

Convocation Notice of the 58th Annual Shareholders' Meeting



常識一変
原則不変

“Common sense changes; principles remain unchanged”

The spread of COVID-19 infection is changing the world. However, regardless of the pandemic, the principles of business remain unchanged. If this is the case, then it is necessary to think of unchanging principles that will still be applicable 100 years from now.

President Nakayama's key phrase for 2021



At TRUSCO Data Center
"Solemare," Digital Strategy
Department, 5th floor, Tokyo
Head Office

To our shareholders

(Securities code: 9830)

March 2, 2021

TRUSCO NAKAYAMA Corporation

4-28-1 Shimbashi, Minato-ku, Tokyo

Tetsuya Nakayama, President

GAMBARE!! JAPANESE MONODZUKURI

中山 哲也

I would first like to express my gratitude for your warm support. Trusco Nakayama has made efforts to improve the convenience of customers by continuing its aggressive capital investment in distribution facilities and equipment as well as its information system and by strategically strengthening its expansion of its product lineup and inventories in order to accurately meet the needs of Monozukuri sites for a wide variety of items in small lots. The key phrase for this year is "Common sense changes; principles remain unchanged." With the spread of COVID-19 infection, we have learned that "common sense has changed" and that the common sense that we had until yesterday will suddenly become uncommon tomorrow. We believe that the principle of our business is to "deliver the products our customers need faster and more reliably than any of our competitors," and we have poured our heart and soul into improving the convenience of our customers. Regardless of the pandemic, the principles of business remain unchanged. Now, if this is the case, I think we should try to think of unchanging principles that will still be applicable 100 years from now.

I believe that we can say that the "principles that remain unchanged" are "high convenience," "prompt and reliable delivery," "a wide selection of products and its inventory," "reasonable prices," "kindness, politeness, security," and "digital capability." I am convinced that these are the market demands that will never change even as time changes.

COVID-19×Digital×Mechanism. I think these are a kind of industrial revolution. The things I hope to do and the things I have to do are appearing one after another, and it is like I am being hit with a letter of challenge from the future. "Common sense may change from time to time, but principles remain unchanged." With this thought always in mind, we will continue to strive to become a company that meets the needs of our customers and markets in the future.

Decided Matters upon the Convocation

Notice is hereby given that the 58th Annual Shareholders' Meeting of Trusco Nakayama (the "Company") will be held as described below and that you are invited to attend the Meeting. If you cannot attend the Meeting please review the following "Reference Materials for Shareholders' Meeting" and return the enclosed Voting Form indicating your vote "for" or "against" each of the proposals or access the Company's website for voting, which is indicated on the Voting Form, and exercise your voting rights via the Internet by 5:30 p.m., Wednesday, March 17, 2021.

- 1 Date and Time March 18 (Thursday), 2021, at 10:00 a.m. (Doors open at 9:00 a.m.)
- 2 Place:
 - *Pre-registration is required to attend. For details, please see the enclosed leaflet.
 - Osaka (venue where the chairperson will attend) *Please note that the hotel for the Hō room, 2nd Floor, Hotel New Otani Osaka, Osaka venue has been changed since last year.
 - 1-4-1 Shiromi, Chuo-ku, Osaka
 - Tokyo Tsuru Room, Banquet Floor, the Main Building, Hotel New Otani Tokyo, 4-1 Kioi-cho, Chiyoda-ku, Tokyo
 - *You may ask questions or exercise your vote "for" or "against" the proposals at either venue.
 - *Please note that the venue may be unavailable because of the spread of the COVID-19 infection. If the venue is to be changed, we will announce it on the Company's website.
 - Shareholders attending the meeting on the day of the Annual Shareholders' Meeting are kindly requested to confirm the change in advance before the meeting.
- 3 Matters Constituting the Purpose of the Meeting

Matters to Be Reported	Reports on the Business Report, Consolidated Financial Statements, Financial Statements, and the results of the audit of the Consolidated Financial Statements by the accounting auditor and the Board of Auditors for the 58th Period (from January 1, 2020 to December 31, 2020)
Matters to Be Resolved	Proposal No. 1: Election of Eight (8) Directors Proposal No. 2: Election of One (1) Corporate Auditor Proposal No. 3: Election of One (1) Substitute Corporate Auditor Proposal No. 4: Revision of the Maximum Amount of Corporate Auditors' Remuneration, etc.
- 4 Guide to the Exercise of Voting Rights
Please refer to "Guide to the Exercise of Voting Rights" on ▶ P3-4.

- (Note)
1. Please bring this Notice of Convocation as a material for proceedings and present the enclosed Voting Form to the receptionist at the venue of the Meeting.
 2. Of the documents to be provided, the Company has posted the [Matters concerning the Current Situation of the Corporate Group (Major Lenders)], the [Matters concerning Company Executives (Major Activities and Matters concerning the Independence of Outside Officers)], the [Situation of Accounting Auditors], the [Systems and Policies of the Company (System to Ensure the Propriety of the Company's Operations and the Operation Thereof, Basic Policy concerning the Control of the Company, and Policy concerning the Decision of Dividends from Surplus)] of the Business Report, the [Consolidated Statements of Changes in Shareholders' Equity] and [Notes to Consolidated Financial Statements] of the Consolidated Financial Statements, and the [Statements of Changes in Shareholders' Equity] and [Notes to Non-consolidated Financial Statements] of the Financial Statements on the Company's website (<http://www.trusco.co.jp/> "Finance" → "IR Library" → "Shareholders Communication") pursuant to the provisions of the law and Article 15 of the Articles of Incorporation. Therefore, they are not stated in this Notice of Convocation. For reference, the Business Report, Consolidated Financial Statements, and Financial Statements attached to this Notice of Convocation are part of the documents that were audited by the corporate auditor and the accounting auditor upon preparing the audit report.
 3. In the event that an item in the reference materials for the Meeting, the Business Report, Consolidated Financial Statements, or Financial Statements must be corrected by the day before the Meeting, the correction will be notified by posting the corrected item on the Company's website (<http://www.trusco.co.jp/> "Finance" → "IR Library" → "Shareholders Communication").
 4. In the event that the chairperson is unable to attend the meeting, the acting chair shall act as the chairperson in accordance with the predetermined order. In this case, there is a possibility that the place attended by the chairperson will be the Tokyo venue.

Voting Right Exercise Methods


Please exercise your voting rights by referring to ▶ P5–11 of the Shareholders' Meeting Reference Documents. There are four methods to exercise your voting rights.

  <p>Pre-registration website</p> <h3>Attending the Meeting*</h3>	 <h3>Via a Smartphone</h3>	 <h3>Via the Internet</h3>	 <h3>By post (in writing)</h3>
<p>Pre-registration is required to attend. URL: https://bit.ly/39KeZsR For details, please see the enclosed leaflet.</p>	<p>Please access the “Log-in QR Code to the Website for Exercising Voting Rights for Smartphones” at the lower right of the Voting Form and exercise your rights by following the instructions on the screen.</p>	<p>Please access the website specified by the Company and exercise your rights by following the instructions on the screen.</p>	<p>Please indicate your vote “For” or “Against” each proposal on the Voting Form, tear off the right section along the perforation, hide your personal information using the sticker, and post the form.</p>
<h3>Date and time of the Meeting</h3> <p>March 18 (Thursday), 2021 10:00 a.m. (reception will start at 9:00 a.m.)</p>	<h3>Time limit for the exercise of voting rights</h3> <p>March 17 (Wednesday), 2021 (5:30 p.m.)</p>		<h3>Time limit for the exercise of voting rights</h3> <p>March 17 (Wednesday), 2021 5:30 p.m. (latest arrival time)</p>

Guide to Exercising Voting Rights via a Smartphone


- #### 1. Scan the QR code

Scan the “Log-in QR Code to the Website for Exercising Voting Rights for Smartphones” at the lower right of the enclosed Voting Form with your smartphone or tablet device.

