



TRUSCO Nakayama Corporation

Q2 Financial Results Briefing for the Fiscal Year Ending December 2024

August 26, 2024

Event Summary

[Company Name]	TRUSCO Nakayama Corporation	
[Company ID]	9830-QCODE	
[Event Language]	JPN	
[Event Type]	Earnings Announcement	
[Event Name]	Q2 Financial Results Briefing for the Fiscal Year Ending December 2024	
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[Time]	15:30 – 16:28 (Total: 58 minutes, Presentation: 34 minutes, Q&A: 24 minutes)	
[Venue]	Webcast	
[Venue Size]		
[Participants]		
[Number of Speakers]	6	
	Tetsuya Nakayama	President
	Atsushi Kazumi	Director, General Manager of the Business Management Department and General Manager of the Digital Service Strategy Department and Orange Book Department
	Mayumi Takada	Manager of Corporate Planning
	Atsushi Shimozu	Manager of Accounting Department
	Kyoko Yoshimi	Manager of Public Relations & Investor Relations, Corporate Planning
	Mika Takahashi	Public Relations & Investor Relations Section, Corporate Planning Department
[Analyst Names]*	Tomoki Komiya	SBI SECURITIES

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*Analysts that SCRIPTS Asia was able to identify from the audio who spoke during Q&A or whose questions were read by moderator/company representatives.

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Presentation

Takahashi: We will now begin TRUSCO Nakayama Corporation's financial results briefing for H1 of the fiscal year ending December 2024 (the 62nd business year). Thank you for joining us today despite your busy schedule. I'm Mika Takahashi from Public Relations and Investor Relations Section, Corporate Planning Department, and I will be your moderator today. Today's event will be held in a hybrid format of onsite and online sessions.

First of all, I would like to introduce our attendees. Tetsuya Nakayama, Representative Director and President; Atsushi Kazumi, Director, General Manager of Business Administration Division, Digital Strategy Division, and Orange Book Division; Mayumi Takada, Manager of the Corporate Planning Department; Atsushi Shimozu, Manager of the Accounting Department; Kyoko Yoshimi, Manager of Public Relations and Investor Relations, Corporate Planning Department.

Takahashi: Let me briefly explain about today's proceedings. First, I, Takahashi, will provide an overview of our financial results. Then, President Nakayama will present our initiatives. After that, there will be time for a Q&A session. The financial results briefing will end when the Q&A session is over. The briefing is planned to take approximately one hour.

For the Q&A session, questions will be answered in the following order: questions posted in advance, questions from onsite participants, and the ones from online participants. We will tell you how to ask questions in the Q&A session. The video of the briefing will be available on our official YouTube channel at a later date.

I will now explain the financial results. Please have the presentation material ready. We will be projecting it on the screen as well, but you can also download the material from our website as necessary.

【連結】経営成績

※令和6年(2024)2月9日発表の期初予算です。

	令和5年(2023)12月期(第61期) 通期実績			令和6年(2024)12月期(第62期) 中間期実績			
	実績	前年比	構成比	実績	前期比	構成比	2/9発表予算比 ※
売上高	2,681億54百万円	+8.8%	-	1,434億61百万円	+9.2%	-	+3.4%
売上総利益	575億22百万円	+10.3%	21.5%	302億1百万円	+7.1%	21.1%	+2.9%
販売費及び一般管理費	390億3百万円	+4.0%	14.5%	203億48百万円	+6.9%	14.2%	+0.0%
(うち減価償却費)	62億6百万円	△6.9%	2.3%	29億26百万円	△7.3%	2.0%	△3.6%
営業利益	185億19百万円	+26.3%	6.9%	98億52百万円	+7.6%	6.9%	+9.3%
経常利益	186億69百万円	+23.9%	7.0%	99億53百万円	+7.4%	6.9%	+9.3%
親会社株主に属する当期(中間)純利益	122億68百万円	+15.4%	4.6%	67億45百万円	+11.2%	4.7%	+8.3%
1株当たり当期(中間)純利益	186円05銭	+24円90銭	-	102円30銭	+10円31銭	-	+7円87銭
1株当たり配当金	46円50銭	+6円50銭	-	26円00銭	+3円	-	+2円
PB売上高	483億13百万円	+5.3%	18.0%	252億70百万円	+3.8%	17.6%	-
設備投資額	134億69百万円	-	-	98億68百万円	-	-	-

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First, let me explain our business performance. Please see page three.

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Consolidated sales for H1 of the 62nd business year was JPY143,461 million, up 9.2% YoY, up 3.4% from initial budget. Gross profit was JPY30,201 million, up 7.1% YoY and 2.9% from initial budget. Selling, general, and administrative expenses were JPY20,348 million, up 6.9% YoY and up 0% from initial budget. Of this amount, depreciation and amortization totaled JPY2,926 million, down 7.3% YoY and 3.6% from initial budget.

Operating income was JPY9,852 million, up 7.6% YoY and 9.3% from initial budget. Ordinary income was JPY9,953 million, up 7.4% YoY and 9.3% from initial budget. Profit attributable to owners of the parent for H1 was JPY6,745 million, up 11.2% YoY and 8.3% from initial budget.

Net income per share for the interim period was JPY102.30, up JPY10.31 YoY and up JPY7.87 from initial budget. Dividend per share was JPY26, up JPY3 YoY and up JPY2 from initial budget.

Private brand sales were JPY25,270 million, up 3.8% YoY. Capital expenditures totaled JPY9,868 million.

決算ダイジェスト

売上高	1,434億61百万円 (前期比+9.2%)	・約60万アイテムの豊富な在庫保有と、最先端の物流機器を活用した「ニアワセ+ユーチョク」(荷物詰合わせ+ユーザー様直送)をはじめとするお客様の利便性向上と環境負荷軽減に貢献する施策による影響
売上総利益	302億1百万円 (前期比+7.1%)	・売上増加、仕入価格の販売価格転嫁が進んだことによる影響 ・商品値上がりによる在庫商品の評価益(約7億円)
販売費及び一般管理費	203億48百万円 (前期比+6.9%、+13億17百万円)	・給料及び賞与(+4億57百万円) 月次達成インセンティブ支給、パートタイマー人員・時給増加などによる影響 ・運賃及び荷造費(+3億71百万円) 売上高増加に伴う影響 ・減価償却費(△2億31百万円) など
特別損失	1億83百万円	・資本業務提携先の株式評価額見直しのため損失計上
親会社株主に帰属する中間純利益	67億45百万円 (前期比+11.2%)	・売上高増加、価格転嫁が進んだことや商品値上がりによる在庫商品の評価益等により、前期比+11.2%となりました。

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Next, please see page four for financial highlights.

Net sales increased 9.2% YoY, driven by the consolidation of distribution flow, which is a result of our abundant inventory of approximately 600,000 items, “Niawase + Yuchoku” (package assortment and direct delivery to users) with state-of-the-art logistics equipment, and other measures to improve customer convenience and reduce environmental impact.

