

# The 59th Business Year Business Performance Data Analysis

## Fiscal Year Ending December 2021 First Quarter

### The 58th Annual Shareholders' Meeting held on March 18, 2021



▲ Tokyo venue (with attendees capped at 300)

TRUSCO 第59期(令和3年12月期)業績見通し 招集ご通知19ページ		
売上高	2,275億20百万円	(+6.6%)
売上総利益率	21.5%	(±0)
販売管理費及び一般管理費	357億90百万円	(+2.6%)
内)減価償却費	70億35百万円	(+7.2%)
営業利益	131億70百万円	(+19.5%)
経常利益	138億20百万円	(+19.6%)
親会社株主に帰属する当期純利益	95億20百万円	(+18.9%)
1株当たりの当期純利益	144円37銭	(+22円94銭)
1株当たり年間配当金	36円50銭	(+6円00銭)

しにつきましてご説明させていただきます。ご存じの方も多いかと思いますが当社は3月15日月曜日に、業績予想と配当予想の上方修正を行っております。

#### ▲ Meeting on the screen

**Total number of attendees and viewers: 556**

Attendees at venue: 324

Viewers online: 232

### Trusco Nakayama Corporation

Announced April 30, 2021

Atsushi Shimozu, General Manager of the  
Corporate Planning Div. and Manager of the  
Corporate Planning & IR Section  
Minori Hirano, Corporate Planning & IR Section  
Mika Takahashi, Corporate Planning & IR  
Section

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## Upward Revision to Business Performance Forecast (announced on March 15, 2021)

The Company announced its budget for the 59th business year (FY ending December 2021) concurrently with its business performance on Friday, February 12. Judging that the overall economy is trending towards recovery in view of a gradual turnaround in corporate capital expenditures, the Company has revised the budget upwards.

### ■ Revision to Budget for 59th Business Year (Ending December 2021)

	Previous forecast announced on Feb. 12, 2021	Forecast after revision announced on Mar. 15, 2021	Change from previous forecast	YoY change
<b>Net sales</b>	¥220,520 million	<b>¥227,520 million</b>	+3.2%	<b>+6.6%</b>
<b>Operating income</b>	¥12,470 million	<b>¥13,170 million</b>	+5.6%	<b>+19.5%</b>
<b>Ordinary income</b>	¥12,880 million	<b>¥13,820 million</b>	+7.3%	<b>+19.6%</b>
<b>Profit attributable to owners of parent</b>	¥8,870 million	<b>¥9,520 million</b>	+7.3%	<b>+18.9%</b>
<b>Net income per share</b>	¥134.51	<b>¥144.37</b>	+¥9.86	<b>+¥22.94</b>

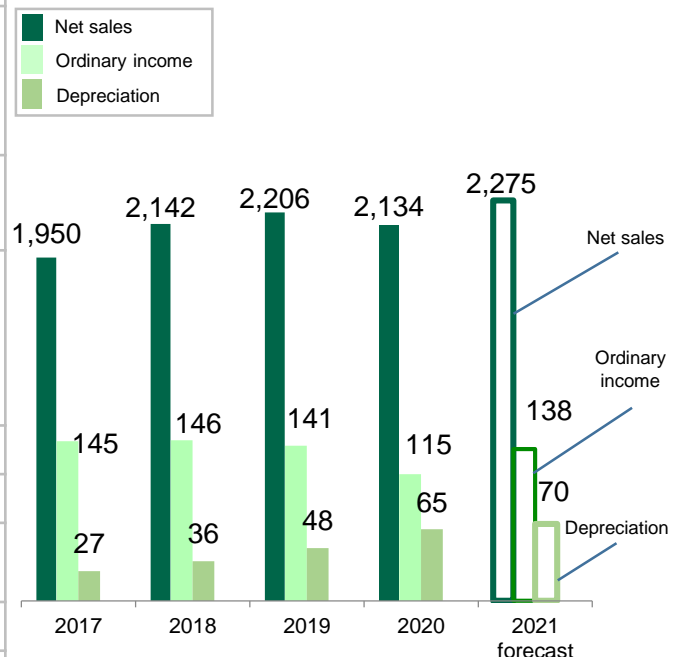
# [Consolidated] Company overview

As of the end of March 2021

## Change in Net Sales, Ordinary Income and Depreciation

(Unit: 100 million yen)

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	92 in total: 89 domestic bases: 2 head offices, 61 sales branches, 26 distribution centers 3 overseas bases: Local subsidiaries: Thailand and Indonesia Representative office: Germany (Dusseldorf)
Capital stock	5,022,370,000 yen
Listed stock exchange	First section of the Tokyo Stock Exchange (Code number: 9830)
Number of employees	2,797 (11 executives, 1,656 full-time employees, 1,130 part-time employees)
Credit rating	A (Rating and Investment Information, Inc.)
Line of business	Wholesaler of industrial equipment such as machine tools, distribution equipment and environmental safety equipment (and consumables used in factories) and planning and development of products under the company's own brand, TRUSCO



[Non-consolidated]

[Consolidated]

\* Depreciation increased with aggressive investment in logistics and digital technologies.

## Business flow ( ) YoY change

### Suppliers

#### Manufacturers

2,790  
(up 138  
companies)  
Of these, 247 are  
overseas  
manufacturers  
(up 35 companies)

### Trusco Nakayama (wholesaler)

#### Factory route

#### e-business route

#### Home center route

#### Overseas route

### Main sales agents, 5,500 companies (See p. 19)

Machine tool dealers, dealers of welding materials,  
dealers of pipe materials, conductor dealers, dealers  
of electric materials, dealers of packaging materials

Mainly internet order companies

Mainly general hardware mass discounters, pro-tool  
shops, home appliance mass discounters

Mainly overseas dealers

### Target markets (main users)

Manufacturers, construction  
companies

Manufacturers, general consumers

Businesses conducting outdoor  
work, general consumers

Overseas manufacturers

## A-(1) [Consolidated] Business performance for the first quarter of the FY ending December 2021

- The business performance forecast for the 59th business year was revised upwards on March 15, 2021.
- Consolidated net sales: Up 1.3% YoY, Up 0.2% from budget The number of business days was larger by one than in the same period a year earlier.  
(Number of business days – last year: 58, this year: 59)  
\* The number of business days is the non-consolidated number.
- Consolidated gross profit margin: 21.5%, down 0.3 percentage points for reasons of factor mentioned below  
=> Extraordinarily high sales of face masks and other protective equipment due to the COVID-19 pandemic came to an end. (Down 10.0% year on year)
- SGA: Down 5.1% year on year following commission fees for the revamp of the Paradise core system posted for the previous year and a decrease in advertising expenses due to the discontinuation of the shareholder benefit program (for details about SGA, see pp. 21-22.)

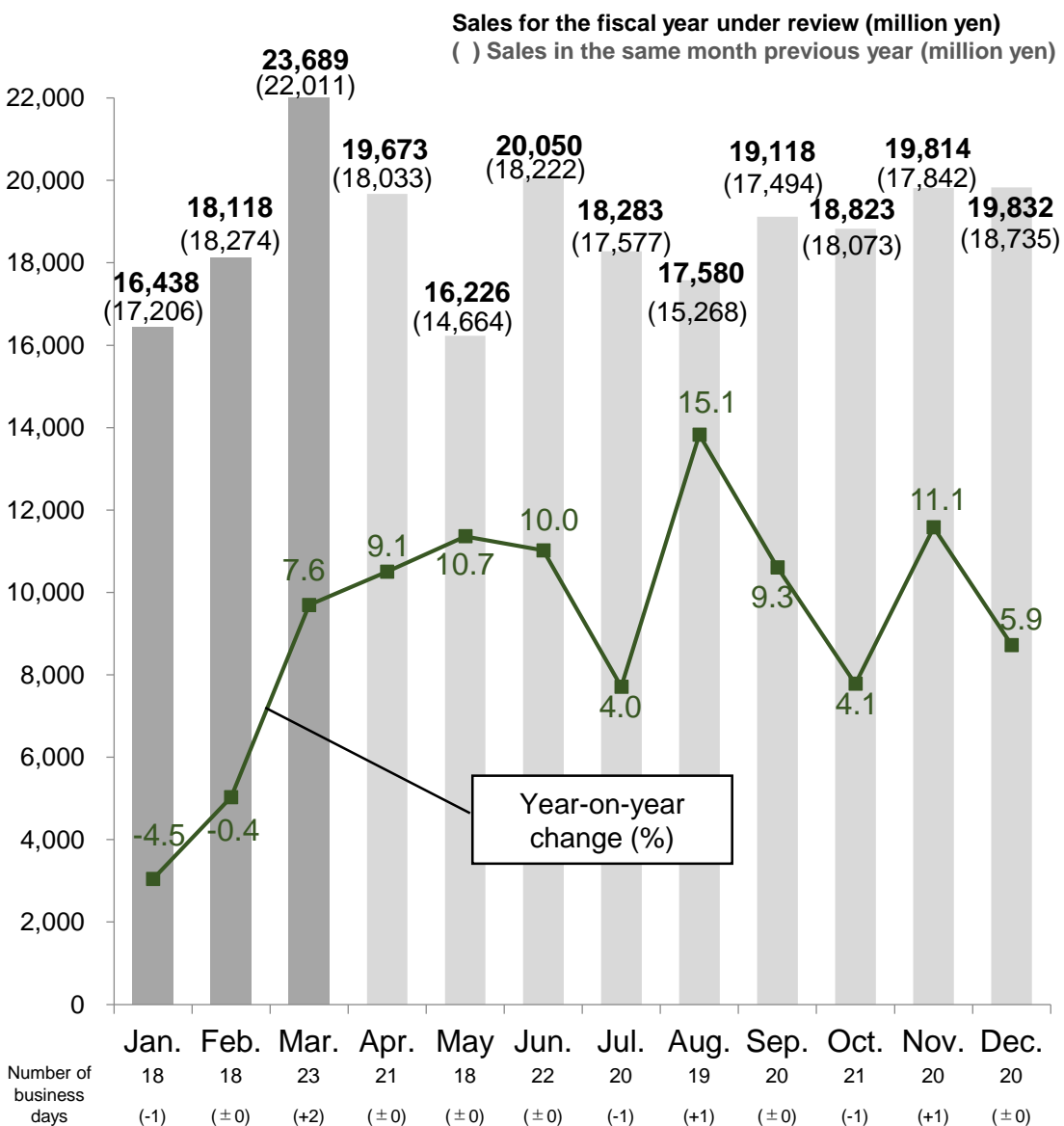
	1Q of FY ended Dec. 2020		1Q of FY ending Dec. 2021						
	Actual results	Share	Actual results	YoY change	Share	Budget	Share	Change from budget	Change from budget (%)
<b>Net sales</b>	¥57,493 million	-	<b>¥58,246 million</b>	<b>+1.3%</b>	-	¥58,121 million	-	+¥125 million	+0.2%
<b>Gross profit</b>	¥12,556 million	21.8%	<b>¥12,543 million</b>	<b>-0.1%</b>	<b>21.5%</b>	¥12,516 million	21.5%	+¥27 million	+0.2%
<b>Selling, general and administrative expenses (SGA)</b>	¥9,218 million	16.0%	<b>¥8,752 million</b>	<b>-5.1%</b>	<b>15.0%</b>	¥8,811 million	15.2%	-¥58 million	-0.7%
(depreciation included in SGA)	¥1,425 million	2.5%	<b>¥1,704 million</b>	<b>+19.6%</b>	<b>2.9%</b>	¥1,685 million	2.9%	+¥19 million	+1.2%
<b>Operating income</b>	¥3,337 million	5.8%	<b>¥3,790 million</b>	<b>+13.6%</b>	<b>6.5%</b>	¥3,705 million	6.4%	+¥85 million	+2.3%
<b>Ordinary income</b>	¥3,384 million	5.9%	<b>¥3,995 million</b>	<b>+18.0%</b>	<b>6.9%</b>	¥3,943 million	6.8%	+¥52 million	+1.3%
<b>Profit attributable to owners of parent</b>	¥2,321 million	4.0%	<b>¥2,712 million</b>	<b>+16.9%</b>	<b>4.7%</b>	¥2,725 million	4.7%	-¥12 million	-0.4%
<b>Net income per share</b>	¥35.20	—	<b>¥41.14</b>	<b>+¥5.94</b>	-	¥41.32	-	-¥0.18	-

