

The 58th Business Year Business Performance Data Analysis

Fiscal Year Ended December 2020



◀ **Planet Tohoku extended,
with operations commencing
on May 7, 2020**



**Planet South Kanto renovated,
with operations commencing
on August 17, 2020.** ▶

Trusco Nakayama Corporation

Announced February 12, 2021

Tatsuya Nakayama, General Manager of the
Corporate Planning Div. and Accounting Div.
Atsushi Shimozu, Manager, Corporate
Planning & IR Section
Minori Hirano, Corporate Planning & IR
Section

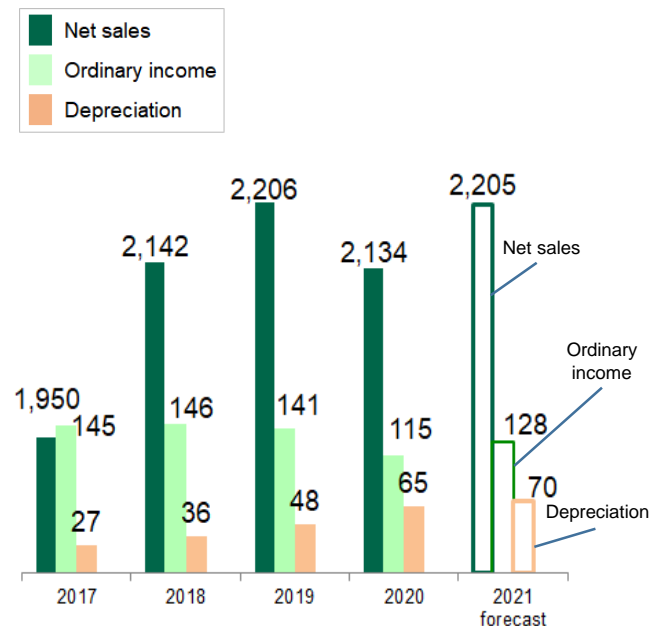
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[Consolidated] Company overview

As of the end of 2020

Founding	May 15, 1959
Representative	Tetsuya Nakayama, President Chairman, Nakayama Visually Impaired Welfare Foundation Vice president, Japan Federation of Machine Tool Distributors Associations President, Osaka Machine Appliance Wholesaler Cooperative
Head offices	Tokyo Head Office (Minato-ku, Tokyo, registered as official headquarters) Osaka Head Office (Nishi-ku, Osaka City)
Number of offices	98 in total: 95 domestic bases: 2 head offices, 67 sales branches, 26 distribution centers 3 overseas bases: Local subsidiaries: Thailand and Indonesia Representative office: Germany (Dusseldorf)
Capital stock	5,022,370,000 yen
Listed stock exchange	First section of the Tokyo Stock Exchange (Code number: 9830)
Number of employees	2,786 (12 executives, 1,674 full-time employees, 1,100 part-time employees)
Credit rating	A (Rating and Investment Information, Inc.)
Line of business	Wholesaler of industrial equipment such as machine tools, distribution equipment and environmental safety equipment (and consumables used in factories) and planning and development of products under the company's own brand, TRUSCO

➤ Change in Net Sales, Ordinary Income and Depreciation (Unit: 100 million yen)

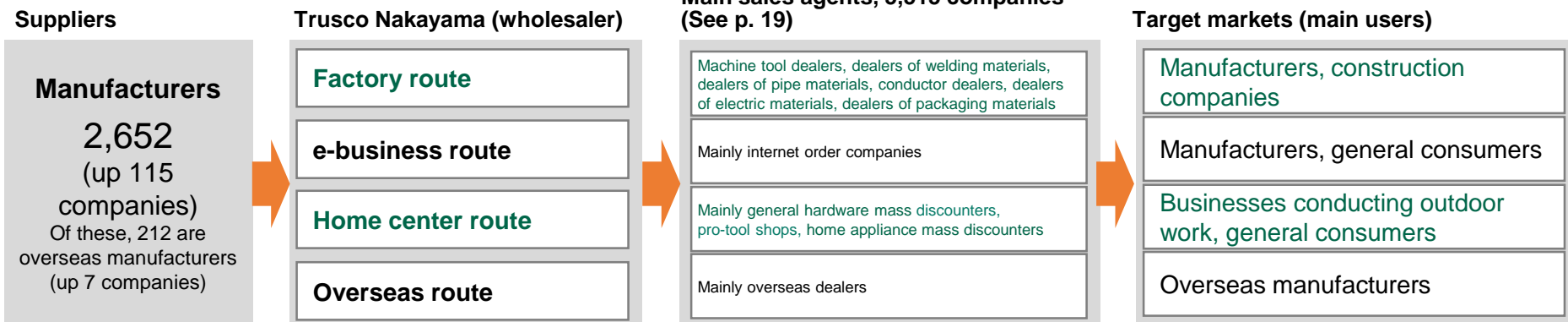


[Non-consolidated]

[Consolidated]

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

Business flow () Year-on-year change



A-(1) [Consolidated] Business performance

- The business performance forecast was revised on October 29, 2020.
- Consolidated net sales: Down 3.3% year on year, +0.7% from the budget. The number of business days was larger by four than in the same period a year earlier.
(Number of business days – last year: 235, this year: 239)
* The number of business days is the non-consolidated number.
- Consolidated gross profit margin: 21.5%, up 0.2 percentage points year on year, for reasons of factors (1) and (2) mentioned below.
=> (1) Sales in the category of protective equipment, including face masks and gloves, with high gross margin ratios expanded due to the COVID-19 pandemic (up 15.6% year on year).
(2) Total gross profit margin rose after growth in sales on the e-business route (See p. 11 for details on the e-business route).
- SGA (up +5.0% year on year): The main factors were increased depreciation due to capital expenditures, and higher commission fees (maintenance and inspection) related to logistics equipment and systems.
Employee overtime payments have trended downwards (see pp. 21 and 22 for details on SGA).

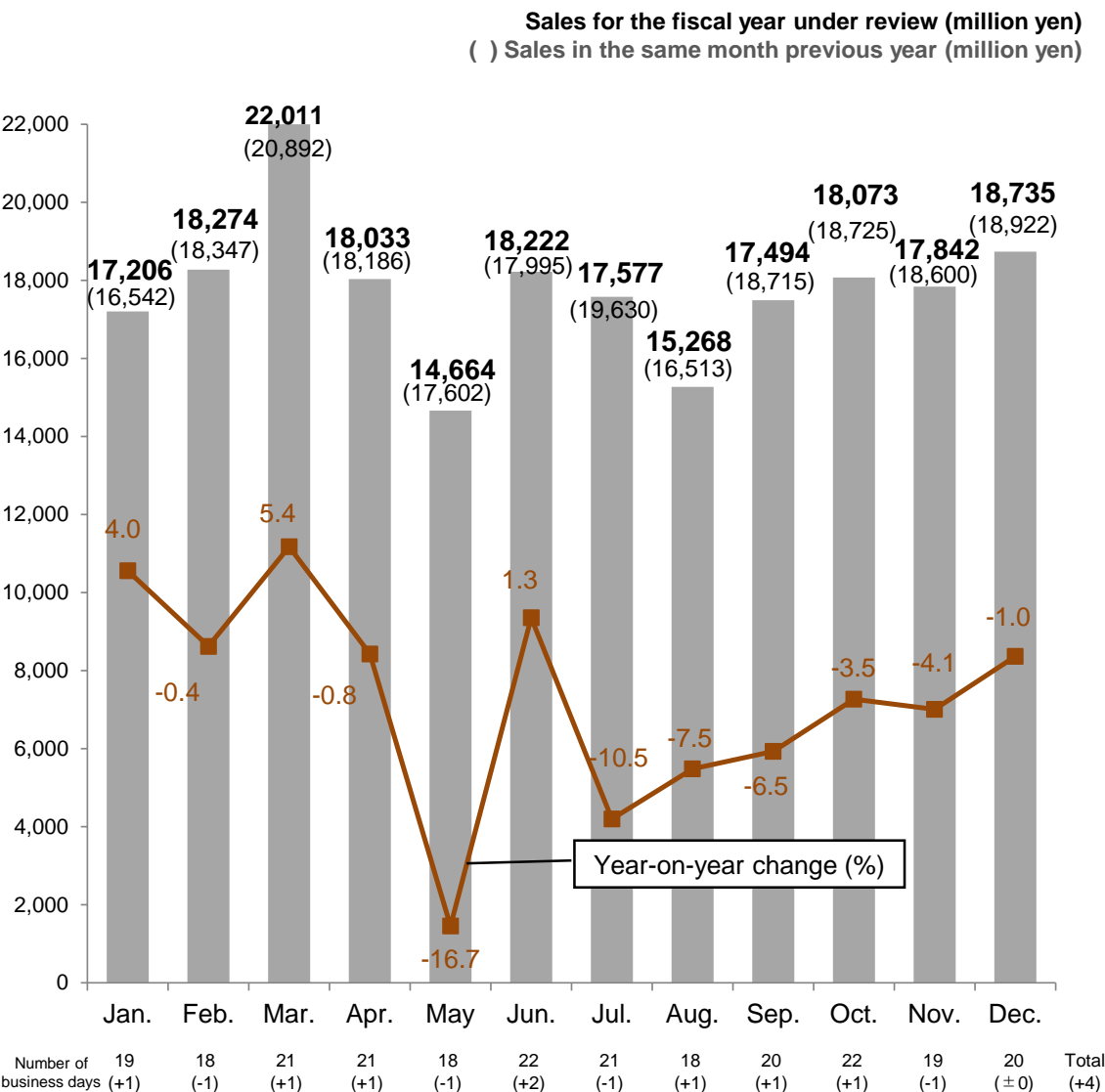
	Jan. to Dec. 2019		Jan. to Dec. 2020						
	Actual results	Share (%)	Actual results	YoY change (%)	Share (%)	Budget	Share (%)	Change from budget	Change from budget (%)
Net sales	¥220,674 million	-	¥213,404 million	-3.3%	-	¥211,965 million	-	+¥1,439 million	+0.7
Gross profit	¥47,034 million	21.3	¥45,909 million	-2.4%	21.5	¥46,170 million	21.8	-¥260 million	-0.6
Selling, general and administrative expenses (SGA)	¥33,237 million	15.1	¥34,891 million	+5.0%	16.4	¥35,122 million	16.6	-¥230 million	-0.7
(depreciation included in SGA)	¥4,876 million	2.2	¥6,565 million	+34.6%	3.1	¥6,458 million	3	+¥106 million	+1.7
Operating income	¥13,797 million	6.3	¥11,017 million	-20.1%	5.2	¥11,048 million	5.2	-¥30 million	-0.3
Ordinary income	¥14,197 million	6.4	¥11,559 million	-18.6%	5.4	¥11,412 million	5.4	+¥147 million	+1.3
Profit attributable to owners of parent	¥9,613 million	4.4	¥8,007 million	-16.7%	3.8	¥7,850 million	3.7	+¥157 million	+2.0
Net income per share	¥145.78	-	¥121.43	-24.35	-	¥119.04	-	+¥2.39	-
Dividend per share	¥36.50	-	¥30.50	-6.00	-	¥30.00	-	+¥0.50	-

A-(2) [Non-consolidated] Business performance

	Jan. to Dec. 2019		Jan. to Dec. 2020						
	Actual results	Share (%)	Actual results	YoY change (%)	Share (%)	Budget	Share (%)	Change from budget	Change from budget (%)
Net sales	¥220,357 million	—	¥213,205 million	-3.2%	—	¥211,786 million	—	+¥1,419 million	+0.7
Gross profit	¥46,856 million	21.3	¥45,733 million	-2.4%	21.5	¥45,994 million	21.7	-¥260 million	-0.6
Selling, general and administrative expenses (SGA)	¥32,934 million	14.9	¥34,630 million	+5.1%	16.2	¥34,864 million	16.5	-¥233 million	-0.7
(depreciation included in SGA)	¥4,801 million	2.2	¥6,495 million	+35.3%	3.0	¥6,458 million	3.0	+¥37 million	+0.6
Operating income	¥13,921 million	6.3	¥11,102 million	-20.2%	5.2	¥11,130 million	5.3	-¥27 million	-0.2
Ordinary income	¥14,302 million	6.5	¥11,635 million	-18.7%	5.5	¥11,484 million	5.4	+¥151 million	+1.3
Net income	¥9,715 million	4.4	¥8,085 million	-16.8%	3.8	¥7,925 million	3.7	+¥160 million	+2.0
Sales of PB goods	¥43,890 million	19.9	¥41,302 million	-5.9%	19.4	¥41,760 million	19.7	-¥457 million	-1.1
Net income per share	¥147.32	—	¥122.62	-¥24.70	—	¥120.18	—	+¥2.44	—

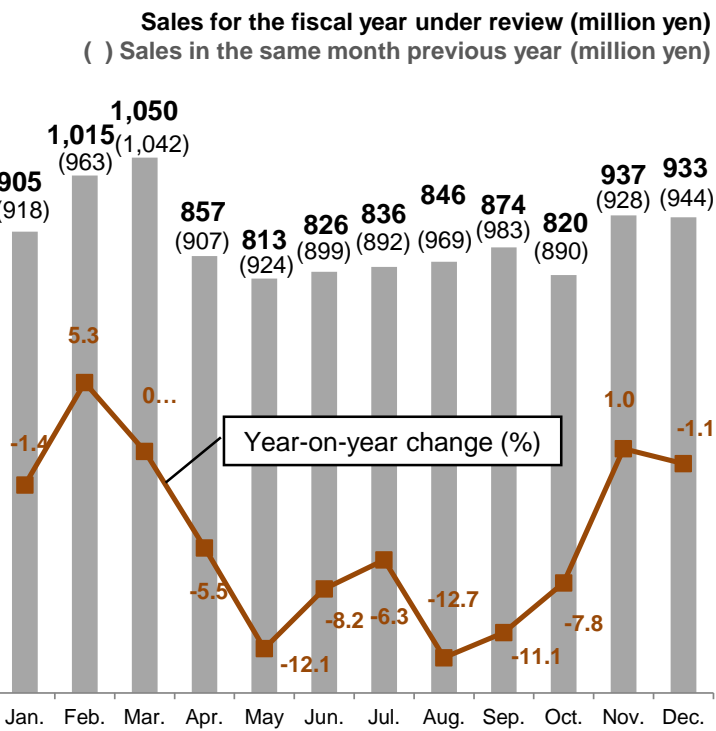
A-(2) Company-wide monthly sales and sales per day in FY ended December 2020

I [Consolidated] Total



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

Orders are constantly placed for consumables used in factories. We carry out a year-on-year comparison of sales per day. Our sales increase during the peak periods of March when many companies close their accounts. Actual figures are calculated based on the number of business days of Trusco Nakayama Corporation.



