

# The 60th Business Year Business Performance Data Analysis

## Fiscal Year Ending December 2022 Second Quarter

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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.

# Company overview

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 (to be opened by the end of 2022), Thailand)
Capital stock	5,022,370,000 yen
Listed stock exchange	First section of the Tokyo Stock Exchange (Code number: 9830)
Number of employees	3,006 [Consolidated]
Credit rating	A (Rating and Investment Information, Inc.)
Line of business	Wholesaler of industrial equipment such as machine tools, distribution equipment and environmental safety equipment (and consumables used in factories) and planning and development of products under the company's own brand, TRUSCO

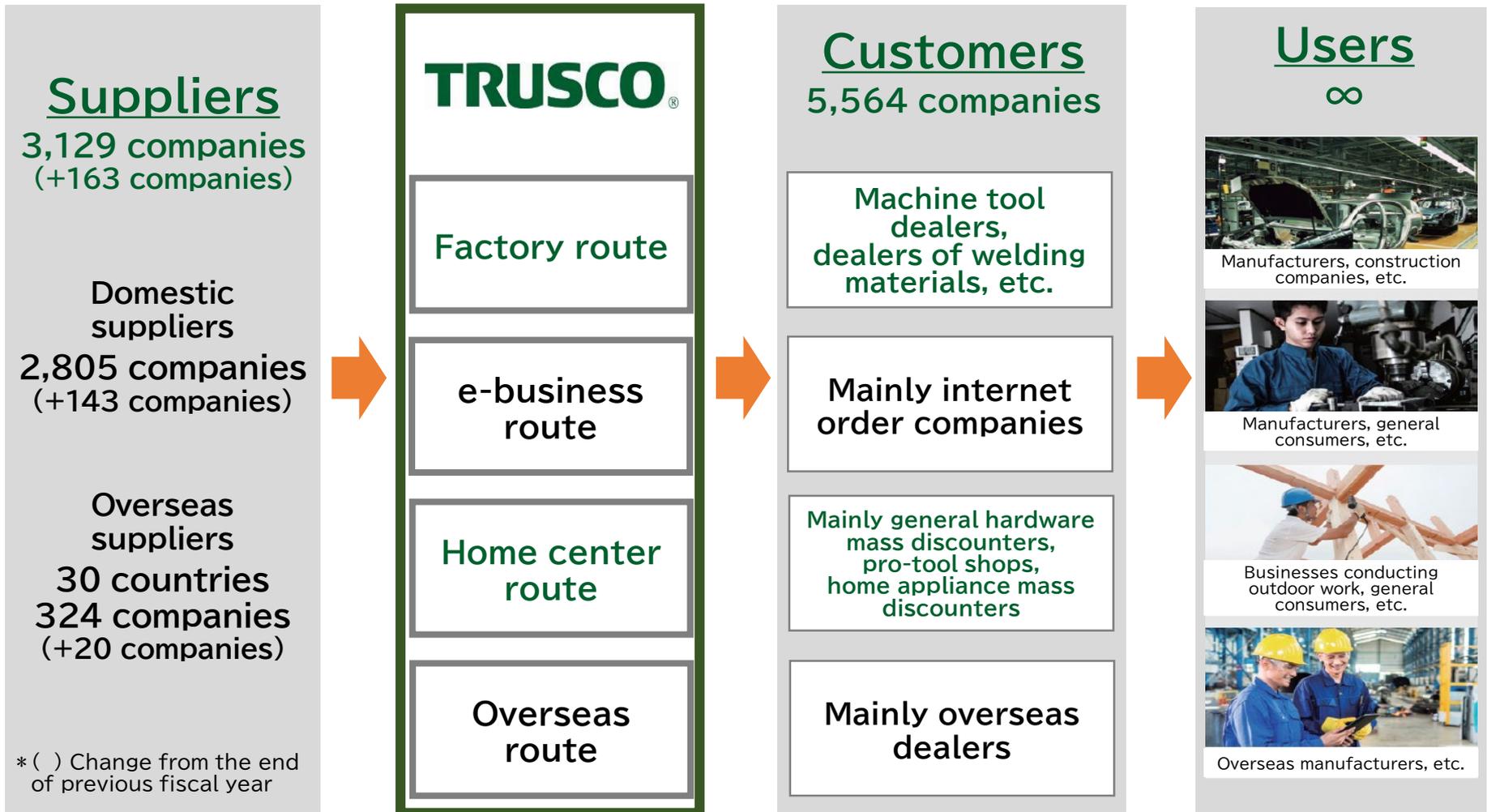
## ■ Corporate message

# GAMBARE!!

# JAPANESE MONODZUKURI

# Business flow

We are a specialized trading company that purchases professional tools from our suppliers and sells them to machine tool dealers, internet order companies, general hardware mass discounters, and other customers. Through us, professional tools can be delivered quickly, smoothly, and reliably to manufacturing sites throughout Japan. We are committed to wholesale and have established a unique business model that improves convenience for our customers, suppliers, and users.





# A. Company-wide Business Performance

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# A-1. Accounting highlights

## ■ Performance in the first half of the fiscal year

- Opportunity loss was reduced by continuously expanding inventories amid rising resource prices and increasing shortages of products.
- The user direct delivery service was enhanced, and orders were consolidated.
- Selling, general and administrative expenses increased due to the payment of approximately 500 million yen in temporary bonuses to support the livelihoods of employees

## ■ Outlook for the second half of the fiscal year

- Reduce expenses throughout the company to restrain rise in selling, general and administrative expenses
- Forecast to achieve budget without revising full-year budget

## ■ [Reference] Competitors Year-on-year sales comparison

	FYE March 31, 2020	FYE March 31, 2021	FYE March 31, 2022
Company A	Δ10.3%	Δ7.9%	+15.4% ※2
Company B	Δ0.5%	Δ12.0%	+7.1% ※2
Company C	Δ9.8%	Δ8.5%	+20.6%
	FYE December 31, 2019	FYE December 31, 2020	FYE December 31, 2021
TRUSCO	+3.0% ※1	Δ3.3%	+7.5%

\*1 Reference value due to start of consolidation \*2 Reference value due to change in accounting policy

## A-2. [Consolidated] Business performance

	FYE December 31, 2021 Full Year		FYE December 31, 2022 Second Quarter			FYE December 31, 2022 Full Year	
	Actual results	Rate	Actual results	Rate	YoY change	Forecast	Year-on-year change
Net sales	226,833 million yen	–	120,683 million yen	–	+7.1%	243,500 million yen	+7.3%
Gross profit	47,670 million yen	21.0%	25,379 million yen	21.0%	+4.2%	51,720 million yen	+8.5%
Selling, general and administrative expenses (SGA)	34,673 million yen	15.3%	19,445 million yen	16.1%	+14.0%	37,470 million yen	+8.1%
(depreciation included in SGA)	6,929 million yen	3.1%	3,351 million yen	2.8%	△1.9%	6,853 million yen	△1.1%
Operating income	12,997 million yen	5.7%	5,933 million yen	4.9%	△18.8%	14,250 million yen	+9.6%
Ordinary income	13,555 million yen	6.0%	6,147 million yen	5.1%	△20.3%	14,600 million yen	+7.7%
Profit attributable to owners of parent	11,596 million yen	5.1%	4,250 million yen	3.5%	△19.1%	9,960 million yen	△14.1%
Net income per share	175.86 yen	–	64.46 yen	–	–	151.04 yen	–
Dividend per share	35.50 yen	–	16.50 yen	–	–	38.00 yen	–
PB sales	43,445 million yen	19.2%	22,824 million yen	18.9%	+3.4%	46,626 million yen	+7.3%
Capital expenditures	8,799 million yen	–	2,656 million yen	–	–	4,338 million yen	–

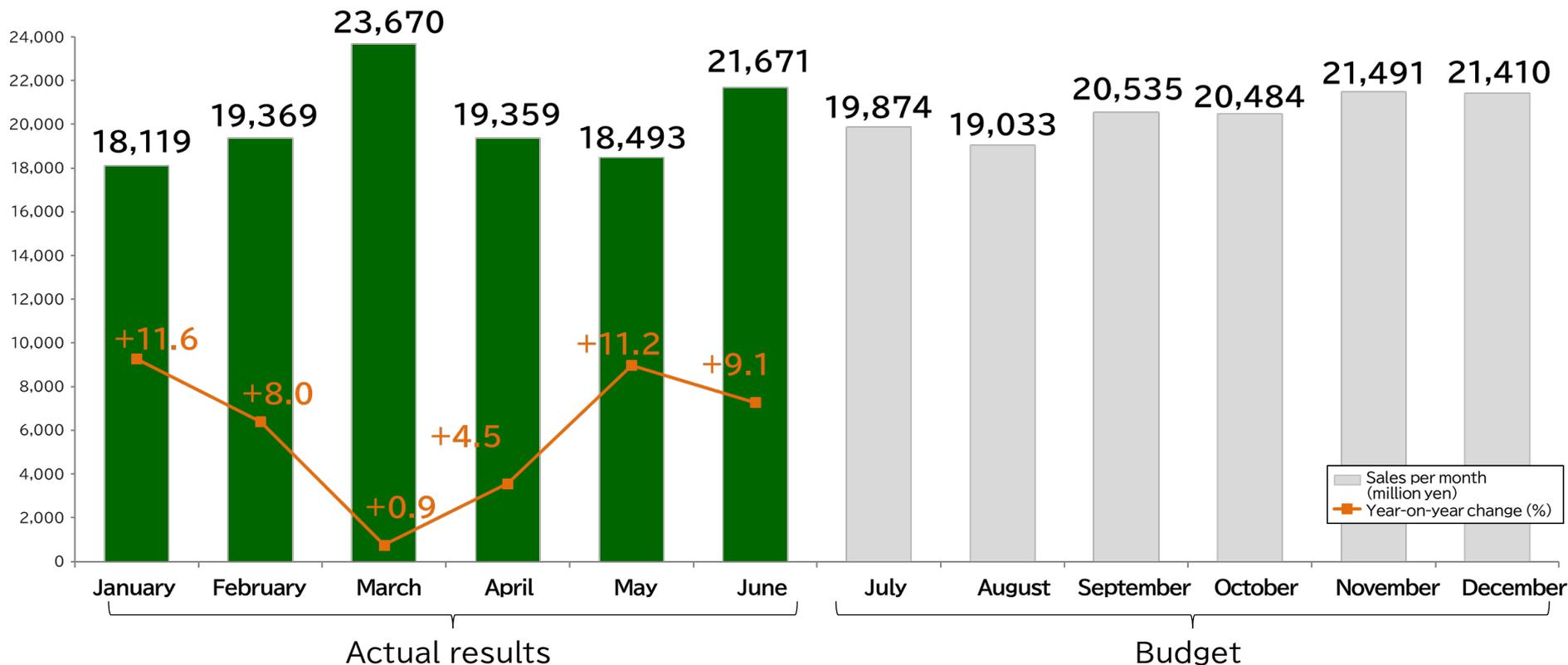
Figures for the fiscal year ended December 31, 2021 are retroactively applied due to a change in accounting policy.

In the fiscal year ended December 31, 2021, approximately 3,400 million yen was recorded as extraordinary income due to the sale of real estate.