Gross profit was boosted by approximately JPY700 million in inventory valuation gains due to higher product prices. In addition, we have made a progress in passing through the higher purchase prices to selling prices in some sales routes in which we had delay in catching up.

As for selling, general, and administrative expenses, salaries and bonuses increased approximately JPY500 million YoY due to monthly achievement incentive to employees and an increase in the number of part-timers and their hourly wages. In addition, freight and packing expenses increased approximately JPY400 million YoY due to increased sales.

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Depreciation expenses decreased approximately JPY200 million YoY mainly due to the expiration of software amortization period. Due to these factors, SGA increased 6.9% YoY and almost in line with the budget plan.

We recorded an extraordinary loss of approximately JPY200 million due to the revaluation of shares of Cinnamon Inc., with whom we entered into a capital and business alliance in 2021. As a result, profit attributable to owners of parent for H1 was up 11.2% YoY.

【連結】経営計画

※令和6年(2024)8月9日発表の修正予算です。

	令和6年(2024)12月期(第62期) 下期予算※			令和6年(2024)12月期(第62期) 通期予算※		
	予算	前期比	構成比	予算	前年比	構成比
売上高	1,465億38百万円	+7.1%	-	2,900億00百万円	+8.1%	-
売上総利益	300億67百万円	+2.5%	20.5%	602億69百万円	+4.8%	20.8%
販売費及び一般管理費	208億8百万円	+4.2%	14.2%	411億57百万円	+5.5%	14.2%
(うち減価償却費)	33億38百万円	+9.5%	2.3%	62億65百万円	+0.9%	2.2%
営業利益	92億59百万円	△1.1%	6.3%	191億12百万円	+3.2%	6.6%
経常利益	94億10百万円	+0.1%	6.4%	193億64百万円	+3.7%	6.7%
親会社株主に属する当期純利益	82億86百万円	+33.6%	5.7%	150億32百万円	+22.5%	5.2%
1株当たり当期純利益	125円66銭	+31円60銭	-	227円96銭	+41円91銭	-
1株当たり配当金	24円00銭	+50銭	-	50円00銭	+3円50銭	-

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Please turn to page five. On August 9, we announced an upward revision of the budget plan for H2. I will explain the details later.

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【連結】セグメント別実績

※令和6年(2024)8月9日発表の修正予算です。

販売ルート	令和5年(2023)12月期(第61期) 通期実績				令和6年(2024)12月期(第62期) 中間期実績					
	売上高			売上 総利益率	売上高				売上 総利益率	
	実績	前年比	構成比	実績	実績	前期比	構成比	予算比※	実績	前期末比
ファクトリー ルート	1,821億88百万円	+6.8%	67.9%	21.5%	965億34百万円	+7.7%	67.3%	+2.5%	20.7%	△0.8pt
eビジネス ルート	591億21百万円	+14.6%	22.1%	22.3%	328億33百万円	+13.6%	22.9%	+6.0%	22.9%	+0.6pt
ホームセンター ルート	242億60百万円	+9.5%	9.0%	17.4%	126億31百万円	+7.9%	8.8%	+3.1%	17.6%	+0.2pt
海外 ルート	25億83百万円	+22.5%	1.0%	34.4%	14億61百万円	+23.7%	1.0%	+4.9%	34.6%	+0.2pt
全社合計	2,681億54百万円	+8.8%	100.0%	21.5%	1,434億61百万円	+9.2%	100.0%	+3.4%	21.1%	△0.4pt

ファクトリールート……全国28か所の物流センター、29か所の在庫保有支店における在庫・物流の強化による得意先様の利便性向上により売上増加
eビジネスルート……得意先様のニーズに合わせた物流加工や「ニアワセ+ユーチョク」(荷物詰合わせ+ユーザー様直送)約457万アイテムに及ぶ商品データベースの整備やシステム連携により売上増加
ホームセンタールート……商品データベースと在庫を生かした店舗とECの連携した取組みやプロショップでの売上増加
海外ルート……現地のニーズに合わせた在庫の見直しや仕入先様開拓により売上増加

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Next, please see page six for the business performance by sales route.

Sales for the factory route were JPY96,534 million, up 7.7% YoY and 2.5% from initial budget. At our 28 logistics centers and 29 inventory storage branches nationwide, we expanded our inventory in line with market needs and increased sales by enhancing convenience for our customers through enhanced inventory and logistics capabilities.

Sales for the e-Business route were JPY32,833 million, up 13.6% YoY and 6% from initial budget. This is due to logistics processing tailored to client needs, support for Niawase + Yuchoku, development of a product database with approximately 4.57 million items, and enhanced system integration with clients.

Sales for the home center route were JPY12,631 million, up 7.9% YoY and 3.1% from initial budget. As home center operators strengthened their EC businesses, sales increased at their specialty stores and through the consolidation of commercial distribution flow with coordinated efforts between stores and EC, taking advantage of product databases and inventories.

Sales for the overseas route were JPY1,461 million, up 23.7% YoY and 4.9% from initial budget. Sales increased due to a review of inventory to meet local needs and the development of suppliers.

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【連結】セグメント別経営計画

※令和6年(2024)8月9日発表の修正予算です。

販売ルート	令和6年(2024)12月期 下期予算※			令和6年(2024)通期予算※		
	売上高			売上高		
	予算	前期比	構成比	予算	前年比	構成比
ファクトリールート	985億44百万円	+6.4%	67.2%	1,950億78百万円	+7.1%	67.3%
eビジネスルート	331億93百万円	+9.9%	22.7%	660億26百万円	+11.7%	22.8%
ホームセンタールート	131億97百万円	+5.1%	9.0%	258億28百万円	+6.5%	8.9%
海外ルート	16億4百万円	+14.4%	1.1%	30億65百万円	+18.7%	1.0%
全社合計	1,465億38百万円	+7.1%	100.0%	2,900億00百万円	+8.1%	100.0%

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Next, please see page seven. The H2 budget plan by sales route is as stated.

【連結】販売費及び一般管理費

実績: 203億48百万円 (前期比+6.9%、+13億17百万円)

※令和6年(2024)8月9日発表の修正予算です。

勘定科目	令和5年(2023)12月期 実績	令和6年(2024)12月期 中間期実績			令和6年(2024)12月期 通期予算※	
	実績	実績	前期比	前年増減額	予算	前年比
① 給料及び賞与	134億51百万円	67億98百万円	+7.2%	+4億57百万円	141億96百万円	+5.5%
② 運賃及び荷造費	82億61百万円	44億10百万円	+9.2%	+3億71百万円	89億67百万円	+8.5%
③ 減価償却費	62億6百万円	29億26百万円	△7.3%	△2億31百万円	62億65百万円	+0.9%
④ その他	110億84百万円	62億12百万円	+13.1%	+7億20百万円	117億29百万円	+5.8%
合計	390億3百万円	203億48百万円	+6.9%	+13億17百万円	411億57百万円	+5.5%

①給料及び賞与 +4億57百万円

月次達成インセンティブ支給による影響(+2億19百万円)

売上増加によるパートタイマー人件費増加による影響(+1億56百万円)

②運賃及び荷造費 +3億71百万円

出荷量の増加、輸送コストの増加による影響(+2億19百万円)

うち、ユーザー直送増加による影響(+2億19百万円)

※ユーザー様直送に係る運賃は、お客様にご負担いただいております

③減価償却費 △2億31百万円

④その他 +7億20百万円

支払手数料(+2億23百万円)

賞与引当金繰入額(+2億73百万円)

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Please turn to page eight for selling, general, and administrative expenses.

