

Trusco Nakayama Corporation
Financial Statements

Consolidated Balance Sheet
December 31, 2020

ASSETS	Millions of Yen		Thousands of U.S. Dollars*	LIABILITIES AND EQUITY	Millions of Yen		Thousands of U.S. Dollars*
	2020	2019	2020		2020	2019	2020
CURRENT ASSETS:				CURRENT LIABILITIES:			
Cash and cash equivalents	¥ 32,384	¥ 18,373	\$ 312,825	Accounts payable - trade	¥ 15,616	¥ 15,707	\$ 150,850
Accounts receivable - trade	25,705	26,341	248,309	Short-term loans borrowings	17,000	17,000	164,219
Electronically-recorded monetary claims	1,851	1,706	17,879	Other payables	3,454	4,232	33,362
Merchandise	41,543	43,653	401,301	Income taxes payable	1,708	2,451	16,498
Other current assets	1,100	1,034	10,634	Provision for bonuses	16	23	153
Allowance for doubtful accounts	(0)	(0)	(0)	Other current liabilities	416	1,964	4,024
Total current assets	102,583	91,107	990,948	Total current liabilities	38,210	41,377	369,106
PROPERTY, PLANT AND EQUIPMENT:				LONG-TERM LIABILITIES:			
Land	32,568	31,744	314,605	Long-term loans borrowings	35,000	25,000	338,099
Buildings and structures	72,158	59,159	697,049	Deposits received for guarantees	2,531	2,087	24,453
Machinery, equipment and vehicles	13,617	8,853	131,539	Retirement allowances for directors and the Audit and Supervisory board members	151	152	1,463
Furniture and fixtures	5,952	4,837	57,496	Other long-term liabilities	2	1	14
Construction in progress	3,008	15,450	29,055	Total long-term liabilities	37,684	27,240	364,029
Total	127,303	120,043	1,229,744	EQUITY :			
Accumulated depreciation	(31,226)	(26,938)	(301,643)	Common stock	5,022	5,022	48,516
Net property, plant and equipment	96,077	93,105	928,101	Capital surplus	4,711	4,711	45,510
INVESTMENTS AND OTHER ASSETS:				Retained earnings	123,465	117,733	1,192,669
Investment securities	1,850	1,809	17,875	Unrealized gain on available-for-sale securities	598	569	5,775
Software and software in progress	6,882	8,538	66,480	Land revaluation difference	(358)	(358)	(3,453)
Deferred tax assets	920	889	8,887	Foreign currency translation adjustment	(402)	(124)	(3,881)
Deferred tax assets on land revaluation	158	158	1,522	Treasury stock	(76)	(75)	(746)
Other assets	391	496	3,784	Total equity	132,960	127,478	1,284,390
Allowance for doubtful accounts	(7)	(7)	(72)	TOTAL	¥ 208,854	¥ 196,095	\$ 2,017,525
Total investments and other assets	10,194	11,883	98,476				
TOTAL	¥ 208,854	¥ 196,095	\$ 2,017,525				

* The translations of Japanese yen amounts into U.S. dollar amounts have been made at the rate of ¥103.52 to \$1, the approximate rate of exchange at December 31, 2020.

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Consolidated Statement of Income
Year Ended December 31, 2020

	Millions of Yen		Thousands of U.S. Dollars*
	2020	2019	2020
NET SALES	¥ 213,405	¥ 220,675	\$ 2,061,482
COST OF GOODS SOLD	167,495	173,640	1,617,996
Gross profit	45,910	47,035	443,486
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	34,892	33,237	337,054
Operating income	11,018	13,798	106,432
OTHER INCOME (EXPENSES) :			
Interest and dividend income	37	34	358
Interest expenses	(85)	(68)	(819)
Purchase discounts	1,735	1,895	16,758
Sales discounts	(1,697)	(1,841)	(16,394)
Gain on sales of investment securities		15	
Loss on sales and disposals of property, plant and equipment		(27)	
Other - net	552	380	5,331
Other income - net	542	388	5,234
INCOME BEFORE INCOME TAXES	11,560	14,186	111,666
INCOME TAXES :			
Current	3,596	4,571	34,734
Deferred	(43)	1	(420)
Total income taxes	3,553	4,572	34,314
NET INCOME	¥ 8,007	¥ 9,614	\$ 77,352
NET INCOME ATTRIBUTABLE TO OWNERS OF PARENT	¥ 8,007	¥ 9,614	\$ 77,352
	Yen		U.S. Dollars*
PER SHARE OF COMMON STOCK :			
Basic net income	¥ 121.43	¥ 145.78	\$ 1.17
Cash dividends applicable to the year	30.50	36.50	0.29