# A-3. [Consolidated] Monthly sales

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

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

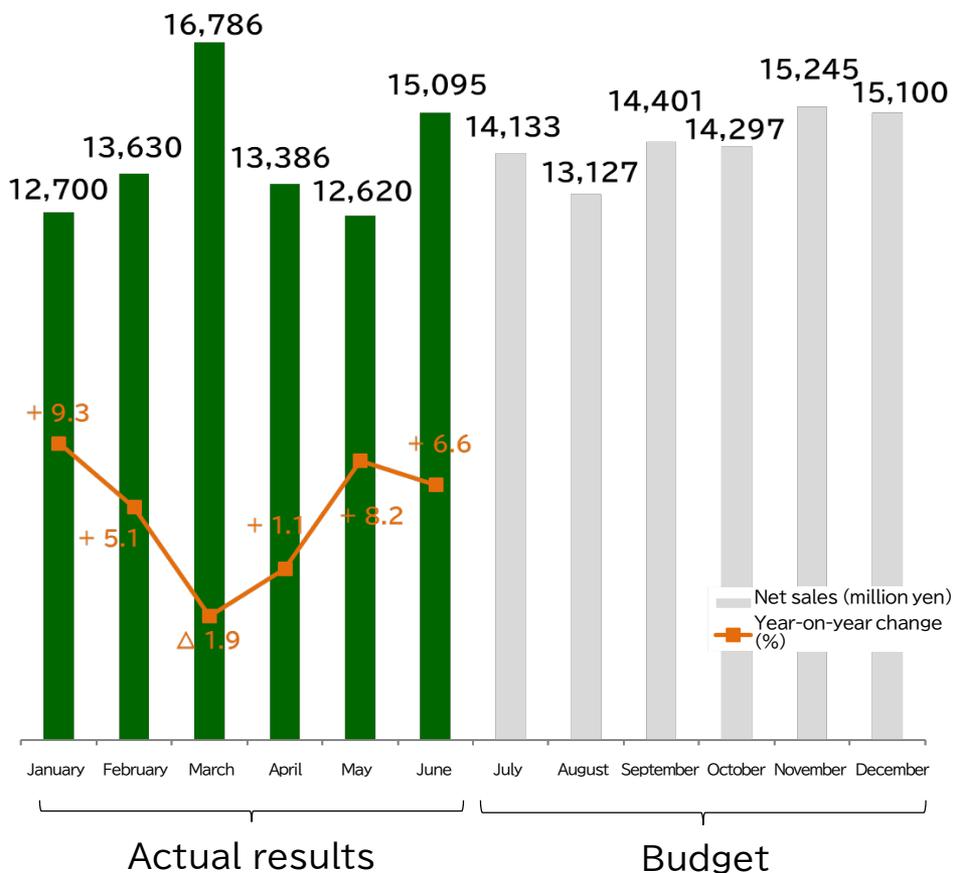


	January	February	March	April	May	June	July	August	September	October	November	December	Total
Number of business days (days)	18	18	22	20	19	22	20	22	20	20	20	22	243
Year-on-year change (days)	±0	±0	Δ1	Δ1	+1	±0	±0	+3	±0	Δ1	±0	+2	+3
Sales per day (million yen)	1,006	1,076	1,075	967	973	985							

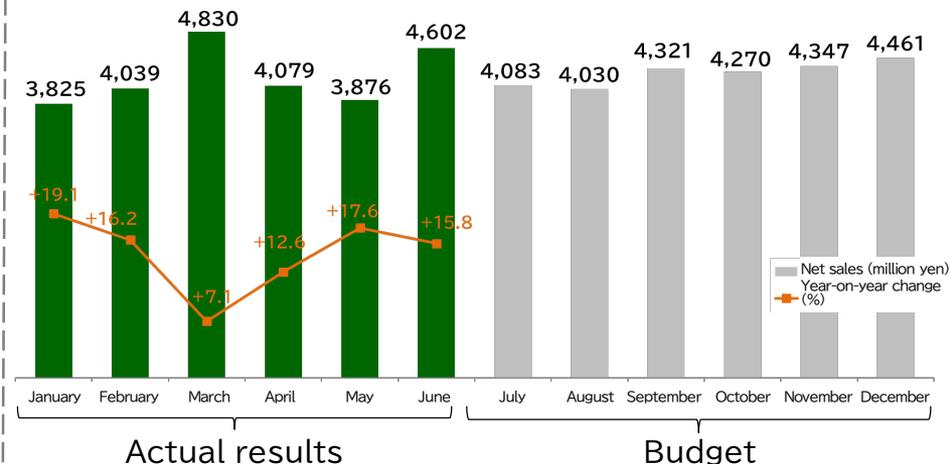
# A-4. [Consolidated] Monthly sales by sales route

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

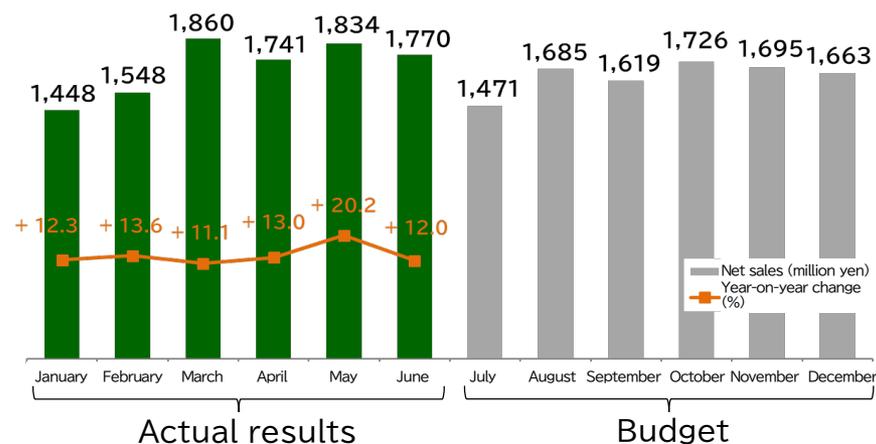
## Factory route



## e-business route



## Home center route



	January	February	March	April	May	June	July	August	September	October	November	December	Total
Number of business days (days)	18	18	22	20	19	22	20	22	20	20	20	22	243
Year-on-year change (days)	±0	±0	Δ1	Δ1	+1	±0	±0	+3	±0	Δ1	±0	+2	+3

# B. Sales Performance

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## B-1. [Consolidated] Business performance by sales route

	FYE December 31, 2021			FYE December 31, 2022 Second Quarter						FYE December 31, 2022 Full Year	
	Net sales		Gross profit margin	Net sales				Gross profit margin		Net sales	
Sales route	Actual results	Share	Actual results	Actual results	Share	YoY change	Change from budget (%)	Actual results	YoY change	Forecast	Year-on-year change
Factory route	162,379 million yen	71.6%	20.5%	84,220 million yen	69.8%	+4.3%	Δ1.5%	20.8%	Δ0.4pt	171,782 million yen	+5.8%
e-business route	44,393 million yen	19.6%	23.5%	25,253 million yen	20.9%	+14.3%	+2.7%	22.4%	Δ1.6pt	50,097 million yen	+12.8%
Home center route	18,366 million yen	8.1%	18.6%	10,203 million yen	8.5%	+13.7%	+6.4%	17.7%	Δ1.2pt	19,455 million yen	+5.9%
Overseas route	1,694 million yen	0.7%	33.0%	1,005 million yen	0.8%	+22.2%	Δ1.4%	36.5%	+3.6pt	2,164 million yen	+27.7%
<b>Total</b>	226,833 million yen	100%	21.0%	120,683 million yen	100%	+7.1%	+0.0%	21.0%	Δ0.6pt	243,500 million yen	+7.3%

Figures for the fiscal year ended December 31, 2021 are retroactively applied due to a change in accounting policy.

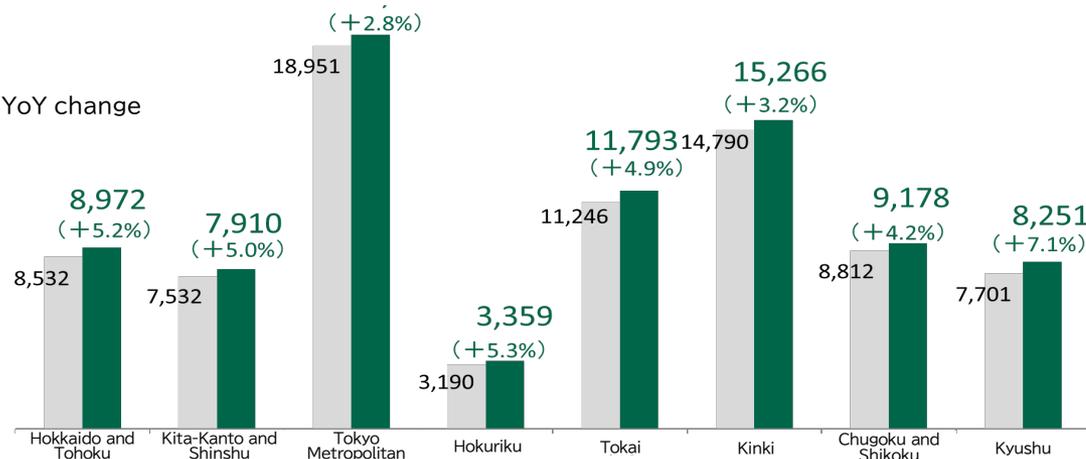
# B-1. [Consolidated] Business performance by sales route: Factory route

## Sales by industry

Sales route	FYE December 31, 2021 Second Quarter			FYE December 31, 2022 Second Quarter				
	Net sales		Gross profit margin	Net sales			Gross profit margin	
	Actual results	Share	Actual results	Actual results	Share	YoY change	Actual results	YoY change
Machine tool dealers	40,768 million yen	50.5%	21.0%	42,928 million yen	51.0%	+5.3%	21.0%	±0.0pt
Dealers in welding materials	11,365 million yen	14.0%	21.6%	11,843 million yen	14.1%	+4.2%	20.4%	Δ1.2pt
Other manufacturing related (Physical chemical, conductor, packaging material dealers, etc.)	13,473 million yen	16.7%	20.7%	13,838 million yen	16.4%	+2.7%	20.2%	Δ0.5pt
Construction related	15,149 million yen	18.8%	21.6%	15,609 million yen	18.5%	+3.0%	21.3%	Δ0.3pt
<b>Factory route total</b>	<b>80,757 million yen</b>	<b>100.0%</b>	<b>21.2%</b>	<b>84,220 million yen</b>	<b>100.0%</b>	<b>+4.3%</b>	<b>20.8%</b>	<b>Δ0.4pt</b>

## Sales by region

- 2021 2QF route net sales (million yen)
- 2022 2QF route net sales (million yen)



### Factory route: Up 4.3% year on year

As stock shortages increased, we purchased products with the same specifications from multiple manufacturers and kept them in stock, which allowed us to minimize opportunity loss caused by stock shortages.

We implemented business activities that also help to reduce the environmental burden, such as strengthening the "MRO stocker," which enables product procurement at the factory at any time, and enhancing the user direct delivery service.

# B-1. [Consolidated] Business performance by sales route: e-business route

## ■ Sales by industry

Sales route	FYE December 31, 2021 Second Quarter			FYE December 31, 2022 Second Quarter				
	Net sales		Gross profit margin	Net sales			Gross profit margin	
	Actual results	Share	Actual results	Actual results	Share	YoY change	Actual results	YoY change
Mail order companies	17,172 million yen	77.7%	23.1%	19,623 million yen	77.7%	+14.3%	23.1%	±1.8pt
Companies participating in Orange Commerce (Trusco's electronic central purchasing system)	4,917 million yen	22.3%	27.4%	5,629 million yen	22.3%	+14.5%	26.4%	Δ1.0pt
e-business route total	22,089 million yen	100.0%	24.0%	25,253 million yen	100.0%	+14.3%	22.4%	Δ1.6pt

## ■ e-business route: Up 14.3% year on year

By leveraging our product database of approximately 2.91 million items and our logistics system, we have strengthened our customers' system coordination, and have promoted the consolidation of commercial distribution channels with our company at each company. In addition, the volume of orders received by our company has increased significantly due to the "user direct delivery service" that greatly reduces the labor and cost of Internet/mail order companies and improves convenience by shortening delivery times.

