



The 61st Business Year Business Performance Data Analysis

FYE December 31, 2023 First Quarter

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This document contains statements regarding future forecasts of business performance and business plans. Such statements are not guarantees of future performance and involve risks and uncertainties.

Please note that future performance may differ from the planned figures due to changes in the management environment and other factors. This document is for informational purposes only and the Company is under no obligation to update it with the latest information available at this time.

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01

Company Profile

Company overview

Business flow

Company overview

Company name	TRUSCO Nakayama Corporation
Founding	May 15, 1959
Representative	Tetsuya Nakayama, President Chairman, Nakayama Visually Impaired Welfare Foundation Vice president, Japan Federation of Machine Tool Distributors Associations President, Osaka Machine Appliance Wholesaler Cooperative
Head offices	Tokyo Head Office (Minato-ku, Tokyo, registered as official headquarters) Osaka Head Office (Nishi-ku, Osaka City)
Number of offices	94 in total: 89 domestic bases: (2 head offices, 59 domestic sales branches, 28 domestic distribution centers) 5 overseas bases: (Local subsidiaries: TRUSCO NAKAYAMA CORPORATION (THAILAND) LIMITED, TRUSCO NAKAYAMA CORPORATION (INDONESIA) LIMITED, Supplier development office: Germany, Taiwan, Thailand)
Capital stock	5,022,370,000 yen
Listed stock exchange	First section of the Tokyo Stock Exchange (Code number: 9830)
Number of employees	2,963 (Consolidated)
Credit rating	Single A (Rating and Investment Information, Inc.)
Line of business	Wholesale of all kinds of factory auxiliary materials (pro-tools), including working tools, measuring tools, and cutting tools needed in production. The company's mission is to improve the convenience of materials procurement at manufacturing sites through the general catalog "TRUSCO Orange Book" and the search site "TRUSCO Orange Book.Com."

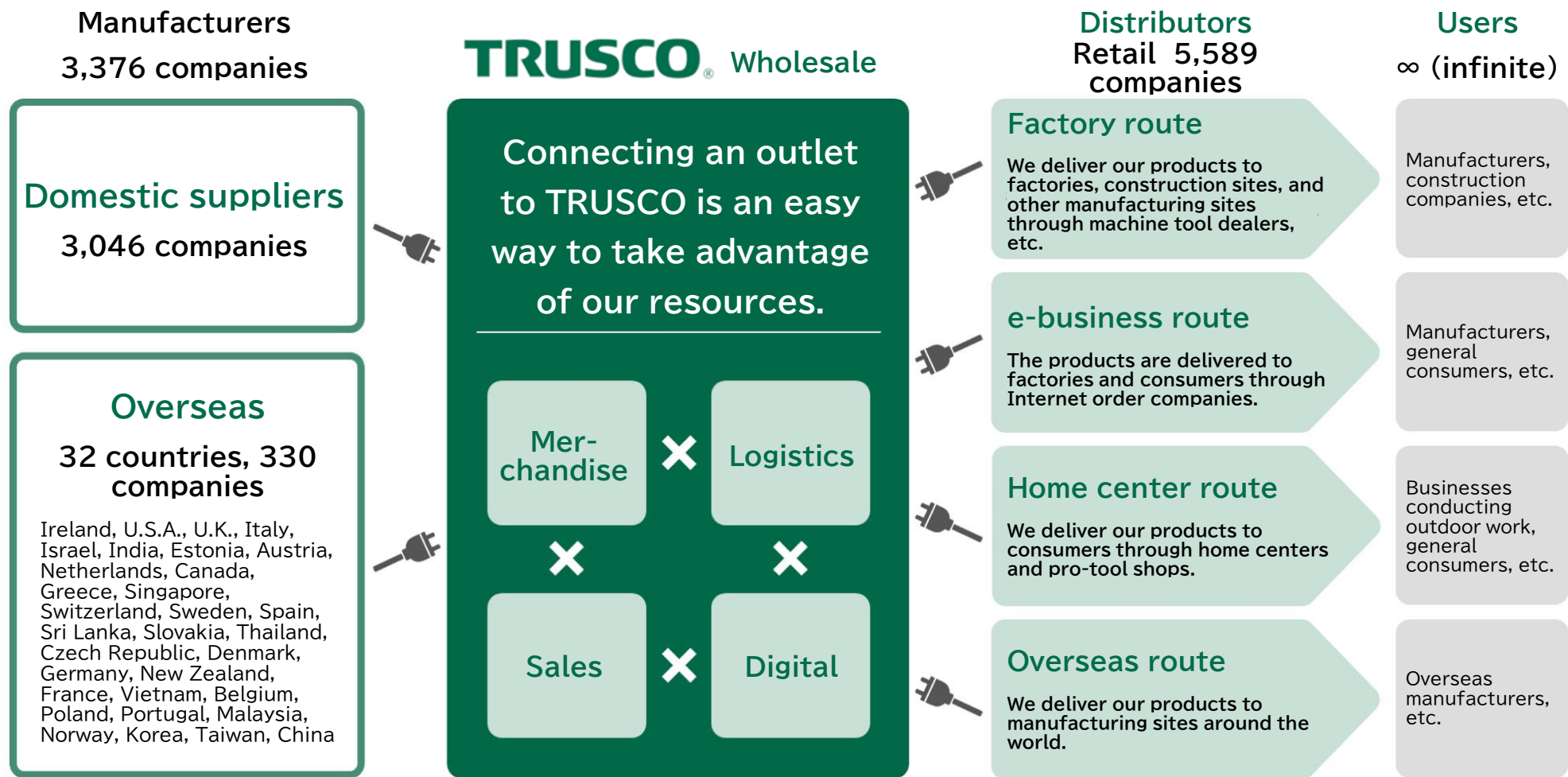
Corporate message

GAMBARE!! JAPANESE MONODZUKURI



Tokyo Head Office: Trusco Fiorito Bldg.
(Minato-ku, Tokyo)

Business flow



02

Company-wide Business Performance

Accounting highlights

[Consolidated] Business performance

[Consolidated] Monthly sales

[Consolidated] Monthly sales by sales route

Accounting highlights

Performance in the first quarter of the 61st business year

[Actual results]

Net sales: 65,983 million yen (YoY change +7.9%), Gross profit margin: 20.1% (YoY change -1.0 pt)

Selling, general and administrative expenses (SGA): 9,319 million yen (YoY change: -0.8%), Operating income: 3,915 million yen (YoY change: +12.3%)

Quarterly profit attributable to owners of parent: 2,675 million yen (+5.6%)

- Despite difficult conditions, including a downturn in demand due to the slowdown in overseas economies, our logistics and digital systems and various initiatives led to an increase in sales.
- Although the gross profit margin saw a YoY change of -1.0 pt due to the time lag in higher purchase prices pass-through to selling prices, etc., selling, general and administrative (SGA) expenses decreased, resulting in an increase in income.

Outlook for the full 61st business year

[Budget]

Net sales: 265,090 million yen (YoY change +7.6%), Gross profit margin: 20.9% (YoY change -0.3 pt)

Selling, general and administrative expenses (SGA): 39,650 million yen (YoY change: +5.8%), Operating income: 15,700 million yen (YoY change: +7.0%)

Profit attributable to owners of parent: 10,920 million yen (+2.8%)

- Although we must remain cautious due to the slowdown in overseas economies, we aim to increase sales by improving convenience through the use of our large inventory held at 28 logistics centers nationwide, state-of-the-art logistics equipment, and product data.

[Consolidated] Business performance

	FYE December 31, 2022 Full Year		FYE December 31, 2023 First Quarter				FYE December 31, 2023 Full year budget	
	Actual results	Share	Actual results	Share	YoY change	Change from budget	Budget	Year-on-year change
Net sales	246,453 million yen	-	65,983 million yen	-	+7.9%	+0.1%	265,090 million yen	+7.6%
Gross profit	52,160 million yen	21.2%	13,234 million yen	20.1%	+2.7%	-3.1%	55,350 million yen	+6.1%
Selling, general and administrative expenses (SGA)	37,493 million yen	15.2%	9,319 million yen	14.1%	-0.8%	-4.1%	39,650 million yen	+5.8%
(depreciation included in SGA)	6,667 million yen	2.7%	1,545 million yen	2.3%	-7.3%	-0.6%	6,397 million yen	-4.1%
Operating income	14,667 million yen	6.0%	3,915 million yen	5.9%	+12.3%	-0.6%	15,700 million yen	+7.0%
Ordinary income	15,065 million yen	6.1%	3,972 million yen	6.0%	+8.2%	-0.2%	15,970 million yen	+6.0%
Current (quarterly) profit attributable to owners of parent	10,626 million yen	4.3%	2,675 million yen	4.1%	+5.6%	-1.6%	10,920 million yen	+2.8%
Current (quarterly) net income per share	161.15 yen	-	40.58 yen	-	+2.14 yen	-0.65 yen	165.60 yen	+4.45 yen
Dividend per share	40.00 yen	-	-	-	-	-	41.50 yen	+1.50 yen
PB sales	45,876 million yen	18.6%	12,122 million yen	18.4%	+5.8%	-2.9%	50,000 million yen	+9.0%
Capital expenditures	4,799 million yen	-	3,795 million yen	-	-	-	13,697 million yen	-

Points

• Net sales

YoY change +7.9% Change from budget +0.1%
Increase in sales due to logistics, digital structure and various efforts

• Gross profit margin

YoY change -1.0pt
Impact of time lag in higher purchase price pass-through to selling prices, etc.

• Selling, general and administrative expenses (SGA)

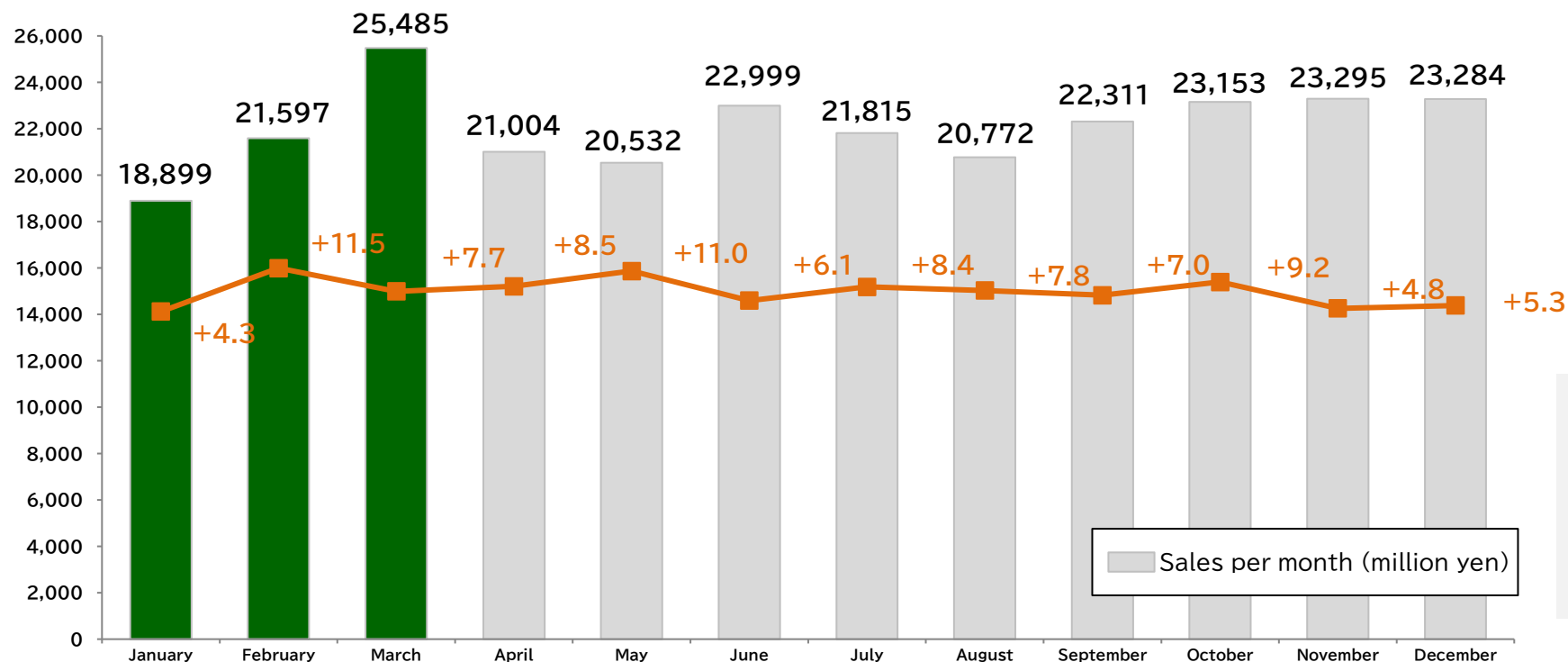
YoY change -0.8% Change from budget -4.1%
(Increase) Freight and packing costs, utilities, etc.
(Decrease) Depreciation, etc.

