

TRUSCO[®]

The 62nd Business Year Business Performance Data Analysis

Fiscal Year Ending December 2024 First Quarter

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TRUSCO[®]

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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 | Prime Market of the Tokyo Stock Exchange (Code number: 9830) |
| Number of employees | 3,061 (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

Actual results for FYE December 31, 2024 (62nd business year) First Quarter

| | | | |
|--|---|--|---|
| Net sales |  | 71,921 million yen (YoY change +9.0%) | <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 600,000 items and utilizes state-of-the-art distribution equipment • Effect of capturing demand at the end of the fiscal year |
| Gross profit |  | 14,811 million yen (YoY change +11.9%) | <ul style="list-style-type: none"> • Impact of increased net sales • The impact from progress in increased purchase price pass-through to selling prices |
| Selling, general and administrative expenses (SGA) |  | 9,814 million yen (YoY change +5.3%) | <ul style="list-style-type: none"> • Salaries and bonuses (+243 million yen): Impact of achievement incentive payments and increased part-time employee labor costs • Freight and packing expenses (+201 million yen): Impact of increased shipping volume • Depreciation (-103 million yen) |
| Quarterly profit attributable to owners of parent |  | 3,512 million yen (YoY change +31.3%) | <ul style="list-style-type: none"> • +31.3% year-on-year, as selling, general and administrative expenses were kept down relative to the increase in sales, while sales increased and purchase prices were passed through to selling prices. |

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% | +2,471 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, 2023 (61st business year) | | | FYE December 2024 (62nd Business Year) First Quarter Actual results | | | | Plan for FYE December 31, 2024 (62nd business year) Budget | |
|--|--|-------|---------------------|---|-------|------------|------------------------|---|---------------------|
| | Actual results | Share | Year-on-year change | Actual results | Share | YoY change | Change from budget (%) | Budget | Year-on-year change |
| Net sales | 268,154 million yen | - | +8.8% | 71,921 million yen | - | +9.0% | +4.2% | 284,710 million yen | +6.2% |
| Gross profit | 57,522 million yen | 21.5% | +10.3% | 14,811 million yen | 20.6% | +11.9% | +3.8% | 59,760 million yen | +3.9% |
| Selling, general and administrative expenses (SGA) | 39,003 million yen | 14.5% | +4.0% | 9,814 million yen | 13.6% | +5.3% | -1.9% | 41,150 million yen | +5.5% |
| (depreciation included in SGA) | 6,206 million yen | 2.3% | -6.9% | 1,441 million yen | 2.0% | -6.7% | -3.5% | 6,375 million yen | +2.7% |
| Operating income | 18,519 million yen | 6.9% | +26.3% | 4,997 million yen | 6.9% | +27.6% | +17.0% | 18,610 million yen | +0.5% |
| Ordinary income | 18,669 million yen | 7.0% | +23.9% | 5,065 million yen | 7.0% | +27.5% | +17.6% | 18,850 million yen | +1.0% |
| Profit attributable to owners of parent | 12,268 million yen | 4.6% | +15.4% | 3,512 million yen | 4.9% | +31.3% | +19.3% | 14,740 million yen | +20.1% |
| Current (quarterly) net income per share | 186.05 yen | - | +24.9 yen | 53.26 yen | - | +12.68 yen | - | 223.53 yen | +37.48 yen |
| Dividend per share | 46.50 yen | - | +6.50 yen | - | - | - | - | 49 yen | +2.5 yen |
| Private brand sales | 48,313 million yen | 18.0% | +5.3% | 12,617 million yen | 17.5% | +4.1% | +2.9% | 51,700 million yen | +7.0% |
| Capital expenditures | 13,469 million yen | - | - | 5,148 million yen | - | - | - | 22,750 million yen | - |

Points

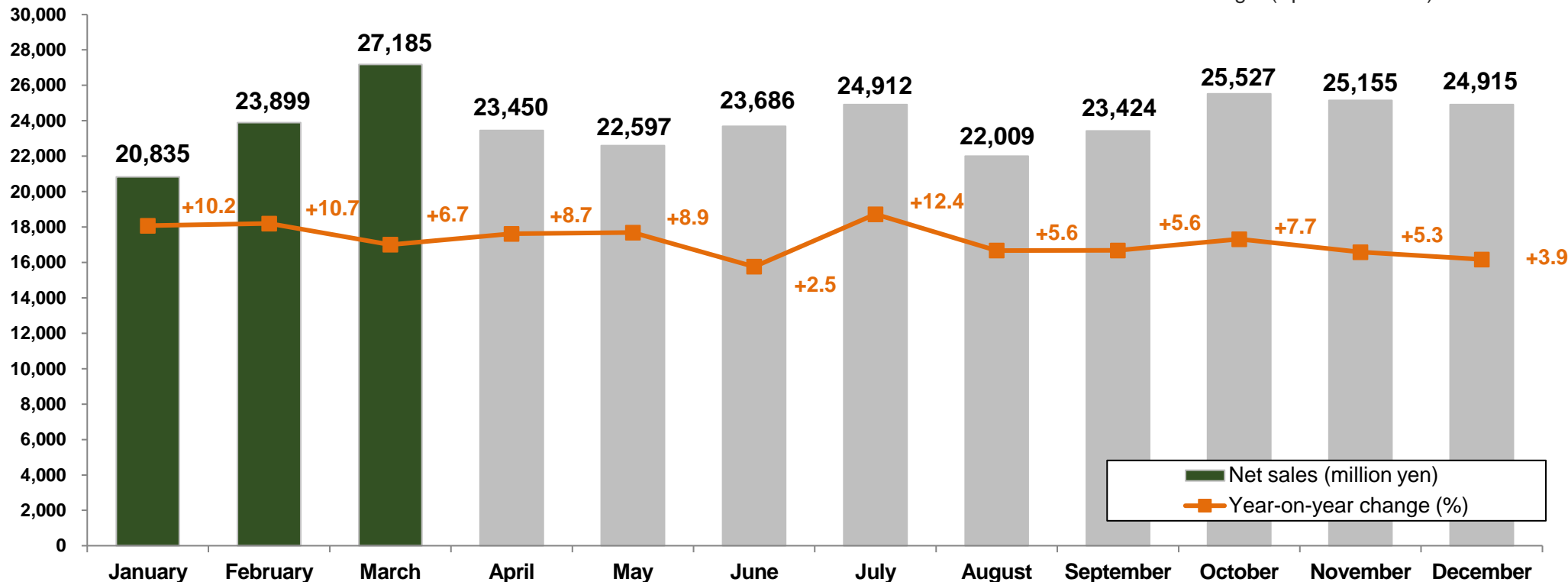
- **Net sales**
YoY change +9.0% Change from budget +4.2%
Increase in sales due to inventory, logistics, digital structure and various efforts
- **Gross profit**
YoY change +11.9% Change from budget +3.8%
The impact of increased net sales and progress in purchase price pass-through to selling prices
- **Selling, general and administrative expenses (SGA)**
YoY change +5.3% Change from budget -1.9%
(increase) Labor cost, freight and packing expenses, etc.
(Decrease) Depreciation, etc.
- **Profit attributable to owners of parent Net income**
YoY change +31.3% Change from budget +19.3%
Impact of being able to control the increase in selling, general and administrative expenses relative to the increase in sales.

[Consolidated] Monthly sales

Actual results for FYE December 31, 2024 (62nd business year)

■ (January-March)

■ Budget (April-December)



| | January | February | March | April | May | June | July | August | September | October | November | December | Total |
|--------------------------------|---------|----------|-------|-------|-----|------|------|--------|-----------|---------|----------|----------|-------|
| Sales per day (million yen) | 1,096 | 1,257 | 1,359 | | | | | | | | | | - |
| Year-on-year change (%) | + 10.2 | +10.7 | +17.3 | | | | | | | | | | - |
| Number of business days (days) | 19 | 19 | 20 | 21 | 21 | 20 | 22 | 21 | 19 | 22 | 20 | 21 | 245 |
| Year-on-year change (days) | ±0 | ±0 | -2 | +1 | +1 | -2 | +2 | -1 | -1 | +1 | ±0 | ±0 | -1 |

- 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

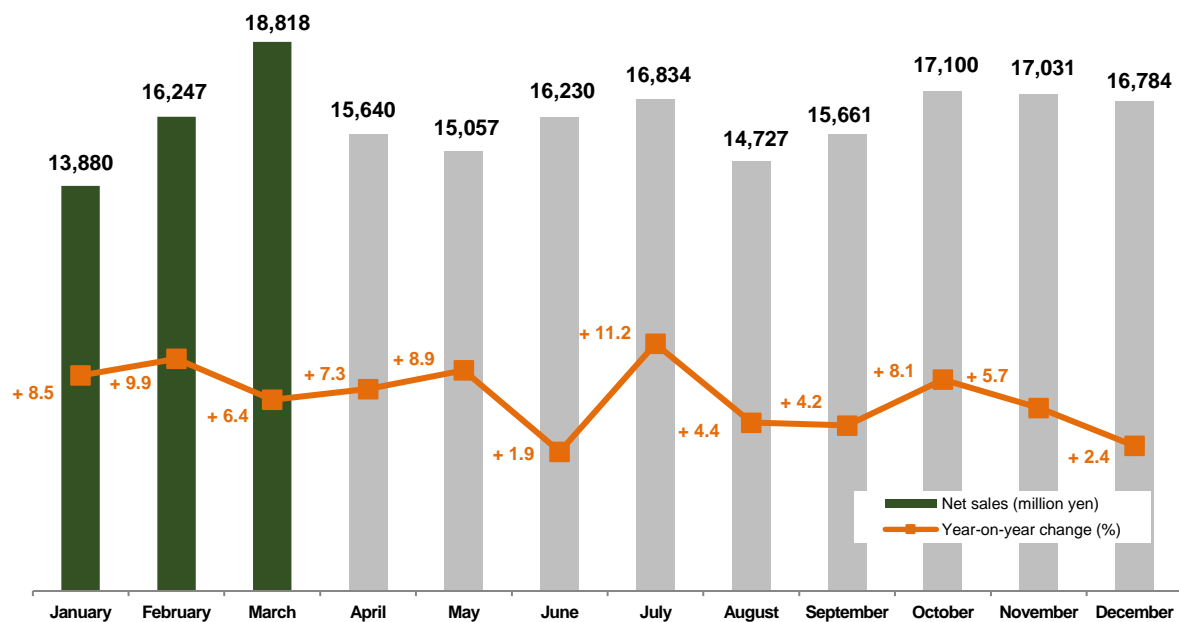
| | January | February | March | April | May | June | July | August | September | October | November | December | Total |
|-------------------------|---------|----------|-------|-------|-----|------|------|--------|-----------|---------|----------|----------|-------|
| Number of business days | 19 | 19 | 20 | 21 | 21 | 20 | 22 | 21 | 19 | 22 | 20 | 21 | 245 |
| YoY change | ±0 | ±0 | -2 | +1 | +1 | -2 | +2 | -1 | -1 | +1 | ±0 | ±0 | -1 |

