

## Consolidated Financial Results for the Fiscal Year Ended December 31, 2015

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

Stock code: 3064

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Scheduled date of Annual General Shareholders' Meeting: March 25, 2016

Scheduled date to commence dividend payment: March 28, 2016

Scheduled date to file Securities Report: March 25, 2016

Supplementary materials: Yes Financial results briefing: Yes

Listing: Tokyo Stock Exchange, First Section

URL: <http://www.monotaro.com>

(Figures are rounded down to the nearest million yen)

### 1. Consolidated Financial Results for the Fiscal Year Ended December 31, 2015

(January 1, 2015 – December 31, 2015)

#### (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	%
Year ended Dec. 31, 2015	57,563	28.1	7,087	63.9	7,120	63.6	4,439	74.5
Year ended Dec. 31, 2014	44,937	30.0	4,323	11.3	4,351	11.6	2,544	11.1

Note: Comprehensive income: Year ended Dec. 31, 2015: 4,406 million yen (70.2 %)

Year ended Dec. 31, 2014: 2,588 million yen (11.8 %)

	Net income per share	Diluted net income per share	Return on equity	Ordinary income on total assets	Operating income on net sales
	Yen	Yen	%	%	%
Year ended Dec.31, 2015	36.04	35.75	40.9	30.6	12.3
Year ended Dec.31, 2014	20.80	20.50	31.0	26.9	9.6

The Company implemented a 2-for-1 share split effective on October 1, 2015 and net income per share and diluted net income per share are stated on the assumption that the share split was implemented at the beginning of the previous fiscal year.

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of Dec. 31, 2015	28,744	12,632	43.7	101.87
As of Dec. 31, 2014	17,868	9,216	51.2	74.49

Reference: Shareholders' equity Dec.31, 2015: 12,572 million yen Dec.31, 2014: 9,145 million yen

The Company implemented a 2-for-1 share split effective on October 1, 2015 and net assets per share is stated on the assumption that the share split was implemented at the beginning of the previous fiscal year.

#### (3) Consolidated cash flow position

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended Dec.31, 2015	3,758	(1,073)	4,343	10,889
Year ended Dec.31, 2014	1,868	(857)	(1,107)	3,884

### 2. Dividends

	Dividend per share					Total dividends	Dividend payout ratio (Consolidated)	Dividend on equity (Consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended Dec. 31, 2014	-	7.00	-	7.00	14.00	857	33.7	10.4
Year ended Dec. 31, 2015	-	10.00	-	7.00	-	1,479	33.3	13.6
Year ending Dec. 31, 2016 (forecast)	-	9.00	-	9.00	18.00		-	

The Company implemented a 2-for-1 share split effective on October 1, 2015. Both interim and year-end dividends for the year ended December 31, 2014 were equivalent to 3.5 yen, with the total dividend for that year equivalent to 7 yen, and interim and total dividends for the year ended December 31, 2015 were equivalent to 5 yen and 12 yen, respectively, on the assumption that the share split was implemented at the beginning of the previous fiscal year.

### 3. Consolidated Forecasts for the Fiscal Year Ending December 31, 2016 (January 1, 2016 – December 31, 2016)

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

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent company		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Half year (accumulated)	33,748	23.4	4,300	25.3	4,296	24.7	2,800	28.6	22.70
Full year	71,076	23.5	9,300	31.2	9,295	30.5	6,051	36.3	49.03

#### 4. Others

(1) Changes in the number of material subsidiaries resulting from changes in scope of consolidation during the year ended December 31, 2015: None

(2) Changes in accounting principles and estimates, or retrospective restatements:

1) Changes in accounting principles caused by the revision of accounting standards: None

2) Changes in accounting principles other than mentioned in 1): None

3) Changes in estimates: None

4) Retrospective restatements: None

(3) Number of shares outstanding (common shares)

1) Number of shares outstanding at the end of period (including treasury stock)

Dec.31, 2015: 124,498,800 shares Dec.31, 2014: 123,852,000 shares

2) Number of treasury stock at the end of period

Dec.31, 2015: 1,083,233 shares Dec.31, 2014: 1,077,852 shares

3) Average number of shares outstanding during the period

Year ended Dec.31, 2015: 123,182,985 shares Year ended Dec.31, 2014: 122,339,231 shares

The Company implemented a 2-for-1 share split effective on October 1, 2015 and the respective numbers of shares above are stated on the assumption that the share split was implemented at the beginning of the previous fiscal year.