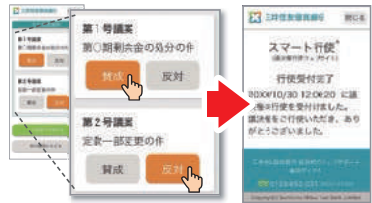


*QR Code is a registered trademark of Denso Wave Incorporated.
- #### 2. Select the Voting Right Exercise Methods

Access the URL displayed to open the website screen for exercising voting rights. There are two methods of exercising voting rights.

 - I will vote “for” all company proposals.
 - I will instruct each agenda item separately.
- #### 3. Enter “For” or “Against.”

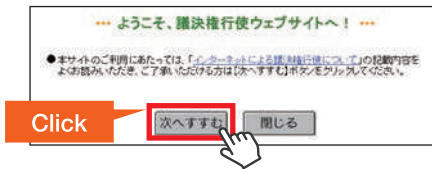
Enter “For” or “Against” according to the instructions on the screen. If there is no problem on the confirmation screen, click the “Exercise with this item” to complete your exercise.



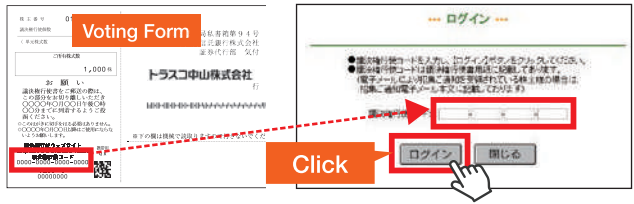
Guide to Exercising Voting Rights via the Internet

- #### 1. Access the website for exercising voting rights.

<https://www.web54.net>


- #### 2. Log-in.

Please enter the “Code for the Exercise of Voting Rights” indicated on the enclosed Voting Form.


- #### 3. Enter “For” or “Against.”

Enter the initial password on the next screen, and then, set the password that you will actually use.

Enter “For” or “Against” according to the instructions on the screen thereafter.

Please call the number below for inquiries on how to operate a PC, smartphone, or mobile phone when exercising voting rights via the Internet. Dedicated phone number for stock transfer agency web support of Sumitomo Mitsui Trust Bank:

☎ 0120-652-031 (9:00 a.m. to 9:00 p.m., excluding year-end and New Year's holidays)

Notes ⚠

- If you exercise your voting rights twice, via the Internet and by post (in writing), we will treat the exercise of your voting rights via the Internet as effective.
- If you exercise your voting rights more than once via the Internet, we will treat the last exercise of your voting rights as effective.
- Exercising voting rights using a PC, smartphone, etc., may not be possible depending on your Internet environment. In addition, exercising voting rights may not be possible with some mobile phones.

*Those attending the Meeting as a proxy shareholder (only one other shareholder holding voting rights of the Company) are requested to submit a written proof of their right of proxy at the Meeting reception desk.

How to Fill in the Voting Form

Please enter your vote for each proposal by referring to ▶ P5-11 of the Shareholders' Meeting Reference Documents.

議決権行使書 株主番号 議決権行使個数 個

トラスコ中山株式会社 御中

私は、令和3年3月18日開催の貴社第58期定時株主総会（継続会又は延会を含む）における各議案につき、右記（賛否を○印で表示）のとおり議決権を行使します。

令和3年 3月 日

議案	第1号案 (下の欄に 議案名を記入)	第2号案	第3号案	第4号案
賛否表示欄	賛	賛	賛	賛
	否	否	否	否

**Circle “賛(For)” if you agree.
Circle “否(Against)” if you disagree.**

インターネットと書面両方で議決権行使された場合は、インターネットを有効とします。株主総会にご出席の際は、この用紙の右片を切離さずにそのまま会場受付にご提出ください。

お願い

1. 株主総会にご出席願えない場合は、この議決権行使書用紙に賛否をご表示いただき。

Attention ⚠

- If you do not indicate your vote for each proposal, your votes will be treated as **affirmative** votes.
- Your vote will be **invalid** if you circle both “賛(For)” and “否(Against).”

(Correct)

(Incorrect)

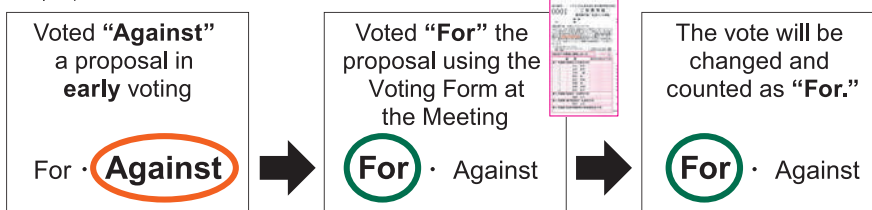
トラスコ中山株式会社

Relationship between Prior Voting and Voting on the Day

Pre-registration is required to attend. For details, please see the enclosed leaflet.

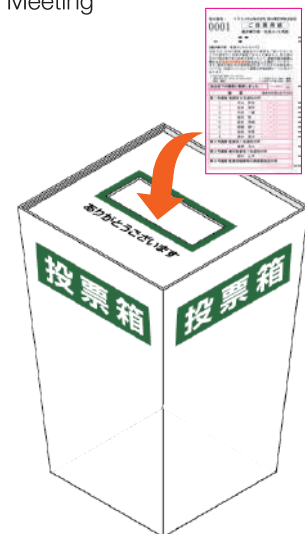
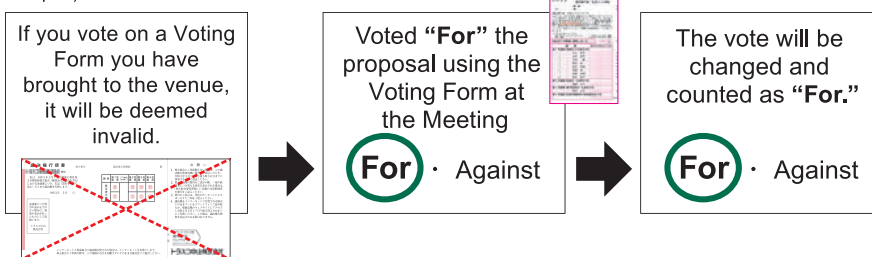
1. If voting early via the Internet (PC) or smartphone (refer to ▶ P3) and attending the Meeting

(Example)



2. If attending the Meeting without voting early

(Example)



At the Meeting, you will be asked to place your Voting Form in the ballot box.

Voting on the Day

On the basis of the idea that it is important to judge “For” or “Against” after seeing the presentations, discussions, persons, etc., on the day of the Meeting, we hand voting forms to the shareholders who attend the meeting. We aggregate the results of the votes by our shareholders on the day of the Meeting and disclose them in the notice of resolution or extraordinary reports. Please note that shareholders who view the meeting online will not be able to vote on the day of the meeting.



