



The 61st Business Year Business Performance Data Analysis

FYE December 31, 2023

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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.

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	Prime Market of the Tokyo Stock Exchange (Code number: 9830)
Number of employees	3,043 (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."

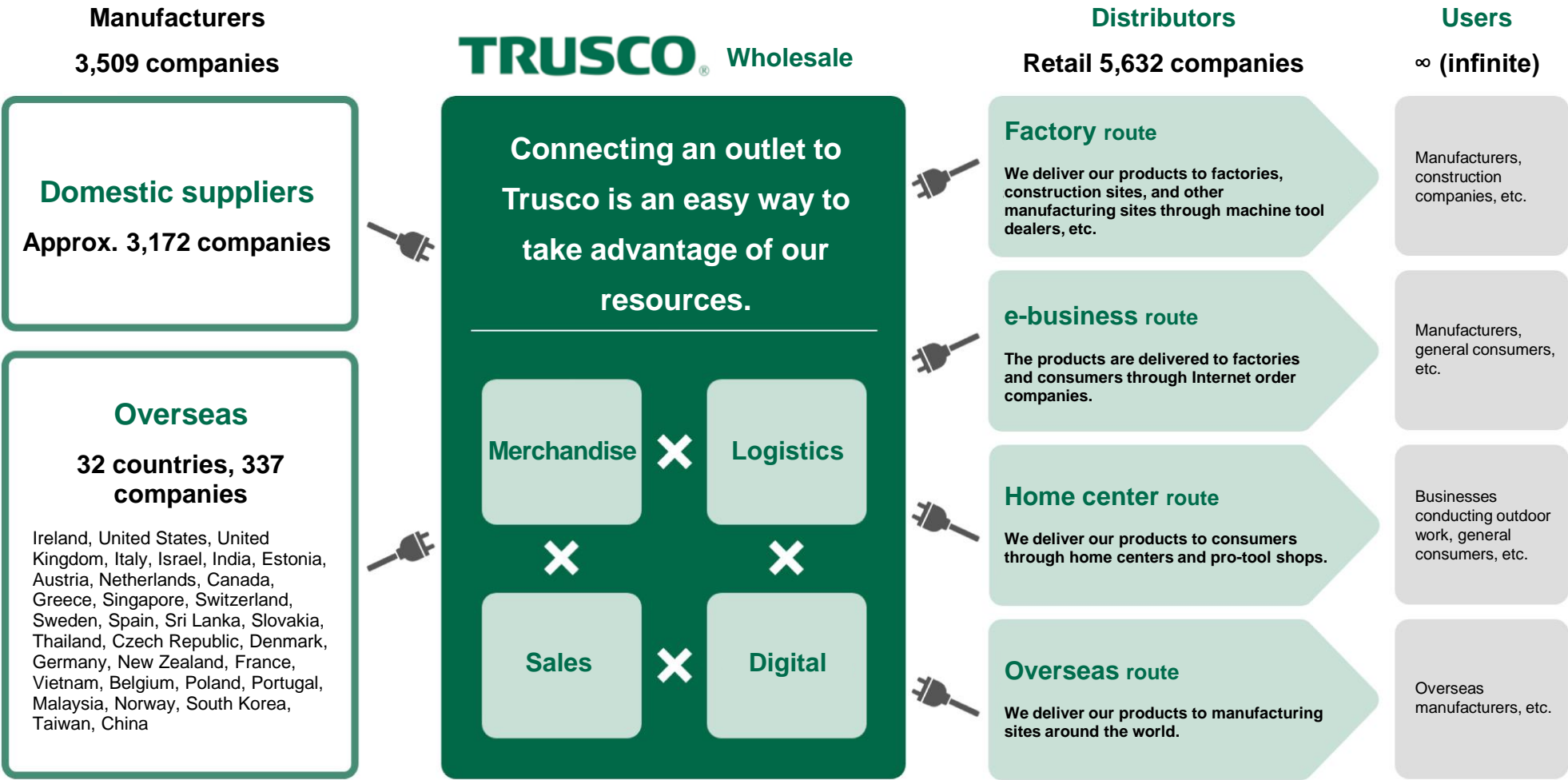
Corporate message

**“GAMBARE!!
JAPANESE MONODZUKURI”.**



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

Business flow



02

Company-wide Business Performance

Accounting highlights

[Consolidated] Business performance

[Consolidated] Monthly sales

[Consolidated] Monthly sales by sales route

Accounting highlights

Full-year Performance in the 61st business year

Net sales	↑	268,154 million yen (YoY change +8.8%)	<ul style="list-style-type: none">Strengthening of measures that contribute to improved customer convenience and reduced environmental impact, including “Niawase + Yuchoku” (assortment & direct delivery to users), which holds an abundant inventory of approximately 590,000 items and utilizes state-of-the-art distribution equipment
Gross profit	↑	57,522 million yen (YoY change +10.3%)	<ul style="list-style-type: none">The impact of increased profit margins on sales of inventory purchased at the old prices, before the price increases, after the price revisions (approx. 2,300 million yen)The impact from progress in purchase price pass-through to selling prices
Selling, general and administrative expenses (SGA)	↑	39,003 million yen (YoY change +4.0%)	<ul style="list-style-type: none">Labor costs (+ approx. 1 billion yen, impact from achievement incentive payments and temporary bonus payments)Freight and packaging expenses (+631 million yen, impact from increased sales and increased transportation costs)Depreciation (-461 million yen)
Extraordinary loss		913 million yen	Recorded loss due to stock valuation review GROUND Inc. (-500 million yen), Cinnamon Inc. (-316 million yen)
Profit attributable to owners of parent	↑	12,268 million yen (YoY change +15.4%)	<ul style="list-style-type: none">15.4% year-on-year, due to gross profit margin increasing due to an increase in the selling price of inventory purchased before the price revisions, and keeping selling, general and administrative expenses down relative to the increase in sales.

Full-year Outlook for the 62nd business year

	Plan	Year-on-year change	YoY Change
Net sales	284,710 million yen	+6.2%	+16,555 million yen
Gross profit	59,760 million yen	+3.9%	+2,237 million yen
Selling, general and administrative expenses (SGA)	41,150 million yen	+5.5%	+2,146 million yen
Ordinary income	18,850 million yen	+1.0%	+180 million yen
Profit attributable to owners of parent	14,740 million yen	+20.1%	+2,472 million yen

Gross profit takes into account approximately 500 million yen in inventory valuation gains due to merchandise price increases.

Regarding selling, general and administrative expenses, we expect an increase in salaries and bonuses due to achievement incentives, etc., and an increase in freight and packaging expenses due to an increase in direct shipments to users.

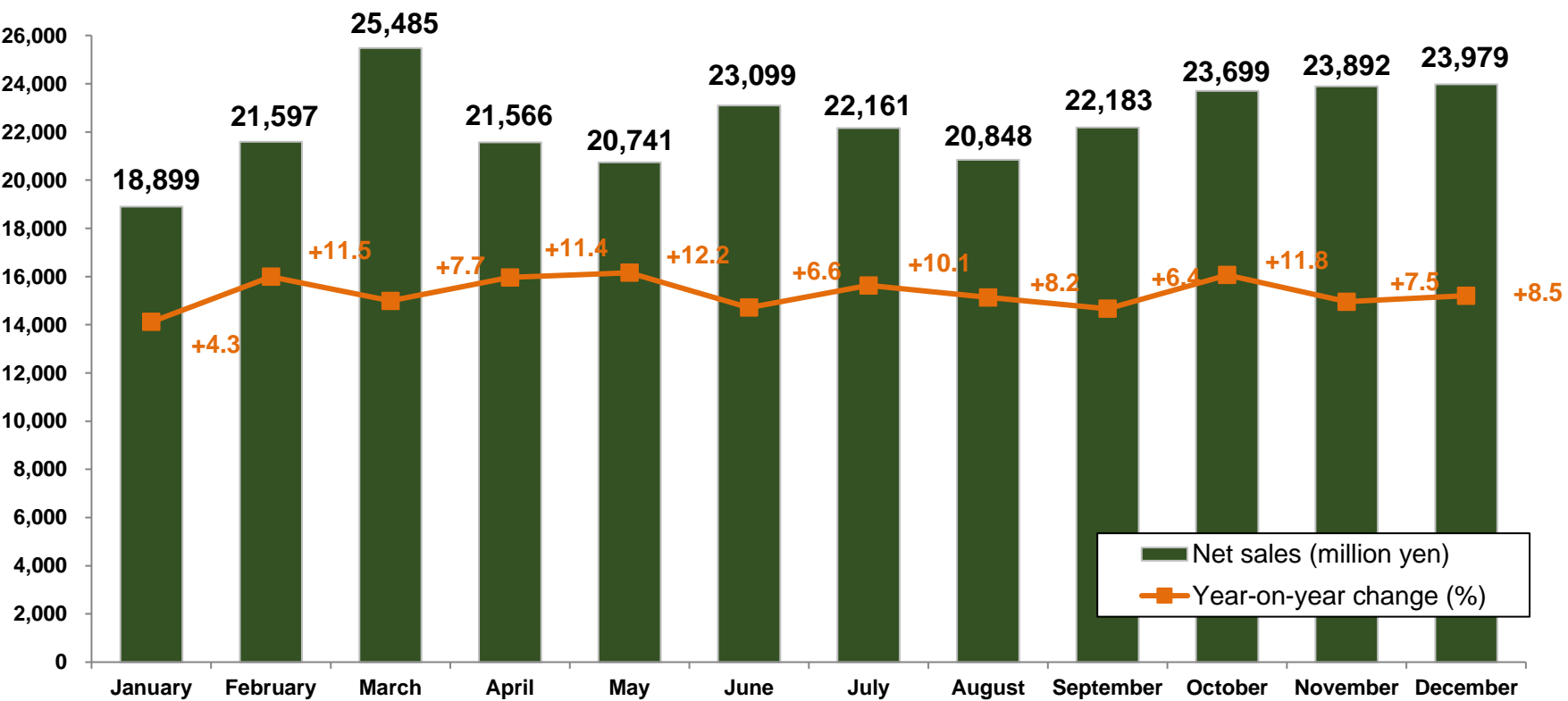
[Consolidated] Business performance

	Actual results for FYE December 31, 2022 (60th business year)			Actual results for FYE December 31, 2023 (61st business year)			
	Actual results	Share	Year-on-year change	Actual results	Share	Year-on-year change	Change from budget (%)
Net sales	246,453 million yen	-	+8.6%	268,154 million yen	-	+8.8%	+0.8%
Gross profit	52,160 million yen	21.2%	+9.4%	57,522 million yen	21.5%	+10.3%	+1.0%
Selling, general and administrative expenses (SGA)	37,493 million yen	15.2%	+8.1%	39,003 million yen	14.5%	+4.0%	-0.1%
(depreciation included in SGA)	6,667 million yen	2.7%	-3.8%	6,206 million yen	2.3%	-6.9%	-3.1%
Operating income	14,667 million yen	6.0%	+12.8%	18,519 million yen	6.9%	+26.3%	+3.3%
Ordinary income	15,065 million yen	6.1%	+11.1%	18,669 million yen	7.0%	+23.9%	+2.5%
Profit attributable to owners of parent	10,626 million yen	4.3%	-8.4%	12,268 million yen	4.6%	+15.4%	+0.6%
Net income per share	161.15 yen	-	-14.71 yen	186.05 yen	-	+24.9 yen	+1.19 yen
Dividend per share	40.00 yen	-	+4.50 yen	46.50 yen	-	+6.50 yen	±0 yen
Private brand sales	45,876 million yen	18.6%	+5.6%	48,313 million yen	18.0%	+5.3%	-3.4%
Capital expenditures	4,799 million yen	-	-	13,469 million yen	-	-	-

Points

- Net sales
YoY change +8.8%, Change from budget +0.8%
Increase in sales due to inventory, logistics, digital structure and various efforts
- Gross profit margin
Change from the end of previous fiscal year +0.3 pt
The impact of increased profit on sales of inventory purchased at the old prices after the price revisions (approx. 2,300 million yen)
- Selling, general and administrative expenses (SGA)
YoY change +4.0%, Change from budget -0.1%
(Increase) Labor cost, freight and packing expenses, etc.
(Decrease) Depreciation, etc.
- Profit attributable to owners of parent
YoY change +15.4%, Change from budget +0.6%
Sales expansion, gross profit margin increase, etc.

