

# The 59th Business Year Business

## Performance Data Analysis

### Fiscal Year Ending December 2021

### First Three Quarters

**Released on October 20:**

#### **Vending machine-type MRO stockers**

Featuring unmanned 24/7 sales operations for many and unspecified customers, cash and cashless payments, and the reduction of criminal risk to continue the product's popularization in the market



#### **Trusco Nakayama Corporation**

Announced November 1, 2021

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

Trusco Fiorito Bldg. 10th floor, 4-28-1 Shinbashi,  
Minato-ku, Tokyo 105-0004, Japan  
Phone: +81-3-3433-9840  
Fax: +81-3-3433-9881  
E-mail: [info@trusco.co.jp](mailto:info@trusco.co.jp)

## Upward Revision to Business Performance Forecast (announced on November 1, 2021)

The Company revised its forecast of profit attributable to owners of parent upwards on November 1, 2021 after the recording of extraordinary income in association with its transfer of non-current assets. Given that this extraordinary income is not directly related to business activities, the Company has not revised its forecast of dividend per share based on its dividend policy announced in February 2021.

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

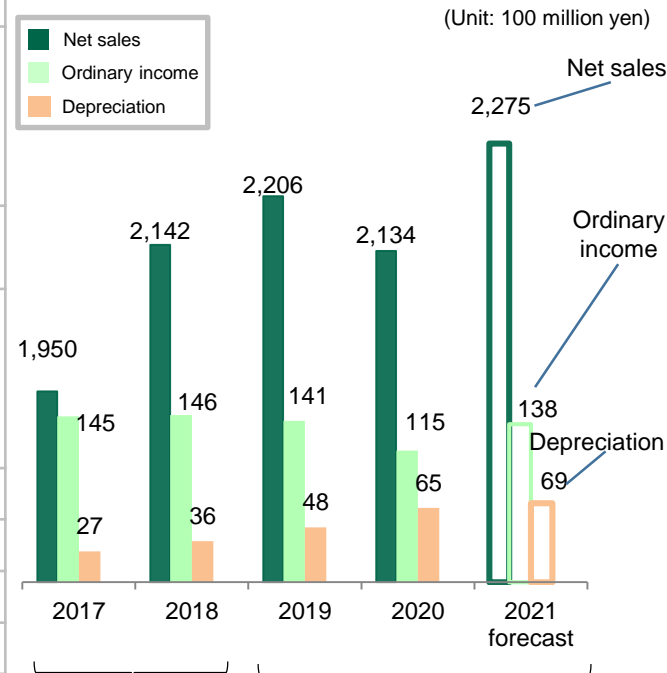
	Previous forecast announced on Mar. 15, 2021	Forecast after revision announced on Nov. 1, 2021	Change from previous forecast	YoY change
Net sales	¥227,520 million	¥227,520 million	-	+6.6%
Operating income	¥13,170 million	¥13,170 million	-	+19.5%
Ordinary income	¥13,820 million	¥13,820 million	-	+19.6%
Profit attributable to owners of parent	¥9,520 million	¥11,970 million	+25.7%	+49.5%
Net income per share	¥144.37	¥181.52	+¥37.15	+¥60.09
Dividend per share	¥36.50	¥36.50	-	+¥6.00

# Company overview

As of the end of September 2021

## ➤ Change in Net Sales, Ordinary Income and Depreciation

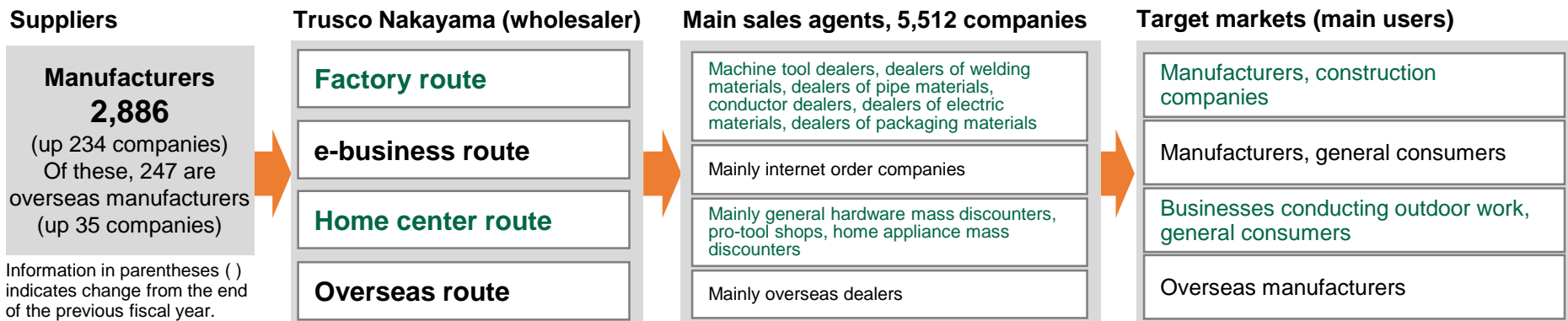
Founding	May 15, 1959
Representative	Tetsuya Nakayama, President Chairman, The Nakayama Visually Welfare Foundation Vice president, Japan Federation of Machine Tool Distributors Associations President, Osaka Machine Appliance Wholesaler Cooperative
Head offices	Tokyo Head Office (Minato-ku, Tokyo, registered as official headquarters) Osaka Head Office (Nishi-ku, Osaka City)
Number of offices	93 in total: 90 domestic bases: 2 head offices, 61 sales branches, 27 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	2,893 [Consolidated]
Credit rating	A (Rating and Investment Information, Inc.)
Line of business	Wholesaler of industrial equipment such as machine tools, distribution equipment and environmental safety equipment (and consumables used in factories) and planning and development of products under the company's own brand, TRUSCO



[Non-consolidated] [Consolidated]

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

## Business flow



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

- Net sales: Up 6.3% YoY, Down 0.2% from budget. Number of business days: 179 (Up 1 YoY) \* The number of business days is the non-consolidated number.
- Gross profit margin: 21.2%, down 0.5 percentage points YoY  
=> The gross margin ratio dropped following the end of special demand for products with high gross margin ratios related to the prevention of COVID-19 in the previous fiscal year.
- SGA: Down 0.2% YoY after a decrease in commission expenses following a fall in initial action expenses concerned with the core system revamp in 2020 and a decrease in advertising expenses after the discontinuation of the shareholder benefit program (for details about SGA, see pp. 22-23.)

	First 3Qs of FY ended Dec. 2020		First 3Qs of FY ending Dec. 2021						
	Actual results	Share (%)	Actual results	Share (%)	YoY change (%)	Budget	Share of budget (%)	Change from budget	Change from budget (%)
<b>Net sales</b>	¥158,753 million	—	<b>¥168,708 million</b>	—	<b>+6.3</b>	¥169,051 million	—	-¥342 million	-0.2
<b>Gross profit</b>	¥34,491 million	21.7	<b>¥35,754 million</b>	<b>21.2</b>	<b>+3.7</b>	¥36,654 million	21.7	-¥899 million	-2.5
<b>Selling, general and administrative expenses (SGA)</b>	¥26,353 million	16.6	<b>¥26,294 million</b>	<b>15.6</b>	<b>-0.2</b>	¥26,500 million	15.7	-¥205 million	-0.8
(depreciation included in SGA)	¥4,723 million	3.0	<b>¥5,144 million</b>	<b>3.0</b>	<b>+8.9</b>	¥5,202 million	3.1	-¥58 million	-1.1
<b>Operating income</b>	¥8,138 million	5.1	<b>¥9,459 million</b>	<b>5.6</b>	<b>+16.2</b>	¥10,154 million	6.0	-¥694 million	-6.8
<b>Ordinary income</b>	¥8,459 million	5.3	<b>¥10,014 million</b>	<b>5.9</b>	<b>+18.4</b>	¥10,708 million	6.3	-¥693 million	-6.5
<b>Profit attributable to owners of parent</b>	¥5,714 million	3.6	<b>¥7,480 million</b>	<b>4.4</b>	<b>+30.9</b>	¥7,374 million	4.4	+¥106 million	+1.4
<b>Net income per share</b>	¥86.66	—	<b>¥113.43</b>	—	—	¥111.82	—	+¥1.61	—

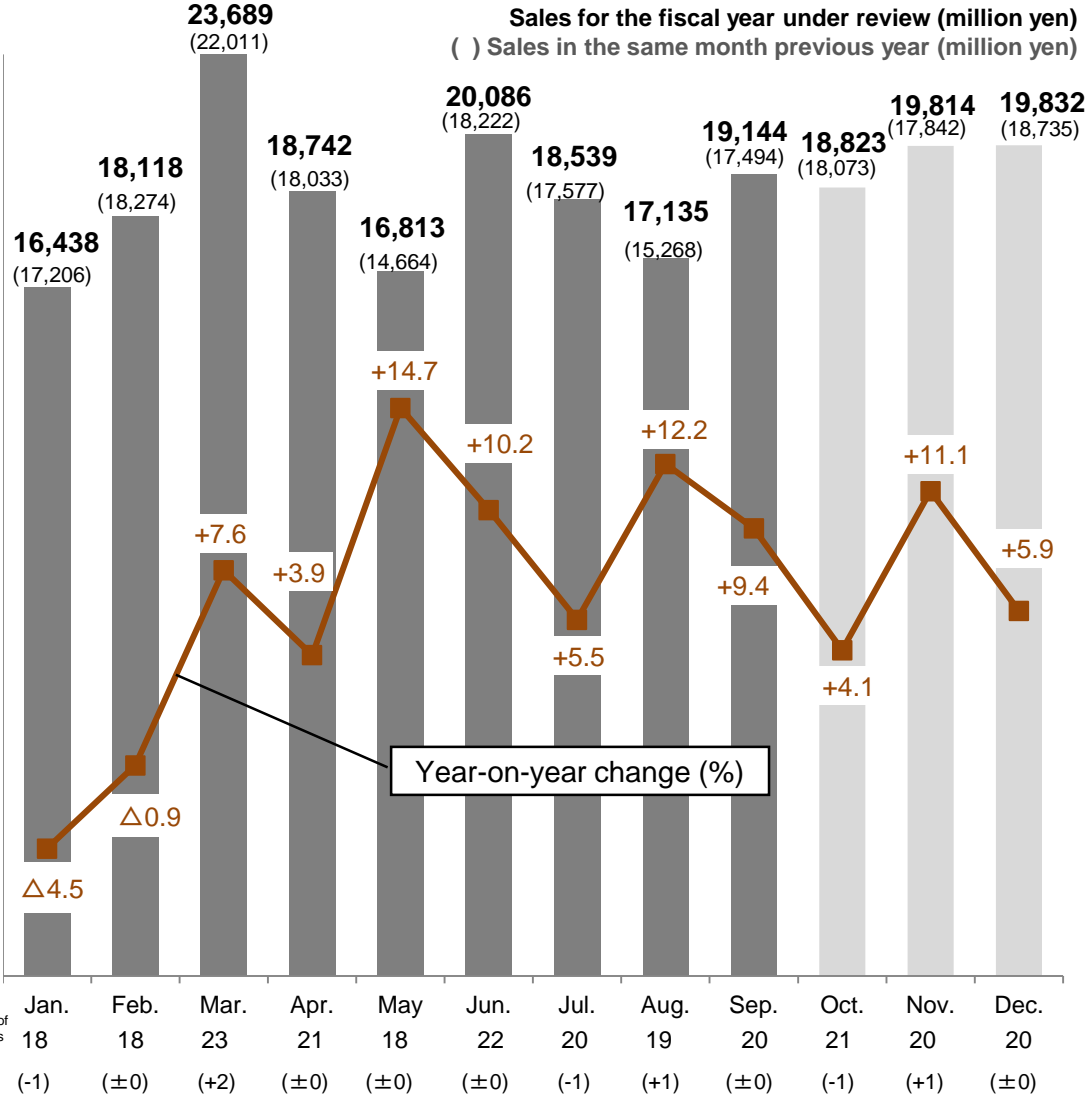
## A-(2) [Non-consolidated] Business performance for the first three quarters of the FY ending December 2021