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

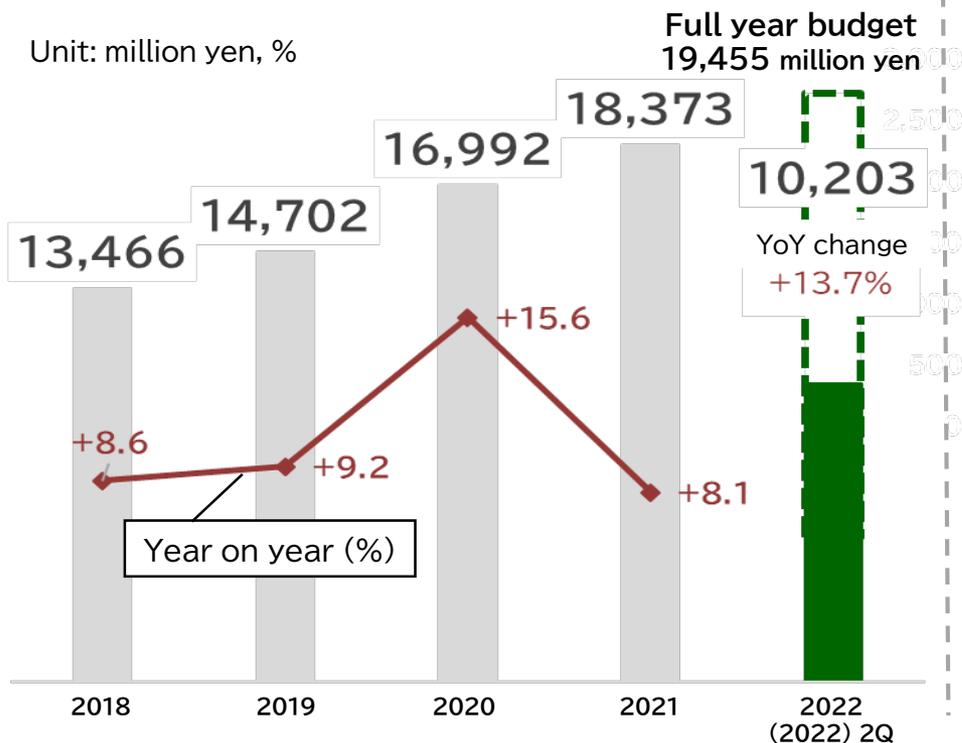


# B-1. [Consolidated] Business performance by sales route: Home center route

## ■ Sales by industry

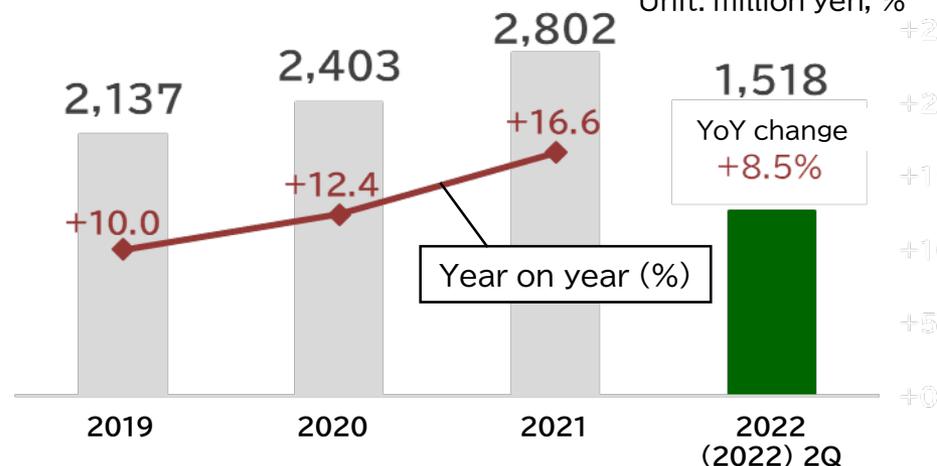
## ■ Change in sales earned via home center route

Unit: million yen, %



## ■ Change in sales earned via pro-tool shops

Unit: million yen, %



### What are pro-tool shops?

Pro-tool shops refer to dealers specializing in tools for professional craftspeople and factory workers. They are so compatible with our products that sales to them are rising.

## ■ Home center route: Up 13.7% year on year

By collaborating with our company on products that they do not have on display for sale, home centers made it possible to deliver them the next day, and by making proposals based on the sales information of each segment, relationships have strengthened rapidly. In addition, as each home center began to strengthen their EC business, our overwhelming quantity of inventories and logistics facilities received high evaluations, which led us to acquire about 3 million yen from new manufacturers.

# B-1. [Consolidated] Business performance by sales route:

## Business performance of subsidiaries

### I Non-consolidated sales

	TRUSCO NAKAYAMA CORPORATION non-consolidated)				TRUSCO NAKAYAMA CORPORATION (THAILAND) LIMITED				TRUSCO NAKAYAMA CORPORATION (INDONESIA) LIMITED			
	FYE December 31, 2022 Second Quarter Performance			Full Year Forecast	FYE December 31, 2022 Second Quarter Performance			Full Year Forecast	FYE December 31, 2022 Second Quarter Performance			Full Year Forecast
	Amount	Rate	YoY change	Year-on- year change	Amount	Rate	YoY change	Year-on-year change	Amount	Rate	YoY change	Year-on- year change
Net sales	120,387 million yen	–	+7.1%	+7.2%	405 million yen	–	+11.3%	+26.1%	223 million yen	–	+59.9%	+20.8%
Gross profit	25,179 million yen	20.9%	+3.9%	+8.4%	97 million yen	23.9%	+14.4%	+32.1%	63 million yen	28.4%	+87.8%	+29.7%
Selling, general and administrative expenses (SGA)	19,290 million yen	16.0%	+14.0%	+8.1%	80 million yen	19.9%	+14.8%	+16.8%	74 million yen	33.0%	+11.2%	+3.7%
Depreciation included in SGA	3,312 million yen	2.8%	Δ2.0%	Δ1.2%	12 million yen	3.0%	+8.4%	+16.0%	26 million yen	12.0%	+14.1%	+1.6%
Operating income	5,889 million yen	4.9%	Δ19.5%	+9.4%	16 million yen	4.0%	+12.3%	+124.2%	Δ10 million yen	–	–	–
Ordinary income	6,144 million yen	5.1%	Δ20.5%	+7.4%	16 million yen	4.1%	+16.4%	+120.6%	Δ4 million yen	–	–	–
Current (quarterly) net income	4,244 million yen	3.5%	Δ19.5%	Δ14.4%	16 million yen	4.1%	+16.4%	+120.6%	Δ4 million yen	–	–	–

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

		Net sales	Gross profit
Business performance in other overseas regions (Philippines, China, South Korea, etc.)	Actual results	376 million yen	97 million yen
	Rate		25.9%
	YoY change	+18.1%	+12.2%

### I Overseas route: Up 22.2% year on year

In Thailand and Indonesia, we strengthened transactions with existing customers by accelerating the provision of product data to EC companies. We also expanded business with new local customers, including EC companies and general hardware mass discounters.

With regards to sales to other overseas regions, we worked to expand transactions by opening new accounts with local subsidiaries of Japanese companies.

# B-2. [Non-consolidated] Analysis of sales

(Unit: million yen)

Net sales up 7,937 million yen



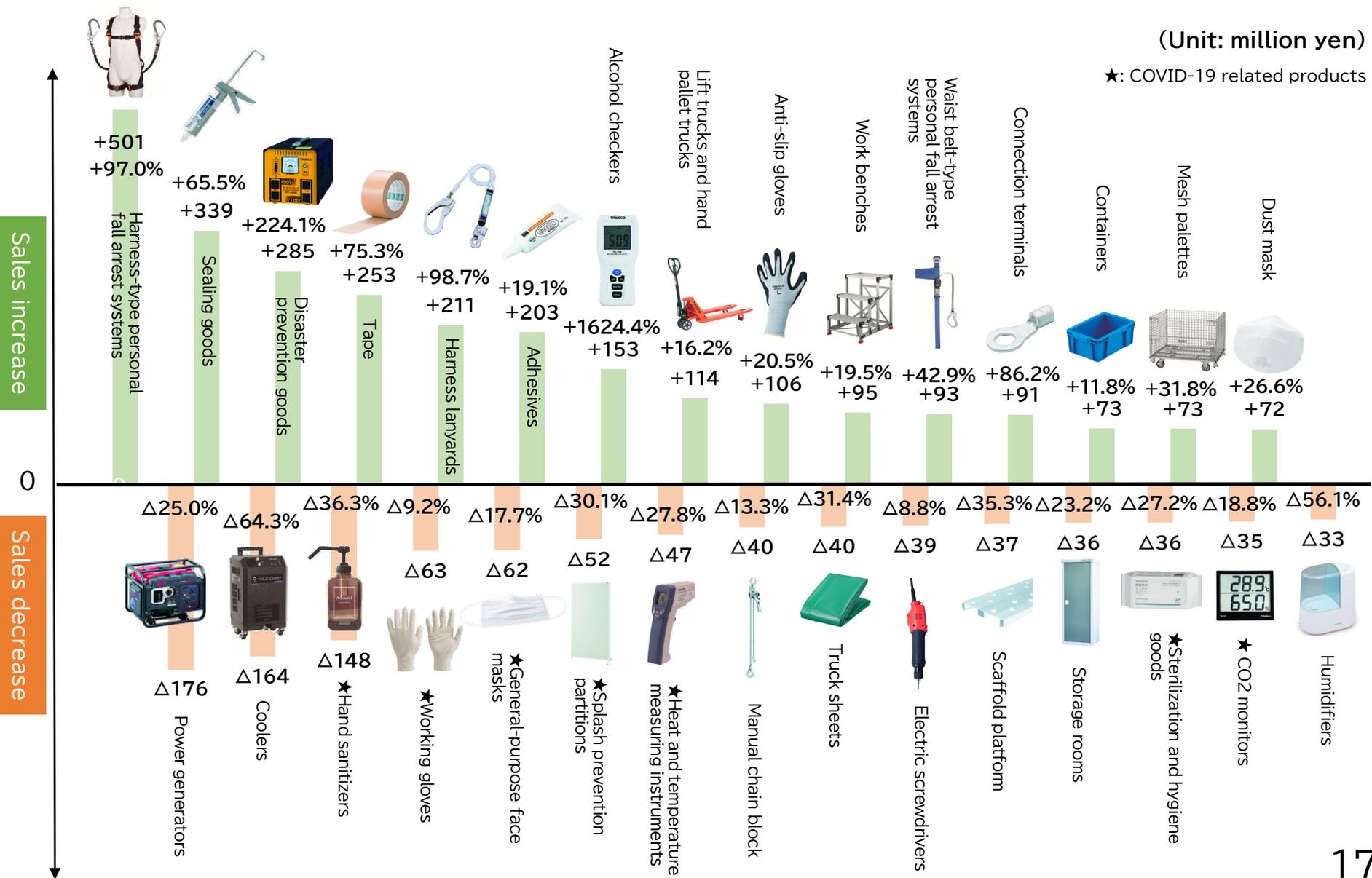
## Details

[Rise in demand for supplies due to recovery in the manufacturing industry, etc.]	+6,110 million yen
·Environmental safety equipment (protective equipment, etc.):	+2,229 million yen
·Work supply (chemical products, etc.):	+1,704 million yen
·Hand tools (pneumatic tools, tools for manual work, etc.):	+871 million yen, etc.
[Rise in demand for equipment due to recovery in capital expenditure]	+2,232 million yen
·Construction goods (Piping and materials of electronic equipment, etc.):	+1,129 million yen
·Distribution and storage equipment (transportation goods, containers and vessels, etc.):	+1,103 million yen
[Decrease in heat protection goods]	-105 million yen
·Construction goods (power generators):	-105 million yen

# B-3. [Non-consolidated] Changes in sales by category of goods

(Unit: million yen)

★: COVID-19 related products



# B-4. [Non-consolidated] Sales by category of goods

A recovery of production operations led to a rise in sales of products (large category 4, 7) related to factory production and to capital expenditures. A revision to the law that introduces an obligation to wear fall arrest systems increased demand for harness-type systems (large category 6). Meanwhile, demand for face masks and protective clothing (large category 6) for the prevention of COVID-19 infections began to subside.

