

# The 59th Business Year Business Performance Data Analysis

## Fiscal Year Ending December 2021 Second Quarter

**June 15, 2021**

**Joint Press Conference regarding University Collaboration and Joint Capital Business**



From left: Nagoya University President Seiichi Matsuo, Cinnamon, Inc. Representative Director Miku Hirano, Trusco Nakayama Corporation President Tetsuya Nakayama and Ground Inc. President Hiratomo Miyata.



Attended by representatives from about 20 media outlets, our announcement was featured in the Nikkei and other media.

### TRUSCO NAKAYAMA CORPORATION

Announced August 6, 2021

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

The Company announced the budget for the 59th business year on February 12 together with its financial results. Although at the time of formulating the budget the situation regarding the COVID-19 crisis remained unclear and the budget was rather conservative, as there are signs of recovery in the market, we revised the budget upward on March 15, 2021.

(Consolidated Forecast: Revised from ¥220.5 billion to ¥227.5 billion)

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

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

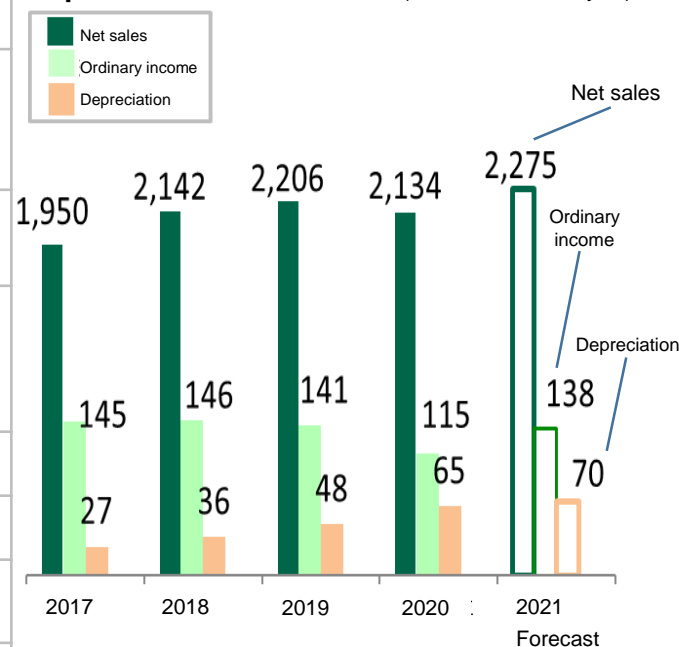
# Company overview

As of the end of June 2021

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	Total: 93 Domestic: 90 (2 head offices, 61 sales branches, 27 distribution centers) Overseas: 3 (Local subsidiaries in 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	2,885 (11 executives, 1,670 full time employees, 1,204 part-time employees) [Consolidated basis]
Credit rating	A (Rating and Investment Information, Inc.)
Lines of business	Wholesaling of industrial equipment, such as machine tools, distribution equipment and environmental safety equipment (and consumables used in factories), and the 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 ( ) YoY change

### Suppliers

**Manufacturers**  
2,821  
(Up 224 companies)  
Of these, 247 are overseas manufacturers  
(Up 39 companies)

### Trusco Nakayama (Wholesaler)

**Factory route**

**e-business route**

**Home center route**

**Overseas route**

### Main Sales Agents (5,500 companies) (See p.19)

Machine tool, welding material, pipe material, conductors, electric materials, packaging materials dealers

Mainly online stores

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

Mainly overseas dealers

### Target Markets (Main Users)

Manufacturers, construction companies

Manufacturers, general consumers

Businesses conducting outdoor work, general consumers

Overseas manufacturers

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

- Consolidated net sales: Up 5.1% YoY, Down 0.2% from budget The number of business days = 120 was larger by one than in the same period a year earlier.  
\* The number of business days is the non-consolidated number.
- Consolidated gross profit margin: 21.6%, down 0.4 percentage points  
The increase in demand that we experienced last year for face masks and other high gross margin products due to COVID-19 crisis subsided.
- SGA: Down 1.8% year on year due to the reduction in initial expenses required for the core system renewal posted the previous year and a decrease in advertising expenses due to the discontinuation of the shareholder benefit program. (Please see pp. 22-23 for details regarding SGA.).

	2Q of FY ended Dec. 2020		2Q of FY ending Dec. 2021						
	Actual results	Share	Actual results	Share	YoY change	Budget	Share	Change from budget	Change from budget (%)
<b>Net sales</b>	¥108,413 million	-	¥113,888 million	-	+ 5.1%	¥114,070 million	-	-¥181 million	- 0.2%
<b>Gross profit</b>	¥23,894 million	22.0%	¥24,643 million	21.6%	+ 3.1%	¥24,990 million	21.9%	-¥346 million	- 1.4%
<b>Selling, general and administrative expenses (SGA)</b>	¥17,733 million	16.4%	¥17,417 million	15.3%	- 1.8%	¥17,710 million	15.5%	-¥292 million	- 1.7%
(Depreciation included in SGA)	¥2,962 million	2.7%	¥3,416 million	3.0%	+ 15.3%	¥3,442 million	3.0%	-¥25 million	- 0.8%
<b>Operating income</b>	¥6,161 million	5.7%	¥7,225 million	6.3%	+ 17.3%	¥7,280 million	6.4%	-¥54 million	- 0.7%
<b>Ordinary income</b>	¥6,400 million	5.9%	¥7,691 million	6.8%	+ 20.2%	¥7,750 million	6.8%	-¥58 million	- 0.8%
<b>Profit attributable to owners of parent</b>	¥4,333 million	4.0%	¥5,237 million	4.6%	+ 20.8%	¥5,340 million	4.7%	-¥102 million	- 1.9%
<b>Net income per share</b>	¥65.72	—	¥79.42	—	+ 13.7%	¥80.98	—	- ¥ 1.56	—
<b>Dividend income per share</b>	¥16.50	—	¥20.00	—	+ 3.5%	¥20.50	—	- ¥ 0.5	—

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

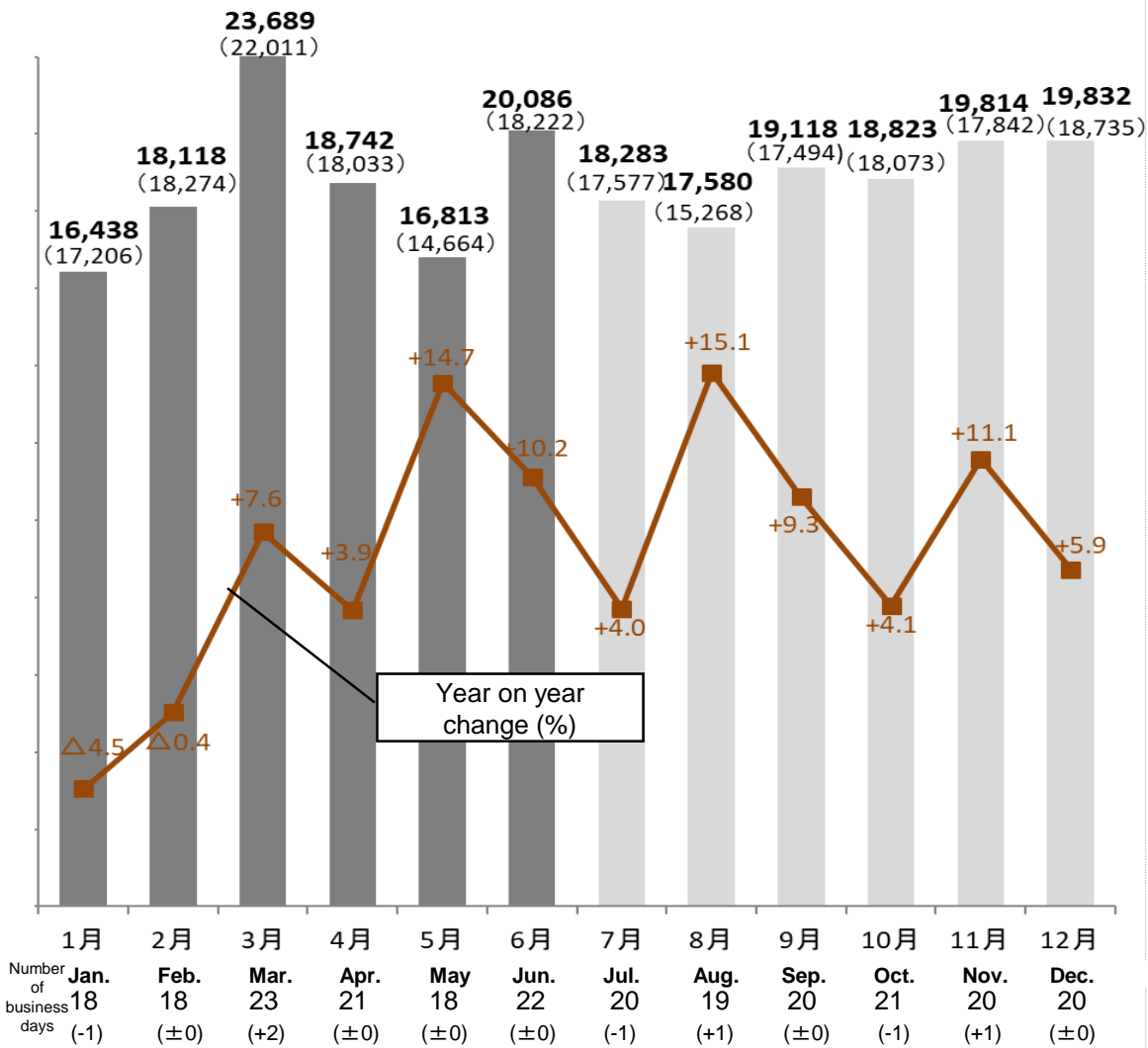
	2Q of FY ended Dec. 2020		2Q of FY ending Dec. 2021						
	Actual results	Share	Actual results	Share	YoY change	Budget	Share	Change from budget	Change from budget (%)
Net sales	¥108,367 million	—	¥113,694 million	—	+4.9	¥113,829 million	—	-¥135 million	-0.1
Gross profit	¥23,819 million	22.0%	¥24,519 million	21.6%	+2.9	¥24,876 million	21.9%	-¥357 million	-1.4
Selling, general and administrative expenses (SGA)	¥17,591 million	16.2%	¥17,278 million	15.2%	-1.8	¥17,568 million	15.4%	-¥289 million	-1.6
(Depreciation included in SGA)	¥2,926 million	2.7%	¥3,381 million	3.0%	+15.6	¥3,442 million	3.0%	-¥60 million	-1.8
Operating income	¥6,228 million	5.7%	¥7,240 million	6.4%	+16.3	¥7,308 million	6.4%	-¥67 million	-0.9
Ordinary income	¥6,454 million	6.0%	¥7,711 million	6.8%	+19.5	¥7,771 million	6.8%	-¥60 million	-0.8
Net income	¥4,382 million	4.0%	¥5,258 million	4.6%	+20.0	¥5,362 million	4.7%	-¥103 million	-1.9
Sales of PB goods	¥21,561 million	19.9%	¥22,080 million	19.4%	+2.4	¥22,393 million	19.7%	-¥313 million	-1.4
Net income per share	¥66.46	—	¥79.75	—	+¥13.29	¥81.31	—	¥-1.56	—

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

I [Consolidated] Total

\* Figures for Jan. to Jun. represent actual values while those for Jul. and later months are budget values.

