. 2023 Result |
|----------------|-----------------------|-----------------------|
| Labor | 4.3% | 4.6% |
| Outsourcing | 3.1% | 2.6% |
| Facility Rent | 1.6% | 1.8% |
| Ad & Promotion | 2.9% | 3.3% |
| Mailing | 0.5% | 0.2% |
| Depreciation | 1.6% | 1.9% |
| Others | 2.7% | 2.6% |
| Total | 16.7% | 17.0% |

Distribution-related Cost

- Distribution-related Cost sales ratio 2023 Jan.-Sep.: 7.5%
 - 0.2pt. lower than 2022 Jan.-Sep. Result.
 - Depreciation expense ratio increased: +0.2pt. (Inagawa DC launched, etc.).
 - Facility rent expense ratio increased: +0.2pt. (Inagawa DC launched, etc.).
 - Labor and outsourcing expense ratio decreased: Δ 0.3pt. (increase in sales per box resulted in decrease in number of box handled per sale, productivity of Inagawa DC improved, etc.).
 - Other expense ratio decreased: Δ 0.2pt. (preparation cost for launching Inagawa DC phase 2 was lower than that for Inagawa DC phase 1 last year, etc.).
 - 0.3pt. lower than plan.
 - Other expense ratio decreased: Δ 0.2pt. (DC facility maintenance postponed to Q3 or later, and difference in estimation of equipment and packing costs, etc.).
 - Labor and outsourcing expense ratio decreased: Δ 0.1pt. (increase in sales per box resulted in decrease in number of box handled per sale, etc.).

| | Jan.-Sep. 2022 Result | | Jan.-Sep. 2023 Plan | | Jan.-Sep. 2023 Result | | | |
|---------------------|-----------------------|-------------|---------------------|-------------|-----------------------|-------------|---------------|----------------|
| | Amount (mil.JPY) | Sales Ratio | Amount (mil.JPY) | Sales Ratio | Amount (mil.JPY) | Sales Ratio | YoY | vs Plan |
| Sales (Non-consol.) | 159,405 | | 185,908 | | 179,373 | | +12.5% | Δ 3.5% |
| Depreciation | 1,707 | 1.1% | 2,294 | 1.2% | 2,249 | 1.3% | +31.8% | Δ 2.0% |
| Labor & Outsourcing | 5,954 | 3.7% | 6,445 | 3.5% | 6,059 | 3.4% | +1.8% | Δ 6.0% |
| Facility Rent | 2,260 | 1.4% | 2,867 | 1.5% | 2,799 | 1.6% | +23.9% | Δ 2.3% |
| Others | 2,380 | 1.5% | 2,878 | 1.5% | 2,271 | 1.3% | Δ 4.6% | Δ 21.1% |
| Total | 12,302 | 7.7% | 14,485 | 7.8% | 13,379 | 7.5% | +8.8% | Δ 7.6% |

Financial Result B/S Outline

| | Sep. 2022 | Dec. 2022 | Sep. 2023 | | | Sep. 2022 | Dec. 2022 | Sep. 2023 | |
|-----------------------------|----------------|----------------|----------------|--------------|---|----------------|----------------|----------------|--------------|
| | mil. JPY | mil. JPY | mil. JPY | Ratio | | mil. JPY | mil. JPY | mil. JPY | Ratio |
| Assets | | | | | Liabilities | | | | |
| Cash | 4,556 | 7,318 | 7,505 | 6.4% | Accounts Payable | 14,680 | 14,961 | 15,726 | 13.5% |
| Accounts Receivable | 24,365 | 26,108 | 28,146 | 24.1% | Short-term Debt & etc. | 6,500 | 4,500 | 4,500 | 3.9% |
| Inventory | 17,823 | 18,319 | 18,574 | 15.9% | Others | 8,957 | 10,623 | 10,393 | 8.9% |
| Other | 7,335 | 7,726 | 7,659 | 6.6% | Total Current Liabilities | 30,137 | 30,084 | 30,619 | 26.2% |
| Total Current Assets | 54,082 | 59,472 | 61,886 | 53.0% | Total Long term Liabilities | 7,102 | 7,059 | 3,177 | 2.7% |
| Tangible Fixed Asset | 35,080 | 34,818 | 37,128 | 31.8% | Total Liabilities | 37,240 | 37,144 | 33,797 | 28.9% |
| Intangible Fixed Assets | 6,213 | 6,291 | 6,359 | 5.4% | Net Assets | | | | |
| Other | 9,877 | 10,198 | 11,377 | 9.7% | Shareholder's Equity | 67,979 | 73,603 | 82,925 | 71.0% |
| Total Fixed Assets | 51,171 | 51,309 | 54,865 | 47.0% | Others | 34 | 33 | 28 | 0.0% |
| Total Assets | 105,253 | 110,781 | 116,751 | | Total Net Assets | 68,013 | 73,637 | 82,954 | 71.1% |
| | | | | | Total Liabilities & Net Assets | 105,253 | 110,781 | 116,751 | |

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

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

Financial Result P/L Outline 1/3

| | Jan.-Sep. 2022 Result | | Jan.-Sep. 2023 Plan | | Jan.-Sep. 2023 Result | | | |
|--|-----------------------|-------------|----------------------|-------------|-----------------------|-------------|--------|------------|
| | Amount (mil. JPY) | Sales Ratio | Amount (mil. JPY) | Sales Ratio | Amount (mil. JPY) | Sales Ratio | YoY | vs Plan |
| Sales | 165,993 | | 194,273 | | 187,223 | | +12.8% | △3.6% |
| Gross Profit | 47,846 | 28.8% | 57,210 | 29.4% | 55,965 | 29.9% | +17.0% | △2.2% |
| SG&A Exp. | 28,522 | 17.2% | 34,422 | 17.7% | 33,045 | 17.7% | +15.9% | △4.0% |
| Operating Income | 19,323 | 11.6% | 22,787 | 11.7% | 22,919 | 12.2% | +18.6% | +0.6% |
| Current Income | 19,566 | 11.8% | 22,756 | 11.7% | 23,145 | 12.4% | +18.3% | +1.7% |
| Net Income (Tax Rate) | 12,787 (31.7%) | 7.7% | 15,565 (31.6%) | 8.0% | 15,773 (31.6%) | 8.4% | +23.4% | +1.3% |
| Net Income attributable to owners of the parent | 13,119 | 7.9% | 15,906 | 8.2% | 16,171 | 8.6% | +23.3% | +1.7% |

