

TRUSCO®

61st Annual Shareholders' Meeting Convocation Notice

From January 1, 2023 to December 31, 2023

- Date and time March 28 (Thursday), 2024 at
10 a.m. (Doors open at 9:00 a.m.)
- Venue Fuyo Room, Banquet Floor, the Main Building, Hotel New Otani Tokyo
4-1 Kioi-cho, Chiyoda-ku, Tokyo



Securities code

TRUSCO NAKAYAMA Corporation 9830

We solve logistics challenges with

2024

“Niawase” (cargo assorting) + “Uchoku” (direct delivery to users)

Open in July 2026!

Distribution center

“Planet Aichi”

(Kita-Nagoya, Aichi)

Completion: January 2025

Operation start: July 2026 (planned)

Site area: 41,634 m²

Total floor area: 88,579 m²

Open in September 2026!

Distribution center

Planet Niigata

(Sanjo, Niigata)

Completion: November 2025

Operation start: September 2026 (planned)

Site area: 26,300 m²

Total floor area: Approx. 47,010 m² (planned)

GAMBARE!! JAPANESE MONODZUKURI

(Securities code: 9830)

March 4, 2024

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

TRUSCO NAKAYAMA Corporation

Tetsuya Nakayama, President

中山哲也

I would first like to express my gratitude for your continued 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 in digitalization 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 “The amount of hardship you go through gives you the power to make decisions.” Do you make “decisions” in your daily work? Even if you don’t make a decision, there is a manual, and if you ask your superiors or seniors, they will kindly tell you how to do it. If you don’t make decisions, I guess your work will proceed without any inconvenience. However, from my experience so far, I feel that people who have accurate judgment and quick decision-making ability are the ones who face hardships head-on, without running away from them, and have accumulated and overcome hardships over time.

“The amount of hardship you go through gives you the power to make decisions.” With this phrase, I hope we will overcome hardships this year. Keeping in mind our policy that “Business must serve people and society,” we will continue to work to be a company needed by our customers and markets in 2024

Decided Matters upon the Convocation

Notice is hereby given that the 61st Annual Shareholders’ Meeting of Trusco Nakayama (“the Company”) will be held as described below and that you are invited to attend the Meeting. The Company adopts electronic provision of information concerning this shareholders’ meeting. Pursuant to the provision of Article 325-3 of the Companies Act, matters subject to electronic provision are presented on the internet. Please access the URL below to check the information.

Special website for Annual Shareholders’ Meeting <https://www.trusco.co.jp/ir/meeting/>

Tokyo Stock Exchange (TSE) website <https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show>

* On the TSE website, enter or search for the issue name (company name) or securities code (9830), then select “Basic Information” and “documents for Public Inspection/PR Information” in that order.



Special website
for Annual
Shareholders’
Meeting



TSE website

You may exercise your voting right in advance either in writing or via the internet. Details of the Proposals are provided in Reference Materials of the Convocation Notice for the 61st Annual Shareholders’ Meeting. After examining the materials, please 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 27, 2024.

- 1** Date and Time | March 28 (Thursday), 2024 at 10 a.m. (Doors open at 9:00 a.m.)
* Pre-registration is required to attend and is available for up to 400 shareholders based on raffle drawing.
- 2** Place | Fuyo Room, Banquet Floor, the Main Building, Hotel New Otani Tokyo
4-1 Kioi-cho, Chiyoda-ku, Tokyo
- 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 and Financial Statements by the accounting auditor and the Board of Auditors for the 61st Period (from January 1, 2023 to December 31, 2023)
Matters to be resolved	Proposal No. 1: Election of Eight (8) Directors Proposal No. 2: Election of Two (2) Auditors
- 4** Guide to the Exercise of Voting Rights
▶ Please refer to “2. Exercise your voting rights” on p4.

Notes 1. Shareholders attending the Meeting as a result of the drawing are requested to bring the Voting Form to the receptionist at the Meeting venue.

2. Of the matters to be written in documents stating electronic provision matters, the Company has posted the [Matters concerning the Current Situation of the Corporate Group (Major Lenders)], the [Matters concerning Company Executives (Major Activities of Outside Officers for the Current Fiscal Year, Matters concerning the Independence of Outside Officers, and Special Information about Outside Officers)], the [Situation of Accounting Auditors], the [Systems and Policies of the Company (The System to Ensure the Propriety of the Company’s Operations and the Operation Status of the System, 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 “IR Library” → “Shareholders Meeting” pursuant to the provisions of the law and Article 15, Paragraph 2 of the Articles of Incorporation. Therefore, they are not stated in the materials delivered to shareholders who have requested them in a paper-based format. For reference, the Business Report, Consolidated Financial Statements, and Financial Statements attached to the documents stating electronic provision matters are part of the documents that were audited by the auditor and the accounting auditor upon preparing the audit report.

3. If any correction arises in any of the matters for electronic provision, the correction will be notified by posting the matter both before and after correction on the Company’s website “IR Library” → “Shareholders Meeting” and the website of the Tokyo Stock Exchange.

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.

List of Candidates (Proposal No. 1 and Proposal No. 2)



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▶ Please refer to p38-43.

Proposal No.	Candidate No.	Name (Age)		Current status and responsibilities at the Company	Attendance at Board of Directors' meeting	Attendance at Board of Auditors' meeting	No. of Company shares held
1	1	Tetsuya Nakayama (65)	Re-appointment Internal	Representative Director and President	100% (10/10meetings)	—	61,100
1	2	Kazuo Nakai (54)	Re-appointment Internal	Director & General Manager of Sales Department	100% (10/10meetings)	—	8,600
1	3	Atsushi Kazumi (53)	Re-appointment Internal	Director & General Manager of Business Management Department, General Manager of Digital Strategy Department	100% (10/10meetings)	—	8,400
1	4	Hideki Naoyoshi (52)	Re-appointment Internal	Director & General Manager of Logistics Department	100% (10/10meetings)	—	7,400
1	5	Tatsuya Nakayama (38)	Re-appointment Internal	Director & General Manager of Product Department	100% (8 / 8 meetings)	—	4,100
1	6	Kenichi Saito (74)	Re-appointment Outside	Outside Director	100% (10/10meetings)	—	4,800
1	7	Kuniaki Hagihara (70)	Re-appointment Outside	Outside Director	90% (9 / 10meetings)	—	3,800
1	8	Takako Suzuki (62)	Re-appointment Outside	Outside Director	90% (9 / 10meetings)	—	2,500
2	1	Kiyonori Unto (62)	New Internal	Full-time Auditor candidate	—	—	5,500
2	2	Hiroho Kamakura (77)	Re-appointment Outside	Part-time Auditor	80% (8 / 10meetings)	86% (12/14meetings)	5,300

Notes: 1. The age of candidates is the age at the closing of the Meeting.
2. The candidates have no special interest in the Company.



President Nakayama and employees with new Kartio at the entrance of Tokyo Head Office

Name: Resin platform truck Kartio (new)
Product No.: MPK780BK
Load capacity: 200 kg
Weight: 6.8 kg (1.6 kg lighter than the former model)



Product details

Flow of Events Leading Up to the Annual Meeting of Shareholders

Before the Meeting Receipt of notification documents for the Meeting — March 27 (Wednesday), 2024

1 View the Convocation Notice



Check details on the internet

Special website for Annual Shareholders' Meeting

<https://www.trusco.co.jp/ir/meeting/>



Convocation Notice



Convocation Notice (English)



Other electronic provision matters

The deadline for the request for the Convocation Notice for the 61st Annual Shareholders' Meeting in a paper-based format was December 31, 2023. However, there are still some copies remaining for our shareholders. So, please contact us if you need a copy. The number of paper-based materials is limited and we may not be able to deliver them to you. In such a case, please check the information via the internet.

TRUSCO NAKAYAMA Corporation
Tokyo Management Section, Administration Department
☎03-3433-9830

(9:00 to 17:00 on weekdays/
except Saturdays, Sundays
and national holidays)

2 Exercise your voting rights



Convocation Notice

▶ Please refer to p36-43 before exercising your voting rights.

Attend the Meeting at the Meeting venue

Pre-registration is required to attend and is available for up to 400 shareholders based on raffle drawing.



Advance application via the internet

Application deadline

5:00 p.m., March 20 (Wed.)

Notice of result

March 22 (Fri.) by email

Website for pre-registration URL:

<https://form.run/@trusco61>



Website for pre-registration

To log in, you need to have your shareholder number indicated on the Voting Form.



Application screen

Not attend the Meeting at the Meeting venue (Exercise voting rights in advance)



Exercise of voting rights via the internet

Time limit for voting

5:30 p.m., March 27 (Wed.)

Please access the website specified by the Company and exercise your rights by following the instructions on the screen.

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.

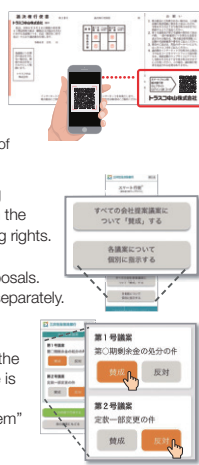
2. Select the method of voting

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

- I will vote "For" all company proposals.
- I will vote on each agenda item separately.

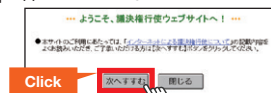
3. Enter "For" or "Against."

Enter "For" or "Against" following the instructions on the screen. If there is no problem on the confirmation screen, click "Exercise with this Item" to complete your voting.



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 Exercise of Voting Rights" indicated on the enclosed Voting Form.

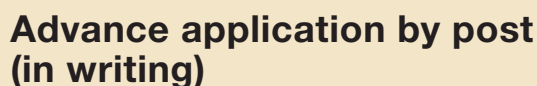


3. Enter "For" or "Against."

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

Enter "For" or "Against" following the instructions on the screen thereafter.

* 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.

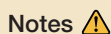


Application deadline

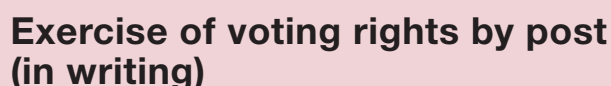
March 18 (Mon.) postmarked

Notice of result

From March 25 (Mon.) by mail

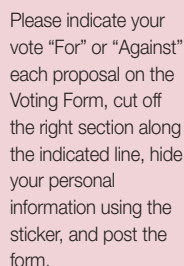


1. The result of application by post will be sent to your address as of December 31, 2023.
2. When you attend the Meeting at the venue, please be sure to bring a proof of your advance registration (email screen or postcard indicating the result).
3. The Meeting at the venue will be filmed for online meeting (live streaming). Although careful attention will be paid to the privacy of our shareholders, some of the attending shareholders may be inevitably reflected in the video. We ask for your kind understanding.



Time limit for voting

**Arrival by 5:30 p.m.,
March 27 (Wed.)**



Notes

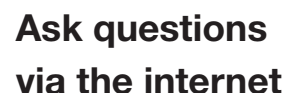
1. If you exercise your voting rights twice, via the internet and by post (in writing), we will treat the vote via the internet as effective.
2. If you exercise your voting rights more than once via the internet, we will treat the last exercise of your voting rights as effective.
3. Exercising voting 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 models of mobile phones.

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)

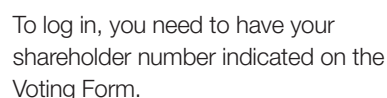
3

Ask questions in advance



Advance questions URL

<https://web.sharely.app/login/trusco61>



Advance questions

Submission deadline

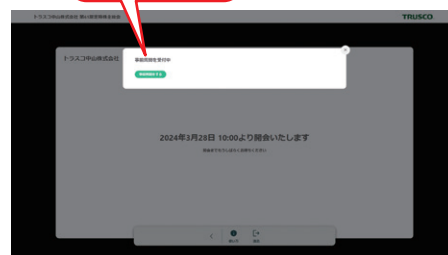
By noon, March 22 (Fri.)

We will accept questions from shareholders in advance concerning matters to be reported and matters to be resolved at the 61st Annual Shareholders' Meeting. We will respond to questions on matters in which shareholders are particularly interested at the Meeting. For questions that cannot be answered at the Meeting, we will post the answers on our company website after the Meeting. (Please note that we will not necessarily answer all the questions asked.)

事前質問を受付中

事前質問をする

Enter your advance questions here.



Ask questions by fax

FAX: 03-3433-9881

Submission deadline

Arrival by noon, March 22 (Fri.)

Please also refer to “Frequently Asked Questions” on p54 of the Convocation Notice for the 61st Annual Shareholders’ Meeting.



Convocation Notice

Day of the Meeting to After the Meeting

Day of the Meeting 10:00 a.m. on Thursday, March 28, 2024

4



Shareholders who will attend the Meeting



Access map

Place

Fuyo Room, Banquet Floor,
the Main Building,
Hotel New Otani Tokyo
4-1 Kioi-cho, Chiyoda-ku, Tokyo

Time & date

March 28 (Thursday), 2024 at
10 a.m. (Doors open at 9:00 a.m.)

Restriction on admission to the Meeting venue
Pre-registration is required to attend and is available
for **up to 400 shareholders** based on raffle drawing.

Application deadline

Via internet: **5:00 p.m., March 20 (Wed.)**

By post: **March 18 (Mon.) postmarked**

As a measure to avoid infectious diseases and reduce excess materials prepared in consideration of environmental resources, pre-registration is required for attendance. Shareholders who wish to attend the Meeting are requested to pre-register at the registration site below.

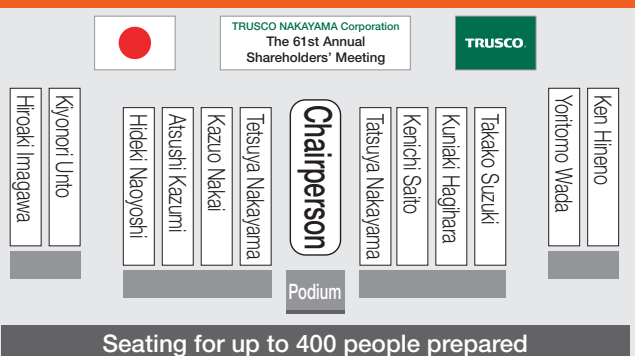
Website for pre-registration URL:

<https://form.run/@trusco61>



Website for
pre-registration

Meeting venue Fuyo Room, Hotel New Otani Tokyo



Relationship between Prior Voting and Voting on the Day

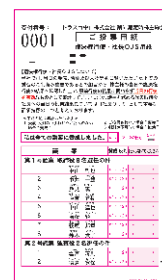
1. If voting early via smartphone or PC (▶ p4-5) and attending the Meeting
Your early vote will be counted as the voting at the Meeting.
2. If attending the Meeting without voting early
Your vote on a Voting Form you are bringing to the venue will be deemed invalid and the vote you will make at the Meeting will be counted as valid.

Program (The 61st Annual Shareholders' Meeting)

9:00	Doors open	
10:00	Opening address	
	Annual digest	
	Business report	Venue overview
	Audit report	
	Explanation of proposals	Business report by President Nakayama
	Answering advance questions	
	Q and A	
	Voting on proposals	
11:30	Closing address	Q&A session

Voting on the Day of the Meeting

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 Ballot Papers 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.



Ballot Paper
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." The results will be posted on the Company's website on March 28 (Thursday), 2024, after the closing of the Meeting.

After Closing of the Meeting

5



Shareholders who will view the Meeting online

Time & date

March 28 (Thu.)

From 10:00 a.m. to closing of the Meeting



The Meeting can be viewed in real time.

* Available for all the shareholders.

Shareholders who view the Meeting online will not be able to vote on the day of the Meeting. Questions will not be accepted online on the day of the Meeting.

So please submit questions in advance (▶ p5) if you have any.



To log in, you need to have your shareholder number indicated on the Voting Form.

Advance questions

How to view the Meeting

トラスコ中山株式会社 第61期定時株主総会

株主番号
012345678

郵便番号
150-0044

ログイン

(1) Access the URL or QR code below with a PC or smartphone.

(2) Enter your shareholder number and postal code, and click Log-in.

Shareholder number

* Indicated on the enclosed Voting Form (9-digit number)

Postal code

* Postal code (7-digit number) of the address registered on the shareholders' list as of December 31, 2023



Online meeting

Website to view the Meeting URL:

<https://web.sharely.app/login/trusco61>

[Notes]

- Shareholders who view the Meeting online (live streaming) will not be able to vote and ask questions on the day of the Meeting. Please exercise your voting rights in advance by post or via the internet.
- Telecommunication fees and other costs for viewing the Meeting are to be borne by the shareholders.
- Please understand that you may have trouble in the image or sound of the Meeting due to the type of your device or the internet communication environment.
- We do not permit provision of the URL and log-in information for the live streaming of the Meeting to any third party, filming or recording of the Meeting, and storage and disclosure via social media, etc., of it.
- If the live streaming of the Meeting becomes unavailable for some reason, we will announce it on the Company's website.

6

View the results of the Meeting

A



View the video of the Meeting
Available from
March 28 (Thu.)

B



Check the results of resolutions
Available from
March 28 (Thu.)

C



View answers to questions
Available from
April 2 (Tue.)

D



View the results of questionnaires
Available from
April 2 (Tue.)

Special website for Annual Shareholders' Meeting
<https://www.trusco.co.jp/ir/meeting/>



Special website for Annual Shareholders' Meeting

Termination of delivery of "Notice of Resolutions" for Annual Shareholders' Meeting

The Company previously sent the Notice of Resolutions for Annual Shareholders' Meeting to all the shareholders after the closing of each annual shareholders' meeting, and also posted the results on the Company website. **Since the previous Meeting, however, we have terminated the delivery of the notice by post. Notice of Resolutions will be posted on the special website for Annual Shareholders' Meeting.**

Business Report for the 61st Period

From January 1, 2023 to December 31, 2023

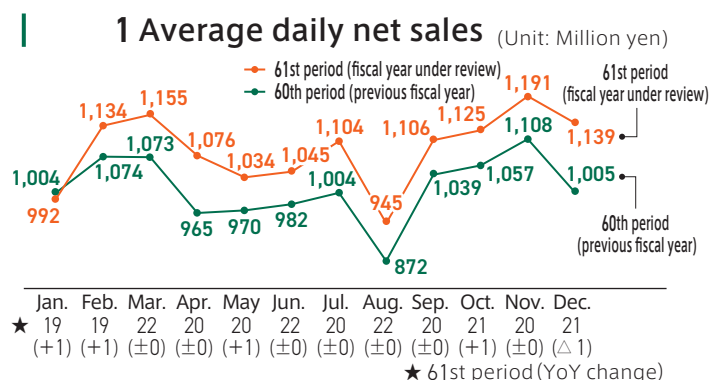
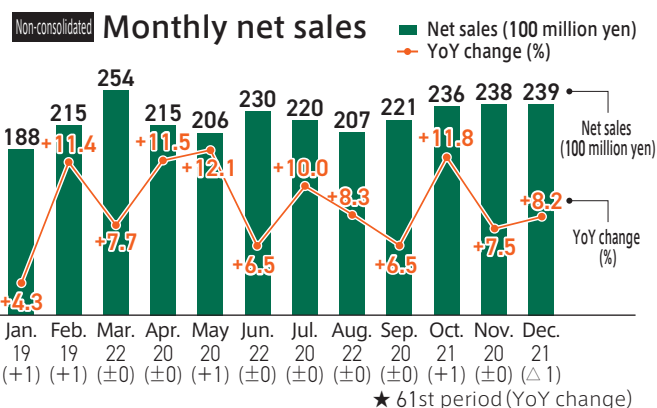
Providing the highest level of convenience for customers will result in social contribution

We have continued aggressive capital investment in order to accurately satisfy the needs of manufacturing sites for a wide variety of items in small lots. We made efforts to improve work efficiency of the entire supply chain, while working to reduce greenhouse gas emissions and consumption of resources, such as energy and packaging materials.