[Consolidated] Monthly sales



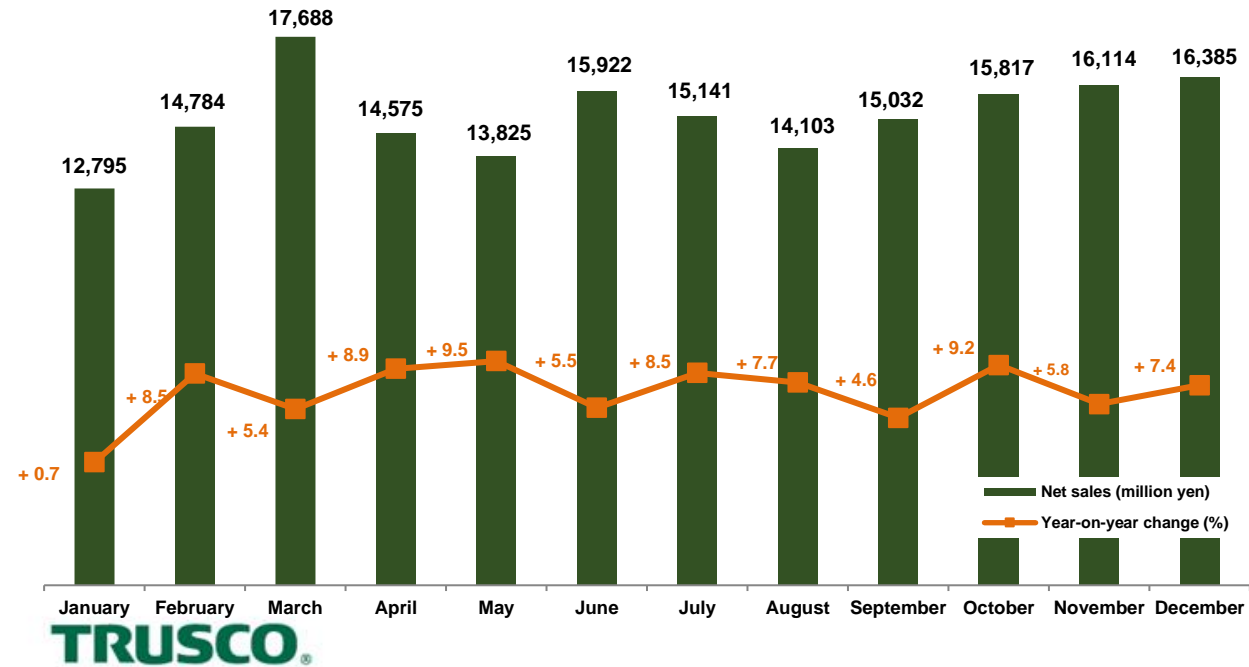
	January	February	March	April	May	June	July	August	September	October	November	December	Total
Sales per day (million yen)	995	1,137	1,158	1,078	1,037	1,050	1,108	948	1,109	1,129	1,195	1,142	-
Year-on-year change (%)	-1.2	+5.6	+7.7	+11.4	+12.2	+6.6	+10.1	+8.2	+6.4	+6.5	+ 7.5	+ 13.6	-
Number of business 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

- 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.

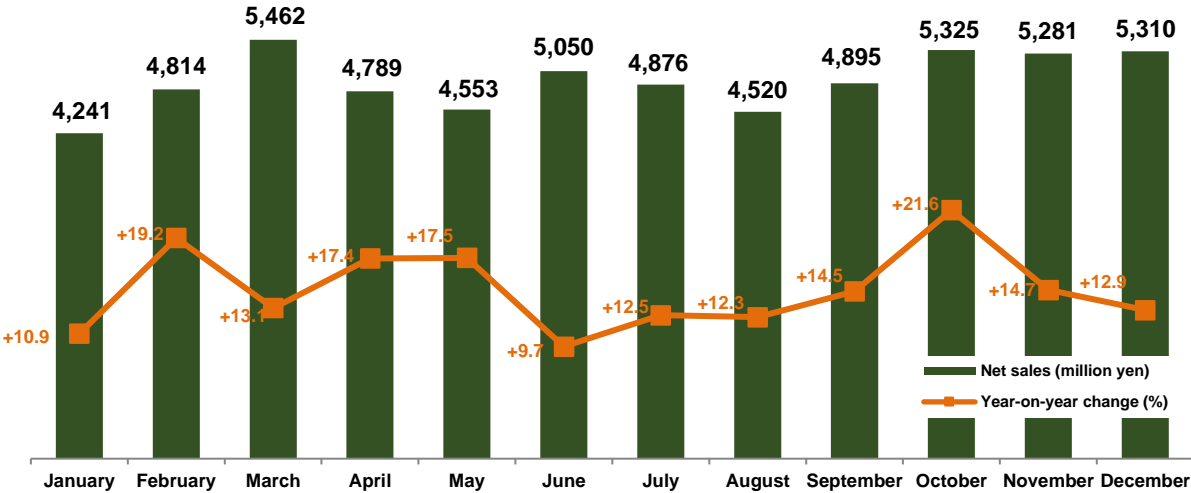
[Consolidated] Monthly sales by sales route

	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

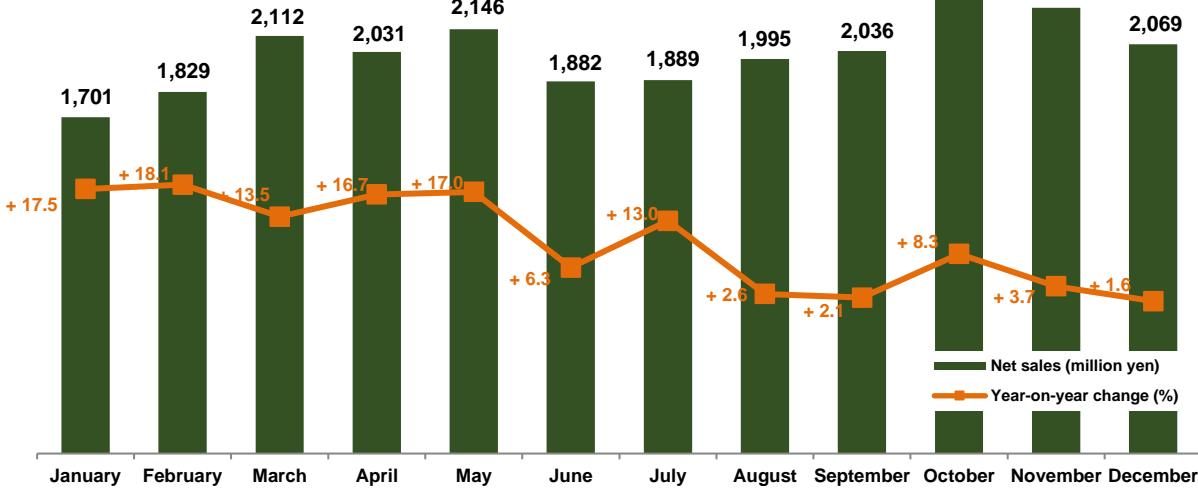
Factory route



e-business route



Home center route



03

Sales Performance

[Consolidated] Business performance by sales route

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

[Non-consolidated] Sales by category of goods

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

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

[Consolidated] Business performance by sales route

Factory route: Share 67.9% (YoY change +6.8%) e-business route: Share 22.1% (YoY change +14.6%)

Home center route: Share 9.0% (YoY change +9.5%) Overseas route: Share 1.0% (YoY change +22.5%)

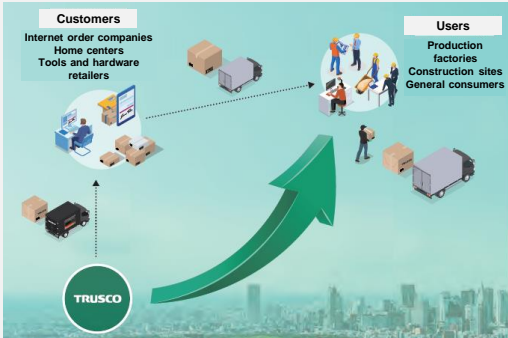
	Actual results for FYE December 31, 2022 (60th business year)				Actual results for FYE December 31, 2023 (61st business year)					
	Net sales			Gross profit margin	Net sales				Gross profit margin	
Sales route	Actual results	Share	Year-on-year change	Actual results	Actual results	Share	Year-on-year 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%	182,188 million yen	67.9%	+6.8%	+0.1%	21.5%	+0.3pt
e-business route	51,576 million yen	20.9%	+16.2%	22.1%	59,121 million yen	22.1%	+14.6%	+2.1%	22.3%	+0.2pt
Home center route	22,162 million yen	9.0%	+20.7%	17.4%	24,260 million yen	9.0%	+9.5%	+3.0%	17.4%	±0pt
Overseas route	2,108 million yen	0.9%	+24.4%	35.8%	2,583 million yen	1.0%	+22.5%	-1.8%	34.4%	-1.4pt
Total	246,453 million yen	100.0%	+8.6%	21.2%	268,154 million yen	100%	+8.8%	+0.8%	21.5%	+0.3pt

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

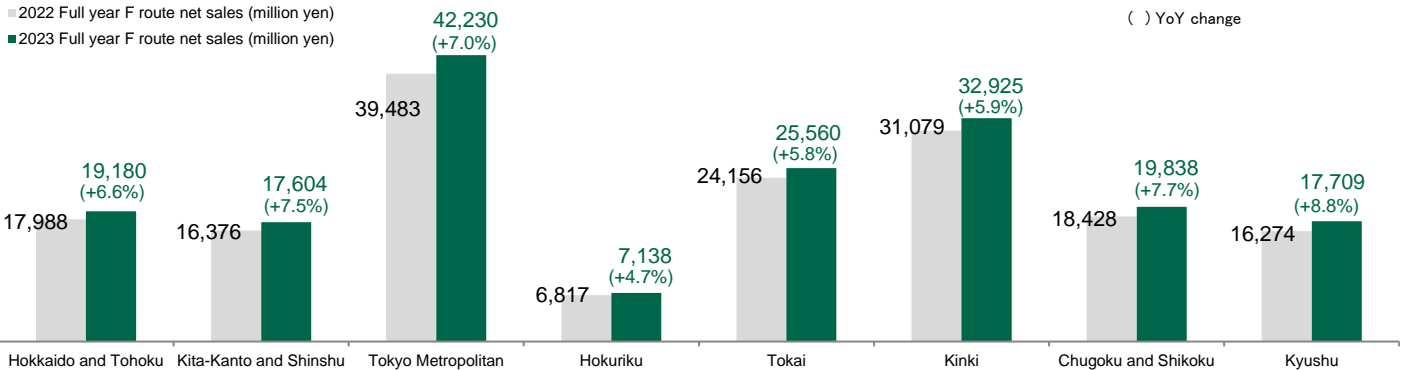
This route delivers our products to factories, construction sites, and other manufacturing sites through machine tool dealers, etc. While business conditions in the manufacturing sector are returning to their pre-pandemic levels, the holding of abundant inventories and the implementation of various initiatives resulted in a YoY change in net sales of +6.8%.