A-(2) [Non-consolidated] Business performance for the first quarter of the FY ending December 2021

	1Q of FY ended Dec. 2020		1Q of FY ending Dec. 2021						
	Actual results	Share	Actual results	Share	YoY change	Budget	Share	Change from budget	Change from budget (%)
Net sales	¥57,533 million	—	¥58,159 million	—	+1.1%	¥57,990 million	—	+¥168 million	+0.3%
Gross profit	¥12,511 million	21.7%	¥12,461 million	21.4%	-0.4%	¥12,464 million	21.5%	-¥2 million	-0.0%
Selling, general and administrative expenses (SGA)	¥9,153 million	15.9%	¥8,682 million	14.9%	-5.1%	¥8,739 million	15.1%	-¥56 million	-0.7%
(depreciation included in SGA)	¥1,408 million	2.4%	¥1,687 million	2.9%	+19.7%	¥1,685 million	2.9%	+¥1 million	+0.1%
Operating income	¥3,358 million	5.8%	¥3,779 million	6.5%	+12.6%	¥3,725 million	6.4%	+¥54 million	+1.5%
Ordinary income	¥3,363 million	5.8%	¥3,988 million	6.9%	+18.6%	¥3,961million	6.8%	+¥27 million	+0.7%
Net income	¥2,303 million	4.0%	¥2,711million	4.7%	+17.7%	¥2,735 million	4.7%	-¥23 million	-0.9%
Sales of PB goods	¥11,472 million	19.9%	¥11,289 million	19.4%	-1.6%	¥11,299 million	19.5%	-¥9 million	-0.1%
Net income per share	¥34.94	—	¥41.12	—	+¥6.18	¥41.47	—	-¥0.35	—

# A-(3) Company-wide monthly sales and sales per day in the first quarter of the FY ending December 2021

**■ [Consolidated] Total** \* Following revision to the business performance forecast, figures for Jan. to Mar. represent actual values while those for Apr. and later months are budget values.

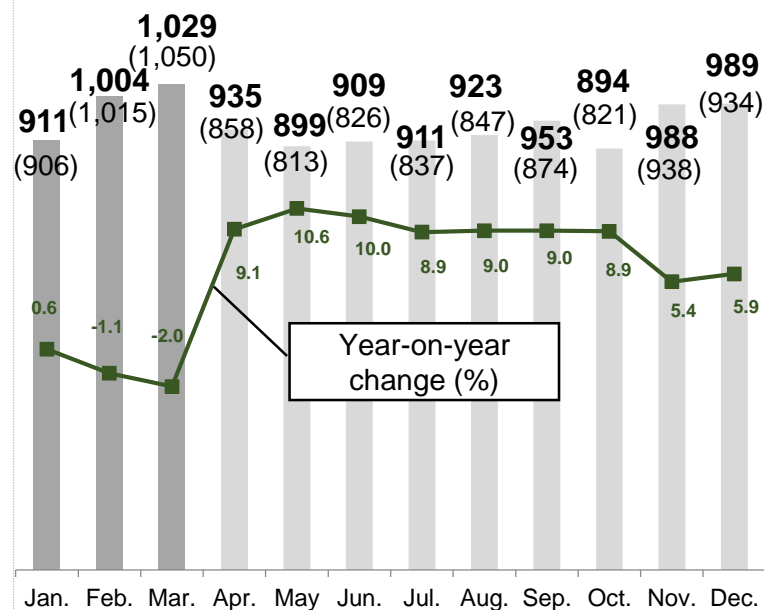


**■ [Non-consolidated] Change in average daily sales (all business offices)**

\* Following revision to the business performance forecast, figures for Jan. to Mar. represent actual values while those for Apr. and later months are budget values.

Orders are constantly placed for consumables used in factories. We carry out a year-on-year comparison of sales per day.  
Our sales increase during the peak periods of March when many companies close their accounts.

**Sales for the fiscal year under review (million yen)**  
( ) Sales in the same month previous year (million yen)



## B-(1) [Consolidated] Net sales, gross profit margin and ordinary income by sales route

### Net sales by sales route

	1Q of FY ended Dec. 2020				1Q of FY ending Dec. 2021										
	Net sales		Gross profit margin	Ordinary income	Net sales							Gross profit margin		Ordinary income	
Sales route	Actual results	Share	Actual results	Actual results	Actual results	Share	YoY change	YoY change	Budget	Change from budget	Change from budget (%)	Actual results	YoY change	Actual results	YoY change
Factory route	¥43,350 million	75.4%	21.3%	¥2,498 million	¥42,243 million	72.5%	-¥1,107 million	-2.6%	¥42,463 million	-¥220 million	-0.5%	21.0%	-0.3pt	¥2,703 million	+8.2%
e-business route	¥10,116 million	17.6%	25.2%	¥908 million	¥11,270 million	19.4%	+¥1,153 million	+11.4%	¥11,030 million	+¥239 million	+2.2%	24.2%	-1.0pt	¥984 million	+8.3%
Home center route	¥3,682 million	6.4%	17.9%	-¥33 million	¥4,330 million	7.4%	+¥648 million	+17.6%	¥4,209 million	+¥120 million	+2.9%	17.8%	-0.1pt	¥102 million	Profitability restored
Overseas route	¥344 million	0.6%	34.4%	-¥24 million	¥402 million	0.7%	+¥58 million	+16.9%	¥416 million	-¥14 million	-3.4%	37.9%	+3.5pt	¥14 million	Profitability restored
Total	¥57,493 million	100%	21.8%	¥3,384 million	¥58,246 million	100%	+¥752 million	+1.3%	¥58,121 million	+¥125 million	+0.2%	21.5%	-0.3pt	¥3,995 million	+18.0%

#### Factory route: Down 2.6% year on year

Factory operations are turning around. Air conditioned goods earned brisk sales, and sales of distribution and storage equipment are gradually rallying. However, sales of face masks and protective equipment necessary for protection against COVID-19 were below the results of the same period a year earlier. (See p. 10)

#### e-business route: Up 11.4% year on year

Sales to mail order companies surged 12.0% year on year and those to companies participating in Orange Commerce increased 9.4%. The sales growth resulted from the expansion of products handled and demand from people remaining at home due to the pandemic. (See p. 11)

#### Home center route: Up 17.6% year on year

New store launches including clients' pro-tool shops and an increase in visitors to stores based on demand from people staying at home and DIY demand led to a growth in orders for chemical products and tools for manual work and to sales growth. (See p. 12)

#### Overseas route: Up 16.9% year on year

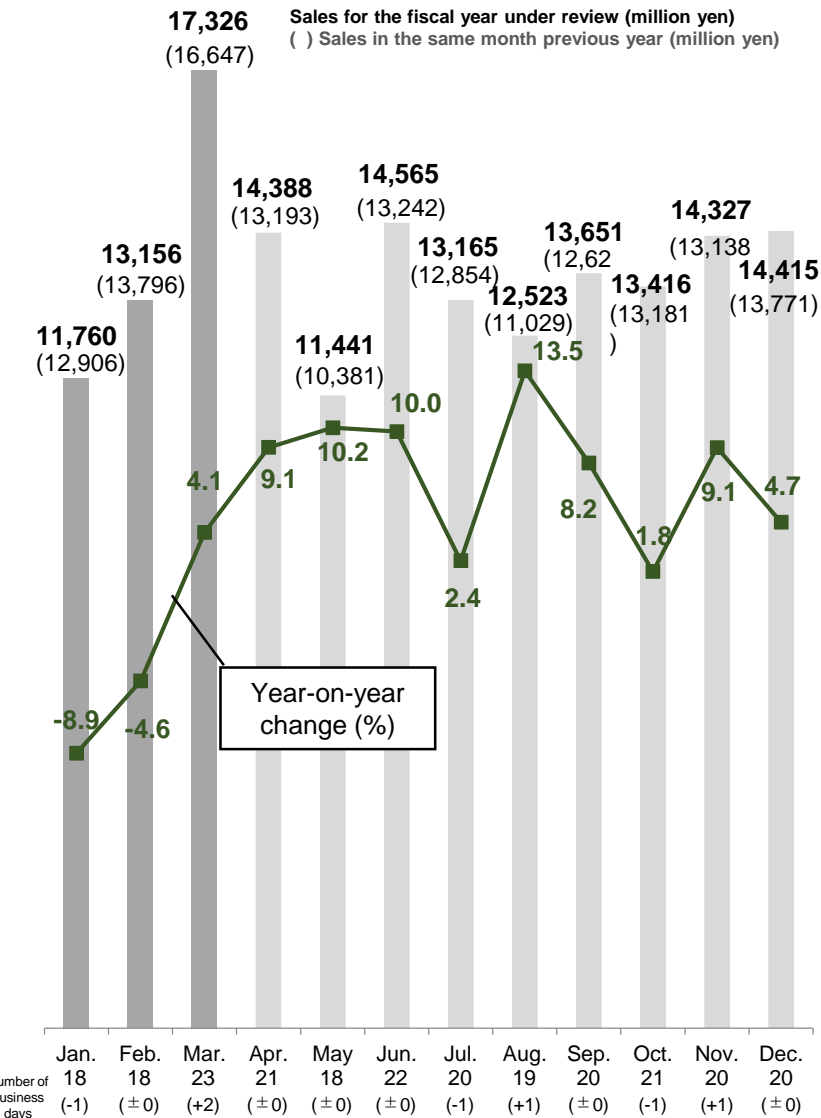
While Thailand and Indonesia toughened restrictions on social activities due to the impact of the COVID-19 pandemic, an increase in stock according to market needs and growth in transactions with new clients resulted in a sales hike. (See p. 13)



# B-(2) [Consolidated] Change in monthly sales by sales segment

## I Change in monthly sales earned via factory route

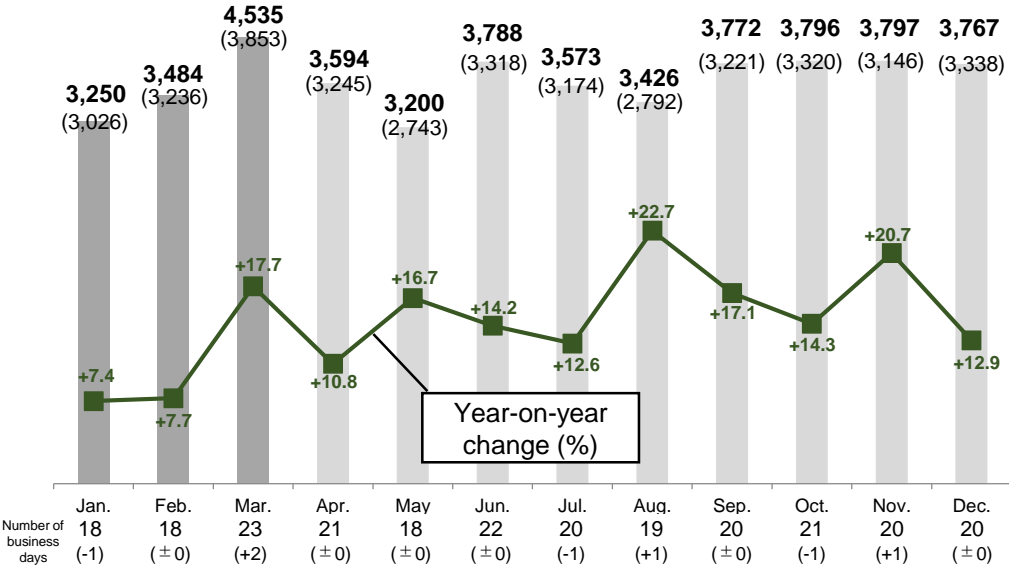
\* Following revision to the business performance forecast, figures for Jan. to Mar. represent actual values while those for Apr. and later months are budget values.



