

## Consolidated Financial Results for the Fiscal Year Ended December 31, 2021

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

Stock code: 3064

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Scheduled date of Annual General Shareholders' Meeting: March 29, 2022

Scheduled date to commence dividend payment: March 30, 2022

Scheduled date to file Securities Report: March 30, 2022

Supplementary materials: Yes Investors meeting: Yes

Listing: Tokyo Stock Exchange, First Section

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

(Figures are rounded down to the nearest million yen)

### 1. Consolidated Financial Results for the Fiscal Year Ended December 31, 2021

(January 1, 2021 – December 31, 2021)

(1) Consolidated results of operations

(Percentages show the change from the 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, 2021	189,731	20.6	24,129	23.1	24,302	23.5	17,552	27.5
Year ended Dec. 31, 2020	157,337	19.7	19,607	23.8	19,671	23.8	13,771	25.4

Note: Comprehensive income: Year ended Dec. 31, 2021: 17,591 million yen (31.1%)

Year ended Dec. 31, 2020: 13,422 million yen (25.3%)

	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, 2021	35.33	35.32	33.1	27.5	12.7
Year ended Dec. 31, 2020	27.72	27.71	32.9	27.9	12.5

The Company implemented a 2-for-1 share split effective on April 1, 2021 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, 2021	95,789	60,283	61.9	119.93
As of Dec. 31, 2020	81,263	47,658	57.5	94.12

Reference: Shareholders' equity Dec. 31, 2021: 59,286 million yen Dec. 31, 2020: 46,761 million yen

The Company implemented a 2-for-1 share split effective on April 1, 2021 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, 2021	12,258	(14,290)	(5,766)	11,068
Year ended Dec. 31, 2020	15,269	(9,015)	1,773	18,767

### 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, 2020	-	8.50	-	9.50	18.00	4,471	32.4	10.7
Year ended Dec. 31, 2021	-	5.75	-	5.75	11.50	5,713	32.5	10.8
Year ending Dec. 31, 2022 (forecast)	-	6.50	-	7.00	13.50		39.3	

The Company implemented a 2-for-1 share split effective on April 1, 2021, and the interim and year-end dividend for the year ended December 31, 2020 would be equivalent to 4.25 yen and 4.75 yen respectively, and the annual dividend would be 9.00 yen, 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, 2022 (January 1, 2022 – December 31, 2022)

(Percentages show the change from the 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)	108,983	18.6	11,702	(1.6)	11,713	(2.2)	8,204	(1.7)	16.51
Full year	226,073	19.2	24,380	1.0	24,392	0.4	17,067	(2.8)	34.35

### 4. Others

(1) Changes in the number of material subsidiaries resulting in changes in scope of consolidation during the fiscal year period ended December 31, 2021: Yes

Excluded: 1 company (Zoro Shanghai Co., Ltd.)

(2) Application of special accounting methods for the preparation of 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, 2021: 501,275,000 shares Dec. 31, 2020: 501,262,000 shares

2) Number of treasury stock at the end of period

Dec. 31, 2021: 4,443,812 shares Dec. 31, 2020: 4,443,576 shares

3) Average number of shares outstanding during the period

Year ended Dec. 31, 2021: 496,826,914 shares Year ended Dec.31, 2020: 496,823,541 shares

The Company implemented a 2-for-1 share split effective on April 1, 2021 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, 2021

#### 1. Non-consolidated Financial Results for the Fiscal Year Ended December 31, 2021

(January 1, 2021 – December 31, 2021)

(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, 2021	182,472	20.2	24,533	21.8	24,647	22.0	17,701	34.7
Year ended Dec. 31, 2020	151,798	20.0	20,149	22.6	20,194	22.8	13,139	16.2

	Net income per share	Diluted net income per share
	Yen	Yen
Year ended Dec. 31, 2021	35.63	35.62
Year ended Dec. 31, 2020	26.45	26.44

The Company implemented a 2-for-1 share split effective on April 1, 2021 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, 2021	95,154	60,661	63.6	121.90
As of Dec. 31, 2020	80,962	48,138	59.4	96.75

Reference: Shareholders' equity Dec. 31, 2021: 60,561 million yen Dec. 31, 2020: 48,066 million yen

The Company implemented a 2-for-1 share split effective on April 1, 2021 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, 2022 (January 1, 2022 – December 31, 2022)***(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)	104,617	18.3	12,037	(0.3)	12,028	(0.8)	8,349	(0.6)	16.80
Full year	216,505	18.7	25,018	2.0	24,998	1.4	17,321	(2.1)	34.86

These financial results are out of scope from audit 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, 2021 generally continued to be weak with government economic and fiscal policies providing some support, while concerns about the global rebound of the novel coronavirus infectious disease (COVID-19) and the impact on the economy of shortages in the supply of semiconductors and other components made the outlook for the future Japanese economy unpredictable.