• Quarterly profit attributable to owners of parent

YoY change +5.6% Change from budget -1.6%

[Consolidated] Monthly sales

In March, single-month net sales reached a record high of 25,485 million yen and sales per day amounted to 1,158 million yen.



• Orders are constantly placed for consumables used in factories. As such, we place focus on the sales per day. Our sales increase during the peak periods of March when many companies close their accounts.

	January	February	March	April	May	June	July	August	September	October	November	December	Total
Number of business days (days)	19	19	22	20	20	22	20	22	20	21	20	21	246
Year-on-year change (days)	+1	+1	±0	±0	+1	±0	±0	±0	±0	+1	±0	-1	+3
Sales per day (million yen)	995	1,137	1,158										-
Year-on-year change (%)	-1.2	+ 5.6	+ 7.7										-

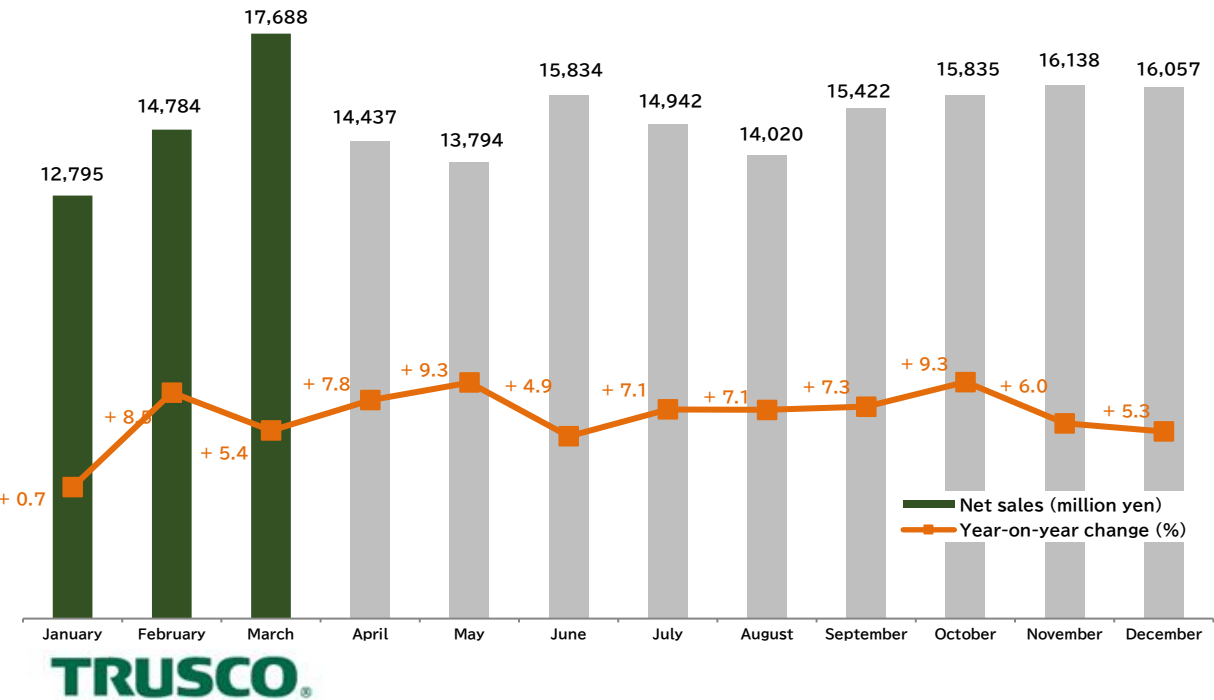
* Since April 1, 2022, we have changed our holidays according to the calendar, so the number of business days has increased compared to the previous year.

[Consolidated] Monthly sales by sales route

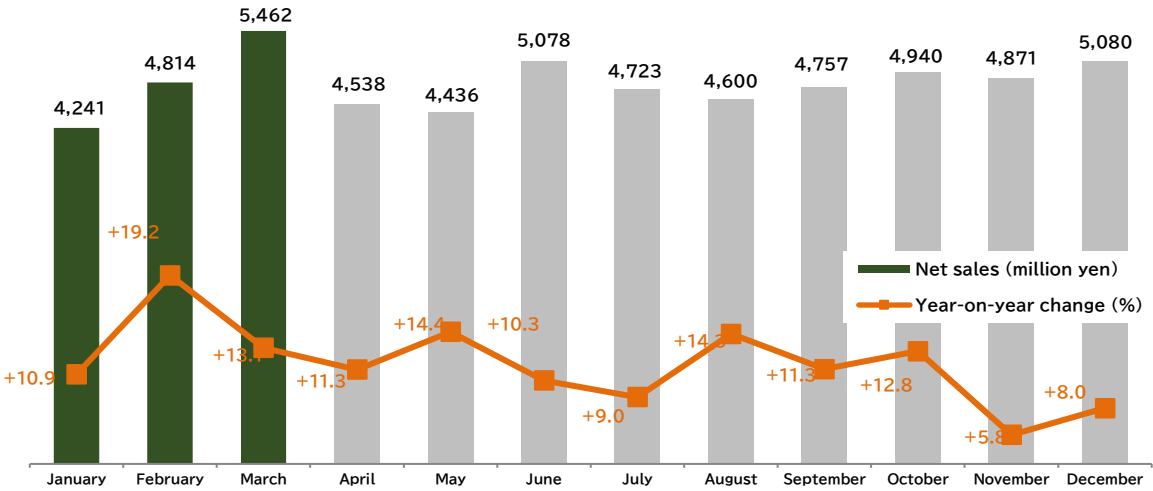
* Since April 1, 2022, we have changed our holidays according to the calendar, so the number

	January	February	March	April	May	June	July	August	September	October	November	December	Total
Number of business days	19	19	22	20	20	22	20	22	20	21	20	21	246
YoY change	+1	+1	±0	±0	+1	±0	±0	±0	±0	+1	±0	-1	+3

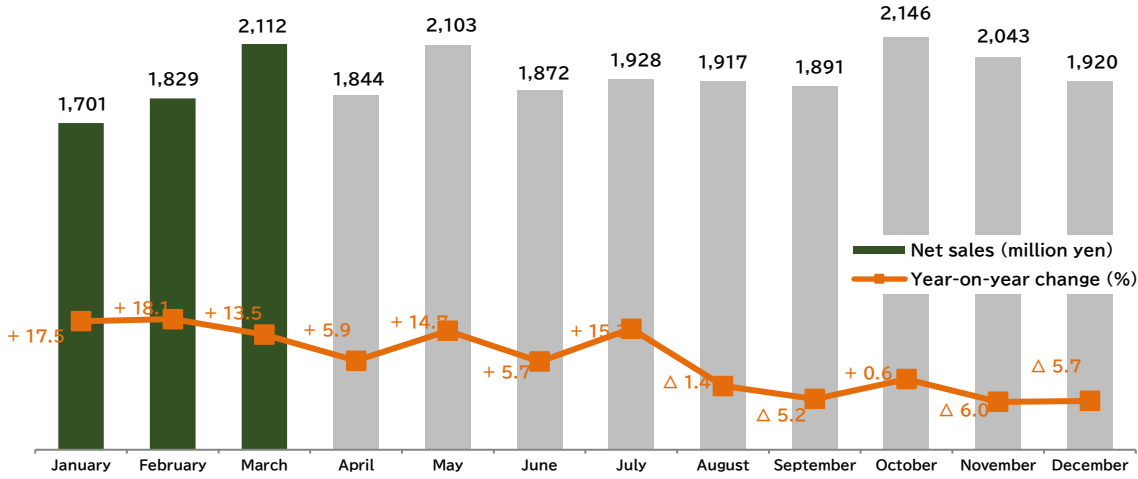
Factory route



e-business route



Home center route



03

Sales Performance

[Consolidated] Business performance by sales route

- Factory route
- e-business route
- Home center route
- Business performance of subsidiaries

[Non-consolidated] Changes in sales by category of goods

[Non-consolidated] Sales by category of goods

[Non-consolidated] Sales of private brand (PB) goods

[Consolidated] Business performance by sales route

Factory route: Share 68.6% (YoY change +5.0%) e-business route: Share 22.0% (YoY change +14.4%)

Home center route: Share 8.6% (YoY change +16.2%) Overseas route: Share 0.8% (YoY change +13.1%)

	FYE December 31, 2022 Full Year			FYE December 31, 2023 First Quarter						FYE December 31, 2023 Full Year Budget	
	Net sales		Gross profit margin	Net sales				Gross profit margin		Net sales	
Sales route	Actual results	Share	Actual results	Actual results	Share	YoY change	Change from budget	Actual results	YoY change	Budget	Year-on-year change
Factory route	170,606 million yen	69.2%	21.2%	45,268 million yen	68.6%	+5.0%	-1.7%	20.4%	-0.4pt	182,555 million yen	+7.0%
e-business route	51,576 million yen	20.9%	22.1%	14,518 million yen	22.0%	+14.4%	+4.1%	20.1%	-2.4pt	56,967 million yen	+10.5%
Home center route	22,162 million yen	9.0%	17.4%	5,643 million yen	8.6%	+16.2%	+5.5%	16.0%	-1.8pt	23,014 million yen	+3.8%
Overseas route	2,108 million yen	0.9%	35.8%	552 million yen	0.8%	+13.1%	-2.2%	34.5%	-1.8pt	2,551 million yen	+21.0%
Total	246,453 million yen	100%	21.2%	65,983 million yen	100.0%	+7.9%	+0.1%	20.1%	-1.0pt	265,090 million yen	+7.6%

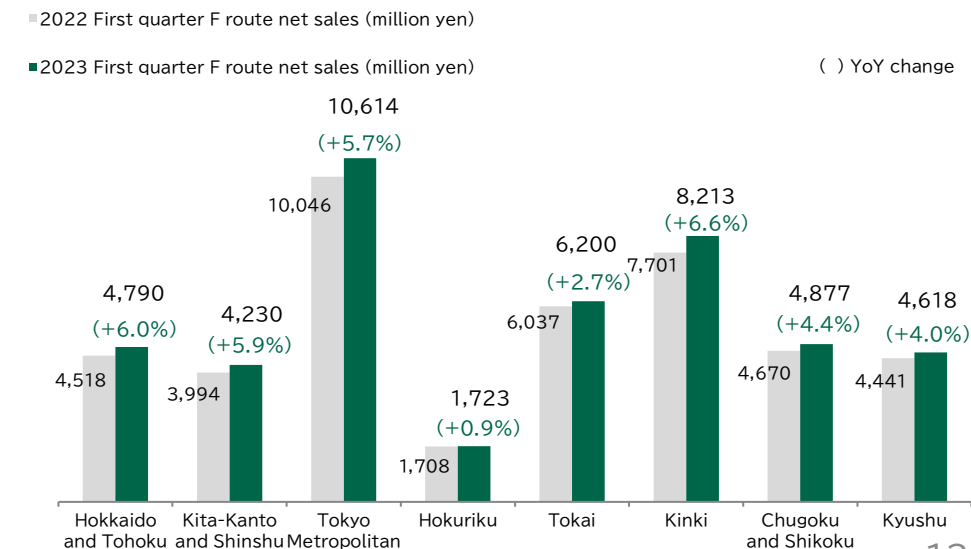
[Consolidated] Business performance by sales route: (Factory route)

This route delivers our products to factories, construction sites, and other manufacturing sites through machine tool dealers, etc. While business conditions in the manufacturing sector have not returned to their pre-pandemic levels, the holding of abundant inventories and the implementation of various initiatives resulted in a YoY change in net sales of +5.0%.

