



The 61st Business Year Business Performance Data Analysis

Fiscal Year Ending December 2023
Third Quarter

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Business Administration Headquarters, Corporate Planning Division, Public Relations & IR Section

Trusco Fiorito Bldg. 10th floor, 4-28-1, Shinbashi, Minato-ku, Tokyo 105-0004, Japan

TEL: 03-3433-9840 FAX: 03-3433-9881

E-mail: info@trusco.co.jp



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This document contains statements regarding future forecasts of business performance and business plans. Such statements are not guarantees of future performance and involve risks and uncertainties.

Please note that future performance may differ from the planned figures due to changes in the management environment and other factors. This document is for informational purposes only and the Company is under no obligation to update it with the latest information available at this time.

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01

Company Profile

Company overview

Business flow

Company overview

Company name	TRUSCO Nakayama Corporation
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	94 in total: 89 domestic bases: (2 head offices, 59 domestic sales branches, 28 domestic distribution centers) 5 overseas bases: (Local subsidiaries: TRUSCO NAKAYAMA CORPORATION (THAILAND) LIMITED, TRUSCO NAKAYAMA CORPORATION (INDONESIA) LIMITED, Supplier development office: Germany, Taiwan, Thailand)
Capital stock	5,022,370,000 yen
Listed stock exchange	First section of the Tokyo Stock Exchange (Code number: 9830)
Number of employees	3,025 (consolidated)
Credit rating	Single A (Rating and Investment Information, Inc.)
Line of business	Wholesale of all kinds of factory auxiliary materials (pro-tools), including working tools, measuring tools, and cutting tools needed in production. The company's mission is to improve the convenience of materials procurement at manufacturing sites through the general catalog "TRUSCO Orange Book" and the search site "TRUSCO Orange Book.Com."

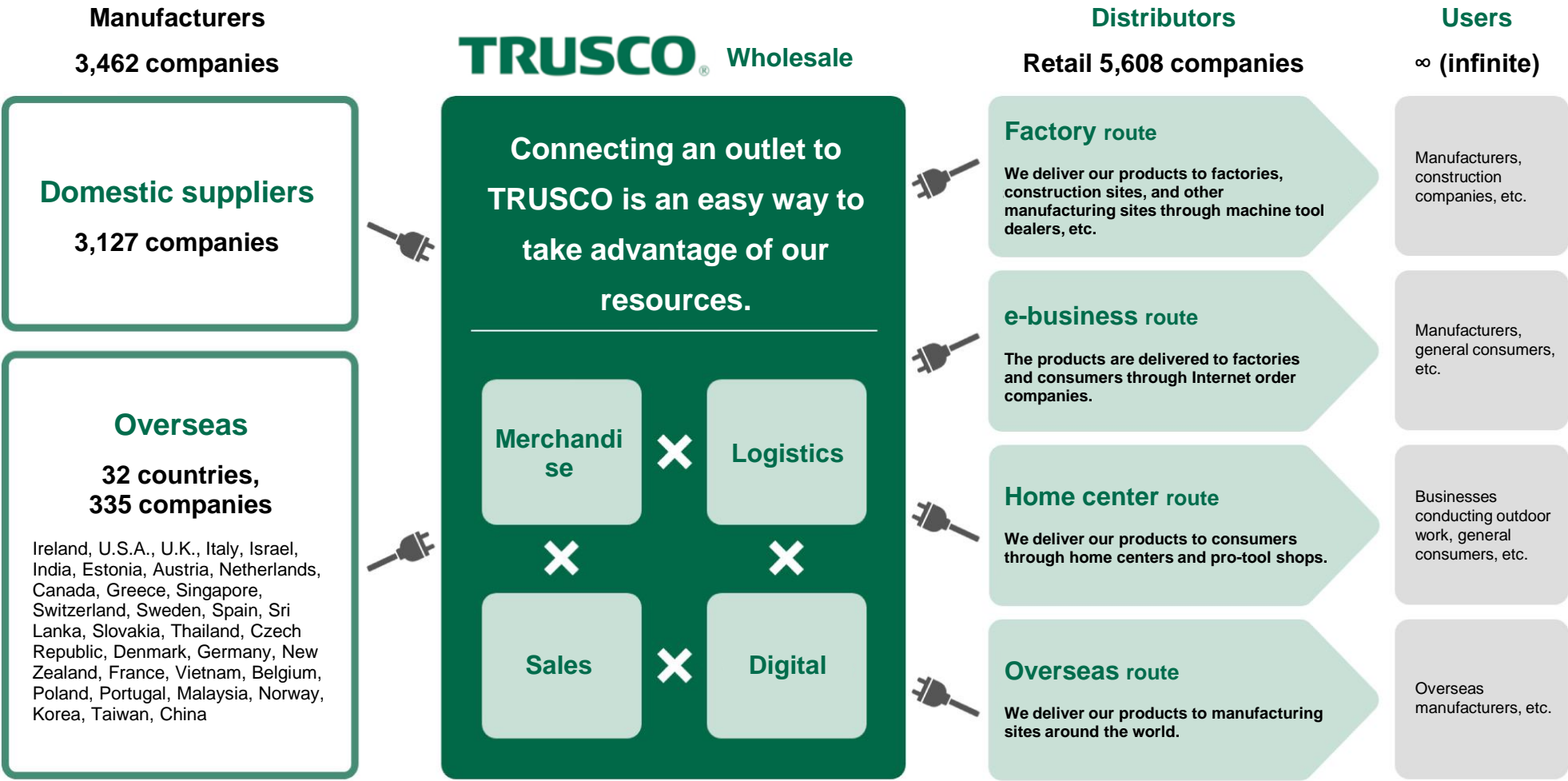
Corporate message

**“GAMBARE!!
JAPANESE MONODZUKURI”.**



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

Business flow



02

Company-wide Business Performance

Accounting highlights




[Consolidated] Business performance /
Management plan

[Consolidated] Monthly sales

[Consolidated] Monthly sales by sales route

Accounting highlights

■ Performance in the third quarter of the 61st business year

Net sales	 196,583 million yen (YoY change +8.7%)	<ul style="list-style-type: none"> Increased through measures that contribute to improved customer convenience and reduced environmental impact, including strengthening the promotion of the use of “Niawase + Yuchoku” (assortment + direct delivery to users), which utilizes an abundant inventory of approximately 570,000 items and state-of-the-art distribution equipment
Gross profit margin	21.2% (Change from the end of previous fiscal year ±0 pt)	<ul style="list-style-type: none"> We continue to receive requests from suppliers for price revisions, and we are gradually proceeding with price pass-through Profitability impact from revised prices that occurred in the second quarter will not occur in the third quarter
Selling, general and administrative expenses (SGA)	 28,445 million yen (YoY change -0.6%)	<ul style="list-style-type: none"> Freight and packing expenses increased due to increased sales, and salaries and bonuses increased due to monthly incentive payments, etc., while depreciation, and commission fees decreased.
Quarterly profit attributable to owners of parent	 8,768 million yen (YoY change +35.5%)	<ul style="list-style-type: none"> 35.5% YoY increase due to increased sales, an increase in gross profit margin due to sales of products purchased at the old prices before the price revisions that occurred in the second quarter at the revised price, and a decrease in selling, general and administrative expenses such as depreciation.

■ Outlook for the full 61st business year

	Plan	YoY change
Net sales	266,080 million yen	+8.0%
Gross profit	56,970 million yen	+9.2%
Selling, general and administrative expenses (SGA)	39,040 million yen	+4.1%
Ordinary income	18,220 million yen	+20.9%
Profit attributable to owners of parent	12,190 million yen	+14.7%

- We expect sales to increase through measures including "Assortment + Direct delivery to users" that improve convenience for customers and contribute to reducing environmental impact.
- Taking into consideration that suppliers will continue to request price revisions, gross profit is expected to increase by approximately 500 million yen.

[Consolidated] Business performance

	Actual results for FYE December 31, 2022			Actual results for FYE December 31, 2023 Third Quarter			
	Actual results	Share	YoY change	Actual results	Share	YoY change	Change from budget (%)
Net sales	246,453 million yen	-	+8.6%	196,583 million yen	-	+8.7%	+0.1%
Gross profit	52,160 million yen	21.2%	+9.4%	41,607 million yen	21.2%	+10.2%	-0.1%
Selling, general and administrative expenses (SGA)	37,493 million yen	15.2%	+8.1%	28,445 million yen	14.5%	-0.6%	-1.2%
(depreciation included in SGA)	6,667 million yen	2.7%	-3.8%	4,720 million yen	2.4%	-6.0%	-1.9%
Operating income	14,667 million yen	6.0%	+12.8%	13,162 million yen	6.7%	+44.1%	+2.4%
Ordinary income	15,065 million yen	6.1%	+11.1%	13,215 million yen	6.7%	+40.6%	+1.4%
Current (quarterly) profit attributable to owners of parent	10,626 million yen	4.3%	-8.4%	8,768 million yen	4.5%	+35.5%	+1.5%
Current (quarterly) net income per share	161.15 yen	-	-14.71 yen	132.98 yen	-	+34.86 yen	+1.96 yen
Private brand sales	45,876 million yen	18.6%	+5.6%	36,087 million yen	18.4%	5.8%	-
Capital expenditures	4,799 million yen	-	-	10,150 million yen	-	-	-

Points

- **Net sales**
YoY change +8.7% Change from budget +0.1%
Increase in sales due to inventory and logistics structure and various efforts
- **Gross profit margin**
Change from the end of previous fiscal year ± 0 pt
We continue to receive requests from suppliers for price revisions, and we are gradually proceeding with price pass-through
- **Selling, general and administrative expenses (SGA)**
YoY change -0.6% Change from budget -1.2%
(Increase) Freight and packing expenses, etc.
(Decrease) Depreciation, etc.
- **Quarterly profit attributable to owners of parent**
YoY change +35.5% Change from budget +1.5%
Increase in gross profit margin due to increase in sales and decrease in selling, general and administrative expenses, etc.

[Consolidated] Management plan

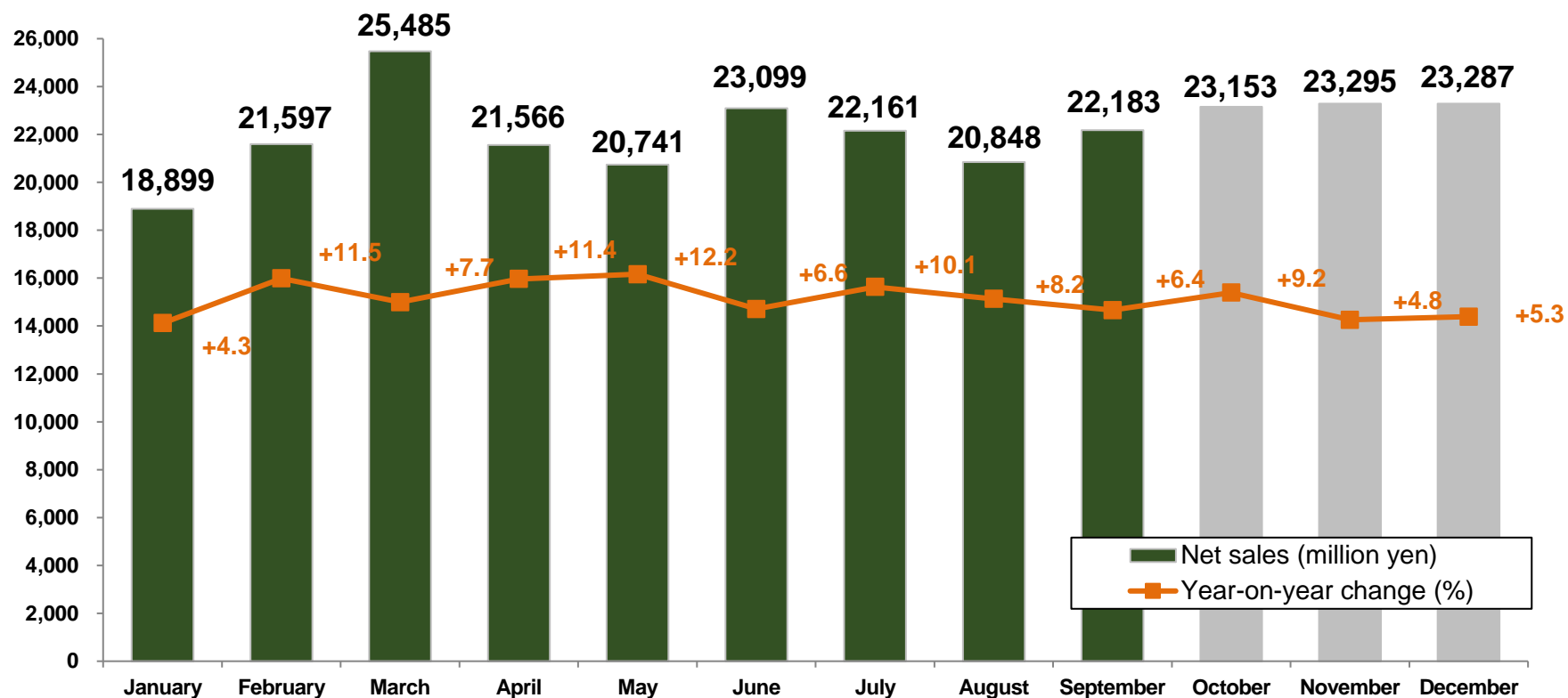
* This is the revised budget announced on August 10, 2023.

