



# The 56th Business Year Business Performance Data Analysis

## Fiscal Year Ending December 2018 Second Quarter

Auto Store began operating on April 2.  
— Planet Kita-Kanto (Iseaki City, Gunma Prefecture) —



**Trusco Nakayama Corporation**  
Announced Aug. 3, 2018

Kazuo Nakai	Executive Officer General Manager, Corporate Planning Department
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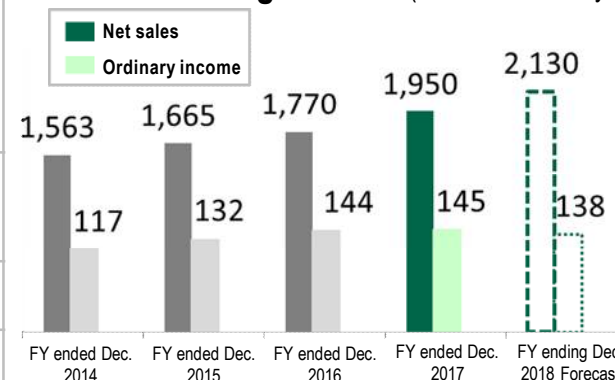
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Founding	May 15, 1959
Representative	Tetsuya Nakayama
Head offices	Tokyo Head Office (Minato-ku, Tokyo, registered as the company's head store) Osaka Head Office (Nishi-ku, Osaka City)
Number of offices	99 (2 head offices, 75 branches, 17 distribution centers, 5 stock centers)
Capital stock	5,022,370,000 yen
Listed stock exchange	First section of the Tokyo Stock Exchange (Code number: 9830)
Number of employees	2,739 (1,630 full-time employees, 1,109 part-time employees)
Credit rating	A (Rating and Investment Information, Inc.)
Line of business	Wholesaler of pro tools (auxiliary materials used at factories), including machinery tools, distribution equipment and environmental safety equipment, and development of Trusco brand products

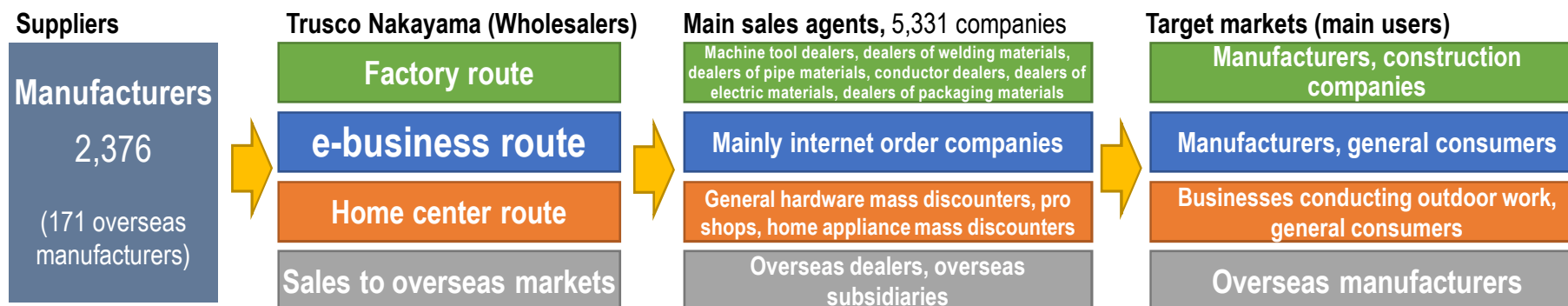
As of the end of June 2018

➤ Net sales and ordinary income after converting to those for 12 months ended/ending Dec. 31 (Unit: 100 million yen)



\* In 2014, the company changed its fiscal year from April-March to January-December. FY 2014 figures, listed as 12-month figures from January 2014 to December 2014, were reference figures, converted from the results for a nine-month period, from April 2014 to December 2014.

