January 31, 2025

Consolidated Financial Results for the Fiscal Year Ended December 31, 2024

Company name: MonotaRO Co., Ltd.
Listing: Tokyo Stock Exchange, Prime Market
Stock code: 3064
URL: https://www.monotaro.com
Representative: Sakuya Tamura, President & COO
Contact: Tetsuya Koda, Deputy President
Tel: +81-6-4869-7190
Scheduled date of Annual General Shareholders' Meeting: March 25, 2025
Scheduled date to commence dividend payment: March 26, 2025
Scheduled date to file Securities Report: March 27, 2025
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, 2024

(January 01, 2024 – December 31, 2024)

(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, 2024	288,119	13.3	37,066	18.4	37,320	18.3	26,338	20.7
Year ended Dec. 31, 2023	254,286	12.5	31,309	19.4	31,538	19.5	21,813	16.9

Note: Comprehensive income: Year ended Dec. 31, 2024: 25,728 million yen (20.4%)
Year ended Dec. 31, 2023: 21,360 million yen (16.0%)

	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, 2024	53.01	53.00	27.7	27.3	12.9
Year ended Dec. 31, 2023	43.90	43.90	27.5	26.3	12.3

(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, 2024	145,028	104,267	71.5	208.64
As of Dec. 31, 2023	128,352	86,982	67.3	173.94

Reference: Shareholders' equity Dec. 31, 2024: 103,673 million yen Dec. 31, 2023: 86,433 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, 2024	28,662	(3,582)	(13,339)	30,370
Year ended Dec. 31, 2023	29,932	(8,401)	(11,705)	18,454

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, 2023	—	8.00	—	8.00	16.00	7,950	36.4	10.0
Year ended Dec. 31, 2024	—	9.00	—	10.00	19.00	9,441	35.8	9.9
Year ending Dec. 31, 2025 (forecast)	—	15.00	—	16.00	31.00		50.9	

3. Consolidated Forecasts for the Fiscal Year Ending December 31, 2025 (January 1, 2025 – December 31, 2025)

(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)	159,579	14.5	19,932	12.4	19,937	11.6	13,899	11.2	27.97
Full year	328,173	13.9	43,000	16.0	43,026	15.3	30,284	15.0	60.95

*** Notes**

(1) Changes in the number of material subsidiaries resulting in changes in scope of consolidation during the fiscal year ended December 31, 2024: 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, 2024: 501,351,000 shares Dec. 31, 2023: 501,351,000 shares

2) Number of treasury stock at the end of period

Dec. 31, 2024: 4,445,095 shares Dec. 31, 2023: 4,444,396 shares

3) Average number of shares outstanding during the period

Year ended Dec. 31, 2024: 496,900,234 shares Year ended Dec. 31, 2023: 496,905,393 shares

(Reference) Non-consolidated Financial Information

1. Non-consolidated Financial Results for the Fiscal Year Ended December 31, 2024 (January 1, 2024 – December 31, 2024)

(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, 2024	276,100	13.5	38,550	18.0	38,805	18.0	25,984	17.7
Year ended Dec. 31, 2023	243,352	12.3	32,675	20.6	32,891	20.7	22,072	15.9

	Net income per share	Diluted net income per share
	Yen	Yen
Year ended Dec. 31, 2024	52.29	52.29
Year ended Dec. 31, 2023	44.42	44.42

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Year ended Dec. 31, 2024	144,304	105,790	73.3	212.84
Year ended Dec. 31, 2023	127,332	88,253	69.3	177.55

Reference: Shareholders' equity Dec. 31, 2024: 105,762 million yen Dec. 31, 2023: 88,225 million yen

2. Non-consolidated Forecasts for the Fiscal Year Ending December 31, 2025 (January 1, 2025 – December 31, 2025)

(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)	153,296	14.8	20,531	10.9	20,551	10.2	14,266	10.2	28.71
Full year	314,876	14.0	44,080	14.3	44,120	13.7	30,926	19.0	62.24

These financial results are out of scope from audit 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, 2024, generally continued to be unpredictable with concerns about the impact of the yen's continued depreciation and the economy due to the prolonged situation involving Russia and Ukraine and tension in the Middle East and the economic slowdown in China and Europe in addition to rising raw material prices, although there have been indications of a gradual recovery driven by the normalization of social and economic activities and improvements in employment and income conditions.