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 mail flyers, daily special prices, the publication and distribution of catalogs. In terms of catalogs, we newly published REDBOOK vol. 17 Spring Edition in late February, divided into 13 volumes with 180 thousand items and approximately 2.9 million issues available in total and we also published REDBOOK vol. 17 Autumn Edition in late September, divided into 10 volumes with 266 thousand items and approximately 2.8 million issues available in total. In addition, we broadcasted TV commercials throughout Japan during the fiscal year to enhance our visibility much further.

Furthermore, the total number of our product lineup reached approximately 18 million items in total and 497 thousand items in stock which are 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, 2021. In addition, in order to strengthen the logistics base, "Ibaraki Chuo Satellite Center" (total floor area of about 49,000 m<sup>2</sup>), which has both a warehousing function for imported items and a shipping function for high-demand items, started its operation in March.

In addition, in relation to the sales of MRO products to large customers through the integrated purchase systems, both the number of customers and the amount of sales steadily increased.

Consequently, we have successfully obtained 1,278,545 newly registered accounts for the fiscal year ended December 31, 2021 and the number of registered accounts totaled 6,779,319 as of the end of the fiscal year ended December 31, 2021.

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 189,731 million yen (20.6% increase from the previous fiscal year), operating income of 24,129 million yen (23.1% increase from the previous fiscal year), ordinary income of 24,302 million yen (23.5% increase from the previous fiscal year), and net income attributable to owners of the parent of 17,552 million yen, a corresponding 27.5% increase.

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

Total assets as of December 31, 2021 (the end of the fiscal year) amounted to 95,789 million yen, an increase of 14,526 million yen from the end of the previous fiscal year. This was attributable to increases of 5,537 million yen and 3,899 million yen in construction in progress and notes and accounts receivable-trade, respectively, despite a decrease of 6,463 million yen in cash and deposits.

On the other hand, total liabilities as of December 31, 2021 amounted to 35,505 million yen, an increase of 1,900 million yen from the end of the previous fiscal year. This was due mainly to increases of 2,918 million yen and 781 million yen in accounts payable-trade and asset retirement obligations, respectively, despite a decrease of 1,373 million yen in other current liabilities. Total net assets amounted to 60,283 million yen, an increase of 12,625 million yen from the end of the previous fiscal year. This was largely due to net income attributable to owners of the parent of 17,552 million yen offset by dividend payments of 5,216 million yen for the fiscal year ended December 31, 2021.

As a result, the equity ratio as of December 31, 2021 was 61.9%, up 4.4 percentage points from the end of the previous fiscal year.

### **(3) Forecast for the Fiscal Year Ending December 31, 2022**

During the fiscal year ending December 31, 2022, 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 growth of our customer base, conducting promotion activities based on highly precise data science tools, improving website design in order for customers to use it and place orders more easily, expanding the product lineup for the same day shipment including both goods in stock and drop shipment goods from suppliers and enhancing speedy and efficient delivery networks. Furthermore, we plan to start operations of the Inagawa Distribution Center (Kawabe County, Hyogo Prefecture, total floor space of about 189,000 m<sup>2</sup>) in April 2022. Although we expect to incur one-time expenses and a temporary increase in the fixed cost ratio as a result, we will work to further expand our shipping capacity and upgrade our supply chain.

Also, NAVIMRO Co., Ltd., PT MONOTARO INDONESIA and IB MONOTARO PRIVATE LIMITED will continuously engage in acquiring new customers mainly through paid listings and focus on increasing each of their respective product lineups and the number of products in stock in order to expand their 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 the parent for the fiscal year ending December 31, 2022 are 226,073 million yen, 24,380 million yen, 24,392 million yen and 17,067 million yen, respectively.