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)

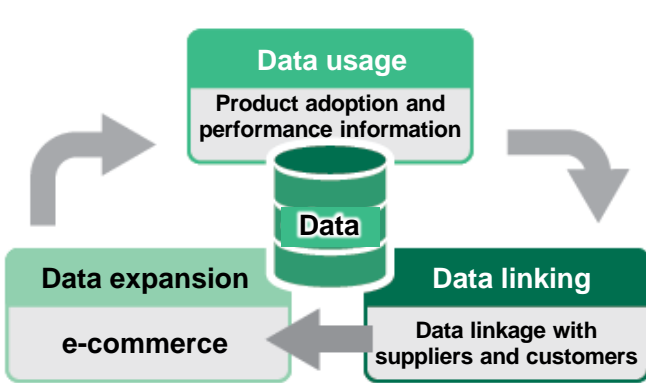
This route delivers our products to manufacturing sites, such as factories and construction sites, and consumers through Internet order companies. Product data and system linkage, as well as logistics processing tailored to customer needs, have improved convenience, resulting in a YoY change in net sales of 14.6%.

	Actual results for FYE December 31, 2022 (60th business year)			Actual results for FYE December 31, 2023 (61st business year)				
Sales route	Net sales		Gross profit margin	Net sales			Gross profit margin	
	Actual results	Share	Actual results	Actual results	Share	Year-on-year change	Actual results	Change from the end of previous fiscal year
Mail order companies	40,148 million yen	77.8%	20.9%	45,054 million yen	76.2%	+12.2%	21.1%	+0.2pt
Companies participating in Orange Commerce (Trusco's electronic central purchasing system), MRO Stocker	11,428 million yen	22.2%	26.3%	14,066 million yen	23.8%	+23.1%	26.1%	-0.2pt
e-business route total	51,576 million yen	100.0%	22.1%	59,121 million yen	100.0%	+14.6%	22.3%	+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 4.1 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

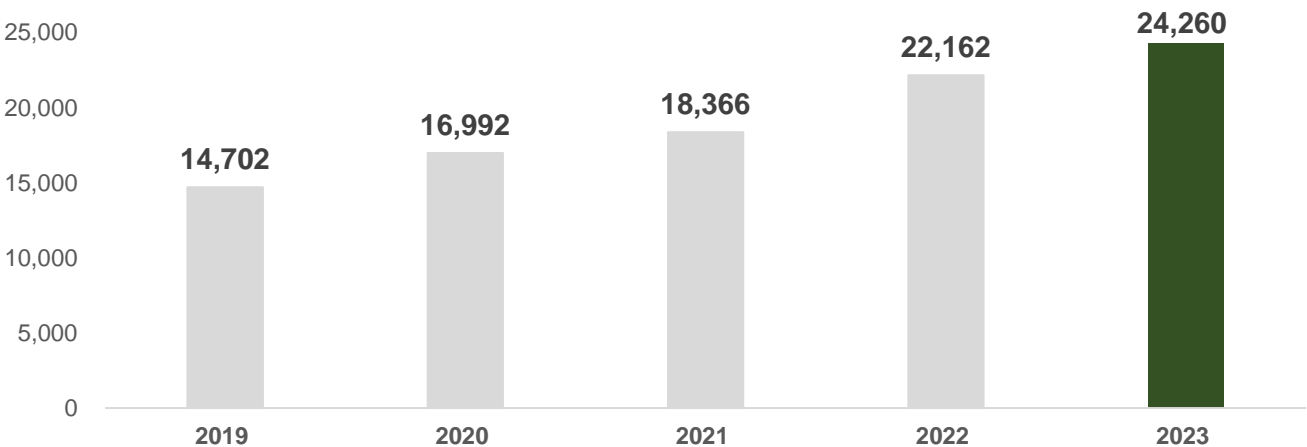


[Consolidated] Business performance by sales route: (Home center route)

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 590,000 items and logistics capabilities, resulting in a YoY change in net sales of +9.5%.

	Actual results for FYE December 31, 2022 (60th business year)		Actual results for FYE December 31, 2023 (61st business year)			
	Net sales	Gross profit margin	Net sales		Gross profit margin	
	Actual results	Actual results	Actual results	Year-on-year change	Actual results	Change from the end of previous fiscal year
Home center route	22,162 million yen	17.4%	24,260 million yen	+9.5%	17.4%	±0pt

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 4.1 million items we have for sale and approximately 590,000 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 (61st business year)			Full year budget	Actual results for FYE December 31, 2023 (61st business year)			Full year budget	Actual results for FYE December 31, 2023 (61st business year)			Full year budget
	Amount	Share	Year-on-year change	Year-on-year change	Amount	Share	Year-on-year change	Year-on-year change	Amount	Share	Year-on-year change	Year-on-year change
Net sales	267,476 million yen	100.0%	+8.8%	+7.8%	971 million yen	100.0%	+14.6%	+13.3%	569 million yen	100.0%	+28.0%	+33.9%
Gross profit	57,074 million yen	21.3%	+10.2%	+9.2%	245 million yen	25.3%	+25.3%	+19.9%	183 million yen	32.3%	+40.0%	+31.6%
Selling, general and administrative expenses (SGA)	38,677 million yen	14.5%	+4.0%	+4.0%	169 million yen	17.5%	+6.2%	+6.3%	157 million yen	27.7%	+13.0%	+20.1%
Depreciation included in SGA	6,132 million yen	2.3%	-6.9%	-4.1%	21 million yen	2.2%	-10.1%	+1.5%	51 million yen	9.1%	+3.4%	+18.1%
Operating income	18,397 million yen	6.9%	+26.1%	+22.5%	76 million yen	7.8%	+108.9%	+79.7%	26 million yen	4.6%	-	-
Ordinary income	18,573 million yen	6.9%	+23.6%	+20.8%	81 million yen	8.4%	+113.3%	+70.9%	32 million yen	5.7%	893.6%	+60.2%
Net income	12,184 million yen	4.6%	+15.0%	+14.6%	81 million yen	8.4%	+113.3%	+70.9%	32 million yen	5.7%	893.6%	+60.2%

		Net sales	Gross profit
Business performance in other overseas regions (Philippines, China, South Korea, etc.)	Actual results	1,039 million yen	252 million yen
	Rate	-	24.2%
	Year-on-year change	+26.4%	12.1%

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	Year-on- year change	Gross profit margin	Category of goods (large category)	Medium category	Trusco's sales	Share	Year-on- year change	Gross profit margin
1. Cutting tools	Cutting tools total	8,324	3.1	+8.0	16.6	6. Environmental safety equipment	Environmental safety equipment total	48,085	18.0	+8.2	22.5
	① Cutting tools	4,308	1.6	-	12.0		㉕ Protective equipment	25,166	9.4	-	23.4
	② Drilling and thread cutting tools	4,015	1.5	-	21.6		㉖ Safety goods	10,885	4.1	-	25.9
2. Production processing goods	Production processing goods total	19,731	7.4	+10.1	15.7		㉗ Environment improvement goods	2,308	0.9	-	18.8
	③ Measurement equipment	10,408	3.9	-	15.2		㉘ Air conditioning goods	5,229	2.0	-	16.9
	④ Mechatronics	4,114	1.5	-	15.6		㉙ Disaster and crime prevention goods	2,333	0.9	-	19.8
	⑤ Tools for machine tools	2,411	0.9	-	24.0		㉚ Closets and exterior goods	2,161	0.8	-	16.2
	⑥ Electronic machinery	2,797	1.0	-	11.0	7. Distribution and storage equipment	Distribution and storage equipment total	27,823	10.4	+2.7	22.5
							㉛ Loading goods	7,862	2.9	-	18.2
3. Construction goods	Construction goods total	31,084	11.6	+9.7	21.7		㉜ Conveyors	1,109	0.4	-	15.7
	⑦ Hydraulic tools	2,067	0.8	-	12.1		㉝ Transportation goods	10,282	3.8	-	22.5
	⑧ Pumps	3,810	1.4	-	16.9		㉞ Containers and vessels	4,168	1.6	-	29.5
	⑨ Welding equipment	2,601	1.0	-	17.6		㉟ Steel shelves	4,400	1.6	-	25.6
	⑩ Painting and interior goods	2,677	1.0	-	26.5	8. Research management equipment	Research management equipment total	10,682	4.0	+3.6	23.0
	⑪ Civil engineering and building goods	2,359	0.9	-	14.6		㊱ Tool wagons	935	0.3	-	29.2
	⑫ Ladders and stepladders	3,887	1.5	-	22.1		㊲ Storage and management goods	1,305	0.5	-	30.4
	⑬ Piping and materials of electronic equipment	5,048	1.9	-	23.0		㊳ Work benches	1,616	0.6	-	32.4
	⑭ Component, hardware, and building materials	8,631	3.2	-	27.0		㊴ Stainless goods	2,091	0.8	-	18.3
							㊵ Research and development- related goods	4,732	1.8	-	18.6
4. Work supply	Work supply total	51,385	19.2	+9.9	22.1	9. Office and housing facility equipment	Office and housing facility equipment total	23,111	8.6	+8.4	23.0
	⑮ Cutting goods	1,621	0.6	-	22.1		㊶ Cleaning utensils	7,004	2.6	-	21.6
	⑯ Grinding and polishing goods	7,926	3.0	-	24.2		㊷ Stationery	2,866	1.1	-	20.3
	⑰ Chemical products	27,295	10.2	-	20.9		㊸ Office miscellaneous goods	3,332	1.2	-	28.1
	⑱ Factory miscellaneous goods	4,757	1.8	-	16.5		㊹ Electric appliances	3,538	1.3	-	23.0
	⑲ Packing and binding goods	6,502	2.4	-	30.9		㊺ OA business machinery	2,268	0.8	-	23.4
	㉀ Casters	3,282	1.2	-	18.2		㊻ Office furniture	3,803	1.4	-	23.3
5. Hand tool	Hand tool total	45,067	16.9	+12.2	19.3		㊼ Interior goods	298	0.1	-	19.2
	㉑ Electric power tools and accessories	13,337	5.1	-	14.7	10. Others	㊽ Entire company	2,180	0.8	+21.6	40.6
	㉒ Pneumatic tools and accessories	7,235	2.7	-	18.4		Total	267,476	100.0	+8.8	21.3
	㉓ Tools for manual work	22,340	8.4	-	21.4						
	㉔ Tool boxes	2,153	0.8	-	29.0						