Sales route	FYE December 31, 2022 Full Year			FYE December 31, 2023 First Quarter				
	Net sales		Gross profit margin	Net sales			Gross profit margin	
	Actual results	Share	Actual results	Actual results	Share	YoY change	Actual results	YoY change
Machine tool dealers	86,908 million yen	50.9%	21.9%	22,644 million yen	50.0%	+3.6%	20.8%	-0.3pt
Dealers in welding materials	24,206 million yen	14.2%	20.2%	6,389 million yen	14.1%	+6.9%	19.8%	-0.5pt
Other manufacturing related (Physical chemical, conductor, packaging material dealers, etc.)	27,942 million yen	16.4%	19.9%	7,571 million yen	16.7%	+5.0%	19.3%	-0.8%
Construction related	31,548 million yen	18.5%	21.1%	8,663 million yen	19.2%	+7.3%	20.4%	-0.7pt
Factory route total	170,606 million yen	100.0%	21.2%	45,268 million yen	100.0%	+5.0%	20.4%	-0.4pt

Points

- By maintaining an abundant inventory, we are able to provide our customers with immediate delivery and one-stop purchasing, and at the same time, we are able to achieve "assortment" of multiple orders into a single box for shipment.
- We carried out business activities that also help to reduce our environmental impact, such as strengthening efforts in "MRO Stocker," which enables product procurement at the factory at any time, and strengthening efforts in our "Naojiro" repair workshop.



[Consolidated] Business performance by sales route: (e-business route)

This route delivers our products to factories and consumers through Internet order companies.

Product data and system linkage, as well as logistics processing tailored to customer needs, have improved convenience, resulting in a YoY change in net sales of 14.4%.

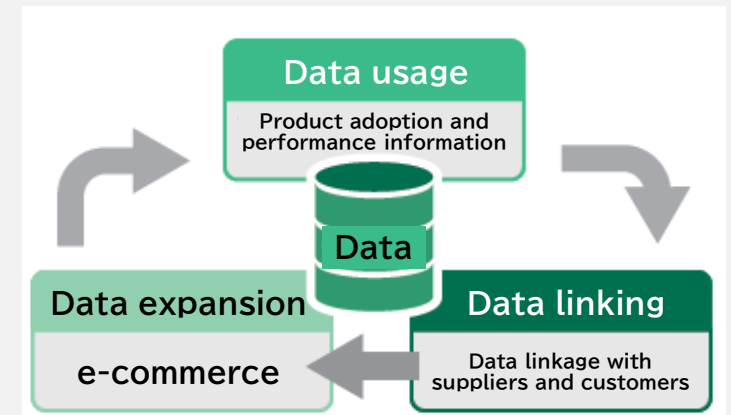
Sales route	FYE December 31, 2022 Full Year			FYE December 31, 2023 First Quarter				
	Net sales		Gross profit margin	Net sales			Gross profit margin	
	Actual results	Share	Actual results	Actual results	Share	YoY change	Actual results	YoY change
Mail order companies	40,148 million yen	77.8%	20.9%	10,971 million yen	75.6%	+12.2%	18.8%	-2.7pt
Companies participating in Orange Commerce (TRUSCO's electronic central purchasing system), MRO Stocker	11,428 million yen	22.2%	26.3%	3,547 million yen	24.4%	+21.6%	24.4%	-1.6pt
e-business route total	51,576 million yen	100.0%	22.1%	14,518 million yen	100.0%	+14.4%	20.1%	-2.4pt

Sales to mail order companies: Sales ratio by industry



Points

By developing a product database with approximately 3.31 million items, strengthening system integration, and offering logistics services that fulfill the demands of mail order companies and companies participating in Orange Commerce, we have improved convenience and significantly increased the number of orders made to our company.

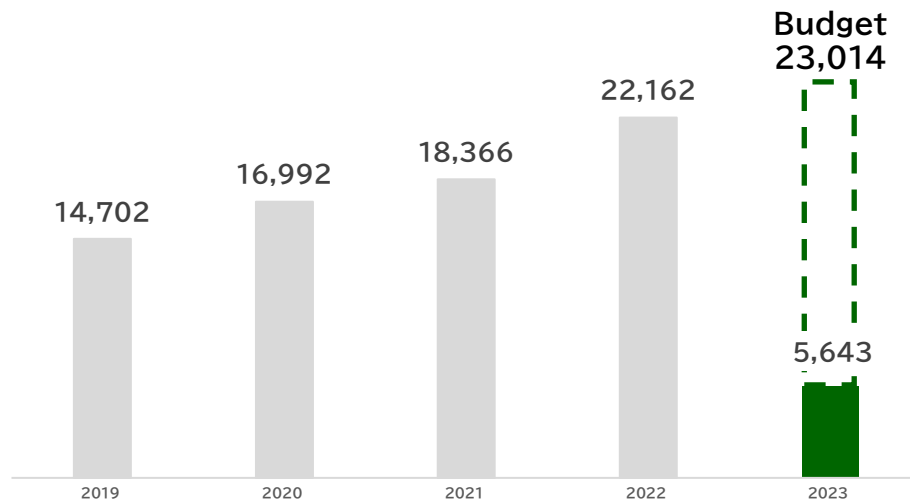


[Consolidated] Business performance by sales route: (Home center route)

This route delivers our products to consumers through home centers and pro-tool shops. As companies are strengthening their e-commerce businesses, we aggressively proposed services utilizing our inventory of approximately 570,000 items and logistics capabilities, resulting in a YoY change in net sales of 16.2%.

	FYE December 31, 2022 Full Year		FYE December 31, 2023 First Quarter			
	Net sales	Gross profit margin	Net sales		Gross profit margin	
	Actual results	Actual results	Actual results	YoY change	Actual results	YoY change
Home center route	22,162 million yen	17.4%	5,643 million yen	+16.2%	16.0%	-1.8pt

Change in sales earned via home center route (Unit: million yen)



Points

We consolidated commercial distribution channels and acquired a new right to supply products through collaborative efforts between our stores and EC site. In addition, we also saw an increase in sales at pro-tool shops, which are dealers that target professional craftspeople and factory workers who have a high affinity with our company.

- Utilizing the approximately 3.31 million items we have for sale and approximately 570,000 items we have in stock for instant delivery, we expect to continue expanding sales by enhancing the product lineup in our stores and EC site.

[Consolidated] Business performance by sales route: (Business performance of subsidiaries)

We strengthened our sales activities by reviewing inventory items and developing local customers and suppliers.

	TRUSCO NAKAYAMA CORPORATION (non-consolidated)				TRUSCO NAKAYAMA CORPORATION (THAILAND) LIMITED				TRUSCO NAKAYAMA CORPORATION (INDONESIA) LIMITED			
	FYE December 31, 2023		First Quarter		Full year budget		FYE December 31, 2023		First Quarter		Full year budget	
	Amount	Rate	YoY change	Year-on-year change	Amount	Rate	YoY change	Year-on-year change	Amount	Rate	YoY change	Year-on-year change
Net sales	65,829 million yen	—	+7.9%	+7.4%	228 million yen	—	+17.8%	+13.3%	121 million yen	—	+9.3%	+33.9%
Gross profit	13,134 million yen	20.0%	+2.7%	+6.1%	60 million yen	26.6%	+27.0%	+19.9%	40 million yen	33.2%	+25.1%	+31.6%
Selling, general and administrative expenses (SGA)	9,242 million yen	14.0%	-0.9%	+5.7%	39 million yen	17.4%	+5.9%	+6.3%	38 million yen	31.4%	+11.6%	+20.1%
Depreciation included in SGA	1,526 million yen	2.3%	-7.5%	-4.2%	5 million yen	2.5%	-0.4%	+1.5%	13 million yen	10.8%	+4.1%	+18.1%
Operating income	3,891 million yen	5.9%	+12.3%	+7.2%	20 million yen	9.2%	+104.4%	+79.7%	2 million yen	1.8%	—	—
Ordinary income	3,947 million yen	6.0%	+7.9%	+5.8%	21 million yen	9.6%	+106.5%	+70.9%	1 million yen	1.2%	—	+60.2%
Quarterly net income	2,655 million yen	4.0%	+5.3%	+2.5%	21 million yen	9.6%	+106.5%	+70.9%	1 million yen	1.2%	—	+60.2%

		Net sales (million yen)	Gross profit
Business performance in other overseas regions (Philippines, China, South Korea, etc.)	Actual results	199 million yen	48 million yen
	Rate	—	24.3%
	Year-on-year change	+7.9%	+2.7%

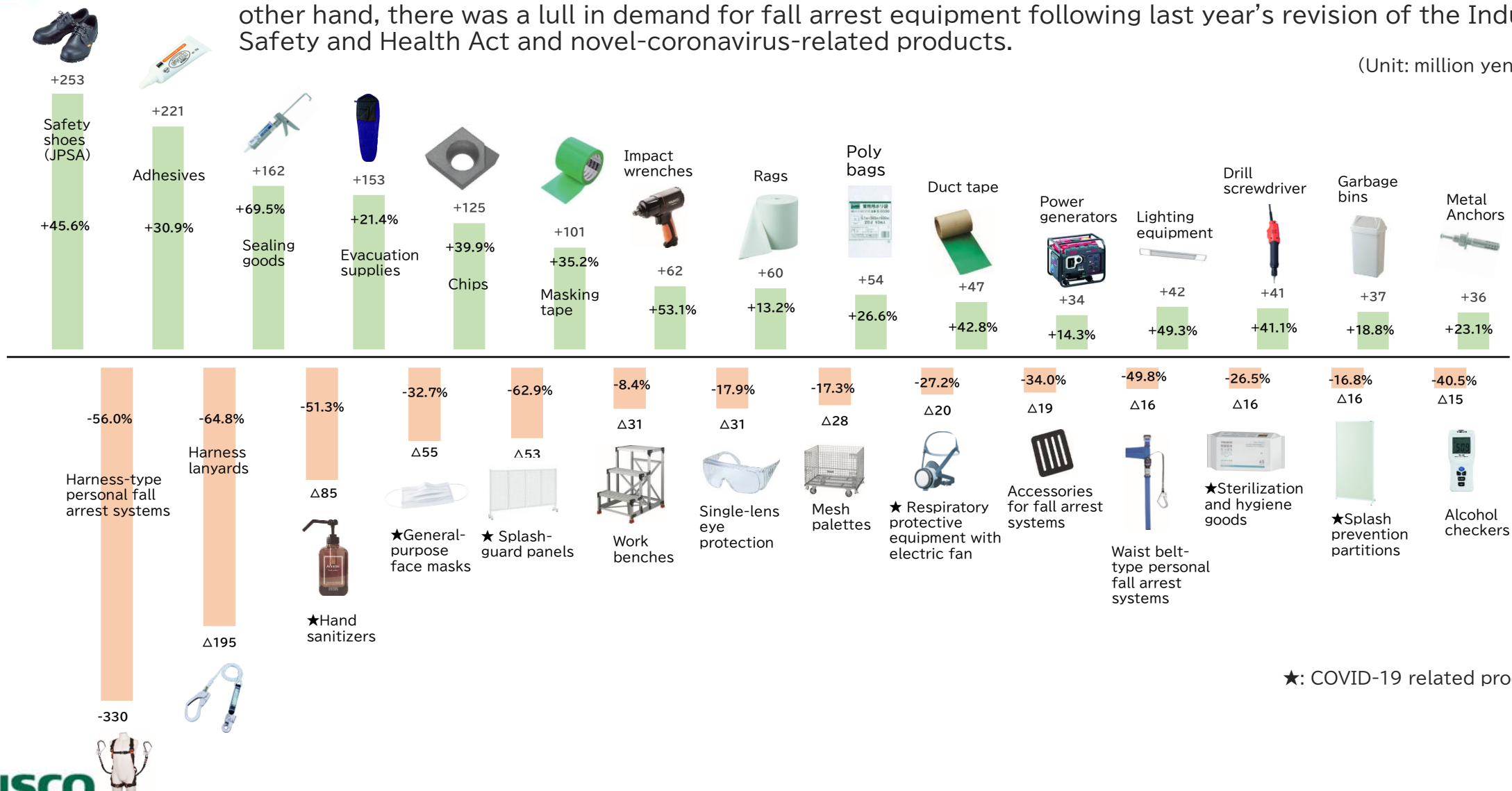
Points

- By enhancing the development of personal suppliers for local top brands in Thailand, and by reviewing inventory items in Indonesia, we have shortened the delivery lead time and expanded the sales area through transactions with new customers of local companies.
- With regards to sales to other overseas regions, we worked to expand transactions by opening new accounts with EC companies mainly in the Asia-Pacific region.