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

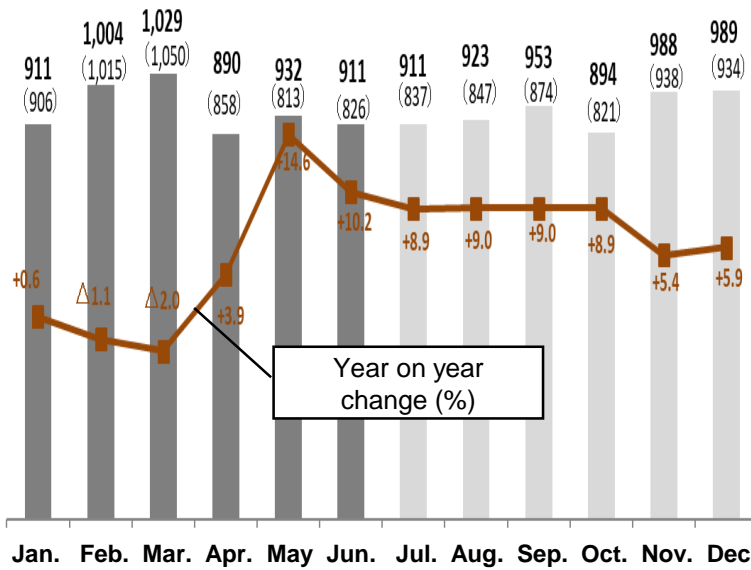


II [Non-consolidated] Change in average daily sales (all business offices)

\* Figures for Jan. to Jun. represent actual values while those for Jul. and later months are budget values.

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

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



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

### Net sales by sales route

	2Q of FY ended Dec. 2020				2Q of FY ending Dec. 2021										
	Net sales		Gross profit margin	Ordinary income	Net sales							Gross profit margin		Ordinary income	
Sales route	Actual results	Share	Actual results	Actual results	Actual results	Share	YoY change	YoY change	Budget	Change from budget	Change from budget (%)	Actual results	YoY change	Actual results	YoY change
Factory route	¥80,166 million	74.0%	21.6%	¥4,562 million	¥81,853 million	71.9%	+¥1,686 million	+2.1%	¥82,857 million	-¥1,004 million	-1.2%	21.2%	-0.4pt	¥5,242 million	+14.9%
e-business route	¥19,424 million	17.9%	25.5%	¥1,665 million	¥22,233 million	19.5%	+¥2,808 million	+14.5%	¥21,612 million	+¥620 million	+2.9%	24.2%	-1.3pt	¥1,854 million	+11.3%
Home center route	¥8,167 million	7.5%	17.9%	¥80 million	¥8,978 million	7.9%	+¥810 million	+9.9%	¥8,785 million	+¥192 million	+2.2%	17.9%	±0.0pt	¥246 million	+206.3%
Overseas route	¥653 million	0.6%	30.2%	-¥132 million	¥823 million	0.7%	+¥169 million	+25.9%	¥813 million	+¥9 million	+1.2%	32.6%	+2.4pt	-¥12 million	-
Total	¥108,413 million	100%	22.0%	¥6,400 million	¥113,888 million	100%	+¥5,475 million	+5.1%	¥114,070 million	-¥181 million	-0.2%	21.6%	-0.4pt	¥7,691 million	+20.2%

#### Factory Route: Up 2.1% year on year

Factory operations and investment in plant and equipment showed a tendency to recover and business performance was steady due to the increase in work-related products and hand tools required for factory operation. (See p.10)

#### e-business Route: Up 14.5% year on year

Sales to mail order companies surged 14.5% year on year and those to companies participating in Orange Commerce increased 14.2%. We adopting a flexible response to meet the packaging requirements of customers and expanded sales to mail order companies by strengthening our unique logistics services and increasing the number of items that we handle. (See p.11 and 12)

#### Home center Route: Up 9.9% year on year

We continued to provide ideas for shop displays mainly to home centers and pro-tool shops. Our in-store pick-up service that takes advantage of our range of 470,000 items and aggressive marketing of our private brand products secured new accounts and contributed to the increase in sales and good overall business performance. (See p.13)

#### Overseas Route: Up 25.9% year on year

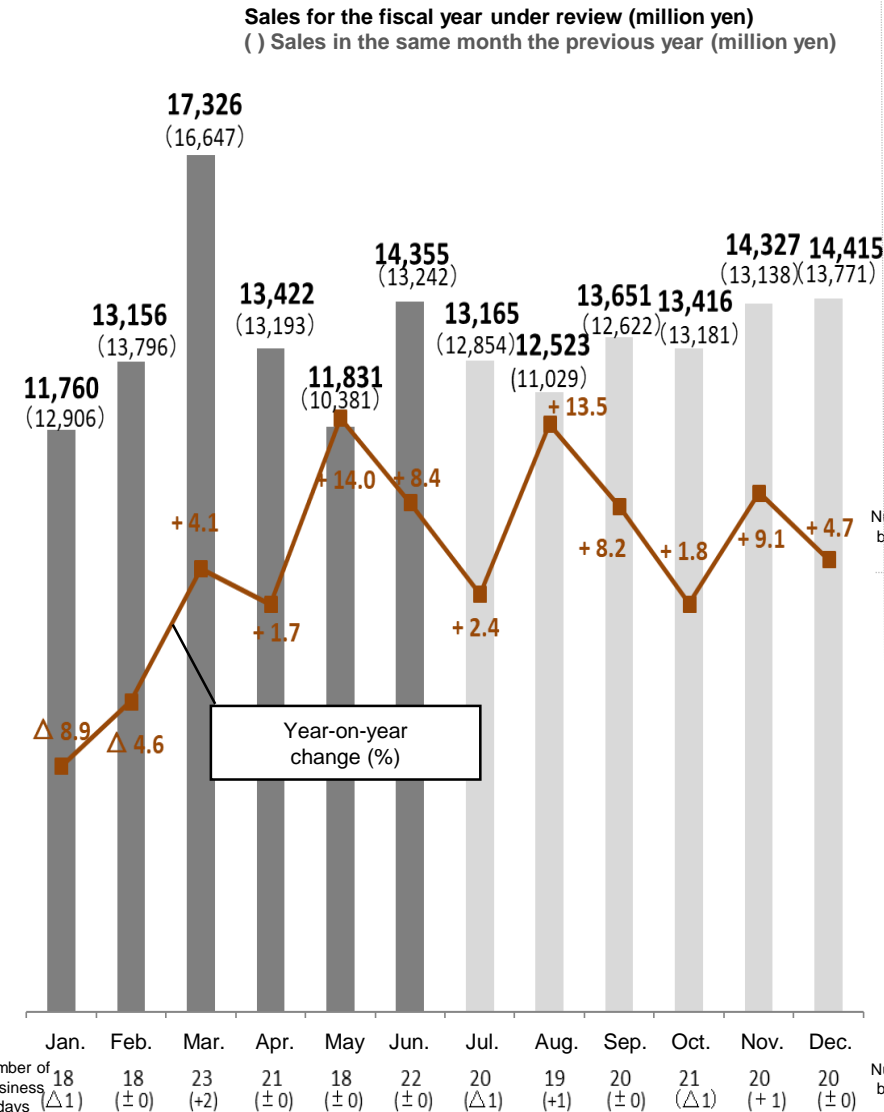
In the midst of restrictions on social activities due to the COVID-19 crisis, our top priority is to expand business with existing clients by solving problems and we believe that strengthen our sales force is an urgent task. (See p.14)



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

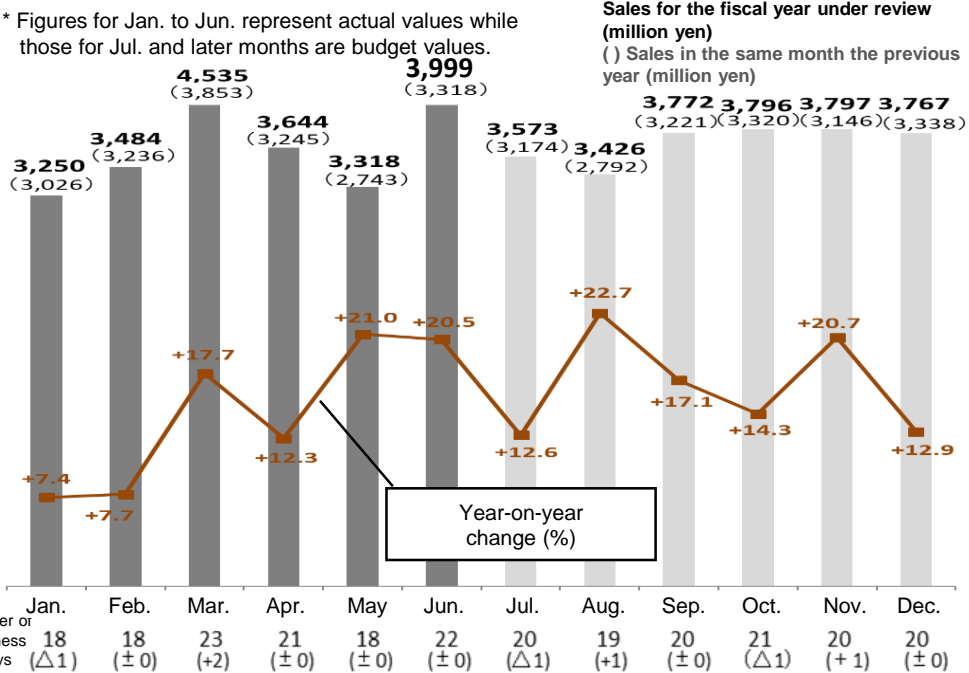
## Change in monthly sales earned via factory route

\* Figures for Jan. to Jun. represent actual values while those for Jul. and later months are budget values.