In this economic environment, we have continually concentrated on acquiring new customers actively 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 using e-mail and mailing flyers with optimized product listings for each customer, daily special prices, and broadcasted TV commercials to enhance customers' awareness much further.

In addition, in order to achieve a more convenient customer fulfillment service, we expanded our drop-off delivery service, started offering delivery date and time designation services, and extended the order cut-off time for the same day shipping in-stock items in the South Kanto area and the Kansai area from 3:00 p.m. to 5:00 p.m.

Furthermore, the total number of our product lineup reached approximately 24 million items in total with 626 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, 2024.

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.

Consequently, we have successfully obtained 1,040.7 thousand newly registered accounts for the fiscal year ended December 31, 2024 and the number of registered accounts totaled 10,147.2 thousand as of December 31, 2024.

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

All of our efforts mentioned above resulted in net sales of 288,119 million yen (13.3% increase from the previous fiscal year), operating income of 37,066 million yen (18.4% increase from the previous fiscal year), ordinary income of 37,320 million yen (18.3 % increase from the previous fiscal year), and net income attributable to owners of the parent of 26,338 million yen, a corresponding 20.7% increase.

(2) Qualitative Information Regarding Consolidated Financial Position

Total assets as of December 31, 2024 (the end of the fiscal year) amounted to 145,028 million yen, an increase of 16,676 million yen from the end of the previous fiscal year. This was attributable to increases of 12,082 million yen and 4,113 million yen in cash and deposits and accounts receivable-trade, respectively, despite a decrease of 1,347 million yen in machinery and equipment.

On the other hand, total liabilities as of December 31, 2024 amounted to 40,761 million yen, a decrease of 608 million yen from the end of the previous fiscal year. This was attributable to a decrease of 4,726 million yen in long-term loans payable, despite increases of 2,773 million yen and 1,149 million yen in accounts payable-trade and income taxes payable, respectively.

Total net assets amounted to 104,267 million yen, an increase of 17,284 million yen from the end of the previous fiscal year. This was largely due to net income attributable to owners of the parent of 26,338 million yen offset by dividend payments of 8,447 million yen for the fiscal year ended December 31, 2024.

As a result, the equity ratio as of December 31, 2024 was 71.5%, up 4.2 percentage points from the end of the previous fiscal year.

(3) Forecast for the Fiscal Year Ending December 31, 2025

During the fiscal year ending December 31, 2025, 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, 2025 are 328,173 million yen, 43,000 million yen, 43,026 million yen and 30,284 million yen, respectively.

(4) Basic policy on profit distribution and dividends for the current and next fiscal years

The Company acknowledges that profit returns to shareholders is one of the important policies of business management and adopts the basic policy of conducting stable and continuous dividends from surplus in line with growth of its consolidated business results.

Pursuant to this basic policy, the Company plans that the year-end dividend for the fiscal year under review would be 10.0 yen per share, resulting in an annual dividend of 19.0 yen per share, including the interim dividend of 9.0 yen per share.

For the next fiscal year, the Company will revise its policy to align dividends with a target payout ratio of over 50% of profit attributable to owners of the parent. Under this revised policy, the interim dividend is planned to be 15.0 yen per share, and the year-end dividend 16.0 yen per share, resulting in a total annual dividend of 31.0 yen per share.

With respect to retained earnings, the Company aims to achieve a ROE (Return on Equity) of 30% or higher while pursuing sales growth of over 15% with profit growth outpacing sales growth. Retained earnings will be allocated to growth investments to achieve these goals. However, if no suitable investment opportunities are identified, retained earnings will be used for shareholder returns by the acquisition of treasury share.