SGA totaled JPY20,348 million, up 6.9% YoY. The main reasons for the increase include 7.2% YoY increase in salaries and bonuses due to the payment of monthly achievement incentives and an increase in part-timer headcount and hourly wages; 9.2% YoY increase in freight and packing expenses due to higher shipment volume and transportation costs associated with sales growth. Depreciation expenses decreased 7.3% YoY mainly due to the expiration of software amortization period.

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【連結】設備投資一覧

(単位:百万円)

令和6年(2024) 主な設備投資 内訳		投資予定総額	令和6年(2024) 2Q投資実績	令和6年(2024) 2Q投資実績 合計	令和6年(2024) 投資計画
土地 建物	プラネット愛知新築計画	20,000	5,808	7,846	18,078
	トラスコ セントラルビル(大阪本社)改修	1,100	645		
	長野県須坂市 土地取得	929	929		
	プラネット埼玉 テント倉庫新築	500	223		
	プラネット新潟新築計画	16,600	—		
その他	—	241			
デジタル	商品データベース「Sterra(ステラ)」機能強化	1,300	118	1,091	3,600
その他	—	973			
設備	トラスコ セントラルビル(大阪本社)改修	133	133	930	1,707
	プラネット埼玉「Skypod」導入	1,000	360		
	その他	—	437		
設備投資額				9,868	23,385

プラネット愛知

プラネット新潟

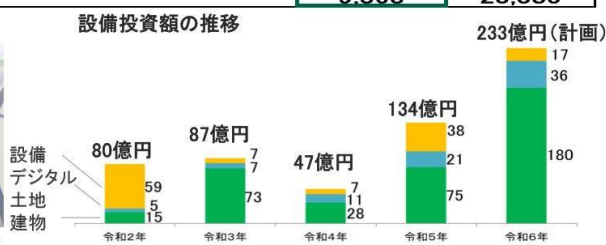
設備投資額の推移



2026年7月稼働予定



2026年9月稼働予定



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<設備投資額に関して>・設備投資予定額には、計画中のものも含まれているため、投資額は変動する場合があります。
・第2期はキャッシュアウトベースの金額で記載しております。

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Next, please see page nine for capital expenditures. For a detailed breakdown, please see the handout.

Capital expenditures for the period totaled JPY9,868 million, mainly for Planet Aichi, which is scheduled to be operational in 2026, and enhancements to the product database Sterra.

This concludes the review of business results for the interim period of the 62nd business year.

第62期通期予算の上方修正について

(令和6年(2024)8月9日に業績予想の修正を行いました)

売上高については、上期業績を反映して通期予算を修正しています。

売上総利益については、旧価格で購入した在庫の販売価格変更による利益幅拡大影響約3億円を下期予算に反映、また、得意先様の利便性向上を目的としたプロツール総合カタログ「トラスコ オレンジブック」のページ数増加に伴う約7.5億円の原価上昇を加味し、以下の通り、修正いたしました。

	令和6年(2024)12月期 期初予算	前年比	令和6年(2024)12月期 修正後予算	前年比	前年増減額	構成比
売上高	2,847億10百万円	+6.2%	2,900億00百万円	+8.1%	+218億45百万円	—
売上総利益	597億60百万円	+3.9%	602億69百万円	+4.8%	+27億46百万円	20.8%
販売費及び一般管理費	411億50百万円	+5.5%	411億57百万円	+5.5%	+21億53百万円	14.2%
(内、減価償却費)	63億75百万円	+2.7%	62億65百万円	+0.9%	+58百万円	2.2%
営業利益	186億10百万円	+0.5%	191億12百万円	+3.2%	+5億92百万円	6.6%
経常利益	188億50百万円	+1.0%	193億64百万円	+3.7%	+6億94百万円	6.7%
親会社に帰属する 当期純利益	147億40百万円	+20.1%	150億32百万円	+22.5%	+27億63百万円	5.2%
1株当たり配当金	49円00銭	+2円50銭	50円00銭	—	+3円50銭	—

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Next, please see page 10 for the details of an upward revision of the full-year earnings forecast for the current fiscal year announced on August 9.

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The revised budget plan for the 62nd business year include consolidated net sales of JPY290 billion, up 8.1% YoY; gross profit of JPY60,269 million, up 4.8% YoY; SGA of JPY41,157 million, up 5.5% YoY; operating income of JPY19,120 million, up 3.2% YoY; ordinary income of JPY19,364 million, up 3.7% YoY; profit attributed to shareholders of the parent company of JPY15,032 million, up 22.5% YoY; dividend per share of JPY50, up JPY3.5 YoY.

The full-year budget for net sales has been revised to reflect the upside in H1. As for gross profit, we expect a valuation gain of approximately JPY300 million in H2 on inventory items due to higher product prices. The increase in cost of sales reflects an increase of approximately JPY750 million due to the change from a 5- to 12-volume version of the pro-tool general catalog “Trusco Orange Book,” which was designed to improve convenience for customers.

From now, President Nakayama will explain our initiatives.

Nakayama: Hello again, I am Nakayama. Thank you for participating in today’s briefing at the venue and via online. We sincerely appreciate your visit despite such a hot temperature. Although it is getting cooler compared to the past few weeks, we hope you take care of yourselves and thrive in your businesses.

1. 同業他社との業績比較

(単位:百万円, %)

	1~6月売上高		1~6月経常利益	
	実績	前期比	実績	前期比
トラスコ中山	143,461	+9.2%	9,953	+7.4%
A社	263,271	+3.6%	7,641	△4.0%
B社	64,851	+1.7%	3,170	+5.1%
C社	22,248	+0.3%	1,019	△13.4%
D社	10,641	△0.7%	459	+11.7%
E社	14,063	△1.6%	339	+11.9%
F社	247,313	△2.3%	3,592	△49.2%
G社	21,308	△3.0%	105	△70.3%
H社	78,845	△7.4%	2,160	△40.5%

＜現在の業績の背景にあるもの＞

- ・大型物流センターを保有したこと
- ・多品種・大量の在庫による即納体制を構築したこと
- ・ニアワセ+ユーチョコなどユニークな物流サービスを提供したこと

※当社にて作成

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Let me start by explaining the information on page 12. This is a benchmark of our performance with our peers.