Voting Form at the Meeting

Open Judge System (OJS) on the President

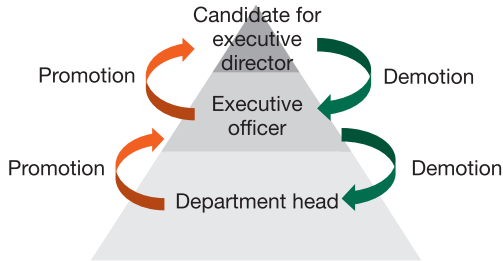
We consider the results of the votes on the day of the Meeting concerning the President by shareholders who have heard the Business Report and Q&As to be important evaluation indicators of the President as the “OJS on the President.” Concerning the results, a notice of resolution will be posted on the Company’s website on March 19 (Friday), 2021, after the closing of the Meeting. The results of the “OJS on the President” for the previous period (57th Period) are presented on ▶ P5.

Reference Materials for Shareholders' Meeting Proposal Details

Executive Evaluation System

Reflecting the voices of employees through the Open Judge System (OJS; 360 degrees evaluation)

The Company has introduced an evaluation system that evaluates staff with executive posts of a department head or higher from multiple aspects. Voters vote for each executive member based on the member's daily attitude toward work. Promotion or demotion of the executive staff member is decided based on the results of the votes as well as the member's daily actions and remarks, judgment, responsiveness, problem-solving skills, and ingenuity.



Targets	: Directors, corporate auditors, executive officers, and general managers (24 in total)
Voters	: Directors, corporate auditors, executive officers, general managers, and managers (147 in total)
Aggregation method	: Evaluation by score (1 to 4) on six items (full score: 24)
Results	: (Promotion) Based on the results of the OJS (Demotion) Less than 16 points for two consecutive years
	(Notes) The assessment items for the OJS on corporate auditors differ.

Assessment items for the OJS on Directors, Executive Officers, and Department Heads

	Assessment items	Assessment items	Score
1	Judgment grasping the essence	Has the competence to find the true essence as a management executive and make decisions from the standpoint of supervising the Company's overall management	Full score: 4 points
2	Management skills	Has the ability to unite employees with various abilities to maximize the organization's performance	Full score: 4 points
3	Communication ability	Has the ability to clearly communicate conclusions and goals with objective facts	Full score: 4 points
4	Fairness, equitability, and honesty	Has a high sense of ethics, respect for fairness, and equitability, and be able to control oneself and others. Handle things honestly	Full score: 4 points
5	Originality and creativity	Has the ability to create new systems and mechanisms with originality that others cannot imagine	Full score: 4 points
6	Problem-solving ability	Has a sense of ownership and the ability to take action to solve problems by confronting the facts and current situation without procrastinating or avoiding responsibility	Full score: 4 points

Total full score: 24 points

*The number of Company shares held by the candidates stated in the Shareholders' Meeting Reference Documents starting on P5-10 is as of the date when this notice was sent. *The candidates on P5-10 have no special interest in the Company.

Proposal No. 1

Election of eight (8) directors

The terms of office of all nine (9) directors will expire at the closing of the Meeting. Among these, Tadahisa Yabuno will retire at the closing of the Meeting. We would like to propose his new appointment as a corporate auditor (P10). Therefore, we would like to ask our shareholders to appoint eight (8) directors. The director candidates are as below.

Candidate no.	1	Re-appointment	Internal
---------------	---	----------------	----------

なか やま てつ や
中山哲也
Tetsuya Nakayama



Candidate's profile

Date of birth	December 24, 1958 (62 years old)
With the Company	39 years and 11 months
No. of Company shares held	1,875,400 shares
Attendance at Board of Directors' meetings	100% (11/11 meetings)

Reason for nomination as a director candidate

Mr. Nakayama has been nominated as a director candidate, taking into consideration the results of the OJS on the President, which is a vote by shareholders who attended the previous (57th) Annual Shareholders' Meeting, as an important benchmark.

No. of attendees	Approval rate	No. of valid votes ¹⁾	Affirmative votes
1,652	99.7%	1,448	1,443

Notes: 1. The number of valid votes does not include shareholders who did not vote on the day of the Meeting (abstention) or those whose vote contents could not be determined (invalid).
2. The OJS on the President is presented on P4.

Creating the Company, we desire to

- “Be a company that helps Japan's manufacturing”
 - “Be a company where our employees can work with peace of mind and stability”
 - “Be a company that can provide a stable supply of relief supplies in the event of a disaster”
 - “Be a company that cares about the environment and contributes to society”
 - “Be a company that our shareholders can trust”
 - “Be a company that is always innovative and creative”
- We will focus on creating such a company that we desire to be.

Brief biography, status, business in charge of, and important concurrent posts

March 1981	Joined the Company
October 1984	Director
December 1987	Managing Director
December 1991	Representative Director and Senior Managing Director
December 1994	Representative Director and President (present)

Election of eight (8) directors

*The indicated directors' average of OJS is the average scores of eight directors.
*The indicated OJS scores have been rounded to the first decimal place.

Candidate no.

2

Re-appointment

Internal

みやた しん さく
宮田 晋作
Shinsaku Miyata

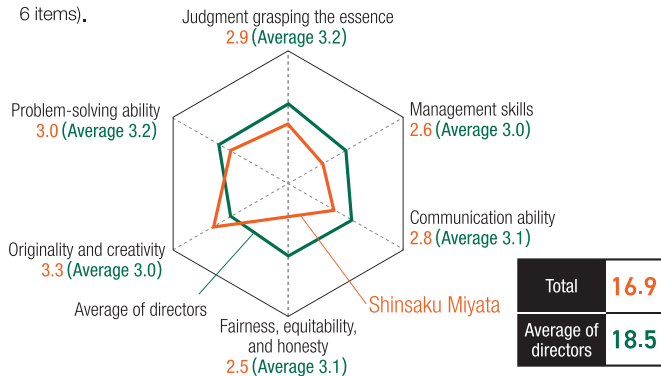


Candidate's profile

Date of birth	June 9, 1964 (56 years old)
With the Company	31 years and 11 months
No. of Company shares held	5,000 shares
Attendance at Board of Directors' meetings	100% (11/11 meetings)

Reason for nomination as a director candidate

The following results of the FY2020 OJS on Directors have been adopted as an important benchmark (full score of 24 points: 4 points × 6 items).



Aiming to improve corporate function through fundamental reform

“Improve yourself through your work.” I would like to make this company a place where such professionals gather to improve themselves through their work. We aim to be a professional group, hoping that our results will contribute to the happiness of our customers, suppliers, and other stakeholders. Now is the time to question what we should really be in the current fiscal year. As such, we will further improve our business infrastructure in order to strengthen “All-Weather Management” that can ensure profitability regardless of boom and bust.

Brief biography, status, business in charge of, and important concurrent posts

March 1989	Joined the Company
April 1997	Head of Overseas Sales Office
April 1999	Nagoya Branch Manager
October 2001	Head of Kobe Sales Office
October 2008	Head of Planet South Kanto Center
April 2011	Head of Product Department
January 2015	Executive Officer & Head of Product Department
January 2016	Executive Officer & Head of Tokyo Head Office Product Department
January 2017	Executive Officer & Head of Product Division
March 2019	Director & Head of Product Division (present)

Candidate no.