Developments and results of business activities

Operating results for the 61st period ended December 2023

Net sales	Consolidated	268,154	million yen	(+8.8% yoy)
	Non-consolidated	267,476	million yen	(+8.8% yoy)
Gross margin	Consolidated	21.5%		(+0.3% yoy)
	Non-consolidated	21.3%		(+0.2% yoy)
Selling, general and administrative expenses	Consolidated	39,003	million yen	(+4.0% yoy)
	Non-consolidated	38,677	million yen	(+4.0% yoy)
Incl.) Depreciation	Consolidated	6,206	million yen	(△ 6.9% yoy)
	Non-consolidated			
Operating income	Consolidated	18,519	million yen	(+26.3% yoy)
	Non-consolidated	18,397	million yen	(+26.1% yoy)
Ordinary income	Consolidated	18,669	million yen	(+23.9% yoy)
	Non-consolidated	18,573	million yen	(+23.6% yoy)
Net income attributable to owners of parent	Consolidated	12,268	million yen	(+15.4% yoy)
	Non-consolidated			
Net income	Consolidated	12,184	million yen	(+15.0% yoy)
	Non-consolidated			



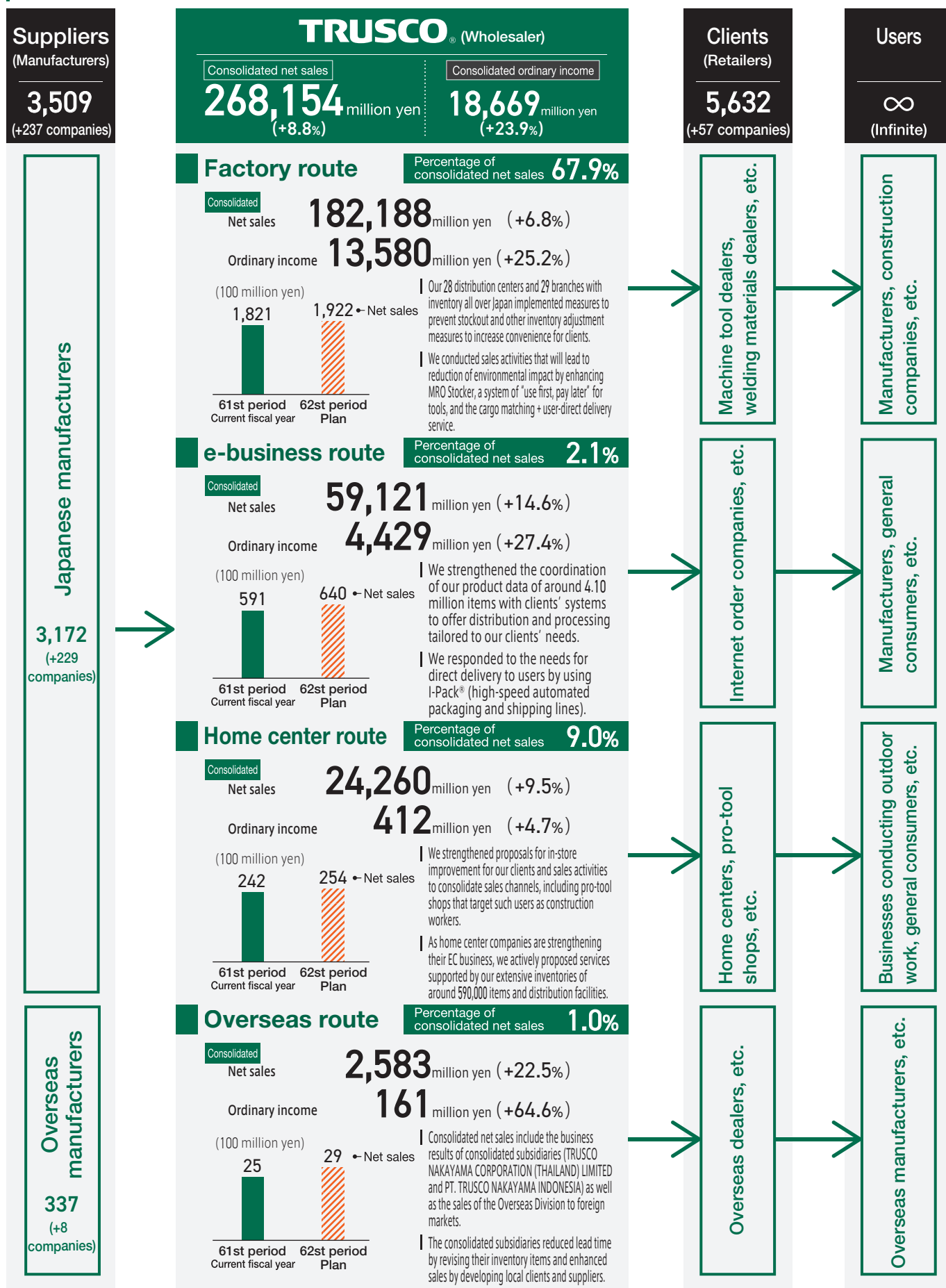
Net income per share	Consolidated	186.05	yen	(+24.90 yoy)
	Non-consolidated	184.78	yen	(+24.10 yoy)
Annual dividend per share		46.50	yen	(+6.50 yoy)

Non-consolidated Sales by category of goods and percentage of total sales (figures in parentheses indicate yoy change Percentage of total)

Cutting tools 3.1% 8,324 million yen (+8.0%)	Production processing goods 7.4% 19,731 million yen (+10.1%)	Construction goods 11.6% 31,084 million yen (+9.7%)	Work supply 19.2% 51,385 million yen (+9.9%)	Hand tools 16.9% 45,067 million yen (+12.2%)
Environmental safety equipment 18.0% 48,085 million yen (+8.2%)	Distribution and storage equipment 10.4% 27,823 million yen (+2.7%)	Research management equipment 4.0% 10,682 million yen (+3.6%)	Office and housing facility equipment 8.6% 23,111 million yen (+8.4%)	Other 0.8% 2,180 million yen (+21.6%)

Note: All figures stated in Business Report from P10 onwards are rounded down to the nearest one million yen.

Business flow (YoY changes)



Developments and results of business activities

Progress and plan on key performance indicators of the Company

Key performance indicators		60th period FYE December 2022 Previous fiscal year	61th period FYE December 2023 Fiscal year under review	62th period FYE December 2024 Plan
Products	① Number of inventory items	562,026 (+62,062)	593,554 (+31,528)	625,000 (+31,446)
	② Total number of pieces in inventory	53,197,583 (+4,409,969)	56,933,923 (+3,736,340)	59,000,000 (+2,066,077)
	③ Inventory value	45,292 million yen (+3,000)	50,848 million yen (+5,555)	54,600 million yen (+3,751)
	④ Total number of suppliers	3,272 (+306)	3,509 (+237)	3,709 (+200)
	⑤ Incl.) Number of overseas suppliers	329 (+25)	337 (+8)	357 (+20)
	⑥ Sales of new inventory items	10,149 million yen (+2,622)	12,161 million yen (+2,012)	13,513 million yen (+1,352)
	⑦ Percentage of new product sales (last 3 years)	12.3 (△0.5)	13.2 % (+0.9)	13.7 % (+0.5)
	⑧ PB product sales	45,876 million yen (+2,443)	48,313 million yen (+2,437)	51,700 million yen (+3,386)
	⑨ Number of items listed on TRUSCO Orange Book	374,000 (△134,000)	369,000 (△5,000)	388,000 (+19,000)
	⑩ Number of items released on TRUSCO Orange Book.Com	3,167,188 (+406,301)	4,108,818 (+941,630)	5,400,000 (+1,291,182)
Logistics	⑪ Inventory shipment ratio	91.7 % (+0.4)	92.1 % (+0.4)	92.5 % (+0.4)
	⑫ Number of items delivered directly to users	3,556,388 (+719,996)	4,868,032 (+1,311,644)	6,200,000 (+1,331,968)
	⑬ Number of direct deliveries to users	4,374,725 (+978,439)	5,981,215 (+1,606,490)	7,600,000 (+1,618,785)
	⑭ Ratio of direct deliveries to users	10.9 % —	14.3 % (+3.4)	— —
	⑮ Number of hired vehicle delivery runs	162 (+1)	153 (△9)	137 (△16)
	⑯ Number of TRUSCO delivery runs	116 (△1)	123 (+7)	140 (+17)
	⑰ Percentage of TRUSCO delivery runs	41.7 % (△0.4)	44.6 % (+2.9)	50.5 % (+5.9)
	⑱ Delivery lead time (Average of morning and afternoon deliveries for all companies, including primary, secondary and subsequent allocations)	20h10min.4sec. (+3min.11sec.)	19h13min.43sec. (△56min.21sec.)	— —
	⑲ Personnel expenses per receiving/shipping	113 (△4)	117 (+4)	115 (△2)
Sales	⑳ Number of corporate customers	5,575 (+48)	5,632 (+57)	5,680 (+48)
	㉑ Number of customer accounts	31,614 (+2,053)	33,225 (+1,611)	34,700 (+1,475)
	㉒ Number of MRO stockers introduced	775 (+446)	1,203 (+428)	1,430 (+227)
	㉓ Number of companies connected to Orange Commerce	2,233 (+191)	2,447 (+214)	2,670 (+223)
	㉔ Number of items sold	225,781,587 (+15,748,882)	228,187,595 (+2,406,008)	240,000,000 (+11,812,405)
Digital	㉕ System order intake ratio	85.2 % (△0.1)	87.1 % (+1.9)	88.0 % (+0.9)
	㉖ Automated estimate ratio	22.6 % (+4.4)	27.6 % (+5.0)	31.0 % (+3.4)
	㉗ Web estimate request ratio	46.0 % (+3.3)	47.3 % (+1.3)	49.0 % (+1.7)
HR	㉘ Total number of employees (including officers and part-time employees)	2,954 (+48)	3,043 (+89)	— —
	㉙ Number of part-time employees	1,305 (+41)	1,370 (+65)	— —
	㉚ Average age (full-time employees)	39.8 (+0.2)	39.9 (+0.1)	— —
	㉛ Average overtime hours per month	18.1 (+3.7)	17.9 (△0.2)	— —
	㉜ Average annual salary (full-time employees)	661 <699> million yen (+46)	662 <699> million yen (+1)	— —
	㉝ Career	771 <819> million yen (+47)	775 <823> million yen (+4)	— —
	㉞ Area	633 <670> million yen (+37)	627 <663> million yen (△6)	— —
	㉟ Logistics	494 <515> million yen (+38)	526 <546> million yen (+32)	— —
	㊱ Salary of persons in managerial posts Department General Managers and Division General Managers (excluding officers) Branch Officer Managers, Logistic Center Managers, Logistic Center Vice Managers, Section Managers of Head Office, etc.	1,468 <1,580> million yen (+10)	1,388 <1,493> million yen (△80)	— —
		1,139 <1,216> million yen (+22)	1,175 <1,258> million yen (+36)	— —
Environment	㊲ Percentage of employees with disabilities	2.7 % (△0.1)	2.8 % (+0.1)	— —
	㊳ Solar power generation	2,653,344 kWh (+48,587)	2,687,468 kWh (+34,124)	— —

Notes: 1. Figures in parentheses () indicate changes from the previous fiscal year.

2. Average annual salary (full-time employees) includes the salary of executive officers.

3. Figures in parentheses < > indicate the amount of salary including financial bonds. The Company pays retirement allowance annually as financial bonds" rather than paying it as a lump-sum retirement payment at the time of retirement.

4. The total number of employees includes officers, part-time employees, temporarily transferred employees and local employees of subsidiaries.

5. "㉛ Average overtime hours per month" includes hours within the statutory overtime hours.

Changes in assets and profit or loss in the last 10 years

Performance indicators

(Unit: Million yen)

Fiscal year Category	52nd period FYE December 2014 (9 months ended December)	53rd period FYE December 2015	54nd period FYE December 2016	55nd period FYE December 2017	56nd period FYE December 2018	57nd period FYE December 2019 (Consolidated)	58nd period FYE December 2020 (Consolidated)	59nd period FYE December 2021 (Consolidated)	60nd period FYE December 2022 (Consolidated)	61nd period FYE December 2023 Fiscal year under review (Consolidated)
Net sales	114,473	166,565	177,053	195,096	214,297	220,674	213,404	226,833	246,453	268,154
Gross margin	20.9%	21.5%	21.7%	21.2%	21.2%	21.3%	21.5%	21.0%	21.2%	21.5%
Selling, general and administrative expenses	15,504	22,788	24,198	27,114	31,127	33,237	34,891	34,673	37,493	39,003
Operating income	8,477	12,976	14,163	14,276	14,364	13,797	11,017	12,997	14,667	18,519
Ordinary income	8,494	13,211	14,433	14,581	14,642	14,197	11,559	13,555	15,065	18,669
Net income ^{*4}	5,474	8,242	9,963	10,173	9,722	9,613	8,007	11,596	10,626	12,268
Net income per share ^{*1, 3}	83.01yen	124.98yen	151.08yen	154.28yen	147.44yen	145.78yen	121.43yen	175.86yen	161.15yen	186.05yen
Net assets	90,917	97,777	105,836	113,680	120,648	127,478	132,960	142,426	151,002	160,716
Return on equity (ROE)	6.2%	8.7%	9.8%	9.3%	8.3%	7.5%	6.1%	8.4%	7.2%	7.9%
Total assets	109,917	120,141	128,044	147,363	170,216	196,094	208,854	222,657	225,207	244,878
Net assets per share ^{*2, 3}	1,378.52yen	1,482.65yen	1,604.89yen	1,723.87yen	1,829.54yen	1,933.13yen	2,016.28yen	2,159.86yen	2,289.92yen	2,437.26yen
Return on assets (ROA)	7.7%	11.5%	11.6%	10.6%	9.2%	7.2%	5.7%	6.3%	6.7%	7.9%
Equity ratio	82.7%	81.4%	82.7%	77.1%	70.9%	65.0%	63.7%	64.0%	67.1%	65.6%

Notes: 1. Net income per share is calculated based on the average number of issued shares outstanding during the period after subtracting the average number of treasury shares outstanding during the period.

2. Net assets per share is calculated based on the total number of issued shares outstanding at the end of the period after subtracting the number of treasury shares outstanding at the end of the period.

3. The Company carried out a 1 to 2 stock split for its common stock on January 1, 2017. Therefore, the amounts of net income per share and net assets per share were calculated as if the stock split had been carried out at the beginning of the 52nd period.

4. The Company began to report consolidated figures from the fiscal year ended

Trends in cash flows

(Unit: Million yen)

Fiscal year Category	52nd period FYE December 2014 (9 months ended December)	53nd period FYE December 2015	54nd period FYE December 2016	55nd period FYE December 2017	56nd period FYE December 2018	57nd period FYE December 2019 (Consolidated)	58nd period FYE December 2020 (Consolidated)	59nd period FYE December 2021 (Consolidated)	60nd period FYE December 2022 (Consolidated)	61nd period FYE December 2023 Fiscal year under review (Consolidated)
Cash flow from operating activities	3,263	9,336	6,459	8,932	6,928	10,998	15,068	15,926	12,178	14,802
Cash flow from investing activities	△ 4,385	△ 5,083	△ 7,806	△ 16,628	△ 18,144	△ 19,707	△ 8,743	△ 4,596	△ 5,165	△ 13,113
Cash flow from financing activities	△ 1,735	△ 1,575	△ 2,262	7,424	12,492	14,558	7,722	△ 2,243	△ 9,110	1,932
Cash and cash equivalents at the end of the period	11,618	14,296	10,682	10,412	11,685	18,330	32,344	41,449	39,400	43,085

Operation bases

94 locations

- **2** Head Offices
- **59** sales branches in Japan (including 29 branches with inventory)
- **28** distribution centers in Japan (including 11 Stock Centers)
- 5** overseas branches (Local subsidiaries: TRUSCO Nakayama Thailand
TRUSCO Nakayama Indonesia
Supplier business development offices:
Germany, Taiwan, Thailand)

● Number of MRO stockers introduced: **1,203**

Inventory

590,000 items in inventoryTotal **56,930,000**
pieces in inventoryInventory value **50.8** billion yen**Planet Niigata**

Location: Fukujima-shinden, Sanjo, Niigata
 Completion: November 2025
 Operation start: September 2026 (planned)
 Site area: 26,300 m²
 Total floor area: Approx. 47,010 m² (planned)

Planet Aichi

Location: 1 to 39-4, Block 19, Kita-Nagoya, Aichi
 Completion: January 2025
 Operation start: July 2026 (planned)
 Site area: 41,634 m²
 Total floor area: 88,579 m²

Planned relocation of Osaka Head Office**TRUSCO Central Building**

Location: 4-2-5 Honmachi, Chuo-ku, Osaka
 Operation start: May 2024 (planned)
 Site area: 1,054 m²
 Total floor area: (10,916 m²)

Overseas supplier development offices
(Overseas Product Department)Operation bases
3 locations

Taiwan Ofŷce

Thailand Ofŷce

Germany Ofŷce
(Dusseldorf)

Overseas local subsidiaries

2 locationsTRUSCO Nakayama
Thailand

Bangkok

TRUSCO Nakayama
Indonesia

Jakarta

Sales and distribution bases

★ indicates property of the Company

East Japan

1	Planet Hokkaido Sapporo Branch	3-4-51 Higashi-Naebō 5-jō, Higashi-ku, Sapporo-shi, Hokkaido	★
2	Hachinohe Branch	1-2-9 Numadate, Hachinohe-shi, Aomori	★
3	Planet Tohoku Sendai Branch	2-1-23 Ogimachi, Miyagino-ku, Sendai-shi, Miyagi	★
4	Akita Branch	2-41 Sanno-Rinkaimachi, Akita-shi, Akita	★
5	Koriyama Branch	1-23-7 Motomachi, Koriyama-shi, Fukushima	★
6	Mito Branch	1567 Sugaya, Naka-shi Ibaraki	★
7	Utsunomiya Branch	46-11 Hiraide Kogyo Danchi, Utsunomiya-shi, Tochigi	★
8	Planet North Kanto	Isesaki Branch 2739-1 Sanwa-cho, Isesaki-shi, Gunma	★
9	HC East Japan Distribution Center Niigata Branch	280 Shinbo, Sanjo-shi, Niigata	★
10	Niigataki Branch	2-6-50 Yutaka, Higashi-ku, Niigata-shi, Niigata	★
11	Okaya Branch	2-1-33 Shinmei-cho, Okaya-shi, Nagano	★
12	Ueda Branch	2F Unno-Machi-Kan Ito Bldg. 2-8-11 Chuo, Ueda-shi, Nagano	

Tokyo Metropolitan

13	Kashima Branch	3-3-24 Horiwari, Kamisu-shi, Ibaraki	★
14	Utsunomiya Stock Center	2-40-3 Shirasagi, Kaminokawamachi, Kawachi-gun, Tochigi	★
15	Oyama Stock Center	1-6-33 Awanomiya, Oyama-shi, Tochigi	★
16	Planet Saitama Satte Branch	988-7 Akagi, Shinmuchi, Satte-shi, Saitama	★
17	Omiya Branch Omiya Stock Center	2039 Nishi-Asuma, Nishi-ku, Saitama-shi, Saitama	★
18	Planet East Kanto Matsudo Branch	241-1 Kamihongo, Matsudo-shi, Chiba	★
19	Chiba Branch	1969-17 Yawatakaigan-dori, Ichihara-shi, Chiba	★
20	Tokyo Head Office Tokyo Branch 20 HC Tokyo Branch Internet Sales Tokyo Branch MRO Supply Tokyo Branch	TRUSCO Fiorito Bldg. 4-38-1 Shimbashi, Minato-ku, Tokyo	★
21	Keihin Branch	2-14-23 Kugahara, Ota-ku, Tokyo	★
22	Tokyo Backup Center	3-10-6 Tamachi, Kawasaki-ku, Kawasaki-shi, Kanagawa	★
23	Planet South Kanto Atsugi Branch	1567-1 Takamori, Isehara-shi, Kanagawa	★
24	Fuji Branch	251-1 Jubee, Fuji-shi, Shizuoka	★
25	Shizuoka Branch	1-20 Midorigaoka-cho, Suruga-ku, Shizuoka-shi, Shizuoka	★

Central Japan

26	Toyama Branch	1-1-34 Tanaka-machi, Toyama-shi, Toyama	★
27	Kanazawa Branch	6-15-1 Eki Nishi-Honmachi, Kanazawa-shi, Ishikawa	★
28	Fukui Branch	1-52 Toiya-cho, Fukui-shi, Fukui	★
29	Hamamatsu Branch	209-1 Sode-cho, Naka-ku, Hamamatsu-shi, Shizuoka	★
30	Planet Tokai Okazaki Branch	18 Minami-Kubo, Oka-cho, Okazaki-shi, Aichi	★
31	Okazaki Stock Center	1 Shimoike, Akashibu-cho, Okazaki-shi, Aichi	★
32	Nagoya Branch	12-26 Ukishima-cho, Mizuho-ku, Nagoya-shi, Aichi	★
33	Planet Nagoya Komaki Branch	10-1 Kawahigashi, Wada-cho, Konan-shi, Aichi	★
34	Toyohashi Stock Center	33-16 Akemicho, Toyohashi-shi, Aichi	★
35	Yokkaichi Branch	5-4-13 Shinsho, Yokkaichi-shi, Mie	★

Kinki

36	Planet Shiga Ryuo Branch	1140-3 Oguchi, Ryuo-cho, Gamou-gun, Shiga	★
37	Kyoto Branch	3F Trusco Crystal Bldg. 593 Higashi-Shiojiko-cho, Shimogyo-ku, Kyoto-shi, Kyoto	★
38	HC West Japan Distribution Center	755-6 Kamifukawa-cho, Nara-shi, Nara	★
39	Nara Stock Center	758-6 Kamifukawa-cho, Nara-shi, Nara	★
40	East Osaka Stock Center Higashi Osaka Branch	4-12 Shinjo-nishi, Higashi-Osaka-shi, Osaka	★
41	Sakai Stock Center ¹	1-5-45 Ishizu-cho Higashi, Hamadera, Nishi-ku, Sakai-shi, Osaka	★
42	Osaka Head Office Osaka Branch HC Osaka Branch Internet Sales Osaka Branch	TRUSCO Glen Check Bldg., 1-34-15, Shinmachi, Nishi-ku, Osaka-shi, Osaka	★
43	Planet Osaka South Osaka Branch	81-1 Ishizu Kitamachi, Sakai-ku, Sakai-shi, Osaka	★
44	Planet Kobe	1-3-5 Nakamachi, Minatojima, Chuo-ku, Kobe-shi, Hyogo	★
45	Kobe Branch	Nakayama Memorial Hall 5F, 2-1-9 Mizuki-dori, Hyogo-ku, Kobe, Hyogo	★
46	Himeji Branch	448-26 Hojo, Himeji-shi, Hyogo	★

West Japan

47	Planet Sanyo Okayama Branch	4-15 Amase, Kita-ku, Okayama-shi, Okayama	★
48	Okayama Stock Center	2-16-35 Fukunari, Minami-ku, Okayama-shi, Okayama	★
49	Yonago Branch	8-15-14 Yonehara, Yonago-shi, Tottori	★
50	Fukuyama Branch	2-4-13 Akebono-cho, Fukuyama-shi, Hiroshima	★
51	Hiroshima Branch	1-20-1 Naka-Hiromachi, Nishi-ku, Hiroshima-shi, Hiroshima	★
52	Shunan Branch	2929-14 Kume, Shunan-shi, Yamaguchi	
53	Ube Branch	5-395-5 Nakano Gaisaku, Ube-shi, Yamaguchi	
54	Takamatsu Branch	4001-77 Yoshida, Utazu-cho, Ayauta-gun, Kagawa	★
55	Takamatsu Stock Center	2-3-1 Asahimachi, Takamatsu-shi, Kagawa	★
56	Tokushima Branch	23 Nakahara, Ojin-cho Nakahara, Tokushima-shi, Tokushima	
57	Matsuyama Branch	1068-4 Kumanodai, Matsuyama-shi, Ehime	★
58	Kokura Branch	7-1 Kifunemachi, Kokurakita-ku, Kitakyushu-shi, Fukuoka	★
59	Hakata Stock Center Fukuoka Branch	2-4-14 Takeshita, Hakata-ku, Fukuoka-shi, Fukuoka	★
60	Planet Kyushu Tosu Branch	1651 Himekata-machi, Tosu-shi, Saga	★
61	HC Kyushu Distribution Center ² Kurume Stock Center	1956-1 Kitanomachinaka, Kurume-shi, Fukuoka	★
62	Nagasaki Branch	23-4 Ohashi-machi, Nagasaki-shi, Nagasaki	
63	Kumamoto Branch	5F Kumamoto Central Bldg. 66-7 Yamasaki-machi, Chuo-ku, Kumamoto-shi, Kumamoto	
64	Oita Branch	1-3-28 Mukaibara-Higashi, Oita-shi, Oita	★
65	Kagoshima Branch	3-68 Tokai-cho, Kagoshima-shi, Kagoshima	★
66	Okinawa Branch	5F Okinawaken Kensetsu Kaikan 5-6-8 Makiminato, Urasoe-shi, Okinawa	

Note: ⁴² Osaka Head Office (Osaka Branch, HC Osaka Branch, Internet Sales Osaka Branch) is scheduled to be relocated in May 2024 to the address below:
TRUSCO Central Building 4-2-5 Honmachi, Chuo-ku, Osaka-shi, Osaka

Current Status of Subsidiaries

TRUSCO THAILAND TRUSCO NAKAYAMA CORPORATION (THAILAND) LIMITED

Since its foundation in 2010, TRUSCO Thailand has continued to expand sales to not only Japanese dealers but also major local dealers. The company also works to spread Thai and English versions of TRUSCO Orange Book Jr. and increase the number of items in stock, aiming to become a company needed at manufacturing sites in Thailand.