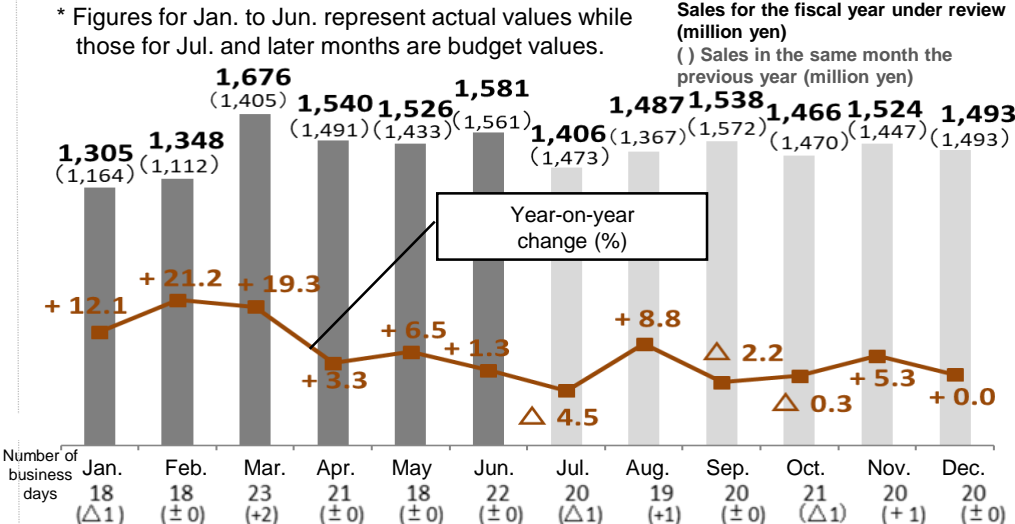
## Change in monthly sales earned via e-business route

\* Figures for Jan. to Jun. represent actual values while those for Jul. and later months are budget values.



## Change in monthly sales earned via home centers

\* Figures for Jan. to Jun. represent actual values while those for Jul. and later months are budget values.



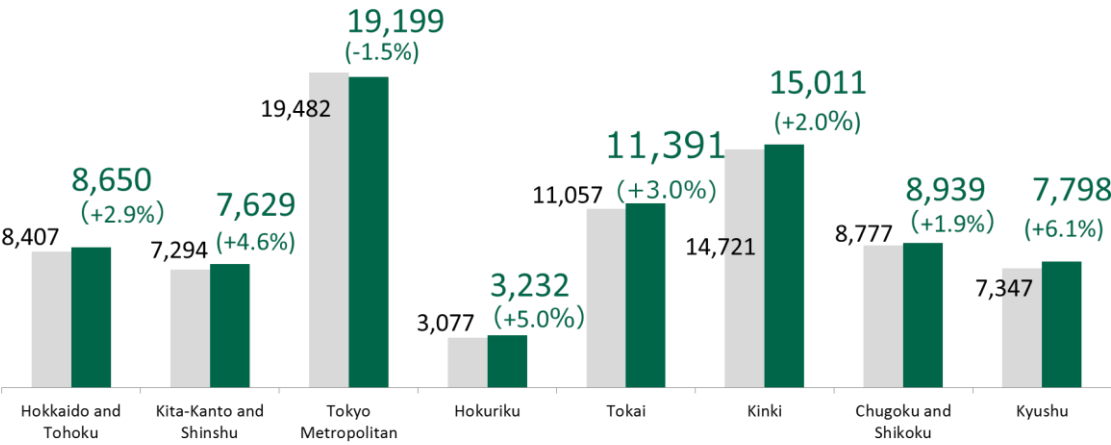


B-(3) [Consolidated] Factory route: Business performance by region, industry and sales route

Factory route: Sales by region

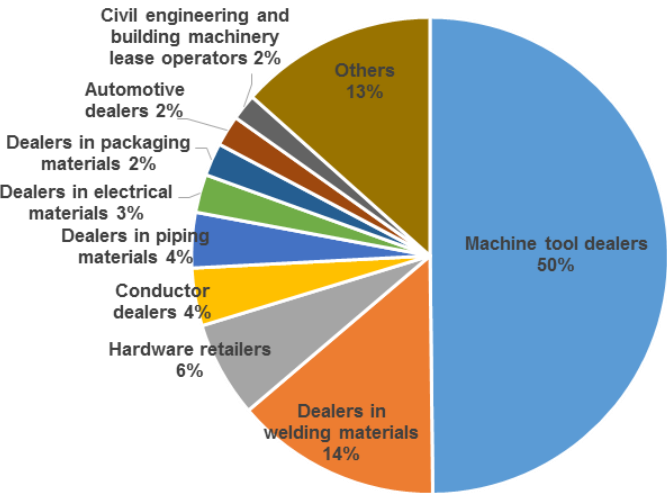
■ R2 Factory route net sales for 1Q of FY ended Dec. 2020 (million yen)  
■ R3 Factory route net sales for 1Q of FY ending Dec. 2021 (million yen)

( ) YoY change (%)



Factory route: Sales constituent ratio by Industry

2Q of FY ending Dec. 2021



Factory route sales by industry

Sales route	2Q of FY ended Dec. 2020			2Q of FY ending Dec. 2021					
	Net sales		Gross profit margin	Net sales				Gross profit margin	
	Actual results	Share	Actual results	Actual results	Share	YoY change	Change from budget	Actual results	YoY change
Machine tool dealers	¥ 40,312 million	50.3%	21.4%	¥ 41,322 million	50.5%	+2.5%	-0.2%	21.1%	-0.3pt
Dealers in welding materials	¥ 11,736 million	14.6%	21.9%	¥ 11,519 million	14.1%	-1.8%	-4.8%	21.7%	-0.2pt
Other manufacturing related (Incl. physical and chemical material, conductors, packaging material dealers)	¥ 13,059 million	16.3%	21.3%	¥ 13,655 million	16.7%	+4.6%	+0.4%	20.8%	-0.5pt
Construction related (Hardware retailers, dealers in piping materials/electrical materials, civil engineering and building machinery lease operators, etc.)	¥ 15,058 million	18.8%	22.1%	¥ 15,354 million	18.7%	+2.0%	-2.5%	21.7%	-0.4pt
Total net sales via factory route	¥ 80,166 million	100.0%	21.6%	¥ 81,853 million	100%	+2.1%	-1.2%	21.2%	-0.4pt

# B-(4) [Consolidated] Sales via the e-business route

## Sales via the e business route (by sales route)

Sales route	2Q of FY ended Dec. 2020			2Q of FY ending Dec. 2021				
	Net sales		Gross profit margin	Net sales			Gross profit margin	
	Actual results	Share	Actual results	Actual results	Share	YoY change	Actual results	YoY change
Mail order companies	¥15,091 million	13.9%	24.8%	¥17,284 million	15.2%	+14.5%	23.2%	-1.2pt
Companies participating in Orange Commerce (Trusco's electronic central purchasing system)	¥4,332 million	4.0%	28.0%	¥4,949 million	4.3%	+14.2%	27.6%	-0.4pt
Total net sales via e-business route	¥19,424 million	17.9%	25.5%	¥22,233 million	19.5%	+14.5%	24.2%	-1.3pt

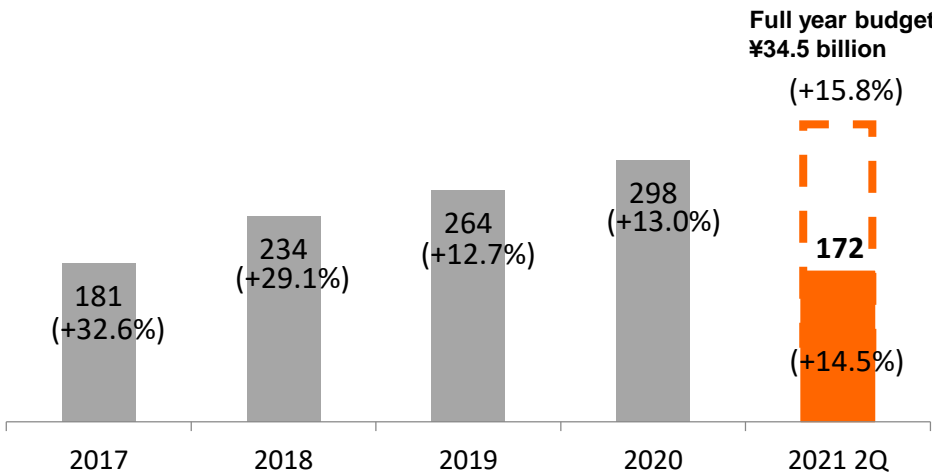
## Selective release of pro-tools

Up to now, our priority has been pro-tools, because they are the main thrust for machine tool wholesalers. Our business with online shops has continued to increase in recent years, and in order to increase convenience for their users, who are general consumers, we decided that it is necessary to make a greater range of products available to them, rather than limiting the fields which they can choose from, and selectively released pro tools to consumers.

We carefully started to release products from among those that are not sold to the public by our existing suppliers.

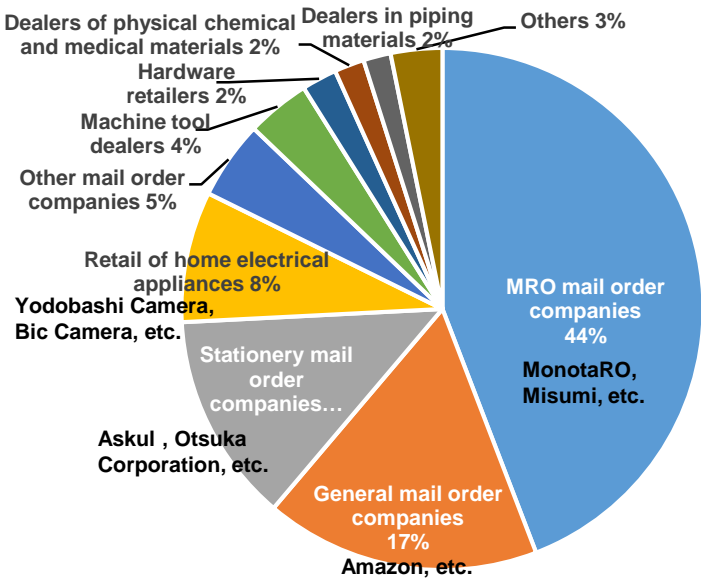
## Sales to mail order companies (billion yen)

( ) YoY change



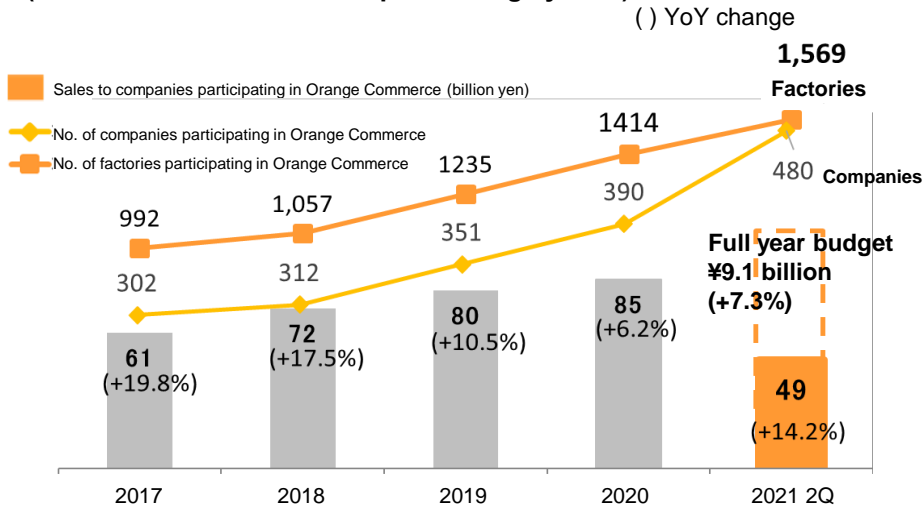
## Sales to mail order companies: Sales ratio by industry