■ NAVIMRO (South Korea)

- Sales maintained double-digit growth from previous year, due partly to increased orders from large corporations, but fell short of plan due to severe economic environment.
- New warehouse started operation in July 2023. Despite some confusion due to relocation of warehouse, situations are beginning to normalize with temporary increase in number of employees, etc.

| | Jan.-Sep. 2022 Result | | | Jan.-Sep. 2023 Plan | | | Jan.-Sep. 2023 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 | 5,650 | +19.4% | +13.6% | 6,810 | +20.4% | +19.4% | 6,640 | +17.5% | △2.5% | +11.6% | △6.5% |
| Op.Income | 120 | +7.1% | +1.9% | 10 | △87.1% | △87.2% | △100 | — | — | — | — |
| Net Income x Share(*1) | 110 | +11.4% | +6.0% | 0 | △97.3% | △97.4% | △100 | — | — | — | — |

■ MONOTARO INDONESIA (Indonesia)

- Although acquisition of corporate customer is growing, unattained sales targets mainly due to light users' sales shortages.
- Currently, major part of sales are orders from Jakarta and surrounding areas, but office was opened in Surabaya, second largest city in Java island.

| | Jan.-Sep. 2022 Result | | | Jan.-Sep. 2023 Plan | | | Jan.-Sep. 2023 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 | 490 | +80.7% | +56.0% | 780 | +58.6% | +56.8% | 690 | +40.0% | △11.7% | +33.9% | △14.6% |
| Op.Income | △190 | — | — | △140 | — | — | △230 | — | — | — | — |
| Net Income x Share(*1) | △100 | — | — | △70 | — | — | △120 | — | — | — | — |

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

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

■ IB MonotaRO (India)

- Continuing efforts both to increase sales and improve GP% through focusing on segments selected based on sales and profitability by product category and sales region.
- Continuing efforts to improve service level and repeat rate through increasing self-handling items in own distribution centers, including cross-docking items (shift from “marketplace-centered business model”). Planning to operate a third warehouse.

| | Jan.-Sep. 2022 Result | | | Jan.-Sep. 2023 Plan | | | Jan.-Sep. 2023 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) |
| Gross Merchandise Value(*3) | 770 | +153.0% | +124.2% | 1,110 | +43.6% | +42.7% | 930 | +20.8% | △15.8% | +19.4% | △16.3% |
| Sales(*3) | 510 | +162.3% | +132.5% | 760 | +47.2% | +46.3% | 600 | +17.0% | △20.5% | +15.6% | △21.0% |
| Op.Income | △510 | — | — | △560 | — | — | △560 | — | — | — | — |
| Net Income x Share(*1) | △250 | — | — | △280 | — | — | △290 | — | — | — | — |

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

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

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

Financial Result B/S Outline

| | Sep. 2022 | Dec. 2022 | Sep. 2023 | |
|-----------------------------|----------------|----------------|----------------|--------------|
| | mil. JPY | mil. JPY | mil. JPY | Ratio |
| Assets | | | | |
| Cash | 5,868 | 8,887 | 8,328 | 7.1% |
| Accounts Receivable | 24,718 | 26,512 | 28,632 | 24.4% |
| Inventory | 19,037 | 19,585 | 19,959 | 17.0% |
| Others | 7,733 | 8,060 | 8,009 | 6.8% |
| Total Current Assets | 57,357 | 63,045 | 64,930 | 55.3% |
| Tangible Fixed Assets | 35,158 | 35,046 | 38,380 | 32.7% |
| Intangible Fixed Assets | 7,118 | 7,093 | 7,184 | 6.1% |
| Others | 6,170 | 6,551 | 6,970 | 5.9% |
| Total Fixed Assets | 48,447 | 48,691 | 52,535 | 44.7% |
| Total Assets | 105,805 | 111,737 | 117,465 | |

| | Sep. 2022 | Dec. 2022 | Sep. 2023 | |
|---|----------------|----------------|----------------|--------------|
| | mil. JPY | mil. JPY | mil. JPY | Ratio |
| Liabilities | | | | |
| Accounts Payable | 15,195 | 15,667 | 16,365 | 13.9% |
| Short-term Debt & etc. | 6,589 | 4,772 | 4,722 | 4.0% |
| Others | 9,441 | 11,135 | 11,013 | 9.4% |
| Total Current Liabilities | 31,226 | 31,575 | 32,101 | 27.3% |
| Total Long term Liabilities | 7,194 | 7,539 | 3,753 | 3.2% |
| Total Liabilities | 38,420 | 39,115 | 35,854 | 30.5% |
| Net Assets | | | | |
| Shareholder's Equity | 66,249 | 71,789 | 80,386 | 68.4% |
| Others | 1,135 | 832 | 1,224 | 1.0% |
| Total Net Assets | 67,385 | 72,621 | 81,611 | 69.5% |
| Total Liabilities & Net Assets | 105,805 | 111,737 | 117,465 | |

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

Financial Result C/F Outline

| | Jan.-Sep. 2022 Result | Jan.-Sep. 2023 Result |
|---|------------------------|-----------------------|
| | mil. JPY | mil. JPY |
| Cash Flow from Operating Activity | | |
| Net Income before Tax | 18,722 | 23,047 |
| Depreciation | 2,583 | 3,497 |
| Increase or Decrease in Accounts Receivable (Δ = increase) | Δ 2,124 | Δ 2,078 |
| Increase or Decrease in Inventory (Δ = increase) | Δ 3,527 | Δ 272 |
| Increase or Decrease in Accounts Payable (Δ = decrease) | 600 | 653 |
| Tax payment | Δ 7,317 | Δ 8,064 |
| Increase or Decrease in Accrued Consumption Taxes (Δ = decrease) | Δ 114 | 943 |
| Others | 1,367 | Δ 190 |
| Total | 10,190 | 17,536 |
| Cash Flow from Investing Activity | | |
| Acquisition of Tangible Assets | Δ 9,093 | Δ 4,347 |
| Acquisition of Intangible Assets | Δ 1,749 | Δ 1,566 |
| Others | (*Note) Δ 1,005 | Δ 744 |
| Total | Δ 11,849 | Δ 6,659 |
| Cash Flow from Financing Activity | | |
| Repayments of Long-term Debt | — | Δ 4,500 |
| Cash Dividends Paid | Δ 6,080 | Δ 7,439 |
| Others | 1,968 | 259 |
| Total | Δ 4,112 | Δ 11,680 |
| Currency Exchange Adjustment | 415 | 27 |
| Net Increase or Decrease in Cash and Cash Equivalent (Δ = decrease) | Δ 5,355 | Δ 775 |
| Cash and Cash Equivalent at Beginning of Period | 11,068 | 8,586 |
| Cash and Cash Equivalent at End of Period | 5,713 | 7,811 |

*Note: Invested in Aldagram Inc. etc.