Actual results for FYE December 31, 2024 (62nd business year)

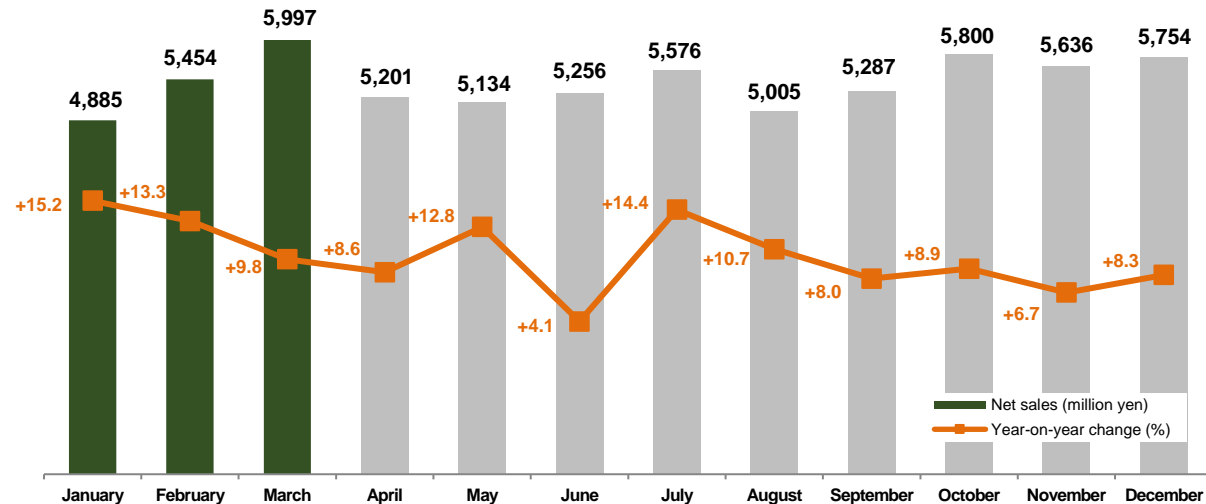
■ (January-March)

■ Budget (April-December)

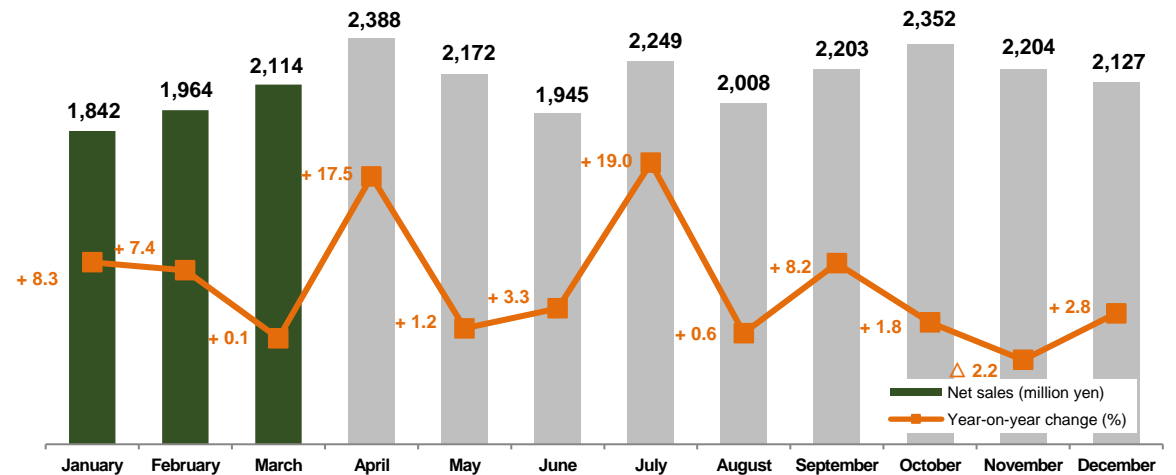
Factory route



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 68.1% (YoY change +8.1%) e-business route: Share 22.7% (YoY change +12.5%)

Home center route: Share 8.2% (YoY change +4.9%) Overseas route: Share 1.0% (YoY change +29.6%)

| | Actual results for FYE December 31, 2023 (61st business year) | | | | Actual results for FYE December 31, 2024 (62nd business year) First Quarter | | | | | |
|-------------------|---|--------|---------------------|---------------------------|---|--------|------------|------------------------|---------------------------|---|
| | Net sales | | | Sales Gross profit margin | Net sales | | | | Sales Gross profit margin | |
| Sales route | Actual results | Share | Year-on-year change | Actual results | Actual results | Share | YoY change | Change from budget (%) | Actual results | Change from the end of previous fiscal year |
| Factory route | 182,188 million yen | 67.9% | +6.8% | 21.5% | 48,945 million yen | 68.1% | +8.1% | +3.6% | 20.2% | -1.3pt |
| e-business route | 59,121 million yen | 22.1% | +14.6% | 22.3% | 16,338 million yen | 22.7% | +12.5% | +6.3% | 22.5% | +0.2pt |
| Home center route | 24,260 million yen | 9.0% | +9.5% | 17.4% | 5,921 million yen | 8.2% | +4.9% | +2.9% | 17.3% | -0.1 pt |
| Overseas route | 2,583 million yen | 1.0% | +22.5% | 34.4% | 716 million yen | 1.0% | +29.6% | +4.8% | 33.6% | -0.8% |
| Total | 268,154 million yen | 100.0% | +8.8% | 21.5% | 71,921 million yen | 100.0% | +9.0% | +4.2% | 20.6% | -0.9pt |

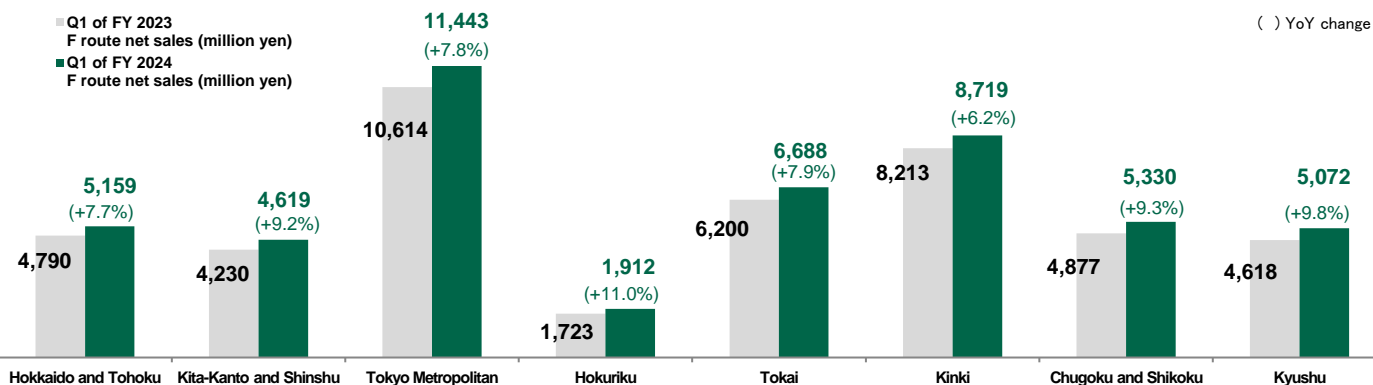
[Consolidated] Business performance by sales route: (Factory route)

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 +8.1%.

| Sales route | Actual results for FYE December 31, 2023 (61st business year) | | | Actual results for FYE December 31, 2024 (62nd business year) First Quarter | | | | |
|---|--|--------|---------------------|--|--------|------------|---------------------|---|
| | Net sales | | Gross profit margin | Net sales | | | Gross profit margin | |
| | Actual results | Share | | Actual results | Share | YoY change | Actual results | Change from the end of previous fiscal year |
| Machine tool dealers | 90,502 million yen | 49.7% | 22.2% | 23,763 million yen | 48.6% | +4.9% | 20.7% | -1.5pt |
| Dealers in welding materials | 26,180 million yen | 14.4% | 20.8% | 6,746 million yen | 13.8% | +5.6% | 19.9% | -0.9pt |
| Other manufacturing related (Physical chemical, conductor, packaging material dealers, etc.) | 30,598 million yen | 16.8% | 20.1% | 8,383 million yen | 17.1% | +10.7% | 19.0% | -1.1pt |
| Construction related | 34,906 million yen | 19.1% | 21.6% | 10,051 million yen | 20.5% | +16.0% | 20.2% | -1.4pt |
| Factory route total | 182,188 million yen | 100.0% | 21.5% | 48,945 million yen | 100.0% | +8.1% | 20.2% | -1.3pt |

Points

- We have also enhanced inventory and logistics at 28 logistics centers and 29 inventory storage branches across the country, thereby improving convenience for clients and consolidating commercial distribution channels .
- The gross profit was -1.3 pt lower than at the end of the previous year because of the profit-boosting effect of the price revisions in the previous year.
- Although the gross profit margin compared to the previous year has been recovering, the acquisition of high value orders due to increased demand at the end of the financial year has led to a decline in the Private brand sales composition ratio and a decrease in the gross profit margin. (*)



Reference) Gross profit margin YoY change

| | Q1 2023 | Q1 2024 | YoY change |
|------------------------------|---------|---------|------------|
| Machine tool dealers | 20.8% | 20.7% | -0.1 pt |
| Dealers in welding materials | 19.8% | 19.9% | +0.1pt |
| Other manufacturing related | 19.3% | 19.0% | -0.3pt |
| Construction related | 20.4% | 20.2% | -0.2pt |
| Total | 20.4% | 20.2% | (*) -0.2pt |

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

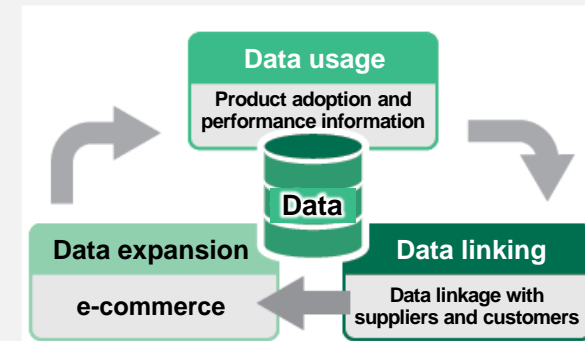
This route delivers our products to manufacturing sites, such as factories and construction sites, and consumers through Internet order companies. Product data and system linkage, as well as logistics processing tailored to customer needs, have improved convenience, resulting in a YoY change in net sales of +12.5%.