2. Consolidated Financial Statements

(1) Consolidated balance sheets

(In millions of yen)

Accounts	As of Dec. 31, 2023	As of Dec. 31, 2024
Assets		
Current assets		
Cash and deposits	18,644	30,727
Notes and accounts receivable-trade	28,443	32,556
Electronically recorded monetary claims	906	1,013
Merchandise	18,182	19,657
Goods in transit	690	1,003
Supplies	1	0
Accounts receivable-other	7,417	8,005
Other	1,134	1,320
Allowance for doubtful accounts	(134)	(167)
Total current assets	75,286	94,116
Noncurrent assets		
Property, plant and equipment		
Buildings, net	14,943	14,240
Structures, net	632	548
Machinery and equipment, net	14,888	13,540
Vehicles, net	196	125
Tools, furniture and fixtures, net	3,195	3,252
Land	2,238	2,238
Leased assets, net	2,389	1,967
Construction in progress	1,076	1,391
Total property, plant and equipment	39,561	37,305
Intangible assets		
Software	5,883	6,026
Software in progress	301	331
Other	175	158
Total intangible assets	6,359	6,516
Investments and other assets		
Investment securities	1,500	1,500
Guarantee deposits	3,550	3,292
Deferred tax assets	979	1,150
Other	1,235	1,256
Allowance for doubtful accounts	(120)	(108)
Total investments and other assets	7,144	7,090
Total noncurrent assets	53,065	50,911
Total assets	128,352	145,028

(In millions of yen)

Accounts	As of Dec. 31, 2023	As of Dec. 31, 2024
Liabilities		
Current liabilities		
Accounts payable-trade	17,052	19,825
Short-term borrowings	221	215
Current portion of long-term loans payable	4,721	215
Lease obligations	31	269
Accounts payable-other	5,463	5,281
Income taxes payable	6,063	7,212
Provision for employees' bonuses	345	381
Other	3,093	3,060
Total current liabilities	36,989	36,461
Noncurrent liabilities		
Long-term loans payable	221	—
Lease obligations	616	637
Net defined benefit liability	562	621
Asset retirement obligations	2,903	2,922
Other	77	118
Total noncurrent liabilities	4,380	4,300
Total liabilities	41,369	40,761
Net assets		
Shareholders' equity		
Capital stock	2,042	2,042
Capital surplus	1,027	497
Retained earnings	83,578	101,469
Treasury stock	(619)	(747)
Total shareholders' equity	86,028	103,260
Accumulated other comprehensive income		
Foreign currency translation adjustment	417	390
Remeasurements of defined benefit plans	(12)	21
Total accumulated other comprehensive income	404	412
Subscription rights to shares	28	29
Non-controlling interests	520	564
Total net assets	86,982	104,267
Total liabilities and net assets	128,352	145,028

(2) Consolidated statements of (comprehensive) income

(In millions of yen)

Accounts	Year ended Dec. 31, 2023	Year ended Dec. 31, 2024
Net sales	254,286	288,119
Cost of sales	178,321	203,699
Gross profit	75,964	84,420
Selling, general and administrative expenses	44,654	47,353
Operating income	31,309	37,066
Non-operating income		
Interest income	35	28
Foreign exchange gains	151	186
Gain on sales of materials	34	46
Other	145	118
Total non-operating income	367	379
Non-operating expenses		
Interest expenses	90	73
Loss on disposal of inventories	4	1
Loss on sales of electronically recorded monetary claims	38	44
Other	5	6
Total non-operating expenses	137	125
Ordinary income	31,538	37,320
Extraordinary income		
Gain on sales of fixed assets	—	0
Total extraordinary income	—	0
Extraordinary loss		
Impairment losses	665	—
Loss on disposal of fixed assets	101	60
Loss on sales of fixed assets	0	86
Total extraordinary losses	768	147
Income before income taxes	30,770	37,173
Income taxes-current	9,521	11,635
Income taxes-deferred	(15)	(188)
Total income taxes	9,505	11,446
Net income	21,264	25,726
Net income attributable to:		
owners of the parent	21,813	26,338
non-controlling interests	(548)	(611)
Other comprehensive income		
Foreign currency translation adjustment	106	(33)
Remeasurements of defined benefit plans	(10)	35
Total other comprehensive income	96	1
Comprehensive income	21,360	25,728
Comprehensive income attributable to:		
owners of the parent	21,897	26,291
non-controlling interests	(536)	(562)

(3) Consolidated statements of changes in net assets

(In millions of yen)