## I Change in monthly sales earned via e-business route

\* Following revision to the business performance forecast, figures for Jan. to Mar. represent actual values while those for Apr. and later months are budget values.

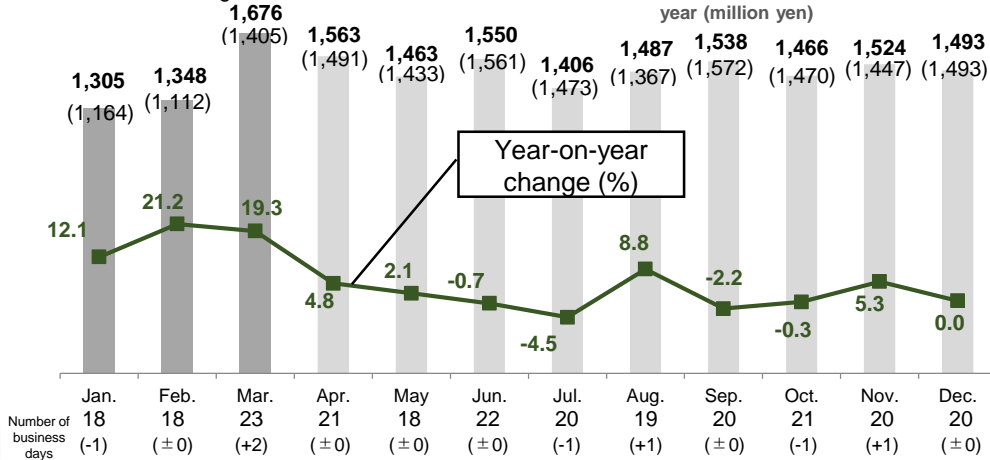
Sales for the fiscal year under review (million yen)  
( ) Sales in the same month previous year (million yen)



## I Change in monthly sales earned via home centers

\* Following revision to the business performance forecast, figures for Jan. to Mar. represent actual values while those for Apr. and later months are budget values.

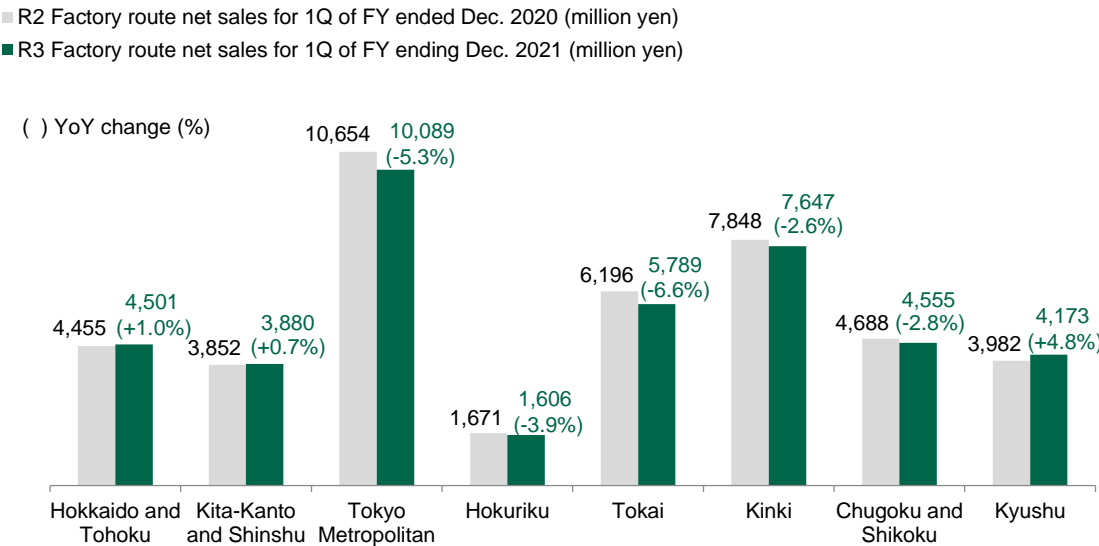
Sales for the fiscal year under review (million yen)  
( ) Sales in the same month previous year (million yen)



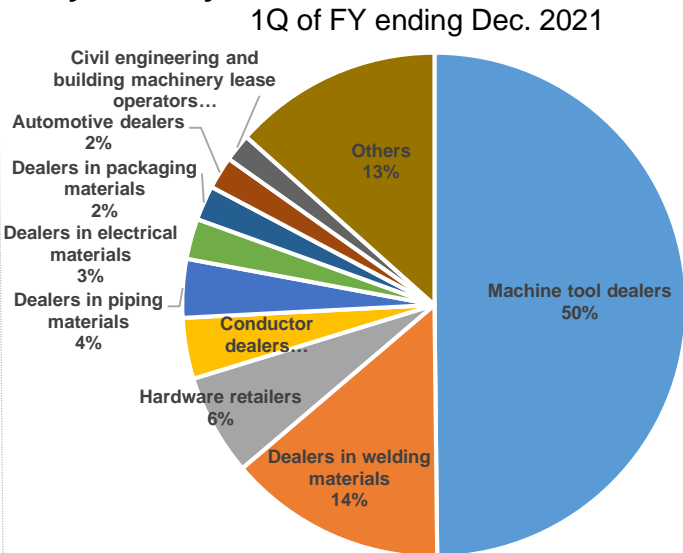


B-(3) [Consolidated] Factory route: Business performance by region, industry and sales route

Factory route: Sales by region



Factory route: Sales constituent ratio by industry



Factory route sales by industry

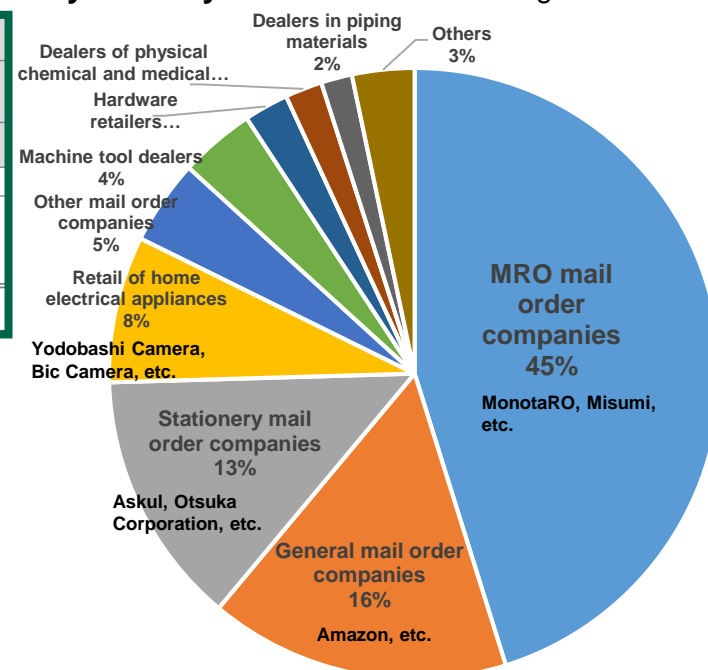
Sales route	1Q of FY ended Dec. 2020			1Q of FY ending Dec. 2021						
	Net sales		Gross profit margin	Net sales					Gross profit margin	
	Actual results	Share	Actual results	Actual results	Share	YoY change	Budget	Change from budget	Actual results	YoY change
Machine tool dealers	¥21,917 million	50.6%	21.1%	¥21,063 million	49.9%	-3.9%	¥21,213 million	-0.7%	20.9%	-0.2pt
Dealers in welding materials	¥6,173 million	14.2%	21.7%	¥5,898 million	13.9%	-4.5%	¥6,001 million	-1.7%	21.4%	-0.3pt
Other manufacturing related (incl. physical and chemical material, conductors, packaging material dealers)	¥7,156 million	16.5%	20.9%	¥7,140 million	16.9%	-0.2%	¥7,128 million	+0.2%	20.7%	-0.2pt
Construction related	¥8,103 million	18.7%	21.7%	¥8,140 million	19.3%	+0.5%	¥8,119 million	+0.3%	21.4%	-0.3pt
Total net sales via factory route	¥43,350 million	100.0%	21.3%	¥42,243 million	100%	-2.6%	¥42,463 million	-0.5%	21.0%	-0.3pt

# B-(4) [Consolidated] Sales via the e-business route and the number of companies participating in Orange Commerce

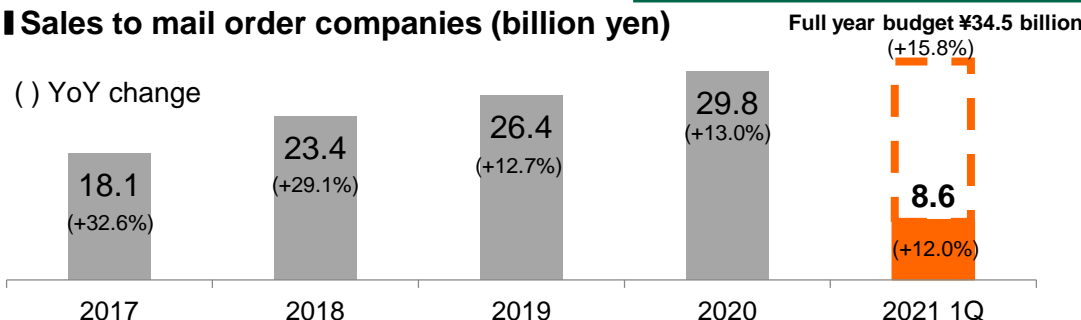
## ■ Sales via e-business route

Sales route	1Q of FY ended Dec. 2020			1Q of FY ending Dec. 2021				
	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	¥7,717 million	76.3%	24.5%	¥8,646 million	76.7%	+12.0%	23.3%	-1.2pt
Companies participating in Orange Commerce (Trusco's electronic central purchasing system)	¥2,398 million	23.7%	27.5%	¥2,624 million	23.3%	+9.4%	27.3%	-0.2pt
Total net sales via e-business route	¥10,116 million	100.0%	25.2%	¥11,270 million	100.0%	+11.4%	24.2%	-1.0pt

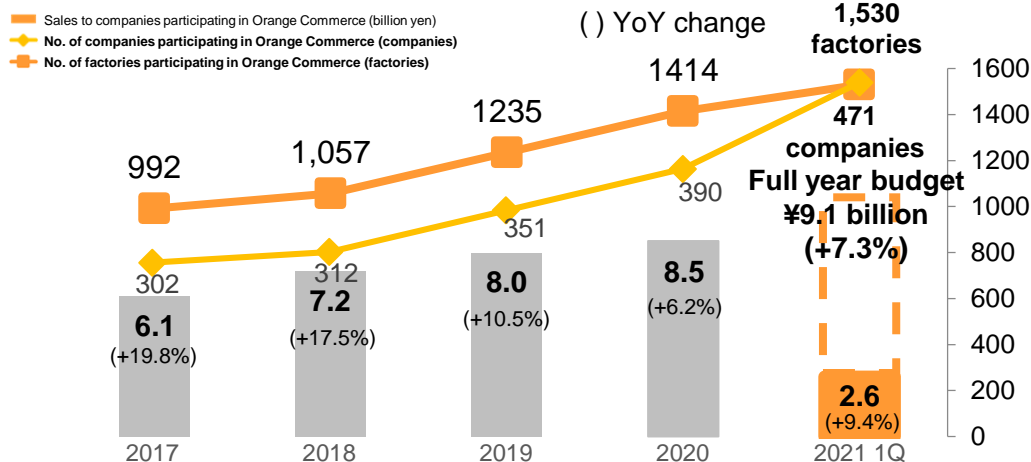
## ■ Sales to mail order companies: Sales ratio by industry 1Q of FY ending Dec. 2021



