

Trusco Nakayama Corporation
Financial Statements

Consolidated Balance Sheet
December 31, 2022

ASSETS	Millions of Yen		Thousands of U.S. Dollars*	LIABILITIES AND EQUITY	Millions of Yen		Thousands of U.S. Dollars*
	2022	2021	2022		2022	2021	2022
CURRENT ASSETS:				CURRENT LIABILITIES:			
Cash and cash equivalents	¥ 39,401	¥ 41,469	\$ 296,916	Accounts payable - trade	¥ 18,866	¥ 16,354	\$ 142,172
Accounts receivable - trade	31,558	28,776	237,814	Short-term loans borrowings	10,000	17,000	75,358
Electronically-recorded monetary claims	2,759	2,133	20,789	Current portion of long-term borrowings	10,000		75,358
Merchandise	45,293	42,292	341,316	Other payables	3,090	3,126	23,287
Other current assets	657	815	4,960	Income taxes payable	2,515	2,898	18,955
Allowance for doubtful accounts	(1)	(1)	(8)	Provision for bonuses	12	17	92
				Other current liabilities	1,696	2,863	12,772
Total current assets	119,667	115,484	901,787	Total current liabilities	46,179	42,258	347,994
PROPERTY, PLANT AND EQUIPMENT:				LONG-TERM LIABILITIES:			
Land	38,547	37,896	290,479	Long-term loans borrowings	25,000	35,000	188,395
Buildings and structures	77,865	75,659	586,766	Deposits received for guarantees	2,781	2,726	20,956
Machinery, equipment and vehicles	14,448	14,058	108,880	Retirement allowances for directors and the Audit and Supervisory board members	151	151	1,141
Furniture and fixtures	6,158	6,136	46,408	Other long-term liabilities	95	95	712
Construction in progress	412	227	3,108	Total long-term liabilities	28,027	37,972	211,204
Total	137,430	133,976	1,035,641	EQUITY :			
Accumulated depreciation	(39,966)	(35,782)	(301,169)	Common stock	5,022	5,022	37,848
Net property, plant and equipment	97,464	98,194	734,472	Capital surplus	4,711	4,711	35,504
INVESTMENTS AND OTHER ASSETS:				Retained earnings	141,096	132,580	1,063,273
Investment securities	3,118	2,967	23,499	Unrealized gain on available-for-sale securities	467	679	3,512
Software and software in progress	4,373	5,395	32,958	Land revaluation difference	(353)	(353)	(2,663)
Deferred tax assets	121	141	910	Foreign currency translation adjustment	139	(133)	1,050
Deferred tax assets on land revaluation	156	156	1,174	Treasury stock	(80)	(79)	(601)
Other assets	318	330	2,396	Total equity	151,002	142,427	1,137,923
Allowance for doubtful accounts	(9)	(10)	(75)	TOTAL	¥ 225,208	¥ 222,657	\$ 1,697,121
Total investments and other assets	8,077	8,979	60,862				
TOTAL	¥ 225,208	¥ 222,657	\$ 1,697,121				

* The translations of Japanese yen amounts into U.S. dollar amounts have been made at the rate of ¥132.70 to \$1, the approximate rate of exchange at December 31, 2022.

* Accounting Standard for Revenue Recognition has been applied from the beginning of the fiscal year. This change in accounting policy has been applied retroactively.

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Consolidated Statement of Income
Year Ended December 31, 2022

	Millions of Yen		Thousands of U.S. Dollars*
	2022	2021	2022
NET SALES	¥ 246,454	¥ 226,834	\$ 1,857,224
COST OF GOODS SOLD	194,293	179,163	1,464,151
Gross profit	52,161	47,671	393,073
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	37,494	34,673	282,544
Operating income	14,667	12,998	110,529
OTHER INCOME (EXPENSES) :			
Interest and dividend income	58	42	435
Rental income from real estate	166	203	1,251
Subsidy income	139	147	1,044
Interest expenses	(88)	(88)	(663)
Rental costs on real estate	(42)	(56)	(315)
Compensation expenses	(30)		(226)
Gain on sales of non-current assets		3,466	
Gain on sales of investment securities	194		1,463
Compensation Loss on eviction		(50)	
Other - net	196	309	1,477
Other income - net	593	3,973	4,466
INCOME BEFORE INCOME TAXES	15,260	16,971	114,995
INCOME TAXES :			
Current	4,519	4,533	34,055
Deferred	114	842	860
Total income taxes	4,633	5,375	34,915
NET INCOME	¥ 10,627	¥ 11,596	\$ 80,080
NET INCOME ATTRIBUTABLE TO OWNERS OF PARENT	¥ 10,627	¥ 11,596	\$ 80,080
	Yen		U.S. Dollars*
PER SHARE OF COMMON STOCK :			
Basic net income	¥ 161.15	¥ 175.86	\$ 1.21
Cash dividends applicable to the year	40.00	35.50	0.30

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Consolidated Statement of Changes in Equity
Year Ended December 31, 2022