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

Net sales by sales route

	FY ended December 2019				FY ended December 2020										
	Net sales		Gross profit margin	Ordinary income	Net sales							Gross profit margin		Net sales	
Sales route	Actual results	Share	Actual results	Actual results	Actual results	Share	YoY change	YoY change	Budget	Comparison with the budget	YoY change	Actual results	YoY change	Actual results	YoY change
Factory route	¥170,041 million	77.1%	20.8%	¥10,932 million	¥156,765 million	73.4%	-¥13,276 million	-7.8%	¥155,689 million	+¥1,075 million	+0.7%	20.9%	+0.1pt	7,863 million	-28.1%
e-business route	¥34,492 million	15.6%	25.1%	¥3,155 million	¥38,417 million	18.0%	+¥3,925 million	+11.4%	¥38,270 million	+¥147 million	+0.4%	25.3%	+0.2pt	3,137 million	-0.6%
Home center route	¥14,703 million	6.7%	17.5%	¥64 million	¥16,992 million	8.0%	+¥2,289 million	+15.6%	¥16,784 million	+¥208 million	+1.2%	17.6%	+0.1pt	290 million	+350.7%
Overseas route	¥1,437 million	0.6%	28.5%	-¥234 million	¥1,228 million	0.6%	-¥208 million	-14.5%	¥1,220 million	+¥8 million	+0.7%	32.0%	+3.5pt	-210 million	-
Total	¥220,674 million	100%	21.3%	¥14,197 million	¥213,404 million	100%	-¥7,270 million	-3.3%	¥211,965 million	+¥1,439 million	+0.7%	21.5%	+0.2pt	11,559 million	-18.6%

Factory route: Down 7.8% year on year

Although business conditions were turning around after the state of emergency, capital expenditure projects remained weak due to the COVID-19 pandemic. As factories began to resume operation, sales of consumables rallied gradually. (See p. 10)

e-business route: Up 11.4% year on year

Sales to mail order companies surged by 13.0% year on year, and those to companies participating in Orange Commerce increased by 6.2%. (See p. 11) While sales to some mail order companies slowed due to poor business confidence, orders mainly from B2C mail order firms increased after a rise in products handled and the effect of people remaining at home due to the COVID-19 pandemic, which led to sales growth.

Home center route: Up 15.6% year on year

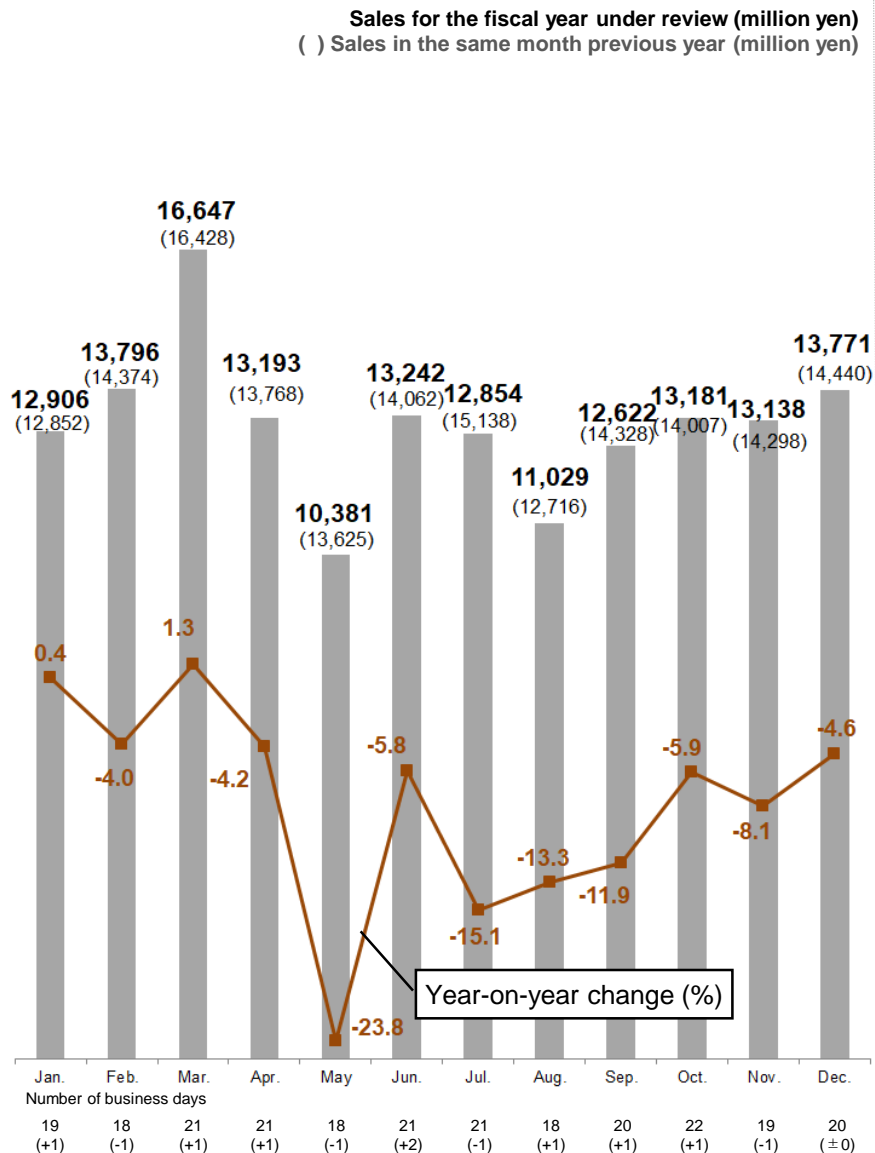
With a rise in DIY demand due to the stay-at-home effect and a surge in sales after the change of suppliers, transactions with leading home centers were strong. Sales to pro-tool shops continued to grow. (See p. 12)

Overseas route: Down 14.5% year on year

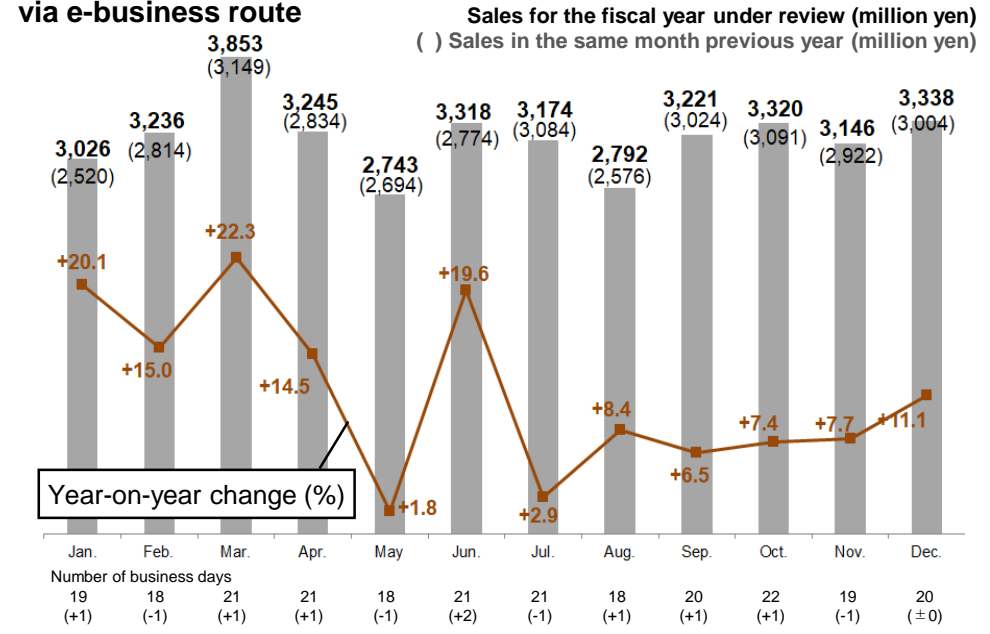
A slowdown in sales due to reduced production from the pandemic, primarily in the automotive industry, was seen in Thailand and Indonesia. While the effect on overall business performance is minor, continued and proactive efforts will be made to strengthen business with existing customers and develop new customers. (See p. 13)

B-(2) [Consolidated] Change in Monthly Sales by Sales Segment

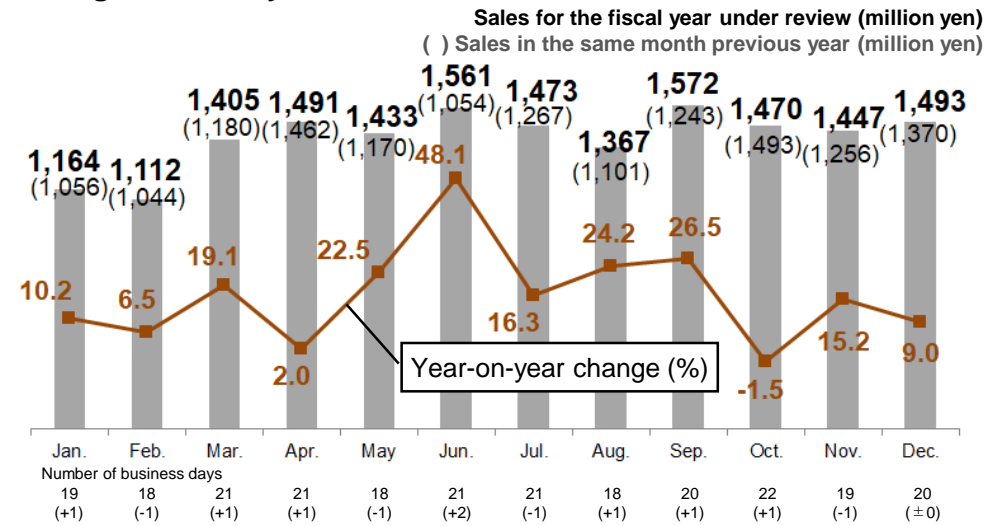
Change in monthly sales earned via factory route



Change in monthly sales earned via e-business route

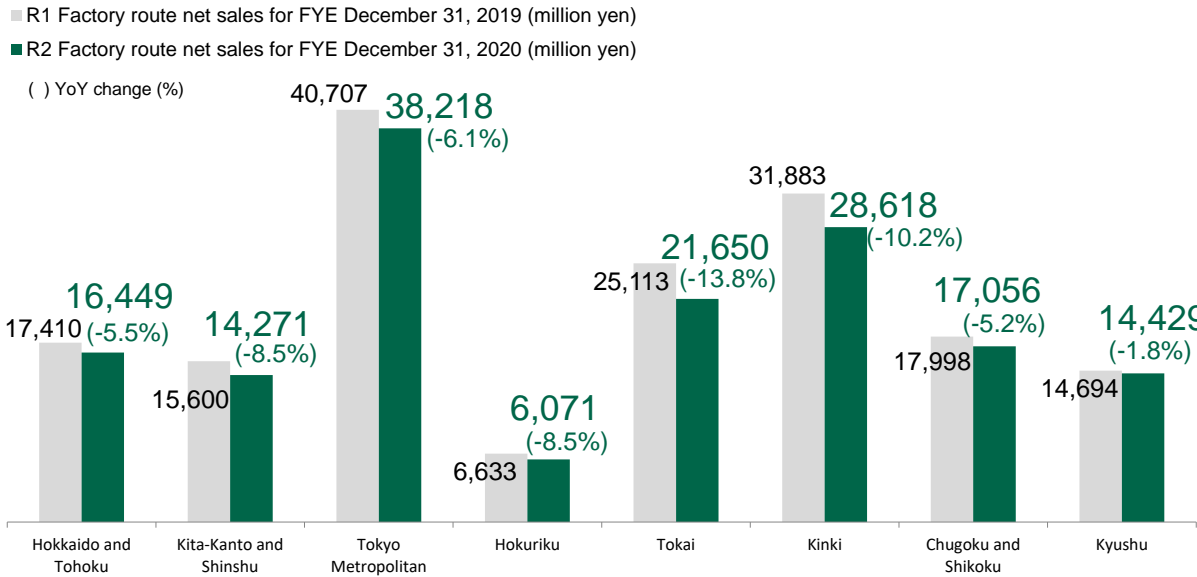


Change in monthly sales earned via home centers

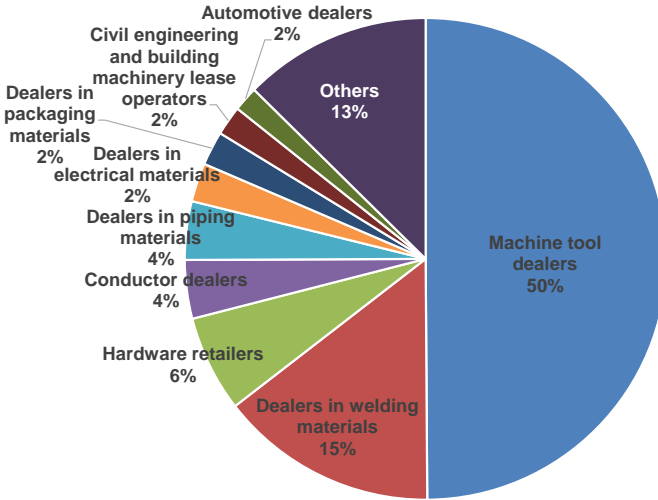


B-(3) [Consolidated] Factory route: Business performance by region, industry and sales route