[Non-consolidated] Changes in sales by category of goods

Sales of environmental safety equipment and chemical products, which are our strengths, increased. On the other hand, there was a lull in demand for fall arrest equipment following last year's revision of the Industrial Safety and Health Act and novel-coronavirus-related products.

(Unit: million yen)



★: COVID-19 related products

[Non-consolidated] Sales by category of goods

(Unit: million yen, %)

Category of goods (large category)	Medium category	TRUSCO's sales	Share	YoY change	Gross profit margin	Category of goods (large category)	Medium category	TRUSCO's sales	Share	YoY change	Gross profit margin
1. Cutting tools	Cutting tools total	2,084	3.2	+10.6	16.3	6. Environmental safety equipment	Environmental safety equipment total	11,175	17.0	+3.0	20.9
	① Cutting tools	1,064	1.6	-	11.8		㊦ Protective equipment	6,002	9.1	-	21.2
	② Drilling and thread cutting tools	1,019	1.5	-	20.9		㊧ Safety goods	2,644	4.0	-	24.9
2. Production processing goods	Production processing goods total	4,962	7.5	+7.0	14.7		㊨ Environment improvement goods	478	0.7	-	18.2
	③ Measurement equipment	2,612	4.0	-	14.2		㊩ Air conditioning goods	880	1.3	-	13.1
	④ Mechatronics	1,013	1.5	-	14.3		㊪ Disaster and crime prevention goods	634	1.0	-	18.2
	⑤ Tools for machine tools	600	0.9	-	23.7		㊫ Closets and exterior goods	536	0.8	-	16.1
	⑥ Electronic machinery	735	1.1	-	9.7	7. Distribution and storage equipment	Distribution and storage equipment total	7,296	11.1	+3.6	21.8
							㊬ Loading goods	2,028	3.1	-	17.1
3. Construction goods	Construction goods total	7,881	12.0	+11.0	20.2		㊭ Conveyors	288	0.4	-	15.7
	⑦ Hydraulic tools	540	0.8	-	11.4		㊮ Transportation goods	2,786	4.2	-	21.4
	⑧ Pumps	971	1.5	-	14.7		㊯ Containers and vessels	1,057	1.6	-	28.5
	⑨ Welding equipment	686	1.0	-	15.8		㊰ Steel shelves	1,136	1.7	-	26.1
	⑩ Painting and interior goods	640	1.0	-	24.3	8. Research management equipment	Research management equipment total	2,826	4.3	+7.6	22.8
	⑪ Civil engineering and building goods	692	1.1	-	13.4		㊱ Tool wagons	253	0.4	-	29.8
	⑫ Ladders and stepladders	916	1.4	-	21.7		㊲ Storage and management goods	369	0.6	-	29.1
	⑬ Piping and materials of electronic equipment	1,273	1.9	-	21.7		㊳ Work benches	471	0.7	-	32.2
	⑭ Component, hardware, and building materials	2,160	3.3	-	25.6		㊴ Stainless goods	541	0.8	-	18.1
							㊵ Research and development-related goods	1,189	1.8	-	17.7
4. Work supply	Work supply total	12,183	18.5	+11.4	21.0	9. Office and housing facility equipment	Office and housing facility equipment total	5,916	9.0	+3.1	21.8
	⑮ Cutting goods	371	0.6	-	22.0		㊶ Cleaning utensils	1,710	2.6	-	19.6
	⑯ Grinding and polishing goods	1,878	2.9	-	23.1		㊷ Stationery	718	1.1	-	19.3
	⑰ Chemical products	6,400	9.7	-	19.9		㊸ Office miscellaneous goods	805	1.2	-	26.2
	⑱ Factory miscellaneous goods	1,155	1.8	-	15.4		㊹ Electric appliances	946	1.4	-	22.5
	⑲ Packing and binding goods	1,568	2.4	-	28.7		㊺ OA business machinery	595	0.9	-	22.2
	㉀ Casters	810	1.2	-	17.3		㊻ Office furniture	1,072	1.6	-	22.9
							㊼ Interior goods	67	0.1	-	20.2
5. Hand tool	Hand tool total	11,227	17.0	+11.8	18.0		㊽ Entire company	275	0.4	+62.8	14.3
	㉁ Electric power tools and accessories	3,282	4.9	-	13.8	10. Others					
	㉂ Pneumatic tools and accessories	1,745	2.7	-	17.3		Total	65,829	100.0	+7.9	20.0
	㉃ Tools for manual work	5,644	8.6	-	19.7						
	㉄ Tool boxes	555	0.8	-	28.5						

Points

- Construction goods:
YoY change +11.0%
Sales increased in many commercial products such as construction hardware and anchors.

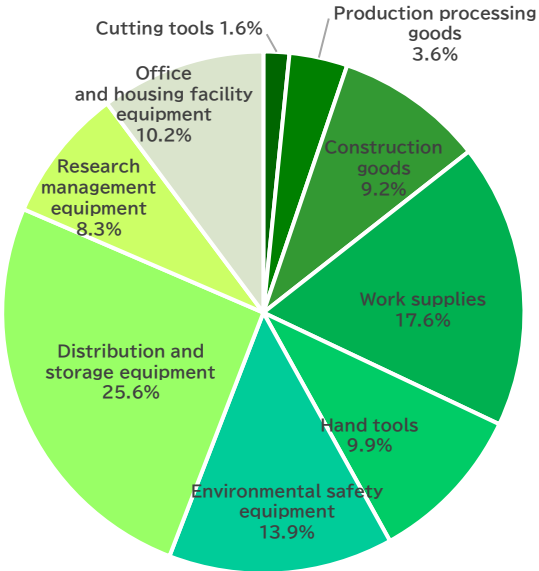
- Work supplies:
YoY change +11.4%
Sales of adhesives and sealants in particular increased.

- Hand tools
YoY change +11.8%
Sales of tools for manual work and power tools increased.

[Non-consolidated] Sales of private brand (PB) goods

Share of sales of private brand products
As of end of March 2023

We will continue our efforts to revamp our core products so that our private brand TRUSCO products will further contribute to manufacturing and become a staple on the site.



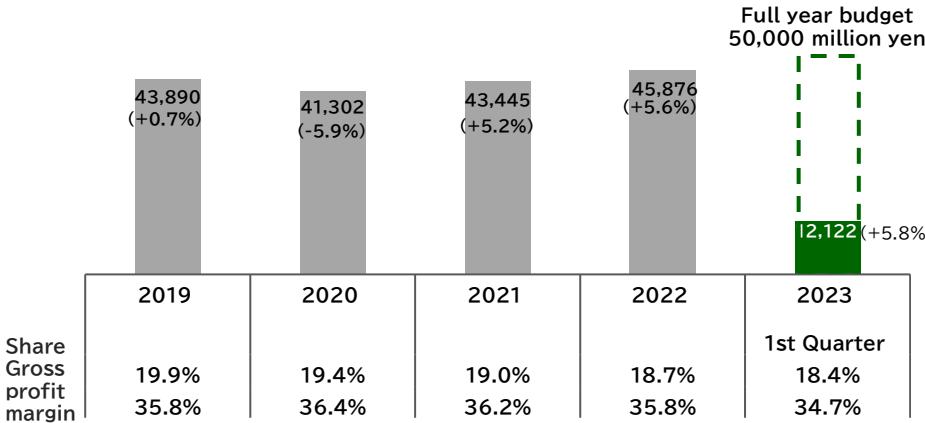
Sales by sales route and category of goods

(Unit: million yen)

	Entire company		Factory		e-business		Home center	
	Share	18.4%	Share	18.8%	Share	22.5%	Share	4.5%
	Gross profit margin	34.7%	Gross profit margin	36.1%	Gross profit margin	31.8%	Gross profit margin	26.8%
	Net sales	YoY change	Net sales	YoY change	Net sales	YoY change	Net sales	YoY change
Total	12,122	5.8%	8,529	1.7%	3,261	18.8%	254	0.7%
Cutting tools	189	5.0%	136	1.6%	31	19.3%	18	13.1%
Production processing goods	431	5.5%	307	1.9%	112	16.9%	4	-8.5%
Construction goods	1,120	8.5%	772	3.7%	324	21.6%	15	1.7%
Work supplies	2,136	9.5%	1,636	6.2%	460	23.0%	21	20.4%
Hand tools	1,203	7.3%	842	3.4%	313	20.4%	29	-4.9%
Environmental safety equipment	1,691	0.3%	1,217	-3.2%	430	8.4%	38	38.1%
Distribution and storage equipment	3,105	5.5%	2,125	2.0%	852	18.6%	118	-7.7%
Research management equipment	1,006	6.8%	675	-1.9%	321	30.7%	1	19.9%
Office and housing facility equipment	1,236	4.0%	814	-0.1%	414	15.3%	5	-32.6%
Other	0	-90.4%	-	-	-	-	0	-90.4%

Private brand product sales trends

(Unit: million yen) () YoY change



04

Financial and Other Performances

[Consolidated] Selling, general and administrative expenses (SGA)

[Consolidated] Details of selling, general and administrative expenses (SGA)

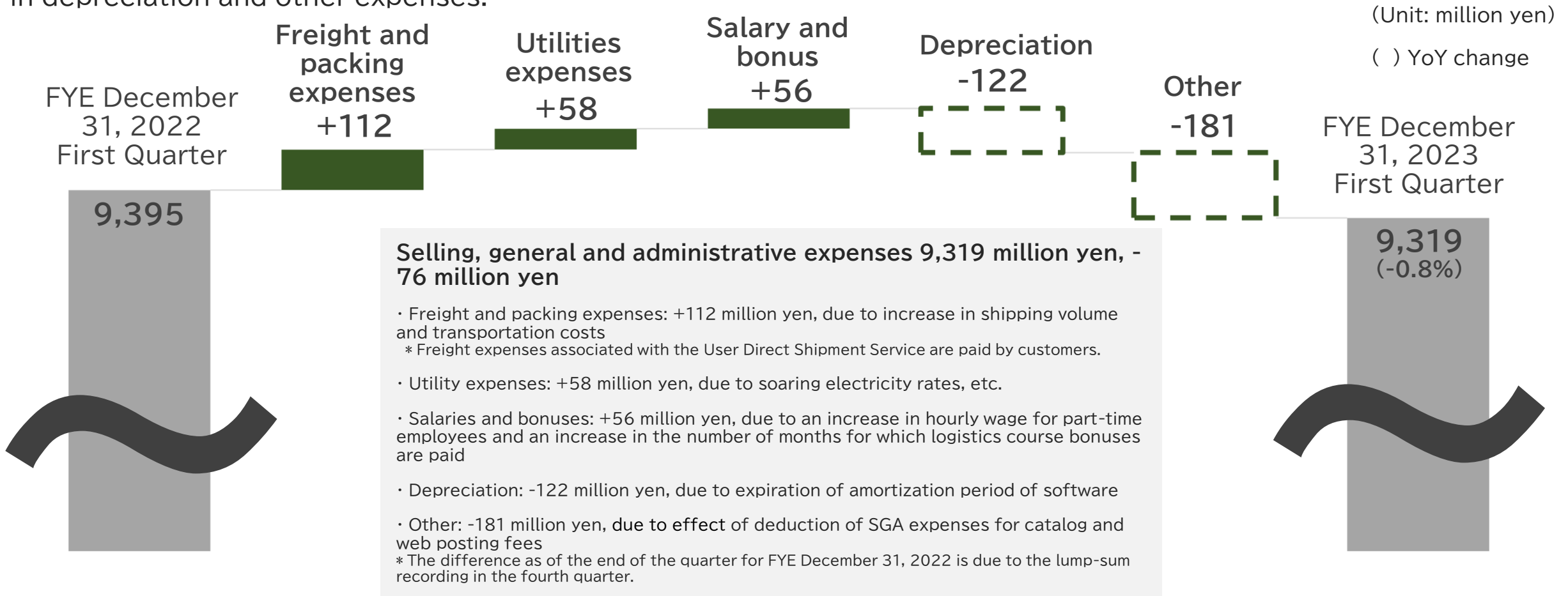
[Consolidated] Financial statements and financial indicators

[Consolidated] Capital expenditures

Major capital expenditures for the current fiscal year

[Consolidated] Selling, general and administrative expenses (SGA)

Although freight and packing costs increased due to increased shipping volume, and utilities costs increased due to higher electricity rates, etc., selling, general and administrative expenses saw a -0.8% YoY change due to a decrease in depreciation and other expenses.