➤ Business flow



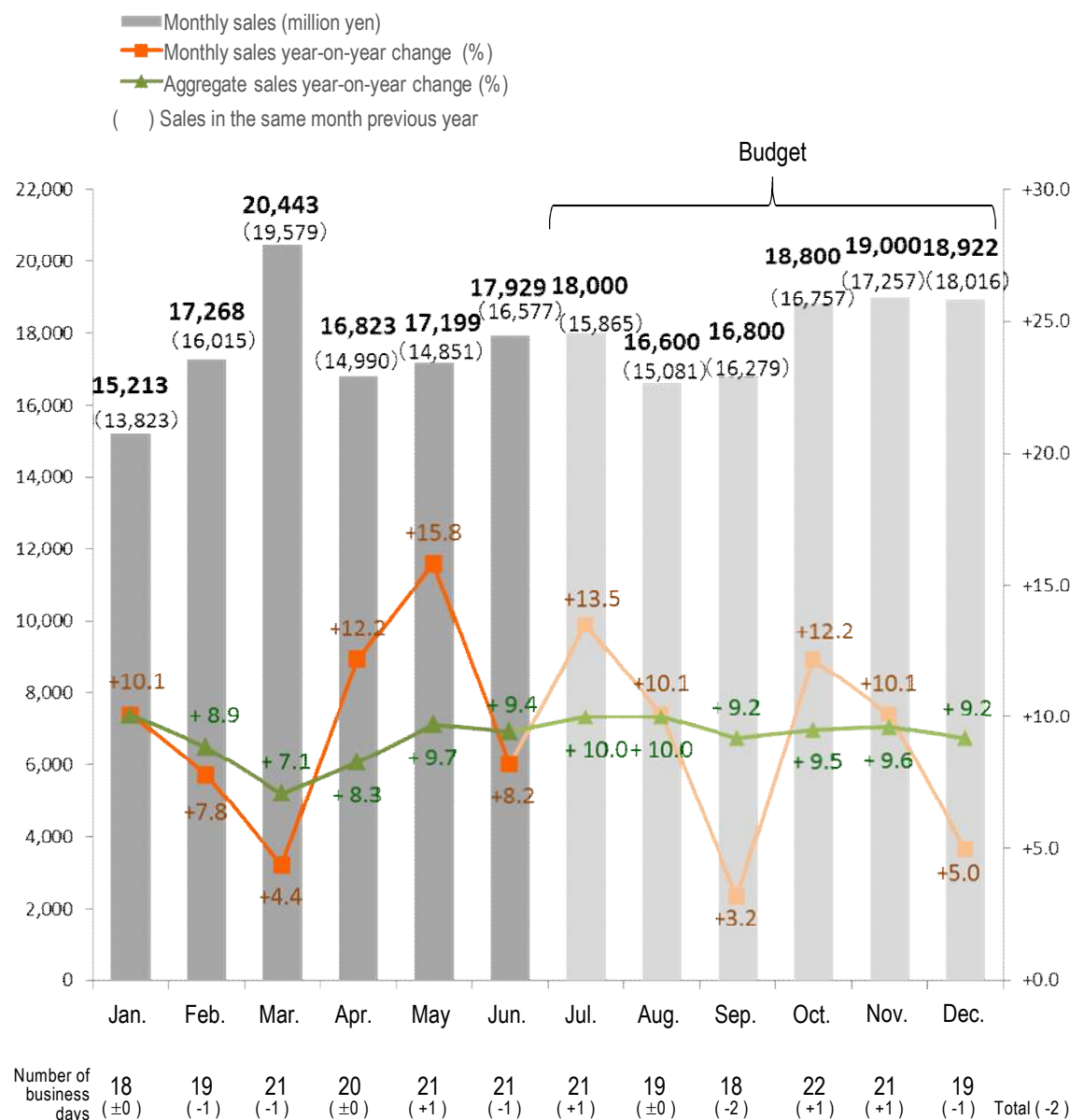
## P.2 A-① Business performance

	2Q of FY ended Dec. 2017	Percentage share against net sales	2Q of FY ending Dec. 2018	Percentage share against net sales	Vs. 2Q of previous year	Budget (million yen) [% to net sales]	Comparison with the budget	
							Change (million yen)	Comparison with the budget
Net sales	95,837 million yen	—	104,877 million yen	—	+9.4%	103,133	+1,744	+1.7%
Gross profit	20,732 million yen	21.6%	22,721 million yen	21.7%	+9.6%	22,290 [21.6%]	+431	+1.9%
Selling, general and administrative expenses (SGA)	13,425 million yen	14.0%	15,753 million yen	15.0%	+17.3% *1	16,078 [15.6%]	-325 For details of SGA, please refer to Page 14.	-2.0%
Operating income	7,306 million yen	7.6%	6,968 million yen	6.6%	-4.6%	6,211 [6.0%]	+757	+12.2%
Ordinary income	7,426 million yen	7.7%	7,089 million yen	6.8%	-4.5%	6,337 [6.1%]	+751	+11.9%
Quarterly net income	5,060 million yen	5.3%	4,778 million yen	4.6%	-5.6%	4,227 [4.1%]	+550	+13.0%
Sales of PB goods	20,013 million yen	20.9%	21,583 million yen	20.6%	+7.8%	21,458 [20.8%]	+125 For details of sales of PB goods, please refer to Page 10.	+0.6%
Quarterly net income per share	76.73 yen	—	72.46 yen	—	-4.27 yen	64.10 yen	+8.36 yen	—
Interim dividend per share	19.50 yen	—	18.50 yen	—	-1 yen	16.50 yen	+2 yen	—

\*1 Selling, general and administrative expenses in the second quarter of the year ending December 2018 increased 17.3% from a year before, reflecting 1) higher freight charges against the backdrop of higher shipment volume due to stronger sales and an increase in shipping charges 2) an increase in salary and bonus following the employment of additional regular and part-time workers and 3) higher depreciation and expendable product costs following the establishment of Planet Saitama.

# P. 3 A-② Company-wide monthly sales and sales per day for FY ending December 2018

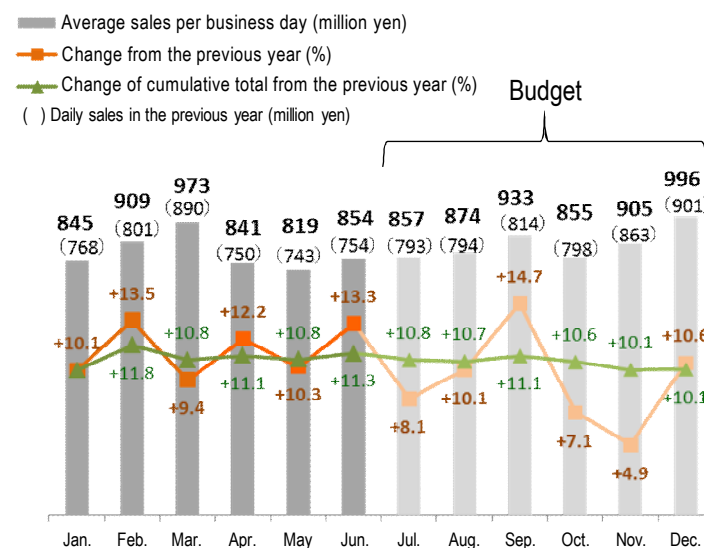
## ■ Total



## ■ Change in average daily sales (all business offices)

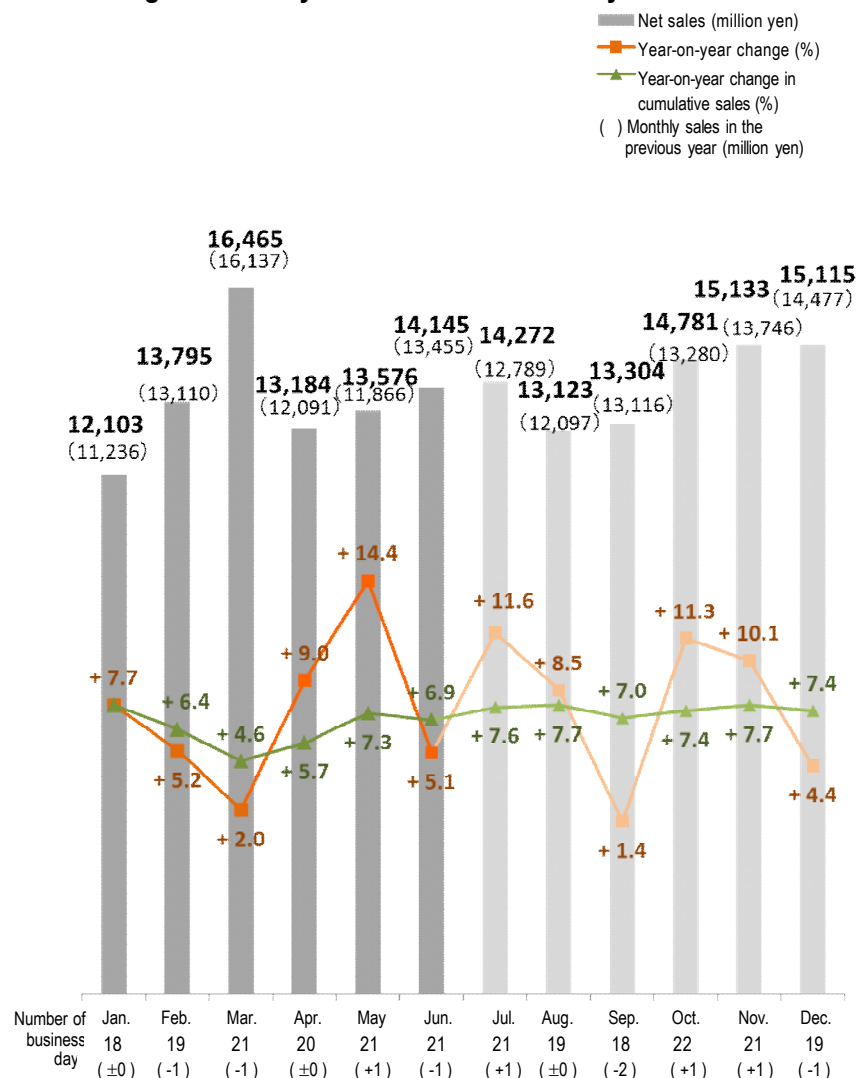
Our company's sales are affected by the number of business days in a given month because orders are placed constantly with consumption items used at factories.

Sales were higher in March and December, both of which are busy months, because most Japanese companies have one of these months as the final month of their fiscal year.