### (Reference) Non-consolidated Financial Results for the Fiscal Year Ended December 31, 2015

#### 1. Non-consolidated Financial Results for the Fiscal Year Ended December 31, 2015

(January 1, 2015 – December 31, 2015)

(1) 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	%
Year ended Dec.31, 2015	55,607	26.2	7,363	59.5	7,398	59.1	4,718	65.9
Year ended Dec.31, 2014	44,057	27.8	4,616	13.2	4,651	13.3	2,843	14.1

	Net income per share	Diluted net income per share
	Yen	Yen
Year ended Dec.31, 2015	38.30	37.99
Year ended Dec.31, 2014	23.24	22.91

The Company implemented a 2-for-1 share split effective on October 1, 2015 and net income per share and diluted net income per share are stated on the assumption that the share split was implemented at the beginning of the previous fiscal year.

#### (2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of Dec. 31, 2015	29,218	13,374	45.6	107.88
As of Dec. 31, 2014	18,128	9,645	52.8	77.99

Reference: Shareholders' equity Dec.31, 2015: 13,314 million yen Dec.31, 2014: 9,574 million yen

The Company implemented a 2-for-1 share split effective on October 1, 2015 and net assets per share is stated on the assumption that the share split was implemented at the beginning of the previous fiscal year.

### 2. Non-consolidated Forecasts for the Fiscal Year Ending December 31, 2016 (January 1, 2016 – December 31, 2016)

(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
Half year (accumulated)	32,646	23.4	4,474	25.5	4,470	25.0	2,975	28.7	24.11
Full year	68,639	23.4	9,579	30.1	9,574	29.4	6,330	34.2	51.30

**\* Statements with respect to audit procedures**

This report of financial results is out of scope from audit procedures by independent auditors in accordance with the Financial Instruments and Exchange Act. As of the date of the disclosure of this report, audit procedures on the financial statements for the fiscal year ended December 31, 2015 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.

## 1. Qualitative Information on the Consolidated Financial Statements

### (1) Qualitative Information Regarding Consolidated Results of Operations

The Japanese economy during the fiscal year ended December 31, 2015 moderately reflected an upturn in economic conditions due to the underlying support from government economic and fiscal policies and a mitigation of the corporate burden resulting from the low crude oil prices although increases in material prices caused by the lower yen, concerns about the decelerating economy in China and problems in Europe make the outlook for the future economy unpredictable.

In addition, among mid-to-small manufacturers, the major customers of our industrial MRO products, the economic conditions slowly recovered due to the positive effect of the Japanese economic recovery.

In this economic environment, we have concentrated on acquiring new customers aggressively mainly through internet advertisements (paid listings) and internet search engine optimization (SEO), which can improve our website's position on the search engines. We also conducted promotion activities including facsimile and direct mail using e-mail and mail flyers, daily special prices and the publication and distribution of catalogs. In terms of catalogs, we newly published REDBOOK vol.11 Spring Edition in late February, divided into 8 volumes with 137 thousand items and 1.09 million issues available in total, featuring products that are mainly used through spring to summer seasons, and in late September, we also launched REDBOOK vol.11 Autumn Edition, divided into 9 volumes with 256 thousand items and 1.77 million issues available in total. In addition, we broadcasted TV commercials in seven geographic areas, which included the Kanto, Kinki and Chukyo regions, and Nagano, Shizuoka, Hiroshima and Okayama-Kagawa prefectures from late February through early March, and we broadened the broadcast area covered throughout Japan, other than some areas in San-in and Kyusyu regions, from late June through early July, and from late September through early October to enhance our visibility much further.

Furthermore, the total number of our product lineup reached approximately nine million items to meet the increase in demand corresponding to the expansion of our customer base as of the end of the fiscal year ended December 31, 2015 and we launched a new mall for medical and nursing care in our website (MonotaRO.com), which started operations in the middle of May.

In addition to the strategies above, sales to large companies through the purchase solution system have been steadily growing in terms of both the number of customers and the amount of sales, and in late August, we launched a new website called "MRO Procurement Reform for Companies" featuring a simulation function that shows the effectiveness of the cost saving with regard to procurement of MRO products to enhance the visibility of this service and accelerate its use.