| Sales route | Actual results for FYE December 31, 2023 (61st business year) | | | Actual results for FYE December 31, 2024 (62nd business year) First 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 | 45,054 million yen | 76.2% | 21.1% | 12,379 million yen | 75.8% | +12.8% | 21.2% | +0.1pt |
| Companies participating in Orange Commerce (Trusco's electronic central purchasing system), MRO Stocker | 14,066 million yen | 23.8% | 26.1% | 3,958 million yen | 24.2% | +11.6% | 26.3% | +0.2pt |
| e-business route total | 59,121 million yen | 100.0% | 22.3% | 16,338 million yen | 100.0% | +12.5% | 22.5% | +0.2pt |

Points

- We strengthened unique logistics services such as logistics processing and "assortment + direct delivery to users" tailored to customer needs
- The development of a product database with approximately 4.37 million items and the strengthening of system linkages have led to an increase in sales, including shorter delivery times and an increase in the number of stock linkage locations.
- By 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

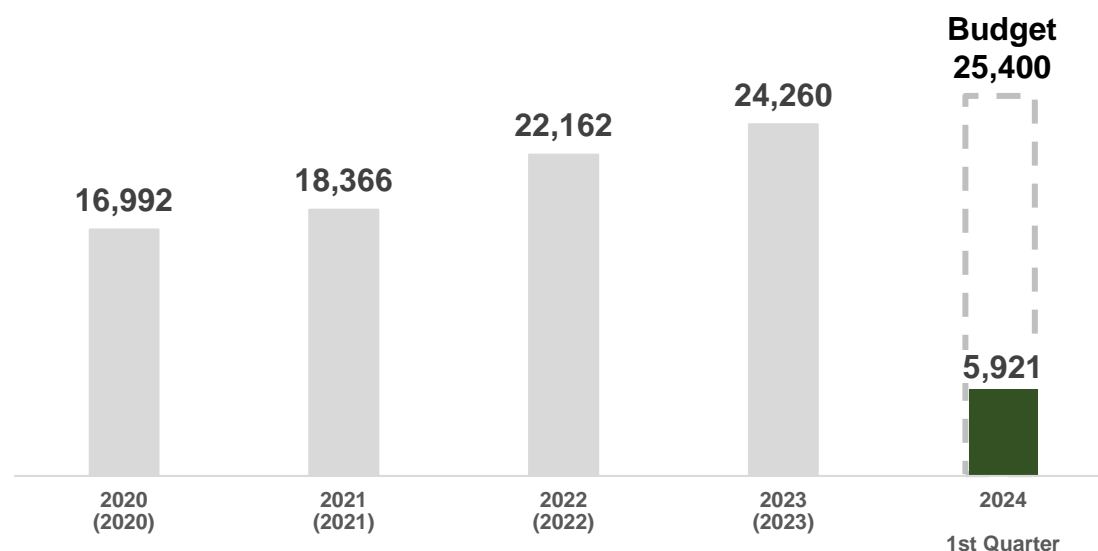


[Consolidated] Business performance by sales route: (Home center route)

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 600,000 items and logistics capabilities, resulting in a YoY change in net sales of +4.9%.

| | Actual results for FYE December 31, 2023 (61st business year) | | Actual results for FYE December 31, 2024 (62nd business year) First 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 | 24,260 million yen | 17.4% | 5,921 million yen | +4.9% | 17.3% | -0.1 pt |

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 4.37 million items we have for sale and approximately 600,000 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, 2024 (62nd business year) First Quarter | | | Full year budget | Actual results for FYE December 31, 2024 (62nd business year) First Quarter | | | Full year budget | Actual results for FYE December 31, 2024 (62nd business year) First Quarter | | | Full year budget |
| | Amount | Share | YoY change | Year-on-year change | Amount | Share | YoY change | Year-on-year change | Amount | Share | YoY change | Year-on-year change |
| Net sales | 71,720 million yen | - | +8.9% | +6.1% | 270 million yen | - | +18.5% | +15.7% | 170 million yen | - | +40.7% | +18.1% |
| Gross profit | 14,685 million yen | 20.5% | +11.8% | +3.9% | 72 million yen | 27.0% | +20.2% | +12.0% | 54 million yen | 32.1% | +35.8% | +11.6% |
| Selling, general and administrative expenses (SGA) | 9,729 million yen | 13.6% | +5.3% | +5.5% | 41 million yen | 15.5% | +5.0% | +2.7% | 44 million yen | 25.9% | +16.1% | +9.7% |
| Depreciation included in SGA | 1,422 million yen | 2.0% | -6.8% | +2.7% | 5 million yen | 2.0% | -5.8% | +16.8% | 13 million yen | 7.9% | +3.8% | +2.3% |
| Operating income | 4,955 million yen | 6.9% | +27.3% | +0.4% | 31 million yen | 11.5% | +49.2% | +32.7% | 10 million yen | 6.2% | +375.2% | +23.3% |
| Ordinary income | 5,018 million yen | 7.0% | +27.1% | +0.8% | 32 million yen | 12.0% | +48.5% | +23.6% | 12 million yen | 7.5% | +774.3% | -0.4% |
| Current (quarterly) net income | 3,472 million yen | 4.8% | +30.8% | +20.0% | 32 million yen | 12.0% | +48.5% | +23.6% | 12 million yen | 7.5% | +774.3% | -0.4% |

| Business performance in other overseas regions (Philippines, China, South Korea, etc.) | Actual results for FYE December 31, 2024 (62nd business year) First Quarter | | |
|--|--|-----------------|----------------|
| | | Net sales | Gross profit |
| | Actual results | 275 million yen | 67 million yen |
| | Rate | - | 24.5% |
| YoY change | +38.6% | +39.9% | |

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

Actual results for FYE December 31, 2024 (62nd business year) First Quarter

(units: 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 | 2,193 | 3.1 | +5.2 | 15.9 | 6. Environmental safety equipment | Environmental safety equipment total | 12,616 | 17.6 | +12.9 | 21.9 | |
| | ① Cutting tools | 1,167 | 1.6 | - | 11.7 | | ㉕ Protective equipment | 6,611 | 9.2 | - | 23.1 | |
| | ② Drilling and thread cutting tools | 1,025 | 1.4 | - | 20.6 | | ㉖ Safety goods | 2,974 | 4.1 | - | 24.7 | |
| 2. Production processing goods | Production processing goods total | 5,349 | 7.5 | +7.8 | 15.8 | | ㉗ Environment improvement goods | 529 | 0.7 | - | 18.9 | |
| | ③ Measurement equipment | 2,984 | 4.2 | - | 14.7 | | ㉘ Air conditioning goods | 1,019 | 1.4 | - | 13.1 | |
| | ④ Mechatronics | 1,049 | 1.5 | - | 15.5 | | ㉙ Disaster and crime prevention goods | 902 | 1.3 | - | 19.7 | |
| | ⑤ Tools for machine tools | 610 | 0.9 | - | 26.6 | | ㉚ Closets and exterior goods | 578 | 0.8 | - | 15.6 | |
| | ⑥ Electronic machinery | 704 | 1.0 | - | 11.2 | | 7. Distribution and storage equipment | Distribution and storage equipment total | 7,634 | 10.6 | +4.6 | 21.8 |
| 3. Construction goods | Construction goods total | 8,421 | 11.7 | +6.8 | 20.8 | | | ㉛ Loading goods | 2,169 | 3.0 | - | 16.7 |
| | ⑦ Hydraulic tools | 590 | 0.8 | - | 11.2 | | | ㉜ Conveyors | 252 | 0.4 | - | 15.9 |
| | ⑧ Pumps | 980 | 1.4 | - | 16.2 | ㉝ Transportation goods | | 2,867 | 4.0 | - | 22.1 | |
| | ⑨ Welding equipment | 760 | 1.1 | - | 16.2 | ㉞ Containers and vessels | | 1,162 | 1.6 | - | 27.3 | |
| | ⑩ Painting and interior goods | 725 | 1.0 | - | 25.9 | ㉟ Steel shelves | | 1,183 | 1.6 | - | 26.1 | |
| | ⑪ Civil engineering and building goods | 731 | 1.0 | - | 14.7 | 8. Research management equipment | Research management equipment total | 2,935 | 4.1 | +3.9 | 21.7 | |
| | ⑫ Ladders and stepladders | 1,043 | 1.5 | - | 21.8 | | ㊱ Tool wagons | 265 | 0.4 | - | 25.1 | |
| | ⑬ Piping and materials of electronic equipment | 1,310 | 1.8 | - | 22.0 | | ㊲ Storage and management goods | 368 | 0.5 | - | 28.3 | |
| | ⑭ Component, hardware, and building materials | 2,278 | 3.2 | - | 26.2 | | ㊳ Work benches | 459 | 0.6 | - | 30.3 | |
| | 4. Work supply | Work supply total | 12,866 | 17.9 | +5.6 | | 21.4 | ㊴ Stainless goods | 585 | 0.8 | - | 17.0 |
| ⑮ Cutting goods | | 397 | 0.6 | - | 21.8 | | ㊵ Research and development-related goods | 1,257 | 1.8 | - | 18.2 | |
| ⑯ Grinding and polishing goods | | 1,968 | 2.7 | - | 22.7 | 9. Office and housing facility equipment | Office and housing facility equipment total | 6,966 | 9.7 | +17.8 | 22.1 | |
| ⑰ Chemical products | | 6,779 | 9.5 | - | 20.4 | | ㊶ Cleaning utensils | 1,916 | 2.7 | - | 20.1 | |
| ⑱ Factory miscellaneous goods | | 1,173 | 1.6 | - | 16.0 | | ㊷ Stationery | 889 | 1.2 | - | 19.2 | |
| ⑲ Packing and binding goods | | 1,686 | 2.4 | - | 30.2 | | ㊸ Office miscellaneous goods | 894 | 1.2 | - | 26.3 | |
| ⑳ Casters | | 861 | 1.2 | - | 17.0 | | ㊹ Electric appliances | 1,136 | 1.6 | - | 22.3 | |
| 5. Hand tool | Hand Tools total | 12,448 | 17.4 | +10.9 | 18.4 | | ㊺ OA business machinery | 744 | 1.0 | - | 25.7 | |
| | ㉑ Electric power tools and accessories | 3,865 | 5.5 | - | 13.7 | | ㊻ Office furniture | 1,299 | 1.8 | - | 21.9 | |
| | ㉒ Pneumatic tools and accessories | 1,849 | 2.6 | - | 16.8 | | ㊼ Interior goods | 84 | 0.1 | - | 19.3 | |
| | ㉓ Tools for manual work | 6,109 | 8.5 | - | 20.9 | | 10. Others | ㊽ Entire company | 288 | 0.4 | +4.6 | 28.6 |
| | ㉔ Tool boxes | 624 | 0.9 | - | 28.1 | | | Total | 71,720 | 100.0 | +8.9 | 20.5 |