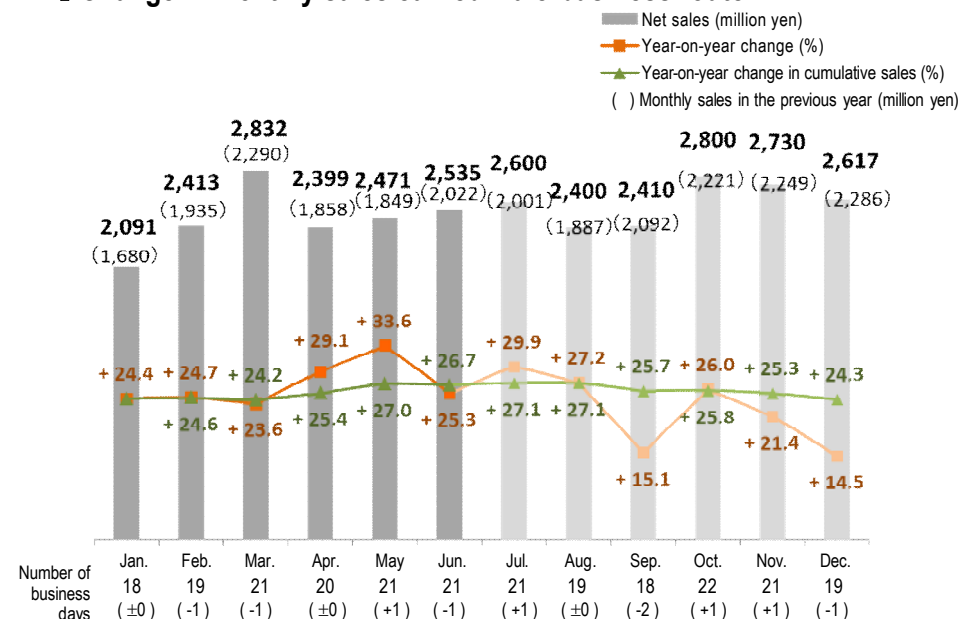


## B-① Change in monthly sales by sales route

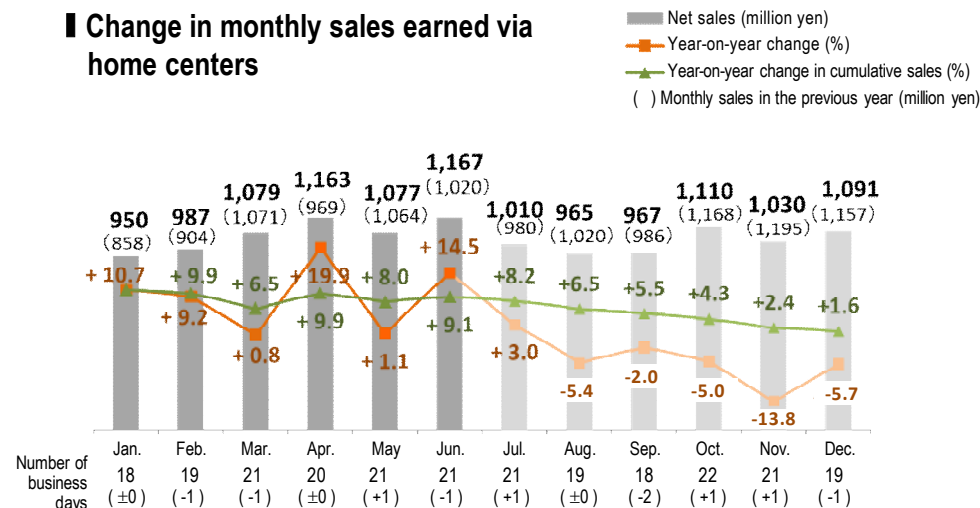
## ■ Change in monthly sales earned via factory route



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



## ■ Change in monthly sales earned via home centers



P. 5 B-② Sales by sales route

■ Sales by sales route

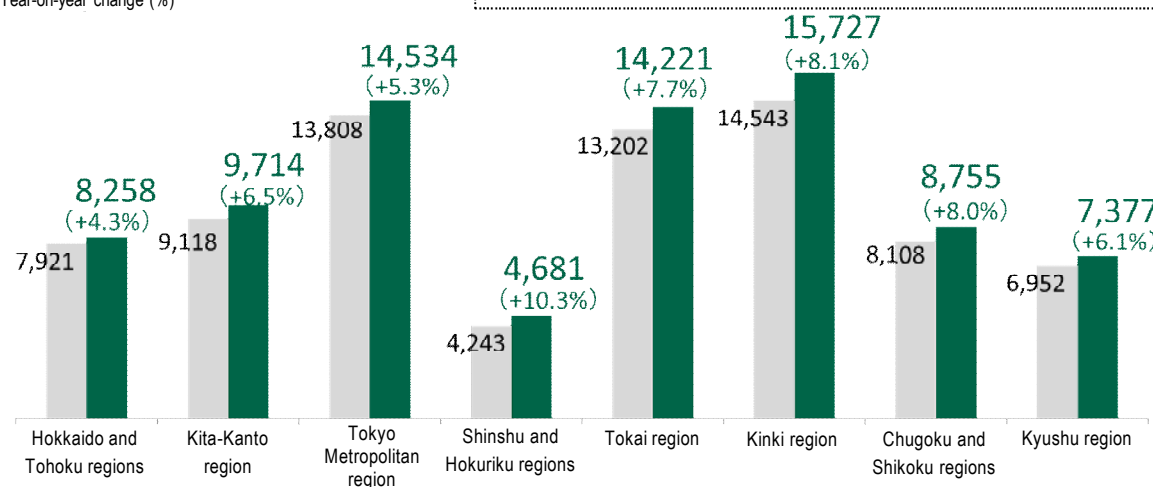
	Second quarter of FY ended Dec. 2017		Second quarter of FY ending Dec. 2018					
Sales route	Net sales	Gross profit margin	Net sales		Gross profit margin		Sales (million yen)	
			Actual results	vs. 2Q of previous year	Actual results	vs. 2Q of previous year	Budget	Comparison with the budget
Factory route	77,898 million yen	21.4%	83,271 million yen	+6.9%	21.3%	- 0.1	82,539	+0.9%
e-business route	11,638 million yen	25.6%	14,742 million yen	+26.7%	25.3%	- 0.3	14,049	+4.9%
Home center route	5,889 million yen	17.7%	6,426 million yen	+9.1%	17.9%	+ 0.2	6,075	+5.8%
Other (Overseas, etc.)	411 million yen	19.6%	437 million yen	+6.4%	20.1%	+ 0.5	468	-6.5%
Total	95,837 million yen	21.6%	104,877 million yen	+9.4%	21.7%	+ 0.1	103,133	+1.7%



# P. 6 B-③ Factory route: Sales by region, sales constituent ratio by region, and sales by industry

## ■ Factory route: Sales by region

■ 2Q of FY ended Dec. 2017: Sales (million yen)  
■ 2Q of FY ending Dec. 2018: Sales (million yen)  
( ) Year-on-year change (%)



**[Kagoshima Branch: Up 13.9% from a year before]**

Capital spending on energy-related companies grew smoothly.

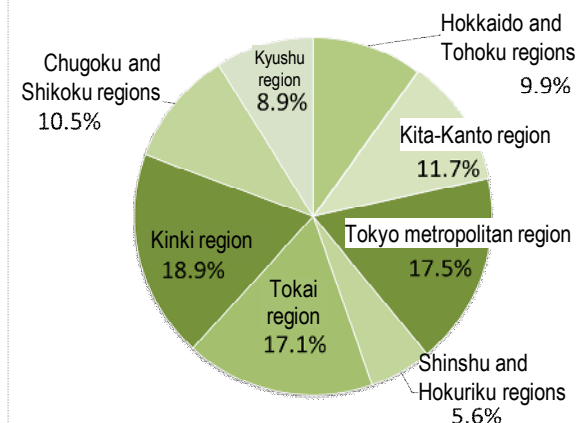
**[Tokyo Branch: Up 12.4% from a year before]**

Demand for capital spending on automobile-related companies increased.

**[Okazaki Branch: Up 12.2% from a year before]**

Production lines at automobile-related companies were operating at higher capacity.