Points

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

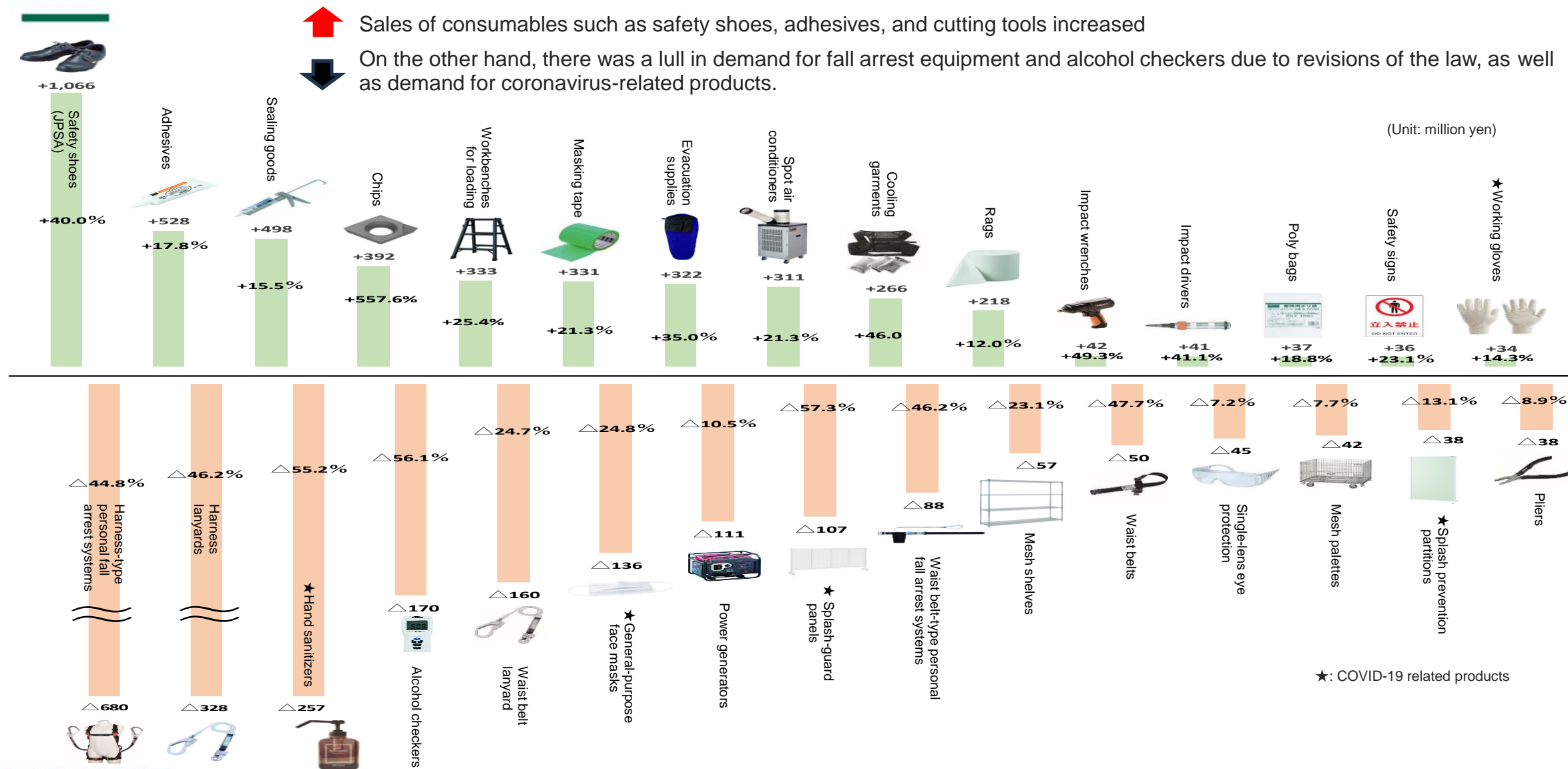
- **Hand tools**
YoY change +12.2%
Sales of hand tools and power tools such as impact wrenches increased

- **Production processing goods:**
YoY change +10.1%
Sales of measurement equipment increased

- **Work supplies:**
YoY change +9.9%
In particular, sales of adhesives, sealants, and tape supplies increased

Sales of distribution and storage equipment and research management equipment related to capital expenditure remained sluggish.

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



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

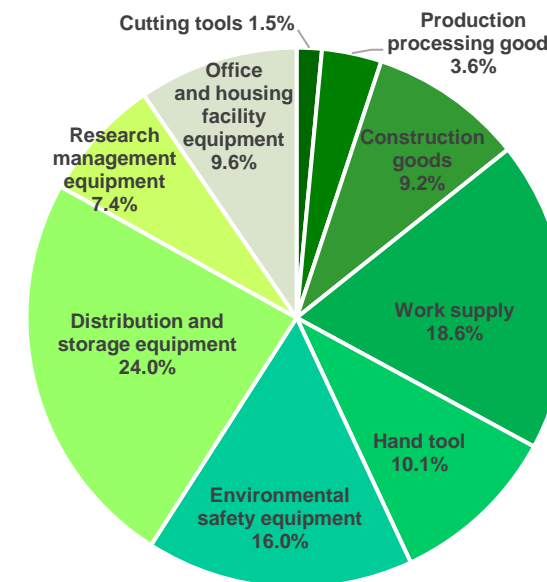
Although the sales composition of private brand Trusco products and national brand products is on a downward trend due to the difference in the speed of handling expansion, we are brushing up our efforts to expand private brand product sales.



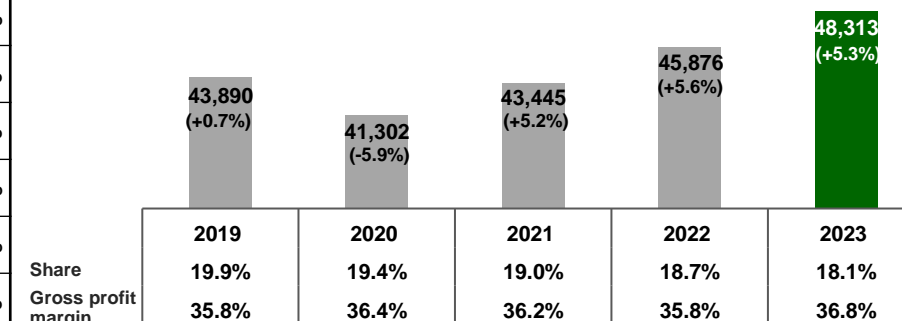
Sales by sales route and category of goods

Category of goods \ Sales route	Entire company		Factory		e-business		Home center	
	Share	18.1%	Share	18.6%	Share	22.1%	Share	4.3%
	Gross profit margin	36.8%	Gross profit margin	37.6%	Gross profit margin	35.2%	Gross profit margin	29.3%
	Net sales	Year-on-year change	Net sales	Year-on-year change	Net sales	Year-on-year change	Net sales	Year-on-year change
Total	48,313	+5.3%	33,873	+2.6%	13,065	+14.2%	1,032	-3.1%
Cutting tools	727	+3.8%	522	+1.6%	125	+16.9%	70	+3.3%
Production processing goods	1,726	+6.5%	1,214	+3.3%	462	+16.1%	16	-7.3%
Construction goods	4,453	+7.5%	3,028	+2.9%	1,327	+19.5%	62	-2.2%
Work supply	8,993	+10.7%	6,847	+7.9%	1,985	+22.1%	85	+3.5%
Hand tool	4,898	+10.8%	3,389	+8.5%	1,315	+19.5%	113	-8.2%
Environmental safety equipment	7,735	+5.1%	5,605	+3.5%	1,933	+9.4%	171	+8.1%
Distribution and storage equipment	11,602	+1.0%	7,853	-1.8%	3,223	+10.2%	480	-5.5%
Research management equipment	3,553	-0.9%	2,401	-5.6%	1,118	+10.4%	6	+14.4%
Office and housing facility equipment	4,622	+4.4%	3,010	+1.4%	1,573	+12.7%	25	-26.3%

Private brand product share in net sales as of the end of December 31, 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

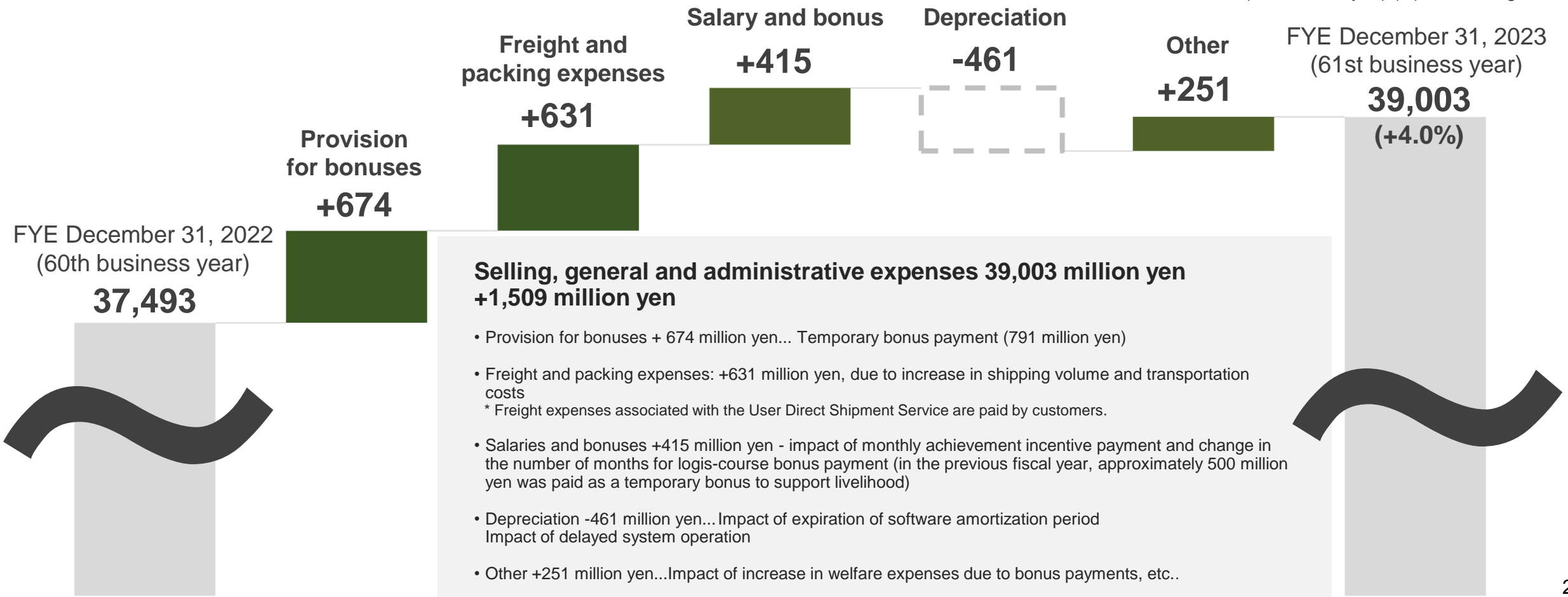
[Consolidated] Quarterly business performance and budget (quarterly)

[Consolidated] Quarterly business performance and budget (cumulative)

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

Freight and packing expenses increased due to an increase in shipment volume, and salaries and bonuses increased due to payment of temporary bonuses and incentives, while selling, general and administrative expenses increased by 4.0% year on year due to decreases in depreciation and commission fees.

(Unit: million yen) () YoY change



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

(Unit: million yen)

No.	FYE December 31, 2022 (60th business year)		FYE December 31, 2023 (61st business year)				2023 (60th business year) 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%	13,451	5.0%	+415	+3.2%	13,592	+4.3%
2 Freight and packing expenses	7,630	3.1%	8,261	3.1%	+631	+8.3%	8,366	+9.7%
3 Depreciation	6,667	2.7%	6,206	2.3%	-461	-6.9%	6,402	-4.0%
4 Welfare expense	2,343	1.0%	2,553	1.0%	+210	+9.0%	2,414	+3.0%
5 Commission fee	2,638	1.1%	2,504	0.9%	-133	-5.1%	2,602	-1.4%
6 Taxes and dues	1,416	0.6%	1,372	0.5%	-44	-3.2%	1,330	-6.1%
7 Provision for bonuses	8	0.0%	683	0.3%	+674	+8,181.8%	264	+3,111.6%
8 Advertising expenses	505	0.2%	587	0.2%	+82	+16.2%	585	+15.8%
9 Traveling expenses and transportation expenses	543	0.2%	564	0.2%	+21	+3.9%	547	+0.9%
10 Supplies expenses	434	0.2%	532	0.2%	+97	+22.5%	520	+20.0%
11 Utilities expenses	537	0.2%	473	0.2%	-63	-11.9%	552	+2.8%
12 Remuneration paid to directors	401	0.2%	442	0.2%	+40	+10.2%	432	+7.5%
13 Communication expenses	434	0.2%	424	0.2%	-10	-2.5%	432	-0.5%
14 Leasehold and office rents	357	0.1%	347	0.1%	-9	-2.8%	358	+0.1%
15 Vehicle expenses	283	0.1%	284	0.1%	+0	+0.2%	294	+4.0%
16 Promotion expenses	316	0.1%	252	0.1%	-63	-20.1%	229	-27.6%
17 Entertainment expenses	42	0.0%	139	0.1%	+96	+228.7%	129	+205.0%
18 Other	-104	0.0%	-77	0.0%	+27	—	0	—
Total	37,493	15.2%	39,003	14.5%	+1,509	+4.0%	39,040	+4.1%