	Budget for FYE December 31, 2023 Fourth Quarter			FY 2023 Full Year Budget*	
	Budget	Share	YoY change	Budget	YoY change
Net sales	69,735 million yen	-	+6.4%	266,080 million yen	+8.0%
Gross profit	15,336 million yen	22.0%	+6.5%	56,970 million yen	+9.2%
Selling, general and administrative expenses (SGA)	10,258 million yen	14.7%	+15.6%	39,040 million yen	+4.1%
(depreciation included in SGA)	1,586 million yen	2.3%	-3.7%	6,402 million yen	-4.0%
Operating income	5,078 million yen	7.3%	-8.2%	17,930 million yen	+22.2%
Ordinary income	5,184 million yen	7.4%	-8.5%	18,220 million yen	+20.9%
Current (quarterly) profit attributable to owners of parent	3,550 million yen	5.1%	-14.6%	12,190 million yen	+14.7%
Current (quarterly) net income per share	53.83 yen	-	-9.20 yen	184.86 yen	+23.71 yen
Dividend per share	23.50 yen	-	±0 yen	46.50 yen	+6.50 yen
Capital expenditures	3,468 million yen	-	-	13,618 million yen	-

Key points of revised budget

- **Net sales**
Formulated based on first half performance and initial budget for second half
- **Gross profit margin**
Consideration of approx. 500 million yen impact on profit by selling inventory products purchased before the price revision at the revised prices
- **Selling, general and administrative expenses (SGA)**
Changed based on results for first half of year
- **Quarterly profit attributable to owners of parent**
Increase in net sales, increase in profit margin due to the effect of selling inventory products purchased before the price revision at the revised prices, and decrease in selling, general and administrative expenses including depreciation

[Consolidated] Monthly sales



• Orders are constantly placed for consumables used in factories. As such, we place focus on the sales per day. Our sales increase during the peak periods of March when many companies close their accounts.

	January	February	March	April	May	June	July	August	September	October	November	December	Total
Number of business days (days)	19	19	22	20	20	22	20	22	20	21	20	21	246
Year-on-year change (days)	+1	+1	±0	±0	+1	±0	±0	±0	±0	+1	±0	-1	+3
Sales per day (million yen)	995	1,137	1,158	1,078	1,037	1,050	1,108	948	1,109				-
Year-on-year change (%)	-1.2	+5.6	+7.7	+11.4	+12.2	+6.6	+10.1	+8.2	+6.4				-

* Since April 1, 2022, we have changed our holidays according to the calendar, so the number of business days has increased compared to the previous year.

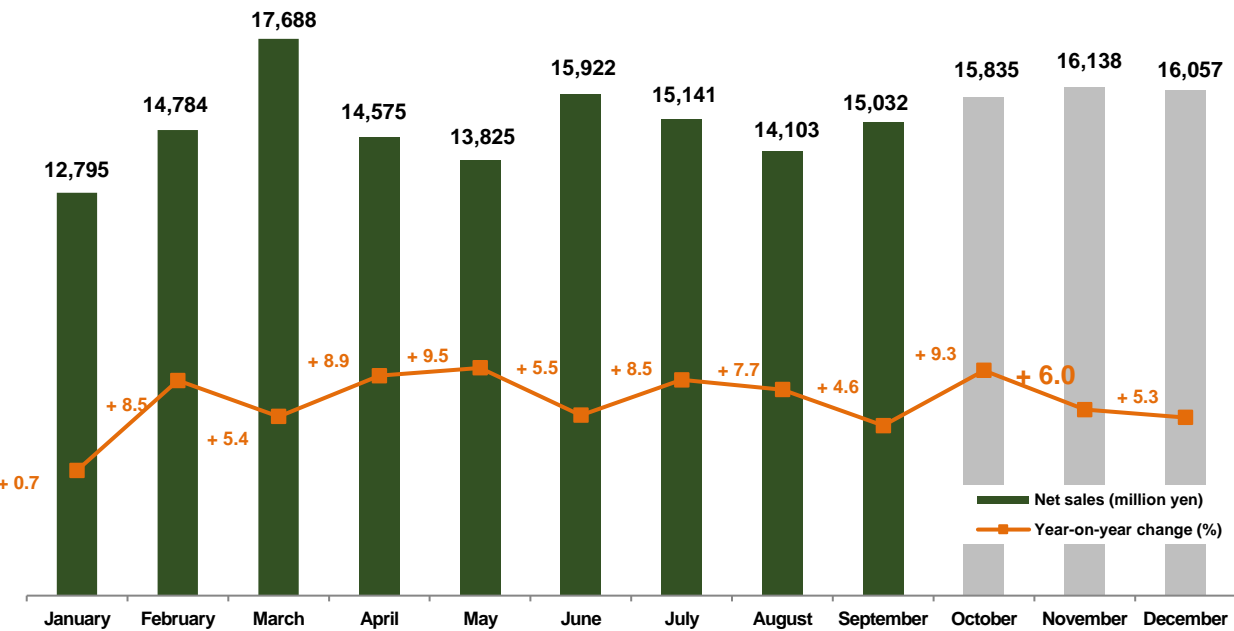
[Consolidated] Monthly sales by sales route

Actual results (January-September)
Budget (October-December)
* Budget revised on August 10th

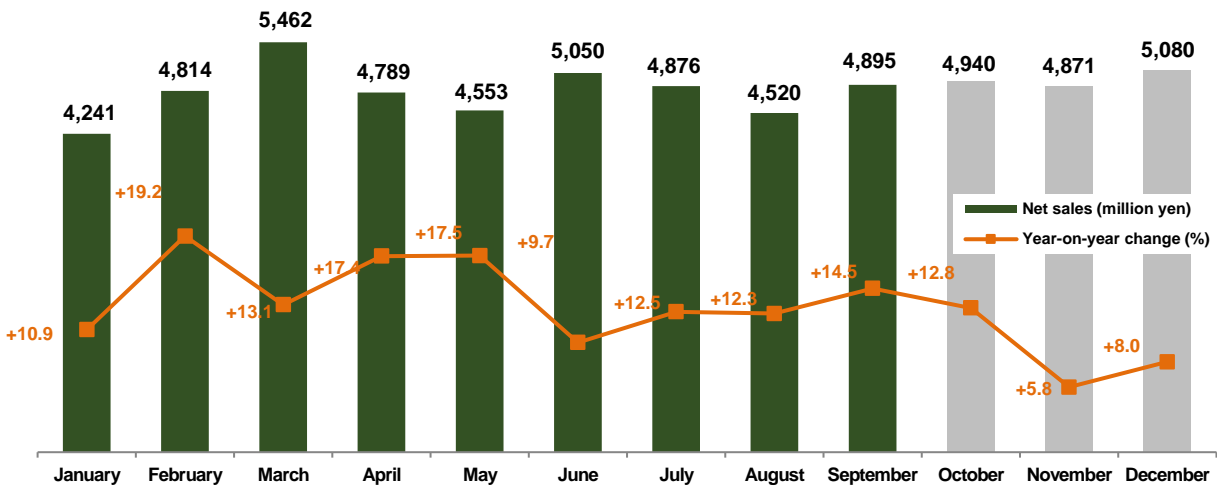
* Since April 1, 2022, we have changed our holidays according to the calendar, so the number of business days has increased compared to the previous year.

	January	February	March	April	May	June	July	August	September	October	November	December	Total
Number of business days	19	19	22	20	20	22	20	22	20	21	20	21	246
YoY change	+1	+1	±0	±0	+1	±0	±0	±0	±0	+1	±0	-1	+3

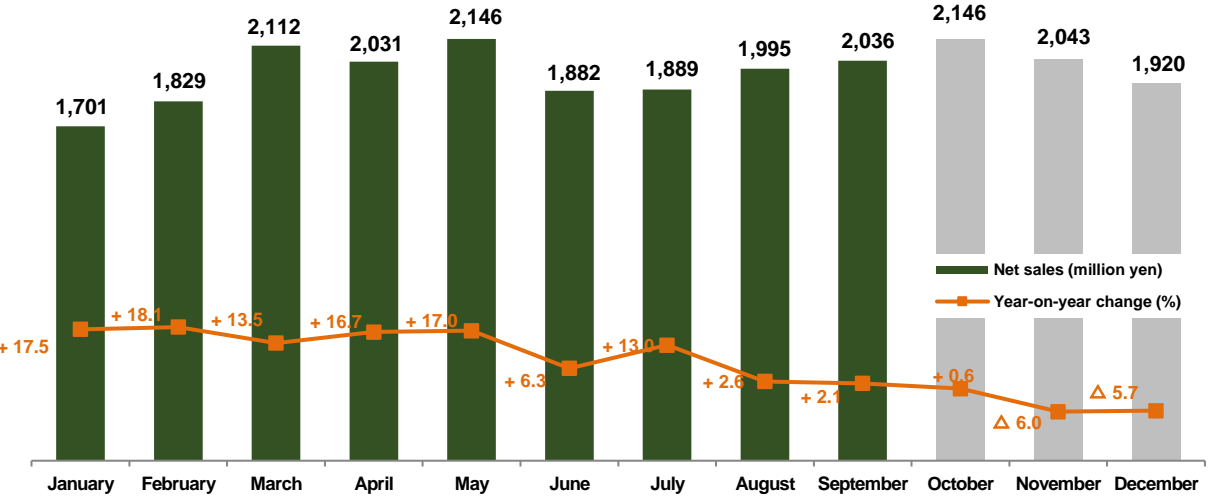
Factory route



e-business route



Home center route



03

Sales Performance

[Consolidated] Management plans / Business performance by sales route

- Factory route
- e-business route
- Home center route
- Business performance of subsidiaries

[Non-consolidated] Changes in sales by category of goods

[Non-consolidated] Sales by category of goods

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

[Consolidated] Business performance by sales route

Factory route: Share 68.1% (YoY change +6.6%) e-business route: Share 22.0% (YoY change +14.0%)

Home center route: Share 9.0% (YoY change +11.4%) Overseas route: Share 0.9% (YoY change +19.3%)

	Actual results for FYE December 31, 2022				Actual results for FYE December 31, 2023 Third Quarter					
	Net sales			Gross profit margin	Net sales				Gross profit margin	
Sales route	Actual results	Share	YoY change	Actual results	Actual results	Share	YoY change	Change from budget (%)	Actual results	Change from the end of previous fiscal year
Factory route	170,606 million yen	69.2%	+5.1%	21.2%	133,871 million yen	68.1%	+6.6%	-0.1%	21.2%	±0pt
e-business route	51,576 million yen	20.9%	+16.2%	22.1%	43,204 million yen	22.0%	+14.0%	+0.5%	21.9%	-0.2pt
Home center route	22,162 million yen	9.0%	+20.7%	17.4%	17,626 million yen	9.0%	+11.4%	+1.1%	17.2%	-0.2pt
Overseas route	2,108 million yen	0.9%	+24.4%	35.8%	1,881 million yen	0.9%	+19.3%	-2.6%	34.6%	-1.2pt
Total	246,453 million yen	100.0%	+8.6%	21.2%	196,583 million yen	100.0%	+8.7%	+0.1%	21.2%	±0pt

[Consolidated] Management plan by sales route

* This is the revised budget announced on August 10, 2023.

	Budget for FYE December 31, 2023 Fourth Quarter			FYE December 31, 2023 Full Year Budget*	
	Net sales			Net sales	
Sales route	Budget	Share	YoY change	Budget	YoY change
Factory route	48,032 million yen	68.9%	+6.8%	182,011 million yen	+6.7%
e-business route	14,892 million yen	21.4%	+8.8%	57,885 million yen	+12.2%
Home center route	6,109 million yen	8.8%	-3.7%	23,551 million yen	+6.3%
Overseas route	697 million yen	0.9%	+31.4%	2,631 million yen	+24.8%
Total	69,732 million yen	100.0%	+6.4%	266,080 million yen	+8.0%

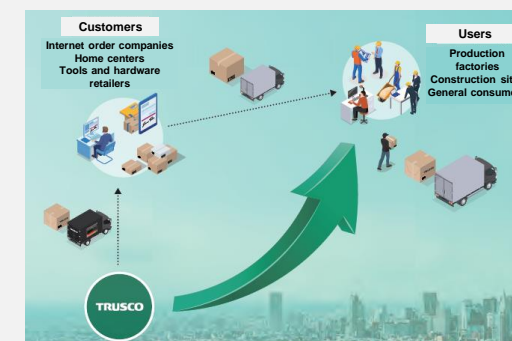
[Consolidated] Business performance by sales route: (Factory route)

This route delivers our products to factories, construction sites, and other manufacturing sites through machine tool dealers, etc. While business conditions in the manufacturing sector have not returned to their pre-pandemic levels, the holding of abundant inventories and the implementation of various initiatives resulted in a YoY change in net sales of +6.6%.