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	3,719	3.1	+5.7	15.8	6. Environmental safety equipment	Environmental safety equipment total	21,777	18.1	+11.3	21.9		
	① Cutting tools	1,777	1.5	-	10.1		㉔ Protective equipment	11,960	9.9	-	22.4		
	② Drilling and thread cutting tools	1,941	1.6	-	20.9		㉕ Safety goods	5,095	4.2	-	25.5		
2. Production processing goods	Production processing goods total	8,946	7.4	+3.7	15.5		㉖ Environment improvement goods	989	0.8	-	19.5		
	③ Measurement equipment	4,696	3.9	-	15.0		㉗ Air conditioning goods	1,873	1.6	-	11.4		
	④ Mechatronics	1,843	1.5	-	15.2		㉘ Disaster and crime prevention goods	820	0.7	-	18.6		
	⑤ Tools for machine tools	1,128	0.9	-	23.0		㉙ Closets and exterior goods	1,041	0.9	-	22.6		
	⑥ Electronic machinery	1,277	1.1	-	10.9		7. Distribution and storage equipment	Distribution and storage equipment total	13,541	11.3	+8.7	22.4	
	3. Construction goods	Construction goods total	13,947	11.6	+8.1			21.2	㉚ Loading goods	3,623	3.0	-	17.4
⑦ Hydraulic tools		958	0.8	-	10.7			㉛ Conveyors	591	0.5	-	15.4	
⑧ Pumps		1,735	1.4	-	16.4	㉜ Transportation goods		5,232	4.3	-	22.3		
⑨ Welding equipment		1,127	0.9	-	17.8	㉝ Containers and vessels		2,043	1.7	-	29.4		
⑩ Painting and interior goods		1,209	1.0	-	25.5	㉞ Steel shelves		2,049	1.7	-	26.3		
⑪ Civil engineering and building goods		1,188	1.0	-	13.2	8. Research management equipment	Research management equipment total	5,102	4.2	+2.2	23.1		
⑫ Ladders and stepladders		1,693	1.4	-	22.5		㉟ Tool wagons	477	0.4	-	28.9		
⑬ Piping and materials of electronic equipment		2,251	1.9	-	23.1		㊱ Storage and management goods	642	0.5	-	31.5		
⑭ Component, hardware, and building materials		3,782	3.1	-	26.4		㊲ Work benches	826	0.7	-	32.4		
4. Work supply		Work supply total	22,385	18.6	+8.6		21.9	㊳ Stainless goods	981	0.8	-	18.0	
		⑮ Cutting goods	717	0.6	-		21.3	㊴ Research and development-related goods	2,174	1.8	-	18.1	
		⑯ Grinding and polishing goods	3,621	3.0	-		23.3	9. Office and housing facility equipment	Office and housing facility equipment total	10,870	9.0	+1.4	22.9
		⑰ Chemical products	11,633	9.7	-		21.0		㊵ Cleaning utensils	3,181	2.6	-	21.8
		⑱ Factory miscellaneous goods	2,060	1.7	-	15.4	㊶ Stationery		1,240	1.0	-	19.1	
	⑲ Packing and binding goods	2,870	2.4	-	30.4	㊷ Office miscellaneous goods	1,574		1.3	-	27.1		
	⑳ Casters	1,483	1.2	-	17.8	㊸ Electric appliances	1,741		1.4	-	21.8		
	5. Hand tools	Hand tools total	19,674	16.3	+4.6	18.9	㊹ OA business machinery		981	0.8	-	24.1	
		㉑ Electric power tools and accessories	5,102	4.2	-	14.1	㊺ Office furniture		2,008	1.7	-	24.3	
		㉒ Pneumatic tools and accessories	3,230	2.7	-	17.8	㊻ Interior goods		141	0.1	-	20.0	
㉓ Tools for manual work		10,345	8.6	-	20.6	10. Others	㊼ Entire company		421	0.4	+81.4	1.5	
㉔ Tool boxes		994	0.8	-	29.5		<b>Total</b>		<b>120,387</b>	<b>100.0</b>	<b>+7.1</b>	<b>20.9</b>	

\* Because the Accounting Standard for Revenue Recognition was applied in the 60th business year, year-on-year comparisons for the medium category are indicated with "-".

Each gross profit margin is presented in figures before the application of the Accounting Standard for Revenue Recognition.

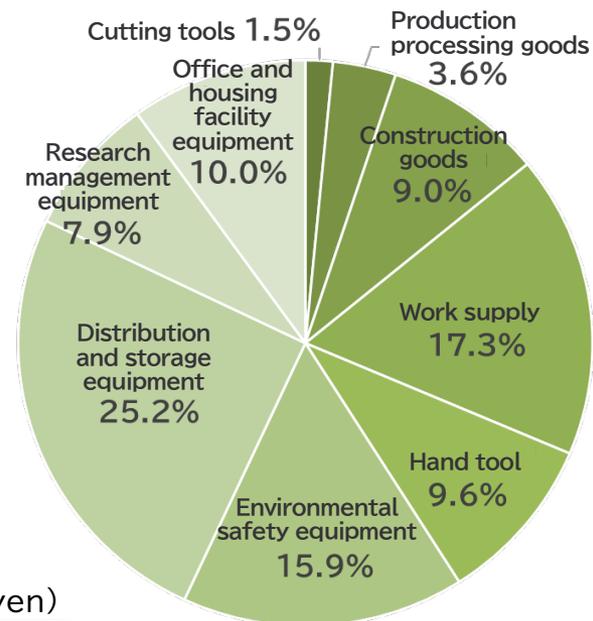
# B-5. [Non-consolidated] Sales of private brand (PB) goods

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

( ) Year-on-year change

Full year budget:  
46.6 billion yen

	2018	2019	2020	2021	2022 (2022) 2Q
	43,596 (+8.6%)	43,890 (+0.7%)	41,302 (Δ5.9%)	43,445 (+5.2%)	22,824 (+3.4%)
Share	20.3%	19.9%	19.4%	19.0%	19.0%
Gross profit margin	35.7%	35.8%	36.4%	36.2%	35.9%



## Sales by sales route and category of goods

(Unit: million yen)

Sales route \ Category of goods	Entire company		Factory		e-business		Home center	
	Share	19.0%	Share	19.7%	Share	21.9%	Share	5.2%
	Gross profit margin	35.9%	Gross profit margin	36.1%	Gross profit margin	36.0%	Gross profit margin	30.8%
	Net sales	YoY change						
<b>Total</b>	<b>22,824</b>	<b>+3.4%</b>	<b>16,608</b>	<b>+3.2%</b>	<b>5,537</b>	<b>+3.6%</b>	<b>526</b>	<b>+7.6%</b>
Cutting tools	351	Δ1.1%	260	+2.9%	52	Δ14.5%	32	Δ7.3%
Production processing goods	812	+2.2%	596	+3.4%	195	+0.2%	9	Δ6.0%
Construction goods	2,051	+9.7%	1,471	+9.7%	538	+10.6%	30	Δ1.8%
Work supply	3,946	+1.6%	3,107	+1.5%	769	+1.9%	37	Δ8.6%
Hand tool	2,196	Δ4.4%	1,579	Δ1.6%	524	Δ10.7%	60	Δ8.1%
Environmental safety equipment	3,633	Δ0.9%	2,697	Δ2.8%	844	+2.8%	82	+31.8%
Distribution and storage equipment	5,747	+9.0%	4,041	+8.9%	1,422	+8.1%	254	+13.0%
Research management equipment	1,811	+3.7%	1,316	+1.7%	481	+9.1%	2	+60.3%
Office and housing facility equipment	2,272	+3.9%	1,537	+3.9%	709	+3.8%	14	Δ1.9%
Other	1	Δ8.7%	-	-	-	-	1	Δ8.7%

It was created out of our desire to "respond to professional skills with professional quality." Created in 1964 as the industry's first private brand (PB) product, it encompasses the widest range of consumables used in factories among other brands. We are currently developing approximately 10,000 items each year, and are working to further strengthen our brand.



# C. Financial and Other Performances

- P21 C-1. [Consolidated] Selling, general and administrative expenses (SGA)
- P22 [Consolidated] Details of selling, general and administrative expenses (SGA)
- P23 C-2. [Consolidated] Financial statements and financial indicators
- P24 C-3. [Consolidated] Capital expenditures
- P25 C-4. Planning progress for Planet Aichi

# C-1. [Consolidated] Selling, general and administrative expenses (SGA)

## ■ Main items that increased in selling, general and administrative expenses (SGA)

Account title	FYE December 31, 2021	FYE December 31, 2022 Second Quarter		FYE December 31, 2022 Full Year	
	Actual results	Actual results	YoY change	Forecast	Year-on-year change
Salary and bonus	12,159 million yen	6,474 million yen	+11.9%	12,375 million yen	+1.8%
Commission fee	2,321 million yen	1,450 million yen	+43.5%	2,593 million yen	+11.7%
Freight and packing expenses	6,782 million yen	3,738 million yen	+11.5%	7,231 million yen	+6.6%
Utilities expenses	322 million yen	199 million yen	+46.3%	320 million yen	△0.8%
Traveling expenses and transportation expenses	472 million yen	277 million yen	+18.2%	495 million yen	+5.0%
<b>Total selling, general and administrative expenses (SGA)</b>	<b>34,673 million yen</b>	<b>19,445 million yen</b>	<b>+14.0%</b>	<b>37,470 million yen</b>	<b>+8.1%</b>

\* Regarding the full-year budget for 2022, items other than salaries and bonuses, and freight and packing expenses are indicated in the figures for [non-consolidated].

## ■ Main factors for increase in selling, general and administrative expenses (SGA)

① <b>Employee salaries and bonuses</b>	<p>Year-on-year increase of 688 million yen (+11.9%)            Payment of livelihood support bonuses + 512 million yen, part-time salaries and bonuses + 158 million yen            Increased overtime pay for employees due to switching from working from home to working at the office</p>
② <b>Commission fee</b>	<p>Year-on-year increase of 439 million yen (+43.5%)            HACOBUne scheme + 141 million yen, maintenance and inspection fee + 70 million yen, etc.</p>
③ <b>Freight and packing expenses</b>	<p>Year-on-year increase of 384 million yen (+11.5%)            Increase in number of shipments + 330 million yen    Of which, increase in direct shipments to users + 178 million yen</p>
④ <b>Other increases</b>	<p>Year-on-year increase of 242 million yen (+8.9%)            Utilities expenses: Soaring electricity expenses +55 million yen, Transportation expenses: Business trip expenses +16 million yen</p>

\* For details on the factors of the changes, please see page 22.

# C-1. [Consolidated] Details of selling, general and administrative expenses (SGA)

(Unit: million yen, %)

No.	FY 2021		FYE December 31, 2022 Second Quarter		YoY Change (amount)	YoY change	FY 2022 Full Year Budget	Year-on-year change
	Actual results	Share in net sales	Actual results	Share in net sales				
1 Salary and bonus	12,159	5.4	6,474	5.4	+688	+11.9	12,375	+1.8
2 Freight and packing expenses	6,782	3.0	3,738	3.1	+384	+11.5	7,231	+6.6
3 Depreciation	6,929	3.1	3,351	2.8	△64	△ 1.9	6,853	△ 1.1
4 Commission fee	2,321	1.0	1,450	1.2	+439	+43.5	2,593	+11.7
5 Welfare expense	2,197	1.0	1,196	1.0	+119	+11.1	2,286	+4.1
6 Taxes and dues	1,379	0.6	714	0.6	+33	+5.0	1,343	△ 2.6
7 Provision for bonuses	17	0.0	280	0.2	+2	+0.7	504	+2807.4
8 Traveling expenses and transportation expenses	472	0.2	277	0.2	+42	+18.2	495	+5.0
9 Advertising expenses	509	0.2	275	0.2	+8	+3.3	546	+7.1
10 Promotion expenses	△ 843	△ 0.4	260	0.2	+579	—	337	—
11 Communication expenses	400	0.2	218	0.2	+19	+9.7	430	+7.3
12 Supplies expenses	472	0.2	207	0.2	△15	△ 6.9	465	△ 1.6
13 Utilities expenses	322	0.1	199	0.2	+63	+46.3	320	△ 0.8
14 Leasehold and office rents	337	0.1	181	0.2	+14	+8.4	337	△ 0.1
15 Vehicle expenses	269	0.1	148	0.1	+10	+7.8	260	△ 3.6
16 Remuneration paid to directors	404	0.2	141	0.2	△3	△ 2.3	414	+2.4
17 Entertainment expenses	25	0.0	20	0.0	+7	+61.7	99	+289.3
18 Other	513	0.2	307	0.2	+59	+23.8	578	+12.7
<b>Total</b>	<b>34,673</b>	<b>15.3</b>	<b>19,445</b>	<b>16.1</b>	<b>+2,389</b>	<b>+14.0</b>	<b>37,470</b>	<b>+8.1</b>

\* Regarding the full-year budget for 2022, items other than salaries and bonuses, and freight and packing expenses are indicated in the figures for [non-consolidated].

