

## Consolidated Financial Results for the First Half of Fiscal Year Ending December 31, 2012 (Six Months Ended June 30, 2012)

Company name: **MonotaRO Co., Ltd.**

Stock code: 3064

Representative: Masaya Suzuki, President & COO

Contact: Hidekazu Tanaka, Executive Officer, Director of Admin. Dept.

Scheduled date of filing of Quarterly Securities Report: August 9, 2012

Scheduled date of dividend payment: September 11, 2012

Supplemental materials: Yes Investors meeting: Yes

Listing: Tokyo Stock Exchange, First Section

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*(Figures are rounded down to the nearest million yen)*

### 1. Consolidated Financial Results for the First Half Ended June 30, 2012

**(January 1, 2012 – June 30, 2012)**

(1) Consolidated results of operations

*(Percentages show the change from the same period of previous fiscal year)*

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended Jun.30, 2012	13,677	-	1,423	-	1,439	-	828	-
Six months ended Jun.30, 2011	-	-	-	-	-	-	-	-

Note: Comprehensive income: Six months ended Jun.30, 2012: 831 million yen ( - %) Six months ended Jun.30, 2011: - million yen ( - %)

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended Jun.30, 2012	27.75	26.93
Six months ended Jun.30, 2011	-	-

Note: Since the quarterly consolidated financial statements have been newly prepared from the quarter ended September 30, 2011, figures for the six months ended Jun.30, 2011 and the corresponding percentage changes from the same period of previous year were not stated.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of Jun.30, 2012	9,709	4,884	49.3
As of Dec. 31, 2011	9,047	4,255	46.2

Reference: Shareholders' equity Jun.30, 2012: 4,791 million yen Dec.31, 2011: 4,178 million yen

### 2. Dividends

	Dividends per share				
	1Q-end	2Q-end	3Q-end	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended Dec.31, 2011	-	9.00	-	7.00	16.00
Year ending Dec.31, 2012 (actual)	-	8.00			
Year ending Dec.31, 2012 (forecast)			-	8.00	16.00

Note: Amendments to dividend forecast compared with the most recent disclosure: None

The Company implemented a 2-for-1 share split on August 16, 2011. The 2Q-end and annual dividend for the year ended December 31, 2011 would have been equivalent to 4.5 yen and 11.5 yen, respectively based on the assumption that the share split were implemented at the beginning of previous fiscal year.

### 3. Consolidated Forecasts for the Fiscal Year Ending December 31, 2012 (January 1, 2012 – December 31, 2012)

*(Percentages show the change from the same period of previous fiscal year)*

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	28,500	28.2	2,838	41.3	2,854	39.6	1,634	42.2	54.71

Note: Revision of consolidated forecast during this quarter: Yes

#### 4. Others

- (1) Changes in the number of material subsidiaries resulting changes in scope of consolidation during the six-month period ended June 30, 2012: None
- (2) Application of special accounting methods for the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting principles and estimates, or retrospective restatements:
- 1) Changes in accounting principles caused by the revision of accounting standards: Yes
  - 2) Changes in accounting principles other than mentioned in 1): None
  - 3) Changes in estimates: None
  - 4) Retrospective restatements: None
- (4) Number of shares outstanding (common shares)
- 1) Number of shares outstanding at the end of period (including treasury stock)

Jun.30, 2012:	30,143,200 shares	Dec.31, 2011:	30,061,600 shares
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  - 2) Number of treasury stock at the end of period

Jun.30, 2012:	262,170 shares	Dec.31, 2011:	237,370 shares
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  - 3) Average number of shares outstanding during the period

Six months ended Jun.30, 2012:	29,856,513 shares	Six months ended Jun.30, 2011:	14,771,414 shares
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- Note: The Company implemented a 2-for-1 share split on August 16, 2011.

#### **\* Statements with respect to quarterly review procedures**

This quarterly report of financial results is out of scope from quarterly review procedures by independent auditors in accordance with the Financial Instruments and Exchange Act. As of the date of the disclosure of this report, quarterly review procedures on the quarterly financial statements in accordance with the Financial Instruments and Exchange Act have not yet been completed.

#### **\* Cautionary statement with respect to forward-looking statements**

The forecasts above are based on the judgments made in accordance with information currently available. Forecasts therefore include risks and uncertainties. Actual figures may differ from these forecasts due to subsequent changes in the circumstances.

## Qualitative Information on the Financial Statements

### 1. Qualitative Information Regarding Results of Operations

The Japanese economy during the first six months of the fiscal year ending December 31, 2012 gradually showed a tendency of improvement with continuing stability in domestic demand due to an increase in recovery and reconstruction activities after the Great East Japan Earthquake although the economy also showed uncertainty led by the European debt crisis and the slowdown of the Chinese economy. While the production volume of manufacturers, especially automobile related industries, rebounded steadily, assisted by government policies such as subsidies for eco-friendly cars, the Japanese economic situation was moving through a phase of slow recovery as a whole.