2Q of FY ending Dec. 2021



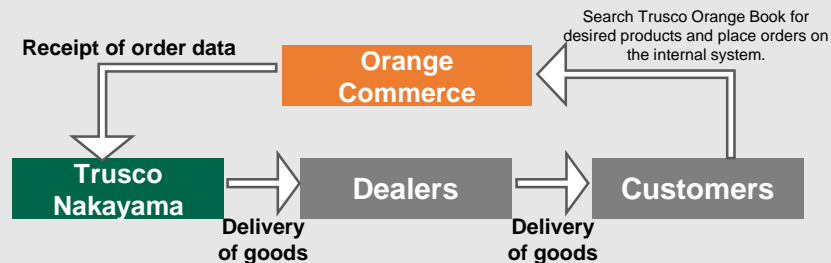
# B-(5) [Consolidated] Number of companies participating in Orange Commerce (Trusco's electronic central purchasing system)

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



## I Trusco's electronic central purchasing system:

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



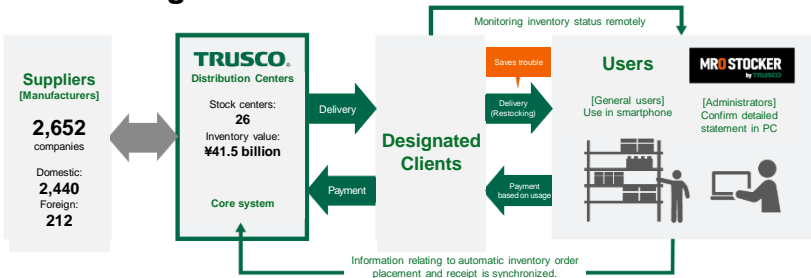
Conducting business among customers, distributors and Trusco Nakayama by connecting a customer's purchasing system with Trusco's central purchasing system

## MRO STOCKER by TRUSCO

### MRO Stocker

Under the banner of our corporate message, "Do Your Best! Japanese Monozukuri," we are dedicated to maintaining a stable supply of MRO goods for production sites in the manufacturing and construction industries. MRO Stocker was a great idea of our President Tetsuya Nakayama. place MRO inventory on the premises of users and invoice them only for the items that they use, just like Toyama's medicine merchants did. This is how we achieve the ultimate "zero delivery time."

### Introducing MRO Stocker



MRO Stocker can be arranged by our clients, who then set it up for their customers (user), or users order through our dedicated website, through which a retailer who will then arrange an MRO Stocker for the user. Either way, we do not sell directly to users. MRO Stocker is always introduced to users through our clients. It takes about one to three months to set it up after receiving a request.

Accelerated introduction of MRO Stocker ("Use first pay later" tools)

**Introduced to 88 companies as of the end of June 2021**  
**Target amount by 2023: 550**

## B-(6) [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 has actively proposed to general hardware mass discounters that they allot part of their floor spaces to pro tool shops.

In the future we will further deepen our relationship with such retailers and help to improve services for their customers using our collective strength.

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

Unit: million yen, %

Ranking	Name of client	2Q of FY ended Dec. 2020	2Q of FY ending Dec. 2021	YoY change
1	DCM Hodaka (Pro tool Shop)	1,032	1,240	+ 20.2
2	Kohnan Shoji	810	1,088	+ 34.3
3	Nufco	860	1,021	+ 18.7
4	DCM Kahma	687	773	+ 12.5
5	Royal Home Center	666	682	+ 2.4
6	Cainz	656	667	+ 1.7
7	DCM Homac	588	636	+ 8.1
8	Shimachu	488	413	- 15.3
9	Komeri	328	398	+ 21.3
10	Home Center Valor	254	341	+ 34.0
Combined sales to top 10 companies		6,373	7,264	+ 14.0
Combined sales via home center route		8,167	8,978	+ 9.9
Percentage share of sales to top 10 companies		78.0	80.9	

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

#### ■ Sales to DCM Holdings

Total: ¥3,222 million (up 8.9% year on year)  
DCM Hodaka , DCM Kahma , DCM Homac , DCM Daiki, DCM Sanwa, DCM Kuroganeya , Keiyo, DCM ONLINE

#### ■ Sales to pro-tool shops

Total: ¥1,399 million (up 35.0% 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-(7) Business performance of overseas subsidiaries

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

2Q of FY ending Dec. 2021

Million yen

75560		Net sales	Gross profit	Selling, general & administrative expenses (SGA)	Operating income	Ordinary income	Net income
TRUSCO NAKAYAMA CORPORATION (THAILAND) LIMITED 1 baht = 3.45 yen (3.49 yen a year earlier)	Actual results	364	84	70	14	14	14
	Share against net sales	—	23.3%	19.3%	3.9%	3.9%	3.9%
	YoY change	+15.0%	+12.8%	-7.2%	—	—	—
PT.TRUSCO NAKAYAMA INDONESIA 1 rupiah = 0.0076 yen (0.0076 yen a year earlier)	Actual results	140	33	66	-32	-30	-30
	Share against net sales	—	24.2%	47.5%	—	—	—
	YoY change	+16.9%	+44.4%	+5.1%	—	—	—

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

While the lockdown has been extended in Thailand and social activities are restricted in Indonesia due to the COVID-19 crisis, it is our top priority to expand business with our existing clients by solving problems and increase our sales force.

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

2Q of FY ending Dec. 2021

Million yen

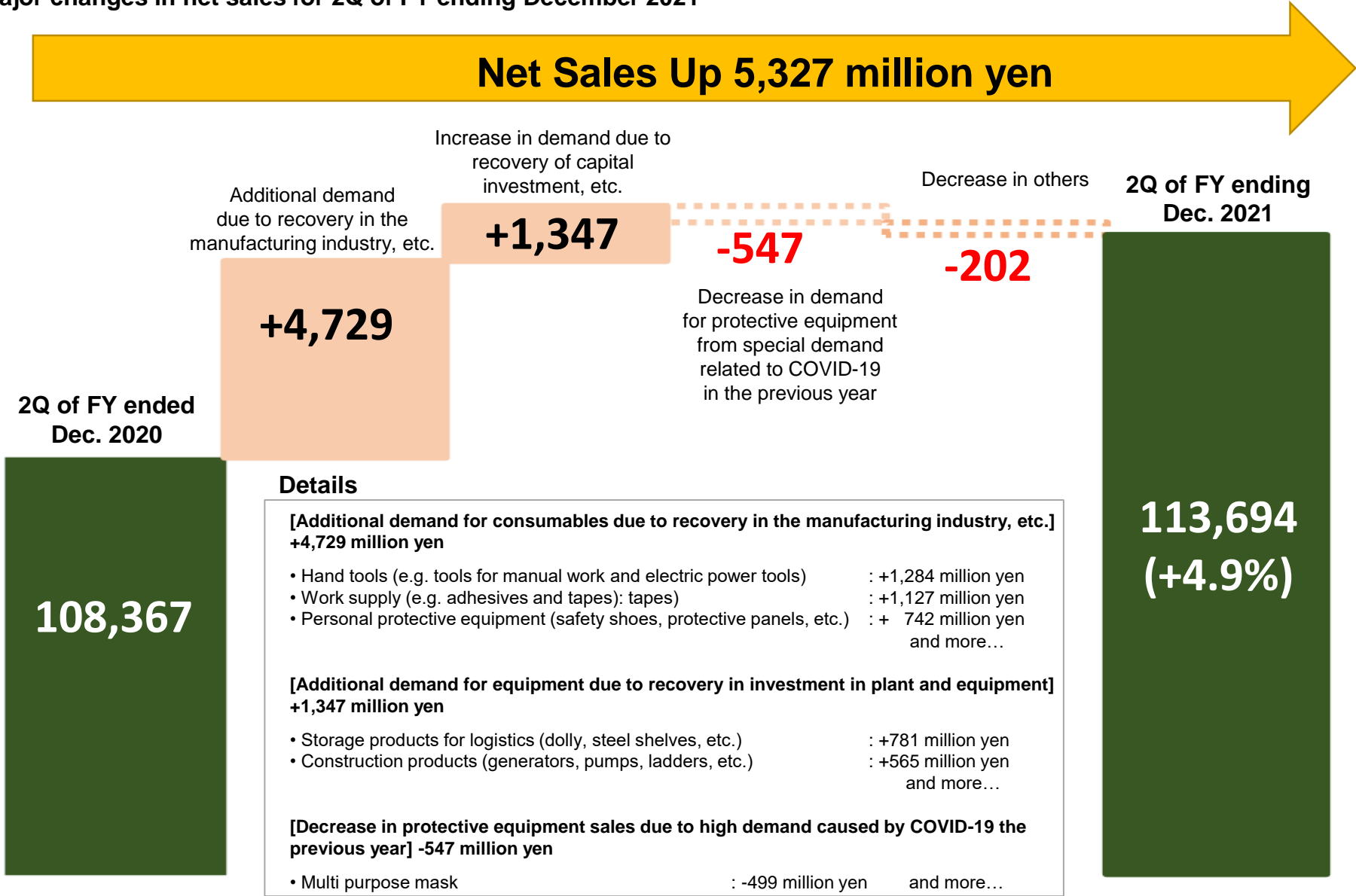
		Net sales	Gross profit
Business performance in other overseas regions (including the Philippines, China and South Korea)	Actual results	318	86
	Share against net sales	—	27.3%
	YoY change	46.8%	57.6%

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

B-(8) [Non-consolidated] Analysis of sales for second quarter of FY ending December 2021

Major changes in net sales for 2Q of FY ending December 2021

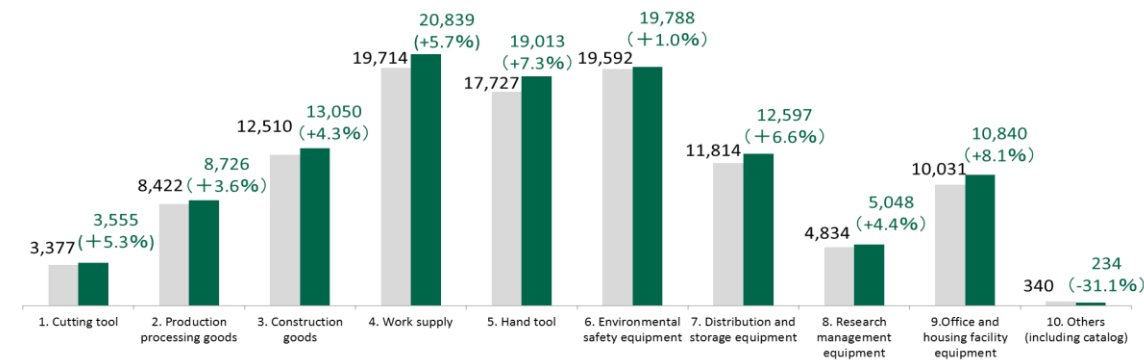
(Million yen)