## 2. Consolidated Financial Statements

### (1) Consolidated balance sheets

Accounts	(In millions of yen)	
	As of Dec. 31, 2020	As of Dec. 31, 2021
Assets		
Current assets		
Cash and deposits	18,843	12,379
Notes and accounts receivable-trade	17,766	21,665
Electronically recorded monetary claims	501	900
Merchandise	11,445	14,647
Goods in transit	326	696
Supplies	102	86
Accounts receivable-other	4,901	5,961
Other	459	844
Allowance for doubtful accounts	-82	-95
Total current assets	54,264	57,086
Noncurrent assets		
Property, plant and equipment		
Buildings, net	4,285	9,822
Structures, net	353	781
Machinery and equipment, net	428	1,760
Vehicles, net	11	123
Tools, furniture and fixtures, net	502	930
Land	2,238	2,238
Leased assets, net	3,792	3,282
Construction in progress	7,474	9,164
Total property, plant and equipment	19,086	28,105
Intangible assets		
Goodwill	803	770
Software	1,562	2,163
Software in progress	2,239	3,190
Other	224	208
Total intangible assets	4,829	6,332
Investments and other assets		
Guarantee deposits	1,478	2,634
Deferred tax assets	549	582
Other	1,103	1,101
Allowance for doubtful accounts	-49	-54
Total investments and other assets	3,081	4,264
Total noncurrent assets	26,998	38,702
Total assets	81,263	95,789

Accounts	(In millions of yen)	
	As of Dec. 31, 2020	As of Dec. 31, 2021
Liabilities		
Current liabilities		
Accounts payable-trade	11,643	14,562
Lease obligations	659	34
Accounts payable-other	3,931	4,409
Income taxes payable	4,185	4,090
Provision for employees' bonuses	104	121
Provision for directors' bonuses	45	—
Provision for accident related loss	9	16
Other	1,962	589
Total current liabilities	22,542	23,824
Noncurrent liabilities		
Long-term loans payable	9,000	9,000
Lease obligations	591	586
Net defined benefit liability	345	388
Asset retirement obligations	441	1,222
Other	683	484
Total noncurrent liabilities	11,062	11,681
Total liabilities	33,604	35,505
Net assets		
Shareholders' equity		
Capital stock	1,993	2,000
Capital surplus	816	899
Retained earnings	44,311	56,646
Treasury stock	-315	-413
Total shareholders' equity	46,805	59,133
Accumulated other comprehensive income		
Foreign currency translation adjustment	-35	151
Remeasurements of defined benefit plans	-7	1
Total accumulated other comprehensive income	-43	152
Subscription rights to shares	72	99
Non-controlling interests	823	897
Total net assets	47,658	60,283
Total liabilities and net assets	81,263	95,789

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

Accounts	(In millions of yen)	
	Year ended Dec. 31, 2020	Year ended Dec. 31, 2021
Net sales	157,337	189,731
Cost of sales	112,643	135,685
Gross profit	44,694	54,045
Selling, general and administrative expenses	25,086	29,916
Operating income	19,607	24,129
Non-operating income		
Interest income	17	58
Foreign exchange gains	67	126
Commission fee	8	9
Compensation income	6	6
Gain on sale of materials	13	16
Other	44	58
Total non-operating income	158	275
Non-operating expenses		
Interest expenses	35	23
Loss on disposal of inventories	35	47
Accident related loss	6	17
Other	16	15
Total non-operating expenses	94	103
Ordinary income	19,671	24,302
Extraordinary income		
Gain on sales of fixed assets	1	0
Total extraordinary income	1	0
Extraordinary loss		
Loss on liquidation of business	124	—
Impairment loss	65	—
Loss on disposal of fixed assets	9	40
Loss on sales of fixed assets	—	1
Total extraordinary losses	199	41
Income before income taxes and minority interests	19,473	24,260
Income taxes-current	6,124	6,954
-deferred	-124	-34
Total income taxes	5,999	6,919
Net income	13,473	17,340
Net income attributable to:		
owners of the parent	13,771	17,552
non-controlling interests	-297	-211
Other comprehensive income		
Foreign currency translation adjustment	-39	235
Remeasurements of defined benefit plans	-11	15
Total other comprehensive income	-51	250
Comprehensive income	13,422	17,591
Comprehensive income attributable to:		
owners of the parent	13,739	17,712
non-controlling interests	-316	-121