TRUSCO Nakayama Thailand
Site area: 10,942 m²
Total floor area: 4,731 m²

Company Overview

Trade name: TRUSCO NAKAYAMA CORPORATION (THAILAND) LIMITED
Officer in charge at TRUSCO NAKAYAMA Corporation: Kazuo Nakai
Business areas: Wholesale of PRO TOOLS (secondary materials used in factories)
Director: Norihiro Higashi *In office since January 2024
Capital: 390 million baht (approx. 1.3 billion yen)
Established: September 2010
Equity: 99.9%
Capital investment: 250 million yen for land, 210 million yen for buildings, etc.
Location: Bangplee, Samutprakarn (13 km south of Suvarnabhumi International Airport)
TIP7 789/8 Moo9, Bangpla Bangplee Samutprakarn 10540 THAILAND



Representative Director
and President
Kazuaki Harada

TRUSCO INDONESIA PT.TRUSCO NAKAYAMA INDONESIA

Export operations in Indonesia take a lot of time and processes. Therefore, TRUSCO Indonesia's inventory and distribution infrastructure, which ensure accurate delivery, are a significant advantage for Japanese companies operating in the country. Against the backdrop of domestic demand in a country with a population of 270 million people, the company will continue to contribute to Indonesia's advancing manufacturing industry.



TRUSCO Nakayama Indonesia
Site area: 16,178 m²
Total floor area: 10,430 m²

Company Overview

Trade name: PT.TRUSCO NAKAYAMA INDONESIA
Officer in charge at TRUSCO NAKAYAMA Corporation: Kazuo Nakai
Business areas: Wholesale of PRO TOOLS (secondary materials used in factories)
Auditor: Norihiro Higashi *In office since January 2024
Capital and capital surplus: 378.8 billion rupiah (approx. 3.2 billion yen)
Established: December 2014
Equity: 99.9%
Capital investment: 1,130 million yen for land, 640 million yen for buildings, etc.
Location: Lippo Cikarang District, Bekasi, Jawa Barat (40 km east of the capital city, Jakarta)
Jl. Kenari Raya No. 36 Delta Silicon VI, Jayamukti, Cikarang Pusat, Kab. Bekasi 17815.



Representative Director
and President
Yohei Takuno

“Niawase + Uchoku” (cargo assortment + direct delivery to users)

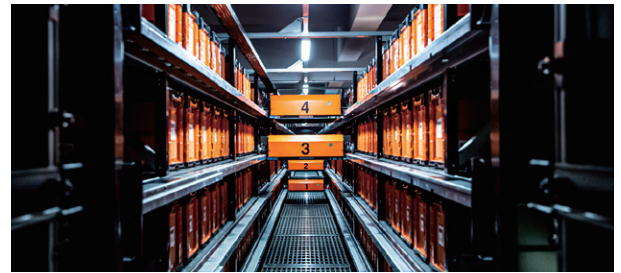
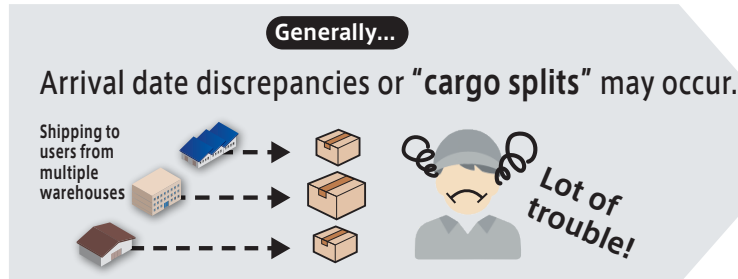
It is not a common practice in the wholesale industry to deliver products directly to users without going through retailers. However, we, as a wholesaler, pack the customer orders in one box (“Niawase” cargo assortment) and deliver them directly to the manufacturing site (“Uchoku” direct delivery to users), which leads to halving the delivery time, packaging materials, shipping costs, and environmental impact. This is a service that can only be provided by TRUSCO Nakayama, which has a large stock of goods and the world’s most advanced logistics equipment and its supporting systems, capable of handling small-quantity, high-mix shipments.



Learn more

Number of Niawase pieces per box **1.23** pieces/box
Number of items delivered directly to users **4.86** million items

TRUSCO can deliver products to manufacturing sites in one package!



SAS (Systema Streamer) / Shuttle Rack for “Niawase” (cargo assortment) of multiple order [High-speed assorting equipment]



I-Pack® with a maximum packaging capacity of 720 pieces/line per hour (high-speed automated packaging and shipping line)



Specific initiatives

Products

National Brand (NB) products

Number of suppliers: 3,509 (+237)

Private Brand (PB) products

Number of PB product items: 91,000 (+1,000)
PB product sales: 48.3 billion yen

Overseas National Brand (NB) products:

Number of overseas suppliers: 337
Overseas product sales: 6.7 billion yen

TRUSCO Orange Book.Com

Number of items available: 4.1 million
System order intake ratio: 87.1%



Digital

Improving work efficiency by raising the system order intake ratio

As a result of the efforts to develop highly convenient digital tools and enhance inventory, the system order intake ratio (the ratio of the number of lines of orders processed by the system out of all orders) has increased. This led to improved work efficiency within the Company, resulting in higher sales per capita.

System order intake ratio: 87.1%

Automated response to quotations using AI

One of our challenges is how to respond quickly to the approximately 30,000 quotations we receive from our clients each day. As a solution, we introduced “Sokuto Meijin,” an AI-based automatic quotation response system, to promote automation of quotations by automatically calculating appropriate prices based on past orders and quotations. This has led to an improvement in the speed of response to clients (minimum 5 seconds).

Ratio of automated quotation using AI-based quotation system “Sokuto Meijin”: 27.6%

Logistics

Features of TRUSCO logistics

- Unique fixed-cost logistics (2 delivery runs a day)
- Supports small-quantity shipments from a single screwdriver
- Actively stocking infrequently ordered products and difficult-to-deliver products*
- Adopting TRUSCO delivery runs to improve service Percentage of TRUSCO delivery runs: 44.6%

* Difficult-to-deliver products: A generic term for large or long products that are difficult to manage or deliver

Focusing on “inventory shipment ratio”

We focus on the “inventory shipment rate,” referring to what percentage of the total orders was shipped from TRUSCO’s inventory, as a key indicator.

Inventory shipment ratio: 92.1% (+0.4pt)

Number of inventory items: 590,000 (+30,000)

Sales

MRO Stocker, a system of “use first, pay later” for tools

This is a zero delivery time service in which products are displayed on the shelves as our assets on users’ premises, purchased with a dedicated application, and only the amount used is charged. Users can use products only as and when they need them without inventory risk.

Number of companies that has introduced MRO stockers: 1,203



“Naojiro” repair workshop

This is our unique service for repair and maintenance, including repair of pro-tools and resharpener of cutting tools. Our delivery drivers and sales representatives collect items for repair as needed during deliveries and visits, contributing to the reduction of packaging materials and the improved work efficiency.

Naojiro sales: 2.2 billion yen

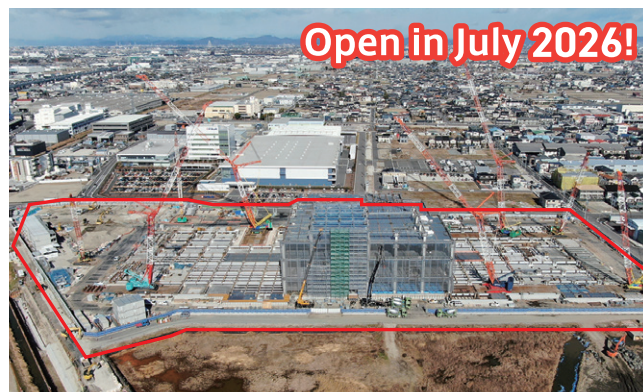
Major capital investments in 61st period

Construction of Planet Aichi

Location: 1 to 39-4, Block 19, Kita-Nagoya, Aichi
 Operation start: July 2026 (planned)
 Total investment (planned): Approx. 30 billion yen
 Total investment in 61st period: 8.66 billion yen

Site area: 41,634 m²
 Total floor area: 88,579 m²
 Building structure: Hybrid structure (RC-column, S-beam)
 Quake-absorbing structure
 Number of floors: Warehouse four floors, office four floors
 Capacity: Number of deliveries: 100,000 per day
 Number of items in stock: 1 million SKU
 Design and construction: Taisei Corporation

Approx. 10 km from JR Nagoya Station (20 min. by car)
 Approx. 2.5 km from Nishiharu Station, Meitetsu Inuyama Line (9 min. by car)
 Approx. 1.7 km from Haruhi IC, Nagoya Expressway (6 min. by car)



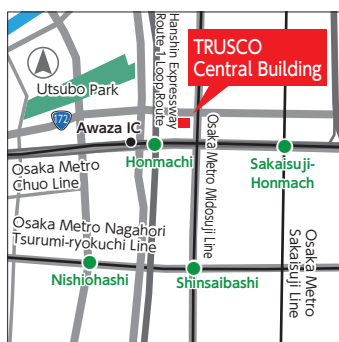
Planet Aichi under construction (photo taken: January 2024)

Construction of Planet Niigata

Location: 4-2-5 Honmachi, Chuo-ku, Osaka
 Operation start: May 2024 (planned)
 Total investment (planned): Approx. 1.7 billion yen
 Total investment in 61st period: 0.9 billion yen

Site area: 1,054 m²
 Total floor area: (10,916 m²)
 Building structure: Hybrid structure
 2nd basement to 5th floor: SRC structure
 6th floor to roof floor: RC structure
 Number of floors: 2 underground levels, 9 floors above ground
 Design (renovation): Takenaka Corporation
 Construction (renovation): Takenaka Corporation

1 minute-walk from Exit 4 or 8 of Honmachi Station, Osaka Metro Midosuji Line, Chuo Line, and Yotsubashi Line
 Approx. 500 m from Hanshin Expressway Awaza IC (2 min. by car)



TRUSCO Central Building, 1 minute-walk from Honmachi Station

プラネット新潟 新築工事

Location: Fukujima-shinden, Sanjo, Niigata
 Operation start: September 2026 (planned)
 Total investment (planned): Approx. 18 billion yen
 Total investment in 61st period: 0.1 billion yen

Site area: 26,300 m²
 Building structure: Hybrid structure (RC-column, S-beam), quake-absorbing structure
 Design: Nikken Sekkei Ltd.

Total floor area: 47,010 m² (planned)
 Number of floors: Warehouse four floors, office three floors
 Construction: Kajima Corporation

* See the cover page for a complete plan of Planet Niigata.

Financing

The Company raises funds by way of long-term and short-term borrowings from financial institutions to continue to invest in distribution facilities and digital technologies for the purpose of increasing convenience for clients. As of the end of the 61st period (December 31, 2023), the balance of cash and deposits amounted to 43.2 billion yen (an increase of 3.8 billion yen from the previous fiscal year). During the fiscal year under review, the Company repaid 10.0 billion yen in current portion of long-term borrowings and conducted financing of 15.0 billion yen by way of long-term borrowings to provide stable cash flow to support business expansion associated with aggressive capital investment.

Financing table

Fiscal year	56th period 2018	57th period 2019	58th period 2020	59th period 2021	60th period 2022	61st period 2023	Balance of borrowings at end of 61th period	Balance of cash and deposits at end of 61th period
Category								
Long-term borrowings	15 billion yen	—	10 billion yen ^{*1}	—	—	15 billion yen	40 billion yen ^{*2}	
Short-term borrowings	—	17 billion yen	—	—	△7 billion yen	—	10 billion yen	
Total	15 billion yen	17 billion yen	10 billion yen	—	△7 billion yen	15 billion yen	50 billion yen	43.2 billion yen

^{*1} The financing by way of long-term borrowings during the 58th period ended December 2020 was conducted in view of the possibility of an economic crisis under the COVID-19 pandemic.

^{*2} Of the 40 billion yen in long-term borrowings outstanding, 8.5 billion yen is scheduled for repayment in the 62nd period ending December 31, 2024.

Major lenders▶



Other electronic provision matters

Challenges to be addressed

The needs for a wide variety of items in small lots are expected to grow mainly in the manufacturing industry. To satisfy such needs, we must continuously strengthen our investments in logistics and digital fields, in line with the rise of online shopping companies and the ongoing IT-related developments such as AI and IoT. We also believe that the most important factor in expanding corporate value is the steady implementation of our five management strategies based on the pillars of products, logistics, sales, digital, and human resources.

62nd period (fiscal year ending December 2024) Plan

Consolidated operating results	61st period FYE December 2023 Fiscal year under review	62nd period FYE December 2024 Plan
Net sales	268,154 _{million} (+8.8%)	284,710 _{million} (+6.2%)
Gross margin	21.5% (+0.3pt)	21.0% (△ 0.5pt)
Selling, general and administrative expenses	39,003 _{million} (+4.0%)	41,150 _{million} (+5.5%)
Incl.) Depreciation	6,206 _{million} (△ 6.9%)	6,375 _{million} (+2.7%)
Operating income	18,519 _{million} (+26.3%)	18,610 _{million} (+0.5%)
Ordinary income	18,669 _{million} (+23.9%)	18,850 _{million} (+1.0%)
Net income attributable to owners of parent	12,268 _{million} (+15.4%)	14,740 _{million} (+20.1%)
Net income per share	186.05 _{yen} (+24.90yen)	223.53 _{yen} (+37.48yen)
Annual dividend per share	46.50 _{yen} (+6.50yen)	49.00 _{yen} (+2.50yen)

Note: Figures in parentheses () indicate changes from the previous fiscal year.

To become what we want to be: Capability targets

To be able to always provide the highest level of convenience as a creative company, we believe that we should prioritize “capability targets,” which clarify what abilities the Company should develop, rather than “quantitative targets,” such as sales and profit. To aim to become a company that is always needed by clients and the society, we will engage in our business while seeking to become what we want to be as described below:

- 1 We want to be a company with the ability to store 1 million items in inventory by 2030.
- 2 We want to become a company with the ability to receive orders 24 hours a day and ship orders 365 days a year.
- 3 We want to become a company free from out-of-stock items, wrong orders received, and wrong shipments.
- 4 We want to become a company without the need for inventory taking.
- 5 We want to become a wholesaler company with the ability to ship orders directly to users without stress.
- 6 We want to become a company with the ability to provide an estimate instantaneously.
- 7 We want to become a company with the ability to realize the fastest, shortest, and best delivery in the industry.
- 8 We want to become a company with as small environmental load as possible.
- 9 We want to become a company that actively promotes recycling, reuse, and returnable initiatives.
- 10 We want to become a platformer that supports the Japanese manufacturing sector.
- 11 We want to become a company with the ability to overturn the common sense, customs, established theories, and standard moves in the industry.



Planet Aichi (Kita-Nagoya, Aichi)
construction plan (Site area: 41,634 m²)
Completion: January 2025
Operation start: July 2026 (planned)



High-speed cargo assorting equipment
SAS (Systema Streamer) / Shuttle Rack



MRO Stocker has been increasingly introduced by manufacturers all over Japan.

Business Management Department

To realize our ambition and enhance corporate value, we will continue efforts to solve issues and promote fundamental reforms

Atsushi Kazumi

Director
General Manager of Business Management Department,
General Manager of Digital Strategy Department

“Business must serve people and society” is TRUSCO’s ambition. In order to realize this ambition and to further enhance our corporate value toward the future, we will promote new reforms and the creation of new systems while continuing efforts to solve current issues. We will also create an environment in which each individual with the same ambition and diverse values can develop his/her own careers while enhancing originality, thereby contributing to the further growth of our company.



Results in the 61st period

- Strengthened the individual career development through the use of a system to strategically transfer personnel and develop human resources based on employee data.
- Started measures to further strengthen women’s participation and the health and productivity management, etc., expanding opportunities for playing active roles regardless of gender or career.
- Made all full-time and part-time employees eligible for monthly performance-based achievement incentives from April 2023.

Reference:

Comfortable work environment ▶ P24

Specific initiatives

Real experiences help people grow.

Women accounted for about half of the new employees hired by the Company in 2023, and about 30% of the Boss Challenge Program participants as candidates for future managers were women. In order to provide an environment where women can play even more active roles in the future, we have established the Women’s Proposal Committee from 2024, which allows women to volunteer to participate in management meetings and make proposals. We also actively provide opportunities for female employees to participate in various important events so that they can directly feel the atmosphere of management, thereby supporting their career development.

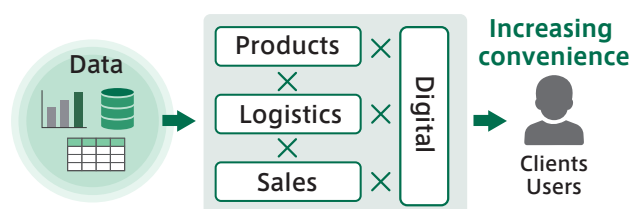


Members of the Boss Challenge Program as candidates for future managers

Strategies for the 62nd period

Promoting initiatives for the future of our clients, society, and company

- Visualize current issues based on data and implement solutions across departments to increase convenience for clients
- Undertake fundamental reform for the future of the Company, including reform of organization, personnel management, systems, work flow, and costs
- Accelerate services to reduce environmental burden, such as direct delivery to users, MRO Stocker, Niawase, and Naojiro, to contribute to CO₂ reduction throughout the supply chain



Featuring a culture and initiatives that value people

- Ongoing personnel system reform to increase engagement and achieve a sense of unity with the organization and improved productivity
- Aiming to become “a company where those who are healthy and want to work can work indefinitely,” continue to promote the health of employees
- Build a foundation for the creation of future female board members, based on the desire to become a company where female board members are a natural part of the company



Members of Tokyo Head Office with new Kartio

Digital Strategy Department

Pursuing convenience throughout the supply chain through human and digital growth

Atsushi Kazumi

Director
General Manager of Business Management Department,
General Manager of Digital Strategy Department

Our use of digital technologies is based on increasing the convenience of our clients and suppliers, along with our own productivity and efficiency. We aim to increase the convenience of clients by capturing the flow of information (data) in all business processes from order taking to delivery in real time, and by making appropriate judgments and correct processing at each process.



Results in the 61st period

- Approximately 87% of customer orders today are received via systems such as TRUSCO Orange Book.Com and EDI.
- Introduced a system to analyze data on back-ordered products and automatically register them in inventory, leading to annual sales of approximately 4.7 billion yen.
- The overwhelming speed of the automated response of "Sokuto Meijin," an AI-based quotation system, has been well received and its use has increased, and over 28% of quotations have led to actual orders received.

Reference:

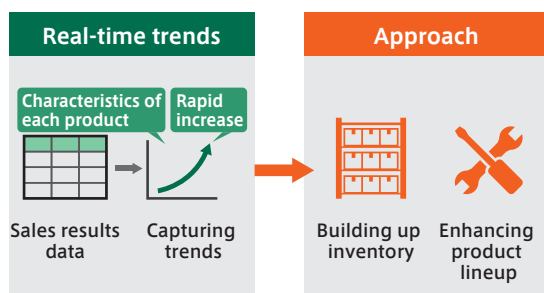
System order intake and AI-based quotation system "Sokuto Meijin" ▶ P14

Specific initiatives

"Light the future with data" Use of data for business started

We have launched an initiative to utilize sales data for each product in business operations. We capture trends in sales of each product and use them for the building up of inventory volume, adoption of similar products, and enhancement of the product lineup.

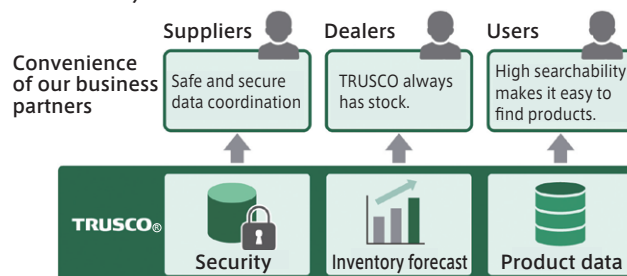
We are also considering linking data with MRO stockers to establish a system in which necessary items are delivered ahead of time before users need them.



Strategies for the 62nd period

We will lead and support business growth in a safe and secure manner.

- Through the renewal of the product data platform Sterra, we aim to enhance both the quality and quantity of product information.
- Through the advancement of ZAICON 3, a system for proper inventory management, we aim to prevent stockout and shortages in quantity and strengthen immediate delivery.
- As data is increasingly used throughout the supply chain, we will strengthen measures to address security risks.



Developing digital human resources

- Our human resource development is basically aimed at developing personnel who are capable of realizing what they want to be and solving various issues on their own. Through personnel transfers (job rotation) across divisions beyond the digital segment, we help employees to understand our customers and work operations through experiencing logistics, sales, products, and other areas.
- The Digital Strategy Department aims to realize digital strategies by combining generalist personnel with specialists who possess in-depth IT expertise.



Members of Digital Strategy Department (Tokyo Head Office)

Product Department

Leading the way in solving issues of manufacturing sites and the supply chain with our unique product lineup and systems

Tatsuya Nakayama Director
General Manager of Product Department

"TRUSCO has what we need." Our unique product lineup is the foundation for convenience. In addition to expanding the product lineup to achieve 1 million items in stock, we will brush up TRUSCO brand products with the aim of making them "standard items" at manufacturing sites. At the same time, by utilizing our logistic and IT infrastructures, we will address issues such as improving logistics efficiency throughout the supply chain, including suppliers, and visualizing and reducing CO2 emissions. In order to be of further service to manufacturing in Japan, we will continue to strengthen our product lineup and enhance collaboration with suppliers.