## ■ Sales to mail order companies (billion yen)

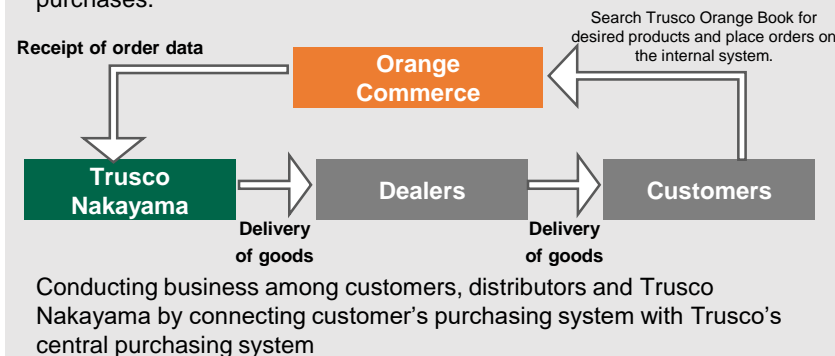


## ■ Change in the number of companies participating in Orange Commerce (Trusco's electronic central purchasing system)



## ■ Trusco's electronic central purchasing system:

This purchasing system, mainly adopted by large-lot users (manufacturers), is designed to curtail their material and equipment procurement costs and increase their business operational efficiency through the Internet-based management of material and equipment purchases.



## B-(5) [Consolidated] Sales to top 10 clients in the home center route

As a professional-tool wholesaler, Trusco Nakayama has focused on dealing in pro tools and actively proposed to general hardware mass discounters that allot part of their floor spaces to pro-tool shops.

Trusco Nakayama will work on enhancing its comprehensive marketing power by stepping up sales of its products via the home center route where pro-tool shops and material shops are housed.

### ■ Ranking of sales to general hardware mass discounters

Unit: million yen, %

Ranking	Name of client	1Q of FY ended Dec. 2020	1Q of FY ending Dec. 2021	YoY change
1	DCM Hodaka (Pro-tool Shop)	503	663	+31.8
2	Nufco	384	525	+36.9
3	Kohnan Shoji	349	501	+43.3
4	Royal Home Center	335	328	-2.1
5	DCM Kahma	282	326	+15.7
6	Cainz	319	325	+2.2
7	DCM Homac	237	259	+9.5
8	Shimachu	233	207	-11.2
9	Komeri	147	197	+34.2
10	Home Center Valor	97	151	+54.9
Combined sales to top 10 companies		2,889	3,487	+20.7
Combined sales via home center route		3,682	4,330	+17.6
Percentage share of sales to top 10 companies		78.5	80.5	

Brisk sales were achieved after an increase in product items procured from the Company. General hardware mass discounters combines their online stores with physical stores to improve services for visiting customers. They used the Company's stock for convenience. Sales to pro-tool shops also increased.

#### ■ Sales to DCM Holdings

Total: ¥1,526 million (up 19.4% year on year)  
DCM Hodaka, DCM Kahma, DCM Homac, DCM Daiki, DCM Sanwa, DCM Kuroganeya, Keiyo, DCM ONLINE

#### ■ Sales to pro-tool shops

Total: ¥741 million (up 30.4% year on year)  
Pro-tool shops refer to dealers specializing in tools for professional craftspeople and factory workers. They are so compatible with our products that sales to them are rising.

Company names are presented in abbreviated forms.

## B-(6) Business performance of overseas subsidiaries

### ■ Non-consolidated business performance of overseas subsidiaries

1Q of FY ending Dec. 2021

Million yen

		Net sales	Gross profit	Selling, general and administrative expenses (SGA)	Operating income	Ordinary income	Net income
TRUSCO NAKAYAMA CORPORATION (THAILAND) LIMITED 1 baht = 3.54 yen (3.34 yen a year earlier)	Actual results	190	44	36	7	7	7
	Share against net sales	-	23.1%	19.3%	3.8%	3.8%	3.8%
	YoY change	+17.5%	+5.8%	+2.3%	+28.3%	+26.6%	+26.6%
PT.TRUSCO NAKAYAMA INDONESIA 1 rupiah = 0.0077 yen (0.0067 yen a year earlier)	Actual results	63	15	31	-15	-13	-13
	Share against net sales	-	24.8%	49.6%	-	-	-
	YoY change	+18.0%	+34.7%	+12.5%	-	-	-

#### [Overall conditions for the 59th Business Year]

Under the COVID-19 pandemic, Thailand re-extended its declaration of a state of emergency and Indonesia once again tightened restrictions on social activities. Overseas subsidiaries worked to increase stock according to market needs and transactions with new clients to step up their sales activities.

#### [Reference] Non-consolidated business performance in other overseas regions

1Q of FY ending Dec. 2021

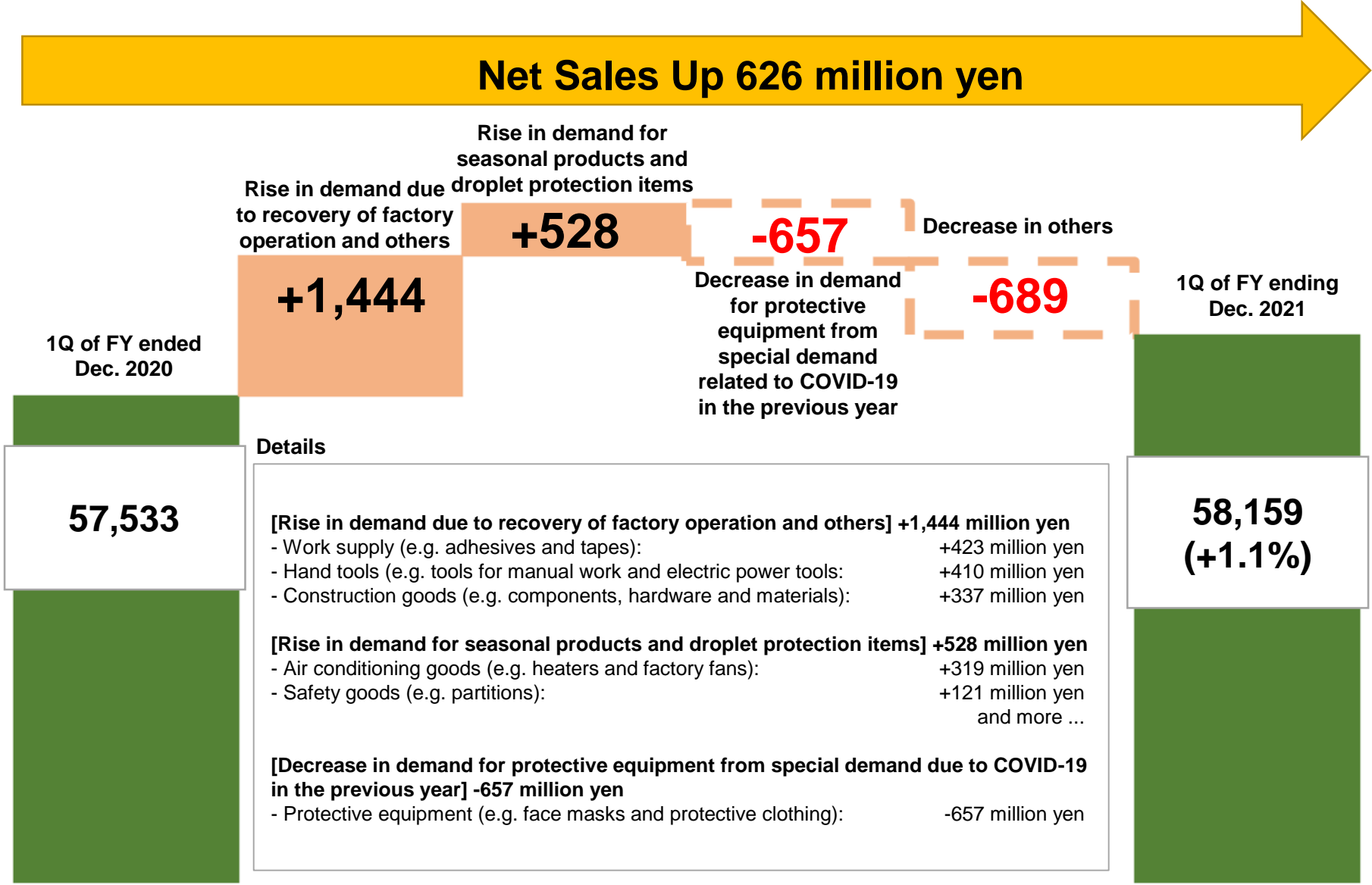
Million yen

		Net sales	Gross profit
Business performance in other overseas regions (including the Philippines, China and South Korea)	Actual results	147	39
	Share against net sales	-	26.5%
	YoY change	+15.6%	+13.4%

\* The consolidated gross profit margin via overseas routes is higher than the non-consolidated gross profit margin because of consolidated accounting, such as offsetting of internal transactions.

Major changes in net sales for 1Q of FY ending December 2021

(Million yen)

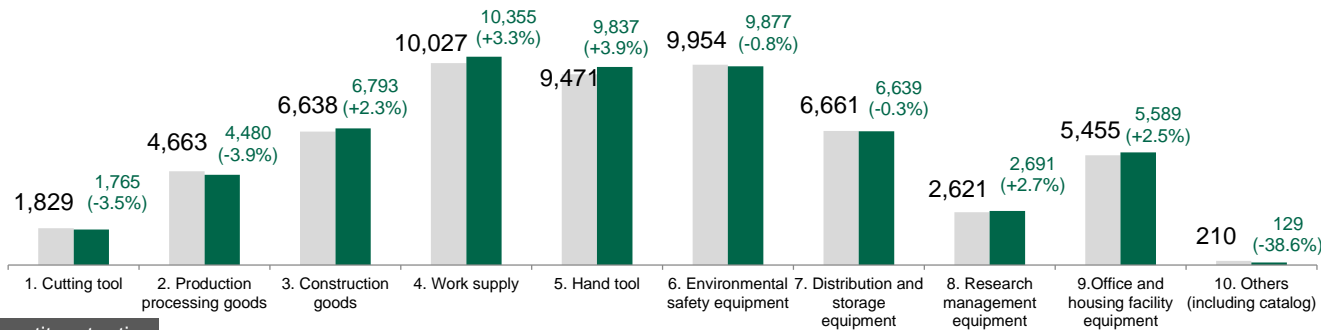


# B-(8) [Non-consolidated] Sales by category for the first quarter of the FY ending December 2021

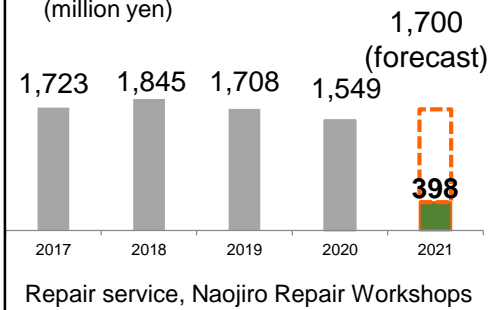
## Sales graph by large category and details of medium category