	First 3Qs of FY ended Dec. 2020		First 3Qs of FY ending Dec. 2021						
	Actual results	Share (%)	Actual results	Share (%)	YoY change (%)	Budget	Share of budget (%)	Change from budget	Change from budget (%)
<b>Net sales</b>	¥158,666 million	—	<b>¥168,429 million</b>	—	<b>+6.2</b>	<b>¥168,665 million</b>	—	<b>-¥236 million</b>	<b>-0.1</b>
<b>Gross profit</b>	¥34,388 million	21.7	<b>¥35,586 million</b>	<b>21.1</b>	<b>+3.5</b>	<b>¥36,464 million</b>	<b>21.6</b>	<b>-¥878 million</b>	<b>-2.4</b>
<b>Selling, general and administrative expenses (SGA)</b>	¥26,159 million	16.5	<b>¥26,094 million</b>	<b>15.5</b>	<b>-0.2</b>	<b>¥26,285 million</b>	<b>15.6</b>	<b>-¥190 million</b>	<b>-0.7</b>
(depreciation included in SGA)	¥4,672 million	2.9	<b>¥5,092 million</b>	<b>3.0</b>	<b>+9.0</b>	<b>¥5,202 million</b>	<b>3.1</b>	<b>-¥110 million</b>	<b>-2.1</b>
<b>Operating income</b>	¥8,228 million	5.2	<b>¥9,491 million</b>	<b>5.6</b>	<b>+15.3</b>	<b>¥10,179 million</b>	<b>6.0</b>	<b>-¥687 million</b>	<b>-6.8</b>
<b>Ordinary income</b>	¥8,520 million	5.4	<b>¥10,031 million</b>	<b>6.0</b>	<b>+17.7</b>	<b>¥10,729 million</b>	<b>6.4</b>	<b>-¥698 million</b>	<b>-6.5</b>
<b>Net income</b>	¥5,772 million	3.6	<b>¥7,502 million</b>	<b>4.5</b>	<b>+30.0</b>	<b>¥7,404 million</b>	<b>4.4</b>	<b>¥98 million</b>	<b>+ 1.3</b>
<b>Sales of PB goods</b>	¥31,284 million	19.7	<b>¥32,500 million</b>	<b>19.3</b>	<b>+3.9</b>	<b>¥32,979 million</b>	<b>19.6</b>	<b>-¥479 million</b>	<b>-1.5</b>
<b>Net income per share</b>	¥87.54	—	<b>¥113.77</b>	—	—	<b>¥112.28</b>	—	<b>+¥1.49</b>	—

# A-(3) [Consolidated] Company-wide monthly sales and [Non-consolidated] sales per day for the first three quarters of the FY ending December 2021

## I [Consolidated] Company-wide monthly sales

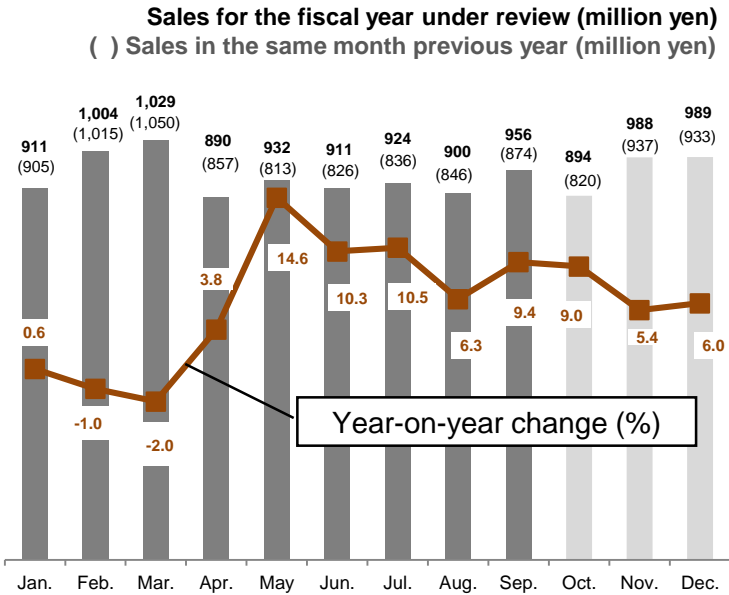
\* Figures for Jan. to Sep. represent actual values while those for Oct. and later months are budget values.



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

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

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



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

## I Net sales by sales route

	First 3Qs of FY ended Dec. 2020				First 3Qs 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	¥116,674 million	73.5%	21.2%	¥5,803 million	¥121,339 million	71.9%	+¥4,665 million	+4.0%	¥122,196 million	-¥856 million	-0.7%	20.7%	-0.5pt	¥6,760 million	+16.5%
e-business route	¥28,612 million	18.0%	25.5%	¥2,376 million	¥32,812 million	19.5%	+¥4,199 million	+14.7%	¥32,383 million	+¥428 million	+1.3%	23.9%	-1.6pt	¥2,546 million	+7.1%
Home center route	¥12,580 million	7.9%	17.7%	¥189 million	¥13,326 million	7.9%	+¥746 million	+5.9%	¥13,216 million	+¥109 million	+0.8%	17.8%	+0.1pt	¥323 million	+71.0%
Overseas route	¥886 million	0.6%	30.3%	-¥175 million	¥1,229 million	0.7%	+¥343 million	+38.7%	¥1,253 million	-¥23 million	-1.9%	31.6%	+1.3pt	-¥14 million	-
Total	¥158,753 million	100%	21.7%	¥8,459 million	¥168,708 million	100%	+¥9,954 million	+6.3%	¥169,051 million	-¥342 million	-0.2%	21.2%	-0.5pt	¥10,014 million	+18.4%

### I Factory route: Up 4.0% year on year

The Company increased inventories to suit market needs in an effort to increase convenience for clients. The recovery of factory operations and capital expenditures increased sales of work supplies and hand tools related to the operations and distribution and storage equipment linked with capital expenditures. (See p. 10)

### I e-business route: Up 14.7% year on year

Sales to mail order companies surged 15.1% year on year and those to companies participating in Orange Commerce increased 13.4%. Continued efforts to link the database of nearly 3.29 million products to clients' systems and the enhancement of original distribution services supporting packing styles matched to the needs increased transactions with mail order companies. (See pp. 11-12)

### I Home center route: Up 5.9% year on year

The active proposal of in-store displays to general hardware mass discounters and pro-tool shops continued. Supporting the strong performance, the in-store pickup service with 480,000 items in stock, the acquisition of new accounts and proposals for in-store displays helped increase sales. (See p. 13)

### I Overseas route: Up 38.7% year on year

Amid the restrictions on social activity during the pandemic, the Company worked to increase inventory to meet market needs and to expand transactions with existing clients through solutions to problems. (See p. 14)

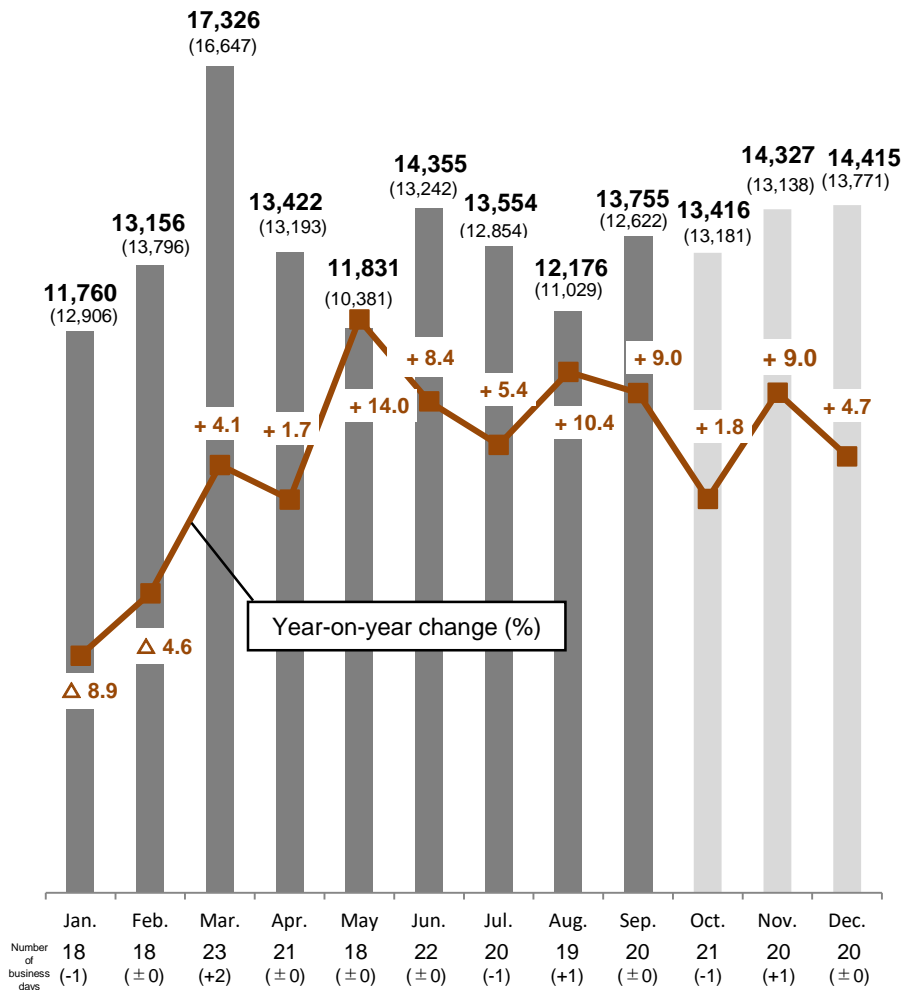


# B-(2) [Consolidated] Change in monthly sales by sales segment

## Change in monthly sales earned via factory route

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

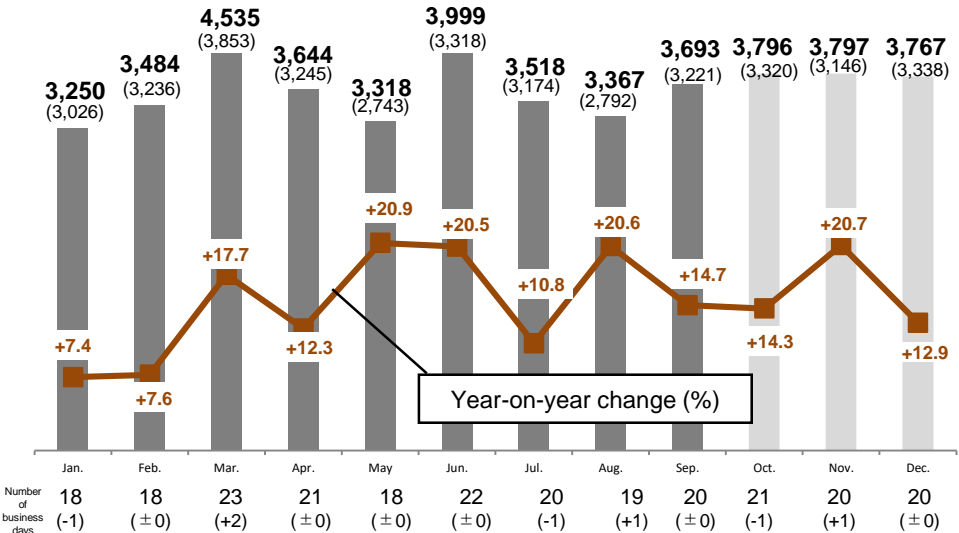
Sales for the fiscal year under review (million yen)  
( ) Sales in the same month previous year (million yen)