3

Re-appointment

Internal

なか い かず お
中井 一雄
Kazuo Nakai

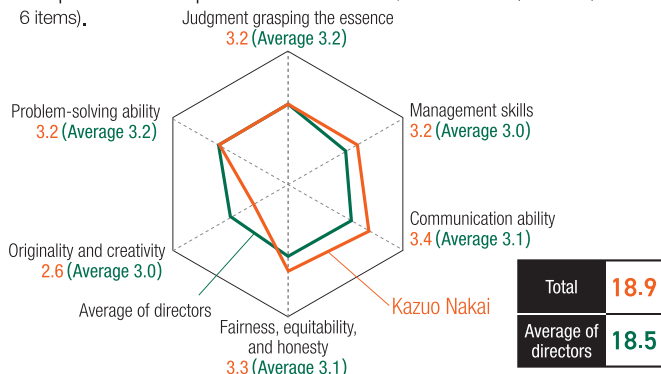


Candidate's profile

Date of birth	July 7, 1969 (51 years old)
With the Company	27 years and 11 months
No. of Company shares held	3,500 shares
Attendance at Board of Directors' meetings	100% (11/11 meetings)

Reason for nomination as a director candidate

The following results of the FY2020 OJS on Directors have been adopted as an important benchmark (full score of 24 points: 4 points × 6 items).



Aiming to be a company trusted by customers

Through our daily sales activities, we will strive to solve our customers' problems with a greater sense of speed than ever before. By utilizing our overwhelming range of products, logistics, and IT, we will strive to improve convenience at manufacturing sites and contribute to the development of our customers, aiming to become a trusted and necessary supplier.

Brief biography, status, business in charge of, and important concurrent posts

April 1993	Joined the Company
April 2002	Head of HC Niigata Sales Office
April 2004	HC Osaka Branch Manager
April 2008	Head of Human Resources Section
October 2008	Head of Human Resources Section & Healthcare Section
April 2013	Head of Corporate Planning Department
January 2017	Executive Officer & Head of Corporate Planning Department
January 2019	Executive Officer & Head of Corporate Management Division
March 2019	Director & Head of Corporate Management Division
October 2020	Director & Head of Sales Division Executive in charge of TRUSCO NAKAYAMA CORPORATION (THAILAND) LIMITED (present) Executive in charge of PT. TRUSCO NAKAYAMA INDONESIA (present)
January 2021	Director & Head of Sales Division Head of Home Center Sales Department & Distribution Department (present)

Candidate no. **4** Re-appointment Internal

かず み あつし
数見 篤
Atsushi Kazumi

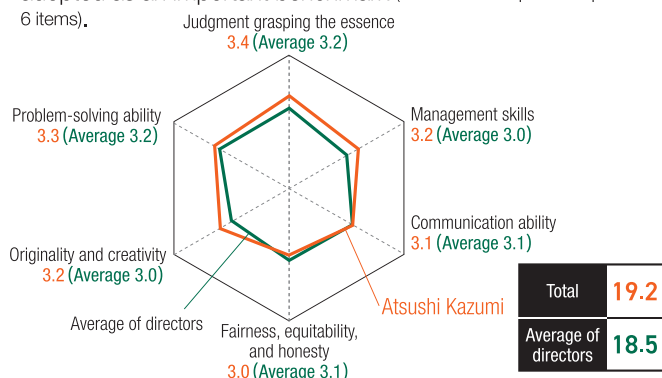


Candidate's profile

Date of birth September 10, 1970 (50 years old)
With the Company 27 years and 11 months
No. of Company shares held 3,500 shares
Attendance at Board of Directors' meetings 100% (11/11 meetings)

Reason for nomination as a director candidate

The following results of the FY2020 OJS on Directors have been adopted as an important benchmark (full score of 24 points: 4 points × 6 items).



Fostering a positive and energetic corporate culture and employees

"In every age, with Kokorozashi (aspiration) in our hearts. We will foster a bright and energetic corporate culture and employees who are full of the spirit of Trusco Nakayama." But in these turbulent times, we will do our utmost to improve our corporate value by taking concrete and speedy actions in the spirit of Never Give Up with self-reflection and ever-changing awareness toward what we desire to be.

Brief biography, status, business in charge of, and important concurrent posts

April 1993	Joined the Company
April 2001	Head of Tsuchiura Sales Office
November 2002	Head of Kanazawa Sales Office
April 2006	Osaka Branch Manager
October 2010	Head of Catalog/Media Section & Head of Dottokuru Section
October 2013	Head of e-Commerce Sales Department
April 2014	Head of e-Business Sales Department
January 2017	Executive Officer & Head of e-Business Sales Department in charge of Mail Order
July 2017	Executive Officer & Head of Information Systems Department
January 2019	Executive Officer & Head of Information Systems Division
March 2019	Director & Head of Information Systems Division
October 2020	Director & Head of Corporate Management Division Head of Digital Strategy Department, Head of Digital Promotion Department
January 2021	Director & Head of Corporate Management Division, Head of Digital Strategy Department (present)

Candidate no. **5** Re-appointment Internal

なお よし ひで き
直吉 秀樹
Hideki Naoyoshi

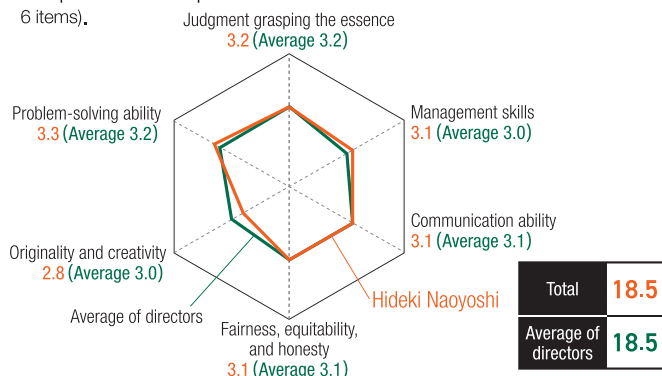


Candidate's profile

Date of birth December 7, 1971 (49 years old)
With the Company 26 years and 11 months
No. of Company shares held 3,800 shares
Attendance at Board of Directors' meetings 100% (11/11 meetings)

Reason for nomination as a director candidate

The following results of the FY2020 OJS on Directors have been adopted as an important benchmark (full score of 24 points: 4 points × 6 items).



Making every change a source of growth for the company and people

The impact of the global COVID-19 disaster is inevitable, but it will never stop us from evolving. Because we live in a contactless society with little human interaction, we would like to make our customers happy by preparing professional tools, making full use of IT, and training our logistics capabilities. What the unprecedented series of changes will question is our determination to support manufacturing sites. We will pursue the highest level of convenience on a company-wide basis.

Brief biography, status, business in charge of, and important concurrent posts

April 1994	Joined the Company
October 2003	Head of Amagasaki Sales Office
April 2007	Head of Kokura Sales Office
October 2010	Head of Corporate Auditor's Office
October 2011	Head of Corporate Planning Section
February 2013	Head of Information Systems Department
January 2017	Executive Officer & Head of Information Systems Department
July 2017	Executive Officer & Head of Distribution Division
March 2019	Director & Head of Distribution Division (present)

Candidate no.

6

Re-appointment

Outside

さい とう けん いち
齋藤 頭一
Kenichi Saito



Candidate's profile

Date of birth	November 15, 1949 (71 years old)
No. of Company shares held	3,000 shares
Attendance at Board of Directors' meetings	100% (11/11 meetings)
Years of service (at the closing of the Meeting)	5 years

Reason for nomination as an outside director candidate

Mr. Kenichi Saito has experience in a company that conducts business globally and has founded a management consulting firm. He has been nominated as a candidate for outside director for fair and objective guidance toward continuous improvement of the Company's corporate value, as expected of him, based on his experience, and knowledge as a management professional.