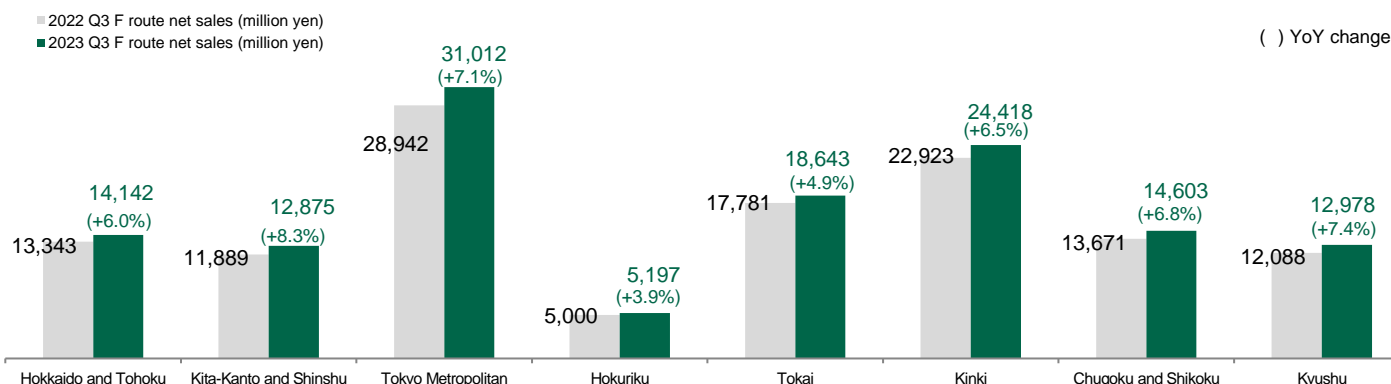
	Actual results for FYE December 31, 2022			Actual results for FYE December 31, 2023 Third Quarter				
	Net sales		Gross profit margin	Net sales			Gross profit margin	
Sales route	Actual results	Share	Actual results	Actual results	Share	YoY change	Actual results	Change from the end of previous fiscal year
Machine tool dealers	86,908 million yen	50.9%	21.5%	66,752 million yen	49.9%	+4.0%	21.9%	+0.4pt
Dealers in welding materials	24,206 million yen	14.2%	20.7%	19,205 million yen	14.3%	+8.3%	20.6%	-0.1 pt
Other manufacturing related (Physical chemical, conductor, packaging material dealers, etc.)	27,942 million yen	16.4%	20.3%	22,474 million yen	16.8%	+8.8%	19.8%	-0.5pt
Construction related	31,548 million yen	18.5%	21.5%	25,439 million yen	19.0%	+10.2%	21.3%	-0.2pt
Factory route total	170,606 million yen	100.0%	21.2%	133,871 million yen	100.0%	+6.6%	21.2%	±0pt

Points

- By maintaining an abundant inventory, we are able to provide our customers with immediate delivery and one-stop purchasing, and at the same time, we are able to achieve "assortment" of multiple orders into a single box for shipment and direct delivery to users.
- We carried out business activities that also help to reduce our environmental impact, such as strengthening efforts in "MRO Stocker," which enables product procurement at the factory at any time, and strengthening efforts in our "Naojiro" repair workshop.



* The gross profit margin has been adjusted in this document by reclassifying gross profit among sales channels for FYE December 31, 2022.



[Consolidated] Business performance by sales route: (e-business route)

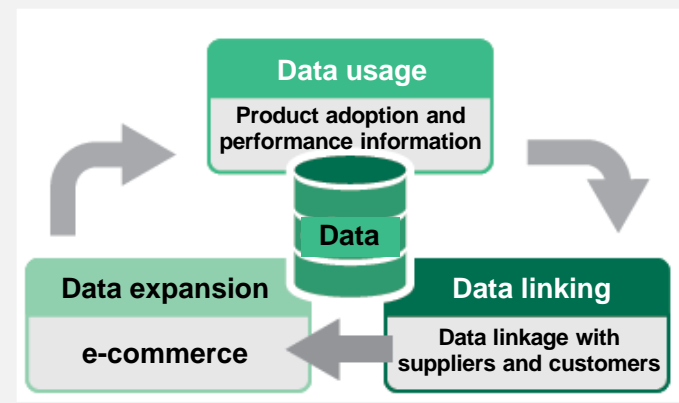
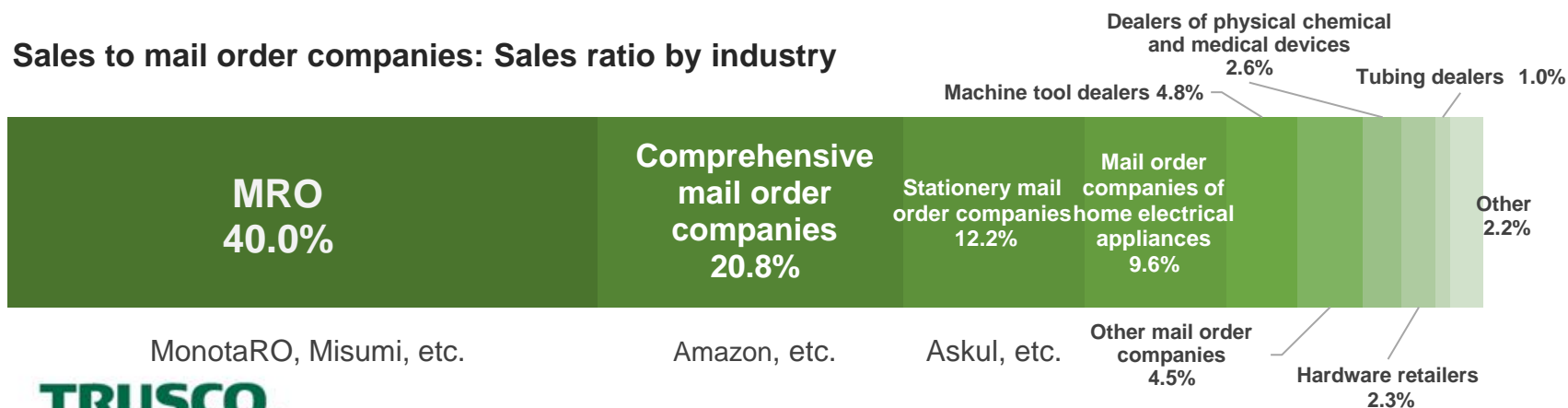
This route delivers our products to manufacturing sites, such as factories and construction sites, and consumers through Internet order companies. Product data and system linkage, as well as logistics processing tailored to customer needs, have improved convenience, resulting in a YoY change in net sales of 14.0%.

Sales route	Actual results for FYE December 31, 2022			Actual results for FYE December 31, 2023 Third Quarter				
	Net sales		Gross profit margin	Net sales			Gross profit margin	
	Actual results	Share	Actual results	Actual results	Share	YoY change	Actual results	Change from the end of previous fiscal year
Mail order companies	40,148 million yen	77.8%	20.9%	32,913 million yen	76.2%	+11.7%	20.7%	-0.2pt
Companies participating in Orange Commerce (TRUSCO's electronic central purchasing system), MRO Stocker	11,428 million yen	22.2%	26.3%	10,290 million yen	23.8%	+22.2%	25.9%	-0.4 pt
e-business route total	51,576 million yen	100.0%	22.1%	43,204 million yen	100.0%	+14.0%	21.9%	-0.2pt

Points

- Strengthening unique logistics services such as logistics processing and "assortment + direct delivery to users" tailored to customer needs
- By developing a product database with approximately 3.71 million items, strengthening system integration, and offering logistics services that fulfill the demands of internet order companies and companies participating in Orange Commerce, we have improved convenience and significantly increased the number of orders made to our company.

Sales to mail order companies: Sales ratio by industry

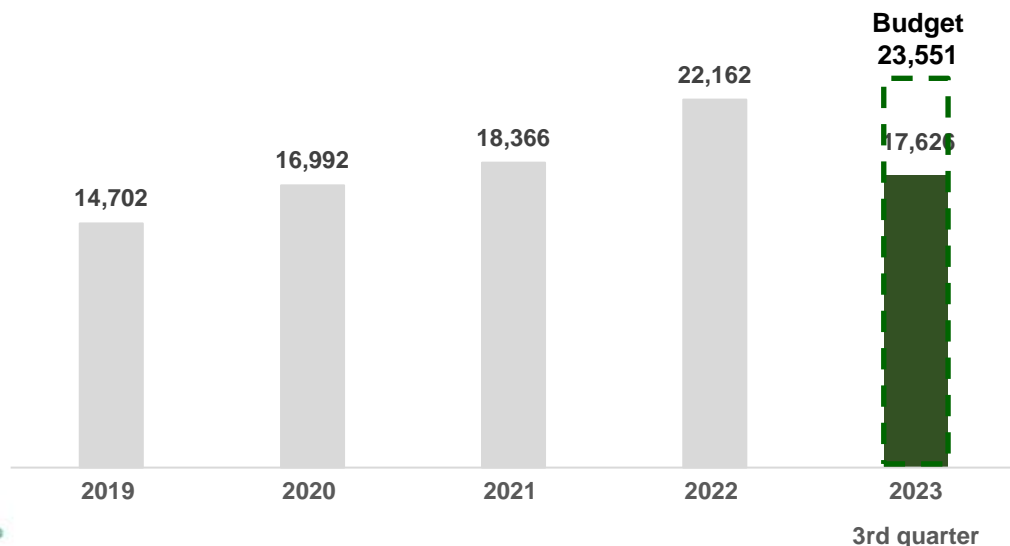


[Consolidated] Business performance by sales route: (Home center route)

This route delivers our products to consumers through home centers and pro-tool shops. As companies are strengthening their e-commerce businesses, we aggressively proposed services utilizing our inventory of approximately 570,000 items and logistics capabilities, resulting in a YoY change in net sales of 11.4%.

	Actual results for FYE December 31, 2022		Actual results for FYE December 31, 2023 Third Quarter			
	Net sales	Gross profit margin	Net sales		Gross profit margin	
	Actual results	Actual results	Actual results	YoY change	Actual results	Change from the end of previous fiscal year
Home center route	22,162 million yen	17.4%	17,626 million yen	+11.4%	17.2%	-0.2pt

Change in sales earned via home center route (Unit: million yen)



Points

We consolidated commercial distribution channels and acquired a new right to supply products through collaborative efforts between our stores and EC site. In addition, we also saw an increase in sales at pro-tool shops, which are dealers that target professional craftspeople and factory workers who have a high affinity with our company.

- Utilizing the approximately 3.71 million items we have for sale and approximately 570,000 items we have in stock for instant delivery, we worked on measures to continue expanding sales by enhancing the product lineup in our stores and EC site.

[Consolidated] Business performance by sales route: (Business performance of subsidiaries)

We strengthened our sales activities by reviewing inventory items and developing local customers and suppliers.

	TRUSCO NAKAYAMA CORPORATION (non-consolidated)				TRUSCO NAKAYAMA CORPORATION (THAILAND) LIMITED				TRUSCO NAKAYAMA CORPORATION (INDONESIA) LIMITED			
	Actual results for FYE December 31, 2023 Third Quarter			Full year budget	Actual results for FYE December 31, 2023 Third Quarter			Full year budget	Actual results for FYE December 31, 2023 Third Quarter			Full year budget
	Amount	Share	YoY change	YoY change	Amount	Share	YoY change	YoY change	Amount	Share	YoY change	YoY change
Net sales	196,075 million yen	100.0%	+8.7%	+7.8%	713 million yen	100.0%	+13.6%	+13.3%	409 million yen	100.0%	+14.3%	+33.9%
Gross profit	41,274 million yen	21.1%	+10.2%	+9.2%	185 million yen	26.0%	+21.1%	+19.9%	136 million yen	33.2%	+30.3%	+31.6%
Selling, general and administrative expenses (SGA)	28,199 million yen	14.4%	-0.6%	+4.0%	125 million yen	17.6%	+3.2%	+6.3%	120 million yen	29.5%	+5.2%	+20.1%
Depreciation included in SGA	4,663 million yen	2.4%	-6.0%	-4.1%	16 million yen	2.3%	-10.7%	+1.5%	40 million yen	9.9%	-3.0%	+18.1%
Operating income	13,074 million yen	6.7%	+44.3%	+22.5%	59 million yen	8.4%	+90.1%	+79.7%	15 million yen	3.8%	-	-
Ordinary income	13,152 million yen	6.7%	+40.1%	+20.8%	63 million yen	8.9%	+96.0%	+70.9%	20 million yen	4.9%	-	+60.2%
Quarterly profit	8,712 million yen	4.4%	+34.9%	+14.6%	63 million yen	8.9%	+96.0%	+70.9%	20 million yen	4.9%	-	+60.2%

		Net sales	Gross profit
Business performance in other overseas regions (Philippines, China, South Korea, etc.)	Actual results	754 million yen	185 million yen
	Rate	-	24.6%
	YoY change	+27.7%	+15.0%

Points

- By enhancing the development of personal suppliers for local top brands in Thailand, and by reviewing inventory items in Indonesia, we have shortened the delivery lead time and expanded the sales area through transactions with new customers of local companies.
- With regards to sales to other overseas regions, we worked to expand transactions by opening new accounts with EC companies mainly in the Asia-Pacific region.