In talking with various people, I am often asked how business is going, including an overall trend of the industry. My wife also asks that question from time to time. On this page, we have aggregated and listed the performance of our peers for the cumulative period from January to June, regardless of their accounting closing month, be it December or March, or another month. The results for the company who closed the book in February are for November through May, which is not completely aligned.

In that comparison, our sales grew 9.2% YoY. You can see that the performance varies by company. My point is, unlike in the past, it is difficult to sum up the overall industry trend in one word.

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Therefore, we do not consider, for example, a 9.2% topline increase to be a great performance. Some of our peers suffered from a 7.4% YoY decrease, and they may say that the business is sluggish. Accordingly, it depends on the effort or creativity of each company that distinguish the performance.

To give you some drivers behind our performance, the first factor is that we own large logistics centers. We have been enhancing our logistics capabilities in the past 30 years. Some people have argued that such a big investment into logistics facilities might not be justifiable. However, I can say that our current performance is definitely thanks to those investments. This is where we are.

The other driver is that we have established a system of immediate delivery with a large inventory of wide variety of items. When I was a student, I was taught to minimize the inventory, but that was from the seller's perspective. From the buyer's perspective, it is definitely better to have a large assortment of products and abundant stock. This is how we have been increasing the number of items, which has led to strengthening our immediate delivery system. I think it is one of the reasons why we have been valued and appreciated by our customers and users.

In fact, thanks to our merchandise, our overtime work has been drastically reduced, as I mentioned before. We used to be called an employee-unfriendly company or toxic workplace, but now it is totally opposite. This is thanks to the wide assortment of items.

Because of that, we can fully take advantage of order intake via online, which can save the manual labor. Currently, the online order ratio is about 86%. No outage means no back orders, thus requiring less manpower. Having large assortment leads to efficiency improvement.

Next, please see the last bullet Niawase + Yuchoku. This may not be a word you are familiar with. Niawase means assortment, or packing as much of your order as possible in one box. When you shop online, you may have experienced that you receive several boxes for a single order, but we try to bundle the shipment as much as possible.

It also cuts the delivery time in half by sending it directly to the user, not to the customer who ordered it. This is Yuchoku. We can also cut the freight costs by half. This service is now very popular because it also reduces the environmental impact by half.

The service is a big driver behind our YoY sales growth, I believe. Simply put, it prompts customers to consolidate all orders into TRUSCO by taking advantage of our direct delivery to the users instead of placing separate orders to other wholesalers. I think this is why we are winning more orders.

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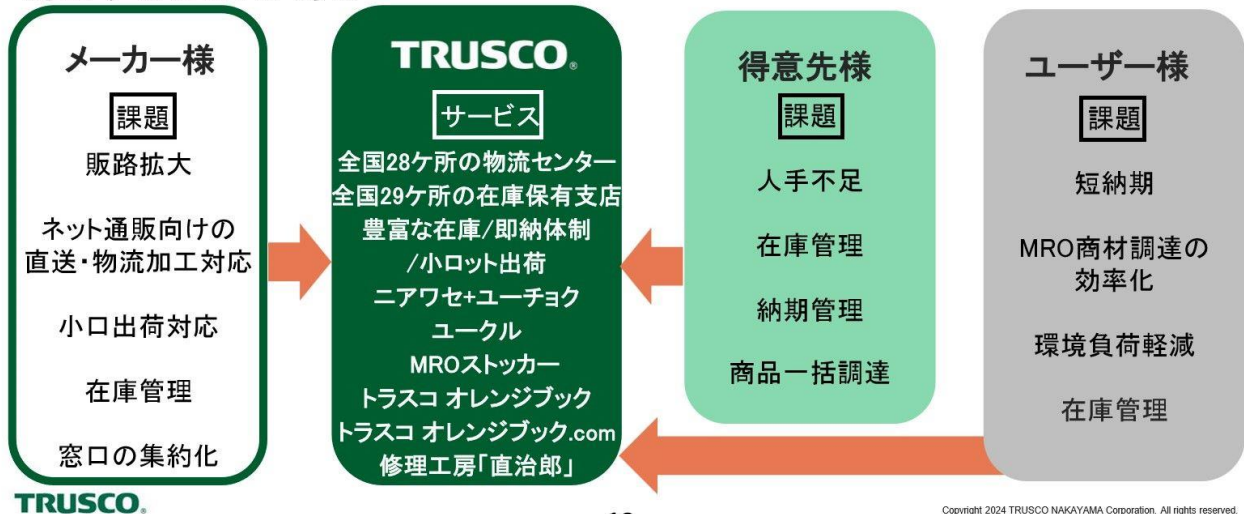
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2. ご注文は不便な会社から便利な会社へ流れる時代となった

TRUSCOには、メーカー様、得意先様、ユーザー様がそれぞれ抱える課題に対応するしくみがある



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Please move on to page 13. This is how the orders are flowing to the companies who offer convenience. When I first started working in this industry, I was often told to have guts, diligence, and perseverance. It was an era of sales rep's effort to compete for order wins, but now it is different. Customers put the priority on the convenience and how they can source the necessary items.

As shown here, each party, such as manufacturer, customer, and user, has its own issues. As written here, TRUSCO can provide solutions to such issues and has a system and framework that can provide such services.

We have logistics centers and inventory storage branches across the nation. We also offer various services to solve the issues of each of those parties.

For your information, Niawase + Yuchoku service is something that only TRUSCO can provide in the industry. Even outside our industry, this kind of service is basically impossible, which is the direct shipment to users from wholesaler, in this case, TRUSCO.

As I always explain, if we are a wholesaler of medicines, we do not send the medicines to hospitals or pharmacies but directly to patients. I think this is a service that matches the trend, but it may not have received a favorable evaluation in the stock market. I hope you get a better sense of our proprietary service today.

Support

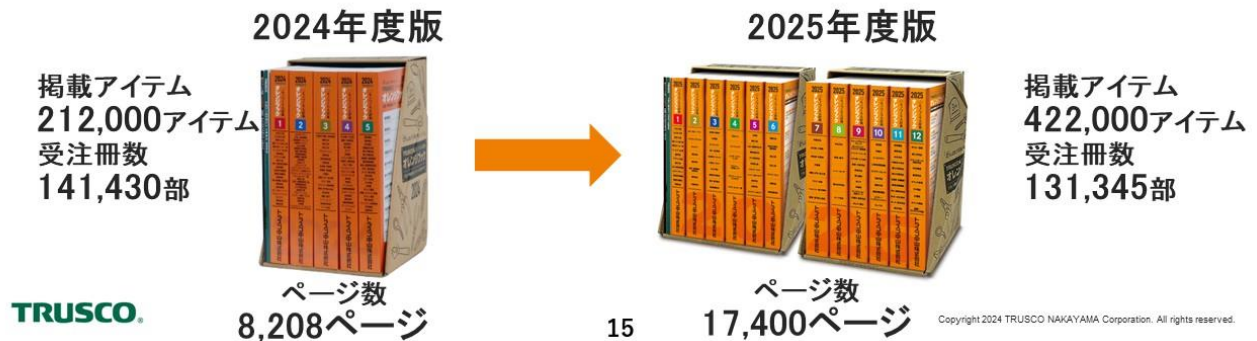
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4. トラスコ オレンジブックを従来スタイルに戻す

- ・資源節約とコスト削減を優先し過ぎたことによる大幅紙面削減により、オレンジブック掲載品が大幅に削減され、売上が減少したメーカー様も散見
未掲載による売上損失は50億円～60億円と推測される(お取引様の業績にも影響を与えた)
- ・「取り扱いをする以上は在庫をする」+「在庫をする以上はオレンジブックに掲載する」基本ポリシーに今一度立ち返り、環境にも、コストにも配慮したオレンジブックに再生



Page 15 is about the review of Trusco Orange Book to its previous format, which will be done in next year.