Confirming a new lifestyle with COVID-19

COVID-19 caused us anxiety, confusion, and sadness. However, when we think about it, it also means that we are being asked to live in a new way of life. Where is our foundation? Valuing family, friends, and associates more than oneself; shifting from a company-centric mindset to a customer-focus approach; supporting environmental issues; etc. I would like to make it my "new normal" to contribute not through words but actions.

Brief biography, status, and important concurrent posts

April 1975	Joined McKinsey & Company
January 1996	Founded ForeSight & Company President (present)
March 2016	Outside Director of the Company (present)
October 2017	Founded the Society for Problem-Solving Proficiency Representative Director of the Society for Problem-Solving Proficiency (present)

Criteria for appointment of outside directors ▶ P 9
Criteria for independence of outside officers ▶ P 9

Candidate no.

7

Re-appointment

Outside

はぎ はら くに あき
萩原 邦章
K. Hagihara



Candidate's profile

Date of birth	August 19, 1953 (67 years old)
No. of Company shares held	3,000 shares
Attendance at Board of Directors' meetings	100% (11/11 meetings)
Years of service (at the closing of the Meeting)	5 years

Reason for nomination as an outside director candidate

Mr. Kuniaki Hagihara has been nominated as a candidate for outside director for his abundant experience and broad knowledge as a manager in manufacturing, as well as his expected contribution to swift and bold decision-making by the management, in addition to supervisory functions and advice from a shareholder's/investor's perspective toward continuous improvement of the Company's corporate value.

Suggestions and advice from my management experience in the manufacturing industry

Our mission is to constantly develop the best methods and create new conveniences to enhance our customers' competitiveness. We are also making the necessary investments to achieve the vision. It is a comprehensive investment in innovative equipment and devices, as well as in the development of computer systems, just like a manufacturing industry. I will try to provide suggestions and advice for "highly efficient management" by "discarding what is unnecessary and picking out what is necessary (Shushazentaku)" based on my small amount of experience in managing manufacturing companies.

Brief biography, status, and important concurrent posts

March 1976	Joined Hagihara Industries Inc.
December 1984	President of Hagihara Industries Inc.
January 2010	President & CEO of Hagihara Industries Inc.
January 2016	Chairman of Hagihara Industries Inc. (present)
March 2016	Outside Director of the Company (present)
June 2018	President of Toyo Heisei Polymer Co., Ltd. (present)
June 2020	Outside Director, Wavelock Holdings Co., Ltd. (present)

Criteria for appointment of outside directors ▶ P 9
Criteria for independence of outside officers ▶ P 9

Candidate no.	Re-appointment
8	Outside

すずき たかこ
鈴木 貴子
Takako Suzuki



Candidate's profile

Date of birth	March 5, 1962 (59 years old)
No. of Company shares held	2,500 shares
Attendance at Board of Directors' meetings	100% (9/9 meetings)
Years of service (at the closing of the Meeting)	1 year

Reason for nomination as an outside director candidate

Ms. Takako Suzuki has been nominated as a candidate for outside director for her abundant experience and broad knowledge of corporate management, as well as her expected contribution to swift and bold decision-making by the management, in addition to supervisory functions and advice from a shareholder's/investor's perspective toward continuous growth and improvement of the Company's corporate value.

Notes concerning the candidates for Proposal No. 1 and Proposal No. 2

Summary of details on Directors' and Officers' Liability Insurance Agreement
Directors Tetsuya Nakayama, Shinsaku Miyata, Kazuo Nakai, Atsushi Kazumi, Hideki Naoyoshi, Kenichi Saito, Kuniaki Hagihara, Takako Suzuki, and Corporate Auditor candidate Tadahisa Yabuno are scheduled to renew their Directors' and Officers' Liability Insurance Agreement in June. There are no premiums to be paid by the insured person. In addition to the general insurance conditions part, various special contracts are included.

Standards for Appointment of Outside Officers

For the appointment of outside directors and outside corporate auditors, Trusco Nakayama Corporation (hereinafter referred to as the "Company") sets out the following criteria.

- Criteria for the Appointment of Outside Directors
The Company appoints outside directors from among those fulfilling the conditions set out below.
 - Candidates shall be able to contribute to the continuous growth and improvement of the corporate value of the Company and shall have extensive knowledge and sufficient experience of business management.
 - Candidates shall be subject to none of the grounds for disqualification as a director set out in the items of Paragraph 1, Article 331 of the Companies Act.
 - Candidates shall fulfill the requirements for an outside director set out in Item 15, Article 2 of the Companies Act.
- Criteria for the Appointment of Outside Corporate Auditors
The Company appoints outside corporate auditors from among those fulfilling the conditions set out below.
 - Candidates shall have knowledge in fields such as law, finance, accounting, corporate governance and the like and shall be able to contribute to the improvement of corporate value from a neutral and fair standpoint.
 - Candidates shall be subject to none of the grounds for disqualification as a corporate auditor set out in Paragraph 1, Article 335 of the Companies Act.
 - Candidates shall fulfill the requirements for an outside corporate auditor set out in Item 16, Article 2 of the Companies Act.

Criteria for the Independence of Outside Officers

The Company has set out the criteria for independence as below and deems that an outside officer is independent if none of the criteria applies thereto.

- A major shareholder of the Company (holding 10% or more of the total voting rights in the Company at the end of the most recent fiscal year) or an individual who serves as a key employee such as a director, corporate auditor, executive officer, manager, or any other post higher than department head (hereinafter referred to as "Director, etc.") in an entity that is a major shareholder of the Company
- A director, etc., of a corporation or the like of which the Company is a major business partner (with annual business exceeding 5% of consolidated net sales)
- A director, etc., of a corporation or the like that is a major business partner of the Company (with annual business exceeding 5% of consolidated net sales)
- A director, etc., of a corporation or the like that is a major lender to the Company (the Company borrows more than 2% of its total assets from the lender)
- An accounting auditor of the Company or its subsidiary, or an individual who is responsible for auditing the Company or its subsidiary as an employee at the accounting auditor
- A relative within the third degree of kinship or closer of an individual described in any of the items numbered 1 to 5 above
- A relative within the third degree of kinship or closer of an officer, executive officer, or key employee in a post higher than department head of the Company or its subsidiary
- An individual to whom any of the items numbered 1 to 7 above has applied within the last three years

All work should be performed from the customers' perspective

We would like to be a company where all work and every decision is made from the customers' perspective. What is being performed based only on old manners, industry practices, or our own convenience? What services will customers demand in the next era? From the perspective of a marketing-oriented manufacturing manager, we will continue to raise issues and further improve our corporate value.

Brief biography, status, and important concurrent posts

April 1984	Joined Nissan Motor Co., Ltd.
August 2001	Joined LVJ Group Co., Ltd. (currently Louis Vuitton Japan Co., Ltd.)
April 2009	Representative Director, Chardin Co., Ltd.
January 2010	Joined S.T. Corporation
April 2013	President and Chief Operating Officer of S.T. Corporation (present)
May 2013	Director, Chardin Co., Ltd. (present)
March 2020	Outside Director of the Company (present)

As Director Ms. Takako Suzuki was elected at the 57th Annual Shareholders' Meeting held on March 13, 2020, the number of Board of Directors' meetings that she attended is different from that of other directors.