[Consolidated] Details of selling, general and administrative expenses (SGA)

(Unit: million yen)

No.	FYE December 31, 2022		FYE December 31, 2023 First Quarter				FY 2023 Full Year Budget	Full year budget and YoY change in performance
	Actual results	Share in net sales	Actual results	Share in net sales	Change from the same period of the previous year	YoY change		
1 Salary and bonus	13,036	5.3	2,481	3.8	+56	+2.3	13,355	+2.5
2 Freight and packing expenses	7,630	3.1	1,952	3.0	+112	+6.1	8,579	+12.4
3 Depreciation	6,667	2.7	1,545	2.3	-122	-7.3	6,397	-4.1
4 Provision for bonuses	8	0.0	706	1.1	+39	+5.8	521	+6,226.1
5 Commission fee	2,638	1.1	653	1.0	+30	+4.9	2,674	+1.4
6 Welfare expenses	2,343	1.0	597	0.9	+57	+10.6	2,491	+6.3
7 Taxes and dues	1,416	0.6	324	0.5	-76	-19.2	1,367	-3.5
8 Advertising expenses	505	0.2	176	0.3	+23	+15.6	535	+6.0
9 Utilities expenses	537	0.2	164	0.2	+58	+56.0	570	+6.0
10 Promotion expenses	316	0.1	142	0.2	-99	-41.2	286	-9.6
11 Traveling expenses and transportation expenses	543	0.2	126	0.2	+3	+2.5	561	+3.3
12 Supplies expenses	434	0.2	123	0.2	+27	+28.7	491	+13.1
13 Communication expenses	434	0.2	102	0.2	-5	-5.5	445	+2.3
14 Leasehold and office rents	357	0.1	88	0.1	-0	- 1.1	360	+0.7
15 Remuneration paid to directors	401	0.2	74	0.1	+4	+6.1	433	+7.8
16 Vehicle expenses	283	0.1	69	0.1	+0	+0.9	268	-5.3
17 Entertainment expenses	42	0.0	8	0.0	+1	+24.9	113	+167.7
18 Other	-104	- 0.0	-20	- 0.0	-185	-	198	-
Total			9,319	14.1	-76	- 0.8	39,650	+5.8

[Consolidated] Financial statements and financial indicators

Balance Sheet

As of March 31, 2023

(Unit: Million yen)

Item	Amount	Item	Amount
(Assets)		(Liabilities)	
Current assets	121,189	Current liabilities	48,789
Cash and deposits	38,589	Accounts payable - trade	22,316
Accounts receivable	33,775	Short-term borrowings	10,000
Electronically recorded monetary claims - operating	1,542	Long-term borrowings scheduled to be repaid within one year	10,000
Merchandise	46,551	Accounts payable - other	2,363
Other	732	Income taxes payable	1,358
Allowance for doubtful accounts	-1	Provision for bonuses	713
Non-current assets	107,979	Provision for bonuses for directors (and other officers)	33
Property, plant and equipment	99,926	Allowance for loss on soil contamination treatment	78
Buildings (net amount)	47,583	Other	1,926
Machinery and equipment (net amount)	7,098	Non-current liabilities	28,029
Tools, furniture and fixtures (net amount)	1,384	Long-term borrowings	25,000
Land	38,610	Provision for retirement benefits for directors (and other officers)	151
Construction in progress	3,234	Long-term guarantee deposits	2,783
Other (net amount)	2,014	Other	93
Intangible assets	4,261	Total liabilities	76,819
Software	3,468	(Net assets)	
Other	792	Shareholders' equity	151,876
Investments and other assets	3,791	Capital stock	5,022
Investment securities	3,196	Capital surplus	4,711
Deferred tax assets	128	Retained earnings	142,222
Deferred tax assets for land revaluation	155	Treasury shares	-79
Other	321	Accumulated other comprehensive income	472
Allowance for doubtful accounts	-10	Valuation difference on available-for-sale securities	520
		Revaluation reserve for land	-353
		Foreign currency translation adjustment	305
		Total net assets	152,349
Total assets	229,168	Liabilities / Total net assets	229,168

Statement of cash flows

(Unit: million yen)

	Q1 of FY 2022	Q1 of FY 2023	Change
Cash flows from operating activities	4,977	4,390	-586
Cash flows from investing activities	-1,928	-3,870	-1,942
Cash flows from financing activities	-1,020	-1,546	-525
Effect of exchange rate change on cash and cash equivalents	35	27	-8
Net increase (decrease) in cash and cash equivalents	2,064	-998	-3,063
Cash and cash equivalents at beginning of period	41,449	39,400	-2,049
Cash and cash equivalents at end of period	43,514	38,402	-5,112

Equity ratio

	End of FY 2022	Q1 of FY 2023	Change (pt)
Equity ratio	67.1%	66.5%	-0.6

Other financial indicators

	End of FY 2021	End of FY 2022	Change (pt)
ROA (Return on Assets)	6.3%	6.7%	+0.4pt
ROE (Return on Equity)	8.4%	7.2%	-1.2pt

<Our Approach to ROE>

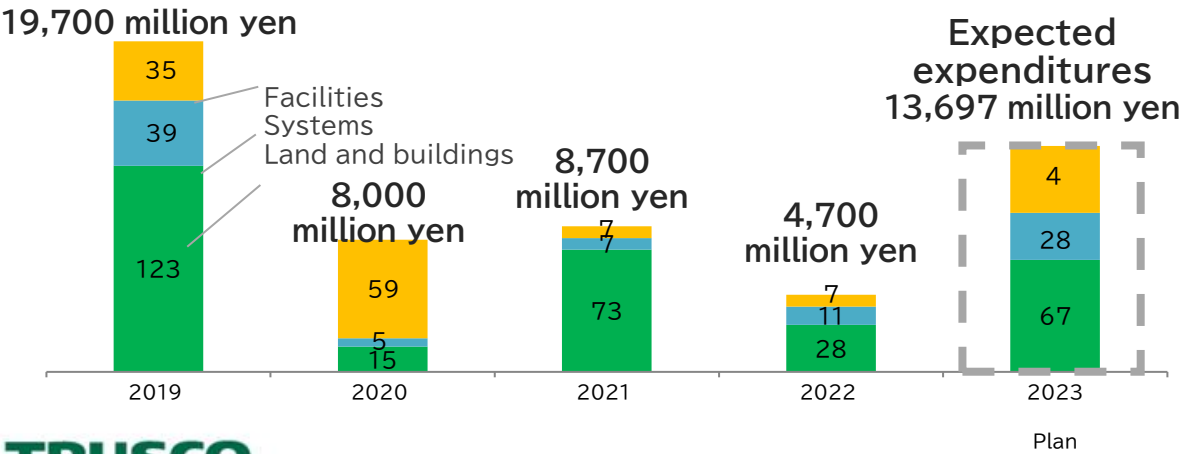
We believe it is important to expand profits and ensure long-term, stable increase by making continuous investments to enhance corporate value. We believe that ROE should increase as a result of our business where we place importance on improving the convenience of our customers.

[Consolidated] Capital expenditures

Major capital expenditures and planned capital expenditures

(Unit: million yen)

Details of major capital expenditures in 2023		Actual investment in Q1 FY 2023	Planned investment in Q2-4 FY 2023
Facilities	Planet Aichi material handling facility (planned amount for current fiscal year: approx. 2,300 million yen)	570	3,486
	Planet Higashi Kanto: 2nd automated pallet warehouse, conveyor (planned amount for current fiscal year: approx. 600 million yen)		
	Sakai Stock Center: Automated pallet warehouse (planned for current fiscal year: approx. 500 million yen), etc.		
Systems	Construction of product database "Sterra 2.0" (planned amount for current fiscal year: approx. 800 million yen)	395	2,469
	Enhancement of core system "Paradaise" / supplier portal "POLARIO" (planned amount for current fiscal year: approx. 300 million yen), etc.		
Land and buildings	Honmachi Central Building: Renovation (planned amount for current fiscal year: approx. 800 million yen)	2,829	3,948
	Planet Aichi new construction project (planned amount for current fiscal year: approx. 5,400 million yen), etc.		
Subtotal		3,795	9,902
Annual capital expenditures		13,697	



<Capital expenditures>

- The investment amount may fluctuate as the planned amount of capital expenditures includes expenses for projects at the planning stage.
- The figures for the 61st business year represent values on a cash-out basis.

Major capital expenditures for the current fiscal year

Planet Higashi Kanto automated pallet warehouse



Location: Matsudo, Chiba Prefecture

Operation: March 2023

Site area: 14,680.99 sqm (Planet Higashi Kanto)
Total floor area: 29,705.785 sqm
(Planet Higashi Kanto)

Total investment amount: approx. 2,680 million yen
(planned amount for 61st business year: approx. 600 million yen)

By setting up an automated pallet warehouse in the new area, we will be able to store an additional 4,556 pallets, and strengthen our instant delivery system through enlarging our product range.

Sakai Stock Center



Location: Sakai, Osaka Prefecture

Operation: April 2023

Site area: 3,302.48 sqm
Total floor area: 4,641.32 sqm

Total investment amount: approx. 1,830 million yen
(planned amount for 61st business year: approx. 500 million yen)

By setting up an automated pallet warehouse, we will be able to store 3,304 pallets and strengthen our instant delivery system through improving our inventory storage capacity.

Planet Aichi



Location: Kitanagoya, Aichi Prefecture

Completion: November 2024
Operation: July 2026 scheduled

Site area: 41,636.36 sqm
Total floor area: 89,864.46 sqm

Total investment amount: approx. 28,800 million yen
(planned amount for 61st business year: approx. 7,800 million yen)

We aim to create a highly efficient distribution center by strengthening our product lineup (1 million SKUs) and providing the “fastest,” “earliest,” and “best” service.

05

Various key indicators

Digital

Merchandise

Sales

Logistics

Human resources

Key indicators (digital)

Plan

Key indicators		59th business year FYE December 31, 2021		60th business year FYE December 31, 2022		61st business year FYE December 31, 2023	
Digital	Rate of automated quotations	18.2%	(+10.1)	22.6%	(+4.4)	28.0%	(+5.4)
	Rate of online quotation requests	42.7%	(+6.0)	46.0%	(+3.3)	50.0%	(+4.0)
	System order rate	85.3%	(+1.4)	85.2%	(-0.1)	86.0%	(+0.8)

() Year-on-year change

Rate of automated quotations

25.4%

Rate of online quotation requests

45.8%

(March 2023)

System order rate

(As of the end of March 2023)

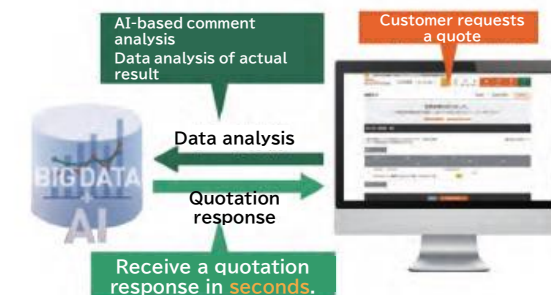
Order type	Number of orders (thousand)	Share	Change in share from the previous fiscal year (pt)	Order price (million yen)	Price share	Change in price share from the previous fiscal year (pt)
TRUSCO Orange Book.Com Internet ordering (for distributors and users)	3,839	38.9%	-0.4	28,041	42.6%	-0.2
TRUSCO EDI Data linkage with distributor ordering system	2,184	22.2%	+1.0	8,868	13.5%	-0.1
Orange Commerce Linkage with users' purchasing system	258	2.7%	+0.4	1,985	3.0%	+0.3
EOS Home center electronic ordering system	2,162	21.9%	-0.1	5,103	7.8%	+0.3
Total	8,445	85.7%	+0.9	43,999	66.8%	+0.3

TRUSCO

AI-based estimation system "Swift Estimator" [Automated estimate rate: 22.6%]