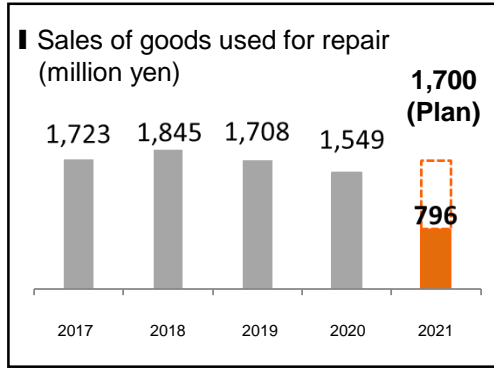
B-(9) [Non-consolidated] Sales by (large/medium) category for the second quarter of the FY ending December 2021

Sales graph by large category and details of medium category

■ Sales for the second quarter of the FY ended December 2020 (million yen)  
■ Sales for the second quarter of the FY ending December 2021 (million yen) ( ) YoY change (%)



Repair service, Naojiro Repair Workshops



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 tools 3.1	(1) Cutting tools	1,678	1.5	+9.5	12.2	6. Environmental safety equipment 17.4	(25) Protective equipment	10,562	9.3	-4.9	24.2
	(2) Drilling and thread cutting tools	1,876	1.7	+1.8	22.4		(26) Safety goods	4,947	4.4	+9.5	25.9
2. Production processing goods 7.7	(3) Measurement equipment	4,623	4.1	+6.2	16.1		(27) Environment improvement goods	961	0.8	+6.8	20.2
	(4) Mechatronics	1,755	1.5	-0.1	15.6		(28) Air conditioning goods	1,799	1.6	+8.4	15.4
	(5) Tools for machine tools	1,073	0.9	+0.8	23.8		(29) Disaster and crime prevention goods	546	0.5	+20.4	19.5
	(6) Electronic machinery	1,273	1.1	+2.0	11.3		(30) Closets and exterior goods	970	0.9	+2.1	19.3
3. Construction goods 11.5	(7) Hydraulic tools	952	0.8	+0.1	11.5	7. Distribution and storage equipment 11.1	(31) Loading goods	3,587	3.2	+3.9	17.6
	(8) Pumps	1,621	1.4	-1.1	16.6		(32) Conveyors	570	0.5	+4.5	15.9
	(9) Welding equipment	1,050	0.9	+3.6	18.1		(33) Transportation goods	4,706	4.1	+8.2	22.9
	(10) Painting and interior goods	1,151	1.0	-0.0	26.2		(34) Containers and vessels	1,860	1.6	+6.8	30.8
	(11) Civil engineering and building goods	1,306	1.1	+9.5	12.3		(35) Steel shelves	1,873	1.6	+8.6	27.0
	(12) Ladders and stepladders	1,493	1.3	-2.1	22.9	8. Research management equipment 4.5	(36) Tool wagons	500	0.4	+4.3	28.8
	(13) Piping and materials of electronic equipment	1,867	1.6	+9.4	23.3		(37) Storage and management goods	629	0.6	+1.7	31.9
	(14) Component, hardware, and building materials	3,605	3.2	+8.3	27.4		(38) Work benches	813	0.7	+16.1	29.2
4. Work supplies 18.3	(15) Cutting goods	650	0.6	-2.6	15.0		(39) Stainless goods	941	0.8	+3.2	18.9
	(16) Grinding and polishing goods	3,996	3.5	+17.2	32.4	9. Office and housing facility equipment 9.5	(40) Research and development related goods	2,163	1.9	+1.9	18.9
	(17) Chemical products	9,548	8.4	-3.7	14.0		(41) Cleaning utensils	3,085	2.7	+7.0	22.0
	(18) Factory miscellaneous goods	2,253	2.0	+18.4	28.6		(42) Stationery	1,193	1.0	+16.1	19.2
	(19) Packing and binding goods	2,735	2.4	+10.7	31.0		(43) Office miscellaneous goods	1,602	1.4	+9.0	26.6
	(20) Casters	1,653	1.5	+22.9	31.0		(44) Electric appliances	1,697	1.5	+4.0	22.3
5. Hand tools 16.7	(21) Electric power tools and accessories	5,476	4.8	+15.7	21.7	10. Others 0.2	(45) OA business machinery	1,114	1.0	+32.6	25.5
	(22) Pneumatic tools and accessories	3,575	3.1	+20.8	30.4		(46) Office furniture	2,001	1.8	-1.6	24.9
	(23) Tools for manual work	9,010	7.9	-0.8	13.5		(47) Interior goods	145	0.1	+2.7	20.3
	(24) Tool boxes	951	0.8	-0.1	26.5		(48) Entire company	234	0.2	-31.1	15.9
						Total		113,694	100.0	+4.9	21.6

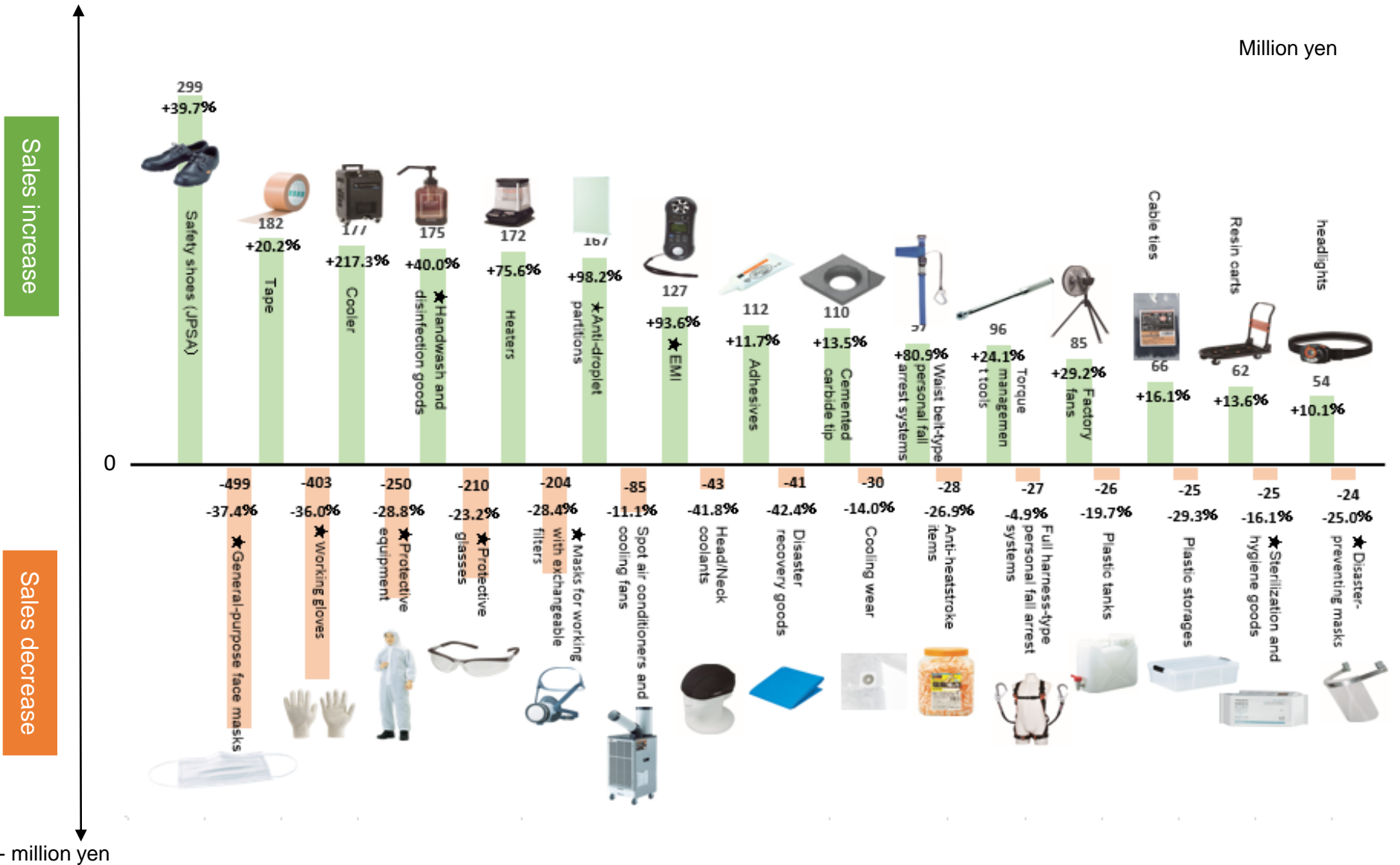
(Unit: million yen, %)



B-(9) [Non-consolidated] Sales by (small) category for the second quarter of the FY ending December 2021

■ Demand changes by product for 2Q of FY ending December 2021

+ million yen



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

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

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

Category	Net sales	YoY change	Category	Net sales	YoY change	Category	Net sales	YoY change
1. Cutting tools	¥3,793 million	+4.8	9. Tools for manual work	¥9,113 million	+10.0	17. Loading equipment	¥4,642 million	+7.1
2. Tools for machine tools	¥1,274 million	+2.7	10. Electric, hydraulic & pneumatic tools	¥10,821 million	+3.9	18. Cleaning & janitorial supplies	¥6,368 million	+6.7
3. Measuring & testing instruments	¥5,136 million	+9.7	11. Protective equipment	¥10,934 million	-7.7	19. Environment improvement goods	¥4,598 million	+18.2
4. Mechatronics parts	¥1,512 million	+0.7	12. Safety goods	¥2,662 million	+11.1	20. Garden supplies	¥1,001 million	+11.3
5. Hardware & building materials	¥4,078 million	+7.6	13. Packaging supplies	¥7,294 million	+9.1	21. Office and housing facility equipment	¥5,353 million	+1.7
6. Pneumatic supplies	¥2,274 million	+4.1	14. Construction & lighting supplies	¥10,464 million	+1.9	22. Laboratory supplies	¥2,779 million	+8.4
7. Electronics	¥2,124 million	+11.2	15. Loading goods	¥4,038 million	+2.5			
8. Chemical products	¥6,788 million	+5.0	16. Logistics & storage supplies	¥6,671 million	+7.0			

## ● Tools that increase customers' convenience



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

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



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

Number of items featured:	Approx. 2.51 million
Share of orders received via computer systems:	84.9%
Safety data sheets, drawings and contained chemical substances investigation sheets are downloadable.	Available 24 hours per day



