



**TRUSCO Nakayama Corporation**

Financial Results Briefing for the Fiscal Year Ended December 2023

February 9, 2024

## Event Summary

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|                             |   |  |
|-----------------------------|---|--|
| <b>[Company Name]</b>       | TRUSCO Nakayama Corporation   |  |
| <b>[Company ID]</b>         | 9830-QCODE  |  |
| <b>[Event Language]</b>     | JPN   |  |
| <b>[Event Type]</b>         | Earnings Announcement   |  |
| <b>[Event Name]</b>         | Financial Results Briefing for the Fiscal Year Ended December 2023              |  |
| <b>[Fiscal Period]</b>      | FY2023 Annual   |  |
| <b>[Date]</b>               | February 9, 2024  |  |
| <b>[Number of Pages]</b>    | 25  |  |
| <b>[Time]</b>               | 15:30 – 16:34<br>(Total: 64 minutes, Presentation: 39 minutes, Q&A: 25 minutes) |  |
| <b>[Venue]</b>              | Webcast   |  |
| <b>[Venue Size]</b>         |   |  |
| <b>[Participants]</b>       |   |  |
| <b>[Number of Speakers]</b> | 6   |  |
|                             | Tetsuya Nakayama  | President  |
|                             | Atsushi Kazumi  | Director, General Manager of the Business Management Department and General Manager of the Digital Service Strategy Department |
|                             | Mayumi Takada   | Manager of Corporate Planning Department   |
|                             | Atsushi Shimozu   | Manager of Accounting Department   |
|                             | Kyoko Yoshimi   | Manager of Public Relations & Investor Relations, Corporate Planning Department  |
|                             | Mika Takahashi  | Public Relations & Investor Relations Section, Corporate Planning Department   |
| <b>[Analyst Names]*</b>     | Tomoki Komiya   | Mitsubishi UFJ Securities Holdings   |

\*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

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**Takahashi:** Thank you for waiting. Now we will begin TRUSCO Nakayama Corporation's financial results briefing for the fiscal year ended December 2023, the 61st business year. Thank you for joining us today despite your busy schedule.

I'm Mika Takahashi from Public Relations & Investor Relations Section, Corporate Planning Department, and I will be your moderator today. Today's event will be a hybrid of on-site and online session.

Now, I would like to introduce today's attendees from the Company.

Tetsuya Nakayama, President.

**Nakayama:** Hello, I'm Nakayama. It's a pleasure to meet you all.

**Takahashi:** Atsushi Kazumi, Director, General Manager of the Business Management Department and General Manager of the Digital Service Strategy Department.

**Kazumi:** It is Kazumi. Thank you.

**Takahashi:** Mayumi Takada, Manager of the Corporate Planning Department.

**Takada:** I am Takada of the Corporate Planning Department. Thank you.

**Takahashi:** Atsushi Shimozu, Manager of the Accounting Department.

**Shimozu:** I am Shimozu. Thank you.

**Takahashi:** Kyoko Yoshimi, Manager of Public Relations & Investor Relations, Corporate Planning Department.

**Yoshimi:** I am Yoshimi. Thank you.

**Takahashi:** Thank you in advance for your corporation.

I will continue with a brief overview of today's proceedings. First, I, Takahashi, will provide an overview of our financial results, and then President Nakayama will explain our initiatives. After the explanation, there will be time for questions and answers. The financial results briefing will end when the Q&A session is over. The briefing is planned to take approximately one hour.

And a reception will be held from 4:40 PM at the Green Terrace Café on the 11th floor. You can join the reception without prior application, please contact the nearest staff member.

For the Q&A session, questions will be answered in the following order: advance questions, on-site participants, and 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. First, please see the presentation material of the briefing. We would appreciate it if you could take a look at the other documents when you have time. We will be projecting materials on the screen as well, but you can also download them from our website, so please use them.

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## 【連結】経営成績

|                | 令和4年(2022)12月期(第60期) 実績 |       |         | 令和5年(2023)12月期(第61期) 実績 |       |         |        |
|----------------|-------------------------|-------|---------|-------------------------|-------|---------|--------|
|                | 実績                      | 構成比   | 前年比     | 実績                      | 構成比   | 前年比     | 予算比    |
| 売上高            | 2,464億53百万円             | -     | +8.6%   | 2,681億54百万円             | -     | +8.8%   | +0.8%  |
| 売上総利益          | 521億60百万円               | 21.2% | +9.4%   | 575億22百万円               | 21.5% | +10.3%  | +1.0%  |
| 販売費及び一般管理費     | 374億93百万円               | 15.2% | +8.1%   | 390億3百万円                | 14.5% | +4.0%   | △0.1%  |
| (うち減価償却費)      | 66億67百万円                | 2.7%  | △3.8%   | 62億6百万円                 | 2.3%  | △6.9%   | △3.1%  |
| 営業利益           | 146億67百万円               | 6.0%  | +12.8%  | 185億19百万円               | 6.9%  | +26.3%  | +3.3%  |
| 経常利益           | 150億65百万円               | 6.1%  | +11.1%  | 186億69百万円               | 7.0%  | +23.9%  | +2.5%  |
| 親会社株主に属する当期純利益 | 106億26百万円               | 4.3%  | △8.4%   | 122億68百万円               | 4.6%  | +15.4%  | +0.6%  |
| 1株当たり当期純利益     | 161円15銭                 | -     | △14円71銭 | 186円05銭                 | -     | +24円90銭 | +1円19銭 |
| 1株当たり配当金       | 40円00銭                  | -     | +4円50銭  | 46円50銭                  | -     | +6円50銭  | ±0円    |
| PB売上高          | 458億76百万円               | 18.6% | +5.6%   | 483億13百万円               | 18.0% | +5.3%   | △3.4%  |
| 設備投資額          | 47億99百万円                | -     | -       | 134億69百万円               | -     | -       | -      |

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First, I would like to explain our business performance. Please see page three.

Consolidated net sales for the 61st business year were JPY268,154 million, up 8.8% YoY and 0.8% from the budget; gross profit was JPY57,522 million, up 10.3% YoY and 1% from the budget; and SG&A expenses were JPY39,003 million, up 4% YoY and down 0.1% from the budget, including depreciation of JPY6,206 million, down 6.9% YoY and down 3.1% from the budget.

Operating income was JPY18,519 million, up 26.3% YoY and 3.3% from the budget; ordinary income was JPY18,669 million, up 23.9% YoY and 2.5% from the budget; and profit attributable to owners of parent was JPY12,268 million, up 15.4% YoY and 0.6% from the budget.

Net income per share was JPY186.05, up JPY24.90 YoY and JPY1.19 from the budget; dividend per share was JPY46.50, up JPY6.50 YoY and the same from the budget; private brand sales were JPY48,313 million, up 5.3% YoY; and capital expenditures were JPY13,469 million.