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Consolidated Statement of Changes in Equity
Year Ended December 31, 2020

	Thousands of Shares Outstanding Number of Shares of Common Stock	Millions of Yen							
		Shareholders' Equity				Accumulated Other Comprehensive Income			Total Equity
		Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Unrealized Gain on Available-for-Sale Securities	Land Revaluation Difference	Foreign Currency Translation Adjustment	
BALANCE, JANUARY 1, 2019	65,945	¥ 5,022	¥ 4,711	¥ 110,559	¥ (73)	¥ 442	¥ (358)	¥ (310)	¥ 119,993
Net income				9,614					9,614
Cash dividends, ¥37.0 per share				(2,440)					(2,440)
Purchase of treasury stock	(1)				(2)				(2)
Disposal of treasury stock	0		0		0				0
Other				0					0
Net change in the year						127		186	313
BALANCE, DECEMBER 31, 2019	65,944	¥ 5,022	¥ 4,711	¥ 117,733	¥ (75)	¥ 569	¥ (358)	¥ (124)	¥ 127,478
Net income				8,007					8,007
Cash dividends, ¥34.5 per share				(2,275)					(2,275)
Purchase of treasury stock	(1)				(1)				(1)
Disposal of treasury stock	0		0		0				0
Other									0
Net change in the year						29		(278)	249
BALANCE, DECEMBER 31, 2020	65,943	¥ 5,022	¥ 4,711	¥ 123,465	¥ (76)	¥ 598	¥ (358)	¥ (402)	¥ 132,960

	Thousands of U.S. Dollars*							
	Shareholders' Equity				Accumulated Other Comprehensive Income			Total Equity
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Unrealized Gain on Available-for-Sale Securities	Land Revaluation Difference	Foreign Currency Translation Adjustment	
BALANCE, DECEMBER 31, 2019	\$ 48,516	\$ 45,509	\$ 1,137,294	\$ (726)	\$ 5,500	\$ (3,453)	\$ (1,201)	\$ 1,231,439
Net income			77,352					77,352
Cash dividends, \$0.33 per share			(21,977)					(21,977)
Purchase of treasury stock				(21)				(21)
Disposal of treasury stock		1		1				2
Other								
Net change in the year					275		(2,680)	2,405
BALANCE, DECEMBER 31, 2020	\$ 48,516	\$ 45,510	\$ 1,192,669	\$ (746)	\$ 5,775	\$ (3,453)	\$ (3,881)	\$ 1,284,390

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Consolidated Statement of Cash Flows
Year Ended December 31, 2020

	Millions of Yen		Thousands of U.S. Dollars*
	2020	2019	2020
OPERATING ACTIVITIES:			
Income before income taxes	¥ 11,560	¥ 14,186	\$ 111,666
Adjustments for:			
Depreciation and amortization	6,588	4,902	63,643
Decrease in allowance for doubtful accounts	(0)	0	(1)
Changes in assets and liabilities:			
Decrease(Increase) in accounts receivable	487	(506)	4,702
Decrease(Increase) in merchandise	2,049	(5,872)	19,792
Increase(Decrease) in accounts payable	(87)	531	(843)
Increase(Decrease) in accrued consumption taxes	(1,650)	2,639	15,943
Other - net	417	(55)	(4,035)
Income taxes paid	(4,296)	(4,827)	(41,490)
Net cash provided by operating activities	15,068	10,998	145,561
INVESTING ACTIVITIES:			
Proceeds from redemption of securities		100	
Purchase of property, plant and equipment	(8,053)	(15,401)	(77,787)
Purchase of intangible assets	(818)	(3,922)	(7,900)
Purchase of investment securities		(440)	
Other—net	128	(44)	1,228
Net cash used in investing activities	(8,743)	(19,707)	(84,459)
FINANCING ACTIVITIES:			
Net increase (decrease) in short-term borrowings		17,000	
Proceeds from long-term loans payable	10,000		96,600
Dividends paid	(2,275)	(2,439)	(21,980)
Other - net	(2)	(2)	(20)
Net cash used in financing activities	7,723	14,559	74,600
FOREIGN CURRENCY TRANSLATION ADJUSTMENTS ON CASH AND CASH EQUIVALENTS			
	(34)	31	(327)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	14,014	5,881	135,375
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	18,330	12,449	177,069
CASH AND CASH EQUIVALENTS, END OF YEAR	¥ 32,344	¥ 18,330	\$ 312,444

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