2023 Jan. to Sep.
Business Plan & Strategy

Non-consol. P/L Plan Outline

| | 2022 Result | | 2023 Plan | | |
|--------------------------|-------------------|-------------|-------------------|-------------|-------|
| | Amount (mil.JPY) | Sales Ratio | Amount (mil.JPY) | Sales Ratio | YoY |
| 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% |

Consolidated P/L Plan Outline 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% |

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 P/L Plan Outline 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)

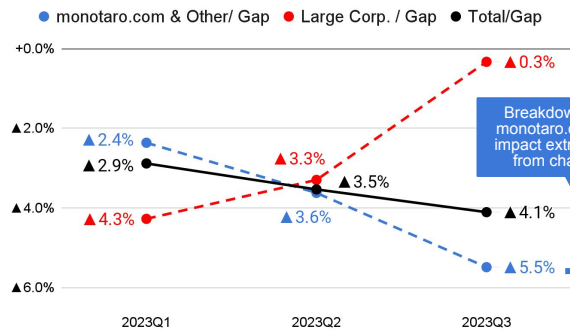
| | 2022 Result | | | 2023 Plan | | |
|------------------------------|------------------|---------|-----------------------|------------------|--------|-----------------------|
| | Amount (mil.JPY) | YonY | YonY (Local Currency) | Amount (mil.JPY) | YonY | YonY (Local Currency) |
| (*3) Gross Merchandise Value | 1,040 | +116.1% | +92.9% | 1,640 | +57.6% | +57.6% |
| (*3) 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.

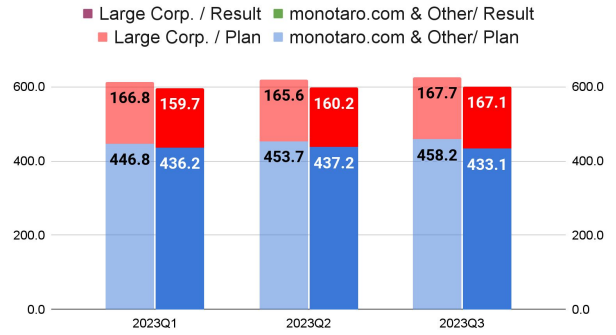
*2: Sales and profit/loss less than 10 million JPY are rounded down as shown in explanation material in Japanese language.

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

Sales Gap by Channel Plan vs. Result (%)

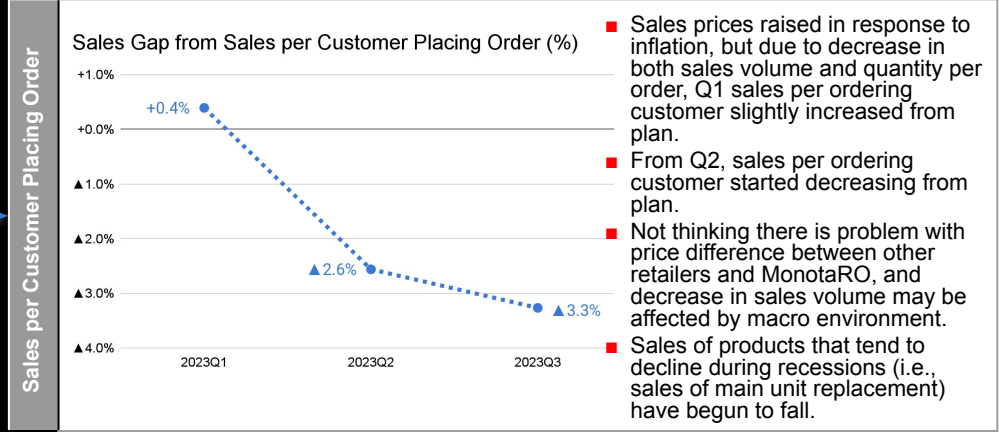
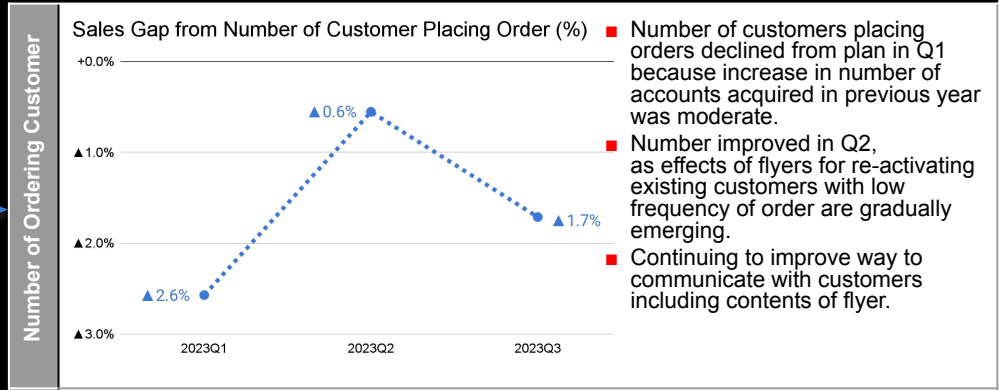


Sales Amount by Channel Plan vs. Result (100M-JPY)



* monotaro.com & Others* includes royalties, overseas cross-border EC sales, etc.

