

Consolidated Financial Results for the Fiscal Year Ended December 31, 2023

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

Stock code: 3064

Representative: Sakuya Tamura, President & COO

Contact: Tetsuya Koda, Executive Vice President, General Manager of Business

Admin. Dept.

Listing: Tokyo Stock Exchange, Prime Market

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

Tel: +81-6-4869-7190

Scheduled date of Annual General Shareholders' Meeting: March 24, 2024

Scheduled date to commence dividend payment: March 25, 2024

Scheduled date to file Securities Report: March 26, 2024

Supplementary materials: Yes Investors meeting: Yes

(Figures are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Fiscal Year Ended December 31, 2023

(January 1, 2023 – December 31, 2023)
(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 attributable to owners of the parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended Dec. 31, 2023	254,286	12.5	31,309	19.4	31,538	19.5	21,813	16.9
Year ended Dec. 31, 2022	225,970	19.1	26,213	8.6	26,398	8.6	18,658	6.3

Note: Comprehensive income: Year ended Dec. 31, 2023: 21,360 million yen (16.0%)

Year ended Dec. 31, 2022: 18,406 million yen (4.6%)

	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, 2023	43.90	43.90	27.5	26.3	12.3
Year ended Dec. 31, 2022	37.55	37.55	28.4	25.4	11.6

(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, 2023	128,352	86,982	67.3	173.94
As of Dec. 31, 2022	111,737	72,621	64.5	145.11

Reference: Shareholders' equity Dec. 31, 2023: 86,433 million yen Dec. 31, 2022: 72,105 million yen

(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, 2023	29,932	(8,401)	(11,705)	18,454
Year ended Dec. 31, 2022	15,483	(12,535)	(5,514)	8,586

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, 2022	-	6.50	-	7.00	13.50	6,707	35.9	10.2
Year ended Dec. 31, 2023	-	8.00	-	8.00	16.00	7,950	36.4	10.0
Year ending Dec. 31, 2024 (forecast)	-	9.00	-	10.00	19.00		37.6	

3. Consolidated Forecasts for the Fiscal Year Ending December 31, 2024 (January 1, 2024 – December 31, 2024)

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

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Half year (accumulated)	139,015	11.7	17,022	10.7	17,024	9.6	11,923	9.6	23.99
Full year	286,570	12.7	35,820	14.4	35,835	13.6	25,096	15.1	50.51

Note: Revision of consolidated forecast during this quarter: None

4. Others

(1) Changes in the number of material subsidiaries resulting in changes in scope of consolidation during the fiscal year ended December 31, 2023: 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: None

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)

Dec. 31, 2023: 501,351,000 shares Dec. 31, 2022: 501,347,600 shares

2) Number of treasury stock at the end of period

Dec. 31, 2023: 4,444,396 shares Dec. 31, 2022: 4,444,037 shares

3) Average number of shares outstanding during the period

Year ended Dec. 31, 2023: 496,905,393 shares Year ended Dec. 31, 2022: 496,886,232 shares

(Reference) Non-consolidated Financial Results for the Fiscal Year Ended December 31, 2023

1. Non-consolidated Financial Results for the Fiscal Year Ended December 31, 2023

(January 1, 2023 – December 31, 2023)

(1) Results of operations

(Percentages show the change from the 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, 2023	243,352	12.3	32,675	20.6	32,891	20.7	22,072	15.9
Year ended Dec. 31, 2022	216,638	18.7	27,085	10.4	27,239	10.5	19,044	7.6

	Net income per share	Diluted net income per share
	Yen	Yen
Year ended Dec. 31, 2023	44.42	44.42
Year ended Dec. 31, 2022	38.33	38.32

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of Dec. 31, 2023	127,332	88,253	69.3	177.55
As of Dec. 31, 2022	110,781	73,637	66.4	148.13

Reference: Shareholders' equity Dec. 31, 2023: 88,225 million yen Dec. 31, 2022: 73,603 million yen

2. Non-consolidated Forecasts for the Fiscal Year Ending December 31, 2024 (January 1, 2024 – December 31, 2024)*(Percentages show the change from the 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)	133,176	11.6	17,727	11.3	17,741	10.2	12,339	10.1	24.83
Full year	273,549	12.4	36,957	13.1	36,984	12.4	25,714	16.5	51.75

This quarterly report of financial results is out of scope from quarterly review procedures conducted by independent auditors.