■ Sales for the first quarter of the FY ended December 2020 (million yen)  
■ Sales for the first quarter of the FY ending December 2021 (million yen)

( ) YoY change (%)



### Sales of goods used for repair (million yen)



### Constituent ratio

Category of goods (large category)	Medium category	Trusco's sales	Constituent ratio	YoY change	Gross profit margin	Category of goods (large category)	Medium category	Trusco's sales	Constituent ratio	YoY change	Gross profit margin
1. Cutting tool 3.1	(1) Cutting tools	796	1.4	-5.3	11.2	6. Environmental safety equipment 17.0	(25) Protective equipment	5,292	9.1	-10.0	24.5
	(2) Drilling and thread cutting tools	968	1.7	-2.0	21.7		(26) Safety goods	2,506	4.3	+5.1	25.5
2. Production processing goods 7.7	(3) Measurement equipment	2,398	4.1	-0.4	15.9		(27) Environment improvement goods	451	0.8	+10.3	20.2
	(4) Mechatronics	875	1.5	-9.4	15.6		(28) Air conditioning goods	841	1.4	+61.2	15.1
	(5) Tools for machine tools	551	0.9	-7.7	23.5		(29) Disaster and crime prevention goods	311	0.5	+16.6	19.1
	(6) Electronic machinery	655	1.1	-5.2	11.6		(30) Closets and exterior goods	474	0.8	-3.6	16.4
	(7) Hydraulic tools	513	0.9	-5.2	11.3	7. Distribution and storage equipment 11.4	(31) Loading goods	1,908	3.3	-1.5	17.3
	(8) Pumps	803	1.4	-12.0	16.8		(32) Conveyors	273	0.5	-8.6	16.5
3. Construction goods 11.7	(9) Welding equipment	564	1.0	+8.9	17.5		(33) Transportation goods	2,492	4.3	+0.6	22.6
	(10) Painting and interior goods	561	1.0	+3.3	25.8		(34) Containers and vessels	950	1.6	+0.1	30.7
	(11) Civil engineering and building goods	757	1.3	+15.6	11.6		(35) Steel shelves	1,014	1.7	+1.7	27.2
	(12) Ladders and stepladders	796	1.4	-6.9	22.4	8. Research management equipment 4.6	(36) Tool wagons	267	0.5	-2.6	28.8
	(13) Piping and materials of electronic equipment	949	1.6	+4.7	23.2		(37) Storage and management goods	351	0.6	-4.2	31.8
	(14) Component, hardware, and building materials	1,847	3.2	+8.4	27.2		(38) Work benches	427	0.7	+5.4	28.7
4. Work supply 17.8	(15) Cutting goods	330	0.6	-3.6	11.9		(39) Stainless goods	497	0.9	+0.2	18.6
	(16) Grinding and polishing goods	1,942	3.3	+9.3	31.8		(40) Research and development-related goods	1,147	2.0	+6.5	18.9
	(17) Chemical products	4,734	8.1	-2.9	14.8	9. Office and housing facility equipment 9.6	(41) Cleaning utensils	1,577	2.7	+2.4	21.8
	(18) Factory miscellaneous goods	1,155	2.0	+11.8	27.9		(42) Stationery	594	1.0	+6.9	19.6
	(19) Packing and binding goods	1,366	2.3	+6.2	29.7		(43) Office miscellaneous goods	829	1.4	+15.6	26.2
	(20) Casters	825	1.4	+16.0	30.0		(44) Electric appliances	912	1.6	+0.1	22.3
5. Hand tool 16.9	(21) Electric power tools and accessories	2,906	5.0	+14.6	21.4		(45) OA business machinery	484	0.8	+3.4	28.3
	(22) Pneumatic tools and accessories	1,786	3.1	+12.9	29.6		(46) Office furniture	1,113	1.9	-6.5	24.9
	(23) Tools for manual work	4,638	8.0	-4.2	13.9		(47) Interior goods	77	0.1	+8.9	19.4
	(24) Tool boxes	506	0.9	-0.7	27.3	10. Others 0.2	(48) Entire company	129	0.2	-38.6	14.8
						Total		58,159	100.0	+1.1	21.4

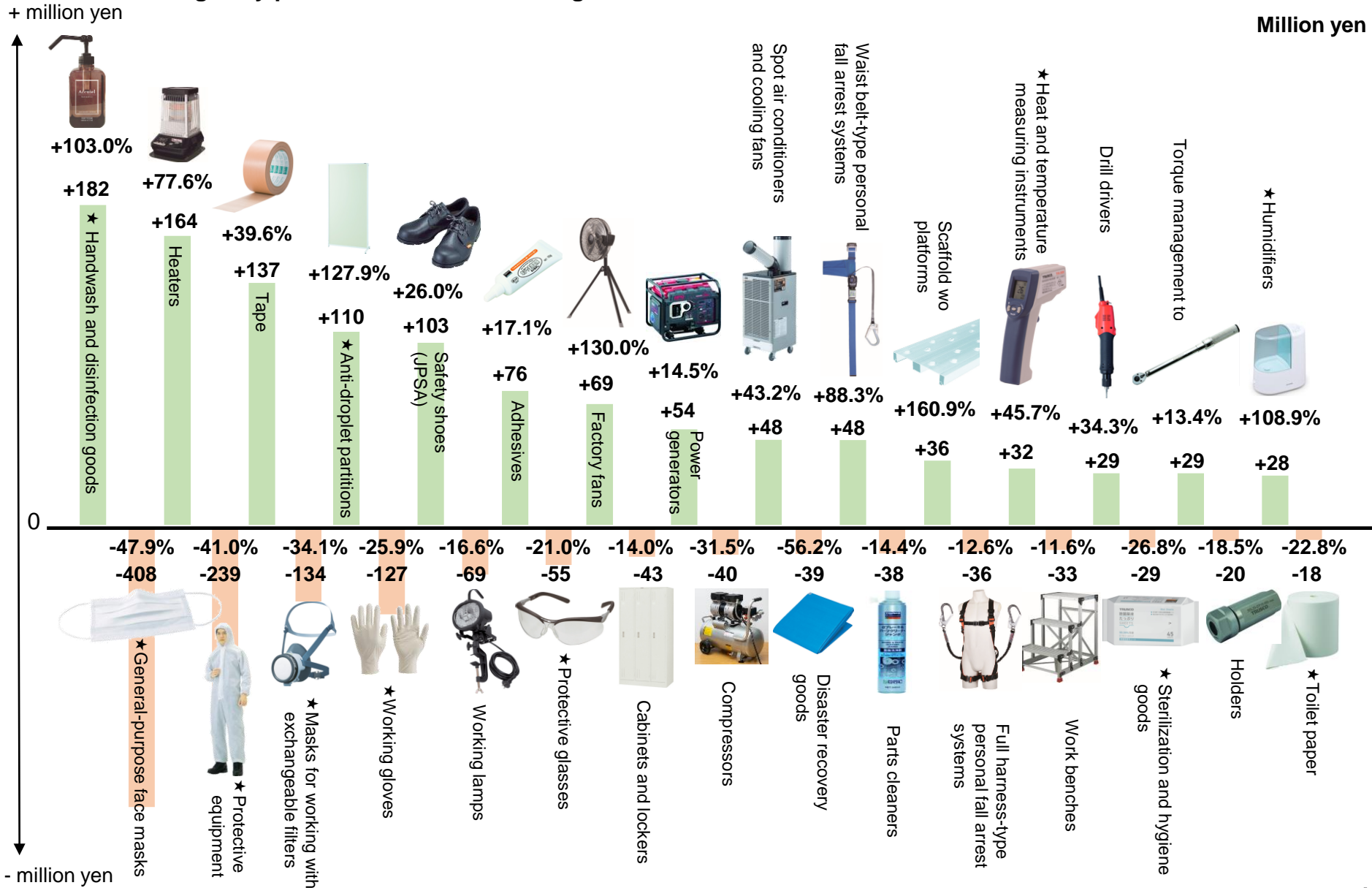
(Unit: million yen, %)



# B-(9) [Non-consolidated] Analysis of sales for first quarter of FY ending December 2021 (by product category)

■ Demand changes by product for 1Q of FY ending December 2021

★ : Coronavirus outbreak-related demand





B-(10) [Non-consolidated] Sales by category of goods featured in the TRUSCO Orange Book for first quarter of FY ending December 2021

Tools that increase customers' convenience

トラスコ  
オレンジブック

TRUSCO  
モノづくり大辞典  
オレンジブック



This is a set of catalogs featuring a wide range of professional tools required in manufacturing. The TRUSCO Digital Orange Book is also available, integrating the user-friendliness of hard-copy catalogs with the portability and search features of online content.

Number of items listed:	Approx. 471,000 (2021 edition)
Number of manufacturers:	1,851
Total number of pages:	17,136
Annual circulation:	190,000 copies
Size:	A4

トラスコ  
オレンジブック.Com

TRUSCO  
オレンジブック.Com  
工場・作業現場のプロツール総合サイト

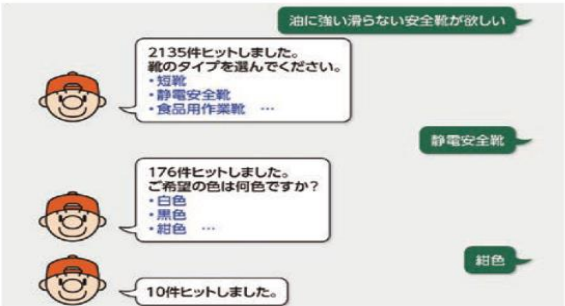


This is a one-stop website on which it is possible to search for and purchase professional tools. It also supports quotation, order, return and real-time stock status view functions. Revamped last year, its search features and user-friendliness have improved.

Number of items featured:	Approx. 2.39 million
Share of orders received via computer systems:	84.2%
Safety data sheets, drawings and contained chemical substances investigation sheets are downloadable.	
Available 24 hours per day	

トラスコ  
AI オレンジレスキュー

TRUSCO  
AI オレンジレスキュー



This is an interactive goods search service based on AI learning functions. The service can respond to queries instantly. It supports natural language, synonyms and technical terms in specific industries.

AI Kokomite-kun (chatbot)	
Responds in natural language.	
Voice input supported	
Available on smartphones	

Sales by category of goods listed in the TRUSCO Orange Book and constituent ratios

Sales by product category are classified and displayed according to the categories listed in the TRUSCO Orange Book.

Category	Net sales	YoY change	Category	Net sales	YoY change	Category	Net sales	YoY change
1. Cutting tool	¥1,896 million	-3.1	9. Tools for manual work	¥4,707 million	+6.5	17. Loading equipment	¥2,444 million	-0.9
2. Tools for machine tools	¥646 million	-8.1	10. Electric, hydraulic & pneumatic tools	¥5,539 million	+0.1	18. Cleaning & janitorial supplies	¥3,383 million	+6.8
3. Measuring & testing instruments	¥2,683 million	+3.2	11. Protective equipment	¥5,531 million	-13.5	19. Environment improvement goods	¥1,965 million	+40.2
4. Mechatronics parts	¥760 million	-5.4	12. Safety goods	¥1,381 million	+4.0	20. Garden supplies	¥476 million	+21.9
5. Hardware & building materials	¥2,072 million	+5.5	13. Packaging supplies	¥3,646 million	+9.2	21. Office and housing facility equipment	¥2,845 million	-4.1
6. Pneumatic supplies	¥1,122 million	-3.8	14. Construction & lighting supplies	¥5,556 million	-1.3	22. Laboratory supplies	¥1,427 million	+4.8
7. Electronics	¥1,081 million	+6.2	15. Loading goods	¥2,150 million	-2.3			
8. Chemical products	¥3,330 million	+4.0	16. Logistics & storage supplies	¥3,521 million	-0.1			

# B-(11) [Non-consolidated] Sales of private brand (PB) goods for first quarter of FY ending December 2021

In the category of private brand goods, demand for environmental safety equipment related to the prevention of COVID-19 infections came to an end. After the resumption of factory operations, sales of other products either increased or decreased slightly year on year.