[Consolidated] Financial statements and financial indicators

Balance Sheet

As of December 31, 2023

(Unit: Million yen)

Item	Amount	Item	Amount
Assets		Liabilities	
Current assets		Current liabilities	
Cash and deposits	43,283	Accounts payable - trade	20,461
Accounts receivable	34,322	Short-term borrowings	10,000
Electronically recorded monetary claims - operating	2,821	Long-term borrowings scheduled to be repaid within one year	8,500
Merchandise	50,848	Accounts payable - other	3,544
Other	734	Income taxes payable	4,248
Allowance for doubtful accounts	-1	Provision for bonuses	687
Total current assets	132,008	Other	2,293
Non-current assets		Total current liabilities	49,735
Property, plant and equipment		Non-current liabilities	
Buildings and structures (net)	47,724	Long-term borrowings	31,500
Machinery, equipment and vehicles (net)	6,680	Long-term guarantee deposits	2,773
Tools, furniture and fixtures (net amount)	1,267	Provision for retirement benefits for directors (and other officers)	151
Land	38,747	Other	1
Construction in progress	10,149	Total non-current liabilities	34,426
Total tangible non-current assets	104,569	Total liabilities	84,162
Intangible assets		Net assets	
Software	2,610	Shareholders' equity	
Software suspense account	1,947	Capital stock	5,022
Other	14	Capital surplus	4,711
Total intangible non-current assets	4,572	Retained earnings	150,298
Investments and other assets		Treasury shares	-82
Investment securities	2,529	Total shareholders' equity	159,950
Deferred tax assets	673	Accumulated other comprehensive income	
Deferred tax assets for land revaluation	155	Valuation difference on available-for-sale securities	633
Other	504	Revaluation reserve for land	-353
Allowance for doubtful accounts	-135	Foreign currency translation adjustment	486
Total investments and other assets	3,728	Accumulated other comprehensive income total	765
Total non-current assets	112,870	Total net assets	160,716
Total assets	244,878	Liabilities / Total net assets	244,878

Statement of cash flows

(Unit: million yen)

	2022	2023	Change
Cash flows from operating activities	12,178	14,802	2,623
Cash flows from investing activities	-5,165	-13,113	-7,948
Cash flows from financing activities	-9,110	1,932	11,043
Effect of exchange rate change on cash and cash equivalents	48	63	14
Net increase (decrease) in cash and cash equivalents	-2,049	3,684	5,734
Cash and cash equivalents at beginning of period	41,449	39,400	-2,049
Cash and cash equivalents at end of period	39,400	43,085	3,684

Equity ratio

	End of FY 2022	End of FY 2023	Change (pt)
Equity ratio	67.1%	65.6%	-1.5

Other financial indicators

	End of FY 2022	End of FY 2023	Change (pt)
ROA (Return on Assets)	6.7%	7.9%	+1.2pt
ROE (Return on Equity)	7.2%	7.9%	+0.7pt

<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

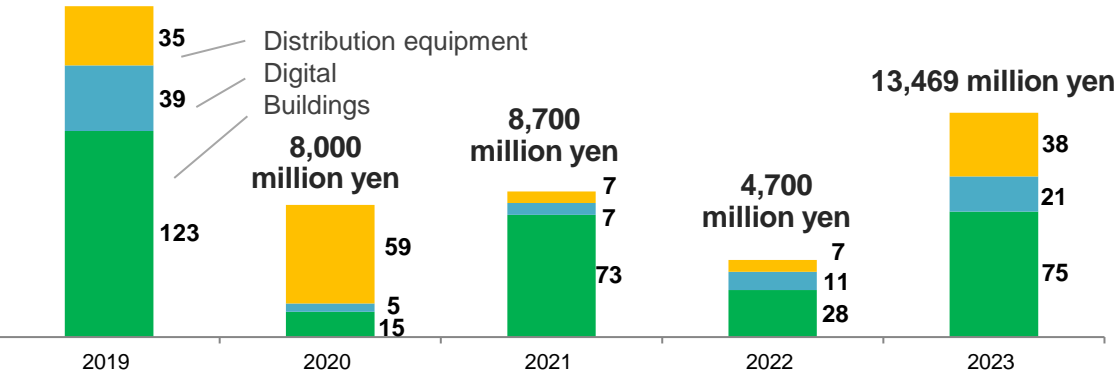
Actual and major capital expenditures

(Unit: million yen)

Details of major capital expenditures in 2023		Actual investment in FY 2023	Actual investment in FY 2023 Total
Distribution equipment	Advance order for installation of distribution equipment and facilities at Planet Aichi (Total expected expenditures: approx. 9,500 million yen)	2,563	3,855
	Planet Higashi Kanto: 2nd automated pallet warehouse (total investment amount: approx. 2,700 million yen)	319	
	Sakai Stock Center Automated pallet warehouse (total investment amount: approx. 1,800 million yen)	419	
Digital	Construction of product database “Sterra” (Planned total investment amount: approx. 1,300 million yen)	905	2,111
	Enhancement of core system “Paradise,” etc.	312	
Buildings	Renovation costs for Osaka head office building (total planned investment: approx. 1,700 million yen)	900	7,503
	Planet Aichi new construction project (Planned total investment amount: approx. 18,100 million yen)	6,101	
Annual capital expenditures			13,469

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 (2023) represent values on a cash-out basis.

[Consolidated] Quarterly business performance and budget (quarterly)

FYE December 2032 (61st business year) Full- year [Quarterly]

(Unit: million yen)

		1st quarter (-2 days)			2nd Quarter (+1 day)			3rd Quarter (±0 day)			4th Quarter (±0 day)		
		Budget	Share	YoY change	Budget	Share	YoY change	Budget	Share	YoY change	Budget	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	71,570	100.0	+9.2
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	15,915	22.2	+10.5
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	10,558	14.8	+ 19.0
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	5,356	7.5	-3.2
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	5,453	7.6	-3.7
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	3,499	4.9	-15.8

* 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, 2023.

[Consolidated] Quarterly business performance and budget (cumulative)

FYE December 2032 (61st business year) Full- year [Cumulative]

(Unit: million yen)

		1st Quarter (+2 days)			2nd Quarter (+3 days)			3rd Quarter (+3 days)			Full year (+3 days)		
		Budget	Share	YoY change	Budget	Share	YoY change	Budget	Share	YoY change	Budget	Share	Year-on-year 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	268,154	100.0	+8.8
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	57,522	21.5	+10.3
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	39,003	14.5	+4.0
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	18,519	6.9	+26.3
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	18,669	7.0	+23.9
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	12,268	4.6	+15.4

* 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, 2023.

05

Various key indicators (non-consolidated)

Merchandise

Logistics

Sales

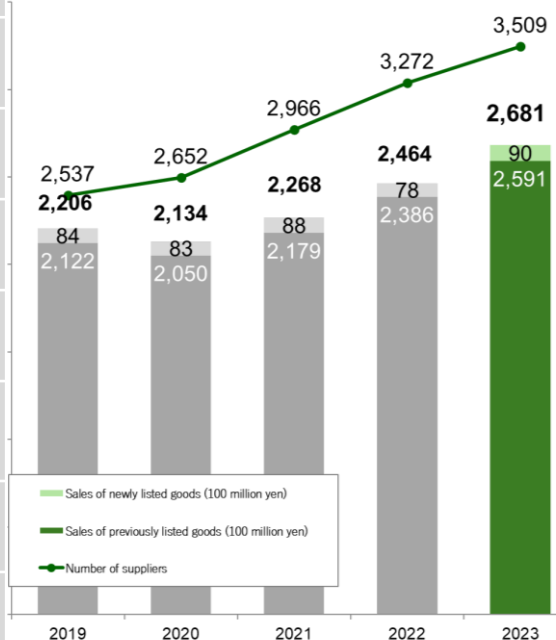
Digital

Human resources

Key indicators (goods)

Key indicators		FYE December 31, 2022 (60th business year)	FYE December 31, 2023 (61st business year)	Plan for FYE December 31, 2024 (62nd business year)
Merchandise	Number of items in inventory	562,026	593,554	625,000
	Total inventory (10,000) [Non-consolidated]	5,223	5,587	5,800
	Inventories (100 million yen) [Non-consolidated]	441	494	530
	Total number of suppliers	3,272	3,509	3,709
	Of these, number of overseas suppliers (companies)	329	337	357
	New inventory sales (million yen)	10,149	12,161	13,513
	New merchandise sales composition ratio (last 3 years) (%)	12.3	13.2	13.7
	Private brand net sales (million yen)	45,876	48,313	51,700
	Number of items listed in Trusco Orange Book* (items)	374,000	369,000	388,000
	No. of items featured on Trusco Orange Book.Com (Free site) (Items)	3,167,188	4,108,818	5,400,000

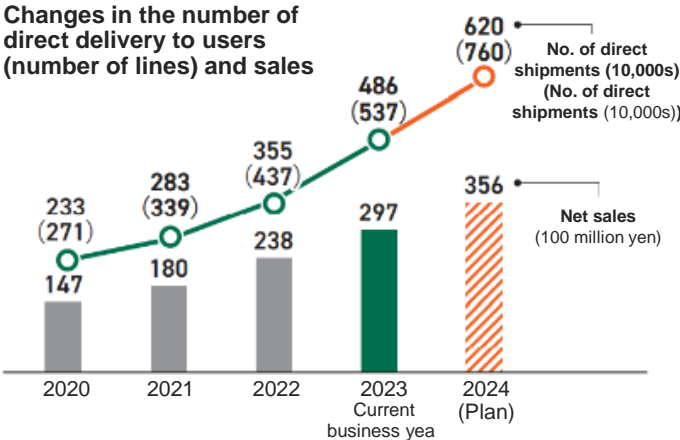
[Non-consolidated] Change in sales of newly listed goods on Trusco Orange Book.Com in company-wide sales



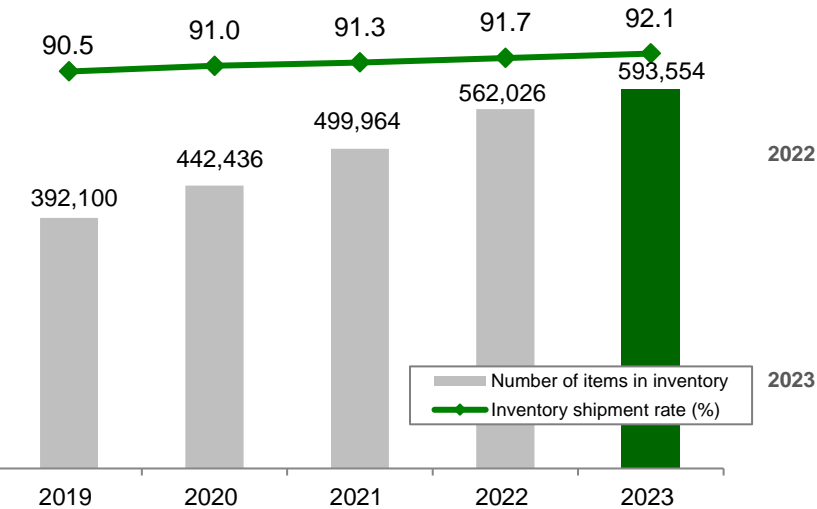
* Includes the number of QR code scans to visit Trusco Orange Book.Com

Key indicators (logistics)