Results in the 61st period

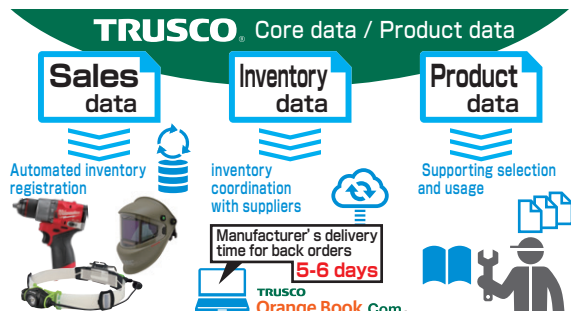
- The ratio of new products (in the last 3 years) to net sales increased to 13.2% (+0.9 pt YoY) due to the strengthened product lineup.
- Enhanced product information to realize "TRUSCO has what we need." 9/ Number of items in product data increased to 6.45 million SKU (+0.92 million YoY).
- Released a search function for equivalent and similar products and strengthened inventory linkage with suppliers, creating an environment for users to choose and buy easily.

Specific initiatives

Promoting utilization and enhancement of data

Utilizing "sales data" generated from our extensive product lineup and sales network, we support inventory registration by buyers and have actively expanded our data-driven automated inventory.

We have also strengthened coordination of "inventory data" with suppliers to clarify delivery dates even for back-ordered products. We are also working to expand our "product data" to assist in product selection and safe use.



Strategies for the 62nd period

Brushing up product lineups, data, and tools

- Review and brush up major TRUSCO brand products with the aim of making them "standard items" at manufacturing sites
- Accelerate data expansion with the aim of creating a product data platform that has all the necessary and useful information for users
- Strengthen web and paper catalogs and product selection tools to both expand the product lineup and make it easy for users to select items



Working to solve supply chain issues

- Help suppliers improve their logistics efficiency and address the logistics 2024 problem by utilizing our logistic and IT infrastructures
- Promote visualization of CO2 emissions in the manufacture and distribution of pro-tools via web and paper catalogs
- Optimize ordering methods for each supplier to prevent shortages in the market, reduce suppliers' inventory burdens, and improve their production efficiency

Logistic

IT infrastructures



Supporting suppliers in addressing logistics issues



Sales Department

The “real” and “digital duality”
People harness the power of digital to solve problems

Kazuo Nakai Director
General Manager of Sales Department

The power of ever-evolving digital technology is indispensable for our clients to improve their work efficiency.

On the other hand, face-to-face sales activities are also indispensable in building relationships of trust with clients. By combining “our unique digital tools” with “work that only humans can do,” we will tackle the 2024 problem and manpower shortage, and work to reduce environmental impact.

Under any circumstances, we will continue to be of service to our clients’ businesses with a dual approach of real and digital services.



Initiatives in the 61st period and specific measures

Factory route 182,188 million yen (+6.8% yoy)

- Contacts with companies that have introduced MRO Stocker enabled us to understand the various issues faced by each user, and we were able to solve such issues by utilizing the most appropriate resources.
- Strengthening relationships with companies with nationwide operations has allowed us to approach to markets we had not been able to enter, leading to achievements in new areas.

e-business route 59,121 million yen (+14.6% yoy)

- For online shopping companies, expanded the number of items handled by new manufacturers and new products, and also increased business by linking data with other companies and strengthening logistics support according to their requests.

Home center route 24,260 million yen (+9.5% yoy)

- Created businesses that integrate real stores and online shopping websites. Also, sales increased due to proposals in categories with high market needs, such as BCP measures and safety-related products.

Overseas route 2,583 million yen (+22.5% yoy)

- Taking advantage of the weak yen, local subsidiaries developed new customers and expanded inventories in response to the market needs. In the export business, our ability to respond to the need for short delivery times by taking advantage of abundant inventory matched the demand.



Meeting with users of MRO Stocker
(Left: Tomoe Kurokawa, Koriyama Branch)

Strategies for the 62nd period

Strategies for the 62nd period

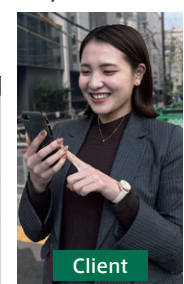
- With the “Niawase + Uchoku” service, reduce delivery time, packaging materials, and delivery frequency to half, and differentiate us from our competitors in solving environmental issues.
- By expanding the MRO Stockers in stock (number of installations: more than 1,500 planned), increase the frequency of use and contribute to improving the convenience of clients.
- The repair workshop “Naojiro” can respond to repair requests even for products that have not been purchased from TRUSCO and requires no packaging and shipping, significantly reducing work burdens.



Proposing services to address variety of issues (Manami Murakami, Okayama Branch)

Using digital technologies to improve procurement efficiency

- The AI-based quotation system “Sokuto Meijin” can respond to quotations for products whose product number or other information is known and present the appropriate price in five seconds at shortest, which allows users to spend more time for inquiries requiring discussions.
- With T-Rate, even if the product number is not known, an inquiry can be made quickly by sending an image of the product, resulting in improved work efficiency.



Timely information sharing with T-Rate (Left: Asumi Onishi, Tokyo Branch)

Logistics Department

Aiming to build a stable logistics infrastructure that can accommodate any change

Hideki Naoyoshi Director
General Manager of Logistics Department and
General Manager of Logistics Safety Promotion Division

Our mission is to help our clients and users expand their businesses, and ultimately, be of service to society as a whole, and we will not allow any compromises in the efforts to enhance convenience. We flexibly accept changes in market demand, and we understand that the essential condition for earning the trust of our clients is to provide stable and robust distribution services at all times. Aiming to become a company that truly supports Japanese manufacturing, we will make step-by-step efforts with sincerity.



Results in the 61st period

- Improved “Niawase + Uchoku” service with approx. 600,000 items in stock and refined shipping functions
- Pursuit of the “site-completion type” inventory control optimized for each region
- Acquired multi-functional inventory storage capacity to improve service level

Reference:

“Niawase (cargo assorting) + Uchoku (direct delivery to users)” ▶ P14

Specific initiatives

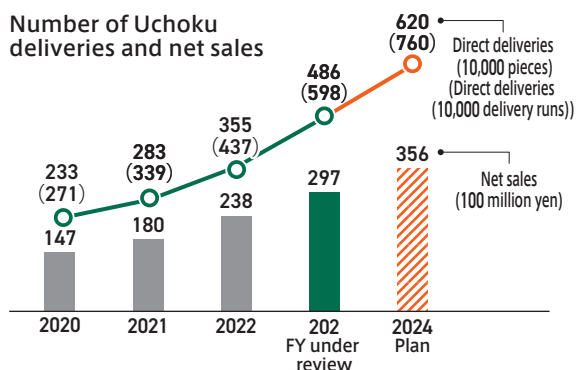
Expanding the “Niawase + Uchoku” services

In response to the rapidly growing demand for direct delivery of products to users, we have enhanced the function to pack and deliver ordered items in a single package to increase the convenience for our clients.

Raising inventory storage capacity

In order to enhance our inventory storage capacity, the new Sakai Stock Center was put into operation next to Planet Osaka and an automated pallet warehouse was put into operation at Planet East Kanto, thereby expanding inventory items in the east and west.

Number of Uchoku deliveries and net sales



Strategies for the 62nd period

Pursuit of the highest level of distribution services

- Improve shipping functions and make full use of automated facilities to support further expansion of “Niawase + Uchoku” service
- Substantially brush up the inventory control system to optimize large inventory with a view to reaching 1 million items in stock
- Acquire warehouse control capacity of large distribution centers in view of Planet Aichi and Planet Niigata
- Promptly formulate and implement measures to strengthen logistics functions to respond to changes in market demand



Strengthening five factors to realize the highest level of distribution services

Establish a solid foundation to maintain and improve distribution services

- Establish a work environment and business processes that allow employees to work safely and securely
- Develop human resources to support functional enhancement and problem solving in logistics



First-year employees at Planet Saitama

For more than 25 years since before the word sustainability became popular, we have been working on business activities with low environmental impact under the slogan, "Sustainability." At present, we are engaged in a variety of initiatives as TRUSCO "Sustainability" projects designed to create a better future, including social activities and governance.



Basic Sustainability Policy

We aspire to be a PRO TOOLS supplier that continually serves Japanese manufacturing in every era. Under the motto, "Business must serve people and society," we will create both social value and corporate value (TSV*) through our businesses to help resolve social issues and build sustainable local communities.

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

Material Issue

① Optimization of the entire supply chain



Contribute to the reduction of environmental load with one-stop logistics

② Planning and development of products that respond to diversifying needs



Strengthen competitiveness through creative product development

③ Development of environments and human resources to enable them to fully display their personal abilities



Offer employee training programs and systems to give awareness in various areas
(From back left: Roman Kubo, Nodoka Kurokawa, Kakeru Aogaki
From front left: Chief Yasuhiro Kawamata, Vice Branch Office Manager, Haruka Kakazu, Daichi kano, Yusuke Chiba)

④ Environmental actions through business activities through business activities



Assembly services for chain sling available at "Naojiro" repair workshops (Branch Office Manager Satomi Nishino, Planet Sanyo)

⑤ Contribution to stakeholders and local communities



The Nakayama Visual Welfare Foundation's new Nakayama Memorial Hall

⑥ Governance based on a stance of Shushazentaku (always choosing what is right rather than focusing on whether it is profitable)



Management conference attended by division general managers

Environment

Responding to risks and opportunities attributed with climate change

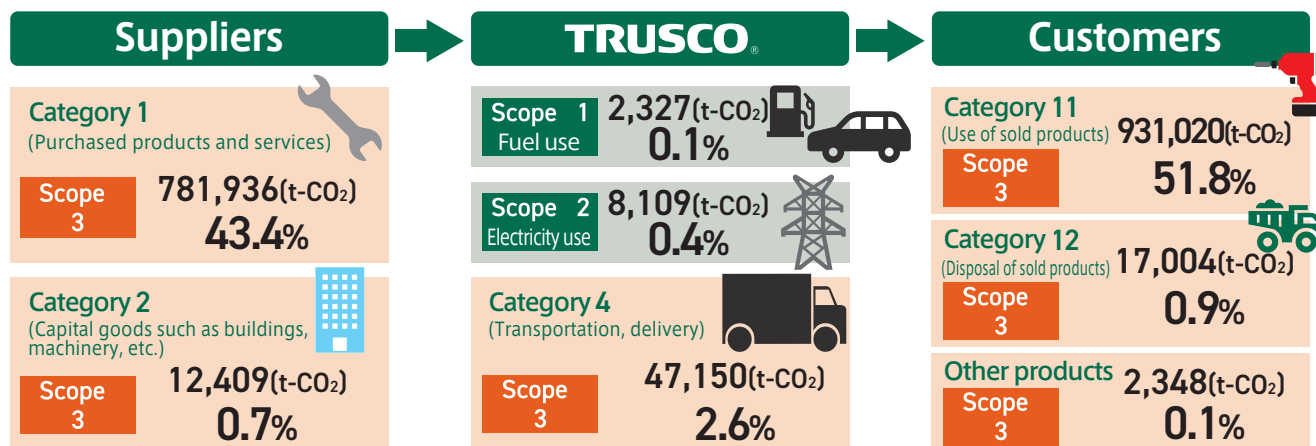
In order to continue to be of service to people and society in any era, we are resolving social issues and contributing to local communities based on our "Sustainability" Basic Policy. Based on the TCFD recommendations* for climate change, we also disclose the following four items: "Governance," "Strategy,"

"Risk Management," and "Indicators and Targets." *Task Force on Climate-related Financial Disclosures (TCFD)

Responding to risks and opportunities attributed with climate change



CO₂ emissions related to the Company's business activities (results of 2022)



* Figures with % indicate composition ratio.

* Scope 1: Direct emissions from fuel use

Scope 2: Indirect emissions resulting from energy supply by other companies

Scope 3: Indirect emissions related to the supply chain other than Scopes 1 and 2

For Scope 3 categories, refer to the website of Ministry of the Environment.



TRUSCO is committed to reducing the environmental burden of our business activities, planning and developing environmentally-friendly PB Products, and proactively recycling, reusing, and returning products to their original state. The Company is working to reduce the environmental impact of the entire supply chain, from our company to even the users of our products, aiming to achieve sustainable distribution. We call these TRUSCO Shared Value (TSV) activities in the Company, and we are working to raise awareness of reduction of the environmental burden among each and every employee.

1 Offering products that are environmentally-friendly

- Reducing environmental impact by **1,534t reduced** *
holding inventory *The amount of contribution to CO₂ emissions reduction in one year in 2023 calculated from the results of each measure
- Efforts to make TRUSCO products environmentally-friendly
In the planning and development of our own TRUSCO brand products, we have set environmental standards for resource conservation, waste reduction, long-lasting use, etc., and are promoting environmentally-friendly product development.

TRUSCO Fabric Adhesive Tape
Economy type
W50mm x L50m
Stock Number: GNT5050E



CHAlliance

伊藤園 × TRUSCO.
"CHAlliance", a product jointly developed
by Ito En and TRUSCO
Stock Number: TIC-37, etc.



- Providing environmental information in catalogs
- Reducing and standardizing containers and packing

2 Reducing the environmental burden by using our equipment

TRUSCO Power Generation Installations (19 locations)

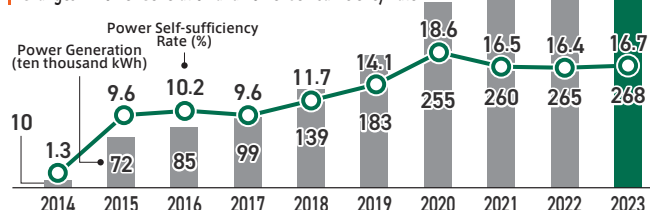
We have installed solar panels when new branches were constructed, aiming to increase our own power generation capacity of renewable electricity to 3,500kW by 2025.

Power Generation Capacity **2,793kW**
Power Self-sufficiency Rate (%) **16.7%**



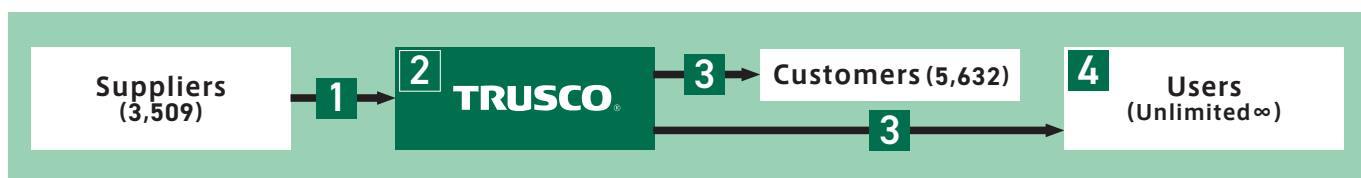
Solar power panels on the roof of Planet Saitama

Changes in Power Generation and Power Self-sufficiency Rate



Introduction of Environmentally-Friendly Vehicles

We plan to introduce 36 hybrid vehicles (about 25% of our delivery trucks) by 2025.



3 Delivering products to our customers

- Reducing the environmental burden through fixed-cost based distribution **4,461t reduced**
We deliver our products to customers via fixed routes from distribution centers located near our customers (28 locations throughout Japan), which reduces packaging materials and CO₂ emissions associated with delivery compared to shipping by courier service.
TRUSCO Return Cushion
TRC-20 L/50 L (available in three colors)



- Reducing the environmental burden by "Niawase" + "Uchoku" **2,549t reduced**

TRUSCO's Direct Delivery Service realized by "Niawase" + "Uchoku" makes it possible to deliver directly to users (4.86 million packages a year) instead of two-step deliveries that involve customers. Not only does this shorten delivery times but also helps reduce the amount of packaging materials used and CO₂ emissions.



Video on I-Pack®

4 Using our products

- MRO Stocker **4,816t reduced**

MRO Stocker is like "Okigusuri," a system of "Use First, Pay Later" for medicine, but for tools. Always having PRO TOOLS in stock that are used daily eliminates management costs, delivery time, and wasteful purchases. In addition, delivery costs as associated with each order are also reduced, which helps to reduce the environmental burden.



MRO Stocker Website



MRO Stocker

- Repair Workshops "Naojiro" Service **2,469t reduced**

Naojiro Repair Workshops offer eight services, including repair and resharping. This service allows for environmentally-friendly manufacturing sites.



Naojiro Repair Workshops Website

CO₂ reduction effect of each measure and service

After calculating the amount of CO₂ emissions that we were able to avoid through our measures and services, the reduction was **15,829 t t-CO₂ in 2023**. Our total Scope 1*1 and Scope 2*2 emissions are 9,184 t-CO₂, contributing to the equivalent reduction of emissions throughout the supply chain.

*1 Scope 1: Direct emissions from fuel used by the Company

*2 Scope 2: Indirect emissions resulting from energy supplied by another company

	Items to be reduced				Reduced emissions amount (t-CO ₂)
	Vehicle transportation	Use of packaging	Packaging waste	Purchase of new products	
Proper Inventory	●				1,534
Fixed-Cost Based Distribution	●	●	●		4,461
Direct Delivery Service	●	●	●		2,549
MRO Stocker	●				4,816
Naojiro Repair Workshops				●	2,469
Total					15,829t-CO₂

Based on the idea that “an employer has the obligation to provide a work environment where employees can continue to work for a long time with a peace of mind,” the Company provides an environment that supports participation of diverse human resources and encourages all employees to use various workplace-related programs at TRUSCO.

Promotion of female employees

Since around 2006, we have set a goal of increasing the percentage of female employees, and have been promoting recruitment activities and creating a workplace where they are comfortable to do their job. The Company aims to have 50% of newly appointed managers be women by 2026. The first female general manager took office in January 2024. The percentage of female employees among management candidates (boss challenge students) in 2024 was 23.5% (up 15.2% yoy).

“Women's Proposal Meeting” Newly established (2024)

This meeting allows female employees determined through a candidacy system to participate in management conference and make proposals for improvement, enhancement, and growth. A total of eight female employees join the program from across the country.



Members

(From back left: Section Manager Kyoko Yoshimi, Vice Manager Shiori Matsuda, Staff Masako Kawaguchi, Hiromi Nakakubo
From front left: Section Manager Yoko Nakanishi, Manami Murakami, Nozomi Fukuhara, Branch Chief Satomi Ogata)

Comfortable work environment indicators¹

	2022	2023
Percentage of female employees hired	46.7%(Employees)	47.9%(Employees)
Percentage of female employees	35.2%(Employees) 73.9%(Part-time employees)	35.5%(Employees) 73.2%(Part-time employees)
Percentage of female senior supervisors	22.8%(57)	23.7%(58)
Percentage of female employees in management roles	7.8%(10)	8.7%(11)
Percentage of annual paid leave taken	65.8%(Employees)	65.3%(Employees)
Percentage of employees who returned to work from child care leave	98.0%(44)	100%(46)
Number of male employees who have taken child care leave	9	17
Percentage of employees who have taken childcare leave by gender	Male 42.8%(Employees) Female 97.7%(Employees)	Male 55.6%(Employees) Female 85.7%(Employees)
Average number of overtime hours per month	18.1 hours ²	17.9 hours ²

¹ The above indicators are for the parent company only.

² It includes hours within the statutory overtime hours.

Programs for employees to work for many years with peace of mind



Details of personnel systems

What you are doing is important, but when you are doing it is even more important.

The time when the policies of a company begin is important and the “will” varies according to when a policy is put in place. We have a number of unique human resource programs that were inspired not by the trends of the world but by our concern for our employees. By respecting the opinions of our employees and supporting their work styles through various approaches, we improve their motivation to work which leads to the growth of the company.

Vacation Bank Program

Main Vacation Bank Program Revisions

- No limit on the number of days of paid leave that can be accumulated (previous limit was eliminated)
- Accumulated days of paid leave can be used for more reasons than previously allowed (also for studies, volunteering, etc.)
- At the time of retirement, the Company will pay employees for any unused days

Since there is no limit on the number of days of paid leave that can be accumulated, employees will not have to worry about not having enough days available during unexpected circumstances

Started in 2007

Revised in 2022

In the past, this program allowed employees to accumulate up to 60 days of unused paid vacation time within the time limit in case of illness, nursing care, or other events requiring extended leaves of absence. The following revisions were made in 2022.

Childcare Leave Program



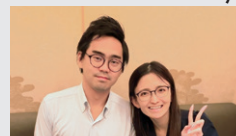
Rina Komatsubara, Recruit Section, and her children using Childcare Leave Program

Started in 1992

Legally, employees are allowed to take childcare leave until the day before their child turns one, but at Trusco Nakayama, employees can take childcare leave until the end of the month in which their child reaches the age of three.

2023 (Program participants: 64)
*Maximum of 3 years

Lovebird Transfer Policy



Mr. and Mrs. Saruwatari (Right: Nanaho), Tokyo NB Product Section

Started in 2005

This policy allows a spouse (even if employed by another company) to apply for relocation to an area of choice.

Last 3 years (Program participants: 18)

Happy Sunday Policy



Logistics Platform Development Section and Planet Aichi Preparation Section Manager Shintaro Hashiguchi with his family

Started in 2002

This is a system that allows employees who have been transferred not accompanied by family to delay coming to work on Mondays so that they can spend time with their families at dinner on Sundays when they return home on weekends (travel expenses for returning home twice a month and company housing rent are paid separately).

2023 (Program participants: 13)

In-company Sidework Program (Hybrid Work Program)



Chief Masahiro Miyahara, Tosu Branch

Started in 2019

This system allows full-time employees who have been with TRUSCO for two years or more to work a second job only on Saturdays, Sundays, and holidays. Since the system focuses on work that any employee can work on right away at a different workplace from their main job, employees can earn extra income and gain unique experience and insights from working in a different environment.

2023 (Program participants: 150)

Go Home Early System



Staff Ryoko Sato, Digital Promotion Section

Started in 2020

We have introduced the “Go Home Early System,” which allows employees to leave early when they finish work within their scheduled working hours, with the aim of encouraging an awareness and habit of leaving work early. If employees work efficiently and finish early, they can use the system once a week, up to a maximum of 30 minutes earlier than their regular workday.

2023 (Program participants: 88)

Health Management Initiatives

Trusco Nakayama Corporation

"Declaration of Health"

"As a company that supports manufacturing in Japan, Trusco Nakayama Corporation endeavors to serve people and society. Through our business, we will continue to help reduce the environmental impact of manufacturing sites, workplaces, and suppliers, and promote the health of employees with the aim of becoming a company where employees can work for many years with peace of mind."