Notes concerning outside director candidates

- On independence**
Mr. Kenichi Saito, Mr. Kuniaki Hagihara, and Ms. Takako Suzuki are outside director candidates as set forth in Item 7, Paragraph 3, Article 2 of the Ordinance for Enforcement of the Companies Act and fulfill the Company's outside director appointment criteria. They also fulfill the requirements for independence stipulated by the Tokyo Stock Exchange as well as the independence criteria for outside officers stipulated by the Company. We have filed Mr. Kenichi Saito, Mr. Kuniaki Hagihara, and Ms. Takako Suzuki as independent officers with the Tokyo Stock Exchange.
- On the contract for limitation of liability**
In order to acquire personnel who would become outside officers and to secure their effectiveness, we have concluded a contract for limitation of liability with Mr. Kenichi Saito, Mr. Kuniaki Hagihara, and Ms. Takako Suzuki with the amount of limited liability being the minimum total liability amount as prescribed in Paragraph 1, Article 425 of the Companies Act. If their re-appointments are approved, we are planning to continue the above contract for limitation of liability.
- On special interest in the Company**
Mr. Kenichi Saito is the Representative Director of ForeSight & Company, whose business with the Company for the past two years accounts for less than 1% of the Company's consolidated net sales. Therefore, there is no important business or other relationship between the two companies. Mr. Saito also serves as Representative Director of the Society for Problem-Solving Proficiency, with whom the Company has no business or other relationship, and there is no special interest that will hinder or pose a problem in Mr. Saito's execution of his duties as an outside director.
Hagihara Industries Inc., of which Mr. Hagihara is the Chairman, and the Company have a 26-year business relationship. However, our procurement from Hagihara Industries accounts for less than 1% of our total procurement by amount (less than 3% of the consolidated net sales of said company). Wavelock Holdings Co., Ltd., of which Mr. Hagihara is Outside Director, has no direct business relationship with the Company but has an approximately 19-year business relationship with the Company through its subsidiary Innovex Co., Ltd. Our procurement from said subsidiary accounts for less than 1% of our total procurement by amount (less than 1% of the consolidated net sales of said company). In addition, there is no business relationship between Toyo Heisei Polymer Co., Ltd., of which Mr. Hagihara is the President, and the Company, and no special interest that will hinder or pose a problem in Mr. Hagihara's execution of his duties as an outside director.
S.T. Corporation, of which Ms. Takako Suzuki is the President & Chief Operating Officer, has no direct business relationship with the Company but has an approximately 14-year business relationship with the Company through its subsidiary S.T. PRO Co., Ltd. Our procurement from said subsidiary accounts for less than 1% of our total procurement by amount (less than 1% of the consolidated net sales of said company). In addition, there is no business relationship between Chardin Co., Ltd., of which Ms. Suzuki is Director, and the Company, and no special interest that will hinder or pose a problem in Ms. Suzuki's execution of her duties as an outside director.

Proposal No. 2

Election of One (1) Corporate Auditor

Director Tadahisa Yabuno will retire from the position of Director at the closing of the Meeting. We would like to propose his new appointment as a corporate auditor to strengthen the governance system. This proposal has obtained the consent of the Board of Auditors. The corporate auditor candidate is described below.

Candidate

New appointment
Internal
Full-time

やぶ の ただ ひさ
藪野 忠久
Tadahisa Yabuno

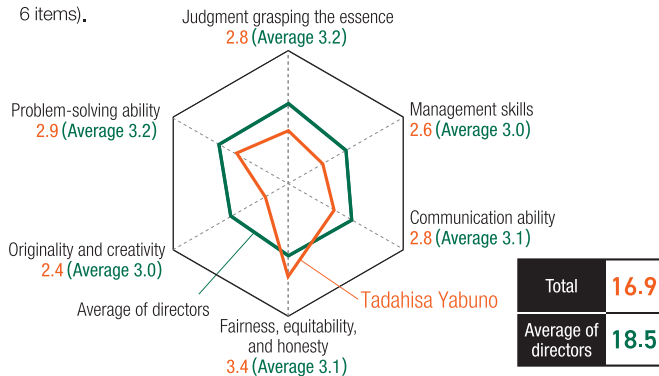


Candidate's profile

Date of birth	March 13, 1962 (59 years old)
With the Company	36 years and 11 months
No. of Company shares held	33,000 shares
Attendance at Board of Directors' meetings	100% (11/11 meetings)

Reason for nomination as a director candidate

The following results of the FY2020 OJS on Directors have been adopted as an important benchmark (full score of 24 points: 4 points × 6 items).



Helping to develop a robust company

Thank you for your patronage. I am Yabuno, a candidate for full-time corporate auditor (internal). After 36 years with the company, I am tackling a new job. I have been involved in corporate management and sales. The more I learn about being a corporate auditor, the more I feel overwhelmed by the grave responsibility, but I am determined to contribute to the development of the company by getting to know its culture, history, and employees.

Brief biography, status, business in charge of, and important concurrent posts

March 1984	Joined the Company
April 1998	Head of Fujisawa Sales Office
April 2000	Kanagawa Branch Manager
October 2003	Executive Officer & Jonan Branch Manager
April 2004	Executive Officer & Head of Corporate Planning Division
June 2007	Director & Head of Corporate Management Division
April 2014	Managing Director & Head of Corporate Management Division
January 2016	Executive in charge of PT. TRUSCO NAKAYAMA INDONESIA
January 2017	Managing Director & Head of Sales Division Executive in charge of TRUSCO NAKAYAMA CORPORATION (THAILAND) LIMITED
October 2020	Managing Director, Company operations overall (present)

Director Tadahisa Yabuno will retire at the closing of the Meeting.

Expected role as a corporate auditor

Because he has many years of experience as a management executive and the OJS result of "fairness, equitability, and honesty" are most outstanding in his position as director, we expect him to strengthen the Company's governance system through his duties as a corporate auditor, and therefore, we nominated him as a candidate for corporate auditor.

Proposal No. 3

Election of One (1) Substitute Corporate Auditor

The validity of the current appointment of a substitute corporate auditor is until the start of the Meeting. Therefore, we would like to ask our shareholders to appoint one (1) substitute corporate auditor in the case that we lack a quorum of corporate auditors as stipulated in laws and regulations. This proposal has obtained the consent of the Board of Auditors. The substitute corporate auditor candidate is described below.

Candidate

Outside

の むら こう へい
野村 公平
Kohei Nomura



Candidate's profile

Date of birth	May 12, 1948 (72 years old)
No. of Company shares held	870 shares

Reason for nomination as a substitute outside corporate auditor candidate

This is because of his professional expertise and experience as a lawyer. Because he also has an excellent track record in corporate law, we have determined that he would be able to appropriately execute his duties as an outside corporate auditor, and we ask our shareholders to approve his appointment.

Mr. Kohei Nomura has no experience of being involved in the management of the Company in the past other than by being an outside officer, but for the reasons stated above, we have determined that he would be able to appropriately execute his duties as an outside corporate auditor.

*Nomura Law Office Location: Kita-ku, Osaka

Abiding by the motto "There is no case that cannot be solved," the law office accepts requests from a broad range of clients, including companies, groups, and individuals, and handles cases in various fields from corporate law, including the Companies Act and financial legislations, to general civil cases, and criminal cases.