*** 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, 2023, generally continued to be unpredictable due to factors such as the rising raw material prices from continued depreciation of the Japanese yen, and economic impacts caused by unstable international situations such as Russia-Ukraine situation and slowdown in Chinese and European economies, although there was progress of coexistence with the novel coronavirus infection and normalization of social and economic activities.

In this economic environment, we have continually 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 direct mail using e-mail and mailing flyers with optimized product listings for each customer, daily special prices. In addition, we broadcasted TV commercials to enhance our visibility much further.

Furthermore, the total number of our product lineup reached approximately 22 million items in total with 559 thousand items in stock available for the same day shipment 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, 2023.

In addition, in relation to the sales of MRO products to large corporate customers through integrated purchase systems, both the number of customers and the amount of sales steadily increased. In addition, in order to strengthen our shipping and storage capacity in logistics, the "Inagawa Distribution Center" (Kawabe-gun, Hyogo Prefecture), which commenced operations in April of last year, underwent the phase 2 of facility expansion in April.

Consequently, we have successfully obtained 1,100,027 newly registered accounts for the fiscal year ended December 31, 2023 and the number of registered accounts totaled 9,106,521 as of December 31, 2023.

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 254,286 million yen (12.5% increase from the previous fiscal year), operating income of 31,309 million yen (19.4% increase from the previous fiscal year), ordinary income of 31,538 million yen (19.5% increase from the previous fiscal year), and net income attributable to owners of the parent of 21,813 million yen, a corresponding 16.9% increase.

(2) Qualitative Information Regarding Consolidated Financial Position

Total assets as of December 31, 2023 (the end of the fiscal year) amounted to 128,352 million yen, an increase of 16,614 million yen from the end of the previous fiscal year. This was attributable to increases of 9,756 million yen, 6,724 million yen, 3,198 million yen and 2,439 million yen in cash and deposits, machinery and equipment, notes and accounts receivable-trade, and buildings, respectively, despite a decrease of 5,676 million yen in construction in progress.

On the other hand, total liabilities as of December 31, 2023 amounted to 41,369 million yen, an increase of 2,254 million yen from the end of the previous fiscal year. This was attributable to increases of 1,741 million yen, 1,527 million yen, 1,484 million yen and 1,384 million yen in accrued consumption taxes, income taxes payable, asset retirement obligations, and accounts payable-trade, respectively, despite a decrease of 4,691 million yen in long-term loans payable.

Total net assets amounted to 86,982 million yen, an increase of 14,360 million yen from the end of the previous fiscal year. This was largely due to net income attributable to owners of the parent of 21,813 million yen offset by dividend payments of 7,453 million yen for the fiscal year ended December 31, 2023.

As a result, the equity ratio as of December 31, 2023 was 67.3%, up 2.8 percentage points from the end of the previous fiscal year.

(3) Forecast for the Fiscal Year Ending December 31, 2024

During the fiscal year ending December 31, 2024, we will continue to engage in proactive customer acquisition activities through the Internet and sales activities actively towards large corporate customers through integrated purchase systems. Additionally, in response to the expanding customer base, we will expand our product offerings more effectively, increase the range of same-day shipping products, including those in our inventory and those directly shipped from suppliers, conduct promotions based on more precise data science, improve our website for easier product discovery and streamlined ordering, and strengthen sales to existing customers through the reinforcement of a swift and efficient delivery network and the advancement of our supply chain.

Also, our subsidiaries in Korea, Indonesia, and India (NAVIMRO Co., Ltd., PT MONOTARO INDONESIA, and IB MONOTARO PRIVATE LIMITED, respectively) will work towards expanding their customer bases through proactive customer acquisition activities via the Internet. Furthermore, we will enhance the range of products handled and stocked, advance the sophistication of operations, and actively pursue business growth in these entities.

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 the parent for the fiscal year ending December 31, 2024 are 286,570 million yen, 35,820 million yen, 35,835 million yen and 25,096 million yen, respectively.

