



TRUSCOTM

Integrated Report

「解体新書」 2024

GAMBARE!! JAPANESE MONODZUKURI



TM

Our Policy

“Business must serve
people and society”

TRUSCO NAKAYAMA Corporation

Tokyo Head Office TRUSCO Fiorito Bldg., 4-28-1, Shimbashi, Minato-ku, Tokyo 105-0004

Osaka Head Office TRUSCO Central Bldg., 4-2-5, Honmachi, Chuo-ku, Osaka-shi, Osaka 541-0053



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Corporate Planning Division
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TRUSCO NAKAYAMA Corporation



Our Policy

“Business must serve people and society”

We keep this concept in mind as we proceed with our business activities.

Japanese manufacturing, which boasts world-class cutting-edge technology, is still an important key industry in Japan.

“When manufacturing dies, the country dies”

Our primary purpose and mission is to contribute to Japanese manufacturing.

As the company that supplies PRO TOOL to manufacturing sites, it is better to have a wide range and variety of inventory.

We will deliver the products our customers need the quickest and most reliable in any suppliers.

We will improve the convenience of the entire PRO TOOL supply chain by utilizing our inventory, distribution, and digital capabilities.

“Be an Ultimate Master Wholesale”

Even in this age in which common sense is completely changed, our business principles remain unchanged.

The appropriate actions and direction of our business will not be clear without ambition.

We aim to become the company that improves our capabilities as PRO TOOL supplier and continues to be useful for Japanese manufacturing industry at any time.

GAMBARE!! JAPANESE MONODZUKURI

Company Overview As of December 31, 2023

Company name	TRUSCO NAKAYAMA Corporation		
Head store	Trusco Fiorito Bldg., 4-28-1, Shimbashi , Minato-ku, Tokyo		
Head Offices	Tokyo Head Office: Trusco Fiorito Bldg., 4-28-1, Shimbashi, Minato-ku, Tokyo 105-0004 (registered as compoany head office) Osaka Head Office: Trusco Central Bldg., 4-2-5, Honmachi, Chuo-ku, Osaka City, Osaka 541-0053 (to become new Osaka Head Office location on May 7, 2024)		
Branches	Japan: 89 (2 head offices, 59 sales branches, and 28 distribution centers) Overseas: 5 (Names of our overseas subsidiaries: TRUSCO NAKAYAMA CORPORATION (THAILAND) LIMITED, PT.TRUSCO NAKAYAMA INDONESIA; Supplier business development office locations: Germany, Taiwan, and Thailand)		
Capital	\$33 million; Listed on the First Section of the Tokyo Stock Exchange (Securities code: 9830)		
Shareholders' equity ratio	65.6%		
Employees	Consolidated: 3,043 (12 officers, 1,661 full-time employees; 1,370 part-time staff)		
Founded	May 15, 1959		
Established	March 2, 1964		
Closing date for fiscal year	December 31		
Sales	Consolidated: \$1,787 million (for Fiscal Year Ending December 31, 2023)/ Sales of \$1,898 million planned for Fiscal Year Ending December 31, 2024		
Ordinary Income	Consolidated: \$124 million (for Fiscal Year Ending December 31, 2023)/ Ordinary Income of \$125 million planned for Fiscal Year Ending December 31, 2024		
Bank	Mizuho Bank, Resona Bank, Bank of Tokyo-Mitsubishi UFJ, Sumitomo Mitsui Banking, Sumitomo Trust & Banking		
Accounting Auditor	Deloitte Touche Tohmatsu LLC		
Rating	Single A (Rating and Investment Information, Inc.)		
Suppliers	3,509 (3,172 suppliers in Japan, 337 overseas suppliers)		
Customers	Dealers of machine tools, construction materials, electrical materials, tubing materials, online shops, and home centers etc.; about 5,632 customers		
Business Areas	Wholesale of subsidiary equipment used at factories (PRO TOOL) including work tools, measuring tools, and cutting tools needed at production sites. Approximately 160,000 copies of “TRUSCO Orange Book.Com,” conducting our business activities with our mission of a comprehensive PRO TOOL catalog, are published annually, and approximately 4.1 million items are published on PRO TOOL search site “TRUSCO Orange Book.Com,” conducting our business activities with our mission of improving the convenience of equipment procurement at manufacturing sites.		
Officers	As of April 1, 2024		
President	Tetsuya Nakayama	Outside Directors	Kenichi Saito
Director	Kazuo Nakai (General Manager of the Sales Department)		(ForeSight & Company, Ltd.) President
Director	Atsushi Kazumi (General Manager of the Business Management Department, Digital Service Strategy Department, and Orange Book Department)	Outside Directors	Kuniaki Hagihara (Senior Advisor, Hagihara Industries Inc.)
		Outside Directors	Takako Suzuki (Chairman, S.T. CORPORATION)
		Full-time Auditor	Kiyonori Unto
Director	Hideki Naoyoshi (General Manager of the Distribution Department and General Manager, Distribution Safety Promotion Division)	Part-time Auditor	Hiroho Kamakura
		Part-time Auditor	Yoritomo Wada
		Part-time Auditor	Ken Hineno
Director	Tatsuya Nakayama (General Manager of the Product Department)		

Origin of the Corporate Name TRUSCO

TRUSCO was coined from the words “Trust” and “Company” to convey our commitment to building a company that earns trust.
This name demonstrates our corporate approach to earn the trust of everyone we associate with in order to become a company that continues to grow in the future.

TRUST + COMPANY

= **TRUSCO**TM
Company Earning Your Trust

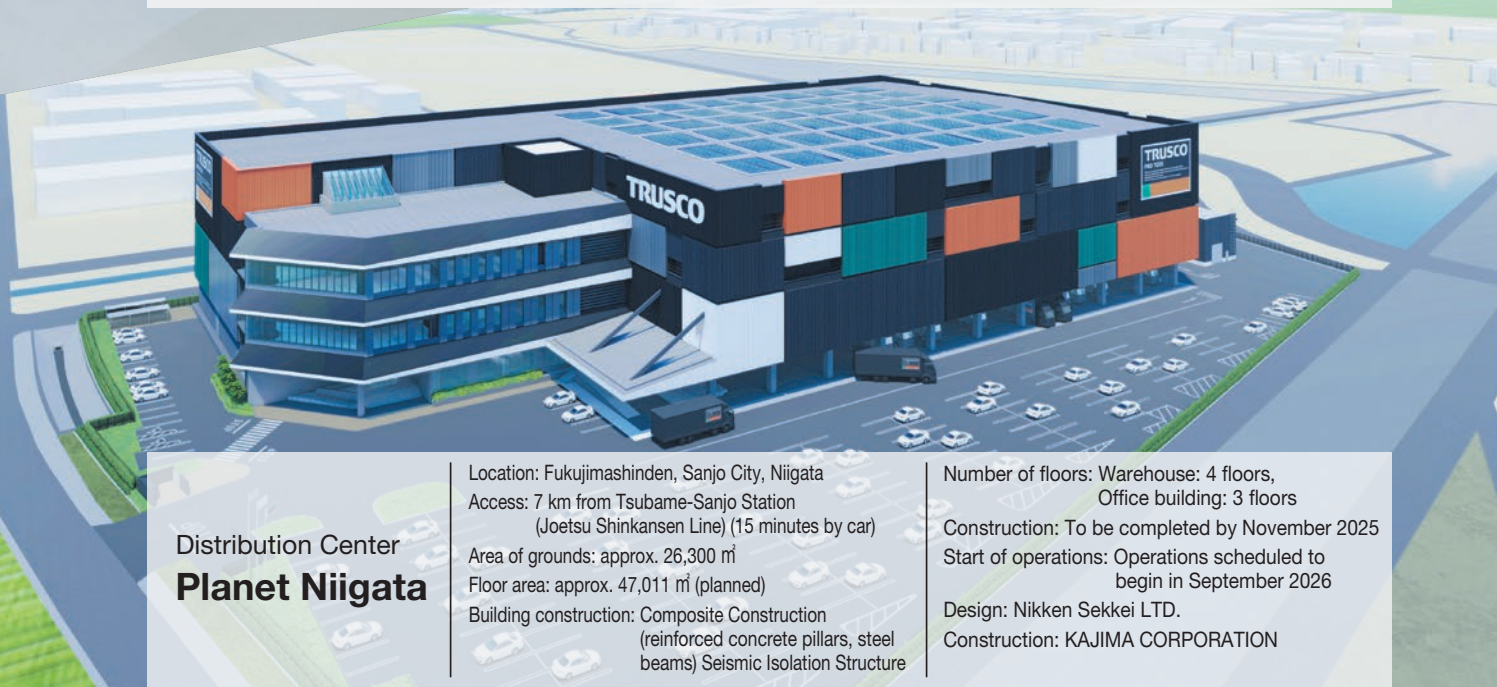
GAMBARE!! JAPANESE MONODZUKURI



Distribution Center Planet Aichi

Location: 1-39-4 Gaiku, Nagoya, Kitanagoya City, Aichi
Access: 10 km from JR Nagoya Station (20 minutes by car)
Area of grounds: approx. 41,636 m²
Floor area: approx. 88,578 m²
(twice the size of Tokyo Dome)
Building construction: Composite Construction
(reinforced concrete pillars, steel beams) Seismic Isolation Structure

Number of floors: Warehouse: 4 floors,
Office building: 4 floors
Capacity:
Shipping: 100,000 packages/day
Number of items in inventory: 1,000,000 items
Construction: To be completed by January 2025
Start of operations: Operations scheduled to
begin in July 2026
Design/Construction: Taisei Corporation



Distribution Center Planet Niigata

Location: Fukujimashinden, Sanjo City, Niigata
Access: 7 km from Tsubame-Sanjo Station
(Joetsu Shinkansen Line) (15 minutes by car)
Area of grounds: approx. 26,300 m²
Floor area: approx. 47,011 m² (planned)
Building construction: Composite Construction
(reinforced concrete pillars, steel beams) Seismic Isolation Structure

Number of floors: Warehouse: 4 floors,
Office building: 3 floors
Construction: To be completed by November 2025
Start of operations: Operations scheduled to
begin in September 2026
Design: Nikken Sekkei LTD.
Construction: KAJIMA CORPORATION

TRUSCO

Important Measures for Becoming the Company We Want to Be*

* See p.20 for details on the concept "Becoming the Company We Want to Be".

Very popular! The number of users has increased rapidly!

P.47

"NIAWASE + U-choku"

Additional shipping lines expanded for this service

"NIAWASE + U-choku" is a service where TRUSCO places products that a customer has ordered in one box ("NIAWASE" (Order Consolidation)) and delivers them directly to the user's manufacturing site ("U-choku" (Direct Delivery Service)). During the 61st term, the number of units shipped directly to users was 4.86 million units (up 1.31 million year-on-year), and the number of customers using the service is rapidly expanding. We will further strengthen this convenient and environmentally friendly service in the current fiscal year.



Details can be found by scanning the QR code above.



Currently under construction with operation planned to start in July 2026!

Distribution Center Planet Aichi

Our largest "tool box in Japan"

We are currently constructing our largest distribution center, Planet Aichi, in Kitanagoya City, Aichi Prefecture. With a total floor space twice that of Planet Saitama, it can hold 1 million items in inventory and is expected to have a maximum shipment capacity of \$666 million. Planet Aichi is conveniently located only 20 minutes by car from Nagoya Station. Four high-speed automated packing and shipping lines (I-Pack[®]) capable of directly shipping products to manufacturing sites throughout Japan have been installed to minimize lead time.



Distribution Center Planet Aichi under construction (photo taken in February 2024)

Number introduced More than 1,200!

P.51

MRO Stocker

Used at various manufacturing sites

The "MRO Stocker" service, which was launched in 2020, has spread throughout manufacturing sites nationwide, and the number of locations where it has been adopted exceeded 1,200 in the 61st term. We have received comments from customers such as "It has reduced unnecessary purchases and led to cost reductions," and "It has eliminated the hassle of inventory and consumables management." It is also an environmentally-friendly service since shipping is not necessary each time an order is placed. In preparation for future growth in demand, we will improve the quality of our services so that customers can use them more easily.



A variety of MRO Stockers tailored to sites



Specialized smartphone app

TRUSCO will start promoting this service!

U-kuru Product Pick-up Service for Users

Making the most of our nationwide inventory bases

In order to maximize the use of our 57 inventory bases nationwide (distribution centers and branches with inventory), we will further develop an environment where users can pick up products at stores in the future. Although we made it possible for users to come to our locations in the past, there were times when it was inconvenient if they were in a hurry. In the future, we will continue to improve the system and other systems so that products can be delivered smoothly to customers who come to our stores suddenly, and create an environment that makes it easier for customers to use products from our inventory bases.



Visiting space provided at each inventory location (Saki Komai, Planet Saitama)

Organizational Chart As of April 1, 2024

Advisor




Born January 16, 1955
69 years old; 46 years at Trusco

Career Summary
1978: Joined the Company
1996: Branch Office Manager, Tokyo Branch
1998: General Manager, Corporate Planning Department
1999: Executive Officer & General Manager, Corporate Planning Department
2003: Executive Officer & General Manager, Purchasing Department
2004: Division Head, Distribution Dept.
2007: Executive Director & General Manager, Product Department
2017: Senior Executive Director & General Manager, Business Management Department
2019: Senior Executive Director & Assistant to the President
2020: Advisor (present)

Advisor:
The position of advisor was established the purpose of providing advice to employees with the advisor utilizing their knowledge and experience based on the past achievements of the company.

Takashi Nakai

Outside Directors




Born November 15, 1949
74 years old; 8 years at Trusco

Career Summary
1975: Joined McKinsey & Company
1996: Founded ForeSight & Company President (present)
2016: Outside Director of the Company (present)
2017: Founded the Society for Problem Solving Representative Director, Society for Problem Solving (present)

Outside Directors Board Brain(BB)*1
ForeSight & Company, Ltd. President

Kenichi Saito




Born August 19, 1953
70 years old; 8 years at Trusco

Career Summary
1976: Joined Hagihara Industries Inc.
1984: President, Hagihara Industries Inc.
2010: President & CEO of Hagihara Industries Inc. President & Executive Officer
2016: Chairman, Hagihara Industries Inc.
2016: Outside Director of the Company (present)
2018: President, Toyo Heisei Polymer, Co., Ltd.
2020: Outside Director, Wavelock Holdings Co., Ltd. (present)
2021: Chairman, Toyo Heisei Polymer, Co., Ltd. (present)
2022: Chairman, Hagihara Industries Inc. Senior Advisor, Toyo Heisei Polymer, Co., Ltd. (present)
2023: Senior Advisor, Hagihara Industries Inc. (present)

Outside Directors Board Brain(BB)*1
Senior Advisor, Hagihara Industries Inc.

Kuniaki Hagihara



Born March 5, 1962
62 years old; 4 years at Trusco

Career Summary
1984: Joined Nissan Motor Co., Ltd.
2001: Joined LVJ Group K.K. (currently Louis Vuitton Japan K.K.)
2009: Representative Director, Shaldan Co., Ltd.
2010: Joined S.T. CORPORATION
2013: Director, Representative Executive Officer and President, S.T. CORPORATION Director, Shaldan Co., Ltd. (present)
2020: Outside Director of the Company (present)
2021: President, S.T. CORPORATION
2022: Outside Director, King Jim Co., Ltd. (present)
2023: Chairman, S.T. CORPORATION (present)

Outside Directors Board Brain(BB)*1
Chairman, S.T.CORPORATION

Takako Suzuki

President



Born December 24, 1958
65 years old; 43 years at Trusco

Career Summary
1981: Joined the Company
1984: Director
1987: Executive Director
1991: Representative Director and Senior Executive Director
1994: President (present)

President

Tetsuya Nakayama

General Manager of the Business Management Department, Digital Service Strategy Department, and Orange Book Department



Director, General Manager of the Business Management Department, Digital Service Strategy Department, and Orange Book Department


Atsushi Kazumi

Born September 10, 1970
53 years old; 31 years at Trusco

Career Summary
1993: Joined the Company
2001: Office Manager, Tsuchiura Sales Office
2002: Office Manager, Kanazawa Sales Office
2006: Branch Office Manager, Osaka Branch
2010: Section Manager, Catalog Media Section and Section Manager, DOTKUL Section
2013: General Manager, e-commerce Sales Division
2014: General Manager, e-Business Sales Division
2017: Executive Officer & e-commerce manager, e-Business Sales Division
2017: Executive Officer & General Manager, Information Systems Dept.
2019: Executive Officer & General Manager, Information Systems Division

2019: Director & General Manager, Information Systems Division
2020: Director, General Manager of the Business Management Department and General Manager of the Digital Service Strategy Department & General Manager of the Digital Promotion Division
2021: Director, General Manager of the Business Management Department and General Manager of the Digital Service Strategy Department
2024: Director, General Manager, Business Management Department, General Manager, Digital Service Strategy Department, and General Manager, Orange Book Department (present)

General Manager of the Product Department



Director General Manager of the Product Department

Tatsuya Nakayama

Born August 4, 1985
38 years old; 11 years at Trusco

Career Summary
2013: Joined the Company
2018: Branch Office Manager, Internet Sales Tokyo Branch Division 1
2019: General Manager of Corporate Planning Division and Accounting Division
2021: Senior Executive Officer & General Manager, Product Division
2023: Director, General Manager of the Product Department (present)

Business Management Dept. (93 employees in total) *2

Corporate Planning Division



General Manager, Corporate Planning Division

Mayumi Takata

Born June 2, 1977
46 years old; 24 years at Trusco

Career Summary
2000: Joined the Company
2014: Branch Office Manager, Neyagawa Branch
2016: Planet East Kanto Deputy Logistic Center Manager
2021: Section Manager, Management Planning Section, and Section Manager, IR Section
2022: Section Manager, Management Planning Section, Section Manager, Secretarial Section, Section Manager, Sustainability Promotion Section
2024: General Manager, Corporate Planning Division (present)

Management Planning Section
Secretarial Section
IR Section
Sustainability Promotion Section (13 employees)

Personnel Division



General Manager, Personnel Division

Masato Otani

Born October 24, 1967
56 years old; 33 years at Trusco

Career Summary
1991: Joined the Company
2008: Office Manager, Kagoshima Sales Office
2012: Branch Office Manager, Chiba Branch
2014: Section Manager, Personnel Section, and Section Manager, Healthcare Section
2018: General Manager, Factory Sales Division (Kinki Area)
2019: General Manager, Factory Sales Division and Distribution Division (Kinki)
2021: General Manager, Factory Sales Division and Distribution Division (Chubu, Kinki)
2022: General Manager, East Japan Distribution Division
2024: General Manager, Personnel Division (present)

Personnel Section
HR Support Section
Recruitment Section
Human Resources Development Section
Healthcare Section (22 employees)

Administration Division



Executive Officer General Manager, Administration Division and Section Manager, Property Section

Mikio Adachi

Born September 20, 1969
54 years old; 30 years at Trusco

Career Summary
1994: Joined the Company
2002: Office Manager, HC Nagoya Sales Office
2004: Office Manager, HC Niigata Sales Office
2007: Branch Office Manager, HC Tokyo Branch
2008: Office Manager, Matsudo Sales Office
2010: Planet Tokai Deputy Logistic Center Manager
2011: Planet South Kanto Logistic Center Manager
2013: Planet North Kanto Logistic Center Manager
2016: General Manager, Factory Sales Division (Central Japan)
2018: General Manager, Factory Sales Division (Shinshu, Hokuriku, and Tokai)
2019: General Manager, Administration Division
2021: General Manager, Administration Division and Section Manager, Property Section
2024: Executive Officer, General Manager, Administration Division, and Section Manager, Property Section (present)

Tokyo Management Section
Osaka Management Section
Property Section
TRUSCO Resort and Spa Hakone
Kyoto Kagurakawa RENGETSUO
TRUSCO Resort and Spa Karuizawa (27 full-time employees; 10 part-time staff)



Trusco Nakayama Health Insurance Association Manager

Akiko Tani

11 years at Trusco
(2 employees on loan)

Accounting Division



General Manager, Accounting Division

Atsushi Shimozu

Born December 25, 1978
45 years old; 22 years at Trusco

Career Summary
2002: Joined the Company
2011: Branch Office Manager, Edogawa Branch
2013: Deputy Manager, Management Planning Section
2014: Section Manager, General Affairs Section, Osaka Head Office, Section Manager, Legal Affairs Section, and Section Manager, Vehicle Operation Management Section
2021: Section Manager, Management Planning Section, and Section Manager, IR Section
2021: General Manager of the Corporate Planning Division, Section Manager, Management Planning Section, and Section Manager, IR Section
2021: General Manager, Corporate Planning Division
2024: General Manager, Accounting Division (present)

Accounting Section
Finance Section (19 employees)

Digital Service Strategy Dept. (47 employees in total)

Information Systems Division



Executive Officer General Manager, Information Systems Division

Takayuki Kimura

Born June 26, 1973
50 years old; 26 years at Trusco

Career Summary
1998: Joined the Company
2011: Branch Office Manager, Yamaguchi Branch
2012: Branch Office Manager, Ube Branch
2013: Section Manager, Human Resources Development Section, Section Manager, Secretarial Section, and Section Manager, Environmental Management Section
2019: General Manager, Information Systems Division
2024: Executive Officer General Manager, Information Systems Division (present)

IT Planning Section
System Management Section
Infrastructure/Network Management Section
Data Management Section (37 employees)

Digital Promotion Division



General Manager, Digital Promotion Division

Masaya Okada

Born August 17, 1976
47 years old; 24 years at Trusco

Career Summary
2000: Joined the Company
2008: Section Manager, Recruitment Section
2010: Branch Office Manager, Itabashi Branch
2014: Planet Osaka Deputy Logistic Center Manager
2015: Planet Tokai Logistic Center Manager
2016: Planet Saitama Preparation Room Manager
2018: Planet Saitama Logistic Center Manager
2021: General Manager, Distribution Reorganization Department
2024: General Manager, Digital Promotion Division (present)

Digital Promotion Division
UX Platform Development Section (10 employees)

Orange Book Dept. (23 employees in total)

TRUSCO Orange Book Division



General Manager, TRUSCO Orange Book Division

Ryutaro Shimizu

Born June 27, 1980
43 years old; 20 years at Trusco

Career Summary
2004: Joined the Company
2013: Branch Office Manager, Oita Branch
2017: Section Manager, Tokyo Management Section
2024: General Manager, TRUSCO Orange Book Division

Orange Book Section
Orange Book.com Section
Product DB Platform Development Office (22 employees)

Product Dept. (111 employees in total)

Tokyo Product Division



General Manager, Tokyo Product Division

Fumiaki Matsubara

Born July 21, 1980
43 years old; 20 years at Trusco

Career Summary
2004: Joined the Company
2018: Branch Office Manager, Fukui Branch
2021: Branch Office Manager, South Osaka Branch
2022: General Manager, Tokyo Product Division (present)

Tokyo NB Product Section
Tokyo PB Product Section
PB Product Design Section
Tokyo Supplier Development Dept. (44 employees)

Osaka Product Division



Executive Officer General Manager of the Osaka Product Division

Koshiro Aoyama

Born February 23, 1976
48 years old; 26 years at Trusco

Career Summary
1998: Joined the Company
2008: Branch Office Manager, Kumagaya Branch
2012: Branch Office Manager, Toyama Branch
2016: Section Manager, Tokyo PB Product Section, and Section Manager, PB Product Design Section
2021: Deputy General Manager, Osaka Product Division
2021: General Manager, Osaka Product Division, and Section Manager, Orange Book Section
2022: General Manager of the Osaka Product Division
2024: Executive Officer General Manager of the Osaka Product Division (present)

Osaka NB Product Section
Osaka PB Product Section
PB Quality Control Section
Stock management Section
Osaka Supplier Development Section
Customer Consulting Section (50 employees)

Overseas Product Division



General Manager, Overseas Product Division

Takeshi Yashima

Born October 12, 1975
48 years old; 26 years at Trusco

Career Summary
1996: Joined the Company
2007: Branch Office Manager, Niigata-kita Sales Office
2010: Branch Office Manager, Niigata-kita Branch
2011: Section Manager, Overseas Sales Section, Section Manager, Multilingual Sales Section
2014: Section Manager, Indonesia Subsidiary Preparation Section
2015: Representative Director and Managing Director, PT. TRUSCO NAKAYAMA INDONESIA
2016: Representative Director and President, PT. TRUSCO NAKAYAMA INDONESIA
2018: Branch Office Manager, MRO Supply Tokyo Branch
2022: Branch Office Manager, Okazaki Branch
2024: General Manager, Overseas Product Division (present)

Overseas Procurement Section
Germany office
Taiwan office
Thailand office (16 employees)

Sales Planning Division/e-Business Sales Division



Executive Officer General Manager, Sales Planning Division, and General Manager, e-Business Sales Division

Masashi Yamamoto

Born May 27, 1973
50 years old; 28 years at Trusco

Career Summary
1996: Joined the Company
2004: Office Manager, Hamamatsu Sales Office
2010: Chief, Corporate Auditor's Office
2010: Section Manager, Administration Section
2012: Planet North Kanto Deputy Logistic Center Manager
2014: Planet Tohoku Logistic Center Manager
2018: General Manager, Tokyo Metropolitan Area Distribution Division
2019: General Manager, Overseas Division and General Manager, Marketing Division
2020: General Manager of the e-Business Sales Division
2022: General Manager, Sales Planning Division, and General Manager, e-Business Sales Division
2024: Executive Officer General Manager, Sales Planning Division, and General Manager, e-Business Sales Division (present)

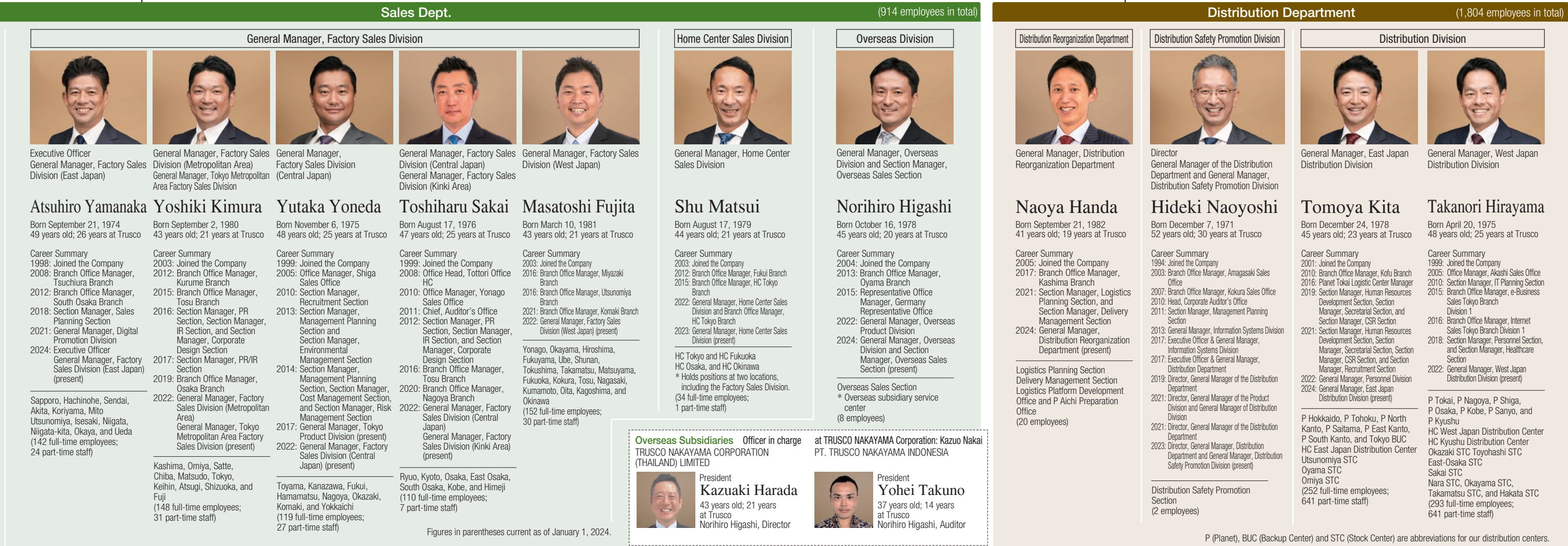
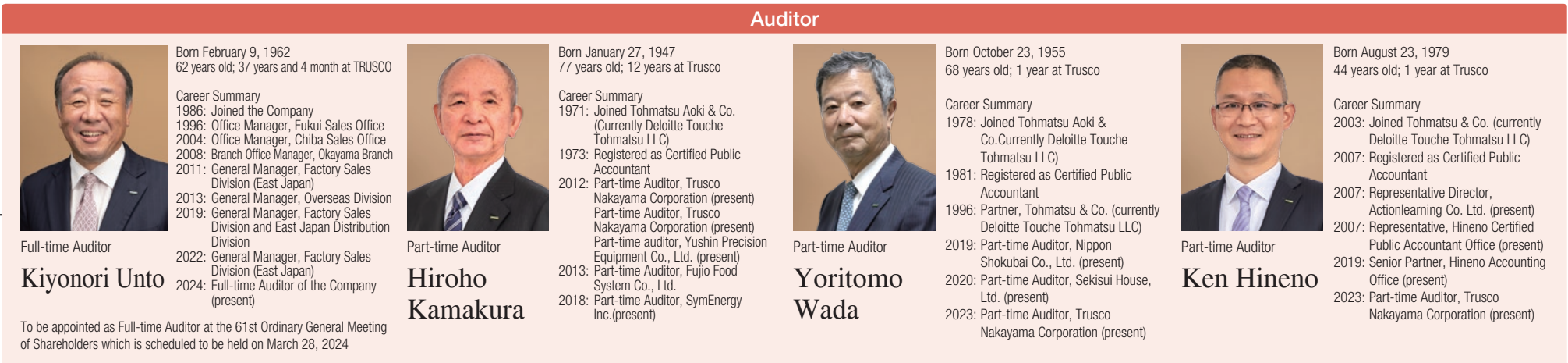
Sales Planning Dept.
Market Price Research Office
Naqiro Section
MRO Stocker Promotion Section (14 employees)

Internet Sales Tokyo Branch
Internet Sales Osaka Branch
MRO Supply Tokyo (56 full-time employees; 5 part-time staff)

*2 Includes staff on loan in each figure provided.

5 TRUSCO Integrated Report 2024

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About the **TRUSCO** Integrated Report

The TRUSCO Integrated Report provides readers with a deep understanding of the Company

The **TRUSCO Integrated Report** is a publication created for our stakeholders* that combines general company information and more detailed information about TRUSCO. Since we want people to know more about the Company, we provide content that is easy to understand for those unfamiliar with TRUSCO and that will deepen the understanding of those who are already familiar with the Company. Through this Integrated Report, we provide information on the actions we are taking and our ideas for becoming a company needed for Japanese manufacturing in any era.

*** Stakeholders**
Employees and their families, business partners, shareholders, people involved in manufacturing in Japan, and all other stakeholders related to our company.

Integrated Report Key Points

Allows readers to understand our efforts aimed at achieving “Our Ambitions”

Covers all the elements that form TRUSCO

An original document that serves as a company brochure and an integrated report

TRUSCO
Integrated Report

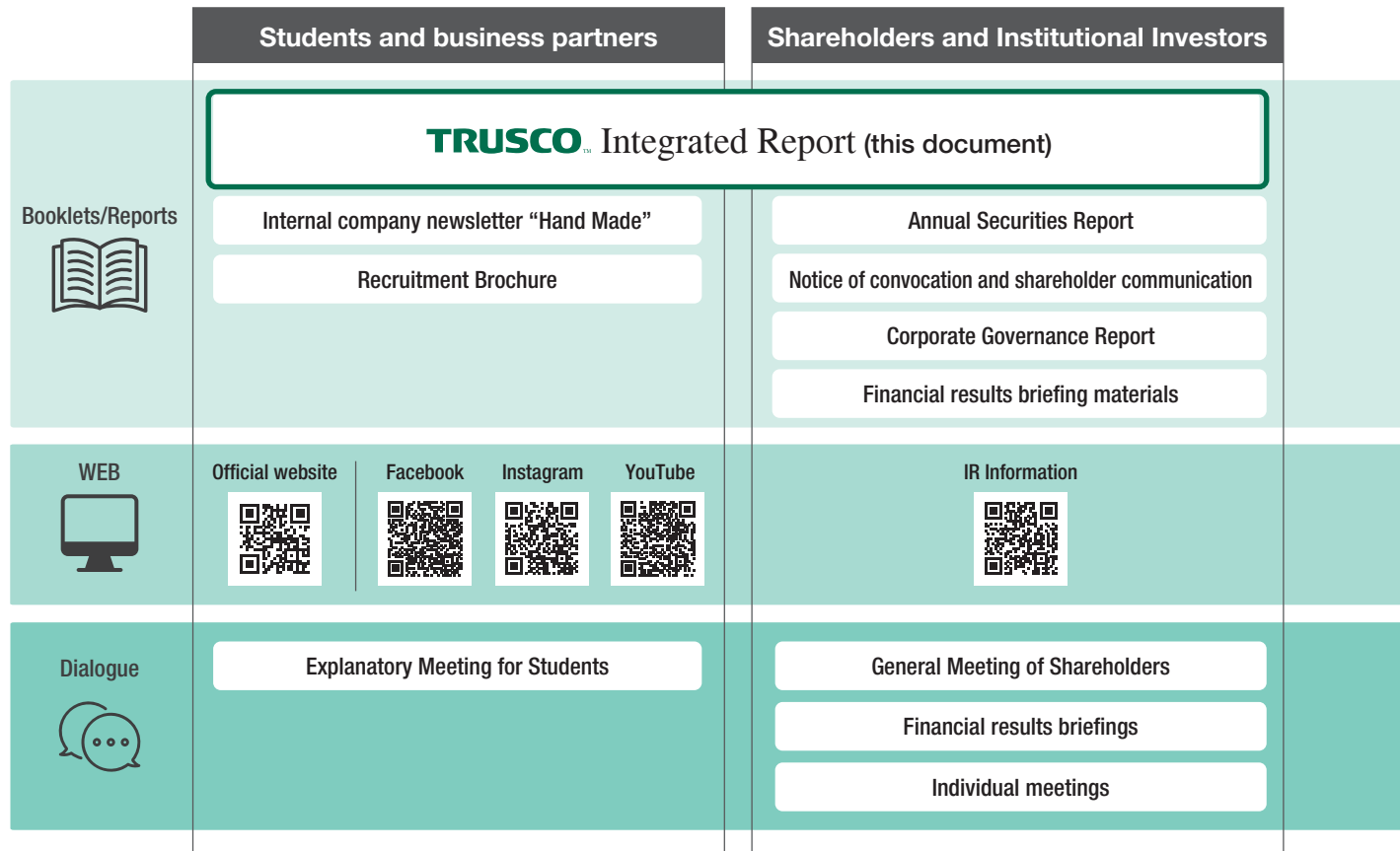
The TRUSCO Integrated Report provides readers with a deep understanding of the Company

Company Profile

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Integrated Report

Communication Overview



TRUSCO Integrated Report

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Editorial Policy

We are publishing our Integrated Report annually in the hope that our institutional investors, shareholders, and other stakeholders will better understand our business and the process of value creation. “**GAMBARE!! JAPANESE MONODZUKURI**” In the Integrated Report, we emphasize the story behind our vision, which is to be a company that will continue to be of service to the manufacturing industry in Japan that always provides the highest level of convenience. We believe the source of competitiveness for an organization is its **originality**. Therefore, we are building a business model that makes full use of products, logistics, and digital technologies. We hope that this report will give you some insight into our business and our approach to gaining a competitive advantage.