Notes concerning the substitute outside corporate auditor candidate

- Mr. Kohei Nomura has exchanged an advisory contract with the Company.
- Mr. Kohei Nomura is a substitute outside corporate auditor candidate and fulfills the requirements for outside corporate auditor candidates as set forth in Item 8, Paragraph 3, Article 2 of the Ordinance for Enforcement of the Companies Act.
- If Mr. Kohei Nomura is appointed as an outside corporate auditor, we are planning to conclude a contract for limitation of liability, with the amount of limited liability being the minimum total liability amount as prescribed in Paragraph 1, Article 425 of the Companies Act, in order to acquire personnel who will become outside officers and secure their effectiveness.
- Although Mr. Kohei Nomura belongs to Nomura Law Office, with which the Company has business relations through an advisory contract, the advisory fee is extremely small. ALINCO INCORPORATED, of which Mr. Kohei Nomura is Outside Director (Audit & Supervisory Committee Member), and the Company have a 15-year business relationship. However, our procurement from ALINCO INCORPORATED accounts for less than 1% of our total procurement by amount (less than 2% of the consolidated net sales of said company). In addition, there is no business relationship between MKSystem Corporation and Suminoe Textile Co., Ltd., of which Mr. Kohei Nomura is Outside Director; JTEC Corporation, of which Mr. Kohei Nomura is Outside Corporate Auditor; and the Company, and no special interest that will hinder or pose a problem in Mr. Nomura's execution of his duties as an outside director, and therefore, we are planning to file Mr. Nomura as an independent officer with the Tokyo Stock Exchange if his appointment is approved.

Brief biography, status, and important concurrent posts

April 1975	Registered as a lawyer (Osaka Bar Association)
April 1977	Established Nishikawa & Nomura Law Office (currently Nomura Law Office*)
June 2004	Outside Corporate Auditor, ALINCO INCORPORATED
February 2007	Outside Corporate Auditor, MKSystem Corporation
June 2015	Outside Director, MKSystem Corporation (present)
September 2015	Outside Corporate Auditor, JTEC Corporation (present)
June 2016	Outside Director (Audit & Supervisory Committee Member), ALINCO INCORPORATED (present)
August 2018	Outside Director, Suminoe Textile Co., Ltd. (present)

Revision of the Maximum Amount of Corporate Auditors' Remuneration, etc.

The remuneration of the Company's Corporate Auditors consists of fixed remuneration and the officers' bonus (performance linked). With this proposal, we ask for a revision of the maximum amount of corporate auditors' remuneration as follows:

1. Reason for the proposal

The total amount of remuneration, etc., for Corporate Auditors of the Company was approved at the 50th Annual Shareholders' Meeting held on June 7, 2013, and it has been an annual amount not exceeding 80 million yen. However, with the increase in the number of Corporate Auditors by one (1) in order to further enhance the auditing system, it is proposed that the total amount of remuneration, etc., for Corporate Auditors be revised to an annual amount not exceeding 100 million yen. The Company currently has three (3) corporate auditors. If Proposal No. 2 "Election of One (1) Corporate Auditor" is approved as originally proposed, the number of corporate auditors will be four (4).

2. Details of the revision

Maximum amount of officers' remuneration
(The amended section is underlined.)

Before the revision		Proposed amendment	
	Maximum amount of officers' remuneration		Maximum amount of officers' remuneration
Corporate Auditor	<u>80</u> million yen per annum	Corporate Auditor	<u>100</u> million yen per annum

(Note) There will be no changes to the officers' bonus, which will be paid within 3% of this amount, if the net profit attributable to the owners of the parent is calculated at book-closing.

Basic policy for determining remuneration, etc., for directors and corporate auditors

The director remuneration paid to directors and corporate auditors is determined based on the following policy.

- (1) Maintains motivation to improve earnings and to secure highly skilled talent from inside and outside the company.
- (2) Takes into account changes in the business environment and external, objective data and maintains balance between global levels, business operations, and employee salaries.
- (3) Remuneration is paid within the scope of the annual remuneration limit, which includes director bonuses.

Maximum amount of remuneration for corporate auditors in the fiscal year under review (The amended section is underlined.)

	Position	Number of persons paid	Maximum amount of officers' remuneration
Corporate Auditor	Full-time corporate auditors	<u>2</u>	<u>80</u> million yen per annum
	Part-time corporate auditor	1	

Maximum amount of remuneration for corporate auditors after the change
(In the event that Proposal No. 2 and this Proposal are approved)

	Position	Number of persons paid	Maximum amount of officers' remuneration
Corporate Auditor	Full-time corporate auditors	<u>3</u>	<u>100</u> million yen per annum
	Part-time corporate auditor	1	

Method for determining director remuneration and payment ratio

Director remuneration consists of a fixed monthly remuneration and the director bonus. This method for determining remuneration takes into account the responsibilities and impact on management of each individual director. The scope of remuneration is Factors, including market environment, performance, achievements, management capabilities, and degree of contribution, are factored in, and remuneration is determined by the Board of Directors for each director. Note that the determination of specific amounts for director remuneration is delegated to the President by resolution by the Board of Directors.

① Fixed remuneration

This amount is determined at the start of the fiscal year. The director's responsibilities, including representation rights and title and degree of impact to management, are taken into account. Then, earnings performance, management skills, achievements, and degree of contribution are factored into the scope of remuneration.

② Director's bonus

As an incentive linked to the basic policy for shareholder returns and profit indicators, when the net profit attributable to the owners of the parent is calculated at book-closing, 3% of this amount is set as the maximum limit and paid out in the form of bonuses to directors according to business performance. Decisions on the total amount are stipulated in internal regulations and based on title. The net profit attributable to the owners of the parent is multiplied by the bonus rate to attain a reference amount for bonus payments.

For individual director bonuses, bonuses are decided for each director within the scope of remuneration by taking into account factors, including the degree of contribution to earnings during the respective fiscal year.

*On the basis of the perspective that corporate auditors and outside officers are responsible for improving the corporate value of the company and its consolidated subsidiaries, the remuneration system for both corporate auditors and outside officers is the same as that for directors. The fixed remuneration for corporate auditors and the individual payments for director's bonus shall be presented by the directors, and the final decision will be made through consultation with the corporate auditors

Introduction of Corporate Auditors

*The indicated corporate auditors' average of OJS is the average scores of three corporate auditors.
 *The indicated OJS scores have been rounded to the first decimal place.
 *The number of Company shares is as of the date when this notice was sent.

Outside
 Full-time



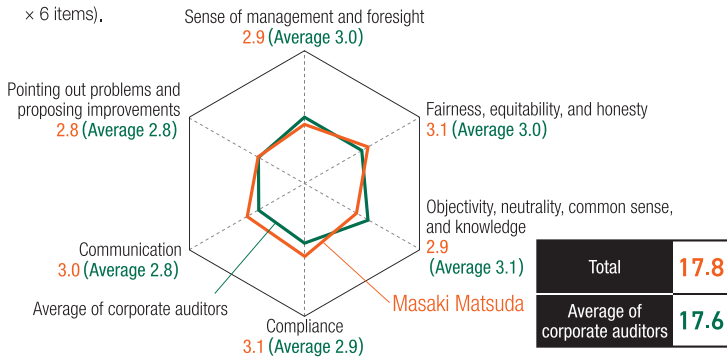
まつだ まさき
松田昌樹
M. Matsuda

Profile

Date of birth	March 30, 1956 (64 years old)
No. of Company shares held	17,300 shares
Attendance at Board of Directors' meetings	100% (11/11 meetings)
Attendance at Board of Auditors' meetings	100% (15/15 meetings)
Years of service (at the closing of the Meeting)	13 years and 9 months

Evaluation as Corporate Auditor

The following results of the FY2020 OJS on Corporate Auditor have been adopted as an important benchmark (full score of 24 points: 4 points × 6 items).