BtoB Online E-commerce (monotaro.com)



■ System Connection with Large Corporations (Large Corporation Business)

| Acquiring New Customers | | | | | | Expanding Customers' Usage | | | | |
|---|--------|--------------|---------------------|----------------------|--------------|--|--------|------------------|--------------|-----------------|
| <ul style="list-style-type: none"> Continuing to hold seminars, including in-house ones, on improving productivity of indirect material procurement. New customer acquisition is so far progressing as planned this year. | | | | | | <ul style="list-style-type: none"> Through organizing team for drawing out abilities of sales members and developing communication methods of team, working on increasing existing customers' wallet share. | | | | |
| 2022 Jan.-Sep. Result | | | 2023 Jan.-Sep. Plan | | | 2023 Jan.-Sep. Result | | | | |
| Mil. JPY | YonY | /Total Sales | Mil. JPY | YonY | /Total Sales | Mil. JPY | YonY | vs Plan | /Total Sales | |
| 36,116 | +39.7% | 22.7% | 50,026 | +38.5% | 26.9% | 48,709 | +34.9% | Δ2.6% | 27.2% | |
| | | | | Dec. 2022 End Result | | Sep. 2023 End Result | | | | |
| | | | | No. Corp. | | No. Corp. | | vs Dec. 2022 End | | Remark |
| Total number of corporations (ONE SOURCE / ONE SOURCE Lite) | | | | (*) 2,521 (1,847) | | (*) 3,386 (2,640) | | +865 (+793) | | 834 considering |

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

■ Royalty Business

| | 2023 Jan. - Sep. |
|---|--|
| Target Business (Grainger's Zoro business in US & UK) | <ul style="list-style-type: none"> US Sales Q3 cumulative grew from previous year, but speed of growth was lower than expected. Operating Profit % Q3 cumulative declined YonY, and so did Operating Profit %. |
| Royalty Income | <ul style="list-style-type: none"> Received amount Q3 cumulative declined YonY and from plan. |

■ Difference in 2023 Jan.-Sep. SG&A Expenses from Plan

| SG&A Decreasing Factor | Amount |
|---|-----------------------|
| <ul style="list-style-type: none"> Decrease in variable expenses due to decline in sales (Decrease in Labor Expense, Outsourcing Expense, Packaging Costs, etc., as sales declined) | About Δ270 mil. JPY |
| <ul style="list-style-type: none"> Decrease in number of boxes shipped due to sales price adjustment (price increase) (Decrease in Labor Expense and Outsourcing Expense due to decrease in operations at distribution bases) | About Δ480 mil. JPY |
| <ul style="list-style-type: none"> Actions postponed to 2023Q4 (System consulting/outsourcing, purchase of logistics supplies and equipment, logistics facility maintenance and repairment) | About Δ70 mil. JPY |
| <ul style="list-style-type: none"> Decrease in SG&A expense below plan (Logistics-related costs) (Logistics equipment repairment and building management expenses not incurred, decrease in rents for external warehouses, etc.) | About Δ570 mil. JPY |
| <ul style="list-style-type: none"> Decrease in SG&A expense below plan (other than Logistics-related costs) (Decrease in outsourced system development costs, cloud service costs, system usage costs, recruitment costs, etc.) | About Δ660 mil. JPY |
| <ul style="list-style-type: none"> Implementation of measures decided (Increase in advertising expenses due to sending more flyers to existing customers, etc.) | About +460 mil. JPY |
| <ul style="list-style-type: none"> Paid bonus to part-time employees. | About +260 mil. JPY |
| Total | About Δ1,330 mil. JPY |

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

Sustainability

■ Progress on Sustainability in 2023 (Q1- Q3)

| | | | Actions as of 2022 | Actions in 2023 |
|--------------------------|-------------|--|---|---|
| Prioritized Action Areas | Environment | Reduction of CO2 emissions as measure against climate change | <ul style="list-style-type: none"> Completed CO2 emissions of 2021 and certified 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., in accordance with TCFD. | <ul style="list-style-type: none"> Electricity consumed at Inagawa DC is switched to substantially renewable energy sources. Applying heat-insulating paint at Ibaraki Chuo SC. Optimized lighting in AGV operation area at Inagawa DC (illumination suppression in unoccupied areas). |
| | | Proposal and development of environment-conscious products | <ul style="list-style-type: none"> Supported efficient indirect material procurement to help customers become more environmentally conscious. 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"> Expansion of certification for environmentally conscious products to 10 certifications. Enhanced of number of products eligible for certification. |
| | | 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"> Worked with suppliers to reduce number of products damaged during transportation. Reduced expired products by optimizing inventory volume. |
| | Social | Responsible Sourcing and Human Rights | <ul style="list-style-type: none"> Formulated policies and guidelines for cooperation with business partners regarding sustainable procurement (sustainability/human rights and environmental-conscious procurement), referring to official guidelines. | <ul style="list-style-type: none"> Distributed procurement guidelines to suppliers and requesting their endorsement. Requested, conducted, and analyzed self-assessment questionnaires answered by suppliers. Reviewed audit process and improved support for compliance. |
| | | Diversity and Inclusion | <ul style="list-style-type: none"> Obtained ERUBOSHI certification (3 stars, Feb. 2022). Established hourly paid holiday system. D&I slogan "MoRE!" is formulated and unveiled. Held seminars to promote understanding of D&I (mental health, understanding and supporting disabilities, infertility treatment). Held roundtable for employees raising children. | <ul style="list-style-type: none"> Obtained KURUMIN certification (Mar. 2023). Established Career Design Leave. Established Family Support Leave. Established Accumulated Paid Leave. Disclosed evaluation, compensation system, and employee stock ownership plan. Disclosed efforts and systems to promote health management. Introduced of welcome-back hiring system and babysitter usage assistance system. |