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## 決算ダイジェスト

|  |  |   |
|--|--|---|
| 売上高                   | 2,681億54百万円<br>(前年比+8.8%)                | ・約59万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」(荷物詰合わせとユーザー様直送)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を強化       |
| 売上総利益                 | 575億22百万円<br>(前年比+10.3%)                 | ・値上げ前に旧価格で購入した在庫の価格改定後の販売において利益幅が拡大した影響(約23億円)<br>・仕入価格の販売価格転嫁が進んだことによる影響                           |
| 販売費及び一般管理費            | 390億3百万円<br>(前年比+4.0%)<br>(前年差額+15億9百万円) | ・人件費(+約10億円、達成インセンティブ支給、臨時ボーナス支給による影響)<br>・運賃及び荷造費(+6億31百万円、売上高増加、輸送コスト増加に伴う影響)<br>・減価償却費(△4億61百万円) |
| 特別損失   | 9億13百万円                                  | ・株式評価額見直しのため損失計上<br>GROUND(株)(△5億00百万円)<br>(株)シナモン(△3億16百万円)  |
| 親会社株主に<br>帰属する四半期純利益  | 122億68百万円<br>(前年比+15.4%)                 | ・価格改定前に仕入れた在庫の販売価格変更等による売上総利益率の上昇、販売費及び一般管理費が売上増加に対して抑えられたことにより、前年比+15.4%                           |

Please see page four. This is about the digest of financial results.

Net sales increased 8.8% YoY due to the consolidation of our trading area, which is a result of our abundant inventory of approximately 590,000 items, Niawase+U-choku services, use of state-of-the-art logistics equipment, and measures to improve customer convenience and reduce environmental impact, such as package consolidation and direct delivery to users.

With regard to gross profit, as in the previous year, inflation caused price increases for many products in the current business year. Sales of inventory purchased at the old price before the purchase price increase after the selling price revision led to an increase in profit margin of approximately JPY1.4 billion in H1, approximately JPY1 billion in H2 and approximately JPY2.3 billion for the full year.

In addition, progress was made in transferring purchase prices to selling prices, although there were delays in transferring prices in some segments. As for SG&A, personnel expenses increased approximately JPY1 billion YoY mainly due to the payment of monthly achievement incentives to employees and provision of extra bonuses. Meanwhile, freight and packing expenses increased approximately JPY600 million YoY in line with the increase in sales.

Depreciation decreased approximately JPY0.5 billion YoY and approximately JPY0.2 billion-minus from the budget due to the expiration of software amortization period. SG&A expenses were consequently 4% higher YoY and almost in line with the budget of the plan.

In addition, we recorded an extraordinary loss of approximately JPY800 million to review the valuation of shares of GROUND Inc. and Cinnamon Co., Ltd. with whom we entered into a capital and business alliance in 2021. And net income attributable to owners of parent was up 15.4% YoY.

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## 【連結】セグメント別実績

|            | 令和4年(2022)12月期(第60期)通期 実績 |        |        |        | 令和5年(2023)12月期(第61期)通期 実績 |        |        |       |        |        |
|------------|---------------------------|--------|--------|--------|---------------------------|--------|--------|-------|--------|--------|
|            | 売上高                       |        |        | 売上総利益率 | 売上高                       |        |        |       | 売上総利益率 |        |
| 販売ルート      | 実績                        | 構成比    | 前年比    | 実績     | 実績                        | 構成比    | 前年比    | 予算比   | 実績     | 前期末比   |
| ファクトリールート  | 1,706億6百万円                | 69.2%  | +5.1%  | 21.2%  | 1,821億88百万円               | 67.9%  | +6.8%  | +0.1% | 21.5%  | +0.3pt |
| eビジネスルート   | 515億76百万円                 | 20.9%  | +16.2% | 22.1%  | 591億21百万円                 | 22.1%  | +14.6% | +2.1% | 22.3%  | +0.2pt |
| ホームセンタールート | 221億62百万円                 | 9.0%   | +20.7% | 17.4%  | 242億60百万円                 | 9.0%   | +9.5%  | +3.0% | 17.4%  | ±0.0pt |
| 海外ルート      | 21億8百万円                   | 0.9%   | +24.4% | 35.8%  | 25億83百万円                  | 1.0%   | +22.5% | △1.8% | 34.4%  | △1.4pt |
| 全社合計       | 2,464億53百万円               | 100.0% | +8.6%  | 21.2%  | 2,681億54百万円               | 100.0% | +8.8%  | +0.8% | 21.5%  | +0.3pt |

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Next, please see page five. This shows the results by segment.

Factory route net sales were JPY182,188 million, up 6.8% YoY and up 0.1% from the budget; e-business route net sales were JPY59,121 million, up 14.6% YoY and up 2.1% from the budget; and home center route net sales were JPY24,260 million, up 9.5% YoY and up 3% from the budget. Meanwhile, overseas route net sales were JPY2,583 million, up 22.5% YoY and down 1.8% from the budget.

Each route has seen an increase in sales, thanks to the convenience of our comprehensive capabilities, including Niawase+U-choku, which use our inventory and logistics.

## 【連結】販売費及び一般管理費

実績: 390億3百万円 (前年比+4.0%、+15億9百万円)

| 勘定科目       | 令和4年(2022)12月期(第60期)通期 | 令和5年(2023)12月期(第61期)通期 実績 |          |           | 令和5年(2023)12月期(第61期)通期 予算 |
|------------|------------------------|---------------------------|----------|-----------|---------------------------|
|            | 実績                     | 実績                        | 前年増減額    | 前年比       |                           |
| ① 給料及び賞与   | 130億36百万円              | 134億51百万円                 | +4億15百万円 | +3.2%     | 135億92百万円                 |
| ② 運賃及び荷造費  | 76億30百万円               | 82億61百万円                  | +6億31百万円 | +8.3%     | 83億66百万円                  |
| ③ 減価償却費    | 66億67百万円               | 62億6百万円                   | △4億61百万円 | △6.9%     | 64億2百万円                   |
| ④ 賞与引当金繰入額 | 8百万円                   | 6億83百万円                   | +6億74百万円 | +8,181.8% | 2億64百万円                   |
| ⑤ その他      | 101億51百万円              | 104億1百万円                  | +2億49百万円 | +2.5%     | 104億30百万円                 |
| 合計         | 374億93百万円              | 390億3百万円                  | +15億9百万円 | +4.0%     | 390億40百万円                 |

①+④人件費 +約10億円

月次達成インセンティブ支給(総額3億19百万円)

臨時ボーナス支給(総額7億91百万円)

ロジスコース賞与支給月数の変更(前年比+1億56百万円)

参考)キャリア(国内・海外) 2022年771万円⇒2023年824万円(+53万円、+6.9%)

全社員平均※ 2022年661万円⇒2023年707万円(+46万円、+7.0%)

※役員・執行役員除く

②運賃及び荷造費 +6億31百万円

出荷量の増加による影響(+87百万円)

輸送コスト増加による影響(+2億7百万円)

内、ユーザー様直送増加による影響(+2億1百万円)

※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 △4億61百万円

ソフトウェア償却期間満了による影響

システム稼働の後ろ倒しによる影響

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Next, on page six, we discuss SG&A expenses.