Accounts	Year ended Dec. 31, 2023	Year ended Dec. 31, 2024
Shareholders' equity		
Capital stock		
Balance at the beginning of current period	2,039	2,042
Changes of items during the period		
Issuance of new shares	2	—
Total changes of items during the period	2	—
Balance at the end of current period	2,042	2,042
Capital surplus		
Balance at the beginning of current period	1,034	1,027
Changes of items during the period		
Issuance of new shares	2	—
Change of capital surplus due to change in ownership interest of consolidated subsidiaries	(123)	(658)
Disposal of treasury stock	114	127
Total changes of items during the period	(6)	(530)
Balance at the end of current period	1,027	497
Retained earnings		
Balance at the beginning of current period	69,218	83,578
Changes of items during the period		
Dividends from surplus	(7,453)	(8,447)
Net income attributable to owners of the parent	21,813	26,338
Total changes of items during the period	14,359	17,890
Balance at the end of current period	83,578	101,469
Treasury stock		
Balance at the beginning of current period	(502)	(619)
Changes of items during the period		
Purchase of treasury stock	(126)	(139)
Disposal of treasury stock	10	11
Total changes of items during the period	(116)	(127)
Balance at the end of current period	(619)	(747)
Total shareholders' equity		
Balance at the beginning of current period	71,789	86,028
Changes of items during the period		
Issuance of new shares	4	—
Change of capital surplus due to change in ownership interest of consolidated subsidiaries	(123)	(658)
Dividends from surplus	(7,453)	(8,447)
Net income attributable to owners of the parent	21,813	26,338
Purchase of treasury stock	(126)	(139)
Disposal of treasury stock	124	139
Total changes of items during the period	14,238	17,232
Balance at the end of current period	86,028	103,260

(In millions of yen)

Accounts	Year ended Dec. 31, 2023	Year ended Dec. 31, 2024
Accumulated other comprehensive income		
Foreign currency translation adjustment		
Balance at the beginning of current period	318	417
Changes of items during the period		
Net changes of items other than shareholders' equity	99	(27)
Total changes of items during the period	99	(27)
Balance at the end of current period	417	390
Remeasurements of defined benefit plans		
Balance at the beginning of current period	(1)	(12)
Changes of items during the period		
Net changes of items other than shareholders' equity	(10)	34
Total changes of items during the period	(10)	34
Balance at the end of current period	(12)	21
Total accumulated other comprehensive income		
Balance at the beginning of current period	316	404
Changes of items during the period		
Net changes of items other than shareholders' equity	88	7
Total changes of items during the period	88	7
Balance at the end of current period	404	412
Subscription rights to shares		
Balance at the beginning of current period	33	28
Changes of items during the period		
Net changes of items other than shareholders' equity	(4)	1
Total changes of items during the period	(4)	1
Balance at the end of current period	28	29
Non-controlling interests		
Balance at the beginning of current period	482	520
Changes of items during the period		
Net changes of items other than shareholders' equity	38	43
Total changes of items during the period	38	43
Balance at the end of current period	520	564
Total net assets		
Balance at the beginning of current period	72,621	86,982
Changes of items during the period		
Issuance of new shares	4	—
Change of capital surplus due to change in ownership interest of consolidated subsidiaries	(123)	(658)
Dividends from surplus	(7,453)	(8,447)
Net income attributable to owners of the parent	21,813	26,338
Purchase of treasury stock	(126)	(139)
Disposal of treasury stock	124	139
Net changes of items other than shareholders' equity	121	52
Total changes of items during the period	14,360	17,284
Balance at the end of current period	86,982	104,267

(4) Consolidated statements of cash flows

(In millions of yen)