The renewal had some benefits of cost reduction and environmental preservation, but too much focus on these factors resulted in a much reduced number of items listed in the catalog. Despite the stock and availability, some items are excluded from it.

We had thought that the customers can alternatively search them online, but this proved to be wrong. For some brands, they suffered sales decrease by not exposing their items to the catalog. My guess is that the opportunity loss of unlisted items may total JPY5 billion or JPY6 billion, give or take. Anyway, the reduction in the pages of catalog affected the sales performance.

We sincerely regret the impact it caused on our customers' and suppliers' sales, not to mention our own. Our policy is to ensure inventory for every item we merchandise. As long as we have stock, we make sure to put them in the Orange Book, our catalog. This is our basic policy, and we would like to go back to the basics.

This year's edition, the 2024 edition, has a total of 8,208 pages. Next year's edition will have almost double the number of pages, 17,400, and is heavy, weighing about 20 kg. Again, we will put it back to the original state. However, we aim to be a little more creative in terms of the environmental preservation.

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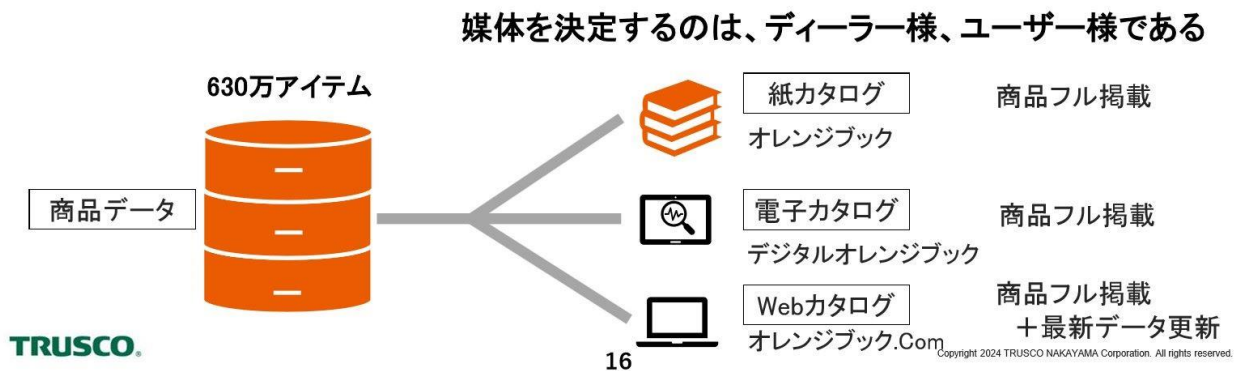
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4. トラスコ オレンジブックを従来スタイルに戻す

・4月1日付でオレンジブック本部を立ち上げ、信頼回復に努める

・製造現場では、スマートフォンの持ち込み禁止、パソコンでの外部接続禁止等の制限があるところもあり、商品選定に紙カタログを利用される場面も多い



Next, please see page 16 for some background of catalog review. Why do we need a paper catalog in the Internet era? In the manufacturing industry, there are some stringent rules to prohibit staff from bringing smartphones or connecting their PCs online. When they select MROs, it is still common that they use paper catalogs. Therefore, the paper catalog plays a significant role.

As stated here, we have product data on approximately 6.3 million items, and to showcase those items, we use different media such as the paper version of the Orange Book, the electronic version of the Digital Orange Book, and the web version of the OrangeBook.Com.

However, it is up to the dealers or users to choose the media they like. Our job is to sort the items nicely and offer a convenient way for their selection.

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4. トラスコ オレンジブックを従来スタイルに戻す

・2023年度版オレンジブックに対するご意見

〈肯定意見〉

- ・QRコードでの商品検索が習慣化されたことで、最新情報が取得しやすくなった
- ・価格が下がったことで経費削減につながった

〈否定意見〉

- ・ユーザー様から販売店様への問い合わせ増加した
- ・2023年版オレンジブックだけで商品選定が完結できなくなり不便になった
- ・オレンジブック(紙面)からのみ商品選定されるユーザー様の売上減少した
- ・隔年でも良いのでフルバージョンを発刊して欲しい
- ・オプション品、色違い品の掲載がなく情報が不足している
- ・QRコードからの検索は手間がかかるため利用しない

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On the next page, we have listed some of the feedback. There were positive comments. However, we also received negative feedback such as “the renewed catalog led to redundant work,” as the inquiries from users to dealers increased via phone or e-mail. We feel sorry for the inconvenience it caused for dealers. Also, some say that they can’t complete the whole process on the Orange Book any longer and it became cumbersome.

It is not shown here, but we also got much harsher opinions such as “we will never order another Orange Book.*” Again, we sincerely regret the trouble it caused, and plan to redo the catalog.

* The Trusco Orange Book is not distributed free of charge, but is available for purchase.

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5. トラスコ オレンジブックの新しい取組み

- ・2025年度版 トラスコ オレンジブックより代表商品(7万5,382アイテム)のCO₂排出量を掲載
- ・CO₂排出量を元に商品を選定・購入できるようになることでモノづくり現場の脱炭素化を支援



UVEX Phynomic XG
"フィノミック XG"
ドイツ

特長

- 優れた指先触感性で、最高のオイルグリップ性能があります。
- 優れた耐摩耗性・耐久性と高レベルの通気性があります。

仕様

- 厚さ:0.8~1.2mm
- 15ゲージ編

材質

- 繊維部:ポリアミド、エラストイン
- すべり止め部:アクアポリマー
- Xtra Gripフォームコーティング

製造国

- ドイツ



CO₂
0.26

(単位: kg-CO₂)

発注単位1双		UVEX社 [130111]									
発注コード	品番	販売価格 (1双)	カラー 名称	色	サイズ	全長 (cm)	手のひら周り (cm)	中指長さ (cm)	梱包数 (双)	質量 (g)	実績 (販売数)
819-9322	6007066	¥1,127	オープン	ブラック	XS(6)	22.0	17.0	6.9	100	29	82(79)
819-9323	6007067	¥1,127	オープン	ブラック	S(7)	23.0	19.0	7.1	100	29	236(66)
819-9324	6007068	¥1,127	オープン	ブラック	M(8)	24.0	22.0	7.3	100	38	129(104)
819-9325	6007069	¥1,127	オープン	ブラック	L(9)	25.0	24.0	7.7	100	38	169(86)
819-9326	6007070	¥1,127	オープン	ブラック	XL(10)	26.0	27.0	7.8	100	38	175(75)

お問い合わせ:0120-509-849

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Please move on to page 18. We are now in an era where CO₂ emission and other factors should be considered upon procuring goods and supplies. We already started to disclose those factors with a simple label on our catalog. At this point, we don't cover all the items, but as many items based on the information available. From next year, we will put those labels for approximately 75,300 items.