2. Consolidated Financial Statements

(1) Consolidated balance sheets

Accounts	(In millions of yen)	
	As of Dec. 31, 2022	As of Dec. 31, 2023
Assets		
Current assets		
Cash and deposits	8,887	18,644
Notes and accounts receivable-trade	25,244	28,443
Electronically recorded monetary claims	1,267	906
Merchandise	18,941	18,182
Goods in transit	614	690
Supplies	29	1
Accounts receivable-other	6,794	7,417
Other	1,379	1,134
Allowance for doubtful accounts	-113	-134
Total current assets	63,045	75,286
Noncurrent assets		
Property, plant and equipment		
Buildings, net	12,504	14,943
Structures, net	703	632
Machinery and equipment, net	8,164	14,888
Vehicles, net	248	196
Tools, furniture and fixtures, net	1,796	3,195
Land	2,238	2,238
Leased assets, net	2,636	2,389
Construction in progress	6,753	1,076
Total property, plant and equipment	35,046	39,561
Intangible assets		
Goodwill	710	—
Software	5,113	5,883
Software in progress	1,077	301
Other	192	175
Total intangible assets	7,093	6,359
Investments and other assets		
Investment securities	1,500	1,500
Guarantee deposits	2,972	3,550
Deferred tax assets	959	979
Other	1,198	1,235
Allowance for doubtful accounts	-79	-120
Total investments and other assets	6,551	7,144
Total noncurrent assets	48,691	53,065
Total assets	111,737	128,352

Accounts	(In millions of yen)	
	As of Dec. 31, 2022	As of Dec. 31, 2023
Liabilities		
Current liabilities		
Accounts payable-trade	15,667	17,052
Short-term borrowings	61	221
Current portion of long-term loans payable	4,711	4,721
Lease obligations	7	31
Accounts payable-other	5,320	5,463
Income taxes payable	4,535	6,063
Provision for employees' bonuses	179	345
Provision for accident related loss	14	—
Other	1,076	3,093
Total current liabilities	31,575	36,989
Noncurrent liabilities		
Long-term loans payable	4,922	221
Lease obligations	594	616
Net defined benefit liability	464	562
Asset retirement obligations	1,418	2,903
Other	140	77
Total noncurrent liabilities	7,539	4,380
Total liabilities	39,115	41,369
Net assets		
Shareholders' equity		
Capital stock	2,039	2,042
Capital surplus	1,034	1,027
Retained earnings	69,218	83,578
Treasury stock	-502	-619
Total shareholders' equity	71,789	86,028
Accumulated other comprehensive income		
Foreign currency translation adjustment	318	417
Remeasurements of defined benefit plans	-1	-12
Total accumulated other comprehensive income	316	404
Subscription rights to shares	33	28
Non-controlling interests	482	520
Total net assets	72,621	86,982
Total liabilities and net assets	111,737	128,352

(2) Consolidated statements of (comprehensive) income

Accounts	(In millions of yen)	
	Year ended Dec. 31, 2022	Year ended Dec. 31, 2023
Net sales	225,970	254,286
Cost of sales	160,532	178,321
Gross profit	65,437	75,964
Selling, general and administrative expenses	39,224	44,654
Operating income	26,213	31,309
Non-operating income		
Interest income	27	35
Foreign exchange gains	173	151
Gain on sales of materials	25	34
Other	83	145
Total non-operating income	309	367
Non-operating expenses		
Interest expenses	23	90
Loss on disposal of inventories	76	4
Loss on sales of electronically recorded monetary claims	21	38
Other	2	5
Total non-operating expenses	123	137
Ordinary income	26,398	31,538
Extraordinary income		
Gain on sales of fixed assets	0	—
Total extraordinary income	0	—
Extraordinary loss		
Loss on closure of distribution center	837	—
Impairment losses	—	665
Loss on disposal of fixed assets	7	101
Loss on sales of fixed assets	0	0
Total extraordinary losses	845	768
Income before income taxes	25,554	30,770
Income taxes-current	7,738	9,521
-deferred	-378	-15
Total income taxes	7,359	9,505
Net income	18,194	21,264
Net income attributable to:		
owners of the parent	18,658	21,813
non-controlling interests	-463	-548
Other comprehensive income		
Foreign currency translation adjustment	224	106
Remeasurements of defined benefit plans	-11	-10
Total other comprehensive income	212	96
Comprehensive income	18,406	21,360
Comprehensive income attributable to:		
owners of the parent	18,814	21,897
non-controlling interests	-407	-536