Accounts	Year ended December 31, 2023	Year ended December 31, 2024
Net cash provided by (used in) operating activities		
Income before income taxes	30,770	37,173
Depreciation and amortization	4,876	5,760
Increase (decrease) in allowance for doubtful accounts	62	20
Increase (decrease) in provision for employees' bonuses	150	26
Increase (decrease) in net defined benefit liability	91	56
Interest income	(35)	(28)
Interest expenses	90	73
Impairment losses	665	—
Decrease (increase) in notes and accounts receivable-trade	(2,808)	(4,214)
Decrease (increase) in inventories	781	(1,768)
Decrease (increase) in accounts receivable-other	(619)	(594)
Increase (decrease) in notes and accounts payable-trade	1,345	2,780
Increase (decrease) in accounts payable-other	627	(384)
Increase (decrease) in accrued consumption taxes	1,747	(50)
Other, net	298	392
Subtotal	38,046	39,243
Interest income received	32	34
Interest expenses paid	(86)	(84)
Income taxes paid	(8,049)	(10,530)
Payments for accident related loss	(10)	—
Net cash provided by (used in) operating activities	29,932	28,662
Net cash provided by (used in) investment activities		
Payments into time deposits	(594)	(824)
Proceeds from withdrawal of time deposits	723	511
Purchase of property, plant and equipment	(5,852)	(1,320)
Purchase of intangible assets	(2,107)	(2,178)
Payments for guarantee deposits	(822)	(19)
Other, net	251	247
Net cash provided by (used in) investment activities	(8,401)	(3,582)
Net cash provided by (used in) financing activities		
Increase (decrease) in short-term borrowings	150	—
Repayments of long-term loans payable	(4,715)	(4,722)
Proceeds from exercise of stock option	0	—
Purchase of treasury stock	(126)	(139)
Cash dividends paid	(7,451)	(8,444)
Proceeds from share issuance to non-controlling shareholders	455	—
Repayments of lease obligations	(16)	(33)
Net cash provided by (used in) financing activities	(11,705)	(13,339)
Effect of exchange rate changes on cash and cash equivalents	42	176
Net increase (decrease) in cash and cash equivalents	9,867	11,916
Cash and cash equivalents at beginning of period	8,586	18,454
Cash and cash equivalents at end of period	18,454	30,370

Non-Consolidated Financial Statements

(1) Non-consolidated balance sheets

(In millions of yen)

Accounts	As of Dec. 31, 2023	As of Dec. 31, 2024
Assets		
Current assets		
Cash and deposits	17,995	29,981
Accounts receivable-trade	27,895	31,968
Electronically recorded monetary claims	906	1,013
Merchandise	16,819	18,249
Goods in transit	692	1,049
Supplies	1	—
Advance payments-trade	6	28
Prepaid expenses	799	843
Accounts receivable-other	7,401	7,980
Other	3	5
Allowance for doubtful accounts	(122)	(153)
Total current assets	72,400	90,966
Noncurrent assets		
Property, plant and equipment		
Buildings	14,942	14,240
Structures	632	548
Machinery and equipment	14,372	13,149
Vehicles	194	124
Tools, furniture and fixtures	2,699	2,841
Land	2,238	2,238
Leased assets	2,177	1,716
Construction in progress	1,076	1,390
Total property, plant and equipment	38,335	36,250
Intangible assets		
Software	5,803	5,942
Software in progress	284	318
Other	175	158
Total intangible assets	6,263	6,419
Investments and other assets		
Stocks of subsidiaries and affiliates	4,112	3,943
Claims provable in bankruptcy, rehabilitation and other	120	108
Long-term prepaid expenses	494	446
Guarantee deposits	3,426	3,159
Insurance funds	607	701
Deferred tax assets	1,690	2,416
Allowance for doubtful accounts	(120)	(108)
Total investments and other assets	10,332	10,668
Total noncurrent assets	54,931	53,337
Total assets	127,332	144,304

(In millions of yen)

Accounts	As of Dec. 31, 2023	As of Dec. 31, 2024
Liabilities		
Current liabilities		
Accounts payable-trade	16,304	19,016
Current portion of long-term borrowings	4,500	—
Lease obligations	4	3
Accounts payable-other	5,108	4,862
Accrued expenses	493	627
Income taxes payable	6,063	7,212
Accrued consumption taxes	2,029	2,056
Advances received	65	42
Deposits received	138	171
Provision for employees' bonuses	337	371
Other	27	19
Total current liabilities	35,072	34,383
Noncurrent liabilities		
Lease obligations	616	637
Provision for retirement benefits	465	545
Asset retirement obligations	2,847	2,865
Other	77	81
Total noncurrent liabilities	4,006	4,129
Total liabilities	39,079	38,513
Net assets		
Shareholders' equity		
Capital stock	2,042	2,042
Capital surplus		
Legal capital surplus	846	846
Other capital surplus	304	432
Total capital surplus	1,151	1,278
Retained earnings		
Other retained earnings		
Reserve for specific stocks	375	375
Retained earnings brought forward	85,276	102,814
Total retained earnings	85,651	103,189
Treasury stock	(619)	(747)
Total shareholders' equity	88,225	105,762
Subscription rights to shares	28	28
Total net assets	88,253	105,790
Total liabilities and net assets	127,332	144,304