The health care of employees must be an integral part of our continued growth. Health care Section has been established at Tokyo and Osaka Head Offices to promote "Health Management" in cooperation with Trusco Nakayama Health Insurance Association, which will be established in 2019. Periodic health consultation (medical and mini-doctorial check-ups) are offered not only to employees but also to their dependent spouses, with subsidies to cover the fees. Continuous promotion of employee health will lead to our growth going forward.

Indicators	Term	2022	2023
Periodic health check-up rate ¹		100.0% ²	100.0% ³
Secondary health check-up rate		87.9% ²	84.4% ³
Stress check inspection rate		100.0%	100.0%
Smoking rate (all employees)		13.7% ²	14.5% ³
No. of SAS screening test takers		71	172

¹ Set a consultation period from April to end of September, and conduct medical or mini-doctorial check-ups. 100% of employees are receiving medical examinations.

Medical check-up: Eligible employees and dependent spouses aged 35 and older
Mini-doctorial check-up: Eligible employees, dependent spouses, and part-timers (TRUSCO health insurance) aged 35 and below

² Figures are calculated from March 2021 to March 2022.

³ Figures are calculated from March 2022 to March 2023.

Non-Smoking Policy at TRUSCO



Trusco Nakayama contributes to the social development by providing safe and healthy workplaces for employees as part of its corporate responsibility, and by continuing to engage in dynamic corporate activities. The policy requires all directors, managers, candidates for managers, and new employees who wish to join us to be smoke-free.



Health care Section (Tokyo Head Office)
Public Health Nurse Masako Amakawa



Health care Section (Osaka Head Office)
Public Health Nurse Kiyomi Yamada

Trusco Nakayama Health Insurance Association

As a company that looks after the lives of our employees, we want to take responsibility for the health of our employees and their families. Based on that desire, in April 2019, we established the Trusco Nakayama Health Insurance Association, our sole health insurance association, at Tokyo Head Office. Its establishment allows us to make decisions smoothly and further enhance our own insurance services. We will promote initiatives that are suitable for the Company so that employees can continue working with a peace of mind for many years.



Health insurance card (sample)



Trusco Nakayama Health Insurance Association website



Trusco Nakayama Health Insurance Association
(From left) Staff Ryoko Nakamura, Manager Akiko Tani

Basic Information on Health Insurance Association (as of December 31, 2023)

		Full-time employees:	1,630
		Part-time employees:	1,213
		Voluntary*:	32
No. of insured persons	2,875		
		Dependency ratio:	0.53
		(National average of health insurance: 0.71)	
No. of dependents	1,527		
Total	4,402		

*Voluntary continuation is a system whereby a person who retires loses his/her eligibility for health insurance coverage from the following day, but can continue to be insured by the insurance association if certain conditions are met.

Human Rights Concerns

Respect for human rights of those with whom we are connected

We engage in business activities with our belief that business must serve people and society, and declare our corporate philosophy as our mission is to contribute to society through corporate activities and to realize the happiness of the people with whom we are connected. In line with our belief and philosophies, we have been implementing measures such as prohibiting non-regular employment in principle, health management, and the establishment of Business Partner Hotline (a supplier reporting hotline). Through our business activities, we are committed to the well-being of those with whom we are connected and to respecting human rights.

In addition to an internal hotline for employees, we have also established a supplier reporting hotline, which can be used in the event of a human rights issue.



“Giving Back to Society” through the Nakayama visually impaired welfare foundation

The Nakayama visually impaired welfare foundation was established in 1997 in response to the will of “wanting to serve visually impaired people” by Kiyoko Nakayama, the mother of Tetsuya Nakayama (President of the foundation), who was born with optic nerves damaged by a forceps delivery. It later became a public interest incorporated foundation in 2010. The basic property shall be shares of Trusco Nakayama Corporation, and the foundation does not receive donations or support from outside and does its own management. We continue “Giving Back to Society” through the Nakayama visually impaired welfare foundation.

Managing the foundation using stock dividends

The foundation was established by the Nakayama Family with four million shares of Trusco Nakayama Corporation stock and \$3 million in cash. In addition, the Nakayama Family donated an additional one million shares of Trusco Nakayama Corporation stock in 2021. The foundation operates its business with the dividends from the shares.

Number of Shares of Trusco Nakayama Corporation Stock Held by the Foundation
4.35 million shares (as of December 31, 2023)

Overview

Established	October 1, 1997 November 1, 2010. Transition to a public interest incorporated foundation was made on October 1, 2021 Japanese name of the Nakayama visually impaired welfare foundation was changed. (English translation remains the same)
President	Tetsuya Nakayama
Address	2-1-9 Mizuki-dori, Hyogo-ku, Kobe, Hyogo Prefecture 652-0802 (3 min. walk from Shinkaichi Station) TEL: 078-599-6140 / FAX: 078-599-6141
Support project results	984,120,000 yen (cumulative total over 26 years until FY2022)



(2022)
Guide dogs
“Gaia”

(2022)
Guide dogs
“Ekubo”

(2023)
Guide dogs
“Enishi”



New Nakayama Memorial Hall
(completed on September 15, 2021)
Area of grounds: approx. 1,401 m²
Floor area: approx. 5,712 m²
Structure: 1 underground level, 5 floors above ground, equipped with isolation system

List of Officers and Board of Directors for the Nakayama visually impaired welfare foundation (listed in alphabetical order)

President

Tetsuya Nakayama President of TRUSCO NAKAYAMA Corporation

Senior Director

Saori Nakayama Representative Director of NR Holdings Co., Ltd.
Registered as Certified Public Accountant

Managing Director

Atsushi Matsumae Managing Director

Director

Takuji Iuchi President of AS ONE Corporation

Norio Ichikawa President of Zojirushi Corporation

Tatsuya Otsuka President & Chief Executive Officer of Earth Corporation

Kohei Goto Chairman of SANKO Co., Ltd.

Osamu Tsujimoto President of TSURUMI MANUFACTURING Co. Ltd.

Teruo Hashimoto Chairman of Nippon Lighthouse Welfare Center for The Blind

Kenji Furuhashi President and CEO of Hosiden Corporation

Masahiko Mori President of DMG MORI CO., Ltd.

Naoyuki Yamamoto CEO and Chairman of Yamamoto Kogaku Co., Ltd.

Auditor

Kohei Nomura Attorney at Nomura & Partners

Kazumasa Murai Certified Public Accountant and Tax Accountant at Murai Certified Public Accountant Office

Councilor

Yusuke Saraya President and Representative Director of Saraya Co., Ltd.

Tomihiko Takamatsu Former Chairman of DyDo GROUP HOLDINGS INC.

Yuko Nakayama Representative Director of NS Holdings Co., Ltd.

Rie Nakayama Assistant Professor of Department of Otolaryngology, Graduate School of Medicine, Keio University

Motonobu Nishimura President and Representative Director of Taiyo Kogyo Inc.

Yuki Noumura President of TRUSCO NAKAYAMA Corporation

Junji Hada Chairman of ELECOM Co., Ltd.

Naotaro Hikida President and Representative Director of Kohnan Shoji Co., Ltd.

Kunio Yamada Chairman of Rohto Pharmaceutical Co., Ltd.

Yoshiaki Yamamoto President of Social welfare corporation Rokko kakujen

Teiji Wakita President and Representative Director of Wakita & Co., LTD.

Senichi Hoshino (former Nippon Professional Baseball manager), who passed away on January 4, 2018, served as director from June 2017 to January 2018, and contributed to the development of the foundation.

Utility project 1

Nakayama Memorial Hall facilities leasing business

At Nakayama Memorial Hall, 13 non-profit organizations cooperate with each other to provide total support to a large number of visually impaired persons.

Utility project 2

Grant project for support groups for visually impaired people and individuals

The foundation provides grants to groups for visually impaired people and support groups in financial difficulty, and provides scholarships free of charge to university students and others.

1 Subsidized project

The foundation provides grants to organizations for the visually impaired people and support groups, and volunteer groups.

2 Scholarship grant program

The scholarship provides visually impaired university students with a strong desire to study with a monthly stipend ranging from 30,000 to 60,000 yen free of charge, helping to create an environment in which they can concentrate on their studies until graduation. Graduate students (master's degree program) receives the same amount of scholarship every month without charge from 2022.

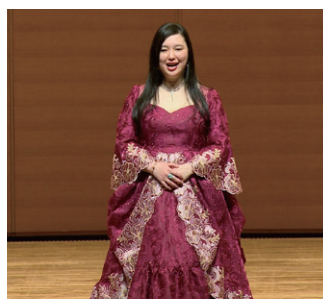
Utility project 3

Support activities for social participation activities for visually impaired people

People with disabilities spend every day like people without disabilities, and the foundation supports the participation of visually impaired people in society, aiming to establish the concept of "normalization," whereby everyone can work together with vigor and enthusiasm.

1 Hyogo Prefecture Visually Impaired People Music Festiva Project "Nakayama/KLC Concert"

A classical concert started for the purpose of providing many visually impaired people with opportunities to perform. Kobe Light Center (KLC)



Former scholarship student Hiromi Maekawa performing in a concert

2 Lending business for guide dogs

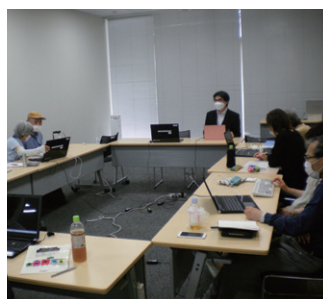
We commission the training of two guide dogs per year and lend them to the visually impaired as "Nakayama Go" guide dogs. As of 2023 we have loaned 46 dogs.



Guide dog lending ceremony held during the 23rd Nakayama Wonderful Festa

3 Personal computer course project

Courses are divided into beginner, Internet, Microsoft Office, iPad experience, and voice PC experience courses to teach basic computer usage and Internet operation.



Computer course



Spacious reception hall



Sunny balcony



Main conference room



Low vision floor
Convenient aids for the blind and visually impaired are available

4 Music performance project "Nakayama Wonderful Festa"

This is a concert that visually impaired people can attend with wheel-chairs and guide dogs which allows them to enjoy the concert free from worry. Some of our employees have participated in this event.

"Nakayama Wonderful Festa" in 4 years

The audience enjoyed "Lovely ♡ Concert" by Iruka & Hiromi Ohta (postponed for 4 years due to COVID-19). 1,740 people attended on the day.

Past performers (honorifics omitted)

#16 2013 Mariko Takahashi

#17 2014 Sayuri Ishikawa

#18 2015 Yoshimi Tendo

#19 2016 Masahiko Takeuchi and Kaientai

#20 2017 Masashi Sada

#21 2018 Aki Yashiro

#22 2019 Tomomi Nishimoto & IlluminArt Philharmonic Orchestra

Narrated by Yoshiko Sakuma

#23 2023 Iruka & Hiromi Ohta

Note: Concerts were not held from 2020 to 2022 due to the Covid-19 pandemic.



Nakayama Wonderful Festa #23
(Iruka & Hiromi Ohta)



Audience of many people

5 Accompanying aid workers (guide helpers) education training project

Training sessions are held six times a year with the aim of increasing the number and improving the quality of companionship support employees (guide helpers).

6 Barrier-free movie screening project "Nakayama UD Film Festival"

Sponsored by the Nakayama visually impaired welfare foundation, the Nakayama UD Film Festival features audio commentary and Japanese subtitles for films screened. (UD...Universal Design)

Profit-making business (Real estate leasing business)

A section of the Nakayama Memorial Hall has been used to provide real estate leases (office leasing, etc.) since November 2021.

For the embodiment of “TRUST COMPANY”

The Company name and corporate logo **TRUSCO** directly express the concept of “TRUST COMPANY,” a company trusted by all stakeholders. We will fulfill our social mission by embodying this concept **TRUSCO** as the starting point of our daily corporate activities.

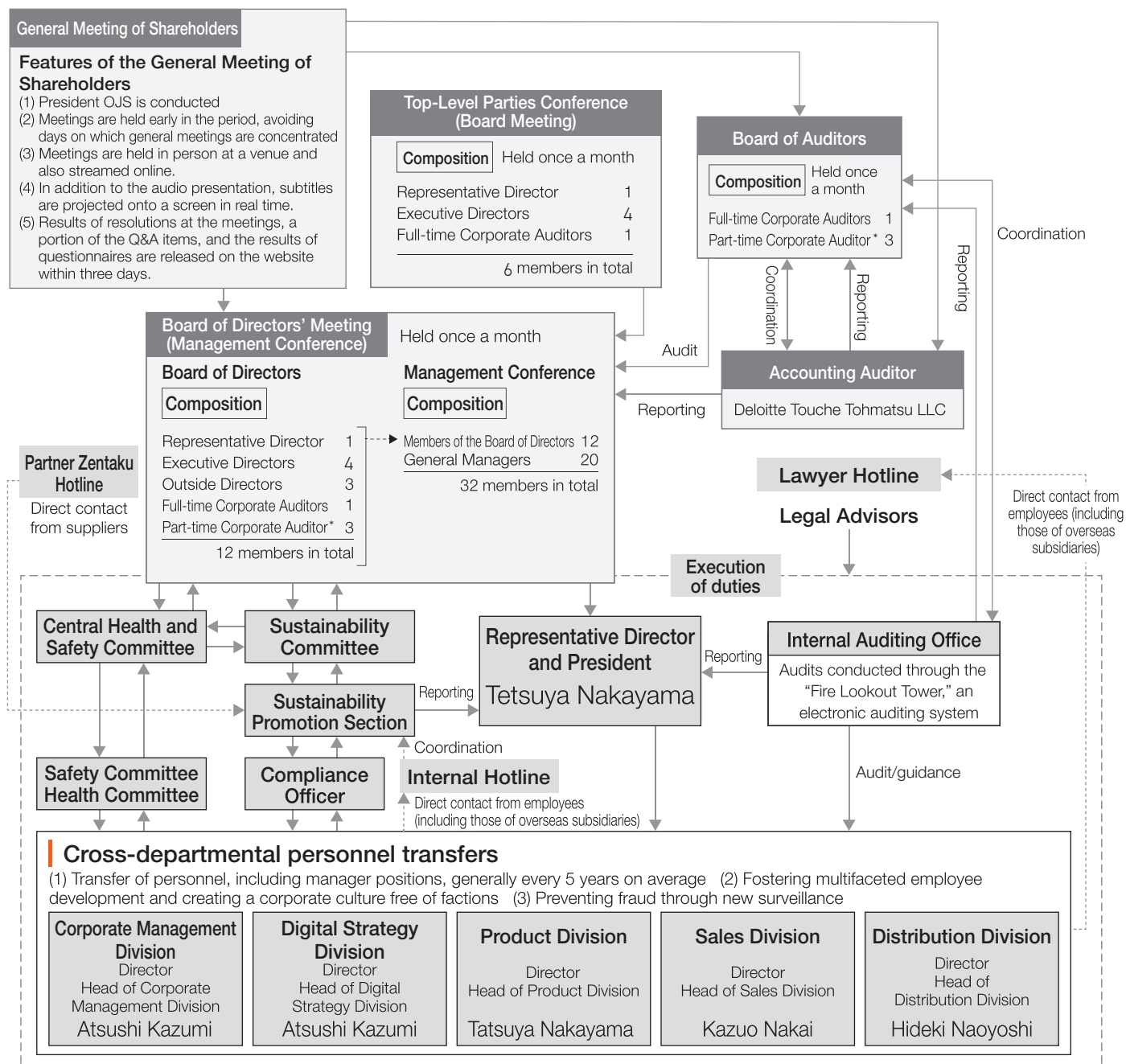
TRUST + **COMPANY**

= TRUSCO®
A company that earns trust

Corporate philosophy



Governance Structure (as of December 31, 2023)



Note: Part-time auditors are outside corporate auditors.

Top-Level Parties Conference (Board Meeting)

Consisting of only executives (excluding Outside Directors and Part-time Auditors), our Board of Directors Meetings deliberate and share the directions of the Company.

Establishment of Outside Directors (Board Brain)

Outside Directors are elected based on the criteria that they should have broad knowledge and sufficient experience and should be able to contribute not only to fraud prevention but also to sustainable growth and enhancement of the corporate value of the Company.

Interview with Outside Directors ▶  P45



Interview video

Zentaku Hotlines

“Zentaku Hotlines” are reporting hotlines established inside and outside the Company to early detect, address, and prevent any compliance issues.

Zentaku Hotlines

Internal Hotline: An internal reporting hotline for employees established within the Sustainability Promotion Section

Lawyer Hotline: An internal reporting hotline for employees established at an external contractor

Partner Zentaku Hotline: A reporting hotline for suppliers established within the Sustainability Promotion Section

Sustainability Committee

The Sustainability Committee is chaired by the director serving as the Head of the Corporate Management Division and meets twice a year in principle. The Committee formulates activity policies, promotes and supervises activities, and reports regularly to the Board of Directors with the aim of solving social issues and contributing to sustainable local communities by creating both social and corporate value through our business activities.

Board of Directors’ Meeting (Management Conference)

The Board of Directors meets once a month in principle to make decisions. The Management Conference seeks a wide range of opinions from attendees that include executive officers and general managers of departments to ensure a broad perspective and transparency.

Features of the Conference

- (1) Round-table layout allowing face-to-face communication
- (2) The seating is changed every time with no regard to seniority to facilitate participation from a fresh perspective
- (3) Minutes of the Management Conference, containing not only the resolved matters, but also the comments of each attendee, are released to all employees within one week.

History of National Tax Investigations and additional penalties

Beginning in 2024, the Company has disclosed the history of this investigation and the amount of additional tax collections as a key governance indicator.

There have been no national tax audits or claims for additional amounts since the 54th term (2016).

	44th term (2007)	47th term (2010)	54th term (2016)
Surveyed term	43rd-44th term (2 years)	43rd-47th term (5 years)	53rd term (1 year)
Surveyed term Total taxes paid (corporate tax, consumption tax, etc.)	842.5 million	1,893.8 million	657.5 million
Additional penalties	9.37 million	19.68 million	0.78 million

Open Judge System (OJS; 360-degree evaluation)

Objectives

- (1) The objectivity of the evaluation can be enhanced because various evaluations are conducted not only by supervisors but also by colleagues and subordinates with whom the employees work on a daily basis.
- (2) Evaluation comments are fed back to each individual to help them reaffirm their “strengths,” “weaknesses,” and “what is expected of them,” leading to behavioral reforms.
- (3) This is a system in which co-workers mutually evaluate each other, which will create a good sense of tension. Knowing that they are being monitored will encourage all employees to work harder and improve their abilities.

Category	Frequency	Description
Personnel Evaluation OJS	Twice a year	Conducts mutual OJS assessments of employees working in the same workplace (superiors, colleagues, and subordinates) with results reflected in personnel evaluations.
Promotion OJS	Once a year	All employees who know the candidate employee will evaluate the employee and the results will be reflected in promotions and other personnel treatment.

* For all full-time and part-time employees, excluding officer

Evaluation system operation method

- (1) Personal information on voters is completely undisclosed.
- (2) Each of three evaluation items is rated on a 5-point scale.
- (3) Voting results are reflected in personnel evaluations, promotions, and other personnel treatment.

“Fire Lookout Tower” electronic auditing system

This is the industry’s first electronic auditing system, which was launched in June 2001. The system is operated for the purpose of immediately detecting abnormal events using electronic data of internal transactions and taking measures to prevent recurrence.

“Shushazentaku” education

To ensure that each and every employee has a high sense of ethics, we have adopted the concept of Shushazentaku as a compliance guideline and instilled our corporate stance of making a decision based on what is right rather than focusing on whether it is profitable. We distribute the TRUSCO Zentaku Book, our compliance manual, to all employees, including part-time workers, to ensure that they are fully aware of the importance of making good choices.



TRUSCO Zentaku Book, our compliance manual

Business Continuity Plan (BCP)

As a PRO TOOL supplier, we have a system in place to ensure that our business activities will not be halted in the event of a disaster or emergency.

- (1) Risk diversification by maintaining product inventories in various locations all over Japan
 - With 28 distribution centers of various sizes located throughout Japan, it is a corporate mission to fulfill our responsibility to supply products under any circumstances.
 - 29 sales branches also hold inventories.
 - This system is designed to maximize the use of inventory to contribute to support for disaster areas.
- (2) Emergency supply routes secured
 - A system has been established in which an existing supply route will be automatically supported by other locations if it is disrupted by a disaster.
- (3) A structure capable of contributing to support for disaster areas in case of a disaster
 - Aiming to support for disaster areas, a system has been established whereby branches are operated regardless of weekends, holidays, and long vacations, with operating standards formulated after confirming the safety of employees.
 - Customers are provided with emergency contact information in advance in case of a disaster and are prepared for emergency measures.
 - Branches holding inventories also stock disaster recovery relief supplies.

► See page 12, 13

Disaster countermeasures at company buildings

Even during disasters, we are prepared for every risk and take a multifaceted approach to fulfill our responsibility to deliver products to our customers.

- (1) Seismic isolation equipment is installed at Tokyo Head Office, Planet Osaka, Saitama, and South Kanto. New distribution centers to be built in the future, such as Planet Aichi and Niigata, which are currently under construction, will be equipped with seismic isolation systems as standard.
- (2) An emergency power generator is installed at Tokyo Head Office, allowing the main systems to operate for half a day even during a power outage.
- (3) All major machinery and equipment, such as data centers, are located on the second floor or above to prepare for any possible risk.
- (4) One-meter-high water shutter is owned by Tokyo Head Office to prevent flooding.
- (5) Two communication lines have been set up so that operations will not be interrupted. If one line is interrupted, the other line is connected to keep operations running.