Meanwhile, the "Amagasaki Distribution Center," which commenced full-scale operations in July 2014 in order to maximize daily shipping volume and secure a stock area with a capacity sufficient for corresponding to our sales growth with a total floor area of approximately 44 thousand square meters, has been working well, and our product lineup reached approximately 256 thousand product items in stock that are available for the same day shipment as of the end of the fiscal year ended December 31, 2015.

Consequently, we have successfully obtained 371,198 newly registered accounts for the fiscal year ended December 31, 2015 and the number of registered accounts totaled 1,776,570 as of December 31, 2015.

In addition, NAVIMRO, which is our Korean subsidiary, also aggressively engaged in acquiring new customers mainly through paid listings and focused on increasing both its product lineup and the number of products in stock in order to expand its customer base.

All of our efforts mentioned above resulted in net sales of 57,563 million yen (28.1% increase from the previous fiscal year), operating income of 7,087 million yen (63.9% increase from the previous fiscal year), ordinary income of 7,120 million yen (63.6% increase from the previous fiscal year), and net income of 4,439 million yen, a corresponding 74.5% increase.

(Forecast for the Fiscal Year Ending December 31, 2016)

During the fiscal year ending December 31, 2016, we will continue aggressive promotional activities to gain new customers mainly using internet advertisements (paid listings) and internet search engine optimization (SEO).

In addition, we plan to engage actively in sales promotion activities with existing customers with a focus on expanding our available product lineup corresponding to the expansion of our customer base, conducting promotion activities based on highly precise data mining tools, improving website design in order for customers to use it and place orders more easily and

expanding the product lineup for the same day shipment including both goods in stock and drop shipment goods from suppliers.

In terms of profitability, while the aggressive promotion of highly profitable private label products is planned, the effects of the sales expansion of national brand products and the increase of sales promotion expenses for acquiring new customers should be considered.

Also, NAVIMRO will continuously engage in acquiring new customers mainly through paid listings and focus on increasing both its product lineup and the number of products in stock in order to expand its customer base.

In view of the implementation of the plan above, our current forecast estimates of net sales, operating income, ordinary income and net income attributable to owners of parent company for the fiscal year ending December 31, 2016 are 71,076 million yen, 9,300 million yen, 9,295 million yen and 6,051 million yen, respectively.

## **(2) Qualitative Information Regarding Consolidated Financial Position**

Total assets as of December 31, 2015 (the end of the fiscal year ended December 31, 2015) amounted to 28,744 million yen, an increase of 10,875 million yen from the end of the previous fiscal year. Current assets amounted to 25,248 million yen, an increase of 10,243 million yen. This was attributable to increases of 7,005 million yen, 1,232 million yen and 1,307 million yen in cash and deposits, accounts receivable-trade and merchandise, respectively. Non-current assets amounted to 3,496 million yen, an increase of 632 million yen. This was due mainly to an increase of 485 million yen in construction in progress related to the acquisition of land for a new distribution center.

On the other hand, total liabilities as of December 31, 2015 amounted to 16,112 million yen, an increase of 7,459 million yen from the end of the previous fiscal year. Current liabilities amounted to 9,130 million yen, an increase of 1,540 million yen. This was due mainly to increases of 1,069 million yen and 703 million yen in income taxes payable and accounts payable-trade, respectively, despite a decrease of 500 million yen in short-term loans payable. Non-current liabilities amounted to 6,981 million yen, an increase of 5,919 million yen. This was due primarily to an increase of 6,184 million yen in long-term loans payable offset by a decrease of 293 million yen in lease obligations.

Total net assets amounted to 12,632 million yen, an increase of 3,416 million yen from the end of the previous fiscal year. This was largely due to net income of 4,439 million yen offset by dividend payments of 1,045 million yen for the fiscal year ended December 31, 2015.

As a result, the equity ratio as of December 31, 2015 was 43.7%, down 7.5 percentage points from the end of the previous fiscal year.