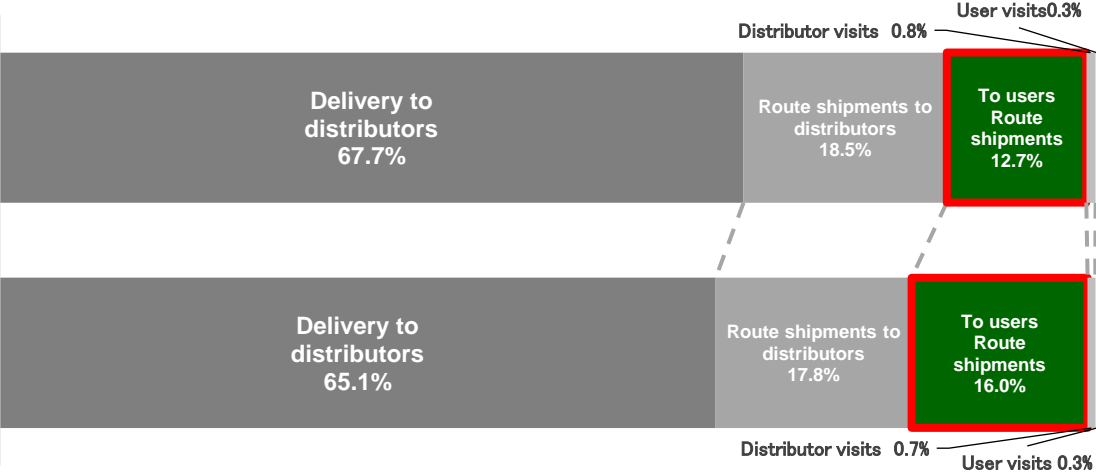
Key indicators		FYE December 31, 2022 (60th business year)	FYE December 31, 2023 (61st business year)	Plan for FYE December 31, 2024 (62nd business year)
Logistics	Inventory shipment rate (%)	91.7	92.1	92.5
	No. of direct shipments to users (10,000s)	355	486	620
	No. of direct shipments to users (10,000s)	437	598	760



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



Share by Delivery Category (by number of shipments)



- Merits -
Cut delivery times by half, cut shipping load by half
Cut workload by half, cut packing 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: Tohoku, Saitama (3 lines), Tokai, Osaka 6 lines in total

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

Key indicators (logistics)

Key indicators		FYE December 31, 2022 (60th business year)	FYE December 31, 2023 (61st business year)	Plan for FYE December 31, 2024 (62nd business year)
Logistics	Number of chartered vehicle deliveries	162	153	137
	Number of own company deliveries	116	123	140
	Rate of own company deliveries (%)	41.7	44.6	50.5
	Delivery lead time *	20 hours 10 minutes 4 seconds	19 hours 13 minutes 43 seconds	—
	Labor cost per incoming/outgoing shipment	113	117	115

Delivery service and internal transportation service: Number of units

	No. of units	Change from the end of previous fiscal year
Total number of deliveries	276	-2
Chartered vehicle delivery service (contracted delivery service)	153	-9
Own company delivery service	123	+7
Internal transportation service	31	+1
Chartered vehicle delivery service (contracted delivery service)	26	±0
Own company delivery service	5	+1
Delivery service and internal delivery service Total	307	-1

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 **44.6%**. We plan to increase this to 50.5% in 2024.

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

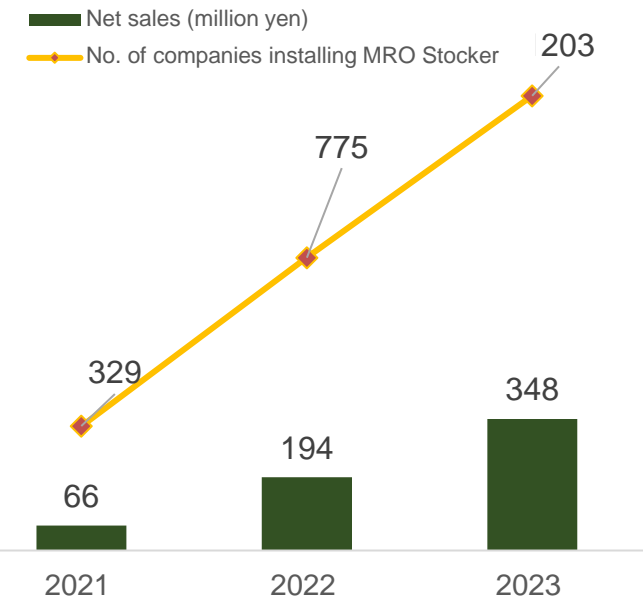
[Non-consolidated] Changes in inventory disposal and inventories

	2019	2020	2021	2022	2023
Inventory disposal (million yen)	42	50	55	65	67
Inventories (100 million yen)	427	406	416	441	494
Disposal rate (%)	0.10	0.12	0.13	0.15	0.14

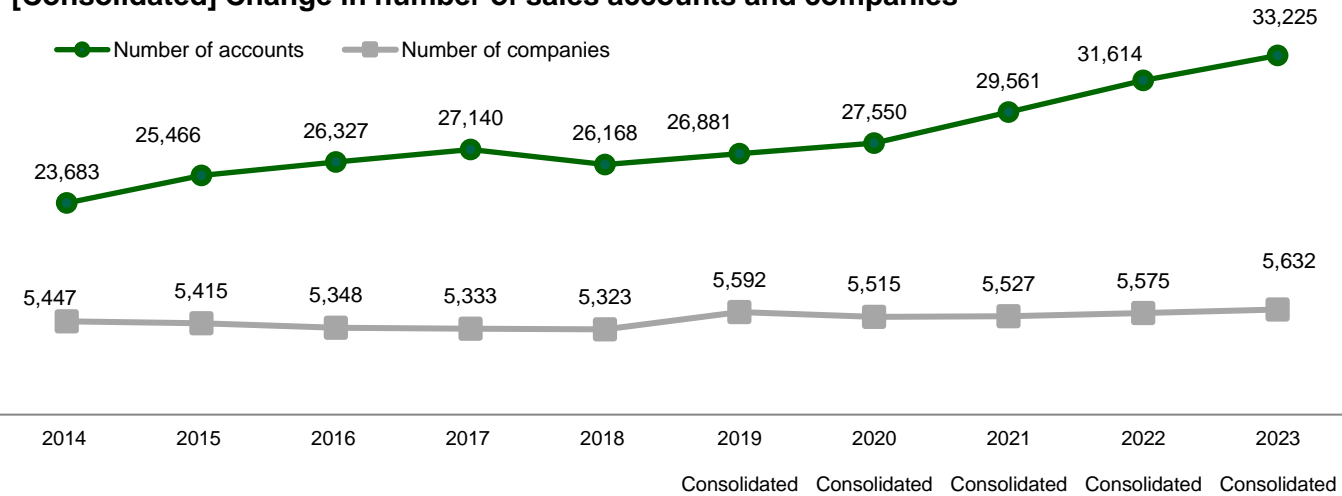
Key indicators (sales)

Key indicators		FYE December 31, 2022 (60th business year)	FYE December 31, 2023 (61st business year)	Plan for FYE December 31, 2024 (62nd business year)
Sales	Number of corporate clients	5,575	5,632	5,680
	Number of client accounts	31,614	33,225	34,700
	No. of companies adopting MRO Stocker	775	1,203	1,430
	No. of companies connected to Orange Commerce	2,233	2,447	2,670
	Number of sales (millions)	225	228	240

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 (digital)

Key indicators		FYE December 31, 2022 (60th business year)	FYE December 31, 2023 (61st business year)	Plan for FYE December 31, 2024 (62nd business year)
Digital	System order rate (%) *1	85.2	87.1	88.0
	Rate of automated quotations (%) *2	22.6	27.6	31.0
	Rate of online quotation requests (%)	46.0	47.3	49.0

*1 Total number of orders (2023): 41.08 million
 *2 Total number of quotations (2023): 8.72 million

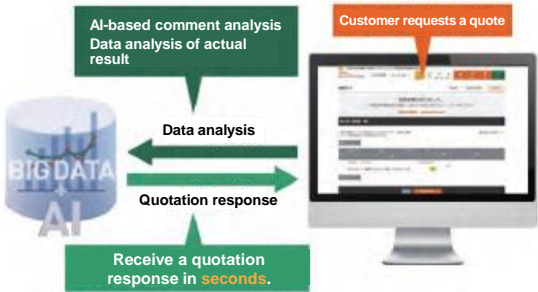
Since launching our Internet ordering system "Web Trusco" in 2002, we have been automating ordering. Additionally, starting with the launch of our core system "Paradise 3" in 2020, we are striving to improve convenience with the aim of automating all tasks that can be automated in the supply chain.

System order rate (as of the end of December 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)	15,865	38.6%	+0.0	116,041	43.4%	+1.6
Trusco EDI Data linkage with distributor ordering system	9,767	23.8%	+2.0	38,420	14.4%	+0.9
Orange Commerce Linkage with users' purchasing system	1,076	2.6%	+0.2	7,901	3.0%	+0.4
EOS Home center electronic ordering system	9,059	22.1%	-0.3	21,966	8.2%	+0.0
Total	35,769	87.1%	+1.9	184,330	68.9%	+2.7

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 (human resources)

Number of Employees [Consolidated]

As of FYE December 31, 2023 (Unit: persons)

	Female	Male	Total	Year-on-year change
Executives	1	11	12	+2
Executive officers	0	0	0	-1
Career (overseas and domestic)	150	403	553	-11
Digital career	0	0	0	±0
Logistics career	0	1	1	+1
Carrier (regional)	17	19	36	+27
Specialist	10	13	23	-4
Area	291	282	573	-28
Expert	1	0	1	+1
Logistics area	3	28	31	+5
Logistics	95	258	353	+26
Contract employees	1	44	45	+7
Overseas subsidiaries	19	23	42	-1
Seconded to health insurance association	2	0	2	±0
Seconded to Nakayama Visually Impaired Welfare Foundation	0	1	1	±0
Employee total	589	1,072	1,661	+22
Part-time employees	1,003	367	1,370	+65
Total	1,593	1,450	3,043	+89

Share of female employees: 35.5%, Number of female sales staff members: 44, Female employees in career-track positions: 28.3%
*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
2023	33.2	43.4	39.9	775	627	526	662
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

* 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.
* The average annual income for 2023 does not include the temporary bonus. The average annual salary including temporary bonuses is 7.07 million yen.

Numbers of incoming and outgoing employees [Consolidated]

	2019		2020		2021		2022		End of December 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	589	1,072
	1,656		1,674		1,632		1,639		1,661	
No. of incoming employees	52	57	41	46	26	25	47	51	59	64
	109		87		51		98		123	
No. of outgoing employees	42	44	37	33	45	45	39	44	49	49
	86		70		90		83		98	
Turnover ratio (%)	6.7	3.9	5.9	3.0	7.3	4.1	6.3	4.0	7.7	4.4
	4.9		4.0		5.2		4.8		5.6	

06

Management Plan

[Consolidated] Full-year Management plan for the 62nd business year

[Consolidated] 62nd Business Year Management plan by sales route

[Consolidated] Selling, general and administrative expenses (SGA) for the 62nd business year

[Consolidated] List of 62nd Business Year capital expenditure plans

[Consolidated] Quarterly budget (quarterly)

[Consolidated] Quarterly budget (cumulative)

Vision - Medium-term management ability targets -

[Consolidated] Full-year Management plan for the 62nd business year

Regarding gross profit, we expect approximately 500 million yen as inventory valuation gains due to product price increases.

Regarding selling, general and administrative expenses, we expect an increase in the number of employees and in salaries and bonuses due to achievement incentives, etc., and an increase in net sales and in freight and packaging expenses due to an increase in direct shipments to users.