Seismic isolation equipment at Tokyo Head Office



350Kva emergency power generator

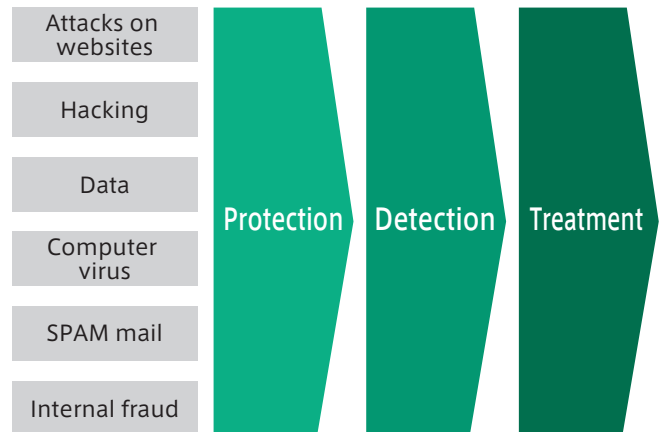


One-meter-high water shutter

Information security

Information security measures for a stable supply of PRO TOOLS

In order to ensure a stable supply of products to manufacturing sites all over Japan and to expand transactions, continuous operation and improvement of information security measures are essential. As a company certified as a "DX Stocks," we aim to establish company-wide awareness of information security risks and information security-conscious behavior, and to achieve information security standards for supply chains, not only through Information Systems Division, but also as a company-wide effort.



Management system for information security risks

We regard the information security risk posed by high-speed and dense data sharing throughout supply chains as one of our management issues, and are addressing the threat to information security not only from institutional and technical perspectives, but also by establishing an organizational framework that includes employee training. Optimal data placement and authorization settings are implemented in consideration of the possibility of personal or corporate information leakage.



Employees

Number of employees

(Unit: persons/years old/years)

Category	2022 No. of employees*	2023 No. of employees*	YoY change	Average age	Average years of service
Female employees	577	589	+12	33.2	9.7
Male employees	1,062	1,072	+10	43.4	18.5
Part-time employees	1,305	1,370	+65	53.2	6.6
Officers	10	12	+2	59.6	17.2
Total and average	2,954	3,043	+89	46.0	11.0

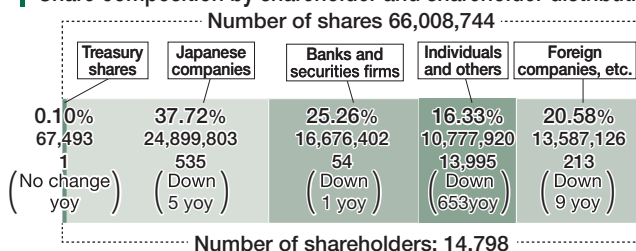
*Note: The number of employees seconded employees and local employees of subsidiaries.

Matters concerning stock of the Company

Status of shares

- (1) Total number of authorized shares 110,000,000
- (2) Total number of issued shares
66,008,744 (including 67,493 treasury shares)
65,941,251 (excluding 67,493 treasury shares)
- (3) Number of shares per unit of stock 100
- (4) Number of shareholders
14,798(down 668 yoy)
Number of shareholders with voting rights
13,534(down 902 yoy)

Share composition by shareholder and shareholder distribution



Number of employees with disabilities

	2019	2020	2021	2022	2023
No. of employees with disabilities	66	66	67	67	74
Required number of employees with disabilities based on the mandatory employment rate ¹	51	50	55	62	64
Rate of employees with disabilities (%) ²	2.9	2.9	2.8	2.7	2.8
Mandatory employment rate	2.2	2.2	2.3	2.3	2.3

Notes: 1. The number of employees with disabilities necessary for the Company to satisfy the mandatory rate is calculated on a trial basis.

2. Rate of employees with disabilities is calculated as the ratio to the total number of full-time employees.

Top 10 largest shareholders

	Name	No. of shares held (thousand shares)	Shareholding ratio (%)
1	NS Holdings Corporation	7,918	12.00
2	The Master Trust Bank of Japan, Ltd. (Trust account)	7,675	11.63
3	Custody Bank of Japan, Ltd. (Trust account)	5,342	8.10
4	The Nakayama Visual Welfare Foundation	4,350	6.59
5	Daido Shoji Co., Ltd.	3,450	5.23
6	NR Holdings Corporation	2,358	3.57
7	NF Holdings Corporation	2,000	3.03
8	Tsutomu Otsu	1,370	2.07
9	Government of Norway	1,154	1.75
10	Hiroyuki Otsu	1,146	1.73

Note: Shareholding ratio is the ratio of shares held to the total number of issued shares (excluding 67,493 treasury shares) outstanding as of the last day of the fiscal year under review.

Dividend of surplus and dividend calculation standard

Dividend policy

The Company carries out business activities and capital investment for the purpose of being of service to the manufacturing industry in Japan to achieve sustainable growth and thereby intends to maximize the return to its shareholders. As for the distribution of profit, the Company's basic dividend policy is to pay performance-linked dividend at a consolidated payout ratio of 25% based on net income attributable to owners of parent, provided that the Company's profit has exceeded a certain threshold subject to a lower limit to secure stable dividend.

"TRUSCO Zentaku Dividend" Newly established (2023)

The Company introduced a new dividend system, "TRUSCO Zentaku Dividend," effective from the fiscal year ended December 31, 2023, based on the concept of "Shushazentaku" to overcome the dichotomy between positive investment in digital and distribution and shareholders' expectations for dividends. According to the above basic dividend policy, in case the determined annual dividend per share is less than the annual dividend per share for the previous term, a portion of depreciation for the relevant term (depreciation x 10% maximum) will be added to net income attributable to owners of parent, and the dividend will be paid with a consolidated payout ratio of 25%.

Treatment of the impact of special factors, such as the sale of real estate or shares

In a term in which net income attributable to owners of parent has fluctuated significantly due to the sale of real estate or shares not directly related to business activities or other special factors, their impact is excluded in the determination of dividend amount.

Dividend calculation standard

Net income per share	Annual (interim) dividend per share
Above 40 (20) yen	Net income per share × 25%
Below 40 (20) yen	10 (5) yen

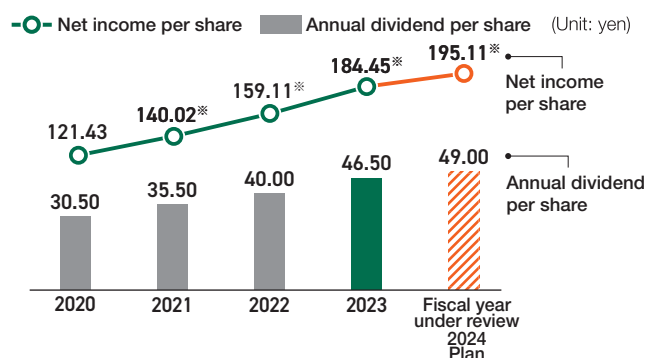
Notes: 1. The figures in parentheses () indicate the calculation standard for the first two quarters of the year.

2. For the purpose of this calculation, any fraction less than 1 yen will be rounded up in increments of 0.50 yen. (0.01 - 0.49 yen will be rounded up to 0.50 yen and 0.51 - 0.99 yen to 1.00 yen)

3. In a term in which net income attributable to owners of parent has fluctuated significantly due to the sale of real estate or shares not directly related to business activities or other special factors, their impact is excluded in the determination of dividend amount.

4. In case the determined annual dividend per share is less than the annual dividend per share for the previous term, a portion of depreciation for the relevant term (depreciation x 10% maximum) will be added to net income attributable to owners of parent, and the dividend will be paid with a consolidated payout ratio of 25%.

Annual dividend per share and net income per share



*Net income per share recalculated after taking into account special factors.

Matters concerning the Company's officers

Directors and Corporate Auditors (as of December 31, 2023)

Position	Name	Responsibilities and important concurrent posts	Term of office
Representative Director and President	Tetsuya Nakayama	Overall business of the Company	At the close of the 61st Annual Shareholders' Meeting
Director	Kazuo Nakai	Head of Sales Division Executive in charge of TRUSCO Nakayama Corporation (Thailand) Limited Executive in charge of PT. TRUSCO Nakayama Indonesia	At the close of the 61st Annual Shareholders' Meeting
Director	Atsushi Kazumi	Head of Corporate Management Division, Head of Digital Strategy Division	At the close of the 61st Annual Shareholders' Meeting
Director	Hideki Naoyoshi	Head of Distribution Division	At the close of the 61st Annual Shareholders' Meeting
Director	Tatsuya Nakayama	Head of Product Division	At the close of the 61st Annual Shareholders' Meeting
Outside Director	Kenichi Saito	Representative Director, ForeSight & Company Representative Director, the Society for Problem-Solving Proficiency	At the close of the 61st Annual Shareholders' Meeting
Outside Director	Kuniaki Hagihara	Senior Advisor, Hagihara Industries Inc. Senior Advisor, Toyo Heisei Polymer Co., Ltd. Outside Director, Wavelock Holdings Co., Ltd.	At the close of the 61st Annual Shareholders' Meeting
Outside Director	Takako Suzuki	Chairperson, S.T. Corporation Director, Shaldan Co., Ltd. Outside Director, King Jim Co., Ltd.	At the close of the 61st Annual Shareholders' Meeting
Full-time Corporate Auditor	Hiroaki Imagawa		At the close of the 63rd Annual Shareholders' Meeting
Part-time Corporate Auditor	Hiroho Kamakura	Part-time Corporate Auditor, Yushin Precision Equipment Co., Ltd. Part-time Corporate Auditor, SymEnergy Inc.	At the close of the 61st Annual Shareholders' Meeting
Part-time Corporate Auditor	Yoritomo Wada	Part-time Corporate Auditor, Nippon Shokubai, Co., Ltd. Part-time Corporate Auditor, Sekisui House, Ltd.	At the close of the 64th Annual Shareholders' Meeting
Part-time Corporate Auditor	Ken Hineno	Representative Director, Actionlearning Co., Ltd. Representative, Hineno Certified Public Accountant Office Representative Partner, Hineno Accounting Office	At the close of the 64th Annual Shareholders' Meeting

Notes: 1. Pursuant to Article 19 of the Articles of Incorporation of the Company, the term of office of a director is one year.

2. Full-time Corporate Auditor Akira Takada resigned at the close of the 60th Annual Shareholders' Meeting held on March 24, 2023.

3. The following items of Business Report are posted on the Company's website "IR Information > Shareholders' Meeting" and therefore not included in the documents to be delivered to shareholders who have requested them in a paper-based format: [Matters concerning the Current Situation of the Corporate Group (Major Lenders)], [Matters concerning Company Executives (Major Activities of Outside Officers for the Current Fiscal Year, Matters concerning the Independence of Outside Officers, and Special information about Outside Officers)], [Situation of Accounting Auditors], [Systems and Policies of the Company (The System to Ensure the Propriety of the Company's Operations and the Operation Status of the System, Basic Policy concerning the Control of the Company, and Policy concerning the Decision of Dividends from Surplus)]



Other electronic provision measures matters

Amounts of Remuneration, etc. of Directors and Corporate Auditors

Policy for determining the remuneration, etc. of Directors and Corporate Auditors

At its meeting held on October 14, 2021, the Board of Directors of the Company passed a resolution to establish a policy for determining the remuneration of individual officers. As the Board of Directors also confirmed that the method of determining remuneration and the remuneration determined for each individual officer for the fiscal year under review are consistent with the determination policy, the Company has judged that they comply with the determination policy.

The Company determines the officers' remuneration paid to Directors and Corporate Auditors based on the following policy:

- (1) The level of remuneration should be such that the Company is able to retain the motivation to improve business performance and to secure excellent human resources from within and outside the Company.
- (2) The level should be based on changes in the business environment, objective external data, etc. and should take into account the balance between public standards, management content, and employee salaries.
- (3) Officers' remuneration should be paid within the annual remuneration limit, including their bonuses.

Remuneration system for Directors and Corporate Auditors

Fixed remuneration

Monthly fixed remuneration
Paid in accordance with each officer's position, individual performance evaluation, etc.



Bonuses for Directors and Corporate Auditors

Paid in accordance with performance up to 3% of net income attributable to owners of parent provided that it is positive for the fiscal year.

Method of determining officers' remuneration and its composition

Officers' remuneration consists of fixed remuneration (monthly fixed remuneration) and officers' bonuses. The following remuneration ranges, designed to take into account the responsibilities of each position and the degree of influence on management, have been established, and each component of remuneration will be determined by the Board of Directors after taking into account the management environment, business performance, achievements, management capabilities, the degree of contribution, etc.

The determination of the specific amount of remuneration for each officer may be left to the discretion of the President Tetsuya Nakayama by resolution of the Board of Directors. The authority delegated to him is to determine the specific amount of remuneration for each officer after taking into account the business performance, achievements, management capabilities, the degree of contribution, etc., within the range designed for each position to take into consideration the right of representation, the responsibilities of each position, and the degree of influence on management. The reason for this delegation of authority is that he is the Representative Director and President of the Company, who oversees the overall business execution of the Company, and therefore is the most suitable person to evaluate each director while taking into consideration the financial performance of the whole Company from a high-level perspective.

① Fixed remuneration

The amount of remuneration is determined at the beginning of each fiscal year after taking into account the business performance, achievements, management capabilities, the degree of contribution, etc., within the range designed for each position to take into consideration the right of representation, the responsibilities of each position, and the degree of influence on management.

② Officers' bonuses

Officers' bonuses are determined as an incentive linked to profit indicators similar to the basic policy for shareholder returns. More specifically, the total amount is determined at the end of each fiscal year by the Board of Directors subject the upper limit of 3% of net income attributable to owners of parent after calculating reference amounts by multiplying net income attributable to owners of parent by bonus multipliers (cumulative) for each position as specified in bylaws. Officers' bonuses are paid annually within six months from the end of the relevant fiscal year.

The amount to be paid to individual officers is determined for each officer within the remuneration range, taking into consideration, among others, the degree of contribution to the business results for the relevant fiscal year.

* The same remuneration system as for Directors is adopted also for Corporate Auditors and Outside Directors based on the recognition that they are also responsible for the enhancement of the corporate value of the Company and its consolidated subsidiaries. Individual amounts of fixed remuneration and officers' bonuses to be paid to Corporate Auditors are proposed by Directors to them and finalized through discussions among Corporate Auditors.

Upper limits, ranges, and total amounts for the fiscal year under review of officers' remuneration, etc.

	Position	Upper limits of officers' remuneration	Ranges of remuneration			Total amounts of remuneration, etc. of Directors and Corporate Auditors for the fiscal year under review		
			① Fixed remuneration	② Officers' bonuses	(① + ②)			
Directors	President	Within 600 million yen per year ¹	60 million yen to 150 million yen	0 yen to 100 million yen	60 million yen to 250 million yen	Directors: 8 396 million yen in total	Internal Directors: 5 376 million yen in total	Officers: 13 442 million yen in total (including 7 outside officers: 43 million yen in total)
	Senior Managing Director		27 million yen to 39 million yen	0 yen to 24 million yen	27 million yen to 63 million yen			
	Managing Director		21 million yen to 33 million yen	0 yen to 20 million yen	21 million yen to 53 million yen			
	Director		18 million yen to 31 million yen	0 yen to 19 million yen	18 million yen to 50 million yen			
	Outside Director		4 million yen to 9 million yen	0 yen to 1 million yen	4 million yen to 10 million yen			
Corporate Auditors	Full-time Corporate Auditor	Within 100 million yen per year ²	15 million yen to 27 million yen	0 yen to 9 million yen	15 million yen to 36 million yen	Corporate Auditors: 5 (including 4 Outside Corporate Auditors) 46 million yen in total	Outside Directors: 3 19 million yen in total	
	Part-time Corporate Auditor		4 million yen to 9 million yen	0 yen to 1 million yen	4 million yen to 10 million yen			

Notes: 1. As per the resolution passed at the 56th Annual Shareholders' Meeting held on March 8, 2019. The number of Directors at the close of the meeting was 9 (including 2 Outside Directors).

2. As per the resolution passed at the 58th Annual Shareholders' Meeting held on March 18, 2021. The number of Corporate Auditors at the close of the meeting was 4 (including 3 Outside Corporate Auditors).

3. The officers' retirement benefit program was transitioned to financial bonds in 2004. An amount equivalent to 10% of officers' bonuses is paid in monthly installments.

4. The total amount of officers' remuneration paid for the fiscal year under review is equivalent to 1.1% of net income attributable to owners of parent.

5. The table above includes a Corporate Auditor who resigned at the close of the 60th Annual Shareholders' Meeting held on March 24, 2023.

Matters concerning Directors' and Officers' Liability Insurance Agreement

The Company has concluded with an insurance company, and bears the full premiums of, a Directors' and Officers' Liability Insurance Agreement covering as insured persons the directors, corporate auditors, and executive officers of the Company and its consolidated subsidiaries. This insurance compensates for any litigation costs and damages arising from non-derivative actions, shareholder derivative actions, and corporate actions that are borne by the insured persons in executing their duties, provided that they have executed their duties in good faith or without violating laws and regulations. (However, measures are taken to ensure that the appropriateness of the execution of duties by the insured persons will not be undermined by excluding from the coverage any damage, etc. to those insured persons who have engaged in any criminal offence or intentional act of violating laws and regulations.)

Organization Chart

As of January 1, 2024

Advisor



Advisor

Takashi Nakai

Number of shares held:
32,200 shares

What is an Advisor?

The Company has established the position of Advisor. The Advisor is expected to give advice to employees by using his/her knowledge and experience based on the achievements he/she has accumulated at the Company.

Outside Directors



Outside Director
Board Brain (BB)

Kenichi Saito

Number of shares held:
4,800 shares
Representative Director,
ForeSight & Company



Outside Director
Board Brain (BB)

Kuniaki Hagihara

Number of shares held:
3,800 shares
Senior Advisor, Hagihara
Industries Inc.



Outside Director
Board Brain (BB)

Takako Suzuki

Number of shares held:
2,500 shares
RChairperson, S.T.
Corporation

Board Brain (BB)?

At TRUSCO Nakayama, we call outside directors "Board Brains." This alludes to our hope that they will provide advice and support based on their abundant experience and knowledge, and contribute to the Company's development.

Representative Director and President



Representative
Director and President

Tetsuya Nakayama

Number of shares held:
61,100 shares

Related party Number of shares held
Representative Director, The Nakayama Visual Welfare Foundation: 4,350,000 shares
Corporate Auditor, NS Holdings Corporation: 7,918,632 shares
Corporate Auditor, NR Holdings Corporation: 2,358,488 shares
Representative Director and Chairman, NF Holdings Corporation: 2,000,000 shares

Head of Corporate Management Division/Digital Strategy Division



Director
Head of Corporate
Management Division,
Head of Digital Strategy Division

Atsushi Kazumi

Number of shares held:
8,400 shares

Head of Product Division



Director
Head of Product Division

Tatsuya Nakayama

Number of shares held:
4,100 shares

Corporate Management Division

Management Planning Department

Newly appointed



General Manager,
Corporate Planning
Department

Mayumi Takada
Number of shares held:
2,000 shares

Corporate
Planning Section
Secretarial Section
PR/IR Section
Sustainability
Promotion Section
(13 employees)

Personnel Department



General Manager,
Personnel
Department

Masato Otani
Number of shares held:
2,400 shares

Personnel Section
HR Support
Section
Recruitment
Section
Human Resource
Development
Section
Healthcare
Section
(22 employees)

Administration Department



Executive Officer
General Manager, Administration
Department and Section
Manager, Property Section

Mikio Adachi
Number of shares held:
2,700 shares

Tokyo Management
Section
Osaka Management
Section
Property Section
TRUSCO Resort and
Spa Hakone
Kyoto Kaguraoka
Rengetsuso
TRUSCO Resort and
Spa Karuizawa
(27 full-time and 10
part-time employees)

Accounting Department



General Manager,
Accounting
Department

Atsushi Shimozu
Number of shares held:
1,700 shares

Accounting
Finance Section
(19 employees)



Trusco Nakayama Health Insurance Association
Manager
Akiko Tani
(2 temporarily
transferred
employees)

(93 employees in total)*

Information Systems Department

Digital Promotion Department



Executive Officer
General Manager,
Information Systems
Department

Takayuki Kimura
Number of shares held:
4,400 shares

IT Planning Section
System
Management
Section
Infrastructure/
Network
Management
Section
Data Management
Section
(37 employees)

Management Planning Department



General Manager,
Digital Promotion
Department

Masaya Okada
Number of shares held:
1,400 shares

Digital Promotion
Section
UX Platform
Development
Office
(10 employees)

(47 employees in total)

Product Division

Tokyo Product Department



General Manager,
Tokyo Product
Department

Fumiaki Matsubara
Number of shares held:
1,200 shares

Tokyo NB Product
Section
Tokyo PB Product
Section
PB Product Design
Section
Tokyo Supplier
Development
Section
(44 employees)

Osaka Product Department



Executive Officer
General Manager,
Osaka Product
Department

Koshiro Aoyama
Number of shares held:
2,900 shares

Osaka NB Product
Section
Osaka PB Product
Section
PB Quality
Assurance Section
Stock
Management
Section
Osaka Supplier
Development
Section
Product DB
Platform
Development
Office
Orange Book
Section
Orange Book.com
Section
Customer
Consulting Office
(72 employees)

Overseas Product Department



General Manager,
Overseas Product
Department

Takeshi Yajima
Number of shares held:
1,400 shares

Overseas
Purchase Section
Germany Office
Thailand Office
(16 employees)

(133 employees in total)

Sales Planning Department / e-Business Sales Department



Executive Officer
General Manager, Sales
Planning Department and
e-Business Sales Department

Masashi Yamamoto
Number of shares held:
3,000 shares

Sales Planning
Section
Market Price
Research Office
Naojiro Section
MRO Stocker
Promotion Section
(14 employees)
Internet Sales
Tokyo

Internet Sales
Osaka
MRO Supply
Tokyo
(56 full-time
and 5 part-time
employees)

Figures in parentheses () indicate the number of employees as of January 1, 2024.

* The total number of employees at each division includes the number of temporarily transferred employees.

General Meeting of Shareholders

Board of Corporate Auditors

Board of Directors

Representative Director and President

Internal Auditing Office
(3 members)

Sustainability Committee

Central Health and Safety Committee

Corporate Auditors

Corporate Auditor Candidates



Full-time Corporate Auditor
Hiroaki Imagawa
Number of shares held: 20,000 shares



Part-time Corporate Auditor
Hiroho Kamakura
Number of shares held: 5,300 shares



Part-time Corporate Auditor
Yoritomo Wada
Number of shares held: 1,000 shares



Part-time Corporate Auditor
Ken Hineno
Number of shares held: 10,000 shares



Full-time Corporate Auditor candidate
Kiyonori Unto
Number of shares held: 5,500 shares

Full-time Corporate Auditor Hiroaki Imagawa will retire as full-time Corporate Auditor at the close of the 61st Annual General Shareholders' Meeting to be held on March 28, 2024.