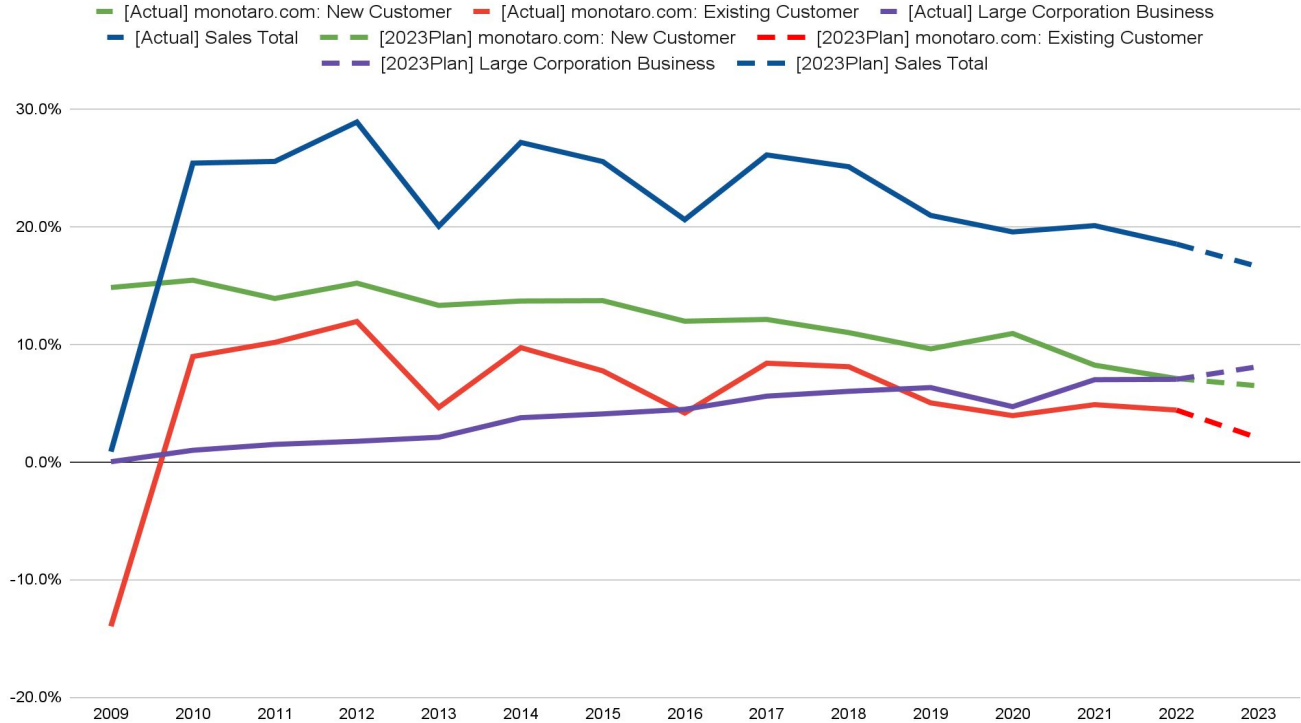
Reference

■ Sustainability Page: <https://corp.monotaro.com/en/ir/sustainability/index.html>



Reference

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

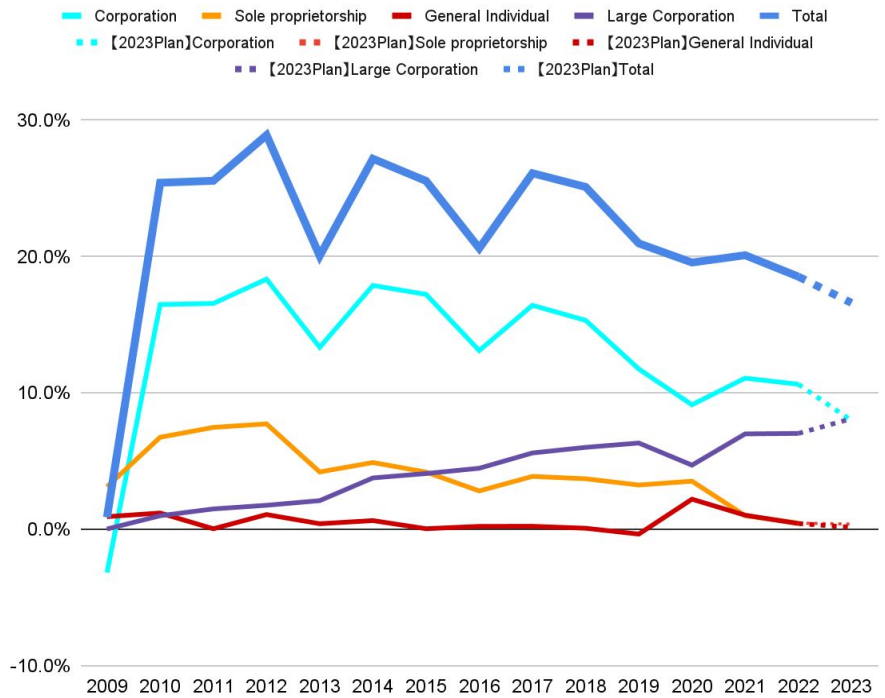


* Note 1: Fiscal year contributions of every channel to total sales growth from previous year is organized and shown based on status as of end of 2022.

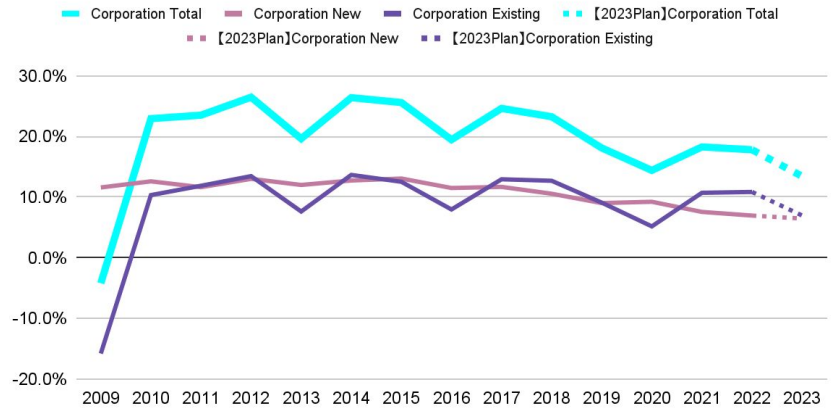
* Note 2: "monotaro.com: New Customer" indicates contribution of sales from customers acquired each fiscal year, and "monotaro.com: Existing Customer" indicates contribution of sales from customers acquired before corresponding year.