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

Accounts	(In millions of yen)	
	Year ended Dec. 31, 2020	Year ended Dec. 31, 2021
Shareholders' equity		
Capital stock		
Balance at the beginning of current period	1,986	1,993
Changes of items during the period		
Issuance of new shares	7	6
Total changes of items during the period	7	6
Balance at the end of current period	1,993	2,000
Capital surplus		
Balance at the beginning of current period	809	816
Changes of items during the period		
Issuance of new shares	7	6
Disposal of treasury stock	—	94
Change in scope of consolidation	—	-17
Total changes of items during the period	7	83
Balance at the end of current period	816	899
Retained earnings		
Balance at the beginning of current period	34,513	44,311
Changes of items during the period		
Dividends from surplus	-3,974	-5,216
Net income attributable to owners of the parent	13,771	17,552
Total changes of items during the period	9,797	12,335
Balance at the end of current period	44,311	56,646
Treasury stock		
Balance at the beginning of current period	-247	-315
Changes of items during the period		
Purchase of treasury stock	-68	-100
Disposal of treasury stock	—	3
Total changes of items during the period	-68	-97
Balance at the end of current period	-315	-413
Total shareholders' equity		
Balance at the beginning of current period	37,062	46,805
Changes of items during the period		
Issuance of new shares	14	13
Dividends from surplus	-3,974	-5,216
Net income attributable to owners of the parent	13,771	17,552
Purchase of treasury stock	-68	-100
Disposal of treasury stock	—	97
Change in scope of consolidation	—	-17
Total changes of items during the period	9,743	12,328
Balance at the end of current period	46,805	59,133

Accounts	(In millions of yen)	
	Year ended Dec. 31, 2020	Year ended Dec. 31, 2021
Accumulated other comprehensive income		
Foreign currency translation adjustment		
Balance at the beginning of current period	-15	-35
Changes of items during the period		
Net changes of items other than shareholders' equity	-20	186
Total changes of items during the period	-20	186
Balance at the end of current period	-35	151
Remeasurements of defined benefit plans		
Balance at the beginning of current period	4	-7
Changes of items during the period		
Net changes of items other than shareholders' equity	-11	9
Total changes of items during the period	-11	9
Balance at the end of current period	-7	1
Total accumulated other comprehensive income		
Balance at the beginning of current period	-10	-43
Changes of items during the period		
Net changes of items other than shareholders' equity	-32	196
Total changes of items during the period	-32	196
Balance at the end of current period	-43	152
Subscription rights to shares		
Balance at the beginning of current period	44	72
Changes of items during the period		
Net changes of items other than shareholders' equity	27	27
Total changes of items during the period	27	27
Balance at the end of current period	72	99
Non-controlling interests		
Balance at the beginning of current period	416	823
Changes of items during the period		
Net changes of items other than shareholders' equity	407	73
Total changes of items during the period	407	73
Balance at the end of current period	823	897
Total net assets		
Balance at the beginning of current period	37,512	47,658
Changes of items during the period		
Issuance of new shares	14	13
Dividends from surplus	-3,974	-5,216
Net income attributable to owners of the parent	13,771	17,552
Purchase of treasury stock	-68	-100
Disposal of treasury stock	—	97
Change in scope of consolidation	—	-17
Net changes of items other than shareholders' equity	402	297
Total changes of items during the period	10,145	12,625
Balance at the end of current period	47,658	60,283