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

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

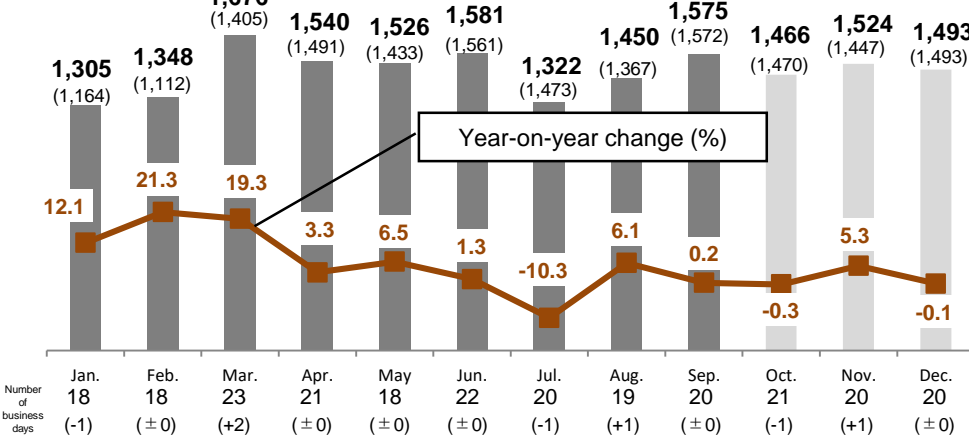
Sales for the fiscal year under review (million yen)  
( ) Sales in the same month previous year (million yen)



## Change in monthly sales earned via home centers

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

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

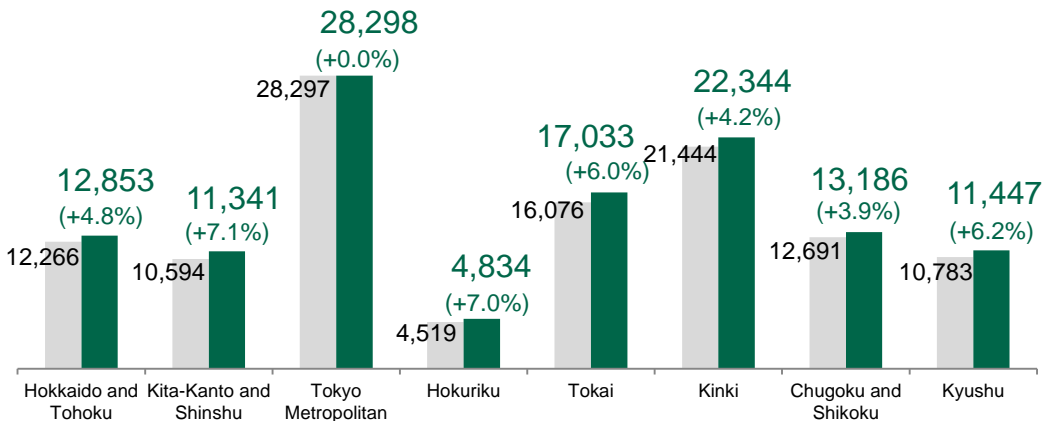




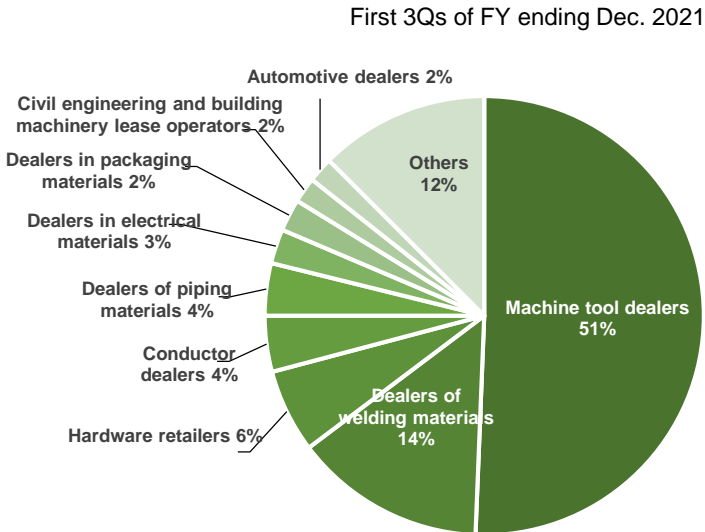
# B-(3) [Consolidated] Factory route: Business performance by region, industry and sales route

## I Factory route: Sales by region

■ Factory route net sales for the first 3Qs of FY ended Dec. 2020 (million yen)  
 ■ Factory route net sales for the first 3Qs of FY ending Dec. 2021 (million yen)  
 ( ) YoY change



## I Factory route: Sales constituent ratio by industry



## I Factory route sales by industry

Sales route	First 3Qs of FY ended Dec. 2020			First 3Qs 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
Machine tool dealers	¥58,305 million	50.0%	20.6%	¥61,496 million	50.7%	+5.5%	20.1%	-0.5pt
Dealers of welding materials	¥17,072 million	14.6%	22.0%	¥17,108 million	14.1%	+0.2%	21.6%	-0.4pt
Other manufacturing related (incl. physical and chemical materials, conductors and packaging materials dealers)	¥19,110 million	16.4%	21.2%	¥20,232 million	16.7%	+5.9%	20.6%	-0.6pt
Construction related (incl. hardware, piping materials and electrical materials dealers and civil engineering and lease operators)	¥22,185 million	19.0%	22.0%	¥22,502 million	18.5%	+1.4%	21.7%	-0.3pt
Total net sales via factory route	¥116,674 million	100.0%	21.2%	¥121,339 million	100.0%	+4.0%	20.7%	-0.5pt

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

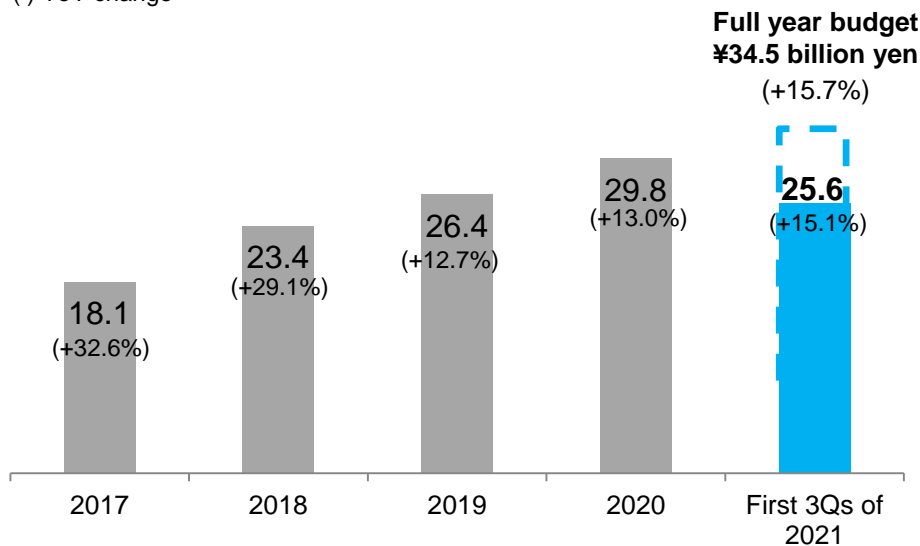
## Sales via e-business route

Sales route	First 3Qs of FY ended Dec. 2020			First 3Qs 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	¥22,263 million	77.8%	24.8%	¥25,615 million	78.1%	+15.1%	23.0%	-1.8pt
Companies participating in Orange Commerce (Trusco's electronic central purchasing system)	¥6,349 million	22.2%	28.1%	¥7,197 million	21.9%	+13.4%	27.5%	-0.6pt
Total net sales via e-business route	¥28,612 million	100.0%	25.5%	¥32,812 million	100.0%	+14.7%	23.9%	-1.6pt

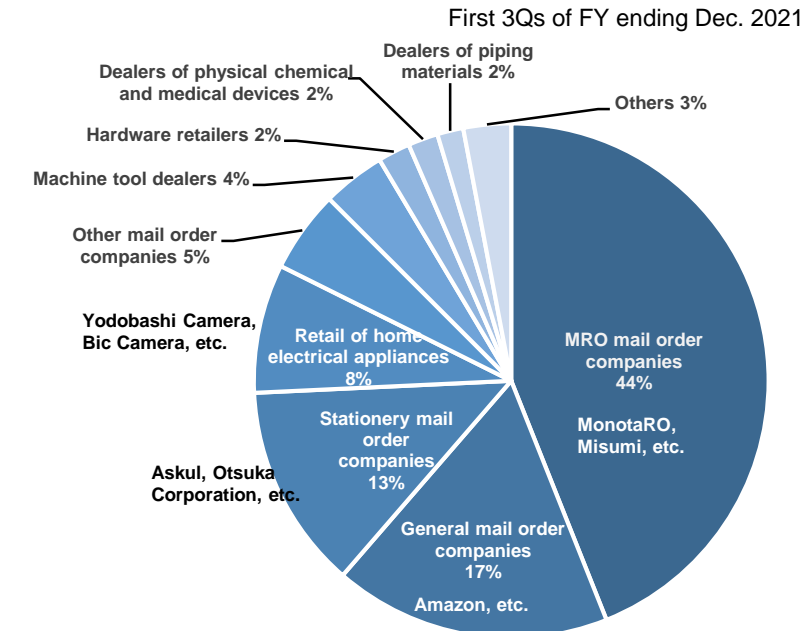
**End of specialization in pro tools**  
The Company had long specialized in dealing in professional tools as the mainstay of the machinery and tools wholesaler. However, the Company has been increasingly working with online shop operators in recent years. A majority of their end users are general consumers. To increase the convenience of procurement, the Company has decided it needs to supply a broader array of items instead of items in limited areas and ended its specialization in pro tools. The Company has no intention of blindly widening its lineup of products. The move started with products from its existing suppliers that it had previously not dealt in.