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)



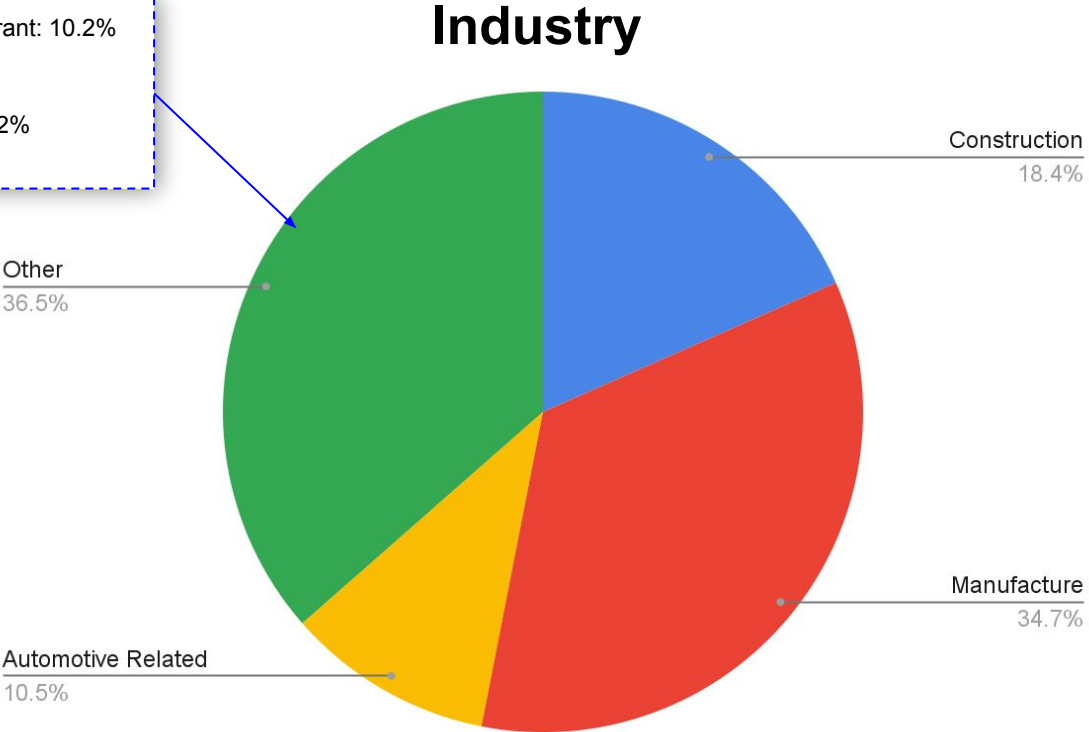
Sales Growth of monotaro.com Corp. Customer
(Contributions of New and Existing Customers)



- 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 (left graph).
 - Sales growth for monotaro.com's corporate customers in 2022 was approximately 18%, and plan for 2023 is approximately 13% (graph above).