[Non-consolidated] Sales by category of goods

(Unit: million yen, %)

Category of goods (large category)	Medium category	TRUSCO's sales	Share	YoY change	Gross profit margin	Category of goods (large category)	Medium category	TRUSCO's sales	Share	YoY change	Gross profit margin
1. Cutting tools	Cutting tools total	6,119	3.1	9.0	16.6	6. Environmental safety equipment	Environmental safety equipment total	35,651	18.2	7.1	22.4
	① Cutting tools	3,150	1.6	-	12.0		㉕ Protective equipment	18,424	9.4	-	23.2
	② Drilling and thread cutting tools	2,968	1.5	-	21.4		㉖ Safety goods	7,983	4.1	-	25.8
2. Production processing goods	Production processing goods total	14,403	7.4	8.1	15.6		㉗ Environment improvement goods	1,803	0.9	-	18.5
	③ Measurement equipment	7,584	4.0	-	15.0		㉘ Air conditioning goods	4,114	2.1	-	17.4
	④ Mechatronics	3,038	1.5	-	15.2		㉙ Disaster and crime prevention goods	1,701	0.9	-	19.3
	⑤ Tools for machine tools	1,779	0.9	-	23.9		㉚ Closets and exterior goods	1,624	0.8	-	16.1
	⑥ Electronic machinery	2,000	1.0	-	10.9	7. Distribution and storage equipment	Distribution and storage equipment total	20,534	10.5	2.8	22.5
3. Construction goods	Construction goods total	22,801	11.6	9.7	21.5		㉛ Loading goods	5,749	2.9	-	17.9
	⑦ Hydraulic tools	1,525	0.8	-	11.2		㉜ Conveyors	839	0.4	-	15.5
	⑧ Pumps	2,845	1.5	-	16.5		㉝ Transportation goods	7,679	3.9	-	22.5
	⑨ Welding equipment	1,892	1.0	-	17.4		㉞ Containers and vessels	3,069	1.6	-	29.3
	⑩ Painting and interior goods	1,962	1.0	-	26.2		㉟ Steel shelves	3,196	1.6	-	26.3
	⑪ Civil engineering and building goods	1,820	0.9	-	14.0	8. Research management equipment	Research management equipment total	7,923	4.0	4.8	22.9
	⑫ Ladders and stepladders	2,702	1.4	-	22.1		㊱ Tool wagons	688	0.4	-	28.8
	⑬ Piping and materials of electronic equipment	3,707	1.9	-	22.8		㊲ Storage and management goods	973	0.5	-	30.2
	⑭ Component, hardware, and building materials	6,344	3.2	-	27.0		㊳ Work benches	1,221	0.6	-	32.4
4. Work supply	Work supply total	37,715	19.2	10.4	22.0		㊴ Stainless goods	1,535	0.8	-	18.3
	⑮ Cutting goods	1,204	0.6	-	21.8		㊵ Research and development-related goods	3,504	1.8	-	18.4
	⑯ Grinding and polishing goods	5,845	3.0	-	23.9	9. Office and housing facility equipment	Office and housing facility equipment total	16,948	8.7	7.0	23.0
	⑰ Chemical products	19,961	10.2	-	20.9		㊶ Cleaning utensils	5,117	2.7	-	21.7
	⑱ Factory miscellaneous goods	3,519	1.8	-	16.3		㊷ Stationery	2,070	1.1	-	20.0
	⑲ Packing and binding goods	4,759	2.4	-	30.9		㊸ Office miscellaneous goods	2,483	1.3	-	27.9
	㉀ Casters	2,425	1.2	-	17.9		㊹ Electric appliances	2,548	1.3	-	22.9
5. Hand tools	Hand tools total	32,936	16.8	12.5	19.1		㊺ OA business machinery	1,667	0.9	-	23.5
	㉑ Electric power tools and accessories	9,655	4.9	-	14.4		㊻ Office furniture	2,846	1.5	-	23.3
	㉒ Pneumatic tools and accessories	5,342	2.7	-	18.2		㊼ Interior goods	213	0.1	-	19.0
	㉓ Tools for manual work	16,347	8.3	-	21.2	10. Other	㊽ All the other	1,041	0.5	57.2	21.2
	㉔ Tool boxes	1,591	0.8	-	28.8		Total	196,075	100	8.7	21.1

Points

Sales increased for the following product groups related to factory operations:

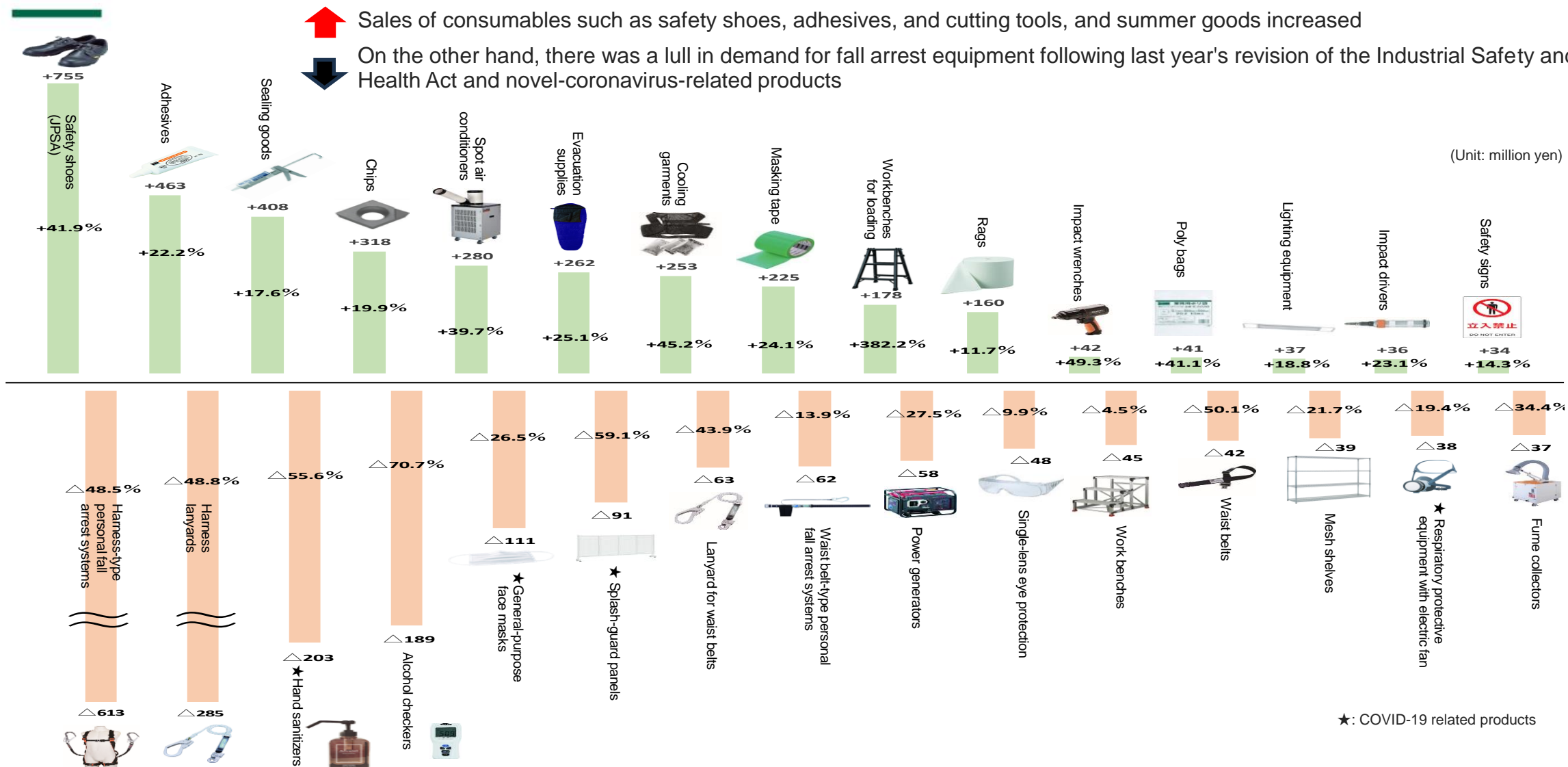
• **Hand tools**
YoY change **+12.5%**
Sales of power tools and hand tools such as impact wrenches increased

• **Work supplies:**
YoY change **+10.4%**
In particular, sales of adhesives, sealants, and tape supplies increased

• **Construction goods:**
YoY change **+9.7%**
Sales of various construction goods increased

• **Cutting tools:**
YoY change **+9.0%**
Sales of various construction goods increased

[Non-consolidated] Changes in sales by category of goods (small category)



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

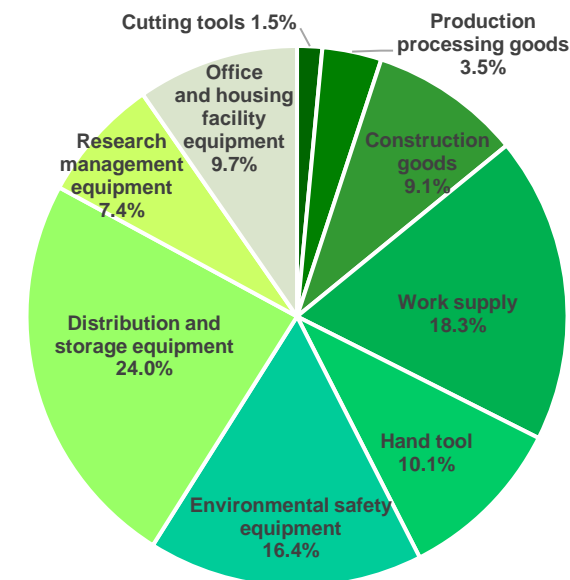
Although the sales composition of private brand TRUSCO products and national brand products is on a downward trend due to the difference in the speed of handling expansion, we are brushing up our efforts to expand private brand product sales.



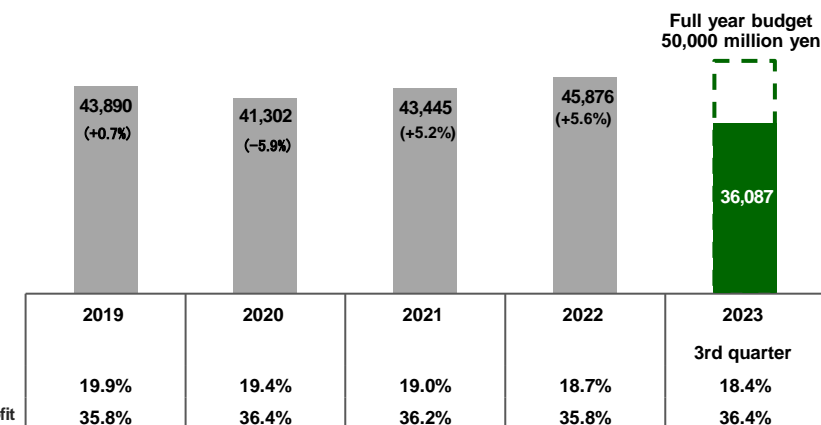
■ Sales by sales route and category of goods

Category of goods \ Sales route	All sales routes		Factory		e-business		Home center	
	Share	18.4%	Share	19.0%	Share	22.4%	Share	4.4%
	Gross profit margin	36.4%	Gross profit margin	37.3%	Gross profit margin	34.5%	Gross profit margin	28.9%
	Net sales	YoY change	Net sales	YoY change	Net sales	YoY change	Net sales	YoY change
Total	36,087	+5.8%	25,393	+3.0%	9,669	+15.0%	773	-2.7%
Cutting tools	541	+4.3%	389	+1.9%	92	+17.6%	53	+7.4%
Production processing goods	1,278	+6.0%	901	+2.4%	341	+17.1%	12	-8.6%
Construction goods	3,270	+7.4%	2,232	+2.7%	965	+20.0%	45	-3.2%
Work supply	6,609	+10.5%	5,036	+7.6%	1,455	+22.4%	63	+5.5%
Hand tool	3,639	+11.1%	2,523	+8.3%	972	+21.8%	83	-8.4%
Environmental safety equipment	5,934	+4.5%	4,330	+3.3%	1,446	+7.4%	139	+9.7%
Distribution and storage equipment	8,647	+2.2%	5,880	-0.5%	2,380	+12.0%	353	-6.8%
Research management equipment	2,680	+1.1%	1,822	-4.0%	832	+13.7%	4	-14.3%
Office and housing facility equipment	3,485	+5.7%	2,276	+2.6%	1,181	+13.9%	18	-8.7%

■ Private brand product share in net sales as of the end of September 2023



■ Trend in sales of private brand products (unit: million yen) () YoY change



04

Financial and Other Performances

[Consolidated] Selling, general and administrative expenses (SGA)

[Consolidated] Details of selling, general and administrative expenses (SGA)

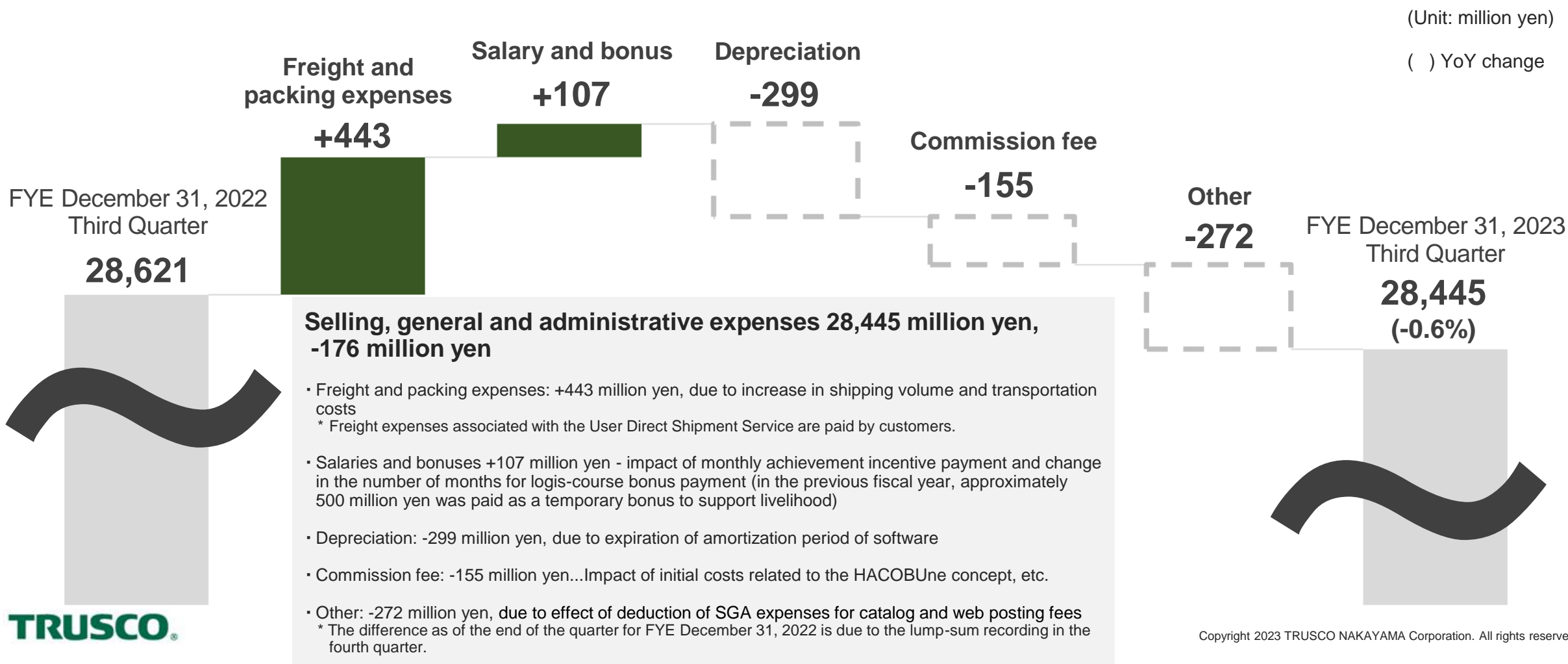
[Consolidated] Financial statements and financial indicators

[Consolidated] Capital expenditures

Major capital expenditures for the current fiscal year

[Consolidated] Selling, general and administrative expenses (SGA)

Freight and packing expenses increased due to an increase in shipment volume, and salaries and bonuses increased, while selling, general and administrative expenses decreased by 0.6% year on year due to decreases in depreciation and commission fees.