SG&A for the full business year increased 4% YoY to JPY39,003 million, attributable to a YoY increase of JPY415 million in salaries and bonuses resulting from the payment of monthly achievement incentives and a change in the number of months for logistic course employee bonus payments. In addition, both net sales and profits reached new record highs, and the Company decided to pay a total of JPY791 million in extra bonuses to employees. For reference, the average salary of our career course employees was JPY8.24 million, up JPY530,000 compared to FY2022.

Next, freight and packing expenses increased JPY631 million YoY due to higher shipment volume and transportation costs according to increasing sales.

Depreciation decreased JPY461 million YoY due to the expiration of software amortization period.

## 【連結】設備投資実績

(単位:百万円)

| 令和5年(2023) 主な設備投資 内訳 |  | 令和5年(2023)<br>投資実績 | 令和5年(2023)<br>投資実績 合計 |
|----------------------|--|--------------------|-----------------------|
| 物流機器                 | プラネット愛知物流機器設備設置工事先行発注費用 (投資予定総額:約95億円) | 2,563              | 3,855                 |
|                      | プラネット東関東 第2パレット自動倉庫 (投資総額:約27億円)       | 319                |                       |
|                      | 堺ストックセンター パレット自動倉庫 (投資総額:約18億円)        | 419                |                       |
| デジタル                 | 商品データベース「Sterra」構築 (投資予定総額:約13億円)      | 905                | 2,111                 |
|                      | 基幹システム「Paradise」などの機能強化                | 312                |                       |
| 建物                   | 大阪本社移転先ビル 改修費用 (投資予定総額:約17億円)          | 900                | 7,503                 |
|                      | プラネット愛知新築計画 (投資予定総額:約181億円)            | 6,101              |                       |
| <b>年間設備投資額</b>       |  |                    | <b>13,469</b>         |



<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61期(2023)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 seven, capital expenditures. For a detailed breakdown, please see the document at hand.

The total amount was 13,469 million yen, including Planet Aichi, which is scheduled to start operation in 2026, a new automated pallet warehouse building at Planet Higashi-Kanto for inventory expansion, a new Sakai Stock Center, and improvements to the product database Sterra. This is all for the explanation of business results for the 61st fiscal year.

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## 第62期 通期 経営計画について

売上総利益については、在庫評価益約5億円の計上を考慮しております。  
販売費及び一般管理費については、達成インセンティブ支給による給料及び賞与の増加、ユーザー様直送増  
加による運賃及び荷造費の増加を見込んでいます。

|                   | 令和5年(2023)12月期<br>(第61期) | 構成比   | 令和6年(2024)12月期<br>(第62期)計画 | 構成比   | 前年増減額      | 前年比    |
|-------------------|--------------------------|-------|----------------------------|-------|------------|--------|
| 売上高               | 2,681億54百万円              | -     | 2,847億10百万円                | -     | +165億55百万円 | +6.2%  |
| 売上総利益             | 575億22百万円                | 21.5% | 597億60百万円                  | 21.0% | +22億37百万円  | +3.9%  |
| 販売費及び一般管理費        | 390億3百万円                 | 14.5% | 411億50百万円                  | 14.5% | +21億46百万円  | +5.5%  |
| (内、減価償却費)         | 62億6百万円                  | 2.3%  | 63億75百万円                   | 2.2%  | +1億69百万円   | +2.7%  |
| 営業利益              | 185億19百万円                | 6.9%  | 186億10百万円                  | 6.5%  | +90百万円     | +0.5%  |
| 経常利益              | 186億69百万円                | 7.0%  | 188億50百万円                  | 6.6%  | +1億80百万円   | +1.0%  |
| 親会社に帰属する<br>当期純利益 | 122億68百万円                | 4.6%  | 147億40百万円                  | 5.2%  | +24億72百万円  | +20.1% |
| 1株当たり配当金          | 46円50銭                   | -     | 49円00銭                     | -     | +2円50銭     | -      |

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Next, page 8, I would like to explain our business forecast for the present business year.

Consolidated net sales plan for the 62nd fiscal year is JPY284,710 million; gross profit JPY59,760 million; SG&A JPY41,150 million; operating income JPY18,610 million; ordinary income JPY18,850 million; profit attributable to owners of parent JPY14,740 million; and dividend per share JPY49. The above is our plans.

## 【連結】第62期 販売費及び一般管理費

計画: 411億50百万円 (前年比+5.5%、+21億46百万円)

| 勘定科目      | 令和5年(2023)12月期(第61期) |       | 令和6年(2024)12月期(第62期) |           |       |
|-----------|----------------------|-------|----------------------|-----------|-------|
|           | 実績                   | 前年比   | 計画                   | 前年増減額     | 前年比   |
| ① 給料及び賞与  | 134億51百万円            | +3.2% | 140億85百万円            | +6億33百万円  | +4.7% |
| ② 運賃及び荷造費 | 82億61百万円             | +8.3% | 88億80百万円             | +6億18百万円  | +7.5% |
| ③ 減価償却費   | 62億6百万円              | △6.9% | 63億75百万円             | +1億68百万円  | +2.7% |
| ④ その他     | 110億84百万円            | +9.1% | 118億10百万円            | +7億25百万円  | +6.5% |
| 合計        | 390億3百万円             | +4.0% | 411億50百万円            | +21億46百万円 | +5.5% |

①給料及び賞与 +6億33百万円

月次達成インセンティブの支給 (+1億88百万円)  
パート人員増加・時給増加(+1億78百万円)

②運賃及び荷造費 +6億18百万円

出荷量の増加、輸送コストの増加による影響(+3億67百万円)  
荷造梱包費増加による影響(+1億43百万円)

※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 +1億68百万円

大阪本社移転先ビル改修工事(+88百万円)  
プラネット大阪・プラネット埼玉出荷機器(+44百万円)

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Next, page nine, I will discuss SG&A for the 62nd business year.

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Salaries and bonuses will increase by JPY633 million YoY because of the provision of monthly achievement incentives, an increase in the number of part-time employees, and hourly wage hikes.

Freight and packing expenses will increase by JPY618 million YoY attributable to higher shipping volume, higher transportation costs, and increasing packing and packaging volume.

We expect to increase depreciation due to the renovation of the Osaka head office building, which is scheduled to be relocated in May this year, as well as due to increased shipping capacity. A total of JPY41,150 million is planned.

## 【連結】設備投資計画

(単位:百万円)

| 令和6年(2024) 主な設備投資 内訳 |   | 令和6年(2024) 投資計画 |        |
|----------------------|---|-----------------|--------|
| 設備                   | プラネット埼玉「Skypod」導入(総投資額:約10億円)             | 300             | 1,680  |
|                      | 配達用トラック、営業車購入(総投資額:約2億円)                  | 108             |        |
| デジタル                 | トラスコ オレンジブック.Com/オレンジコマース基盤強化(総投資額:約14億円) | 684             | 3,596  |
|                      | 基幹システム「Paradise」の基盤刷新・機能強化(投資予定総額:約7億円)   | 400             |        |
|                      | ECクロス構築(総投資額:約5億円)                        | 360             |        |
| 建物                   | プラネット愛知新築計画(投資予定総額:約181億円)                | 9,849           | 16,603 |
|                      | プラネット新潟新築計画(投資予定総額:約165億円)                | 5,600           |        |
|                      | 大阪本社移転先ビル 改修費用(投資予定総額:約17億円)              | 810             |        |
|                      | プラネット埼玉 テント倉庫新築(投資予定総額:約5億円)              | 335             |        |
| 年間設備投資額              |   | 21,879          |        |

プラネット埼玉「Skypod」導入



物流センター「プラネット愛知」



物流センター「プラネット新潟」



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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。

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Next, page 10, I would like to share capital expenditures for the present business year.