Scheduled to be officially appointed as a full-time Corporate Auditor upon resolution at the 61st Annual General Meeting of Shareholders to be held on March 28, 2024.

Head of Sales Division



Director
Head of Sales Division
Kazuo Nakai

Number of shares held: 8,600 shares

Head of Distribution Division



Director
Head of Distribution Division and General Manager of Distribution Safety Promotion Department
Hideki Naoyoshi

Number of shares held: 7,400 shares

Sales Division

Distribution Division

Factory Sales Department

Home Center Sales Department

Overseas Department



Executive Officer
General Manager,
Factory Sales
Department East Japan
Atsuhiko Yamanaka
Number of shares held: 1,800 shares



General Manager,
Factory Sales
Department Tokyo
Metropolitan Area
Yoshiki Kimura
Number of shares held: 1,100 shares



General Manager,
Factory Sales
Department Chubu
Japan
Yutaka Yoneda
Number of shares held: 2,700 shares



General Manager,
Factory Sales
Department Kinki
Japan
Toshiharu Sakai
Number of shares held: 1,800 shares



General Manager,
Factory Sales
Department West
Japan
Masatoshi Fujita
Number of shares held: 1,000 shares



General Manager,
Home Center Sales
Department
Shu Matsui
Number of shares held: 800 shares



General Manager,
Overseas Department
and Section Manager,
Overseas Sales Section
Norihiro Higashi
Number of shares held: 1,800 shares

Sapporo, Hachinohe, Sendai, Akita, Koriyama, Mito, Utsunomiya, Isezaki, Niigata, Niigata-kita, Okaya, Ueda (142 full-time and 24 part-time employees)

Kashima, Omiya, Satte, Chiba, Matsudo, Tokyo, Keihin, Atsugi, Shizuoka, Fuji (148 full-time and 31 part-time employees)

Toyama, Kanazawa, Fukui, Hamamatsu, Nagoya, Okazaki, Komaki, Yokkaichi (119 full-time and 27 part-time employees)

Ryuo, Kyoto, Osaka, Higashi-Osaka, Minami-Osaka, Kobe, Himeji (110 full-time and 7 part-time employees)

Yonago, Okayama, Hiroshima, Fukuyama, Ube, Shunan, Tokushima, Takamatsu, Matsuyama, Fukuoka, Kokura, Tosu, Nagasaki, Kumamoto, Oita, Kagoshima, Okinawa (152 full-time and 30 part-time employees)

HC Tokyo, Fukuoka, HC Osaka, Okinawa * Including two branches under concurrent post at branches of the Factory Sales Department (34 full-time and 1 part-time employees)

Overseas Sales Section * Liaison function with overseas subsidiaries (8 employees)

*Overseas subsidiaries Officer in charge at TRUSCO NAKAYAMA Corporation: Kazuo Nakai
TRUSCO NAKAYAMA CORPORATION (THAILAND) LIMITED PT.TRUSCO NAKAYAMA INDONESIA



Representative Director and President
Kazuaki Harada
22 employees
(3 temporarily transferred employees and 19 local employees)
Director: Norihiro Higashi



Representative Director and President
Yohei Takuno
20 employees
(3 temporarily transferred employees and 17 local employees)
Corporate Auditor: Norihiro Higashi

(914 employees in total)*

Distribution Reorganization Department

Newly appointed



General Manager,
Distribution
Reorganization
Department
Naoya Handa
Number of shares held: 3,100 shares

Distribution Safety Promotion Department



Director, Head of Distribution Division and General Manager of Distribution Safety Promotion Department
Hideki Naoyoshi
Number of shares held: 7,400 shares

Distribution Department



General Manager,
Distribution
Department East
Japan
Tomoya Kita
Number of shares held: 1,200 shares



General Manager,
Distribution
Department West
Japan
Takanori Hirayama
Number of shares held: 4,200 shares

Logistics Planning Section
Delivery Management Section
Logistics Platform Development Office and P Aichi Preparation Office (20 employees)

Distribution Safety Promotion Section (2 employees)

P Hokkaido, P Tohoku, P North Kanto, P Saitama, P East Kanto, P South Kanto, Tokyo BUC, HC East Japan Distribution Center, Utsunomiya STC, Oyama STC, Omiya STC (252 full-time and 641 part-time employees)

P Tokai, P Nagoya, P Shiga, P Osaka, P Kobe, P Sanyo, P Kyushu, HC West Japan Distribution Center, HC Kyushu Distribution Center, Okazaki STC, Toyohashi STC, East Osaka STC, Sakai STC, Nara STC, Okayama STC, Takamatsu STC, Hakata STC (293 full-time and 641 part-time employees)

(1,804 employees in total)

P (Planet), BUC (Backup Center), and STC (Stock Center) are abbreviations for our distribution centers.

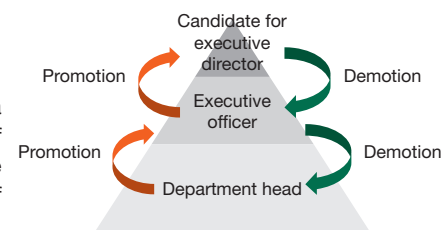
The Company has expressed the skills matrix of directors in a T-form as shown below by combining the necessary management skills and the Open Judge System (OJS; 360-degree evaluation), which we have used for some time. The Company believes that the most important skill expected of Representative Director and President is the ability to propose management strategies, measures, and systems. For this reason, the Company discloses management strategies, measures, and systems proposed by the Representative Director and President as a senior management executive who aims to manage the Company in an ingenious and original manner. For directors and auditors, in addition to the evaluation of their skills for 11 skill items based on their experience and track record, the Open Judge System (OJS; 360-degree evaluation), which has been firmly embedded in the Company through many years of operation of the system, is utilized to increase the fairness and objectivity of the evaluation. As for the OJS on the Representative Director and President, voting results of shareholders who attended the annual shareholders' meeting each year are disclosed as important evaluation indicators (OJS on the President).

Open Judge System (OJS; 360-degree evaluation)












Objective evaluation from
multiple perspectives

Commonly used Skills Matrix

Main areas in which each person
has experience/track record and
is expected to contribute



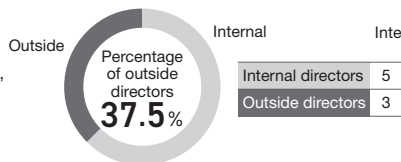
Open Judge System (OJS; 360-degree evaluation) (4 points × 6 items: full score of 24 points)

Judgment grasping the essence	Management skills	Originality and creativity	Problem-solving ability	Communication ability	"Shushazentaku" (Fairness, equitability, and honesty)	Total (Year on year)	Directors	
3.0	3.0	2.3	3.1	3.2	3.0	17.5 (△ 0.9)		Kazuo Nakai Director & General Manager of Sales Department
2.9	2.7	2.8	2.8	2.8	2.6	16.7 (△ 1.3)		Atsushi Kazumi Director & General Manager of Business Management Department, General Manager of Digital Strategy Department
2.6	2.5	2.4	2.8	2.8	2.8	15.9 (△ 1.0)		Hideki Naoyoshi Director & General Manager of Logistics Department and General Manager of Logistics Safety Promotion Division
3.3	2.9	2.9	3.1	3.1	3.2	18.5 (+0.1)		Tatsuya Nakayama Director & General Manager of Product Department
Outside directors are not subject to OJS.								Kenichi Saito Outside Director
								Kuniaki Hagihara Outside Director
								Takako Suzuki Outside Director
Compliance	Sense of management and foresight	Objectivity, neutrality, common sense, and knowledge	Pointing out problems and proposing improvements	Communication ability	"Shushazentaku" (Fairness, equitability, and honesty)	Total (Year on year)	Auditors	
Part-time auditors are not subject to OJS.								Hiroho Kamakura Part-time Auditor
								Yoritomo Wada Part-time Auditor
								Ken Hineno Part-time Auditor
OJS for auditors is not conducted.								Kiyonori Unto New Full-time Auditor candidate

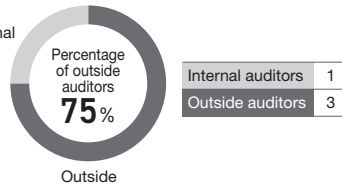
Composition of officers

* As of December 31, 2023

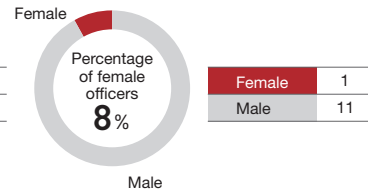
1. Composition of directors



2. Composition of auditors



3. Percentage of female officers



Representative Director and President



Tetsuya Nakayama
Representative Director and President

OJS on the President

Attendees of the 60th Annual Shareholders' Meeting	Approval rate	Valid votes	Affirmative votes
142	97.8%	136	133

Management strategies, measures and systems proposed by Tetsuya Nakayama, Representative Director and President

Totally eliminating negotiable instruments, having assets on our own (inventories, real estate, vehicles), decisive management, logistics enhancement strategy, inventory building strategy, measures to expand direct delivery to users, AI-based quotation system, unifying PBs as TRUSCO, name change to Orange Book, adopting the number of inventory items and inventory shipping rate as KPIs, MRO Stocker, enhancement of "Niawase + Uchoku" (cargo matching + direct delivery to users), rival partnership strategy, performance-based dividend policy, free-choice type shareholder incentive program, proposing TRUSCO Unknown Gulliver, year-round stocking of seasonal products, closing Nara Factory, DOTKUL, Face Phone that allows for communication with TRUSCO at any time, ICHIOSHI Catalogue, COCOMITE, Orange Book Jr., product request advertisement, Yattemasen List, stocking "difficult-to-deliver products," OJS (Open Judge System), staff registry that includes face photos, Orange Doctor Examination, wine seminars, childcare leave program (3 years), vacation condominiums and sanatoriums for employees, prohibiting non-regular employment of heads of household as a general rule, establishing Healthcare Section, annual payment of retirement allowance, establishing Trusco Nakayama Health Insurance Association, establishing Marine Club, donation to Peshawar-kai, supporting Osaka Lovvits (women's handball team), establishing The Nakayama Visual Welfare Foundation, paid leave accumulation bank program, partial lifting of restrictions on PRO TOOL, enhancement of the childcare leave program for men, infertility treatment leave program, visualization of delivery lead times, seating chart and name cards with face photos, hourly rate on paycheck, in-house side job program (Hybrid Work Program), EV and carbon neutral catalogue, environmental leaflet for individuals, provision of life-support extraordinary bonus, and adjustment of company holidays to calendar holidays

(In 2023) TRUSCO Zentaku dividend, girls' meeting for proposals, TRUSCO×3M demo truck, Manufacturers list by category of goods, users' voices, disclosure of national tax investigations and the amount of penalty taxes

* Believing that the most important skill expected of Representative Director and President is the ability to formulate management strategies, measures, and systems, the Company discloses these skills.

Main areas in which each person has experience/track record

Corporate management	Sales Marketing	Product development	Logistics	Catalogue media	Finance / accounting	Personnel affairs Human resources development	IT/digital	Legal affairs Risk management	ESG Sustainability	Global business
●	●		●		●	●		●	●	●
●	●			●	●	●	●	●	●	
●	●		●				●	●		
●	●	●		●	●	●		●	●	●
●	●	●			●	●			●	●
●	●	●				●				●
●	●	●		●		●			●	●
●					●			●		
●					●			●		●
●	●				●		●	●		
	●		●							●

Election of Eight (8) Directors

The terms of office of all eight (8) directors will expire at the closing of the Meeting. Therefore, we would like to ask for your approval on the election of eight 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 (65 years old)
With the Company	42 years and 11 months
No. of Company shares held	61,100
Attendance at Board of Directors' meeting	100% (10/10 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 (59th) Annual Shareholders' Meeting, as well as management strategies, measures, and systems invented by him as Representative Director and President, as important benchmarks.

No. of attendees	Approval rate	No. of valid votes*	Affirmative votes
142	97.8%	136	133

* 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).

We will achieve growth through unrivaled services

Orders flow from inconvenient companies to convenient companies. We aim to become a platformer company for secondary materials used in factories by further refining the industry's highest level of convenience. In addition to the highly appreciated "Niawase + Yushoku" and MRO Stocker, our service to allow users to come directly to pick up products will help shorten delivery times, reduce freight, and solve logistics problems.

Brief biography, status, responsibilities, and important concurrent posts

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

(Reference) The Company's shares held by related parties of Tetsuya Nakayama, Representative Director and President

The Nakayama Visual Welfare Foundation (President)	4,350,000 shares
NS Holdings Corporation (Auditor)	7,918,632 shares
NR Holdings Corporation (Auditor)	2,358,488 shares
NF Holdings Corporation (Representative Director and President)	2,000,000 shares

Candidate No.

2

Re-appointment

Internal

なか い かず お
中井 一雄

Kazuo Nakai



Candidate's profile

Date of birth	July 7, 1969 (54 years old)
With the Company	30 years and 11 months
No. of Company shares held	8,600
Attendance at Board of Directors' meeting	100% (10/10 meetings)

Reason for nomination as a director candidate

The candidate has extensive business experience through working for Sales Department, Logistics Department, and Business Management Department. Based on the results of the OJS vote, as well as his efforts at the Sales Department during the 61st period, he is expected to continue to contribute to swift and bold decision-making toward improvement of sustainable corporate value of the Company. Therefore, he has been nominated as a director candidate.

Building solid relationships of trust with customers

There are many challenges facing the MONOZUKURI (manufacturing) sites, such as environmental issues, the logistics 2024 problem, and labor shortages. Because we have distribution channels in a wide variety of business types and categories, we are able to promptly catch any problems of our customers. By solving such issues with our overwhelming inventory, logistic capabilities, and digital technology, we will build solid relationships of trust with our customers.

Brief biography, status, responsibilities, and important concurrent posts

April 1993	Joined the Company
April 2002	HC Niigata Sales Office Manager
April 2004	HC Osaka Branch Office Manager
April 2008	Personnel Section Manager
October 2008	Manager of Personnel Section and Healthcare Section
April 2013	General Manager of Corporate Planning Division
January 2017	Executive Officer & General Manager of Corporate Planning Division
January 2019	Executive Officer & General Manager of Business Management Department
March 2019	Director & General Manager of Business Management Department
October 2020	Director & General Manager of Sales Department Executive in charge of TRUSCO Nakayama Corporation (Thailand) Limited (present) Executive in charge of PT. TRUSCO Nakayama Indonesia (present)
January 2021	Director & General Manager of Sales Department, Home Center Sales Division, and Distribution Division
January 2022	Director & General Manager of Sales Department (present)

Candidate No.
3

Re-appointment
Internal

かず み あつし
数見 篤

Atsushi Kazumi



Candidate's profile

Date of birth	September 10, 1970 (53 years old)
With the Company	30 years and 11 months
No. of Company shares held	8,400
Attendance at Board of Directors' meeting	100% (10/10 meetings)

Reason for nomination as a director candidate

The candidate has extensive business experience through working for Sales Department, Digital Strategy Department, and Business Management Department. Based on the results of the OJS vote, as well as his efforts at the Business Management Department and Digital Strategy Department during the 61st period, he is expected to continue to contribute to swift and bold decision-making toward improvement of sustainable corporate value of the Company. Therefore, he has been nominated as a director candidate.

Looking to the future and present, take action now

Along with the efforts to create new systems and promote reforms for the future, we will honestly face the challenge of solving issues for sustainable growth, putting our heart and soul into each of our action. At the Company, we have many colleagues who share TRUSCO's ambitions and are willing to work hard and cooperate together. We will focus on creating an environment in which each individual is motivated and rewarded and can maximize his or her own abilities.

Brief biography, status, responsibilities, and important concurrent posts

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

Candidate No.
4

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 (52 years old)
With the Company	29 years and 11 months
No. of Company shares held	7,400
Attendance at Board of Directors' meeting	100% (10/10 meetings)

Reason for nomination as a director candidate

Reason for nomination as a director candidate

The candidate has extensive business experience through working for Sales Department, Digital Strategy Department, Business Management Department, and Logistics Department. Based on the results of the OJS vote, as well as his efforts at the Logistics Department during the 61st period, he is expected to continue to contribute to swift and bold decision-making toward improvement of sustainable corporate value of the Company. Therefore, he has been nominated as a director candidate.

Focusing all efforts on strengthening the functionality of logistics capabilities

With an inventory of over 600,000 items, our ability to respond to diversifying transportation needs, such as direct delivery to users and delivery by in-house delivery services, as well as the robustness of logistics, are being tested. Imagining a future of ever-deepening collaboration with our customers, we will overcome challenges to stay ahead of the curve as much as possible. There is no more interesting job than the challenge of meeting customer expectations.

Brief biography, status, responsibilities, and important concurrent posts

April 1994	Joined the Company
October 2003	Amagasaki Sales Office Manager
April 2007	Kokura Sales Office Manager
October 2010	Chief of Company Auditors' Office
October 2011	Manager of Management Planning Section
February 2013	General Manager of Information Systems Division
January 2017	Executive Officer & General Manager of Information Systems Division
July 2017	Executive Officer & General Manager of Logistics Department
March 2019	Director & General Manager of Logistics Department
March 2021	Director & General Manager of Product Department and Logistics Department
April 2021	Director & General Manager of Logistics Department
January 2023	Director & General Manager of Logistics Department and General Manager of Logistics Safety Promotion Division (present)

Candidate No.

5

Re-appointment

Internal

なか やま たつ や
中山 達也

Tatsuya Nakayama



Candidate's profile

Date of birth	August 4, 1985 (38 years old)
With the Company	11 years
No. of Company shares held	4,100
Attendance at Board of Directors' meeting	100% (8/8 meetings)

Reason for nomination as a director candidate

The candidate has extensive business experience through working for Sales Department, Product Department, and Business Management Department. Based on the results of the OJS vote, as well as his efforts at the Product Department during the 61st period, he is expected to continue to contribute to swift and bold decision-making toward improvement of sustainable corporate value of the Company. Therefore, he has been nominated as a director candidate.

Give shape to our aspiration to be of service to society

TRUSCO Nakayama's corporate aspiration is "Business must serve people and society." Now is the time for us to "serve society" as we face a mountain of social issues, such as climate change, declining working-age population, and the logistics 2024 problem. We will lead the visualization and reduction of CO2 emissions, automation and streamlining of operations, and collaboration in logistics throughout the supply chain, thereby giving shape to our aspiration.

Brief biography, status, responsibilities, and important concurrent posts

April 2013	Joined the Company
January 2018	Branch Office Manager, Internet Sales Tokyo Branch Division 1
September 2019	General Manager of Corporate Planning Division and Accounting Division
April 2021	Senior Executive Officer & General Manager of Product Department
March 2023	Director & General Manager of Product Department (present)

Candidate No.

6

Re-appointment

Outside

さい とう けん いち
齋藤 顕一

Kenichi Saito



Candidate's profile

Date of birth	November 15, 1949 (74 years old)
No. of Company shares held	4,800
Attendance at Board of Directors' meeting	100% (10/10 meetings)
Years of service (at the closing of the Meeting)	8 years

Reason for nomination as an outside director candidate and outline of expected roles

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 sustainable growth of the Company and continuous improvement of its corporate value as expected of him, based on his experience and knowledge as a management professional.

Three abilities that make change possible

In Japan, where the growth potential is declining, what is necessary is not learning from success stories but properly understanding what is happening in the marketplace. This requires the ability to identify the necessary factual data and analyze what they mean, the ability to elicit the issues that customers and frontline workers are thinking about, and the observation ability to discover opportunities from customer behavior. I think we should continue to hone these abilities.

Brief biography, status, and important concurrent posts

April 1975	Joined McKinsey & Company
January 1996	Founded ForeSight & Company President of ForeSight & Company (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 and criteria for independence of outside officers ▶ P43

Candidate No.
7

Re-appointment
Outside

はぎ はら くに あき
萩原 邦章

Kuniaki Hagihara



Candidate's profile

Date of birth	August 19, 1953 (70 years old)
No. of Company shares held	3,800
Attendance at Board of Directors' meeting	90% (9/10 meetings)
Years of service (at the closing of the Meeting)	8 years

Reason for nomination as an outside director candidate and outline of expected roles

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 sustainable growth of the Company and continuous improvement of its corporate value.

Advice for honest thinking and action

We must continue and develop our business amid the fast-paced changes in the business environment surrounding us, such as infectious diseases that have covered the entire world and wars over territories. In such an unpredictable time, what is good for people and for a company? What is in the best interest of our customers? First and foremost, we must think and act honestly. I will try to give advice to make sure that it is true.

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. President & Executive Officer
January 2016	Chairman of Hagihara Industries Inc.
March 2016	Outside Director of the Company (present)
June 2018	President of Toyo Heisei Polymer Co., Ltd.
June 2020	Outside Director of Wavelock Holdings Co., Ltd. (present)
October 2021	Chairman of Toyo Heisei Polymer Co., Ltd.
January 2022	Chairman of Hagihara Industries Inc.
December 2022	Senior Advisor of Toyo Heisei Polymer Co., Ltd. (present)
January 2023	Senior Advisor of Hagihara Industries Inc. (present)

Criteria for appointment of outside directors and criteria for independence of outside officers ▶ P43

Candidate No.
8

Re-appointment
Outside

すず き たか こ
鈴木 貴子

Takako Suzuki



Candidate's profile

Date of birth	March 5, 1962 (62 years old)
No. of Company shares held	2,500
Attendance at Board of Directors' meeting	90% (9/10 meetings)
Years of service (at the closing of the Meeting)	4 years

Reason for nomination as an outside director candidate and outline of expected roles

Ms. Takako Suzuki has been nominated as a candidate for outside director for her abundant knowledge and broad insight in 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 sustainable growth of the Company.

Becoming a unique company in next-generation logistics

Having been involved in the management of consumer goods manufacturers for many years, I always try to make decisions from the user's point of view. I will make every effort to give proposals to help the Company further refine its unique business model of customer-first product delivery by employing the state-of-the-art logistics DX, solidify its infrastructure, including human resources, to support it, and thereby make a leap to become a unique, one and only company.