Factory route: Sales by region



Factory route: Sales constituent ratio by industry



Factory route sales by industry

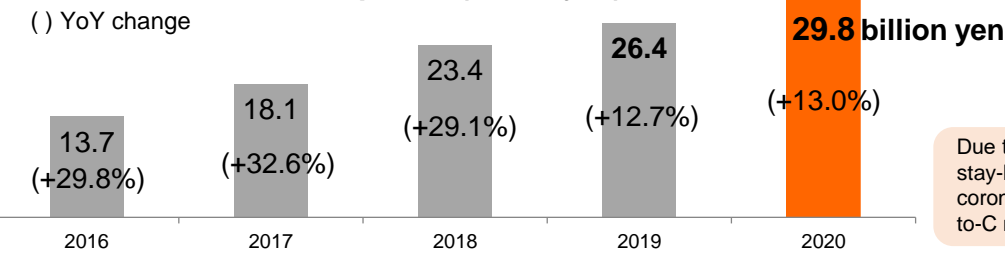
Sales route	FY ended December 2019			FY ended December 2020						
	Net sales		Gross profit margin	Net sales					Gross profit margin	
	Actual results	Share	Actual results	Actual results	Share	YoY change	Budget	Comparison with the budget	Actual results	YoY change
Machine tool dealers	¥88,068 million	51.9%	20.6%	¥78,358 million	50.0%	-11.0%	¥78,510 million	-0.2%	20.7%	+0.1pt
Welding material dealers	¥24,543 million	14.4%	21.2%	¥22,988 million	14.7%	-6.3%	¥22,704 million	+1.3%	21.2%	±0.0pt
Other manufacturing related (incl. physical and chemical material, conductors, packaging material dealers)	¥27,452 million	16.1%	20.5%	¥25,703 million	16.4%	-6.4%	¥25,410 million	+1.2%	20.7%	+0.2pt
Construction related	¥29,977 million	17.6%	21.4%	¥29,716 million	18.9%	-0.9%	¥29,064 million	+2.2%	21.5%	+0.1pt
Total net sales via factory route	¥170,041 million	100.0%	20.8%	¥156,765 million	100.0%	-7.8%	¥155,689 million	+0.7%	20.9%	+0.1pt

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

Sales via e-business route

Sales route	FY ended December 2019		FY ended December 2020				
	Net sales		Net sales			Gross profit margin	
	Actual results	Share	Actual results	Share	YoY change	Actual results	YoY change
Mail order companies	¥26,452 million	76.7%	¥29,879 million	77.8%	+13.0%	24.6%	+0.1pt
Companies participating in Orange Commerce (Trusco's electronic central purchasing system)	¥8,040 million	23.3%	¥8,538 million	22.2%	+6.2%	27.8%	+0.6pt
Total net sales via e-business route	¥34,492 million	100.0%	¥38,417 million	100.0%	+11.4%	25.3%	+0.2pt

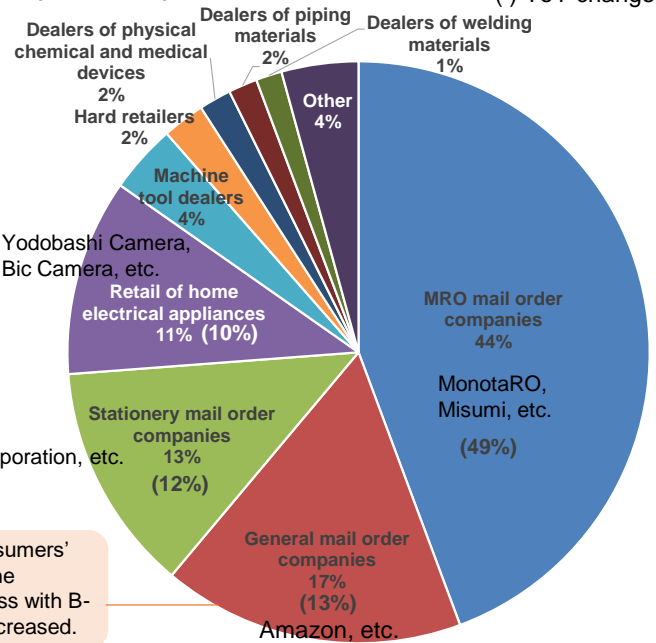
Sales to mail order companies (billion yen)



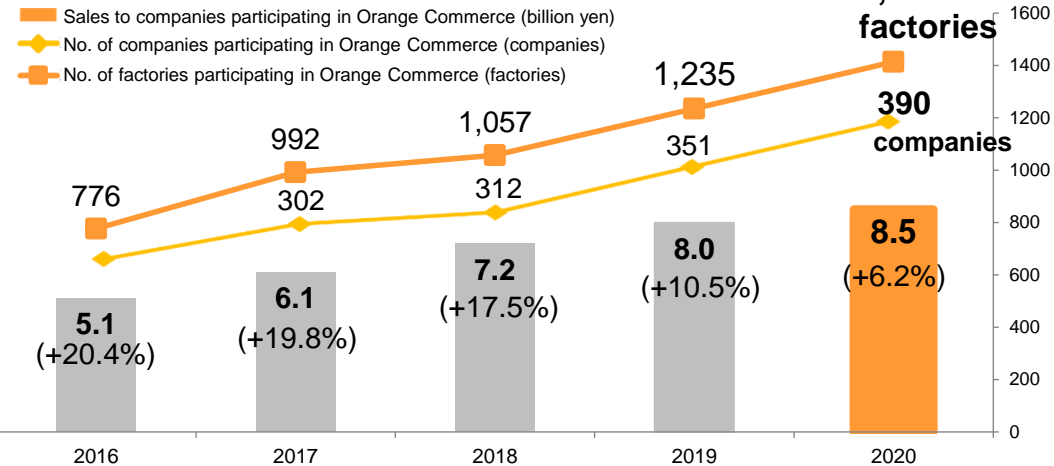
Askul, Otsuka Corporation, etc.

Due to the demand from consumers' stay-home practices due to the coronavirus outbreak, business with B-to-C mail order companies increased.

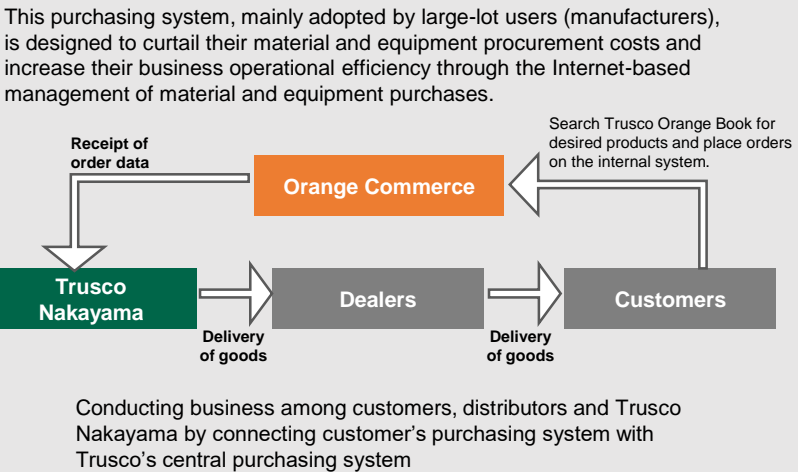
Sales to mail order companies: Sales ratio by industry



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



Trusco's electronic central purchasing system:



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

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

■ Ranking of sales to general hardware mass discounters

(Units: million yen; %)

Ranking	Name of client	FY ended December 2019	FY ended December 2020	YoY change
1	DCM Hodaka (Pro-tool Shop)	1,956	2,119	+8.3
2	Nufco	1,569	1,929	+22.9
3	Kohnan Shoji	1,270	1,871	+47.3
4	Cainz	1,154	1,353	+17.3
5	Royal Home Center	1,322	1,341	+1.5
6	DCM Kahma	1,181	1,296	+9.7
7	DCM Homac	1,149	1,191	+3.6
8	Shimachu	897	973	+8.4
9	Komeri	583	724	+24.1
10	DCM Daiki	553	639	+15.5
Combined sales to top 10 companies		11,638	13,439	+15.5
Combined sales via home center route		14,703	16,992	+15.6
Percentage share of sales to top 10 companies		79.2	79.1	-0.1

The number customers visiting home centers has increased in connection with stay-home practices due to the coronavirus pandemic, resulting in higher sales. In addition, strong sales have been achieved due to a higher number of product items being procured from the Company. On another front, general hardware mass discounters are working to integrate online stores with physical stores to improve services for visiting customers. This allows the Company's inventory to be used with greater convenience.

■ Sales to DCM Holdings

Total: ¥5,819 million (up 7.3% year on year)
DCM Hodaka, DCM Kahma, DCM Homac, DCM Daiki,
DCM Sanwa, DCM Kuroganeya, Keiyo, DCM ONLINE

■ Sales to pro-tool shops

Total: ¥2,147 million (up 12.0% year on year)
Pro-tool shops refer to dealers specializing in tools for professional craftspeople and factory workers. They are so compatible with our products that sales to them are rising.

Company names are presented in abbreviated forms.

B-(6) Business performance of overseas subsidiaries

■ Non-consolidated business performance of overseas subsidiaries

FY ended December 2020

Million yen

		Net sales	Gross profit	Selling, general and administrative expenses (SGA)	Operating income	Ordinary income	Net income
TRUSCO NAKAYAMA CORPORATION (THAILAND) LIMITED 1 baht = 3.44 yen (3.63 yen a year earlier)	Actual results	573	127	147	-19	-19	-19
	Share against net sales	-	22.3%	25.7%	-	-	-
	YoY change	-23.8%	-29.4%	-6.7%	-	-	-
PT.TRUSCO NAKAYAMA INDONESIA 1 rupiah = 0.0073 yen (0.0079 yen a year earlier)	Actual results	206	44	117	-73	-67	-67
	Share against net sales	-	21.5%	57.1%	-	-	-
	YoY change	-20.4%	-30.7%	-18.4%	-	-	-

■ Overall conditions for the 58th Business Year

Amid the COVID-19 pandemic, Thailand re-extended the period of its state of emergency and Indonesia toughened its large-scale social restrictions, which resulted in the suspension of factory operation, the adjustment of production, and sluggish sales. PT.TRUSCO NAKAYAMA INDONESIA changed its president in April 2020 and officers and department managers in October 2020. TRUSCO NAKAYAMA CORPORATION (THAILAND) changed its president in January 2021.

■ Overall conditions for the 59th Business Year

In a bid to establish deeper ties with important clients in the future, the two subsidiaries will strive to increase their necessary inventories to improve product databases for mail order companies and to acquire distributor rights from suppliers.