Points

Sales increased in product groups related to capital investment and factory operations

• **Office and housing facility equipment:**

YoY change +17.8%
Sales of office furniture and electrical appliances increased

• **Environmental safety equipment:**

YoY change +12.9%
Sales of disaster preparedness supplies and other items increased

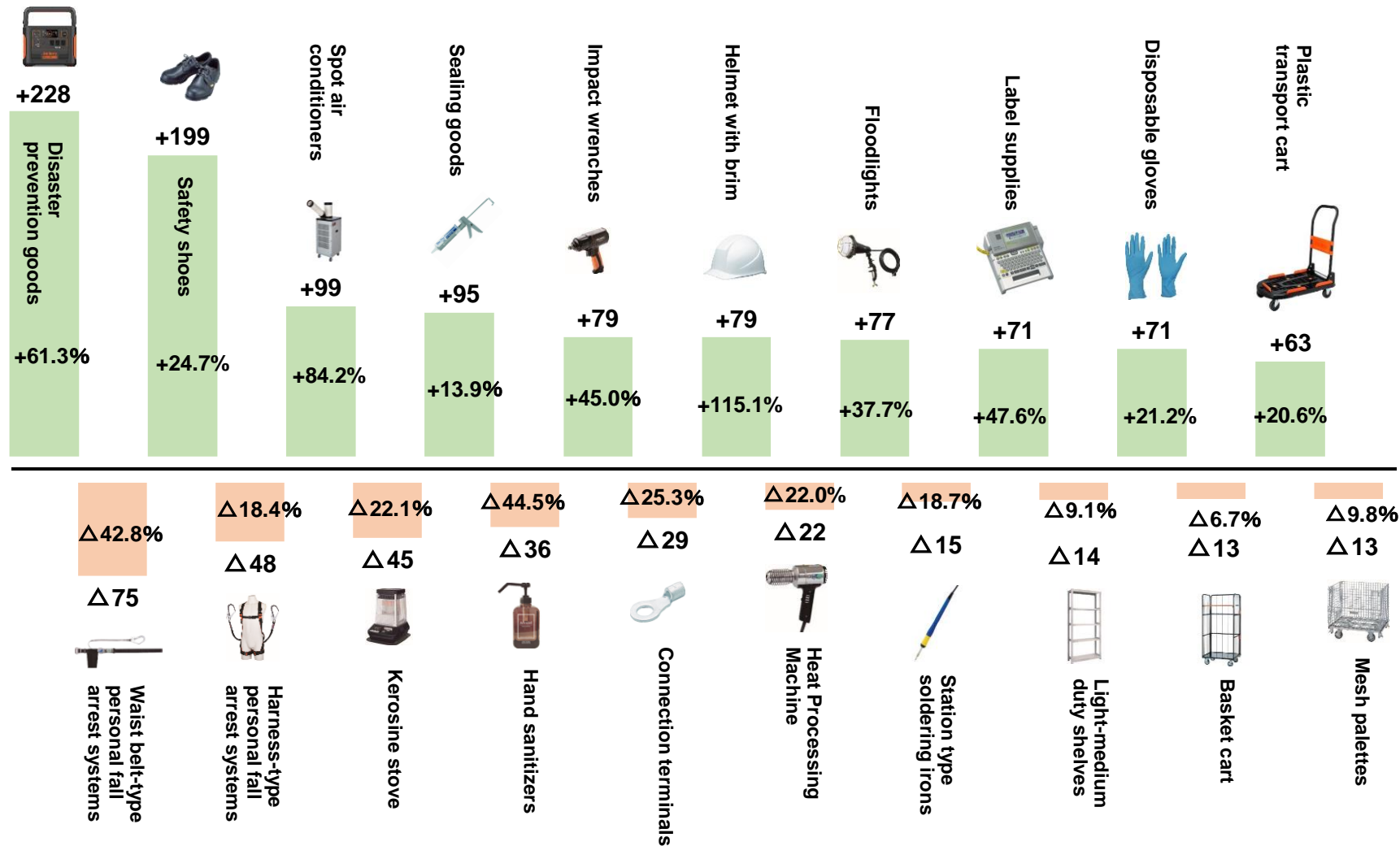
• **Hand tools**

YoY change +10.9%
Sales of power tools in particular increased

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

Actual results for FYE December 31, 2024 (62nd business year) First Quarter

(Unit: million yen, %)



Points



Sales of disaster prevention goods and safety shoes as well as spot air conditioners due to demand at the end of the fiscal year are also increasing.



On the other hand, sales of fall arrest systems due to changes to the law and kerosene stoves decreased due to the warm winter.

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

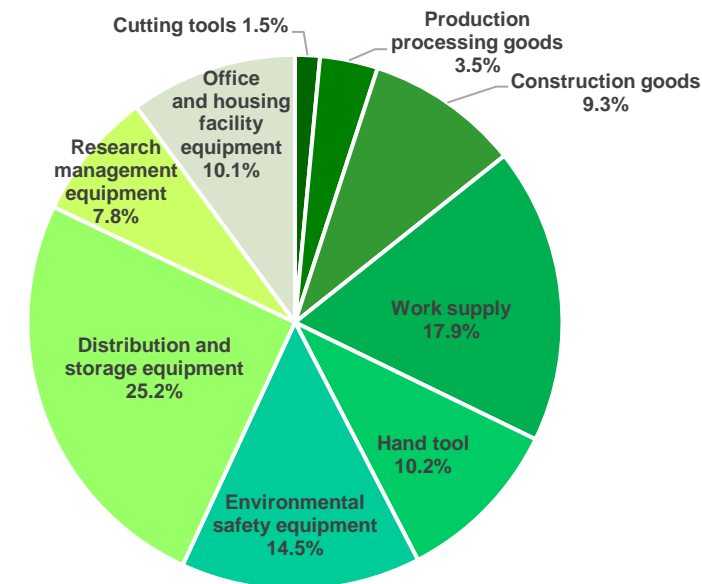
Although the sales composition of private brand Trusco products and national brand products is on a downward trend due to the difference in the speed of handling expansion, we are brushing up our efforts to expand private brand product sales.



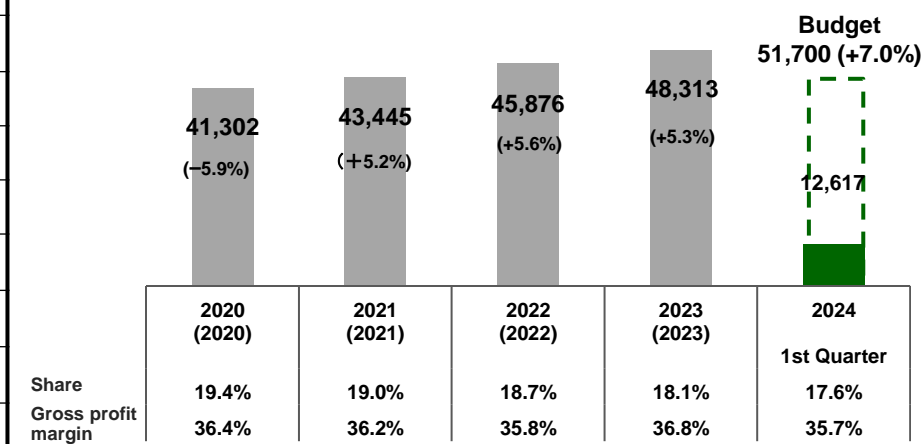
Sales by sales route and category of goods

| Sales route \ Category of goods | Entire company | | Factory | | e-business | | Home center | |
|---------------------------------------|---------------------|--------------|---------------------|--------------|---------------------|--------------|---------------------|--------------|
| | Share | 17.6% | Share | 17.9% | Share | 21.3% | Share | 4.3% |
| | Gross profit margin | 35.7% | Gross profit margin | 36.1% | Gross profit margin | 35.6% | Gross profit margin | 28.6% |
| | Net sales | YoY change | Net sales | YoY change | Net sales | YoY change | Net sales | YoY change |
| Total | 12,617 | +4.1% | 8,780 | +2.9% | 3,484 | +6.8% | 253 | -0.6% |
| Cutting tools | 194 | +2.3% | 139 | +2.4% | 33 | +6.2% | 16 | -11.1% |
| Production processing goods | 439 | +1.7% | 305 | -0.6% | 121 | +8.0% | 4 | +3.1% |
| Construction goods | 1,176 | +5.0% | 790 | +2.2% | 358 | +10.4% | 17 | +9.8% |
| Work supply | 2,263 | +6.0% | 1,716 | +4.9% | 505 | +9.9% | 22 | +4.7% |
| Hand tool | 1,284 | +6.7% | 885 | +5.1% | 350 | +11.6% | 29 | -0.5% |
| Environmental safety equipment | 1,834 | +8.5% | 1,320 | +8.5% | 477 | +11.0% | 30 | -21.0% |
| Distribution and storage equipment | 3,170 | +2.1% | 2,141 | +0.7% | 891 | +4.5% | 120 | +1.7% |
| Research management equipment | 984 | -2.2% | 656 | -2.9% | 310 | -3.3% | 4 | +201.9% |
| Office and housing facility equipment | 1,268 | +2.6% | 825 | +1.4% | 434 | +5.0% | 6 | +15.7% |