Another point is about the listing criteria of catalog. When I visited one manufacturer the other day, I realized that until now we have always been selling, cataloging, and stocking products from our own perspective based on the likelihood of sales volume.

Even among the items offered by the same brand, sales performance varies. We have been selecting the items for catalog based on the estimated sales volume and excluding ones that will likely not sell well. However, from the user's perspective, since we carry items for a particular brand, we should think about their necessity rather than our own sales opportunity. Therefore, in 2026, we plan to list more items manufactured by the brands we merchandise.

I am not sure if it can contribute to the sales of that brand. It may end up with customers mistakenly placing orders with us rather than the manufacturer, but we intend to make our catalog more user-friendly.

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6. プラネット愛知進捗状況

プラネット愛知の役割

- ①在庫100万アイテム保有可能拠点
- ②東海～西日本全域の物流強化
- ③「ニアワセ+ユーチョク」機能強化の重点拠点
- ④MRO商材調達においてユーチョクを業界の主流に

2025年 1月 建屋竣工
2024年12月～2025年12月 物流機器設置工事
2025年 8月～2026年 6月 在庫搬入作業、出荷テスト
2026年 7月 出荷開始

所在地 : 愛知県北名古屋市名古屋 19 街区 1～39-4 他
アクセス : 名鉄犬山線 西春駅より約 2.5 km(車で9分)
敷地面積 : 12,595 坪 (41,634 m²)、延床面積: 26,795 坪 (88,579 m²)
建物構造 : 複合構造(柱 RC 梁 S 構造)、免震構造、倉庫4階・事務所4階
在庫数・能力: 100万アイテム、出荷行数10万 行/日
建屋竣工 : 2025年1月(予定)、出荷開始: 2026年7月(予定)
設計・施工 : 大成建設株式会社様
投資金額 : 約300億円(土地・建物: 約200億円、設備: 約100億円)

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右記より建設状況をご覧いただけます
(2024年8月8日時点)



I-Pack®[高速自動梱包出荷ライン]
を4ライン導入(将来的に6ラインへ)

国内最大級のAutoStore(10万ビン)
を導入し、100万アイテムの即納体制
を構築

19

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Please move on to page 19. I am pleased to report that we are making progress on the construction of Planet Aichi.

We are currently constructing a large-scale logistics center in Kitanaogoya City. For your information, it is exactly twice the size of Planet Saitama, and I believe it will be the largest toolbox in Japan, both in name and capability. We plan to make it a facility that can accommodate one million items. We are also trying to strengthen logistics from Tokai area to all of western Japan and to enhance the function of Niawase + Yuchoku.

We aim to make our proprietary service of Niawase + Yuchoku a de facto industry standard for MRO procurement. We do something that others don't, and we are determined to pursue that effort.

The building will be completed in January of next year, followed by the installation of distribution equipment and deploying inventory. Shipments will start in July 2026. Although the project is still almost two years away, we would like to expedite it as much as possible.

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6. プラネット新潟進捗状況

プラネット新潟の役割

- ①ホームセンタールート向け納品体制の強化
- ②ファクトリールート向け大物商品出荷センター
- ③海外一括仕入れ商品ストックセンター
- ④新潟支店向けの在庫確保

2026年 2月 建屋竣工
2025年12月～2026年7月 物流機器設置工事
2026年 4月～2026年9月 在庫搬入作業、出荷テスト
2026年 9月 出荷開始

所在地 : 新潟県三条市福島新田字松橋下丁431番2
アクセス : 上越新幹線 燕三条駅より7km(車で15分)
敷地面積 : 7,956坪(26,300㎡)、延床面積:14,221坪(47,010㎡)
建物構造 : 複合構造(柱RC 梁S 構造)、免震構造、消雪装置、倉庫4階・事務所3階
在庫数・能力: 保管点数:16万アイテム、出荷行数3.5万行/日
建屋着工 : 2024年8月、建屋竣工:2026年2月(予定)、出荷開始:2026年9月(予定)
設計・施工 : 株式会社日建設計様、鹿島建設株式会社様
投資金額 : 約180億円(土地・建物:約166億円、設備:約14億円)

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当社最大のパレット
自動倉庫(6,648PL)を導入

プラネット埼玉と合わせて、
東日本全体で約80万アイテム
の即納体制を構築

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Planet Niigata is also now under construction. The main focus there is to strengthen the delivery system for home centers. We also plan to make it a stock center where we can store a large quantity of inventory for relevant items.

In addition, the Niigata site is conveniently located for import from overseas, especially from South Korea and China via the Sea of Japan. The shipping route can be shortened, and costs can be lowered. Planet Niigata can also serve as a stockyard for import.

I don't mean to be rude, but only those who have warehouses succeed in the wholesale industry. Those who don't will not be able to survive. That is how it is in our business. We aim to keep investing in logistics facilities for the growth.

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7. 新卒採用制度「TRUSCO リトライ制度」新設

- ・選考プロセスにおいて惜しくも不採用になった学生の中で引き続き当社への入社を希望し熱意のある学生に再チャレンジの機会を提供
入社後1年目に経験する物流業務に3日間従事 ⇒ 熱意や適性を総合的に判断し選考
- ・「TRUSCO リトライ制度」2025年卒実績：応募者10人、合格者4人
- ・当社とのマッチ度が高く、熱意をもって長期的に活躍できる人材の採用を目指す



2024年入社
83名(大卒52名、高卒31名)
2025年採用計画
150名(大卒80名、高卒70名)
現時点の2025年内定受諾者数
大卒102名(前年比+50名)

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21

Page 21 is our newly launched initiative for new graduate recruitment, which is called TRUSCO Retry System. What it does is that we give opportunities for the students who failed during the job interview process.

I was told that about 70 students were disqualified during the hiring process this year, which is a shame. I used to joke with the staff that I wondered if you guys had made the right decision. It led to an idea of the Retry System. However, we decided to go with something like an internship instead of another job interview. We would ask them to work at our logistics centers for three days.

We had 10 applicants this year, and considering their aptitude in cargo handling, comprehension, and various other factors, we hired four of them. We don't know how this will turn out, but we would like to continue our recruitment activities in a variety of ways.