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

FY ended December 2020

Million yen

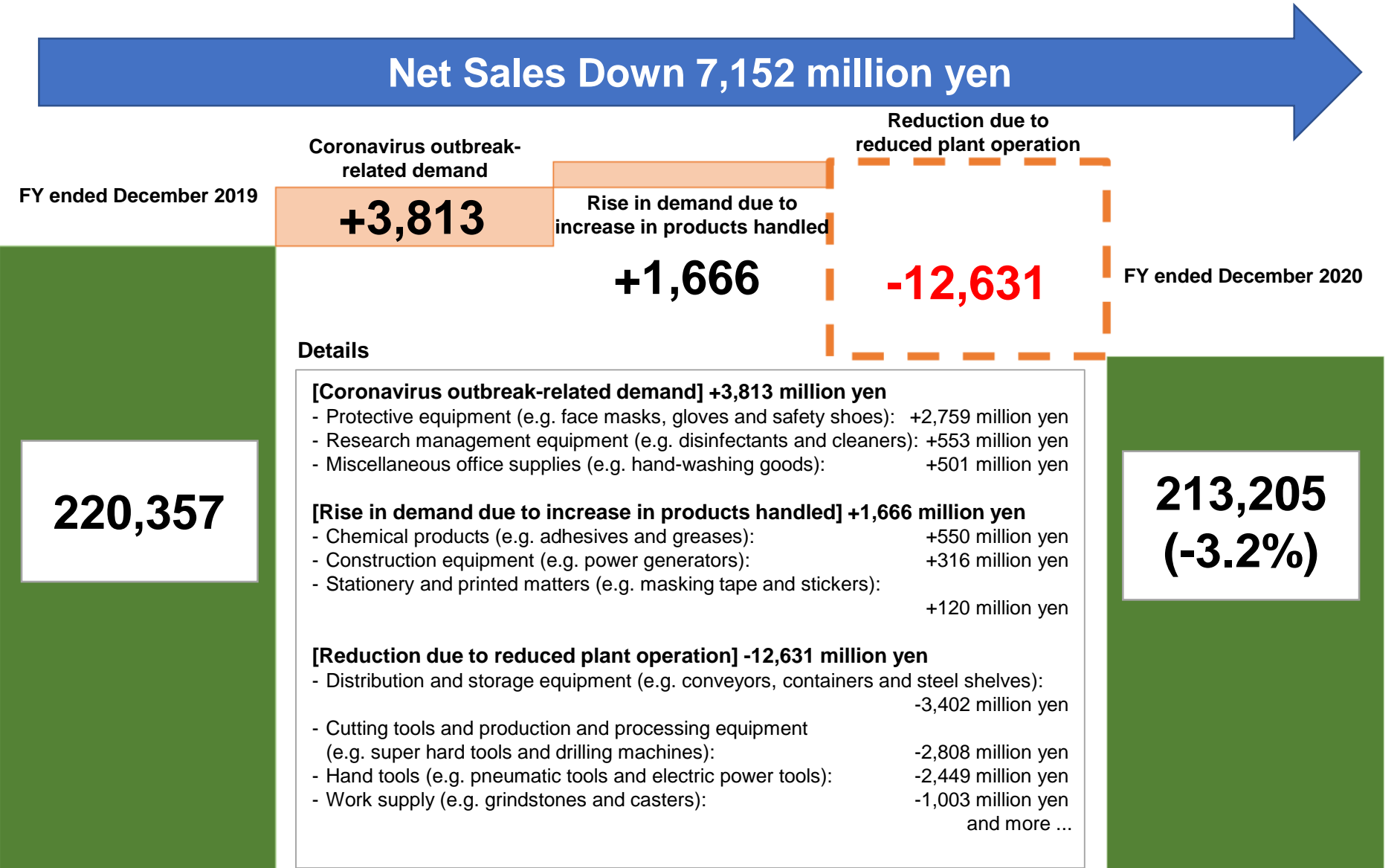
		Net sales	Gross profit
Business performance in other overseas regions (including the Philippines, China and South Korea)	Actual results	449	111
	Share against net sales	-	24.8%
	YoY change	+5.4%	+13.9%

Trusco Nakayama Thailand: Established in September 2010
Trusco Nakayama Indonesia: Established in December 2014

B-(7) [Non-consolidated] Analysis of sales for FY ended December 2020

Major changes in net sales for FY ended December 2020

(Million yen)

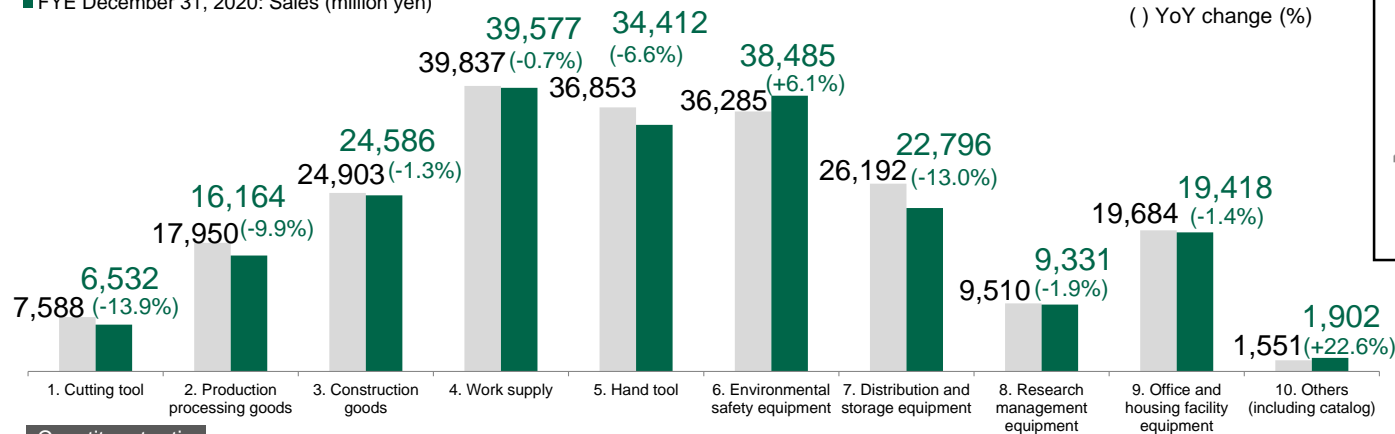


B-(8) [Non-consolidated] Sales by product category

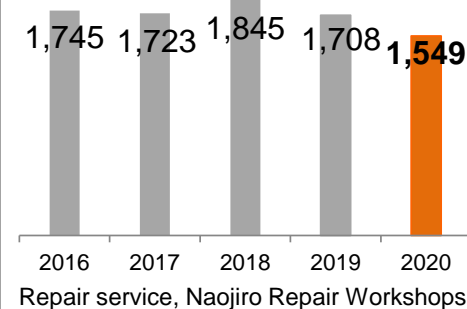
■ Sales graph by large category and details of medium category

■ FYE December 31, 2019: Sales (million yen)

■ FYE December 31, 2020: Sales (million yen)



■ Sales of goods used for repair (million yen)



Constituent ratio

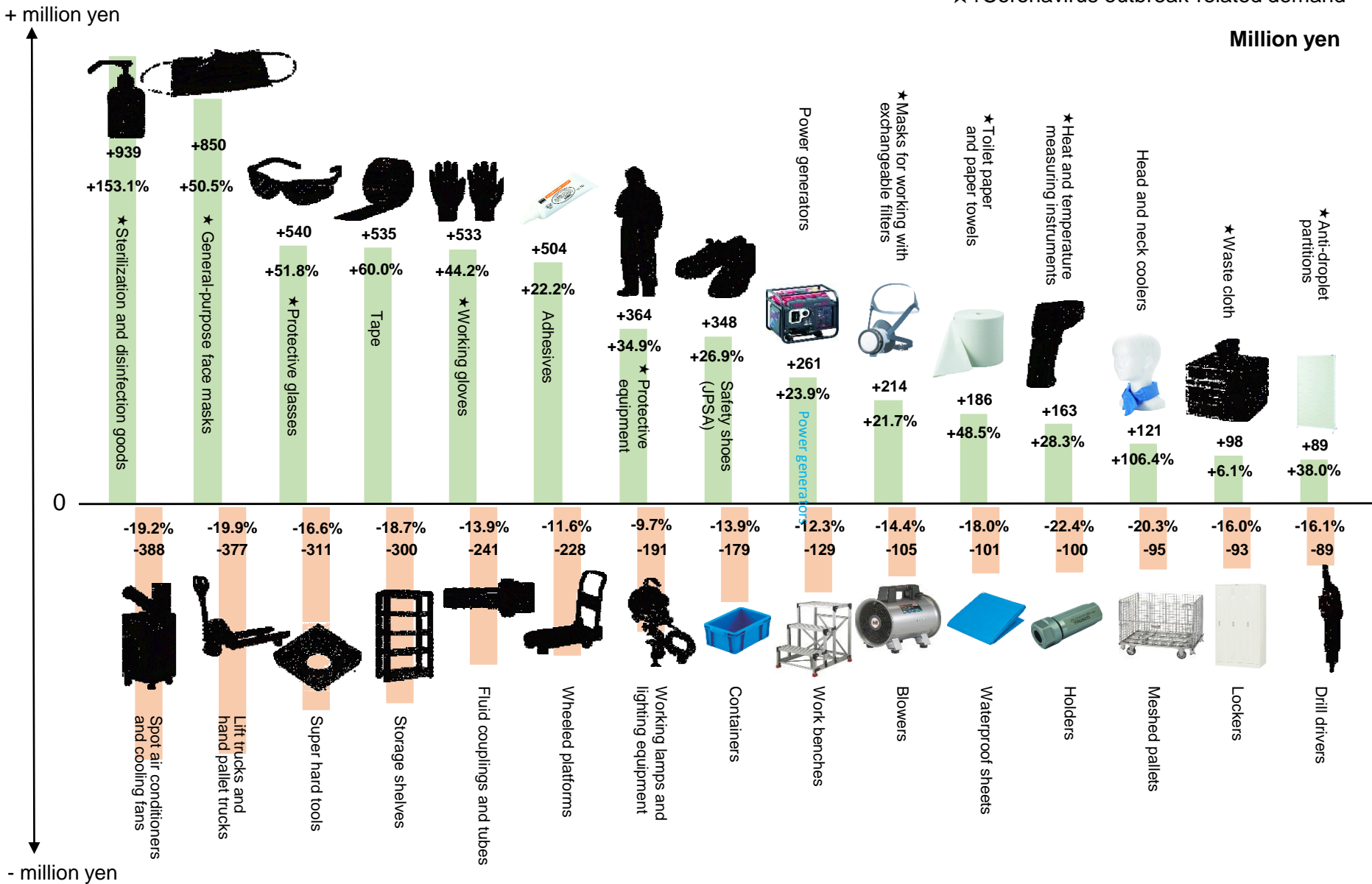
Category of goods (large category)	Medium category	Trusco's sales	Constituent ratio	YoY change	Gross profit margin	Category of goods (large category)	Medium category	Trusco's sales	Constituent ratio	YoY change	Gross profit margin
1. Cutting tool	1. Cutting tools	2,959	1.4	-16.7	11.3	6. Environmental safety equipment	25. Protective equipment	20,975	9.8	+15.6	26.0
	2. Drilling and thread cutting tools	3,573	1.7	-11.4	21.2		26. Safety goods	9,018	4.2	-2.0	25.9
	3. Measurement equipment	8,369	3.9	-6.5	16.6		27. Environment improvement goods	1,815	0.9	-8.5	20.5
2. Production processing goods	4. Mechatronics	3,370	1.6	-8.7	15.8		28. Air conditioning goods	3,983	1.9	-5.4	17.2
	5. Tools for machine tools	2,008	0.9	-19.7	23.6		29. Disaster and crime prevention goods	895	0.4	-1.0	21.0
	6. Electronic machinery	2,415	1.1	-13.9	11.3		30. Closets and exterior goods	1,796	0.8	-2.1	16.3
3. Construction goods	7. Hydraulic tools	1,818	0.9	-7.3	11.8	7. Distribution and storage equipment	31. Loading goods	6,736	3.2	-8.3	17.4
	8. Pumps	3,146	1.5	-5.7	16.4		32. Conveyors	1,099	0.5	-14.3	16.4
	9. Welding equipment	2,013	0.9	+0.8	18.2		33. Transportation goods	8,298	3.9	-17.6	22.9
	10. Painting and interior goods	2,247	1.1	-1.3	26.0		34. Containers and vessels	3,405	1.6	-7.8	30.6
	11. Civil engineering and building goods	2,473	1.2	+14.7	12.2		35. Steel shelves	3,256	1.5	-14.3	27.1
	12. Ladders and stepladders	2,872	1.3	-10.9	22.7	8. Research management equipment	36. Tool wagons	898	0.4	-14.6	28.5
	13. Piping and materials of electronic equipment	3,411	1.6	-1.1	23.6		37. Storage and management goods	1,101	0.5	-18.8	32.4
	14. Component, hardware, and building materials	6,602	3.1	+1.5	28.1		38. Work benches	1,320	0.6	-10.1	28.2
4. Work supply	15. Cutting goods	1,330	0.6	-2.9	22.8		39. Stainless goods	1,779	0.8	-8.9	18.3
	16. Grinding and polishing goods	6,772	3.2	-7.1	23.4		40. Research and development-related goods	4,231	2.0	+15.0	20.8
	17. Chemical products	20,119	9.4	+2.8	22.0	9. Office and housing facility equipment	41. Cleaning utensils	5,707	2.7	-2.5	23.1
	18. Factory miscellaneous goods	3,714	1.7	+5.4	16.2		42. Stationery	1,982	0.9	+5.7	19.2
5. Hand tool	19. Packing and binding goods	4,957	2.3	-5.0	31.5		43. Office miscellaneous goods	3,030	1.4	+19.0	27.2
	20. Casters	2,682	1.3	-6.3	18.4		44. Electric appliances	3,257	1.5	-8.5	22.6
	21. Electric power tools and accessories	9,331	4.4	-7.1	14.7		45. OA business machinery	1,655	0.8	+2.3	26.7
	22. Pneumatic tools and accessories	5,755	2.7	-14.1	18.4		46. Office furniture	3,518	1.7	-10.9	24.5
	23. Tools for manual work	17,571	8.2	-4.0	22.2		47. Interior goods	264	0.1	-5.9	22.2
	24. Tool boxes	1,754	0.8	-3.2	30.6	10. Others	48. Total	1,902	0.9	+22.6	-
						Total		213,205	100.0	-3.2	21.5

(Million yen, %)

B-(9) [Non-consolidated] Analysis of sales for FY ended December 2020 (by product category)

■ Demand changes by product FY ended December 2020

★ : Coronavirus outbreak-related demand



■ Tools that increase customers' convenience

Number of items listed:	Approx. 471,000 (2021 edition)
Number of manufacturers:	1,851
Total number of pages:	17,136
Annual circulation:	190,000 copies
Size:	A4 (changed from B5)

A laptop is open, displaying a Japanese website titled '冬のワークナビ' (Winter Work Navi). The website features a banner with the text '物置・エクステリア特集' (Garage/Exterior Special) and various advertisements for services like '引越し' (moving) and 'エクステリア' (exterior work). To the left of the laptop, four orange book spines are visible, each labeled '2020' and 'HERMINE BLUANT'. The books are numbered 7, 8, 9, and 10 from left to right. The background is a blurred office or library setting with flags and bookshelves.