Private brand product share in net sales as of the end of March 31, 2024



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

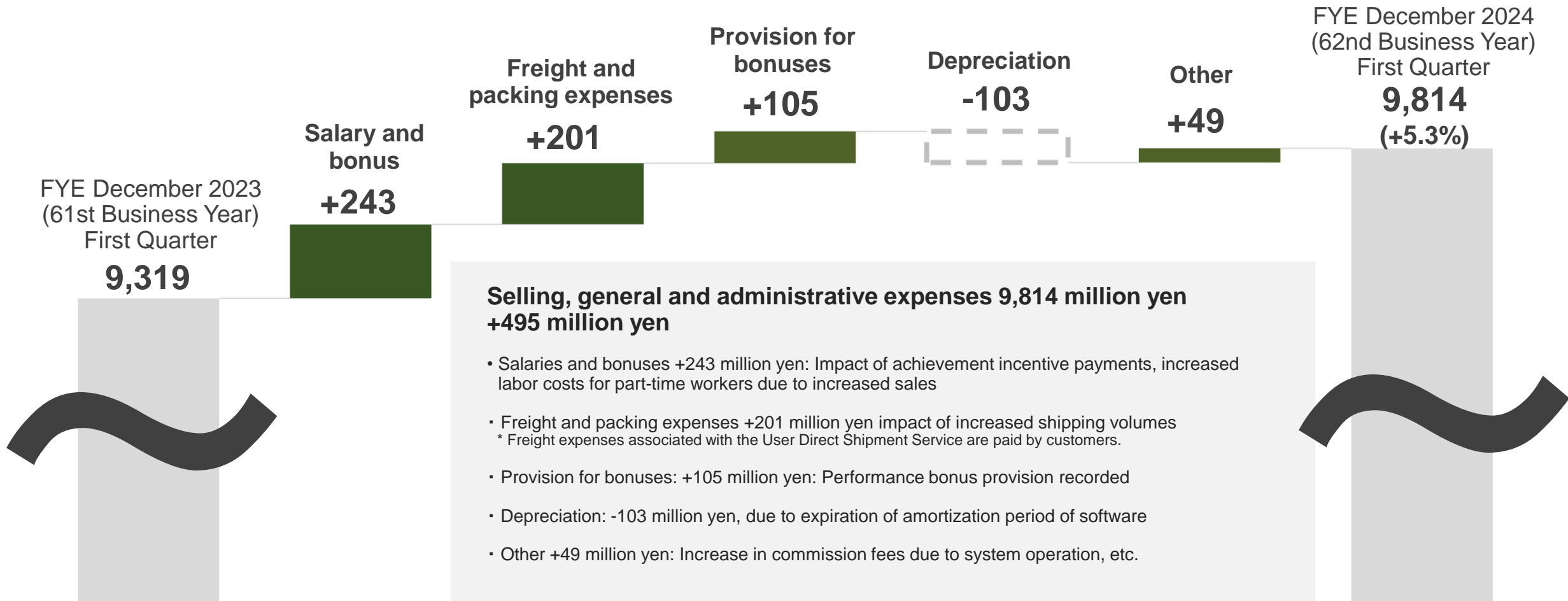
[Consolidated] Quarterly business performance and budget (quarterly)

[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 achievement incentives, while selling, general and administrative expenses increased by 5.3% year on year due to decreases in depreciation, etc.

(Unit: million yen) () YoY change



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

(Unit: million yen)

| No. | FYE December 31, 2023 (61st business year) | | FYE December 2024 (62nd Business Year) First Quarter | | | | 2024 (62nd 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 | 13,451 | 5.0% | 2,725 | 3.8% | +243 | +9.8% | 14,189 | +5.5% |
| 2 | Freight and packing expenses | 8,261 | 3.1% | 2,154 | 3.0% | +201 | +10.3% | 8,836 | +7.0% |
| 3 | Depreciation | 6,206 | 2.3% | 1,441 | 2.0% | -103 | -6.7% | 6,296 | +1.5% |
| 4 | Provision for bonuses | 683 | 0.3% | 812 | 1.1% | +105 | +15.0% | 499 | -27.0% |
| 5 | Commission fee | 2,504 | 0.9% | 659 | 0.9% | +6 | +0.9% | 2,992 | +19.5% |
| 6 | Welfare expense | 2,553 | 1.0% | 622 | 0.9% | +25 | +4.2% | 2,627 | +2.9% |
| 7 | Taxes and dues | 1,372 | 0.5% | 350 | 0.5% | +26 | +8.2% | 1,391 | +1.4% |
| 8 | Advertising expenses | 587 | 0.2% | 163 | 0.2% | -12 | -7.3% | 594 | +1.1% |
| 9 | Promotion expenses | 252 | 0.1% | 155 | 0.2% | +12 | +8.9% | 256 | +1.2% |
| 10 | Traveling expenses and transportation expenses | 564 | 0.2% | 139 | 0.2% | +12 | +9.9% | 589 | +4.4% |
| 11 | Utilities expenses | 473 | 0.2% | 121 | 0.2% | -43 | -26.3% | 565 | +19.3% |
| 12 | Supplies expenses | 532 | 0.2% | 107 | 0.1% | -16 | -13.4% | 628 | +18.0% |
| 13 | Communication expenses | 424 | 0.2% | 104 | 0.1% | +2 | +2.3% | 427 | +0.7% |
| 14 | Remuneration paid to directors | 442 | 0.2% | 77 | 0.1% | +3 | +4.6% | 429 | -3.1% |
| 15 | Leasehold and office rents | 347 | 0.1% | 71 | 0.1% | -17 | -19.6% | 304 | -12.5% |
| 16 | Vehicle expenses | 284 | 0.1% | 68 | 0.1% | -0 | -1.1% | 283 | -0.4% |
| 17 | Entertainment expenses | 139 | 0.1% | 14 | 0.0% | +5 | +68.3% | 69 | -50.5% |
| 18 | Other | -77 | -0.0% | 23 | 0.0% | +43 | - | 174 | - |
| Total | | 39,003 | 14.5% | 9,814 | 13.6% | +495 | +5.3% | 41,150 | +5.5% |

[Consolidated] Financial statements and financial indicators

Balance Sheet

FYE December 31, 2024 (62nd business year) First Quarter (unit: million yen)

| Item | Amount | Item | Amount |
|---|----------------|--|----------------|
| Assets | | Liabilities | |
| Current assets | | Current liabilities | |
| Cash and deposits | 39,921 | Accounts payable - trade | 24,136 |
| Accounts receivable | 37,325 | Short-term borrowings | 10,000 |
| Electronically recorded monetary claims - operating | 2,375 | Long-term borrowings scheduled to be repaid within one year | 8,500 |
| Merchandise | 52,193 | Accounts payable - other | 4,632 |
| Other | 747 | Income taxes payable | 1,423 |
| Allowance for doubtful accounts | -1 | Provision for bonuses | 818 |
| Total current assets | 132,562 | Provision for bonuses for directors (and other officers) | 33 |
| Non-current assets | | Other | 2,203 |
| Property, plant and equipment | | Total current liabilities | 51,746 |
| Buildings (net amount) | 45,429 | Non-current liabilities | |
| Machinery and equipment (net amount) | 6,262 | Long-term borrowings | 31,500 |
| Tools, furniture and fixtures (net amount) | 1,233 | Provision for retirement benefits for directors (and other officers) | 151 |
| Land | 38,952 | Long-term guarantee deposits | 2,758 |
| Construction in progress | 14,589 | Other | 2 |
| Other (net amount) | 1,836 | Total non-current liabilities | 34,411 |
| Total tangible non-current assets | 108,304 | Total liabilities | 86,158 |
| Intangible assets | | Net assets | |
| Software | 3,627 | Shareholders' equity | |
| Other | 998 | Capital stock | 5,022 |
| Total intangible non-current assets | 4,625 | Capital surplus | 4,711 |
| Investments and other assets | | Retained earnings | 152,263 |
| Investment securities | 2,822 | Treasury shares | -82 |
| Deferred tax assets | 311 | Total shareholders' equity | 161,914 |
| Deferred tax assets for land revaluation | 155 | Accumulated other comprehensive income | |
| Other | 538 | Valuation difference on available-for-sale securities | 836 |
| Allowance for doubtful accounts | -135 | Revaluation reserve for land | -353 |
| Total investments and other assets | 3,692 | Foreign currency translation adjustment | 629 |
| Total non-current assets | 116,623 | Accumulated other comprehensive income total | 1,112 |
| | | Total net assets | 163,027 |
| Total assets | 249,185 | Liabilities / Total net assets | 249,185 |

Statement of cash flows

(Unit: million yen)

| | FYE December 2023 (61st Business Year) First Quarter | FYE December 2024 (62nd Business Year) First Quarter | Change |
|---|--|--|--------|
| Cash flows from operating activities | 4,390 | 1,483 | -2,907 |
| Cash flows from investing activities | -3,870 | -3,116 | 754 |
| Cash flows from financing activities | -1,546 | -1,545 | 1 |
| Effect of exchange rate change on cash and cash equivalents | 27 | 13 | -14 |
| Net increase (decrease) in cash and cash equivalents | -998 | -3,164 | -2,165 |
| Cash and cash equivalents at beginning of period | 39,400 | 43,085 | 3,684 |
| Cash and cash equivalents at end of period | 38,402 | 39,921 | 1,519 |

Equity ratio

| | FYE December 31, 2023 (61st business year) | FYE December 2024 (62nd Business Year) First Quarter | Change (pt) |
|--------------|---|---|-------------|
| Equity ratio | 65.6% | 65.4% | -0.2 |

Other financial indicators

| | FYE December 31, 2022 (60th business year) | FYE December 31, 2023 (61st business year) | 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.

We promote "Ownership Management," believing that owning our own distribution centers, branch office buildings, data centers, and vehicles, which are the main arteries of corporate management, will bring the greatest benefits.

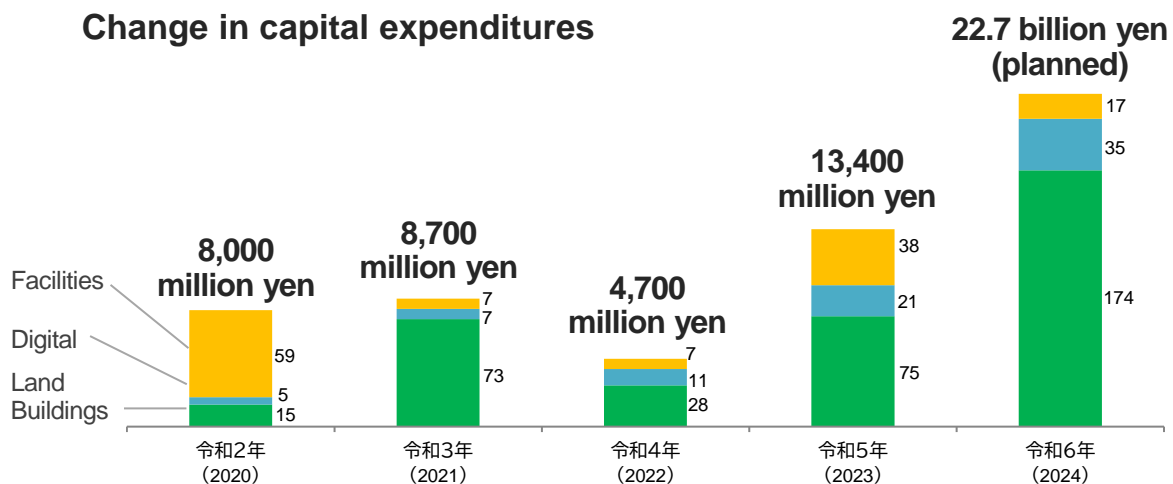
[Consolidated] Capital expenditures

Actual and major capital expenditures

(Unit: million yen)

| Details of major capital expenditures in 2024 | | Main capital investments in the first quarter | Actual investment in FY 2024 first quarter total | 2024 Investment plan |
|---|---|---|--|----------------------|
| | | | | |
| Facilities | Planet Saitama “Skypod” introduced (total investment amount: approx. 1,000 million yen) | 360 | 441 | 1,709 |
| Digital | Enhancement of product database “Sterra” (Planned total investment amount: approx. 1,300 million yen) | 118 | 477 | 3,596 |
| Land Buildings | Planet Aichi new construction project (Planned total investment amount: approx. 18,100 million yen) | 3,872 | 4,230 | 17,445 |
| | Kita-Nagoya City employee dormitory site | 145 | | |
| | Planet Saitama tent warehouse construction (total planned investment: approx. 500 million yen) | 128 | | |
| Capital expenditures | | | 5,148 | 22,750 |

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 62nd business year (2024) represent values on a cash-out basis.