Note: The “Accounting Standard for Revenue Recognition” has been applied from the beginning of the fiscal year ending December 31, 2022. Therefore, unless otherwise stated, figures for the fiscal year ended December 31, 2021 have been retroactively applied.

Period Covered by the Report

This Integrated Report covers TRUSCO's business operations from January 1, 2023 to December 31, 2023.

Cautionary Information Regarding Forward-Looking Statements

This Integrated Report contains forward-looking statements regarding our future plans, strategies, and performance. These statements are based on our assumptions and plans based on current information. It contains risks and uncertainties related to economic trends and market demand. Therefore, please be aware that planned and actual results may differ, and that strategies may change.

Reference Guidelines

- “Guidance for Collaborative Value Creation” (Ministry of Economy, Trade and Industry)
- “International Integrated Reporting Framework” (International Integrated Reporting Council (IIRC))

Map of Bases As of June 1, 2024 ★ indicates a company-owned property.

52	Shunan Branch	2-5-3 Kumechuo, Shunan City, Yamaguchi
53	Ube Branch	395-5 Oaza Nakano Gaisaku, Ube City, Yamaguchi
54	Takamatsu Branch	4001-77 Yoshida, Utazu-cho, Ayauta-gun, Kagawa★
55	Takamatsu Stock Center	2-3-1 Asahimachi, Takamatsu City, Kagawa★
56	Tokushima Branch	23 Nakahara, Ojin-cho Nakahara, Tokushima City, Tokushima
57	Matsuyama Branch	1068-4 Kumanodai, Matsuyama City, Ehime★
58	Kokura Branch	7-1 Kifunemachi, Kokurakita-ku, Kitakyushu City, Fukuoka★
59	Hakata Stock Center Fukuoka Branch	2-4-14 Takeshita, Hakata-ku, Fukuoka City, Fukuoka★
60	Planet Kyushu Tosu Branch	1651 Himekata-machi, Tosu City, Saga★
61	HC Kyushu Distribution Center	1956-1 Kitanomachinaka, Kurume City, Fukuoka★
62	Nagasaki Branch	23-4 Ohashi-machi, Nagasaki City, Nagasaki
63	Kumamoto Branch	5F Kumamoto Central Bldg. 66-7 Yamasaki-machi, Chuo-ku, Kumamoto City, Kumamoto
64	Oita Branch	1-3-28 Mukaibara-Higashi, Oita City, Oita★
65	Kagoshima Branch	3-68 Tokai-cho, Kagoshima City, Kagoshima★
66	Okinawa Branch	5F Okinawaken Kensetsu Kaikan 5-6-8 Makiminato, Urasoe City, Okinawa

Osaka Head Office		
Osaka Branch		
42	Higashi Osaka Branch	TRUSCO Central Bldg. 4-2-5, Honmachi, Chuo-ku, Osaka City, Osaka★
HC Osaka Branch		
Internet Sales Osaka Branch		
43	Planet Osaka South Osaka Branch	81-1 Ishizu Kitamachi, Sakai-ku, Sakai City, Osaka★
44	Planet Kobe	1-3-5 Nakamachi, Minatojima, Chuo-ku, Kobe City, Hyogo★
45	Kobe Branch	5F Nakayama Memorial Hall, 2-1-9 Mizuki-dori, Hyogo-ku, Kobe, Hyogo★
46	Himeji Branch	448-26 Hojo, Himeji City, Hyogo★

West Japan

47	Planet Sanyo Okayama Branch	4-15 Amase, Kita-ku, Okayama City, Okayama★
48	Okayama Stock Center	2-16-35 Fukunari, Minami-ku, Okayama City, Okayama★
49	Yonago Branch	8-15-14 Yonehara, Yonago City, Tottori★
50	Fukuyama Branch	2-4-13 Akebono-cho, Fukuyama City, Hiroshima★
51	Hiroshima Branch	1-20-1 Naka-Hiromachi, Nishi-ku, Hiroshima City, Hiroshima★

Kinki

36	Planet Shiga Ryuo Branch	1140-3 Oguchi, Ryuo-cho, Gamou-gun, Shiga★
37	Kyoto Branch	3F Trusco Crystal Bldg. 593 Higashi-Shiokoji-cho, Shimogyo-ku, Kyoto City, Kyoto★
38	HC West Japan Distribution Center	755-6 Kamifukawa-cho, Nara City, Nara★
39	Nara Stock Center	758-6 Kamifukawa-cho, Nara City, Nara★
40	East Osaka Stock Center	4-12 Shinjo-nishi, Higashi-Osaka City, Osaka★
41	Sakai Stock Center	1-5-45 Hamadera Ishizuchohigashi, Nishi-ku, Sakai City, Osaka★

2026
New Planet Niigata planned for construction
Location: Sanjo City, Niigata
Area of grounds: approx. 26,300 m²
Floor area: approx. 47,011 m²

Bases in Japan

94

2 59 28
(Branches with inventory: 29) (includes 11 Stock Centers)

5 1,203
Overseas Branches Number of companies that have introduced MRO Stocker

TRUSCO NAKAYAMA CORPORATION (THAILAND) LIMITED
PT. TRUSCO NAKAYAMA INDONESIA
Supplier business development office locations:
Germany, Taiwan, and Thailand

Number of items in inventory 590,000 sku
Total number of items in inventory 56,930,000 items
Inventory Value \$338 million

Central Japan

26	Toyama Branch	1-1-34 Tanaka-machi, Toyama City, Toyama★
27	Kanazawa Branch	6-15-1 Eki Nishi-Honmachi, Kanazawa City, Ishikawa★
28	Fukui Branch	1-52 Toiya-cho, Fukui City, Fukui★
29	Hamamatsu Branch	209-1 Sode-cho, Chuo-ku, Hamamatsu City, Shizuoka★
30	Planet Tokai Okazaki Branch	18 Minami-Kubo, Oka-cho, Okazaki City, Aichi★
31	Okazaki Stock Center	1 Shimoike, Akashibu-cho, Okazaki City, Aichi★
32	Nagoya Branch	12-26 Ukishima-cho, Mizuho-ku, Nagoya City, Aichi★
33	Planet Nagoya Komaki Branch	10-1 Kawahigashi, Wada-cho, Konan City, Aichi★
34	Toyohashi Stock Center	33-16 Akemicho, Toyohashi City, Aichi★
35	Yokkaichi Branch	5-4-13 Shinsho, Yokkaichi City, Mie★

Supplier business development office (Overseas Product Division)

Number of Bases 3



Metropolitan

13	Kashima Branch	3-3-24 Horiwari, Kamisu City, Ibaraki★
14	Utsunomiya Stock Center	2-40-3 Shirasagi, Kaminokawamachi, Kawachi-gun, Tochigi★
15	Oyama Stock Center	1-6-33 Awanomiya, Oyama City, Tochigi★
16	Planet Saitama Satte Branch	988-7 Akagi, Shinmeiuchi, Satte City, Saitama★
17	Omiya Branch Omiya Stock Center	2039 Nishi-Asuma, Nishi-ku, Saitama City, Saitama★
18	Planet East Kanto Matsudo Branch	241-1 Kamihongo, Matsudo City, Chiba★
19	Chiba Branch	1969-17 Yawatakaigan-dori, Ichihara City, Chiba★
Tokyo Head Office		
Tokyo Branch		
20	HC Tokyo Branch	TRUSCO Fiorito Bldg., 4-28-1, Shimbashi, Minato-ku, Tokyo★
Internet Sales Tokyo Branch		
MRO Supply Tokyo Branch		
21	Keihin Branch	2-14-23 Kugahara, Ota-ku, Tokyo★
22	Tokyo Backup Center	3-10-6 Tamachi, Kawasaki-ku, Kawasaki City, Kanagawa★
23	Planet South Kanto Atsugi Branch	1567-1 Takamori, Isehara City, Kanagawa★
24	Fuji Branch	251-1 Jubee, Fuji City, Shizuoka★
25	Shizuoka Branch	1-20 Midorigaoka-cho, Suruga-ku, Shizuoka City, Shizuoka★

East Japan

1	Planet Hokkaido Sapporo Branch	3-4-51 Higashi-Naeba 5-jo, Higashi-ku, Sapporo City, Hokkaido★
2	Hachinohe Branch	1-2-9 Numadate, Hachinohe City, Aomori★
3	Planet Tohoku Sendai Branch	2-1-23 Ogimachi, Miyagino-ku, Sendai City, Miyagi★
4	Akita Branch	2-41 Sanno-Rinkaimachi, Akita City, Akita★
5	Koriyama Branch	1-23-7 Motomachi, Koriyama City, Fukushima★
6	Mito Branch	1567 Sugaya, Naka City Ibaraki★
7	Utsunomiya Branch	46-11 Hiraide Kogyo Danchi, Utsunomiya City, Tochigi★
8	Planet North Kanto Iseaki Branch	2739-1 Sanwa-cho, Iseaki City, Gunma★
9	HC East Japan Distribution Center Niigata Branch	280 Oaza Shinbo, Sanjo City, Niigata★
10	Niigataki Branch	2-6-50 Yutaka, Higashi-ku, Niigata City, Niigata★
11	Okaya Branch	2-1-33 Shinmei-cho, Okaya City, Nagano★
12	Ueda Branch	2F Unno-Machi-Kan Ito Bldg. 2-8-11 Chuo, Ueda City, Nagano

Overseas Subsidiaries

Number of Bases 2



Main Business Locations All company-owned properties

Only some are corporate-owned properties (as of December 31, 2023)

1 Area of Grounds 2 Floor Area 3 Start of Operations (Current Building) 4 Number of Employees
5 Number of items in inventory 6 Total number of items in inventory 7 Inventory Value

Planet Aichi

Kitanagoya City, Aichi

(Conceptual Image)

Operation scheduled for 2026

Automated bucket warehouseAutoStoreAutomated pallet warehouseShuttle racksI-Pack®Just fit BOXAMRAutomated long pallet warehouseLoad Assorting StationAutomated pallet warehouse for hazardous materials

1approx. 41,636 m2approx. 88,578 m3Operations are scheduled to begin in July 2026Photovoltaic Power Generation (1,867 kW)Seismic Isolation Structure

Planet Niigata

Sanjo City, Niigata

(Conceptual Image)

Operation scheduled for,2026

Automated pallet warehouseElectric moving pallet racksJust Fit BoxPhotovoltaic Power Generation (768 kW)Seismic Isolation Structure

1approx. 26,300 m2approx. 47,011 m3Operations are scheduled to begin in September 2026

Planet Saitama

Satte City, Saitama

Automated bucket warehouseAutoStoreAutomated pallet warehouseButler®Electric moving pallet racksAGV SAS GAS I-Pack®Just fit BOXPalletizing RobotsAMRPhotovoltaic Power Generation (750 kW)Seismic Isolation Structure

1approx. 47,262 m2approx. 42,694 m3201842065532,000 different products66,587,000 items7\$53.8 million

Planet East Kanto

Matsudo City, Chiba

Automated bucket warehouseAutomated pallet warehouseElectric moving pallet racksShuttle racksGAS I-Pack®Just fit BOXPhotovoltaic Power Generation (236.6 kW)

1approx. 14,680 m2approx. 29,705 m3200641785380,000 different products63,547,000 items7\$24.2 million

Planet Hokkaido

Higashi-ku, Sapporo City, Hokkaido

1approx. 23,375 m2approx. 5,507 m3200443252,000 different products6826,000 items7\$4.7 million

Planet Tohoku

Miyagino-ku, Sendai City, Miyagi

Automated bucket warehouseAutoStoreSAS GASButler®I-Pack®Just fit BOXPhotovoltaic Power Generation (250 kW)

1approx. 15,041 m2approx. 28,400 m320104865213,000 different products63,763,000 items7\$24.6 million

Planet North Kanto

Isesaki City, Gunma

Automated pallet warehouseAutoStoreJust fit BOXPhotovoltaic Power Generation (431 kW)

1approx. 33,057 m2approx. 25,438 m320074935202,000 different products62,388,000 items7\$14.8 million

Planet South Kanto

Isehara City, Kanagawa

Automated bucket warehouseAutoStoreElectric moving pallet racksDASShuttle racksPhotovoltaic Power Generation (300 kW)Seismic Isolation Structure

1approx. 12,105 m2approx. 26,062 m3202041385183,000 different products62,869,000 items7\$16.8 million

Planet Tokai

Okazaki City, Aichi

Automated bucket warehouseElectric moving pallet racksSAS GAS I-Pack®Just fit BOXPhotovoltaic Power Generation (4 kW)

1approx. 13,666 m2approx. 24,003 m3200841605320,000 different products64,027,000 items7\$30.6 million

HC West Japan Distribution Center

Nara City

Automated bucket warehouseElectric moving pallet racksSAS GASJust fit BOXPhotovoltaic Power Generation (18 kW)

1approx. 9,900 m2approx. 10,016 m31992490529,000 different products62,618,000 items7\$13.6 million

Planet Sanyo

Kita-ku, Okayama City

Electric moving pallet racksPhotovoltaic Power Generation (30 kW)

1approx. 3,031 m2approx. 10,694 m320134625107,000 different products61,548,000 items7\$9.0 million

Planet Nagoya

Konan City, Aichi

Photovoltaic Power Generation (2.9 kW)

1approx. 5,626 m2approx. 8,122 m31998441558,000 different products61,166,000 items7\$5.6 million

Tokyo Backup Center

Kawasaki-ku, Kawasaki City, Kanagawa

1approx. 2,509 m2approx. 5,004 m32009417582,000 different products61,835,000 items7\$16.8 million

Oyama Stock Center

Oyama City, Tochigi

1approx. 4,690 m2approx. 3,166 m3201952,000 different products6136,000 items7\$2.1 million

Utsunomiya Stock Center

Kaminokawamachi, Kawachi-gun, Tochigi

1approx. 1,877 m2approx. 872 m32019544 different products649,000 items7\$0.5 million

Planet Shiga

Ryuo-cho Gamou-gun, Shiga

Automated bucket warehouseElectric moving pallet racksPhotovoltaic Power Generation (20 kW)

1approx. 11,576 m2approx. 19,593 m320084925215,000 different products62,338,000 items7\$13.4 million

Planet Kobe

Chuo-ku, Kobe City, Hyogo

Automated bucket warehouseElectric moving pallet racksSAS GASJust fit BOXPhotovoltaic Power Generation (18 kW)

1approx. 8,287 m2approx. 16,687 m3200541315176,000 different products62,529,000 items7\$14.2 million

HC East Japan Distribution Center

Sanjo City, Niigata

1approx. 8,618 m2approx. 9,771 m31994496527,000 different products61,997,000 items7\$8.4 million

Tokyo Backup Center

Kawasaki-ku, Kawasaki City, Kanagawa

1approx. 2,509 m2approx. 5,004 m32009417582,000 different products61,835,000 items7\$16.8 million

HC Kyushu Distribution Center

Kurume City, Fukuoka

1approx. 5,560 m2approx. 5,933 m32002/2016461518,000 different products61,200,000 items7\$5.1 million

Okayama Stock Center

Minami-ku, Okayama City

1approx. 1,685 m2approx. 2,274 m320175569 different products6102,000 items7\$0.6 million

Planet Osaka

Sakai-ku, Sakai City, Osaka

Automated bucket warehouseSAS GAS I-Pack®Just fit BOXPhotovoltaic Power Generation (300 kW)Seismic Isolation Structure

1approx. 10,373 m2approx. 20,479 m3201542065349,000 different products63,958,000 items7\$28.2 million

Planet Kyushu

Tosu City, Saga

Photovoltaic Power Generation (300 kW)

1approx. 11,328 m2approx. 22,690 m320154875220,000 different products63,188,000 items7\$21.2 million

East Osaka Stock Center

Higashi-Osaka City, Osaka

1approx. 3,024 m2approx. 8,558 m32008/2016/20175313625,000 items7\$0.2 million

Sakai Stock Center

Nishi-ku, Sakai City, Osaka

1approx. 3,302 m2approx. 4,641 m3May 202353,000 different products6284,000 items7\$3.8 million

Omiya Stock Center

Nishi-ku, Saitama City, Saitama

1approx. 1,652 m2approx. 1,371 m320215106 different products640,000 items7\$0.3 million

Toyohashi Stock Center

Toyohashi City, Aichi

1approx. 9,900 m2approx. 6,856 m3201951,000 different products61,933,000 items7\$6.7 million

Head Office

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



Photovoltaic Power Generation (11.9 kW)
Seismic Isolation Structure
1 approx. 714 m² 2 approx. 5,818 m² 3 2014 4 257

Osaka Head Office (TRUSCO Central Bldg.) Chuo-ku, Osaka City, Osaka



1 approx. 1,051 m² 2 approx. 10,915 m²
3 Scheduled to be relocated on May 7, 2024 4 179

Employee Dormitory

TRUSCO'S Kugahara Ota-ku, Tokyo



(Third and Fourth Floors of the Keihin Branch building)
1 approx. 1,338 m² 2 approx. 2,667 m² (24 rooms)
3 2004 4 14

TRUSCO'S Shinbashi Minato-ku, Tokyo



1 approx. 165 m² 2 approx. 1,401 m² (30 rooms)
3 2014 4 15

TRUSCO'S Osaka Higashi-Osaka City, Osaka



1 approx. 376 m² 2 approx. 1,973 m² (36 rooms)
3 2002 4 27

TRUSCO'S Ayase Adachi-ku, Tokyo



1 approx. 148 m² 2 approx. 723 m² (21 rooms)
3 2021 4 12


Branch

Hachinohe Branch Hachinohe City, Aomori



1 approx. 1,983 m² 2 approx. 1,001 m² 3 2000 4 16
5 8,000 different products 6 155,000 items 7 \$0.8 million

Akita Branch Akita City




1 approx. 6,614 m² 2 approx. 2,191 m² 3 2007 4 10
5 7,000 different products 6 190,000 items 7 \$1.0 million

Koriyama Branch Koriyama City, Fukushima




1 approx. 3,626 m² 2 approx. 2,730 m² 3 2016 4 18
5 15,000 different products 6 260,000 items 7 \$1.2 million

Kashima Branch Kamisu City, Ibaraki



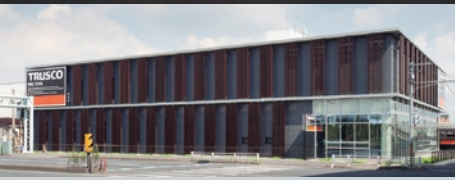
1 approx. 2,000 m² 2 approx. 2,290 m² 3 2016 4 9
5 21,000 different products 6 208,000 items 7 \$1.8 million

Utsunomiya Branch Utsunomiya City, Tochigi




1 approx. 3,312 m² 2 approx. 1,474 m² 3 2009 4 12
5 9,000 different products 6 226,000 items 7 \$0.8 million

Chiba Branch Ichihara City, Chiba




Photovoltaic Power Generation (9.2 kW)
1 approx. 2,254 m² 2 approx. 2,717 m² 3 2011 4 21
5 22,000 different products 6 265,000 items 7 \$1.9 million

Niigata City Branch Higashi-ku, Niigata City




1 approx. 1,890 m² 2 approx. 1,057 m² 3 2009 4 9
5 11,000 different products 6 180,000 items 7 \$0.8 million

Toyama Branch Toyama City



1 approx. 1,633 m² 2 approx. 2,000 m² 3 1991 4 15
5 15,000 different products 6 183,000 items 7 \$1.0 million

Kanazawa Branch Kanazawa City, Ishikawa



1 approx. 2,429 m² 2 approx. 2,469 m² 3 2004 4 18
5 28,000 different products 6 414,000 items 7 \$1.8 million

1 Area of Grounds 2 Floor Area 3 Start of Operations (Current Building) 4 Number of Employees
5 Number of items in inventory 6 Total number of items in inventory 7 Inventory Value

Keihin Branch Ota-ku, Tokyo




1 approx. 1,338 m² 2 approx. 2,667 m² 3 2004 4 30

Shizuoka Branch Suruga-ku, Shizuoka City




1 approx. 2,085 m² 2 approx. 1,795 m² 3 2012 4 14
5 17,000 different products 6 128,000 items 7 \$0.6 million

Hiroshima Branch Nishi-ku, Hiroshima City



Photovoltaic Power Generation (10 kW)
1 approx. 2,578 m² 2 approx. 4,373 m² 3 2012 4 19
5 24,000 different products 6 291,000 items 7 \$1.5 million

Oita Branch Oita City



Photovoltaic Power Generation (49.9 kW)
1 approx. 2,545 m² 2 approx. 2,433 m² 3 2017 4 11
5 16,000 different products 6 139,000 items 7 \$0.8 million

Kyoto Branch Shimogyo-ku, Kyoto City




1 approx. 360 m² 2 approx. 2,707 m² 3 2009 4 9

Fukui Branch Fukui City




1 approx. 2,119 m² 2 approx. 1,996 m² 3 2007 4 11
5 17,000 different products 6 157,000 items 7 \$0.9 million

Himeji Branch Himeji City, Hyogo



Photovoltaic Power Generation (10 kW)
1 approx. 2,638 m² 2 approx. 2,406 m² 3 2011 4 14
5 18,000 different products 6 211,000 items 7 \$1.0 million

Matsuyama Branch Matsuyama City, Ehime




1 approx. 1,692 m² 2 approx. 998 m² 3 2000 4 13
5 13,000 different products 6 103,000 items 7 \$0.6 million

Nagoya Branch Mizuho-ku, Nagoya City, Aichi




1 approx. 1,824 m² 2 approx. 3,123 m² 3 1998 4 27

Takamatsu Branch Utazu Town, Ayauta-gun, Kagawa




1 approx. 2,631 m² 2 approx. 2,885 m² 3 1992 4 12
5 16,000 different products 6 130,000 items 7 \$0.6 million

Fuji Branch Fuji City, Shizuoka




Photovoltaic Power Generation (49.9 kW)
1 approx. 3,249 m² 2 approx. 1,828 m² 3 2017 4 15
5 17,000 different products 6 132,000 items 7 \$0.7 million

Fukuyama Branch Fukuyama City, Hiroshima



1 approx. 2,604 m² 2 approx. 2,386 m² 3 2009 4 11
5 17,000 different products 6 199,000 items 7 \$0.9 million

Kokura Branch Kokurakita-ku, Kitakyushu City, Fukuoka




1 approx. 2,201 m² 2 approx. 2,036 m² 3 2004 4 20
5 16,000 different products 6 213,000 items 7 \$1.0 million

Yokkaichi Branch Yokkaichi City, Mie



1 approx. 1,292 m² 2 approx. 2,323 m² 3 1990 4 18
5 15,000 different products 6 127,000 items 7 \$0.6 million

Kagoshima Branch Kagoshima City



1 approx. 991 m² 2 approx. 1,120 m² 3 1989 4 8
5 7,000 different products 6 51,000 items 7 \$0.4 million

Company-owned Recreation/Training Facility

TRUSCO Resort and Spa Hakone
Hakone Town, Ashigarashimo-gun, Kanagawa



1 approx. 9,084 m² 2 approx. 2,307 m² 3 2011 4 4

TRUSCO Resort and Spa Karuizawa
Town of Karuizawa, Kitasaku-gun, Nagano




1 approx. 10,621 m² 2 approx. 1,983 m² 3 2021 4 4

Kyoto Kaguraoka Rengetsuso
Sakyo-ku, Kyoto City



1 approx. 1,758 m² 2 approx. 1,603 m² 3 2018 4 4

Rengetsu-so Hanare



1 approx. 188 m²
2 approx. 168 m² 3 2023

TOP MESSAGE

Flowing from the foundation of management TRUSCO-ism

These are unique ideas that underlie management, developed over the past 30 years since I became President of the Company in 1994. We will continue to be an essential company by both our customers and society in the future thanks to our creative ideas.



President 中山 哲也
Tetsuya Nakayama

We must be a company truly useful during an emergency

A company's ability is tested in times of emergency. No matter what kind of disaster we encounter, we must be a company that firmly fulfills our supply responsibilities.

Only when basic needs for living are met can people spare the effort to be ambitious

When basic needs for living are met, the company should become aware of its aspirations.

Let the person make meals who could feed you good food

This is why chefs at our recreational facilities and employee cafeterias are full-time employees too.

Customers are not interested in management indicators that are meaningless to them

Although there are various management indicators such as ROE, ROA, and PBR, they are completely meaningless to our customers. We should set metrics that are useful to our customers and the market.

We have a responsibility to provide workplaces where staff members can work with stability and peace of mind

It is important to take care of one person's life, not one work capabilities. We should not take away the goodness from people's lives.

People grow as their company grows

It is a misunderstanding that people's growth makes the company's growth.

Conducting Management Not Written On Textbooks

If everything in business went just as described in textbooks, the world would be full of successful people. There are many interesting answers in the world that are not found in textbooks.

Experience of many hard-ships makes good judgment abilities

If you don't run away from hardships, your judgment abilities and human skills will increase.

Life without troubles despite hardships

You can solve your own hardships, but you can't solve your troubles. Life will change if you don't think of hardships as troubles.

The appropriate actions and direction of our business will be clear if we have ambition

If we have ambition for what we are in business, appropriate actions and direction of our business becomes clear.

Order flow will change from inconvenient company to convenient company

There is no better strategy than providing convenience. Courage, hard work, perseverance, and enthusiasm are important, but they are no longer enough to win.

Self Awareness is the Highest Education

If you do not feel this way, your education will be a waste.

Employees are mirrors of the president

A company that is unfriendly, unkind, and insincere is a mirror image of the president.

If the president is in a battlefield, the employees are in hell

Some company presidents like to tell heroic stories about past hardships or how they recovered from a tough time, but if the president is in a battlefield, employees are in hell. Since hardships are avoidable it is better to not allow battles to be created.

Shushazentaku

Judgment should not be based on advantages or disadvantages but on whether something is good or bad. The result will be bad if things are only judged by whether they are profitable or not.

Common sense alone is not enough to go beyond common sense

If we had done everything taking a common-sense approach, I do not think the Company would have grown.

Numerical targets and capability targets

Goals are all about numbers. However, I think it is also important to have capability goals for capabilities that we want the Company to have. Setting capability goals is the key for a successful digital transformation.

Majority rule is not always right

We must increase our ability to see through the essence of matters and not be misled by majority rule. Majority rule is irresponsible for outcomes.

Choosing majority solutions results in ordinary results

Do what others do not think of.
Do what others do not do.

Knowledge is finite, wisdom is infinite

Management requires creativity. We must combine knowledge and wisdom to create ideas that no one can think of.

The absence of enemies is evidence of the absence of allies

When you have a business strategy where you try to please everyone, although you may not have any enemies, I am sure that you don't have any allies either. Therefore, we should follow management policies without fear of conflict.

Be an Ultimate Master Wholesale

The theory that wholesalers are unnecessary is wrong. Just because some wholesalers do not satisfy the role does not mean that wholesalers are unnecessary.

Don't spoil yourself as you experience hardships

Companies are not self-driving. Someone is behind the wheel. You should not free ride on people's efforts as you experience no hardships.

People exaggerate their own hardships

Do not exaggerate your hardships.

People will not grow up if they do not feel a sense of shame in front of others

No one wants to be ashamed in front of others. Therefore, you should try your best not to be ashamed.

Investments in own distribution is equivalent to investments in M&A

TRUSCO should be the organic company that grows a business on its own rather than increasing sales through M&A.

A Company With Assets

We must be able to secure important assets without relying on others. It is not a question of gaining or losing a lease.

Decisive management strategy

Although business strategy is all about adding things, we also need a decisive business strategy.

Becoming the Company We Want to Be — Capability Targets —

We believe that in order to constantly provide the highest level of convenience as a unique company, our priority should be capability targets, which tell us the types of capabilities that we should possess as a company in addition to numerical targets

such as sales and profit figures. In order to become a company that is needed by our customers and society during any era, we have set the following goals and will continue to work on achieving them.

01 To become a company that will be able to store one million items in inventory by 2030

At Planet Aichi, which is under construction, we will build a state-of-the-art distribution system based on an approach different from the conventional one to establish a system which will allow us to store one million items in inventory by 2030.



Planet Aichi Distribution Center (operations are scheduled to begin in July 2026)

02 To become a company capable of receiving orders 24 hours a day and shipping products 365 days a year

With an eye on improving convenience for our customers and increasing the number of product shipments in the future, we will establish an environment that enables us to receive orders 24 hours a day and ship products 365 days a year. Currently, orders can be placed through TRUSCO Orange Book.Com 24 hours a day with Saturday shipments available.

03 To become a company where products are always in stock and that never experiences order or shipping based errors

TRUSCO is creating system to prevent shortages from occurring through efforts to expand inventory and optimize inventory levels. Through the adoption of robotics and AI, we are moving forward with automation and labor reduction, creating a system that is free of order and shipping based errors.

04 To become a company that never has to take inventory

The Inventory Abolition Committee has been established within the company to eliminate the need for inventory work, a time-consuming and labor-intensive process, in the future. We are working to improve systems and operations to achieve this goal.

05 To become a company that can realize Direct Delivery Service as a wholesaler with no stress

When using our Direct Delivery Service, delivery times, packaging material amounts, shipping costs, and the environmental burden can all be reduced by half. We will make our Direct Delivery Service common practice and associate it with environmental conservation (see p.47 and 52).



SAS (Systema Streamer)
High-speed load assorting equipment



I-Pack® (high-speed automated packaging and shipping line)

06 To become a company capable of quickly providing estimates

The adoption of an AI-based quotation system allows us to respond with a minimum reply time of five seconds. Our automated estimate ratio is 27.6% and we are improving system accuracy so that this ratio can be increased to 34.0% by 2025 (see p.55).

07 To become a company capable of realizing the “fastest,” “shortest,” and “best” deliveries in the industry

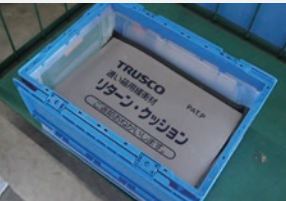
With the belief that “Immediate delivery is the greatest service,” we are enhancing our distribution capabilities in many ways, from strengthening our distribution system to reducing our delivery lead time (19 hours, 13 minutes, 43 seconds).

08 To become a company with a minimal environmental burden

Offering an abundant line-up and inventory to select from has led to the realization of one-stop shopping, which results in lower consumption of energy and resources for procurement (see p.68). Through the operation of our Direct Delivery Service (see p.47 and 52), MRO Stocker (see p.51), and other services, we aim to enhance services that have a small environmental burden.

09 To become a company that is also actively involved in the recycling, reuse, and return of tools and equipment

We aim to achieve energy-saving designs for the entire business model, such as fixed-cost logistics, which uses container shipping to follow fixed routes, and Naojiro Repair Workshops, which uses this system to collect and repair items for which repair requests are made.



Packaging for shipping that can be used repeatedly



Satomi Nishino, Acting Senior Supervisor at Planet Sanyo

10 To become a “platform holder” that supports manufacturing in Japan

In order to improve customer convenience, we will further accelerate digital transformation (DX) such as robotics and AI, and aim to become the industry’s largest platformer in MRO products.

11 To become a company capable of rewriting the accepted practices, customs, accepted opinions, and conventions of the industry

As a latecomer to the industry, we have developed our business by thinking outside the box (see p.23). Choosing majority solutions results in ordinary results. We will continue to solve various problems with ideas that take common sense by surprise, capable of rewriting the customs, accepted opinions, and conventions of the industry.



02

To Achieve “Our Ambitions”
(Value Creation)

Founded as a latecomer to the industry, thinking outside the box has been our core approach from the start. We have provided a variety of services to meet the needs of our customers and the manufacturing industry of the times. In the future, we will continue to aim to be a company that always provides the highest level of convenience in order to continue to be of service to the manufacturing industry in Japan, based on our belief that business must serve people and society.

A Glance at TRUSCO Through Numbers 22

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(A History of Value Creation)

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(Value Creation Model)

Material Issue 28

1994

Strengthening distribution capabilities and going public

Tetsuya Nakayama was appointed as President. In the same year, the company's first distribution center, Planet Kyushu, was launched into operation to strengthen distribution capabilities in earnest. We also changed our company name, established a corporate philosophy, and created a better working environment which led to our listing on the first sections of the Tokyo Stock Exchange and Osaka Securities Exchange.



Tetsuya Nakayama assumes position of President (1994)

2003

The theme Shushazentaku is presented as part of a top message

President Nakayama's suggestion that decisions should not be made on the basis of profit or loss but rather by asking oneself whether something is good or bad, and then always choosing the "right thing." The importance of having criteria for choosing the "right thing" is the foundation of our Company.



Handwritten message from President Nakayama (2003)

2005

Total abolition of all draft exchanges

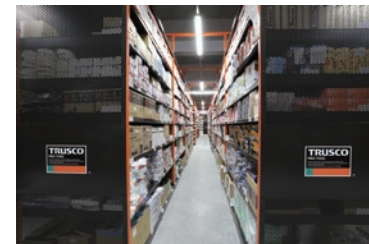
It took about four years starting in 2001 to complete the elimination of draft transactions for the first time in the industry. By completely eliminating draft transactions, which has long been a business practice in the industry, we were able to improve the efficiency of our operations and increase the customer trust.

Top photo: Final note payable (August 2003)
Bottom photo: Final note receivable (December 2005)

2006

Strengthened inventory expansion

Based on our "20 Billion Items in Inventory Value & Stocking Strategy", we constructed large-scale distribution centers nationwide with the aim of a system that allows us to "always immediately deliver inventory items listed in Orange Book." The number of items in stock and the inventory shipment rate were key indicators, and we accelerated the expansion.



Expanded inventories at distribution centers nationwide (2006)

2018

Planet Saitama starts operations

Against the backdrop of social changes such as the expansion of the Internet business and chronic labor shortage, the Planet Saitama Distribution Center equipped with cutting-edge logistics equipment is launched into operation. At that time, we had raised our target inventory of 300,000 items to 500,000, further enhancing our logistics capabilities.



Planet Saitama Distribution Center (2018)

2020

"DX Grand Prix" recipient

Awarded the "DX Grand Prix" as a leading company in the digital age. Based on the idea that "digital technology is a means, not a purpose," the Company was highly evaluated for its efforts in digital transformation, inventory, and logistics for "Becoming the Company We Want to Be".