Number of items featured: Approx. 2.33 million
Share of orders received via computer systems: 83.9%

Safety data sheets, drawings and contained chemical substances investigation sheets are downloadable.
Available 24 hours per day

油に強い滑らない安全靴が欲しい

2135件ヒットしました。
靴のタイプを選んでください。

- 短靴
- 静電安全靴
- 食品作業靴 ...

静電安全靴

176件ヒットしました。
ご希望の色は何色ですか？

- 白色
- 黒色
- 紺色 ...

紺色

10件ヒットしました。

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

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

Category	Net sales	YoY change	Category	Net sales	YoY change	Category	Net sales	YoY change
1. Cutting tools	¥7,003 million	-13.0	9. Hand tools	¥16,079 million	-7.4	17. Loading equipment	¥8,299 million	-18.1
2. Machine tools	¥2,344 million	-22.1	10. Electric, hydraulic & pneumatic tools	¥20,359 million	-6.1	18. Cleaning & janitorial supplies	¥12,033 million	+6.8
3. Measuring & testing instruments	¥8,960 million	-7.2	11. Protective equipment	¥22,034 million	+15.8	19. Environmental supplies	¥8,822 million	-1.3
4. Mechatronics parts	¥2,851 million	-2.7	12. Safety supplies	¥4,822 million	-4.1	20. Garden supplies	¥1,961 million	+17.9
5. Hardware & building materials	¥7,610 million	-0.3	13. Packaging supplies	¥14,671 million	+0.9	21. Office supplies & storage	¥9,472 million	-6.2
6. Pneumatic supplies	¥4,361 million	-9.3	14. Construction & lighting supplies	¥20,177 million	-4.4	22. Laboratory supplies	¥5,132 million	-1.0
7. Electronics	¥3,694 million	-1.8	15. Handling equipment	¥7,688 million	-8.2			
8. Chemicals	¥13,098 million	+1.8	16. Logistics & storage supplies	¥11,779 million	-11.7			

B-(11) [Non-consolidated] Sales of private brand (PB) goods

Among the private brand goods, sales of environmental safety equipment, such as face masks and protective equipment rose following the growth of COVID-19-related demand. However, a decline in capital expenditures and other factors resulted in a sales shrinkage of other products.

■ Sales of PB goods by category of goods

* Excluding the overseas route

Unit: million yen

	Entire company		Factory route		e-business route		Home center route	
	Constituent ratio	19.4%	Constituent ratio	19.5%	Constituent ratio	24.6%	Constituent ratio	6.2%
	Gross profit margin	36.4%	Gross profit margin	36.4%	Gross profit margin	37.1%	Gross profit margin	31.5%
	Net sales	YoY change	Net sales	YoY change	Net sales	YoY change	Net sales	YoY change
Total	41,302	-5.9%	30,537	-9.5%	9,467	+6.7%	1,053	+11.5%
Cutting tool	678	-4.9%	487	-6.5%	115	+5.0%	66	+0.4%
Production processing goods	1,444	-7.8%	1,065	-10.1%	337	+0.3%	21	+10.3%
Construction goods	3,468	-3.8%	2,537	-7.1%	855	+7.4%	61	+6.5%
Work supply	7,365	-4.4%	5,878	-6.3%	1,361	+4.3%	79	+4.8%
Hand tool	4,252	-6.5%	3,021	-11.1%	1,041	+9.1%	138	+5.7%
Environmental safety equipment	7,866	+7.2%	5,955	+2.3%	1,682	+21.7%	203	+88.2%
Distribution and storage equipment	9,343	-12.7%	6,621	-17.0%	2,235	+0.6%	447	+2.4%
Research management equipment	3,012	-15.2%	2,299	-18.7%	693	+1.6%	3	+20.8%
Office and housing facility equipment	3,866	-7.0%	2,671	-11.1%	1,145	+5.5%	27	-36.9%
Other	4	+32.6%	0	-45.5%	-	-	4	+32.6%

■ Private Brand (PB) goods

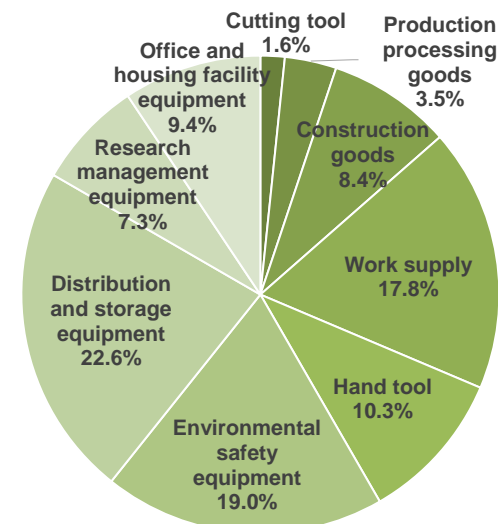


Products designed and developed by Trusco.

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

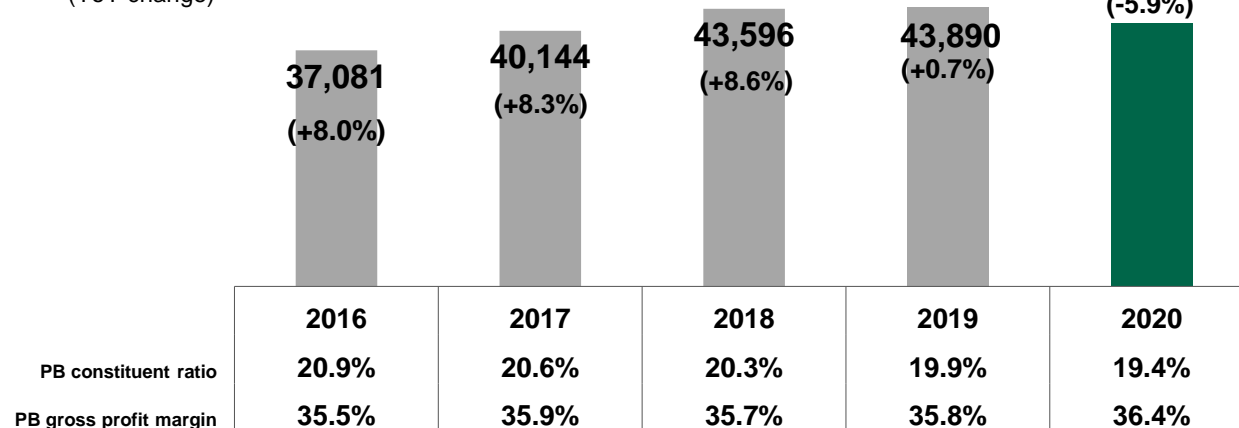


■ PB sales ratio by category of goods



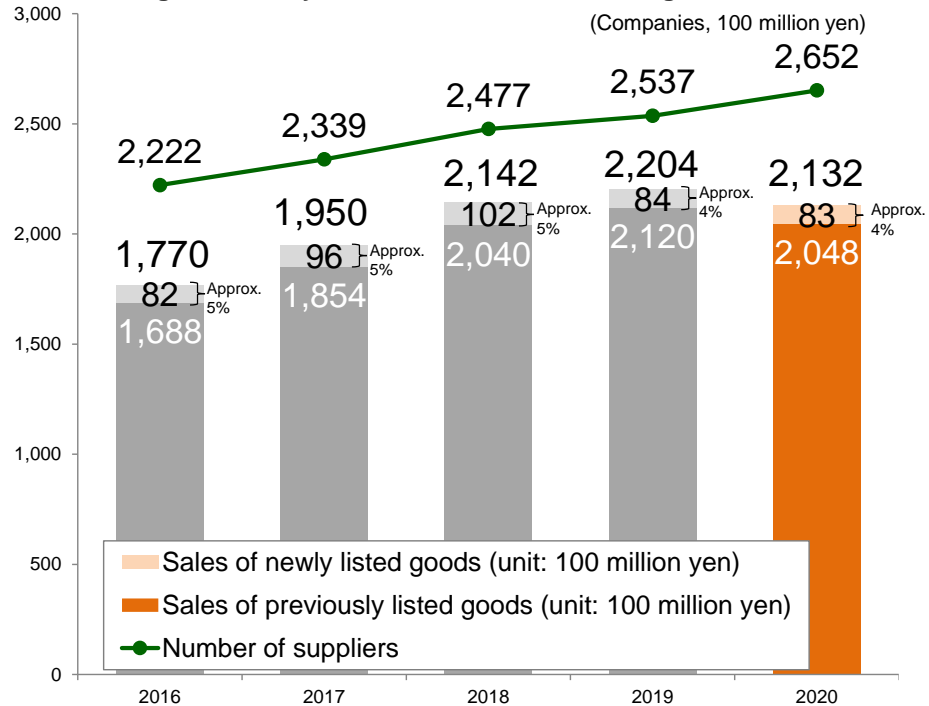
■ Change in sales of PB goods (Unit: million yen, %) (YoY change)

41,302 million yen
(-5.9%)

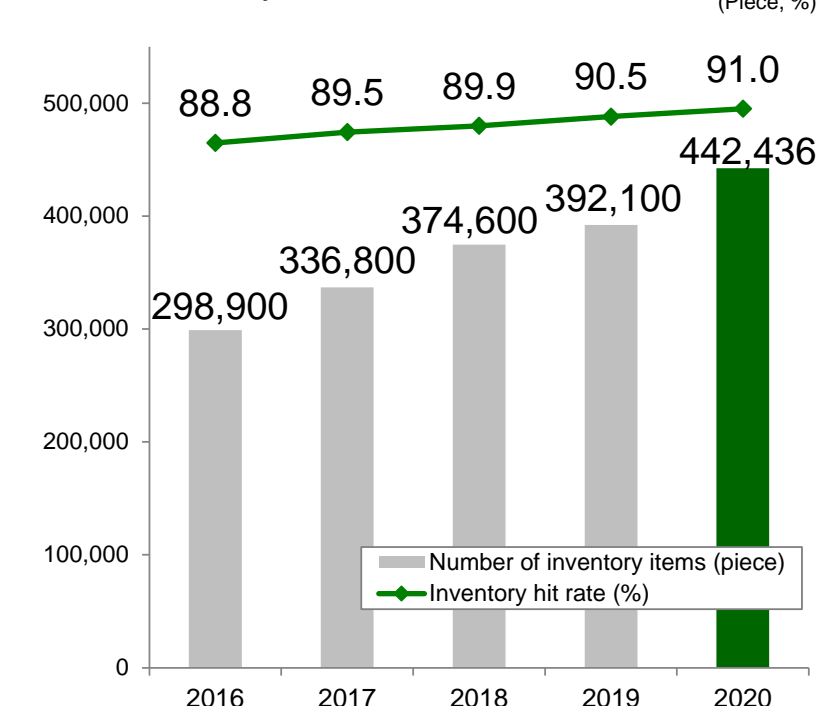


C-(1) Number of suppliers, sales of newly listed goods, number of items in inventory, hit rate, number of sales accounts and number of companies

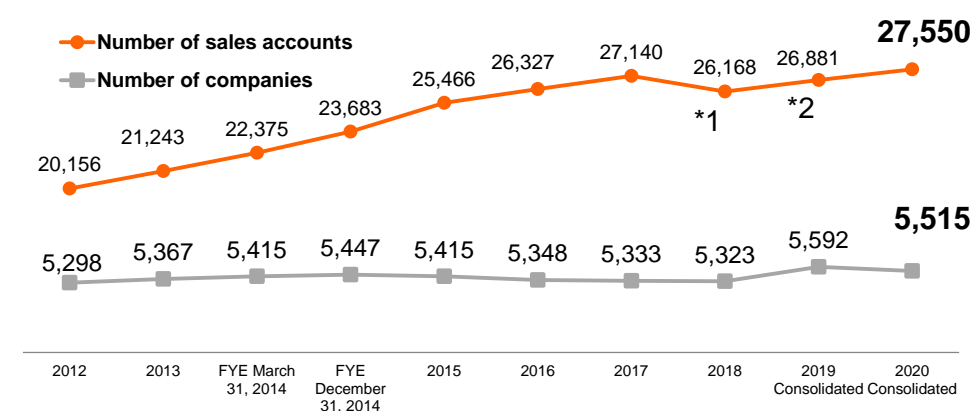
1. [Non-consolidated] Changes in the number of suppliers and sales of goods newly listed in the TRUSCO Orange Book