[Consolidated] Details of selling, general and administrative expenses (SGA)

(Unit: million yen)

No.	FYE December 31, 2022		Fiscal Year Ending December 2023 Third Quarter				FY 2023 Full Year Budget	Full year budget and YoY change in performance
	Actual results	Share in net sales	Actual results	Share in net sales	Change from previous period	YoY change		
1 Salary and bonus	13,036	5.3%	9,048	4.6%	+107	+1.2%	13,592	+4.3%
2 Freight and packing expenses	7,630	3.1%	6,065	3.1%	+443	+7.9%	8,366	+9.7%
3 Depreciation	6,667	2.7%	4,720	2.4%	-299	-6.0%	6,402	-4.0%
4 Commission fee	2,638	1.1%	1,905	1.0%	-155	-7.5%	2,602	-1.4%
5 Welfare expense	2,343	1.0%	1,800	0.9%	+30	+1.7%	2,414	+3.0%
6 Taxes and dues	1,416	0.6%	1,002	0.5%	-35	-3.4%	1,330	-6.1%
7 Provision for bonuses	8	0.0%	964	0.5%	+22	+2.4%	264	+3,111.6%
8 Advertising expenses	505	0.2%	467	0.2%	+75	+19.2%	585	+15.8%
9 Traveling expenses and transportation expenses	543	0.2%	423	0.2%	+13	+3.2%	547	+0.9%
10 Supplies expenses	434	0.2%	409	0.2%	+86	+26.6%	520	+20.0%
11 Utilities expenses	537	0.2%	363	0.2%	+36	+11.2%	552	+2.8%
12 Communication expenses	434	0.2%	318	0.2%	-8	-2.5%	432	-0.5%
13 Leasehold and office rents	357	0.1%	270	0.1%	+0	+0.0%	358	+0.1%
14 Remuneration paid to directors	401	0.2%	222	0.1%	+9	+4.6%	432	+7.5%
15 Vehicle expenses	283	0.1%	216	0.1%	-1	-0.9%	294	+4.0%
16 Promotion expenses	316	0.1%	198	0.1%	-82	-29.4%	229	-27.6%
17 Entertainment expenses	42	0.0%	81	0.0%	+51	+172.9%	129	+205.0%
18 Other	-104	0.0%	-33	0.0%	-468	—	-17	—
Total	37,493	15.2%	28,445	14.5%	-176	-0.6%	39,040	+4.1%

[Consolidated] Financial statements and financial indicators

Balance Sheet

As of September 30, 2023

(Unit: Million yen)

Item	Amount	Item	Amount
(Assets)		(Liabilities)	
Current assets	124,927	Current liabilities	49,987
Cash and deposits	39,094	Accounts payable - trade	19,629
Accounts receivable	32,044	Short-term borrowings	10,000
Electronically recorded monetary claims - operating	2,410	Long-term borrowings scheduled to be repaid within one year	8,500
Merchandise	50,364	Accounts payable - other	6,389
Other	1,014	Income taxes payable	2,271
Allowance for doubtful accounts	-1	Provision for bonuses	974
Non-current assets	111,396	Provision for bonuses for directors (and other officers)	99
Property, plant and equipment	103,359	Other	2,123
Buildings (net amount)	46,544	Non-current liabilities	29,044
Machinery and equipment (net amount)	6,861	Long-term borrowings	26,000
Tools, furniture and fixtures (net amount)	1,267	Provision for retirement benefits for directors (and other officers)	151
Land	38,775	Long-term guarantee deposits	2,798
Construction in progress	7,973	Other	93
Other (net amount)	1,936	Total liabilities	79,031
Intangible assets	4,109	(Net assets)	
Software	2,794	Shareholders' equity	156,452
Other	1,314	Capital stock	5,022
Investments and other assets	3,928	Capital surplus	4,711
Investment securities	2,977	Retained earnings	146,798
Deferred tax assets	444	Treasury shares	-80
Deferred tax assets for land revaluation	155	Accumulated other comprehensive income	157,292
Other	488	Valuation difference on available-for-sale securities	588
Allowance for doubtful accounts	-138	Revaluation reserve for land	-353
		Foreign currency translation adjustment	605
		Accumulated other comprehensive income total	840
		Total net assets	157,292
Total assets	236,323	Liabilities / Total net assets	236,323

Statement of cash flows

(Unit: million yen)

	Q3 of FY 2022	Q3 of FY 2023	Change
Cash flows from operating activities	9,078	9,063	-15
Cash flows from investing activities	-4,430	-6,163	-1,733
Cash flows from financing activities	-2,109	-3,562	-1,453
Effect of exchange rate change on cash and cash equivalents	104	83	-20
Net increase (decrease) in cash and cash equivalents	2,643	-578	-3,222
Cash and cash equivalents at beginning of period	41,449	39,400	-2,049
Cash and cash equivalents at end of period	44,093	38,822	-5,271

Equity ratio

	End of FY 2022	Q3 of FY 2023	Change (pt)
Equity ratio	67.1%	66.6%	-0.5

Other financial indicators

	End of FY 2021	End of FY 2022	Change (pt)
ROA (Return on Assets)	6.3%	6.7%	+0.4pt
ROE (Return on Equity)	8.4%	7.2%	-1.2pt

<Our Approach to ROE>

We believe it is important to expand profits and ensure long-term, stable increase by making continuous investments to enhance corporate value. We believe that ROE should increase as a result of our business where we place importance on improving the convenience of our customers.

[Consolidated] Capital expenditures

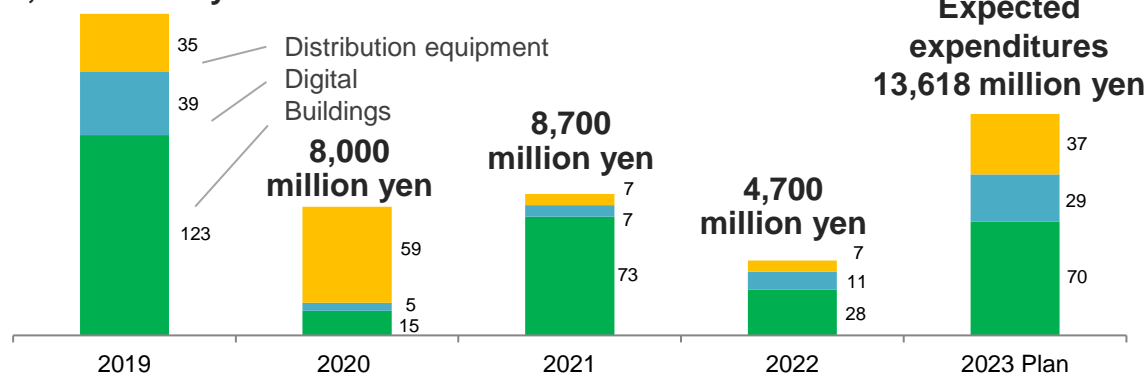
Major capital expenditures and plans

(Unit: million yen)

Details of major capital expenditures in 2023		Actual investment in Q3 FY 2023	Planned investment in Q4 FY 2023
Distribution equipment	Advance order for installation of distribution equipment and facilities at Planet Aichi (Total expected expenditures: approx. 9,500 million yen) [1H results: approx. 2,300 million yen]	3,713	4
	Planet Higashi Kanto: 2nd automated pallet warehouse (total investment: 2,700 million yen) [Q3 actual results: approx. 600 million yen]		
	Sakai Stock Center: Automated pallet warehouse (total investment: 1,800 million yen) [Q3 actual results: approx. 500 million yen], etc.		
Digital	Construction of product database "Sterra2.0" (planned total investment: approx. 800 million yen) [Q3 actual results: approx. 700 million yen, planned Q4: approx. 100 million yen]	1,268	1,596
	Enhancement of core system "Paradise", etc., (planned total investment: approx. 300 million yen) [planned amount for Q4: approx. 300 million yen], etc.		
Buildings	Honmachi Central Building renovation costs (total planned investment: approx. 1,600 million yen) [Q3 results: approx. 800 million yen]	5,169	1,868
	Planet Aichi new construction project: (total planned investment: approx. 17,600 million yen) [Q3 results: approx. 4,100 million yen, Q4 planned amount: approx. 1,300 million yen], etc.		
Subtotal		10,150	3,468
Annual capital expenditures		13,618	

Change in capital expenditures

19,700 million yen



<Capital expenditures>

- The investment amount may fluctuate as the planned amount of capital expenditures includes expenses for projects at the planning stage.
- The figures for the 61st business year represent values on a cash-out basis.

Major capital expenditures for the current fiscal year

Planet Higashi Kanto automated pallet warehouse



Location: Matsudo, Chiba Prefecture

Operation: March 2023

Site area: 14681 sqm (Planet Higashi Kanto)
Total floor area: 29706 sqm (Planet Higashi Kanto)

Total investment amount: approx. 2,680 million yen
(investment for 61st business year: approx. 600 million yen)

By setting up an automated pallet warehouse in the new area, we will be able to store an additional 4,556 pallets, and strengthen our instant delivery system through enlarging our product range.

Sakai Stock Center



Location: Sakai, Osaka Prefecture

Operation: April 2023

Site area: 3,303 sqm
Total floor area: 4,641 sqm

Total investment amount: approx. 1,830 million yen
(investment for 61st business year: approx. 500 million yen)

By setting up an automated pallet warehouse, we will be able to store 3,304 pallets and strengthen our instant delivery system through improving our inventory storage capacity.

Planet Aichi



Location: Kitanagoya, Aichi Prefecture

Completion: January 2025
Operation: July 2026 scheduled

Site area: 41636 sqm Total floor area: 88579 sqm
Design and construction: Taisei Corporation
Total investment amount: approx. 30,000 million yen
(planned) (planned amount for 61st business year: approx. 7,800 million yen)

We aim to create a highly efficient distribution center by strengthening our product lineup (1 million SKUs) and providing the “fastest,” “earliest,” and “best” service.

05

Various key indicators

Digital

Merchandise

Sales

Logistics

Human resources

Key indicators (digital)

Key indicators		FYE December 31, 2022	FYE December 31, 2023 Third Quarter	Plan for FYE December 31, 2023
Digital	Rate of automated quotations (%) *1	22.6	27.1	28.0
	Rate of online quotation requests (%)	46.0	46.9	50.0
	System order rate (%) *2	85.2	86.7	86.0

*1 Total number of quotations (cumulative total for Jan-Sep 2023): 6.55 million

*2 Total number of orders (cumulative total for Jan-Sep 2023): 30.06 million

Since launching our Internet ordering system "Web Trusco" in 2002, we have been automating ordering. Additionally, starting with the launch of our core system "Paradise 3" in 2020, we are striving to improve convenience with the aim of automating all tasks that can be automated in the supply chain.