DXグランプリ2020
Digital Transformation

Selected as a DX Stocks 2020 and awarded the "DX Grand Prix" (2020)

2001

- Activities for eliminating draft transactions started (completed in 2005)
- Relief health care system started
- Started Half-day full-time employee system (formerly "Relaxed work hour reduction program")
- Promotion OJS system started (OJS: Open Judging System)

2002

- Goods receipt abolition
- Two head office system started with the Tokyo Head Office in Minato-ku, Tokyo established
- Internet order receiving system "Web TRUSCO" launched into operation
- Started digital broadcast of the Ordinary General Meeting of Shareholders held in Osaka and Tokyo

2003

- Personnel evaluation OJS system started
- Financial bond (annual payment for severance) introduction
- Private Brand (PB) names unified under the name of TRUSCO
- Moved away from home appliances and lifestyle products to specialize in PRO TOOL

2004

- Internal company salesman "Orange Doctor" qualification exam started
- Osaka Head Office moved from Higashiosaka, Osaka to Nishi-ku, Osaka

2005

- ISO14001 acquired for all Japanese domestic business sites
- Started a desired relocation/Lovebirds Transfer Program
- Total abolition of all draft exchanges (initiative started in 2001 and took four years to complete)

2006

- Product search site "Orange Book.Com" launched into operation
- Core system "Paradise" operation
- Boss challenge course (responsible person appointment system) started

2007

- Ordinary General Meeting of Shareholders held at 2 venues in Osaka and Tokyo simultaneously
- Electronic purchasing system "Orange Commerce" operation

2008

- Acquired the "KURUMIN" certification mark for next-generation training
- Inventory management system "ZAICON" operation

2009

- "TRUSCO RESETPLAN" implementation to deal with the economic downturn precipitated by the Lehman Brothers bankruptcy

2010

- Grouping of logistic centers and setting up of core centers
- Subsidiary TRUSCO NAKAYAMA CORPORATION (THAILAND) LIMITED is established [Formerly "Protool Nakayama (Thailand)"]

2012

- New logistics system "TRULOGIS" launched into operation
- Officer, executive officer, director OJS system started

2013

- Sales activity support system: "Self.I" launched into operation
- e-commerce Sales Division and Overseas Division are established

2014

- Welcome back system started
- Established e-Business Sales Division (formerly "e-commerce Sales Division")
- Started President OJS at General Meeting of Shareholders
- Fiscal year changed to end in December rather than March

2014

- Relocation of Tokyo Head Office (Shimbashi, Minato-ku, Tokyo)
Tokyo Head Office registered as company head office
- Subsidiary PT.TRUSCO NAKAYAMA INDONESIA establishment

2015

- Part-timer OJS system started
- Asunaro subsidy system started
- Established Germany Representative Office (Düsseldorf)

2016

- Rating upgraded to "A" with issue size through the Rating and Investment (R&I) Information Co., Ltd.
- TRUSCO new social work grant system started

2017

- "Best IR Award for Encouragement" recipient
- "TRUSCO Shirarezaru Gulliver" broadcast started
- Distribution Department new establishment
- Product database: "Sterra" is launched into operation
- Health management superior corporation 2017 certified Recognized as a White 500 Certified Health and Productivity Management Organization

2018

- 2018 Received Porter Prize
- Redesign of TRUSCO Orange Book.Com Renewal
- Planet Saitama starts operations
- Health management superior corporation 2018 certified Recognized as a White 500 Certified Health and Productivity Management Organization

2019

- Consolidated accounting started
- Health management superior corporation 2019 certified Recognized as a White 500 Certified Health and Productivity Management Organization
- Established Trusco Nakayama Health Insurance Association
- Established Information Systems Department

2020

- AI-based Immediate Automated Estimate System launched
- Introduction of MRO Stocker started
- Core system: "Paradise 3" launched into operation
- Health management superior corporation 2020 certified
- The Digital Service Strategy Department (formerly the Information Systems Dept.) is established
- Selected as a DX Stocks 2020 "DX Grand Prix" company
- Shareholder special benefit plan is abolished
- President Tetsuya Nakayama awarded Medal with Blue Ribbon
- PRO TOOL Restrictions Removed
- FY2020 Received the Information Technology Award "IT Grand Prize"

2021

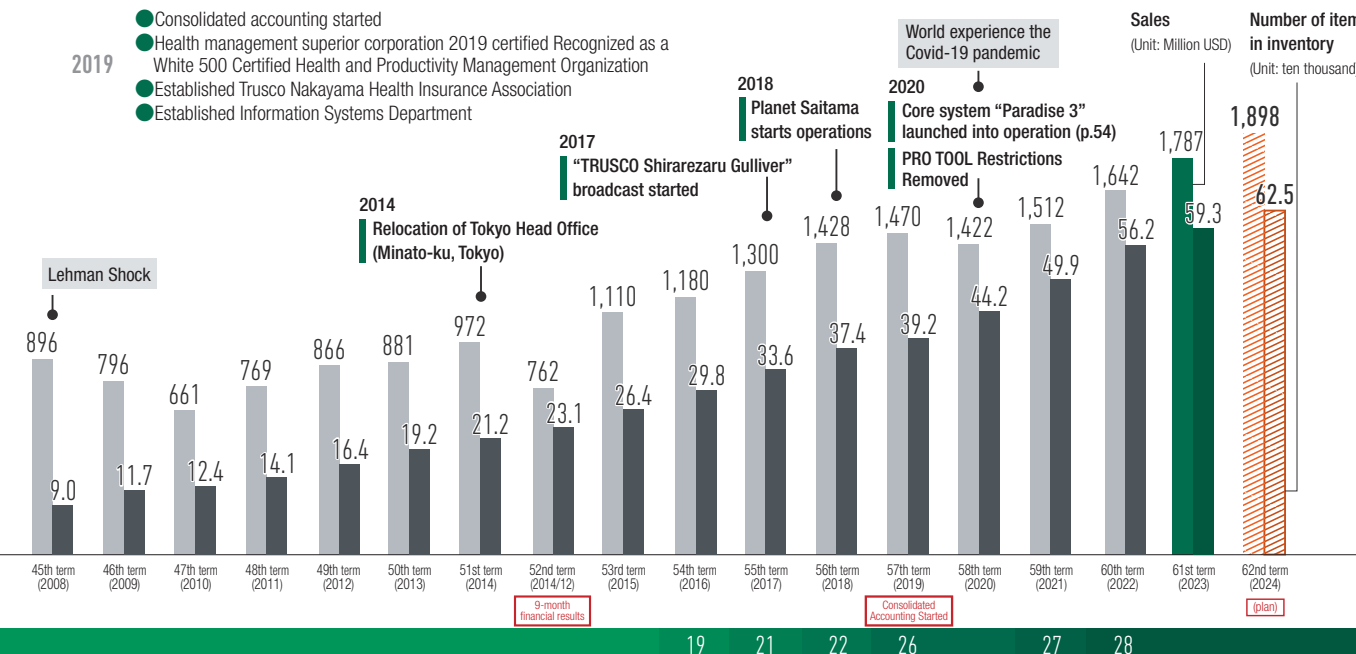
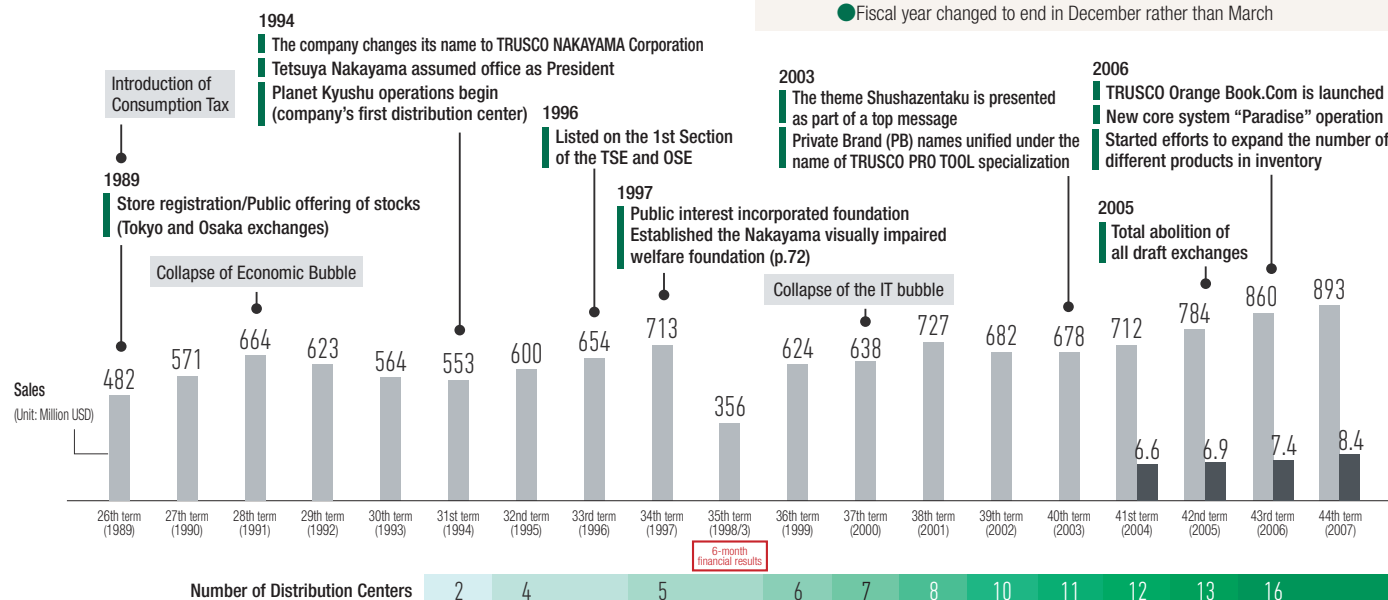
- Selected as a DX Stocks 2021 company
- Announced industry-academia collaboration and capital and business alliances at a press conference (started TRUSCO HACOBUne Project)
- FY2021 Received the Information Technology Award

2022

- Vacation Bank Program started
- Company holidays changed to calendar holidays
- Selected as a "DX Stocks 2022" company

2023

- Good Career Award Grand Prize
- Started "Trusco Zentaku Dividend" payments
- Selected as a "DX Platinum 2023-2025" company
- FY2023 "IT Grand Prize" Recipient



Helping People and Society – Value Creation Model –

We have learned that common sense might change given the environment surrounding us, and what was common sense until yesterday can become illogical today. However, in the business world, we believe that our principles should remain unchanged. In such an environment, we have created a unique business model for PRO TOOL distribution based on the concept of “Be

an Ultimate Master Wholesale” by utilizing products, logistics, and digital. This is designed to contribute to the expansion of our customers’ businesses. We aim to be a company that continues to be of service to Japanese manufacturing in every era. The cycle created through this business will lead to TRUSCO becoming the company we want to be.



Common sense
might change but
our principles
remain unchanged

Although common sense sometimes changes,
our business principles remain unchanged.

Principles (Unchanging demands of the market)	High-level of convenience	Rapid, reliable delivery	Abundant line-up and inventory
	Reasonable prices	Courteous, Polite, and Reliable	Digital Capabilities

Aim for sustainable

growth through a cycle

Society/
Local Environment

Management resources (INPUT)

Bringing together a full line-up of PRO TOOL

Number of items in inventory 590,000 items
Inventory Value \$338 million (consolidated)
Total number of items in inventory 56,930,000 items
Total Number of suppliers 3,509 companies
(Overseas: 337 companies)
TRUSCO Orange Book
Approx. 160,000
(2024 edition, total number published)
TRUSCO Orange Book.Com
Number of items listed 4,100,000 items

Immediate delivery is the greatest service

Distribution Centers in Japan 28 locations
Branches with inventory 29 locations
Number of total delivery runs 276 vehicles
(TRUSCO delivery runs included in above: 123 vehicles 44.6%)

Unparalleled level of convenience

Digital Expenditures (most recent three periods) \$26 million
Number of systems 60
Number of Product Data 6,450,000 items
Number of system connected companies 12,791 companies

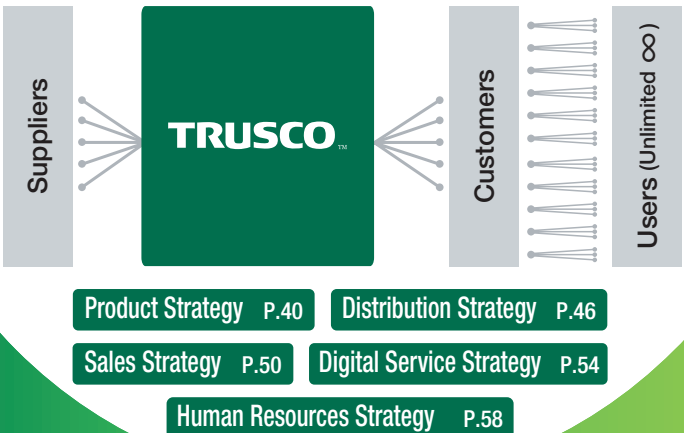
A corporate culture free of ill feelings

Number of Employees (consolidated) 3,043
(Officers: 12 / Full-time staff: 1,661
Part-time staff: 1,370)
Number of Customer Companies 5,632 companies

Be an Ultimate Master Wholesale

Business Model P.30

Plugging into TRUSCO will easily allow customers to utilize our business resources, which will contribute to the expansion of their businesses.



We want to be of service to the manufacturing industry in Japan regardless of the times.

Economic value/Social value (OUTPUT • OUTCOME)

Sales (consolidated) \$1,787 million
Ordinary income (consolidated) \$124 million
Dividends \$0.31
Stock hit rate 92.1%
System order intake ratio 87.1%
Automated estimate ratio 27.6%
Delivery lead time 19 hrs. 13 min. 43 sec.
Turnover rate 5.6%
Percentage of female employees among full-time employees 35.5%
Renewable energy power self-sufficiency rate 16.7%
Naojiro Repair Workshops Sales \$14 million
Number of Companies Appearing on Shirarezaru Gulliver (TV program) 290 companies

Becoming the Company We Want to Be P.20

- To become a company that will be able to store one million items in inventory by 2030
- To become a company capable of receiving orders 24 hours a day and shipping products 365 days a year
- To become a company where products are always in stock and that never experiences order or shipping based errors
- To become a company that never has to take inventory
- To become a company that can realize Direct Delivery Service as a wholesaler with no stress
- To become a company capable of quickly providing estimates
- To become a company capable of realizing the “fastest,” “shortest,” and “best” deliveries in the industry
- To become a company with a minimal environmental burden
- To become a company that is also actively involved in the recycling, reuse, and return of tools and equipment
- To become a “platform holder” that supports manufacturing in Japan
- To become a company capable of rewriting the accepted practices, customs, accepted opinions, and conventions of the industry

As of December 31, 2023

Material Issue

We have identified material issues related to sustainability based on our core belief “Business must serve people and society”. TRUSCO will address these issues through its business with a view towards the establishment of a sustainable society.



Material Issue	Description	Themes	Related Measures
1 Total optimization of the supply chain	Become a platform holder supporting manufacturing and optimize the supply chain to establish sustainable PRO TOOL distribution that is both human-friendly and environmentally friendly.	<ul style="list-style-type: none">One-stop MRO distribution for improving convenience and reducing the environmental burdenDramatic efficiency in product selection and industry standardization of product dataRealization of proposals and deliveries by anticipating customer needsCreating synergy effects through the power of people and digital technology to contribute to the expansion of business performance of partner companiesRealization of the ability to accept orders 24 hours a day and ship products 365 days a year (stable supply of products)	Product Strategy (p.40) Distribution Strategy (p.46) Sales Strategy (p.50) Digital Service Strategy (p.54)
2 Planning and development of products that respond to diversifying needs	Develop and provide PB products with original value to suit diversifying needs and trends at manufacturing sites to help rationalize manufacturing operations, increase productivity, and strengthen competitiveness.	<ul style="list-style-type: none">Improvement of major TRUSCO Private Brand productsImproving the safety and quality of PB ProductsResponsible procurement	Product Strategy (p.40)
3 Development of environments and human resources to enable them to fully display their personal abilities	We will be able to grow as a company by creating an environment where employees are always motivated and each can sufficiently demonstrate their abilities.	<ul style="list-style-type: none">Creation of a work environment where our employees can continue to work with peace of mind for many yearsExpansion of opportunities for career advancement for each employee with a broad selection of choices availableCreation of an environment where the work and results of employees can be fairly assessedPromotion of diversityStrengthening of health management as well as occupational safety and health	Human Resources Strategy (p.58)
4 Environmental actions through business activities	We contribute to reducing the environmental impact of our business activities and PB products, not only for ourselves but also for the users of our products, and contribute to the environmental activities of the Japanese manufacturing industry.	<ul style="list-style-type: none">Realization of a supply chain with a small environmental burdenReduction of the environmental burden reduces the business activitiesPlanning and development of environmentally-friendly PB ProductsRealization of the active recycling, reuse, and return of tools and equipment	Environmental Efforts (p.68)
5 Contribution to stakeholders and local communities	Cherish the relationships with stakeholders through support for people with disabilities and communication with local communities and society through sponsorships and advertising.	<ul style="list-style-type: none">“Giving Back to Society” through the Nakayama visually impaired welfare foundationStrengthening of various sponsorships and advertising activitiesImplementation of contingency donation activities	Public interest incorporated foundation The Nakayama visually impaired welfare foundation (p.72)
6 Governance based on a stance of Shushazentaku (always choosing what is right rather than focusing on whether it is profitable)	Improve the fairness and transparency of management and implement swift and appropriate decision-making to conduct business activities that conform to laws and social norms.	<ul style="list-style-type: none">Realization of corporate governance effective for self-cleaningStrengthening of complianceStrengthening of risk managementRealization of highly-transparent information disclosure	Corporate Governance (p.70)

Material Issue Identification Process

In addition to identifying material issues in the four-step process, meetings were held at each business sites in Japan to discuss those material issues identified. Interviews with employees were also used to create content.

STEP1	Identification of Social Issues We identified social issues based on the GRI Standards*1 and SDGs.
STEP2	Evaluation of the level of importance of identified social issues While realizing the company we want to be in response to the social issues identified in Step 1, we evaluated the level of importance of identified social issues from the standpoint of both (1) social issues that we contribute to through our business and (2) social issues that should be taken into consideration.
STEP3	Creation of a plan designed to address the material issues A plan designed to address the material issues was created based on level of importance evaluated in Step 2.
STEP4	Executive-level deliberation and approval



Utsunomiya Branch employees seen in a meeting
· We realized that daily business activities that we conduct are also connected to the social issues.
· The meeting made us realize that we need to be more proactive in listing environmentally-friendly products in catalogs and their sale.

*1 GRI Standards: An international framework for reporting on the economic, environmental, and social impacts of companies and providing information on their positive or negative contributions to sustainable development.



03

Be an Ultimate Master Wholesale
(Management Policy)

We believe that the source of competitiveness for an organization is its originality and we are placing it at the root of our management strategy. TRUSCO continues to promote the improvement of convenience for our customers and enhancement of the environment and systems that allow our employees to work with peace of mind over the long term. We will continue to aim to be a company that always meets the demands of the manufacturing sites.

Business Flow	30
Operating Results Highlights	32
A Company with Assets (Financial Strategy)	33
Business Progress and Results	34
Messages from Directors	35
Product Strategy	40
Distribution Strategy	46
Sales Strategy	50
Digital Service Strategy	54
Human Resources Strategy	58

Business Flow

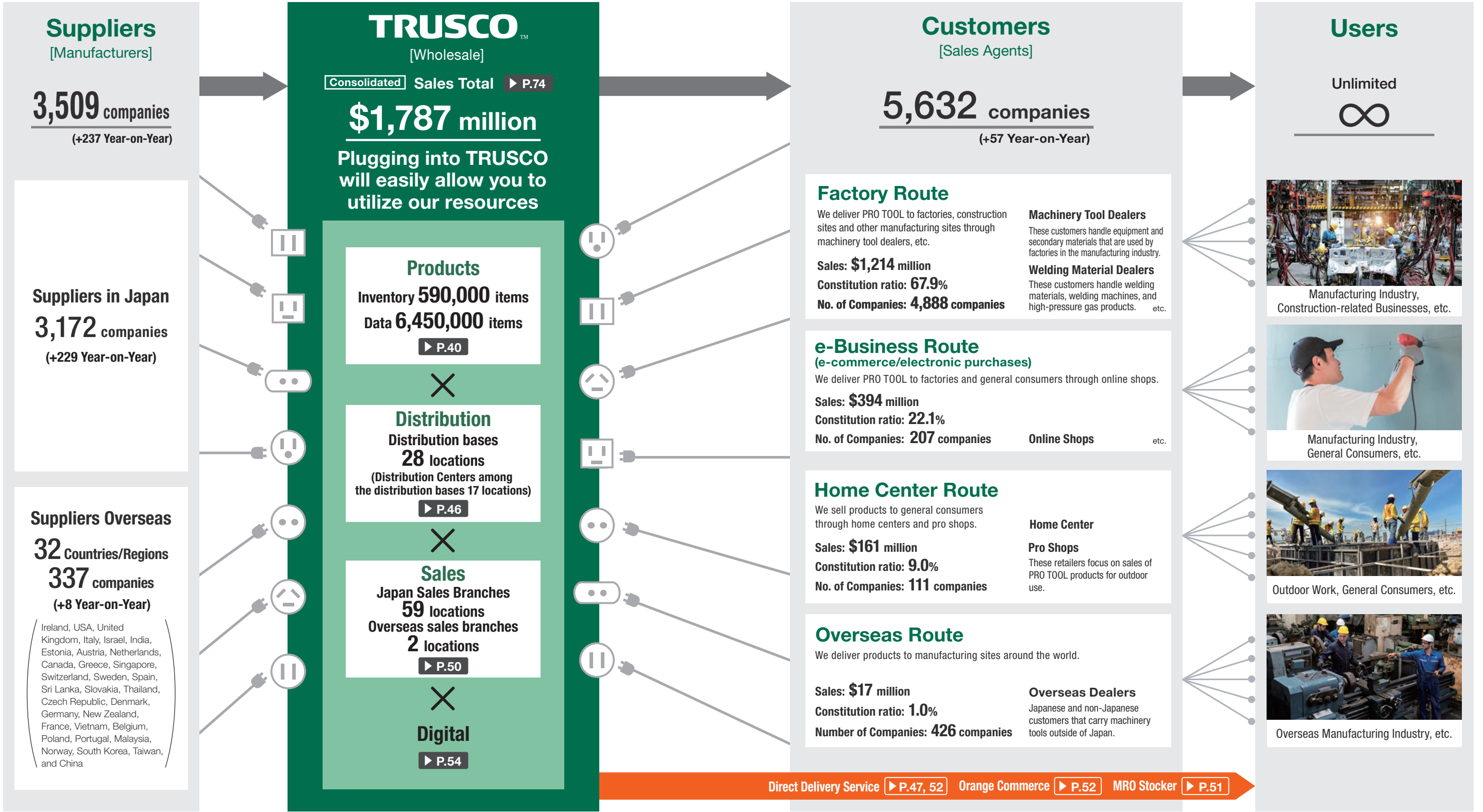
TRUSCO NAKAYAMA is a wholesaler that procures PRO TOOL from suppliers and sells them to machinery tool dealers, online shops, home centers, and other customers. We ensure prompt, smooth and reliable delivery to

manufacturing sites all over Japan. As a wholesaler, we have developed a unique business model to improve the convenience of our customers, suppliers, and users.

Plugging into TRUSCO to start doing business with us

Customers and suppliers can easily access our management resources and use them for their businesses in a way that suits their characteristics and business type. In addition to the ability to sell their products to 5,632 customers, suppliers can also receive a wide range of sales support services such as product data linkage, inventory holding, and catalog

listing services. Customers can centrally procure products from 3,509 suppliers and can also utilize functions such as same-day delivery and user-direct delivery services to expand their own businesses. We will continue to pursue further convenience for our customers and suppliers by optimizing the distribution of PRO TOOL.



As of December 31, 2023

Operating Results Highlights

61st Term (FY2023) Consolidated Business Performance

In the 61st term, net sales reached a record high due to the impact of the rapid rise in prices, serving as a tailwind for our inventory strategy, and the expansion of our “NI-AWASE + U-choku” (Order Consolidation + Direct Delivery

Service) strategy (see p.47 and 52). We will continue to expand our inventory and invest aggressively in logistics while improving the accuracy of our product inventory and logistics to prepare for future sales growth.

Sales	\$1,787 million	(+8.8%)
Gross profit margin	21.5%	(+0.3pt)
Selling, general and administrative expenses	\$260 million	(+4.0%)
Depreciation	\$41 million	(-6.9%)
Operating income	\$123 million	(+26.3%)
Ordinary Income	\$124 million	(+23.9%)
Attributable to shareholders	\$81 million	(+15.4%)
Net Income	\$81 million	(+15.4%)
per share		
Annual dividend	\$0.31	(+\$0.04)
Market capitalization (as of December 31, 2023)	\$1,076 million	
Shareholders' equity ratio	65.6%	
R&I Rating	A	

A financial statement that everyone can understand

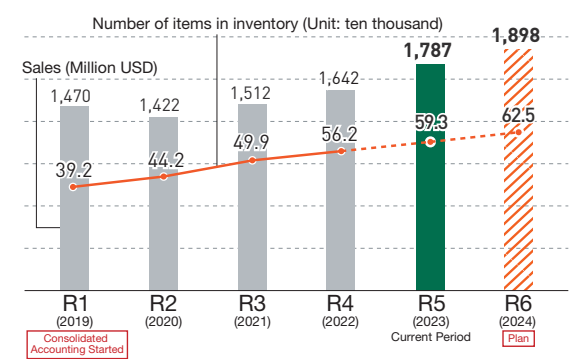
61st Term (FY2023) (consolidated)

Income Item	Expense Item	The year-on-year comparison is shown in the parentheses.	
Sales		\$1,787 million	(+8.8%)
	Cost of Goods Sold	\$1,404 million	(+8.4%)
Gross profit margin (gross margin)		\$383 million	(+10.3%)
	Selling, general and administrative expenses	\$260 million	(+4.0%)
Operating income		\$123 million	(+26.3%)
	Non-operating income	\$3 million	(-18.9%)
	Non-operating costs	\$2 million	(+76.9%)
Ordinary Income		\$124 million	(+23.9%)
	Net income before tax	\$119 million	(+17.4%)
	Corporate tax	\$37 million	(+21.7%)
Net Income		\$81 million	(+15.4%)

62nd Term (FY2024) Business Performance Targets

By continuing inventory expansion and logistics investment, we expect net sales to increase 6.2% to \$1,898 million in the next fiscal year. In order to get closer to “Becoming the Company We Want to Be” (see p.20) as quickly as possible, we will establish a system to ensure that targets are achieved by improving our product, logistics, sales, and digital capabilities.

Changes in Sales and Number of Items in Inventory



Consolidated Sales by Segment

Factory Route	\$1,214 million (+6.8%)
e-Business Route	\$394 million (+14.6%)
Home Center Route	\$161 million (+9.5%)
Overseas Route	\$17 million (+22.5%)

Main breakdown of selling, general and administrative expenses

Salaries, bonuses, benefits, welfare costs, etc.	\$111 million (+8.5%)
• Employee salaries and bonuses	\$73 million (non-consolidated parent) (+0.8%)
• Part-time salaries and bonuses	\$19 million (non-consolidated parent) (+11.9%) etc.
Shipping expenses and packing costs	\$55 million (+8.3%)
• Shipping expenses	\$41 million (+8.3%)
• Third-party delivery company fees	\$10 million (+1.2%) etc.
Depreciation	\$41 million (-6.9%)
Factors for decrease	• Decrease due to expiration of software depreciation period -\$2 million etc.
Other products	\$52 million (+0.5%)

A Company with Assets (Financial Strategy)

We must be able to secure important assets without relying on others.

We believe that owning our own distribution centers, branch offices, data centers, and vehicles, which serve as the main arteries of corporate management, will bring the greatest benefits. This is why we are placing importance on the idea of TRUSCO being “Having assets on our own”. Instead of aiming for short-term profits, we take the perspective of long-term corporate value enhancement and promote the strategic strengthening of financial foundation, which leads to greater convenience for our customers. Since 2016, we have maintained a rating of “Single A” by Rating and Investment Information, Inc., and by raising funds with an eye to the future and continuing to proactively make capital investments, we are providing our customers with higher value-added services.

Products | Bringing Together a Full Line-up of PRO TOOL (p.40)

Of our \$880 million in liquid assets, \$338 million was invested in inventory assets (products). We provide value to our customers by reassuring them that “Trusco has it.”

Distribution | Immediate delivery is the greatest service (p.46)

Our distribution facilities and material handling equipment account for about 62.9% of the \$697 million in tangible fixed assets. Owning our own buildings allows us to accumulate related know-how. By utilizing this know-how and through distribution DX, we aim to improve efficiency in warehouses and delivery speed.

Digital Service | Working to improve the convenience of the entire supply chain (p.54)

To achieve “Our Ambitions” (Value Creation), we strategically improve the effectiveness through digital technology. We are currently building a new distribution platform called TRUSCO HACOBUNE to provide the highest level of convenience to the entire supply chain.

Investments in distribution is our equivalent to M&A

In general, there is a tendency to actively conduct mergers and acquisitions to increase the size of a company. For us, however, investments in distribution is our equivalent to M&A. We believe that active investment in distribution, such as the construction of distribution centers and the introduction of distribution equipment, will have the same effect as acquiring a distribution company. Expanding inventory and enhancing shipping capacity will increase the value of the immediate delivery and stable supply of PRO TOOL to manufacturing sites. By having an abundant inventory and actively investing in distribution, we believe that we are achieving the same effect as M&A would have increasing added value over the long term.



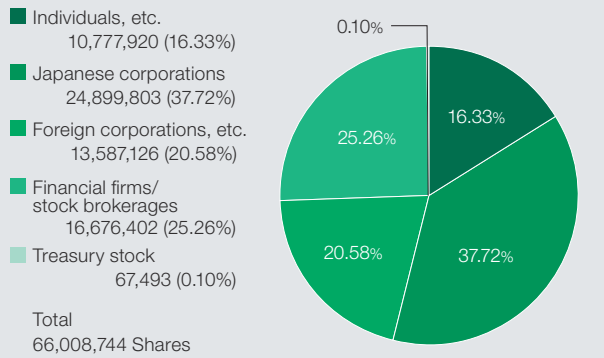
Large-scale distribution investment: Planet Aichi distribution center (operations are scheduled to begin in July 2026)

Liquid Assets \$880 million	Current Liabilities \$331 million
Cash and deposits \$288 million	Accounts Payable \$136 million
Accounts Receivable \$228 million	Short-term Debt \$66 million
Merchandise (products) \$338 million etc.	Long-term loans due within one year \$56 million etc.
Fixed assets \$752 million	Fixed Liabilities \$229 million
Tangible fixed assets \$696 million	Long-term Debt \$210 million etc.
Intangible fixed assets \$30 million etc.	Net Worth \$1,071 million
Total assets \$1,632 million	Capital \$33 million
	Retained Earnings \$1,001 million etc.
	Liabilities/Net assets \$1,632 million

61st term (FY2023) Consolidated Balance Sheet (Shareholders' equity ratio: 65.6%)

Thoughts on share buybacks

A share buyback is the act of buying back shares issued by a company with its own funds, and it is one of the measures to return profits to shareholders along with dividends. Although it is expected that a share buyback will temporarily increase the stock price, it will not lead to an increase in corporate value. In the case of our company, treasury stock is 0.1% of the total number of shares issued, and other shares are owned by domestic and foreign companies and institutional investors (see p.79 for details). We intend to continue to devote our funds and efforts to the growth of the company by focusing on the essence of issues rather than the issues that lie before us.



Business Progress and Results

Key Indicators		60th term (FY2022) Previous Period		61st term (FY2023) Current Period		62nd term (FY2024) Plan	
Products	Number of items in inventory	562,026	items (+62,062)	593,554	items (+31,528)	625,000	items (+31,446)
	Total number of items in inventory	53,197,583	units (+4,409,969)	56,933,923	units (+3,736,340)	59,000,000	units (+2,066,077)
	Inventory Value	\$301	million (+20)	\$338	million (+37)	\$364	million (+25)
	Total number of suppliers	3,272	companies (+306)	3,509	companies (+237)	3,709	companies (+200)
	Number of overseas suppliers	329	companies (+25)	337	companies (+8)	357	companies (+20)
	New product inventory sales	\$67	million (+17)	\$81	million (+13)	\$90	million (+9)
	Sales constitution ratio of new products (annual increase/decrease)	12.3	% (-0.5)	13.2	% (+0.9)	13.7	% (+0.5)
	PB Product Sales	\$305	million (+16)	\$322	million (+16)	\$344	million (+22)
	TRUSCO Orange Book Number of items	374,000	items (-134,000)	369,000	items (-5,000)	388,000	items (+19,000)
	TRUSCO Orange Book.Com items	3,167,188	items (+406,301)	4,108,818	items (+941,630)	5,400,000	items (+1,291,182)
Distribution	Stock hit rate	91.7	% (+0.4)	92.1	% (+0.4)	92.5	% (+0.4)
	Number of packages delivered via Direct Delivery Service	3,556,388	units (+719,996)	4,868,032	units (+1,311,644)	6,200,000	units (+1,331,968)
	Number of orders delivered via Direct Delivery Service	4,374,725	(+978,439)	5,981,215	(+1,606,490)	7,600,000	(+1,618,785)
	Percentage of orders delivered via Direct Delivery Service	10.9	% -	14.3	% (+3.4)	-	-
	Number of Third-party Delivery Runs	162	vehicles (+1)	153	vehicles (-9)	137	vehicles (-16)
	Number of TRUSCO delivery routes	116	vehicles (-1)	123	vehicles (+7)	140	vehicles (+17)
	Percentage of TRUSCO delivery runs	41.7	% (-0.4)	44.6	% (+2.9)	50.5	% (+5.9)
	Delivery lead time (company-wide, includes primary + secondary inventory reserves, morning and afternoon delivery average)	20 hrs., 10 min., 4 sec.	(+3 min., 11 sec.)	19 hrs., 13 min., 43 sec.	(-56 min., 21 sec.)	-	-
Sales	Labor cost to ship one order	\$0.75	(-0.02)	\$0.78	(+0.02)	\$0.76	(-0.01)
	Number of Customer Companies	5,575	companies (+48)	5,632	companies (+57)	5,680	companies (+48)
	Number of customer accounts	31,614	sales accounts (+2,053)	33,225	sales accounts (+1,611)	34,700	sales accounts (+1,475)
	Number of companies that have introduced MRO Stocker	775	locations (+446)	1,203	locations (+428)	1,430	locations (+227)
	Number of companies connected to Orange Commerce	2,233	companies (+191)	2,447	companies (+214)	2,670	companies (+223)
	Number of units sold	225,781,587	units (+15,748,882)	228,187,595	units (+2,406,008)	240,000,000	units (+11,812,405)
Digital Service	System order intake ratio	85.2	% (-0.1)	87.1	% (+1.9)	88.0	% (+0.9)
	Automated estimate ratio	22.6	% (+4.4)	27.6	% (+5.0)	31.0	% (+3.4)
	Ratio of Web-based estimate requests	46.0	% (+3.3)	47.3	% (+1.3)	49.0	% (+1.7)
Human Resources	Total number of employees (including officers and part-time staff)	2,954	persons (+48)	3,043	persons (+89)	-	-
	Number of part-time employees	1,305	persons (+41)	1,370	persons (+65)	-	-
	Average age (full-time staff)	39.8	years (+0.2)	39.9	years (+0.1)	-	-
	Average number of overtime hours per month per employee	18.1	hrs. (+3.7)	17.9	hrs. (-0.2)	-	-
	Average salary (full-time staff)	\$44.0 <\$46.6>	thousand USD (+3.0)	\$44.1 <\$46.6>	thousand USD (+0.06)	-	-
	Careers (regular positions)	\$51.4 <\$54.6>	thousand USD (+3.1)	\$51.6 <\$54.8>	thousand USD (+0.26)	-	-
	Area (regular positions)	\$42.2 <\$44.6>	thousand USD (+2.4)	\$41.8 <\$44.2>	thousand USD (-0.40)	-	-
	Logistics (distribution positions)	\$32.9 <\$34.3>	thousand USD (+2.5)	\$35.0 <\$36.4>	thousand USD (+2.13)	-	-
	Department general managers and division general managers (does not include officers)	\$97.8 <\$105.3>	thousand USD (+0.6)	\$92.5 <\$99.5>	thousand USD (-5.33)	-	-
	Managers Managers including branch managers, distribution center managers, deputy distribution center managers, Head Office section managers, etc.	\$75.9 <\$81.0>	thousand USD (+1.4)	\$75.3 <\$80.6>	thousand USD (-0.60)	-	-
	Employee Rate of Persons with Disabilities	2.7	% (-0.1)	2.8	% (+0.1)	-	-
Environ- ment	Solar power generation	2,653,344	(kWh) (+48,587)	2,687,468	(kWh) (+34,124)	-	-

Notes: 1. The year-on-year increase/decrease is shown in the parentheses.
2. Average salary (full-time staff) includes executive officers.
3. Figures in angle brackets are average salaries including financial bonds. Trusco Nakayama does not pay severance as a lump sum upon retirement, but as an annual payment known as a "financial bond."
4. The total number of employees includes directors, part-time staff, staff on loan, and local employees of subsidiaries.
5. Average number of overtime hours per month per employee includes overtime hours within legal working hours.