■ Plan for FYE December 31, 2024 (62nd business year)

	FYE December 31, 2023 (61st business year)	Share	Plan for FYE December 31, 2024 (62nd business year)	Share	Year-on-year change
Net sales	268,154 million yen	—	284,710 million yen	—	+6.2%
Gross profit	57,522 million yen	21.5%	59,760 million yen	21.0%	+3.9%
Selling, general and administrative expenses (SGA)	39,003 million yen	14.5%	41,150 million yen	14.5%	+5.5%
(Depreciation included in SGA)	6,206 million yen	2.3%	6,375 million yen	2.2%	+2.7%
Operating income	18,519 million yen	6.9%	18,610 million yen	6.5%	+0.5%
Ordinary income	18,669 million yen	7.0%	18,850 million yen	6.6%	+1.0%
Profit attributable to parent	12,268 million yen	4.6%	14,740 million yen	5.2%	+20.1%
Dividend per share	46.50 yen	—	49 yen	—	+2.50 yen

[Consolidated] 62nd Business Year Management plan by sales route

I FYE December 31, 2024 (62nd business year) plan by sales route

	FYE December 31, 2023 (61st business year)	Share	Year-on- year change	FYE December 31, 2024 (62nd business year) plan	Share	Year-on- year change
Factory route	182,188 million yen	67.9%	+6.8%	192,288 million yen	67.5%	+5.5%
e-business route	59,121 million yen	22.1%	+14.6%	64,025 million yen	22.5%	+8.3%
Home center route	24,260 million yen	9.0%	+9.5%	25,400 million yen	8.9%	+4.7%
Overseas route	2,583 million yen	1.0%	+22.5%	2,997 million yen	1.1%	+16.0%
	268,154 million yen	100.0%	+8.8%	284,710 million yen	100.0%	+6.2%

◆ Regarding budget formulation, the budget 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.

[Consolidated] Selling, general and administrative expenses (SGA) for the 62nd business year

Plan: 41,150 million yen (+5.5%, +2,145 million yen compared to previous year)

	Account title	FYE December 31, 2023 (61st business year)		FYE December 31, 2024 (62nd business year)		
		Actual results	Year-on-year change	Plan	YoY Change (amount)	YoY change
①	Salary and bonus	13,451 million yen	+3.2%	14,085 million yen	+633 million yen	+4.7%
②	Freight and packing expenses	8,261 million yen	+8.3%	8,880 million yen	+618 million yen	+7.5%
③	Depreciation	6,206 million yen	-6.9%	6,375 million yen	+168 million yen	+2.7%
④	Other	11,084 million yen	+9.1%	11,810 million yen	+725 million yen	+6.5%
	Total	39,003 million yen	+4.0%	41,150 million yen	+2,146 million yen	+5.5%

- (1) Salaries and bonuses: +633 million yen**
Monthly achievement incentive payments (+188 million yen)
Increase in part-time employees and hourly wages (+178 million yen)

(2) Freight and packing expenses: + 618 million yen
Impact of increased shipping volume and transportation costs (+367 million yen)
Impact of increased packaging costs (+143 million yen)
* Freight expenses associated with the User Direct Shipment Service are paid by customers

- (3) Depreciation +168 million yen**
Renovation work of Osaka head office building (+88 million yen)
Planet Osaka/Planet Saitama shipping equipment (+44 million yen)

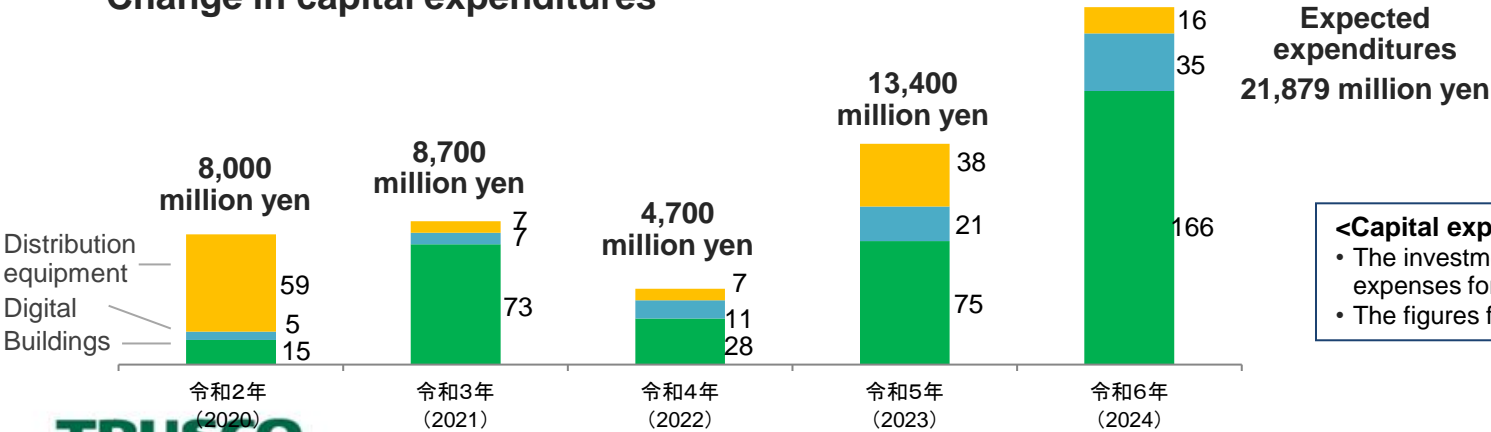
[Consolidated] List of 62nd Business Year capital expenditure plans

Major capital expenditures and plans

(Unit: million yen)

Details of major capital expenditures in 2024			2024 Investment plan	
Facilities	Planet Saitama “Skypod” introduced (total investment amount: approx. 1,000 million yen)		300	1,680
	Purchase of delivery trucks and commercial vehicles (total investment amount: approx. 200 million yen)		108	
Digital	Trusco Orange Book.Com/Strengthening Orange Commerce infrastructure (total investment amount: approx. 1,400 million yen)		684	3,596
	Fundamental renovation and functional enhancement of core system “Paradise” (Planned total investment amount: approx. 700 million yen)		400	
	EC cross construction (total investment amount: approx. 500 million yen)		360	
Buildings	Planet Aichi new construction project (Planned total investment amount: approx. 18,100 million yen)		9,849	16,603
	Planet Niigata new construction project (total planned investment: approximately 16,500 million yen)		5,600	
	Renovation costs for Osaka head office building (total planned investment: approx. 1,700 million yen)		810	
	Planet Saitama tent warehouse construction (total planned investment: approx. 500 million yen)		335	
Annual capital expenditures				21,879

Change in capital expenditures



<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 (2023) represent values on a cash-out basis.

[Consolidated] Quarterly budget (quarterly)

FYE December 31, 2024 [Quarterly]

(Unit: million yen)

		1st Quarter (-2 days)			2nd Quarter (±0 day)			3rd Quarter (±0 day)			4th Quarter (+1 day)		
		Budget	Share	YoY change	Budget	Share	YoY change	Budget	Share	YoY change	Budget	Share	YoY change
Net sales	Budget	69,035	100.0	+4.6	69,733	100.0	+6.6	70,345	100.0	+ 7.9	75,597	100.0	+5.6
	Actual results												
Gross profit	Budget	14,273	20.7	+7.8	15,086	21.6	+0.9	14,558	20.7	+ 8.5	15,843	21.0	- 0.5
	Actual results												
Selling, general and administrative expenses (SGA)	Budget	10,003	14.5	+7.3	10,339	14.8	+6.5	10,164	14.4	+ 8.0	10,644	14.1	+0.8
	Actual results												
Operating income	Budget	4,270	6.2	+9.0	4,747	6.8	-9.4	4,394	6.2	+9.7	5,199	6.9	-2.9
	Actual results												
Ordinary income	Budget	4,306	6.2	+8.4	4,800	6.9	-9.4	4,443	6.3	+ 12.6	5,301	7.0	-2.8
	Actual results												
Quarterly profit attributable to owners of parent	Budget	2,945	4.3	+10.1	3,282	4.7	-3.2	3,043	4.3	+ 12.6	5,470	7.2	+42.2
	Actual results												

[Consolidated] Quarterly budget (cumulative)

FYE December 31, 2024 [Cumulative]

(Unit: million yen)

		1st Quarter (-2 days)			2nd quarter (-2 days)			3rd quarter (-2 days)			Full year (-1 day)		
		Budget	Share	YoY change	Budget	Share	YoY change	Budget	Share	YoY change	Budget	Share	YoY change
Net sales	Budget	69,035	100.0	+4.6	138,768	100.0	+5.6	209,113	100.0	+6.4	284,710	100.0	+6.2
	Actual results												
Gross profit	Budget	14,273	20.7	+7.8	29,359	21.2	+4.2	43,917	21.0	+5.6	59,760	21.0	+3.9
	Actual results												
Selling, general and administrative expenses (SGA)	Budget	10,003	14.5	+7.3	20,342	14.7	+6.9	30,506	14.6	+7.2	41,150	14.5	+ 5.5
	Actual results												
Operating income	Budget	4,270	6.2	+9.0	9,017	6.5	-1.5	13,411	6.4	+1.9	18,610	6.5	+0.5
	Actual results												
Ordinary income	Budget	4,306	6.2	+8.4	9,106	6.6	-1.8	13,549	6.5	+2.5	18,850	6.6	+1.0
	Actual results												
Quarterly profit attributable to owners of parent	Budget	2,945	4.3	+10.1	6,227	4.5	+2.7	9,270	4.4	+ 5.7	14,740	5.2	+16.8
	Actual results												

Vision - Medium-term management ability targets -

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

- The number of items in stock in 2023 will be 590,000 items, and Planet Aichi will be operational in July 2026 with the capacity to hold 1 million items.



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

- From 2019, we will start accepting orders 24 hours a day at Trusco Orange Book.Com.
Available for shipping other than on Sundays

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

- At the same time as expanding the number of items in stock, we implemented inventory management using the "ZAICON3" inventory management system, which predicts and calculates the required number of products in stock based on sales results.
Inventory shipping rate is 92.1% (+0.4pt compared to previous year)
- Reduced incorrect orders due to improved system order rate of 87.1% (+1.9pt compared to previous year)
- Introduced material handling equipment such as GAS (gate type sorting system), and the misplacement rate was 0.022% (1 in 5,000 lines)

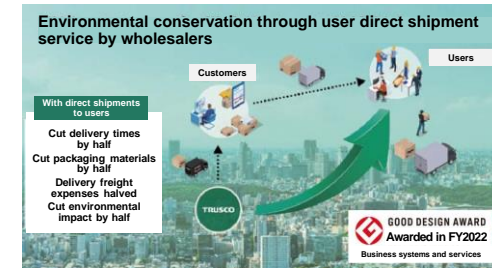
TRUSCO.

4. We want to be a company without inventory work.

- At locations where free-location is introduced (9 locations including Planet Saitama and Planet Osaka), a system has been introduced whereby inventories are taken at the same time as receiving and shipping operations, thereby eliminating the need for closing inventories.

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

- I-Pack [high-speed automated packing and shipping line] introduced at Planet Saitama, Planet Osaka, Planet Tokai and Planet Tohoku, with an annual turnover of 29,700 million yen and 4.86 million units shipped directly to users.
- 2024 sales target for direct shipments to users: 35,600 million yen, 6.2 million units



6. We want to be a company that can respond to quotations instantly.

- The overwhelming speed of the automatic response speed of the AI-based estimation system "Swift Estimator" has been well received and its use has increased, with 2.4 million estimates (27.6% of all estimates) being automatically generated in 2023.

Vision - Medium-term management ability targets -

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

- Introduced 1,203 MRO stockers (+428 compared to the previous year) to achieve the ultimate immediate delivery with a delivery time of 0 days.
- Achieve the best and most diverse delivery formats, such as user direct shipment services and customer product pick-up services.



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

- Half the environmental impact with “Niawase + Yuchoku” (assortment & direct delivery to users)
Other benefits include cutting delivery times, packaging materials, delivery fees and workload by half

9. We want to be a company that is active in recycling, reuse, and returnables.

- Since 1998, we have been operating the repair workshop “Naojiro”, with sales of 2,200 million yen in 2023 (+21.2% compared to the previous year)
- Developed private brand products with low environmental impact, such as reusable packaging materials and return cushions.