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



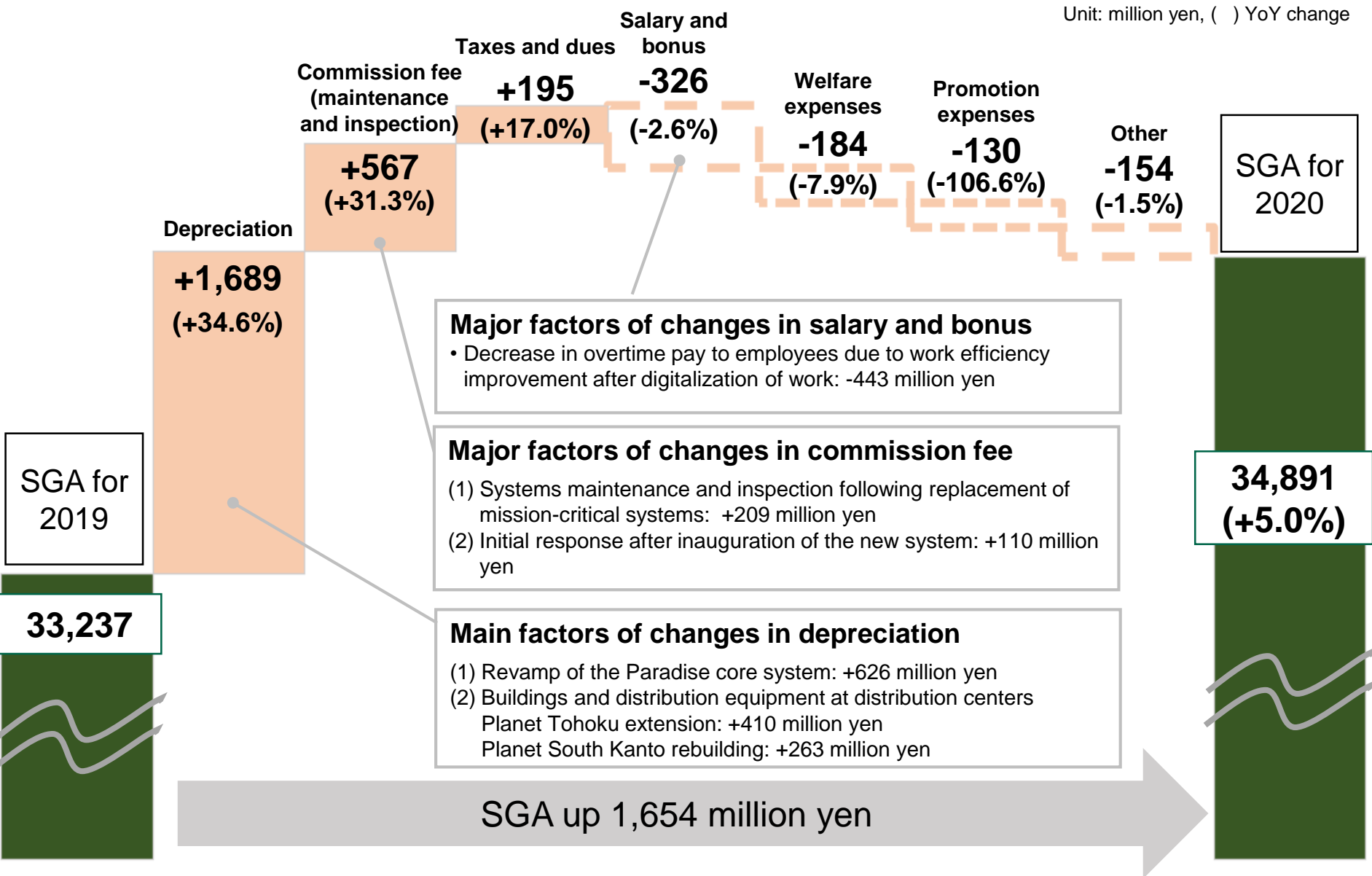
3. [Consolidated] Change in number of sales accounts and companies



- 1. Products newly listed in our product catalogue, TRUSCO Orange Book, for the relevant year account for approximately 4% of total sales.
 - 2. Inventory hit rate: Number of rows used for products shipped from inventory divided by the total number of rows used for orders. The number of items and the inventory hit rate are increasing year after year.
 - 3. The number of accounts is experiencing an upward trend amid growth of transactions with corporate customers with multiple stores.
- *1 The reduction in the number of accounts in 2018 is mainly attributable to deregistration of accounts due to the termination of transactions with customers using the home center route.
- *2 The numbers of companies and accounts including overseas subsidiaries are presented from 2019 onwards.

D-(1) [Consolidated] Major changes in selling, general and administrative expenses (SGA) for the 58th business year

Unit: million yen, () YoY change



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

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

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

Unit: million yen, %

[Non-consolidated] Key Items

() YoY change

No.		FY ended December 2019		FY ended December 2020		YoY change (amount)	YoY change (percent)
		Amount	Share in net sales	Amount	Share in net sales		
1	Salary and bonus	12,434	5.6	12,107	5.7	-326	-2.6
2	Depreciation	4,876	2.2	6,565	3.1	+1,689	+34.6
3	Freight and packing expenses	6,162	2.8	6,292	2.9	+129	+2.1
4	Commission fee	1,811	0.8	2,378	1.1	+567	+31.3
5	Welfare expenses	2,324	1.1	2,140	1.0	-184	-7.9
6	Taxes and dues	1,153	0.5	1,349	0.6	+195	+17.0
7	Advertising expenses	655	0.3	744	0.3	+88	+13.6
8	Supplies expenses	582	0.3	564	0.3	-17	-3.1
9	Leasehold and office rents	651	0.3	553	0.3	-98	-15.1
10	Traveling expenses and transportation expenses	593	0.3	485	0.2	-107	-18.1
11	Remuneration paid to directors	427	0.2	418	0.2	-9	-2.3
12	Communication expenses	365	0.2	391	0.2	+26	+7.2
13	Utilities expenses	375	0.2	347	0.2	-28	-7.5
14	Vehicle expenses	234	0.1	237	0.1	+2	+0.9
15	Entertainment expenses	102	0.0	20	0.0	-82	-80.2
16	Provision for bonuses	21	0.0	15	0.0	-5	-25.0
17	Promotion expenses	122	0.1	-8	-0.0	-130	-106.6
18	Other	341	0.2	288	0.1	-53	-15.6
Total		33,237	15.1	34,891	16.4	+1,654	+5.0

- Full-time employees 1,628, part-time employees 1,087
- Overtime pay for employees (-443 million yen)
- Increase in wages and bonuses for part-time employees (+97 million yen)

- Revamp of the Paradise core system (+626 million yen)
- Buildings and distribution equipment at distribution centers
Planet Tohoku extension (+410 million yen)
Planet South Kanto rebuilding (+263 million yen)

- Impact of growth in shipping volume (approx. +246 million yen)
- Decrease in contracted delivery services with chartered vehicles (-191 million yen)
Number of chartered vehicles: 160 (-15 from the end of previous fiscal year)
[Reference] 110 vehicles (+12 from the end of previous fiscal year) for delivery by the Company's employees

- Systems maintenance and inspection following replacement of mission-critical systems (+209 million yen)
- Initial response after inauguration of the new system (+110 million yen)

- Estimated real estate acquisition taxes (+173 million yen)
- Planet South Kanto rebuilding (+115 million yen)
- Planet Tohoku extension (+58 million yen)

- Expenses for layout change due to resizing of TRUSCO Orange Book catalogs for 2020 (from B5 to A4) (-70 million yen)
- Expenses for production of edited data for TRUSCO Orange Book catalogs for 2020 (-73 million yen)

D-(4) [Consolidated] Capital expenditures

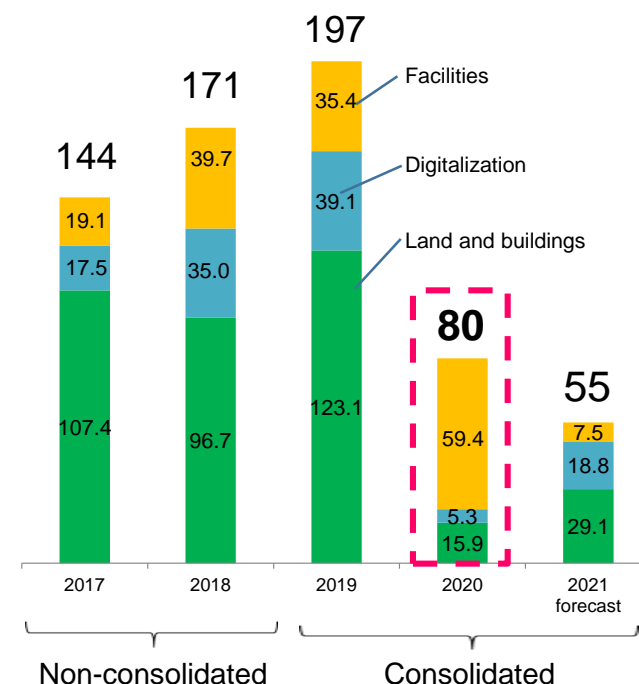
Major past and future capital expenditures

Unit: 100 million yen

Change in capital expenditures

Unit: 100 million yen

Details of major capital expenditures		Total (expected) expenditures	FY ended Dec. 2020	FY ending Dec. 2021
			Actual	Plan
Buildings	Planet South Kanto rebuilding	87.4	4.0	-
	Planet Tohoku extension	40.8	5.0	-
	Planet Osaka warehouse construction	7.7	-	2.5
	Planet East Kanto extension	8.0	-	2.6
	Others		1.5	6.1
	Buildings subtotal	143.9	10.5	11.2
Facilities	Planet Tohoku (Automated bucket warehouse / SAS / GAS / Auto Store / I-Pack / JFB / Butler, etc.)	31.0	28.2	-
	Planet South Kanto (Automated bucket warehouse / DAS / Auto Store / SAS / electric moving pallet racks, etc.)	21.0	24.5	-
	Planet North Kanto (Solar panels installation)	1.2	1.2	-
	Toyohashi Stock Center (Operation facilities)	0.8	0.6	0.1
	Planet Saitama (logistical functions increased by introducing I-Pack, the Auto Store picking robot and others)	9.2	-	5.8
	Takamatsu Stock Center (additional installation of pallet racks)	0.3	-	0.3
	Others		4.9	1.3
	Facilities subtotal	63.5	59.4	7.5
IT systems	Renewal of Paradise (order receipt/placement system)	33.7	3.0	-
	Renewal of SORA, Self, and Zaicon2	9.4	2.0	-
	Revision to networks security	3.0	-	3.0
	Replacement with Sterra (new product data management system)	3.0	-	3.0
	Project for unifying supply chains to customers	3.0	-	3.0
	Shift of existing systems to cloud	1.9	-	1.9
	Others		0.3	7.9
	IT systems subtotal	54.0	5.3	18.8
Land	Land adjacent to Planet Osaka	5.4	5.4	-
	Planet Aichi construction plan	NA	-	14.1
	HC East Japan relocation plan	NA	-	3.8
	Land subtotal	5.4	5.4	17.9
Total			80.6	55.4
Annual capital expenditures			80.6	55.4



Capital expenditures

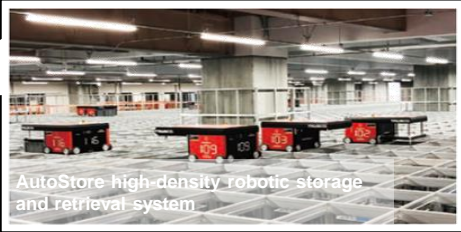
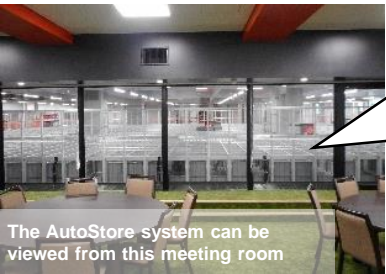
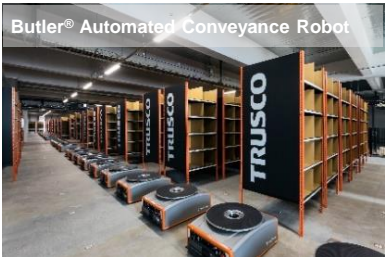
- The investment amount may fluctuate because the scheduled amount of capital expenditures includes expenses for projects at the planning stage.
- The figures for the 59th business year represent values on a cash-out basis.

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

D-(5) FY2020: Major capital expenditures and topics

Extension at Planet Tohoku

In operation since May 7, 2020



Outline

- Location: Sendai City, Miyagi Prefecture
- Site area: 4,550 tsubo
- Total floor area: 8,591 tsubo after extension
- Extended building: Six stories
- Expenditures: 7,200 million yen for building and facilities
- No. of items in stock: Approx. 135,000
- Target no. of items: 400,000
- Facilities introduced: Automated bucket warehouse, AutoStore, Butler, SAS, GAS and I-Pack

During the extension work the AutoStore and Butler® systems were installed, and a structure with the meeting rooms looking down on the AutoStore installation was adopted. In addition, a new disaster stockpiling warehouse was installed to ensure that the supply of the products needed during a disaster does not stop. A multistory parking facility with capacity for 108 vehicles was also installed.