Capital expenditures for the present business year plan to invest approximately JPY21,879 million. As mentioned earlier, construction of buildings and installation of equipment for Planet Aichi are currently underway. In addition, a new tent warehouse construction and the introduction of logistics instrument, Skypod, are scheduled to be introduced at distribution centers and Planet Saitama, for further expansion of inventory items.

We will also invest in digital technology, such as the product search site, TRUSCO Orangebook.Com, and enhancements to our core system of Paradise. As regards the Three-Year Plan disclosed in the previous business year, we will strive to achieve the 11 capability targets, which are our aspirations, as our medium-term management capability targets.

President Nakayama will continue with an explanation of our initiatives. President Nakayama, please start.

**Nakayama:** Once again, ladies and gentlemen of the audience, thank you for taking time out of your busy schedule to join us today. Also, thank you to all of you who are watching online for staying with us today.

Now I would like to talk a little about the initiatives.

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As we just mentioned, the source of our company's growth is logistics. Courage, perseverance, hard work, and enthusiasm are all important, of course, but these are no longer keys to success. So we are going to focus on logistics investment.

Just as water flows from a high place to a low place, orders flow from inconvenient companies to convenient ones. Since that has become obvious, we would like to improve and refine our convenience.

In addition, M&A is often talked about these days, and we have attached a single A4 sheet showing the progress of the business and its results, as well as the progress and plans for key indicators.

What I am trying to say here is that many people make the mistake of thinking: if we were to acquire a company with sales of JPY100 billion, sales could increase JPY100 billion and the Company could grow accordingly. In fact, there are various items shown here, such as first, the number of items in inventory, the amount of inventory, the total number of suppliers, and the inventory shipment ratio. But we are determined to thoroughly improve these figures and items in the functions that the Company has.

So we make no acquisitions, but we grow by ourselves as an organic company. And we are carrying out a variety of brush-ups. Although we say that sales increased by JPY100 billion because we bought a company worth JPY100 billion, the contents of such company and our story are therefore slightly different. We are determined to continue to grow in this way.

M&A is said to be a panacea, but I believe it is important not to fall into the misconception of such panacea addition.

Another thing is that various investments, including logistics investments, are underway. But, generally speaking, people tend to assume the equation of training employees to grow a company, but it is a little different.

It is more correct to think that if you develop a company, people will follow and grow along with it. If you grow the company, people will follow and grow along with it. I think that is the way to look at it.

## 1. 他社に真似できないサービス・機能を更に強化する

### —重要指標の実績と計画—

#### (1) 取扱メーカーの拡大

2023年 3,509社 (+237社) ⇒ 2024年 3,709社 (+200社)

#### (2) 在庫アイテムの拡大

2023年 59万アイテム ⇒ 2024年 62万アイテム(+3万アイテム)  
(+3万アイテム)

#### (3) トラスコ オレンジブック.Com公開アイテムの拡大

2023年 410万アイテム ⇒ 2024年 540万アイテム(+130万アイテム)  
(+94万アイテム)

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Next, as I said earlier, it is not about power versus power, guts versus guts, or enthusiasm versus enthusiasm, but about how much we can create services that other companies cannot. This is important for success.

The first of these plans is the expansion of the number of manufacturers we handle. Last year, we dealt with about 3,500 companies, which, to put it simply, means that just by doing business with one company, you can obtain products from 3,500 companies through one-stop shopping, which is extremely convenient.

The second plan is to expand the number of items in stock. We have finally reached 600,000 items, and our goal is to reach 1 million items by 2030. In short, our basic power depends on the number of stock items.

The third plan is to expand the number of items available on TRUSCO Orange Book. Since physical catalogue has limits, we plan to increase user usage of the book on the website

## 1. 他社に真似できないサービス・機能を更に強化する

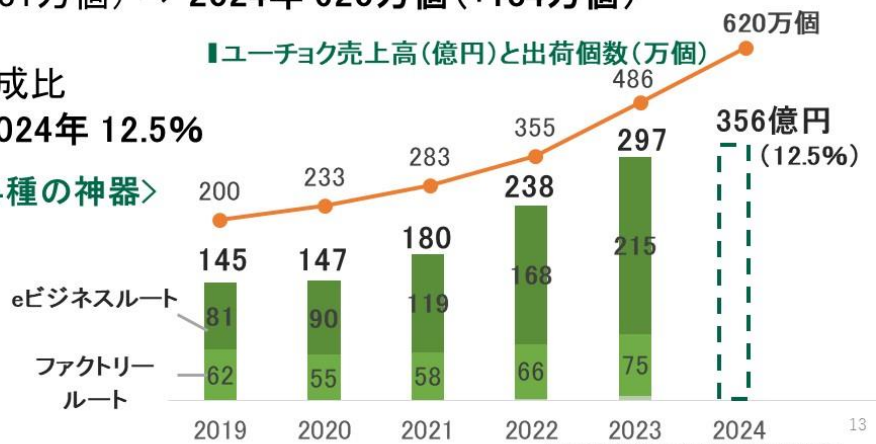
### (4) **大好評!**「ニアワセ+ユーチョク」サービスの強化 (荷物詰合わせ+ユーザー様直送)

2023年 486万個(+131万個) ⇒ 2024年 620万個(+134万個)

ユーチョク売上高構成比  
2023年 11.0% ⇒ 2024年 12.5%

#### <サービス実現のための4種の神器>

- ①豊富な在庫アイテム
- ②大型物流センター
- ③最先端の物流機器
- ④高度なデジタル技術



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Next is the fourth plan. The plan is to enhance the popular service, Niawase+U-choku. The service, which has been available for less than three years, is appreciated a lot. As you can see in the graph below, we delivered a total of 4.86 million packages in FY2023, not to our customers(Retailers), but to users of our customers. This is rare in the world.

It is rare for a wholesaler like us to ship directly to such users, but this has been very popular. So, if one of you, for example, orders a tool from Amazon, the shipping source is TRUSCO, and this will speed up the delivery time.

With function of Niawase, you need to pay charge not twice but once. I believe that not only our company, but also other companies in the wholesale industry, should be more and more involved in direct delivery to users from the standpoints of the environment and convenience.

If you are a wholesaler of pharmaceuticals, you can provide a targeted logistics service that sends drugs to patients, rather than to hospitals or pharmacies. If you are a wholesaler of pharmaceuticals, you can provide a targeted logistics service that sends drugs to patients, rather than to hospitals or pharmacies. We now work on this with the intention of making it a common practice in the distribution of machine tools to pack and deliver products directly to users.