(3) Consolidated statements of changes in net assets

Accounts	(In millions of yen)	
	Year ended Dec. 31, 2022	Year ended Dec. 31, 2023
Shareholders' equity		
Capital stock		
Balance at the beginning of current period	2,000	2,039
Changes of items during the period		
Issuance of new shares	39	2
Total changes of items during the period	39	2
Balance at the end of current period	2,039	2,042
Capital surplus		
Balance at the beginning of current period	899	1,034
Changes of items during the period		
Issuance of new shares	39	2
Change of capital surplus due to change in ownership interest of consolidated subsidiaries	—	-123
Disposal of treasury stock	95	114
Total changes of items during the period	134	-6
Balance at the end of current period	1,034	1,027
Retained earnings		
Balance at the beginning of current period	56,646	69,218
Changes of items during the period		
Dividends from surplus	-6,086	-7,453
Net income attributable to owners of the parent	18,658	21,813
Total changes of items during the period	12,571	14,359
Balance at the end of current period	69,218	83,578
Treasury stock		
Balance at the beginning of current period	-413	-502
Changes of items during the period		
Purchase of treasury stock	-93	-126
Disposal of treasury stock	3	10
Total changes of items during the period	-89	-116
Balance at the end of current period	-502	-619
Total shareholders' equity		
Balance at the beginning of current period	59,133	71,789
Changes of items during the period		
Issuance of new shares	78	4
Change of capital surplus due to change in ownership interest of consolidated subsidiaries	—	-123
Dividends from surplus	-6,086	-7,453
Net income attributable to owners of the parent	18,658	21,813
Purchase of treasury stock	-93	-126
Disposal of treasury stock	99	124
Total changes of items during the period	12,655	14,238
Balance at the end of current period	71,789	86,028

Accounts	(In millions of yen)	
	Year ended Dec. 31, 2022	Year ended Dec. 31, 2023
Accumulated other comprehensive income		
Foreign currency translation adjustment		
Balance at the beginning of current period	151	318
Changes of items during the period		
Net changes of items other than shareholders' equity	167	99
Total changes of items during the period	167	99
Balance at the end of current period	318	417
Remeasurements of defined benefit plans		
Balance at the beginning of current period	1	-1
Changes of items during the period		
Net changes of items other than shareholders' equity	-3	-10
Total changes of items during the period	-3	-10
Balance at the end of current period	-1	-12
Total accumulated other comprehensive income		
Balance at the beginning of current period	152	316
Changes of items during the period		
Net changes of items other than shareholders' equity	163	88
Total changes of items during the period	163	88
Balance at the end of current period	316	404
Subscription rights to shares		
Balance at the beginning of current period	99	33
Changes of items during the period		
Net changes of items other than shareholders' equity	-66	-4
Total changes of items during the period	-66	-4
Balance at the end of current period	33	28
Non-controlling interests		
Balance at the beginning of current period	897	482
Changes of items during the period		
Net changes of items other than shareholders' equity	-414	38
Total changes of items during the period	-414	38
Balance at the end of current period	482	520
Total net assets		
Balance at the beginning of current period	60,283	72,621
Changes of items during the period		
Issuance of new shares	78	4
Change of capital surplus due to change in ownership interest of consolidated subsidiaries	—	-123
Dividends from surplus	-6,086	-7,453
Net income attributable to owners of the parent	18,658	21,813
Purchase of treasury stock	-93	-126
Disposal of treasury stock	99	124
Net changes of items other than shareholders' equity	-317	121
Total changes of items during the period	12,338	14,360
Balance at the end of current period	72,621	86,982