# C-2. [Consolidated] Financial statements and financial indicators

## Balance Sheet

(As of June 30, 2022)

Unit (million yen)

Item	Amount	Item	Amount
<b>(Assets)</b>		<b>(Liabilities)</b>	
<b>Current assets</b>	<b>118,991</b>	<b>Current liabilities</b>	<b>41,911</b>
Cash and deposits	43,749	Accounts payable - trade	18,372
Accounts receivable	29,692	Short-term borrowings	17,000
Electronically recorded monetary claims - operating	1,731	Accounts payable - other	1,990
Merchandise	42,848	Income taxes payable	1,961
Other	970	Provision for bonuses	284
Allowance for doubtful accounts	△0	Provision for bonuses for directors (and other officers)	66
<b>Non-current assets</b>	<b>106,981</b>	Other	2,237
<b>Property, plant and equipment</b>	<b>98,382</b>	<b>Non-current liabilities</b>	<b>37,994</b>
Buildings	47,364	Long-term borrowings	35,000
Machinery and equipment	7,197	Provision for retirement benefits for directors (and other officers)	151
Tools, furniture and fixtures	1,664	Long-term guarantee deposits	2,748
Land	38,482	Other	94
Construction in progress	1,666	<b>Total liabilities</b>	<b>79,906</b>
Other	2,006	<b>(Net assets)</b>	
<b>Intangible assets</b>	<b>4,803</b>	<b>Shareholders' equity</b>	<b>145,462</b>
Software	4,487	Capital stock	5,022
Other	315	Capital surplus	4,711
<b>Investments and other assets</b>	<b>3,795</b>	Retained earnings	135,808
Investment securities	3,298	Treasury shares	△79
Deferred tax assets	37	<b>Accumulated other comprehensive income</b>	<b>603</b>
Deferred tax assets for land revaluation	155	Valuation difference on available-for-sale securities	566
Other	313	Revaluation reserve for land	△353
Allowance for doubtful accounts	△10	Foreign currency translation adjustment	390
<b>Total assets</b>	<b>225,972</b>	<b>Total net assets</b>	<b>146,066</b>
		<b>Liabilities / Total net assets</b>	<b>225,972</b>

## Statement of cash flows

Unit: million yen

	2Q of FY 2021	2Q of FY 2022	Change
Cash flows from operating activities	8,349	6,508	△1,841
Cash flows from investing activities	△3,467	△3,461	+5
Cash flows from financing activities	△924	△1,022	△98
Effect of exchange rate change on cash and cash equivalents	9	86	+77
Net increase (decrease) in cash and cash equivalents	3,967	2,110	△1,856
Cash and cash equivalents at beginning of period	32,344	41,449	+9,105
Cash and cash equivalents at end of period	36,311	43,560	+7,249

## Equity ratio

	End of FY 2021	2Q of FY 2022	Change
Equity ratio	64.0%	64.6%	+0.6pt

## Other financial indicators

	End of FY 2020	End of FY 2021	Change (pt)
ROA (Return on Assets)	5.7%	6.3%	+0.6pt
ROE (Return on Equity)	6.1%	8.4%	+2.3pt

### <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.

# C-3. [Consolidated] Capital expenditures

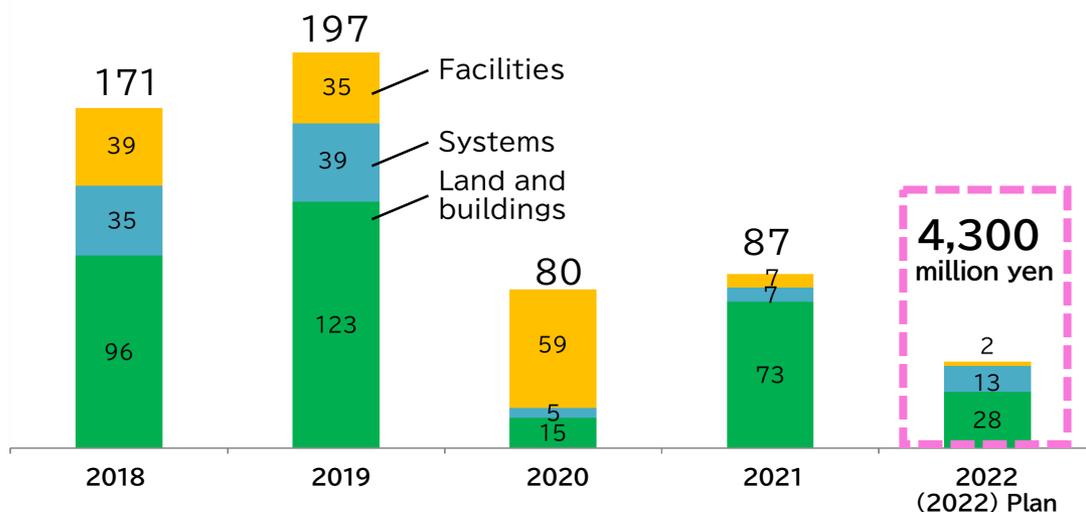
## 60th planned expenditure: approx. 4,338 million yen

(Unit: million yen)

Details of major capital expenditures in 2022		Actual expenditures for the first half of the fiscal year	Expected expenditures for the second half of the fiscal year
Buildings	Planet Higashi Kanto 2nd automated pallet warehouse (provisional name) expansion work (planned total investment: 2,550 million yen)	1,192	1,195
	Sakai Stock Center new construction (planned total investment: 1,870 million yen), etc.		
Facilities	Planet Tohoku I-Pack ® specification change (planned total investment: 20 million yen)	171	70
	Installation of Planet Saitama palletizing robot (planned total investment: 100 million yen)		
Systems	Renewal of product database "Sterra" (planned total investment: 1,330 million yen)	512	798
	Repair of "Polario," a site for business collaboration with suppliers (planned total investment: 140 million yen)		
	Introduction of employee engagement system (planned total investment: 80 million yen), etc.		
Land		400	-
Subtotal		2,275	2,063
Annual capital expenditures		4,338	

## Change in capital expenditures

(Unit: 100 million yen)



### Capital expenditures

- The investment amount may fluctuate because the scheduled amount of capital expenditures includes expenses for projects at the planning stage.
- The figures for the 60th business year represent values on a cash-out basis.

For FYE December 31, 2022, depreciation of 6,853 million yen (down 76 million yen year on year) is planned.

# C-4. Planning progress for Planet Aichi

## Planet Aichi Overview

Location: Kitanaogoya, Aichi Prefecture  
 (Site of Readjustment Project for the Land West of Okimura, Kitanaogoya)

Site area: 41,636.36 sqm (purchased: 20,271.07 sqm, leased land: 21,361.98 sqm)

Land rent: Approximately 5.7 million yen per month

Land price: Approximately 1,400 million yen (purchased land only)

Planned investment for this fiscal year: Approximately 150 million yen (buildings)

Total investment: Approximately 25,000 million yen (planned)



Image of a completed Planet Aichi ⇒

## [Reference] Capability comparison with Planet Saitama

(Figures for P Saitama are as of the end of June 2022)

	Planet Aichi	Planet Saitama
Site area	41,636.36 sqm	47,262.81 sqm
Total floor area of building	81,927.27 sqm (planned)	42,694.21 sqm
Number of items in inventory	1 million items (planned)	449,000 items
Number of arrivals	15,000 lines/day (assumed)	6,000 lines/day
Number of shipments	50,000 lines/day (assumed)	16,000 lines/day
Number of employees	400 (assumed)	Around 200



# D. Key Indicators

- P27      D-1. Goods
- P28-29   D-2. Sales
- P30-31   D-3. Logistics
- P32      D-4. Digital
- P33      D-5. Human resources



# D-1. Key indicators (goods)

## ■ TRUSCO Orange Book.Com



Number of items featured: **2,914,273** items

Product search site with all the information you need to procure professional tools.

- SDS (Safety Data Sheet)
- Drawing
- Product quotes and orders (Available 24/7)
- Return requests (Available 24/7)
- Real-time stock check



## ■ TRUSCO Orange Book



Number of manufacturers listed: **1,948**

Number of items listed: **508,000**

"Monozukuri Daijiten" (Dictionary of Manufacturing) used at various manufacturing sites (2022 edition)

Number of products in stock : 429,000  
 Total number of pages : 16,824  
 Annual circulation: 190,000 copies  
 Size: A4

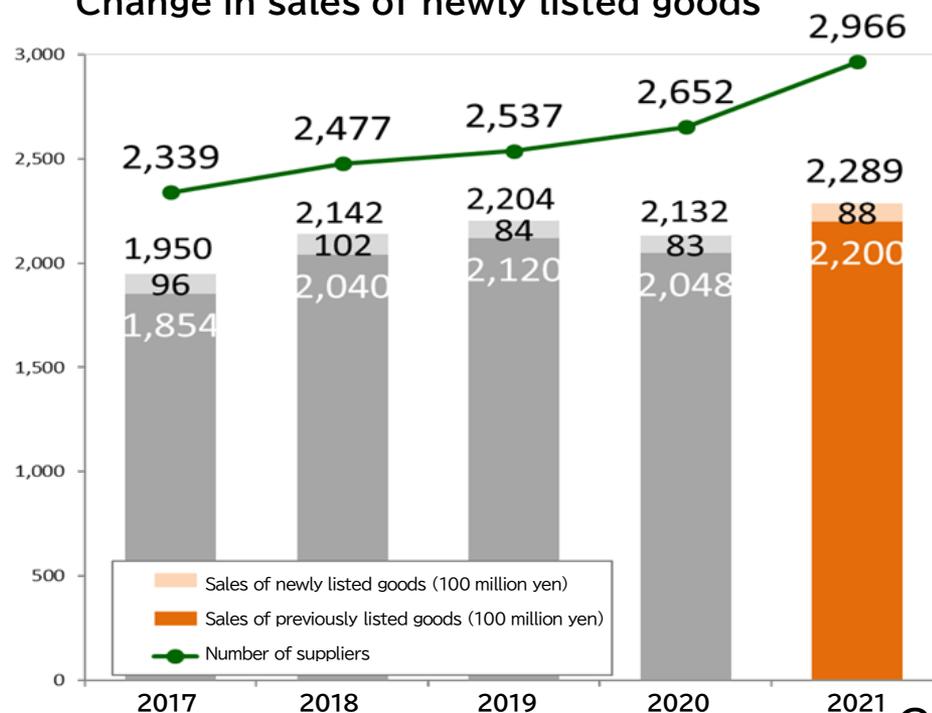


Number of items in inventory: **525,682** items  
 Of these, number of goods automatically adopted: **18,115** items

### Automatic stocking of hot-selling products

Goods to be stocked based on sales performance are automatically ordered from suppliers and stocked. The automatic stocking of hot-selling items improves the level of service to customers and increases operational efficiency.