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That still accounts for only 11.0%(Y 2023) of our overall sales. Looking at the current rate of progress, it will be possible to make it common sense in the near future.

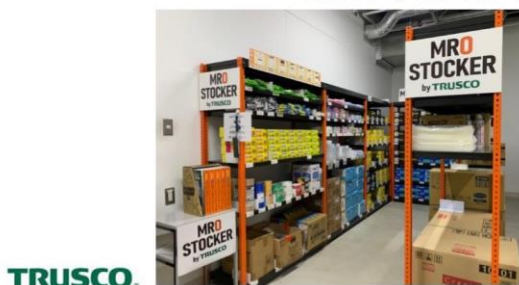
But it takes more than just talk to do this. First, you can't do Niawase+U-choku without an abundance of inventory anyway. We now have 600,000 items and need large distribution centers. Then we need state-of-the-art logistics equipment in it. In addition to that, advanced digital technology is necessary, and I hope that you will remember that this is not a device that can be easily copied by other companies.

## 1. 他社に真似できないサービス・機能を更に強化する

### (5)「MROストッカー」の売上拡大と設置拡大

設置数 2023年 1,203件 (+428件)⇒ 2024年 1,430件 (+227件)

売上高 2023年 3億48百万円(+1億53百万円)  
⇒ 2024年は1か所あたりの利用頻度拡大を目指す



—MROストッカー導入事例—  
在庫数: 146アイテム  
設置台数: 軽量棚7台  
〈主な在庫アイテム〉  
消耗備品(手袋、作業靴  
検査用採水瓶)

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Next is the MRO Stacker, which stores tools not medicines, has been well received. But although the number of installations has been increasing, sales are still low at JPY348 million. I would like to do my best this year to increase the sales a little more.

Anyway, we will place the necessary products in user's factories. Honestly speaking, there is no reason why these products do not sell; we will do our best to make them more useful in the future.

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### (6) ユーザー様商品引取サービス「ユークル」(仮称)

- ・ユーザー様のご来店による商品引取を積極拡大する
- ・お急ぎ商品の納期短縮、運賃低減、物流難品の荷造り梱包手間と運賃の削減
- ・ネット通販企業様に新たな物流手段のご提供となる
- ・ユーザー様との接点拡大→情報収集→売上拡大

#### ユーザー様商品引取サービスも在庫があるからこそできるサービス

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物流センター「プラネット埼玉」の  
商品引取スペース

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Next, the sixth service, which has not yet been launched, is called Youkle (tentative name), which is short for “users coming to us.” The service is tentatively named, but what it means is that if a user has a product that they are in a hurry to get, The service is tentatively named, but what it means is that if a user has a product that they are in a hurry to get, Instead of waiting for a customer, distributor, or online retailer to deliver a product that the user is in a hurry to get, the user can come directly to TRUSCO to pick up the product if there is one. If you have such a product, please come to TRUSCO to pick it up.

We still do this, but it is only a small part of what we do. So we plan to invite more and more people to visit us and see what they can do. First they can get products as soon as possible.

Then you can reduce costs such as delivery charges. And here's the other thing: this is the point. For online retailers, such as Amazon and MonotaRO, shipping is the only means of delivery.

The only way to ship is to pack them in a box and send them out, but by providing this service, we will be able to provide another distribution service, not only shipping, but also picking them up at TRUSCO.

We have a system in place, but we need to develop applications and do other things. And we do not yet offer this service on a large scale; we would like to do this as well.

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## (7) デジタルツールによる業務効率化

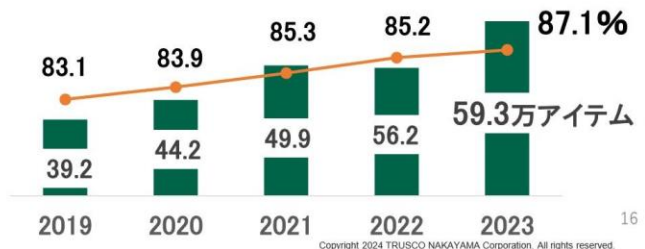
見積自動化率 2023年 27.6% (+5.0pt) ⇒ 2024年 31.0% (+3.4pt)

システム受注率 2023年 87.1% (+1.9pt) ⇒ 2024年 88.0% (+0.9pt)

年間見積行数(万行)と  
見積自動化率(%)の推移



在庫アイテム数(万アイテム)と  
システム受注率(%)の推移



Next is improving business efficiency. We have been using AI to automate the estimation process for many years now, and the percentage has reached 27.6%. The purpose of this is to solve an issue that the estimation process is extremely time-consuming and labor-intensive. We face a challenge that the order rate is low even though it takes time and effort.

So anyway, I tried to get back to you with an estimate as soon as possible. It was no good to take an hour, two hours, half a day, or even a day to get a reply, so we decided to do it quickly and called it Sokutou Meijin, which means “instant response expert.” The fastest one returns within five seconds of the input.

I am impressed that the system order rate has changed considerably to 87.1% now since days when no orders were received by the system, and all orders were received by salespeople and in-house personnel. Thanks to the inventory, system orders can be placed. This was the most important factor that enabled us to transform ourselves from a black or dark company into a white company. We therefore value the system.

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## 2. 設備投資の進捗状況

### (1) 物流センター「プラネット埼玉」の稼働後の各指標

- ・全社売上高 2018年 2,142億円 ⇒ 2023年 2,681億円 (+539億円)
- ・プラネット埼玉出荷額 ⇒ 2023年 227億5百万円
- ・在庫アイテム数 2018年 37.4万アイテム ⇒ 2023年 59.5万アイテム(+22.1万アイテム)
- ・在庫出荷率 2018年 89.9% ⇒ 2023年 92.1% (+2.2pt)
- ・ユーザー様  
直送個口数 2018年 175万個口 ⇒ 2023年 486万個口 (+311万個口)
- ・システム受注率 2018年 81.7% ⇒ 2023年 87.1% (+5.4pt)

**プラネット埼玉なくして成長戦略を推し進めることはできなかった**

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Next is the progress of capital expenditures.

We have written various indicators since starting the operation of Planet Saitama. We have invested approximately JPY20 billion in Saitama for a long time, but on some occasions people have asked about the cost-effectiveness of this investment.

As I will mention later, I believe that cost-effectiveness is not appropriate for management decisions, and honestly speaking, you can't understand management until you try. So, we have invested JPY20 billion.

The resulting figure is so. But the most important thing is that without Planet Saitama, we would not have been able to achieve the results we have achieved this current fiscal year.

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## 2. 設備投資の進捗状況

### (2) 物流センター「プラネット愛知」の建設(2026年稼働)

- ①在庫100万アイテム目標
- ②「ニアワセ+ユーチョク」機能強化に重点を置く
- ③総投資額 約300億円(土地:約20億円、建物:約180億円、設備:約100億円)
- ④最大出荷可能金額  
1,000億円/年(見込み)

|         |  |
|---------|--|
| 【所在地】   | 愛知県北名古屋市                                   |
| 【敷地面積】  | 12,595 坪(41,634 m <sup>2</sup> )           |
| 【延床面積】  | 26,795 坪(88,579 m <sup>2</sup> )※東京ドーム約2個分 |
| 【階数】    | 倉庫4階、事務所4階、免震構造                            |
| 【建屋竣工】  | 2025年1月 出荷開始:2026年7月予定                     |
| 【設計・施工】 | 大成建設株式会社様                                  |

延床面積は  
プラネット埼玉の2倍!