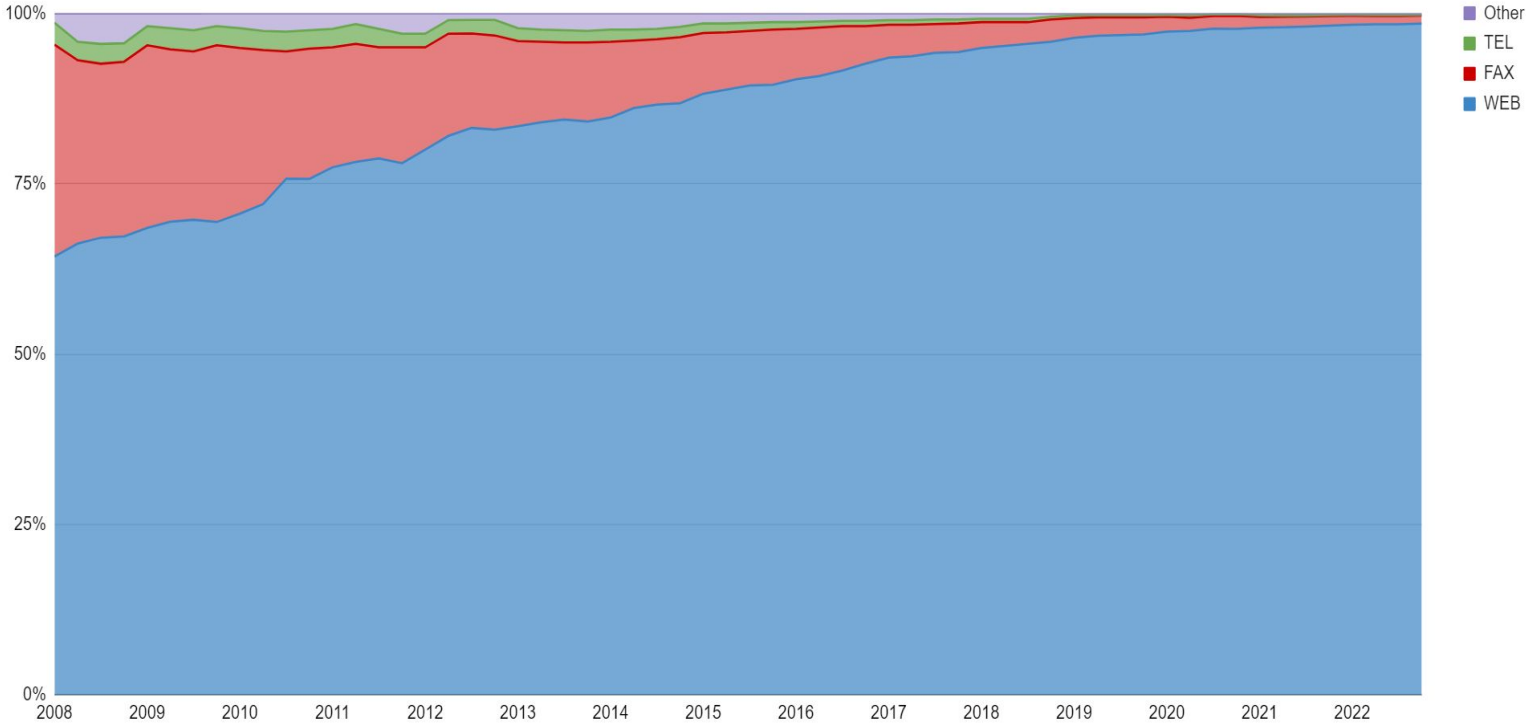
Non-consol. Customer Demographics

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

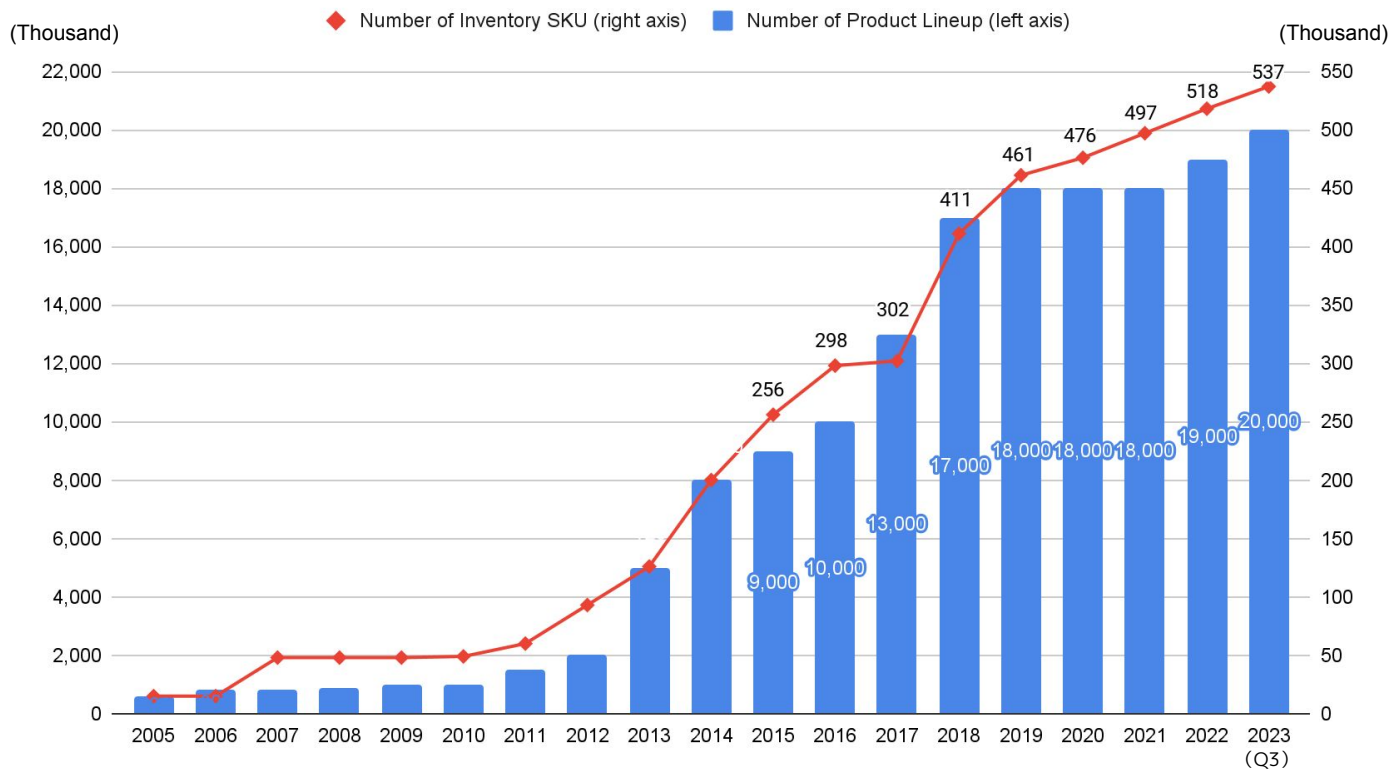


Ratio by sales amount in 2022
(Sales of monotaro.com excluding sales Large Corp. Business)

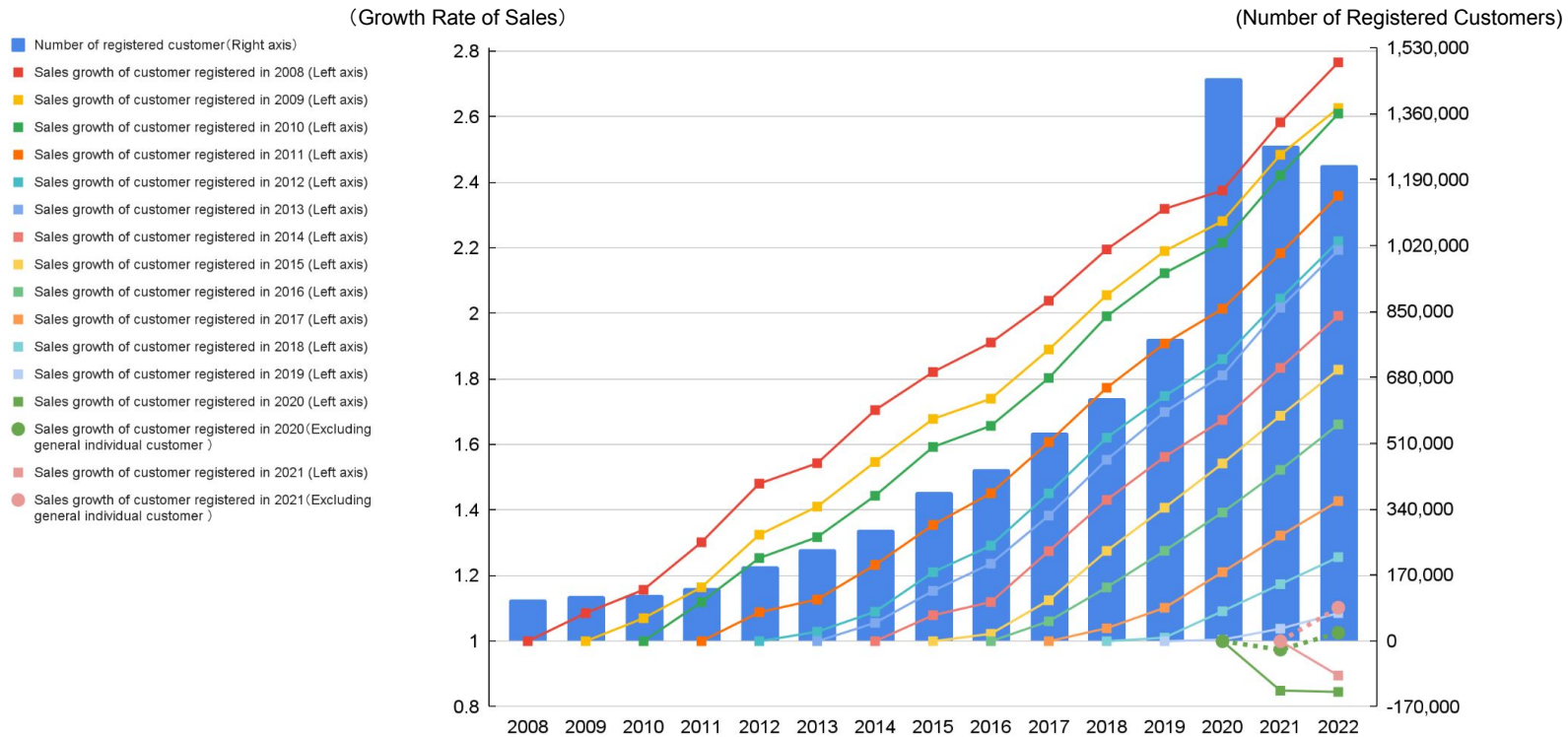
Non-consol. Internet Purchase Order Ratio