Messages from Directors

Business Management Department

To realize our “Ambitions” and enhance our corporate value, we will continue to resolve issues and promote fundamental reforms

Director
General Manager of the Business Management Department,
Digital Service Strategy Department, and Orange Book Department

Atsushi
Kazumi



In order to realize our “ambitions” of “Business must serve people and society” and to further enhance our corporate value heading into the future, we will continue to work to solve current issues and also promote new reforms and the creation of new systems. Additionally, we will create an environment in which each individual who shares the same ambitions and possesses a diverse set of values can develop their individual careers while enhancing their creativity, leading to further growth of the company.

Results for the 61st Term

Strengthened the formation of individual careers by utilizing a system for strategic personnel transfers and human resource development based on employee data.

We have launched measures to further strengthen women's participation in the workplace and health management. We are expanding opportunities for participating in the workplace regardless of gender or career.

In April 2023, all full- and part-time employees began receiving incentives for achievement based on monthly performance.

Reference Page Flexible Work Environment ▶ P61

Specific Initiative

Real-live experiences make people grow

Approximately half of the employees hired by the Company in 2023 were women, and approximately 30% of Boss Challenge Program employees, who are future leadership candidates, were female. In order to provide an environment in which women can play a more active role in the future, a new Women's Proposal Group was established in 2024 which allows members to participate in the Management Conference through a candidate system and make proposals. In addition, we actively provide opportunities for female employees to play active roles at various important events, increasing opportunities to feel the atmosphere of management, and providing career support for women.



Boss Challenge Program employees, future leadership candidates

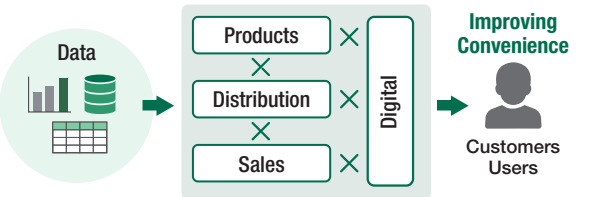
Strategies for the 62nd Term

Promote initiatives for the future of our customers, society, and our Company

By visualizing current issues based on data and implementing solutions across departments, this will lead to improved convenience for customers

Undertake fundamental reforms for the future of the Company, including organization, human resource program, system, work flow, and cost reforms

Further accelerate the proliferation of services with reduced environmental impact including our Direct Delivery Service, MRO Stocker, NIAWASE (Order Consolidation), and Naojiro Repair Workshops to contribute to CO₂ emission reductions throughout the entire supply chain



Make TRUSCO stand out for its corporate culture and initiatives that place importance on people

Continuously make human resource reforms to increase engagement, create a sense of unity with organizations, and improve productivity

Continue to promote the health of our employees with the aim of becoming a company where employees who are healthy and want to work can work as long as possible

Create a foundation for the creation of future female officers based on the desire to become a company where it is natural to have female officers



Tokyo Head Office members shown with new model Kartio Resin Platform Trucks

Digital Service Strategy Department

Working to improve the convenience of the entire supply chain through the growth of our human and digital resources

Director
General Manager of the Business Management Department,
Digital Service Strategy Department, and Orange Book Department

Atsushi
Kazumi



Our digital utilization is based on improving convenience for our customers and suppliers, along with our own productivity and efficiency. By accurately grasping the flow of all business processes from order to delivery in real time as information (data), and making appropriate decisions and correct processing in each process, we aim to improve convenience for our customers.

Results for the 61st Term

Approximately 87% of customer orderings were placed using systems such as Our website, TRUSCO Orange Book.Com and EDI.

We have introduced a system that analyzes data on backordered products and automatically employs inventory. This leads to sales of about \$31 million per year.

The overwhelming speed of the AI-based Immediate Automated Quotation-System has been well received, resulting in a quotation-based order rate exceeding 28%.

Reference Page

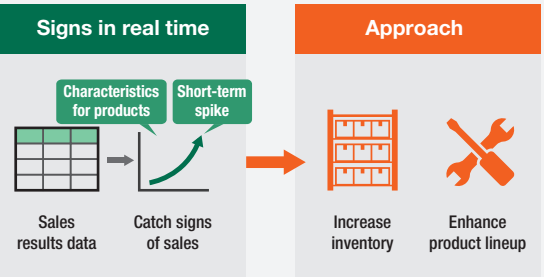
The number of products stocked by AI Foresight automatically ▶ P43

System order intake ratio/AI-based Immediate Automated Quotation-System ▶ P55

Specific Initiative

Using Data to Bring to light the future—TRUSCO started utilizing data for business purposes

We have started initiatives to utilize sales data for each product in our business. By identifying signs of sales for each product, we will increase inventory, adopt similar products, and enhance our lineup. We are also considering linking sales data with our MRO Stocker in the future to build a system to deliver necessary products in advance before users need them.



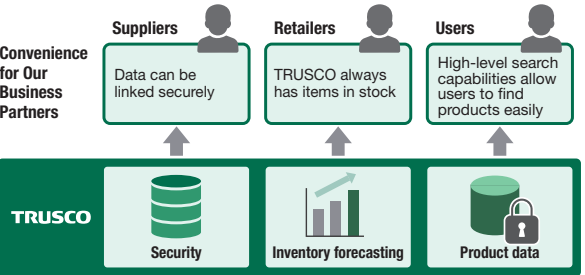
Strategies for the 62nd Term

Lead and support business growth in a safe and secure manner

By renewing the product data platform “Sterra,” we aim to expand both the quality and quantity of product information.

We will work to prevent product shortages and quantity shortages, such as upgrading ZAICON 3, a system for appropriate inventory management, aiming to enhance our immediate delivery capabilities.

As data is increasingly used throughout the supply chain, we will strengthen our response to security risks.



Digital Human Resources Development

Our human resource development is based on job rotation across departments, regardless of whether it is a digital division, to understand customers and business through experience in logistics, sales, products, etc., and to realize the ideal form and solve various issues on our own.

The Digital Service Strategy Department works to realize digital strategies by combining staff capable of working in a variety of positions with specialist personnel who possess a high level of IT expertise.



Members of the Digital Service Strategy Department (Tokyo Head Office)

Product Department

Leading the way in resolving issues at manufacturing sites and in the supply chain with our unique product lineup and systems

Director
General Manager of the Product Department

Tatsuya
Nakayama



In line with the concept “TRUSCO has it.”, TRUSCO’s unique product lineup serves as the foundation for customer/user convenience. In addition to expanding the product lineup to achieve an inventory of one million items, we will improve TRUSCO brand products with the aim of becoming a standard at manufacturing sites. Meanwhile, we will utilize our logistics and IT infrastructure to address issues such as improving logistics efficiency throughout the supply chain, including supplier logistics, and visualizing/reducing CO₂ emissions. We will continue to strengthen our product lineup and collaborate with our suppliers in order to further contribute to manufacturing in Japan.

Results for the 61st Term

The percentage of new products sales (for the last three years) increased to 13.2% (+0.9 pts. year-on-year) due to the strengthening of our product lineup.

Expanded product information aiming to realize the concept “TRUSCO has it.” We increased the number of registered items to 6.45 million SKUs (+920,000 year-on-year).

A search function for equivalent and similar products has been released, enhancing inventory collaboration with suppliers. We have created an environment that allows customers/users to easily choose and buy products.

Reference Information

TRUSCO Orange Book.Com
Equivalent/Similar Product
Search Function

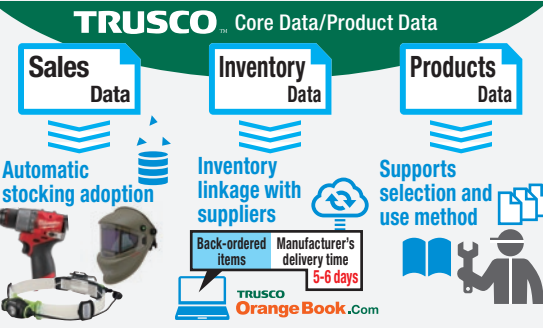


Details can be found by scanning the QR code above.

Specific Initiative

Promoted the use and enhancement of data

Utilizing sales data generated from our extensive product lineup and sales network, we support inventory adoption by buyers and have actively expanded our data-driven automated inventory. Additionally, we have strengthened the coordination of inventory data with suppliers and clarified delivery dates even for back-ordered items. We are also working to expand product data to help select products and use them safely.



Strategies for the 62nd Term

Improve Product Assortment, Data, and Tools

We thoroughly reviewed and improved the TRUSCO brand’s main products with the aim of becoming a standard at manufacturing sites.

We aim to create a product data platform that provides all the necessary and useful information to accelerate data expansion.

In order to expand the product lineup and make products easy to select, we have enhanced our web-based and paper catalogs in addition to our product selection tools.

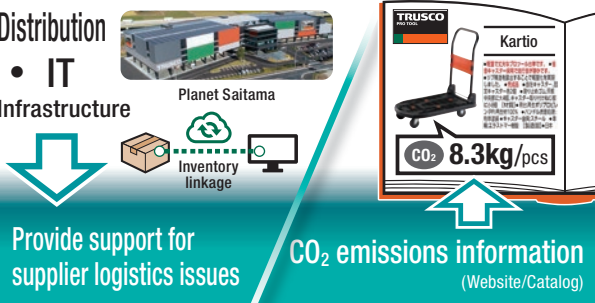


Work to Solve Supply Chain Issues

We utilize our logistics and IT infrastructure to improve the logistics efficiency of our suppliers and respond to the 2024 logistics problem.

Promote display of CO₂ emissions information related to the manufacture and distribution of PRO TOOL on the website and in paper catalogs

In order to prevent shortages in the market, reduce the inventory burden on suppliers, and improve their production efficiency, we will optimize ordering methods based on each supplier’s needs



Sales Department

Utilizing Both Traditional and Digital Means – We are taking on the challenge of solving problems by utilizing the power of digital technology –

Director
General Manager of the Sales Department

Kazuo Nakai

The ever-evolving power of digital technology is indispensable to our customers' operational efficiency. On the other hand, face-to-face sales activities are also essential to building relationships of trust with customers. By combining our unique digital tools and jobs that only humans can do together, we will respond to the 2024 logistics problem, labor shortages, and environmental impact reduction. In any environment, we will continue to be useful for customers' businesses through both traditional and digital means.



Initiatives during the 61st Term/Specific Initiatives

Factory Route \$1,214 million (+6.8% year-on-year)

Through contacts with companies that have introduced MRO stockers, it became possible to grasp various issues for each user, and led them to solutions by utilizing the optimal resources.

By strengthening relationships with companies that are expanding nationwide, we have advanced efforts in markets that we have not been able to capture and have produced results in new fields.

e-Business Route \$394 million (+14.6% year-on-year)

For e-commerce companies, we have expanded the number of product lines of new manufacturers and new products, and have also increased business by linking data with other companies and strengthening logistics support in accordance with their requests.

Home Center Route \$161 million (+9.5% year-on-year)

This route created business that integrates real stores and e-commerce sites. In addition, sales increased by proposing products in categories with high market needs, such as products related to BCP and safety measures.

Overseas Route \$17 million (+22.5% year-on-year)

Taking advantage of the weak yen, local subsidiaries are developing new customers and expanding inventories in line with the market. In the export business, short delivery times utilizing abundant inventory matched to customers demand.



Meeting with MRO Stacker user and customer
(Left: Tomoe Kurokawa, Koriyama Branch)

Strategies for the 62nd Term

We take on the challenge of solving customers' problems with our unique services

By halving delivery times, packaging materials and the number of deliveries through our "NIAWASE + U-choku" service, TRUSCO aims to differentiate itself from other companies in solving environmental problems.

The Company plans to increase the frequency of use of stock inventory of MRO stocker (the number of installations is expected to be 1,500 or more), thereby contributing to customer convenience.

Naojiro Repair Workshops allow customers to request repairs even for products that have not been purchased from us, eliminating the need for time-consuming packaging and shipping, thereby greatly reducing the workload.



Suggesting services that respond to various issues (Manami Murakami, Okayama Branch)

Realize efficient procurement using digital technology

With the AI-based Immediate Automated price estimate System, an optimal price can be provided in as little as 5 seconds for quotations with known product numbers so that time can be spent on inquiries that require us to talk with the customer.

With T-Rate, images of products with unknown stock numbers can be sent, enabling quick inquiries and improving operational efficiency.



Timely information exchange through T-Rate
(Left: Asumi Onishi, Tokyo Branch)

Distribution Department

Aiming to build solid logistics infrastructure that can accept any changes

Director
General Manager of the Distribution Department and
General Manager, Distribution Safety Promotion Division

Hideki
Naoyoshi

Our primary duty is to help our customers and end-user expand their businesses, and ultimately, society as a whole. We do our best when it comes to enhancing convenience. TRUSCO has the flexibility to changes in market demand and constantly providing stable and robust logistics services are indispensable for earning the trust of our customers. We aim to become a company that is indispensable to Japanese manufacturing and will work sincerely on each tasks.



Results for the 61st Term

Enhanced our "NIAWASE + U-choku" service with improved inventory and shipping capabilities for approximately 600,000 items

Pursue of "base-complete" inventory control optimized for each region

Acquired multifunction-intensive inventory storage capacity to improve service levels

Reference Page

"NIAWASE + U-choku" ▶ P47

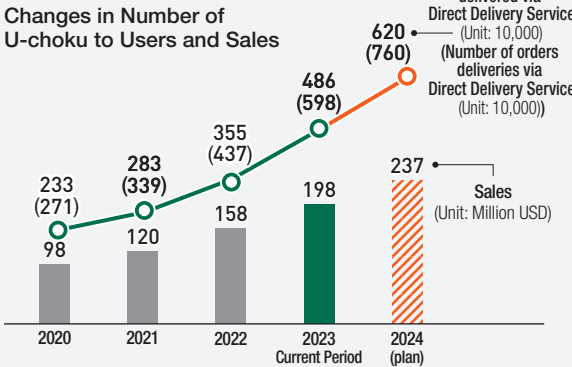
Specific Initiative

Expanding Our "NIAWASE + U-choku" Service

As the demand for delivering products directly to users expands rapidly, we have enhanced the function of packing packages and delivering products in a same package together to make our company's services more convenient for customers.

Increasing Inventory Storage Capacity

In order to strengthen our inventory storage capacity, we have launched the Sakai Stock Center next to Planet Osaka and the automated pallet warehouse at Planet East Kanto into operation, expanding our inventory in both the eastern and western regions of Japan.



Strategies for the 62nd Term

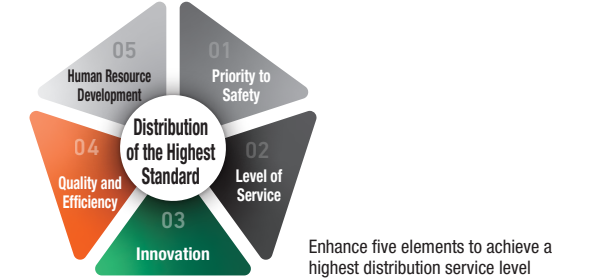
In Thorough Pursuit of a Distribution Service of the Highest Standard

Improve shipping functions and fully utilize automation equipment to support the further expansion of the "NIAWASE + U-choku" service

Drastically improve the inventory management system which will optimize the huge one million item inventory that we are aiming for

Acquisition of warehouse control capabilities of large distribution centers with an eye on Planet Aichi and Planet Niigata

Promptly conceive and implement measures to strengthen logistics functions in response to changes in market demand



Establish a solid foundation for maintaining and improving logistics services

Create a work environment where employees can work safely and securely and establish business processes

Develop human resources to support functional enhancement and problem solving in logistics



New employee from Planet Saitama

Product Strategy

Bringing Together a Full Line-up of PRO TOOL

PRO TOOL in general refer to subsidiary equipment required by professionals at manufacturing sites such as factories and construction sites. We try to carry as many PRO TOOL products as possible. We offer an abundant product lineup and inventory to help customers expand their businesses.

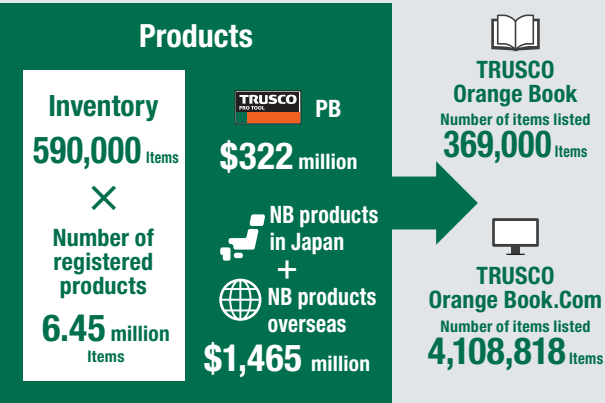


Product Strategy Key Points

590,000 items in stock even with the same function or similar functions

6.45 million registered products for expanding customer business

Various catalogs and media, including TRUSCO Orange Book and TRUSCO Orange Book.Com



Sales Constitution Ratio of Available Products

	Constitution ratio	Sales	
1 Cutting Tools	3.1%	\$55 million (+8.0%)	Cutting Tools Drilling tools Threading cutting tools Cutting Tools Chips Threading cutting tools
2 Production Processing Tools	7.4%	\$131 million (+10.1%)	Measurement equipment Mechatronics Tools for machine tool, etc. Calipers Scales 3D Measuring Equipment
3 Construction Supplies	11.6%	\$207 million (+9.7%)	Pneumatic tools Welding equipment Civil engineering equipment, etc. Floodlights Generators Welding Masks
4 Work Supplies	19.2%	\$342 million (+9.9%)	Cutting goods Grinding and polishing goods Chemical products, etc. Cutting Grindstones Polishing goods Cutting Fluid
5 Hand Tools	16.9%	\$300 million (+12.2%)	Electric power tool accessories Pneumatic tool accessories Hand Tools, etc. Screwdrivers Hammers Pliers
6 Environmental Safety Supplies	18.0%	\$320 million (+8.2%)	Protective equipment, Safety goods Environmental improvement goods Air conditioning goods, etc. Portable Air Conditioners Safety shoe Work Gloves
7 Logistics/Storage Supplies	10.4%	\$185 million (+2.7%)	Loading goods Transportation goods Containers and vessels Containers Conveyors Trolley
8 Laboratory Supplies	4.0%	\$71 million (+3.6%)	Tool wagons Storage and management goods Work benches, etc. Cabinets Work benches Wagons
9 Office Supplies/Storages	8.6%	\$154 million (+8.4%)	Cleaning utensils Office miscellaneous goods OA business machinery, etc. Desks Office Supplies Industrial Vacuum Cleaners
10 Other products	0.8%	\$14 million (+21.6%)	

NAKAYAMA Original Inventory System

Expanding our inventory using creative methods

Based on the belief that inventory is necessary for the convenience of our customers and for improving sales, we have developed our own approach to inventory - **NAKAYAMA Original**

Inventory Logic. With this approach, we are expanding our inventory using creative methods to ensure that our customers always know that TRUSCO has what they need.

Conventional Thinking	NAKAYAMA Original Inventory Logic	
Don't Stock Unsellable Inventory	Inventory Sells	We believe we receive orders thanks to stocking the products our customers need rather than inventory that sells.
Emphasize Stock Turnover Rate	Emphasize Stock Hit Rate	We believe the greatest barometer of our services is the stock hit rate that shows what percent of the total orders were fulfilled from stock to delivery. Stock hit rate: 92.1% (as of December 31, 2023)
Minimize Stock	Inventory Energizes Growth	By expanding business with online shops and reducing the time and effort required to process orders, we have been able to reduce overtime work for our employees, which has been the driving force behind our Company's growth.

Keeping Long Tail Products in stock

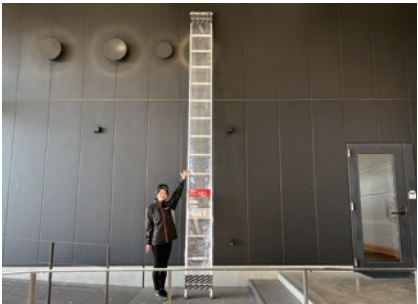
We are able to provide immediate delivery for even long tail products that have a low order frequency. By stocking all colors and sizes regardless of what sells, we have created a one-stop environment for our products.



Stocking products that are not normally handled as inventory, such as jumbo cones that are over 2 m high and giant wrenches, leads to orders.

Stocking "Difficult-to-Deliver" Products

We refer to large and long products that are difficult to manage and ship as "Difficult-to-Deliver" products. We are able to meet all orders by actively stocking these products.



We also have 12 m ladders in stock

Accepting Product Returns Automatically

When an order is incorrect, a return can be automatically accepted by the system for unopened inventory items. Since fixed-cost based distribution (see p.46) uses fixed routes for delivery, returned goods are collected free of charge.



Since return items are collected in the same containers used for items being delivered, there is no need for cushioning materials or packing work.

Inventory of Manufacturer Catalogs

We keep catalogs from manufacturers so that we can deliver detailed product information to customers. As with products, our catalog inventory is managed using bar codes, which allows for more customer business opportunities.



We carry catalogs from around 650 manufacturers

Establishment of Cut Depots Dedicated to Cutting Tools

We have set up cut depots that stock cutting tools, which are the greatest consumable in factories, at three distribution centers in Japan, making those products available for immediate delivery.



Year-Round Inventory of Seasonal Products

Although seasonal products are typically sold out during the corresponding season, in order to completely meet demand, we keep more inventory than needed to meet demand. As a result, summer products sold well even in winter, and we were able to respond to orders throughout the year.



Ability to supply even the last unit of a product during seasonal demand

TRUSCO Private Brand Products

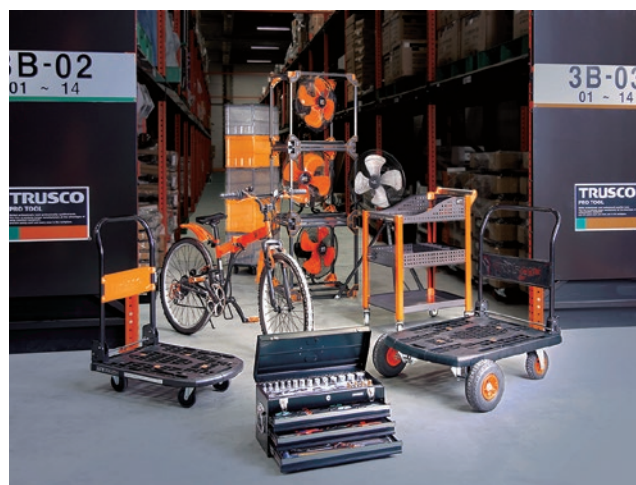
Aiming to be the PRO TOOL standard

The TRUSCO Private Brand was born as the industry's first Private Brand (PB) in 1964. We develop all the professional tools needed at manufacturing sites from a unique perspective, and aim to become a standard brand for working professionals.



PB Goods Sales
\$322 million

Number of PB items
91,967 Items



Improving the development process and brand image

In order to become the PRO TOOL standard, we made improvements from the product development process to the design stage. Products are being unified in a lean, functional design with a black and orange color theme, and packaging materials are being gradually switched to environmentally-friendly mono-chrome packaging that uses as little plastic as possible.



Improved product and packaging

Products Based on Ideas from Employees

The PB Request Box is a system for employees to propose ideas for new products. Approximately 45 new ideas are presented each month, some which lead to the creation of various unique PB Products.



Tablet PC case for use at work sites
Stock Number: TABG-BK



Product info

Received Multiple Good Design Awards

The Japan Institute of Design Promotion presents awards to products and services with superior design every year. TRUSCO has received Good Design Awards 23 times for many of its products including carts, air dusters, and hip roof tool boxes.



GOOD DESIGN
(2023 Good Design Award winner)



Product info



Kartio Resin Platform Truck (new model)
(with side walls to prevent cargo from falling)
Stock Number: MPK-780-BK-RSK

New product review meeting for original product development

Once a month, members of the Company, including the President and directors, hold a new product review meeting. Highly original products are commercialized through this review meeting. Meeting participants examine not only functionality and cost but also how original the product is from a variety of perspectives.



Participants discuss various topics during a new product review meeting

We also deeply focus on quality control

We established the PB Quality Assurance Section for manage the quality of TRUSCO Private Brand products. We are striving to enhance quality through measures that include the plans to prevent recurrence when a deficiency occurs as well as product improvements.



Quality Assurance Acting Senior Supervisors
Naofumi Yoshimoto and Hisashi Nakauchi

National Brand (NB) Products

Providing a Broad Selection of PRO TOOL in Japan

We provide a broad selection of products from suppliers in Japan to everyone involved with manufacturing. In 2020, the Company removed PRO TOOL restrictions and began stocking items from existing suppliers for which there is demand. We have also introduced a system that automatically adopts products with a track record of sales to inventory items, accelerating the expansion of items.

Suppliers in Japan
3,172 companies

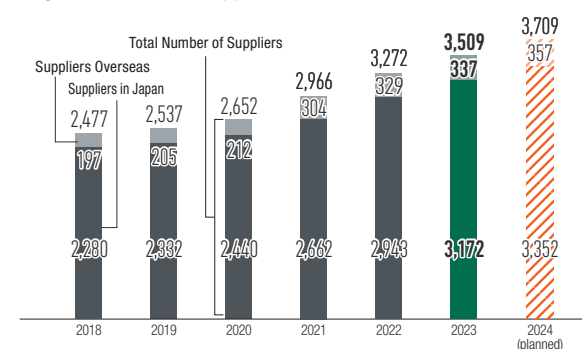
National Brand
Product Sales
\$1,465 million



Enhancing the expansion of suppliers in Japan

There are still many PRO TOOL suppliers in Japan that are required at manufacturing sites. We have established a system that enables us to deliver products to more manufacturing sites by starting transactions with suppliers with a proven track record and placing inventory.

Change in Number of Suppliers



Yattemasen List/Product Request Advertisements

We have a list of suppliers that we have rejected because they do not do what we are looking for and conduct supplier business development. Additionally, we publish advertisements to recruit new suppliers in the form of Product Request Advertisements in newspapers and on our website, similar to employee recruitment advertisements but for products.



Product Request Advertisements



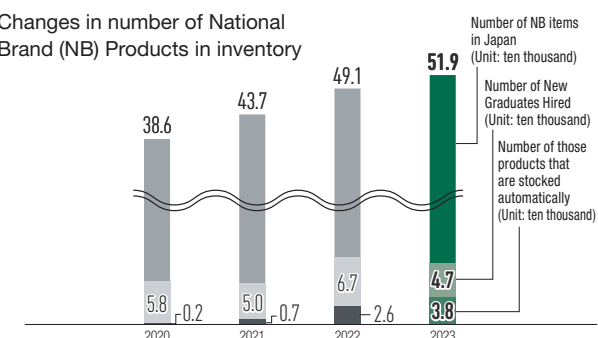
We recruit for new suppliers through our website and advertisements



Accelerating the expansion of our inventory by utilizing digital technology

We are also actively promoting the stocking of new products from domestic suppliers. In addition, we introduced the Automatic Product Stocking System, a system for stocking products based on sales performance data, which had previously relied on the experience of the person in charge of product adoption. DX is also incorporated in product adoption. For example, product adoption-related work that used to take up to one year has been shortened to three months.

Changes in number of National Brand (NB) Products in inventory



3M and TRUSCO original product demonstration truck

In order to promote awareness of products made by combining the various technologies of 3M Japan Ltd., we created a mobile product demonstration truck. We aim to solve customers' problems by providing demonstrations of specific products, such as abrasive materials and harnesses which customers can wear and hang in.



The mobile product demonstration truck visits manufacturing sites and customers throughout Japan to conduct PR activities

Overseas National Brand Products

Launching the World's PRO TOOL in Japan

Starting with the Germany office (Düsseldorf), TRUSCO has sequentially opened product procurement bases overseas, including the Taiwan office and the Thailand office, to procure SELECTED PROTOOLS FROM OVERSEAS with a focus on Europe, where many high-quality tool manufacturers have built up a long history. We import quality PRO TOOL from various countries to invigorate the manufacturing sites in Japan.

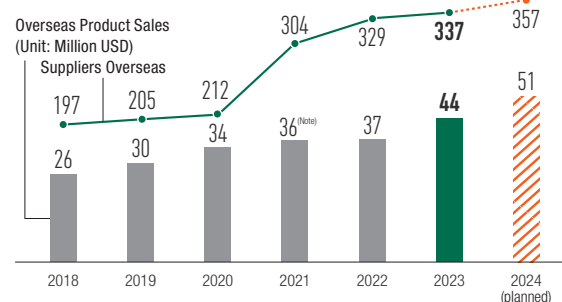
Countries/ Regions	Suppliers Overseas	Sales of Products Procured Overseas
32	337 companies	\$44 million



TRUSCO also carries products that are difficult to obtain in Japan

As with national products, products procured overseas are stocked at distribution centers throughout Japan. With a wide-ranging lineup of overseas PRO TOOL not readily available in Japan, we offer PRO TOOL users increased convenience and options.

Number of Overseas Suppliers and Number of Overseas Product Sales



Note: "Accounting Standard for Revenue Recognition", etc. not retroactively applied.

Web-based media: SELECTED PROTOOLS FROM OVERSEAS website

Since there are many manufacturers who have general sales distribution rights in Japan, we are developing the SELECTED PROTOOLS FROM OVERSEAS website, web-based media for conveying the attractive qualities of overseas brands in an easy-to-understand manner. We provide information on overseas brands that is useful for manufacturing sites from our unique perspective as a company that handles a wide variety of PRO TOOL from Japan and overseas.



SELECTED PROTOOLS FROM OVERSEAS

On the SELECTED PROTOOLS FROM OVERSEAS website, we post articles that tell the history and stories of various brands around the world in an easy-to-understand manner.

Catalog Media

Aiming to provide the most convenient means for PRO TOOL procurement

Catalog media needed for use at manufacturing sites vary greatly according to the times. There are also different situations that make procurement challenging, such as work sites that are offline and performing product searches without knowing product serial numbers. TRUSCO aims to provide the highest level of convenience in tool procurement in order to respond to any situation.

TRUSCO Orange Book 2024

Number of items listed: About **369,000** items
Inventory items: **590,000** items
Manufacturers listed: **2,444** companies,
Page count: **8,208**, Weight: **12** kg
Price: **\$80** (excluding tax)

TRUSCO Orange Book - "Great Dictionary of Monodzukuri" used at various manufacturing sites

TRUSCO Encyclopedia for "Monodzukuri"
Orange Book.

Our catalog lists every sort of PRO TOOL that is required on "manufacturing sites." This is a professional tool catalog that supports efficient product search and procurement with a page layout that allows you to obtain delivery date information and find out about popular products at a glance. We also offer the "TRUSCO Digital Orange Book" which combines the reading ease of a printed catalog with the searchability of the web.



The Orange Book Stand features environmentally-friendly monochrome to reduce environmental impact



Allows for easy browsing on the Web, just like using a paper catalog



TRUSCO Digital Orange Book

TRUSCO Orange Book Junior

This catalog gathers representative excerpts from every product category into one book.

2024 edition
Pages: 1,500 (A4 size)
Number of items listed: About 81,000
Number of manufacturers listed: 1,689
Price: \$13 (excluding tax)

Note: Thai version and Indonesia market version (2020-2021 version) have also been published.



Digital catalog

TRUSCO Construction Tools BOOK

This catalog features a lineup of PRO TOOL required for construction and other work sites.

2024 edition
Pages: 708 (A4 size)
Number of items listed: About 30,000
Number of manufacturers listed: 807
Price: \$6 (excluding tax)

Note: The cover is UV laminated for improved water and weather resistance. This means that you can even use it at work sites without worrying about it getting damaged.



Digital catalog



Product search site listed all the information users need to acquire PRO TOOL

TRUSCO Orange Book.Com is a comprehensive site where customers can search, order, and request estimates for products. Information on the products we handle as well as SDS forms (Safety Data Sheets), drawings, and other data can be downloaded from the site. In addition, "User's Voice" section is provided on each product page where improvement requests can be submitted directly. We also have a system to promote product development together with users.



In addition to products, we also accept requests for catalogs and services, leading to the development of products and procurement tools.



TRUSCO Orange Book.Com

TRUSCO
Orange Book.Com.
Search and information website for PRO TOOLS.



The number of items listed on TRUSCO Orange Book.Com is increasing daily

TRUSCO PRO TOOL MAGAZINE ICHIOSHI

This catalog magazine features up-to-date information on items recommended by manufacturers.

2024 edition
Pages: 244 (A4 size)
Number of items listed: 287
Number of manufacturers listed: 257
Price: \$3 (excluding tax)

The year in parentheses denotes the year the person was featured on the front cover.