## 2. Consolidated Financial Statements

### (1) Consolidated balance sheets

		(In thousands of yen)	
Accounts	As of Dec. 31, 2014	As of Dec. 31, 2015	
Assets			
Current assets			
Cash and deposits	4,184,546	11,189,563	
Accounts receivable-trade	4,895,427	6,128,302	
Merchandise	3,785,060	5,092,272	
Goods in transit	195,689	213,836	
Supplies	112,412	105,809	
Accounts receivable-other	1,602,522	2,163,457	
Deferred tax assets	122,334	199,530	
Other	137,566	190,775	
Allowance for doubtful accounts	(30,607)	(35,022)	
Total current assets	15,004,953	25,248,526	
Noncurrent assets			
Property, plant and equipment			
Buildings, net	195,405	250,433	
Structures, net	9,477	7,581	
Machinery and equipment, net	2,625	2,080	
Vehicles, net	998	197	
Tools, furniture and fixtures, net	104,963	132,746	
Lease assets, net	785,496	692,689	
Construction in progress	-	485,967	
Total property, plant and equipment	1,098,967	1,571,695	
Intangible assets			
Software	933,628	940,939	
Other	24,799	71,953	
Total intangible assets	958,427	1,012,892	
Investments and other assets			
Guarantee deposits	673,740	745,155	
Deferred tax assets	118,057	123,061	
Other	31,730	67,879	
Allowance for doubtful accounts	(17,162)	(24,504)	
Total investments and other assets	806,366	911,591	
Total noncurrent assets	2,863,761	3,496,179	
Total assets	17,868,714	28,744,705	

Accounts	(In thousands of yen)	
	As of Dec. 31, 2014	As of Dec. 31, 2015
Liabilities		
Current liabilities		
Accounts payable-trade	3,701,802	4,404,915
Short-term loans payable	500,000	-
Long-term loans payable-current portion	314,487	315,076
Lease obligations	322,961	302,657
Accounts payable-other	1,387,055	1,441,059
Income taxes payable	967,181	2,036,907
Provision for employees' bonuses	45,335	52,913
Provision for directors' bonuses	15,212	29,237
Provision for voluntary goods collection	15,680	-
Other	321,241	548,208
Total current liabilities	7,590,958	9,130,975
Noncurrent liabilities		
Long-term loans payable	665,076	6,850,000
Lease obligations	319,667	26,334
Provision for directors' retirement benefits	43,627	52,231
Provision for retirement benefits for employees	1,531	1,876
Other	31,828	50,672
Total noncurrent liabilities	1,061,732	6,981,115
Total liabilities	8,652,691	16,112,091
Net assets		
Shareholders' equity		
Capital stock	1,865,398	1,907,453
Capital surplus	669,936	711,991
Retained earnings	6,701,646	10,095,565
Treasury stock	(163,034)	(180,278)
Total shareholders' equity	9,073,947	12,534,730
Accumulated other comprehensive income		
Foreign currency translation adjustment	71,409	37,775
Total accumulated other comprehensive income	71,409	37,775
Subscription rights to shares	70,666	60,107
Total net assets	9,216,023	12,632,614
Total liabilities and net assets	17,868,714	28,744,705

## (2) Consolidated statements of (comprehensive) income

Accounts	(In thousands of yen)	
	Year ended Dec. 31, 2014	Year ended Dec. 31, 2015
Net sales	44,937,786	57,563,763
Cost of sales	32,003,579	40,236,226
Gross profit	12,934,207	17,327,536
Selling, general and administrative expenses	8,610,512	10,239,618
Operating income	4,323,694	7,087,918
Non-operating income		
Interest income	585	4,331
Foreign exchange gains	17,360	27,766
Commission fee	5,815	5,610
Compensation income	5,751	4,894
Sales promotion premium	4,409	-
Gain on sale of materials	8,852	7,885
Other	11,261	12,645
Total non-operating income	54,035	63,134
Non-operating expenses		
Interest expenses	13,112	12,945
Loss on disposal of inventories	10,561	15,116
Other	2,173	2,342
Total non-operating expenses	25,847	30,404
Ordinary income	4,351,882	7,120,648
Extraordinary income		
Gain on sales of fixed assets	90	160
Total extraordinary income	90	160
Extraordinary loss		
Loss on disposal of fixed assets	38,806	1,816
Total extraordinary losses	38,806	1,816
Income before income taxes and minority interests	4,313,167	7,118,991
Income taxes-current	1,715,259	2,761,542
-deferred	53,777	(82,199)
Total income taxes	1,769,036	2,679,343
Income before minority interests	2,544,130	4,439,648
Net income	2,544,130	4,439,648
Income before minority interests	2,544,130	4,439,648
Other comprehensive income		
Foreign currency translation adjustment	44,451	(33,633)
Total other comprehensive income	44,451	(33,633)
Comprehensive income	2,588,581	4,406,015
Comprehensive income attributable to:		
Owners of the parent	2,588,581	4,406,015
Minority interests	-	-