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

- In 2024, the “Sterra” product database will be renewed to hold product data for more than 10 million items.
- We are building an EC site where users can easily find and purchase the products they need

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

- Planning inventory expansion strategies, strengthening “Niawase + Yuchoku” (assortment & direct delivery to users), ownership management, abolishing bills, rival partnership strategies, etc.

07

ESG Information

Trusco's "Gentleness for the Future" Project

Sustainability indicators

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 2023)

CO₂ emissions from fuel use (Scope 1) **2,284t-co₂** / CO₂ emissions from electricity use (Scope 2) **6,900t-co₂**

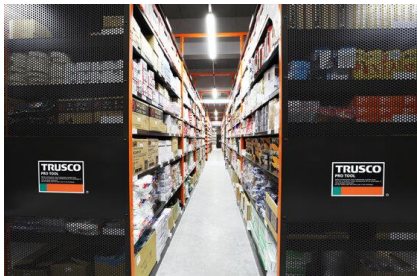
CO₂ emissions in the supply chain (Scope 3*) **1,791,867t-co₂** * Only Scope 3 results are for 2022.

CO₂ emission reduction through various services:













Annual CO₂ emission reduction 15,829t-co₂



Workshop
Naojiro



TRUSCO

	Reduction (t-co ₂)	Reduction calculation formula
Assortment and direct delivery to users	2,549	 +  +  Packaging material usage halved Packaging material waste halved Delivery frequency halved
MRO Stocker	4,816	 +  Delivery frequency reduced No purchasing
Repair workshop "Naojiro"	2,469	 -  Emissions from new purchases Emissions when repaired with "Naojiro"
Fixed cost logistics (fixed route deliveries)	4,461	 +  +  No packaging materials used No packaging material waste Delivery distance reduced
Wide range of inventory	1,534	 -  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: at 19 locations

Annual solar power generation in 2023 2,687,468kWh

* 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 16.7%

Environmental measures for Trusco's products

In product planning and development for our own brand "Trusco," we have established environmental standards such as "resource saving," "reducing waste," and "long-lasting use," and are promoting environmentally friendly product development from all aspects, from product design to product use and disposal.



Trusco double roll tape
Product number: GNT5050E etc.

50M duct tape with a small core. It can be used twice as much, but the storage space is halved. It is a tape that can be used twice as long, reduces replacement by half, reduces waste by half, and contributes to protecting the environment.



Workshop

Naojiro

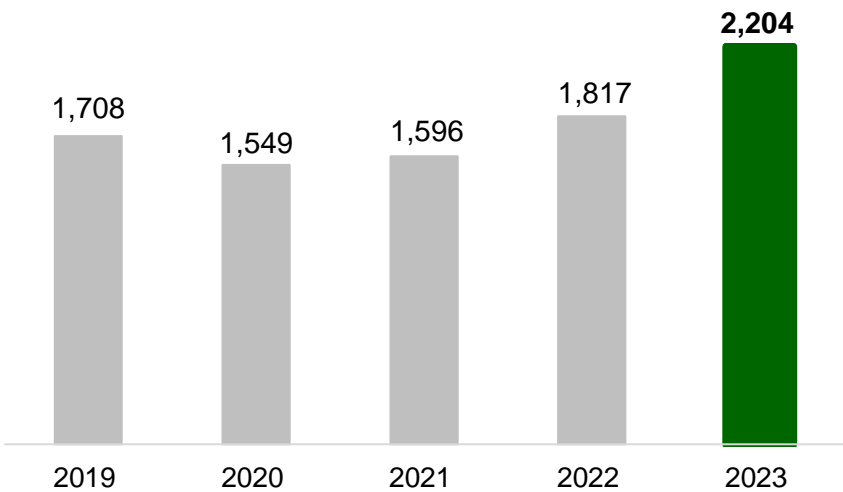
Role of repair workshop "Naojiro"

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" (unit: million yen)



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

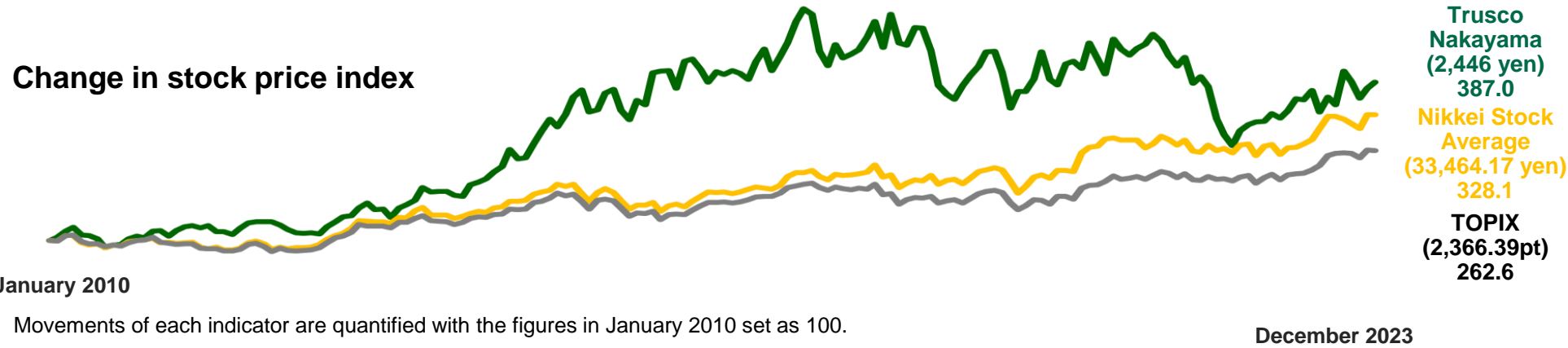
The Company's sales index and industrial
production index

Stock information

Shareholder Information (Unit: persons)

	End of June 2021	End of December 2021	End of June 2022	End of December 2022	End of June 2023	End of December 2023
Shareholders total	14,903	14,406	16,212	15,466	15,111	14,798
Holder of share	14,030	13,527	15,190	14,436	13,798	13,534
Holder of shares less than one unit	872	878	1,021	1,029	1,312	1,263
Treasury shares	1	1	1	1	1	1
Financial institutions and securities companies	69	61	59	55	53	54
Domestic corporations	544	533	546	540	542	535
Overseas corporations, etc.	203	203	212	222	217	213
Individuals and others	14,086	13,608	15,394	14,648	14,298	13,995
Treasury shares	1	1	1	1	1	1

Change in stock price index



Wednesday, January 31, 2024

The Company's Stock
Closing price
2,535 yen

Nikkei Stock Average
Closing Price
36,286.71 yen

TOPIX
2,551.10pt

Index comparison in the industry

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

[Wholesale]

		Closing month				Market capitalization (100 million yen)
				Net sales (million yen)	Year-on-year change	
YAMAZEN CORPORATION	2023	March	Actual results	527,263	+5.1	1,208
YUASA TRADING CO.,LTD.	2023	March	Actual results	504,806	+9.1	1,090
Trusco Nakayama Corporation	2023	December	Actual results	268,154	+8.8	1,673
NICHIDEN Corporation	2023	March	Actual results	131,609	+6.2	880
MARUKA FURUSATO CORPORATION	2022	December	Actual results	162,416	—	620
Naito & Co., Ltd.	2023	February	Actual results	44,457	+1.9	79
SUGIMOTO & CO., LTD.	2023	March	Actual results	45,558	+5.7	259
Total of 7 companies		-		1,684,263	—	-

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.

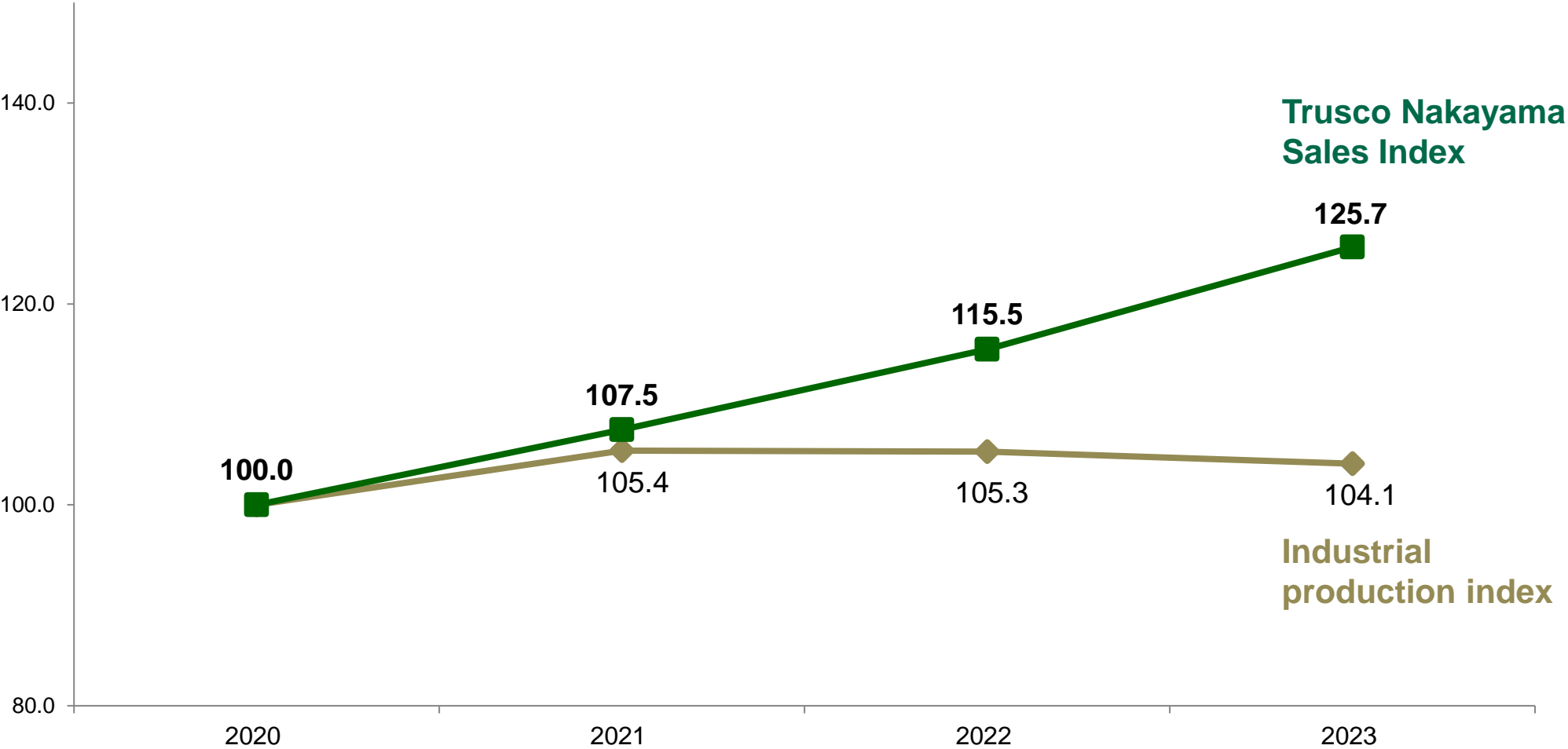
[Retail]

		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	7,319
MonotaRO Co.,Ltd.	2023	December	Actual results	254,286	+12.5	7,021
Total of 2 companies		—		627,437	-	-

- * For companies that announce consolidated accounting, figures for consolidated accounting are shown.
- * All figures represent actual results and forecasts announced as of February 5, 2024.
- * Market capitalization is based on the closing price on January 31, 2024.

The Company's sales index and industrial production index

Changes in the Company's sales index and industrial production index



*Index standard: Year 2020 set as 100.

*The industrial production index is created based on the figures published by the Ministry of Economy, Trade and Industry as of February 2, 2024.