## ■ Factory route: Sales constituent ratio by region



## ■ Factory route sales by industry

	Second quarter of FY ended Dec. 2017		Second quarter of FY ending Dec. 2018					
Sales route	Net sales	Gross profit margin	Net sales		Gross profit margin		Sales (million yen)	
			Actual results	vs. 2Q of previous year	Actual results	vs. 2Q of previous year	Budget	Comparison with the budg
Machine tool dealers	41,129 million yen	21.4%	44,303 million yen	+7.7%	21.2%	-0.2	43,708	+1.4%
Welding material dealers	11,090 million yen	21.8%	11,875 million yen	+7.1%	21.9%	+ 0.1	11,868	+0.1%
Other manufacturing related (incl. physical and chemical material, transmission machinery, packing material dealers)	12,610 million yen	20.6%	13,277 million yen	+5.3%	20.9%	+ 0.3	13,292	-0.1%
Construction related	13,067 million yen	21.7%	13,815 million yen	+5.7%	21.8%	+ 0.1	13,671	+1.1%
Total net sales via factory route	77,898 million yen	21.4%	83,271 million yen	+6.9%	21.3%	-0.1	82,539	+0.9%

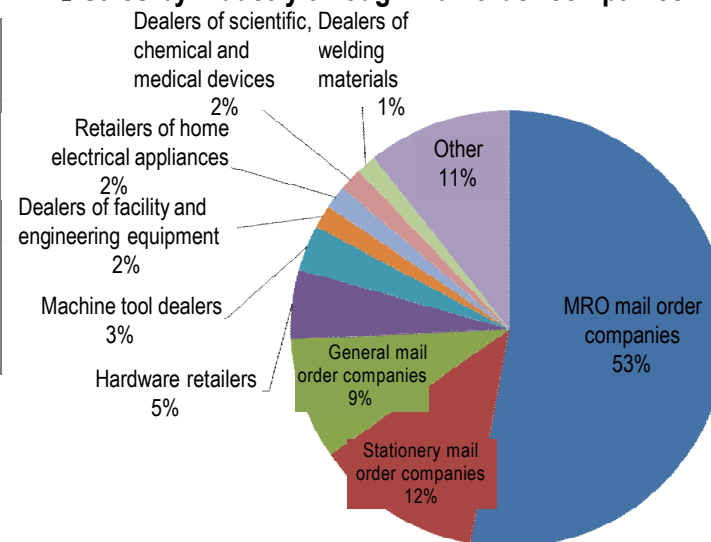
# B-④ Change in net sales through the e-business route and the number of companies participating in Orange Commerce

P. 7

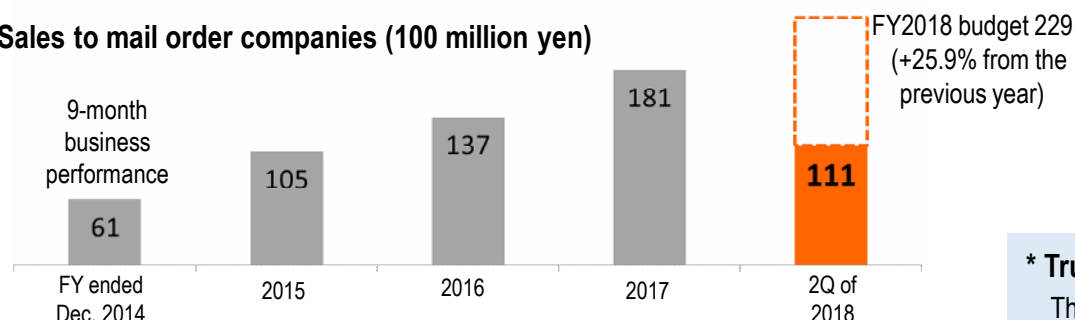
## Net sales through e-business route

	Second quarter of FY ending Dec. 2018			
Sales route	Net sales		Gross profit margin	
	Actual results	vs. 2Q of previous year	Actual results	vs. 2Q of previous year
<b>Mail order companies</b>	<b>11,185 million yen</b>	<b>+31.2%</b>	<b>24.4%</b>	<b>-0.2</b>
Companies with which Nakayama Trusco formed a partnership in Orange Commerce (electronic purchase)	3,557 million yen	+14.3%	27.8%	-0.5
<b>Total net sales via e-business route</b>	<b>14,742 million yen</b>	<b>+26.7%</b>	<b>25.3%</b>	<b>-0.3</b>

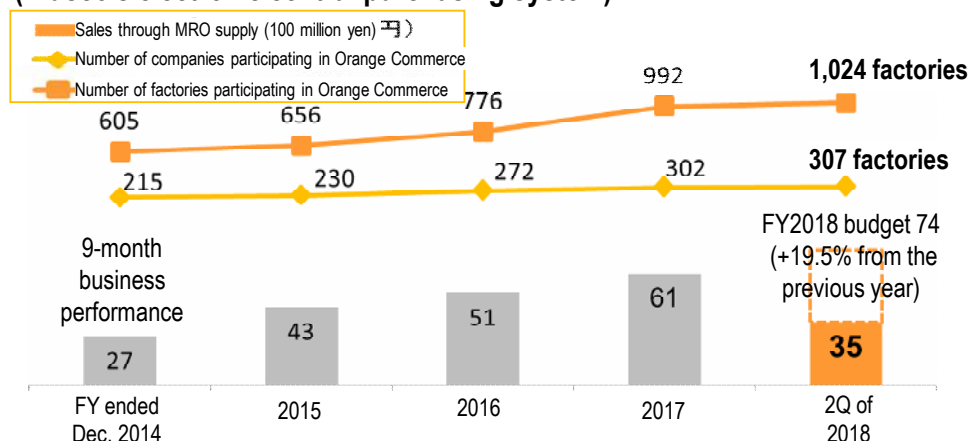
## Sales by industry through mail order companies



## Sales to mail order companies (100 million yen)

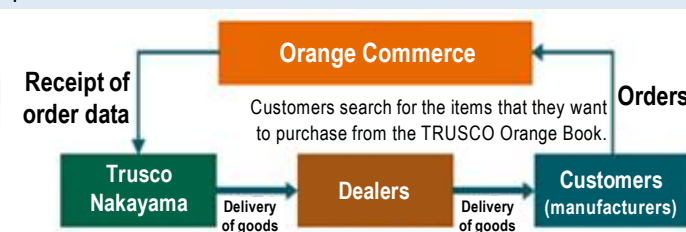


## Change in the number of companies participating in Orange Commerce (Trusco's electronic central purchasing system)



## \* Trusco's electronic central purchase system:

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



Customers' purchasing systems and Trusco Nakayama's central purchasing system are connected, with the distribution of goods bound for customers conducted by Trusco Nakayama, customers and dealers.



## B-⑤ Sales to top 10 clients developed via home center route

As a professional-tool wholesaler, Trusco Nakayama has focused on dealing in pro tools and actively proposed to general hardware mass discounters that allot part of their floor spaces to pro-tool shops. Trusco Nakayama will work on enhancing its comprehensive marketing power by stepping up sales of its products at home centers, where pro-tool shops and material shops are housed.

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

Units: million yen; %; without honorific titles

Ranking	Name of client	2Q of FY ended Dec. 2017	2Q of FY ending Dec. 2018	vs. 2Q of previous year
1	Nafco	746	753	+ 0.9
2	DCM Homac *	783	695	- 11.2
3	DCM Hodaka (Pro Shop) *	553	690	+ 24.6
4	Royal Home Center	646	638	- 1.2
5	DCM Kahma *	666	593	- 11.0
6	Kohnan Shoji	469	508	+ 8.2
7	Shimachu	349	340	- 2.6
8	DCM Daiki *	343	324	- 5.8
9	Keyo *	—	319	—
10	Komeri	195	255	+ 31.2
Combined sales to top 10 companies		4,755	5,119	+ 7.7
Combined sales via general hardware mass discounter route		5,889	6,426	+ 9.1
Percentage share of sales to top 10 companies		80.7	79.7	

#### Efforts being made by our company since 2007 to normalize sales practices

- 1) Refrain from making unprofitable business transactions
- 2) Refrain from staging excessive sales campaigns on such occasions as anniversary days
- 3) Refrain from dispatching sales clerks to shops for products not handled by our company

Our efforts to normalize sales practices as explained above resulted in a plunge from 21.9 billion yen in 2006, the 43rd business year, to about 10 billion yen in recent years in sales to general hardware mass discounters.

The result reflected our policy of giving higher priority to making business transactions in line with appropriate business rules than seeking profits.