(4) Consolidated statements of cash flows

Accounts	(In millions of yen)	
	Year ended Dec. 31, 2022	Year ended Dec. 31, 2023
Net cash provided by (used in) operating activities		
Income before income taxes	25,554	30,770
Depreciation and amortization	3,565	4,876
Increase (decrease) in allowance for doubtful accounts	42	62
Increase (decrease) in provision for employees' bonuses	58	150
Increase (decrease) in net defined benefit liability	81	91
Interest income	-27	-35
Interest expenses	23	90
Loss on closure of distribution center	837	—
Impairment losses	—	665
Decrease (increase) in notes and accounts receivable-trade	-3,929	-2,808
Decrease (increase) in inventories	-4,091	781
Decrease (increase) in accounts receivable-other	-865	-619
Increase (decrease) in notes and accounts payable-trade	1,055	1,345
Increase (decrease) in accounts payable-other	594	627
Increase (decrease) in accrued consumption taxes	252	1,747
Other, net	-373	298
Subtotal	22,777	38,046
Interest income received	61	32
Interest expenses paid	-27	-86
Income taxes paid	-7,321	-8,049
Payments for accident related loss	-7	-10
Net cash provided by (used in) operating activities	15,483	29,932
Net cash provided by (used in) investment activities		
Payments into time deposits	—	-594
Proceeds from withdrawal of time deposits	1,102	723
Purchase of property, plant and equipment	-9,461	-5,852
Purchase of intangible assets	-2,047	-2,107
Purchase of investment securities	-1,500	—
Payments for guarantee deposits	-735	-822
Other, net	107	251
Net cash provided by (used in) investment activities	-12,535	-8,401
Net cash provided by (used in) financing activities		
Increase (decrease) in short-term borrowings	64	150
Proceeds from long-term loans payable	633	—
Repayments of long-term loans payable	—	-4,715
Proceeds from exercise of stock option	0	0
Purchase of treasury stock	-89	-126
Cash dividends paid	-6,087	-7,451
Proceeds from share issuance to non-controlling shareholders	—	455
Repayments of lease obligations	-34	-16
Net cash provided by (used in) financing activities	-5,514	-11,705
Effect of exchange rate changes on cash and cash equivalents	83	42
Net increase (decrease) in cash and cash equivalents	-2,482	9,867
Cash and cash equivalents at beginning of period	11,068	8,586
Cash and cash equivalents at end of period	8,586	18,454

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

Accounts	(In millions of yen)	
	As of Dec. 31, 2022	As of Dec. 31, 2023
Assets		
Current assets		
Cash and deposits	7,318	17,995
Accounts receivable-trade	24,840	27,895
Electronically recorded monetary claims	1,267	906
Merchandise	17,681	16,819
Goods in transit	608	692
Supplies	29	1
Advance payments-trade	6	6
Prepaid expenses	968	799
Accounts receivable-other	6,788	7,401
Other	65	3
Allowance for doubtful accounts	-101	-122
Total current assets	59,472	72,400
Noncurrent assets		
Property, plant and equipment		
Buildings	12,504	14,942
Structures	703	632
Machinery and equipment	8,160	14,372
Vehicles	247	194
Tools, furniture and fixtures	1,736	2,699
Land	2,238	2,238
Leased assets	2,626	2,177
Construction in progress	6,601	1,076
Total property, plant and equipment	34,818	38,335
Intangible assets		
Software	5,050	5,803
Software in progress	1,049	284
Other	191	175
Total intangible assets	6,291	6,263
Investments and other assets		
Stocks of subsidiaries and affiliates	5,140	4,112
Claims provable in bankruptcy, rehabilitation and other	79	120
Long-term prepaid expenses	546	494
Guarantee deposits	2,856	3,426
Insurance funds	513	607
Deferred tax assets	1,141	1,690
Allowance for doubtful accounts	-79	-120
Total investments and other assets	10,198	10,332
Total noncurrent assets	51,309	54,931
Total assets	110,781	127,332

Accounts	(In millions of yen)	
	As of Dec. 31, 2022	As of Dec. 31, 2023
Liabilities		
Current liabilities		
Accounts payable-trade	14,961	16,304
Current portion of long-term borrowings	4,500	4,500
Lease obligations	4	4
Accounts payable-other	4,949	5,108
Accrued expenses	428	493
Income taxes payable	4,528	6,063
Accrued consumption taxes	302	2,029
Advances received	46	65
Deposits received	152	138
Provision for employees' bonuses	179	337
Provision for accident related loss	14	—
Other	16	27
Total current liabilities	30,084	35,072
Noncurrent liabilities		
Long-term loans payable	4,500	—
Lease obligations	594	616
Provision for retirement benefits	406	465
Asset retirement obligations	1,418	2,847
Other	140	77
Total noncurrent liabilities	7,059	4,006
Total liabilities	37,144	39,079
Net assets		
Shareholders' equity		
Capital stock	2,039	2,042
Capital surplus		
Legal capital surplus	844	846
Other capital surplus	190	304
Total capital surpluses	1,034	1,151
Retained earnings		
Other retained earnings		
Reserve for specific stocks	375	375
Retained earnings brought forward	70,657	85,276
Total retained earnings	71,032	85,651
Treasury stock	-502	-619
Total shareholders' equity	73,603	88,225
Subscription rights to shares	33	28
Total net assets	73,637	88,253
Total liabilities and net assets	110,781	127,332