### (3) Consolidated statement of changes in net assets

Accounts	(In thousands of yen)	
	Year ended Dec. 31, 2014	Year ended Dec. 31, 2015
Shareholders' equity		
Capital stock		
Balance at the beginning of current period	1,821,473	1,865,398
Changes of items during the period		
Issuance of new shares	43,925	42,054
Total changes of items during the period	43,925	42,054
Balance at the end of current period	1,865,398	1,907,453
Capital surplus		
Balance at the beginning of current period	626,010	669,936
Changes of items during the period		
Issuance of new shares	43,925	42,054
Total changes of items during the period	43,925	42,054
Balance at the end of current period	669,936	711,991
Retained earnings		
Balance at the beginning of current period	4,950,943	6,701,646
Changes of items during the period		
Dividends from surplus	(793,427)	(1,045,730)
Net income	2,544,130	4,439,648
Total changes of items during the period	1,750,703	3,393,918
Balance at the end of current period	6,701,646	10,095,565
Treasury stock		
Balance at the beginning of current period	(143,063)	(163,034)
Changes of items during the period		
Purchase of treasury stock	(19,970)	(17,243)
Total changes of items during the period	(19,970)	(17,243)
Balance at the end of current period	(163,034)	(180,278)
Total shareholders' equity		
Balance at the beginning of current period	7,255,363	9,073,947
Changes of items during the period		
Issuance of new shares	87,851	84,109
Dividends from surplus	(793,427)	(1,045,730)
Net income	2,544,130	4,439,648
Purchase of treasury stock	(19,970)	(17,243)
Total changes of items during the period	1,818,583	3,460,783
Balance at the end of current period	9,073,947	12,534,730
Accumulated other comprehensive income		
Foreign currency translation adjustment		
Balance at the beginning of current period	26,957	71,409
Changes of items during the period		
Net changes of items other than shareholders' equity	44,451	(33,633)
Total changes of items during the period	44,451	(33,633)
Balance at the end of current period	71,409	37,775
Subscription rights to shares		
Balance at the beginning of current period	73,484	70,666
Changes of items during the period		
Net changes of items other than shareholders' equity	(2,817)	(10,559)
Total changes of items during the period	(2,817)	(10,559)
Balance at the end of current period	70,666	60,107

Accounts	(In thousands of yen)	
	Year ended Dec. 31, 2014	Year ended Dec. 31, 2015
Total net assets		
Balance at the beginning of current period	7,355,805	9,216,023
Changes of items during the period		
Issuance of new shares	87,851	84,109
Dividends from surplus	(793,427)	(1,045,730)
Net income	2,544,130	4,439,648
Purchase of treasury stock	(19,970)	(17,243)
Net changes of items other than shareholders' equity	41,634	(44,192)
Total changes of items during the period	1,860,217	3,416,590
Balance at the end of current period	9,216,023	12,632,614

**(4) Consolidated statements of cash flows**

Accounts	(In thousands of yen)	
	Year ended Dec. 31, 2014	Year ended Dec. 31, 2015
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	4,313,167	7,118,991
Depreciation and amortization	478,343	518,709
Increase (decrease) in allowance for doubtful accounts	2,561	11,757
Increase (decrease) in provision for bonuses	6,859	7,139
Increase (decrease) in provision for directors' bonuses	(5,543)	14,024
Increase (decrease) in provision for directors' retirement benefits	(73,062)	8,604
Increase (decrease) in provision for retirement benefits	(72)	452
Interest income	(585)	(4,331)
Interest expenses	13,112	12,945
Decrease (increase) in notes and accounts receivable-trade	(1,129,162)	(1,236,815)
Decrease (increase) in inventories	(834,802)	(1,332,480)
Decrease (increase) in accounts receivable-other	(416,004)	(561,132)
Increase (decrease) in notes and accounts payable-trade	1,021,349	715,062
Increase (decrease) in accounts payable-other	184,420	(271)
Other, net	174,393	210,202
Subtotal	3,734,973	5,482,856
Interest income received	585	4,331
Interest expenses paid	(12,584)	(11,818)
Income taxes paid	(1,796,054)	(1,700,791)
Loss on voluntary goods collection paid	(58,094)	(15,743)
Net cash provided by (used in) operating activities	1,868,826	3,758,834
Net cash provided by (used in) investment activities		
Purchase of property, plant and equipment	(147,106)	(589,586)
Purchase of intangible assets	(448,398)	(371,101)
Payments for guarantee deposits	(277,527)	(112,860)
Other, net	15,636	439
Net cash provided by (used in) investment activities	(857,395)	(1,073,108)
Net cash provided by (used in) financing activities		
Increase (decrease) in short-term loans payable	(800,000)	(500,000)
Proceeds from long-term loans payable	800,000	6,500,000
Repayments of long-term loans payable	(88,901)	(314,487)
Proceeds from exercise of stock option	65,675	55,421
Purchase of treasury stock	(19,970)	(17,243)
Cash dividends paid	(792,132)	(1,046,704)
Repayments of lease obligations	(272,110)	(333,599)
Net cash provided by (used in) financing activities	(1,107,439)	4,343,385
Effect of exchange rate change on cash and cash equivalents	31,622	(24,094)
Net increase (decrease) in cash and cash equivalents	(64,386)	7,005,017
Cash and cash equivalents at beginning of period	3,948,933	3,884,546
Cash and cash equivalents at end of period	3,884,546	10,889,563