## Sales of PB goods by category of goods \* Excluding the overseas route

Unit: million yen

	Entire company		Factory route		e-business route		Home center route	
	Constituent ratio	19.4%	Constituent ratio	19.5%	Constituent ratio	24.3%	Constituent ratio	5.8%
	Gross profit margin	36.4%	Gross profit margin	36.6%	Gross profit margin	36.6%	Gross profit margin	30.9%
	Net sales	YoY change	Net sales	YoY change	Net sales	YoY change	Net sales	YoY change
<b>Total</b>	<b>11,289</b>	<b>-1.6%</b>	<b>8,224</b>	<b>-4.2%</b>	<b>2,735</b>	<b>+7.2%</b>	<b>250</b>	<b>+0.5%</b>
Cutting tools	186	-1.2%	131	-4.0%	33	-0.9%	18	+13.9%
Production processing goods	405	+1.5%	292	-1.8%	100	+13.2%	5	+0.5%
Construction goods	950	+1.0%	684	-2.6%	243	+11.5%	16	+9.1%
Work supply	1,929	+0.0%	1,518	-2.3%	377	+10.7%	20	+1.0%
Hand tool	1,195	+3.1%	830	-1.0%	307	+12.2%	34	+5.3%
Environmental safety equipment	1,764	-14.4%	1,338	-14.2%	390	-11.2%	28	-40.8%
Distribution and storage equipment	2,751	+1.7%	1,941	-1.2%	682	+9.9%	117	+10.6%
Research management equipment	945	+0.1%	703	-3.1%	238	+13.1%	0	-48.8%
Office and housing facility equipment	1,158	+1.6%	783	-2.8%	360	+11.5%	8	+139.8%
Other	0	-0.2%	0	-	-	-	0	-0.3%

## Private Brand (PB) goods

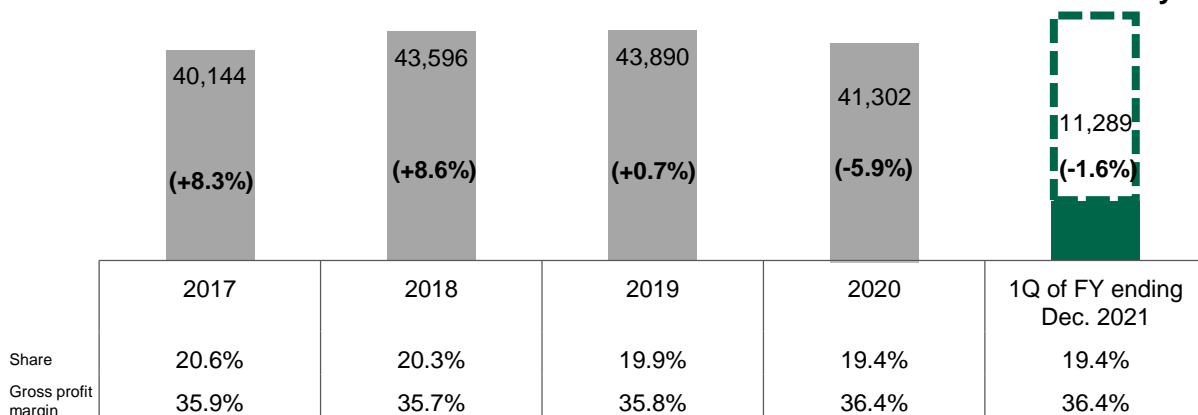
Products designed and developed by Trusco.

Approximately 5,000 new products are launched a year. Their profit margin is greater than that of national brand goods. PB goods account for 19.4% of Trusco's sales.

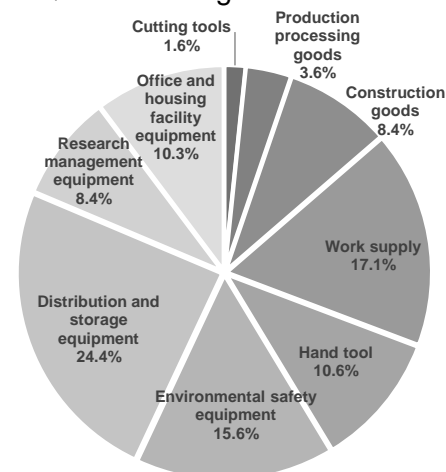


## Change in sales of PB goods (Unit: million yen, %) (YoY change)

Full year budget  
¥44.0 billion yen

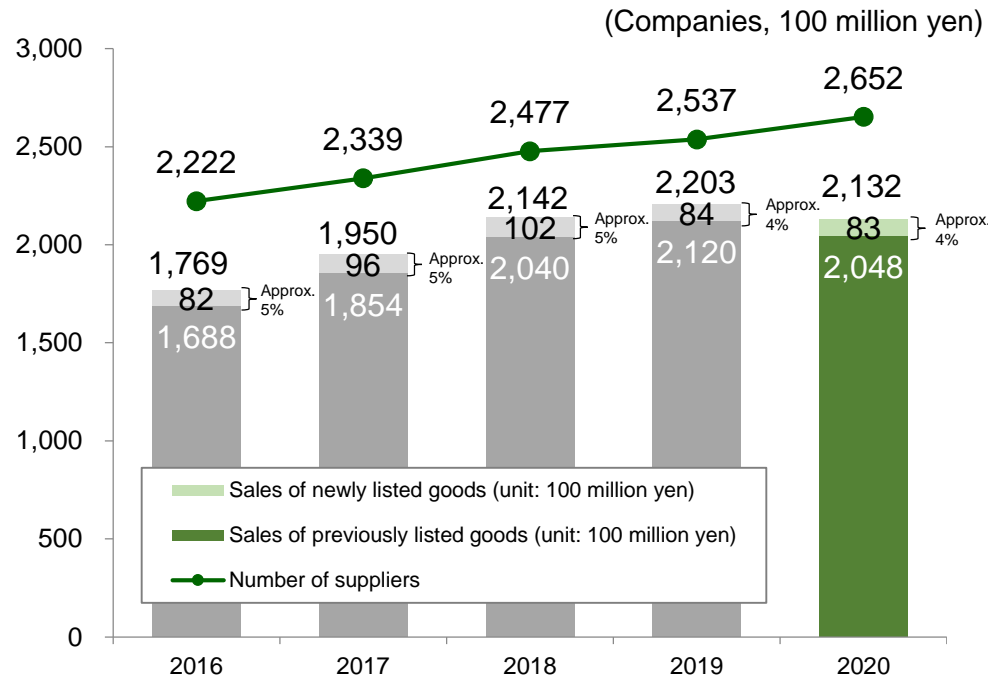


## PB sales ratio by category of goods 1Q of FY ending Dec. 2021

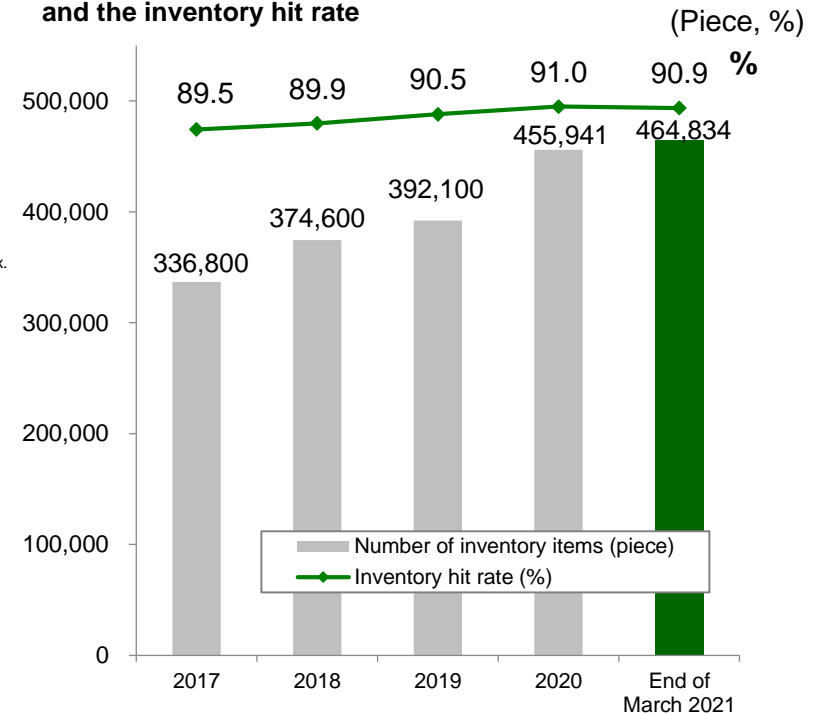


# C-(1) Number of suppliers, sales of newly listed goods, number of items in inventory, hit rate, number of sales accounts and number of companies

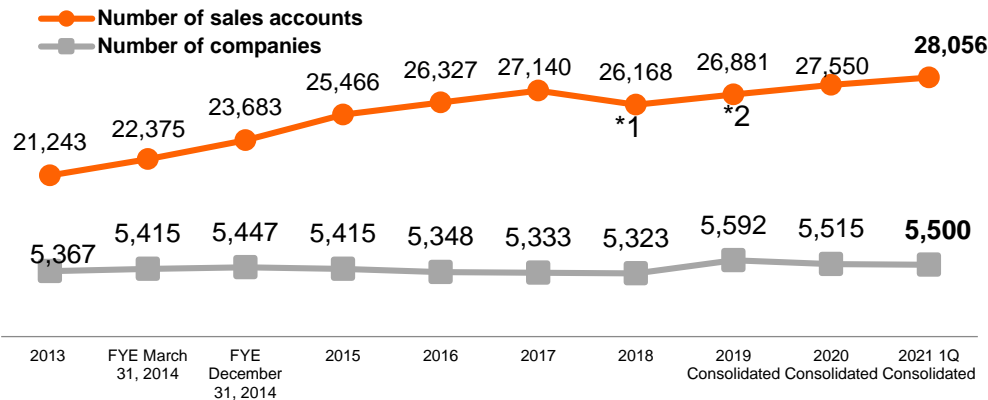
1. [Non-consolidated] Changes in the number of suppliers and sales of goods newly listed in the TRUSCO Orange Book



2. [Non-consolidated] Change in the number of inventory items and the inventory hit rate