### Trend in sales to mail order companies (Billion yen)

( ) YoY change

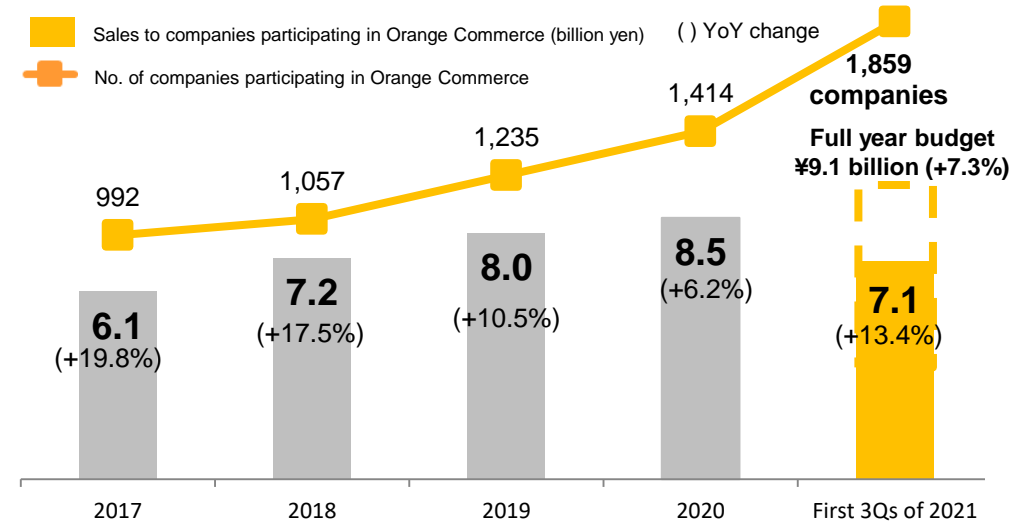


### Sales to mail order companies: Sales percentage by industry



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

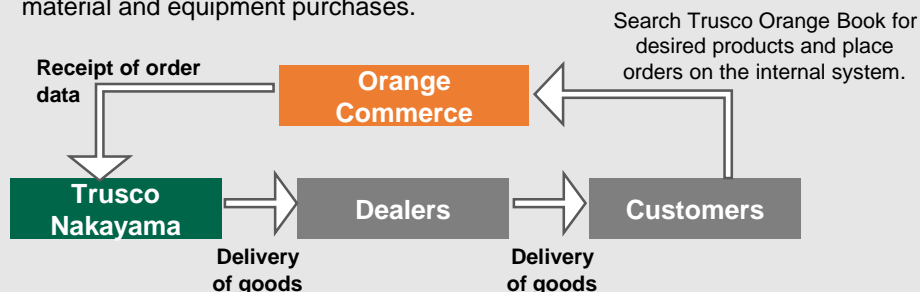
■ Sales to companies participating in Orange Commerce (Trusco's electronic central purchasing system) and the number of companies participating in it



\* A new method of counting the companies participating in Orange Commerce is applied from the third quarter of 2021 onwards.

## ■ Orange Commerce (Trusco's electronic central purchasing system)

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



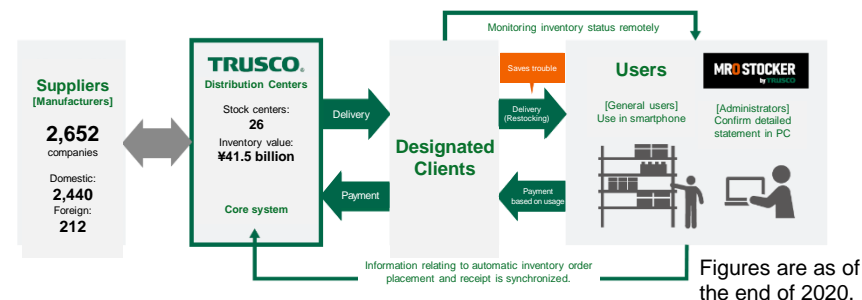
Conducting business among customers, distributors and Trusco Nakayama by connecting customer's purchasing system with Trusco's central purchasing system

## Use-first-pay-later tools

### ■ MRO Stocker

Under the corporate message of Keep it Up, Japanese Monodzukuri, Trusco Nakayama is committed to its mission of stably supplying consumables to manufacturers, constructors and other users engaging in production. To make the dream of zero delivery lead time a reality, President Tetsuya Nakayama came up with the idea of MRO Stocker, characterized by a business model that emulates the business practices of traditional medicine sellers from Toyama Prefecture. In this system, consumables expected to be ordered are left on users' premises and users are invoiced only for the items they have picked and used.

### ■ Introduction of MRO Stocker



There are various scenarios for the introduction of MRO Stocker. They include a client mentioning it to a prospective user and involvement of a sales agent after a direct request from a user on the Company's website. In either case, the Company does not directly sell it to users. MRO Stocker is always introduced via clients. It takes roughly one to three months from the request to the introduction.

**Accelerated introduction of MRO Stocker (use-first-pay-later tools)**  
**Introduced to 137 companies as of the end of September 2021**

## 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 actively proposed to general hardware mass discounters that allot part of their floor spaces to pro-tool shops.

In the future, it will increase collaboration with pro-tool shops and general hardware mass discounters with material centers and exert its comprehensive marketing power to enhance services for their customers.

### ■ Ranking of sales to general hardware mass discounters (Unit: million yen, %)

Ranking	Name of client	First 3Qs of FY ended Dec. 2020	First 3Qs of FY ending Dec. 2021	YoY change
1	DCM Hodaka (Pro-tool Shop)	1,553	1,822	+17.3
2	Kohnan Shoji	1,352	1,644	+21.6
3	Nufco	1,398	1,493	+6.8
4	DCM Kahma	996	1,114	+11.8
5	Royal Home Center	986	1,009	+2.4
6	Cainz	1,010	998	-1.1
7	DCM Homac	886	932	+5.2
8	Shimachu	729	662	-9.1
9	Komeri	525	568	+8.2
10	Home Center Valor	416	515	+23.8
Combined sales to top 10 companies		9,854	10,762	+9.2
Combined sales via home center route		12,580	13,326	+5.9
Percentage share of sales to top 10 companies		78.0	80.7	

Brisk sales were achieved after an increase in products procured from the Company and the expansion of selling spaces. General hardware mass discounters combine their online stores and 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: ¥4,712 million (up 7.5% year on year)  
DCM Kahma, DCM Homac, DCM Daiki, DCM Sanwa, DCM Kuroganeya, Hodaka, Keiyo, and DCM Online

#### ■ Sales to pro-tool shops

Total: ¥2,077 million (up 19.0% 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

## I Non-consolidated business performance of overseas subsidiaries

First 3Qs of FY ending Dec. 2021

(Million yen)

		Net sales	Gross profit	Selling, general and administrative expenses (SGA)	Operating income	Ordinary income	Net income
TRUSCO NAKAYAMA CORPORATION (THAILAND) LIMITED 1 baht = 3.30 yen (3.34 yen a year earlier)	Actual results	528	124	100	23	23	23
	Share against net sales	-	23.6%	19.0%	4.5%	4.5%	4.5%
	YoY change	+29.1%	+26.9%	-7.9%	-	-	-
PT. TRUSCO NAKAYAMA INDONESIA 1 rupiah = 0.0078 yen (0.0071 yen a year earlier)	Actual results	224	56	97	-41	-39	-39
	Share against net sales	-	25.0%	43.6%	-	-	-
	YoY change	+47.4%	+81.9%	+16.2%	-	-	-

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

During the COVID-19 pandemic, Thailand kept a state of emergency in place and Indonesia re-tightened restrictions on social activities. Overseas subsidiaries worked to increase stock according to market needs. Solving the problems of existing clients to expand transactions is definitely necessary. They are striving to develop their selling capabilities.

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

First 3Qs 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	475	131
	Share against net sales	-	27.7%
	YoY change	+46.7%	+62.7%

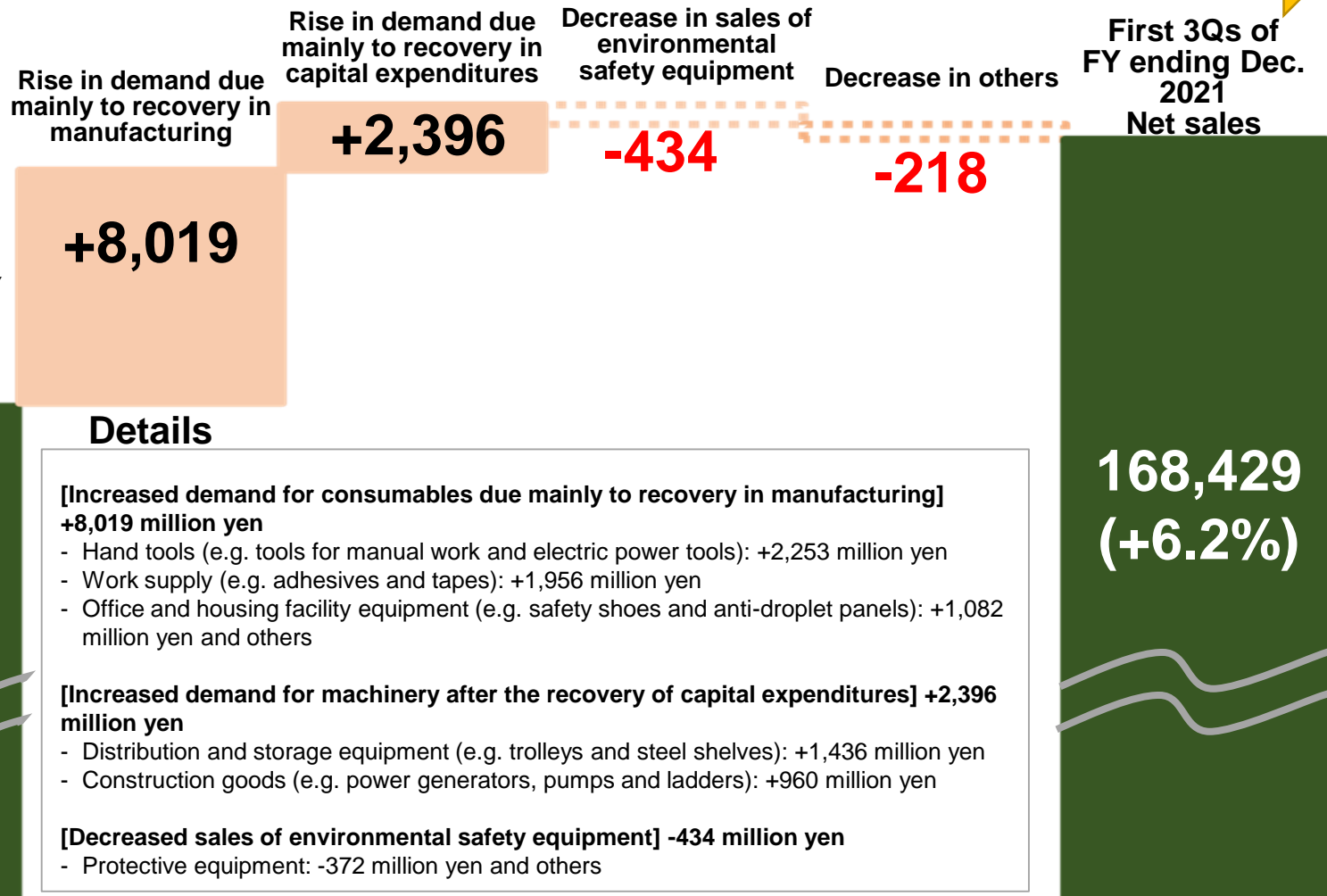
\*The consolidated gross profit margin via overseas routes is higher than the non-consolidated gross profit margin because of consolidated accounting, which includes measures such as the offsetting of internal transactions.