Next, we share a summary of Aichi with a target of one million inventory items. In addition to that, we will enhance Niawase+U-choku function, and the total investment will be about JPY30 billion for a distribution center for Aichi to western Japan.

We estimate that the annual shipment capacity of the center on a stand-alone basis is around JPY100 billion. We have secured a very good location, located only a 20-minute drive from Nagoya Station. And we intend to enhance logistics in Aichi Prefecture and Shizuoka Prefecture, which are manufacturing centers.

In addition, there is a video of the construction status of Planet Aichi, so please watch it.

[Video Begins]

Music only...

[Video Ends]

**Nakayama:** Steel frame has not yet been fully erected, but the entire structure is seismically isolated, so our goal is to be able to ship immediately in the event of any disaster.

We have gone around Planet. Under the circumstances, the center will be completed in January of next year, but it will take some time before it is operational in July of the year after next due to the installation of logistics facilities.

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## 2. 設備投資の進捗状況

### (3) 物流センター「プラネット新潟」の建設(2026年稼働)

- ①ホームセンター各社様向けの納品出荷能力の向上
- ②ファクトリールート東日本向けの大型商品出荷機能を持つ
- ③日本海ルートの輸入拠点として海上輸送コスト、納期の削減を目指す
- ④総投資額 約180億円(予定)

【所在地】新潟県三条市  
【敷地面積】7,958 坪(26,307㎡)  
【延床面積】約14,218 坪予定(約47,000 ㎡予定)  
【階数】倉庫4階、事務所3階、免震構造  
【建屋竣工】2025年11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  
【物流機器】パレット自動倉庫、電動式移動パレットラック



Next, the third item in the progress of capital expenditures is the construction of Planet Niigata, which is scheduled to start the construction this summer. One of the objectives was to first improve the delivery and shipping capacity for home centers, as the existing centers do not have enough capacity.

We also try to stock such large products for eastern Japan in the factory route. Another objective is that, as a base for imports along the Sea of Japan route, we would like to reduce the cost of marine transportation and delivery time. And it would be much faster and cheaper for ships from China to arrive in Niigata than for ships to circle around the Japanese archipelago and arrive at the port of Yokohama.

We would like to strengthen our procurement activities through this investment. The total investment is approximately JPY18 billion.

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## 2. 設備投資の進捗状況

### (4) プラネット埼玉の保管能力強化

- ① テント倉庫新築 総投資額 約5億円、今期投資額約3億円 (2024年稼働予定)  
(エグゾテック)
- ② EXOTEC社(仏)「Skypod(スカイポッド)」の導入 (2025年稼働予定)

在庫保有: 約10万アイテム 総投資額 約10億円、今期投資額 約3億円



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(エグゾテック)  
EXOTEC社(仏)  
「Skypod(スカイポッド)」

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Then the fourth one, which is to strengthen the storage capacity of Planet Saitama, the first one is this one, a new tent warehouse. I don't really care about building a new tent warehouse, but we are already overflowing with products. And we are going to install a full-scale system called Skypod by Exotec in Aichi, but I would like to try it out here in Saitama.

Simply put, this small robot runs up to the shelf, pulls out the necessary container from the shelf, puts it on its back, goes down again, and takes it to the picker. This is a very efficient system with no conveyor belt and a couple of robots in a line.

We have also prepared a video of this as well. So please watch.

[Video Begins]

Skypod is a new-age picking system called "Goods to person," in which the target item comes to picker's hands, unlike the conventional system in which the picker goes to pick up target items.

The robot receives a delivery instruction, goes to target items, raises and lowers the rack by itself, and removes target items. The robot with target items is automatically transported to a picker. The picker simply performs picking operation as instructed by the monitor.

We will propose the best picking station for your operation.

The order mover type can easily join Skypod to an existing logistics chain. You can automate the supply of para containers and the discharge of containers. When you press a robot swap button, a waiting robot is prepacked. After cargo matching is complete, press a pick complete button and eject the container. The robot goes to the booster by itself once an hour for a quick charge.

Skypod can be scaled flexibly according to the size of warehouses, allowing for future expansion. Skypod is a system that evolves according to your business growth.

[Video Ends]

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**Nakayama:** We would like to actively introduce this kind of machines from the viewpoint of being able to receive and ship goods without relying on human labor as much as possible.

### 3. 女性役員問題への対応状況

#### 「提案女子会」の発足

- ①月1回の取締役会（経営会議）への参加
- ②取締役会（経営会議）での提言

- ・従業員に占める女性従業員の割合 35.5%（社員）73.2%（パートタイマー）
- ・係長級にある者に占める女性従業員の割合 23.7%
- ・管理職に占める女性従業員の割合 8.7%

#### 「提案女子会」のメンバー

|           |              |           |            |
|-----------|--------------|-----------|------------|
|           | デジタル推進課 課長代理 | 大阪NB商品課   |            |
|           | 松田 しおり       | 川口 正子     |            |
| 広報IR課 課長  | 13年目 キャリア    | 16年目 キャリア | プラネット大阪    |
| 吉見 今日子    |              |           | 中久保 裕美     |
| 15年目 キャリア |              |           | 8年目 ロジスエリア |



|                    |          |          |          |
|--------------------|----------|----------|----------|
| 人材開発課 兼 HRサポート課 課長 | 岡山支店     | 大阪支店     | 熊本支店     |
| 中西 陽子              | 村上 麻菜美   | 福原 希望    | 緒方 理美    |
| 19年目 キャリア          | 5年目 キャリア | 5年目 キャリア | 17年目 エリア |



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Next is the launch of female meeting for proposals. I have been thinking about how to appoint female Board members for almost 30 years now, and this is one of the problems that I have not been able to solve yet.

We came up with this meeting to solve the issue. We have a management meeting once a month at this location, and female employees come out and make suggestions from their daily work, even if it is just chatting about what they think should be done, what could be done better, or what should be done differently. It's okay if it's just a chat, but they come out and talk about all kinds of things.

The main goal is to change their mindsets. We hope some of them aim for the top management. As you can see here, the members have a variety of experience in the Company, and some of them are still young, though I would offend you if I said they were just new hires. This is what we are trying to do.

In addition to the above, we now work to encourage female employees. Whenever I have a dinner meeting, it was normal for the head of the product division to be present for suppliers and the head of the sales division to be present for customers, but they no longer have to come out. Anyway, take such a sales person or a woman in charge of the products we purchase and have her meet with various presidents and talk to them, or just breathe the air.

First, to have experience, we would like to start to let them experience such an occasion. Since it has just started, I can't say what the results will be, but we are going to get serious about it.