- DCM Japan Holdings:  
Total sales to general hardware mass discounters:  
2,623 million yen (up 11.2% from the previous year)  
[DCM Homac, DCM Kahma, DCM Hodaka, DCM Daiki, DCM Kuroganeya, Homac Nicot, Keyo, and DCM Sanwa]

\* The figure above was compiled by the IR Department as a reference.

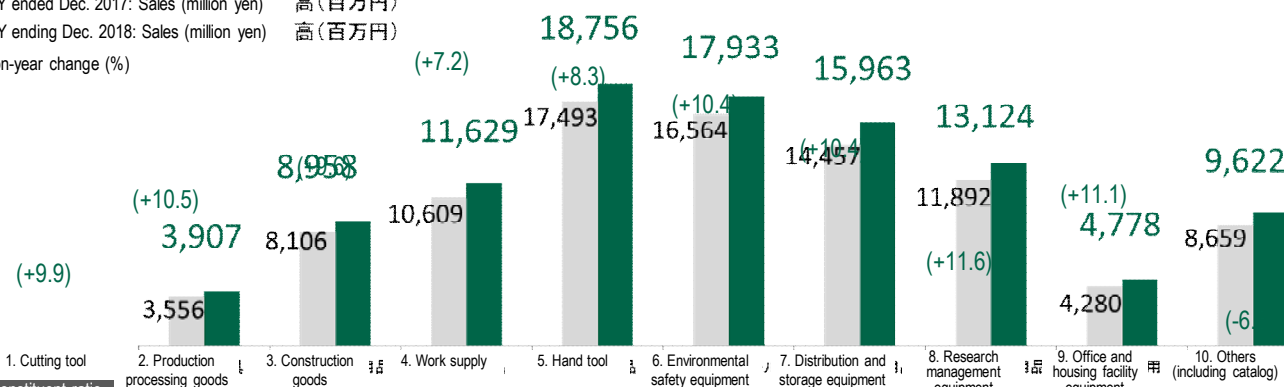
## B-⑥ Sales by category of goods

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

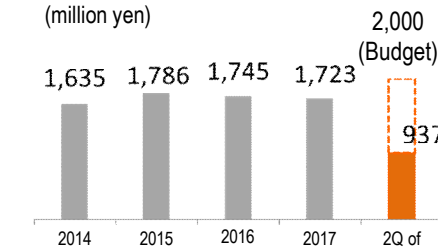
2Q of FY ended Dec. 2017: Sales (million yen) 高(百万円)

2Q of FY ending Dec. 2018: Sales (million yen) 高(百万円)

( ) Year-on-year change (%)



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



Repair service offered under contract with repair workshop Naojiro

Category of goods (large category)	Medium category	Trusco's sales	Constituent ratio	vs. 2Q of previous year	Gross profit margin	Category of goods (large category)	Medium category	Trusco's sales	Constituent ratio	vs. 2Q of previous year	Gross profit margin
1. Cutting tool 3.7	Cutting tools	1,915	1.8	+12.0	10.5	6. Environmental safety equipment 15.2	Protective equipment	8,050	7.7	+11.8	25.2
	Drilling and thread cutting tools	1,991	1.9	+7.9	23.0		Safety goods	4,236	4.0	+6.7	26.1
2. Production processing goods 8.5	Measurement equipment	4,444	4.2	+10.2	16.8		Environment improvement goods	921	0.9	+13.3	20.4
	Mechatronics	1,770	1.7	+9.7	15.7		Air conditioning goods	1,428	1.4	+17.3	17.4
	Tools for machine tools	1,258	1.2	+11.1	21.3		Disaster and crime prevention goods	428	0.4	+7.6	20.2
	Electric machinery	1,484	1.4	+11.7	10.6		Closets and exterior goods	897	0.9	+4.8	15.0
3. Construction goods 11.1	Hydraulic tools	961	0.9	+9.3	11.7	7. Distribution and storage equipment 12.5	Loading goods	3,385	3.2	+10.9	17.7
	Pumps	1,681	1.6	+9.1	15.7		Conveyors	671	0.6	+9.6	15.7
	Welding equipment	1,006	1.0	+8.3	18.4		Transportation goods	5,194	5.0	+11.6	22.5
	Painting and interior goods	1,051	1.0	+2.8	24.4		Containers and vessels	1,895	1.8	+8.9	30.8
	Civil engineering and building goods	818	0.8	+18.0	13.9		Steel shelves	1,977	1.9	+7.9	27.0
	Ladders and stepladders	1,519	1.4	+9.8	22.6	8. Research management equipment 4.6	Tool wagons	584	0.6	+9.0	28.8
	Piping and materials of electric equipment	1,581	1.5	+12.6	23.4		Storage and management goods	709	0.7	+9.3	31.7
	Component, hardware, and building materials	3,009	2.9	+9.3	28.5		Work benches	789	0.8	+11.3	26.5
4. Work supply 17.9	Cutting goods	634	0.6	-4.6	23.2		Stainless goods	959	0.9	+10.4	17.7
	Grinding and polishing goods	3,491	3.3	+6.5	24.1	9. Office and housing facility equipment 9.2	Research and development-related goods	1,736	1.7	+14.4	17.5
	Chemical products	8,970	8.6	+7.7	23.0		Cleaning utensils	2,827	2.7	+11.2	21.7
	Factory miscellaneous goods	1,723	1.6	+6.1	15.7		Stationery	831	0.8	+17.2	19.1
	Packing and binding goods	2,474	2.4	+13.8	30.4		Office miscellaneous goods	1,134	1.1	+12.1	28.3
	Castors	1,463	1.4	+3.2	18.1		Electric appliances	1,762	1.7	+10.6	23.6
5. Hand tool 17.1	Electric power tools and accessories	4,837	4.6	+8.4	15.2		OA business machinery	785	0.7	+15.6	26.8
	Pneumatic tools and accessories	3,265	3.1	+8.4	18.8		Office furniture	2,141	2.0	+8.0	25.0
	Tools for manual work	8,958	8.5	+8.3	22.0		Interior goods	139	0.1	-0.3	20.7
	Tool boxes	872	0.8	+6.6	31.4		Other total	202	0.2	-6.6	16.6
Total		104,877	100.0	+9.4	21.7						

(Million yen, %)

Air conditioning goods: sales of stoves and other winter goods, which grew smoothly through the factory route and e-business route in the first quarter, gained steadily in the second quarter along with sales of summer items, including spot air conditioners and factory-use folding fans.

## B-⑦ Sales of private brand (PB) goods

## Sales of PB goods by category of goods

\* Excluding sales through other routes

Unit: million yen

	Entire company		Factory route		e-business route		Home center route	
	Constituent ratio	20.6%	Constituent ratio	20.5%	Constituent ratio	26.4%	Constituent ratio	6.9%
	Gross profit margin	35.8%	Gross profit margin	35.8%	Gross profit margin	36.5%	Gross profit margin	29.8%
	Net sales	Year-on-year change	Net sales	Year-on-year change	Net sales	Year-on-year change	Net sales	Year-on-year change
Total	21,583	+7.8%	17,086	+4.4%	3,894	+26.0%	440	+2.3%
Cutting tool	343	+8.8%	255	+7.4%	51	+25.9%	30	- 1.7%
Production processing goods	762	+5.1%	597	+3.2%	143	+18.2%	10	+3.6%
Construction goods	1,747	+6.0%	1,357	+3.0%	342	+17.9%	30	+2.9%
Work supply	3,723	+6.1%	3,091	+3.5%	570	+23.4%	36	+1.7%
Hand tool	2,297	+6.2%	1,764	+2.3%	432	+23.9%	69	+3.7%
Environmental safety equipment	3,278	+9.2%	2,651	+7.0%	573	+22.9%	44	- 5.1%
Distribution and storage equipment	5,463	+8.9%	4,231	+4.7%	992	+32.1%	211	+3.4%
Research management equipment	1,879	+8.3%	1,538	+3.4%	323	+37.6%	1	+105.8%
Office and housing facility equipment	2,084	+10.3%	1,598	+6.1%	465	+24.0%	4	+11.5%
Other	1	+2.6%	0	-	0	-	1	+2.6%