Meanwhile, the market for industrial MRO products, for which we serve as a supplier, had also experienced continuous a recovery of demand by the sectors engaged in reconstruction activities from the earthquake and a recovery of the domestic production activities centered around the automobile related industries.

In this economic environment, we have continued to engage actively, with a particular focus on preventing a loss of existing customers and gaining new customers. Promotional activities included advertising on the Internet and, by utilizing data mining tools, efficiently distributing flyers through facsimile and direct mail. In addition, we newly published Cost-Cutting Measures Catalog Vol.2 in January featuring approximately 6,800 private label goods at reasonable prices. We have also proactively enhanced the usability of our website to meet a wide range of customer requirements and focused on increasing the frequency of customer purchases by implementing a daily discount program on particular categories. Consequently, we have successfully obtained 88,137 newly registered accounts for the first half of the fiscal year and the number of registered accounts totaled 791,909 as of the end of the second quarter of this fiscal year.

All of our efforts mentioned above have resulted in net sales of 13,677 million yen, while operating income amounted to 1,423 million yen, ordinary income amounted to 1,439 million yen and net income amounted to 828 million yen during the six-month period ended March 31, 2012.

Since the quarterly consolidated financial statements have been newly prepared from the quarter ended September 30, 2011, the results for the first half of the fiscal year ended June 30, 2012 are not comparable with those of the previous fiscal year.

The following is a summary of operating results by product segment.

#### (1) Factory consumables

Net sales amounted to 5,798 million yen due to an increase in sales across all categories, such as measurement equipments, power and air compression tools and hand tools.

#### (2) Factory replacement parts

Net sales amounted to 5,286 million yen due largely to the substantial increase in sales of automobile maintenance and truck related products for the automobile aftermarket and the strong sales of logistics or packing products, compressors and control equipments.

#### (3) Other supplies

Net sales amounted to 2,591 million yen due to the sales increase in laboratory equipments, office supplies and construction materials.

### 2. Forecast for the Fiscal Year Ending December 31, 2012

As a result of the review of our operating plans considering the financial results for the first half of the fiscal year ending December 31, 2012, the consolidated forecast for the fiscal year ending December 31, 2012 that was disclosed in “Partial Modification of Financial Results for the Fiscal Year Ended December 31, 2011 (Consolidated)” on February 1, 2012 has been changed. The details of these plans are presented in “Notification of the Revision of the Consolidated Forecast” released simultaneously with this statement.

# Consolidated quarterly balance sheets

Accounts	(In thousands of yen)	
	As of Dec. 31, 2011	As of Jun. 30, 2012
<b>Assets</b>		
Current assets		
Cash and deposits	1,519,895	1,698,553
Accounts receivable-trade	2,319,498	2,757,880
Merchandise	2,747,980	2,793,105
Goods in transit	128,822	118,366
Supplies	54,747	40,057
Accounts receivable-other	1,126,792	1,101,119
Other	176,570	164,409
Allowance for doubtful accounts	(30,255)	(27,228)
Total current assets	8,044,052	8,646,263
Noncurrent assets		
Property, plant and equipment	206,257	187,303
Intangible assets	593,463	653,920
Investments and other assets		
Guarantee deposits	146,223	141,155
Other	74,461	96,447
Allowance for doubtful accounts	(17,335)	(15,605)
Total investments and other assets	203,349	221,997
Total noncurrent assets	1,003,069	1,063,220
Total assets	9,047,122	9,709,484
<b>Liabilities</b>		
Current liabilities		
Accounts payable-trade	1,936,657	2,071,205
Short-term loans payable	1,300,000	1,300,000
Accounts payable-other	743,765	469,653
Income taxes payable	622,508	636,888
Provision for bonuses	28,118	31,663
Provision for directors' bonuses	19,571	30,116
Other	99,384	186,764
Total current liabilities	4,750,007	4,726,292
Noncurrent liabilities		
Provision for directors' retirement benefits	32,318	87,268
Other	8,925	11,825
Total noncurrent liabilities	41,244	99,094
Total liabilities	4,791,251	4,825,386
<b>Net assets</b>		
Shareholders' equity		
Capital stock	1,724,618	1,733,253
Capital surplus	529,155	537,790
Retained earnings	2,025,669	2,645,382
Treasury stock	(100,772)	(125,197)
Total shareholders' equity	4,178,671	4,791,229
Subscription rights to shares	49,032	62,066
Minority interests	28,166	30,802
Total net assets	4,255,870	4,884,098
Total liabilities and net assets	9,047,122	9,709,484

# Consolidated quarterly statement of (comprehensive) income

(In thousands of yen)

Accounts	Six months ended Jun. 30, 2012
Net sales	13,677,176
Cost of sales	9,846,555
Gross profit	3,830,621
Selling, general and administrative expenses	2,406,896
Operating income	1,423,724
Non-operating income	
Interest income	18
Foreign exchange gains	12,211
Other	12,507
Total non-operating income	24,737
Non-operating expenses	
Interest expenses	6,334
Other	2,519
Total non-operating expenses	8,853
Ordinary income	1,439,608
Extraordinary loss	
Loss on retirement of noncurrent assets	30
Total extraordinary losses	30
Income before income taxes and minority interests	1,439,577
Income taxes-current	624,801
Income taxes-deferred	(16,341)
Total income taxes	608,459
Income before minority interests	831,117
Minority interests in income	2,635
Net income	828,482
Minority interests in income	2,635
Income before minority interests	831,117
Total other comprehensive income	-
Comprehensive income	831,117
Comprehensive income attributable to:	
Owners of the parent	828,482
Minority interests	2,635