Brief biography, status, and important concurrent posts

April 1984	Joined Nissan Motor Co., Ltd.
August 2001	Joined LVJ Group Co., Ltd. (now Louis Vuitton Japan Co., Ltd.)
April 2009	Representative Director, Shaldan Co., Ltd.
January 2010	Joined S.T. Corporation
April 2013	Director & Representative Executive Officer and President of S.T. Corporation
May 2013	Director, Shaldan Co., Ltd. (present)
March 2020	Outside Director of the Company (present)
June 2021	Chairperson of the Board & Representative Executive Officer and President of S.T. Corporation
September 2022	Outside Director of King Jim Co., Ltd. (present)
June 2023	Chairperson of S.T. Corporation (present)

Criteria for appointment of outside directors and criteria for independence of outside officers ▶ P43

Election of Two (2) Auditors

Auditor Hiroaki Imagawa will resign at the closing of the Meeting. And the term of office of Auditor Hiroho Kamakura will expire at the closing of the Meeting. Therefore, we would like to ask for your approval on appointing two new auditors. This proposal has obtained the consent of the Board of Auditors. The auditor candidates are described below:

Candidate No.

1

New

Full-time

Internal

うん と きよ のり
雲戸 清則

Kiyonori Unto



Candidate's profile

Date of birth	February 9, 1962 (62 years old)
With the Company	37 years and 3 months
No. of Company shares held	5,500

Reason for nomination as an auditor

Mr. Kiyonori Unto has extensive experience in serving as a senior executive for many years, as well as thorough knowledge of the Company's business in general. He has been nominated as a full-time Auditor candidate because he is expected to properly fill the role of the full-time Auditor who will resign at the closing of this Meeting and help strengthen the governance of the Company through his duties as an Auditor.

Working for the improvement of corporate value and the growth of the Company

By making the most of my 37 years of experience, skills and knowledge with the Company, I will do my best in this new role. To support the growth of the Company, I will base my audits on fairness and transparency, and will evaluate and check our risk management processes to ensure that the organization is credible and performing at its best.

Brief biography, status, and important concurrent posts

November 1986	Joined the Company
April 2008	Okayama Branch Office Manager
April 2011	General Manager of Factory Sales Division (East)
April 2013	General Manager of Overseas Division
January 2019	General Manager of Factory Sales Division and Distribution Division East Japan
January, 2022	General Manager of Factory Sales Division (East)

Candidate No.

2

Re-appointment

Part-time

Outside

かま くら ひろ ほ
鎌倉 寛保

Hiroho Kamakura



Candidate's profile

Date of birth	January 27, 1947 (77 years old)
No. of Company shares held	5,300
Attendance at Board of Directors' meeting	80% (8/10 meetings)
Attendance at Board of Auditors' meeting	86% (12/14 meetings)
Years of service (at the closing of the Meeting)	11 years and 8 months

Reason for nomination as an outside auditor

Mr. Hiroho Kamakura provides neutral and fair opinions on the Company's management and appropriately executes his duties as an outside auditor based on his knowledge and insight and from an objective standpoint as an outside 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.

Contributing to improving sustainable corporate value

An auditor is an independent organ acting under the entrustment of shareholders. The role of an auditor is to conduct audits from a neutral and objective perspective to ensure the company's healthy and continuous growth. As an outside auditor with long years of experience as a certified public accountant, I would like to actively contribute to improving sustainable corporate value of the Company.

Brief biography, status, and important concurrent posts

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

Notes concerning outside director candidates

(1) 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.

(2) 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.

(3) On special interest in the Company

Mr. Kenichi Saito is the Representative Director of ForeSight & Company, whose business with the Company 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 has a 29-year business relationship. However, our procurement from Hagihara Industries accounts for less than 1% of our total procurement by amount (less than 2% of the consolidated net sales of said company). Innovex Co., Ltd., a subsidiary of Wavelock Holdings Co., Ltd., of which Mr. Hagihara is Outside Director, and the Company has an approximately 22-year business relationship. However, 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 Advisor, 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 Chairperson, has no direct business relationship with the Company, but has an approximately 17-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). King Jim Co., Ltd., of which Ms. Suzuki is External Director, and the Company has an approximately 22-year business relationship. However, our procurement from King Jim Co., Ltd. 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 Shaldan 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.

Notes concerning the outside auditor candidates

(1) On independence

Mr. Hiroho Kamakura is an outside auditor candidate as set forth in Item 8, Paragraph 3, Article 2 of the Ordinance for Enforcement of the Companies Act and fulfills the Company's outside director appointment criteria. He also fulfills 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. Hiroho Kamakura as an independent officer with the Tokyo Stock Exchange.

(2) 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. Hiroho Kamakura with the amount of limited liability being the minimum total liability amount as prescribed in Paragraph 1, Article 425 of the Companies Act. If his re-appointment is approved, we are planning to continue the above contract for limitation of liability.

(3) On special interest in the Company

Mr. Hiroho Kamakura has experience working at Deloitte Touche Tohmatsu LLC, which is the accounting auditor of the Company, but he left the job 11 years and nine months ago. In addition, there is no business relationship between Yushin Precision Equipment Co., Ltd. or SymEnergy Inc., of which Mr. Kamakura is a part-time auditor, and the Company, and there is no special interest that will hinder or affect decision-making between the Company and the two companies in Mr. Kamakura's execution of his duties as a part-time auditor of the Company.

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, Kazuo Nakai, Atsushi Kazumi, Hideki Naoyoshi, Tatsuya Nakayama, Kenichi Saito, Kuniaki Hagihara, and Takako Suzuki; Auditor candidate Kiyonori Unto; and Auditor Hiroho Kamakura are scheduled to renew their Directors' and Officers' Liability Insurance Agreement in June. The Company has concluded with an insurance company, and bears the full premiums of, a Directors' and Officers' Liability Insurance Agreement covering as insured persons the directors, auditors, and executive officers of the Company and its consolidated subsidiaries. This insurance compensates for any litigation costs and damages arising from non-derivative actions, shareholder derivative actions, and corporate actions that are borne by the insured persons in executing their duties, provided that they have executed their duties in good faith or without violating laws and regulations. (However, measures are taken to ensure that the appropriateness of the execution of duties by the insured persons will not be undermined by excluding from the coverage any damage, etc. to those insured persons who have engaged in any criminal offence or intentional act of violating laws and regulations.)

Criteria for Appointment of Outside Officers

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

1. Criteria for the Appointment of Outside Directors

The Company appoints outside directors from among those fulfilling the conditions set out below.

- (1) 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.
- (2) 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.
- (3) Candidates shall fulfill the requirements for an outside director set out in Item 15, Article 2 of the Companies Act.

2. Criteria for the Appointment of Outside Auditors

The Company appoints outside auditors from among those fulfilling the conditions set out below.

- (1) 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.
- (2) Candidates shall be subject to none of the grounds for disqualification as an auditor set out in Paragraph 1, Article 335 of the Companies Act.
- (3) Candidates shall fulfill the requirements for an outside 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.

- (1) 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, auditor, executive officer, manager, or any other post higher than division general manager (hereinafter referred to as "Director, etc.") in an entity that is a major shareholder of the Company
- (2) 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)
- (3) 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)
- (4) 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)
- (5) 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
- (6) A relative within the third degree of kinship or closer of an individual described in any of the items (1) to (5) above
- (7) A relative within the third degree of kinship or closer of an officer, executive officer, or key employee in a post higher than division general manager of the Company or its subsidiary
- (8) An individual to whom any of the items (1) to (7) above has applied within the last three years

Introduction of Auditors

Outside

Part-time

わだ より とも
和田 頼知

Yoritomo Wada



Profile

Date of birth	October 23, 1955 (68 years old)
No. of Company shares held	1,000
Attendance at Board of Directors' meeting	100% (8/8 meetings)
Attendance at Board of Auditors' meeting	91% (10/11 meetings)
Years of service (at the closing of the Meeting)	1 year

Evaluation as Auditor

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

Initiatives in the 61st period

Mr. Yoritomo Wada provided opinions on the overall management policy, etc., at Board of Directors' and Board of 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.

Enhancing internal control systems

My theme as an auditor this fiscal year is to ensure that senior executives fully understand risk management, which is the backbone of corporate activities, and the need to enhance internal control. I believe that an accurate understanding of risks, and reinforcing internal control systems as a measure to that end, will contribute to further increase in corporate value.

Brief biography, status, and important concurrent posts

April 1978	Joined Tohmatsu Aoki & Co. (now Deloitte Touche Tohmatsu LLC)
August 1981	Registered as a Certified Public Accountant
June 1996	Partner, Tohmatsu Audit Firm (now Deloitte Touche Tohmatsu LLC)
June 2019	Part-time Auditor of Nippon Shokubai Co., Ltd.
April 2020	Part-time Auditor of Sekisui House, Ltd. (present)
March 2023	Part-time Auditor of the Company (present)

Outside

Part-time

ひ ね の けん
日根野 健

Ken Hineno



Profile

Date of birth	August 23, 1979 (44 years old)
No. of Company shares held	10,000
Attendance at Board of Directors' meeting	100% (8/8 meetings)
Attendance at Board of Auditors' meeting	100% (11/11 meetings)
Years of service (at the closing of the Meeting)	1 year

Evaluation as Auditor

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

Initiatives in the 61st period

Mr. Ken Hineno provided opinions on the overall management policy, etc., at Board of Directors' and Board of 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.

Aiming to protect corporate value

There are always changes in our business environment, such as legal revisions, technological innovations, and changes in business practices and social conventions, and the pace of changes is accelerating. The Company's strength lies in its ability to make decisions that anticipate these changes and its organizational capabilities to take action. However, new initiatives are always associated with risks. I would like to fulfill my duties to help the Company correctly detect and properly address such risks, thereby protecting its corporate value.

Brief biography, status, and important concurrent posts

October 2003	Joined Tohmatsu Audit Firm (now Deloitte Touche Tohmatsu LLC)
July 2007	Registered as a Certified Public Accountant
August 2007	Representative Director, Actionlearning Co., Ltd. (present) Representative, Hineno Certified Public Accountant Office (present)
December 2019	Senior Partner, Hineno Accounting Office (present)
March 2023	Part-time Auditor of the Company (present)



Outside Director Board Brain (BB)

Kuniaki Hagihara

Senior Advisor, Hagihara Industries Inc.

Outside Director Board Brain (BB)

Takako Suzuki

Chairperson, S.T. Corporation

Outside Director Board Brain (BB)

Kenichi Saito

Representative Director, ForeSight & Company

Since they utilize their abundant experience and knowledge so as to contribute to the development of the company, TRUSCO calls Outside Directors “Board Brains.” In general, the role of an Outside Director is to prevent scandals as an outside observer. However, at our company, we have formed our own highly transparent governance system, so we place emphasis on contributing to “sustainable growth and the improvement of company value.” We interviewed each of these Outside Directors about the roles of Outside Directors and issues facing the company.

Q1 Please tell us about efforts that you have been involved with in the 61st period.

Suzuki

Following the reclassification of COVID-19 as a Category V infectious disease, the end of the pandemic has become clear. During the three years of the COVID-19 pandemic, the world has changed rapidly, and Japanese companies should also have prepared more for the post-COVID world. Such preparation needs to include both reforms oriented externally toward society and reforms oriented internally, such as those involving corporate culture, work style, and women’s participation. I expect that the era of VUCA (volatility, uncertainty, complexity, and ambiguity) will continue going forward, and more unpredictable events will occur. In preparation for them, I have continued to provide recommendations while looking at whether the Company is evolving beyond its former framework and how it should evolve going forward.

Q2 What do you think are important in promoting women’s participation initiatives?

Saito

I see three issues in relation to women’s participation initiatives. First issue is unconscious bias underlying the Company’s culture. Such a bias should be expelled, and everybody should uphold the value that any person who has contributed to the development of the Company by satisfying customers should be regarded as the best regardless of the person’s age, experience, gender, etc. The second issue is mommy track. It is nearly impossible for a mother to continue to work as before while doing the child-rearing and housework. While men’s contribution in child-rearing and housework is important, the Company needs to examine how to create a support system that makes the most of women’s ability to do both the child-rearing and housework and the work. The third issue is education. As the world is changing, we need to create new ways of thinking and behaving, departing from conventional ways of thinking. In order to do so, we must discuss markets and customers as well as the Company’s own key issues based on facts rather assumptions, instead of relying solely on accumulated knowledge and experience. To this end, developing new skills is necessary, and education programs to support it are also necessary. It would be an ideal situation in which an excellent and skilled person developed through such programs happens to be a woman.

Q3 What do you think are important in developing new products and improving existing products?

Hagihara

I have been involved in various initiatives in the manufacturing industry, such as improving existing products into high value-added products or even into products in the blue ocean zone. After all, innovation and new products are created as individuals continued to work to improve products to make them different from, rather than simply better than, other products no matter how small the difference. As individuals are encouraged on a daily basis to focus more on making our products different from, rather than better than, competing products, I expect that more high value-added products will be created.

Q 1 Are you considering the revival of the shareholder special benefit program?

At present, revival of the program is not planned.

The number of shareholders increased steadily thanks to the program. However, since the program was likely to boost the costs for benefit items for shareholders and for operation of the venue, etc. of general shareholders' meetings, we abolished the program in 2020. The Company needs to continue to invest in distribution equipment and digital technologies for the purpose of becoming what we want to be: a company that continues to be useful for manufacturing in Japan. We will reward our shareholders by making investments that will lead to further growth.

Q 2 What is your policy on payout ratio?

Consolidated dividend payout ratio to be maintained at 25%

The Company intends to achieve sustainable growth and thereby maximize the return to its shareholders. Based on the policy that ongoing capital investment is indispensable for the enhancement of corporate value, we have prioritized investments in distribution centers, digital technologies, and human resources to support them to realize stable growth. At this point, after considering the balance between shareholder return in the form of the enhancement of corporate value through capital investment and shareholder return in the form of dividend, we intend to maintain a consolidated dividend payout ratio of 25%, which is linked to financial performance, and to reward our shareholders with the overall return aiming for the growth in the future.

TRUSCO Zentaku Dividend

In the fiscal year ended December 2023, the Company introduced a new dividend program "TRUSCO Zentaku Dividend System" based on the idea of "Shushazentaku" in order to resolve the antinomy between aggressive digital and distribution investment and shareholders' dividend expectations. This system ensures that if the annual dividend per share for a particular fiscal year as determined based on the basic policy mentioned above is lower than the annual dividend per share for the previous fiscal year, the consolidated dividend ratio is re-calculated after adding a portion (up to 10%) of depreciation back to profit attributable to owners of parent for that fiscal year, and the consolidated dividend ratio is maintained at 25% on that basis.

Q 3 What is your policy on share buyback?

A company should develop measures for growth and invest funds in them

A company should develop measures for growth and invest funds in them. The aim of share buyback is to increase the index of a share by reducing the total number of shares in anticipation of a rise in stock price. However, we do not think it raises the company's production capacity, sales capacity, or corporate value. We will develop measures for the growth and invest funds in them to achieve growth, thereby rewarding our shareholders.

Q 4 What is your policy on M&As?

Investment in distribution is equivalent to M&As

Building a distribution center, placing shelves, stocking goods, and selling them has the same effect as purchasing a company. We will continue to be a company that will continue to grow by itself even though the progress is slow.

Q 5 What is your approach to women's participation and promotion

Implementation of initiatives to promote the birth of female officers

The Company is implementing the initiatives listed below in order to promote the birth of female officers. The Company is also improving work environment as it believes it important to create a comfortable work environment for women in order to promote the birth of female officers.

- (1) In January 2024, the Company has started a "Women's Association" program under which a female employee chosen among association members who volunteer as candidates attends Management Conference meetings, which are attended by general managers or persons at higher positions, to make improvement and growth proposals.
- (2) The Company aims to raise the percentage of women among newly appointed persons in management roles to 50%.
- (3) In order to create a comfortable work environment for women, the Company has introduced the following programs:
Lovebird Transfer Program: This program allows employees to transfer, following their spouse' transfer, to the same area as their spouse and to continue to work for the Company regardless of whether their spouse is an employee of the Company.
Welcome Back Program: This program is for the re-employment of employees who had to leave the Company to raise a child, take care of a sick family member, undergo infertility treatments, or to accompany their spouse overseas due to his or her overseas assignment, provided that ten years have not passed since their leaving the Company.
Fertility Treatment Leave: Employees can take a leave for up to one year for infertility treatment, but only for specified infertility treatment (in vitro fertilization and intra-cytoplasmic sperm injection). The limit is reset at each childbirth, and the program can also be used again for the second and any subsequent child.

Comfortable work environment ▶  P24

Q 6 What is the reason that you do not start direct selling or selling for general consumers?

Be an Ultimate Master Wholesale

We believe that the source of competitiveness for an organization is its originality and we are placing it at the root of our management strategy. If we start direct selling for general consumers, all the online shopping companies today will be our competitors. "A wholesaler must thoroughly enhance its wholesale functions." We believe this is the best growth strategy. In addition, since our products are purchasable through online shopping companies, we think there is no need to sell them directly. Through cooperation with online shopping companies and other retail businesses, the Company will continue to support and respond to the needs of manufacturing sites.

Q 7 How does TRUSCO plan to develop its overseas business in the future?

Our consolidated subsidiaries will realize stable supply of products to satisfy the needs of foreign companies

Our overseas businesses are operated under two strategies: sales activities by TRUSCO Nakayama Corporation (Thailand) and PT. TRUSCO Nakayama Indonesia, both of which hold inventories locally, and sales activities by the Overseas Sales Section focusing on the expansion of one-stop sales to local distributors and the development of new local distributors. Although our overseas business accounts for only 1.0% of the total sales of the Company, we will aim to build further relationships with local clients, while working to develop new sales channels.

Overseas Sales Section

We engage in direct international trades with distributors located all over the world, mainly in the U.S, Europe, and ASEAN, exporting products to 20 countries as of December 31, 2023. We will continue to aim to become a company that is of service to the global manufacturing sector.

Status of IR Activities

IR Policy

1. Highly transparent
2. Prompt disclosure as information becomes known
3. No cheating even in minor respects

We work to help shareholders and investors to understand the Company correctly as it is by disclosing both good information and bad information accurately and promptly so they can hold its shares as highly reliable ones.

IR meetings

(1) Large meetings

We hold large meetings on the days of interim and full-year financial results announcements in both physical and online formats. Actual proceedings of these meetings are made available for public inspection through our official YouTube channel, and both Japanese and English scripts are posted on the Company's website.



Financial results briefing videos



Financial results briefing materials



Held at the 55th Anniversary Hall, 3rd floor, Tokyo Head Office in a hybrid format



(2) Annual IR meeting results

We actively hold one-on-one meetings with both Japanese and foreign institutional investors and analysts. During the COVID-19 pandemic, we worked to enhance communication by utilizing telephone and video chat tools.



Mika Takahashi, PR/IR Section

Large meetings	Twice
Small meetings	7 times
One-on-one meetings	143 times (including 60 times with foreign institutional investors)

Company Overview

Trade name:
TRUSCO NAKAYAMA CORPORATION

Headquarters:
4-28-1 Shimbashi, Minato-ku, Tokyo
TRUSCO Fiorito Building

Head Offices:
Tokyo Head Office: 4-28-1 Shimbashi, Minato-ku, Tokyo
TRUSCO Fiorito Building
Osaka Head Office: 1-34-15 Shinmachi, Nishi-ku, Osaka-shi, Osaka
TRUSCO Glen Check Building

Places of business:(As of January 1, 2024)
Head offices: 2
Domestic sales bases: 59
Domestic distribution bases: 28
Overseas bases: 5

Capital:5,022,370,000 yen

Founded:May 15, 1959

Established:March 2, 1964

Issuer rating:A (Rating and Investment Information, Inc.)

Company website URL:<https://www.trusco.co.jp/>



Company website

Basic Information on Shares

Fiscal year:From January 1 to December 31 each year

Annual shareholders' meeting:Held in March every year

Record date:

Annual shareholders' meeting:December 31 each year

Year-end dividend:December 31 each year

Interim dividend:June 30 each year

If necessary, additional dates will be publicly notified in advance.

Share unit:100 shares

Method of giving public notice:

Public notice will be given on the Company's website.

Public notice URL

(<https://www.trusco.co.jp/>)

Share transfer agent and account management institution for special accounts:

Sumitomo Mitsui Trust Bank, Limited
1-4-1 Marunouchi, Chiyoda-ku, Tokyo

Handling place:

Stock Transfer Agency Business Planning Department,
Sumitomo Mitsui Trust Bank, Limited
1-4-1 Marunouchi, Chiyoda-ku, Tokyo

Mailing address:

2-8-4 Izumi, Suginami-ku, Tokyo 168-0063
Stock Transfer Agency Business Planning Department,
Sumitomo Mitsui Trust Bank, Limited

Inquiries:0120-782-031 (toll-free)

Website URL

<https://www.smbt.jp/personal/agency/index.html>

Stock Exchange Listing:

Tokyo Stock Exchange Prime Market

Securities code:9830

Accounting Auditor:

Deloitte Touche Tohmatsu LLC



Sumitomo Mitsui Trust Bank website

Notifying change in address, etc. and inquiries concerning shares

For notifying change in address, etc. and inquiries, shareholders who have opened an account with a securities company are requested to contact the securities company with which you have an account.

Special accounts

For those shareholders who had not used Hofuri (Japan Securities Depository Center, Inc.) before the electrification of share certificates, an account has been opened (such an account is called a special account) with Sumitomo Mitsui Trust Bank, Limited, the Company's share transfer agent, whose contact information is provided below:

Inquiries

Sumitomo Mitsui Trust Bank, Limited

0120-782-031 (toll-free)

For notifying change in address, etc. and inquiries concerning special accounts, shareholders (including shareholder who have not opened an account with a securities companies) are requested to contact Sumitomo Mitsui Trust Bank, Limited using the telephone number provided above.

How to Make a Demand for Purchase or Sale of Shares Less than One Unit

Shareholders who have shares less than one unit are encouraged to request purchase or sale of shares less than one unit at your earliest convenience as such purchase or sale transactions are free of commission.

Demand for purchase:

Holders of shares less than one unit (less than 100 shares) can sell such shares to the Company at fair value.

Demand for sale:

Holders of shares less than one unit can purchase from the Company as many shares as necessary to increase the number of shares held to one unit (100 shares).

Inquiries:

Shareholders recorded in special accounts:

0120-782-031 (toll-free)

Shareholders who have an account with a securities company:

Please contact the securities company with which you have an account.

How to request delivery of documents

If you desire to receive convocation notice as a printed document, you can request it at Sumitomo Mitsui Trust Bank, Limited, the Company's share transfer agent.

Inquiries: Sumitomo Mitsui Trust Bank, Limited

Electronic provision helpline: 0120-533-600