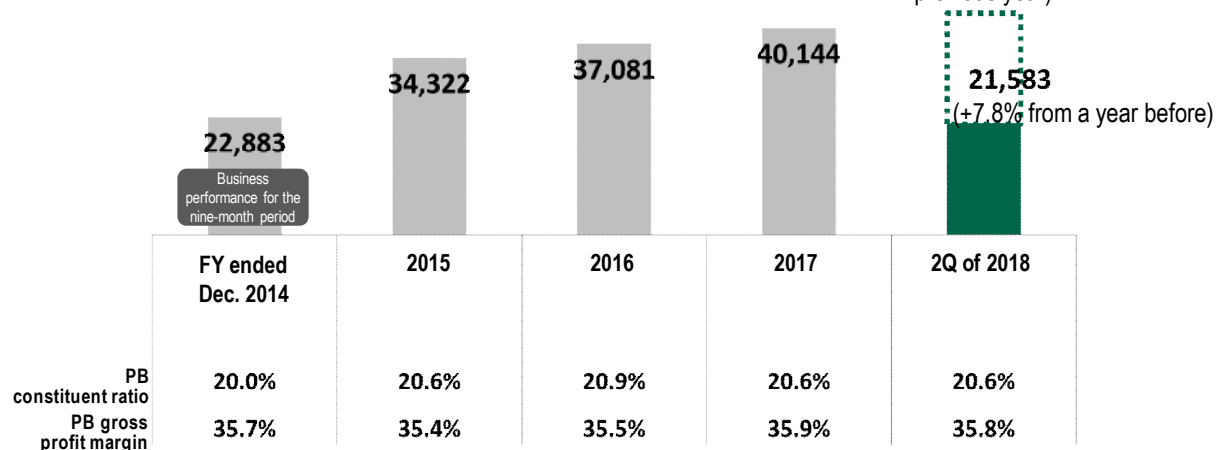
## Private brand (PB) products:

Trusco Nakayama launches approximately 5,000 new PB items developed by the company every year. Compared with national-brand products, PB products see a higher ratio of profit against sales. PB products account for 20.6% of the company's total sales in terms of value.

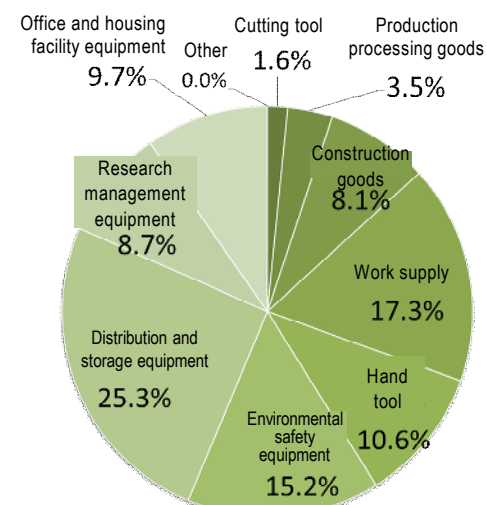


## Change in sales of PB goods (Units: million yen)

Budget: 43,000  
(+7.1% from the previous year)

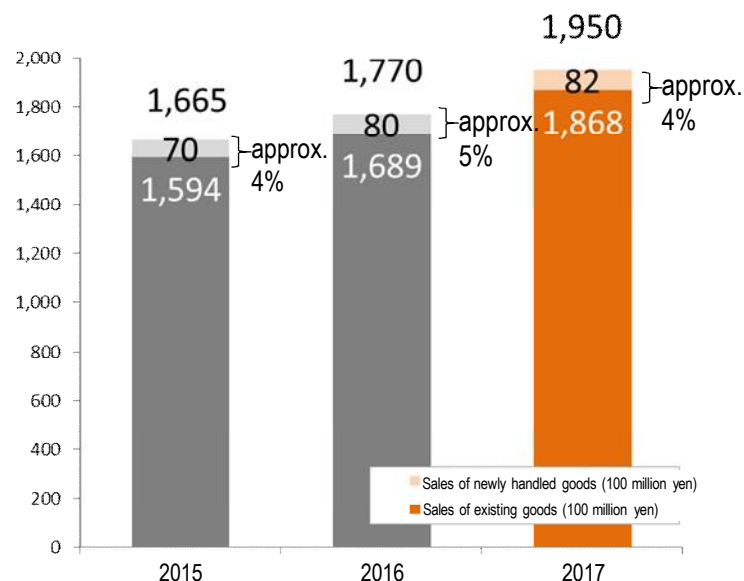


## PB sales ratio by category of goods



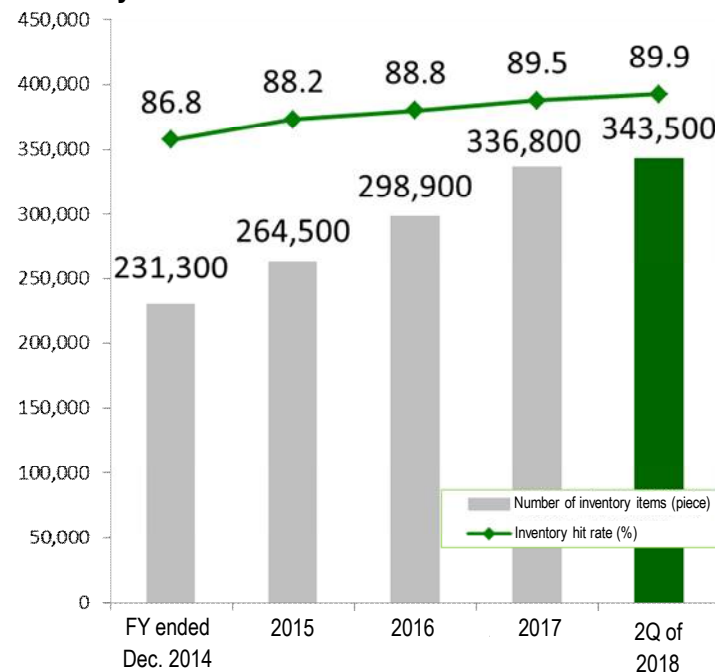
# C-① Changes in sales of newly listed goods, number of inventory items, inventory hit rate and the number of accounts established for sales

## 1. (Changes in sales of) goods newly handled under TRUSCO Orange Book compared with total sales

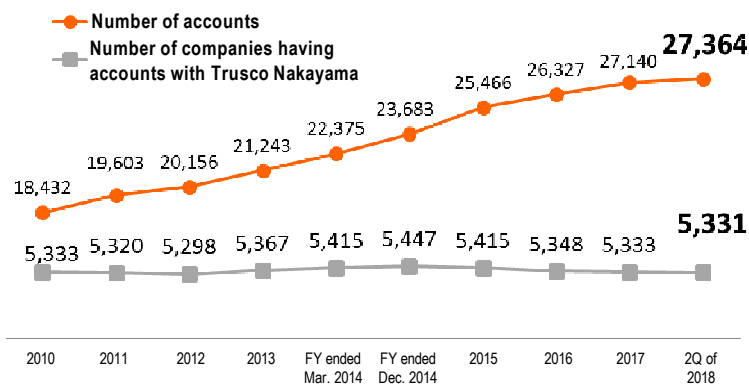


\* The figures shown above are slightly different from the figures listed in the material prepared after the analysis of first-quarter business performance data, released on May 8, because the method of compiling statistics for newly existing goods was changed.