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

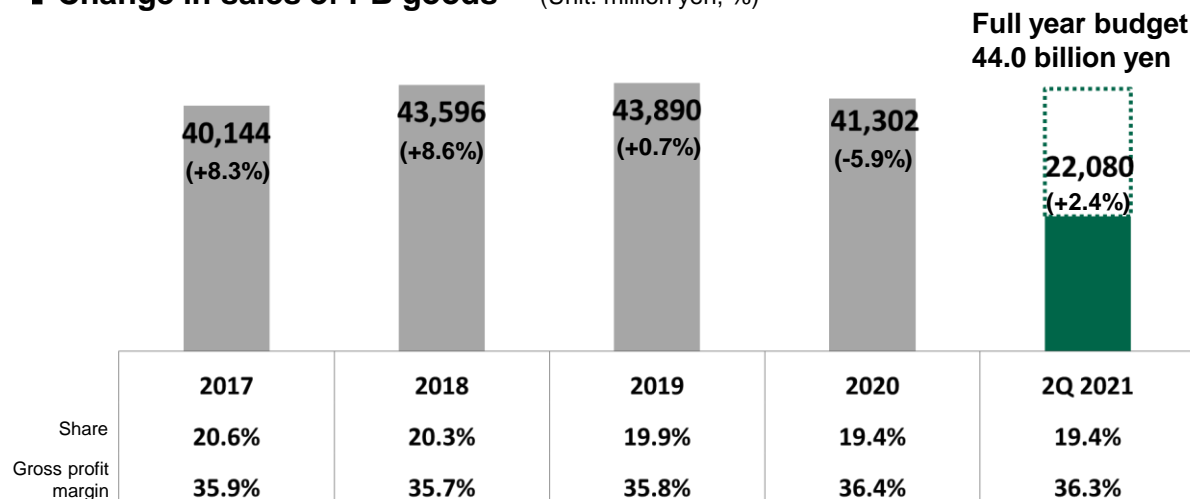


AI Kokomite kun (chatbot)  
Responds in natural language.  
Voice input supported  
Available on smartphones

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

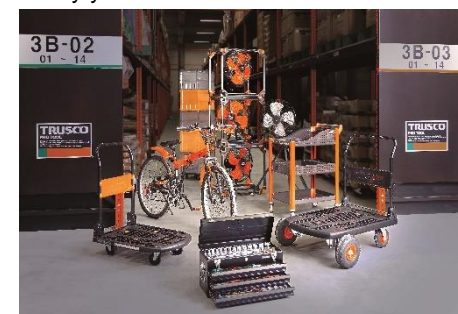
In the category of private brand goods, demand for environmental safety equipment related to the prevention of COVID-19 infections came to an end. After the resumption of manufacturing business, sales of other products either increased or decreased slightly year on year.

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



## Private Brand (PB) goods

TRUSCO is our private brand that was created to emphasize the professional quality we offer to match the skills of professional users. With the best range of products among all brands of factory supplies, we continue bringing out nearly 10,000 new items every year.



## Change in sales by category of PB goods by segment

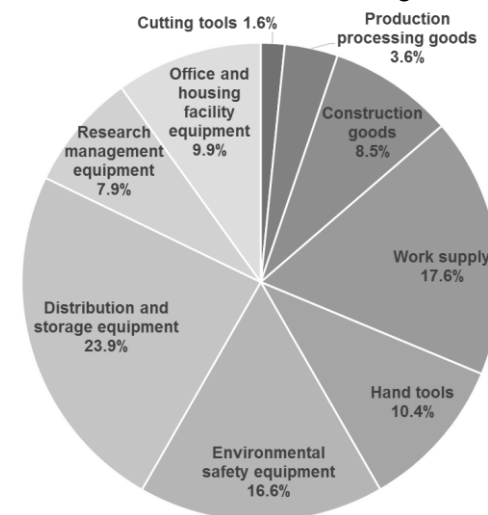
\* Excluding overseas route

(Unit: million yen)

	Entire Company		Factory Route		e-business Route		Home Center Route	
	Constituent ratio	19.4%	Constituent ratio	19.7%	Constituent ratio	24.0%	Constituent ratio	5.5%
	Gross profit margin	36.3%	Gross profit margin	36.4%	Gross profit margin	36.8%	Gross profit margin	31.2%
	Net sales	YoY change	Net sales	YoY change	Net sales	YoY change	Net sales	YoY change
<b>Total</b>	<b>22,080</b>	<b>+2.4%</b>	<b>16,099</b>	<b>+0.9%</b>	<b>5,346</b>	<b>+8.9%</b>	<b>489</b>	<b>-9.8%</b>
Cutting tools	355	+0.6%	253	-0.3%	61	+0.8%	34	+5.5%
Production processing goods	795	+6.9%	577	+4.1%	194	+17.4%	9	-3.3%
Construction goods	1,869	+4.8%	1,341	+2.0%	486	+13.0%	31	+4.0%
Work supplies	3,883	+4.6%	3,061	+3.3%	755	+11.1%	41	+3.2%
Hand tools	2,298	+5.1%	1,605	+2.3%	587	+12.6%	65	-2.0%
Environmental safety equipment	3,667	-13.6%	2,774	-10.8%	820	-16.0%	62	-55.5%
Distribution and storage equipment	5,274	+9.0%	3,712	+6.1%	1,315	+18.6%	225	+8.1%
Research management equipment	1,747	+6.8%	1,294	+3.0%	441	+20.6%	1	-16.4%
Office and housing facility equipment	2,188	+6.3%	1,479	+2.3%	683	+16.0%	15	+59.9%
Other	1	-28.3%	0	+1.0%	-	-	1	-28.3%

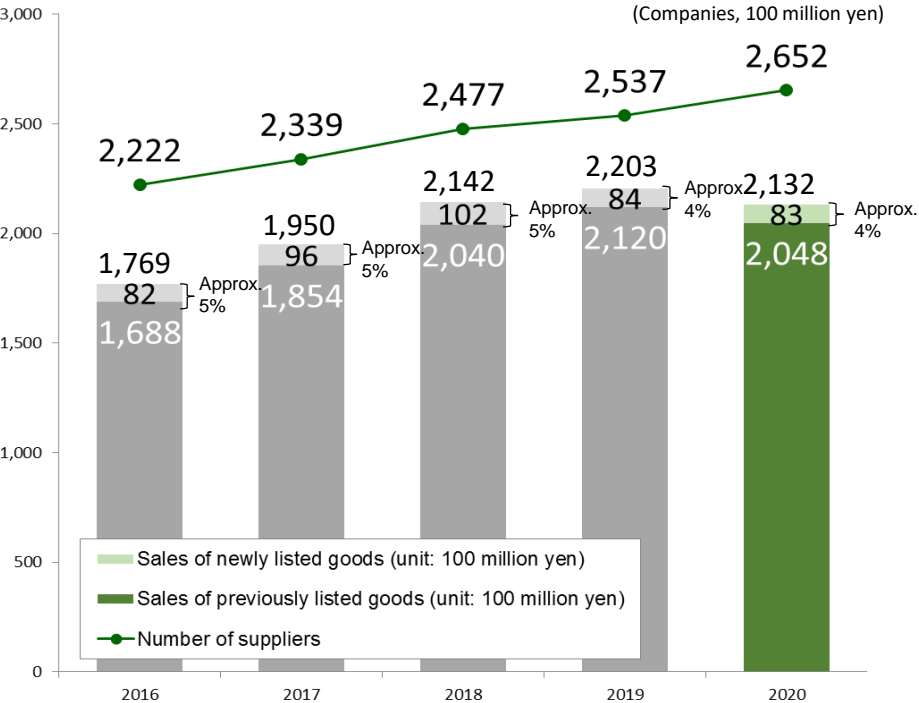
## PB sales ratio by category of goods

2Q of FY ending Dec. 2021

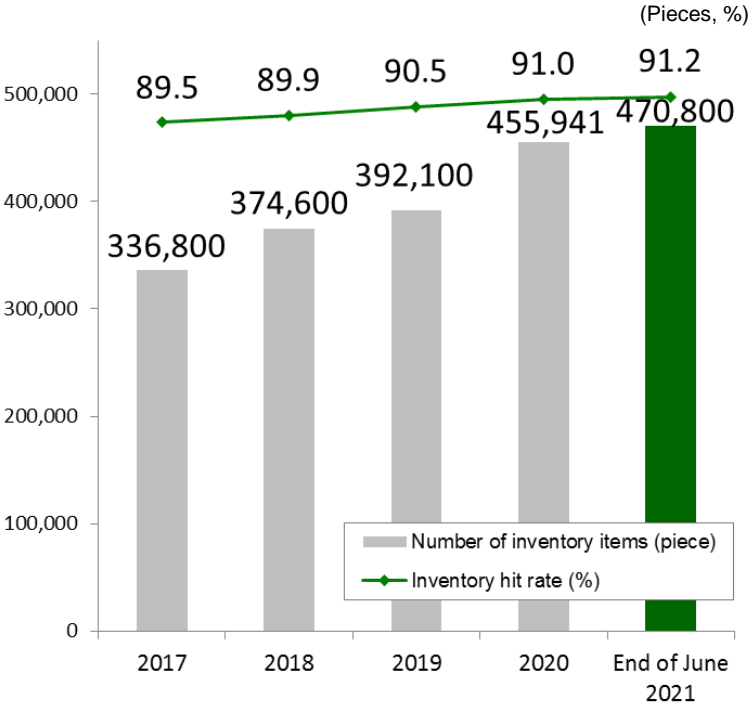


C-(1) Number of suppliers, sales of newly listed goods, number of items in inventory, hit rate, number of sales accounts and number of companies

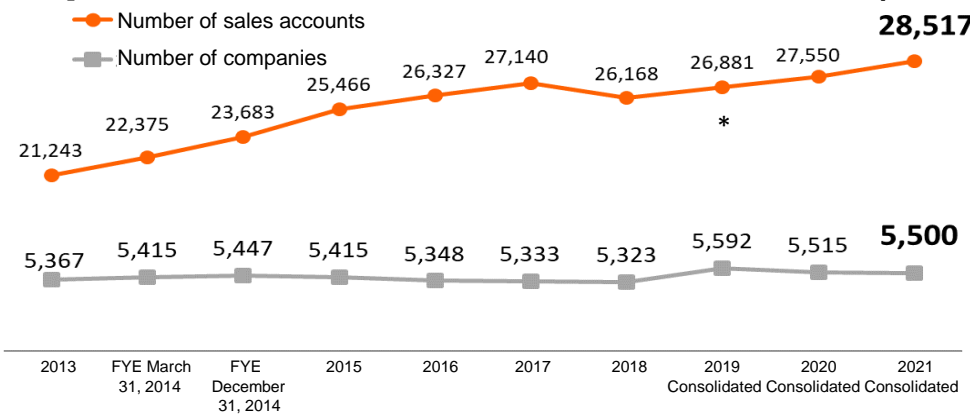
1. [Non-consolidated] Changes in the number of suppliers and sales of goods newly listed in the TRUSCO Orange Book