Mansai Nomura (2018), Mari Watanabe (2019)
Rie Tanaka (2020), Spotlight on craftsmen working at manufacturing sites (2021)
Osamu Suzuki (2022), Kentaro Oyama (2023)
Akihiro Nikkaku (2024)



Digital catalog

COCOMITE

A guidebook for PRO TOOL, COCOMITE features basic product knowledge, simple explanations of points for selecting products, and more.

Vol.3
Pages: About 964 (B5 size)
Price: \$16 (excluding tax)

Note: An English version of this publication titled COCOMITE UNIVERSAL is also available.



Digital catalog

TRUSCO's VOICE TRUSCO brings unknown overseas products to the Japanese market!



Overseas Product Division
Overseas Procurement Section
Himeka Shimada

The work of the Overseas Procurement Section does not finish once we procure and stock overseas products. It is involved in the work of buyers aware that high functionality, uniqueness, and attractiveness alone will not lead to sales. We need to prioritize customer needs and preferences to determine if a product is really needed in Japan even if it is from a manufacturer with top market share overseas. As domestic products evolving daily, we look at the selling points of overseas products and how we can capture demand for those

products in Japan?

It is important to look at this from various angles and always think of new ideas for promotion from the ground up.

I believe that the most rewarding part of my work is seeking out successful patterns that suit each manufacturer and to build markets for each brand and product in collaboration with suppliers, within the procurement section, and with other departments, with the simple goal of "selling products," even in procurement departments.

Distribution Strategy

Immediate delivery is the greatest service

We are evolving logistics by creating a nationwide distribution network, introducing cutting-edge logistics facilities, and taking other efforts to meet the request from our customers who want “Just what is needed, only when needed, only in the quantity needed.”



Distribution Strategy Key Points

28 distribution centers located throughout Japan supports immediate delivery nationwide

276 delivery runs
(153 third-party delivery runs/123 TRUSCO delivery runs)
provide immediate delivery through fixed-cost based distribution

Distribution equipment for high-density storage and high-speed shipping

Number of distribution bases

28 locations (Distribution Centers 17)
Stock Centers 11
Distribution equipment
High-density storage ×
High-speed shipping

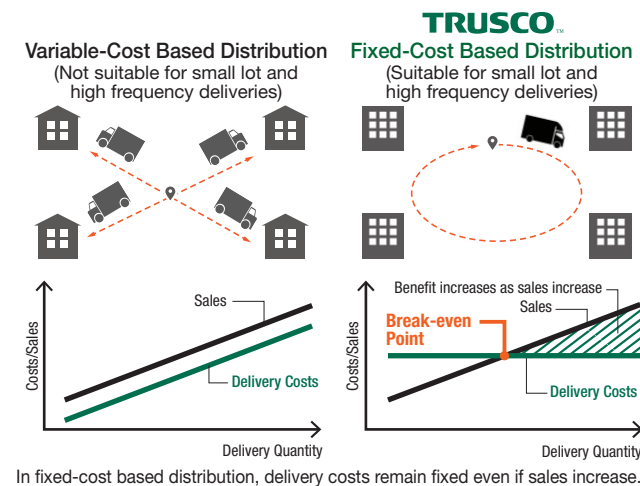
Stock hit rate **92.1%**

Fixed-Cost Based Distribution
(276 vehicles)
Customers

Direct Delivery Service
(4,860,000 units)
Users

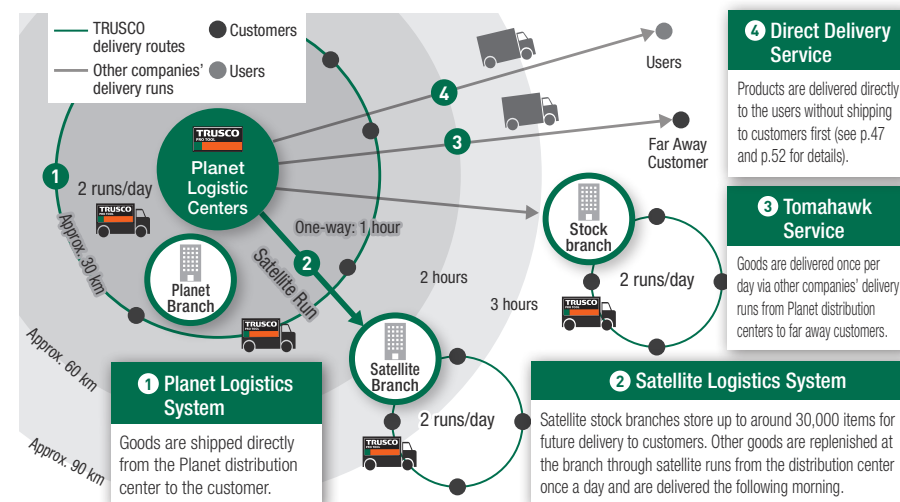
Unique fixed-cost based distribution

Our unique fixed-cost based distribution system allows us to make deliveries of in-stock items even when customers order just one item. In the case of variable-cost based distribution, since deliveries are made individually, similar to how taxis make individual trips for each customer, delivery costs are proportional to sales. In contrast, **fixed-cost based distribution** involves fixed routes similar to bus routes. Delivery costs are fixed, meaning that it is profitable once the break-even point is surpassed. This system provides customers with free deliveries (two deliveries per day) and a pick-up service where products that need to be repaired or returned can be picked up when deliveries are made. In addition, we can deliver products in containers without using cardboard boxes or other packaging materials, thus realizing low environmental impact distribution.



Routes that achieve immediate delivery (Planet & Satellite Distribution System)

Throughout Japan, TRUSCO has built delivery routes that trace planet-like orbits around our distribution centers. From this, we have named our distribution centers “Planets.”



TRUSCO performs 44.6% of delivery runs independently

Since the delivery driver serves as our last point of contact with customers during deliveries, having employees that deliver products on time every day allows us to immediately hear about any problems customer may have and respond quickly. (Total delivery runs: 276 (153 third-party delivery runs and 123 TRUSCO delivery runs))



TRUSCO is making a shift toward making deliveries independently so that products are under our full control until delivery

“NIAWASE + U-choku” (Order Consolidation + Direct Delivery Service)

Solving the logistics challenges that lie hidden in PRO TOOL Distribution

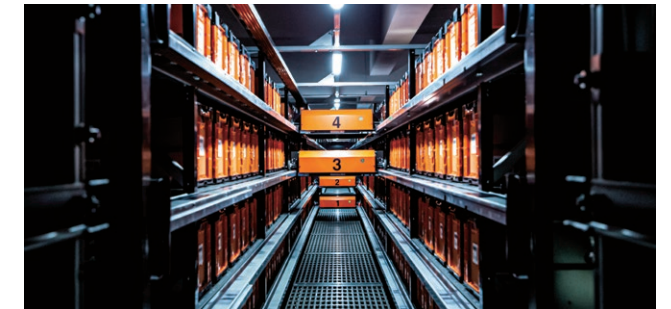
In this industry, it is not common for wholesalers to deliver products directly to users without shipping to customers first. Despite being a wholesaler, TRUSCO places products that a customer has ordered in one box “NIAWASE” (Order Consolidation) and deliver them directly to the user’s manufacturing site “U-choku” (Direct Delivery Service). By doing so, delivery times, packaging material amounts, shipping costs, and the environmental burden can all be reduced by half. Only a company like TRUSCO can provide a service like this thanks to having an abundant inventory, the world’s most advanced logistics equipment, inventory and logistics support systems, etc. which allow us to provide high-mix low-volume shipments.



Scan the QR code for more information

Average number of items per box (items/box) **1.23** Number of packages delivered via Direct Delivery Service **4,860,000**

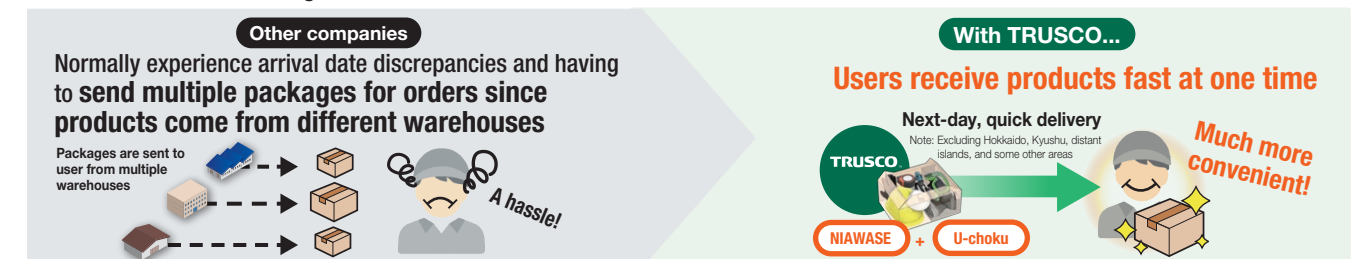
TRUSCO is able to place order items together right away and deliver them to manufacturing sites!



SAS (Systema Streamer)/ Shuttle Rack (high-speed picking and sorting equipment) for bundling together multiple orders “NIAWASE” (Order Consolidation)



I-Pack® (high-speed automated packaging and shipping line) is capable of packaging and preparing a maximum of 720 packages for shipping in just an hour



Measures to Prevent Supply Interruptions During Disasters

Distribution centers with seismic isolation equipment (3 distribution centers)

When the Great East Japan Earthquake occurred, Planet Tohoku was unable to ship products due to them falling from the shelves, even though many PRO TOOL were needed for disaster recovery. Based on this experience, the distribution centers built since then are equipped with seismic isolation equipment as standard equipment so that we can fulfill our responsibility to supply customers even in times of disaster.

[Centers with seismic isolation equipment installed]

Osaka Saitama South Kanto

Aichi and Niigata (operations are scheduled to begin in 2026)



Seismic isolation equipment in Planet Saitama

Enhancing safety by providing hazardous materials warehouses and product expiration date management

Due to stocking a large number of chemical products, we build hazardous material warehouses into our distribution centers. These warehouses are equipped with halon gas jets to extinguish fires and other systems for increased safety. In addition, products with quality assurance expiration dates are managed by a system that enables accurate and efficient management even when the number of product items increases.



Hazardous material warehouse at Planet Saitama (approx. 284 m)

Extensive inventory of emergency disaster stockpiles (208 items, 6-month supply)

We also stockpile at least a six-month supply of products (208 items) such as generators, which are needed even in times of disaster, so that we can be of use to the community in times of emergency. In addition, we have built a system that supports other distribution sites even when a distribution line is cut, such as when disaster strikes a supply route to reduce risk.



Stockpile of items required during disasters

Logistics Wonderland

Introduction of a cutting-edge distribution system

Our distribution centers, which house the world’s most advanced logistics equipment, are each truly a “logistics wonderland.” We have introduced a variety of logistics equipment and facilities to promote labor saving and automation. We continue to expand the number of items in stock and strengthen our immediate delivery system by realizing high-density storage in logistics equipment according to the size of the product and frequency of shipment, as well as high-speed receiving/shipping through automated sorting and packaging.

Logistics Wonderland Planet Saitama

Scan the QR code to watch video.

Capacity

Efficiency

Distribution Center where the technology was introduced

1

AMR (Autonomous Mobile Robots)

AMRs are used for pallet transfer, especially after receiving large items or large quantities of goods for which pallet transfer is a labor-intensive and time-consuming process. This contributes to a reduction of man-hours through labor savings.

Load carrying speed: 5.8 km/h

Saitama

Explanatory video

Non-Fixed Location (Free Address) Inventory Management System

For inventory management, TRUSCO is replacing the fixed location method that assigns one location to one product with a **free location** method that fills the space opened by inventory depletion with a separate in-shipped product.

Fixed Location

Only links products and storage locations

Available space is wasted

20%

Non-Fixed Location

Automatic guidance based on volume and shipment frequency data

Other products can be stored

20%

4

Butler® (Automated conveyance robots)

Automated conveyance robots lift shelves and transport them to workers. This reduces workers' time spent walking and raises the efficiency of loading/unloading.

Shipping Capacity 70 shipments/h (1 station*)

Approx. 2x to 3x more storage capacity*

Work efficiency Equivalent to worked performed by 18 people

Tohoku

Saitama

* Independent estimate based on TRUSCO inventory items.

Explanatory video

6

Automated bucket warehouse

Each of our automated bucket warehouses utilizes buckets (containers) for high-density storage of small- and medium-sized goods that have relatively low inventory volumes. Cranes are used to automatically transport the buckets. Using automated bucket warehouses allows us to increase inventory density, reduces the amount of labor for loading/unloading work, and improves loading/unloading work efficiency.

Shipping Capacity 110 shipments/h (1 station)

Approx. 3x to 4x more storage capacity

Work efficiency Equivalent to worked performed by 27 people

Tohoku

Saitama

East Kanto

South Kanto

Tokai

Shiga

Osaka

Kobe

Explanatory video

9

SAS (Systema Streamer)/ Shuttle Rack (high-speed picking and sorting equipment)

This high-speed NIAWASE (Order Consolidation) equipment for automated warehouses can simultaneously perform NIAWASE (Order Consolidation) and sort goods for multiple orders. This reduces the work and time involved for sorting and transport.

Sorting capacity of 1,800 containers/h

Tohoku

Saitama

East Kanto

South Kanto

Tokai

Osaka

Kobe

Explanatory video

7

Automated pallet warehouse

In our automated pallet warehouses, large and heavy goods are stored on pallets. Large-size cranes are used to automatically transport goods, making it possible to perform tasks fast and accurately.

Shipping Capacity 35 shipments/h (1 station)

3x more storage capacity

Work efficiency Equivalent to worked performed by 10.5 people

Saitama

North Kanto

East Kanto

Explanatory video

8

Electric moving pallet racks

Movable pallet trucks reduce the number of passageways and expand storage space within warehouses. It increases the storage efficiency of large and heavy goods.

2x more storage capacity

Saitama

East Kanto

South Kanto

Tokai

Shiga

Kobe

Sanyo

Explanatory video

10

Just fit BOX® (Automated Boxing Machine)

This system reads the three linear dimensions of irregular-shaped items, which are difficult to pack, and creates a box to fit its size. It effectively reduces use of packaging materials as well as improves work efficiency and packaging quality.

Packaging Capacity 120 packages/h

Work efficiency Equivalent to worked performed by 10 people

Tohoku

North Kanto

Saitama

East Kanto

Tokai

Osaka

Kobe

Explanatory video



2

AGV (Automatic Guided Vehicles)

Automatic Guided Vehicles automatically transport products along magnetic tape laid out on the floor of the Distribution Center. It improves transport efficiency through labor saving.

Load carrying speed 3.6 km/h

Saitama

Explanatory video

3

GAS (Gate Assorting System)/ DAS (Digital Assorting System)

This equipment for sorting products eliminates sorting mistakes by people, improving precision and speed. This is because the lid of the container where a product is to be placed will open (or a light will shine to indicate which container), prompting the worker to simply place products inside.

Sorting Capacity 200 product types/h

Work efficiency Equivalent to worked performed by 60 people

Tohoku

Saitama

East Kanto

South Kanto

Tokai

Osaka

Kobe

Explanatory video

5

AutoStore (high-precision storage system)

AutoStore maximizes space efficiency by stacking bins (containers) from the floor to near the ceiling. The use of robots to transport containers improves efficiency and reduces the amount of labor for loading/unloading work.

Shipping Capacity 120 shipments/h (1 station)

5x to 6x more storage capacity

Work efficiency Equivalent to worked performed by 12 people

Tohoku

North Kanto

Saitama

South Kanto

Explanatory video

11

I-Pack® (high-speed automated packaging and shipping line)

I-Pack places delivery slips inside packages and handles packaging as well as labeling all at high speeds. Automation leads to shorter packing time and better quality, the keys to our Direct Delivery Service (see p.47 and p.52).

Packaging capacity Maximum of 720 packages/h per line

Work efficiency Equivalent to worked performed by 24 people

Tohoku

Saitama

East Kanto

Tokai

Osaka

Explanatory video

12

Palletizing Robots

Palletizing robots are robots that perform loading and unloading operations. They are mainly used for sorting goods packed using I-Pack® to reduce labor and improve accuracy as well as work quality.

Sorting Capacity 300 product types/h (per robot)

Saitama

Explanatory video

Note: Work efficiency and storage capacity data used are figures from Planet Saitama (a distribution center with about 200 employees).

Sales Strategy

Solving Problems for Customers

We are grasping the latent needs of our customers that are not quantified and are working to solve their problems by providing services suited to the characteristics of each route as we utilize our product, logistics, and digital services.



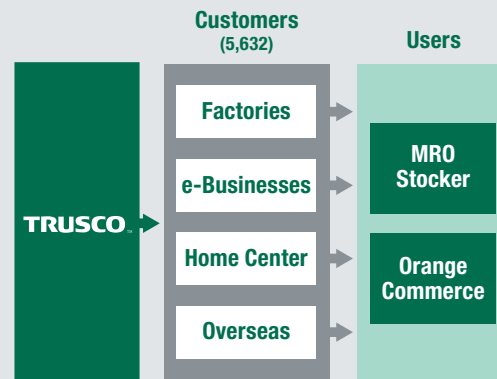
From left to right: Genta Tsujio (Tokyo NB Product Section), Chihito Shirasaki (Branch Manager, MRO Supply Tokyo Branch), Kari Oshiro (MRO Supply Tokyo Branch)

Sales Strategy Key Points

Establishment of four sales channels tailored to the characteristics of each industry

Provision of services that enhance user convenience, such as MRO stocker and Orange Commerce

Expansion of services that lead to environmental conservation, such as “NIAWASE + U-choku” and Naojiro Repair Workshop



Factory Route

Machinery Tool Dealers, Welding Material Dealers, etc. **4,888 companies** **\$1,214 million** Manufacturing Industry, Construction-related Businesses, etc.

Meeting the ever-changing needs of our customers with our diverse services and sales capabilities

This route is for facilitating business with customers in a wide range of industries, such as machine tool dealers who carry equipment used at factories and work sites, welding material dealers, electrical equipment dealers, and plumbing equipment dealers. By having sales offices throughout Japan, we are able to respond quickly to any problems and meet the diverse needs of customers by providing optimal services.



Localized sales support through 59 branches nationwide (Maki Kamijo, Yokkaichi Branch)

e-Business Route

Online Shops, etc. **207 companies** **\$394 million** Manufacturing Industry, General Consumers, etc.

Providing services required for e-business by utilizing digital technology

We are developing business for e-commerce companies that sell products via the Internet and developing business for centralized purchasing that links the purchasing systems utilized by users with our electronic catalog, Orange Commerce (see p.52). Measures including linking data in real time improves the purchasing efficiency of customers.



We provide support for user procurement efficiency (Masumi Sakai, Internet Sales Tokyo Branch)

Home Center Route

Home Centers, Pro Shops, etc. **111 companies** **\$161 million** Outdoor Work, General Consumers, etc.

Supporting businesses that integrate physical and online businesses

This route is for facilitating business with home centers and pro shops that operate throughout Japan. Through this route, we are engaged in a variety of initiatives, including providing product proposals that respond to changing market needs, efficient delivery, and support for omni-channel services that link together stores and e-commerce sites.



TRUSCO booth at JAPAN DIY HOMECENTER SHOW 2023

Overseas Route

Overseas Dealers, etc. **426 companies** **\$16 million** Overseas Manufacturing Industry, etc.

Conducting business overseas by leveraging our unique strengths

This is the route we take to do business with overseas subsidiaries of domestic customers and customers who handle local machinery tools. Through our local subsidiaries in Thailand and Indonesia, TRUSCO contributes to the development of manufacturing in those regions by taking advantage of our strengths, such as such as providing catalogs and inventory for those local markets.



100,000 copies of the TRUSCO Orange Book Digest (overseas version of TRUSCO Orange Book) are available in English, Chinese, and Thai

Sales (SSL (Sales & Solutions)/SSP (Sales & Support))

Solving Problems for Customers

At 59 sales branches in Japan, we utilize management resources, including product, logistics, and digital resources, to provide unique tools and services. These include procurement tools, such as TRUSCO Orange Book, and services, such as MRO Stocker, which is like “Okigusuri,” a business model that has been around for many years in Japan, but for tools, and “NIAWASE + U-choku” (Order Consolidation + Direct Delivery Service).

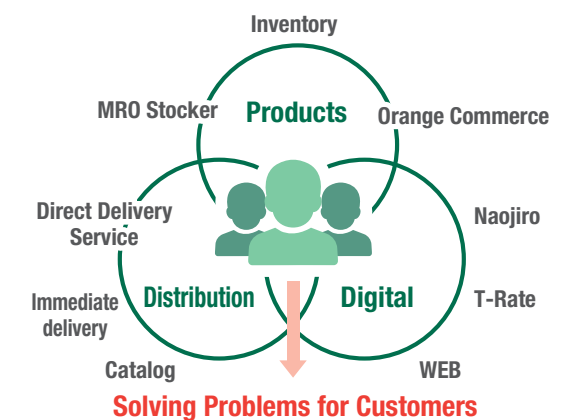
Sales Branches in Japan **59**

SSL (Sales & Solutions)

This team senses customers’ non-quantifiable latent needs and utilizes product, logistics, and information systems and other Company resources to resolve customer issues through the supply of PRO TOOL.

SSP (Sales & Support)

This team makes product proposals and conducts price negotiation as the “office work” sales team performing sales activities inside the company. It promptly and accurately responds to customer requests.



SSL (Sales & Solutions) (Keihin Branch employee Kohei Ishikawa)



SSP (Sales & Support) (MRO Supply Tokyo Branch employee Riko Nakanishi)

MRO Stocker

MRO Stocker

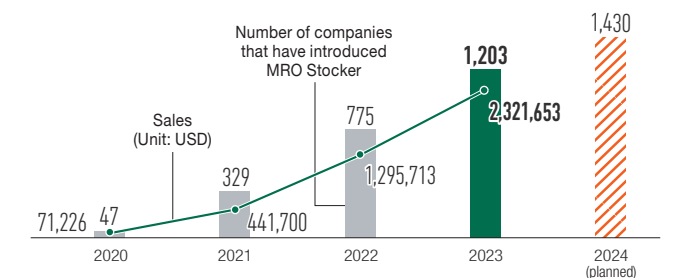
MRO Stocker is like “Okigusuri,” a business model that has been around for many years in Japan, but for tools. MRO Stocker locations are stocked with consumables serving as our inventory that users want, enabling TRUSCO to respond to the needs of manufacturing sites that need certain products immediately.



MRO Stocker website

Number of locations **1,203**

Number of MRO Stockers Introduced and Sales



TOPICS Example of MRO Stocker Adoption

Industry-academia collaborative research facility

“Creating an environment that allows us to focus on R&D”

Number of items in inventory: **414**

Number of shelves: 6 medium lightweight shelves and 5 gondola shelves

Location: Within the R&D facility

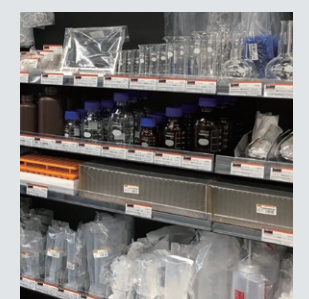
Feedback about the service

“After the adoption of MRO Stocker at the facility, staff no longer need to go outside of the facility to procure equipment necessary for research since they are able to obtain products that they need when they need them. This has created an environment where staff can focus on research.”



Main inventory items

Laboratory equipment, such as beakers and flasks, and consumables



“NIAWASE + U-choku” (Order Consolidation + Direct Delivery Service)

Environmental Conservation Through a Wholesaler-based Direct Delivery Service

With our Direct Delivery Service, products ordered by a variety of customers are delivered to users directly from our distribution centers. By shipping directly to users without shipping to customers first, not only is the lead time for delivery shortened but the customer's delivery and shipping costs are also reduced, which is linked with expanding sales to customers located in remote areas. It also contributes to environmental conservation since it can reduce CO₂ emissions associated with packaging materials and transport. In addition, multiple orders received from customers will be bundled together using NIAWASE (Order Consolidation) and delivered to users.

Number of packages delivered via Direct Delivery Service
4.86 million units



Scan the QR code for more information

Our Direct Delivery Service can reduce the following by half		
Delivery times	Amount of packaging materials used	Material Amount Half the Shipping Fee
Half the Environmental Burden	Half the Labor Burden	

Orange Commerce

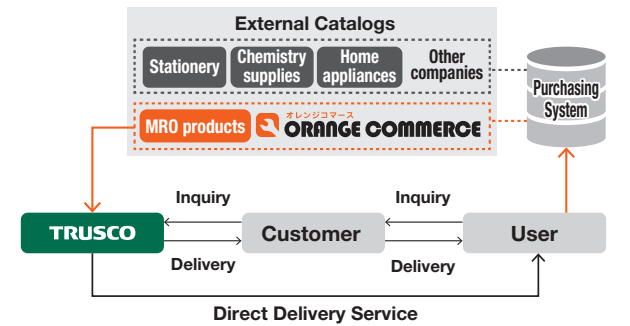
Combining our normal Orange Book with customer electronic purchasing systems

Orange Commerce is an electronic catalog specialized in PRO TOOL that can be linked with the purchasing systems of users. The trend toward electronic purchasing is accelerating, especially among major users, with the aim of improving procurement efficiency and reducing costs. It is a service that enables us to work together with our customers to respond to the requests of users.



Scan for more information on Orange Commerce

Number of Companies Connected to Orange Commerce
2,447 companies

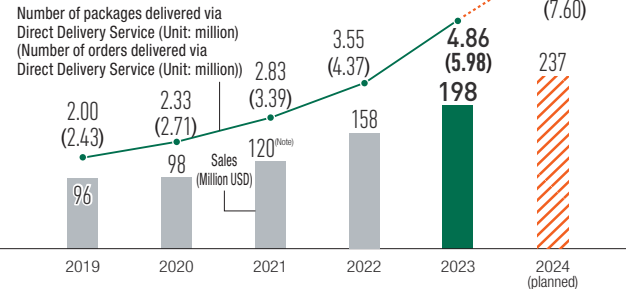


TRUSCO has built a system that allows users to easily purchase MRO products



Enhancement of I-Pack® has improved our Direct Delivery Service

Changes in Number of Direct Deliveries to Users and Sales



Note: "Accounting Standard for Revenue Recognition", etc. not retroactively applied.

TOPICS Example of MRO Stocker Adoption

Trading company specializing in industrial materials

Number of packages delivered to user during FY2023 via Direct Delivery Service: **792** units (+513 Year-on-Year)

Feedback about the service

For far-away customers, we normally repackage multiple items that we receive from TRUSCO in a single package for shipment. However, since we started using TRUSCO's Direct Delivery Service, we have been able to shorten work times and have products delivered sooner, which has helped us.

Naojiro Repair Workshops



A service that combines the reuse of PRO TOOL and efficiency for our clients

Naojiro Repair Workshops provide a unique TRUSCO service for repairs and maintenance that includes PRO TOOL repair and resharp-ening of cutting tools. By promoting recycling and reuse, we support our customers' efforts to address environmental issues.



Naojiro Repair Workshops Website

Naojiro Repair Workshops Sales **\$14** million

The Eight Services Available through Naojiro

Repair	Re-grinding
Calibration	Reuse
Machining	Maintenance
Assembly	Construction and Installation



Naojiro Repair Workshops Services Catalog

Overseas Subsidiaries

TRUSCO THAILAND
TRUSCO NAKAYAMA CORPORATION (THAILAND) LIMITED

This subsidiary has continued to expand its sales to Japanese dealers and to major local dealers. By holding inventory and strengthening our immediate delivery system, we are contributing to the efficiency of the PRO TOOL supply chain in Thailand by collaborating with local customers. In recent years, we have also been promoting our own initiatives, such as direct trade with Japanese manufacturers, to reduce purchasing costs and increase our share of local sales.

Company Overview As of December 31, 2023

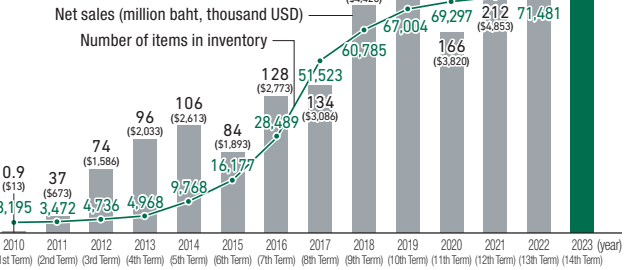
- Trade name: TRUSCO NAKAYAMA CORPORATION (THAILAND) LIMITED
- President: Kazuaki Harada
- Officer in charge at TRUSCO NAKAYAMA Corporation: Kazuo Nakai
- Business areas: Wholesale of PRO TOOL (secondary materials used in factories)
- Capital: 390 million baht (about \$8.6 million)
- Employees: 22 (3 employees on loan and 19 local staff)
- Established: September 2010
- Area of grounds: approx. 10,942 m²
- Number of different products in inventory: 71,000
- Inventory value: \$5.8 million
- Total number of items in inventory: 595,000
- Value of investment: Land, \$1.6 million; Buildings, \$1.4 million
- Address: Bangphee, Samutprakarn (13 km south of Suvarnabhumi International Airport) TIP7 789/8 Moo9, Bangphee Bangphee Samutprakarn 10540 THAILAND



The 22 staff members of TRUSCO Thailand energize manufacturing industry in Thailand with their smiles

In addition to being engaged in sales, it also has a supplier business development office, strengthening partnerships with local companies

Changes in sales and number of items in inventory at TRUSCO NAKAYAMA CORPORATION (THAILAND) LIMITED



Note: Sales in USD for each term are calculated using the exchange rate at the end of the period.

TRUSCO INDONESIA
PT. TRUSCO NAKAYAMA INDONESIA

There were many factors that hindered PRO TOOL distribution in Indonesia, such as heavy traffic congestion and strict import regulations. For this reason, we have set up a distribution center in an area where many factories belonging to Japanese companies are concentrated. With the largest inventory in the region, we are taking on the challenge of optimizing PRO TOOL distribution. Against the backdrop of domestic demand in a company with a population of 270 million people, we will continue to contribute to Indonesia's advancing manufacturing industry.

Company Overview As of December 31, 2023

- Trade name: PT. TRUSCO NAKAYAMA INDONESIA
- President: Yohei Takuno
- Officer in charge at TRUSCO NAKAYAMA Corporation: Kazuo Nakai
- Business areas: Wholesale of PRO TOOL (secondary materials used in factories)
- Capital: About 378.8 billion rupiah (about \$21.3 million)
- Employees: 20 (3 employees on loan and 17 local staff)
- Established: December 2014
- Area of grounds: approx. 16,178 m²
- Number of different products in inventory: 67,000
- Inventory value: \$4.8 million
- Total number of items in inventory: 465,000
- Value of investment: Land, \$7.5 million; Buildings, \$4.2 million
- Address: Lippo Cikarang District, Bekasi, Jawa Barat (about 40 km east of the capital city, Jakarta) Jl. Kenari Raya No. 36 Delta Silicon VI, Jayamukti, Cikarang Pusat, Kab. Bekasi 17815.



The 20 young staff members of TRUSCO Indonesia boldly take on challenges

TRUSCO Indonesia strengthens cooperation with local dealers to make effective use its inventory

Changes in sales and number of items in inventory at PT. TRUSCO NAKAYAMA INDONESIA



Note: Sales in USD for each term are calculated using the exchange rate at the end of the period.

Digital Service Strategy

Working to improve the convenience of the entire supply chain

Digital transformation is a step of a process, not an end goal. In order to become the company we want to be, TRUSCO is improving the convenience of the entire supply chain through a variety of digital services with data at the core.

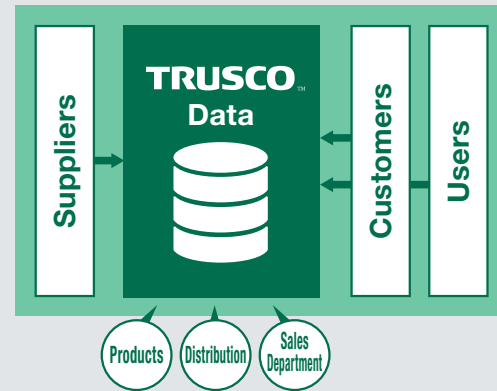


Digital Service Strategy Key Points

Accumulation of product, logistics, and sales data to serve as the core of our digital services

Expansion of a variety of digital services throughout the supply chain

Building of PRO TOOL distribution platform TRUSCO HACOBune (currently under development)

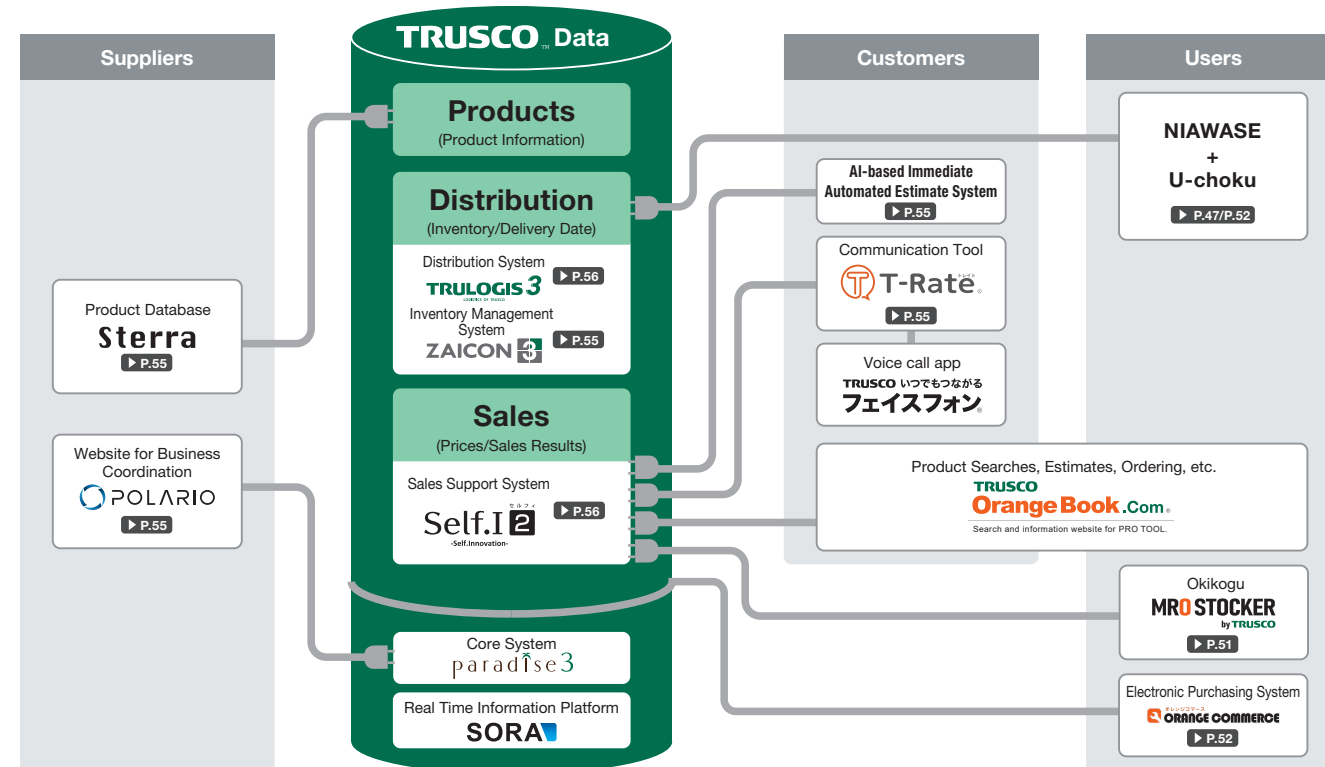


TRUSCO DX Measures

Automation of all work that can be automated

Starting with the launch of our core system “Paradise 3” in January 2020, we have released various systems to improve convenience with the aim of automating all tasks that can be automated in the supply chain. In addition to internal business reforms, including our AI-based quotation system (see p.55), which realizes appropriate price quotations using AI, and ZAICON 3

(see p.55), our inventory management system that forecasts demand for each individual product to drastically cut down time used for inventory management, our company, which is in the middle of the distribution chain as a wholesaler, is promoting the reform of business practices throughout the supply chain by utilizing digital technology aiming at digital transformation.