<Regarding depreciation expenses>

- Depreciation after the operation of Planet Aichi (total investment of 30,000 million yen) and Planet Niigata (total investment of 18,000 million yen) in the 64th business year (2026) is expected to be approximately JPY 10,000 million yen in the 65th business year (2027).

[Consolidated] Quarterly business performance and budget (quarterly)

FYE December 31, 2024 (62nd business year) First Quarter [Quarterly]

(Unit: million yen)

| | | First quarter (-2 days) | | | Second quarter (± 0 days) | | | Third quarter (± 0 days) | | | Fourth quarter (+ 1 day) | | |
|--|----------------|---------------------------|-------|------------|---------------------------|-------|------------|--------------------------|-------|------------|--------------------------|-------|------------|
| | | Budget and actual results | 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 | 71,921 | 100.0 | +9.0 | - | - | - | - | - | - | - | - | - |
| 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 | 14,811 | 20.6 | +11.9 | - | - | - | - | - | - | - | - | - |
| 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 | 9,814 | 13.6 | +5.3 | - | - | - | - | - | - | - | - | - |
| 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 | 4,997 | 6.9 | +27.6 | - | - | - | - | - | - | - | - | - |
| 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 | 5,065 | 7.0 | +27.5 | - | - | - | - | - | - | - | - | - |
| 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 | +56.3 |
| | Actual results | 3,512 | 4.9 | +31.3 | - | - | - | - | - | - | - | - | - |

[Consolidated] Quarterly business performance and budget (cumulative)

FYE December 31, 2024 (62nd business year) First Quarter [Cumulative]

(Unit: million yen)

| | | First quarter (-2 days) | | | Second quarter (-2 days) | | | Third quarter (-2 days) | | | Full year (-1 day) | | |
|--|----------------|---------------------------|-------|------------|--------------------------|-------|------------|-------------------------|-------|------------|--------------------|-------|---------------------|
| | | Budget and actual results | Share | YoY change | Budget | Share | YoY change | Budget | Share | YoY change | Budget | Share | Year-on-year 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 | 71,921 | 100.0 | +9.0 | - | - | - | - | - | - | - | - | - |
| 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 | 14,811 | 20.6 | +11.9 | - | - | - | - | - | - | - | - | - |
| 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 | 9,814 | 13.6 | +5.3 | - | - | - | - | - | - | - | - | - |
| 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 | 4,997 | 6.9 | +27.6 | - | - | - | - | - | - | - | - | - |
| 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 | 5,065 | 7.0 | +27.5 | - | - | - | - | - | - | - | - | - |
| 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 | +20.1 |
| | Actual results | 3,512 | 4.9 | +31.3 | - | - | - | - | - | - | - | - | - |

05

Management Plan

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

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

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. (For reference, inventory valuation gains in the previous fiscal year were approximately 2,300 million yen.)

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 | FYE December 31, 2024 (62nd business year) plan | 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 owners of parent | 12,268 million yen | 4.6% | 14,740 million yen | 5.2% | +20.1% |
| Dividend per share | 46.50 yen | – | 49 yen | – | +2.5 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 | Plan for FYE December 31, 2024 (62nd business year) | 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% |
| Total | 268,154 million yen | 100.0% | +8.8% | 284,710 million yen | 100.0% | +6.2% |

◆ Regarding budget formulation, the net sales 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.

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 at end of 2023 was 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)

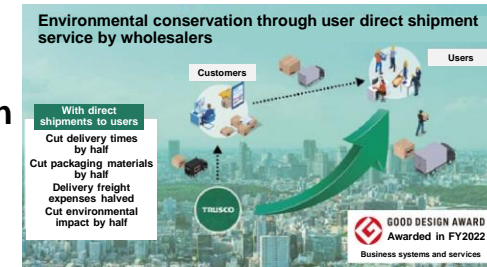
TRUSCO

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 simplifying the closing of 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 direct shipments to users
Net sales target: 35,600 million yen
Target number of shipments: 6.2 million



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.

All figures are FY 2023 actual results

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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)
Cut environmental impact by half
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.

06

Various key indicators

Merchandise

Logistics

Sales

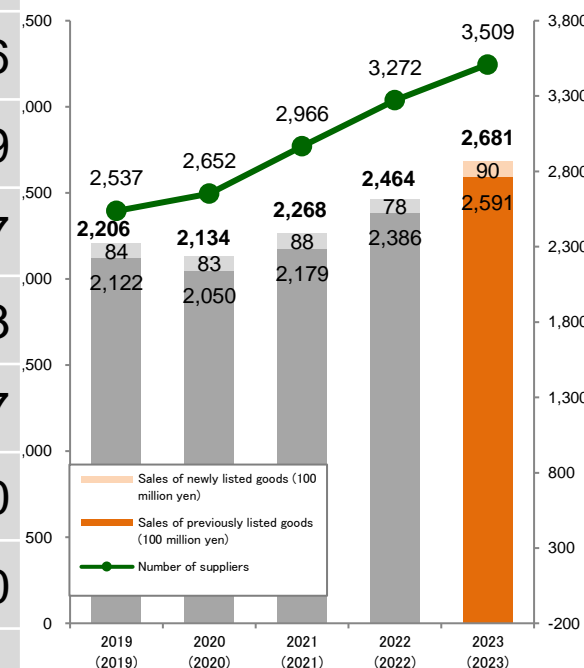
Digital

Human resources

Key indicators (goods)

| Key indicators | | FYE December 31, 2023 (61st business year) | FYE December 2024 (62nd Business Year) First Quarter | Plan for FYE December 31, 2024 (62nd business year) |
|----------------|---|---|--|---|
| Merchandise | Number of items in inventory | 593,554 | 599,237 | 625,000 |
| | Total inventory (10,000) [Non-consolidated] | 5,693 | 5,694 | 5,900 |
| | Inventories (100 million yen) | 508 | 507 | 546 |
| | Total number of suppliers | 3,509 | 3,550 | 3,709 |
| | Of these, number of overseas suppliers (companies) | 337 | 340 | 357 |
| | New inventory sales (million yen) | 12,161 | 833 | 13,513 |
| | New merchandise sales composition ratio (last 3 years) (%) | 13.2 | - | 13.7 |
| | Private brand net sales (million yen) | 48,313 | 12,617 | 51,700 |
| | Number of items listed in Trusco Orange Book* (items) | 369,000 | - | 388,000 |
| | No. of items featured on Trusco Orange Book.Com (Free site) (Items) | 4,108,818 | 4,372,318 | 5,400,000 |

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

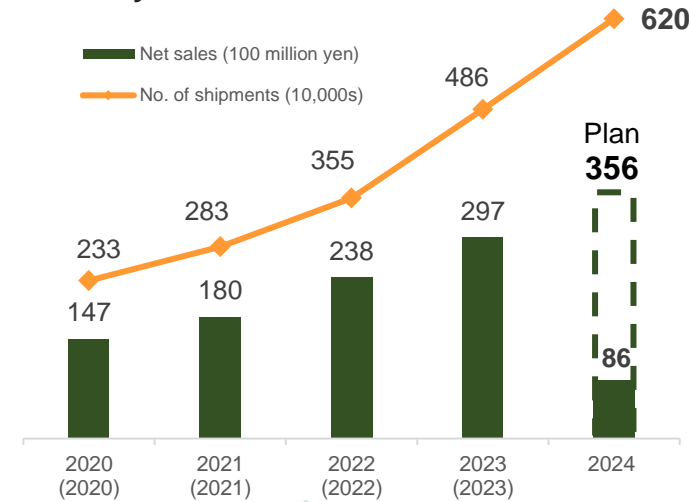


* Includes the number of QR code scans to visit Trusco Orange Book.Com

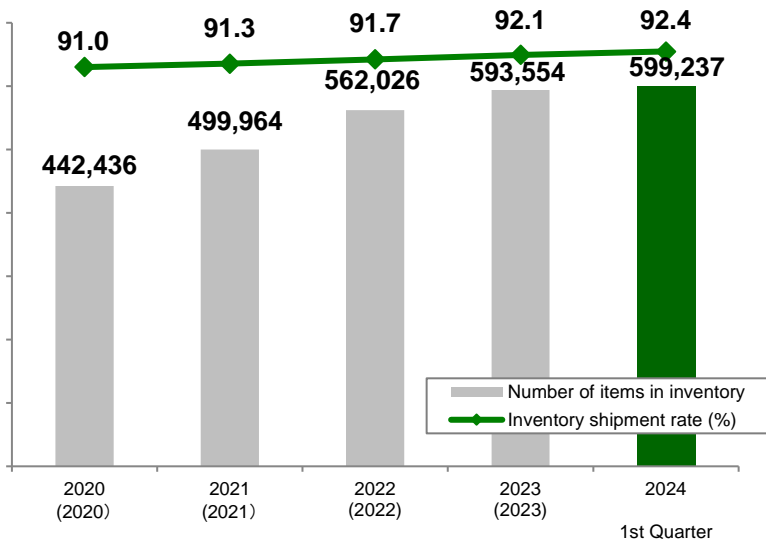
Key indicators (logistics)

| Key indicators | | FYE December 31, 2023 (61st business year) | FYE December 2024 (62nd Business Year) First Quarter | Plan for FYE December 31, 2024 (62nd business year) |
|----------------|---|---|--|---|
| Logistics | Inventory shipment rate (%) | 92.1 | 92.4 | 92.5 |
| | No. of direct shipments to users (10,000s) | 486 | 136 | 620 |
| | No. of direct shipments to users (10,000s) | 598 | 166 | 760 |