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



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

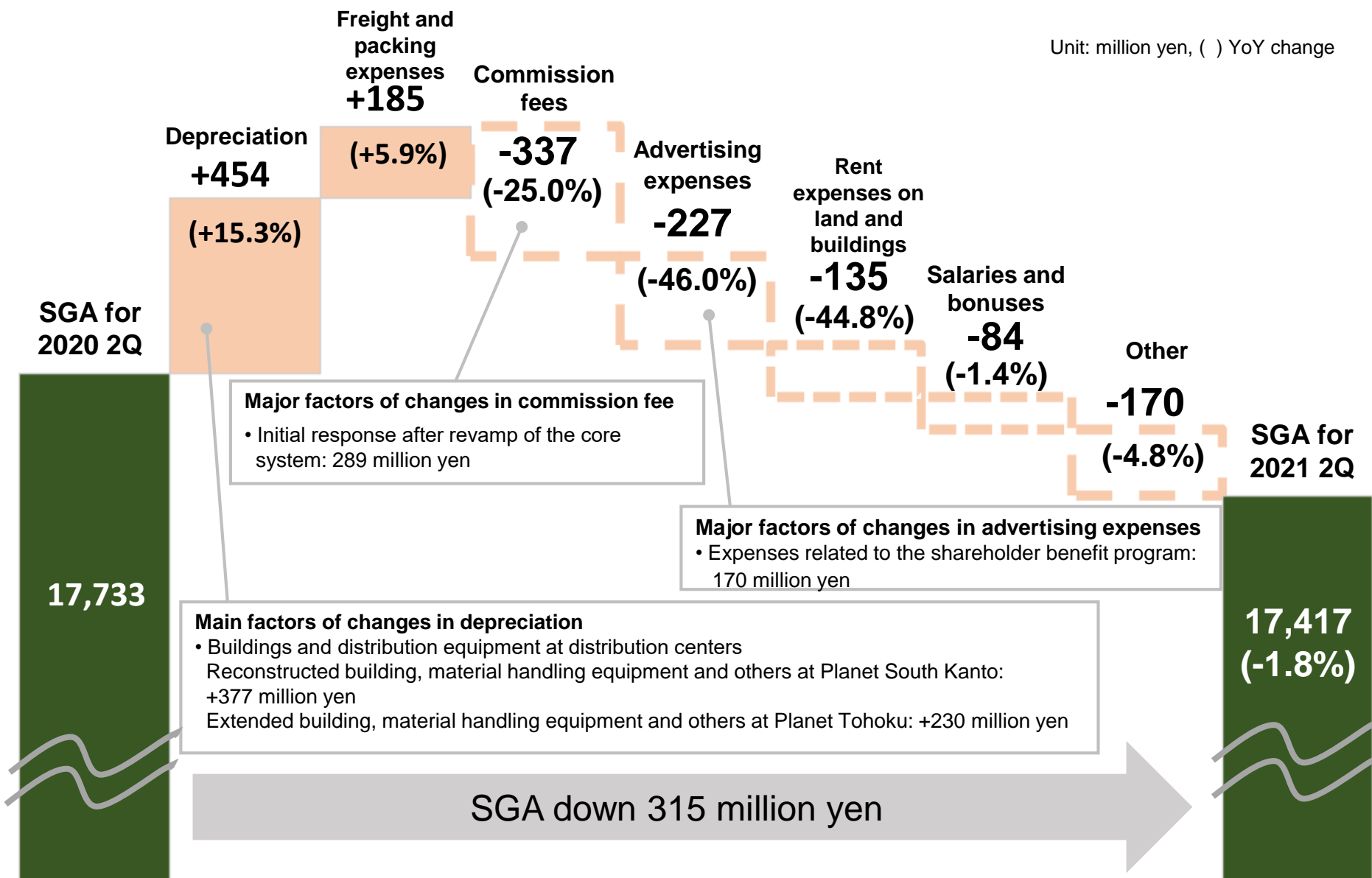


- 1. Products newly listed in our product catalogue, TRUSCO Orange Book, for the relevant year account for approximately 4% of total sales.
- 2. Inventory hit rate: Number of rows used for products shipped from inventory divided by the total number of rows used for orders.
- 3. The number of accounts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

\* 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 second quarter of the FY ending December 2021

Unit: million yen, ( ) YoY change



For details on factors relating to changes, please see p.23.



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

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

Unit: million yen, %

### [Non-consolidated] Key Items

No.		Apr. to Jun. 2020		Apr. to Jun. 2021		YoY change (Amount)	YoY change ( ) YoY change
		Amount	Share in net sales	Amount	Share in net sales		
1	Salaries and bonuses	5,871	5.4	5,786	5.1	-84	-1.4
2	Depreciation	2,962	2.7	3,416	3.0	+454	+15.3
3	Freight and packing expenses	3,168	2.9	3,354	2.9	+185	+5.9
4	Commission fees	289	0.3	278	0.2	-10	-3.7
5	Taxes and dues	1,065	1.0	1,076	0.9	+11	+1.1
6	Provision for bonuses	1,347	1.2	1,010	0.9	-337	-25.0
7	Welfare expenses	765	0.7	681	0.6	-83	-11.0
8	Advertising expenses	493	0.5	266	0.2	-227	-46.0
9	Supplies expenses	82	0.1	43	0.0	-39	-47.4
10	Remuneration paid to directors	245	0.2	234	0.2	-11	-4.6
11	Communication expenses	268	0.2	223	0.2	-45	-16.9
12	Other	218	0.2	210	0.2	-8	-3.7
13	Leasehold and office rents	189	0.2	199	0.2	+9	+4.9
14	Vehicle expenses	156	0.1	181	0.2	+25	+16.4
15	Promotion expenses	302	0.3	167	0.1	-135	-44.8
16	Utilities expenses	173	0.2	136	0.1	-37	-21.7
17	Traveling expenses and transportation expenses	119	0.1	137	0.1	+18	+15.5
18	Entertainment expenses	12	0.0	12	0.0	+0	+5.8
Total		17,733	16.4	17,417	15.3	-315	-1.8

- Full time employees 1,625, part time employees 1,204
- Overtime pay for employees (-104 million yen)
- Increase in wages and bonuses for part time employees (+42 million yen)

- Buildings and distribution equipment at distribution centers Reconstructed building, material handling equipment and others at Planet South Kanto: +377 million yen  
Extended building, material handling equipment and others at Planet Tohoku: +230 million yen

- Impact of growth in shipping volume (approx. +185 million  
Increase in direct shipments to users (+103 million yen)  
=> 3,050,000 shipments (+350,000)  
[Reference] Number of chartered vehicles: 159 (-11 from the end of previous fiscal year)  
117 vehicles (+7 from the end of previous fiscal year) for delivery by the Company's employees

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

- Expenses related to the shareholder benefit program: 170 million yen
- Expenses for issuance of the 60th anniversary publication ( 28 million yen)

- External warehouse for distribution center terminated. (-118 million yen)

# D-(3) [Consolidated] Financial statements for the second quarter of the FY ending December 2021

## I Balance Sheet

(As of June 30th, 2021)

(Unit: 100 million yen)

Account item	Amount	Account item	Amount
<b>Assets</b>		<b>Liabilities</b>	
<b>Current assets</b>	<b>[109,434]</b>	<b>Current liabilities</b>	<b>[40,593]</b>
Cash and deposits	36,329	Accounts payable - trade	17,113
Accounts receivable - trade	27,329	Short-term borrowings	17,000
Electronically recorded monetary claims - operating	1,390	Accounts payable - other	2,383
Merchandise	43,237	Income taxes payable	2,557
Other	1,149	Provision for bonuses	281
Allowance for doubtful accounts	0	Provision for bonuses for directors (and other officers)	66
<b>Non-current assets</b>	<b>[106,383]</b>	Other	1,191
<b>Property, plant and equipment</b>	<b>96,055</b>	<b>Non-current liabilities</b>	<b>[37,815]</b>
Buildings and structures	51,055	Long-term borrowings	35,000
Machinery, equipment and vehicles	8,373	Provision for retirement benefits for directors (and other officers)	151
Tools, furniture and fixtures	1,983	Long-term guarantee deposits	2,662
Land	34,432	Other	1
Construction in progress	210	<b>Total liabilities</b>	<b>78,409</b>
<b>Intangible assets</b>	<b>6,055</b>	<b>Net assets</b>	
Software	5,940	<b>Shareholders' equity</b>	<b>[137,434]</b>
Software in progress	105	Share capital	5,022
Other	9	Capital surplus	4,711
<b>Investments and other assets</b>	<b>4,272</b>	Retained earnings	127,779
Investment securities	2,893	Treasury shares	-78
Deferred tax assets	847	<b>Accumulated other comprehensive income</b>	<b>[-25]</b>
Deferred tax assets for land revaluation	157	Valuation difference on available-for-sale securities	627
Other	383	Revaluation reserve for land	-357
Allowance for doubtful accounts	-10	Foreign currency translation adjustment	-296
<b>Total assets</b>	<b>215,818</b>	<b>Total net assets</b>	<b>137,408</b>
		<b>Total liabilities and net assets</b>	<b>215,818</b>

## I Cash Flow Statement

Unit: million yen

	2Q of FY ending Dec. 2020	2Q of FY ending Dec. 2021	YoY change
Cash flow from operating activities	5,796	8,349	+2,553
Cash flow from investment activities	-6,738	-3,467	+3,271
Cash flow from financing activities	8,812	-924	-9,736
Effect of exchange rate change on cash and cash equivalents	-18	9	+27
Net increase (decrease) in cash and cash equivalents	7,851	3,967	-3,884
Cash and cash equivalents at beginning of period	18,330	32,344	+14,014
Cash and cash equivalents at end of period	26,181	36,311	+10,129

Equity Ratio: 63.7%

### Balance Sheet

#### (1) Inventory Amount

While increasing the number of items we handle, we adjust the volume of stock per item to be kept at logistics centers throughout Japan in light of the local appeal of each product and sales frequency.

#### (2) Fixed Assets

As we practice business with assets, we own distribution center that is a foundation of the business, head office building, branches and data center, as well as trucks for delivery and sales personnel vehicles.