Rebuilding at Planet South Kanto

In operation since August 17, 2020



Outline

- Location: Isehara City, Kanagawa Prefecture
- Site area: 3,662 tsubo
- Total floor area: 7,884 tsubo
- Structure: Four aboveground stories and one basement (for parking spaces) with base isolation
- Planned expenditures: 11,400 million yen for building and facilities
- No. of items in stock: Approx. 112,000
- Target no. of items in stock: 400,000
- Facilities introduced: Automated bucket warehouse, AutoStore, Shuttle Rack, DAS and electric pallet rack

This facility will introduce the Company's first Daifuku Shuttle Rack, one of the Company's largest automated warehouse systems and other distribution equipment to improve shipping efficiency and to achieve high density storage. Additionally, a truck berth with a 22-meter overhanging section will improve work efficiency during rainy weather, and by setting the height of the underground parking facility to allow delivery trucks to pass through, it is now possible to conduct delivery and pick-up operations without inconveniencing the surrounding neighborhood, even at night. A day-care nursery has also been set up inside the distribution center to create a comfortable work environment.

D-(6) FY2020: Major capital expenditures and topics (2)

The *Paradise 3* core system comes into operation on January 6, 2020.

The Company revamped its *Paradise* core system for order receipt and placement, and accounting management. The design concept of the new system is to automate everything that can be automated. It supports the Sokuto Meijin, AI-assisted automatic estimation system, and automated stocking of top-selling products. Achieving improvement in productivity, speed and accuracy of the Company's operations, it increases convenience for suppliers, customers and end users.

Total expenditures: Approx. 4,300 million yen
Ratio of automated estimation: 8.1% (as of the end of December 2020)

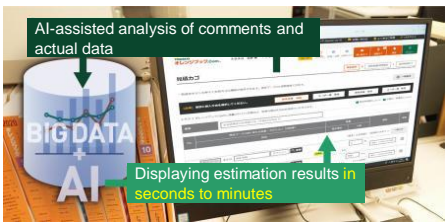
The Company was selected among the DX Stocks 2020 and received a DX Grand Prix 2020 on August 25.

The Company was selected as one of the DX Stocks 2020 and as a winner of the DX Grand Prix 2020 by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange. DX stocks and DX Grand Prix winners are jointly chosen annually by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange as part of their initiatives for encouraging strategic IT investments that lead to medium- and long-term improvement in corporate value and competitiveness. For FY2020, 35 companies were selected for DX Stocks. Among those, companies who are leaders in the digital age are picked as DX Grand Prix winners. For FY2020, DX Grand Prix was awarded to Komatsu Ltd. and the Company.



DX Grand Prix 2020 logo ▶

The Company's actions for digital transformation (DX)



▲ Sokuto Meijin AI-assisted estimation



▲ MRO Stocker

We contribute to Japan's manufacturing by increasing convenience using:

Digital (brain)

Sokuto Meijin
AI-assisted estimation

MRO Stocker
(Use-first-pay-later tools)

Trusco AI
Orange Rescue



Mechanical (physique)

Auto Store
high-density robot storage system

Butler®
automated conveyance robot

I-Pack
automated high-speed packaging system



▲ AutoStore
High-density robot storage system



▲ I-Pack
Automated high-speed packaging system

E-(1) Management plan

◆Budgeting policy

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

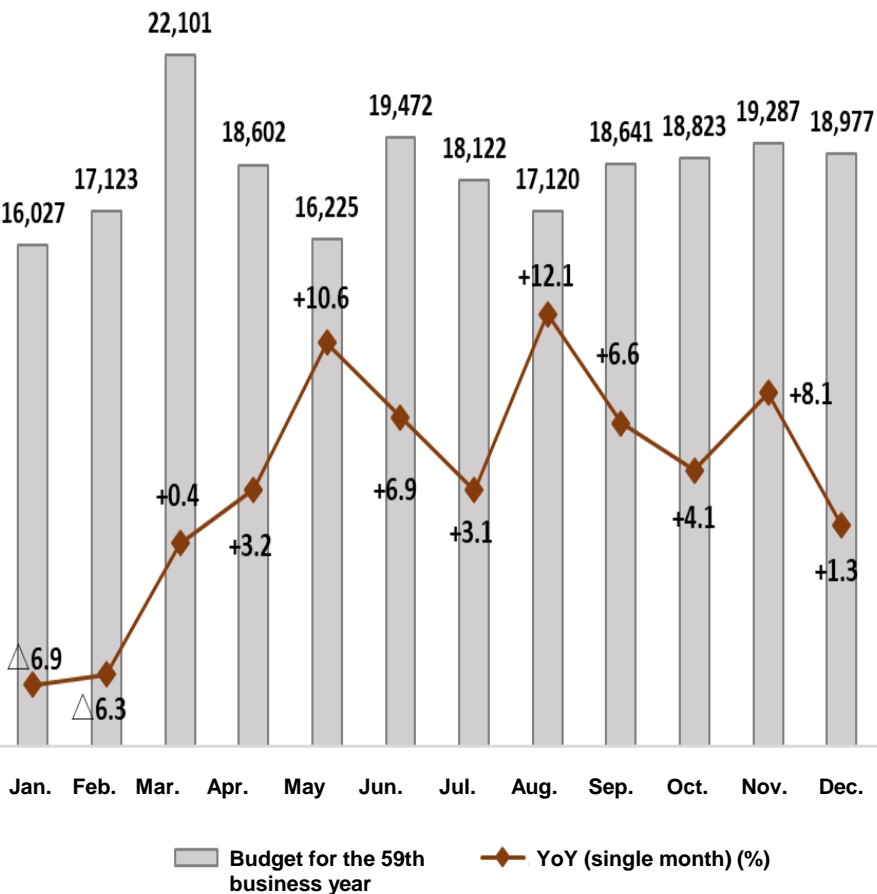
	58th business year FYE December 31, 2020						59th business year FYE December 31, 2021					
	(Consolidated)			(Non-consolidated)			(Consolidated)			(Non-consolidated)		
	Results (¥ million)	YoY change in value (¥ million)	YoY %	Results (¥ million)	YoY change in value (¥ million)	YoY %	Plan (¥ million)	YoY change in value (¥ million)	YoY %	Plan (¥ million)	YoY change in value (¥ million)	YoY %
Net sales	213,404	-7,270	96.7	213,205	-7,151	96.8	220,520	+7,115	103.3	220,000	+6,794	103.2
Factory route	156,765	-13,276	92.2	156,765	-13,259	92.2	158,678	+1,912	101.2	158,678	+1,912	101.2
e-business route	38,417	+3,925	111.4	38,417	+3,925	111.4	43,097	+4,680	112.2	43,097	+4,680	112.2
Home center route	16,992	+2,289	115.6	16,992	+2,289	115.6	17,087	+94	100.6	17,087	+94	100.6
Overseas route	1,228	-208	85.5	1,030	-107	90.6	1,657	+428	134.8	1,137	+106	110.4
Net sales per day	-	-	-	892	-45	95.1	-	-	-	916	+24	102.8
Sales of PB goods	-	-	-	41,302	-2,588	94.1	-	-	-	42,892	+1,590	103.9
Number of business days	-	-	-	239	+4	-	-	-	-	240	+1	-
Gross profit	45,909	-1,124	97.6	45,733	-1,123	97.6	47,720	+1,810	103.9	47,460	+1,726	103.8
Gross profit margin (%)	21.5%	+0.2 pp	-	21.5%	+0.2 pp	-	21.6%	+0.1 pp	-	21.6%	+0.1 pp	-
Selling, general and administrative expenses	34,891	+1,654	105.0	34,630	+1,695	105.1	35,250	+358	101.0	34,960	+329	101.0
Operating income	11,017	-2,779	79.9	11,102	-2,818	79.8	12,470	+1,452	113.2	12,500	+1,397	112.6
Ordinary income	11,559	-2,638	81.4	11,635	-2,667	81.3	12,880	+1,320	111.4	12,900	+1,264	110.9
Net income	8,007	-1,606	83.3	8,085	-1,629	83.2	8,870	+862	110.8	8,900	+814	110.1
Net income per share	¥121.43	-¥24.35	-	¥122.62	-¥24.70	-	¥134.51	+¥13.08	-	¥134.96	+¥12.34	-
Dividend per share	¥30.50	-¥6.00	-	-	-	-	¥34.00	+¥3.50	-	-	-	-
Inventory value	41,542	-2,110	95.2	40,611	-2,170	94.9	45,810	+4,267	110.3	45,000	+4,388	110.8
Depreciation	6,565	+1,689	134.6	6,495	+1,693	135.3	7,035	469	107.2	6,967	471	107.3

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

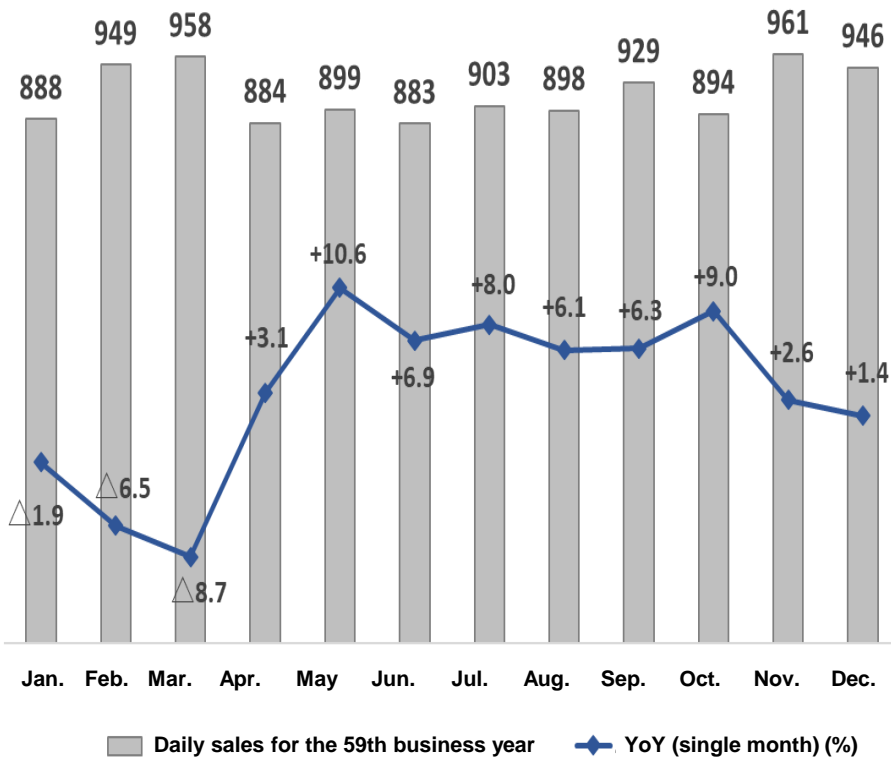
E-(2) [Consolidated] Monthly sales budgets for 2021

Although it is unknown when the long-lasting U.S.-China trade war and the COVID-19 pandemic will end, market conditions are gradually rallying. Considering extraordinary demand in the Jan.-Mar. period last year due to the COVID-19 pandemic, business performance for the same period of 2021 is forecasted to be poorer than or at the same level as in the previous fiscal year. For the period starting in April, when sales dropped following the declaration of a state of emergency in 2020, we anticipate that sales will turn gradually higher than in the previous fiscal year.

■ [Consolidated] Monthly sales budgets for 2021



■ [Non-consolidated] Daily sales budget by month for 2021



E-(3) [Consolidated] Selling, general and administrative expenses (SGA) for 2021

35,250 million yen (up 358 million yen or 1.0% year on year)

Principal details are as follows. YoY comparison is in the bracket.

Factors for increase

(1) Depreciation: 7,035 million yen (Up 7.2% or 469 million yen)

- 1) Rebuilding of Planet South Kanto logistical center, logistical equipment and others
- 2) Extension of Planet Tohoku logistical center, logistical equipment and others

(2) Freight and packing expenses: 6,404 million yen (Up 1.8% or 112 million yen)

- 1) Shipment volume is forecasted to rise following a sales increase.
- 2) The volume of direct shipment to users is expected to rise due to increasing transactions with mail order companies.
* The fares for direct shipment to users are at the expense of customers.

[Reference] Salary and bonus: 12,115 million yen (Up 0.1% or 8 million yen)

- 1) Forty-three new employees have joined the Company for FYE December 31, 2021. The number of new employees is 43, down 36 from the previous year.
- 2) Overtime pay is expected to increase for the April to December period due to sales growth while it is forecasted to decrease for the January to March period.

Factors for decrease

(1) Leasehold and office rents: 353 million yen (Down 36.1% or 199 million yen)

- 1) The lease contract for a warehouse during the period of rebuilding Planet South Kanto is cancelled.