	Thousands of Shares	Millions of Yen							
		Shareholders' Equity				Accumulated Other Comprehensive Income			
		Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Unrealized Gain on Available-for-Sale Securities	Land Revaluation Difference	Foreign Currency Translation Adjustment	Total Equity
BALANCE, JANUARY 1, 2021	65,943	¥ 5,022	¥ 4,711	¥ 123,465	¥ (77)	¥ 598	¥ (357)	¥ (402)	¥ 132,960
Cumulative effects of changes in accounting policies				(235)					(235)
Restated balance		¥ 5,022	¥ 4,711	123,230	¥ (77)	¥ 598	¥ (357)	¥ (402)	¥ 132,725
Net income				11,596					11,596
Cash dividends, ¥34.0 per share				(2,242)					(2,242)
Purchase of treasury stock	(0)				(2)				(2)
Disposal of treasury stock	0		0		0				0
Other				(4)			4		
Net change in the year						81		269	350
BALANCE, DECEMBER 31, 2021	65,943	¥ 5,022	¥ 4,711	¥ 132,580	¥ (79)	¥ 679	¥ (353)	¥ (133)	¥ 142,427
Cumulative effects of changes in accounting policies									
Restated balance		¥ 5,022	¥ 4,711	¥ 132,580	¥ (79)	¥ 679	¥ (353)	¥ (133)	¥ 142,427
Net income				10,627					10,627
Cash dividends, ¥32.0 per share				(2,111)					(2,111)
Purchase of treasury stock	(1)				(1)				(1)
Disposal of treasury stock	0		0		0				0
Other									
Net change in the year						(212)		272	60
BALANCE, DECEMBER 31, 2022	65,942	¥ 5,022	¥ 4,711	¥ 141,096	¥ (80)	¥ 467	¥ (353)	¥ 139	¥ 151,002

	Thousands of U.S. Dollars*							
	Shareholders' Equity				Accumulated Other Comprehensive Income			
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Unrealized Gain on Available-for-Sale Securities	Land Revaluation Difference	Foreign Currency Translation Adjustment	Total Equity
BALANCE, DECEMBER 31, 2021	\$ 37,848	\$ 35,504	\$ 999,095	\$ (595)	\$ 5,115	\$ (2,663)	\$ (1,004)	\$ 1,073,300
Cumulative effects of changes in accounting policies								
Restated balance	\$ 37,848	\$ 35,504	\$ 999,095	\$ (595)	\$ 5,115	\$ (2,663)	\$ (1,004)	\$ 1,073,300
Net income			80,080					80,080
Cash dividends, \$0.24 per share			(15,902)					(15,902)
Purchase of treasury stock				(6)				(6)
Disposal of treasury stock		0		0				0
Other								
Net change in the year					(1,603)		2,054	451
BALANCE, DECEMBER 31, 2022	\$ 37,848	\$ 35,504	\$ 1,063,273	\$ (601)	\$ 3,512	\$ (2,663)	\$ 1,050	\$ 1,137,923

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Consolidated Statement of Cash Flows
Year Ended December 31, 2022

	Millions of Yen		Thousands of U.S. Dollars*
	2022	2021	2022
OPERATING ACTIVITIES:			
Income before income taxes	¥ 15,260	¥ 16,971	\$ 114,995
Adjustments for:			
Depreciation and amortization	6,691	6,958	50,420
Increase(Decrease) in allowance for doubtful accounts	(0)	4	(0)
Gain on sales and disposals of property, plant and equipment		(3,466)	
Compensation loss on eviction		50	
Changes in assets and liabilities:			
Increase in accounts receivable	(3,398)	(3,497)	(25,610)
Increase in merchandise	(2,906)	(1,022)	(21,901)
Increase in accounts payable	2,505	883	18,880
Increase(Decrease) in accrued consumption taxes	(1,216)	2,071	(9,165)
Other - net	148	417	1,122
Income taxes paid	(4,905)	(3,392)	(36,963)
Compensation loss on eviction paid		(50)	
Net cash provided by operating activities	<u>12,179</u>	<u>15,927</u>	<u>91,778</u>
INVESTING ACTIVITIES:			
Purchase of property, plant and equipment	(3,818)	(7,876)	(28,773)
Proceeds from sales of property, plants and equipment	3	4,947	23
Purchase of intangible assets	(1,115)	(721)	(8,401)
Purchase of investment securities	(500)	(1,000)	(3,768)
Proceeds from sales of investment securities	236		1,781
Other - net	28	53	211
Net cash used in investing activities	<u>(5,166)</u>	<u>(4,597)</u>	<u>(38,927)</u>
FINANCING ACTIVITIES:			
Net increase (decrease) in short-term borrowings	(7,000)		(52,751)
Repurchase of treasury stocks	(0)	(2)	(7)
Proceeds from sales of treasury stocks	0	0	0
Dividends paid	(2,111)	(2,241)	(15,898)
Other - net			
Net cash used in financing activities	<u>(9,111)</u>	<u>(2,243)</u>	<u>(68,656)</u>
FOREIGN CURRENCY TRANSLATION ADJUSTMENTS			
ON CASH AND CASH EQUIVALENTS	<u>49</u>	<u>19</u>	<u>363</u>
NET INCREASE (DECREASE) IN CASH AND CASH	<u>(2,049)</u>	<u>9,106</u>	<u>(15,442)</u>
EQUIVALENTS, BEGINNING	<u>41,450</u>	<u>32,344</u>	<u>312,358</u>
OF YEAR			
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>¥ 39,401</u>	<u>¥ 41,450</u>	<u>\$ 296,916</u>

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