Automated quotations with AI

One of our challenges is how to respond quickly to the average of 30,000 quotation requests we receive from our clients each day. In response, the company introduced "Swift Estimator," an AI-based automatic quotation response system, to promote the automation of quotations through special price optimization that automatically calculates appropriate prices for products on a regular basis based on actual orders and quotations. This has led to an improvement in the speed of response to customers (minimum 5 seconds). (Automated estimate rate: 22.6% (as of December 31, 2022))



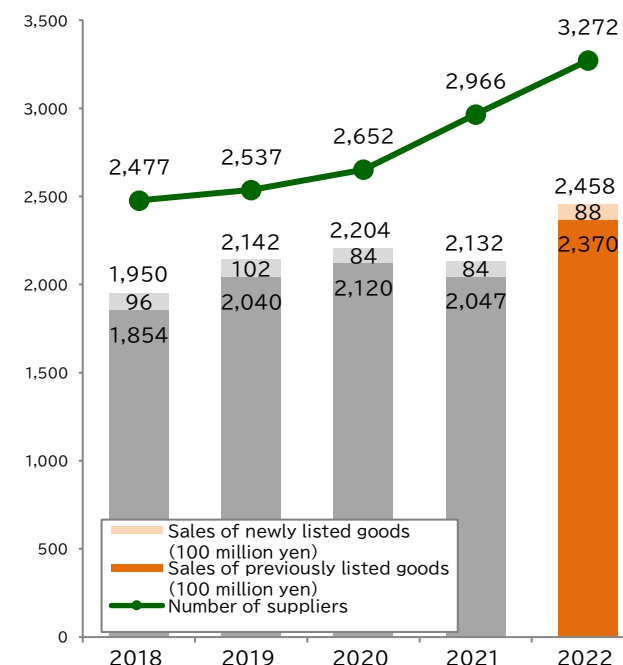
Key indicators (goods)

Plan

Key indicators		59th business year FYE December 31, 2021	60th business year FYE December 31, 2022	61st business year FYE December 31, 2023
Merchandise	No. of items featured on TRUSCO Orange Book.Com (Free site)	2,760,887 Items (+423,667)	31,671,881 Items (+406,301)	4,200,000 Items (+1,032,812)
	Total number of suppliers	2,966 companies (+314)	3,272 companies (+306)	3,470 companies (+198)
	Of these, number of overseas suppliers	304 companies (+92)	329 companies (+25)	350 companies (+21)
	TRUSCO Orange Book			
	Number of manufacturers listed	1,948 companies (+97)	2,152 companies (+204)	2,320 companies (+168)
	Number of item listings	508,000 Items (+37,000)	374,000 Items (-134,000)	374,000 Items (±0)
	Number of items listed in the TRUSCO Digital Orange Book	—	374,000	444,000 (+70,000)
	Number of items in inventory	499,964 Items (+57,528)	562,026 Items (+62,062)	595,000 Items (+32,974)
	Of these, number of goods automatically adopted: (SKU)	7,494 Items (+4,529)	26,109 Items (+18,615)	41,000 Items (+14,891)
	Private brand product development, number of brush-ups	—	—	1,000 (+1,000)
Total number in stock		48,787,614 (+2,832,108)	53,197,583 (+4,409,969)	56,000,000 (+2,802,417)
Inventory amount		42,292 million yen	45,292 million yen (+3,000)	46,400 million yen (+1,108)

() Year-on-year change

[Non-consolidated] Change in sales of newly listed goods on TRUSCO Orange Book.Com in company-wide sales



Key indicators (sales)

Plan

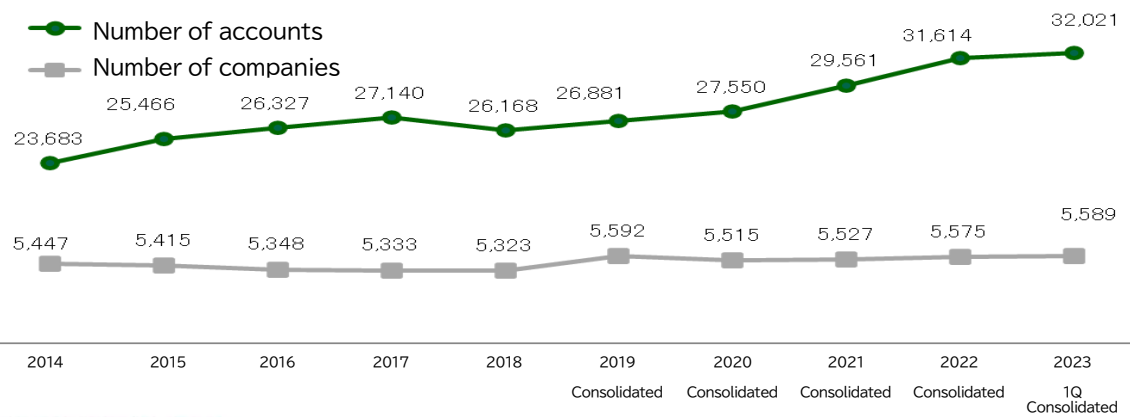
Amount irrecoverable due to bankruptcy

Key indicators		59th business year FYE December 31, 2021	60th business year FYE December 31, 2022	61st business year FYE December 31, 2023
Sales	Number of corporate clients	5,527 companies (+12)	5,575 companies (+48)	5,630 companies (+55)
	Number of client accounts	29,561 Account (+2,011)	31,614 Account (+2,053)	32,500 Account (+886)
	No. of companies connected to Orange Commerce	2,042 companies (+675)	2,233 companies (+191)	2,600 companies (+367)
	No. of MRO Stocker adoptions	329 (+282)	775 (+446)	1,000 (+225)
	Number of sales	210,032,705	225,781,587 (+15,748,882)	242,000,000 (+16,218,413)

	Amount irrecoverable (10,000 yen)
2019	0
2020	0
2021	275
2022	0
Q1 of FY 2023	0

() Year-on-year change

[Consolidated] Change in number of sales accounts and companies



No. of companies adopting MRO

Cumulative total introductions: 836 (as of the end of March 2023)
 Projected introductions: 330
 Sales target per introduction 300,000 yen/month



- Merits -
Management cost 0 yen
- Delivery 0 min.
- Waste 0

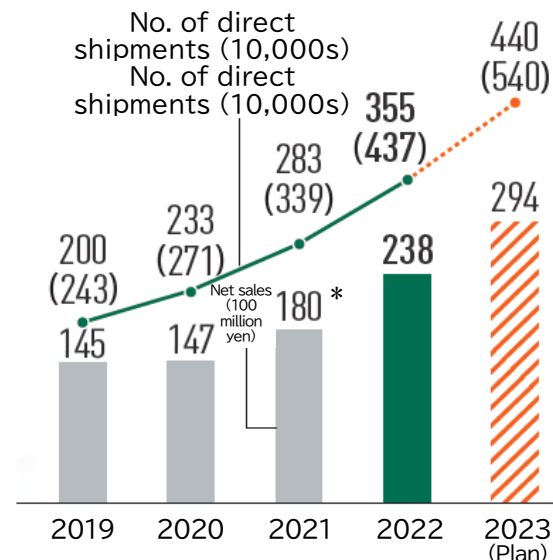
Key indicators (logistics)

Plan

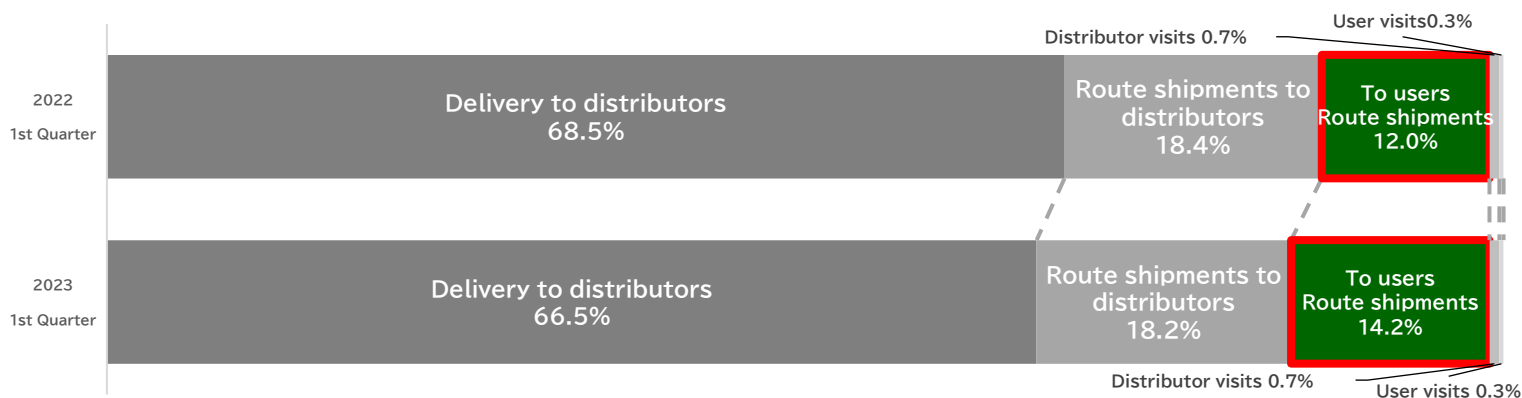
Key indicators		59th business year FYE December 31, 2021	60th business year FYE December 31, 2022	61st business year FYE December 31, 2023
Logistics	No. of direct shipments to users	2,836,392 (+603,997)	3,556,388 (+719,996)	4,400,000 (+843,612)
	No. of direct shipments to users	3,396,286 (+677,072)	4,374,725 (+978,439)	5,400,000 (+1,025,275)
	Labor cost per incoming/outgoing shipment	117 yen (-7)	113 yen (-4)	108 yen (-5)
	Inventory shipment rate	91.3 % (+0.3)	91.7 % (+0.4)	92.0 % (+0.3)
	Number of chartered vehicle deliveries	161 (+1)	162 (+1)	150 (-12)
	Number of own company deliveries	117 (+7)	116 (-1)	124 (+8)
	Rate of own company deliveries	42.1 % (+1.4)	41.7 % (+4.0)	45.7 % (+4.0)
	Delivery lead time (Companywide, including primary + secondary provision and beyond, average of morning and afternoon deliveries)	20 hours 6 minutes 53 seconds	—	—

() Year-on-year change

Changes of the User Direct Shipment Service



Share by Delivery Category (by number of shipments)



I-Pack® [High-speed automated packaging and shipping line]

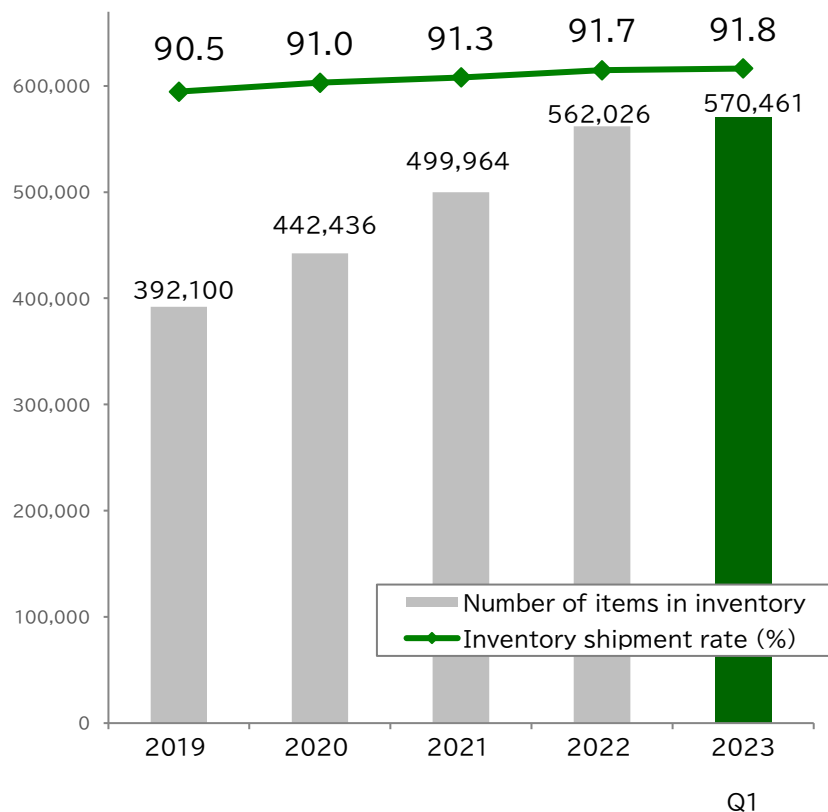
Shipping capacity: 720 cs/h per line, approx. 24 workers

I-Pack introduced to: Planet Tohoku, Planet Saitama (3 lines), Planet Tokai, Planet Osaka
Total 6 lines

- Merits -
- Cut delivery times by half
- Cut shipping load by half
- Cut workload by half
- Cut packaging materials by half
- Cut environmental impact by half

Key indicators (logistics)

Number of items in inventory and inventory shipment rate



[Non-consolidated] Changes in inventory disposal and inventories

	2018	2019	2020	2021	2022
Inventory disposal (million yen)	39	42	50	55	65
Inventories (100 million yen)	370	427	406	416	441
Disposal rate (%)	0.11	0.10	0.12	0.13	0.15

Delivery service and internal transportation service: Number of units

	No. of units	Change from the end of previous fiscal year
Total number of deliveries	227	-1
Chartered vehicle delivery service (contracted delivery service)	161	-1
Own company delivery service	116	±0
Internal transportation service	31	+1
Chartered vehicle delivery service (contracted delivery service)	26	±0
Own company delivery service	5	+1
Delivery service and internal delivery service Total	308	±0

Delivery service

We are reviewing delivery and internal transportation services to optimize the number of units by streamlining delivery routes and internal movement of inventory.