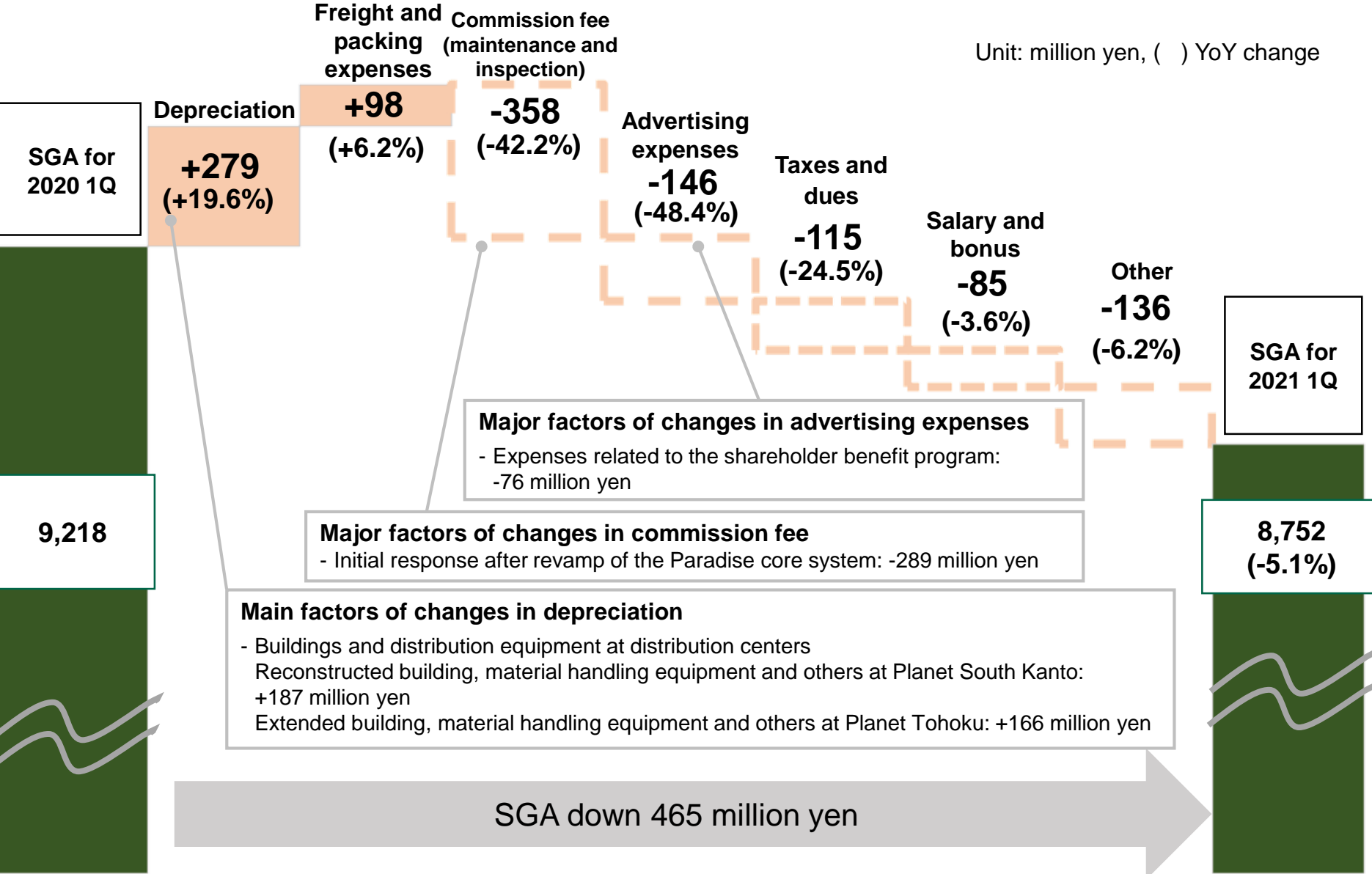
3. [Consolidated] Change in number of sales accounts and companies



1. Products newly listed in our product catalogue, TRUSCO Orange Book, for the relevant year account for approximately 4% of total sales.
2. Inventory hit rate: Number of rows used for products shipped from inventory divided by the total number of rows used for orders.
3. The number of accounts is experiencing an upward trend amid growth of transactions with corporate customers with multiple stores.

- \*1 The reduction in the number of accounts in 2018 is mainly attributable to deregistration of accounts due to the termination of transactions with customers using the home center route.  
\*2 The numbers of companies and accounts including overseas subsidiaries are presented from 2019 onwards.

# D-(1) [Consolidated] Major changes in selling, general and administrative expenses (SGA) for the first quarter of the FY ending December 2021



For details on the factors of the changes, please see the next page.

## D-(2) Selling, general and administrative expenses (SGA) for the first quarter of the FY ending December 2021

### Details of selling, general and administrative expenses (SGA)

Unit: million yen, %

### [Non-consolidated] Key Items

( ) YoY change

No.		Jan. to Mar. 2020		Jan. to Mar. 2021		YoY change (amount)	YoY change
		Amount	Share in net sales	Amount	Share in net sales		
1	Salary and bonus	2,401	4.2	2,315	4.0	-85	-3.6
2	Depreciation	1,425	2.5	1,704	2.9	+279	+19.6
3	Freight and packing expenses	1,573	2.7	1,672	2.9	+98	+6.2
4	Provision for bonuses	661	1.2	668	1.1	+7	+1.2
5	Welfare expenses	524	0.9	516	0.9	-8	-1.6
6	Commission fee	851	1.5	492	0.8	-358	-42.2
7	Taxes and dues	472	0.8	357	0.6	-115	-24.5
8	Advertising expenses	302	0.5	156	0.3	-146	-48.4
9	Promotion expenses	164	0.3	123	0.2	-41	-24.9
10	Traveling expenses and transportation expenses	120	0.2	119	0.2	-1	-1.1
11	Supplies expenses	101	0.2	115	0.2	+13	+13.3
12	Remuneration paid to directors	113	0.2	105	0.2	-8	-7.3
13	Communication expenses	93	0.2	96	0.2	+3	+3.2
14	Other	102	0.2	86	0.1	-15	-15.5
15	Leasehold and office rents	150	0.3	82	0.1	-67	-45.1
16	Utilities expenses	93	0.2	72	0.1	-20	-22.6
17	Vehicle expenses	55	0.1	61	0.1	+6	+11.5
18	Entertainment expenses	9	0.0	5	0.0	-3	-39.2
Total		9,218	16.0	8,752	15.0	-465	-5.1

- Full-time employees 1,656, part-time employees 1,130
- Overtime pay for employees (-101 million yen)
- Increase in wages and bonuses for part-time employees (+18 million yen)

- Buildings and distribution equipment at distribution centers  
Reconstructed building, material handling equipment and others at Planet South Kanto: +187 million yen  
Extended building, material handling equipment and others at Planet Tohoku: +166 million yen

- Impact of growth in shipping volume (approx. +71 million yen)  
Increase in direct shipments to users (+29 million yen)  
=> 620,000 shipments (+70,000)  
[Reference] Number of chartered vehicles: 161 (+1 from the end of previous fiscal year)  
112 vehicles (+2 from the end of previous fiscal year) for delivery by the Company's employees

- Revamp of the Paradise core system  
Expenses for initial response (-289 million yen)

- Estimated real estate acquisition taxes related to rebuilding at Planet South Kanto (-121 million yen)

- Expenses related to the shareholder benefit program: -76 million yen
- Expenses for issuance of the 60th anniversary publication (-24 million yen)



## D-(4) [Consolidated] Capital expenditures

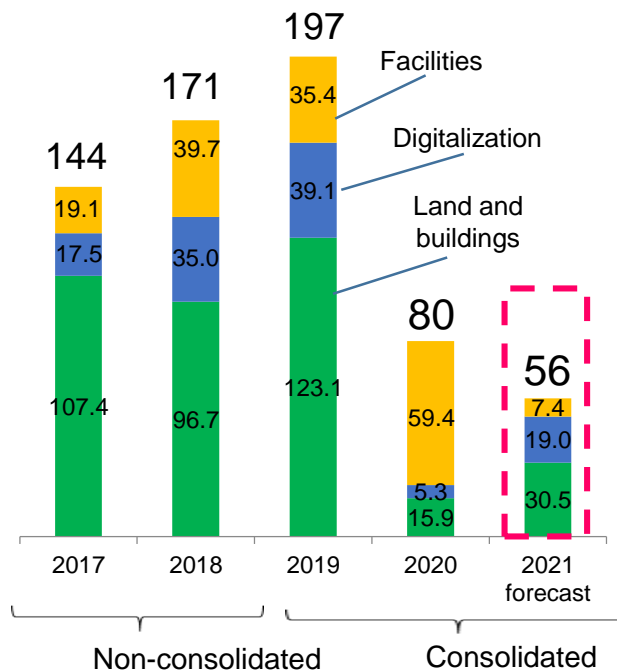
### Major past and future capital expenditures

Unit: 100 million yen

Details of major capital expenditures		FY ended Dec. 2020	FY ending Dec. 2021	
		Actual expenditures for 1Q to 4Q	Actual expenditures for 1Q	Expected expenditures for 2Q to 4Q
Buildings	Planet Osaka warehouse construction		-	4.0
	Planet East Kanto extension		-	2.7
	Repairs		-	0.7
	Others		5.2	-
	<b>Buildings subtotal</b>	10.5	<b>5.2</b>	<b>7.4</b>
Facilities	Planet Saitama (logistical functions increased by introducing I-Pack, the Auto Store picking robot and others)		-	5.6
	Introduction of new handheld terminals		-	0.3
	Takamatsu Stock Center (additional installation of pallet racks)		-	0.3
	Planet Tokai (additional installation of racks and others)		0.1	0.1
	Toyohashi Stock Center (operation)		0.1	-
	Others		0.5	0.4
	<b>Facilities subtotal</b>	59.4	<b>0.7</b>	<b>6.7</b>
IT systems	Project for unifying supply chains to customers		0.1	3.0
	Replacement with Sterra (new product data management system)		-	3.0
	Revision to networks security		0.1	4.0
	Shift of existing systems to cloud		0.1	1.8
	Replacement of equipment		-	1.4
	Others		0.3	5.2
	<b>IT systems subtotal</b>	5.3	<b>0.6</b>	<b>18.4</b>
Land	Planet Aichi construction plan		-	14.1
	HC East Japan relocation plan		-	3.8
	<b>Land subtotal</b>	5.4	<b>0.0</b>	<b>17.9</b>
<b>Total</b>			<b>6.5</b>	<b>50.4</b>
<b>Annual capital expenditures</b>		80.6		<b>56.9</b>

### Change in capital expenditures

Unit: 100 million yen



Capital expenditures

- The investment amount may fluctuate because the scheduled amount of capital expenditures includes expenses for projects at the planning stage.
- The figures for the 59th business year represent values on a cash-out basis.

For FYE December 31, 2021, depreciation of 7,000 million yen (up 500 million yen year on year) is planned.

## E-(1) Management plan

### Budgeting policy

The forecast is used as the entire company's budget, which is the total of the "annual budget of each branch prepared by the branch manager throughout Japan." The branch managers, who are familiar with their market, formulate their respective branch's budget as they are in charge of developing their branch strategy including staffing and are ultimately accountable for their branch. The full year budget was revised upwards on March 15, 2021.