**Non-Consolidated Financial Statements**  
**(1) Non-consolidated balance sheets**

Accounts	(In thousands of yen)	
	As of Dec. 31, 2014	As of Dec. 31, 2015
Assets		
Current assets		
Cash and deposits	4,002,671	10,898,704
Accounts receivable-trade	4,866,706	6,080,626
Merchandise	3,603,011	4,853,792
Goods in transit	201,222	226,329
Supplies	112,412	105,809
Advance payments-trade	50	2,353
Prepaid expenses	103,133	146,721
Accounts receivable-other	1,602,172	2,161,839
Deferred tax assets	122,134	199,454
Other	19,958	24,311
Allowance for doubtful accounts	(30,607)	(35,022)
Total current assets	14,602,865	24,664,920
Noncurrent assets		
Property, plant and equipment		
Buildings	195,405	250,433
Structures	9,477	7,581
Machinery and equipment	2,625	2,080
Vehicles	998	197
Tools, furniture and fixtures	91,923	84,625
Lease assets	785,496	692,689
Construction in progress	-	485,967
Total property, plant and equipment	1,085,926	1,523,574
Intangible assets		
Trademark	9,834	13,857
Software	887,780	901,456
Telephone subscription right	35	35
Software in progress	14,929	58,060
Total intangible assets	912,579	973,409
Investments and other assets		
Stocks of subsidiaries and affiliates	738,619	1,176,510
Claims provable in bankruptcy, claims provable in rehabilitation and other	17,162	24,504
Long-term prepaid expenses	14,568	42,051
Guarantee deposits	657,457	715,926
Deferred tax assets	116,641	122,020
Allowance for doubtful accounts	(17,162)	(24,504)
Total investments and other assets	1,527,287	2,056,509
Total noncurrent assets	3,525,793	4,553,493
Total assets	18,128,659	29,218,413

Accounts	(In thousands of yen)	
	As of Dec. 31, 2014	As of Dec. 31, 2015
Liabilities		
Current liabilities		
Accounts payable-trade	3,581,164	4,204,476
Short-term loans payable	500,000	-
Long-term loans payable-current portion	314,487	315,076
Lease obligations	322,961	302,657
Accounts payable-other	1,346,380	1,383,224
Accrued expenses	105,523	120,360
Income taxes payable	967,181	2,036,907
Accrued consumption taxes	177,466	366,005
Advances received	4,101	12,562
Deposits received	25,542	35,299
Provision for bonuses	45,335	52,913
Provision for directors' bonuses	15,212	29,237
Provision for voluntary goods collection	15,680	-
Other	1,972	5,941
Total current liabilities	7,423,012	8,864,662
Noncurrent liabilities		
Long-term loans payable	665,076	6,850,000
Lease obligations	319,667	26,334
Provision for directors' retirement benefits	43,627	52,231
Other	31,828	50,672
Total noncurrent liabilities	1,060,200	6,979,238
Total liabilities	8,483,212	15,843,901
Net assets		
Shareholders' equity		
Capital stock	1,865,398	1,907,453
Capital surplus		
Legal capital surplus	669,936	711,991
Total capital surpluses	669,936	711,991
Retained earnings		
Other retained earnings		
Retained earnings brought forward	7,202,479	10,875,239
Total retained earnings	7,202,479	10,875,239
Treasury stock	(163,034)	(180,278)
Total shareholders' equity	9,574,779	13,314,404
Subscription rights to shares	70,666	60,107
Total net assets	9,645,446	13,374,512
Total liabilities and net assets	18,128,659	29,218,413