We are also increasing the number of own company delivery services (delivery by the Company's employees) to improve customer service. The current own company delivery rate is **41.9%**. We plan to increase own company delivery rate to 50% in 2024.

Key indicators (human resources)

Number of Employees [Consolidated] As of FYE March 31, 2023 (Unit: persons)

	Female	Male	Total	YoY change
Executives	1	11	12	+2
Executive officers	0	0	0	-1
Career (overseas and domestic)	137	408	545	-12
Digital career	0	0	0	±0
Logistics career	0	0	0	±0
Carrier (regional)	6	8	14	+12
Specialist	13	14	27	+1
Area	305	296	601	-6
Expert	0	0	0	±0
Logistics area	3	24	27	+25
Logistics	82	243	325	-10
Contract employees	1	37	38	+1
Overseas subsidiaries	21	23	44	±0
Seconded to health insurance association	2	0	2	±0
Seconded to Nakayama Visually Impaired Welfare Foundation	0	1	1	+1
Employee total	570	1,054	1,624	+11
Part-time employees	974	353	1,327	+31
Total	1,545	1,418	2,963	+44

Share of female employees: 35.1%, Number of female sales staff members: 42, Female employees in career-track positions: 25.6%

*The number of part-time employees represents the actual number of such workers under employment.

Average age and annual income

	Average age (years)			Average annual income (10,000 yen)			
	Female	Male	Entire company	Career	Area	Logistics	Entire company
2022	33.0	43.4	39.8	771	633	494	661
2021	32.8	43.2	39.6	724	596	456	615
2020	32.1	41.9	38.4	721	601	461	619
2019	31.3	42.0	38.2	758	642	492	655
2018	30.9	42.1	38.2	804	680	520	701

* The total average annual income includes executive officers and excludes financial bonds provided as retirement benefits.
 *The payment of performance-based bonuses commenced in FY2014. In 2019, they were discontinued, and bonuses decreased.
 * Consolidated accounting has been applied to the fiscal year ended Dec. 2019 and later fiscal years. From the fiscal year ended Dec. 2019 onwards, the average age figure is on a consolidated basis, whereas all the average annual income figures are on a nonconsolidated basis.
 *The average annual income for 2022 includes the temporary bonus paid to support living expenses due to the soaring costs of goods.

Numbers of incoming and outgoing employees [Consolidated]

	2019		2020		2021		2022		End of March 2023	
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
No. of employees	585	1,071	589	1,085	571	1,061	577	1,062	570	1,054
	1,656		1,674		1,632		1,639		1,624	
No. of incoming employees	52	57	41	46	26	25	47	51	42	47
	109		87		51		98		89	
No. of outgoing employees	42	44	37	33	45	45	39	44	9	8
	86		70		90		83		17	
Turnover ratio (%)	6.7	3.9	5.9	3.0	7.3	4.1	6.3	4.0	1.6	0.8
	4.9		4.0		5.2		4.8		1.0	

06

Management Plan

[Consolidated] Quarterly business performance and budget (quarterly)

[Consolidated] Quarterly business performance and budget (cumulative)

[Consolidated] Three-year management plan

Vision - Capacity targets -

[Consolidated] Quarterly business performance and budget (quarterly)

FYE December 31, 2023 First Quarter (Quarterly)

(Unit: million yen)

		1st Quarter (+2 days)			2nd Quarter (+1 day)			3rd Quarter (±0 day)			4th Quarter (±0 day)		
		Amount	Share (%)	YoY change (%)	Amount	Share (%)	YoY change (%)	Amount	Share (%)	YoY change (%)	Amount	Share (%)	YoY change (%)
Net sales	Budget	65,925	100.0	+7.8	64,535	100.0	+ 8.4	64,898	100.0	+ 7.7	69,732	100.0	+ 6.4
	Actual results	65,983	100.0	+7.9	-	-	-	-	-	-	-	-	-
Gross profit	Budget	13,653	20.7	+6.0	13,378	20.7	+ 7.1	13,480	20.8	+ 8.9	14,839	21.3	+ 3.0
	Actual results	13,234	20.1	+2.7	-	-	-	-	-	-	-	-	-
Selling, general and administrative expenses (SGA)	Budget	9,714	14.7	+3.4	10,209	15.8	+ 1.6	9,717	15.0	+ 5.9	10,010	14.4	+ 12.8
	Actual results	9,319	14.1	-0.8	-	-	-	-	-	-	-	-	-
Operating income	Budget	3,939	6.0	+12.9	3,169	4.9	+ 29.6	3,763	5.8	+ 17.6	4,829	6.9	- 12.7
	Actual results	3,915	5.9	+12.3	-	-	-	-	-	-	-	-	-
Ordinary income	Budget	3,981	6.0	+8.4	3,239	5.0	+ 30.8	3,818	5.9	+ 17.4	4,932	7.1	- 12.9
	Actual results	3,972	6.0	+8.2	-	-	-	-	-	-	-	-	-
Quarterly profit attributable to owners of parent	Budget	2,719	4.1	+7.3	2,213	3.4	+ 29.0	2,611	4.0	+ 17.6	3,377	4.8	- 18.7
	Actual results	2,675	4.1	+5.6	-	-	-	-	-	-	-	-	-

[Consolidated] Quarterly business performance and budget (cumulative)

FYE December 31, 2023 First Quarter [Cumulative]

(Unit: million yen)

		1st Quarter (+2 days)			2nd Quarter (+3 days)			3rd Quarter (+3 days)			Full year (+3 days)		
		Amount	Share (%)	YoY change (%)	Amount	Share (%)	YoY change (%)	Amount	Share (%)	YoY change (%)	Amount	Share (%)	YoY change (%)
Net sales	Budget	65,925	100.0	+7.8	130,460	100.0	+8.1	195,358	100.0	+ 8.0	265,090	100.0	+ 7.6
	Actual results	65,983	100.0	+7.9	-	-	-	-	-	-	-	-	-
Gross profit	Budget	13,653	20.7	+6.0	27,031	20.7	+6.5	40,511	20.7	+ 7.3	55,350	20.9	+ 6.1
	Actual results	13,234	20.1	+2.7	-	-	-	-	-	-	-	-	-
Selling, general and administrative expenses (SGA)	Budget	9,714	14.7	+3.4	19,923	15.3	+2.5	29,640	15.2	+ 3.6	39,650	15.0	+ 5.8
	Actual results	9,319	14.1	-0.8	-	-	-	-	-	-	-	-	-
Operating income	Budget	3,939	6.0	+12.9	7,108	5.4	+19.8	10,871	5.6	+ 19.0	15,700	5.9	+ 7.0
	Actual results	3,915	5.9	+12.3	-	-	-	-	-	-	-	-	-
Ordinary income	Budget	3,981	6.0	+8.4	7,220	5.5	+17.4	11,038	5.7	+ 17.4	15,970	6.0	+ 6.0
	Actual results	3,972	6.0	+8.2	-	-	-	-	-	-	-	-	-
Quarterly profit attributable to owners of parent	Budget	2,719	4.1	+7.3	4,932	3.8	+16.0	7,543	3.9	+ 16.6	10,920	4.1	+ 2.8
	Actual results	2,675	4.1	+5.6	-	-	-	-	-	-	-	-	-

[Consolidated] Three-year management plan

We have formulated a three-year plan to visualize and better secure the results of the planned investments. In anticipation of the operation of Planet Aichi in 2026, we aim to achieve the goals in this plan by implementing measures that will lead to improved customer convenience, such as the platform strategy “TRUSCO HACOBUne.”

	60th business year (FYE December 31, 2022)			61st business year (FYE December 31, 2023)			62nd business year (FYE December 31, 2024)			63rd business year (FYE December 31, 2025)		
	Actual results (million yen)	Share (%)	Year on year (%)	Plan (million yen)	Share (%)	Year on year (%)	Plan (million yen)	Share (%)	Year on year (%)	Plan (million yen)	Share (%)	Year on year (%)
Net sales	246,453	100.0	+8.6	265,090	100.0	+7.6	284,000	100.0	+7.1	304,200	100.0	+7.1
Gross profit margin (%)	21.2	-	+0.2	20.9	-	-0.3	20.9	-	±0.0	20.9	-	±0.0
Selling, general and administrative expenses (SGA)	37,493	15.2	+8.1	39,650	15.0	+5.8	41,500	14.6	+4.7	43,500	14.3	+4.8
(Depreciation included in SGA)	6,667	2.7	-3.8	6,397	2.4	-4.1	6,115	2.2	-4.4	5,239	1.7	-14.3
Operating income	14,667	6.0	+12.8	15,700	5.9	+7.0	17,800	6.3	+13.4	20,100	6.6	+12.9
Ordinary income	15,065	6.1	+11.1	15,970	6.0	+6.0	18,200	6.4	+14.0	20,500	6.7	+12.6
Net income	10,626	4.3	-8.4	10,920	4.1	+2.8	12,417	4.4	+13.7	13,987	4.6	+12.6
Current net income per share	161.15 yen	-	-14.17 yen	165.60 yen	-	+4.45 yen	188.11 yen	-	+22.51 yen	211.90 yen	-	+23.79 yen
Dividend per share	40.00 yen	-	+4.50 yen	41.50 yen	-	+1.50 yen	47.50 yen	-	+6.00 yen	53.00 yen	-	+5.50 yen
No. of direct shipments to users	3,556,388	-	+25.4	4,400,000	-	+23.7	5,300,000	-	+20.5	6,300,000	-	+18.9
No. of companies adopting MRO Stocker	775	-	+446	1,000	-	+225	1,500	-	+500	2,000	-	+500
No. of items in inventory (SKU)	562,026	-	+62,062	595,000	-	+32,974	645,000	-	+50,000	695,000	-	+50,000
No. of items featured on TRUSCO Orange Book.Com (SKU)	3,167,188	-	+406,301	4,200,000	-	+1,032,812	5,400,000	-	+1,200,000	6,600,000	-	+1,200,000
Major investments and initiatives	• Strengthening efforts in “Assortment” and “User Direct Shipment Service”			• Linkage with users’ purchasing system (MRO Stocker 2.0)			• Greatly enhancing product database (Sterra 2.0)			• Providing a series of experience-based values from product selection to arrival (EC Cross)		
	• Strengthening PR for “MRO Stocker” and “Naojiro”			• Similar product search function			• Improving business efficiency/convenience for customers (Orange Book.Com 2.0)			• Advancing warehouse management (GWES)		

“Vision” - Capacity targets -

01 We want to be a company that can hold 1 million items in inventory by 2030.



02 We want to be a company that can take orders 24 hours a day and ship 365 days a year.

03 We want to be a company without product shortages, incorrect orders, or incorrect shipments.

04 We want to be a company without inventory work. (Inventory variance ratio at the end of 2022: 0.43%)

05 We want to be a company that can ship directly to users without stress, even if we are a wholesaler.

06 We want to be a company that can respond to quotations instantly. (Automated estimate response rate as of December 31, 2022: 22.6%)

07 We want to be a company that can achieve the “fastest,” “shortest,” and “best” deliveries in the industry.

08 We want to be a company with the smallest possible environmental impact.

09 We want to be a company that is active in recycling, reuse, and returnables. (Repair workshop “Naojiro” FY2022 results: 1,817 million yen)

10 We want to be a platform operator that supports Japanese manufacturing.

11 We want to be a company that can rewrite the conventional thought, customs, set theories, and playbook of the industry.