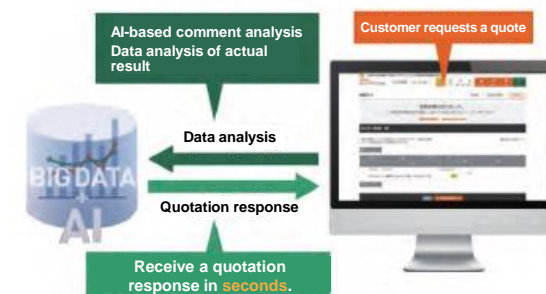
System order rate (as of the end of September 2023)

Order type	Number of orders (thousand lines)	Line share	Change in share from the previous fiscal year (pt)	Order value (million yen)	Price share	YoY change in price share (pt)
TRUSCO Orange Book.Com Internet ordering (for distributors and users)	11,661	38.8%	±0.0	85,187	43.4%	+1.3
TRUSCO EDI Data linkage with distributor ordering system	7,004	23.3%	+1.6	27,881	14.2%	+0.6
Orange Commerce Linkage with users' purchasing system	783	2.6%	+0.2	5,747	2.9%	+0.3
EOS Home center electronic ordering system	6,612	22.0%	-0.2	15,965	8.1%	+0.2
Total	26,061	86.7%	+1.6	134,781	68.7%	+2.5

■ AI-based estimation system "Swift Estimator" [Automated estimate rate: 22.6%]

Automated quotations with AI

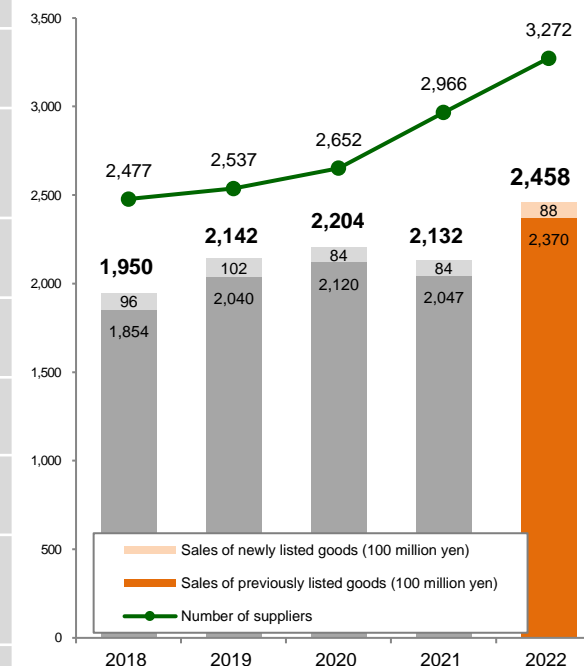
One of our challenges is how to respond quickly to the average of 30,000 quotation requests we receive from our clients each day. In response, the company introduced "Swift Estimator," an AI-based automatic quotation response system, to promote the automation of quotations through special price optimization that automatically calculates appropriate prices for products on a regular basis based on actual orders and quotations. This has led to an improvement in the speed of response to customers (minimum 5 seconds). (Automated estimate rate: 22.6% (as of December 31, 2022))



Key indicators (goods)

Key indicators		FYE December 31, 2022	FYE December 31, 2023 Third Quarter	Plan for FYE December 31, 2023
Merchandise	No. of items featured on TRUSCO Orange Book.Com (10,000 items)	316	383	420
	Total number of suppliers	3,272	3,462	3,470
	Of these, number of overseas suppliers	329	335	350
	Number of manufacturers listed in the TRUSCO Orange Book	2,152	2,152	2,320
	Number of items listed in the TRUSCO Orange Book	374,000	374,000	374,000
	Number of items listed in the TRUSCO Digital Orange Book	374,000	374,000	444,000
	Number of items in inventory	562,026	574,976	595,000
	Of these, goods automatically adopted (items)★	26,109	36,108	41,000
	Private brand product development, number of brush-ups	-	-	1,000
	Total number in stock (10,000s)	5,319	5,553	5,600
	Inventories (100 million yen)	452	503	-

[Non-consolidated] Change in sales of newly listed goods on TRUSCO Orange Book.Com in company-wide sales

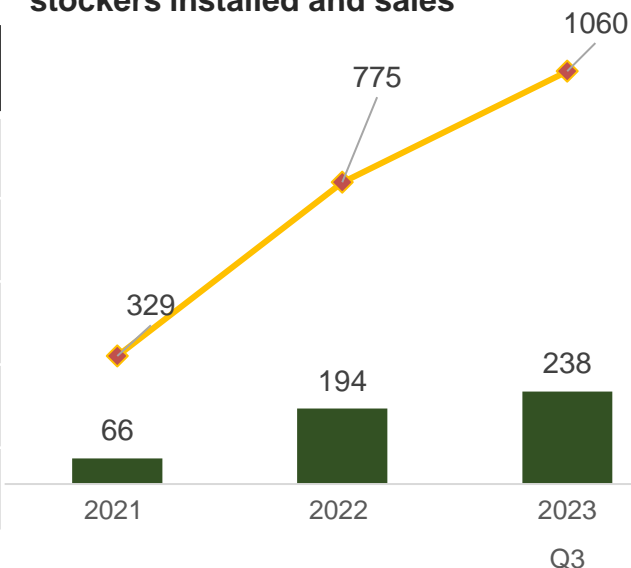


★ A system is in place for automatic stocking of hot-selling items based on sales performance data.

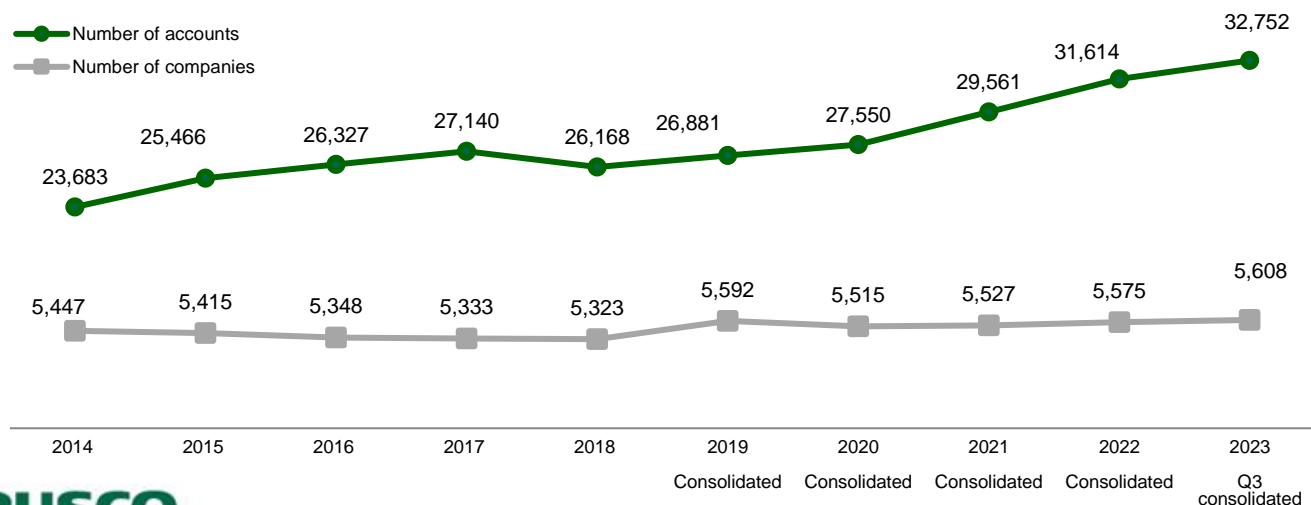
Key indicators (sales)

Key indicators		FYE December 31, 2022	FYE December 31, 2023 Third Quarter	Plan for FYE December 31, 2023
Sales	Number of corporate clients	5,575	5,608	5,630
	Number of client accounts	31,614	32,752	32,500
	No. of companies connected to Orange Commerce	2,233	2,327	2,600
	No. of companies adopting MRO Stocker	775	1,060	1,000
	Number of sales (millions)	225	167	242

Trends in the number of MRO stockers installed and sales



[Consolidated] Change in number of sales accounts and companies



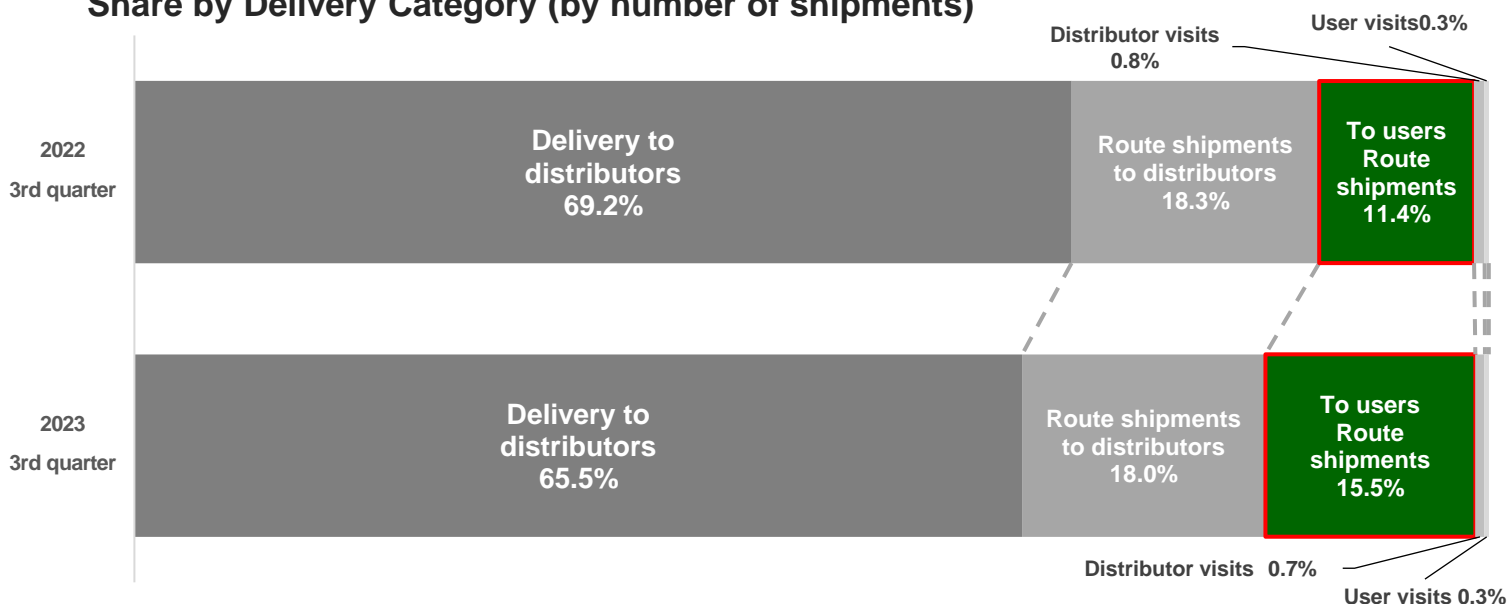
- Merits -

- Management cost **0 yen**
- Delivery **0 min.**
- Waste **0**

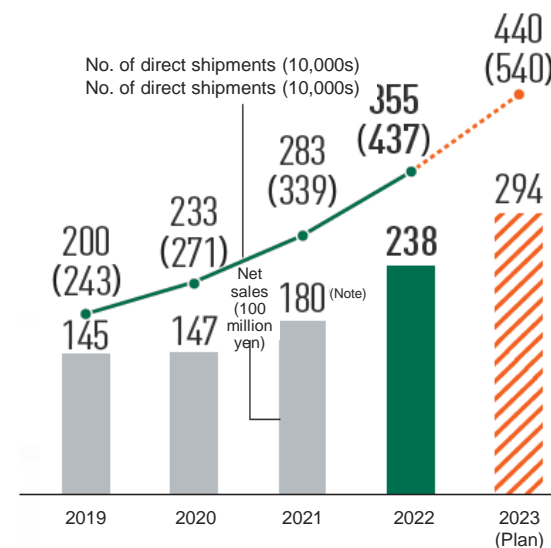
Key indicators (logistics)

Key indicators		FYE December 31, 2022	FYE December 31, 2023 Third Quarter	Plan for FYE December 31, 2023
Logistics	No. of direct shipments to users (10,000s)	355	343	440
	No. of direct shipments to users (10,000s)	437	420	540
	Labor cost per incoming/outgoing shipment (yen)	113	116	108

Share by Delivery Category (by number of shipments)



Changes of the User Direct



- Merits -

- Cut delivery times by half
- Cut shipping load by half
- Cut workload by half
- Cut packaging materials by half
- Cut environmental impact by half

I-Pack®

[High-speed automated packaging and shipping line]

Shipping capacity: 720 cs/h per line, approx. 24 workers

I-Pack introduced to:

- Planet Tohoku,
- Planet Saitama (3 lines)
- Planet Tokai
- Planet Osaka
- Total 6 lines

* One line is scheduled to be introduced to Planet Higashi Kanto in 2024.

Key indicators (logistics)

Key indicators		FYE December 31, 2022	FYE December 31, 2023 Third Quarter	Plan for FYE December 31, 2023
Logistics	Inventory shipment rate (%)	91.7	92.0	92.0
	Number of chartered vehicle deliveries	162	158	150
	Number of own company deliveries	116	118	124
	Rate of own company deliveries (%)	41.7	42.8	45.7
	Delivery lead time*	20 hours 10 minutes 4 seconds	19 hours 14 minutes 46 seconds	—

Delivery service and internal transportation service: Number of units

* Companywide, including primary + secondary provision and beyond, average of morning and afternoon deliveries

	No. of units	Change from the end of previous fiscal year
Total number of deliveries	276	-2
Chartered vehicle delivery service (contracted delivery service)	158	-4
Own company delivery service	118	+2
Internal transportation service	32	+2
Chartered vehicle delivery service (contracted delivery service)	26	±0
Own company delivery service	6	+2
Delivery service and internal delivery service Total	308	±0

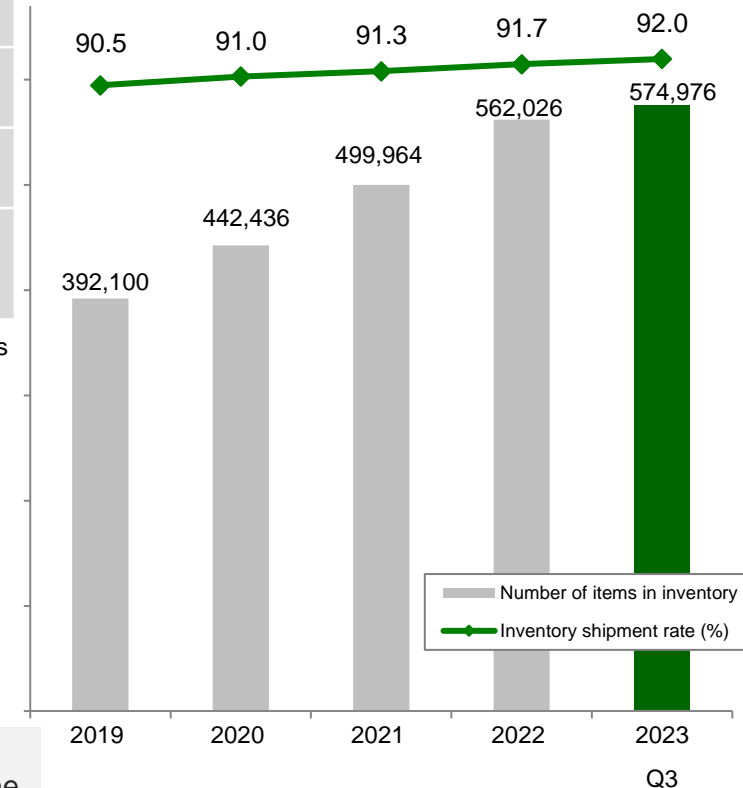
[Non-consolidated] Changes in inventory disposal and inventories

	2018	2019	2020	2021	2022
Inventory disposal (million yen)	39	42	50	55	65
Inventories (100 million yen)	370	427	406	416	441
Disposal rate (%)	0.11	0.10	0.12	0.13	0.15

Delivery

We are reviewing delivery and internal transportation services to optimize the number of units by streamlining delivery routes and internal movement of inventory. We are also increasing the number of own company delivery services (delivery by the Company's employees) to improve customer service. The current own company delivery rate is **42.8%**. We plan to increase this to 50% in 2024.