83 people joined the Company in 2024, and we plan to have 150 in 2025. At this point, we have 102 university graduates who have accepted the job offers, which is 50 more than last year, and we are very grateful for that.

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Question & Answer

事前質問

Q.

御社の安定的な増益基調に対し、同業他社さんの減収や減益が目立ちますが、格差につながった最大要因は何だと言えますか？

また、この先、対応次第で大きな差がつくリスク、外部要因（配送インフラ、システム費用、天災対策など）として何に注目されていますか。

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Nakayama [M]: Please see page 23 for the question we received in advance.

Participant [Q]: Your company's stable profit growth has been in contrast with your peers who suffer topline and profit decrease. How do you see the biggest driver to distinguish your performance? What risks, external factors, etc., do you see that could make a big difference in the future depending on how they are handled?

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事前質問

A.

- ・約30年にわたる在庫・物流という本質に目を向けた経営・設備投資がようやく認められる時代となってきた
- ・当社は物流センターを社員により自社運営することができており、物流2024年問題は当社にとって追い風である
- ・システム費用の高額化は避けては通れないが、人海戦術で片づけられる問題ではない
- ・あらゆる災害を想定し、被害を最小限に食い止める努力をしている
当社取扱商品には、災害発生時の復興商品も多いため、災害発生直後より商品供給を行うことが使命と考えている
よって災害発生後の業績は、更に他社との格差が開くものと考えている

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Nakayama [A]: We have written our answer on the next page, page 24. This is a bit old story which dates back 30 years ago when I became the president. At that time, I said that TRUSCO would become the infrastructure in the industry such as to supply essential things like water, electricity, and gas.

We have strived to be viewed as indispensable infrastructure based on that policy, and have invested in the area of logistics, the core part of the business.

Logistics became something that people talk about nowadays, but nobody cared about or paid attention to it 30 years ago. We have persistently continued our effort since then.

I don't know if you are aware of this, but all of our new employees, including women, are assigned to a distribution center for one year and two months, and all of them would master the logistics business there. Of course, it is an intensive period to learn the basics, but through that, they would be equipped with the skills to operate those facilities on their own. Today, people have the option to use outside distribution warehouses. Even if you don't have staff, you can rely on 3PL providers. However, prices are expensive everywhere, and resources are scarce. Instead of relying on external capacity, we have something on our own. This is one of our strengths, so to speak.

Therefore, the so-called logistics 2024 issue is a tailwind for us, and we are not affected at all. We have been switching the delivery vehicles back to our own fleet, currently around 40% level. Drivers are also our own staff. We pay decent amount of salary, with no worry for them to be headhunted or leaving us. There is no turnover or transfer to another company. This is another advantage.

I like the phrase "not to use people with cheap salary." If you cut the labor costs, they may praise you as a skilled manager, but every one of the employees has his or her own living. To lead a comfortable life, they need a pay that they deserve. I don't have any intention to cut the labor costs. The reason we enjoy good retention and suffer no big issue is partly because of our compensation scheme, I believe.

Also, IT system expenses tend to be higher, which is inevitable. Competition based on manual labor doesn't scale. I think it is important to leverage a digital technology and system. It is like building a stonewall around

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the castle. We have to do that. We are going to do what we can and move forward, including the investment into IT systems and distribution facilities.

We also work to minimize damage from all possible disasters. Since many of the items we carry are used for disaster recovery, we consider it our mission to supply products immediately after a disaster strikes. Therefore, I believe that after the disaster, the gap between our performance and that of our peers will widen. Regardless of the severity or magnitude of disaster, we are ready to immediately ship the items from the day a disaster strikes. This is our big advantage, I think.

The next question on page 25 is about the Orange Book, which I have already explained, so I will skip the answer.

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事前質問

Q.

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事前質問

A.

- ・オレンジブックのページ数増加理由は15ページから17ページにてご説明の通りです
- ・ネット社会と言われるもののMRO商材(工場用副資材)の選定には紙カタログ「トラスコ オレンジブック」は必須である
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事前質問

Q.

物流2024年問題の影響はございますでしょうか。

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Participant [Q]: What about the impact of the logistics industry's 2024 issue?

事前質問

A.

- ・納品方法の約65%を物流センターや支店から販売店様への配達が占め、全国の最寄りの拠点からお届けしているため、輸送距離も短い
- ・かねてより社員による自社便化を進めている(自社便化率:44.6%)
- ・全国28か所の物流センター、29か所の在庫保有支店に地域ごとの需要に即した在庫を保有し、問屋でありながらユーザー様へ商品を直送する「ニアワセ+ユーチョク」(荷物詰合わせ+ユーザー様直送)をはじめとするお客様の業務負荷・物流負荷軽減につながる取組みを進めている
- ・以上のことから、物流2024年問題の影響はなく、弊社にとって追い風である

■納品区分



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Nakayama [A]: As mentioned on page 28, we have a fixed-cost based logistics system, which you can imagine like the Yamanote Line. The circular Yamanote Line goes round and round every day, and whether it carries many or few passengers, there are certain costs involved. In the logistics business, we are making every effort to run with a full load of goods so that we can deliver with full capacity, and freight rates will not increase

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even if the number of goods for delivery increases. I think such a system is something that also differentiates us.

The breakdown shows the delivery to dealers as 63.8%, consolidated shipment to dealers as 17.6%, and Yuchoku as 17.7%. That is the current situation, but we aim to expand Yuchoku further to offer convenience in the industry.

Some manufacturers are being affected by the logistics 2024 issue, such as delay in picking by one day, or requirement of package consolidation. Under the circumstance, they try to switch to the wholesalers that can properly stock and sell their products, and they are counting on us. That is how we capture more orders from them.

Dealers are also shifting away from a wholesaler who can't commit a delivery to the one that ensures proper turnaround. We are attracting their demand as well.

Excuse me if my statement has been unclear. That's all the answers for the pre-received questions. Thank you for your attention.

Moderator [M]: Thank you, President Nakayama. We will now move on to the Q&A session with participants. If anyone in the audience has questions, please raise your hand and tell us your name, affiliation, and question.

Mr.Komiya [Q]: My name is Komiya.

Since Mr. Nakayama is here, let me take this opportunity to ask something. My first question is about the details of the effect of price hike. You mentioned that it was conservatively estimated due to the lack of visibility, but how much effect did it bring in H1? You only forecast JPY300 million in H2, but is it due to the uncertainty, or is it a probable estimate based on the actual progress of the price hike after one or two years? I appreciate the assumption of your estimate, and how you see it in H2.

Nakayama [A]: In terms of valuation gains from inventory, I can only estimate, I am sorry. What I can say is, it has been a while since the price hike, so the effect is pretty much subsided or materialized, we think.

Our forecast for H2 is around JPY300 million, but it may be a bit above, or below that. Again, we can only speculate.

Mr.Komiya [Q]: JPY300 million in H2 compared to JPY700 million in H1, is that right?

Nakayama [A]: That's right.