(2) Non-consolidated statements of income

(In millions of yen)

Accounts	Year ended Dec. 31, 2023	Year ended Dec. 31, 2024
Net sales	243,352	276,100
Cost of sales	169,593	193,959
Gross profit	73,759	82,141
Selling, general and administrative expenses	41,084	43,591
Operating income	32,675	38,550
Non-operating income		
Interest income	0	0
Foreign exchange gains	150	190
Commission fee	11	13
Gain on sales of materials	34	46
Other	78	70
Total non-operating income	275	321
Non-operating expenses		
Interest expenses	17	15
Loss on sales of electronically recorded monetary claims	38	44
Other	3	6
Total non-operating expenses	58	66
Ordinary income	32,891	38,805
Extraordinary loss		
Loss on valuation of shares of subsidiaries	1,746	1,763
Loss on disposal of fixed assets	99	60
Loss on sales of fixed assets	—	86
Total extraordinary losses	1,846	1,910
Income before income taxes	31,044	36,894
Income taxes-current	9,521	11,635
Income taxes-deferred	(549)	(725)
Total income taxes	8,971	10,909
Net income	22,072	25,984

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

(In millions of yen)

Accounts	Year ended Dec. 31, 2023	Year ended Dec. 31, 2024
Shareholders' equity		
Capital stock		
Balance at the beginning of current period	2,039	2,042
Changes of items during the period		
Issuance of new shares	2	—
Total changes of items during the period	2	—
Balance at the end of current period	2,042	2,042
Capital surplus		
Balance at the beginning of current period	1,034	1,151
Changes of items during the period		
Issuance of new shares	2	—
Disposal of treasury stock	114	127
Total changes of items during the period	116	127
Balance at the end of current period	1,151	1,278
Retained earnings		
Other retained earnings		
Reserve for specific stocks		
Balance at beginning of period	375	375
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	375	375
Retained earnings brought forward		
Balance at the beginning of current period	70,657	85,276
Changes of items during the period		
Dividends from surplus	(7,453)	(8,447)
Net income	22,072	25,984
Total changes of items during the period	14,619	17,537
Balance at the end of current period	85,276	102,814
Total retained earnings		
Balance at the beginning of current period	71,032	85,651
Changes of items during the period		
Dividends from surplus	(7,453)	(8,447)
Net income	22,072	25,984
Total changes of items during the period	14,619	17,537
Balance at the end of current period	85,651	103,189
Treasury stock		
Balance at the beginning of current period	(502)	(619)
Changes of items during the period		
Purchase of treasury stock	(126)	(139)
Disposal of treasury stock	10	11
Total changes of items during the period	(116)	(127)
Balance at the end of current period	(619)	(747)
Total shareholders' equity		
Balance at the beginning of current period	73,603	88,225
Changes of items during the period		
Issuance of new shares	4	—
Dividends from surplus	(7,453)	(8,447)
Net income	22,072	25,984
Purchase of treasury stock	(126)	(139)
Disposal of treasury stock	124	139
Total changes of items during the period	14,621	17,537
Balance at the end of current period	88,225	105,762

Accounts	Year ended Dec. 31, 2023	Year ended Dec. 31, 2024
Subscription rights to shares		
Balance at the beginning of current period	33	28
Changes of items during the period		
Net changes of items other than shareholders' equity	(4)	—
Total changes of items during the period	(4)	—
Balance at the end of current period	28	28
Total net assets		
Balance at the beginning of current period	73,637	88,253
Changes of items during the period		
Issuance of new shares	4	—
Dividends from surplus	(7,453)	(8,447)
Net income	22,072	25,984
Purchase of treasury stock	(126)	(139)
Disposal of treasury stock	124	139
Net changes of items other than shareholders' equity	(4)	—
Total changes of items during the period	14,616	17,537
Balance at the end of current period	88,253	105,790