	58th business year FYE December 31, 2020						59th business year FYE December 31, 2021					
	(Consolidated)			(Non-consolidated)			(Consolidated)			(Non-consolidated)		
	Actual results (¥ million)	YoY change in value (%)	YoY % (%)	Actual results (¥ million)	YoY change in value (¥ million)	YoY % (%)	Plan (¥ million)	YoY change in value (¥ million)	YoY % (%)	Plan (¥ million)	YoY change in value (¥ million)	YoY % (%)
Net sales	213,404	-7,270	96.7	213,205	-7,151	96.8	227,520	+14,115	106.6	227,000	+13,795	106.5
Factory route	156,765	-13,276	92.2	156,765	-13,259	92.2	164,355	+7,589	104.8	164,355	+7,589	104.8
e-business route	38,417	+3,925	111.4	38,417	+3,925	111.4	43,744	+5,327	113.9	43,744	+5,327	113.9
Home center route	16,992	+2,289	115.6	16,992	+2,289	115.6	17,700	+707	104.2	17,700	+707	104.2
Overseas route	1,228	-208	85.5	1,030	-107	90.6	1,720	+491	140.0	1,200	+169	116.5
Net sales per day	-	-	-	892	-45	95.1	-	-	-	945	+53	106.0
Sales of PB goods	-	-	-	41,302	-2,588	94.1	-	-	-	44,000	+2,698	106.5
Number of business days	-	-	-	239	+4	-	-	-	-	240	+1	-
Gross profit	45,909	-1,124	97.6	45,733	-1,123	97.6	48,960	+3,050	106.6	48,700	+2,967	106.5
Gross profit margin (%)	21.5%	+0.2pt	-	21.5%	+0.2pt	-	21.5%	±0.0pt	-	21.5%	±0.0pt	-
Selling, general and administrative expenses (SGA)	34,891	+1,654	105.0	34,630	+1,695	105.1	35,790	+898	102.6	35,500	+870	102.5
Operating income	11,017	-2,779	79.9	11,102	-2,818	79.8	13,170	+2,152	119.5	13,200	+2,098	118.9
Ordinary income	11,559	-2,638	81.4	11,635	-2,667	81.3	13,820	+2,260	119.6	13,840	+2,205	118.9
Net income	8,007	-1,606	83.3	8,085	-1,629	83.2	9,520	+1,512	118.9	9,550	+1,465	118.1
Net income per share	¥121.43	-¥24.35	-	¥122.62	-¥24.70	-	¥144.37	+¥22.94	-	¥144.82	+¥22.20	+¥22.20
Dividend per share	¥30.50	-¥6.00	-	-	-	-	¥36.50	+¥6.00	-	-	-	-
Inventory value	41,542	-2,110	95.2	40,611	-2,170	94.9	45,810	+4,267	110.3	45,000	+4,388	110.8
Depreciation	6,565	+1,689	134.6	6,495	+1,693	135.3	7,035	469	107.2	6,967	471	107.3

This management plan represents the estimation the Company made when this material was prepared. The Company does not guarantee the accuracy of information contained herein. Actual business performance and results may differ from the forecast due to various factors.



## E-(2) FY2020: Major capital expenditures and topics

### Halving fare, halving workload and friendly to the environment Enriching the function of direct shipments to users

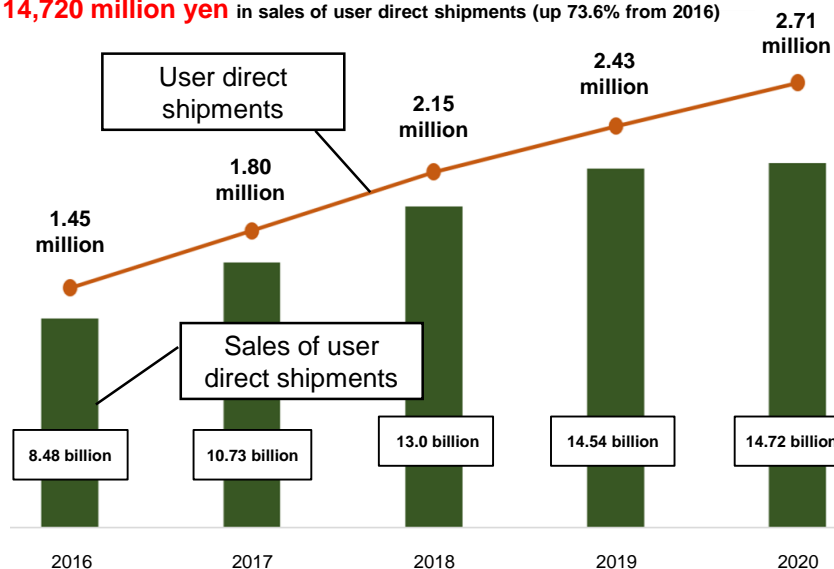
As it is becoming common to procure items from online shopping companies, requests for direct shipments to users are rapidly increasing. In light of expansion of collaboration with online shopping companies, industry-wide labor shortages and users' requests for shorter delivery lead times, it is likely that direct shipments to users will continue to increase, and so it is essential to strengthen the direct shipment system.

- Shipping capacity: 720 cs/h per line, equivalent to approx. 24 workers  
I-Pack introduced to: Planet Tohoku, Saitama, Tokai and Osaka  
(to a total of five lines (two in Planet Saitama and one in each of the remainder))

#### Direct shipments from logistical centers in the whole country to users

**2.71 million rows** for user direct shipments (up 87.0% from 2016)

**14,720 million yen** in sales of user direct shipments (up 73.6% from 2016)



#### Future specific actions

- Increase the maximum I-Pack shipping capacity at Planet Saitama



#### Expected expenditures

for the fiscal year: **Approx. 580 million yen**

Facility	Quantity		Capacity	
	Present	Future	Present	Future
(1) I-Pack lines	2	3 (+1)	Injection of 8,000 parcels per day	Injection of 15,200 parcels per day
(2) GAS units for I-Pack	2	6 (+4)		
(3) I-Pack worksites	10	19 (+9)		
(4) Destination sorting robot	-	1 (+1)	-	300 sorting sessions per hour

#### Accelerated introduction of MRO Stocker (use-first-pay-later tools)

Introduced to 75 companies as of the end of March 2021

#### Land acquisition at several locations

##### 1. Land acquisition for Planet Aichi (tentative)

- Location: Kita-Nagoya-shi, Aichi Prefecture  
(Land readjustment project site in the West of Okimura in Kita-Nagoya)
- Site area: 12,595 tsubo
- Expenditure for 2021: Approx. 1,410 million yen
- Total expenditure: To be determined (under planning)

##### 2. Land acquisition for HC East Japan Distribution Center

- Location: Fukujimashinden, Sanjo-shi, Niigata Prefecture
- Site area: 7,986 tsubo
- Expenditure for 2021: Approx. 380 million yen
- Total expenditure: To be determined (under planning)

# Reference 3: [Consolidated] Quarterly business performance for the FY ending December 2021

## First quarter of FY ending December 2021 [Quarterly]

Unit: million yen, %

		1st Quarter (+1 day)			2nd Quarter (±0 day)			3rd Quarter (±0 day)			4th Quarter (±0 day)		
		Budget	Share against net sales	YoY change	Budget	Share against net sales	YoY change	Budget	Share against net sales	YoY change	Budget	Share against net sales	YoY change
Net sales	Budget	58,121	100.0	+1.1	55,949	100.0	+9.9	54,981	100.0	+9.2	58,469	100.0	+7.0
	Actual results	58,246	100.0	+1.3									
Gross profit	Budget	12,516	21.5	-0.3	12,474	22.3	+10.0	11,664	21.2	+10.1	12,306	21.0	+7.8
	Actual results	12,543	21.5	-0.1									
Selling, general and administrative expenses (SGA)	Budget	8,811	15.2	-4.4	8,899	15.9	+4.5	8,790	16.0	+2.0	9,290	15.9	+8.8
	Actual results	8,752	15.0	-5.1									
Operating income	Budget	3,705	6.4	+11.0	3,575	6.4	+26.6	2,874	5.2	+45.4	3,016	5.2	+4.7
	Actual results	3,790	6.5	+13.6									
Ordinary income	Budget	3,943	6.8	+16.5	3,807	6.8	+26.3	2,958	5.4	+43.7	3,112	5.3	+0.4
	Actual results	3,995	6.9	+18.0									
Quarterly profit attributable to owners of parent	Budget	2,725	4.7	+17.4	2,615	4.7	+29.9	2,034	3.7	+47.3	2,146	3.7	-6.4
	Actual results	2,712	4.7	+16.9									

# Reference 4: [Consolidated] Quarterly business performance for the FY ending December 2021

## ■ Fiscal year ending December 31, 2021 [Cumulative]

Unit: million yen, %

		1st Quarter (+1 day)			2nd Quarter (±0 day)			3rd Quarter (±0 day)			4th Quarter (±0 day)		
		Budget	Share against net sales	YoY change	Budget	Share against net sales	YoY change	Budget	Share against net sales	YoY change	Budget	Share against net sales	YoY change
Net sales	Budget	58,121	100.0	+1.1	114,070	100.0	+5.2	169,051	100.0	+6.5	227,520	100.0	+6.6
	Actual results	58,246	100.0	+1.3									
Gross profit	Budget	12,516	21.5	-0.3	24,990	21.9	+4.6	36,654	21.7	+6.3	48,960	21.5	+6.6
	Actual results	12,543	21.5	-0.1									
Selling, general and administrative expenses (SGA)	Budget	8,811	15.2	-4.4	17,710	15.5	-0.1	26,500	15.7	+0.6	35,790	15.7	+2.6
	Actual results	8,752	15.0	-5.1									
Operating income	Budget	3,705	6.4	+11.0	7,280	6.4	+18.2	10,154	6.0	+24.8	13,170	5.8	+19.5
	Actual results	3,790	6.5	+13.6									
Ordinary income	Budget	3,943	6.8	+16.5	7,750	6.8	+21.1	10,708	6.3	+26.6	13,820	6.1	+19.6
	Actual results	3,995	6.9	+18.0									
Quarterly profit attributable to owners of parent	Budget	2,725	4.7	+17.4	5,340	4.7	+23.2	7,374	4.4	+29.0	9,520	4.2	+18.9
	Actual results	2,712	4.7	+16.9									

## Reference (5): Company data

### ■ Number of employees [Consolidated] as of the end of March 2021

	Females	Males	Total	YoY Change
Executives	1	10	11	-1
Executive officers	0	2	2	+0
Career	167	423	590	-22
Area	278	305	583	+10
Support	24	2	26	-2
Specialist	16	13	29	+0
Logistics	76	266	342	-5
Contract employees	1	39	40	+3
Overseas subsidiaries	18	24	42	-2
Seconded to health insurance association	1	1	2	+0
Seconded to Nakayama Visually Impaired Welfare Foundation	0	0	0	+0
Total number of employees (excluding executives)	581	1,075	1,656	-18
Part-time employees	845	285	1,130	+30
Total	1,427	1,370	2,797	+11

Share of female employees: 35.1%. Number of female sales staff members: 65.  
Females in career-track positions account for 28.7% of all female employees (whereas such males account for 39.3% of all males).

\* 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 (million yen)			
	Females	Males	Entire company	Career	Area	Logistics	Entire company
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
2017	30.7	42.7	38.6	805	696	541	715
2016	30.6	43.5	39.3	757	651	519	674

\* 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 non-consolidated basis.

### ■ Numbers of incoming and outgoing employees \* Excluding part-time employees

	2017 [Non-consolidated]		2018 [Non-consolidated]		2019 [Consolidated]		2020 [Consolidated]		End of Mar. 2021 [Consolidated]	
	Females	Males	Females	Males	Females	Males	Females	Males	Females	Males
No. of employees	510	1004	557	1,051	585	1,071	589	1085	581	1075
	1,514		1,608		1,656		1,674		1,656	
No. of incoming employees	63	72	52	57	41	46	37	42	0	0
	135		109		87		79		0	
No. of outgoing employees	18	18	20	26	42	44	37	33	8	9
	36		46		86		70		17	
Turnover ratio	3.4	1.8	3.5	2.4	6.7	3.9	5.9	3.0	1.4	0.8
	2.3		2.8		4.9		4.0		1.0	

### ■ Number of bases [Consolidated]

as of the end of March 2021

Head offices	2
Branches	61
Distribution centers	17
Overseas bases	3
Stock centers	9
Total	92

### ■ Amount irrecoverable due to bankruptcy

Unit: 10 thousand yen

	2016	2017	2018	2019	2020
Amount irrecoverable	35	0	4	0	0

### ■ Changes in inventory disposal and inventories

	2016	2017	2018	2019	2020
Inventory disposal (million yen)	32	41	39	42	50
Inventories (100 million yen)	290	318	370	427	406
Disposal rate (%)	0.11	0.13	0.11	0.10	0.12