# Consolidated quarterly statement of cash flows

(In thousand of yen)

Accounts	Six months ended Jun. 30, 2012
Net cash provided by (used in) operating activities	
Income before income taxes and noncontrolling interests	1,439,577
Depreciation and amortization	126,518
Increase (decrease) in allowance for doubtful accounts	(4,755)
Increase (decrease) in provision for bonuses	3,444
Increase (decrease) in provision for directors' bonuses	10,544
Increase (decrease) in provision for directors' retirement benefits	54,949
Interest and dividends income	(18)
Interest expenses	6,334
Decrease (increase) in notes and accounts receivable-trade	(438,381)
Decrease (increase) in inventories	(19,978)
Decrease (increase) in accounts receivable-other	25,672
Increase (decrease) in notes and accounts payable-trade	134,548
Increase (decrease) in accounts payable-other	(291,825)
Other, net	115,903
Subtotal	1,162,534
Interest and dividends income received	18
Interest expenses paid	(6,304)
Income taxes paid	(610,307)
Net cash provided by (used in) operating activities	545,940
Net cash provided by (used in) investment activities	
Purchase of property, plant and equipment	(15,585)
Purchase of intangible assets	(134,210)
Other, net	45
Net cash provided by (used in) investment activities	(149,750)
Net cash provided by (used in) financing activities	
Proceeds from exercise of stock option	17,270
Purchase of treasury stock	(24,425)
Cash dividends paid	(209,212)
Other, net	(1,164)
Net cash provided by (used in) financing activities	(217,531)
Net increase (decrease) in cash and cash equivalents	178,658
Cash and cash equivalents at beginning of period	1,519,895
Cash and cash equivalents at end of period	1,698,553

(For your reference)

## Non-consolidated quarterly statement of income

(In thousand of yen)

Accounts	Six months ended Jun. 30, 2011
Net sales	10,513,318
Cost of sales	7,534,860
Gross profit	2,978,457
Selling, general and administrative expenses	1,892,241
Operating income	1,086,216
Non-operating income	
Interest income	13
Foreign exchange gains	16,527
Other	9,340
Total non-operating income	25,881
Non-operating expenses	
Interest expenses	3,913
Other	2,246
Total non-operating expenses	6,159
Ordinary income	1,105,937
Extraordinary income	
Difference in execution of assets retirement obligation	778
Total extraordinary income	778
Extraordinary loss	
Loss on retirement of noncurrent assets	1,588
Loss on adjustment for changes of accounting standard for asset retirement obligations	25,776
Total extraordinary losses	27,365
Income before income taxes	1,079,349
Income taxes-current	477,188
Income taxes-deferred	(19,275)
Total income taxes	457,913
Net income	621,436

# Non-consolidated quarterly statements of cash flows

(In thousand of yen)

Accounts	Six months ended Jun. 30, 2011
Net cash provided by (used in) operating activities	
Income before income taxes	1,079,349
Depreciation and amortization	113,959
Increase (decrease) in allowance for doubtful accounts	1,930
Increase (decrease) in provision for bonuses	5,071
Increase (decrease) in provision for directors' bonuses	7,313
Increase (decrease) in provision for directors' retirement benefits	4,961
Interest and dividends income	(13)
Interest expenses	3,913
Foreign exchange losses (gains)	(16,527)
Loss on adjustment for changes of accounting standard for asset retirement obligations	25,555
Decrease (increase) in notes and accounts receivable-trade	(278,588)
Decrease (increase) in inventories	(714,041)
Decrease (increase) in accounts receivable-other	45,752
Increase (decrease) in notes and accounts payable-trade	341,940
Increase (decrease) in accounts payable-other	(223,014)
Other, net	478
Subtotal	398,043
Interest and dividends income received	13
Interest expenses paid	(4,920)
Income taxes paid	(392,944)
Net cash provided by (used in) operating activities	192
Net cash provided by (used in) investment activities	
Purchase of property, plant and equipment	(78,776)
Purchase of intangible assets	(116,640)
Payments for guarantee deposits	(68,089)
Other, net	72
Net cash provided by (used in) investment activities	(263,433)
Net cash provided by (used in) financing activities	
Net increase (decrease) in short-term loans payable	500,000
Proceeds from exercise of stock option	5,956
Purchase of treasury stock	(17,322)
Cash dividends paid	(110,681)
Net cash provided by (used in) financing activities	377,952
Net increase (decrease) in cash and cash equivalents	114,710
Cash and cash equivalents at beginning of period	1,240,833
Cash and cash equivalents at end of period	1,355,544