**(2) Non-consolidated statements of income**

Accounts	(In thousands of yen)	
	Year ended Dec. 31, 2014	Year ended Dec. 31, 2015
Net sales	44,057,501	55,607,925
Cost of sales	31,268,632	38,650,583
Gross profit	12,788,868	16,957,342
Selling, general and administrative expenses	8,172,595	9,593,809
Operating income	4,616,273	7,363,533
Non-operating income		
Interest income	377	376
Foreign exchange gains	23,087	35,562
Commission fee	5,815	5,610
Compensation income	4,942	3,260
Sales promotion premium	4,409	—
Gain on sale of materials	8,852	7,885
Other	12,159	10,599
Total non-operating income	59,644	63,295
Non-operating expenses		
Interest expenses	13,112	12,945
Loss on disposal of inventories	10,005	13,215
Other	1,756	2,160
Total non-operating expenses	24,875	28,321
Ordinary income	4,651,043	7,398,508
Extraordinary income		
Gain on sales of subsidiaries' stocks	90	—
Total extraordinary income	90	—
Extraordinary loss		
Loss on disposal of fixed assets	38,806	1,173
Total extraordinary losses	38,806	1,173
Income before income taxes	4,612,327	7,397,334
Income taxes-current	1,715,259	2,761,542
Income taxes-deferred	53,398	(82,698)
Total income taxes	1,768,657	2,678,844
Net income	2,843,669	4,718,489

### (3) Non-consolidated statements of changes in net assets

Accounts	(In thousands of yen)	
	Year ended Dec. 31, 2014	Year ended Dec. 31, 2015
Shareholders' equity		
Capital stock		
Balance at the beginning of current period	1,821,473	1,865,398
Changes of items during the period		
Issuance of new shares	43,925	42,054
Total changes of items during the period	43,925	42,054
Balance at the end of current period	1,865,398	1,907,453
Capital surplus		
Balance at the beginning of current period	626,010	669,936
Changes of items during the period		
Issuance of new shares	43,925	42,054
Total changes of items during the period	43,925	42,054
Balance at the end of current period	669,936	711,991
Retained earnings		
Other retained earnings		
Retained earnings brought forward		
Balance at the beginning of current period	5,152,237	7,202,479
Changes of items during the period		
Dividends from surplus	(793,427)	(1,045,730)
Net income	2,843,669	4,718,489
Total changes of items during the period	2,050,242	3,672,759
Balance at the end of current period	7,202,479	10,875,239
Total retained earnings		
Balance at the beginning of current period	5,152,237	7,202,479
Changes of items during the period		
Dividends from surplus	(793,427)	(1,045,730)
Net income	2,843,669	4,718,489
Total changes of items during the period	2,050,242	3,672,759
Balance at the end of current period	7,202,479	10,875,239
Total retained earnings		
Balance at the beginning of current period	(143,063)	(163,034)
Changes of items during the period		
Purchase of treasury stock	(19,970)	(17,243)
Total changes of items during the period	(19,970)	(17,243)
Balance at the end of current period	(163,034)	(180,278)
Total shareholders' equity		
Balance at the beginning of current period	7,456,657	9,574,779
Changes of items during the period		
Issuance of new shares	87,851	84,109
Dividends from surplus	(793,427)	(1,045,730)
Net income	2,843,669	4,718,489
Purchase of treasury stock	(19,970)	(17,243)
Total changes of items during the period	2,118,122	3,739,625
Balance at the end of current period	9,574,779	13,314,404

Accounts	Year ended Dec. 31, 2014	Year ended Dec. 31, 2015
Subscription rights to shares		
Balance at the beginning of current period	73,484	70,666
Changes of items during the period		
Net changes of items other than shareholders' equity	(2,817)	(10,559)
Total changes of items during the period	(2,817)	(10,559)
Balance at the end of current period	70,666	60,107
Total net assets		
Balance at the beginning of current period	7,530,141	9,645,446
Changes of items during the period		
Issuance of new shares	87,851	84,109
Dividends from surplus	(793,427)	(1,045,730)
Net income	2,843,669	4,718,489
Purchase of treasury stock	(19,970)	(17,243)
Net changes of items other than shareholders' equity	(2,817)	(10,559)
Total changes of items during the period	2,115,305	3,729,065
Balance at the end of current period	9,645,446	13,374,512