Mr.Komiya [M]: Thank you.

Nakayama [A]: For your information, it was JPY2.3 billion in full-year last year. Our H1 estimate of JPY700 million is much smaller, and we see a dwindling trend in H2 with JPY300 billion. This is just a rough estimate.

Mr.Komiya [Q]: H1 last year was somewhere around JPY1.4 billion, I guess. Last year, JPY1.4 billion in H1 and JPY 0.9 billion in H2.

Next question is about page 14. I found the Niawase + Yuchoku quite an interesting or amazing service. If I simply calculate the sales per package, it is about JPY6,000. I just divided JPY35.6 billion by 6.2 million units.

You mentioned about the various advantages of TRUSCO. In the future, as you capture more orders consolidated into you, do you think that the sales per package will go up? Do you expect volume growth with

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no major increase in per-unit sales? Which scenario do you think would be better for your profitability or for your business growth?

Nakayama [A]: First of all, there is an issue of freight costs. Basically, it is borne by customers. In the case of direct shipment to users from e-commerce companies, it is paid by the EC operator. In the case of general dealers, they bear the freight costs. However, we pay the costs tentatively on behalf of them, and charge them afterward when we send the bill. It is like adding a packing cost in the invoice, but we ensure the recovery of that portion. Therefore, the burden of freights for Yuchoku is not so relevant to us.

An ideal scenario for us is to see the growth in both the amount per package and number of items. The key factor for that is to enrich our merchandising assortment. We already have enough items we carry, but that will lead to the economy of scale, I think.

For users, highly appreciate such a bundled delivery. With one order, one delivery, they can get all they need. This is exactly the service they want. We are confident that this service will continue to grow.

Mr.Komiya [M]: Thank you for the detailed answer.

Moderator [M]: Thank you. Does anyone have any other questions?

Mr.Hiramatsu [Q]: My name is Hiramatsu. My first question is the consolidation of sales route. At first, you seemed to struggle to drive the profitability, but it is improving in the e-business route and the home center route. I assume the price pass-through is being penetrated. Meanwhile, the factory route is still suffering low margin. Do you think its gross profit margin will improve over time?

Nakayama [A]: First of all, the most challenging channel of these three routes is the F-route. The old-fashioned practice still remains in sourcing activities, such as from whom to purchase. It will take time for various reasons. However, as our customers see the management succession to a new generation, their mindset is becoming more open.

They choose the most reasonable source. Recently I haven't heard many stories like retired managers influencing the procurement decisions. It became a lot easier for us to do business. We were the last comer in the industry, and still are. Because of less history compared to our peers, we had suffered a lot.

【supplement】

While some of the impact is due to the consolidation of trading areas, the main reason for the decline in the gross profit margin of the factory route in the first half of the current fiscal year is the decrease in inventory valuation gains.

In particular, last year there were many price revisions of products due to inflation, and the valuation gains on inventory purchased at the old prices had been increasing,

However, inventory valuation gains declined as the number of price revisions settled down, and the company as a whole saw a year-on-year decline of 0.7 billion yen in the first half of 2024,

In contrast to the factory route, where price pass-through has been proceeding steadily since immediately after the price revision, the e-business route and home center route, which had experienced price pass-on delays until last year, have gradually passed on prices, resulting in an improvement in gross profit margins.

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Mr.Hiramatsu [Q]: I understand. Thank you. Another question, which may be a bit technical, is that I had thought you would implement a free location method from Planet Saitama, but the document says you already have nine facilities with that method. I was surprised to see that. Is this something you would convert while doing your day-to-day operation?

Nakayama [A]: Not all of the nine logistics centers have been fully converted to that method yet, but certain a floor or section of each facility is being converted. It takes time to physically move them, so we are proceeding the work on holidays or other occasions to implement that method.

It has a lot of benefits. Fixed location method has many gaps in space. The key is to minimize such a dead space. We will drive our effort for conversion.

Mr.Hiramatsu [M]: I see, thank you.

Nakayama [M]: Thank you for your question.

Moderator [M]: Thank you. Does anyone have any other questions? Since there seem to be no questions, we will now move on to the Q&A session from the online participants.

If you would like to ask a question, please press the “raise your hand” button. I will unmute the person who raised hand. Please then tell your name, affiliation, and question.

Mr. Watanabe, please go ahead.

Mr.Watanabe [Q]: I am Watanabe. I have two questions.

First question is about the 2024 issues in logistics industry, something you partly answered in the pre-received question. Sorry for my ignorance, but since your peers have to raise the freight fees due to the lack of drivers and constraints, you can demonstrate your competitiveness in that regard. Is it correct?

Your competitors have no other option to raise the logistics service fees due to the 2024 issues, but you don't have to do that. Does it create your price advantage and attract more orders? Customers with limited budget will have to rely on you since other wholesalers are too expensive. Is there such a possibility?

Nakayama [A]: I think there are cases like that, but first of all, there are various degrees of obstacles to this logistics problem, such as the fact that the person who used to deliver the goods has quit and there is no one to replace him, that the freight is too expensive to send the goods, or that the delivery staff does not come to pick up the goods.

We believe that our ability to provide consistent deliveries is a great strength, and we would like to expand our business by focusing on delivering products to customers who are in need of them.

Mr.Watanabe [Q]: I see. The second question is also related to this. Earlier, you mentioned that your sales are growing, while others suffer a declining trend, and the situation varies per company. In that, do you think that the 2024 issue served as a catalyst to boost your share significantly?

Nakayama [A]: The 9.2% sales growth includes the contribution of Niawase + Yuchoku, although it is hard to quantify. I guess some of the growth was driven by the 2024 issue.

Watanabe [Q]: The issue materialized from April, and you felt some tangible effect. That also triggered an increase of your market share to some extent.

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Nakayama [A]: Unfortunately, we don't feel the impact of the 2024 issue, so I can't give you a definite answer. Of course, there are some requests of freight rate increase, but there is nothing that we are concerned about.

Therefore, we do not know how our peers have been affected.

Watanabe [M]: I see. Thank you.

Nakayama [M]: Thank you.

Moderator [M]: Thank you very much. If you have any other questions online, please let us know using the "raise your hand" button.

As there are no further questions, we will now conclude the Q&A session.

Nakayama [M]: Any questions from the new graduates? See you later then.

Moderator [M]: Thank you. If anyone has any further questions, please feel free to contact us by e-mail or, as appropriate, for interview requests.

We have one announcement to make. The movie *Last Mile*, in which our logistics facilities, Planet Saitama and Planet Kita-Kanto, were used as filming locations, has been on the roadshow at nationwide theaters since Friday, August 23. It features some hot topics such as online shopping and logistics issues. Please see it at the theater if you like.

This concludes the presentation of the interim financial results of Nakayama Corporation for the 62nd business year ending December 31, 2024.

Webinar participants will be taken to a short survey regarding this session after watching. We appreciate your feedback.

Thank you very much for your kind attention to the end.

[END]

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