07

ESG Information

TRUSCO's "Gentleness for the Future"
Project

Sustainability indicators

Other environmental measures and
initiatives

Relationship with society & corporate
governance

TRUSCO's "Gentleness for the Future" Project

TRUSCO's "Gentleness for the Future" Project

We have been making various environmental efforts under our environmental philosophy "Gentleness for the Future" since 1998, based on our desire "to be a global environment-friendly company so that our small efforts will lead to great compassion for the future."

The idea of connecting the global community to the future has been ingrained in the company for more than 20 years before the term "sustainability" became popular.

Until now, "Gentleness for the Future" has only referred to the environment. From now on, as part of TRUSCO's "Gentleness for the Future" Project, we will work toward the future of people and society, including the global environment.



Scan here for details

"Gentleness for the Future" Basic Policy - TSV

Under the motto, "Business must serve people and society," the Company will create both social value and corporate value (TSV*) through its businesses to help resolve social issues and build sustainable local communities.

* The term TSV was created by combining TRUSCO and Creating Shared Value (CSV).

Based on this basic policy, we will continue our efforts toward the future of people and society.

Sustainability indicators

CO₂ emissions (as of the end of 2022)

CO₂ emissions from fuel use (Scope 1) **2,327 t-co₂** /

CO₂ emissions from electricity use (Scope2) **8,109 t-co₂**

CO₂ emissions in the supply chain (Scope 3 *) **1,724,759 t-co₂**

* Only Scope 3 is for the year 2021.

Reduction in CO₂ emissions through various services

Annual reduction in CO₂ emissions: 11,365 t-CO₂ (+1,806 t-CO₂ year-on-year)



Service	Annual reduction in CO ₂ emissions	Reduction in CO ₂ emissions per shipment/unit/item	Actual result (2022)
U-Choku (direct shipment to users)	1,002t-CO ₂	0.28kg-CO ₂	3.55 million shipments
Assortment	165t-CO ₂	0.22t-CO ₂	750,000 shipments
MRO Stocker	3,100t-CO ₂	4t-CO ₂	775
Fixed cost logistics	3,098t-CO ₂	—	—
Inventory storage	1,300t-CO ₂	2.6kg-CO ₂	About 500,000 items
Repair workshop "Naojiro"	2,700t-CO ₂	—	—

Sustainability indicators

TRUSCO power generation installations (solar and wind power) at 19 locations

Annual power generation in 2022 2,653,344kwh

Renewable energy power self-sufficiency 16.4%

Environmental measures for TRUSCO's products

We have established environmental standards in product planning and development, and are promoting environmentally friendly product development from all aspects, from product design to product use and disposal. For existing products, we are also working to improve loading efficiency and reduce the resources used for containers and packaging.



TRUSCO Air Forest For Factory Product number: AFF250 etc.

This is an air freshener for factories. It eliminates odor components found only in factories, such as the odor of deteriorated cutting oil. Formulated with "functional tree extracts" that are effectively taken from thinned wood found in the Sakhalin fir forests of Hokkaido, this product helps to create a "recycling-oriented society" by making use of unused thinned wood that is left behind in the forests.



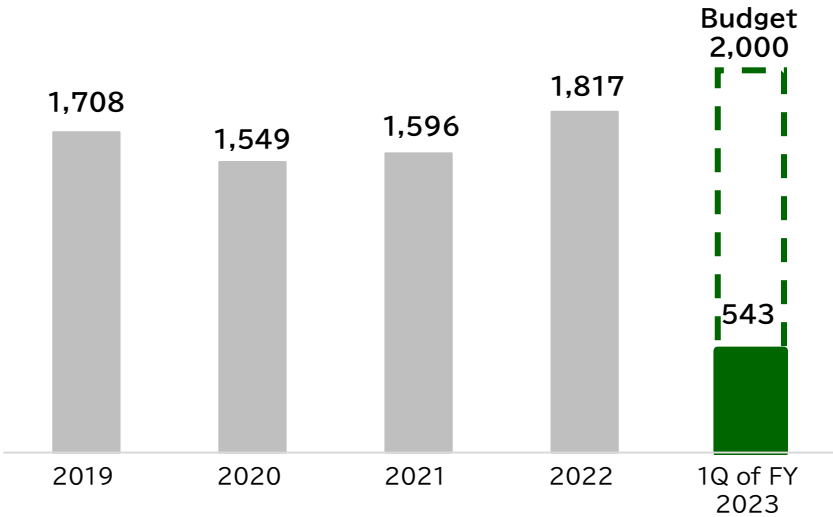
Role of repair workshop "Naojiro"

It is a service that maintains the safety and precision essential for pro tools, and aims to reduce the environmental impact and contribute to cost reduction by allowing familiar tools and equipment to be used for a long time. In January 2022, the Company will relaunch its Naojiro section to popularize and enhance this service.

8 services of repair workshop "Naojiro"

Repair	Regrinding	Calibration	Reuse
Processing	Maintenance	Assembly	Construction and installation

Sales of repair workshop "Naojiro" (Unit: million yen)



Other environmental measures and initiatives

When it comes to environmental initiatives, it is important to consider "when they started being implemented."

Over 20 years ago, the Company began carrying out environmental initiatives based on the idea of "Gentleness for the Future." The initiatives covered a wide range of areas, from the office building to individual employees, business measures, and product development.



Facilities		People
Installation of ceiling fans	Air well voids	Fleece jumpers (2002)
Fluorescent lights with motion sensors	Sandwich panels	GORE-TEX jumpers (2002)
W-folded plate roof	Sprinkling well water on the roof (2007)	Neck warmers, lap blankets (2012)
Use of underground cool air	Installation of solar panels (1998)	Turning air conditioning off 30 minutes before leaving work
Measures		Merchandise
Reducing overtime by inventorying items	FAX OCR "DOTKUL" (2000)	2 inch paper tube tape
Abolishing receipts for goods (2001)	System orders (2002)	No-gas sprays
Inventory for manufacturers' catalogs	Abolishing printing of picking lists (2012)	Return cushions

Relationship with society & corporate governance

“TRUSCO Unknown Gulliver”, TV program provided by a single company

This is a program provided by a single company that conveys our company’s desire to “give pride and vitality to Japan by presenting world-class Japanese companies.” In each episode, the ways and ideas of a Japanese company are presented.



Donations to the NGO Peshawar-kai

Started in 2020

In Afghanistan, where there is an ongoing drought, we are donating to support the Peshawar-kai, which engages in comprehensive rural reconstruction projects with the idea that “one irrigation canal will do more good than 100 doctors”.



The late Dr. Tetsu Nakamura with Afghan workers

Open judge system (OJS = 360 degree evaluation)

This is our company’s unique evaluation system, in which employees are evaluated not only by their superiors, but also by colleagues and subordinates. The purpose is to give feedback in evaluation comments that will lead to behavioral changes in each employee.

Type	Fre-quency	Operation details
Employee evaluation OJS	Twice a year	An OJS evaluation will be conducted on an employee among other employees who work in the same workplace (superiors, colleagues, subordinates), then the results will be reflected in that employee’s evaluation
Promotion OJS	Once a year	All employees who know that employee will evaluate him/her, then the results will be reflected in how he/she is handled going forward (receiving a promotion, etc.)

Started in 2003

Started in 2001

* All full-time and part-time employees, excluding executives, are subject to evaluation.

Board of directors meeting (management meeting)

Decisions are made at the board of directors meeting, which is generally held once a month. In order to ensure a broader perspective and transparency, we seek the opinions of a wide range of participants, including executive officers and general managers.



Board of directors meeting (management meeting) in November 2022

08

Reference Information

Stock information

Index comparison in the industry

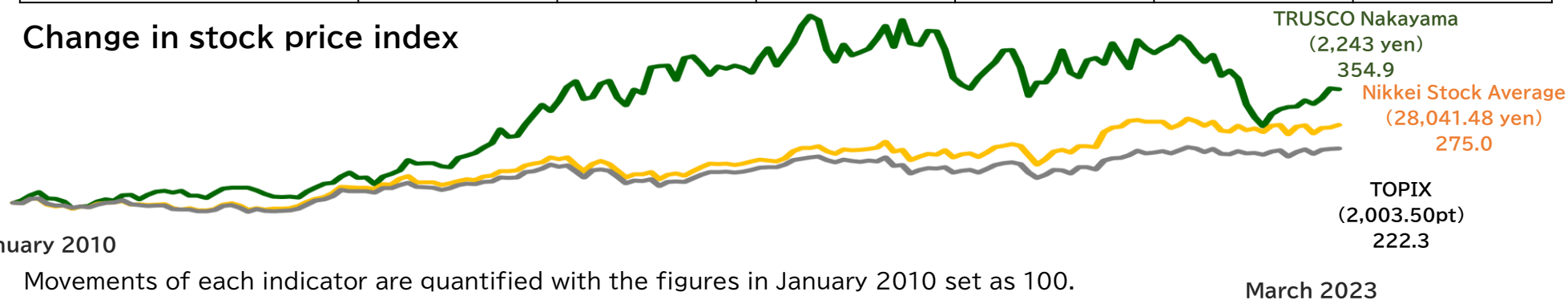
The Company's sales index and industrial
production index

Stock information

Shareholder Information (Unit: persons)

	End of June 2020	End of December 2020	End of June 2021	End of December 2021	End of June 2022	End of December, 2022
Shareholders total	23,697	16,336	14,903	14,406	16,212	15,466
Holder of share	22,887	15,514	14,030	13,527	15,190	14,436
Holder of shares less than one unit	809	821	872	878	1,021	1,029
Treasury shares	1	1	1	1	1	1
Financial institutions and securities companies	64	65	69	61	59	55
Domestic corporations	574	553	544	533	546	540
Overseas corporations, etc.	210	201	203	203	212	222
Individuals and others	22,848	15,516	14,086	13,608	15,394	14,648
Treasury shares	1	1	1	1	1	1

Change in stock price index



Index comparison in the industry

Performance of trading companies and direct sales companies (listed companies) in the same industry

[Wholesale]

		Closing month				Market capitalization (100 million yen)
				Net sales (million yen)	Year-on-year change	
YAMAZEN CORPORATION	2023	March	Forecast	530,000	+5.6	988
YUASA TRADING CO.,LTD.	2023	March	Forecast	490,000	+5.9	899
TRUSCO Nakayama Corporation	2022	December	Actual results	246,453	+8.6	1,475
NICHIDEN Corporation	2023	March	Forecast	130,000	+4.9	630
MARUKA FURUSATO CORPORATION	2022	December	Actual results	162,416	-	674
Naito & Co., Ltd.	2023	February	Actual results	44,457	+1.9	87
SUGIMOTO & CO., LTD	2023	March	Forecast	45,150	+4.7	233
Total of 7 companies		-		1,648,476	-	-

Trading companies in the machine tools industry include the companies shown on the left, but they operate differently in the wholesale and retail sectors, and each handles different core products. The Company does not handle large machinery such as machine tools, and mainly handles consumable supplies.

[Retail]

		Closing month				Market capitalization (100 million yen)
				Net sales (million yen)	Year-on-year change	
MISUMI Group Inc.	2023	March	Forecast	377,000	+3.0	9,337
MonotaRO Co.,Ltd.	2022	December	Actual results	225,970	+19.1	9,791
Total of 2 companies		-		602,970	-	-

*For companies that announce consolidated accounting, figures for consolidated accounting are shown.
 *All figures represent actual results and forecasts announced as of April 25, 2023.
 *Market capitalization is based on the closing price on April 24, 2023.

The Company's sales index and industrial production index

Changes in the Company's sales index and industrial production index