# B-(8) [Non-consolidated] Analysis of sales for the first three quarters of the FY ending December 2021

(Million yen)

Analysis of sales for the first three quarters of the FY ending December 2021

**Net Sales Up 9,763 million yen**



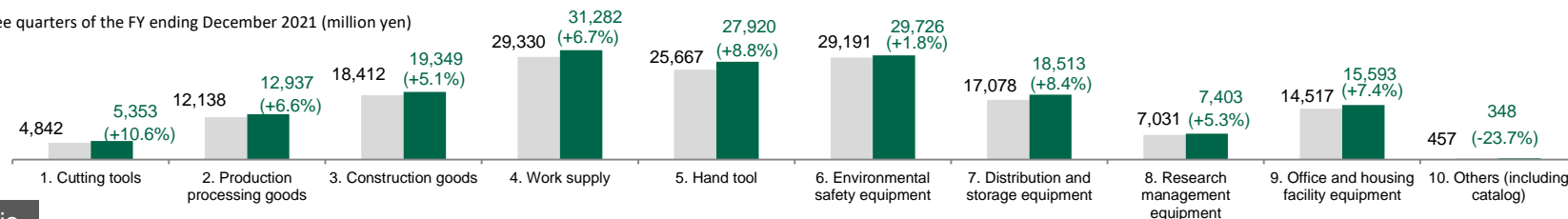
# B-(9) [Non-consolidated] Analysis of sales by category (large and medium) for the first three quarters of the FY ending December 2021

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

( ) YoY change (%)

■ Sales for the first three quarters of the FY ended December 2020 (million yen)

■ Sales for the first three quarters of the FY ending December 2021 (million yen)



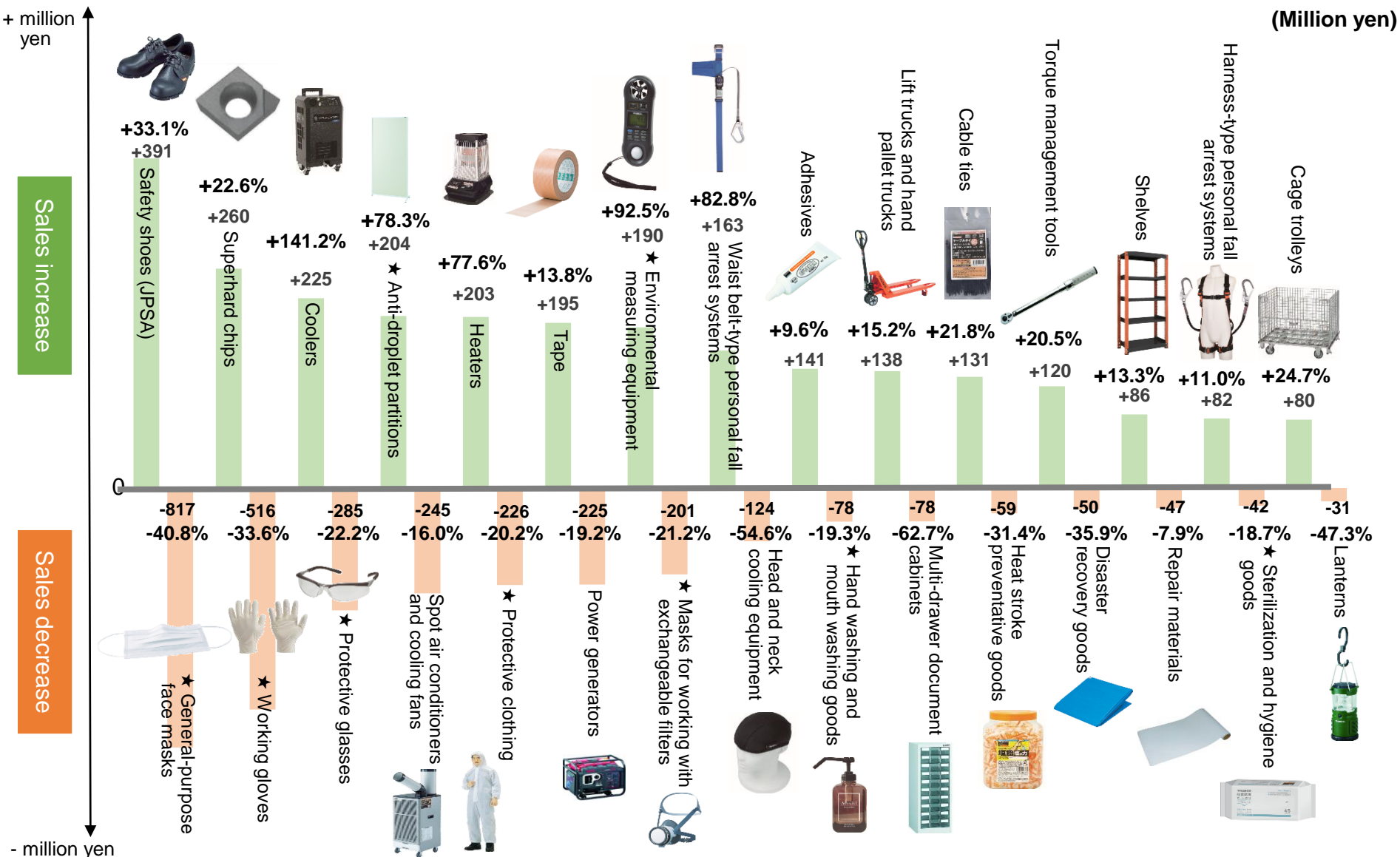
### Constituent ratio

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 tools	(1)Cutting tool	2,570	1.5	+17.9	11.4	6. Environmental safety equipment	(25)Protective equipment	15,691	9.3	-2.3	24.1
	(2)Drilling and thread cutting tools	2,783	1.7	+4.6	21.9		(26)Safety goods	7,312	4.3	+8.9	25.8
2. Production processing goods	(3)Measurement equipment	6,761	4.0	+7.6	15.9		(27)Environment improvement goods	1,550	0.9	+10.6	19.8
	(4)Mechatronics	2,673	1.6	+5.1	15.5		(28)Air conditioning goods	2,936	1.7	-2.1	16.2
	(5)Tools for machine tools	1,576	0.9	+4.0	23.7		(29)Disaster and crime prevention goods	802	0.5	+23.6	19.3
	(6)Electronic machinery	1,925	1.1	+7.5	11.0		(30)Closets and exterior goods	1,431	0.8	+5.1	20.5
						7. Distribution and storage equipment	(31)Loading goods	5,282	3.1	+4.9	17.5
3. Construction goods	(7)Hydraulic tools	1,392	0.8	+1.7	11.4		(32)Conveyors	842	0.5	+2.7	15.8
	(8)Pumps	2,452	1.5	+2.1	16.4		(33)Transportation goods	6,969	4.1	+12.4	22.8
	(9)Welding equipment	1,540	0.9	+4.8	18.2		(34)Containers and vessels	2,755	1.6	+8.8	30.6
	(10)Painting and interior goods	1,720	1.0	+0.8	26.1		(35)Steel shelves	2,664	1.6	+7.0	27.0
	(11)Civil engineering and building goods	1,851	1.1	-2.3	12.6	8. Research management equipment	(36)Tool wagons	713	0.4	+5.8	28.7
	(12)Ladders and stepladders	2,250	1.3	+3.7	22.1		(37)Storage and management goods	916	0.5	+8.4	31.6
	(13)Piping and materials of electronic equipment	2,815	1.7	+11.7	23.1		(38)Work benches	1,172	0.7	+18.8	30.2
	(14)Component, hardware, and building materials	5,325	3.2	+9.2	27.2		(39)Stainless goods	1,405	0.8	+7.7	18.5
							(40)Research and development-related goods	3,196	1.9	-0.7	18.7
4. Work supply	(15)Cutting goods	1,062	0.6	+8.4	22.0	9. Office and housing facility equipment	(41)Cleaning utensils	4,548	2.7	+7.3	21.9
	(16)Grinding and polishing goods	5,294	3.1	+5.4	23.1		(42)Stationery	1,718	1.0	+16.2	19.3
	(17)Chemical products	15,786	9.4	+6.0	21.8		(43)Office miscellaneous goods	2,363	1.4	+5.7	26.9
	(18)Factory miscellaneous goods	2,900	1.7	+3.8	16.1		(44)Electric appliances	2,410	1.4	+1.8	22.3
	(19)Packing and binding goods	4,108	2.4	+12.1	31.7		(45)OA business machinery	1,558	0.9	+23.1	25.9
5. Hand tool	(20)Casters	2,129	1.3	+8.0	18.4	10. Others	(46)Office furniture	2,778	1.6	+1.9	24.8
	(21)Electric power tools and accessories	7,379	4.4	+6.5	14.5		(47)Interior goods	217	0.1	+7.7	19.4
	(22)Pneumatic tools and accessories	4,598	2.7	+6.5	18.2		(48)Total	348	0.2	-23.7	-138.4
	(23)Tools for manual work	14,508	8.6	+11.0	21.5						
	(24)Tool boxes	1,432	0.9	+6.6	29.9						
						Total		168,429	100.0	+6.2	21.1



# B-(10) [Non-consolidated] Analysis of sales by category (small) for the first three quarters of the FY ending December 2021

■ Changes in sales for the first three quarters of the FY ending December 2021 ★: Coronavirus outbreak-related demand



# B-(11) [Non-consolidated] Sales by category of goods featured in the TRUSCO Orange Book for the first three quarters of FY ending December 2021

Category	Net sales	YoY change	Category	Net sales	YoY change	Category	Net sales	YoY change
1. Cutting tools	¥5,716 million	+9.9%	9. Hand tools	¥13,234 million	+10.9%	17. Loading equipment	¥6,867 million	+11.1%
2. Machine tools	¥1,884 million	+6.8%	10. Electric, hydraulic & pneumatic tools	¥16,026 million	+6.1%	18. Cleaning & janitorial supplies	¥9,410 million	+4.9%
3. Measuring & testing instruments	¥7,487 million	+10.9%	11. Protective equipment	¥16,048 million	-5.1%	19. Environmental supplies	¥7,481 million	+10.9%
4. Mechatronics parts	¥2,263 million	+4.5%	12. Safety supplies	¥3,897 million	+11.8%	20. Garden supplies	¥1,535 million	+12.7%
5. Hardware & building materials	¥6,067 million	+9.4%	13. Packaging supplies	¥10,816 million	+7.8%	21. Office supplies & storage	¥7,590 million	+3.4%
6. Pneumatic supplies	¥3,538 million	+9.4%	14. Construction & lighting supplies	¥15,393 million	+1.9%	22. Laboratory supplies	¥4,141 million	+10.9%
7. Electronics	¥3,218 million	+15.4%	15. Handling equipment	¥5,940 million	+3.5%			
8. Chemicals	¥10,223 million	+5.4%	16. Logistics & storage supplies	¥9,699 million	+9.1%			

## ● Tools that increase customers' convenience

TRUSCO

Orange Book

TRUSCO

モノづくり大辞典

オレンジブック

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

Number of items listed: Approx. 471,000 (2021 edition)

Number of manufacturers: 1,851

Total number of pages: 17,136

Annual circulation: 190,000 copies

Size: A4

TRUSCO

Orange-Book.Com

TRUSCO

オレンジブック.Com

工場・作業現場のプロツール総合サイト

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

Number of items featured: Approx. 2.71 million

Share of orders received via computer systems: 85.2%

Safety data sheets, drawings and contained chemical substances investigation sheets are downloadable.

Available 24 hours per day

Communication tool

T-Rate

T-Rate

トレート

1チャット機能

2配送状況確認機能

3タイムライン機能

It is a new tool for communicating with clients. It provides a services that enables clients to freely ask questions about products and to receive the latest information.