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

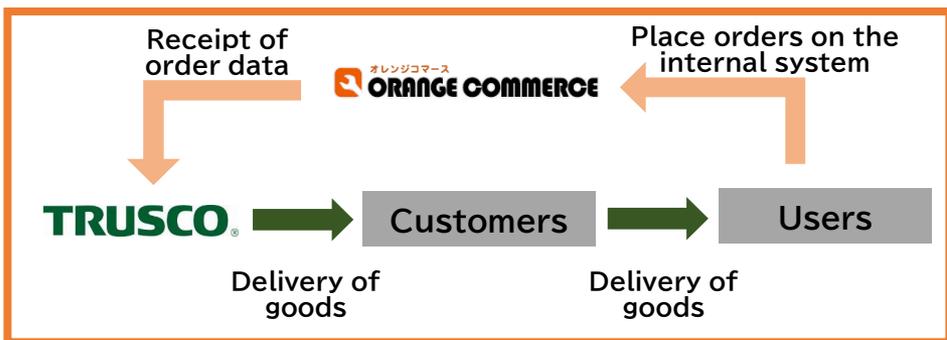


# D-2. Key indicators (sales)

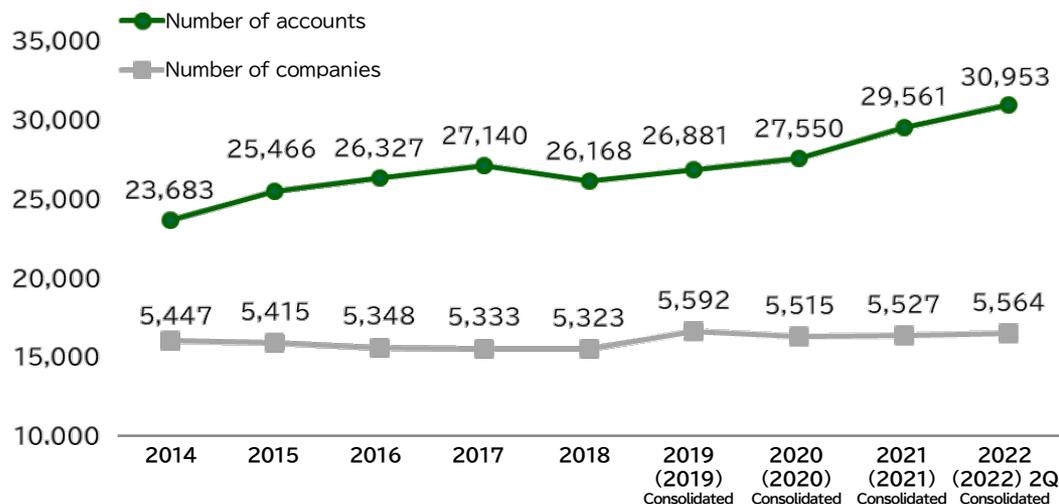
## Orange Commerce ORANGE COMMERCE

Purchasing support system for users, which streamlines the procurement process

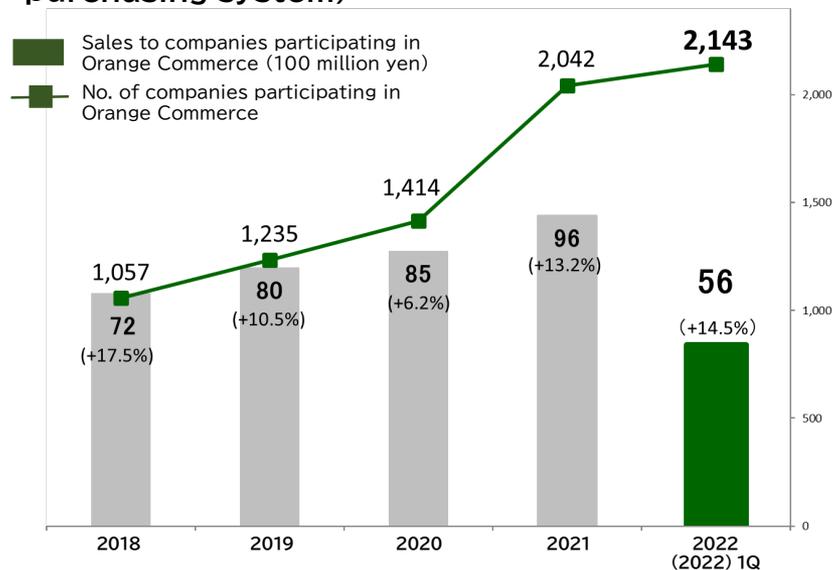
This is a purchasing support system that is linked to the user's purchasing system and handles transactions between the user, the customer, and the Company. The introduction of the system has made the procurement process more visible and reduced costs.



## [Consolidated] Change in number of sales accounts and companies



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



## Amount irrecoverable due to bankruptcy

Year	Amount irrecoverable (10,000 yen)
2018	4
2019	0
2020	0
2021	275
2022	0

# D-2. Key indicators (sales)

## ■ MRO Stocker (use-first-pay-later tools)

Currently under negotiation	258 companies
Target number of companies for installation as of the end of December 2022	1,409
Monthly sales target per company	300,000 yen

## Introduced to **494** companies as of the end of June 2022

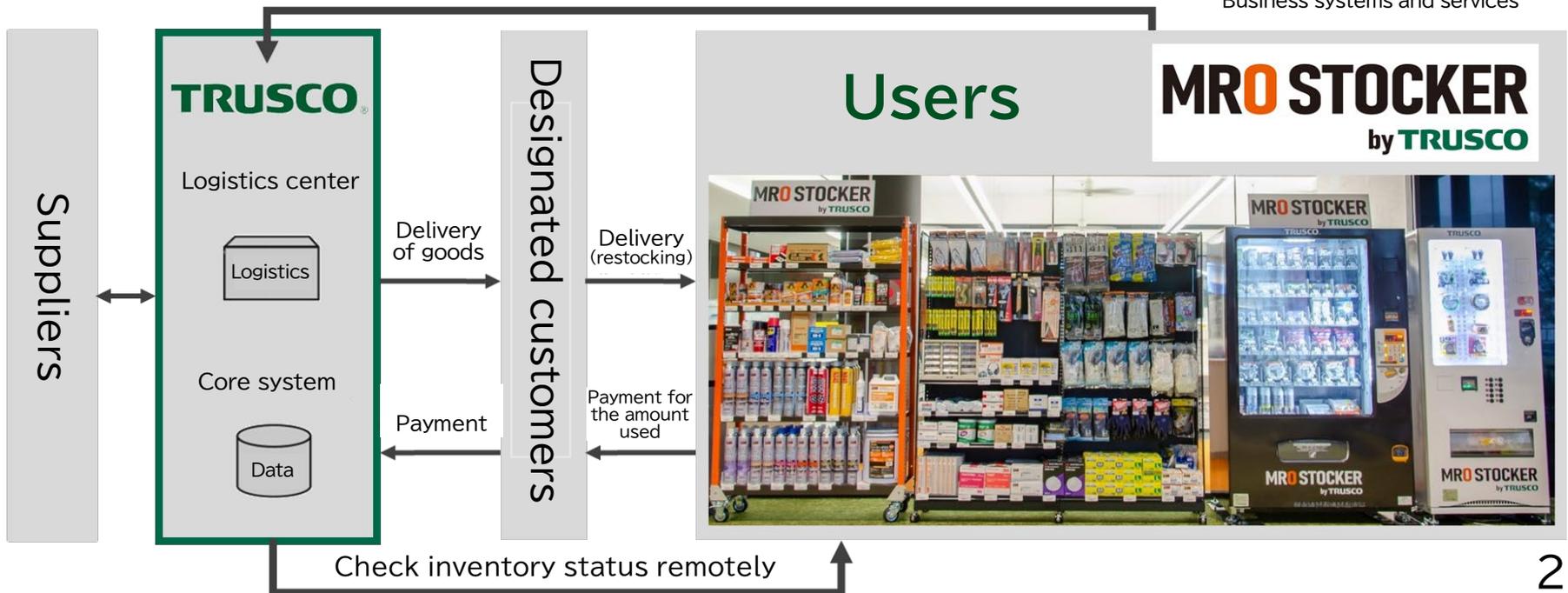
MRO Stocker is a tool version of a business model that has been popular in Japan for many years, "okigusuri" (use-first-pay-later medicine). It achieves the ultimate environment of quick delivery where products needed for manufacturing sites are immediately available. It stocks consumable supplies that users use daily in manufacturing, responding to the urgent needs of such supplies in manufacturing sites. In addition, users are billed only for the amount used, so they can use it without incurring inventory risk by simply providing the space.

### ● Operation flow

Linking automatic inventory ordering and order information

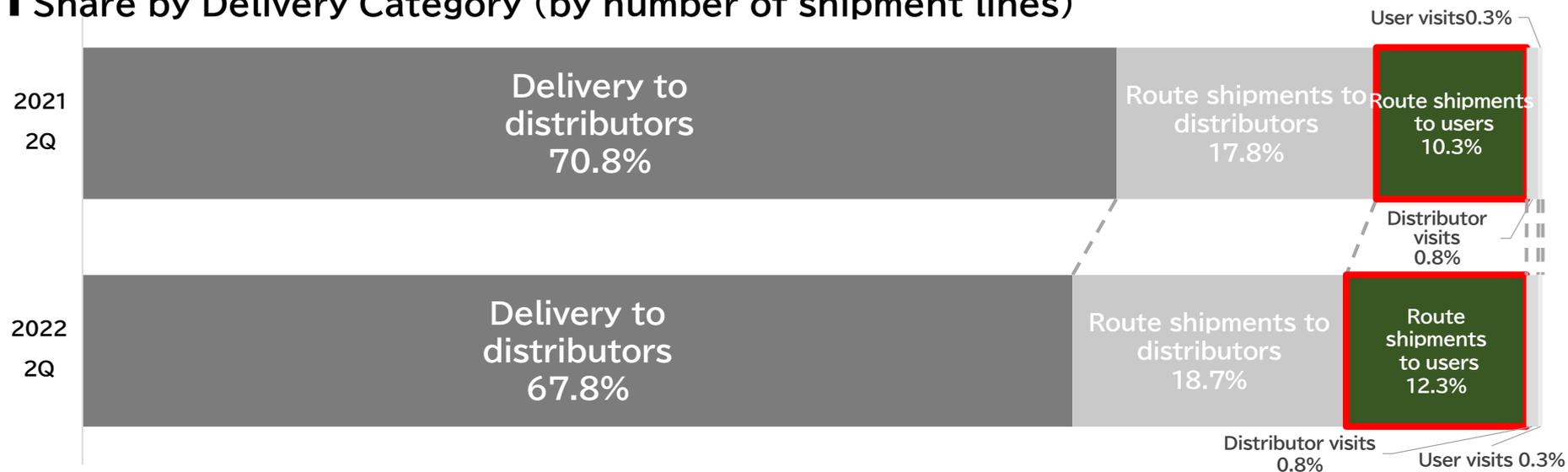


Business systems and services



# D-3. Key indicators (logistics)

## Share by Delivery Category (by number of shipment lines)



## About our User Direct Shipment Service

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

### I-Pack®

[High-speed automated packaging and shipping line]

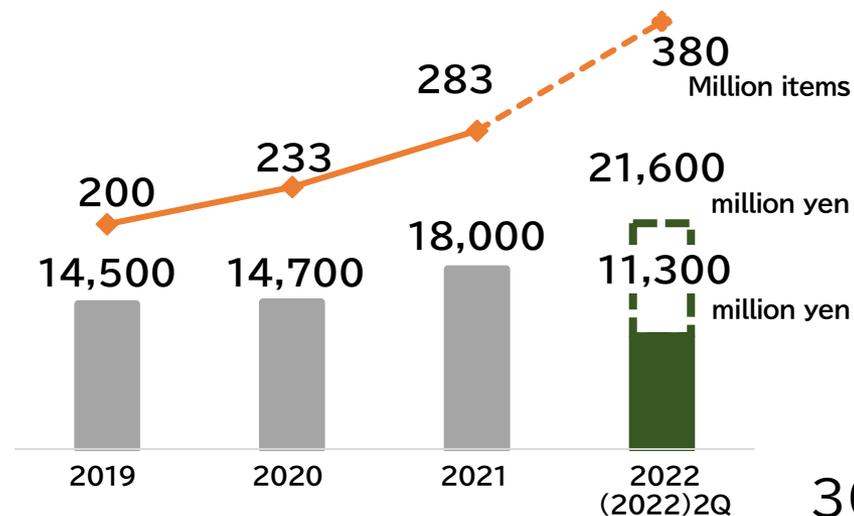
Shipping capacity: 720 cs/h per line, equivalent to approx. 24 workers

I-Pack introduced to:

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

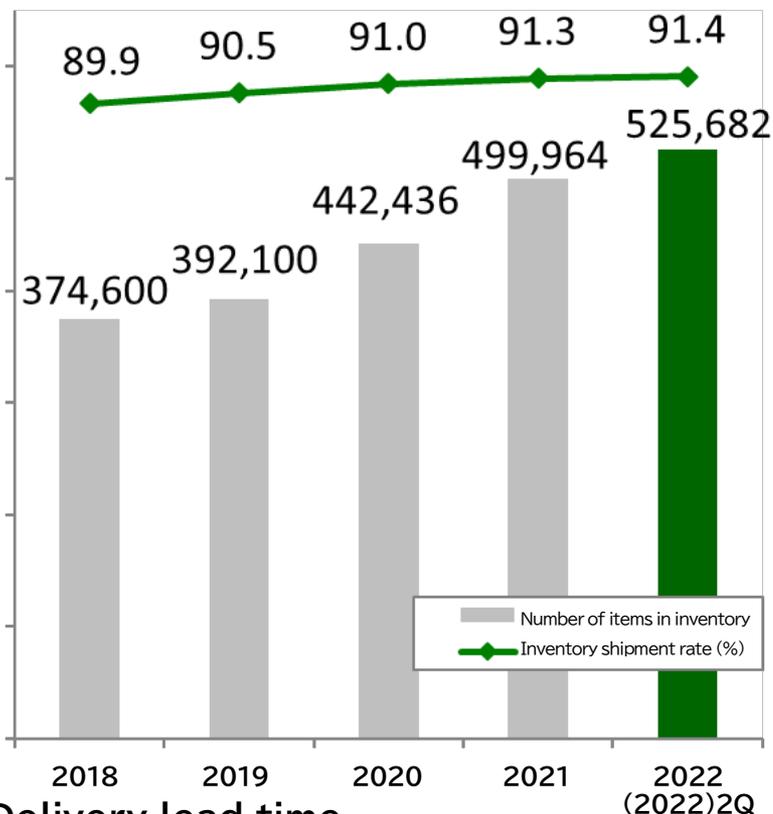
## Changes of the User Direct Shipment Service

(Unit: million yen, million items)



## D-3. Key indicators (logistics)

### Number of items in inventory and inventory shipment rate



### Delivery lead time

As of the end of May 2022:  
20 hours, 16 minutes, 4 seconds  
(+ 9 minutes, 11 seconds from the end of the previous fiscal year)

### Labor cost per line of incoming/outgoing shipments

As of the end of May 2022:  
123 yen (+ 5 yen from the end of the previous fiscal year)

### [Non-consolidated] Changes in inventory disposal and inventories

	2017	2018	2019	2020	2021
Inventory disposal (million yen)	41	39	42	50	55
Inventories (100 million yen)	318	370	427	406	416
Disposal rate (%)	0.13	0.11	0.10	0.12	0.13

### Delivery service and internal delivery service: Number of units

	No. of units	Change from the end of previous fiscal year
<b>Total number of deliveries</b>	<b>279</b>	<b>+1</b>
Chartered vehicle delivery service (contracted delivery service)	160	-1
Own company delivery service	119	+2
<b>Internal delivery service</b>	<b>30</b>	<b>±0</b>
Chartered vehicle delivery service (contracted delivery service)	26	-1
Own company delivery service	4	+1
<b>Delivery service and internal delivery service Total</b>	<b>309</b>	<b>+1</b>

#### Delivery service

We are reviewing delivery and internal delivery services to optimize the number of units by streamlining delivery routes and internal movement of inventory.

We are also increasing the number of own company delivery services (delivery by the Company's employees) to improve customer service. The current own company delivery rate is 42.7%. We plan to increase own company delivery rate to 50% in the future.

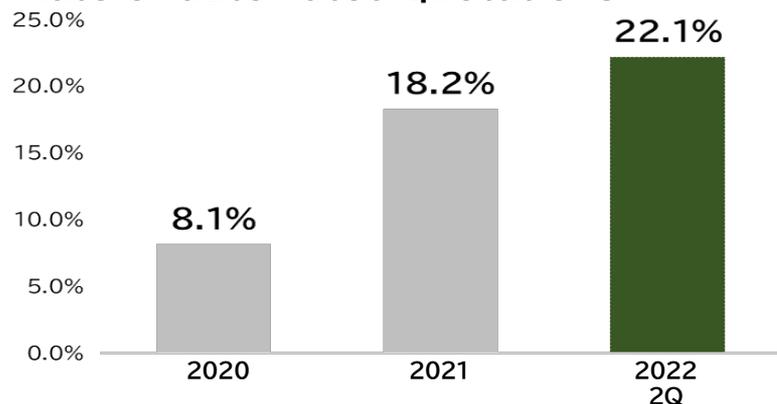
# D-4. Key indicators (digital)

## AI-based estimation system "Swift Estimator"

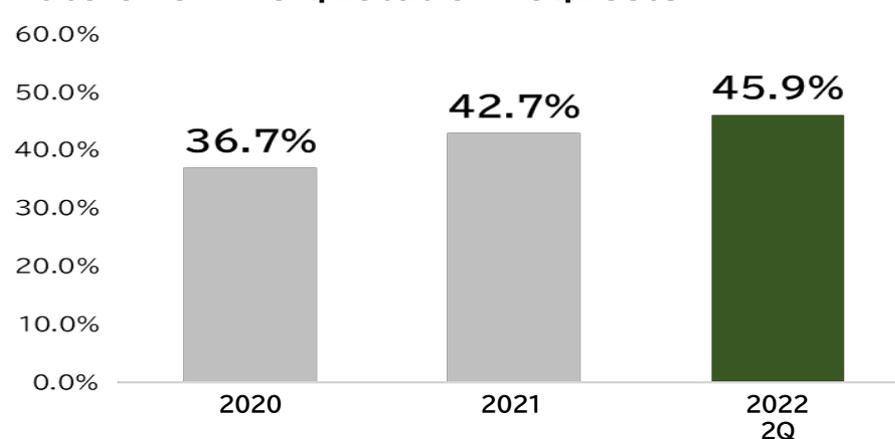
### Automate quotations with AI

Promotes automation of quotations through special price optimization that automatically calculates fair prices for products on a regular basis based on the performance of orders and quotations. This has led to an improvement in the speed of response to customers (minimum 5 seconds).

### ● Rate of automated quotations



### ● Rate of online quotation requests



## System order rate

Orders received	Number of orders (thousand lines)	Line share	Change in line share from the end of previous fiscal year (pt)	Order price (million yen)	Price share	Change in price share from the end of previous fiscal year (pt)
TRUSCO Orange Book.Com Internet ordering (for distributors and users)	7,698	39.1%	Δ0.7	51,145	42.5%	+0.4
TRUSCO EDI Data linkage with distributor ordering system	4,270	21.7%	+0.1	16,519	13.7%	+0.7
Orange Commerce Linkage with users' purchasing system	462	2.3%	+0.2	3,200	2.7%	+0.4
EOS Home center electronic ordering system	4,323	21.9%	+0.3	9,367	7.8%	+0.3
Total	16,755	85.0%	Δ0.3	80,232	66.6%	+1.6

\* FAX-OCR DOTKUL service was terminated in May 2021 due to declining utilization.

# D-5. Key indicators (human resources)

## I Number of Employees [Consolidated]

As of June 30, 2022

(Unit: persons)

	Female	Male	Total	YoY change
Executives	1	9	10	△1
Executive officers	0	1	1	△1
Career (overseas and domestic)	164	429	593	△15
Carrier (regional)	0	5	5	+5
Digital career	0	0	0	±0
Logistics career	0	0	0	±0
Area	298	297	595	+16
Logistics area	2	17	19	+19
Specialist	13	12	25	△2
Expert	0	0	0	±0
Logistics	88	256	344	△7
Support	0	0	0	△26
Contract employees	1	38	39	+6
Overseas subsidiaries	23	23	46	+4
Seconded to health insurance association	2	0	2	±0
Seconded to Nakayama Visually Impaired Welfare Foundation	0	1	1	+1
Total number of employees (excluding executives)	591	1,079	1,670	±0
Part-time employees	978	348	1,326	+122
Total	1,570	1,436	3,006	+121

Share of female employees: 35.4%, Number of female sales staff members: 52, Female employees in career-track positions: 27.6%

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

## I Average age and annual income

	Average age (years)			Average annual income (10,000 yen)			
	Female	Male	Entire company	Career	Area	Logistics	Entire company
2021	32.8	43.2	39.6	724	596	456	615
2020	32.1	41.9	38.4	721	601	461	619
2019	31.3	42.0	38.2	758	642	492	655
2018	30.9	42.1	38.2	804	680	520	701
2017	30.7	42.7	38.6	805	696	541	715

\* 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.

## I Numbers of incoming and outgoing employees

	2018 (2018)		2019 (2019)		2020 (2020)		2021 (2021)		2022 (2022) 2Q	
	[Non-consolidated]		[Consolidated]		[Consolidated]		[Consolidated]		[Consolidated]	
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
No. of employees	557	1,051	585	1,071	589	1,085	571	1,061	591	1,079
	1,608		1,656		1,674		1,632		1,670	
No. of incoming employees	63	72	52	57	41	46	26	25	42	45
	135		109		87		51		87	
No. of outgoing employees	20	26	42	44	37	33	45	45	25	23
	46		86		70		90		48	
Turnover ratio (%)	3.5	2.4	6.7	3.9	5.9	3.0	7.3	4.1	4.1	2.1
	2.8		4.9		4.0		5.2		2.8	

# E. 60th Management Plan

- P35 E-1. [Consolidated] Management plan
- P36 E-2. [Consolidated] Quarterly business performance and budget (quarterly)
- P37 E-3. [Consolidated] Quarterly business performance and budget (cumulative)



# E-1. [Consolidated] Management plan

## ◆ Budgeting policy

The forecast is used as the entire company's budget, which is the total of the "annual budget of each branch prepared by the branch manager throughout Japan." The branch managers, who are familiar with their market, formulate their respective branch's budget as they are in charge of developing their branch strategy including staffing and are ultimately accountable for their branch.

(Unit: million yen)

	Actual results for FYE December 31, 2021	Plan for FYE December 31, 2022	Share	Year-on-year change
Net sales	226,833	243,500	—	+7.3%
Gross profit	47,670	51,720	21.2%	+8.5%
Selling, general and administrative expenses (SGA)	34,673	37,470	15.4%	+8.1%
(depreciation included in SGA)	6,929	6,853	2.8%	△1.1%
Operating income	12,997	14,250	5.9%	+9.6%
Ordinary income	13,555	14,600	6.0%	+7.7%
Profit attributable to owners of parent	11,596	9,960	4.1%	△14.1%
Dividend per share	35.50 yen	38.00 yen	—	—

Figures for fiscal year 2021 are retroactively applied due to a change in accounting policy. In the fiscal year ended December 31, 2021, approximately 3,400 million yen was recorded as extraordinary income due to the sale of real estate.

## E-2. [Consolidated] Quarterly budget and business performance (quarterly)

### ■ FYE December 31, 2022 Second Quarter (Quarterly)

(Unit: million yen, %)

		1st Quarter (-1 day)			2nd Quarter (±0 day)			3rd Quarter (+3 days)			4th Quarter (+1 day)		
		Actual results	Share	YoY change	Actual results	Share	YoY change	Budget	Share	YoY change	Budget	Share	YoY change
Net sales	Budget	61,130	100.0	+6.1	59,543	100.0	+ 8.2	59,442	100.0		63,385	100.0	
	Actual results	61,159	100.0	+6.1	59,524	100.0	+ 8.2						
Gross profit	Budget	12,652	20.7	+2.1	12,602	21.2	+ 5.4	12,532	21.1		13,934	22.0	
	Actual results	12,883	21.1	+3.9	12,495	21.0	+ 4.5						
Selling, general and administrative expenses (SGA)	Budget	9,257	15.1	+7.9	9,281	15.6	+ 9.5	9,273	15.6		9,659	15.2	
	Actual results	9,395	15.4	+9.5	10,050	16.9	+ 18.6						
Operating income	Budget	3,395	5.6	△11.0	3,321	5.6	△ 4.8	3,259	5.5		4,275	6.7	
	Actual results	3,488	5.7	△8.6	2,445	4.1	△ 29.9						
Ordinary income	Budget	3,429	5.6	△14.7	3,502	5.9	△ 5.2	3,287	5.5		4,382	6.9	
	Actual results	3,671	6.0	△8.6	2,475	4.2	△33.0						
Quarterly profit attributable to owners of parent	Budget	2,334	3.8	△14.5	2,387	4.0	△ 5.4	2,242	3.8		2,997	4.7	
	Actual results	2,534	4.1	△7.1	1,715	2.9	△ 32.0						

Figures for the first and second quarters of the fiscal year ended December 31, 2021 are retroactively applied due to a change in accounting policy.