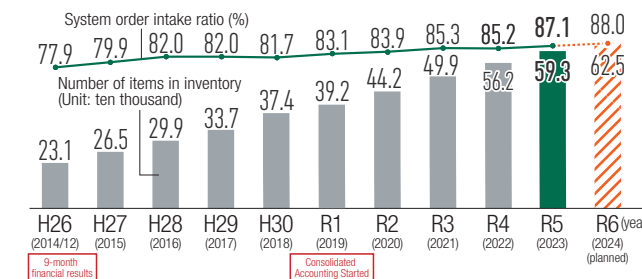


Digital Service

System Order Intake Ratio (87.1%)

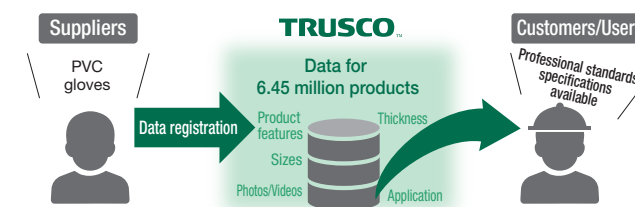
We have been developing highly convenient digital tools and expanding our inventory. As a result, our system order receipt rate (percentage of order receipts processed through our digital system among total order receipts) has increased. This has improved our work efficiency, allowing us to achieve greater sales per person.

Changes in system order receipt ratio and number of different products in inventory



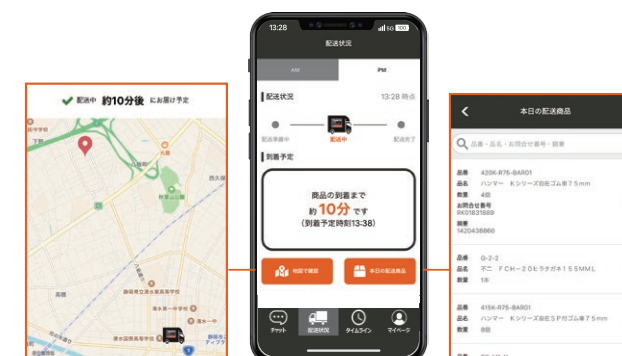
Product database “Sterra”

Product database “Sterra” is a product information management system that serves as the “base” for product data. “Sterra” makes it possible for suppliers to easily register and edit product information. The updated product information is quickly reflected in various services.



Communication Tool “T-Rate” Face Phone (online-based video telephone app)

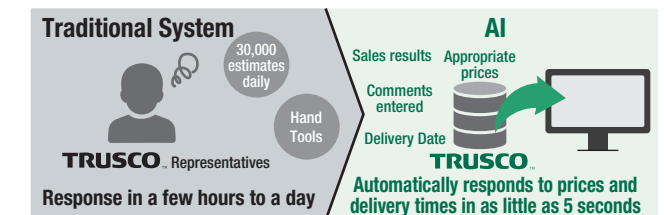
“T-Rate” allows TRUSCO staff to chat with customers, distribute PR products, and allows clients to acquire information such as the estimated time of arrival of deliveries and the products to be delivered. Additionally, allowing for communication with TRUSCO at any time, Face Phone is an on-line-based video telephone app for PC or smartphone which allows face-to-face communications between customers and TRUSCO representatives, as if they were meeting in person.



“T-Rate” allows customers to check how much time is remaining before delivery as well as which products are being delivered all in real time

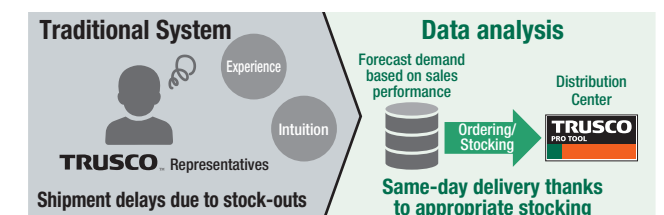
AI-based Immediate Automated Estimate System 27.6% of estimates are now provided automatically

One of the challenges we face is how to respond quickly to an average of 30,000 estimate requests received from our customers each day. To address this issue, we have introduced the AI-based Immediate Automated Estimate System and have been promoting the automation of estimates through special price optimization where appropriate prices are automatically calculated for products on a regular basis based on actual orders and estimates. This has led to an improvement in the time it takes to reply to customers (minimum reply time: 5 seconds). (27.6% of estimates are provided automatically (information current as of December 31, 2023))



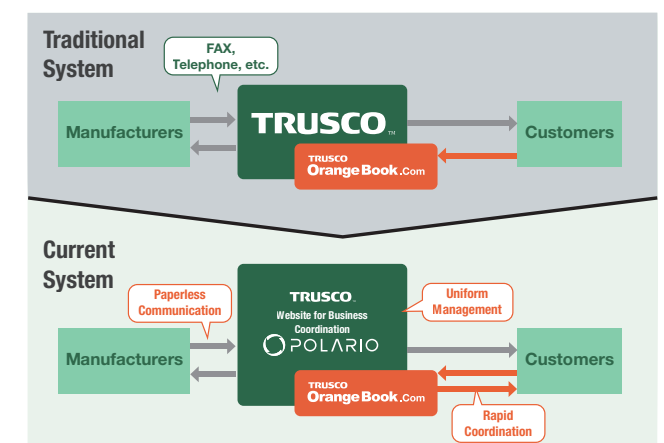
Inventory management system “ZAICON 3” ZAICON 3

ZAICON 3 is a inventory management system that provides forecast calculations of required stock quantities based on sales performance records. The system reduces the time and effort required for registering products by automatically calculating the optimal and maximum ordering points for products, leading to increased efficiency.



POLARIO (website for business coordination) POLARIO

POLARIO is a system that centralizes data such as supplier estimate correspondence data, order processing data, and Available-To-Promise (ATP) data. The system enables TRUSCO to quickly respond to inquiries from customers, the amount of supplier-directed inquiries are reduced, lessening the burden on them.



New distribution system “TRULOGIS 3”

TRULOGIS 3
LOGISTICS OF TRUSCO

This distribution system manages the inventory work performed at distribution centers and at branches with inventory. It is responsible for improving the overall efficiency of warehouse operations, including automation of warehouse operations with distribution equipment and free-location inventory systems.



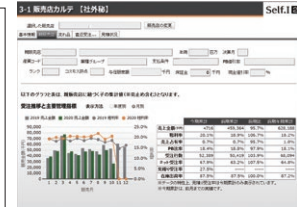
Sales activity support system “Self.I 2”

Self.I 2
-Self.Innovation-

“Self.I 2” serves as a dashboard for visualizing sales data, such as customer estimate history, sales history, etc. This tool helps us to identify latent demand and make appropriate proposals, thereby contributing to the improvement of customers’ sales.



Main screen showing Self.I 2 functions



Customer sales performance screen

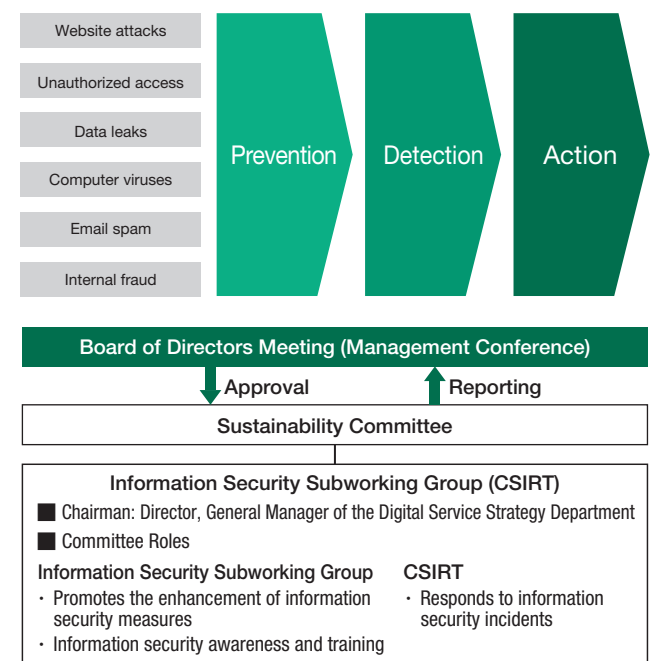
Information Security

Information Security Measures Designed for the Stable Supply of PRO TOOL

In order to ensure a stable supply of products to manufacturing sites in Japan and to expand transactions, it is important to continuously operate and enhance information security measures. As part of the manufacturing supply chain, we recognize information security risks throughout the Company and implement comprehensive measures utilizing a information security system with three functions: Prevention, detection, and action.

Information Security Management System

Recognizing information security risks as a management issue, we have developed an organizational structure that includes not only institutional and technical perspectives but also employee education, implementing these initiatives on a company-wide basis. In addition, we have established an internal system capable of responding to cyber attacks and an external support system, including cyber insurance.



TRUSCO HACOBUne Business Transformation Project

TRUSCO
HACOBUne

Toward Becoming a “platform holder” That Supports Manufacturing

TRUSCO HACOBUne was created to serve as a platform that integrates distribution, product data, and UX (user experience) to achieve the “fastest,” “shortest,” and “best” delivery in the industry, aiming to make the catchphrase “The best is already there” a reality. By streamlining the entire supply chain, we will create a foundation for providing the highest level of convenience to our customers.



Scan for more information on the project

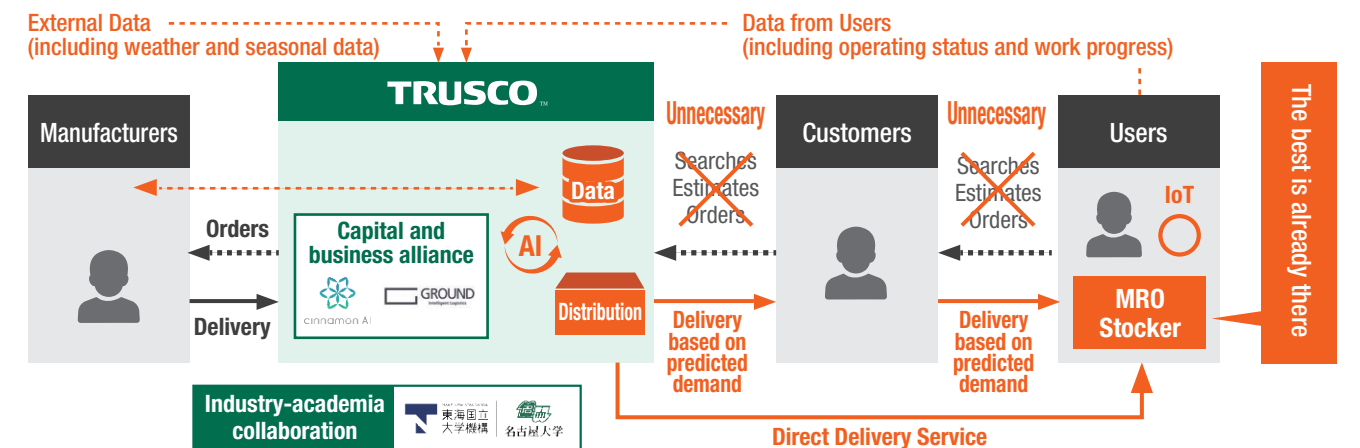


From left to right: Seiichi Matsuo (President of Tokai National Higher Education and Research System), Miku Hirano (CEO of Cinnamon Inc.), Tetsuya Nakayama (President of TRUSCO NAKAYAMA Corporation), and Hiratomo Miyata (President & CEO of GROUND Inc.) (At the 55th Anniversary Hall on the 3rd floor of the Tokyo Head Office of TRUSCO NAKAYAMA Corporation in June 2021)

Changes in Business Flow

Nagoya University, GROUND Inc., and Cinnamon Inc. will deeply utilize our logistics and product data to create a flow that will further improve customer convenience. By

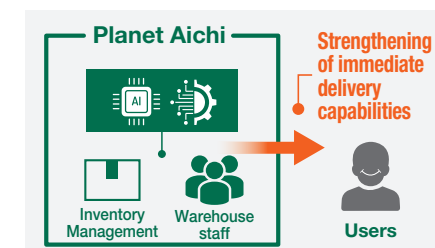
utilizing various data to improve the efficiency of the entire supply chain, we aim to create a more efficient platform for customers and users.



1 Distribution Platform

We always have what customers need and deliver products quickly

With a focus on Planet Aichi, Planet Aichi, a next-generation distribution center with 1 million items in inventory, which has functions to optimally control in-store resources and inventory management with AI and the latest technologies, we will significantly enhance the immediate delivery to end users across logistics.

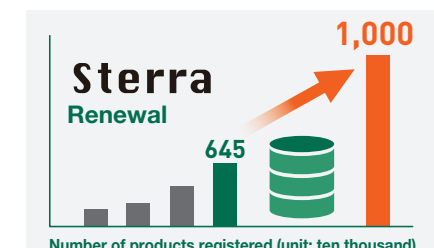


Enhancing our ability to make immediate deliveries to users by improving control functions

2 Product Data Platform

Availability of all types of necessary product data

With the renewal of our product database “Sterra”, it is possible to retain data for more than 10 million items. Additionally, we aim to achieve dramatic efficiency in product selection and industry standardization of product data by increasing the speed of product registration through AI-based data collection.



We expect a significant increase in the number of registered items due to the use of AI

3 UX Platform

Allows users to easily select and purchase the best products

We will build an e-commerce site where users can easily find the products they need and purchase them through retailers. In addition to drastically reducing the time and effort required for quoting and ordering work, we will make TRUSCO’s inventory, direct delivery, and other functions available at any time to further improve convenience.



Building a system that could be maximally used for users

TRUSCO's VOICE Streamlining operations and accelerate decision-making throughout the supply chain



Mio Sugihara
Information Systems Division
Section Manager, System
Management Section

TRUSCO launched the AI-based Immediate Automated Estimate System in January 2020. Based on the actual data of orders received and quotations, the system periodically calculates appropriate prices for products and automatically provides quotations. In addition to meeting the needs of customers who want quotations quickly, we have also realized a reduction in manual work by employees. Furthermore,

providing quotations to customers quickly also accelerates decision-making for many users who need PRO TOOL at manufacturing sites. In this way, we would like to continue digital transformation of the entire supply chain to improve convenience and are also working to continuously improve the AI-based Immediate Automated Estimate System.

Human Resources Strategy

Improving our ability to solve difficult problems

Based on the concept that human resources cannot be cultivated without a system, TRUSCO has developed a system to develop self-awareness among employees through personnel transfers across divisions and 360 degree evaluations. We aim to develop human resources with the ability to solve difficult problems.



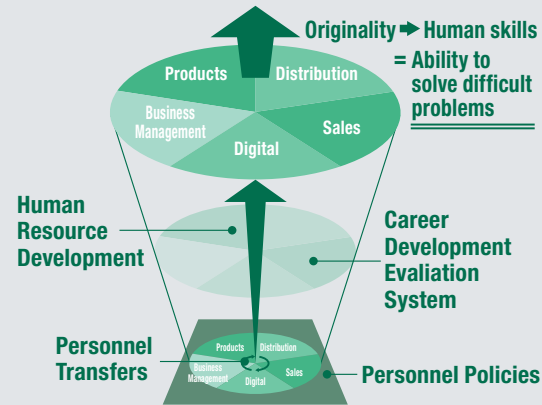
From left to right: Ryosuke Araki (Section Manager, Tokyo Management Section), Maasa Tokunaga, Zen Suda (Management Planning Section staff)

Human Resources Strategy Key Points

Multi-faceted skills acquisition through cross-departmental personnel transfers

Unbiased 360 degree evaluations (Open Judging System (OJS))

Providing human skills that build self-awareness is equivalent to fostering the ability to solve difficult problems

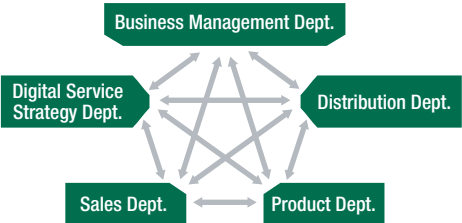


Job Rotations

Personnel transfers help hone work and human skills

Around five years after joining the company, employees are transferred across departments, such as sales, distribution, Head Office, etc., and job rotations are conducted within departments. This is a measure to avoid personalization of work and to improve work and human skills by experiencing a variety of jobs, as well as to raise awareness of work reform by increasing organizational “metabolism,” thereby raising the level of corporate growth.

Employees are transferred across departments to hone work and human skills



Programs that encourage employees to take on challenges

Boss Challenge Program Started in 2001

This is a program that allows employees to pursue their career goals by becoming a candidate for a position or nomination in order to become an officer with the most authority in a given area. Participants are actually assigned as assistants to managers in charge and learn management skills as they work toward becoming bosses.

Open Position Challenge Program Started in 2020

This is a program that allows an employees to apply for a position of his or her choice when there is a request for an increase in personnel.

Dual Position Job Challenge Program Started in 2020

This is a program that allows an employees to work in a desired position while maintaining their current position.

Trans-Career Declaration Started in 2022

This is a program that allows employees to think about which position they want to serve in and notify the Personnel Department of their wish. The information described is used as a reference when personnel changes are made.



Yuri Takauji
Acting Senior Supervisors,
IT Planning Section,
Information Systems Division

TRUSCO's VOICE Due to my various experiences, I want to work in a department that supports TRUSCO's systems

I took advantage of the Company's Open Position Challenge Program and was assigned to the IT Planning Section. I have had the opportunity to work in several departments since I joined the Company. However, no matter where I worked within TRUSCO, I have always felt that systems were an integral part of the Company. Also, when talking with people in the

Information Systems Division, I was impressed by their planning, bird's-eye view, and organized documentation, so I somehow wanted to acquire such skills myself and contribute to the project. Although I often struggle in fields that are unknown to me, each day is a challenge worth taking on.

Career Development

Aiming to become a company where each and every employee can play an active role

Aiming to become a company where each and every employee can play an active role, TRUSCO has established various career courses. These systems allow employees to make their own choices according to their diverse life and career plans. Making their own choices improves their lives and motivates them to work and grow both themselves as individuals and the company. We established the HR Support Section to support the independent career development of each and every employee.



Group photo taken after completion of skill-up course training for fourth-year employees

Course List

Course Name	Course Details
Career course	For employees who are self-aware and are allowed to hone their abilities for growth, aiming to become managers or supervisors capable of working in a variety of positions, can be transferred with a change of residence, and fulfill ability and evaluation criteria. One of the following classifications shall be made according to the transfer destination of the candidate 1. Overseas Career Course: When the transfer destination is outside Japan 2. Domestic Career Course: When the transfer destination is within Japan
Digital Career Course	For employees who are self-aware and are allowed to hone their abilities for growth, aiming to become managers or supervisors to work specifically in IT related positions, can be transferred with a change of residence, and fulfill ability and evaluation criteria.
Distribution Career Course	For employees who are self-aware and are allowed to hone their abilities for growth, aiming to become managers or supervisors to work specifically in distribution related positions, can be transferred with a change of residence, and fulfill ability and evaluation criteria.
Local Career Course	For employees who are self-aware and are allowed to hone their abilities for growth, aiming to become managers or supervisors capable of working in a variety of positions in limited areas without a change of residence, and fulfill ability and evaluation criteria.
Specialist course	For employees who acquire a high level of job performance through self-development and, if necessary, transfer with a change of residence and use their high level of expertise to serve up to the position of business manager in a specific department.
Expert Course	For employees who are expected to play a role in accordance with their level and contribute to business performance by honing their skills in a specific field and specializing in that field only in their local area.
Area course	For employees who acquire sufficient working knowledge of the overall business that the employee is involved with and take on the role of business manager only in their local area.
Local Area Distribution Course	For employees who will be engaged in distribution operations such as delivery and product management only in their local area, responsible for serving in an advisory role for the total optimization of their distribution center and may take on the role of Distribution Center Manager.
Logistics course	For employees who will be engaged in distribution operations such as delivery and product management only in their local area, and are expected to have the working abilities and skills to perform their various professional duties.

Evaluation System

Started in 2001

Aiming to create a workplace free of ill feelings

The **Open Judging System (OJS, 360 degree evaluation)**, an electronic-based voting system, is a personnel evaluation system for all employees where employees are evaluated by each other that was

introduced for the purpose of conducting fair and highly objective evaluations. Evaluating one another helps build an environment of fair assessment with good energy in the air. (evaluations are anonymous)

OJS Category	Started in	Staff Level	Overview	Procedure	Result
Promotion OJS	2001	Candidates for manager or higher	This program enables more multifaceted evaluations of candidates for a promotion of manager or higher by reflecting assessments from other employees.	Determine if the candidate should/ should not be promoted.	Candidates who have an 80% or higher approval rating and satisfy the minimum number of votes are promoted.
Personnel Record OJS	2003	All staffs	This program reflects the evaluations between staffs who work in the same office in personnel ratings. Comments are included to provide feedback to the individual.	General staff members, bosses (*1), Boss Challenge Program employees (*2), and expert positions are rated on a 5-point scale.	30% of this assessment is reflected in the personnel records related to achievement allowances, bonuses, financial bonds, and promotions/demotions.
Director, Auditor, Executive Committee, Division General Manager OJS	2012	Director, Auditor, Executive Committee, and Division General Manager	Evaluators who are the bosses (*1) or higher in charge of the company, evaluate the executive's performance at daily work and what they say at management meetings.	The evaluation is conducted once a year by about 140 people, including the bosses and members of the Management Conference (*3). Each of 6 evaluation items is rated on a 24-point scale.	Management who add/drop below a certain standard of points two years consecutively become a candidate for promotion/demotion.
President OJS	2014	President	An OJS system implemented directly by shareholders during the General Meeting of Shareholders. We consider this as one of the important evaluation indicators for the President.	Votes are received from shareholders who have directly heard our business reports and Q&A at the General Meeting of Shareholders.	The results are posted on the Company website after the General Meeting of Shareholders.
Part-time Staff OJS	2015	Part-time Staff	The OJS program also applies to part-time staff and is highly evaluated for fairness and objectivity.	Procedure: Determine the performance, approach, and skill of the staff in five levels.	30% of this assessment is reflected in the personnel ratings related to hourly wage as well as bonuses and promotions. (also utilized in employee promotion criteria)

*1 Bosses: Included branch office managers, section managers, and distribution center managers *2 Boss Challenge Program employees: Employees registered in the Boss challenge program designed for those who want to become bosses *3 Members of the Management Conference: Directors, Auditors, Executive Officers, and Division General Managers

Human Resource Development

Self-Awareness is the Highest Education

No matter how much a person has grown, we think that self-awareness is a required ability. The Company conducts training so that staff proactively thinks about what they should be and what they should do rather than just following orders. We provide learning opportunities such as training and correspondence education to create opportunities that lead to self-awareness development.

TRUSCO Stage Trial (stratified training system)

Staff Level	Overview	Type	Mindset	Practical understanding	Self-development
Individuals Who Have Received an Informal Job Offer	e-learning designed for the acquisition of fundamental abilities and knowledge required for working adults before they enter the Company.	Optional			e-learning
New staff	New staff acquire the fundamental abilities and knowledge required for working adults such as business etiquette and knowledge about the company.	Required	Training for New Staff	Distribution Work Briefing Session	
2nd Year	Participants specialize in on-the-job training (OJT) to acquire knowledge through lectures provided by specialized departments.	Required		Second Year Staff Training	
3rd Year		Optional		Third Year Staff Training	
4th Year	Participants notice changes in society, think about what to do, and take action.	Required		Skill-up Course	
Supervisors	Participants think about what an ideal leader should be like serving as the core of his/her own organization.	Scope	Leader's Course		
Boss Challenge Program employees	Participants acquire the viewpoint of a boss.	Scope	Manager Challenge Course		
Newly Appointed Bosses	Participants acquire the practical knowledge and mindset of a boss.	Required	Job Training for Newly Appointed Bosses		
All managers	Participants acquire the skills required of a boss.	Required	Boss Management Course		
Training leaders	Participants learn how to get involved in providing training as training leaders for second year employees.	Optional		Training for Training Leaders	
All staffs	Participants acquire knowledge about TRUCO's products and the Company itself.	Required		Orange Doctor Examination	
	If a participant takes the course within the specified period, the Company will subsidize half of the cost of the distance learning course.	Optional			TRUSCO Distance Learning

Note: We provide opportunities for learning by conducting purpose-specific training and other activities.

Human Resource Recruitment

Providing Unique Job Experience Events

The source of competitiveness for an organization is its “originality”. Because we are one of the last wholesalers in the industry, we have aggressively challenged and achieved things that other companies do not and cannot do. We will continue to acquire human resources that create new value through original ideas to fuel our corporate growth.

Trusco Prospective Candidate Guidance Team

In addition to the Recruitment Section, employees from all over the country who work in various departments, divisions, and sections conduct recruitment activities. In addition to explanatory meetings and interviews, we also provide individual follow-up services to relieve the anxiety of students participating in job hunting activities. We are committed to finding the people who will create the future of our company.



Explanatory meeting held at a university

Direct talks with management

In order to give people a better understanding about our ideas, we provide opportunities for students to have direct conversations with the President, directors, division general managers, and other members of the management team. During a Round Table Discussion with the President, the President answers each and every question that only he can answer.



Direct talks held with the President are conducted at the Tokyo Head Office and Osaka Head Office

Explanatory Meeting for Parents of Students Participating in Job Hunting Activities

We hold these sessions because we believe that by having parents of students participating in job hunting activities see our company from the perspective of a senior member of society, they will be able to understand our company and give appropriate advice to their son or daughter in job hunting activities. Held online in 2021 and 2023. Participation is optional.



More and more parents are participating in these sessions each year

Flexible Work Environment

We have a responsibility to provide workplaces where staff members can work with stability and peace of mind

TRUSCO hires all staff members under full-time employment with non full-time hiring not being allowed in principle so that employees can continue to work for many years with peace of mind. We hire both full-time childcare workers and nutritionists because we want them to treat children with thought and care for the staff they work with them as members of TRUSCO and to prepare delicious food.

An environment where employees can easily take paid vacations

To encourage employees to take paid vacations, we encourage all employees to take 10 planned vacation days a year. Also, there are many policies established that make it easier to take paid vacations, such as birthday vacations and paid vacations that can be taken in hourly units (Average number of paid vacation days taken a year: 12.2).

TRUSCO Smile Supporters

This is a mentor system for staff who have uncertainties and concerns about their job and private life to consult with a staff member. There are currently 7 senior staff members throughout Japan that provide such support.

Serves as both a childcare center and employee cafeteria

Planet Saitama and Planet South Kanto each have a childcare center for working full-time employees and part-time employees with full-time workers that are permanently assigned there. In addition, the employee cafeteria at Planet Saitama, where a full-time nutritionist is assigned, offers an original menu that focuses on the health of employees.



Childcare workers (From left to right: Keiko Koda, Kaori Imai) together with children at Tora Kids Isehara (Childcare center at Planet South Kanto)



CHERRY BLOSSOM (Planet Saitama employee cafeteria) (From left to right: Aki Hoshi, Sayuri Ichikawa)

Comfortable Workplace Environment Indicators*1

	FY2022	FY2023
Rate of paid days taken off	65.8% (employees)	65.3% (employees)
Average number of overtime hours per month*2	18.1 hours	17.9 hours
Percentage of employees that returned to work from child care leave	98.0% (44 persons)	100.0% (46 persons)
Number of male employees that have taken child care leave	9	17
Percentage of eligible males/females that took childcare leave*3	Males: 42.8% Females: 97.7%	Males: 55.6% Females: 85.7%
Percentage of female employees hired	46.7% (employees)	47.9% (employees)
Percentage of female employees	35.2% (employees) 73.9% (part-time staff)	35.5% (employees) 73.2% (part-time staff)
Percentage of female senior supervisors	22.8% (57 persons)	23.7% (58 persons)
Percentage of women in management roles	7.8% (10 persons)	8.7% (11 persons)

*1 The above indicators are for the parent company only.

*2 Including fixed overtime.

*3 The calculation method is as follows.

Number of staff who took childcare leave during the period / Number of staff (or their spouses) who gave birth during the period

Gender wage ratio (ratio of women’s wages to men’s wages)

		Number of people	Wage ratio
Full-time staff	Male	930	73.8% (+0.6%)
	Female	420	
Full-time staff (excluding various allowances)	Male	930	82.4%
	Female	420	
Full-time staff (excluding management)	Male	816	80.0% (-0.1%)
	Female	412	
Contract staff/Part-time staff	Male	307	85.3%
	Female	847	
All employees (includes part-time staff)	Male	1,237	53.2% (+2.0%)
	Female	1,267	

Period covered: From January 1, 2023 to December 31, 2023

Only staff who were paid throughout the year (excluding mid-career hires and staff who retired during the period)

Full-time employees: Excludes executives, contract employees, and employees of overseas subsidiaries

Wages: Excludes tax-exempt commuting allowance and financial bonds

Reasons for Gender Wage Gap

- Difference in average years of service
Males: 18.5 years Females: 9.7 years
- Average age Males: 43.4 years old Females: 33.2 years old
- Difference in number of managers Males: 115 Females: 11
- Differences in various allowances
The ratio excluding various allowances is 82.4%

Reasons for the wage difference between male and female staff is that women have a shorter length of service and a lower average age than men. Another factor is the low percentage of women in management roles. In addition, we have established various allowances to support heads of households. We also have our own system for employee benefits, including various allowances, to enhance the privacy of our employees.

Gender Wage Gap and Details on Current Efforts for Closing the Gap

Since around 2006, we have set a goal of increasing the ratio of female staff, and are promoting recruitment activities and creating workplaces that are easy to continue working. In addition, we are also working to increase the ratio of female staff in management positions to 50% of newly appointed managers by 2026. Our first female division General Manager was appointed in January, 2024. In addition, female employees accounted for 23.5% (up 15.2% year-on-year) of managerial candidates (Boss Challenge Program employees) in 2024.

Women's Proposal Group Established in 2024

This is a group in which female employees selected through the candidate system participate in the Management Conference to propose ways for the Company to improve, positively transform, and grow. A total of eight female employees from all over Japan participate in the Women's Proposal Group.

Women's Proposal Group members
Back row (left to right): Kyoko Yoshimi (Section Manager), Shiori Matsuda (Deputy Section Manager), Masako Kawaguchi (Supervisor), Hiromi Nakakubo (Supervisor)
Front row (left to right): Yoko Nakanishi (Section Manager), Manami Murakami (Section Manager), Nozomi Fukuhara (Section Manager), and Satomi Ogata (Acting Senior Supervisor)

Main programs for employees to work for many years with peace of mind

What you are doing is important, but when you are doing it is even more important

The time when the policies of a company begin is important and the “will” varies according to when a policy is put in place. We have a number of unique human resource programs that were inspired not by the trends of the world but by our concern for our employees. By respecting the opinions of our employees and supporting their work styles through various approaches, we improve their motivation to work which leads to the growth of the company.

Work Work style support (some programs have been omitted) Leave Vacation/Holiday support Childcare Childcare/childcare leave support Other Other

Note: Numbers denote program participants and times programs were utilized in 2023.

Childcare Leave Program (up to three years of leave is allowed) Started in 1992 (Program participants: 64)

TRUSCO employees can take childcare leave until the end of the month during which the child becomes three years old, if desired (Japanese law allows employees of any company to take childcare leave until the day before the child becomes one year old).



Recruitment Section Manager Rina Komatsubara with her children

Financial Bond Program (annual payment for severance) Started in 2003

Trusco Nakayama does not pay severance as a lump sum upon retirement, but as an annual payment known as a “financial bond,” a performance-based payment to reward annual contributions.



Overseas Sales Section staff Wakana Fukushima and Keisuke Kudo

Vacation Bank Program Started in 2007 Revised in 2022

In the past, this program allowed employees to accumulate up to 60 days of unused paid vacation time within the time limit in case of illness or to provide nursing care, requiring a long leave of absence. The following revisions were made in 2022.

- Main Vacation Bank Program Revisions
- No limit on the number of days of paid leave that can be accumulated (previous limit was eliminated)
 - Accumulated days of paid leave can be used for more reasons than previously allowed (also for studies, volunteering, etc.)
 - At the time of retirement, the company will pay employees for any unused days

Since there is no limit on the number of days of paid leave that can be accumulated, employees will not have to worry about not having enough days available during unexpected circumstances

Half-day full-time employee system Started in 2001 (Program participants: 129)

This system allows staff to reduce their work time by up to a maximum of three hours per day for reasons of child raising up until their child finishes sixth grade (although staff are legally entitled to reduce their work time by up to 2 hours a day until a child reaches three years of age, this program allows staff to reduce their working hours further). Employees can also use this system when they are pregnant, taking care of a family member, or injured/sick.



Planet Saitama Deputy Distribution Center Manager Tomoko Kojima

Lovebird Transfer Policy Started in 2005 (Program participants: 18 (previous three years))

This policy allows a staff to continue to work by accompanying a spouse when transferred to the area of that transfer regardless of whether their spouse is a company staff or not.



Tokyo NB Product Section staff Nanaho Saruwatari and husband

Child Support Allowance Started in 2007

We provide \$66 per month allowance for each child to staffs who have children under ten years old. TRUSCO started payments even to staffs who are on leave to raise children in 2014.



Tokyo NB Product Section staff Genta Tsuji and family

Happy Sunday Policy Started in 2002 (Program participants: 13)

This is a system that allows employees who have been transferred not accompanied by family to delay coming to work on Mondays so that they can spend time with their families at dinner on Sundays when they return home on weekends.



Shintaro Hashiguchi, Chief of both the Distribution Platform Development Office and P Aichi Preparation Office, and family

Transfer Request Policy Started in 2005 (Program participants: 67 (previous three years))

This program allows staffs to request a transfer to a desired place of business due to life events such as marriage or taking care of a sick family member.