Without limiting my activities to compliance auditing

Corporate auditors are responsible for their duties by the Companies Act, and previously, it was thought to focus mainly on compliance audits. However, I believe that what is now expected of corporate auditors, who play a role in corporate governance, is undoubtedly auditing without limiting to compliance. With this in mind, we will continue to carry out activities that will lead toward the continuous development of the Trust Company.

Initiatives in the 58th period

Mr. Matsuda provided opinions on the overall management policy, etc., at Board of Directors' and Board of Corporate Auditors' meetings, as well as advice and recommendations to ensure the adequacy and appropriateness of decision-making of the Board of Directors based on his long experience at a financial institution, knowledge in finance, etc. As a full-time corporate auditor, he also carried out activities such as visiting branches, witnessing site investigation by the audit firm in accordance with the policy on audit, etc.

Brief biography, status, and important concurrent posts

April 1978	Joined the Kyowa Bank, Ltd. (currently Resona Bank, Ltd.)
March 2003	Chief Credit Officer of the Osaka No. 3 Loan Department, Resona Bank, Ltd.
June 2007	Full-time corporate auditor of the Company (present)

Outside
 Full-time



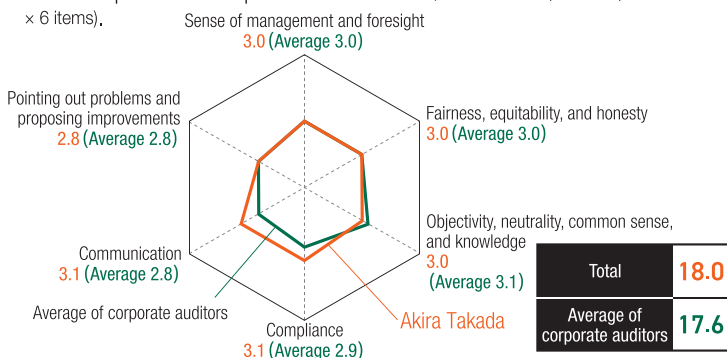
たかだ あきら
高田明
Akira Takada

Profile

Date of birth	January 3, 1958 (63 years old)
No. of Company shares held	1,000 shares
Attendance at Board of Directors' meetings	100% (11/11 meetings)
Attendance at Board of Auditors' meetings	100% (15/15 meetings)
Years of service (at the closing of the Meeting)	3 years

Evaluation as Corporate Auditor

The following results of the FY2020 OJS on Corporate Auditor have been adopted as an important benchmark (full score of 24 points: 4 points × 6 items).



Contributing to continuous improvement of corporate value

We are trying to realize the growth of our corporate value by promoting functional enhancement that will improve the convenience for our customers. As an outside, full-time corporate auditor, I will be deeply involved in the process. Whenever there is a potential risk, we will try to detect it in advance and take appropriate measures to prevent damage to our corporate value.

Initiatives in the 58th period

Mr. Takada provided opinions on the overall management policy, etc., at Board of Directors' and Board of Corporate Auditors' meetings, as well as advice and recommendations to ensure the adequacy and appropriateness of decision-making of the Board of Directors based on his experience at a securities firm and an IR consulting firm. As a full-time corporate auditor, he also carried out activities such as visiting branches, witnessing inventory clearance, witnessing site investigation by the audit firm in accordance with the policy on audit, etc.

Brief biography, status, and important concurrent posts

April 1981	Joined Nomura Securities Co., Ltd.
December 2001	Head of IB Consulting Office of Nomura Securities Co., Ltd.
March 2009	Managing Director of IB Business Development Department of Nomura Securities Co., Ltd.
April 2012	Director of Nomura Investor Relations Co., Ltd.
April 2015	Advisor of Nomura Investor Relations Co., Ltd.
March 2018	Full-time Corporate Auditor of the Company (present)

Outside
Part-time

かま くら ひろ ほ
鎌倉 寛保
Hiroho Kamakura



Profile

Date of birth	January 27, 1947 (74 years old)
No. of Company shares held	3,800 shares
Attendance at Board of Directors' meetings	100% (11/11 meetings)
Attendance at Board of Auditors' meetings	93.3% (14/15 meetings)
Years of service (at the closing of the Meeting)	8 years and 8 months

Evaluation as Corporate Auditor

Mr. Hiroho Kamakura provides neutral and fair opinions on the Company's management and appropriately executes his duties as an outside corporate auditor based on his knowledge and insight and from an objective standpoint as an outside corporate auditor in addition to his broad knowledge and deep insight in corporate management gained through his long experience as a certified public accountant as well as his professional knowledge of accounting.

Contribute to sound improvement of corporate value

The role of the corporate auditors is to conduct audits from a neutral and objective standpoint to ensure the company's healthy and continuous growth under the entrustment of shareholders. As an outside corporate auditor qualified as a certified public accountant, I would like to actively contribute to the improvement of corporate value for the sustainable growth of the company by blending my knowledge of finance and accounting through auditing activities

Initiatives in the 58th period

Mr. Hiroho Kamakura provided opinions on the overall management policy, etc., at Board of Directors' and Board of Corporate Auditors' meetings based on his experience as a certified public accountant who has been involved in the management of many companies.

He also attended audit report meetings of the accounting auditor, internal committee, etc., and provided various opinions based on his professional knowledge as a certified public accountant.

Brief biography, status, and important concurrent posts

November 1971	Joined Tohmatsu Aoki & Co. (currently Deloitte Touche Tohmatsu LLC)
May 1973	Registered as a certified public accountant
July 2012	Part-time Corporate Auditor of the Company (present) Part-time Corporate Auditor of Yushin Precision Equipment Co., Ltd. (present)
March 2013	Part-time Corporate Auditor of Fujio Food System Co., Ltd. (present)
February 2018	Part-time Corporate Auditor, SymEnergy Inc. (present)

Initiatives in the 58th period

System for executing auditing duties

- There are three outside auditors, including two full-time auditors
- One full-time corporate auditor is positioned at the Osaka head office and the other at the Tokyo head office
- The head of the corporate auditor guidance office serves concurrently as an assistive employee for corporate auditors

Osaka Head Office (meeting room)

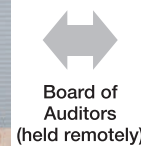


From left: part-time corporate auditor Kamakura and full-time corporate auditor Matsuda

Tokyo Head Office (office)



Full-time corporate auditor Takada



Summary of auditing activities

- Hold audits
- Attend key meetings
- Confirm important documents
- Visits to head office departments, branches, and distribution centers

Key implementation items

- Confirm the operation and establishment status of our new core system
- Confirm the status of response to COVID-19 infection
- Confirm the status of response to new accounting standers
- Review responses to new accounting standers

Audit Supervision Office



From left: Head of the corporate auditor guidance office, assistive employee for corporate auditors Uchida
Assistant coach Matsuyama, acting senior supervisors Asada