## 2. Change in the number of inventory items and the inventory hit rate



## 3. Change in the number of outstanding accounts



1. Goods newly listed in the TRUSCO Orange Book, a merchandise catalog, accounted for approximately 4% of total sales.
2. Inventory hit rate: Number of rows shipped from inventory divided by the number of rows ordered  
The initial target of 90% was almost attained.
3. The number of companies with which Trusco Nakayama makes business transactions has been on the decline but the number of accounts established for such transactions, seen as key to boosting sales, has kept growing steadily. (Reference: About 100 companies terminate transactions with Trusco Nakayama every year.)

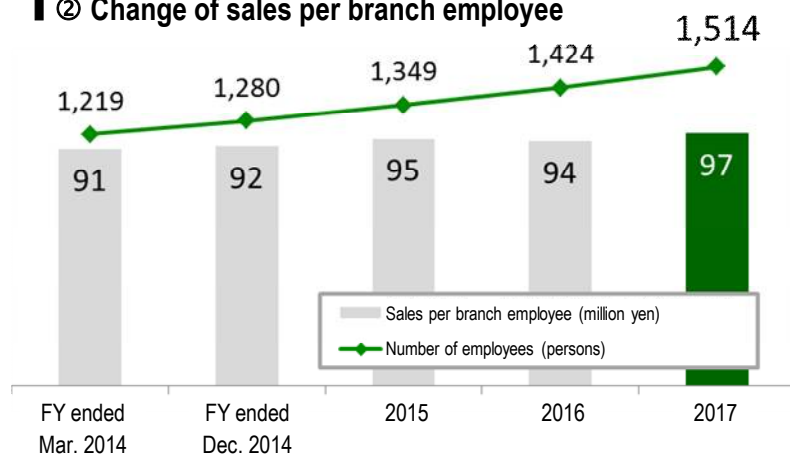
### ■ ① System orders received (including FAX-OCR)

[Reference] Cumulative total inquiries filed at the end of June : DOTKUL = 690/day; Web accesses = about 79,100/day

Orders obtained	Number of rows for orders (rows)	Share	Change from a year before	Order amount (million yen)	Share in terms of amount	Change from a year before
TRUSCO Orange Book.Com (distributors, customers) order through the Internet	7,129,071	44.1%	+3.5	44,843	42.8%	+5.2
Trusco EDI Connecting with the distributor's ordering system	2,490,558	15.4%	+28.2	9,941	9.5%	+28.8
DOTKUL FAX-OCR	237,933	1.5%	* -26.0	1,102	1.1%	* -27.6
Orange Commerce Connecting with the customer's purchasing system	233,067	1.4%	* -9.5	1,346	1.3%	* -9.7
EOS Home center electronic ordering system	3,117,632	19.3%	+18.2	5,673	5.4%	+7.3
<b>Total</b>	<b>13,208,261</b>	<b>81.7%</b>	<b>+9.6</b>	<b>62,907</b>	<b>60.0%</b>	<b>+7.2</b>

\* Behind the decrease was the transfer to Trusco EDI.

### ■ ② Change of sales per branch employee



\* Figures listed above as sales per branch employee take into account sales management costs (including distribution costs and personnel costs at the head office).

#### Improvement of business efficiency due to an increase in system orders received

- 1) Ratio of system orders received against total orders received: 81.7%  
Sales from system-based automatic orders accounted for more than 80% of total orders received through all routes as of the end of June.
- 2) Sales amounted to approximately 97 million yen per branch employee.

## ■ Segment information, etc.

Units: million yen, %, ( ) year-on-year change

		2Q of FY ending Dec. 2018	
		Net sales	Ordinary income or loss
Reportable segments	Factory route	83,271 (+6.9)	5,733 (-5.9)
	e-business route	14,742 (+26.7)	1,365 (+12.2)
	Home center route	6,426 (+9.1)	-77 (Previous year: 4 million yen)
	Total	104,440 (+9.4)	7,021 (-4.0)
Other (Overseas sales section)		437 (+6.4)	-40 (Previous year: -5 million yen)
Total		104,877 (+9.4)	6,981 (-4.5)
Adjustments		—	107
Amounts on financial statements		104,877 (+9.4)	7,089 (-4.5)

1. The *Other* segment includes overseas sales, etc., that are not included in reportable segments.
2. Adjustments of 107 million yen in ordinary income include ordinary income that is not attributable to each reportable segment.

\*Adjustments: Revenue from property leasing, etc.

## ■ Balance sheet

As of June 30, 2018  
Unit: million yen, %, ( ) Change from the end of the previous fiscal year

Assets	Liabilities and shareholders' equity
<b>Current assets</b> 68,436 (-1.9)	<b>Current liabilities</b> 23,113 (+7.9)
	<b>Non-current liabilities</b> 12,236 (-0.1)
<b>Non-current assets</b> 83,997 (+8.3)	<b>Net assets</b> 117,083 (+3.0)
Of which property, plant, and equipment 73,258 (+8.0)	<b>Net worth</b> 76.8%
<b>Total assets</b> 152,433(+3.4)	

## ■ Statement of cash flows

Unit: million yen

	2Q of FY ending Dec. 2018
Cash flows from operating activities	2,995
Cash flows from investing activities	-7,859
Cash flows from financing activities	-1,285
Effect of exchange rate change on cash and cash equivalents	2
Net increase (decrease) in cash and cash equivalents	-6,147
Cash and cash equivalents at beginning of period	10,412
Cash and cash equivalents at end of period	4,265



## D-② Selling, general and administrative expenses (SGA)

Breakdown of selling, general and administrative expenses

Unit: million yen, %

	2Q of FY ended Dec. 2017	2Q of FY ending Dec. 2018	Changes	Change from a year before
1 Freight and packing expenses	2,240	2,678	437	+19.5
2 Advertising expenses	213	408	195	+91.8
3 Promotion expenses	112	227	115	+103.1
4 Vehicle expenses	103	117	14	+13.6
5 Remuneration paid to directors	175	187	12	+6.9
6 Salary and bonus	5,354	5,848	493	+9.2
7 Provision for bonuses	569	502	-67	-11.8
8 Welfare expenses	990	1,099	109	+11.0
9 Entertainment expenses	52	67	15	+29.7
10 Traveling expenses and transportation expenses	275	297	21	+7.9
11 Communication expenses	147	168	20	+14.0
12 Commission fee	613	778	165	+26.9
13 Supplies expenses	273	464	191	+69.9
14 Utilities expenses	122	139	17	+14.1
15 Taxes and dues	492	667	174	+35.5
16 Depreciation	1,304	1,550	246	+18.9
17 Leasehold and office rents	200	324	123	+61.4
18 Other	184	224	40	+21.8
Total	13,425	15,753	2,327	+17.3

## ~ Main factors behind changes ~

- Effects from an increase in the amount of regular-route shipments due to higher sales (+ approx. 170 million yen)
- Effects from a hike in regular-route shipping fees (+ approx. 100 million)
- Effects from an increase in the number of transport vehicles (shipping contracts) (+ about 103 million yen/increase of 12 shipping contracts)

Increase due to sponsorship of a TV TOKYO program, "Trusco: Shirarezaru Galliver ~ Excellent Company File," from October last year

- Expenses for the English version of Trusco digital Orange Book (112 million yen); increase in expenses for in-house use of Trusco Orange Book (+43 million yen)

- Increase of 118 regular employees (Breakdown: 52 in career-track positions, 59 in logistics positions, and others) and 124 part-timers
- Increase in pay for overtime work (+49 million yen)

- Increase in system maintenance and inspection fees (+115 million yen)

- Expenses for expendable items at Planet Saitama (180 million yen)

- Estimated payments of real estate acquisition taxes by Planet Saitama (186 million yen)

- Buildings and power facilities at Planet Saitama (144 million yen)
- Systems, including the merchandise database "Stella" (123 million yen)