Tokyo NB Product Section staff Ayaka Kita and Internet Sales Tokyo Branch staff Toshiki Shintani (married couple)

Welcome Back Policy Started in 2014 (Program participants: 37 Re-employed (cumulative): 4)

This program is for the re-employment of staff who had to resign to raise a child, take care of a sick family member, undergo infertility treatments, or to accompany their spouse goes to due to a work appointment in a region where TRUSCO is not located within ten years of their resignation.



Planet Tohoku staff Michiko Suzuki

TRUSCO Part-time System for Retirement-aged Employees Work

Started in 2015 (Program participants: 15)

This system allows employees who have reached the age of 70 to continue employment at the company as part-time workers until the age of 75 if they wish to do so and meet certain criteria. (Designation: Senior)



Planet Tokai senior part-time staff Shinobu Takegawa

My Home Concierge (housing consultation service) Other

Started in 2016 (Number of times the program was utilized: 4)

Two first-class licensed architects, who are employees of the company, have set up a desk where employees consult about any problems they may have regarding housing.



Property Section Supervisors Chisato Okamoto and Ryosuke Takeuchi

Return-to-Work Program for Staffs on Childcare Leave Childcare

Established in 2019

This program allows employees that finished their childcare leave to choose the number of working days, working hours, office work, or work from home until the child is three years old so that they can return to work with peace of mind.

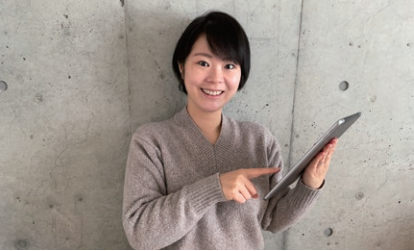


Osaka NB Product Section Supervisor Kaori Arase

Return-to-Work Support for Staffs on Maternity or Childcare Leave Childcare

Started in 2015

One tablet terminal is lent to each employee for information sharing, and information can be exchanged on Tramama Port, a space on the company intranet dedicated to employees on maternity or childcare leave. We also provide support to make it easier for employees to return to work, such as by setting up Office Visit Days every four months.



Sapporo Branch staff Shoko Takimoto

Work from home system Work

1. started in 2017 2. started in 2020

1. Open: Employees can utilize this program at any time when it becomes difficult to come to the office due to relocation or integration of offices, transfer of a spouse, injury, illness, taking care of a family member, etc.
2. Discretionary: With the permission of the head of the office, employees can telecommute up to twice a week.



TRUSCO Orange Book.com Section Supervisor Kumi Fujiwara

Additional Off Time System Leave

Started in 2020 (Number of times the program was utilized: 29)

This system allows employees to adjust their start or finish time in exchange for up to one additional hour of rest time (or less than one hour) for very important reasons, such as visiting government offices, making hospital visits, etc.



Tokyo PB Product Section staff Yuri Tanabe

Trusco New Social Work Grant System Other

Started in 2016 (Program participants: 84)

This program provides the money necessary for new employees to prepare for a smooth transition into the workforce. TRUSCO provides this entrance allowance to new employees about one month before the date of entering the company (\$1,333 for persons who live alone and \$666 to persons who still live at home after joining the company)



Planet Saitama staff Kosei Kanazawa

In-company Sidework Program (Hybrid Work Program) Work

Started in 2019 (Number of times the program was utilized: 150)

This program allows employees to work in a different department on their days off and earn income on the side. Since the program focuses on work that any employee can do, it is a great way for them to gain new insights.



Tosu Branch Acting Senior Supervisor Masahiro Miyahara

Go Home Early System Leave

Started in 2020 (Number of times the program was utilized: 88)

This is a system that allows employees to go home early even during scheduled working hours in order to instill in them the awareness and habit of finishing work early. Under the system, employees can leave up to 30 minutes earlier once a week.



Tokyo PB Product Section Supervisor Ayako Sato

Program	Started in	Overview
Birthday Off Time System Leave	1996	In order to promote the use of paid vacations, we encourage employees to take annual paid vacations on their birthdays (or one month before or after) as “birthday off time.” (Program participants: 114)
Maternity Bonus Program Childcare	2005	This program pays a bonus for special leave for childbirth (14 weeks) during the bonus calculation period.
Infertility Treatment Leave Program Childcare	2021	This program allows employees to take a leave of absence for up to one year only for specific fertility treatments so that they can focus on fertility treatment and reduce their physical and mental burden. The Company pays the full amount of social insurance premiums during their leave of absence. (Program participants: 2)
Right to Remain in Same Area for Work/Exception for Course Changes Work Childcare	2021	If a request is made due to infertility treatment, the employee will not be transferred to a different reason for a maximum of one year, and if the employee changes to an area course, the employee will be exempted from the requirement for evaluation when returning to his/her original course. (Program participants: 1)

Note: In addition to the programs listed above, we offer the Asunaro subsidy system, staggered workday system, free biz system, and a non-necktie system (a system that allows employees not to wear neckties even outside the cool biz period).

Health Management

Promoting Our Own Health Management

Employee health management is essential for the continuous growth of a company. Health care sections have been established at the Tokyo Head Office and Osaka Head Office to promote health management in cooperation with Trusco Nakayama Health Insurance Association, our sole health insurance association, which was established in 2019. Regular health check ups (full and mini health check ups) are available not only for employees but also for their dependent spouses with cost subsidies provided. We will continue to promote the health of our employees and link their health with our corporate growth.



Health Management Initiative Indicators

Initiative Indicators	FY	2022	2023
Regular health checkup rate*1		100.0%*2	100.0%*3
Regular health checkup secondary checkup rate		87.9%*2	84.4%*3
Stress check rate		100.0%	100.0%
Smoking rate (all employees)		13.7%*2	14.5%*3
Number of sleep apnea syndrome (SAS) screening test subjects		71	172

*1. We conducted full and mini health check-ups during the exam period (April to the end of September). We have maintained a 100% checkup rate.
Full checkup: For employees over 35 years old and dependent spouses over 35 years old
Mini checkup: For employees under the age of 35, dependent spouses under the age of 35, and part-time employees (part-time employees with Company health insurance)
*2. Secondary checkup rate for March 2021 to March 2022
*3. Secondary checkup rate for March 2022 to March 2023

Trusco Nakayama Health Insurance Association

Established in 2019

The desire to establishment a single company-based health insurance association

As a company that looks after the lives of our employees, we want to take responsibility for the health of our employees and their families. Based on that desire, in April 2019, we established the Trusco Nakayama Health Insurance Association, our sole health insurance association, at the Tokyo Head Office. Its establishment allows us to further enhance our own health services. The establishment of the Trusco Nakayama Health Insurance Association has made it possible for us to further enhance our own health care services. We are currently promoting initiatives that are suitable for our Company so that employees can continue working with peace of mind for many years.

Various subsidies

- Subsidies for specific types of infertility treatment (maximum of \$333, up to 6 times per child)
- Subsidy for outpatient smoking cessation treatment (up to \$133)
- Subsidy for HPV testing (available once every 5 years, no payment required)
- Basic dental check (limited to 100 people)

Online health seminars for women and specific health guidance for all age groups

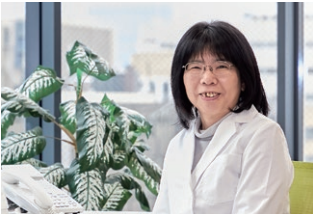
We offer seminars on women's health, including Menstrual Diseases and Menopause and What Managers Should Know about Women's Health.

TRUSCO NAKAYAMA Corporation Health Declaration

“As a company that supports manufacturing in Japan, Trusco Nakayama Corporation aims to be of service to people and society. Through our business activities, we will continue to help reduce the environmental impact caused by manufacturing sites, workplaces, and suppliers as well as promote the health of our employees so that they can continue to work with peace of mind for many years to come.”



Health Care Section (Tokyo Head Office)
Masako Tekawa, public health nurse



Health Care Section (Osaka Head Office)
Kiyomi Yamada, public health nurse (supervisor)

Health Management Strategy Map

The Health Management Strategy Map clarifies the issues that we want to solve through health management and provides the process that leads to solutions in a visual format. We will effectively implement the PDCA cycle by understanding indicators over time and realizing initiatives.



Health Management initiatives page



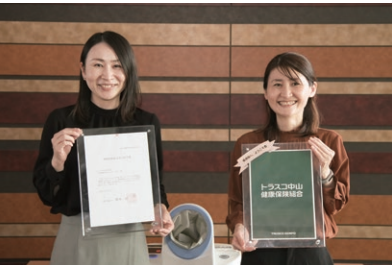
Health Management Strategy Map



Original insurance card (sample)



TRUSCO NAKAYAMA Health Insurance Association Website



Members of the Trusco Nakayama Health Insurance Association office
(From left to right: Ryoko Nakamura (Supervisor), Akiko Tani (Manager))

“Pep Up” personal health management app



In 2023, TRUSCO introduced “Pep Up,” a personal health management app that provides health status information to users. The aim is to raise the health awareness of each employee by utilizing a point-earning system. Dependent spouses over 40 years old or older can also use the app.

Benefits and Welfare

Programs that enable employees to continue working with peace of mind for many years

To ensure that employees can continue working with peace of mind for many years, we have established various benefit and welfare programs, such as an employment extension system and a long-term service award.

Programs

Long-Term Service Award

We have established a long-term service award system based on the number of years of service to express our gratitude and expectations for the future. In addition, we have established various systems according to life stage in order to allow employees to continue to work with peace of mind for many years.

Years of service	Main award	Supplementary award
10	Anniversary photo frame	\$333
20		\$666
30		\$1,000
40		\$333
50		\$200

60th Birthday Gift to Staffs

In celebration of a 60th birthday for officers and staff, the company invites those employees and one member of their family to either Baycourt Club, a membership resort with locations in Tokyo, Kanagawa, Aichi, and Hyogo), or one of our company-owned recreation facilities (Kyoto Kaguraoka Rengetsuso, TRUSCO Resort and Spa Karuizawa, or TRUSCO Resort and Spa Hakone). We also arrange and cover travel to and from the location (Green Car tickets will be provided when travelling by Shinkansen and business class tickets will be provided when traveling by air) and also provide a monetary gift.



Tokyo Baycourt Club Hotel and Resort
(Koto-ku, Tokyo)

Employment Extension System

Under this system, employees who have reached the retirement age of 65 will continue to be employed until the age of 70.

Monetary gift when employment extension ends when employee reaches the age of 70

Employees who have reached the end of their employment extension at the age of 70 are presented with \$6,666 as a monetary gift. Even if an employee under this system retires before that point, we offer a monetary gift that varies with the employee's age.



Back row from left to right: Yasuhiro Kawamata (Acting Senior Supervisor), branch manager representatives, Haruka Kakazu, Daichi Kano and Yusuke Chiba
Front row from left to right: Roman Kubo, Nodoka Kurokawa, Kakeru Aogaki

Nakayama Pension (10% Subsidy)

This contribution-type corporate pension plan provides 10% financial assistance to a reserve fund to pay out to staffs as a 10-year fixed pension from the age of 65.

Employee Stock Ownership Association (10% Subsidy)

Staffs can purchase company shares by deducting it from their salary each month to receive a 10% bonus to the value of the contribution. It is recommended that employees withdraw shares once they become unit shares and own shares in their own name.

Accumulation Savings

This program allows staff to deduct money from their salary and bonuses to an accumulated savings in which the company will contribute twice each year to the staff.

Wine Seminar

We hold a wine seminar, a party designed exclusively for singles, once every two months at two locations, the Tokyo Head Office and the Osaka Head Office, to give single employees an opportunity to meet other singles.

Congratulatory/Condolence Programs

TRUSCO has put in place five congratulatory and condolence programs for executive officers, staffs and part-time staffs.

1. Congratulatory gift for marriage	The company presents \$200 as congratulatory money when a staff gets married.
2. Congratulatory gift for childbirth	The company presents a catalog gift worth about \$66 for each child when a staff or their spouse gives birth.
3. Condolatory/condolence gift	The company presents \$333 condolatory gift when a staff member passes away (up to \$66,666 depending on how long the employee worked for the company). In addition, the company presents up to \$200 as a condolatory gift when a member of a staff's passes away.
4. Injury or Sickness Compensation	The company presents \$66 to a staff who has to take leave due to injury or sickness.
5. Disaster Compensation	The company presents up to \$666 based on the degree the house and belonging of an employee is damaged due to a disaster such as a fire or earthquake.

TRUSCO's VOICE

Why I was able to make it through challenging times and continue to work for a long time with peace of mind



Michiharu Tsutsumi
HC Kyushu Distribution Center Supervisor

Since joining the Company in April 1991, I have been able to make it to the 10, 20, and 30 year points, and last year was able to celebrate my 33rd year of service. When I was young, I was in charge of sales in the Home Center Department. However, I remember having a hard time since business customs at that time had not yet been established. In spite of that, I have very fond memories of the introduction of a product that I proposed, its appearance in a flyer, and the rush of repeat orders for

it. It was my “dark period” at TRUSCO (laughs). However, somehow I was able to continue working for many years while pushing forward, making mistakes, struggling, and enjoying myself. I definitely feel that is was the allure of TRUSCO's growth and customer trust (and my wife's energy) that has kept me going. Although I am at an age where I am still concerned about my pension, job, health, etc., I think that TRUSCO is the best place to work.

Facilities

Recreational/Training Facilities (3 locations)

We have three recreational and training facilities in Kyoto, Karuizawa, and Hakone. We use these facilities for a wide range of applications such as staff trips, and staff training. The chefs are also full-time employees as we want to be in the hands of people who want us to eat delicious food.



Details can be found by scanning the QR code above.



Kyoto Kaguraoka Rengetsuso Lounge Higashiyama

Kyoto Kaguraoka Rengetsuso

Kyoto Kaguraoka Rengetsuso is located in Yoshidakaguraokacho, a neighborhood of Kyoto, Japan's ancient capital. You can experience high-quality materials, art works, and top-notch hospitality, and feel the spirit of learning from the craftsmanship and the thoughts of craftsmen.



Guests can see the Kyoto Gozan Okuribi bonfire on Mt. Daimonji



Left to right: Yusaku Karatsu (Head Chef), Mayumi Ozeki (Assistant Manager), Kenichi Hidaka (Manager)

TRUSCO Resort and Spa Karuizawa

TRUSCO Resort and Spa Karuizawa is a forest resort where history and the forest co-exist in harmony. It was built on the former site of a Western-style villa where Nitobe In-azo, who is also known for his portrait on the 5,000 yen note, spent. Employees can enjoy Karuizawa surrounded by rich nature.



TRUSCO Resort and Spa Karuizawa is conveniently located within walking distance of JR Karuizawa Station



Left to right: Mitsuru Iizuka (Sous-chef), Chiharu Kitagawa (Assistant Manager), Masatoshi Kawashima (Manager), Aoi Iki (Assistant Manager)

TRUSCO Resort and Spa Hakone

TRUSCO Resort and Spa Hakone is nestled in Hakone's rich natural environment. Guests can spend a fulfilling time while being surrounded by beautiful nature and enjoying the delicious dishes provided by our chef.



Guests can enjoy the beautiful nature and hot springs that Hakone has to offer



Left to right: Ryo Ishiguro (Manager), Toshiro Sato (Sous-chef), Emiko Kinoshita, Taro Kinoshita (Head Chef)

Resort Condominiums (19 locations)

We have 19 resort condominiums that our officers, staff, and part-time staffs can use freely.

- Chuo-ku, Sapporo City
- Minato-ku, Tokyo
- Aoba-ku, Sendai City
- Chuo-ku, Kobe City
- Kusatsu, Agatsuma District, Gunma
- etc.



THE SENDAI TOWER
Ichibancho Residence
(Aoba-ku, Sendai City, Miyagi)

Singles' Dormitories (4 locations)

We own four company dormitories (three in Tokyo and one in Osaka) for single staff and staff transferred to a position away from their family. TRUSCO also provides dormitories.



TRUSCO'S Shinbashi
(Minato-ku, Tokyo)



TRUSCO'S Osaka
(Higashi-Osaka City, Osaka)



TRUSCO'S Ayase
(Adachi-ku, Tokyo)

Two Company Owned Yachts

TRUSCO owns two yachts, one in Yokohama (Kanagawa) and Ashiya (Hyogo). These yachts are made available as a chance to enjoy a bit of cruising. In addition, the company will subsidize half the cost of acquiring a license for a small vessel boating license (103 license holders in the company). (as of December 31, 2023)

In addition, cruising events are held on a regular basis, which is used as opportunities for employees and their families to interact with other employees and their families.



A scene from a cruising event
(Participating members from the Tokyo Head Office and Matsudo Branch)



TRUSCO'S I (Yokohama)
Length: Approx. 41.00 ft. (12.50 m)
Weight: Approx. 18 tons, Capacity: 12 persons
Horsepower: 370 (5,460 cc) x two engines



TRUSCO'S II (Ashiya)
Length: Approx. 36.00 ft. (10.98 m)
Weight: Approx. 12 tons, Capacity: 12 persons
Horsepower: 285 (3,600 cc) x two engines



04

Sustainability

We have been carrying out environmental activities under the environmental philosophy of "Sustainability" for more than 25 years since before the term sustainability became widespread. At present, we are engaged in a variety of initiatives as TRUSCO "Sustainability" projects designed to create a better future, including social activities and governance.

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Environmental Efforts

E

Actions to reduce the environmental burden through business activities

We have been aiming for energy-saving design of the entire business model, such as unifying procurement through abundant inventory and fixed-cost logistics. TRUSCO is committed to reducing the environmental burden of our business activities, planning and developing

environmentally friendly PB Products, and proactively recycling, reusing, and returning products to their original state. We are working to reduce the environmental impact of not only our own products but also those of our users throughout the entire supply chain.

In regard to environmental measures, what you are doing is important, but when you are doing it is even more important

Based on the idea that “we aim to be an Earth-friendly company so that our small, tiny efforts will lead to great caring in the future,” we have been implementing various environmental initiatives since 1998, when we adopted the environmental philosophy of “Sustainability,” and have been involved in various initiatives over the years since the days when profit took precedence over the environment.

- Reduction of overtime by maintaining proper inventory levels
- Turning off air conditioning systems 30 minutes before leaving the office (1998)
- Non-Gas Spray (2002)
- Winter clothing worn in the company (fleeces and jumpers) (2003)
- Air well voids (2005)
- Efforts to eliminate packaging Private Brand Products by the dozen (2013)
- Ceiling fans (2017)

Actions to reduce the environmental burden throughout the supply chain



1 Procurement and Development

From the product procurement and development stage, we are committed to handling environmentally-friendly products and procuring products that use less energy.

Reducing environmental impact by holding inventory

1,534 t reduction*

By holding a wide range of inventories, we reduce the number of shipments of products from suppliers to us, leading to a reduction in CO₂ emissions associated with purchasing and transporting products.

*The amount of contribution to CO₂ emissions reduction in one year in 2023 calculated from the results of each measure

Efforts to make TRUSCO products environmentally-friendly

In the planning and development of our own TRUSCO brand products, we have set environmental standards for resource conservation, waste reduction, long-lasting use, etc., and are promoting environmentally friendly product development from every aspect, from product design to product use and disposal.



Small Core Tape Roll

This is a 50 m roll of packaging tape with a smaller core. This allows for twice the amount of tape to be used while also cutting tape roll storage space to half. Since twice as much tape can be used, replacements and waste are cut by half. This tape is also eco-friendly.



GNT5050E

Monochrome packaging materials

To improve packaging, we are progressively switching to environmentally-friendly packaging, such as using less plastic as much as possible and using monochrome printing to reduce the amount of ink used.



Monochrome packaging

2 Reducing the Environmental Burden Created through Our Business Activities

We are actively introducing environmental equipment to reduce the environmental burden generated by our own business activities.

Trusco Power Generation Installations (19 locations)

Power Generation Capacity
2,793 kW
(equivalent to the power used by approx. 620 households)

Power Self-sufficiency Rate
16.7 %

We have installed solar panels to the maximum extent possible when distribution centers and new company buildings were constructed, aiming to increase our own power generation capacity of renewable electricity to 3,500 kW by 2025.



750 kW solar power panels located on the roof of Planet Saitama. 1,867 kW solar panels will be installed on the rooftop of Planet Aichi, which is scheduled to start operations in 2026.

LED rack lighting controlled by sensors on each unit

The lighting in the warehouse is equipped with a motion sensors. The lights automatically turn on when there is a person present, reducing unnecessary power consumption.



The LED lights at Planet Saitama are equipped with motion sensors. Since 2017, motion sensor have been installed in each lighting unit, significantly reducing power consumption compared to conventional area lighting.

Introduction of Environmentally Friendly Vehicles

We are actively introducing hybrid vehicles as company-owned trucks and plan to introduce 36 hybrid vehicles (about 25% of our delivery trucks) by 2025. We will also gradually switch our sales vehicles to environmentally friendly vehicles, starting with those that need to be replaced without doing so unnecessarily.



Hybrid truck (HINO DUTRO)



Electric vehicle (Porsche Taycan)

3 Delivering Products to Our Customers

Our goal is to achieve environmentally-friendly distribution of PRO TOOL by delivering products in the most efficient and least environmentally burdensome manner.

Reducing the environmental burden through fixed-cost based distribution

4,461 t reduction

We deliver our products to retailers via fixed routes from distribution centers located near our customers (28 locations throughout Japan), which reduces packaging materials and CO₂ emissions associated with delivery compared to shipping by courier service.



Fixed-Cost Based Distribution

Since TRUSCO uses foldable containers and return cushions for delivery to customers, no packaging materials are used to achieve “waste-free distribution.”

Reducing the environmental burden through our Direct Delivery Service

2,549 t reduction

TRUSCO's Direct Delivery Service realized through our abundant inventory and digital transformation (DX) of our distribution system makes it possible to make direct deliveries to users (4.86 million packages a year) instead of two-step deliveries that involve customers. Not only does this shorten delivery times but also helps reduce the amount of packaging materials used and CO₂ emissions. (see p.47)



Direct Delivery Service



“NIAWASE + U-choku” is a service where TRUSCO places products that a customer has ordered in one box “NIAWASE” (Order Consolidation) and delivers them directly to the user's manufacturing site “U-choku” (Direct Delivery Service). Transport distances and packaging materials are reduced by half, leading to a reduction in environmental impact.

4 Use of Our Products

MRO Stocker reduces the environmental burden by providing a one-stop service for users to purchase products. TRUSCO also provides services that support the 3R* of PRO TOOL.

*3R: Reduce, Reuse, and Recycle

MRO Stocker is like “Okigusuri,” a business model that has been around for many years in Japan, but for tools

4,816 t reduction

MRO Stocker is like “Okigusuri,” a system of “Use First, Pay Later” that has been around for many years in Japan for medicine, but for tools. Always having PRO TOOL in stock eliminates management costs, delivery time, and wasteful purchases. Delivery costs are also reduced, which helps to reduce the environmental burden. (see p.51)



MRO Stocker Website

We borrow a space at the user's location and install MRO Stocker that provides just the right PRO TOOL for that user. This makes it a highly productive, environmentally-friendly service.

Naojiro Repair Workshops

2,469 t reduction

Naojiro Repair Workshops offer eight services, including repair and sharpening. This service allows for the hassle-free repair, reuse, and maintenance of PRO TOOL, making manufacturing sites that use the service more environmentally-friendly. (see p.52)



Naojiro Repair Workshops Website

By using familiar tools and equipment for a longer period of time, we not only reduce environmental impact, but also reduce the environmental impact of transportation and packaging of repaired products by collecting repaired products via our delivery service. (Naojiro poster distributed to customers)

Corporate Governance

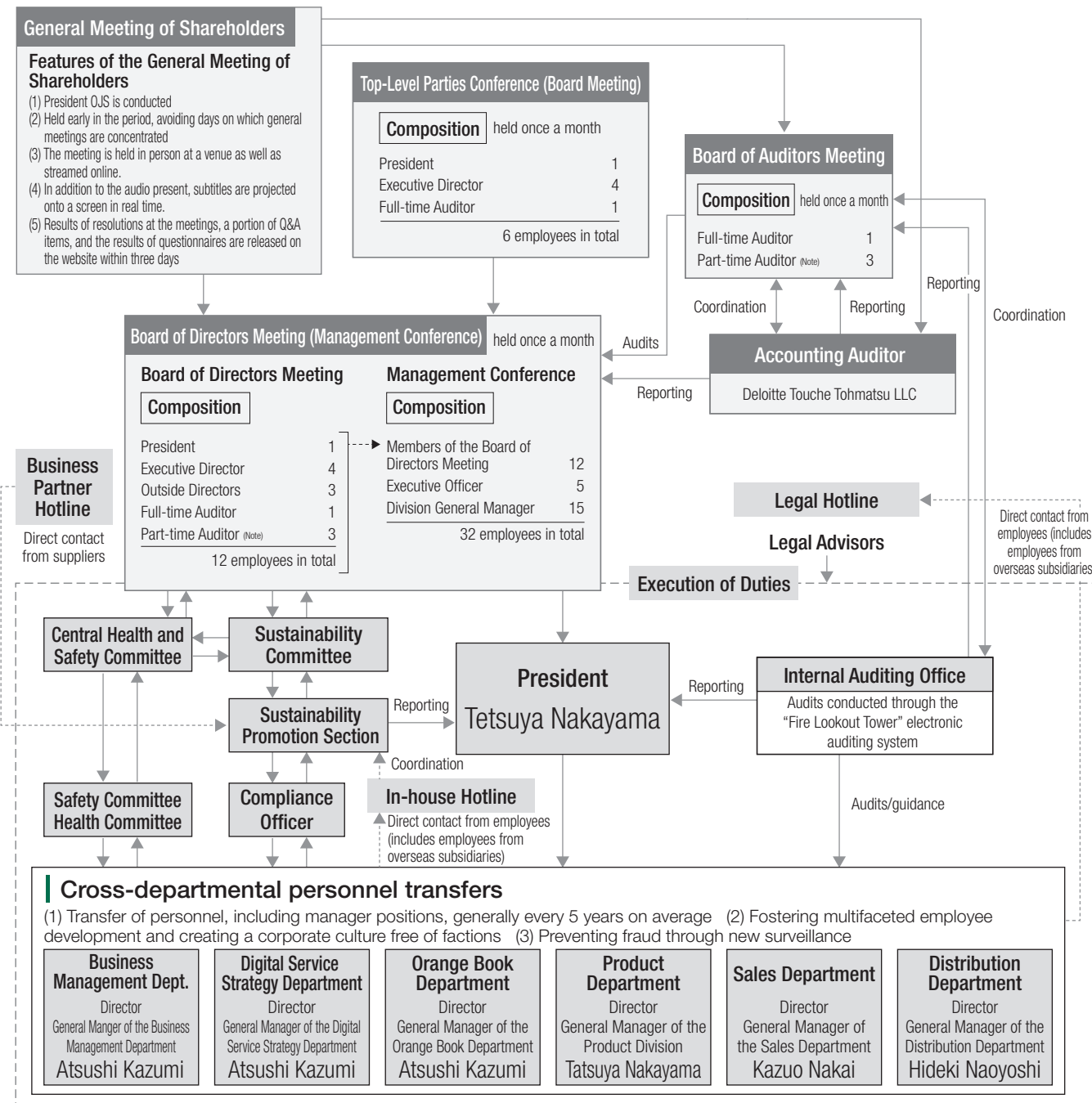


For the Embodiment of “TRUST COMPANY”

The company name and corporate logo **TRUSCO** are a direct expression of “TRUST COMPANY”, a company that is trusted by all stakeholders. We will fulfill our social mission by embodying this concept **TRUSCO** as the starting point of our daily corporate activities.



Governance Structure (as of April 1, 2024)



Note: Part-time auditors are outside corporate auditors.

Top-Level Parties Conference (Board Meeting)

Consisting of only executives (excluding outside directors and outside corporate auditors), the Board of Directors comes together in meetings (Management Conferences) to discuss what direction the Company is headed and share this information.

Establishment of Outside Directors (Board Brain)

TRUSCO selects Outside Directors not only for the prevention of improprieties, but for their broad knowledge and abundant experience concerning company management and for their ability to make contributions to sustainable growth and the improvement of company value.

Interview with Outside Directors



Interview video

Hotline

TRUSCO has established a hotline for reporting from both inside and outside of the company to quickly discover, handle and prevent recurrence of compliance-related issues.

Hotline

In-house Hotline: An internal hotline for employees has been established in the Sustainability Promotion Section
Legal Hotline: An external hotline for employees has been established which is managed by an outside party
Business Partner Hotline: A hotline for our suppliers has been established in the Sustainability Promotion Section

Sustainability Committee

The Sustainability Committee, which is chaired by the person who holds the position of Director & General Manager of the Business Management Department, normally meets twice a year. The committee formulates activity policies, promotes and supervises activities, and reports regularly to the Board of Directors with the aim of solving social issues and contributing to sustainable local communities by creating both social and corporate value through our business activities.

Board of Directors Meetings (Management Conferences)

We conduct decision-making at Board of Directors Meetings, generally held 1 time per month. Board of Directors meetings are conducted in order to seek a wide range of opinions from participants that include Executive Officers and Division General Managers to ensure a broad perspective and transparency.

Features of the Conference

- (1) Round-table layout allowing face-to-face communication
- (2) Changes are made to seating every time with no priority given to facilitate participation from a fresh perspective
- (3) Minutes of the Management Conference, containing not only resolution items but also the comments of every individual, are released to all employees within one week

History of National Tax audits and amounts of additional tax collected

Since 2024, TRUSCO has been disclosing our history of National Tax audits and the amounts of additional tax collected as an important indicator of governance, believing that additional tax collections amounts serve as a

Open Judging System (OJS, 360 degree evaluation)

Objectives

- (1) Enhance the objectivity of the evaluation based on the fact that various evaluations are conducted not only by supervisors but also by colleagues and subordinates with whom the employees work on a daily basis.
- (2) Evaluation comments are fed back to the participants to help them reaffirm their “strengths,” “weaknesses,” and “what is expected of them,” leading to behavioral reforms.
- (3) To create a good sense of tension in the workplace since it is a system in which co-workers mutually evaluate each other. Knowing that they are being monitored will encourage all employees to work harder and improve their abilities.

Type	Number of Times	Description
Personnel evaluation OJS system started	Twice a year	Conducts mutual OJS assessments of employees working in the same workplace (superiors, colleagues, and subordinates) with results reflected in personnel evaluations.
Promotion OJS	Once a year	All employees who know the employee will evaluate the employee and the results will be reflected in promotions, etc.

*For all staff and part-time employees, excluding officers.

Evaluation System Method

- (1) Personal information on voters is completely undisclosed.
- (2) Each of 3 evaluation items is rated on a 5-point scale.
- (3) Voting results are reflected in personnel evaluations, promotions, etc.

“Fire Lookout Tower” electronic auditing system

This is the industry's first electronic auditing system, which was launched in June 2001. The system is operated for the purpose of immediately detecting abnormal events using electronic data of internal transactions and taking measures to prevent recurrence.

Shushazentaku compliance training

To ensure that each and every employee has a high sense of ethics, we have adopted the concept of Shushazentaku as a compliance guideline and instilled our corporate stance of making a decision based on what is right rather than focusing on whether it is profitable. We distribute the Trusco Zentaku Book, our compliance manual, to all employees, including part-time workers, to ensure that they are fully aware of the importance of making good choices.



Compliance Guide “Trusco Zentaku Book”

	44th period (2007)	47th period (2010)	54th period (2016)
Periods under audit	43rd–44th periods (two years)	43rd–47th periods (five years)	53rd period (one year)
Periods under audit Total amount of tax payable (Corporate Tax, Consumption Tax, etc.)	\$56 million	\$126 million	\$43 million
Amount of additional tax collected	\$62,466	\$131,200	\$5,200

The Nakayama visually impaired welfare foundation

“Giving Back to Society” through the Nakayama visually impaired welfare foundation

The Nakayama visually impaired welfare foundation was established in 1997 in response to the will of “wanting to serve visually impaired people” by Kiyoko Nakayama, the mother of Tetsuya Nakayama (President of the foundation), who was born with optic nerves damaged by a forceps delivery. It later became a public interest incorporated foundation in 2010. The basic property shall be shares of Trusco Nakayama Corporation, and the foundation does not receive donations or support from outside and does its own management. We continue “Giving Back to Society” through the Nakayama visually impaired welfare foundation.

Managing the foundation using stock dividends

The foundation was established by the Nakayama Family with four million shares of Trusco Nakayama Corporation stock and \$3 million in cash. In addition, the Nakayama Family donated an additional one million shares of Trusco Nakayama Corporation stock in 2021. The foundation operates its business with the dividends from the shares.

Number of Shares of Trusco Nakayama Corporation Stock Held by the Foundation
4.35 million shares (as of December 31, 2023)

Overview

Established	October 1, 1997 Transition to a public interest incorporated foundation was made on November 1, 2010. October 1, 2021 Japanese name of the Nakayama visually impaired welfare foundation was changed. (English translation remains the same)
President	Tetsuya Nakayama
Address	2-1-9 Mizuki-dori, Hyogo-ku, Kobe City, Hyogo 652-0802 (3 min. walk from Shinkaichi Station) TEL: 078-599-6140 / FAX: 078-599-6141
Support project results	\$6 million (cumulative total over 26 years until FY2022)

List of Officers and Board of Directors for the Nakayama visually impaired welfare foundation (listed in alphabetical order)

President	Councilor	
Tetsuya Nakayama	Yusuke Saraya	President and Representative Director of Saraya Co., Ltd.
Senior Director		
Saori Nakayama	Tomihiko Takamatsu	Former Chairman of DyDo GROUP HOLDINGS INC.
	Yuko Nakayama	Representative Director of NS Holdings Co., Ltd.
Managing Director	Rie Nakayama	Assistant Professor, Department of Otorhinolaryngology, Head and Neck Surgery, Doctorate Course, Keio University School of Medicine
Atsushi Matsumae		
	Motonobu Nishimura	Chairman of Mandom Corporation
Director	Yuki Noumura	President and Representative Director of Taiyo Kogyo Inc.
Takuji Iuchi	Junji Hada	Chairman of ELECOM Co., Ltd.
Norio Ichikawa	Naotaro Hikida	President and Representative Director of Kohnan Shoji Co., Ltd.
	Kunio Yamada	Chairman of Rohto Pharmaceutical Co., Ltd.
Tatsuya Otsuka	Yoshiaki Yamamoto	President of Social welfare corporation Rokko kakujuen
Kohei Goto	Teiji Wakita	President and Representative Director of Wakita & Co., LTD.
Osamu Tsujimoto		
Teruo Hashimoto	Senichi Hoshino (former Nippon Professional Baseball manager), who passed away on January 4, 2018, served as director from June 2017 to January 2018, and contributed to the development of the foundation.	
Kenji Furuhashi		
Masahiko Mori		
Naoyuki Yamamoto		
Auditor		
Kohei Nomura	Attorney at Nomura & Partners	
Kazumasa Murai	Certified Public Accountant and Tax Accountant at Murai Certified Public Accountant Office	



Guide dog “Gaia” (2022) Guide dog “Ekubo” (2022) Guide dog “Enishi” (2023)



New Nakayama Memorial Hall (completed on September 15, 2021)

Area of grounds: approx. 1,401 m²
Floor area: approx. 5,712 m²
Structure: 1 underground level, 5 floors above ground, equipped with isolation system

Utility project 1

Nakayama Memorial Hall facilities leasing business

At Nakayama Memorial Hall, 13 non-profit organizations cooperate with each other to provide total support to a large number of visually impaired persons.