Changes in number of inventory items and inventory shipment rate (instant delivery rate)



Key indicators (human resources)

Number of Employees [Consolidated]

As of FYE September 30, 2023 (Unit: persons)

	Female	Male	Total	YoY change
Executives	1	11	12	+2
Executive officers	0	0	0	-1
Career (overseas and domestic)	153	413	566	-12
Digital career	0	0	0	±0
Logistics career	0	1	1	+1
Carrier (regional)	13	12	25	+17
Specialist	11	14	25	-1
Area	295	286	581	-17
Expert	1	0	1	+1
Logistics area	3	28	31	+9
Logistics	97	255	352	+12
Contract employees	1	42	43	+5
Overseas subsidiaries	19	23	42	-2
Seconded to health insurance association	2	0	2	±0
Seconded to Nakayama Visually Impaired Welfare Foundation	0	1	1	±0
Employee total	595	1,075	1,670	+17
Part-time employees	983	360	1,343	+19
Total	1,579	1,446	3,025	+38

Share of female employees: 35.6%, Number of female sales staff members: 44,
Female employees in career-track positions: 28.0%

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

Average age and annual income

	Average age (years)			Average annual income (10,000 yen)			
	Female	Male	Entire company	Career	Area	Logistics	Entire company
2022	33.0	43.4	39.8	771	633	494	661
2021	32.8	43.2	39.6	724	596	456	615
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

* 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 nonconsolidated basis.

* The average annual income for 2022 includes the temporary bonus paid to support living expenses due to the soaring costs of goods.

Numbers of incoming and outgoing employees [Consolidated]

	2019		2020		2021		2022		End of September 2023	
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
No. of employees	585	1,071	589	1,085	571	1,061	577	1,062	595	1,075
	1,656		1,674		1,632		1,639		1,670	
No. of incoming employees	52	57	41	46	26	25	47	51	58	55
	109		87		51		98		113	
No. of outgoing employees	42	44	37	33	45	45	39	44	40	38
	86		70		90		83		78	
Turnover ratio (%)	6.7	3.9	5.9	3.0	7.3	4.1	6.3	4.0	6.3	3.4
	4.9		4.0		5.2		4.8		4.5	

06

Management Plan

[Consolidated] About the 61st business year full-year budget

[Consolidated] Quarterly business performance and budget (quarterly)

[Consolidated] Quarterly business performance and budget (cumulative)

Vision - Capacity targets -

[Consolidated] About the 61st business year full-year budget

■ Plan for FYE December 31, 2023

	FYE December 31, 2023 Initial budget	Share	FYE December 31, 2023 Plan	Share	Year-on-year change
Net sales	265,090 million yen	—	266,080 million yen	—	+8.0%
Gross profit	55,350 million yen	20.9%	56,970 million yen	21.4%	+9.2%
Selling, general and administrative expenses (SGA)	39,650 million yen	15.0%	39,040 million yen	14.7%	+4.1%
(Depreciation included in SGA)	6,397 million yen	2.4%	6,402 million yen	2.4%	-4.0%
Operating income	15,700 million yen	5.9%	17,930 million yen	6.7%	+22.2%
Ordinary income	15,970 million yen	6.0%	18,220 million yen	6.8%	+20.9%
Profit attributable to parent	10,920 million yen	4.1%	12,190 million yen	4.6%	+14.7%
Dividend per share	41.50 yen	—	46.50 yen	—	+6.50 yen

On August 10, 2023, we decided to revise our earnings forecast and dividend forecast.

Sales have been revised upward by adding the first half results (approximately 1,000 million yen higher) to the initial budget.

Regarding gross profit, we have taken into consideration the recording of approximately 500 million yen in inventory valuation gains, and we have changed selling, general and administrative expenses based on the results for the first half of the year.

[Consolidated] Quarterly business performance and budget (quarterly)

FYE December 31, 2023 Third Quarter [Quarterly]

(Unit: million yen)

		1st Quarter (+2 days)			2nd Quarter (+1 day)			3rd Quarter (±0 day)			4th Quarter (±0 day)		
		Budget and actual results	Share	YoY change	Budget and actual results	Share	YoY change	Budget and actual results	Share	YoY change	Budget and actual results	Share	YoY change
Net sales	Budget	65,925	100.0	+7.8	64,535	100.0	+ 8.4	64,898	100.0	+ 7.7	69,735	100.0	+ 6.4
	Actual results	65,983	100.0	+7.9	65,407	100.0	+ 9.9	65,193	100.0	+ 8.2	—	—	—
Gross profit	Budget	13,653	20.7	+6.0	13,378	20.7	+ 7.1	13,480	20.8	+ 8.9	15,336	22.0	+ 6.5
	Actual results	13,234	20.1	+2.7	14,953	22.9	+ 19.7	13,419	20.6	+ 8.4	—	—	—
Selling, general and administrative expenses (SGA)	Budget	9,714	14.7	+3.4	10,209	15.8	+ 1.6	9,746	15.0	+ 6.2	10,258	14.7	+ 15.6
	Actual results	9,319	14.1	△0.8	9,712	14.8	△ 3.4	9,413	14.4	+ 2.6	—	—	—
Operating income	Budget	3,939	6.0	+12.9	3,169	4.9	+ 29.6	3,734	5.8	+ 16.7	5,078	7.3	△ 8.2
	Actual results	3,915	5.9	+12.3	5,240	8.0	+ 114.3	4,005	6.1	+ 25.1	—	—	—
Ordinary income	Budget	3,981	6.0	+8.4	3,239	5.0	+ 30.8	3,789	5.8	+ 16.5	5,184	7.4	△ 8.5
	Actual results	3,972	6.0	+8.2	5,296	8.1	+113.9	3,946	6.1	+ 21.3	—	—	—
Quarterly profit attributable to owners of parent	Budget	2,719	4.1	+7.3	2,213	3.4	+ 29.0	2,595	4.0	+ 16.9	3,550	5.1	△ 14.6
	Actual results	2,675	4.1	+5.6	3,390	5.2	+ 97.6	2,702	4.1	+ 21.7	—	—	—

* The budgets for the first and second quarter are based on the budget at the beginning of the period, and the budgets for the third and fourth quarter are based on the revised budget announced on August 10.

[Consolidated] Quarterly business performance and budget (cumulative)

FYE December 31, 2023 Third Quarter [Cumulative]

(Unit: million yen)

		1st Quarter (+2 days)			2nd Quarter (+3 days)			3rd Quarter (+3 days)			Full year (+3 days)		
		Budget and actual results	Share	YoY change	Budget and actual results	Share	YoY change	Budget and actual results	Share	YoY change	Budget and actual results	Share	YoY change
Net sales	Budget	65,925	100.0	+7.8	130,460	100.0	+8.1	196,345	100.0	+ 8.5	266,080	100.0	+ 8.0
	Actual results	65,983	100.0	+7.9	131,390	100.0	+8.9	196,583	100.0	+ 8.7	—	—	—
Gross profit	Budget	13,653	20.7	+6.0	27,031	20.7	+6.5	41,634	21.2	+ 10.3	56,970	21.4	+ 9.2
	Actual results	13,234	20.1	+2.7	28,188	21.5	+11.1	41,607	21.2	+ 10.2	—	—	—
Selling, general and administrative expenses (SGA)	Budget	9,714	14.7	+3.4	19,923	15.3	+2.5	28,782	14.7	+ 0.6	39,040	14.7	+ 4.1
	Actual results	9,319	14.1	△0.8	19,031	14.5	△2.1	28,445	14.5	△ 0.6	—	—	—
Operating income	Budget	3,939	6.0	+12.9	7,108	5.4	+19.8	12,852	6.5	+ 40.7	17,930	6.7	+ 22.2
	Actual results	3,915	5.9	+12.3	9,156	7.0	+54.3	13,162	6.7	+ 44.1	—	—	—
Ordinary income	Budget	3,981	6.0	+8.4	7,220	5.5	+17.4	13,036	6.6	+ 38.7	18,220	6.8	+ 20.9
	Actual results	3,972	6.0	+8.2	9,269	7.1	+50.8	13,215	6.7	+ 40.6	—	—	—
Quarterly profit attributable to owners of parent	Budget	2,719	4.1	+7.3	4,932	3.8	+16.0	8,640	4.4	+ 33.5	12,190	4.6	+ 14.7
	Actual results	2,675	4.1	+5.6	6,066	4.6	+42.7	8,768	4.5	+ 35.5	—	—	—

* The budgets for the first and second quarter are based on the budget at the beginning of the period, and the budgets for the third and fourth quarter are based on the revised budget announced on August 10.

“Vision” - Capacity targets -

01 We want to be a company that can hold 1 million items in inventory by 2030.

Location: Kitanagoya, Aichi Prefecture

Completion: January 2025
Operation: July 2026 scheduled

Site area: 41636 sqm Total floor area: 88579 sqm
Design and construction: Taisei Corporation
Total investment amount: approx. 30,000 million yen (planned) (planned amount for 61st business year: approx. 7,800 million yen)



02 We want to be a company that can take orders 24 hours a day and ship 365 days a year.

03 We want to be a company without product shortages, incorrect orders, or incorrect shipments.

04 We want to be a company without inventory work. (Inventory variance ratio at the end of 2022: 0.43%)

05 We want to be a company that can ship directly to users without stress, even if we are a wholesaler.

06 We want to be a company that can respond to quotations instantly. (Automated estimate response rate as of September 30, 2023: 27.1%)

07 We want to be a company that can achieve the "fastest," "shortest," and "best" deliveries in the industry.

08 We want to be a company with the smallest possible environmental impact.

09 We want to be a company that is active in recycling, reuse, and returnables. (Repair workshop "Naojiro" FY2022 results: 1,817 million yen)

10 We want to be a platform operator that supports Japanese manufacturing.

11 We want to be a company that can rewrite the conventional thought, customs, set theories, and playbook of the industry.

07

ESG Information

TRUSCO's "Gentleness for the Future" Project

Sustainability indicators

Other environmental measures and initiatives

Relationship with society & corporate governance

TRUSCO's "Gentleness for the Future" Project

TRUSCO's "Gentleness for the Future" Project

We have been making various environmental efforts under our environmental philosophy "Gentleness for the Future" since 1998, based on our desire "to be a global environment-friendly company so that our small efforts will lead to great compassion for the future."

The idea of connecting the global community to the future has been ingrained in the company for more than 20 years before the term "sustainability" became popular.

Until now, "Gentleness for the Future" has only referred to the environment. From now on, as part of TRUSCO's "Gentleness for the Future" Project, we will work toward the future of people and society, including the global environment.



Scan here
for details

"Gentleness for the Future" Basic Policy - TSV

Under the motto, "Business must serve people and society," the Company will create both social value and corporate value (TSV*) through its businesses to help resolve social issues and build sustainable local communities.

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

Based on this basic policy, we will continue our efforts toward the future of people and society.

Sustainability indicators

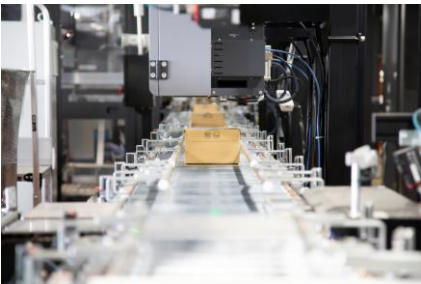
CO₂ emissions (as of the end of 2022)

CO₂ emissions from fuel use (Scope 1) **2,327t-co₂** / CO₂ emissions from electricity use (Scope 2) **8,109t-co₂**

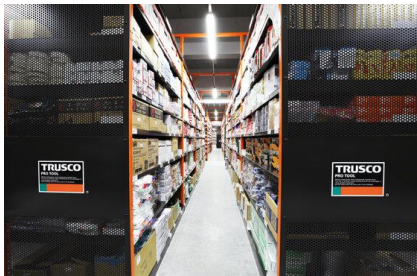
CO₂ emissions in the supply chain (Scope 3 *) **1,724,759t-CO₂** * Only Scope 3 results are for 2021.

CO₂ emission reduction through various services:













Annual CO₂ emission reduction **12,781t-co₂**



Workshop
Naojiro



TRUSCO

	Reduction (t-co ₂)	Reduction calculation formula
Assortment and direct delivery to users	1,835	 +  +  Packaging material usage halved Packaging material waste halved Delivery frequency halved
MRO Stocker	3,100	 +  Delivery frequency reduced No purchasing
Repair workshop "Naojiro"	2,777	 -  Emissions from new purchases Emissions when repaired with "Naojiro"
Fixed cost logistics (fixed route deliveries)	3,769	 +  +  No packaging materials used No packaging material waste Delivery distance reduced
Wide range of inventory	1,300	 -  Emissions when each shipment is made from a supplier to a distributor Emissions when shipped in bulk as Trusco inventory



Sustainability indicators

TRUSCO power generation installations (solar and wind power) at 19 locations

Annual power generation in 2022 **2,653,344kWh**

* Equivalent to the annual electricity consumption of about 600 households
(From the Ministry of the Environment's website Survey on the Actual Conditions of Carbon Dioxide Emissions from Residential Sector")

Renewable energy power self-sufficiency **16.4%**

Environmental measures for TRUSCO's products

We have established environmental standards in product planning and development, and are promoting environmentally friendly product development from all aspects, from product design to product use and disposal. For existing products, we are also working to improve loading efficiency and reduce the resources used for containers and packaging.



