

Trusco Nakayama Corporation
Financial Statements

Consolidated Balance Sheet
December 31, 2023

ASSETS	Millions of Yen		Thousands of U.S. Dollars*	LIABILITIES AND EQUITY	Millions of Yen		Thousands of U.S. Dollars*
	2023	2022	2023		2023	2022	2023
CURRENT ASSETS:				CURRENT LIABILITIES:			
Cash and cash equivalents	¥ 43,284	¥ 39,401	\$ 305,201	Accounts payable - trade	¥ 20,461	¥ 18,866	\$ 144,278
Accounts receivable - trade	34,322	31,558	242,011	Short-term loans borrowings	10,000	10,000	70,512
Electronically-recorded monetary claims	2,821	2,759	19,892	Current portion of long-term borrowings	8,500	10,000	59,935
Merchandise	50,848	45,293	358,540	Other payables	3,545	3,090	24,995
Other current assets	734	657	5,178	Income taxes payable	4,249	2,515	29,958
Allowance for doubtful accounts	(1)	(1)	(8)	Provision for bonuses	687	12	4,847
				Other current liabilities	2,294	1,696	16,172
Total current assets	132,008	119,667	930,814	Total current liabilities	49,736	46,179	350,697
PROPERTY, PLANT AND EQUIPMENT:				LONG-TERM LIABILITIES:			
Land	38,747	38,547	273,214	Long-term loans borrowings	31,500	25,000	222,113
Buildings and structures	78,009	77,865	550,052	Deposits received for guarantees	2,774	2,781	19,560
Machinery, equipment and vehicles	15,438	14,448	108,858	Retirement allowances for directors and the Audit and Supervisory board members	151	151	1,068
Furniture and fixtures	6,371	6,158	44,922	Other long-term liabilities	2	95	8
Construction in progress	10,149	412	71,564	Total long-term liabilities	34,427	28,027	242,749
Total	148,714	137,430	1,048,610	EQUITY :			
Accumulated depreciation	(44,144)	(39,966)	(311,268)	Common stock	5,022	5,022	35,414
Net property, plant and equipment	104,570	97,464	737,342	Capital surplus	4,711	4,711	33,221
INVESTMENTS AND OTHER ASSETS:				Retained earnings	150,298	141,096	1,059,783
Investment securities	2,530	3,118	17,837	Unrealized gain on available-for-sale securities	633	467	4,465
Software and software in progress	4,558	4,373	32,141	Land revaluation difference	(353)	(353)	(2,492)
Deferred tax assets	674	121	4,751	Foreign currency translation adjustment	486	139	3,427
Deferred tax assets on land revaluation	156	156	1,099	Treasury stock	(82)	(80)	(579)
Other assets	519	318	3,657	Total equity	160,715	151,002	1,133,239
Allowance for doubtful accounts	(137)	(9)	(956)	TOTAL	¥ 244,878	¥ 225,208	\$ 1,726,685
Total investments and other assets	8,300	8,077	58,529				
TOTAL	¥ 244,878	¥ 225,208	\$ 1,726,685				

* The translations of Japanese yen amounts into U.S. dollar amounts have been made at the rate of ¥141.82 to \$1, the approximate rate of exchange at December 31, 2023.

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Consolidated Statement of Income
Year Ended December 31, 2023

	Millions of Yen		Thousands of U.S. Dollars*
	2023	2022	2023
NET SALES	¥ 268,154	¥ 246,454	\$ 1,890,807
COST OF GOODS SOLD	<u>210,631</u>	<u>194,293</u>	<u>1,485,203</u>
Gross profit	57,523	52,161	405,604
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	<u>39,004</u>	<u>37,494</u>	<u>275,022</u>
Operating income	18,519	14,667	130,582
OTHER INCOME (EXPENSES) :			
Interest and dividend income	77	58	540
Rental income from real estate	175	166	1,236
Subsidy income		139	
Interest expenses	(99)	(88)	(699)
Rental costs on real estate	(47)	(42)	(330)
Compensation expenses		(30)	
Provision of allowance for doubtful accounts	(128)		(904)
Gain on sales of non-current assets	116		815
Gain on sales of investment securities	36	194	257
Impairment loss	(45)		(320)
Loss on valuation of investment securities	(816)		(5,756)
Compensation Loss on eviction	(51)		(363)
Other - net	<u>171</u>	<u>196</u>	<u>1,218</u>
Other income - net	<u>(611)</u>	<u>593</u>	<u>(4,306)</u>
INCOME BEFORE INCOME TAXES	<u>17,908</u>	<u>15,260</u>	<u>126,276</u>
INCOME TAXES :			
Current	6,267	4,519	44,187
Deferred	<u>(627)</u>	<u>114</u>	<u>(4,418)</u>
Total income taxes	<u>5,640</u>	<u>4,633</u>	<u>39,769</u>
NET INCOME	<u>¥ 12,268</u>	<u>¥ 10,627</u>	<u>\$ 86,507</u>
NET INCOME ATTRIBUTABLE TO OWNERS OF PARENT	<u>¥ 12,268</u>	<u>¥ 10,627</u>	<u>\$ 86,507</u>
	<u>Yen</u>		<u>U.S. Dollars*</u>
PER SHARE OF COMMON STOCK :			
Basic net income	¥ 186.05	¥ 161.15	\$ 1.31
Cash dividends applicable to the year	46.50	40.00	0.33

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Consolidated Statement of Changes in Equity
Year Ended December 31, 2023