(2) Non-consolidated statements of income

Accounts	(In millions of yen)	
	Year ended Dec. 31, 2022	Year ended Dec. 31, 2023
Net sales	216,638	243,352
Cost of sales	152,995	169,593
Gross profit	63,643	73,759
Selling, general and administrative expenses	36,558	41,084
Operating income	27,085	32,675
Non-operating income		
Interest income	0	0
Foreign exchange gains	174	150
Commission fee	9	11
Gain on sales of materials	25	34
Other	59	78
Total non-operating income	268	275
Non-operating expenses		
Interest expenses	18	17
Loss on disposal of inventories	71	—
Loss on sales of electronically recorded monetary claims	21	38
Other	1	3
Total non-operating expenses	113	58
Ordinary income	27,239	32,891
Extraordinary income		
Gain on sales of fixed assets	0	—
Total extraordinary income	0	—
Extraordinary loss		
Loss on closure of distribution center	837	—
Loss on valuation of shares of subsidiaries	—	1,746
Loss on disposal of fixed assets	7	99
Loss on sales of fixed assets	0	—
Total extraordinary losses	845	1,846
Income before income taxes	26,395	31,044
Income taxes-current	7,729	9,521
Income taxes-deferred	-378	-549
Total income taxes	7,350	8,971
Net income	19,044	22,072

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

Accounts	(In millions of yen)	
	Year ended Dec. 31, 2022	Year ended Dec. 31, 2023
Shareholders' equity		
Capital stock		
Balance at the beginning of current period	2,000	2,039
Changes of items during the period		
Issuance of new shares	39	2
Total changes of items during the period	39	2
Balance at the end of current period	2,039	2,042
Capital surplus		
Balance at the beginning of current period	899	1,034
Changes of items during the period		
Issuance of new shares	39	2
Disposal of treasury stock	95	114
Total changes of items during the period	134	116
Balance at the end of current period	1,034	1,151
Retained earnings		
Other retained earnings		
Reserve for specific stocks		
Balance at beginning of period	—	375
Changes of items during the period		
Provision of reserve for specific stocks	375	—
Total changes of items during the period	375	—
Balance at the end of current period	375	375
Retained earnings brought forward		
Balance at the beginning of current period	58,074	70,657
Changes of items during the period		
Dividends from surplus	-6,086	-7,453
Provision of reserve for specific stocks	-375	—
Net income	19,044	22,072
Total changes of items during the period	12,583	14,619
Balance at the end of current period	70,657	85,276
Total retained earnings		
Balance at the beginning of current period	58,074	71,032
Changes of items during the period		
Dividends from surplus	-6,086	-7,453
Provision of reserve for specific stocks	—	—
Net income	19,044	22,072
Total changes of items during the period	12,958	14,619
Balance at the end of current period	71,032	85,651
Treasury stock		
Balance at the beginning of current period	-413	-502
Changes of items during the period		
Purchase of treasury stock	-93	-126
Disposal of treasury stock	3	10
Total changes of items during the period	-89	-116
Balance at the end of current period	-502	-619
Total shareholders' equity		
Balance at the beginning of current period	60,561	73,603
Changes of items during the period		
Issuance of new shares	78	4
Dividends from surplus	-6,086	-7,453
Provision of reserve for specific stocks	—	—
Net income	19,044	22,072
Purchase of treasury stock	-93	-126
Disposal of treasury stock	99	124
Total changes of items during the period	13,042	14,621
Balance at the end of current period	73,603	88,225

Accounts	Year ended Dec. 31, 2022	Year ended Dec. 31, 2023
Subscription rights to shares		
Balance at the beginning of current period	99	33
Changes of items during the period		
Net changes of items other than shareholders' equity	-66	-4
Total changes of items during the period	-66	-4
Balance at the end of current period	33	28
Total net assets		
Balance at the beginning of current period	60,661	73,637
Changes of items during the period		
Issuance of new shares	78	4
Dividends from surplus	-6,086	-7,453
Provision of reserve for specific stocks	—	—
Net income	19,044	22,072
Purchase of treasury stock	-93	-126
Disposal of treasury stock	99	124
Net changes of items other than shareholders' equity	-66	-4
Total changes of items during the period	12,975	14,616
Balance at the end of current period	73,637	88,253