TRUSCO Air Forest For Factory Product number: AFF250 etc.

This is an air freshener for factories. It eliminates odor components found only in factories, such as the odor of deteriorated cutting oil. Formulated with "functional tree extracts" that are effectively taken from thinned wood found in the Sakhalin fir forests of Hokkaido, this product helps to create a "recycling-oriented society" by making use of unused thinned wood that is left behind in the forests.



Workshop Naojiro

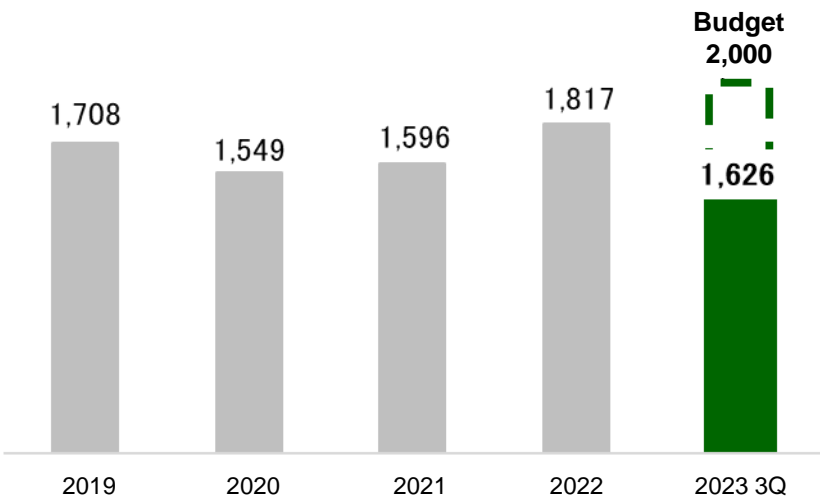
Role of repair workshop "Naojiro"

It is a service that maintains the safety and precision essential for pro tools, and aims to reduce the environmental impact and contribute to cost reduction by allowing familiar tools and equipment to be used for a long time. In January 2022, the Company will relaunch its Naojiro section to popularize and enhance this service.

8 services of repair workshop "Naojiro"

Repair	Regrinding	Calibration	Reuse
Processing	Maintenance	Assembly	Construction and installation

Sales of repair workshop "Naojiro"



Other environmental measures and initiatives



When it comes to environmental initiatives, it is important to consider "when they started being implemented." Over 20 years ago, the Company began carrying out environmental initiatives based on the idea of "Gentleness for the Future." The initiatives covered a wide range of areas, from the office building to individual employees, business measures, and product development.

Facilities		People
Installation of ceiling fans	Air well voids	Fleece jumpers (2002)
Fluorescent lights with motion sensors	Sandwich panels	GORE-TEX jumpers (2002)
W-folded plate roof	Sprinkling well water on the roof (2007)	Neck warmers, lap blankets (2012)
Use of underground cool air	Installation of solar panels (1998)	Turning air conditioning off 30 minutes before leaving work
Measures		Merchandise
Reducing overtime by inventorying items	FAX OCR "DOTKUL" (2000)	2 inch paper tube tape
Abolishing receipts for goods (2001)	System orders (2002)	No-gas sprays
Inventory for manufacturers' catalogs	Abolishing printing of picking lists (2012)	Return cushions

Relationship with society & corporate governance

“TRUSCO Unknown Gulliver”, TV program provided by a single company

This is a program provided by a single company that conveys our company's desire to "give pride and vitality to Japan by presenting world-class Japanese companies." In each episode, the ways and ideas of a Japanese company are presented.



Started in 2017

Donations to the NGO Peshawar-kai

Started in 2020

In Afghanistan, where there is an ongoing drought, we are donating to support the Peshawar-kai, which engages in comprehensive rural reconstruction projects with the idea that “one irrigation canal will do more good than 100 doctors”.



The late Dr. Tetsu Nakamura with Afghan workers

Open judge system (OJS = 360 degree evaluation)

This is our company's unique evaluation system, in which employees are evaluated not only by their superiors, but also by colleagues and subordinates. The purpose is to give feedback in evaluation comments that will lead to behavioral changes in each employee.

Type	Frequency	Operation details
Employee evaluation OJS	Twice a year	An OJS evaluation will be conducted on an employee among other employees who work in the same workplace (superiors, colleagues, subordinates), then the results will be reflected in that employee's evaluation
Promotion OJS	Once a year	All employees who know that employee will evaluate him/her, then the results will be reflected in how he/she is handled going forward (receiving a promotion, etc.)

Started in 2003

Started in 2001

* All full-time and part-time employees, excluding executives, are subject to evaluation.

Board of directors meeting (management meeting)

Decisions are made at the board of directors meeting, which is generally held once a month. In order to ensure a broader perspective and transparency, we seek the opinions of a wide range of participants, including executive officers and general managers.



Board of directors meeting (management meeting) in November 2022

08

Reference Information

Stock information

Index comparison in the industry

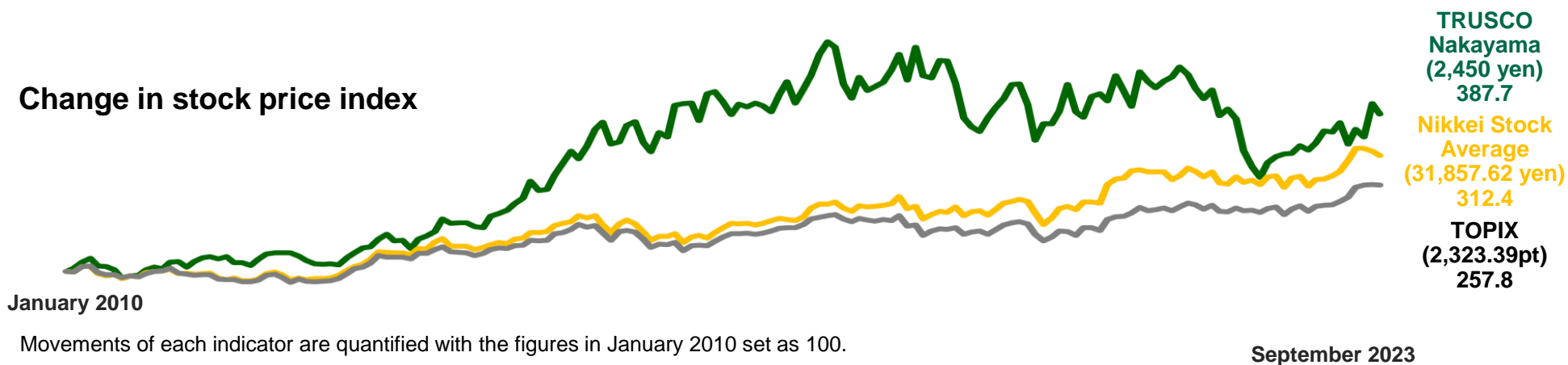
The Company's sales index and industrial
production index

Stock information

Shareholder Information (Unit: persons)

	End of December 2020	End of June 2021	End of December 2021	End of June 2022	End of December, 2022	End of June 2022
Shareholders total	16,336	14,903	14,406	16,212	15,466	15,111
Holder of share	15,514	14,030	13,527	15,190	14,436	13,798
Holder of shares less than one unit	821	872	878	1,021	1,029	1,312
Treasury shares	1	1	1	1	1	1
Financial institutions and securities companies	65	69	61	59	55	53
Domestic corporations	553	544	533	546	540	542
Overseas corporations, etc.	201	203	203	212	222	217
Individuals and others	15,516	14,086	13,608	15,394	14,648	14,298
Treasury shares	1	1	1	1	1	1

Change in stock price index



Friday, October 20, 2023

The Company's Stock
Closing price
2,315 yen

Nikkei Stock Average
Closing Price
31,259.36 yen

TOPIX
2,255.65pt

Index comparison in the industry

Performance of trading companies and direct sales companies (listed companies) in the same industry

[Wholesale]

		Closing month		Net sales (million yen)		Year-on-year change	Market capitalization (100 million yen)
YAMAZEN CORPORATION	2023	March	Actual results	527,263	+5.1	1,136	
YUASA TRADING CO.,LTD.	2023	March	Actual results	504,806	+9.1	901	
TRUSCO Nakayama Corporation	2022	December	Actual results	246,453	+8.6	1,528	
NICHIDEN Corporation	2023	March	Actual results	131,609	+6.2	823	
MARUKA FURUSATO CORPORATION	2022	December	Actual results	162,416	—	692	
Naito & Co., Ltd.	2023	February	Actual results	44,457	+1.9	79	
SUGIMOTO & CO., LTD.	2023	March	Actual results	45,558	+5.7	244	
Total of 7 companies		-		1,662,562	—	-	

Trading companies in the machine tools industry include the companies shown on the left, but they operate differently in the wholesale and retail sectors, and each handles different core products. The Company does not handle large machinery such as machine tools, and mainly handles consumables.

[Retail]

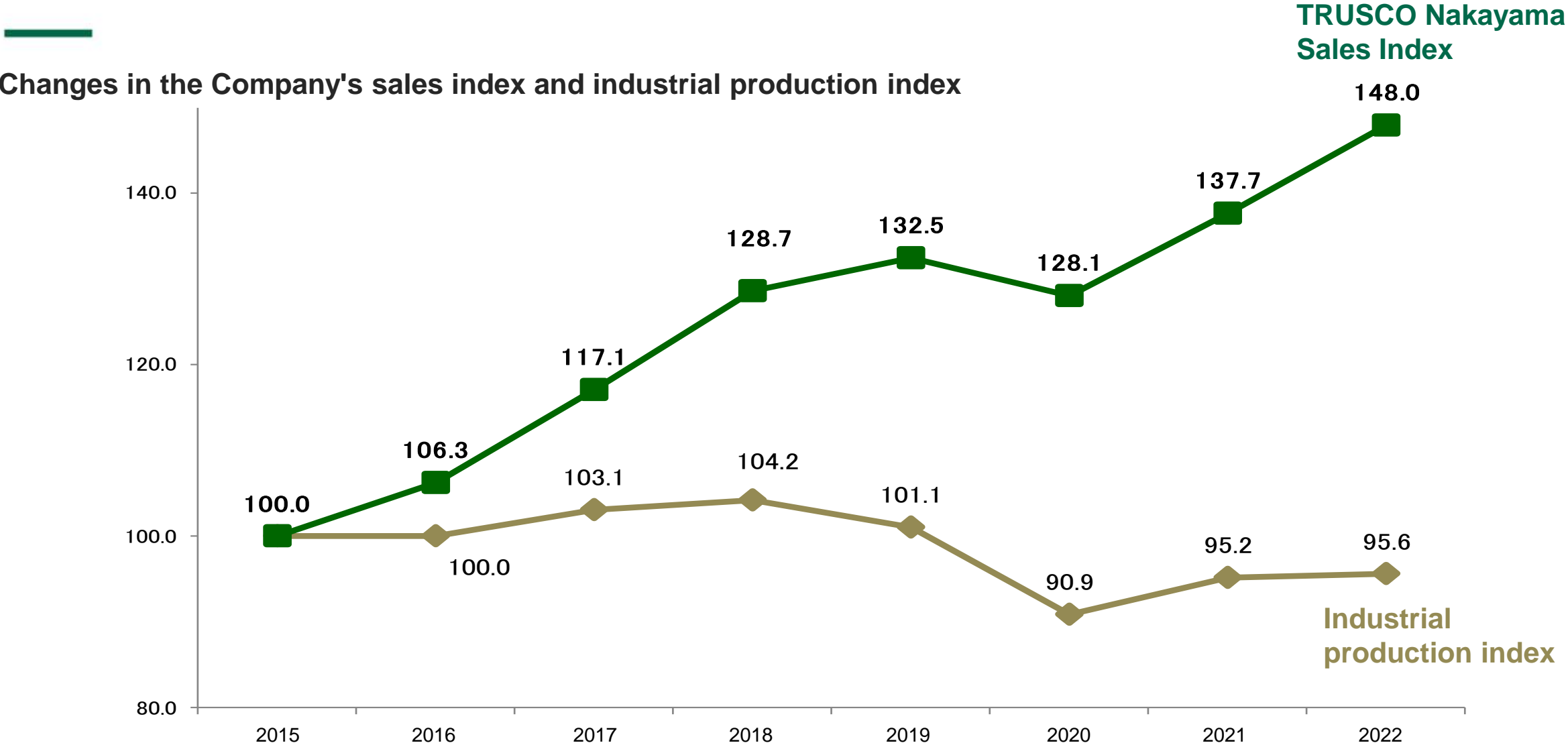
		Closing month				Market capitalization (100 million yen)
				Net sales (million yen)	Year-on-year change	
MISUMI Group Inc.	2023	March	Actual results	373,151	+1.9	6,642
MonotaRO Co.,Ltd.	2022	December	Actual results	225,970	+19.1	6,093
Total of 2 companies		—		599,121	-	-

* For companies that announce consolidated accounting, figures for consolidated accounting are shown.

* All figures represent actual results and forecasts announced as of October 20, 2023.

* Market capitalization is based on the closing price on October 20, 2023.

The Company's sales index and industrial production index



*Index standard: Year 2015 set as 100.
*Industrial production index is the figure published by the Ministry of Economy, Trade and Industry on January 31, 2023.