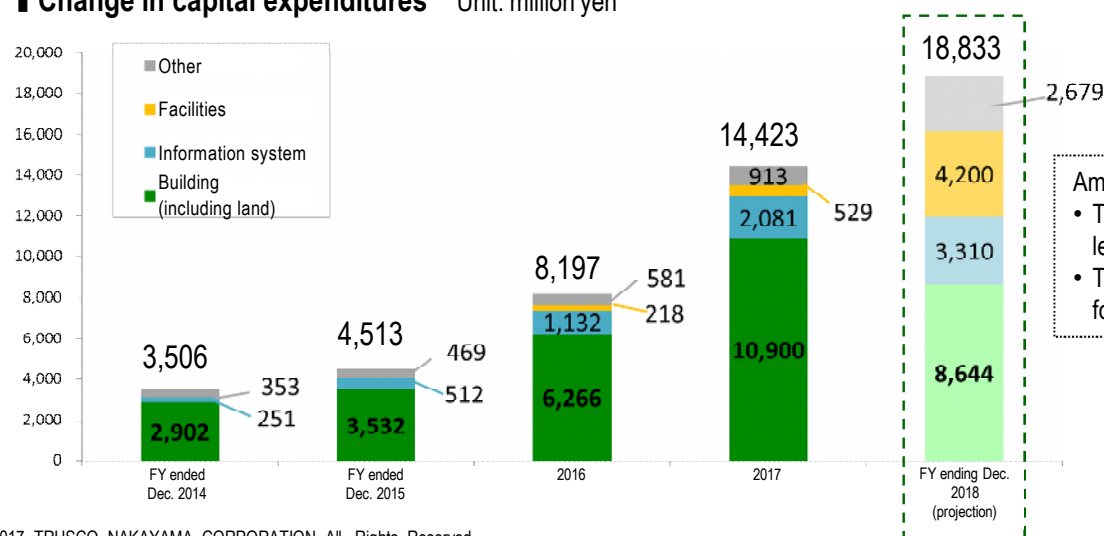
- Increase in warehouse rental expenses in connection with the reconstruction of the building housing Planet Minami-Kanto (+61 million yen)
- Increase in expenses for using outside warehouse facilities (+54 million yen)

## D-③ Capital expenditures

## ■ 56th business year capital expenditures

Breakdown of capital spending in 56th business year		Planned total capital expenditures	Expenditures made until the previous Q	Cumulative expenditures for 2Q	Planned expenditures for 3Q and after
Buildings	Planet Saitama: building, design	13,473	10,419	3,034	20
	Planet Minami-Kanto: reconstruction	8,780	280	870	1,803
	Planet Tohoku: building enlargement	3,950	0	—	826
	Planet Kita-Kanto: building enlargement	1,178	56	6	322
Facilities	Planet Saitama: material handling	3,240	0	1,687	854
	Planet Tokai: material handling	1,277	0	192	1,085
	Planet Kita-Kanto: material handling	779	97	382	—
Systems	Replacement of site for order placement and receipt	2,714	0	298	710
	Replacement of EC site	885	0	835	50
	Related to introduction of AI	458	0	158	—
	Related to other information systems	—	—	433	826
Land	Nishi-Nippon Distribution Center (Yamatokoriyama): land	2,997	144	—	190
	Planet Aichi (Kita Nagoya City): land	1,832	0	—	205
	Planet Hokkaido: land	1,110	0	—	1,110
	Takamatsu Branch: land	258	0	—	258
Others		—	—	984	1,695
Total				8,879	9,954

## ■ Change in capital expenditures Unit: million yen



## Amount of capital spending:

- The amount of capital spending includes planned spending, possibly leading to fluctuations in actual investment.
- The "Others" category includes investment in corporate welfare facilities for employees and investment in Trusco Nakayama Indonesia.

## E-① Mid-term management plan

The aggregate of the annual budget plans compiled by branch managers across Japan is adopted as the company's annual budget. Knowledgeable about marketing, branch managers compile the budgets as they are tasked with formulating and implementing business strategies, including personnel deployment, and are fully responsible for the consequences of their respective budgets. The aggregate of their annual budget plans will continue to be Trusco Nakayama's annual budget, which means budget plans will be reviewed on an annual basis.

The company announced an upward revision of its earnings on Aug. 3, 2018.

		Results for the 55th business year (FY ended Dec. 2017)			Budget for the 56th business year (FY ending Dec. 2018)			Budget for the 57th business year (FY ending Dec. 2019)		
		Results (million yen)	Constituent ratio (%)	Change from the previous year (%)	Budget (million yen)	Constituent ratio (%)	Change from the previous year (%)	Budget (million yen)	Constituent ratio (%)	Change from the previous year (%)
Net sales		195,096	100.0	110.2	213,000	100.0	109.2	230,000	100.0	108.0
	Factory route	157,405	80.7	108.1	169,000	79.3	107.4	179,000	77.8	105.9
	e-business route	24,377	12.5	129.1	30,300	14.2	124.3	37,000	16.1	122.1
	Home center route	12,398	6.3	103.2	12,600	5.9	101.6	12,800	5.6	101.6
	Other (overseas)	915	0.5	159.5	1,100	0.7	120.2	1,200	0.7	109.1
Gross profit		41,390	21.2	107.9	45,000	21.1	108.7	48,500	21.1	107.8
	Factory route	32,860	20.9	105.3	35,000	20.7	106.5	36,710	20.5	104.9
	e-business route	6,176	25.3	124.8	7,600	25.1	123.1	9,300	25.1	122.4
	Home center route	2,175	17.5	103.3	2,200	17.5	101.1	2,250	17.6	102.3
	Other (overseas)	177	19.4	162.9	200	18.2	113.0	240	20.0	120.0
Selling, general and administrative expenses		27,114	13.9	112.0	31,400	14.7	115.8	34,000	14.8	108.3
Operating income		14,276	7.3	100.8	13,600	6.4	95.3	14,500	6.3	106.6
Ordinary income		14,581	7.5	101.0	13,850	6.5	95.0	14,750	6.4	106.5
Net income		10,173	5.2	102.1	9,300	4.4	91.4	10,000	4.3	107.5
Net income per share*		154.28 yen	—	—	141.3 yen	—	—	151.64 yen	—	—
Dividend per share*		39 yen	—	—	35.50 yen	—	—	38 yen	—	—
Number of outstanding shares*		66,008,744	—	—	66,008,744	—	—	66,008,744	—	—
Sales of private brand goods		40,144	20.6	108.3	43,000	20.2	107.1	46,200	20.1	107.4
	Factory route	32,613	20.7	106.2	34,220	20.2	104.9	35,640	19.9	104.1
	e-business route	6,381	26.2	121.5	7,550	24.9	118.3	9,200	24.9	121.9
	Home center route	881	7.1	93.9	930	7.4	105.5	1,000	7.8	107.5
	Other (overseas)	267	29.2	154.0	300	27.3	112.1	360	30.0	120.0
Gross profit margin of private brand goods		35.9	—	—	35.9	—	—	35.9	—	—
Number of private brand inventory goods		43,500	—	110.2	48,000	—	110.3	53,000	—	110.4
Number of private brand goods listed in the Orange Book		50,200	—	110.1	55,000	—	109.6	59,500	—	108.2
Depreciation		2,773	—	113.5	3,700	—	133.4	4,600	—	124.3
Investment in systems		744	—	109.9	1,010	—	135.8	1,450	—	143.6
Inventory value		31,841	—	109.6	36,400	—	114.3	39,000	—	107.1
Number of employees		1,514	—	106.3	1,630	—	107.7	1,730	—	106.1
Number of part-timers		1,049	—	122.0	1,180	—	112.5	1,280	—	108.5

Since the mid-term management plan is based on the Company's judgment when preparing the materials, the Company does not guarantee the accuracy of the information. Please note that actual business performance and results may differ from the forecast due to various factor changes.