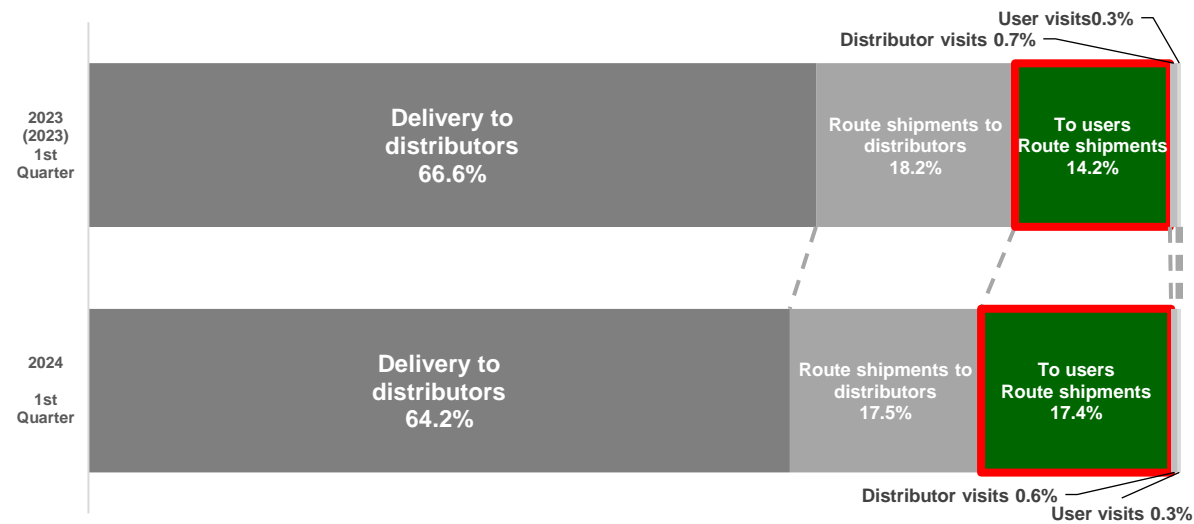
Changes in the number of direct delivery to users and sales



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



Share by Delivery Category (by number of shipments)



-Advantages of Yuchoku-

- 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, 2023 (61st business year) | FYE December 2024 (62nd Business Year) First Quarter | Plan for FYE December 31, 2024 (62nd business year) |
|----------------|---|---|---|--|
| Logistics | Number of chartered vehicle deliveries | 153 | 153 | 137 |
| | Number of own company deliveries | 123 | 123 | 140 |
| | Rate of own company deliveries (%) | 44.6 | 44.6 | 50.5 |
| | Delivery lead time * | 19 hours 13 minutes 43 seconds | 19 hours 51 minutes 59 seconds | — |
| | Labor cost per incoming/outgoing shipment | 117 | 120 | 115 |

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

Delivery service and internal transportation service: Number of units: First quarter of December 2024 (62nd business year)

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

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.

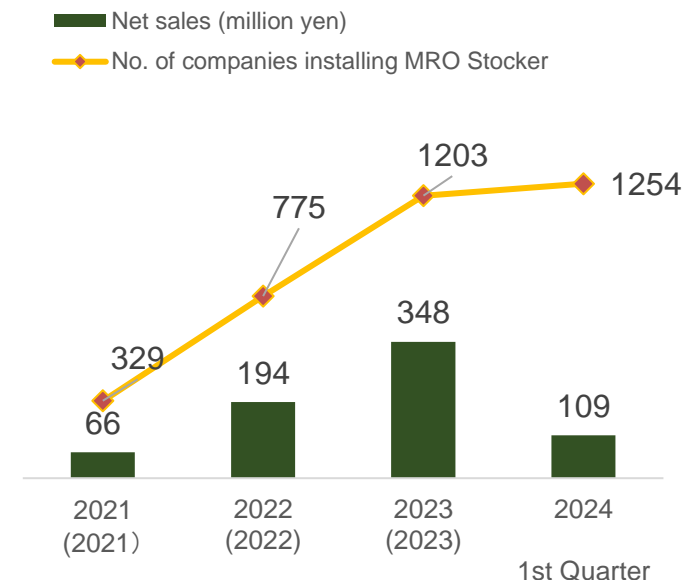
[Non-consolidated] Changes in inventory disposal and inventories

| | 2019 (57th business year) | 2020 (58th business year) | 2021 (59th business year) | 2022 (60th business year) | 2023 (61st business year) |
|----------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| 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 |

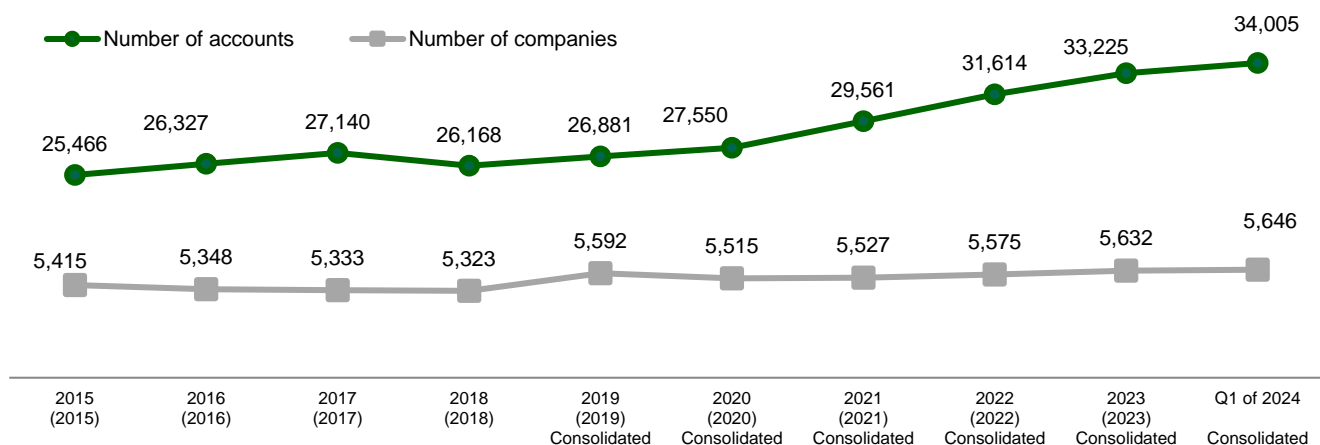
Key indicators (sales)

| Key indicators | | FYE December 31, 2024 (61st business year) | FYE December 2024 (62nd Business Year) First Quarter | Plan for FYE December 31, 2024 (62nd business year) |
|----------------|---|---|--|---|
| Sales | Number of corporate clients | 5,632 | 5,646 | 5,680 |
| | Number of client accounts | 33,225 | 34,005 | 34,700 |
| | No. of companies adopting MRO Stocker | 1,203 | 1,254 | 1,430 |
| | No. of companies connected to Orange Commerce | 2,447 | 2,506 | 2,670 |
| | Number of sales (millions) | 228 | 57 | 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 pcs 36

Key indicators (digital)

| Key indicators | | FYE December 31, 2023 (61st business year) | FYE December 31, 2024 (62nd business year) First quarter | FYE December 31, 2024 (62nd business year) plan |
|----------------|---------------------------------------|---|--|--|
| Digital | System order rate (%) *1 | 87.1 | 87.6 | 88.0 |
| | Rate of automated quotations (%) *2 | 27.6 | 30.3 | 31.0 |
| | Rate of online quotation requests (%) | 47.3 | 50.5 | 49.0 |

*1 Total number of orders (January-March 2024): 10.47 million

*2 Total number of quotations (January-March 2024): 2.21 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.

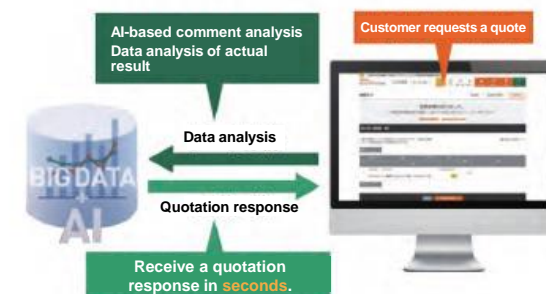
System order rate (as of the end of March 2024)

| 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) | 4,030 | 38.5% | -0.4 | 30,992 | 43.2% | +0.6 |
| Trusco EDI Data linkage with distributor ordering system | 2,532 | 24.2% | +2.0 | 10,490 | 14.6% | +1.1 |
| Orange Commerce Linkage with users' purchasing system | 303 | 2.9% | +0.2 | 2,427 | 3.4% | +0.4 |
| EOS Home center electronic ordering system | 2,309 | 22.0% | +0.1 | 5,356 | 7.5% | +0.3 |
| Total | 9,175 | 87.6% | +1.9 | 49,268 | 68.7% | +1.9 |

AI-based estimation system "Swift Estimator"

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).



Key indicators (human resources)

Number of Employees [Consolidated]

As of end of March 31, 2024 (Unit: persons)

| | Female | Male | Total | YoY change |
|---|--------|-------|-------|------------|
| Executives | 1 | 11 | 12 | ±0 |
| Executive officers | 0 | 5 | 5 | +5 |
| Career (overseas and domestic) | 144 | 387 | 531 | -14 |
| Digital career | 0 | 0 | 0 | ±0 |
| Logistics career | 0 | 1 | 1 | +1 |
| Carrier (regional) | 23 | 20 | 43 | +29 |
| Specialist | 10 | 13 | 23 | -4 |
| Area | 288 | 285 | 573 | -28 |
| Expert | 2 | 0 | 2 | +2 |
| Logistics area | 2 | 28 | 30 | +3 |
| Logistics | 95 | 260 | 355 | +30 |
| Contract employees | 1 | 48 | 49 | +11 |
| Overseas subsidiaries | 19 | 25 | 44 | ±0 |
| Seconded to health insurance association | 2 | 0 | 2 | ±0 |
| Seconded to Nakayama Visually Impaired Welfare Foundation | 0 | 1 | 1 | ±0 |
| Employee total | 586 | 1,073 | 1,659 | +35 |
| Part-time employees | 1,015 | 375 | 1,390 | +63 |
| Total | 1,602 | 1,459 | 3,061 | +98 |

Share of female employees: 35.3%, Number of female sales staff members: 44, Female employees in career-track positions: 29.0%

* 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 | All sales routes |
| 2023 (2023) | 33.2 | 43.4 | 39.9 | 775 | 627 | 526 | 662 |
| 2022 (2022) | 33.0 | 43.4 | 39.8 | 771 | 633 | 494 | 661 |
| 2021 (2021) | 32.8 | 43.2 | 39.6 | 724 | 596 | 456 | 615 |
| 2020 (2020) | 32.1 | 41.9 | 38.4 | 721 | 601 | 461 | 619 |
| 2019 (2019) | 31.3 | 42.0 | 38.2 | 758 | 642 | 492 | 655 |

* Average annual income includes executive officers and retirement benefits. Amount excluding "Financial Bonds."