We try to make our own efforts to grow female employees in-house as much as possible. And so we are now changing our policy to create female executives from among our own employees, rather than hiring them in from somewhere else.

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## Question & Answer

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**Nakayama [M]:** I have three advance questions, so I will answer them.

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### 事前質問

#### Q1.

ファクトリールートは前期の増収率が7%弱と久しぶりに比較的高い伸びとなりました。

この先、在庫アイテム数やセンターの拡充によってふたたび二桁近い伸びが期待できるものでしょうか？

または既に潜在市場や顧客の大半は取ってしまったのでしょうか？

もう一段の成長のための営業強化策はあるのでしょうか？

**TRUSCO**

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**Participant [Q]:** First, as question one, you wrote the following question that the factory route had a relatively high revenue growth rate of just under 7% in the last fiscal year, the first time in a long time.

**Nakayama [M]:** The answer is as follows.

**Nakayama [A]:** As I mentioned earlier, orders are flowing from companies that are inconvenient to those that are convenient, and this trend toward convenience is accelerating. We can therefore sustain growth by meeting these needs.

It is impossible to accurately count the industry share because of the complexity of products handled by each company. We can achieve further growth by expanding the products and inventory we handle, as well as by strengthening our logistics and digital capabilities since the number of customers and the market have grown for sure. We are not content with our current market and customer base, but rather we will continue to expand our business in various areas.

In the past, most of our customers were machine tool dealers, but as you can see from the breakdown of customers, we have a very diverse range of customers in the online shopping area, and we now receive many inquiries from major electronics retailers in the online shopping area. So I am confident that we can expand even better.

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## 事前質問

### Q2.

プラネット埼玉をはじめとする物流センターへの投資が重なった際、減価償却費が対売上で3%まで上昇しました。

この先のプラネット愛知、プラネット新潟稼働後の同比率はどの程度を見込まれているのでしょうか？

**TRUSCO**

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**Participant [Q]:** Second, you said that depreciation expenses rose to 3% of sales when the investment in the center, including Planet Saitama, was done at the same time.

**Nakayama [M]:** As to this question, the answers are as follows.

**Nakayama [A]:** Capital expenditures are essential for growth, and we make no calculations as to what percentage of sales is accounted for by depreciation. We make business decisions considering whether or not an investment is necessary, and that they do not make any decisions to limit depreciation to a percentage of sales, which would curb capital investment.

The cost-effectiveness is not appropriate for management decisions. So we look at the total amount of capital investment in relation to the level of profits and consider whether an investment is excessive or too excessive.

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## 事前質問

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### Q3.

物流の24年問題については、既に大半が対応済みと認識しておりますが、ここから数年先を見据えた際、次の物流の脅威・課題は何かありますでしょうか？ また逆に物流課題をどのように収益機会にされていますでしょうか？ MROストッカーのオープン化や物流体制のコンサル、支援など物流課題を収益機会にされるような考えはありますでしょうか？

**TRUSCO**

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**Participant [Q]:** Next is the third question, I think that most of the logistics companies have already addressed the 2024 problems. But looking a few years ahead, what are the next threats and challenges to logistics?

**Nakayama [M]:** The answer to this question is as follows.

**Nakayama [A]:** The logistics 2024 issue is a tailwind for our company with Niawase+U-choku. The tighter logistics will become in the future, the more advantageous the environment will become for us, as we basically own logistics. Our practice of “not relying on other people's capital for the main artery of the Company” for about 40 years will be very useful in the future.

For us, inventory is the root of energy for growth, and all, Niawase+U-choku, MRO Stocker, and the upcoming Youkle service, would not be possible without inventory. They are the services that we cannot allow our competitors to follow.

Nevertheless, we cannot say we are not affected at all. The current cargo assortment service is a service that packs the products of various manufacturers into a single box.

If you buy products from an online retail company, many boxes will come with an order. But In the case of our company, we pack everything into one box as much as possible and send it to you. So from the shipping company's point of view, it is a very low delivery load and low environmental load. The logistics is therefore not a big problem.

We have Approx. 130 employees who specialize in delivery, and all of them are full-time employees. Accordingly, we have almost zero turnover rate. We have been often asked to hire employees from other companies. Since we have no temporary employees, we conduct business for ourselves. This has been a very advantageous situation for us.

That's about all I have to say now, and I'll leave it up to you to receive questions, Ms. Takahashi.

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**Takahashi [M]:** Now, if anyone in the audience has questions, please raise your hand and tell us the name of your company, your name, and the nature of your question.

Now, if you have any questions, please raise your hand.

**Mr.Komiya [Q]:** I too regret having writing too much about depreciation in reports and other documents until now. Because the Company is so stable, when you look at it on a five-year basis, it is inevitable that the Company's performance is explained in this way. I will be careful in the future.

Last year, gross profit improved for the second consecutive year, and in your explanation for H1 of last year, you mentioned that the JPY1.4 billion price increase had a positive effect, but it would be difficult to predict the effect in H2 of the year. How do you factor price increase effect in the plan of the present business year? In other words, the gross profit assumption for this year is 21%, down 0.5 percentage point from last year. Could you tell me how did you calculate this?

**Nakayama [A]:** We won't know until we finish the period. We however expect to make a total profit of about JPY500 million for the full year, but I'm sorry I am not convinced.

**Mr.Komiya [Q]:** Do you expect JPY500 million this year compared to JPY2,300 million of last year? I understand.

**Nakayama [A]:** Regarding our stance on price increases, if a manufacturer requests such a price increase, we will accept requests without hesitation. Then, we will soon start negotiations with customers on sales price hikes without hesitation.

**Mr.Komiya [Q]:** I understand very well.

Second, I think one of the factors that is quite difficult to estimate now is quarterly accounting. I have heard from IR that the gross profit tends to be high at the end of H1 and at the end of the fiscal year because of the timing difference in the inventory amount for each quarter. I doubt from outside that the quarterly accounting works well to show real figures. I'm not sure if the improvement will be made this year or not, but please tell me in detail.

**Nakayama [A]:** The current quarterly closing of accounts, such as Q1 or Q2, is very burdensome for companies, and there is a trend toward reviewing such quarterly closing. To be honest, we think that the best way is to settle accounts once a year, or at most semiannually, or half-yearly at most.

I'm sorry, but I don't think it's a good idea to put too much effort into something that won't contribute to the Company's performance.

**Mr.Komiya [Q]:** I understand that you don't need such a two-or three-month period to make a business decision.

**Nakayama [A]:** Yes, that's what I mean.

**Mr.Komiya [Q]:** I understand.

Lastly, the economy in China is deteriorating and that various companies reported various financial results, but I ask this question based on my full understanding that the percentage of your company's sales in Japan is high. How is the business confidence in Japan right now compared to this year or last year? Could you tell me as a business person who do business every day? That's all from me.

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**Nakayama [A]:** I'm sorry, I don't know if I'm going to offend you by saying this, but I've never actually paid attention to business confidence, and even if I did, there's nothing I could do about it. For example, there is nothing we can do if we say, "What's going on in the Chinese economy?" Rather than that, our main focus is on what measures we should take and how we should implement them to enhance the Company.