	Thousands of Shares	Millions of Yen							
		Shareholders' Equity				Accumulated Other Comprehensive Income			Total Equity
		Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Unrealized Gain on Available-for-Sale Securities	Land Revaluation Difference	Foreign Currency Translation Adjustment	
BALANCE, JANUARY 1, 2022	65,943	¥ 5,022	¥ 4,711	¥ 132,580	¥ (79)	¥ 679	¥ (353)	¥ (133)	¥ 142,427
Cumulative effects of changes in accounting policies									
Restated balance		¥ 5,022	¥ 4,711	¥ 132,580	¥ (79)	¥ 679	¥ (353)	¥ (133)	¥ 142,427
Net income				10,627					10,627
Cash dividends, ¥32.0 per share				(2,111)					(2,111)
Purchase of treasury stock	(1)				(1)				(1)
Disposal of treasury stock	0		0		0				0
Net change in the year						(212)		272	60
BALANCE, DECEMBER 31, 2022	65,942	¥ 5,022	¥ 4,711	¥ 141,096	¥ (80)	¥ 467	¥ (353)	¥ 139	¥ 151,002
Cumulative effects of changes in accounting policies									
Restated balance		¥ 5,022	¥ 4,711	¥ 141,096	¥ (80)	¥ 467	¥ (353)	¥ 139	¥ 151,002
Net income				12,268					12,268
Cash dividends, ¥46.5 per share				(3,066)					(3,066)
Purchase of treasury stock	(1)				(2)				(2)
Disposal of treasury stock	0		0		0				0
Net change in the year						166		347	513
BALANCE, DECEMBER 31, 2023	65,941	¥ 5,022	¥ 4,711	¥ 150,298	¥ (82)	¥ 633	¥ (353)	¥ 486	¥ 160,715

	Thousands of U.S. Dollars*							
	Shareholders' Equity				Accumulated Other Comprehensive Income			Total Equity
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Unrealized Gain on Available-for-Sale Securities	Land Revaluation Difference	Foreign Currency Translation Adjustment	
BALANCE, DECEMBER 31, 2022	\$ 35,414	\$ 33,221	\$ 994,897	\$ (562)	\$ 3,286	\$ (2,492)	\$ 982	\$ 1,064,746
Cumulative effects of changes in accounting policies								
Restated balance	\$ 35,414	\$ 33,221	\$ 994,897	\$ (562)	\$ 3,286	\$ (2,492)	\$ 982	\$ 1,064,746
Net income			86,507					86,507
Cash dividends, \$0.33 per share			(21,621)					(21,621)
Purchase of treasury stock				(17)				(17)
Disposal of treasury stock		0		0				0
Net change in the year					1,179		2,445	3,624
BALANCE, DECEMBER 31, 2023	\$ 35,414	\$ 33,221	\$ 1,059,783	\$ (579)	\$ 4,465	\$ (2,492)	\$ 3,427	\$ 1,133,239

* The translations of Japanese yen amounts into U.S. dollar amounts have been made at the rate of ¥141.82 to \$1, the approximate rate of exchange at December 31, 2023.

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Consolidated Statement of Cash Flows
Year Ended December 31, 2023

	Millions of Yen		Thousands of
	2023	2022	U.S. Dollars*
OPERATING ACTIVITIES:			
Income before income taxes	¥ 17,908	¥ 15,260	\$ 126,276
Adjustments for:			
Depreciation and amortization	6,229	6,691	43,923
Impairment loss	45		320
Gain on valuation of investment securities	817		5,758
Soil pollution removal cost	51		363
Increase(Decrease) in allowance for doubtful accounts	126	(0)	885
Loss on sales of property, plant and equipment	(116)		(815)
Changes in assets and liabilities:			
Increase in accounts receivable	(2,814)	(3,398)	(19,842)
Increase in merchandise	(5,449)	(2,906)	(38,424)
Increase in accounts payable	1,582	2,505	11,158
Increase(Decrease) in accrued consumption taxes	303	(1,216)	2,138
Other – net	768	148	5,405
Income taxes paid	(4,596)	(4,905)	(32,404)
Soil pollution removal cost paid	(51)		(363)
Net cash provided by operating activities	14,803	12,179	104,378
INVESTING ACTIVITIES:			
Purchase of property, plant and equipment	(11,172)	(3,818)	(78,774)
Proceeds from sales of property, plant and equipment	185	3	1,302
Purchase of intangible assets	(1,945)	(1,115)	(13,713)
Purchase of investment securities		(500)	
Proceeds from sales of investment securities	50	236	349
Other - net	(232)	28	(1,633)
Net cash used in investing activities	(13,114)	(5,166)	(92,469)
FINANCING ACTIVITIES:			
Net increase (decrease) in short-term borrowings		(7,000)	
Proceeds from long-term borrowings	15,000		105,768
Repayments of long-term borrowings	(10,000)		(70,512)
Repurchase of treasury stocks	(2)	(0)	(17)
Proceeds from sales of treasury stocks	0	0	0
Dividends paid	(3,065)	(2,111)	(21,610)
Net cash used in financing activities	1,933	(9,111)	13,629
FOREIGN CURRENCY TRANSLATION ADJUSTMENTS ON CASH AND CASH EQUIVALENTS	63	49	446
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,685	(2,049)	25,984
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	39,401	41,450	277,823
CASH AND CASH EQUIVALENTS, END OF YEAR	¥ 43,086	¥ 39,401	\$ 303,807

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