### T-Rate features

- (1) Chat with the Company's staff

(2) Check the status of deliveries to understand when deliveries will arrive and what is being delivered

(3) Timeline for distributing information about the Company's activities and the products it pushes

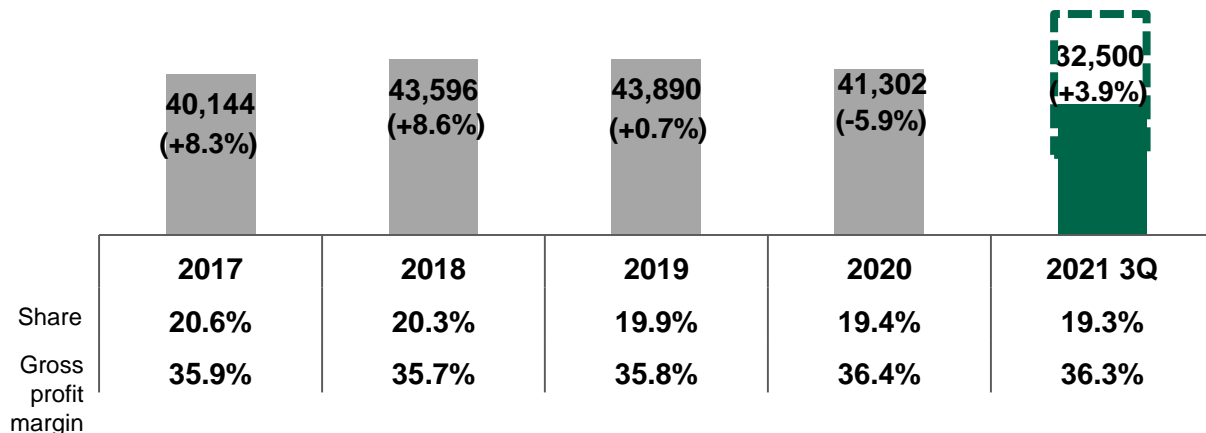
# B-(12) [Non-consolidated] Sales of private brand (PB) goods for the first three quarters of the FY ending December 2021

For PB goods, demand for environmental safety equipment related to the prevention of COVID-19 infections paused. Manufacturing rallied. Sales of other products either increased or decreased slightly year on year.

## Change in sales of PB goods

Million yen  
( ) YoY change

Full year plan:  
¥44.0 billion



## Private Brand (PB) goods

The Company's own brand, TRUSCO, is born out of an aspiration to provide professional quality to professional technologies. Introducing ideas where possible, the brand covers the widest variety of items among brands of consumables for factories. Approximately 10,000 new items have been developed annually.



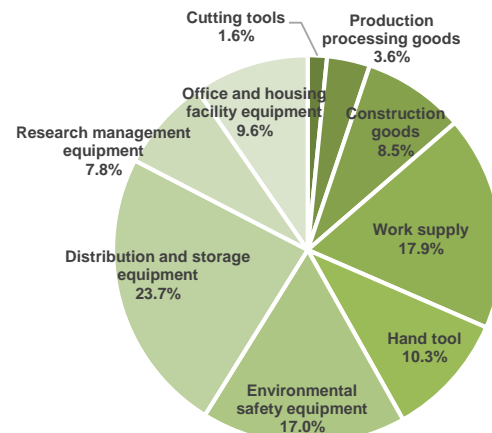
## Sales of PB goods by segment and by category of goods

(Million yen)  
\* Excluding the overseas route

	Entire company		Factory route		e-business route		Home center route	
	Constituent ratio	19.3%	Constituent ratio	19.6%	Constituent ratio	23.8%	Constituent ratio	5.4%
	Gross profit margin	36.3%	Gross profit margin	36.3%	Gross profit margin	36.8%	Gross profit margin	31.4%
	Net sales	YoY change	Net sales	YoY change	Net sales	YoY change	Net sales	YoY change
<b>Total</b>	<b>32,500</b>	<b>+3.9%</b>	<b>23,771</b>	<b>+2.4%</b>	<b>7,796</b>	<b>+9.9%</b>	<b>716</b>	<b>-10.2%</b>
Cutting tools	519	+2.0%	372	+2.0%	87	-1.2%	51	+2.8%
Production processing goods	1,160	+7.6%	844	+5.9%	282	+13.5%	13	-14.0%
Construction goods	2,760	+6.7%	1,978	+4.0%	720	+14.3%	45	+2.0%
Work supply	5,802	+5.7%	4,581	+4.6%	1,120	+10.5%	59	-0.6%
Hand tool	3,358	+5.3%	2,356	+3.6%	851	+10.2%	91	-11.5%
Environmental safety equipment	5,525	-11.6%	4,203	-10.9%	1,217	-8.9%	89	-48.3%
Distribution and storage equipment	7,715	+10.5%	5,445	+9.1%	1,907	+16.9%	331	+1.7%
Research management equipment	2,523	+10.8%	1,869	+7.2%	637	+23.2%	2	-20.6%
Office and housing facility equipment	3,131	+7.3%	2,119	+4.3%	970	+13.9%	28	+59.3%
Other	2	-28.7%	0	+1.0%	-	-	2	-28.7%

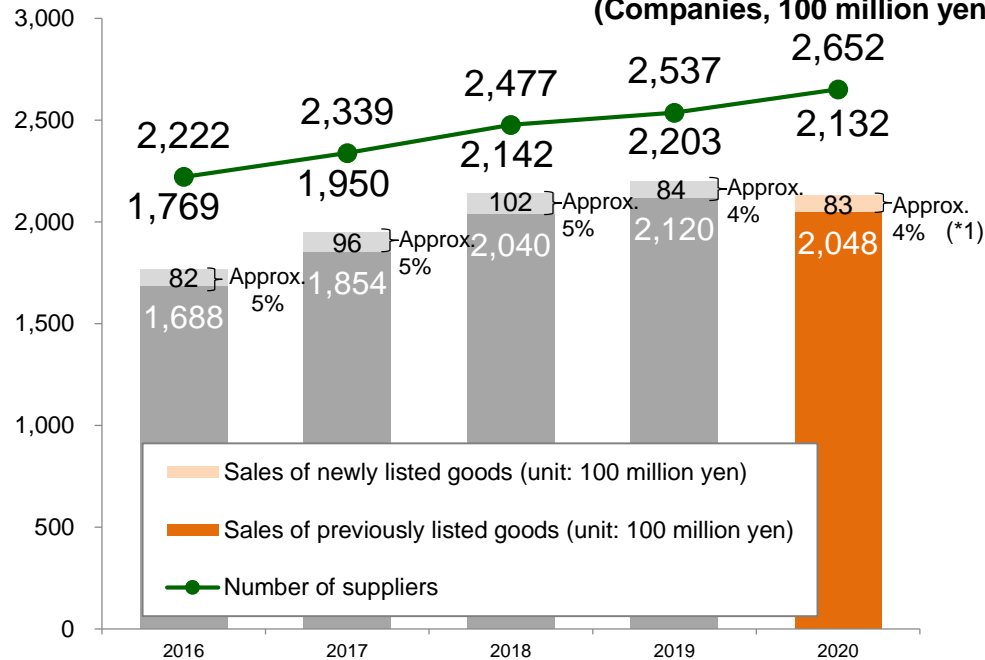
## PB sales ratio by category of goods

First 3Qs of FY ending Dec. 2021

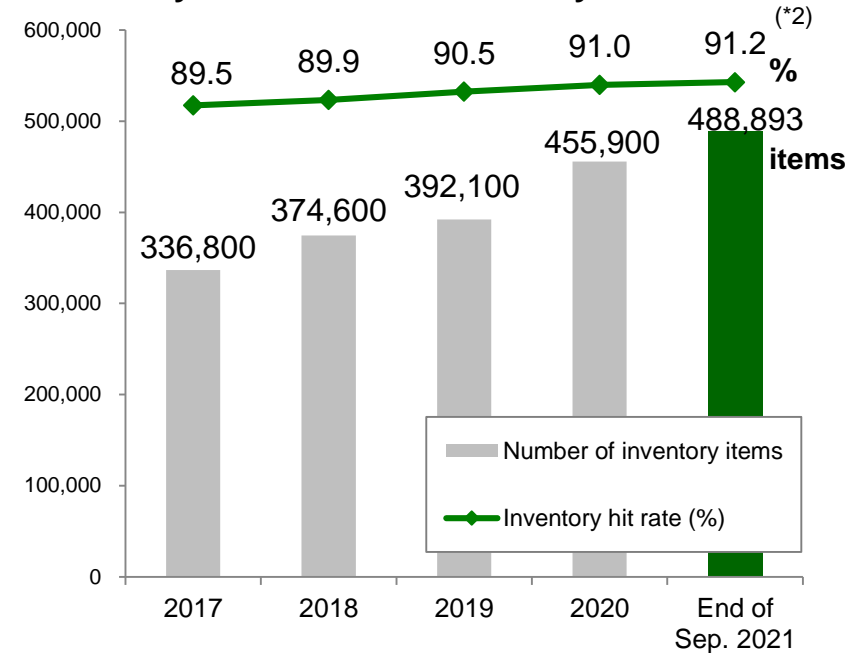


# C-(1) Number of suppliers, sales of newly listed goods, number of items in inventory, hit rate, number of sales accounts and number of companies

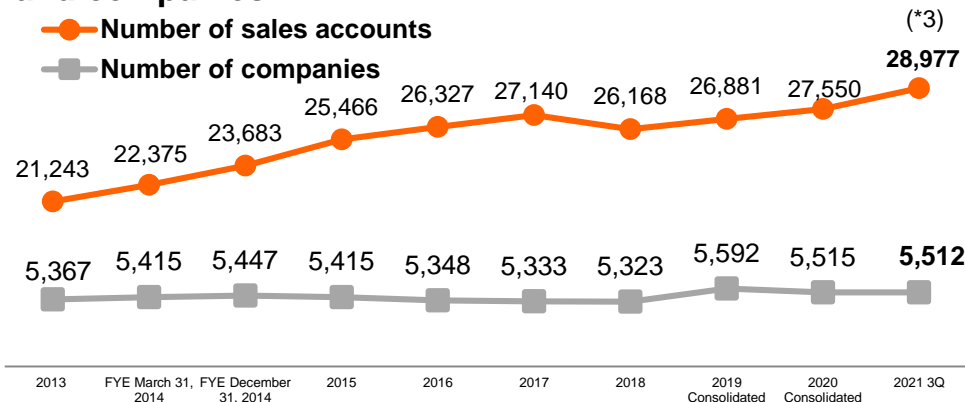
■ [Non-consolidated] Changes in the number of suppliers and sales of goods newly featured in the TRUSCO Orange Book  
(Companies, 100 million yen)



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



■ [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.