# D-(4) [Consolidated] Capital expenditure for the second quarter of the FY ending December 2021

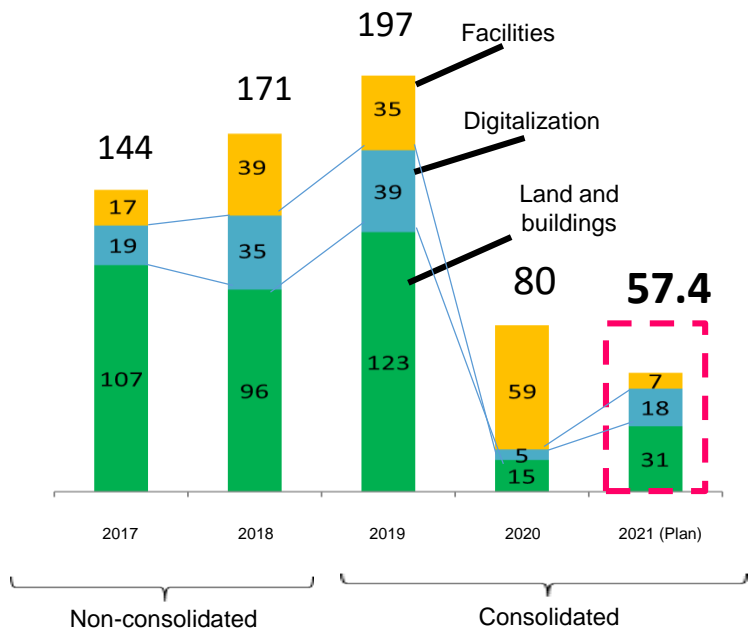
## Major past and future capital expenditures

Planned investment amount for 59<sup>th</sup> business year: 5.74 billion yen

Details of Major Capital Expenditure for 2021			(Unit: million yen)	Actual Expenditure for 1Q-2Q	Expected Expenditure for 3Q-4Q
Buildings	Planet Osaka warehouse construction, Planet East Kanto extension, Repairs, etc.			533	759
Facilities	Planet Saitama	Introducing I Pack, the Auto Store picking robot and others		264	479
	Others	Introduction of new handheld terminals, additional installation of devices, etc.			
IT systems	Renewal of Sterra (product data management system), revision to networks security			126	1,768
	AI development, website renewal, etc.				
Land	Planet Aichi construction plan, HC East Japan distribution center relocation plan			1,411	400
Total				2,334	3,406
Annual capital expenditures				5,740	

## Change in capital expenditures

Unit: 100 million yen



### Capital Expenditure

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

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

## E-(1) Plan for this fiscal year

### 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. Although at the time of forecasting the budget the situation regarding the COVID-19 crisis remained unclear and the budget was rather conservative, as there are signs of recovery in the market, we revised the budget upward on March 15, 2021. (Consolidated forecast: Revised from ¥220.5 billion to ¥227.5 billion)

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

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) FY2021: Major capital expenditure and topics

### Environment in which Wholesalers Ship Directly to Users Delivery time/packaging materials/freight costs/environmental impact halved.

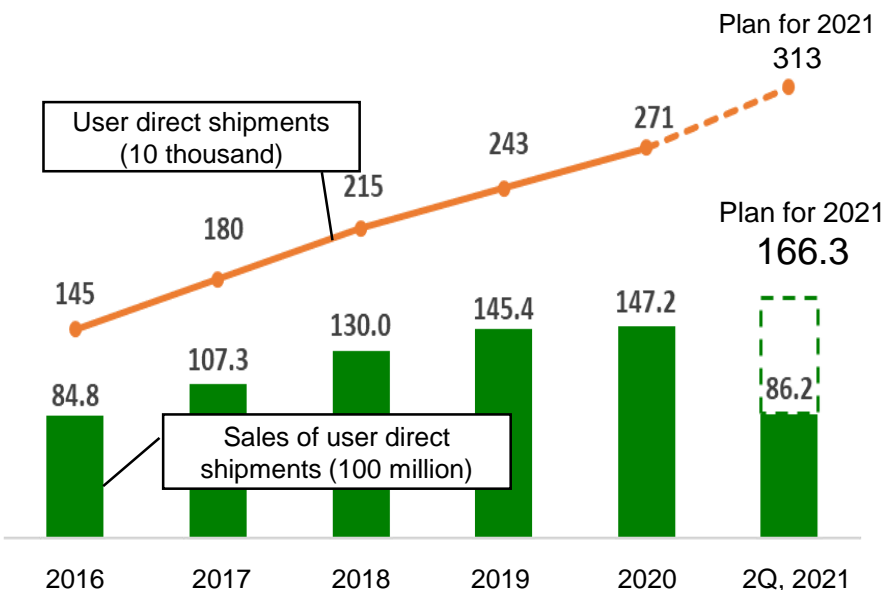
As it is becoming common to procure items from online shopping companies, requests for direct shipments to users are rapidly increasing. In light of the expansion of collaboration with online shops, industry-wide labor shortages and users' requests for shorter delivery lead times, it is likely that direct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

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

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

**1.62 million rows** for user direct shipments (up 15.0% on a YoY comparison)

**8.62 billion yen** in sales of user direct shipments (up 20.0% on a YoY comparison)



### Future specific actions

■ Increase maximum I-Pack shipping capacity at Planet Saitama



**Expected expenditure for fiscal year:**  
**Approx. 270 million yen**

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

### Land acquisition at several locations

#### 1. Land acquisition for Planet Aichi

■ 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: Approx. 25 billion yen (under planning)  
■ Land leasing fee: Approx. 5,700 thousand yen per month

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

## ■ Second quarter of FY ending December 2021 [Quarterly]

Unit: million yen, %

		1st Quarter (+1 day)			2nd Quarter (±0 day)			3rd Quarter (±0 day)			4th Quarter (±0 day)		
		Budget	Share against net sales	YoY change	Budget	Share against net sales	YoY change	Budget	Share against net sales	YoY change	Budget	Share against net sales	YoY change
Net sales	Budget	58,121	100.0	+ 1.1	55,949	100.0	+ 9.9	54,981	100.0	+ 9.2	58,469	100.0	+ 7.0
	Actual results	58,246	100.0	+ 1.3	55,642	100.0	+ 9.3						
Gross profit	Budget	12,516	21.5	- 0.3	12,474	22.3	+ 10.0	11,664	21.2	+ 10.1	12,306	21.0	+ 7.8
	Actual results	12,543	21.5	- 0.1	12,099	21.7	+ 6.7						
Selling, general and administrative expenses (SGA)	Budget	8,811	15.2	- 4.4	8,899	15.9	+ 4.5	8,790	16.0	+ 2.0	9,290	15.9	+ 8.8
	Actual results	8,752	15.0	- 5.1	8,664	15.6	+ 1.8						
Operating income	Budget	3,705	6.4	+ 11.0	3,575	6.4	+ 26.6	2,874	5.2	+ 45.4	3,016	5.2	+ 4.7
	Actual results	3,790	6.5	+ 13.6	3,434	6.2	+ 21.6						
Ordinary income	Budget	3,943	6.8	+ 16.5	3,807	6.8	+ 26.3	2,958	5.4	+ 43.7	3,112	5.3	+ 0.4
	Actual results	3,995	6.9	+ 18.0	3,695	6.6	+22.6						
Quarterly profit attributable to owners of parent	Budget	2,725	4.7	+ 17.4	2,615	4.7	+ 29.9	2,034	3.7	+ 47.3	2,146	3.7	- 6.4
	Actual results	2,712	4.7	+ 16.9	2,524	4.5	+ 25.4						

## Reference 2: [Consolidated] Quarterly business performance for the FY ending December 2021

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

Unit: million yen, %

		1st Quarter (+1 day)			2nd Quarter (±0 day)			3rd Quarter (±0 day)			4th Quarter (±0 day)		
		Budget	Share against net sales	YoY change	Budget	Share against net sales	YoY change	Budget	Share against net sales	YoY change	Budget	Share against net sales	YoY change
Net sales	Budget	58,121	100.0	+ 1.1	114,070	100.0	+ 5.2	169,051	100.0	+ 6.5	227,520	100.0	+ 6.6
	Actual results	58,246	100.0	+ 1.3	113,888	100.0	+ 5.1						
Gross profit	Budget	12,516	21.5	- 0.3	24,990	21.9	+ 4.6	36,654	21.7	+ 6.3	48,960	21.5	+ 6.6
	Actual results	12,543	21.5	- 0.1	24,643	21.6	+ 3.1						
Selling, general and administrative expenses (SGA)	Budget	8,811	15.2	- 4.4	17,710	15.5	- 0.1	26,500	15.7	+ 0.6	35,790	15.7	+ 2.6
	Actual results	8,752	15.0	- 5.1	17,417	15.3	- 1.8						
Operating income	Budget	3,705	6.4	+ 11.0	7,280	6.4	+ 18.2	10,154	6.0	+ 24.8	13,170	5.8	+ 19.5
	Actual results	3,790	6.5	+ 13.6	7,225	6.3	+ 17.3						
Ordinary income	Budget	3,943	6.8	+ 16.5	7,750	6.8	+ 21.1	10,708	6.3	+ 26.6	13,820	6.1	+ 19.6
	Actual results	3,995	6.9	+ 18.0	7,691	6.8	+ 20.2						
Quarterly profit attributable to owners of parent	Budget	2,725	4.7	+ 17.4	5,340	4.7	+ 23.2	7,374	4.4	+ 29.0	9,520	4.2	+ 18.9
	Actual results	2,712	4.7	+ 16.9	5,237	4.6	+ 20.8						

## Reference (3): Company data

### Number of employees [Consolidated]

As of the end of June 2021

	Females	Males	Total	YoY Change
Executives	1	10	11	-1
Executive officers	0	2	2	±0
Career	173	435	608	-31
Area	278	301	579	+8
Support	24	2	26	-4
Specialist	15	12	27	-3
Logistics	82	269	351	-1
Contract employees	1	32	33	-3
Overseas subsidiaries	18	24	42	±0
Seconded to health insurance association	2	0	2	±0
Seconded to Nakayama Visually Impaired Welfare Foundation	0	0	0	±0
Total number of employees (excluding part-time employees)	593	1,077	1,670	-34
Part-time employees	888	316	1,204	+79
Total	1,482	1,403	2,885	+44

Share of female employees: 35.5%, Number of female sales staff members: 60, Females in career track positions account for 29.1% of all female employees (whereas such males account for 40.3% 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

	2017 [Non-consolidated]		2018 [Non-consolidated]		2019 [Consolidated]		2020 [Consolidated]		End of Jun. 2021 [Consolidated]	
	Females	Males	Females	Males	Females	Males	Females	Males	Females	Males
No. of employees	510	1004	557	1,051	585	1,071	589	1085	593	1077
	1,514		1,608		1,656		1,674		1,670	
No. of incoming employees	63	72	52	57	41	46	37	42	23	21
	135		109		87		79		44	
No. of outgoing employees	18	18	20	26	42	44	37	33	19	24
	36		46		86		70		43	
Turnover ratio	3.4	1.8	3.5	2.4	6.7	3.9	5.9	3.0	3.1	2.2
	2.3		2.8		4.9		4.0		2.5	

### Amount irrecoverable due to bankruptcy

Unit: 10 thousand yen

	2017	2018	2019	2020	2Q 2021
Amount irrecoverable	0	4	0	0	275

### Average age and annual income

	Average age (years)			Average annual income (million yen)			
	Females	Males	Entire company	Career	Area	Logistics	Entire company
2020	32.1	41.9	38.4	721	601	461	619
2019	31.3	42.0	38.2	758	642	492	655
2018	30.9	42.1	38.2	804	680	520	701
2017	30.7	42.7	38.6	805	696	541	715
2016	30.6	43.5	39.3	757	651	519	674

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

\* The payment of performance based bonuses commenced in FY2014. In 2019, they were discontinued, and bonuses decreased.

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

### Number of bases [Consolidated]

As of the end of June 2021

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

### 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