So even in management meetings, there are no discussions about whether the economy is good or bad, or what the future holds for the Company. Our company is a little mysterious

**Mr.Komiya [M]:** I understand. I asked the same question about five years ago and was relieved to get the same answer. That's all from me.

**Nakayama [M]:** It has not changed.

**Mr.Komiya [M]:** Thank you.

**Takahashi [M]:** Do you have any other questions?

Since there seem to be no further questions, we will now move on to the Q&A session with the online participants.

**Mr.Hiramatsu [Q]:** Thank you for your support as always.

I have two questions. Since you offer such advanced solutions, such as Niawase+U-choku and a wide selection of products, I wonder if it would be possible in the future to pass this on to the price of products or receive a fee for the time and effort. Or are you going to take market share without doing so?

**Nakayama [A]:** At present, shipping costs are paid by online retailers. And then we ship products without being involved in shipping fees. General dealers also pay so, basically with their own money.

But we have not received the packing and shipping fees that you just mentioned. So we will have to consider billing customers for these in the future. I don't know whether it is JPY200, JPY300, or JPY500 per order. But for online retailers, when they receive an order from a customer, they can simply throw the data directly into TRUSCO. And we pack and ship it, so that they have no hassle at all. It is the current situation.

We have whispered to two companies about the need to improve this situation and we have received responses such as, "Oh, we noticed?" We will continue to work on this issue in the future.

**Mr.Hiramatsu:** Thank you very much.

Second, if Planet Aichi is completed, I think one million SKUs and the HACOBUne project for example will be completed, and what will be realized if that is done?

Net sales are expected to reach JPY100 billion here, but what kind of competitive advantage, for example, or a 100% shipment rate, or customers being able to get 10 out of 10 items from TRUSCO alone without having to go elsewhere, or better productivity, can be achieved? If you have just an image, please let me know.

**Nakayama [A]:** I can't give you the name, but we have a machine tool manufacturer that consider selling not only machine tools, but also a complete set of tools like cutting tools, tooling tools, and measuring tools, which are used after selling machines.

So now, most of the machines are online, and users and manufacturers are already connected. And when they receive an order, they throw the data into TRUSCO and ask us if we can send the product from TRUSCO

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to the user. Now we have started to receive such a request from manufacturers to send the products to them.

This is an unprecedented request. And in the end, if we simply make logistics more sophisticated and efficient, it will not only make our existing business more efficient, but also open up more and more business opportunities.

For example, we have a business relationship with IRIS OHYAMA Inc. They used to focus on plastic storage boxes and other such items. But now that they are making the transition to a home appliance manufacturer, customers start to wonder whether they can buy IRIS's home appliances or not. Since there will be complicated issues in the future, we have decided to sell everything anyway.

IRIS is now going to strengthen sales of water and rice as well, and so we will probably be forced to sell both rice and water in the near future.

In any case, the business of transporting or distributing goods is an integral part of any industry or business. And if we have such capabilities, such jobs will continue to increase, and in about 10 years, I wonder if we will even do things I can't expect. I look forward to the future a lot.

**Mr.Hiramatsu [M]:** Thank you very much. I understand very well.

**Nakayama [M]:** Thank you very much.

**Takahashi [M]:** Does anyone have any other questions? Please, go ahead.

**Mr.Sakae [M]:** Thank you very much.

**Nakayama [M]:** Please, ask your questions.

**Mr.Sakae [Q]:** Thank you. I have three questions.

First, about the plan of PB net sales for the present business year, I understand that your target increase is JPY3,400 million YoY to JPY51,700 billion. Since the amount of sales increase is usually around JPY2,500 million, I was wondering if this is a slightly higher stage. If you have started any different initiatives from the previous period in the area of PB products, could you please tell them to us?

I also know that PB sales fell a little short of the Company's plan for the previous year. Could you share its reason?

**Nakayama [A]:** First, regarding PB products, it may seem that there is a sales target, but in fact there is not. Our stance is to make products that customers can pick up and buy, rather than just recommend to them and have them buy them.

We plan a complete renewal of aerosol products, such as lubricants and various other types of products, which are our specialty. We try to increase sales as much as possible in these areas by changing from product numbers to product names to something easier to understand.

In the past, we had aerosol-related products that had product numbers that were impossible to remember, which is a funny story, but I wondered if products with such product numbers would sell. So we have decided to make the number simple. We have such aerosol-related products. I'm sorry, I can't remember all the products immediately. But unless we brush up on our PB products, they will become obsolete, so we would like to expand our sales by focusing on such products.

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**Mr.Sakae [Q]:** Thank you very much. The second point is to confirm the figures in your plan for FY2024. Looking at the gross profit margin alone, it is expected to be 21%, which is 0.5 percentage point lower YoY. I would like to know what the reasons are for the decrease.

**Nakayama [A]:** The reason is old prices. We have a lot of inventory, as mentioned earlier. We sold such products and the profit from the old price will be reduced a little accordingly since the old price products will be reduced. That's the reason for the decrease of the gross profit margin.

To be honest, we won't know the gross profit until after the period is over. It is a curious story, but in the past, gross profit margins would drop dramatically when salespeople were sent to sell. The more people are involved, the more the gross profit margin would decline. It is actually natural to say that gross profit increases when people are not involved. Customers said, "Well, how nice of you to come." So, the conversation would be, "How much are you going to charge me for that product?"

So, of course, we do business with, for example, special price registrations. Also, I feel that the focus has shifted more and more from "how much we charge products to a customer?" to "how can a customer procure and ship products with less hassle."

Rather than asking which product is cheaper or more expensive, they ask which company can provide the most hassle-free procurement and shipping methods in total. We have come to appreciate this situation. This is the current direction.

**Mr.Sakae [Q]:** Thank you very much. As for the third and final question, as you explained in the previous answer to the advance question, I thought you were right about the flow of people from inconvenient companies to convenient companies. And you explained that this trend is accelerating.

What are some of accelerating trends in your industry? And I was wondering if you could tell me how I should understand how it happened.

**Nakayama [A]:** This may sound like an onsite slapstick story, but let's say that TRUSCO had an order to send this package directly to this user. Wait a minute. If you ask TRUSCO to send products and have other products we plan to ask to another company, asking TRUSCO to ship those products together would eliminate freight expenses and hassles. This process of cargo assortment service has the effect of attracting orders with a dust collector.

Financial results announcement for the current period are not finished for all the companies. If you look at them, however, you will understand in general that we performed well. One of the reasons for this is that Niawase+U-choku has been very well received.

The 2024 issue is also a problem for freight rates. We must strive to reduce the burdens as much as possible. For us, however, the situations have a significant tailwind effect.

**Mr.Sakae [M]:** Thank you very much.

**Takahashi [M]:** With that, we will conclude the Q&A session. If anyone has any further questions, please feel free to contact us by e-mail or, as appropriate, for interview requests.

This concludes the financial results briefing for the fiscal year ended December 2023. Webinar participants will be taken to a short survey regarding this information session after watching. Please answer if you would like. Thank you very much for your kind attention to the end.

[END]

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