*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]

| | 2020 (2020) | | 2021 (2021) | | 2022 (2022) | | 2023 End of December 2023 | | End of March 2024 | |
|---------------------------|-------------|-------|-------------|-------|-------------|-------|---------------------------|-------|-------------------|-------|
| | Female | Male | Female | Male | Female | Male | Female | Male | Female | Male |
| No. of employees | 589 | 1,085 | 571 | 1,061 | 577 | 1,062 | 589 | 1,072 | 586 | 1,073 |
| | 1,674 | | 1,632 | | 1,639 | | 1,661 | | 1,659 | |
| No. of incoming employees | 41 | 46 | 26 | 25 | 47 | 51 | 59 | 64 | 59 | 53 |
| | 87 | | 51 | | 98 | | 123 | | 112 | |
| No. of outgoing employees | 37 | 33 | 45 | 45 | 39 | 44 | 49 | 49 | 10 | 20 |
| | 70 | | 90 | | 83 | | 98 | | 30 | |
| Turnover ratio (%) | 5.9 | 3.0 | 7.3 | 4.1 | 6.3 | 4.0 | 7.7 | 4.4 | 1.7 | 1.8 |
| | 4.0 | | 5.2 | | 4.8 | | 5.6 | | 1.8 | |

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 25 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.



"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**

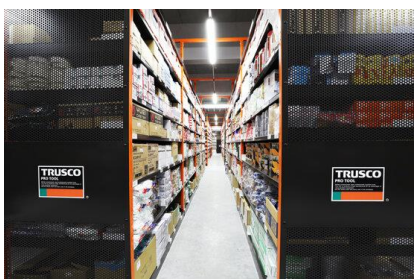
CO₂ emissions in the supply chain (Scope 3*) **1,791,867t-CO₂** * Only Scope 3 results are for 2022.

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"

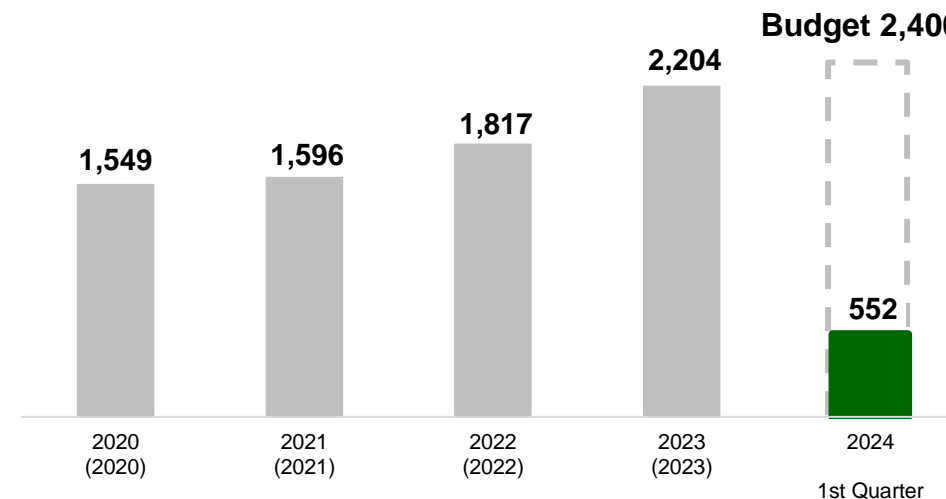
It is a service that maintains the safety and precision essential for pro tools, and aims to reduce the environmental impact and contribute to cost reduction by allowing familiar tools and equipment to be used for a long time. In January 2022, the Company will relaunch its Naojiro section to popularize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

08

Reference Information

Stock information

Index comparison in the industry

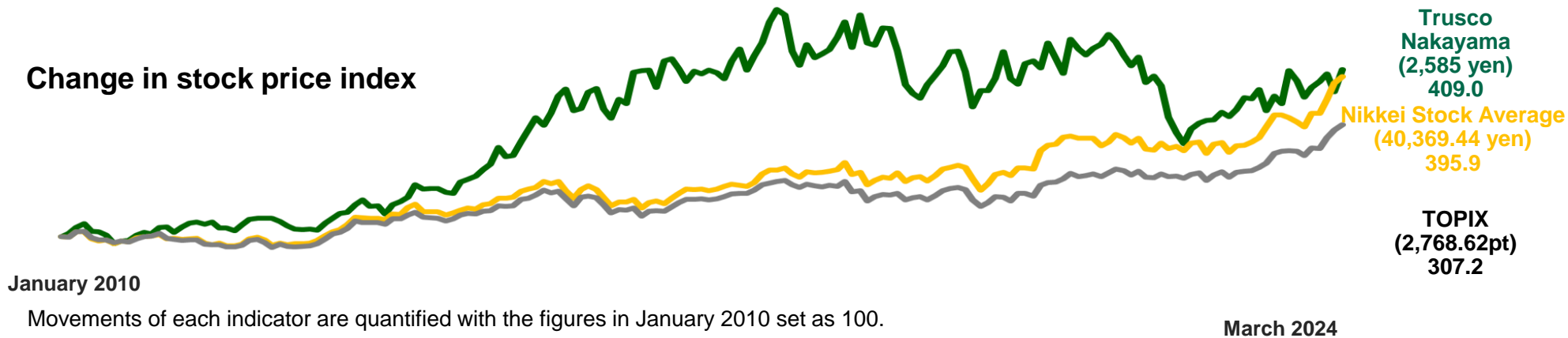
The Company's sales index and industrial
production index

Stock information

Shareholder Information (Unit: persons)

| | 2021 (2021) End of June | 2021 (2021) End of December | 2022 (2022) End of June | 2022 (2022) End of December | 2023 (2023) End of June | 2023 (2023) End of December |
|---|-------------------------------|-----------------------------------|-------------------------------|-----------------------------------|-------------------------------|-----------------------------------|
| 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



Friday, April 19, 2024

The Company's Stock Closing price 2,374 yen

Nikkei Stock Average Closing Price 37,068.35 yen

TOPIX 2,626.32pt

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) | | Market capitalization (100 million yen) |
|-----------------------------|------|---------------|----------------|-------------------------|---------------------|---|
| | | | | | Year-on-year change | |
| YAMAZEN CORPORATION | 2023 | March | Actual results | 527,263 | +5.1 | 1,248 |
| YUASA TRADING CO.,LTD. | 2023 | March | Actual results | 504,806 | +9.1 | 1,171 |
| Trusco Nakayama Corporation | 2023 | December | Actual results | 268,154 | +8.8 | 1,567 |
| NICHIDEN Corporation | 2023 | March | Actual results | 131,609 | +6.2 | 745 |
| MARUKA FURUSATO CORPORATION | 2023 | December | Actual results | 172,980 | +6.5 | 522 |
| Naito & Co., Ltd. | 2024 | February | Actual results | 44,064 | -0.9 | 79 |
| SUGIMOTO & CO., LTD. | 2023 | March | Actual results | 45,558 | +5.7 | 243 |
| Total of 7 companies | | | | 1,694,434 | - | - |

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.

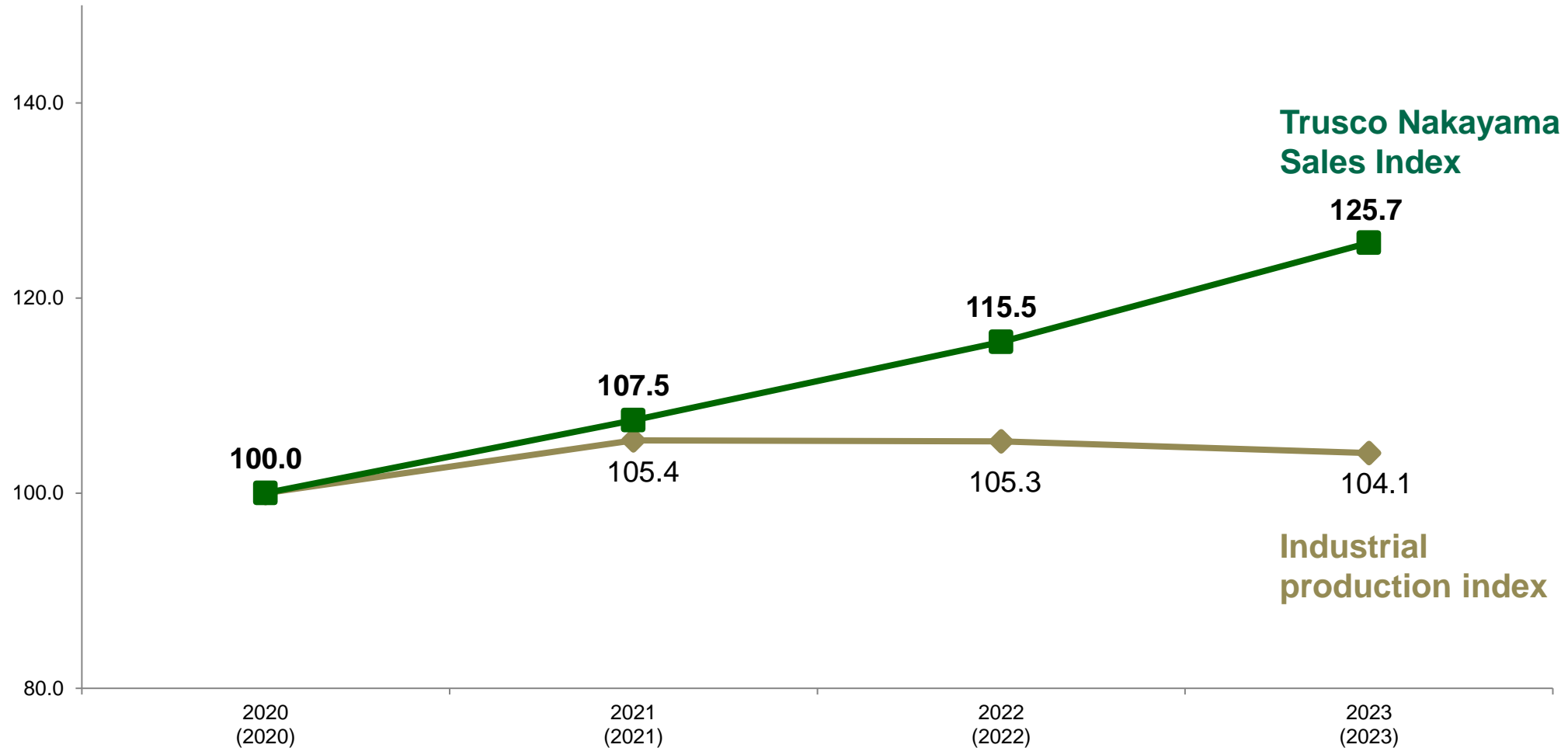
[Retail]

| | | Closing month | | Net sales (million yen) | | Market capitalization (100 million yen) |
|-----------------------------|------|---------------|----------------|-------------------------|---------------------|---|
| | | | | | Year-on-year change | |
| MISUMI Group Inc. | 2023 | March | Actual results | 373,151 | +1.9 | 6,202 |
| MonotaRO Co.,Ltd. | 2023 | December | Actual results | 254,286 | +12.5 | 9,402 |
| 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 April 19, 2024.
- * Market capitalization is based on the closing price on April 19, 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.