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

Accounts	(In millions of yen)	
	Year ended Dec. 31, 2020	Year ended Dec. 31, 2021
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	19,473	24,260
Depreciation and amortization	1,562	2,145
Increase (decrease) in allowance for doubtful accounts	5	18
Increase (decrease) in provision for employees' bonuses	7	15
Increase (decrease) in provision for directors' bonuses	16	-45
Increase (decrease) in net defined benefit liability	51	38
Interest income	-17	-58
Interest expenses	35	23
Impairment loss	65	—
Loss on liquidation of business	48	—
Decrease (increase) in notes and accounts receivable-trade	-3,753	-4,287
Decrease (increase) in inventories	-240	-3,528
Decrease (increase) in accounts receivable-other	-617	-1,015
Increase (decrease) in notes and accounts payable-trade	1,784	2,901
Increase (decrease) in accounts payable-other	647	351
Increase (decrease) in accrued consumption taxes	996	-1,510
Other, net	134	75
Subtotal	20,200	19,384
Interest income received	20	14
Interest expenses paid	-46	-33
Income taxes paid	-4,799	-7,091
Payments for accident related loss	-106	-15
Net cash provided by (used in) operating activities	15,269	12,258
Net cash provided by (used in) investment activities		
Payments into time deposits	-265	-1,896
Proceeds from withdrawal of time deposits	578	711
Purchase of property, plant and equipment	-7,639	-9,647
Purchase of intangible assets	-1,472	-2,354
Payments for guarantee deposits	-121	-1,179
Other, net	-94	77
Net cash provided by (used in) investment activities	-9,015	-14,290
Net cash provided by (used in) financing activities		
Proceeds from Long-term loans payable	9,000	—
Repayments of long-term loans payable	-2,498	—
Proceeds from exercise of stock option	0	0
Purchase of treasury stock	-68	-97
Cash dividends paid	-3,975	-5,214
Proceeds from share issuance to non-controlling shareholders	—	212
Repayments of lease obligations	-683	-667
Net cash provided by (used in) financing activities	1,773	-5,766
Effect of exchange rate change on cash and cash equivalents	-6	99
Net increase (decrease) in cash and cash equivalents	8,021	-7,699
Cash and cash equivalents at beginning of period	10,746	18,767
Cash and cash equivalents at end of period	18,767	11,068

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

Accounts	(In millions of yen)	
	As of Dec. 31, 2020	As of Dec. 31, 2021
Assets		
Current assets		
Cash and deposits	16,691	10,263
Notes receivable-trade	18	21
Accounts receivable-trade	17,609	21,425
Electronically recorded monetary claims	501	900
Merchandise	10,863	13,743
Goods in transit	329	696
Supplies	102	86
Advance payments-trade	25	38
Prepaid expenses	291	414
Accounts receivable-other	4,894	5,998
Other	23	87
Allowance for doubtful accounts	-78	-91
Total current assets	51,271	53,583
Noncurrent assets		
Property, plant and equipment		
Buildings	4,285	9,822
Structures	353	781
Machinery and equipment	428	1,760
Vehicles	11	121
Tools, furniture and fixtures	468	897
Land	2,238	2,238
Leased assets	3,791	3,256
Construction in progress	7,474	9,164
Total property, plant and equipment	19,052	28,044
Intangible assets		
Software	1,548	2,125
Software in progress	2,236	3,173
Other	223	208
Total intangible assets	4,008	5,507
Investments and other assets		
Stocks of subsidiaries and affiliates	3,333	3,640
Claims provable in bankruptcy, rehabilitation and other	49	54
Bonds of subsidiaries and associates	100	—
Long-term prepaid expenses	688	613
Guarantee deposits	1,419	2,568
Insurance funds	364	433
Deferred tax assets	722	763
Allowance for doubtful accounts	-49	-54
Total investments and other assets	6,629	8,019
Total noncurrent assets	29,690	41,571
Total assets	80,962	95,154

Accounts	(In millions of yen)	
	As of Dec. 31, 2020	As of Dec. 31, 2021
Liabilities		
Current liabilities		
Accounts payable-trade	11,165	13,969
Lease obligations	639	5
Accounts payable-other	3,808	4,154
Accrued expenses	289	304
Income taxes payable	4,176	4,085
Accrued consumption taxes	1,414	—
Advances received	37	90
Deposits received	100	89
Provision for employees' bonuses	100	121
Provision for directors' bonuses	45	—
Provision for accident related loss	9	16
Other	22	13
Total current liabilities	21,810	22,852
Noncurrent liabilities		
Long-term loans payable	9,000	9,000
Lease obligations	591	586
Provision for retirement benefits	296	347
Asset retirement obligations	441	1,222
Other	683	484
Total noncurrent liabilities	11,013	11,641
Total liabilities	32,823	34,493
Net assets		
Shareholders' equity		
Capital stock	1,993	2,000
Capital surplus		
Legal capital surplus	798	805
Other capital surplus	—	94
Total capital surpluses	798	899
Retained earnings		
Other retained earnings		
Retained earnings brought forward	45,589	58,074
Total retained earnings	45,589	58,074
Treasury stock	-315	-413
Total shareholders' equity	48,066	60,561
Subscription rights to shares	72	99
Total net assets	48,138	60,661
Total liabilities and net assets	80,962	95,154