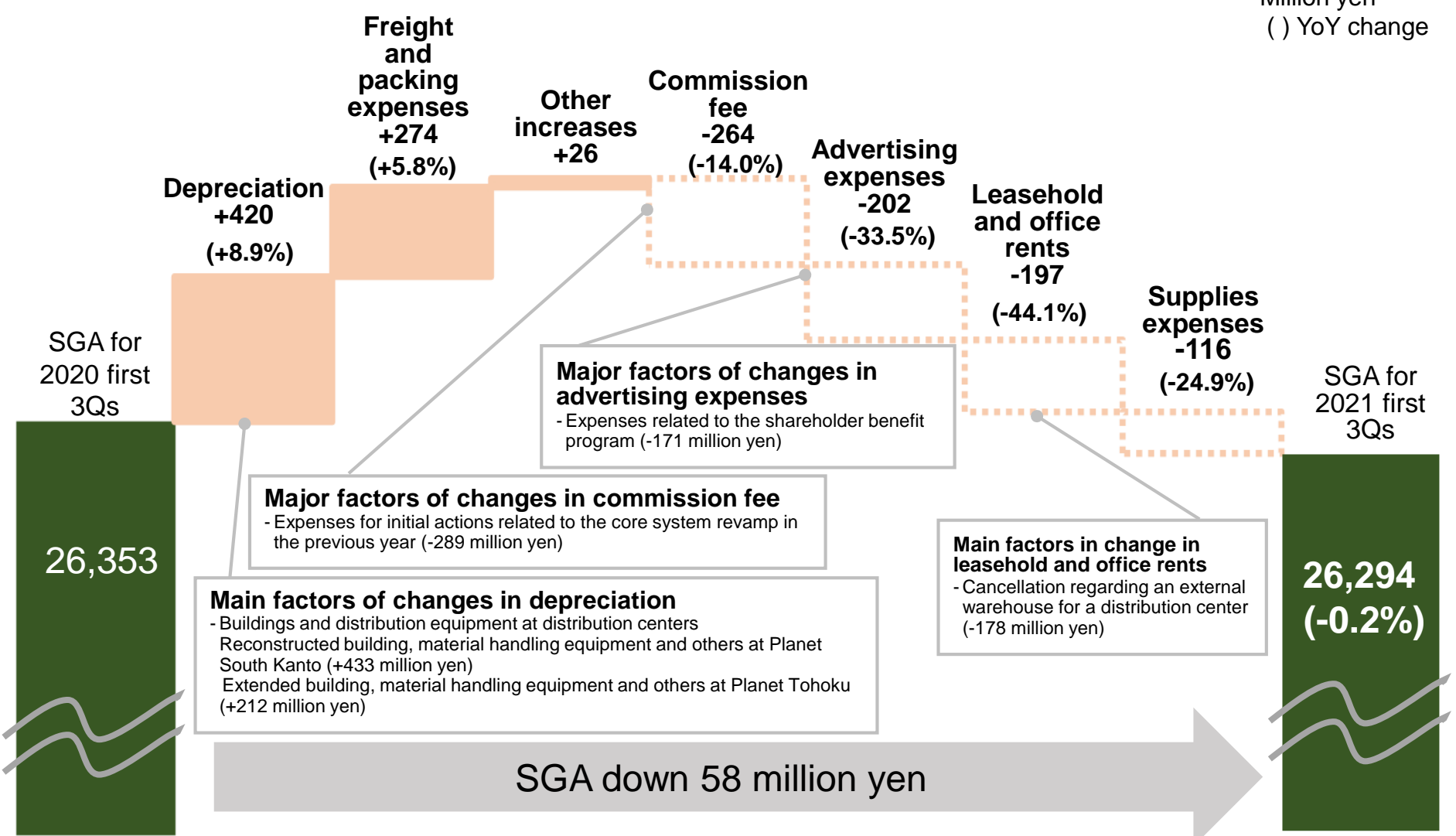
\*2. Inventory hit rate: Number of rows used for products shipped from inventory divided by the total number of rows used for orders.

\*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 first three quarters of the FY ending December 2021

Million yen  
( ) YoY change



For details of the factors in changes, please see p. 23.



# D-(2) [Consolidated] Details of selling, general and administrative expenses (SGA) for the first three quarters of the FY ending December 2021

## I Details of selling, general and administrative expenses (SGA) (Unit: million yen, %)

## [Non-consolidated] Key Items

( ) YoY change

No.		First 3Qs of FY ended Dec. 2020		First 3Qs of FY ending Dec. 2021		YoY Change (amount)	YoY change
		Amount	Share in net sales	Amount	Share in net sales		
1	Salary and bonus	8,159	5.1	8,136	4.8	-22	-0.3
2	Depreciation	4,723	3.0	5,144	3.0	+420	+8.9
3	Freight and packing expenses	4,715	3.0	4,990	3.0	+274	+5.8
4	Welfare expenses	1,592	1.0	1,652	1.0	+59	+3.8
5	Commission fee	1,884	1.2	1,620	1.0	-264	-14.0
6	Taxes and dues	1,065	0.7	1,005	0.6	-59	-5.6
7	Provision for bonuses	962	0.6	942	0.6	-19	-2.0
8	Advertising expenses	604	0.4	402	0.2	-202	-33.5
9	Supplies expenses	468	0.3	352	0.2	-116	-24.9
10	Traveling expenses and transportation expenses	365	0.2	349	0.2	-16	-4.4
11	Remuneration paid to directors	324	0.2	316	0.2	-8	-2.5
12	Communication expenses	291	0.2	298	0.2	+7	+2.5
13	Leasehold and office rents	448	0.3	250	0.1	-197	-44.1
14	Utilities expenses	276	0.2	232	0.1	-44	-16.1
15	Vehicle expenses	177	0.1	202	0.1	+25	+14.3
16	Entertainment expenses	16	0.0	16	0.0	+0	+4.3
17	Promotion expenses	61	0.0	-32	-0.0	-93	—
18	Other	216	0.1	414	0.2	+197	+91.0
Total		26,353	16.6	26,294	15.6	-58	-0.2

- Buildings and distribution equipment at distribution centers  
Reconstructed building, material handling equipment and others at Planet South Kanto (+433 million yen)  
Extended building, material handling equipment and others at Planet Tohoku (+212 million yen)

- Impact of growth in shipping volume (+307 million yen)  
Increase in direct shipments to users (+165 million yen)  
Note: Fees for direct shipment to users are paid by the requesting client.

=> 4,580,000 shipments (+560,000)  
[Reference]  
Number of chartered vehicles: 186 (-2 from the end of previous fiscal year)  
119 vehicles (+5 from the end of previous fiscal year) for delivery by the Company's employees

- Expenses for initial actions related to the core system revamp in the previous year (-289 million yen)

- Expenses related to the shareholder benefit program (-171 million yen)  
- Expenses for issuance of the 60th anniversary publication (-28 million yen)

- Cancellation regarding an external warehouse for a distribution center (-178 million yen)

- Expenses for repairing material handling equipment at Planet Tohoku following an earthquake (+121 million yen)

# D-(4) [Consolidated] Capital expenditures for the first three quarters of the FY ending December 2021

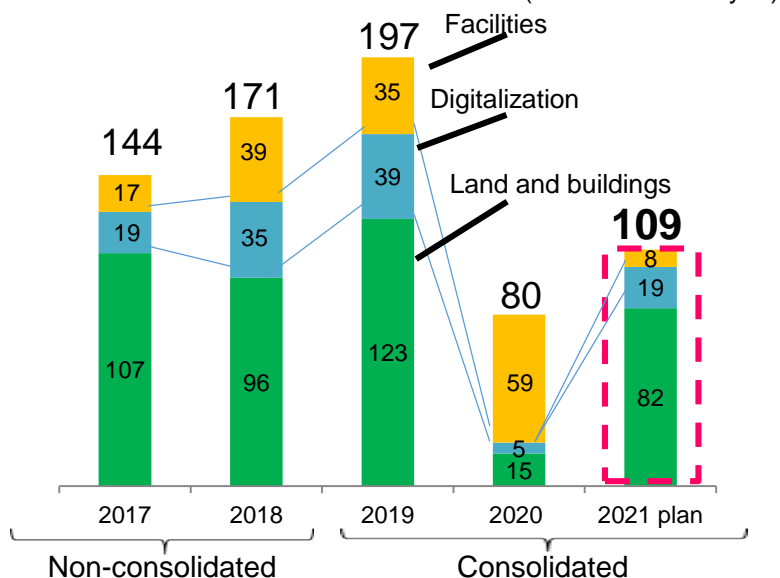
## Major past and future capital expenditures

## Investment plan for the 59th business year: 10,900 million yen

Details of major capital expenditures in 2021 (in million yen)			Actual expenditures for 1Q to 3Q	Expected expenditures for 4Q
Land and buildings	Distribution centers	Planet Aichi construction plan, HC East Japan Distribution Center relocation plan and others	1,484	1,056
	Others	Purchases for the Osaka Head Office, purchases for the company dormitory, and others	1,595	4,196
Logistics equipment	Planet Saitama	Introduction of picking robots in I-Pack® and AutoStore, and others	375	351
	Others	Introduction of new handheld terminals, addition of various equipment, and others		
IT systems	Revamp of the Sterra product database and network- and security-related repairs		310	1,622
	AI development, website revamp, and others			
Subtotal			3,765	7,225
Annual capital expenditures			10,990	

## Change in capital expenditures

(Unit: 100 million yen)



### Capital expenditures

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

For FYE December 31, 2021, depreciation of approx. 6,900 million yen (up 400 million yen year on year) is planned.



# E-(1) Plan for the current business year

## ◆ Budget formulation

The forecast is used as the entire company's budget, which is the total of the "annual budget of each branch prepared by the branch manager throughout Japan." The branch managers, who are familiar with their market, formulate their respective branch's budget as they are in charge of developing their branch strategy including staffing and are ultimately accountable for their branch. The Company revised its forecast of profit attributable to owners of parent upwards on November 1, 2021 after the recording of extraordinary income associated with its transfer of non-current assets.

Given that this extraordinary income is not directly related to business activities, the Company has not revised its forecast of dividend per share based on the dividend policy announced in February 2021.

	Fiscal year ended December 2020						Fiscal year ending December 2021 (plan after revision)								Fiscal year ending December 2021 (plan before revision)			
	(Consolidated)			(Non-consolidated)			(Consolidated)					(Non-consolidated)		(Consolidated)		(Non-consolidated)		
	Actual results	YoY change in value	YoY %	Actual results	YoY change in value	YoY %	Plan	Change from initial plan	Percent change from initial plan	YoY change in value	YoY %	Plan	YoY %	Plan	YoY %	Plan	YoY %	
	(¥ million)	(¥ million)	(%)	(¥ million)	(¥ million)	(%)	(¥ million)	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	
Net sales	213,404	-7,270	96.7	213,205	-7,151	96.8	227,520	-	-	+14,115	106.6%	227,000	106.5	227,520	106.6	227,000	106.5	
Gross profit	45,909	-1,124	97.6	45,733	-1,123	97.6	48,310	-650	-1.3%	+2,400	105.2%	48,050	105.1	48,960	106.6	48,700	106.5	
Gross profit margin (%)	21.5%	+0.2pt	-	21.5%	+0.2pt	-	21.2%	-0.3pt	-	-0.3pt	-	21.2%	-	21.5%	-	21.5%	-	
Selling, general and administrative expenses	34,891	+1,654	105.0	34,630	+1,695	105.1	35,140	-650	-1.8%	+248	100.7%	34,850	100.6	35,790	102.6	35,500	102.5	
Operating income	11,017	-2,779	79.9	11,102	-2,818	79.8	13,170	-	-	+2,152	119.5%	13,200	118.9	13,170	119.5	13,200	118.9	
Ordinary income	11,559	-2,638	81.4	11,635	-2,667	81.3	13,820	-	-	+2,260	119.6%	13,840	118.9	13,820	119.6	13,840	118.9	
Net income	8,007	-1,606	83.3	8,085	-1,629	83.2	11,970	+2,450	+25.7%	+3,962	149.5%	12,000	148.4	9,520	118.9	9,550	118.1	
Net sales per day	-	-	-	892	-45	95.1	-	-	-	-	-	945	106.0	-	-	945	106.0	
Sales of PB goods	-	-	-	41,302	-2,588	94.1	-	-	-	-	-	44,000	106.5	-	-	44,000	106.5	
Number of business days	-	-	-	239	+4	-	-	-	-	-	-	240	-	-	-	240	-	
Net income per share	¥121.43	-¥24.35	-	¥122.62	-¥24.70	-	¥181.52	+¥37.15	-	+¥60.09	-	¥181.98	+¥59.36	¥144.37	-	¥144.82	+¥22.20	
Dividend per share	¥30.50	-¥6.00	-	-	-	-	¥36.50	-	-	+¥6.00	-	-	-	¥36.50	-	-	-	

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 expenditures and topics

## Environmental conservation through direct shipments from the wholesaler to users: Halving delivery lead times, packing materials, freight fees and environmental impact

As it is becoming common to procure items from mail order companies on manufacturing shop floors, requests that items be directly shipped to users are rapidly increasing.