Non-consol. Product Lineup & Inventory



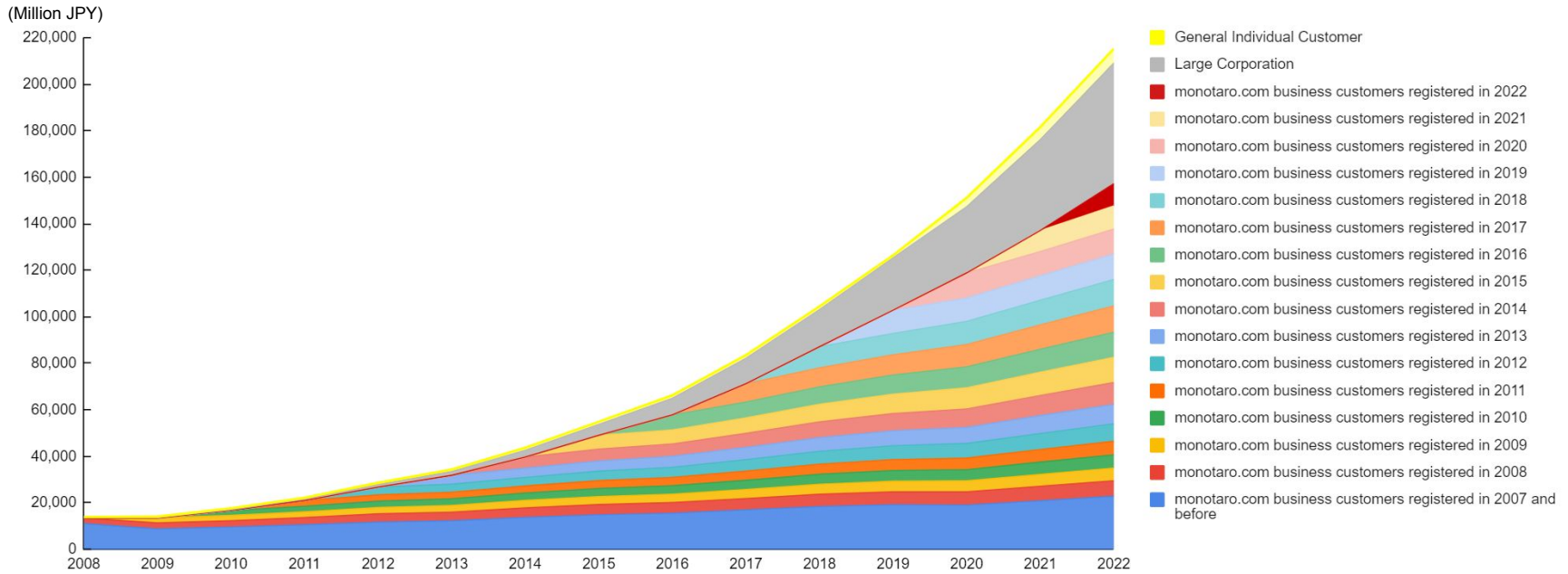
Non-consol. Customer Growth by Year Registered



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

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

Non-consol. Sales Trend by Registered Year



* Note 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 end of 2022.

* Note 2: Sales of 'Large corporation' are total sales of large corporation customers based upon updated customer status at end of 2022.

* Note 3: Sales of 'General individual customers' are 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

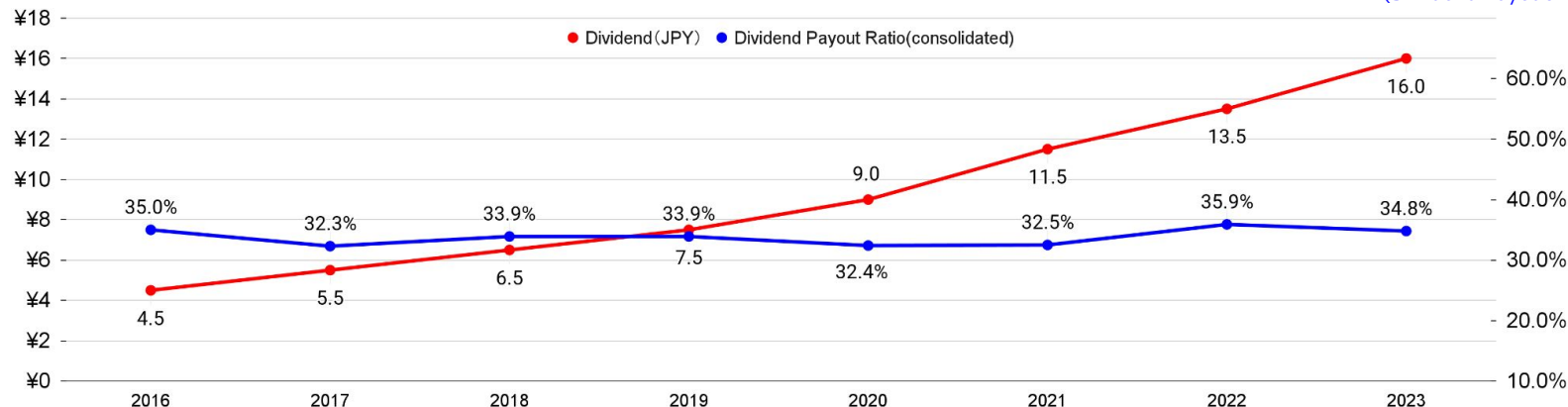
Dividend & Shareholder Benefit

■ Dividend

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

(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.

Contact Us

TEL: 06-4869-7190

FAX: 06-4869-7178

E-Mail: pr@monotaro.com

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

monotaro