## (2) Non-consolidated statements of income

Accounts	(In millions of yen)	
	Year ended Dec. 31, 2020	Year ended Dec. 31, 2021
Net sales	151,798	182,472
Cost of sales	108,323	129,944
Gross profit	43,475	52,527
Selling, general and administrative expenses	23,325	27,993
Operating income	20,149	24,533
Non-operating income		
Interest income	0	0
Foreign exchange gains	70	128
Commission fee	8	9
Compensation income	3	4
Gain on sale of materials	13	16
Other	37	52
Total non-operating income	134	211
Non-operating expenses		
Interest expenses	34	21
Loss on disposal of inventories	34	44
Accident related loss	6	17
Other	14	14
Total non-operating expenses	89	97
Ordinary income	20,194	24,647
Extraordinary income		
Gain on sales of fixed assets	0	0
Total extraordinary income	0	0
Extraordinary loss		
Loss on valuation of shares of subsidiaries	1,251	—
Loss on disposal of fixed assets	9	40
Loss on sales of fixed assets	—	1
Total extraordinary losses	1,261	41
Income before income taxes	18,933	24,606
Income taxes-current	6,115	6,944
Income taxes-deferred	-321	-40
Total income taxes	5,794	6,904
Net income	13,139	17,701

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

Accounts	(In millions of yen)	
	Year ended Dec. 31, 2020	Year ended Dec. 31, 2021
Shareholders' equity		
Capital stock		
Balance at the beginning of current period	1,986	1,993
Changes of items during the period		
Issuance of new shares	7	6
Total changes of items during the period	7	6
Balance at the end of current period	1,993	2,000
Capital surplus		
Balance at the beginning of current period	791	798
Changes of items during the period		
Issuance of new shares	7	6
Disposal of treasury stock	—	94
Total changes of items during the period	7	101
Balance at the end of current period	798	899
Retained earnings		
Other retained earnings		
Retained earnings brought forward		
Balance at the beginning of current period	36,425	45,589
Changes of items during the period		
Dividends from surplus	-3,974	-5,216
Net income	13,139	17,701
Total changes of items during the period	9,164	12,484
Balance at the end of current period	45,589	58,074
Total retained earnings		
Balance at the beginning of current period	36,425	45,589
Changes of items during the period		
Dividends from surplus	-3,974	-5,216
Net income	13,139	17,701
Total changes of items during the period	9,164	12,484
Balance at the end of current period	45,589	58,074
Treasury stock		
Balance at the beginning of current period	-247	-315
Changes of items during the period		
Purchase of treasury stock	-68	-100
Disposal of treasury stock	—	3
Total changes of items during the period	-68	-97
Balance at the end of current period	-315	-413
Total shareholders' equity		
Balance at the beginning of current period	38,955	48,066
Changes of items during the period		
Issuance of new shares	14	13
Dividends from surplus	-3,974	-5,216
Net income	13,139	17,701
Purchase of treasury stock	-68	-100
Disposal of treasury stock	—	97
Total changes of items during the period	9,110	12,495
Balance at the end of current period	48,066	60,561

Accounts	Year ended Dec. 31, 2020	Year ended Dec. 31, 2021
Subscription rights to shares		
Balance at the beginning of current period	44	72
Changes of items during the period		
Net changes of items other than shareholders' equity	27	27
Total changes of items during the period	27	27
Balance at the end of current period	72	99
Total net assets		
Balance at the beginning of current period	39,000	48,138
Changes of items during the period		
Issuance of new shares	14	13
Dividends from surplus	-3,974	-5,216
Net income	13,139	17,701
Purchase of treasury stock	-68	-100
Disposal of treasury stock	—	97
Net changes of items other than shareholders' equity	27	27
Total changes of items during the period	9,138	12,522
Balance at the end of current period	48,138	60,661