## E-3. [Consolidated] Quarterly budget and business performance (cumulative)

### ■ FYE December 31, 2022 Second Quarter [Cumulative]

(Unit: million yen, %)

		1st Quarter (-1 day)			2nd Quarter (±0 day)			3rd Quarter (+3 days)			4th Quarter (+1 day)		
		Actual results	Share	YoY change	Actual results	Share	YoY change	Budget	Share	YoY change	Budget	Share	YoY change
Net sales	Budget	61,130	100.0	+6.1	120,673	100.0	+7.1	180,115	100.0		243,500	100.0	
	Actual results	61,159	100.0	+6.1	120,683	100.0	+7.1						
Gross profit	Budget	12,652	20.7	+2.1	25,254	20.9	+3.7	37,786	21.0		51,720	21.2	
	Actual results	12,883	21.1	+3.9	25,379	21.0	+4.2						
Selling, general and administrative expenses (SGA)	Budget	9,257	15.1	+7.9	18,538	15.4	+8.7	27,811	15.4		37,470	15.4	
	Actual results	9,395	15.4	+9.5	19,445	16.1	+14.0						
Operating income	Budget	3,395	5.6	△11.0	6,716	5.6	△8.1	9,975	5.5		14,250	5.9	
	Actual results	3,488	5.7	△8.6	5,933	4.9	△18.8						
Ordinary income	Budget	3,429	5.6	△14.7	6,931	5.7	△10.1	10,218	5.7		14,600	6.0	
	Actual results	3,671	6.0	△8.6	6,147	5.1	△20.3						
Quarterly profit attributable to owners of parent	Budget	2,334	3.8	△14.5	4,721	3.9	△10.1	6,963	3.9		9,960	4.1	
	Actual results	2,534	4.1	△7.1	4,250	3.5	△19.1						

Figures for the first and second quarters of the fiscal year ended December 31, 2021 are retroactively applied due to a change in accounting policy.



# F. ESG Information

- P39 F-1. TRUSCO's "Gentleness for the Future" Project
- P40 F-2. Material issues
- P41 F-3. Sustainability indicators



# F-1. TRUSCO "Gentleness, to the future ..."

## ■ TRUSCO "Gentleness, to 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.



## ■ Sustainability Basic Policy - TSV

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

\* The term 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.**

## F-2. Material issues

### **Material Issues** — To be a sustainable company with low environmental impact

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

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

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

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

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

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

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

#### **(4) Environmental actions through business activities**

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

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

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

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

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

# F-3. Sustainability indicators

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

Annual power generation in 2021

**2,604,757kWh**

Renewable energy power self-sufficiency **16.5%**

## CO<sub>2</sub> emissions (as of the end of 2021)

Scope1 **1,941.4t-co<sub>2</sub>**

Scope2 **7,154.2t-co<sub>2</sub>**

### Disclosure of Scope 3

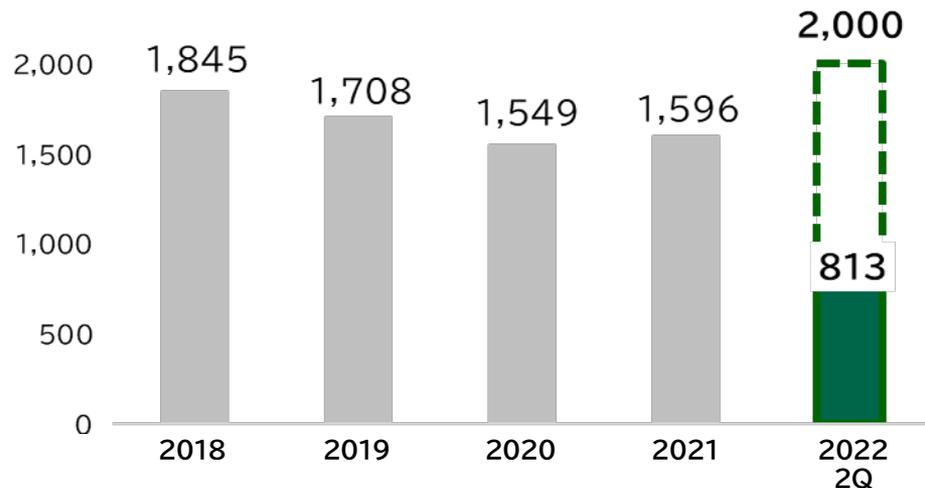
We have been working to optimize the entire supply chain and reduce greenhouse gas emissions in the supply chain by strengthening our User Direct Shipment Service and promoting the use of MRO stockers. Including those efforts, we are currently conducting analyses for the disclosure of Scope 3 and will make efforts to disclose it in stages.

## Sales of repair workshop "Naojiro"



(Unit: million yen)

Full year budget



## Role of "Naojiro"



"Naojiro" is a service that maintains the safety and precision that are essential for pro tools, and aims to reduce the environmental burden and contribute to cost reduction by allowing familiar tools and equipment to be used for a long time. In this service, delivery drivers and sales personnel collect products to be repaired as needed. This means that clients are not required to pack items or pay freight fees. Therefore, this service ensures both the reuse of pro tools and client efficiency. In January 2022, the Company will relaunch its Naojiro section to popularize and enhance this service.

### 8 services of repair workshop "Naojiro"

Repair	Regrinding	Calibration	Reuse
Processing	Maintenance	Assembly	Construction and installation

# TRUSCO®

## G. References

P43 G-1. Stock information

P44 G-2. Index comparison in the industry

P45 G-3. The Company's sales index and industrial production index



# G-1. Stock information

## Shareholder information

(Unit: persons)

	2019 End of December	2020 End of June	2020 End of December	2021 End of June	2021 End of December	2022 End of June
<b>Shareholders total</b>	<b>40,106</b>	<b>23,697</b>	<b>16,336</b>	<b>14,903</b>	<b>14,406</b>	<b>16,212</b>
Holder of share	39,494	22,887	15,514	14,030	13,528	15,190
Holder of shares less than one unit	611	809	821	872	878	1,021
Treasury shares	1	1	1	1	0	1
Financial institutions and securities companies	61	64	65	69	61	59
Domestic corporations	690	574	553	544	533	546
Overseas corporations, etc.	252	210	201	203	203	212
Individuals and others	39,102	22,848	15,516	14,086	13,608	15,394
Treasury shares	1	1	1	1	1	1

## Change in stock price index

Movements of each indicator are quantified with the figures in January 2010 set as 100.

[Revised stock prices]

TRUSCO Nakayama  
(632 yen)

Nikkei Stock Average  
(10,198.04)

TOPIX(901.12pt)

TRUSCO Nakayama  
(1,716 yen)

271.5

Nikkei Stock Average  
(26,393.04 yen)

258.8

207.6 TOPIX  
(1,870.82pt)

Friday, July 29, 2022

The Company's Stock  
Closing price  
1,888 yen

Nikkei Stock Average  
Closing Price  
27,777.07 yen

TOPIX  
1,940.31pt

January 2010

June 2022

## G-2. Index comparison in the industry

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

Trading companies in the machine tools industry include the following companies, 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 consumable supplies.

Due to change in accounting policy, year-on-year changes are not stated for companies marked with\*.

#### [Wholesale]

		Closing month				Market capitalization (100 million yen)
				Net sales (million yen)	Year-on-year change	
YAMAZEN CORPORATION	2022	March	Actual results	501,872	* -	891
YUASA TRADING CO.,LTD.	2022	March	Actual results	462,725	* -	797
NICHIDEN Corporation	2022	March	Actual results	123,964	+ 20.6	622
MARUKA FURUSATO CORPORATION	2021	December	Actual results	157,000	-	732
Naito & Co., Ltd.	2022	February	Actual results	44,070	* -	95
SUGIMOTO & CO., LTD	2022	March	Actual results	43,120	* -	211
TRUSCO Nakayama Corporation	2021	December	Actual results	229,342	+ 7.5	1,241
Total of 7 companies		-		1,562,093	-	4,589

#### [Retail]

		Closing month				Market capitalization (100 million yen)
				Net sales (million yen)	Year-on-year change	
MISUMI Group Inc.	2022	March	Actual results	366,160	+ 17.8	9,356
MonotaRO Co.,Ltd.	2021	December	Actual results	189,731	+ 20.6	10,176
Total of 2 companies		-		555,891	+ 38.4	19,532

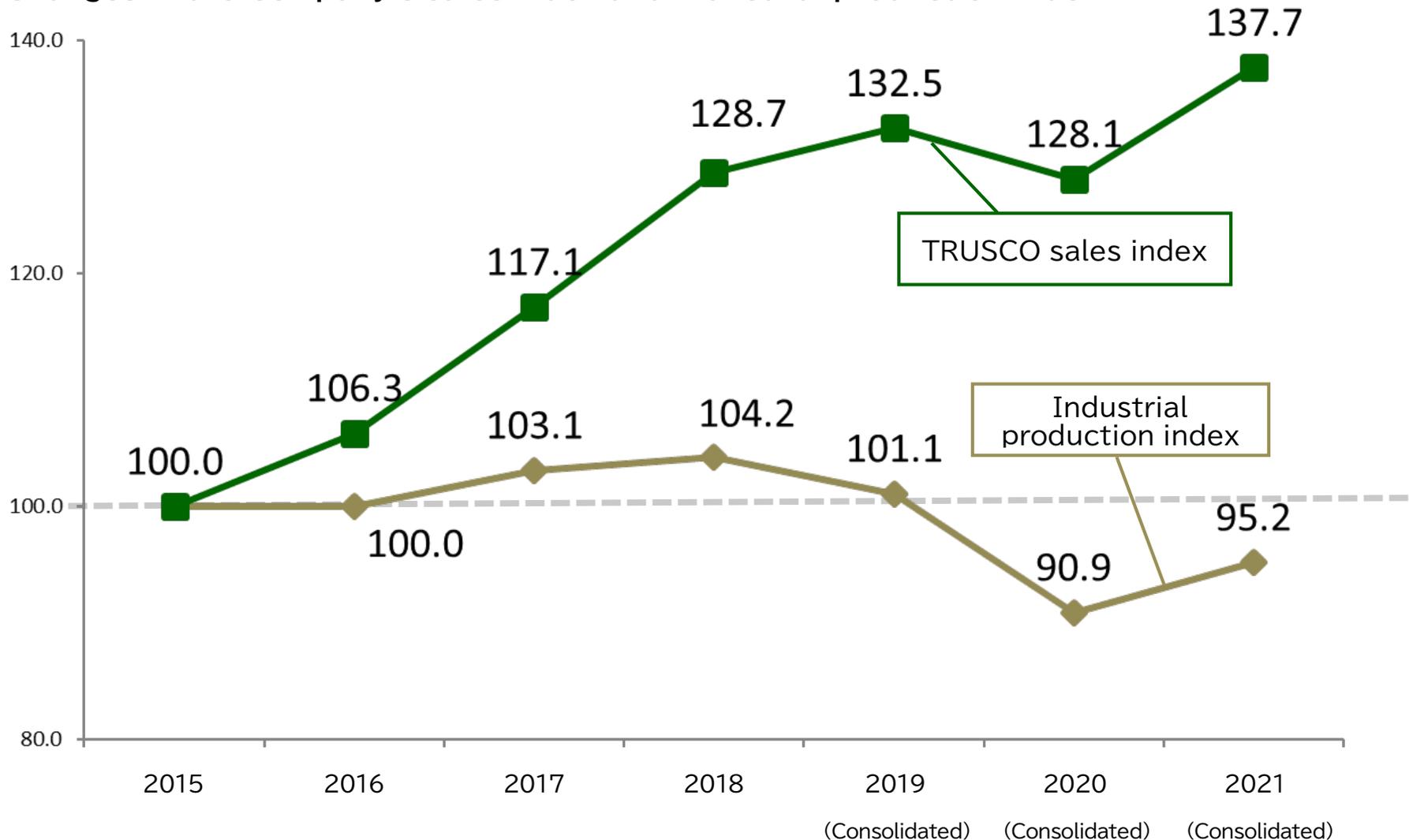
\* For companies that announce consolidated accounting, figures for consolidated accounting are shown.

\* All figures represent actual results and forecasts announced as of July 29, 2022.

\* Market capitalization is based on the closing price on July 29, 2022.

# G-3. The Company's sales index and industrial production index

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



\* Index standard: Year 2015 set as 100

\* Industrial production index is the figure published by the Ministry of Economy, Trade and Industry on January 31, 2022.