Utility project 2

Grant project for support groups for visually impaired people and individuals

The foundation provides grants to groups for visually impaired people and support groups in financial difficulty, and provides scholarships free of charge to university students and others.

1 Subsidy Program

This program provides subsidies for groups for visually impaired people, support groups for the visually impaired, and volunteer groups.

2 Scholarship Program

We provide scholarships ranging from \$200 to \$400 per month to visually impaired who want to attend university to help create an environment where they can concentrate on their studies until graduation. Also, since FY2022, we have been providing scholarships ranging from \$200 to \$400 per month to visually impaired graduate students (master's degree students).

Utility project 3

Support activities for social participation activities for visually impaired people

People with disabilities spend every day like people without disabilities, and the foundation supports the participation of visually impaired people in society.

1 Hyogo Prefecture Visually Impaired People Music Festival Project

“Nakayama/KLC Concert”

A classical concert started for the purpose of providing many visually impaired people with opportunities to perform. (Kobe Light Center (KLC))



Former scholarship student Yumi Maekawa performing in a concert

2 Lending business for guide dogs

We commission the training of two guide dogs per year and lend them to the visually impaired as “Nakayama Go” guide dogs. As of 2023, we have loaned 46 dogs.



Guide dog lending ceremony held during the 23rd Nakayama Wonderful Festa

3 Personal computer course project

Courses are divided into beginner, Internet, Microsoft Office, iPad experience, and voice PC experience courses to teach basic computer usage and Internet operation.



Computer course



Spacious reception hall



Sunny balcony



Large conference room



Low Vision Floor
Useful aids are provided for people who are blind or visually-impaired.

4 Music performance project “Nakayama Wonderful Festa”

This is a concert that visually impaired people can attend with wheelchairs and guide dogs which allows them to enjoy the concert free from worry. Some of our employees have participated in this event.

Nakayama Wonderful Festa held for the first time in four years

Although the event was postponed due to the COVID-19 pandemic, it was held for the first time in 4 years, and we enjoyed the “lovely ♡ Concert” given by singers Iruka and Hiromi Ota. 1,740 people attended the concert.

Past performers (honorifics omitted)

#16 2013 Mariko Takahashi	#21 2018 Aki Yashiro
#17 2014 Sayuri Ishikawa	#22 2019 Tomomi Nishimoto & IlluminArt
#18 2015 Yoshimi Tendo	Philharmonic Orchestra
#19 2016 Masahiko Takeuchi and Kaientai	Narration: Yoshiko Sakuma
#20 2017 Masashi Sada	#23 2023 Iruka and Hiromi Ota

Note: Concerts were not held from 2020 to 2022 due to the Covid-19 pandemic.



Nakayama Wonderful Festa #23 (Iruka and Hiromi Ota)



Prospective TRUSCO employees also participated in the event

5 Accompanying aid workers (guide helpers) education training project

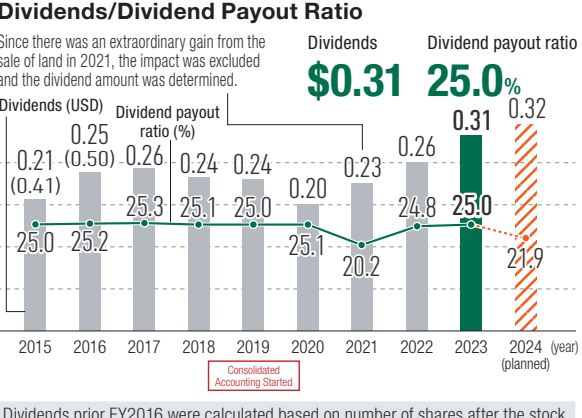
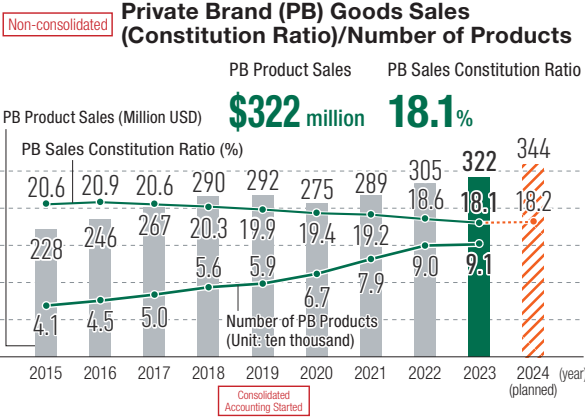
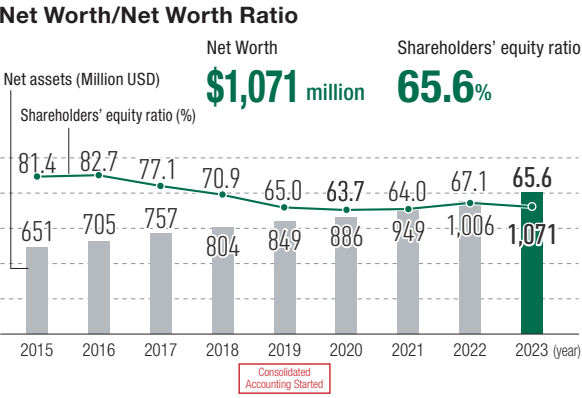
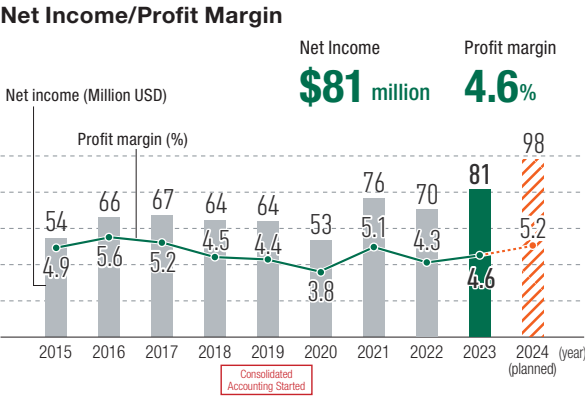
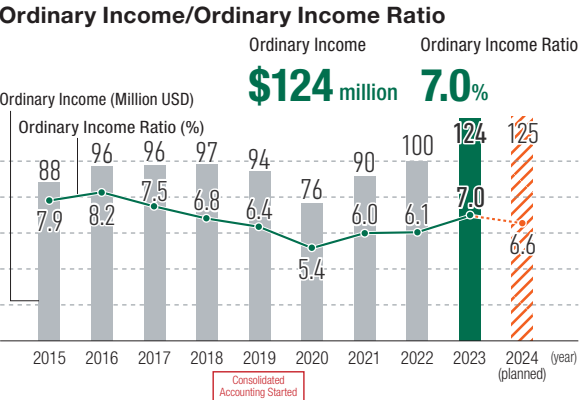
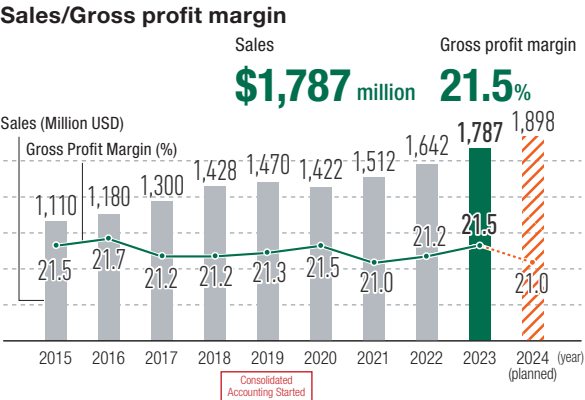
Training sessions are held six times a year with the aim of increasing the number and improving the quality of companionship support employees (guide helpers).

6 Barrier-free movie screening project “Nakayama UD Film Festival”

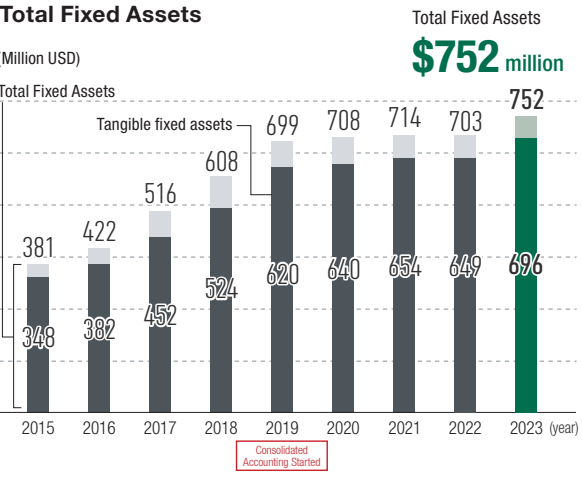
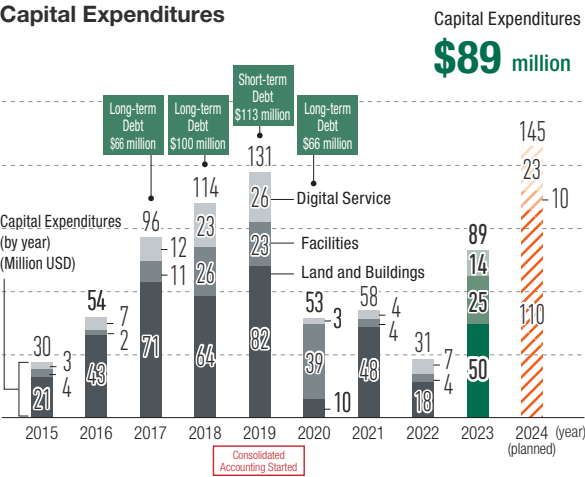
Sponsored by the Nakayama visually impaired welfare foundation, the Nakayama UD Film Festival features audio commentary and Japanese subtitles for films screened. (UD...Universal Design)

Corporate Data (Operating Results Indicators) (as of December 31, 2023)

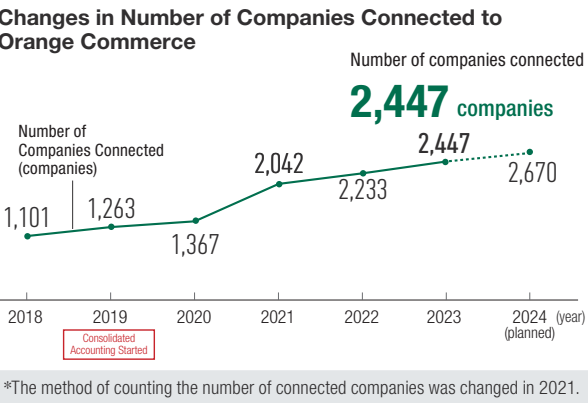
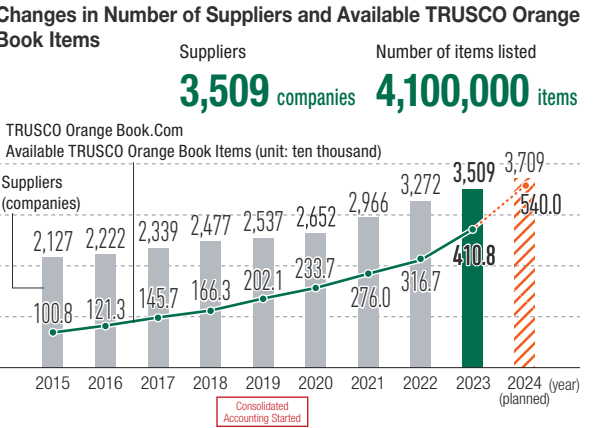
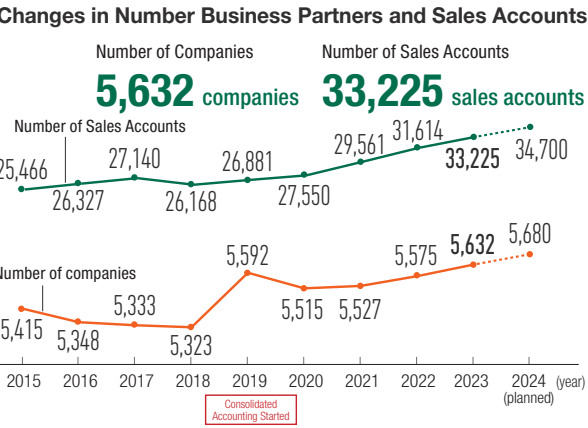
Consolidated Accounting Started : Figures based on consolidated business results due to the start of consolidated accounting in 2019.



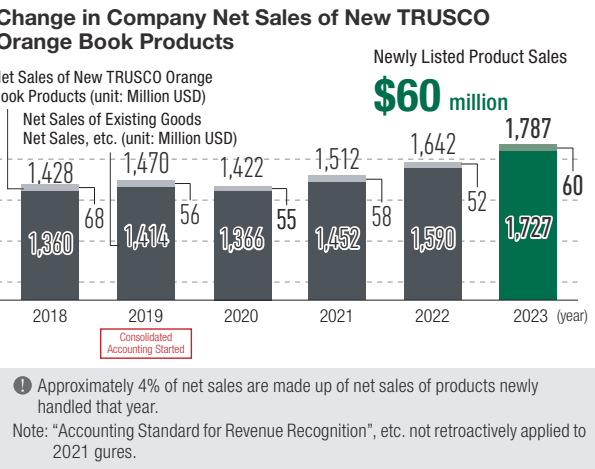
Dividends prior FY2016 were calculated based on number of shares after the stock split where one share was split into two shares on January 1, 2017. Figures in parenthesis denote the actual dividend amount paid.



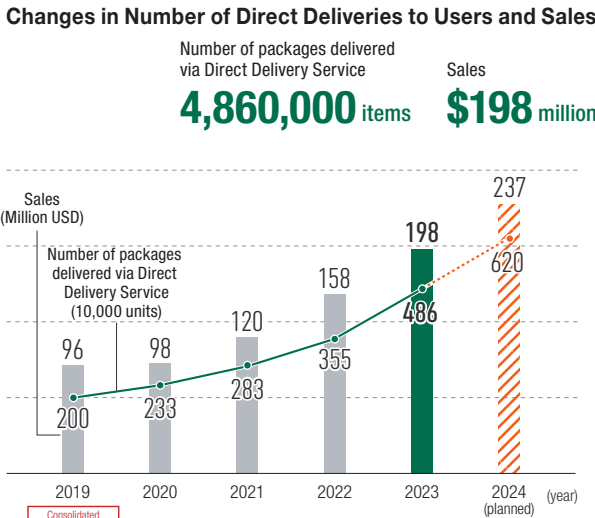
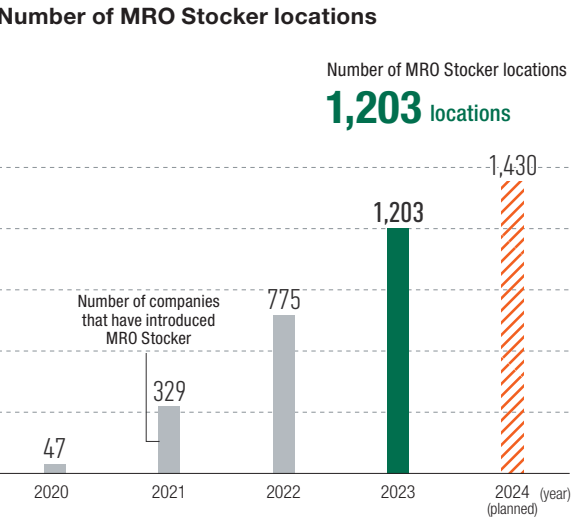
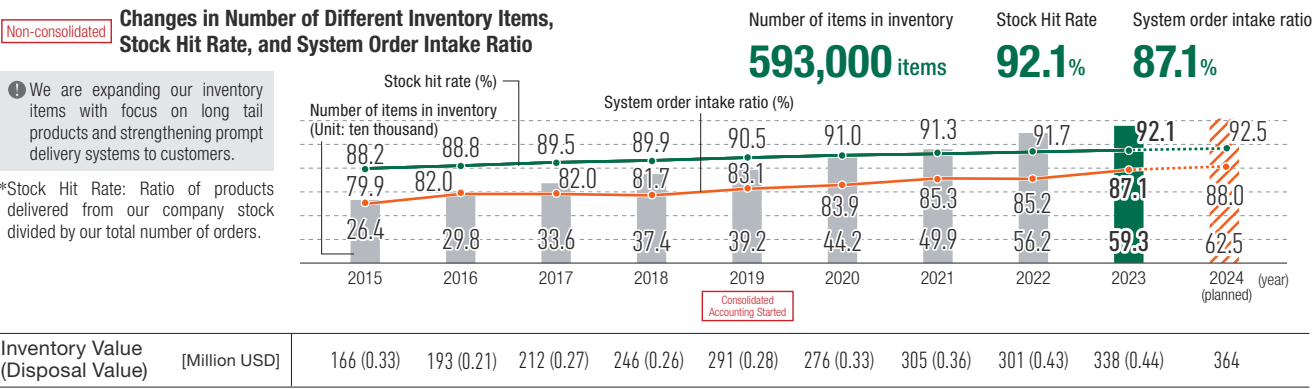
Corporate Data (Sales Information) (as of December 31, 2023)



*The method of counting the number of connected companies was changed in 2021.



Approximately 4% of net sales are made up of net sales of products newly handled that year.
Note: "Accounting Standard for Revenue Recognition", etc. not retroactively applied to 2021 gures.



Corporate Data (Operating Results Over the Past 10 Years)

Operating Results		9-month financial results				Consolidated Accounting Started						
		52 nd term*	53 rd term	54 th term	55 th term	56 th term	57 th term	58 th term	59 th term	60 th term	61 st term	62 nd term
		2014/12	2015/12	2016/12	2017/12	2018/12	2019/12	2020/12	2021/12	2022/12	2023/12	2024/12 (planned)
Sales (Year on Year)	[Million USD] (%)	763 (+10.1)	1,110 (+6.5)	1,180 (+6.3)	1,300 (+10.2)	1,428 (+9.8)	1,471	1,422 (−3.3)	1,512	1,643 (+8.6)	1,787 (+8.8)	1,898
Average Daily Sales (Year on Year) (Non-consolidated parent)	[Million USD] (%)	4 (+10.7)	4 (+6.5)	4 (+6.3)	5 (+8.8)	5 (+10.8)	6 (+5.0)	5 (−4.9)	6	6 (+7.3)	7 (+7.8)	7
Gross Profit Margin (Year on Year)	[Million USD] (%)	159 (+13.3)	238 (+9.9)	255 (+7.3)	275 (+7.9)	303 (+9.9)	313	306 (−2.4)	317	347 (+9.4)	383 (+10.3)	398
Gross profit margin	[%]	20.9	21.5	21.7	21.2	21.2	21.3	21.5	21.0	21.2	21.5	21.0
Selling, general and administrative expenses (Year on Year)	[Million USD] (%)	103 (+7.8)	151 (+10.0)	161 (+6.2)	180 (+12.0)	207 (+14.8)	221	232 (+5.0)	231	249 (+8.1)	260 (+4.0)	274
Shipping expenses and packing costs (including fees for third-party delivery companies)	[Million USD]	17	24	26	31	37	41	41	45	50	55	59
Depreciation	[Million USD]	9	15	16	18	24	32	43	46	44	41	42
Salaries and bonuses (including bonus reserve inward/outward transfers)	[Million USD]	45	63	70	78	82	83	80	81	86	94	97
Selling and administration expense ratio	[%]	13.5	13.7	13.7	13.9	14.5	15.1	16.4	15.3	15.2	14.5	14.5
Operating income (Year on Year)	[Million USD] (%)	56 (+25.0)	86 (+9.7)	94 (+9.1)	95 (+0.8)	95 (+0.6)	91	73 (−20.1)	86	97 (+12.8)	123 (+26.3)	124
Operating profit ratio	[%]	7.4	7.8	8.0	7.3	6.7	6.3	5.2	5.7	6.0	6.9	6.5
Ordinary income (Year on Year)	[Million USD] (%)	56 (+25.3)	88 (+12.0)	96 (+9.2)	97 (+1.0)	97 (+0.4)	94	77 (−18.6)	90	100 (+11.1)	124 (+23.9)	125
Ordinary Income Ratio	[%]	7.4	7.9	8.2	7.5	6.8	6.4	5.4	6.0	6.1	7.0	6.6
Net income (Year on Year)	[Million USD] (%)	36 (+34.7)	54 (+11.9)	66 (+20.9)	67 (+2.1)	64 (−4.4)	64	53 (−16.7)	77	70 (−8.4)	81 (+15.4)	98
Profit margin	[%]	4.8	4.9	5.6	5.2	4.5	4.4	3.8	5.1	4.3	4.6	5.2
Cash and deposits	[Million USD]	77	95	71	69	77	122	215	276	262	288	—
Merchandise (products)	[Million USD]	145	166	193	212	246	291	276	281	301	338	364
Fixed assets	[Million USD]	364	381	423	517	609	699	708	714	703	752	—
└ Tangible fixed assets	[Million USD]	335	348	382	452	524	620	640	654	649	697	—
└ Intangible fixed assets	[Million USD]	12	11	14	22	39	56	45	36	29	30	—
Total assets	[Million USD]	732	800	853	982	1,134	1,307	1,392	1,484	1,501	1,632	—
Net Worth	[Million USD]	606	651	705	757	804	849	886	949	1,006	1,071	—
Shareholders' equity ratio	[%]	82.7	81.4	82.7	77.1	70.9	65.0	63.7	64.0	67.1	65.6	—

*The year-on-year change for the 52nd term was calculated by converting the 51st term into a nine-month period, and the year-on-year change for the 53rd term was calculated by converting the 52nd term into a 12-month period.

Note: Year-on-year comparisons are not shown for the 59th term since fiscal year figures were retroactively adjusted to reflect the retrospective application of the "Accounting Standard for Revenue Recognition," etc.

Cash Flow

Cash flows from operating activities	[Million USD]	21	62	43	59	46	73	100	106	81	98	—
Corporate tax amount paid	[Million USD]	−29	−15	−39	−28	−27	−32	−28	−22	−32	−30	—
Cash flows from investing activities	[Million USD]	−29	−33	−52	−110	−120	−131	−58	−30	−34	−87	—
Cash flows from financing activities	[Million USD]	−11	−10	−15	49	83	97	51	−14	−60	12	—
Dividend amount paid	[Million USD]	−11	−10	−15	−17	−16	−16	−15	−14	−14	−20	—
Net increase (decrease) in cash and cash equivalents	[Million USD]	−19	17	−24	−1	8	39	93	60	−13	24	—

Financial Indicators

Return on assets (ROA)	[%]	7.7	11.5	11.6	10.6	9.2	7.2	5.7	6.3	6.7	7.9	—
Return on equity (ROE)*	[%]	6.2	8.7	9.8	9.3	8.3	7.5	6.1	8.4	7.2	7.9	—
Capital Expenditures	[Million USD]	23	30	54	96	114	131	53	58	31	89	145

*ROE concept: TRUSCO NAKAYAMA does not employ short-term strategies to increase ROE. We aim to expand profit by providing investments to ongoing growth sectors to facilitate long-term and stable growth.

Information by Share

Earnings per share (EPS)*	[USD]	0.55	0.83	1.00	1.02	0.98	0.97	0.80	1.17	1.07	1.24	—
Book-value per share (BPS)*	[USD]	9.19	9.88	10.69	11.49	12.19	12.88	13.44	14.39	15.26	16.24	—
Annual dividend	[USD]	0.28 (0.14)	0.41 (0.21)	0.50 (0.25)	0.26	0.24	0.24	0.20	0.23	0.26	0.31	0.32
Dividend payout ratio	[%]	25.3	25.0	25.2	25.3	25.1	25.0	25.1	20.2	24.8	25.0	21.9

*The net income per share, net assets per share, and annual dividend amounts in parentheses before the 54th term were calculated based on the number of shares after the stock split for splitting one share into two shares on January 1, 2017.

Sales by Segment

(The results show sales performance announcing the settlement of accounts for each term by segment. Year-on-year comparisons are made with the figures for the previous year which have been reclassified to correspond to the segment classifications of each period.)

Factory Route	Sales (Year on Year) [Million USD] (%)	672 (+10.1)	930 (+5.3)	972 (+4.5)	1,049 (+8.1)	1,127 (+7.4)	1,133	1,045 (−7.8)	1,082	1,137 (+5.1)	1,214 (+6.8)	1,281
e-Business Route	Sales (Year on Year) [Million USD] (%)	—	99 (+25.9) *1	123 (+24.9)	162 (+29.1)	204 (+26.1)	229	256 (+11.4)	295	343 (+16.2)	394 (+14.6)	426
Home center route	Sales (Year on Year) [Million USD] (%)	58 (+0.2)	76 (−2.2)	80 (+4.8)	82 (+3.2)	89 (+8.6)	98	113 (+15.6)	122	147 (+20.7)	161 (+9.5)	169
Overseas Route	Sales (Year on Year) [Million USD] (%)	32 (+35.2)	4 (+82.5)	3 (−15.2)	6 (+59.5)	6 (+5.3)	9 *2	8 (−14.5)	11	14 (+24.4)	17 (+22.5)	19

*1: e-Business Route added as a result of expanding sales since the 53rd period.

*2: Overseas Route established and business results of overseas subsidiaries included in figures due to the start of consolidated accounting in the 57th period.

Note: Year-on-year comparisons are not shown for the 59th term since fiscal year figures were retroactively adjusted to reflect the retrospective application of the "Accounting Standard for Revenue Recognition," etc.

Corporate Data (Human Resources Information) (as of December 31, 2023)

			Consolidated Accounting Started				
			57 th term	58 th term	59 th term	60 th term	61 st term
			2019/12	2020/12	2021/12	2022/12	2023/12
Employees (persons)	Total	Male	1,366	1,367	1,405	1,412	1,450
		Female	1,430	1,419	1,501	1,542	1,593
		Total	2,796	2,786	2,906	2,954	3,043
	Officers	Male	12	11	9	9	11
		Female	0	1	1	1	1
		Total	12	12	10	10	12
	Full-time staff	Male	1,071	1,085	1,061	1,062	1,072
		Female	585	589	571	577	589
		Total	1,656	1,674	1,632	1,639	1,661
	Part-time staff	Male	283	271	335	341	367
		Female	845	829	929	964	1,003
		Total	1,128	1,100	1,264	1,305	1,370
Average age (years) and Average years of service (years)	Staff average		38.2	38.4	39.6	39.8	39.9
	Career course		33.1	33.5	34.2	34.6	34.7
	Local Career Course		—	—	—	—	32.9
	Specialist course		37.0	37.2	37.8	38.4	39.7
	Area course		44.0	44.0	44.4	44.7	45.2
	Local Area Distribution Course		—	—	—	—	36.5
	Logistics course		37.2	37.1	37.8	37.1	36.9
	Average years of service	Male	16.8	16.8	18.2	18.5	18.5
		Female	7.7	8.0	9.1	9.4	9.7
		Total	13.6	13.6	15.0	15.3	15.4
Average salary (thousand USD) The average salary including financial bonds** is shown in the parentheses.	Staff averages (includes executive officers)		43.6 (46.1)	41.2 (43.7)	41.0 (43.5)	44.0 (46.6)	44.1 (46.6)
	Department general managers and division general managers (does not include officers)		99.8 (108.0)	96.4 (104.8)	97.2 (105.8)	97.8 (105.3)	92.5 (99.5)
	Managers including branch managers, center managers, and Head Office section managers		75.7 (81.3)	75.2 (80.7)	74.4 (79.9)	75.9 (81.0)	75.3 (80.6)
	Career course		50.5 (53.6)	48.0 (51.2)	48.2 (51.4)	51.4 (54.6)	51.6 (54.8)
	Local Career Course		—	—	—	—	43.6 (46.0)
	Specialist course		47.6 (50.4)	45.3 (48.2)	46.6 (49.7)	53.2 (56.6)	52.6 (55.9)
	Area course		42.8 (45.3)	40.0 (42.5)	39.7 (42.2)	42.2 (44.6)	41.8 (44.2)
	Local Area Distribution Course		—	—	—	—	42.0 (43.8)
	Logistics course		32.8 (34.1)	30.7 (32.0)	30.4 (31.7)	32.9 (34.3)	35.0 (36.4)
	Number of New Employees, Number of Employees with Disabilities, and Number of Retirees	New employees	Male	57	46	25	51
Female			52	41	26	47	59
Total			109	87	51	98	123
Number of new graduates hired		Male	50	42	21	43	42
		Female	46	37	22	40	53
		Total	96	79	43	83	95
Number of Employees with Disabilities (statutory employment rate based hires)		66 (51)	66 (50)	67 (55)	67 (62)	74 (64)	
Employment Rate for Employees with Disabilities (statutory employment rate indicated in parentheses) (%)		2.9 (2.2)	2.9 (2.2)	2.8 (2.3)	2.7 (2.3)	2.8 (2.3)	
Number of employees who retired		Male	44	33	45	44	49
		Female	42	37	45	39	49
		Total	86	70	90	83	98
Turnover rate (%)		Male	3.9	3.0	4.1	4.0	4.4
		Female	6.7	5.9	7.3	6.3	7.7
		Total	4.9	4.0	5.2	4.8	5.6
Overtime Hours and Paid Leave	Average number of overtime hours per month (hours per month)		26	15	15	18	18
	Number of paid days taken off	Days acquired (days)	12	11	12	12	12
		Leave acquisition rate (%)	69	68	65	66	65
Number of employees taking child-care leave and number of employees working shorter hours (persons)	Number of employees working shorter hours		99	102	116	121	129
	By gender ^{*2}	Male	2	8	12	9	17
		Female	41	29	37	43	47
		Total	43	37	49	52	64
	Acquisition rate (%) ^{*3}	Male	7.0	24.0	28.0	42.9	55.6
		Female	121.0	88.0	93.0	97.7	85.7
		Total	53.0	48.0	55.0	69.0	73.9
	Percentage of employees that returned to work (%) ^{*4}	Male	100.0	100.0	100.0	100.0	100.0
		Female	98.0	97.0	100.0	98.0	100.0
		Total	98.0	97.0	100.0	98.0	100.0

*1 TRUSCO NAKAYAMA has a payment policy that provides severance as annual financial bonds rather than a single payment upon resignation.
*2 Number of employees who took childcare leave in each fiscal year
*3 Number of employees who started taking childcare leave in each fiscal year / Number of staff (or their spouses) who gave birth in each fiscal year
*4 The number of employees who started taking childcare leave in each fiscal year is the number of employees who returned to work and the number of employees who started taking childcare leave in each fiscal year

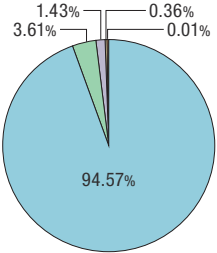
Corporate Data (Environment and Stock Information) (as of December 31, 2023)

Consolidated Accounting Started							
			57 th term	58 th term	59 th term	60 th term	61 st term
			2019/12	2020/12	2021/12	2022/12	2023/12
Power consumption	Total power consumption (1,000 kWh)		13,110	13,720	15,787	16,209	16,096
		Branches (1,000 kWh)	4,127	3,700	4,686	4,014	3,971
		Distribution Centers (1,000 kWh)	8,982	10,020	11,101	12,195	12,125
	Renewable energy	Power Generation (1,000 kWh)	1,839	2,551	2,604	2,653	2,687
		Power Self-sufficiency Rate (%)	14.1	18.6	16.5	16.4	16.7
		Power Generation Capacity (kW)	2,164	2,793	2,793	2,793	2,793
Fuel use	Total consumption (gigajoules)		23,631	23,772	28,896	30,630	30,005
	Fuel breakdown by type	Diesel fuel (kl)	312	361	430	510	515
		Gasoline (kl)	280	261	335	273	257
		City gas (1,000 m³)	48	24	25	42	36
Tap water consumption (m³)			50,642	41,559	37,148	42,493	42,343
Amount of waste (t)			1,782	2,028	2,245	2,022	2,163
(Unit: t-CO₂)							
Greenhouse gas emissions	Scope1		1,572	1,703	1,941	2,327	2,284
	Scope2		6,298	6,304	7,154	8,109	6,900
	Scope3		—	—	1,877,399	1,791,867	—
	Total		—	—	1,886,494	1,802,303	—
Scope3 Emissions by category	Category 1				701,050	781,936	
	Category 2				15,735	12,409	
	Category 3				1,432	1,503	
	Category 4				52,284	47,150	
	Category 5				220	161	
	Category 6				207	232	
	Category 7				278	320	
	Category 8				—	—	
	Category 9				—	—	
	Category 10				—	—	
	Category 11				1,090,064	931,020	
	Category 12				15,946	17,004	
	Category 13				183	132	
	Category 14				—	—	
	Category 15				—	—	

Status of Stock -As of December 31, 2023-

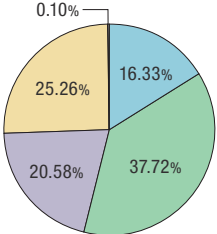
Shareholder Composition

Individuals, etc.	13,995	(94.57%)
Japanese corporations	535	(3.61%)
Foreign corporations, etc.	213	(1.43%)
Financial firms/stock brokerages	54	(0.36%)
Treasury stock	1	(0.01%)
Total	14,798	

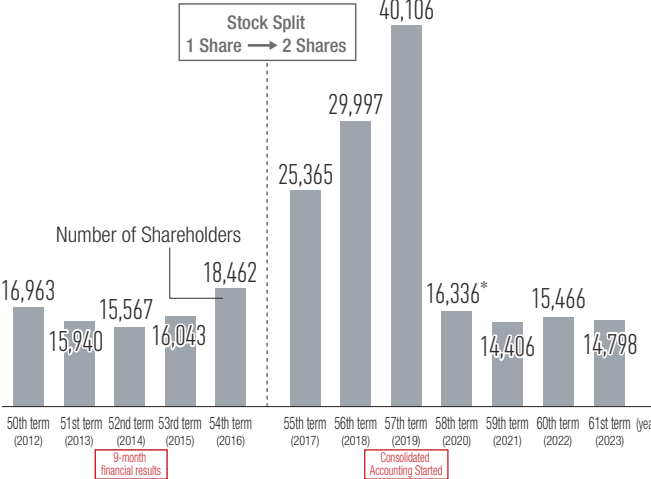


Number of Shares Issued

Individuals, etc.	10,777,920	(16.33%)
Japanese corporations	24,899,803	(37.72%)
Foreign corporations, etc.	13,587,126	(20.58%)
Financial firms/stock brokerages	16,676,402	(25.26%)
Treasury stock	67,493	(0.10%)
Total	66,008,744	



Change in Number of Shareholders



*The shareholder special benet plan was abolished in the 58th term.