(2) Advertising expenses: 566 million yen (Down 23.9% or 177 million yen)

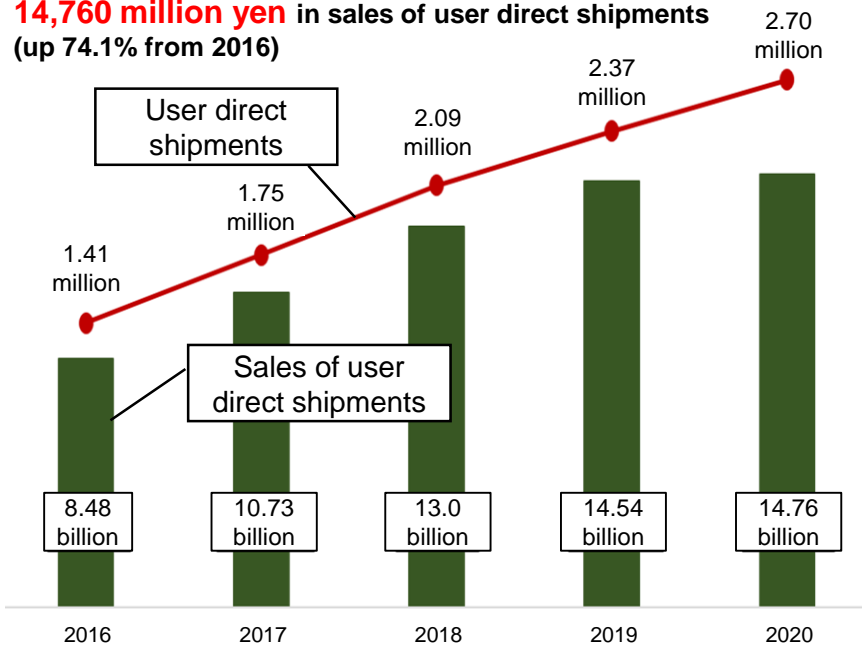
- 1) The shareholder benefit program is abolished.

Expansion of I-Pack Business

As online shopping companies' procurement of goods is becoming common among manufacturers, requests for direct shipment to users are quickly increasing.
In view of the expansion of actions with online shopping companies, labor shortage in the whole industry, users' requests for shorter delivery lead times, it is certain that direct shipments to users will continue to grow. The Company therefore thinks it is essential to strengthen its system for direct shipments.

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

2.7 million rows for user direct shipments (up 91.5% from 2016)
14,760 million yen in sales of user direct shipments (up 74.1% from 2016)



Future specific actions

- Increase the maximum I-Pack shipping capacity at Planet Saitama
- Expected expenditures for the fiscal year: Approx. 580 million yen**



Facility	Quantity		Capacity	
	Present	Future	Present	Future
(1) I-Pack lines	2	3 (+1)	Injection of 8,000 parcels per day	Injection of 15,200 parcels per day
(2) GAS units for I-Pack	2	6 (+4)		
(3) I-Pack worksites	10	19 (+9)		
(4) Destination sorting robot	0	1 (+1)	-	300 sorting sessions per hour

Land acquisition at several locations

With an eye towards future sales expansion, the Company will acquire land at different locations. While revising its expenditure plan, the Company will continue with the capital expenditures necessary to properly respond to manufacturers' needs for a wide variety of products in small quantities.

1. Land acquisition for Planet Aichi (tentative)

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

2. Land acquisition for HC East Japan Distribution Center

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

Reference 3: [Consolidated] Quarterly results for FYE December 31, 2020

I Fiscal year ended December 31, 2020 [Quarterly]

Unit: million yen, %

		1 st Quarter (+1 day)			2 nd Quarter (+2 day)			3 rd Quarter (+1 day)			4 th Quarter (±0 day)		
		Budget	Share against net sales	YoY Change	Budget	Share against net sales	YoY Change	Budget	Share against net sales	YoY Change	Budget	Share against net sales	YoY Change
Net sales	Budget	56,960	100.0	+2.1	57,114	100.0	+6.2	57,421 —	100.0 —	+4.7 —	53,211	100.0	-5.4
	Actual results	57,493	100.0	+3.1	50,919	100.0	-5.3	44,771 50,340	100.0 100.0	-18.4 -8.2	54,650	100.0	-2.8
Gross profit	Budget	12,258	21.5	+2.2	12,485	21.9	+6.3	11,748 —	20.5 —	+4.1 —	11,678	21.9	-2.8
	Actual results	12,556	21.8	+4.7	11,338	22.3	-3.4	9,163 10,597	20.5 21.1	-18.8 -6.1	11,417	20.9	-4.9
Selling, general and administrative expenses	Budget	9,209	16.2	+9.9	8,899	15.6	+6.0	9,054 —	15.8 —	+9.3 —	8,768	16.5	+7.3
	Actual results	9,218	16.0	+10.0	8,514	16.7	+1.4	8,713 8,620	19.5 17.1	+5.1 +4.0	8,537	15.6	+4.5
Operating income	Budget	3,048	5.4	-15.7	3,587	6.3	+7.2	2,693 —	4.7 —	-10.2 —	2,909	5.5	-24.2
	Actual results	3,337	5.8	-7.7	2,824	5.5	-15.6	449 1,976	1.0 3.9	-85.0 -34.1	2,879	5.3	-24.9
Ordinary income	Budget	3,110	5.5	-15.3	3,648	6.4	+6.4	2,748 —	4.8 —	-10.7 —	2,952	5.5	-26.5
	Actual results	3,384	5.9	-7.8	3,015	5.9	-12.1	504 2,059	1.1 4.1	-83.6 -33.1	3,100	5.7	-22.8
Profit attributable to owners of parent	Budget	2,117	3.7	-15.5	2,478	4.3	+7.7	1,895 —	3.3 —	-8.4 —	2,135	4.0	-22.0
	Actual results	2,321	4.0	-7.4	2,012	4.0	-12.6	347 1,380	0.8 2.7	-83.2 -33.3	2,293	4.2	-16.2

* The budget figures for 1Q and 2Q reflect the budget at the beginning of fiscal year, those for 3Q for the budget after the revision announced on August 3, 2020, and those for 4Q for the budget after revision announced on October 29, 2020.

Reference 4: [Consolidated] Quarterly results for FYE December 31, 2020

I Fiscal year ended December 31, 2020 [Cumulative]

Unit: million yen, %

		1 st Quarter (+1 day)			2 nd Quarter (+3 day)			3 rd Quarter (+4 day)			4 th Quarter (+4 day)		
		Budget	Share against net sales	YoY Change	Budget	Share against net sales	YoY Change	Budget	Share against net sales	YoY Change	Budget	Share against net sales	YoY Change
Net sales	Budget	56,960	100.0	+2.1	114,074	100.0	+4.1	165,835	100.0	+0.9	211,965	100.0	-3.9
	Actual results	57,493	100.0	+3.1	108,413	100.0	-1.1	153,185	100.0	-6.8	213,404	100.0	-3.3
Gross profit	Budget	12,258	21.5	+2.2	24,743	21.7	+4.2	35,643	21.5	+1.8	46,170	21.8	-1.8
	Actual results	12,556	21.8	+4.7	23,894	22.0	+0.7	33,058	21.6	-5.6	45,909	21.5	-2.4
Selling, general and administrative expenses	Budget	9,209	16.2	+9.9	18,108	15.9	+7.9	26,788	16.2	+6.9	35,122	16.6	+5.7
	Actual results	9,218	16.0	+10.0	17,733	16.4	+5.7	26,447	17.3	+5.5	34,891	16.4	+5.0
Operating income	Budget	3,048	5.4	-15.7	6,635	5.8	-4.7	8,855	5.3	-11.1	11,048	5.2	-19.9
	Actual results	3,337	5.8	-7.7	6,161	5.7	-11.5	6,611	4.3	-33.6	11,017	5.2	-20.1
Ordinary income	Budget	3,110	5.5	-15.3	6,758	5.9	-4.8	9,149	5.5	-10.1	11,412	5.4	-19.6
	Actual results	3,384	5.9	-7.8	6,400	5.9	-9.9	6,905	4.5	-32.2	11,559	5.4	-18.6
Profit attributable to owners of parent	Budget	2,117	3.7	-15.5	4,595	4.0	-4.4	6,229	3.8	-9.4	7,850	3.7	-18.3
	Actual results	2,321	4.0	-7.4	4,333	4.0	-9.9	4,681	3.1	-31.9	8,007	3.8	-16.7

* The budget figures for 1Q and 2Q reflect the budget at the beginning of fiscal year, those for 3Q for the budget after the revision announced on August 3, 2020, and those for 4Q for the budget after revision announced on October 29, 2020.

Reference 5: [Consolidated] Quarterly plan for FYE December 31, 2021

I Fiscal year ending December 31, 2021 [Quarterly]

Unit: million yen, %

	1 st Quarter (+1 day)			2 nd Quarter (±0 day)			3 rd Quarter (±0 day)			4 th Quarter (±0 day)		
	Actual results	Share against net sales	YoY Change	Actual results	Share against net sales	YoY Change	Actual results	Share against net sales	YoY Change	Actual results	Share against net sales	YoY Change
Net sales	55,251	100.0	-3.9	54,299	100.0	+6.6	53,883	100.0	+7.0	57,087	100.0	+4.5
Gross profit	12,068	21.8	-3.9	12,112	22.3	+6.8	11,430	21.2	+7.9	12,110	21.2	+6.1
Selling, general and administrative expenses	8,795	15.9	-4.6	8,755	16.1	+2.8	8,664	16.1	+0.5	9,036	15.8	+5.8
Operating income	3,273	5.9	-1.9	3,357	6.2	+18.9	2,766	5.1	+39.9	3,074	5.4	+6.7
Ordinary income	3,411	6.2	+0.8	3,449	6.4	+14.4	2,850	5.3	+38.4	3,170	5.6	+2.2
Profit attributable to owners of parent	2,356	4.3	+1.5	2,364	4.4	+17.5	1,965	3.6	+42.3	2,185	3.8	-4.7

I Fiscal year ending December 31, 2021 [Cumulative]

Unit: million yen, %

	1 st Quarter (+1 day)			2 nd Quarter (+1 day)			3 rd Quarter (+1 day)			4 th Quarter (+1 day)		
	Actual results	Share against net sales	YoY Change	Actual results	Share against net sales	YoY Change	Actual results	Share against net sales	YoY Change	Actual results	Share against net sales	YoY Change
Net sales	55,251	100.0	-3.9	109,550	100.0	+1.0	163,433	100.0	+2.9	220,520	100.0	+3.3
Gross profit	12,068	21.8	-3.9	24,180	22.1	+1.2	35,610	21.8	+3.2	47,720	21.6	+3.9
Selling, general and administrative expenses	8,795	15.9	-4.6	17,550	16.0	-1.0	26,214	16.0	-0.5	35,250	16.0	+1.0
Operating income	3,273	5.9	-1.9	6,630	6.1	+7.6	9,396	5.7	+15.5	12,470	5.7	+13.2
Ordinary income	3,411	6.2	+0.8	6,860	6.3	+7.2	9,710	5.9	+14.8	12,880	5.8	+11.4
Profit attributable to owners of parent	2,356	4.3	+1.5	4,720	4.3	+8.9	6,685	4.1	+17.0	8,870	4.0	+10.8

Reference 6: Company data

■ Number of employees [Consolidated] as of the end of December 2020

	Females	Males	Total	YoY Change
Executives	1	11	12	+0
Executive officers	0	2	2	+0
Career	178	434	612	+9
Area	273	300	573	-6
Support	25	3	28	-1
Specialist	15	14	29	-3
Logistics	76	271	347	+10
Contract employees	1	36	37	+7
Overseas subsidiaries	20	24	44	+2
Seconded to health insurance association	1	1	2	+0
Seconded to Nakayama Visually Impaired Welfare Foundation	0	0	0	+0
Full-time employees subtotal (including executives)	589	1,085	1,674	+18
Part-time employees	829	271	1,100	-28
Total	1,419	1,367	2,786	-10

Share of female employees: 35.2%, Number of female sales staff members: 77

Females in career-track positions account for 29.1% of all female employees (whereas such males account for 40.0% of all males).

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

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

	2016 [Non-consolidated]		2017 [Non-consolidated]		2018 [Non-consolidated]		2019 [Consolidated]		End of Sep. 2020 [Consolidated]	
	Females	Males	Females	Males	Females	Males	Females	Males	Females	Males
No. of employees	512	959	510	1004	557	1,051	585	1,071	589	1085
	1,471		1,514		1,608		1,656		1,674	
No. of incoming employees	70	33	59	67	63	72	52	57	41	46
	103		126		135		109		87	
No. of outgoing employees	20	18	18	18	20	26	42	44	37	33
	38		36		46		86		70	
Turnover ratio	3.8	1.8	3.4	1.8	3.5	2.4	6.7	3.9	5.9	3.0
	2.5		2.3		2.8		4.9		4.0	

■ Amount irrecoverable due to bankruptcy

Unit: 10 thousand yen

	2015	2016	2017	2018	2019	2020
Amount irrecoverable	0	35	0	4	0	0

■ Average age and annual income

	Average age (years)			Average annual income (million yen)			
	Females	Males	Total	Career	Area	Logistics	Total
2020	32.1	41.9	38.4	7.21	6.01	4.61	6.19
2019	31.3	42	38.2	7.58	6.42	4.92	6.55
2018	30.9	42.1	38.2	8.04	6.80	5.20	7.01
2017	30.7	42.7	38.6	8.05	6.96	5.41	7.15
2016	30.6	43.5	39.3	7.57	6.51	5.19	6.74

* The total average annual income includes executive officers and excludes financial bonds provided as retirement benefits.

* The payment of performance-based bonuses commenced in FY2014.

In 2019, they were discontinued, and bonuses decreased.

* Consolidated accounting has been applied to the fiscal year ended Dec. 2019 and later fiscal years. From the fiscal year ended Dec. 2019 onwards, the average age figure is on a consolidated basis, whereas all the average annual income figures are on a non-consolidated basis.

■ Number of bases [Consolidated]

as of the end of December 2020

Head offices	2
Branches	67
Distribution centers	17
Overseas bases	3
Stock centers	9
Total	98

■ Changes in inventory disposal and inventories

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