In light of the expansion of our collaboration with mail order companies, the industry-wide labor shortage 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.

### I-Pack 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))

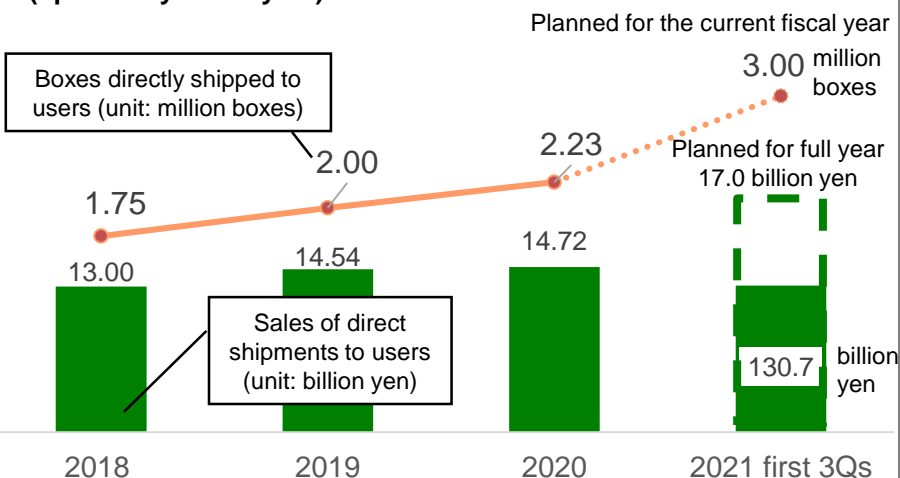
### Direct shipments from logistical centers in the whole country to users

**2,068 thousand boxes** directly shipped to users

(up 24.4% year on year)

**13,070 million yen** in sales directly shipped to users

(up 18.2% year on year)



## Future specific actions

■ Increase the maximum shipping capacity of the I-Pack high-speed automated packaging and shipping line at Planet Saitama

**Expected expenditures for the 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 [Sorting system]	2	6 (+4)		
(3) I-Pack worksites	10	19 (+9)		
(4) Destination sorting robot	-	1 (+1)	-	300 sorting sessions per hour

## Land acquisition for distribution centers at several locations

### 1. 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

■ Expenditures in 2021: Approx. 1,410 million yen

■ Total expenditure: Approx. 20,000 million yen (being planned)

■ Monthly land rent: Approx. 5.7 million yen

### 2. HC East Japan Distribution Center

■ Location: Fukujimashinden, Sanjo-shi, Niigata Prefecture

■ Site area: 7,986 tsubo

■ Expenditures in 2021: Approx. 380 million yen

■ Total expenditure: Approx. 5,000 million yen (being planned)

# E-(3) TRUSCO's sustainability (1)

## Basic policy

### ~TSV (TRUSCO Shared Value)~

The Company aspires to be a pro tool supplier continually serving Japanese manufacturing in every era. Under the motto, "Business must serve people and society," the Company will create both social value and corporate value through its businesses to help resolve social issues and build sustainable local communities.

\* The term TRUSCO Shared Value (TSV) was created by combining TRUSCO and Creating Shared Value (CSV).

## Material issues

On the basis of its basic TSV policy, the Company identified the material issues it faces for sustainability. The Company will address these issues through its business with a view towards the establishment of a sustainable society.

### (1) Total optimization of the supply chain

Become a platform operator supporting manufacturing and optimize the supply chain to establish sustainable pro tool distribution that is both human-friendly and environmentally friendly.

### (2) Planning and development of products that respond to diversifying needs

Develop and provide PB products with original value to suit diversifying needs and trends among those on manufacturing shop floors to help rationalize manufacturing operations and increase productivity and competitiveness.

### (3) Development of environments and personnel to enable them to fully display their personal abilities

Provide an environment that ensures that personnel are highly motivated and that enables them to display their abilities to the fullest degree to consequently ensure corporate growth

### (4) Environmental actions through business activities

Work to reduce the environmental impact of the Company's business activities, PB products and also the users of the Company's products to help the Japanese manufacturing industry with its environmental activities

### (5) Contribution to stakeholders and local communities

Cherish the relationships with stakeholders through support for people with disabilities and communication with local communities and society through sponsorships and advertising.

### (6) Governance based on a stance of choosing the proper actions

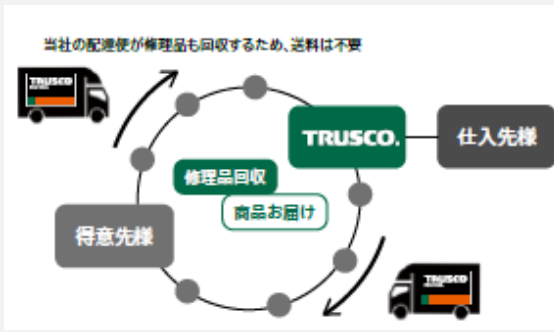
Improve the fairness and transparency of management and implement swift and appropriate decision-making to conduct business activities that conform to laws and social norms.

# E-(3) TRUSCO's sustainability (2)

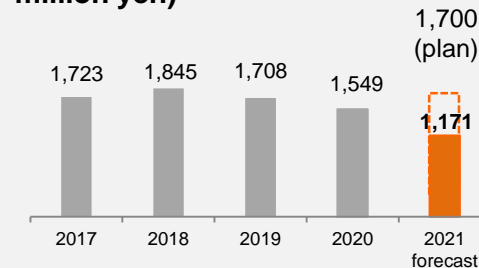
## Environmental actions through business activities

### Repair workshop Naojiro

Generally, it is common that who you should ask to repair a product varies depending on the category of the product. Naojiro is a one-stop gateway to repair services. Delivery drivers and sales personnel collect products to be repaired as needed. This means that clients are not required to pack items or pay freight fees. This service is based on fixed-cost distribution that ensures both the reuse of pro tools and client efficiency. In January 2022, the Company will relaunch its Naojiro section to popularize and enhance this service.



### Sales of repair services (in million yen)



### TRUSCO power generation installations (at 19 locations in Japan)

The installation of private power generation systems is in progress on the roofs and walls of distribution center, branch office and head office buildings. The Company will continue installing solar panels on newly constructed company buildings to increase its renewable energy power capacity to 3,500 kW by 2025.



▲ Solar panels on the roof of Planet Saitama

- Annual total power generation: 2,551,776 kWh
- Power self-sufficiency rate: 18.9%

### Distribution with no waste emissions

The Company puts ordered goods in foldable containers and fills space with its independently developed shock-absorbing material commercialized under its TRUSCO brand as Return Cushion when shipping goods to clients in distance locations. These containers and materials can be used repeatedly. The Company use them to reduce waste.



▲ TRUSCO Return Cushion for 20 liters (yellow) (TRC-20L-Y)

### Environmental features of TRUSCO products

In product planning and development under its TRUSCO brand, the Company determines unique environmental standards such as energy efficiency, waste reduction and long useful product lifespans. Its product development considers the environment in all phases, including product design, use and disposal.

#### ▶TRUSCO Shin Senju Kannon hand soap (TSK-11-A)

This environmentally-friendly hand soap contains a natural scrub agent derived from *Siraitia grosvenorii* monkfruit shells instead of microplastic beads which lead to marine pollution.



# Reference 3: [Consolidated] Quarterly business performance for the first three quarters of the FY ending December 2021 (non-cumulative)

## ■ First three quarters of FY ending December 2021 [non-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	55,949	100.0	+9.9	54,981	100.0	+9.2	58,811	100.0	+7.6
	Actual results	58,246	100.0	+1.3	55,642	100.0	+9.3	54,819	100.0	+8.9			
Gross profit	Budget	12,516	21.5	-0.3	12,474	22.3	+10.0	11,664	21.2	+10.1	12,555	21.3	+10.0
	Actual results	12,543	21.5	-0.1	12,099	21.7	+6.7	11,111	20.3	+4.9			
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	8,845	15.0	+3.6
	Actual results	8,752	15.0	-5.1	8,664	15.6	+1.8	8,877	16.2	+3.0			
Operating income	Budget	3,705	6.4	+11.0	3,575	6.4	+26.6	2,874	5.2	+45.4	3,710	6.3	+28.8
	Actual results	3,790	6.5	+13.6	3,434	6.2	+21.6	2,234	4.1	+13.0			
Ordinary income	Budget	3,943	6.8	+16.5	3,807	6.8	+26.3	2,958	5.4	+43.7	3,805	6.5	+22.8
	Actual results	3,995	6.9	+18.0	3,695	6.6	+22.6	2,322	4.2	+12.8			
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	4,489	7.6	+95.8
	Actual results	2,712	4.7	+16.9	2,524	4.5	+25.4	2,242	4.1	+62.5			

\* The budget figures for the first, second and third quarters represent the budget after the revision announced on March 15, 2021 and the figures for the fourth quarter are the budget after the revision announced on November 1, 2021.

# Reference 4: [Consolidated] Quarterly business performance for the first three quarters of the FY ending December 2021 (cumulative)

## ■ First three quarters of FY ending December 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	168,708	100.0	+6.3			
Gross profit	Budget	12,516	21.5	-0.3	24,990	21.9	+4.6	36,654	21.7	+6.3	48,310	21.2	+5.2
	Actual results	12,543	21.5	-0.1	24,643	21.6	+3.1	35,754	21.2	+3.7			
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	35,140	15.4	+0.7
	Actual results	8,752	15.0	-5.1	17,417	15.3	-1.8	26,294	15.6	-0.2			
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	9,459	5.6	+16.2			
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	10,014	5.9	+18.4			
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	11,970	5.3	+49.5
	Actual results	2,712	4.7	+16.9	5,237	4.6	+20.8	7,480	4.4	+30.9			

\* The budget figures for the first, second and third quarters represent the budget after the revision announced on March 15, 2021 and the figures for the fourth quarter are the budget after the revision announced on November 1, 2021.



# Reference 5: Company data

## Number of employees [Consolidated] as of the end of September 2021

	Females	Males	Total	YoY Change
Executives	1	10	11	-1
Executive officers	0	2	2	±0
Career	159	427	586	-39
Area	281	302	583	+7
Support	23	2	25	-3
Specialist	15	13	28	-1
Logistics	79	265	344	-7
Contract employees	1	32	33	-4
Overseas subsidiaries	18	24	42	±0
Seconded to health insurance association	2	0	0	±0
Seconded to Nakayama Visually Impaired Welfare Foundation	0	0	0	±0
Full-time employees subtotal	578	1,067	1,645	-47
Part-time employees	915	322	1,237	+128
Total	1,494	1,399	2,893	+80

Share of female employees: 35.1%, Number of female sales staff members: 60, Females in career-track positions account for 27.7% of all female employees.

\* 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]		2020 [Consolidated]		End of Sep. 2021 [Consolidated]	
	Females	Males	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	578	1067
	1,471		1,514		1,608		1,656		1,674		1,645	
No. of incoming employees	70	33	59	67	63	72	52	57	41	46	24	22
	103		126		135		109		87		46	
No. of outgoing employees	20	18	18	18	20	26	42	44	37	33	35	36
	38		36		46		86		70		71	
Turnover ratio	3.8	1.8	3.4	1.8	3.5	2.4	6.7	3.9	5.9	3.0	5.7	3.3
	2.5		2.3		2.8		4.9		4.0		4.1	

## Amount irrecoverable due to bankruptcy

	2017	2018	2019	2020	2021 3Q
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, which resulted in a decline in average annual income in the same year.

\* 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 September 2021

Head offices	2
Branches	61
Distribution centers	17
Overseas bases	3
Stock centers	10
Total	93

## 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